

GOVERNMENT TO COMPLETE PRIVATIZATION OF WOORI FINANCIAL GROUP BY 2022

The FSC announced its plan to sell the remaining 18.3% stake in Woori Financial Group (WFG), owned by the Korea Deposit Insurance Corporation (KDIC), from 2020 to 2022.

BACKGROUND

In the aftermath of the Asian financial crisis in 1998, the government injected KRW12.8 trillion to bail out five financial institutions, which later turned into WFG. Since then, the government has redeemed KRW11.1 trillion, or 87.3% of the injected public funds.

The government still remains as the largest shareholder of WFG with the remaining 18.3% stake owned by KDIC, prompting market uncertainty and concerns that the complete privatization of WFG might be delayed.

Against the backdrop, the FSC intends to ease market uncertainty and concerns by presenting its roadmap for the sale of the remaining stake in WFG, which includes specific timelines and methods.

ROADMAP FOR SALE OF REMAINING STAKE IN WFG

1. Timelines

KDIC will sell its remaining stake in WFG through two or three rounds of sale over the next three years from 2020 to 2022.

In principle, sale will be proceeding in one-year intervals over the next three years. The amount of shares put up for sale in each round will not exceed 10%, given market demand.

The government aims to complete the sale of its remaining stake by 2022.

2. Methods

For each round of sale, maximum 10% of shares will be sold through competitive bidding first. If shares fail to be sold at auctions, then they will be sold through a bloc sale with a maximum 5% for each round of sale.