

ANNUAL REPORT 2021

# STRENGTH IN A NEW ERA

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# Expanding the Foundation for Growth

Despite the challenging business environment due to the protracted pandemic, Woori Financial Group continued to post surprising earnings for every quarter in 2021. Following the transition to the Group system, it achieved outstanding profitability, growth, and asset quality. As a result, the Group became fully privatized after 23 years of persistent endeavors and was justifiably recognized in the market.

In 2021, both interest income and non-interest income performed well. The interest revenue structure improved thanks to asset growth led by SME loan growth and increased low-cost deposits while non-interest income rose due to robust performance results in asset management and IB. At the same time, the Group successfully expanded the business portfolio into asset management, real estate trusts, capital, and a savings bank following the establishment of the financial group. As inter-subsidiary synergies began fully taking off, the non-banking revenue stream significantly expanded as well.

[+ Growth Indicators](#)

[+ 2021 Financial Highlights](#)

# Growth Indicators

Woori Financial Group's net income for 2021 increased by 98.0%, achieving a record-high figure of KRW 2,588 billion. The contribution of the non-banking sector to the Group's overall profit expanded from 10.3% in 2019 to 17.2% in 2021. In addition, net operating revenue increased by 22.3% yearly to KRW 8,344 billion for 2021, while net interest income stood at KRW 6,986 billion (YoY +16.5%) and the non-interest income amounted to KRW 1,358 billion (YoY+65.2%). The approval of the internal ratings-based approach improved the Group's BIS Total Capital Ratio by 1.2%p to 15.1%, laying the foundation for future acquisitions of non-bank financial companies.

(Unit: KRW billion, %)

	2020	2021	YoY Change
Net Income	1,307	2,588	+98.0%
Net Operating Revenue	6,821	8,344	+22.3%
Interest Income	5,999	6,986	+16.5%
Non-interest Income	822	1,358	+65.2%







# Accelerating Digital Innovation

Woori Financial Group carries out digital transformation under the banner of “Digital First, Change Everything: Becoming the No. 1 Digital Financial Service Provider.” Strengthening the Group's control tower has led to establishing a collaborative support system between subsidiaries, securing DT execution power, and enhancing the digital competitiveness of each subsidiary. Woori Financial Group provides a differentiated customer experience through unique innovation services that exceed those of tech firms and contribute to Korea’s full-scale digital era.

+ Digital Strategy

+ Digital Innovation



# Digital Strategy

Woori Financial Group is continuing with its digital transformation at the enterprise level, channeling its resources into securing the Group's competitive edge in digital finance innovation. Led by the Digital Innovation Committee, the Group has achieved both quantitative and qualitative growth for its mobile platform competitiveness by expanding the customer base and improving the external evaluation of its app services. At the same time, the launch of the MyData Service has fortified the Group's data competitiveness. On top of that, the Group is leading the digital transformation of the financial sector by supporting the foundation for retaining more future users by establishing Gen MZ-specific financial platforms at the Group level.



**Accelerating the Group's Digital  
Innovation Committee-led digital  
transformation**



**Diversifying channels and  
processes to enhance the  
competitiveness of digital  
platforms**



**Establishing a digital foundation  
through the discovery of  
innovative companies and organic  
collaboration**



# Creating Value through ESG

Woori Financial Group set 2021 as the beginning of ESG management and incorporated “Strengthening ESG Management” as the core strategy in the Group’s management plans. The Group also set its ESG vision at “Good Finance for the Next” and established a “Plan Zero 100” as a mid-to-long-term ESG goal. To become a carbon neutral financial group by 2050, Woori Financial Group is developing various ESG management practices through a transition into an eco-friendly financial group and taking the lead in fulfilling its corporate social responsibility.

[+ ESG Performance](#)

[+ ESG Report](#)



# ESG Performance

To ensure systematic ESG management, Woori Financial Group established an ESG system within the Group in 2021, including the establishment of an ESG Management Department, an ESG Management Committee within the Board of Directors, and the operation of an ESG Management Council composed of subsidiaries' CEOs. Through the continuous implementation of ESG management, such as expanding environmental management as well as social and financial support, the Group has obtained a high rating in domestic and international ESG evaluations, while also achieving the highest rating among Korean financial institutions in a very short period of time.

## Memberships and Participations to Global Initiatives

- Jan. 2021** CDP (Carbon Disclosure Project) and TCFD (Task Force on Climate-related Financial Disclosures)
- Aug. 2021** EP (Equator Principles) and PCAF (Partnership for Carbon Accounting Financials)
- Sep. 2021** SBTi (Science Based Targets initiative)
- Jan. 2022** TNFD(Task Force on Nature-related Financial Disclosures): first member in Korea
- Mar. 2022** Working Group for the Circular Economy of the UNEP FI (UN Environment Programme Finance Initiative) / MOU with the WWF (World Wide Fund for Nature) on reducing plastics pollution and transitioning to a circular economy



## ESG Ratings Upgrade

Woori Financial Group was newly listed on the DJSI (Dow Jones Sustainability Indices) in the Asia Pacific Index in 2021. Also, MSCI (Morgan Stanley Capital International) has upgraded its rating to AA, and KCGS (Korea Corporate Governance Institute) has upgraded the Group to an A rating.

AA

MSCI

A

KCGS

## Financial Aid and Donations to SMEs and SOHOs Suffering from COVID-19 Challenges

In October 2021, Woori Financial Group donated a total of KRW 500 million to the Korea Federation of Micro Enterprises for a COVID-stricken SMEs and SOHOs support program that helps SMEs and SOHOs suffering from plunging sales due to the protracted pandemic and the extended period of social distancing. Through this initiative, Woori Financial Group selected about 500 SOHOs that are known for their philanthropic activities to assist in the promotion of the businesses through Group channels as well as the KRW 1 million emergency relief grant. In addition, the company donated KRW 7 billion to the Community Chest of Korea. This marked an increase of KRW 4 billion from the previous year. As such, Woori Financial Group is taking the lead in fulfilling its social responsibility and carrying out well-respected philanthropic activities as a responsible financial institution.



## Independent BOD Composition for Stronger ESG Practices

In January 2021, Woori Financial Group launched the Group ESG Management Council, consisting of the Chairman of the Holding Company and the CEOs of subsidiaries, to strengthen the efficient decision-making and execution of the Group's ESG management. In March of the same year, the Holding Company established an ESG Management Committee consisting of both standing and outside directors. In March 2022, the Annual General Meeting of Shareholders appointed Soo-Young Song, a legal practitioner and ESG expert, as a new outside director and the first female director of the Group. She was also appointed Chair of the ESG Management Committee.





# 2021 Financial Highlights

	2019	2020	2021	YoY Change
<b>Growth</b>				(Unit: KRW trillion)
Total Assets including AUM	473.8	525.9	594.4	68.5
Loans in Won	221.5	249.3	273.3	24.0
Total Equity	25.5	26.7	28.9	2.2
<b>Profitability</b>				(Unit: KRW billion)
Net Interest Income	5,894	5,999	6,986	987
Non-Interest Income	1,046	822	1,358	536
Net Income <sup>1)</sup>	1,872	1,307	2,588	1,281
NIM(Bank) (%)	1.44	1.33	1.37	0.04
NIM(Group) (%)	1.70	1.57	1.62	0.05
Cost-to-Income Ratio(%) <sup>2)</sup>	52.0	55.0	47.5	-7.5
ROE(%) <sup>1)</sup>	9.29	5.87	10.58	4.71
ROA(%) <sup>3)</sup>	0.57	0.40	0.66	0.26
<b>Asset Quality</b>				
NPL Ratio(%)	0.45	0.42	0.30	-0.12
Credit Cost Ratio(%)	0.15	0.28	0.17	-0.11
Coverage Ratio(%)	133.6	153.8	192.2	38.4
<b>Capital Adequacy</b>				
Common Equity Capital Ratio(%)	8.4	10.0	11.4	1.4
Tier1 Ratio(%)	9.9	11.8	13.3	1.5
BIS Total Capital Ratio	11.9	13.8	15.1	1.3

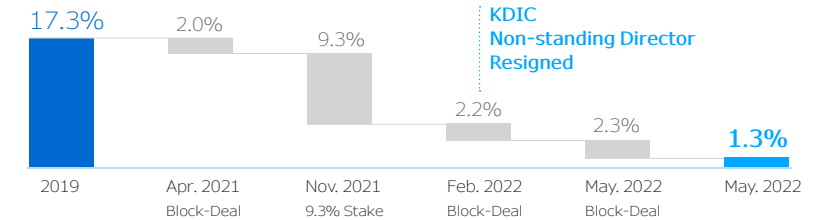
1) Net income, ROE : Based on Controlling interests

2) Cost-to-Income Ratio : Excluding ERP expense

3) ROA : Including non-controlling interests

## Corporate Governance

### Complete Privatization (Change in KDIC Stake)



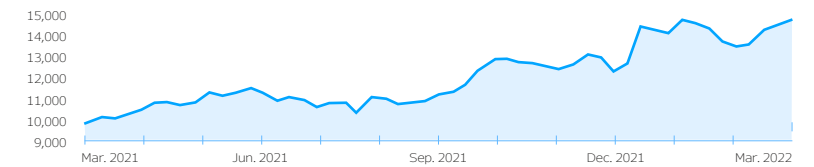
### Stable Governance

(As of Mar. 2022)

IMM (5.6%)	KIS (3.8%)	Kiwoom (3.8%)
Hanwha (3.2%)	Fubon (4.0%)	Eugene PE (4.0%)

## Stock Information

### Stock Performance



(Unit: KRW)

	2019	2020	2021	Mar 2022
<b>High</b>	16,000	11,750	13,700	16,100
<b>Low</b>	11,100	6,320	8,800	12,600
<b>Year-end</b>	11,600	9,730	12,800	15,350

\* Woori Financial Group newly listed on the Korea Exchange in February 2019

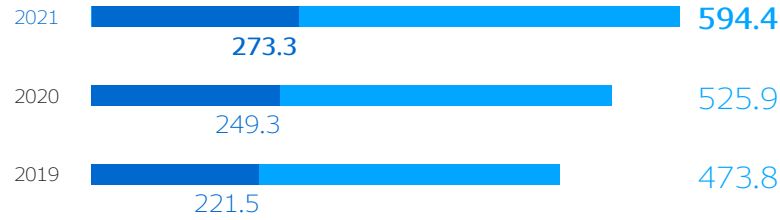
# 2021 Financial Highlights

## Growth

### Assets

(Unit: KRW in trillions)

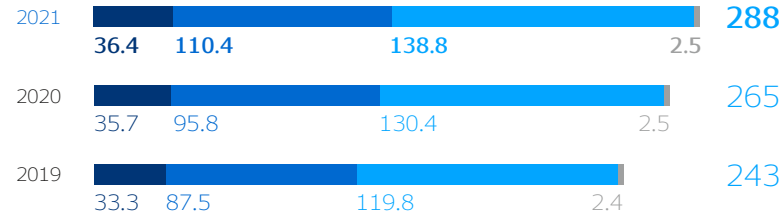
Loans in Won Total Assets (Including AUM)



### Loan Portfolio

(Unit: KRW in trillions)

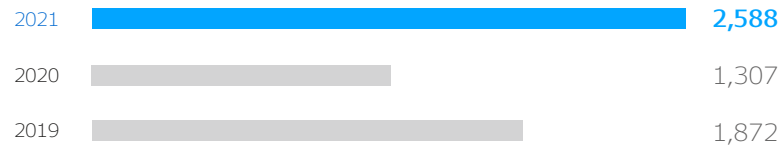
Large Corp. SME Retail Public & Others



## Profitability

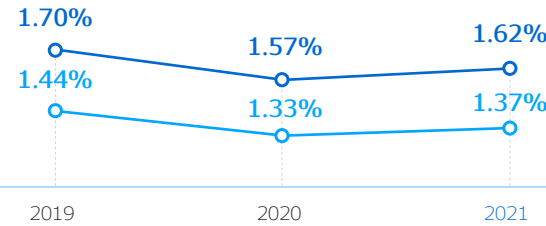
### Net Income

(Unit: KRW in billion)



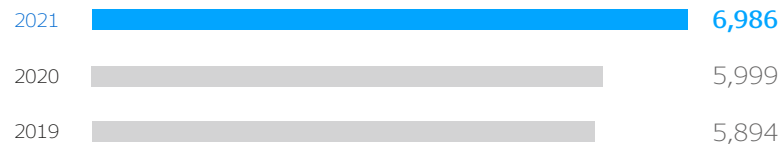
### NIM

Group Bank



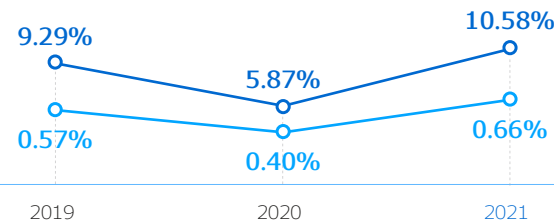
### Net Interest Income

(Unit: KRW in billion)



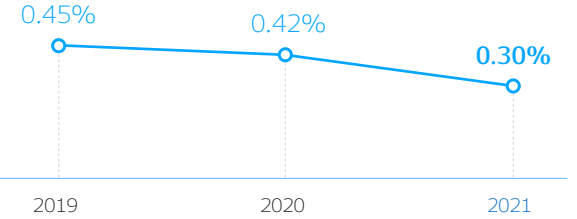
### ROE & ROA

ROE ROA

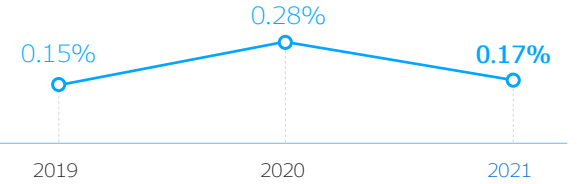


## Asset Quality

### NPL Ratio

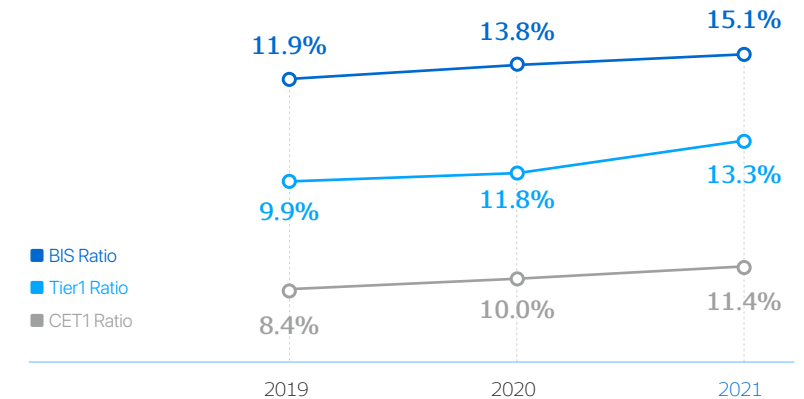


### Credit Cost Ratio



## Capital Adequacy

### Capital Adequacy Ratio



1) Net income, ROE : Based on Controlling interests  
2) Cost-to-Income Ratio : Excluding ERP expense  
3) ROA : Including non-controlling interests

# 2021 News Highlights

## Woori Financial Group Fully Privatized after 23 Years

Woori Financial Group completed its privatization on December 9, 2021, when the state-run Korea Deposit Insurance Corporation sold its 9.33% stake in Woori Financial Holdings to five private investors. It was the final step in the Group's 23-year journey toward privatization, allowing it to restore its proper corporate value in the market as Korea's No. 1 financial group. In the future, Woori Financial Group will introduce innovative and unique customer experiences suitable for the digital era, while actively adapting to the new market paradigm, which includes ESG practices. Above all, the Group puts customer and shareholder value first in each and every business activity.



## Woori Financial Group Earned Industry-high Global ESG Ratings

In 2021, Woori Financial Group earned a AA rating, the second-highest of seven grades, from Morgan Stanley Capital International (MSCI). The Group's ESG rating was the highest in the domestic financial sector, and it actually earned an industry-high overall score, most notably in the Governance and BOD structure categories.

Woori Financial Group fortified its Group governance by establishing an ESG Management Committee and a Group ESG Management Council for ESG management. At the same time, it proclaimed the Group's ESG vision, "Good Finance for the Next," and re-established an ESG strategic system. In addition, it has strengthened ESG practices in its business management by revising ESG-related principles/policies, establishing ESG management systems in subsidiaries, and expanding social contribution projects linked to ESG corporate culture.

+ ESG Management

## Woori Financial Group Given Approval for IRB

Following the approval for using the internal ratings-based approach (IRB) in assessing credit risks of SMEs (unlisted companies and sole proprietors) and household loans in June 2020, Woori Financial Group earned the approval of its IRB for listed corporations and the credit card business in November 2021. The final approval was issued in the shortest amount of time since the launch of the Group. Applying the new criteria, the Group's BIS ratio improved by 1.33%p from 13.50% to 14.95% as of the end of September 2021. As a result, the Group has improved its capital adequacy and creditability, while also helping SMEs and SOHOs overcome challenges related to COVID-19.

+ Risk Management

## Woori Bank's Global Credit Ratings (S&P, Fitch) Upgraded

Fitch Ratings has upgraded Woori Bank's credit rating. According to the world's 3rd largest international credit rating agency, the bank's long-term IDR jumped from the previous A- to A, and the short-term credit rating went up from the previous F1 to the highest, F1+. Standard & Poor's (S&P) has also increased Woori Bank's long-term credit rating from A to A+, and its overall credit rating from bbb+ to a-. The increases in credit ratings resulted from Woori Bank's continuous efforts to improve its fundamentals. Moving forward, the higher ratings will enhance the bank's overseas business conditions and save on its cost of funds.

+ Woori Bank





# 2021 News Highlights

## Woori Card Surpassed KRW 200 Billion in Net Profit for the First Time since the Spin-off

Woori Card achieved a net profit of KRW 200.7 billion in 2021, the highest level since the spin-off in 2013. Driven by a bump in cost efficiencies, such as innovation in the cost structure through process innovation, a reduction of not only revenue-linked operating costs but also in loan loss provisions through asset quality improvements, the company recorded a year-on-year increase of KRW 80 billion in net profit, outperforming the target of KRW 67.2 billion.

 [Woori Card](#)

## Woori Financial Capital and Woori Savings Bank Fully Incorporated by the Group

In March 2021, Woori Financial Group completed the incorporation of Woori Financial Savings Bank, a 100% subsidiary of Woori Financial Capital, as a full subsidiary of the holding company. In August, Woori Financial Capital became a 100% wholly owned subsidiary of the holding company through the all-inclusive exchange of shares. These acquisitions have further consolidated the financial holding system of Woori Financial Group. At the same time, it is expected to expand Group-wide synergies and increase the efficiency of the Group's business portfolio structure and management system.

 [Woori Financial Capital](#)

## Woori Asset Trust, Woori Financial Capital & Woori Financial Savings Bank Moved into Woori Finance Gangnam Tower

In August 2021, Woori Financial Group's new head office building, the Woori Financial Gangnam Tower, welcomed three new subsidiaries: Woori Asset Trust, Woori Financial Capital, and Woori Financial Savings Bank. With the three new subsidiaries joining the Group head office building, it is now poised to harness Group-wide synergies between the banking and non-banking subsidiaries. Since the move, the office space has been streamlined for higher work efficiency and improved customer service quality. Indeed, the increased collaboration between the bank and non-bank subsidiaries is increasing synergies in consumer finance, real estate investment, PF, and collateral trusts.

 [Woori Asset Trust](#)

## Woori Global Asset Management Named a Fiduciary Manager for New Deal Funds

Woori Global Asset Management was selected as the fiduciary manager of the KRW 90 billion infrastructure investment portion for the policy-type New Deal Fund of the Korea Growth Financial Investment Management. This investment is recognized as a timely investment in New Deal finance for ESG management. Although it prefers quicker progress with projects and higher profitability, the fund is expected to increase the effectiveness of diversified investments as it sets investment limits by asset type.

 [Woori Global Asset Management](#)

## Woori FIS Established the Group's Joint Cloud Infrastructure

Woori FIS has created a Group-sharing cloud system to proactively respond to a financial paradigm shift with timely support for digital finance businesses, thereby helping to secure IT competitiveness by improving the efficiency of the overall IT infrastructure. Woori FIS is maximizing digital transformation in the financial services sector and harnessing Group-wide IT synergies by establishing a dedicated organization for cloud operations and embracing 25 tasks and 249 servers to shorten the delivery of IT infrastructure and ensure the safety of system operations.

 [Synergy Promotion](#)

## Woori Bank Fully Implemented Its VG System

Woori Bank has fully implemented its Value Group (VG) system, which groups regional head branches with four to eight neighboring branches. The new system has been a success. In fact, the bank's net operating profit increased by KRW 474.9 billion to KRW 5,145 billion, and the sales branches recorded a net operating profit of KRW 3,566.8 billion, an increase of KRW 450.6 billion over the previous year. Furthermore, the bank is establishing a VG-based marketing system to promote joint marketing, and the VG Staffing System is improving the efficiency of personnel management.

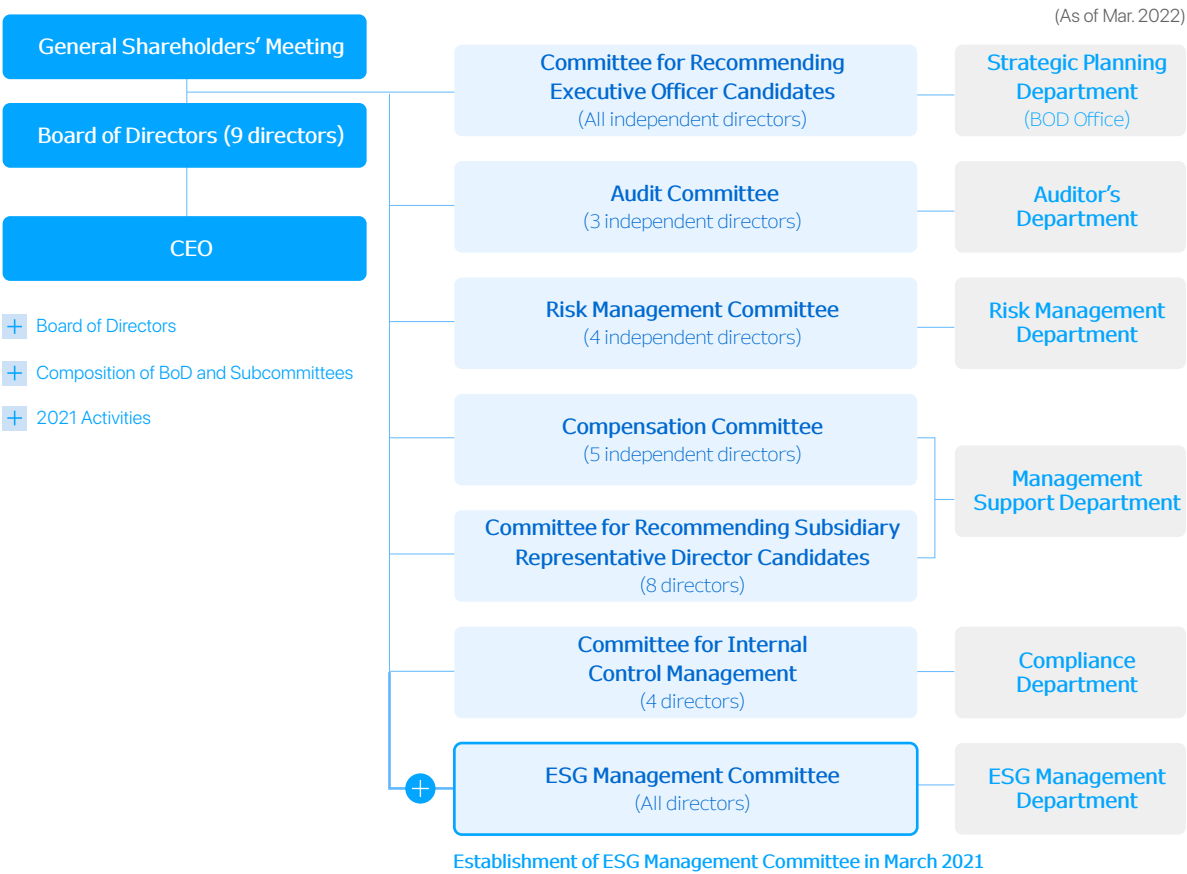
 [Woori Bank](#)

# 2021 Governance Highlights

Woori Financial Group ensures a stable, sound, and efficient governance structure based on the professionalism and diversity of its composition. In addition, the Group transparently discloses the procedures and results of its business activities to all stakeholders.

## Governance Structure

As the company's top decision-making body, Woori Financial Group's Board of Directors (BOD) sets the ultimate goals and management strategies that the holding company should pursue to grow reliably and create value in the long run. On top of formulating the company's mid- and long-term management strategy, the BOD has in place a management succession plan that stipulates the training and appointment of competent executives to promote the company's continuous development. At the same time, it strives to establish a desirable corporate culture and governance structure, including the formal and transparent director nomination and director selection procedures.



### Female Director Appointment

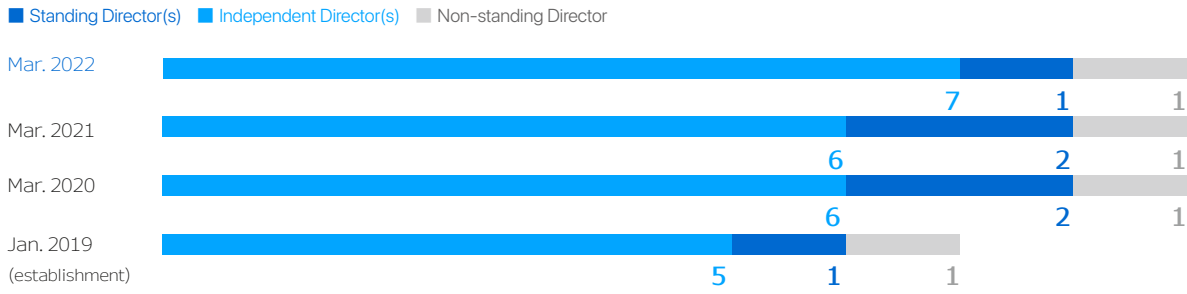
At the General Shareholders' Meeting in March 2022, Woori Financial Group appointed one female independent director, someone who is by trade a legal practitioner and ESG expert, to enhance the BOD's gender diversity and strengthen the efficient governance structure to promote sustainable growth based on ESG management.

### Board of Directors Tenure

(As of Mar. 2022)

Name	Status	Appointment
Sung-Tae Ro	Independent Director	Jan. 11, 2019
Sang-Yong Park	Independent Director	Jan. 11, 2019
In-Sub Yoon	Independent Director	Jan. 27, 2022
Chan-Hyoung Chung	Independent Director	Jan. 11, 2019
Yo-Hwan Shin	Independent Director	Jan. 27, 2022
Dong-Woo Chang	Independent Director	Jan. 11, 2019
Soo-Young Song	Independent Director	Mar. 25, 2022
Tae-Seung Son	Standing Director (CEO)	Jan. 11, 2019
Won-Duk Lee	Non-standing Director	Mar. 25, 2022

### Changes to the BOD Composition



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# Message from the CEO



I would like to express my sincere gratitude to all shareholders and customers for their steadfast support of Woori Financial Group.

In 2021, businesses started off the year with the hope that the end of the pandemic was nearing and were expecting to recover in a post-COVID world. As things turned out, however, it was to be another wearisome year struggling to fight the virus, leaving many overwhelmed in frustration.

Woori Financial Group also had a challenging year due to the overall economic environments. Still, everyone at the Group made a concerted effort to enhance the corporate value throughout the year. As a result, the Group posted a record-high net income of KRW 2,587.9 billion, with substantial financial positions in terms of profitability, growth, and asset quality—a clear indicator of the Group's robust resilience.

At the same time, the past year marked a historic milestone for Woori Financial Group, as we successfully privatized in December 2021—after 23 years of persistent attempts—on the back of solid performance results. Once again, I would like to deliver my sincere

gratitude to our shareholders for your continued support and encouragement throughout the journey.

## Valued Shareholders,

As we begin a new chapter in our history as a fully privatized financial group, Woori Financial Group will regain its leadership role as the pioneer of Korea's financial industry and the nation's first financial holding company. To this end, we have set a new vision at becoming a digitally empowered top global financial group and will practice the following strategies in 2022.

First, we will focus on consolidating our fundamentals while working for new growth drivers. Seizing upon the opportunities opened up by the Group's full privatization and approval of our internal ratings-based approach (IRB), we will reinforce the securities and insurance operations in our business portfolio so that the non-banking sector gains strong momentum to propel the Group's growth.

Second, we are going to change the financial landscape amid fierce competition to gain the upper hand in the ongoing period of digital transformation. In truth, digital transformation has become the new norm for all business sectors. Thus, we will offer the most unique customer experience through hyper-innovation services that outpace any tech firm as a leading financial group that is ushering in a new digital era in Korea.

Finally, we will become a leading financial group of ESG management practices in the financial sector. Today, global investment companies are adopting ESG management as a key means for measuring corporate value. In response, we will further improve our ESG management practices so that we can fulfill our social responsibilities as a financial group and find more opportunities for sustainable growth in the process.

## Respected Shareholders and Customers,

As we embark on a new chapter in our history following the Group's full privatization, we clearly understand how much expectation and interest the market, shareholders, and customers have put on Woori Financial Group. In response, we at Woori Financial Group will work hard to return your constant support with the best-in-class business results, thereby maximizing our corporate value. At the same time, we will vigorously pursue various policies to enhance shareholder value.

I humbly ask for your unwavering encouragement and support of Woori Financial Group, and wish you all continued health and happiness.

Thank you.

Son, Tae Seung

Chairman & CEO, Woori Financial Group

손태승

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# Board of Directors



**Tae-Seung Son**  
CEO, Woori Financial Group

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



**Sung-Tae Ro**  
Independent Director

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



**Sang-Yong Park**  
Independent Director

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



**In-Sub Yoon**  
Independent Director

- Department of Applied Statistics, Yonsei University
- M.A. in Accounting, Yonsei University Business School
- CEO and President, ING Life Insurance
- CEO and President, KB Life Insurance
- CEO and President, Hana Life Insurance
- CEO, Korea Ratings
- Chairman of the Board of Directors of Fubon Hyundai Life Insurance



**Chan-Hyoung Chung**  
Independent Director

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



**Yo-Hwan Shin**  
Independent Director

- B.A. in Business, Korea University
- M.A. in Financial Engineering, Illinois State University, USA
- Officer/General Manager, Derivatives Division, Shinyoung Securities
- Director, Retail Sales Division, Shinyoung Securities
- Managing Director, Shinyoung Securities
- CEO, Shinyoung Securities
- Current) Advisor, Shinyoung Securities



**Dong-Woo Chang**  
Independent Director

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



**Soo-Young Song**  
Independent Director

- B.A. in French Language & Literature, Business and Law, Seoul National University
- M.A. degree in business at the Graduate School of Business, Seoul National University
- Samsung Securities Research Center
- Passed the 49th Judicial Examination
- Completion of the 39th Judicial Training Institute
- Current) Partner Lawyer of Law Firm Shin & Kim LLC.
- Current) Counselor of the Center for Creative Economy Innovation under the Ministry of Justice
- Current) Member of Steering Committee for ESG Support Project of Korea Commission for Corporate's partner



**Won-Duk Lee**  
Non-Standing Director  
Chief Executive Officer of Woori Bank

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

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# Group Vision & Strategy

With the aim of becoming a leading financial group through the strong solidarity of its employees in today's rapidly changing business environment, Woori Financial Group has realigned its vision, slogan, and core values.

The Group's vision, "Innovate Today, Create Tomorrow," delivers its commitment to providing better value to customers by concentrating all resources and expertise as a market leader on innovation for tomorrow to ensure better value for customers. The Group's slogan, "The First Choice in Finance," embodies its determination to inherit the Group's heritage from its parent bank, Daehan Cheonil Bank—established in the late Joseon period and meaning "The First Bank under the Sun"—and become the most trusted and admired financial group for customers. To that end, Woori Financial Group has defined its four core values as customers, trust, expertise, and innovation.

## VISION

**Innovate Today, Create Tomorrow**

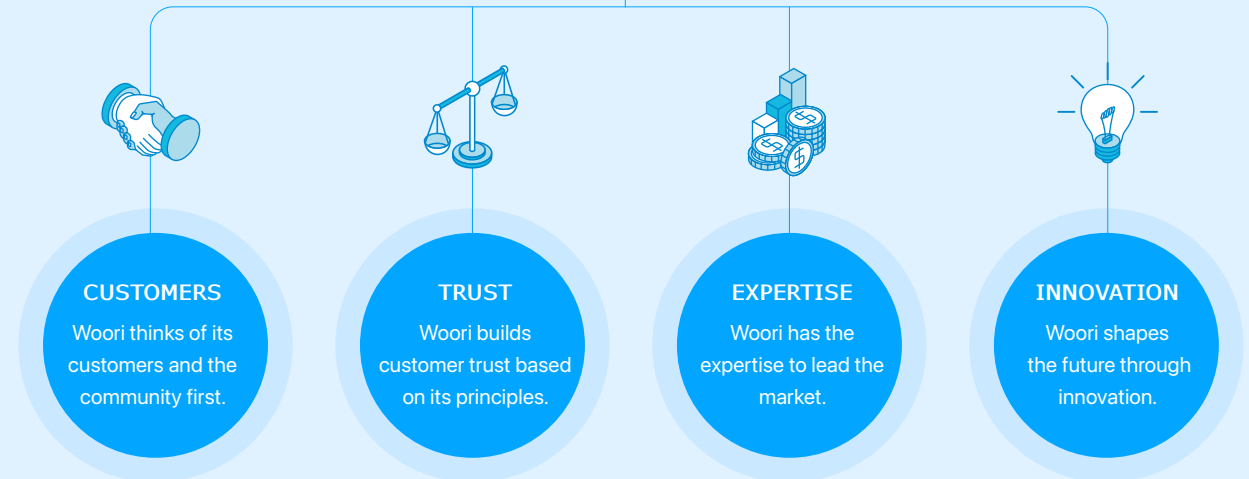
Concentrating its resources and expertise as a market leader on innovating for today to deliver greater value to customers tomorrow

## SLOGAN

***The First Choice in Finance***

Inheriting a legacy of being the "First Bank under the Sun," we are determined to become the most trusted and respected financial institution for customers.

## CORE VALUES





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The 2022 management goal is to complete the framework for a digitally based total financial group in line with the Group's mid- and long-term management goals. By taking advantage of the growth momentum gained through the Group's full privatization in the past year, it is set to carry out the following six strategies to achieve full-scale business expansion, a stronger revenue stream, and distinctive digital capabilities.

01 Broadening the Foundation  
for Growth



To ensure the continued growth of the Group, it will continue to strengthen its value chain as a total financial group by continuously promoting the expansion of the non-banking business portfolio. In addition, it will further enhance the Group's revenue base by improving the core competitiveness of subsidiaries, expanding their market dominance, and promoting the scaleup of the non-banking sector.

02 Emerging as the No. 1 Leader  
in Digital Innovation



As part of its customer-centric digital platform innovation, Woori Financial Group will continue to promote customer experience innovations, including process innovation and service enhancement on existing platforms, while developing a differentiated digital financial platform targeting Gen MZers. In addition, it will augment its data-based financial competitiveness through differentiated MyData services and fortify all data analysis/utilization capabilities. On top of that, it will actively respond to changes in the digital business environment by promoting various new projects through partnerships between different industries and the financial sector.

03 Fostering Key Growth Drivers



By upgrading its investment management capabilities, the Group will expand the UHNWI customer base as well as mass market HNWI customers, provide a variety of CIB financial solutions that leverage the bank's corporate banking competitiveness, and strengthen collaboration efforts in the CIB field among Group subsidiaries. In the global sector, it plans to promote digital-based retail sales in earnest and differentiate the business model by the region in which it operates.

04 Strengthening Proactive  
Risk Management



In response to changes in the economic environment since COVID-19, we plan to further monitor the impact of credit and market risks and expand the risk spectrum, including strengthening management in terms of emerging risks such as digital transformation and climate change. Furthermore, the Group will upgrade the risk management system by advancing the internal control process and improving customer trust through heightened financial consumer protection activities.

05 Upgrading the Corporate Culture,  
Brand, and ESG



Woori Financial Group plans to quickly establish a new corporate culture based on the communication and consensus of its employees, from the CEO to new employees, enhance the Group brand awareness through consistent brand activities at the Group level, and continuously build up the brand management system and capabilities. At the same time, it will improve ESG management within the Group by expanding green finance, such as ESG-related financial products and services, and by strengthening environmental management to mitigate climate change.

06 Enhancing Group Synergies and  
Management Efficiency



Woori Financial Group will make the best use of the Group's synergies from its acquisition of new subsidiaries and will work to upgrade the collaboration system between subsidiaries. In addition, it has plans in place to augment work efficiency by improving work processes, optimizing personnel operations, and continuously increasing management efficiency. This includes constant cost-cutting activities and channel operation innovation according to the different needs of each subsidiary.

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# Synergy Promotion

## Reinforcing the Collaboration System and Group-wide Synergies

Woori Financial Group celebrated its third anniversary in 2021. Throughout the year, the 13 subsidiaries worked together on 34 synergy projects and generated tangible results from cross-selling and affiliate marketing campaigns. For the systematic addressing of synergy issues and initiatives, different levels of meetings are convened according to the gravity of the agenda: subsidiary CEOs participate in the Group Business Growth Support Meeting; the Group Synergy Council consists of the executives in charge of initiatives; the Synergy Working-level Council consists of heads from the departments in charge of the initiatives; and unit meetings are held in the presence of working-level staff of relevant projects.

Further to that, the Group Synergy Bulletin Board and Group Synergy Idea Competition are instrumental in keeping employees active in synergy creation activities and exploring new business opportunities. These synergy systems have helped foster profit-generating models that focus on the Group's core businesses.

Since its establishment in January 2019, Woori Financial Group has grown the scope of its synergies through the back-to-back incorporation of additional subsidiaries. To reinforce its competencies as a total financial group, it has encouraged inter-subsidiary collaborations across business areas and generated new business opportunities from synergies, advancing its financial services and maximizing profits. The Synergy Council, where the holding company and all 14 subsidiaries have seats on, leads all Group-wide collaborations and communication to generate tangible and practical synergy effects.

## Continuing Growth with Existing Businesses and Discovering New Business Opportunities

Group-wide initiatives were subdivided into detailed tasks and action plans to be implemented at each sales organization level. However, with the individual tasks developed at the sales organization, some outstanding tasks showing great potential were upgraded to Group-wide initiatives. These efforts paid off with tangible results, such as the Group One-Stop Referral Loan Service and the creation of a Group-wide auto financing service platform, Woori WON Car app.

The Group also provided all-out support to newly incorporated subsidiaries through performance management and growth assistance programs to reinforce its non-banking sector competitiveness. In addition, Woori Financial Capital and Woori Savings Bank worked together with peer subsidiaries for joint projects and collaborative marketing activities. They also worked closely with Woori Bank, maximizing synergies as Group affiliates.

Led by its flagship subsidiaries—Woori Bank, Woori Card, Woori Investment Bank, and Woori Financial Capital—the Group maximized its performance results by building synergistic strategies and implementing projects. Close communication and mutual understanding among subsidiaries helped enhance the driving force of collaboration and affiliate projects.

### Key Milestones



- |           |   |
|-----------|---|
| Nov. 2018 | Acquired the certificate of incorporation of financial holding company from the Financial Services Commission |
| Jan. 2019 | Woori Financial Group is established  |
| Feb. 2019 | Woori Financial Group is listed on the Korea Exchange   |
| Aug. 2019 | Woori Asset Management Corp. is incorporated as a subsidiary  |
| Sep. 2019 | Woori Card Co., Ltd. and Woori Investment Bank Co., Ltd. are incorporated as subsidiaries                     |
| Dec. 2019 | Woori Global Asset Management Co., Ltd. and Woori Asset Trust Ltd. are incorporated as subsidiaries           |
| Mar. 2021 | Woori Savings Bank is incorporated as a subsidiary  |
| Aug. 2021 | Woori Financial Capital becomes fully-owned subsidiary  |
| Jan. 2022 | Woori Financial F&I is established  |

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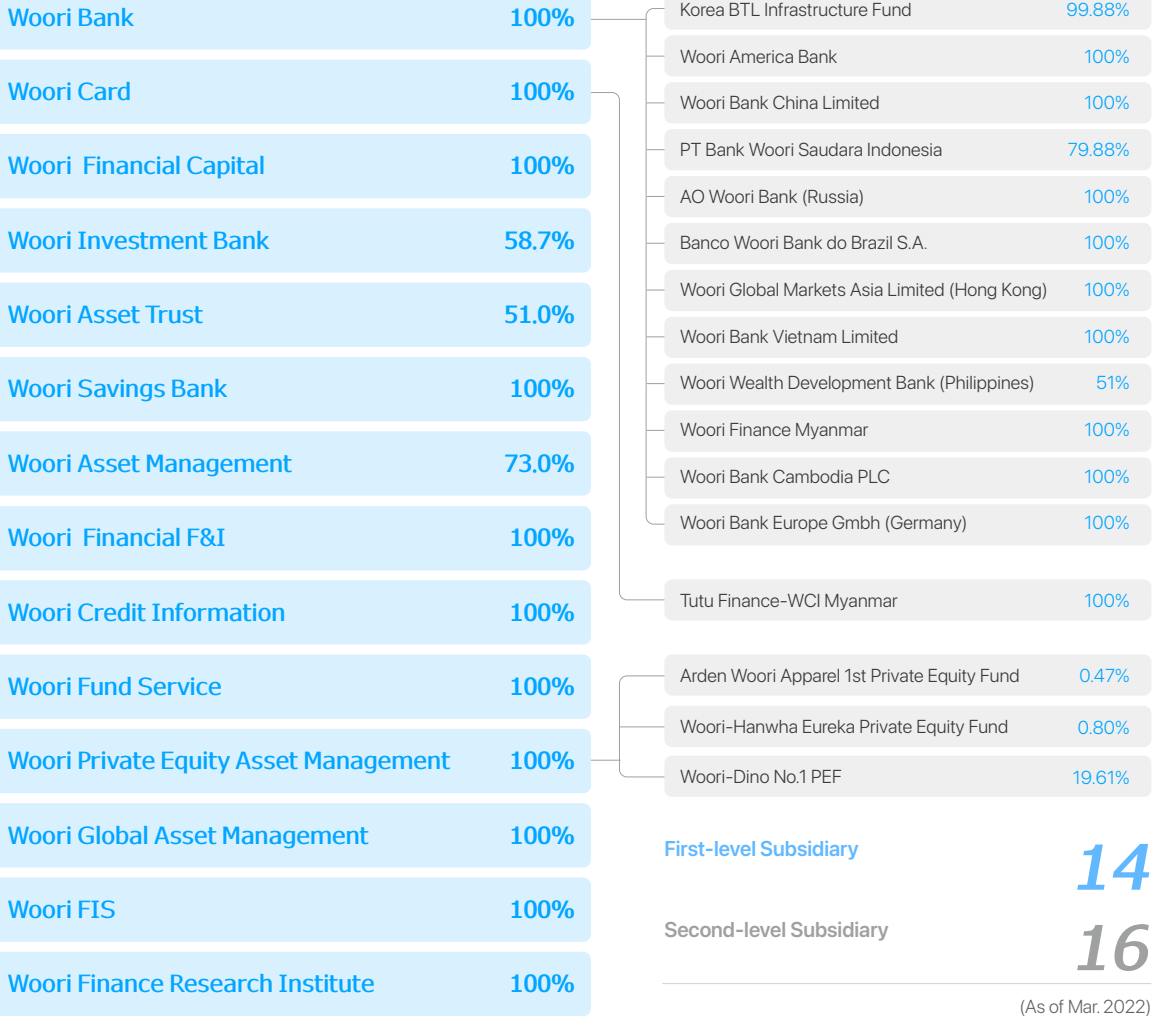
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Expanding Business Portfolios

Since the launch of the holding company in 2019, Woori Financial Group has continued to expand its non-bank business portfolio through back-to-back mergers and acquisitions of Woori Asset Management, Woori Global Asset Management, Woori Asset Trust, Woori Financial Capital, and Woori Savings Bank. In the first half of 2021, the Group overhauled the ownership structure of its first- and second-tier subsidiaries to improve the efficiency of the Group business portfolio.

On March 12, 2021, Woori Savings Bank, which had been a subsidiary of Woori Financial Capital, was promoted to first-tier subsidiary status of the holding company through a cash-based acquisition. The tier promotion for the bank paved the way for more significant synergies with peer subsidiaries. On April 19, 2021, the holding company purchased 12.85% of all shares from the second-largest shareholder of Woori Financial Capital, increasing its stake from 74.04% to 86.89%. It also incorporated Woori Financial Capital under its umbrella with the purchase of 3.59% of treasury stocks from the company on May 24. Woori Financial Capital finally became a fully owned subsidiary as of August 10 through the all-inclusive exchange of shares between the holding company and the subsidiary. As a result, the profits of these two subsidiaries can be fully booked as the Group's profit, while the enhanced management efficiency and greater solidarity contribute to higher shareholder value. In the latter part of 2021, the Group worked to establish a new NPL investment company to grow its business portfolio and enter a new business area. After the legal process for establishing the company and the recruitment of external experts was completed, Woori Financial F&I was established on capital of KRW 200 billion as a fully owned subsidiary on January 7, 2022.

WOORI FINANCIAL GROUP



	Woori Financial F&I	Woori Savings Bank	Woori Financial Capital
Incorporation/ Stock Exchange	Jan. 7, 2022	Mar. 12, 2021	Aug. 10, 2021
Ownership Structure	100% Woori Financial F&I is established	100% Second-tier subsidiary > First-tier subsidiary	Dec. 10, 2020 74.04% upon acquisition Apr. 19, 2021 86.89% stake acquisition from second-largest shareholder May 24, 2021 90.47% acquisition of the company's treasury stock Aug. 10, 2021 100.00% all-inclusive exchange of shares

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In 2022, Woori Financial Group will continue its synergy upgrade strategy to increase performance results in all aspects of the Group's synergies. The primary business units—retail, CIB, asset management, and global—and newly incorporated subsidiaries and their peers will closely collaborate to further boost their synergies. At the same time, the Group will achieve a competitive edge for consolidating its comprehensive financial group system under three key strategies: expand the reach of synergies through the discovery of new businesses; systematically manage Group synergies to solidify the synergy base; and bolster marketing support to promote synergies.

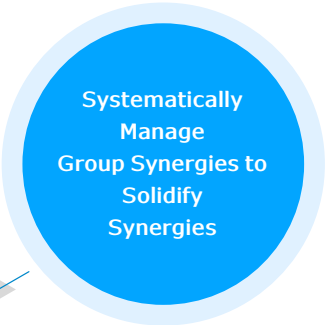
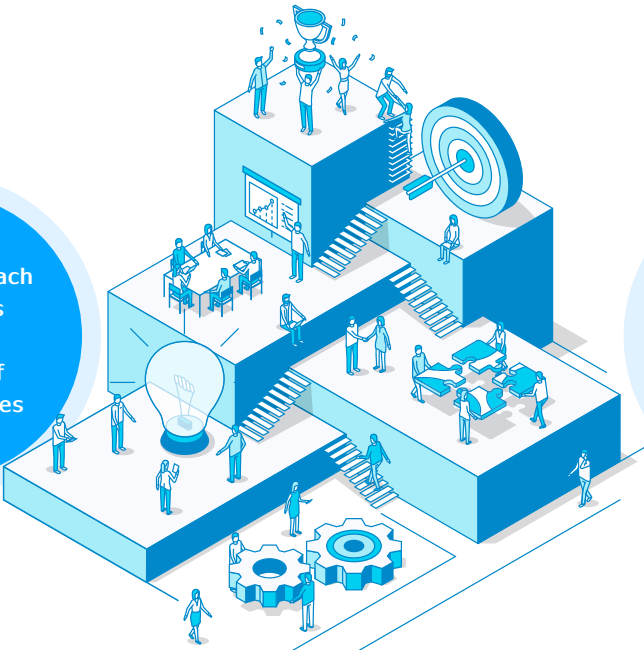
As the Group has plans for further M&As in the near future, including some that involve securities firms, subsidiaries will enhance their cooperation, led by the holding company, to continue the growth drive by expanding the market share of the banking and non-banking sectors.

Furthermore, the launch of Woori Financial F&I will become a cornerstone in the Group's strategy to strengthen the non-bank portfolio. The holding company will spare no effort in financial and synergetic support to Woori Financial F&I so that it can quickly normalize its business and surge as a rising powerhouse in the NPL market.

In the future, the Group also has plans to actively identify more businesses that are in line with the Group's portfolio strategy, such as securities firms, insurance companies, and venture capital firms, and to branch out from its non-bank business portfolio so as to enhance its corporate value as well as its shareholder value. At the same time, it will seek ways to advance the market positions of existing subsidiaries in their respective industries.

Launch of Woori Financial F&I

→ Strengthen the  
Non-bank Portfolio





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# Digital Innovation

## A Digital Innovation Committee at the Center of DT Initiatives

In 2021, the Digital Innovation Committee, which was established a year earlier as a Group-wide digital transformation control tower, performed the Group's digital transformation in an efficient and timely manner. The Committee set up 47 Group-wide Digital Innovation Initiatives and realized tangible results in DT performance at the Group level and in each subsidiary.

In addition, Woori Bank and Woori Card collaborated to build the industry's first financial data dam\* in Korea. We also operated something called "RED/BLUE Teams," a working-level digital opinion leaders group consisting of Gen MZ employees who bring in their opinions from frontline workers to enhance digital competitiveness.

\* Financial data dam: A financial community that simplifies the alias method for generating algorithms for data collection, loading, and distribution, and collaborates on joint research and development, data sharing, utilization, and sales.

As the digital native Generation MZ (Millennials and Gen Zers) enters the workforce, coupled with a prolonged pandemic and bouts of quarantining, financial transactions are quickly going digital, thus expediting innovation in the financial sector. Indeed, the financial world is scrambling to quickly play a leading role in digital transformation (DT) under the belief that digital is everything. For its part, Woori Financial Group declared its digital vision in 2020—Digital for a Better Life—and released a set of three goals and ten action plans in line with the Group-wide digital transformation initiative. In short, everyone at the Group has been making consistent efforts to make the Group the undisputed digital leader in the financial sector.

## Reinforcing Group Platform Competencies

Digitalizing channels and work processes will continue in 2021. We not only upgraded the Group's flagship apps, Woori WON Banking and Woori WON Card, but also introduced one-on-one personalized management services, such as WON Concierge (June), WON Concierge PB (September), and AI-based customer service AI Bot (December), on non-face-to-face channels.

What is more is that the bank and credit card firm collaborated to load the Woori Pay payment service on the Woori WON Banking app, allowing for a digital payment service, a first for any Korean banking app. The function also paved the way for B2B2C business expansions to provide payment services via affiliate apps.

Woori Bank and Woori Card even obtained a MyData Service license from the Financial Services Commission in January 2021. The service went into full operation as of January 2022, providing a one-stop financial data review service as well as money management services based on big financial data.

## Certifications and Awards



- **Woori Bank** Winner of the Grand Prize at the 8th Korea Big Data Awards (Organizer: Ministry of Science and ICT, Korea Big Data Society)
- **Woori Card** Winner of the Best Platform Prize in the credit card category at Asia Today's 11th Financial Awards



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Identifying Innovative Companies and  
Strengthening Digital Competencies

Woori Financial Group has been inducing collaborations between innovative companies and startups with Group subsidiaries through its Dino Lab startup cooperation program since 2016. In October 2021, the Dino Lab II Center opened in Gwanak-gu, Seoul to support the discovery of prospective companies on platforms, ESG, and new technology industries. In 2021, the Dino Lab I Center in Seongsu selected 17 firms and the Dino Lab II Center in Gwanak chose 14 firms for synergy projects through five collaborations between Dino Lab finalists and Woori Financial Group.

In addition, the Woori Digital Academy trained the Group's digital experts through education programs in digital planning, big data, AI, blockchains, and IT development—all of them developed in collaboration with Soongsil University. The program trained 181 employees from eight Group subsidiaries for 15 weeks on specialist courses to foster digital experts within the Group.



Strategies for 2022

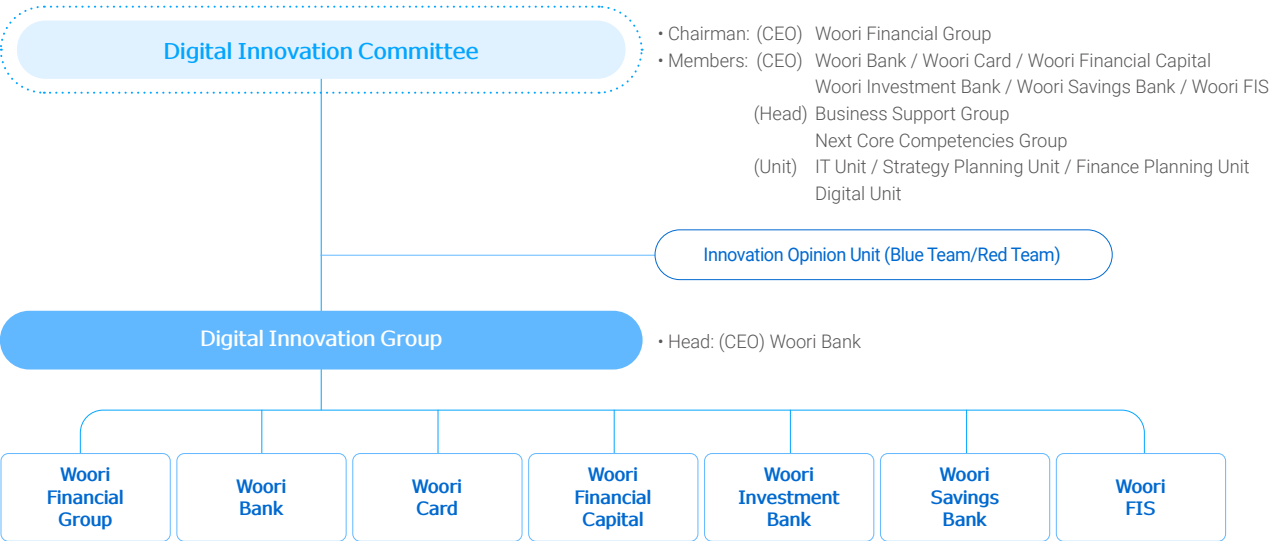


In 2022, the Group will reinforce its role as a digital control tower across the Group and bring about customer-oriented, performance-driven digital business differentiation and competitiveness-building to realize digital hyper-innovation.

To this end, we will recruit and appoint a financial expert from an external consulting firm to be named the Group's Chief Digital Officer (CDO). This person will bring with them the external professional perspective and expertise needed to realize innovative digital finance, while realigning our digital strategy and accelerating the pace of our digital transformation at the same time.

Digital Innovation Committee

The Digital Innovation Committee will play a pivotal role in determining and implementing the key tasks concerning platforms, data, and the innovative technologies which require a strategic alliance and collaboration at the Group level. This will maximize the practical results of the Group's DT and reinforce the full DT commitment from subsidiaries. On the one hand, the holding company will concentrate on the Group-wide DT synergy areas (platforms/data/new technologies) and strengthen DT support to smaller subsidiaries, while Woori Bank and Woori Card will internalize DT competencies through DT initiatives and management integrity. At the same time, Woori Bank, Woori Card, and Woori FIS will support the Group's smaller subsidiaries with platform/digital competency-building by sharing their expertise and know-how and helping them achieve stable performance results and growth.



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Launch of Competitive Products and Services

To continuously enhance the competitiveness of the flagship platforms, the Woori WON Banking and Woori WON Card apps, we will upgrade their UI/UX, launch competitive products/services, and mount aggressive marketing campaigns on the apps. On top of that, we will expand our customer base and reinforce cross-platform linkage through differentiated platforms special-

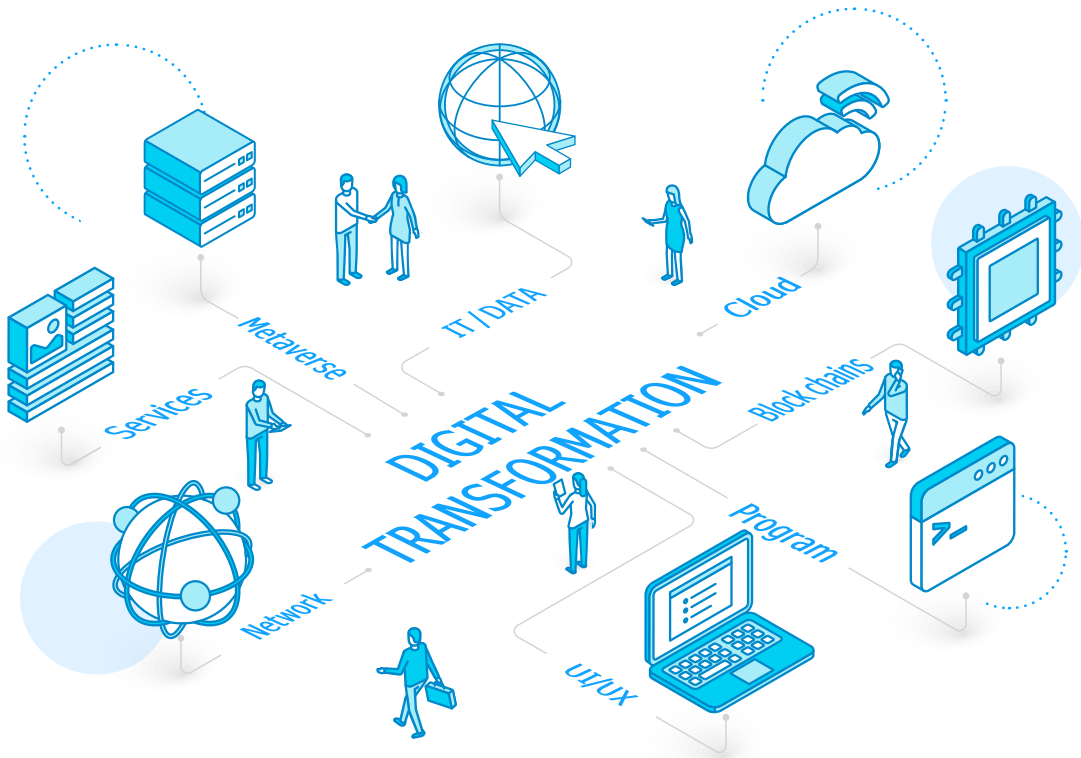
izing in real estate, auto financing, and personal finance management services. Targeting the Gen MZ customer segment, we are developing an MZ-specific platform for future customer retention at the Group level. As a reflection of various investment trends in stocks, real estate, and virtual assets, we will provide hyper-personalization services using AI technology.

Innovate the Customer Experience

We aim to consolidate the foundation of our data competitiveness and expand data-based businesses for a more innovative customer experience. By analyzing customer data at the Group level, we will support the Group's synergy drive and continue to take the lead in participating in the external data ecosystem to build on our competencies in data commercialization. In addition, we will develop a real-time data analysis system and enhance hyper-personalized marketing to generate tangible results.

Going forward, we will continue to be a leader in market trends with an ongoing first mover strategy for new businesses based on digital new technologies such as AI, blockchains, and the metaverse. We will also promote the early discovery and proactive commercialization of tech-driven financial companies, including DID technology, CBDC participation, and the implementation of mega-sized AI-based bankers.

Furthermore, we will continue with internal and external efforts to build our digital competencies even more. Internally, we will provide advanced training courses on new technologies in collaboration with universities to train digital experts and retain an outstanding digital workforce in both quality and volume at the Group level; externally, we will expand our external network with innovative companies through greater collaboration efforts between the Group and our two Dino Labs.



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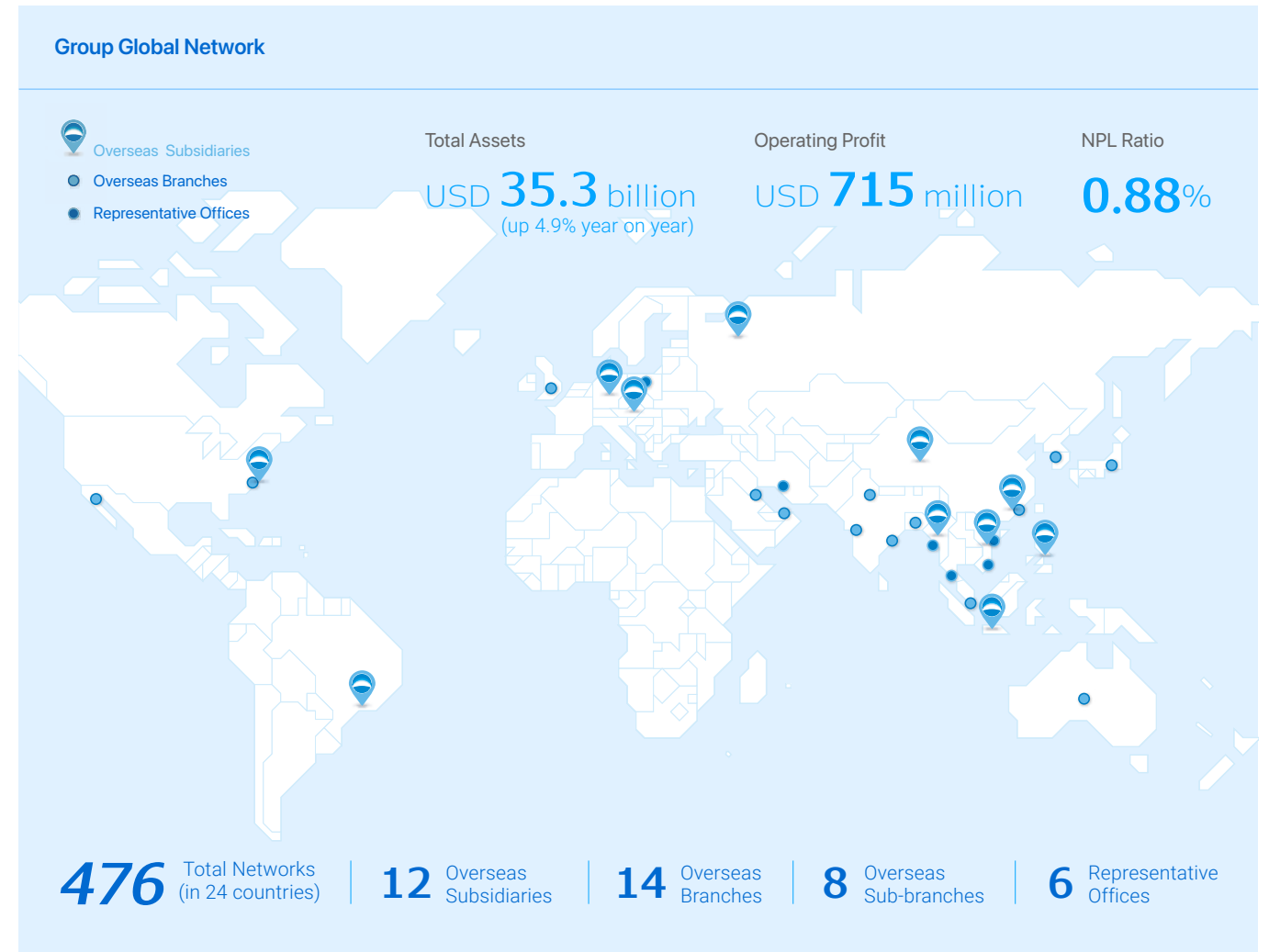
# Global Business

## Expanding Global Networks for Sustainable Growth Drivers

In 2021, Woori Bank opened an Eastern European representative office in Hungary and branches in strategic areas of Cambodia while continuing its organic growth in Bangladesh and Myanmar with a focus on key strategic areas. The bank also laid the groundwork for a local Cambodian corporation to emerge as a leading financial institution in the local market by having it become a commercial bank. In addition, the bank has implemented capital increases in Indonesia, the United States, and Europe, all of which have high growth potential. In the meantime, Woori bank strategically took a different two-way approach with advanced and emerging markets. In emerging markets, the bank focused on localization strategies, including the reinforcement of the retail banking product lineup according to the economic and financial environment of local markets. In developed markets, the bank bolstered its sales competitiveness of corporate finance such as IBs and foreign exchange.

With key retail markets in Southeast Asia, specifically Vietnam, Indonesia, and Cambodia, Woori Bank has developed a variety of non-face-to-face products which serve local needs well and are provided to local customers. It has also heightened its non-face-to-face channels' competitiveness by launching affiliate services with local fintech firms, corporate e-banking services, lifestyle e-wallet charging services, and payment services.

Woori Bank was the first Korean bank to open an overseas branch, which it did in Tokyo, back in November 1968. Since then, the bank has constantly expanded its overseas markets, boasting a global network of 448 offices as of 2021. Even amid internal and external crises, Woori Bank increased its capital in high growth potential markets, continuously reinforced the integrity of its network with growth potential and profitability, and streamlined its global network to enhance profitability throughout 2021.





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Strengthening Compliance and Internal Controls

In response to the growing risk exposures arising from the prolonged pandemic, Woori Bank preemptively tightened its asset quality management to minimize non-performing loans (NPLs) as it continuously upgraded its AML/Sanction filtering systems in compliance with the stricter requirements of compliance by local financial authorities. Furthermore, the global business division worked closely with the working council, which consisted of relevant departments from the bank's headquarters. More than that, it assisted compliance staff in competency-building through training programs commissioned to external professional agencies.

Introduction and Upgrade of New Digital FOREX Products

In 2021, Woori Bank diversified its retail digital F/X product lineups by introducing the Woori WON Banking F/X Pocket, Woori The Dollar Foreign Currency Deposit, as well as enhancing the level of convenience in the entire process of online international remittance. On top of that, an online Wontact Report Center digitalized all procedures of the designation and reporting required for foreign direct investments, overseas branches, and overseas real estate acquisitions.

The bank has also introduced an automatic verification process for export fulfillment notification to prevent trade fraud and established a pre-blocking process to prevent violations of laws and regulations that include illegal currency exchange and money laundering. In terms of sanction screening, the bank has upgraded the automated system for AI-filtering import and export sanctions laws and regulations, which it introduced for the first time in Korea in 2020, and backed up the bank's risk management through the examination of high-risk transaction types.

Strengthening Import/Export Financing and  
Diversifying Revenue Streams

Despite the challenging internal and external business environments in 2021, Woori Bank handled USD 393.5 billion in import/export financing, an increase of 24.3% year on year, with remittances amounting to USD 193 billion, up 35.0% year on year.

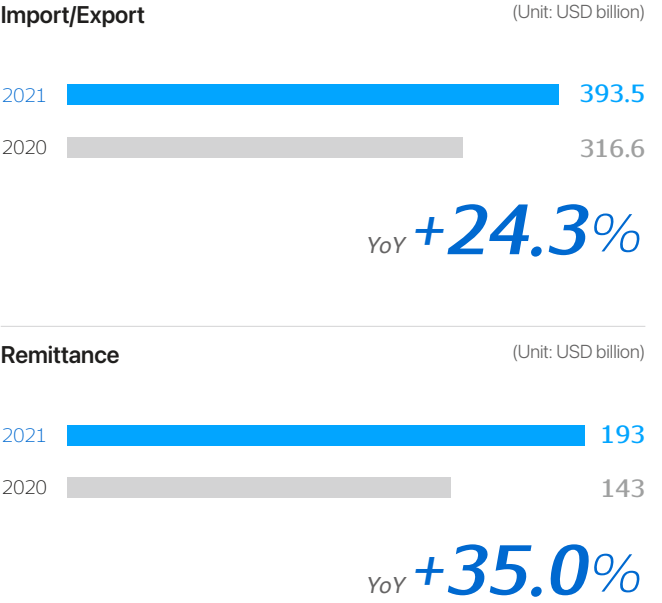
To enhance import and export finance support, Woori Bank introduced new products for export credit guarantee and import insurance. It also ramped up the marketing of its Internal trade finance fulfillment service, the first of its kind in Korea, and expanded the number of client companies. What is more is that the bank leveraged its partnership with China's WeChat Pay to diversify its revenue streams from affiliate marketing. This included the introduction of tuition payment services for international students from China and the introduction of a deposit for the fulfillment of departure orders for foreigners through a partnership with the Ministry of Justice.

Moreover, the bank has secured a stable credit line that allows it to lead the way in financial support for domestic and local client companies with good credit records that have entered overseas markets. The bank also plays a key role in promoting import and export transactions between international companies through various trade finance techniques such as L/C transactions, purchased foreign exchange, banker's usance, and payment guarantees.

Introduction and Upgrade of  
New Digital  
FOREX Products



Key FOREX Performance Results



\* Currency exchange FX (cash) was not booked due to a sharp decline during the pandemic.

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Core Competency-building and Digital Innovation

Local subsidiaries in Southeast Asia will strengthen their market- ing to local customers by expanding their retail products and re- gional sales force to meet local demands and by upgrading their digital platforms. At the same time, SMEs will lay the foundation for asset growth through capital increases and new expansion into promising growth potential markets. Woori Bank's overseas branches will increase transactions with local branches of cor- porate clients and trading firms as well as their sales forces for IB deals.

Woori Bank is exploring various ways to enter local markets, whether that is through M&As and equity investments or stra- tegic partnerships with Internet banks, while simultaneously en- hancing profitability through branch office relocations and clos- ings. Additionally, the bank will build its competencies regarding global digital channels through the establishment of locally tai- lored services, innovative processes, and intensive investment in IT infrastructure in high-growth regions as it actively staffs local subsidiaries with locally hired employees in line with its localiza- tion marketing efforts.

Without exception, Woori Bank will continue to preemptively manage the soundness of its asset quality to prevent growth in corporate insolvencies due to post-pandemic challenges. Fur- thermore, it will systematically manage them by upgrading the internal control system, including AML and operational risks.

Expanding the Competitiveness of FOREX Platforms

In pursuit of affiliate marketing with different platform industries, Woori Bank is introducing dedicated payment services and pre- ferred package services to attract the fast-growing segment of overseas open market vendors. New foreign currency deposit

plans are also in the pipeline and in step with the growing trend of offshore investments. To enhance the competitiveness of cor- porate non-contact FOREX services, the bank will introduce dig- ital services to increase the convenience of trade finance loans and online corporate FOREX certificate issuance services.

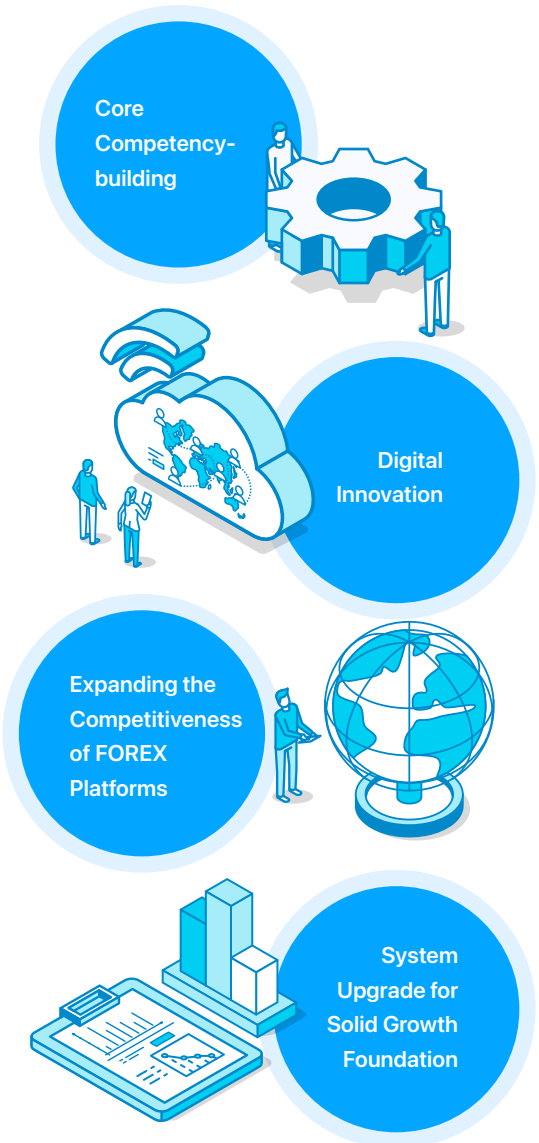
System Upgrade for Solid Growth Foundation

Woori Bank plans to build a marketing system to attract new customers by collecting and analyzing financial and accounting information of import/export clients. Also, it will bolster proactive marketing for growth driver industries such as IT platforms and biotech through analyses of global investment trends.

In addition, Woori Bank plans to re-establish an app dedicated to foreign customers to boost digital services through the intro- duction of new remittance services and UI/UX tailored to foreign customer needs. It will add to that by reinforcing a new dedicated foreign currency transfer system for institutions and organiza- tions that have foreign currency funds to increase transaction volume.

In the run-up to the introduction of the international financial standards ISO 20022, Woori Bank plans to upgrade the overseas remittance system by revamping the SWIFT payment system, building up EDI e-trade user/promotional content to expand the online FOREX operational base, and constructing an unstaffed currency exchange platform through the introduction of highly functional currency exchange ATMs.

Regarding sanctions screening, Woori Bank will strengthen its response to risks of diverted transactions by introducing pre-fil- tering processes and improving its risk management system through the introduction of a trade fraud prevention system in the import and export finance process.



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# Risk Management

## Woori Financial Group

Woori Financial Holding Company obtained final approval for its internal ratings-based approach (IRB) in November 2021 (retroactively effective as of September 2021). It took only two years and ten months for the Group to win the approval since its launch in January 2019—the shortest amount of time for any Korean financial group. The shift to this IRB has improved the Group's capital adequacy and internal and external creditability, raising its BIS ratio by 1.33%p from 13.50% to 14.83% as of September 2021.

In 2021, Group-level risk management concentrated on controlling potential COVID-related risks in response to developments in the economic environment, which had been affected by the unexpectedly prolonged pandemic. In particular, the holding company worked hard to normalize long-term, large-amount NPLs and liquidate bad loans. As a result, the substandard-and-below loans (SBLs) ratio dropped to an all-time low, from 0.42% in 2020 to 0.30% in 2021. Furthermore, the holding company is maintaining its asset soundness indicators at a stable level through soft landing programs, potential insolvency loan monitoring, and additional provisioning against COVID-related potential losses.

Woori Financial Holding Company has been selected as one of the systemically important financial institutions under the Act on the Structural Improvement of the Financial Industry. Under the law, the company submitted its Recovery Plan in 2021. Despite a short three-month period to prepare the plan, Woori Financial Holding Company successfully created one with a vast scope and which satisfied numerous requirements for an efficient governance structure and practical measures of normalization and implementation. In short, it submitted a recovery plan that ensures sophisticated and timely responses to any crisis.

Woori Financial Holding Company is committed to maintaining the Group's capital adequacy and asset soundness at stable levels. In fact, it is striving to block potential risks at source through preventive risk management measures, such as meticulously reviewing the vulnerabilities of the Group and intensifying its monitoring.

## Woori Bank

Woori Bank has also established an AI-based fraud detection system (FDS) which assists the monitoring officer in determining any abnormalities in financial transactions.

In addition, the bank developed a new internal control checklist for non-deposit products for self-inspection in all relevant departments. The Compliance Department supervised the implementation of the checklists and verified the effectiveness and adequacy of the practices. As such, the bank has established a double mechanism to comply with the best internal control practices for non-deposit products within the company itself.

Moreover, the bank has established guidelines for branches on how to prepare for the new Financial Consumer Protection Act. It also published an e-book called Legal Companion that summarizes the cases of legal issues at branches, how to collect documents case by case, and a glossary of legal terms. Additional field-oriented support plans include distributing the checklists and standard guidebooks for producing flyers and advertisements.

Woori Bank has established a proactive response system in preparation for the introduction of the finalized Basel III Plan in 2023. The bank's credit risk management practices have been aligned well with the finalized Basel III Plan since its advanced introduction in September 2020. What is more is that the bank enhanced its regulatory capital management, improved the BIS ratio by reducing risk-weighted assets, and established market risk and operational risk management systems early in March 2021. Also, to prevent potential insolvency, the bank upgraded the system which manages potential risks, lowering the SBL ratio to a record-low level of 0.20% as of 2021. On top of that, Woori Bank distributed a total of 500 training materials on risk management as part of its on-the-move risk management education program.

## Key Performance Results



### BIS ratio

(As of the end of 2021)

2020 13.8% 2021 15.1%  
YoY +1.3%p

### SBLs ratio

2020 0.42% 2021 0.30%

Substandard-and-below loans  
All-time Low



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Strategies for 2022



Woori Financial Group

Woori Financial Group set its risk management goal for 2022 as stable Group risk management for future growth. To attain that goal, the Group developed four strategic directions: (1) fine-tuning the management of deferred risks; (2) actively responding to changes in asset growth trends; (3) responding to risk regulations; and (4) strengthening risk management capabilities for future growth based on action plans it devised on its own.

First, managing deferred risks will involve a more sophisticated approach. The goal is to steer clear of any potential risks that may arise from the termination of several COVID emergency relief programs, such as the maturity of COVID emergency loans and the end of liquidity deregulations. While taking a Group-wide approach to the NPL management system, each subsidiary will operate their own respective risk management system and report the progress and results to the holding company.

Second, the Group will be responsive to changing asset growth trends. It will manage a Group portfolio in line with post-COVID new norms, which include accelerating differential growth and the widening gap in income classes. At the same time, the Group will fastidiously check the aftermath of abrupt asset growth and tighten up its management against downside risks.

Third, the Group will be prepared against risk regulations. At present, it is developing Group LCR management protocols and systems in compliance with global liquidity management standards. Further to that, it will prepare measures for the efficient utilization of limited capital by upgrading its internal/regulatory capital management capabilities.

Finally, it is strengthening risk management capabilities for future growth. The Group will prepare management measures for novel risks, apart from traditional ones, such as climate and digital risks, and improve its actual risk management capabilities through professional training for each subsidiary.

For the three years since the launch of the Group, the holding company has completed the establishment of a Group-wide risk management system, including risk governance, a holding company-subsidiary risk management system, and the approval of the IRB. In 2022, the holding company will play a role in proactively blocking potential risks and actively responding to post-pandemic novel asset growth trends to help the Group achieve stable growth.

Woori Financial Group Risk Management Goal for 2022

Stable Group Risk Management for Future Growth





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Strategies for 2022



Woori Bank  
Risk Management Goal for 2022

Efficient Risk Management to  
Enhance Bank Value



Strengthen Potential  
Risk Management



Strategically Respond to  
Changing Financial Regulations



Preemptively Respond to  
the Current Financial Paradigm Shift



Efficiently  
Allocate Capital

Woori Bank

Woori Bank has set its 2022 risk management goal at efficient risk management to enhance bank value and will pursue the following four strategies. First, it will strengthen potential risk management. Woori Bank will monitor and improve the efficiency of management system operations at each business group and reinforce the management system for all SOHO loans as well as the early warning system for corporate loans. It also plans to rebalance its loan portfolio in consideration of post-COVID recovery, assure tighter control over risk factors for local subsidiaries entering new businesses, and secure a more robust management system for blind funds and foreign alternative investment assets in the IB sector.

Second, it will strategically respond to changing financial regulations. Proper operation of the key interest rate risk indicators will contribute to the increased value of the bank and fully establish high-liquidity assets in preparation for the normalization of LCR regulations.

In response to regulations, such as household loan limits and debt service ratio (DSR), the bank will improve the asset management system of customers. Retail loan management will focus on the debt repayment capability of borrowers while increasing analysis of customer asset portfolios for financial consumer protection.

Third, the bank will preemptively respond to the current financial paradigm shift. Thus, Woori Bank will consider ways to strengthen control over operational risks to minimize the occurrence of loss incidents and to reflect carbon reduction plans in the operation of loan portfolio limits by industry in relation to ESG management trends.

Fourth, Woori Bank will efficiently allocate capital by risk type and strategically improve the risk-weighted asset calculation criteria to make efficient use of capital.

Compliance Management

Woori Bank will promote effective internal control support to become the undeniable leader as a customer-centric financial platform company in 2022.

First, the bank will establish an AI-driven inspection process, which is why it is constructing a bulk SMS sending control system, employing AI- and RPA-based monitoring, and launching an automated system for STR reporting and inspection. As such, the bank is introducing the AI and RPA to its legal compliance monitoring to expand coverage as it enhances the efficiency of work processes and minimizes legal violation risks.

Second, the bank will operate a dedicated digital internal control organization to strengthen the foundation of digital compliance. To support internal controls related to promoting new digital businesses and the operation of contact-free sales channels, the bank will establish and operate a Digital Internal Control Task Force and a Digital Issue Response TFT. Furthermore, it will use an internal control cooperation system between the Compliance Office group and the digital-related business groups to quickly take hold of the internal control scope that has been extended by the changing financial environment and increasing digital-based businesses.

Third, the bank will operate an internal control peer group for each business group. Given the relevance to each business operation, it will match each business group to eight peer groups. It will then group the matches for theme-based checks so that individual peer groups can self-discover and share any and all issues and vulnerabilities involving their contactless products or various laws and regulations.

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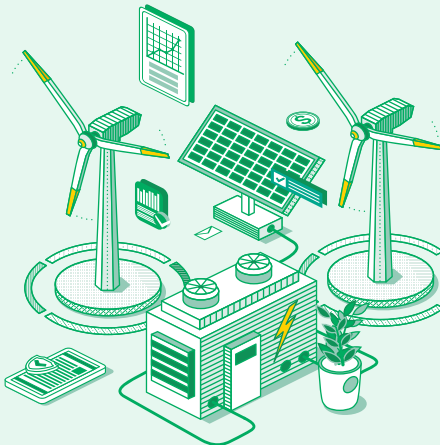
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# ESG Management

## Certifications and Awards



- Nov. 2020** · Winner of the Prime Minister's Commendation at the 2020 Korea Green Management Awards (Ministry of Industry, Trade and Resources/Ministry of Environment)
- Sep. 2021** · Winner of the Ministry of Land, Infrastructure and Transport Award for Outstanding Company in the Greenhouse Gas and Energy Target Management System in the Building Sector
- Nov. 2021** · Winner of the Government's Commendation at the 2021 Greenhouse Gas Reduction Awards (Ministry of Environment)



In addition to the financial performance of companies worldwide, non-financial performance that values sustainability, such as environmental protection, socially responsible management, and transparent management, has become the new DNA of companies in recent years. The importance of ESG management has been steadily increasing, with ESG being a priority when making investment decisions for global institutional investors. In response, Woori Financial Group set 2021 as the starting year for embracing ESG management and achieved remarkable growth in ESG management both internally and externally. In 2022, the Group will continue consolidating its ESG management system to ensure it is at the same level as the world's leading ESG management practices.

## 2021 Performance Results

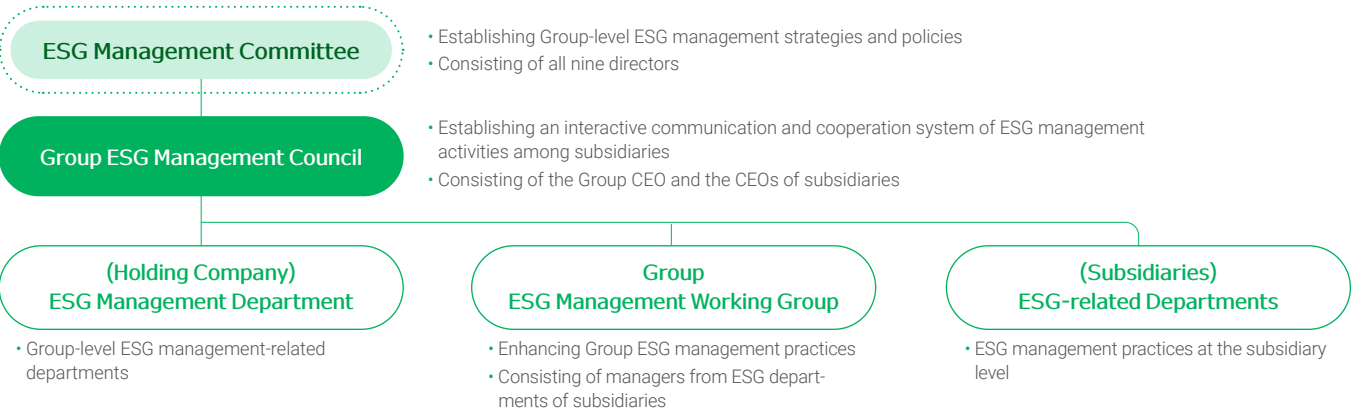
### Establishing ESG Governance

Woori Financial Group revamped its organization in December 2020 to create dedicated ESG departments within the holding company and Woori Bank. In February 2022, the holding company incorporated the ESG department into the Strategy Division, while the bank put it under the control of the Management Planning Group to align business strategies with ESG commitment.

In January 2021, the Group ESG Management Council, consisting of the chairman of the holding company and the subsidiaries' CEOs, was established to promote an interactive communication and cooperation system for ESG management activities among subsidiaries. To further consolidate ESG governance and heighten the status of ESG management, the ESG Management Committee, a subcommit-

tee of the Board of Directors (BOD), was established in March 2021. The ESG Management Committee is comprised of all the members of the BOD of Woori Financial Holding Company, and functions as the highest decision-making body for Group-wide ESG management practices.

In March 2022, the Group had the first female BOD member elected in its history, enhancing the gender diversity, professionalism, independence, and efficiency of BOD operations. At the same time, the Group has completed efficient governance initiatives to promote sustainable growth based on ESG management after it appointed the chairman of the ESG Management Committee.



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Group-wide ESG Vision and Mid- and Long-term Strategies

In June 2021, Woori Financial Group's ESG Management Committee passed a resolution to officially set its Group-wide ESG vision—"Good Finance for the Next"—and mid- and long-term strategies. The new ESG vision reflects the nature of the financial industry and the Group identity of "Woori," meaning "we" in Korean, as well as the Group's ESG goals. The Group has declared Plan Zero 100 (zero emissions and KRW 100 trillion in ESG financing) its model to achieve the new vision as a mid-to-long-term goal. In a bid to reduce carbon emissions, the Group has also established a Group Environmental Management System to strengthen the management of environmental indicators and the disclosure of information within the Group.

ESG Ratings Upgrade

Woori Financial Group was listed on the DJSI (Dow Jones Sustainability Indices) Asia-Pacific Index in 2021, and its rating from MSCI (Morgan Stanley Capital International) jumped two grades to AA. Its grade from the KCGS (Korea Corporate Governance Service) was also revised to A. These back-to-back upgrades by credit rating agencies were in recognition of the Group's diligent commitment to enhancing its ESG practices, such as forging ways to improve policies, systems, and systems & facilitating collaboration among relevant departments.

2021 Domestic and International ESG Evaluation Results

	DJSI	MSCI	KCGS
2020	Not listed	BBB	B+
2021	Listed in the Asia-Pacific Index	AA	A

Woori Financial Group ESG Vision & Strategies





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2022 Plans

Joining and Participating in More Global Initiatives

Following its joining the Carbon Disclosure Project (CDP), Task Force on Climate-related Financial Disclosures (TCFD), Equator Principles (EP), Partnership for Carbon Accounting Financials (PCAF), and Science Based Targets initiative (SBTi) in 2021, Woori Financial Group became the first Korean company to join the Task Force on Nature-related Financial Disclosures (TNFD) in January 2022. The Group was also the only Korean company to participate in the Circular Economy Working Group, part of the UN Environment Programme Finance Initiative (UNEP FI), in March 2022. Furthermore, it signed a memorandum of understanding (MOU) with the World Wide Fund for Nature (WWF) to reduce plastic pollution and implement the transition to a circular economy. In the future, Woori Financial Group will actively take the lead in fulfilling its corporate environmental and social responsibilities through cooperation with various stakeholders to restore nature and achieve a circular economy.

Fortifying Climate Risk Responses

Woori Financial Group is pursuing a step-by-step climate risk management plan to respond to domestic and foreign policies and regulations. The Group is preparing to build a system to measure and manage carbon emissions concerning Group-wide asset exposures. Accordingly, it plans to establish carbon reduction targets for the Group's asset portfolio by the first half of 2023 and obtain BOD approval of the reduction targets before being certified by the SBTi. Following TCFD recommendations, the Group will prepare and disclose its climate change-related information, including climate risk management, and prepare for the CDP assessment.

Group-wide Environmental Management

The previous GHG-oriented environmental risk management makeup at the Woori Bank level will be expanded to include the Group-wide management of environmental indicators—GHG, energy, waste, and wastewater—at all subsidiaries. To that end, the data input system will be upgraded and all the environmental performance results will be disclosed publicly, even going so far as to publish sustainability reports with third-party verification.

In addition, the Group will lead the way through the intensive promotion of activities in the circular economy and biodiversity sector, such as launching a plastic recycling campaign in alliance with elementary schools nationwide and establishing and operating a waste resource circulation system.

ESG Management Practices at the Subsidiary Level

Woori Financial Group plans to establish the Subsidiary ESG Management Performance Evaluation Criteria to manage and operate detailed tasks. The Group will select indicators in vital ESG areas for the systemic management and performance of ESG, including ESG finance and ESG business management. The critical ESG performance indicators include: (1) expanding ESG finance; (2) strengthening the ESG financial management system; (3) establishing a climate change response system; (4) heightening the environmental management system; (5) increasing the rights of financial consumers; (6) enhancing a culture of respect for human rights and diversity; (7) fortifying HR capabilities; (8) creating social value; (9) disclosing transparent ESG information; and (10) augmenting ESG governance.



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# Social Responsibility

## Woori Financial Group's Five CSR Strategies



### Fostering future generations

Promoting equitable opportunities for education, including finance education, and lifelong learning opportunities



### Inclusive finance

Promoting inclusive and sustainable economic growth and creating jobs



### Protecting the environment

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



### Mécénat programs

Spreading the enrichment of values through support for culture, art, and sports



### Supporting the underprivileged

Reducing inequality within and among countries and contributing to social integration

Woori Financial Group is taking part in a wide range of social contribution activities to realize its ESG vision of "Good Finance for the Next." The Group has established five key corporate social responsibility (CSR) strategies in line with the United Nations Sustainable Development Goals (UN SDGs) and its own industrial prudence. The five CSR strategies provided the roadmap as to how the Group would fulfill its systematic CSR activities and projects. In addition, the Group plans and implements various employee satisfaction programs so that its employees can work with a high level of job satisfaction, which naturally induces the best possible customer service from a sense of ownership on the part of employees.

## Social Contribution Activities

### Fostering Future Generations

#### Fostering Future IT Leaders

Woori Financial Group runs annual educational programs for underprivileged students attending vocational high schools as it helps them with digital and IT learning plans and career development. In 2021, 150 students were selected from low-income SOHO business owners to receive online lectures on API, web development, AI, big data, and digital security. In particular, the employees of Woori FIS, a Group affiliate specializing in total financial ICT services, imparted their profound knowledge from firsthand field experience as part of the mentoring service. At the same time, diverse programs such as lectures by celebrities in the areas of digital and IT guided future generations with career exploration and skill development.



### Woori Multicultural Scholarship Foundation

In 2021, the Woori Multicultural Scholarship Foundation provided 400 students from low-income multicultural homes with a number of different scholarships for the development of their specialties and talents, as well as their academic accomplishments. On top of this, the Foundation also gave out special scholarships to 100 children of SOHO business owners who were struggling with COVID-19. All in all, a total of 500 students were granted scholarships totaling KRW 670 million. Furthermore, the Foundation assisted the non-profit educational infrastructure for multicultural families to ensure that they were not marginalized from educational opportunities during the pandemic. In fact, it not only increased online/contact-free education programs and published/distributed online course books but also donated digital devices to education centers specifically run for the children of multicultural families.

As a result of these activities, the Woori Multicultural Scholarship Foundation was selected as the top non-profit foundation in the 2021 Comprehensive Evaluation of Non-profit Foundations organized by Korea GuideStar. The Foundation earned the highest rating in all categories, including transparency, accountability, and efficiency, and was the only non-profit foundation established in the financial sector.





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### Fostering Future Financial Leaders

Woori Bank is actively participating in a financial education program under the '1 Company-1 School Finance Education' program operated by the Financial Supervisory Service to instill and improve the financial literacy of youth. As of 2021, 507 elementary, middle, and high schools were in sisterhood ties with Woori Bank branches nationwide, involving a total of 554 in-person and non-contact education sessions to 21,270 students. In addition, the Woori Bank Museum operates the 'WOORI Economy School' program, supporting underprivileged children in local welfare centers to gain financial and economic knowledge in easy and fun ways. In 2021, a total of 59 sessions trained 976 future leaders.

The bank even conducted 'WOORI Digital Education Project' to support 250 elementary school students in agricultural, mountain, and fishing communities, where digital accessibility is relatively lower, helping them build the basic skills for digital literacy.

### Protecting the Environment

#### Woori Finance Forest of Life

Woori Financial Group created the 3rd Woori Finance Forest of Life at Seoul's Jinmyeong Girls' High School in December 2021 and held a celebration ceremony. The forestation was comprised of local species of trees with a high rate of reducing fine dust while also cooling the urban heat island effect, offering shelter for students, and thereby contributing to the healthier development of the local community.

### Group-wide Environmental Protection Campaign

Woori Financial Group promotes environmental protection projects to encourage a vibrant ESG eco-friendly corporate culture across the Group. On April 22, 2021, Earth Day, the Group launched a campaign called 'Woori Protects the Earth' whereby its entire workforce made digital pledges to protect the environment. They also participated in a 'DO GREEN' event in which employees showed off their daily practices of saving energy and resources, consequently raising their environmental consciousness. Also, participating in the circulation of resources, employees donated used items to the Beautiful Store, a non-profit organization for recycling and reusing secondhand items.

### Charity Walk Campaign

Woori Bank was the first Korean financial institution to launch a 'Charity Walk' campaign on a mobile app, inviting its employees to join the walk to protect the environment and raise money for charity. In the end, 10,604 employees walked a total of 150 million steps, raising KRW 150 million to install new solar panels at social and economic organizations in rural communities.

### Supporting the Underprivileged

#### Woori Happy Box: Holiday Grocery Gifts

Woori Financial Group celebrates the biggest annual holidays in Korea—Lunar New Year's Day and Chuseok—by sharing with the underprivileged in local communities. In January and September 2021, the Group produced 11,000 Woori Happy Boxes, all of which contained an assortment of groceries. Employees at Woori Bank branches nationwide delivered them to the Korea Association of Social Welfare Centers (KASWC), which then distributed the boxes to the underprivileged through its network around the country. The boxes were replete with significance, as they consisted of grocery items produced by social enterprises and SMEs suffering from the COVID-19 recession. Thus, the Woori Happy Boxes supported not only the underprivileged but also the SOHOs experiencing economic hardship from the pandemic.



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### Blood Donation Campaign

To prevent severe blood shortages in the event of a national crisis such as a natural disaster or a major accident, Woori Financial Group launched its own Blood Donation Campaign with the entire workforce from all Group affiliates. Since signing a blood donation agreement with the Korean Red Cross in 2006, the Blood Donation Campaign has become an annual event, celebrating its 16th anniversary in 2021. In October 2021, Group employees collected and delivered 500 blood packs to the Korea Childhood Leukemia Foundation for child patients fighting pediatric cancers and rare intractable diseases.

### COVID-19 Emergency Relief Projects Abroad: India

In May 2021, Woori Financial Group extended emergency support of USD 100,000 to India, which at the time was at the peak of its struggle with the pandemic. The grant was spent on supporting local communities by purchasing medical equipment such as respirators and ventilators, constructing field hospitals, setting up beds, and providing critical necessities and groceries for particularly vulnerable groups. Woori Financial Group will not shy away from taking any and all required actions to address international issues in its sustained practicing of humanity and strengthening of its global ESG management.

### COVID-19 Emergency Relief Projects

In March 2021, Woori Financial Group selected 100 small business owners who helped the underprivileged despite their own economic hardships caused by COVID-19 and designated them as Good Shops in the Neighborhood to support their economic activities and marketing efforts. In May, the Group donated 180,000 masks to those in need to prevent



the spread of COVID-19. In October, the Group helped SOHOs struggling because of the pandemic with emergency loans for living and supported their marketing efforts through the Group's promotion channels.

### Donations

In 2021, Woori Bank made donations totaling KRW 34.6 billion to the underprivileged. In addition, its 8,204 employees participated in many social contribution activities, volunteering their time for 903 sessions through sisterhood organizations, one of which was the Woori Care Center. They also made donations totaling KRW 590 million to local social welfare and youth community centers. Moreover, Woori Bank employees make donations from their monthly paychecks to the Woori Care Fund. Throughout 2021, a monthly average of 5,143 employees of the bank raised a total of KRW 360 million. The funds embodied the warmhearted, caring nature of the contributors, providing young boys and girls at local community centers for children with relevant equipment for the hot summer months as well as subsidizing medical bills and tuition fees for children battling pediatric cancers.



## Employee Satisfaction

### Woori Family Happy Markets with SOHOs

Woori Family Happy Market is a corporate social responsibility program that can also provide employees with opportunities to make helpful purchases of high-quality agricultural products, specialty items, and industrial products. Woori Group employees continue to carry out transactions with participating merchants even after the events are over, promoting win-win partnerships with SOHO merchants.

### Online Employee Satisfaction Programs

Woori Financial Group runs various non-face-to-face programs that provide employees with new experiences and quality time with their families. During pandemic quarantine periods, when we were all physically distancing, the Group supported its employees with multiple experiential programs. Hobby Rich introduced employees to numerous ways of enjoying hobbies/cultural activities; Home-Fun was a non-face-to-face challenge and competition program; and Room Travel was an interactive online traveling program.

### Woori Family Care Program

The Woori Family Care Program is a family-friendly initiative that invites the families of employees to Woori Bank for dinners, family photo shoots, tours of the Woori Bank Museum, and commemorative events. It is a meaningful program that promotes family unity and bonding, while also helping employees strike the right balance between work and family.

### Computer Power-off Program for Reduced Overtime

Woori Bank has successfully improved chronic overtime practices. By systematically setting deadlines for all computers on its premises to power off before 7 p.m. every night, work efficiency and engagement have improved, which in turn has led to reduced overtime work practices. Since July 2019, Woori Bank has also introduced a 52-hour workweek and flexible work hours to nudge employees towards achieving a healthy work/life balance with family and enhance their quality of life. The Computer Power-off Program deadline has helped establish working hour practices across the bank.

### Free Wedding Venue Reservations

Woori Bank rents out the auditorium at its head office building in Seoul to employees for their weddings at no charge whatsoever. From 2012 to 2019, a total of 1,183 couples were married at the venue, which grows more and more popular each year. In 2020, 100 couples tied the knot here, and in 2021 a total of 102 couples said their "I dos" in the same venue.



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# Governance

## Governance Principles and Policies

The principles of governance applied by the Group are as follows:

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

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

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

## Stability and Soundness of Governance

To ensure the stable and sound operation of the Board of Directors (BOD) and its subcommittees, Woori Financial Group faithfully implements relevant laws and regulations, including the Commercial Act, the Act on Corporate Governance of Financial Companies (i.e. the Governance Act), as well as bylaws such as the Articles of Association, Internal Regulations on Corporate Governance, and Regulations of the Board of Directors. Independent directors are appointed from among those individuals who do not have an interest in the Group. In order to keep the mutual check function of the BOD secure, independent directors always comprise the majority of the BOD (78%) and its subcommittees (91.5%). This composition facilitates independent BOD activities led by independent directors.

In addition, the Group stipulated that an independent director shall chair the BOD and that they cannot serve longer than six years at Woori Financial Group or their total tenure cannot exceed nine years in total of their tenure at any of its subsidiaries in accordance with the Governance Act.

In April 2021, the Group established the Guidelines for the Independence of Independent Directors. A director of Woori Financial Group's BOD is deemed independent when all the below-mentioned statements are satisfied. The independent directors should account for the majority within the Board of Directors.

Under the banner “Innovate Today, Create Tomorrow,” Woori Financial Group is committed to promoting sustainable growth and maintaining a stable, efficient, and transparent governance structure to protect the value of stakeholders, including shareholders and financial consumers.

## Diversity and Expertise of the BOD

As of the end of March 2022, Woori Financial Group's BOD was comprised of one economic expert, three financial experts, one business management expert, one accounting expert, and one legal/ESG expert. All of these people were chosen without discrimination on the basis of personal background or industry experience so as to bring profound experience and knowledge in diverse areas to making informed decisions concerning the management issues of Woori Financial Group.

To promote diversity and professionalism within the BOD, the Annual General Shareholders Meeting (GSM) in March 2022 appointed one

female independent director. This marked the first step in promoting gender diversity at the BOD and strengthening its collective expertise in the areas of law and ESG, as well as in the fields of finance, economics, and business management.

Introduced in April 2021, the new Guidelines on the Diversity of Independent Directors will boost our commitment and effort to promote diversity within the BOD composition and ensure that the BOD makes essential decisions with a broad consideration of the interests of the Group's stakeholders.

### Guidelines for Independent Director Independence

- The independent director must not have been employed by the Group or its subsidiaries in an executive capacity within the past five years.
- The independent director must not have any immediate family member who is or was employed by the Group or its subsidiaries as an executive officer within the past three years.
- The independent director must not be an advisor or consultant to the Group or a member of its senior management board.
- The independent director must not be a partner or employee of the Group's external auditor.
- The independent director must not be a partner or employee of a company that has entered into a major advisory contract or technology partnership agreement with the Group.
- The independent director must not be a partner or employee of a company that has concluded a single contract with the Group for an amount that exceeds 10% of the Group's gross revenue for that year.
- The independent director must not be a partner or employee of a company that has transactions with the Group for an amount that exceeds 10% of the Group's total assets or operating revenue for the current or any of the past three fiscal years.
- The independent director must not have any conflict of interest with the agenda as determined by the BOD.

[Disclosure link](#)

### Guidelines on the Diversity of Independent Directors

#### Respect for Diversity

- Gender: At least 20% of all independent director candidates should be female to enhance gender diversity on the BOD.
- Nationality: Identify candidates for independent directors from different cultures, backgrounds, and lifestyles to build a governance structure that meets global standards.
- Career: Consider the specific needs of the financial sector, but without discrimination against a particular background or origin.
- Other: Not to discriminate due to other diversity factors, such as race, religion, or ethnicity from the perspective of inclusiveness.

#### Reinforcing Expertise

- Required Expertise: Finance, economics, management, law, accounting
- Specific Expertise: Expertise to be consistent with the Group's continued growth in digital transformation, ESG, global business, risk management, and consumer protection

Woori Financial Group is forging ahead with a Board of Directors featuring independent directors that have diverse experiences and backgrounds to actively respond to the market and economic environment through rational and balanced decision-making. It will make every effort towards the efficient operation of the BOD.

[Disclosure link](#)



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Transparent Corporate Governance

The governance-related work process standards, procedures, and results are transparently disclosed.

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

First, an annual report on the governance structure and remuneration system is published to report on the operation of the Board of Directors and the remuneration system under the internal regulations of the governance structure on the websites of Woori Financial Group and the Association of Companies and Banks 20 days before the Annual General Shareholders' Meeting.

Second, all regulations related to governance, such as the Articles of Association, the Internal Regulations on Governance, the Regulations of the Board of Directors, and the Regulations of the Committees within the Board, are publicized on Woori Financial Group's website to help stakeholders understand the Group's governance structure and its operations.

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

Woori Financial Group Governance

A Board of Directors Serving as the Top Decision-making Body

As the top decision-making body, Woori Financial Group's BOD sets the goals and management strategies for sustainable growth and value creation in the long run. In addition to formulating the company's mid- and long-term management strategies, the BOD establishes and operates a management succession plan that trains and appoints competent top management personnel to promote the Group's continuous development. It also strives to establish a desirable corporate culture and governance structure, including the establishment of formal and transparent procedures for nominating and appointing directors.

Independent Director-led BOD Composition

Woori Financial Group's BOD consists of nine members, with seven (78%) of them serving as independent directors.

The subcommittees of the BOD are also comprised of independent directors. Four out of the seven subcommittees—the Executive Candidate Nomination Committee, the Audit Committee, the Risk Management Committee, and the Compensation Committee—are composed solely of independent directors.

The Subsidiary CEO Nomination Committee consists only of independent directors and the Group CEO. The Internal Control Management Committee consists of four members: three independent directors who are not members of the Audit Committee and one standing director. This prevents any overlapping roles and conflicts of interest with the Audit Committee. The ESG Management Committee is made up of all the director members.

The Chairman of each Committee is an independent director, except for the Subsidiary CEO Nomination Committee.

Committee-driven BOD Operations

Candidate Nomination Committee, the Audit Committee, the Risk Management Committee, the Compensation Committee, the Subsidiary CEO Nomination Committee, the Internal Control Management Committee, and the ESG Management Committee.

Among these seven committees, the Executive Candidate Nomination Committee, the Audit Committee, the Risk Management Committee, and the Compensation Committee are mandated to be established under governance-relevant laws and regulations, including the Governance Act, while the other three committees have been set up voluntarily to safeguard the stable operation of the governance structure and to strengthen effective internal control management and supervision functions.

The ESG Management Committee, newly established in March 2021, is responsible for setting the strategic direction and policies for ESG management to develop the Group's ESG governance and sustainability activities.

Social Responsibilities Putting Customers and Communities First

Woori Financial Group is continuously striving to raise the level of its ESG (Environmental, Social and Governance) practices by ensuring transparency in corporate governance through the formation and operation of an independent board of directors. At the same time, the Group actively considers socially responsible investments when making investment decisions.

In line with its core values of putting customers and communities first, the Group works tirelessly to protect financial consumers and enhance shareholder interests based on stable and transparent governance in the future.

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Composition of BoD and Subcommittees

● Chairman ● Member

Status	Name Date of Birth	Education / Experience	Primary Qualifications	Board of Directors	Subcommittee Membership						
					Committee for Recommending Executive Officer Candidates	Audit Committee	Risk Management Committee	Compensation Committee	Committee for Recommending Subsidiary Representative Director Candidates	Committee for Internal Control Management	ESG Management Committee
Chairman of the Board of Directors	<b>Sung-Tae Ro</b> Sep. 3, 1946	<ul style="list-style-type: none"><li>• B.A. in Economics, Seoul National University</li><li>• M.A. and Ph.D. in Economics, Harvard Graduate School</li><li>• President, Korea Economic Research Institute</li><li>• President, Hanwha Economic Research Institute</li><li>• Current) Chairman, Samsung Dream Scholarship Foundation</li></ul>	Economics	●	●	●		●	●		●
Board of Directors	<b>Sang-Yong Park</b> Feb. 21, 1951	<ul style="list-style-type: none"><li>• B.A. in Business Administration, Yonsei University</li><li>• MBA and Ph.D. in Business Administration, New York University</li><li>• Dean, School of Business, Yonsei University</li><li>• Civilian Chair, Public Fund Oversight Committee</li><li>• Current) Professor Emeritus, Yonsei University</li><li>• Current) Auditor, Yonsei Foundation</li></ul>	Business Management	●	●		●	●	●	●	●
	<b>In-Sub Yoon</b> Jan. 20, 1956	<ul style="list-style-type: none"><li>• Department of Applied Statistics, Yonsei University</li><li>• M.A. in Accounting, Yonsei University Business School</li><li>• CEO and President, ING Life Insurance</li><li>• CEO and President, KB Life Insurance</li><li>• CEO and President, Hana Life Insurance</li><li>• CEO, Korea Ratings</li><li>• Chairman of the Board of Directors of Fubon Hyundai Life Insurance</li></ul>	Finance	●	●		●	●	●		●
	<b>Chan-Hyoung Chung</b> Feb. 15, 1956	<ul style="list-style-type: none"><li>• B.A. in Business Administration, Korea University</li><li>• MBA in Finance, Korea University School of Business</li><li>• CEO and President, Korea Investment Management</li><li>• Vice Chairman, Korea Investment Management</li><li>• CEO, POSCO Venture Capital</li></ul>	Finance	●	●	●		●	●		●
	<b>Yo-Hwan Shin</b> Dec. 13, 1962	<ul style="list-style-type: none"><li>• B.A. in Business, Korea University</li><li>• M.A. in Financial Engineering, Illinois State University, USA</li><li>• Officer/General Manager, Derivatives Division, Shinyoung Securities</li><li>• Director, Retail Sales Division, Shinyoung Securities</li><li>• Managing Director, Shinyoung Securities</li><li>• CEO, Shinyoung Securities</li><li>• Current) Advisor, Shinyoung Securities</li></ul>	Finance	●	●		●	●	●	●	●
	<b>Dong-Woo Chang</b> Jan. 21, 1967	<ul style="list-style-type: none"><li>• LLB, Hanyang University</li><li>• Audit Division, Younghwa Accounting Corp.</li><li>• ABAS Leader-AKT, Samil Accounting Corp.</li><li>• Representative Partner, IMM Investment Corp.</li><li>• Current) CEO, IMM Investment Corp.</li></ul>	Accounting	●	●	●			●		●
	<b>Soo-Young Song</b> Oct. 2, 1980	<ul style="list-style-type: none"><li>• B.A. in French Language &amp; Literature, Business and Law, Seoul National University</li><li>• M.A. degree in business at the Graduate School of Business, Seoul National University</li><li>• Samsung Securities Research Center</li><li>• Passed the 49th Judicial Examination</li><li>• Completion of the 39th Judicial Training Institute</li><li>• Current) Partner Lawyer of Law Firm Shin &amp; Kim LLC.</li><li>• Current) Counselor of the Center for Creative Economy Innovation under the Ministry of Justice</li><li>• Current) Member of Steering Committee for ESG Support Project of Korea Commission for Corporate's partner</li></ul>	Law/ESG	●	●		●		●	●	●
Standing Director	<b>Tae-Seung Son</b> May 16, 1959	<ul style="list-style-type: none"><li>• LLB, Sungkyunkwan University</li><li>• LL.M, Seoul National University</li><li>• Head, Global Business Unit, Woori Bank</li><li>• President &amp; CEO, Woori Bank</li><li>• Current) CEO (Chairman), Woori Financial Group</li></ul>		●					●	●	●
Non-Standing Director	<b>Won-Duk Lee</b> Jan. 15, 1962	<ul style="list-style-type: none"><li>• B.A. in Agricultural Economics, Seoul National University</li><li>• M.A. in Economics, Seoul National University</li><li>• Executive Vice President, Management and Finance Strategy Division, Woori Bank</li><li>• Managing Director, Future Strategy Division, Woori Bank</li><li>• Deputy President, Strategy Planning Unit, Woori Financial Group</li><li>• Current) President &amp; CEO, Woori Bank</li></ul>		●							●

(As of the 2022 March GSM)

Diversity and Expertise in Governance

Woori Financial Group's Board of Directors is the top decision-making body at the Group. Composed of professionals who are experienced and knowledgeable in various fields, without discrimination against their background or profession, the Group's BOD can efficiently respond to the market and economic environment through rational and balanced decision-making.

Diversity in the Composition of Independent Directors

- One person in economics
- Three people in finance
- One person in accounting
- One person in business management
- One person in law/ESG

Independent Director Candidate Pool

Expertise	Percentage of Candidates (%)		YoY
	2020	2021	
Finance/Economics/ Business Management	51 (31.9%)	51 (31.9%)	-
Law/Accounting	36 (22.5%)	36 (22.5%)	-
Consumer Protection	10 (6.3%)	10 (6.3%)	-
Digital	25 (15.6%)	34 (21.3%)	9Δ
ESG	10 (6.3%)	15 (9.4%)	5Δ
Others	28 (17.5%)	14 (8.6%)	14▽
Total	160	160	-

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2021 BoD Activities

Committee Meetings in 2021

14 meetings

(4 regular and 10 ad hoc, Average attendance rate 95%)

Committee Roles and Responsibilities

Roles & Responsibilities	Description
Establish and evaluate management goals and strategies	<div><ul style="list-style-type: none"><li>2022 Group Management Plan Resolution</li></ul></div> <div>: 6 Management Strategies: ① Broadening the foundation for growth ② Emerging as the No. 1 leader in digital innovation ③ Fostering key growth drivers ④ Strengthening proactive risk management ⑤ Upgrading the corporate culture, brand, and ESG (6) Enhancing group synergies and management efficiency</div>
Changes to Articles of Association	<div><ul style="list-style-type: none"><li>Legislation of the legal basis for establishing the ESG Management Committee and its operating standards</li><li>Legislation of the legal basis for capital recognition according to the BIS for issuing convertible preferred stock</li></ul></div>
Approval of the budget and settlement	<div><ul style="list-style-type: none"><li>Approval of the 2022 budget</li></ul></div> <div>: The 2022 Selling, General &amp; Administrative expenses were planned at KRW 4,448.2 billion, including labor expenses, net goods &amp; services expenses, and severance benefits</div>
Significant changes to the organization, such as dissolution, business transfer, and M&As	<div><ul style="list-style-type: none"><li>Resolution on the establishment and incorporation of a subsidiary for NPL investments</li><li>Resolution on the all-inclusive (small) exchange of shares between Woori Financial Holding and Woori Financial Capital</li></ul></div>
Establish and evaluate internal control standards and risk management standards	<div><ul style="list-style-type: none"><li>Regular deliberation and voting on major risk management issues such as liquidity risk and capital adequacy</li></ul></div>
Establish and evaluate governance principles and policies	<div><ul style="list-style-type: none"><li>Appointment of the Chairman of the Board of Directors, the formation of BoD subcommittees, the convening of the regular general shareholders' meeting, and the resolution of agenda items</li></ul></div>
Management and supervision of conflicts of interest	<div><ul style="list-style-type: none"><li>Biannual report on the results of the inspection of conflicts of interest between controlling shareholders, executive officers, and the company</li></ul></div>

(As of the end of 2021)

2021 Subcommittees Activities

Committee for Recommending Executive Officer Candidates

Committee Meetings in 2021

4 meetings (5 agenda items)

Committee Roles and Responsibilities

- Nominating candidates for the positions of CEO, independent directors, and Audit Committee members

Detailed Activities

The Committee for Recommending Executive Officer Candidates oversees matters concerning the recommendation of candidates for independent directors and auditors. The Committee reviewed and supplemented the management succession plan of training and appointing the CEO. It also verified the qualifications of candidates.

Audit Committee

Committee Meetings in 2021

12 meetings (39 agenda items)

Committee Roles and Responsibilities

- Supervising the work of directors and senior management
- Selecting and requesting the dismissal of independent auditors

Detailed Activities

The Audit Committee has established the performance evaluation criteria and objectives of the Audit Department for 2021. The Committee has also approved key terms and conditions of contracting, such as remuneration, working hours, and manpower for the audit contracting for the fiscal year 2022 settlements, and has carried out the performance review of independent auditors, including audit remuneration and audit duration. In December 2021, the Committee developed the 2022 annual plan for auditing the Group.



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Risk Management Committee

Committee Meetings in 2021

11 meetings (42 agenda items)

Committee Roles and Responsibilities

- Establishing basic policies and strategies of risk management
- Determining the risk tolerance level
- Approving the risk capital limit and loss limits
- Establishing and amending risk management standards

Detailed Activities

The Risk Management Committee has established a new accounting standard for credit loss allowances within the Group Accounting Standards to enable the Group-level accounting standards for bad loans. In addition, the Committee has reached a resolution on important management matters at the Group level, such as the deliberation of the share purchase agreement (SPA) for the merger of Woori Financial Savings Bank as a subsidiary and the all-inclusive exchange of shares for a full subsidiary of Woori Financial Capital. On top of that, it has planned all 2022 Group Risk Management Strategies in consideration of the economic outlook and the internal and external environment, while also capping the risk limits and the exposure limit by country and region to prevent the concentration of credit lines to specific countries.

Compensation Committee

Committee Meetings in 2021

4 meetings (7 agenda items)

Committee Roles and Responsibilities

- Evaluating the design and operation of the performance compensation system
- Independently establishing performance compensation policies and implementation
- Determining the recipients of performance compensation and providing compensation
- Evaluating the performance of executives and providing compensation
- Filing and disclosing annual reports and reporting on the operation of the performance-based compensation system

Detailed Activities

The Compensation Committee determined the basic salary and performance compensation for management, including executives, discussed the payment of compensation method, and deliberated and voted on matters concerning the preparation and disclosure of the Annual Report on the Compensation System concerning the payment of compensation. In order to ensure that the compensation system is appropriately linked to financial positions and all associated risks, the Committee has resolved to incorporate the CET1 ratio, RAROC, and SBL ratio into the Executive Performance Indicators. Furthermore, it has confirmed that the Group compensation system, including the principle of performance remuneration and deferred payment, complies with the provisions of the Governance Act.

Committee for Recommending Subsidiary Representative Director Candidates

Committee Meetings in 2021

9 meetings (11 agenda items)

Committee Roles and Responsibilities

- Nominating candidates for the positions of CEO for the subsidiaries

Detailed Activities

In accordance with the nomination schedule, the Committee for Recommending Subsidiary Representative Director Candidates has shortlisted the CEO candidates for five subsidiaries—Woori Bank, Woori PE, Woori Asset Management, Woori Global Asset Management, and Woori Finance F&I.

Committee for Internal Control Management

Committee Meetings in 2021

5 meetings (16 agenda items)

Committee Roles and Responsibilities

- Establishing an internal control system and operating standards
- Matters concerning important decisions related to ESG management

Detailed Activities

The Committee for Internal Control Management examined all 2021 internal control and anti-money laundering activities and the results of internal control and anti-money laundering at subsidiaries that included Woori Bank and Woori Card. It then determined the standardization targets for the business units applicable at the Group level and realigned the subsidiaries' bylaws accordingly.

ESG Management Committee

Committee Meetings in 2021

4 meetings (8 agenda items)

Committee Roles and Responsibilities

- Matters concerning the establishment of ESG management strategy direction and policies
- Matters concerning important ESG management decisions

Detailed Activities

In order to promote ESG management at the Group level, the ESG Management Committee has devised key ESG management principles, including human rights, ESG finance, tax policies, and guidelines for the independence and diversity of independent directors. It also established the ESG vision as well as medium- and long-term goals of Woori Financial Group, and developed key strategies and a strategic system for achieving the goals. Along with this, the Committee has established the ESG Management Plan for 2022 that reflects key areas of ESG management practices to be implemented.

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Compensation System

Performance Evaluation and Compensation

The performance evaluation and compensation standards of Woori Financial Group are designed and operated in line with the Group's management performance and risk structure for sustainable growth of the Group in pursuit of long-term performance. The Compensation Committee, which falls under the Board of Directors, leads the performance evaluation and compensation policy in the direction in which the above evaluation and standards can be implemented.

Compensation System

Compensations to the CEO and senior management board use non-financial indicators as evaluation indicators, such as the management initiatives that reflect the individual functions of each job duty, as well as the Group's overall financial performance indicators.

Performance Evaluation

Financial Performance Indicators

- Short-term performance evaluation indicators: ROE, ROA, RAROC, CET1 ratio, C/I ratio, and NPL ratio
- Long-term performance evaluation indicators: Relative shareholder return, ROE, net income, C/I ratio, and NPL ratio

Non-Financial Performance Indicators

- Expanding the Group's growth base
- Becoming No. 1 in digital finance
- Improving management efficiency
- Strengthening brand/ESG management
- Strengthening risk/internal controls
- Becoming a leader in the global market

Compensation

Compensation, including basic salaries and performance incentives for executives and management, is determined by the Compensation Committee, which also discusses and passes resolutions on the means of compensation.

The 2021 compensation plan was to pay the basic salary and benefits divided on a monthly basis within the amounts set for individual executives. According to the plan, performance incentives are paid differentially based on the performance evaluation results from the funds financed as a certain percentage of the annual basic salary. Performance incentives are paid on a short-term and long-term basis, with short-term performance incentives paid in 2022 according to the results of the 2021 evaluation, and long-term performance incentives paid in 2025, which is three years after the results of the long-term evaluation.

Compliance

The Compensation Committee constantly checks the Group's compliance to the laws and regulations concerning the financial company's compensation system, its financial situation, and its connection to risks. As of the end of 2021, the Committee has confirmed that the Group's compensation system is adequate in light of its financial situation, including its profit, loss size, and equity capital, and it has determined that it does not have any significant risk exposure. What is more, the Committee has confirmed that the Group is complying with all bylaws and regulations related to the compensation system in general, such as the principle of performance remuneration and deferred payment.

The Group conducts an annual compensation assessment independent of management in order to check whether the compensation system complies with the relevant laws and regulations. The assessment found that the composition of the Compensation Committee, the design and operation of the compensation system, the composition of the performance evaluation criteria, and the compensation criteria were appropriate.

Employment Status

(Unit: persons, KRW billion)

Gender	Number of Employees			Annual Pay	Per-employee Average Pay
	Workers on Non-fixed Term Contract	Fixed-Term Workers	Total		
Male	101	31	132	23.6	175
Female	12	5	17	2.2	119
Total	113	36	149	25.8	168

Note 1) Excluding 26 employees belonging to subsidiaries (23 workers on non-fixed term contract and three fixed-term workers)

Note 2) Unregistered officers are included in the fixed-term workers.

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# Woori Bank



www.wooribank.com

Established as the country's first national bank, Woori Bank has always been an unyielding pillar of Korea's financial industry. As digital innovation has become a key growth factor for banks, Woori Bank is revamping itself into a hyper-innovative financial platform that will lead the future of Korea's digital finance. While increasing our non-face-to-face services to step up the digital transformation drive, we are expanding our touchpoints with customers from all segments, especially with Gen MZers. Moving forward, Woori Bank will continue to grow alongside its customers as their first choice bank.

## Retail Banking

### 2021 Performance Results

#### Expanding the Retail Customer Base through Personalized Marketing

Woori Bank's retail customer base increased by 310,000 people from the previous year to reach 24.1 million in 2021.

The bank engaged in an all-out marketing campaign to enhance its customer touchpoints, introducing new products that serve the different needs of various customer groups. The Woori Workers Celeb service is an exclusive membership for full-time workers with good credit rating scores to serve loyal customers with financial and non-financial benefits. Targeting Generation MZ (Millennials and Gen Zers) customers, the WON Banking app unveiled an LCK (League of Legends Champions Korea) page that offers a variety of customer events, including an app push alert for match schedules. At the same time, it launched the LCK Deposit Plan. In a bid to brand itself to prospective "high teen" (teenagers 16 to 19) customers, the bank augmented its e-Sports marketing initiatives, such as hosting the Woori WON Banking High Teen LoL League Competition for high school students.

#### No. of Retail Banking Customers

(Unit: persons)



YoY **+310,000**

As part of its digital transformation, the product sign-up process has been digitalized as well, enabling contact-free services. For instance, employees of companies who use Woori Bank as their primary bank can apply for group loans via the WON Banking app platform. Also, students at universities that use the bank as their primary bank can even apply for their university ID cards on the app.

#### Top-notch Comprehensive Wealth Management (WM) Services

As of the end of 2021, Woori Bank was operating 652 WM branches. This includes channels dedicated to high-net-worth individual (HNWI) customers—2 Two Chairs Exclusive (TCE) Centers and 7 Two Chairs Premium (TCP) Centers. At the branches, 682 private bankers and financial advisors serve 241,952 PB clients with best-in-class WM services under the bank's unique PB brand name, Two Chairs. As of the end of 2021, its retirement pension fund grew by KRW 3.2 trillion from the previous year to reach KRW 25.5 trillion. Following the opening of the first TCE in October 2020, the second TCE Center was established in July 2021 to provide PCIB\* services to ultra-high-net-worth individuals (UHNWIs).

\*PCIB is a hybrid business model that combines private banking, corporate banking, and investment banking services, enabling comprehensive customer service in all three aspects.

#### Total Retail Banking Loans: Won-denominated + F/C

(Unit: KRW trillion)



#### Total Deposits of Retail Banking: Won-denominated + F/C

(Unit: KRW trillion)



\*Deposit/Loan Balance: Full compliance with management accounting standards



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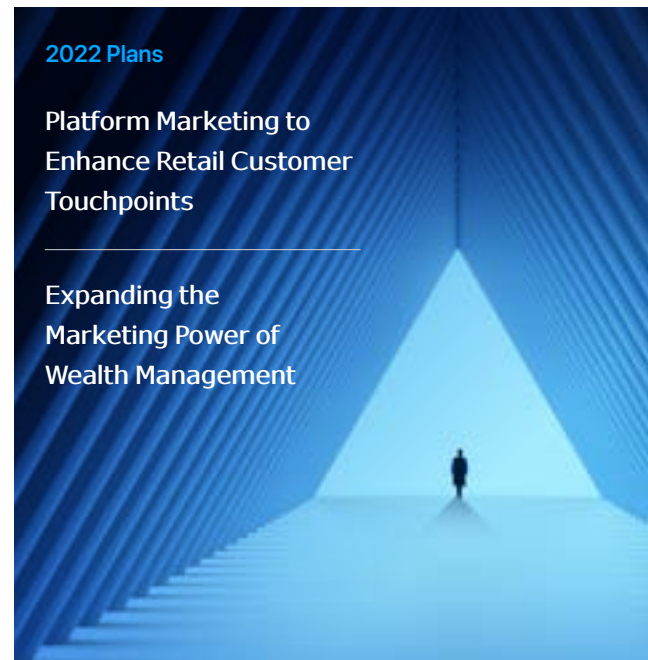
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## 2022 Plans

### Platform Marketing to Enhance Retail Customer Touchpoints

Woori Bank plans to leverage customer-centric platform innovation and omnichannel banking, encompassing face-to-face and non-face-to-face interactions to enhance its customer touchpoints and the coverage of customer relationship management. As part of its platform marketing efforts, the WON Banking app will empower content services such as WON LCK and Woori Workers Celeb to provide unique customer experiences. With e-Sports marketing, it will utilize the LCK Sponsorship, a marketing organization targeting Gen MZers, to increase its customer base among those in their 20s and 30s.

In addition, Woori Bank will continue to secure the market responsiveness of the rapidly changing retail banking business environment and introduce competitive products for hyper-personalized marketing. In preparation for an expected string of interest rate hikes, the bank will continue to increase low-cost core deposits and strive to maintain its asset growth, profitability, and asset quality at a healthy level.



### Expanding the Marketing Power of Wealth Management

In 2022, Woori Bank will strengthen the competitiveness of its platform business, continue with substantial growth in its sales network, and expand its market dominance through WM marketing innovation. By making the most of its sales innovation capabilities, such as strengthening the competitiveness of face-to-face and non-face-to-face channels, expanding the PB customer base, and training professional sales personnel, the bank will improve its sales competitiveness as a leading bank in the market.

Regarding face-to-face channels, Woori Bank will add more TCE and TCP centers to key strategic areas of WM marketing as it strengthens its WM competitiveness in various fields, including corporate and retail marketing. The non-face-to-face channels will reinforce competitiveness by incorporating future growth engines, such as the MyData Service and AI technology, into the newly launched WM platform which is based on customer experiences like UI/UX optimization and user-friendly functional revamp.

In addition, the PB customer marketing base will be reinforced by strategically allocating PBs and FAs as needed to increase transactions with existing customers and to attract new customers.

Furthermore, the Retirement Pension Division will continue to work hard under the vision of maximizing the operating profit through portfolio rebalancing and internal innovation. It will promote systematic, active management as well as profit-oriented internal growth based on a thorough analysis of market trends and gain/loss rates.



## Corporate Banking

### 2021 Performance Results

In 2021, Woori Bank actively attended to the need of funds supporting large and middle-market enterprises and achieved significant growth both quantitatively and qualitatively. As a result, the total asset size grew by KRW 11.9 trillion from KRW 130.5 trillion in the previous year, with a historic-high net operating revenue of KRW 641 billion, an increase of KRW 86.7 billion (+15.6%) year on year.

In particular, net interest income increased by 18.7% year on year to KRW 404.9 billion, and non-interest income increased by 10.8% to KRW 236.2 billion, thereby achieving balanced growth.

### Total Deposits/Loans

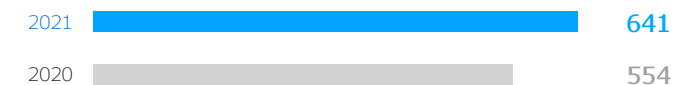
(Unit: KRW trillion)



YoY **+11.9**(10.0%)

### Net Operating Profit

(Unit: KRW billion)



YoY **+87**(15.6%)

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As part of its corporate social responsibility, Woori Bank operates a product package that funds SMEs with low-interest under MOUs with large enterprises. As of 2021, the Large Enterprise Partner Win-Win Loan financed KRW 715.8 billion to a total of 2,267 SMEs, while the Woori Win-Win Partner Loan, a settlement loan, provided KRW 632.1 billion to 7,863 SMEs as of the end of 2021.

2022 Plans

In 2022, Woori Bank's Corporate Banking Group will further increase the total loans and deposits balances by providing financial products that meet the needs of the market and customers under the goal of becoming the No.1 corporate finance company through sales paradigm innovation.

First, it will expand its financing to new growth industries in support of the development of companies and serve as a stepping stone to the further development of the Korean economy.

Second, it will strengthen the support of financial products that can facilitate the management of funds for clients, such as foreign exchange/derivatives and On-line banking services.

Third, it will tap into the vast networks of its large corp. clients for its Total Marketing initiative to extend financial benefits to employees of large corporations and their SME suppliers.

Finally, it will promote ESG Management among large corporations and SMEs. In coping with the rising demand for ESG management, Woori Bank will play a key role in financial market.

What is more is that Woori Bank will finance corporate clients' ESG investments, such as renewable energy projects, through ESG financing support agreements with large enterprise customers. Furthermore, It continues to pursue more agreements for win-win partnerships between large corporations and SMEs to support ESG management at the SME suppliers of large enterprises.

Through these efforts, Woori Bank will fulfill its social responsibility and continue to make a case for win-win initiatives for both customers and the bank itself.

Institutional Banking

2021 Performance Results

As the primary bank to the National Pension Service (NPS), one of the worlds' three largest funds, Woori Bank has been managing the KRW 948.7 trillion fund for the NPS since March 2018. As of 2021, it is the primary bank to 106 of the 350 public institutions designated to it by the Ministry of Economy and Finance. This noteworthy list includes the Ministry of Land, Infrastructure and Transport (MOLIT), Korea Post, Korea Land and Housing Corporation (LH), Korea Railroad Corporation (KO-RAIL), and Korea Exchange (KRX). It also serves as the vault bank for the Seoul Municipal government and its 20 district offices. In 2021, the total asset size under management for institutional customers amounted to KRW 32.8 trillion, with ties to approximately 5,000 institutions.

Woori Bank operates a professional team of system operations specialists under the Institutional Public Funds Customer Department, providing best-in-class financial solutions to carry out governmental and public institutions' policies and projects. In 2021, it was serving as the primary bank to the National IT Industry Promotion Agency (NIPA) and the Korea Autonomous Driving Development Innovation Foundation (KADIF) in support of the government's new growth policies. Additionally, the bank draws on its strengths in the differentiated fund management system to contribute to some of the government's major projects, such as COVID grants issued under agreement with the Ministry of Employment and firm-banking services for Labor and Jobseekers Allowances.

Woori Bank's Institutional Banking Group maximizes bank-wide synergies through institutional customer transactions. Its key accomplishments in 2021 included signing mobile branch service agreements with 18 public institutions, including the Korea Railroad Corporation and the Workers' Compensation and Welfare Service, to provide comprehensive mobile financial services to employees of these institutions. In addition, the Institutional Banking Group continues to support promising exporters and expand its transactions as the administrator of KOTRA's export voucher program management system.

2022 Plans

In 2022, Woori Bank will provide a higher level of service as a financial partner to institutional customers by providing a system for efficient money management of government and public institutions and also by identifying affiliate services related to various budget investment projects. In dealing with the recent market trend of digital innovation, and as the primary bank to the largest institutional customers in Korea, Woori Bank will strengthen its digital financial services and diversify its financial assistance so that more employees of public institutions can conveniently use Woori Bank's services.

Total Deposits

(Unit: KRW trillion)



YoY **+1.5**

Major Partners



• Major Local Government Partners

Seoul Metropolitan City, 20 District Offices in Seoul, and Gwangmyeong City

• Major Ministry/Public Institution Partners

Ministry of Land, Infrastructure and Transport, Korea Disease Control & Prevention Agency, Korea Post, National Pension Service, National Health Insurance Service, Korea Housing Finance Corporation, Korea Land & Housing Corporation, Seoul Housing and Communities Corporation, Korea Electric Power Corporation, KOTRA, Korea Railroad Corporation, Korea Exchange, Korea Securities Depository, Korea Public Finance Information Service, Korea Workers' Compensation & Welfare Service, Korea Transportation Safety Authority

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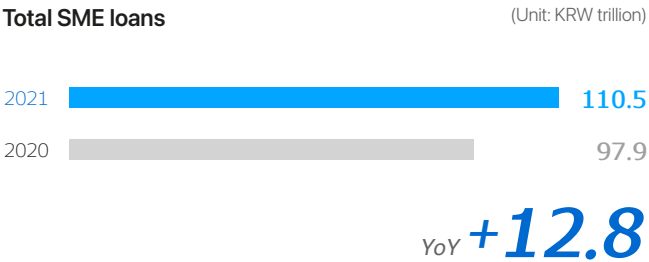
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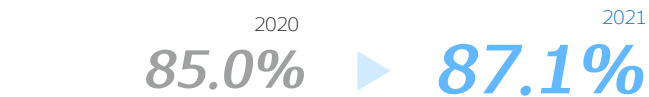
## SME Banking

### 2021 Performance Results

As of the end of 2021, Woori Bank was serving 1.85 million SME customers, handling a total of KRW 110.5 trillion in loans and KRW 73.7 trillion in deposits. Prime asset ratio to SME won-denominated loans by corporate size reached 87.1% at the end of December 2021. The nominal delinquency rate of SME customers also improved by 0.15%p year on year to 0.24%.

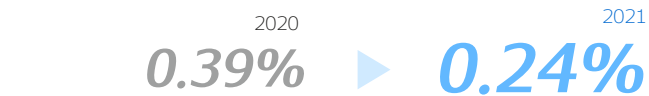


### Prime Asset Ratio (SMEs)



\*Prime asset ratio to SME Won-denominated loans by corporate size

### Delinquency Rate (SMEs)



### No. of SOHO & SME Customers (As of the end of 2021)

**1.85 million**

### Attracting New Good Credit Corporate Customers and Leading Innovation Financing

Woori Bank provided KRW 27.5 trillion in new loans throughout 2021, with 93% going to prime rate SME borrowers. As a result of extraordinary contributions totaling KRW 37.3 billion going to a number of guarantee agencies to fund guarantee loans, the asset size of guarantee loans grew by KRW 1.7 trillion.

Also, the bank provided KRW 3.3 trillion in new loans through the Korean New Deal Finance plan. As for MOUs with technology and IP-related institutions, Woori Bank offered KRW 8.6 trillion in loans related to innovation finance. In addition, the bank provided KRW 350 billion in loans to green businesses and social economy enterprises.

### Providing SOHOs with Digital-based Total Solutions

To empower its digital SME financing competencies, the bank introduced the Woori Oh! (5) Click Loan program, which since its launch has streamlined the loan application process to a simple five-step procedure. It also marketed the Woori Bank NAVER Smart Store Loan, a product dedicated to NAVER Smart Store sellers.

Furthermore, non-contact processes are now a part of SOHO secondary financial support loans, including the Seoul City Four-free Safe Financial Support Loan, while the new online-only Woori Ontact Guarantee Loan was launched for quick and easy financial services to SOHO owners.

### COVID-19 Financial Relief Programs

In 2021, Woori Bank provided 170,000 loans totaling KRW 27 trillion worth of funds to SMEs and SOHOs that are struggling due to COVID-19, including KRW 9.3 trillion in new loans, KRW 16.8 trillion in rollovers, and KRW 1.3 trillion worth of deferrals on principal and interest payments. In particular, the 1st and 2nd financial support loans for SOHOs jointly implemented by the banking sector provided a total of 79,000 loans worth KRW 1.5 trillion, with Woori Bank providing KRW 100 billion in loans from its own fund in 2021.



### 2022 Plans

#### Profit-based Asset Growth and Expanded Financial Aid

The SME Corporate Banking Business Group (SME Banking Group) has crafted a marketing strategy plan to pursue both asset growth and profitability. It will increase finance to manufacturers by actively discovering and financing prospective and prominent manufacturers in the seven national priority sectors, including the New Deal, BBIG, and promising material/component/equipment manufacturers as selected by the Ministry of Planning and Finance. It will also continuously reduce the percentage of lease financing, which is relatively higher than its competitors, to rebalance its asset portfolio.

On top of that, the SME Banking Group plans to sign more MOUs with the Korea Technology Finance Corporation and the Korea Environmental Industry & Technology Institute to promote the intensive discovery and support of leading companies in carbon neutrality practices. In addition, it will leverage the bank's large corp. customer network and the Ministry of SMEs and Startups to finance and offer ESG consulting services to compassionate companies under the Compassionate Company 2.0 agreement.

\* Compassionate Company 2.0: A voluntary win-win partnership program that extends beyond traditional win-win partnerships, and is centered on the supply chain so that large corporations impart their competencies and know-how to SMEs and SOHOs outside their business ecosystem.



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### Leading the Digital Corporate Finance Market

Woori Bank will usher in new contact-free mortgage products and a product exclusive to NAVER Smart Place sellers. It will also build a non-contact process for administering loans on the collateral of guarantees by all credit guarantee funds to upgrade the digital process for proprietary business owners.

At the same time, the bank plans to establish a non-face-to-face one-stop service platform for corporate clients to promote the development of non-contact verification and will introduce contact-free subscriptions to digital banking as well as new authentication media.

In the data-driven sales support segment, a mobile marketing app will be launched for relationship managers who are sales professionals in an effort to enhance their work process speed and convenience in customer relationship management, while also supporting their guidance endeavors for customer companies and their marketing competency-building efforts.

### Risk Management against Exposure to COVID-stricken Businesses

With the government's COVID-19 financial relief program expiring as of September 30, 2022, Woori Bank is preparing against the potential insolvency of some beneficiaries upon the expiry of the deferrals on principal and interest payments. It is therefore strengthening the monitoring of the above-mentioned borrowers to provide soft landing programs where necessary.

As for borrowers that fail to take advantage of the soft landing program up until the expiry date, the bank will keep monitoring and reinforcing its support mechanisms to struggling companies, including the Sole Proprietor 119 Program that lessens the qualifications required for debt-restructuring programs and exempts overdue interest on loans.

### Certifications and Awards



- Dec. 2021 Presidential Silver Tower Industry Medal at the Ministry of SMEs and Startups' 26th SME and Ventures Financial Support Awards

## Digital Banking

### 2021 Performance Results

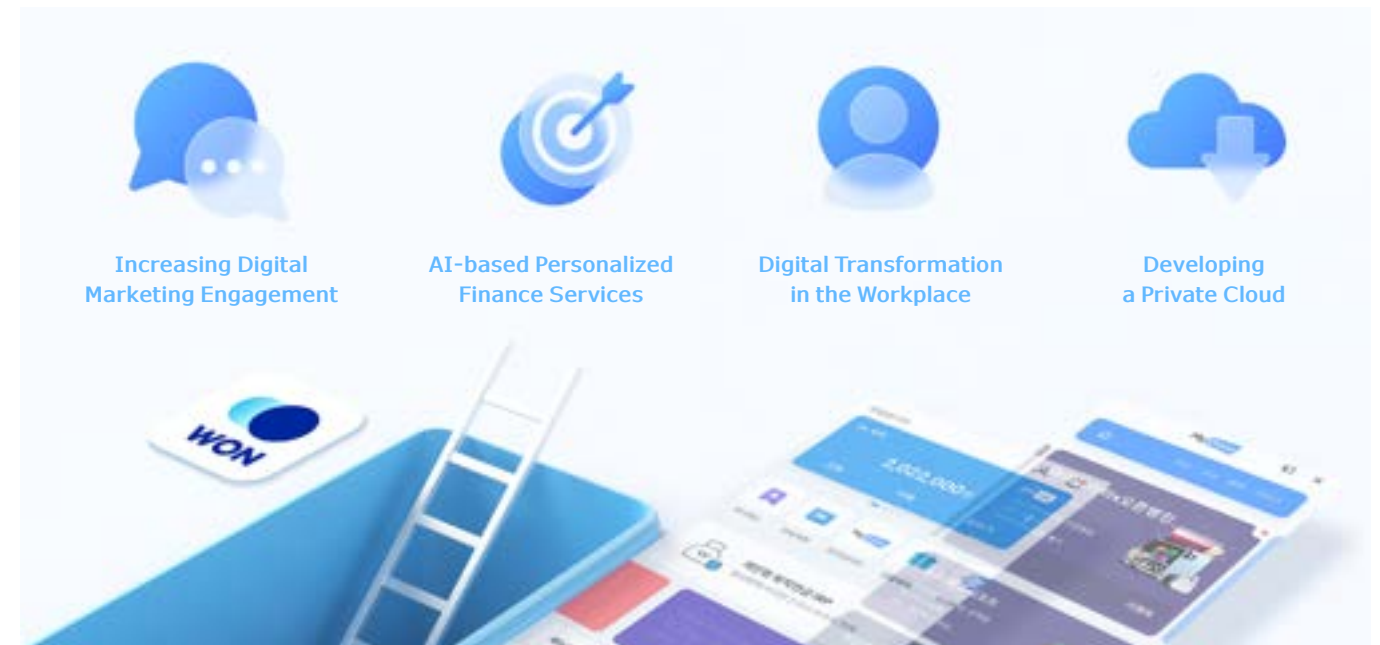
#### Increasing Digital Marketing Engagement

For dedicated customer relationship management (CRM) with those who prefer non-face-to-face channels, Woori Bank set up the WON Concierge Service Department in 2021. The Department then introduced its WON Concierge Service, a personalized CRM service for digitally inclined customers, which now serves 400,000 subscribers online. In addition, the bank launched more digital customer engagement processes and products, such as WON Home Loans and a Foreign Currency Pocket Service exclusive to the WON Banking app. The WON Banking app also opened various lifestyle services featuring medical (Quick Insurance Claims), retail (My Courier, CVS stores),

and public service (e-document wallet) options. At the same time, it completely upgraded the home screen and the menu to personalize the login, enhance the convenience of the authentication process, and employ data-based personalized product solicitation strategies.

#### AI-based Personalized Finance Services

Woori Bank has introduced an AI-based marketing and decision-making system as part of its digitalization initiative. Marketing activities have become personalized based on customer behavior patterns, offering financial information tailored to individual needs. The bank also opened a market forecast system, Deep Sensing, which employs AI technology to support personalized finance management and recommend fund products based on the data. Furthermore, Woori Bank developed pilot systems for the Bank of Korea CBDC, Woori Bank WBDC, and NFT issuance to internalize blockchain technologies. On top of that, a dedicated team was established to gain a market advantage upon MyData Service's launch.





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Certifications and Awards



- Minister of Science and ICT Prize at the *Maeil Economic Daily's* 8th Korea Big Data Awards
- KFB Chairman's Prize in the Smart Finance category at the Korea Economic Daily TV's 2021 Global Finance Awards

Private Cloud (Phase 1) Expected Benefits



Timely support of development projects

- Swift project processing by shortening project periods



System operations

- Real-time capacity increase in case of a shortage



Efficient management of system resources

- Eliminating losses in resources through a minimum unit system



Space efficiency of computer rooms

- 31% reduced space of computer rooms, resulting in power saving



Digital Transformation in the Workplace

To improve the planning-design-development process of non-face-to-face products, we have established UX/UI guidelines to accelerate mobile CX innovation and increase work efficiency, including the introduction of digital BPR and process mining as well as the establishment of electronic certificate receipt systems and the automation of tasks utilizing RPA. In addition, we have established UX/UI guidelines to improve the planning-design-development process of non-face-to-face products.

Developing a Private Cloud

In 2021, Woori Bank developed a private cloud (Phase 1 Cloud), a standard cloud system for use only by Group affiliates. The private cloud has ensured speed in development, allowing for efficient resource management with infrastructure and IT cost-reduction measures. Today, Woori Bank is simultaneously promoting Phase 2 and 3 cloud services. A Phase 2 Cloud environment can extend the scope of business to non-face-to-face services and set off a disaster recovery system in an emergency. The Phase 3 Cloud is a hybrid cloud that taps into public cloud services, such as Amazon, to cover any shortages in private clouds. When the Phase 3 Cloud is completed, the Group's IT development SI projects will gain momentum and spur digital innovation for future growth engines.

2022 Plans

Rising as a Digital Leader

Woori Bank has established its management goal for 2022 at becoming the undisputed customer-centric platform leader. To that end, the bank is reinforcing its financial platform to take the lead in digital finance under the following strategies.

First, Woori Bank will undertake its digitalization under a "Lead Digital" strategy across the board. An integrated payment platform will be introduced to harness Group-wide synergies by offering a one-stop financial package service, while a digital transformation initiative will be

accelerated by discovering additional digitalization tasks to transition itself into a financial platform operation.

Second, Woori Bank will complete the digital experience for customers under a "Maximize CX" strategy. While increasing the digital coverage of in-person services, hyper-personalization marketing support will reinforce the customer experience. Additionally, mega-sized AI-based specialized services and cross-industry affiliate services will further the customer experience.

Third, Woori Bank will actively respond to the future of the banking industry under a "Prepare Next" strategy. This will entail retaining prospective customers by discovering new business models that employ innovative technologies such as blockchain and the metaverse. Moreover, operational innovation led by process efficiency will support all sales activities.

Across-the-Board IT Innovation

Woori Bank will upgrade its IT development infrastructure environment and operating system. It will achieve this by establishing channel integration architecture, such as an IT development framework that integrates face-to-face and non-face-to-face channels. It also plans to build a system based on this very same architecture. In addition, we will apply agility methodology to maximize efficiency in IT development and actively introduce a DevOps system to promote the efficient innovation of IT operating systems. In order to proactively respond to IT risks, the bank will tighten up its quality control for the preemptive management of IT risks in support of stable IT services. It will also strengthen its IT internal control system to prevent accidents.

Finally, Woori Bank will drive IT transformation through digital empowerment, promoting a training course on data-driven businesses to train 100 top-class data experts, which in turn will constantly increase its IT expertise. At the same time, Woori Bank will reinforce the IT support system to reinforce the IT business collaboration system for speedy commercialization and revamp its global IT support system to strengthen overseas IT competencies.

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IB & Asset Management

2021 Performance Results

Stable Management of Liquidity

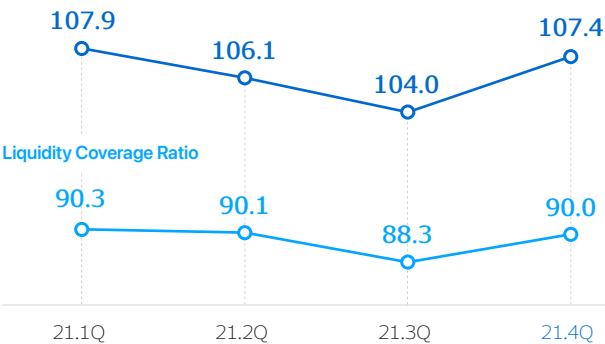
In 2021, Woori Bank maintained its liquidity ratios in compliance with Korean regulatory guidelines—loan-to-deposit ratio (LDR: below 100%), liquidity coverage ratio (LCR: minimum 85%), foreign currency LCR (minimum 70%), net stable funding ratio (NSFR: minimum 100%), and mid- and long-term foreign currency financing ratio (minimum 100%)—and kept them at healthy levels compared to regulatory standards.

In addition, Woori Bank is actively involved in IR activities under pre-emptive financing strategies to attract institutional investors through competition. In fact, the bank issued KRW 300 billion of contingent convertible bonds (Co-Cos) at the lowest spread (2.64% in May) of the issued bonds since the introduction of Basel III, thus ensuring a stable operating base for the bank.

LCR (Liquidity Coverage Ratio)

(Unit: %)

Foreign Currency



Meeting the growing demand for ESG investments in eco-friendly or social contribution purposes, the bank issued sustainable bonds both in Korea and global markets—KRW 300 billion and USD 550 million, respectively—which also contributed to reducing funding costs and raising the bank’s brand awareness through social value creation.

Strengthening Competitiveness in the F/X and Derivatives Businesses

In 2021, Woori Bank strived to enhance its operational competitiveness by generating new revenue sources while staying prepared against growing volatility in financial markets.

**F/X Dealings** • In the F/X Dealings sector, Woori Bank bolstered its currency forecast capabilities for domestic and international markets, and achieved outstanding trading profits by taking anticipatory and proactive actions to cope with fluctuations in global financial markets. In 2021, the bank claimed a high market share in the KRW to USD market at 7.0% and KRW to CNY market at 11.6% in Seoul’s F/X market, proving it had a leading role as a market maker.

**Derivatives** • In the derivatives market, Woori Bank takes anticipatory and proactive actions in response to fluctuations in international financial markets, variables such as Korean and international financial policies as well as supply and demand, which has allowed it to establish a secure foundation for derivatives trading. On top of that, it also offers FX/interest rate risk management consulting services and customized one-on-one solutions for SMEs that struggle with risk management due to insufficient experience or skills.

**Securities** • In the securities sector, Woori Bank not only analyzed domestic and international monetary policies and bond markets but also efficiently managed bonds, increasing both interest and non-interest income. Furthermore, it diversified its sources of non-interest income by increasing its investment holdings in the banking book.



Strengthening IB Market Power and Investing in Innovative Ventures

Woori Bank’s IB Group expanded its non-interest revenue by strengthening financial arrangements for M&A acquisition finance and power-plants/infrastructure/real estate project financing in 2021. At the same time, it improved its non-interest income through active investments in PI and broadened its overseas operations by reinforcing its global IB desks. Woori Bank IB Group excelled in its non-interest revenue and per-employee operating revenue based on its competitive advantage in the acquisition finance and equity investment markets. It also commands the largest number of global IB desks among Korean commercial banks with a total of seven, while continuing to see remarkable growth in the global IB asset size and profits. As of 2021, the IB Group operated Global IB Desks in New York, London, Germany, Singapore, Sydney, Vietnam, and Dubai as it constantly generated new IB opportunities overseas through its global network. As a result, the IB Group’s operational revenue in 2021 exceeded KRW 470 billion.

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Moreover, the Group continued efforts to enhance short-term profits and advance investments in future growth engines. It leveraged its alliances with global top-tier asset managers to increase profitable investments and participated in aircraft finance and overseas infrastructure/powerplant projects, augmented structured finance, set up a real estate PF loan fund, and issued FRNs linked to its IB subsidiary in Hong Kong.

In addition, through the Innovative Venture Finance Team established in 2018, the first of its kind among commercial banks in Korea, the Group is investing in the government-led innovative growth financial ecosystem and innovative growth firms. As of 2021, it had executed 75 direct investments in innovative growth firms through eight public offerings.

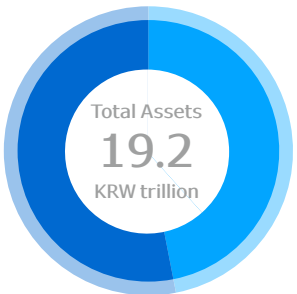
Total Assets of Investment Banking Operations

(Unit: KRW trillion, %)

	2021	Ratio (%)
Total Assets	19.2	100.0
Balance Sheet Assets	10.2	53.1
Loans	4.3	22.4
Securities	5.9	30.7
Others	0.0	0.0
Off-balance Sheet Assets	9.0	46.9
Commitments	8.6	44.8
Payment Guarantees	0.4	2.1

Balance  
Sheet  
Assets (%)

53.1



Off-balance  
Sheet  
Assets (%)

46.9

\* Excluding Woori Global Markets Asia Limited (Hong Kong)

Providing Competitive Investment Products

In 2021, Woori Bank launched 49 public equity funds, including competitive ESGs, and 37 ETFs, including next-generation mobility funds. As of October 2021, the bank had selected 195 essential funds from 548 public equity funds that reflected market trends and investment strategies, thereby achieving the efficient sale of funds. In the case of trust products, the bank strengthened its revenue base by adding an ELT revenue structure and diversifying the underlying assets, as well as improving the ETF lineup.

In the case of Bancassurance products, Woori Bank provided customers with competitive products by promoting special editions of fixed-rate products and expanding the lineup of publicly available disclosed interest rate products.

To activate non-face-to-face sales channels for mutual funds, the bank introduced a new foreign currency fund subscription to its Internet banking and mobile banking platforms, launched a simple contactless subscription system using the Bancassurance QR code, and offered a contactless reservation service for consulting on trust products.

The implementation of Non-Deposit Products Best Practices and the Financial Consumer Protection Act in 2021 added more restrictions on sales procedures. In response, Woori Bank significantly boosted its digital transformation efforts. By signing an MOU with KT for joint technology R&D, the bank provided AI-based voice recording systems to branches to lay the foundation for more active sales of investment products.

2022 Plans

Diversifying the Bank's Investment Portfolio for Higher Profitability

In the face of internal and external economic headwinds due to the protracted COVID-19 pandemic in 2022, Woori Bank will maintain its liquidity indicators, such as LDR, LCR, and NSFR, at stable levels. It will also prepare for the termination of all emergency financial relief measures by the end of the year through preemptive liquidity control to minimize the volatility of funds. Not just that, Woori Bank plans to carry out stable management of its bank-wide liquidity by increasing stable retail deposits, issuing marketable CDs, and securing committed lines, while at the same time enhancing profitability through solid management of procurement and investment portfolios.

In the trading sector, Woori Bank will boost profits in F/X and derivatives through strategic diversification in F/X & derivative arbitrage trading and currency & interest rate hedge trading. In anticipation of the rising demand for risk hedging due to growing fluctuations in global markets, the bank will continue to augment F/X and derivatives trading by providing customized products on time. Also, Woori Bank will attract new first-rate customers and increase non-interest revenue through a specialized sales team for investors in financial and public sectors such as securities firms, insurers, and government agencies.

In the securities sector, Woori Bank will promptly respond to internal and external market conditions based on in-depth market analysis to generate stable profits and establish a sustainable profit base through proactive risk management. Furthermore, it will continue to diversify its investment assets, such as mutual funds and exchange-traded and OTC derivatives, to expand its non-interest income.

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#### Reinforcing IB Operations to Maximize Group-wide Synergies

In 2022, the IB Group is taking a significant step forward to play a pivotal role in achieving synergies within the Group after the difficult times over the past three years, ever since the launch of Woori Financial Group in 2019.

With the business goal of achieving the unrivaled top position in the IB sector of domestic banks and strengthening its market dominance, the bank will pursue diversification of its revenue structure and portfolio optimization in 2022.

As capital market volatility is growing worldwide, the bank will remain attentive to enhancing systematic risk management and internal control systems to establish the foundation for sustainable growth.

Finally, Woori Bank will heighten CIB competencies through collaboration efforts between Group affiliates such as investment bank/capital/asset management and partnerships with the bank's corporate

finance division to create synergies. The bank is also exploring ways to maximize synergies when additional affiliates join the Group, such as securities, insurance, and venture capital.

#### Upgrading the Investment Product Sales Support System

Woori Bank's Investment Products Strategy Group was reorganized in the first quarter of 2022 to be separated/reorganized into the Investment Products Strategy Group. Its role and responsibilities were expanded in 2022 following its incorporation into the Asset Trust Management Department.

In 2022, the bank will promote product competitiveness, process innovation, and information provision activation to upgrade the investment product sales support system for the regrowth of asset management sales. In addition, the Asset Trust Management Department will take the lead in optimizing the trust portfolio to increase profits.

First, it will strengthen the lineup of customized investment products for each customer based on an analysis of market trends/customer tastes/trends. It also plans to build a product lineup focused on funds featuring various themes, including post-COVID, eco-friendly, and innovation funds. The bank will reflect feedback from customer touch-points when building its product lineups so that it can be in agreement with all branches.

Second, it aims to disperse the risk profile and enhance customer convenience by upgrading the portfolio management process. The Robo Advisor service will recommend customers with fund products to assist customer yield performance and offer personalized investment portfolios based on portfolios and MyData.

Third, the bank will provide high-quality house views and issue reports directly to customers through non-face-to-face channels such as the WON Banking app to make the brand image stronger.

Finally, Korea's aging society highlighted the importance of building asset management sales aligned with the life cycles of customers. To this end, the New Trust Team within the Trust Department was renamed the Family Trust Team to popularize total property trust products and continuously launch products that are easily accessible.

## Securities

#### 2021 Performance Results

#### SOAR: Security Orchestration, Automation, and Response

SOAR (security orchestration, automation, and response) technology analyzes mega-volume security logs and traffic data in real-time to sort out and automatically block data suspected as a cyber threat. The adoption of SOAR in 2021 facilitated the automatic blocking of discerned risks, enabling a systematic and immediate defense against cyberattacks.

#### Personalizing the Authentication System on Office Computers through FIDO (fast identity online)

The conventional authentication method of using an ID and password has traditionally been vulnerable to potential risks of human error or possible leakage to hackers. Adopting the smartphone app-based FIDO



#### Certifications and Awards



- Dec. 2021 Winner of the 20th Special Award for K-ICT Information Protection



\* The K-ICT Information Protection Awards is organized by the Ministry of Science and ICT as well as KISIA (Korea Information Security Industry Association) to select and award companies and individuals with best practices in information protection every year.



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biometric authentication system has significantly enhanced the security of logging in to office computers with biorecognition technologies based on a person's face or fingerprint recognition. In addition, the SSO (single sign-on) protocol has saved a significant amount of time and steps with the work process compared to the conventional login, allowing access to multiple business systems with a single sign-on.

2022 Plans

Enhanced Security for Access to Data on Platform Businesses

In the run-up to the opening of new platform services, such as the MyData Service and Blockchain platforms, Woori Bank is establishing an internal security system for data security. There are now plans in place to provide employees in charge of platform operations with education and monitoring on the compliance to laws and guidelines concerning the collection and processing of personal credit information on each platform service. Thus, Woori Bank can ensure the security of services by checking all security practices before and after the opening of every platform service.

Upgrading the Bank's Cyber Security System

Today's paradigm shift has gained momentum in the financial sector, where trends are geared towards digital transformation and non-contact financial services, leading to greater exposure to cybersecurity risks. The consequences of a security breach are potentially formidable enough to close any business. That is why information security is now a decisive factor for customers when choosing a company to work with.

Woori Bank is upgrading its existing advanced persistent threat (APT) response system to enhance malware detection through correlation analysis of each detection segment, such as network, email, and file transmission. In addition, the bank will introduce a facial recognition login method on its remote-work system, while computer monitors will shut down when photos are taken on it through a mobile phone in a bid to increase security practices in step with the new era of WFA (work from anywhere).

Real Estate Finance

2021 Performance Results

In 2021, Woori Bank's Real Estate Finance Business Group maintained the second largest share of the mortgage loan market. Even more impressive is that it claimed the overwhelming No. 1 position in the National Housing and Urban Fund (NHUF) market share. In addition, it claimed 39.0% of the loans to demand-side market share and 23.3% of the housing subscription savings plans market share. Woori Bank has offered various real estate financial products as the managing custodian bank of the NHUF for the past 14 years, and in 2021 the bank topped the NHUF treasury bank performance evaluation for the third year in a row. Thanks to such outstanding performances in these services, Woori Bank has secured 800,000 new subscribers to its housing subscription savings plans over the past year.

Furthermore, Woori Bank also launched the real estate platform WONTHELAND, which is leading the real estate financial market with easy and convenient access for customers, providing both real estate information and financial product information.

2022 Plans

In 2022, the WONTHELAND real estate platform will develop business partnerships with various non-financial platforms, functioning as a customer funnel that other banks do not have. The easy and convenient platform will bring together a variety of convenient financial services, including real estate financial products from the bank's individual accounts and specialized NHUF products.

In terms of NHUF operations, Woori Bank will step up efforts to hold on to its number one market share position. At the same time, the bank will make the required effort to be recommissioned as the managing custodian bank in 2023 by leveraging its accumulated experience and

know-how in NHUF financing and operations and its advanced IT system. Through these initiatives, Woori Bank will enhance its brand image as a policy partner to the government for real estate finance policies and a reliable financial partner to customers.

Total Assets of Investment Banking Operations in 2021

	Results	MS	Ranking
Mortgage Loans (billion)	100,462	26.4%	2
NHUF Demand-side Loans (Cases)	403,485	38.1%	1
Housing Subscription Savings Plans (Cases)	6,339,499	23.3%	1

No.1 Market Share Position

→ Demand-side  
Housing Subscription Loans

39.0%

→ Housing Subscription Savings Plans

23.3%



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# Woori Card



www.wooricard.com

Woori Card was established following its spin-off from Woori Bank in April 2013 to strengthen the credit card operations of the Group as well as the competitiveness of the non-banking sector. Through across-the-board innovation, the company taps into Woori Bank's extensive sales network and customer base to offer differentiated services, while also pursuing new business opportunities, developing customized products and services, and accelerating the company's digital transformation.

## 2021 Performance Results

Woori Card is seeing constant expansion in its credit card transaction volume thanks to the increased number of memberships, affiliate marketing with Woori Bank, and its active entry into the digital payment market. The company is continuously growing its financial assets (long-term card loans) with its prime customer base. In addition, it has been engaging in installment payment, lease, and credit loan businesses since 2016 as it continues to enlarge its long-term revenue base.

Despite the unfavorable business environment stemming from sagging consumption and falling merchant fee rates due to the pandemic, Woori Card worked hard to achieve stable growth in its financial assets. At the same time, it strived to improve the delinquency rate through active risk management. As a result, the company achieved a net profit of KRW 200.7 billion in 2021.

To respond positively and systematically to the changing business environment, the company streamlined all interdepartmental cooperation processes and even reshuffled the organization to promote the concentration of core functions and the speed of decision-making. In coping with the easy payment and digital finance ecosystem, the company established and expanded a digital marketing organization to reinforce its digital capabilities. In addition, Woori Card promoted hyper-personalized customer management through a big data team to enhance marketing and user loyalty by reinvigorating dormant members and those who rarely use their card.

## Certifications and Awards



- Nov. 23, 2021 Grand Prize Winner at the Korea Internet Communication Association's 2021 Korea Social Media Awards
- Nov. 15, 2021 Best Prize Award from The Credit Finance Association at Money Today's 2021 Korea Financial Innovation Awards
- July 21, 2021 Best Instagram Prize Winner in the credit card category at the Korea Internet Professional Association's 2021 Social i Awards
- Apr. 27, 2021 Best Prize Winner in the credit card category at Money S's ESG Awards 2021
- Jan. 28, 2021 Best Prize Award from the Financial Supervisory Director at the E-Daily's Korea Financial Consumer Awards



### Three-year Credit Card Transaction Volume (Unit: KRW billion)



YoY **+9.2%**

### Operating Revenue (Unit: KRW billion)



YoY **+10.2%**

### Net Profit (Unit: KRW billion)



YoY **+67.0%**

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2022 Plans

In 2022, market demand is ripe for data-based businesses to get their operations into full swing, particularly the MyData Service, as platform payment service providers are entering the payment market and big tech firms continue increasing their presence in the market. Furthermore, debt-service ratio (DSR) regulations and redefined merchant fee rates are expected to deteriorate profitability, requiring proactive risk management and asset expansion, as well as a diversification of revenue structures. In response, Woori Card has set its management goal at Digital-based NEW Woori Card for 2022. In line with this goal, it is pursuing five strategies: expand the future revenue business, establish a hyper-personalized marketing system, innovate platform-based services, enhance risk management and internal controls, and establish an advanced ESG management culture.

First, it will reinforce its data analysis capacity and marketing to increase profit-generating assets with prime members. Second, it will actively promote cost reduction through enterprise-wide business efficiency, such as restructuring the new membership solicitation portfolio and improving the company's cost structure. Third, it will vigorously encourage management efficiency, including hyper-personalized marketing initiatives, through a dedicated big data organization and strengthened asset soundness which will be achieved as a result of prudent risk management to secure a foundation for a continuous revenue stream. Lastly, to ensure new growth drivers, it will tap into Woori Bank's global network and increase synergy effects with peer affiliates of Woori Financial Group.

COVID-19 Emergency Relief Programs



• Credit card payments and loan billing deferred

- Credit sales, credit loans
- Six-month grace period on principal repayments

**1,433 Cases | KRW 8,632 million**

• Card loan rate cuts and reimbursement deferred

- Interest rate cuts by up to 50%
- Amortization → grace period

**302 Cases | KRW 3,309 million**

• Pre-workout programs on personal debts

- Potential delinquent borrowers
- : Deferred payment of loan principal for more than six months

**32 Cases | KRW 396 million**

• Emergency loans for living expenses

- Up to KRW 3 million
- Interest rate discount up to 50%

**80 Cases | KRW 195 million**

• Postponement of the maturity date (repayment of the principal and interest)

- For SME businesses/self-employed people
- : Extending the maturity of loans related to financial relief by six months

**295 Cases | KRW 3,233 million**

• Exemption of overdue interest and deletion of related records

- Exemption of overdue interest and deletion of related records for up to three months from the due date of payment

**44 Cases | KRW 127 million**

**2,186 Cases | KRW 15,892 million**

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# Woori Financial Capital



www.woorifcapital.com

Competition is intensifying in Korea's credit line business, specifically in the auto financing market, where banks and credit card companies have begun to enter the market. In response, Woori Financial Capital is diversifying its auto financing-oriented business portfolio into retail and corporate financial services. At the same time, the company is moving forward with its company-wide digital transformation initiative to become the No. 1 digital capital player as a first mover in the market.

## 2021 Performance Results

Since joining the Woori Financial Group in 2021, Woori Financial Capital has expanded the Group's synergies in the corporate banking sector while retaining its main business of auto financing. Through a reorganization, a Synergy Finance Division was established for cross-selling loan products with Woori Bank and Woori Card and promote collaboration efforts in corporate and investment banking with Woori Investment Bank and Woori Asset Trust. In the meantime, the company launched its business platform for automobile services, the Woori WON Car app, as a new growth foundation for digital finance.

## 2022 Plans

Woori Financial Capital will accelerate the creation of a company-wide digital transformation drive and strengthen its digital competitiveness in the near future. While developing fun & life content to solicit new customers, it plans to digitalize the consultation window to streamline consultation hours, improve productivity, and establish a stand-by consultation system, enabling data-driven personalized finance management services as part of an integrated digital governance system.

In addition, Woori Financial Capital plans to increase the marketing of affiliate products with platform partners, refine its contactless services based on the data accumulated from the platform customer experience, and promote the stabilization of the WON Car app service while concurrently upgrading its content capabilities to build a platform for auto financing.

Risk management capabilities will also be reinforced to hedge against potential insolvencies such as credit, interest rate, and liquidity risks during periods of scheduled interest rate hikes. Moreover, Woori Financial Capital will enhance its risk management of cyclical assets by resiliently sifting out high-risk industries and upgrading performance indicators and systems for the corporate banking sector.

## Woori Financial Capital Financial Performance

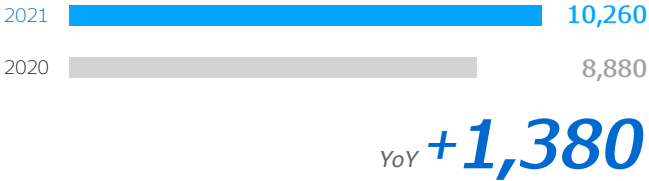
(Unit: KRW billion, %)

	2019	2020	2021	YoY Change
Total Assets	7,473	8,880	10,260	+1,380
Net Income	102	59	141	+82
NPL Ratio (%)	2.28	1.77	1.20	-0.57
ROA (%)	1.64	1.53	1.69	+0.16
ROE (%)	12.64	13.83	15.74	+1.91

\* On a consolidated basis

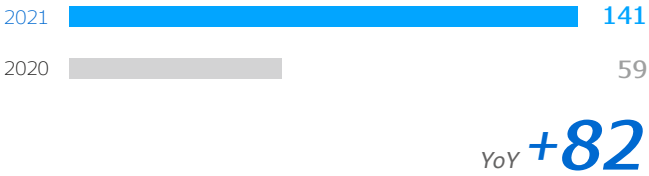
## Total Assets

(Unit: KRW billion)



## Net Income

(Unit: KRW billion)



## Certifications and Awards



• Consumer-Centric Management (CCM)  
certification from the Korea Fair Trade  
Commission (six consecutive years)

## COVID-19 Emergency Relief Programs



• Deferrals on the Principal and Interest for SOHOs  
Adversely Affected by COVID-19

KRW 153,282 million

\* Based on the principal amounts (not including the re-deferrals, as of Feb. 2022)



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# Woori Investment Bank



www.wooriib.com

Woori Investment Bank is Korea's only stand-alone business dedicated to total financial services, with the main business lines being deposit-taking, including bills issued and CMAs as well as corporate loans, structured financing, and securities investments. In particular, the company has been bolstering its investment banking operations, such as corporate finance and real estate finance, to expand the proportion of non-interest incomes. Furthermore, Woori Investment Bank is diversifying its revenue sources through synergies with the Group in such operations as CIB joint investments and cross-selling of loan products.

## 2021 Performance Results

Woori Investment Bank has been reinforcing its IB operations for years in order to boost the proportion of fee income. The efforts paid off in 2021 when its IB fee income grew to KRW 48.2 billion, and as a result of asset quality management the prime loan asset ratio remained at 87%, with capital adequacy and profitability constantly improving as well. IB fee income grew from KRW 29.4 billion in 2019 to KRW 33.1 billion in 2020, reaching KRW 48.2 billion in 2021.

At the same time, digital services were upgraded with the renewal of smart banking and smart web services, enhancing customer convenience. Sales and marketing campaigns also shifted to non-face-to-face channels, launching special edition products, and various other customer events.

## 2022 Plans

Woori Investment Bank has set its key management policy goal at growing into a top-tier IB leader, and its four business strategies—expanding the core business, diversifying the profit base, fortifying the internal control system, and promoting sustainable management.

First, Woori Investment Bank aims to increase net operating revenue, operating profit, and net income through stable asset growth, while also focusing on strengthening its main business of IB operations, such as corporate finance and real estate finance. In addition, the company will concentrate on increasing fee income and pool its IB experts to achieve qualitative growth from PF advisory and arrangement services.

Second, it will actively engage in IR activities with securities firms and institutional investors as it works to raise its market recognition and corporate value with the clear objective of upgrading its credit ratings.

Finally, Woori Investment Bank will integrate its ESG management system into its corporate culture through ESG investments and ESG management initiatives.

## Prime Loan Asset Ratio

(Unit: KRW billion, %)

	2019	2020	2021	YoY Change
Total Assets	1,395.3	2,390.7	3,054.0	+663.3
Ratio (%)	74.3%	87.0%	87.6%	+0.6%

## Prime Loan Asset

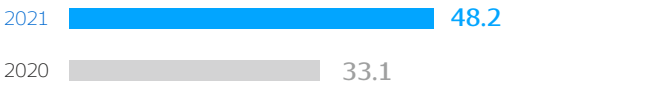
(Unit: KRW billion)



YoY +663.3

## IB Fee Income

(Unit: KRW billion)



YoY +15.1



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# Woori Asset Trust



www.wooriat.com +

In 2021, Woori Asset Trust continued its sound growth in new contracts, operating profit, and net income in its second year as a member of Woori Financial Group. The company is paving the way for further growth by shifting its business portfolio to the development trust business, strengthening synergies within the Group, and generating positive results in new businesses.

## 2021 Performance Results

In 2021, Woori Asset Trust pivoted its business portfolio to development trust operations, departing from its traditional dependence on non-development trusts before joining the Group. As a result, its development trusts have improved their share from 42% in 2019 to 66% in 2020 and all the way up to 70% in 2021, putting it on a par with some of the leading trust companies in the market. New orders for development trusts with commitments to liability, the main product of the company, amounted to KRW 71.8 billion in 2021, up 12% from the previous year. Synergies with Group affiliates contributed to the company's sales performance as well. Woori Asset Trust generated KRW 12 billion from affiliated sales with Woori Bank, Woori Investment Bank, Woori Capital, and Woori Savings Bank, which provided a solid marketing base. The company also received four new urban redevelopment projects totaling KRW 9.9 billion in 2021, up from two projects worth KRW 2.9 billion in 2020. New contracts also grew by 20% from KRW 128.8 billion in 2020 to KRW 154.3 billion in 2021. Consequently, operating profit improved 18% from the previous year, with a 14% year-on-year net income growth.

## 2022 Plans

Woori Asset Trust has set its goal for 2022 at completing a total real estate service platform for new growth. To this end, it will pursue the following four strategies.

First, it will expand the share of development trusts while improving the quality of non-development trust operations. As Woori Asset Trust maintains its market dominance in the company's main product line—development trusts with commitments to liability—it will also selectively attract loan-type development trusts in advantageous locations. In addition, it plans to reorganize and expand the team unit to grow its urban redevelopment operations. As for collateral trusts, it will pursue low-risk, high-return project orders through cross-selling with Group affiliates.

Second, Woori Asset Trust will enter the REITs market and create new businesses. The company will preempt the niche market of the land compensation REITs while securing profit-generating REIT products through partnerships with real estate development projects. It will also provide real estate development project solutions to concurrently manage development trusts in pursuit of new business opportunities in the real estate consulting business as well as in blind funds and other equity investment businesses.

Third, it will prevent potential risks by stepping up its risk management and internal controls. Keeping a close eye on the latest trends in the real estate market, the company will increase preemptive inspections on its risk control in step with the expansion of its liability projects and will upgrade its internal control system by setting business directions centered on internal controls.

Finally, Woori Asset Trust is improving its IT infrastructure and corporate culture. As the company continues with step 2 improvements of its IT infrastructure improvement project that began in 2021, it will further upgrade its enterprise-wide resource planning (ERP) system and vigilantly reinforce its customer privacy protection and security systems. Coinciding with these efforts, it will promote open and interactive communication between the company and employees to establish a new corporate culture.

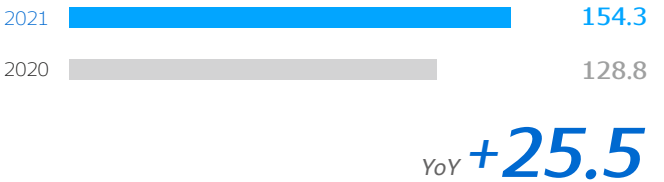
## Woori Asset Trust Financial Performance

(Unit: KRW billion)

	2019	2020	2021	YoY Change
Contract Value	76.4	128.8	154.3	+25.5
Operating Profit	75.2	79.4	94.2	+14.8
Net Income	31.1	35.3	40.3	+5.0
Total Equity	94.4	129.2	168.4	+39.2

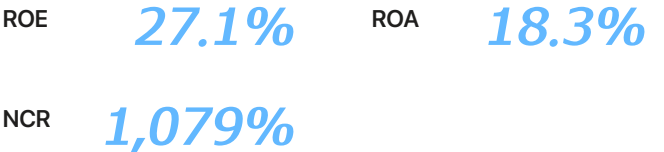
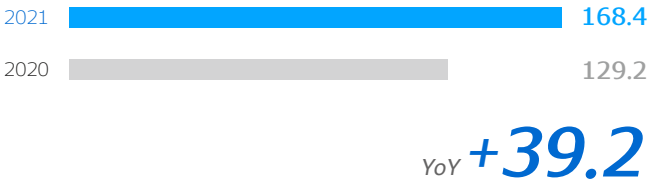
## Contract Value

(Unit: KRW billion)



## Total Equity

(Unit: KRW billion)



(As of Dec. 31, 2021)

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Savings Bank



www.woorisavingsbank.com

Woori Savings Bank is a microfinance deposit-taking institution serving low-income populations. Since joining Woori Financial Group in March 2021, the bank has been striving to become the nation’s leading savings bank through both organic and inorganic growth.

2021 Performance Results

In pursuit of a stable, profitable growth model, the bank concentrated on healthy asset-oriented marketing and increased mid-interest rate credit loans to prime-rate retail customers, while refraining from extending new substandard-and-below loans (SBL) to corporate clients. As a result, its loan asset size grew by KRW 234 billion in 2021 compared to the previous year. At the same time, the bank focused on increasing safe assets in corporate loan growth and established new mobile platforms to reinforce its non-face-to-face channels, leading to enhanced interest income.

In addition, Woori Savings Bank achieved systematic risk management practices through various actions. First of all, the application for credit assessment has been standardized, which streamlined credit assessment procedures as a result. Loan officers also strengthened their loan review competencies, and a credit line inquiry system was introduced to maximize customer efficiency. Due to these efforts, the bank maintained its asset quality below the industry average in 2021, with a delinquency rate of 2.1% (industry average of 2.5%) and an SBL ratio of 2.3% (industry average of 3.4%).

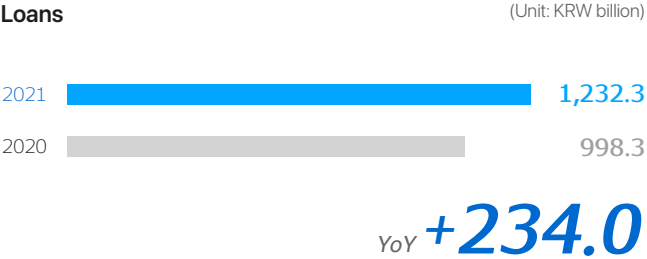
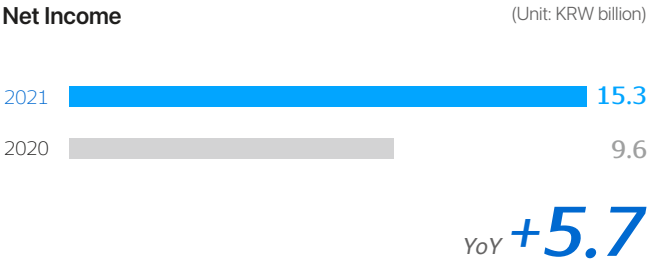
In May 2021, the bank set up a new sales group by integrating the Digital Division, which plans and operates the platform-based customer service, with the existing Retail Banking Division and Corporate Banking Division, thus achieving a bank-wide integrated approach to its sales business capability under shared goals. Since April 2020, the bank has been running a COVID-19-related Retail Loan Pre-Workout Special Scheme, proactively providing financial assistance to vulnerable and delinquent borrowers experiencing financial difficulties due to COVID-19. As of the end of 2021, it had provided 107 loans totaling KRW 1.5 billion.

2022 Plans

In 2022, Woori Savings Bank will establish a contingency plan to address any possible crisis that may arise, such as unexpected financial regulation irregularities or changes in market competition. It will also promote DT innovation to expand mid-interest rate credit loans to retail customers, one of its key growth drivers, to improve the overall revenue structure.

To reinforce its contactless channel competitiveness, the bank plans to become more prominent as a digital bank by introducing an integrated platform for deposit-taking and loan-extending in 2022 in the wake of the bank’s successful launch of its mobile lending platform in 2021.

Through these initiatives, the bank plans to achieve a net income of KRW 19 billion in 2022, up by 24% from the previous year.



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# Woori Asset Management



www.wooriam.kr

Woori Asset Management (WAM) is a comprehensive asset management company offering services in relation to fund management, investment consulting, and discretionary investment. WAM is the best-in-class fixed income asset manager in Korea, with a strong track record for consistent long-term outperformance. It is also a well-known professional small & medium-sized stock equity asset manager. In addition, as one of the top-level ESG asset managers, WAM is being entrusted with discretionay funds from various institutions, including pension funds, insurers, banks, and mutual aid associations.

## 2021 Performance Results

In 2021, Woori recorded KRW 8.2 billion in net income, while managing about KRW 27 trillion in net assets based on the NAV, up KRW 6.2 trillion from the previous year, a 29.5% YoY increase. In terms of AUM, its market share was 1.88%, a 0.28%p increase from 1.60% in 2020. Major changes included an increase of KRW 2.9 trillion in MMF, a 57.7% YoY increase; a KRW 2.18 trillion increase in bond funds, a 15.8% YoY increase; and a KRW 680 billion increase in stock equity funds, a 47.5% YoY increase, all of which, when taken together, contributed to a rise in AUM.

Equity fund investment leveraged its outstanding performance results from the previous year to attract 15 new institutional investors in 2021, resulting in a KRW 980 billion increase in its equity fund AUM size (including hybrid) depositories. Additionally, its prestigious name—synonymous with steady investment performance—has earned the trust of large insurers, which consequently entrusted the company with KRW 2 trillion in bond agency funds. Furthermore, the merger and acquisition of the Franklin Templeton Fund business unit has been completed, significantly bolstering WAM's global fund lineup.

## 2022 Plans

With the goal of becoming one of the top six public fund operators, Woori Asset Management is seeking to expand Group-wide synergies to reinforce its public fund market power and its market position in new growth businesses.

At the same time, it aims to diversify its products, engage in capacity-building in relation to various asset classes, forge cooperative ties with Woori Financial Group affiliates, and increase the AUM from KRW 277.3 trillion in 2020 to KRW 31.3 trillion in 2022, which would mark a 14.7% YoY increase. Based on this, it is projected that the operating income will rise 13.2% from KRW 10.2 billion in 2021 to KRW 11.6 billion in 2022, and that net income will climb 9.7% from KRW 8.2 billion in 2021 to KRW 9.0 billion in 2022.

To that effect, the company is preparing to launch more than nine additional themed/active ETF products, specifically the AI ESG Active ETF, in 2022. It is also focusing on TDF (target-dated funds) sales to strengthen the Templeton-Legg Mason partnership and to expand its market share in the DC and IRP market, where rapid growth is forecast. In addition, the company will enter retirement pension fund OCIO operations and will attract investment funds from long-term investment institutions to increase its AUM base. To that end, Woori Asset Management plans to upgrade its fund investment process, where long-term stable investment returns are required. Specifically, it will strengthen its asset allocation capabilities, establish a process of sourcing global products, and develop ESG investment processes.

## Woori Asset Management Financial Performance

(Unit: KRW trillion)

	2019	2020	2021	YoY Change
AUM	19.13	21.15	27.39	+6.24
Domestic Equity	1.40	1.42	2.33	+0.91
Domestic Bonds	12.68	12.50	14.58	+2.08
MMF	3.10	5.05	7.96	+2.91
Offshore/Fund of Funds	1.69	1.96	2.19	+0.23

## AUM

(Unit: KRW trillion)



YoY **+6.24**

## Market Share



## Certifications and Awards



- 2022 The Woori Short-Term Bond Fund was singled out as the MK Securities Awards' Best Fund (Domestic Bond Type)
- 2022 Korea Wealth Management Awards' Bond Fund Manager of the Year



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# Woori Credit Information



www.wooricredit.com +

Woori Credit Information's main lines of businesses are debt collection, credit research, and asset management. Since its inception as the first business of its kind in Korea, the company has been leading the industry. Over the years, it has maintained stable financial soundness, boasting the smallest amount in liabilities and largest in assets among credit information companies affiliated with financial holding companies in Korea. Today, Woori Credit Information is diversifying its revenue sources outside of intra-Group transactions to ensure its business competencies while preparing for market uncertainties at the same time.

## 2021 Performance Results

As of 2021, Woori Credit Information had maintained zero-debt management operations. More importantly, it has consistently posted a surplus since being established. With the financial soundness clearly evidenced by its industry-largest asset size and lowest debt ratio, the sales capacity is also demonstrated by the highest percentage of revenue from non-affiliates in the industry. Woori Credit Information has long reinforced its business viability by sustaining a diversified clientele list outside the holding company and by expanding its business domains.

## 2022 Plans

Woori Credit Information sets its business goals for 2022 as expanding the company's revenue base and enhancing market competitiveness under the following strategic plans.

The first strategy is to expand the company's growth foundation. Woori Credit Information is shifting away from the current sales portfolio, which is heavily dependent on debt collection and affiliated transactions, and diversifying the business portfolio into analysis of collateral rights and investigation of corporate's real condition in pursuit of new revenue sources.

Second, the company is securing a competitive advantage in core businesses. Woori Credit Information is striving to increase the debt collection rate by taking a data-based approach to debt collections, and is improving customer satisfaction with high-quality investigation reports.

Third, Woori Credit Information is maximizing cost efficiency. It will continue to eliminate losses in operating costs, including selling as well as general & administrative expenses and commissions paid, from irrational standards and practices.

Finally, Woori Credit Information is maintaining socially responsible management practices. It is to concentrate on expanding debt adjustment and recovery program following government policies to protect vulnerable debtors.

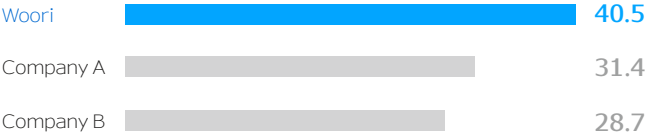
## Stable Financial Soundness

(Unit: KRW billion, %)

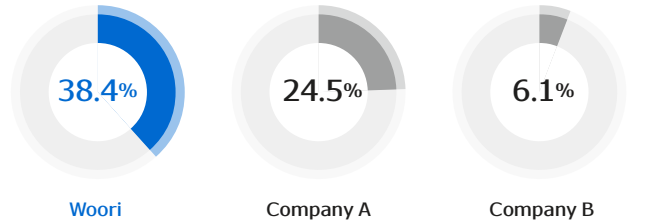
	Woori	Company A	Company B
Total Assets	40.5	31.4	28.7
Debt-to-Equity Ratio	21.1%	39.3%	42.9%

## Total Assets

(Unit: KRW billion)



## Industry-leading Percentage of Revenue from Non-affiliates



## Certifications and Awards



- Winner in the social welfare category for the fifth straight year at the *Digital Chosun Ilbo's* 10th **Corporate Social Responsibility Awards 2021**



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# Woori Fund Service



[www.woorifs.co.kr](http://www.woorifs.co.kr)

Woori Fund Service is a specialized administrative management company established under Article 254 of the Financial Investment Services and Capital Markets Act. Its main business includes providing various administrative services, such as fund accounting as well as setting the reference prices for collective investment vehicles, and providing general administrative services for real estate investment trusts or REITs. After successfully developing the next-generation FundOne system, the company continues developing new systems and fostering talents to heighten its quality of services. In addition, Woori Fund Service became the first Korean company to launch a virtual asset service provider (VASP) accounting service for the sale, purchase, and exchange of virtual assets by VASPs as stipulated in Article 2, Paragraph 1 of the Act on Reporting and Using Specified Financial Transaction Information. Furthermore, it is leading the way in changes for financial markets with its newly developed accounting solution for VASPs, also known as the Digital Asset Business Accounting Solution (DABAS).

## 2021 Performance Results

In September 2021, Woori Fund Service launched DABAS. In fact, this marked the first time digital asset business accounting services offered in Korea, and started with 200 corporate clients from Peertec, a digital asset trust company. DABAS covers all the financial services that underpin the entire process involved in trading cryptocurrency on a crypto-exchange, GDAC, from trading and transfers to the custody (trust) and liquidation (OTC) of digital assets. As it can generate data verified by a third party, DABAS boasts a universal application for the accounting process of investment companies and tax collection by authorities due to the fact that it enables automated accounting management of digital asset transactions made on any given cryptocurrency exchange at home or abroad.

## 2022 Plans

With the taxation of individuals' virtual asset income set to take effect in January 2023, Woori Fund Service plans to launch its ITRS (income tax returns solution) by the end of 2022 to support individuals with tax payments on their virtual asset income and to preempt the individual customer market before any competitors. ITRS collects virtual asset information about anonymized customers from affiliates, including VASPs, and provides services such as accounting and calculation of tax amount dues. The company is strengthening technical business alliances with VASPs and affiliates, including the cryptocurrency exchange GDAC. Solutions are currently under development to launch the service in January 2023, when the taxation act is officially promulgated. In addition, the company has entered into legal advisory agreements with law firms to prepare for rapid responses in the event of legal disputes or any controversial issues in the future.



## Woori Fund Service Financial Performance

(Unit: KRW billion)

	2019	2020	2021	YoY Change
Net Income	1.7	2.6	3.6	+1.0
Shareholder's Equity	15	17	20	+3

## Net Income

(Unit: KRW billion)



YoY **+1.0**

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# Woori Private Equity Asset Management



www.wooripe.com

Established in October 2005, Woori Private Equity Asset Management is a first-generation private equity manager in Korea. Having first started as a managing private equity fund (PEF) company, Woori Private Equity Asset Management extended its services to include the management of hedge funds (alternative investments) in July 2016. Today, the company supports the Group's scale-out efforts in IB operations.

Total Commitment

(As of the end of 2021)

KRW 382.8 billion



## 2021 Performance Results

As of the end of 2021, the PEF division operated a total of four funds under its management, with a total commitment of KRW 382.8 billion.

In May 2021, the company established a new project fund of KRW 21.2 billion (Arden Woori Apparel No.1 PEF) and also successfully created a new blind fund of KRW 200 billion that carries out investments, mainly in the digital and green new deal industries. In addition, the company made five investments throughout the year amounting to KRW 102.4 billion through the Woori-Shinyoung Growth-Cap Private Equity Fund I and the Woori Q Corporate Restructuring Private Equity Fund.

The alternative investment division operated a total of 14 funds as of the end of 2021. Since the launch of the division, the cumulative commitment size has amounted to KRW 1.5 trillion to date. Despite the unstable management environment in 2021, the division successfully created the Innovation Growth Support Fund III, worth KRW 87.7 billion, through constant exploring of new investment opportunities at home and abroad. More importantly, the Woori Global Powerplant Infrastructure Synergy Up Fund successfully achieved quantitative growth by raising an additional USD 60 million (with the commitment size totaling USD 140 million). The division has consistently remained profitable since its establishment due to prudent and preemptively pre-/post-risk management practices.

## 2022 Plans

Woori Private Equity Asset Management aims to become an asset manager that provides the best investment value based on innovation and efficiency. To that end, the company will realize both qualitative and quantitative growth.

The PEF division will maximize its return on investments (ROI) with extensive "Value-Up" initiatives on its portfolio companies while generating top ROI performance through other successful investments. For example, it will create another blind fund worth KRW 100 billion that invests primarily in ESG industries, as well as a KRW 200 billion blind fund that will invest in digital & green new deal sectors. As such, the PEF division will further consolidate its position as a PEF market leader.

The alternative investment division is committed to maintaining stable ROI performance as a result of exhaustive follow-up management of existing investment projects. At the same time, it is also exploring more investment opportunities in domestic and international infrastructure-real estate to expand its investment portfolio. The division has plans for more new funds worth KRW 200 billion to eventually achieve a total commitment of KRW 1.7 trillion in 2022. The ultimate goal is to consolidate its role as a long-term revenue base for the company through comprehensive risk management and profitable investments.

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# Woori Global Asset Management



www.wooriglobalam.com

Ever since its establishment in December 2000, Woori Global Asset management has been the powerhouse of securities investments and global asset management, boasting extensive global investment knowledge and systematic risk management. Upon its incorporation into Woori Financial Group in 2019, the company has reinforced alternative investments and international investments to build competencies through bond investments in the form of domestic and overseas infrastructure, real estate, and offshore fund of funds and private equity funds.

#### 2021 Performance Results

With its roots in the advanced management methodologies of the Allianz Group, Woori Global Asset Management has grown into a global asset management company. As of August 2019, the company had joined Woori Financial Group, Korea's leading financial group and one with a 120-year tradition. Today, it is establishing itself as a total asset management company with strengths in global and alternative investment management.

In 2021, the company signed new commitments for alternative investments of KRW 2.3 trillion, adding up to a total commitment of KRW 5.2 trillion in only two years of alternative investments. This came despite the difficulties in foreign investments due to the prolonged COVID-19 pandemic and challenges in alternative investments in the aftermath of a private equity fund scandal.

In particular, Woori Global Asset Management has expanded its offshore alternative investments through partnerships with top global financial institutions, such as Madison, the Pantheon, and Blackstone. It has also significantly reinforced its competencies in New Deal funds such as the Infrastructure New Deal Fund, the Renewable New Deal, and the Policy New Deal (Infrastructure).

Woori Global Asset Management stood out with the fund of funds that invest in global bonds, too. Woori G PIMCO Total Return Fund, which targets its investments in U.S. treasury bonds, mortgage bonds, and investment-grade corporate bonds, excelled in the market, adding stability and relatively low volatility in its investment performance results. The fund's outstanding performance earned it the Best Fund (global bonds) award from the *Maeil Business Newspaper's* MK Securities Awards in March 2021. In May, the Woori G PIMCO Global Investment Grade Fund was awarded the Best Prize (fixed-income retirement fund category) at the *Maeil Business Newspaper's* 2021 MK Retirement Pension Awards. Its target investments are investment-grade bonds issued by global companies with a rating of BBB or higher from S&P and other trusted credit rating agencies. After demonstrating its strength in offshore fund of funds investments, the company launched the Woori G PIMCO USD Short-term Bond Fund, which invests primarily in quality short-term bonds denominated in U.S. dollars.

#### 2022 Plans

Woori Global Asset Management will further increase its alternative investments and diversify its overseas investment lineups to lay the groundwork for both organic and inorganic growth. While stably executing investments for blind funds that invest at home and abroad, the company will leverage the reference it has built to date to establish a mutual fund series in acquisition financing, real estate investments, infrastructure investments, and private/policy New Deal Funds. In addition, Woori Global Asset Management will expand its business with prominent overseas partners that have excellent reputations and track records in global markets to build its capabilities in the fund of funds for offshore alternative investments and in traditional investment sectors.

#### AUM Size Growth in Alternative Investments

(Unit: KRW billion)

	2019	2020	2021	YoY Change
Estate	-	404.9	853.5	+448.6
Specialty	148.0	599.2	1,213.8	+614.6
Total	148.0	1,004.1	2,067.3	+1,063.2

#### AUM Total

(Unit: KRW billion)



YoY **+1,063.2**

#### Assets Under Management

(As of the end of 2021)

KRW **8.4** trillion

#### Certifications and Awards



- May 2021 Best Prize winner in the fixed-income retirement fund category at the *Maeil Business Newspaper's* **2021 MK Retirement Pension Awards** (Woori G PIMCO Global Investment Grade Fund)
- Mar. 2021 Best Fund winner in the offshore fixed-income fund category at the *Maeil Business Newspaper's* **2021 MK Securities Awards** (Woori G PIMCO Total Return Fund)



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# Woori FIS



[www.woorifis.com](http://www.woorifis.com)

Woori FIS is a system integration subsidiary of Woori Financial Group that provides comprehensive financial IT outsourcing services. Its services cover all IT areas, from ensuring the stable operation of core systems at Woori Bank and Woori Card to carrying out digital transformation at all subsidiaries of the Group, and ultimately helping them achieve their strategic goals.



#### 2021 Performance Results

Under the 2021 management goal of becoming a future creator, Woori FIS implemented three management strategies: provide high-quality IT operations, develop satisfactory IT services, and drive future IT services.

As a result, the company upgraded the AI-based anomaly monitoring system that employs AI technology to detect and predict anomalies in IT infrastructure in real time. It also advanced the integrated control system to provide stable, high-quality IT services.

In addition, the company contributed to heightening Group-wide synergies by improving IT infrastructure and development support services. This included the launch of the Group-sharing cloud service and continuous expansion of IT infrastructure, the implementation of the BA system and higher development satisfaction, and the growth of new digital technology sectors.

Furthermore, the company established and now operates a professional R&D organization. Also, it advanced the open-source R&D platform to lay the groundwork for the new non-ITO business area while promoting reorganization and the pilot operation of DevOps · Agile systems for smooth cooperation between the business units and IT sector.

#### 2022 Plans

The management goal for 2022 is to lead the financial IT sector through the convergence of innovation and stability. The company will implement several tasks to achieve its four management strategies: reinforce digital services, improve customer-centric services, enhance stability and internal control, and strengthen efficiency-based business management.

To support core digital and global businesses, the company will set up AI-based customer centers and make Woori America Bank system upgraded with WGSS, Woori bank Global Standard System. It will also increase BA support and adopt a co-location strategy to achieve an organic collaboration system to improve its customer-centric business support. For higher stability and internal control, the company is fortifying its proactive incident prevention system, such as its consistency verification system, and introducing mobile test tools. Finally, the company is establishing a post-COVID response system and is in the midst of acquiring ESG certifications to incorporate ESG within its corporate culture.

Through these endeavors, Woori FIS will become the most reliable partner for IT/Digital initiatives to Woori Financial Group and work relentlessly to help the Group reinforce its business competitiveness.



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MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Disclaimers on Forecast Information

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

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

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

2. Overview

In 2021, the Korean economy recorded a growth rate of 4%, with a strong recovery in export volumes. The Bank of Korea has changed its stance on the monetary policy by raising the base interest rate in August and November 2021 and in January 2022, in consideration of the growth trend in the domestic economy as well as rising inflation and asset prices. The central bank is expected to raise interest rates a couple of more times in the year 2022 as a way to address the widening gap in the financial markets.

Despite the unfavorable financial environment created by the prolonged pandemic and intensifying competition with FinTech companies, Woori Financial Group, which is celebrating its third anniversary, broke its quarterly performance record throughout the year 2021 and generated a consolidated net profit of KRW 2,587.9 billion in total. With this all-time high record, it upgraded its financial performance, soundness, cost management, and every other aspect to another level and demonstrated its robust profit-generating power. In the second half of the year, the Group received the final approval on its internal ratings method, thereby gaining a strong driving force to grow into a more balanced total financial group.

Woori Financial Group generated KRW 6,986.0 billion in interest income, a 16.5% year-over-year increase, by achieving steady asset growth based on corporate loans and improving the profit structure based on an increase in deposits. The total annual bank NIM saw a 0.04%p year-over-year increase to 1.37%, and the non-interest income climbed 65.2% year-over-year to KRW 1,358.0 billion, resulting in a turnaround. Non-interest income from capital and real estate trust businesses, in particular, rose as a result of the M&As pursued to date, and the rising synergy within the Group has been driving an increase in non-interest income for the Group as a whole.

The Group's SG&A expenses amounted to KRW 4,147.0 billion, an increase of only 4.8% compared to the previous year, even though Woori Financial Capital and Woori Savings Bank were newly incorporated as subsidiaries. On the other hand, as a result of aggressive cost management, the annual SG&A expenses stood at 47.5%, excluding early retirement plan expenses in the fourth quarter.

As for asset soundness, Woori Financial Group is among the industry's best with an NPL ratio of 0.20% and a default rate of 0.21%. This is an achievement made possible with the management's strong commitment to ameliorate the asset portfolio and carry out businesses based on risk management. Also, the overall loan portfolio was reexamined in 2021, and additional provisions were made to prepare for future uncertainties. In 2022, there are concerns of uncertainty in asset quality due to the benchmark interest rate hikes and the termination of the COVID-19 loan support program (maturity extension and deferral of repayments). However, in light of the capabilities to manage soundness and the soundness indicators that have been managed at stable levels for years, it is judged that a sudden deterioration of soundness will be unlikely, as long as there are no dramatic changes in the macro-environment.

As of the end of 2021, the Group has a global network of 476 branches across 23 countries including the United States, China, Indonesia, and Cambodia. By strengthening global business operations to improve the profit structure, Woori Financial Group recorded a 19% y-o-y increase in total assets in global operations, which are now contributing more than 10% to the total income. Going forward, the company will promote its retail business in the rapidly growing digital financial market in Southeast Asia and pursue qualitative growth based on stringent risk management, which involves checking for signs of non-performing assets and so on.

It is worth noting that ESG management is growing in importance globally. In response to this trend, Woori Financial Group plans to establish and announce a differentiated vision and become a leader in ESG management. To this end, ESG governance was established by forming the ESG Management Committee, which includes all board members, and the Group ESG Management Council, with the participation of the CEOs of all the companies of the Group, in March 2021. In addition, to practice and internalize ESG management, Woori Financial Group is pursuing ESG management at the group level by declaring the Woori Financial Group ESG Management Principles and joining major global initiatives such as the CDP and TCFD. Based on these activities, excellent results obtained in major ESG evaluations at home and abroad in 2021, proving the world-class ESG management practices of the Group. In addition to being included in the Dow Jones Sustainability (DJS) Asia-Pacific Index, the Group received A (up one level from the previous year) in the ESG ratings by the Korea Corporate Governance Service (KCGS) and AA (up two levels from the previous year) in the ESG ratings by Morgan Stanley Capital International (MSCI).

Meanwhile, new technologies such as metaverse and non-fungible tokens (NFTs), which have become major issues in the digital sector, are being actively discussed in the financial industry, as digital technology is becoming just as important as the financial business itself. Since 2020, Woori Financial Group has been implementing digital strategies companywide by launching and operating the Digital Innovation Committee with the participation of the chairman and the CEOs of subsidiaries to strengthen its digital capabilities. With the goal of achieving digital super-innovation in 2022, there are plans to continue innovating customer-oriented platforms, gain a competitive edge in the financial sector based on data, and reviewing strategic alliances and collaborations with tech companies to discover new technologies and businesses such as a metaverse and virtual assets so as to discover new revenue models. At the same time, Woori Financial Group will build a financial technology platform specifically for Generation MZ at the group level so that Woori's platforms become an integral part of the daily lives of customers of all generations.



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Key Management Indicators

(Unit: KRW in billions, %)

Category		2021	2020	Change (amount)	Change (%)	
B/S	Total Assets (Including AUM)	594,437	525,919	68,518	13.03	
	Total Assets (Excluding AUM)	447,184	399,081	48,103	12.05	
	Loans in KRW	273,889	249,889	24,000	9.60	
I/S	Net Interest Income	6,986	5,999	987	16.45	
	Non-Interest Income	1,358	822	536	65.21	
	Selling, General, and Administrative (SG&A) Expenses	4,147	3,956	191	4.83	
	Provision for Credit Losses	537	784	△247	△31.51	
	Operating Income	3,660	2,080	1,580	75.96	
	Net Income <sup>Note 1)</sup>	2,807	1,515	1,292	85.28	
Management Indicators	ROA	Including Non-Controlling Interests	0.66	0.40	0.26	-
		Excluding Non-Controlling Interests	0.61	0.34	0.27	-
	ROE	Including Non-Controlling Interests	11.48	6.80	4.68	-
		Excluding Non-Controlling Interests	10.58	5.87	4.71	-
	NPL Ratio		0.30	0.42	△0.12	-
	BIS Total Capital Ratio <sup>Note 2)</sup>		15.05	13.84	1.21	-

Note 1) Net Income: Based on total net income

Note 2) BIS Total Capital Ratio: Step-by-step approval of the internal ratings method. It is a preliminary figure and is subject to change.

3. Financial Position & Business Performance

A. Financial Position & Business Performance

(1) Growth

■ Woori Financial Group Inc.

(Unit: KRW in billions, %)

Category	At end-2021	At end-2020	Change (amount)	Change (%)
Total Assets (Including AUM)	594,437	525,919	68,518	13.03
Total Assets (Excluding AUM)	447,184	399,081	48,103	12.05
Loans in KRW	273,889	249,889	24,000	9.60
Loans in Foreign Currency	33,221	28,029	5,192	18.52
Marketable Securities	65,501	55,179	10,322	18.71
Credit Card Receivables	9,757	8,543	1,214	14.21

Note 1) Loans in KRW: Inclusive of inter-bank loans

Note 2) Loans in Foreign Currency: Loans in foreign currency + domestic import usance bills + bills bought, inter-bank loans in foreign currency

Note 3) Marketable Securities: Marketable securities + investment in subsidiaries + marketable securities credit loss reserve

The total assets (incl. AUM) of the Group, as of the end of 2021, amounted to KRW 594.4 trillion, KRW 68.5 trillion (13.0%) higher compared to the previous year. Major factors contribute to the increase were an increase of KRW 24.0 trillion in loans in Korean won, an increase of KRW 20.4 trillion in the AUM of subsidiaries, an increase of KRW 10.3 trillion in marketable securities, and an increase of KRW 5.2 trillion in loans in foreign currencies. The assets of the banking subsidiaries rose 10.8% year-over-year to KRW 482.1 trillion, and the assets of the non-banking subsidiaries (based on simple summation) jumped 23.6% year-over-year to KRW 112.7 trillion.

※ Total Assets (Incl. AUM) of Major Subsidiaries

(Unit: KRW in billions, %)

Category	At end-2021	At end-2020	Change (amount)	Change (%)
Group	594,437	525,919	68,518	13.03
Woori Bank	482,127	435,066	47,061	10.82
Woori Card	14,117	11,367	2,750	24.19
Woori Financial Capital	10,260	8,880	1,380	15.54
Woori Investment Bank	5,160	4,332	828	19.11
Woori Asset Trust	44,747	35,655	9,092	25.50
Woori Savings Bank	1,445	-	1,445	-
Woori Asset Management	27,539	21,284	6,255	29.39
Woori Credit Information	41	41	-	-
Woori Fund Service	22	19	3	15.79
Woori PE	915	1,049	△134	△12.77
Woori Global Asset Management	8,386	8,492	△106	△1.25
Woori FIS	105	97	8	8.25
Woori Finance Research Institute	6	7	△1	△14.29

Note 1) Woori Savings Bank: Incorporated as a subsidiary in 2021

■ Woori Bank

(Unit: KRW in billions)

Category	2021	2020	Change (amount)	Change (%)
Total Assets	415,964	374,310	41,654	11.13%
Loans in KRW	262,235	241,356	20,879	8.65%
Corporate Loans	119,173	107,798	11,374	10.55%
Household Loans	138,748	130,353	8,395	6.44%
Public and Other Loans	4,314	3,204	1,110	34.63%

Note) Based on consolidated financial statements of Woori Bank

As of the end of 2021, the total assets of Woori Bank, based on consolidated financial statements, amounted to KRW 415.9 trillion, a KRW 41.6 trillion (11.13%) increase year-over-year. The main driver was the growth of loans in KRW by KRW 20.9 trillion (or 8.65%) y-o-y. Meanwhile, corporate loans increased by KRW 11.4 trillion and household loans by KRW 8.4 trillion, with each asset category assuming a similar share out of total as the year before. Woori Bank will continuously implement balanced asset growth strategies in 2022, taking into account risk management and profitability.

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■ Financial Information of the Major Subsidiaries

(Unit: KRW in millions)

Category		At end-2021	At end-2020	At end-2019
Woori Card	Asset	14,116,829	11,366,594	10,087,342
	Liability	11,858,065	9,312,985	8,299,175
	Equity	2,258,764	2,053,609	1,788,167
Woori Financial Capital	Asset	10,259,868	8,880,117	7,473,168
	Liability	9,073,104	8,053,840	6,659,178
	Equity	1,186,764	826,277	813,990
Woori Investment Bank	Asset	5,159,742	4,332,474	3,398,960
	Liability	4,559,857	3,803,594	3,031,622
	Equity	599,885	528,880	367,338
Woori Asset Trust	Asset	254,773	185,633	139,839
	Liability	86,418	56,396	45,410
	Equity	168,355	129,237	94,429
Woori Savings Bank	Asset	1,444,508	1,191,371	1,106,149
	Liability	1,222,888	1,084,771	1,009,612
	Equity	221,620	106,600	96,536
Woori Asset Management	Asset	151,651	118,121	112,781
	Liability	30,144	5,133	6,017
	Equity	121,507	112,988	106,764
Woori FIS	Asset	105,138	97,479	91,079
	Liability	59,225	59,577	55,112
	Equity	45,913	37,902	35,967

Note) Woori Card/Woori Financial Capital/Woori Investment Bank: Based on consolidated financial statements (K-IFRS); Woori Asset Trust/Woori Savings Bank: Based on separate financial statements (K-IFRS); Woori Asset Management: Based on consolidated financial statements (K-IFRS) for the year 2021 and based on separate financial statements (K-IFRS) for the years 2020 and 2019

As for Woori Card, the total assets increased by about KRW 2.75 trillion year-over-year as a result of an increase in financial assets and auto loans.

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

Woori Financial Capital saw an 15.5% y-o-y growth in total assets to KRW 10.3 trillion, based on the consolidated financial statements, as of the end of 2021.

As a result of improved fundamentals and incorporation into the Woori Financial Group as a subsidiary, Woori Financial Capital saw its long-term credit rating climb two steps (A0 → A+ → AA-) between 2019 and 2020, and this made it possible to raise funds at lower interest rates. This in turn has allowed the company to improve its competitiveness and secure new accounts, thereby gaining more assets. It is working to diversify its business portfolio to include personal finance and corporate

finance in addition to car financing, the area where it has traditionally been strong in. There are plans to produce synergy with other affiliates and hone its competitive edge based on digital finance.

As of the end of 2021, Woori Investment Bank has KRW 5.2 trillion in total assets, a KRW 0.8 trillion (19.1%) increase from the previous year, based on the consolidated financial statements. This was achieved by pursuing credit transactions in connection with Woori Bank and gaining more credit transaction users in good standing according to the credit business expansion plan, which resulted in an increase of KRW 1.5 trillion (39.4%) in loans in KRW. Woori Investment Bank will continue to roll out balanced asset growth strategies, taking into account risk management and profitability.

At the end of 2021, Woori Asset Trust recorded KRW 2,548 billion in total assets, up KRW 69.2 billion (37%) from the previous year, and managed KRW 44.5 trillion in terms of AUM, a KRW 9 trillion increase. In 2021, due to the reinforced regulations against real estate speculation and economic slowdown caused by COVID-19, there was a sharp increase in bad debt expenses due to a decline in the profitability of income-generating real estate properties, along with growing risks. As a result, loan-type land trusts, where the trust companies raise the money themselves, saw stagnant growth, whereas management-type land trusts with guaranteed construction completion saw increased growth, as growing importance began to be placed on the inherent objective of trusts to protect the trust property.

In 2021, the company expanded into the managed land trust market with improved credibility as a subsidiary of Woori Financial Group and, at the same time, entered the small-scale renewal project market in the Seoul Capital Area, through which it recorded an increase in sales.

Woori Asset Trust, with the management goal to "complete a comprehensive real estate platform for a new leap forward" in 2022, will play the role of a profit-making foundation and a comprehensive real estate platform within the Group. To achieve the above goal, the company will expand the proportion of land trusts and enhance the quality of non-land trusts, in addition to maximizing synergy with the other companies of the Group by diversifying its business portfolio through REITs and new businesses and fortifying its role as a real estate platform within the Group.

Woori Savings Bank has achieved KRW 1,444.5 billion in total assets, an KRW 253.1 billion (21.2%) increase from the previous year, based on an increase in prime household loans, prime SME loans and Sunshine Loan. Household loans in KRW rose KRW 80.3 billion due to an increase in credit loans and Sunshine Loan, while corporate loans increased KRW 142.9 billion due to balanced growth centering on SMEs in good standing.

At the end of 2021, Woori Asset Management managed KRW 27.4 trillion, a 29.5% y-o-y increase, in terms of net asset value (NAV). Based on excellent stock and bond fund management performance in 2021, the company successfully attracted KRW 3.3 trillion in excess of its annual target (excl. MMFs; an increase of KRW 6.2 trillion if MMFs are included). The ESG management system was upgraded, based on which about KRW 900.0 billion was obtained for equity investment (incl. funds consisting of stocks and funds consisting of bonds) including funds from 15 institutional investors. Living up to its reputation as a leading bond investment management company, it saw an increase of KRW 2.2 trillion in AUM in bonds. Under the current situation characterized by rising benchmark interest rates and highly volatile stock market, short-term investments are expected to become the norm in the money market. Also, with the reorganization of the public offering fund market centering on ETFs and the changes in the system surrounding retirement pensions, a mix of crises and opportunities is expected ahead. Woori Asset Management, in particular, entered the ETF market with the launch of its first ETF product on January 5, 2022, and in order to secure a position in the retirement pension market, the company is reinforcing its manpower, expanding the organization, and upgrading related processes.

Woori FIS recorded KRW 105.1 billion in total assets, an increase of 7.9% from the previous year, at the end of 2021. Current assets dropped by KRW 11.5 billion due to a decrease in cash and cash equivalents resulting from increased IT investment, while non-current assets increased by KRW 19.2 billion with acquisitions of tangible and intangible assets.

Total liabilities fell 0.6% year-over-year to KRW 59.2 billion, and current liabilities rose by KRW 2.5 billion due to an increase in the withholding VAT based on the settlement of customer sales, but non-current liabilities declined by KRW 2.8 billion due to a decrease in the allowances for severance and retirement benefits as a result of making additional payments to the retirement pension fund.

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(2) Profitability

■ Woori Financial Group Inc.

(Unit: KRW in billions, %)

Category	At end-2021	At end-2020	Change (amount)	Change (%)
Net Interest Income	6,986	5,999	987	16.45
Non-Interest Income	1,358	822	536	65.21
General and Administrative Expenses	4,147	3,956	191	4.83
Provision for Credit Losses	537	784	△247	△31.51
Operating Income	3,660	2,080	1,580	75.96
Non-Operating Income (Expense)	89	△79	168	-
Net Income before Income Tax Expense	3,749	2,001	1,748	87.36
Income Tax Expense	942	486	456	93.83
Gain (Loss) on Discontinued Operations	-	-	-	-
Net Income	2,807	1,515	1,292	85.28
Based on consolidated financial statements	219	208	11	5.29
Net Income Attributable to Controlling Interests	2,588	1,307	1,281	98.01

Woori Financial Group achieved a total net income of KRW 2,807 billion (KRW 2,588 billion in net income attributable to controlling interests) in 2021, which was an all-time high since the establishment of the holding company. This was an increase of KRW 1,292 billion (KRW 1,281 billion attributable to controlling interests) compared to the previous year, and it was the fruit of upgraded income-generating capabilities, stable asset soundness, and scrupulous cost management. In particular, the profit and loss ratio for the non-banking subsidiaries increased from 10% in the first year of establishment of the holding company to 17.2% in 2021 based on the relentless efforts to expand the non-banking business portfolio.

Net interest income rose by KRW 6,986 billion, an increase of KRW 987 billion (16.5%) from the previous year, thanks to the strong asset growth centering on SMEs and the efforts to improve the profit structure, such as increased core deposits.

Non-interest income increased by KRW 1,358 billion, an increase of KRW 536 billion (65.2%) from the previous year, as a result of a growth of core commission income, favorable conditions for the business units of the headquarters such as securities, foreign exchange, and derivatives, as well as an increase in non-interest income from capital and real estate trust management and more.

SG&A expenses increased marginally compared to the previous year, and the Group's SG&A expense ratio stood at 47.5%, a decrease of 7.5%p compared to the previous year's 55.0%, as a result of the companywide efforts to improve management efficiency. Bad debt expenses were reduced by KRW 247 billion year-over-year based on continuous soundness management by all members of the Group, despite preemptively preparing provisions against the COVID-19 pandemic. As a result, operating profit increased by KRW 1,580 billion year-over-year to KRW 3,660 billion.

※ Net Income of Each Affiliate

(Unit: KRW in billions)

Category	2021	2020	Change (amount)	Change (%)
Group	2,807	1,515	1,292	85.28
Woori Bank	2,385	1,370	1,015	74.09
Woori Card	201	120	81	67.50
Woori Financial Capital	141	△30	171	-
Woori Investment Bank	80	63	17	26.98
Woori Asset Trust	40	35	5	14.29
Woori Savings Bank	15	-	15	-
Woori Asset Management	8	7	1	14.29
Woori Credit Information	2	2	-	-
Woori Fund Service	4	3	1	33.33
Woori PE	2	1	1	100.00
Woori Global Asset Management	-	△1	1	-
Woori FIS	2	2	-	-
Woori Finance Research Institute	-	-	-	-

Note 1) Net income: Based on total net income (KRW 2,588 billion in net income attributable to controlling interests + KRW 219 billion in net income attributable to non-controlling interests)

Note 2) Woori Financial Capital:

- Performance over 3 months (October to December) after being incorporated into the Group in 2020, based on the consolidated financial statements (incl. Woori Savings Bank; △ KRW 39 billion in goodwill amortization in relation to Woori Savings Bank)
- 2021: Woori Savings Bank incorporated into the Group as a subsidiary

■ Woori Bank

(Unit: KRW in billions)

Category	2021	2020	Changes
I. Operating Income	3,073	1,926	+1,147
Net Interest Income	5,922	5,291	+631
Non-Interest Income	954	717	+237
Net Fees and Commissions Income	932	846	+86
Securities Income	347	166	+181
Net Gain (Loss) on Disposal of Financial Assets at Amortized Cost	58	18	+40
FX/Derivatives/Other Operating Income	△383	△314	△69
Impairment Losses Due to Credit Loss	△197	△535	+338
General and Administrative Expenses	△3,607	△3,547	△60
II. Non-Operating Income (Expense)	103	△138	+240
III. Net Income before Income Tax Expense	3,175	1,788	+1,387
IV. Gain (Loss) on Discontinued Operations	790	418	+372
V. Income Tax Expense	2,385	1,370	+1,015
Net Income Attributable to Controlling Interests	2,376	1,363	+1,012
Based on consolidated financial statements	10	7	+3

Note) Based on consolidated financial statements

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In 2021, Woori Bank recorded KRW 2,375.5 trillion in net income (attributable to controlling interests) based on consolidated financial statements, which was an increase of KRW 1,012.3 billion from 2020, and KRW 3,072.7 billion in operating income, an increase of KRW 1,147.0 billion. The main reasons behind the increase in net income were increased non-interest income such as an increase of KRW 24.6 trillion in interest-bearing assets contributing to the growth of net interest income as well as income from marketable securities.

Net interest margin (NIM) rose 0.04%p year-over-year as a result of the Bank of Korea raising the base interest rate twice (0.50 → 0.75 → 1.00) and an improvement of the fund-raising structure. Corporate loans grew 10.55% from the previous year, driving an increase in interest-bearing assets, through which the net interest income reached KRW 5,922 billion, an increase of KRW 630.9 billion from 2020.

Non-interest income increased by KRW 237.3 billion from the previous year. This was attributable to the increased sales of trust products and the expanded management of securities. Net commission income increased by KRW 86.3 billion from the previous year, profit and loss on disposal of financial assets at amortized cost by KRW 39.7 billion and securities-related income by KRW 180.6 billion. On the other hand, the F/X, derivatives, and other operating income declined by KRW 69.4 billion from the previous year.

The impairment losses due to credit loss stood at KRW 196.8 billion, a KRW 338.5 billion decrease from the previous year. This was due to the fact that, while the ordinary credit cost was reduced as a result of the efforts to improve asset soundness, a reserve was created to better prepare for the increasing uncertainty caused by COVID-19. Woori Bank has been managing its asset soundness and credit cost by increasing credit quality, monitoring sectors of interest such as shipbuilding, construction and shipping and implementing stringent risk management. Through these efforts, the sub-standard or below ratio reached its record-low level of 0.20%.

General and administrative expenses stood at KRW 3,606.7 billion, and the percent increase was kept minimal at 1.7%, or KRW 59.7 billion, through the efforts to increase the efficiency of keeping the costs under control. In 2021, non-operating profit was KRW 102.6 billion, an increase of KRW 240.3 billion compared to the previous year due to a decrease in expenses related to the sale of private equity funds such as the Lime funds.

The business environment is expected to remain unfavorable due to increased uncertainty in domestic and overseas economies in 2022. However, Woori Bank will make every effort to generate stable income, based on strong asset soundness, proactive risk management and customer-centric innovation.

■ Woori Card

(Unit: KRW in millions)

Category	2021	2020	2019
Credit Card Payment Volume	92,850,139	85,036,695	82,649,489
Operating Revenue	1,528,680	1,387,465	1,368,140
Net Income	200,725	120,229	114,196

Woori Card's net income in 2021 based on consolidated financial statements was KRW 200.7 billion, a 67% (KRW 80.5 billion) year-over-year increase. The main factors contributing to the increase were the increase in card usage as a result of the economy rebounding and the increase in operating income driven by continuous accumulation of financial assets.

It is projected that the overall business conditions for the credit card industry will be generally unfavorable in 2022 due to discounted merchant fees, the rising base rate, and more stringent loan regulations. However, Woori Card will strive to generate steady profits by managing profitability for each business area, improving companywide business efficiency, and securing new growth engines.

■ Woori Financial Capital<sup>1)</sup>

(Unit: KRW in millions, %)

Category	2021	2020	2019
Operating Revenue	998,726	832,511	726,369
Operating Expenses	807,965	694,411	592,614
Operating Income	190,761	138,100	133,756
Net Income before Income Tax Expense	173,817	98,921	133,905
Net Income <sup>2)</sup>	140,579	58,980	101,588
Total Comprehensive Income <sup>2)</sup>	141,275	58,596	98,971

Note 1) Based on consolidated financial statements

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

Through the diversification of the portfolio centering on high-return products as well as the growth of loan assets, Woori Financial Capital saw a 20.0% y-o-y increase in operating revenue in 2021. In the future, Woori Financial Capital expects to continuously improve its overall profit structure with an increase in operating income from asset growth, a lower cost of financing as a subsidiary of Woori Financial Group, and the effect of preemptively making provisions.

■ Woori Investment Bank

(Unit: KRW in millions)

Category	2021	2020	2019
Operating Revenue	296,454	253,303	201,329
Operating Expenses	192,260	185,198	145,790
Operating Income	104,194	68,105	55,539
Net Income before Income Tax Expense	103,653	67,801	53,945
Net Income	79,330	62,233	54,981
Total Comprehensive Income	79,153	61,570	53,719

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

Woori Investment Bank recorded an operating income of KRW 104.2 billion, a 53.0% (KRW 36.0 billion) increase year-over-year, in 2020. An increase in interest income from increased lending and gains on marketable securities pushed up the operating revenue by 17.0% (KRW 43.2 billion) compared to the previous year, and the operating expenses also climbed 3.8% (KRW 7.1 billion) due to the losses on marketable securities. General and administrative expenses, on the other hand, rose from KRW 39.02 billion in 2020 to KRW 51.5 billion in 2021 due to an increase in the workforce between 2020 and 2021.

The net income after deducting non-operating income (expenses) and income tax expenses amounted to KRW 79.3 billion, up 27.5% (KRW 17.1 billion) from KRW 62.2 billion in 2020. Income tax expenses increased from KRW 5.6 billion in 2020 to KRW 24.3 billion in 2021.

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



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■ Woori Asset Trust

(Unit: KRW in millions)

Category	2021	2020	2019
Operating Revenue	94,228	79,426	75,191
Operating Expenses	38,398	31,861	34,037
Operating Income	55,831	47,565	41,154
Net Income from Continuing Operations before Income Tax Expense	54,553	47,716	40,876
Net Income	40,300	35,312	31,122
Total Comprehensive Income	40,263	35,954	30,584

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

Woori Asset Trust's operating income in 2021 was KRW 94.2 billion, an increase of 18.6% (KRW 14.8 billion) compared to the previous year. Despite the grim outlook on the domestic real estate market, operating income from managing trusts, including land trusts, climbed 28.5% (KRW 20.4 billion).

Operating expenses amounted to KRW 38.4 billion, a 20.5% (KRW 6.5 billion) y-o-y decrease. SG&A expenses, including wages, rose by 22.4% (KRW 6.4 billion) as a result of recruiting manpower for reinforcing the sales organization.

Woori Asset Trust's return on assets was one of the highest in the industry in 2020 at 18.64%. Real estate trust revenue has been stagnant due to the continuous decline in compensation for trust management and increased competition with three new securities firms entering the market. However, Woori Asset Trust will boost profitability based on its strong business foundation in the management-type land trusts and non-land trusts, such as collateral trusts and agency services, as well as synergy with the other affiliates of Woori Financial Group.

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

■ Woori Savings Bank

(Unit: KRW in millions)

Category	2021	2020	2019
Operating Revenue	85,813	74,307	78,747
Operating Expenses	68,596	64,138	66,593
Operating Income (Loss)	17,217	10,169	12,154
Net Income from Continuing Operations before Income Tax Expense	17,773	10,280	12,442
Net Income (Loss)	15,315	9,614	11,241

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

Woori Savings Bank recorded a net income of KRW 15.3 billion, an increase of KRW 5.7 billion from the previous year, as a result of an increase of KRW 6 billion in interest on loans and an increase of KRW 5.8 billion in gains on sales of marketable securities achieved by pursuing growth centering on high-quality assets.

■ Woori Asset Management

(Unit: KRW in millions)

Category	2021	2020	2019
Operating Revenue	33,343	23,329	24,990
Operating Expenses	23,105	14,941	14,754
Operating Income (Loss)	10,238	8,388	10,236
Net Income from Continuing Operations before Income Tax Expense	10,333	8,906	10,629
Net Income (Loss)	8,244	6,707	8,001
Total Comprehensive Income (Loss)	8,458	6,224	8,822

Note) Based on consolidated financial statements (K-IFRS) for 2021 and based on separate financial statements (K-IFRS) for 2020 and 2019

Woori Asset Management's operating income in 2021 was KRW 33.34 billion, a 42.9% (KRW 10 billion) y-o-y increase. This was attributable to the increase in AUM, including an increase of KRW 3.3 trillion in stocks and bonds and KRW 2.9 trillion in MMFs. Operating expenses were KRW 23.11 billion, up 55.0% (KRW 8.17 billion) from the previous year. Net income after deducting non-operating losses and income tax expenses was KRW 8.24 billion, up 23.0% (KRW 1.5 billion) from KRW 6.7 billion in 2020. Woori Asset Management's return on assets (ROA) stood at 6.9% as of 2021.

In 2022, a decline in public offering bond funds, the company's main AUM, is expected due to the possibility of continued interest rate hikes, but based on excellent management capabilities, the company plans to attract funds from institutions such as insurance companies and will strive to firmly secure a position in the new business areas by promoting the sales of ETF products and strengthening retirement pension products.

■ Woori FIS

(Unit: KRW in millions)

Category	2021	2020	2019
Sales	270,301	248,944	244,428
Operating Income	1,125	1,323	699
Non-Operating Income (Expense)	984	1,628	1,639
Income Tax Expense	522	938	△769
Net Income	1,587	2,013	3,107
Other Comprehensive Income	6,423	△78	12
Total Comprehensive Income	8,010	1,935	3,119

Sales increase KRW 21.3 billion year-over-year to KRW 270.3 billion. This increase was attributable to a hike in service prices by Woori Bank and Woori Card. The total comprehensive income, on the other hand, stood at KRW 8.0 billion.

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(3) Asset Quality

■ Woori Financial Group Inc.

(Unit: KRW in billions, %)

Category	2021	2020	Change (amount)
Total Loans	332,797	299,075	33,722
Sub-Standard or Below Loans	990	1,256	△266
Sub-Standard or Below Ratio	0.30	0.42	△0.12
Coverage Ratio	192.2	153.8	38.4

Even amid an economic downturn triggered by the prolonged pandemic, Woori Financial Group recorded a 0.12%p decrease in sub-standard or below loans by normalizing long-term large-sum non-performing loans and disposing of non-performing loans.

Moreover, by using the information on the future economic forecasts fully reflecting internal and external uncertainties and preemptively making loan loss provisions based on additional provisions for loans for which repayments have been deferred due to COVID-19, the coverage ratio was increased by 38.4%p compared to the previous year. As such, the company is continually managing its financial soundness to minimize the impact from economic volatility and sudden changes.

■ Asset Quality Indicators of Major Subsidiaries

(Unit: KRW in millions, %)

Category	Indicator	2021	2020	2019
Woori Bank	Total Loans	288,099,068	264,532,916	243,084,473
	Sub-Standard or Below Loans	578,614	854,784	979,690
	Sub-Standard or Below Ratio	0.20	0.32	0.40
	NPL	525,708	785,307	879,349
	NPL Ratio	0.18	0.30	0.36
	Coverage Ratio(A/B)	205.50	153.95	121.80
	Total Allowance for NPL(A)	1,189,015	1,316,017	1,193,340
Woori Card	Sub-Standard or Below Loans(B)	578,614	854,784	979,690
	Total Loans	13,268,540	10,665,044	9,816,977
	Sub-Standard or Below Loans	54,186	67,323	78,944
	Sub-Standard or Below Ratio	0.41	0.63	0.80
	Delinquency Ratio	103.21	102.65	102.84
	Credit Loss Provisions Outstanding(A)	837,588	769,594	764,073
	Minimum Regulatory Reserve for Credit Loss(B)	811,548	749,698	742,982
Woori Financial Capital	Total Loans	9,661,446	6,894,632	5,739,182
	Sub-Standard or Below Loans	116,092	122,007	130,595
	Sub-Standard or Below Ratio	1.20	1.77	2.28
	Delinquency Ratio	196.70	140.15	97.86
	Credit Loss Provisions Outstanding(A)	228,354	170,986	127,797
	Sub-Standard or Below Loans(B)	116,092	122,007	130,595

Category	Indicator	2021	2020	2019
Woori Investment Bank	Total Loans	3,482,602	2,746,646	1,873,652
	Sub-Standard or Below Loans	19,700	21,576	9,153
	Sub-Standard or Below Ratio	0.57	0.79	0.49
	NPL	19,000	5,576	3,903
	NPL Ratio	0.55	0.20	0.21
	Coverage Ratio(A/B)	120.05	84.78	168.61
	Credit Loss Provisions Outstanding(A)	23,649	18,294	15,433
Woori Asset Trust	Sub-Standard or Below Loans(B)	19,700	21,576	9,153
	Assets Subject to Quality Classification	68,177	38,997	71,216
	Sub-Standard or Below Assets	38,595	24,819	26,715
Woori Savings Bank <sup>3)</sup>	Ratio of Sub-Standard or Below Assets	56.61	63.64	37.51
	Total Loans	1,252,040	1,029,231	895,985
	Sub-Standard or Below Loans	29,099	35,026	31,414
	Sub-Standard or Below Ratio	2.32	3.40	3.51
	Coverage Ratio(A/B)	117.37	90.37	79.42
	Credit Loss Provisions Outstanding(A)	34,154	31,654	24,950
	Sub-Standard or Below Loans(B)	29,099	35,026	31,414

Note 1) Based on Work Report of Financial Supervisory Service (FSS)

Note 2) Loan loss provisions required by the Specialized Credit Finance Business Act

Note 3) Based on K-GAAP

Woori Bank is clearly showing improvement in soundness, as a result of increasing the proportion of high-quality loans and continually pursuing risk management.

Woori Bank's corporate loans increased from KRW 132 trillion in 2020 to KRW 147 trillion in 2021, while the sub-standard or below ratio of corporate loans decreased from 0.48% in 2020 to 0.28% in 2021. The marked decline in the sub-standard or below ratio was made possible by lending to companies in good standing, disposing of NPLs and curbing NPLs by thorough portfolio management. Household loans decreased from KRW 130 trillion in 2020 to KRW 139 trillion in 2021, while the sub-standard or below ratio of household loans fell markedly from 0.17% in 2020 to 0.12% in 2021 (based on the NPL records of the Financial Supervisory Service).

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

Woori Card has seen steady decline in the delinquency rate from 1.61% in 2019 to 1.18% in 2020 and 0.95% in 2021. This was driven by thorough risk management, enhanced capabilities to collect on debt and ongoing disposition of NPLs.

Woori Financial Capital's delinquency ratio has been on a downward trend in the past three years from 1.59% in 2019 to 1.33% in 2020 and to 0.73% in 2021. In 2019, the sub-standard or below ratio temporarily increased (2.28%) due to a change in the soundness of borrowers among private business operators who shut down their businesses, which affected the entire industry. However, it was significantly improved to 1.77% in 2020 and 1.20% in 2021 based on excellent asset quality and

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increased capacity to collect receivables. The company is also making thorough preparations for uncertain losses at home and abroad based on conservative provisioning.

Woori Financial Group has been dedicating its efforts to improving its asset quality since 2013, and the non-performing loan ratio recorded 0.49% in 2019, 0.79% in 2020, and 0.57% in 2021, indicating excellent soundness. When calculating the asset quality ratio, non-performing loans, the numerator, were reduced through collection, sale, and amortization, and high-quality assets, the denominator, was increased. As a result, the ratios related to asset quality have improved over the years. In addition, preemptive risk management and follow-up management practices are being continually strengthened to prevent new non-performing assets.

In the case of Woori Asset Trust, loans increased by 175% (KRW 29.2 billion) compared to the previous year due to an increase in loan-type land trust accounts. As a result, the ratio of sub-standard or below loans such as trust accounts also increased by 156% (KRW 13.8 billion).

Woori Savings Bank recorded 2.32% in sub-standard or below ratio, a 1.08%p y-o-y decrease, by making efforts to improve asset soundness through risk management and sales.

Woori Asset Management manages its assets with liquidity as the top priority, followed by stability and profitability. However, a significant portion of the AUM is used as seed capital for public offering-centered company funds for the purpose of business support. These funds invest in traditional securities such as stocks, bonds, and global equity with excellent liquidity and high credit ratings. As these products are priced based on market value, valuation losses may occur, but the chance that they will be unrecoverable is low.

(4) Capital Adequacy

■ Woori Financial Group, Inc.

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

Category	2021	2020	Change (amount)
Common Equity Tier 1 Capital	21,994	19,828	2,166
Additional Tier 1 Capital	3,590	3,534	56
Tier 2 Capital	3,396	4,086	△690
Total BIS Capital	28,980	27,448	1,532
Risk-Weighted Assets	192,503	198,269	△5,766
Common Equity Tier 1 Ratio	11.43	10.00	1.43
Tier 1 Capital Ratio	13.29	11.78	1.51
BIS Capital Adequacy Ratio	15.05	13.84	1.21

Note) Based on the internal ratings-based approach for 2021

At the end of 2021, the BIS capital adequacy ratio of the Group stood at 15.05%, a 1.21%p increase year-over-year, and the common equity tier 1 ratio was recorded at 11.43%, a 1.43%p increase year-over-year. This was achieved as a result of aggressive efforts to improve capital adequacy by issuing KRW 0.4 trillion worth of capital securities and boosting net income by raising cost efficiency and operating income, in addition to the reduction of risk-weighted assets with the step-by-step application of the internal ratings method and an increase in high-quality assets, despite an increase of KRW 48.1 trillion in total assets (excl. AUM) of the Group in 2021. Woori Financial Group, Inc. will continue to comply with regulatory requirements, realize profits and recapitalize at an adequate level to raise capital adequacy.

■ Capital Ratios of Major Subsidiaries

※ Woori Bank

(Unit: KRW in billions, %)

Category	2021	2020	2019
Common Equity Tier 1 Capital	20,371	19,155	+1,216
Additional Tier 1 Capital	2,032	2,752	△720
Tier 2 Capital	3,070	3,362	△293
Total BIS Capital	25,473	25,269	+204
Risk-Weighted Assets	157,276	145,755	+11,520
Common Equity Tier 1 Ratio	12.95%	13.14%	△0.19%p
Tier 1 Capital Ratio	14.24%	15.03%	△0.79%p
BIS Capital Adequacy Ratio	16.20%	17.34%	△1.14%p

In 2021, the common equity tier 1 capital increased KRW 1,216.0 billion to KRW 20,371.0 billion, a 6.3% y-o-y increase.

Additional tier 1 capital and supplementary capital (tier 2) amounted to KRW 2,032.0 billion and KRW 3,070.0 billion, a decrease of KRW 720.0 billion and KRW 293.0 billion from the previous year, respectively. This was due to the redemption of new capital securities and subordinated bonds and a decrease in the amount of recognized capital. Total equity capital stood at KRW 25,473.0 billion, a y-o-y increase of KRW 204.0 billion. In 2021, risk-weighted assets amounted to KRW 157,276.0 billion, an increase of KRW 11,520.0 billion or 7.9% from the previous year. The main reason behind the increase in risk-weighted assets was the increase in loans denominated in Korean won, as a result of productive financial support provided in response to the COVID-19 pandemic.

In 2021, the common equity tier 1 ratio, tier 1 capital ratio and BIS capital adequacy ratio were recorded at 12.95%, 14.24% and 16.20%, a 0.19%p, 0.79%p and 1.14%p y-o-y decrease, respectively.

While the tier 1 capital ratio and capital adequacy ratio dropped slightly due to the issuance of limited conditional capital securities, they are being managed at appropriate ratios. Going forward, Woori Bank will continually improve its capital adequacy ratio by generating steady profits, paying an appropriate amount of dividends and increasing capital.

(Unit: KRW in 100 millions, %)

Category	Indicator	2021	2020	2019
Woori Card	Adjusted Capital Ratio	17.73	19.93	18.33
	Tangible Common Equity Ratio	11.84	13.48	14.29
Woori Financial Capital	Adjusted Capital Ratio	13.38	12.17	13.46
	Tangible Common Equity Ratio	11.70	10.77	12.08
Woori Investment Bank	BIS Capital	5,767	4,918	3,381
	Total BIS Capital (A)			
	Risk-Weighted Assets (B)	40,378	31,922	26,303
	Ratio			
	BIS Capital Adequacy Ratio (A/B)	14.28	15.41	12.86
Woori Asset Trust	Net Operating Capital Ratio (NCR)	1,101.46	1,286.43	1,397.97
Woori Asset Management	Minimum Operating Capital Ratio	721.9	754.1	655.8
Woori Savings Bank	BIS Capital Adequacy Ratio	21.47	13.40	13.46

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

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

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

Note 4) Net capital ratio of Woori Asset Trust=(net capital-subordinated borrowings, etc.)/total risk exposures (market risk + credit risk + operating risk)x100/K-IFRS separate financial statements

Note 5) Woori Asset Management: Based on separate financial statements (K-IFRS)

Note 6) Woori Savings Bank: Based on K-GAAP

At the end of 2021, Woori Card had an adjusted capital ratio (ACR) of 17.73%, surpassing the minimum requirement according to the Management Guidance (8% or above) in accordance with the Supervisory Regulations on Specialized Credit Financial Business. Woori Investment Bank also recorded an excellent BIS capital adequacy ratio of 15.41% at the end of 2021 (requirement by the Financial Investment Services and Capital Markets Act: 8%).

In the case of Woori Financial Group, the capital adequacy ratio increased slightly due to the paid-in capital increase in 2020, and it was maintained at a steady level at 14.28% in 2021. In addition, the BIS capital in December 2021 consisted of KRW 564.0 billion in tier 1 capital and KRW 12.7 billion in additional tier 1 capital, indicating a high tier 1 ratio. As such, the company has the capacity to achieve asset expansion and capital expansion through additional tier 1 capital, if necessary.

In the case of Woori Financial Capital, the capital adequacy ratio increased somewhat due to a paid-in capital increase in 2021. The adjusted capital adequacy ratio increased from the previous year to 13.38% in 2021. It being managed at a level above the Management Guidance (adjusted capital adequacy ratio of at least 7%) according to the Regulations on Specialized Credit Financial Business.

Woori Asset Trust recorded an equity capital that was 1,683.5% of the minimum equity requirement (KRW 10.0 billion) set forth in the Financial Investment Services and Capital Markets Act and the Enforcement Decree of the Act. The net capital ratio (NCR) dropped 112%p y-o-y to 1,101%, but it still remained among the highest out of the fourteen trust companies last year.

As for Woori Savings Bank, the BIS capital adequacy ratio was 21.47%. While the earned surplus climbed upward, the BIS capital adequacy ratio increased 8.07%p from the previous year due to an increase in risk-weighted assets resulting from an overall expansion of assets.

### B. New Businesses and Suspended Businesses

#### ■ Woori Financial Group

[Incorporation of Woori Savings Bank as a Subsidiary]

In March 2021, Woori Financial Group decided to conclude a stock purchase contract with Woori Financial Capital for incorporation of Woori Savings Bank as a subsidiary. With the incorporation of Woori Savings Bank, a sub-subsidiary, as a subsidiary, Woori Financial Group achieved compliance with the Financial Holding Companies Act concerning the ownership of a savings bank, while improving the Group's business portfolio and management system. Woori Savings Bank, which was incorporated into the Group at the end of 2020, is expected to play a pivotal role in the Group's microfinance business as a subsidiary.

[Woori Financial Capital, 100% Incorporated as a Subsidiary]

Woori Financial Group incorporated Woori Financial Capital as a 100% subsidiary of the Group in August 2021. This has made it possible for Woori Financial Capital to pursue management strategies in line with the Group's strategies and create synergy with other subsidiaries. Woori Financial Group is expected to bring forth greater value to shareholders by boosting

its net income based on a reinforced group system and an expansion of equity attributable to the parent company. Going forward, efforts will continue to be made to strengthen competitiveness as a total financial group and bolster the company's worth by implementing various strategies to expand the non-banking businesses and improve efficiency by reorganizing the business portfolio.

#### ■ Woori Bank

Woori Bank plans to strengthen its data-based business capabilities by continually expanding the innovative Woori My Data Service, including personal financial management (PFM) service based on the MyData (personal credit information management service) license obtained in January 2021. Woori Bank has recently launched the WON Concierge Service, a zero-contact customer management service, as well as My Convenience Store, My Courier Service, and Fast Indemnity Insurance Claim Service.

### C. Business Rationalization

#### (1) Alteration and Reorganization of Business Groups

#### ■ Woori Financial Group

[Establishment of the ESG Management Committee within the Board of Directors (March 2021)]

In March 2021, the ESG Management Committee was established within the Board of Directors for efficient decision-making and execution in relation to ESG issues. The ESG Management Committee, establishing the Group's ESG strategies and policies and receiving reports on progress related to ESG issues, is the top decision-making body for the overall ESG management of the Group. Woori Financial Group is fulfilling its corporate social responsibility by implementing an inclusive ESG policy to bring value to not just shareholders but all stakeholders including customers and employees and to contribute to the national economy, and it will emerge as a leader in ESG management through companywide efforts.

#### ■ Woori Bank

Woori Bank restructured its organization to lay the groundwork to lead the financial market through digital transformation for improved customer experience and competitive advantage and to emerge as the No. 1 customer-oriented financial platform service provider.

First, Woori Bank established an organizational system to innovate customer experiences based on digital technology. For the retail business area, the Retail Digital Business Group was newly established for an integrated operation of face-to-face and non-face-to-face channels in relation to products, services, and marketing.

The WON Concierge Service Department was established to manage customers who prefer non-face-to-face services and provide the same level of financial services as branches through the WON banking app. In addition, the CX Innovation Team, which will open new horizons by innovating customer experiences with an understanding of customers from a new perspective, and the MZ Marketing Team, in charge of carrying out marketing campaigns target Generation MZ generation, were launched to expand the customer base for the future.

Woori Bank also set up the organizational system necessary to deliver a differentiated financial platform. First, by streamlining planning, development, and operation in the personal, corporate, and wealth management (WM) areas, Woori Bank improved the timeliness of its response to the changes in the market response and its execution capabilities. Also, with the introduction of the MyData business, which allows the integration or provision of personal credit information under the amended Credit Information Use and Protection Act, MyData Division was newly established to provide personalized services to each customer. Moreover, the Innovation Technology Division was created to achieve financial innovation by combining finance with new cutting-edge technologies such as metaverse and blockchain.





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Woori Bank plans to continue its efforts to boost non-interest income and solidify its customer base in key business areas. First, in order to improve profitability by strengthening the competitiveness in IB, the company expanded its IB organization by establishing the Investment Finance Business Group and Project Finance Business Group. Also, the Pension Business Group was newly organized to strengthen pension business capabilities with strengthened pension marketing and improved management of returns for customers.

■ Woori Card

Woori Card restructured its organization to respond systematically and proactively to the changes in the business environment. It created a flexible and goal-oriented agile organizational system, established a business group dedicated to boosting financial profits, and established and expanded regional centers.

Moreover, a new business promotion team was formed for the purpose of incubating new businesses, and a data sales center was founded in 2022 to speed up digital innovation and strengthen marketing based on customer data analysis. Woori Card plans to reorganize the Digital Innovation Team into the Digital Business Group and operate it in connection with project goals and performance.

■ Woori Financial Capital

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

■ Woori Investment Bank

Woori Investment Bank is building a companywide ESG management system by establishing an SG planning team to reinforce ESG management practices, based on the growing emphasis on the importance of environmental, social, and governance (ESG) criteria as non-financial factors for investment decisions. The company also introduced a PF department comprised of experts in the IB market in 2021 to generate non-interest income and boost business.

Furthermore, Woori Investment Bank carried out organizational restructuring on January 1, 2022. The ECM Team was established to promote the ECM business, and the Corporate Finance Department II was established to expand non-PF assets. The company also plans to create a digital product department to attract new customers by offering differentiated products and carrying out online marketing campaigns and to expand the bank draft business centering on zero-contact channels.

■ Woori Asset Trust

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

■ Woori Savings Bank

Woori Savings Bank established the Digital Division and Business Group in May 2021, with the aim of achieving digital innovation and creating added value by creating synergy. The Digital Business Group plans and operates platform services for customers and has improved its capabilities to provide faster and more sophisticated credit services. The Business Group was created by merging the Personal Banking Business Group and the Corporate Banking Business Group in order to consolidate their capabilities to achieve the company goals. Woori Savings Bank has prepared new revenue pipelines for continuous growth based on the synergy created with the other members of the Group.

■ Woori Asset Management

Woori Asset Management established the ETF Strategic Management Office and Solution Management Division with the aim of expanding new businesses such as ETFs and OCIOs. The company plans to consolidate its position in the new markets by reorganizing the responsible organizations.

(2) Early Retirement of Employees, etc.

Woori Bank, a major subsidiary of Woori Financial Group, has been carrying out the Outplacement Services Program that serves as an upgraded early retirement program since 2005. The Outplacement Services Program is designed to resolve the bottleneck in promotions and improve its workforce structure, while allowing employees to plan out a new chapter after retirement. Employees looking to resign from their positions are provided with the support necessary to prepare for a life after retirement. In 2021, the related services were provided to a total of 415 employees, which helped improve the workforce structure of the bank.

D. F/X Fluctuations

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

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

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

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E. Asset Impairment Losses and Reduction Losses

■ Woori Financial Group, Inc.

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

(Unit: KRW in millions)

Category	2021	2020	2019
Credit Loss on Financial Assets at Fair Value through Other Comprehensive Income ("FVTOCI")	(4,909)	(1,529)	(3,297)
Reversal of (Provision for) Credit Loss on Securities at Amortized Cost	(664)	934	1,415
Provision for Credit Loss On Loans and Other Financial Assets at Amortized Cost	(551,957)	(792,250)	(385,758)
Reversal of Allowance for Acceptances and Guarantees Losses	10,701	18,348	4,352
Reversal of (Provisions for) Allowance for Undrawn Commitment	9,991	(9,874)	9,044
Reversal of (Provisions for) Impairment Losses on Premises, Equipment, Intangible Assets, Goodwill and Other Assets	(490)	(8,591)	(28,192)
Provision for Impairment Losses on Investments in Joint Ventures and Associates	(10,667)	(1,242)	(3,634)

■ Woori Bank

(1) 2019

Category	Impairment · Loss	Cause
Intangible Assets <sup>Note1)</sup>	KRW 25.85 billion	A decrease in the recoverable amount within the contract period due to changes in the market conditions
Stocks of related company (K Bank)	Based on separate financial statements (cost method): KRW 41.9 billion Based on consolidated financial statements (net asset valuation method) : KRW 3.6 billion	Reduction by the bank according to the decision made by a major shareholder, KT (as requested by the external auditor)
Marketable securities using equity method (ChinHung International Inc.)	KRW 1.112 billion	A decrease of more than 30% of the book value compared to the acquisition price
Marketable securities using equity method (Saman Eng.)	KRW 0.093 billion	A decrease of more than 30% of the book value compared to the acquisition price

Note 1) It is assumed that the 2019 average balance and profit margin will be maintained until the end of the contract period.

(2) 2020

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

(3) 2021

Category	Impairment · Loss	Cause
Stocks subject to consolidation (Brazil Woori Bank)	KRW 1.106 billion	More than 30% decrease in the net asset value compared to Woori Bank's investment in Korean won due to a drop in the BRL-KRW exchange rate
Stocks of related company Smart J Private Equity Fund Joint-Stock Corporation	KRW 0.796 billion	A decrease in the valuation of investment assets
Properties, Plants and Equipment, and Intangible Assets (related to contributions)	KRW 0.018 billion	A decrease in the recoverable amount within the contract period due to changes in the market conditions
Properties, Plants and Equipment, and Intangible Assets (related to membership programs)	KRW 0.258 billion	A difference in the market prices

■ Woori Financial Capital

(as of December 31, 2021)

(Unit: KRW in millions, %)

Category	Name	Loss	Cause
Beneficiary certificates	KORAMCO Specialized Investment PE Real Estate Investment Trust No. 107	3,000	A decrease in recoverable amount due to delayed collection of principal and interest and a lawsuit

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■ Woori Investment Bank

(Unit: KRW in millions)

Category	2021	2020	2019
Impairment Loss on Intangible Assets and Goodwill	-	50	786
Impairment Loss on Financial Assets Available for Sale	-	-	-
Total	-	50	786

Woori Investment Bank conducts impairment tests each year on intangible assets and its activities of goodwill. Whenever there is sign of asset impairment loss and the book value of intangible assets and goods are set to exceed the estimated recoverable amount, the book value is immediately reduced to the recoverable amount. There were no impairment losses on intangible assets in relation to the memberships in possession in 2021.

■ Woori Asset Trust

(Unit: KRW in millions)

Category	2021	2020	2019
Impairment Loss on Premises and Equipment	-	-	660
Impairment Loss on Intangible Assets and Goodwill	-	-	-
Total	-	-	660

Note 1) It is assumed that the 2019 average balance and profit margin will be maintained until the end of the contract period.

4. Liquidity, Sources & Applications of Fund

A. Liquidity

■ Woori Financial Group, Inc.

(based on separate financial statements)

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

Category	2021	2020	Change (amount)
Liquid Assets	561	40	520
Liquid Liabilities	6	8	△2
LCR in KRW	9,779.3	509.5	9,269.8

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

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

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

■ Woori Bank

(Unit: %)

Category	2021	2020	2019
LCR (Including KRW and all other currencies)	89.95	92.07	107.27
Foreign Currency LCR	107.40	106.06	110.5

Note) Applied the calculation criteria for management disclosures (total LCR: average of the ratios over all business days during the quarter; foreign currency LCR: calculated after averaging each item for the quarter), and the LCR requirement was adjusted downward until the end of March 2022 (total LCR: 100% → 85%; foreign currency LCR: 80% → 70%) according to the Financial Services Commission's "Financial Regulation Flexibility Measures and Future Plan" in Q4 2021, Qr 2020, and Q4 2019.

Woori Bank manages the liquidity coverage ratio (LCR), an indicator for liquidity regulations in Basel III, at 89.95%, as of 2021 4Q, by increasing highly liquid assets through deposits and corporate bonds. (The LCR will be lowered to 85% by March 2022.)

Foreign currency LCR was recorded at 107.40% on average, as of 2021 4Q, (set to be decreased to 70% by March 2022) a by securing a sufficient amount of highly liquid assets such as US treasury bills.

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

■ Woori Card

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

As of the end of 2021, the outstanding debenture issues amounted to KRW 9,187.7 billion, up KRW 1,325.2 billion from KRW 7,862.5 billion at the end of 2020. Woori Card has an adequate level of liquidity and a credit line of KRW 550.0 billion so that it can repay borrowings that are set to reach their maturity and provide operating funds without market financing for some time even in the event of an unexpected credit crunch in the financing market.

(1) Liquidity

Based on consolidated financial statements

(Unit: KRW in 100 millions)

Category	2021	2020	2019
Cash and Deposits	6,648	5,479	1,362
Credit Line	6,000	5,500	4,800
Total	12,648	10,979	6,162

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(2) Financing through Debentures

Based on consolidated financial statements

(Unit: KRW in 100 millions)

Category	2021	2020	2019
Debentures Issued in KRW	78,300	67,450	60,500
Liquid Debentures	9,072	9,217	9,383
Debentures Issued in Foreign Currencies	4,505	1,958	926
Total	91,877	78,625	70,809

(3) Time to Maturity of Debentures

Based on consolidated financial statements

(Unit: KRW in 100 millions)

Category	2021	2020	2019
One Year or less	23,171	21,324	20,154
1 to 2 Years	27,749	18,976	17,839
2 to 3 Years	24,700	21,838	15,616
Over Three Years	16,257	16,488	17,200
Total	91,877	78,625	70,809

■ Woori Financial Capital

(Unit: KRW in millions, %)

Category	2021	2020	2019
Liquid Assets in KRW	1,531,101	1,357,876	1,037,894
Liquid Liabilities in KRW	856,736	616,632	498,197
LCR in KRW	178.7	220.2	208.3

Woori Financial Capital's LCR, as of the end of 2021, is 178.7%. The LCR of the company is the ratio of liquid assets that will reach their maturities within 90 days to liquid liabilities that will reach their maturities within 90 days in accordance with Article 53-3 of the Specialized Credit Finance Business Act and its subordinate regulations. In light of this, Woori Financial Capital is deemed to be maintaining its LCR at a fairly good level.

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

■ Woori Financial Capital

(Unit: %)

Category	2021	2020	2019
KRW LCR	134.31	139.27	149.49
Foreign Currency LCR	-	-	109.72

Woori Investment Bank's LCR in KRW decreased 4.96%p y-o-y to 134.31%, as of the end of 2021. The foreign currency LCR cannot be calculated as there are no liquid liabilities in foreign currencies.

LCR in KRW is the ratio of assets to liabilities that will reach their maturities within three months, and Woori Investment Bank ensures that the figure remains at 100% or above (Article 8-41 (Liquid assets/Liquid liabilities) of the Regulation on the Financial Investment Services and Capital Markets). As of the end of 2021, Woori Investment Bank's LCR in KRW was 134.31%, a decrease from the LCR in 2020, but it is still deemed to be at a satisfactory level.

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

■ Woori Savings Bank

(Unit: KRW in millions, %)

Category	2021	2020	2019
Liquid Assets	292,913	267,927	263,961
Liquid Liabilities	228,445	209,712	228,491
LCR	128.22	127.76	115.52

Note) Based on K-GAAP

Woori Savings Bank recorded an LCR of 128.22%, a 0.46%p y-o-y increase, at the end of 2021. Woori Savings Bank is required to maintain its LCR, which is the ratio of assets to liabilities that will reach their maturities within three months, at 100% or higher (Article 40-1 (Supervisory Regulations) of the Mutual Savings Bank Act) and has successfully achieved the target in 2020.

B. Sources and Management of Fund

■ Woori Financial Group, Inc.

(based on separate financial statements of the holding company)

(Unit: KRW in billions, %)

Category	2021	2020	Change (amount)	Change (%)
Debentures	1,367	1,148	219	19.08
Other Liabilities	493	238	255	107.14
Equity	21,665	21,044	621	2.95
Total Funds	23,525	22,430	1,095	4.88
Cash and Deposits	739	469	270	57.57
Share Investments in Subsidiaries	22,291	21,712	579	2.67
Non-Current Assets	13	18	△5	△27.78
Other Assets	482	231	251	108.66
Total Funds Managed	23,525	22,430	1,095	4.88

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



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Woori Financial Group is a financial holding company established pursuant to the Financial Holding Companies Act. Dividends from subsidiaries are its main source of revenue, and no other sales activities are pursued.

As for the main sources of funds, bonds amounted to KRW 1,367 billion, an increase of KRW 219 year-over-year, and equity capital was KRW 21,665 billion, an increase of KRW 621 billion (an increase of KRW 399 billion in hybrid tier 1). As for management of funds, among marketable securities, the investment in subsidiaries amounted to KRW 22,145 billion, an increase of KRW 583 billion from the previous year, and this was the result of investing KRW 369 billion to incorporate Woori Financial Capital as a 100% subsidiary of the Group and for a paid-in capital increase in the company and investing KRW 213 billion to incorporate Woori Savings Bank as a subsidiary and for a paid-in capital increase in the company. Cash and deposits stood at KRW 739 billion, an increase of KRW 270 billion year-over-year.

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

■ Woori Bank

(1) Sources of Funds

(Unit: KRW in millions, %)

Category	Fund	2021			2020			2019		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Deposits, installments	247,182,494	0.80	68.14	227,415,531	1.09	67.41	212,554,654	1.50	66.58
	Certificates of deposit	2,857,764	0.95	0.79	1,676,615	1.19	0.50	4,759,552	2.09	1.49
	Borrowings in KRW	10,005,559	0.77	2.76	8,537,259	0.92	2.53	6,965,780	1.43	2.18
	Call money in KRW	336,242	0.60	0.09	149,794	0.71	0.04	407,753	1.60	0.13
	Others	23,758,884	1.67	6.55	21,964,429	1.97	6.51	21,924,679	2.36	6.87
	Subtotal	284,140,943	0.87	78.33	259,743,628	1.16	76.99	246,612,418	1.59	77.25
Funds in foreign currencies	Deposits in foreign currencies	22,972,746	0.20	6.33	20,684,077	0.47	6.13	16,646,668	1.19	5.21
	Borrowings in foreign currencies	6,806,027	0.42	1.88	7,893,837	1.20	2.34	7,944,242	2.24	2.49
	Call money in foreign currencies	435,927	0.12	0.12	652,451	0.70	0.19	877,414	2.38	0.27
	Debentures in foreign currencies	3,946,276	1.43	1.09	4,221,949	2.53	1.25	4,209,041	3.89	1.32
	Others	816,878	0.09	0.23	637,082	0.39	0.19	623,209	1.11	0.20
	Subtotal	34,977,854	0.38	9.64	34,089,396	0.90	10.10	30,300,573	1.87	9.49
	Total Equity	23,612,506	-	6.51	22,576,280	-	6.69	21,874,591	-	6.85
Others	Provisions	451,774	-	0.12	496,545	-	0.15	453,821	-	0.14
	Others	19,587,281	-	5.40	20,449,197	-	6.06	20,006,615	-	6.27
	Subtotal	43,651,561	-	12.03	43,522,022	-	12.90	42,335,027	-	13.26
Total		362,770,358	0.72	100.00	337,355,046	0.98	100.00	319,248,018	1.40	100.00

Note 1) Deposits in KRW = Deposits in KRW – Deposit checks & bills in the process of collection – reverse deposits with BOK – inter-bank adjustment funds (call loans)

\* Deposit checks & bills in the process of collection = total checks and bills in the process of collection – checks & bills on clearing for overdrafts – inter-bank adjustment funds (call money)

\* Interest for calculating interest rates is the sum of interest on deposits and installment deposits and deposit insurance premiums.

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

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

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

Note 5) Excluding merchant banking accounts

The average fund balance sourced by Woori Bank in 2020 increased by KRW 26 trillion y-o-y to KRW 363 trillion in 2021. The average balance of funds in Korean won was KRW 284 trillion, with the main source being deposits from customers to ensure stable liquidity, and as a result, deposits increased by KRW 24 trillion y-o-y. The average balance of funds in foreign currencies, on the other hand, increased by KRW 3.8 trillion y-o-y, while deposits in foreign currencies rose by KRW 1.4 trillion. By effectively managing liquidity by raising funds to comply with the LCR and loan-deposit ratio (LDR) and managing its portfolio of fund sources and management, Woori Bank has been successfully enhancing profitability.

※ Time to Maturity for Major Financial Liabilities

(Unit: KRW in millions)

Category of Financial liabilities	3 months or less	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Financial Liabilities at Fair Value through Profit and Loss	100,976	-	-	-	-	-	100,976
Depository	218,079,767	31,250,252	18,974,338	28,310,012	6,426,172	404,877	303,445,418
Borrowings	6,980,210	3,042,250	1,998,065	1,981,900	3,604,589	428,651	18,035,665
Debentures	1,516,215	3,137,770	4,064,603	3,955,252	12,550,020	2,128,570	27,352,430
Other Financial Liabilities	16,456,422	25,711	22,443	17,539	87,945	1,986,238	18,596,298
Total	243,133,590	37,455,983	25,059,449	34,264,703	22,668,726	4,948,336	367,530,787

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

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(2) Applications of Funds

(Unit: KRW in millions, %)

Category	Applications	2021			2020			2019		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Deposits in KRW	1,582,352	0.59	0.44	495,469	0.63	0.15	981,487	1.66	0.31
	Marketable Securities in KRW	49,898,384	1.81	13.75	47,179,576	1.84	13.99	45,340,836	2.10	14.20
	Loans in KRW	252,132,920	2.45	69.50	229,677,179	2.68	68.08	216,362,134	3.21	67.77
	Advance Payments On Acceptances And	12,396	1.23	0.00	14,440	3.66	0.00	14,190	1.30	0.00
	Call Loans in KRW	454,704	0.95	0.13	522,486	1.02	0.15	693,296	1.76	0.22
	Privately Placed Bonds	96,948	3.23	0.03	67,591	3.30	0.02	82,645	2.80	0.03
	Credit Card Receivables	-	-	-	-	-	-	-	-	-
	Others	2,956,305	1.06	0.81	2,439,094	1.52	0.72	3,040,943	2.56	0.95
	Allowance for Doubtful Accounts in KRW	△1,135,272	-	△0.31	△1,074,451	-	△0.32	△1,150,551	-	△0.36
	Subtotal	305,998,737	2.33	84.35	279,321,385	2.53	82.80	265,364,980	3.01	83.12
Funds in foreign currencies	Deposits in Foreign Currencies	8,060,871	0.20	2.22	7,906,911	0.39	2.34	5,475,080	1.91	1.71
	Marketable Securities in Foreign Currencies	5,833,377	2.20	1.61	5,577,772	1.56	1.65	4,618,998	2.09	1.45
	Loans in Foreign Currencies	15,397,155	1.67	4.24	14,538,941	2.30	4.31	13,682,670	3.41	4.29
	Call Loans in Foreign Currencies	866,386	0.32	0.24	874,360	1.04	0.26	1,491,754	2.61	0.47
	Bills Bought in Foreign Currencies	5,715,228	0.76	1.58	6,165,221	1.32	1.83	6,504,880	2.71	2.04
	Others	135,251	3.85	0.04	121,595	4.15	0.04	71,016	2.12	0.02
	Allowance for Doubtful Accounts in Foreign Currencies	△198,759	-	△0.05	△247,732	-	△0.07	△228,898	-	△0.07
	Subtotal	35,809,509	1.26	9.87	34,937,069	1.57	10.36	31,615,501	2.80	9.90
	Cash	994,516	-	0.27	1,021,282	-	0.30	1,090,887	-	0.34
	Property, Plant and Equipment for Business	2,698,536	-	0.74	2,712,621	-	0.80	2,698,226	-	0.85
Others	Others	17,269,060	-	4.76	19,362,690	-	5.74	18,478,423	-	5.79
	Subtotal	20,962,112	-	5.78	23,096,593	-	6.85	22,267,537	-	6.97
Total		362,770,358	2.09	100.00	337,355,046	2.26	100.00	319,248,018	2.78	100.00

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

Note 2) Marketable securities in KRW = Marketable securities in KRW + Loaned securities in KRW

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

Note 3) Loans in KRW = Loans in KRW + Checks & bills on clearing for overdrafts

\* Interest for calculating interest rates = Interest on loans in KRW – Contribution to the Korea Credit Guarantee Fund

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

Note 5) Marketable securities in foreign currencies = marketable securities in foreign currencies + Loaned securities in foreign currencies

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

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

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

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

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

Note 10) Excluding merchant banking accounts

The average balance of funds managed by Woori Bank in 2021 was KRW 306 trillion, a y-o-y increase of KRW 26.7 trillion. The main contributing factor was an increase of KRW 22.5 trillion in loans in KRW. Out of all loans in KRW, household loans and corporate loans increased by KRW 11.2 trillion and KRW 11.3 trillion, respectively. The return on KRW-denominated loans dropped by 22bp compared to December 2020.

Assets in foreign currency amounted to KRW 35.8 trillion, a y-o-y increase of KRW 0.9 trillion, and this was attributable to the increase of KRW 0.9 trillion in loans in foreign currency and marketable securities, respectively. Woori Bank will stay committed to complying with the liquidity requirements (for LDR, LCR, etc.) and maintaining a stable fund management structure.

Woori Card

(1) Sources of Funds

(Unit: KRW in millions, %)

Category	Fund	2021			2020			2019		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Call Money	-	-	-	-	-	-	-	-	-
	Borrowings	492,123	1.69	3.79	142,268	2.20	1.31	-	-	-
	Debentures	7,954,620	1.88	61.34	6,692,528	2.15	61.83	6,733,067	2.31	65.77
	Others	1,426,090	0.00	11.00	1,142,170	0.00	10.56	1,006,939	-	9.84
	Subtotal	9,872,833	1.60	76.13	7,976,966	1.84	73.70	7,740,005	2.01	75.60
Funds in Foreign Currencies	Debentures	926,607	1.24	7.15	903,918	1.54	8.35	736,986	1.95	7.20
	Borrowings	4,587	1.81	0.04	4,720	1.64	0.04	4,662	3.31	0.05
	Others	5,633	0.00	0.04	6,214	0.00	0.06	6,556	-	0.06
Others	Subtotal	936,827	1.24	7.23	914,852	1.53	8.45	748,204	1.94	7.31
	Total Equity	2,158,223	0.00	16.64	1,931,459	0.00	17.85	1,749,620	-	17.09
Total		12,967,883	1.30	100.00	10,823,277	1.49	100.00	10,237,829	1.66	100.00

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(2) Applications of Funds

(Unit: KRW in millions,%)

Category	Applications	2021			2020			2019		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Cash and Deposits	267,140	0.65	2.06	227,337	0.66	2.10	112,614	1.45	1.10
	Call Loans	-	-	-	-	-	-	-	-	-
	Marketable Securities	272,938	0.59	2.10	274,343	0.68	2.53	175,342	1.44	1.71
	Loans	11,803,177	12.80	91.02	9,697,975	14.25	89.61	9,431,958	14.87	92.13
	Subtotal	12,343,255	12.52	95.18	10,199,655	14.00	94.24	9,719,914	14.47	94.94
Funds in Foreign Currencies	Cash and Deposits	4,323	5.62	0.03	4,555	5.61	0.04	9,466	8.07	0.09
	Loans	25,515	28.00	0.20	28,751	28.00	0.26	15,760	28.00	0.15
	Others	1,199	0.00	0.01	730	-	0.01	241	-	0.00
	Subtotal	31,037	24.86	0.24	34,036	24.91	0.31	25,467	20.33	0.25
Others	Properties, Plants and Equipment and Intangible Assets	97,198	-	0.75	95,989	-	0.89	86,535	-	0.85
	Other Assets	496,393	-	3.83	493,597	-	4.56	405,913	-	3.96
	Subtotal	593,591	-	4.58	589,586	-	5.45	492,448	-	4.81
	Subtotal	12,967,883	11.98	100.00	10,823,277	13.27	100.00	10,237,829	13.79	100.00

■ Woori Financial Capital

(1) Sources of Funds

(Unit: KRW in millions,%)

Category	Fund	2021		2020		2019	
		Average balance	%	Average balance	%	Average balance	%
Funds in KRW	Deposits	-	-	1,018,977	12.5%	780,379	11.6%
	Borrowings	651,255	7.1%	316,053	3.9%	150,171	2.2%
	Debentures	7,152,850	78.1%	5,702,577	69.7%	4,564,909	67.7%
	Others	372,160	4.1%	313,244	3.8%	473,248	7.0%
	Subtotal	8,176,265	89.2%	7,350,851	89.9%	5,968,707	88.5%
	Subtotal	8,176,265	89.2%	7,350,851	89.9%	5,968,707	88.5%
Others	Total Equity	987,629	10.8%	825,528	10.1%	774,816	11.5%
Total		9,163,894	100.0%	8,176,379	100.0%	6,743,523	100.0%

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

(2) Applications of Funds

(Unit: KRW in millions,%)

Category	2021		2020		2019	
	Average balance	%	Average balance	%	Average balance	%
Cash and Deposits	216,367	2.4%	355,250	4.3%	323,489	4.8%
Marketable Securities	428,761	4.7%	514,208	6.3%	341,417	5.1%
Financial Bonds	7,008,321	76.5%	6,060,089	74.1%	5,050,958	74.9%
Lease Assets	1,366,928	14.9%	1,057,140	12.9%	846,826	12.6%
Investments in Associates and Joint Ventures	4,789	0.0%	1,569	0.0%	2,126	0.0%
Properties, Plants and Equipment	8,664	0.1%	6,908	0.1%	7,131	0.1%
Intangible Assets	6,336	0.1%	61,238	0.8%	68,789	1.0%
Other Assets	123,728	1.3%	119,977	1.5%	102,787	1.5%
Total	9,163,894	100.0%	8,176,379	100.0%	6,743,523	100.0%

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

■ Woori Investment Bank

(1) Sources of Funds

(Unit: KRW in millions, %)

Category	Fund	2021			2020			2019		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Deposits	3,144,023	1.44	65.52	2,725,135	1.84	69.96	2,282,715	2.24	79.05
	Borrowings in KRW	642,540	0.90	13.39	485,679	0.77	12.47	111,690	1.43	3.87
	Others	250,685	-	5.22	97,167	1.35	2.49	0	0.00	0.00
	Subtotal	4,037,248	1.27	84.14	3,307,981	1.67	84.92	2,394,405	2.21	82.92
Others	Total Equity	437,102	-	9.11	352,675	-	9.05	337,102	-	11.67
	Provisions	33,876	-	0.71	29,748	-	0.76	29,889	-	1.04
	Others	290,172	-	6.05	204,797	-	5.26	126,364	-	4.38
	Subtotal	761,150	-	15.86	587,220	-	15.08	493,355	-	17.08
Total		4,798,398	1.06	100.00	3,895,201	1.42	100.00	2,887,760	1.83	100.00

Note) Based on financial statements (K-IFRS)

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(2) Applications of Funds

(Unit: KRW in millions, %)

Category	Applications	2021			2020			2019		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Deposits in KRW	220,862	0.60	4.60	156,487	0.68	4.02	157,946	1.73	5.47
	Marketable securities in KRW	1,509,476	0.91	31.46	1,318,262	1.86	33.84	802,499	2.74	27.79
	Loans in KRW	2,404,523	4.75	50.11	1,900,569	4.93	48.79	1,394,034	5.30	48.27
	Privately placed bonds	439,613	4.09	9.16	318,707	4.76	8.18	363,269	4.99	12.58
	Others	-	-	-	-	-	0.00	0	0.00	0.00
	Allowance for doubtful accounts in KRW	△18,012	-	△0.38	△16,533	-	△0.42	△13,821	-	△0.48
	Subtotal	4,556,462	3.23	94.96	3,677,492	3.66	94.41	2,703,926	4.32	93.63
Funds in Foreign Currencies	Deposits in Foreign Currencies	746	-	0.02	1,340	-	0.03	1,438	0.04	0.05
	Marketable Securities in Foreign Currencies	2,337	2.37	0.05	2,826	△14.18	0.07	2,623	2.45	0.09
	Subtotal	3,083	1.80	0.06	4,166	△9.62	0.11	4,061	1.60	0.14
Others	Cash	16	-	-	15	-	-	0	0.00	0.00
	Property, plant and equipment for business	8,067	-	0.17	7,186	-	0.18	9,415	-	0.33
	Others	230,770	-	4.81	206,342	-	5.30	170,358	-	5.90
	Subtotal	238,853	-	4.98	213,543	-	5.48	179,772	-	6.22
Total		4,798,398	3.07	100.00	3,895,201	3.44	100.00	2,887,760	4.05	100.00

Note) Based on financial statements (K-IFRS)

■ Woori Asset Trust

(1) Sources of Funds

(Unit: KRW in millions)

Category	2021		2020		2019	
	Balance	%	Balance	%	Balance	%
Total Liabilities	86,418	34%	56,396	30%	45,410	32%
Other Liabilities	86,418	34%	56,396	30%	45,410	32%
Other Account Payables	10,217	4%	7,523	4%	9,081	6%
Withholdings	15		1		1	
Advance Receipts	51,826	20%	37,553	20%	24,552	18%
Accrued Income Tax	9,865	4%	7,514	4%	4,857	3%
Lease Liabilities	9,121	4%	1,547	1%	2,443	2%
Unearned Income	-	-	-	-	-	-
Accrued Dividends	635		635		656	
Leasehold Deposits	-	-	-	-	-	-
Allowance for Severance Benefits	-	-	-	-	-	-
복구충당부채	509		-		-	
Allowance for Trust Risk	4,230	2%	1,620	1%	3,820	3%
Total Equity	168,355	66%	129,237	70%	94,429	68%
Total	254,773	100%	185,634	100%	139,839	100%

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

(2) Applications of Funds

(Unit: KRW in millions)

Category	2021		2020		2019	
	Balance	%	Balance	%	Balance	%
Total Assets	254,773	100%	185,634	100%	139,839	100%
Cash and Deposits	178,208	70%	148,871	80%	67,564	48%
Marketable Securities	1,654	1%	1,405	1%	655	1%
Loans	44,317	17%	22,287	12%	57,704	41%
Premises and Equipment	13,799	5%	4,522	2%	3,983	3%
Other Assets	16,795	7%	8,549	5%	9,933	7%
Total	254,773	100%	8,176,379	100.0%	6,743,523	100.0%

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

■ Woori Savings Bank

(1) Sources of Funds

(Unit: KRW in millions, %)

Category	2021		2020		2019	
	Balance	%	Balance	%	Balance	%
Funds in KRW	1,123,148	83.87	1,050,976	89.55	1,002,122	90.18
(Deposits)	1,123,148	83.87	1,050,976	89.55	1,002,122	90.18
Other	216,034	16.13	122,582	10.45	109,098	9.82
(Total Equity)	192,028	14.34	102,405	8.73	88,169	7.93
(Provisions)	1,156	0.09	226	0.02	228	0.02
(Other)	22,850	1.71	19,951	1.70	20,701	1.86
Total	1,339,182	100.00	1,173,558	100.00	1,111,220	100.00

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

The average balance of funds sourced by Woori Savings Bank in 2021 was KRW 1,339.2 billion, a y-o-y increase of KRW 165.6 billion. The average balance of funds in Korean won was KRW 1,123.1 billion, which was primarily sourced from deposits from customers to ensure stable liquidity.



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(2) Applications of Funds

(Unit: KRW in millions, %)

Category	2021		2020		2019	
	Balance	%	Balance	%	Balance	%
Funds in KRW	1,289,731	96.31	1,138,802	97.04	1,075,970	96.83
(Deposits in KRW)	148,101	11.06	158,190	13.48	168,528	15.17
(Marketable securities in KRW)	15,204	1.14	23,599	2.01	16,513	1.49
(Loans in KRW)	978,515	73.07	982,642	83.73	915,513	82.39
(Privately placed bonds)	177,929	13.29	-	-	-	-
(Allowance for doubtful accounts in KRW)	△30,018	△2.24	△25,629	△2.18	△24,584	△2.21
Other	49,451	3.69	34,756	2.96	35,250	3.17
(Cash)	868	0.06	2,323	0.20	1,763	0.16
(Property, plant and equipment for business)	2,313	0.17	2,102	0.18	2,240	0.20
(Other)	46,270	3.46	30,331	2.58	31,247	2.81
Total	1,339,182	100.00	1,173,558	100.00	1,111,220	100.00

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

The average balance of funds managed by Woori Savings Bank in 2021 was KRW 1,339.2 billion, a y-o-y increase of KRW 165.6 billion. It is being managed consistently to comply with the liquidity regulations and maintain an adequate fund management structure.

■ Woori Asset Management

(1) Sources of Funds

(Unit: KRW in millions, %)

Category	2021		2020		2019	
	Average Balance	%	Average Balance	%	Average Balance	%
Liabilities	26,777	18.59	14,854	12	4,921	5
Derivatives	142	0.53	-	0	-	0
Other Liabilities	26,635	99.47	14,854	100	4,921	100
(Accrued Income Tax)	1,777	6.67	1,515	10	1,506	31
(Accrued Expense)	2,762	10.37	2,658	18	2,428	49
(Others)	22,096	82.96	10,681	72	987	20
Total Equity	117,278	81.41	109,894	88	102,238	95
Sources (Total Liabilities and Equity)	144,055	100	124,748	100	107,159	100

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

(2) Applications of Funds

(Unit: KRW in millions, %)

Category	Applications	2021		2020		2019	
		Average balance	%	Average balance	%	Average balance	%
Funds in KRW	Cash and Deposits	34,397	23.88	25,832	20.71	24,757	23.10
	Securities Available for Sale	-	-	-	-	-	0.00
	Financial Assets at Fair Value through	91,533	63.54	72,097	57.79	48,619	45.37
	Financial Assets at Fair Value through Other Comprehensive Income	1,300	0.90	1,358	1.09	11,394	10.63
	Investments in Associates	3,130	2.17	3,130	2.51	3,240	3.02
	Derivatives	78	0.05	103	0.08	25	0.02
	Loans	180	0.12	541	0.43	100	0.09
	Properties, Plants and Equipment	718	0.5	1,237	0.99	848	0.79
	Other Assets	6,351	4.41	6,496	5.21	7,541	7.04
	Accrued Income	4,310		4,759		5,329	
	Deferred Tax Assets	923		1,063		1,639	
	Subtotal	137,687	95.58	110,793	88.81	96,524	90.08
Funds in Foreign Currencies	Cash and Deposits	373	0.26	378	0.30	-	0.00
	Securities Available for Sale	-	0.00	-	0.00	-	0.00
	Financial Assets at Fair Value through	5,995	4.16	11,008	8.82	6,034	5.63
	Financial Assets at Fair Value through Other Comprehensive Income	-	0.00	2,569	2.06	4,601	4.29
	Subtotal	6,368	4.42	13,955	11.19	10,635	9.92
Total		144,055	100	124,748	100.00	107,159	100.00

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

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5. Off-Balance Sheet Activities

■ Woori Asset Management

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

(Unit: KRW in millions)

Category	2021	2020	2019
Confirmed Guarantees			
Guarantees for Loans	38,897	103,229	89,699
Acceptances	622,758	602,014	391,688
Acceptances for L/G	111,195	78,395	224,746
Other Confirmed Guarantees	7,215,557	6,491,608	6,982,889
Subtotal	7,988,407	7,275,246	7,689,022
Unconfirmed Guarantees			
Guarantees for Local L/C	243,072	187,146	193,096
Guarantees for Import L/C	3,186,513	3,025,923	3,081,390
Other Unconfirmed Guarantees	778,088	403,652	771,378
Subtotal	4,207,673	3,616,721	4,045,864
CP Purchase Commitments and Others	791,729	917,489	884,031
Total	12,987,809	11,809,456	12,618,917

(2) Loan Agreements, etc.

(Unit: KRW in millions)

Category	2021	2020	2019
Loan Agreements	114,414,462	112,088,680	103,651,674
Other Agreements (*)	5,652,557	7,827,774	5,993,608

(\*)The amount of bill of sale for qualified endorsement (sales from bills bought) and the discount on sales from short-term bonds (purchase) at the end of 2021, 2020 and 2019 include KRW 2,225,226million, KRW 2,894,688 million and KRW 2,582,274 million, respectively.

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

■ Woori Bank

(Unit: KRW in millions)

Category	2021	2020	2019
Guarantees	Confirmed Guarantees	7,913,960	7,137,891
	Unconfirmed Guarantees	4,207,673	3,616,721
	CP Purchase Commitments and Others	791,729	917,489
Agreements	Loan Agreements	70,387,647	74,944,921
	Other Agreements	4,322,265	5,089,094

6. Other Issues Required for Making Investment Decisions

A. Matters on Key Accounting Policies and Changes in Estimates

- See Note 2. Standards applied in the preparation of (Consolidated) Financial Standards and Key Accounting Policies and Note 3. Key Accounting Estimates and Assumptions in III. Matters on Consolidated Financial Statements and Note 2. Standards applied in the preparation of (Consolidated) Financial Standards and Key Accounting Policies and Note 3. Key Accounting Estimates and Assumptions in V. Matters on Financial Statements.

B. Environmental Impact and Employees

(1) Environmental Impact

Since Woori Financial Group's businesses involve providing financial services (banking, credit card, capital, etc.) that do not have an environmentally destructive impact, it is neither currently paying nor likely to have to pay for any environmental restoration or compensation for damages in the future. It has not been subject to administrative measures from the government or environmental authorities, nor is it expected to be in the future. To spearhead the efforts of the financial industry to combat the climate crisis, Woori Financial Group declared its commitment to "coal-free finance" in December, with the aim of achieving carbon neutrality by 2050. In 2021, it joined and endorsed the Principles for Responsible Banking (PRB), Carbon Disclosure Project (CDP), and Task Force on Climate-Related Financial Disclosures (TCFD) and formulated mid- to long-term actions plans for green management. Moreover, Woori Bank, a major affiliate of Woori Financial Group, has been designated as a building management entity pursuant to Article 42 (6) of the Framework Act on Low Carbon, Green Growth and is reporting on the greenhouse gas (GHG) emissions and energy consumption to the government after a verification by an external agency. It has been recording well above the government's GHG reduction target, attesting to its environmental management capabilities. For more details, refer to [XI. Other Matters Necessary for Investor Protection - 4. Key Matters Occurring After the Reporting Date - D. Matters Related to Green Management].

(2) Employees and Other Matters

Woori Bank, a major subsidiary of Woori Financial Group, creates a human resources management plan based on changes in the business environment and the direction of its strategies to be better prepared for foreseeable changes in manpower in the long run. Through ongoing recruitment and CDP control effects, Woori Bank has secured some of the best human resources in the industry, including personal and corporate banking experts and the future leaders of the FinTech business. Meanwhile, as of the end of 2020, Woori Bank's regular employees consist of business unit and group heads (26%), managers (28%), and clerks or lower-level employees (46%) in a pyramid structure.

C. Matters on Statutory Regulations

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

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

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

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- 4. Operation of financial holding companies
- 5. Supervision of financial holding companies

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

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

**D. Derivatives and Risk Management Policy**

**(1) Derivatives (Woori Bank)**

Woori Bank offers derivatives mainly to corporate customers. Since companies are exposed to various risks, such as interest rate hikes and fluctuations in stock prices and exchange rates, there is a need to hedge these risks. Woori Bank offers a wide array of derivatives to companies to meet their hedging needs. Derivatives are also traded to hedge interest rate and foreign exchange risks associated with the bank's assets and liabilities. The total value of derivatives outstanding amounted to KRW 372,543 billion in 2019, KRW 355,155 billion in 2020, and KRW 392,049 billion in 2021.

The main derivatives offered by Woori Bank are as follows:

- Interest rate swaps, options, and futures related to interest rate risk;
- Index futures and options related to stock market volatility;
- Foreign exchange forwards, swaps, options, and futures related to foreign exchange risk.

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

**(2) Overview of Risk Management Policy**

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

**1) Risk Management Principles**

The Group's risk management principles are as follows:

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

**2) Risk Management Organization**

**① Risk Management Committee**

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

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

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

**② Group Risk Management Council**

The Group Risk Management Council has the authority to deliberate on necessary details in relation to carrying out the risk management policies established by the Risk Management Committee at the level of the holding company and subsidiaries.

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The Council also reaches resolution on matters delegated by the Risk Management Committee and performs the role of understanding the current status of risk management of the Group as a whole and each subsidiary as well as exchanging information on risk management among subsidiaries.

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

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

③ Risk Management Department

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

(3) Credit Risk

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

1) Management of Credit Risk

Woori Financial Group measures credit risk by taking into account the possibility of non-performance of contract obligations by a customer or counterparty, exposure to credit risk in relation to a counterparty, a counterparty's exposure to the risk of

insolvency, the rate of loss upon insolvency and other factors. A credit rating assessment model is used to assess the possibility of defaulting by a counterparty, and credit ratings are assessed by applying a quantitative method using financial statements and other data, a statistical method of calculating the credit score, judgment by evaluators, etc.

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

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

2) Maximum Exposure

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

(4) Market Risk Management

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

1) Trading Market Risk

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

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

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





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2) Interest Rate Risk

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

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

Since 2021, the subsidiaries other than the banks have been measuring and managing  $\Delta$  NII and  $\Delta$  EVE as indicators from the perspective of income and economic value, respectively, using the IRRBB.

(5) Liquidity Risk

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

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

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

(6) Operational Risk

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

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

(7) Capital Management

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

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

E. Matters Related to Major Subsidiaries of Woori Bank

■ Overseas Subsidiaries

Due to the stagnant growth of the domestic financial market, Woori Bank, a major subsidiary of Woori Financial Group, has been laying the groundwork for global operations by expanding regional networks in Southeast Asia, boasting high growth potential in consideration of NIM, branch and financial inclusivity and economic growth rate. Woori Bank is continually pursuing localization through M&As with local banks (Indonesia, the Philippines and Cambodia) and the conversion of existing branches into local subsidiaries (Vietnam), while seeking to diversify its business portfolio by entering new markets through savings banks and non-banking financial firms. In addition to the existing business segments, Woori Bank is also striving to develop new markets by conducting market surveys to discover new business areas. As of the end of December 2021, Woori Bank has a global network of 448 places of business.

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

■ Korea BTL Infrastructure Fund

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

As of end of December 2021, funds under management of the Company are fully financed by equity capital and the major shareholder, Woori Bank, has been executing equity investment through capital call since the incorporation of the Company. The Company currently invests in or extends loans to project concessionaires, concentrating on highly stable projects whose principal and interest of investment are either paid or compensated by the government. Invested projects include one BTO project, 43 BTL projects and 2 government cost compensation projects. Maintaining this tendency, investments will be made gradually with the outstanding commitment under the purchase agreement.

The Company is maintaining a robust return on investment (ROI). (KRW 733.9 billion in capital and ROI of 4.51%, as of the end of December 2021 [internal rate of return (IRR) since incorporation under the assumption that the investment principal will be recovered at the end of 2021]). Most of the investment assets are BTL projects, where the payment of the principal and interest is tied to the yield on five-year government bonds, and as such, the returns are likely to fluctuate with the yields of the bonds in question. As of the end of December 2020, the ROI under the same assumption was 4.64%, a slight decline year-over-year, and this was attributable to a decrease in the return on five-year government bonds.

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

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INDEPENDENT AUDITOR'S REPORT

(English Translation of a Report Originally Issued in Korean)

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

Opinion

We have audited the accompanying separate financial statements of Woori Financial Group Inc. (the Company), which comprise the separate statements of financial position as of December 31, 2021 and 2020, and the statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of Woori Financial Group Inc. as of December 31, 2021 and 2020, and its separate financial performance and its separate cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

We also have audited, in accordance with Korean Standards on Auditing, the Company's Internal Control over Financial Reporting as of December 31, 2021, based on Conceptual Framework for Designing and Operating Internal Control over Financial Reporting, and our report dated March 15, 2022, expressed an unqualified opinion.

Basis for Opinion

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

Key Audit Matter

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

Emphasis of Matters

Without modifying our opinion, we draw attention to Note 3 of the financial statements, which indicates that the outbreak of COVID-19 in 2021 may have a negative impact on the Company's financial condition and results of operations.

Other Matter

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Samil PricewaterhouseCoopers

Seoul, Korea

March 15, 2022

WOORI FINANCIAL GROUP INC.  
SEPARATE STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2021 AND 2020

	December 31, 2021	December 31, 2020
	(Korean Won in millions)	
ASSETS		
Cash and cash equivalents (Notes 5 and 32)	578,725	69,176
Financial assets at fair value through profit or loss ("FVTPL") (Notes 4, 6, 9 and 19)	-	7,247
Financial assets at fair value through other comprehensive income ("FVTOCI") (Notes 4, 7 and 9)	146,294	149,614
Loans and other financial assets at amortized cost (Notes 4, 8, 9 and 32)	633,110	619,117
Investments in subsidiaries (Notes 10 and 32)	22,144,915	21,562,229
Premises and equipment (Notes 11 and 32)	7,790	12,538
Intangible assets (Note 12)	5,171	5,282
Net defined benefit asset (Note 17)	1,516	3,509
Current tax assets (Note 29)	856	307
Deferred tax assets (Note 29)	6,454	964
Other assets (Note 13)	151	-
Total assets	23,524,982	22,429,983
LIABILITIES		
Financial liabilities at fair value through profit or loss ("FVTPL") (Notes 4, 6, 9, 14 and 19)	329	-
Debentures (Notes 4, 9 and 15)	1,367,429	1,147,503
Provisions (Note 16)	394	782
Current tax liabilities (Note 29)	468,305	215,071
Other financial liabilities (Notes 4, 9, 18, 32 and 33)	22,988	22,085
Other liabilities (Note 18)	548	570
Total liabilities	1,859,993	1,386,011
EQUITY (Note 20)		
Capital stock	3,640,303	3,611,338
Hybrid securities	2,294,288	1,895,322
Capital surplus	10,909,281	14,874,084
Other equity	(3,874)	(1,518)
Retained earnings	4,824,991	664,746
Total equity	21,664,989	21,043,972
Total liabilities and equity	23,524,982	22,429,983

The accompanying notes are part of this financial statements.

This report is effective as of March 15, 2022, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances,

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WOORI FINANCIAL GROUP INC.  
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
	(Korean Won in millions)	
Interest income	4,236	10,082
Interest expense	(26,481)	(23,035)
<b>Net interest income</b> (Notes 9, 22 and 32)	<b>(22,245)</b>	<b>(12,953)</b>
Fees and commissions income	1,306	805
Fees and commissions expense	(13,891)	(16,199)
<b>Net fees and commissions loss</b> (Notes 23 and 32)	<b>(12,585)</b>	<b>(15,394)</b>
Dividend income (Notes 24 and 32)	692,605	680,375
Net gain(loss) on financial instruments at FVTPL (Notes 9 and 25)	(7,576)	(920)
Reversal(Provision) of impairment losses due to credit loss (Notes 26 and 32)	76	116
General and administrative expenses (Notes 27 and 32)	(59,725)	(56,472)
<b>Operating income</b>	<b>590,550</b>	<b>594,752</b>
<b>Non-operating expense</b> (Note 28)	<b>(305)</b>	<b>(215)</b>
<b>Net income before income tax expense</b>	<b>590,245</b>	<b>594,537</b>
Income tax income (Note 29)	4,607	781
<b>Net income</b>	<b>594,852</b>	<b>595,318</b>
Net loss on valuation of equity securities at FVTOCI	(2,408)	(280)
Remeasurement gain(loss) related to defined benefit plan	78	(607)
<b>Items that will not be reclassified to profit or loss:</b>	<b>(2,330)</b>	<b>(887)</b>
<b>Other comprehensive loss, net of tax</b>	<b>(2,330)</b>	<b>(887)</b>
<b>Total comprehensive income</b>	<b>592,522</b>	<b>594,431</b>
<b>Earnings per share</b> (Note 30)		
Basic and diluted earnings per share (Unit: In Korean Won)	730	757

The accompanying notes are part of this financial statements.

WOORI FINANCIAL GROUP INC.  
SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Capital stock	Capital surplus	Hybrid securities (Korean Won in millions)	Other equity	Retained earnings	Total equity
<b>January 1, 2020</b>	3,611,338	14,874,084	997,544	(631)	623,930	20,106,265
Total comprehensive income						
Net income	-	-	-	-	595,318	595,318
Net loss on valuation of equity securities at FVTOCI	-	-	-	(280)	-	(280)
Remeasurement loss related to defined benefit plan	-	-	-	(607)	-	(607)
Transactions with owners						
Dividends to common stocks	-	-	-	-	(505,587)	(505,587)
Issuance of hybrid securities	-	-	897,778	-	-	897,778
Dividends to hybrid securities	-	-	-	-	(48,915)	(48,915)
<b>December 31, 2020</b>	<b>3,611,338</b>	<b>14,874,084</b>	<b>1,895,322</b>	<b>(1,518)</b>	<b>664,746</b>	<b>21,043,972</b>
<b>January 1, 2021</b>	3,611,338	14,874,084	1,895,322	(1,518)	664,746	21,043,972
Total comprehensive income						
Net income	-	-	-	-	594,852	594,852
Net loss on valuation of equity securities at FVTOCI	-	-	-	(2,408)	-	(2,408)
Remeasurement gain(loss) related to defined benefit plan	-	-	-	78	-	78
Transactions with owners						
Comprehensive stock exchange	28,965	35,197	-	-	-	64,162
Acquisition of treasury stock	-	-	-	(26)	-	(26)
Dividends to common stocks	-	-	-	-	(368,357)	(368,357)
Issuance of hybrid securities	-	-	398,966	-	-	398,966
Dividends to hybrid securities	-	-	-	-	(66,250)	(66,250)
Transfer of capital surplus to retained earnings	-	(4,000,000)	-	-	4,000,000	-
<b>December 31, 2021</b>	<b>3,640,303</b>	<b>10,909,281</b>	<b>2,294,288</b>	<b>(3,874)</b>	<b>4,824,991</b>	<b>21,664,989</b>

The accompanying notes are part of this financial statements.



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WOORI FINANCIAL GROUP INC.

SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
	(Korean Won in millions)	
<b>Cash flows from operating activities:</b>		
Net income	594,852	595,318
Adjustments to net income:		
Income tax income	(4,607)	(781)
Interest income	(4,236)	(10,082)
Interest expense	26,481	23,035
Dividend income	(692,605)	(680,375)
	(674,967)	(668,203)
Adjustments for profit/loss items not involving cash flows:		
Provision(Reversal) of impairment losses due to credit loss	(76)	(116)
Loss(Gain) on valuation of financial instruments at FVTPL	7,576	920
Retirement benefit	2,306	3,499
Depreciation and amortization	5,809	5,449
	15,615	9,752
Changes in operating assets and liabilities:		
Loans and other financial assets at amortized cost	(393)	(188)
Other Assets	(151)	-
Net defined benefit liability	(206)	(11,329)
Other financial liabilities	3,113	7,213
Other liabilities	(21)	(3,571)
	2,342	(7,875)
Interest income received	3,946	13,080
Interest expense paid	(25,371)	(22,559)
Dividends received	692,605	680,375
Income tax paid	(795)	(397)
	670,385	670,499
Net cash inflow from operating activities	608,227	599,491
<b>Cash flows from investing activities:</b>		
Net decrease(increase) on other investment assets	240,000	730,000
Acquisition of investments in subsidiaries	(518,384)	(1,687,371)
Acquisition of financial assets at FVTOCI	-	(150,000)
Acquisition of premises and equipment	(51)	(3,074)
Acquisition of intangible assets	(1,061)	(3,051)
Increase on guarantee deposits for leases	-	(1,118)
Net cash outflow from investing activities	(279,496)	(1,114,614)

(Continued)

WOORI FINANCIAL GROUP INC.

SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
	(Korean Won in millions)	
<b>Cash flows from financing activities:</b>		
Issuance of debentures	219,489	199,556
Issuance of hybrid securities	398,966	897,778
Acquisition of treasury stock	(26)	-
Redemption of lease liabilities	(2,864)	(2,203)
New stock issuance cost	(140)	-
Dividends paid to hybrid securities	(66,250)	(48,915)
Dividends paid	(368,357)	(505,587)
Net cash inflow from financing activities	180,818	540,629
<b>Net increase in cash and cash equivalents</b>	509,549	25,506
<b>Cash and cash equivalents, beginning of the period</b>	69,176	43,670
<b>Cash and cash equivalents, end of the period (Note 5)</b>	578,725	69,176

The accompanying notes are part of this financial statements.

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WOORI FINANCIAL GROUP INC.  
NOTES TO SEPARATE FINANCIAL STATEMENTS

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1. GENERAL

(1) Summary of the parent company

Woori Financial Group, Inc. (hereinafter referred to the "Company") is primarily aimed at controlling subsidiaries that operate in the financial industry or those that are closely related to the financial industry through the ownership of shares and was established on January 11, 2019 under the Financial Holding Company Act through the comprehensive transfer with shareholders of Woori Bank, Woori FIS Co., Ltd., Woori Finance Research Institute Co., Ltd., Woori Credit Information Co., Ltd., Woori Fund Services Co., Ltd. and Woori Private Equity Asset Management Co. Ltd. The headquarters of the Company is located at 51, Sogong-ro, Jung-gu, Seoul, Korea, and the capital is 3,640,303 million Won. The Company's stocks were listed on the Korea Exchange on February 13, 2019, and its American Depository Shares ("ADS") are also being traded as the underlying common stock on the New York Stock Exchange since the same date.

The details of stock transfer from the Company and subsidiaries as of incorporation are as follows (Unit: Number of shares):

Stock transfer company	Total number of issued shares	Exchange ratio per share	Number of Parent company's stocks
Woori Bank	676,000,000	1.0000000	676,000,000
Woori FIS Co., Ltd.	4,900,000	0.2999708	1,469,857
Woori Finance Research Institute Co., Ltd.	600,000	0.1888165	113,289
Woori Credit Information Co., Ltd.	1,008,000	1.1037292	1,112,559
Woori Fund Service Co., Ltd.	2,000,000	0.4709031	941,806
Woori Private Equity Asset Management Co., Ltd.	6,000,000	0.0877992	526,795

As of August 1, 2019, the Company acquired a 73% interest in Woori Asset Management Co. (Formerly Tongyang Asset Management Corp.). The remaining payment was completed in August 1, 2019 after the request for the change of major shareholder was approved by the Financial Service Commission in July, 2019 and the Company gained 100% control of Woori Global Asset Management Co., Ltd. (formerly ABL Global Asset Management Co., Ltd), and included it as a consolidated subsidiary.

The Company paid 598,391 million won in cash and 42,103,377 new shares of the parent company to acquire 100% interest of Woori Card Co., Ltd. from its subsidiary Woori Bank on September 10, 2019. On the same date, the Company also acquired 59.8% interest of Woori Investment Bank Co., Ltd. from Woori Bank with 392,795 million won in cash.

As of December 30, 2019, the Company acquired 67.2% interests (excluding treasury stock, 51.0% when including treasury stock) in Woori Asset Trust Co. (formerly Kukje Asset Trust Co.)

As of December 10, 2020, the Company acquired 76.8% interests (excluding treasury stock, 74.0% when including treasury stock) in Woori Financial Capital Co., Ltd. (formerly Aju Capital Co., Ltd.). In addition, as of April 15, 2021, the 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 Company additionally acquired treasury stock (3.6%) which Woori Financial Capital Co., Ltd. possessed.

As of March 12, 2021, the Company paid 113,238 million Won in cash to acquire 100% interests on Woori Savings Bank from Woori Financial Capital Co., Ltd., the subsidiary.

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of presentation

The Company's separate financial statements are prepared in accordance with Korean International Financial Reporting Standards ("K-IFRS"). Significant accounting policies applied in the preparation of the financial statements are described below.

The Company is preparing its financial statements in accordance with the K-IFRS, and the separate financial statements are prepared in accordance with K-IFRS 1027 '*Separate Financial Statements*'. The financial statements of the parent, associate or joint venture represent the investment assets in a manner that is based on direct equity investments, not based on the reported performance and net assets of the investee.

The financial statements are prepared at the end of each reporting period on the historical cost basis, except for certain non-current assets and financial assets that are either revalued or measured in fair value. Historical cost is generally measured at the fair value of consideration given to acquire assets.

Meanwhile, the financial statements of the Company were initially approved by the Board of Directors on February 9, 2022, and were revised and approved on March 14, 2022, and the final approval will be made in the annual general shareholders' meeting on March 25, 2022.

1) The new standards and interpretations introduced from the current term and the resulting changes in accounting policies are as follows:

1.1 K-IFRS 1109 '*Financial Instruments*', K-IFRS 1039 '*Financial Instruments: Recognition and Measurement*', K-IFRS 1107 '*Financial Instruments: Disclosures*', K-IFRS 1104 '*Insurance Contracts*' and K-IFRS 1116 '*Lease*'; Interest Rate Benchmark Reform-Phase 2

The amendment indicates that the effective interest rate shall be adjusted rather than the carrying amount when changing the interest rate benchmark for financial instruments measured at amortized cost. In addition, it allows hedge accounting to continue without interruption even when changes to interest rate benchmark occur in the hedging relationship. The amendment does not have a significant impact on the financial statements.

1.2 Amendments to K-IFRS 1116 '*Lease*' – COVID-19 related rent concession continuously offered after June 30, 2021

As a practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification. The scope of the practical expedient has been expanded to reduce lease fees that affect lease payments due on or before June 30, 2022. Lessee should consistently apply practical expedients to contracts with similar characteristics in similar circumstances. The amendment does not have a significant impact on the financial statements.

2) The details of K-IFRS that have been issued and published as of the date of issue approval of the financial statements but have not yet reached the effective date, and which the Company has not applied at an earlier date are as follows:

2.1 Amendments to K-IFRS 1103 '*Business Combination*' - Citation of Conceptual Framework

The amendments update a reference of definition of assets and liabilities qualify for recognition in revised Conceptual Framework for Financial Reporting. However, the amendments add an exception for the recognition of liabilities and contingent liabilities within the scope of K-IFRS 1037 '*Provisions, Contingent Liabilities and Contingent Assets*', and K-IFRS 2121 '*Levies*'. The amendments also confirm that contingent assets should not be recognized at the acquisition date. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

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### 2.2 Amendments to IAS 1037 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts: Cost of Fulfilling a Contract

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts when assessing whether the contract is onerous. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

### 2.3 Amendments to K-IFRS 1016 'Property, plant and equipment' – Proceeds before intended use

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

### 2.4 Annual Improvements to K-IFRS 2018-2020

K-IFRS Annual Improvements 2018-2020 apply for annual periods beginning on or after January 1, 2022, and early application is permitted. We expect that the amendments to the Standard will have no significant impact on financial statements.

- K-IFRS 1101 'First time Adoption of Korean International Financial Reporting Standards' - Subsidiaries that are first-time adopters
- K-IFRS 1109 'Financial Instruments' - Fees related to the 10% test for derecognition of financial liabilities
- K-IFRS 1116 'Leases' - Lease incentives
- K-IFRS 1041 'Agriculture' - Measuring fair value

### 2.5 Amendments to K-IFRS 1001 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability include the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

### 2.6 Amendments to K-IFRS 1001 'Presentation of Financial Statements' - Disclosure of 'Accounting Policy'

To define and disclose material accounting policies, and to provide guidance on how to apply the concept of materiality, 'Accounting Policy Disclosure' of the IFRS Practice Statement 2 has been amended. These amendments apply for annual periods beginning on or after January 1, 2023, and early application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

### 2.7 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 apply for annual periods beginning on or after January 1, 2023, and early application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

### 2.8 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 amendments apply for annual periods beginning on or after January 1, 2023, and early application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

The above enacted or amended standards will not have a significant impact on the Company.

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### (2) Investments in subsidiaries and associates in separate financial statements

The Company selects and processes the cost method in accordance with K-IFRS 1027 for investments in subsidiaries, associates and jointly controlled entities, except for those classified as held for sale in accordance with K-IFRS 1105 '*Non-current Assets Held for Sale and Discontinued Operations*'. Dividends received from subsidiaries, associates and jointly controlled entities are recognized in profit or loss as dividend income when the right to receive dividends is established.

### (3) Revenue recognition

K-IFRS 1115 requires the recognition of revenues based on transaction price allocated to the performance obligation when or as the Company performs the obligation to the customer. Revenues other than those from contracts with customers, such as interest revenue, are measured through the effective interest rate method.

#### 1) Revenues from contracts with customers

The Company recognizes revenue when the Company satisfies a performance obligation by transferring a promised good or service to a customer. When a performance obligation is satisfied, the Company shall recognize as a revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The revenue recognized by these standards is fees and commissions income.

#### 2) Revenues from sources other than contracts with customers

Interest income on financial assets measured at FVTOCI and financial assets at amortized costs is measured using the effective interest method.

The effective interest method is a method of calculating the amortized cost of debt securities (or group of financial assets) and of allocating the interest income over the expected life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial total carrying amount over the expected period, or shorter if appropriate. Future cash flows include commissions and cost of reward points (limited to the primary component of effective interest rate) and other premiums or discounts that are paid or received between the contractual parties, and future cash flows exclude expected credit loss when calculating the effective interest rate. All contractual terms of a financial instrument are considered when estimating future cash flows.

For purchased or originated credit-impaired financial assets, interest revenue is recognized by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. Even if the financial asset is no longer impaired in the subsequent periods due to credit improvement, the basis of interest revenue calculation is not changed from amortized cost to unamortized cost of the financial assets.

#### 3) Dividend income

Dividend income is recognized when the right to receive dividends as a shareholder is confirmed. Dividend income is recognized as an appropriate item of profit or loss in the statement of comprehensive income according to the classification of financial instruments.

### (4) Accounting for foreign currencies

The Company's separate financial statements are presented in Korean Won, which is the functional currency of the Company. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at its prevailing exchange rates at the date.

### (5) Cash and cash equivalents

The Company is classifying cash on hand, demand deposits, interest-earning deposits with original maturities of up to three months on acquisition date, and highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value as cash and cash equivalents.

### (6) Financial assets and financial liabilities

#### 1) Financial assets

A regular way purchase or sale of financial assets is recognized or derecognized on the trade or settlement date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose term requires delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

On initial recognition, financial assets are classified into financial assets at FVTPL, financial assets at FVTOCI, and financial assets at amortized cost.

#### a) Business model

The Company evaluates the way business is being managed, and the purpose of the business model for managing a financial asset best reflects the way information is provided to the management at its portfolio level. Such information considers the following:

- The accounting policies and purpose specified for the portfolio, and the actual operation of such policies. This includes strategy of the management focusing on the receipt of contractual interest revenue, maintaining a certain level of interest income, matching the duration of financial assets and the duration of corresponding liabilities to obtain the asset, and outflow or realization of expected cash flows from disposal of assets.
- The way the performance of a financial asset held under the business model is evaluated, and the way such evaluation is being reported to the management
- The risk affecting the performance of the business model (and financial assets held under the business model), and the way such risk is being managed
- The compensation plan for the management (e.g. whether the management is being compensated based on the fair value of assets or based on contractual cash flows received)
- Frequency, amount, timing and reason for sale of financial assets in the past and forecast of future sale activities

#### b) Contractual cash flows

The principal is defined to be the fair value of a financial asset at initial recognition. Interest is not only composed of consideration for the time value of money, consideration for the credit risk related to remaining principal at a certain period of time, and consideration for other cost (e.g. liquidity risk and cost of operation) and fundamental risk associated with lending, but also profit.

When evaluating whether contractual cash flows are solely payments of principal and interests, the Company considers the contractual terms of the financial instrument. When a financial asset contains contractual conditions that modify the timing and amount of contractual cash flows, it is required to determine whether contractual cash flows that arise during the remaining life of the financial instrument due to such contractual condition are solely payments of principal and interest. The Company considers the following elements when evaluating the above:

- Conditions that lead to modification of timing or amount of cash flows
- Contractual terms that adjust contractual nominal interest, including floating rate features
- Early payment features and maturity extension features
- Contractual terms that limit the Company's claim on cash flows arising from certain assets (e.g. non-recourse feature)



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1.1 Financial assets at FVTPL

The Company is classifying those financial assets that are not classified as either financial assets at amortized cost or financial assets at FVTOCI, and those designated to be measured at FVTPL, as financial assets at FVTPL. Financial assets at FVTPL are measured at fair value, and related profit or loss is recognized in net income. Transaction costs related to acquisition at initial recognition is recognized in net income immediately upon its occurrence.

It is possible to designate a financial asset as financial asset at FVTPL if at initial recognition: (a) it is possible to remove or significantly reduce recognition or measurement mismatch that may otherwise have occurred if not for its designation as financial asset at FVTPL; (b) the financial asset forms part of the Company's financial instrument group (A group composed of a combination of financial asset or liability), is measured at fair value and is being evaluated for its performance, and such information is provided internally; and (c) the financial asset is part of a contract that contains one or more of embedded derivatives, and is a hybrid contract in which designation as financial asset at FVTPL is allowed under K-IFRS 1109 '*Financial Instruments*'. However, the designation is irrevocable.

1.2 Financial assets at FVTOCI

When financial assets are held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and when contractual cash flows from such financial assets are solely payments of principal and interest, the financial assets are classified as financial assets at FVTOCI. Also, for investments in equity instruments that are not held for short-term trade, an irrevocable election is available at initial recognition to present subsequent changes in fair value as other comprehensive income.

At initial recognition, financial assets at FVTOCI is measured at its fair value plus any direct transaction cost and is subsequently measured in fair value. However, for equity instruments that do not have a quotation in an active market and in which fair value cannot be measured reliably, they are measured at cost. The changes in fair value except for profit or loss items such as impairment losses (reversals), interest revenue calculated by using effective interest method, and foreign exchange gain or loss, and related income tax effects are recognized as other comprehensive income until the asset's disposal. Upon derecognition, the accumulated other comprehensive income is reclassified from equity to net income for FVTOCI (debt instrument), and reclassified within the equity for FVTOCI (equity instruments)

1.3 Financial assets at amortized cost

When financial assets are held under a business model whose objective is to hold financial assets in order to collect contractual cash flows, and when contractual cash flows from such financial assets are solely payments of principal and interest, the financial assets are classified as financial assets at amortized cost. At initial recognition, financial assets at amortized cost are recognized at fair value plus any direct transaction cost. Financial assets at amortized cost is presented at amortized cost using effective interest method, less any loss allowance.

2) Financial liabilities

At initial recognition, financial liabilities are classified into either financial liabilities at FVTPL or financial liabilities at amortized cost.

Financial liabilities are usually classified as financial liabilities at FVTPL when they are acquired with a purpose to repurchase them within a short period of time, when they are part of a certain financial instrument portfolio that is actually and recently being managed with a purpose of short-term profit and joint management by the Company at initial recognition, and when they are derivatives that do not qualify as hedging instruments. Financial liabilities at FVTPL are measured at fair value plus direct transaction cost at initial recognition and are subsequently measured at fair value. Profit or loss arising from financial liabilities at FVTPL is recognized in net income when occurred.

It is possible to designate a financial liability as financial liability at FVTPL if at initial recognition: (a) it is possible to remove or significantly reduce recognition or measurement mismatch that may otherwise have occurred if not for its designation as financial liability at FVTPL; (b) the financial liability forms part of the Company's financial instrument group (a group composed of a combination of financial asset or liability) according to the Company's documented risk management or investment strategy, is measured at fair value and is being evaluated for its performance, and such information is provided internally; and (c) the financial liability is part of a contract that contains one or more of embedded derivatives, and is a hybrid contract in which designation as financial liability at FVTPL is allowed under K-IFRS 1109 '*Financial Instruments*'.

Financial liabilities designated as at FVTPL are initially recognized at fair value, with any direct transaction cost recognized in profit or loss, and are subsequently measured at fair value. Any profit or loss from financial liabilities at FVTPL are recognized in profit or loss.

Financial liabilities not classified as financial liabilities at FVTPL are measured at amortized cost. The Company is classifying liabilities such as borrowings etc. as financial liabilities at amortized cost.

3) Reclassification

Financial assets are not reclassified after initial recognition unless the Company modifies the business model used to manage financial assets. When the Company modifies the business model used to manage financial assets, all affected financial assets are reclassified on the first day of the first reporting period after the modification.

4) Derecognition

Financial assets are derecognized when contractual rights to cash flows from the financial assets are expired, or when substantially all of risk and reward for holding financial assets is transferred to another entity as a result of a sale of financial assets. If the Company does not have and does not transfer substantially all of the risk and reward of holding financial assets with control of the transferred financial assets retained, the Company recognizes financial assets to the extent of its continuing involvement. If the Company holds substantially all the risk and reward of holding a financial asset, it continues to recognize that asset and proceeds are accounted for as collateralized borrowings.

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When a financial asset is fully derecognized, the difference between the book value and the sum of proceeds and accumulated other comprehensive income is recognized as profit or loss in case of FVTOCI (debt instruments), and as retained earnings for FVTOCI (equity instruments).

In cases when a financial asset is not fully derecognized, the Company allocates the book value into amounts retained in the books and removed from the books, based on the relative fair value of each portion at the date of sale, and based on the degree of continuing involvement. For the derecognized portion of the financial assets, the difference between its book value and the sum of proceeds and the portion of accumulated other comprehensive income attributable to that portion will be recognized in profit or loss in case of debt instruments and recognized in retained earnings in case of equity instruments. The accumulated other comprehensive income is distributed to the portion of book value retained in the books, and to the portion of book value removed from the books.

The Company derecognizes financial liabilities only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability.

5) Fair value of financial instruments

Financial assets at FVTPL and financial assets at FVTOCI are measured and presented in financial statements at their fair values, and all derivatives are also subject to fair value measurement.

Fair value is defined as the price that would be received to exchange an asset or paid to transfer a liability in a recent transaction between independent parties that are reasonable and willing. Fair value is the transaction price of identical financial assets or financial liabilities generated in an active market. An active market is a market where trade volume is sufficient and objective price information is available due to the fact that bid and ask price differences are small.

When trade volume of a financial instrument is low, when transaction prices within the market show large differences among them, or when it cannot be concluded that a financial instrument is being traded within an active market due to disclosures being extremely limited, fair value is measured using valuation techniques based on alternative market information or using internal valuation techniques based on general and observable information obtained from objective sources. Market information includes maturity and characteristics, duration, similar yield curve, and variability measurement of financial instruments of similar nature. Fair value amount contains unique assumptions on each entity (the Company concluded that it is using assumptions applied in valuing financial instruments in the market, or risk-adjusted assumptions in case marketability does not exist).

The market approach and income approach, which are valuation techniques used to estimate the fair value of financial instruments, both require significant judgment. Market approach measures fair value using either a recent transaction price that includes the financial instrument, or observable information on comparable firm or assets. Income approach measures fair value through discounting future cash flows with a discount rate reflecting market expectations, and revenue, operating income, depreciation, capital expenditures, income tax, working capital and estimated residual value of financial investments are being considered when deriving future cash flows. Valuation techniques such as the above include estimates based on the financial instruments' complexity and usefulness of observable information in the market.

The valuation techniques used in the evaluation of financial instruments are explained below.

Derivatives and equity securities without marketability are generally recognized at an amount computed by an independent appraiser. The Company uses the amount determined by the independent appraiser. The Company 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.

6) Expected credit losses on financial assets

The Company recognizes loss allowance on expected credit losses for the following assets:

- Financial assets at amortized cost
- Debt instruments measured at FVTOCI
- Contract assets as defined by K-IFRS 1115

Expected credit losses are weighted-average value of a range of possible results, considering the time value of money, and are measured by incorporating information on past events, current conditions and forecasts of future economic conditions that are available without undue cost or effort at the reporting date.

The methods to measure expected credit losses are classified into following three categories in accordance with K-IFRS:

- General approach: Financial assets that does not belong to below two models and unused loan commitments
- Simplified approach: When financial assets are either trade receivables, contract assets or lease receivables
- Credit impairment model: Purchased or originated credit-impaired financial assets

The measurement of loss allowance under general approach is differentiated depending on whether the credit risk has increased significantly after initial recognition. That is, loss allowance is measured based on 12-month expected credit loss when the credit risk has not increased significantly after initial recognition, while loss allowance is measured at lifetime expected credit loss when credit risk has increased significantly. Lifetime is the expected remaining life of the financial instrument up to the maturity date of the contract.

The measurement of loss allowance under simplified approach is always based on lifetime expected credit loss, and loss allowance under credit impairment model is measured as the cumulative change in lifetime expected credit loss since initial recognition.

a) Measurement of expected credit losses on financial asset at amortized cost

The expected credit losses on financial assets at amortized cost is measured by the difference between the contractual cash flows during the period and the present value of expected cash flows. Expected cash inflows are computed for individually significant financial assets in order to calculate expected credit losses.

When financial assets that are not individually significant, they are included in a group of financial assets with similar credit risk characteristics and expected credit losses of the Company are calculated collectively.

Expected credit losses are deducted through loss allowance account, and when the financial asset is determined to be uncollectible, the loss allowance is written off from the books along with the related financial asset.

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b) Measurement of expected credit losses on financial asset at FVTOCI

The measurement method of expected credit loss is identical to financial asset at amortized cost, but changes in the allowance is recognized in other comprehensive income. When financial assets at FVTOCI is disposed or repaid, the related allowance is reclassified from accumulated other comprehensive income to net income.

(7) Offsetting financial instruments

Financial assets and liabilities are presented as a net amount in the statements of financial position when the Company has an enforceable legal right and an intention to settle on a net basis or to realize an asset and settle the liability simultaneously.

(8) Premises and equipment

Premises and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of premises and equipment is expenditures directly attributable to their purchase or construction, which includes any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. It also includes the initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are recognized in the carrying amount of an asset or as a separate asset (if appropriate) if it is probable that future economic benefit associated with the assets will flow into the Company and the cost of an asset can be measured reliably. Routine maintenance and repairs are expensed as incurred.

While land is not depreciated, for all other premises and equipment, depreciation is charged to net income on a straight-line basis by applying the following estimated economic useful lives on the amount of cost or revalued amount less residual value.

	Useful life
Leasehold Improvement	5 years
Equipment and Vehicles	5 years

The Company reassesses the depreciation method, the estimated useful lives and residual values of premises and equipment at the end of each reporting period. If changes in the estimates are deemed appropriate, the changes are accounted for as a change in an accounting estimate. When there is an indicator of impairment and the carrying amount of a premises and equipment item exceeds the estimated recoverable amount, the carrying amount of such asset is reduced to the recoverable amount.

(9) Intangible assets and goodwill

The Company is recognizing intangible assets measured at the manufacturing cost or acquisition cost plus additional incidental expenses less accumulated amortization and accumulated impairment losses. The Company's intangible asset are amortized over the following economic lives using the straight-line method. 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
Software	1~5 years
Development cost	5 years

In addition, when an indicator that intangible assets are impaired is noted, and the carrying amount of the asset exceeds the estimated recoverable amount of the asset, the carrying amount of the asset is reduced to its recoverable amount immediately.

(10) Impairment of non-monetary assets

Intangible assets with indefinite useful lives or intangible assets that are not yet available for use are tested for impairment annually, regardless of whether or not there is any indication of impairment. All other assets are tested for impairment by estimating the recoverable amount when there is an objective indication that the carrying amount may not be recoverable. Recoverable amount is the higher of value in use or net fair value, less costs to sell. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and such impairment loss is recognized immediately in net income.

(11) Derivative instruments

Derivative instruments are classified as forwards, futures, options, and swaps depending on the types of transactions, and are classified as either trading or hedging at the point of transaction based on its purpose.

Derivatives are initially recognized at the fair value of the contract date and are subsequently measured at the fair value of the end of each reporting period. The resulting gain or loss is recognized in net income immediately unless the derivative is designated and effective as a hedging instrument. If derivatives have been designated as hedging instruments and it is effective, the recognition point of gain or loss depends on the characteristics of the hedging relationship.

Derivatives with a positive fair value(+) are recognized as financial assets, and derivatives with a negative fair value(-) are recognized as financial liabilities. Derivatives in financial statements are not offset unless they have a legally enforceable right to set-off or intend to set-off.

(12) Provisions

The Company recognizes provision if 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. Provision is not recognized for the future operating losses.

The Company recognizes the expenses incurred in recovering the leased asset to its original state, under the terms of the lease, as a provision at the commencement date of lease or at a specific period of time when the asset is liable as a result of its use. The provision is measured as the best estimate of the expenditure required to recover the asset and is regularly reviewed and adapted to the new circumstances.

Where there are a number of similar obligations, the probability that an outflow will be required in settlement is determined by considering the obligations as a whole. Although the likelihood of outflow for any one item may be small, if it is probable that some outflow of resources will be needed to settle the obligations as a whole, a provision is recognized.

The balance of provisions is reviewed at the end of each reporting period and adjusted to reflect the best estimate as of the end of the reporting period.

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(13) Equity instruments issued by the Company

1) Capital and compound financial instruments

The Company classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The compound financial instruments issued by the Company are financial instruments which are neither a financial liability nor an equity instrument as they were designed to contain both equity and debt elements.

If the Company reacquires its own equity instruments, the consideration paid including the direct transaction costs (net of income tax expense) are presented as a deduction from total equity until such instruments are retired or reissued. When these instruments are reissued, the consideration received (net of direct transaction costs) is included in the shareholder's equity.

2) Hybrid securities

In case of hybrid securities that have the unconditional right to avoid contractual obligations, such as to deliver cash or other financial assets related to financial instruments, they are classified as equity instruments and presented as part of equity.

(14) Employee benefits and pensions

The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees. Also, the Company recognizes expenses and liabilities in the case of accumulating compensated absences when the employees render services that entitle their right to future compensated absences. Similarly, the Company recognizes expenses and liabilities for customary profit distribution or bonuses when the employees render services, even though the Company does not have legal obligation to do so because it can be construed as constructive obligation.

The Company is operating defined benefit plans. For defined benefit plans, the defined benefit liability is calculated through an actuarial assessment using the projected unit credit method every end of the reporting period, conducted by professional actuaries. Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding interest), and the effect of the changes to the asset ceiling (if applicable) is reflected immediately in the separate statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in the statement of comprehensive income is not reclassified to profit or loss in the subsequent periods. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are composed of service cost (including current service cost and past service cost, as well as gains and losses on curtailments and settlements), net interest expense (income) and remeasurement.

The Company presents the service cost and net interest expense (income) components in profit or loss, and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the separate statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is recognized as an asset limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Liabilities for termination benefits are recognized at the earlier of either 1) the date when the Company is no longer able to cancel its proposal for termination benefits or 2) the date when the Company has recognized the cost of restructuring that accompanies the payment of termination benefits.

(15) Income taxes

Income tax expense is composed of current tax and deferred tax. That is, income tax expense is composed of taxes payable or refundable during the period and deferred taxes calculated by applying asset-liability method to taxable and deductible temporary differences arising from operating loss and tax credit carryforwards. Temporary differences are the differences between the carrying values of assets and liabilities for financial reporting purposes and their tax bases. Deferred income tax benefit or expense is recognized for the change in deferred tax assets or liabilities. Deferred tax assets and liabilities are measured as of the reporting date using the enacted or substantively enacted tax rates expected to apply in the period in which the liability is settled or asset realized. Deferred tax assets, including the carryforwards of unused tax losses, are recognized to the extent it is probable that the deferred tax assets will be realized.

The Company, as a consolidation group for its wholly-owned subsidiaries applies consolidated tax return approach, in which the Company and its subsidiaries are consolidated into a single tax base and tax amount. The Company determined whether temporary differences are realizable by considering the Company and each subsidiary's future taxable income. For the changes in deferred income tax asset (liability), the Company recognized income tax expense (benefit), excluding the amounts that are directly adjusted from equity. Also, as the Company became the consolidation entity for tax filings and tax returns, it recognized the total amount of income tax payables as liabilities and individual tax amounts to be received from each of its wholly-owned subsidiaries as receivables.

Deferred income tax assets and liabilities are offset if, and only if, the Company has a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority or when the entity intends to settle current tax liabilities and assets on a net basis with different taxable entities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets or liabilities are not recognized if they arise from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit (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 Company, and refund litigation for the amount of tax levied by the tax authority due to differences in tax law analysis. In response, the Company paid taxes in accordance with K-IFRS 2123 due to the tax authority's claim, but recognized as a corporate tax asset if it is highly probable of a refund in the future. In addition, the Company appropriately estimates and reflects the amount of corporate tax liabilities based on the analysis of corporate tax laws and the evaluation of many factors, including past experiences.

(16) Earnings per share ("EPS")

Basic EPS is a calculation of net income per each common stock. It is calculated by dividing net income attributable to ordinary shareholders by the weighted-average number of common shares outstanding. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of all dilutive potential common shares.



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(17) Share-based payments

For cash-settled share-based payment transactions that provide cash in return for the goods or services received, the Company measures the goods or services received, and the corresponding liability at the fair value and recognizes as employee benefit expenses and liabilities during the vesting period.

The fair value of the liability is remeasured at the end of each reporting period and the settlement date until the liability is settled, and changes in fair value are recognized as employee benefits.

(18) Leases

- 1) The Company determines whether the contract is, or contains, a lease at the date of initial application. A contract is or contains a lease if the right to control the use of an identified asset is transferred in exchange for the consideration received for a period of time. In determining whether a contract transfers control of the use of the identified asset, the Company uses the definition of lease in K-IFRS 1116.
- 2) Lessee  
At the commencement date, the Company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability, lease payments made at or before the commencement date (less any lease incentives received), initial direct costs, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located.

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the end of the lease term. However, if the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee depreciates the right-of-use asset same as a fixed asset from the commencement date to the end of the useful life of the underlying asset. The right-of-use asset may be reduced by an impairment of the underlying asset or adjusted by remeasurement of the lease liability.

At the commencement date, a lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined. If the rate cannot be readily determined, the Company's incremental borrowing rate can be used. Generally, the Company uses incremental borrowing rate as a discount rate.

The Company makes adjustments to reflect the terms of the lease and the characteristics of the lease asset in interest rates obtained from external financial information, and calculates the incremental borrowing rate.

The company 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 company calculates the enforceable period in consideration of the economic disadvantages of terminating the contract if the lessee and the lessor have the right to terminate it without the consent of the other parties.

The lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments)
- Variable lease payments that depend on an index (or a rate), initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, lease payments of the extended period if the lessee is reasonably certain to exercise extension option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

A lease liability is subsequently measured by increasing the carrying amount to reflect interest rate on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured when future lease payments change, depending on the changes in an index or a rate, change in amounts expected to be payable due to residual value guarantees, assessment of whether the Company is reasonably certain to exercise the purchase option and extension option, the Company is not reasonably certain to exercise the termination options.

When lease liability is remeasured, the related right-of-use asset is adjusted and if the carrying amount of the right-of-use asset decreases to zero, the remeasurement amount is recognized in profit or loss.

The company consider all relevant facts and circumstances that lead to economic incentives not to exercise the extension option or not exercising the termination option. The period of the extension option (or the period of the termination option) is included in the lease period only when it is reasonably certain that the lessee will exercise the extension option (or will not).

The Company reevaluates the lease term when the option is exercised (or not exercised) or the Company is liable to exercise (or not exercise) the option. Company will change its judgment only when significant events occur that affect the lessee's control and the determination of the lease term, or there is a significant change in the circumstances.

In the statement of financial position, the Company classified the right-of-use assets that do not meet the definition of investment property as 'premises and equipment' and the lease liabilities as 'other financial liabilities.'

The Company has chosen a practical expedient that does not recognize the right-of-use asset and lease liabilities for short-term leases with a lease term less than 12 months and leases for which the underlying asset is of low value. The Company recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The outbreak of COVID-19 has had a significant impact on the global economy including Korea. Financial and economic shocks may have negative impacts on the Company’s financial condition and results of operations in various forms both domestically and internationally. The Company will continue to evaluate future prospects related to the duration of COVID-19's economic impact and the government's policies.

The significant accounting estimates and assumptions are continuously being evaluated based on numerous factors including historical experiences and expectations of future events considered to be reasonably possible. Actual results can differ from those estimates based on such definitions. The accounting estimates and assumptions that contain significant risk of materially changing current book values of assets and liabilities in the next accounting periods are as follows:

(1) Income taxes

The Company has recognized current and deferred taxes based on best estimates of expected future income tax effect arising from the Company’s operations until the end of the current reporting period. However, actual tax payment may not be identical to the related assets and/or liabilities already recognized, and these differences may affect current taxes and deferred tax assets/liabilities at the time when income tax effects are finalized. Deferred tax assets relating to tax losses carried forward and deductible temporary differences are recognized only to the extent that it is probable that future taxable profit will be available against which the tax losses carried forward and the deductible temporary differences can be utilized. In this case the Company’s evaluation considers various factors such as estimated future taxable profit based on forecasted operating results, which are based on historical financial performance. The Company is reviewing the book value of deferred tax assets every end of the reporting period and in the event that the possibility of earning future taxable income changes, the deferred tax assets are adjusted up to taxable income sufficient to use deductible temporary differences.

(2) Valuation of financial instruments

Financial assets at FVTPL and FVTOCI are recognized in the separate financial statements at fair value. All derivatives are measured at fair value. Valuation techniques are required in order to determine fair values of financial instruments where observable market prices do not exist. Financial instruments that are not actively traded and have low price transparency will have less objective fair value and require broad judgment in liquidity, concentration, uncertainty in market factors and assumption in price determination and other risks.

As described in Note 2, (6) 5), ‘Fair value of financial instruments’, when valuation techniques are used to determine the fair value of a financial instrument, various general techniques are used, and various types of assumptions and variables are incorporated during the process.

(3) Impairment of financial instruments

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, which depends on the degree of increase in credit risk after their initial recognition.

	Stage 1	Stage 2	Stage 3
	Credit risk has not significantly increased since initial recognition(*)	Credit risk has significantly increased since initial recognition	Credit has been impaired
Allowance for expected credit losses	Expected 12-month credit losses: Expected credit losses due to possible defaults on financial instruments within a 12-month period from the end of reporting period.	Expected lifetime credit losses: Expected credit losses from all possible defaults during the expected lifetime of the financial instruments.	

(\*) Credit risk may be considered to not have been significantly increased when credit risk is low at the end of reporting period.

The Company has estimated the allowance for credit losses based on reasonable and supportable information that was available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(4) Defined benefit plan

The Company operates a defined benefit pension plan. Defined benefit obligation is calculated at every end of the reporting period by performing actuarial valuation, and estimation of assumptions such as discount rate, expected wage growth rate and mortality rate is required to perform such actuarial valuation. The defined benefit plan, due to its long-term nature, contains significant uncertainties in its estimates.

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4. RISK MANAGEMENT

The Company is exposed to various risks that may arise from its operating activities and credit risk, market risk and liquidity risk are the main types of risks. In order to manage such risks, the Risk Management Committee analyzes, assesses, and establishes risk management standards, including policies, guidelines, management systems and decision-making to ensure sound management of the Company.

The Risk Management Committee, Chief Risk Officer (“CRO”) and the Risk Management Department are operated as risk management organizations. The board of directors operates the Risk Management Committee, composed of nonexecutive directors for professional risk management. The Risk Management Committee performs as the top decision-making body for risk management by establishing fundamental risk management policies that are consistent with the Company’s management strategy and by determining the Company’s acceptable level of risk.

CRO assists the Risk Management Committee and operates the Company Risk Management Council, which is composed of the risk management managers of the subsidiaries, to periodically check and improve the external environment and the Company’s risk burden. The Risk Management Department which is independently structured, controls the risk management matter of the Company and reports key risks and assists decision-making.

(1) Credit risk

Credit risk represents the possibility of financial losses incurred when the counterparty fails to fulfill its contractual obligations. The goal of credit risk management is to maintain the Company’s credit risk exposure to a permissible degree and to optimize its rate of return considering such credit risk.

1) Credit risk management

The Company measures expected loss on assets subject to credit risk management and uses it as a management indicator.

2) Maximum exposure

The maximum exposure to credit risk is as follows (Unit: Korean Won in millions):

		December 31, 2021	December 31, 2020
Loans and other financial assets at amortized cost (*)	Banks	585,006	598,398
	Corporates	48,104	20,719
	Sub-total	633,110	619,117
Financial assets at FVTPL	Derivative assets	-	7,247
	Total	633,110	626,364

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

a) Credit risk exposure by geographical areas

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

	December 31, 2021	December 31, 2020
	Korea	Korea
Loans and other financial assets at amortized cost	633,110	619,117
Financial assets at FVTPL	-	7,247
Total	633,110	626,364

b) Credit risk exposure by industries

The following tables analyze credit risk exposure by industries, which are finance and insurance, and others in accordance with the Korea Standard Industrial Classification Code as of December 31, 2021 and December 31, 2020 (Unit: Korean Won in millions):

	December 31, 2021		
	Finance and insurance	Others	Total
Loans and other financial assets at amortized cost	631,591	1,519	633,110

	December 31, 2020		
	Finance and insurance	Others	Total
Loans and other financial assets at amortized cost	617,024	2,093	619,117
Financial assets at FVTPL	7,247	-	7,247
Total	624,271	2,093	626,364

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3) Credit risk exposure

The maximum exposure to credit risk by asset quality, except for financial assets at FVTPL as of December 31, 2021 and December 31, 2020 is as follows (Unit: Korean Won in millions):

Financial assets	December 31, 2021							
	Stage 1		Stage 2		Stage 3	Total	Loss allowance	Total, net
	Above appropriate credit rating	Less than a limited credit rating	Above appropriate credit rating	Less than a limited credit rating				
	(*1)	(*3)	rating (*2)	rating (*3)				
Loans and other financial assets at amortized cost	633,182	-	-	-	-	633,182	(72)	633,110
Banks	585,078	-	-	-	-	585,078	(72)	585,006
Corporates	48,104	-	-	-	-	48,104	-	48,104
General business	48,104	-	-	-	-	48,104	-	48,104
Total	633,182	-	-	-	-	633,182	(72)	633,110

(\*1) Credit grade of corporates are AAA ~ BBB.

(\*2) Credit grade of corporates are A- ~ BBB.

(\*3) Credit grade of corporates are BBB- ~ C.

Financial assets	December 31, 2020							
	Stage 1		Stage 2		Stage 3	Total	Loss allowance	Total, net
	Above appropriate credit rating	Less than a limited credit rating	Above appropriate credit rating	Less than a limited credit rating				
	(*1)	(*3)	rating (*2)	rating (*3)				
Loans and other financial assets at amortized cost	619,264	-	-	-	-	619,264	(147)	619,117
Banks	598,545	-	-	-	-	598,545	(147)	598,398
Corporates	20,719	-	-	-	-	20,719	-	20,719
General business	20,719	-	-	-	-	20,719	-	20,719
Total	619,264	-	-	-	-	619,264	(147)	619,117

(\*1) Credit grade of corporates are AAA ~ BBB.

(\*2) Credit grade of corporates are A- ~ BBB.

(\*3) Credit grade of corporates are BBB- ~ C.

(2) Market risk

Market risk is the possible risk of loss arising from trading position and non-trading position as a result of the volatility of market factors such as interest rates, stock prices and foreign exchange rates, and the Company's main market risk is interest rate risk.

The Company estimates and manages risks related to changes in interest rate due to the difference in the maturities of interest-bearing assets and liabilities and discrepancies in the terms of interest rates. Cash flows (both principal and interest), interest bearing assets and liabilities, presented by each re-pricing date, are as follows (Unit: Korean Won in millions):

	December 31, 2021						
	Within 3 months (*1)	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Asset:							
Loans and other financial assets at amortized cost (*1)	589,536	151,050	-	-	-	-	740,586
Financial assets at FVTOCI (*2)	-	-	-	-	-	146,294	146,294
Sub-total	589,536	151,050	-	-	-	146,294	886,880
Liability:							
Debentures	7,072	7,072	7,072	7,072	458,230	1,072,004	1,558,522

	December 31, 2020						
	Within 3 months (*1)	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Asset:							
Loans and other financial assets at amortized cost (*1)	469,756	-	-	-	-	-	469,756
Financial assets at FVTOCI (*2)	-	-	-	-	-	149,614	149,614
Sub-total	469,756	-	-	-	-	149,614	619,370
Liability:							
Debentures	6,100	6,100	6,100	6,100	292,074	1,027,917	1,344,391

(\*1) The principal and interest cash flows of cash and cash equivalents are included in the cash flows within three months, with 579,486 million won and 69,206 million won as of December 31, 2021 and December 31, 2020, respectively.

(\*2) Due to the uncertain timing of the sale, it is included in the section for over 5 years in accordance with the expiration of the remaining contract



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(3) Liquidity risk

Liquidity risk refers to the risk that the Company may encounter difficulties in meeting obligations from its financial liabilities.

1) Liquidity risk management

Liquidity risk management is to prevent damages from potential liquidity shortages with effective risk management that could arise from mismatching the assets and liabilities or unexpected cash outflows. The financial liabilities in the statement of financial position that are relevant to liquidity risk are incorporated within the scope of risk management.

The Company manages liquidity risk by identifying the maturity gap and such gap ratio through various cash flows analysis (i.e. based on remaining maturity and contract period, etc.).

2) Maturity analysis of non-derivative financial liabilities

a) Cash flows of principals and interests by remaining contractual maturities of non-derivative financial liabilities are as follows (Unit: Korean Won in millions):

	December 31, 2021						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Debentures	7,072	7,072	7,072	7,072	458,230	1,072,004	1,558,522
Lease liabilities	684	681	680	677	252	-	2,974
Other financial liabilities	8,495	3,872	-	1,192	6,474	-	20,033
Total	16,251	11,625	7,752	8,941	464,956	1,072,004	1,581,529

	December 31, 2020						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Debentures	6,100	6,100	6,100	6,100	292,074	1,027,917	1,344,391
Lease liabilities	722	705	705	704	2,768	-	5,604
Other financial liabilities	10,247	3,304	-	391	2,604	-	16,546
Total	17,069	10,109	6,805	7,195	297,446	1,027,917	1,366,541

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

	December 31, 2021						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Debentures	7,072	7,072	7,072	7,072	458,230	1,072,004	1,558,522
Lease liabilities	684	681	680	677	252	-	2,974
Other financial liabilities	8,495	3,872	-	1,192	6,474	-	20,033
Total	16,251	11,625	7,752	8,941	464,956	1,072,004	1,581,529

	December 31, 2020						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Debentures	6,100	6,100	6,100	6,100	292,074	1,027,917	1,344,391
Lease liabilities	722	705	705	704	2,768	-	5,604
Other financial liabilities	10,247	3,304	-	391	2,604	-	16,546
Total	17,069	10,109	6,805	7,195	297,446	1,027,917	1,366,541

c) Maturity analysis of derivative financial liabilities

The cash flow by the maturity of derivative financial liabilities as of December 31, 2021 and 2020 is as follows (Unit: Korean Won in millions):

	December 31, 2021						
	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	-	-	-	-	329	-	329
Total	-	-	-	-	329	-	329

	December 31, 2020						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities at FVTPL	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

(4) Capital management

The Company complies with the standard of capital adequacy provided by financial regulatory authorities. The capital adequacy standard is based on Basel published by Basel III Committee on Banking Supervision in Bank for International Settlement and was implemented in Korea in December 2013. The capital adequacy ratio is calculated by dividing own capital by asset (weighted with a risk premium – risk weighted assets) based on the consolidated financial statements of the Company.

According to the above regulations, the Company is required to meet the following minimum requirements: Common Equity Tier 1 capital ratio of 8.0%, a Tier 1 capital ratio of 9.5%, and a minimum total capital ratio of 11.5% as of December 31, 2021.

Details of the Company's capital adequacy ratio are as follows (Unit: Korean Won in millions):

Details(*)	December 31, 2021	December 31, 2020
Tier 1 capital	21,994,047	19,828,094
Other Tier 1 capital	3,590,212	3,533,648
Tier 2 capital	3,395,989	4,086,035
Total risk-adjusted capital	28,980,248	27,447,777
Risk-weighted assets for credit risk	171,199,840	178,114,590
Risk-weighted assets for market risk	6,388,428	6,086,905
Risk-weighted assets for operational risk	14,914,801	14,067,185
Total risk-weighted assets	192,503,069	198,268,680
Common Equity Tier 1 ratio	11.43%	10.00%
Tier 1 capital ratio	13.29%	11.78%
Total capital ratio	15.05%	13.84%

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

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### 5. CASH AND CASH EQUIVALENTS

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

	December 31, 2021	December 31, 2020
Demand deposits	218,725	19,176
Fixed deposits	360,000	50,000
Total	578,725	69,176

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Changes in other comprehensive income related to valuation of financial assets at FVTOCI	(2,407)	(280)
Increase in account payables related to acquisition of premises and equipment	-	60
Increase in account payables related to acquisition of intangible assets	-	18
Changes in right-of-use assets due to new contract	291	1,476
Changes in right-of-use assets due to renewal of contract	-	4,935
Changes in lease liabilities due to new contract	291	1,360
Changes in lease liabilities due to renewal of contract	-	4,829
Comprehensive stock transfer	64,301	-

(3) Adjustments of liabilities from financing activities for the year ended December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021				
	Not involving cash inflows and outflows				
	Beginning	Cash flow	Amortization	Others (*)	Ending
Debentures	1,147,503	219,489	437	-	1,367,429
Lease liabilities	5,539	(2,864)	50	229	2,954
Total	1,153,042	216,625	487	229	1,370,383

(\*) Changes in lease liabilities due to new contracts include 291 million won.

	For the year ended December 31, 2020				
	Not involving cash inflows and outflows				
	Beginning	Cash flow	Amortization	Others (*)	Ending
Debentures	947,679	199,556	268	-	1,147,503
Lease liabilities	1,568	(2,203)	29	6,145	5,539
Total	949,247	197,353	297	6,145	1,153,042

(\*) Changes in lease liabilities due to new and renewed contracts include 1,360 million won and 4,829 million won, respectively.

### 6. FINANCIAL ASSETS AT FVTPL

(1) Details of financial assets at FVTPL as of December 31, 2021 and December 31, 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Financial assets at FVTPL mandatorily measured at fair value	-	7,247

(2) Financial assets at FVTPL mandatorily measured at fair value are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Derivatives assets	-	7,247

(3) Financial assets at FVTPL designated as upon initial recognition is nil among financial assets at FVTPL as of December 31, 2021 and December 31, 2020.

### 7. FINANCIAL ASSETS AT FVTOCI

(1) Details of financial assets at FVTOCI as of December 31, 2021 and December 31, 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Hybrid securities	146,294	149,614

(2) Details of equity securities designated as financial assets at FVTOCI as of December 31, 2021 and December 31, 2020 are as follows (Unit: Korean Won in millions):

Purpose of acquisition	December 31, 2021	December 31, 2020
Investment for political purpose	146,294	149,614

### 8. LOANS AND OTHER FINANCIAL ASSETS AT AMORTIZED COST

(1) Details of loans and other financial assets at amortized cost as of December 31, 2021 and December 31, 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Due from banks	159,928	399,853
Other financial assets	473,182	219,264
Total	633,110	619,117

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

	December 31, 2021	December 31, 2020
Due from banks in local currency:		
Due from depository banks	160,000	400,000
Loss allowance	(72)	(147)
Total	159,928	399,853

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(3) Changes in the allowance for credit losses and gross carrying amount of due from banks are as follows (Unit: Korean Won in millions):

1) Allowance for credit losses

	For the year ended December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(147)	-	-	(147)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Reversal of allowance for credit loss	75	-	-	75
Ending balance	(72)	-	-	(72)

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(262)	-	-	(262)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Reversal of allowance for credit loss	115	-	-	115
Ending balance	(147)	-	-	(147)

2) Gross carrying amount

	For the year ended December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	400,000	-	-	400,000
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net increase (decrease)	(240,000)	-	-	(240,000)
Ending balance	160,000	-	-	160,000

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	1,130,000	-	-	1,130,000
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net increase (decrease)	(730,000)	-	-	(730,000)
Ending balance	400,000	-	-	400,000

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

	December 31, 2021	December 31, 2020
Receivables	468,920	215,819
Accrued income	2,188	1,419
Lease deposits	2,049	2,026
Other assets	25	-
Total	473,182	219,264

(5) Changes in the allowances for credit losses and gross carrying amount of other financial assets are as follows (Unit: Korean Won in millions):

1) Allowance for credit losses

	For the year ended December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	-	-	-	-
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Reversal of allowance for credit loss	-	-	-	-
Ending balance	-	-	-	-

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(1)	-	-	(1)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Reversal of allowance for credit loss	1	-	-	1
Ending balance	-	-	-	-

2) Gross carrying amount

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	219,264	-	-	219,264
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net increase (decrease)	253,918	-	-	253,918
Ending balance	473,182	-	-	473,182

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	139,466	-	-	139,466
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net increase (decrease)	79,798	-	-	79,798
Ending balance	219,264	-	-	219,264

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9. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(1) The fair value hierarchy

The fair value hierarchy is determined by the levels of judgment involved in estimating fair values of financial assets and liabilities. The specific financial instruments characteristics and market condition such as volume of transactions and transparency are reflected to the market observable inputs. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value of its financial assets and financial liabilities. Fair value is measured based on the perspective of a market participant. As such, even when market assumptions are not readily available, the Company's own assumptions reflect those that market participants would use for measuring the assets or liabilities at the measurement date.

The fair value measurement is described in the one of the following three levels used to classify fair value measurements:

- Level 1—fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The types of financial assets or liabilities generally included in Level 1 are publicly traded equity securities, derivatives, and debt securities issued by governmental bodies.
- Level 2— fair value measurements are those derived from inputs other than quoted prices included within Level 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 Company's assessment of the significance of a particular input to a fair value measurement in its entirety requires judgment and consideration of inherent factors of the asset or liability.

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

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTOCI				
Hybrid securities	-	-	146,294	146,294
Financial liabilities:				
Financial liabilities at FVTPL				
Derivative liabilities	-	-	329	329
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL				
Derivative assets	-	-	7,247	7,247
Financial assets at FVTOCI				
Hybrid securities	-	-	149,614	149,614

Financial assets measured at FVTPL and financial assets measured at FVTOCI are recognized at fair value. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Financial instruments are measured at fair value using a quoted market price in active markets. If there is no active market for a financial instrument, the Company determines the fair value using valuation methods. Valuation methods and input variables for each type of financial instruments are as follows:

	Valuation methods	Input variables
	The fair value is measured considering the price and volatility of the underlying assets using the Binomial Tree, a commonly used technique in the market	Values of underlying assets, Volatility, Risk-free market return, Corporate bond yield rate
Derivatives		
Hybrid securities	The fair value is measured using the Hull and White model and the Monte Carlo Simulations.	YTM Matrix, Additive spread by grade, Risk spread by entity, Effective Credit rating, Issuing information by item, Interest rate volatility estimate

Valuation methods of financial assets and liabilities measured at fair value and classified into Level 3 and significant but unobservable inputs are as follows:

	Fair value measurement technique	Type	Significant unobservable inputs	Range	Impact of changes in significant unobservable inputs on fair value measurement
	Option valuation model and others	Equity related	Value of underlying assets and volatility	14.99% ~ 18.32%	Variation of fair value increases as value of underlying assets and volatility increases.
Derivative assets					
Hybrid securities	Hull and White model and others	Hybrid securities related	Interest rate (YTM), Market rate	Interest rate 0.99 %~ 2.32% Market rate 2.08% ~ 4.96%	Variation of fair value increases as variation of interest rate (YTM) increases.

The fair value of financial assets classified as level 3 uses external valuation figures.

(3) Changes in financial assets and liabilities measured at fair value classified into Level 3 are as follows. (Unit: Korean Won in millions):

	For the year ended December 31, 2021					
	Beginning balance	Net Income	Other comprehensive income	Purchases/ Issuances	Disposals/ Settlements	Transfer to or out of Level 3
Financial assets:						
Financial assets at FVTPL						
Derivative assets	7,247	(7,247)	-	-	-	-
Financial assets at FVTOCI						
Hybrid securities	149,614	-	(3,320)	-	-	-
Financial liabilities:						
Financial liabilities at FVTPL						
Derivative liabilities	-	329	-	-	-	-



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	For the year ended December 31, 2020					
	Beginning balance	Net Income	Other comprehensive income	Purchases/ Issuances	Disposals/ Settlements	Transfer to or out of Level 3
Financial assets:						
Financial assets at FVTPL						
Derivative assets	9,434	(2,187)	-	-	-	-
Financial assets at FVTOCI						
Hybrid securities	-	-	(386)	150,000	-	-
Ending balance						
						7,247
						149,614

(4) Sensitivity analysis results on reasonable fluctuation of the significant unobservable input variables for the fair value of Level 3 financial instruments are as follows.

The sensitivity analysis on financial instruments shows how changes in unobservable inputs affect changes in fair value of the instruments through favorable and unfavorable changes. When the fair value of a financial instrument is affected by more than one unobservable assumption, the below table reflects the most favorable or the most unfavorable changes which resulted from varying the assumptions individually. The sensitivity analysis was performed for equity related derivatives of which fair value changes are recognized as net income and hybrid securities of which fair value changes are recognized as other comprehensive income among level 3 financial instruments.

The following table presents the sensitivity analysis to disclose the effect of reasonably possible volatility.(Unit: Korean Won in millions):

	December 31, 2021			
	Net income		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Financial assets at FVTOCI				
Hybrid securities (*1)	-	-	5,078	(4,910)
Financial liabilities:				
Financial liabilities at FVTPL				
Derivative liabilities (*2)	33	(33)	-	-

- (\*1) Fair value changes of hybrid securities are calculated by increasing or decreasing market rate, which is the major unobservable variable, by 1%, respectively.
- (\*2) Fair value changes of equity related derivatives are calculated by increasing or decreasing stock price volatility rate of underlying assets and correlation, which are major unobservable variables, by 10%, respectively.

	December 31, 2020			
	Net income		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Financial assets at FVTPL				
Derivative assets (*1)	724	(724)	-	-
Financial assets at FVTOCI				
Hybrid securities (*2)	-	-	6,647	(6,365)

- (\*1) Fair value changes of equity related derivatives are calculated by increasing or decreasing stock price volatility rate of underlying assets and correlation, which are major unobservable variables, by 10%, respectively.
- (\*2) Fair value changes of hybrid securities are calculated by increasing or decreasing market rate, which is the major unobservable variable, by 1%, respectively.

(5) Fair value and carrying amount of financial liabilities that are recorded at amortized cost are as follows (Unit: Korean Won in millions):

	December 31, 2021			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans and other financial assets at amortized cost (*)	-	-	633,110	633,110
Financial liabilities:				
Debentures	-	1,361,369	-	1,361,369
Other financial liabilities (*)	-	-	20,033	20,033
Carrying amount				
				633,110
				1,367,429
				20,033

(\*) The carrying amount is disclosed at fair value considering the carrying amount as an approximation of fair value.

	December 31, 2020			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans and other financial assets at amortized cost (*)	-	-	619,117	619,117
Financial liabilities:				
Debentures	-	1,186,034	-	1,186,034
Other financial liabilities (*)	-	-	16,546	16,546
Carrying amount				
				619,117
				1,147,503
				16,546

(\*) The carrying amount is disclosed at fair value considering the carrying amount as an approximation of fair value.

The fair values of financial instruments are measured using quoted market price in active markets. In case there is no active market for financial instruments, the Company determines the fair value using valuation methods. For the disclosed items in which book value is considered to be the approximate value of fair value, valuation techniques and input variables are not disclosed. Valuation techniques and input variables for the fair value of financial liabilities that are recorded at amortized cost are as follows:

	Valuation methods	Input variables
Debentures	The fair value is measured by discounting the projected cash flows of debt products by applying the market discount rate that is reflecting credit rating of the Company.	Risk-free market rate, etc.

(6) Financial instruments by category

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

	December 31, 2021			
	Financial assets at FVTPL	Financial assets at FVTOCI	Financial assets at amortized cost	Total
Financial assets				
Deposits	-	-	159,928	159,928
Hybrid securities	-	146,294	-	146,294
Other financial assets	-	-	473,182	473,182
Total	-	146,294	633,110	779,404

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Financial assets	December 31, 2020			
	Financial assets at FVTPL	Financial assets at FVTOCI	Financial assets at amortized cost	Total
Deposits	-	-	399,853	399,853
Hybrid securities	-	149,614	-	149,614
Derivative assets	7,247	-	-	7,247
Other financial assets	-	-	219,264	219,264
Total	7,247	149,614	619,117	775,978

Financial liabilities	December 31, 2021		December 31, 2020
	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Debentures	-	1,367,429	1,147,503
Derivative liabilities	329	-	-
Other financial liabilities	-	20,033	16,546
Total	329	1,387,462	1,164,049

(7) Income or expense from financial instruments by category

Income or expense from financial assets and liabilities by each category for the year ended December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021			
	Interest Income(expense)	Reversal (Provision) of credit loss	Others	Total
Financial assets at FVTPL	-	-	(7,576)	(7,576)
Financial assets at FVTOCI	-	-	5,160	5,160
Loans and other financial assets at amortized cost (*)	4,236	76	-	4,312
Financial liabilities at amortized cost	(26,426)	-	-	(26,426)
Total	(22,190)	76	(2,416)	(24,530)

(\*) 2,229 million won interest income of cash and cash equivalents are included.

	For the year ended December 31, 2020			
	Interest Income(expense)	Reversal (Provision) of credit loss	Others	Total
Financial assets at FVTPL	-	-	(920)	(920)
Financial assets at FVTOCI	-	-	2,580	2,580
Loans and other financial assets at amortized cost (*)	10,082	116	-	10,198
Financial liabilities at amortized cost	(22,992)	-	-	(22,992)
Total	(12,910)	116	1,660	(11,134)

(\*) 2,910 million won interest income of cash and cash equivalents are included.

10. INVESTMENTS IN SUBSIDIARIES

(1) Details of Investments in subsidiaries are as follows (Unit: Korean Won in millions and number of shares):

Subsidiaries	Location	Capital stock	Main business
Woori Bank	Korea	3,581,400	Finance
Woori Card Co., Ltd.	Korea	896,300	Finance
Woori Financial Capital Co., Ltd.	Korea	373,800	Finance
Woori Investment Bank Co., Ltd.	Korea	437,100	Other credit finance
Woori Asset Trust Co., Ltd	Korea	15,300	Finance
Woori Asset Management Corp.	Korea	20,000	Finance
Woori Savings Bank	Korea	124,000	Savings bank business
Woori Credit Information Co., Ltd.	Korea	5,000	Credit information
Woori Fund Service Co., Ltd.	Korea	10,000	Finance
Woori Private Equity Asset Management Co., Ltd.	Korea	30,000	Finance
Woori Global Asset Management Co., Ltd.	Korea	20,000	Finance
Woori FIS Co., Ltd.			System software development & maintenance
		24,500	
Woori Finance Research Institute Co., Ltd.	Korea	3,000	Other service business

Subsidiaries (*1)	December 31, 2021			December 31, 2020		
	Number of shares	Percentage of ownership (%) (*2)	Financial statements date of use	Number of shares	Percentage of ownership (%) (*2)	Financial statements date of use
Woori Bank			December 31, 2021			December 31, 2020
Woori Card Co., Ltd.	716,000,000	100.0	December 31, 2021	716,000,000	100.0	December 31, 2020
Woori Financial Capital Co., Ltd.	179,266,200	100.0	December 31, 2021	179,266,200	100.0	December 31, 2020
Woori Investment Bank Co., Ltd.	74,757,594	100.0	December 31, 2021	42,605,000	76.8	December 31, 2020
Woori Asset Trust Co., Ltd	513,162,392	58.7	December 31, 2021	513,162,392	58.7	December 31, 2020
Woori Asset Management Corp.	1,560,000	67.2	December 31, 2021	1,560,000	67.2	December 31, 2020
Woori Savings Bank	2,920,000	73.0	December 31, 2021	2,920,000	73.0	December 31, 2020
Woori Credit Information Co., Ltd.	24,802,623	100.0	December 31, 2021	-	-	-
Woori Fund Service Co., Ltd.	1,008,000	100.0	December 31, 2021	1,008,000	100.0	December 31, 2020
Woori Private Equity Asset Management Co., Ltd.	2,000,000	100.0	December 31, 2021	2,000,000	100.0	December 31, 2020
Woori Global Asset Management Co., Ltd.	6,000,000	100.0	December 31, 2021	6,000,000	100.0	December 31, 2020
Woori FIS Co., Ltd.	4,000,000	100.0	December 31, 2021	4,000,000	100.0	December 31, 2020
Woori Finance Research Institute Co., Ltd.	4,900,000	100.0	December 31, 2021	4,900,000	100.0	December 31, 2020
	600,000	100.0	December 31, 2021	600,000	100.0	December 31, 2020

(\*1) Only subsidiaries invested directly by the Company are included.

(\*2) The percentage is based on the effective shareholding rate relative to the number of stocks outstanding.

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(2) Changes in the carrying value of investments in subsidiaries are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021			
	Beginning balance	Acquisition	Disposal	Ending balance
Woori Bank	18,921,151	-	-	18,921,151
Woori Card Co., Ltd.	1,118,367	-	-	1,118,367
Woori Financial Capital Co., Ltd. (*1)	633,758	369,448	-	1,003,206
Woori Investment Bank Co., Ltd.	447,673	-	-	447,673
Woori Asset Trust Co., Ltd	224,198	-	-	224,198
Woori Asset Management Corp.	122,449	-	-	122,449
Woori Savings Bank (*2)	-	213,238	-	213,238
Woori Credit Information Co., Ltd.	16,466	-	-	16,466
Woori Fund Service Co., Ltd.	13,939	-	-	13,939
Woori Private Equity Asset Management Co., Ltd.	7,797	-	-	7,797
Woori Global Asset Management Co., Ltd.	33,000	-	-	33,000
Woori FIS Co., Ltd.	21,754	-	-	21,754
Woori Finance Research Institute Co., Ltd.	1,677	-	-	1,677
Total	21,562,229	582,686	-	22,144,915

(\*1) After the Company acquiring 76.8% interests of Aju Capital Co., Ltd. in December 2020, Aju Capital Co. changed its name to Woori Financial Capital Co., Ltd. The Company acquired an additional 13.7% interests in April 2021 and acquired residual interest(9.5%) in August 2021 to make Woori Financial Capital Co., Ltd. a wholly owned subsidiary. In addition, the capital increase of 200,000 million Won was made in November 2021.

(\*2) The Company acquired 100.0% interests of Woori Savings Bank from its subsidiary, Woori Financial Capital Co., Ltd. in March 2021, and the capital increase of 100,000 million Won was made in May 2021.

	For the year ended December 31, 2020			
	Beginning balance	Acquisition	Disposal	Ending balance
Woori Bank	17,921,151	1,000,000	-	18,921,151
Woori Card Co., Ltd.	1,118,367	-	-	1,118,367
Woori Financial Capital Co., Ltd. (*)	-	633,758	-	633,758
Woori Investment Bank Co., Ltd.	392,795	54,878	-	447,673
Woori Asset Trust Co., Ltd	224,198	-	-	224,198
Woori Asset Management Corp.	122,449	-	-	122,449
Woori Credit Information Co., Ltd.	16,466	-	-	16,466
Woori Fund Service Co., Ltd.	13,939	-	-	13,939
Woori Private Equity Asset Management Co., Ltd.	7,797	-	-	7,797
Woori Global Asset Management Co., Ltd.	33,000	-	-	33,000
Woori FIS Co., Ltd.	21,754	-	-	21,754
Woori Finance Research Institute Co., Ltd.	1,677	-	-	1,677
Total	19,873,593	1,688,636	-	21,562,229

(\*) After the Company acquiring 76.8% of Aju Capital Co., Ltd. in December 2020, Aju Capital Co. changed its name to Woori Financial Capital Co., Ltd.

11. PREMISES AND EQUIPMENT

(1) Details of premises and equipment as of December 31, 2021 and December 31, 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021			
	Building	Equipment and Vehicles	Leasehold improvements	Total
Premises and equipment(owned)	-	2,676	2,411	5,087
Right-of-use asset	2,272	431	-	2,703
Total	2,272	3,107	2,411	7,790

	December 31, 2020			
	Building	Equipment and Vehicles	Leasehold improvements	Total
Premises and equipment(owned)	-	3,779	3,233	7,012
Right-of-use asset	4,936	590	-	5,526
Total	4,936	4,369	3,233	12,538

(2) Details of premises and equipment (owned) as of December 31, 2021 and December 31, 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021		
	Equipment and Vehicles	Leasehold improvements	Total
Acquisition cost	5,583	4,323	9,906
Accumulated depreciation	(2,907)	(1,912)	(4,819)
Net carrying amount	2,676	2,411	5,087

	December 31, 2020		
	Equipment and Vehicles	Leasehold improvements	Total
Acquisition cost	5,572	4,283	9,855
Accumulated depreciation	(1,793)	(1,050)	(2,843)
Net carrying amount	3,779	3,233	7,012

(3) Details of changes in premises and equipment (owned) are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021		
	Equipment and Vehicles	Leasehold improvements	Total
Beginning balance	3,779	3,233	7,012
Acquisitions	12	39	51
Depreciation	(1,115)	(861)	(1,976)
Ending balance	2,676	2,411	5,087

	For the year ended December 31, 2020		
	Equipment and Vehicles	Leasehold improvements	Total
Beginning balance	3,767	1,796	5,563
Acquisitions	1,034	2,100	3,134
Depreciation	(1,022)	(663)	(1,685)
Ending balance	3,779	3,233	7,012

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(4) Details of right-of-use assets as of December 31, 2021 and December 31, 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021		
	Building	Equipment and Vehicles	Total
Acquisition cost	4,544	1,178	5,722
Accumulated depreciation	(2,272)	(747)	(3,019)
Net carrying amount	2,272	431	2,703
	December 31, 2020		
	Building	Equipment and Vehicles	Total
Acquisition cost	8,703	1,085	9,788
Accumulated depreciation	(3,767)	(495)	(4,262)
Net carrying amount	4,936	590	5,526

(5) Details of changes in right-of-use assets for the year ended December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021		
	Building	Equipment and Vehicles	Total
Beginning balance	4,936	590	5,526
New contracts	-	291	291
Termination	-	(60)	(60)
Depreciation	(2,272)	(390)	(2,662)
Others	(392)	-	(392)
Ending balance	2,272	431	2,703
	For the year ended December 31, 2020		
	Building	Equipment and Vehicles	Total
Beginning balance	1,436	384	1,820
New contracts	896	580	1,476
Changes in contract	4,936	-	4,936
Termination	-	(39)	(39)
Depreciation	(2,332)	(335)	(2,667)
Ending balance	4,936	590	5,526

12. INTANGIBLE ASSETS

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

	December 31, 2021			
	Software	Development cost	Membership deposit	Total
Acquisition cost	3,389	3,000	2,371	8,760
Accumulated amortization	(2,507)	(1,082)	-	(3,589)
Net carrying amount	882	1,918	2,371	5,171
	December 31, 2020			
	Software	Development cost	Membership deposit	Total
Acquisition cost	3,097	2,231	2,371	7,699
Accumulated amortization	(1,832)	(585)	-	(2,417)
Net carrying amount	1,265	1,646	2,371	5,282

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

	For the year ended December 31, 2021				
	Software	Development cost	Membership deposit	Construction in progress	Total
Beginning balance	1,265	1,646	2,371	-	5,282
Acquisitions	292	-	-	795	1,061
Amortization	(675)	(497)	-	-	(1,172)
Transfer	26	769	-	(795)	-
Ending balance	882	1,918	2,371	-	5,171
	For the year ended December 31, 2020				
	Software	Development cost	Membership deposit	Construction in progress	Total
Beginning balance	1,585	1,725	-	-	3,310
Acquisitions	368	330	2,371	-	3,069
Amortization	(688)	(409)	-	-	(1,097)
Ending balance	1,265	1,646	2,371	-	5,282

13. OTHER ASSETS

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

	December 31, 2021	December 31, 2020
Prepaid expenses	151	-

14. FINANCIAL LIABILITIES AT FVTPL

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

	December 31, 2021	December 31, 2020
Financial liabilities at FVTPL	329	-

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

	December 31, 2021	December 31, 2020
Derivative liabilities	329	-

(3) There are no financial liabilities designated as FVTPL among financial liabilities at FVTPL as of December 31, 2021 and December 31, 2020.



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15. DEBENTURES

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

	December 31, 2021		December 31, 2020	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Face value of bonds:				
General bonds	1.23~2.19	420,000	1.23	200,000
Subordinated bonds	2.13~2.55	950,000	2.13 ~ 2.55	950,000
Sub-total		1,370,000		1,150,000
Deducted item:				
Discounts on bonds		(2,571)		(2,497)
Total		1,367,429		1,147,503

16. PROVISIONS

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

	December 31, 2021	December 31, 2020
Asset retirement obligation	394	782

(2) Changes in asset retirement obligation are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Beginning balance	782	600
Increase	-	168
Amortization	4	14
Reversal of unused amount, etc.	(392)	-
Ending balance	394	782

The amount of the asset retirement obligation is the present value of the best estimate of future expected expenditure to settle the obligation – arising from leased assets used as offices as of December 31, 2021, discounted by appropriate discount rate. The restoration cost is expected to occur by the end of the lease period of each office, and the Company used the average amount of the major subsidiaries' actual recovery cost and the inflation rate for the past 3 years in order to estimate future recovery cost.

17. NET DEFINED BENEFIT ASSET

The Company's pension plan is based on the defined benefit retirement pension plan. Employees and directors with one or more years of service are entitled to receive a payment upon termination of their employment, based on their length of service and rate of salary at the time of termination. The assets of the plans are measured at their fair value at the end of reporting date. The plan liabilities are measured using the projected unit method, which takes into account of projected earnings' increase, using actuarial assumptions that give the best estimate of the future cash flows that will arise under the plan liabilities.

The Company is exposed to various risks through defined benefit retirement pension plan, and the most significant risks are as follows:

Volatility of asset	The defined benefit obligation was estimated with an interest rate calculated based on blue chip corporate bonds earnings. A deficit may occur if the rate of return of plan assets falls short of the interest rate.
Decrease in profitability of blue chip bonds	A decrease in profitability of blue chip bonds will be offset by some increase in the value of debt securities that the employee benefit plan owns but will bring an increase in the defined benefit obligation.
Risk of inflation	Defined benefit obligations are related to inflation rate; the higher the inflation rate is, the higher the level of liabilities. Therefore, deficit occurs in the system if an inflation rate increases.

(1) Details of net defined benefit asset are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	(20,966)	(20,083)
Fair value of plan assets	22,482	23,592
Net defined benefit asset	1,516	3,509

(2) Changes in the carrying value of defined benefit obligation are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Beginning balance	20,083	14,174
Transfer-in / out	(553)	2,441
Recruit / Transfer in	-	1,266
Current service cost	2,420	2,127
Interest cost	486	410
Remeasurements	(1,028)	298
Financial assumption	-	-
Demographic assumptions	-	-
Experience adjustment	604	454
Retirement benefit paid	(827)	(1,007)
Others	(219)	(80)
Ending balance	20,966	20,083

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Beginning balance	23,592	10,692
Transfer-in / out	(2,709)	4,155
Interest income	600	304
Remeasurements	(317)	(86)
Employer's contributions	2,420	8,760
Retirement benefit paid	(1,104)	(233)
Ending balance	22,482	23,592

(4) The fair value of plan assets as of December 31, 2021 and December 31, 2020 is as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Cash and due from banks	22,482	23,592

Meanwhile, the actual revenue of the current and prior term plan assets is 283 million won and 218 million won, respectively. The contribution expected to be paid in the fiscal year beginning after the reporting period is 2,116 million won.

(5) The amount recognized in profit or loss and total comprehensive income related to the defined benefit plan for the year ended December 31, 2021 and 2020 is as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Current service cost	2,420	2,127
Recruit / Transfer in	-	1,266
Net interest expense	(114)	106
Cost recognized in net income	2,306	3,499
Remeasurements (*)	(108)	838
Cost recognized in total comprehensive income	2,198	4,337

(\*) The amount is before income tax effect.

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

	December 31, 2021	December 31, 2020
Discount rate	2.98%	2.48%
Future wage growth rate	5.50%	5.50%
Mortality rate	Issued by Korea Insurance Development Institute	Issued by Korea Insurance Development Institute
Retirement rate	Issued by Korea Insurance Development Institute	Issued by Korea Insurance Development Institute

The weighted average maturity of the defined benefit obligation is 10.26 years.

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

		December 31, 2021	December 31, 2020
Discount rate	Increase by 1% point	(1,864)	(1,909)
	Decrease by 1% point	2,152	2,222
Future wage growth rate	Increase by 1% point	2,078	2,134
	Decrease by 1% point	(1,840)	(1,876)

18. OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

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

	December 31, 2021	December 31, 2020
Other financial liabilities:		
Accounts payable	4,118	6,102
Accrued expenses	15,915	10,444
Lease liabilities	2,955	5,539
Other miscellaneous financial liabilities	-	-
Sub-total	22,988	22,085
Other liabilities:		
Other miscellaneous liabilities	548	570
Total	23,536	22,655

19. DERIVATIVES

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

	December 31, 2021		December 31, 2020	
	Nominal amount	Liabilities (Assets) For trading	Nominal amount	Liabilities (Assets) For trading
Equity Forwards	124,350	329	130,599	(7,247)

Derivatives held for trading are classified into financial assets at FVTPL in the statements of financial position (seeing Note 6 and Note 14).

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20. EQUITY

(1) Details of equity as of December 31, 2021 and December 31, 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Capital	3,640,303	3,611,338
Hybrid securities	2,294,288	1,895,322
Capital surplus (*1)	10,909,281	14,874,084
Other equity	(3,874)	(1,518)
Retained earnings (*1) (*2) (*3)	4,824,991	664,746
Total	21,664,989	21,043,972

(\*1) During the year ended December 31, 2021, 4,000,000 million Won was transferred from capital surplus to retained earnings.

(\*2) The regulatory reserve for credit loss in retained earnings amounted to 1,086 million won and 692 million won as of December 31, 2021 and 2020 in accordance with the relevant regulation.

(\*3) The earned surplus reserve in retained earnings amounted to 122,370 million won and 62,830 million won as of December 31, 2021 and 2020 in accordance with the Article 53 of the Financial Holding Company Act.

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

	December 31, 2021	December 31, 2020
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	728,060,549 Shares	722,267,683 Shares
Capital stock(*1)	3,640,303 million won	3,611,338 million won

(\*1) During the year ended December 31, 2021, 28,965 million Won increased due to the comprehensive exchange of stocks to make Woori Financial Capital Co.,Ltd. wholly owned subsidiary.

(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, 2021	December 31, 2020
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	-
Securities in local currency	2021-10-14	-	3.60	200,000	-
Issuance cost				(5,712)	(4,678)
Total				2,294,288	1,895,322

The hybrid securities mentioned above do not have maturity date but are redeemable after 5 years from the 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, 2021			
	Beginning balance	Increase (decrease)	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets at FVTOCI	(280)	(3,321)	913	(2,688)
Remeasurements of defined benefit plan	(1,238)	108	(30)	(1,160)
Total	(1,518)	(3,213)	883	(3,848)

	For the year ended December 31, 2020			
	Beginning balance	Increase (decrease)	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets at FVTOCI	-	(386)	106	(280)
Remeasurements of defined benefit plan	(631)	(838)	231	(1,238)
Total	(631)	(1,224)	337	(1,518)

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### (5) Regulatory Reserve for Credit Loss

In accordance with Article 26 ~ 28 of the Financial holding company Supervision Regulations, the Company calculates and discloses the regulatory reserve for credit loss.

#### 1) Balance of the regulatory reserve for credit loss

Balance of the planned regulatory reserve for credit loss is as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Beginning balance	1,086	692
Planned provision of regulatory reserve for credit loss	1,270	394
Ending balance	2,356	1,086

#### 2) Provision of regulatory reserve for credit loss, adjusted net income after the provision of regulatory reserve and others

Planned reserves provided, adjusted net income after the planned reserves provided and adjusted EPS after the planned reserves provided are as follows (Unit: Korean Won in millions, except for EPS amount):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Net income before regulatory reserve	594,852	595,318
Provision of regulatory reserve for credit loss	1,270	394
Adjusted net income after the provision of regulatory reserve	593,582	594,924
Dividends to hybrid securities	(66,250)	(48,915)
Adjusted net income after regulatory reserve and dividends to hybrid securities	527,332	546,009
Adjusted EPS after regulatory reserve and dividends to hybrid securities (Unit: Korean Won)	728	756

### (6) Statements of appropriations of retained earnings are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021 (Expected date of disposal March 25, 2022)	For the year ended December 31, 2020 (Confirmed date of disposal March 26, 2021)
Unappropriated retained earnings:		
Unappropriated retained earnings carried over from prior years	281,274	54,821
Transfer of capital surplus to retained earnings	4,000,000	-
Interim dividend (dividend per share (%)) (2021: 150 won (3.0%))	(108,341)	-
Dividend on hybrid equity securities	(66,250)	(48,915)
Net income	594,852	595,318
	4,701,535	601,224
Appropriation of retained earnings:		
Earned profit reserves	59,490	59,540
Regulatory reserve for credit loss	1,270	394
Cash dividend (dividend per share (%)) (2021: 750 won (15.0%))		
(2020: 360 won (7.2%))	546,044	260,016
	606,804	319,950
Unappropriated retained earnings to be carried forward	4,094,731	281,274

The appropriation of retained earnings for the year ended December 31, 2021, is expected to be appropriated at the shareholders' meeting on March 25, 2022. The appropriation date for the year ended December 31, 2020, was March 26, 2021.

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

	December 31, 2021		December 31, 2020	
	Number of shares	Book value	Number of shares	Book value
Beginning	2	-	2	-
Repurchase	2,322	26	-	-
Retirement	-	-	-	-
Ending	2,324	26	2	-

### 21. DIVIDENDS

- Dividends per share and the total dividends for the fiscal year ending December 31, 2020 were 360 Won and 260,016 million Won, respectively, approved at the regular general shareholders' meeting held on March 26, 2021, and were paid in April 2021.
- On July 23, 2021, the Board of Directors decided to pay an interim dividend of 150 Won per share (total dividend of 108,341 million Won) with July 30, 2021 as the dividend base date, and were paid in August 2021.
- Dividends per share and the total dividends for the fiscal year ending December 31, 2021 are 750 won and 546,044 million won, respectively. It will be proposed at the regular general shareholders' meeting scheduled on March 25, 2022. The financial statements do not reflect this dividend payables.

### 22. NET INTEREST INCOME

- Interest income recognized is as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest on due from banks	4,213	10,054
Other interest income	23	28
Total	4,236	10,082

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest on borrowings	26,427	22,992
Other interest expense	4	14
Interest on lease liabilities	50	29
Total	26,481	23,035



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23. NET FEES AND COMMISSIONS INCOME

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Fees and commissions income	1,306	805

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Fees and commissions paid	5,681	8,858
Others	8,210	7,341
Total	13,891	16,199

24. DIVIDEND INCOME

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Dividend income recognized from investments in subsidiaries	687,445	677,795
Dividend income recognized from FVTOCI	5,160	2,580
Total	692,605	680,375

25. NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS AT FVTPL

(1) Details of gain or loss related to net gain or loss on financial instruments at FVTPL are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Gains and losses on financial instruments at FVTPL mandatorily measured at fair value	(7,576)	(920)

(2) Details of net gain or loss on financial instrument at FVTPL are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Derivatives (Held for trading)		
Equity derivatives	-	1,266
Gain on transactions and valuation		
Loss on transactions and valuation	(7,576)	(2,186)
	(7,576)	(920)

26. REVERSAL(PROVISION) FOR IMPAIRMENT LOSSES DUE TO CREDIT LOSS

Details of reversal for impairment losses due to credit loss recognized are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Reversal for impairment losses due to credit loss on loans and other financial assets at amortized cost	76	116

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27. GENERAL AND ADMINISTRATIVE EXPENSES

(1) Details of general and administrative expenses recognized are as follows (Unit: Korean Won in millions):

		For the year ended December 31, 2021	For the year ended December 31, 2020
Employee benefits	Short-term employee benefits	26,993	26,533
	Salaries Employee fringe benefits	7,564	8,090
	Retirement benefit service costs	2,306	3,499
	Share based payments	3,627	1,557
	Sub-total	40,490	39,679
Depreciation and amortization		5,809	5,449
Other general and administrative expenses	Rent	1,420	1,120
	Taxes and public dues	435	375
	Service charges	2,991	3,127
	Computer and IT related	4,894	2,937
	Telephone and communication	647	642
	Operating promotion	1,184	1,190
	Advertising	190	186
	Printing	59	51
	Traveling	65	54
	Supplies	135	196
	Insurance premium	43	212
	Reimbursement	1,077	980
	Vehicle maintenance	257	220
	Others	29	54
	Sub-total	13,426	11,344
	Total	59,725	56,472

(2) Share-based payment

Details of performance condition share-based payment granted to executives as of December 31, 2021 and 2020 are as follows.

1) Performance condition share-based payment

Subject to	Shares granted for the year 2019
Type of payment	Cash-settled
Vesting period	January 11, 2019 ~ December 31, 2022
Date of payment	2023-01-01
Fair value (*1)	12,527 won
Valuation method	Black-Scholes Model
Expected dividend rate	4.28%
Expected maturity date	1 years
Number of shares remaining	As of December 31, 2021 77,728 shares
	As of December 31, 2020 77,728 shares
Number of shares granted (*2)	As of December 31, 2021 77,728 shares
	As of December 31, 2020 77,728 shares

Subject to	Shares granted for the year 2020
Type of payment	Cash-settled
Vesting period	January 1, 2020 ~ December 31, 2023
Date of payment	2024-01-01
Fair value (*1)	12,003 won
Valuation method	Black-Scholes Model
Expected dividend rate	4.28%
Expected maturity date	2 years
Number of shares remaining	As of December 31, 2021 189,270 shares
	As of December 31, 2020 189,270 shares
Number of shares granted (*2)	As of December 31, 2021 189,270 shares
	As of December 31, 2020 189,270 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)	11,501 won
Valuation method	Black-Scholes Model
Expected dividend rate	4.28%
Expected maturity date	3 years
Number of shares remaining	As of December 31, 2021 239,798 shares
	As of December 31, 2020 -
Number of shares granted (*2)	As of December 31, 2021 239,798 shares
	As of December 31, 2020 -

(\*1) As the amount of payment varies according to the base price (the arithmetic average of the weighted average stock price of transactions in the past one week, the past one month, and the past two months) at the date of payment, the fair value is calculated and used to measure the liability according to the Black Shaws model based on the base price at the time of each settlement.

(\*2) The number of payable stocks is granted at the initial contract date and the payment rate is determined based on the achievement of the pre-determined performance targets. Performance is evaluated as long-term performance indication including relative shareholder return, net income, return on equity (ROE), non-performing loan ratio and job performance.

2) The Company accounts for performance condition share-based payments according to the cash-settled method and the fair value of the liabilities is reflected in the compensation costs by re-measuring every closing period. As of December 31, 2021, and December 31, 2020 the book value of the liabilities related to the performance condition share-based payments recognized by the Company is 6,003 million won and 2,376 million won.

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28. NON-OPERATING INCOME (EXPENSES)

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Other non-operating income	126	185
Other non-operating expense	(431)	(400)
Total	(305)	(215)

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Others	126	185

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Donations	430	400
Others	1	-
Total	431	400

29. INCOME TAX INCOME AND DEFERRED TAX

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Current tax expense:		
Current tax expense with respect to the current period	-	-
Sub-total	-	-
Deferred tax expense income		
Change in deferred tax liabilities due to temporary differences	5,490	1,118
Income tax expense directly attributable to equity	(883)	(337)
Sub-total	4,607	781
Income tax income	4,607	781

(2) The relationship between income before income tax expense deduction and income tax expense in the current comprehensive income statement is as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Net income before income tax expense	590,245	594,537
Tax calculated at statutory tax rate (*1)	151,955	153,136
Adjustments:		
Effects of income that is exempt from taxation	(181,897)	(178,635)
Effect of expenses that are not deductible in determining taxable profit	441	420
Effect of corporate tax due to consolidate tax plans	25,016	24,370
Others	(122)	(72)
Sub-total	(156,562)	(153,917)
Income tax expense (income)	(4,607)	(781)
Effective tax rate (*2)	-	-

(\*1) The corporate tax rate is 11% up to 200 million won in tax basis, 22% over 200 million won to 20 billion Won, 24.2% over 20 billion Won to 300 billion Won and 27.5% over 300 billion Won.

(\*2) It is tax income for the year ended December 31, 2021 and 2020, so the annual effective tax rate was not calculated.

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(3) Details of changes in deferred income tax assets and liabilities are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021			
	Beginning balance	Recognized as income (expense)	Recognized as other comprehensive income (expense)	Ending Balance
Gain (loss) related to securities	106	-	913	1,019
Gain (loss) on valuation of derivatives	(1,993)	2,083	-	90
Provision for loan losses	40	(20)	-	20
Defined benefit liability	1,770	984	(117)	2,637
Deposits with employee retirement insurance trust	(1,541)	268	87	(1,186)
Provisions	215	(107)	-	108
Share based payment	653	997	-	1,650
Others	1,714	402	-	2,116
Net deferred tax assets(liabilities) in total	964	4,607	883	6,454

	For the year ended December 31, 2020			
	Beginning balance	Recognized as income (expense)	Recognized as other comprehensive income (expense)	Ending Balance
Gain (loss) related to securities	-	-	106	106
Gain (loss) on valuation of derivatives	(2,594)	601	-	(1,993)
Provision for loan losses	72	(32)	-	40
Defined benefit liability	1,622	(59)	207	1,770
Deposits with employee retirement insurance trust	(729)	(836)	24	(1,541)
Provisions	165	50	-	215
Share based payment	225	428	-	653
Others	1,085	629	-	1,714
Net deferred tax assets(liabilities) in total	(154)	781	337	964

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Deductible temporary differences	5,307	4,474
Taxable temporary differences	(7,917,618)	(7,917,618)
Total	(7,912,311)	(7,913,144)

No deferred income tax asset has been recognized for the deductible temporary difference of 5,307 million won associated with investments in subsidiaries as of December 31, 2021, because it is not probable that the temporary differences will be reversed in the foreseeable future.

No deferred income tax liability has been recognized for the taxable temporary difference of 7,917,618 million won associated with investment in subsidiaries as of December 31, 2021, due to the following reasons:

- The Company is able to control the temporary difference of extinguishment.
  - It is probable that the temporary difference will not be reversed in the foreseeable future.

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

	December 31, 2021	December 31, 2020
Net gain (loss) on valuation of financial assets at FVTOCI	1,019	106
Remeasurements of defined benefit plan	441	471
Total	1,460	577

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

	December 31, 2021	December 31, 2020
Current tax assets	856	307
Current tax liabilities	468,305	215,071

30. EARNINGS PER SHARE (“EPS”)

(1) Basic EPS is calculated by dividing net income attributable to common shareholders by weighted-average number of common shares outstanding (Unit: Korean Won in millions, except for EPS and number of shares):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Net income	594,852	595,318
Dividends to hybrid securities	(66,250)	(48,915)
Net income attributable to common shareholders	528,602	546,403
Weighted average number of common shares outstanding (Unit: million shares)	725	722
Basic EPS (Unit: Korean Won)	730	757

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

For the year ended December 31, 2021				
	Period	Number of shares	Dates	Accumulated number of shares outstanding during period
Common shares issued at the beginning of the period	2021-01-01 ~ 2021-12-31	722,267,683	365	263,627,704,295
Treasury stock	2021-01-01 ~ 2021-12-31	(2)	365	(730)
Share repurchase	2021-08-10 ~ 2021-12-31	(2,322)	144	(334,368)
New stock issue (Comprehensive stock exchange)	2021-08-10 ~ 2021-12-31	5,792,866	144	834,172,704
Sub-total (①)				264,461,541,901
Weighted average number of common shares outstanding (②=(①/365))				724,552,170

For the year ended December 31, 2020				
	Period	Number of shares	Dates	Accumulated number of shares outstanding during period
Common shares issued at the beginning of the period	2020-01-01 ~ 2020-12-31	722,267,683	366	264,349,971,978
Treasury stock	2020-01-01 ~ 2020-12-31	(2)	366	(732)
Sub-total (①)				264,349,971,246
Weighted average number of common shares outstanding (②=(①/366))				722,267,681

Diluted EPS is equal to basic EPS because there is no dilution effect for the year ended December 31, 2021 and 2020.

31. CONTINGENT LIABILITIES AND COMMITMENTS

(1) Litigation case

As of December 31, 2021 and December 31, 2020, the Company has no litigation case in progress.

(2) Details of loan commitments with financial institutions are as follows (Unit: Korean Won in millions):

	Financial institutions	December 31, 2021		December 31, 2020	
		Line of credit	Loan balance	Line of credit	Loan balance
Loans	Standard Chartered				
	Bank Korea Ltd.	100,000	-	65,000	-
	Kookmin Bank	-	-	35,000	-
	Total	100,000	-	100,000	-

(3) The Company decided to enter into a stock sales agreement with a major shareholder of Woori Asset Trust Co., Ltd (formerly Kukje Asset Trust Co., Ltd) to acquire 44.5% interest (58.6% of voting rights) during July, 2019, and to acquire additional 21.3% interest (28.0% of voting rights) after a certain period. As a result, the Company acquired the interest of the first sales agreement in December 2019 and is planning to acquire the interest of the second sales agreement after a certain period.

In regards to this acquisition, the Company recognized 329 million won as derivative liabilities and 7,247 million won as derivative assets as of December 31, 2021 and December 31, 2020, respectively(seeing Note 19).

32. RELATED PARTY TRANSACTIONS

Related parties of the Company as of December 31, 2021 and December 31, 2020, and assets and liabilities recognized, guarantees and commitments, major transactions with related parties and compensation to key management for the year ended December 31, 2021 and 2020 are as follows:

(1) Assets and liabilities from transactions with related parties are as follows (Unit: Korean Won in millions):

Related party	Title of account	December 31, 2021	December 31, 2020
Subsidiaries			
Woori Bank	Cash and cash equivalents	578,725	69,176
	Other financial assets	585,052	598,505
	Allowance for credit losses	(72)	(147)
	Other financial liabilities	3,344	7,718
Woori Card Co., Ltd.	Other financial assets	45,267	17,983
	Other financial liabilities	276	299
Woori FIS Co., Ltd.	Other financial assets	1,451	1,538
	Other financial liabilities	436	259
Woori Finance Research Institute Co., Ltd.	Other financial assets	15	37
	Other financial liabilities	1,859	1,465
Woori Credit Information Co., Ltd.	Other financial assets	52	517
Woori Fund Service Co., Ltd.	Other financial assets	931	643
Woori Private Equity Asset Management Co. Ltd.	Other financial assets	387	-
Associates of subsidiaries			
W Service Networks Co., Ltd.	Other financial liabilities	96	122



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

Related party		Title of account	For the year ended December 31, 2021	For the year ended December 31, 2020
Subsidiaries	Woori Bank	Interest income	4,236	10,082
		Fees and commissions income	1,306	805
		Dividend income	680,200	676,000
		Interest expenses (*2)	41	17
		Fees and commissions expense	13	13
		Reversal(Provision) of impairment loss due to credit loss	76	116
		General and administrative expenses (*2)	3,632	3,403
	Woori Card Co., Ltd.	Dividend income	5,160	2,580
	Woori Investment Bank Co., Ltd. (*1)	Dividend income	5,132	-
	Woori FIS Co., Ltd.	General and administrative expenses	4,422	2,670
	Woori Finance Research Institute Co., Ltd.	Fees and commissions expenses	6,790	6,190
	Woori Credit Information Co., Ltd.	Dividend income	564	494
	Woori Fund Service Co., Ltd.	Dividend income	769	521
	Woori Asset Trust Co., Ltd	Dividend income	780	780
	Associates of subsidiaries			
	W Service Networks Co., Ltd.	General and administrative expenses	1,169	1,347

(\*1) Of the 220,000 million Won of debentures issued during the current period, 19,000 million Won was acquired by Woori Investment Bank Co., Ltd. and the Company paid 19 million Won as an acquisition fee which is included in the discount on debentures issued. Also, of the 400,000 million Won of hybrid securities issued during the current period, 33,000 million Won was acquired by Woori Investment Bank Co., Ltd. and the Company paid 50 million Won as an acquisition fee which is included in the issuance cost of hybrid securities. Of the 200,000 million Won of debentures issued during the prior 40,000 million Won was acquired by Woori Investment Bank Co., Ltd. and the Company paid 40 million Won as an acquisition fee which is included in the discount on debentures issued. Also, of the 200,000 million of hybrid securities issued prior period, 29,000 million Won was acquired by Woori investment Bank Co., Ltd and the Company paid 44 million Won as an acquisition fee which is included in the issuance cost of hybrid securities.

(\*2) The depreciation of right-of-use assets and interest expense of lease liabilities arising from lease transactions during the current term and prior term are included.

(3) The details of the right-of-use assets and lease liabilities due to lease transactions with related parties as of December 31, 2021 and December 31, 2020 are as follows (Unit: Korea Won in millions):

Related parties		Title of account	December 31, 2021	December 31, 2020
Subsidiaries	Woori Bank	Right-of-use assets	2,272	4,936
		Lease liabilities (*)	2,493	4,920

(\*) Cash outflows of lease liabilities redemption for the year ended December 31, 2021 and 2020 are 2,467 million won and 1,871 million won, respectively.

(4) The details of loan and borrowing transactions with related parties for the year ended December 31, 2021 and 2020 are as follows (Unit: Korea Won in millions):

Related parties (*1)		Title of account	For the year ended December 31, 2021			
Subsidiaries	Woori Bank	Due from banks (*2)	Beginning balance	Increase	Decrease	Ending balance
			450,000	2,250,000	2,180,000	520,000

(\*1) Of the 220,000 million Won of debentures issued during the current period, 19,000 million Won was acquired by Woori Investment Bank Co., Ltd., and the entire amount was sold to the market on the date of issuance. Of the 400,000 million Won of hybrid securities issued during the current period, 33,000 million Won was acquired by Woori Investment Bank Co., Ltd. and the entire amount was sold to the market on the date of issuance.

(\*2) Excludes due from banks without withdrawal limitations.

Related parties (*1)		Title of account	For the year ended December 31, 2020			
Subsidiaries	Woori Bank	Due from banks (*2)	Beginning balance	Increase	Decrease	Ending balance
			1,130,000	3,800,000	4,480,000	450,000

(\*1) Of the 200,000 million Won of debentures issued during the prior period, 40,000 million Won was acquired by Woori Investment Bank Co., Ltd., and the entire amount was sold to the market on the date of issuance. Of the 200,000 million Won of hybrid securities issued during the prior period, 29,000 million Won was acquired by Woori Investment Bank Co., Ltd., and the entire amount was sold to the market on the date of issuance.

(\*2) Excludes due from banks without withdrawal limitations.

(5) The details of equity-related transactions with related parties are as follows (Unit: Korean Won in million)

Related parties		For the year ended December 31, 2021		
Subsidiaries	Woori Financial Capital Co., Ltd. Woori Savings Bank	Interest of Woori Savings Bank (*1)	Interest of Woori Financial Capital Co., Ltd (*2)	Investment
		113,238	88,011	200,000
		-	-	100,000

(\*1) The Company acquired 100% interest of Woori Savings Bank from its subsidiary, Woori Financial Capital Co., Ltd. during the current period.

(\*2) During the current period, the Company acquired treasury stocks held by Woori Financial Capital Co., Ltd. and the remaining interest thereof.

Related parties		For the year ended December 31, 2020			
Subsidiaries	Woori Bank	Investment	Acquisition of hybrid securities	Designated to preferred buyers of Woori Financial Capital Co., Ltd. (formerly Aju Capital Co., Ltd.)	Consideration of the acquisition of Woori Financial Capital Co., Ltd. (formerly Aju Capital Co., Ltd.)
		1,000,000	-	60,158	-
	Woori Card Co., Ltd.	-	150,000	-	-
	Woori Investment Bank Co., Ltd.	54,878	-	-	-
Associates	Well to Sea No. 3 Private Equity Fund	-	-	-	572,333

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(6) There are no guarantees provided to the related parties. The unused commitments provided from the related parties are as follows (Unit: Korean Won in millions):

Related parties		December 31, 2021	December 31, 2020	Warranty
Subsidiaries	Woori Card Co., Ltd.	174	131	Unused loan commitment

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Short-term employee salaries	6,698	6,259
Retirement benefit service costs	212	230
Share-based compensation	2,657	1,205
Total	9,567	7,694

Key management includes registered executives and non-registered executives. The Company has not recognized any outstanding assets, allowance and related impairment loss due to credit losses from transaction with key management as of December 31, 2021 and December 31, 2020. Liabilities related to key management compensation are 7,550 million won and 4,209 million won as of December 31, 2021 and December 31, 2020, respectively.

33. LEASES

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

	December 31, 2021	December 31, 2020
Lease payments:		
Within one year	2,044	2,836
After one year but within five years	930	2,768
Total	2,974	5,604

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cash outflows from lease	2,996	2,335

(3) Details of lease payments that are not included in the measurement of lease liabilities due to the fact that they are leases for which the underlying asset is of low value are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021	For the year ended December 31, 2020
Lease payments for which the underlying asset is of low value	132	132

There are no lease payments not included in the lease liabilities measurement, resulting from short-term leases for the year ended December 31, 2021 and 2020.

34. EVENTS AFTER THE REPORTING PERIOD

- (1) On January 7, 2022, the Company established Woori Financial F&I Inc. (100% of ownership, 200 billion won in stock payments) which is an investment company for non-performing loans (NPL) and restructuring companies, and included it as a subsidiary.
- (2) The Russia – Ukraine conflict has been escalated in February 2022. Russia is imposed to the international sanctions. As a result of these sanctions, the lack of liquidity in the foreign exchange market as well as the significant decline in value of the Rubles and the decline in value of Russian companies’ securities are in progress. As a result, the Company may experience situations such as a decrease in value of financial assets or operating assets owned by the Company regarding the conflict, an increase in receivable payment terms, limitation to transfer funds, a decrease in the profit.

As of December 31, 2021, the Company 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 Company cannot reasonably predict the financial impacts because it is very uncertain to estimate the impact on the Company’s financial position and business performance.

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## REPORT ON INDEPENDENT AUDITOR'S AUDIT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

(English Translation of a Report Originally Issued in Korean)

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

#### Opinion on Internal Control over Financial Reporting

We have audited Woori Financial Group Inc.(the Company)'s Internal Control over Financial Reporting as at December 31, 2021, based on Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2021, based on Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.

We also have audited, in accordance with Korean Standards on Auditing, the separate financial statements of the Company, which comprise the separate statement of financial position as at December 31, 2021, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flow for the year then ended, and notes to the separate financial statements including a summary of significant accounting policies, and our report dated March 15, 2022 expressed unqualified opinion.

#### Basis for Opinion on Internal Control over Financial Reporting

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

#### Responsibilities of Management and Those Charged with Governance for Internal Control over Financial Reporting

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Operating Status Report of Internal Control over Financial Reporting.

Those charged with governance have the responsibilities for overseeing internal control over financial reporting.

#### Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting

Our responsibility is to express opinion on the Company's internal control over financial reporting based on our audit. We conducted the audit in accordance with Korean Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit includes obtaining an understanding of internal control over financial reporting

and testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

#### Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Samil PricewaterhouseCoopers

Seoul, Korea

March 15, 2022

This report is effective as of March 15, 2022, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the Company's internal control over financial reporting thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

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## OPERATING STATUS REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

### 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 ("ICFR") Officer of Woori Financial Group Inc. (the "Company"), assessed operating status of the Company's Internal Control over Financial Reporting for the year ended December 31, 2021.

The Company's management, including ourselves, is responsible for designing and operating ICFR.

We assessed whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in financial statements to ensure preparation and disclosure of reliable financial information.

We used the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting' established by the Operating Committee of Internal Control over Financial Reporting in Korea (the "ICFR Committee") as the criteria for design and operation of the Company's ICFR. We also conducted an assessment of ICFR based on the 'Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting' established by the ICFR Committee.

Based on our assessment, we concluded that the Company's ICFR is designed and operated effectively as of December 31, 2021, in all material respects, in accordance with the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting'.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings, and we have reviewed and verified this report with sufficient care.

February 25, 2022

Tae Seung Son, Chief Executive Officer

Sung Wook Lee, Internal Control over Financial Reporting Officer

## INDEPENDENT AUDITOR'S REPORT

(English Translation of a Report Originally Issued in Korean)

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

#### Opinion

We have audited the accompanying consolidated financial statements of Woori Financial Group Inc. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

#### Basis for Opinion

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

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected Credit Losses on Loans Measured at Amortized Cost

Why it is determined to be a key audit matter:

The impairment guidance under Korean IFRS 1109 Financial Instruments requires determination of significant increases in credit risk and measurement of expected credit losses using forward-looking information and others. Accordingly, the Group developed a measurement model that encompasses probability of default, loss given default and forward looking information utilizing various types of information, which requires a higher level of management's interpretation and judgment.

The Group measures expected credit losses on loans measured at amortized cost based on both individual and collective assessments. Individual assessment of expected credit losses is performed based on estimation of future forecast cash flow with a relatively high degree of management's estimation and judgment, and collective assessment of expected credit losses involves a variety of complex variables and assumptions that require management's estimation and judgment. Due to

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these facts, expected credit losses of loans measured at amortized costs are determined as a key audit matter. In addition, the Group considered that loans subject to payment deferral or interest deferral under the government's COVID-19 relief package posed significantly higher credit risks leading to its assessment of more likelihood of default. Such estimation on expected credit losses involved higher degree of judgment. As described in Note 10, loans measured at amortized cost subject to individual or collective assessments amount to 338,686,220 million won, with allowances for credit losses of 1,886,710 million won as of December 31, 2021. Significantly affected subsidiary is Woori Bank.

### How our audit addressed the key audit matter:

#### (1) Assessment of expected credit losses on an individual basis

We obtained an understanding and evaluated the processes and controls relating to the assessment of expected credit losses on an individual basis. In particular, we focused our effort on the assumptions used in estimating future cash flows. We evaluated whether management's estimation was reasonable and we assessed the key assumptions in the cash flow projection including growth rate of entities subject to individual assessment and collateral valuation. As part of these procedures, we assessed whether sales growth rate, operating income ratio, and assumptions on investment activities were consistent with historical operating performance and current market conditions. Additionally, we assessed the appropriateness of collateral valuation by conducting our own research on recent property prices and engaged independent appraisal specialists in assessing reasonableness of appraisal reports, models and methodologies used by management.

#### (2) Assessment of expected credit losses on a collective basis

We obtained an understanding and evaluated the processes and controls relating to management's calculation of expected credit losses on a collective basis in accordance with impairment requirements under Korean IFRS 1109 Financial Instruments. As explained in Note 2, management assessed credit ratings to recognize lifetime expected credit losses on loans with significant increase in credit risk and impaired loans. Other than these cases, management recognized 12-months of expected credit losses. To calculate expected credit losses, management applied forward-looking information, probability of default and loss given default estimated through its internal procedures and controls implemented for various assumptions.

We assessed the design and operating effectiveness of controls relating to credit ratings that reasonably reflected both qualitative and quantitative information. Our testing over the accuracy and reliability of the information included agreeing qualitative and quantitative information with relevant evidence.

We reviewed the appropriateness of management policies and procedures to determine significant increases in credit risk, and tested reasonableness of expected credit loss model applied by each of the three stages(Stage 1, 2 and 3) depending on how significantly credit risk was increased.

We used risk specialists to test the appropriateness of management's methodologies of reflecting forward-looking information in the estimation of expected credit loss by adjusting the probability of default and loss given default after statistically analyzing the correlation between forward-looking information and probability of default or loss given default. Moreover, we tested the reasonableness and mathematical accuracy of the result through recalculation and examination of supporting data.

We reviewed the methodologies used by management to verify that probability of default and loss given default were calibrated using sufficient and reasonable historical data. We determined that the default and loss data used were appropriately gathered and applied in accordance with internal control procedures. In addition, we tested reasonableness and accuracy of probability of default and loss given default through procedures including recalculation, and tested management's default and loss data by agreeing them with relevant evidence.

Furthermore, we tested reasonableness of stage allocation of loans subject to COVID-19 payment relief attributable to significant increase in credit risk. We also tested key assumptions used in calculation of probability of default and required disclosures. We verified accuracy and completeness of aggregation of loans subject to the deferral, and accuracy of calculation of loss allowances.

### Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 of the financial statements, which indicates that the outbreak of COVID-19 in 2021 may have a negative impact on the Group's financial condition and results of operations.

### Other Matter

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

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

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

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

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are



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inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Samil PricewaterhouseCoopers  
Seoul, Korea  
March 15, 2022

This report is effective as of March 15, 2022, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may be revised to reflect the impact of such subsequent events or circumstances, if any.

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2021 AND 2020

	December 31, 2021	December 31, 2020
	(Korean Won in millions)	
ASSETS		
Cash and cash equivalents (Note 6)	7,565,818	9,990,983
Financial assets at fair value through profit or loss ("FVTPL") (Notes 4, 7, 11, 12, 18 and 26)	13,497,234	14,762,941
Financial assets at fair value through other comprehensive income ("FVTOCI") (Notes 4, 8, 11, 12, and 18)	39,119,789	30,028,929
Securities at amortized cost (Notes 4, 9, 11, 12 and 18)	17,086,274	17,020,839
Loans and other financial assets at amortized cost (Notes 4, 10, 11, 12, 18 and 41)	361,932,872	320,106,078
Investments in joint ventures and associates (Note 13)	1,335,167	993,291
Investment properties (Notes 14 and 18)	389,495	387,464
Premises and equipment (Notes 15 and 18)	3,174,720	3,287,198
Intangible assets (Note 16)	785,386	792,077
Assets held for sale (Note 17)	26,327	60,002
Net defined benefit asset (Note 24)	21,346	5,658
Current tax assets (Note 38)	22,598	75,655
Deferred tax assets (Note 38)	31,131	46,088
Derivative assets (Designated for hedging) (Notes 4,11,12 and 26)	106,764	174,820
Other assets (Notes 19 and 41)	2,088,950	1,348,994
Total assets	447,183,871	399,081,017
LIABILITIES		
Financial liabilities at fair value through profit or loss ("FVTPL") (Notes 4, 11, 12, 20 and 26)	4,873,458	6,813,822
Deposits due to customers (Notes 4,11,21 and 41)	317,899,871	291,477,279
Borrowings (Notes 4, 6, 11, 12 and 22)	24,755,459	20,745,466
Debentures (Notes 4, 6, 11 and 22)	44,653,864	37,479,358
Provisions (Notes 23, 40 and 41)	576,134	501,643
Net defined benefit liability (Note 24)	47,986	52,237
Current tax liabilities (Note 38)	584,491	370,718
Deferred tax liabilities (Note 38)	186,946	160,250
Derivative liabilities (Designated for hedging) (Notes 4,11,12 and 26)	27,584	64,769
Other financial liabilities (Notes 4, 6, 11, 12, 25 and 41)	24,171,030	14,215,817
Other liabilities (Notes 6, 25 and 41)	556,853	473,813
Total liabilities	418,333,676	372,355,172
EQUITY		
Owners' equity (Note 28)		
Capital stock	3,640,303	3,611,338
Hybrid securities	2,294,381	1,895,366
Capital surplus	682,385	626,111
Other equity	(2,167,614)	(2,347,472)
Retained earnings	21,392,564	19,268,265
	25,842,019	23,053,608
Non-controlling interests	3,008,176	3,672,237
Total equity	28,850,195	26,725,845
Total liabilities and equity	447,183,871	399,081,017

The accompanying notes are part of this consolidated financial statements.

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WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
	(Korean Won in millions)	
Interest income	9,894,749	9,523,853
Financial assets at FVTPL	45,803	48,612
Financial assets at FVTOCI	381,814	437,527
Financial assets at amortized cost	9,467,132	9,037,714
Interest expense	(2,909,028)	(3,525,341)
<b>Net interest income</b> (Notes 11, 30 and 41)	<b>6,985,721</b>	<b>5,998,512</b>
Fees and commissions income	2,171,705	1,694,016
Fees and commissions expense	(700,930)	(679,977)
<b>Net fees and commissions income</b> (Notes 11, 31 and 41)	<b>1,470,775</b>	<b>1,014,039</b>
Dividend income (Notes 11, 32 and 41)	309,211	138,543
Net gain on financial instruments at FVTPL (Notes 11, 33 and 41)	325,751	421,709
Net gain on financial assets at FVTOCI (Notes 11 and 34)	32,624	24,138
Net gain arising on financial assets at amortized cost (Note 11)	107,317	44,443
Impairment losses due to credit loss (Notes 35 and 41)	(536,838)	(784,371)
General and administrative expense (Notes 36 and 41)	(4,147,411)	(3,956,181)
Other net operating expense (Notes 11, 26, 36 and 41)	(887,401)	(820,438)
<b>Operating income</b>	<b>3,659,749</b>	<b>2,080,394</b>
Share of gain of joint ventures and associates (Note 13)	62,196	101,077
Other non-operating expense	27,296	(180,220)
<b>Non-operating expense</b> (Note 37)	<b>89,492</b>	<b>(79,143)</b>
<b>Net income before income tax expense</b>	<b>3,749,241</b>	<b>2,001,251</b>
Income tax expense (Note 38)	(941,870)	(486,002)
<b>Net income</b>	<b>2,807,371</b>	<b>1,515,249</b>
Net gain(loss) on valuation of equity securities at FVTOCI	34,069	47,246
Changes in capital due to equity method	(2,607)	(2,065)
Remeasurement gain(loss) related to defined benefit plan	65,067	9,783
<b>Items that will not be reclassified to profit or loss:</b>	<b>96,529</b>	<b>54,964</b>
Net gain(loss) on valuation of debt securities at FVTOCI	(184,396)	12,114
Changes in capital due to equity method	4,133	(233)
Net gain(loss) on foreign currency translation of foreign operations	246,808	(153,472)
Net gain(loss) on valuation of cash flow hedge	7,107	4,420
<b>Items that may be reclassified to profit or loss:</b>	<b>73,652</b>	<b>(137,171)</b>
<b>Other comprehensive income (loss), net of tax</b>	<b>170,181</b>	<b>(82,207)</b>
<b>Total comprehensive income</b>	<b>2,977,552</b>	<b>1,433,042</b>

(Continued)

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (CONTINUED)

	2021	2020
	(Korean Won in millions)	
<b>Net income attributable to:</b>	<b>2,807,371</b>	<b>1,515,249</b>
Net income attributable to owners	2,587,936	1,307,266
Net income attributable to non-controlling interests	219,435	207,983
<b>Total comprehensive income attributable to:</b>	<b>2,977,552</b>	<b>1,433,042</b>
Comprehensive income attributable to owners	2,745,764	1,233,097
Comprehensive income attributable to non-controlling interests	231,788	199,945
<b>Earnings per share (Note 39)</b>		
Basic and diluted earnings per share (Unit: In Korean Won)	3,481	1,742

The accompanying notes are part of this consolidated financial statements.

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WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	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, 2020</b>	3,611,338	997,544	626,295	(2,249,322)	18,524,515	21,510,370	3,981,962	25,492,332
Total comprehensive income								
Net income	-	-	-	-	1,307,266	1,307,266	207,983	1,515,249
Net gain(loss) on valuation of financial instruments at FVTOCI	-	-	-	59,417	-	59,417	(57)	59,360
Net gain(loss) due to disposal of equity securities at FVTOCI	-	-	-	2,664	(2,664)	-	-	-
Changes in capital due to equity method	-	-	-	(2,298)	-	(2,298)	-	(2,298)
Gain on foreign currency translation of foreign operations	-	-	-	(145,376)	-	(145,376)	(8,096)	(153,472)
Gain on valuation of cash flow hedge	-	-	-	4,306	-	4,306	114	4,420
Remeasurement gain related to defined benefit plan	-	-	-	9,782	-	9,782	1	9,783
Transactions with owners								
Dividends to common stocks	-	-	-	-	(505,587)	(505,587)	(2,071)	(507,658)
Issuance of hybrid securities	-	897,822	-	-	-	897,822	-	897,822
Dividends to hybrid securities	-	-	-	-	(48,915)	(48,915)	(162,362)	(211,277)
Redemption of hybrid securities	-	-	-	(31,252)	-	(31,252)	(555,744)	(586,996)
Changes in subsidiaries' capital	-	-	(184)	4,607	(6,350)	(1,927)	45,684	43,757
Changes in non-controlling interests related to business combination	-	-	-	-	-	-	164,823	164,823
<b>December 31, 2020</b>	3,611,338	1,895,366	626,111	(2,347,472)	19,268,265	23,053,608	3,672,237	26,725,845
<b>January 1, 2021</b>	3,611,338	1,895,366	626,111	(2,347,472)	19,268,265	23,053,608	3,672,237	26,725,845
Total comprehensive income								
Net income	-	-	-	-	2,587,936	2,587,936	219,435	2,807,371
Net gain(loss) on valuation of financial instruments at FVTOCI	-	-	-	(150,470)	-	(150,470)	143	(150,327)
Net gain(loss) due to disposal of equity securities at FVTOCI	-	-	-	(2,220)	2,220	-	-	-
Changes in capital due to equity method	-	-	-	2,472	(946)	1,526	-	1,526
Gain on foreign currency translation of foreign operations	-	-	-	234,583	-	234,583	12,225	246,808
Gain on valuation of cash flow hedge	-	-	-	6,938	-	6,938	169	7,107
Capital related to non-current assets held for sale	-	-	-	(947)	947	-	-	-
Remeasurement gain related to defined benefit plan	-	-	-	65,251	-	65,251	(184)	65,067
Transactions with owners								
Comprehensive stock exchange	28,965	-	35,197	-	-	64,162	-	64,162
Dividends to common stocks	-	-	-	-	(368,357)	(368,357)	(9,391)	(377,748)
Acquisition of treasury stocks	-	-	-	(3,819)	-	(3,819)	-	(3,819)
Issuance of hybrid securities	-	399,015	-	-	-	399,015	-	399,015
Dividends to hybrid securities	-	-	-	-	(66,250)	(66,250)	(144,923)	(211,173)
Redemption of hybrid securities	-	-	-	(27,365)	-	(27,365)	(549,904)	(577,269)
Changes in subsidiaries' capital	-	-	9,382	32,445	(31,251)	10,576	(11,296)	(720)
Others	-	-	11,695	22,990	-	34,685	(180,335)	(145,650)
<b>December 31, 2021</b>	3,640,303	2,294,381	682,385	(2,167,614)	21,392,564	25,842,019	3,008,176	28,850,195

The accompanying notes are part of this consolidated financial statements.

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021 (Korean Won in millions)	2020
<b>Cash flows from operating activities:</b>		
Net income	2,807,371	1,515,249
Adjustments to net income:		
Income tax expense	941,870	486,002
Interest income	(9,894,749)	(9,523,853)
Interest expense	2,909,028	3,525,341
Dividend income	(309,211)	(138,543)
	(6,353,062)	(5,651,053)
<b>Additions of expenses not involving cash outflows:</b>		
Loss on valuation of financial instruments at FVTPL	16,869	44,863
Loss on financial assets at FVTOCI	15,812	787
Impairment loss due to credit loss	536,838	784,371
Loss on other provisions	85,690	232,680
Retirement benefit	177,303	174,628
Depreciation and amortization	791,896	535,548
Net loss on foreign currency translation	109,668	191,504
Loss on derivatives (designated for hedge)	93,084	82,746
Loss on fair value hedge	1,947	68,508
Loss on valuation of investments in joint ventures and associates	19,816	24,525
Loss on disposal of investments in joint ventures and associates	174	-
Loss on disposal of premises and equipment, intangible assets and other assets	3,354	2,717
Impairment loss on premises and equipment, intangible assets and other assets	656	8,763
	1,853,107	2,151,640
<b>Deductions of income not involving cash inflows:</b>		
Gain on financial assets at FVTOCI	48,436	24,925
Gain on other provisions	1,591	2,450
Gain on derivatives (designated for hedge)	61,271	67,395
Gain on fair value hedge	106,253	9,646
Gain on valuation of investments in joint ventures and associates	82,012	125,602
Gain on disposal of investments in joint ventures and associates	70,834	3,470
Gain on disposal of premises and equipment, intangible assets and other assets	51,083	9,715
Reversal of impairment loss on premises and equipment, intangible assets and other assets	166	172
Profit from bargain purchase	-	67,427
Other income	35,717	20,600
	457,363	331,402
<b>Changes in operating assets and liabilities:</b>		
Financial instruments at FVTPL	42,498	(875,076)
Loans and other financial assets at amortized cost	(38,020,109)	(22,763,192)
Other assets	(983,680)	(89,918)
Deposits due to customers	23,830,469	27,378,173
Provisions	(12,278)	(184,112)
Net defined benefit liability	(109,778)	(214,741)
Other financial liabilities	9,456,310	(2,694,701)
Other liabilities	67,802	(8,150)
	(5,728,766)	548,283
<b>Interest income received</b>	9,351,055	9,558,119
<b>Interest expense paid</b>	(3,016,841)	(4,008,001)
<b>Dividends received</b>	309,071	138,562
<b>Income tax paid</b>	(565,539)	(315,422)
	6,077,746	5,373,258
<b>Net cash inflow(outflow) from operating activities</b>	(1,800,967)	3,605,975

(Continued)

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WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (CONTINUED)

<b>Cash flows from investing activities:</b>		
Cash in-flows from investing activities:		
Disposal of financial instruments at FVTPL	10,361,751	6,605,483
Disposal of financial assets at FVTOCI	21,645,907	20,527,695
Redemption of securities at amortized cost	6,425,062	5,661,472
Disposal of investments in joint ventures and associates	195,758	410,940
Disposal of investment properties	-	353
Disposal of premises and equipment	2,890	22,828
Disposal of intangible assets	846	634
Disposal of assets held for sale	93,756	-
Net increase of other assets	66,305	26,642
	<u>38,792,275</u>	<u>33,256,047</u>
Cash out-flows from investing activities:		
Net cash in-flows of business combination	-	313,058
Net cash in-flows from obtaining control	1,638	-
Acquisition of financial instruments at FVTPL	11,840,524	8,082,824
Acquisition of financial assets at FVTOCI	30,522,971	23,044,741
Acquisition of securities at amortized cost	6,435,692	2,380,448
Acquisition of investments in joint ventures and associates	400,172	550,619
Acquisition of investment properties	-	76,588
Acquisition of premises and equipment	119,255	149,341
Acquisition of intangible assets	138,882	114,854
	<u>49,459,134</u>	<u>34,712,473</u>
Net cash outflow from investing activities	<u>(10,666,859)</u>	<u>(1,456,426)</u>
<b>Cash flows from financing activities:</b>		
Cash in-flows from financing activities:		
Net cash in-flows from hedging activities	6,987	-
Net increase in borrowings	3,199,712	2,033,851
Issuance of debentures	32,674,966	23,082,798
Net increase of other liabilities	3,488	3,971
Issuance of hybrid securities	399,016	897,822
Paid-in capital increase on non-controlling interests	1,623	45,749
Net increase (decrease) in non-controlling equity liabilities	10,685	-
	<u>36,296,477</u>	<u>26,064,191</u>
Cash out-flows from financing activities:		
Net cash out-flows from hedging activities	-	5,409
Redemption of debentures	25,781,305	22,168,962
Redemption of lease liabilities	177,593	204,794
New stock issue cost	140	-
Acquisition of treasury stocks	3,757	-
Dividends paid	368,357	505,587
Redemption of hybrid stocks	587,650	598,850
Dividends paid to hybrid securities	211,173	211,277
Dividends paid to non-controlling interest	9,391	2,071
Changes in non-controlling interests	81,410	-
	<u>27,220,776</u>	<u>23,696,950</u>
Net cash inflow from financing activities	<u>9,075,701</u>	<u>2,367,241</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,392,125)</b>	<b>4,516,790</b>
<b>Cash and cash equivalents, beginning of the Period</b>	<b>9,990,983</b>	<b>6,392,566</b>
Effects of exchange rate changes on cash and cash equivalents	966,960	(918,373)
	<u>7,565,818</u>	<u>9,990,983</u>
<b>Cash and cash equivalents, end of the Period (Note 6)</b>	<b>7,565,818</b>	<b>9,990,983</b>

The accompanying notes are part of this consolidated financial statements.

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020

1. GENERAL

(1) Summary of the Parent company

Woori Financial Group, Inc. (hereinafter referred to the “Parent company”) is primarily aimed at controlling subsidiaries that operate in the financial industry or those that are closely related to the financial industry through the ownership of shares and was established on January 11, 2019 under the Financial Holding Company Act through the comprehensive transfer with shareholders of Woori Bank (hereinafter referred to the “Bank”), Woori FIS Co., Ltd., Woori Finance Research Institute Co., Ltd., Woori Credit Information Co., Ltd., Woori Fund Services Co., Ltd. and Woori Private Equity Asset Management Co. Ltd. The headquarters of the Parent company is located at 51, Sogong-ro, Jung-gu, Seoul, Korea, and the capital stock is 3,640,303 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.

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.



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(2) Details of the Parent company and subsidiaries (hereinafter ‘Group’) as of December 31, 2021 and 2020 are as follows:

Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date of use	Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date of use
		December 31, 2021	December 31, 2020					December 31, 2021	December 31, 2020		
Held by Woori Financial Group Inc.						Woori QSell 2nd Co., Ltd. (*5)	Asset securitization	-	0.0	Korea	-
Woori Bank	Bank	100.0	100.0	Korea	December 31	Quantum Jump the 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Card Co., Ltd.	Finance	100.0	100.0	Korea	December 31	Quantum Jump the 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Financial Capital Co., Ltd.	Finance	100.0	76.8	Korea	December 31	Woori BK the 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Investment Bank Co., Ltd.	Other credit finance business	58.7	58.7	Korea	December 31	Woori-HC 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Asset Trust Co., Ltd.	Real estate trust	67.2	67.2	Korea	December 31	Wivi Synergy 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Asset Management Corp.	Finance	73.0	73.0	Korea	December 31	ATLANTIC TRANSPORTATION 1 S.A. (*2)	Asset securitization	0.0	0.0	Marshall islands	December 31
Woori Savings Bank (*7)	Mutual Savings bank	100.0	-	Korea	December 31	Woori Gongdeok First Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Credit Information Co., Ltd.	Credit information	100.0	100.0	Korea	December 31	HD Project Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Fund Service Co., Ltd.	Financial support service business	100.0	100.0	Korea	December 31	Woori HW 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Private Equity Asset Management Co., Ltd.	Finance	100.0	100.0	Korea	December 31	Woori HC 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Global Asset Management Co., Ltd.	Finance	100.0	100.0	Korea	December 31	Woori Dream 3rd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori FIS Co., Ltd.	System software development & maintenance	100.0	100.0	Korea	December 31	Woori SJS 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Finance Research Institute Co., Ltd.	Other service business	100.0	100.0	Korea	December 31	Woori Steel 1st Co., Ltd (*2)	Asset securitization	0.0	0.0	Korea	December 31
Held by Woori Bank						SPG the 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori America Bank	Finance	100.0	100.0	America	December 31	Woori-HWC 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Global Markets Asia Limited	Finance	100.0	100.0	Hong Kong	December 31	Woori HC 3rd Co., Ltd. (*2).	Asset securitization	0.0	0.0	Korea	December 31
Woori Bank China Limited	Finance	100.0	100.0	China	December 31	Woori Park 1 1st co., Ltd (*2)	Asset securitization	0.0	0.0	Korea	December 31
AO Woori Bank	Finance	100.0	100.0	Russia	December 31	Woori DS 1st co., Ltd (*2)	Asset securitization	0.0	0.0	Korea	December 31
PT Bank Woori Saudara Indonesia 1906 Tbk	Finance	84.2	79.9	Indonesia	December 31	Woori HC 4th Co., Ltd. (*2).	Asset securitization	0.0	0.0	Korea	December 31
Banco Woori Bank do Brasil S.A.	Finance	100.0	100.0	Brazil	December 31	Woori SKR 1st Co., Ltd. (*2).	Asset securitization	0.0	0.0	Korea	December 31
Korea BTL Infrastructure Fund	Finance	99.9	99.9	Korea	December 31	Woori Hchemical 1st Co.,Ltd (*2)	Asset securitization	0.0	-	Korea	December 31
Woori Finance Myanmar Co., Ltd.	Finance	100.0	100.0	Myanmar	December 31	HE the 1st Co.,Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Wealth Development Bank	Finance	51.0	51.0	Philippines	December 31	Woori Hub The 1st Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Woori Bank Vietnam Limited	Finance	100.0	100.0	Vietnam	December 31	Woori K The 3rd Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Woori Bank (Cambodia) PLC (*1)(*9)	Finance	100.0	100.0	Cambodia	December 31	Woori KF 1st Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Woori Bank Europe	Finance	100.0	100.0	Germany	December 31	Wooril TS 1st Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Kumho Trust First Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	Woori H Square 1st Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Asiana Saigon Inc. (*2)	Asset securitization	0.0	0.0	Korea	December 31	Woori L Yongsan 1st Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
KAMCO Value Recreation First						Woori HC 5th Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Securitization Specialty Co., Ltd. (*2)	Asset securitization	15.0	15.0	Korea	December 31	Woori Ladena 1st Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Hermes STX Co., Ltd. (*5)	Asset securitization	-	0.0	Korea	-	Woori HR 1st Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
BWL First Co., LLC (*5)	Asset securitization	-	0.0	Korea	-	Woori Lotte Dongtan 1st Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Deogi Dream Fourth Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	Woori HC 6th Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Jeonju Iwon Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	Woori ECO 1st Co., Ltd.	Asset securitization	0.0	-	Korea	December 31
Wonju I one Inc. (*2)	Asset securitization	0.0	0.0	Korea	December 31	G5 Pro Short-term Bond Investment Fund 13 (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Heitz Third Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	Heungkuk Global Private Placement Investment Trust No. 1 (*3)(*11)	Securities investment and others	98.8	98.5	Korea	December 31
Woorihansoop 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	AI Partners UK Water Supply Private Placement Investment Trust No.2 (*3)(*11)	Securities investment and others	97.3	97.3	England	December 31
Woori International First Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	Multi Asset Global Real Estate Investment Trust No. 5-2 (*3)	Securities investment and others	99.0	99.0	Korea	December 31
Wibihansoop 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	IGIS Australia Investment Trust No. 209-1 (*3)(*11)	Securities investment and others	99.4	99.4	Korea	December 31
Woori QS 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	INMARK Spain Private Placement Real Estate Investment Trust No. 26-2 (*3)	Securities investment and others	97.7	97.7	Korea	December 31
Woori Display 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	WooriG Japan General Type Private Real Estate Feeder Investment Trust No.1-2 (*3)(*11)	Securities investment and others	98.8	98.8	Korea	December 31
Woori Display 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	IGIS Global Private Placement Real Estate Fund No. 316-1 (*3)	Securities investment and others	99.3	99.3	Korea	December 31
Woori the Colony Unjung Securitization Specialty Co., Ltd. (*5)	Asset securitization	-	0.0	Korea	-	Woori G Secondary Private Placement Investment Trust No. 1 (*3)(*11)	Securities investment and others	98.1	97.2	Korea	December 31
Woori Dream 1st Co., Ltd. (*5)	Asset securitization	-	0.0	Korea	-	WooriG Japan Blind General Type Private Real Estate Feeder Investment Trust No.1 (*3)(*11)	Securities investment and others	99.8	-	Korea	December 31
Woori Dream 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	JB Airline Private Placement Investment Trust No.8 (*3)(*11)	Securities investment and others	97.0	-	Korea	December 31
Woori H 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	Kiwoom Harmony Private Placement Investment Trust No. 2 (*3)(*11)	Securities investment and others	97.1	-	Korea	December 31
Woori Sinnonhyeon 1st Inc. (*5)	Asset securitization	-	0.0	Korea	-	Kiwoom Harmony Private Placement Investment Trust No. 1 (*3)(*11)	Securities investment and others	96.0	-	Korea	December 31
Woori K 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	Principal Guaranteed Trust (*4)	Trust	0.0	0.0	Korea	December 31
Woori S 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31	Principal and Interest Guaranteed Trust (*4)	Trust	0.0	0.0	Korea	December 31
Woori Display 3rd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31						
TY 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31						
Woori HJ 2nd Co., Ltd. (*5)	Asset securitization	-	0.0	Korea	-						
Woori-HJ 3rd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31						
Woori K 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31						
Woori KC No.1 Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31						



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	Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date of use
			December 31, 2021	December 31, 2020		
	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 (*2)	Asset securitization	0.0	0.0	Belgium	December 31
	Held by Woori Card Co., Ltd. TUTU Finance -WCI Myanmar Co., Ltd.	Finance	100.0	100.0	Myanmar	December 31
	Woori Card one of 2017-2 Securitization Specialty Co., Ltd. (*5)	Asset securitization	-	0.5	Korea	-
	Woori Card one of 2018-1 Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
	Woori Card 2019-1 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
	Woori Card 2020-1 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
	Woori Card 2021-1 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	-	Korea	December 31
	Held by Woori Financial Capital Co., Ltd. Woori Savings Bank (*5)	Mutual Savings bank	-	100.0	Korea	-
	ACE Auto Invest the 46th Securitization Specialty Co., Ltd. (*5)	Asset securitization	-	1.0	Korea	-
	ACE Auto Invest the 47th Securitization Specialty Co., Ltd. (*5)	Asset securitization	-	1.0	Korea	-
	ACE Auto Invest the 48th Securitization Specialty Co., Ltd. (*2)	Asset securitization	1.0	1.0	Korea	December 31
	ACE Auto Invest the 49th Securitization Specialty Co., Ltd. (*2)	Asset securitization	1.0	1.0	Korea	December 31
	Specified Money Market Trust (*5)	Trust	-	100.0	Korea	-
	Held by Woori Investment Bank Co., Ltd. Seari First Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
	Seari Second Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
	Namjong 1st Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
	Bukgeum First Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
	Bukgeum Second Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
	WS1909 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
	WS2003 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	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)	Asset securitization	5.0	5.0	Korea	December 31
	WH2103 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	-	Korea	December 31
	WN2103 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	-	Korea	December 31
	WH2106 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	-	Korea	December 31
	One Punch Korea the 1st Co., Ltd. (*2).	Asset securitization	0.0	0.0	Korea	December 31
	One Punch blue the 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
	One Punch red the 1st Co., Ltd. (*2)	Asset securitization	0.0	-	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	93.6	99.6	Korea	December 31
	Woori China Convertible Bond Master Fund (debt-oriented hybrid) (*5)(*8)	Securities investment and others	-	34.5	Korea	-
	Woori Yellow Chip High Yield Strategic Allocation I (FOF) (*5)	Securities investment and others	-	89.8	Korea	-
	Woori Together TDF 2025 (*3)	Securities investment and others	34.1	47.6	Korea	December 31
	Woori Together TDF 2030 (*3)	Securities investment and others	32.3	47.4	Korea	December 31
	Woori Together TDF 2035 (*3)	Securities investment and others				
	Woori Together TDF 2040 (*3)	Securities investment and others				
	Woori Together TDF 2045 (*3)	Securities investment and others				
	Woori Together TDF 2050 (*3)	Securities investment and others				
	Woori Star50 Feeder Fund(H) (*3)	Securities investment and others				
	Woori BIG2 Plus Securities Investment Trust(Balanced Bond) (*3)	Securities investment and others				
	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) (*11)	Securities investment and others	100.0	100.0	Korea	December 31
	Held by Woori Global Asset Management Co., Ltd. Woori G Global Multi Asset Income Private Placement Investment Trust Class Cs (*3) (*11)	Securities investment and others	37.9	22.2	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)(*11)	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 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	-	Korea	December 31
	Held by Woori Bank, Woori Financial Capital Co., Ltd., and Woori Investment Bank Co., Ltd. (*6)					
	WooriG GP Commitment Loan General Type Private Investment Trust No.1 (*3) (*11)	Securities investment and others	100.0	50.0	Korea	December 31
	WooriG Equity Bridge Loan General Type Private Investment Trust No.1 (*3) (*11)	Securities investment and others	80.0	-	Korea	December 31
	Held by Woori bank and Woori Investment Bank Co., Ltd. (*6)					
	Heungkuk Woori Tech Company Private Placement Investment Trust No. 1 (*3) (*11)	Securities investment and others	100.0	100.0	Korea	December 31
	Woori Global Development Infrastructure Synergy Company Private Placement Investment Trust No.1 (*3) (*11)	Securities investment and others	100.0	100.0	Korea	December 31
	Woori G NorthAmerica Infra Private Placement Investment Trust No. 1 (*3) (*11)	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) (*11)	Securities investment and others	100.0	100.0	Korea	December 31
	WooriG General Type Private Real Estate Investment Trust No.2 (*3) (*11)	Securities investment and others	30.1	30.1	Korea	December 31
	WooriG ESG Infrastructure Development General Type Private Investment Trust No.1 (*3) (*11)	Securities investment and others	100.0	-	Korea	December 31

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		December 31, 2021	December 31, 2020		
Held by Woori bank (*6)					
WooriG WooriBank Partners General Type Private Investment Trust No.1 (*3) (*11)	Securities investment and others	92.6	92.6	Korea	December 31
WooriG General Type Private Real Estate Investment Trust No.1 (*3) (*11)	Securities investment and others	80.0	80.0	Korea	December 31
WooriG Global Mid-market Secondary General Type Private Investment Trust No.1(EUR) (*3) (*11)	Securities investment and others	80.0	80.0	Korea	December 31
Woori G Woori Bank Partners Professional Type Private Investment Trust No. 2 (*3) (*11)	Securities investment and others	90.9	-	Korea	December 31
WooriG General Type Private Real Estate Investment Trust No.5 (*3)(*11)	Securities investment and others	87.0	-	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)(*11)	Securities investment and others	63.2	63.2	Korea	December 31
Held by Woori G Japan Private Placement Real Estate Feeder Investment Trust No.1-1 and Woori G Japan Investment Trust No. 1-2(*6)					
Woori G Japan Private Placement Real Estate Master Investment Trust No.1 (*3)(*11)	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)(*11)	Securities investment and others	100.0	-	Korea	December 31
Held by Woori G Japan Private Placement Real Estate Master Investment Trust No.1 and Woori G Japan Private Placement Real Estate Master Investment Trust No.2-1(*6)					
Woori G Japan Private Placement Real Estate Master Investment Trust No.2 (*3)(*11)	Securities investment and others	100.0	-	Korea	December 31
Held by Woori G Japan Private Placement Real Estate Master Investment Trust No.1					
GK OK Chatan (*3)	Other financial services	99.9	99.9	Japan	October 31 (*10)

(\*1) The entity was merged with WB Finance Co., Ltd., which is a second-tier subsidiary, during prior period.

(\*2) The entity is a structured entity for the purpose of asset securitization. Although the Group is not a majority shareholder, the Group 1) has the power over the investee, 2) is exposed to or has rights to variable returns from its involvement with the investee, and 3) has the ability to use its power to affect its returns.

(\*3) The entity is a structured entity for the purpose of investment in securities. Although the Group is not a majority shareholder, the Group 1) has the power over the investee, 2) is exposed to or has rights to variable returns from its involvement with the investee, and 3) has the ability to use its power to affect its returns.

(\*4) The entity is a 'money trust' under the Financial Investment Services and Capital Markets Act. Although the Group is not a majority shareholder, the Group 1) has the power over the investee, 2) is exposed to or has rights to variable returns from its involvement with the investee, and 3) has the ability to use its power to affect its returns.

(\*5) Companies are excluded from the consolidation as of December 31, 2021.

(\*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) During March 2021, the Parent company acquired a 100% equity of Woori Financial Savings Bank from the Parent company's subsidiary Woori Financial Capital Co., Ltd.

(\*8) As a master-feeder fund, the equity interest represent those of the masterfund held by the feeder fund.

(\*9) The Parent company's subsidiary WB Finance Co., Ltd. has changed the name to WOORI BANK (CAMBODIA) PLC.

(\*10) As financial statements at the end of the reporting period cannot be obtained, the most recent financial statements were used.

(\*11) In accordance with the revision of the Capital Market Act, a specialized investment-type private equity fund has been changed to a general private equity fund.

(3) The Group has not consolidated the following entities as of December 31, 2021 and 2020 despite having more than 50% ownership interest:

As of December 31, 2021			
Subsidiaries	Location	Main Business	Percentage of ownership (%)
Mirae Asset Maps Clean Water Private Equity Investment Trust 7th (*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 (*1)(*2)	Korea	Securities Investment	97.9
IGIS Global Private Placement Real Estate Fund No. 148-1 (*1)(*2)	Korea	Securities Investment	75.0
IGIS Global Private Placement Real Estate Fund No. 148-2 (*1)(*2)	Korea	Securities Investment	75.0
Mirae Asset Seoul Ring Expressway Private Special Asset Fund No. 1 (*1)(*2)	Korea	Securities Investment	66.7
Hangkang Sewage Treatment Plant Fund (*1)(*2)	Korea	Securities Investment	55.6
Korea Investment Pocheon Hwado Expressway Professional Investment Fund (*1)(*2)	Korea	Securities Investment	55.2
Midas Global Private Placement Real Estate Investment Trust No. 7-2 (*1)(*2)	Korea	Securities Investment	58.3
Together-Korea Government Private Pool Private Securities Investment Trust No.3 (*1)(*2)	Korea	Securities Investment	100.0
INMARK France Private Placement Investment Trust No. 18-1 (*1)(*2)	Korea	Securities Investment	93.8
Kiwoom Vibrato Private Placement Investment Trust 1-W(EUR) (*1)(*2)	Korea	Securities Investment	99.5
KOTAM Global Infrastructure Private Equity Investment Trust No. 1-4 (*1)(*2)	Korea	Securities Investment	99.7
Hana UBS Class One Private Equity No. 3 C2 (*1)	Korea	Securities Investment	51.0
Consus Gyeongju Green Private Equity Investment Trust No. 1 (*1) (*2)	Korea	Securities Investment	50.0
Kiwoom Harmony Private Placement Investment Trust No. 3 (*1) (*2)	Korea	Securities Investment	77.4
Consus Solar Energy Private Placement Investment Truns No.1(*1)	Korea	Securities Investment	50.0

(\*1) Since the investee is a private equity investment fund, the Group does not have the power over the fund's activities even though it holds more than 50% of ownership interest.

(\*2) In accordance with the revision of the Capital Market Act, a hedge fund has been changed to a private equity fund.

As of December 31, 2020			
Subsidiaries	Location	Main Business	Percentage of ownership (%)
Mirae Asset Maps Clean Water Private Equity Investment Trust 7th (*)	Korea	Securities Investment	59.7
Kiwoom Yonsei Private Equity Investment Trust (*)	Korea	Securities Investment	88.9
IGIS Europe Private Placement Real Estate Fund No. 163-2 (*)	Korea	Securities Investment	97.9
IGIS Global Private Placement Real Estate Fund No. 148-1 (*)	Korea	Securities Investment	75.0
IGIS Global Private Placement Real Estate Fund No. 148-2 (*)	Korea	Securities Investment	75.0
Mirae Asset Seoul Ring Expressway Private Special Asset Fund No. 1 (*)	Korea	Securities Investment	66.7
Hangkang Sewage Treatment Plant Fund (*)	Korea	Securities Investment	55.6
Korea Investment Pocheon Hwado Expressway Professional Investment Fund (*)	Korea	Securities Investment	55.2
Midas Global Private Placement Real Estate Investment Trust No. 7-2 (*)	Korea	Securities Investment	58.3
Together-Korea Government Private Pool Private Securities Investment Trust No.3 (*)	Korea	Securities Investment	100.0
INMARK France Private Placement Investment Trust No. 18-1 (*)	Korea	Securities Investment	93.8
Kiwoom Vibrato Private Placement Investment Trust 1-W(EUR) (*)	Korea	Securities Investment	99.3

(\*) Since the investee is a private equity investment fund, the Group does not have the power over the fund's activities even though it holds more than 50% of ownership interest.

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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, 2021				
	Assets	Liabilities	Operating revenue	Net income (loss) attributable to owners	Comprehensive income (loss) attributable to owners
Woori Bank	415,976,627	391,315,108	24,311,964	2,375,525	2,523,846
Woori Card Co., Ltd.	14,116,832	11,858,065	1,528,680	200,726	210,316
Woori Financial Capital Co., Ltd.	10,259,868	9,073,104	997,655	140,579	141,275
Woori Investment Bank Co., Ltd.	5,159,742	4,559,856	303,253	79,924	79,747
Woori Asset Trust Co., Ltd.	254,773	86,418	94,228	40,300	40,263
Woori Asset Management Corp.	151,651	30,144	33,343	8,244	8,458
Woori Savings Bank	1,444,508	1,222,888	85,813	15,315	14,926
Woori Credit Information Co., Ltd.	40,510	8,532	37,507	1,563	1,513
Woori Fund Service Co., Ltd.	22,168	2,582	15,618	3,570	3,570
Woori Private Equity Asset Management Co., Ltd.	42,790	4,652	4,230	2,209	2,113
Woori Global Asset Management Co., Ltd.	35,265	7,579	11,785	(441)	(441)
Woori FIS Co., Ltd.	105,138	59,225	270,393	1,587	8,010
Woori Finance Research Institute Co., Ltd.	5,864	2,257	6,812	57	64

Subsidiaries	As of and for the year ended December 31, 2020				
	Assets	Liabilities	Operating revenue	Net income (loss) attributable to owners	Comprehensive income (loss) attributable to owners
Woori Bank	374,310,415	350,790,158	26,838,766	1,363,224	1,295,302
Woori Card Co., Ltd.	11,366,596	9,312,986	1,388,208	120,230	118,109
Woori Financial Capital Co., Ltd. (*)	8,880,117	8,053,840	218,945	(30,349)	(38,293)
Woori Investment Bank Co., Ltd.	4,332,474	3,803,594	256,079	62,937	62,275
Woori Asset Trust Co., Ltd.	185,634	56,396	79,426	35,312	35,954
Woori Asset Management Corp.	136,460	23,411	26,158	6,797	6,313
Woori Credit Information Co., Ltd.	40,860	9,830	40,010	1,879	1,600
Woori Fund Service Co., Ltd.	18,957	2,172	13,346	2,563	2,563
Woori Private Equity Asset Management Co., Ltd.	38,035	2,009	4,773	823	768
Woori Global Asset Management Co., Ltd.	37,935	9,807	10,652	(1,449)	(1,449)
Woori FIS Co., Ltd.	97,479	59,577	249,169	2,013	1,935
Woori Finance Research Institute Co., Ltd.	7,232	3,689	6,223	105	95

(\*) Net income (loss) attributable to owners of Woori Financial Capital for the year ended December 31, 2020 has been prepared on a cumulative basis since entity was included as the subsidiary.

(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, 2021 and 2020, the Group provides 2,480,131 million won and 2,547,418 million won of credit facilities, respectively, for the structured entities mentioned above. As of December 31, 2021 and 2020, the purchase commitment amounts to 2,263,387 million won and 854,231 million won, respectively.

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

The interests in unconsolidated structured entities that the Group hold are classified into asset securitization vehicles, structured finance, investment fund and real-estate trust, based on the nature and the purpose of each structured entity.

-  
Unconsolidated structured entities classified as 'asset securitization vehicles' are entities that issue asset-backed securities, pay the principal and interest or distributes dividends on asset-backed securities through borrowings or profits from the management, operation and sale of securitized assets. The Group has been purchasing commitments of asset-backed securities or issuing asset-backed securities through credit grants, and 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 financing' include real estate project financing investment vehicle, social overhead capital companies, and special purpose companies for ship (aircraft) financing. Each entity is incorporated as a separate company with a limited purpose in order to efficiently pursue business goals 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.

Unconsolidated structured entities classified as 'investment funds' include investment trusts and private equity funds. An investment trust orders the investment and operation of funds to the trust manager in accordance with trust contract with profits distributed to the investors. Private equity funds finances money required to acquire equity securities to enable direction of management and/or improvement of ownership structure, with profit distributed to the investors. The Group recognizes pro rata amount of valuation gain or loss on investment and dividend income as an investor and may be exposed to losses due to reduction in investment value. Investments in MMF(Money Market Funds) as of December 31, 2021 and 2020 are 853,140 million won and 427,375 million won, respectively, and there is no additional commitments for MMF.

'Real estate trust' is to be entrusted the underlying property for the purpose of managing, disposing, operating or developing from the consignor who owns the property and distributes the proceeds achieved through the trust to the beneficiary. When the consignee does not fulfill his or her important obligations in the trust contract or it is, in fact, difficult to run the business, the Group may be exposed to the threat of compensating the loss.

The total assets of the unconsolidated structured entity held by the Group, the carrying amount of the items recognized in the consolidated financial statements, the maximum loss exposure, and the losses from the unconsolidated structured entity are as follows. The maximum loss exposure includes the amount of investment recognized in the consolidated financial statements and the amount that is likely to be confirmed in the future when satisfies certain conditions by contracts such as purchase arrangements, credit offerings. As of December 31, 2021 and 2020, the purchase commitment amount is 3,033,231 million won and 4,266,319 million won, respectively.

	December 31, 2021			
	Asset securitization vehicle	Structured Finance	Investment Funds	Real-estate trust
Total asset of the unconsolidated structured entities	15,640,521	94,969,317	94,675,732	1,398,508
Assets recognized in the consolidated financial statements related to the unconsolidated structured entities	8,518,101	4,633,475	4,214,747	54,662
Financial assets at FVTPL	374,423	5,021	3,550,532	10,665
Financial assets at FVTOCI	3,878,882	46,478	-	-
Financial assets at amortized cost	4,264,626	4,579,367	71,662	43,997
Investments in joint ventures and associates	-	-	592,553	-
Derivative assets	170	2,609	-	-
Liabilities recognized in the consolidated financial statements related to the unconsolidated structured entities	677	1,536	-	2,964
Derivative liabilities	-	673	-	-
Other liabilities (provisions)	677	863	-	2,964
The maximum exposure to risks	8,739,034	5,728,977	4,221,072	115,212
Investment assets	8,518,101	4,633,475	4,214,747	54,662
Credit facilities and others	220,933	1,095,502	6,325	60,550
Loss recognized on unconsolidated structured entities	183	11,872	71,309	282

	December 31, 2020			
	Asset securitization vehicle	Structured Finance	Investment Funds	Real-estate trust
Total asset of the unconsolidated structured entities	3,900,254	69,010,369	44,629,638	76,772
Assets recognized in the consolidated financial statements related to the unconsolidated structured entities	648,700	4,291,535	3,350,605	22,402
Financial assets at FVTPL	374,231	167,271	2,922,716	-
Financial assets at FVTOCI	163,808	41,378	-	-
Financial assets at amortized cost	109,008	4,072,321	39,955	22,402
Investments in joint ventures and associates	-	5,958	387,902	-
Derivative assets	1,653	4,607	32	-
Liabilities recognized in the consolidated financial statements related to the unconsolidated structured entities	130	963	-	400
Other liabilities (provisions)	130	963	-	400
The maximum exposure to risks	970,628	5,366,037	3,438,924	65,722
Investment assets	648,700	4,291,535	3,350,605	22,402
Credit facilities and others	321,928	1,074,502	88,319	43,320
Loss recognized on unconsolidated structured entities	-	6,079	25,454	2,363



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(7) As of December 31, 2021 and 2020, 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, 2021	December 31, 2020
Woori Bank (*)	2,555,166	3,105,070
Woori Financial Capital Co., Ltd.	-	166,369
Woori Investment Bank Co., Ltd.	251,879	222,289
Woori Asset Trust Co., Ltd.	60,726	49,738
Woori Asset Management Corp	33,768	31,369
PT Bank Woori Saudara Indonesia 1906 Tbk	87,741	79,890
Wealth Development Bank	20,835	19,521

(\*) Hybrid securities issued by Woori Bank

2) Net income attributable to non-controlling interests

	For the years ended December 31	
	2021	2020
Woori Bank (*)	144,923	162,362
Woori Financial Capital Co., Ltd.	17,949	1,466
Woori Investment Bank Co., Ltd.	33,274	25,643
Woori Asset Trust Co., Ltd.	11,366	9,732
Woori Asset Management Corp	2,341	1,699
PT Bank Woori Saudara Indonesia 1906 Tbk	8,619	6,040
Wealth Development Bank	928	1,130

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

3) Dividends to non-controlling interests

	For the years ended December 31	
	2021	2020
Woori Bank (*)	144,923	162,362
Woori Financial Capital Co., Ltd.	4,121	-
Woori Investment Bank Co., Ltd.	3,610	-
Woori Asset Trust Co., Ltd.	365	365
PT Bank Woori Saudara Indonesia 1906 Tbk	1,262	1,669

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of presentation

The Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (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 9, 2022, and were revised and approved on March 14, 2022, and the final approval will be made in the annual general shareholders' meeting on March 25, 2022.

1) The standards and interpretations that are newly adopted by the Group during the current period, and the changes in accounting policies thereof are as follows:

① K-IFRS 1109 'Financial Instruments', K-IFRS 1039 'Financial Instruments: Recognition and Measurement', K-IFRS 1107 'Financial Instruments: Disclosures', K-IFRS 1104 'Insurance Contracts' and K-IFRS 1116 'Lease'; Interest Rate Benchmark Reform-Phase 2

The amendment indicates that the effective interest rate shall be adjusted rather than the carrying amount when changing the interest rate benchmark for financial instruments measured at amortized cost. In addition, it allows hedge accounting to continue without interruption even when changes to interest rate benchmark occur in the hedging relationship. The amendment does not have a significant impact on the consolidated financial statements.

Since the Group has derivatives, loans, and issued bonds that are directly affected by interest rate benchmark reform, the Group is working on a project to convert contracts referring to former interest rate benchmark into alternative benchmarks to minimize business disruptions, mitigate operational risks, and reduce possible financial losses. In accordance with the transitional provisions, the amendments have been applied retrospectively to hedging relationships and financial instruments. The comparative financial statements have not been restated and there is no effect of the adoption of the amendments on the beginning balance of reserves.

The Group has applied 'Interest Rate Benchmark Reform-Phase 2', which is an amendment to K-IFRS 1109, 1039, 1107 and 1116, beginning on January 1, 2021. In accordance with the transition provisions, the amendments were applied retrospectively to the hedging relationship and financial instruments. The comparative financial statements have not been restated and there is no effect of the adoption of the amendments on the beginning balance of reserves.



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a) Hedging relationship

The Phase 2 amendments address issues arising from 'Interest Rate Benchmark Reform-Phase 1', including when the designation and documentation of hedges should be updated and when alternative rates are permitted as hedged risk.

The Phase 1 amendments include an exceptional regulation that temporarily mitigates the application of specific hedge accounting requirements to hedging relationships directly affected by 'Interest Rate Benchmark Reform'. Due to this mitigation, 'Interest Rate Benchmark Reform' typically does not stop hedge accounting until there is a change of the contract. However, hedge ineffectiveness continues to be recorded in the statement of profit or loss. It also suggests when the application of these exceptions should end, for instance, exceptional regulation should end when uncertainties due to 'Interest Rate Benchmark Reform' no longer appear.

For the annual period beginning on January 1, 2021, the Group has applied the following hedge accounting mitigation provisions provided in the Phase 2 amendments:

Designation of a hedging relationship: When the Phase 1 amendments cause to apply, the Group will reflect the changes required by the Interest Rate Benchmark Reform by amending the formal designation of the hedging relationship as previously documented to make one or more of these changes: will amend the designation of a hedging relationship to reflect the changes required by the Interest Rate Benchmark Reform when there is a change in one or more of the followings:

- Designating the alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;
- Amending the description of the hedged item so it refers to the alternative benchmark rate; or
- Amending the description of the hedging instrument.

The Group will amend the hedging relationship documentation to reflect these amendments by the end of the reporting period during which the changes are made. These amendments do not require the discontinuance of the hedging relationship.

b) Financial instruments measured at amortized cost

For financial instruments measured at amortized cost (including financial assets at FVTOCI-debt instruments), the Phase 2 amendments do not require the financial instrument to recognize gains or losses from the change because the change in the contractual cash flow basis required by the interest rate reform is reflected by adjusting the effective interest rate.

A similar practical expedient exists for lease liabilities. This practical expedient is applicable only to changes required by interest rate indicator reform. When the changes are necessary as a direct result of Interest Rate Benchmark Reform and the new criteria for determining contractual cash flows are economically equivalent to the previous one, it is considered as a required change due to Interest Rate Benchmark Reform.

If some or all of the changes in the instrument's contractual cash flow calculation criteria do not meet the above criteria, the Group shall first apply the practical expedient to the changes made under the Interest Rate Benchmark Reform and then apply the general financial instrument requirements(In other words, the entity shall determine whether a modification or elimination is made and recognizes immediately in profit or loss any modification on financial instrument which has not been eliminated).

For lease liabilities which basis for determining contractual cash flows is changed, as a practical expedient, the lease liabilities are remeasured at a discount rate that reflects the change in interest rates due to the Interest Rate Benchmark Reform. If an additional lease change is made in addition to the lease changes required by the Interest Rate Benchmark Reform, the general requirements of K-IFRS 1116 apply to the accounting for all simultaneous lease changes, including those required by the Interest Rate Benchmark Reform.

The details of Woori Bank's financial instruments that have not completed the conversion to interest rates benchmark at the end of the quarter are as follows: Non-derivative financial instrument is presented at the carrying amount, while the derivative financial instrument and commitments/financial guarantee are presented at the nominal amount.(Unit: Korean Won in millions)

	USD (*1)		EUR	GBP	JPY	CHF	BBSW
	Total amount (*2)	Interest rate substitution clause					
Non-derivative financial assets							
Financial assets at FVTOCI	662,878	194,084	-	-	-	-	-
Financial assets at amortized cost	5,204,049	2,337,327	24,514	134,369	87,788	-	-
Sub-total	5,866,927	2,531,411	24,514	134,369	87,788	-	-
Non-derivative financial liabilities							
Financial assets at amortized cost	657,953	574,968	-	-	-	-	-
Derivatives							
Interest rate related (for trading)	26,757,719	26,327,929	-	344,854	-	1,297	-
Currency related (for trading)	35,169,303	35,169,303	-	407,264	175,422	-	-
Interest rate related (for hedging)	2,193,175	2,193,175	-	-	-	-	128,834
Sub-total	64,120,197	63,690,407	-	752,118	175,422	1,297	128,834
Commitments and financial guarantees	1,167	-	7,374	-	1,854	-	-

(\*1) Financial instruments related to USD Libor (overnight rate, 1, 3, 6, 12 month rates) that are expired before June 30, 2023 are excluded.

(\*2) For contracts that do not have an interest rate alternative clause, we are in the process of negotiating to add an interest rate alternative clause.

The KRW CD interest rate is planned to be replaced by the Korea Overnight Financing Repo Rate (KOFR) in the long term, but the policy direction to activate the replacement rate or when the CD rate calculation will be discontinued is not clear.

② Amendments to K-IFRS 1116 *Lease* - COVID-19 related rent concession continuously offered after June 30, 2021

As a practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification. The scope of the practical expedient has been expanded to reduce lease fees that affect lease payments due on or before June 30, 2022. Lessee should consistently apply practical expedients to contracts with similar characteristics in similar circumstances. Please see Note 43 for the details of the amount recognized in profit or loss during the reporting period to reflect changes in lease payments arising from the rent concession.

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2) The details of K-IFRSs that have been issued and published as of the date of issue approval of financial statements but have not yet reached the effective date, and which the Group has not applied at an earlier date are as follows:

① Amendments to K-IFRS 1103 Business Combination – Reference to the Conceptual Framework

The amendments update a reference of definition of assets and liabilities qualify for recognition in revised Conceptual Framework for Financial Reporting. However, the amendments add an exception for the recognition of liabilities and contingent liabilities within the scope of Korea IFRS 1037 Provisions, Contingent Liabilities and Contingent Assets, and K-IFRS 2121 Levies. The amendments also confirm that contingent assets should not be recognized at the acquisition date. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

② Amendments to K-IFRS 1037 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts: Cost of Fulfilling a Contract

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts when assessing whether the contract is onerous. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

③ Amendments to K-IFRS 1016 Property, plant and equipment – Proceeds before intended use

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

④ Annual Improvements to K-IFRS 2018-2020

Annual improvements of K-IFRS 2018-2020 Cycle should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

- K-IFRS 1101 First time Adoption of Korean International Financial Reporting Standards- Subsidiaries that are first-time adopters
- K-IFRS 1109 Financial Instruments - Fees related to the 10% test for derecognition of financial liabilities
- K-IFRS 1116 Leases- Lease incentives
- K-IFRS 1041 Agriculture - Measuring fair value

⑤ Amendments to K-IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability include the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

⑥ Amendments to K-IFRS 1001 'Presentation of Financial Statements' - Disclosure of 'Accounting Policy'

To define and disclose material accounting policies, and to provide guidance on how to apply the concept of materiality, 'Accounting Policy Disclosure' of the IFRS Practice Statement 2 has been amended. These amendments apply for annual periods beginning on or after January 1, 2023, and early application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

⑦ 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 apply for annual periods beginning on or after January 1, 2023, and early application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

⑧ 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 amendments apply for annual periods beginning on or after January 1, 2023, and early application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

The above enacted or amended standards will not have a significant impact on the Group.

(2) Basis of consolidated financial statement presentation

The consolidated financial statements consist of the financial statements of the parent company and the entities (including structured entities) controlled by the parent company (or its subsidiaries, which is the "Group"). Control is achieved where the Group 1) has the power over the investee, 2) is exposed, or has rights, to variable returns from its involvement with the investee, and 3) able to use its power to affect its returns. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than most of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether the Group's voting rights in an investee are enough to give it power, including:

- The relative size of the Group's holding of voting rights and dispersion of holdings of the other

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- vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. The carrying amount of the non-controlling interest after the acquisition is the amount initially recognized plus the amount of proportionate interest of the non-controlling interest in the changes in equity since the acquisition. Total comprehensive income of subsidiaries is attributed to the owner of the Group and to the non-controlling interests even if this results in the non-controlling interests having a negative (-) balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group transactions and, related assets and liabilities, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owner of the parent company.

When the Group loses control of a subsidiary, a gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is recognized as the fair value on initial recognition for subsequent accounting under 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

- 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.

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(4) Investments in joint ventures and associates

An associate is an entity over which the Group has significant influence, and that is not a subsidiary or a joint venture. Significant influence is the power to participate in making decision on the financial and operating policy of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to net assets relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The net income of current period and the assets and liabilities of the joint ventures and associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with 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.

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.



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(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.

The Group is recognizing revenue by major sources as shown below:

① Fees and commission received for brokerage

The fees and commission received for agency are the amount of consideration or fee expected to be entitled to receive in return for providing goods or services to the other parties with the Group acting as an agency, such as in the case of sales of bancassurance and beneficiary certificates. Most of these fees and commission received for brokerage are from the business activities relevant to Banking segment.

② Fees and commission received related to credit

The fees and commission received related to credit mainly include the lending fees received from the loan activity and the fees received in the L/C transactions. Except for the fees and commission accounted for in calculating the effective interest rate, it is generally recognized when the performance obligation has been performed. Most of these fees and commission received related to credit are from the business activities relevant to Banking, Credit card and Investment banking segment.

③ Fees and commission received for electronic finance

The fees and commission received for electronic finance include fees received in return for providing various kinds of electronic financial services through firm-banking and CMS. These fees are recognized as revenue immediately upon the completion of services. Most of these fees and commission received for electronic finance are from the business activities relevant to Banking and Investment banking segment.

④ Fees and commission received on foreign exchange handling

The fees and commission received on foreign exchange handling consist of various fees incurred when transferring foreign currency. The point of processing the customer's request is the time when performance obligation is satisfied, and revenue is immediately recognized when fees and commission are received after requests are processed. The business activities relevant to these fees and commission received on foreign exchange handling are substantially attributable to Banking segment.

⑤ Fees and commission received on foreign exchange

The fees and commission received on foreign exchange consist of fees related to the issuance of various certificates, such as exchange, import and export performance certificates, purchase certificates, etc. The point of processing the customer's request is the time when performance obligation is satisfied, and revenue is immediately recognized when fees and commission are received after requests are processed. The business activities relevant to these fees and commission received on foreign exchange are substantially attributable to Banking segment.

⑥ Fees and commission received for guarantee

The fees and commission received for guarantee include the fees received for the various warranties. The activities related to the warranty consist mainly of performance obligations satisfied over time and fees and commission are recognized over the guarantee period. The business activities relevant to these fees and commission received for guarantee are substantially attributable to Banking segment.

⑦ Fees and commission received on credit card

The fees and commission received on credit card consist mainly of merchant account fees and annual fees. The Group recognizes merchant account fees by multiplying agreed commission rate to the amount paid by using the credit card. The annual fees are performance obligation satisfied over time and are recognized over agreed periods after the annual fees are paid in advance. The business activities relevant to these fees and commission received on credit card are substantially attributable to Credit cards segment.

⑧ Fees and commission received on securities business

The fees and commission received on securities business consist mainly of fees and commission for the sale of beneficiary certificates, and these fees are recognized when the beneficiary certificates are sold to customers. The business activities relevant to these fees and commission received on securities business are substantially attributable to Banking and Investment banking segment.

⑨ Fees and commission from trust management

The fees and commission from trust management consist of fees and commission received in return for the operation and management services for entrusted assets. These operation and management services are performance obligations satisfied over time, and revenue is recognized over the service period. Among the fees and commission from trust management, variable considerations such as profit commission that are affected by the value of entrusted assets and base return of the future periods are recognized as revenue when limitations to the estimates are lifted. Most of these fees and commission received for brokerage are from the business activities relevant to Banking segment.

⑩ Fees and commission received on credit Information

The fees and commission received on credit Information are composed of the fees and commission received by performing credit investigation and proxy collection services. Credit investigation fees and commission are the amount received in return for verifying the information requested by the customer and are recognized as revenue at the time the verification is completed. Proxy collection service fees are recognized by rying 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.



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⑪ Other fees

Other fees are usually fees related to remittances, but include fees related to various other services provided to customers by the Group. These fees are recognized when transactions occur at the customers' request and services are provided, at the same time when commission are received. These other fees occur across all operating segments.

2) Revenues from sources other than contracts with customers

① Interest income

Interest income on financial assets measured at FVTOCI and financial assets at amortized costs is measured using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating the interest income over the expected life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial unamortized cost over the expected period, or shorter if appropriate. Future cash flows include commissions and cost of reward points(limited to the primary component of effective interest rate) and other premiums or discounts that are paid or received between the contractual parties when calculating the effective interest rate, but does not include expected credit losses. All contractual terms of a financial instrument are considered when estimating future cash flows.

For purchased or originated credit-impaired financial assets, interest revenue is recognized by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. Even if the financial asset is no longer impaired in the subsequent periods due to credit improvement, the basis of interest revenue calculation is not changed from amortized cost to unamortized cost of the financial assets.

② Loan origination fees and costs

The commission fees earned on loans, which is part of the effective interest of loans, is accounted for as deferred origination fees. Incremental costs related to the origination of loans are accounted for as deferred origination fees and is being added or deducted to/from interest income on loans using effective interest rate method.

3) Dividend income

Dividend income is recognized when the right to receive dividends as a shareholder is confirmed. Dividend income is recognized as an appropriate item of profit or loss in the statement of comprehensive income according to the classification of financial instruments.

(7) Accounting for foreign currencies

The Group's consolidated financial statements are presented in Korean Won, which is the functional currency of the Group. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at its prevailing exchange rates at the date. The effective portion of the changes in fair value of a derivative that qualifies as a cash flow hedge and the foreign exchange differences on monetary items that form part of net investment in foreign operations are recognized in equity.

Assets and liabilities of the foreign operations subject to consolidation are translated into Korean Won at foreign exchange rates at the end of the reporting period. Except for situations in which it is required to use exchange rates at the date of transaction due to significant changes in exchange rates during the period, items that belong to profit or loss shall be measured by average exchange rate, with foreign exchange differences recognized as other comprehensive income and added to equity (allocated to non-controlling interests, if appropriate). When foreign operations are disposed, the controlling interest's share of accumulated foreign exchange differences related to such foreign operations will be reclassified to profit or loss, while non-controlling interest's corresponding share will not be reclassified.

Adjustments to fair value of identifiable assets and liabilities, and goodwill arising from the acquisition of foreign operations will be treated as assets and liabilities of the corresponding foreign operation, and translated using foreign exchange rates at the end of the period. The foreign exchange differences are recognized in other comprehensive income.

(8) Cash and cash equivalents

The Group is classifying cash on hand, demand deposits, interest-earning deposits with original maturities of up to three months on acquisition date, and highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value as cash and cash equivalents.

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(9) Financial assets and financial liabilities

1) Financial assets

A regular way purchase or sale of financial assets is recognized or derecognized on the trade or settlement date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose term requires delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

On initial recognition, financial assets are classified into financial assets at FVTPL, financial assets at FVTOCI, and financial assets at amortized cost according to its business model and contractual cash flows.

a) Business model

The Group evaluates the way business is being managed, and the purpose of the business model for managing a financial asset best reflects the way information is provided to the management at its portfolio level. Such information considers the following:

- The accounting policies and purpose specified for the portfolio, the actual operation of such policies. This includes strategy of the management focusing on the receipt of contractual interest revenue, maintaining a certain level of interest income, matching the duration of financial assets and the duration of corresponding liabilities to obtain the asset, and outflow or realization of expected cash flows from disposal of assets
- The way the performance of a financial asset held under the business model is evaluated, and the way such evaluation is being reported to the management
- The risk affecting the performance of the business model (and financial assets held under the business model), and the way such risk is being managed
- The compensation plan for the management (e.g. whether the management is being compensated based on the fair value of assets or based on contractual cash flows received)
- Frequency, amount, timing and reason for sale of financial assets in the past, and forecast of future sale activities.

b) Contractual cash flows

The principal is defined to be the fair value of a financial assets at initial recognition. Interest is not only composed of consideration for the time value of money, consideration for the credit risk related to remaining principal at a certain period of time, and consideration for other cost (e.g. liquidity risk and cost of operation) and fundamental risk associated with lending, but also profit.

When evaluating whether contractual cash flows are solely payments of principal and interests, the Group considers the contractual terms of the financial instrument. When a financial asset contains contractual conditions that modify the timing and amount of contractual cash flows, it is required to determine whether contractual cash flows that arise during the remaining life of the financial instrument due to such contractual condition are solely payments of principal and interest. The Group considers the following elements when evaluating the above:

- Conditions that lead to modification of timing or amount of cash flows
- Contractual terms that adjust contractual nominal interest, including floating rate features
- Early payment features and maturity extension features
- Contractual terms that limit the Group's claim on cash flows arising from certain assets (e.g. non-recourse feature)

① Financial assets at FVTPL

The Group is classifying those financial assets that are not classified as either financial assets at amortized cost or financial assets at FVTOCI, and those designated to be measured at FVTPL, as financial assets at FVTPL. Financial assets at FVTPL are measured at fair value, and related profit or loss is recognized in net income. Transaction costs related to acquisition at initial recognition is recognized in net income immediately upon its occurrence.

It is possible to designate a financial asset as financial asset at FVTPL if at initial recognition: (a) it is possible to remove or significantly reduce recognition or measurement mismatch that may otherwise have occurred if not for its designation as financial asset at FVTPL; (b) the financial asset forms part of the Group's financial instrument group (a group composed of a combination of financial asset or liability), is measured at fair value and is being evaluated for its performance, and such information is provided internally; and (c) the financial asset is part of a contract that contains one or more of embedded derivatives, and is a hybrid contract in which designation as financial asset at FVTPL is allowed under 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 is measured at its fair value plus any direct transaction cost, and is subsequently measured in fair value. However, for equity instruments that do not have a quotation in an active market and in which fair value cannot be measured reliably, they are measured at cost. The income tax effects related to the changes in fair value except for profit or loss items such as impairment losses (reversals), interest revenue calculated by using effective interest method, and foreign exchange gain or loss about debt instrument are recognized as other comprehensive income until the asset's disposal. Upon derecognition, the accumulated other comprehensive income is reclassified from equity to net income for FVTOCI (debt instrument), and reclassified within the equity for FVTOCI (equity instruments).

③ Financial assets at amortized cost

When financial assets are held under a business model whose objective is to hold financial assets in order to collect contractual cash flows, and when contractual cash flows from such financial assets are solely payments of principal and interest, the financial assets are classified as financial assets at amortized cost. At initial recognition, financial assets at amortized cost are recognized at fair value plus any direct transaction cost. Financial assets at amortized cost is presented at amortized cost using effective interest method, less any loss allowance.

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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 book value and the sum of proceeds and accumulated other comprehensive income is recognized as profit or loss in case of FVTOCI (debt instruments), and as retained earnings for FVTOCI (equity instruments).

In case when a financial asset is not fully derecognized, the Group allocates the book value into amounts retained in the books and removed from the books, based on the relative fair value of each portion at the date of sale, and based on the degree of continuing involvement. For the derecognized portion of the financial assets, the difference between its book value and the sum of proceeds and the portion of accumulated other comprehensive income attributable to that portion will be recognized in profit or loss in case of debt instruments and recognized in retained earnings in case of equity instruments. The accumulated other comprehensive income is distributed to the portion of book value retained in the books, and to the portion of book value removed from the books.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability.

5) Fair value of financial instruments

Financial assets at FVTPL and financial assets at FVTOCI are measured and presented in consolidated financial statements at their fair values, and all derivatives are also subject to fair value measurement.

Fair value is defined as the price that would be received to exchange an asset or paid to transfer a liability in a recent transaction between independent parties that are reasonable and willing. Fair value is the transaction price of identical financial assets or financial liabilities generated in an active market. An active market is a market where trade volume is sufficient and objective price information is available due to the fact that bid and ask price differences are small.

When trade volume of a financial instrument is low, when transaction prices within the market show large differences among them, or when it cannot be concluded that a financial instrument is being traded within an active market due to disclosures being extremely shallow, fair value is measured using valuation techniques based on alternative market information or using internal valuation techniques based on general and observable information obtained from objective sources. Market information includes maturity and characteristics, duration, similar yield curve, and variability measurement of financial instruments of similar nature. Fair value amount contains unique assumptions on each entity (the Group concluded that it is using assumptions applied in valuing financial instruments in the market, or risk-adjusted assumptions in case marketability does not exist).

The market approach and income approach, which are valuation techniques used to estimate the fair value of financial instruments, both require significant judgment. Market approach measures fair value using either a recent transaction price that includes the financial instrument, or observable information on comparable firm or assets. Income approach measures fair value through discounting future cash flows with a discount rate reflecting market expectations, and revenue, operating income, depreciation, capital expenditures, income tax, working capital and estimated residual value of financial investments are being considered when deriving future cash flows. Valuation techniques such as the above include estimates based on the financial instruments' complexity and usefulness of observable information in the market.

The valuation techniques used in the evaluation of financial instruments are explained below.



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a) Financial assets at FVTPL and Financial assets at FVTOCI

The fair value of equity securities included in financial assets at FVTPL and financial assets at FVTOCI category is recognized in the statement of financial position at its available market price. Debt securities traded in the over-the-counter market are generally recognized at an amount computed by an independent appraiser. When the Group uses the fair value determined by independent appraisers, the Group usually obtains three values from three different appraisers for each financial instrument, and selects the minimum amount without making additional adjustments. For equity securities without marketability, the Group uses the amount determined by the independent appraiser. The Group verifies the prices obtained from appraisers in various ways, including the evaluation of independent appraisers' competency, indirect verification through comparison between appraisers' price and other available market information, and reperformed by employees who have knowledge of valuation models and assumptions that appraisers used.

b) Derivatives

The Group's transactions involving derivatives such as futures and exchange traded options are measured at market value. For exchange traded derivatives classified as level 2 in the fair value hierarchy, the fair value is estimated using internal valuation techniques. If there are no publicly available market prices because they are traded over-the-counter, fair value is measured through internal valuation techniques. When using internal valuation techniques to derive fair value, the types of derivatives, base interest rate or characteristics of prices, or stock market indices are considered. When variables used in the internal valuation techniques are not observable information in the market, such variables may contain significant estimates.

c) Adjustment of valuation amount

The Group is exposed to credit risk when a counterparty to a derivative contract does not perform its contractual obligation, and the exposure amount is equal to the amount of derivative asset recognized in the statement of financial position. When the Group earns income through valuation of derivatives, such income is recognized as derivative asset in the statement of financial position. Some of the derivatives are traded in the market, but most of the derivatives are measured at estimated fair value derived from internal valuation models that use observable information in the market. As such, in order to estimate the fair value there should be an adjustment made to incorporate counterparty's credit risk, and credit risk adjustment is being considered when valuing derivative assets such as over-the counter derivatives. The amount of financial liabilities is also adjusted by the Group's own credit risk when valuing them.

The amount of adjustment is derived from counterparty's probability of default and loss given default. This adjustment considers contractual matters that are designed to reduce the Group's exposure to each counterparty's credit risk. When derivatives are under master netting arrangement, the exposure used in the computation of credit risk adjustment is a net amount after adding/deducting cash collateral received (or paid) from loss(or gain) position derivatives with the same counterparty.

6) Expected credit losses on financial assets

The Group recognizes loss allowance on expected credit losses for the following assets:

- Financial assets at amortized cost
- Debt instruments measured at FVTOCI
- Contract assets as defined by 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 book value of a portion of an asset that are replaced by a subsequent expenditure is removed from the books. Routine maintenance and repairs are expensed as incurred.

While land is not depreciated, all other investment properties are depreciated based on the depreciation method and useful lives of premises and equipment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and when it is deemed appropriate to change them, the effect of any change is accounted for as a change in accounting estimates.

An investment property is derecognized from the consolidated financial statements on disposal or when it is permanently withdrawn from use and no future economic benefits are expected even from its disposal. The gain or loss on the derecognition of an investment property is calculated as the difference between the net disposal proceeds and the carrying amount of the property and is recognized in profit or loss in the period of the derecognition.

(12) Premises and equipment

Premises and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of premises and equipment is expenditure directly attributable to their purchase or construction, which includes any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. It also includes the initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are recognized in the carrying amount of an asset or as a separate asset (if appropriate) if it is probable that future economic benefit associated with the assets will flow into the Group and the cost of an asset can be measured reliably. Routine maintenance and repairs are expensed as incurred.

While land is not depreciated, for all other premises and equipment, depreciation is charged to net income on a straight-line basis by applying the following estimated economic useful lives on the amount of cost or revalued amount less residual value.

	Useful life
Buildings used for business purpose	35 to 57 years
Structures in leased office	4 to 5 years
Properties for business purpose	4 to 5 years

The Group reassesses the depreciation method, the estimated useful lives and residual values of premises and equipment at the end of each reporting period. If changes in the estimates are deemed appropriate, the changes are accounted for as a change in an accounting estimate. When there is an indicator of impairment and the carrying amount of a premises and equipment item exceeds the estimated recoverable amount, the carrying amount of such asset is reduced to the recoverable amount.

(13) Intangible assets and goodwill

The Group recognizes the acquisition cost of an intangible asset as the manufacturing cost or purchase cost plus additional incidental expenses. Development costs are the sum of expenditures incurred after the asset recognition requirements, such as technical feasibility and future economic benefits, are met. After the initial recognition, the carrying value is presented as the accumulated amortization and accumulated impairment losses deducted from the cost.

The Group's intangible asset are amortized over the following economic lives using the straight-line method. However, for some intangible assets, the period of time that is expected to be available is not predictable, so the useful life of some intangible assets is assessed as indefinite and not depreciated.

The estimated useful life and amortization method of intangible assets with a finite useful life are reviewed at the end of each reporting period. 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.

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 9,076 million won, reflecting the exercise impact of the extension and termination options during the current term.

In the statement of financial position, the Group classified the right-of-use assets that do not meet the definition of investment property as 'premises and equipment' and the lease liabilities as 'other financial liabilities.'

The Group has chosen a practical expedient that does not recognize the right-of-use asset and lease liabilities for short-term leases with a lease term less than 12 months and leases for which the underlying asset is of low value. The Group recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

#### ② The Group as a lessor

At the date of the agreement or the effective date of the modification containing the lease element, the Group allocates the consideration of the contract to each lease element based on its relative stand-alone price.

As a lessor, the Group classifies its leases as either a finance lease or an operating lease at the commencement date.

The Group subsequently judges whether the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, otherwise a lease is classified as an operating lease.

If the agreement contains both lease and non-lease elements, the Group applies 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).

The Group has designated derivatives as hedging instrument except for the portion on foreign currency basis spread. The fair value change due to foreign currency basis spread is recognized in other comprehensive income and is accumulated in equity. If the hedged item is related to transactions, the accumulated other comprehensive income is reclassified to profit or loss when the hedged item affects the profit or loss. However, when non-monetary items are subsequently recognized due to hedged items, the accumulated equity is removed from the equity directly, and is included in the initial book value of the recognized non-monetary items. Such transfers does not affect other comprehensive income. But if part or all of accumulated equity is not expected to be recovered in the future periods, the amount not expected to be recovered is immediately reclassified to profit or loss. If the hedged item is time-related, then the foreign currency basis spread on the day the derivative is designated as a hedging instrument that is related to the hedged item is reclassified to profit or loss over the term of the hedge.

3) Fair value hedge

Gain or loss arising from valid hedging instrument is recognized in profit or loss. However, when the hedging instrument mitigates risks on equity instruments designated as financial assets at FVTOCI, related gain or loss is recognized in other comprehensive income.

The book value of hedged items that are not measured in fair value is adjusted by the changes in fair value arising from the hedged risk, with resulting gain or loss reflected in net income. In case of debt instruments measured at FVTOCI, book value is an amount that is already adjusted to fair value and thus gain or loss arising from the hedged risk is recognized in profit or loss instead of other comprehensive income without adjustments in book value. When the hedged item is equity instruments measured at FVTOCI, the gain or loss arising from hedged risk is retained at other comprehensive income in order to match the gain or loss with hedging instruments.

When gains or losses arising from the hedged risk are recognized in profit or loss of the current term, they are recognized as items related to the hedged items.

Hedge accounting ceases to apply only when hedging relationship (or part of it) does not meet the requirements of hedge accounting (even after hedging relationship readjustment, if applicable). This treatment holds in case of lapse, disposal, expiry and exercise of hedging instruments, and this cease of treatment applies prospectively. The fair value adjustments made to book value of hedged item due to hedged risk is amortized from the date of discontinuance of hedge accounting and is recognized in profit or loss.

4) Cash flow hedge

The Group recognizes the effective portion of changes in the fair value of derivatives and other valid hedging instruments that are designated and qualified as cash flow hedges in other comprehensive income to the extent of cumulative fair value changes of the hedged item from the starting date of hedge accounting and it is cumulated in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognized immediately in net income.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to net income when the hedged item affects net income. However, when non-monetary assets or liabilities are subsequently recognized due to expected transactions involving hedged items, the valuation gain or loss accumulated in the equity as other comprehensive income is removed from the equity and included in the initial book value of the recognized non-monetary assets or liabilities. Such transfers does not affect other comprehensive income. Also, if the cash flow hedge reserve is loss and accumulated other comprehensive income is a loss and part or all of the losses are not expected to be recovered in the future periods, the said amount is immediately reclassified to profit or loss.

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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.

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 book value 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 separate statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in the consolidated statement of comprehensive income is not reclassified to profit or loss in the subsequent periods. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are composed of service cost (including current service cost and past service cost, as well as gains and losses on settlements), net interest expense (income) and remeasurement.

The Group presents the service cost and net interest expense (income) components in profit or loss, and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is recognized as an asset limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Liabilities for termination benefits are recognized at the earlier of either the date when the Group is no longer able to cancel its proposal for termination benefits or the date when the Group has recognized the cost of restructuring that accompanies the payment of termination benefits.

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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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Significant 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 outbreak of COVID-19 has had a significant impact on the global economy including Korea. Financial and economic shocks may have negative impacts on the Group's financial condition and results of operations in various forms both domestically and internationally, however, the Korean government is providing unprecedented financial and economic relief measures such as extension of maturity of loans. Despite the announcement of these various forms of government support policies, the negative impact of the COVID-19 on the global economy continues, and uncertainties in recovery or deterioration are expected to continue.

The Group determined that the credit risk of loan affected by the loan deferment has significantly increased and evaluated that the possibility of default is high. The Group will continue to assess the adequacy of forward-looking information related to the duration of the impact of COVID-19 on economy and government policies.

<Woori Bank>

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

		December 31, 2021	December 31, 2020
Total loans (Loan receivables, payment guarantees) that are subject to loan deferment and interest deferment.	Corporate	2,428,496	1,697,899
	Retail	167,146	122,425
	Total	2,595,642	1,820,324
Total loans changed its stage from 12-month to lifetime(Stage 2) expected credit losses.	Corporate	2,125,492	1,548,805
	Retail	134,920	101,721
	Total	2,260,412	1,650,526
The expected credit loss allowances that are additionally recognized.	Corporate	275,057	210,173
	Retail	9,657	9,058
	Total	284,714	219,231

In addition, as of December 31, 2021, the Group applied the overlay when forecasting future economic conditions in consideration of the potential for insolvency due to increase in market interest rate and the increase in economic uncertainty due to the accelerated spread of COVID-19.

As of December 31, 2021, the monetary effect of the provision for expected credit loss due to the application of the forecast of future economic conditions overlay is as follows. (Unit: Korean Won in millions):

	Increase in provision for expected credit loss
Corporate	48,583
Retail	6,237
Total	54,820

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<Woori Card>

Woori Card Co., Ltd. determined that the credit risk of obligors receiving financial support due to COVID-19 significantly increased, and transferred the loss allowance at the amount equivalent to lifetime expected credit loss. As of December 31, 2021, financial assets at amortized cost of obligors subject to loan deferment and interest deferment amount to 7,217 million won, and the cumulative expected credit loss allowance have increased for 170 million won.

<Woori Financial Capital Co., Ltd.>

Woori Financial Capital Co., Ltd. determined that the credit risk of obligors receiving financial support due to COVID-19 significantly increased; and evaluated that the possibility of default is high. As a result, as of December 31, 2021, financial assets at amortized cost of obligors subject to loan deferment and interest deferment amount to 103,974 million won and cumulative expected credit loss allowance have increased for 15,916 million won.

(1) Income taxes

The Group has recognized current and deferred taxes based on best estimates of expected future income tax effect arising from the Group's operations until the end of the current reporting period. However, actual tax payment may not be identical to the related assets and/or liabilities already recognized, and these differences may affect current taxes and deferred tax assets/liabilities at the time when income tax effects are finalized. Deferred tax assets relating to tax losses carried forward and deductible temporary differences are recognized only to the extent that it is probable that future taxable profit will be available against which the tax losses carried forward and the deductible temporary differences can be utilized. In this case the Group's evaluation considers various factors such as estimated future taxable profit based on forecasted operating results, which are based on historical financial performance. The Group is reviewing the book value of deferred tax assets every end of the reporting period and in the event that the possibility of earning future taxable income changes, the deferred tax assets are adjusted up to taxable income sufficient to use deductible temporary differences.

(2) Valuation of financial instruments

Financial assets at FVTPL and FVTOCI are recognized in the consolidated financial statements at fair value. All derivatives are measured at fair value. Valuation techniques are required in order to determine fair values of financial instruments where observable market prices do not exist. Financial instruments that are not actively traded and have low price transparency will have less objective fair value and require broad judgment in liquidity, concentration, uncertainty in market factors and assumption in price determination and other risks.

As described in '2. Basis of Preparation and Significant Accounting Policies (9) 5) Fair value of financial instruments', when valuation techniques are used to determine the fair value of a financial instrument, various general and internally developed techniques are used, and various types of assumptions and variables are incorporated during the process.

(3) Impairment of financial instruments

The accuracy of the provision for credit losses is determined by the estimation of the expected cash flows for each tenant for estimating the individually assessed loan-loss allowance, and the assumptions and variables in the model used for estimating the collectively assessed loan-loss allowance payment, guarantee and unused commitment.

The Group has estimated the allowance for credit losses based on reasonable and supportable information that was available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

(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.



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4. RISK MANAGEMENT

The Group's operating activity is exposed to various financial risks and the main types of risks are credit risk, market risk, liquidity risk and etc. The risk management department analyze and assess the level of complex risks in order to manage the risks and the risk management standards such as policies, regulations, management systems and decision-making have been established and operated for sound management of the Group.

The risk management organization is operated by risk management committee, risk management responsible, and risk management department. The Board of Directors operates a risk management committee comprised of outside directors for professional risk management. The risk management committee plays a role as the top decision-making body in risk management by establishing basic policies for risk management that are in line with the Group's management strategy and determining the risk level that the Group is willing to take.

The risk management office (CRO) assists the risk management committee and operates a group risk management council comprised of risk management managers of subsidiaries to periodically check and improve the risk burden of external environments and the Group. The risk management department is independent and is in charge of risk management of the Group. It also supports reporting and decision-making of key risk-related issues.

(1) Credit risk

Credit risk represents the possibility of financial losses incurred due to the refusal of the transaction or when the counterparty fails to fulfill its contractual obligations. The goal of credit risk management is to maintain the Group's credit risk exposure to a permissible degree and to optimize its rate of return considering such credit risk.

1) Credit risk management

The Group considers the probability of failure in performing the obligation of its counterparties, credit exposure to the counterparty, the related default risk and the rate of default loss. The Group uses the credit rating model to assess the possibility of counterparty's default risk; and when assessing the obligor's credit grade, the Group utilizes credit grades derived using statistical methods.

In order to manage credit risk limit, the Group establishes the appropriate credit line per obligor, company or industry 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 credit derivatives. The Group has adopted the entrapment method to mitigate its credit risk. Credit risk mitigation is reflected in qualifying financial collateral, trade receivables, guarantees, residential and commercial real estate and other collaterals. The Group regularly performs a revaluation of collateral reflecting such credit risk mitigation.

2) 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, depends 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:	Lifetime 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	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.

At the end of each reporting period, the Group assesses whether credit risk reflecting forward-looking information has significantly been increased since the date of initial recognition. When assessing whether credit risk has significantly been increased, the changes in the probability of default over the financial instrument's remaining life is used instead of changes in the amount of expected credit losses.

The Bank performs the above 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 above indicators of significant decrease in credit rating since initial recognition as follows, and the estimation method is regularly being monitored

	Credit rating	Significant increased indicator of the credit rating
Corporate	AAA ~ A+	More than or equal to 4 steps
	A- ~ BBB	More than or equal to 3 steps
	BBB- ~ BB+	More than or equal to 2 steps
	BB ~ BB-	More than or equal to 1 step
Retail	1 ~ 3	More than or equal to 3 steps
	4 ~ 5	More than or equal to 2 steps
	6 ~ 10	More than or equal to 1 step

The Group sees no significant increase in credit risk after initial recognition for debt securities, etc. with a credit rating of A + or higher, which are deemed to have low credit risk at the end of the reporting period.

The Group concludes that credit is impaired when financial assets are under conditions stated below:

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- When principal of loan is overdue for 90 days or longer due to significant deterioration in credit
- For loans overdue for less than 90 days, when it is determined that not even a portion of the loan will be recovered unless claim actions such as disposal of collaterals are taken
- When other objective indicators of impairment have been noted for the financial asset.

The Group has estimated the allowance for credit losses using an estimation model that additionally reflects the future economic forward information based on the past experience loss rate data.

Probability of default (PD) and Loss given default (LGD) for each category of financial asset is being calculated by considering factors such as debtor type, credit rating and portfolio. The estimates are regularly being reviewed in order to reduce discrepancies with actual losses.

In measuring the expected credit losses, the Group is also using reasonable and supportable macroeconomic indicators such as 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 future economic forecast information.

- Development of estimation models by analyzing the correlation between default rates of corporate and retail exposures per year and macroeconomic indicators

Major macroeconomic indicators	Correlation between credit risk and macroeconomic indicators
GDP growth rate	Negative(-) Correlation
Personal consumption expenditures price index rate	Negative(-) Correlation
Consumer price index rate	Negative(-) Correlation

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

- Disclosure of economic variable forecasts

a) Probability weight

As of December 31, 2021, the probability weights applied to the scenarios of the forecasts of macroeconomic variables is as follows (Unit: %):

	Basic Scenario	Upside Scenario	Downside Scenario
Probability weight	55.59	13.37	31.04

b) Economic forecast of each major economic variables by scenario (prospect period: 2022)

As of December 31, 2022, the forecasts of major macroeconomic variables by scenario is as follows (Unit: %)

	Basic Scenario	Upside Scenario	Downside Scenario
GDP growth rate	3.00	3.22	2.60
Personal consumption expenditures price index rate	3.60	4.01	2.85
Consumer price index rate	2.00	2.10	1.82

The results of Woori Bank's sensitivity analysis on expected credit loss provisions due to changes in macroeconomic indicators as of December 31, 2021 are as follows (Unit: Korean Won in millions):

			December 31, 2021	
Corporate	GDP growth rate	Increase by 1% point	(68,140)	
		Decrease by 1% point	74,495	
Retail	Personal consumption expenditures price index rate	Increase by 1% point	(40,654)	
		Decrease by 1% point	43,028	
	GDP growth rate	Increase by 1% point	(8,798)	
		Decrease by 1% point	9,163	
		Consumer price index rate	Increase by 1% point	(29,469)
			Decrease by 1% point	34,352
			December 31, 2020	
Corporate	GDP growth rate	Increase by 1% point	(86,086)	
		Decrease by 1% point	96,177	
Retail	Consumer price index rate	Increase by 1% point	(15,807)	
		Decrease by 1% point	17,119	

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

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3) The maximum exposure to credit risk as of December 31, 2021 and 2020 is as follows (Unit: Korean Won in millions):

The Group's maximum exposure to credit risk shows the uncertainties related to the maximum possible variation of financial assets' net value as a result of changes in the specific risk factors, prior to the consideration of collaterals that are recorded at net book value after allowances and other credit enhancements. However, the maximum exposure is the fair value amount (recorded on the books) for derivatives, maximum contractual obligation for payment guarantees and unused amount of commitments for loan commitment.

		December 31, 2021	December 31, 2020
Loans and other financial assets at amortized cost (*1)	Korean treasury and government agencies	14,934,813	9,725,719
	Banks	24,733,020	19,493,188
	Corporates	131,027,256	114,131,996
	Consumers	191,237,783	176,755,175
	Sub-total	361,932,872	320,106,078
Financial assets at FVTPL (*2)	Deposit	65,072	48,796
	Debt securities	2,743,239	2,887,097
	Loans	667,467	676,291
	Derivative assets	4,803,131	6,901,742
	Others	1,518	-
	Sub-total	8,280,427	10,513,926
Financial assets at FVTOCI	Debt securities	38,126,977	28,948,141
	Debt securities	17,086,274	17,020,839
	Derivative assets (Designated for hedging)	106,764	174,820
	Guarantees (*3)	12,987,809	11,809,456
	Loan commitments	114,414,462	112,088,680
Off-balance accounts	Sub-total	127,402,271	123,898,136
	Total	552,935,585	500,661,940

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

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

(\*3) As of December 31, 2021 and 2020, the financial guarantee amount of 3,960,383 million won and 4,163,382 million won are included, respectively.

a) Credit risk exposure by geographical areas

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

	December 31, 2021						Total
	Korea	China	USA	UK	Japan	Others (*)	
Loans and other financial assets at amortized cost	338,674,446	5,620,622	3,742,331	212,821	811,030	12,871,622	361,932,872
Securities at amortized cost	16,785,265	92,880	27,018	-	-	181,111	17,086,274
Financial assets at FVTPL	6,150,464	1,330	1,188,358	195,048	61,315	683,912	8,280,427
Financial assets at FVTOCI	34,242,133	808,359	1,713,435	1,755	23,193	1,338,102	38,126,977
Derivative assets (Designated for hedging)	11,678	-	95,086	-	-	-	106,764
Off-balance accounts	123,375,839	1,001,430	375,929	31,116	32,402	2,585,555	127,402,271
Total	519,239,825	7,524,621	7,142,157	440,740	927,940	17,660,302	552,935,585

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

	December 31, 2020						Total
	Korea	China	USA	UK	Japan	Others (*)	
Loans and other financial assets at amortized cost	296,186,751	4,356,747	3,988,304	1,990,490	1,404,670	12,179,116	320,106,078
Securities at amortized cost	16,749,531	-	110,597	-	-	160,711	17,020,839
Financial assets at FVTPL	6,954,630	13,403	1,083,096	493,285	480,760	1,488,752	10,513,926
Financial assets at FVTOCI	25,966,333	608,893	1,092,636	5	5,460	1,274,814	28,948,141
Derivative assets (Designated for hedging)	-	-	165,458	3,740	-	5,622	174,820
Off-balance accounts	119,699,069	1,393,734	399,678	38,389	41,378	2,325,888	123,898,136
Total	465,556,314	6,372,777	6,839,769	2,525,909	1,932,268	17,434,903	500,661,940

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

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b) Credit risk exposure by industries

① The following tables analyze credit risk exposure by industries, which are service, manufacturing, finance and insurance, construction, individuals and others in accordance with the Korea Standard Industrial Classification Code as of December 31, 2021 and 2020 (Unit: Korean Won in millions):

	December 31, 2021						
	Service	Manufacturing	Finance and insurance	Construction	Individuals	Others	Total
Loans and other financial assets at amortized cost	67,895,018	37,679,784	45,540,602	4,303,491	185,972,844	20,541,133	361,932,872
Securities at amortized cost	479,291	-	7,061,770	250,607	-	9,294,606	17,086,274
Financial assets at FVTPL	115,346	146,277	6,646,922	13,623	1,836	1,356,423	8,279,427
Financial assets at FVTOCI	376,998	258,866	29,444,989	131,967	-	7,914,157	38,126,977
Derivative assets (Designated for hedging)	-	-	79,369	27,395	-	-	106,764
Off-balance accounts	18,565,570	18,994,662	11,763,667	3,900,766	67,966,826	6,210,780	127,402,271
Total	87,432,223	57,079,589	100,537,319	8,627,849	253,941,506	45,317,099	552,935,585

	December 31, 2020						
	Service	Manufacturing	Finance and insurance	Construction	Individuals	Others	Total
Loans and other financial assets at amortized cost	56,627,927	35,933,953	35,450,774	3,493,000	172,116,780	16,483,644	320,106,078
Securities at amortized cost	492,172	6,691	8,926,909	302,225	-	7,292,842	17,020,839
Financial assets at FVTPL	301,296	234,712	8,520,127	32,240	14,619	1,410,932	10,513,926
Financial assets at FVTOCI	475,881	207,903	23,017,149	142,396	-	5,104,812	28,948,141
Derivative assets (Designated for hedging)	-	-	174,820	-	-	-	174,820
Off-balance accounts	18,828,656	21,460,581	12,086,935	4,060,358	62,477,117	4,984,489	123,898,136
Total	76,725,932	57,843,840	88,176,714	8,030,219	234,608,516	35,276,719	500,661,940

② The detailed industries of financial assets and corporate loans that might get affected by the spread of COVID-19 as of December 31, 2021 and 2020 are as follow and the industries that can be affected may change by future economic conditions. (Unit: Korean Won in millions):

< Woori Bank >

			December 31, 2021		
			Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI
Service business	Distribution business	General retail business	754,850	274	-
		General wholesale business	809,893	221	-
		Sub-total	1,564,743	495	-
		Accommodation business	1,441,185	625	23,840
		Travel business	53,302	-	-
	Others	Art/sports, leisure service	600,746	503	-
		Food business	1,279,128	216	-
		Transportation business	404,120	77	-
		Others	1,050,229	599	-
		Sub-total	6,393,453	2,515	23,840
Manufacturing	Textile	Metal	2,626,493	724	10,718
		Non-metal	199,877	10	-
		Chemical	148,471	24	-
		Electronics	904,563	1,994	-
		Others	103,510	31	-
	Sub-total		191,865	-	-
			4,174,779	2,783	10,718
			10,568,232	5,298	34,558
		Total			

			December 31, 2021	
			Off-balance accounts	Total
Service business	Distribution business	General retail business	299,064	1,054,188
		General wholesale business	237,678	1,047,792
		Sub-total	536,742	2,101,980
		Accommodation business	181,563	1,647,213
		Travel business	12,455	65,757
	Others	Art/sports, leisure service	63,660	664,909
		Food business	179,799	1,459,143
		Transportation business	167,883	572,080
		Others	191,837	1,242,665
		Sub-total	1,333,939	7,753,747
Manufacturing	Textile	Metal	1,012,989	3,650,924
		Non-metal	9,704	209,591
		Chemical	48,171	196,666
		Electronics	689,895	1,596,452
		Others	33,389	136,930
	Sub-total		87,587	279,452
			1,881,735	6,070,015
			3,215,674	13,823,762
		Total		

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			December 31, 2020			
			Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI	
Service business	Distribution business	General retail business	1,070,789	11,944	5,461	
		General wholesale business	1,407,563	3,573	-	
	Sub-total		2,478,352	15,517	5,461	
	Accommodation business		1,525,157	9,305	5,471	
	Travel business		59,858	-	-	
	Art/sports, leisure service		1,467,643	17,739	-	
	Food business		1,078,832	2,515	-	
	Transportation business		395,873	461	8,752	
	Education business		367,701	489	-	
	Others		1,286,578	2,691	-	
	Sub-total		8,659,994	48,717	19,684	
	Manufacturing	Textile		2,281,344	6,608	6,559
		Metal		1,390,290	47,903	-
Non-metal		698,478	8,357	-		
Chemical		1,819,207	19,161	-		
Transportation		3,268,095	2,060	-		
Electronics		1,424,297	19,280	-		
Cosmetics		323,231	217	-		
Others		368,123	277	-		
Sub-total		11,573,065	103,863	6,559		
Total		20,233,059	152,580	26,243		

			December 31, 2020		
			Off-balance accounts	Total	
Service business	Distribution business	General retail business	897,101	1,985,295	
		General wholesale business	483,360	1,894,496	
	Sub-total		1,380,461	3,879,791	
	Accommodation business		152,059	1,691,992	
	Travel business		21,350	81,208	
	Art/sports, leisure service		114,388	1,599,770	
	Food business		135,680	1,217,027	
	Transportation business		193,578	598,664	
	Education business		48,064	416,254	
	Others		318,641	1,607,910	
	Sub-total		2,364,221	11,092,616	
	Manufacturing	Textile		1,064,005	3,358,516
		Metal		1,581,887	3,020,080
Non-metal		377,506	1,084,341		
Chemical		3,233,405	5,071,773		
Transportation		2,183,616	5,453,771		
Electronics		1,789,605	3,233,182		
Cosmetics		54,518	377,966		
Others		1,483,551	1,851,951		
Sub-total		11,768,093	23,451,580		
Total		14,132,314	34,544,196		

< Woori Card Co., Ltd. >

December 31, 2021					
	Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI	Off-balance accounts	Total
Accommodation business	2,341			11,472	13,813
Travel business	3,334			20,056	23,390
Aviation	983			4,025	5,008
Cosmetics industry	3,187			10,692	13,879
Distribution business	7,582			38,741	46,323
Food industry	30,267			122,793	153,060
Art/sports, leisure service	8,336			44,286	52,622
Total	56,030			252,065	308,095
December 31, 2020					
	Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI	Off-balance accounts	Total
Accommodation business	4,959	-	-	12,315	17,274
Travel business	2,175	-	-	25,367	27,542
Aviation	479	-	-	4,179	4,658
Cosmetics industry	2,462	-	-	13,376	15,838
Distribution business	8,050	-	-	44,354	52,404
Food industry	33,084	-	-	163,711	196,795
Art/sports, leisure service	6,156	-	-	51,962	58,118
Total	57,365	-	-	315,264	372,629



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				December 31, 2021		
				Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI
Service business	Distribution business	General retail business		77,841	-	-
		General wholesale business		292,832	-	-
		Sub-total		370,673	-	-
	Accommodation business			7,338	-	-
	Travel business			57	-	-
	Art/sports, leisure service			8,544	-	-
	Food business			125,075	-	-
	Transportation business			598,972	-	-
	Education business			22,118	-	-
	Others			102,787	-	-
	Sub-total			1,235,564	-	-
Manufacturing	Textile Metal Non-metal Chemical Transportation Electronics Cosmetics Others			727	-	-
				2,824	-	-
				698	-	-
				172	-	-
				438	-	-
				3,993	-	-
				685	-	-
				108,540	-	-
				118,077	-	-
	Sub-total			1,353,641	-	-
Other business	Total COVID-19 vulnerable business			6,489,394	28,222	-
	Others					
	Total			7,843,035	28,222	-

				December 31, 2021	
				Off-balance accounts	Total
Service business	Distribution business	General retail business		-	77,841
		General wholesale business		-	292,832
		Sub-total		-	370,673
	Accommodation business			-	7,338
	Travel business			-	57
	Art/sports, leisure service			-	8,544
	Food business			-	125,075
	Transportation business			-	598,972
	Education business			-	22,118
	Others			140,549	243,336
	Sub-total			140,549	1,376,113
Manufacturing	Textile Metal Non-metal Chemical Transportation Electronics Cosmetics Others			-	727
				-	2,824
				-	698
				-	172
				-	438
				-	3,993
				-	685
				13,432	121,972
	Sub-total			13,432	131,509
Other business	Total COVID-19 vulnerable business			153,981	1,507,622
	Others			812,597	7,330,213
	Total			966,578	8,837,835

				December 31, 2020		
				Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI
Service business	Distribution business	General retail business		8,978	-	-
		General wholesale business		57,587	-	-
		Sub-total		66,565	-	-
	Accommodation business			6,292	-	-
	Travel business			1,293	-	-
	Art/sports, leisure service			615	-	-
	Food business			21,774	-	-
	Transportation business			28,270	-	-
	Education business			1,132	-	-
	Others			365,860	27,364	-
	Sub-total			491,801	27,364	-
Manufacturing	Textile Metal Non-metal Chemical Transportation Electronics Others			29,415	-	-
				17,963	-	-
				4,780	-	-
				2,501	-	-
				52,514	-	-
				12,665	-	-
				5,335	-	-
				125,173	-	-
	Sub-total			616,974	27,364	-
Other business	Total COVID-19 vulnerable business			6,202,754	225,078	-
	Others					
	Total			6,819,728	252,442	-

				December 31, 2020	
				Off-balance accounts	Total
Service business	Distribution business	General retail business		-	8,978
		General wholesale business		-	57,587
		Sub-total		-	66,565
	Accommodation business			-	6,292
	Travel business			-	1,293
	Art/sports, leisure service			-	615
	Food business			-	21,774
	Transportation business			-	28,270
	Education business			-	1,132
	Others			38,681	431,905
	Sub-total			38,681	557,846
Manufacturing	Textile Metal Non-metal Chemical Transportation Electronics Others			-	29,415
				3,365	21,328
				-	4,780
				-	2,501
				-	52,514
				-	12,665
				-	5,335
				3,365	128,538
	Sub-total			42,046	686,384
Other business	Total COVID-19 vulnerable business			333,766	6,761,598
	Others				
	Total			375,812	7,447,982

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	Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI	Off-balance accounts	Total
Accommodation business	57,142	-	-	-	57,142
Distribution business	12,885	-	-	-	12,885
Art/sports, leisure service	31,772	-	-	-	31,772
Total	101,799	-	-	-	101,799

	December 31, 2020				
	Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI	Off-balance accounts	Total
Accommodation business	44,900	-	-	-	44,900
Distribution business	15,716	20,000	-	-	35,716
Art/sports, leisure service	28,000	-	-	-	28,000
Total	88,616	20,000	-	-	108,616

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, 2021 and 2020 is as follows (Unit: Korean Won in millions):

	December 31, 2021							
	Stage 1		Stage 2		Stage 3	Total	Loss allowance	Total, net
	Above appropriate credit rating (*1)	Less than a limited credit rating (*2)	Above appropriate credit rating (*1)	Less than a limited credit rating (*2)				
Loans and other financial assets at amortized cost	316,364,525	22,734,430	13,270,491	10,190,307	1,332,644	363,892,397	(1,959,525)	361,932,872
Korean treasury and government agencies	14,938,718	9	9	-	-	14,938,736	(3,923)	14,934,813
Banks	24,186,246	492,447	46,373	-	23,509	24,748,575	(15,555)	24,733,020
Corporates	108,917,062	15,952,017	2,698,907	3,963,782	658,923	132,190,691	(1,163,435)	131,027,256
General business	68,767,641	9,010,115	1,886,740	2,597,136	438,537	82,700,169	(785,908)	81,914,261
Small- and medium-sized enterprise	33,306,787	6,459,338	790,750	1,353,313	156,440	42,066,628	(322,635)	41,743,993
Project financing and others	6,842,634	482,564	21,417	13,333	63,946	7,423,894	(54,892)	7,369,002
Consumers	168,322,499	6,289,957	10,525,202	6,226,525	650,212	192,014,395	(776,612)	191,237,783
Securities at amortized cost	17,091,509	-	-	-	-	17,091,509	(5,235)	17,086,274
Financial assets at FVTOCI (*3)	37,917,922	209,055	-	-	-	38,126,977	(12,146)	38,126,977
Total	371,373,956	22,943,485	13,270,491	10,190,307	1,332,644	419,110,883	(1,976,906)	417,146,123

	December 31, 2021			
	Collateral value			
	Stage1	Stage2	Stage3	Total
Loans and other financial assets at amortized cost	208,188,057	18,098,940	643,183	226,930,180
Korean treasury and government agencies	20,679	-	-	20,679
Banks	1,287,055	-	-	1,287,055
Corporates	74,403,502	4,796,510	351,837	79,551,849
General business	40,288,663	3,120,790	220,792	43,630,245
Small- and medium-sized enterprise	30,852,567	1,675,720	80,830	32,609,117
Project financing and others	3,262,272	-	50,215	3,312,487
Consumers	132,476,821	13,302,430	291,346	146,070,597
Securities at amortized cost	-	-	-	-
Financial assets at FVTOCI (*3)	-	-	-	-
Total	208,188,057	18,098,940	643,183	226,930,180

(\*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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	December 31, 2020							
	Stage 1		Stage 2		Stage 3	Total	Loss allowance	Total, net
	Above appropriate credit rating (*1)	Less than a limited credit rating (*3)	Above appropriate credit rating (*2)	Less than a limited credit rating (*3)				
Loans and other financial assets at amortized cost	278,729,012	21,249,885	10,356,251	10,143,839	1,623,276	322,102,263	(1,996,185)	320,106,078
Korean treasury and government agencies	9,674,891	1,063	52,279	-	-	9,728,233	(2,514)	9,725,719
Banks	19,301,570	105,890	75,876	-	25,598	19,508,934	(15,745)	19,493,189
Corporates	93,889,922	14,873,376	1,890,564	3,860,389	839,234	115,353,485	(1,221,491)	114,131,994
General business	61,082,336	9,013,955	1,349,053	2,585,868	576,078	74,607,290	(869,744)	73,737,546
Small- and medium-sized enterprise	27,504,992	5,415,312	538,909	1,207,706	227,003	34,893,922	(304,077)	34,589,845
Project financing and others	5,302,594	444,109	2,602	66,815	36,153	5,852,273	(47,670)	5,804,603
Consumers	155,862,629	6,269,556	8,337,532	6,283,450	758,444	177,511,611	(756,435)	176,755,176
Securities at amortized cost	17,025,405	-	-	-	-	17,025,405	(4,566)	17,020,839
Financial assets at FVTOCI (*3)	28,789,281	158,860	-	-	-	28,948,141	(9,631)	28,948,141
Total	324,543,698	21,408,745	10,356,251	10,143,839	1,623,276	368,075,809	(2,010,382)	366,075,058

	December 31, 2020			
	Collateral value			
	Stage1	Stage2	Stage3	Total
Loans and other financial assets at amortized cost	187,731,443	15,677,871	696,709	204,106,023
Korean treasury and government agencies	19,280	-	-	19,280
Banks	1,003,971	-	-	1,003,971
Corporates	62,817,305	3,963,101	400,340	67,180,746
General business	35,578,470	2,670,480	271,815	38,520,765
Small- and medium-sized enterprise	25,404,002	1,290,941	118,265	26,813,208
Project financing and others	1,834,833	1,680	10,260	1,846,773
Consumers	123,890,887	11,714,770	296,369	135,902,026
Securities at amortized cost	-	-	-	-
Financial assets at FVTOCI (*3)	-	-	-	-
Total	187,731,443	15,677,871	696,709	204,106,023

(\*1) Credit grade of corporates are AAA ~ BBB, and consumers are grades 1 ~ 6.

(\*2) Credit grade of corporates are BBB- ~ C, and consumers are grades 7 ~ 10.

(\*3) Financial assets at FVTOCI has been disclosed as the amount before deducting loss allowance because loss allowance does not reduce the carrying amount.

b) Guarantees and commitments

The credit quality of the guarantees and loan commitments as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021					
	Stage 1		Stage 2		Stage3	Total
	Above appropriate credit rating (*1)	Less than a limited credit rating (*2)	Above appropriate credit rating (*1)	Less than a limited credit rating (*2)		
Financial assets						
Off-balance accounts:						
Guarantees	11,560,908	1,037,142	47,549	275,166	67,044	12,987,809
Loan Commitments	107,916,434	3,591,413	2,072,348	832,173	2,094	114,414,462
Total	119,477,342	4,628,555	2,119,897	1,107,339	69,138	127,402,271

(\*1) Credit grade of corporates are AAA ~ BBB, and consumers are grades 1 ~ 6.

(\*2) Credit grade of corporate are BBB- ~ C, and consumers are grades 7 ~ 10.

	December 31, 2020					
	Stage 1		Stage 2		Stage3	Total
	Above appropriate credit rating (*1)	Less than a limited credit rating (*2)	Above appropriate credit rating (*1)	Less than a limited credit rating (*2)		
Financial assets						
Off-balance accounts:						
Guarantees	10,152,900	1,382,592	11,504	191,962	70,498	11,809,456
Loan Commitments	105,108,967	4,045,595	1,951,649	977,185	5,284	112,088,680
Total	115,261,867	5,428,187	1,963,153	1,169,147	75,782	123,898,136

(\*1) Credit grade of corporates are AAA ~ BBB, and consumers are grades 1 ~ 6.

(\*2) Credit grade of corporate are BBB- ~ C, and consumers are grades 7 ~ 10.

5) Collateral and other credit enhancements

For the years ended December 31, 2021 and 2020, 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, 2021 and 2020 are 145,594 million won and 265,760 million won, respectively, with net losses recognized along with the changes 11,734 million won and 12,786 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. Notwithstanding the write-off, the Group may still exercise its right of collection after the asset has been written off in accordance with its collection policies.

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, 2021 and 2020 are 10,107,413 million won and 9,986,186 million won. In addition, the contractual non-recoverable amount of financial assets amortized for the year ended December 31, 2021, but still in the process of recovery is 355,039 million won.

(2) Market risk

Market risk is the possible risk of loss arising from trading position and non-trading position as a result of the volatility of market factors such as interest rates, stock prices and foreign exchange rates.

1) Market risk management

Market risk management refers to the process of making and implementing decisions for the avoidance, acceptance or mitigation of risks by identifying the underlying source of the risks and measuring its level, and evaluating the appropriateness of the level of accepted market risks.

a) Trading activities

The Group uses the standard method and the internally developed model (the Bank) in measuring market risk for trading positions, and allocates market risk capital through the Risk Management Committee. Risk management departments of the Group and its subsidiaries manage limits in detail including those on risk and loss with their management result regularly reported to the Risk

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Management Committee.

Woori Bank, a subsidiary of the Group, uses the internal model approved by the Financial Supervisory Service to measure the VaR using the Historical Simulation Method based on a 99% confidence level and a 10-day retention period, and calculates the required capital risk for calculating the BIS ratio. For internal management purposes, limit management is performed on a daily basis measuring VaR based on a 99% confidence and 1 day retention period. In addition, Woori Bank perform a daily verification that compares VaR measurement and profit and loss to verify the suitability of the model.

The minimum, maximum and average VaR of the Bank for the year December 31, 2021 and 2020, and the VaR of the Bank as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

Risk factor	December 31, 2021	For the year ended December 31, 2021			December 31, 2020	For the year ended December 31, 2020		
		Average	Maximum	Minimum		Average	Maximum	Minimum
Interest rate	4,177	4,681	14,017	2,405	6,815	7,959	15,065	2,427
Stock price	2,972	3,637	6,676	1,609	2,283	5,783	14,394	1,982
Foreign currencies	5,904	6,745	13,144	4,747	11,160	8,814	11,233	4,613
Diversification	(6,072)	(7,300)	(20,006)	(3,627)	(11,087)	(11,175)	(18,796)	(3,452)
Total VaR(*)	6,981	7,763	13,831	5,134	9,171	11,381	21,896	5,570

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

b) Non-trading activities

The Bank manages and measures interest risk for non-trading activities through  $\Delta$ 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) introduced at the end of 2019.

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

For assets and liabilities as of December 31, 2021 and 2020 that include bank, consolidated trusts and subsidiaries of the bank, details of  $\Delta$ EVE and  $\Delta$ NII calculated based on interest rate risk in banking book (IRRBB) are as follows (Unit: Korean Won in millions):

	December 31, 2021		December 31, 2020 (*3)	
	$\Delta$ EVE (*1)	$\Delta$ NII (*2)	$\Delta$ EVE (*1)	$\Delta$ NII (*2)
Woori Bank	920,290	195,186	634,596	66,138
Woori Card Co., Ltd.	126,576	59,114	-	-
Woori Financial Capital Co., Ltd.	58,794	1,384	-	-
Woori Investment Bank Co., Ltd.	17,607	5,556	-	-
Woori Asset Trust Co., Ltd.	820	1,709	-	-
Woori Asset Management Corp.	1,411	504	-	-
Woori Savings Bank	15,175	949	-	-
Woori Private Equity Asset Management Co., Ltd.	32	59	-	-
Woori Global Asset Management Co., Ltd.	246	143	-	-

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

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

(\*3) As of December 31, 2020, for the remaining subsidiaries except the bank, consolidated trusts, and consolidated subsidiaries of the bank, EVE and NII were not calculated.

For the remaining subsidiaries except the bank, consolidated trusts, and consolidated subsidiaries of the bank as of December 31, 2020, the interest rate EaR and VaR calculated based on the BIS Framework are as follows (Unit: Korean Won in millions):

	December 31, 2020	
	EaR (*1)	VaR (*2)
Woori Card Co., Ltd.	106,645	157,085
Woori Financial Capital Co., Ltd.	3,701	12,550
Woori Investment Bank Co., Ltd.	1,479	5,005
Woori Asset Trust Co., Ltd.	3,211	398
Woori Asset Management Corp.	64	493
Woori Private Equity Asset Management Co., Ltd.	193	37
Woori Global Asset Management Co., Ltd.	119	318

(\*1) EaR (Earning at Risk): Change of maximum expected income and expense

(\*2) VaR (Value at Risk): Maximum expected losses

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The Group estimates and manages risks related to changes in interest rate due to the difference in the maturities of interest-bearing assets and liabilities and discrepancies in the terms of interest rates. Cash flows (both principal and interest), interest bearing assets and liabilities, presented by each re-pricing date, are as follows (Unit: Korean Won in millions):

		December 31, 2021						
		Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Asset:								
Loans and other financial assets at amortized cost		205,915,030	58,661,091	14,461,769	12,840,318	62,337,321	5,204,605	359,420,134
Financial assets at FVTPL		1,725,063	52,361	49,843	17,817	223,107	13,501	2,081,692
Financial assets at FVTOCI		5,489,649	4,741,319	3,915,011	4,139,102	19,962,071	634,111	38,881,263
Securities at amortized cost		1,297,865	847,134	813,405	949,475	11,990,559	2,116,986	18,015,424
Total		214,427,607	64,301,905	19,240,028	17,946,712	94,513,058	7,969,203	418,398,513
Liability:								
Deposits due to customers		145,744,829	47,792,440	33,334,918	28,615,157	62,635,705	59,155	318,182,204
Borrowings		11,422,868	4,168,941	1,788,597	1,540,533	5,119,291	428,660	24,468,890
Debentures		8,325,421	3,035,764	3,203,743	3,174,902	25,036,943	3,342,284	46,119,057
Total		165,493,118	54,997,145	38,327,258	33,330,592	92,791,939	3,830,099	388,770,151

		December 31, 2020						
		Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Asset:								
Loans and other financial assets at amortized cost		177,214,415	54,035,826	12,410,513	11,140,520	64,799,854	5,170,572	324,771,700
Financial assets at FVTPL		609,542	263,510	91,791	94,879	150,148	13,239	1,223,109
Financial assets at FVTOCI		4,344,718	3,339,086	3,751,882	2,915,238	14,648,033	473,124	29,472,081
Securities at amortized cost		1,372,094	1,471,309	933,715	1,869,352	11,080,632	1,018,002	17,745,104
Total		183,540,769	59,109,731	17,187,901	16,019,989	90,678,667	6,674,937	373,211,994
Liability:								
Deposits due to customers		127,557,303	46,471,099	35,455,403	29,354,652	52,395,811	50,655	291,284,923
Borrowings		11,223,338	2,832,846	1,126,728	949,892	3,828,384	452,495	20,413,683
Debentures		3,246,233	3,396,427	3,929,346	3,495,915	21,899,788	3,257,026	39,224,735
Total		142,026,874	52,700,372	40,511,477	33,800,459	78,123,983	3,760,176	350,923,341

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, 2021 and 2020 are as follows (Unit: USD in millions, JPY in millions, CNY in millions, EUR in millions, and Korean Won in millions):

		December 31, 2021									
		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	3,176	3,765,460	15,834	163,131	1,236	230,188	94	125,513	826,870	5,111,162
	Loans and other financial assets at amortized cost	28,771	34,108,109	164,976	1,679,982	23,733	4,420,551	2,329	3,126,363	5,749,685	49,084,690
	Financial assets at FVTPL	468	556,296	14,618	150,596	-	-	327	438,662	71,369	1,216,923
	Financial assets at FVTOCI	3,195	3,787,466	-	-	3,899	726,310	33	44,638	741,348	5,299,762
	Securities at amortized cost	240	283,935	-	-	499	92,917	29	39,142	138,422	554,416
	Total	35,850	42,501,266	195,428	1,993,709	29,367	5,469,966	2,812	3,774,318	7,527,694	61,266,953
Liability	Financial liabilities at FVTPL	274	324,420	16,384	168,798	-	-	239	321,354	203,523	1,018,095
	Deposits due to customers	19,803	23,476,384	219,514	2,261,520	26,342	4,906,441	1,640	2,201,233	4,798,322	37,643,900
	Borrowings	5,766	6,835,191	31,601	325,745	-	-	349	469,124	1,395,597	9,025,657
	Debentures	3,566	4,228,055	-	-	-	-	-	-	341,621	4,569,676
	Other financial liabilities	2,739	3,247,454	10,673	109,958	2,658	495,125	335	449,897	211,392	4,513,826
	Total	32,148	38,111,504	278,172	2,866,021	29,000	5,401,566	2,563	3,441,608	6,950,455	56,771,154
Off-balance accounts		8,047	9,540,185	32,777	337,685	2,533	471,852	598	803,357	1,250,186	12,403,265

		December 31, 2020									
		USD		JPY		CNY		EUR		Others	Total
		Foreign currency	Korean Won equivalent	Foreign currency	Korean Won equivalent	Foreign currency	Korean Won equivalent	Foreign currency	Korean Won equivalent	Korean Won equivalent	Korean Won equivalent
Asset	Cash and cash equivalents	5,584	6,074,879	22,832	240,710	4,580	764,686	115	154,154	501,900	7,736,329
	Loans and other financial assets at amortized cost	21,687	23,595,957	172,782	1,821,554	24,230	4,045,435	2,001	2,678,382	4,857,438	36,998,766
	Financial assets at FVTPL	280	304,146	18,855	198,781	73	11,989	248	332,182	88,745	935,843
	Financial assets at FVTOCI	2,741	2,981,832	-	-	2,601	434,258	37	49,789	565,893	4,031,772
	Securities at amortized cost	319	347,570	-	-	-	-	34	45,197	115,534	508,301
	Total	30,611	33,304,384	214,469	2,261,045	31,484	5,256,368	2,435	3,259,704	6,129,510	50,211,011
Liability	Financial liabilities at FVTPL	426	463,678	14,493	152,792	-	-	158	211,525	115,429	943,424
	Deposits due to customers	16,664	18,130,448	220,153	2,320,983	26,733	4,463,300	1,532	2,050,400	3,443,631	30,408,762
	Borrowings	5,657	6,154,464	48,446	510,750	-	-	590	789,955	697,234	8,152,403
	Debentures	3,973	4,322,800	-	-	-	-	-	-	444,711	4,767,511
	Other financial liabilities	2,381	2,590,147	6,705	70,690	1,853	309,319	64	85,553	193,128	3,248,837
	Total	29,101	31,661,537	289,797	3,055,215	28,586	4,772,619	2,344	3,137,433	4,894,133	47,520,937
Off-balance accounts		7,441	8,095,297	24,992	263,478	3,007	502,106	533	712,846	556,988	10,130,715



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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 the use of funds (assets) and sources of funds (liabilities) or unexpected cash outflows. The financial liabilities that are relevant to liquidity risk are incorporated within the scope of risk management. Derivatives instruments are excluded from those financial liabilities as they reflect expected cash flows for a pre-determined period.

Assets and liabilities are grouped by account under Asset Liability Management ("ALM") in accordance with the characteristics of the account. The Group manages liquidity risk by identifying the maturity gap and such gap ratio through various cash flows analysis (i.e. based on remaining maturity and contract period, etc.), while maintaining the gap ratio at or below the target limit.

The information on early repayment related to asset securitization is described in NOTE 40.  
CONTINGENT LIABILITIES AND COMMITMENTS (4) 3).

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, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021						
	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	100,976	10,397	91,785	107,230	-	-	310,388
Deposits due to customers	224,881,863	32,559,199	20,290,566	31,768,748	9,213,279	1,615,198	320,328,853
Borrowings	9,477,536	4,366,223	2,415,548	2,494,732	5,800,815	440,506	24,995,360
Debentures	3,068,600	4,201,926	5,316,672	5,371,869	24,982,746	3,342,284	46,284,097
Lease liabilities	41,731	53,245	30,148	25,494	156,228	38,275	345,121
Other financial liabilities	17,614,313	228,388	12,190	11,894	610,514	1,999,198	20,476,497
Total	255,185,019	41,419,378	28,156,909	39,779,967	40,763,582	7,435,461	412,740,316

	December 31, 2020						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities at FVTPL	64,183	135,232	42,418	112,102	-	-	353,935
Deposits due to customers	191,660,253	34,349,298	25,213,410	31,144,452	9,230,904	1,793,143	293,391,460
Borrowings	10,159,819	2,524,572	1,714,490	1,866,810	4,177,634	463,376	20,906,701
Debentures	3,246,233	3,396,427	3,929,346	3,495,915	21,899,788	3,257,228	39,224,937
Lease liabilities	53,429	44,551	40,809	34,761	201,113	34,780	409,443
Other financial liabilities	8,121,978	70,277	10,294	10,897	451,096	2,142,772	10,807,314
Total	213,305,895	40,520,357	30,950,767	36,664,937	35,960,535	7,691,299	365,093,790

b) Cash flows of principals and interests by expected maturities of non-derivative financial liabilities as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021						
	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	100,976	10,397	91,785	107,230	-	-	310,388
Deposits due to customers	230,823,884	33,705,990	20,107,790	27,331,774	7,871,688	89,643	319,930,769
Borrowings	9,477,536	4,366,223	2,415,548	2,494,732	5,800,815	440,506	24,995,360
Debentures	3,068,600	4,201,926	5,316,672	5,371,869	24,982,746	3,342,284	46,284,097
Lease liabilities	41,716	53,260	30,216	25,653	162,092	41,814	354,751
Other financial liabilities	17,614,313	228,388	12,190	11,894	610,514	1,999,198	20,476,497
Total	261,127,025	42,566,184	27,974,201	35,343,152	39,427,855	5,913,445	412,351,862

	December 31, 2020						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities at FVTPL	68,909	131,496	41,428	112,102	-	-	353,935
Deposits due to customers	199,931,480	35,912,096	23,924,403	25,477,917	7,582,278	105,413	292,933,587
Borrowings	10,159,819	2,524,572	1,714,490	1,866,810	4,177,634	463,376	20,906,701
Debentures	3,246,233	3,396,427	3,929,346	3,495,915	21,899,788	3,257,228	39,224,937
Lease liabilities	53,429	44,894	40,949	35,074	208,125	36,950	419,421
Other financial liabilities	8,121,978	70,277	10,294	10,897	451,096	2,142,772	10,807,314
Total	221,581,848	42,079,762	29,660,910	30,998,715	34,318,921	6,005,739	364,645,895

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, 2021 and 2020 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, 2021	Cash flow risk hedge	246	(206)	(502)	(717)	(2,744)	(4,053)	(7,976)
	Fair value risk hedge	(1,656)	598	(940)	1,392	21,552	-	20,946
	Trading purpose	4,566,443	-	-	-	-	-	4,566,443
December 31, 2020	Cash flow risk hedge	2,655	6,004	515	239	55,744	-	65,157
	Fair value risk hedge	255	(302)	233	(287)	126	-	25
	Trading purpose	6,460,472	-	-	-	-	-	6,460,472

4) Maturity analysis of off-balance accounts (Guarantees and loan commitments)

A financial guarantee represents an irrevocable undertaking that the Group should meet a customer’s obligations to third parties if the customer fails to do so. The loan commitment represents the limit if the Group has promised a credit to the customer. Commitments to lend include commercial standby facilities and credit lines, liquidity facilities to commercial paper conduits and utilized overdraft facilities. The maximum limit to be paid by the Group in accordance with guarantees and loan commitment only applies to principal amounts. There are contractual maturities for financial guarantees, such as guarantees for debentures issued or loans, unused loan commitments, and other guarantees, however, under the terms of the guarantees and unused loan commitments, funds should be paid upon demand from the counterparty. Details of off-balance accounts are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Guarantees	12,987,809	11,809,456
Loan commitments	114,414,462	112,088,680
Other commitments	3,427,331	4,933,086

(4) Operational risk

The Group defines the operational risk that could cause a negative effect on capital resulting from inadequate internal process, labor work and systematic problem or external factors.

1) Operational risk management

The Group has established and operated an operating risk management system to strengthen external competitiveness, reduce risk capital volume, enhance operational risk management capacity and prevent accidents through compliance with Basel II, and has obtained approval from the Financial Supervisory Service for “Advanced Measurement Approaches”(AMA) based on self-compliance verification and independent third-party inspection results.

2) Operational risk measurement

The Group is applying the basic indicator method for the purpose of calculating the regulatory capital of operation risk, and the Bank is applying the advanced measurement method. The Bank applies AMA using internal and external loss data, business environment and internal control factors, and scenario analysis.

(5) Capital management

The Group complies with the standard of capital adequacy provided by financial regulatory authorities. The capital adequacy standard is based on Basel published by Basel III Committee on Banking Supervision in Bank for International Settlement in 2010 and was implemented in Korea in December 2013. The capital adequacy ratio is calculated by dividing own capital by asset (weighted with a risk premium – risk weighted assets) based on the consolidated financial statements of the Group.

According to the above regulations, the Group is required to meet the following new minimum requirements: Tier 1 common capital ratio of 8.0%, a Tier 1 capital ratio of 9.5%, and a minimum total capital ratio of 11.5% as of December 31, 2021.

Details of the Group’s capital adequacy ratio as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Details(*)		
Tier 1 capital	21,994,047	19,828,094
Other Tier 1 capital	3,590,212	3,533,648
Tier 2 capital	3,395,989	4,086,035
Total risk-adjusted capital	28,980,248	27,447,777
Risk-weighted assets for credit risk	171,199,840	178,114,590
Risk-weighted assets for market risk	6,388,428	6,086,905
Risk-weighted assets for operational risk	14,914,801	14,067,185
Total risk-weighted assets	192,503,069	198,268,680
Common Equity Tier 1 ratio	11.43%	10.00%
Tier 1 capital ratio	13.29%	11.78%
Total capital ratio	15.05%	13.84%

(\*) 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 information per type of customers. With the establishment of Woori Financial Group Inc. during the prior term, the Group reports to the CODM according to the organizational sectors below. This financial information of the segments is regularly reviewed by the CODM to make decisions about resources to be allocated to each segment and evaluate its performance.

(1) Segment by type of organization

The Group’s reporting segments consist of banking, credit card, 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 Woori Bank subsidiaries’ customers
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	Woori Financial Group Inc., Woori Asset Trust Co., Ltd., Woori Asset Management Corp., Ltd.,
Others	Woori Savings Bank., Woori Credit Information Co., Ltd., Woori Fund Services Inc., Woori Private Equity Asset Management Co., Ltd., Woori Global Asset Management Co., Ltd., Woori FIS Co., Ltd. and Woori Finance Research Institute,

(2) The composition of each organization's sectors for the years ended December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021							
	Banking (*1)	Credit card	Capital	Investment banking	Others (*2)	Sub-total	Adjustments (*3)	Total
Net interest income	5,158,078	606,506	315,600	108,321	29,515	6,218,020	767,701	6,985,721
Non-interest income(expense)	1,661,903	63,839	95,297	49,419	1,111,422	2,981,880	(1,623,603)	1,358,277
Impairment losses due to credit loss	(140,574)	(164,097)	(122,089)	(1,885)	(19,601)	(448,246)	(88,592)	(536,838)
General and administrative expense	(3,606,715)	(225,175)	(99,048)	(51,490)	(440,601)	(4,423,029)	275,618	(4,147,411)
Net operating income(expense)	3,072,692	281,073	189,760	104,365	680,735	4,328,625	(668,876)	3,659,749
Share of gain of associates	60,049	-	1,000	750	4,390	66,189	(3,993)	62,196
Other non-operating expense	42,542	(7,936)	(16,943)	(660)	(1,071)	15,932	11,364	27,296
Non-operating income(expense)	102,591	(7,936)	(15,943)	90	3,319	82,121	7,371	89,492
Net income(expense) before tax	3,175,283	273,137	173,817	104,455	684,054	4,410,746	(661,505)	3,749,241
Tax expense	(790,177)	(72,411)	(33,238)	(24,531)	(16,799)	(937,156)	(4,714)	(941,870)
Net income(loss)	2,385,106	200,726	140,579	79,924	667,255	3,473,590	(666,219)	2,807,371
Total assets	415,976,627	14,116,832	10,259,868	5,159,742	25,627,649	471,140,718	(23,956,847)	447,183,871
Investment in associate	858,706	-	12,403	8,846	22,165,895	23,045,850	(21,710,683)	1,335,167
Other assets	415,117,921	14,116,832	10,247,465	5,150,896	3,461,754	448,094,868	(2,246,164)	445,848,704
Total liabilities	391,315,108	11,858,065	9,073,104	4,559,856	3,284,269	420,090,402	(1,756,726)	418,333,676

(\*1) The banking sector includes banks and their consolidated subsidiaries (such as overseas subsidiaries)

(\*2) Other segments include Woori Financial Group Inc., Woori Asset Trust Co., Ltd., Woori Asset Management Corp., Woori Savings Bank, Woori Credit Information Co., Ltd., Woori Fund Service Inc., Woori Private Equity Asset Management Co., Ltd., Woori Global Asset Management Co., Ltd., Woori FIS Co., Ltd. and Woori Finance Research Institute.

(\*3) Adjustments were made for the presentation of profit or loss in accordance with the Accounting Standards from the reporting segments in accordance with the Managerial Accounting Standards.

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	For the year ended December 31, 2020						
	Banking (*1)	Credit card	Investment banking	Others (*2)	Sub-total	Adjustments (*3)	Total
Net Interest income(expense)	4,545,155	564,461	78,302	69,188	5,257,106	741,406	5,998,512
Non-interest income(expense)	1,423,286	3,648	34,497	1,071,852	2,533,283	(1,710,849)	822,434
Impairment losses due to credit loss	(512,008)	(195,816)	(4,146)	(43,660)	(755,630)	(28,741)	(784,371)
General and administrative expense	(3,545,186)	(207,301)	(39,039)	(416,595)	(4,208,121)	251,940	(3,956,181)
Net operating income(expense)	1,911,247	164,992	69,614	680,785	2,826,638	(746,244)	2,080,394
Share of gain of associates	(6,895)	-	170	1,255	(5,470)	106,547	101,077
Other non-operating expense	(50,132)	(5,569)	(945)	(484)	(57,130)	(123,090)	(180,220)
Non-operating income(expense)	(57,027)	(5,569)	(775)	771	(62,600)	(16,543)	(79,143)
Net income(expense) before tax	1,854,220	159,423	68,839	681,556	2,764,038	(762,787)	2,001,251
Tax income(expense)	(437,288)	(39,193)	(5,902)	(29,372)	(511,755)	25,753	(486,002)
Net income(loss)	1,416,932	120,230	62,937	652,184	2,252,283	(737,034)	1,515,249
Total assets	374,120,064	11,366,596	4,332,474	31,872,690	421,691,824	(22,610,807)	399,081,017
Investment in associate	3,382,650	-	2,494	21,586,506	24,971,650	(23,978,359)	993,291
Other assets	370,737,414	11,366,596	4,329,980	10,286,184	396,720,174	1,367,552	398,087,726
Total liabilities	348,706,682	9,312,986	3,803,594	9,606,742	371,430,004	925,168	372,355,172

(\*1) The banking sector includes banks and overseas subsidiaries.

(\*2) Other segments include gains and losses from Woori Financial Group Inc., Woori Financial Capital Co., Ltd.( Profit or loss for 3 months after incorporation into subsidiary), Woori Asset Trust Co., Ltd., Woori Asset Management Corp., Woori Credit Information Co., Ltd., Woori Fund Service Inc., Woori Private Equity Asset Management Co., Ltd., Woori Global Asset Management Co., Ltd., Woori FIS Co., Ltd. and Woori Finance Research Co., Ltd..

(\*3) Adjustments were made for the presentation of profit or loss in accordance with the Accounting Standards from the reporting segments in accordance with the Managerial Accounting Standards.

(3) Operating profit or loss from external customers for the years ended December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

Details	For the years ended December 31	
	2021	2020
Domestic	3,288,341	1,869,516
Foreign	371,408	210,878
Total	3,659,749	2,080,394

(4) Major non-current assets as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

Details (*)	December 31, 2021 (*)	December 31, 2020 (*)
Domestic	5,201,838	5,026,161
Foreign	482,930	433,869
Total	5,684,768	5,460,030

(\*) 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, 2021 and 2020.

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6. STATEMENTS OF CASH FLOWS

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

	December 31, 2021	December 31, 2020
Cash	1,742,449	1,611,282
Foreign currencies	503,205	514,565
Demand deposits	5,161,529	7,314,353
Fixed deposits	158,635	550,783
Total	7,565,818	9,990,983

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

	For the years ended December 31	
	2021	2020
Changes in other comprehensive income related to valuation of financial assets at FVTOCI	(150,327)	59,360
Changes in other comprehensive income related to valuation of assets of associate	1,526	(2,298)
Changes in other comprehensive income related to valuation profit or loss on cash flow hedge	7,107	4,420
Changes in financial assets measure at FVTOCI due to debt-for-equity swap	79	3,575
Changes in the investment assets of associates due to the transfer of assets held-for-sale	(52)	(50,411)
Changes in financial assets at FVTPL and assets held-for-sale	-	(2,385)
Transfer from property, plant and equipment to assets held for sale	(12,852)	-
Transfer of investment properties and premises and equipment	6,095	30,431
Changes in account payables related to intangible assets	(11,640)	(11,639)
Changes in right-of-use assets and lease liabilities	150,644	222,587
Comprehensive stock exchange	64,301	-
Changes in other comprehensive income related to foreign operation translation	246,808	(153,472)

(3) Adjustments of liabilities from financing activities in current and prior year are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021					
	Not involving cash inflows and outflows					
	Beginning balance	Cash flow	Foreign Exchange	Variation of gains on valuation of hedged items	Others (*)	Ending balance
Borrowings	20,745,466	3,199,712	804,649	-	5,632	24,755,459
Debentures	37,479,358	6,893,661	392,077	(104,306)	(6,926)	44,653,864
Lease liabilities	407,431	(177,593)	10,950	-	102,425	343,213
Other liabilities	26,354	14,173	-	-	(13,620)	26,907
Total	58,658,609	9,929,953	1,207,676	(104,306)	87,511	69,779,443

(\*) The change in lease liabilities due to the new contract includes 189,660 million won.

	For the year ended December 31, 2020						
	Not involving cash inflows and outflows						
	Beginning balance	Cash flow	Foreign Exchange	Variation of gains on valuation of hedged items	Business Combination	Others(*)	Ending balance
Borrowings	18,998,920	2,033,851	(586,215)	-	298,854	56	20,745,466
Debentures	30,858,055	913,836	(290,041)	58,861	5,980,746	(42,099)	37,479,358
Lease liabilities	419,045	(204,794)	(5,141)	-	3,751	194,570	407,431
Other liabilities	23,909	3,971	-	-	-	(1,526)	26,354
Total	50,299,929	2,746,864	(881,397)	58,861	6,283,351	151,001	58,658,609

(\*) The change in lease liabilities due to the new contract includes 231,325 million won.

7. FINANCIAL ASSETS AT FVTPL

(1) Details of financial assets at FVTPL as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Financial assets at fair value through profit or loss measured at fair value	13,497,234	14,762,941

(2) Financial assets at fair value through profit or loss measured at fair value as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Deposits:		
Gold banking asset	65,072	48,796
Securities:		
Debt securities		
Korean treasury and government agencies	995,713	1,020,418
Financial institutions	925,474	873,031
Corporates	751,636	761,681
Others	70,416	231,967
Equity securities	329,864	485,793
Capital contributions	1,287,723	865,685
Beneficiary certificates	3,504,547	2,812,558
Others	94,673	84,979
Sub-total	7,960,046	7,136,112
Loans	667,467	676,291
Derivatives assets	4,803,131	6,901,742
Other financial assets	1,518	-
Total	13,497,234	14,762,941

The Group does not have financial assets at fair value through profit or loss designated as upon initial recognition as of December 31, 2021 and 2020.



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8. FINANCIAL ASSETS AT FVTOCI

(1) Details of financial assets at FVTOCI as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Debt securities:		
Korean treasury and government agencies	4,728,085	2,922,671
Financial institutions	22,909,615	17,996,660
Corporates	5,091,035	3,896,744
Bond denominated in foreign currencies	5,299,707	4,031,721
Securities loaned	98,535	100,345
Sub-total	38,126,977	28,948,141
Equity securities	992,812	1,080,788
Total	39,119,789	30,028,929

(2) Details of equity securities designated as financial assets at FVTOCI as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

Purpose of acquisition	December 31, 2021	December 31, 2020	Remarks
Investment for strategic business partnership purpose	796,835	778,657	
Debt-equity swap	195,971	302,090	
Others	6	41	Insurance for mutual aid association, etc.
Total	992,812	1,080,788	

(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, 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(9,631)	-	-	(9,631)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net provision of loss allowance	(4,909)	-	-	(4,909)
Disposal	2,378	-	-	2,378
Others (*)	16	-	-	16
Ending balance	(12,146)	-	-	(12,146)

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

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(8,569)	-	-	(8,569)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net provision of loss allowance	(1,529)	-	-	(1,529)
Disposal	764	-	-	764
Others (*)	(297)	-	-	(297)
Ending balance	(9,631)	-	-	(9,631)

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

2) Gross carrying amount

	For the year ended December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	28,948,141	-	-	28,948,141
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	30,522,426	-	-	30,522,426
Disposal / Recovery	(21,533,360)	-	-	(21,533,360)
Gain (loss) on valuation	(213,517)	-	-	(213,517)
Amortization based on effective interest method	31,641	-	-	31,641
Others (*)	371,646	-	-	371,646
Ending balance	38,126,977	-	-	38,126,977

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

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	26,795,161	-	-	26,795,161
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	22,970,010	-	-	22,970,010
Disposal / Recovery	(20,530,076)	-	-	(20,530,076)
Gain (loss) on valuation	17,957	-	-	17,957
Amortization based on effective interest method	(12,545)	-	-	(12,545)
Others (*)	(292,366)	-	-	(292,366)
Ending balance	28,948,141	-	-	28,948,141

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

(4) During the years ended December 31, 2021 and 2020, 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 138,511 million won and 2,848 million won, respectively and cumulative losses at disposal dates were 3,062 million won and 3,665 million won, respectively.

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9. SECURITIES AT AMORTIZED COST

(1) Details of securities at amortized cost as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Korean treasury and government agencies	8,882,500	6,947,495
Financial institutions	1,835,947	4,843,534
Corporates	5,818,646	4,726,075
Bond denominated in foreign currencies	554,416	508,301
Allowance for credit losses	(5,235)	(4,566)
Total	17,086,274	17,020,839

(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, 2021				
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(4,566)	-	-	(4,566)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net provision of loss allowance	(664)	-	-	(664)
Others (*)	(5)	-	-	(5)
Ending balance	(5,235)	-	-	(5,235)

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

For the year ended December 31, 2020				
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(5,511)	-	-	(5,511)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net reversal of loss allowance	934	-	-	934
Others (*)	11	-	-	11
Ending balance	(4,566)	-	-	(4,566)

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

2) Gross carrying amount

For the year ended December 31, 2021				
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	17,025,405	-	-	17,025,405
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	6,435,692	-	-	6,435,692
Disposal / Recovery	(6,425,408)	-	-	(6,425,408)
Amortization based on effective interest method	14,810	-	-	14,810
Others (*)	41,010	-	-	41,010
Ending balance	17,091,509	-	-	17,091,509

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

For the year ended December 31, 2020				
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	20,326,050	-	-	20,326,050
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	2,380,448	-	-	2,380,448
Disposal / Recovery	(5,659,365)	-	-	(5,659,365)
Amortization based on effective interest method	(396)	-	-	(396)
Others (*)	(21,332)	-	-	(21,332)
Ending balance	17,025,405	-	-	17,025,405

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

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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, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Due from banks	15,914,139	9,863,160
Loans	336,799,510	302,794,182
Other financial assets	9,219,223	7,448,736
Total	361,932,872	320,106,078

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

	December 31, 2021	December 31, 2020
Due from banks in local currency:		
Due from The Bank of Korea ("BOK")	10,219,055	6,519,226
Due from depository banks	159,264	84,195
Due from non-depository institutions	14,146	266
Due from the Korea Exchange	54	227
Others	191,501	172,914
Loss allowance	(2,452)	(1,576)
Sub-total	10,581,568	6,775,252
Due from banks in foreign currencies:		
Due from banks on demand	3,615,983	1,608,126
Due from banks on time	205,351	296,489
Others	1,514,819	1,186,083
Loss allowance	(3,582)	(2,790)
Sub-total	5,332,571	3,087,908
Total	15,914,139	9,863,160

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

	Counterparty	December 31, 2021	Reason of restriction
Due from banks in local currency:			
Due from BOK	The BOK	10,219,055	Reserve deposits under the BOK Act
Due from KSFC	KB Securities Co. Ltd.	54	Futures trading margin
Others	Korea Federation of Savings Banks and others	75,897	Guarantees, mortgage of domestic exchange transactions and others
Sub-total		10,295,006	
Due from banks in foreign currencies:			
Due from banks on demand	The BOK and others	3,549,695	Reserve deposits under the BOK Act and others
Foreign currency deposits on time	National Bank Cambodia	237	Reserve deposits and others
Others	Korea Investment & Securities and others	1,509,471	Overseas futures and options trade deposits and others
Sub-total		5,059,403	
Total		15,354,409	

	Counterparty	December 31, 2020	Reason of restriction
Due from banks in local currency:			
Due from BOK	The BOK	6,519,226	Reserve deposits under the BOK Act
Due from KSFC	KB Securities Co. Ltd.	227	Futures trading margin
Others	Korea Federation of Savings Banks and others	89,562	Guarantees, mortgage of domestic exchange transactions and others
Sub-total		6,609,015	
Due from banks in foreign currencies:			
Due from banks on demand	The BOK and others	1,544,492	Reserve deposits under the BOK Act and others
Foreign currency deposits on time	National Bank Cambodia	54	Reserve deposits and others
Others	Korea Investment & Securities and others	1,180,570	Overseas futures and options trade deposits and others
Sub-total		2,725,116	
Total		9,334,131	

(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, 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(4,366)	-	-	(4,366)
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	(1,477)	-	-	(1,477)
Others (*)	(191)	-	-	(191)
Ending balance	(6,034)	-	-	(6,034)

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

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(4,860)	-	-	(4,860)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Reversal for allowance for credit loss	315	-	-	315
Others (*)	179	-	-	179
Ending balance	(4,366)	-	-	(4,366)

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

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2) Gross carrying amount

	For the year ended December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	9,867,526	-	-	9,867,526
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net decrease	5,977,989	-	-	5,977,989
Others (*)	74,658	-	-	74,658
Ending balance	15,920,173	-	-	15,920,173

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

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	14,497,083	-	-	14,497,083
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net decrease	(4,759,053)	-	-	(4,759,053)
Business combination	129,825	-	-	129,825
Others (*)	(329)	-	-	(329)
Ending balance	9,867,526	-	-	9,867,526

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

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

	December 31, 2021	December 31, 2020
Loans in local currency	273,283,542	249,264,947
Loans in foreign currencies (*)	24,508,250	20,025,092
Domestic banker's usance	3,403,021	2,240,830
Credit card accounts	9,757,115	8,542,619
Bills bought in foreign currencies	5,310,080	5,763,427
Bills bought in local currency	265,275	133,650
Factoring receivables	17,406	38,017
Advances for customers on guarantees	26,766	31,300
Private placement bonds	519,150	353,585
Securitized loans	2,874,480	2,561,914
Call loans	3,481,219	2,352,034
Bonds purchased under resale agreements	10,332,858	10,145,749
Financial lease receivables	1,173,751	586,216
Installment financial bond	2,882,396	1,925,493
Others	159	380
Loan origination costs and fees	858,051	744,109
Discounted present value	(7,299)	(6,656)
Allowance for credit losses	(1,886,710)	(1,908,524)
Total	336,799,510	302,794,182

(\*) It includes 50,088 million won in collateral assets related to the sale of bonds under repurchase agreements at the end of the previous year.

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

	For the year ended December 31, 2021					
	Consumers			Corporates		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	(121,527)	(84,463)	(205,693)	(327,460)	(521,907)	(388,744)
Transfer to 12-month expected credit losses	(23,328)	19,736	3,592	(80,803)	49,902	30,901
Transfer to lifetime expected credit losses	9,201	(11,466)	2,265	14,106	(35,706)	21,600
Transfer to credit-impaired financial assets	2,752	9,918	(12,670)	1,562	18,741	(20,303)
Net reversal(provision) of loss allowance	(4,456)	(32,764)	(130,424)	49,562	(91,981)	(168,323)
Recovery	-	-	(75,058)	-	-	(55,108)
Charge-off	-	-	174,012	-	-	233,507
Disposal	-	-	14,890	-	-	64,078
Interest income from impaired loans	-	-	13,743	-	-	12,672
Others	838	1,435	8,726	(19,733)	4,211	18,487
Ending balance	(136,520)	(97,604)	(206,617)	(362,766)	(576,740)	(251,233)

	For the year ended December 31, 2021					
	Credit card accounts			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	(62,712)	(90,481)	(105,537)	(511,699)	(696,851)	(699,974)
Transfer to 12-month expected credit losses	(26,846)	26,581	265	(130,977)	96,219	34,758
Transfer to lifetime expected credit losses	7,497	(8,151)	654	30,804	(55,323)	24,519
Transfer to credit-impaired financial assets	356	925	(1,281)	4,670	29,584	(34,254)
Net reversal(provision) of loss allowance	12,894	(44,363)	(145,336)	58,000	(169,108)	(444,083)
Recovery	-	-	(65,620)	-	-	(195,786)
Charge-off	-	-	220,352	-	-	627,871
Disposal	-	-	25,576	-	-	104,544
Interest income from impaired loans	-	-	-	-	-	26,415
Others	(3)	-	-	(18,898)	5,646	27,213
Ending balance	(68,814)	(115,489)	(70,927)	(568,100)	(789,833)	(528,777)

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	For the year ended December 31, 2020					
	Consumers			Corporates		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	(85,148)	(77,962)	(125,588)	(324,258)	(297,718)	(390,045)
Transfer to 12-month expected credit losses	(20,839)	20,050	789	(29,117)	25,067	4,050
Transfer to lifetime expected credit losses	9,137	(10,800)	1,663	19,259	(48,184)	28,925
Transfer to credit-impaired financial assets	3,549	4,913	(8,462)	3,607	10,349	(13,956)
Net reversal(provision) of loss allowance	5,142	(10,042)	(125,923)	2,831	(200,024)	(271,265)
Recovery	-	-	(71,277)	-	-	(66,179)
Charge-off	-	-	181,713	-	-	243,634
Disposal	-	-	5,640	-	13	47,106
Interest income from impaired loans	-	-	10,790	-	-	14,945
Business combination	(31,327)	(15,129)	(72,040)	(13,703)	(18,164)	(24,364)
Others	(2,041)	4,507	(2,998)	13,921	6,754	38,405
Ending balance	(121,527)	(84,463)	(205,693)	(327,460)	(521,907)	(388,744)

	For the year ended December 31, 2020					
	Credit card accounts			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	(74,726)	(71,533)	(128,042)	(484,132)	(447,213)	(643,675)
Transfer to 12-month expected credit losses	(14,978)	14,755	223	(64,934)	59,872	5,062
Transfer to lifetime expected credit losses	9,341	(9,742)	401	37,737	(68,726)	30,989
Transfer to credit-impaired financial assets	627	1,137	(1,764)	7,783	16,399	(24,182)
Net reversal(provision) of loss allowance	17,022	(25,098)	(179,872)	24,995	(235,164)	(577,060)
Recovery	-	-	(66,026)	-	-	(203,482)
Charge-off	-	-	245,890	-	-	671,237
Disposal	-	-	23,653	-	13	76,399
Interest income from impaired loans	-	-	-	-	-	25,735
Business combination	-	-	-	(45,030)	(33,293)	(96,404)
Others	2	-	-	11,882	11,261	35,407
Ending balance	(62,712)	(90,481)	(105,537)	(511,699)	(696,851)	(699,974)

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

	For the year ended December 31, 2021					
	Consumers			Corporates		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	125,990,038	12,016,711	537,106	149,574,932	7,328,741	717,909
Transfer to 12-month expected credit losses	4,377,247	(4,357,347)	(19,900)	1,610,541	(1,575,157)	(35,384)
Transfer to lifetime expected credit losses	(6,104,417)	6,127,477	(23,060)	(3,627,800)	3,670,808	(43,008)
Transfer to credit-impaired financial assets	(108,717)	(79,746)	188,463	(244,236)	(132,986)	377,222
Charge-off	-	-	(174,012)	-	-	(233,507)
Disposal	-	-	(48,795)	-	-	(187,571)
Net increase (decrease)	10,985,534	(206,312)	40,167	23,481,818	(833,127)	(53,929)
Ending balance	135,139,685	13,500,783	499,969	170,795,255	8,458,279	541,732

	For the year ended December 31, 2021					
	Credit card accounts			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	7,278,975	1,078,220	180,074	282,843,945	20,423,672	1,435,089
Transfer to 12-month expected credit losses	359,101	(358,776)	(325)	6,346,889	(6,291,280)	(55,609)
Transfer to lifetime expected credit losses	(513,635)	514,369	(734)	(10,245,852)	10,312,654	(66,802)
Transfer to credit-impaired financial assets	(17,416)	(9,253)	26,669	(370,369)	(221,985)	592,354
Charge-off	-	-	(220,352)	-	-	(627,871)
Disposal	-	-	(56,520)	-	-	(292,886)
Net increase (decrease)	1,132,278	170,579	187,263	35,599,630	(868,860)	173,501
Ending balance	8,239,303	1,395,139	116,075	314,174,243	23,354,201	1,157,776

	For the year ended December 31, 2020					
	Consumers			Corporates		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	111,253,283	12,448,807	417,674	134,443,979	4,910,598	740,257
Transfer to 12-month expected credit losses	4,564,471	(4,552,400)	(12,071)	1,160,399	(1,146,756)	(13,643)
Transfer to lifetime expected credit losses	(5,365,577)	5,388,064	(22,487)	(3,983,614)	4,023,106	(39,492)
Transfer to credit-impaired financial assets	(96,197)	(103,016)	199,213	(357,386)	(120,491)	477,877
Charge-off	-	-	(181,713)	-	-	(243,634)
Disposal	-	-	(55,349)	-	(398)	(163,644)
Net increase (decrease)	13,326,560	(1,289,910)	54,503	14,804,391	(696,164)	(64,490)
Business combination	2,307,498	125,166	137,336	3,507,163	358,846	24,678
Ending balance	125,990,038	12,016,711	537,106	149,574,932	7,328,741	717,909

	For the year ended December 31, 2020					
	Credit card accounts			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	7,278,467	885,832	228,367	252,975,729	18,245,237	1,386,298
Transfer to 12-month expected credit losses	257,399	(257,144)	(255)	5,982,269	(5,956,300)	(25,969)
Transfer to lifetime expected credit losses	(454,230)	454,709	(479)	(9,803,421)	9,865,879	(62,458)
Transfer to credit-impaired financial assets	(26,947)	(10,796)	37,743	(480,530)	(234,303)	714,833
Charge-off	-	-	(245,890)	-	-	(671,237)
Disposal	-	-	(43,781)	-	(398)	(262,774)
Net increase (decrease)	224,286	5,619	204,369	28,355,237	(1,980,455)	194,382
Business combination	-	-	-	5,814,661	484,012	162,014
Ending balance	7,278,975	1,078,220	180,074	282,843,945	20,423,672	1,435,089



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

	December 31, 2021	December 31, 2020
Cash Management Account asset (CMA asset)	140,000	210,000
Receivables	6,852,139	3,809,929
Accrued income	1,049,857	864,107
Telex and telephone subscription rights and refundable deposits	870,707	936,878
Domestic exchange settlement debit	82,555	1,518,775
Other assets	290,746	192,342
Allowance for credit losses	(66,781)	(83,295)
Total	9,219,223	7,448,736

(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, 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(3,666)	(5,450)	(74,179)	(83,295)
Transfer to 12-month expected credit losses	(228)	217	11	-
Transfer to lifetime expected credit losses	147	(174)	27	-
Transfer to credit-impaired financial assets	167	288	(455)	-
Reversal (provision) of loss allowance	511	(464)	4,664	4,711
Charge-off	-	-	9,965	9,965
Disposal	-	-	1,400	1,400
Others	(606)	3	1,041	438
Ending balance	(3,675)	(5,580)	(57,526)	(66,781)

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(3,196)	(1,666)	(72,277)	(77,139)
Transfer to 12-month expected credit losses	(142)	129	13	-
Transfer to lifetime expected credit losses	125	(155)	30	-
Transfer to credit-impaired financial assets	23	64	(87)	-
Provision of loss allowance	(667)	(1,589)	(3,080)	(5,336)
Charge-off	-	-	2,151	2,151
Disposal	-	-	1,557	1,557
Business combination	(624)	(2,235)	(1,968)	(4,827)
Others	815	2	(518)	299
Ending balance	(3,666)	(5,450)	(74,179)	(83,295)

(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, 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	7,267,426	76,418	188,187	7,532,031
Transfer to 12-month expected credit losses	8,909	(8,894)	(15)	-
Transfer to lifetime expected credit losses	(27,369)	27,399	(30)	-
Transfer to credit-impaired financial assets	(1,877)	(1,638)	3,515	-
Charge-off	-	-	(9,965)	(9,965)
Disposal	-	-	(1,716)	(1,716)
Net increase (decrease)	1,757,450	13,312	(5,108)	1,765,654
Ending balance	9,004,539	106,597	174,868	9,286,004

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	8,059,844	92,647	117,874	8,270,365
Transfer to 12-month expected credit losses	8,760	(8,737)	(23)	-
Transfer to lifetime expected credit losses	(15,305)	15,334	(29)	-
Transfer to credit-impaired financial assets	(1,900)	(701)	2,601	-
Charge-off	-	-	(2,151)	(2,151)
Disposal	-	-	(1,847)	(1,847)
Net increase (decrease)	(856,008)	(26,539)	69,500	(813,047)
Business combination	72,035	4,414	2,262	78,711
Ending balance	7,267,426	76,418	188,187	7,532,031

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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.

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

December 31, 2021				
	Level 1 (*)	Level 2 (*)	Level 3	Total
Financial assets:				
Financial assets at FVTPL				
Deposits	65,072	-	-	65,072
Debt securities	817,584	1,923,538	2,117	2,743,239
Equity securities	25,879	-	303,985	329,864
Capital contributions	-	-	1,287,723	1,287,723
Beneficiary certificates	74,271	2,326,202	1,104,074	3,504,547
Loans	-	453,832	213,635	667,467
Derivative assets	10,911	4,762,872	29,348	4,803,131
Others	-	-	96,191	96,191
Sub-total	993,717	9,466,444	3,037,073	13,497,234
Financial assets at FVTOCI				
Debt securities	5,578,455	32,548,522	-	38,126,977
Equity securities	411,357	-	581,455	992,812
Sub-total	5,989,812	32,548,522	581,455	39,119,789
Derivative assets (Designated for hedging)	-	106,764	-	106,764
Total	6,983,529	42,121,730	3,618,528	52,723,787
Financial liabilities:				
Financial liabilities at FVTPL				
Deposits due to customers	65,016	-	-	65,016
Derivative liabilities	10,259	4,552,368	4,641	4,567,268
Securities sold	211,408	29,766	-	241,174
Sub-total	286,683	4,582,134	4,641	4,873,458
Derivative liabilities (Designated for hedging)	-	27,584	-	27,584
Total	286,683	4,609,718	4,641	4,901,042

(\*) 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, 2020			
	Level 1 (*)	Level 2 (*)	Level 3	Total
Financial assets:				
Financial assets at FVTPL				
Deposits	48,796	-	-	48,796
Debt securities	516,597	2,365,882	4,618	2,887,097
Equity securities	35,422	-	450,371	485,793
Capital contributions	-	-	865,685	865,685
Beneficiary certificates	24,895	869,852	1,917,811	2,812,558
Loans	-	467,229	209,062	676,291
Derivative assets	18,416	6,875,454	7,872	6,901,742
Others	-	-	84,979	84,979
Sub-total	644,126	10,578,417	3,540,398	14,762,941
Financial assets at FVTOCI				
Debt securities	3,092,237	25,855,904	-	28,948,141
Equity securities	510,073	-	570,715	1,080,788
Sub-total	3,602,310	25,855,904	570,715	30,028,929
Derivative assets (Designated for hedging)	-	174,820	-	174,820
Total	4,246,436	36,609,141	4,111,113	44,966,690
Financial liabilities:				
Financial liabilities at FVTPL				
Deposits due to customers	49,279	-	-	49,279
Derivative liabilities	6,024	6,433,727	20,136	6,459,887
Securities sold	285,026	-	-	285,026
Sub-total	340,329	6,433,727	20,136	6,794,192
Financial liabilities at FVTPL designated as upon initial recognition				
Equity-linked securities	-	-	19,630	19,630
Derivative liabilities (Designated for hedging)	-	64,769	-	64,769
Total	340,329	6,498,496	39,766	6,878,591

(\*) There were no transfers between Level 1 and Level 2 of financial assets and liabilities measured at fair value. The Group recognizes transfers among levels at the end of reporting period in which events have occurred or conditions have changed.

Financial assets and liabilities at FVTPL, financial liabilities at FVTPL designated as upon initial recognition, financial assets at FVTOCI, and derivative assets and liabilities are recognized at fair value. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Financial instruments are measured at fair value using a quoted market price in active markets. If there is no active market for a financial instrument, the Group determines the fair value using valuation methods. Valuation methods and input variables for each type of financial instruments are as follows:

1) Valuation methods and input variables for each type of financial instrument classified into level 2 in December 31, 2021 and 2020 are as follows:

	Valuation methods	Input variables
Debt securities	Fair value is measured by discounting the future cash flows of debt securities applying the risk-free market rate with credit spread.	Risk-free market rate and credit spread
Beneficiary certificates	The beneficiary certificates classified as Level 2 are MMF and are measured at the standard price.	Standard price
Derivatives	Fair value is measured by models such as option model (Closed form), DCF model, FDM and Monte Carlo Simulation.	Discount rate, values of underlying assets such as foreign exchange rate and stock prices, risk-free market rate, forward rate, etc.
Loans	The future cash flows of debt instruments are measured at a discount by applying the market interest rate applied to entities with similar creditworthiness to the debtor.	Risk-free market rate and credit spread

2) Valuation methods and input variables for each type of financial instrument classified into level 3 in December 31, 2021 and 2020 are as follows:

	Valuation methods	Input variables
Loans, bond with options	Fair value is calculated by using the Discounted Cash Flow Model, Binomial Tree, which is a valuation technique commonly used in the market taking into account the price and variability of the underlying asset, and LSMC.	Values of underlying assets, volatility, credit spread, discount rate and terminal growth rate
Debt securities	The Group is measuring fair value with LSMC and the Hull-White model.	Stock volatility, interest rate volatility and discount rate
Equity securities, capital contributions and Beneficiary certificates	Among DCF (Discounted Cash Flow) Model, FCFE (Free Cash Flow to Equity) Model, Comparable Company Analysis, Dividend Discount Model, Risk-adjusted Rate of Return Method, Net Asset Value Method, LSMC, and Binomial Tree, more than one method is used given the characteristic of the subject of fair value measurement.	Risk-free market rate, market risk premium, corporate Beta, stock prices, volatility of underlying asset, net asset of the investment association and discount rate
Derivatives	Fair value is measured by models such as option model (Closed form), DCF model, FDM and Monte Carlo Simulation.	Risk-free market rate, discount rate, values of underlying assets such as foreign exchange rate and stock prices, volatility, etc.
Equity-linked securities	Fair value is measured by models such as option model (Closed form), DCF model, FDM and Monte Carlo Simulation.	Volatility of underlying assets, discount rate, dividends, volatility, correlation coefficient, foreign exchange rate, etc.
Others	Fair value is calculated by using the binominal tree. Least-Squares Monte Carlo simulation (LSMC) and Income approach, which are commonly used valuation techniques in the market taking into account the price and variability of the underlying asset after measuring the fair value of underlying asset using Models including Discounted Cash Flow Model.	Stock prices, 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	Input variable	Range(%)	Impact of changes in significant unobservable inputs on fair value measurement
Loans	Binomial Tree		Stock prices, Volatility of underlying asset	22.62%	Variation of fair value increases as volatility of underlying asset increases.
	LSMC		Stock prices, Volatility of underlying asset	19.48%	Variation of fair value increases as volatility of underlying asset increases.
Derivative assets	Option valuation model and others	Interest rate related	Correlation coefficient	0.90~0.98	Variation of fair value increases as correlation coefficient increases.
			Volatility of underlying asset	24.84 ~ 97.50%	Variation of fair value increases as volatility of underlying assets increases.
		Equity related	Correlation coefficient	0.18 ~ 0.76	Variation of fair value increases as correlation coefficient increases.
			Volatility of underlying asset	-	Variation of fair value increases as volatility of underlying assets increases.
Derivative liabilities	DCF model	Interest rate related	Credit risk adjustment ratio	100.00%	Variation of fair value decreases as credit risk adjustment ratio increases.
			Correlation coefficient	0.90~0.98	Variation of fair value increases as correlation coefficient increases.
	Option valuation model and others		Volatility of underlying asset	24.84 ~ 97.50%	Variation of fair value increases as volatility of underlying assets increases.
			Correlation coefficient	0.18 ~ 0.76	Variation of fair value increases as correlation coefficient increases.
Equity securities, capital contributions, and beneficiary certificates	LSMC		Volatility of underlying asset	-	Variation of fair value increases as volatility of underlying assets increases.
			Stock prices, Volatility of underlying asset	0.00%	Variation of fair value increases as volatility of underlying asset increases.
	DCF model and others		Discount rate	0.00 ~ 35.92%	Fair value increases as discount rate decreases.
			Terminal growth rate	1.00%	Fair value increases as terminal growth rate increases.
Others	Income approach LSMC		Liquidation value	0.00%	Variation of liquidation value increases as volatility of underlying assets increases
			Growth rate	1.00%	Fair value increases as growth rate increases.
			Stock prices, Volatility of underlying asset	19.48 ~ 28.41%	Variation of fair value increases as volatility of underlying asset increases.

Fair value of financial assets and liabilities classified into Level 3 is measured by the Group using its own valuation methods or using external specialists. Unobservable inputs used in the fair value measurements are produced by the internal system of the Group and the appropriateness of inputs is reviewed regularly.

(3) Changes in financial assets and liabilities measured at fair value classified into Level 3 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021						
	Beginning balance	Net income (loss) (*1)	Other comprehensive income	Purchases/ issuances	Disposals / settlements	Transfer to or out of Level 3 (*2)	Ending balance
Financial assets:							
Financial assets at FVTPL							
Debt securities	4,618	(431)	-	1,000	(4,070)	1,000	2,117
Equity securities	450,371	(24,501)	-	33,570	(154,455)	(1,000)	303,985
Capital contributions	865,685	82,596	-	575,643	(236,201)	-	1,287,723
Beneficiary certificates	1,917,811	10,347	-	86,224	(910,308)	-	1,104,074
Loans	209,062	16,975	-	761,045	(773,447)	-	213,635
Derivative assets	7,872	22,256	-	5,058	-	(5,838)	29,348
Others	84,979	12,245	-	14,982	(16,548)	533	96,191
Sub-total	3,540,398	119,487	-	1,477,522	(2,095,029)	(5,305)	3,037,073
Financial assets at FVTOCI							
Equity securities	570,715	-	11,362	645	(1,267)	-	581,455
Total	4,111,113	119,487	11,362	1,478,167	(2,096,296)	(5,305)	3,618,528
Financial liabilities:							
Financial liabilities at FVTPL							
Derivative liabilities	20,136	4,926	-	(3,979)	(10,188)	(6,254)	4,641
Financial liabilities at FVTPL designated as upon initial recognition							
Equity-linked securities	19,630	(102)	-	-	(19,528)	-	-
Total	39,766	4,824	-	(3,979)	(29,716)	(6,254)	4,641

(\*1) For financial liabilities, positive numbers represent losses that increase balance and negative numbers represent gains that decrease balance. The gain amounting to 2,634 million Won for the year ended December 31, 2021, which is from financial assets and liabilities that the Group holds as at the end of the year.

(\*2) There were transfers between levels as the availability of observable market data for these financial instruments changed. 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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	Beginning balance	Business combination	Net income (loss) (*1)	Other comprehensive income	Purchases/ issuances	Disposals / settlements	Transfer to or out of Level 3 (*2)	Ending balance
Financial assets:								
Financial assets at FVTPL								
Debt securities	5,826	-	(632)	-	2,627	(3,203)	-	4,618
Equity securities	464,741	3,894	(8,977)	-	5,088	(14,407)	32	450,371
Capital contributions	515,199	173,244	39,500	-	194,396	(56,654)	-	865,685
Beneficiary certificates	1,275,734	166,467	(7,919)	-	715,437	(231,908)	-	1,917,811
Loans	152,629	35,854	6,149	-	656,880	(642,450)	-	209,062
Derivative assets	25,048	-	9,458	-	9,501	(23,911)	(12,224)	7,872
Others	63,880	-	3,472	-	17,997	(370)	-	84,979
Sub-total	2,503,057	379,459	41,051	-	1,601,926	(972,903)	(12,192)	3,540,398
Financial assets at FVTOCI								
Equity securities	493,698	-	-	(4,920)	82,227	(2,482)	2,192	570,715
Total	2,996,755	379,459	41,051	(4,920)	1,684,153	(975,385)	(10,000)	4,111,113
Financial liabilities:								
Financial liabilities at FVTPL								
Derivative liabilities	72,039	-	30,150	-	2,650	(66,170)	(18,533)	20,136
Financial liabilities at FVTPL designated as upon initial recognition								
Equity-linked securities	87,626	-	665	-	-	(68,661)	-	19,630
Derivative liabilities (Designated for hedging)	321	-	-	-	-	(321)	-	-
Total	159,986	-	30,815	-	2,650	(135,152)	(18,533)	39,766

(\*1) For financial liabilities, positive numbers represent losses that increase balance and negative numbers represent gains that decrease balance. The gain amounting to 37,430 million Won for the year ended December 31, 2020, which is from financial assets and liabilities that the Group holds as at the end of the year.

(\*2) There were transfers between levels as the availability of observable market data for these financial instruments changed. The Group recognizes transfers among levels at the end of reporting period in which events have occurred or conditions have changed.

(4) Sensitivity analysis results on reasonable fluctuation of the significant unobservable input variables for the fair value of Level 3 financial instruments are as follows.

The sensitivity analysis of the financial instruments has been performed by classifying with favorable and unfavorable changes based on how changes in unobservable assumptions would have effects on the fluctuations of financial instruments' value. When the fair value of a financial instrument is affected by more than one unobservable assumption, the below table reflects the most favorable or the most unfavorable changes which resulted from varying the assumptions individually. The sensitivity analysis was performed for two types of level 3 financial instruments: (1) interest rate related derivatives, currency related derivatives, equity related derivatives, equity-linked securities beneficiary certificates and loans of which fair value changes are recognized as net income; (2) equity securities of which fair value changes are recognized as other comprehensive income.

Meanwhile, among the financial instruments that are classified as Level 3 amounting to 3,623,168 million won and 4,150,878 million won as of December 31, 2021 and 2020 respectively, equity instruments of 3,030,775 million won and 3,052,432 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, 2021 and 2020 is as follows (Unit: Korean Won in millions):

	December 31, 2021			
	Net income (loss)		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Financial assets at FVTPL				
Derivative assets (*1)	1,668	(1,191)	-	-
Loans (*2)	682	(671)	-	-
Debt securities	13	(12)	-	-
Equity securities (*2) (*3) (*4)	6,348	(5,331)	-	-
Beneficiary certificates (*4)	1,305	(1,171)	-	-
Others (*2)	921	(876)	-	-
Financial assets at FVTOCI				
Equity securities (*3) (*4)	-	-	30,391	(23,865)
Total	10,937	(9,252)	30,391	(23,865)
Financial liabilities:				
Financial liabilities at FVTPL				
Derivative liabilities (*1)	205	(264)	-	-
Total	205	(264)	-	-

(\*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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	December 31, 2020			
	Net income (loss)		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Financial assets at FVTPL				
Derivative assets (*1)	110	(257)	-	-
Loans (*2)	933	(932)	-	-
Debt securities	13	(10)	-	-
Equity securities (*2) (*3) (*4)	8,539	(7,337)	-	-
Beneficiary certificates (*4)	1,403	(1,537)	-	-
Others (*2)	640	(547)	-	-
Financial assets at FVTOCI				
Equity securities (*3) (*4)	-	-	21,587	(16,740)
Total	11,638	(10,620)	21,587	(16,740)
Financial liabilities:				
Financial liabilities at FVTPL				
Derivative liabilities (*1)	776	(405)	-	-
Financial liabilities at FVTPL designated as upon initial recognition				
Equity-linked securities (*1)	57	(45)	-	-
Total	833	(450)	-	-

- (\*1) Fair value changes of equity related derivatives assets and liabilities and equity-linked securities are calculated by increasing or decreasing historical volatility of the stock price and correlation, which are major unobservable variables, by 10%, respectively. In the case of interest rate related derivative assets and liabilities, fair value changes are calculated by increasing or decreasing the volatility of interest rate, which are major unobservable variables, by 10%.
- (\*2) Fair value changes of equity securities are calculated by increasing or decreasing stock prices (-10~10%) and volatility (-10~10%). The stock prices and volatility are major unobservable variables.
- (\*3) Fair value changes of equity securities are calculated by increasing or decreasing terminal growth rate (0~1%) 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%.

- (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, 2021				
	Fair value				Book value
	Level 1	Level 2	Level 3	Total	
Financial assets:					
Securities at amortized cost	2,122,401	14,921,119	-	17,043,520	17,086,274
Loans and other financial assets at amortized cost	-	3	359,918,500	359,918,503	361,932,872
Financial liabilities:					
Deposits due to customers	-	318,070,829	-	318,070,829	317,899,871
Borrowings	-	23,393,520	1,270,305	24,663,825	24,755,459
Debentures	-	44,500,963	-	44,500,963	44,653,864
Other financial liabilities	-	23,154,733	379,534	23,534,267	23,827,821

	December 31, 2020				
	Fair value				Book value
	Level 1	Level 2	Level 3	Total	
Financial assets:					
Securities at amortized cost	2,968,875	14,299,748	-	17,268,623	17,020,839
Loans and other financial assets at amortized cost	-	-	318,144,845	318,144,845	320,106,078
Financial liabilities:					
Deposits due to customers	-	291,767,282	-	291,767,282	291,477,279
Borrowings	-	20,586,930	176,745	20,763,675	20,745,466
Debentures	-	37,931,989	-	37,931,989	37,479,358
Other financial liabilities	-	13,305,067	286,489	13,591,556	13,808,386

The fair values of financial instruments are measured using quoted market price in active markets. In case there is no active market for financial instruments, the Group determines the fair value by using valuation methods. Valuation methods and input variables for financial assets and liabilities that are measured at amortized cost are given as follows:

	Valuation methods	Input variables
Securities at amortized cost	The fair value is measured by discounting the projected cash flows of debt securities by applying risk-free market rate with credit spread.	Risk-free market rate and credit spread
Loans and other financial assets at amortized cost	The fair value is measured by discounting the projected cash flows of loan products by applying the market discount rate that has been applied to a proxy company that has similar credit rating to the debtor.	Risk-free market rate, credit spread and prepayment rate
Deposits due to customers, borrowings, debentures and other financial liabilities	The fair value is measured by discounting the projected cash flows of debt products by applying the market discount rate that is reflecting credit rating of the Group.	Risk-free market rate, credit spread and forward rate

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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, 2021				
	Financial asset at FVTPL	Financial assets at FVTOCI	Financial assets at amortized cost	Derivatives assets (Designated for hedging)	Total
Deposits	65,072	-	15,914,139	-	15,979,211
Securities	7,960,046	39,119,789	17,086,274	-	64,166,109
Loans	667,467	-	336,799,510	-	337,466,977
Derivative assets	4,803,131	-	-	106,764	4,909,895
Other financial assets	1,518	-	9,219,223	-	9,220,741
Total	13,497,234	39,119,789	379,019,146	106,764	431,742,933

Financial liabilities	December 31, 2021			
	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Derivatives liabilities (Designated for hedging)	Total
Deposits due to customers	65,016	317,899,871	-	317,964,887
Borrowings	241,174	24,755,459	-	24,996,633
Debentures	-	44,653,864	-	44,653,864
Derivative liabilities	4,567,268	-	27,584	4,594,852
Other financial liabilities	-	23,827,821	-	23,827,821
Total	4,873,458	411,137,015	27,584	416,038,057

Financial assets	December 31, 2020				
	Financial asset at FVTPL	Financial assets at FVTOCI	Financial assets at amortized cost	Derivatives assets (Designated for hedging)	Total
Deposits	48,796	-	9,863,160	-	9,911,956
Securities	7,136,112	30,028,929	17,020,839	-	54,185,880
Loans	676,291	-	302,794,182	-	303,470,473
Derivative assets	6,901,742	-	-	174,820	7,076,562
Other financial assets	-	-	7,448,736	-	7,448,736
Total	14,762,941	30,028,929	337,126,917	174,820	382,093,607

Financial liabilities	December 31, 2020				
	Financial liabilities at FVTPL	Financial liabilities designated at FVTPL	Financial liabilities at amortized cost	Derivatives liabilities (Designated for hedging)	Total
Deposits due to customers	49,279	-	291,477,279	-	291,526,558
Borrowings	285,026	19,630	20,745,466	-	21,050,122
Debentures	-	-	37,479,358	-	37,479,358
Derivative liabilities	6,459,887	-	-	64,769	6,524,656
Other financial liabilities	-	-	13,808,386	-	13,808,386
Total	6,794,192	19,630	363,510,489	64,769	370,389,080

(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, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021					
	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	45,803	(156)	-	325,751	284,683	656,081
Financial assets at FVTOCI	381,814	1,343	(4,909)	32,624	24,528	435,400
Securities at amortized cost	324,920	-	(664)	-	-	324,256
Loans and other financial assets at amortized cost	9,142,212	494,296	(551,957)	107,317	-	9,191,868
Financial liabilities at amortized cost	(2,901,592)	2,205	-	-	-	(2,899,387)
Net derivatives (designated for hedging)	-	-	-	72,493	-	72,493
Total	6,993,157	497,688	(557,530)	538,185	309,211	7,780,711

	For the year ended December 31, 2020					
	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	48,612	-	-	421,709	120,158	590,479
Financial assets at FVTOCI	437,527	311	(1,529)	24,138	18,385	478,832
Securities at amortized cost	382,988	-	934	-	-	383,922
Loans and other financial assets at amortized cost	8,654,726	376,872	(792,250)	44,443	-	8,283,791
Financial liabilities at amortized cost	(3,516,023)	-	-	-	-	(3,516,023)
Net derivatives (designated for hedging)	-	-	-	(74,213)	-	(74,213)
Total	6,007,830	377,183	(792,845)	416,077	138,543	6,146,788

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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, 2021	December 31, 2020
Assets transferred	Financial assets at FVTPL	248,009	410,331
	Financial assets at FVTOCI	127,065	138,315
	Securities at amortized cost	38,995	40,987
	Loans and other financial assets at amortized cost	-	50,088
	Total	414,069	639,721
Related liabilities	Bonds sold under repurchase agreements	749,976	657,823

##### 2) Securities loaned

When the Group loans its securities to outside parties, the legal ownerships of the securities are transferred; however, they should be returned at the end of lending period. Therefore, the Group does not derecognize them from the consolidated financial statements as it owns majority of risks and benefits from the securities continuously, regardless of the transfer of legal ownership. The carrying amounts of the securities loaned are as follows (Unit: Korean Won in millions):

		December 31, 2021	December 31, 2020	Loaned to
Financial assets at FVTOCI	Korean treasury and government bonds	98,535	100,345	Korea Securities Finance Corporation

##### 3) Liquidity of financial assets

As of December 31, 2021 and 2020, 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, 2021 Book value (*)	December 31, 2020 Book value(*)
Assets transferred	Financial assets at FVPL	151,930	156,900
	Loans at amortized cost	4,682,882	4,645,170
Related liabilities	Asset-backed borrowings	2,424,080	2,536,219
	Asset-backed bonds	978,274	1,289,992

(\*) The carrying amount is the amount before the allowance for bad debts.

On the other hand, the details of transferred financial assets that have not been removed, such as bonds sold under the repurchase agreement and loan securities, are also described in Note 18. The Group does not have financial instruments that are continuously involved.

#### (2) The offset of financial assets and liabilities

The Group possesses both the uncollected domestic exchange receivables and the unpaid domestic exchange payable, which satisfy offsetting criteria of K-IFRS 1032. Therefore, the total number of uncollected domestic exchange receivables or unpaid domestic exchange payable has been offset with part of unpaid domestic exchange payables or uncollected domestic exchange receivables and has been disclosed in loans at amortized cost and other financial assets and other financial liabilities of the Group's statements of financial position respectively.

The Group possesses the derivative assets, derivative liabilities, receivable spot exchange and payable spot exchange that do not satisfy the offsetting criteria of K-IFRS 1032, but provide the Group under the circumstances of the trading party's defaults, insolvency or bankruptcy, with the right of offsetting. Items such as cash collateral cannot satisfy the offsetting criteria of 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, 2021 and 2020, 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, 2021					
	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	Cash collateral received and others	Net amounts
Financial assets:						
Derivative assets (*1)	4,172,737	-	4,172,737			
Receivable spot exchange (*2)	5,915,304	-	5,915,304	8,260,784	552,071	1,275,186
Bonds purchased under resale agreements (*2)	10,332,858	-	10,332,858	10,332,858	-	-
Domestic exchange settlement debits (*2) (*5)	42,358,138	42,275,583	82,555	-	-	82,555
Total	62,779,037	42,275,583	20,503,454	18,593,642	552,071	1,357,741
Financial liabilities:						
Derivative liabilities (*1)	3,708,263	-	3,708,263			
Payable spot exchange (*3)	5,916,800	-	5,916,800	8,755,492	114,716	754,855
Bonds sold under repurchase agreements (*4)	749,976	-	749,976	749,976	-	-
Domestic exchange settlement credits (*3) (*5)	48,982,056	42,275,583	6,706,473	3,401,251	-	3,305,222
Total	59,357,095	42,275,583	17,081,512	12,906,719	114,716	4,060,077

(\*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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	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		Net amounts
				Netting agreements and others	Cash collateral received and others	
Financial assets:						
Derivative assets (*1)	6,456,799	-	6,456,799			
Receivable spot exchange (*2)	3,153,919	-	3,153,919	7,733,997	598,545	1,278,176
Bonds purchased under resale agreements (*2)	10,145,749	-	10,145,749	10,145,749	-	-
Domestic exchange settlement debits (*2) (*6)	34,352,965	32,834,189	1,518,776	-	-	1,518,776
Total	54,109,432	32,834,189	21,275,243	17,879,746	598,545	2,796,952
Financial liabilities:						
Derivative liabilities (*1)	5,823,620	-	5,823,620			
Equity-linked securities in short position (*3)	19,630	-	19,630			
Payable spot exchange (*4)	3,153,400	-	3,153,400	7,147,683	477,603	1,371,364
Bonds sold under repurchase agreements (*5)	657,823	-	657,823	213,623	444,200	-
Domestic exchange settlement credits (*4) (*6)	33,014,440	32,834,189	180,251	176,179	-	4,072
Total	42,668,913	32,834,189	9,834,724	7,537,485	921,803	1,375,436

(\*1) The items include derivative assets and liabilities held for trading and designated for hedging.

(\*2) The items are included in loan at amortized cost and other financial assets.

(\*3) The items are equity linked securities related to derivatives and are included in financial liabilities at FVTPL.

(\*4) The items are included in other financial liabilities.

(\*5) The items are included in borrowings.

(\*6) Certain financial assets and liabilities are presented as net amounts.

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 (*9)	Main business	Percentage of ownership (%)		Location	Financial statements as of
		December 31, 2021	December 31 2020		
Woori Bank					
W Service Networks Co., Ltd. (*1)	Freight & staffing services	4.9	4.9	Korea	2021.11.30(*5)
Korea Credit Bureau Co., Ltd. (*2)	Credit information	9.9	9.9	Korea	2021.12.31
Korea Finance Security Co., Ltd. (*1)	Security service	15.0	15.0	Korea	2021.11.30(*5)
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	-
Sinseong Trading Co., Ltd. (*4)	Manufacturing	-	27.9	Korea	-
Reading Doctors Co., Ltd. (*3)	Other services	35.4	35.4	Korea	-
Cultizm Korea LTD Co., Ltd. (*3)	Wholesale and retail sales	31.3	31.3	Korea	-
NK Eng Co., Ltd. (*3)	Manufacturing	23.1	23.1	Korea	-
Beomgyo.,Ltd. (*3)	Telecommunication equipment retail sales	23.1	23.1	Korea	-
Woori Growth Partnerships New Technology Private Equity Fund	Other financial services	23.1	23.1	Korea	2021.12.31
2016KIF-IMM Woori Bank Technology Venture Fund	Other financial services	20.0	20.0	Korea	2021.12.31
K BANK Co., Ltd. (*2) (*8)	Finance	12.6	26.2	Korea	2021.11.30(*5)
Smart Private Equity Fund No.2 (*10)	Other financial services	-	20.0	Korea	-
Woori Bank-Company K Korea Movie Asset Fund	Other financial services	25.0	25.0	Korea	2021.12.16(*5)
Well to Sea No. 3 Private Equity Fund (*11)	Finance	-	50.0	Korea	-
Partner One Value Up I Private Equity Fund	Other financial services	23.3	23.3	Korea	2021.12.31
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	Other financial services	20.0	20.0	Korea	2021.12.31
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	Other financial services	25.0	25.0	Korea	2021.12.31
LOTTE CARD Co., Ltd.	Credit card and installment financing	20.0	20.0	Korea	2021.9.30(*5)
Together-Korea Government Private Pool Private Securities Investment Trust No. 3	Other financial services	100.0	100.0	Korea	2021.12.31
Genesis Environmental Energy Company 1st Private Equity Fund	Trust and collective investment	24.8	24.8	Korea	2021.12.31
Union Technology Finance Investment Association	Trust and collective investment	29.7	29.7	Korea	2021.12.31
Diecustody Co., Ltd.(*2)	Other information technology and computer operation related services	1.0	-	Korea	2021.12.31

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Woori Bank (*6)					
Japanese Hotel Real Estate Private Equity Fund No.2	Other financial services	19.9	19.9	Korea	2021.12.31
Woori G Clean Energy No.1	Investment trust and discretionary investment business	-	29.3	Korea	-
Woori Goseong Power EBL Private Special Asset Fund	Trust and collective investment	-	16.7	Korea	-
Woori Seoul Beltway Private Special Asset Fund No.1	Trust and collective investment	25.0	25.0	Korea	2021.12.31
Woori Multi-Return Securities Investment Trust 3 (Balanced Bond)	Collective investment business	20.0	-	Korea	2021.12.31
Woori Short-term Bond Securities Investment Trust(Bond) ClassC-F	Collective investment business	14.5	-	Korea	2021.12.31
Woori Financial Capital Co., Ltd. WOORI TAERIM 1st Fund	Other financial services	25.6	25.6	Korea	2021.12.31
Portone-Cape Fund No.1	Other financial services	20.0	20.0	Korea	2021.12.31
KIWOOM WOORI Financial 1st Fund (*7)	Other financial services	9.1	9.1	Korea	2021.12.31
DeepDive WOORI 2021-1 Financial Investment Fund (*7)	Other financial services	11.9	-	Korea	2021.12.31
Darwin Green Packaging Private Equity Fund	Other financial services	20.4	-	Korea	2021.12.31
Woori Investment Bank Co., Ltd. (*6)					
Woori FirstValue Private Real Estate Fund No.2	Real estate business	12.0	12.0	Korea	2021.12.31
WooriG Real Infrastructure Blind General Type Private Placement Investment Trust	Investment trust and discretionary investment business	0.3	-	Korea	2021.12.31
Woori Asset Management Co. Ltd. Woori High plus G.B. Securities Feeder FundI(G.B.)	Collective investment business	-	21.8	Korea	-
Woori Star50 Master Fund ClassC-F	Collective investment business	-	24.5	Korea	-
Woori Private Equity Asset Management Co., Ltd. Woori Hanhwa Eureka Private Equity Fund (*2)	Other financial services	0.8	0.8	Korea	2021.12.31
Aarden Woori Apparel 1st Private Equity Fund (*2)	Other financial services	0.5	-	Korea	2021.12.31
Japanese Hotel Real Estate Private Equity Fund 1 Godo Kaisha Oceanos 1	Other financial services	47.8	47.8	Japan	2021.10.31(*5)
Woori G Japan Private Placement Real Estate Master Investment Trust No.2	Other financial services	63.9	-	Japan	2021.9.30(*5)
Woori Zip 1	Other financial services	63.8	-	Japan	2021.9.30(*5)
Woori Zip 2	Other financial services				

Joint ventures and associates (*9)	Main business	Percentage of ownership (%)		Location	Financial statements as of
		December 31, 2021	December 31, 2020		
Woori bank and Woori card Co., Ltd. (*6)					
Dongwoo C & C Co., Ltd. (*3)	Construction	24.5	24.5	Korea	-
SJCO Co., Ltd. (*3)	Aggregate transportation and wholesale	29.7	28.7	Korea	-
G2 Collection Co., Ltd. (*3)	Wholesale and retail sales	29.2	29.2	Korea	-
The Base Enterprise Co., Ltd. (*3)	Manufacturing	48.4	48.4	Korea	-
Kyesan Engineering Co., Ltd. (*3)	Construction	23.3	23.3	Korea	-
Good Software Lap Co., Ltd. (*3)	Service	29.4	29.4	Korea	-
QTS Shipping Co., Ltd. (*3)	Complex transportation brokerage	49.8	49.8	Korea	-
DAEA SNC Co., Ltd. (*3)	Wholesale and retail sales	25.5	25.5	Korea	-
Force TEC Co., Ltd.	Manufacturing	24.5	25.8	Korea	2021.9.30(*5)
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	-	Korea	2021.09.30(*5)
Jinmyung Plus Co., Ltd	Manufacturing	21.3	-	Korea	2021.12.31
Woori bank and Woori Financial Capital Co., Ltd. (*6)					
JC Assurance No.2 Private Equity Fund	Other financial services	24.4	29.3	Korea	2021.12.31
Dream Company Growth no.1 PEF	Other financial services	27.8	27.8	Korea	2021.12.31
HMS-Oriens 1st Fund	Other financial services	22.8	22.8	Korea	2021.12.31
Woori G Senior Loan Private Placement Investment Trust No.1	Collective investment business	21.7	21.7	Korea	2021.12.31
Genesis Eco No.1 Private Equity Fund	Other financial services	29.0	-	Korea	2021.12.31
Paratus Woori Material Component Equipment joint venture company	Other financial services	29.9	-	Korea	2021.9.30(*5)
Midas No. 8 Private Equity Joint Venture Company	Other financial services	28.5	-	Korea	2021.12.31
Woori Bank and Woori Investment Bank Co., Ltd. (*6)					
PCC-Woori LP Secondary Fund	Other financial services	38.8	38.8	Korea	2021.12.31
Woori bank and Woori Asset Management Co., Ltd. (*6)					
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1	Collective investment business	27.5	23.3	Korea	2021.12.31
Woori Bank and Woori Private Equity Asset Management Co., Ltd. (*6)					
Woori-Q Corporate Restructuring Private Equity Fund	Other financial services	38.1	38.4	Korea	2021.12.31



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		December 31, 2021	December 31, 2020		
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	2021.12.31
(*1) Most of the significant business transactions of associates are with the Group as of December 31, 2021 and 2020.					
(*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, 2021 and 2020.					
(*4) Registration was closed and excluded from associates for the year ended December 31, 2021.					
(*5) The equity method was applied using the most recent financial statements available from the settlement date because no financial statements were available at the end of December and the significant transactions or events that occurred between the end of the reporting period of the associate and the end of the reporting period of the subsidiary were duly reflected.					
(*6) 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) Due to the failure of associates to participate in the capital increase with consideration, the percentage of ownership decreased, for the year ended December 31, 2021.					
(*9) WooriG Oncorp Corporate support of Major Industry General Type Private Placement Investment Trust (Type 2) and other 16 joint ventures and associates can exercise significant influence but was classified as an item measured at fair value through profit or loss.					
(*10) Due to loss of significant influence during the year, it has been classified as a financial asset measured at fair value through profit or loss					
(*11) It was fully repaid and excluded from associates for the year ended December 31, 2021.					

(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, 2021							
	Acquisition cost	January 1, 2021	Share of profits(losses) and others	Acquisition	Disposal/ Reclassification	Dividends	Change in capital	December 31, 2021
W Service Networks Co., Ltd.	108	191	(4)	-	-	(4)	-	183
Korea Credit Bureau Co., Ltd.	3,313	8,125	1,388	-	-	(90)	-	9,423
Korea Finance Security Co., Ltd.	3,267	3,066	35	-	-	-	-	3,101
Woori Growth Partnerships New Technology Private Equity Fund	14,991	15,032	(637)	-	(1,947)	-	-	12,448
2016KIF-IMM Woori Bank Technology Venture Fund	8,396	13,238	3,520	-	(3,497)	(631)	-	12,630
K BANK Co., Ltd. (*1)	236,232	174,097	67,553	-	-	-	(2,157)	239,493
Smart Private Equity Fund No.2	-	1,481	(797)	-	(684)	-	-	-
Woori Bank-Company K Korea Movie Asset Fund	-	2,788	137	-	(2,100)	(480)	-	345
Partner One Value Up I Private Equity Fund	5,039	9,816	2,521	-	(4,961)	(800)	-	6,576
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	9,736	9,756	1,417	5,040	(5,060)	-	-	11,153
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	4,255	4,129	-	125	-	-	-	4,254
LOTTE CARD Co.,Ltd.	346,810	422,832	39,301	-	-	(10,374)	6,536	458,295
Together-Korea Government Private Pool Private Securities Investment Trust No. 3	10,000	10,023	47	-	-	-	-	10,070
Genesis Environmental Energy Company 1st Private Equity Fund	3,738	3,979	147	-	-	-	-	4,126
Union Technology Finance Investment Association	12,750	4,485	(347)	8,250	-	-	-	12,388
Dicustody Co., Ltd.	1	-	-	1	-	-	-	1
Japanese Hotel Real Estate Private Equity Fund No.2	3,291	3,234	237	-	-	(201)	(74)	3,196
Woori G Clean Energy No.1	-	1,024	-	1,462	(2,338)	(148)	-	-
Woori Goseong Power EBL Private Special Asset Fund	-	15,118	227	-	(15,118)	(370)	143	-
Woori Seoul Beltway Private Special Asset Fund No.1	7,513	5,613	124	1,935	-	(121)	-	7,551
Woori Corporate Private Securities Fund 1 (Bond)	-	-	-	10,000	(10,000)	-	-	-
Woori G Star Private Placement Investment Trust No.33 [FI]	-	-	-	20,000	(20,000)	-	-	-
Woori Multi-Return Securities Investment Trust 3 (Balanced Bond)	10,000	-	23	10,000	-	-	-	10,023
Woori Short-term Bond Securities Investment Trust(Bond) ClassC-F	150,000	-	1,822	150,000	-	-	-	151,822
WOORI TAERIM 1st Fund	1,100	283	708	-	-	-	-	991
Portone-Cape Fund No.1	340	960	189	-	(660)	-	-	489
KIWOOM WOORI Financial 1st Investment Fund	1,000	994	(21)	-	-	-	-	973
DeepDive WOORI 2021-1 Financial Investment Fund	1,000	-	(7)	1,000	-	-	-	993

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	Acquisition cost	January 1, 2021	Share of profits(losses) and others	Acquisition	Disposal/ Reclassification	Dividends	Change in capital	December 31, 2021
Darwin Green Packaging Private Equity Fund	4,000	-	(43)	4,000	-	-	-	3,957
Woori FirstValue Private Real Estate Fund No.2	9,000	2,130	(637)	-	-	(730)	-	763
WooriG Real Infrastructure Blind General Type Private Placement Investment Trust	100	-	-	100	-	-	-	100
Woori High plus G.B. Securities Feeder Fund1(G.B.)	-	6,076	-	-	(6,076)	-	-	-
Woori Star50 Master Fund ClassC-F	-	184	(4)	-	(180)	-	-	-
Woori Hanhwa Eureka Private Equity Fund	164	403	138	-	(214)	-	-	327
Aarden Woori Apparel 1st Private Equity Fund	100	-	(1)	100	-	-	-	99
Godo Kaisha Oceanos 1	10,800	10,193	127	-	-	(370)	(45)	9,905
Woori Zip 1	10,143	-	(26)	16,380	(6,237)	-	379	10,496
Woori Zip 2	14,254	-	(50)	22,883	(8,628)	-	527	14,732
Force TEC Co., Ltd. (*2)	-	393	(393)	-	-	-	-	-
KUM HWA Co., Ltd. (*2)	-	-	-	-	-	-	-	-
Jinmyung Plus Co., Ltd.	-	-	-	-	-	-	-	-
JC Assurance No.2 Private Equity Fund	29,349	29,050	(11,621)	299	-	-	-	17,728
Dream Company Growth no.1 PEF	7,706	7,705	680	-	-	(471)	-	7,914
HMS-Oriens 1st Fund	12,000	12,000	7	-	-	-	-	12,007
WooriG Senior Loan General Type Private Investment Trust No.1	87,382	52,045	2,959	38,757	(3,060)	(2,672)	-	88,029
Genesis Eco No.1 Private Equity Fund	11,805	-	(685)	11,805	-	-	-	11,120
Paratus Woori Material Component Equipment joint venture company	17,700	-	(207)	17,700	-	-	-	17,493
Midas No. 8 Private Equity Joint Venture Company	19,000	-	(32)	19,000	-	-	-	18,968
PCC-Woori LP Secondary Fund	10,100	8,128	1,697	2,525	-	-	-	12,350
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1	70,988	93,474	921	20,765	(38,870)	(2,503)	-	73,787
Woori-Q Corporate Restructuring Private Equity Fund	45,394	22,904	1,002	25,246	(2,997)	-	-	46,155
Woori-Shinyoung Growth-Cap Private Equity Fund I	17,218	38,342	20,813	12,799	(32,415)	(10,826)	-	28,713
	1,210,083	993,291	132,228	400,172	(165,042)	(30,791)	5,309	1,335,167

(\*1) Included 70,120 million won of deemed gain on disposal in accordance with the decrease in percentage of ownership from disproportionate contribution for the year ended December 31, 2021.

(\*2) As a result of discontinuation of the equity method, related companies' losses amount not recognized is 797 million Won for Force TEC Co., Ltd. and 2 million won for KUM HWA Co., Ltd.

	For the year ended December 31, 2020								
	Acquisition cost	January 1, 2020	Share of profits (losses)	Acquisition	Disposal/ Reclassification	Dividends	Business combination	Change in capital	December 31, 2020
W Service Networks Co., Ltd.	108	186	7	-	-	(3)	-	1	191
Korea Credit Bureau Co., Ltd.	3,313	6,845	1,370	-	-	(90)	-	-	8,125
Korea Finance Security Co., Ltd.	3,267	3,287	(221)	-	-	-	-	-	3,066
Chin Hung International Inc.	-	51,176	(742)	-	(50,411)	-	-	(23)	-
Saman Corporation	-	849	(432)	-	(466)	-	-	49	-
Woori Growth Partnerships New Technology Private Equity Fund	16,938	19,212	(2,240)	-	(1,728)	(212)	-	-	15,032
2016KIF-IMM Woori Bank Technology Venture Fund	11,893	15,141	1,240	-	(492)	(1,088)	-	(1,563)	13,238
K BANK Co., Ltd.	236,232	31,254	(18,334)	163,082	-	-	-	(1,905)	174,097
Smart Private Equity Fund No.2	2,915	2,764	(1,283)	-	-	-	-	-	1,481
Woori Bank-Company K Korea Movie Asset Fund	2,100	3,323	365	-	(900)	-	-	-	2,788
Well to Sea No.3 Private Equity Fund	-	209,023	87,180	-	(117,170)	(178,355)	-	(678)	-
Partner One Value Up I Private Equity Fund	10,000	9,908	(75)	-	-	-	-	(17)	9,816
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	9,756	4,576	-	5,720	(540)	-	-	-	9,756
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	4,130	4,375	-	75	(321)	-	-	-	4,129
Woori-Shinyoung Growth-Cap Private Equity Fund I	32,480	11,841	7,366	31,363	(12,124)	(104)	-	-	38,342
LOTTE CARD Co.,Ltd	346,810	409,444	19,692	810	-	(5,710)	-	(1,404)	422,832
Woori-Q Corporate Restructuring Private Equity Fund	23,146	6,046	(159)	17,017	-	-	-	-	22,904
PCC-Woori LP Secondary Fund	7,575	2,525	554	5,049	-	-	-	-	8,128
Force TEC Co., Ltd.	-	-	1,542	-	-	-	-	(1,149)	393
Together-Korea Government Private Pool Private Securities Investment Trust No.3	10,000	-	23	100,000	(90,000)	-	-	-	10,023
Genesis Environmental Energy Company 1st Private Equity Fund	3,738	-	241	4,084	(346)	-	-	-	3,979
Union Technology Finance Investment Association	4,500	-	(15)	4,500	-	-	-	-	4,485
Woori Hanhwa Eureka Private Equity Fund	350	342	61	-	-	-	-	-	403
Godo Kaisha Oceanos 1	10,800	10,952	7	-	-	(850)	-	84	10,193
Japanese Hotel Real Estate Private Equity Fund No.2	3,291	3,291	283	-	-	(154)	-	(186)	3,234

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	Acquisition cost	January 1, 2020	Share of profits (losses)	Acquisition	Disposal/ Reclassification	Dividends	Business combination	Change in capital	December 31, 2020
Woori High plus G.B. Securities Feeder Fund I (G.B.)	6,000	-	49	6,141	-	-	-	(114)	6,076
WooriG Senior Loan General Type Private Investment Trust No.1	51,959	-	343	51,959	-	(257)	-	-	52,045
Woori G Clean Energy No.1	1,015	-	9	1,015	-	-	-	-	1,024
Woori Goseong Power EBL Private Special Asset Fund	14,915	-	611	14,915	-	(408)	-	-	15,118
Woori Seoul Beltway Private Special Asset Fund No.1	5,590	-	97	5,591	-	(75)	-	-	5,613
AJU TAERIM 1st Fund	1,100	-	(6)	-	-	-	289	-	283
Portone-Cape Fund No.1	1,000	-	-	-	-	-	960	-	960
KIWOOM PE AJU Investment Fund	1,000	-	(6)	1,000	-	-	-	-	994
Woori FirstValue Private Real Estate Fund No.2	9,000	-	1,184	-	-	-	-	946	2,130
Woori Star50 Master Fund ClassC-F	200	-	(16)	200	-	-	-	-	184
JC Assurance No.2 Private Equity Fund	29,050	-	-	29,050	-	-	-	-	29,050
Dream Company Growth no.1 PEF	7,705	-	-	7,705	-	-	-	-	7,705
HMS-Oriens 1st Fund	12,000	-	-	12,000	-	-	-	-	12,000
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust I	91,092	-	2,382	91,092	-	-	-	-	93,474
	974,968	806,360	101,077	552,368	(274,498)	(187,306)	1,249	(5,959)	993,291

	December 31, 2021					
	Assets	Liabilities	Operating revenue	Net income (loss)	Other comprehensive income(loss)	Total comprehensive income(loss)
W Service Networks Co., Ltd.	6,208	2,504	17,019	840	-	840
Korea Credit Bureau Co., Ltd.	113,859	21,284	127,751	20,486	-	20,486
Korea Finance Security Co., Ltd.	34,957	14,286	57,462	249	-	249
Woori Growth Partnerships New Technology Private Equity Fund	54,173	231	3,807	(2,228)	-	(2,228)
2016KIF-IMM Woori Bank Technology Venture Fund	63,983	837	23,010	21,119	-	21,119
K BANK Co., Ltd.	14,021,789	12,291,131	250,502	19,348	(32,072)	(12,724)
Woori Bank-Company K Korea Movie Asset Fund	1,383	2	1,075	543	-	543
Partner One Value Up I Private Equity Fund	28,273	-	11,972	10,914	-	10,914
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	56,363	597	11,422	10,077	-	10,077
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	15,799	5	-	(332)	-	(332)
LOTTE CARD Co.,Ltd (*)	15,980,312	13,460,156	1,499,867	184,919	25,612	210,531
Together-Korea Government Private Pool Private Securities Investment Trust No. 3	10,073	1	41	37	-	37
Genesis Environmental Energy Company 1st Private Equity Fund	20,610	3,941	11,347	694	-	694
Union Technology Finance Investment Association	41,996	290	13	(1,168)	-	(1,168)
Dicustody Co., Ltd.	98	-	-	(2)	-	(2)
Japanese Hotel Real Estate Private Equity Fund 2	16,104	14	911	1,196	(373)	823
Woori Seoul Beltway Private Special Asset Fund No.1	30,206	1	536	500	-	500
Woori Multi-Return Securities Investment Trust 3 (Balanced Bond)	101,644	51,530	5	2	-	2
Woori Short-term Bond Securities Investment Trust(Bond) ClassC-F	1,209,228	158,524	89	79	-	79
WOORI TAERIM 1st Fund	4,047	172	-	2,770	-	2,770
Portone-Cape Fund No.1	2,447	-	1,050	947	-	947
KIWOOM WOORI Financial 1st Investment Fund	10,818	111	1	(221)	-	(221)
DeepDive WOORI 2021-1 Financial Investment Fund	8,340	-	-	(60)	-	(60)
Darwin Green Packaging Private Equity Fund	19,387	-	-	(213)	-	(213)
Woori FirstValue Private Real Estate Fund No.2	69,672	63,309	-	(5,303)	-	(5,303)
WooriG Real Infrastructure Blind General Type Private Placement Investment Trust	35,796	1	(34)	(35)	-	(35)
Woori Hanhwa Eureka Private Equity Fund	40,817	133	20,193	19,821	-	19,821
Aarden Woori Apparel 1st Private Equity Fund	21,075	89	-	(214)	-	(214)
Godo Kaisha Oceanos 1	66,087	45,367	3,141	267	-	267
Woori Zip 1	52,259	35,833	1,106	(26)	-	(26)
Woori Zip 2	74,033	50,951	1,536	(50)	-	(50)
Force TEC Co., Ltd.	11,904	23,508	20,941	(9,188)	-	(9,188)
KUM HWA Co., Ltd.	20	176	58	(10)	-	(10)
Jinmyung Plus Co.,Ltd.	568	445	209	5	-	5
JC Assurance No.2 Private Equity Fund	118,397	-	-	(1,040)	-	(1,040)
Dream Company Growth no.1 PEF	28,533	44	-	1,500	-	1,500
HMS-Oriens 1st Fund	52,659	28	2,750	2,179	-	2,179
Woori G Senior Loan Private Placement Investment Trust No.1	406,634	25	14,553	13,669	-	13,669
Genesis Eco No.1 Private Equity Fund	38,369	4	308	(377)	-	(377)

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	Assets	Liabilities	Operating revenue	Net income (loss)	Other comprehensive income(loss)	Total comprehensive income(loss)
Paratus Woori Material Component						
Equipment joint venture company	58,507	-	7	(693)	-	(693)
Midas No. 8 Private Equity Joint Venture Company	66,699	112	1	(113)	-	(113)
PCC-Woori LP Secondary Fund	31,585	-	5,720	4,162	-	4,162
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust I	257,891	-	3,239	3,239	-	3,239
Woori-Q Corporate Restructuring Private Equity Fund	121,057	555	327	(1,547)	-	(1,547)
Woori-Shinyoung Growth-Cap Private Equity Fund I	82,087	314	83,143	81,550	-	81,550

(\*) The amount is after reflecting the fair value adjustment that occurred when acquiring the shares and the adjustments that occurred by difference of accounting policies with the Group.

	December 31, 2020					
	Assets	Liabilities	Operating revenue	Net income (loss)	Other comprehensive income(loss)	Total comprehensive income(loss)
W Service Networks Co., Ltd.	6,305	2,448	18,525	1,197	-	1,197
Korea Credit Bureau Co., Ltd.	117,077	37,599	107,810	13,391	-	13,391
Korea Finance Security Co., Ltd.	36,978	16,536	60,599	(1,985)	-	(1,985)
Woori Growth Partnerships New Technology Private Equity Fund	65,390	252	1,589	(9,601)	-	(9,601)
2016KIF-IMM Woori Bank Technology Venture Fund	64,109	1,198	7,425	6,201	-	6,201
K BANK Co., Ltd.	4,040,051	3,530,074	68,144	(83,989)	(1,354)	(85,343)
Smart Private Equity Fund No.2	13,667	51	1	(204)	-	(204)
Woori Bank-Company K Korea Movie Asset Fund	11,273	119	1,926	1,461	-	1,461
Well to Sea No.3 Private Equity Fund	22,001	3,102	610,535	16,061	3,976	20,037
Partner One Value Up I Private Equity Fund	42,205	-	308	(329)	-	(329)
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	46,542	655	1,024	(411)	-	(411)
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	15,747	-	284	(85)	-	(85)
LOTTE CARD Co.,Ltd (*)	14,578,716	12,238,805	1,255,593	78,781	(9,040)	69,741
Together-Korea Government Private Pool Private Securities Investment Trust No.3	10,025	1	187	23	-	23
Genesis Environmental Energy Company 1st Private Equity Fund	16,192	118	1,400	974	-	974
Union Technology Finance Investment Association	15,151	51	1	(50)	-	(50)
Japanese Hotel Real Estate Private Equity Fund 2	16,293	15	1,359	1,271	(940)	331
Woori G Clean Energy No.1	3,496	1	33	32	-	32
Woori Goseong Power EBL Private Special Asset Fund	90,728	21	3,060	2,969	-	2,969
Woori Seoul Beltway Private Special Asset Fund No.1	22,452	1	352	323	-	323
AJU TAERIM 1st Fund	1,192	86	-	(22)	-	(22)
Portone-Cape Fund No.1	4,800	-	-	-	-	-
KIWOOM WOORI Financial 1st Investment Fund	10,986	57	-	(71)	-	(71)
Woori FirstValue Private Real Estate Fund No.2	20,220	2,467	9	(9)	-	(9)
Woori High plus G.B. Securities Feeder Fund1(G.B.)	27,870	-	148	148	-	148
Woori Star50 Master Fund ClassC-F	1,011	246	11	11	-	11
Woori Hanhwa Eureka Private Equity Fund	50,382	235	8,150	7,676	-	7,676
Godo Kaisha Oceanos I	66,793	45,472	1,425	14	-	14
Force TEC Co., Ltd.	47,077	45,552	25,914	(415)	(2,745)	(3,160)
JC Assurance No.2 Private Equity Fund	98,431	13	-	(732)	-	(732)
Dream Company Growth no.1 PEF	28,727	43	-	(116)	-	(116)
HMS-Oriens 1st Fund	52,685	53	90	20	-	20
WooriG Senior Loan General Type Private Investment Trust No.1	240,414	15	1,721	1,584	-	1,584
PCC-Woori LP Secondary Fund	20,927	4	2,082	1,425	-	1,425
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust I	402,015	-	10,727	10,727	-	10,727
Woori-Q Corporate Restructuring Private Equity Fund	58,355	433	206	(1,590)	-	(1,590)
Woori-Shinyoung Growth-Cap Private Equity Fund I	110,452	825	23,875	21,106	-	21,106

(\*) 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.

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(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, 2021 and 2020 are as follows:

Associate (*)	December 31, 2021	
	Number of shares owned	Ownership (%)
Orient Shipyard Co., Ltd.	464,812	21.4
Yuil PESC Co., Ltd.	8,642	24.0
CL Tech Co., Ltd.	13,759	38.6
S.WIN Co., Ltd.	20,301	20.0

(\*) 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, 2020	
	Number of shares owned	Ownership (%)
Orient Shipyard Co., Ltd. (*1)	464,812	21.4
Yuil PESC Co., Ltd. (*1)	8,642	24.0
CL Tech Co., Ltd. (*1)	13,759	38.6

(\*) 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.

(5) As of December 31, 2021 and 2020, the reconciliations from the net assets of the associates to the book value of the shares of the investment in joint ventures and associates are as follows (Unit: Korean Won in millions except for ownership):

	December 31, 2021						
	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
W Service Networks Co., Ltd.	3,704	4.9	183	-	-	-	183
Korea Credit Bureau Co., Ltd.	92,575	9.9	9,177	246	-	-	9,423
Korea Finance Security Co., Ltd.	20,671	15.0	3,101	-	-	-	3,101
Woori Growth Partnerships New Technology Private Equity Fund	53,942	23.1	12,448	-	-	-	12,448
2016KIF-IMM Woori Bank Technology Venture Fund	63,146	20.0	12,630	-	-	-	12,630
K BANK Co., Ltd. (*)	1,730,307	12.6	217,599	21,894	-	-	239,493
Woori Bank-Company K Korea Movie Asset Fund	1,381	25.0	345	-	-	-	345
Partner One Value Up Ist Private Equity Fund	28,273	23.3	6,576	-	-	-	6,576
IBK KIP Seongjang Dideemdol Ist Private Investment Limited Partnership	55,767	20.0	11,153	-	-	-	11,153
Crevisse Raim Impact Ist Startup Venture Specialist Private Equity Fund	15,794	25.0	3,949	-	-	305	4,254
LOTTE CARD Co., Ltd (*1)	2,291,474	20.0	458,295	-	-	-	458,295
Together-Korea Government Private Pool Private Securities Investment Trust No.3	10,071	100.0	10,070	-	-	-	10,070
Genesis Environmental Energy Company Ist Private Equity Fund	16,669	24.8	4,126	-	-	-	4,126
Union Technology Finance Investment Association	41,706	29.7	12,388	-	-	-	12,388
Dicustody Co., Ltd.	98	1.0	1	-	-	-	1
Japanese Hotel Real Estate Private Equity Fund No.2	16,090	19.9	3,196	-	-	-	3,196
Woori Seoul Beltway Private Special Asset Fund No.1	30,205	25.0	7,551	-	-	-	7,551
Woori Multi Return Private Securities Investment Trust 3(Balanced Bond)	50,114	20.0	10,023	-	-	-	10,023
Woori Short-term Bond Securities Investment Trust (Bond) ClassC-F	1,050,704	14.5	151,822	-	-	-	151,822
WOORI TAERIM Ist Fund	3,875	25.6	991	-	-	-	991
Portone-Cape Fund No.1	2,447	20.0	489	-	-	-	489



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	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
KIWOOM WOORI Financial 1st Investment Fund	10,707	9.1	973	-	-	-	973
DeepDive WOORI 2021-1 Financial Investment Fund	8,340	11.9	993	-	-	-	993
Darwin Green Packaging Private Equity Fund	19,387	20.4	3,957	-	-	-	3,957
Woori FirstValue Private Real Estate Fund No.2	6,363	12.0	763	-	-	-	763
WooriG Real Infrastructure Blind General Type Private Placement Investment Trust	35,795	0.3	100	-	-	-	100
Woori Hanhwa Eureka Private Equity Fund	40,684	0.8	327	-	-	-	327
Aarden Woori Apparel 1st Private Equity Fund	20,986	0.5	99	-	-	-	99
Godo Kaisha Oceanos 1	20,720	47.8	9,905	-	-	-	9,905
Woori Zip 1	16,426	63.9	10,496	-	-	-	10,496
Woori Zip 2	23,082	63.8	14,732	-	-	-	14,732
Force TEC	(11,604)	24.5	(2,843)	-	-	2,843	-
KUM HWA Co., Ltd.	(156)	20.1	(31)	-	-	31	-
Jinmyung Plus Co.,Ltd.	123	21.3	25	-	-	(25)	-
JC Assurance No.2 Private Equity Fund	118,397	24.4	29,349	-	(11,621)	-	17,728
Dream Company Growth no.1 PEF	28,489	27.8	7,914	-	-	-	7,914
HMS-Oriens 1st Fund	52,631	22.8	12,007	-	-	-	12,007
WooriG Senior Loan General Type Private Investment Trust No.1	406,609	21.7	88,029	-	-	-	88,029
Genesis Eco No.1 Private Equity Fund	38,365	29.0	11,120	-	-	-	11,120
Paratus Woori Material Component Equipment joint venture company	58,507	29.9	17,493	-	-	-	17,493
Midas No. 8 Private Equity Joint Venture Company	66,587	28.5	18,968	-	-	-	18,968
PCC-Woori LP Secondary Fund	31,585	38.8	12,350	-	-	-	12,350
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1	257,891	27.5	73,787	-	-	-	73,787
Woori-Q Corporate Restructuring Private Equity Fund	120,502	38.1	46,155	-	-	-	46,155
Woori-Shinyoung Growth-Cap Private Equity Fund I	81,773	35.0	28,713	-	-	-	28,713

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

	December 31, 2020						
	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
W Service Networks Co., Ltd.	3,857	4.9	191	-	-	-	191
Korea Credit Bureau Co., Ltd.	79,478	9.9	7,876	246	-	3	8,125
Korea Finance Security Co., Ltd.	20,442	15.0	3,066	-	-	-	3,066
Woori Growth Partnerships New Technology Private Equity Fund	65,138	23.1	15,034	-	-	(2)	15,032
2016KIF-IMM Woori Bank Technology Venture Fund	62,911	20.0	12,582	-	-	656	13,238
K BANK Co., Ltd. (*1) (*2)	509,978	26.2	133,614	44,117	(3,634)	-	174,097
Smart Private Equity Fund No.2 (*2)	13,616	20.0	2,723	-	(1,242)	-	1,481
Woori Bank-Company K Korea Movie Asset Fund	11,154	25.0	2,788	-	-	-	2,788
Well to Sea No.3 Private Equity Fund (*3)	18,899	50.0	-	-	-	-	-
Partner One Value Up 1st Private Equity Fund	42,205	23.3	9,817	-	-	(1)	9,816
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	45,888	20.0	9,178	-	-	578	9,756
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	15,747	25.0	3,937	-	-	192	4,129
Woori-Shinyoung Growth-Cap Private Equity Fund I	109,627	35.0	38,342	-	-	-	38,342
LOTTE CARD Co., Ltd (*1)	2,114,159	20.0	422,832	-	-	-	422,832
Woori-Q Corporate Restructuring Private Equity Fund	57,922	38.4	22,220	-	-	684	22,904
PCC-Woori LP Secondary Fund	20,923	38.8	8,126	-	-	2	8,128
Force TEC	1,526	25.8	393	-	-	-	393
Together-Korea Government Private Pool Private Securities Investment Trust No.3	10,024	100.0	10,024	-	-	(1)	10,023
Genesis Environmental Energy Company 1st Private Equity Fund	16,074	24.8	3,979	-	-	-	3,979
Union Technology Finance Investment Association	15,100	29.7	4,485	-	-	-	4,485
Woori Hanhwa Eureka Private Equity Fund	50,147	0.8	403	-	-	-	403
Godo Kaisha Oceanos 1	21,321	47.8	10,193	-	-	-	10,193
Japanese Hotel Real Estate Private Equity Fund No.2	16,278	19.9	3,234	-	-	-	3,234
Woori High plus G.B. Securities Feeder FundI(G.B.)	27,870	21.8	6,076	-	-	-	6,076
WooriG Senior Loan General Type Private Investment Trust No.1	240,399	21.7	52,045	-	-	-	52,045
Woori G Clean Energy No.1	3,495	29.3	1,024	-	-	-	1,024
Woori Goseong Power EBL Private Special Asset Fund	90,707	16.7	15,118	-	-	-	15,118

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Woori Seoul Beltway Private Special Asset Fund No.1	22,451	25.0	5,613	-	-	-	5,613
WOORI TAERIM 1st Fund	1,106	25.6	283	-	-	-	283
Portone-Cape Fund No.1	4,800	20.0	960	-	-	-	960
KIWOOM WOORI Financial 1st Investment Fund	10,929	9.1	994	-	-	-	994
Woori FirstValue Private Real Estate Fund No.2	17,753	12.0	2,130	-	-	-	2,130
Woori Star50 Master Fund ClassC-F	765	24.5	184	-	-	-	184
JC Assurance No.2 Private Equity Fund	98,418	29.3	29,050	-	-	-	29,050
Dream Company Growth no.1 PEF	28,684	27.8	7,705	-	-	-	7,705
HMS-Oriens 1st Fund	52,632	22.8	12,000	-	-	-	12,000
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1	402,015	23.3	93,474	-	-	-	93,474

(\*1) The net asset equity amount is after the debt-for-equity swap, non-controlling etc.

(\*2) As a result of conducting an impairment test on the investment stocks of the related companies, the recoverable value was less than the carrying amount and thus the impairment loss was recognized.

(\*3) The estimated recoverable amount of 15,687 million Won at the time of liquidation was classified as receivable.

14. INVESTMENT PROPERTIES

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

	December 31, 2021	December 31, 2020
Acquisition cost	415,163	409,702
Accumulated depreciation	(25,582)	(22,152)
Accumulated impairment losses	(86)	(86)
Net carrying value	389,495	387,464

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

	For the years ended December 31	
	2021	2020
Beginning balance	387,464	280,239
Acquisition	-	76,588
Disposal	-	(353)
Depreciation	(2,809)	(2,689)
Transfer	6,095	30,431
Foreign currencies translation adjustments	(1,255)	267
Business combination	-	10,557
Others	-	(7,576)
Ending balance	389,495	387,464

(3) Fair value of investment properties amounted to 665,710 million won and 750,659 million won as of December 31, 2021 and 2020, respectively. The fair value of investment properties has been assessed on the basis of recent similar real estate market price and officially assessed land price in the area of the investment properties, is classified as level 3 on the fair value hierarchy.

(4) Rental fee earned from investment properties is amounting to 15,056 million won and 15,190 million won for the years ended December 31, 2021 and 2020, respectively. Operating expenses directly related to the investment properties where rental fee was earned is amounting to 2,941 million won and 2,807 million won.

(5) The lease payments expected to be received in the future under lease contracts relating to investment properties as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Lease payments:		
Within a year	13,769	11,553
More than 1 year and within 2 years	10,770	8,403
More than 2 years and within 3 years	7,743	7,545
More than 3 years and within 4 years	5,009	7,154
More than 4 years and within 5 years	2,953	4,312
More than 5 years	2,603	2,534
Total	42,847	41,501

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15. PREMISES AND EQUIPMENT

(1) Details of premises and equipment as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021						
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	Total
Premises and equipment (owned)	1,719,325	756,964	258,361	51,354	3,171	1	2,789,176
Right-of-use asset	-	367,480	18,064	-	-	-	385,544
Carrying value	1,719,325	1,124,444	276,425	51,354	3,171	1	3,174,720

	December 31, 2020						
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	Total
Premises and equipment (owned)	1,726,045	787,040	268,225	50,085	8,246	2	2,839,643
Right-of-use asset	-	435,132	12,423	-	-	-	447,555
Carrying value	1,726,045	1,222,172	280,648	50,085	8,246	2	3,287,198

(2) Details of premises and equipment (owned) as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021						
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	Total
Acquisition cost	1,719,985	1,076,091	1,156,479	475,195	3,171	20	4,430,941
Accumulated depreciation	-	(319,127)	(898,118)	(423,841)	-	(19)	(1,641,105)
Accumulated impairment losses	(660)	-	-	-	-	-	(660)
Net carrying value	1,719,325	756,964	258,361	51,354	3,171	1	2,789,176

	December 31, 2020						
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	Total
Acquisition cost	1,726,705	1,076,647	1,142,653	478,290	8,246	20	4,432,561
Accumulated depreciation	-	(289,607)	(874,428)	(428,205)	-	(18)	(1,592,258)
Accumulated impairment losses	(660)	-	-	-	-	-	(660)
Net carrying value	1,726,045	787,040	268,225	50,085	8,246	2	2,839,643

(3) Details of changes in premises and equipment (owned) are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021						
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	Total
Beginning balance	1,726,045	787,040	268,225	50,085	8,246	2	2,839,643
Acquisitions	-	15,750	68,069	23,347	11,637	-	118,803
Disposals	-	(1,994)	(1,663)	(979)	-	-	(4,636)
Depreciation	-	(33,523)	(93,921)	(22,293)	-	(1)	(149,738)
Classification of assets held for sale	(7,157)	(5,695)	-	-	-	-	(12,852)
Transfer	(3,649)	(2,446)	15,399	-	(15,399)	-	(6,095)
Foreign currencies translation adjustments	991	712	2,868	1,580	153	-	6,304
Others	3,095	(2,880)	(616)	(386)	(1,466)	-	(2,253)
Ending balance	1,719,325	756,964	258,361	51,354	3,171	1	2,789,176

	For the year ended December 31, 2020						
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	Total
Beginning balance	1,761,159	802,299	278,016	54,839	1,287	2	2,897,602
Acquisitions	3,787	26,972	84,828	26,124	7,751	-	149,462
Disposals	(8,326)	(1,719)	(605)	(688)	-	-	(11,338)
Depreciation	-	(34,572)	(94,388)	(30,579)	-	-	(159,539)
Transfer	(30,847)	(2,048)	118	-	(118)	-	(32,895)
Foreign currencies translation adjustments	(836)	(882)	(1,849)	(830)	(82)	-	(4,479)
Business combination	1,108	81	2,150	437	-	-	3,776
Others	-	(3,091)	(45)	782	(592)	-	(2,946)
Ending balance	1,726,045	787,040	268,225	50,085	8,246	2	2,839,643

(4) Details of right-of-use assets as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021		
	Building	Equipment and vehicles	Total
Acquisition cost	650,906	30,559	681,465
Accumulated depreciation	(283,426)	(12,495)	(295,921)
Net carrying value	367,480	18,064	385,544

	December 31, 2020		
	Building	Equipment and vehicles	Total
Acquisition cost	720,417	28,463	748,880
Accumulated depreciation	(285,285)	(16,040)	(301,325)
Net carrying value	435,132	12,423	447,555

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- (5) Details of changes in right-of-use assets for the years ended December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021		
	Building	Equipment and vehicles	Total
Beginning balance	435,132	12,423	447,555
New contracts	172,812	16,848	189,660
Changes in contract	9,064	225	9,289
Termination	(46,563)	(1,742)	(48,305)
Depreciation	(228,403)	(10,665)	(239,068)
Business combination	-	-	-
Others	25,438	975	26,413
Ending balance	367,480	18,064	385,544

	For the year ended December 31, 2020		
	Building	Equipment and vehicles	Total
Beginning balance	449,878	17,236	467,114
New contracts	224,494	6,831	231,325
Changes in contract	10,729	32	10,761
Termination	(18,925)	(574)	(19,499)
Depreciation	(224,946)	(11,716)	(236,662)
Business combination	3,210	381	3,591
Others	(9,308)	233	(9,075)
Ending balance	435,132	12,423	447,555

16. INTANGIBLE ASSETS

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

	December 31, 2021						
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	Total
Acquisition cost	345,449	2,057	661,959	1,174,565	40,955	717	2,225,702
Accumulated amortization	-	(1,334)	(454,251)	(947,830)	-	-	(1,403,415)
Accumulated impairment losses	-	-	-	(33,553)	(3,348)	-	(36,901)
Net carrying value	345,449	723	207,708	193,182	37,607	717	785,386

	December 31, 2020						
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	Total
Acquisition cost	334,290	1,810	582,998	1,114,615	39,454	6,669	2,079,836
Accumulated amortization	-	(1,101)	(374,125)	(875,636)	-	-	(1,250,862)
Accumulated impairment losses	-	-	-	(33,534)	(3,363)	-	(36,897)
Net carrying value	334,290	709	208,873	205,445	36,091	6,669	792,077

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

	For the year ended December 31, 2021						
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	Total
Beginning balance	334,290	709	208,873	205,445	36,091	6,669	792,077
Acquisitions	-	247	74,444	49,137	2,437	977	127,242
Disposal	-	-	-	-	(347)	-	(347)
Amortization (*)	-	(233)	(80,128)	(68,950)	-	-	(149,311)
Impairment losses	-	-	-	(18)	(93)	-	(111)
Transfer	-	-	4,518	2,946	-	(7,464)	-
Foreign currencies translation adjustments	11,159	-	-	2,952	232	-	14,343
Others	-	-	1	1,670	(713)	535	1,493
Ending balance	345,449	723	207,708	193,182	37,607	717	785,386

(\*) Amortization of other intangible assets amounting to 13,963 million won is included in other operating expenses.

	For the year ended December 31, 2020						
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	Total
Beginning balance	350,682	692	225,193	234,147	29,330	4,066	844,110
Acquisitions	-	233	53,273	41,329	5,183	3,197	103,215
Disposal	-	-	-	-	(782)	-	(782)
Amortization (*)	-	(216)	(71,620)	(64,822)	-	-	(136,658)
Impairment losses	-	-	-	(7,692)	(99)	-	(7,791)
Transfer	-	-	428	164	-	(592)	-
Foreign currencies translation adjustments	(14,802)	-	-	(2,208)	(15)	(2)	(17,027)
Business combination	-	-	2,403	4,199	2,079	-	8,681
Others	(1,590)	-	(804)	328	395	-	(1,671)
Ending balance	334,290	709	208,873	205,445	36,091	6,669	792,077

(\*) Amortization of other intangible assets amounting to 11,890 million won is included in other operating expenses.

- (3) Goodwill

- 1) Details of allocated goodwill based on each cash-generating unit as of December 31, 2021 and 2020 are as follows (Unit: Korean won in million):

Cash-generating unit (*1)	December 31, 2021	December 31, 2020
Woori Asset Management Corp.	43,036	43,036
Woori Global Asset Management Co., Ltd.	2,030	2,030
Woori Asset Trust Co., Ltd.	141,780	141,780
PT Bank Woori Saudara Indonesia 1906 Tbk (*2)	99,667	92,831
WOORI BANK (CAMBODIA) PLC (*3)	52,082	47,924
Others	6,854	6,689
Total	345,449	334,290

(\*1) Allocated to the cash-generating unit that will benefit from the synergy effect of the business combination, and the cash-generating unit is generally comprised of the operating segment or sub-sectors.

(\*2) The Group has acquired Saudara Bank to expand retail sales in Indonesia, and recognized the goodwill as it is expected to strengthen the competitiveness by securing a local sales network in Indonesia.

(\*3) The Group has acquired VisionFund Cambodia to expand Cambodian retail sales, and recognized goodwill based on the economies of scale and acquired customer base.

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2) Impairment test

The recoverable amount of the cash-generating unit is measured at larger amount among the fair value less costs to sell or the value to use.

The net fair value is calculated by deducting costs of disposal from the amount received from the sale of the cash-generating unit in an arm's length transaction between the parties with reasonable judgment and willingness to negotiate. In case of difficulty in measuring this amount, the sale amount of a similar cash-generating unit in the past market is calculated by reflecting the characteristics of the cash-generating unit. If reliable information related to fair value less costs to sell is not available, value in use is considered as recoverable amount. Value in use is the present value of future cash flows expected to be generated by the cash-generating unit. Future cash flows are estimated based on the latest financial budget approved by the management, with an estimated period of up to five years. The Group applied 0.0% - 1.0% growth rate to estimate future cash flow for the period over five years. The main assumptions used to estimate cash flows are about the size of the market and the share of the group. The appropriate discount rate for discounting future cash flows is the pre-tax discount rate, including assumptions about risk-free interest rates, market risk premium, and systemic risk of cash-generating units. The impairment test, which compares the carrying amount and recoverable amount of the cash-generating unit to which goodwill has been allocated, is conducted every year and every time an impairment sign occurs.

Category	Woori Asset Trust Co., Ltd.	Woori Asset Management Corp.	Woori Global Asset Management Co., Ltd	PT Bank Woori Saudara Indonesia 1906 Tbk	WB Finance Co., Ltd
Discount rate (%).	18.72	17.82	17.52	11.96	12.60
Terminal growth rate (%)	1.0	1.0	1.0	0.0	0.0
Recoverable amount.	326,205	137,578	41,967	606,626	369,782
Carrying amount	262,116	132,601	29,954	592,136	357,902

As a result of the impairment test on goodwill, it is determined that the carrying amount of the cash-generating unit to which the goodwill has been allocated will not exceed the recoverable amount.

3) Sensitivity analysis

The sensitivity of the fair value measurement to changes in significant but unobservable inputs used in measuring fair value is as follows (Unit: Korean Won in millions):

Category	Woori Asset Trust Co., Ltd.	Woori Asset Management Corp.	Woori Global Asset Management Co., Ltd	PT Bank Woori Saudara Indonesia 1906 Tbk	WB Finance Co., Ltd
Discount rate					
Increase by					
(%) 1.0% point	(29,949)	(6,638)	(1,999)	(62,532)	(30,603)
Decrease by					
1.0% point	34,863	7,741	2,356	74,238	35,994
Terminal growth					
rate (%) Increase by					
1.0% point	18,640	4,179	1,318	47,187	20,339
Decrease by					
1.0% point(*)	(16,089)	(3,603)	(1,123)	-	-

(\*) In the case of PT Bank Woori Saudara Indonesia 1906 Tbk and WOORI BANK (CAMBODIA) PLC, declining cases are excluded from the analysis as the permanent growth rate was assumed to be 0%.

17. ASSETS HELD FOR SALE

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

Assets (*)	December 31, 2021	December 31, 2020
Premises and equipment	8,900	2,130
Investments of associates	11,472	50,411
Others	5,955	7,461
Total	26,327	60,002

(\*) The Group classifies assets as held for sale that are highly likely to be sold within one year from December 31, 2021 or December 31, 2020.

The Group measured assets held for sale at the lower of their net fair value or carrying amount.

The Group has decided to sell some of the premises and equipment through internal consultation during the current term and classifies the premises as non-current assets held for sale. The asset is expected to be sold within 12 months, and the premises and equipment that was scheduled to be sold at the end of the prior year has been sold and removed. In addition, the investment assets of the associates, which are counted as assets held for sale as of the end of the current term, are likely to be sold within one year of the end of the current term according to the management's decision. On the other hand, other assets that are expected to be sold as of the end of the current term are classified as assets that are expected to be sold within one year due to the possibility of being sold as buildings and land acquired through auction.



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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, 2021		
		Collateral given to	Amount	Reason for collateral
Financial assets at FVTPL	Korean treasury and government bonds and others	Nonghyup bank and others	248,009	Related to bonds sold under repurchase agreements (*)
	Korean treasury and government bonds and others	Korea Securities Depository	179,079	Securities borrowing collateral
	Korean treasury and government bonds and others	VI Investment, etc.	3,008	Future trading collateral
	Korean financial institutions' debt securities and others	Korea Securities Depository	205,783	Securities borrowing collateral
	Korean financial institutions' debt securities and others	KOREA SECURITIES FINANCE CORPORATION	54,419	Collateral for securities lending purposes
	Korean financial institutions' debt securities and others	Shinhan Investment Corp.	5,352	Collateral for futures transaction
	Korean corporate bonds and others	Korea Securities Depository	299,161	Securities borrowing collateral
Financial assets at FVTOCI	Korean capital contributions and others	Korea Software Financial Cooperative	101	Bid guarantee, etc.
	Korean bonds	Korea Securities Depository	470	Related to bonds sold under repurchase agreements (*)
	Korean financial institutions' debt securities and others	The BOK and others	3,666,849	Settlement risk and others
	Foreign financial institutions' debt securities	STANDARD BANKLONDON LTD	126,595	Related to bonds sold under repurchase agreements (*)
Securities at amortized cost	Korean treasury and government bonds and others	The BOK and others	8,977,748	Settlement risk and others
	Foreign financial institutions' debt securities	NATIXIS and others	38,995	Related to bonds sold under repurchase agreements (*)
	Foreign financial institutions' debt securities	FHLB ADVANCE and others	10,375	Related to the borrowing limit
	Due from banks in local currency	Daishin AMC Co.,Ltd. and others	1,500	Right of pledge
Loan at amortized cost and other financial assets	Other due from banks in local currency	Samsung Securities Co., Ltd. and others	25,338	Margin deposit for futures or option
	Other due from banks in foreign currency	Yuanta Securities Korea Co., Ltd., etc.	1,051,006	Overseas futures option deposit, etc.
	Mortgage loan	Public offering	2,494,333	Related to covered bonds
	Investment real estate	Credit Counselling & Recovery Service and others	1,910	Right to collateral and others
Premises and equipment	Land and building	Credit Counselling & Recovery Service and others	5,520	Right to collateral and others
Total			17,395,551	

(\*) The Group has the agreements to repurchase the sold assets at the predetermined price or the price that includes the rate of return and to provide the guarantee on the assets. The transferee has the right to sell or to provide as guarantee. Therefore, the Group does not derecognize the assets, but recognizes the relevant amounts as liability (bonds sold under repurchase agreements). The asset is equivalent to a mortgage-backed debt security.

		December 31, 2020		
		Collateral given to	Amount	Reason for collateral
Financial assets at FVTPL	others	Korea Securities Depository	157,021	Securities borrowing collateral
	Korean treasury and government bonds and others	Shinhan Investment Corp.	42,428	Collateral for futures transaction
	Korean financial institutions' debt securities and others	Korea Securities Depository	148,961	Securities borrowing collateral
	Korean financial institutions' debt securities and others	Kookmin bank and others	150,496	Related to bonds sold under repurchase agreements (*)
	Korean financial institutions' debt securities and others	TIMEFOLIO Co., Ltd.	19,958	Collateral for futures transaction
	Korean treasury and government bonds and others	Korea Securities Depository	473	Related to bonds sold under repurchase agreements (*)
	Korean financial institutions' debt securities and others	The BOK and others	1,621,941	Settlement risk and others
Financial assets at FVTOCI	Foreign financial institutions' debt securities	STANDARD BANKLONDON LTD	137,842	Related to bonds sold under repurchase agreements (*)
	Korean treasury and government bonds and others	The BOK and others	8,111,193	Settlement risk and others
	Foreign financial institutions' debt securities	NATIXIS and others	40,987	Related to bonds sold under repurchase agreements (*)
	Foreign financial institutions' debt securities	Federal Reserve Bank	14,377	Related to the borrowing limit
Securities at amortized cost	Due from banks in local currency	Daishin AMC Co.,Ltd. and others	1,500	Right of pledge
	Other due from banks in local currency	Samsung Securities Co., Ltd. and others	39,005	Margin deposit for futures or option
	Other due from banks in local currency	Korea Federation of Savings Banks	47,805	Domestic exchange business
	Other due from banks in foreign currencies	JPMORGAN CHASE BANK and others	755,177	Collateral for CSA and others
Loan at amortized cost and other financial assets	Foreign currency loan bonds	Industrial and Commercial Bank of China	50,088	Related to bonds sold under repurchase agreements (*)
	Mortgage loan	Public offering	3,190,889	Related to covered bonds
	Land and building	Credit Counselling & Recovery Service and others	5,676	Right to collateral and others
	Premises and equipment	Credit Counselling & Recovery Service and others	1,969	Right to collateral and others
Total			14,797,621	

(\*) The Group has the agreements to repurchase the sold assets at the predetermined price or the price that includes the rate of return and to provide the guarantee on the assets. The transferee has the right to sell or to provide as guarantee. Therefore, the Group does not derecognize the assets, but recognizes the relevant amounts as liability (bonds sold under repurchase agreements). The asset is equivalent to a mortgage-backed debt security.

		December 31, 2020		
		Collateral given to	Amount	Reason for collateral
Financial assets at FVTPL	Korean treasury and government bonds and others	Kookmin bank and others	259,835	Related to bonds sold under repurchase agreements (*)

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(2) As of December 31, 2021 and 2020 there is no asset acquired through foreclosures.

	December 31, 2021	December 31, 2020
Investment properties		
Land	2,185	5,425
Building	181	-
Sub-total	2,366	5,425
Other assets		
Land for non-business use	21,156	10,684
Building for non-business use (*1)	1,526	1,966
Movables for non-business use (*2)	120	155
Real estate assessment provision for non-business use	(1,129)	(670)
Sub-total	21,673	12,135
Assets held for sale		
Land	2,980	5,477
Building	2,557	3,568
Others	418	546
Sub-total	5,955	9,591
Total	29,994	27,151

(\*1) The cumulative depreciation amount as of December 31, 2021 and 2020 is 716 million Won and 566 million Won, respectively.  
(\*2) The cumulative depreciation amount as of December 31, 2021 and 2020 is 907 million Won and 854 million Won, respectively.

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

	December 31, 2021	December 31, 2020	Loaned to
Financial assets at FVTOCI			Korea Securities Finance Corporation
Korean treasury and government bonds	98,535	100,345	

Securities loaned are lending of specific securities to borrowers who agree to return the same amount of the same security at the end of lending period.

(4) Collaterals held that can be disposed and re-subjected to lien regardless of defaults of counterparties

Fair values of collaterals held that can be disposed and re-subjected to lien regardless of defaults of counterparties as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	
	Fair values of collaterals	Fair values of collaterals were disposed or re-subjected to lien
Securities	10,785,412	-
	December 31, 2020	
	Fair values of collaterals	Fair values of collaterals were disposed or re-subjected to lien
Securities	10,573,982	-

19. OTHER ASSETS

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

	December 31, 2021	December 31, 2020
Lease assets	1,782,887	1,116,175
Prepaid expenses	189,808	170,820
Advance payments	61,042	28,256
Non-operational assets	16,248	12,135

Others	38,965	21,608
Total	2,088,950	1,348,994

20. FINANCIAL LIABILITIES AT FVTPL

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

	December 31, 2021	December 31, 2020
Financial instruments at fair value through profit or loss measured at fair value	4,873,458	6,794,192
Financial liabilities at fair value through profit or loss designated as upon initial recognition	-	19,630
Total	4,873,458	6,813,822

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

	December 31, 2021	December 31, 2020
Deposits		
Gold banking liabilities	65,016	49,279
Borrowings		
Securities sold	241,174	285,026
Derivative liabilities	4,567,268	6,459,887
Total	4,873,458	6,794,192

(3) Financial liabilities at fair value through profit or loss designated as upon initial recognition as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Equity-linked securities		
Equity-linked securities in short position	-	19,630

These contacts are designated as financial liabilities at fair value through profit or loss because these contracts contain one or more embedded derivatives and are hybrid (combined) contracts in accordance with K-IFRS 1109 *Financial Instrument*.

(4) There are no accumulated changes in credit risk adjustments to financial liabilities at fair value through profit or loss designated as upon initial recognition.

The adjustment to reflect Group’s credit risk is considered in measuring the fair value of equity-linked securities index. The Group’s credit risk is determined by adjusting credit spread observed in credit rating of Group.

(5) The difference between carrying amount and maturity amount of financial liabilities at fair value through profit or loss designated as upon initial recognition (Financial liabilities designated as at FVTPL) are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Carrying amount	-	19,630
Nominal amount at maturity	-	25,780
Difference	-	(6,150)

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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):

	December 31, 2021	December 31, 2020
Deposits in local currency:		
Deposits on demand	18,029,136	12,454,024
Deposits at termination	254,319,473	242,397,664
Mutual installment	24,620	26,319
Deposits on notes payables	2,954,066	2,647,492
Deposits on CMA	92,360	110,413
Certificate of deposits	3,586,423	2,072,389
Other deposits	1,286,719	1,372,461
Sub-total	280,292,797	261,080,762
Deposits in foreign currencies:		
Deposits in foreign currencies	37,643,900	30,408,762
Present value discount	(36,826)	(12,245)
Total	317,899,871	291,477,279

22. BORROWINGS AND DEBENTURES

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

		December 31, 2021	
	Lenders	Interest rate (%)	Amount
Borrowings in local currency:			
Borrowings from The BOK	The BOK	0.3	3,144,897
Borrowings from government funds	Small Enterprise And Market Service and others	0.0 ~ 2.4	2,053,611
Others	The Korea Development Bank and others	0.0 ~ 3.1	9,984,518
Sub-total			15,183,026
Borrowings in foreign currencies:			
Borrowings in foreign currencies	JPMorgan Chase & Co. and others	(0.5) ~ 7.3	8,545,077
Bills sold	Others	0.0 ~ 1.3	9,111
Call money	Bank and others	(0.5) ~ 2.6	317,961
Bonds sold under repurchase agreements	Other financial institutions	(0.5) ~ 10.6	749,976
Present value discount			(49,692)
Total			24,755,459

		December 31, 2020	
	Lenders	Interest rate (%)	Amount
Borrowings in local currency:			
Borrowings from The BOK	The BOK	0.3	2,678,120
Borrowings from government funds	Small Enterprise And Market Service and others	0.0 ~ 5.0	2,155,129
Others	The Korea Development Bank and others	0.0 ~ 5.5	7,255,938
Sub-total			12,089,187
Borrowings in foreign currencies:			
Borrowings in foreign currencies	JPMorgan Chase & Co. and others	(0.4) ~ 7.3	7,573,722
Bills sold	Others	0.0 ~ 0.9	8,924
Call money	Bank and others	(0.3) ~ 3.8	416,370
Bonds sold under repurchase agreements	Other financial institutions	(0.5) ~ 10.6	657,823
Present value discount			(560)
Total			20,745,466

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

		December 31, 2021		December 31, 2020
	Interest rate (%)	Amount	Interest rate (%)	Amount
Face value of bond (*):				
Ordinary bonds	0.7 ~ 3.6	37,004,942	0.8 ~ 4.5	29,623,445
Subordinated bonds	1.9 ~ 5.1	6,767,442	1.9 ~ 5.9	6,955,515
Other bonds	0.8 ~ 17.0	911,190	0.6 ~ 17.0	925,677
Sub-total		44,683,574		37,504,637
Discounts on bonds		(29,710)		(25,279)
Total		44,653,864		37,479,358

(\*) Included debentures under fair value hedge amounting to 2,366,724 million won and 2,767,208 million won as of December 31, 2021 and 2020 respectively. Also, debentures under cash flow hedge amounting to 819,298 million won and 857,531 million won are included as of December 31, 2021 and 2020 respectively.

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23. PROVISIONS

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

	December 31, 2021	December 31, 2020
Asset retirement obligation	80,777	68,402
Provisions for guarantees (*1)	74,866	89,592
Provisions for unused loan commitments	112,296	122,155
Other provisions (*2)	308,195	221,494
Total	576,134	501,643

(\*1) Provisions for guarantees includes provision for financial guarantee of 53,321 million won and 66,232 million won as of December 31, 2021 and 2020, 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, 2021			
	Stage1	Stage2	Stage3	Total
Beginning balance	64,804	16,745	8,043	89,592
Transfer to 12-month expected credit loss	2,146	(2,144)	(2)	-
Transfer to expected credit loss for the entire period	(162)	193	(31)	-
Transfer to credit-impaired financial assets	(3)	(162)	165	-
Provisions used	(6,964)	-	-	(6,964)
Net provision (reversal) of unused amount	(9,929)	636	(1,408)	(10,701)
Others (*)	2,938	1	-	2,939
Ending balance	52,830	15,269	6,767	74,866

(\*) Includes the impact from change of financial guarantee liability.

	For the year ended December 31, 2020			
	Stage1	Stage2	Stage3	Total
Beginning balance	50,801	26,303	15,382	92,486
Transfer to 12-month expected credit loss	81	(60)	(21)	-
Transfer to expected credit loss for the entire period	(396)	1,639	(1,243)	-
Transfer to credit-impaired financial assets	(12)	(13)	25	-
Net provision (reversal) of unused amount	(1,124)	(11,124)	(6,100)	(18,348)
Business combination	14,501	-	-	14,501
Others (*)	953	-	-	953
Ending balance	64,804	16,745	8,043	89,592

(\*) Includes the impact from change of financial guarantee liability.

2) Provisions for unused loan commitment

	For the year ended December 31, 2021			
	Stage1	Stage2	Stage3	Total
Beginning balance	63,240	55,726	3,189	122,155
Transfer to 12-month expected credit loss	15,522	(14,965)	(557)	-
Transfer to expected credit loss for the entire period	(2,338)	3,129	(791)	-
Transfer to credit-impaired financial assets	(110)	(226)	336	-
Net provision (reversal) of unused amount	(9,005)	871	(1,857)	(9,991)
Others	131	1	-	132
Ending balance	67,440	44,536	320	112,296

	For the year ended December 31, 2020			
	Stage1	Stage2	Stage3	Total
Beginning balance	65,038	43,164	4,352	112,554
Transfer to 12-month expected credit loss	8,006	(7,500)	(506)	-
Transfer to expected credit loss for the entire period	(2,704)	3,299	(595)	-
Transfer to credit-impaired financial assets	(174)	(186)	360	-
Net provision (reversal) of unused amount	(6,653)	16,949	(422)	9,874
Business combination	7	-	-	7
Others	(280)	-	-	(280)
Ending balance	63,240	55,726	3,189	122,155

(3) Changes in asset retirement obligation for the years ended December 31, 2021 and 2020, are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2021	2020
Beginning balance	68,402	66,485
Provisions provided	3,235	806
Provisions used	(5,066)	(2,958)
Reversal of provisions unused	(947)	(106)
Unwinding of discount	495	459
Business combination	-	219
Increase (decrease) of restoration expense, etc.	14,658	3,497
Ending balance	80,777	68,402

The amount of the asset retirement obligation is the present value of the best estimate of future expected expenditure to settle the obligation – arising from leased premises as of December 31, 2021, discounted by appropriate discount rate. The restoration cost is expected to occur by the end of each premise's lease period, and the Group has used average lease period of each category of leases terminated during the past years in order to rationally estimate the lease period. In addition, the Group used average amount of actual recovery cost for the past 3 years and the inflation rate for last year in order to estimate future recovery cost.

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- (4) Changes in other provisions for the years ended December 31, 2021 and 2020, are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2021	2020
Beginning balance	221,494	172,455
Provisions provided	85,706	232,629
Provisions used	(10,375)	(181,433)
Reversal of provisions unused	(718)	(2,345)
Foreign currencies translation adjustments	11,957	606
Transfer	-	(344)
Others	131	(74)
Ending balance	308,195	221,494

- (5) Others

- 1) The Group has been offering Korean won settlement services for trade with Korea and Iran; however, the Group has stopped the services for trade in line with U.S. economic sanctions on September 23, 2019. The Group resumed the service humanitarian goods trade only since July 13, 2020. In connection with these services, the Group is currently being investigated by the U.S. government agencies including the U.S. prosecutors (United States Attorney's Office and New York State Attorney General's Office) and New York State Financial Supervisory Service as to whether the Group has violated United States laws by participating in prohibited transactions involving the following countries: Iran, Sudan, Syria and Cuba, which have been sanctioned by the U.S. In this regard, the Bureau of Foreign Assets Control concluded its investigation in December 2020 without taking any additional sanctions, but the investigation procedures of the U.S. Public Prosecutors' Office and the New York State Financial Supervisory Service have yet to be completed.
- 2) The Group recognized the provision of the estimated compensation amount related to the mis-selling of the Derivative Linked Fund (DLF) incurred during 2019 and a fine expected to be imposed by the Financial Supervisory Service as the best estimate for the expenditure required to meet its obligations at the end of the reporting period.
- 3) For the year ended December 31, 2021, the Group recognized the provisions for the required expenditure as the best estimate to fulfill its obligations as of December 31, 2021 due to the expected losses of clients arising from the delay in the redemption of funds by Lime Asset Management and the dispute settlement by the Financial Supervisory Service. As of December 31, 2021, the provision for this case is 114.9 billion won and the advance payment is 7.2 billion won.
- 4) On October 22, 2021, the Group made a resolution to pay in advance for Platform Asia funds, etc., which are delayed in redemption at the Board of Directors Meeting of Woori Bank, the subsidiary. Provisions for estimated compensation amounts related to the prepayment was recognized as the best estimate of the expenditure. As of December 31, 2021, the sales revenue for Platform Asia, Heritage DLS, and Gen2 DLS sold 85 billion won, 22.3 billion won, and 90.2 billion won, respectively, and provisions is 35.7 billion won, 13.4 billion won, and 10.8 billion won, respectively. In addition, the provision for the expected fine related to incomplete sales of Heritage DLS is 700 million won.

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, 2021	December 31, 2020
Present value of defined benefit obligation	1,618,098	1,610,680
Fair value of plan assets	(1,591,458)	(1,564,101)
Net defined benefit liabilities (*)	26,640	46,579

(\*) Net defined benefit liability of 26,640 million won and 46,579 million won as of December 31, 2021 and 2020 is the subtracted amount of the net defined benefit asset of 21,346 million won and 5,658 million won from the net defined benefit liability of 47,986 million won and 52,237 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	
	2021	2020
Beginning balance	1,610,680	1,442,859
Current service cost	178,416	174,509
Interest cost	39,814	34,653
Remeasurements		
Financial assumption	(92,367)	(20,838)
Demographic assumptions	(251)	4,161
Experience adjustments	(12,155)	(4,481)
Retirement benefit paid	(106,050)	(55,864)
Foreign currencies translation adjustments	165	(119)
Business combination	-	34,001
Others	(154)	1,799
Ending balance	1,618,098	1,610,680



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

	For the years ended December 31	
	2021	2020
Beginning balance	1,564,101	1,352,971
Interest income	40,927	34,534
Remeasurements	(15,022)	(7,666)
Employer's contributions	103,251	211,505
Retirement benefit paid	(99,523)	(52,627)
Business combination	-	27,599
Others	(2,276)	(2,215)
Ending balance	1,591,458	1,564,101

(4) Plan assets consist of fixed deposits and others as of December 31, 2021 and 2020.

	December 31, 2021	December 31, 2020
Cash and due from banks	1,591,458	1,564,101

Meanwhile, Among plan assets, realized returns on plan assets amount to 25,905 million won and 26,868 million won for the years ended December 31, 2021 and 2020, respectively. The contribution expected to be paid in the next accounting year amounts to 162,374 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	
	2021	2020
Current service cost	178,416	174,509
Net interest expense (income)	(1,113)	119
Cost recognized in net income	177,303	174,628
Remeasurements (*)	(89,751)	(13,492)
Cost recognized in total comprehensive income	87,552	161,136

(\*) Amount before tax

Retirement benefits related to defined contribution plans recognized as expenses are 4,494 million won, and 3,827 million won for the years ended December 31, 2021 and 2020, respectively.

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

	December 31, 2021	December 31, 2020
Discount rate	2.40% ~ 3.49%	2.13% ~ 2.97%
Future wage growth rate	2.03% ~ 5.56%	2.05% ~ 7.00%
Mortality rate	Issued by Korea Insurance Development Institute	Issued by Korea Insurance Development Institute
Retirement rate	Experience rate for each employment classification	Experience rate for each employment classification

The weighted average maturity of defined benefit liability is a minimum of 5.49 to a maximum 11.4 years.

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

		December 31, 2021	December 31, 2020
Discount rate	Increase by 1% point	(161,428)	(165,754)
	Decrease by 1% point	189,630	195,475
Future wage growth rate	Increase by 1% point	188,392	193,149
	Decrease by 1% point	(163,431)	(167,037)

25. OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

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

	December 31, 2021	December 31, 2020
Other financial liabilities:		
Accounts payable	6,969,170	4,028,639
Accrued expenses	2,070,639	2,049,401
Borrowings from trust accounts	3,107,456	2,984,031
Agency business revenue	433,041	466,485
Foreign exchange payables	782,176	789,189
Domestic exchange settlement credits	6,708,220	180,251
Lease liabilities	343,213	407,431
Other miscellaneous financial liabilities	3,772,437	3,317,358
Present value discount	(15,322)	(6,968)
Sub-total	24,171,030	14,215,817
Other liabilities:		
Unearned income	291,147	254,702
Other miscellaneous liabilities	265,706	219,111
Sub-total	556,853	473,813
Total	24,727,883	14,689,630

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26. DERIVATIVES

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

	December 31, 2021						
	Nominal amount	Assets			Liabilities		
		For cash flow hedge	For fair value hedge	For trading	For cash flow hedge	For fair value hedge	For trading
Interest rate:							
Futures	118,423	-	-	-	-	-	-
Forwards	340,000	-	-	16,434	-	-	-
Swaps	134,196,188	351	95,103	136,185	-	20,287	305,443
Purchase options	170,000	-	-	3,959	-	-	-
Written options	340,000	-	-	-	-	-	8,552
Currency:							
Futures	7,445	-	-	-	-	-	-
Forwards	114,072,910	-	-	2,466,893	-	-	993,823
Swaps	101,117,559	11,310	-	1,444,634	7,297	-	2,345,735
Purchase options	1,079,610	-	-	10,968	-	-	-
Written options	1,686,787	-	-	-	-	-	8,952
Equity:							
Futures	337,916	-	-	-	-	-	-
Forwards	233	-	-	64	-	-	-
Swaps	642,963	-	-	27,031	-	-	3,784
Purchase options	17,503,553	-	-	696,963	-	-	-
Written options	19,106,573	-	-	-	-	-	900,979
Total	390,720,160	11,661	95,103	4,803,131	7,297	20,287	4,567,268

	December 31, 2020						
	Nominal amount	Assets			Liabilities		
		For cash flow hedge	For fair value hedge	For trading	For cash flow hedge	For fair value hedge	For trading
Interest rate:							
Futures	184,413	-	-	-	-	-	-
Swaps	137,057,240	-	174,820	318,545	1,476	28	524,190
Purchase options	330,000	-	-	6,271	-	-	-
Written options	285,440	-	-	-	-	-	5,419
Currency:							
Futures	2,546	-	-	-	-	-	-
Forwards	105,146,634	-	-	2,541,957	-	-	2,848,980
Swaps	87,249,320	-	-	3,325,135	63,265	-	2,415,610
Purchase options	1,147,877	-	-	59,329	-	-	-
Written options	1,632,048	-	-	-	-	-	23,271
Equity:							
Futures	123,742	-	-	-	-	-	-
Forwards	11	-	-	-	-	-	-
Swaps	269,039	-	-	-	-	-	12,533
Purchase options	9,863,110	-	-	650,505	-	-	-
Written options	10,369,009	-	-	-	-	-	629,884
Total	353,660,429	-	174,820	6,901,742	64,741	28	6,459,887

Derivatives held for trading are classified into financial assets at FVTPL (Note 7) and financial liabilities at FVTPL (Note 20), and derivatives designated for hedging are presented as a separate line item in the consolidated statements of financial position.

(2) Overview of the Group's hedge accounting

The hedging relationships the entity applies fair value hedge accounting and cash flow hedge accounting to are affected by interest rate which is related with Interest Rate Benchmark Reform. The interest rates to which the hedging relationships are exposed are USD 1M LIBOR, USD 3M LIBOR, AUD 3M BBSW and 3M EURIBOR. The nominal amounts of hedging instruments related to 1M LIBOR, 3M LIBOR, 3M BBSW and 3M EURIBOR in the hedging relationships of the Group are USD 470,000,000, USD 1,850,000,000, AUD 150,000,000 and EUR 26,591,163 respectively. The entity pays close attention to discussions in the market and industry regarding the applicable alternative benchmark interest rates for the exposed interest rate. The entity judges related uncertainty is expected to be no longer present when the exposed interest rates are replaced by the applicable benchmark interest rates.

1) Fair value hedge

As of the December 31, 2021, the Group has applied fair value hedge on fixed interest rate foreign currency denominated debentures amounting to 2,366,724 million won and foreign currency borrowings amounting to 35,694 million won. The purpose of the hedging is to avoid fair value volatility risk of fixed interest rate foreign currency denominated debentures derived from fluctuations of market interest rate, and as such the Group entered into interest rate swap agreements designated as hedging instruments.

Pursuant to the interest rate swap agreement, by swapping the calculated difference between the fixed interest rate and floating interest rate applied to the nominal value, the fair value fluctuation risk is hedged as the foreign currency denominated debentures fixed interest rate terms are converted to floating interest rate. Pursuant to the interest rate swap agreement, hedge ratio is determined by matching the nominal value of hedging instrument to the face value of the hedged item.

In this hedging relationship, only the market interest rate fluctuation, which is the most significant part of the fair value change of the hedged item, is designated as the hedged risk, and other risk factors including credit risk are not included in the hedged risk. Therefore, the ineffective portion of the hedge could arise from fluctuations in the timing of the cash flow of the hedged item, price margin set by counterparty of hedging instrument, and unilateral change in credit risk of any party of hedging instrument.

The interest rate swap agreements and the hedged items are subject to fluctuations in the underlying market rate of interest and the Group expects the fair value of the interest rate swap contract and the value of the hedged item to generally change in the opposite direction.

The fair value of the interest rate swap at the end of the reporting period is determined by discounting future cash flows estimated by using the yield curve at the end of the reporting period and the credit risk embedded in the contract and the average interest rate is determined based on the outstanding balance at the end of the reporting period. The variable interest rate applied to the interest rate swap is USD Libor 3M plus spread, AUD BBSW 3M plus spread and EURIBOR 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, 2021, the Group has applied cash flow hedge on local currency denominated debentures amounting to 49,977 million won and debentures on foreign currency amounting to 769,322 million won The Group's hedging strategies are to ① Mitigate risks of cash flow fluctuation from variable interest rate debentures on local currency due to changes in market interest rate by entering into an interest rate swap contract and thereby designating it as hedging instrument; ② Mitigate the risks of cash flow fluctuation from principal and interest of variable interest rate debentures denominated in foreign currency due to changes in foreign exchange rates and interest rates by entering into a currency swap contract and thereby designating it as hedging instrument; ③ Mitigate the risks of cash flow fluctuation from principal and interest of fixed interest rate debentures denominated in foreign currency due to changes in foreign exchange rates by entering into a currency swap contract and thereby designating it as hedging instrument and ④ Mitigate the risks of cash flow fluctuation in variable interest rate foreign currency borrowings resulting from changes in market interest rates and designate it as a hedging instrument through entering into currency swap contracts and interest rate swap contracts.

This means exchanging a predetermined nominal amount as set forth in the interest rate swap contract adjusted by the differences between the fixed and variable interest rates, which results in the conversion of interest rates of debentures in local currency from variable interest into fixed interest, eliminating the cash flow fluctuation risk.

In addition, this also means a payment of predetermined principal amount as set forth in the currency swap adjusted by fixed interest rate, an exchange of an amount calculated by applying variable interest rate to USD or applying fixed interest rate to SGD, and an exchange of the principal denominated in KRW and principal denominated in foreign currency at maturity eliminating cash flow fluctuation risk on principal and interest.

The hedge ratio is determined by matching the nominal amount of the hedging instrument to the face amount of the hedged item in accordance with interest rate swap and currency swap.

Only interest rate and foreign exchange rate fluctuation risk, which is the most significant factor in the cash flow fluctuation of the hedged item, is addressed in this hedging relationship, and other risk factors such as credit risk are not subject to hedging.

Thus, there could be hedge ineffectiveness arising from price margin set by the counterparty of hedging instruments and unilateral change in credit risk of any party in the transaction.

The interest rate swap, currency swap contract and the hedged item are all affected by the changes in market interest rate and foreign exchange rates which are basic factors of the derivative. The Group expects that the value of interest rate swap contract, currency swap contract and value of the hedged item will generally fluctuate in opposite direction.

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

	December 31, 2021			
	1 year or less	1 year to 5 years	More than 5 years	Total
Fair value hedge				
Interest rate risk				
Interest rate swap (USD)	-	1,550,000,000	300,000,000	1,850,000,000
Interest rate swap (AUD)	-	150,000,000	-	150,000,000
Interest rate swap (EUR)	-	26,591,163	-	26,591,163
Cash flow hedge				
Interest rate risk				
Interest rate swap (KRW)	-	50,000	-	50,000
Foreign currencies translation risk and interest rate risk				
Currency swap (USD)	200,000,000	270,000,000	-	470,000,000
Foreign currencies translation risk				
Currency swap (USD)	-	180,000,000	-	180,000,000

	December 31, 2020			
	1 year or less	1 year to 5 years	More than 5 years	Total
Fair value hedge				
Interest rate risk				
Interest rate swap (USD)	1,000,000,000	1,000,000,000	300,000,000	2,300,000,000
Interest rate swap (AUD)	-	150,000,000	-	150,000,000
Cash flow hedge				
Interest rate risk				
Interest rate swap (KRW)	100,000	50,000	-	150,000
Foreign currencies translation risk and interest rate risk				
Currency swap (USD)	130,000,000	470,000,000	-	600,000,000
Foreign currencies translation risk				
Currency swap (SGD)	68,000,000	-	-	68,000,000

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(4) The average interest rate and average currency rate of the hedging instrument as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	
	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 (AUD)	Fixed 0.84% receipt and BBSW 3M+0.72% paid	
Interest rate swap (EUR)	EURIBOR 3M + 0.09% receipt and 1.5% fixed paid	
Cash flow hedge		
Interest rate risk		
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+0.70% receipt, KRW 0.93% paid, USD/KRW = 1,206.60	
Foreign currencies translation risk		
Currency swap (USD)	USD 1.50% receipt, KRW 1.57% paid, USD/KRW = 1,140.50	
	December 31, 2020	
	Average interest rate and average exchange rate	
Fair value hedge		
Interest rate risk		
Interest rate swap (USD)	Fixed 4.22% receipt and Libor 3M+1.71% floating paid	
Interest rate swap (AUD)	Fixed 5.88% receipt and Libor 6M+2.15% floating paid	
Interest rate swap (EUR)	Fixed 0.84% receipt and BBSW 3M+0.72% paid	
Cash flow hedge		
Interest rate risk		
Interest rate swap (KRW)	KRW 3Y CMS+0.40% receipt, 2.38% paid	
Interest rate swap (KRW)	KRW CD+0.69% receipt, 2.06% 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 3M Libor+0.80% receipt, KRW 1.45% paid, USD/KRW = 1,155	
Currency swap (USD)	USD 1M Libor+0.67% receipt, KRW 1.14% paid, USD/KRW = 1,190	
Currency swap (USD)	USD 1M Libor+0.69% receipt, KRW 1.02% paid, USD/KRW = 1,199	
Foreign currencies translation risk		
Currency swap (SGD)	SGD 1.91% receipt, KRW 1.98% paid, SGD/KRW = 827	

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

December 31, 2021					
		Carrying amounts of the hedging instrument		Line item in the statement of financial position where the hedging instrument is located	Changing in fair value used for calculating hedge ineffectiveness
Nominal amounts of the hedging instrument		Assets	Liabilities		
Fair value hedge					
Interest rate risk					
Interest rate swap	USD 1,850,000,000			Derivative assets (designated for hedging)	(83,821)
Interest rate swap	AUD 150,000,000	95,086	20,287	Derivative liabilities (designated for hedging)	
Interest rate swap	EUR 26,591,163	17	-		17
Cash flow hedge					
Interest rate risk					
Interest rate swap	KRW 50,000	351	-	Derivative liabilities (designated for hedging)	1,896
Foreign currency translation risk and interest rate risk					
Currency swap	USD 470,000,000	3,631	7,297	Derivative liabilities (designated for hedging)	60,564
Foreign currency translation risk					
Currency swap	USD 180,000,000	7,679	-	Derivative liabilities (designated for hedging)	8,218
December 31, 2020					
		Carrying amounts of the hedging instrument		Line item in the statement of financial position where the hedging instrument is located	Changing in fair value used for calculating hedge ineffectiveness
Nominal amounts of the hedging instrument		Assets	Liabilities		
Fair value hedge					
Interest rate risk					
Interest rate swap	USD 2,300,000,000			Derivative assets (designated for hedging)	57,221
Interest rate swap	AUD 150,000,000	174,820	28	Derivative liabilities (designated for hedging)	
Cash flow hedge					
Interest rate risk					
Interest rate swap	KRW 150,000	-	1,476	Derivative liabilities (designated for hedging)	(196)
Foreign currency translation risk and interest rate risk					
Currency swap	USD 600,000,000	-	62,893	Derivative liabilities (designated for hedging)	(69,319)
Foreign currency translation risk					
Currency swap	SGD 68,000,000	-	373	Derivative liabilities (designated for hedging)	(4,699)

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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, 2021						
	Carrying amounts of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Changing in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve (*)
	Assets	Liabilities	Assets	Liabilities			
Fair value hedge							
Interest rate risk							
Debentures	-	2,366,724	-	53,160	Debentures	100,343	-
Foreign currency borrowing	-	35,694	-	-	Foreign currency borrowings	(17)	(17)
Cash flow hedge							
Interest rate risk							
Debentures	-	49,977	-	-	Debentures	(1,760)	281
Foreign currencies translation risk and interest rate risk							
Debentures	-	556,607	-	-	Debentures	(53,832)	5,859
Foreign currencies translation risk							
Debentures	-	212,715	-	-	Debentures	(7,609)	(305)

(\*) After tax amount

	December 31, 2020						
	Carrying amounts of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Changing in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve (*)
	Assets	Liabilities	Assets	Liabilities			
Fair value hedge							
Interest rate risk							
Debentures	-	2,767,208	-	144,741	Debentures	(59,073)	-
Cash flow hedge							
Interest rate risk							
Debentures	-	149,936	-	-	Debentures	188	(909)
Foreign currencies translation risk and interest rate risk							
Debentures	-	651,704	-	-	Debentures	61,823	(95)
Foreign currencies translation risk							
Debentures	-	55,891	-	-	Debentures	6,564	(268)

(\*) After tax amount

(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, 2021	
		Hedge ineffectiveness recognized in profit or loss	Line item in the profit or loss that includes hedge ineffectiveness
Fair value hedge	Interest rate risk	16,522	Other net operating income(expense)
		For the year ended December 31, 2020	
		Hedge ineffectiveness recognized in profit or loss	Line item in the profit or loss that includes hedge ineffectiveness
Fair value hedge	Interest rate risk	(1,852)	Other net operating income(expense)

(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, 2021					
		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				Other net operating income (expense)	-	Other net operating income (expense)
		1,641	256	-	Other net operating income (expense)		Other net operating income (expense)
	Foreign currencies translation risk and interest rate risk	60,394	169	(2,300)	Other net operating income (expense)	(52,126)	Other net operating income (expense)
	Foreign currencies translation risk	8,476	(258)	416	Other net operating income (expense)	(9,045)	Other net operating income (expense)
		For the year ended December 31, 2020					
		Changes in the value of hedging instruments recognized in OCI	Hedge ineffectiveness recognized in profit or loss	Changes in the value of foreign basis spread recognized in OCI	Line item recognized in the profit or loss	Amounts reclassified from cash flow hedge reserve to profit or loss	Line item affected in profit or loss due to reclassification
Cash flow hedge	Interest rate risk				Other net operating income (expense)	-	Other net operating income (expense)
		(122)	(74)	-	Other net operating income (expense)		Other net operating income (expense)
	Foreign currencies translation risk and interest rate risk	(68,270)	(1,049)	5,893	Other net operating income (expense)	64,762	Other net operating income (expense)
	Foreign currencies translation risk	(3,677)	(1,022)	320	Other net operating income (expense)	5,393	Other net operating income (expense)



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### 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	
	2021	2020
Beginning balance	6,939	52,259
New transactions	49,523	22,901
Amounts recognized in losses	(27,351)	(68,221)
Ending balance	29,111	6,939

In case some variables to measure fair values of financial instruments are not observable in the market, valuation techniques are utilized to evaluate such financial instruments. Those financial instruments are recorded the transaction price as at the time of acquisition, even though there are difference noted between the transaction price and the fair value, which is deferred and amortized to maturity using the effective interest method and reflected in profit and loss. The table above presents the difference yet to be realized as profit or losses.

### 28. EQUITY

(1) Details of equity as of December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Capital		
Common stock capital	3,640,303	3,611,338
Hybrid securities	2,294,381	1,895,366
Capital surplus		
Paid in capital in excess of par	643,544	608,348
Others	38,841	17,763
Sub-total	682,385	626,111
Capital adjustments		
Treasury stocks	(3,819)	-
Other adjustments (*1)	(1,747,242)	(1,775,312)
Sub-total	(1,751,061)	(1,775,312)
Accumulated other comprehensive income		
Financial assets at FVTOCI	(162,522)	(9,833)
Changes in capital due to equity method	(138)	(2,609)
Loss from foreign business translation	(63,781)	(298,363)
Remeasurements of defined benefit plan	(195,944)	(261,195)
Loss on evaluation of cash flow hedge	5,553	(1,386)
Capital related to noncurrent assets held for sale	279	1,226
Sub-total	(416,553)	(572,160)
Retained earnings (*2) (*3)	21,392,564	19,268,265
Non-controlling interest (*4)	3,008,176	3,672,237
Total	28,850,195	26,725,845

(\*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 2,568,367 million Won and 2,547,547 million Won as of December 31, 2021 and 2020, respectively in accordance with the relevant article.

(\*3) The earned surplus reserve in retained earnings amounted to 122,370 million Won and 62,830 million Won as of December 31, 2021 and 2020 in accordance with the Article 53 of the Financial Holding Company Act.

(\*4) The hybrid securities issued by Woori Bank amounting to 2,555,166 million Won and 3,105,070 million Won as of December 31, 2021 and 2020, respectively, are recognized as non-controlling interests. 144,923 million Won and 162,362 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, 2021 and 2020, respectively.

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

	December 31, 2021	December 31, 2020
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	728,060,549 Shares	722,267,683 Shares
Capital stock	3,640,303 million Won	3,611,338 million won

(3) The Parent company issued 5,792,866 new shares in the stock exchange process with the shareholders of Woori Financial Capital Co., Ltd., and the total number of issued shares changed from 722,267,683 shares as of December 31, 2020 to 728,060,549 shares as of December 31, 2021.

(4) Hybrid securities

The bond-type hybrid securities classified as owner's equity are as follows (Unit: Korean Won in millions):

	Issue date	Maturity	Interest rate (%)	December 31, 2021	December 31, 2020
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	-
Securities in local currency	2021-10-14	-	3.60	200,000	-
	Issuance cost			(5,619)	(4,634)
	Total			2,294,381	1,895,366

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

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(5) Accumulated other comprehensive income

Changes in the accumulated other comprehensive income are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021				
	Beginning balance	Increase (decrease) (*)	Reclassification adjustments	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets at FVTOCI	(9,833)	(174,113)	(32,624)	54,048	(162,522)
Changes in capital due to equity method	(2,609)	3,885	-	(1,414)	(138)
Gain (loss) on foreign currency translation of foreign operations	(298,363)	239,614	-	(5,032)	(63,781)
Remeasurement gain (loss) related to defined benefit plan	(261,195)	90,337	-	(25,086)	(195,944)
Gain (loss) on valuation of derivatives designated as cash flow hedges	(1,386)	6,416	1,221	(698)	5,553
Capital related to noncurrent assets held for sale	1,226	(1,306)	-	359	279
Total	(572,160)	164,833	(31,403)	22,177	(416,553)

(\*) 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 (2,220) million Won, 946 million Won and (947) million Won are due to disposal of equity securities, equity method investments and non-current assets held for sale, respectively during the period.

	For the year ended December 31, 2020					
	Beginning balance	Increase (decrease) (*)	Reclassification adjustments	Classified as held for sale	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets at FVTOCI	(71,914)	115,167	(30,643)	-	(22,443)	(9,833)
Changes in capital due to equity method	915	(3,171)	-	(1,691)	1,338	(2,609)
Gain (loss) on foreign currency translation of foreign operations	(152,987)	(152,486)	-	-	7,110	(298,363)
Remeasurement gain (loss) related to defined benefit plan	(270,977)	13,492	-	-	(3,710)	(261,195)
Gain (loss) on valuation of derivatives designated as cash flow hedges	(5,692)	4,568	-	-	(262)	(1,386)
Capital related to noncurrent assets held for sale	-	-	-	1,691	(465)	1,226
Total	(500,655)	(22,430)	(30,643)	-	(18,432)	(572,160)

(\*) The increase and decrease of financial asset valuation profit or loss at fair value through other comprehensive income is a change due to the period evaluation and the reclassification adjustments amounting to 2,664 million won are due to disposal of equity securities during the period.

(6) Regulatory Reserve for Credit Loss

In accordance with Article 26 ~ 28 of the Financial holding company Supervision Regulations, the Group calculates and discloses the regulatory reserve for credit loss.

1) Balance of the regulatory reserve for credit loss

Balance of the planned regulatory reserve for credit loss is as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Beginning balance	2,568,367	2,547,547
Planned provision of regulatory reserve (reversal) for credit loss	398,593	20,820
Ending balance	2,966,960	2,568,367

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	
	2021	2020
Net income before regulatory reserve	2,807,371	1,515,249
Provision of regulatory reserve (reversal) for credit loss	398,593	20,820
Adjusted net income after the provision of regulatory reserve	2,408,778	1,494,429
Dividends to hybrid securities	(66,250)	(48,915)
Adjusted net income after regulatory reserve and dividends to hybrid securities	2,342,528	1,445,514
Adjusted EPS after regulatory reserve and the dividends to hybrid securities (Unit: Korean Won)	3,234	2,002

(7) Treasury stock

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

	December 31, 2021		December 31, 2020	
	Number of shares	Book value	Number of shares	Book value
Beginning balance	2	-	2	-
Acquisition	343,989	3,819	-	-
Disposal	-	-	-	-
Ending balance	343,991	3,819	2	-

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29. DIVIDENDS

- (1)

Dividends per share and the total dividends for the fiscal year ending December 31, 2020 were 360 Won and 260,017 million Won, respectively, and the dividends were approved at the regular general shareholders' meeting held on March 26, 2021 and were paid in April 2021.
- (2)

On July 23, 2021, the Board of Directors decided to pay an interim dividend of 150 Won per share (total dividend of 108,340 million Won) with July 30, 2021 as the dividend base date, and were paid in August 2021.
- (3)

A dividend in respect of the year ended December 31, 2021, of 750 won per share, amounting to a total dividend of 546,044 million won, is to be proposed to shareholders at the annual general meeting on March 25, 2022. These financial statements do not reflect this dividend payable.

30. NET INTEREST INCOME

- (1)

Interest income recognized is as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2021	2020
Financial assets at FVTPL	45,803	48,612
Financial assets at FVTOCI	381,814	437,527
Financial assets at amortized cost:		
Securities at amortized cost	324,920	382,988
Loans and other financial assets at amortized cost:		
Interest on due from banks	46,600	53,586
Interest on loans	9,065,074	8,570,173
Interest of other receivables	30,538	30,967
Subtotal	9,142,212	8,654,726
Total	9,894,749	9,523,853

- (2)

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

	For the years ended December 31	
	2021	2020
Interest on deposits due to customers	1,906,858	2,486,523
Interest on borrowings	219,994	269,985
Interest on debentures	727,093	722,551
Other interest expense	47,647	36,964
Interest on lease liabilities	7,436	9,318
Total	2,909,028	3,525,341

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	
	2021	2020
Fees and commission received for brokerage	182,794	162,653
Fees and commission received related to credit	197,125	195,391
Fees and commission received for electronic finance	131,941	125,107
Fees and commission received on foreign exchange handling	56,210	55,984
Fees and commission received on foreign exchange	73,894	69,017
Fees and commission received for guarantee	76,428	74,647
Fees and commission received on credit card	573,048	507,852
Fees and commission received on securities business	100,991	79,606
Fees and commission from trust management	216,203	160,564
Fees and commission received on credit information	10,220	13,254
Fees and commission received related to lease	374,900	84,164
Other fees	177,951	165,777
Total	2,171,705	1,694,016

- (2)

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

	For the years ended December 31	
	2021	2020
Fees and commissions paid	261,734	246,824
Credit card commission	425,796	424,316
Brokerage commission	1,605	551
Others	11,795	8,286
Total	700,930	679,977

32. DIVIDEND INCOME

- (1)

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

	For the years ended December 31	
	2021	2020
Dividend income related to financial assets at FVTPL	284,683	120,158
Dividend income related to financial assets at FVTOCI	24,528	18,385
Total	309,211	138,543

- (2)

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

	For the years ended December 31	
	2021	2020
Dividend income recognized from assets held: Equity securities	24,528	18,385

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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	
		2021	2020
Gain on financial instruments at fair value through profit or loss measured at fair value		325,649	422,374
Gain (loss) on financial instruments at fair value through profit or loss designated as upon initial recognition		102	(665)
Total		325,751	421,709

(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	
			2021	2020
Financial assets at FVTPL	Securities	Gain on transactions and valuation	249,803	142,551
		Loss on transactions and valuation	(197,172)	(122,506)
		Sub-total	52,631	20,045
	Loans	Gain on transactions and valuation	24,674	15,299
		Loss on transactions and valuation	(6,770)	(8,087)
		Sub-total	17,904	7,212
	Other financial assets	Gain on transactions and valuation	17,034	10,902
		Loss on transactions and valuation	(12,370)	(10,257)
		Sub-total	4,664	645
	Sub-total		75,199	27,902
Derivatives (Held for trading)	Interest rates derivatives	Gain on transactions and valuation	2,020,004	1,727,585
		Loss on transactions and valuation	(1,746,752)	(1,998,824)
		Sub-total	273,252	(271,239)
	Currency derivatives	Gain on transactions and valuation	9,685,798	12,562,354
		Loss on transactions and valuation	(9,715,260)	(11,906,353)
		Sub-total	(29,462)	656,001
	Equity derivatives	Gain on transactions and valuation	1,754,671	1,835,497
		Loss on transactions and valuation	(1,744,294)	(1,825,372)
		Sub-total	10,377	10,125
	Other derivatives	Gain on transactions and valuation	64	-
		Loss on transactions and valuation	(3,781)	(415)
		Sub-total	(3,717)	(415)
Sub-total		250,450	394,472	
Net, total		325,649	422,374	

(3) Details of net gain (loss) on financial instruments at fair value through profit or loss designated as upon initial recognition are as follows (Unit: Korean Won in millions):

		For the years ended December 31	
		2021	2020
Gain (loss) on equity-linked securities		102	(665)

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	
		2021	2020
Gain on redemption of securities		(23)	(57)
Gain on transactions of securities		32,647	24,195
Total		32,624	24,138

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	
		2021	2020
Impairment loss due to credit loss on financial assets measured at FVTOCI		(4,909)	(1,529)
Reversal of (provision for) impairment loss due to credit loss on securities at amortized cost		(664)	934
Provision for impairment loss due to credit loss on loan and other financial assets at amortized cost		(551,957)	(792,250)
Reversal of provision on guarantee		10,701	18,348
Reversal of (provision for) unused loan commitment		9,991	(9,874)
Total		(536,838)	(784,371)

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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	
			2021	2020
Employee benefits	Short-term employee benefits	Salaries	1,775,018	1,638,341
		Employee fringe benefits		
		Share based payment	545,534	506,048
		Retirement benefit service costs	17,774	7,495
		Termination	181,797	178,455
			180,872	202,259
Subtotal			2,700,995	2,532,598
Depreciation and amortization			524,154	520,969
Other general and administrative expenses	Rent		83,879	78,707
	Taxes and public dues		135,015	129,904
	Service charges		231,852	244,825
	Computer and IT related		117,875	108,810
	Telephone and communication		79,145	72,711
	Operating promotion		44,248	45,891
	Advertising		101,384	94,880
	Printing		6,449	6,954
	Traveling		7,449	7,263
	Supplies		7,642	12,127
	Insurance premium		10,692	10,805
	Reimbursement		13,483	16,500
	Maintenance		20,808	18,367
	Water, light, and heating		14,520	14,993
	Vehicle maintenance		11,590	10,225
	Others		36,231	29,652
Sub-total			922,262	902,614
Total			4,147,411	3,956,181

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

		For the years ended December 31	
		2021	2020
Gain on transactions of foreign exchange		562,935	758,347
Gain related to derivatives (Designated for hedging)		61,271	67,395
Gain on fair value hedged items		106,253	9,646
Others		172,044	63,702
Total		902,503	899,090

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

			For the years ended December 31	
			2021	2020
Losses on transactions of foreign exchange			450,698	679,350
KDIC deposit insurance premium			406,276	371,054
Contribution to miscellaneous funds			367,961	327,911
Losses related to derivatives (Designated for hedging)			93,084	82,746
Losses on fair value hedged items			1,947	68,508
Others (*)			469,938	189,959
Total			1,789,904	1,719,528

(\*) Other expense includes 13,963 million Won and 11,890 million Won for intangible asset amortization cost and 250,971 million Won and 52,504 million Won for lease depreciation cost for the years ended December 31, 2021 and 2020, respectively.



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(4) Share-based payment

Details of performance condition share-based payment granted to executives as of December 31, 2021 and 2020 are as follows.

1) Performance condition share-based payment

Subject to	Shares granted for the year 2019
Type of payment	Cash-settled
Vesting period	January 1, 2019 ~ December 31, 2022
Date of payment	2023-01-01
Fair value (*1)	12,527 Won
Valuation method	Black-Scholes Model
Expected dividend rate	4.28%
Expected maturity date	1 years
Number of shares remaining	As of December 31, 2021 602,474 shares
	As of December 31, 2020 602,474 shares
Number of shares granted (*2)	As of December 31, 2021 602,474 shares
	As of December 31, 2020 602,474 shares

Subject to	Shares granted for the year 2020
Type of payment	Cash-settled
Vesting period	January 1, 2020 ~ December 31, 2023
Date of payment	2024-01-01
Fair value (*1)	12,003 Won
Valuation method	Black-Scholes Model
Expected dividend rate	4.28%
Expected maturity date	2 years
Number of shares remaining	As of December 31, 2021 944,343 shares
	As of December 31, 2020 944,343 shares
Number of shares granted (*2)	As of December 31, 2021 944,343 shares
	As of December 31, 2020 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)	11,501 Won
Valuation method	Black-Scholes Model
Expected dividend rate	4.28%
Expected maturity date	3 years
Number of shares remaining	As of December 31, 2021 1,105,515 shares
	As of December 31, 2020 -
Number of shares granted (*2)	As of December 31, 2021 1,105,515 shares
	As of December 31, 2020 -

(\*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, 2021 and 2020, the book value of the liabilities related to the performance condition share-based payments recognized by the Group amounts to 31,597 million won and 13,823 million won, respectively.

37. NON-OPERATING INCOME (EXPENSES)

(1) Details of gains or losses on valuation of investments in joint ventures and associates are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2021	2020
Gains on valuation of investments in joint ventures and associates	80,268	125,602
Reversal of impairment losses of investments in joint ventures and associates	1,744	-
Losses on valuation of investments in joint ventures and associates	(7,405)	(23,283)
Impairment losses of investments in joint ventures and associates	(12,411)	(1,242)
Total	62,196	101,077

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

	For the years ended December 31	
	2021	2020
Other non-operating incomes	188,129	133,195
Other non-operating expenses	(160,833)	(313,415)
Total	27,296	(180,220)

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

	For the years ended December 31	
	2021	2020
Rental fee income	15,056	15,190
Gains on disposal of investments in joint ventures and associates	70,834	3,470
Gains on disposal of premises and equipment, intangible assets and other assets	51,083	9,715
Reversal of impairment loss of premises and equipment, intangible assets and other assets	166	172
Others (*)	50,990	104,648
Total	188,129	133,195

(\*) Included 67,427 million won of profit from bargain purchase for the year ended December 31, 2020.

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

	For the years ended December 31	
	2021	2020
Depreciation on investment properties	2,809	2,689
Operating expenses on investment properties	1,174	762
Losses on disposal of investments in joint ventures and associates	174	-
Losses on disposal of premises and equipment, intangible assets and other assets	3,354	2,717
Impairment losses of premises and equipment, intangible assets and other assets	656	8,763
Donation	39,335	44,504
Others (*)	113,331	253,980
Total	160,833	313,415

(\*) Included 75,921 million won and 224,427 million won of other special losses related to other provisions for the years ended December 31, 2021 and 2020.

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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	
	2021	2020
Current tax expense:		
Current tax expense with respect to the current period	884,843	501,223
Adjustments recognized in the current period in relation to the tax expense of prior periods	2,074	4,914
Sub-total	886,917	506,137
Deferred tax expense		
Change in deferred tax assets (liabilities) due to temporary differences	32,776	(1,702)
Income tax expense(income) directly attributable to equity	22,177	(18,433)
Sub-total	54,953	(20,135)
Income tax expense	941,870	486,002

(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	
	2021	2020
Net income before income tax expense	3,749,241	2,001,251
Tax calculated at statutory tax rate (*)	960,095	514,456
Adjustments:		
Effect of income that is exempt from taxation	(41,335)	(42,440)
Effect of expenses that are not deductible in determining taxable income	18,933	19,451
Adjustments recognized in the current period in relation to the current tax of prior periods	3,078	4,914
Others	1,099	(10,379)
Sub-total	(18,225)	(28,454)
Income tax expense	941,870	486,002
Effective tax rate	25.10%	24.3%

(\*) The applicable income tax rate: 1) 11% for taxable income below 200 million Won, 2) 22% for above 200 million Won and below 20 billion Won, 3) 24.2% for above 20 billion Won and below 300 billion Won, 4) 27.5% for above 300 billion Won.

(3) Changes in cumulative temporary differences for the years ended December 31, 2021 and 2020, are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2021			
	Beginning balance	Recognized as income (expense)	Recognized as other comprehensive income (expense)	Ending Balance
Gain (loss) on financial assets	276,495	(57,187)	54,048	273,356
Gain on valuation using the equity method of accounting	33,597	(17,282)	(1,055)	15,260
Gain (loss) on valuation of derivatives	(142,352)	(6,755)	(698)	(149,805)
Accrued income	(66,228)	(16,254)	-	(82,482)
Provision for loan losses	(46,495)	11,870	-	(34,625)
Loan and receivables written off	8,221	23	-	8,244
Loan origination costs and fees	(170,196)	(24,267)	-	(194,463)
Defined benefit liability	442,007	32,890	(25,282)	449,615
Deposits with employee retirement insurance trust	(424,906)	(7,291)	196	(432,001)
Provision for guarantee	9,485	(2,061)	-	7,424
Other provision	85,173	15,398	-	100,571
Others (*)	(118,964)	7,089	(5,032)	(116,907)
Net deferred tax assets	(114,163)	(63,827)	22,177	(155,813)

(\*) Among the deferred tax assets and liabilities classified as ‘Others,’ the deferred tax asset arising from unused tax losses amounts to 8,838 million won.

	For the year ended December 31, 2020				
	Beginning balance	Business combination	Recognized as income (expense)	Recognized as other comprehensive income (expense)	Ending Balance
Gain (loss) on financial assets	278,352	2,243	19,121	(23,221)	276,495
Gain on valuation using the equity method of accounting	10,713	-	21,499	1,385	33,597
Gain (loss) on valuation of derivatives	(75,412)	675	(67,423)	(192)	(142,352)
Accrued income	(66,384)	(4,392)	4,548	-	(66,228)
Provision for loan losses	(52,711)	2,201	4,015	-	(46,495)
Loan and receivables written off	6,893	-	1,328	-	8,221
Loan origination costs and fees	(162,442)	(14,131)	6,377	-	(170,196)
Defined benefit liability	396,302	7,923	41,186	(3,404)	442,007
Deposits with employee retirement insurance trust	(381,776)	(6,369)	(36,858)	97	(424,906)
Provision for guarantee	7,915	3,441	(1,871)	-	9,485
Other provision	88,456	-	(3,283)	-	85,173
Others (*)	(144,684)	(12,678)	31,494	6,904	(118,964)
Net deferred tax assets	(94,778)	(21,087)	20,133	(18,431)	(114,163)

(\*) Among the deferred tax assets and liabilities classified as ‘Others,’ the deferred tax asset arising from unused tax losses amounts to 24,059 million won.

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

	December 31, 2021	December 31, 2020
Deductible temporary differences	303,067	327,139
Tax loss carry forward	63,908	97,898
Taxable temporary differences	(8,025,672)	(10,409,344)
Total	(7,658,697)	(9,984,307)

No deferred income tax asset has been recognized for the deductible temporary difference of 264,000 million Won associated with investments in subsidiaries as of December 31, 2021, because it is not probable that the temporary differences will be reversed in the foreseeable future. 39,067 million won associated with others, respectively, as of December 31, 2021, due to the uncertainty that these will be realized in the future.

No deferred income tax liability has been recognized for the taxable temporary difference of 8,025,673 million won associated with investment in subsidiaries as of December 31, 2021, 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, 2021, the expected extinctive date of tax loss carry forward that are not recognized as deferred tax assets are as follows (Unit: Korean Won in millions):

	1 year or less	1 – 2 years	2 – 3 years	More than 3 years
Tax loss carry forward	14,688	33,464	12,199	3,557

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

	December 31, 2021	December 31, 2020
Gain on valuation of financial assets at FVTOCI	58,677	4,628
Gain on valuation of equity method investments	2,078	3,133
Gain on foreign currency translation of foreign operations	5,689	10,883
Remeasurements of the net defined benefit liability	74,790	101,128
Gain on derivatives designated as cash flow hedge	(843)	556
Total	140,391	120,328

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

	December 31, 2021	December 31, 2020
Current tax assets	22,598	75,655
Current tax liabilities	584,491	370,718

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	
	2021	2020
Net income attributable to common shareholders	2,587,936	1,307,266
Dividends to hybrid securities	(66,250)	(48,915)
Net income attributable to common shareholders	2,521,686	1,258,351
Weighted average number of common shares outstanding (Unit: million shares)	724	722
Basic EPS (Unit: Korean Won)	3,481	1,742

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

	For the year ended December 31, 2021			
	Period	Number of shares	Dates (Unit: Day)	Accumulated number of shares outstanding during period
Common shares issued at the beginning of the period	2021-01-01 ~ 2021-12-31	722,267,683	365	263,627,704,295
Treasury stocks	2021-01-01 ~ 2021-12-31	(2)	365	(730)
Issuance of new shares (comprehensive share exchange)	2021-08-10 ~ 2021-12-31	5,792,866	144	834,172,704
Acquisition of treasury stocks	2021-08-10 ~ 2021-12-31	(343,989)	144	(49,534,416)
Sub-total (①)				264,412,341,853
Weighted average number of common shares outstanding (②=(①/365))				724,417,375

	For the year ended December 31, 2020			
	Period	Number of shares	Dates (Unit: Day)	Accumulated number of shares outstanding during period
Common shares issued at the beginning of the period	2020-01-01 ~ 2020-12-31	722,267,683	366	264,349,971,978
Treasury stock	2020-01-01 ~ 2020-12-31	(2)	366	(732)
Sub-total (①)				264,349,971,246
Weighted average number of common shares outstanding (②=(①/366))				722,267,681

Diluted EPS is equal to basic EPS because there is no dilution effect for the years ended December 31, 2021 and 2020.

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40. CONTINGENT LIABILITIES AND COMMITMENTS

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

	December 31, 2021	December 31, 2020
Confirmed guarantees		
Guarantee for loans	38,897	103,229
Acceptances	622,758	602,014
Guarantees in acceptances of imported goods	111,195	78,395
Other confirmed guarantees	7,215,557	6,491,608
Sub-total	7,988,407	7,275,246
Unconfirmed guarantees		
Local letters of credit	243,072	187,146
Letters of credit	3,186,513	3,025,923
Other unconfirmed guarantees	778,088	403,652
Sub-total	4,207,673	3,616,721
Commercial paper purchase commitments and others	791,729	917,489
Total	12,987,809	11,809,456

(\*) Includes financial guarantees of 3,960,383 million won and 4,163,382 million won as of December 31, 2021 and December 31, 2020, respectively.

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

	December 31, 2021	December 31, 2020
Loan commitments	114,414,462	112,088,680
Other commitments (*)	5,652,557	7,827,774

(\*) As of December 31, 2021 and 2020, the amount of unsecured bills (purchase note sales) and discounts on electronic short-term bond sales (purchase) are 2,225,226 million won and 2,894,688 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 475 cases (litigation value of 578,505 million Won) and 460 cases (litigation value of 413,744 million Won) as of December 31, 2021 and 2020 respectively, and provisions for litigations are 24,823 million Won and 24,873 million Won.

(4) Other commitments

- 1) The Group decided to enter into a stock sales agreement with a major shareholder of Woori Asset Trust Co., Ltd. (formerly, Kukje Asset Trust Co., Ltd.) to acquire 44.5% of interest (58.6% of voting rights) in July, 2019, and to acquire additional 21.3% of interest (28.0% of voting rights) after a certain period. As a result, the Group acquired the interest of the first sales agreement in December 2019 and is planning to acquire the interest of the second sales agreement after a certain period. In regard to this acquisition, the Group recognized 121,420 million won as other financial liabilities for the second sales agreement.
- 2) As of December 31, 2021, Woori Asset Trust Co., Ltd., a subsidiary, has agreed to carry out construction completion obligations for 96 constructions, which includes the construction of residential and commercial complexes in Busan (U-dong, Haeundae-gu). Land Trust responsible for Construction and Management is a trust that bears the obligation to fulfill the responsibility of the constructor and to compensate the loan financial institution for damages if the Group fails to fulfill the construction completion obligation. As of December 31, 2021, the total PF loan amount of PF loan institutions invested in the project of the Land Trust responsible for Construction and Management is 3,269,955 million Won. Although additional losses may occur in relation to the construction completion obligations, the financial statements as of December 31, 2021 do not reflect these effects since losses are unlikely and the amount cannot be estimated reliably.
- 3) 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.

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41. RELATED PARTY TRANSACTIONS

Related parties of the Group as of December 31, 2021 and 2020, and assets and liabilities recognized, guarantees and commitments, major transactions with related parties and compensation to key management for the years ended December 31, 2021 and 2020 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):

			December 31, 2021	December 31, 2020
Associates	Related parties	Account title		
	W Service Networks Co., Ltd.	Loans	20	21
		Deposits due to customers	2,832	2,183
		Accrued expenses	6	6
		Other liabilities	425	459
	Korea Credit Bureau Co., Ltd.	Loans	2	1
		Deposits due to customers	1,557	2,311
		Other liabilities	-	5
	Korea Finance Security Co., Ltd.	Loans	3,425	3,440
		Loss allowance	(6)	(6)
		Deposits due to customers	1,887	1,927
		Other liabilities	2	1
	Chin Hung International Inc.	Loans	-	257
		Loss allowance	-	(3)
		Deposits due to customers	-	8,715
		Other liabilities	-	171
	LOTTE CARD Co. Ltd.	Loans	3,750	7,500
		Loss allowance	(39)	(77)
		Other assets	10	12
		Deposits due to customers	13,482	2,697
		Other liabilities	91	113
	K BANK Co., Ltd.	Loans	99	104
		Account receivables	29	26
		Other assets	-	3,835
		Other liabilities	84,935	808
	Well to Sea No.3 Private Equity Fund	Deposits due to customers	-	4,997
	Others (*1)	Loans	73,940	44,036
		Loss allowance	(124)	(126)
		Other assets	739	651
		Deposits due to customers	1,063	5,831
		Other liabilities	3	5

(\*1) Others include IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership, Woori Growth Partnerships New Technology Private Equity Fund, Partner One Value Up I Private Equity Fund, and etc., as of December 31, 2021.

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

			For the year December 31	
			2021	2020
Associates	Related parties	Account title		
	W Service Network Co., Ltd.	Other income	30	32
		Interest expenses	7	13
		Fees expenses	612	525
		Reversal of impairment losses due to credit loss	-	(4)
		Other expenses	1,878	2,174
	Korea Credit Bureau Co., Ltd.	Interest expenses	4	5
		Fees expenses	3,503	3,155
		Other expenses	68	-
	Korea Finance Security Co., Ltd.	Interest income	80	70
		Interest expenses	2	3
		Provision of impairment losses due to credit loss	1	3
		Other expenses	92	100
	Chin Hung International Inc	Interest expenses	-	19
		Reversal of impairment losses due to credit loss	-	(145)
	LOTTE CARD Co., Ltd.	Interest income	196	311
		Fees income	10,248	2,748
		Interest expenses	462	68
		Provision(Reversal) of impairment losses due to credit loss	(59)	171
	K BANK Co., Ltd.	Fees income	1,952	1,763
		Fees expenses	636	-
	Well to Sea No.3 Private Equity Fund	Interest income	-	1,883
		Interest expenses	-	5
		Reversal of allowance for credit loss	-	(55)
	Others (*1)	Interest income	679	-
		Fees income	5,546	2,677
		Dividends income	-	52
		Other income	-	16
		Interest expenses	17	28
		Reversal of impairment losses due to credit loss	(2)	-

(\*1) Others include Woori Growth Partnerships New Technology Private Equity Fund, Partner One Value Up I Private Equity Fund, and etc., as of December 31, 2021.



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(3) Major loan transactions with related parties for the years ended December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

		For the year ended December 31, 2021				
Related parties		Beginning balance	Loan	Collection	Others	Ending balance (*)
Associates	W Service Network Co., Ltd.	21	248	249	-	20
	Korea Credit Bureau Co., Ltd.	1	11	10	-	2
	Korea Finance Security Co., Ltd.	3,440	333	348	-	3,425
	LOTTE CARD Co., Ltd.	7,500	-	3,750	-	3,750
	K BANK Co., Ltd.	104	1,769	1,774	-	99
	Godo Kaisha Oceanos 1	44,036	-	-	(1,003)	43,033
	Woori Zip 1	-	13,121	-	(346)	12,775
	Woori Zip 2	-	18,624	-	(492)	18,132

(\*) 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, 2020			
Related parties		Beginning balance	Loan	Collection	Ending balance (*)
Associates	W Service Network Co., Ltd.	23	337	339	21
	Korea Credit Bureau Co., Ltd.	3	17	19	1
	Korea Finance Security Co., Ltd.	1,860	2,133	553	3,440
	LOTTE CARD Co., Ltd.	7,500	-	-	7,500
	K BANK Co., Ltd.	141	1,942	1,979	104
	Well to Sea No. 3 Private Equity Fund	4,490	-	4,490	-

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

(4) Details of changes in major deposits due to customers with related parties for the year December 31, 2021 and 2020 are as follows (Unit: Korean Won in millions):

		For the year ended December 31, 2021			
Related parties		Beginning balance	Increase	Decrease	Ending balance (*)
Associates	W Service Networks Co., Ltd	1,180	1,180	1,180	1,180
	Partner One Value Up I Private Equity Fund	863	637	1,171	329
	Korea Credit Bureau Co., Ltd.	1,000	-	1,000	-

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

		For the year ended December 31, 2020			
Related parties		Beginning balance	Increase	Decrease	Ending balance (*)
Associates	W Service Networks Co., Ltd	1,180	1,180	1,180	1,180
	Chin Hung International Inc	400	-	400	-
	Partner One Value Up I Private Equity Fund	1,150	1,737	2,024	863
	Korea Credit Bureau Co., Ltd.	-	1,000	-	1,000

(\*) 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, 2021 and 2020.

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

Warrantee	December 31, 2021	December 31, 2020	Warranty
Korea Finance Security Co., Ltd.	835	820	Unused loan commitment
Korea Credit Bureau Co., Ltd.	33	34	Unused loan commitment
W Service Network Co., Ltd.	180	179	Unused loan commitment
Chin Hung International Inc.	-	16,167	Unused loan commitment
K BANK Co., Ltd.	201	196	Unused loan commitment
LOTTE CARD Co. Ltd.	500,000	500,000	Unused loan commitment

As of December 31, 2021 and 2020, the recognized payment guarantee provisions are 93 million won and 284 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, 2021	December 31, 2020	Warranty
Together-Korea Government Private Pool			Securities purchase commitment
Private Securities Investment Trust No.3	-	990,000	
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	4,664	9,704	Securities purchase commitment
WooriG Senior Loan General Type Private Investment Trust No.1	14,284	53,041	Securities purchase commitment
Woori Seoul Beltway Private Special Asset Fund No. 1	39,458	41,393	Securities purchase commitment
Woori-Shinyoung Growth-Cap Private Equity Fund I	-	12,799	Securities purchase commitment
Woori-Q Corporate Restructuring Private Equity Fund	11,109	36,355	Securities purchase commitment
Union Technology Finance Investment Association	2,250	10,500	Securities purchase commitment
Genesis Eco No.1 Private Equity Fund	195	-	Securities purchase commitment
Genesis Environmental Energy Company 1st Private Equity Fund	916	916	Securities purchase commitment
JC Assurance No.2 Private Equity Fund	1,351	1,650	Securities purchase commitment
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	425	550	Securities purchase commitment
PCC-Woori LP Secondary Fund	-	2,525	Securities purchase commitment
WooriG Oncorp Corporate support of Major Industry General Type Private Investment Trust (Type 2)	669	-	Securities purchase commitment

(8) Major investment and Recovery transactions

The details of major investment and recovery transactions with related parties for the year ended December 31, 2021 are as follows (Unit: Korean Won in millions):

The same parent company and its associates	For the year ended December 31, 2021	
	Investment and others(*)	Recovery and others(*)
Woori China Mainland Stock Securities Investment Trust	-	568
Woori Long-term government bond securities Investment Trust No. 1	2,000	-
Woori New MMF No.3	-	20,105
Woori Multi-Return Securities Investment Trust 1	8,000	-
Woori Multi-Return Securities Investment Trust 2 (Balanced Bond)	8,000	-
Woori Short term Plus Securities Investment Trust	200	-
Woori Smart New Deal 30 Target Conversion Securities Investment trust No.3	200	-
Woori Smart Balance Securities Investment Trust (Stock)	500	-
Woori ACE Public Offering stock Alpha Securities Investment Trust (Bond Mixed)	200	-
WooriG Oncorp Corporate support of Major Industry General Type Private Investment Trust (Type 2)	831	-
WooriG Public Offering stock 10 securities Investment Trust [Bond mixed] C(F)	-	1,064
WooriG IGIS Securities Investment Trust [Bond] C(F)	-	1,306

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

The same parent company and its associates	For the year ended December 31, 2020	
	Investment and others	Recovery and others
WooriG Public Offering stock 10 securities Investment Trust [Bond mixed] C(F)	1,000	-
WooriG IGIS Securities Investment Trust [Bond] C(F)	1,300	-

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

	For the years ended December 31	
	2021	2020
Short-term employee salaries	20,742	22,778
Retirement benefit service costs	815	910
Share-based compensation	6,970	3,519
Total	28,527	27,207

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 3,821 million won and 3,888 million won, as of December 31, 2021 and 2020 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 24,861 million won and 16,915 million won, respectively, as of December 31, 2021 and 2020,

42. TRUST ACCOUNTS

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

	Total assets		Operating income	
	December 31, 2021	December 31, 2020	For the years ended December 31 2021	2020
Trust accounts	69,472,846	64,317,167	876,800	886,210

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

	December 31, 2021	December 31, 2020
Receivables:		
Trust fees receivables	35,448	33,761
Payables:		
Deposits due to customers	234,136	353,598
Borrowings from trust accounts	1,621,209	1,639,869
Total	1,855,345	1,993,467

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

	For the years ended December 31	
	2021	2020
Revenue:		
Trust fees	117,459	86,196
Termination fees	10,599	1,430
Total	128,058	87,626
Expense:		
Interest expenses on deposits due to customers	503	1,502
Interest expenses on borrowings from trust accounts	11,391	16,025
Total	11,894	17,527

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

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

	December 31, 2021	December 31, 2020
Partial principal guaranteed trusts		
Personal trust	8,932	9,179
Corporate trust	627	625
Deposit purpose	1,558	1,596
Sub-total	11,117	11,400
Principal guaranteed trusts		
Old-age pension trusts	3,004	3,112
Personal pension trusts	486,203	505,762
Pension trusts	749,317	813,323
Retirement trusts	28,354	29,528
New personal pension trusts	7,282	7,671
New old-age pension trusts	1,076	1,297
Sub-total	1,275,236	1,360,693
Principal and interest guaranteed trusts		
Development trusts	19	19
Unspecified money trusts	348	349
Sub-total	367	368
Total	1,286,720	1,372,461

2) The amounts that the Woori Bank must pay by the operating results of the principal guaranteed trusts or the principal and interest guaranteed trusts are as follows (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Liabilities for the account (subsidy for Trust account adjustment)	2	16

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, 2021	
	Total investment in lease	Net investment in lease
Within one year	70,740	69,030
After one year but within two years	133,398	124,904
After two years but within three years	239,895	218,911
After three years but within four years	367,991	331,685
After four years but within five years	486,490	429,034
After five years	2	1
Total	1,298,516	1,173,565

	December 31, 2020	
	Total investment in lease	Net investment in lease
Within one year	24,649	23,957
After one year but within two years	48,781	45,575
After two years but within three years	132,894	120,414
After three years but within four years	171,137	151,756
After four years but within five years	277,282	244,481
After five years	16	12
Total	654,759	586,195

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

	December 31, 2021	December 31, 2020
Total investment in lease	1,298,516	654,759
Net investment in lease	1,173,565	586,195
Present value of minimum lease payments	1,173,565	586,133
Present value of unguaranteed residual value	-	62
Unearned interest income	124,951	68,564

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2) Operating lease

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

	December 31, 2021	December 31, 2020
Prepaid lease assets	4,579	199
Operating lease assets		
Acquisition cost	2,299,968	1,506,957
Accumulated depreciation	(521,660)	(390,981)
Net carrying value	1,778,308	1,115,976
Total	1,782,887	1,116,175

② The details of changes in operating lease assets as of December 31, 2021 are as follows and there is no details of changes in operating lease assets as of December 31, 2020 (Unit: Korean Won in millions):

	December 31, 2021	December 31, 2020
Beginning balance	1,116,175	-
Acquisition	984,093	118,256
Disposal	(93,138)	(21,963)
Depreciation	(250,971)	(52,504)
Business combination	-	1,071,111
Others	22,149	1,275
Ending balance	1,778,308	1,116,175

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

	December 31, 2021	December 31, 2020
Within one year	377,153	240,005
After one year but within two years	347,539	223,074
After two years but within three years	262,176	156,859
After three years but within four years	170,391	80,174
After four years but within five years	79,555	24,992
Total	1,236,814	725,104

④ There is no adjusted lease payments recognized as profit or loss for the years ended December 31, 2021 and 2020.

(2) Lessee

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

	December 31, 2021	December 31, 2020
Lease payments		
Within one year	151,259	173,885
After one year but within five years	155,707	200,844
After five years	38,275	34,787
Total	345,241	409,516

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

	For the years ended December 31	
	2021	2020
Total cash outflows from lease	180,884	207,305

3) Details of lease payments that are not included in the measurement of lease liabilities due to the fact that they are short-term leases or leases for which the underlying asset is of low value are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2021	2020
Lease payments for short-term leases	1,598	1,760
Lease payments for which the underlying asset is of low value	1,488	751
Total	3,086	2,511

(3) The Group uses a practical expedient that does not assess whether it is a lease change to the rend discount incurred directly as a result of COVID-19. Accordingly, the amount recognized in profit or loss during the reporting period is 35,717 million Won, to reflect changes in lease payments arising from the rent concession.

44. EVENTS AFTER THE REPORTING PERIOD

- (1)

On January 7, 2022, the Parent company established Woori Financial F&I Inc. (100% of ownership, 200 billion Won in stock payments) which is an investment company for non-performing loans (NPL) and restructuring companies and included it as a subsidiary.
- (2)

The Russia - Ukraine conflict has been escalated in February 2022, Russia is imposed to the international sanctions. As a result of these sanctions, the lack of liquidity in the foreign exchange market as well as the significant decline in value of the Rubles and the decline in value of Russian companies' securities are in progress. As a result, 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, a decrease in the profit.

As of December 31, 2021, 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 because it is very uncertain to estimate the impact on the Group's financial position and business performance.

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## GLOBAL NETWORK

(As of the end of Dec. 2021)

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##### Woori Bank Kawranbazar Sub-Branch

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**Sukabumi Branch**  
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**Pekalongan Branch**  
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Komp Ruko Mas J-9 Jl. Kopo Cirangrang/40225  
Phone: 6222-5436802

**Cimahi Sub-Branch**  
Jl. Raya Cibabat No. 310 Cimahi/40213  
Phone: 6222-6634656

**Sukajadi Sub-Branch**  
Jl. Prof. Dr. Surya Sumantri Kav. 6, Bandung, West  
Java  
Phone: 6222-2021761

**Soekarno Hatta Sub-Branch**  
Jl. Soekarno Hatta No. 618 F/40286  
Phone: 6222-7509905

**Pemuda/Rawamangun Sub-Branch**  
Jalan Paus No 91F, Pulogadung, Jakarta Timur  
Phone: 6221-47862070

**Sumedang Sub-Branch**  
Jl. Prabu Geusan Ulun No.76/45311  
Phone: 62261-206527

**Serang Sub-Branch**  
Jl. KH. Abdul fatah Hasan No.53 Kel. Cipare  
Serang/42124  
Phone: 62254-224142

**Commercial Center Cikarang Sub-Branch**  
Ruko The Capitol, Kawasan Industri JABABEKA, Jl.  
Niaga Raya Blok 2 C, Bekasi, West Java  
Phone: 6221-89328838

**Kramat Jati Sub-Branch**  
Jl. Pondok Gede Raya No. 12  
Phone: 6221-8002895

**Kebon Jeruk Sub-Branch**  
Jl. Kelapa Dua Raya(RayaPanjang) No.2, Rt 008, Rw  
002 Kel. Kelapa Dua Kec. Kebon Jeruk/12130  
Phone: 6221-53660160

**Pajajaran Sub-Branch**  
Jl. Pajajaran no. 85, Bandung, West Java  
Phone: 6222-20565353

**Lembang Sub-Branch**  
Jl. Grand Hotel Lembang No.25 Bandung/40391  
Phone: 6222-2784797

**Deltamas Cikarang Sub-Branch**  
Ruko Palais De Paris Blok. D  
Phone: 6221-89972635

**Majalengka Sub-Branch**  
Jl. KH. Abdul Halim No.447 Majalengka/45411  
Phone: 62233-8285460

**Kuningan Sub-Branch**  
Jl. Dewi Sartika No.4/45512  
Phone: 62232- 8880938

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**Indramayu Sub-Branch**

Jl. DI. Panjaitan No.103/45212  
Phone: 62234-276236

**Cibubur Sub-Branch**

Cibubur Times Square Blok B1/1 Jl. Alternatif  
Cibubur KM 3 Kel. Jatiraya, Kec. Jastisampurna  
Bekasi/17435  
Phone: 6221-84305050

**Cikampek Sub-Branch**

Jl. Terusan Sudirman No. 6B(Sudirman  
Center)/41373  
Phone: 62264-8385171/ 8385172

**Depok Sub-Branch**

Jl. Margonda Raya No.1 Rt 001/011 Kelurahan  
Depok Kecamatan Pancoran Mas/16431  
Phone: 6221-7522091

**Salatiga Sub-Branch**

Ruko Wijaya Square B5 Jl.Diponegoro No. 110  
Salatiga/50711  
Phone: 62298-311828

**Sidoarjo Sub-Branch**

Jl. KH. Mukmin No.11 Blok B-7 Sidoarjo/60281  
Phone: 6231-8922842

**Mojokerto Sub-Branch**

Jl. Gajah Mada No.85B/60319  
Phone: 62321-383444

**Cianjur Sub-Branch**

Jl. Abdulah Bin Nuh No.15/43253  
Phone: 62263- 260941, 260943

**Pamulang/Ciputat Sub-Branch**

Jl. RE. Martadinata No. 167 B RT.03 RW. 05  
Cipayung, Ciputat, Kota Tangerang Selatan  
Phone: 6221-7403205,7443335

**Sumber Sub-Branch**

Jl. Dewi Sartika No. 57 Sumber/45611  
Phone: 62231-8330618

**Bantul Sub-Branch**

Jl. Jenderal Sudirman No. 130 Kabupaten  
Bantul/55713  
Phone: 62274-367514

**Balaraja Sub-Branch**

Komplek Ruko Balaraja Center Blok A No.2 Jl. Raya  
Serang Km. 24 Talaga Sari Balaraja-tangerang/15610  
Phone: 6221-29015618

**Ciledug Sub-Branch**

Ruko Dian Plaza Jl. Raden Fatah No. 8A Kelurahan  
Sudirman Selatan,Ciledug/15225  
Phone: 6221-7330545

**Magelang Sub-Branch**

Ruko Metro Square Blok F No.25/56172  
Phone: 62293-326498/326499

**Padalarang Sub-Branch**

Jl. Raya Padalarang No.463 H/40553  
Phone: 6222-6803940/41

**Patrol Sub-Branch**

Jl. Raya Patrol Anjatan Blok Bunder No. 52/45256  
Phone: 62234-5613627

**Gianyar Sub-Branch**

Jl. By.Pass Dharma Giri No.99/80511  
Phone: 62361-8958295

**Gresik Sub-Branch**

Ruko KIG Jl. Tri Dharma Kav. A-14/61117  
Phone: 6231-3981758

**Karawang Sub-Branch**

Perumahan Galuh Mas Ruko Street Festival Blok 3  
No. H-9, Jl. Galuh mas Raya, Karawang, West Java  
Phone: 62267-8407706

**Cibinong Sub-Branch**

Jl. Mayor Oking No 122, Kel. Cirimekar, Kec.  
Cibinong, Kabupaten Bogor  
Phone: 6221-87904397

**Singaparna Sub-Branch**

Jl. Raya Timur No.45 Singaparna/46416  
Phone: 62265-543111-3

**Ciamis Sub-Branch**

Ruko Jl Pasar Manis No. 35 -Kab. Ciamis  
Phone: 62265-772221

**Sleman Sub-Branch**

Jl. Magelang KM 12.8 No.200/55514  
Phone: 62274-865922

**Losari Sub-Branch**

Jl. Letjen S. Parman No. 20 Kecamatan Pabuaran ,  
Kab. Cirebon Jawa Barat  
Phone: 62231- 8832738-39

**Bekasi/Pondok Gede Sub-Branch**

Jl Raya Jatimakmur Blok A No. 20 Pondok Gede,  
Kota Bekasi Ruko Taman Jatimakmur Indah  
Phone: 6221-82611045-46

**Kudus Sub-Branch**

Jl. Sunan Kudus No.5 a/509000  
Phone: 62291-4249241

**Pamanukan Sub-Branch**

Jl. Eyang Tirtapraja No.54 Kab.Subang/41254  
Phone: 62260-551773

**Majalaya Sub-Branch**

Jl. Alun-alun utara/Jl. Tengah komp ruko permata  
majalaya Blok C6/40382  
Phone: 6222-85963799

**Pangalengan Sub-Branch**

Jl. Raya Pintu Pangalengan KM-1/40378  
Phone: 6222-5979222

**Megablock Cilegon Sub-Branch**

Jl. Raya Ahmad Yani Komp. Cilegon Green  
Megablock D3 No. 17 - Kota. Cilegon  
Phone: 62254-8484772

**Rangkasbitung Sub-Branch**

Jl Hardiwangun No.6 B Rangkasbitung - Kab. Lebak  
Phone: 62252-203612

**Tabanan Sub-Branch**

Jl. Bypass Insinyur Soekarno No 17, Tabanan, bali  
Phone: 62361-814160

**Surabaya/Darmo Boulevard Sub-Branch**

Office Park II B.2 No.11  
Phone: 6231-7381906

**Soreang Sub-Branch**

Jl. Raya Soreang No.412/40900  
Phone: 6222-5896880

**Ujung Berung Sub-Branch**

Jl AH Nasution No. 28 - Kota.Bandung  
Phone: 6222-7834128

**Jemur Sari/Surabaya selatan Sub-Branch**

Jl. Raya Jemursari No. 15C Surabaya/60237  
Phone: 6231-8480454

**Luragung Sub-Branch**

Jl. Siliwangi No. 62, Ds. Luragungtonggoh, Kec.  
Luragung, Kab. Kuningan  
Phone: 62223-2870016

**Pangandaran Sub-Branch**

Jl. Parapat, Desa Pangandaran, kec pangandaran  
kab ciamis/46396  
Phone: 62265-630400,630010

**Purwodadi Sub-Branch**

JL. Ahmad Yani No. 223, Grobogan, Central Java  
Phone: 62292-423399

**Leuwiliang Sub-Branch**

Jl. Raya Jasinga 11A Kel. Cibeber, Kec. Leuwiliang  
Kab Bogor/16640  
Phone: 62251-8640297

**Ciawi Tasikmalaya Sub-Branch**

Jl. Perjuangan No.80 Kp.Karanganyar Rt. 04 Rw. 05  
Desa Pakemitan Kec Ciawi Kab. Tasikmalaya/46156  
Phone: 62265-455163,455167

**Cilacap Sub-Branch**

JL. Letjen Suprpto No.4, Cilacap, Central Java  
Phone: 62282-534474

**Jombang Sub-Branch**

Ruko Cempaka Mas Regency Block B-2. JL  
Soekarno Hatta Kel Kepuhkembeng Kec Peterongan.  
Jombang, East Java  
Phone: 62321-878906

**Banjar Sub-Branch**

JL. Letjen Soewarto No.160, Banjar, West Java  
Phone: 62265-740838

**Boyolali Sub-Branch**

Jl. Pandanaran No.179 B Kab.Boyolali/57313  
Phone: 62276-323655

**Radio dalam Sub-Branch**

JL. Radio dalam raya No.4 Kel. Gandaria Utara Kec.  
Kebayoran baru Jakarta selatan/12160  
Phone: 6221-7211005

**Singaraja Sub-Branch**

Jl. Ngurah Rai No. 16 Singaraja Kelurahan Kendran  
Kecamatan Buleleng/81112  
Phone: 62362-25098

**Manonjaya Sub-Branch**

Jl. RTA. Prawira Adiningrat No.214 A Desa  
Manonjaya kec.Manonjaya-Tasikmalaya  
Phone: 62265-380510

**Surabaya Utara/kertajaya Sub-Branch**

Jl. Kertajaya Indah No. 9/F-105 Surabaya/60161  
Phone: 6231-5927202

**Batu Sub-Branch**

Jl. Brantas No.49 Batu-Malang/65314  
Phone: 62341-513709

**Palimanan Sub-Branch**

Jl. Otto Iskandardinata No.503 Palimanan  
Phone: 62231-343950

**Cibadak Sub-Branch**

Jl. Raya Suryakencana RT 03 RW 08, Cibadak - Kab.  
Sukabumi  
Phone: 6266-531915

**Kemang Pratama Bekasi Sub-branch**

Jl. Niaga Raya Blok P No.22C RT 001/021 Kel. Bekasi  
Phone: 62254-369755

**Wates Sub-Branch**

Jl. Kolonel Sugiyono No.3-Wates  
Phone: 62274-6657325

**Karangnunggal Sub-Branch**

Jl. Raya Karangnunggal KPKarangmekar RT/RW  
03/09 Desa Hegarwangi Kec. Bantarkalong Kab.  
Phone: 62265 - 2584571/2584572

**Wonogiri Sub-Branch**

Jalan Ahmad Yani No 66, Wonogiri  
Phone: 62271-633600

**Kawali Sub-Branch**

Jl. Siliwangi No.262, Desa Kawali mukti  
Phone: 6234 1-379840

**Kepanjen Sub-Branch**

JL. Kawi No.22, Malang, East Java  
Phone: 62324 1-379840

**Pamekasan Sub-Branch**

Jl. Kabupaten No.114  
Phone: 62324 333905/62324 333906

**Kebumen Sub-Branch**

Jl. Ahmad Yani No.20, Kubumen  
Phone: 62287 3878168

**Mangga Dua Sub-Branch**

Ruko Harco Mangga Dua Blok L. No.5  
Phone: 6221 62306495

**Kelapa Gading Sub-Branch**

Jl. Boulevard Barat Ruko MOI Blok I No.15  
Phone: 62 21 29364053

**Kayu Agung Sub-Branch**

Jl. Letnan Muthtar Saleh, Kayuagung, Palembang,  
South Sumatra  
Phone: 62-711-315828

**Klaten Sub-Branch**

Jl. Pemuda No. 246 Klaten, solo  
Phone: 62-271-633600

**Pasuruan Sub-Branch**

JL.. Pahlawan No 44, Pasuruan, East Java  
Phone: 62-343-561-4700

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### Pati Sub-Branch

Jl. Ir. Susato No.40 Pati, Jawa Tengah  
Phone: 62-24-352-1906

### Sumenep Sub-Brancch

Jl. Trunouyo No. 244 Sumenep  
Phone: 62-3428-6762234

### Pelabuhan Ratu Sub-Branch

Jl. Siliwangi Rt/Rw 02/18, Desa Pelabuhan Ratu  
Phone: 62-266-6249715

### Posco Cilegon Sub-branch

Annex Building Lt. 1 Jl. Afrika No.2 Krakatau Posco  
Cilegon/42435  
Phone: 62254-369755

### Union Square Cikarang Sub-branch

Ruko Union Square Blok A No.6 Lippo Cikarang,  
Cikarang Selatan  
Phone: 6221-89909797

### Sadang Sub-Branch

Sadang Terminal Square No.07,08,25 Jl. Raya  
Sadang Purwakarta/41181  
Phone: 62264-8220180

### Cikajang Sub-branch

Jl. Raya Cikajang No. 80 Garut  
Phone: 6262-576094

### Kendal Sub-branch

Jl. Raya Utama No.9 weleri kendal  
Phone: 62294-644704

### Wonosari Sub-branch

Jl. KH. Agus Salim No.71A Wonosari - Kab  
Gunungkidul  
Phone: 62274-3950673

### Purbalingga Sub-branch

Jl. Ahmad Yani No.42 Purbalingga  
Phone: 62281-895553

### Sragen Sub-branch

Jl. Sukowati No.156 Sragen  
Phone: 62271-895015

### Bintaro Sub-branch

Jl. Veteran Raya no 42D, Bintaro, South Jakarta  
Phone: 6221-7374685

### KCP PROBOLINGGO

Ruko Manunggal No. 2, Jl. Soekarno Hatta  
Phone: 6233-54491787

### KCP PANDEGLANG

Jl. Raya Labuan KM 1  
Phone: 6225-35554739

### KCP PASAR ATOM

Jl. Pangampon No. 75  
Phone: 6231-3503350

### KCP CITRA RAYA

Ruko Cikupa Niaga Mas Blok A No. 12  
Phone: 6212-9014270

### KCP CAKUNG

Jl. Jawa Raya Blok A 14 No. 7 (Kawasan Berikat  
Nusantara)  
Phone: 6214-84556

### KCP PANTAI INDAH KAPUK

Jl. Marina Raya, Rukan Cordoba Blok A Nomor 11  
Phone: 6212-2571768

### KCP CENTRAL PARK

Ruko Garden Shopping Arcade No. 9 A-C  
Phone: 6212-9334623

### KCP JEPARA

Jl. Pemuda No. 21 D-E  
Phone: 6291-4290507

### KCP BANJARNEGARA

Jl. Letjend S Parman No. 29  
Phone: 6286-5963716

### Purworejo Sub-branch

Jl. Ahmad Yani no.93, Purworejo  
Phone: 62-75-321457

### Brebes Sub-branch

Jl. Jenderal Ahmad Yani No 26 F  
Phone: 6288-34511421

### Karanganyar Sub-branch

Jalan Raya Palur Jurug RT 004/RW 001 Desa  
Ngringo, Kec. Jaten, Kab. Karanganyar  
Phone: 62-271-6882712

### Ungaran Sub-branch

Jl. Diponegoro No. 79 Kelurahan Ungaran,  
Kecamatan Ungaran Barat, Semarang, Central Java,  
50511  
Phone: 6224-76510787

### Gading Serpong Sub-branch

Jl. Boulevard Raya Gading Sepong, Ruko Alexandrite  
3, No.21, Kabupaten Tangerang  
Phone: 62-21-5421-2159

### Dalem Kaum Sub-branch

Jl Dalam Kaum No. 5 - Kota.Bandung  
Phone: 6222-4211906

### Pasar anyar Sub-branch

Jl. Sawojajar No.12 B, Kota. Bogor  
Phone: 62251-8574423

### Asabri Bandung Cash-Office

Jl. Citarum No.6, Bandung, West Java  
Phone: 6222-7279740

### Jatinangor Cash-Office

Jl. Raya Jatinangor KM 20.5 KKBI IKOPIN/45363  
Phone: 6222-7781587

### Darmaraja Cash-Office

Jl. Raya Darmaraja No.253 desa Darmaraja, Kec  
Darmaraja Kab.Sumedang/45372  
Phone: 62262-429000,429069,428478

### Cililitan Asabri Cash-Office

Jl. Mayjen Sutoyo No.11 Gedung PT Asabri (persero)  
Jl. Cililitan - jakarta Timur/13630  
Phone: 6221-80876494

### Jatibarang Cash-Office

Jl. Letnan Joni No.178 Kec. Jatibarang - Kab  
Indramayu/45273  
Phone: 62834-352911

### Serang / pamila Cilegon Cash-Office

Jl. Raya Serang- pandeglang KM 11 Lingkungan  
waru Lor,Desa/kel. Kamanisa Kec Curug Kota  
serang/42117  
Phone: 62254-222133

### Bojonegoro Cash-Office

Jl. Untung Suropati Ruko Adipura Block A-11  
Phone: 62-353-311271

### Asabri Cash-Office

Jl. Gayungan PTT, No. 43, Surabaya – 60235,  
Gedung Kantor Asabri Surabaya  
Phone: 62-31-82517971

### KK KEMANG

Kemang Square Lt 2, Unit I-11 & I-12, Jl. Kemang  
Raya No. 3 A  
Phone: 6221-22716210

### KK CIKANDE

Jl. Raya Jakarta - Serang KM 68, Ruko Grand  
Permata No. 10  
Phone: 6225-47951546

### Kalasan Cash-Office

JL. Laksda Adisucipto KM.10, Ruko Airport Square  
RT.001 RW.001 Purwomartani, Kalasan, Sleman, D.I  
Yogyakarta 55281  
Phone: 6227-44332487

### Asabri Semarang Cash-Office

JL Perintis Kemerdekaan No3. Kel Pudukpayung Kec  
Banyumanik. Semarang, Central Java  
Phone: 62247-6403870

### Hong Kong

### Woori Global Markets Asia Limited

Rooms 1907-1909, 19/F, Gloucester Tower, The  
Landmark, 15 Queen's Road Central, Hong Kong  
Phone: 852-3763-0888

### Russia

### AO Woori Bank

8th floor., Lotte Plaza, 8, Novinsky Boulevard,  
Moscow, 121099, Russia  
Phone: 7-495-783-9787

### AO Woori Bank Saint-Petersburg Br.

1st Floor, Atlantic City, 126 Savushkina Street, Saint-  
Petersburg, 197374, Russia  
Phone: 7-812-327-9787

### AO Woori Bank Vladivostok Representative Office

Vladivostok Business-Center<Hyundai> Office No.  
614, 29, Semenovskaya Str. Vladivostok, 690091,  
Russia  
Phone: 7-423-240-7014

### Brazil

### Woori Bank Brasil

Avenida das Nacoes Unidas, 14,171, Crystal Tower,  
Conj.803, Vila Gertrudes, 04794-000, Sao Paulo-  
SP,Brasil  
Phone: 55-11-3511-3300

### Woori Bank Brasil Bom Retiro Branch

Rua Tres Rios, 261 Andar 2, Bom Retiro, Sao Paulo  
SP, Brasil  
Phone: 55-11-3511-3350

### Myanmar

### Woori Finance Myanmar Plc.

115/A, Pyay Road, Saw Bwar Gyee Kone Ward(10  
miles), Insein Township Yangon, Myanmar  
Phone: 95-01-643798

### Mingaladon I Branch

115/A, Pyay Road, Saw Bwar Gyee Kone Ward(10  
miles), Insein Township Yangon, Myanmar  
Phone: 95-01-643798

### NorthOkkalapa Branch

No. M(56), Thiriyadanar Wholesale Market  
NorthOkkalapa Township, Yangon, Myanmar  
Phone: 95-99-6889-2300

### Mingaladon II Branch

4F, 115/A Pyay Road, Saw Bwar Gyee Kone  
Ward(10miles), Insein Township, Yangon Myanmar  
Phone: 95-1-643798

### Nyaungdon Branch

Room No. 103, 1st Street, 5 Quarter, Nyaungdon  
Township, Ayarwaddy, Myanmar  
Phone: 95-99-7674-7709

### Taikkyi Branch

Room No.9, Natsinkone Road, Ohtan Ward, Taikkyi  
Township, Yangon, Myanmar  
Phone: 95-9-7717-81028

### Hmawbi I Branch

2F No(26) Tatkyee Kone village, Hmawbi Township,  
Yangon, Myanmar  
Phone: 95-9-974563586

### Hmawbi II Branch

1F No(26) Tatkyee Kone village, Hmawbi Township,  
Yangon, Myanmar  
Phone: 95-9-97456395

### Maubin I Branch

Plot No(34), No(396), Building 01, Yei Le road, Ward  
7, Maubine Township, Ayeyarwaddy, Myanmar (2F)  
Phone: 95 9 9712 25895

### Maubin II Branch

Plot No(34), No(396), Building 01, Yei Le road, Ward  
7, Maubine Township, Ayeyarwaddy, Myanmar (1F)  
Phone: 95 9 9616 12763

### Kawhmu Branch

No 192/B, Bogyoke St. South Wd Kawhmu  
Townshop, Yangon  
Phone: 95 9 9742 91112

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### Insein Branch

115/A, Pyay Road, Saw Bwar Gyee Kone Ward(10 miles), Insein Township Yangon, Myanmar  
Phone: 95 1 643798

### Kungyangon Branch

No 540, Yadanar Pone 2nd St, Kangyi / Magyi Ward, Kungyangon Township, Yangon, Myanmar  
Phone: 95 9 975 890019

### Zalun Branch

Bogyok St. Nyaung Pin Zay Ward, Zalun Township, Ayeyarwady, Myanmar  
Phone: 95 9 960996083

### Kyimyindaing Branch

No. 101, Tha Yet Taw(3) Upper St. Tha Yet Taw Ward, Kyimyindaing Township, Yangon, Myanmar  
Phone: 95 9 960996092

### Hinthada I Branch

No. 49, U Wisarra St. Pha Tar Gyi Ward, Hinthada Township, Ayeyardady, Myanmar  
Phone: 95 9 960996099

### Hlaing Branch

No. 101, Tha Yet Taw(3) Upper St. Tha Yet Taw Ward, Kyimyindaing Township, Yangon, Myanmar  
Phone: 95 9 960996089

### Hinthada II Branch

No. 93, Nat Maw St. Panbetan Ward, Hinthada Township, Ayeyarwady, Myanmar  
Phone: 95 9 961010611

### Hinthada III Branch

No. 93, Nat Maw St. Panbetan Ward, Hinthada Township, Ayeyarwady, Myanmar  
Phone: 95 9 961010611

### Twantay Branch

No. 49, Bo Kyoke St. Kon Gyan(Middle) Ward, Twantay Township, Yangon, Myanmar  
Phone: 95 9 961010511

### Pyapon I Branch

No. 18C, 8th St. 9th Ward, Pyapon Township, Ayeyarwady  
Phone: 95 9 950311093

### Pyapon II Branch

No. 18C, 8th St. 9th Ward, Pyapon Township, Ayeyarwady  
Phone: 95 9 950311096

### Pantanaw I Branch

No. 1, Sel Myaung St. Myo Kwet Thit 1, Pantanaw Township, Ayeyarwady, Myanmar  
Phone: 95 9 764433931

### Pantanaw II Branch

No. 1, Sel Myaung St. Myo Kwet Thit 1, Pantanaw Township, Ayeyarwady, Myanmar  
Phone: 95 9 764433932

### Gyobingauk I Branch

No. 154, Ashay Myopat St. Pan Tin Ward, Gyobingauk Township, Bago, Myanmar  
Phone: 95 9 764433935

### Gyobingauk I Branch

No. 154, Ashay Myopat St. Pan Tin Ward, Gyobingauk Township, Bago, Myanmar  
Phone: 95 9 764433936

### Zigon Branch

Hlaing Htate Khaung Tin St. No. 1 Ward, Zigon Township, Bago, Myanmar  
Phone: 95 9 780 113417

### Paungde I Branch

Plot No. 79, Shwetaung Street, Min Kwet 3, Ward, Paungde Township, Bago, Myanmar  
Phone: 95 9 780114012

### Paungde II Branch

Plot No. 79, Shwetaung Street, Min Kwet 3, Ward, Paungde Township, Bago, Myanmar  
Phone: 95 9 780114068

### Lewe I Branch

No. 17 Plot, Min Wine Yat, No. 4 Ward, Lewe Township, Nay Pyi Taw, Myanmar  
Phone: 95 9 402187901

### Pyinmana I Branch

No. 181, Yarza Htarni St. Aung Thar Yar Ward, Pobbathiri Township, Nay Pyi Taw, Myanmar  
Phone: 95 9 402187923

### Pyinmana II Branch

No. 181, Yarza Htarni St. Aung Thar Yar Ward, Pobbathiri Township, Nay Pyi Taw, Myanmar  
Phone: 95 9 402187924

### Lewe II Branch

No. 241, Office Street, Min Wine Yat, No. 4 Ward, Lewe Township, Nay Pyi Taw, Myanmar  
Phone: 95 9 441580466

### Dekkhinathiri Branch

No. Da-2410, Wai Da 10 St. Dekkhinathiri Township, Nay Pyi Taw, Myanmar  
Phone: 95 9 441580468

### Lewe III Branch

No. 241, Office Street, Min Wine Yat, No. 4 Ward, Lewe Township, Nay Pyi Taw, Myanmar  
Phone: 95 9 403663020

### Takkon I Branch

No. (ma-127), Yin Mar Street, Area (3), Mya Waddy Ward, Takkon Township, Nay Pyi Taw  
Phone: 95 9 441473341

### Takkon II Branch

No. 93, Thatoeminsaw Yat, Aung Zaya Ward, Takkon Township, Nay Pyi Taw  
Phone: 95 9 441481276

### Ottarathiri Branch

No. Ou-1513, Shwe Nant Thar Ward, Ottarathiri Township, Nay Pyi Taw  
Phone: 95 9 893642032

### Nattalin Branch

No.52, Apyin Tharzi Street, Tharzi Ward, Nattalin Township, Bago  
Phone: 95-9-773579731

### Taungwingyi Branch

No. 174, Ohntaw No. 2 Ward, Taungdwingyi Township, Magwey  
Phone: 95-9-692687628

### Natmauk Branch

No.22, Plot U Paing No.105, East Aung San Ward, Natmauk Township, Magway  
Phone: 95-9-891504155

### Philippines

#### Wealth Development Bank

Taft Financial Center, Cardinal Rosales Avenue, Cebu Business Park, Cebu City, Cebu  
Phone: 63-32-415-5265

#### ALABANG BRANCH

Unit 103, South Center Tower Condominium 2206 Market Street, Madrigal Business Par Alabang, Muntinlupa City  
Phone: 63-2-801-5335

### ANGELES MARQUEE MALL BRANCH

Ground Floor , Marquee Mall, Don Bonifacio St., Pulung Maragul Angeles City, Pampanga  
Phone: 63-45-624-0072

### LEGAZPI PACIFIC MALL BRANCH

G/F Expansion II, Pacific Mall Legazpi, Landco Business Park, F. Imperial Street Cor. Circumferential Road, Legazpi City 4500  
Phone: 63-52-480-0038

### LUCENA PACIFIC MALL BRANCH

Ground Floor L 1-26, Pacific Mall, M.L. Tagarao St. Landco Business Park, Brgy. III , Lucena City, Quezon  
Phone: 63-42-795-3771

### TAGUIG MARKET MARKET BRANCH

Ground Floor, Play Ground Zone, Metro Market Market Mall, Mckinley Parkway, Fort Bonifacio Global City, Taguig City  
Phone: 63-02-889-0275

### CEBU AYALA BRANCH

Ground Floor, Taft Financial Center, Cardinal Rosales Avenue, Cebu Business Park, Brgy. Luz, Cebu City  
Phone: 63-32-415-4888

### CEBU RAMOS BRANCH

Ground Floor, Hilario Chu Bldg., No. 148 F. Ramos St. Santa Cruz, Cebu City  
Phone: 63-32-412-6302

### CEBU CARBON BRANCH

Ground Floor, M.C. Briones & Plaridel Sts., Cebu City  
Phone: 63-32-416-9077

### CEBU MANDAUE BRANCH

Ground Floor, G/F Meritz Building, A.C. Cortes Ave. Ibabao, Mandaue City, Cebu  
Phone: 63-343-8144

### CEBU TABUNOK BRANCH

Ground Floor, AGSy Bldg., National Hi-Way, Tabunok Talisay City, Cebu  
Phone: 63-32-272-2955

### CEBU MANDAUE PACIFIC MALL METRO BRANCH

Ground Floor, Mandaue Pacific Mall Metro National Highway corner M.B. Fernan Ave. Estancia, Ibabao, Mandaue City, Metro Cebu  
Phone: 63-32-239-1072

### CEBU MAMBALING BRANCH

G/F Metro Store Mambaling, Cebu, N. Bacalso Avenue corner F. Llamas Street, Basak San Nicolas, Cebu City  
Phone: 63-414-4233

### TAGBILARAN BANKING CENTER

Ground Floor, No. 15 JS Torralba St., Poblacion 2, Tagbilaran City, Bohol  
Phone: 63-411-4860

### ILOILO BANKING CENTER

Ground Floor, ACCE Bldg., Mabini Ledesma St., Liberation, Iloilo City  
Phone: 63-338-4419

### CAGAYAN DE ORO BANKING CENTER

Ground Floor, Jammin Lui Bldg., corner A. Velez & Gomez Sts. Poblacion, Cagayan de Oro City, Misamis Oriental  
Phone: 63-88-856-8974

### DAVAO BRANCH

Ground Floor, Door 8, 9 & 10 Grand MenSeng Hotel Pichon St., 1-E Poblacion, Davao City, Davao del Sur  
Phone: 63-82-225-3318

### TACLOBAN BRANCH

Real Street Corner Perichon Barangay 54, Tacloban City, Leyte  
Phone: 63-053-832-3436

### CALOOCAN BRANCH

Rizal Avenue Extension, East Grace Park, Caloocan 1400, Metro Manila  
Phone: 63-0917-870-7335

### GENSAN BRANCH

Gaisano mall, Jose Catolico Sr. Avenue, General Santos City, South Cotabato  
Phone: 63-083-250-1238

### DUMAGUETE BRANCH

1F Jose Building South Road Calindagan, Dumaguete City  
Phone: 63-035-523-5532

### BACOLOD BRANCH

Lacson-Luzuriaga Streets, Bacolod City, Negros Occidental  
Phone: 63-034-447-0227

### BUTUAN BRANCH

JC Aquino Ave, corner, Pareja Subdivision, Butuan City, Mindanao  
Phone: 63-0917-870-7390

### NAGA BRANCH

Ground Floor, Super Metro Camarines Sur, Panganiban Drive, Naga City, Casmarines Sur  
Phone: 63-054-881-2836



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### BAGUIO BRANCH

NRC Building, Abanao Street, Baguio City, Benguet,  
Cordillera Administrative Region  
Phone: 63-074-665-2394

### BINONDO BRANCH

Lucky Chinatown Mall, Reina Regente St. Binondo,  
Manila, National Capital Region

### Vietnam

#### Wooribank Vietnam

34F, Keangnam Landmark 72, E6 Pham Hung Road,  
Tu Liem District. Hanoi, Vietnam  
Phone: 84-04-7300-6802

#### Hanoi Branch

24F, Keangnam Landmark 72, E6 Pham Hung Road,  
Tu Liem District. Hanoi, Vietnam  
Phone: 84-4-3831-5281

#### Hochiminh Branch

No. 7,8,9, 2nd Floor, Mplaza Saigon, 39 Le Duan St.,  
Ben Nghe Ward, Dist. 1, HCMC, Vietnam  
Phone: 84-8-3821-9839

#### Bac Ninh Branch

1st and 3rd Floor, Vincom plaza Bac Ninh, Ly Thai  
To Street, Suoi Hoa Ward, Bac Ninh City, Bac Ninh  
Province, Vietnam  
Phone: 84-22-2390-8460

#### Hai Phong Branch

NO. 4, Lot 22A, Le Hong Phong Street (Cat Bi Airport  
New Urban Area), Dong Khe Ward, Ngo Quyen  
District, Hai Phong City, Vietnam  
Phone: 84-255-730-0101

#### Thai Nguyen Branch

2nd Floor, Gate 1, Samsung Electronics Vietnam  
Co.,Ltd. Thai Nguyen, Yen Binh Industiral Zone, Dong  
Tien ward, Pho Yen town, Thai Nguyen Province,  
Vietnam  
Phone: 84-208-730-0010

#### Binh Duong Branch

10th Floor, Becamex Building, No.230, Binh Duong  
boulevard, Thu Dau Mot City, Binh Duong Province,  
Vietnam  
Phone: 84-274-222-2631

#### Phu My Hung Branch

Unit SA-01, Riverpark Residence Complex, 341 Ha  
Huy Tap Street, Tan Phong Ward, District 7, Ho Chi  
Minh City, Vietnam  
Phone: 84-28-7303-0510

### Dong Nai Branch

Ton Duc Thang road, Nhon Trach 3 Industrial Zone,  
Phase1, Hiep Phuoc, ward, Nhon Trach district, Dong  
Nai Provincem Vietnam  
Phone: 84-251-730-0370

### Ha Nam Branch

1st and 2nd floor, Tien Loc Building, Commercial  
Service Zone 4, Thanh Chau ward, Phu Ly City, Ha  
Nam Province, Vietnam  
Phone: 84-266-730-0020

### Da Nang Branch

2nd floor, Phi Long Technology Building, 52 Nguyen  
Van Linh Road, Nam Duong Ward, Hai Chau District,  
Da Nang City, Vietnam  
Phone: 84-236-730-0321

### Bien Hoa Branch

5th Floor, Sonadezi Building, No 1, Road 1, Bien Hoa  
1 Industrial Zone, An Binh Ward, Bien Hoa City, Dong  
Nai Province, Vietnam  
Phone: 84-251-730-0270

### Sai Gon Branch

Ground floor and 8th Floor, E-Town 1 Building, no.  
364 Cong Hoa St. Ward 13, Tan Binh District, Ho Chi  
Minh City, Vietnam  
Phone: 84-28-7300-2710

### Vinh Phuc Branch

1st and 2nd Floor, Bao Quan Hotel, 396 Me Linh  
Street, Lien Bao ward, Vinh Yen City, Vinh Phuc  
Province, Vietnam  
Phone: 84-211-730-0010

### Hoan Kiem Branch

1st and 5th Floor, Asia Tower Building, No.6, Nha Tho  
street, Hang Trong ward, Hoan Kiem district, Hanoi  
city, Vietnam  
Phone: 84-24-3204-5203

### Samsung Electronics Sub-Branch

1st and 2nd Floor, Halla building, Lot CC2, Yen Phong  
Industrial Zone, Yen Trung Commune, Yen Phong  
District, Bac Ninh Province, Vietnam  
Phone: 84-22-2369-9431

### Trang Due Sub-branch

1F, Youngjin E&C Vina Hai Phong, Lot CC3-2.1, Trang  
Due Industrial Park Phase 2, Hong Phong Commune,  
An Duong District, Dinh Vu - Cat Hai Economic Zone,  
Hai Phong City, Vietnam  
Phone: 84-22-5730-4868

### Cambodia

#### WB Finance

Building 398, Preah Monivong Blvd, Sangkat Boeun  
Keng Kang 1, Khan Chamkarmon, Phnom Penh  
12302, Kingdom of Cambodia

#### Phnom Penh Head Office

Lot No. 398, Monivong Blvd., Sangkat Beung Keng  
Kang 1, khan Chamkar Mon, Phnom Penh.  
Phone: 023969269

#### Kandal Regional Office

#240, National Road 2, Krapeu Ha Village, Sangkat  
Preak Ruessei, Ta Khmao City, Kandal Province  
Phone: 087634444

#### Sa'ang Branch Office

National Road no.21, Preaek Run village, Preaek Koy  
commune, S'ang district, Kandal province  
Phone: 087777993

#### Kien Svay Branch Office

National Road no.1, Tuol Tnaot village, Kaki  
commune, Kien Svay district, Kandal province  
Phone: 087777488

#### Kandal Stueng Branch Office

#86, National Road no. 2, Preaek Roka village, Preaek  
Roka Commune, Kandal Stueng district, Kandal  
province  
Phone: 087777132

#### Leuk Daek (Kampong Phnom) Branch Office

National Road No. 1, Ampil Tuek village, Kampong  
Phnum commune, Leuk Daek district, Kandal  
province  
Phone: 087777279

#### Prey Veng Branch Office

National Road No 11. Village 8, Sangkat Kampong  
Leav, Prey Veng city, Prey Veng province  
Phone: 010855644

#### Sithor Kandal Branch Office

Preaek Sandaek Village, Preaek Changkran  
Commune, Sithor Kandal District, Prey Veng  
Province  
Phone: 010855492

#### Svay Rieng and Svay Chrom Regional Office

Keansang Village, Svay Rieng Commune, Svay Rieng  
City, Svay Rieng Province  
Phone: 068855973

### Preah Sdech Branch Office

Krasang Tong village, Angkor Reach commune,  
Preah Sdach district, Prey Veng province  
Phone: 0889201571

### Kampong Trabaek Branch Office

Doun Tong village, Prasat commune, Kampong  
Trabaek district, Prey Veng province  
Phone: 0886450320

### Mesang Branch Office

Vang Villeg Chiphouch Commune, Mesang District,  
Prey veng Province  
Phone: 010855188

### Chantrea Branch Office

Thnal Cheat Village, Sangkat Chrok Mates, Bavith  
City, Svay Rieng province  
Phone: 0889204613

### Romeashek Branch Office

Tatrav Village, Kampong Trach Commune,  
Romeashek District, Svayreing province  
Phone: 0884831787

### Kampong Ro Branch Office

Svay Anat Village, Nhor Commune, Kampong Rou  
District, Svay Rieng Province  
Phone: 0889204643

### Rumduol Branch Office

Chak Village, Kampong Chak commune Rumduol  
District Svay Rieng Province  
Phone: 0889204641

### Takeo Regional Office

National Road No. 2, Thnol bek village, Sangkat  
Roka Krao, Doun Kaev city, Takeo province  
Phone: 015493888

### Bati Branch Office

National Road no. 2, Smau Khnhei village, Trapeang  
Sab commune, Bati district, Takeo province  
Phone: 0884839823

### Tramkok Branch Office

Prey Rumdeng Village, Angk Ta Saom Commune,  
Tram Kak District, Takeo province  
Phone: 060855213

### Kirivong Branch Office

Po Khvet Village, Phrah Bat Choan Chum Commune,  
Kirivong District, Takeo Province  
Phone: 060855886

### Koh Andaet Branch Office

Prey Malong Khang Tbong Village, Prey Khla  
commune, Koh Andaet district, Takeo province  
Phone: 0884839711

### Samraong Branch Office

Krang Lang Village, Cheung Kuon  
Commune,Samraong District, Takeo province  
Phone: 0888551219

### Prey Kabas Branch Office

#408, St 108, Prey Lavea Ket Village, Prey Lavea  
Commune,Prey Kabas district, Takeo povince  
Phone: 0884839908

### Kampot (Chhouk) Regional Office

National Road no. 3, Damnak Toap Khang Tboung  
village, Krang Snay commune, Chhuk district,  
Kampot province  
Phone: 0974855014

### Banteay Meas Branch Office

Samrong village, Samrong Krom commune, Banteay  
Meas district, Kampot province  
Phone: 0884844237

### Angkor Chey Branch Office

Pral Village, Tani Commune, Angkor Chey  
District,Kampot Province  
Phone: 060855085

### Kampong Trach Branch Office

Kampong Trach Ti Muoy Village, Kampong Trach  
Khang Kaeut Commune, Kampong Trach District,  
Kampot Province  
Phone: 060855075

### Kampong Som Branch Office

Village no. 03, Sangkat Lak 02, Quarter, Metapheap  
Ward, Preah Sihanouk City  
Phone: 068855997

### Sre Ambel Branch Office

Trapeang village, Sre Ambel commune, Sre Ambel  
district, Koh Kong province  
Phone: 0884837124

### Basedth Branch Office

Slab Leaeng village, Svay Rompea commune,  
Basedth district, Kampong Speu province  
Phone: 0884874229

### Kampong Speu Regional Office

# 85, national road #04, Borei Kammeakkar Village,  
Rokar Thum Commune/Sangkat, Chbar Mon  
Municipality/District/Khan, Kampong Speu Province  
Phone: 066746666



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**Korng Pisey Branch Office**  
Tuol Ta Sokh Village, Saen Die Commune, Samraong  
Tong District, Kampong Speu Province  
Phone: 068855662

**Oudong-1 Branch Office**  
Bat Doeung village, Khsem Khsan commune,  
Oudongk district, Kampong Speu province  
Phone: 060855776

**Odongk Krang Chek Branch Office**  
Krang Chongruk Village, Krang Chek Commune,  
Odongk District, Kampong Speu Province  
Phone: 060855995

**Thporng Branch Office**  
Tranh Veaeng Village, Prambai Mum Commune,  
Thpong District, Kampong Speu Province  
Phone: 0884839945

**Oral Branch Office**  
Phsar Kontourt village, Sangkea Sartorb Commune,  
Oral district, Kampong Speu province.  
Phone: 066574593

**Phnum Sruoch Branch Office**  
Krang Khcheay village, Tang Sya commune, Phnum  
Sruoch district, Kampong Speu province  
Phone: 0884837957

**Tuek Phors Branch Office**  
Srae Ta Chey Village, Akphivoadth Commune,  
Tuek Phos District, Kampong Chhnang Province  
Phone: 087777010

**Kampong Chhnang Regional Office**  
National Road no.5, Tuol Kralanh village, Sangkat  
Kampong Chhnang , Kampong Chhnang city,  
Kampong Chhnang province  
Phone: 0974855006

**Kampong Leaeng Branch Office**  
Kampong Boeng village, Kampong Hau commune,  
Kampong Leng district, Kampong Chhnang province  
Phone: 090855763

**Kampong Tralach Branch Office**  
Soben Village, Peani Commune, Kampong Tralach  
District, Kampong Chhnang Province  
Phone: 090855820

**Boribour Branch Office**  
Cheung Khnar Village, Ponley Commune, Boribour  
District, Kampong Chhnang Province  
Phone: 0886007498

**Pursat Branch Office**  
#475, National Road 5, Krang Pophleak Village, Svay  
At Commune, Pursat District, Pursat province  
Phone: 0886007540

**Krakor Branch Office**  
National Road 5, Phsar village, Anlong Tnaot  
commune, Krakor district, Pursat province  
Phone: 0884838011

**Phnum Kravanh Branch Office**  
Pich Ban Village, Leach Commune, Phnum Kravanh  
District, Pursat Province  
Phone: 0884845057

**Veal Veaeng Branch Office**  
Pramaoy village, Pramaoy commune, Veal Veaeng  
district, Pursat province  
Phone: 0884845556

**Kampong Thom Regional Office**  
House #009 Group 01 National Road no. 6, Stueng  
Saen Village, Sangkat Kampong Krabao,Stoung Sen  
City and Kampong Thom Province  
Phone: 067855333

**Romlong Branch Office**  
Rom Chek Village,Treal Commune, Baray District,  
Kompong Thom Province  
Phone: 060855388

**Stoung Branch Office**  
National Road no. 6, Leap Tong village, Kampong  
Chen Tboung commune, Stoung district, Kampong  
Thom province  
Phone: 0884836778

**Baray Branch Office**  
Prey Ta Trav Village, Ballangk Commune, Baray  
District, Kompong Thom Province  
Phone: 060855148

**Sandan Branch Office**  
Toekmleang village, Sandan commune, Sandan  
district, Kampong Thom province  
Phone: 0884827690

**Prasat Sambour Branch Office**  
Sambo Village, Sambo commune, Prasat Sambour  
district, Kampong Thom province  
Phone: 0884836883

**Chamka Loeu Branch Office**  
Thnol Bek Lech Village, Svay Tearb Commune,  
Chamkar Loeu District, Kampong Cham Province  
Phone: 0888472236

**Battambang Regional Office**  
#99, No. 03, Mphey Osakphea village, Sangkat Svay  
Pao, Battambang city, Battambang province  
Phone: 066855022

**Banan Branch Office**  
Banan Village Kantueu Pir Commune, Banan District,  
Battambang Province  
Phone: 010855775

**Ratanak Mondul Branch Office**  
#34, Sdau village, Sdau Commune, Rotonak Mondol  
district, Battambang province  
Phone: 010855977

**Moung Ruessei Branch Office**  
Pou Muoy Village,Kear Commune, Moung Ruessei  
District, Battambang Province  
Phone: 069855585

**Bakan Branch Office**  
Khnach Romeas Village, Beung Khnar Commune,  
Bakan District, Pursat Province  
Phone: 0886007538

**Pailin Branch Office**  
O'Tapuk Le village, Pailin commune, Pailin city, Pailin  
province  
Phone: 0884873724

**Samlout Branch Office**  
Ou Tontuem village, Ta sanh commune, Samlout  
district, Battambang province  
Phone: 0884873767

**Kamrieng Branch Office**  
Dong Village, Boeng Reang Commune, Kamrieng  
District, Battambang Province  
Phone: 090309180

**Preah Vihear Regional Office**  
Lor Et village, Sangkat Kampong Branak, Preah Vihea  
city, Preah Vihea province  
Phone: 0884488844

**Kuleaen Branch Office**  
Kuleaen Tboung Village, Kuleaen Tboung  
Commune, Kuleaen District, Preah Vihear Province  
Phone: 090855156

**Sangkum Thmey Satellite Office**  
Tbeang Village, Chamraeun commune, Sangkom  
Thmei district, Preah Vihear province  
Phone: 060855749

**Rovieng Branch Office**  
Tang Trak Village, Robieb commune, Rovieng District,  
Preah Vihear Province  
Phone: 0884845242

**Trapaing Prasat Branch Office**  
Trapeang Prasat Village, Trapeang Prasat commune,  
Trapeang Prasat District, Oddar Meanchey Province  
Phone: 0884845248

**Choam Khsant Branch Office**  
National Road 69B, Choam Khsant village, Choam  
Khsant commune, Choam Khsant district, Preah  
Vihear province  
Phone: 0884845291

**Kampong Cham Regional Office**  
National Road 7, village Boeng Snay, Kampong  
Cham city, Kampong Cham province  
Phone: 0884840089

**Prey Chhor Branch Office**  
Doun Die village, Chrey Vean commune, Prey Chhor  
district, Kampong Cham province  
Phone: 0884842218

**Stoeung Trang Branch Office**  
Tnaot Ta Say Village, Preak Kak Commune, Stueng  
Trang District, Kampong Cham Province.  
Phone: 0884842804

**Chol Kiri Branch Office**  
Prey Kri Tboung Village, Prey Kri Commune, Chol Kiri  
District, Kampong Chhnang Province  
Phone: 087777151

**Tboung Khmom Branch Office**  
National Road no. 7, Cheung Lang village, Sangkat  
Suong, Suong city, Kampong Cham province  
Phone: 0886007526

**Koh Sotin Branch Office**  
Phsar Thmey Village, Pearm Pror Thnours  
Commune, Koh Sotin District, Kampong Cham  
Province  
Phone: 0883031098

**Ponhea Kraek Branch Office**  
Kandaol Kaong Village, Kaong Kang Commune,  
Ponhea Kraek District, Tboung Khmum Provinc  
Phone: 068855962

**Kratie Regional Office**  
Oreussey Village, Kratie Ward, Kratie City, Kratie  
Province  
Phone: 0888848041

**Chhloung Branch Office**  
Chrouy Thma Kraom village, Chhloung commune,  
Chhloung district, Kratie province  
Phone: 0888816546

**Snuol Branch Office**  
Kbal Snuol Village, Snuol Commune, Snuol District,  
Kratie Province  
Phone: 0884818019

**Keo Sema Branch Office**  
Ou Arm Village, Sre Khtom Commune, Keo Sema  
District, Mondol Kiri Province  
Phone: 0884818026

**Dambae Branch Office**  
National Road no. 73,Thnal village, Dambae  
commune, Dambae district, Kampong Cham  
province  
Phone: 0884843373

**Memot Branch Office**  
Masin Tuek Village, Memot Cummune, Memot  
District, Kampong Cham Province  
Phone: 0884381224

**Banteay Mean Chey Regional Office**  
National Road no.6, Kampong Svay village, Sangkat  
Kampong Svay, Serei Saophoan city, Banteay Mean  
Chey province  
Phone: 0884838900

**Paoy Paet Branch Office**  
Oh Chrov village, Paoy Paet District, Paoy Paet  
Municipality, Banteay Meanchey Province  
Phone: 010855492

**Thma Puok Branch Office**  
Kasen village, Thma Puok commune, Thma Puok  
district, Bantey Mean Chey province  
Phone: 0884839749

**Bavel Branch Office**  
#15, st. Aksor Te, Bavel 1village, Bavel commune,  
Bavel district, Battambang province  
Phone: 090281942

**Phnom Proek Branch Office**  
Phnum Toch village, Pech Chenda commune, Phnum  
Proek district, Battambang province  
Phone: 090855342

**Siem Reap Regional Office**  
#76, National Road no. 6, Chong Kao Sou village,  
Sangkat Slor Kram, Siem Reap city, Siem Reap  
province  
Phone: 0884845477

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### Puok Branch Office

Puok Chas Village, Puok Commune, Puok District, Siem Reap Province  
Phone: 0884836879

### Srey Snom Branch Office

Chroy Neang Nguon village, Chroy Neang Nguon commune, Srey Snam district, Siem Reap province  
Phone: 060270442

### Angkor Chum Branch Office

Pram Damloeng Village, Ta saom Commune, Angkor chum District, Sirem reap Province  
Phone: 0713339463

### Samraong Chong Kal Branch Office

at Doun Kaen Village, Samraong Commune, Samraong District, Oddar Meanchey province  
Phone: 087666741

### Chi Kraeng Branch Office

#079, Group 01, Kampong Kdey1 Village, Kampong Kdey Commune, Chikrek District, Siem Reap Province.  
Phone: 087555474

### Preah Netr Preah Branch Office

Chob Village, Chob Veari Commune, Preah Netr Preah District, Banteay Meanchey Province  
Phone: 090855995

### Phnom Penh (Tuol Kork) Regional Office

#152B2, St 516, 13 Village, Sangkat Boeung Kork 1, Khan Toulkork, Phnom Penh.  
Phone: 0719833384

### Stueng Mean Chey Branch Office

No. 19 and 21 EoE1, Street Veng Sreng, Group 1, Ruessei Commune, Sangkat Stueng Mean Chey, Khan Mean Chey, Phnom Penh  
Phone: 087888277

### Punhea Lueu Branch Office

#87, National Road No. 5, Tep Pranom village, Vihea Luong commune, Ponhea Lueu district, Kandal province  
Phone: 0884843228

### Mukh Kampoul Branch Office

La Edth Village, Preaek Dambang Commune, Mukh Kampul District, Kandal Province  
Phone: 0884842169

### Khsach Kandal (Preaek Tameak) Branch Office

House No 76, Road No.380, Preaek Lvea Village, Preaek Ta Kov Commune, Khsach Kandal District, Kandal Province.  
Phone: 087088019

### Svay Pak Branch Office

National Road No. 5, Lu Village Svay Pak, Khan Russey Keo, Phnom Penh  
Phone: 0884845604

### Chaom Chau Branch Office

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### Chruoy Changvar Branch Office

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### Srey Sonthor Branch Office

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### Ratanakiri Regional Office

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### Stoeung Treng Branch Office

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Phone: 0713261010

### Kaoh NheaeK Branch Office

Reangsei Village, Srae Sangkum Commune, Kaoh NheaeK District, Mondul Kiri Province  
Phone: 0713260707

### Bar Kaev Branch Office

Phum Muoy, La Minh Commune, Bar Kaev District, Ratanak Kiri Province  
Phone: 0713492929

### Mondul Kiri Branch Office

Kandal Village, Spean Mean Chey Commune, Saen Monourom municipality, Mondul Kiri Province  
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### Kampot Branch

Kampong Bay Khang Cheung Village, Kampong Bay Sangkat, Kampot City, Kampot Province  
Phone: 855-68-435555

### Kamchaymear Branch

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### Thmakoul Branch

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### Khemarak Phoumin Branch

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### Cheungprey Branch

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### Peraing Branch

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### Prey Nop Branch

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### Baphnom Branch

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### Koh Thom Branch

Kampong Svay Kraom Village, Preaek Thmei Commune, Koh Thom District, Kandal Province  
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### Chamkarmon Branch

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### Kean svay Branch

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### Takhmao Branch

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### S'ang Brancch

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### Chom Chao Branch

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### Char Ampov Branch

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### Toul Kork Branch

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Phone: 855 023 999 025

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### Kampongspeu Branch

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### Odongk Branch

National Road No. 5, Mlu Meun Village, Phsar Daek Commune, Ponhea Lueu District, Kandal Province  
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### Mukh Kampul Branch

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### Phsar Thmei Ti Bei Branch

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→ Global Network

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