

**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

# WOORI FINANCIAL GROUP INC.

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## **Independent Auditor's Report**

Based on a report originally issued in Korean

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

#### **Opinion**

We have audited the consolidated financial statements of Woori Financial Group Inc. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising of material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

We also have audited, in accordance with Korean Standards on Auditing (KSAs), the Group's Internal Control over Financial Reporting ("ICFR") for consolidation purposes as of December 31, 2023, based on the criteria established in Conceptual Framework for Designing and Operating Internal Control over Financial Reporting issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea, and our report dated March 6, 2024 expressed an unmodified opinion on the effectiveness of the Group's internal control over financial reporting for consolidation purposes.

#### **Basis for Opinion**

We conducted our audit in accordance with Korean Standards on Auditing (KSAs). 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 that are relevant to our audit of the consolidated financial statements in Republic of Korea, 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.

#### ***Assessment of the allowance for credit losses for loans***

As discussed in Note 10 to the consolidated financial statements, the Group recognized an allowance for credit losses using the Expected Credit loss (ECL) impairment model for loans at amortized cost amounting to KRW 2,975,060 million as of December 31, 2023. ECL allowances are measured at



amounts equal to either (i) 12-month ECL; or (ii) lifetime ECL for those loans that have experienced a Significant Increase in Credit Risk (SICR) since initial recognition or are impaired. The Group measures ECL allowances on an individual basis for individually significant corporate loans which have had SICR or have become impaired. The allowance for credit losses for all other loans is measured on a collective basis. For these loans, the Group measures ECL by estimating the Probability of Default (PD), the Loss Given Default (LGD) as well as the impact of future economic forecast information. For corporate loans, the Group's credit rating of the borrower and future economic forecast information are used in the determination of the PD. The Group uses quantitative and qualitative factors to determine the credit rating of the borrower and the evaluation of the qualitative factors involves a high level of judgment by the Group. For the incorporation of future economic forecast information in the PD, the Group uses various information to select a model and this also involves a high level of judgment by the Group.

We identified the following risk as a key audit matter, considering the likelihood of errors, the level of involvement of management judgement, and risk of material misstatement.

- Risk that the allowance for credit losses which is measured on a collective basis is misstated due to error or fraud in the evaluation of the qualitative factors which is used for determining the internal credit ratings of corporate loans, and the manner in which future economic forecast information is incorporated.

The following are the primary procedures we performed to address this key audit matter:

- We evaluated the design and tested the operating effectiveness of certain internal controls related to: (i) the assessment of qualitative factors in the process of determining the Group's credit rating of corporate loans; and (ii) the assessment of the appropriateness of the model selection process to incorporate future economic forecast information

- We checked whether, for a sample of corporate loans with ECL measured on a collective basis, the Group's policy was applied in the credit rating process

- We involved credit risk professionals with specialized skills and knowledge, who assisted in: (i) using statistical methods to analyze the correlation between the future economic forecast information and PD; (ii) assessing the reasonableness of the rationale for the selection of the final model by checking the appropriateness and the reasonableness of the model selection criteria by statistically; and (iii) checking the accuracy of the PD which incorporated future economic forecast information by a recalculation.

### **Other Matter**

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

The consolidated financial statements of the Group for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 7, 2023.

### **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 K-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, or has no realistic alternative but to do so.

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 KSAs 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 KSAs, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements 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 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 Jae-Beom Choi.

*KPMG Samjory Accounting Corp.*

Seoul, Korea  
March 6, 2024

This report is effective as of March 6, 2024, 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 the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**  
CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

The accompanying consolidated financial statements including all footnote disclosures were prepared by, and are the responsibility of, the management of Woori Financial Group Inc.

**Jong Yong Yim**  
**President and Chief Executive Officer**

Main Office Address: (Address) 51, Sogong-ro, Jung-gu, Seoul  
(Phone Number) 02-2125-2000

**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<b>(Korean Won in millions)</b>	
<b>ASSETS</b>		
Cash and cash equivalents (Note 6)	30,556,618	34,219,148
Financial assets at fair value through profit or loss (“FVTPL”) (Notes 4, 7, 11, 12, 18 and 26)	21,544,756	19,860,573
Financial assets at fair value through other comprehensive income (“FVTOCI”) (Notes 4, 8, 11, 12, and 18)	37,891,495	33,085,080
Securities at amortized cost (Notes 4, 9, 11, 12 and 18)	23,996,172	28,268,516
Loans and other financial assets at amortized cost (Notes 4, 10, 11, 12, 18 and 41)	373,148,148	355,760,729
Investments in joint ventures and associates (Note 13)	1,795,370	1,305,636
Investment properties (Notes 14 and 18)	472,768	387,707
Property, Plant and Equipment (Notes 15 and 18)	3,176,759	3,142,930
Intangible assets (Note 16)	996,842	849,114
Assets held for sale (Note 17)	20,345	13,772
Net defined benefit asset (Note 24)	240,260	319,280
Current tax assets (Note 38)	203,542	53,274
Deferred tax assets (Note 38)	93,366	109,299
Derivative assets (Designated for hedging) (Notes 4,11,12 and 26)	26,708	37,786
Other assets (Notes 19 and 41)	3,841,787	3,061,552
Total assets	<u>498,004,936</u>	<u>480,474,396</u>
<b>LIABILITIES</b>		
Financial liabilities at fair value through profit or loss (“FVTPL”) (Notes 4, 11, 12, 20 and 26)	6,138,313	8,952,399
Deposits due to customers (Notes 4,11,21 and 41)	357,784,297	342,105,209
Borrowings (Notes 4, 6, 11, 12 and 22)	30,986,746	28,429,603
Debentures (Notes 4, 6, 11 and 22)	41,239,245	44,198,486
Provisions (Notes 23, 40 and 41)	806,031	545,865
Net defined benefit liability (Note 24)	6,939	35,202
Current tax liabilities (Note 38)	103,655	843,555
Deferred tax liabilities (Note 38)	470,311	31,799
Derivative liabilities (Designated for hedging) (Notes 4,11,12 and 26)	153,007	202,911
Other financial liabilities (Notes 4, 6, 11, 12, 25 and 41)	26,115,005	22,811,868
Other liabilities (Notes 6, 25 and 41)	803,897	690,157
Total liabilities	<u>464,607,446</u>	<u>448,847,054</u>
<b>EQUITY</b>		
Owners’ equity (Note 28)		
Capital stock	3,802,676	3,640,303
Hybrid securities	3,611,129	3,112,449
Capital surplus	935,563	682,385
Other equity	(1,668,957)	(2,423,392)
Retained earnings	24,986,470	23,750,152
	<u>31,666,881</u>	<u>28,761,897</u>
Non-controlling interests	1,730,609	2,865,445
Total equity	<u>33,397,490</u>	<u>31,627,342</u>
Total liabilities and equity	<u>498,004,936</u>	<u>480,474,396</u>

The accompanying notes are part of these consolidated financial statements.



**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
	(Korean Won in millions)	
Interest income	20,641,554	14,654,549
Financial assets at FVTPL	192,094	106,698
Financial assets at FVTOCI	999,407	632,615
Financial assets at amortized cost	19,450,053	13,915,236
Interest expense	(11,899,014)	(5,957,970)
<b>Net interest income</b> (Notes 11, 30 and 41)	<b>8,742,540</b>	<b>8,696,579</b>
Fees and commissions income	2,565,814	2,499,700
Fees and commissions expense	(845,333)	(789,530)
<b>Net fees and commissions income</b> (Notes 11, 31 and 41)	<b>1,720,481</b>	<b>1,710,170</b>
Dividend income (Notes 11, 32 and 41)	240,293	159,982
Net gain on financial instruments at FVTPL (Notes 11, 33 and 41)	488,486	238,502
Net loss on financial assets at FVTOCI (Notes 11 and 34)	(37,641)	(21,498)
Net gain arising on financial assets at amortized cost (Note 11)	203,942	74,204
Impairment losses due to credit loss (Notes 35 and 41)	(1,894,916)	(885,272)
General and administrative expense (Notes 36 and 41)	(4,443,433)	(4,529,890)
Other net operating expense (Notes 11, 26, 36 and 41)	(1,520,723)	(1,012,253)
<b>Operating income</b>	<b>3,499,029</b>	<b>4,430,524</b>
Share of gain of joint ventures and associates (Note 13)	109,831	69,996
Other non-operating expense	(91,407)	(15,146)
<b>Non-operating income</b> (Note 37)	<b>18,424</b>	<b>54,850</b>
<b>Net income before income tax expense</b>	<b>3,517,453</b>	<b>4,485,374</b>
Income tax expense (Note 38)	(890,559)	(1,161,392)
<b>Net income</b>	<b>2,626,894</b>	<b>3,323,982</b>
Net gain(loss) on valuation of equity securities at FVTOCI	193,191	(30,146)
Changes in capital due to equity method	8,603	(4,527)
Remeasurement gain(loss) related to defined benefit plan	(79,460)	251,440
<b>Items that will not be reclassified to profit or loss:</b>	<b>122,334</b>	<b>216,767</b>
Net gain(loss) on valuation of debt securities at FVTOCI	532,334	(463,725)
Changes in capital due to equity method	(5,638)	5,139
Net gain on foreign currency translation of foreign operations	45,080	32,536
Net loss on valuation of hedges of net investments in foreign operations	(14,049)	(20,701)
Net loss on valuation of cash flow hedge	(16,524)	(9,835)
<b>Items that may be reclassified to profit or loss:</b>	<b>541,203</b>	<b>(456,586)</b>
<b>Other comprehensive income (loss), net of tax</b>	<b>663,537</b>	<b>(239,819)</b>
<b>Total comprehensive income</b>	<b>3,290,431</b>	<b>3,084,163</b>

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**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (CONTINUED)**

	<u>2023</u>	<u>2022</u>
	(Korean Won in millions)	
<b>Net income attributable to:</b>	<b>2,626,894</b>	<b>3,323,982</b>
Net income attributable to owners	2,506,296	3,141,680
Net income attributable to non-controlling interests	120,598	182,302
<b>Total comprehensive income attributable to:</b>	<b>3,290,431</b>	<b>3,084,163</b>
Comprehensive income attributable to owners	3,164,464	2,909,053
Comprehensive income attributable to non-controlling interests	125,967	175,110
<b>Earnings per share (Note 39)</b>		
Basic and diluted earnings per share (Unit: In Korean Won)	3,230	4,191

The accompanying notes are part of these consolidated financial statements.

**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Capital Stock	Hybrid securities	Capital surplus	Other equity	Retained earnings	Owners' equity in total	Non- controlling interests	Total equity
	(Korean Won in millions)							
<b>January 1, 2022</b>	3,640,303	2,294,381	682,385	(2,167,614)	21,392,564	25,842,019	3,008,176	28,850,195
Total comprehensive income								
Net income	-	-	-	-	3,141,680	3,141,680	182,302	3,323,982
Net loss on valuation of financial instruments at FVTOCI	-	-	-	(493,462)	-	(493,462)	(409)	(493,871)
Net gain(loss) due to disposal of equity securities at FVTOCI	-	-	-	10,254	(10,254)	-	-	-
Changes in capital due to equity method	-	-	-	612	-	612	-	612
Gain(loss) on foreign currency translation of foreign operations	-	-	-	39,579	-	39,579	(7,043)	32,536
Loss on valuation of hedges of net investments in foreign operations	-	-	-	(20,701)	-	(20,701)	-	(20,701)
Loss on valuation of cash flow hedge	-	-	-	(9,835)	-	(9,835)	-	(9,835)
Capital related to non-current assets held for sale	-	-	-	(279)	279	-	-	-
Remeasurement gain related to defined benefit plan	-	-	-	251,180	-	251,180	260	251,440
Transactions with owners								
Dividends to common stocks	-	-	-	-	(654,996)	(654,996)	(9,949)	(664,945)
Issuance of hybrid securities	-	818,068	-	-	-	818,068	349,215	1,167,283
Dividends to hybrid securities	-	-	-	-	(91,756)	(91,756)	(113,995)	(205,751)
Redemption of hybrid securities	-	-	-	(60,491)	-	(60,491)	(559,565)	(620,056)
Changes in subsidiaries' capital	-	-	-	27,365	(27,365)	-	-	-
Changes in non-controlling interests related to business combinations	-	-	-	-	-	-	16,453	16,453
<b>December 31, 2022</b>	<u>3,640,303</u>	<u>3,112,449</u>	<u>682,385</u>	<u>(2,423,392)</u>	<u>23,750,152</u>	<u>28,761,897</u>	<u>2,865,445</u>	<u>31,627,342</u>
<b>January 1, 2023</b>	3,640,303	3,112,449	682,385	(2,423,392)	23,750,152	28,761,897	2,865,445	31,627,342
Total comprehensive income								
Net income	-	-	-	-	2,506,296	2,506,296	120,598	2,626,894
Net gain on valuation of financial instruments at FVTOCI	-	-	-	725,513	-	725,513	12	725,525
Net gain(loss) due to disposal of equity securities at FVTOCI	-	-	-	(86)	86	-	-	-
Changes in capital due to equity method	-	-	-	2,996	(50)	2,946	19	2,965
Gain on foreign currency translation of foreign operations	-	-	-	39,780	-	39,780	5,300	45,080
Loss on valuation of hedges of net investments in foreign operations	-	-	-	(14,049)	-	(14,049)	-	(14,049)
Loss on valuation of cash flow hedge	-	-	-	(16,524)	-	(16,524)	-	(16,524)
Remeasurement gain related to defined benefit plan	-	-	-	(79,498)	-	(79,498)	38	(79,460)
Transactions with owners								
Comprehensive stock exchange	162,373	-	249,008	-	-	411,381	(414,015)	(2,634)
Dividends to common stocks	-	-	-	-	(978,376)	(978,376)	(11,647)	(990,023)
Changes in treasury stocks	-	-	1,128	(35,529)	(100,000)	(134,401)	-	(134,401)
Issuance of hybrid securities	-	498,680	-	-	-	498,680	299,327	798,007
Dividends to hybrid securities	-	-	-	-	(131,148)	(131,148)	(95,637)	(226,785)
Redemption of hybrid securities	-	-	-	(1,695)	-	(1,695)	(1,097,697)	(1,099,392)
Changes in subsidiaries' capital	-	-	(1,869)	60,491	(60,490)	(1,868)	(1,927)	(3,795)
Changes in non-controlling interests related to business combinations	-	-	-	-	-	-	138,478	138,478
Others	-	-	4,911	73,036	-	77,947	(77,685)	262
<b>December 31, 2023</b>	<u>3,802,676</u>	<u>3,611,129</u>	<u>935,563</u>	<u>(1,668,957)</u>	<u>24,986,470</u>	<u>31,666,881</u>	<u>1,730,609</u>	<u>33,397,490</u>

The accompanying notes are part of these consolidated financial statements.

**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
	(Korean Won in millions)	
<b>Cash flows from operating activities (Note 2):</b>		
Net income	2,626,894	3,323,982
Adjustments to net income:		
Income tax expense	890,559	1,161,392
Interest income	(20,641,554)	(14,654,549)
Interest expense	11,899,014	5,957,970
Dividend income	(240,293)	(159,982)
	<u>(8,092,274)</u>	<u>(7,695,169)</u>
<b>Additions of expenses not involving cash outflows:</b>		
Loss on financial instruments at FVTPL	-	815,706
Loss on financial assets at FVTOCI	46,335	23,836
Impairment loss due to credit loss	1,894,916	885,272
Loss on other provisions	99,444	37,493
Retirement benefit	113,435	165,063
Depreciation and amortization	993,176	929,311
Net loss on foreign currency translation	366,026	-
Loss on derivatives (designated for hedge)	35,583	250,268
Loss on fair value hedge	72,601	-
Loss on valuation of investments in joint ventures and associates	22,710	28,861
Loss on disposal of investments in joint ventures and associates	588	3,690
Loss on disposal of Property, Plant and Equipment, intangible assets and other assets	1,873	3,177
Impairment loss on Property, Plant and Equipment, intangible assets and other assets	129	260
Other loss	-	62,196
	<u>3,646,816</u>	<u>3,205,133</u>
<b>Deductions of income not involving cash inflows:</b>		
Gain on financial assets at FVTPL	571,179	-
Gain on financial assets at FVTOCI	8,694	2,338
Gain on other provisions	19,781	55,327
Net profit on foreign currency translation	-	3,180
Gain on derivatives (designated for hedge)	114,875	71,179
Gain on fair value hedge	8,986	257,910
Gain on valuation of investments in joint ventures and associates	132,541	98,858
Gain on disposal of investments in joint ventures and associates	33,123	599
Gain on disposal of Property, Plant and Equipment, intangible assets and other assets	5,267	55,852
Reversal of impairment loss on Property, Plant and Equipment, intangible assets and other assets	230	310
Other income	-	15,879
	<u>894,676</u>	<u>561,432</u>
<b>Changes in operating assets and liabilities:</b>		
Financial instruments at FVTPL	(1,715,646)	(1,647,572)
Loans and other financial assets at amortized cost	(18,598,117)	(5,986,828)
Other assets	(1,264,071)	(1,314,877)
Deposits due to customers	15,176,465	23,536,088
Provisions	136,521	(24,041)
Net defined benefit liability	(172,759)	(133,421)
Other financial liabilities	2,225,382	(2,514,238)
Other liabilities	95,559	83,559
	<u>(4,116,666)</u>	<u>11,998,670</u>
Interest income received	20,416,107	14,189,016
Interest expense paid	(10,626,911)	(4,965,594)
Dividends received	202,257	159,993
Income tax paid	(1,539,605)	(1,030,480)
	<u>8,451,848</u>	<u>8,352,935</u>
<b>Net cash inflow from operating activities</b>	<u>1,621,942</u>	<u>18,624,119</u>

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**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (CONTINUED)**

	<u>2023</u>	<u>2022</u>
	(Korean Won in millions)	
<b>Cash flows from investing activities</b>		
Net cash out-flows from obtaining control	(209,643)	(378,394)
Net cash out-flows from losing control	(464)	-
Disposal of financial instruments at FVTPL	10,487,513	9,502,271
Acquisition of financial instruments at FVTPL	(12,167,823)	(10,274,187)
Disposal of financial assets at FVTOCI	20,648,897	21,717,266
Acquisition of financial assets at FVTOCI	(24,211,531)	(16,110,501)
Redemption of securities at amortized cost	8,727,124	5,872,961
Acquisition of securities at amortized cost	(4,244,256)	(16,873,194)
Cash outflows from changes in subsidiaries	(619,726)	(346,386)
Disposal of investments in joint ventures and associates	101,051	249,763
Acquisition of investments in joint ventures and associates	(310,239)	(143,345)
Disposal of investment properties	-	2,061
Acquisition of investment properties	(99,234)	-
Disposal of Property, Plant and Equipment	19,001	44,839
Acquisition of Property, Plant and Equipment	(164,696)	(172,876)
Disposal of intangible assets	2,513	978
Acquisition of intangible assets	(228,503)	(174,749)
Disposal of assets held for sale	7,156	52,417
Net decrease of other assets	8,719	62,386
Net cash outflow from investing activities	<u>(2,254,141)</u>	<u>(6,968,690)</u>
<b>Cash flows from financing activities:</b>		
Net cash in-flows from hedging activities	23,394	54,569
Net increase in borrowings	2,332,376	2,881,675
Issuance of debentures	31,101,841	23,402,694
Redemption of debentures	(34,329,491)	(23,887,568)
Redemption of lease liabilities	(160,673)	(187,531)
Net increase of other liabilities	118	513
Dividends paid	(978,376)	(654,996)
Issuance of hybrid securities	798,007	1,167,283
Redemption of hybrid securities	(1,100,000)	(643,000)
Dividends paid to hybrid securities	(226,785)	(205,751)
Net increase in non-controlling equity liabilities	6,620	1,847
Dividends paid to non-controlling interest	(11,647)	(9,949)
Changes in non-controlling interests	(180,514)	-
Acquisition of treasury stocks	(158,165)	-
Disposal of treasury stocks	23,118	-
Net cash inflow (outflow) from financing activities	<u>(2,860,177)</u>	<u>1,919,786</u>
Effects of exchange rate changes on cash and cash equivalents	(170,154)	30,860
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,662,530)</b>	<b>13,606,075</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>34,219,148</b>	<b>20,613,073</b>
<b>Cash and cash equivalents, end of the Period (Note 6)</b>	<b><u>30,556,618</u></b>	<b><u>34,219,148</u></b>

The accompanying notes are part of these consolidated financial statements.

**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**  
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**1. GENERAL**

(1) Summary of the Parent company

Woori Financial Group, Inc. (hereinafter referred to as 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 as 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 stock is 3,802,676 million Won. The Parent 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 Global 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. As of March 31, 2023, it acquired an additional 28.1% interests (excluding treasury stock, 21.3% in the case of including treasury stock).

The Parent company acquired 76.8% (excluding treasury stocks, 74.0% interest including treasury stocks) interest in Woori Financial Capital Co., Ltd. (formerly Aju Capital Co., Ltd.) on December 10, 2020. In addition, as of April 15, 2021, the Parent company acquired 13.3% interests (excluding treasury stock, 12.9% when including treasury stock) in Woori Financial Capital Co., Ltd., and as of May 24, 2021, the Parent company additionally acquired treasury stock (3.6%) which Woori Financial Capital Co., Ltd. possessed.

The Parent company paid 113,238 million Won in cash to acquire 100% interest of Woori Savings Bank from its subsidiary, Woori Financial Capital Co., Ltd., on March 12, 2021.

As of August 10, 2021, the Parent company paid 5,792,866 new shares of the Parent company to the shareholders of Woori Financial Capital Co., Ltd. (excluding the Parent company) through comprehensive stock exchange and acquired residual interest (9.5%) of Woori Financial Capital Co., Ltd., to make it a wholly owned subsidiary.

As of January 7, 2022, the Parent company established Woori Financial F&I Co., Ltd., an investment company for non-performing loans and restructuring companies (100% interest, 200 billion Won in stock payments) and included it as a subsidiary.

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As of March 23, 2023, the Parent company acquired a 53.9% interest (excluding treasury stocks, 52.0% interest including treasury stocks) in Woori Venture Partners Co., Ltd. (formerly Daol Investment Co., Ltd.), and added it as a consolidated subsidiary. As of May 30, 2023, the Parent company additionally acquired treasury stock (3.5%) which Woori Venture Partners Co., Ltd. possessed.

As of August 8, 2023, the Parent company paid 22,541,465 new shares of the Parent company to the shareholders of Woori Investment Bank Co., Ltd. (excluding the Parent company) through comprehensive stock exchange and acquired residual interest (41.3%) of Woori Investment Bank Co., Ltd., to make it a wholly owned subsidiary. In addition, on the same day, the Parent company paid 9,933,246 new shares of the Parent company to the shareholders of Woori Venture Partners Co., Ltd. (excluding the Parent company) through comprehensive stock exchange and acquired residual interest (44.5%) of Woori Venture Partners Co., Ltd., to make it a wholly owned subsidiary.

(2) Details of the Parent company and subsidiaries (hereinafter ‘Group’) as of December 31, 2023 and 2022 are as follows:

Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date
		December 31, 2023	December 31, 2022		
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	100.0	100.0	Korea	December 31
Woori Investment Bank Co., Ltd.(*1)	Other credit finance business	100.0	58.7	Korea	December 31
Woori Asset Trust Co., Ltd.(*1)	Real estate trust	95.3	67.2	Korea	December 31
Woori Savings Bank	Mutual saving bank	100.0	100.0	Korea	December 31
Woori Financial F&I Co., Ltd.	Finance	100.0	100.0	Korea	December 31
Woori Asset Management Corp.	Finance	73.0	73.0	Korea	December 31
Woori Venture Partners(*1)	Other financial services	100.0	-	Korea	December 31
Woori Global Asset Management 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 Credit Information Co., Ltd.	Credit information	100.0	100.0	Korea	December 31
Woori Fund Service Co., Ltd.	Financial support service business	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 (*7)	Finance	100.0	100.0	Russia	December 31
PT Bank Woori Saudara Indonesia 1906 Tbk	Finance	84.2	84.2	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 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
Woori Bank (Cambodia) PLC	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) (*5)	Asset securitization	-	0.0	Korea	-
Asiana Saigon Inc. (*2) (*5)	Asset securitization	-	0.0	Korea	-
KAMCO Value Recreation First Securitization Specialty Co., Ltd. (*2)	Asset securitization	15.0	15.0	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

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Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date
		December 31, 2023	December 31, 2022		
Woori International First Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Wibihansoop 1 <sup>st</sup> Co., Ltd. (*2) (*5)	Asset securitization	-	0.0	Korea	-
Woori QS 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Display 2 <sup>nd</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Dream 2 <sup>nd</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori H 1 <sup>st</sup> Co., Ltd. (*2) (*5)	Asset securitization	-	0.0	Korea	-
Woori K 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori S 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Display 3 <sup>rd</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
TY 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori KC No.1 Co., Ltd. (*2) (*5)	Asset securitization	-	0.0	Korea	-
Quantum Jump the 2 <sup>nd</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
ATLANTIC TRANSPORTATION 1 S.A. (*2) (*5)	Asset securitization	-	0.0	Marshall islands	-
Woori Gongdeok First Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
HD Project Co., Ltd. (*2) (*5)	Asset securitization	-	0.0	Korea	-
Woori HW 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HC 2 <sup>nd</sup> Co., Ltd. (*2) (*5)	Asset securitization	-	0.0	Korea	-
Woori Dream 3 <sup>rd</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori SJS 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Steel 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
SPG the 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori-HWC 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HC 3 <sup>rd</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Park I 1 <sup>st</sup> co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori DS 1 <sup>st</sup> co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HC 4 <sup>th</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori SKR 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori H chemical 1 <sup>st</sup> Co.,Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
HE the 1 <sup>st</sup> Co.,Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Hub The 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori K The 3 <sup>rd</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori KF 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
WooriI TS 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori H Square 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori L Yongsan 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HC 5 <sup>th</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Ladena 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HR 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Lotte Dongtan 1 <sup>st</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HC 6 <sup>th</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori ECO 1 <sup>st</sup> Co., Ltd. (*2)(*5)	Asset securitization	-	0.0	Korea	-
Woori HO 1 <sup>th</sup> Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori ESG 1 <sup>st</sup> Co.,Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Osiria 1 <sup>st</sup> Co.,Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Eco 2 <sup>nd</sup> Co.,Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Gangnam Landmark 2 <sup>nd</sup> Co., Ltd(*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HP the 1 <sup>st</sup> co.,Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori KF 2 <sup>nd</sup> Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Woori ST 1 <sup>st</sup> co.,Ltd.(*2)	Asset securitization	0.0	-	Korea	December 31
Woori High End 1 <sup>st</sup> co., Ltd.(*2)	Asset securitization	0.0	-	Korea	December 31
Woori HD 1 <sup>st</sup> co., Ltd.(*2)	Asset securitization	0.0	-	Korea	December 31
Woori HW 2 <sup>nd</sup> co., Ltd.(*2)	Asset securitization	0.0	-	Korea	December 31
Woori Mirae 1 <sup>st</sup> co., Ltd.(*2)	Asset securitization	0.0	-	Korea	December 31
Heungkuk Global Private Placement Investment Trust No. 1 (*3)	Securities investment and others	98.8	98.8	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



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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) (*5)	Securities investment and others	97.7	97.7	Korea	-
IGIS Global Private Placement Real Estate Fund No. 316-1 (*3) (*5)	Securities investment and others	99.3	99.3	Korea	-
Woori G Global Secondary Private Placement Investment Trust No. 1 (*3)	Securities investment and others	98.6	98.3	Korea	December 31
JB Airline Private Placement Investment Trust No.8 (*3)	Securities investment and others	97.0	97.0	Korea	December 31
Kiwoom Harmony Private Placement Investment Trust No. 2 (*3)	Securities investment and others	97.2	97.1	Korea	December 31
Kiwoom Harmony Private Placement Investment Trust No. 1 (*3)	Securities investment and others	97.4	97.2	Korea	December 31
Kiwoom Frontier Private Investment Trust No.23[Bond] (*3)(*5)	Securities investment and others	-	99.8	Korea	-
Kiwoom Harmony Private Placement Investment Trust No. 4 (*3)	Securities investment and others	96.2	-	Korea	December 31
Principal Guaranteed Trust (*4)	Trust	0.0	0.0	Korea	December 31
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.	Asset securitization	54.6	54.6	Luxembourg	December 31
Held by MAGI No.5 LuxCo S.a.r.l. ADP 16 Brussels	Asset securitization	100.0	100.0	Belgium	December 31
Held by Woori Card Co., Ltd. TUTU Finance –WCI Myanmar Co., Ltd.	Finance	100.0	100.0	Myanmar	December 31
PT Woori Finance Indonesia Tbk.	Finance	84.5	82.0	Indonesia	December 31
Woori Card 2019-1 Asset Securitization Specialty Co., Ltd. (*2) (*5)	Asset securitization	-	0.5	Korea	December 31
Woori Card 2020-1 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
Woori Card 2021-1 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
Woori Card 2022-1 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
Woori Card 2022-2 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
Woori Card 2023-1 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
Woori Card 2023-2 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	-	Korea	December 31
Held by Woori Financial Capital Co., Ltd. Specified Money Market Trust	Trust	100.0	100.0	Korea	December 31

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		December 31, 2023	December 31, 2022		
Held by Woori Investment Bank Co., Ltd.					
Seari Second Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
Namjong 1 <sup>st</sup> 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	5.0	Korea	December 31
WS2006 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
WJ2008 Securitization Specialty Co., Ltd. (*2) (*5)	Asset securitization	-	5.0	Korea	-
WH2103 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
WN2103 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
WH2106 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
Held by Woori Asset Management Corp.					
Woori China Convertible Bond Hedging feeder Investment Trust H (debt-oriented hybrid) (*3)	Securities investment and others	84.7	88.0	Korea	December 31
Woori Together TDF 2025 (*3)	Securities investment and others	30.1	-	Korea	December 31
Woori Together TDF 2035 (*3)	Securities investment and others	48.0	57.1	Korea	December 31
Woori Together TDF 2040 (*3)	Securities investment and others	49.2	58.3	Korea	December 31
Woori Together TDF 2045 (*3)	Securities investment and others	61.0	69.3	Korea	December 31
Woori Together TDF 2050 (*3)	Securities investment and others	48.9	66.3	Korea	December 31
Woori Franklin Technology Master Fund (USD) (*3) (*8)	Securities investment and others	67.3	91.1	Korea	December 31
Woori Franklin Technology Feeder Fund (H) (*3)	Securities investment and others	31.4	71.8	Korea	December 31
Woori Together OCIO Target Return Master fund (*3) (*5) (*8)	Securities investment and others	-	100.0	Korea	-
Woori Together OCIO Target Return Feeder fund (*3) (*5)	Securities investment and others	-	81.2	Korea	-
Woori High Graded Bond Target Return Fund 1 (*3)	Securities investment and others	87.4	77.0	Korea	December 31
Woori Multi Return Private Equity 2(*3) (*5)	Securities investment and others	-	30.9	Korea	-
Held by Woori Financial F&I Co., Ltd.					
WI2203 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
WM2203 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
WNI2206 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
WI2209 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
WN2212 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31

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Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date
		December 31, 2023	December 31, 2022		
WK2212 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
WH2306 Securitization Specialty Co., Ltd.(*2)	Asset securitization	5.0	-	Korea	December 31
WN2306 Securitization Specialty Co., Ltd.(*2)	Asset securitization	5.0	-	Korea	December 31
WNKN2309 Securitization Specialty Co., Ltd.(*2)	Asset securitization	5.0	-	Korea	December 31
WB2309 Securitization Specialty Co., Ltd.(*2)	Asset securitization	5.0	-	Korea	December 31
WI2311 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	-	Korea	December 31
WSB2312 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	-	Korea	December 31
WK2312 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	-	Korea	December 31
WBS2312 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	-	Korea	December 31
VOGO DL General Private Equity Investment Trust 1(*3)	Securities investment and others	99.0	-	Korea	December 31
Held by Woori Venture Partners Co.,Ltd. (*1)					
Woori Venture Partners US	Other financial services	100.0	-	America	December 31
Held by Woori Global Asset Management Co., Ltd.					
Woori G Global Multi Asset Income Private Placement Investment Trust Class Cs (*3)	Securities investment and others	37.7	37.9	Korea	December 31
Woori G Happy Retirement Lifetime Income TIF Mixed Asset Investment Trust[FoF] C(Y) (*3) (*5)	Securities investment and others	-	99.3	Korea	-
Held by Woori Bank, Woori Financial Capital Co., Ltd., and Woori Private Equity Asset Management Co., Ltd. (*6)					
Green ESG Growth No.1 Private Equity Fund(*3)	Securities investment and others	30.3	-	Korea	December 31
Woori New Growth Credit Fund 1(*3)	Securities investment and others	100.0	-	Korea	December 31
Woori PE Secondary Fund 1 (*3)	Securities investment and others	100.0	-	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	100.0	Korea	December 31
Held by Woori Bank, Woori Financial Capital Co., Ltd., Woori Investment Bank Co., Ltd., Woori Savings Bank 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	90.0	Korea	December 31
Held by Woori Bank, Woori Financial Capital Co., Ltd., Woori Investment Bank Co., Ltd. and					

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Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date
		December 31, 2023	December 31, 2022		
Woori Private Equity Asset Management Co., Ltd. (*6)					
Woori Innovative Growth Professional Investment Type Private Investment Trust No.2 (*3)	Securities investment and others	85.0	85.0	Korea	December 31
Woori Innovative Growth New Deal Private Investment Trust No.3 (*3)	Securities investment and others	94.3	94.3	Korea	December 31
Held by Woori Bank, Woori Financial Capital Co., Ltd., and Woori Investment Bank Co., Ltd. (*6)					
Woori G GP Commitment Loan General Type Private Investment Trust No.1 (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Woori G Equity Bridge Loan General Type Private Investment Trust No.1 (*3)	Securities investment and others	80.0	80.0	Korea	December 31
Woori G GP Commitment Loan General Type Private Investment Trust No.2 (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Woori G GP Commitment Loan General Type Private Investment Trust No.3 (*3)	Securities investment and others	100.0	-	Korea	December 31
Held by Woori Bank, Woori Financial Capital Co., Ltd., and Woori Global Asset Management Co., Ltd. (*6)					
Woori G New Deal(Infrastructure) Policy Fund No.1(*3)	Securities investment and others	70.0	70.0	Korea	December 31
Held by Woori bank and Woori Investment Bank Co., Ltd. (*6)					
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	100.0	Korea	December 31
Woori G Infrastructure New Deal Specialized Investment Private Equity Investment Trust No. 1 (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Woori G General Type Private Real Estate Investment Trust No.2 (*3)	Securities investment and others	30.1	30.1	Korea	December 31
Woori G ESG Infrastructure Development General Type Private Investment Trust No.1 (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Held by Woori bank (*6)					
Woori G WooriBank Partners General Type Private Investment Trust No.1 (*3)	Securities investment and others	92.6	92.6	Korea	December 31
Woori G General Type Private Real Estate Investment Trust No.1 (*3)	Securities investment and others	84.3	80.0	Korea	December 31
Woori G Global Mid-market Secondary General Type Private Investment Trust No.1 (*3)	Securities investment and others	80.0	80.0	Korea	December 31

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Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date
		December 31, 2023	December 31, 2022		
Woori G Woori Bank Partners Professional Type Private Investment Trust No. 2 (*3)	Securities investment and others	90.9	90.9	Korea	December 31
Woori G General Type Private Real Estate Investment Trust No.5 (*3)	Securities investment and others	87.0	86.8	Korea	December 31
Woori G Senior Loan General Type Private Investment Trust No.2(*3)	Securities investment and others	50.0	50.0	Korea	December 31
Woori G Government Bond MMF C/I (*3) (*5)	Securities investment and others	-	46.0	Korea	-
Woori G Japan General Type Private Real Estate Feeder Investment Trust No.1-2 (*3)	Securities investment and others	98.8	98.8	Korea	December 31
Woori G Japan Blind General Type Private Real Estate Feeder Investment Trust No.1 (*3)	Securities investment and others	99.9	99.9	Korea	December 31
Woori Short Term Government and Special Bank Bond Active ETF(*3) (*5)	Securities investment and others	-	-	Korea	-
WooriG Clean Energy General Type Private Investment Trust No.2 (*3)	Securities investment and others	30.8	-	Korea	December 31
WooriG Innovation Growth(Infrastructure) General Type Private Investment Trust No.2 (*3)	Securities investment and others	46.4	-	Korea	December 31
Woori Together Institutional USD MMF No.1 C-F(*3)	Securities investment and others	63.4	-	Korea	December 31
Woori G ESG Infrastructure Development General Type Private Investment Trust No.2 (*3)	Securities investment and others	50.0	-	Korea	December 31
Woori Dongbu Underground Expressway General type Private Special Asset Investment Trust (*3)	Securities investment and others	40.0	-	Korea	December 31
Held by Woori Bank and Woori Financial Capital Co., Ltd.(*6)					
Woori G Renewable New Deal Fund No.1 (*3)	Securities investment and others	60.0	60.0	Korea	December 31
Woori G Equity Investment General Type Private Investment Trust No.1 (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Woori Busan Logistics Infra Private Placement Special Asset Investment Trust (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Held by Woori Financial Capital Co., Ltd.(*6)					
Woori G Japan Private Placement Real Estate Feeder Investment Trust No.1-1 (*3)	Securities investment and others	63.2	63.2	Korea	December 31
Held by Woori Bank, Woori Global Asset Management Co., Ltd. (*6)					
Woori G General Type Private Real Estate Investment Trust No.6 (*3)	Securities investment and others	85.8	-	Korea	December 31
Held by Woori Bank, Woori Card Co., Woori Financial Capital Co., Ltd. and Woori Investment Bank Co., Ltd. (*6)					
Woori FG Digital Investment Fund 1st (*3)	Securities investment and others	100.0	100.0	Korea	December 31

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Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date
		December 31, 2023	December 31, 2022		
Held by Woori G Japan Private Placement Real Estate Feeder Investment Trust No.1-1 and Woori G Japan Investment Trust No. 1-2(*6) Woori G Japan Private Placement Real Estate Master Investment Trust No.1 (*3)(*8)	Securities investment and others	100.0	100.0	Korea	December 31
Held by Woori Financial Capital Co., Ltd. and Woori Investment Bank Co., Ltd. (*6) Woori G Japan Private Placement Real Estate Master Investment Trust No.2-1 (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Held by Woori Bank and Woori Private Equity Asset Management Co., Ltd. (*6) Woori Corporate Turnaround No.1 Private Equity Fund (*3)	Securities investment and others	36.4	-	Korea	December 31
Held by Woori G Japan Blind General Type Private Real Estate Feeder Investment Trust No.1 and Woori G Japan General Type Private Real Estate Feeder Investment Trust No.2-1(*6) Woori G Japan Private Placement Real Estate Master Investment Trust No.2 (*3)(*8)	Securities investment and others	100.0	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	99.9	99.9	Japan	October 31 (*9)
Held by Woori G Japan Blind General Type Private Real Estate Feeder Investment Trust No.1 (*6) Woori G Private Placement Investment Trust No. 3 (*3)(*8)	Securities investment and others	76.5	76.5	Korea	December 31
Held by Woori G Private Placement Investment Trust No. 3 GK Woorido(*3)	Other financial services	100.0	100.0	Japan	September 30 (*9)
Held by Woori G Infrastructure New Deal General Type Private Investment Trust (*6) Woori Seoul- Chuncheon Highway Private Placement Special Asset Investment Trust No.1 (*3)	Securities investment and others	48.0	48.0	Korea	December 31

(\*1) Comprehensive stock exchange in Woori Investment Bank Co., Ltd., additional investment in Woori Asset Trust Corp. and new acquisition of Woori Venture Partners occurred during the year ended December 31, 2023.

(\*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.

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- (\*5) Companies are excluded from the consolidation as of December 31, 2023.  
(\*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 Russia – Ukraine conflict has been escalated in February 2022, and international sanctions were imposed on Russia. Due to the sanctions, the Group may experience situations such as a decrease in value of financial assets or operating assets owned by the Group regarding the conflict, an increase in receivable payment terms, limitation to transfer funds, decrease in the profit. As of December 31, 2023, the Group expects such conflict and sanctions would have financial impacts on the business of AO Woori Bank, one of the subsidiaries, in the future. However, the Group cannot reasonably predict the financial impacts.  
(\*8) As a master-feeder fund, it is the percentage of the feeder fund's ownership in the master fund.  
(\*9) As the financial statements for the end of the reporting period were not available, the most recent financial statements available from the date of settlement were used.

- (3) The Group has not consolidated the following entities as of December 31, 2023 and 2022 despite having more than 50% ownership interest:

Subsidiaries	As of December 31, 2023		
	Location	Main Business	Percentage of ownership (%)
Mirae Asset Maps Clean Water Private Equity Investment Trust 7 <sup>th</sup> (*1)	Korea	Securities Investment	59.7
Kiwoom Yonsei Private Equity Investment Trust (*1)	Korea	Securities Investment	88.9
IGIS Europe Private Placement Real Estate Fund No. 163-2 (*2)	Korea	Securities Investment	97.9
IGIS Global Private Placement Real Estate Fund No. 148-1 (*1)	Korea	Securities Investment	75.0
IGIS Global Private Placement Real Estate Fund No. 148-2 (*1)	Korea	Securities Investment	75.0
Mirae Asset Seoul Ring Expressway Private Special Asset Fund No. 1 (*1)	Korea	Securities Investment	66.7
Hangkang Sewage Treatment Plant Fund (*1)	Korea	Securities Investment	55.6
Korea Investment Pocheon Hwado Expressway Professional Investment Fund (*1)	Korea	Securities Investment	55.1
Midas Global Private Placement Real Estate Investment Trust No. 7-2 (*1)	Korea	Securities Investment	58.3
Together-Korea Government Private Pool Private Securities Investment Trust No.3 (*3)	Korea	Securities Investment	100.0
INMARK France Private Placement Investment Trust No. 18-1 (*1)	Korea	Securities Investment	93.8
Kiwoom Vibrato Private Placement Investment Trust 1-W(EUR) (*2)	Korea	Securities Investment	99.5
KOTAM Global Infra Private Fund 1-4 (*2)	Korea	Securities Investment	99.7
UBSHana Class 1 Special Asset Investment Trust 3 Class C 2 (*1)	Korea	Securities Investment	51.0
Consus GyeongJu Green Specialized Private Special Asset Investment Trust 1 (*1)	Korea	Securities Investment	50.0
Kiwoom Harmony Private Placement Investment Trust No. 3 (*1)	Korea	Securities Investment	77.3
Consus Solar Energy Private Placement Investment Truns No.1(*1)	Korea	Securities Investment	50.0
IGIS ESG General Private Investment Trust No.1(*1)	Korea	Securities Investment	60.0
Kiwoom Aurora Geneal Type Private Placement Investment Trust No. 2(*1)	Korea	Securities Investment	60.0
NH-Amundi WSCP VIII Private Fund 2 (*1)	Korea	Securities Investment	65.2
AI Partners Global Infrastructure Specialized Privately Placed Feeder Fund Trust No. 2 (*2)	Korea	Securities Investment	100.0
Hangang new deal infra BTL fund 4 (HNBF4) (*1)	Korea	Securities Investment	60.0
IGIS Global Private Placement Real Estate Fund No. 316-1(*2)	Korea	Securities Investment	99.3
INMARK Spain Private Placement Real Estate Investment Trust No. 26-2 (*2)	Korea	Securities Investment	97.7
Woori Asset Global Partnership Fund No.5(*4)	Korea	Securities Investment	57.7
Kiwoom Harmony Private Placement Investment Trust No. 6 (*1)	Korea	Securities Investment	76.9
Rifa Qualified Investors Private Real Estate Investment Trust No.40 (*2)	Korea	Securities Investment	55.0

- (\*1) The Group does not have power over the discretionary fund because the fund manager has the sole authority to decide the relevant activities of the investee. The fund manager's delegated power is exercised not only for the Group, but also for other investors as well. The Group does not have the power over the fund's activities even though it holds more than 50% of ownership interest.  
(\*2) The investment target for the fund was determined in advance, and the disposition of investment assets cannot be determined by the Group, and as a fund of funds, the Group does not have the power to participate in decision-making regarding investment assets in parent funds. The Group does not have the power over the fund's activities even though it holds more than 50% of ownership interest.  
(\*3) The Group does not have power over the stock market stabilization fund as the fund's relevant activities are determined by the management committee, over which the Group does not have substantial control. The Group does not have the power over the fund's activities even though it holds more than 50% of ownership interest.  
(\*4) In this fund, one of the parties holds substantive removal rights and can remove the collective investment business operator without any cause. Consequently, the Group have no controls as it exercises decision-making rights as agent.

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Subsidiaries	As of December 31, 2022		
	Location	Main Business	Percentage of ownership (%)
Mirae Asset Maps Clean Water Private Equity Investment Trust 7 <sup>th</sup> (*1)	Korea	Securities Investment	57.6
Kiwoom Yonsei Private Equity Investment Trust (*1)	Korea	Securities Investment	88.9
IGIS Europe Private Placement Real Estate Fund No. 163-2 (*2)	Korea	Securities Investment	97.8
IGIS Global Private Placement Real Estate Fund No. 148-1 (*1)	Korea	Securities Investment	75.0
IGIS Global Private Placement Real Estate Fund No. 148-2 (*1)	Korea	Securities Investment	75.0
Mirae Asset Seoul Ring Expressway Private Special Asset Fund No. 1 (*1)	Korea	Securities Investment	66.7
Hangkang Sewage Treatment Plant Fund (*1)	Korea	Securities Investment	55.6
Korea Investment Pocheon Hwado Expressway Professional Investment Fund (*1)	Korea	Securities Investment	55.2
Midas Global Private Placement Real Estate Investment Trust No. 7-2 (*1)	Korea	Securities Investment	58.3
Together-Korea Government Private Pool Private Securities Investment Trust No.3 (*3)	Korea	Securities Investment	100.0
INMARK France Private Placement Investment Trust No. 18-1 (*1)	Korea	Securities Investment	93.8
Kiwoom Vibrato Private Placement Investment Trust 1-W(EUR) (*2)	Korea	Securities Investment	99.5
KOTAM Global Infra Private Fund 1-4 (*2)	Korea	Securities Investment	99.7
UBSHana Class 1 Special Asset Investment Trust 3 Class C 2 (*1)	Korea	Securities Investment	51.0
Consus GyeongJu Green Specialized Private Special Asset Investment Trust 1 (*1)	Korea	Securities Investment	50.0
Kiwoom Harmony Private Placement Investment Trust No. 3 (*1)	Korea	Securities Investment	77.4
Consus Solar Energy Private Placement Investment Truns No.1(*1)	Korea	Securities Investment	50.0
IGIS ESG General Private Investment Trust No.1(*1)	Korea	Securities Investment	60.0
Kiwoom Aurora Geneal Type Private Placement Investment Trust No. 2(*1)	Korea	Securities Investment	60.0
NH-Amundi WSCP VIII Private Fund 2 (*1)	Korea	Securities Investment	65.2
AI Partners Global Infrastructure Specialized Privately Placed Feeder Fund Trust No. 2 (*2)	Korea	Securities Investment	100.0
Hangang new deal infra BTL fund 4 (HNBF4) (*1)	Korea	Securities Investment	60.0
Rifa Qualified Investors Private Real Estate Investment Trust No.40 (*2)	Korea	Securities Investment	55.0

(\*1) The Group does not have power over the discretionary fund because the fund manager has the sole authority to decide the relevant activities of the investee. The fund manager's delegated power is exercised not only for the Group, but also for other investors as well. The Group does not have the power over the fund's activities even though it holds more than 50% of ownership interest.

(\*2) The Group does not have power over the fund of funds because the Group cannot decide the relevant activities of the fund through the related contract. The Group does not have the power over the fund's activities even though it holds more than 50% of ownership interest.

(\*3) The Group does not have power over the stock market stabilization fund as the fund's relevant activities are determined by the management committee, over which the Group does not have substantial control. The Group does not have the power over the fund's activities even though it holds more than 50% of ownership interest.



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(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, 2023				
	Assets	Liabilities	Operating revenue	Net income (loss) attributable to owners	Comprehensive income (loss) attributable to owners
Woori Bank	458,017,067	431,313,615	37,719,811	2,505,587	3,203,099
Woori Card Co., Ltd.	17,491,193	14,830,408	2,099,755	110,998	85,647
Woori Financial Capital Co., Ltd.	12,417,338	10,796,683	1,538,360	127,836	125,562
Woori Investment Bank Co., Ltd.	6,375,625	5,273,890	429,764	(53,374)	(50,735)
Woori Asset Trust Co., Ltd.	337,976	79,747	129,982	32,297	31,849
Woori Savings Bank	1,938,948	1,759,489	133,872	(49,139)	(48,974)
Woori Financial F&I Co., Ltd.	877,702	673,265	31,290	3,866	3,858
Woori Asset Management Corp.	161,868	32,780	41,311	6,408	6,267
Woori Venture Partners Co., Ltd.(*)	328,782	30,190	14,676	3,929	5,484
Woori Global Asset Management Co., Ltd.	37,512	13,526	13,857	(3,913)	(3,913)
Woori Private Equity Asset Management Co., Ltd	96,006	4,418	10,216	1,960	1,826
Woori Credit Information Co., Ltd.	45,662	7,981	43,774	5,014	4,626
Woori Fund Service Co., Ltd.	27,526	2,758	17,059	3,539	3,539
Woori FIS Co., Ltd.	80,563	32,304	339,163	(7,511)	(9,214)
Woori Finance Research Institute Co., Ltd.	6,444	2,603	7,792	72	(11)

(\*) Additional investment occurred and added it as a consolidated subsidiary during the year ended December 31, 2023.

Subsidiaries	As of and for the year ended December 31, 2022				
	Assets	Liabilities	Operating revenue	Net income (loss) attributable to owners	Comprehensive income (loss) attributable to owners
Woori Bank	443,340,979	417,583,793	38,656,623	2,892,165	2,651,873
Woori Card Co., Ltd.	16,118,967	13,692,456	1,845,296	204,385	199,397
Woori Financial Capital Co., Ltd.	12,581,473	11,040,754	1,323,574	183,328	189,765
Woori Investment Bank Co., Ltd.	5,657,191	4,982,410	406,157	91,794	92,379
Woori Asset Trust Co., Ltd.	322,098	94,573	137,114	60,319	60,316
Woori Savings Bank	1,786,495	1,556,679	110,868	10,607	10,998
Woori Asset Management Corp.	185,389	62,568	35,019	1,259	1,314
Woori Financial F&I Co., Ltd.	336,141	135,562	8,086	867	867
Woori Credit Information Co., Ltd.	42,832	9,240	38,549	1,784	2,083
Woori Fund Service Co., Ltd.	25,094	2,691	16,337	3,917	3,917
Woori Private Equity Asset Management Co., Ltd	94,434	4,672	7,830	1,902	1,872
Woori Global Asset Management Co., Ltd.	34,988	7,090	13,711	211	211
Woori FIS Co., Ltd.	112,117	54,645	296,235	1,069	11,559
Woori Finance Research Institute Co., Ltd.	6,456	2,604	7,006	46	245

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(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, 2023 and 2022, the Group provides 2,445,644 million Won and 231,309 million Won of credit facilities, respectively, for the structured entities mentioned above. As of December 31, 2023 and 2022, the purchase commitment amounts to 2,848,921 million Won and 2,545,164 million Won, respectively.

(6) The Group has entered into various agreements with structured entities such as asset securitization, structured finance, investment fund, and trust contract. The characteristics of interests and the nature of risks related to unconsolidated structured entities over which the Group does not have control in accordance with K-IFRS 1110 are as follows:

The interests in unconsolidated structured entities that the Group hold are classified into asset securitization, 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’ 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 recognizes 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 finance’ 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 and the fund is raised by equity investment or loans from financial institutions and participating institutions. ‘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.

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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 dividend income as an investor in the same way as ‘structured finance’, and may be exposed to losses due to reduction in investment value. Investments in MMF(Money Market Funds) as of December 31, 2023 and 2022 are 1,451,874 million Won and 875,470 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 commitments, credit offerings.

	(unit : Korean Won in millions)			
	December 31, 2023			
	Asset securitization	Structured Finance	Investment Fund	Real-estate trust
Total asset of the unconsolidated structured entities	14,595,681	99,568,859	189,034,319	1,604,210
Assets recognized in the consolidated financial statements related to the unconsolidated structured entities	9,256,063	5,414,037	6,884,658	93,222
Financial assets at FVTPL	205,449	118,026	6,000,877	8,297
Financial assets at FVTOCI	2,802,592	43,696	-	-
Financial assets at amortized cost	6,248,022	5,252,191	66	84,925
Investments in joint ventures and associates	-	-	881,531	-
Derivative assets	-	124	2,184	-
Liabilities recognized in the consolidated financial statements related to the unconsolidated structured entities	248	3,251	2,006	28,838
Derivative liabilities	-	1,243	2,006	-
Other liabilities (provisions)	248	2,008	-	28,838
The maximum exposure to risks	9,333,448	6,444,559	11,069,599	206,651
Investment assets	9,256,063	5,414,037	6,884,658	93,222
Purchase commitment	-	-	4,181,631	-
Credit offerings and others	77,385	1,030,522	3,310	113,429
Loss recognized on unconsolidated structured entities	149	83,885	63,372	19,337

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	December 31, 2022			
	Asset securitization	Structured Finance	Investment Fund	Real-estate trust
Total asset of the unconsolidated structured entities	14,856,750	82,724,618	132,264,383	1,316,930
Assets recognized in the consolidated financial statements related to the unconsolidated structured entities	8,051,144	5,537,836	4,964,712	40,073
Financial assets at FVTPL	258,552	6,642	4,397,416	10,480
Financial assets at FVTOCI	3,213,331	45,735	-	-
Financial assets at amortized cost	4,579,261	5,485,336	31,124	29,593
Investments in joint ventures and associates	-	-	535,427	-
Derivative assets	-	123	745	-
Liabilities recognized in the consolidated financial statements related to the unconsolidated structured entities	824	6,606	2,091	5,760
Derivative liabilities	729	4,975	2,091	-
Other liabilities (provisions)	95	1,631	-	5,760
The maximum exposure to risks	8,153,111	6,086,831	9,322,308	92,856
Investment assets	8,051,144	5,537,836	4,964,712	40,073
Purchase commitment	-	-	4,352,518	-
Credit offerings and others	101,967	548,995	5,078	52,783
Loss recognized on unconsolidated structured entities	-	17,388	113,976	1,040

(7) As of December 31, 2023 and 2022, 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, 2023	December 31, 2022
Woori Bank (*1)	1,546,447	2,344,816
Woori Investment Bank Co., Ltd. (*2)	-	283,221
Woori Asset Trust Co., Ltd. (*3)	12,517	78,434
Woori Asset Management Corp	35,638	34,073
PT Bank Woori Saudara Indonesia 1906 Tbk	103,176	92,118
Wealth Development Bank	21,142	20,759
PT Woori Finance Indonesia Tbk.	13,631	13,964

(\*1) Hybrid securities issued by Woori Bank

(\*2) The non-controlling interests decreased by 280,604 million Won in accordance with additional investment during the year ended December 31, 2023.

(\*3) The non-controlling interests decreased by 71,240 million Won in accordance with additional investment during the year ended December 31, 2023.

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2) Net income attributable to non-controlling interests

	For the years ended December 31	
	2023	2022
Woori Bank (*)	95,637	113,995
Woori Investment Bank Co., Ltd.	5,687	38,319
Woori Asset Trust Co., Ltd.	5,720	18,074
Woori Asset Management Corp	1,603	290
Woori Venture Partners Co., Ltd.	1,391	-
PT Bank Woori Saudara Indonesia 1906 Tbk	9,521	10,806
Wealth Development Bank	(68)	401
PT Woori Finance Indonesia Tbk.	1,067	379

(\*) Distribution of the hybrid securities issued by Woori Bank

3) Dividends to non-controlling interests

	For the years ended December 31	
	2023	2022
Woori Bank (*)	95,637	113,995
Woori Investment Bank Co., Ltd.	8,302	7,219
Woori Asset Trust Co., Ltd	365	365
PT Bank Woori Saudara Indonesia 1906 Tbk	2,802	2,330
PT Woori Finance Indonesia Tbk.	138	-
Others	40	-

(\*) Distribution of the hybrid securities issued by Woori Bank

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**2. BASIS OF PREPARATION AND MATERIAL 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 (K-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 K-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.

Meanwhile, the consolidated financial statements of the Group were initially approved by the Board of Directors on February 6, 2024, revised and approved on February 9, 2024 and the final approval will be made in the annual general shareholders' meeting on March 22, 2024.

- 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:

- i) Amendments to K-IFRS 1001 '*Presentation of Financial Statements*' – Disclosure of Accounting Policies

The amendments to Korean IFRS 1001 define and require entities to disclose their material accounting policy information (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements). These amendments do not have a significant impact on the consolidated financial statements.

- ii) Amendments to K-IFRS 1008 '*Accounting Policies, Changes in Accounting Estimates and Errors*' - Definition of Accounting Estimates

The amendments have defined accounting estimates and clarified how to distinguish them from changes in accounting policies. These amendments do not have a significant impact on the consolidated financial statements.

- iii) Amendments to K-IFRS 1001 '*Presentation of Financial Statements*' - Disclosure of valuation gains or losses on financial liabilities with condition to adjust exercise price

The amendments require disclosure of valuation gains or losses (limited to those recognized in the profit or loss) of the conversion options or warrants (or financial liabilities including them), if all or part of the financial instrument with exercise price that is adjusted depending on the issuer's share price change is classified as financial liability as defined in paragraph 11 (2) of K-IFRS 1032. These amendments do not have a significant impact on the consolidated financial statements.

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iv) Amendments to K-IFRS 1012 '*Income Taxes*' - deferred tax related to assets and liabilities arising from a single transaction

Additional phrase 'the temporary difference to be added and the temporary difference to be deducted do not occur in the same amount' has been added to initial recognition exception for a transaction in which an asset or liability is initially recognized. These amended do not have a significant impact on the consolidated financial statements.

v) New Standard: K-IFRS 1117 '*Insurance Contract*'

K-IFRS 1117 *Insurance Contracts* replaces K-IFRS 1104 *Insurance Contracts*. This Standard estimates future cash flows of an insurance contract and measures insurance liabilities using discount rates applied with assumptions and risks at the measurement date. The entity recognizes insurance revenue on an accrual basis including services (insurance coverage) provided to the policyholder by each annual periods. In addition, investment components (Refunds due to termination/maturity) repaid to a policyholder even if an insured event does not occur, are excluded from insurance revenue, and insurance financial income or expense and the investment income or expense are presented separately to enable users of the information to understand the sources of income or expenses. This standard does not have a significant impact on the consolidated financial statements.

vi) K-IFRS 1012 '*Income Taxes*' - International Tax Reform – Pillar Two Model Rules

The amendments provide a temporary relief from the accounting for deferred taxes arising from legislation enacted to implement the Pillar Two model rules, which aim to reform international corporate taxation for multinational enterprises, and require disclosure of related current tax effects, etc. The amendments do not have a significant impact on the financial statements.

The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Since the Pillar Two legislation is scheduled to be effective from January 1, 2024, the Group has no current tax expense related to Pillar Two. The Group is in review for the impact of these amendments on the financial statements and does not expect that the impact will be significant.

- 2) The details of K-IFRSs that have been issued and published as of December 31, 2023 but have not yet reached the effective date, and which the Group have not been early adopted by the Group are as follows:

i) Amendments to K-IFRS 1001 '*Presentation of Financial Statements*' - Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period and introduce a definition of 'settlement' to make it clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of liability for at least 12 months after the reporting date.

Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date.

The amendments also specify that the right to defer settlement is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of liability is subject to the entity complying with covenants within 12 months after the

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reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within 12 months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and the facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments should be applied for annual periods beginning on or after January 1, 2024, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

ii) Amendments to K-IFRS 1007 '*Statement of Cash Flows*', K-IFRS 1107 '*Financial Instruments: Disclosures*' – Supplier finance arrangements

When applying supplier finance arrangements, an entity shall disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments should be applied for annual periods beginning on or after January 1, 2024, and earlier application is permitted. The Group does not expect that these amended will have a significant impact on the financial statements.

iii) Amendments to K-IFRS 1116 '*Leases*' - Lease Liability in a Sale and Leaseback

When subsequently measuring lease liabilities arising from a sale and leaseback, a seller-lessee shall determine lease payments or revised lease payments in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments should be applied for annual periods beginning on or after January 1, 2024, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

iv) Amendments to K-IFRS 1001 '*Presentation of Financial Statements*' – Disclosure of Cryptographic Assets

The amendments require for an additional disclosure if an entity holds cryptographic assets, or holds cryptographic assets on behalf of the customer, or issues cryptographic assets. The amendments should be applied for annual periods beginning on or after January 1, 2024, and earlier application is permitted. The Group does not expect that these amendments will 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;



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- 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 amount 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 K-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 K-IFRS 1012 *Income Taxes* and K-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 K-IFRS 1102 *Share-based Payment* at the acquisition date; and

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- Non-current assets (or disposal groups) that are classified as held for sale are measured in accordance with K-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

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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 K-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 K-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 K-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 K-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 K-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 K-IFRS 1105.

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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 K-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 K-IFRS 1109 to long-term investments, the Group does not consider adjustments to the carrying amount required by K-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 K-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 K-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**

K-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.

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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.

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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 applying 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.

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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.

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(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



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- Contractual terms that limit the Group's claim on cash flows arising from certain assets

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 K-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 are 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 are presented at amortized cost using effective interest method, less any loss allowance.

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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 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.

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 carrying amount 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 carrying amount 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 carrying amount 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

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portion of carrying amount retained in the books, and to the portion of carrying amount 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.

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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.

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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 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 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 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 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(Debt instruments)

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.

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(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 carrying amount 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 Property, Plant 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) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of Property, Plant 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 Property, Plant 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	26 to 57 years
Structures in leased office	4 to 5 years
Properties for business purpose	4 to 7 years

The Group reassesses the depreciation method, the estimated useful lives and residual values of Property, Plant 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 Property, Plant and Equipment item exceeds the estimated recoverable amount, the carrying amount of such asset is reduced to the recoverable amount.

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(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. 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	5 to 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.

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(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 K-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 a 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.



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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 7,373 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 'Property, Plant 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 K-IFRS 1115 to allocate the consideration of the contract.

The Group applies the derecognition and impairment provisions of K-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 K-IFRS 1116.

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(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 K-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 K-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 K-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).

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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 carrying amount 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 carrying amount 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, carrying amount 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 carrying amount. 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 carrying amount 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 carrying amount 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.

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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.

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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 K-IFRS 1109
- Initial carrying amount less accumulated profit measured in accordance with K-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 consolidated 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.

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(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(tax loss) 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 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 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.

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**3. MATERIAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

Material accounting estimates and assumptions are continuously evaluated based on a number of factors, including historical experience and expectations of future events that are considered reasonably probable. Accounting estimates calculated based on these definitions may not match actual results. The accounting estimates and assumptions that include a significant risk of materially changing the carrying amounts of assets and liabilities currently recognized in the following accounting period are as follows.

The Korean government implemented support measures such as loan repayment deferment to mitigate the negative impact of COVID-19. The Group determined that the credit risk of loans affected by the repayment deferment has significantly increased, with a high possibility of default. The Group will continue to evaluate the adequacy of forward-looking information regarding the duration of the economic impacts of COVID-19 and future government policies even after termination of financial support. The Group also manages credit risk on loans with extended maturities.

<Woori Bank>

Woori Bank recognizes additional expected credit loss allowance for loans subject to payment holiday and extended maturities due to the assessment of the high possibility of default.

Woori Bank's total loans (loan receivables, payment guarantees) that are subject to payment holiday and that changed its stage from 12-month to lifetime expected credit losses (Stage 2) due to the increase in credit risk considering payment holiday, and additionally recognized expected credit loss allowances are as follows. (Unit: Korean Won in millions):

			<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total loans that are subject to loan payment holiday	Loans	Corporate	1,453,314	1,958,133
		Retail	130,090	216,487
		Off-balance accounts	<u>22,038</u>	<u>2,391</u>
		Total	<u>1,605,442</u>	<u>2,177,011</u>
Total loans that changed its stage from 12-month to lifetime (Stage 2) expected credit losses	Loan	Corporate	1,367,603	1,774,717
		Retail	101,422	169,851
		Off-balance accounts	<u>6,642</u>	<u>2,391</u>
		Total	<u>1,475,667</u>	<u>1,946,959</u>
The expected credit loss allowance that are additionally recognized	Loan	Corporate	210,386	312,054
		Retail	9,318	12,643
		Off-balance accounts	<u>1,734</u>	<u>317</u>
		Total	<u>221,438</u>	<u>325,014</u>

Total loans with extension of maturities and additional expected credit loss allowances as of December 31, 2023, are as follows. (Unit: Korean Won in millions):

			<u>December 31, 2023</u>
Total loans that are subject to extension of maturity	Loans	Corporate	5,227,017
		Retail	2,124,207
		Off-balance accounts	<u>31,976</u>
		Total	<u>7,383,200</u>
Expected credit loss allowance that are additionally recognized	Loan	Corporate	58,545
		Retail	35,515
		Off-balance accounts	<u>115</u>
		Total	<u>94,175</u>

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In addition, as of December 31, 2023, the Group reflects the forward-looking information in the estimated probability of default rate and recognizes additional expected credit loss allowance appropriations by adjusting the forward-looking indicators in consideration of the Korean government financial support policies, increased economic uncertainty, and potential insolvency due to market interest rate hikes.

<Woori Card>

Woori Card Co., Ltd. recognize an additional allowance for expected credit losses as it evaluates loans with payment holiday and extended maturities as having a high probability of default. As of December 31, 2023 and 2022, which credit risk has increased significantly due to payment holiday, financial assets at amortized cost of debtors transferred from 12-month expected credit loss measurement to lifetime expected credit losses are 6,764 million Won and 6,670 million Won, respectively, and additionally recognized expected credit loss allowance are 131 million Won and 177 million Won, respectively.

<Woori Financial Capital Co., Ltd.>

Woori Financial Capital Co., Ltd. recognize an additional allowance for expected credit losses as it evaluates loans with payment holiday and extended maturities as having a high probability of default. As of December 31, 2023 and 2022, which credit risk has increased significantly due to payment holiday, financial assets at amortized cost of debtors transferred from 12-month expected credit loss measurement to lifetime expected credit losses are 24,384 million Won and 52,611 million Won, respectively, and additionally recognized expected credit loss allowance are 5,284 million Won and 9,846 million Won, respectively.

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/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 carrying amount 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 Material 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

The accuracy of the provision for credit losses is determined by the estimation of the expected cash flows for



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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.

Information on measuring expected credit loss is described in 4. Risk Management (1) 2) Measurement of expected credit loss.

The impact of changes of estimation on measuring expected credit loss during the current period is as follows (Unit: Korean Won in millions)

<Woori Bank>

	<u>Impact of changes in estimates(*)</u>
Expected credit loss allowances	
Loans and other financial assets at amortized cost	323,597
Guarantees and unused commitments	34,473
Financial assets at FVTOCI	1,489
Securities at amortized cost	592
Total	<u>360,151</u>

(\*) The effects of changes in probability of default and loss given default are 212,428 million Won and 147,723 million Won, respectively.

< Woori Financial Capital Co., Ltd >

	<u>Impact of changes in estimates</u>
Expected credit loss allowances	
Loans and other financial assets at amortized cost	(19,885)
Guarantees and unused commitments	-
Financial assets at FVTOCI	-
Securities at amortized cost	-
Total	<u>(19,885)</u>

<Woori Investment Bank Co., Ltd.>

	<u>Impact of changes in estimates</u>
Expected credit loss allowances	
Loans and other financial assets at amortized cost	(16,467)
Guarantees and unused commitments	153
Financial assets at FVTOCI	-
Securities at amortized cost	-
Total	<u>(16,314)</u>

<Woori Savings Bank>

	<u>Impact of changes in estimates</u>
Expected credit loss allowances	
Loans and other financial assets at amortized cost	8,338
Guarantees and unused commitments	-
Financial assets at FVTOCI	-
Securities at amortized cost	-

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	Total	8,338
 <Woori Asset Trust>		
		Impact of changes in estimates
	Loans and other financial assets at amortized cost	936
Expected credit loss allowances	Guarantees and unused commitments	-
	Financial assets at FVTOCI	-
	Securities at amortized cost	-
	Total	936

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.

5) Impairment of goodwill

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations.

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**4. RISK MANAGEMENT**

The Group is exposed to various risks that may arise from its operating activities and the main types of risks are credit risk, market risk, liquidity risk and etc. The Risk Management Organization analyzes and assesses 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, Chief Risk Officer(CRO), 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 Chief Risk Officer (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

To measure credit risk, the Group considers the possibility of failure in performing the obligation by the 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 rating, other than quantitative methods utilizing financial statements and others, and assessor's judgement, the Group utilizes credit rating derived using statistical methods.

In order to manage credit risk limit, the Group establishes the appropriate credit line per obligor, company or industry by monitoring 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 purchase of credit derivatives that have low correlation with the obligor's credit status. The Group has adopted the comprehensive 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.

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2) Measurement of expected credit loss

K-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, depending on the degree of increase in credit risk since their initial recognition.

Classification	Stage 1	Stage 2	Stage 3
Definition	No significant increase in credit risk after initial recognition (*)	Significant increase in credit risk after initial recognition	Credit-impaired
Loss allowance	12-month expected credit losses: Expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date	Lifetime expected credit losses: Expected credit losses that result from all possible default events over the life of the financial instrument	

(\*) If the financial instrument has low credit risk at the end of the reporting period, the Group may assume that the credit risk has not increased significantly since initial recognition.

Loss allowance under credit impairment model is measured as the cumulative change in lifetime expected credit loss since initial recognition.

At the end of each reporting period the Group assesses whether credit risk has significantly been increased since the date of initial recognition. The Group assesses whether the credit risk has increased significantly since initial recognition by using credit rating, asset quality level, early warning system, days past due and others. For financial assets whose contractual cash flows have been modified, the Group assesses whether there is a significant increase in credit risk on the same basis.

The Group performs the below assessment to both 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	

(\*) The Group has applied the below 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

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The Group determined that there is 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 and interest 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 has estimated the allowance for credit losses using an estimation model that additionally reflects the forward looking information based on the past experience loss rate data.

Loss allowance is calculated by applying PD (Probability of Default) and LGD (Loss Given Default) estimated for each financial asset in consideration of factors such as obligor 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 GDP growth rate, Personal consumption expenditures increase/decrease rate, consumer price index change rate in order to forecast future economic conditions.

The Group is conducting the following procedures to estimate and apply forward looking information.

- Development of estimation models through regression analysis of corporate retail/year-by-year default rate and macroeconomic indicator data by year

Major macroeconomic indicators	Correlation between credit risk and macroeconomic indicators
GDP growth rate	Negative(-) Correlation
Personal consumption expenditures increase/decrease rate	Negative(-) Correlation
Won-dollar exchange rate	Positive(+) Correlation

- Calculation of estimated default rate incorporating forward looking by applying estimated macroeconomic indicators provided by verified institutions such as Bank of Korea and National Assembly Budget Office to the estimation model developed
- Forecast of macroeconomic variables

a) Probability weight

As of December 31, 2023, the probability weights applied to the scenarios of the forecasts of macroeconomic variables is as follows (Unit: %):

	Base Scenario	Upside Scenario	Downside Scenario	Worst Scenario
Probability weight	44.36	9.41	26.23	20

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b) Economic forecast of each major macroeconomic variables by scenario (prospect period: 2024)  
As of December 31, 2023, the forecasts of major macroeconomic variables by scenario is as follows (Unit: Won, %)

	Base Scenario	Upside Scenario	Downside Scenario	Worst Scenario
GDP growth rate	2.1	2.29	1.76	(-)5.10
Personal consumption expenditures increase/decrease rate	1.9	2.27	1.23	(-)12.22
Won-dollar exchange rate	1,263	1,255	1,277	1,560

The results of Woori Bank's sensitivity analysis on expected credit loss provisions due to changes in macroeconomic indicators as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

			December 31, 2023
Corporate	Personal consumption expenditures increase/decrease rate	Increase by 1% point	(46,211)
		Decrease by 1% point	52,862
Retail	Consumer price index change rate (*2)	Increase by 1% point	-
		Decrease by 1% point	-
			December 31, 2022
Corporate	Personal consumption expenditures increase/decrease rate	Increase by 1% point	(59,987)
		Decrease by 1% point	68,036
Retail	Consumer price index change rate(*2)	Increase by 1% point	(24,164)
		Decrease by 1% point	28,042

(\*1) The sensitivity of the effect of the GDP growth rate on banks' ECLs is not significant.

(\*2) The consumer price index was excluded from the estimation model of the forward looking for the year ended December 31, 2023.

- The increase rate between the measured default rate and the predicted default rate is used as a forward looking adjustment coefficient and reflected to the applicable estimate for the current year.

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3) Maximum exposure

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 carrying amount 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, 2023 and 2022 is as follows (Unit: Korean Won in millions):

		December 31, 2023	December 31, 2022
Loans and other financial assets at amortized cost (*1)	Korean treasury and government agencies	2,297,088	2,877,685
	Banks	21,996,558	21,571,097
	Corporates	159,343,530	143,507,852
	Consumers	189,510,972	187,804,095
	Sub-total	<u>373,148,148</u>	<u>355,760,729</u>
Financial assets at FVTPL (*2)	Deposits	39,241	34,995
	Debt securities	6,307,238	4,270,532
	Loans	782,716	899,228
	Derivative assets	5,798,329	8,206,181
	Others	2,585	1,505
	Sub-total	<u>12,930,109</u>	<u>13,412,441</u>
Financial assets at FVTOCI	Debt securities	36,694,111	32,145,758
Securities at amortized cost	Debt securities	23,996,172	28,268,516
Derivative assets	Derivative assets (Designated for hedging)	26,708	37,786
Off-balance accounts	Payment guarantees (*3)	13,793,301	11,921,586
	Loan commitments	126,829,192	118,172,070
	Sub-total	<u>140,622,493</u>	<u>130,093,656</u>
	Total	<u><u>587,417,741</u></u>	<u><u>559,718,886</u></u>

(\*1) Cash and cash equivalents are not included.

(\*2) Puttable financial instruments are not included.

(\*3) As of December 31, 2023 and 2022, the financial guarantee amount of 3,661,656 million Won and 3,095,091 million Won are included, respectively.

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a) Credit risk exposure by geographical areas

The following tables analyze credit risk exposure by geographical areas (Unit: Korean Won in millions):

	December 31, 2023						Total
	Korea	China	USA	UK	Japan	Others (*)	
Loans and other financial assets at amortized cost	345,748,021	5,068,801	5,527,208	260,834	617,188	15,926,096	373,148,148
Securities at amortized cost	22,529,414	111,832	1,049,669	-	-	305,257	23,996,172
Financial assets at FVTPL	10,103,182	519	1,507,518	355,478	143,229	820,183	12,930,109
Financial assets at FVTOCI	32,422,652	724,786	2,367,997	7	32,194	1,146,475	36,694,111
Derivative assets (Designated for hedging)	26,010	-	-	-	698	-	26,708
Off-balance accounts	136,287,485	921,904	745,832	20,045	26,351	2,620,876	140,622,493
Total	<u>547,116,764</u>	<u>6,827,842</u>	<u>11,198,224</u>	<u>636,364</u>	<u>819,660</u>	<u>20,818,887</u>	<u>587,417,741</u>

(\*) Others consist of financial assets in Indonesia, Hong Kong, Germany, Australia, and other countries.

	December 31, 2022						Total
	Korea	China	USA	UK	Japan	Others (*)	
Loans and other financial assets at amortized cost	331,572,328	5,188,826	4,721,440	215,174	719,301	13,343,660	355,760,729
Securities at amortized cost	26,883,967	642,089	421,248	16,658	-	304,554	28,268,516
Financial assets at FVTPL	9,272,673	2,607	2,210,580	318,322	168,013	1,440,246	13,412,441
Financial assets at FVTOCI	27,780,323	806,320	2,297,076	1,726	41,421	1,218,892	32,145,758
Derivative assets (Designated for hedging)	37,786	-	-	-	-	-	37,786
Off-balance accounts	126,531,020	981,139	380,209	25,644	16,987	2,158,657	130,093,656
Total	<u>522,078,097</u>	<u>7,620,981</u>	<u>10,030,553</u>	<u>577,524</u>	<u>945,722</u>	<u>18,466,009</u>	<u>559,718,886</u>

(\*) Others consist of financial assets in Indonesia, Hong Kong, Germany, Australia, and other countries.



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b) Credit risk exposure by industries

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, 2023 and 2022 (Unit: Korean Won in millions):

	December 31, 2023						
	Service	Manufacturing	Finance and insurance	Construction	Individuals	Others	Total
Loans and other financial assets at amortized cost	84,704,246	44,591,685	30,388,823	5,583,281	185,083,452	22,796,661	373,148,148
Securities at amortized cost	189,193	-	14,151,799	69,720	-	9,585,460	23,996,172
Financial assets at FVTPL	330,193	233,528	7,184,371	81,731	2,600	5,097,686	12,930,109
Financial assets at FVTOCI	453,694	408,377	25,832,327	290,856	-	9,708,857	36,694,111
Derivative assets (Designated for hedging)	-	-	26,708	-	-	-	26,708
Off-balance accounts	22,561,220	22,897,412	13,804,163	2,826,738	73,042,394	5,490,566	140,622,493
Total	<u>108,238,546</u>	<u>68,131,002</u>	<u>91,388,191</u>	<u>8,852,326</u>	<u>258,128,446</u>	<u>52,679,230</u>	<u>587,417,741</u>
	December 31, 2022						
	Service	Manufacturing	Finance and insurance	Construction	Individuals	Others	Total
Loans and other financial assets at amortized cost	78,173,716	37,013,486	31,485,795	5,613,480	183,167,572	20,306,680	355,760,729
Securities at amortized cost	239,141	-	16,198,175	199,924	-	11,631,276	28,268,516
Financial assets at FVTPL	200,678	184,019	9,776,234	51,244	1,167	3,199,099	13,412,441
Financial assets at FVTOCI	417,877	231,132	22,249,839	48,225	-	9,198,685	32,145,758
Derivative assets (Designated for hedging)	-	-	37,786	-	-	-	37,786
Off-balance accounts	18,661,383	22,492,863	10,523,731	3,143,673	69,404,456	5,867,550	130,093,656
Total	<u>97,692,795</u>	<u>59,921,500</u>	<u>90,271,560</u>	<u>9,056,546</u>	<u>252,573,195</u>	<u>50,203,290</u>	<u>559,718,886</u>

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4) 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, 2023 and 2022 is as follows (Unit: Korean Won in millions):

	December 31, 2023								
	Stage 1		Stage 2		Stage 3	Credit impairment model	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	321,115,435	26,073,686	12,728,437	13,702,855	1,906,434	768,487	376,295,334	(3,147,186)	373,148,148
Korean treasury and government agencies	2,299,323	21	-	-	-	-	2,299,344	(2,256)	2,297,088
Banks	21,880,151	122,383	21,771	-	15,295	-	22,039,600	(43,042)	21,996,558
Corporates	132,702,723	18,890,349	2,630,918	5,411,611	882,459	768,487	161,286,547	(1,943,017)	159,343,530
General business	87,551,345	10,147,028	1,773,713	3,150,829	548,169	-	103,171,084	(1,161,824)	102,009,260
Small- and medium-sized enterprise	36,220,660	8,182,558	753,275	1,587,473	225,463	-	46,969,429	(508,736)	46,460,693
Project financing and others	8,930,718	560,763	103,930	673,309	108,827	768,487	11,146,034	(272,457)	10,873,577
Consumers	164,233,238	7,060,933	10,075,748	8,291,244	1,008,680	-	190,669,843	(1,158,871)	189,510,972
Securities at amortized cost	24,010,113	-	-	-	-	-	24,010,113	(13,941)	23,996,172
Financial assets at FVTOCI (*3)	36,481,028	213,083	-	-	-	-	36,694,111	(27,379)	36,694,111
Total	381,606,576	26,286,769	12,728,437	13,702,855	1,906,434	768,487	436,999,558	(3,188,506)	433,838,431

	December 31, 2023				
	Collateral value				
	Stage1	Stage2	Stage3	Credit impairment model	Total
Loans and other financial assets at amortized cost	224,611,919	21,235,346	767,731	768,275	247,383,271
Korean treasury and government agencies	39,199	-	-	-	39,199
Banks	2,136,530	-	-	-	2,136,530
Corporates	92,544,712	5,915,710	382,605	768,275	99,611,302
General business	52,951,331	4,058,593	169,855	-	57,179,779
Small- and medium-sized enterprise	33,580,230	1,590,947	112,117	-	35,283,294
Project financing and others	6,013,151	266,170	100,633	768,275	7,148,229
Consumers	129,891,478	15,319,636	385,126	-	145,596,240
Securities at amortized cost	-	-	-	-	-
Financial assets at FVTOCI (*3)	-	-	-	-	-
Total	224,611,919	21,235,346	767,731	768,275	247,383,271

(\*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.

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	Stage 1		Stage 2		Stage 3	Credit impairment model	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	308,498,799	23,391,187	13,061,081					
Korean treasury and government agencies	2,879,057	39	-	-	-	-	2,879,096	(1,411)	2,877,685
Banks	21,182,445	393,181	2,125	-	18,053	-	21,595,804	(24,707)	21,571,097
Corporates	120,407,588	16,680,863	2,556,885	4,429,148	637,187	313,717	145,025,388	(1,517,536)	143,507,852
General business	74,939,770	9,291,691	1,754,620	3,083,232	421,659	-	89,490,972	(1,016,039)	88,474,933
Small- and medium-sized enterprise	34,965,279	6,751,297	754,668	1,257,741	173,818	-	43,902,803	(400,328)	43,502,475
Project financing and others	10,502,539	637,875	47,597	88,175	41,710	313,717	11,631,613	(101,169)	11,530,444
Consumers	164,029,709	6,317,104	10,502,071	7,104,484	792,727	-	188,746,095	(942,000)	187,804,095
Securities at amortized cost	28,276,901	-	-	-	-	-	28,276,901	(8,385)	28,268,516
Financial assets at FVTOCI (*3)	31,914,193	231,565	-	-	-	-	32,145,758	(11,805)	32,145,758
Total	<u>368,689,893</u>	<u>23,622,752</u>	<u>13,061,081</u>	<u>11,533,632</u>	<u>1,447,967</u>	<u>313,717</u>	<u>418,669,042</u>	<u>(2,505,844)</u>	<u>416,175,003</u>

December 31, 2022

	Collateral value				
	Stage1	Stage2	Stage3	Credit impairment model	Total
	Loans and other financial assets at amortized cost	213,228,740	19,354,919	607,614	313,717
Korean treasury and government agencies	24,276	-	-	-	24,276
Banks	1,858,595	-	-	-	1,858,595
Corporates	82,314,488	4,982,087	316,085	313,717	87,926,377
General business	44,465,799	3,390,139	194,597	-	48,050,535
Small- and medium-sized enterprise	32,503,289	1,537,173	84,798	-	34,125,260
Project financing and others	5,345,400	54,775	36,690	313,717	5,750,582
Consumers	129,031,381	14,372,832	291,529	-	143,695,742
Securities at amortized cost	-	-	-	-	-
Financial assets at FVTOCI (*3)	-	-	-	-	-
Total	<u>213,228,740</u>	<u>19,354,919</u>	<u>607,614</u>	<u>313,717</u>	<u>233,504,990</u>

(\*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.

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b) Payment Guarantees and commitments

The credit quality of the payment guarantees and loan commitments as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

Financial assets	December 31, 2023					
	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)		
Off-balance accounts:						
Payment Guarantees	12,515,536	1,150,185	73,192	40,890	13,498	13,793,301
Loan Commitments	120,623,982	3,512,099	2,166,380	496,824	29,907	126,829,192
Total	133,139,518	4,662,284	2,239,572	537,714	43,405	140,622,493

(\*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.

Financial assets	December 31, 2022					
	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)		
Off-balance accounts:						
Payment Guarantees	10,790,470	846,997	25,826	245,061	13,232	11,921,586
Loan Commitments	113,169,542	2,610,173	1,638,982	753,139	234	118,172,070
Total	123,960,012	3,457,170	1,664,808	998,200	13,466	130,093,656

(\*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.

5) Collateral and other credit enhancements

For the years ended December 31, 2023 and 2022, 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.

6) Among financial assets that measured loss allowance at lifetime expected credit losses, amortized costs before changes in contractual cash flows as of December 31, 2023 and 2022 are 161,893 million Won and 149,511 million Won, respectively, with net losses recognized along with the changes 5,107 million Won and 8,474 million Won, respectively.

7) 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.

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, 2023 and 2022 are 10,089,739 million Won and 9,825,284 million Won. In addition, the contractual non-recoverable amount of financial assets amortized for the year ended December 31, 2023, but still in the process of recovery is 1,599,465 million Won.

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(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, measuring its level, and evaluating the appropriateness of the level of accepted market risks for both trading and non-trading activities.

a) Trading activities

The Group uses the standard approach and internal model approach (Woori 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.

Subsidiaries such as Woori Bank manage market internal capital limits using the Basel III standard approach, and other subsidiaries manage market risks by applying the simple method.

The Basel III standard approach consists of a sensitivity method that measures linear and nonlinear losses that may occur due to unfavorable fluctuations in market risk factors, bankruptcy risks that may occur due to sudden bankruptcy, and residual risk-bearing equity capital for other losses.

Woori Bank, a major subsidiary subject to Basel III standard approach of market risk management, has the following equity capital required for market risk.(Unit : Korean Won in millions)

	Risk Group	December 31, 2023
Sensitivity-based risk	General interest rate risk	37,832
	Equity risk	9,376
	Commodity risk	12
	Foreign exchange risk	249,044
	Non-securitization credit spread risk	27,371
	Securitization (excluding CTP (Correlation Trading Portfolio)) credit spread risk	-
	CTP credit spread risk	-
Default risk	Non-Securitization bankruptcy risk	-
	Securitization (excluding CTP) default risk	-
	CTP default risk	-
Residual risk	Residual risk	692
Total		324,327

The minimum, maximum and average VaR for the year December 31, 2022 and the VaR as of December 31, 2022 are as follows (Unit: Korean Won in millions):

Risk factor	December 31, 2022	For the year ended December 31, 2022		
		Average	Maximum	Minimum
Interest rate	11,800	8,847	11,987	4,298
Stock price	7,055	6,590	12,448	1,806
Foreign currencies	17,608	14,002	22,251	5,421
Diversification	(17,354)	(12,725)	(19,640)	(4,201)
Total VaR(*)	19,109	16,714	27,046	7,324

(\*) VaR (Value at Risk): Retention period of 1 day, Maximum expected losses under 99% level of confidence.

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b) Non-trading activities

From the end of 2019 for the Bank and the beginning of 2021 for non-banking subsidiaries, the Bank and its subsidiaries manage and measure interest risk for non-trading activities through  $\Delta$ NII(Change in Net Interest Income) and  $\Delta$ EVE(Change in Economic Value of Equity) in accordance with IRRBB(Interest Rate Risk in the Banking Book).

$\Delta$ NII represents a change in net interest income that may occur over a certain period (e.g. one year) due to changes in interest rates, and  $\Delta$ 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 off-balance accounts.

$\Delta$ EVE and  $\Delta$ NII calculated on interest risk in banking book(IRRB) basis for assets and liabilities by subsidiary as of December 31, 2023 and 2022 are as follows(Unit: Korean Won in millions):

	December 31, 2023		December 31, 2022	
	$\Delta$ EVE (*1)	$\Delta$ NII (*2)	$\Delta$ EVE (*1)	$\Delta$ NII (*2)
Woori Bank	683,660	743,489	411,447	448,509
Woori Card Co., Ltd.	80,720	76,846	139,005	185,637
Woori Financial Capital Co., Ltd.	48,523	17,585	43,098	13,814
Woori Investment Bank Co., Ltd.	4,464	15,303	26,311	8,229
Woori Asset Trust Co., Ltd.	1,210	7,018	1,137	6,736
Woori Asset Management Corp.	832	2,154	913	1,299
Woori Savings Bank	7,347	11,077	6,618	10,348
Woori Private Equity Asset Management Co., Ltd.	80	775	547	886
Woori Global Asset Management Co., Ltd.	536	269	251	538
Woori Financial F&I Co., Ltd.	63,852	3,961	26,069	219
Woori Venture Partners Co., Ltd.(*3)	340	2782	-	-

(\*1)  $\Delta$ EVE: change in Economic Value of Equity

(\*2)  $\Delta$ NII: change in Net Interest Income

(\*3) Additional investment occurred and added it as a consolidated subsidiary during the year ended December 31, 2023.

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At the interest rate re-pricing date, cash flows (both principal and interest) of interest bearing assets and liabilities, which is the basis of non-trading position interest rate risk management are as follows: (Unit: Korean Won in millions):

	December 31, 2023						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
<b>Asset:</b>							
Loans and other financial assets at amortized cost	245,179,685	55,105,699	17,928,072	12,101,395	55,840,540	3,594,287	389,749,678
Financial assets at FVTPL	2,155,339	178,206	37,672	22,719	52,341	90	2,446,367
Financial assets at FVTOCI	5,976,531	3,489,341	2,425,700	3,008,905	22,852,783	756,272	38,509,532
Securities at amortized cost	1,451,409	1,230,486	3,335,565	1,416,082	15,907,380	2,171,914	25,512,836
<b>Total</b>	<b>254,762,964</b>	<b>60,003,732</b>	<b>23,727,009</b>	<b>16,549,101</b>	<b>94,653,044</b>	<b>6,522,563</b>	<b>456,218,413</b>
<b>Liability:</b>							
Deposits due to customers	169,127,109	52,395,270	32,948,424	47,030,448	60,621,757	34,406	362,157,414
Borrowings	20,147,327	5,157,330	1,933,137	2,575,993	4,112,788	437,839	34,364,414
Debentures	7,741,466	5,188,081	4,104,309	5,168,597	18,443,853	3,223,255	43,869,561
<b>Total</b>	<b>197,015,902</b>	<b>62,740,681</b>	<b>38,985,870</b>	<b>54,775,038</b>	<b>83,178,398</b>	<b>3,695,500</b>	<b>440,391,389</b>
	December 31, 2022						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
<b>Asset:</b>							
Loans and other financial assets at amortized cost	224,863,400	56,669,335	15,469,920	15,108,779	59,454,649	5,963,926	377,530,009
Financial assets at FVTPL	1,888,996	119,725	1,364	4,670	71,620	13,129	2,099,504
Financial assets at FVTOCI	6,093,805	4,224,460	3,014,625	3,550,982	15,409,527	584,203	32,877,602
Securities at amortized cost	2,749,432	1,806,804	1,768,936	1,427,736	20,126,354	2,100,203	29,979,465
<b>Total</b>	<b>235,595,633</b>	<b>62,820,324</b>	<b>20,254,845</b>	<b>20,092,167</b>	<b>95,062,150</b>	<b>8,661,461</b>	<b>442,486,580</b>
<b>Liability:</b>							
Deposits due to customers	167,237,029	49,107,093	33,506,265	40,006,233	55,855,781	69,861	345,782,262
Borrowings	14,829,024	4,159,096	1,542,340	1,183,331	6,654,602	472,325	28,840,718
Debentures	9,068,737	4,905,727	4,633,137	4,962,350	19,621,659	3,298,581	46,490,191
<b>Total</b>	<b>191,134,790</b>	<b>58,171,916</b>	<b>39,681,742</b>	<b>46,151,914</b>	<b>82,132,042</b>	<b>3,840,767</b>	<b>421,113,171</b>

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, 2023 and 2022 are as follows (Unit: USD in millions, JPY in millions, CNY in millions, EUR in millions, and Korean Won in millions):

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		December 31, 2023									
		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	8,540	11,011,576	108,421	989,519	1,377	248,965	641	914,960	1,145,464	14,310,484
	Loans and other financial assets at amortized cost	24,463	31,542,764	138,242	1,261,674	30,536	5,522,075	1,791	2,554,897	4,585,588	45,466,998
	Financial assets at FVTPL	884	1,140,110	49,640	453,047	-	-	280	399,828	72,351	2,065,336
	Financial assets at FVTOCI	3,136	4,044,155	-	-	3,882	701,938	6	8,549	738,710	5,493,352
	Securities at amortized cost	1,223	1,576,690	-	-	618	111,839	68	97,393	184,938	1,970,860
	Total	<u>38,246</u>	<u>49,315,295</u>	<u>296,303</u>	<u>2,704,240</u>	<u>36,413</u>	<u>6,584,817</u>	<u>2,786</u>	<u>3,975,627</u>	<u>6,727,051</u>	<u>69,307,030</u>
Liability	Financial liabilities at FVTPL	350	451,700	23,806	217,266	-	-	209	297,521	98,885	1,065,372
	Deposits due to customers	23,962	30,896,247	279,377	2,549,759	23,162	4,188,690	2,122	3,027,521	5,531,242	46,193,459
	Borrowings	9,339	12,041,139	70,741	645,621	1,658	299,748	225	321,529	2,632,379	15,940,416
	Debentures	4,811	6,202,675	-	-	-	-	195	277,871	-	6,480,546
	Other financial liabilities	3,448	4,446,194	26,977	246,206	7,752	1,401,956	99	141,404	387,310	6,623,070
	Total	<u>41,910</u>	<u>54,037,955</u>	<u>400,901</u>	<u>3,658,852</u>	<u>32,572</u>	<u>5,890,394</u>	<u>2,850</u>	<u>4,065,846</u>	<u>8,649,816</u>	<u>76,302,863</u>
Off-balance accounts	<u>7,748</u>	<u>9,990,349</u>	<u>30,143</u>	<u>275,101</u>	<u>2,043</u>	<u>369,483</u>	<u>796</u>	<u>1,135,845</u>	<u>568,935</u>	<u>12,339,713</u>	
		December 31, 2022									
		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	9,041	11,457,194	64,824	617,888	1,542	279,779	484	653,870	1,022,909	14,031,640
	Loans and other financial assets at amortized cost	24,361	30,872,442	116,298	1,108,529	24,637	4,470,059	2,510	3,391,155	4,952,002	44,794,187
	Financial assets at FVTPL	970	1,229,059	25,416	242,260	-	-	358	484,172	176,057	2,131,548
	Financial assets at FVTOCI	3,307	4,191,383	-	-	3,999	725,511	2	2,573	725,271	5,644,738
	Securities at amortized cost	576	729,811	-	-	3,540	642,214	69	93,250	206,497	1,671,772
	Total	<u>38,255</u>	<u>48,479,889</u>	<u>206,538</u>	<u>1,968,677</u>	<u>33,718</u>	<u>6,117,563</u>	<u>3,423</u>	<u>4,625,020</u>	<u>7,082,736</u>	<u>68,273,885</u>
Liability	Financial liabilities at FVTPL	415	526,553	26,766	255,128	-	-	322	434,590	274,895	1,491,166
	Deposits due to customers	24,569	31,135,881	227,260	2,166,196	28,125	5,102,886	2,108	2,847,863	5,008,487	46,261,313
	Borrowings	6,894	8,737,229	44,365	422,876	1,023	185,652	431	582,034	2,179,085	12,106,876
	Debentures	4,174	5,289,246	-	-	-	-	195	263,187	339,188	5,891,621
	Other financial liabilities	3,040	3,852,255	8,685	82,783	4,295	779,233	380	513,285	200,249	5,427,805
	Total	<u>39,092</u>	<u>49,541,164</u>	<u>307,076</u>	<u>2,926,983</u>	<u>33,443</u>	<u>6,067,771</u>	<u>3,436</u>	<u>4,640,959</u>	<u>8,001,904</u>	<u>71,178,781</u>
Off-balance accounts	<u>6,698</u>	<u>8,488,374</u>	<u>34,512</u>	<u>328,964</u>	<u>1,141</u>	<u>207,012</u>	<u>787</u>	<u>1,063,680</u>	<u>868,470</u>	<u>10,956,500</u>	



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(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 maturity of assets and liabilities or unexpected cash outflows. The consolidated 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.

The information on early repayment related to asset securitization is described in NOTE 40. CONTINGENT LIABILITIES AND COMMITMENTS (4) 5).

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, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	December 31, 2023						Total
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	
Financial liabilities at FVTPL	39,524	89,287	-	-	10,256	56,221	195,288
Deposits due to customers	236,125,560	39,103,357	22,776,074	50,089,672	16,898,791	1,549,490	366,542,944
Borrowings	11,415,214	6,626,722	4,345,143	4,579,032	4,331,196	437,839	31,735,146
Debentures	5,510,096	5,328,382	5,383,741	6,035,590	18,439,577	3,223,255	43,920,641
Lease liabilities	74,228	42,106	58,241	33,679	151,127	25,172	384,553
Other financial liabilities	15,059,935	233,081	21,356	26,403	1,025,252	4,195,930	20,561,957
Total	<u>268,224,557</u>	<u>51,422,935</u>	<u>32,584,555</u>	<u>60,764,376</u>	<u>40,856,199</u>	<u>9,487,907</u>	<u>463,340,529</u>

  

	December 31, 2022						Total
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	
Financial liabilities at FVTPL	35,161	-	-	-	-	12,113	47,274
Deposits due to customers	228,890,427	36,851,103	24,091,740	42,652,679	14,999,516	1,522,830	349,008,295
Borrowings	8,969,648	5,734,715	3,210,812	3,156,211	7,457,240	484,909	29,013,535
Debentures	6,348,064	6,841,379	5,211,032	5,214,942	19,621,659	3,298,581	46,535,657
Lease liabilities	68,279	36,724	35,136	29,646	151,379	33,007	354,171
Other financial liabilities	14,409,376	113,049	19,370	20,315	765,870	3,037,563	18,365,543
Total	<u>258,720,955</u>	<u>49,576,970</u>	<u>32,568,090</u>	<u>51,073,793</u>	<u>42,995,664</u>	<u>8,389,003</u>	<u>443,324,475</u>

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- b) Cash flows of principals and interests by expected maturities of non-derivative financial liabilities as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

		December 31, 2023						
		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	39,524	89,287	-	-	10,256	56,221	195,288
	Deposits due to customers	241,935,362	41,132,677	23,468,344	44,082,420	14,717,842	505,146	365,841,791
	Borrowings	11,419,501	6,630,868	4,346,740	4,579,314	4,331,196	437,839	31,745,458
	Debentures	5,512,545	5,330,733	5,386,014	6,037,688	18,443,853	3,223,255	43,934,088
	Lease liabilities	74,228	43,350	59,604	35,057	162,874	25,834	400,947
	Other financial liabilities	15,059,935	233,081	21,356	26,403	1,025,252	4,195,930	20,561,957
	<b>Total</b>	<b>274,041,095</b>	<b>53,459,996</b>	<b>33,282,058</b>	<b>54,760,882</b>	<b>38,691,273</b>	<b>8,444,225</b>	<b>462,679,529</b>
		December 31, 2022						
		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	35,161	-	-	-	-	12,113	47,274
	Deposits due to customers	242,132,680	41,113,768	24,269,363	29,670,943	10,490,993	56,013	347,733,760
	Borrowings	8,969,648	5,734,715	3,210,812	3,156,211	7,457,240	484,909	29,013,535
	Debentures	6,348,064	6,841,379	5,211,032	5,214,942	19,621,659	3,298,581	46,535,657
	Lease liabilities	68,344	36,729	35,377	29,948	157,361	38,584	366,343
	Other financial liabilities	14,409,376	113,049	19,370	20,315	765,870	3,037,563	18,365,543
	<b>Total</b>	<b>271,963,273</b>	<b>53,839,640</b>	<b>32,745,954</b>	<b>38,092,359</b>	<b>38,493,123</b>	<b>6,927,763</b>	<b>442,062,112</b>

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, 2023 and 2022 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, 2023	Cash flow risk hedge	(1,223)	(875)	(590)	(302)	13,689	-	10,699
	Fair value risk hedge	29,176	34,370	157	35,272	30,241	-	129,216
	Trading purpose	5,943,024	-	-	-	-	-	5,943,024
December 31, 2022	Cash flow risk hedge	856	905	915	1,255	50,682	-	54,613
	Fair value risk hedge	25,048	16,175	31,974	18,540	118,027	(3,615)	206,149
	Trading purpose	8,905,125	-	-	-	-	-	8,905,125

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4) Maturity analysis of off-balance accounts (Payment guarantees, commitments, and etc)

A payment 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. Loan commitments 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 payment guarantees, such as financial guarantees for debentures issued or loans, unused loan commitments, and other credits, 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 as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	December 31, 2023	December 31, 2022
Payment guarantees	13,793,301	11,921,586
Loan commitments	126,829,192	118,172,070
Other commitments	4,854,099	4,602,429

(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 a group operational risk management system to cope with new Basel III global regulations, which is implemented since 2023, and the management of operational risks follows the procedures for risk recognition, evaluation, measurement, monitoring and reporting, risk control and mitigation.

2) Operational risk measurement

The Group applies the standard approach for the purpose of calculating operational risk required equity capital.

- The standard approach is to calculate operational risk required equity capital by multiplying the Business Indicator Component(BIC), which is calculated by multiplying Business Indicator(BI) that is a measure based on consolidated financial statements and adjustment coefficient, and the Internal Loss Multiplier(ILM), an adjusted multiplier based on the average past loss and operating index.

“Operational risk required equity capital” = Business Indicator Component (BIC) × Internal Loss Multiplier(ILM)

“Business Indicator Component(BIC)” = Business Index(BI) × Adjustment Coefficient

“Internal Loss Multiplier(ILM)” =  $\ln(\exp(1)-1 + (\text{Loss Component(LC)}/\text{Business Indicator Component(BIC)})^{0.8})$

Bucket	Business Index (BI) section	The coefficient
1	1.4 trillion Won or less	12%
2	More than 1.4 trillion Won and less than or equal to 42 trillion Won	15%
3	Over 42 trillion Won	18%

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(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 III published by Basel 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 Group.

According to the above regulations, the Group is required to meet the following minimum requirements: Tier 1 common capital ratio of 8.0%, a Tier 1 capital ratio of 9.5%, and a total capital ratio of 11.5% as of December 31, 2023 and 2022.

Details of the Group's capital adequacy ratio as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

Details	December 31, 2023(*)	December 31, 2022
Tier 1 capital	26,343,941	23,757,296
Other Tier 1 capital	4,596,584	4,208,994
Tier 2 capital	3,815,920	3,437,735
Total risk-adjusted capital	34,756,445	31,404,025
Risk-weighted assets for credit risk	195,490,941	182,028,062
Risk-weighted assets for market risk	4,697,055	6,759,527
Risk-weighted assets for operational risk	19,603,749	16,519,885
Total risk-weighted assets	219,791,745	205,307,474
Common Equity Tier 1 ratio	11.99%	11.57%
Tier 1 capital ratio	14.08%	13.62%
Total capital ratio	15.81%	15.30%

(\*) The capital ratio at the end of the current period is provisional

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**5. OPERATING SEGMENTS**

In evaluating the results of the Group and allocating resources, the Group’s Chief Operation Decision Maker (“CODM”) utilizes the method of disclosing the financial information of the segments based on the organization of the Group. This financial information of the segments in this note is regularly reviewed by the CODM.

(1) Segment by type of organization

The Group’s reporting segments consist of banking, credit card, capital, 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 customers of Woori Bank
Credit card	Credit card, cash services, card loans and accompanying business of Woori Card Co., Ltd.
Capital	Installments, loans including lease financing, and accompanying business of Woori Financial Capital Co., Ltd.
Investment	Securities operation, sale of financial instruments, project financing and other related activities for comprehensive financing of Woori Investment bank Co., Ltd.
Banking	
Others	Woori Financial Group Inc., Woori Asset Trust Co., Ltd., Woori Asset Management Corp., Ltd., Woori Financial F&I Co., Ltd., Woori Savings Bank., Woori Credit Information Co., Ltd., Woori Fund Services Co., Ltd., Woori Private Equity Asset Management Co., Ltd., Woori Global Asset Management Co., Ltd., Woori FIS Co., Ltd. and Woori Finance Research Institute, Woori Venture Partners Co., Ltd.

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(2) The composition of each organization's sectors for the years ended December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2023									
	Banking	Credit card	Capital	Investment banking	Others (*1)	Sub-total	Other adjustments (*2)	Internal adjustments (*3)	Consolidated Adjustments (*4)	Total
Net interest income	6,535,929	667,053	324,013	100,041	115,089	7,742,125	79,401	917,949	3,065	8,742,540
Non-interest income(expense)	1,475,139	121,593	129,347	44,595	2,011,486	3,782,160	14,475	(740,918)	(1,960,879)	1,094,838
Impairment losses due to credit loss	(894,827)	(355,879)	(188,682)	(160,182)	(119,684)	(1,719,254)	-	(177,384)	1,722	(1,894,916)
General and administrative expense	(3,799,282)	(285,308)	(96,469)	(51,496)	(556,427)	(4,788,982)	(823)	-	346,372	(4,443,433)
Net operating income(expense)	3,316,959	147,459	168,209	(67,042)	1,450,464	5,016,049	93,053	(353)	(1,609,720)	3,499,029
Share of gain of associates	88,788	-	395	236	3,373	92,792	(143)	-	17,182	109,831
Other non-operating expense	(76,312)	(4,163)	(2,106)	(990)	(972)	(84,543)	3,153	353	(10,370)	(91,407)
Non-operating income(expense)	12,476	(4,163)	(1,711)	(754)	2,401	8,249	3,010	353	6,812	18,424
Net income(expense) before tax	3,329,435	143,296	166,498	(67,796)	1,452,865	5,024,298	96,063	-	(1,602,908)	3,517,453
Tax expense	(814,354)	(31,232)	(38,662)	14,423	(31,833)	(901,658)	-	-	11,099	(890,559)
Net income(loss)	2,515,081	112,064	127,836	(53,373)	1,421,032	4,122,640	96,063	-	(1,591,809)	2,626,894
Total assets	458,017,067	17,491,193	12,417,338	6,375,625	29,725,013	524,026,236	2,846,897	-	(28,868,197)	498,004,936
Investment in associate	1,029,697	-	34,613	4,783	23,882,409	24,951,502	26,302	-	(23,182,434)	1,795,370
Other assets	456,987,370	17,491,193	12,382,725	6,370,842	5,842,604	499,074,734	2,820,595	-	(5,685,763)	496,209,566
Total liabilities	431,313,615	14,830,408	10,796,683	5,273,890	4,424,086	466,638,682	118,442	-	(2,149,678)	464,607,446

(\*1) Other segments includes gains and losses from Woori Financial Group Inc., Woori Asset Trust Co., Ltd., Woori Savings Bank, Woori Asset Management Corp., Woori Financial F&I Co., Ltd., Woori Credit Information Co., Ltd., Woori Fund Service Co., Ltd., Woori Private Equity Asset Management Co., Ltd., Woori Global Asset Management Co., Ltd., Woori FIS Co., Ltd., Woori Finance Research Institute and Woori Venture Partners Co., Ltd.

(\*2) Other segments includes the funds subject to Group's consolidation not included in the reporting segment.

(\*3) Internal reconciliation includes the adjustment of deposit insurance premiums of 464,213 million Won and fund contribution fees of 453,805 million Won from net interest income expenses to non-interest income expenses in order to present the profit and loss adjustment between reporting divisions in accordance with management accounting standards as profit and loss in accordance with accounting standards

(\*4) Consolidation adjustments include the elimination of 343,810 million Won of internal transactions between Woori FIS Co., Ltd., the group's IT service agency, and affiliates, and the removal of 1,482,956 million Won of dividends received by the holding company from its subsidiaries.

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	Banking	Credit card	Capital	Investment banking	Others (*1)	Sub-total	Other adjustments (*2)	Internal adjustments (*3)	Consolidated Adjustments (*4)	Total
Net interest income	6,603,834	675,250	376,133	117,867	73,800	7,846,884	34,307	817,543	(2,155)	8,696,579
Non-interest income(expense)	1,520,576	110,888	83,428	82,885	1,750,203	3,547,980	17,498	(761,029)	(1,655,342)	1,149,107
Impairment losses due to credit loss	(426,552)	(238,607)	(107,906)	(16,491)	(38,319)	(827,875)	-	(57,992)	595	(885,272)
General and administrative expense	(3,914,672)	(262,525)	(99,872)	(61,631)	(493,502)	(4,832,202)	(409)	-	302,721	(4,529,890)
Net operating income(expense)	3,783,186	285,006	251,783	122,630	1,292,182	5,734,787	51,396	(1,478)	(1,354,181)	4,430,524
Share of gain of associates	73,958	-	1,430	334	2,173	77,895	(182)	-	(7,717)	69,996
Other non-operating expense	5,563	(6,373)	(1,835)	(1,399)	(2,386)	(6,430)	2,371	1,478	(12,565)	(15,146)
Non-operating income(expense)	79,521	(6,373)	(405)	(1,065)	(213)	71,465	2,189	1,478	(20,282)	54,850
Net income(expense) before tax	3,862,707	278,633	251,378	121,565	1,291,969	5,806,252	53,585	-	(1,374,463)	4,485,374
Tax expense	(959,298)	(73,869)	(68,050)	(29,771)	(26,739)	(1,157,727)	-	-	(3,665)	(1,161,392)
Net income(loss)	2,903,409	204,764	183,328	91,794	1,265,230	4,648,525	53,585	-	(1,378,128)	3,323,982
Total assets	443,340,979	16,118,967	12,581,473	5,657,191	28,059,619	505,758,229	2,019,322	-	(27,303,155)	480,474,396
Investment in associate	917,581	-	40,987	6,548	22,427,853	23,392,969	29,658	-	(22,116,991)	1,305,636
Other assets	442,423,398	16,118,967	12,540,486	5,650,643	5,631,766	482,365,260	1,989,664	-	(5,186,164)	479,168,760
Total liabilities	417,583,793	13,692,456	11,040,754	4,982,410	4,146,997	451,446,410	50,762	-	(2,650,118)	448,847,054

(\*1) Other segments includes gains and losses from Woori Financial Group Inc., Woori Asset Trust Co., Ltd., Woori Savings Bank, Woori Asset Management Corp., Woori Financial F&I Co., Ltd., Woori Credit Information Co., Ltd., Woori Fund Service Co., Ltd., Woori Private Equity Asset Management Co., Ltd., Woori Global Asset Management Co., Ltd., Woori FIS Co., Ltd. and Woori Finance Research Institute.

(\*2) Other segments includes the funds subject to Group's consolidated not included in the reporting segment.

(\*3) Internal reconciliation includes the adjustment of deposit insurance premiums of 423,834 million Won and fund contribution fees of 402,057 million Won from net interest income expenses to non-interest income expenses in order to present the profit and loss adjustment between reporting divisions in accordance with management accounting standards as profit and loss in accordance with accounting standards

(\*4) Consolidation adjustments include the elimination of 300,297 million Won of internal transactions between Woori FIS Co., Ltd., the group's IT service agency, and affiliates, and the removal of 1,272,393 million Won of dividends received by the holding company from its subsidiaries.

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- (3) Operating profit or loss from external customers for the years ended December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

Details	For the years ended December 31	
	2023	2022
Domestic	3,055,926	3,835,809
Foreign	443,103	594,715
Total	3,499,029	4,430,524

- (4) Major non-current assets as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

Details (*)	December 31, 2023 (*)	December 31, 2022 (*)
Domestic	5,804,919	5,152,033
Foreign	636,820	533,354
Total	6,441,739	5,685,387

(\*) 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, 2023 and 2022.



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**6. STATEMENTS OF CASH FLOWS**

(1) Details of cash and cash equivalents are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash	1,464,606	1,771,316
Foreign currencies	715,495	628,590
Demand deposits	28,248,420	31,729,228
Fixed deposits	128,097	90,014
Total	<u>30,556,618</u>	<u>34,219,148</u>

(2) Details of restricted cash and cash equivalents are as follows (Unit: Korean Won in millions)

	<u>Counterparty</u>	<u>December 31, 2023</u>	<u>Reason of restriction</u>
Due from banks in local currency:			
Due from BOK	BOK	<u>13,420,310</u>	Reserve deposits under the BOK Act
Due from banks in foreign currencies:			
Due from banks on demand	Bank of Japan and others	<u>957,627</u>	Reserve deposits etc.
Total		<u>14,377,937</u>	
	<u>Counterparty</u>	<u>December 31, 2022</u>	<u>Reason of restriction</u>
Due from banks in local currency:			
Due from BOK	BOK	<u>16,527,445</u>	Reserve deposits under the BOK Act
Due from banks in foreign currencies:			
Due from banks on demand	BOK and others	<u>6,437,717</u>	Reserve deposits under the BOK Act and others
Total		<u>22,965,162</u>	

(3) Significant transactions of investing activities and financing activities not involving cash inflows and outflows are as follows (Unit: Korean Won in millions):

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Changes in other comprehensive income related to valuation of financial assets at FVTOCI	725,525	(493,871)
Changes in other comprehensive income related to valuation of assets of associate	2,965	612
Changes in other comprehensive income related to valuation profit or loss on cash flow hedge	(16,524)	(9,835)
Changes in financial assets measure at FVTOCI due to debt-for-equity swap	206	14,594
Changes in the Property, plant and equipment due to the transfer of assets held-for-sale	(2,504)	(13,109)
Transfer of investment properties to Property, Plant and Equipment	2,098	-
Transfer of Property, Plant and Equipment to investment properties	-	7,154
Changes in account payables related to Property, Plant and Equipment	-	281
Changes in account payables related to intangible assets	11,121	(11,530)
Changes in right-of-use assets and lease liabilities	219,531	194,236

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	For the years ended December 31	
	2023	2022
Changes in other comprehensive income related to foreign operation translation	45,080	28,746

- (4) 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, 2023						Ending balance
	Beginning balance	Not involving cash inflows and outflows					
		Cash flow	Foreign Exchange	Variation of gain(loss) on valuation of hedged items	Business Combination	Others (*)	
Borrowings	28,429,603	2,332,376	191,250	-	-	33,517	30,986,746
Debtentures	44,198,486	(3,227,650)	82,210	63,615	-	122,584	41,239,245
Lease liabilities	319,161	(160,673)	1,130	-	-	174,838	334,456
Other liabilities	27,384	118	-	-	4	641	28,147
Total	<u>72,974,634</u>	<u>(1,055,829)</u>	<u>274,590</u>	<u>63,615</u>	<u>4</u>	<u>331,580</u>	<u>72,588,594</u>

(\*) The change in lease liabilities due to the new contract includes 210,810 million Won.

	For the year ended December 31, 2022					Ending balance
	Beginning balance	Not involving cash inflows and outflows				
		Cash flow	Foreign Exchange	Variation of gains on valuation of hedged items	Others (*)	
Borrowings	24,755,459	2,881,675	760,918	-	31,551	28,429,603
Debtentures	44,653,864	(484,874)	297,861	(257,910)	(10,455)	44,198,486
Lease liabilities	343,213	(187,531)	4,645	-	158,834	319,161
Other liabilities	26,907	513	-	-	(36)	27,384
Total	<u>69,779,443</u>	<u>2,209,783</u>	<u>1,063,424</u>	<u>(257,910)</u>	<u>179,894</u>	<u>72,974,634</u>

(\*) The change in lease liabilities due to the new contract includes 235,215 million Won.

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**7. FINANCIAL ASSETS AT FVTPL**

- (1) Details of financial assets at FVTPL as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets at fair value through profit or loss measured at fair value	21,544,756	19,860,573

- (2) Financial assets at fair value through profit or loss measured at fair value as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deposits:		
Gold banking asset	39,241	34,995
Securities:		
Debt securities		
Korean treasury and government agencies	4,310,612	2,754,442
Financial institutions	778,832	620,311
Corporates	433,488	721,573
Securities loaned	625,398	-
Others	158,908	174,206
Equity securities	421,989	383,883
Capital contributions	2,459,646	1,976,474
Beneficiary certificates	5,509,915	3,902,762
Others	181,691	143,334
Sub-total	<u>14,880,479</u>	<u>10,676,985</u>
Loans	782,716	899,228
Derivatives assets	5,798,329	8,206,181
Other financial assets	43,991	43,184
Total	<u>21,544,756</u>	<u>19,860,573</u>

The Group does not have financial assets at fair value through profit or loss designated as upon initial recognition as of December 31, 2023 and 2022.

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**8. FINANCIAL ASSETS AT FVTOCI**

- (1) Details of financial assets at FVTOCI as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	December 31, 2023	December 31, 2022
Debt securities:		
Korean treasury and government agencies	5,728,241	5,487,983
Financial institutions	20,885,924	16,870,619
Corporates	3,994,432	4,044,446
Bond denominated in foreign currencies	5,493,295	5,644,684
Securities loaned	592,219	98,026
Sub-total	<u>36,694,111</u>	<u>32,145,758</u>
Equity securities	<u>1,197,384</u>	<u>939,322</u>
Total	<u>37,891,495</u>	<u>33,085,080</u>

- (2) Details of equity securities designated as financial assets at FVTOCI as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

Purpose of acquisition	December 31, 2023	December 31, 2022	Remarks
Investment for strategic business partnership purpose	1,039,203	776,199	
Debt-equity swap	158,175	157,216	
Others	6	5,907	Insurance for mutual aid association, etc.
Total	<u>1,197,384</u>	<u>939,322</u>	

- (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, 2023			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(11,805)	-	-	(11,805)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net provision of loss allowance	(16,542)	-	-	(16,542)
Disposal	1,519	-	-	1,519
Others (*)	(551)	-	-	(551)
Ending balance	<u>(27,379)</u>	<u>-</u>	<u>-</u>	<u>(27,379)</u>

(\*) Others consist of foreign currencies translation, etc.

	For the year ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(12,146)	-	-	(12,146)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Reversal of loss allowance	827	-	-	827
Disposal	714	-	-	714
Others (*)	(1,200)	-	-	(1,200)
Ending balance	<u>(11,805)</u>	<u>-</u>	<u>-</u>	<u>(11,805)</u>

(\*) Others consist of foreign currencies translation, etc.

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2) Gross carrying amount

	For the year ended December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	32,145,758	-	-	32,145,758
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	24,350,759	-	-	24,350,759
Disposal / Recovery	(20,823,293)	-	-	(20,823,293)
Gain (loss) on valuation	707,739	-	-	707,739
Amortization based on effective interest method	166,401	-	-	166,401
Others (*)	146,747	-	-	146,747
Ending balance	<u>36,694,111</u>	<u>-</u>	<u>-</u>	<u>36,694,111</u>

(\*) Others consist of foreign currencies translation, etc.

	For the year ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	38,126,977	-	-	38,126,977
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	16,108,426	-	-	16,108,426
Disposal / Recovery	(21,670,160)	-	-	(21,670,160)
Gain (loss) on valuation	(669,936)	-	-	(669,936)
Amortization based on effective interest method	41,813	-	-	41,813
Others (*)	208,638	-	-	208,638
Ending balance	<u>32,145,758</u>	<u>-</u>	<u>-</u>	<u>32,145,758</u>

(\*) Others consist of foreign currencies translation, etc.

- (4) During the years ended December 31, 2023 and 2022, 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 3,194 million Won and 3,567 million Won, respectively and cumulative gains and losses at disposal dates were 118 million Won in gain and 14,444 million Won in loss, respectively.

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**9. SECURITIES AT AMORTIZED COST**

- (1) Details of securities at amortized cost as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	December 31, 2023	December 31, 2022
Korean treasury and government agencies	8,143,585	10,083,951
Financial institutions	6,660,465	10,283,631
Corporates	7,235,202	6,237,547
Bond denominated in foreign currencies	1,970,861	1,671,772
Allowance for credit losses	(13,941)	(8,385)
Total	<u>23,996,172</u>	<u>28,268,516</u>

- (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, 2023			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(8,385)	-	-	(8,385)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net provision of loss allowance	(5,549)	-	-	(5,549)
Others (*)	(7)	-	-	(7)
Ending balance	<u>(13,941)</u>	<u>-</u>	<u>-</u>	<u>(13,941)</u>

(\*) Changes due to foreign currencies translation, etc.

	For the year ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(5,235)	-	-	(5,235)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net provision of loss allowance	(3,151)	-	-	(3,151)
Others (*)	1	-	-	1
Ending balance	<u>(8,385)</u>	<u>-</u>	<u>-</u>	<u>(8,385)</u>

(\*) Changes due to foreign currencies translation, etc.

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2) Gross carrying amount

	For the year ended December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	28,276,901	-	-	28,276,901
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	4,244,256	-	-	4,244,256
Disposal / Recovery	(8,727,124)	-	-	(8,727,124)
Amortization based on effective interest method	167,219	-	-	167,219
Others (*)	48,861	-	-	48,861
Ending balance	<u>24,010,113</u>	<u>-</u>	<u>-</u>	<u>24,010,113</u>

(\*) Changes due to foreign currencies translation, etc.

	For the year ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	17,091,509	-	-	17,091,509
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	16,873,194	-	-	16,873,194
Disposal / Recovery	(5,871,234)	-	-	(5,871,234)
Amortization based on effective interest method	86,212	-	-	86,212
Others (*)	97,220	-	-	97,220
Ending balance	<u>28,276,901</u>	<u>-</u>	<u>-</u>	<u>28,276,901</u>

(\*) Changes due to foreign currencies translation, etc.

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**10. LOANS AND OTHER FINANCIAL ASSETS AT AMORTIZED COST**

- (1) Details of loans and other financial assets at amortized cost as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Due from banks	1,950,573	2,994,672
Loans	358,577,179	343,918,560
Other financial assets	12,620,396	8,847,497
Total	<u>373,148,148</u>	<u>355,760,729</u>

- (2) Details of due from banks are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Due from banks in local currency:		
Due from The Bank of Korea (“BOK”)	-	160,000
Due from depository banks	108,344	170,006
Due from non-depository institutions	136	183
Due from the Korea Exchange	68	2,440
Others	135,390	421,318
Loss allowance	(59)	(116)
Sub-total	<u>243,879</u>	<u>753,831</u>
Due from banks in foreign currencies:		
Due from banks on demand	221,292	199,671
Due from banks on time	366,117	466,963
Others	1,135,072	1,586,408
Loss allowance	(15,787)	(12,201)
Sub-total	<u>1,706,694</u>	<u>2,240,841</u>
Total	<u>1,950,573</u>	<u>2,994,672</u>

- (3) Details of restricted due from banks are as follows (Unit: Korean Won in millions):

	<u>Counterparty</u>	<u>December 31, 2023</u>	<u>Reason of restriction</u>
Due from banks in local currency:			
Due from KSFC	KB Securities Co., Ltd. and SI SECURITIES CORPORATION	68	Futures margin
Others	Korea Federation of Savings Bank and others	129,974	Domestic currency exchange and collateral related to promissory notes and others
Sub-total		<u>130,042</u>	
Due from banks in foreign currencies:			
Due from banks on demand	National Bank of Cambodia and others	216,147	Reserve deposits and others
Due from banks on time	National Bank of Cambodia	321	Usage deposits for fund settlement system
Others	People’s Bank of China and others	1,062,130	Reserve deposits and others
Sub-total		<u>1,278,598</u>	
Total		<u>1,408,640</u>	



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	Counterparty	December 31, 2022	Reason of restriction
Due from banks in local currency:			
Due from BOK	The BOK	160,000	Reserve deposits under BOK Act
Due from KSFC	KB Securities Co., Ltd.	2,419	Customer deposits return reserve
Others	Korea Federation of Savings Banks and others	223,705	Korean Won CCP margin and others
	Sub-total	386,124	
Due from banks in foreign currencies:			
Due from banks on demand	The BOK and others	193,507	Reserve deposits under BOK Act and others
Foreign currency deposits on time	National Bank Cambodia	253	Reserve deposits and others
Others	Korea Investment & Securities and others	1,581,298	Overseas futures and options trade deposits and others
	Sub-total	1,775,058	
	Total	2,161,182	

(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, 2023			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(12,317)	-	-	(12,317)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Provision for allowance for credit loss	(5,254)	-	-	(5,254)
Others (*)	1,725	-	-	1,725
Ending balance	(15,846)	-	-	(15,846)

(\*) Changes due to foreign currencies translation, etc.

	For the year ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(6,034)	-	-	(6,034)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Provision for allowance for credit loss	(7,702)	-	-	(7,702)
Others (*)	1,419	-	-	1,419
Ending balance	(12,317)	-	-	(12,317)

(\*) Changes due to foreign currencies translation, etc.

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2) Gross carrying amount

	For the year ended December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	3,006,989	-	-	3,006,989
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net decrease	(1,154,265)	-	-	(1,154,265)
Changes due to business combinations	113,000	-	-	113,000
Others (*)	695	-	-	695
Ending balance	1,966,419	-	-	1,966,419

(\*) Changes due to foreign currencies translation, etc.

	For the year ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	2,872,918	-	-	2,872,918
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net increase	166,693	-	-	166,693
Others (*)	(32,622)	-	-	(32,622)
Ending balance	3,006,989	-	-	3,006,989

(\*) Changes due to foreign currencies translation, etc.

(5) Details of loans are as follows (Unit: Korean Won in millions):

	December 31, 2023	December 31, 2022
Loans in local currency	298,157,823	282,686,620
Loans in foreign currencies	28,585,389	26,988,360
Domestic banker's usance	2,726,633	2,877,079
Credit card accounts	12,531,620	10,370,362
Bills bought in foreign currencies	4,215,956	3,650,792
Bills bought in local currency	496,148	533,879
Factoring receivables	8,712	25,469
Advances for customers on guarantees	9,996	25,698
Private placement bonds	688,437	485,519
Securitized loans	3,203,135	2,990,937
Call loans	2,719,546	3,626,226
Bonds purchased under resale agreements	3,356,392	6,849,038
Financial lease receivables	1,362,279	1,467,858
Installment financial bond	2,635,720	2,832,972
Others	119	140
Loan origination costs and fees	865,694	852,002
Discounted present value	(11,360)	(10,238)
Allowance for credit losses	(2,975,060)	(2,334,153)
Total	358,577,179	343,918,560

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(6) Changes in the loss allowance of loans are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2023						Credit impairment model
	Consumers			Corporates			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Beginning balance	(147,876)	(128,089)	(241,942)	(453,621)	(818,234)	(241,465)	(27)
Transfer to 12-month expected credit losses	(25,553)	22,750	2,803	(190,665)	190,047	618	-
Transfer to lifetime expected credit losses	10,881	(12,892)	2,011	28,452	(36,229)	7,777	-
Transfer to credit-impaired financial assets	7,085	24,577	(31,662)	17,959	33,272	(51,231)	-
Net provision of allowance for credit losses	(41,029)	(41,105)	(340,607)	(361,735)	(153,392)	(515,711)	(1,011)
Recovery	-	-	(65,639)	-	-	(44,043)	-
Charge-off	-	-	301,995	-	-	298,665	-
Disposal	18	419	114,643	266	512	172,519	949
Interest income from impaired loans	-	-	15,553	-	-	19,341	-
Others	(371)	338	22,000	11,656	21,380	(10,173)	-
Ending balance	<u>(196,845)</u>	<u>(134,002)</u>	<u>(220,845)</u>	<u>(947,688)</u>	<u>(762,644)</u>	<u>(363,703)</u>	<u>(89)</u>

  

	For the year ended December 31, 2023						Credit impairment model
	Credit card accounts			Total			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Beginning balance	(71,139)	(127,814)	(103,946)	(672,636)	(1,074,137)	(587,353)	(27)
Transfer to 12-month expected credit losses	(30,312)	30,198	114	(246,530)	242,995	3,535	-
Transfer to lifetime expected credit losses	6,894	(7,420)	526	46,227	(56,541)	10,314	-
Transfer to credit-impaired financial assets	748	2,381	(3,129)	25,792	60,230	(86,022)	-
Net provision of allowance for credit losses	(3,864)	(15,457)	(338,618)	(406,628)	(209,954)	(1,194,936)	(1,011)
Recovery	-	-	(33,710)	-	-	(143,392)	-
Charge-off	-	-	306,005	-	-	906,665	-
Disposal	-	-	39,360	284	931	326,522	949
Interest income from impaired loans	-	-	-	-	-	34,894	-
Others	(61)	-	-	11,224	21,718	11,827	-
Ending balance	<u>(97,734)</u>	<u>(118,112)</u>	<u>(133,398)</u>	<u>(1,242,267)</u>	<u>(1,014,758)</u>	<u>(717,946)</u>	<u>(89)</u>

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	For the year ended December 31, 2022						
	Consumers			Corporates			Credit impairment model
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Beginning balance	(136,520)	(97,604)	(206,617)	(362,766)	(576,740)	(251,233)	-
Transfer to 12-month expected credit losses	(21,684)	21,210	474	(74,402)	68,546	5,856	-
Transfer to lifetime expected credit losses	10,211	(11,568)	1,357	18,678	(21,502)	2,824	-
Transfer to credit-impaired financial assets	3,960	8,975	(12,935)	2,217	12,769	(14,986)	-
Net provision of allowance for credit losses	(734)	(49,398)	(156,286)	(22,646)	(303,198)	(107,038)	(27)
Recovery	-	-	(70,077)	-	-	(55,743)	-
Charge-off	-	-	161,850	-	-	140,744	-
Disposal	-	62	21,862	280	128	37,722	-
Interest income from impaired loans	-	-	11,805	-	-	9,576	-
Changes due to business combinations	(4,350)	(495)	(948)	(479)	(84)	(97)	-
Others	1,241	729	7,573	(14,503)	1,847	(9,090)	-
Ending balance	(147,876)	(128,089)	(241,942)	(453,621)	(818,234)	(241,465)	(27)

	For the year ended December 31, 2022						
	Credit card accounts			Total			Credit impairment model
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Beginning balance	(68,814)	(115,489)	(70,927)	(568,100)	(789,833)	(528,777)	-
Transfer to 12-month expected credit losses	(31,360)	31,284	76	(127,446)	121,040	6,406	-
Transfer to lifetime expected credit losses	7,576	(7,694)	118	36,465	(40,764)	4,299	-
Transfer to credit-impaired financial assets	642	2,190	(2,832)	6,819	23,934	(30,753)	-
Net provision of allowance for credit losses	20,820	(38,105)	(204,569)	(2,560)	(390,701)	(467,893)	(27)
Recovery	-	-	(53,988)	-	-	(179,808)	-
Charge-off	-	-	220,280	-	-	522,874	-
Disposal	-	-	7,896	280	190	67,480	-
Interest income from impaired loans	-	-	-	-	-	21,381	-
Changes due to business combinations	-	-	-	(4,829)	(579)	(1,045)	-
Others	(3)	-	-	(13,265)	2,576	(1,517)	-
Ending balance	(71,139)	(127,814)	(103,946)	(672,636)	(1,074,137)	(587,353)	(27)

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(7) Changes in the gross carrying amount of loans are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2023						
	Consumers			Corporates			Credit impairment model
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Beginning balance	131,328,377	14,020,582	564,057	179,552,435	9,486,297	625,998	313,717
Transfer to 12-month expected credit losses	4,038,074	(4,024,039)	(14,035)	2,214,045	(2,209,035)	(5,010)	-
Transfer to lifetime expected credit losses	(6,406,254)	6,422,979	(16,725)	(4,944,087)	4,971,596	(27,509)	-
Transfer to credit-impaired financial assets	(263,965)	(173,536)	437,501	(582,131)	(242,382)	824,513	-
Charge-off	-	-	(301,995)	-	-	(298,665)	-
Disposal	(63)	(491)	(218,965)	(18,149)	(719)	(404,876)	(152,024)
Net increase(decrease)	4,115,668	(1,531,099)	192,248	12,389,915	(1,384,370)	142,393	606,794
Changes due to business combinations	1,144	-	-	-	-	-	-
Ending balance	132,812,981	14,714,396	642,086	188,612,028	10,621,387	856,844	768,487

  

	For the year ended December 31, 2023						
	Credit card accounts			Total			Credit impairment model
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Beginning balance	9,115,460	1,066,380	179,410	319,996,272	24,573,259	1,369,465	313,717
Transfer to 12-month expected credit losses	343,929	(343,765)	(164)	6,596,048	(6,576,839)	(19,209)	-
Transfer to lifetime expected credit losses	(411,467)	412,222	(755)	(11,761,808)	11,806,797	(44,989)	-
Transfer to credit-impaired financial assets	(40,236)	(20,039)	60,275	(886,332)	(435,957)	1,322,289	-
Charge-off	-	-	(306,005)	-	-	(906,665)	-
Disposal	-	-	(73,107)	(18,212)	(1,210)	(696,948)	(152,024)
Net increase(decrease)	2,279,382	(131,187)	393,697	18,784,965	(3,046,656)	728,338	606,794
Changes due to business combinations	-	-	-	1,144	-	-	-
Ending balance	11,287,068	983,611	253,351	332,712,077	26,319,394	1,752,281	768,487

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	For the year ended December 31, 2022						Credit impairment model
	Consumers			Corporates			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Beginning balance	135,139,685	13,500,783	499,969	170,795,255	8,458,279	541,732	-
Transfer to 12-month expected credit losses	4,651,157	(4,637,460)	(13,697)	1,784,684	(1,768,655)	(16,029)	-
Transfer to lifetime expected credit losses	(6,284,951)	6,303,526	(18,575)	(3,773,713)	3,792,473	(18,760)	-
Transfer to credit-impaired financial assets	(157,808)	(102,097)	259,905	(242,421)	(123,225)	365,646	-
Charge-off	-	-	(161,850)	-	-	(140,744)	-
Disposal	-	(259)	(57,052)	(48,472)	(391)	(134,732)	-
Net increase(decrease)	(2,077,449)	(1,046,885)	47,727	11,005,551	(873,200)	28,198	313,717
Changes due to business combinations	57,743	2,974	7,630	31,551	1,016	687	-
Ending balance	131,328,377	14,020,582	564,057	179,552,435	9,486,297	625,998	313,717

	For the year ended December 31, 2022						Credit impairment model
	Credit card accounts			Total			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Beginning balance	8,239,303	1,395,139	116,075	314,174,243	23,354,201	1,157,776	-
Transfer to 12-month expected credit losses	542,021	(541,913)	(108)	6,977,862	(6,948,028)	(29,834)	-
Transfer to lifetime expected credit losses	(403,398)	403,598	(200)	(10,462,062)	10,499,597	(37,535)	-
Transfer to credit-impaired financial assets	(31,780)	(21,244)	53,024	(432,009)	(246,566)	678,575	-
Charge-off	-	-	(220,280)	-	-	(522,874)	-
Disposal	-	-	(17,082)	(48,472)	(650)	(208,866)	-
Net increase(decrease)	769,314	(169,200)	247,981	9,697,416	(2,089,285)	323,906	313,717
Changes due to business combinations	-	-	-	89,294	3,990	8,317	-
Ending balance	9,115,460	1,066,380	179,410	319,996,272	24,573,259	1,369,465	313,717

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(8) Details of other financial assets are as follows (Unit: Korean Won in millions):

	December 31, 2023	December 31, 2022
Cash Management Account asset (CMA asset)	91,000	157,000
Receivables	9,061,936	5,438,469
Accrued income	1,972,330	1,667,397
Telex and telephone subscription rights and refundable deposits	793,510	801,536
Domestic exchange settlement debit	446,570	577,919
Other assets (*)	411,330	344,356
Allowance for credit losses	(156,280)	(139,180)
Total	<u>12,620,396</u>	<u>8,847,497</u>

(\*) The amount included in other assets related employee incidents in prior fiscal year was 63,354 million Won, which was completely lost.

(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, 2023			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(4,178)	(9,133)	(125,869)	(139,180)
Transfer to 12-month expected credit losses	(388)	285	103	-
Transfer to lifetime expected credit losses	223	(246)	23	-
Transfer to credit-impaired financial assets	50	266	(316)	-
Provision of loss allowance	(3,141)	(8,235)	(10,829)	(22,205)
Charge-off	-	-	4,341	4,341
Disposal	-	-	2,597	2,597
Others	(1,585)	1	(249)	(1,833)
Ending balance	<u>(9,019)</u>	<u>(17,062)</u>	<u>(130,199)</u>	<u>(156,280)</u>

  

	For the year ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(3,675)	(5,580)	(57,526)	(66,781)
Transfer to 12-month expected credit losses	(261)	246	15	-
Transfer to lifetime expected credit losses	209	(225)	16	-
Transfer to credit-impaired financial assets	981	1,134	(2,115)	-
Provision of loss allowance	(1,749)	(4,707)	(6,329)	(12,785)
Charge-off	-	-	2,223	2,223
Disposal	-	-	751	751
Others	317	(1)	(62,904)	(62,588)
Ending balance	<u>(4,178)</u>	<u>(9,133)</u>	<u>(125,869)</u>	<u>(139,180)</u>

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(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, 2023			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	8,886,721	21,454	78,502	8,986,677
Transfer to 12-month expected credit losses	14,252	(14,143)	(109)	-
Transfer to lifetime expected credit losses	(30,528)	30,559	(31)	-
Transfer to credit-impaired financial assets	(7,299)	(1,498)	8,797	-
Charge-off	-	-	(4,341)	(4,341)
Disposal	-	-	(3,318)	(3,318)
Net increase (decrease)	3,634,239	75,526	74,653	3,784,418
Changes due to business combinations	13,240	-	-	13,240
Ending balance	<u>12,510,625</u>	<u>111,898</u>	<u>154,153</u>	<u>12,776,676</u>

  

	For the year ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	9,004,539	106,597	174,868	9,286,004
Transfer to 12-month expected credit losses	9,765	(9,749)	(16)	-
Transfer to lifetime expected credit losses	(38,248)	38,265	(17)	-
Transfer to credit-impaired financial assets	(1,484)	(2,824)	4,308	-
Charge-off	-	-	24	24
Disposal	(5)	-	(917)	(922)
Net increase (decrease)	(88,214)	(110,835)	(99,748)	(298,797)
Changes due to business combinations	368	-	-	368
Ending balance	<u>8,886,721</u>	<u>21,454</u>	<u>78,502</u>	<u>8,986,677</u>



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**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.

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- (2) Fair value hierarchy of financial assets and liabilities measured at fair value are as follows (Unit: Korean Won in millions):

	December 31, 2023			
	Level 1 (*)	Level 2 (*)	Level 3	Total
Financial assets:				
Financial assets at FVTPL				
Deposits	39,241	-	-	39,241
Debt securities	4,414,956	1,888,052	4,230	6,307,238
Equity securities	68,691	19	353,279	421,989
Capital contributions	-	-	2,459,646	2,459,646
Beneficiary certificates	169,012	3,634,938	1,705,965	5,509,915
Loans	-	726,714	56,002	782,716
Derivative assets	113	5,669,078	129,138	5,798,329
Other financial assets in foreign currency	-	-	42,408	42,408
Others	-	-	183,274	183,274
Sub-total	4,692,013	11,918,801	4,933,942	21,544,756
Financial assets at FVTOCI				
Debt securities	12,392,117	24,301,994	-	36,694,111
Equity securities	649,220	-	548,164	1,197,384
Sub-total	13,041,337	24,301,994	548,164	37,891,495
Derivative assets (designated for hedging)	-	26,708	-	26,708
Total	17,733,350	36,247,503	5,482,106	59,462,959
Financial liabilities:				
Financial liabilities at FVTPL				
Deposits due to customers	39,524	-	-	39,524
Derivative liabilities	8,303	5,932,727	1,994	5,943,024
Securities sold	155,765	-	-	155,765
Sub-total	203,592	5,932,727	1,994	6,138,313
Derivative liabilities (designated for hedging)	-	153,007	-	153,007
Total	203,592	6,085,734	1,994	6,291,320

- (\*) 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.

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	December 31, 2022			
	Level 1 (*)	Level 2 (*)	Level 3	Total
Financial assets:				
Financial assets at FVTPL				
Deposits	34,995	-	-	34,995
Debt securities	2,580,563	1,654,591	1,078	4,236,232
Equity securities	76,007	25	307,851	383,883
Capital contributions	-	-	1,976,474	1,976,474
Beneficiary certificates	45,394	2,398,592	1,458,776	3,902,762
Loans	-	794,723	104,505	899,228
Derivative assets	69,316	8,042,895	93,970	8,206,181
Other financial assets in foreign currency	-	-	41,679	41,679
Others	34,299	-	144,840	179,139
Sub-total	<u>2,840,574</u>	<u>12,890,826</u>	<u>4,129,173</u>	<u>19,860,573</u>
Financial assets at FVTOCI				
Debt securities	9,895,456	22,250,302	-	32,145,758
Equity securities	382,257	-	557,065	939,322
Sub-total	<u>10,277,713</u>	<u>22,250,302</u>	<u>557,065</u>	<u>33,085,080</u>
Derivative assets (designated for hedging)	-	37,786	-	37,786
Total	<u>13,118,287</u>	<u>35,178,914</u>	<u>4,686,238</u>	<u>52,983,439</u>
Financial liabilities:				
Financial liabilities at FVTPL				
Deposits due to customers	35,161	-	-	35,161
Derivative liabilities	11,700	8,883,976	9,449	8,905,125
Securities sold	12,113	-	-	12,113
Sub-total	<u>58,974</u>	<u>8,883,976</u>	<u>9,449</u>	<u>8,952,399</u>
Derivative liabilities (designated for hedging)	-	202,911	-	202,911
Total	<u>58,974</u>	<u>9,086,887</u>	<u>9,449</u>	<u>9,155,310</u>

(\*) Among financial assets and financial liabilities measured at fair value, the amount transferred from Level 2 to Level 1 is 2,835,187 million Won. The Group recognizes transfers among levels at the end of reporting period in which events have occurred or conditions have changed.

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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 as of December 31, 2023 and 2022 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 and LSMC and Hull-White model.	Risk-free market rate, credit spread, discount rate originated from credit grade, volatility of stock and volatility of interest rate
Equity securities and beneficiary certificates	The beneficiary certificates are measured at net asset value method, DCF model(Discounted Cash Flow Model), Binomial Tree model and T-F model.	Values of underlying assets such as bond, discount rate, volatility of stock, terminal growth rate etc.
Derivatives	Fair value is measured by models such as option model (Closed form).	Discount rate, volatility, exchange rate, stock prices, fair value originated from forward price 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 as of December 31, 2023 and 2022 are as follows:

	Valuation methods	Input variables
Loans	Fair value is measured by using the DCF model (Discounted Cash Flow Model), which is a valuation technique commonly used in the market taking into account the price and variability of the underlying asset, T-F model, LSMC and Hull-White etc.	Values of underlying assets, volatility, discount rate, volatility of stock, volatility of interest rate
Debt securities	Fair value is measured by models such as LSMC(Least-Squares Monte Carlo), Hull-White model.	Discount rate originated from credit grade, volatility of stocks , volatility of interest rate etc.
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, Hull-White and Precedent Transactions model 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, discount rate originated from credit grade, volatility of interest rate, volatility of real estate value, terminal growth rate, PBR, PSR etc.
Derivatives	Fair value is measured by models such as option model.	Correlation, etc.
Others	The fair value of the underlying asset, after calculating the fair value using the DCF model, etc., considering the price and volatility of the calculated underlying asset, is calculated using the binomial tree, which is commonly used valuation techniques in the market.	Stock price, volatility of underlying assets, etc.

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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
Loans	DCF model and others		Discount rate	4.05%~6.58%	Fair value increases as discount rate decreases.
			LSMC(Hull-White)	Volatility of stock	0.19%~0.24%
			Volatility of interest rate	0.47%~0.91%	Fair value increases as volatility of interest rate increases.
			Discount rate	13.78%~21.92%	Fair value increases as discount rate decreases.
Derivative assets	Option valuation model and others	Equity related	Correlation coefficient	0.32~0.68	Variation of fair value increases as correlation coefficient increases.
Derivative liabilities	Option valuation model and others	Equity related	Correlation coefficient	0.32~0.68	Variation of fair value increases as correlation coefficient increases.
Equity securities, capital contributions, and beneficiary certificates	Binomial Tree		Discount rate	3.58%	Fair value increases as discount rate decreases.
			Stock prices, Volatility of underlying asset, Volatility of stocks	27.34%~76.22%	Variation of fair value increases as volatility of underlying asset and stock price increases.
	Risk-adjusted discount rate method (Tsiveriotis-Fernandes)		Discount rate	6.98%	Fair value increases as discount rate decreases.
			Volatility of stock	34.6%	Variation of fair value increases as volatility of stock increases.
	DCF model and others		Discount rate	5.08%~19.90%	Fair value increases as discount rate decreases.
			Terminal growth rate	0.00%, 1.00%	Fair value increases as terminal growth rate increases.
			Liquidation value	-1.00%~1.00%	Fair value increases as liquidation value increases.
LSMC(Hull-White)		Discount rate	5.06%~6.86%	Fair value increases as discount rate decreases.	
Others	Binomial Tree		Stock prices, Volatility of underlying asset	15.48%~76.22%	Variation of fair value increases as volatility of underlying asset and stock price increases.
			Discount rate	10.42%	Fair value increases as discount rate decreases.
			Growth rate	0.00%	Fair value increases as terminal growth rate 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.

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(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, 2023							Ending balance
	Beginning balance	Business combination	Net income (loss) (*1)	Other comprehensive income	Purchases/ issuances	Disposals / settlements	Transfer to or out of Level 3 (*2)	
Financial assets:								
Financial assets at FVTPL								
Debt securities	1,078	-	152	-	4,000	(1,000)	-	4,230
Equity securities	307,851	10,628	10,632	-	62,638	(32,630)	(5,840)	353,279
Capital contributions	1,976,474	10,977	65,437	-	655,921	(249,163)	-	2,459,646
Beneficiary certificates	1,458,776	-	3,534	-	280,435	(36,780)	-	1,705,965
Loans	104,505	-	483	-	577,296	(626,282)	-	56,002
Derivative assets	93,970	-	41,620	-	2,273	(8,725)	-	129,138
Other foreign currency financial assets	41,679	-	729	-	-	-	-	42,408
Others	144,840	-	9,015	-	32,214	(2,795)	-	183,274
Sub-total	4,129,173	21,605	131,602	-	1,614,777	(957,375)	(5,840)	4,933,942
Financial assets at FVTOCI								
Equity securities	557,065	-	-	(6,564)	343	(2,657)	(23)	548,164
Loans	-	-	-	-	139,567	(139,567)	-	-
Sub-total	557,065	-	-	(6,564)	139,910	(142,224)	(23)	548,164
Total	4,686,238	21,605	131,602	(6,564)	1,754,687	(1,099,599)	(5,863)	5,482,106
Financial liabilities:								
Financial liabilities at FVTPL								
Derivative liabilities	9,449	-	1,994	-	-	(9,449)	-	1,994
Total	9,449	-	1,994	-	-	(9,449)	-	1,994

(\*1) For financial liabilities, positive numbers represent losses that increase balance and negative numbers represent gains that decrease balance. The gain amounting to 171,095 million Won for the year ended December 31, 2023, which is from financial assets and liabilities that the Group holds as at the end of the year.

(\*2) The Group recognizes transfers among levels at the end of reporting period in which events have occurred or conditions have changed.

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	For the year ended December 31, 2022						
	Beginning balance	Net income (loss) (*1)	Other comprehensive income	Purchases/ issuances	Disposals / settlements	Transfer to or out of Level 3 (*2)	Ending balance
<b>Financial assets:</b>							
<b>Financial assets at FVTPL</b>							
Debt securities	2,117	(40)	-	-	(999)	-	1,078
Equity securities	303,985	697	-	20,175	(16,974)	(32)	307,851
Capital contributions	1,287,723	103,376	-	703,160	(117,785)	-	1,976,474
Beneficiary certificates	1,104,074	(2,922)	-	98,420	259,204	-	1,458,776
Loans	213,635	17,544	-	802,092	(928,766)	-	104,505
Derivative assets	29,348	64,359	-	582	(319)	-	93,970
Other foreign currency financial assets	-	-	-	41,679	-	-	41,679
Others	96,191	16,744	-	40,836	(8,931)	-	144,840
Sub-total	<u>3,037,073</u>	<u>199,758</u>	<u>-</u>	<u>1,706,944</u>	<u>(814,570)</u>	<u>(32)</u>	<u>4,129,173</u>
<b>Financial assets at FVTOCI</b>							
Equity securities	581,455	-	2,084	2,357	(28,831)	-	557,065
Total	<u>3,618,528</u>	<u>199,758</u>	<u>2,084</u>	<u>1,709,301</u>	<u>(843,401)</u>	<u>(32)</u>	<u>4,686,238</u>
<b>Financial liabilities:</b>							
<b>Financial liabilities at FVTPL</b>							
Derivative liabilities	4,641	8,058	-	(351)	(2,899)	-	9,449
Total	<u>4,641</u>	<u>8,058</u>	<u>-</u>	<u>(351)</u>	<u>(2,899)</u>	<u>-</u>	<u>9,449</u>

(\*1) For financial liabilities, positive numbers represent losses that increase balance and negative numbers represent gains that decrease balance. The gain amounting to 2,770 million Won for the year ended December 31, 2022, which is from financial assets and liabilities that the Group holds as at the end of the year.

(\*2) The Group recognizes transfers among levels at the end of reporting period in which events have occurred or conditions have changed.

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- (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 5,484,098 million Won and 4,695,688 million Won as of December 31, 2023 and 2022, respectively, equity instruments of 4,704,747 million Won and 3,196,703 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, 2023 and 2022 is as follows (Unit: Korean Won in millions):

	December 31, 2023			
	Net income (loss)		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Financial assets at FVTPL				
Derivative assets (*1)	88	(95)	-	-
Loans (*2)	202	(199)	-	-
Debt securities(*3)	21	(22)	-	-
Equity securities (*2) (*3) (*4)	11,562	(8,953)	-	-
Beneficiary certificates (*4)	722	(722)	-	-
Others (*2)	4,098	(3,921)	-	-
Financial assets at FVTOCI				
Equity securities (*3) (*4)	-	-	28,020	(22,302)
Total	16,693	(13,912)	28,020	(22,302)
Financial liabilities:				
Financial liabilities at FVTPL				
Derivative liabilities (*1)	10	(7)	-	-
Total	10	(7)	-	-

- (\*1) Fair value changes of equity related derivatives assets and liabilities and equity-linked securities are calculated by increasing or decreasing correlation, which are major unobservable variables, by 10%, respectively.
- (\*2) Fair value changes of equity securities are calculated by increasing or decreasing stock prices (-10%~10%) and volatility (-10%p~10%p). 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%p~1%p) and discount rate (-1%p~1%p) or liquidation value (-1%p~1%p). 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%.



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	December 31, 2022			
	Net income (loss)		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Financial assets at FVTPL				
Derivative assets (*1)	2,453	(1,993)	-	-
Loans (*2)	203	(200)	-	-
Debt securities	1	-	-	-
Equity securities (*2) (*3) (*4)	10,146	(8,079)	-	-
Beneficiary certificates (*4)	737	(737)	-	-
Others (*2)	2,860	(2,790)	-	-
Financial assets at FVTOCI	-	-	-	-
Equity securities (*3) (*4)	-	-	24,370	(17,579)
Total	<u>16,400</u>	<u>(13,799)</u>	<u>24,370</u>	<u>(17,579)</u>
Financial liabilities:				
Financial liabilities at FVTPL				
Derivative liabilities (*1)	41	(39)	-	-
Total	<u>41</u>	<u>(39)</u>	<u>-</u>	<u>-</u>

(\*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%.

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- (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, 2023				Carrying amount
	Fair value				
	Level 1	Level 2	Level 3	Total	
Financial assets:					
Securities at amortized cost	2,361,627	21,303,099	-	23,664,726	23,996,172
Loans and other financial assets at amortized cost	-	9,905,518	364,211,207	374,116,725	373,148,148
Financial liabilities:					
Deposits due to customers	-	360,186,521	-	360,186,521	357,784,297
Borrowings	-	31,065,237	87,342	31,152,579	30,986,746
Debentures	-	40,504,019	-	40,504,019	41,239,245
Other financial liabilities (*)	-	24,584,447	609,620	25,194,067	25,780,550

(\*) Lease liabilities are excluded as of December 31, 2023.

	December 31, 2022				Carrying amount
	Fair value				
	Level 1	Level 2	Level 3	Total	
Financial assets:					
Securities at amortized cost	2,652,449	24,623,369	-	27,275,818	28,268,516
Loans and other financial assets at amortized cost	-	6,238,724	345,952,544	352,191,268	355,760,730
Financial liabilities:					
Deposits due to customers	-	343,931,576	-	343,931,576	342,105,209
Borrowings	-	26,063,256	2,135,047	28,198,303	28,429,603
Debentures	-	42,918,411	-	42,918,411	44,198,486
Other financial liabilities (*)	-	21,244,664	536,209	21,780,873	22,492,705

(\*) Lease liabilities are excluded as of December 31, 2022.

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 and credit spread

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(6) Financial instruments by category

Carrying amounts of financial assets and liabilities by each category are as follows (Unit: Korean Won in millions):

Financial assets	December 31, 2023				
	Financial assets at FVTPL	Financial assets at FVTOCI	Financial assets at amortized cost	Derivatives assets (designated for hedging)	Total
Deposits	39,241	-	1,950,573	-	1,989,814
Securities	14,880,479	37,891,495	23,996,172	-	76,768,146
Loans	782,716	-	358,577,179	-	359,359,895
Derivative assets	5,798,329	-	-	26,708	5,825,037
Other financial assets	43,991	-	12,620,396	-	12,664,387
Total	21,544,756	37,891,495	397,144,320	26,708	456,607,279

Financial liabilities	December 31, 2023			
	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Derivatives liabilities (designated for hedging)	Total
Deposits due to customers	39,524	357,784,297	-	357,823,821
Borrowings	155,765	30,986,746	-	31,142,511
Debentures	-	41,239,245	-	41,239,245
Derivative liabilities	5,943,024	-	153,007	6,096,031
Other financial liabilities (*)	-	25,780,550	-	25,780,550
Total	6,138,313	455,790,838	153,007	462,082,158

(\*) Lease liabilities are excluded as of December 31, 2023.

Financial assets	December 31, 2022				
	Financial assets at FVTPL	Financial assets at FVTOCI	Financial assets at amortized cost	Derivatives assets (designated for hedging)	Total
Deposits	34,995	-	2,994,672	-	3,029,667
Securities	10,676,985	33,085,080	28,268,516	-	72,030,581
Loans	899,228	-	343,918,560	-	344,817,788
Derivative assets	8,206,181	-	-	37,786	8,243,967
Other financial assets	43,184	-	8,847,497	-	8,890,681
Total	19,860,573	33,085,080	384,029,245	37,786	437,012,684

Financial liabilities	December 31, 2022			
	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Derivatives liabilities (designated for hedging)	Total
Deposits due to customers	35,161	342,105,209	-	342,140,370
Borrowings	12,113	28,429,603	-	28,441,716
Debentures	-	44,198,486	-	44,198,486
Derivative liabilities	8,905,125	-	202,911	9,108,036
Other financial liabilities (*)	-	22,492,707	-	22,492,707
Total	8,952,399	437,226,005	202,911	446,381,315

(\*) Lease liabilities are excluded as of December 31, 2022.

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(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, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2023					
	Interest income (expense)	Fees and commissions income (expense)	Reversal (provision) of credit loss	Gain or loss on transactions and valuation	Dividends, etc.	Total
Financial assets at FVTPL	192,094	514	-	488,486	222,357	903,451
Financial assets at FVTOCI	999,407	1,621	(16,542)	(37,641)	17,936	964,781
Securities at amortized cost	782,513	-	(5,549)	-	-	776,964
Loans and other financial assets at amortized cost	18,667,540	578,387	(1,839,987)	203,942	-	17,609,882
Financial liabilities at amortized cost	(11,887,127)	1,247	-	-	-	(11,885,880)
Net derivatives (designated for hedging)	-	-	-	15,678	-	15,678
Total	<u>8,754,427</u>	<u>581,769</u>	<u>(1,862,078)</u>	<u>670,465</u>	<u>240,293</u>	<u>8,384,876</u>
	For the year ended December 31, 2022					
	Interest income (expense)	Fees and commissions income (expense)	Reversal (provision) of credit loss	Gain or loss on transactions and valuation	Dividends, etc.	Total
Financial assets at FVTPL	106,698	(134)	-	238,502	136,136	481,202
Financial assets at FVTOCI	632,615	1,606	827	(21,498)	23,846	637,396
Securities at amortized cost	515,246	-	(3,151)	-	-	512,095
Loans and other financial assets at amortized cost	13,399,990	600,902	(881,668)	74,204	-	13,193,428
Financial liabilities at amortized cost	(5,950,277)	2,094	-	-	-	(5,948,183)
Net derivatives (designated for hedging)	-	-	-	78,822	-	78,822
Total	<u>8,704,272</u>	<u>604,468</u>	<u>(883,992)</u>	<u>370,030</u>	<u>159,982</u>	<u>8,954,760</u>

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**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, 2023	December 31, 2022
Assets transferred	Financial assets at FVTPL	238,461	214,577
	Financial assets at FVTOCI	556,583	583,198
	Securities at amortized cost	48,368	1,171,300
	Total	<u>843,412</u>	<u>1,969,075</u>
Related liabilities	Bonds sold under repurchase agreements	<u>757,691</u>	<u>1,898,744</u>

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 amount of the securities loaned are as follows (Unit: Korean Won in millions):

		December 31, 2023	December 31, 2022	Loaned to
Financial assets at FVTPL	Korean treasury and government bonds	625,398	-	The Korea Securities Finance Corporation
Financial assets at FVTOCI	Korean treasury and government bonds	592,218	98,027	Korea Securities Depository

3) Liquidity of financial assets

As of December 31, 2023 and 2022, 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, 2023 Carrying amount (*)	December 31, 2022 Carrying amount (*)
Assets transferred	Financial assets at FVPL	-	49,808
	Loans at amortized cost	5,098,217	4,640,182
	Asset-backed borrowings	2,434,900	231,800
Related liabilities	Asset-backed bonds	1,487,895	1,209,364

(\*) 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.

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(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 K-IFRS 1032. Therefore, the total number of uncollected domestic exchange receivables has been offset with a part of unpaid domestic exchange payables, and they have 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 K-IFRS 1032, but provide the Group under the circumstances of the trading party's default, insolvency or bankruptcy, with the right of offsetting. Items such as cash collateral cannot satisfy the offsetting criteria of K-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 K-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, 2023 and 2022, 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, 2023					
	Gross amounts of recognized financial assets	Gross amounts of recognized financial assets setoff	Net amounts of consolidated 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)	5,200,277	-	5,200,277	11,328,147	424,466	1,089,011
Receivable spot exchange (*2)	7,641,347	-	7,641,347			
Bonds purchased under resale agreements (*2)	3,256,392	-	3,256,392	3,256,392	-	-
Domestic exchange settlement debits (*2) (*5)	49,034,521	48,587,951	446,570	-	-	446,570
Total	<u>65,132,537</u>	<u>48,587,951</u>	<u>16,544,586</u>	<u>14,584,539</u>	<u>424,466</u>	<u>1,535,581</u>
Financial liabilities:						
Derivative liabilities (*1)	5,126,697	-	5,126,697	11,425,925	139,143	1,203,575
Payable spot exchange (*3)	7,641,946	-	7,641,946			
Bonds sold under repurchase agreements (*4)	1,119,991	-	1,119,991	1,119,991	-	-
Domestic exchange settlement credits (*3) (*5)	49,974,648	48,587,951	1,386,697	1,367,709	-	18,988
Total	<u>63,863,282</u>	<u>48,587,951</u>	<u>15,275,331</u>	<u>13,913,625</u>	<u>139,143</u>	<u>1,222,563</u>

(\*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 included in other financial liabilities.

(\*4) The items are included in borrowings.

(\*5) Certain financial assets and liabilities are presented as net amounts.

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	December 31, 2022					
	Gross amounts of recognized financial assets	Gross amounts of recognized financial assets setoff	Net amounts of consolidated 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
<b>Financial assets:</b>						
Derivative assets (*1)	7,032,465	-	7,032,465	9,175,416	748,981	1,616,779
Receivable spot exchange (*2)	4,508,711	-	4,508,711			
Bonds purchased under resale agreements (*2)	6,793,938	-	6,793,938	6,793,938	-	-
Domestic exchange settlement debits (*2) (*5)	39,787,371	39,209,452	577,919	-	-	577,919
Total	<u>58,122,485</u>	<u>39,209,452</u>	<u>18,913,033</u>	<u>15,969,354</u>	<u>748,981</u>	<u>2,194,698</u>
<b>Financial liabilities:</b>						
Derivative liabilities (*1)	7,652,440	-	7,652,440	10,043,092	145,268	1,972,695
Payable spot exchange (*3)	4,508,615	-	4,508,615			
Bonds sold under repurchase agreements (*4)	2,313,044	-	2,313,044	2,313,044	-	-
Domestic exchange settlement credits (*3) (*5)	43,841,373	39,209,452	4,631,921	2,504,062	-	2,127,859
Total	<u>58,315,472</u>	<u>39,209,452</u>	<u>19,106,020</u>	<u>14,860,198</u>	<u>145,268</u>	<u>4,100,554</u>

(\*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 included in other financial liabilities.

(\*4) The items are included in borrowings.

(\*5) Certain financial assets and liabilities are presented as net amounts.

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**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 (*4)	Main business	Percentage of ownership (%)		Location	Financial statements as of
		December 31, 2023	December 31, 2022		
Woori Bank					
W Service Networks Co., Ltd. (*1)(*5)	Freight & staffing services	4.9	4.9	Korea	2023-11-30
Korea Credit Bureau Co., Ltd. (*2)	Credit information	9.9	9.9	Korea	2023-12-31
Korea Finance Security Co., Ltd. (*1) (*5)	Security service	15.0	15.0	Korea	2023-11-30
Wongwang Co., Ltd. (*3)	Wholesale and real estate	29.0	29.0	Korea	-
Sejin Construction Co., Ltd. (*3)	Construction	29.6	29.6	Korea	-
ARES-TECH Co., Ltd. (*3)	Electronic component manufacturing	23.4	23.4	Korea	-
Beomgyo.,Ltd. (*3)	Telecommunication equipment retail sales	23.1	23.1	Korea	-
NK Eng Co., Ltd. (*3)	Manufacturing	23.1	23.1	Korea	-
Woori Growth Partnerships New Technology Private Equity Fund(*8)	Other financial services	-	23.1	Korea	-
2016KIF-IMM Woori Bank Technology Venture Fund(*8)	Other financial services	-	20.0	Korea	-
K BANK Co., Ltd. (*2)(*5)	Finance	12.6	12.6	Korea	2023-11-30
Woori Bank-Company K Korea Movie Asset Fund (*8)	Other financial services	-	25.0	Korea	-
Partner One Value Up I Private Equity Fund	Other financial services	23.3	23.3	Korea	2023-12-31
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	Other financial services	20.0	20.0	Korea	2023-12-31
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	Other financial services	25.0	25.0	Korea	2023-12-31
LOTTE CARD Co., Ltd. (*5)	Credit card and installment financing	20.0	20.0	Korea	2023-09-30
Union Technology Finance Investment Association	Other financial services	29.7	29.7	Korea	2023-12-31
Dicustody Co., Ltd.(*2)	Other information technology and computer operation related services	1.0	1.0	Korea	2023-12-31
Orient Shipyard Co., Ltd. (*5)	Manufacture of sections for ships	22.7	22.7	Korea	2023-11-30
Joongang Network Solution Co.,Ltd. (*5)	Other information technology and computer operation related services	25.3	25.3	Korea	2023-09-30
Win Mortgage Co.,Ltd. (*1)(*5)(*12)	Other financial services	4.5	-	Korea	2023-09-30
Together-Korea Government Private Pool Private Securities Investment Trust No. 3	Other financial services	100.0	100.0	Korea	2023-12-31
BTS 2nd Private Equity Fund	Other financial services	20.0	20.0	Korea	2023-12-31
STASSETS FUND III	Other financial services	28.3	28.3	Korea	2023-12-31



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Joint ventures and associates (*4)	Main business	Percentage of ownership (%)		Location	Financial statements as of
		December 31, 2023	December 31, 2022		
SF CREDIT PARTNERS, LLC(*2)(*12)	Other financial services	10.0	-	Korea	2023-12-31
Rea Company (*5) (*12)	Other financial services	24.5	-	Korea	2023-09-30
ARAM CMC Co.,Ltd. (*5) (*12)	Other financial services	20.0	-	Korea	2023-11-30
Woori Bank (*6)					
Japanese Hotel Real Estate Private Equity Fund No.2	Other financial services	19.9	19.9	Korea	2023-12-31
Woori Seoul Beltway Private Special Asset Fund No.1	Trust and collective investment	25.0	25.0	Korea	2023-12-31
Woori General Private Securities Investment Trust(Bond) No.1 (*12)	Collective investment business	25.0	-	Korea	2023-12-31
Woori Short-term Bond Securities Investment Trust(Bond) ClassC-F	Collective investment business	15.0	27.9	Korea	2023-12-31
Woori Safe Plus General Type Private Investment Trust S-8(Bond)	Collective investment business	9.1	9.2	Korea	2023-12-31
Woori General Private Securities Investment Trust(Bond) No.2 (*12)	Collective investment business	27.3	-	Korea	2023-12-31
Woori Smart General Private Equity Investment Trust 1(bond)(*12)	Collective investment business	28.6	-	Korea	2023-12-31
Woori General Private Securities Investment Trust(Bond) No.3 (*12)	Collective investment business	27.8	-	Korea	2023-12-31
Woori Asset Global Partnership Fund No. 5(*12)	Collective investment business	57.7	-	Korea	2023-12-31
Woori Short Term Government and Special Bank Bond Active ETF(*12)	Collective investment business	20.8	-	Korea	2023-12-31
Woori 25-09 Corporate Bond(AA- or higher) Active ETF (*12)	Collective investment business	29.3	-	Korea	2023-12-31
Woori Financial Capital Co., Ltd.					
WOORI TAERIM 1st Fund	Other financial services	25.6	25.6	Korea	2023-12-31
Portone-Cape Fund No.1	Other financial services	20.0	20.0	Korea	2023-12-31
KIWOOM WOORI Financial 1st Fund (*7)(*8)	Other financial services	-	9.1	Korea	-
DeepDive WOORI 2022-1 Financial Investment Fund (*7)	Other financial services	11.9	11.9	Korea	2023-12-31
Darwin Green Packaging Private Equity Fund	Other financial services	20.4	20.4	Korea	2023-12-31
DS Power Semicon Private Equity Fund (*8)	Other financial services	-	21.0	Korea	-
Koreawide partners 2nd Private Equity Fund	Other financial services	26.7	26.7	Korea	2023-12-31
Woori Investment Bank Co., Ltd. (*6)					
Woori FirstValue Private Real Estate Fund No.2	Real estate business	12.0	12.0	Korea	2023-12-31
WooriG Real Infrastructure Blind General Type Private Placement Investment Trust	Investment trust and discretionary investment business	0.1	0.1	Korea	2023-12-31

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Joint ventures and associates (*4)	Main business	Percentage of ownership (%)		Location	Financial statements as of
		December 31, 2023	December 31, 2022		
Woori Asset Management Co. Ltd.					
Woori Star50 feeder fund(H) (*8)	Collective investment business	-	17.9	Korea	-
Woori Together TDF 2025(*8)	Collective investment business	-	23.6	Korea	-
Woori Together TDF 2030	Collective investment business	28.0	23.8	Korea	2023-12-31
Woori Together OCIO Target Return Feeder fund (Balance Bond) (*12)	Collective investment business	20.4	-	Korea	2023-12-31
Woori Multi Return Private Securities Investment Trust 2(Balanced Bond)(*8)(*12)	Collective investment business	-	-	Korea	-
Woori Private Equity Asset Management Co., Ltd.					
Australia Green Energy 1st PEF(*2)	Other financial services	4.0	4.0	Korea	2023-12-31
Aarden Woori Apparel 1st Private Equity Fund (*2)	Other financial services	0.5	0.5	Korea	2023-12-31
Woori Dyno 1st Private Equity Fund (*2)	Other financial services	19.6	19.6	Korea	2023-12-31
Woori Venture Partners Co., Ltd.					
KTB-KORUS FUND(*9)	Asset Management	37.5	-	Korea	2023-12-31
KTB China Platform Fund(*9)(*10)(*11)	Asset Management	18.7	-	Korea	2023-12-31
KTBN Venture Fund No.7(*9)(*10)	Asset Management	20.1	-	Korea	2023-12-31
KTBN Venture Fund No.8(*10)	Asset Management	21.7	-	Korea	2023-12-31
KTBN Digital Contents Korea Fund No.9(*9)(*10)	Asset Management	30.0	-	Korea	2023-12-31
KTBN Media Contents Fund(*9)(*10)(*11)	Asset Management	15.0	-	Korea	2023-12-31
KTB China Synergy Fund(*10)(*11)	Asset Management	15.1	-	Korea	2023-12-31
NAVER-KTB Audio Contents Fund(*11)	Asset Management	1.0	-	Korea	2023-12-31
KTBN Venture Fund No.13(*10)(*11)	Asset Management	19.6	-	Korea	2023-12-31
KTBN Future Contents Fund(*10)(*11)	Asset Management	13.3	-	Korea	2023-12-31
KTBN Venture Fund No.16(*11)	Asset Management	10.3	-	Korea	2023-12-31
KTBN Venture Fund No.18(*11)	Asset Management	10.1	-	Korea	2023-12-31
KB-KTB Technology Venture Fund(*11)	Asset Management	18.2	-	Korea	2023-12-31
Woori 2022 Scaleup Venture Fund	Asset Management	20.0	-	Korea	2023-12-31
Woori 2022 Start-up Venture Fund	Asset Management	30.1	-	Korea	2023-12-31
KTB-NHN China Private Equity Fund(*9)	Asset Management	33.3	-	Korea	2023-12-31
KTBN GI Private Equity Fund(*11)	Asset Management	5.0	-	Korea	2023-12-31
Chirochem	Medical material Manufacturing	28.6	-	Korea	2023-12-31
Japanese Hotel Real Estate Private Equity Fund 1					
Godo Kaisha Oceanos 1 (*5)	Other financial services	47.8	47.8	Japan	2023-10-31

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Joint ventures and associates (*4)	Main business	Percentage of ownership (%)		Location	Financial statements as of
		December 31, 2023	December 31, 2022		
Woori G Japan Private Placement Real Estate Master Investment Trust No.2					
Woori Zip 1(*5)	Other financial services	62.4	64.0	Japan	2023-09-30
Woori Zip 2 (*5)	Other financial services	62.8	64.0	Japan	2023-09-30
Woori bank and Woori card Co., Ltd. (*6)					
Dongwoo C & C Co., Ltd. (*3)	Construction Aggregate	24.5	24.5	Korea	-
SJCO Co., Ltd. (*3)	transportation and wholesale	29.8	29.8	Korea	-
G2 Collection Co., Ltd. (*3)	Wholesale and retail sales	29.2	29.2	Korea	-
KG Fashion Co., Ltd.(*3)(*5)(*12)	Manufacturing	20.8	-	Korea	2023-11-30
Kyesan Engineering Co., Ltd. (*3)	Construction	23.3	23.3	Korea	-
Good Software Lap Co., Ltd. (*3)	Service	29.4	29.4	Korea	-
Force TEC Co., Ltd. (*8)	Manufacturing	-	24.5	Korea	-
DAEA SNC Co., Ltd. (*3)	Wholesale and retail sales	25.5	25.5	Korea	-
PREXCO Co., Ltd. (*3)	Manufacturing	28.1	28.1	Korea	-
JiWon Plating Co., Ltd. (*3)	Plating	20.8	20.8	Korea	-
Youngdong Sea Food Co., Ltd. (*3)	Processed sea food manufacturing	24.5	24.5	Korea	-
KUM HWA Co., Ltd.	Telecommunication equipment retail sales	20.1	20.1	Korea	2023-12-31
Jinmyung Plus Co., Ltd.(*5)	Manufacturing	21.3	21.3	Korea	2023-09-30
Woori bank and Woori Financial Capital Co., Ltd. (*6)					
JC Assurance No.2 Private Equity Fund	Other financial services	23.5	23.5	Korea	2023-12-31
Dream Company Growth no.1 PEF	Other financial services	27.8	27.8	Korea	2023-12-31
HMS-Oriens 1st Fund	Other financial services	22.8	22.8		2023-12-31
Woori G Senior Loan Private Placement Investment Trust No.1	Collective investment business	21.7	21.7	Korea	2023-12-31
Genesis Eco No.1 Private Equity Fund	Other financial services	29.0	29.0	Korea	2023-12-31
Paratus Woori Material Component Equipment joint venture company	Other financial services	29.9	29.9	Korea	2023-12-31
Midas No. 8 Private Equity Joint Venture Company	Other financial services	28.5	28.5	Korea	2023-12-31
Orchestra Private Equity Fund IV	Other financial services	28.2	28.2	Korea	2023-12-31
Synaptic Green No.1 PEF	Other financial services	21.1	21.1	Korea	2023-12-31
IGEN2023No. 1 Private Equity Fund	Other financial services	24.8	24.8	Korea	2023-12-31
PCC-Woori LP Secondary Fund	Other financial services	38.9	38.8	Korea	2023-12-31
Synaptic Future Growth Private Equity Fund 1 (*12)	Other financial investment	23.8	-	Korea	2023-12-31

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Joint ventures and associates (*4)	Main business	Percentage of ownership (%)		Location	Financial statements as of
		December 31, 2023	December 31, 2022		
Woori Bank and Woori Asset Management Co. Ltd.(*6)					
Woori BIG2 Plus Securities Investment Trust(Balanced Bond)	Collective investment business	14.1	23.1	Korea	2023-12-31
Woori Bank and Woori Private Equity Asset Management Co., Ltd. (*6)					
Woori-Q Corporate Restructuring Private Equity Fund(*13)	Other financial services	32.4	35.6	Korea	2023-12-31
Woori Bank, Woori Financial Capital Co., Ltd., Woori Investment Bank Co., Ltd. and Woori Private Equity Asset Management Co., Ltd. (*6)					
Woori-Shinyoung Growth-Cap Private Equity Fund I	Other financial services	35.0	35.0	Korea	2023-12-31
NH Woori Newdeal Growth Alpha Private Equity Fund 1(*12)	Other financial services	32.7	-	Korea	2023-12-31

- (\*1) Most of the significant business transactions of associates are with the Group as of December 31, 2023 and 2022.
- (\*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) There is no investment balance as of December 31, 2023 and 2022.
- (\*4) Woori G Oncorp Corporate support of Major Industry General Type Private Placement Investment Trust (Type 2) and other 12 joint ventures and associates can exercise significant influence but was classified as an item measured at fair value through profit or loss.
- (\*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 the reporting period 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) Two or more subsidiaries may invest or operate to exert significant influence on the decision-making process for activities related to the investee.
- (\*7) The Group can participate as a co-operator to exert significant influence.
- (\*8) It was excluded from associates in current year.
- (\*9) It has been liquidating as of December 31, 2023.
- (\*10) It was excluded from associates during the period.
- (\*11) The Group classified it as an associate because it has significant influence as a general partner of the investment association.
- (\*12) It was added to associates in current year.
- (\*13) It was classified as an associate due to holding of voting rights according to the initial investment agreement ratio.

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(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, 2023								
	Acquisition cost	January 1, 2023	Share of profits(losses) and others	Acquisition	Business combination	Disposal/Reclassification	Dividends	Change in capital	December 31, 2023
W Service Networks Co., Ltd.	108	208	13	-	-	-	(5)	-	216
Korea Credit Bureau Co., Ltd.	3,313	5,709	814	-	-	-	(90)	-	6,433
Korea Finance Security Co., Ltd.	3,267	2,374	(99)	-	-	-	-	1,010	3,285
Woori Growth Partnerships New Technology Private Equity Fund	-	10,889	(51)	-	-	(10,838)	-	-	-
2016KIF-IMM Woori Bank Technology Venture Fund	-	9,474	539	-	-	(10,013)	-	-	-
K BANK Co., Ltd.	236,232	247,789	5,327	-	-	-	-	6,936	260,052
Woori Bank-Company K Korea Movie Asset Fund	-	239	52	-	-	(103)	(188)	-	-
Partner One Value Up I Private Equity Fund	5,039	4,278	(1,048)	-	-	-	-	-	3,230
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	4,356	10,285	1,162	-	-	(3,200)	-	-	8,247
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	4,436	4,355	-	82	-	-	-	-	4,437
LOTTE CARD Co.,Ltd.	346,810	514,131	91,533	-	-	-	(13,199)	(5,073)	587,392
Union Technology Finance Investment Association	13,449	14,462	(1,004)	-	-	(1,188)	-	-	12,270
Dicustody Co., Ltd.	1	1	-	-	-	-	-	-	1
Orient Shipyard Co., Ltd.(*)	-	-	-	-	-	-	-	-	-
Joongang Network Solution Co.,Ltd.	-	-	1	-	-	-	-	87	88
Win Mortgage Co.,LTd.	23	-	84	23	-	-	(2)	-	105
Together-Korea Government Private Pool Private Securities Investment Trust No.3	10,000	10,243	297	-	-	-	-	-	10,540
BTS 2nd Private Equity Fund	5,226	2,881	(243)	2,200	-	-	-	-	4,838
STASSETS FUND III	9,000	1,230	(324)	7,500	-	-	-	-	8,406
SF CREDIT PARTNERS, LLC	13,059	-	99	13,059	-	-	-	(313)	12,845
Japanese Hotel Real Estate Private Equity Fund No.2	3,174	2,855	86	-	-	-	(133)	(120)	2,688
Woori Seoul Beltway Private Special Asset Fund No.1	12,464	9,874	451	2,709	-	-	(444)	-	12,590
Woori General Private Securities Investment Trust(Bond) No.1	50,000	-	1,686	50,000	-	-	-	-	51,686
Woori Short-term Bond Securities Investment Trust(Bond) ClassC-F	100,000	112,025	7,670	-	-	(10,352)	(3,779)	-	105,564
Woori Safe Plus General Type Private Investment Trust S-8(Bond)	10,000	10,182	507	-	-	-	(359)	-	10,330
Woori General Private Securities Investment Trust(Bond) No.2	30,000	-	829	30,000	-	-	-	-	30,829
Woori Smart General Private Equity Investment Trust 1(bond)	40,000	-	1,135	40,000	-	-	-	-	41,135
Woori General Private Securities Investment Trust(Bond) No.2	50,000	-	1,205	50,000	-	-	-	-	51,205
Woori Asset Global Partnership Fund No.5	22,500	-	(429)	22,500	-	-	-	-	22,071
WOORI TAERIM 1st Fund	1,100	988	-	-	-	-	-	-	988
Portone-Cape Fund No.1	340	464	(19)	-	-	-	-	-	445
KIWOOM WOORI Financial 1st Fund	-	953	(10)	-	-	(943)	-	-	-
DeepDive WOORI 2021-1 Financial Investment Fund	222	878	1,128	-	-	(678)	(92)	-	1,236
Darwin Green Packaging Private Equity Fund	4,000	3,945	92	-	-	-	(80)	-	3,957
DS Power Semicon Private Equity Fund	-	2,976	495	-	-	(2,971)	(500)	-	-
Koreawide partners 2nd Private Equity Fund	20,000	20,000	(765)	-	-	-	-	-	19,235

**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**  
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	For the year ended December 31, 2023								
	Acquisition cost	January 1, 2023	Share of profits(losses) and others	Acquisition	Business combination	Disposal/ Reclassification	Dividends	Change in capital	December 31, 2023
Woori FirstValue Private Real Estate Fund No.2	9,000	558	2	-	-	-	-	-	560
WooriG Real Infrastructure Blind General Type Private Placement Investment Trust	52	102	4	-	-	(47)	(4)	-	55
Woori Star50 feeder fund(H)	-	126	(12)	-	-	(114)	-	-	-
Woori Together TDF 2025	-	1,990	116	-	-	(2,106)	-	-	-
Woori Together TDF 2030	3,000	2,033	291	1,000	-	-	-	-	3,324
Woori Together OCIO Target Return Feeder fund (Balance Bond)	10,000	-	348	-	-	10,028	-	-	10,376
Australia Green Energy 1st PEF	4,913	4,858	(47)	-	-	-	-	-	4,811
Aarden Woori Apparel 1st Private Equity Fund	100	97	36	-	-	-	-	-	133
Woori Dyno 1st Private Equity Fund	2,000	1,994	364	-	-	-	-	-	2,358
KTB-KORUS FUND	3,626	-	(267)	-	3,626	-	-	-	3,359
KTB China Platform Fund	17,023	-	(964)	-	17,023	-	-	-	16,059
KTBN Venture Fund No.7	16,972	-	(225)	-	16,972	-	(703)	-	16,044
KTBN Venture Fund No.8	3,325	-	(814)	-	3,325	-	-	-	2,511
KTBN Digital Contents Korea Fund No.9	5,329	-	268	-	5,329	-	-	-	5,597
KTBN Media Contents Fund	330	-	(20)	-	330	-	(27)	-	283
KTB China Synergy Fund	21,629	-	(1,224)	-	21,629	-	-	-	20,405
NAVER-KTB Audio Contents Fund	284	-	4	-	284	-	-	-	288
KTBN Venture Fund No.13	13,279	-	3,407	-	13,279	-	(2,528)	-	14,158
KTBN Future Contents Fund	3,892	-	669	-	3,892	-	-	-	4,561
KTBN Venture Fund No.16	17,546	-	1,015	-	17,546	-	-	-	18,561
KTBN Venture Fund No.18	26,308	-	662	2,850	23,458	-	-	-	26,970
KB-KTB Technology Venture Fund	7,755	-	(155)	2,000	5,755	-	-	-	7,600
WOORI 2022 Scaleup Venture Fund	14,000	-	(414)	13,645	355	-	(8)	-	13,578
WOORI 2022 Start-up Venture Fund	2,564	-	(131)	-	2,564	-	-	-	2,433
KTB-NHN China Private Equity Fund	1,272	-	(103)	-	1,272	-	(1,024)	(142)	3
KTBN GI Private Equity Fund	189	-	392	-	189	-	-	36	617
Chirochem	102	-	-	-	102	-	-	-	102
Godo Kaisha Oceanos 1	10,800	8,788	92	-	-	-	(748)	(154)	7,978
Woori Zip 1	8,706	8,690	(127)	-	-	(548)	-	(386)	7,629
Woori Zip 2	8,411	12,180	(107)	-	-	(844)	-	(534)	10,695
KG Fashion Co., Ltd.(*)	-	-	-	-	-	-	-	-	-
KUM HWA Co., Ltd. (*)	-	-	-	-	-	-	-	-	-
Jinmyung Plus Co., Ltd.	-	10	4	-	-	-	-	-	14
JC Assurance No.2 Private Equity Fund (*)	29,349	-	-	-	-	-	-	-	-
Dream Company Growth no.1 PEF	7,153	7,861	362	-	-	-	(414)	-	7,809
HMS-Oriens 1st Fund	12,000	13,252	778	-	-	-	-	-	14,030
Woori G Senior Loan Private Placement Investment Trust No.1	75,114	81,861	3,341	-	-	(5,975)	(3,637)	-	75,590
Genesis Eco No.1 Private Equity Fund	12,000	11,216	(274)	-	-	-	-	-	10,942
Paratus Woori Material Component Equipment joint venture company	17,700	17,250	(271)	-	-	-	-	-	16,979
Midas No. 8 Private Equity Joint Venture Company	18,537	18,713	282	-	-	-	(530)	-	18,465
Orchestra Private Equity Fund IV	9,700	9,698	457	-	-	(178)	(422)	-	9,555
Synaptic Green No.1 PEF	8,000	7,793	(182)	-	-	-	-	-	7,611
IGEN2022No. 1 Private Equity Fund	7,422	8,010	336	-	-	-	(363)	-	7,983
PCC-Woori LP Secondary Fund	10,435	12,984	(2,450)	-	-	(4)	-	-	10,530
Synaptic Future Growth Private Equity Fund	7,295	-	(226)	7,295	-	-	-	-	7,069

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	For the year ended December 31, 2023								
	Acquisition cost	January 1, 2023	Share of profits(losses) and others	Acquisition	Business combination	Disposal/ Reclassification	Dividends	Change in capital	December 31, 2023
Woori-Q Corporate Restructuring Private Equity Fund	17,441	27,536	2,708	369	-	(10,330)	-	-	20,283
Woori-Shinyoung Growth-Cap Private Equity Fund I	17,018	43,274	(9,793)	-	-	-	-	-	33,481
NH Woori Newdeal Growth Alpha Private Equity Fund 1	34,006	-	(1,019)	34,006	-	-	-	-	32,987
Woori BIG2 Plus Securities Investment Trust(Balanced Bond)	2,200	1,074	543	2,000	-	(1,074)	-	-	2,543
Woori Short Term Government and Special Bank Bond Active ETF	12,008	-	103	-	-	12,183	-	-	12,286
Woori 25-09 Corporate Bond(AA- or higher) Active ETF	29,001	-	820	29,001	-	-	-	-	29,821
	<u>1,536,905</u>	<u>1,305,636</u>	<u>109,792</u>	<u>310,239</u>	<u>136,930</u>	<u>(39,295)</u>	<u>(29,279)</u>	<u>1,347</u>	<u>1,795,370</u>

(\*) The amount for which no loss was recognized for associates due to discontinuation of the equity method was 2 million Won for KUM HWA Co., Ltd., 28 million Won for Orient Shipyard Co.,Ltd., 120 million Won in KG FASHION CO., LTD., 371 million Won in JC Assurance No.2 Private Equity Fund and the accumulated amount is 4 million Won for KUM HWA Co., Ltd., 28 million Won for Orient Shipyard Co.,Ltd., 120 million Won in KG FASHION CO., LTD., 371 million Won in JC Assurance No.2 Private Equity Fund.

	For the year ended December 31, 2022								
	Acquisition cost	January 1, 2022	Share of profits(losses) and others	Acquisition	Disposal/ Reclassification	Dividends	Change in capital	December 31, 2022	
W Service Networks Co., Ltd.	108	183	29	-	-	(4)	-	208	
Korea Credit Bureau Co., Ltd.	3,313	9,423	(3,714)	-	-	-	-	5,709	
Korea Finance Security Co., Ltd.	3,267	3,101	(727)	-	-	-	-	2,374	
Woori Growth Partnerships New Technology Private Equity Fund	12,942	12,448	490	-	(2,049)	-	-	10,889	
2016KIF-IMM Woori Bank Technology Venture Fund	7,594	12,630	(1,619)	-	(801)	(736)	-	9,474	
K BANK Co., Ltd.	236,232	239,493	11,854	-	-	-	(3,558)	247,789	
Woori Bank-Company K Korea Movie Asset Fund	-	345	71	-	-	(177)	-	239	
Partner One Value Up I Private Equity Fund	5,039	6,576	(2,298)	-	-	-	-	4,278	
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	7,556	11,153	1,312	-	(2,180)	-	-	10,285	
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	4,355	4,254	1	100	-	-	-	4,355	
LOTTE CARD Co.,Ltd.	346,810	458,295	58,400	-	-	(12,960)	10,396	514,131	
Together-Korea Government Private Pool Private Securities Investment Trust No. 3	10,000	10,070	173	-	-	-	-	10,243	
Genesis Environmental Energy Company 1st Private Equity Fund	-	4,126	(41)	-	(3,738)	(347)	-	-	
Union Technology Finance Investment Association	14,637	12,388	187	2,250	(363)	-	-	14,462	
Dicustody Co., Ltd.	1	1	-	-	-	-	-	1	
Orient Shipyard Co., Ltd.	-	-	-	-	-	-	-	-	
BTS 2nd Private Equity Fund	3,026	-	(145)	3,026	-	-	-	2,881	
STASSETS FUND III	1,500	-	(270)	1,500	-	-	-	1,230	
Japanese Hotel Real Estate Private Equity Fund No.2	3,174	3,196	194	-	-	(299)	(236)	2,855	

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	For the year ended December 31, 2022							
	Acquisition cost	January 1, 2022	Share of profits(losses) and others	Acquisition	Disposal/Reclassification	Dividends	Change in capital	December 31, 2022
Woori Seoul Beltway Private Special Asset Fund No.1	9,791	7,551	246	2,312	-	(235)	-	9,874
Woori Multi-Return Securities Investment Trust 3 (Balanced Bond)	-	10,023	-	-	(9,950)	(73)	-	-
Woori Short-term Bond Securities Investment Trust(Bond) ClassC-F	110,000	151,822	2,312	50,000	(90,137)	(1,972)	-	112,025
Woori Safe Plus General Type Private Investment Trust S-8(Bond)	10,000	-	230	10,000	-	(48)	-	10,182
WOORI TAERIM 1st Fund	1,100	991	(3)	-	-	-	-	988
Portone-Cape Fund No.1	340	489	(25)	-	-	-	-	464
KIWOOM WOORI Financial 1st Investment Fund	1,000	973	(20)	-	-	-	-	953
DeepDive WOORI 2021-1 Financial Investment Fund	900	993	(12)	-	(100)	(3)	-	878
Darwin Green Packaging Private Equity Fund	4,000	3,957	388	-	-	(400)	-	3,945
DS Power Semicon Private Equity Fund	3,000	-	245	3,000	-	(269)	-	2,976
Koreawide partners 2nd Private Equity Fund	20,000	-	-	20,000	-	-	-	20,000
Woori FirstValue Private Real Estate Fund No.2	9,000	763	(6)	-	(199)	-	-	558
WooriG Real Infrastructure Blind General Type Private Placement Investment Trust	100	100	2	-	-	-	-	102
Woori BIG2 Plus Securities Investment Trust(Balanced Bond)	1,200	-	(161)	-	1,235	-	-	1,074
Woori Together TDF 2025	2,000	-	(202)	-	2,192	-	-	1,990
Woori Together TDF 2030	2,000	-	(214)	-	2,247	-	-	2,033
WOORI Star50 feeder fund(H)	200	-	(5)	-	131	-	-	126
Woori Hanhwa Eureka Private Equity Fund	-	327	(48)	-	(164)	(115)	-	-
Aarden Woori Apparel 1st Private Equity Fund	100	99	(2)	-	-	-	-	97
Woori Dyno 1st Private Equity Fund	2,000	-	(6)	2,000	-	-	-	1,994
Australia Green Energy 1st PEF	4,913	-	(55)	4,913	-	-	-	4,858
Godo Kaisha Oceanos 1	10,800	9,905	84	-	-	(1,049)	(152)	8,788
Woori Zip 1	9,254	10,496	(138)	-	(873)	-	(795)	8,690
Woori Zip 2	12,928	14,732	(127)	-	(1,309)	-	(1,116)	12,180
Force TEC Co., Ltd. (*)	-	-	56	-	-	-	(56)	-
KUM HWA Co., Ltd. (*)	-	-	-	-	-	-	-	-
Jinmyung Plus Co., Ltd.	-	-	10	-	-	-	-	10
JC Assurance No.2 Private Equity Fund	29,349	17,728	(17,728)	-	-	-	-	-
Dream Company Growth no.1 PEF	7,412	7,914	418	-	-	(471)	-	7,861
HMS-Oriens 1st Fund	12,000	12,007	1,245	-	-	-	-	13,252
WooriG Senior Loan General Type Private Investment Trust No.1	80,268	88,029	3,788	14,073	(20,322)	(3,707)	-	81,861
Genesis Eco No.1 Private Equity Fund	12,000	11,120	(99)	195	-	-	-	11,216



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	For the year ended December 31, 2022							
	Acquisition cost	January 1, 2022	Share of profits(losses) and others	Acquisition	Disposal/Reclassification	Dividends	Change in capital	December 31, 2022
Paratus Woori Material								
Component Equipment joint venture company	17,700	17,493	(243)	-	-	-	-	17,250
Midas No. 8 Private Equity Joint Venture Company	18,735	18,968	275	-	-	(530)	-	18,713
Orchestra Private Equity Fund IV	9,878	-	197	10,000	(122)	(377)	-	9,698
Synaptic Green No.1 PEF	8,000	-	(207)	8,000	-	-	-	7,793
IGEN2022No. 1 Private Equity Fund	7,822	-	650	8,000	(475)	(165)	-	8,010
PCC-Woori LP Secondary Fund	10,440	12,350	674	3,440	(3,480)	-	-	12,984
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1	-	73,787	-	-	(73,598)	(189)	-	-
Woori-Q Corporate Restructuring Private Equity Fund	27,063	46,155	(288)	536	(18,867)	-	-	27,536
Woori-Shinyoung Growth-Cap Private Equity Fund I	17,018	28,713	14,561	-	-	-	-	43,274
	<u>1,131,865</u>	<u>1,335,167</u>	<u>69,689</u>	<u>143,345</u>	<u>(222,922)</u>	<u>(24,126)</u>	<u>4,483</u>	<u>1,305,636</u>

(\*) As a result of discontinuation of the equity method, related companies' losses amount not recognized is 665 million Won for Force TEC Co., Ltd. 3,743 million Won for Orient Shipyard Co., Ltd. and 0.2 million Won for KUM HWA Co., Ltd. and cumulated amount is 1,462 million Won for Force TEC Co., Ltd. 3,743 million Won for Orient Shipyard Co., Ltd. and 2 million Won for KUM HWA Co., Ltd.

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(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, 2023					
	Assets	Liabilities	Operating revenue	Net income (loss)	Other comprehensive income(loss)	Total comprehensive income(loss)
W Service Networks Co., Ltd.	6,887	2,496	19,350	1,069	-	1,069
Korea Credit Bureau Co., Ltd.	131,164	68,756	163,707	8,012	-	8,012
Korea Finance Security Co., Ltd.	36,185	14,287	44,709	(464)	6,730	6,266
K BANK Co., Ltd.	20,799,599	18,903,298	826,894	49,853	47,885	97,738
Partner One Value Up I Private Equity Fund	14,182	293	(4,107)	(4,505)	-	(4,505)
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	41,533	305	6,501	5,823	-	5,823
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	15,754	100	2	(388)	-	(388)
LOTTE CARD Co., Ltd. (*1)	22,329,308	19,191,007	1,937,383	363,673	(19,888)	343,785
Union Technology Finance Investment Association	41,543	233	2,261	(838)	-	(838)
Dicustody Co., Ltd.	92	-	-	(3)	-	(3)
Orient Shipyard Co., Ltd.	10,708	27,225	-	(124)	-	(124)
Joongang Network Solution Co.,Ltd.	1,505	3,156	5,758	5	-	5
Win Mortgage Co.,LTd.	3,518	1,197	9,309	378	-	378
Together-Korea Government Private Pool Private Securities Investment Trust No. 3	10,543	1	227	222	-	222
BTS 2nd Private Equity Fund	25,030	837	4	(1,213)	-	(1,213)
STASSETS FUND III	30,014	312	95	(1,145)	-	(1,145)
SF CREDIT PARTNERS, LLC	149,157	25,996	7,618	(4,610)	(2,819)	(7,429)
Rea Company	2,248	3,736	802	(694)	-	(694)
ARAM CMC Co.,Ltd.	669	485	1,005	(254)	-	(254)
Japanese Hotel Real Estate Private Equity Fund No.2	13,541	12	54	46	(602)	(556)
Woori Seoul Beltway Private Special Asset Fund No.1	50,362	2	1,858	1,805	-	1,805
Woori General Private Securities Investment Trust(Bond) No.1	414,760	208,014	12,617	6,746	-	6,746
Woori Short-term Bond Securities Investment Trust(Bond) ClassC-F	828,793	126,879	34,607	31,283	-	31,283
Woori Safe Plus General Type Private Investment Trust S-8(Bond)	113,413	6	4,774	4,542	-	4,542
Woori General Private Securities Investment Trust(Bond) No.2	224,205	111,165	5,767	3,040	-	3,040
Woori Smart General Private Equity Investment Trust 1(bond)	289,553	145,580	7,373	3,973	-	3,973
Woori General Private Securities Investment Trust(Bond) No.3	532,139	347,809	9,304	4,342	-	4,342
Woori Asset Global Partnership Fund No.5	38,537	281	-	(744)	-	(744)
WOORI TAERIM 1st Fund	4,045	183	-	-	-	-
Portone-Cape Fund No.1	2,324	100	-	(103)	-	(103)
DeepDive WOORI 2021-1 Financial Investment Fund	10,400	19	9,607	9,467	-	9,467
Darwin Green Packaging Private Equity Fund	19,390	-	759	451	-	451
Koreawide partners 2nd Private Equity Fund	75,064	2,931	-	(2,831)	-	(2,831)
Woori FirstValue Private Real Estate Fund No.2	67,024	62,357	32	18	-	18
WooriG Real Infrastructure Blind General Type Private Placement Investment Trust	114,909	92	6,053	4,892	-	4,892
Woori Together TDF 2030	11,944	61	2,528	1,017	-	1,017
Woori Together OCIO Target Return Feeder fund (Balance Bond)	50,831	1	2,446	2,444	-	2,444
Australia Green Energy 1st PEF	121,454	24	508	(1,189)	-	(1,189)
Aarden Woori Apparel 1st Private Equity Fund	28,219	90	1	(332)	-	(332)
Woori Dyno 1st Private Equity Fund	12,068	43	2,053	1,886	-	1,886

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	December 31, 2023					
	Assets	Liabilities	Operating revenue	Net income (loss)	Other comprehensive income(loss)	Total comprehensive income(loss)
KTB-KORUS FUND	8,957	1	127	(712)	-	(712)
KTB China Platform Fund	85,909	13	2,411	(5,160)	-	(5,160)
KTBN Venture Fund No.7	79,871	-	6,420	508	-	508
KTBN Venture Fund No.8	11,758	207	2,359	(4,559)	-	(4,559)
KTBN Digital Contents Korea Fund No.9	20,257	1,599	3,030	(1,142)	-	(1,142)
KTBN Media Contents Fund	1,887	-	199	(35)	-	(35)
KTB China Synergy Fund	145,464	9,977	23,055	(8,686)	-	(8,686)
NAVER-KTB Audio Contents Fund	29,419	652	1,017	237	-	237
KTBN Venture Fund No.13	72,943	737	21,662	18,507	-	18,507
KTBN Future Contents Fund	34,696	486	7,394	4,776	-	4,776
KTBN Venture Fund No.16	182,850	1,875	40,201	11,133	-	11,133
KTBN Venture Fund No.18	268,437	2,526	31,543	8,036	-	8,036
KB-KTB Technology Venture Fund	42,046	246	2,055	(1,076)	-	(1,076)
WOORI 2022 Scaleup Venture Fund	68,626	826	504	(2,758)	-	(2,758)
WOORI 2022 Start-up Venture Fund	8,237	156	42	(576)	-	(576)
KTBN-NHN China Private Equity Fund	16	7	946	(315)	(319)	(634)
KTBN GI Private Equity Fund	12,391	45	-	7,146	712	7,858
Chirochem	732	375	4,215	148	-	148
Godo Kaisha Oceanos 1	62,021	45,334	2,765	192	-	192
Woori Zip 1	44,448	31,702	2,066	(198)	-	(198)
Woori Zip 2	62,642	45,012	3,023	(167)	-	(167)
KG Fashion Co., Ltd.	2,559	3,022	943	(569)	-	(569)
KUM HWA Co., Ltd.	4	167	-	-	-	-
Jinmyung Plus Co., Ltd.	519	454	146	(3)	-	(3)
JC Assurance No.2 Private Equity Fund	121,596	8	-	(628)	-	(628)
Dream Company Growth no.1 PEF	28,366	255	1,490	1,300	-	1,300
HMS-Oriens 1st Fund	61,498	1	3,957	3,408	-	3,408
Woori G Senior Loan Private Placement Investment Trust No.1	349,154	22	17,759	16,726	-	16,726
Genesis Eco No.1 Private Equity Fund	38,064	314	-	(947)	-	(947)
Paratus Woori Material Component Equipment joint venture company	58,298	1,510	-	(906)	-	(906)
Midas No. 8 Private Equity Joint Venture Company	65,063	242	1,956	1,002	-	1,002
Orchestra Private Equity Fund IV	34,041	122	1,680	1,172	-	1,172
Synaptic Green No.1 PEF	36,325	175	4	(867)	-	(867)
IGEN2022No. 1 Private Equity Fund	32,255	124	1,847	1,350	-	1,350
PCC-Woori LP Secondary Fund	27,773	668	908	(6,350)	-	(6,350)
Synaptic Future Growth Private Equity Fund 1	30,049	301	2	(951)	-	(951)
Woori-Q Corporate Restructuring Private Equity Fund	63,265	456	4,945	3,018	-	3,018
Woori-Shinyoung Growth-Cap Private Equity Fund I	97,265	1,522	(26,435)	(27,768)	-	(27,768)
NH Woori Newdeal Growth Alpha Private Equity Fund 1	100,215	1,588	2	(3,605)	-	(3,605)
Woori BIG2 Plus Securities Investment Trust(Balanced Bond)	16,630	5	1,383	1,383	-	1,383
Woori 25-09 Corporate Bond(AA- or higher) Active ETF	133,729	32,028	3,006	2,831	-	2,831
Woori Short Term Government and Special Bank Bond Active ETF	62,185	3,212	1,222	978	-	978

(\*1) 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.

**WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES**  
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	December 31, 2022					
	Assets	Liabilities	Operating revenue	Net income (loss)	Other comprehensive income(loss)	Total comprehensive income(loss)
W Service Networks Co., Ltd.	7,052	2,825	19,697	1,215	-	1,215
Korea Credit Bureau Co., Ltd.	155,165	100,065	144,907	13,809	-	13,809
Korea Finance Security Co., Ltd.	28,792	12,964	47,043	(3,856)	-	(3,856)
Woori Growth Partnerships New Technology Private Equity Fund	47,394	208	2,978	2,185	-	2,185
2016KIF-IMM Woori Bank Technology Venture Fund	47,979	609	665	(7,839)	-	(7,839)
K BANK Co., Ltd.	16,694,289	14,896,426	491,880	91,059	(32,156)	58,903
Woori Bank-Company K Korea Movie Asset Fund (*1)	989	33	462	324	-	324
Partner One Value Up I Private Equity Fund	18,395	-	(9,431)	(9,831)	-	(9,831)
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	51,804	385	8,092	7,288	-	7,288
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	15,811	95	1	(383)	-	(383)
LOTTE CARD Co., Ltd. (*2)	19,983,059	17,179,093	1,925,577	268,096	43,162	311,258
Together-Korea Government Private Pool Private Securities Investment Trust No. 3	10,246	1	218	170	-	170
Union Technology Finance Investment Association	48,991	299	2,300	632	-	632
Dicustody Co., Ltd.	95	-	-	(3)	-	(3)
Orient Shipyard Co., Ltd.	10,832	27,225	-	(16,467)	-	(16,467)
BTS 2nd Private Equity Fund	15,012	608	1	(725)	-	(725)
STASSETS FUND III	4,660	313	37	(953)	-	(953)
Japanese Hotel Real Estate Private Equity Fund 2	14,387	13	1,050	968	(1,186)	(218)
Woori Seoul Beltway Private Special Asset Fund No.1	39,497	2	1,028	984	-	984
Woori Short-term Bond Securities Investment Trust(Bond) ClassC-F	468,357	67,022	14,189	11,804	-	11,804
Woori Safe Plus General Type Private Investment Trust S-8(Bond)	115,781	4,508	1,899	1,763	-	1,763
WOORI TAERIM 1st Fund	4,047	185	-	(13)	-	(13)
Portone-Cape Fund No.1	2,344	26	-	(129)	-	(129)
KIWOOM WOORI Financial 1st Investment Fund	10,597	111	1	(222)	-	(222)
DeepDive WOORI 2022-1 Financial Investment Fund	7,412	37	57	(103)	-	(103)
Darwin Green Packaging Private Equity Fund	19,332	-	2,215	1,904	-	1,904
DS Power Semicon Private Equity Fund	14,230	44	1,185	937	-	937
Koreawide partners 2nd Private Equity Fund	77,039	2,038	3,020	1	-	1
Woori FirstValue Private Real Estate Fund No.2	67,005	62,357	3	(54)	-	(54)
WooriG Real Infrastructure Blind General Type Private Placement Investment Trust	73,064	56	3,140	2,874	-	2,874
Woori BIG2 Plus Securities Investment Trust(Balanced Bond)	4,667	12	389	(636)	-	(636)
Woori Together TDF 2025	8,513	16	1,287	(1,018)	-	(1,018)
Woori Together TDF 2030	8,615	-	1,352	(1,108)	-	(1,108)
WOORI Star50 feeder fund(H)	709	-	48	(480)	-	(480)
Aarden Woori Apparel 1st Private Equity Fund	20,750	89	8	(325)	-	(325)
Woori Dyno 1st Private Equity Fund	10,212	43	200	(31)	-	(31)
Australia Green Energy 1st PEF	122,634	14	30	(1,380)	-	(1,380)
Godo Kaisha Oceanos 1	63,741	45,358	2,942	176	-	176
Woori Zip 1	48,309	34,346	2,085	(215)	-	(215)
Woori Zip 2	68,388	48,927	3,069	(198)	-	(198)
Force TEC Co., Ltd.	10,489	24,804	25,182	(2,664)	-	(2,664)
KUM HWA Co., Ltd.	4	159	-	(8)	-	(8)
Jinmyung Plus Co.,Ltd.	696	649	177	(9)	-	(9)

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	December 31, 2022					
	Assets	Liabilities	Operating revenue	Net income (loss)	Other comprehensive income(loss)	Total comprehensive income(loss)
JC Assurance No.2 Private Equity Fund	122,015	3	-	(929)	-	(929)
Dream Company Growth no.1 PEF	28,351	50	1,695	1,506	-	1,506
HMS-Oriens 1st Fund	58,095	6	3,829	3,279	-	3,279
Woori G Senior Loan Private Placement Investment Trust No.1	378,145	23	18,584	17,496	-	17,496
Genesis Eco No.1 Private Equity Fund	38,700	5	48	(593)	-	(593)
Paratus Woori Material Component Equipment joint venture company	58,311	617	7	(812)	-	(812)
Midas No. 8 Private Equity Joint Venture Company	65,936	242	1,928	977	-	977
Orchestra Private Equity Fund IV	34,427	-	1,580	878	-	878
Synaptic Green No.1 PEF	37,017	-	4	(983)	-	(983)
IGEN2023No. 1 Private Equity Fund	32,362	122	3,166	2,616	-	2,616
PCC-Woori LP Secondary Fund	33,591	168	6,127	1,152	-	1,152
Woori-Q Corporate Restructuring Private Equity Fund	75,973	418	3,019	(4,696)	-	(4,696)
Woori-Shinyoung Growth-Cap Private Equity Fund I	123,824	312	41,780	40,544	-	40,544

(\*1) It is scheduled to be dissolved because of liquidation for the year ended December 31, 2021.

(\*2) 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, 2023 and 2022 are as follows:

Associate (*)	December 31, 2023	
	Number of shares owned	Ownership (%)
CL Tech Co., Ltd.	10,191	28.6

(\* ) Although 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, accordingly it is excluded from the investment in joint ventures and associates.

Associate (*)	December 31, 2022	
	Number of shares owned	Ownership (%)
CL Tech Co., Ltd.	10,191	28.6

(\* ) Although 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, accordingly it is excluded from the investment in joint ventures and associates.

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- (5) As of December 31, 2023 and 2022, the reconciliations from the net assets of the associates to the carrying amount of the shares of the investment in joint ventures and associates are as follows (Unit: Korean Won in millions except for ownership):

	December 31, 2023						
	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
W Service Networks Co., Ltd.	4,391	4.9	216	-	-	-	216
Korea Credit Bureau Co., Ltd.	62,408	9.9	6,186	247	-	-	6,433
Korea Finance Security Co., Ltd.	21,898	15.0	3,285	-	-	-	3,285
K BANK Co., Ltd. (*)	1,893,785	12.6	238,158	21,894	-	-	260,052
Partner One Value Up I Private Equity Fund	13,889	23.3	3,230	-	-	-	3,230
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	41,228	20.0	8,247	-	-	-	8,247
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	15,654	25.0	3,914	-	-	523	4,437
LOTTE CARD Co., Ltd. (*)	2,936,964	20.0	587,392	-	-	-	587,392
Union Technology Finance Investment Association	41,310	29.7	12,270	-	-	-	12,270
Dicustody Co., Ltd.	92	1.0	1	-	-	-	1
Orient Shipyard Co., Ltd.	(16,517)	22.7	(3,754)	-	-	3,754	-
Joongang Network Solution Co.,Ltd.	(1,651)	25.3	(419)	-	-	507	88
Win Mortgage Co.,LTd.	2,321	4.5	105	-	-	-	105
Together-Korea Government Private Pool Private Securities Investment Trust No. 3	10,542	100.0	10,540	-	-	-	10,540
BTS 2nd Private Equity Fund	24,193	20.0	4,838	-	-	-	4,838
STASSETS FUND III	29,702	28.3	8,406	-	-	-	8,406
SF CREDIT PARTNERS, LLC	123,161	10.0	12,316	-	-	529	12,845
Rea Company	(1,488)	24.5	(365)	-	-	365	-
ARAM CMC Co.,Ltd.	184	20.0	37	-	-	(37)	-
Japanese Hotel Real Estate Private Equity Fund No.2	13,529	19.9	2,688	-	-	-	2,688
Woori Seoul Beltway Private Special Asset Fund No.1	50,360	25.0	12,590	-	-	-	12,590
Woori General Private Securities Investment Trust(Bond) No.1	206,746	25.0	51,686	-	-	-	51,686
Woori Short-term Bond Securities Investment Trust(Bond) ClassC-F	701,914	15.0	105,564	-	-	-	105,564
Woori Safe Plus General Type Private Investment Trust S-8(Bond)	113,407	9.1	10,330	-	-	-	10,330
Woori General Private Securities Investment Trust(Bond) No.2	113,040	27.3	30,829	-	-	-	30,829
Woori Smart General Private Equity Investment Trust 1(bond)	143,973	28.6	41,135	-	-	-	41,135
Woori General Private Securities Investment Trust(Bond) No.3	184,330	27.8	51,205	-	-	-	51,205
Woori Asset Global Partnership Fund No.5	38,256	57.7	22,071	-	-	-	22,071
WOORI TAERIM 1st Fund	3,862	25.6	988	-	-	-	988

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	December 31, 2023						
	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
Portone-Cape Fund No.1	2,224	20.0	445	-	-	-	445
DeepDive WOORI 2021-1							
Financial Investment Fund	10,381	11.9	1,236	-	-	-	1,236
Darwin Green Packaging							
Private Equity Fund	19,390	20.4	3,957	-	-	-	3,957
Koreawide partners 2nd Private							
Equity Fund	72,133	26.7	19,235	-	-	-	19,235
Woori FirstValue Private Real							
Estate Fund No.2	4,667	12.0	560	-	-	-	560
WooriG Real Infrastructure							
Blind General Type Private							
Placement Investment Trust	114,817	0.1	55	-	-	-	55
Woori Together TDF 2030	11,894	28.0	3,324	-	-	-	3,324
Woori Together OCIO Target							
Return Feeder fund (Balance							
Bond)	50,837	20.4	10,376	-	-	-	10,376
Australia Green Energy 1st							
PEF	121,430	4.0	4,811	-	-	-	4,811
Aarden Woori Apparel 1st							
Private Equity Fund	28,129	0.5	133	-	-	-	133
Woori Dyno 1st Private Equity							
Fund	12,025	19.6	2,358	-	-	-	2,358
KTB-KORUS FUND	8,956	37.5	3,359	-	-	-	3,359
KTB China Platform Fund	85,895	18.7	16,059	-	-	-	16,059
KTBN Venture Fund No.7	79,871	20.1	16,044	-	-	-	16,044
KTBN Venture Fund No.8	11,551	21.7	2,511	-	-	-	2,511
KTBN Digital Contents Korea							
Fund No.9	18,658	30	5,597	-	-	-	5,597
KTBN Media Contents Fund	1,887	15	283	-	-	-	283
KTB China Synergy Fund	135,487	15.1	20,405	-	-	-	20,405
NAVER-KTB Audio Contents							
Fund	28,767	1	288	-	-	-	288
KTBN Venture Fund No.13	72,206	19.6	14,158	-	-	-	14,158
KTBN Future Contents Fund	34,210	13.3	4,561	-	-	-	4,561
KTBN Venture Fund No.16	180,975	10.3	18,561	-	-	-	18,561
KTBN Venture Fund No.18	265,911	10.1	26,970	-	-	-	26,970
KB-KTB Technology Venture							
Fund	41,800	18.2	7,600	-	-	-	7,600
WOORI 2022 Scaleup Venture							
Fund	67,800	20	13,578	-	-	-	13,578
WOORI 2022 Start-up Venture							
Fund	8,081	30.1	2,433	-	-	-	2,433
KTB-NHN China Private							
Equity Fund	9	33.3	3	-	-	-	3
KTBN GI Private Equity Fund	12,346	5	617	-	-	-	617
Chirochem	357	28.6	102	-	-	-	102
Godo Kaisha Oceanos 1	16,687	47.8	7,978	-	-	-	7,978
Woori Zip 1	12,746	62.4	7,629	-	-	-	7,629
Woori Zip 2	17,630	62.8	10,695	-	-	-	10,695
KG Fashion Co., Ltd.	(463)	20.8	(96)	-	-	96	-
KUM HWA Co., Ltd.	(163)	20.1	(33)	-	-	33	-
Jinmyung Plus Co., Ltd.	65	21.3	14	-	-	-	14
JC Assurance No.2 Private							
Equity Fund	121,588	23.5	28,610	-	(28,610)	-	-
Dream Company Growth no.1							
PEF	28,111	27.8	7,809	-	-	-	7,809
HMS-Oriens 1st Fund	61,497	22.8	14,030	-	-	-	14,030
Woori G Senior Loan Private							
Placement Investment Trust							
No.1	349,132	21.7	75,590	-	-	-	75,590

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	December 31, 2023						
	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
Genesis Eco No.1 Private Equity Fund	37,750	29.0	10,942	-	-	-	10,942
Paratus Woori Material Component Equipment joint venture company	56,788	29.9	16,979	-	-	-	16,979
Midas No. 8 Private Equity Joint Venture Company	64,821	28.5	18,465	-	-	-	18,465
Orchestra Private Equity Fund IV	33,919	28.2	9,555	-	-	-	9,555
Synaptic Green No.1 PEF	36,150	21.1	7,611	-	-	-	7,611
IGEN2022No. 1 Private Equity Fund	32,131	24.8	7,983	-	-	-	7,983
PCC-Woori LP Secondary Fund	27,105	38.9	10,530	-	-	-	10,530
Synaptic Future Growth Private Equity Fund 1	29,748	23.8	7,069	-	-	-	7,069
Woori-Q Corporate Restructuring Private Equity Fund	62,809	32.4	20,283	-	-	-	20,283
Woori-Shinyoung Growth-Cap Private Equity Fund I	95,743	35.0	33,481	-	-	-	33,481
NH Woori Newdeal Growth Alpha Private Equity Fund 1	98,627	32.7	32,987	-	-	-	32,987
Woori BIG2 Plus Securities Investment Trust(Balanced Bond)	16,625	14.1	2,543	-	-	-	2,543
Woori 25-09 Corporate Bond (AA- or higher) Active ETF	101,701	29.3	29,821	-	-	-	29,821
Woori Short Term Government and Special Bank Bond Active ETF	58,973	20.8	12,286	-	-	-	12,286

(\*) The net asset equity amount is after the debt-for-equity swap, non-controlling etc.



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	December 31, 2022						
	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
W Service Networks Co., Ltd.	4,227	4.9	209	-	-	(1)	208
Korea Credit Bureau Co., Ltd.	55,100	9.9	5,462	246	-	1	5,709
Korea Finance Security Co., Ltd.	15,828	15.0	2,374	-	-	-	2,374
Woori Growth Partnerships New Technology Private Equity Fund	47,185	23.1	10,889	-	-	-	10,889
2016KIF-IMM Woori Bank Technology Venture Fund	47,370	20.0	9,474	-	-	-	9,474
K BANK Co., Ltd. (*)	1,796,269	12.6	225,894	21,894	-	1	247,789
Woori Bank-Company K Korea Movie Asset Fund	957	25.0	239	-	-	-	239
Partner One Value Up Ist Private Equity Fund	18,395	23.3	4,278	-	-	-	4,278
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	51,419	20.0	10,284	-	-	1	10,285
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	15,716	25.0	3,929	-	-	426	4,355
LOTTE CARD Co., Ltd. (*)	2,570,656	20.0	514,131	-	-	-	514,131
Together-Korea Government Private Pool Private Securities Investment Trust No.3	10,245	100.0	10,244	-	-	(1)	10,243
Union Technology Finance Investment Association	48,692	29.7	14,463	-	-	(1)	14,462
Dicustody Co., Ltd.	95	1.0	1	-	-	-	1
Orient Shipyard Co., Ltd.	(16,393)	22.7	(3,721)	-	-	3,721	-
BTS 2nd Private Equity Fund	14,405	20.0	2,881	-	-	-	2,881
STASSETS FUND III	4,347	28.3	1,230	-	-	-	1,230
Japanese Hotel Real Estate Private Equity Fund No.2	14,374	19.9	2,855	-	-	-	2,855
Woori Seoul Beltway Private Special Asset Fund No.1	39,495	25.0	9,874	-	-	-	9,874
Woori Short-term Bond Securities Investment Trust (Bond) ClassC-F	401,335	27.9	112,025	-	-	-	112,025
Woori Safe Plus General Type Private Investment Trust S- 8(Bond)	111,273	9.2	10,182	-	-	-	10,182
WOORI TAERIM 1st Fund	3,862	25.6	988	-	-	-	988
Portone-Cape Fund No.1	2,318	20.0	464	-	-	-	464
KIWOOM WOORI Financial 1st Investment Fund	10,486	9.1	953	-	-	-	953
DeepDive WOORI 2022-1 Financial Investment Fund	7,375	11.9	878	-	-	-	878
Darwin Green Packaging Private Equity Fund	19,332	20.4	3,945	-	-	-	3,945
DS Power Semicon Private Equity Fund	14,186	21.0	2,976	-	-	-	2,976
Koreawide partners 2nd Private Equity Fund	75,001	26.7	20,000	-	-	-	20,000
Woori FirstValue Private Real Estate Fund No.2	4,648	12.0	558	-	-	-	558
Woori G Real Infrastructure Blind General Type Private Placement Investment Trust	73,008	0.1	102	-	-	-	102

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	December 31, 2022						
	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
Woori BIG2 Plus Securities Investment Trust(Balanced Bond)	4,655	23.1	1,074	-	-	-	1,074
Woori Together TDF 2025	8,497	23.6	1,990	-	-	-	1,990
Woori Together TDF 2030	8,615	23.8	2,033	-	-	-	2,033
WOORI Star50 feeder fund(H)	709	17.9	126	-	-	-	126
Aarden Woori Apparel 1st Private Equity Fund	20,661	0.5	97	-	-	-	97
Woori Dyno 1st Private Equity Fund	10,169	19.6	1,994	-	-	-	1,994
Australia Green Energy 1st PEF	122,620	4.0	4,858	-	-	-	4,858
Godo Kaisha Oceanos 1	18,383	47.8	8,788	-	-	-	8,788
Woori Zip 1	13,963	64.0	8,690	-	-	-	8,690
Woori Zip 2	19,461	64.0	12,180	-	-	-	12,180
Force TEC	(14,315)	24.5	(3,513)	-	-	3,513	-
KUM HWA Co., Ltd.	(155)	20.1	(31)	-	-	31	-
Jinmyung Plus Co.,Ltd.	47	21.3	10	-	-	-	10
JC Assurance No.2 Private Equity Fund	122,012	23.5	17,728	-	(17,728)	-	-
Dream Company Growth no.1 PEF	28,301	27.8	7,861	-	-	-	7,861
HMS-Oriens 1st Fund	58,089	22.8	13,252	-	-	-	13,252
Woori G Senior Loan General Type Private Investment Trust No.1	378,122	21.7	81,861	-	-	-	81,861
Genesis Eco No.1 Private Equity Fund	38,695	29.0	11,216	-	-	-	11,216
Paratus Woori Material Component Equipment joint venture company	57,694	29.9	17,250	-	-	-	17,250
Midas No. 8 Private Equity Joint Venture Company	65,694	28.5	18,713	-	-	-	18,713
Orchestra Private Equity Fund IV	34,427	28.2	9,698	-	-	-	9,698
Synaptic Green No.1 PEF	37,017	21.1	7,793	-	-	-	7,793
IGEN2023No. 1 Private Equity Fund	32,240	24.8	8,010	-	-	-	8,010
PCC-Woori LP Secondary Fund	33,423	38.8	12,984	-	-	-	12,984
Woori-Q Corporate Restructuring Private Equity Fund	75,555	35.6	27,536	-	-	-	27,536
Woori-Shinyoung Growth-Cap Private Equity Fund I	123,512	35.0	43,274	-	-	-	43,274

(\*) The net asset equity amount is after the debt-for-equity swap, non-controlling etc.

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**14. INVESTMENT PROPERTIES**

(1) Details of investment properties are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Acquisition cost	510,990	418,775
Accumulated depreciation	(38,136)	(30,982)
Accumulated impairment losses	(86)	(86)
Net carrying value	<u>472,768</u>	<u>387,707</u>

(2) Changes in investment properties are as follows (Unit: Korean Won in millions):

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Beginning balance	387,707	389,495
Acquisition	99,234	-
Disposal	-	(1,206)
Depreciation	(5,398)	(3,925)
Transfer	(2,098)	7,153
Foreign currencies translation adjustments	(6,677)	(3,810)
Ending balance	<u>472,768</u>	<u>387,707</u>

(3) Fair value of investment properties amounted to 802,109 million won and 647,072 million won as of December 31, 2023 and 2022, 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 26,477 million won and 22,798 million won for the years ended December 31, 2023 and 2022, respectively. Operating expenses directly related to the investment properties where rental fee was earned is amounting to 5,568 million won and 4,093 million won.

(5) The lease payments expected to be received in the future under lease contracts relating to investment properties as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Lease payments:		
Within a year	14,784	12,368
More than 1 year and within 2 years	8,214	8,481
More than 2 years and within 3 years	3,744	5,320
More than 3 years and within 4 years	3,172	3,201
More than 4 years and within 5 years	2,994	2,634
More than 5 years	2,944	2,568
Total	<u>35,852</u>	<u>34,572</u>

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**15. PROPERTY, PLANT AND EQUIPMENT**

- (1) Details of Property, Plant and Equipment as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	December 31, 2023						Total
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	
Property, Plant and Equipment (owned)	1,709,712	719,738	265,064	61,369	37,194	-	2,793,077
Right-of-use asset	-	362,702	20,980	-	-	-	383,682
Carrying value	1,709,712	1,082,440	286,044	61,369	37,194	-	3,176,759

  

	December 31, 2022						Total
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	
Property, Plant and Equipment (owned)	1,695,357	730,676	261,278	58,352	32,184	-	2,777,847
Right-of-use asset	-	349,494	15,589	-	-	-	365,083
Carrying value	1,695,357	1,080,170	276,867	58,352	32,184	-	3,142,930

- (2) Details of Property, Plant and Equipment (owned) as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	December 31, 2023						Total
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	
Acquisition cost	1,710,372	1,098,682	1,229,740	486,763	37,194	20	4,562,771
Accumulated depreciation	-	(378,944)	(964,676)	(425,394)	-	(20)	(1,769,034)
Accumulated impairment losses	(660)	-	-	-	-	-	(660)
Net carrying value	1,709,712	719,738	265,064	61,369	37,194	-	2,793,077

  

	December 31, 2022						Total
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	
Acquisition cost	1,696,017	1,078,385	1,179,928	470,513	32,184	20	4,457,047
Accumulated depreciation	-	(347,709)	(918,650)	(412,161)	-	(20)	(1,678,540)
Accumulated impairment losses	(660)	-	-	-	-	-	(660)
Net carrying value	1,695,357	730,676	261,278	58,352	32,184	-	2,777,847

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- (3) Details of changes in Property, Plant and Equipment(owned) are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2023						Total
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	
Beginning balance	1,695,357	730,676	261,278	58,352	32,184	-	2,777,847
Acquisitions	43	18,107	112,908	24,874	8,790	-	164,722
Disposals	(367)	(530)	(13,630)	(1,017)	(3,600)	-	(19,144)
Depreciation	-	(33,318)	(96,684)	(21,062)	-	-	(151,064)
Classification of assets held for sale	(936)	(1,568)	-	-	-	-	(2,504)
Transfer	5,445	(3,347)	-	-	-	-	2,098
Foreign currencies translation adjustments	638	322	296	186	(68)	-	1,374
Business combination	9,530	9,530	318	-	-	-	19,378
Others	2	(134)	578	36	(112)	-	370
Ending balance	<u>1,709,712</u>	<u>719,738</u>	<u>265,064</u>	<u>61,369</u>	<u>37,194</u>	<u>-</u>	<u>2,793,077</u>

	For the year ended December 31, 2022						Total
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	
Beginning balance	1,719,325	756,964	258,361	51,354	3,171	1	2,789,176
Acquisitions	24	14,524	98,620	28,178	31,810	-	173,156
Disposals	(20,024)	(788)	(1,003)	(656)	-	-	(22,471)
Depreciation	-	(32,290)	(97,600)	(21,185)	-	(1)	(151,076)
Classification of assets held for sale	(6,405)	(6,704)	-	-	-	-	(13,109)
Transfer	(3,040)	(4,113)	-	-	-	-	(7,153)
Foreign currencies translation adjustments	(855)	(428)	392	549	225	-	(117)
Business combination	5,917	3,523	2,586	-	-	-	12,026
Others	415	(12)	(78)	112	(3,022)	-	(2,585)
Ending balance	<u>1,695,357</u>	<u>730,676</u>	<u>261,278</u>	<u>58,352</u>	<u>32,184</u>	<u>-</u>	<u>2,777,847</u>

- (4) Details of right-of-use assets as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	December 31, 2023		
	Building	Equipment and vehicles	Total
Acquisition cost	735,396	40,389	775,785
Accumulated depreciation	(372,694)	(19,409)	(392,103)
Net carrying value	<u>362,702</u>	<u>20,980</u>	<u>383,682</u>

  

	December 31, 2022		
	Building	Equipment and vehicles	Total
Acquisition cost	643,484	32,700	676,184
Accumulated depreciation	(293,990)	(17,111)	(311,101)
Net carrying value	<u>349,494</u>	<u>15,589</u>	<u>365,083</u>

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- (5) Details of changes in right-of-use assets for the years ended December 31, 2023 and 2022 are as follows  
(Unit: Korean Won in millions):

	For the year ended December 31, 2023		
	Building	Equipment and vehicles	Total
Beginning balance	349,494	15,589	365,083
New contracts	192,111	18,699	210,810
Changes in contract	25,570	138	25,708
Termination	(15,340)	(1,647)	(16,987)
Depreciation	(201,232)	(12,133)	(213,365)
Business combination	675	271	946
Others	11,424	63	11,487
Ending balance	362,702	20,980	383,682

  

	For the year ended December 31, 2022		
	Building	Equipment and vehicles	Total
Beginning balance	367,480	18,064	385,544
New contracts	225,396	9,819	235,215
Changes in contract	3,514	(26)	3,488
Termination	(43,597)	(870)	(44,467)
Depreciation	(211,175)	(11,406)	(222,581)
Business combination	819	-	819
Others	7,057	8	7,065
Ending balance	349,494	15,589	365,083

**16. INTANGIBLE ASSETS**

- (1) Details of intangible assets are as follows (Unit: Korean Won in millions):

	December 31, 2023						Total
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	
Acquisition cost	445,093	2,292	859,678	1,388,397	50,857	8,142	2,754,459
Accumulated amortization	-	(1,783)	(617,587)	(1,101,688)	-	-	(1,721,058)
Accumulated impairment losses	-	-	-	(33,553)	(3,006)	-	(36,559)
Net carrying value	445,093	509	242,091	253,156	47,851	8,142	996,842

  

	December 31, 2022						Total
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	
Acquisition cost	397,527	2,219	754,031	1,244,516	46,231	3,027	2,447,551
Accumulated amortization	-	(1,576)	(541,404)	(1,018,591)	-	-	(1,561,571)
Accumulated impairment losses	-	-	-	(33,552)	(3,314)	-	(36,866)
Net carrying value	397,527	643	212,627	192,373	42,917	3,027	849,114

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(2) Details of changes in intangible assets are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2023						
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	Total
Beginning balance	397,527	643	212,627	192,373	42,917	3,027	849,114
Acquisitions	-	72	105,596	125,509	4,000	7,612	242,789
Disposal	-	-	-	(1,028)	(1,290)	-	(2,318)
Amortization (*)	-	(206)	(76,192)	(84,556)	-	-	(160,954)
Reversal of impairment losses	-	-	-	-	37	-	37
Transfer	-	-	61	650	(392)	(350)	(31)
Business combination	41,527	-	-	18,882	2,565	-	62,974
Foreign currencies translation adjustments	6,039	-	(1)	854	4	(28)	6,868
Others	-	-	-	472	10	(2,119)	(1,637)
Ending balance	445,093	509	242,091	253,156	47,851	8,142	996,842

(\*) Amortization of other intangible assets amounting to 22,349 million won is included in other operating expenses.

	For the year ended December 31, 2022						
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	Total
Beginning balance	345,449	723	207,708	193,182	37,607	717	785,386
Acquisitions	-	162	91,992	62,073	6,571	2,421	163,219
Disposal	-	-	-	(2)	(1,295)	-	(1,297)
Amortization (*)	-	(242)	(87,294)	(75,299)	-	-	(162,835)
Impairment losses	-	-	-	-	88	-	88
Transfer	-	-	300	182	-	(482)	-
Business combination	57,670	-	-	7,795	-	-	65,465
Foreign currencies translation adjustments	(5,592)	-	(5)	(865)	(42)	(53)	(6,557)
Others	-	-	(74)	5,307	(12)	424	5,645
Ending balance	397,527	643	212,627	192,373	42,917	3,027	849,114

(\*) Amortization of other intangible assets amounting to 14,664 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, 2023 and 2022 are as follows (Unit: Korean won in million):

Cash-generating unit (*1)	December 31, 2023	December 31, 2022
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
Woori Venture Partners Co., Ltd.	41,527	-
PT Bank Woori Saudara Indonesia 1906 Tbk (*2)	100,267	97,029
WOORI BANK (CAMBODIA) PLC (*3)	56,513	55,570
PT Woori Finance Indonesia Tbk.(*4)	53,097	51,382
Others	6,843	6,700
Total	445,093	397,527

(\*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 retail sales in Cambodia, and recognized goodwill based on the economies of scale and acquired customer base.

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(\*4) The Group has acquired PT Batavia Prosperindo Finance Tbk to expand installment finance business in Indonesia, and recognized the goodwill as it is expected to strengthen the competitiveness and existing customer relationships by securing sales network of used cars in Indonesia.

2) Impairment test

The recoverable amount of the cash-generating unit is measured at larger amount between the fair value less costs to sell and 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 1.0% - 4.3% 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 Venture Partners Co., Ltd.	PT Bank Woori Saudara Indonesia 1906 Tbk	WOORI BANK (CAMBODIA) PLC	PT Woori Finance IndonesiaTbk
Discount rate (%)	16.61	16.44	16.93	11.39	17.72	15.33
Terminal growth rate (%)	1.0	1.0	1.0	1.0	1.0	4.3
Recoverable amount.	439,760	186,709	275,795	979,387	586,446	159,255
Carrying amount	414,455	160,596	221,248	740,558	509,730	120,355

(\* )The Group conducted a consolidated impairment test on the goodwill of Woori Asset Management and Woori Global Asset Management, which are scheduled to merge in January 2024.

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 Venture Partners Co., Ltd.	PT Bank Woori Saudara Indonesia 1906 Tbk	WOORI BANK (CAMBODIA) PLC	PT Woori Finance Indonesia Tbk	
Discount rate (%)	Increase by 1.0% point	(33,658)	(7,931)	(32,715)	(95,630)	(47,185)	(14,150)
	Decrease by 1.0% point	40,101	9,343	38,927	116,564	53,812	17,719
Terminal growth rate (%)	Increase by 1.0% point	23,853	5,217	24,520	47,933	9,762	13,470
	Decrease by 1.0% point	(20,274)	(4,451)	(20,874)	(39,513)	(8,659)	(10,734)



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**17. ASSETS HELD FOR SALE**

Assets held for sale are as follows (Unit: Korean Won in millions):

<u>Assets (*)</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Property, Plant and Equipment	11,573	9,589
Others	8,772	4,183
Total	<u>20,345</u>	<u>13,772</u>

(\*) The Group classifies assets as held for sale that are highly likely to be sold within one year from December 31, 2023 and 2022.

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 Property, Plant and Equipment through internal consultation during the current year and classified the property as non-current assets held for sale. The assets are expected to be sold within 12 months, and those that were scheduled to be sold at the end of the prior year have been sold and removed. On the other hand, other assets that are expected to be sold as of the end of the current year 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.

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**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, 2023		
		Collateral given to	Amount	Reason for collateral
Financial assets at FVTPL	Korean treasury and government bonds, etc.	Mirae Asset Global Investments Co., Ltd.	238,461	Related to bonds sold under repurchase agreements (*1)
	Korean treasury and government bonds, etc.	Korea Securities Depository	675,815	Securities borrowing collateral
	Korean treasury and government bonds, etc.	SHINHAN SECURITIES CO, etc.	6,534	Future trading collateral
	Korean financial institutions' debt securities, etc.	Korea Exchange Co., Ltd etc.	385,394	Variable margin deposit for CSA, etc.
	Korean capital contributions, etc.	Korea Software Financial Cooperative	107	Bid guarantee, etc.
Financial assets at FVTOCI	Korean treasury and government bonds	Korea Securities Depository	73,846	Related to bonds sold under repurchase agreements (*1)
	Korean financial institutions' debt securities, etc.	The BOK, etc.	8,182,907	Settlement risk, etc.
	Debt securities in foreign currencies	Korea Investment & Securities, etc.	955,126	Substitute securities, etc.
	Debt securities in foreign currencies	Postal Savings Bank of China	482,737	Related to bonds sold under repurchase agreements (*1)
Securities at amortized cost	Korean treasury and government bonds	The BOK, etc.	10,380,306	Settlement risk, etc.
	Debt securities in foreign currencies	NATIXIS	48,368	Related to bonds sold under repurchase agreements (*1)
	Debt securities in foreign currencies	FEDERAL RESERVE BANK	23,180	Related to the borrowing limit
Loan at amortized cost and other financial assets	Other due from banks in local currency	MORGAN STANLEY BANK INTL, SEL, etc.	26,854	Variable margin deposit for CSA, etc.
	Other due from banks in foreign currency	Korea Investment & Securities, etc.	765,330	Overseas futures option deposit, etc.
Property, Plant and Equipment	Mortgage loan	Public offering	1,242,963	Related to covered bonds
	Land and building	Gakorea Co., Ltd , etc.	1,808	Right to collateral and others (*2)
Investment properties	Land and building	Gakorea Co., Ltd.	5,211	Right to collateral (*2)
	Total		<u>23,494,947</u>	

(\*1) 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) The maximum pledge amount is 339 million Won.

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		December 31, 2022		
		Collateral given to	Amount	Reason for collateral
Financial assets at FVTPL	Korean treasury and government bonds, etc.	KOREA SECURITIES FINANCE CORPORATION, etc.	198,377	Related to bonds sold under repurchase agreements (*1)
		Korea Securities Depository	659,050	Securities borrowing collateral
	Korean treasury and government bonds, etc.	SHINHAN SECURITIES CO, etc.	6,939	Future trading collateral
		SC FIRST BANK KOREA, SEOUL, etc.	245,876	Variable margin deposit for CSA, etc.
	Korean financial institutions' debt securities, etc.	SHINHAN ASSET MANAGEMENT, etc.	16,200	Related to bonds sold under repurchase agreements (*1)
	Korean capital contributions, etc.	Korea Software Financial Cooperative	104	Bid guarantee, etc.
	Financial assets at FVTOCI	Korean treasury and government bonds	Korea Securities Depository	460
Korean financial institutions' debt securities, etc.		The BOK, etc.	6,394,890	Settlement risk, etc.
Debt securities in foreign currencies		BNP-PARIBAS, etc.	1,060,120	Variable margin deposit for CSA, etc.
Debt securities in foreign currencies		SC BANK, H.K, etc.	582,738	Related to bonds sold under repurchase agreements (*1)
Securities at amortized cost	Korean treasury and government bonds	Korea Securities Depository	1,100,351	Related to bonds sold under repurchase agreements (*1)
	Korean treasury and government bonds	The BOK, etc.	10,820,136	Settlement risk, etc.
	Debt securities in foreign currencies	NATIXIS, etc.	70,949	Related to bonds sold under repurchase agreements (*1)
	Debt securities in foreign currencies	FHLB ADVANCE, etc.	10,570	Related to the borrowing limit
Loan at amortized cost and other financial assets	Due from banks in local currency	Daishin AMC Co.,Ltd. and others	1,500	Right of pledge
	Other due from banks in local currency	The Korea Exchange, etc.	133,539	Margin deposit for CCP
	Other due from banks in foreign currency	Korea Investment & Securities, etc.	1,142,784	Overseas futures option deposit, etc.
Property, Plant and Equipment	Mortgage loan	Public offering	1,892,723	Related to covered bonds
	Land and building	Gakorea Co., Ltd , etc.	1,851	Right to collateral and others (*2)
Investment properties	Land and building	Gakorea Co., Ltd., etc.	5,365	Right to collateral and others (*2)
Total			<u>24,344,522</u>	

(\*1) 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) The maximum pledge amount is 522 million Won.

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(2) As of December 31, 2023 and 2022 there is no asset acquired through foreclosures.

	December 31, 2023	December 31, 2022
Investment properties		
Land	6,404	6,404
Building	148	165
Sub-total	6,552	6,569
Other assets		
Land for non-business use	30,950	21,302
Building for non-business use (*1)	5,174	3,049
Movables for non-business use (*2)	111	165
Real estate assessment provision for non-business use	(1,611)	(1,176)
Sub-total	34,624	23,340
Assets held for sale		
Land	2,393	2,351
Building	1,853	1,832
Sub-total	4,246	4,183
Total	45,422	34,092

(\*1) The cumulative depreciation amount as of December 31, 2023 and 2022 is 1,471 million Won and 1,055 million Won, respectively.

(\*2) The cumulative depreciation amount as of December 31, 2023 and 2022 is 886 million Won and 882 million Won, respectively.

(3) Securities loaned are as follows (Unit: Korean Won in millions):

		December 31, 2023	December 31, 2022	Loaned to
Financial assets at FVTPL	Korean treasury and government bonds	625,398	-	Korea Securities Finance Corporation
Financial assets at FVTOCI	Korean treasury and government bonds	592,218	98,027	Korea Securities Depository

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. As the Group does not derecognize these securities.

(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, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	December 31, 2023	
	Fair values of collaterals	Fair values of collaterals were disposed or re-subjected to lien
Securities	3,443,822	-
	December 31, 2022	
	Fair values of collaterals	Fair values of collaterals were disposed or re-subjected to lien
Securities	7,109,933	-

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**19. OTHER ASSETS**

Details of other assets are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Lease assets	3,306,464	2,593,578
Prepaid expenses	345,202	287,323
Advance payments	95,025	99,772
Non-operational assets	34,625	23,340
Others	60,471	57,539
Total	<u>3,841,787</u>	<u>3,061,552</u>

**20. FINANCIAL LIABILITIES AT FVTPL**

(1) Financial liabilities at FVTPL are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial instruments at fair value through profit or loss measured at fair value	6,138,313	8,952,399
Total	<u>6,138,313</u>	<u>8,952,399</u>

(2) Financial liabilities at fair value through profit or loss measured at fair value are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deposits		
Gold banking liabilities	39,524	35,161
Borrowings		
Securities sold	155,765	12,113
Derivative liabilities	5,943,024	8,905,125
Total	<u>6,138,313</u>	<u>8,952,399</u>

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**21. DEPOSITS DUE TO CUSTOMERS**

Details of deposits due to customers by type are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deposits in local currency:		
Deposits on demand	8,803,962	15,627,300
Deposits at termination	282,846,971	270,092,855
Mutual installment	21,602	22,995
Deposits on notes payables	4,119,801	3,675,596
Deposits on CMA	95,237	60,079
Certificate of deposits	14,767,307	5,255,889
Other deposits	1,117,673	1,196,486
Sub-total	<u>311,772,553</u>	<u>295,931,200</u>
Deposits in foreign currencies:		
Deposits in foreign currencies	46,196,650	46,263,943
Present value discount	(184,906)	(92,352)
Customers' deposits for beneficiary	-	2,418
Total	<u><u>357,784,297</u></u>	<u><u>342,105,209</u></u>

**22. BORROWINGS AND DEBENTURES**

(1) Details of borrowings are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>		
	<u>Lenders</u>	<u>Interest rate (%)</u>	<u>Amount</u>
Borrowings in local currency:			
Borrowings from The BOK	The BOK	2.0	1,565,444
Borrowings from government funds	Small Enterprise and Market Service and others	0.0 ~ 3.4	1,996,579
Others	The Korea Development Bank and others	0.0 ~ 6.7	11,206,471
Sub-total			<u>14,768,494</u>
Borrowings in foreign currencies:			
Borrowings in foreign currencies	The Export-Import Bank of Korea and others	0.0 ~ 10.0	14,006,644
Bills sold	Others	0.0 ~ 2.7	6,325
Call money	Bank and others	4.1 ~ 6.6	1,115,923
Bonds sold under repurchase agreements	Other financial institutions	1.0 ~ 11.7	1,119,991
Present value discount			(30,631)
Total			<u><u>30,986,746</u></u>

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	December 31, 2022		
	Lenders	Interest rate (%)	Amount
Borrowings in local currency:			
Borrowings from The BOK	The BOK	0.3 ~ 1.8	3,040,877
Borrowings from government funds	Small Enterprise and Market Service and others	0.0 ~ 3.5	2,021,049
Others	The Korea Development Bank and others	0.0 ~ 6.7	9,562,082
Sub-total			<u>14,624,008</u>
Borrowings in foreign currencies:			
Borrowings in foreign currencies	The Export-Import Bank of Korea and others	(0.1) ~ 10.6	11,161,294
Bills sold	Others	0.0 ~ 2.4	7,308
Call money	Bank and others	1.6 ~ 5.5	400,071
Bonds sold under repurchase agreements	Other financial institutions	0.2 ~ 6.4	2,313,044
Present value discount			(76,122)
Total			<u>28,429,603</u>

(2) Details of debentures are as follows (Unit: Korean Won in millions):

	December 31, 2023		December 31, 2022	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Face value of bond (*):				
Ordinary bonds	0.8 ~ 7.5	34,393,418	0.8 ~ 7.5	37,132,334
Subordinated bonds	1.9 ~ 5.1	5,241,848	1.9 ~ 5.1	5,835,325
Other bonds	1.6 ~ 17.0	1,667,895	0.8 ~ 17.0	1,271,364
Sub-total		<u>41,303,161</u>		<u>44,239,023</u>
Discounts on bonds		(63,916)		(40,537)
Total		<u>41,239,245</u>		<u>44,198,486</u>

(\*) Included debentures under fair value hedge amounting to 3,943,224 million won and 3,076,983 million won as of December 31, 2023 and 2022 respectively. Also, debentures under cash flow hedge amounting to 932,392 million won and 1,324,812 million won are included as of December 31, 2023 and 2022 respectively.

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**23. PROVISIONS**

(1) Details of provisions are as follows (Unit: Korean Won in millions):

	December 31, 2023	December 31, 2022
Asset retirement obligation	95,179	82,717
Provisions for guarantees (*1)	80,703	76,508
Provisions for unused loan commitments	135,335	106,033
Other provisions (*2)	494,814	280,607
Total	<u>806,031</u>	<u>545,865</u>

(\*1) Provisions for guarantees includes provision for financial guarantee of 50,125 million won and 47,969 million won as of December 31, 2023 and 2022, 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, 2023			
	Stage1	Stage2	Stage3	Total
Beginning balance	44,496	24,327	7,685	76,508
Transfer to 12-month expected credit loss	20,503	(20,503)	-	-
Transfer to expected credit loss for the entire period	(453)	453	-	-
Transfer to credit-impaired financial assets	(4)	(3)	7	-
Provisions used	-	-	-	-
Net provision (reversal) of unused amount	5,492	(1,470)	(467)	3,555
Others (*)	644	(4)	-	640
Ending balance	<u>70,678</u>	<u>2,800</u>	<u>7,225</u>	<u>80,703</u>

(\*) Recognized as a result of new financial guarantee contract valued at initial fair value.

	For the year ended December 31, 2022			
	Stage1	Stage2	Stage3	Total
Beginning balance	52,830	15,269	6,767	74,866
Transfer to 12-month expected credit loss	1,206	(1,206)	-	-
Transfer to expected credit loss for the entire period	(119)	119	-	-
Transfer to credit-impaired financial assets	(3)	(338)	341	-
Provisions used	-	-	-	-
Net provision (reversal) of unused amount	(3,449)	10,483	577	7,611
Others (*)	(5,969)	-	-	(5,969)
Ending balance	<u>44,496</u>	<u>24,327</u>	<u>7,685</u>	<u>76,508</u>

(\*) Recognized as a result of new financial guarantee contract valued at initial fair value.



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2) Provisions for unused loan commitment

	For the year ended December 31, 2023			
	Stage1	Stage2	Stage3	Total
Beginning balance	67,640	38,188	205	106,033
Transfer to 12-month expected credit loss	19,492	(19,458)	(34)	-
Transfer to expected credit loss for the entire period	(3,631)	3,670	(39)	-
Transfer to credit-impaired financial assets	(183)	(263)	446	-
Net provision (reversal) of unused amount	25,438	4,191	(346)	29,283
Others	19	-	-	19
Ending balance	108,775	26,328	232	135,335

  

	For the year ended December 31, 2022			
	Stage1	Stage2	Stage3	Total
Beginning balance	67,440	44,536	320	112,296
Transfer to 12-month expected credit loss	14,349	(14,217)	(132)	-
Transfer to expected credit loss for the entire period	(2,619)	2,648	(29)	-
Transfer to credit-impaired financial assets	(197)	(306)	503	-
Net provision (reversal) of unused amount	(11,402)	5,527	(457)	(6,332)
Others	69	-	-	69
Ending balance	67,640	38,188	205	106,033

(3) Changes in asset retirement obligation for the years ended December 31, 2023 and 2022, are as follows  
(Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Beginning balance	82,717	80,777
Provisions provided	6,979	4,082
Provisions used	(1,542)	(7,400)
Reversal of provisions unused	(1,202)	(21)
Unwinding of discount	2,412	909
Increase (decrease) of restoration expense, etc.	5,815	4,370
Ending balance	95,179	82,717

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 property as of December 31, 2023, discounted by appropriate discount rate. The restoration cost is expected to occur by the end of each property'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.

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- (4) Changes in other provisions for the years ended December 31, 2023 and 2022, are as follows (Unit: Korean Won in millions):

	For the years ended	
	December 31	
	2023	2022
Beginning balance	280,607	308,195
Provisions provided	265,574	36,284
Provisions used	(30,974)	(8,540)
Reversal of provisions unused (*)	(18,579)	(54,893)
Foreign currencies translation adjustments	(1,844)	(621)
Others	30	182
Ending balance	494,814	280,607

(\*) The Group provided Korean won settlement services for trading transaction settlement between Korea and Iran, investigated by U.S. prosecutors (federal prosecutors, New York state prosecutors) and New York State Department of Financial Services for violations of U.S. sanctions against Iran, Sudan, Syria and Cuba. In this regard, the Office of Foreign Assets Control concluded its investigation in December 2020 urging the bank's attention without taking any additional sanctions, and New York State Department of Financial Services concluded its investigation in February 2022 without taking any additional sanctions. Meanwhile, in June 2022, the Group reversed the provision related to the investigation of the U.S. Prosecutors, which have not been completed yet, in consideration of the opinion of an independent legal expert that the probability of sanctions by the U.S. Prosecutors in this case is low.

- (5) Others

- 1) The Group recognized the estimated amount of compensation related to incomplete sales of Derivative Linked Fund (DLF) in 2019 and provisions for fines expected to be imposed by the Financial Services Commission as the best estimate of expenditure required to fulfill its current obligations at the end of the period.
- 2) The Group recognized provisions for estimated compensation amounts related to the prepayment arising from the delay in the redemption of funds before the prior fiscal year and the dispute settlement as the best estimate of the expenditure amounting to 180.2 billion won. In addition, The Group recognized provision amounting to 53.6 billion won for estimated compensation of expected customer loss related to delayed redemption of fund during the current period.

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**24. NET DEFINED BENEFIT LIABILITY(ASSET)**

The Group'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 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, 2023	December 31, 2022
Present value of defined benefit obligation	1,574,087	1,377,545
Fair value of plan assets	(1,807,408)	(1,661,623)
Net defined benefit liabilities (*)	<u>(233,321)</u>	<u>(284,078)</u>

(\*) Net defined benefit assets of 232,321 million won as of December 31, 2023 are the subtracted amount of the net defined benefit liability of 6,939 million won from the net defined benefit assets of 240,260 million won. Net defined benefit assets of 284,078 million won as of December 31, 2022 are the subtracted amount of the net defined benefit assets of 319,280 million won from the net defined benefit liability of 35,202 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	
	2023	2022
Beginning balance	1,377,545	1,618,098
Current service cost	132,302	166,741
Interest cost	72,683	48,238
Remeasurements	70,284	(356,344)
Financial assumption	-	(9)
Demographic assumptions	13,926	(3,838)
Experience adjustments	(92,146)	(92,914)
Retirement benefit paid	80	(69)
Foreign currencies translation adjustments	(587)	(2,358)
Others	<u>1,574,087</u>	<u>1,377,545</u>
Ending balance	<u>1,574,087</u>	<u>1,377,545</u>

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(3) Changes in the plan assets are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Beginning balance	1,661,623	1,591,458
Interest income	91,550	49,916
Remeasurements	(23,752)	(18,095)
Employer's contributions	175,220	127,979
Retirement benefit paid	(94,607)	(87,472)
Others	(2,626)	(2,163)
Ending balance	1,807,408	1,661,623

(4) The fair value of the plan assets by composition is as follows as of December 31, 2023 and 2022.

	December 31, 2023	December 31, 2022
Cash and due from banks	1,807,408	1,661,623

Meanwhile, among plan assets, realized returns on plan assets amount to 67,798 million won and 31,821 million won for the years ended December 31, 2023 and 2022, respectively. The contribution expected to be paid in the next accounting year amounts to 128,665 million won.

(5) Amounts related to the defined benefit plan that are recognized in the consolidated statements of comprehensive income are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Current service cost	132,302	166,741
Net interest expense	(18,867)	(1,678)
Cost recognized in net income	113,435	165,063
Remeasurements (*)	107,962	(342,096)
Cost recognized in total comprehensive income	221,397	(177,033)

(\*) Amount before tax

Retirement benefits related to defined contribution plans recognized as expenses are 6,217 million won, and 4,240 million won for the years ended December 31, 2023 and 2022, respectively.

(6) Key actuarial assumptions used in net defined benefit liability measurement are as follows:

	December 31, 2023	December 31, 2022
Discount rate	4.25% ~ 5.15%	5.25% ~ 5.99%
Future wage growth rate	2.24% ~ 5.79%	2.1% ~ 5.84%
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 5.01 to a maximum 10.76 years.

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(7) The sensitivity to actuarial assumptions used in the assessment of defined benefit obligation is as follows (Unit: Korean Won in millions):

		<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	Increase by 1% point	(137,355)	(146,319)
	Decrease by 1% point	158,691	170,529
Future wage growth rate	Increase by 1% point	160,663	174,546
	Decrease by 1% point	(141,355)	(153,712)

**25. OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES**

Other financial liabilities and other liabilities are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other financial liabilities:		
Accounts payable	10,188,192	6,001,858
Accrued expenses	4,339,314	3,219,349
Borrowings from trust accounts	5,207,791	3,475,118
Agency business revenue	271,946	213,845
Foreign exchange payables	887,817	822,446
Domestic exchange settlement credits	1,386,697	4,631,921
Lease liabilities	334,456	319,161
Other miscellaneous financial liabilities	3,520,039	4,148,621
Present value discount	(21,247)	(20,451)
Sub-total	<u>26,115,005</u>	<u>22,811,868</u>
Other liabilities:		
Unearned income	390,455	351,633
Other miscellaneous liabilities	413,442	338,524
Sub-total	<u>803,897</u>	<u>690,157</u>
Total	<u><u>26,918,902</u></u>	<u><u>23,502,025</u></u>

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**26. DERIVATIVES**

(1) Derivative assets and derivative liabilities are as follows (Unit: Korean Won in millions):

		December 31, 2023					
		Assets			Liabilities		
Nominal amount		For cash flow hedge	For fair value hedge	For trading	For cash flow hedge	For fair value hedge	For trading
<b>Interest rate:</b>							
Futures	317,018	-	-	-	-	-	-
Forwards	3,960,000	-	-	83,198	-	-	169,527
Swaps	138,734,758	-	698	367,333	512	135,263	213,885
Purchase options	150,000	-	-	6,556	-	-	-
Written options	400,000	-	-	-	-	-	15,359
<b>Currency:</b>							
Futures	1,728	-	-	-	-	-	-
Forwards	97,713,561	-	-	1,935,832	-	-	885,870
Swaps	79,160,356	26,010	-	2,669,550	17,232	-	3,643,463
Purchase options	139,309	-	-	1,500	-	-	-
Written options	122,696	-	-	-	-	-	585
<b>Equity:</b>							
Futures	480,311	-	-	-	-	-	-
Forwards	137	-	-	36	-	-	-
Swaps	461,112	-	-	126,028	-	-	1,994
Purchase options	16,444,709	-	-	608,296	-	-	-
Written options	16,887,247	-	-	-	-	-	1,012,341
Total	354,972,942	26,010	698	5,798,329	17,744	135,263	5,943,024
		December 31, 2022					
		Assets			Liabilities		
Nominal amount		For cash flow hedge	For fair value hedge	For trading	For cash flow hedge	For fair value hedge	For trading
<b>Interest rate:</b>							
Futures	42,545	-	-	-	-	-	-
Forwards	2,620,000	-	-	249,356	-	-	-
Swaps	136,550,518	2,041	-	440,540	-	193,831	474,158
Purchase options	170,000	-	-	9,308	-	-	-
Written options	310,000	-	-	-	-	-	16,752
<b>Currency:</b>							
Futures	51,136	-	-	-	-	-	-
Forwards	90,134,257	-	-	3,083,082	-	-	1,360,535
Swaps	97,197,309	35,745	-	3,105,901	9,080	-	5,500,970
Purchase options	487,852	-	-	23,182	-	-	-
Written options	570,982	-	-	-	-	-	7,929
<b>Equity:</b>							
Futures	958,589	-	-	-	-	-	-
Forwards	183	-	-	100	-	-	-
Swaps	568,835	-	-	90,237	-	-	673
Purchase options	29,801,478	-	-	1,204,475	-	-	-
Written options	29,874,836	-	-	-	-	-	1,544,108
Total	389,338,520	37,786	-	8,206,181	9,080	193,831	8,905,125

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.

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(2) Overview of the Group's hedge accounting

1) Fair value hedge

As of December 31, 2023, the Group has applied fair value hedge on fixed interest rate foreign currency denominated debentures amounting to 3,682,140 million Won, and foreign currency loans amounting to 261,084 million Won. The purpose of the hedging is to avoid fair value volatility risk of fixed interest rate foreign and local 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 Compounding SOFR or CD 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, 2023, the Group has applied cash flow hedge on local currency denominated debentures amounting to 179,945 million won and debentures on foreign currency amounting to 752,447 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 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.

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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) Hedges of Net Investment in Foreign Operations

Foreign currency exposure arises from the Group's net investments in Woori America Bank, Woori Bank(Cambodia) PLC and Hong Kong Woori Investment Bank, and overseas branches, which use USD as their functional currency. The risk arises from fluctuations in the spot exchange rate between USD and KRW. This may result in different net investment amounts.

The risk hedged in the net investment hedging is the volatility of KRW against USD, which may reduce the carrying amount of the Group's net investments in Woori America Bank, Woori Bank(Cambodia) PLC and Hong Kong Woori Investment Bank.

A portion of the Group's net investments in Woori America Bank, Woori Bank(Cambodia) PLC and Hong Kong Woori Investment Bank, and overseas branches are hedged in USD denominated foreign currency bonds(Carrying amount as of December 31, 2023: USD 863,959,317) and mitigate foreign exchange risk arising from the net assets of subsidiaries.

The bonds was designated as a hedging instrument for changes in the value of net investment resulting from fluctuations in the USD/KRW spot exchange rate.

To assess the effectiveness of the hedging instrument, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing (offsetting) changes in the carrying amount of the liability due to changes in the spot exchange rate with changes. The Group's policy is to hedge the net investment only within the principal range of the liability.



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- (3) The nominal amounts of the hedging instrument are as follows (Unit: USD, AUD, EUR, and Korean Won in millions):

	December 31, 2023			Total
	1 year or less	1 year to 5 years	More than 5 years	
Fair value hedge				
Interest rate risk				
Interest rate swap (USD)	1,000,000,000	1,975,000,000	-	2,975,000,000
Interest rate swap (KRW)	240,000	-	20,000	260,000
Cash flow hedge				
Interest rate risk				
Interest rate swap (KRW)	-	140,000	-	140,000
Foreign currencies translation risk and interest rate risk				
Currency swap (USD)	-	270,000,000	-	270,000,000
Foreign currencies translation risk				
Currency swap (USD)	-	100,000,000	-	100,000,000
Currency swap (EUR)	-	194,780,000	-	194,780,000
Hedges of net investment in foreign operations				
Exchange risk				
Foreign currency bond (USD)	400,000,000	463,959,317	-	863,959,317
	December 31, 2022			
	1 year or less	1 year to 5 years	More than 5 years	Total
Fair value hedge				
Interest rate risk				
Interest rate swap (USD)	-	2,075,000,000	300,000,000	2,375,000,000
Interest rate swap (AUD)	150,000,000	-	-	150,000,000
Interest rate swap (KRW)	150,000	-	-	150,000
Cash flow hedge				
Interest rate risk				
Interest rate swap (KRW)	50,000	140,000	-	190,000
Foreign currencies translation risk and interest rate risk				
Currency swap (USD)	-	270,000,000	-	270,000,000
Foreign currencies translation risk				
Currency swap (USD)	80,000,000	100,000,000	-	180,000,000
Currency swap (EUR)	-	194,780,000	-	194,780,000
Hedges of net investment in foreign operations				
Exchange risk				
Foreign currency bond (USD)	272,390,437	592,000,000	-	864,390,437

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- (4) The average interest rate and average currency rate of the hedging instrument as of December 31, 2023 and 2022 are as follows:

	December 31, 2023
	Average interest rate and average exchange rate
Fair value hedge	
Interest rate risk	
Interest rate swap (USD)	Fixed 3.60% receipt and (C.SOFR) + 1.47% paid
Interest rate swap (KRW)	Fixed 4.13% receipt and CD 3M paid
Cash flow hedge	
Interest rate risk	
Interest rate swap (KRW)	KRW CMS 5Y+0.46% receipt, 3.65% paid
Foreign currencies translation risk and interest rate risk	
Currency swap (USD)	USD 1M SOFR+1.12% receipt, KRW 4.37% paid, USD/KRW = 1,293.97
Foreign currencies translation risk	
Currency swap (USD)	USD 1.75% receipt, KRW 1.63% paid, USD/KRW = 1,138.50
Currency swap (EUR)	EUR 1.98% receipt, KRW 3.40% paid, EUR/KRW = 1,344.08
Hedges of net investment	
Exchanging rate risk	
Foreign currency denominated debentures(USD/KRW)	1,306.12
	December 31, 2022
	Average interest rate and average exchange rate
Fair value hedge	
Interest rate risk	
Interest rate swap (USD)	Fixed 3.62% receipt and Libor 3M+1.45% floating paid
Interest rate swap (USD)	Fixed 2.05% receipt and (C.SOFR)+0.65% paid
Interest rate swap (AUD)	Fixed 0.84% receipt and BBSW 3M+0.72% paid
Interest rate swap (KRW)	Fixed 3.13% receipt and CD 3M paid
Cash flow hedge	
Interest rate risk	
Interest rate swap (KRW)	KRW CMS 5Y+0.46% receipt, 3.65% paid
Interest rate swap (KRW)	KRW CD+0.33% receipt, 1.68% paid
Foreign currencies translation risk and interest rate risk	
Currency swap (USD)	USD 1M Libor+0.79% receipt, KRW 0.80% paid, KRW/USD = 1,226.29
Foreign currencies translation risk	
Currency swap (USD)	USD 1.50% receipt, KRW 1.57% paid, KRW/USD = 1,140.50
Currency swap (EUR)	EUR 1.98% receipt, KRW 3.86% paid, KRW/EUR = 1,344.08
Hedges of net investment	
Exchanging rate risk	
Foreign currency denominated debentures(KRW/USD)	1,344.37

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- (5) The amounts related to items designated as hedging instruments are as follows (Unit: USD, AUD, EUR, and Korean Won in millions):

	December 31, 2023				
	Nominal amounts of the hedging instrument	Carrying amount 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)	2,975,000,000	698	135,263	Derivative assets (designated for hedging)	55,651
Interest rate Swap(KRW)	260,000				
Cash flow hedge					
Interest rate risk					
Interest rate swap(KRW)	140,000	-	512	Derivative liabilities (designated for hedging)	(2,433)
Foreign currency translation risk and interest rate risk					
Currency swap(USD)	270,000,000	7,356	17,232	Derivative assets (designated for hedging) Derivative liabilities (designated for hedging)	(913)
Foreign currency translation risk					
Currency swap(USD)	100,000,000	10,956	-	Derivative assets (designated for hedging)	(5,644)
Currency swap(EUR)	194,780,000	7,698	-	Derivative assets (designated for hedging)	19,063
Hedges of net investment in foreign operations					
Exchange rate risk					
Foreign currency bond(USD)	863,959,317	-	1,113,989	Foreign currency bond	(19,088)
	December 31, 2022				
	Nominal amounts of the hedging instrument	Carrying amount 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)	2,375,000,000			Derivative assets (designated for hedging)	
Interest rate Swap(AUD)	150,000,000	-	193,831	Derivative liabilities (designated for hedging)	(247,765)
Interest rate Swap(KRW)	150,000				
Cash flow hedge					
Interest rate risk					
Interest rate swap(KRW)	190,000	2,041	-	Derivative liabilities (designated for hedging)	1,690
Foreign currency translation risk and interest rate risk					
Currency swap(USD)	270,000,000	17,909	-	Derivative liabilities (designated for hedging)	58,253
Foreign currency translation risk					
Currency swap(USD)	180,000,000	17,836	-	Derivative liabilities (designated for hedging)	9,317
Currency swap(EUR)	194,780,000	-	9,080	Derivative liabilities (designated for hedging)	(10,286)
Hedges of net investment in foreign operations					
Exchange rate risk					
Foreign currency bond(USD)	864,390,437	-	1,095,442	Foreign currency bond	(28,553)

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(6) Details of carrying amount to hedge and amount due to hedge accounting are as follows (Unit: Korean Won in millions):

	December 31, 2023						
	Carrying amount 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	-	3,943,224	-	142,902	Debentures	(58,306)	-
Cash flow hedge							
Interest rate risk							
Debentures	-	179,945	-	-	Debentures	2,433	25
Foreign currencies translation risk and interest rate risk							
Debentures	-	346,388	-	-	Debentures	22,914	(8,819)
Foreign currencies translation risk							
Debentures	-	406,059	-	-	Debentures	(13,419)	(11,416)
Hedges of net investment in foreign operations							
Exchange rate risk							
Foreign operations net asset	-	1,113,989	-	-	Foreign operations net asset	19,088	(34,750)

(\*) After tax amount

	December 31, 2022						
	Carrying amount 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	-	3,076,983	-	(199,804)	Debentures	257,911	-
Cash flow hedge							
Interest rate risk							
Debentures	-	229,892	-	-	Debentures	(3,742)	2,531
Foreign currencies translation risk and interest rate risk							
Debentures	-	342,019	-	-	Debentures	(23,296)	8,648
Foreign currencies translation risk							
Debentures	-	752,901	-	-	Debentures	11,256	(24,600)
Hedges of net investment in foreign operations							
Exchange rate risk							
Foreign operations net asset	-	1,095,442	-	-	Foreign operations net asset	28,553	(38,797)

(\*) After tax amount

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- (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, 2023	
		Hedge ineffectiveness recognized in profit or loss	Line item in the profit or loss that includes hedge ineffectiveness
Fair value hedge	Interest rate risk	(2,655)	Other net operating income(expense)

  

		For the year ended December 31, 2022	
		Hedge ineffectiveness recognized in profit or loss	Line item in the profit or loss that includes hedge ineffectiveness
Fair value hedge	Interest rate risk	10,146	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, 2023					
		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	(2,433)	-	-	Other net operating income (expense)	-	Other net operating income (expense)
	Foreign currencies translation risk and interest rate risk	(913)	-	(4,871)	Other net operating income (expense)	(11,683)	Other net operating income (expense)
	Foreign currencies translation risk	13,419	-	(3,521)	Other net operating income (expense)	(6,950)	Other net operating income (expense)

  

		For the year ended December 31, 2022					
		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	1,653	37	-	Other net operating income (expense)	220	Other net operating income (expense)
	Foreign currencies translation risk and interest rate risk	58,253	-	(1,721)	Other net operating income (expense)	(53,743)	Other net operating income (expense)
	Foreign currencies translation risk	(969)	-	2,046	Other net operating income (expense)	(16,111)	Other net operating income (expense)

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- (9) The amounts recognized in profit or loss and other comprehensive income related to the hedging of net investments in foreign operations are as follows (Unit: Korean Won in millions):

		For the year ended December 31, 2023		
		Profit or loss recognized in OCI	Hedge ineffectiveness recognized in profit or loss	Line item which recognized the hedge ineffectiveness
Hedges of net investment in foreign operation	Exchange rate risk	(19,088)	5,039	(14,049)
		For the year ended December 31, 2022		
		Profit or loss recognized in OCI	Hedge ineffectiveness recognized in profit or loss	Line item which recognized the hedge ineffectiveness
Hedges of net investment in foreign operation	Exchange rate risk	(38,797)	-	-

**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	
	2023	2022
Beginning balance	17,964	29,111
New transactions	-	21,656
Amounts recognized in losses	(10,116)	(32,803)
Ending balance	7,848	17,964

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. The table above presents the difference yet to be realized as profit or losses as of December 31, 2023 and 2022.

**28. EQUITY**

- (1) Details of equity as of December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

	December 31, 2023	December 31, 2022
Capital		
Common stock capital	3,802,676	3,640,303
Hybrid securities	3,611,129	3,112,449
Capital surplus		
Paid in capital in excess of par	854,499	643,544
Others	81,064	38,841
Sub-total	935,563	682,385
Capital adjustments		
Treasury stocks	(39,348)	(3,819)
Other adjustments (*1)	(1,648,535)	(1,780,367)
Sub-total	(1,687,883)	(1,784,186)
Accumulated other comprehensive income		
Financial assets at FVTOCI	79,694	(645,731)
Changes in capital due to equity method	3,471	475
Gain (loss) on foreign currency translation	15,579	(24,202)

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of foreign operations		
Gain (loss) on hedges of net investment in foreign operations	(34,750)	(20,701)
Remeasurements of defined benefit plan	(24,262)	55,235
Gain (loss) on valuation of cash flow hedge	(20,806)	(4,282)
Sub-total	18,926	(639,206)
Retained earnings (*2) (*3)	24,986,470	23,750,152
Non-controlling interest (*4)	1,730,609	2,865,445
Total	33,397,490	31,627,342

(\*1) Included 178,060 million Won in capital transaction gains and losses recognized by Woori Bank and (formerly) Woori Financial Group in 2014 and 2,238,228 million Won due to the spin-off of Gyeongnam Bank and Gwangju Bank.

(\*2) The regulatory reserve for credit losses in retained earnings amounted to 2,839,475 million Won and 2,966,960 million Won as of December 31, 2023 and 2022, respectively in accordance with the relevant article.

(\*3) The earned surplus reserve in retained earnings amounted to 300,190 million Won and 181,860 million Won as of December 31, 2023 and 2022 in accordance with the Article 53 of the Financial Holding Company Act.

(\*4) The hybrid securities issued by Woori Bank amounting to 1,546,447 million Won and 2,344,816 million Won as of December 31, 2023 and 2022, respectively, are recognized as non-controlling interests. 95,637 million Won and 113,995 million Won of dividends for the hybrid securities issued by Woori Bank are allocated to net profit and loss of the non-controlling interests for the years ended December 31, 2023 and 2022, respectively.

(2) The number of authorized shares and others of the Group are as follows:

	December 31, 2023	December 31, 2022
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	751,949,461 Shares	728,060,549 Shares
Capital stock	3,802,676 million Won	3,640,303 million Won

(3) 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, 2023	December 31, 2022
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	400,000
Securities in local currency	2020-06-12	-	3.23	300,000	300,000
Securities in local currency	2020-10-23	-	3.00	200,000	200,000
Securities in local currency	2021-04-08	-	3.15	200,000	200,000
Securities in local currency	2021-10-14	-	3.60	200,000	200,000
Securities in local currency	2022-02-17	-	4.10	300,000	300,000
Securities in local currency	2022-07-28	-	4.99	300,000	300,000
Securities in local currency	2022-10-25	-	5.97	220,000	220,000
Securities in local currency	2023-02-10	-	4.65	300,000	-
Securities in local currency	2023-09-07	-	5.04	200,000	-

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Issuance cost	(8,871)	(7,551)
Total	<u>3,611,129</u>	<u>3,112,449</u>

The hybrid securities mentioned above do not have maturity date but are redeemable after 5 years from date of issuance.

(4) 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, 2023				
	Beginning balance	Increase (decrease) (*)	Reclassification adjustments	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets at FVTOCI	(645,731)	783,583	200,309	(258,467)	79,694
Changes in capital due to equity method	475	(1,434)	-	4,430	3,471
Gain (loss) on foreign currency translation of foreign operations	(24,202)	39,458	-	323	15,579
Gain (loss) on hedges of net investment in foreign operations	(20,701)	(19,088)	-	5,039	(34,750)
Remeasurement gain (loss) related to defined benefit plan	55,235	(108,217)	-	28,720	(24,262)
Gain (loss) on valuation of cash flow hedge	(4,282)	(15,906)	(944)	326	(20,806)
Total	<u>(639,206)</u>	<u>678,396</u>	<u>199,365</u>	<u>(219,629)</u>	<u>18,926</u>

(\*) The increase(decrease) of financial asset valuation profit or loss at fair value through other comprehensive income and non-current assets held for sale are changes due to the period evaluation, and the reclassification adjustments amounting to 86 million Won and (50) million Won are due to disposal of equity securities and non-current assets held for sale, respectively during the period.

	For the year ended December 31, 2022				
	Beginning balance	Increase (decrease) (*)	Reclassification adjustments	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets at FVTOCI	(162,522)	(659,906)	21,498	155,199	(645,731)
Changes in capital due to equity method	(138)	6,563	-	(5,950)	475
Gain (loss) on foreign currency translation of foreign operations	(63,781)	33,368	-	6,211	(24,202)
Gain (loss) on hedges of net investment in foreign operations	-	(28,553)	-	7,852	(20,701)
Remeasurement gain (loss) related to defined benefit plan	(195,944)	346,553	-	(95,374)	55,235
Gain (loss) on valuation of cash flow hedge	5,553	(10,373)	(220)	758	(4,282)
Capital related to non-current assets held for sale	279	(385)	-	106	-
Total	<u>(416,553)</u>	<u>(312,733)</u>	<u>21,278</u>	<u>68,802</u>	<u>(639,206)</u>

(\*) The increase(decrease) of financial asset valuation profit or loss at fair value through other comprehensive income and non-current assets held for sale are changes due to the period evaluation, and the reclassification adjustments amounting to (10,254) million Won and 279 million Won are due to disposal of equity securities and non-current assets held for sale, respectively during the period.



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(5) 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, 2023	December 31, 2022
Beginning balance	2,839,475	2,966,960
Planned provision of regulatory reserve (reversal) for credit loss	(446,933)	(127,485)
Ending balance	<u>2,392,542</u>	<u>2,839,475</u>

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	
	2023	2022
Net income before regulatory reserve	2,626,894	3,323,982
Provision of regulatory reserve (reversal) for credit loss	(446,933)	(127,485)
Adjusted net income after the provision of regulatory reserve	3,073,827	3,451,467
Dividends to hybrid securities	(131,148)	(91,756)
Adjusted net income after regulatory reserve and dividends to hybrid securities	2,942,679	3,359,711
Adjusted EPS after regulatory reserve and the dividends to hybrid securities (Unit: Korean Won)	4,002	4,615

(6) Treasury stock

Details of treasury stocks are as follows (Unit: Shares, Korean Won in millions):

	December 31, 2023			
	Beginning balance	Acquisition	Disposal and others	Ending balance
Number of shares	343,991	13,552,312	(10,468,806)	3,427,497
Carrying amount	<u>3,819</u>	<u>157,222</u>	<u>(121,693)</u>	<u>39,348</u>
	December 31, 2022			
	Beginning balance	Acquisition	Disposal and others	Ending balance
Number of shares	343,991	-	-	343,991
Carrying amount	<u>3,819</u>	<u>-</u>	<u>-</u>	<u>3,819</u>

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**29. DIVIDENDS**

- (1) Dividends per share and the total dividends for the fiscal year ending December 31, 2022 were 980 Won and 713,497 million Won, respectively, and the dividends were approved at the regular general shareholders' meeting held on March 24, 2023 and were paid in April 2023.
- (2) On July 21, 2023, in accordance with a resolution of the Board of Directors, the Group declared the quarterly dividend of 180 Won per share (total dividend of 130,748 million Won) with June 30, 2023 as record date, and the dividends were paid in August 2023.
- (3) On October 26, 2023, in accordance with a resolution of the Board of Directors, the Group declared the quarterly dividend of 180 won per share (a total dividend of 135,341 million Won) with September 30, 2023 as record date, and the dividends were paid in November 2023.
- (4) A dividend in respect of the year ended December 31, 2023, of 640 won per share, amounting to a total dividend of 481,213 million Won, is to be proposed to shareholders at the annual general meeting on March 22, 2024, with February 29, 2024 as record date. These financial statements do not include 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	
	2023	2022
Financial assets at FVTPL	192,094	106,698
Financial assets at FVTOCI	999,407	632,615
Financial assets at amortized cost:		
Securities at amortized cost	782,513	515,246
Loans and other financial assets at amortized cost:		
Interest on due from banks	543,789	244,331
Interest on loans	18,042,706	13,109,022
Interest of other receivables	81,045	46,637
Subtotal	18,667,540	13,399,990
Total	20,641,554	14,654,549

- (2) Details of interest expense recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Interest on deposits due to customers	8,738,249	4,120,811
Interest on borrowings	1,294,710	598,185
Interest on debentures	1,507,108	1,036,191
Other interest expense	348,588	195,090
Interest on lease liabilities	10,359	7,693
Total	11,899,014	5,957,970

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**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	
	2023	2022
Fees and commission received for brokerage	146,216	185,545
Fees and commission received related to credit	182,151	189,856
Fees and commission received for electronic finance	125,760	130,712
Fees and commission received on foreign exchange handling	55,993	56,812
Fees and commission received on foreign exchange	99,071	96,713
Fees and commission received for guarantee	88,580	85,340
Fees and commission received on credit card	640,918	594,897
Fees and commission received on securities business	58,553	111,211
Fees and commission from trust management	266,197	266,447
Fees and commission received on credit information	10,768	10,190
Fees and commission received related to lease	698,463	572,563
Other fees	193,144	199,414
Total	<u>2,565,814</u>	<u>2,499,700</u>

(2) Details of fees and commissions expense incurred are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Fees and commissions paid	339,340	325,536
Credit card commission	488,742	446,885
Securities business commission	1,287	1,414
Others	15,964	15,695
Total	<u>845,333</u>	<u>789,530</u>

**32. DIVIDEND INCOME**

(1) Details of dividend income recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Dividend income related to financial assets at FVTPL	222,357	136,136
Dividend income related to financial assets at FVTOCI	17,936	23,846
Total	<u>240,293</u>	<u>159,982</u>

(2) Details of dividends related to financial assets at FVTOCI are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Dividend income recognized from assets held:		
Equity securities	17,936	23,846

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**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	
	2023	2022
Gain on financial instruments at fair value through profit or loss measured at fair value	488,486	238,502
Total	488,486	238,502

- (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	
			2023	2022
Financial assets at FVTPL	Securities	Gain on transactions and valuation	889,250	294,667
		Loss on transactions and valuation	(191,144)	(553,093)
		Sub-total	698,106	(258,426)
	Loans	Gain on transactions and valuation	6,064	24,005
		Loss on transactions and valuation	(2,289)	(2,219)
		Sub-total	3,775	21,786
	Other financial assets	Gain on transactions and valuation	9,742	21,602
		Loss on transactions and valuation	(19,291)	(12,314)
		Sub-total	(9,549)	9,288
	Sub-total		692,332	(227,352)
Derivatives (Held for trading)	Interest rates derivatives	Gain on transactions and valuation	4,741,233	5,216,543
		Loss on transactions and valuation	(4,990,352)	(3,625,834)
		Sub-total	(249,119)	1,590,709
	Currency derivatives	Gain on transactions and valuation	7,677,720	14,601,674
		Loss on transactions and valuation	(7,528,291)	(15,713,074)
		Sub-total	149,429	(1,111,400)
	Equity derivatives	Gain on transactions and valuation	3,169,071	2,836,843
		Loss on transactions and valuation	(3,273,202)	(2,850,334)
		Sub-total	(104,131)	(13,491)
	Other derivatives	Gain on transactions and valuation	14	49
Loss on transactions and valuation		(39)	(13)	
Sub-total		(25)	36	
Sub-total		(203,846)	465,854	
Net, total		488,486	238,502	

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**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	
	2023	2022
Gain (Loss) on redemption of securities	104	(7)
Losses on transactions of securities	(37,745)	(21,491)
Total	<u>(37,641)</u>	<u>(21,498)</u>

**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	
	2023	2022
Reversal(provision) due to credit loss on financial assets measured at FVTOCI	(16,542)	827
Provision for impairment loss due to credit loss on securities at amortized cost	(5,549)	(3,151)
Provision for impairment loss due to credit loss on loan and other financial assets at amortized cost	(1,839,987)	(881,668)
Provision for guarantees	(3,555)	(7,611)
Reversal of provision for unused loan commitment (provision for unused loan commitment)	(29,283)	6,332
Total	<u>(1,894,916)</u>	<u>(885,271)</u>

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**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	
		2023	2022
Employee benefits	Short-term		
	employee	1,831,137	1,980,363
	benefits		
	Salaries	600,001	590,255
	Employee fringe		
	benefits	12,946	9,632
	Share based payment	119,670	169,303
	Retirement benefit service costs	164,922	162,019
	Termination	2,728,676	2,911,572
	Subtotal	503,035	521,827
Depreciation and amortization		124,355	80,130
Other general and administrative expenses	Rent	190,334	157,905
	Taxes and public dues	245,656	233,495
	Service charges	144,017	127,186
	Computer and IT related	88,018	84,204
	Telephone and communication	53,896	53,733
	Operating promotion	161,896	160,464
	Advertising	6,072	6,799
	Printing	13,364	10,716
	Traveling	9,156	8,309
	Supplies	14,380	20,670
	Insurance premium	24,932	23,266
	Maintenance	19,161	16,165
	Water, light, and heating	14,725	14,831
	Vehicle maintenance	101,760	98,618
	Others(*)	1,211,722	1,096,491
	Sub-total	4,443,433	4,529,890
	Total		

(\*) In-house welfare fund contributions amounted to 40,047 million Won and 40,200 million Won as of December 31, 2023 and 2022, respectively.

(2) Details of other operating income recognized are as follows (Unit: Korean Won in millions):

		For the years ended December 31	
		2023	2022
Gains on transactions of foreign exchange		1,428,737	1,403,083
Gains related to derivatives (designated for hedging)		114,875	71,179
Gains on fair value hedged items		8,986	257,910
Others		288,862	249,509
	Total	1,841,460	1,981,681

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(3) Details of other operating expenses recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Losses on transactions of foreign exchange	1,295,557	1,181,663
KDIC deposit insurance premium	464,213	423,834
Contribution to miscellaneous funds	453,805	402,057
Losses related to derivatives (Designated for hedging)	35,583	250,268
Losses on fair value hedged items	72,601	-
Others (*)	1,040,424	736,112
Total	<u>3,362,183</u>	<u>2,993,934</u>

(\*) Other expense includes 22,349 million Won and 14,664 million Won for intangible asset amortization cost and 462,394 million Won and 388,895 million Won for lease depreciation cost for the years ended December 31, 2023 and 2022, respectively.

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(4) Share-based payment

Details of performance condition share-based payment granted to executives as of December 31, 2023 and 2022 are as follows.

1) Performance condition share-based payment

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)		12,885 Won
Valuation method		Black-Scholes Model
Expected dividend rate		6.25%
Expected maturity date		-
Number of shares remaining	As of December 31, 2023	944,343 shares
	As of December 31, 2022	944,343 shares
Number of shares granted (*2)	As of December 31, 2023	944,343 shares
	As of December 31, 2022	944,343 shares
Subject to		Shares granted for the year 2021
Type of payment		Cash-settled
Vesting period		January 1, 2021 ~ December 31, 2024
Date of payment		2025-01-01
Fair value (*1)		12,105 Won
Valuation method		Black-Scholes Model
Expected dividend rate		6.25%
Expected maturity date		1 year
Number of shares remaining	As of December 31, 2023	1,105,515 shares
	As of December 31, 2022	1,105,515 shares
Number of shares granted (*2)	As of December 31, 2023	1,105,515 shares
	As of December 31, 2022	1,105,515 shares
Subject to		Shares granted for the year 2022
Type of payment		Cash-settled
Vesting period		January 1, 2022 ~ December 31, 2025
Date of payment		2026-01-01
Fair value (*1)		11,371 Won
Valuation method		Black-Scholes Model
Expected dividend rate		6.25%
Expected maturity date		2 years
Number of shares remaining	As of December 31, 2023	968,119 shares
	As of December 31, 2022	968,119 shares
Number of shares granted (*2)	As of December 31, 2023	968,119 shares
	As of December 31, 2022	968,119 shares
Subject to		Shares granted for the year 2023
Type of payment		Cash-settled
Vesting period		January 1, 2023 ~ December 31, 2026
Date of payment		2027-01-01
Fair value (*1)		10,683 Won
Valuation method		Black-Scholes Model
Expected dividend rate		6.25%
Expected maturity date		3 years
Number of shares remaining	As of December 31, 2023	924,077 shares
	As of December 31, 2022	-
Number of shares granted (*2)	As of December 31, 2023	924,077 shares
	As of December 31, 2022	-



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- (\*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 Scholes 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, 2023 and 2022, the carrying amount of the liabilities related to the performance condition share-based payments recognized by the Group amounts to 46,741 million Won and 41,334 million Won, respectively, including the carrying amount of liabilities related to key management of 19,924 million Won and 17,494 million Won, respectively.

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**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	
	2023	2022
Gains on valuation of investments in joint ventures and associates	132,541	98,858
Losses on valuation of investments in joint ventures and associates	(22,710)	(11,133)
Impairment losses of investments in joint ventures and associates	-	(17,728)
Total	<u>109,831</u>	<u>69,997</u>

- (2) Details of other non-operating income and expenses recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Other non-operating incomes	117,746	158,778
Other non-operating expenses	(209,153)	(173,924)
Total	<u>(91,407)</u>	<u>(15,146)</u>

- (3) Details of other non-operating income recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Rental fee income	26,477	22,798
Gains on disposal of investments in joint ventures and associates	33,123	599
Gains on disposal of Property, Plant and Equipment, intangible assets and other assets	5,267	55,852
Reversal of impairment losses of Property, Plant and Equipment, intangible assets and other assets	230	310
Others (*)	52,649	79,219
Total	<u>117,746</u>	<u>158,778</u>

- (\*) 'Others' for the year ended December 31, 2023 and 2022 include 14,060 million Won and 46,536 million Won of other special gain related to other provisions.

- (4) Details of other non-operating expenses recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Depreciation on investment properties	5,398	3,925
Operating expenses on investment properties	2,058	1,448
Losses on disposal of investments in joint ventures and associates	588	3,690
Losses on disposal of Property, Plant and Equipment, intangible assets and other assets	1,873	3,177
Impairment losses of Property, Plant and Equipment, intangible assets and other assets	129	260
Donation	63,729	50,547
Others (*)	135,378	110,877
Total	<u>209,153</u>	<u>173,924</u>

- (\*) Other special losses related to other provisions for the years ended December 31, 2023 and 2022 are 66,910 million Won and 18,458 million Won, respectively, and other special losses related to employee incidents for the year ended December 31, 2022 are 63,354 million Won.

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**38. INCOME TAX EXPENSE**

(1) Details of income tax expenses are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Current tax expense:		
Current tax expense with respect to the current period	689,395	1,332,636
Adjustments recognized in the current period in relation to the tax expense of prior periods	(22,825)	(13,982)
Income tax expense directly attributable to other equity	5,039	7,852
Sub-total	<u>671,609</u>	<u>1,326,506</u>
Deferred tax expense		
Change in deferred tax assets (liabilities) due to temporary differences	442,852	(234,909)
Income tax expense(income) directly attributable to equity	(224,668)	68,802
Others	766	993
Sub-total	<u>218,950</u>	<u>(165,114)</u>
Income tax expense	<u>890,559</u>	<u>1,161,392</u>

(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	
	2023	2022
Net income before income tax expense	3,517,453	4,485,374
Tax calculated at statutory tax rate (*1)(*2)	859,608	1,154,285
Adjustments:		
Effect of income that is exempt from taxation	(37,500)	(73,488)
Effect of expenses that are not deductible in determining taxable income	12,163	26,793
Adjustments recognized in the current period in relation to the current tax of prior periods	(22,456)	(14,088)
Others	78,744	67,890
Sub-total	<u>30,951</u>	<u>7,107</u>
Income tax expense	<u>890,559</u>	<u>1,161,392</u>
Effective tax rate	25.32%	25.90%

(\*1) The applicable income tax rate: 9.9% up to 200 million Won in tax basis, 20.9% over 200 million Won to 20 billion Won, 23.1% over 20 billion Won to 300 billion Won and 26.4% over 300 billion Won.

(\*2) The applicable income tax rate of prior fiscal year: 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.

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(3) Changes in deferred tax assets and liabilities for the years ended December 31, 2023 and 2022, are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2023				
	Beginning balance	Business combination	Recognized as income (expense)	Recognized as other comprehensive income (expense)	Ending Balance
Gain (loss) on financial assets	373,145	-	(272,072)	(258,467)	(157,394)
Gain on valuation of investment stocks accounted in equity method	20,555	-	(35,357)	4,430	(10,372)
Gain (loss) on valuation of derivatives	10,617	-	24,869	326	35,812
Accrued income	(90,330)	-	(42,608)	-	(132,938)
Provision for loan losses	(20,105)	-	61,093	-	40,988
Loan and receivables written off	7,926	-	1,846	-	9,772
Loan origination costs and fees	(169,093)	-	(4,324)	-	(173,417)
Defined benefit obligation	369,785	-	29,308	28,172	427,265
Deposits with employee retirement insurance trust	(450,222)	-	(50,044)	548	(499,718)
Provision for guarantee	8,328	-	(54)	-	8,274
Other provision	87,229	-	91,888	-	179,117
Others (*)	(70,335)	(11,593)	(22,729)	323	(104,334)
Net deferred tax assets(liabilities)	77,500	(11,593)	(218,184)	(224,668)	(376,945)

(\*) Among the deferred tax assets and liabilities classified as 'Others,' the deferred tax asset arising from unused tax losses amounts to 1,998 million won.

	For the year ended December 31, 2022				
	Beginning balance	Business combination	Recognized as income (expense)	Recognized as other comprehensive income (expense)	Ending Balance
Gain (loss) on financial assets	273,356	-	(55,410)	155,199	373,145
Gain on valuation using the equity method of accounting	15,260	-	11,139	(5,844)	20,555
Gain (loss) on valuation of derivatives	(149,805)	-	159,664	758	10,617
Accrued income	(82,482)	-	(7,848)	-	(90,330)
Provision for loan losses	(34,625)	-	14,520	-	(20,105)
Loan and receivables written off	8,244	-	(318)	-	7,926
Loan origination costs and fees	(194,463)	-	25,370	-	(169,093)
Defined benefit liability	449,615	-	15,760	(95,590)	369,785
Deposits with employee retirement insurance trust	(432,001)	-	(18,437)	216	(450,222)
Provision for guarantee	7,424	-	904	-	8,328
Other provision	100,571	-	(13,342)	-	87,229
Others (*)	(116,907)	(1,473)	33,982	14,063	(70,335)
Net deferred tax assets	(155,813)	(1,473)	165,984	68,802	77,500

(\*) Among the deferred tax assets and liabilities classified as 'Others,' the deferred tax asset arising from unused tax losses amounts to 3,536 million won.

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(4) Unrealizable temporary differences are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deductible temporary differences	313,565	330,376
Tax loss carry forward	16,823	49,405
Taxable temporary differences	<u>(9,138,085)</u>	<u>(8,898,834)</u>
Total	<u>(8,807,697)</u>	<u>(8,519,053)</u>

No deferred income tax asset has been recognized for the deductible temporary difference of 302,214 million Won associated with investments in subsidiaries as of December 31, 2023, because it is not probable that the temporary differences will be reversed in the foreseeable future. Also, no deferred income tax asset has been recognized for the other 11,912 million won due to the uncertainty of its feasibility in the future.

No deferred income tax liability has been recognized for the taxable temporary difference of 9,138,085 million won associated with investment in subsidiaries as of December 31, 2023, 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, 2023, 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):

	<u>1 year or less</u>	<u>1 – 2 years</u>	<u>2 – 3 years</u>	<u>More than 3 years</u>
Tax loss carry forward	16,823	-	-	-

(5) Details of accumulated current and deferred tax charged directly to other equity are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Gain on valuation of financial assets at FVTOCI	(44,591)	213,876
Loss on valuation of equity method investments	664	(3,766)
Gain on foreign currency translation of foreign operations	10,261	9,938
Gain on valuation of hedge accounting of the net investment in foreign operations	14,854	9,815
Remeasurements of the defined benefit plan	8,136	(20,584)
Loss on derivatives designated as cash flow hedge	240	(86)
Total	<u>(10,436)</u>	<u>209,193</u>

(6) Current tax assets and liabilities are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current tax assets	203,542	53,274
Current tax liabilities	103,655	843,555

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**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	
	2023	2022
Net income attributable to common shareholders	2,506,296	3,141,680
Dividends to hybrid securities	(131,148)	(91,756)
Net income attributable to common shareholders	2,375,148	3,049,924
Weighted average number of common shares outstanding (Unit: million shares)	735	728
Basic EPS (Unit: Korean Won)	3,230	4,191

(2) The weighted average number of common shares outstanding is as follows (Unit: number of shares, days):

	For the year ended December 31, 2023	
	Number of shares	Accumulated number of shares outstanding during period
Common shares issued at the beginning of the period	728,060,549	265,742,100,385
Treasury stocks	(343,991)	(125,556,715)
Acquisition and retirement of treasury stock etc.	(13,500,691)	(2,104,222,930)
Acquisition of treasury stock (odd-lot stock at comprehensive share exchange)	(51,621)	(6,504,246)
Disposal of treasury stock	1,883,007	171,193,865
Issuance of new shares (comprehensive share exchange)	32,474,711	4,741,307,806
Sub-total (①)		268,418,318,165
Weighted average number of common shares outstanding (②)=(①/365)		735,392,653

  

	For the year ended December 31, 2022	
	Number of shares	Accumulated number of shares outstanding during period
Common shares issued at the beginning of the period	728,060,549	265,742,100,385
Treasury stocks	(343,991)	(125,556,715)
Sub-total (①)		265,616,543,670
Weighted average number of common shares outstanding (②)=(①/365)		727,716,558

Diluted EPS is equal to basic EPS because there is no dilution effect for the years ended December 31, 2023 and 2022.

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**40. CONTINGENT LIABILITIES AND COMMITMENTS**

(1) Details of guarantees are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Confirmed guarantees		
Guarantee for loans	58,205	39,684
Acceptances	467,964	501,921
Guarantees in acceptances of imported goods	74,916	97,920
Other confirmed guarantees	8,050,815	6,847,713
Sub-total	<u>8,651,900</u>	<u>7,487,238</u>
Unconfirmed guarantees		
Local letters of credit	161,608	150,075
Letters of credit	2,873,350	3,014,228
Other unconfirmed guarantees	1,516,585	1,144,498
Sub-total	<u>4,551,543</u>	<u>4,308,801</u>
Commercial paper purchase commitments and others	<u>589,858</u>	<u>125,547</u>
Total (*)	<u><u>13,793,301</u></u>	<u><u>11,921,586</u></u>

(\*) Includes financial guarantees of 3,661,656 million won and 3,095,091 million won as of December 31, 2023 and 2022, respectively.

(2) Details of loan commitments and others are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Loan commitments	126,829,192	118,172,070
Other commitments (*)	7,339,952	7,107,828

(\*) As of December 31, 2023 and 2022, the amount of unsecured bills (purchase bills sales) and discounts on electronic short-term bond sales (purchase) are 2,485,853 million won and 2,505,399 million won, respectively.

(3) Litigation case

Litigation case that the key Group is a defendant in a lawsuit pending (excluding fraud lawsuits and those lawsuits that are filed only to extend the statute of limitation, etc.) are 603 cases (litigation value of 513,863 million Won) and 531 cases (litigation value of 577,128 million Won) as of December 31, 2023 and 2022 respectively, and provisions for litigations are 28,581 million Won and 33,877 million Won.

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(4) Other commitments

- 1) As of December 31, 2023, Woori FIS Co., Ltd, a subsidiary, has been provided with a payment guarantee limit of 6,457 million Won in relation to bid guarantees and contract/defect guarantees from the Korean Software Financial Cooperative, but there is no committed amount. In relation to the guarantee, the capital contributions to the Korean Software Financial Cooperative are provided as collateral. In addition, as of December 31, 2023, Seoul Guarantee Insurance Company is providing a payment guarantee of 374 million Won related to the return of subsidy to the daycare center at work.
- 2) As of December 31, 2023, Woori FIS Co., Ltd, a subsidiary agreed with Shinhan Bank for short-term borrowings of 20 billion Won for one year (2023.11.16.~2024.11.16.), and there is no outstanding balance of short-term borrowings as of December 31, 2023.
- 3) As of December 31, 2023, Woori Savings bank is provided with a guarantee of 1,593 million Won from Seoul Guarantee Insurance Company in relation to provisional attachment for recovery of loans, etc.
- 4) As of December 31, 2023, Woori Asset Trust, a subsidiary, has committed to fulfill responsibility for the completion of 43 projects, including a residential-commercial complex in U-dong, Haeundae-gu, Busan. Responsible completion type management land trust is a trust that bears the obligation of responsible completion when the construction company fails to fulfill the obligation of responsible completion, and the obligation to compensate losses to the lending financial institution if Woori Asset Trust fails to fulfill the obligation of responsible completion. As of December 31, 2023, the total amount of PF(Project Financing) loans from PF lending financial institutions invested in the responsible completion type management land trust business is 2,275,634 million Won. Although additional losses may occur in relation to these contracts for liability obligations, these effects were not reflected in the financial statements at the end of the current period because the possibility is not high and the amount of losses cannot be reliably estimated. Meanwhile, Woori Asset Trust Co., Ltd. has failed to fulfill the responsibility of the completion of 5 projects including the Okjeong Knowledge Industry Center in Yangju. The total amount of PF limit from PF lending financial institutions invested in projects is 271,000 million Won and the amount of PF loans is 161,700 million Won. Additionally, Woori Asset Trust Co., Ltd. has exceeded the deadline for responsibility of completion of a commercial facility in Gwangju, Gyeonggi Province. The total amount of PF limit from PF lending financial institutions invested in projects is 61,000 million Won and the amount of PF loans is 43,000 million Won. Also, as of December 31, 2023, Woori Asset Trust may lend a trust account for a part of the total project cost in relation to 24 debt-type land trust contracts including Busan Haeundae Udong Boutique Terrace Hotel and responsible completion management land trust contracts in Gyeongseo-dong, Seo-gu, Incheon, and additional business sites in progress. The maximum loan amount (unused limit) is 113,428 million Won. Whether or not Woori Asset Trust lends a trust account in relation to the relevant businesses is not an unconditional payment obligation, and it is determined by considering overall matters such as the unique account and the fund balance plan of each trust business.
- 5) Pursuant to some contracts related to asset securitization, the Group utilizes various prerequisites as triggering events causing early redemption, limiting risks that investors bear due to change in asset quality. Breach of such triggering clause leads to an early redemption of the securitized bonds.
- 6) During the current period, there was an investigation by Fair Trade Commission regarding Loan-To-Value ratio. The Group received the review report but cannot reasonably estimate its impact on financial statements.



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**41. RELATED PARTY TRANSACTIONS**

Related parties of the Group as of December 31, 2023 and 2022, and assets and liabilities recognized, guarantees and commitments, major transactions with related parties and compensation to key management for the years ended December 31, 2023 and 2022 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, 2023	December 31, 2022
Associates	W Service Networks Co., Ltd.	Loans	108	120
		Deposits due to customers	3,245	3,298
		Accrued expenses	7	7
		Other liabilities	100	109
	Korea Credit Bureau Co., Ltd.	Loans	1	2
		Deposits due to customers	771	4,450
		Accrued expenses	1	-
		Other liabilities	-	40
	Korea Finance Security Co., Ltd.	Loans	3,228	3,433
		Loss allowance	(71)	(46)
		Deposits due to customers	1,323	1,764
		Other liabilities	6	6
LOTTE CARD Co. Ltd.	Loans	12,209	50,000	
	Account receivables	31	16	
	Loss allowance	(269)	(30)	
	Other assets	2	-	
	Deposits due to customers	62,587	35,986	
	Other liabilities	289	74	
K BANK Co., Ltd.	Loans	54	3	
	Account receivables	13	31	
	Other assets	18	-	
	Other liabilities	214,135	108,156	
Others (*1)	Loans	65,558	68,660	
	Loss allowance	(61)	(34)	
	Other assets	47,828	768	
	Deposits due to customers	4,212	3,622	
	Other liabilities	992	119	

(\*1) Others include IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership and etc., as of December 31, 2023 and 2022.

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(2) Gain or loss from transactions with related parties are as follows (Unit: Korean Won in millions):

	Related parties	Account title	For the years ended	
			December 31	
			2023	2022
Associates	W Service Network Co., Ltd.	Other income	35	14
		Fees expenses	552	543
		Other expenses	1,575	1,907
	Korea Credit Bureau Co., Ltd.	Interest expenses	9	40
		Fees expenses	4,047	3,730
		Other expenses	143	139
	Korea Finance Security Co., Ltd.	Interest income	181	141
		Interest expenses	3	3
		Provision of allowance for credit loss	26	44
		Other expenses	33	52
	LOTTE CARD Co., Ltd.	Interest income	10	83
		Fees income	4,164	7,701
		Interest expenses	5,665	1,902
		Reversal of allowance for credit loss	455	27
	K BANK Co., Ltd.	Fees income	190	698
		Fees expenses	339	937
	Others (*)	Interest income	682	713
		Fees income	15,295	7,138
		Dividend income	1,700	-
		Other income	4,760	-
		Interest expenses	9,333	10
		Other expenses	836	-
		Provision of allowance for credit loss	27	92
		Reversal of allowance for credit loss	-	1

(\*) Others include IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership and etc., for the years ended December 31, 2023 and 2022.

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(3) Major loan transactions with related parties for the years ended December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

		For the year ended December 31, 2023				
Related parties		Beginning balance	Loan	Collection	Others	Ending balance (*)
Associates	W Service Network Co., Ltd.	120	483	495	-	108
	Korea Credit Bureau Co., Ltd.	2	12	13	-	1
	Korea Finance Security Co., Ltd.	3,433	2,911	3,116	-	3,228
	LOTTE CARD Co., Ltd.	50,000	226,318	264,109	-	12,209
	K BANK Co., Ltd.	3	218	167	-	54
	One Mortgage	-	262	247	-	15
	ARAM CMC CO.LTD	-	41	-	-	41
	Godo Kaisha Oceanos 1	39,814	-	-	(1,693)	38,121
	Woori Zip 1	11,819	-	-	(502)	11,317
	Woori Zip 2	16,776	-	-	(713)	16,063
	Central Network Solutions Co., Ltd.	251	-	251	-	-

(\*) Payments that occurred for business reasons among related parties are excluded and net increase or decrease was used for limited credit loan.

		For the year ended December 31, 2022				
Related parties		Beginning balance	Loan	Collection	Others	Ending balance (*)
Associates	W Service Network Co., Ltd.	20	352	252	-	120
	Korea Credit Bureau Co., Ltd.	2	15	15	-	2
	Korea Finance Security Co., Ltd.	3,425	2,407	2,399	-	3,433
	LOTTE CARD Co., Ltd.	3,750	50,000	3,750	-	50,000
	K BANK Co., Ltd.	99	315	411	-	3
	Godo Kaisha Oceanos 1	43,033	41,467	43,033	(1,653)	39,814
	Woori Zip 1	12,775	-	-	(956)	11,819
	Woori Zip 2	18,132	-	-	(1,356)	16,776
	Central Network Solutions Co., Ltd.	-	251	-	-	251

(\*) Payments that occurred for business reasons among related parties are excluded and net increase or decrease was used for limited credit loan.

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- (4) Details of changes in major deposits due to customers with related parties for the years ended December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

Related parties		For the year ended December 31, 2023			Ending balance (*)
		Beginning balance	Increase	Decrease	
Associates	W Service Networks Co., Ltd	1,200	1,000	1,200	1,000
	Partner One Value Up I Private Equity Fund	100	-	100	-
	Korea Credit Bureau Co., Ltd.	3,000	-	3,000	-
	One Mortgage	-	1,200	600	600

(\*) Details of payment between related parties, demand deposit due to customers and etc. are excluded.

Related parties		For the year ended December 31, 2022			Ending balance (*)
		Beginning balance	Increase	Decrease	
Associates	W Service Networks Co., Ltd	1,180	1,200	1,180	1,200
	Partner One Value Up I Private Equity Fund	329	550	779	100
	Korea Credit Bureau Co., Ltd.	-	3,000	-	3,000

(\*) Details of payment between related parties, demand deposit due to customers and etc. are excluded.

- (5) There are no major borrowing transactions with related parties for the years ended December 31, 2023 and 2022.

- (6) Guarantees provided to the related parties are as follows (Unit: Korean Won in millions):

Warranty	December 31, 2023	December 31, 2022	Warranty
Korea Finance Security Co., Ltd.	632	627	Unused loan commitment
Korea Credit Bureau Co., Ltd.	34	33	Unused loan commitment
W Service Network Co., Ltd.	72	60	Unused loan commitment
K BANK Co., Ltd.	246	297	Unused loan commitment
LOTTE CARD Co. Ltd.	498,400	450,000	Unused loan commitment
One Mortgage	34	-	Unused loan commitment
D-Custody Co., Ltd.	-	10	Unused loan commitment

As of December 31, 2023 and 2022, the recognized payment guarantee provisions are 294 million won and 80 million won, respectively, in relation to the guarantees provided to the related parties above.

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(7) Amount of commitments with the related parties

Warrantee	December 31, 2023	December 31, 2022	Warranty
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	4,664	4,664	Securities purchase commitment
Woori Seoul Beltway Private Special Asset Fund No.1	34,437	37,146	Securities purchase commitment
Woori-Q Corporate Restructuring Private Equity Fund	12,186	12,555	Securities purchase commitment
JC Assurance No.2 Private Equity Fund	1,351	1,351	Securities purchase commitment
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	243	325	Securities purchase commitment
WooriG Oncorp Corporate support of Major Industry General Type Private Investment Trust (Type 2)	-	39	Securities purchase commitment
BTS 2nd Private Equity Fund	4,774	6,974	Securities purchase commitment
STASSETS FUND III	6,000	13,500	Securities purchase commitment
Together Korea Government Private Securities Investment Trust No.3	990,000	990,000	Securities purchase commitment
NH Woori Newdeal Growth Alpha Private Equity Fund 1	36,941	-	Securities purchase commitment
Synaptic Future Growth Private Equity Fund 1	4,389	-	Securities purchase commitment
Woori Asset Global Partnership Fund No.5	127,500	-	Securities purchase commitment

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(8) Major investment and Recovery transactions

The details of major investment and recovery transactions with related parties for the years ended December 31, 2023 and 2022 are as follows (Unit: Korean Won in millions):

Related parties	For the year ended December 31, 2023	
	Investment and others (*)	Recovery and others (*)
Woori G Oncorp Corporate support of Major Industry General Type Private Investment Trust (Type 2)	38	-
Woori BIG SATISFACTION SHINJONG MMF 3RD	-	441,470

(\*) Investment and recovery transactions of associates are described in Note 13.(2)

Related parties	For the year ended December 31, 2022	
	Investment and others (*)	Recovery and others (*)
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1	-	21,606
Woori High Plus Bond Sec Feeder Inv Trust 3(USD)	-	1,052
Woori BANKPLUS IPO 10 FEEDER FUND 2(BALANCED BOND)	200	-
Woori Two-year Bond Securities Investment Trust 2(Bond)	-	213
Woori China Mainland Stock Securities Investment Trust H(Securities)	-	443
Woori Long-term government bond securities Investment Trust No.1	-	1,951
Woori Republic of Korea Treasury Bond Active ETF(Bond)	3,000	-
Woori K-New Opening Target Return Securities Investment Trust(Equity)	200	-
Woori 2023 Maturity Securities Investment Trust(Bond)	200	-
Woori 2024 Maturity Securities Investment Trust 1(Bond)	200	-
Woori BIG SATISFACTION SHINJONG MMF 3RD	320,000	-
Woori MULTI RETURN PRIVATE EQUITY 1	-	8,559
Woori 2024 December Maturity Securities Investment Trust 1(Bond)	200	-
Woori Two-year Bond Securities Investment Trust 3(Bond)	-	209
Woori G Oncorp Corporate support of Major Industry General Type Private Investment Trust (Type 2)	630	-

(\*) Investment and recovery transactions of associates are described in Note 13.(2)

(9) Compensation for key management is as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Short-term employee salaries	22,626	21,990
Retirement benefit service costs	1,160	937
Share-based compensation	5,474	4,234
Total	29,260	27,161

Key management includes executives and directors of Woori Financial Group and major subsidiaries, and also includes CEO of other subsidiaries. Outstanding assets from transactions with key management amount to 3,932 million won and 3,620 million won, as of December 31, 2023 and 2022 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 34,054 million won and 12,660 million won, respectively, as of December 31, 2023 and 2022.

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**42. TRUST ACCOUNTS**

(1) Trust accounts of the Woori Bank are as follows (Unit: Korean Won in millions):

	Total assets		Operating income	
			For the years ended December 31	
	December 31, 2023	December 31, 2022	2023	2022
Trust accounts	75,636,483	71,677,258	2,296,627	1,121,069

(2) Receivables and payables between the Woori Bank and trust accounts are as follows (Unit: Korean Won in millions):

	December 31, 2023	December 31, 2022
Receivables:		
Trust fees receivables	48,383	42,337
Payables:		
Deposits due to customers	166,241	170,417
Borrowings from trust accounts	3,769,913	1,804,847
Total	3,936,154	1,975,264

(3) Significant transactions between the Woori Bank and trust accounts are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2023	2022
Revenue:		
Trust fees	141,314	131,656
Termination fees	1,116	1,158
Total	142,430	132,814
Expense:		
Interest expenses on deposits due to customers	957	619
Interest expenses on borrowings from trust accounts	88,099	38,583
Total	89,056	39,202

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(4) Principal guaranteed trusts and principal and interest guaranteed trusts are as follows;

1) The carrying amount of principal guaranteed trusts and principal and interest guaranteed trusts that Woori Bank provides are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Partial principal guaranteed trusts		
Personal trust	7,767	8,230
Corporate trust	217	446
Deposit purpose	1,515	1,551
Sub-total	<u>9,499</u>	<u>10,227</u>
Principal guaranteed trusts		
Old-age pension trusts	2,582	2,790
Personal pension trusts	429,068	460,839
Pension trusts	642,756	687,971
Retirement trusts	26,082	26,563
New personal pension trusts	6,441	6,792
New old-age pension trusts	892	950
Sub-total	<u>1,107,821</u>	<u>1,185,905</u>
Principal and interest guaranteed trusts		
Development trusts	19	19
Unspecified money trusts	334	335
Sub-total	<u>353</u>	<u>354</u>
Total	<u>1,117,673</u>	<u>1,196,486</u>



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**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, 2023	
	Total investment in lease	Net investment in lease
Within one year	226,242	208,121
After one year but within two years	330,524	308,793
After two years but within three years	446,742	412,015
After three years but within four years	364,917	323,331
After four years but within five years	127,001	109,675
After five years	24	24
Total	<u>1,495,450</u>	<u>1,361,959</u>

	December 31, 2022	
	Total investment in lease	Net investment in lease
Within one year	160,181	146,749
After one year but within two years	231,075	215,497
After two years but within three years	366,599	338,709
After three years but within four years	501,034	452,099
After four years but within five years	368,420	314,696
After five years	19	18
Total	<u>1,627,328</u>	<u>1,467,768</u>

- ② The unrealized interest income of the finance lease is as follows. (Unit: Korean Won in millions)

	December 31, 2023	December 31, 2022
Total investment in lease	1,495,450	1,627,328
Net investment in lease	1,361,959	1,467,768
Present value of minimum lease payments	1,361,959	1,467,768
Present value of unguaranteed residual value	-	-
Unearned interest income	<u>133,491</u>	<u>159,560</u>

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2) Operating lease

① The details of operating lease assets are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Prepaid lease assets	20,538	3,121
Operating lease assets		
Acquisition cost	4,199,535	3,320,275
Accumulated depreciation	(913,609)	(729,818)
Net carrying value	<u>3,285,926</u>	<u>2,590,457</u>
Total	<u>3,306,464</u>	<u>2,593,578</u>

② The details of changes in operating lease assets as of December 31, 2023 are as follows and there is no details of changes in operating lease assets as of December 31, 2022 (Unit: Korean Won in millions)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Beginning balance	2,590,457	1,778,308
Acquisition	1,336,203	1,321,251
Disposal	(202,542)	(138,189)
Depreciation	(462,394)	(388,895)
Others	24,202	17,982
Ending balance	<u>3,285,926</u>	<u>2,590,457</u>

③ The future lease payments to be received under the lease contracts are as follows (Unit: Korean Won in millions)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Within one year	748,283	567,998
After one year but within two years	681,591	526,899
After two years but within three years	517,967	420,244
After three years but within four years	286,677	275,080
After four years but within five years	121,621	86,606
Total	<u>2,356,139</u>	<u>1,876,827</u>

④ There are no adjusted lease payments recognized as profit or loss for the years ended December 31, 2023 and 2022.

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(2) Lessee

1) The future lease payments under the lease contracts are as follows (Unit: Korean Won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Lease payments		
Within one year	206,798	170,781
After one year but within five years	146,755	152,145
After five years	25,356	33,007
Total	<u>378,909</u>	<u>355,933</u>

2) Total cash outflows from lease are as follows (Unit: Korean Won in millions):

	<u>For the years ended</u> <u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Total cash outflows from lease	195,015	192,540

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):

	<u>For the years ended</u> <u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Lease payments for short-term leases	936	1,469
Lease payments for which the underlying asset is of low value	1,369	1,316
Total	<u>2,305</u>	<u>2,785</u>

Variable lease payments that were not included in the measurement of lease liabilities for the years ended December 31, 2023 and 2022 were 32,037 million Won and 5,470 million Won.

**44. BUSINESS COMBINATION**

(1) General

As of March 23, 2023, the Group acquired 53.9% interest(excluding treasury stocks, 52.0% interest including treasury stocks) in Daol Investment CO., Ltd. and changed the name of Daol Investment CO., Ltd. to Woori Venture Partners. The main reasons for the business combination are to maximize synergy between the consolidated subsidiaries and to strengthen the non- banking business portfolio.

If Woori Venture Partners had been acquired from January 1, 2023, the consolidated statement of comprehensive income would have shown operating profit and net income of Woori Venture Partners for 6,495 million Won and 7,673 million Won, respectively.

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(2) Identifiable net assets

Identified assets and liabilities as of the acquisition date are as follows (Unit: Korean Won in millions):

	Accounts	March 31, 2023
Assets	Cash and cash equivalent	2,879
	Financial assets at FVTPL	38,385
	Loans and other financial assets at amortized cost(*1)	124,904
	Investments in joint ventures and associates	136,930
	Property, Plant and Equipment	20,324
	Intangible assets(*2)	21,447
	Current tax assets	33
	Others	73
		Sub-total
Liabilities	Current tax liabilities	7,938
	Deferred tax liabilities	11,593
	Other financial liabilities	1,000
	Other liabilities	14,971
		Sub-total
Fair value of net identifiable assets		<u><u>309,473</u></u>

(\*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 Venture Partners is 127,384 million Won, and the contractual cash flows that are not expected to be recovered as of the acquisition date are 2,480 million Won.

(\*2) The intangible assets include 18,880 million Won in customer relationships as a result of business combination and were valued at fair value through the Multi-period excess earning method (MEEM) as they were judged separately identifiable intangible assets. Multi-period excess earning method is a method to estimate the future cash flows generated by each intangible asset and to discount the cash flows generated purely by that intangible asset to its present value by deducting the portion of the asset's contribution to that cash flow generation.

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.

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(3) Goodwill

Recognized goodwill as a result of business combination are as follows (Unit: Korean Won in million):

	Woori Venture Partners
Transfer price	212,522
Fair value of net identifiable asset	309,473
Non-controlling interest (*)	138,478
Goodwill	41,527

(\*) Non-controlling interests were recognized at fair value applying the closing price on the acquisition date of Woori Venture Partners.

In the event of a business combination, the consideration transferred includes the premium paid to acquire Woori Venture Partners which results in goodwill. 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 a relationship with a customer of Woori Venture Partners as part of the acquisition. These relationships with customers were recognized separately from goodwill because they met the separability criteria to meet the recognition requirements for intangible assets.

(4) Net cash outflow due to business combination

Details of net cash outflows due to business combination are as follows (Unit: Korean Won in million):

	Woori Venture Partners
Consideration paid in cash	212,522
Acquired cash and cash equivalents	2,879
Deduction in total	209,643

**45. EVENTS AFTER THE REPORTING PERIOD**

- (1) On October 26, 2023, Woori Asset Management Corp (the surviving company) and Woori Global Asset Management Co., Ltd. (the merged company), subsidiaries of the Group, entered into a merger agreement. On January 10, 2024, the shareholders' meeting to approve the merger agreement and the board of directors to replace the shareholders' meeting were held and the resolution was made. The merger registration date is January 29, 2024, and the Group's percentage of ownership in Woori Asset Management Corp after the merger is 77.5% (3,717,154 shares).
- (2) On February 16, 2024, Woori Asset Management Corp, the subsidiary of the Company, held the Board of Directors meeting and has declared the capital increase amount of 209,952 million Won, and the Company has decided to participate in the capital increase amount of 200,000 million Won, corresponding to its ownership (95.3%) based on voting rights.

## **Independent Auditor' Report on Internal Control over Financial Reporting for Consolidation Purposes**

Based on a report originally issued in Korean

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

### **Opinion on Internal Control over Financial Reporting for Consolidation Purposes**

We have audited Woori Financial Group Inc. and its subsidiaries (“the Group”)’ internal control over financial reporting (“ICFR”) for consolidation purposes as of December 31, 2023 based on the criteria established in the Conceptual Framework for Designing and Operating ICFR (“ICFR Design and Operation Framework”) issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea (the “ICFR Committee”).

In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting for consolidation purposes as of December 31, 2023, based on ICFR Design and Operation Framework.

We also have audited, in accordance with Korean Standards on Auditing (KSAs), the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as of December 31, 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising of material accounting policy information and other explanatory information, and our report dated March 6, 2024 expressed an unmodified opinion on those consolidated financial statements.

### **Basis for Opinion on Internal Control over Financial Reporting for Consolidation Purposes**

We conducted our audit in accordance with KSAs. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Internal Control over Financial Reporting for Consolidation Purposes section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the internal control over financial reporting for consolidation purposes in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these 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 the Internal Control over Financial Reporting for Consolidation Purposes**

The Group’s management is responsible for designing, operating and maintaining effective internal control over financial reporting for consolidation purposes and for its assessment of the effectiveness of internal control over financial reporting for consolidation purposes, included in the accompanying ‘Operating Status Report of Internal Control over Financial Reporting for Consolidation Purposes.’

Those charged with governance have the responsibilities for overseeing the Group’s internal control over financial reporting for consolidation purposes.

### **Auditor’s Responsibilities for the Audit of the Internal Control over Financial Reporting for Consolidation Purposes**

Our responsibility is to express opinion on the Group’s internal control over financial reporting for consolidation purposes based on our audit. We conducted our audit in accordance with KSAs. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting for consolidation purposes was maintained in all material respects.

Our audit of internal control over financial reporting for consolidation purposes included obtaining an understanding of internal control over financial reporting for consolidation purposes, assessing the risk that a



material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

### **Definition and Limitations of Internal Control over Financial Reporting for Consolidation Purposes**

An entity's internal control over financial reporting for consolidation purposes is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with Korean International Financial Reporting Standards ("K-IFRS"). A Group's internal control over financial reporting for consolidation purposes 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 group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with K-IFRS, and that receipts and expenditures of the group are being made only in accordance with authorizations of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting for consolidation purposes may not prevent or detect misstatements in the consolidated financial statements. Also, projections of any evaluation 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 Jae-Beom Choi.

*KPMG Samjong Accounting Corp.*

Seoul, Korea

March 6, 2024

This report is effective as of March 6, 2024, 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 internal control over financial reporting. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

## **Operating Status Report of Internal Control over Financial Reporting for Consolidation Purposes**

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

We, as the Chief Executive Officer (“CEO”) and Internal Control over Financial Reporting Officer of Woori Financial Group Inc. (“the Group”), assessed operating status of the Group’s Internal Control over Financial Reporting for Consolidation Purposes (“ICFR”) for the year ended December 31, 2023.

The Group’s management, including ourselves, is responsible for designing and operating ICFR.

We assessed whether the Group effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in consolidated financial statements to ensure preparation and disclosure of reliable consolidated 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 Group’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 Group’s ICFR is designed and operated effectively as of December 31, 2023, 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 22, 2024

Jong Yong Yim, Chief Executive Officer

Sung Wook Lee, Internal Control over Financial Reporting Officer