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Press Release

June 26, 2013

PLAN FOR PRIVATIZATION OF WOORI FINANCE HOLDINGS

BACKGROUND

The Public Funds Oversight Committee (PFOC) announced the privatization plan for Woori Finance Holdings after its 78th meeting on June 26, 2013. The Committee members shared common opinion that prompt privatization of Woori Finance Holdings is crucial for recovering the injected public fund and establishing a firm foundation to strengthen our financial industry's competitiveness. The plan was devised based on the recent market conditions and investment climate.

GENERAL PLAN

1. General Direction

The government will sell subsidiary units of Woori Finance Holdings in separate deals to better serve market demands. The 14 subsidiaries of Woori Finance Holdings will be split into three groups¹ for sale. The sale process of each group will be proceeded by the KDIC or Woori Finance Holdings. To facilitate the sale process, the government will simultaneously proceed with the spinoff/merger and the sale process.

2. Detailed Plan

- A. (Regional bank unit) The government will spinoff Woori Finance Holdings to set up Kyongnam Finance Holdings and Kwangju Finance Holdings. The two regional banks, Kyungnam Bank and Kwangju Bank, will be merged with their respective holding companies for sale. The KDIC will sell its 56.7% stake in the two regional banks.
- B. (Brokerage unit) Sale of Woori Finance Holding's stake² in Woori Investment & Securities Co.³, Woori F&I, and Woori Financial Group will be initiated concurrently with the sale of regional bank unit.
- C. (Woori bank unit) Woori Bank will be merged with the remaining Woori Finance Holdings and sold by the KDIC as a bank. Such procedure will be initiated after completing regional

¹ Regional bank unit, brokerage unit, Woori bank unit

² 37.85% in Woori Investment & Securities Co.; 52.02% in Woori Financial Group; 51.58% in Woori Aviva Life Insurance Co.; 100% in F&I, Woori Asset Management Co., Woori FG Savings Bank

³ Woori Asset Management Co., Woori Aviva Life Insurance Co., Woori FG Savings Bank

bank units' spinoff and deciding the final bidder of brokerage unit. Minimum bidding level will be decided later with market conditions upon initiation of Woori Finance Holdings' sale process taken into consideration.

* Woori Credit Card, Woori Private Equity Co., Woori FIS Co., Kumho Investment Bank, Woori Finance Research Institute and unsold subsidiaries of asset management unit will be merged to a subsidiary of Woori Bank and sold as a whole with Woori Bank.

FUTURE PLAN

Sale process of regional bank unit and brokerage unit will be initiated in July. The KDIC will make a public notice on sale of regional bank units on July 15. The sale process of Woori Bank will begin early next year and be completed within 2014.

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