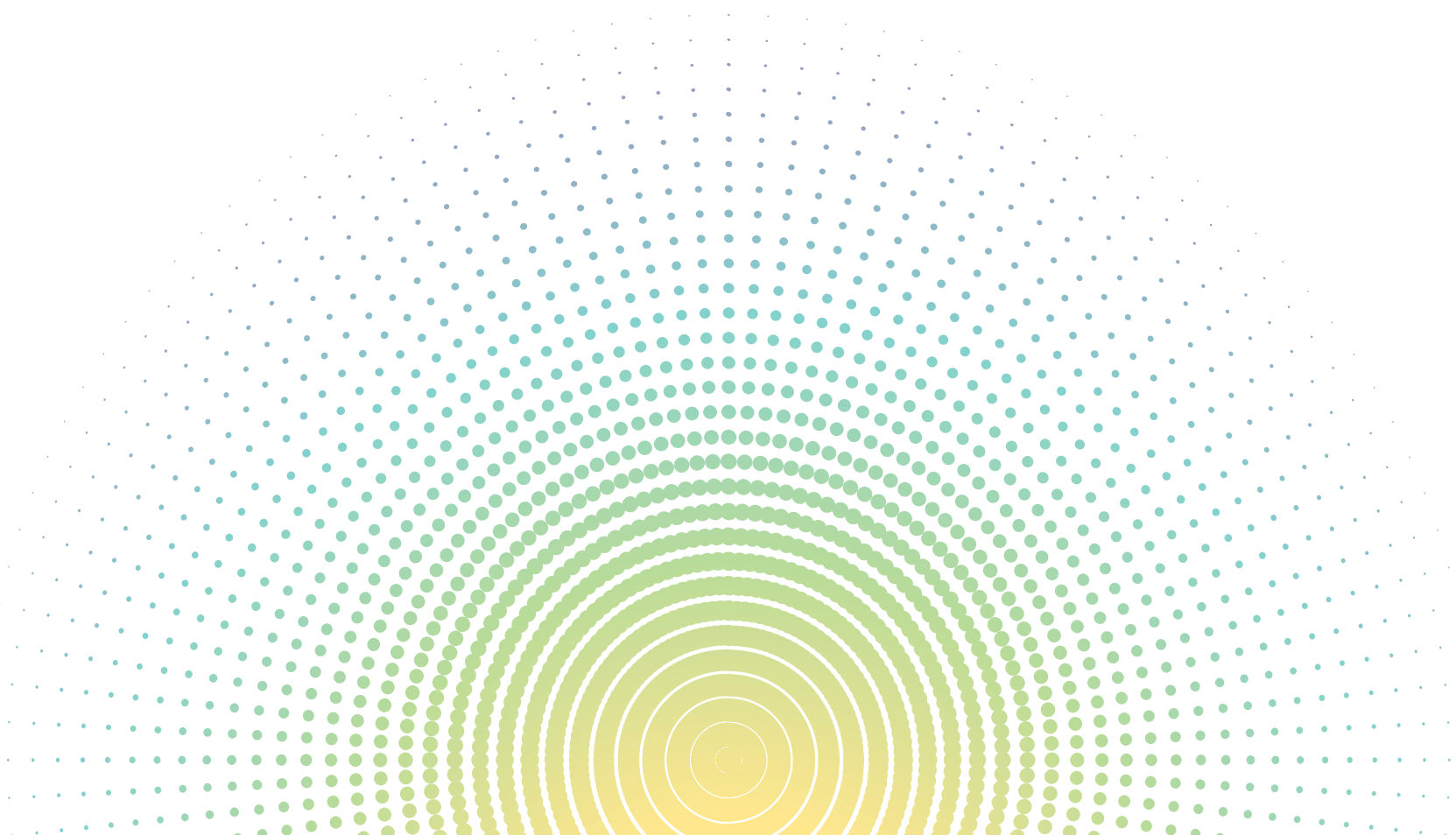
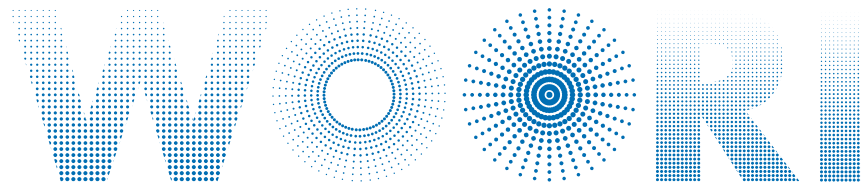
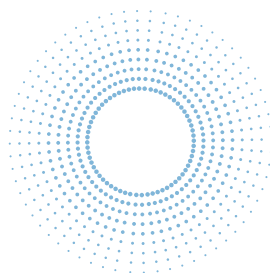
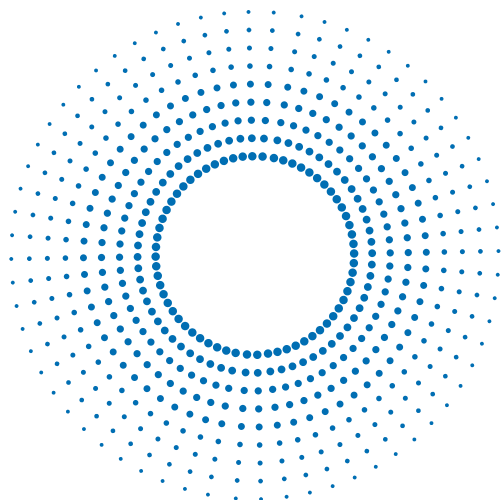


TOGETHER FOR TOMORROW





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CEO Message



“Financing is the Basis of Commerce”

This is the founding philosophy proposed 120 years ago by Daehancheonil Bank, the matrix and root of Woori Financial Group. It was the starting point of Woori Financial Group for our pledge to fulfill the responsibility and role of finance as the backbone of Korean economy for the healthy growth of nation and society.

Woori Financial Group, newly transformed from the existing banking system into a group system, is now publishing the first edition of the sustainable management report, reflecting the pride of Korea's first national capital bank.

With a momentum of the publication of the present report, Woori Financial Group will reflect on the footsteps of sustainable management activities in 2018. We promise to actively fulfill social responsibilities in diverse aspects in order to reward all stakeholders including the country, society, customers and employees.

Last year, Woori Bank, one of the key subsidiaries of Woori Financial Group, achieved the highest level of financial performance in all areas of growth, profitability and soundness. Also, as of the first half of 2019, we laid the foundation for the global leading financial group beyond Korea through the largest expansion of the global network to 449 in 26 countries among financial institutions in Korea. Based on these outstanding achievements, Woori Financial Group shifted into a comprehensive financial group system earlier this year and gained new momentum for sustainable growth.

Furthermore, Woori Financial Group united efforts with same goal and intention in diverse CSR activities. We supported various financial products for low incomers so that socially vulnerable groups can confidently play a role as members of the economics society; and supported special funds to aid stable business activities of SMEs of innovative growth and local small businesses, and to create jobs. As a result of leading productive and inclusive financing, we have been selected as the Customer Satisfaction Management Award for 12 consecutive years.

Also, realizing values of happy life for employees was an important asset of Woori Financial Group, which was also an important pillar for the group's sustainable growth. In order to ensure work-and-life balance, we introduced the 52-hour per week system for the first time in the financial sector, and in order to give sufficient refreshing opportunity, we created an innovative and efficient corporate culture by establishing the 'Woori Together Vacation Policy', in which employees can use up to 5 consecutive business days as vacations.

We also promoted various CSR activities for beautiful coexistence with communities. Through the 'Woori Bank Volunteer Group' launched in 2007, around 900 nationwide branches have entered sisterhood relationships with social welfare centers or local childcare centers in the neighborhood to perform a close-contact type community voluntary service. Also, Woori Multicultural Scholarship Foundation was launched in 2012 to have set up the CSR system of coexistence with the community through multidimensional activities such as annual scholarship supports to children of multicultural families, and cultural and welfare supports to multicultural families.

Likewise, Woori Financial Group has not only accomplished excellent business performance as the representative financial group of Korea based on 120 years of history but also made best efforts to fulfill social responsibilities in the financial sector. We will continue to contribute to the development of the country and society, and build a virtuous cycle of sustainable growth of Woori Financial Group based on trust and support of our stakeholders.

Woori Financial Group is committed to inherit foundational philosophy to benefit the society, lay a solid foundation, and quickly change and innovate to become a sustainable company that survives in the times of great changes and uncertainties represented by the Fourth Industrial Revolution.

We wish your continuous support for the future of Woori Financial Group. We cordially ask your deep affection and encouragement in our various CSR activities to fulfill.

Thank you.

Chairman of Woori Financial Group
Sohn Tae Seung

손태승

Introduction to Woori Financial Group

Woori Financial Group began with Daehancheonil Bank established by native capital in 1899, and has provided the backbone for modern finance in Korea and led the financial history by becoming the first listed company in Korea and establishing the first overseas branch. Today's Woori Financial Group provides the best financial services based on a network of around 1,000 domestic branches of Woori Bank, the largest global network in Korea, broad customer bases encompassing individuals, companies and institutions, and differentiated digital competitiveness. We will do our best to fulfill social responsibilities in the finance sector for mutual growth of our society and to become the global leading financial group representing Asia.

Overview of Woori Financial Group

Holding Established : January 11, 2019

CEO : Sohn Tae Seung

Total Assets



KRW **340.4** trillion

Head Office's Location :

51 Sogong-ro, Jung-gu, Seoul (Hoehyeon-dong 1-ga)

Organization and Personnel

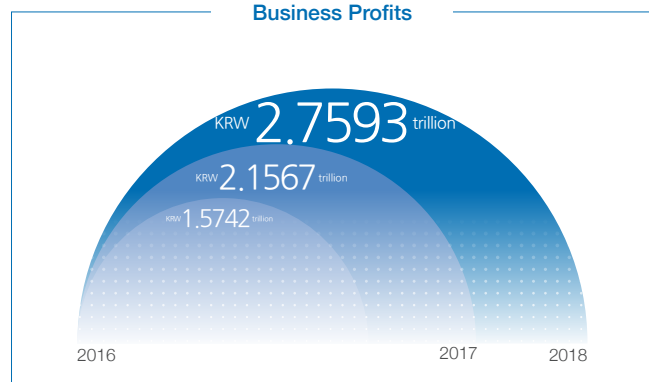
(Entire domestic and overseas personnel at the end of 2018)



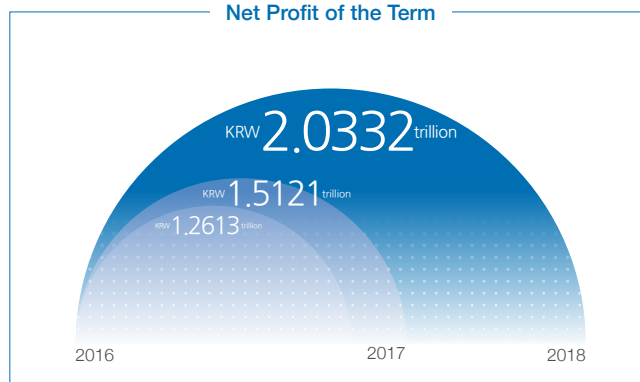
8 group companies **13** overseas corporations **22,740** employees

Major Management Status of Woori Financial Group

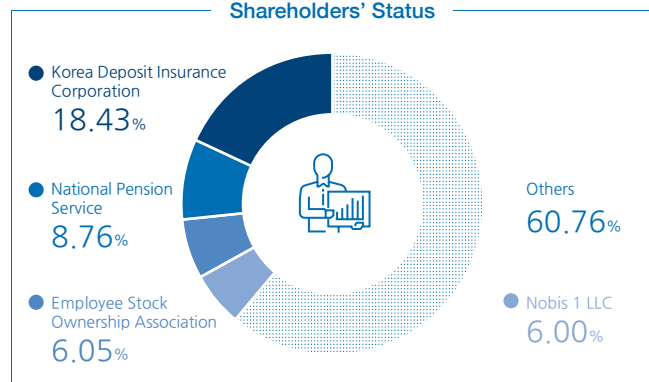
Business Profits



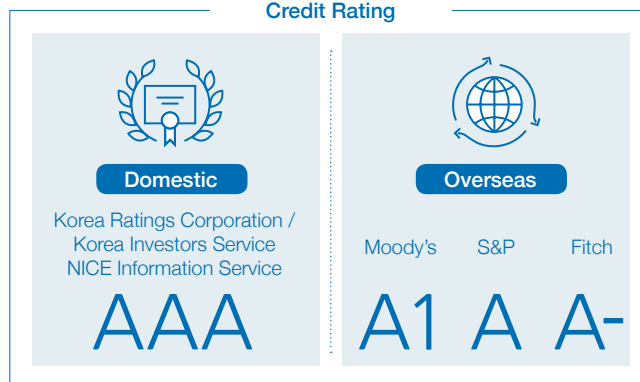
Net Profit of the Term



Shareholders' Status



Credit Rating



* The above items are based on consolidated statements of Woori Bank (as of the end of 2018).

Launched Woori Finance Holdings

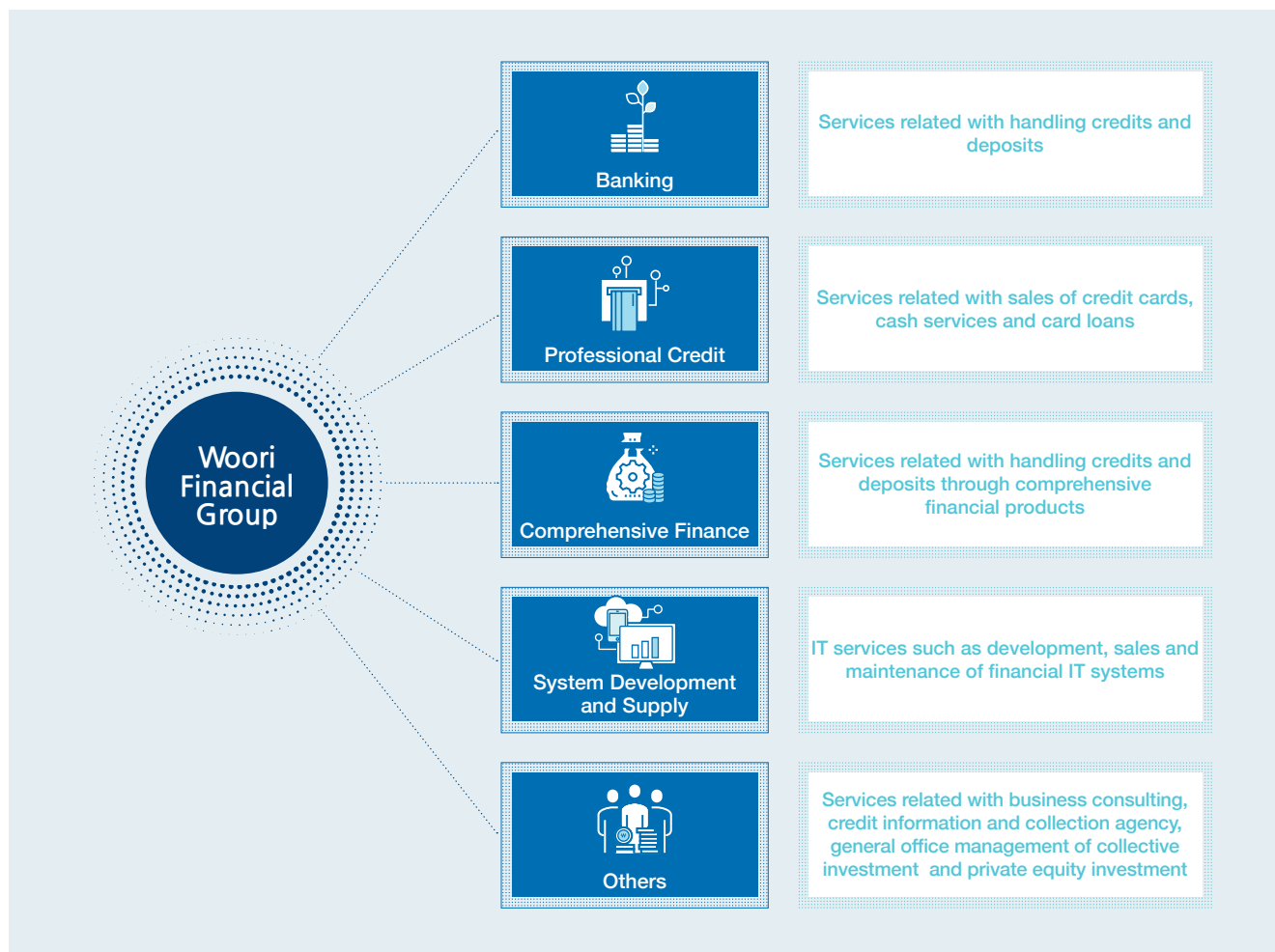
On January 11, 2019, Woori Finance Holdings was established based on the comprehensive transfer of shares jointly by six group subsidiaries, Woori Bank, Woori FIS, Woori Finance Research Institute, Woori Credit Information, Woori Fund Services and Woori Private Equity Asset Management. Woori Financial Group will take the lead in the expansion of non-bank portfolios, the continuous development of products and services, the advancement of digital innovation and the realization of social values. We will do our best to become the financial group that leads the global financial market.



Systematic Diagram for Business Philosophy and Vision of Woori Financial Group



Business Portfolio of Woori Financial Group



Subsidiaries of Woori Financial Group

Woori Financial Group has eight subsidiaries that provide the best financial services. In addition to Woori Bank in charge of the credit, depository and banking businesses, the group is engaged in the credit card business (Woori Card), comprehensive financial business (Woori Investment Bank), system development and supply (Woori FIS), business consulting (Woori Finance Research Institute), credit information and collection agency (Woori Credit Information), collective investment and general office management (Woori Fund Services), and private equity investment and professional private equity collective investment (Woori Private Equity Asset Management). Woori Financial Group will do utmost to provide the best financial services as a reliable finance that collaborates with the country, companies and people.

Subsidiaries	Share Ratio (%)	Subsidiaries	Share Ratio (%)
Woori Bank	100	Woori Card	100
Woori Investment Bank	59.8	Woori FIS	100
Woori Finance Research Institute	100	Woori Credit Information	100
Woori Fund Services	100	Woori Private Equity Asset Management	100

Woori Financial Group Network

Woori Financial Group is leaping toward as a financial group that leads the global financial market based on a network of 449 bases in 26 countries.

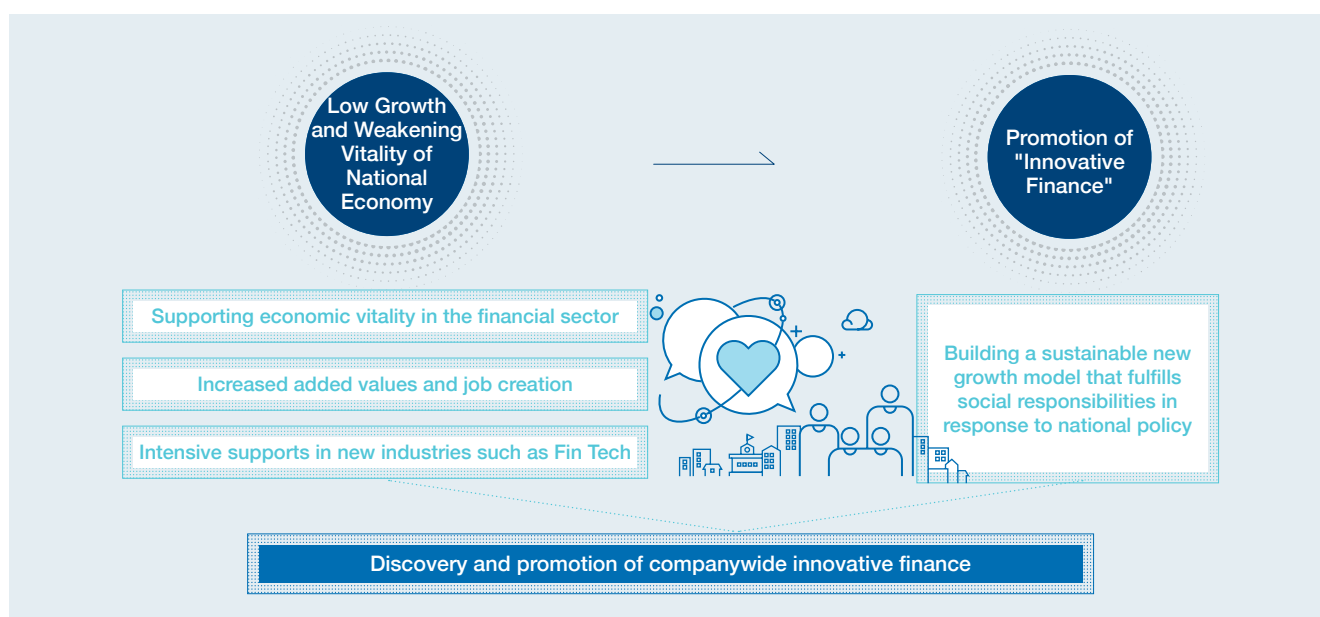


Innovative Finance of Woori Financial Group

Setting Goals for Innovative Finance of Woori Financial Group

Recently, the vitality of our economy has been deteriorating due to weakening of competitiveness in the key industries as well as the stagnation of low growth structure. In the midst of demand for more powerful social roles of the financial sector to overcome such trend, the financial authority has set up 'innovative financing' as the major policy direction that intensively supports new industries such as Fin Tech to raise added values and job creation.

In response to such internal and external demands, and to achieve 'Accompanying Reliable Finance' as the group's mission, Woori Financial Group is promoting innovative finance on the group level.



Establishment of Promotion System for Innovative Finance

In May, we have launched the 'Innovative Finance Promotion Committee' chaired by the group chairman and participated by CEOs of group subsidiaries, and set up four steering groups under the committee to secure expertise in each sector. Also, by newly setting up the Future Finance Division and Digital Innovation Division in the holding company in advance, we have restructured the organization to take control of innovative growth and Fin Tech support. Through such measures, Woori Financial Group established a companywide promotion system to support the innovative growth of start-ups, venture companies and SMEs.





Innovative Finance Promotion Committee and Steering Groups



Installation of a control tower in holding company



Progress and Future Plans for Innovative Finance

Field	Progress	Future Plans												
<div></div> <div>Improvement of Credit Policy</div>	<ul style="list-style-type: none">• Promotion of collateral loans for movable assets<ul style="list-style-type: none">- Expand collaterals and target industries- Introduce IoT based collateral management system• Launch collateral loans of intellectual property rights<ul style="list-style-type: none">- Support collateral funds by 'Woori Cube Loan-X' which uses patent rights as representative credit	<ul style="list-style-type: none">• Promotion of overall revision in corporate credit system<ul style="list-style-type: none">- Introduce collective collateral: Movable assets & real estate + intellectual property rights- Credit rating: Reflect past sales, future growth potential and competitiveness- Inclusive repayment capacity evaluation<ul style="list-style-type: none">: Comprehensive evaluation including future growth potential in technology and sales in addition to past performance and collaterals												
<div></div> <div>Credit Support</div>	<ul style="list-style-type: none">• Supplying credit targeting companies of innovative growth<ul style="list-style-type: none">- Support KRW 13.1 trillion (cumulative) credit <div><div><div>4.2</div><div><div></div></div><div>'17</div></div><div><div>4.7</div><div><div></div></div><div>'18</div></div><div><div>4.2</div><div><div></div></div><div>'19. 6</div></div></div> <div>(Unit: KRW Trillion)</div>	<ul style="list-style-type: none">• Supplying KRW 31.1 trillion over the next 5 years in banking/financial collaboration industry<ul style="list-style-type: none">- Expand technology finance/policy finance linked credit <div>(Unit: KRW Trillion)</div> <table><tr><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th><th>Total</th></tr><tr><td>5.34</td><td>5.80</td><td>6.22</td><td>6.64</td><td>7.06</td><td>31.1</td></tr></table> <div>*Based on the increase in cumulative balance of technological finance</div>	2019	2020	2021	2022	2023	Total	5.34	5.80	6.22	6.64	7.06	31.1
2019	2020	2021	2022	2023	Total									
5.34	5.80	6.22	6.64	7.06	31.1									
<div></div> <div>Investment Support</div>	<ul style="list-style-type: none">• Direct investment and fund support for companies of innovative growth<ul style="list-style-type: none">- First direct investment for companies of innovative growth in banking industry<ul style="list-style-type: none">: Cumulative KRW 28.45 billion (Until June 2019)- Group-level fund creation and investment<ul style="list-style-type: none">: 19 funds, cumulative KRW 225.3 billion (Until 2018)• Establishment of a system to discover promising companies based on public contest<ul style="list-style-type: none">- Public contest of ventures with excellent technology and business feasibility- Attracting follow-up investment for selected companies	<ul style="list-style-type: none">• Support of KRW 2.1 trillion in the next 5 years<ul style="list-style-type: none">- Create fund: KRW 300 billion in 3 years with participation of subsidiaries- Direct investment- Actively discover ventures and start-ups- Mutual Growth<ul style="list-style-type: none">: Government-led innovative adventure fund												
<div></div> <div>Fin Tech Support</div>	<ul style="list-style-type: none">• Development of new growth model of coexistence<ul style="list-style-type: none">- Leading the introduction of an innovative financial service before launching the group<ul style="list-style-type: none">: WiBeebank, SORi, WiBeebot, etc.- Jointly developing innovative financial services- Utilizing designated representative system of the Financial Services Commission• Customized support system for Fin Tech companies<ul style="list-style-type: none">- DinnoLab : Support the growth of fin tech companies- WiBee Crowd: Support the investment in crowd funding, KRW 360 million by 2019- Other supports such as management consulting	<ul style="list-style-type: none">• Acceleration of mutual growth of Fin Tech companies<ul style="list-style-type: none">- Discover innovative financial services to accompany with Fin Tech companies- Strengthen constant collaboration system and discover partners• Internalization of customized support system<ul style="list-style-type: none">- Expand DinnoLab and link various consulting services- Disclose data targeting Fin Tech companies and expand joint technological development (Open Banking)- Link banking and funding, and expand awareness of Wibee crowd and basis of funding companies												

Governance Structure

Policy of Governance Structure in Woori Financial Group

In order to promote long-term growth of Woori Financial Group, and to protect the benefits of stakeholders including shareholders and financial consumers, we are striving to establish and maintain a stable, efficient and transparent governance structure.

We can establish and maintain a stable governance structure through checks and balance of members, an efficient governance structure through expertise and diverse perspectives of members, and a transparent governance structure through transparent disclosure of business processing standards, procedures and results.

Stability and Soundness

We are operating the governance structure in accordance with relevant laws such as the 'Act on Corporate Governance of Financial Companies' to ensure stable and sound operation of the board of directors and committee. We have appointed those without any interest in the company as outside directors and are maintaining the majority level of outside directors in the composition of the board of directors and committee to ensure mutual checks and balance of the board. (As of June 2019, outside directors take 71% of the board of directors.)

Also, in order to realize a sound governance structure and to ensure independence in the composition and operation of the board of directors, we are faithfully complying with external laws such as the Commercial Law and the Financial Holding Company Act, and reflecting such laws in company rules such as the articles and the internal regulations for governance structure. In particular, we have regulated so that an outside director takes a position of a chairman of the board of directors; and provided a policy for improving the independence of outside directors that matches the office terms of outside directors with the 'Act on Corporate Governance of Financial Companies' to prevent the reelection in excess of 6 years and the period of holding offices in subsidiaries as outside directors in excess of a total of nine years.

<Disqualification of Outside Directors> 'Act on Corporate Governance of Financial Companies'

- Largest shareholder and person of special relation
- Largest shareholder, and his/her spouse and direct ancestor/descendant
- Spouse and direct ancestor/descendant of an executive
- Permanent employee, etc. of a corporation in an important transaction relationship, business competition or cooperation with the company in accordance with laws

Efficiency

In order to secure expertise and diversity in perspectives, the board of directors, the highest decision making body, consists of directors with experience and knowledge in diverse fields (as of the end of June 2019, 1 director in economy, 2 directors in finance, 1 director in management and 1 director in accounting) without inclining toward specific background and occupation. Also, the company holds regular quarterly meeting by the board of directors as well as ad hoc meetings as needed to converge on the mutual expertise of directors and supplement weaknesses to efficiently resolve various tasks and challenges confronted by the company.

Transparency

In order to secure transparency in business processing standards, procedures and results, the company discloses major business progress such as revisions of internal rules for the governance structure through the company website. The company plans to publish its annual report on governance structure on the websites of the company and the Bankers Association. The annual report on governance structure will include internal regulations such as the articles, and regulations for the board of directors and committee as well as activities of the board of directors. Data published so far and any future data to be published are available from the website below. (Website Link to Disclosed Data: <http://www.woorifg.com>)

Board of Directors and Committee

Board of Directors

In December 2018, the establishment of Woori Finance Holdings was voted on through the approval of the share transfer plan in the temporary shareholders' meeting, and previous outside directors of Woori Bank were appointed as outside directors of Woori Finance Holdings. Currently, Woori Finance Holdings has five outside directors who were appointed after being nominated by five shareholding enterprises that participated in Woori Bank's equity disposition of the Korea Deposit Insurance Corporation in December 2016. Also, in order to fulfill fiduciary duty as a managing institution for public funds, Korea Deposit Insurance Corporation is participating in the board of directors by nominating one nonexecutive director.

Composition of Board of Directors

(As of the end of June 2019)

Category	Name	Responsibility	Area of Expertise	Major Career
Executive Director	Sohn Tae-Seung	Chairman (General Services)	-	Present) President of Woori Financial Group and Woori Bank
Outside Director	Noh Sung-tae	Chairman of Board of Directors Executive Nomination Committee Audit Committee Compensation Committee Group Executive Nomination Committee	Economy	President) Korea Economic Research Institute President) Economic Research Institute of Hanwha Life Insurance Co., Ltd. Present) Chairman of Samsung Dream Scholarship Foundation
	Park Sang-yong	Chairman of Risk Management Committee Executive Nomination Committee Compensation Committee Group Executive Nomination Committee	Management	President of Yonsei University Business School Private Chairman of Public Fund Management Committee Present) Honorary Professor of Yonsei University Business School
	Jung Chan-hyeong	Chairman of Audit Committee Chairman of Compensation Committee Executive Nomination Committee Group Executive Nomination Committee	Finance	CEO of Korea Investment Management CEO of POSCO Technology Investment
	Jeon Ji-pyeong	Executive Nomination Committee Risk Management Committee Compensation Committee Group Executive Nomination Committee	Finance	Director of ICBC Middle East LLC / London LLC Present) Vice President of Fupu Daohe Investment Management LLC in Beijing
	Jang Dong-woo	Chairman of Executive Nomination Committee Audit Committee Compensation Committee Group Executive Nomination Committee	Accounting	President) CEO of IMM Investment
Nonexecutive Director	Bae Chang-sik	Risk Management Committee Compensation Committee	-	Present) Deputy Director in HR Support Division of Korea Deposit Insurance Corporation

Activities of Board of Directors

As of the end of June 2019, the board of directors were held 7 times (2 regular meetings and 5 temporary meetings), and the average attendance rate of directors was 94%. Total 34 decisions were deliberated and voted on such as enactment of regulations related with the governance structure, business plans (provisional) for Woori Financial Group and submission (provisional) for bidding proposal of asset management agency.

In addition to the board of directors, the company holds ad hoc meetings participated only by outside directors to perform their duties, and support or advices of employees or external experts are being provided if necessary. Also, training sessions for outside director are held more than once a month to support reasonable decision making of the board of directors.

Committee Status and Activities

In order to comply with the governance structure related laws and to improve efficiency in the operation of the board of directors, the company is operating five committees of the audit committee, risk management committee, compensation committee, executive nomination committee, and group executive nomination committee as of June 2019.

Committee	Composition	Purpose and Authority
Audit Committee	3 outside directors	<ul style="list-style-type: none"> Supervision of business services by directors and management Selection and dismissal request of external auditors
Risk Management Committee	2 outside directors 1 nonexecutive director	<ul style="list-style-type: none"> Establishment of basic principles and strategies in risk management Determination of affordable risk level Approval of proper investment limit and permissible loss limit Enactment and revision of risk management standards, etc.
Compensation Committee	5 outside directors 1 nonexecutive director	<ul style="list-style-type: none"> Propriety evaluation of design and operation of performance compensation system Independent establishment of compensation policy and implementation of performance Determination of executive management target Performance evaluation and compensation of executives Preparing and publicly announcing the annual report, and reporting operation details of performance compensation
Executive Nomination Committee	5 outside directors	<ul style="list-style-type: none"> Works related with nomination of candidates for CEO, outside directors and audit committee members
Group Executive Nomination Committee	5 outside directors, 1 executive director	<ul style="list-style-type: none"> Works related with nomination of candidate for CEO of subsidiaries

Risk Management

Companywide Risk Management System

Finance business activities in the financial industry are exposed to financial risks due to various external variables, prior management of analyzing and evaluating complex risks is very important. Therefore, the risk management activities of the financial industry are business activities that identify the source and scope of risks and take prior response in order to improve soundness of investment assets and procured assets.

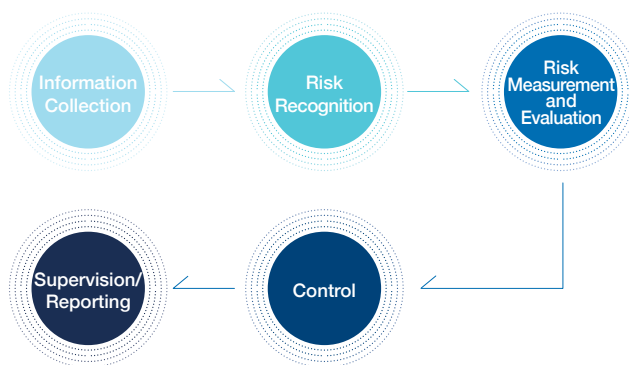
The risk management system and activities of Woori Financial Group up to 2018 were developed based on the system of Woori Bank's risk management. Woori Bank has established and operated the risk management committee, the highest decision-making body for effective risk management; and performed risk management activities in the risk division and credit risk management division based on the policies voted on in the committee. Currently, Woori Financial Group has a companywide risk management system that covers the entire group and includes multiple advantages of the risk management system of the bank and subsidiaries.

Governance Structure and Roles of Risk Management in Woori Financial Group



Risk Management Process

Woori Financial Group takes a risk management strategy that maximizes returns on risk by preventing excessive risks in business activities and maintaining proper risk levels. For this purpose, we operate the procedures of recognition, measurement, evaluation, control, supervision and reporting of risks.



Major Risk Management by Type

The core of risk management is to analyze the cause, measure risk scale, establish countermeasures and respond. Especially, for smooth implementation, strict control is more important for risk factors of high occurrence. The company classifies core risks into four types and takes proper responses to situation by type.

Credit Risk	Definition	Financial losses resulting from the rejection of transaction fulfilled by credit trading partner or the loss of capability to fulfill
	Management	Credit rating evaluation, credit risk limit management, credit risk reduction activities of holding assets, revaluation of collaterals, etc.
Market Risk	Definition	Risk of losses due to changes in market factors such as interest rates, stock prices and exchange rates
	Management	Market risk scale adequacy test, stress test, risk standard value evaluation (VaR), etc.
Liquidity Risk	Definition	Risk of failure to pay obligation to maturity on holding financial liabilities
	Management	Asset liability management (ALM), cash flow analysis by time segment, gap ratio calculation and limit maintenance, etc.
Operational Risk	Definition	Loss from improper or incorrect procedure, manpower and system or external factors
	Management	Establishment and operation of operational risk management system, analysis of various scenarios, etc.

Emerging Risk Management

The company defines and manages risks that can emerge from the rapidly changing business environment as an emerging risk. Management of the emerging risk is a preemptive response to changes in the business environment. The company selects and manages financial fraud in credit sector and environmental changes in the IT infrastructure as major emerging risks.

Category	Risk Description	Business Impact	Risk Reduction
Financial Fraud in Credit Sector	In the early stage, fraudulent loans in the credit sector were falsifications of employment or income related documents of individuals (that are relatively small sum), but recently, we are witnessing cases of fraudulent loan worth around tens of billions won by companies with forfeited financial statements.	Insolvency due to fraudulent loans leads to loss from uncollected loans and damages in asset soundness and BIS ratio. This can also lead to customer deviation due to declined confidence of customers.	We are diagnosing signs of corporate insolvency based on 'Big Eye', a big data based corporate diagnostic system, and are developing a system for identifying patterns based on case analysis of fraudulent loans and providing warnings at the time of handling loans.
Changes in IT Infrastructure	With increased importance of untact channels such as internet banking and smart banking, risks related with IT infrastructure operation are increasing such as hacking, server down and failures.	In the midst of ever increasing proportion of untact channel transaction, the failure of transaction due to IT failures can lead to financial loss to customers. This can also lead to decreased reputation of the bank and loss of customer confidence.	We have contingency plans to deal with human resources problems (strikes), disasters and accidents and IT failures under the contingency plans for operational risks. According to the plans, we have a system for minimizing losses by simulation training with assumed IT failures.

Special Issue



Big Data based Corporate Credit Risk Management System, 'Big-Eye'

Woori Financial Group established 'Big-Eye', the first big data based corporate diagnostic system in Korea. The system uses new big data technology to diagnose the possibility of insolvency in the future. Woori Financial Group expanded the 'Big-Eye' system to all branches to systematize risk management in the credit sector and improve business efficiency.

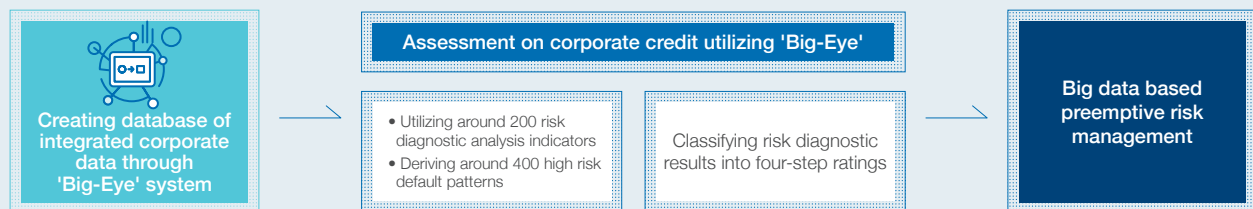
Big-Eye collects big data based on machine running technique and carries out a role of integrating and analyzing corporate data in and out of the bank. Corporate credit risk related database are derived into around 200 risk diagnostic analysis indicators and 400 high risk default patterns through Big-Eye.

Employees for handling credit can now evaluate corporate credit by referring to the risk diagnostic results classified into four steps through Big-Eye. The employees are now available to receive data easily on subsidiaries, venture companies, and companies of excellent technology.

Woori Financial Group effectively utilizes Big-Eye in each step of credit business, and plans to reinforce credit insolvency based on this. In the future, we plan to upgrade related analysis techniques by diversifying machine running techniques and continuously strengthen risk management activities through the relevant system by mandating the use of Big-Eye in handling corporate credit and providing follow-up management. Likewise, Woori Financial Group will strive to lead a new culture of corporate credit risk management by introducing various innovative technologies.



Preemptive Risk Management based on 'Big-Eye'



Business Ethics

Business Ethics System of Woori Financial Group

Woori Financial Group', which is the highest code of ethics of the group at the same time of establishing the Woori Finance Holdings, and set up consistent and proper ethical values to be observed by employees of the financial group by defining details of concrete judgment standards to comply with the 'Code of Ethics for Woori Financial Group' as 'Code of Conduct'.

In order to reinforce the function and activity of monitoring the law compliance of the group through the establishment of a cooperation system for the task to monitor the compliance of the laws among entire subsidiaries such as the holdings, we regularly operates a supervisor's committee for monitoring the law compliance of the group consisting of supervisors from subsidiaries and a working-level committee for monitoring the law compliance of the group consisting of working level personnel for monitoring the compliance of the laws; share and respond in time to major issues regarding the internal control within the group including ethical management. Woori Financial Group operates an internal control committee related with the operation of internal control policy.

In order to ensure law compliance and sound business and to protect shareholders and stakeholders, Woori Financial Group will continue its efforts to settle a sound ethical management culture of the group by strictly complying with both internal control system and ethical management system with which all employees shall comply at the time of their duty implementation.

Internal Control System

The law compliance supervisor of the holding company takes full management of the Internal control system of Woori Financial Group. The law compliance support division supports duties of the supervisor to ensure efficient performance of internal control works. The law compliance support division of the holding company consists of an appropriate number of personnel with sufficient experience and ability.

In particular, on July 1, 2019, an anti-money laundering team was newly established in the law compliance support division of the holding company to strengthen the competency to prevent anti-money laundering as part of efforts to strengthen domestic and overseas internal control. Also, in order to manage overall internal control activities of each group subsidiary, we regularly and frequently receive the report of the monitoring of law compliance and the status of group internal transaction and carry out feed-back for internal control according to the results from review. We also request subsidiaries to perform improvement measures to insufficient areas in internal control through field inspection on the law compliance by subsidiary companies, and report the results of group's internal control activities to the board of directors (including the audit committee).

Whistle Blowing System

In order to prevent financial accidents in advance and to minimize loss, Woori Financial Group defines and operates matters on whistle blowing system, informant protection and confidentiality. The whistle blowing system is exclusively operated by the law compliance support division directly affiliated under the law compliance supervisor to ensure the independence of works by competent division, and the objectives of report are various unfair and unlawful acts of employees including breaches of the internal control standards.

Anyone may report via the unmanned automatic answering phone installed inside the law compliance support division, the whistle blowing corner in the portal website, and the email or mail exclusive for whistle blowing. Meanwhile, regulations on the protection of informant ensure the protection of informant. When the details of report are recognized to be effective in the prevention of potential loss of the company, we provides the incentives of reward and compensation to the informant.

We will continue to strengthen ethical management through expanding promotion and enhancing utilization of whistle blowing system.

Anti-money Laundering Activity

Since Korea was selected as the subject country of mutual evaluation of the Financial Action Task Force (TATF) in 2019, social interest on anti-money laundering is rising. The demand for compliance to regulations related with anti-money laundering is also increasing worldwide. Accordingly, Woori Financial Group is performing a role of the control tower to fulfill companywide anti-money laundering system based on 'One AML/CFT* Policy', and strives to comply with consistent laws throughout the group by setting up group's anti-money laundering council and constantly managing subsidiaries' performance of anti-money laundering system.

Woori Bank set up a system for preventing the money laundering and the financing of terrorists by expanding the anti-money laundering organization and introducing a triple defense system for internal control in the global financial company standard for the first time among commercial banks of Korea. Also, we are strengthening the internal control system by improving system and upgrading internal rules through advice from global consulting firm, and the management competency of global AML by recruiting expert from OFAC* in overseas branches and setting up an exclusive overseas team in the main branch.

In April 2019, Woori Card also expanded exclusive manpower and strengthened management system by setting up an anti-money laundering team for the first time among credit card companies. Also, the company is building competency in anti-money laundering business by rebuilding the risk-based (RBA) anti-money laundering system.

* AML: Anti-Money Laundering

* CFT: Combating the Financing of Terrorism

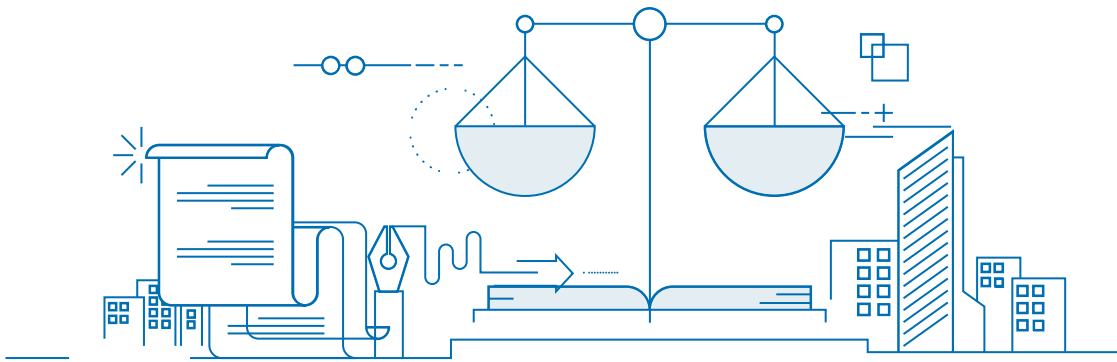
* OFAC: Office of Foreign Assets Control (Under US Department of Treasury)

Taxation Policy of Woori Financial Group

Woori Financial Group faithfully pays various taxes such as corporate tax, VAT and local tax in accordance with the taxation process set forth in the Tax Law. Overseas businesses pay taxes in accordance with the local Tax Law of business partner's country and the Tax Treaty concluded with Korea. We fulfill transparent tax obligations through the operation of taxation principles including the above details and fundamentally prevent tax related risks.

Taxation Principles of Woori Financial Group

1. The group shall faithfully fulfill tax obligations to various taxes such as corporate tax, VAT, local taxes and security transaction tax.
2. The company shall not abuse tax avoidance other than reasonable tax saving based on the Tax Law.
3. The company shall comply with the national laws and tax regulations of the country where its businesses are located, and shall actively cooperate in exchanging taxation and financial information between countries.
4. The company shall make decisions on important taxation issues in advance by considering opinions of external experts (including the procedure of prior inquiries to the taxation authority).
5. The company shall educate a person in charge of taxation for the risk management of tax process in the group.



Net Profit of 2018
KRW 2.0322 trillion

Beneficiaries of 2018
Financial Consumer Education
17,030 persons

Number of customers of
untact products in 2018
1.03 million persons

2018 Financial Supports
to Low Incomers
KRW 1.2979 trillion

Number of volunteering
employees
43,774 persons

Sometimes we walk toward invisible goals. Although we do not know the end now, we believe that there is hope. But just moving forward, my footsteps become someone else's path and guidance to lead him. Therefore, we should always be the ones who walk ahead because our footsteps become someone else's tomorrow.

MATERIAL ISSUES

ISSUES 01 : Creation of Sound Economic Performance

ISSUES 02 : Realization of Social Responsibility in Finance

ISSUES 03 : Digital Innovation and Reinforcement of Information Protection

ISSUES 04 : Protection of Financial Consumer

ISSUES 05 : Systemization of CSR Activity

Stakeholders' Participation and Materiality Test

Materiality Test and Material Issues

In order to identify sustainable management issues of interest by stakeholders in diverse fields and to reflect these in business activities effectively, Woori Financial Group performed materiality test.

We have composed of a pool of 45 basic issues around the international standard indicators related to social responsibility and sustainable management of GRI Standards, ISO26000, SDGs, and DJSI. We have also selected priority order for each issue considering media analysis, relevant company benchmarking, and survey on external expert in sustainable management and employees. The issues finalized through this process are transparently disclosed through the sustainable management report.

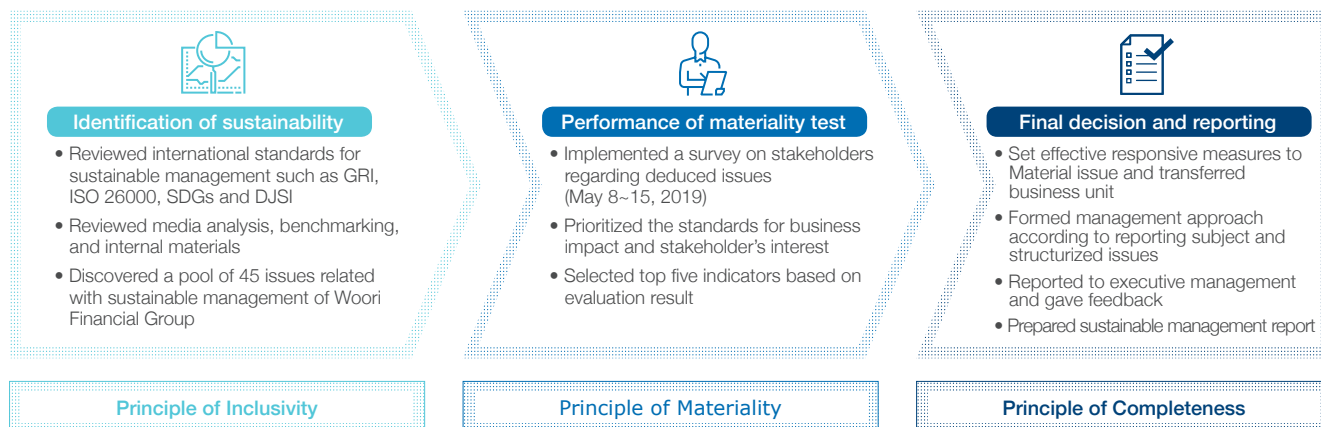
Definition of Stakeholder

In order to manage the needs of stakeholders more efficiently who influence the company's business activities, Woori Financial Group defined five stakeholder groups, and communicates with them by running various communication channels to identify unique needs of each stakeholder group. This year's matters of great interest of stakeholders in drafting the first sustainable management report of Woori Financial Group are issues on economic performance and social responsibility in finance, which were reflected as important considerations in selecting Material issue for the company's sustainable management.



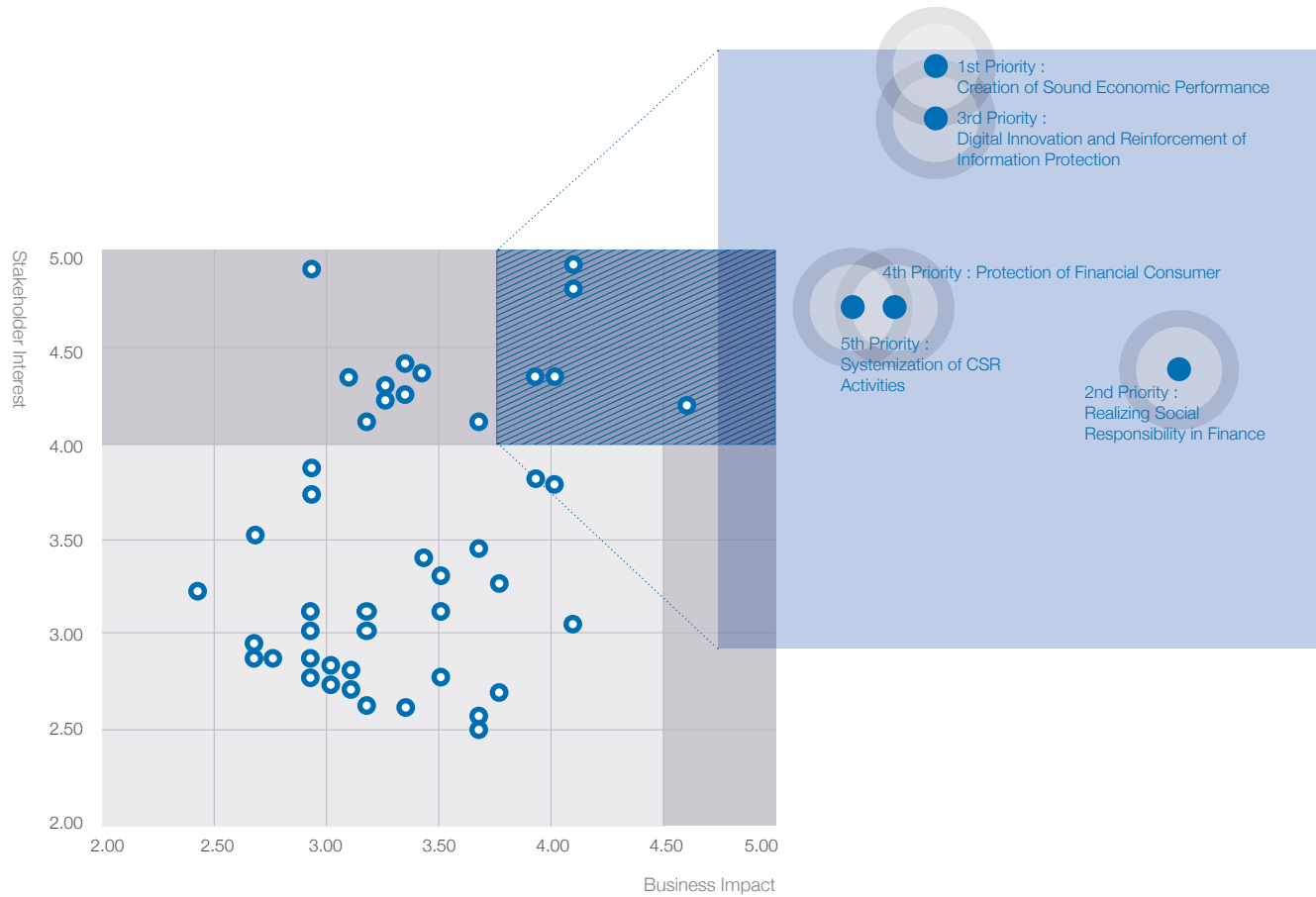
Materiality Test Process

In order to determine reporting content of the sustainable management report and to identify sustainable management issues to be intensively managed, the company performed a materiality test through the following process in accordance with the GRI reporting principles.



Materiality Test and Results

Through the materiality test, we have selected top five issues based on business impact of Woori Financial Group and stakeholder's interest.



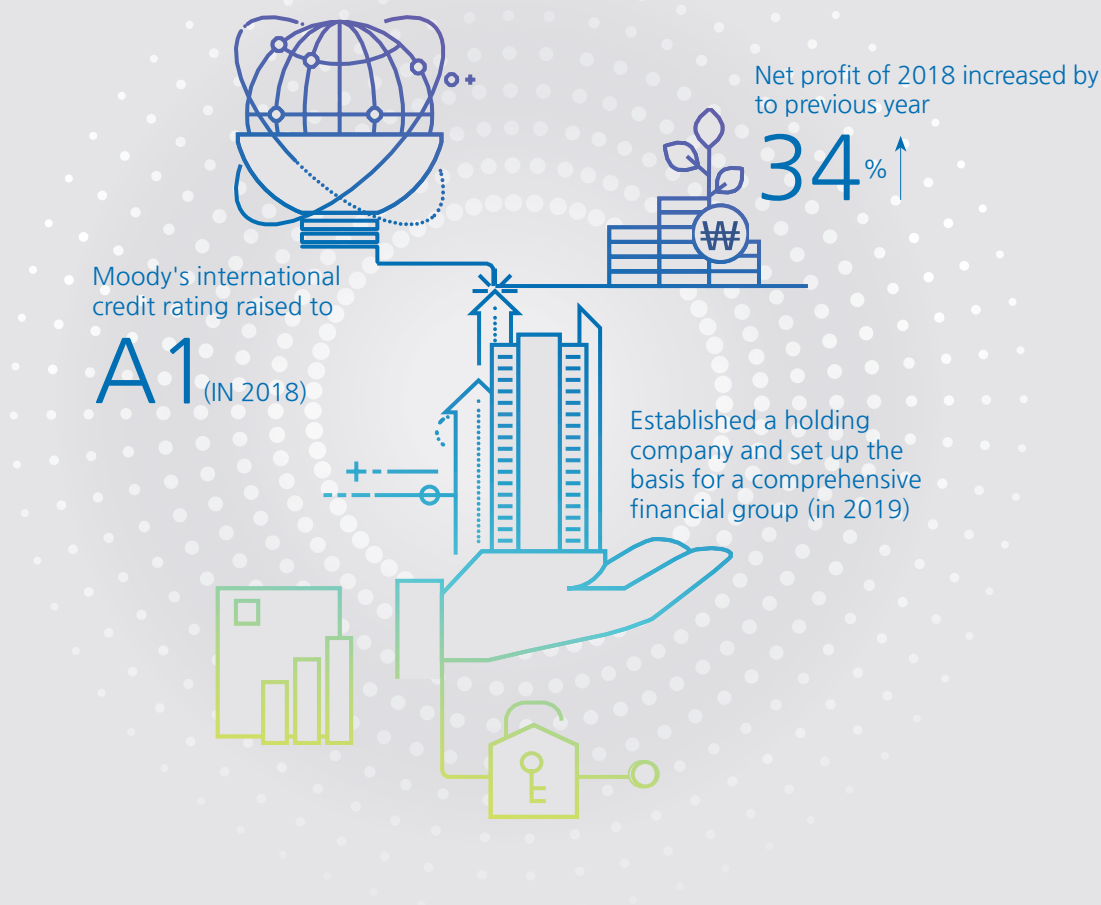
Reporting material Issues and Approaching Method

Finally deduced five core issues are economic feasibility, social responsibility in finance, digital innovation, consumer protection and social contribution. Woori Financial Group will reflect material issue in the report uniformly and strive to bring transparency of the report.

Reporting Material Issues	Related Stakeholder	GRI Topic	Report Page
 Creation of Sound Economic Performance	Shareholders, employees, country	[201] Economic Performance	20~23
 Realization of Social Responsible Finance	Customers, local society	[203] Indirect Economic Impacts	24~27
 Digital Innovation and Reinforcement of Information Protection	Customers, shareholders	[418] Customer Privacy	28~32
 Protection of Financial Consumer	Customers, local society	[203] Indirect Economic Impacts	33~38
 Systemization of CSR Activities	Country, local society	[413] Local Communities	39~45

ISSUES

01 Creation of Sound Economic Performance



Material Issues

‘Corporate social responsibility’ includes many meanings, but above all, the most essential matter demanded for a company would be economic responsibility. The economic viability of the company directly affects the life of stakeholders related with the company as well as the economies of local society and nation.

Management Approach

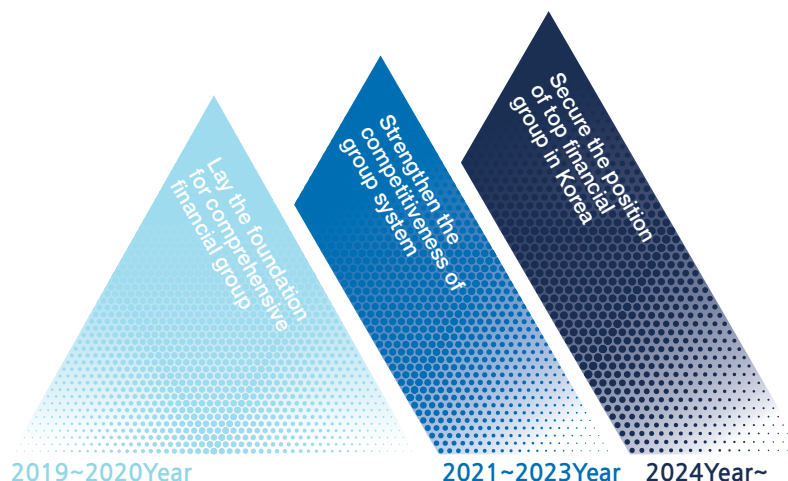
Woori Financial Group continues various efforts to respond flexibly to external business changes. In 2018, we focused our competency especially on asset soundness in addition to profitability, and put a lot of efforts in business diversification. Also, in January 2019, we successfully transformed into a holding company system and laid the foundation to create synergic effect.

Mid-to Long-term Strategic Direction

Woori Financial Group aims to become a global comprehensive financial company on the mid- to long-term perspectives by constantly securing growth basis and generating stable income. As means to realize this, we have set five strategic directions and promoted them. We will continue to strive for balanced growth in diverse fields such as new businesses, optimization of business portfolios, and expansion of global businesses.

Management Strategy and Promotional Goals of Woori Financial Group

Launched in 1899 by the former name of Daehancheonil Bank, Woori Bank transformed into a group system along with the establishment of Woori Finance Holdings in January 2019, and is fulfilling social responsibilities in the financial sector based on the management mission 'Accompanying Reliable Finance' to ensure that our society grows together. Woori Financial Group set five strategic directions based on the mid- to long-term management goal of 'accomplishing global standard comprehensive finance', and strives to generate stable and balanced profits through profit balance between bank and non-bank, and expansion of overseas sales profits.



Five strategic directions

Set up stable group system	Secure business portfolio	Strengthen top 4 growth engine businesses	Upgrade risk management and strengthen internal control	Create group's management synergies
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Create reasonable management performance of Woori Financial Group in 2018

In 2018, the variability in the international financial market expanded due to strengthened protectionism such as the increased interest rate in the US and trade disputes between the US and China despite the recovery tendency in the global economy. In Korea, due to various risk factors such as increased household debts, increased unemployment rate and weakened domestic market, the sentiment of economic entities has been weakened distinctively. In the year of 2018, in order to respond to these domestic and overseas economic situations, Woori Bank focused on building a balanced business portfolio, managing financial risks, and expanding global networks, and as a result, accomplished visible sales performance.

Major Business Performance

Despite uncertainties in the global economy, Woori Bank has shown significant improvement of financial performance in recent past three years. Its profitability expanded significantly while constantly improving the capital adequacy and soundness, and such reinforcement of fundamental led to the recognition of international rating agencies such as upgraded credit rating by Moody's.

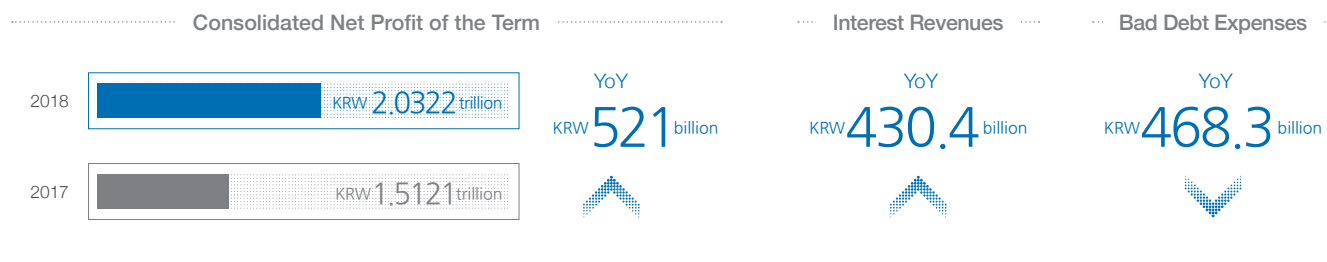
Moody's upgraded credit rating
(in 2018)



Category	2016	2017	2018	
			Ratio	Compared to Previous Year
ROA : Return On Assets	0.41%	0.48%	0.62%	0.14% ↑
ROE : Return On Equity	6.36%	7.42%	9.69%	2.27% ↑
NIM : Net Interest Margin	1.41%	1.47%	1.52%	0.05% ↑

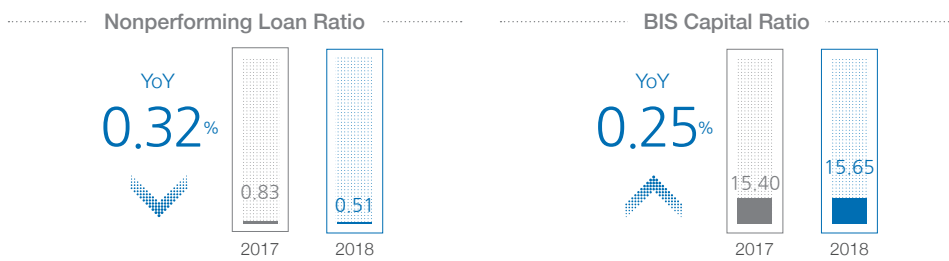
Building a Balanced Business Portfolio

Under the judgment that it is difficult to create constant performance in the rapidly changing business environment by focusing only on bank's business performance, Woori Bank made efforts to reorganize its business portfolio steadily around the traditional interest profits as well as the area of global asset management. The net profit of 2018 based on the equity profits of the holding company recorded KRW 2.0332 trillion increased by about 34% from 2017. Increased net profit of the term was led by increased profit in the interest sector and decreased bad debt expenses.



Financial Risk Management

In order to manage financial risks, Woori Bank made constant efforts to improve asset soundness and capital adequacy. Through this, the total credit amount increased in 2018, but a significant improvement was made in the nonperforming loan ratio and BIS capital ratio. Nonperforming loan ratio means the ratio of credit with low profitability among credit held by the bank, and lower NPL means better performance. BIS capital ratio means the ratio of equity capital reserved for risk asset of the bank, and the minimum ratio set by the Bank for International Settlement is 8%.



Expansion of Global Network

Due to the stagnant growth of the domestic market, many financial companies are accelerating to enter the global market, and at the end of June 2019, Woori Financial Group had 449 overseas branches, which is the largest global network among domestic financial groups. However, Woori Financial Group is expanding its global business in order to generate constant growth engines. In October 2018, the group acquired the approval for the establishment of the European corporation from the Financial Supervisory Service in Germany and the European Central Bank, and is continuing its steps to expand overseas businesses by completing the 'global financial belt' that goes beyond Asia and connects Europe, Middle East and America.

Also, we are constantly launching digital banking services in emerging countries in Southeast Asia. In January 2019, we targeted the real estate market in Vietnam, and established a mutual business model for mortgage loans through collaboration with the top local real estate mobile company. Likewise, Woori Financial Group is expanding its global and digital financial sectors in the Southeast Asia based on the collaboration model with promising local startups.

Special Issue



Overseas Advancement Strategy of Woori Financial Group

We are actively pursuing overseas expansion in order to advance beyond the top financial group in Korea and become the leading financial group in the global financial market. Around Woori Bank, we are expanding the global business mainly in high-growth Southeast Asian countries such as Indonesia, Vietnam, Cambodia, Myanmar and Philippines. We are also diversifying our group's global business portfolio by encouraging global advancement of subsidiaries in card and investment, and planning to provide various financial services to local customers through the reinforcement of synergy between subsidiaries.



M&A Based Globalization

Woori Financial Group is rapidly expanding localization business through various M&As in local banks and savings banks as well as non-bank financial companies such as credit companies according to each country's market environment mainly in high-growth Southeast Asian countries. In countries where the banking industry is relatively developed, we develop businesses based on knowhow of banking industry accumulated in Korea by acquiring local banks. In countries with relatively immature financial market, we quickly penetrate with sales models such as savings banking industry optimized to the local market, and secure networks with customers and spread advancement strategy to promote the shift to banking industry according to future market environment.

In Indonesia of highly populated country in Southeast Asia, we acquired the middle standing Saudara Bank in 2014 and constantly strengthened local retail sales for pension and retirement loans. Also, by linking Woori Bank's strengths in corporate finance, we accomplished over USD 100 million sales revenues in 2018 for the first time as an overseas branch of Woori Bank.

In Cambodia, we acquired a credit company in July 2014 and have constantly expanded business. And in June 2018, by additionally acquiring a savings bank (MDI) with a nationwide network, we are planning to become a leading savings bank by merging corporations. In Philippines, we acquired 51% equity of a local savings bank from a large distributor VICISAL group in October 2016, and are constantly securing global growth engines by expanding sales to local companies and individuals according to regional characteristics.

ISSUES 02 Realizing Social Responsibility in Finance



Material Issues

Recently, the importance of ‘inclusive finance’ and ‘productive finance’ is emerging all around the world to relieve financial accessibility problem of the underprivileged social class and support the realization of fair economy. The Korean government also emphasizes the inclusive financial policy to spread equal opportunities for participation in economic activities to members of the society, as well as the productive financial policy that activates economy through financial support in productive sectors such as innovative and venture companies.

Mid-to Long-term Strategic Direction

Since the transformation into a holding system, Woori Financial Group intends to promote full-scale innovative finance at the group level under the mission of Accompanying Reliable Finance. In May, 2019, we have launched the ‘Innovative Financial Promotion Committee’ participated by CEOs of subsidiaries, and plan to support a total of KRW 33 trillion for innovative growth companies and job creation by 2023. Through this, we will strengthen our social responsibility in finance.

Management Approach

Woori Financial Group divided the practical direction of the social responsibility in finance into 4 areas and makes various efforts to implement inclusive and productive finances. We are approaching inclusive finance by operating products and policies to support low incomers' finance and long-term small delinquents, and realizing productive finance by supporting middle market enterprises SMEs and social companies. We are also proceeding with the social responsibility in investments for innovative companies and job creating companies.

Material Issue KPI

Major Issues	Management Indicator	2018			Future Goal (Cumulative)	
		Goal	Performance	Accomplishment	2019	2023
Realization of the Social Responsibility in Finance	Innovative Finance - 1 Support credit in innovative, start-up and social companies	-	KRW 600 billion	Newly installed	KRW 5.4 trillion	KRW 31.1 trillion
	Innovative Finance - 2 Support investment such as indirect investment and fund creation for innovative growth companies	-	KRW 180 billion	Newly installed	KRW 220 billion	KRW 2.1 trillion

Woori Financial Group's Approach to Social Responsibility in Finance

In 2018, the financial authority introduced various policies with the goal of 'realizing a man-centered sustainable growth economy'. Among those policies, the most actively promoted policies were 'inclusive finance' and 'productive finance'. In line with governmental financial policies, Woori Financial Group launched various public benefit credit and depository products for low incomers, underprivileged and newcomers; and put various efforts to develop social responsibility in finance by supporting SMEs, middle market enterprises and social companies, and creating jobs.

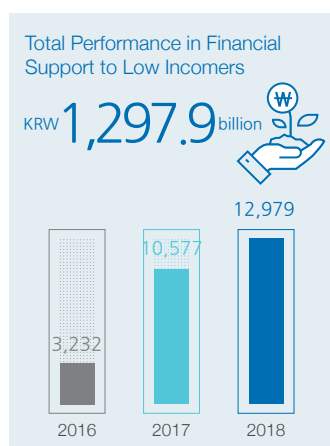


Financial Support Activities for Low Incomers

Financial Support to Underprivileged Social Class

Woori Financial Group is expanding financial services for the underprivileged social class. Since 2018, Woori Bank has been stably supporting low incomers' finance by expanding up to KRW 700 billion of the New Hope Spore Loans (the product to support stable living fund for low credit/income customers) for low incomers, Saitdol Mid Range Interest Rate Loans (mid range interest rate product for middle/low credit customers), Changing Dream Loans (transforming product to low range interest rate product), and Woori University Student & Youth Sunshine Loans (high range interest rate loan transforming product for university students/youth group).

In particular, New Hope Spore Loans has lowered the interest rate from March 2018, and changed the loan period from 5-year to 7-year maturity. In 2019, we introduced the special interest exemption policy (applying high rate interest exemption to lower credit customers) for faithful repayers for the first time in the financial sector. In addition, we are actively supporting the asset formation of low incomers by exempting the entire ATM fees for customers on financial products for low incomers to reduce financial burden of low incomers and the underprivileged social class. Woori Bank supported KRW 310.2 billion in the first half of 2018 through the 'Credit Loan 119 Program', which was the highest support among commercial banks in Korea. 'Credit Loan 119 Program' provides counseling to debtors who are delinquent with a rapid drop in credit rating or multiple debts two months before the loan maturity; supports the extension of maturity and the transfer to long-term amortization loan products (including financial products for low incomers).



Performance in Financial Support to Low Incomers

(Unit: KRW 100 million)

Category	2016	2017	2018
New Hope Spore Loans	2,470	4,835	6,035
Saitdol Mid Range Interest Rate Loans	245	574	1,277
Credit Loan 119 Program	439	5,109	5,619
Hope Dream Savings	78	59	48
Total	3,232	10,577	12,979

Support for Recovery of Delinquents

For the first time among commercial banks in Korea, Woori Bank began supporting recovery of delinquents in 2017 by lowering the delinquency rate of household loans to around 3 - 5%. Also, following the en bloc disposition of extinct bonds worth KRW 212 billion in 2017, we disposed extinct bonds worth KRW 59.8 billion in 2018. Woori Card is continuing efforts to support recovery of delinquents by supporting KRW 2.5 billion to Long-Term Micro Delinquent Support Foundation as part of its goal of supporting credit recovery of long-term micro delinquents who have over 10 years in arrears of loans under KRW 10 million in financial companies including moneylenders.

Woori Smile Microcredit Foundation

In order to lead the micro credit business, Woori Bank established the first 'Woori Smile Microcredit Foundation' in the financial sector in 2009 for the first time in financial sector; and have supported financing to low incomers and financially underprivileged people by launching 10 branches and offices nationwide. Also, we are supplying startup funds, emergency operational funds, and emergency micro funds for livelihood through the Visiting Smile Finance Services, and actively developing supports to financially underprivileged people in traditional markets.



Support SMEs / Middle Market Enterprises

Middle Market Enterprises Support System, 'GREAT VISION 2022'

To help middle market enterprises to become new economic entities of our society in leading the fourth industrial revolution and creating quality jobs, Woori Bank introduced 'Great Vision 2022' that supports middle market enterprises. By 2022, we will develop various supportive programs to promote the growth of innovative middle market enterprises and assist them to become global companies by identifying 300 excellent middle market enterprises, supporting special funds worth KRW 3 trillion, expanding supports to new exporters, and providing programs that link overseas advancement companies with relevant institutions.

Small Business/SME Support

Woori Bank supports special funds of KRW 2.5 trillion to innovative growth SMEs and local small businesses who are facing crisis due to difficult economic conditions to assist their stable business activities and job creation. By entering special contribution agreements with the Korea Credit Guarantee Fund, Korea Technology Finance Corporation and nationwide local credit guarantee foundations, we invested a total of KRW 55.6 billion, and are contributing to maintain and facilitate innovative growth SMEs and local economy by supporting approximately KRW 2.5 billion in special contribution agreement guarantee loans (100% guarantee issuance), and preferred guarantee support loans (up to 0.4% preferred guarantee fees for 2 years).








In addition to existing supports through loans, we are supporting SMEs in various ways such as indirect investments through funds and direct investments through share acquisitions. Likewise, Woori Financial Group intends to make exemplary cases in the financial sector that practices 'productive finance' of helping the growth of various small businesses and SMEs such as innovative growth companies, small businesses and job creating companies, and fulfills social responsibility.

Social Company Supports

In order to contribute to expanding 'productive finance', fulfill social responsibility in finance and pursue sustainable growth, Woori Financial Group supports social companies in various aspects such as supporting commercialization funds, supporting credit, investing in funds, supporting sales channels, and in-kind supports.

In 2013 and 2018, Woori Bank entered an 'MOU to support ecosystem of social companies' with the Ministry of Employment and Labor and has constantly provided the long-term financial supports such as commercialization funds and credit supports and the business advice to social companies. The 1st MOU to support ecosystem of social companies in 2013 was implemented until 2018, and the 2nd MOU in 2018 will be phased out by 2023. In the 1st MOU implementation, we contributed to the activation of the ecosystem of social companies by supporting a total of KRW 60 billion.

Category	Amount	Major Supports
 Commercialization Fund Support	KRW 2.5 billion	Support to build ecosystem of social companies <ul style="list-style-type: none"> • Social venture idea contest, 56 teams, KRW 100 million • WE-Star discovery project (fostering star social entrepreneurs), 38 teams, KRW 500 million • Support of ecosystem for social companies, KRW 500 million • Support for public interest campaigns, etc.
 Fund Investment	KRW 55.2 billion	Credit support to (certified/preliminary) social companies <ul style="list-style-type: none"> • Agreement of initial KRW 15 billion → Actual agreement period (5 years), credit support KRW 55.2 billion
 Sales Channel Support	KRW 1.45 billion	POSTECH Social Enterprise Fund (November 2013) <ul style="list-style-type: none"> - Investment of KRW 850 million CCVC Social Venture Investment Association (January 2015) <ul style="list-style-type: none"> - Investment of KRW 600 million
 Credit Support	KRW 950 million	Sales channel support through purchase of goods <ul style="list-style-type: none"> • Purchasing banknote counters and volunteer vests, etc.
 In-kind Supports	-	Event supports related with social companies <ul style="list-style-type: none"> • Support of financial consulting in the Social Economy Fair

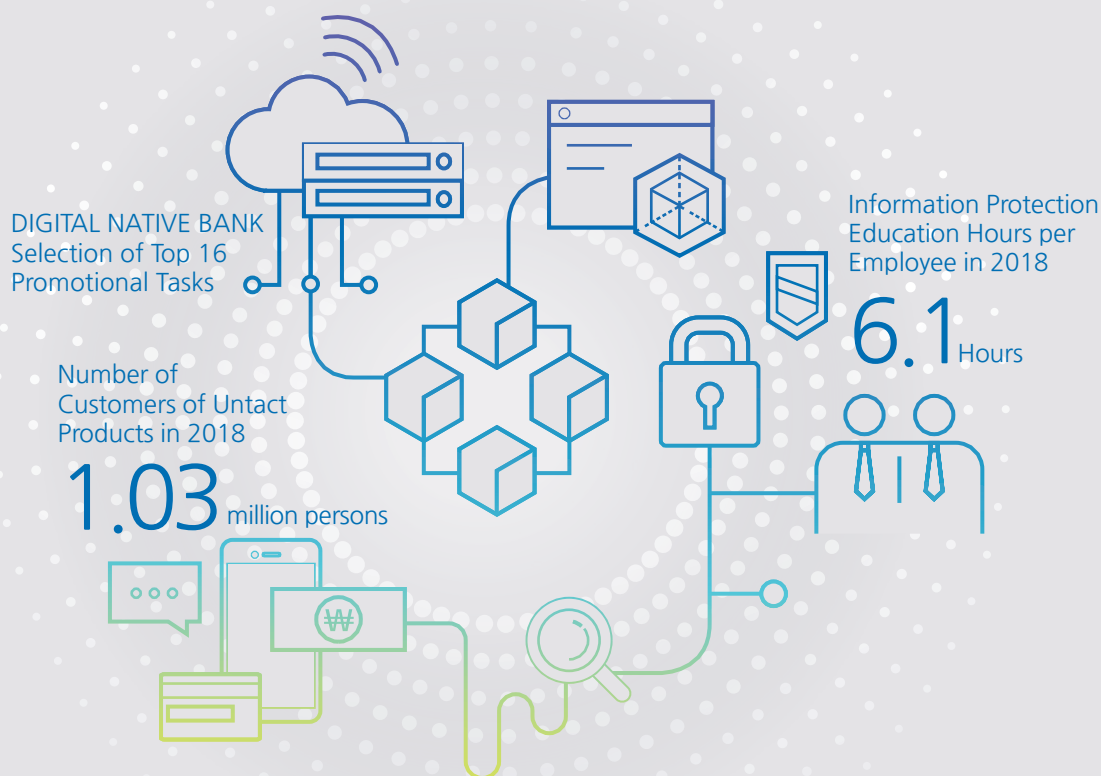
Innovative Growth/Job Creation Activities and Social Responsibility in Investment

In 2018, Woori Bank invested a total of KRW 162 billion (including impact funds) in 12 government-led innovation adventure funds, and actively supports economic growth and job creation through innovative growth by directly investing KRW 17.95 billion in 19 innovative growth companies. Also, for the first time in the banking industry, we are investing in SMEs with high growth potential through public offering, and supporting companies with excellent technological advantage in AI, and IoT, etc. through more active direct investments.

We are also expanding MOUs for financial supports to innovative growth and job creating companies. Through this, we are discovering and supporting innovative growth companies, job creating companies and social companies that are supported by 'productive finance' activities.

Meanwhile, Woori Bank is the first financial institution in Korea to participate in the first impact investing fund for activating social finance, and is leading supports to activate social finance by investing KRW 5 billion in impact fund. We seek to contribute to 17 impact areas including job creation, job security and social infrastructure construction by pursuing positive social/environmental impacts and financial revenues at the same time.

ISSUES 03 Digital Innovation and Reinforcement of Information Protection



Material Issues

Rapid development in digital technology is quickly shifting the industrial environment in our society, and the financial industry is also rapidly changing. Therefore, digital competency of financial companies has become the key competitiveness to future survival of companies.

Mid-to Long-term Strategic Direction

By setting up 'Open Finance-Base Development & Marketing System' as the business goal for 2019 centered on Woori Bank, Woori Financial Group seeks 'Bank-In-Bank' that develops the group's digital organization into the independent organization of revenue generation in the mid- to long-term. To this end, we are striving to attract new customers through multiple channels, shifting the paradigm of data based digital marketing, renewing service platforms and expanding digital ecosystem. Also, in order to strengthen the infrastructure of information protection, we will more strictly take preventive measures and technical protection measures to keep customer confidence about information security.

Management Approach

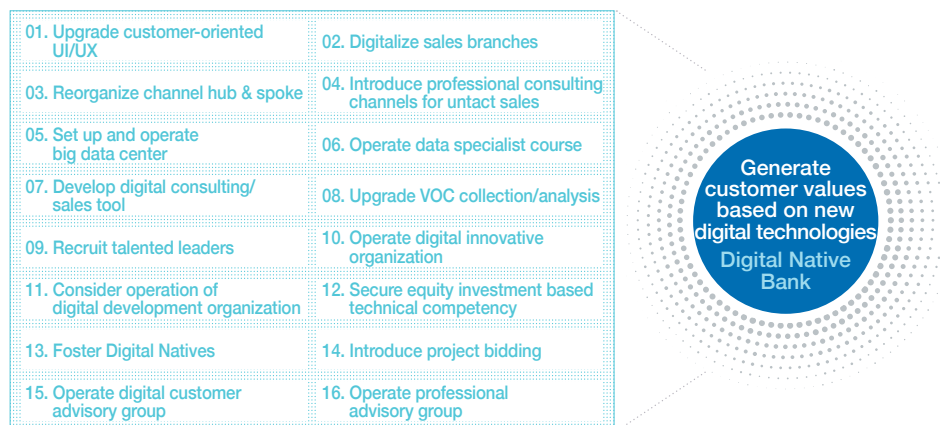
Woori Financial Group recognizes digital innovation as the main direction of new growth engines and consistently implements companywide tasks for digital transformation as part of efforts to restructure the digital organization, secure infrastructure, improve digital banking and marketing, and activate digital ecosystem. Also, in order to preemptively respond to information security issues following the expansion of digitalization and untact transaction, we are strengthening the companywide information protection infrastructure by building a defensive system against cyber threats and operating security monitoring of information.

Material Issue KPI

Major Issues	Management Indicator	2018		Future Goal (Cumulative)	
		Goal	Performance	Accomplishment	
Digital Innovation and Reinforcement of Information Protection	Number of new untact customers	-	10,000 persons	Newly installed	50,000 persons 75,000 persons
	Number of customers with untact products	-	95,000 persons	Newly installed	105,000 persons 137,000 persons
	Number of new untact accounts	-	1,063,000 persons	Newly installed	1,273,000 persons 1,655,000 persons

Group's Digital Innovation Road Map

Woori Financial Group's digital innovation strategic direction was established centered on Woori Bank. Woori Bank set up top 16 digital initiatives with the goal of 'Digital Native Bank' creating customer values based on new digital technologies. Through this, we focused on strengthening digital competitiveness throughout the group by securing internal digital capacity and improving the constitution.

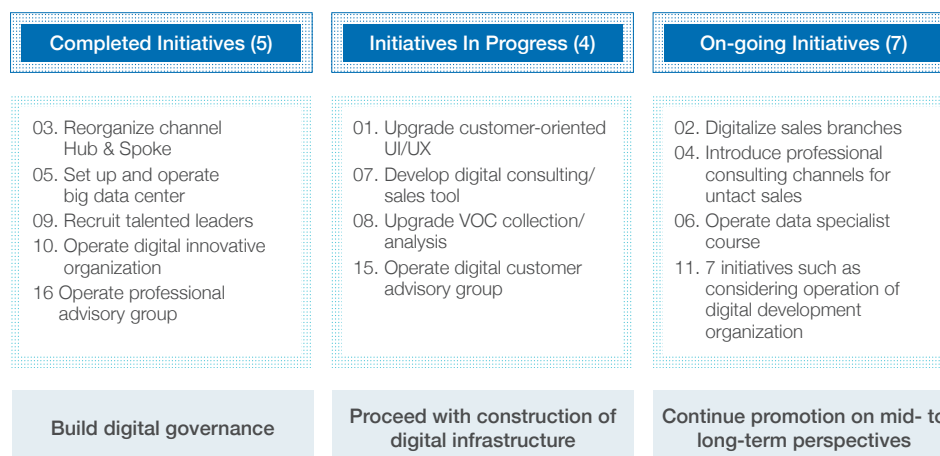


Major Digital Innovation Activities

Woori Financial Group conducted various activities focusing on 16 digital initiatives to build a solid digital leading bank in 2018. Also, we have made various efforts such as renovating digital banking channels for innovative customer experience, supporting big data based marketing and promoting digital financial ecosystem through fin tech and ICT enterprise collaboration.

Implementation of 16 Digital Initiatives

Based on full support of the company's digital council, we established governance for efficient business implementation by recruiting talented leader (CDO) of professionalism, and establishing a big data center for integration and utilization of data throughout bank. Also, we completed introducing the Agile organization in project unit in order to establish a corporate culture that encourages flexible thinking and quick execution. In addition, we are continuously building various infrastructures for digitization, and planning to continuously perform on mid- to long-term perspectives led by the digital finance group.



TWO-TRACK Digital Banking Strategy

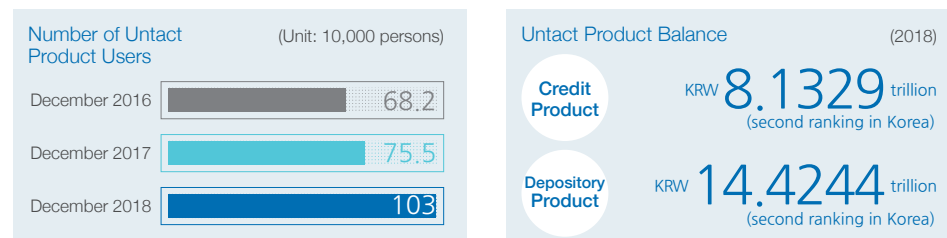
Woori Bank is reorganizing the overall untact channels such as the 'One-Touch Personal App' and 'Wibee Bank App'. First, One-Touch Personal Banking, the representative smart banking channel of Woori Bank, is a full banking service app that can realize all financial services. It is being developed to carry out a role of an integrated marketing channel that strengthens customer convenience and provides personalized services. Woori Bank will utilize new digital technology to provide consistent customer experience without offline discrimination; promote reorganization such as the establishment of intuitive UI/UX and the simplification of a process for product purchase; and open One-Touch Personal Banking in the second half of 2019.

Wibee Bank, Korea's first mobile bank launched in May 2015, will be renewed mainly on core features such as simplified money transfer and untact loan applications during 2019. Through this, we will provide enhanced features as the 'mobile bank' differentiated from One-Touch Personal Banking by securing young customers and providing new Fin Tech service.

Digital Marketing Ties

Woori Bank continues to expand the scope of financial products and services under strategic ties with top tier platform providers. We have endeavored for our customers to experience convenient financial services of Woori Bank in various channels by entering various partnerships such as joint marketing with the representative simplified payment platform provider in Korea to attract untact customers. Also, in order to upgrade and elaborate digital marketing, we have achieved performance of constantly increasing untact customers and product users by analyzing customers' behavior and conducting marketing based on big data.

Number of Untact Product Users



Activation of Digital Financial Ecosystem

For the purpose of activating the Fin Tech ecosystem and discovering, fostering and collaborating with promising Fin Tech/ICT companies, Woori Bank established the 'WiBee Fin Tech Lab' in 2016. We provide comprehensive services necessary to startups from office spaces to patent, laws and consulting.

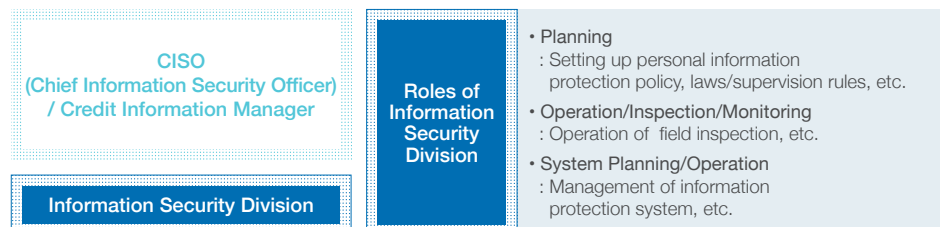
Until 2018, we conducted incubating programs to promote external corporate values with 17 companies and provided growth opportunities through direct partnership and mutual cooperation with Woori Bank's digital businesses where WiBee Fin Tech Lab developed an AI-based credit evaluation solution and built a crowd funding system. Also, in order to share business performance of companies under the care of WiBee Fin Tech Lab and seek collaboration opportunities, we regularly held 'WiBee Fin Tech Lab Demo Day' to provide external and internal exchanges constantly.

Presently, Woori Bank is in the process of expanding and reorganizing the WiBee Fin Tech Lab into 'DinnoLab'. Through this, we plan to support building a digital ecosystem focusing on the supporting and fostering of early startups, identify growing venture companies and reorganize to a reinforced business of exchange and cooperation to activate the digital financial ecosystem.

Reinforcement of Information Protection Infrastructure

Digitalization in financial industry is accelerating the increase in online financial transactions and untact transactions. Accordingly, it leads to the importance of preemptive response to protect customer's information. Woori Financial Group strives to strengthen the infrastructure of information protection and secure a systematic security system, and strictly oversees to prevent any incident of violation or customer information leak.

Reinforcement of Information Protection Management System



Woori Bank is strengthening its system by continuously operating the information protection management system in accordance with the international information protection certificate, ISO 27001. Acquiring the certificate of domestic information security management system (ISMS) from the Financial Supervisory Service in 2017, Woori Bank received the verification on information security related policies, manpower, equipment and facility. Woori Bank is also improving the information security level of the company through regular monitoring of related laws such as the 'Personal Information Protection Act', 'Credit Information Protection Act', and 'Electronic Financial Transaction Act'.

Major Information Protection Activities

Reinforcement of Existing Security System

In order to protect customer's information securely, we established PC security, document encryption, internal and external network separation, secured USB, and advanced persistent threat (ATP) response system, and control unauthorized access by applying additional authentication systems of OPT and bio authentication for server and database access. We have installed X-ray scanners and metal detectors in the computer center to control the access of mobile storage media and computer equipment, and prevent information leak and security accident by mandating PCs to be formatted at the time of taking out.

Management of Customer's Personal Information

Customers' personal credit information is collected only to the minimum level required by the law and is encrypted for storage. Any customer's information with expired purpose of use is safely managed according to the laws such as destruction. If customer information is entrusted, we regularly inspect the customer information handling status of the trustee to prevent leak, tampering and damage of personal credit information.

Education of Information Security

In order to improve the awareness of information security, we are making efforts for information security activities such as information security education and campaign for employees and regular self-security checks.

2018 Completion of Information Security Education (Unit : Persons)



Employees

13,345

Employees of external/partners

250

Special Issue 01: Operation of DinnoLab

DinnoLab of Woori Financial Group consists of the 'WiBee Fin Tech Lab' established in 2016 for the purpose of activating the Fin Tech ecosystem by identifying, supporting and fostering promising Fin Tech/ICT companies, and 'Developer Lab', established in March 2019 for the purpose of scaling up Fin Tech companies by supporting development competency and infrastructure.

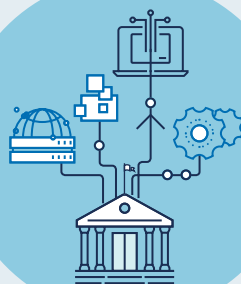


DinnoLab (Digital Innovation Lab)

'DinnoLab' is an abbreviation of 'Digital Innovation Lab' which means our goal of serving as a 'cradle' of digital innovation for startups to grow into 'dinosaur' companies. It consists of WiBee Fin Tech Lab and Developer Lab.

WiBee Fin Tech Lab

Unique financial institution in operation designated by the government as Fin Tech specialized incubating center (currently 4 companies moved in)



Developer Lab

First test bed center in financial sector / Provides cloud development environment, financial API, and technical advice (cooperate with Amazon web services)

Through the operation of the DinnoLab, Woori Financial Group is creating collaboration opportunities to companies with future potentials by voluntarily flowing and expanding technologies, services and ideas, and promoting to play a leading role in the financial sector for responding to the government's implementation of financial innovation projects.

Special Issue 02 : Reorganization of WiBee Bank

Woori Bank has reorganized the existing 'WiBee Bank' that distinguishes from Full Banking, and restructured it into a simplified service-oriented mobile banking platform in March 2019.



Automatic Login

Execute app and use services without separate login



Simplified Transfer

Simplified transfer process into 6 steps



Mobile Currency Exchange

Available to check the progress status in real-time at the application for mobile currency exchange



Special Products

Launched WiBee Bank's exclusive deposit products and simplified loan products

'WiBee Bank' realizes easy, fast and friendly mobile banking and pursues 'digital marketplace' that supports the development of new services or the launching of developed services through the partnership of Fin Tech and startups with WiBee Bank. Through this, Woori Financial Group intends to activate 'open banking' more that pursues open finance.

ISSUES

04 Financial Consumer Protection

Beneficiaries of 2018
Financial Consumer
Education

17,030 persons



2018 Prevention Amount
through Voice Phishing
Monitoring

KRW 31.5 billion



December 2018, 7th Financial
Consumer Protection Award
(Citation by Financial Service Commissioner)

Material Issues

Social roles of finance are being emphasized that emphasizes equality and fairness in addition to profitability and growth. This is becoming a momentum to raise the importance of the protection of various financial consumers' rights including financially underprivileged social class and the necessity of the overall protection of financial consumers.

Mid-to Long-term Strategic Direction

We are solidifying full sales culture of financial products to protect rights of financial consumers and to provide consumer-oriented financial services, and striving to meet financial consumers' rights to know by providing diverse and professional financial information and conducting consumer financial education program. Also, we protect valuable assets of customers by conducting preventive activities to various financial frauds, and provide preemptive prevention activities and consumer-oriented civil services to make Woori Financial Group that grows with customers.

Management Approach

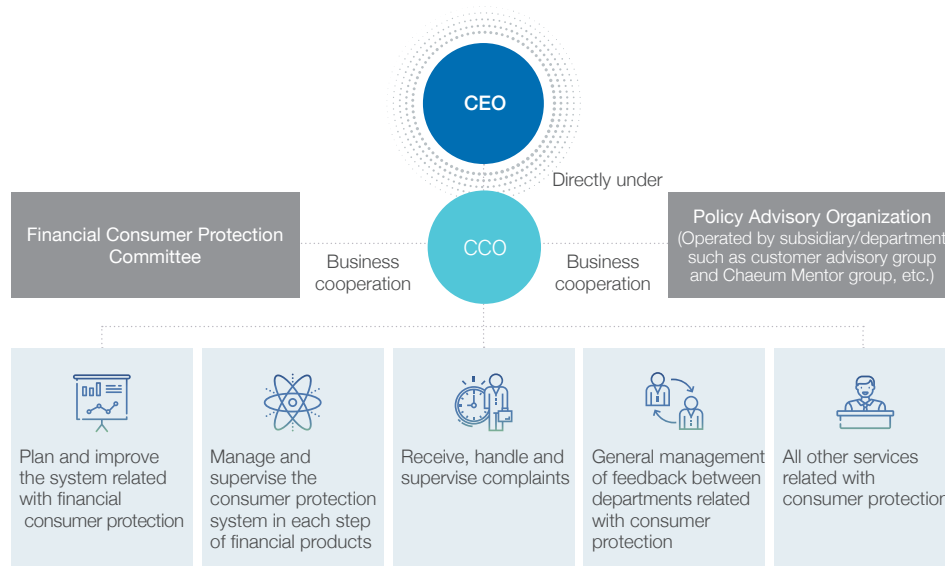
Woori Financial Group is developing financial consumer protection activities centered on Woori Bank and Woori Card. Our approach is largely divided into prior prevention and follow-up management. In particular, we are taking measures to prevent financial underprivileged social class from inconvenience in carrying out financial services. In addition, we are responding to accidents such as financial fraud by conducting education programs for various financial consumers.

Material Issue KPI

Major Issues	Management Indicator	2018		Future Goal	
		Goal	Performance	Accomplishment	
Financial Consumer Protection	VOC related policy improvement	—	110 cases	Newly installed	Over 100 cases / year
					Over 100 cases / year

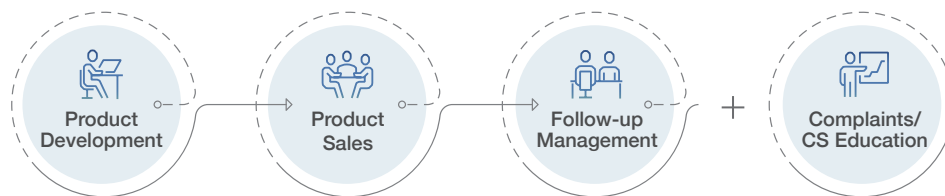
Group's Financial Consumer Protection System

Woori Financial Group values the protection of financial consumers' rights as the top priority and systematically implements it. To this end, we appointed and granted independent authority to the Chief Consumer Officer (CCO) directly under the CEO in major subsidiaries. CCO performs management and supervision of the consumer protection system in each stage of management and carries out overall planning of policies related with financial consumer protection.



Prior Prevention Program for Financial Consumer Protection

Woori Bank approaches financial consumer protection activities by dividing them into prior prevention and follow-up management. Preventive activities fundamentally block damage to consumers by improving consumer-oriented financial practices and services and expanding the sharing of financial information through the reinforcement of public disclosure.



Product Development Stage

In the production development stage, we diversifies the channel to hear consumers' hearing and promotes preemptive financial consumer protection through prior consulting procedures. We ensure that consumers' opinions are reflected to the maximum extent utilizing various channels (customer research, external expert, satisfaction survey, product complaints, etc.) during the development of new products or before launching new policies. The product development department reflects this in planning products and policies, and launches products and policies through monitoring of omissions in consumer opinions.

Product Sales Stage

In the sales stage, we systematize sales process of each product group according to strict internal regulations and take preventive actions against incomplete sales. Here, we improve convenience and develop protection for the financial underprivileged social class and systematically manage sales personnel.

Response Manual to Disabled & Senior Financial Consumers



Follow-up Management Stage

After product is sold, we conduct Happy Call to consumers and independent monitoring to check the compliance with sales process and to prevent incomplete sales; and also operate the system to relieve damage on financial consumer that minimizes damage to customers from incomplete sales. Such inspection matters are operated by the sales personnel and the organizational KPI, and adequacy test results are submitted to the consumer protection committee.

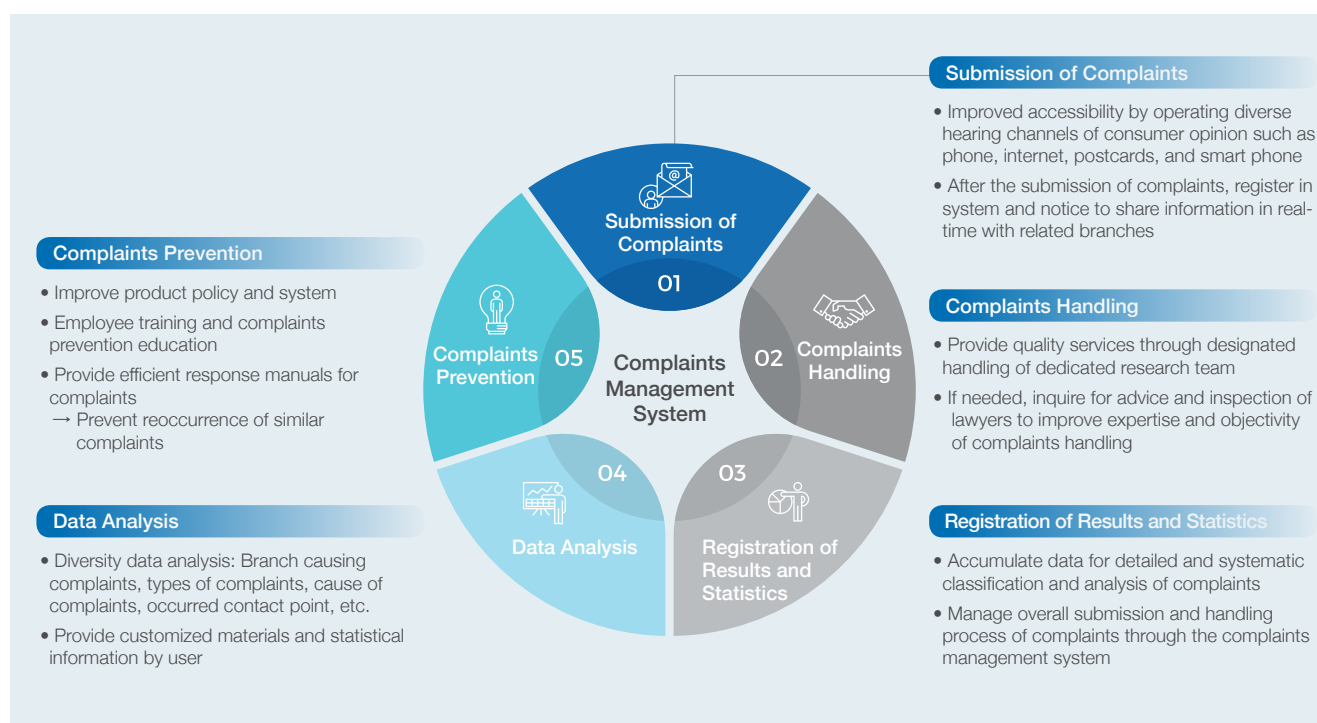
Complaints/CS Education

We regularly hold customized complaints prevention education for employees and branches imputable for complaints, and actively manage complaints by conducting the education for visiting branches. Also, we conduct field-oriented training programs based on a visiting CS education program by expanding the employee CS education, and promote improving the service level by operating group training programs by rank and duty.

Complaints Education	CS Education
<ul style="list-style-type: none"> • Education for Branch Staffs : Obligatory education for financial consumer protection • Intensive Education for Complaints : Group education for financial consumer protection, One-Point Lesson, etc. 	<ul style="list-style-type: none"> • Visiting CS Education Branches, sales division • CS Group Training : New bank staff, overseas branches, sales staff, CS managers, etc.

Follow-up Management Program for Financial Consumer Protection

Woori Bank is also substantiating follow-up management to protect financial consumers. Under the follow-up management, we inspect and improve the overall complaints handling process to improve substantialization, and conduct the big data-based statistical analysis, and the education for financial consumer protection to prevent similar complaints in this process.



Financial Consumer Education and Information Provision

In addition to prior and follow-up responses to financial consumer protection, Woori Bank approaches the prevention of financial accidents and the protection of consumers by directly educating financial consumers.

Consumer Education

Woori Bank conducts various programs for financial consumer education such as 'one company, one school' targeting children and youths who are the leaders of the future economy. Also, to prevent damage on seniors and foreigners who are vulnerable to financial frauds, we conduct financial fraud prevention education in association with schools and local groups.

One company, One school Financial Education	Financial Fraud Prevention Education	Children's Experiencing Class
<ul style="list-style-type: none"> • Provide proper financial knowledge to elementary, middle and high school students • Financial education on concept of money, smart saving and consumption, and concept of credit 	<ul style="list-style-type: none"> • Foreigners and seniors who are vulnerable to financial fraud • Method to prevent financial frauds such as voice phishing 	<ul style="list-style-type: none"> • Form proper economic knowledge of children • History of bank and money, children's common sense of finance, etc.
182 times 16,000 persons	5 times 230 persons	30 times 800 persons

Provision of Financial Information

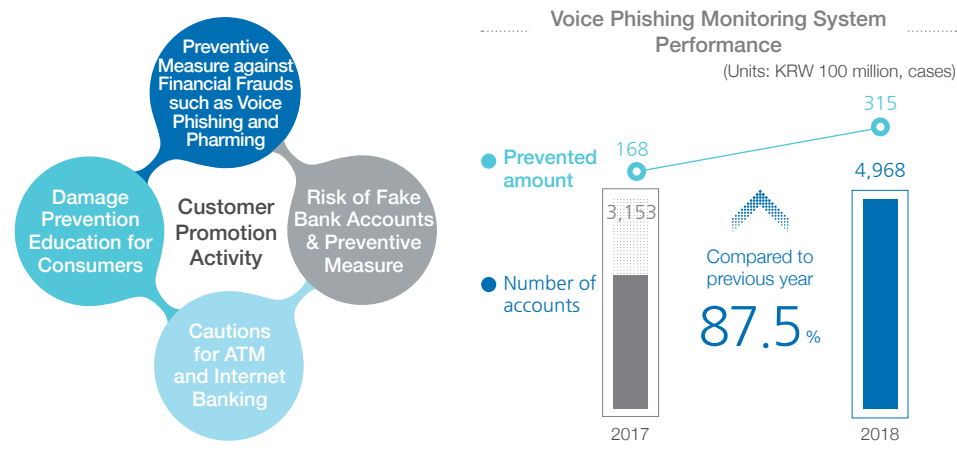
We provide useful financial information to financial consumers through easy-to-access smart phone applications or website and provide various financial educational contents to meet consumers' needs of financial education.

Prevention of Financial Fraud

We operate a preemptive monitoring system to prevent damage from voice phishing, and are expanding prevention performance by strengthening payment process from teller windows. In addition, we also have various customer promotion activities by producing videos to prevent voice phishing and eradicate fake deposit accounts.



Consumer Financial Education Video



Special Issue



Response to Voice Phishing

Recently, cases and accumulated amount of voice phishing damage are rapidly increasing. According to the status of damage by voice phishing announced by the Financial Supervisory Service, the damage by voice phishing in 2018 increased by KRW 243.1 billion (82.7%) to KRW 444 billion compared to the previous year.

Being aware of the seriousness of voice phishing related issues, Woori Financial Group is conducting various activities to prevent voice phishing related crimes and damage. In 2016, we organized a response team dedicated to voice phishing under Woori Bank, and in 2018, we expanded and reorganized the response team into a financial fraud response team as part of our constant efforts to prevent voice phishing related crimes. Also, to prevent voice phishing crimes, we are constantly providing customers with guidance and response methods related with voice phishing by utilizing various platforms such as smart phone and internet.

We are also strengthening voice phishing related monitoring. The financial fraud response team of Woori Bank intensively analyzes the cases of voice phishing damage, extracts suspected transaction types, and registers suspected accounts through monitoring to ensure the account holders to be arrested when they visit branches. The financial fraud response team of Woori Bank has handed over 304 voice phishing suspects to the police in 2018 through constant monitoring and preventive activities, and secured customers' assets worth KRW 21.2 billion.

In the future, Woori Financial Group will continue to strengthen customer promotion activities to prevent voice phishing crimes and monitoring activities around the financial fraud response team. Based on this, we will do our best to keep customers' assets safe.



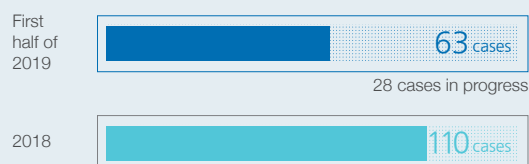
Special Issue



Policy Improvement Reflecting Voice of Customers

Woori Bank has integrated various VOC management channels into the complaints management system and made an effort to improve efficient information management and fairness in complaints handling. We take prompt responses and follow-up measures to internal and external complaints, and actively improve policies based on complaints to respond to the voice of customers (VOC), and take the lead in the maintenance of policies.

VOC Reflected Performance of Policy Improvement



Major policy improvement cases reflecting VOC

ATMs

- Improved to manage card limits separately from teller windows/ATM

With increased card users, we resolved the problem of exceeding the daily withdrawal limit (KRW 6 million) when withdrawing large sum from bank teller to improve the convenience of withdrawal of small sum from ATM card.

Simplified LMS delivery of cards to branches

- Simplified the 3-step guidance of issuance, delivery and arrival of cards to the 1-step guidance of arrival of cards to branches

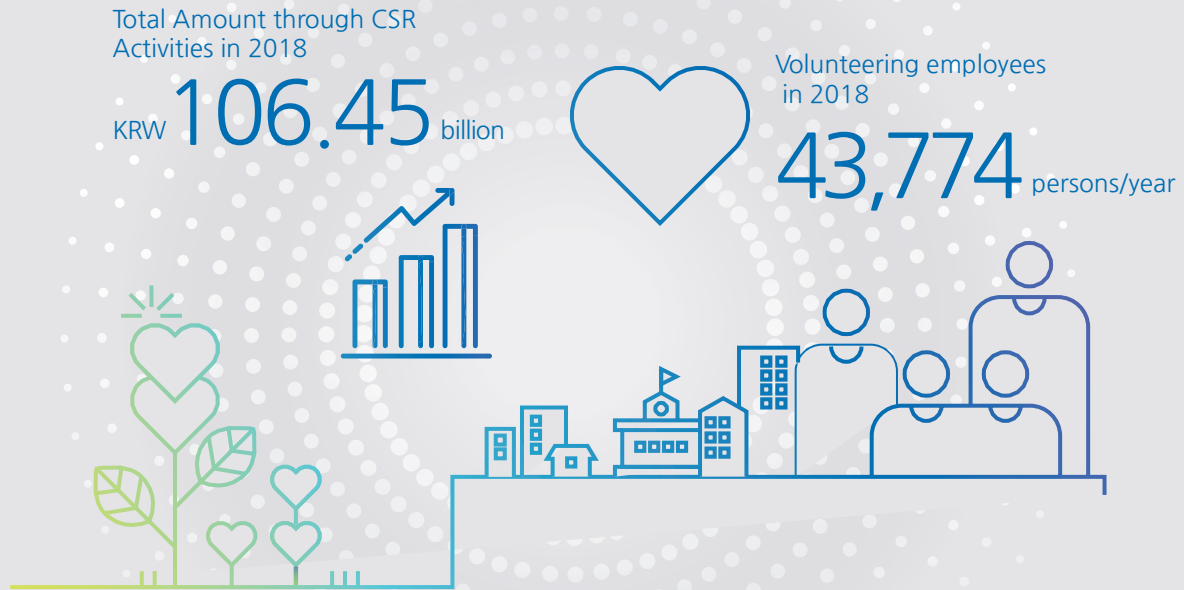
Simplified corporate document for the reissuance of OTP

- When a corporate customer requests the replacement of defective OTP or cancels the use of OTP, the applicant (including a deputy) may apply with real name verification certificate, stamp (corporate seal, transaction seal) and existing OTP

Adjustment of font size in One-touch Notification Service

- Provide large fonts for seniors in free transaction notification service

ISSUES 05 Systematization of CSR Activities



Material Issues

From the era centered on economic values when the generation and efficiency of revenues were emphasized, we are changing into the era of creating social value that accepts various needs of the society. For companies, the importance of communication and coexistence with stakeholders through CSR activities is rising.

Management Approach

Woori Financial Group conducts various projects to realize the CSR vision, 'Benefit with Finance, Warmth with Sharing'. We aim to fulfill corporate social responsibilities by implementing genuine social contribution beyond formal support. To this end, we are striving to create social values by setting up a strategic CSR system considering the characteristics and core values of the financial industry.

Mid-to Long-term Strategic Direction

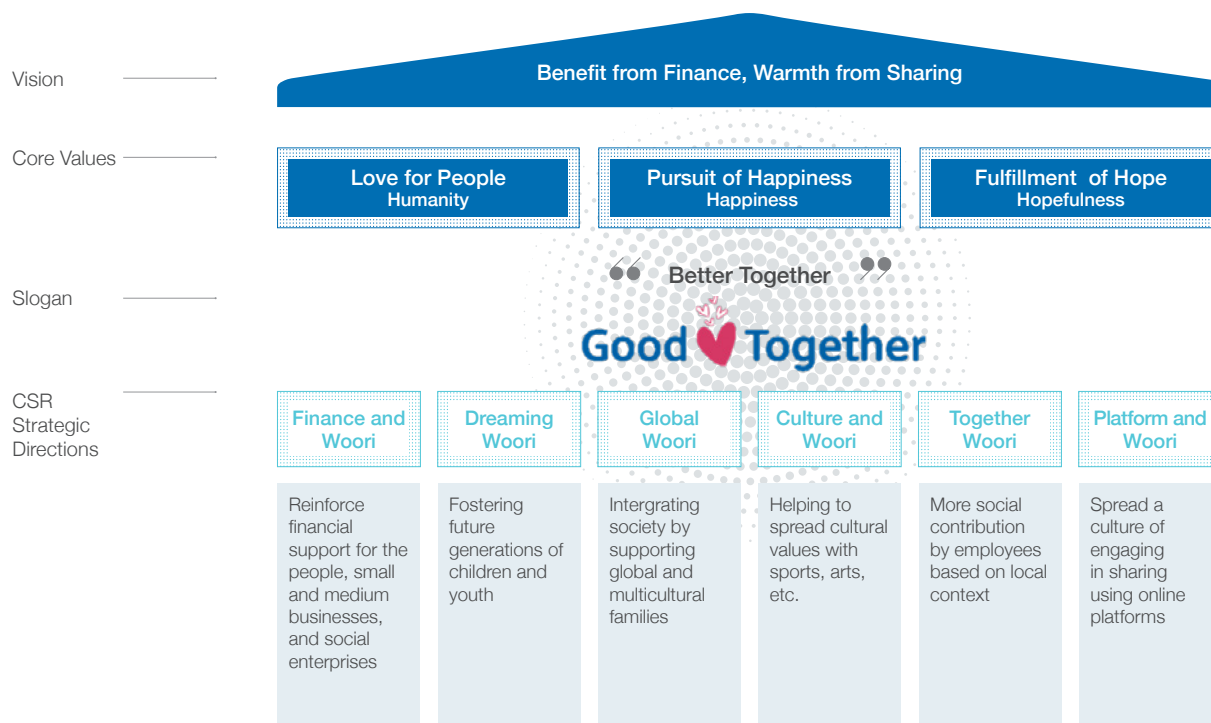
CSR activities of Woori Financial Group pursue creation of social values and fulfill social responsibility in finance. We are focusing on resolving social issues such as fostering future generation and supporting global multicultural families, and constantly identifying CSR projects which are ideal for the characteristics of the financial industry. We will conduct valuable CSR activities based on the six strategic directions for social contribution and contribute to the improvement of quality of life of members in our society.

Material Issue KPI

Major Issues	Management Indicator	2018			Future Goal (Cumulative)	
		Goal	Performance	Accomplishment	2019	2023
Systematization of CSR activities	Total amount of CSR activity	-	KRW 106.45 billion	Newly installed	KRW 117 billion	KRW 143 billion

CSR Implementation Strategy of Woori Financial Group

Woori Financial Group conducts CSR activities with the community under the vision of realizing our value of 'Benefit with Finance, Warmth with Sharing'. With the goal of achieving three core values of human love, pursuing happiness, and realizing hope, we are implementing social contribution activities in various fields such as fostering future generation, global CSR and expanding cultural and artistic basis. Through this, we intend to resolve social issues as a CSR leading company. Woori Financial Group will continue to create social values by conducting CSR activities necessary for our society.



Fostering Future Generation

Woori Financial Group has various social contribution activities in education, culture and scholarship project to foster future generation.

Inviting children in islands and isolated regions to Seoul

Woori Bank supports children who are the leaders of the future to grow bigger dreams through various experiences. Since 1984, we have invited children in farming and fishing villages that are culturally isolated and given opportunity to experience various cultures. During the 35th anniversary in May 2018, total 200 elementary school students and teachers from isolated farming and fishing villages participated in the Seoul Invitation Project for Children in Isolated Region and experienced in enjoyable and diverse programs of visiting Woori Bank's broadcasting station, Museum of Bank History and Gyeongbokgung Palace.

Woori Bank Dream Tree Scholarship Program

Woori Bank selects excellent students from local child centers under sisterhood relationship for scholarship. We awarded a total of KRW 35 million scholarships to 162 children in the first and second half of 2018. Woori Bank will continue its scholarship project and give unstinting support to children in difficult family circumstances so that they can continue studying without losing their dreams.

Financial Education Project

Since the opening of the Museum of Bank History in 2004 that contains the financial history of Korea, Woori Bank has been operating the 'Children's Finance Experience Class'. Also, we operate financial education projects for various age groups such as 'One Company, One School Financial Education' of Woori Card and 'Economic and Financial Education for Multicultural Families' of Woori Multicultural Scholarship Foundation. We are focusing on fostering economic knowledge in future generation by implementing financial education projects that reflect industrial characteristics.

Supports to Community and Underprivileged

Woori Financial Group performs various projects for the coexistence with the community and the support for the underprivileged social class.

Woori Hope Together Project

Woori Bank performed 'Woori Hope Together' project, a customer participatory social contribution activity, jointly with the Korea Make A Wish Foundation. This project aimed at giving hopes and courage to children and youths who had suffered long-term incurable diseases, and presented a special day of making dreams of 25 children and youths with incurable diseases come true in 2018. Especially, this project created the story telling of the entire process from the submission of wishes to their fulfillment and promoted through the SNS of Woori Bank. Receiving good responses from customers, the project became a momentum to feel empathy of the honest social contribution of Woori Bank.

Woori Hope Together Love Support System

Woori Bank conducted a public contest of 'Woori Hope Together Love Support System' to support excellent social welfare programs targeting nationwide nonprofit corporations and organizations in social welfare businesses. We identified isolated areas in terms of welfare in the region and supported a total of KRW 200 million donations to 40 institutions to support self-sufficiency of the underprivileged social class. Through this, Woori Bank intends to perform the coexistence with community and the local contact social contribution more faithfully.



1. Inviting Children in Islands & Isolated Regions to Seoul
2. Woori Bank Dream Tree Scholarship Program
3. Financial Education Project
4. Woori Hope Together Project
5. Woori Hope Together Love Support System





1. One Company, One Village Movement
2. Senior Care Project
3. Blood Donation Love Campaign

One Company, One Village Campaign

Woori Financial Group is also leading in coexistence and revitalization of farming villages. Woori Card entered sisterhood relationships with farming villages such as Seodang 2-ri in Cheongju-si, Chungcheongbuk-do to give helping hands during busy farming seasons and to protect our agricultural goods. Woori FIS entered One Company, One Village sisterhood relationship with Neungan village in Ganghwa, Incheon; and has conducted mutual exchange activities such as giving helping hands, PC donations, and direct trade of farming goods for farming villages to develop along with cities. Also, employees of Woori Credit Information supported farming villages in busy farming seasons under the One Company, One Village Movement in Unsan-ri village in Pocheon, Gyeonggi.

Senior Care Project

Woori Card entered an agreement with the Comprehensive Support Center for Solitude Senior Citizens under the Ministry of Health and Welfare and regularly performs senior citizen care project each year. In 2018, Woori Card supported emergency cooling supplies against heat wave, free meals for senior citizens in compact housing, and presenting carnations on Parents' Day.

Woori Love Medical Support Project

We have diverse projects for local coexistence such as 'Blood Donation Love Campaign' by Woori Bank and Woori Card, the donation of living supplies to the underprivileged social class by Woori Bank and Woori FIS, and the support of job creation for senior citizens and the support of business centers with the disabled by Woori Card. In addition, Woori Card entered an agreement with the Green Umbrella Child Foundation for 'Woori Love Fund' to support surgery and treatment costs of underprivileged children who are neglected from welfare. Woori Love Fund is a matching grand fund where the company matches the contribution of employees. Through the Fund, we have selected one child patient from low income family each month and supported surgery and treatment.

Mecenat Activity

Woori Financial Group performs supports and sponsorship activities in various fields to expand and activate basis of cultural and artistic fields.



Visiting Musical Concert

Woori Bank conducts 'Visiting Musical Concert' for the underprivileged social classes such as the disabled, senior citizens, children and patients through the sponsorship of professional art organizations.



Spreading Our Traditional Culture

In order to spread the beauty of Korea and excellence of Hanbok, Woori Card is making efforts to spread traditional culture by supporting 'Jongno Hanbok Festival'.



Sports Activity

We are supporting self-sufficiency in sports by operating the Woori Bank Women's Professional Basketball Team, the Woori Card Men's Professional Volleyball Team, and the Women's Shooting Team.



4. Keepers of One Company,
One Cultural Asset



5. Woori Bank Global Volunteer Group
6. Multicultural Family Support



Environmental Protection

In order to pass down clear and clean world to the next generation, Woori Financial Group is carrying out various activities related with environmental preservation.

Woori Bank Hope Sharing Campaign

Woori Bank has delivered T-shirts with hopeful messages and foods for malnutrition treatment to children in underdeveloped countries who lost livelihood from climate change and natural disasters and supported them to live with hope.

Keepers of One Company, One Cultural Asset

Since the conclusion of an agreement with the Cultural Heritage Administration in 2010, Woori Bank has led a role as a keeper of the national heritage of Hongneung Shrine. Hongneung Shrine, the historic site No. 207 and UNESCO World Heritage, is the place where the King Gojong the founder of Daehancheonil Bank that is the predecessor of Woori Bank and his son King Sunjong were buried. In 2017, Woori Card signed an agreement of 'Keeper of Gyeongbokgung Palace Cultural Heritage' with the Cultural Heritage Administration and strives for sustainable preservation and utilization. Woori Card sponsors repairs of wallpaper, flooring and windows of major buildings of Gyeongbokgung Palace and strives to protect the palace by supporting eco-friendly electric cars used for repairing the palace.

Global / Multicultural Social Contribution

Woori Financial Group is taking the lead in maximizing social values as a global social contributor and strives to support multicultural families.

Woori Bank Global Volunteer Group

Woori Financial Group is continuing its efforts to become a global financial group by expanding its global network. At the same time, we are actively developing social contribution for vulnerable groups at home and abroad. In September 2018, Woori Bank organized 41 employees in the 'Woori Love Together Global Volunteer Group' and visited an elementary school in Kampong Province, Cambodia to repair the school building and provide educational volunteering.

Reinforcement of Multicultural Family Support

In order to support employment of married women in multicultural families, Woori Card provides education programs such as the barista certificate course. Also, the company dispatches senior lecturers in education programs to provide opportunities for social participation. In addition, we are doing our best to make a beautiful society of diverse cultures in harmony through Woori Multicultural Children's Choir and multicultural youths' exchanges of Woori Bank.

Woori Multicultural Scholarship Foundation

In 2012, subsidiaries of Woori Financial Group including Woori Bank established the Woori Multicultural Scholarship Foundation by contributing KRW 20 billion. 'Woori Multicultural Scholarship Foundation', the first multicultural scholarship foundation in the financial sector, is actively taking the lead in fulfilling honest, professional and social responsibilities by supporting healthy growth of children of multicultural families and stable settlement of migrant women and multicultural families.

Multicultural Children Scholarship Program

In 2018, the foundation selected 430 students and supported KRW 600 million scholarships. We are striving to create educational environments for students to concentrate on studies without financial burden; and supporting scholarships in special fields used for education & training, acquisition of certifications, and competition cost so that multicultural students with special talents in special fields such as sport, art and languages can improve their talents further.

Customized Education Support for Multicultural Families

Woori Multicultural Children's Choir	Kindergarten and Elementary School Students with Multicultural Background	The choir, which met the 7th year in 2018, selects around 30 children from multicultural families each year and supports choir training and performance activities.
WOORI School	Middle and High School Students with Multicultural Background	Our programs for learning K-pop dance, vocal, musical and performance are contributing to cultural and artistic education and mental and emotional stability of around 20 multicultural youths each year.
WOORI Academy	Married Immigrants	Seven programs such as leather crafts and pilates participated by around 100 married immigrants are helping them to improve cultural knowledge and adapt to Korean society.
Multicultural Families Economy Education	Members of Multicultural Families	To foster economic knowledge and to support proper economic activities of members of multicultural families, we provide customized education programs in economy, finance and investment. In 2018, around 150 people participated in the education

Cultural & Welfare Programs for Multicultural Families

The foundation supports joint weddings for multicultural couples who could not hold a wedding ceremony due to financial difficulties. In 2018, we supported wedding expenses including the wedding receptions and honeymoons to 10 couples to help multicultural families to become healthy members of our society. During the summer vacation, our cultural experience group of multicultural children consisting of middle and high school multicultural children and college scholarship students of the foundation visited Cambodia to explore their history, culture and ecology, and conducted a local volunteering activity in Woori Finance Cambodia.

In addition, we are implementing various cultural and welfare support programs to help stable settlement and happy life of multicultural families by improving study rooms of multicultural children and supporting cultural and leisure life of multicultural families.

1. 2018 Scholarship Ceremony for Multicultural Children
2. Woori Multicultural Children's Choir
3. 2018 Global Cultural Experience Group



Special Issue



Woori Bank's 120th Anniversary Celebration - Better Together Campaign

To celebrate the 120th anniversary of Woori Bank, we implemented the 'Better Together' campaign where our domestic and overseas employees promote the historic significance of conversion into a holdings system through CSR activities. In the 'Better Together' campaign, which was held from January to March this year, we conducted various social contribution activities that enhanced the pride of employees and improved brand values thanks to active exchange with domestic and overseas customers via the SNS contents of global social contribution.



◎ Production of New Year's Woori Hope Box

Last January, the CEO and 196 new bank staffs in the head office of Woori Bank held an event to produce and deliver 2,300 New Year's 'Woori Hope Boxes' to the underprivileged social class as the starting event of the 'Better Together' campaign. Woori Hope Boxes were donated to Seoul Senior Citizen's Complex Welfare Center Association and delivered to 2,300 underprivileged households such as solitude senior citizens and low income families in Seoul.

◎ Global Network Social Contribution Activities

In February, we conducted social contribution activities in local corporations and branches in 26 worldwide countries. In Woori Financial Group's global corporations and branches in US, China, Cambodia, Brazil and India, we performed various activities such as supporting the disabled and neglected social classes, cleaning the environment, and improving educational facilities as part of the 'localization type' social contribution that fully reflects the circumstances of each country.

◎ 2019 Global Volunteer Group Dispatching

Also, in February, as part of the campaign, we dispatched 45 global volunteers to the Yankin Children's Hospital in Yangon, Myanmar. The volunteer group not only improved children's medical environment but also performed educational programs in arts and sports, and volunteer activities such as cultural performances to encourage children who are tired from long-term treatment.

◎ Employees' Social Contribution Campaign in First Half of 2019

From March, through the participation of employees in all branches at home and abroad, we could more actively implement the 'Better Together' campaign. In Korea, all employees participated in volunteer activities to offer warm hands to community neighbors in need, and in overseas, employees of 22 branches participated to make the campaign more meaningful.

Woori Financial Group constantly practices social contribution to give back trust and love from customers. In order to create a better society where everybody lives well along, we take on beautiful and warm challenges for better tomorrow by giving back corporate revenues to the society. We will become a respected and hopeful leader who leads the way in building a happy future.

SUSTAINABLE MANAGEMENT

| Customer Satisfaction | HR Management | Human Rights Management | Environmental Management |

2018 Customer Satisfaction Management Award

Excellent Customer
Satisfaction Company for **11** Consecutive
Years

Investments in High Energy Efficiency

KRW **8,506** million
(2014 - 2018,
accumulated for 5 years)

Greenhouse Gas Reduction Effect

3,183 tons/year

2018 Customer Satisfaction Survey

94.58 points

Customer Satisfaction

Spreading Customer Satisfaction (CS) Culture

As the demand level of customers using financial services rises, global financial companies are predicting customers' demands in advance through various channels and providing various products and services that reflect those demands. Woori Financial Group is also listening tentatively to the voice of customers and satisfying various customers' needs to spread the CS culture. We intend to fulfill true CS management by expanding the financial accessibility to financially vulnerable class and diverse classes. As a result of such effort, Woori Bank was awarded the customer satisfaction company in the '2018 Customer Satisfaction Management Award' by Korea Economics Daily for 11 consecutive years and the excellent customer satisfaction award by the Financial Services Commissioner in the 'Financial Award' by Asia Today.

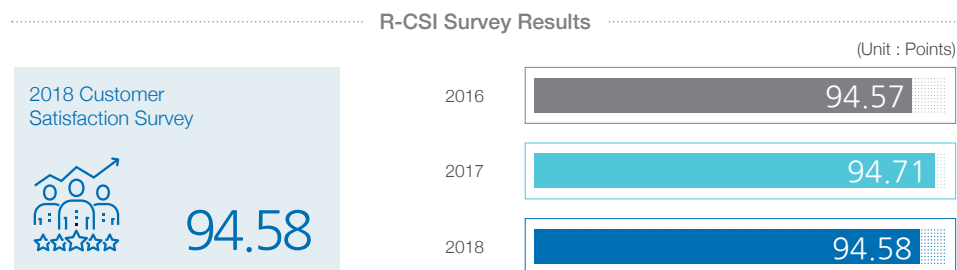
Reinforcement of CS Competency

Woori Financial Group is actively striving to spread customer-oriented culture and reinforce CS competency to improve customer satisfaction and corporate competitiveness. We are strengthening response capability to onsite CS situation by installing the 'consumer protection forum' in each sales division and a CS manager in each branch of Woori Bank, and encouraging the voluntary spreading of CS culture by sales branches and employees through various systems such as the regular CS manager's workshop, CS Boom-up activity, and rewards to excellent CS employees.



Improvement of Customer Satisfaction

We evaluate customer-oriented management level through the annual customer satisfaction survey, and actively supplement insufficient areas. In fact, Woori Bank conducts R-CSI (Real-Time Customer Satisfaction Index) to survey and analyze the overall customer satisfaction level, customer retention and recommendation intention. Collected information is utilized for various purposes such as big data, VOC, and rewards to excellent branches/divisions. The R-CSI score in 2018 was 94.58.



Reinforcement of CS Education

In order to spread CS culture, we are also making various efforts to strengthen education. We are conducting a competency reinforcement education program for CS managers in Woori Bank's sales branches, and CS training programs for all employees utilizing the internal broadcasting. Also, we implement 'Field Visiting CS education' for branches with difficulty in responding to complaints as part of various educational programs such as complaints prevention education, companywide VOC sharing, and mentoring improvement measures to weaknesses in R-CSI.

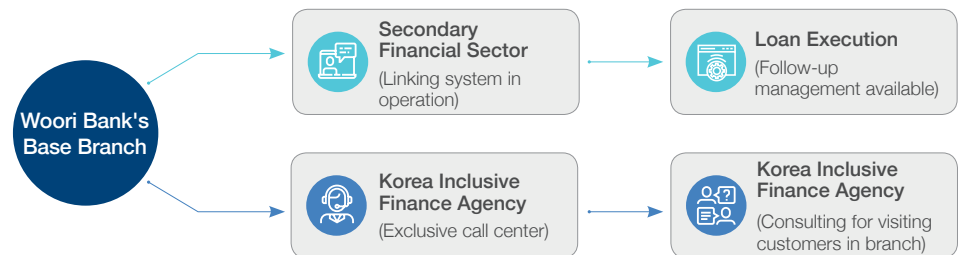
Expansion of Financial Accessibility

Financial accessibility means the existence of a sales branch and the physical distance, but more broadly, it includes diverse meanings such as improved convenience in financial services to socially neglected classes such as senior citizens and the disabled and improved usability of financially underprivileged class with difficulty in using bank's financial services due to credit issues. Woori Financial Group is doing the best to improve financial accessibility of the socially vulnerable groups and intends to become 'Accompanying Reliable Finance' that is beloved by many people on the broad term.

Expanding Base Branch for Low Incomers' Finance and Linked Services

In order to improve accessibility of financially neglected social class to financial services and to strengthen customer satisfaction, Woori Financial Group is expanding the 'Woori Hope Financial Plaza', which serves as a base branch for low incomers' finance of Woori Bank. Woori Hope Financial Plaza was increased from 33 existing branches to 66 branches in 2018, and plays the roles of consulting and sales of financial products for low incomers and linking customers to related institutions.

Financially neglected social class who use Woori Hope Financial Plaza can use Woori Bank's financial products for low incomers or receive services such as link to secondary financial institutions and financial consulting.

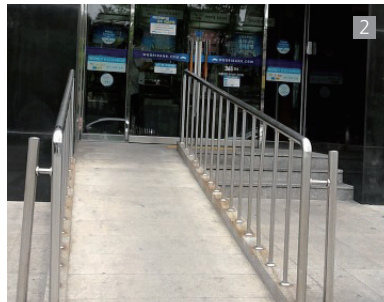


Improved convenience to use by socially vulnerable class

We put various efforts to operate a system for socially vulnerable classes such as the disabled and senior citizens. In order to prevent the violation of human rights against socially vulnerable classes from business services in branches, Woori Bank set up the guideline to prevent discrimination and operate a check list to establish a system for frequent inspection. Also, to enhance access to financial products by the disabled and convenience of service use, we introduced Braille, voice conversion codes (Voice eye), telebanking sign language consulting service, and voice recognition AI banking service.

In addition, we are expanding the installation of social care facilities to enhance physical accessibility for people with reduced mobility. We are gradually increasing door ramps, Braille blocks and wheelchair accessible ATMs. Woori Financial Group will continue to make efforts to enhance physical accessibility of socially disadvantaged by securing various mobile convenience facilities.

1. Voiceeye
2. Door Ramps
3. Wheelchair Accessible ATMs



Management of Human Resources

Human Resources Management System of Woori Financial Group

Woori Financial Group is making best efforts to recruit, foster and keep best talented personnel. It is because we believe that competitiveness of employees directly leads to the competitiveness of the corporation and that these competent talents are responsible for the future of Woori Financial Group.

We operate a human resources system to raise the best financial experts based on the belief in customer happiness, future challenge, honesty and trust, and talented person in priority. Based on transparent principle of human resources and fair system of human resources, we intend to reorganize the system of human resources management constantly so that we can go beyond the No. 1 comprehensive financial group leading Korea and become a global leading financial group representing Asia.



Recruitment & Performance Compensation System

Recruitment

We intend to strengthen the competitiveness of the company by recruiting new and experienced employees possessed with global competency and expertise. Woori Financial Group operates open recruitment and regular recruitment system to ensure fair recruitment process, and shall not discriminate all applicants in recruitment process by such reason as nationality, gender, religion and disability.

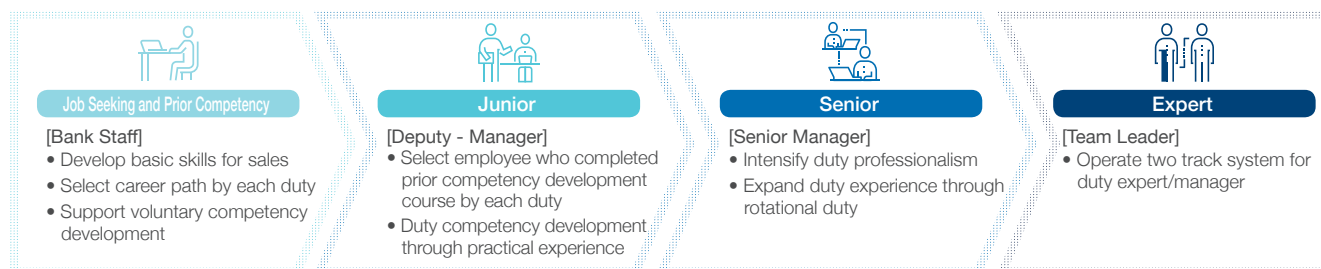
Performance Compensation System

We have established an evaluation and compensation system centered on individual's skills and performance. We conduct the evaluation of human resources twice a year based on job characteristics and competency system, and operate a multifaceted evaluation system to conduct comprehensive performance management.

Development of Employees' Competency

CDP (Career Development Path) Management

In order to foster the best experts in each field, we have divided recruitment of new bank staffs and proposed the criteria of career path around duties. In 2018, we implemented a new CDP system to promote the reinforcement of employees' duty competency. We have thus proposed guidelines for competency and career management.



Talent Development System




In order to foster global financial personnel possessed with core values and duty competency, Woori Bank operates various systems that ensure employees to devote continuously to self-development.

Global Woori People	Professional Woori People	Self-Learning Woori People
<ul style="list-style-type: none"> • Dispatching for MBA training at home and abroad <ul style="list-style-type: none"> - Support global competency and foster excellent talents possessed with global financial knowledge - Operate a dispatch program to top ranking MBAs at home and abroad • Supporting foreign language training <ul style="list-style-type: none"> - Support gaining language skills to perform global business 	<ul style="list-style-type: none"> • Systematic training program <ul style="list-style-type: none"> - Foster experts and core talents in each field - PB, IB, RM, ICT, real estate, fund market, etc. • Internal teaching system <ul style="list-style-type: none"> - Select employees with teaching competency and hold in-company lectures - Provide various benefits for continuous competency development 	<ul style="list-style-type: none"> • Supporting expenses related with acquisition of certificates <ul style="list-style-type: none"> - Support expenses to acquire 68 types of certificates in finance/ICT, etc. • Supporting tuition fees <ul style="list-style-type: none"> - Support tuition fees to domestic degrees (Graduate school, Cyber university, etc.) - Set a goal to develop duty competency of employees

Assisting Work-and-Life Balance

Woori Financial Group is taking the lead in settling a family-friendly corporate culture for employees to find the proper balance between work and home. In particular, beginning with Woori FIS in July 2018, we are preemptively conducting related policies according to the 'Weekly 52-Hours of Working' which has been introduced to the group. We are also striving to activate the 'Work & Life Balance' culture, which is socially spreading. Also, in order to create an environment for employees with toddlers to work without worrying, Woori Bank established to operate a workplace day care center and set up various policies such as maternity support policy, mother-to-be care policy, and day care club.

Response to weekly 52 hours of working

 Improvement of PC-Off system <ul style="list-style-type: none"> - PC Use: 8:45am - 6:10pm - Extended PC Use: Within monthly overtime work limit 	 Improvement of Substitution Vacation Policy <ul style="list-style-type: none"> - Prior use of substitution vacation in the corresponding week of vacation service - Prior prevention of overtime work risk exceeding 52 hours per week 	 Introduction to Flexible Working System <ul style="list-style-type: none"> - Specific duties in the department of head office that needs intensive work period - Overtime available up to 64 hours per week in a specific week within 3 months
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Activation of Work & Life Balance

Woori Together Vacation System	• 5-day consecutive vacations for all employees and vacation bonus by rank
Flexible Work Policy (Work Hours Time Zone)	• Operate 5 time zones for working hours (mandatory to use 8 times a month)

Woori Bank, Family-friendly Company Certified by the Ministry of Gender Equality and Family (2013 - Present)



Woori Bank Workplace Day Care Center

Operating Branches	Total 4 branches (Main branch, Sangam, Hwayang, Seohyeon)
Children in Care	175 children





Management of Human Resources

Communicating Corporate Culture

Through regular meetings by the labor-management council and the labor union, we are building a cooperative relationship based on mutual respect. By activating communication channels between employees, we discuss important matters of company's management and issues related with the treatment and welfare of employees, and reflect various opinions of employees on management activities.

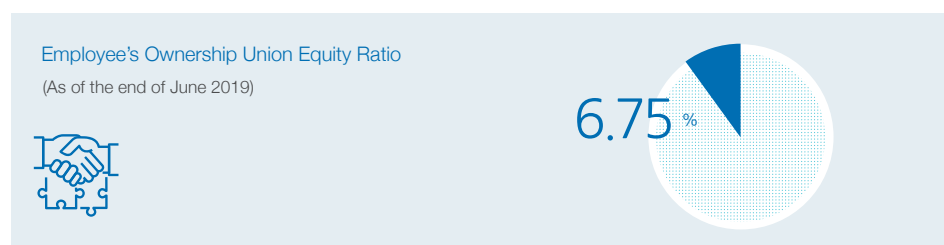
Employees' Health Care Support

Woori Financial Group operates various programs to care for health of employees. Recently, we are expanding programs for employees' mental health care as well as physical health care, and taking extra attention to protect employees in sales branches and customer center with high frequency of emotional labor.

 Basic Welfare System	<ul style="list-style-type: none"> Regular health checkups, subscription of group accident insurance, assistance for medical expenses
 Mental Health Care	<ul style="list-style-type: none"> Permanent professional psychological consultant, constant operation of employee assistance program (EAP)
 Employee protection training for employees with emotional labor	<ul style="list-style-type: none"> Sales Division : Education of how to respond to stress from emotional labor and of relationship techniques Customer Center : Lectures on prevention and management of musculoskeletal system diseases
 Others	<ul style="list-style-type: none"> Fitness center, zero-conflict in workplace campaign 'Dignity in Workplace'

Assistance System of Employee's Ownership

Woori Financial Group operates the assistance system of employee's ownership in which the company assists part of wages when an employee acquires company's equity through wage deduction. As of the end of June 2019, the equity ratio of employee's ownership union is 6.75%, which is higher than other financial groups. It raises the ownership mind of employees and creating a positive effect for them to have interest in the overall group management.



Human Rights Management

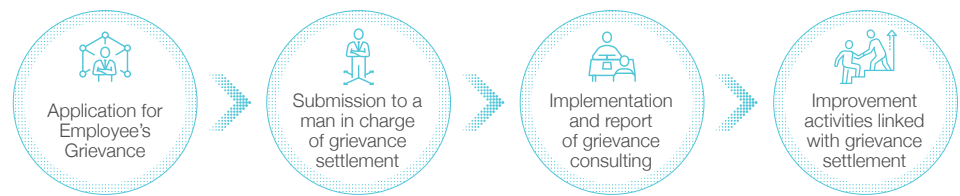
Woori Financial Group's Human Rights Management Policy

Woori Financial Group conducts management activities by considering the common principles to human rights proposed by the 'UN Universal Declaration of Human Rights' and the 'UN Guiding Principles on Business and Human Rights' of the UN Human Rights Commission. Also, we prohibit child labor and forced labor, and comply with all labor principles and laws recommended by the International Labor Organization (ILO) and ratified by the country in relation with health, safety and working hours.

Human Rights Management Activities of Woori Financial Group

Grievance Settlement Process

In order to hear and resolve difficulties of employees, Woori Bank operates a grievance settlement process. It performs a regular consulting twice a year for employees (except dispatched/contract workers) to contribute to the grievance settlement of employees. In addition, we constantly operate the 'employee grievance 119' on the HR grievance consulting website, which is open not only to permanent employees as well as indirectly employed personnel including those in customer centers and security guards.



Reinforcement of prevention education for sexual harassment

In order to improve employees' awareness of sexual harassment that has become a social issue, we publish in the intranet the 'Educational Manuals for the Prevention of Sexual Harassment and Response in Workplace', and conduct a regular education for the prevention of sexual harassment. In 2018, the education for the prevention of sexual harassment was held 12 times on all employees including 1 online education and group education. The education was about actual response to sexual harassment such as reporting and processing sexual harassment, laws on sexual harassment, grievance consulting to victims, and guidance on recovery procedure.

Assurance of Nondiscrimination and Diversity

As of the end of 2018, 7,846 or 51.7% of the total personnel of the group were female employees who are not discriminated in employee performance evaluation and educational opportunity. We comply with laws such as the Labor Standards Act and Gender Equality in Employment, and ensure that there is no discrimination by external factors such as gender, disability and religion. In addition, in order to enhance rights of female employees, we are expanding to implement various welfare systems such as diversity of duties, expansion of training, and work-and-life balance.

Human Rights Protection of Emotional Laborer

Woori Bank is making best efforts to protect human rights of consulting employees in frontline sales branches and customer centers who are exposed to intensive emotional labor. To this end, we constantly operate the 'protection system for the employees of customer response', as well as psychological consulting and group education for the employees of customer response, employee protection guidelines, and customer promotion and campaign.

Green Management

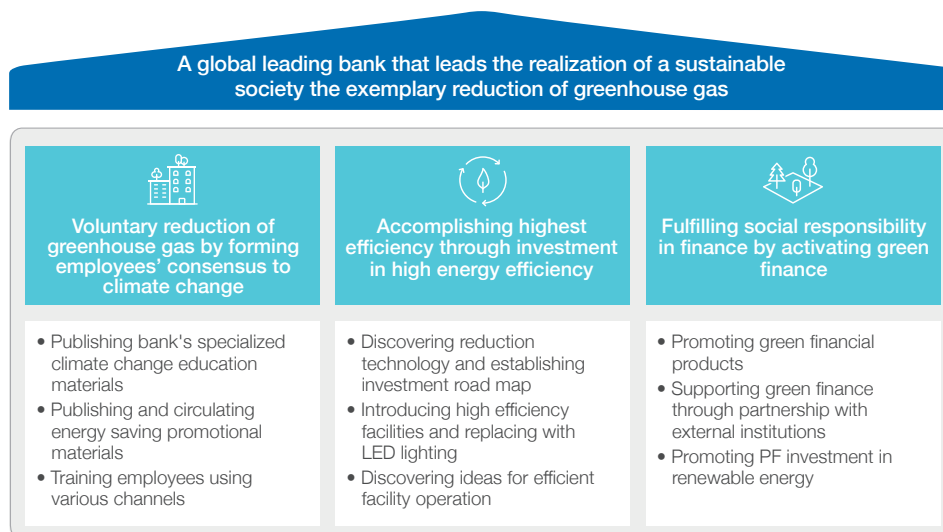
Vision

Strategy

Contents

Green Management System of Woori Financial Group

Based on the Woori Bank's 2012 Master Plan for Climate Change Response, Woori Financial Group has established an energy saving infrastructure by upgrading the greenhouse gas management system and appointing a man charge of energy in branches, and intends to contribute to creating a sustainable society by leading the reduction of greenhouse gas through the systematic energy saving activities by employees and the promotion of high efficiency investments.

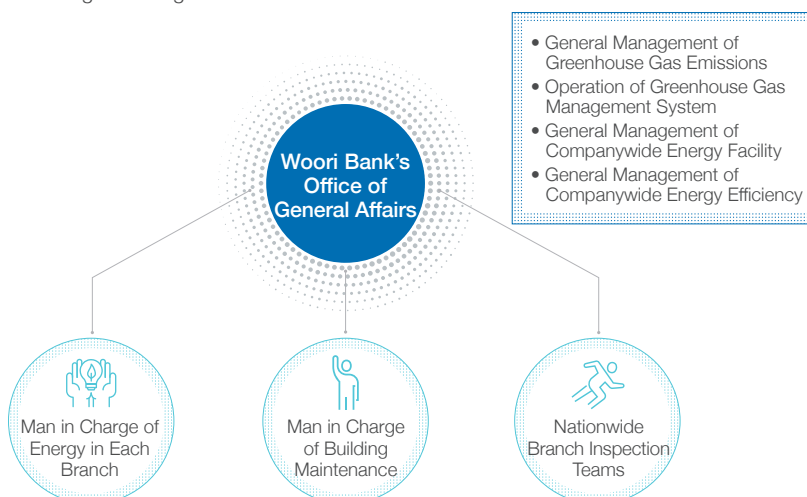
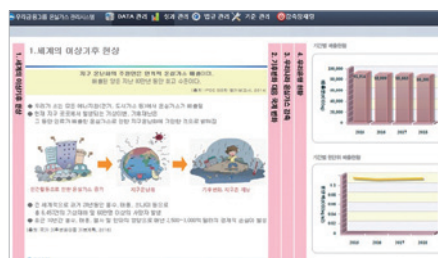


Operation of Greenhouse Gas/Energy Management System

Woori Financial Group exclusively designated the office of general affairs in Woori Bank to manage greenhouse gas/energy. The office of general affairs performs a role of a control tower to reduce greenhouse gas actively, and manages energy consumption and reduces greenhouse gas in around 900 business centers through an organic collaboration with a man in charge of energy in each sales branch, men in charge of building maintenance, and sales branch inspection teams (9).

Also, we are trying to ensure that the effort of greenhouse gas reduction is effective through accurate and clear data management utilizing the greenhouse gas management system. We are monitoring greenhouse gas emissions by collecting monthly data from the greenhouse gas management system, and data are strictly managed by cross-validation between the office of general affairs and men in charge of greenhouse gas management in branches.

Greenhouse Gas Management System



Greenhouse Gas Reduction Effect (2018)



Replacing old facilities 20 tons Reduction
Replacing with LED lighting 533 tons Reduction

Major Green Management Activities of Woori Financial Group

Promotion of Energy Efficiency and Reduction of Greenhouse Gas

In order to reduce greenhouse gas through high energy efficiency, Woori Financial Group replaced old facilities such as boilers and replaced with high efficiency lighting (LED) and gained continuous reduction effect of greenhouse gas of 3,183 tons/year by investing a total of KRW 85.06 million in 327 cases until the end of 2018 after the year 2014. From 2016 to 2017, we identified energy efficiency items in 13 major buildings with external energy expert. We have been continuously performing 57 improvement tasks after the review by internal expert. In addition, we are continuing our efforts to improve energy efficiency by inspecting energy efficiency for each building and holding conferences of related personnel.

Replacement of Aged Facilities

(Units: KRW Million, ton)

Years	Investment	Greenhouse Gas Reduction
2014 – 2017	1,987	1,122
2018	815	20

Replacement of LED Lighting

(Units: Places, KRW Million, ton)

Years	Branch	Investment	Greenhouse Gas Reduction
2014 – 2017	248	4,766	1,508
2018	50	938	533

Promotion of Energy Saving by Employees

In order to form a consensus of employees in energy saving and to encourage actions, Woori Financial Group conducts various internal activities such as education, promotion, campaign, production of energy bills and publishing of newsletter.

Education	Materials	Campaign	Energy Bill	Newsletter
<ul style="list-style-type: none"> Group Education Video Education Broadcasting Training Cyber Training 	<ul style="list-style-type: none"> Energy Saving Actions Proper Temperature Stickers Eco Drive Stickers Portal Pop-Ups, PC Security Screens 	<ul style="list-style-type: none"> Operation of Intensive Energy Saving Period Employee Participation Events 	<ul style="list-style-type: none"> Group Education Video Education Broadcasting Training Cyber Training 	<ul style="list-style-type: none"> Group Education Video Education Broadcasting Training Cyber Training

Replacing Business Purpose Cars

In 2017, Woori Bank announced the 'Era of Electric Cars of Seoul' jointly with Seoul City and the Ministry of Environment and conducted a project of replacing all business purpose cars with electric cars. In 2019, the bank plans to replace 30% of its business purpose cars in the head office to electric cars and phase in introduction of electric cars by 2025.

Major Green Management Performance of Woori Financial Group

In 2018, Woori Bank emitted 85,424 tons of greenhouse gas and used 1,308TJ of energy. This figure was a reduction of 3.4% and 3.8% respectively compared to 2016. We will try our best to become Korea's representative high energy efficiency bank through continuous efforts to reduce greenhouse gas and energy consumption.

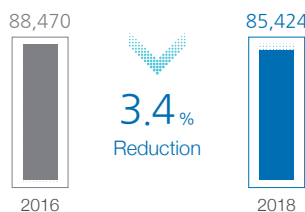
Major Green Management Performance (compared to 2016)



Greenhouse gas 3.4 % Reduction
Saving in energy 3.8 % Saving

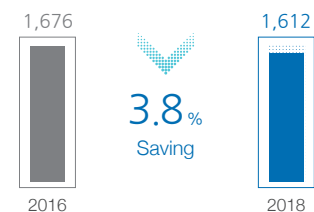
Greenhouse Gas Reduction

(Unit : tCO₂eq)



Energy Saving

(Unit : TJ)



Special Issue

Expansion of Eco-Friendly Investment

Woori Financial Group is striving to fulfill social responsibilities in finance by actively making eco-friendly investments. In particular, we are expanding project financing (PF) investments in the renewable energy sector by setting up a department in charge of energy generation business in the project financing division under Woori Bank.

Expansion of Environmental Private Business

We are expanding the business competency in environmental sector through strategic advancement of private investment business in the environmental sector and making efforts to secure stable source of revenues. Large SOC (social overhead capital) market for roads and power generation is generally shrinking, but the demand in environmental projects for sewage and living waste that directly impact people's hygiene and health is constantly rising.

In 2018, Woori Bank acquired financial arrangement rights in three private projects in the environmental sector. In 2017, the company arranged three sewage and waste disposal projects in a continued effort to diversify investment portfolio in environmental infrastructure.

	Project	Size
February 2018	Refinancing for the expansion of sewage facility in Gyeongju-si	KRW 40 billion
October 2018	Arranging the financing of central sewage treatment plant in Gumi-si	KRW 40 billion
December 2018	Refinancing for the private investment project of sewage facility in Gimpo-si	KRW 61 billion

Project Financing (PF) of Wind Power Project in Seonamhae

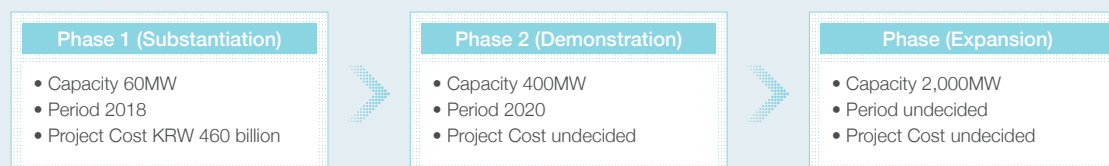
In October 2018, we succeeded in arranging the project financing (PF) for an offshore wind power generation project with the scale of KRW 240 billion.

This project was a part of the 5-year plan of the governmental operation, and one of the largest projects in offshore wind power generation in Korea. In this project, an offshore wind power plant complex shall be constructed on the sea approximately 10km away from Gochang, Jeollabuk-do, and it is scheduled to be composed of large-scale power generation complex with 2.5GW level after the completion of the phase 3 construction in progress.

Woori Bank was selected as the PF arranging institution for the phase 1 construction of wind power plant in Seonamhae, attracted capital of KRW 212.8 billion and successfully raised PF investors in priority.



Project Plans for Wind Power Project Financing (PF) in Seonamhae



APPENDIX

Performance Data of Sustainable Management

GRI INDEX

Verification Statement by Third Party

Verification Statement for Greenhouse Gas Emissions

Global Initiatives

Awards and Memberships

History of Woori Financial Group



Performance Data of Sustainable Management

Quantitative Data : Economy

Economic Performance Generated

Items		Units	2016	2017	2018
Total Assets		KRW billion	310,683	316,295	340,447
Sales Profits		KRW billion	1,574	2,157	2,759
Net Profit of the Term		KRW billion	1,261	1,512	2,033
Credit Rating	Moody's		A2	A2	A1
	S&P		A	A	A
	Fitch		A-	A-	A-

* The financial performance in the present report is based on Woori Bank's 2018 business report, and is subject to change in financial performance according to reporting range of Woori Finance Holdings in the later publication.

Allocation of Economic Values

Items		Units	2016	2017	2018
Shareholders / Investors	Dividends	KRW billion	269.3	404.0	437.6
	Interest	KRW billion	3,492.8	3,330.0	4,033.5
Employees	Wages	KRW billion	1,132.7	1,104.8	1,229.3
	Welfare Benefit Expenses	KRW billion	427.3	510.6	411.2
Government	Corporate Tax	KRW billion	275.9	419.4	753.2
Community	CSR Investment Expenses	KRW billion	51.4	107.4	106.5
Business Partners	Purchasing and Servicing	KRW billion	244.5	198.8	222.5

Profit & Loss from Domestic and Overseas Banking Business

Items		Units	2016	2017	2018
Domestic	Sales Profits	KRW billion	1,454.7	2,042.6	2,615.7
	Term Net Profit	KRW billion	1,177.6	1,433.9	1,928.1
Overseas	Overseas Country 1 : Sales Profit	KRW billion	44.6	50.8	56.1
	Overseas Country 1 : Term Net Profit	KRW billion	32.0	38.5	40.4
	Overseas Country 2 : Sales Profit	KRW billion	36.2	23.1	30.3
	Overseas Country 2 : Term Net Profit	KRW billion	24.6	13.8	21.9
	Overseas Country 3 : Sales Profit	KRW billion	23.0	21.7	27.8
	Overseas Country 3 : Term Net Profit	KRW billion	15.3	11.9	20.5
	Overseas Country 4 : Sales Profit	KRW billion	7.2	6.1	13.0
	Overseas Country 4 : Term Net Profit	KRW billion	5.6	4.7	10.7
	Others : Business Profit	KRW billion	8.4	12.5	16.4
	Others : Term Net Profit	KRW billion	6.2	9.3	11.6
Total	Sales Profit	KRW billion	1,574.2	2,156.7	2,759.3
	Term Net Profit	KRW billion	1,261.3	1,512.1	2,033.2

Corporate Tax

Items		Units	2016	2017	2018
Domestic		KRW billion	240.1	385.2	714.8
Overseas	Overseas Country 1	KRW billion	12.4	12.4	15.9
	Overseas Country 2	KRW billion	11.9	8.9	8.4
	Overseas Country 3	KRW billion	7.2	7.8	6.4
	Overseas Country 4	KRW billion	2.6	1.8	2.1
	Others	KRW billion	1.6	3.2	5.6
Total		KRW billion	275.9	419.4	753.2

Retirement Pension Reserves (Based on Public Disclosure)

Items		Units	2016	2017	2018
Current Value of Defined Benefit Obligation		KRW billion	920	990	1,176
Fair Value of Externally Accumulated Assets		KRW billion	-991	-976	-1,039
Recognized Debt in Defined Benefit System		KRW billion	-71	14	137

Compliance

Year	Penalties and Actions	Details
2018	N/A	

Membership Fees to Related Association

Items		Units	2016	2017	2018
Total Membership Fees to Related Associations		KRW million	2,160	2,492	2,419
Korea Federation of Banks		KRW million	2,069	2,401	2,328
Korea Chamber of Commerce		KRW million	91.2	91.2	91.2

Social Responsibility

Items		Units	2016	2017	2018
Total CSR Investments		KRW million	51,385	107,433	106,455
Community & Public Benefit		KRW million	10,695	13,991	13,556
Finance to Low Incomers		KRW million	1,696	68,044	62,125
Academic & Education		KRW million	27,183	14,556	17,376
Mecenat & Sports		KRW million	10,572	9,489	11,785
Environment		KRW million	210	100	70
Global		KRW million	1,029	1,253	1,543
Employees' Volunteer					
Total Volunteering Hours		Hours	5,028	4,449	4,101
Total Volunteering Employees		Persons	48,419	48,846	43,774

Quantitative Data : Customers

Customer Satisfaction (Woori Bank)

		Units	2016	2017	2018
Internal	Customer Satisfaction: Internal Survey	Score	94.57	94.71	94.58
External	NCSI : Korea Productivity Center	Score	74	75	76
	KS-SQI : Korean Standards Association	Score	73.4	74.7	75.1
	KCSI : Korea Management Association Consulting (KMAC)	Score	74.1	75.0	72.2
	KSQ I: Korea Management Association Consulting (KMAC)	Score	92	92	92

Customer Complaints Handling

Woori Bank

	Units	2016	2017	2018	Remarks
Total Cases Submitted	Cases	410	374	1,215	* Figures for 2018 include 889 complaint cases submitted for the same reasons from interference in the electronic financial network and replacement of the computer system.
Processing Completion Rate	%	100	100	100	

Woori Card

	Units	2016	2017	2018	Remarks
Total Cases Submitted	Cases	472	475	426	
Processing	%	100	100	100	

※Complaint Types: Deposit, credit, foreign exchange, credit card, product, prices, services, after-sales services, sales, bonds, consulting, computing, etc.

Customer Information Leak

Items	Units	2016	2017	2018	Remarks
Number of Leakage Cases of Customer Information	Cases	0	0	1	* Random attacks were made to Woori Bank's internet banking system using personal information leaked through other websites, but actions were taken and completed without secondary damage.

※Number of customer information leak cases was announced by group unit.

Information Protection Related Education

	Items	Units	2016	2017	2018
Employees	Education Hours	Hours	85,914	95,622	80,872
	Participants	Persons	14,211	14,040	13,345
External / Business Partners	Education Hours	Hours	199	204.5	125
	Participants	Persons	398	409	250

※ Information protection related education hours / persons were announced by group unit.

Quantitative Data: Employees ※ Reference to Woori Bank

Number of Employees

Items		Units	2016		2017		2018		Remarks
			Male	Female	Male	Female	Male	Female	
Total Number of Employees		Persons	7,742	7,907	6,747	7,609	7,343	7,846	
By Rank	Executive	Persons	29	1	30	1	30	2	
	Employee ¹⁾	Persons	7,713	7,906	6,717	7,608	7,313	7,844	
By Employment Type	Permanent	Persons	7,462	7,496	6,476	7,369	6,636	7,655	
	Contract ²⁾	Persons	280	411	271	240	707	191	
By Age	30 or Younger	Persons	610	1,462	514	1,367	629	1,552	
	30 – 39	Persons	1,959	3,465	2,013	3,328	2,058	3,129	
	40 – 49	Persons	2,413	2,463	2,307	2,562	2,151	2,727	
	50 or Older	Persons	2,760	517	1,913	352	2,505	438	
Turnover and Retirees		Persons	449	243	1,174	466	217	239	Permanent employees except contract workers

Footnote 1) Employees : Including general-manager level, Footnote 2) Contract : Including executives and general-manager level, etc.

Total New Employees

Items	Units	2016	2017	2018	Remarks
Total New Employees ¹⁾	Persons	172	317	706	Appointment Standard of Employment
Male	Persons	32	140	306	
Female	Persons	140	177	400	

Footnote 1) New Employee: Permanent employees who are university graduates and special purpose high school graduates

Female Leadership

Items	Units	2016	2017	2018	Remarks
Female Executives	Persons	1	1	2	
Proportion	%	3.33	3.23	6.25	
Female Managers	Persons	2,428	2,528	2,613	Except managers, executives and general managers
Proportion	%	30.71	33.22	33.30	Proportion of managers to entire female workforce

Diversity of Employees and Prohibition of Discrimination

Items	Units	2016	2017	2018	Remarks
People of national merit	Persons	814	747	747	Appointment Standard of Employment
Foreigners	Persons	21	32	45	
Disabled	Persons	136	137	130	
Employment Rate of Disabled	%	0.93	0.97	0.97	

Employee Competency Building

Items	Units	2016	2017	2018	Remarks
Education for All Employees	Hour	Hours	1,318,967	1,152,561	1,197,435
	Cost	KRW million	12,416	11,653	11,150
Education for Individual Employee	Hour	Hours	84.3	80.3	78.8
	Cost	KRW million	0.8	0.8	0.7

Improving Ethical Awareness of Employees

Items		Units	2016	2017	2018	Remarks
Participants to Ethics Education	Online Education	Persons	13,828	13,605	13,618	Self-check on ethics compliance, In 2018, performed training through broadcasting for all employees (twice)
	Signing Agreement on Ethics Compliance	Persons	13,741	13,552	13,471	CHECK & CLEAN DAY
Ethics Education Hours	Online Education (per person)	Hour	14	14	15	Self-check hours 10 minutes X 6 times = 60 minutes
						CHECK & CLEAN DAY 10 minutes X 6 times = 60 minutes
						Education in sales branches by supervisor of ethics compliance 30 minutes X 12 times = 360 minutes
						Education in head office by supervisor of ethics compliance 60 minutes X 6 times = 360 minutes
						2018 training through broadcasting 20 minutes X 2 times = 40 minutes
Human Rights Education Hours	Sexual harassment prevention (per person)	Hour	1	1	1	
Penalties for violating ethics and human rights regulations		Cases	0	0	0	

* Human rights education: Education to prevent sexual harassment

Status of Parental Leave

Items	Units	2016		2017		2018		Remarks
		Male	Female	Male	Female	Male	Female	
Total employees on parental leave	Persons	4	441	8	375	14	340	
Employees returned after parental leave	Persons	-	338	4	431	8	346	
Number of employees who worked over 12 months after returning from parental leave in the previous year	Persons	-	400	-	326	4	422	
Proportion of employees who returned from parental leave in the previous year	%	-	96.62	-	96.45	100	97.91	

Group Agreement

Items	Units	2016	2017	2018	Remarks
Employees eligible to join labor union	Persons	10,613	9,947	9,991	
Members of labor union	Persons	10,584	9,917	9,902	
Labor union membership ratio	%	99.7	99.7	99.1	

Welfare Benefits for Employees and Managerial Matters of Safety and Health

Items	Major Services
Child Education Expenses	Kindergarten (KRW 150,000/month, 36 months to preschoolers), middle and high school students (school fee and tuition fee), university students (entrance fee and tuition fee)
Congratulations and Condolences Expenses	Marriage of employee (KRW 1 million), 60th birthday of employee, spouse, and parents, 70th birthday, 80th birthday (KRW 500,000), death of employee, spouse and parents (KRW 3 million), etc.
Medical Subsidies	Employee, spouse and children (KRW 10 million/year/disease) Employee and spouse's parents (KRW 20 million/year/employee), infertility treatment (KRW 3 million/year)
Birthday and Wedding Gift Card	Birthday gift card (KRW 100,000), wedding gift card (KRW 50,000)
Group Accident Insurance	Coverage for deaths, injuries and accidents, diagnosis of two major diseases (myocardial infarction, cerebral hemorrhage), specific cancers, hospitalization fee, 3 non-covered items by national health insurance (spinal manipulation, injection, MRI/MRA)
Health Checkup	Annual employee health checkups (biannual health checkups for employee & spouse / 1 parent for unmarried employee / blood test for employees under 30)
Recreation Center	Recreation centers in employees' preferred regions for 2 nights and 3 days, or 3 nights and 4 days trips (Grand Hyatt Hotel and 25 more)
Condominium	Corporate memberships of Daemyung Resort and 10 more (available for employees)
Employee Ownership Assistance System	Bank supports up to KRW 150,000 when each employee acquires company's equity through wage deduction
Employee Satisfaction Program	Improvement of employee satisfaction and sales ability by assisting various employee satisfaction programs such as employee special lectures, family picnics and musicals (30 times/year)

Quantitative Data : Social Responsibility in Finance

Financial Assistance Program for Low Incomers

(Unit: KRW 100 million)

Items	2016	2017	2018	Remarks
New Hope Spore Loans	2,470	4,835	6,035	
Saitdol Mid Range Interest Rate Loans	245	574	1,277	
Credit Loan 119 Program	439	5,109	5,619	
Hope Dream Savings	78	59	48	
Total	3,232	10,577	12,979	

Support programs to SMEs, small businesses and startups

	Items	Units	2016	2017	2018	Remarks
Woori Bank	Woori CUBE Loans	KRW billion	-	9,318	11,033	
	Woori Industrial Complex Loans	KRW billion	703	641	451	
	Soho Areumdeuri Loans	KRW billion	392	235	45	
	Woori Franchise Power Loans	KRW billion	171	159	160	
	R&D Plus Loans	KRW billion	-	474	167	
	Large Partnership Conglomerate Coexistence Loans	KRW billion	586	566	720	
	Indirect Investment in Innovative Growth	KRW billion	17	98	162	
	Direct Investment in Innovative Growth	KRW billion	1.4	1	18	
Woori Card	Woori (CEO) Power Card	KRW billion	8.6	19	35	
Woori Investment Bank	Securities Crowd Funding	KRW million	84	50	115	
	Compensation Crowd Funding	KRW million	-	-	41	

Social Enterprise Assistance

Items	Units	2016	2017	2018	Remarks
Credit	KRW billion	17.5	16.5	14.1	Performance of Social Enterprise
Purchase of Goods	KRW billion	0.2	0.2	0.49	
Sponsorship and Donation	KRW billion	0.62	0.48	0.37	
Investment (Fund) : Based on balance	KRW billion	1.45	1.31	1.33	Entered new fund worth KRW 1.5 billion in November 2018 (To pay extra KRW 1.35 billion in corresponding fund)

Eco-Friendly Product

Items		Units	2016	2017	2018	Remarks
Woori Card	Clear Woori Card	KRW billion	-	-	0.1	30% discount on charging electric car, developed in association with institutional sales strategy division of Woori Bank
	Standard Point of Card	KRW billion	-	-	556.4	Earn 5% points on charging electric car

Investment Performance in Renewable Energy

	Items	Units	2016	2017	2018	Remarks
Woori Bank	Wind Power Plant Project in Sinan, Jeollanam-do	KRW billion	25	-	-	
	Wind Power Plant Project in Daegi-ri	KRW billion	14	-	-	
	Biomass Power Plant Project in Poseung	KRW billion	37.7	-	-	
	Offshore Wind Power Plant Project in Seonamhae	KRW billion	-	-	70	

※ Investment Amount: Based on bank participatory amount in IB sales assistance system ※ Investment Year: Based on voting day

Project Financing

Items		Units	2016	2017	2018	Remarks
Total Number of Financed Projects		Cases	9	7	11	
Number of Social/Environmental Projects		Cases	3	3	2	
Classification by Industry	Residential	Cases	-	-	-	Structuring multi-family house building project in Wirye New Town (To be voted in January 2019)
	Energy	Cases	3	-	5	
	Infrastructure	Cases	1	4	3	Infrastructure: Roads and ports, etc.
	Others	Cases	2	-	1	

※ Investment Year: Based on voting day

Quantitative Data: Environment

※ Reference to Woori Bank

Use of Raw ingredients

Items	Units	2016	2017	2018	Remarks
Total paper usage	Ton	831	1,051	1,218	Reference to purchased amount of photocopy paper for each year

Use of Energy

Items	Units	2016	2017	2018	Remarks
Electricity	TJ	1,427	1,423	1,397	
City gas	TJ	97	96	87	
Gasoline	TJ	144	134	121	
Diesel	TJ	8	8	7	
Degree of Intensity in Total Energy	TJ/Person	0.115	0.124	0.113	

Use of Water

Items	Units	2016	2017	2018	Remarks
Waterworks	m ³	136,144	135,214	130,837	Head office / Woori Finance Sangam Center
Ground water	m ³	-	-	-	

Waste discharge

Items	Units	2016	2017	2018	Remarks
General waste	ton	417.1	445.8	541.2	Head office / Woori Finance Sangam Center
Sum of Recycling Waste	ton	198.8	216	274.5	
Paper	ton	1.6	5.3	7	
Styrofoam	ton	4.8	7.6	15.2	
Glass	ton	18.38	18.09	20.2	
Can	ton	4.8	7.4	13.2	
Plastic	ton	6.72	9.76	34.6	
Others	ton	162.55	167.83	184.3	

Environmental investment

Items	Units	2016	2017	2018	Remarks
Sum Amount of Environmental Investment	KRW million	1,668	1,448	1,753	
Purchasing Eco-Friendly IT Products	KRW million	-	-	-	
Purchasing LED Lighting	KRW million	1,030	606	938	
Replacing Aged Facilities	KRW million	638	842	815	
Using Eco-Friendly Business-Purpose Cars	KRW million	-	-	-	

Greenhouse gas emissions

Items	Units	2016	2017	2018	Remarks
Scope 1	tCO ₂ eq	15,488	14,693	13,361	Based on the computation standard of corporate emissions in the greenhouse gas emissions statement, rounded off to the nearest whole number in each business center (Difference occurred in the sum of scope 1 and scope 2)
Scope 2	tCO ₂ eq	73,475	73,851	72,521	
Degree of Intensity in Greenhouse Gas Emission (Scope 1 + Scope 2)	tCO ₂ eq	88,470	88,090	85,424	
Scope 3	tCO ₂ eq	-	-	-	

GRI INDEX

Universal Standards (GRI 100)

Classification	Disclosure	Indicators	Page	Remark
Organization Profile	102-1	Organization Title	4	
	102-2	Activity, representative brand, product and service	6	
	102-3	Location of head office	4	
	102-4	Business area	7	
	102-5	Characteristics and legal form of ownership structure	4	
	102-6	Market area	6~7	
	102-7	Organization size	4, 7, 58, 61	
	102-8	Information on employees and workers	61	
	102-9	Supply chain of organization	6~7	
	102-10	Significant changes in organization and supply chain		No significant change
	102-11	Prevention principles and approach	12	
	102-12	External initiative	71	
	101-13	Association membership	59, 72	
Strategy	102-14	Statement of highest decision maker	2~3	
Ethics and Integrity	102-16	Values, ideologies, code of conduct, and norms	14	
Governance	102-18	Governance Structure	10~11	
	102-22	Body and committee in board of directors	10~11	
	102-23	Chairman of Board of Directors	11	
	102-24	Nomination and appointment of Board of Directors	11	
	102-30	Effectiveness of risk management process	11	
Stakeholders' Participation	102-40	List of stakeholder groups	18	
	102-41	Collective bargaining agreements	62	
	102-42	Identifying and selecting stakeholders	18	
	102-43	Approach to stakeholder engagement	18	
Reporting Practical Services	102-44	Key themes and interests raised through stakeholders' participation	19	
	102-45	List of entities (subsidiaries and joint ventures) in the consolidated financial statements of organization	6~7	
	102-46	Definition of boundaries for report contents and topic	19	
	102-47	Material Topic List	19	
	102-48	Restatement of information	-	Not applicable since sustainable management report of Woori Financial Group is published this year for the first time.
	102-49	Change in report	-	Not applicable since sustainable management report of Woori Financial Group is published this year for the first time.
	102-50	Period of report	About This Report	
	102-51	Latest date of report	-	Not applicable since sustainable management report of Woori Financial Group is published this year for the first time.
	102-52	Reporting cycle	About This Report	
	102-53	Inquiries about report	About This Report	
	102-54	Reporting method according to GRI Standards	About This Report	
	102-55	GRI Index	66~67	

Material Issues

Material Issues	Disclosure	Indicators	Page	Remark
Creating Sound Economic Performance	103	Management Approach	20	
	201-1	Direct creation and allocation of economic values	4, 21~23, 58	
Realizing Social Responsibility in Finance	103	Management Approach	24	
	203-1	Infrastructural investment and service supports for public benefit	25~27	
	203-2	Significant indirect economic ripple effect and impact	25~27	
Digital Innovation and Reinforcement of Information Protection	103	Management Approach	28	
	418-1	Number of complaints with proven infringement and loss of customer's personal information	29~32	
Financial Consumer Protection	103	Management Approach	33	
	203-1	Infrastructural investment and service supports for public benefit	34~38	
Systematization of CSR activities	103	Management Approach	39	
	413-1	Proportion of community participation, impact assessment, and local development program	40~45	

Topic-specific Standards

Economic Standards (GRI 200)

Classification	Disclosure	Indicators	Page	Remark
Economic performance	201-2	Risks and opportunities from financial impact and business activities due to climate change	54~55	
	201-3	Organization's defined benefit pension system and other retirement system	59	
Anti-corruption	205-2	Notice and training on anti-corruption policy and procedure	14, 62	

Environmental Standards (GRI 300)

Classification	Disclosure	Indicators	Page	Remark
Raw Material	301-1	Weight and volume of used raw materials	65	
	302-1	Energy consumption inside organization	65	
	302-2	Energy consumption outside organization	65	
	302-4	Saving of energy consumption	55	
	303-1	Water intake by source	65	
Atmospheric Emissions	305-1	Direct greenhouse gas emissions (scope 1)	55, 65	
	305-2	Indirect greenhouse gas emissions (scope 2)	55, 65	
Financial Consumer Protection	305-5	Reduction in greenhouse gas emissions	55	

Social Standards (GRI 400)

Classification	Disclosure	Indicators	Page	Remark
Employment	401-1	New recruitment and turnover	50, 61	
	401-2	Compensation to permanent workers that is not provided to irregular workers	52, 58, 63	
	401-3	Parental leave	62	
Labor-Management Relationship	402-1	Minimum notice period related to management changes	52	
Labor Safety and Health	403-3	Workers with high possibility or risk of occupational disease	53	
	403-4	Safety and health matters subject to formal agreement with labor union	63	
Education and Training	404-1	Average education hours per employee	61	
	404-2	Program to strengthen employees' competency and assist their transition	50~51	
Human Rights Assessment	412-2	Education for employees on corporate human rights policies or procedure	53	

Verification Statement by Third Party

Responsibility and Independence

The Korea Foundation for Quality has been requested to verify the 2018 Sustainable Management Report of Woori Financial Group (hereinafter 'report'). The foundation is responsible for the verification opinions of the report, and Woori Financial Group is responsible for the determination of a preparation standard of the report and its preparation, and all information in the report. The Korea Foundation for Quality does not have any interests for the purpose of making profit throughout the business activities of Woori Financial Group besides the third party verification, and shall not be responsible for stakeholders besides Woori Financial Group about the verification results.

Standards and Scope of Verification

This verification was planned and conducted based on AA1000 AS (2008), AA1000 APS (2008) and GRI Standards. The verification scope of the Korea Foundation for Quality on this report is as follows.

- Sustainable management activities and performance on head office and all domestic business centers of Woori Financial Group included in the report
- Evaluation of compliance to guidelines according to GRI Standards Core Option
- Definition of reported content in the report and adequacy evaluation of a principle to guarantee report quality according to GRI Standards
- Evaluation of sustainability and information by applying the accountability principle type 1 verification technique and moderate level verification technique according to AA1000 Accountability Principles Standard (2008) and AA1000 Assurance Standard (2008)

Verification Procedure

The verification procedure was planned to have reasonable confidence to critical errors or improper information in the report. The Korea Foundation of Quality has confirmed the reliability of reported content, and the processes and systems to create reporting data and prepare the report.

I. Document Review

We have reviewed the reliability of nonfinancial data on the sustainability aspect by comparing the report with quantitative data provided by Woori Financial Group and materials surveyed by the media and internet. We have confirmed that financial data were properly extracted from financial statements in the business reports of internal documents and the electronic disclosure system (<http://dart.fss.or.kr>). In particular, financial data in the reporting period (2016 - 2018) were written based on 2018 business report of Woori Bank that is the predecessor of Woori Financial Group.

II. Field Verification

In order to confirm the reliability of the sustainable management activities and performance data in the present report and to assess the validity of the reporting process, we conducted the field verification targeting the head office of Woori Financial Group. Data verification was confirmed within the limited scope based on data collected by Woori Financial Group in terms of accuracy of data. Field verification included the following.

- Confirmation of materiality test procedure, stakeholders' participation, selection and reporting of major issues, response method of organization
- Evaluation of data analysis result and description in report, and of sustainable management performance of Woori Financial Group
- Confirmation of congruence between the financial information in the report and financial statements in the 2018 business report
- Interview with key personnel who is responsible for providing report materials

III. Confirmation Screening

Regarding some errors, inappropriate information and ambiguous expressions found in the above steps, we have confirmed that the final performance data provided by Woori Financial Group were properly reflected in the final report.

IV. Limitations

The present report has been published solely for Woori Financial Group, and Korea Foundation for Quality is not responsible for stakeholders besides Woori Financial Group on verification results. The completeness and responsiveness to performance data presented in the report has inherent limitations depending on the characteristics of relevant data and the method of confirmation, calculation and estimation of numerical values.

Verification Results

Through the above verification activities, we have confirmed that the present report satisfies the 'core' application level demanded by the GRI Standards. It is judged that we evaluated the principle and performance of inclusiveness, importance and responsiveness according to AA1000 APS (2008) and AA1000 AS (2008); and that we have achieved a reasonable basis to present Type 1 assurance level.

- **Stakeholder's Aspect**

We report on communication activities of five stakeholder groups related with sustainable management issues.

- **Sustainability Aspect**

We have confirmed that we promote constant efforts to economic, environmental and social impacts demanded by stakeholders. Such sustainable activities and performances are properly listed in the report.

- **Materiality Aspect**

As a result of constructing and evaluating an issue pool according to sustainable management evaluation factors (Internal standards, GRI Standards, UNGC, ISO26000, media analysis and benchmarking), we have confirmed that five major topics were properly reflected in the report in addition to the 2018 major performances.

- **Completeness Aspect**

We have confirmed that reporting scope, boundaries and time standards were set properly.

Suggestions for Improvement

We look forward to more systematic monitoring of sustainability performance indicators related with social responsibility for more developed sustainable management of Woori Financial Group, and set up mid- to long-term improvement plans internally for the areas of necessary improvements to be reflected in the business activities of the company. Also, the company needs to set up and systematically manage an internal monitoring system for specific indicator related data besides the core option so that sustainable management activities of Woori Financial Group are reported to stakeholders diversely. In addition, we advise that a regular management action be set up for material issues selected from the materiality test; and that the contents to be addressed in future publications.

Verification Statement of Greenhouse Gas Emissions

NO.: PRJC-593626-2019-CCS-KOR

Foreword

DNV GL Business Assurance Korea (hereafter 'DNV GL') performed verification on 2018 greenhouse gas emissions and energy consumption of Woori Bank Co., Ltd (hereafter 'Woori Bank') under reasonable assurance level. Woori Bank is responsible to prepare verification data in accordance with the "Guidelines on the Operation of Greenhouse Gas and Energy Goal Management" (Ministry of Environment Notice No. 2016-255)", and DNV GL shall not have any responsibility to third party except the verification contract party according to the contract terms and conditions in relation with this verification statement.

Verification Scope

The greenhouse gas emissions and energy consumptions covered in this verification were calculated based on statements prepared by Woori Bank.

- Verification Target Emissions: 2018 greenhouse gas emissions and energy consumption
- Reporting Scope and Verification Activity of Emissions: Domestic Woori Bank's buildings (ownership/partial ownership/lease), unmanned stores and cars

Verification Method

This verification was conducted according to the verification principles and standards of "Guidelines for the Operation of Greenhouse Gas and Energy Target Management (Ministry of Environment Notice No. 2016-255)" and "Verification Guidelines for Operation of Greenhouse Gas and Energy Target System (Ministry of Environment Notice No. 2016-104)" during the period from February to March 2019. In order to acquire necessary information and data to suggest verification opinions about greenhouse gas emissions reported by Woori Bank, DNV GL set up a verification plan and conducted verification based on 5% materiality test standard. As part of the verification process, we have identified the following.

- Woori Bank's Greenhouse Gas Emissions and Energy Consumption Statement (2018)
- Woori Bank's Management, Collection, Calculation and Reporting Process of Greenhouse Gas and Energy Data

Conclusion

Woori Bank's 2018 greenhouse gas emissions and energy consumption were confirmed as below. In reporting according to the computational methodology stipulated in the "Guidelines for Operation of Greenhouse Gas and Energy Target Management (Ministry of Environment Notice No. 2016-255)" of Woori Bank, matters judged to have significant errors or omissions were not found.

2018 Greenhouse Gas Emissions and Energy Consumption of Woori Bank

Woori Bank	Greenhouse Gas Emissions (ton-CO ₂ equivalent)			Energy Consumption (Terajoule, TJ)		
	Scope1	Scope2	Total Volume	Scope1	Scope2	Total Volume
2018	13,361	72,521	85,424	220	1,524	1,308

※ The above greenhouse gas emissions were rounded off by business center and summed, and may be different from the sum of direct and indirect emissions according to the application of the summation standard.

※ Total Emissions = Direct Emissions (Scope 1) + Indirect Energy Emissions (Scope 2)

August 5, 2019; Seoul, Korea



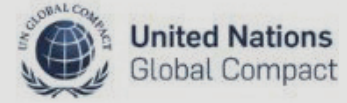

CEO Jang-seop Lee

This verification statement of the external verifier is valid as of the statement issuance date (August 5, 2019). At the time of perusing the statement after the issuance of the statement, incidents or circumstances may occur that can significantly influence the computation of greenhouse gas emissions of Woori Bank. Accordingly, the present verification statement may be subject to correction.

Global Initiatives

UN Global Compact

In 2006, Woori Financial Group declared its willingness to comply with the 10 principles in 4 areas including human rights, labor, environment and anti-corruption by joining the UN Global Compact (UNGC) for the first time in Korea's financial sector. The company will continue our efforts to faithfully fulfill corporate social responsibilities by conducting sustainable management activities according to UNGC principles.



Classification	Principles	Major Activities of Woori Financial Group	Page
Human Rights	01. We shall support and respect internationally declared human rights. 02. We shall not engage in the violation of human rights.	<ul style="list-style-type: none"> • Compliance with labor principles and laws • Operation of grievance process • Human rights education and practices 	53, 62
Labor	03. We shall recognize freedom of association and group bargaining rights. 04. We shall abolish all forms of forced labor. 05. We shall effectively abolish child labor. 06. We shall abolish discrimination in employment and business services	<ul style="list-style-type: none"> • Compliance to Labor Standards Law • Operation and membership status of labor union • Operation of a fair recruitment process • Operation of a fair performance compensation system • Operation of guidelines for employees' competency/ career development & career path 	50, 53, 62
Environment	07. We shall support preventive approach to environmental issues. 08. We shall take the lead in taking greater responsibility to the environment. 09. We shall support development and distribution of eco-friendly technologies.	<ul style="list-style-type: none"> • Building an integrated management system for greenhouse gas/energy • Investment to improve energy efficiency and reduce greenhouse gas • Settlement of eco-friendly culture • Introduction of eco-friendly facilities and equipment 	54~55
Anti-corruption	10. We shall strive to eradicate all forms of corruption including unfair gains and bribes.	<ul style="list-style-type: none"> • Group's code of ethics and employees' code of conduct • Internal control committee • Whistle blowing system • Ethics education program 	14~15, 62

Awards and Memberships

Period	Award History
2018. 12	'2018 Korea's Best Bank' award by The Banker
2018. 12	'Financial Integration Membership' award in 2018 Consumer's Choice Star Brand Award by Maeil Economy (Wibee Members, 2 consecutive years)
2018. 12	Designated as an excellent institution through the evaluation of actual condition in the protection of financial consumers under the supervision of the Financial Supervisory Service
2018. 12	2018 Kyunghyang advertisement award in financial sector under the supervision of Kyunghyang Newspaper
2018. 12	Advertisement award in communication sector under the supervision of Segye Times
2018. 11	'Financial Person of the Year' in 2018 Global Financial Award by Korea Herald (Woori Bank, CEO Sohn Tae Seung)
2018. 12	Grand award (by Financial Services Commissioner) in 7th financial consumer protection award by Korea Economic Daily
2018. 11	Citation by Minister of Trade, Industry and Energy in Korea Energy Award under the supervision of the Ministry of Trade, Industry and Energy
2018. 11	Gender equality collaboration award under the provision of Maeil Business Newspaper and Ewha Women's University
2018. 11	11th Korea's Social Media Award (Grand Award in Bank) under the supervision of Korea Internet Communication Association
2018. 10	Letter of Appreciation for the Best Bank in Preventing Voice Phishing by Korea Financial Supervisory Service (2nd)
2018. 10	Korea's Financial Innovation Award by Money Today (CSR Innovation Award)
2018. 10	Excellence Award in 7th Korea Knowledge Excellence Company under the supervision of Maekyung Media Group (Business sector)
2018. 10	Citation by Financial Services Commissioner in the area of customer satisfaction in '2018 Asia Today Financial Award' under the supervision of Asia Today
2018. 5	Best Bank Award in 3 areas in 2017 Asian Banker Award under the supervision of Asian Banker Magazine
2018. 4	Letter of Appreciation for the Best Bank in Preventing Voice Phishing by Korea Financial Supervisory Service (1st)
2018. 3	Best Financial Product in second half of 2017, 'iTouch Woori Savings' under the supervision of Economic Review (Banking sector)
2018. 3	2018 Top 50 Korea's Brands under the supervision of Interbrand
2018. 3	Best Finance for low Incomers in 2018 Korea's Best Banker Award under the supervision of Seoul Economics Daily
2018. 1	Excellent customer satisfaction award for 11 consecutive years in 2018 Customer Satisfaction Management Award under the supervision of Korea Economic Daily

(As of December 2018)

Membership Status		
International Finance Center	Korea Credit Information Institute	Seoul Foreign Exchange Market Management Association
Korea Institute of Finance	Korea FP Association	UN Global Compact Korea Association
National Bank Federation	Korea Blockchain Industry Promotion Association	Fund Market Council
Seoul Chamber of Commerce	Korea Visiting Committee	Bond Market Council
Financial Supervisory Service	ISDA	Korea Startup Forum
Korea Financial Telecommunications and Clearings Institute	Korea Forex Club	Retirement Pension Development Council
Financial Security Agency	Seoul IB Forum	Korea Audit Association
Financial Industry User Council	Global Finance Society	Korean Executive Federation
Credit Recovery Committee	Financial Security Forum	Korean-German Chamber of Commerce
Housing Urban Guarantee Council	Directors' Forum for Financial Information Protection	
Korea Financial Investment Association	Financial Information Protection Council	

History of Woori Financial Group

Foundation - 1998	1899. 1	Foundation of Daehancheonil Bank (Changed commercial name to Korea Commerce Bank in April 24, 1950)
	1909. 7	Built 'Gwangtong Hall' the first modern main bank in Korea (present Jongno Finance Center)
	1915. 3	Acquired businesses of Kyung Sung Vault (present Seoul City Bank)
	1932. 12	Founded Joseon Trust (changed commercial name to Hanil Bank on January 1, 1960)
	1956. 3	Listed first on the stock exchange
	1959. 6	Established 'Ladies' Safe' in Korea Commercial Bank
	1968. 11	Set up the first overseas branch (Tokyo) for a commercial bank
	1977. 9	First commercial bank to initiate online business in Seoul and Busan
	1982. 2	First in Korea to install an online ATM outside branch
1999~2012	1999. 1	Changed commercial name to Hanbit Bank following the merger of Korea Commercial Bank and Hanil Bank
	1999. 12	Built and relocated to Hoehyeon-dong main branch
	2001. 4	Launched Woori Financial Group and incorporated as a subsidiary of Woori Finance Holdings
	2001. 12	Divided and merged bank sector of Pyeonghwa Bank
	2002. 5	Changed bank's name to 'Woori Bank' and changed CI
	2006. 12	Officially launched Hong Kong Woori Investment Bank
	2007. 11	Established the first local corporation in China, 'China Woori Bank LLC'
	2008. 1	Established the first local corporation in Russia, 'Russia Woori Bank'
	2010. 11	Woori Bank acquired 'ISO 27001 in all IT services'
	2012. 9	Launched local Woori Bank in Brazil
	2012. 11	'Grand award in comprehensive sector' in 1st Financial Consumer Protection Award (Citation by Financial Service Commissioner)
2013 - Present	2013. 12	'Financial Award for Low Incomers' under the supervision of Financial Supervisory Service
	2014. 4	Successfully issued Korea's first USD 1 billion subordinated debt in foreign currency satisfying Basel III
	2014. 6	Daehancheonil Bank-related materials possessed by Woori Bank designated as No. 11 State Designated Record
	2014. 11	Woori Bank merged with Woori Finance Holdings
	2015. 2	Officially launched Bank Woori Saudara in Indonesia
	2015. 5	Launched Korea's first mobile bank 'WiBee Bank'
	2015. 11	First No. 200 global network for a commercial bank (Woori Finance Myanmar)
	2016. 5	Opened the first office in Iran among banks in Korea (Teheran)
	2016. 6	Launched 'Offshore Won Settlement' for the first time among banks in Korea
	2016. 9	Issued Korea's first permanent bond of USD 500 million in foreign currency new equity securities (Coco Bond)
	2016. 11	Financial Services Commission announced 'successful privatization of Woori Bank' by attracting 7 oligopoly shareholders
	2017. 1	Designated as World Finance for the first time among banks in Korea, won '2016 Best Wealth Management Provider in Korea'
	2017. 2	Opened the first office in Katowice, Poland
	2017. 6	'Best Transaction Bank and Fund Management Bank' selected by The Asian Banker
	2017. 10	Selected for Primary bank of National Pension Service
	2017. 11	'2017 Asia's Best Bank' award by The Banker
	2018. 3	Introduced 'Big-Eye', Korea's first big data based corporate diagnostic system
	2018. 12	'2018 Korea's Best Bank' award by The Banker
	2018. 12	Reached 430 global networks (top ranking in Korea)
	2019. 1	Launched Woori Finance Holdings

