

Earnings Call (July 24, 2026) Q&A Summary

Q. Strategies to Strengthen Woori Investment Securities' Retail Competitiveness

A. Woori Investment Securities is a newly established securities firm that launched in August 2024. To build our retail distribution foundation, we opened three WM (Wealth Management) integrated branches in Gangnam, Yeouido, and Gwangju this year, with plans to continue opening branches through the second half of this year and into next year. Through these expansions, we aim to grow both our client base and AUM (Assets under Management). Furthermore, we plan to obtain additional licenses we do not yet hold, such as derivatives trading and investment, to expand the business and collaborate with the retail segment. We also expect profitability in the retail division to improve further once our ongoing IT investments are completed.

Q. Capital Allocation Plan Following Woori Investment Securities' Capital Injection

A. In May of this year, we executed a KRW 1 trillion capital injection into Woori Investment Securities, strategically allocating it across our IB, S&T (Sales & Trading), and retail divisions. Capital injections by the holding company into subsidiaries are managed under the core principle of deploying capital where it helps enhance group-level ROE. We will continue to support Woori Investment Securities from a group-wide perspective to improve its ROE. Furthermore, we maintain our policy of executing phased capital support to help the firm obtain designation as a Comprehensive Financial Investment Business.

Q. Reason for the Increase in Substandard & Below Loans in Q2 2026 and Any Reversal of Provisions for Credit Losses in Q2

A. The primary reason for the increase in Substandard & Below loans in Q2 2026 was the recognition of approximately KRW 138 billion in exposures related to JoongAng Group affiliates as non-performing loans. As the majority of these JoongAng Group exposures are secured by real estate collateral, we recognized KRW 44 billion in credit costs. There were no credit cost reversals in Q2 2026.

Q. Credit Cost Ratio Outlook for the Second Half of 2026

A. Considering the upcoming rate-hike environment, concerns regarding vulnerable borrowers may arise. However, as we balance asset growth focused on productive finance with proactive risk management, we expect the increase in credit costs driven by loan expansion to remain limited. We are focusing on risk management to keep our annual credit cost ratio in the low 40bp range for 2026.

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Q. Factors Behind Bank NIM Remaining Flat QoQ in Q2 2026 Despite Higher Market Interest Rates

A. In Q2 2026, bank NIM stood at 1.51%. Higher market interest rates and an increased proportion of core deposits within total deposits acted as upward drivers for NIM. However, anticipating market expectations of policy rate hikes, we proactively increased long-term funding to manage funding costs. As a result, Q2 NIM remained flat quarter-on-quarter (QoQ).

We expect that this preemptive adjustment to our funding structure during the first half—reducing short-term deposits and expanding long-term deposits in preparation for a rate-hike cycle—will slow the pace of future funding cost increases. Additionally, because asset growth was centered on CD rate-linked loans, we anticipate this will contribute to NIM expansion during the rate-hike period.

Q. Views on Profitability Concerns Regarding Productive finance

A. Woori Financial Group will not pursue productive finance through the simple quantitative expansion of low-yielding assets. Instead, we carry out productive finance in the form of asset rebalancing—reallocating existing assets, such as mortgages and loans to rental business operators, into high-quality corporate assets within the supply chains of advanced strategic industries. As a result, asset origination is strictly managed based on risk-adjusted returns (RAR) reflecting credit costs. Furthermore, we manage comprehensive customer-level profitability by leveraging our accumulated corporate lending expertise alongside group-wide synergies, including foreign exchange (FX), derivatives, and deal syndication. We believe that productive finance serves as a long-term foundation to strengthen group earnings by reducing credit costs and expanding non-interest income.

Q. Strategies Regarding Digital Asset Exchanges

A. We are closely monitoring current market conditions and regulatory environments. To respond swiftly to financial authorities' stances and regulatory shifts, we maintain tight networks with major exchange operators. Beyond account-partnership agreements, we are considering multifaceted strategic collaborations—including equity investments—and plan to determine the optimal entry strategy at the right time.

Furthermore, regarding stablecoins, although formal legislation is still pending, we are actively discussing the formation of a consortium with major financial groups to secure an issuance license. To build in-house technical capabilities and secure use cases, we have completed internal Proof-of-Concept (PoC) for asset custody for issuers and proprietary wallet payments. We have also completed real-time settlement tests for KRW-pegged stablecoins with major retail platforms, and are participating in PoCs related to building cross-border remittance infrastructure.

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Q. Guidance for Total Shareholder Return Ratio in 2026

A. Under our policy of equal quarterly dividends, we announced a dividend of KRW 220 per share for Q2, following Q1 of this year. At the beginning of the year, we committed to increasing dividend per share (DPS) by more than 10% annually, and we are delivering on that promise this year. Regarding share buybacks, following the KRW 200 billion announced earlier this year, an additional KRW 150 billion in the second half will bring total buybacks to approximately KRW 350 billion for the year. Through this, we are also executing our corporate value-up plan to raise the proportion of share buybacks and cancellations to around 10% of net income as swiftly as possible.

The upcoming year-end dividend will be determined based on a comprehensive review of our second-half earnings and capital ratios. Combined with our previously announced DPS growth (+10%) and share buybacks/cancellations (+133% YoY), and with the additional boosting effect on effective dividend from our unique non-taxable dividends (contributing roughly 5%p to our TSR rate), our total shareholder return rate is expected to increase significantly YoY this year.

Q. Bank NIM Outlook for the Second Half of 2026

A. Based on our internal simulations, a 25bps hike in the policy rate generates an expansion in KRW-denominated NIM of approximately 4bps over the following 12 months. As we have increased the proportion of CD rate-linked loans, the magnitude of expansion in net interest income (NII) and NIM during rate-hike cycles has also been rising.

However, please note that this simulation assumes an identical 25bp increase in both funding costs and lending rates, which may differ somewhat from actual market conditions. Furthermore, given external factors such as current market rates and competitive dynamics, we expect the impact of a rate hike to materialize more fully in 2027 rather than in the second half of 2026.

Q. Timing of Future Early Retirement Program Expense Recognition

A. Over the past two years, the early retirement program was implemented in January. While further early retirement programs remain a possibility, whether we continue them and on what scale will depend on various variables, including government policy on extending the retirement age and our branch reduction plans.

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Q. Plan to Balance CET1 Ratio Management and RWA Control

A. Productive finance mainly involves shifting current loans to high-tech strategic sectors. Since key corporate clients in these sectors are already major clients of Woori Bank, the incremental RWA strain is limited. While the supply of venture capital increases RWA to some extent, we manage this at the Group level by strategically allocating RWA across our banking, securities, and asset management units. Furthermore, the government is actively pursuing regulatory easing to support productive finance. By leveraging the lending capacity freed up by these regulatory changes, we expect to effectively manage our CET1 ratio while minimizing its impact.

Q. Expected Role of the Life Insurance Subsidiaries within the Group

A. While contributing to bancassurance and IB businesses is a synergy we expect to capture, our fundamental goal for the life insurance subsidiaries is to enhance their standalone profitability and contribute to group net income. To achieve this, following their inclusion into the group in July of last year, we conducted comprehensive internal strategic reviews across the entities and are currently addressing the key tasks identified. Centered on two primary pillars—solidifying their K-ICS ratios and restructuring exclusive channels—we plan to intensify sales capabilities starting next year to maximize overall profitability.

Disclaimer

This document has been prepared by Woori Financial Group Inc. (the “Company”) for the purpose of providing the information from the Company’s earnings call on July 24, 2026 to investors.

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