

## FSC ANNOUNCES 10% STAKE IN WOORI FINANCIAL GROUP TO BE SOLD

The FSC announced its plan to sell ten percent of the remaining stake (15.13%) held by the Korea Deposit Insurance Corporation in Woori Financial Group through competitive bidding.

### **BACKGROUND**

With the goal of complete privatization of WFG, the government has been selling KDIC's stake in WFG through a series of block sales and competitive auctions over the years. The sales allowed the government to recoup about 89.6 percent of public funds and afforded WFG with management autonomy as its MOU with the KDIC has been retracted in 2016. The KDIC's sale of 29.7 percent stake in December 2016 further accelerated WFG's privatization process. However, as the KDIC still maintained the largest shareholder status, the Public Fund Oversight Committee announced the roadmap for selling remaining stake in WFG in June 2019.<sup>1</sup> Thereafter, the KDIC sold two percent of its remaining stake through a block sale on April 9, 2021. After assessing market demand, on August 23, the PFOC decided to sell up to ten percent of KDIC's remaining stake in WFG through competitive bidding.

### **DETAILS**

Ten percent of shares will be put up for sale with minimum bidding of one percent through a competitive auction with highest bidders winning the auction. However, when no workable competition is established or the bidding price is below the PFOC set price, the sales method may change to a block sale. Investors who newly acquire four percent or more of stake are granted right to recommend an outside director to the board.

Successful sales of KDIC's stake in WFG at this round may lead to the completion of the privatization process of WFG in essence, since the KDIC may no longer be the largest shareholder with its right to recommend an outside director also taken away.

### **SCHEDULE**

With the sales notice announced on September 9, letters of intent (Lols) will be due on October 8 and the bidding will close and winning bidders selected in November.

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For press inquiry, please contact Foreign Media Relations at [fsc\\_media@korea.kr](mailto:fsc_media@korea.kr).

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<sup>1</sup> Please click [here](#) to see the press release dated June 25, 2019.