

3Q 2019 Business Results



1899

The Birth of Daehancheonil Bank

Daehancheonil Bank was established on January 30th of 1899. Unlike other domestic banks, the merchant group who founded this bank seriously valued the importance of national capital. With the royal permission of Gojong, the Emperor, capital support was granted to the merchants, who also invited financial officials to serve as bank directors. The bank was the first bank under the sky.



2019

Woori Financial

We will



WOORI FINANCIAL GROUP

WFG
LISTED
NYSE

Contents

- **3Q19 Financial Highlights**
- **Group Overview**
- **Earnings**
- **Assets & Liabilities**
- **Asset Quality & Capital Adequacy**
- **Appendix**

Disclaimer

This material has been prepared by Woori Financial Group ("the Company") to provide an overview of business results. This material contains certain preliminary data which has not yet been audited. It also contains forward-looking statements which may be materially different from what we predict today. Accordingly, this material may differ significantly from the actual result and is subject to change without notice. The Company, and its affiliates, accept no liability whatsoever for any losses arising from any information contained in the material.

- Woori Bank's 3Q consolidated financial results are provided in order to facilitate comparison with Group's 3Q results.
- Number presented throughout this material may not add up precisely to the totals indicated due to rounding.

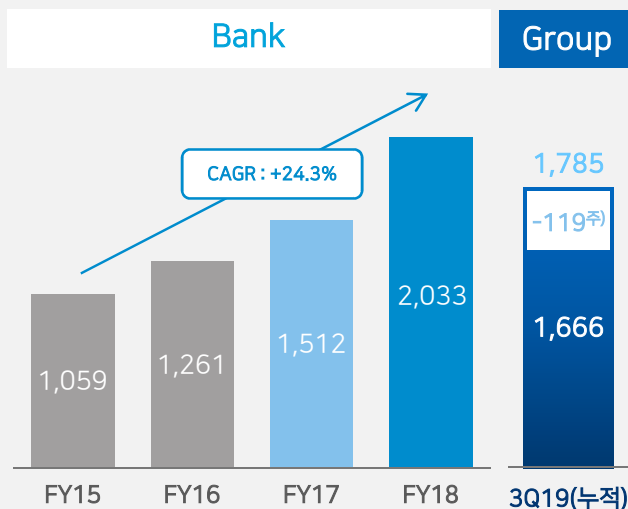
3Q19 Financial Highlights (1) Group Results Overview

Solid financial performance

- **Steady increase in interest income driven by high-quality SME lending and rise in core-deposits**
- **Balanced growth in non-interest income**
- **Costs well under control via improved asset quality and prudent cost management**
- **3Q Cumulative Net Income at W1,666bn**

Net Income (Controlling Interest)

(Won in billions)



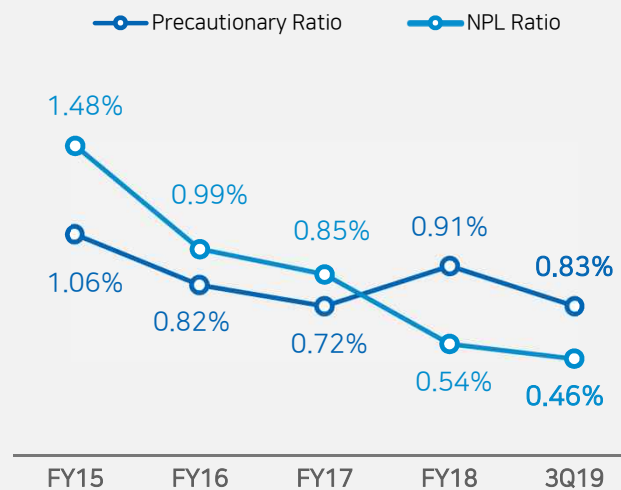
· Consolidated basis

Note) Decrease of W119bn in controlling interests due to changes in accounting method

Industry-leading asset quality maintained

- **Asset-quality oriented operations firmly engrained in corporate culture**
- **Prime Asset ratio of 85.4% shows continued improvement**
- **Asset quality continues to lead the industry**
 - Group: NPL 0.46%, Delinquency 0.35%
 - Bank: NPL 0.41%, Delinquency 0.31%

Asset Quality Ratio (Group)

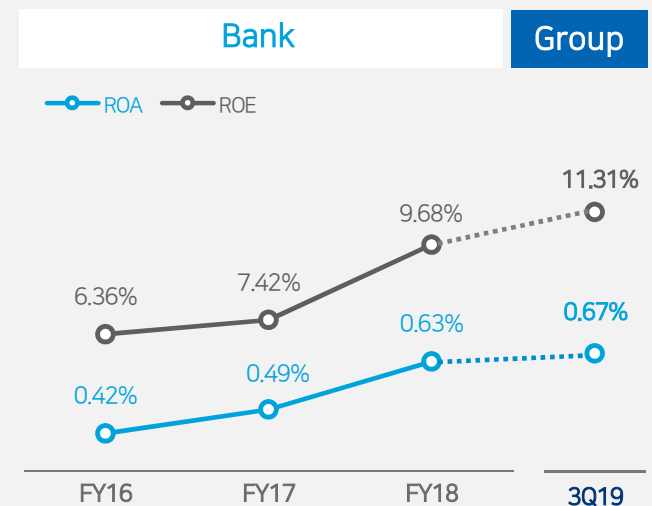


Financial Group structure gains momentum

- **"Asset Management" portfolio completed**
 - Addition of Woori Asset Management and ABL Global Asset Management (8/1)
- **"Real Estate Trust" portfolio in progress**
 - SPA signed for acquiring Kukje Asset Trust (7/25)
- **Reorganization of Woori Card and Woori Investment Bank as Direct Subsidiaries (9/10)**
- **Fubon Group acquires 4% stake in WFG (9/26)**

ROA, ROE

(Cumulative basis, Annualized figures)



· Consolidated basis

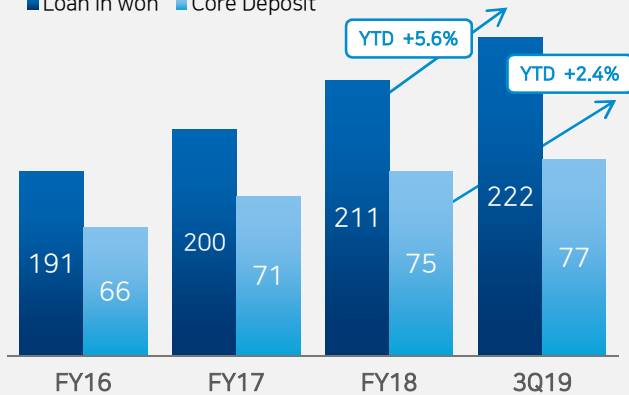
3Q19 Financial Highlights (2) Key Financial Indicators

Loans in Won/ Core Deposits Trend

(Won in trillions)

Bank

■ Loan in won ■ Core Deposit

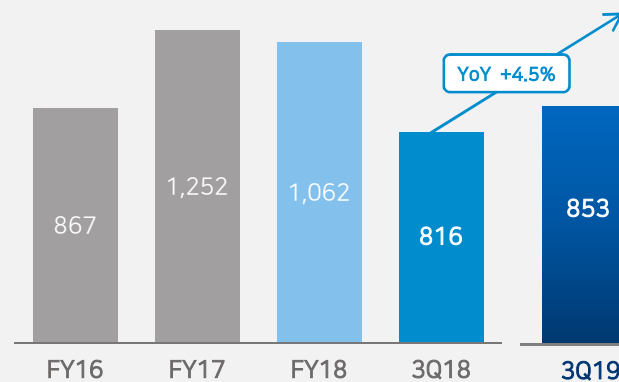


Non-Interest Income (Cumulative)

(Won in billions)

Bank

Group

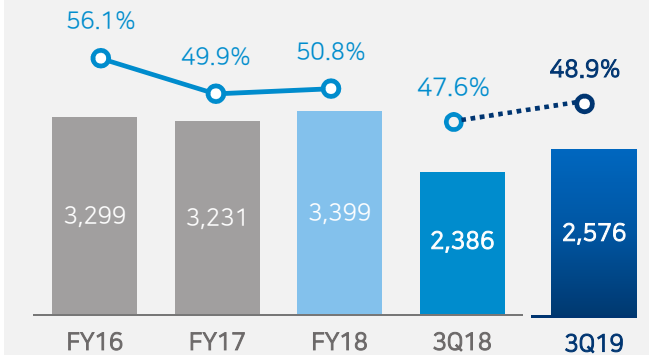


Cost-to-Income Ratio (Cumulative)

(Won in billions)

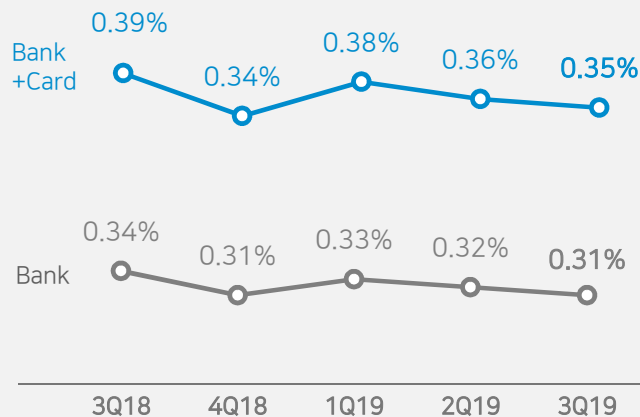
Bank

Group

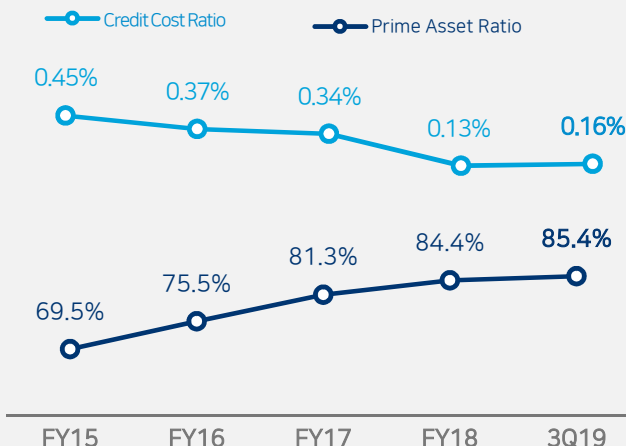


* Cost-to-income ratio = SG&A expense / (Interest Income + Non-Interest Income)
Note 1) Excluding ERP expense : 179bn(FY16), 304bn(FY17), 225bn(FY18)

Delinquency Ratio

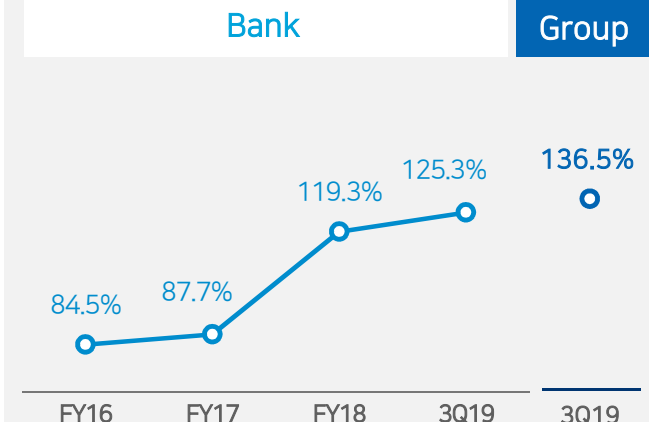


Credit Cost /Prime Asset Ratio

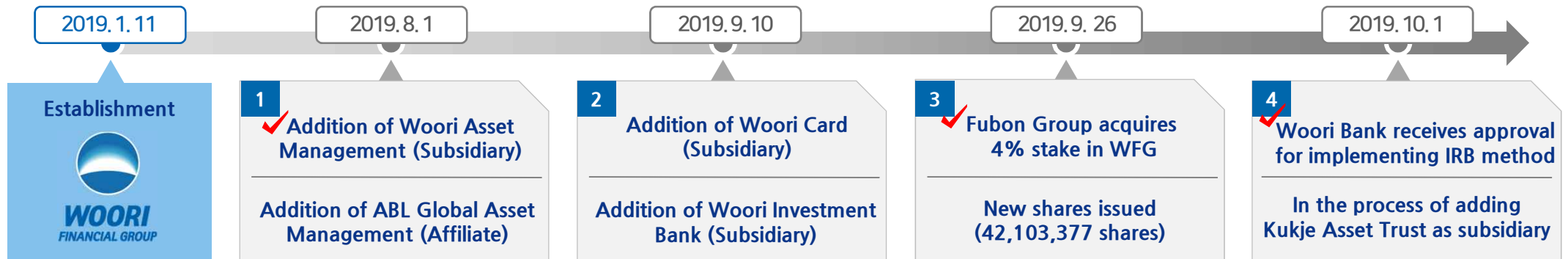


* Credit Cost Ratio = Credit cost/average Total Credit balance
(Consolidated basis, Annualized figures)

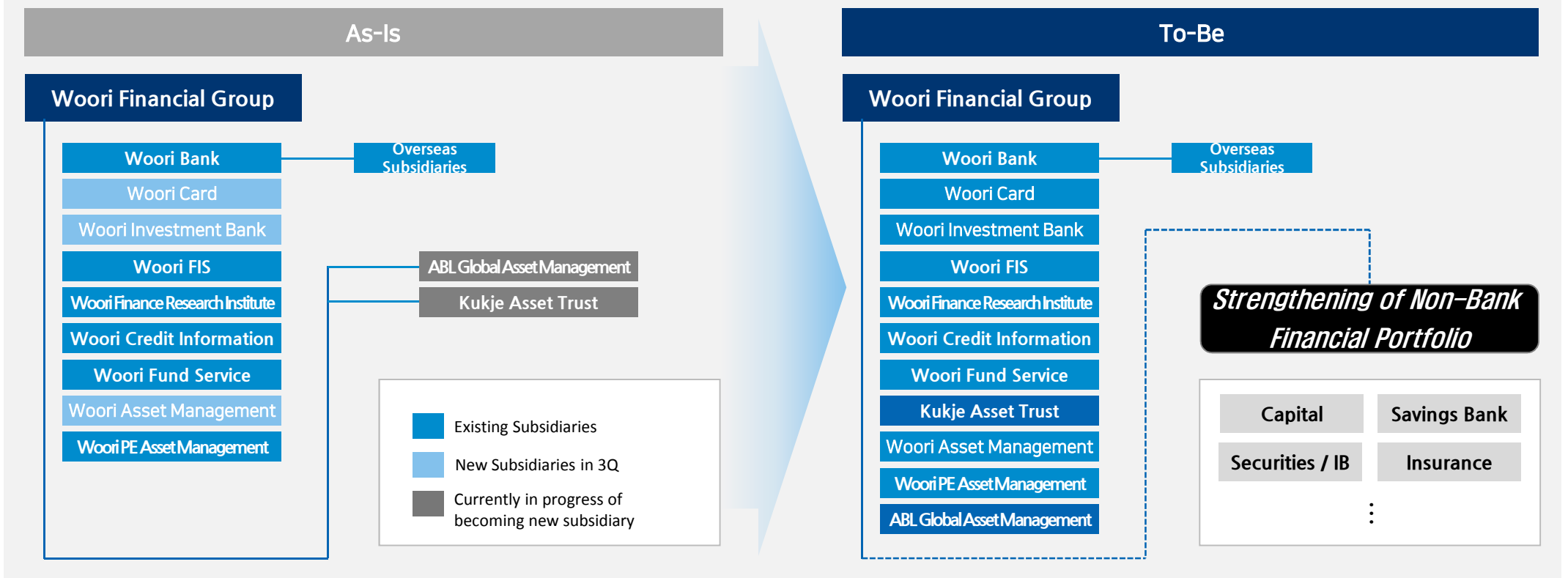
NPL Coverage Ratio



3Q19 Financial Highlights (3) Time-line of major events



Business Portfolio



II. Woori Financial Group

- Group Overview
- 

Group Overview

	Woori Financial Group (Consol.)	Subsidiaries								
		Woori Bank	Woori Card	Woori Investment Bank	Woori FIS	Woori Finance Research Institute	Woori Credit Information	Woori Fund Service	Woori Asset Management (New)	Woori PE Asset Management
Total Assets ¹⁾ (Wtn)	451.1	408.1	10.3	3.1	0.1	0.0	0.0	0.0	AUM 20.2	AUM 0.7
Shareholder's Equity ²⁾ (Wbn)	20,845	21,955	1,769	351	35	4	29	14	106	36
Net Income ³⁾ (Wbn)	1,665.7	1,292.4 ⁴⁾	94.8	35.8	2.5	0.2	1.1	1.4	6.9	-1.1
Shareholdings	Strategic Large Shareholders ⁵⁾ 20%	100%	100%	59.8%	100%	100%	100%	100%	73.0%	100%

* As of Sep. 30, 2019 (K-IFRS)

Note 1) Total assets include trust account & AUM


Note 2) Excluding non-controlling interests

Note 3) Net income attributable to controlling interests (Consolidated basis)

Note 4) Includes accounting losses related to the transfer of subsidiaries and net income from discontinued operations (including Woori Card financial results from Jan~Aug 2019) please refer to page 22

Note 5) Strategic Large shareholders : IMM, Tongyang Life Insurance, Kiwoom Securities, Korea Investment & Securities, Hanwha Life Insurance (decrease from 22% due to new issued shares)

III. Earnings

- Consolidated Income Statements
 - Interest Income & NIM / NIS
 - Non-interest Income
 - Credit Cost
 - SG&A Expense
- 

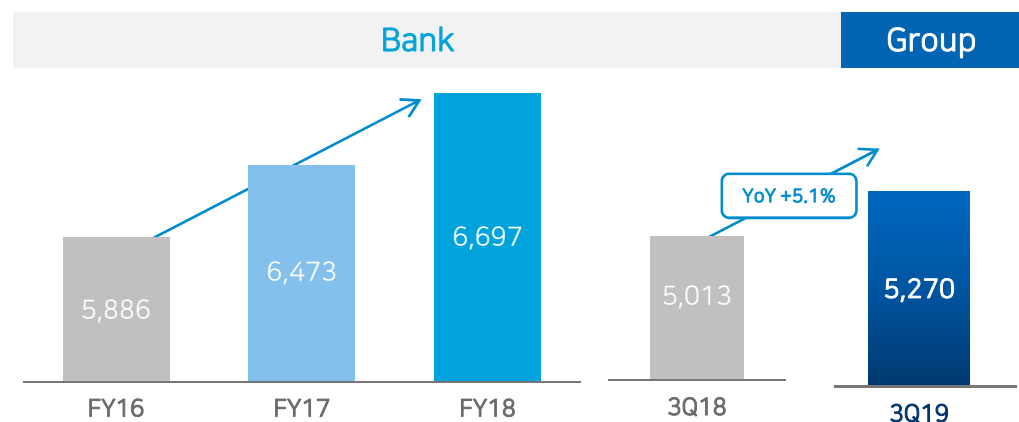
Consolidated Income Statements

Group	(Won in billions)					
	3Q19(Cum.)	3Q18(Cum.) ¹⁾	YoY(%)	3Q19	2Q19	QoQ(%)
Net Operating Revenue	5,270	5,013	5.1	1,728	1,816	-4.8
Interest Income	4,417	4,197	5.2	1,486	1,476	0.7
Non-Interest Income	853	816	4.5	242	340	-28.8
SG&A (-)	2,576	2,386	8.0	880	864	1.9
PPOP	2,694	2,627	2.6	848	952	-10.9
Impairment on Credit Loss(-)	324	54	NA	188	76	NA
Operating Income	2,370	2,574	-7.9	660	876	-24.7
Non-Operating Income	28	53	-47.2	10	25	-60.0
Income before Corp. Tax	2,398	2,627	-8.7	670	901	-25.7
Corp. Tax (-)	592	706	-16.1	136	245	-44.5
Net Income	1,806	1,921	-6.0	534	656	-18.6
Controlling Interests	1,666	1,903	-12.5	486	610	-20.3
Non-controlling Interests	140	17	NA	48	46	4.3

Note) Woori Bank consolidated figures provided for YoY comparison

Net Operating Revenue (Cumulative)

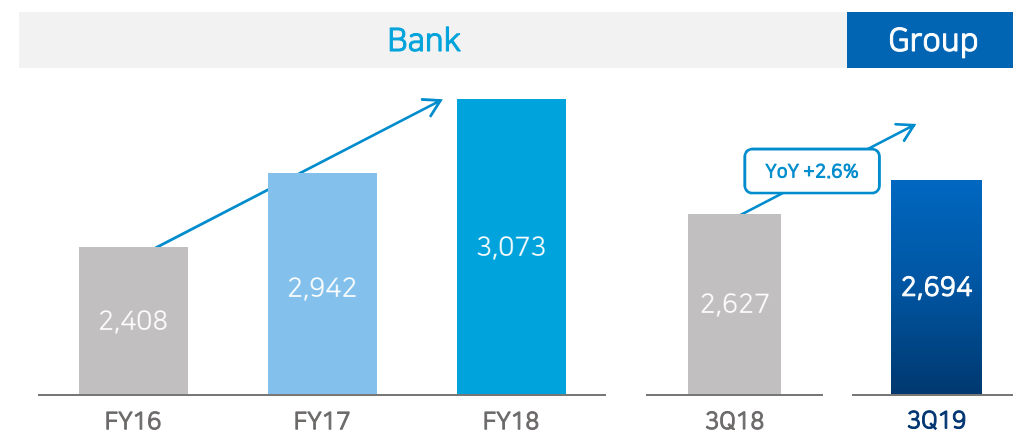
(Won in billions)



· Consolidated basis

PPOP(Pre-Provision Operating Profit) (Cumulative)

(Won in billions)

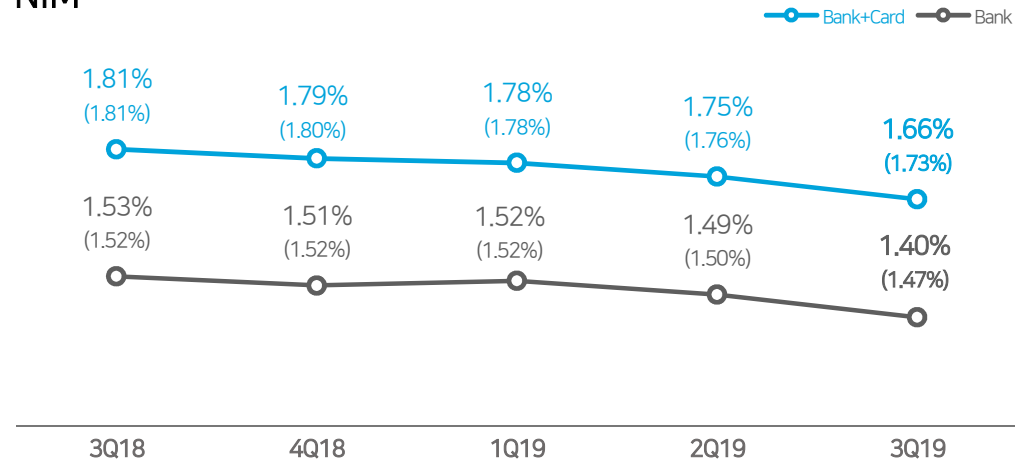


· Consolidated basis

Interest Income

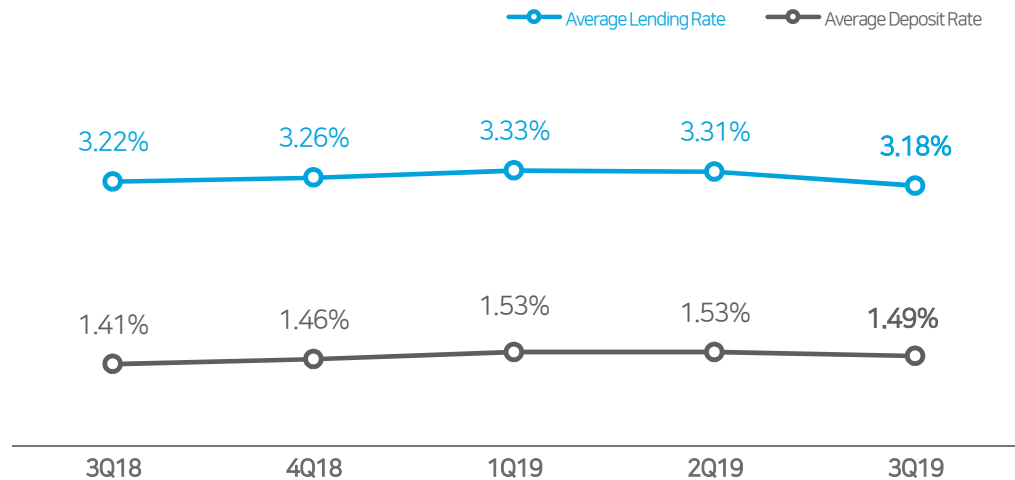
NIM/NIS

NIM



· Quarterly basis, Cumulative NIM in ()

NIS

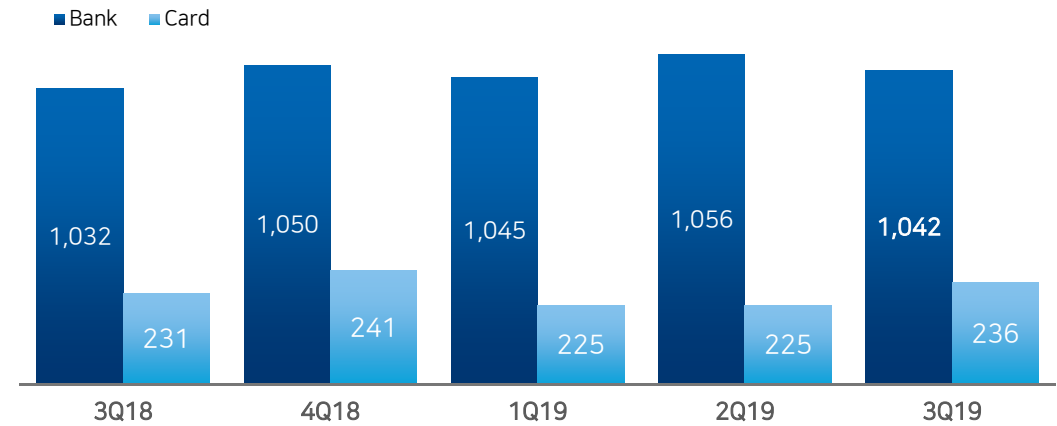


· Quarterly average based on bank's won-denominated loans / deposits

Interest Income / Interest Earning Assets

Interest Income

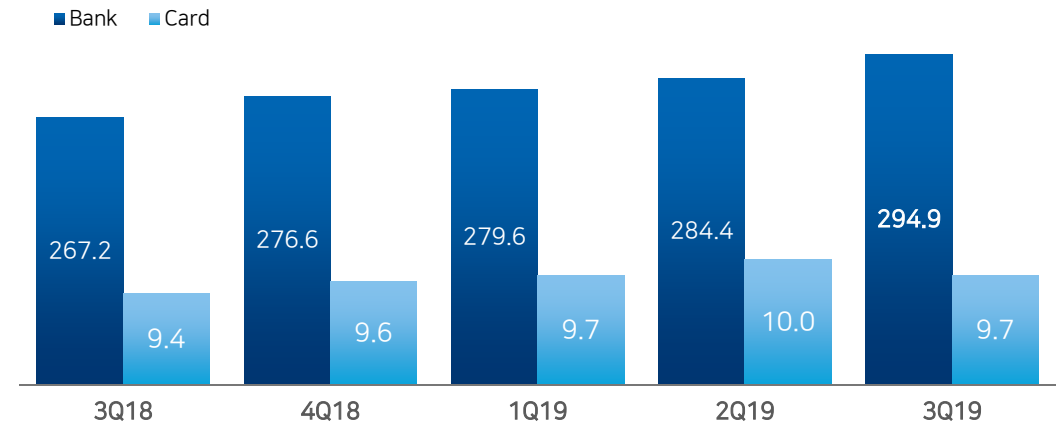
(Won in billions)



· Based on FSS reporting standard. Includes credit card merchant fees

Interest Earning Assets

(Won in trillions)



· Quarterly average balance

Non-Interest Income

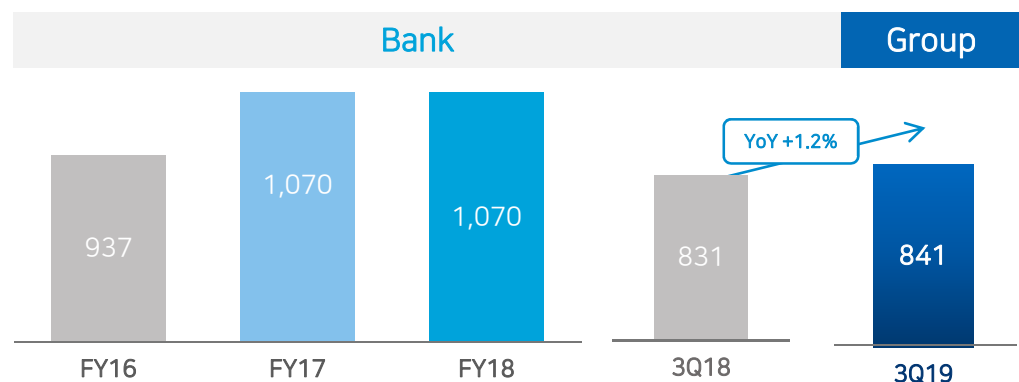
Group	(Won in billions)					
	3Q19(Cum.)	3Q18(Cum.) ¹⁾	YoY(%)	3Q19	2Q19	QoQ(%)
Non-Interest Income	853	816	4.5	242	340	-28.8
Fees & Commission	841	831	1.2	281	285	-1.4
Wealth Management	278	274	1.5	87	100	-13.0
Trust	130	141	-7.8	42	47	-10.6
Bancassurance	71	66	7.6	23	24	-4.2
Fund	77	67	14.9	22	29	-24.1
Credit Card	103	142	-27.5	35	30	16.7
Other Fees	460	415	10.8	159	155	2.6
FX Trading/ Derivatives	227	275	-17.5	92	80	15.0
Securities	173	163	6.1	39	51	-23.5
Valuation/Disposal of Loans	101	43	134.9	5	74	-93.2
Others ²⁾	-489	-495	-1.2	-175	-150	16.7

Note 1) Woori Bank consolidated figures provided for YoY comparison

Note 2) Deposit Insurance Fees and etc.

Fees & Commission

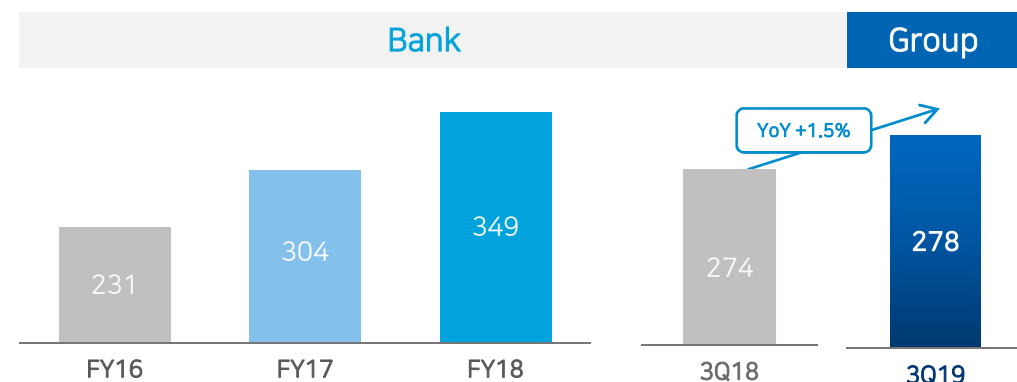
(Won in billions)



· Consolidated basis

Wealth Management (Fees & Commission)

(Won in billions)



· Consolidated basis

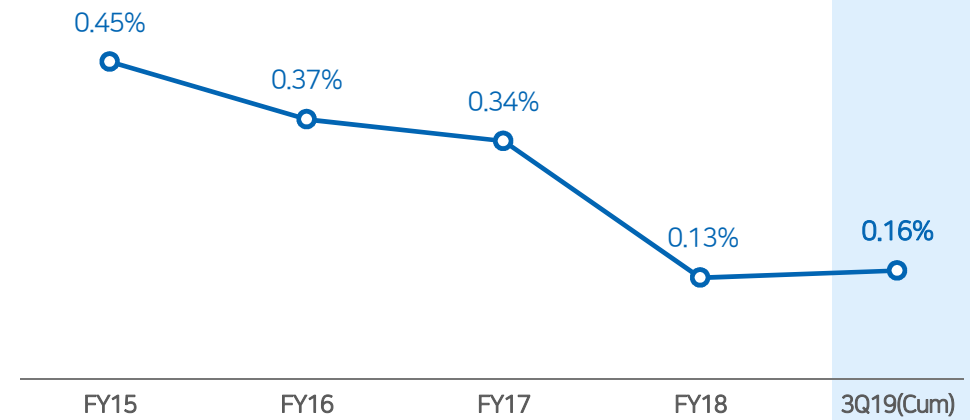
Credit Cost

Group							
	3Q19 (Cum.)	1H19	1Q19	FY18	FY17	FY16	FY15
Credit Cost ¹⁾ (Wbn)	324	136	60	330	785	834	967
Total Credit ²⁾ (Wtr)	271.5	260.0	257.0	254.3	238.5	231.2	223.2

Note 1) Net increase in provisions for loan losses, unused credit line and guarantees, Cumulative basis

Note 2) Ending balance

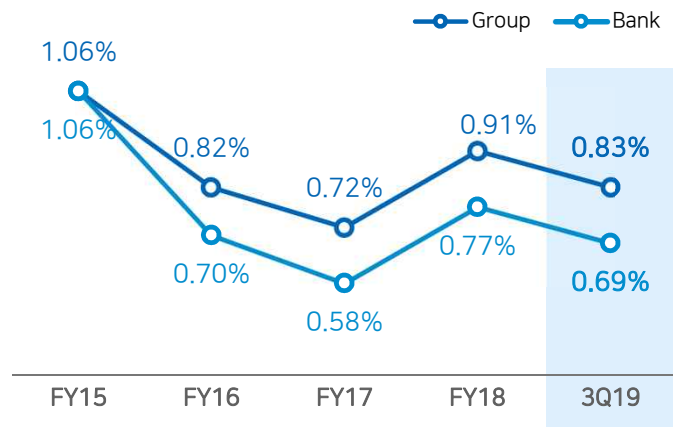
Credit Cost Ratio



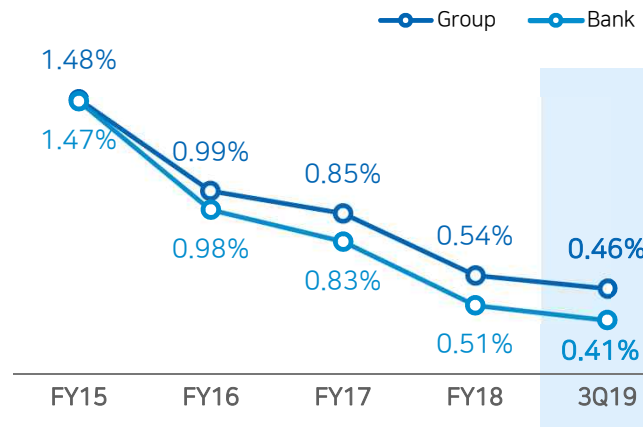
· Credit Cost Ratio = Credit cost/average Total Credit balance
(Consolidated basis, Annualized figures)

Asset Quality Ratio Trend

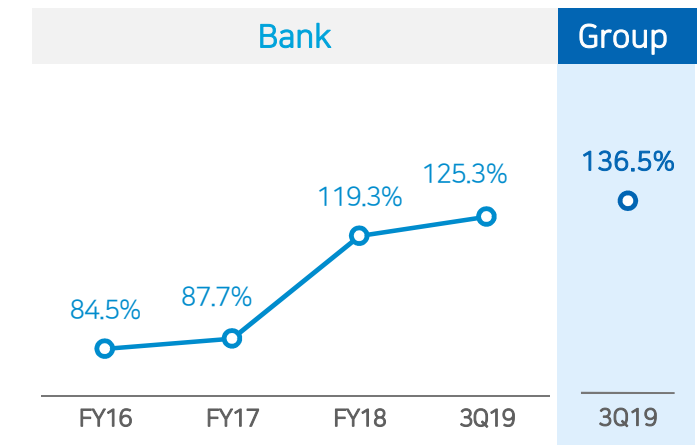
Precautionary Ratio



NPL Ratio



NPL Coverage Ratio



SG&A Expense

Group	(Won in billions)					
	3Q19(Cum.)	3Q18(Cum.) ¹⁾	YoY(%)	3Q19	2Q19	QoQ(%)
SG&A Expense	2,576	2,386	8.0	880	864	1.9
Salaries & Benefits	1,572	1,457	7.9	528	518	1.9
ERP Expense	8	21	-61.9	-	-	-
Salaries & Benefits (excl. ERP)	1,564	1,436	8.9	528	518	1.9
General & Administration	546	679	-19.6	183	188	-2.7
Depreciation	246	158	55.7	131	118	11.0
Taxes & Dues	112	93	20.4	38	40	-5.0

Note 1) Woori Bank consolidated figures provided for YoY comparison

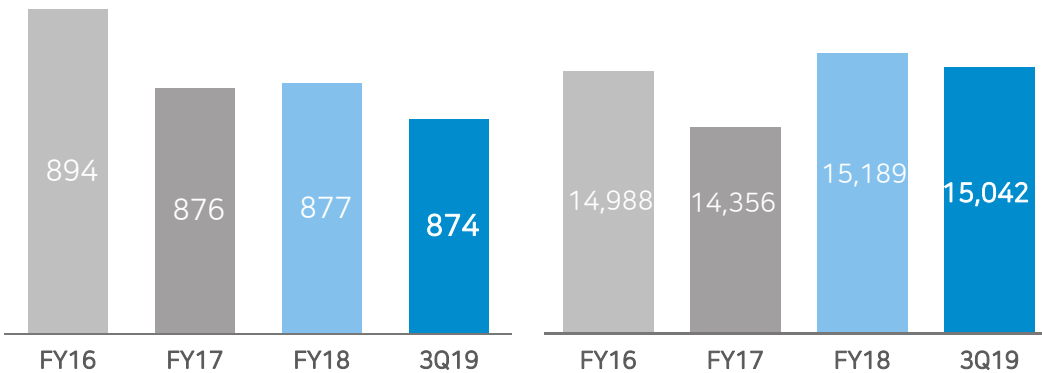
Branches and Workforce (Bank)

Branches

(Unit : Branch)

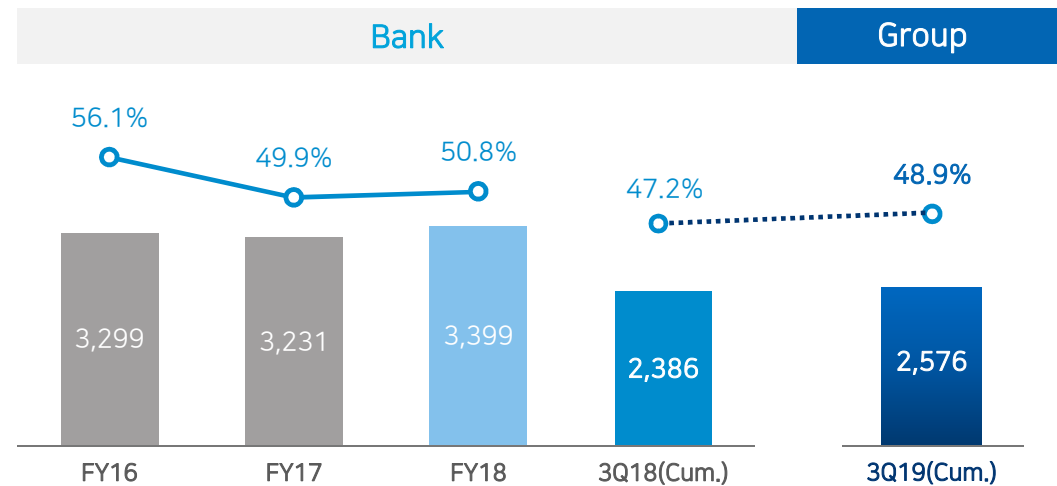
Workforce

(Unit : Person)



• Domestic branches and sub-branches only

SG&A Expense and Cost-to-Income Ratio Trend ¹⁾



• Cost-to-income ratio = SG&A expense / (Interest Income + Non-Interest Income)

• Note 1) Excluding ERP expense : 179bn(FY16), 304bn(FY17), 225bn(FY18)

IV. Assets & Liabilities

- Statement of Financial Position
 - Funding
 - Loans
- 

Statement of Financial Position (Consolidated)

Group			
	3Q19	2Q19	QoQ(%)
Total Assets	370.8	359.4	3.2
Financial Assets	56.7	53.1	6.8
Loans and Receivables	292.1	294.6	-0.8
Loans in Won	224.0	217.9	2.8
Loans in F/C	18.9	18.0	5.0
Foreign Bills Bought	6.9	6.4	7.8
Assets held for sale	-	-	-
Total Liabilities	346.5	336.6	2.9
Deposits	262.0	256.1	2.3
Borrowings	21.2	19.3	9.8
Debentures	31.6	30.6	3.3
Liabilities related to assets held for sale	-	-	-
Shareholder's Equity ¹⁾	20.8	19.4	7.2
Capital Stock	3.6	3.4	5.9
Hybrid Securities	0.5	-	NA
Retained Earnings	18.3	17.8	2.8
(Non-controlling Interests)	3.4	(3.4)	-
Group Total Assets ²⁾	451.1	410.5	9.9

Note 1) Controlling Interest

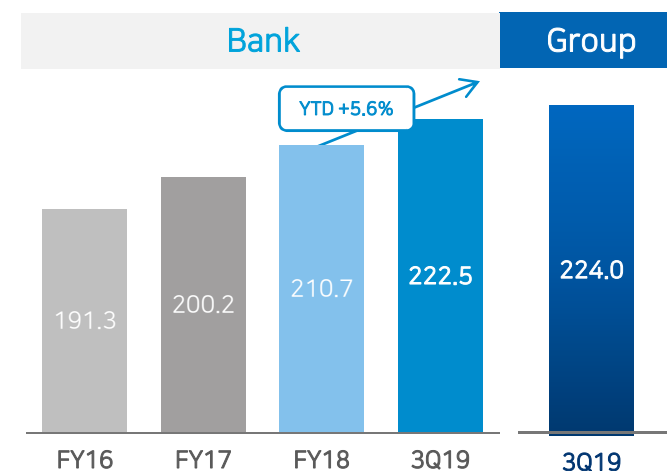
Note 2) Total assets include trust account & AUM

Bank (Consolidated)					
	3Q19	FY18	YTD(%)	2Q19	QoQ(%)
Total Assets	357.2	340.4	4.9	359.3	-0.6
Financial Assets	55.5	47.1	17.8	52.2	6.3
Loans and Receivables	289.0	282.4	2.3	283.8	1.8
Loans in Won	222.5	210.7	5.6	216.3	2.9
Loans in F/C	18.9	15.2	24.3	18.0	5.0
Foreign Bills Bought	6.9	7.9	-12.7	6.4	7.8
Assets held for sale	-	0.1	NA	12.2	NA
Total Liabilities	335.2	318.5	5.2	337.2	-0.6
Deposits	260.4	248.7	4.7	254.9	2.2
Borrowings	21.0	16.2	29.6	19.3	8.8
Debentures	23.8	28.7	-17.1	23.4	1.7
Liabilities related to assets held for sale	-	0.1	NA	10.1	NA
Shareholder's Equity ¹⁾	22.0	21.7	1.4	21.9	0.5
Capital Stock	3.4	3.4	-	3.4	-
Hybrid Securities	3.2	3.2	-	3.2	-
Retained Earnings	17.1	17.1	-	17.1	-
(Non-controlling Interests)	(0.1)	(0.2)	-50.0	(0.2)	-50.0
Group Total Assets ²⁾	408.1	389.5	4.8	409.7	-0.4

(Won in trillions)

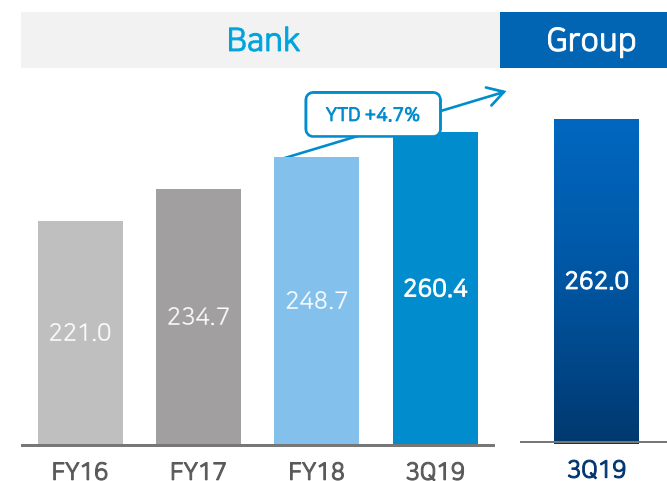
Loans in Won

(Won in trillions)



Deposits

(Won in trillions)



Funding (Bank)

Breakdown by Funding Sources

(Won in billions)

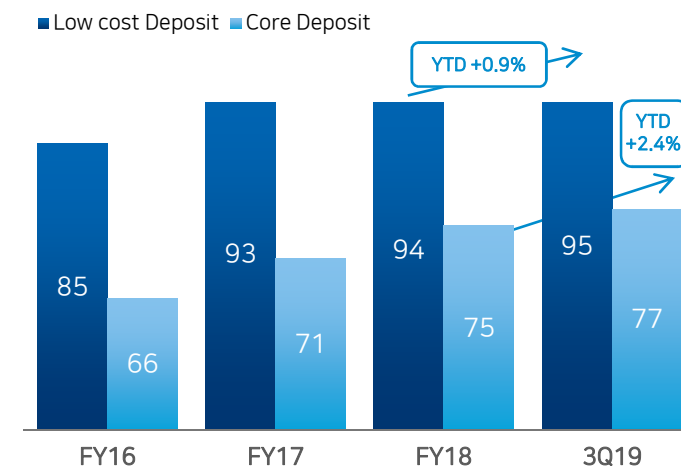
	3Q19	FY18	YTD(%)	2Q19	QoQ(%)
Total Funding in KRW	259,350	246,300	5.3	254,739	1.8
Low Cost Deposits ¹⁾	94,915	94,047	0.9	93,827	1.2
Core Deposits	76,883	75,075	2.4	75,249	2.2
MMDA(Corporate)	18,032	18,972	-5.0	18,577	-2.9
Savings Deposits	135,156	121,250	11.5	128,646	5.1
Marketable Deposits	2,768	6,465	-57.2	6,298	-56.0
Borrowings	7,210	6,467	11.5	6,988	3.2
Debentures	19,301	18,071	6.8	18,981	1.7
Total Funding in FC	30,944	26,238	17.9	28,753	7.6
Total Funding	290,294	272,538	6.5	283,492	2.4

• Ending Balance basis (Bank Only)

• Note1) demand deposits, retail & corporate savings deposits, MMDA included

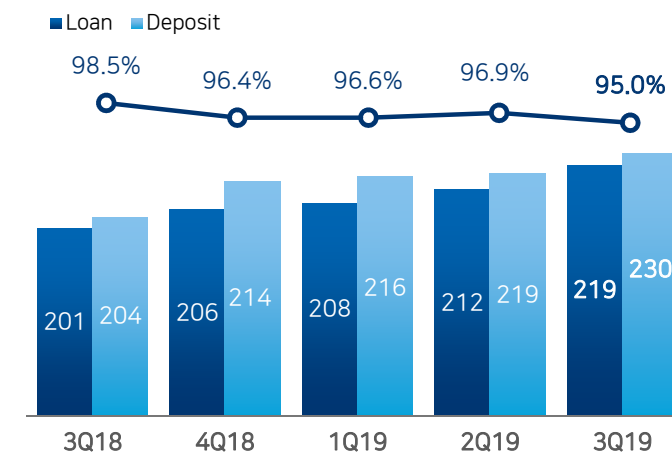
Low Cost Deposit Trend

(Won in trillions)



Loan-to-Deposit Ratio

(Won in trillions)



• Monthly average basis

Loans (Bank)

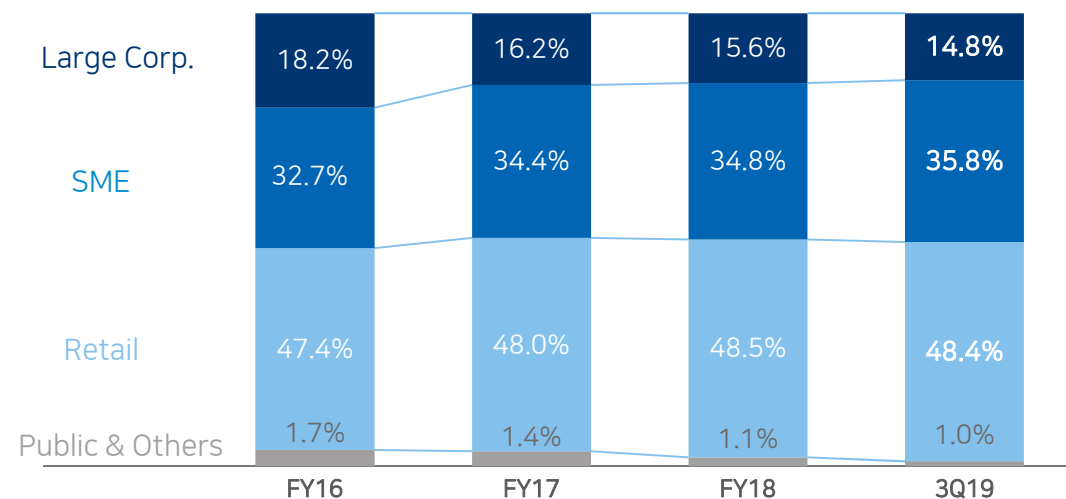
Breakdown by Borrowers

(Won in billions)

	3Q19	FY18	YTD(%)	2Q19	QoQ(%)
Large Corp.	36,694	36,463	0.6	35,778	2.6
SME	88,900	81,303	9.3	86,146	3.2
Corporate	44,416	39,709	11.9	42,825	3.7
SOHO	44,484	41,594	6.9	43,321	2.7
Retail	120,115	113,497	5.8	116,600	3.0
Secured	95,218	90,188	5.6	92,969	2.4
Unsecured	24,897	23,309	6.8	23,630	5.4
Public & Others	2,504	2,653	-5.6	2,566	-2.4
Total	248,213	233,916	6.1	241,089	3.0

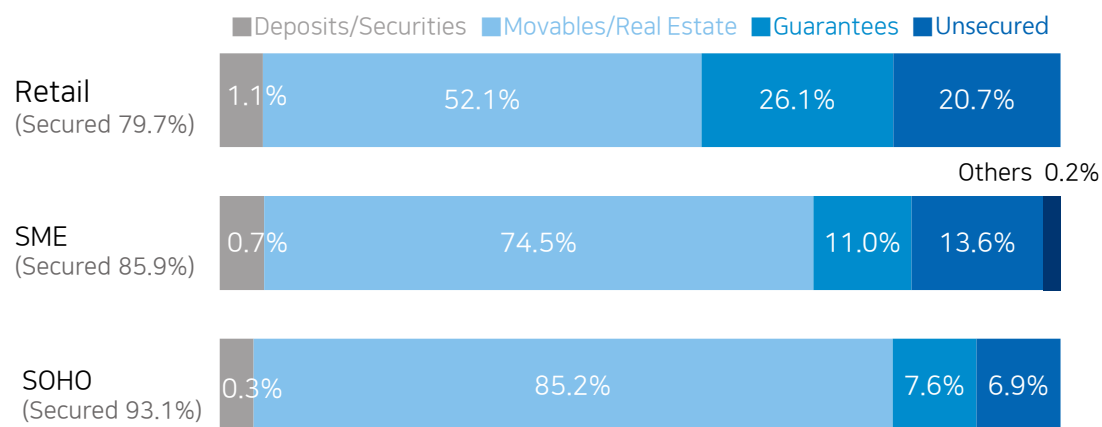
• FSS NPL reporting standards
(including banking and trust account, foreign bills bought, guarantees and etc.)

Loan Portfolio



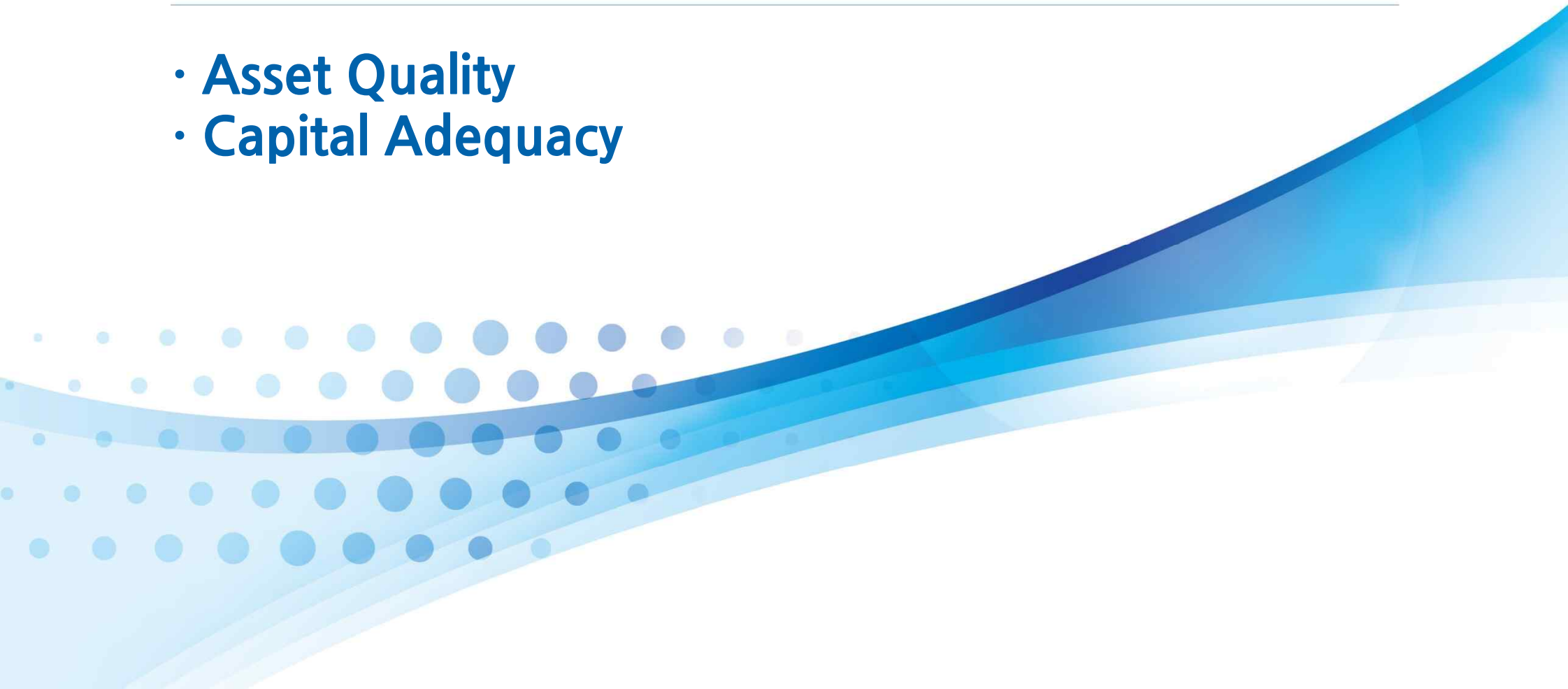
• FSS NPL reporting standards

Breakdown by Collateral



• Won Loan basis

V. Asset Quality / Capital Adequacy

- Asset Quality
 - Capital Adequacy
- 

Asset Quality

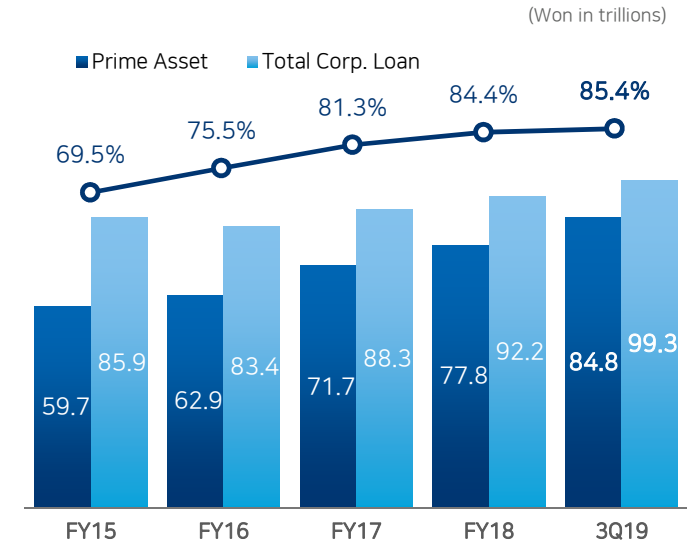
Group	3Q19	2Q19	QoQ (%,%p)
Total Credit Offering	267,999	263,090	1.9
Precautionary	2,259	2,162	4.5
	0.83%	0.82%	0.01
Substandard & Below (NPL)	1,240	1,240	-
	0.46%	0.47%	-0.01
Loan Loss Reserve	1,692	1,632	3.7
LLR / (Substandard & Below Loans)	136.5%	131.6%	4.9

· Bank Only

Bank	3Q19	FY18	YTD (%,%p)	2Q19	QoQ (%,%p)
	248,214	233,916	6.1	241,089	3.0
	1,718	1,806	-4.9	1,637	4.9
	0.69%	0.77%	-0.08	0.68%	0.01
	1,012	1,182	-14.4	1,027	-1.5
	0.41%	0.51%	-0.10	0.43%	-0.02
	1,268	1,410	-10.1	1,237	2.5
	125.3%	119.3%	6.0	120.4%	4.9

(Won in billions)

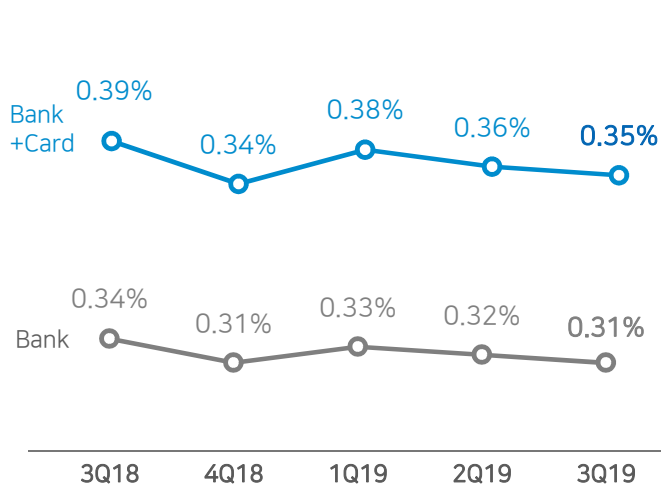
Prime Asset Ratio



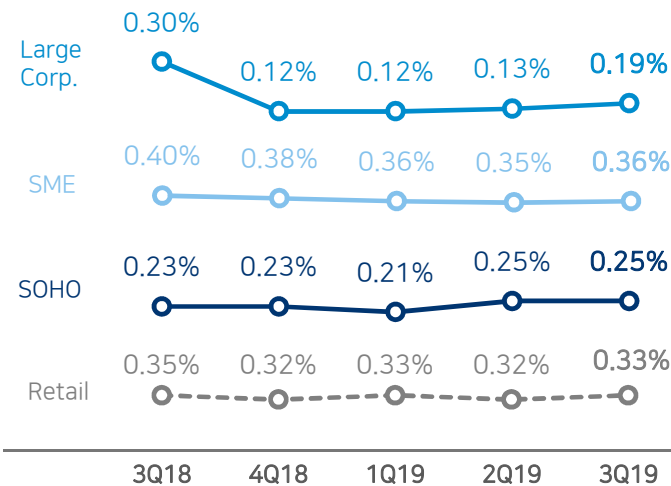
· Won loan basis

· Prime Asset : Internal credit rating of BBB and above

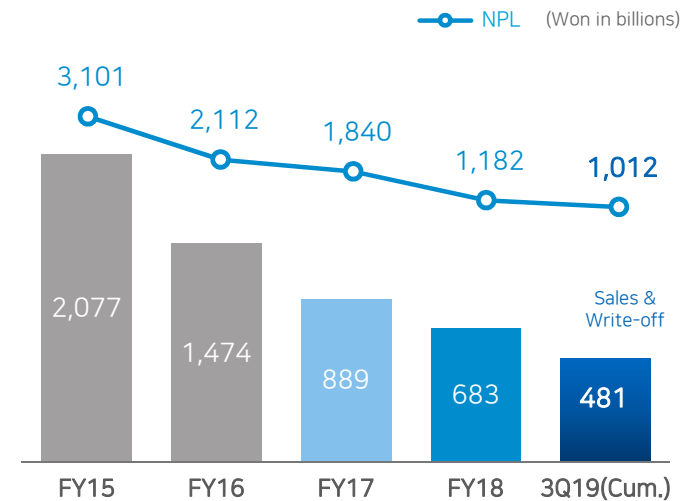
Delinquency



Delinquency Ratio (Bank)



Trend in NPL (Bank)

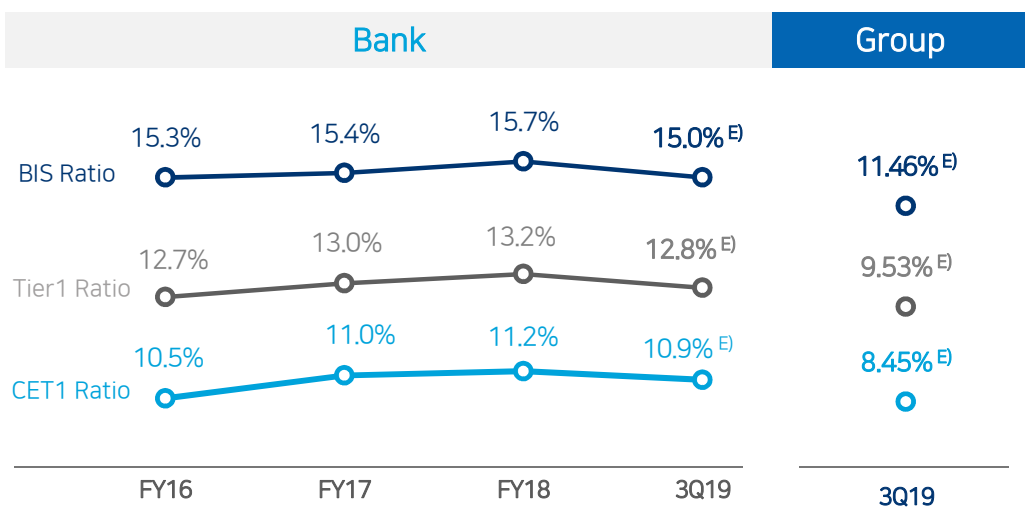


Capital Adequacy

Group			
	3Q19	2Q19	QoQ(%)
Total Capital	26,640	24,985	6.6
Common Equity	19,629	18,778	4.5
Tier 1 Capital	22,154	20,867	6.2
Risk-Weighted Assets	232,391	225,003	3.3

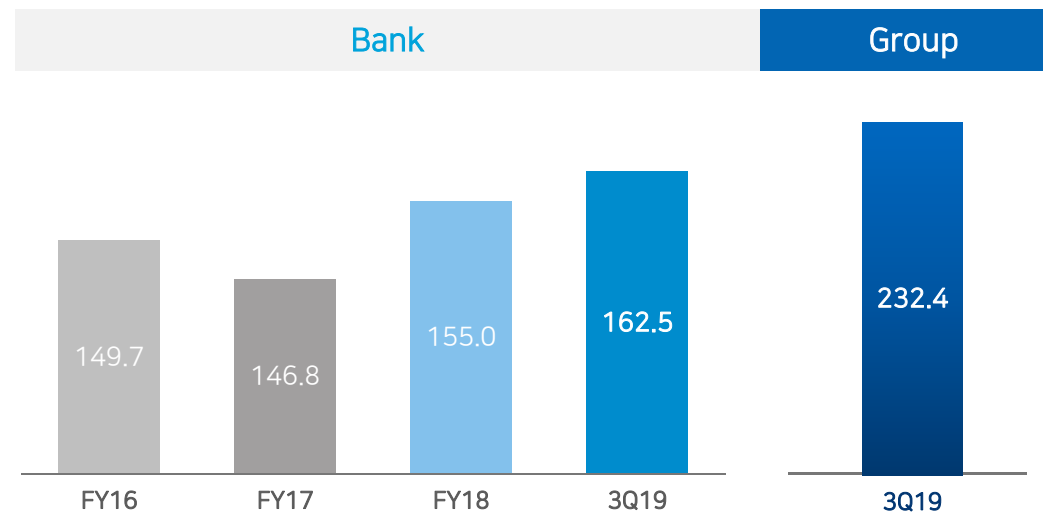
Bank (Consolidated)					(Won in billions)
	3Q19	FY18	YTD(%)	2Q19	QoQ(%)
Total Capital	24,353	24,251	0.4	24,248	0.4
Common Equity	17,785	17,276	2.9	17,672	0.6
Tier 1 Capital	20,751	20,423	1.6	20,654	0.5
Risk-Weighted Assets	162,522	154,971	4.9	166,486	-2.4

BIS Ratio Trend



· Consolidated basis

Risk-Weighted Assets



· Consolidated basis

VI. Appendix

- (1) Woori Bank (Consolidate Income Statements)
 - (2) Woori Card at a Glance
- 

Appendix : Consolidated Income Statements (Woori Bank)

Bank (Consolidated)	(Won in billions)					
	3Q19(Cum.)	3Q18(Cum.)	YoY(%)	3Q19	2Q19	QoQ(%)
Net Operating Revenue	4,714	4,472	5.4	1,535	1,629	-5.8
Interest Income	3,996	3,819	4.6	1,334	1,342	-0.6
Non-Interest Income	718	653	10.0	201	287	-30.0
SG&A (-)	2,390	2,284	4.6	815	808	0.9
PPOP	2,324	2,188	6.2	720	821	-12.3
Impairment on Credit Loss(-)	132	-128	NA	125	11	NA
Operating Income	2,192	2,316	-5.4	595	810	-26.4
Non-Operating Income ¹⁾	153	57	NA	202	12	NA
Income before Tax from continuing operation	2,345	2,373	-28.3	797	822	-3.0
Corp. Tax from continuing operation (-)	562	677	-17.0	128	228	-43.9
NI from continuing operations	1,783	1,696	5.1	669	594	12.6
NI from discontinued operations ²⁾	-471	225	NA	-603	74	NA
Net Income	1,312	1,921	-31.7	66	668	-90.1
Controlling Interests	1,292	1,903	-32.1	60	661	-90.9
Non-controlling Interests	20	17	17.6	6	7	-14.3

Accounting treatment for subsidiaries transferred from Woori Bank to the Holding Company

1) Includes accounting gains/losses related to the transfer of subsidiaries (5 subsidiaries in 1Q19 and Woori Investment Bank in 3Q19)

2) Includes financial results of Woori Card reclassified as net income from discontinued operations (reclassified period: Jan~Sep 2018 and Jan~Aug 2019) and accounting gains/losses related to transfer in 3Q19

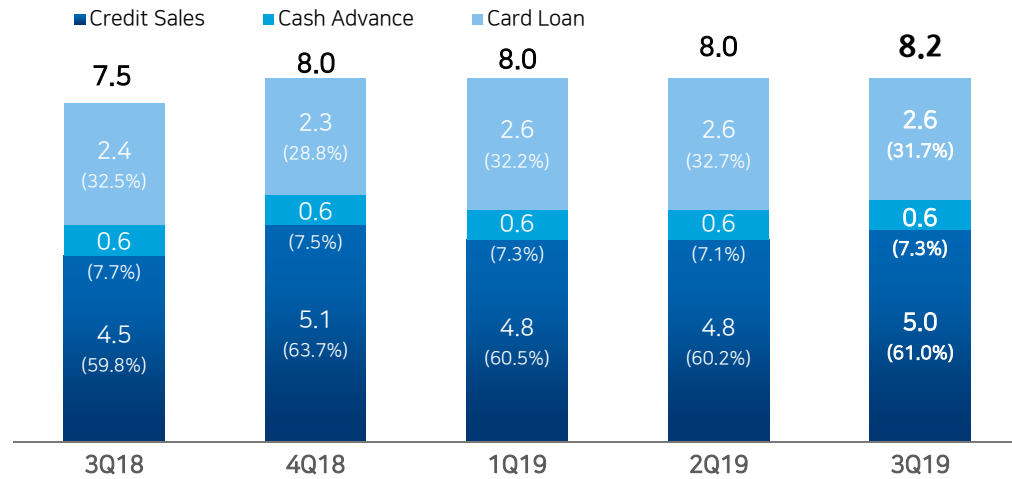
1) Normalized net income for Woori Bank is around W1.8tn considering the impact from accounting treatment

2) The accounting treatment of Woori Bank does not impact the Group's consolidated Income Statement

Woori Card at a Glance

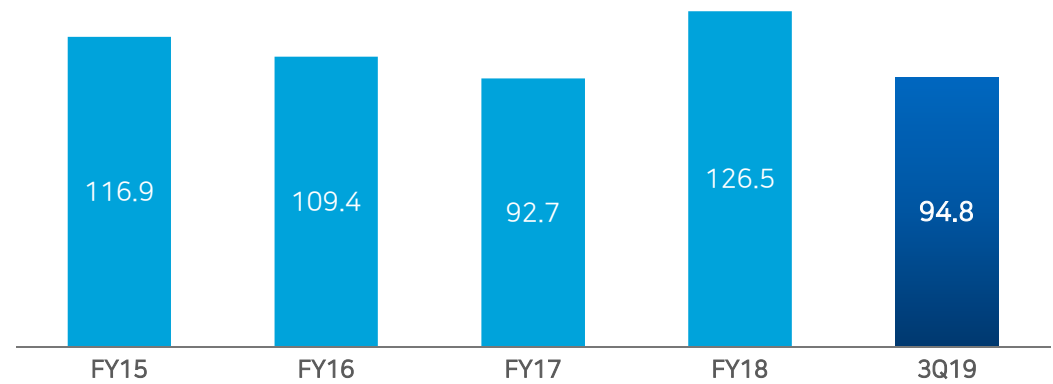
Asset Breakdown

(Won in trillions)



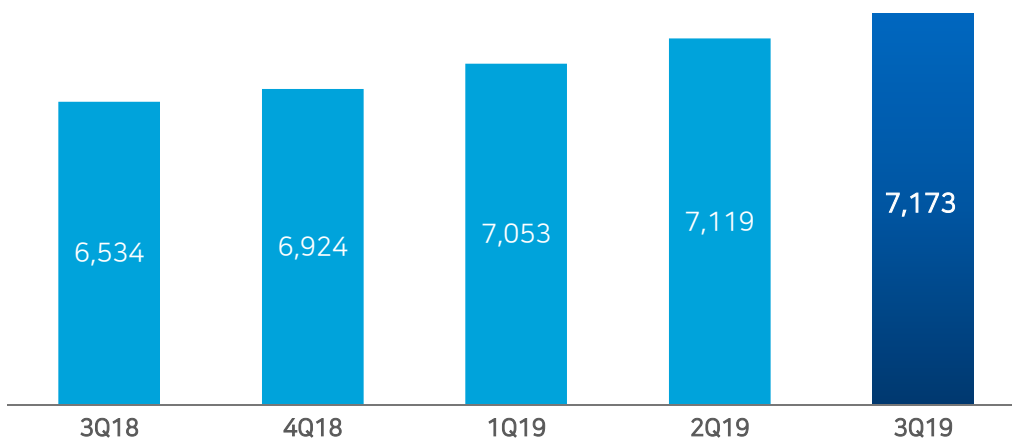
Net Income

(Won in billions)



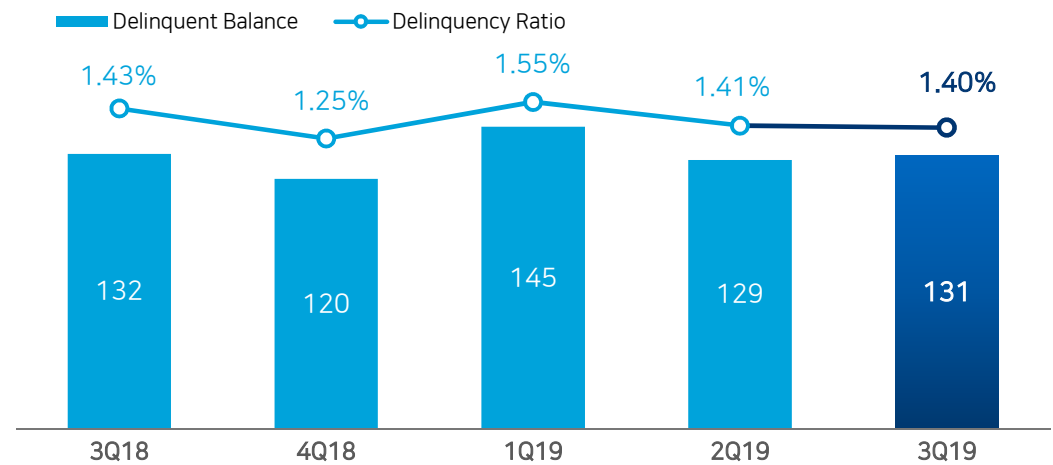
Effective Members¹⁾

(Unit : thousand persons)



Delinquency Ratio

(Won in billions)



Note 1) Customers using credit card for at least one transaction or credit services (cash advance or card loan) within a month



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