



WOORI FINANCIAL GROUP

# 2011 3Q RESULTS

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※ (Appendix) List of Major Securities held

**DISCLAIMER** Beginning in 2011, Woori Financial Group ("the Company") is required to prepare financial statements under Korean IFRS ("K-IFRS"). As such, our quarterly financial statements for 2011 and subsequent years will be prepared in accordance with K-IFRS. However, some data in the past year was reconciled from Korean GAAP to Korean IFRS for comparison purposes. This material has been prepared by the Company and presented solely for your information. 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.

# WFG at a Glance

	Banking Subsidiaries			Non-Banking Subsidiaries								Group <sup>1)</sup>
	Woori Bank	Kwangju Bank	Kyongnam Bank	Woori Investment & Securities	Woori Aviva Life Insurance <sup>2)</sup>	Woori Asset Mgmt	Woori FIS	Woori F&I	Woori Private Equity	Woori Financial	Woori FG Savings Bank <sup>3)</sup>	
Assets (Wtn)	259.3	19.6	28.1	44.7	3.0	AUM 12.4	0.3	1.2	Raised Capital 1.0	3.1	0.7	372.4
Shareholder's Equity (Wbn)	18,022	1,194	1,780	2,722	154	64	28	212	28	253	110	16,904
Net Income (Wbn)	1,732	110	181	128	7.7	3.1	-6.1	38	2.7	32	0.5	1,815
No. of Branches	944	146	151	125	47	-	-	-	-	20	2	1,435
No. of Employees	16,115	1,777	2,406	3,028	337	131	983	30	24	560	138	25,723
Shareholdings	100.0%	99.9% <sup>4)</sup>	99.9% <sup>4)</sup>	35.0% <sup>5)</sup>	51.6%	100.0%	100.0%	100.0%	100.0%	52.5%	100.0%	KDIC Stake 57.0%

※ All the figures in consolidated basis as of September 30, 2011 (K-IFRS)

Note 1) Group total assets include trust account and AUM

Note 2) Became non-consolidated subsidiary as a result of K-IFRS adoption (joint venture)

Note 3) Included as subsidiary as of March 16, 2011. K-GAAP basis

Note 4) Became 100%-owned subsidiary as of October 5, 2011

Note 5) Common shares only

# Key Performance Indicators

	Indicators	FY08		FY09		FY10 <sup>2)</sup>		3Q11	
				K-GAAP				K-IFRS	
		Bank	Group	Bank	Group	Bank	Group	Bank	Group
Profitability	ROA (%)	0.2	0.2	0.4	0.3	0.5 (0.6)	0.4 (0.4)	1.0	0.8
	ROE (%)	3.9	3.5	8.0	7.9	8.3 (7.8)	8.4 (8.4)	13.1	14.8
Capital Adequacy	BIS Ratio (%)	11.7	10.7	14.3	12.4	14.5	12.5	14.4(E)	12.4(E)
	Tier 1 Ratio (%)	7.7	6.7	10.2	8.3	11.1	9.0	11.4(E)	9.0(E)
Asset Quality	Bank Delinquency Ratio (%)	0.92		0.61		1.00		1.34	
	NPL Ratio (%)	1.2	1.2	1.5	1.7	3.2	3.3	2.2	2.6
	NPL Coverage Ratio (%)	145.7	139.6	117.4	111.3	72.2	70.2	102.7 <sup>3)</sup>	91.2 <sup>3)</sup>
Per Share Data	EPS (Won)		564		1,273		1,483 (1,599)		3,011
	BPS (Won)		15,145		17,023		18,038 (19,531)		20,972
	DPS (Won)		0		100		250		NM
Rating <sup>1)</sup>	Moody's	A2	A2	A2	A2	A1	A2	A1	A2
	Fitch	A-	BBB+	A-	BBB+	A-	BBB+	A-	BBB+
	S&P	A-	BBB+	A-	BBB+	A-	BBB+	A-	BBB+

Note 1) Bank rating: Woori Bank only

Note 2) Figures in ( ) are based on K-IFRS and prepared for comparison purposes

Note 3) (Loan Loss Reserve + Retained Earnings earmarked for credit losses) / Substandard and below loans

# Earnings

Condensed Income Statement

Earnings by Sector

NIM and NIS

Fee and Commission Revenue

Credit Cost

SG&A Expense

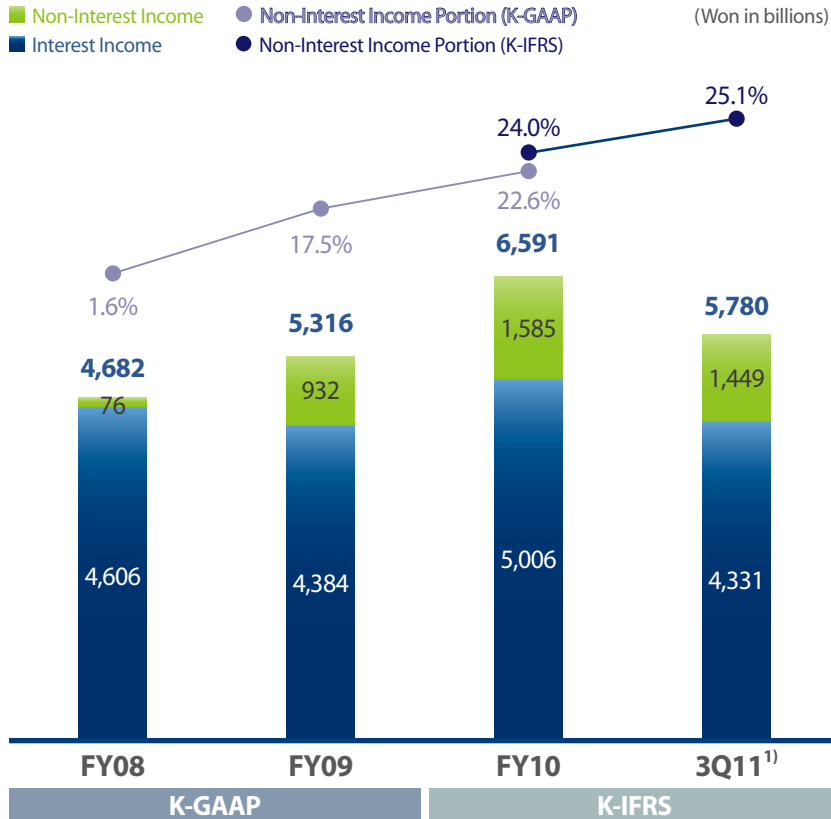
# Condensed Income Statement

(Won in billions)

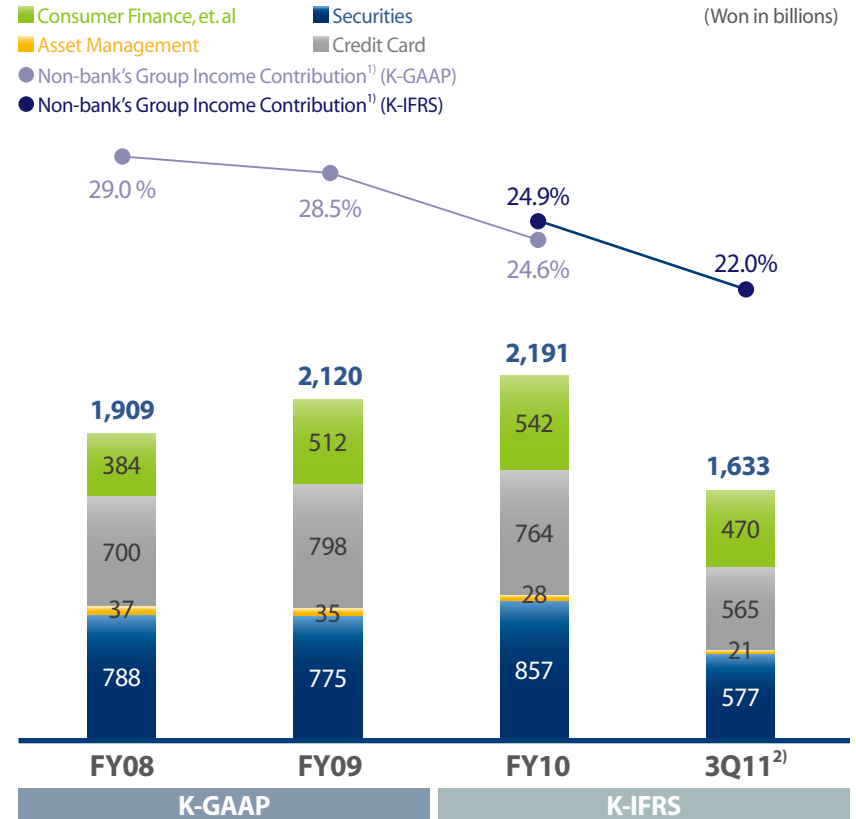
	1Q11	2Q11	3Q11	3Q10 <sub>(Cumul.)</sub>	3Q11 <sub>(Cumul.)</sub>	QoQ	YoY
	<b>K-IFRS</b>						
<b>Operating Income</b>	803	1,213	692	1,941	2,708	-43.0%	39.5%
<b>Interest Income</b>	1,733	1,807	1,858	4,735	5,398	2.8%	14.0%
<b>Non-Interest Income</b>	348	1,177	177	1,641	1,702	-85.0%	3.7%
<b>SG&amp;A (-)</b>	826	988	893	2,404	2,707	-9.6%	12.6%
<b>Impairment on Credit Loss (-)</b>	452	783	450	2,031	1,685	-42.5%	-17.0%
<b>Gain on Equity Method Investments</b>	46	-20	31	11	57	NM	418.2%
<b>Pre-Provision Income</b>	1,301	1,976	1,173	3,983	4,450	-40.6%	11.7%
<b>Income before Corp. Tax</b>	849	1,193	723	1,952	2,765	-39.4%	41.6%
<b>Corporate Tax</b>	213	351	151	435	715	-57.0%	64.4%
<b>Net Income</b>	503	792	520	1,234	1,815	-34.3%	47.1%

# Earnings by Sector

## Banking Subsidiaries



## Non-Banking Subsidiaries



※ Sum of individual subsidiaries (excluding credit card division)

Note 1) Cumulative basis

※ Sum of individual subsidiaries (including credit card division)

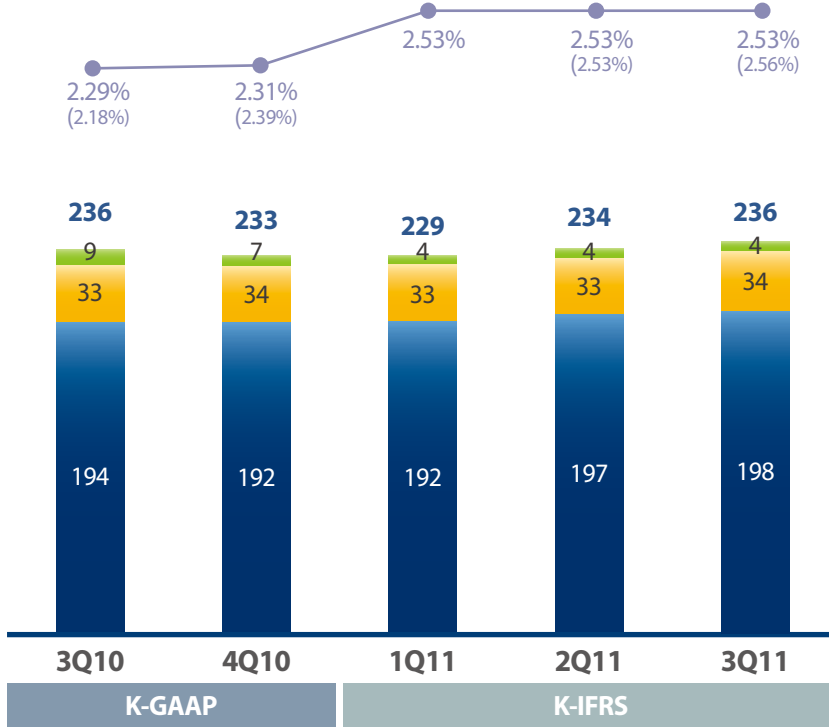
Note 1)  $(\text{Non-Bank Subsidiaries' Interest Income} + \text{Non-interest Income}) / (\text{Group's Interest Income} + \text{Non-interest Income})$

Note 2) Cumulative basis

# NIM & NIS

## NIM & Interest Earning Asset

■ Loans ■ Others (Won in trillions)  
■ Securities ● Cumulative NIM  
 ※ Quarterly NIM in (%)



※ Interest earning asset in average balance

## Net Interest Spread

● Average Lending Rate ● Average Deposit Rate (%)



※ Won currency & average balance

# Fee and Commission Revenue

(Won in billions)

	Bank						Non-Bank				Total	
	Banking	F/X	Banca	Fund Sales	Trust	Card & Others	Sub Total	Brokerage	Financial Product	Others		Sub Total
	K-IFRS											
<b>3Q11</b>	140	63	34	21	11	16	285	115	5	37	157	442
<b>2Q11</b>	134	65	34	22	12	17	284	106	5	70	181	465
<b>QoQ</b>	4.5%	-3.1%	-	-4.5%	-8.3%	-5.9%	0.4%	8.5%	-	-47.1%	-13.3%	-4.9%
<b>Portion</b>	31.7%	14.2%	7.7%	4.8%	2.5%	3.6%	64.5%	26.0%	1.1%	8.4%	35.5%	100.0%

## Fund Sales by Banks

■ Fee Revenue (Quarterly)

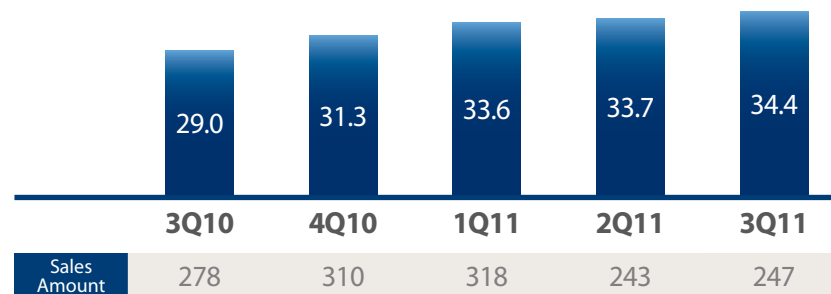
(Won in billions)



## Bancassurance

■ Fee Revenue (Quarterly)

(Won in billions)



※ Banks only  
※ Annual fee: FY10 W109.5bn

※ Annual fee: FY10 W109.7bn

# Credit Cost

## Credit Cost Overview

(Won in billions)

	3Q10	4Q10	1Q11	2Q11	3Q11
	K-GAAP		K-IFRS		
Credit Cost <sup>1)</sup>	499.0	631.1	452.6	782.3	449.9
Recovery from Written-offs	19.5	67.2	32.5	30.2	12.4
Credit Card	15.6	14.5	8.4	6.8	8.9
Average Credit Offerings (Wtn)	204.9	204.8	207.5	209.1	211.3

※ Consolidated basis

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

## Net Increase in Provision

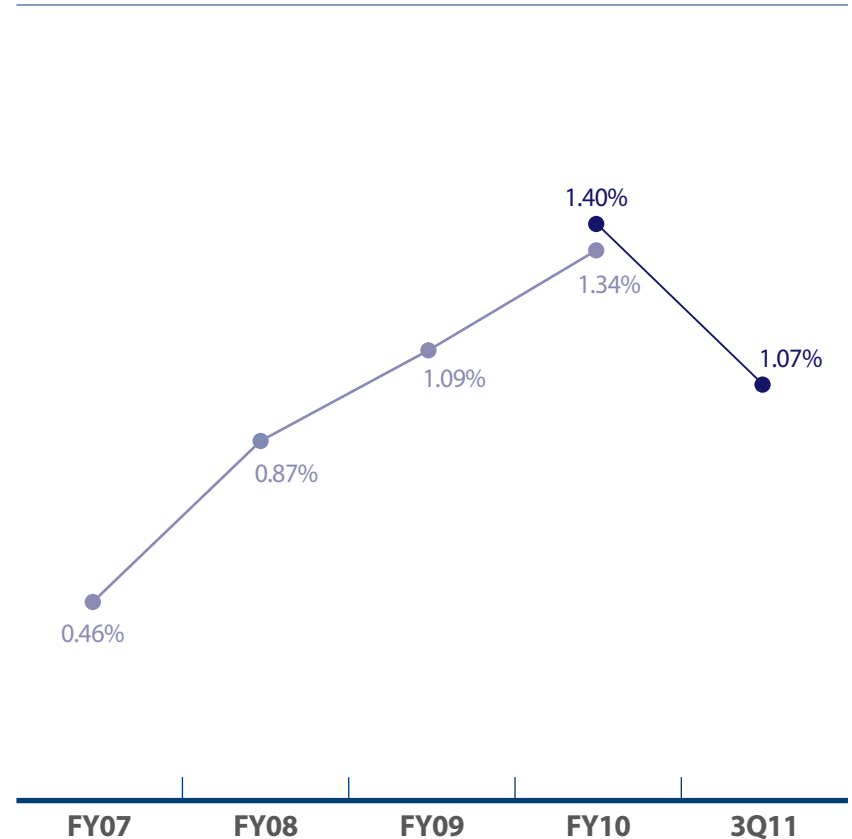
(Won in billions)

	3Q10	4Q10	1Q11	2Q11	3Q11
	K-GAAP		K-IFRS		
Corporate	487.3	458.4	295.6	658.7	379.9
Retail	37.6	42.9	10.0	32.7	46.9
Card	11.9	26.4	35.3	19.4	29.6
Total	536.8	527.7	340.9	710.8	456.4

※ Banks only

## Credit Cost Ratio Trend

● Credit Cost Ratio (K-GAAP) ● Credit Cost Ratio (K-IFRS)

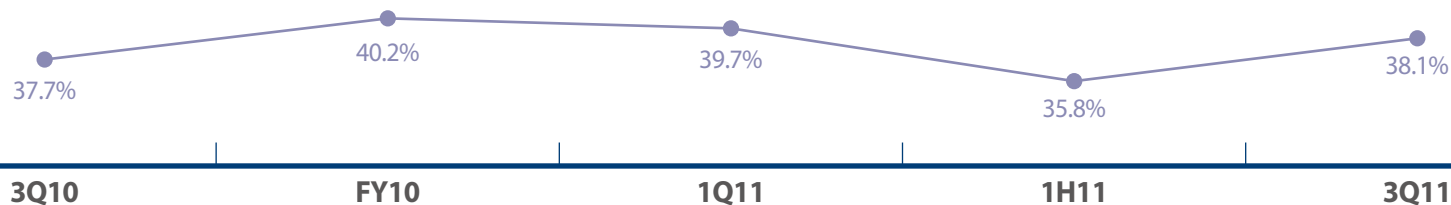


※ Cumulative basis, annualized figure

# SG&A Expense

## SG&A Expense Breakdown and Cost-to-Income Ratio

● Cost-to-income ratio (K-IFRS)



※ Cost-to-income ratio = SG&A / (Interest income + Non-interest income)

(Won in billions)

	1Q11	2Q11	3Q11	3Q10 (Cumul.)	3Q11 (Cumul.)	QoQ	YoY
	<b>K-IFRS</b>						
SG&A Expense	826	988	893	2,404	2,707	-9.6%	12.6%
Salaries & Benefits	485	631	536	1,451	1,652	-15.1%	13.9%
ERP Expense	0	42	5	32	47	-88.2%	46.9%
General & Administration	232	242	250	654	724	3.3%	10.7%
Depreciation	66	67	67	186	200	-	7.5%
Taxes & Dues	43	48	40	113	131	-16.7%	15.9%

# Assets, Liabilities & Capital

**Statement of Financial Position**

**Funding**

**Loans**

**Asset Quality**

**Capital Adequacy**

# Statement of Financial Position (condensed)

(Won in trillions)

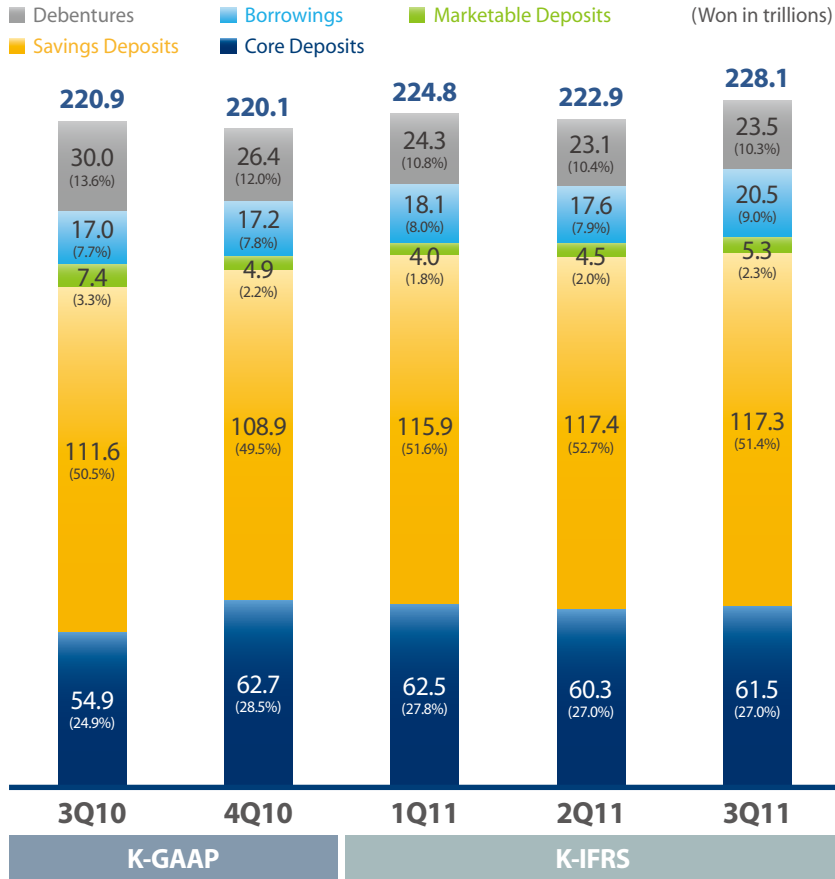
	4Q10	2Q11	3Q11	QoQ	YTD
	K-IFRS				
Total Assets	291.2	303.5	313.8	3.4%	7.8%
Financial Assets	64.1	61.7	65.0	5.3%	1.4%
Loans and Receivables	218.2	232.9	238.4	2.4%	9.3%
Loans in Won	160.4	167.1	170.2	1.9%	6.1%
Loans in F/C	13.5	12.8	13.9	8.6%	3.0%
Foreign Bills Bought	5.1	5.1	5.8	13.7%	13.7%
Total Liabilities	270.9	282.8	292.5	3.4%	8.0%
Deposits	185.4	189.6	192.6	1.6%	3.9%
Borrowings	34.3	34.4	35.4	2.9%	3.2%
Debentures	29.1	29.9	30.2	1.0%	3.8%
Shareholder's Equity	15.7	16.4	16.9	3.0%	7.6%
Capital Stock	4.0	4.0	4.0	-	-
Retained Earnings	10.5	11.6	12.1	4.3%	15.2%
(Non-controlling Interests)	(4.6)	(4.3)	(4.3)	-	-6.5%
Group Total Assets <sup>1)</sup>	343.5	358.8	372.4	3.8%	8.4%

※ Consolidated basis

Note 1) Group total assets include trust account and AUM.

# Funding

## Breakdown of Funding Sources



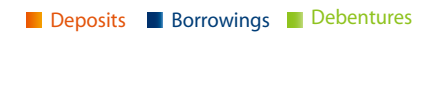
※ Banks only

## Won Currency Deposit Breakdown

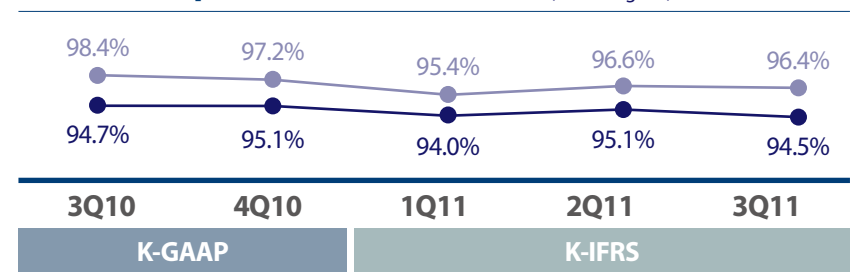


Note 1) MMDA included

## Foreign Currency Funding Breakdown



## Loan-to-Deposit



※ Monthly average basis

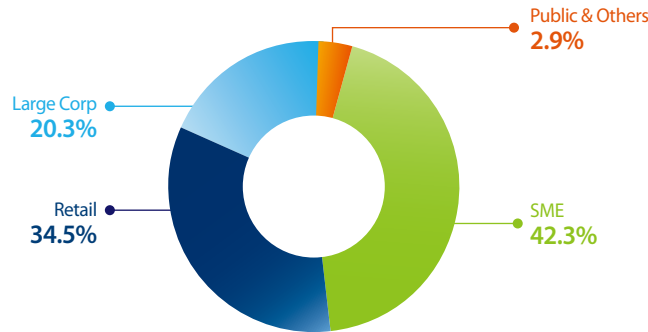
# Loans (1)

(Won in billions)

Breakdown by Borrowers	3Q10	4Q10	1Q11	2Q11	3Q11	QoQ
	K-GAAP			K-IFRS		
Large Corp.	40,238	37,516	38,977	38,744	42,083	8.6%
SME	86,480	84,896	86,827	86,595	87,796	1.4%
Retail	65,709	67,006	68,206	69,895	71,444	2.2%
Public & Others	5,439	5,845	6,410	6,348	6,067	-4.4%
<b>Total</b>	<b>197,866</b>	<b>195,263</b>	<b>200,420</b>	<b>201,582</b>	<b>207,390</b>	<b>2.9%</b>

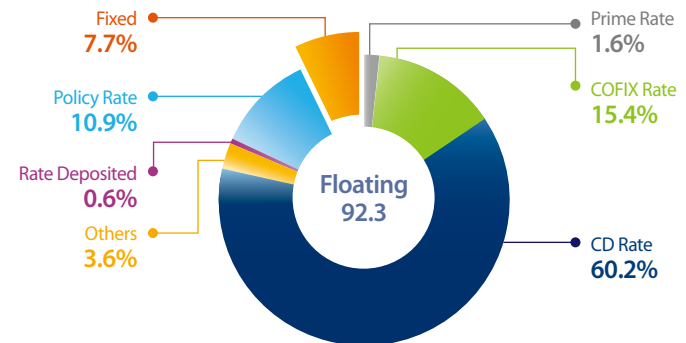
※ FSS NPL reporting standards (including banking and trust account, foreign bills bought, guarantees and etc.)

## Loan Portfolio



※ FSS NPL reporting standards (Refer to Factbook p.7 for historical data)

## Breakdown by Interest Type



※ Bank account in won currency (Refer to Factbook p.9~10 for 'breakdown by borrowers')

# Loans (2)

(Won in billions)

SME	4Q10	2Q11	3Q11	QoQ
	K-GAAP	K-IFRS		
Total	84,896	86,595	87,796	1.4%
Corporate	57,612	59,515	60,187	1.1%
SOHO	27,284	27,080	27,609	2.0%

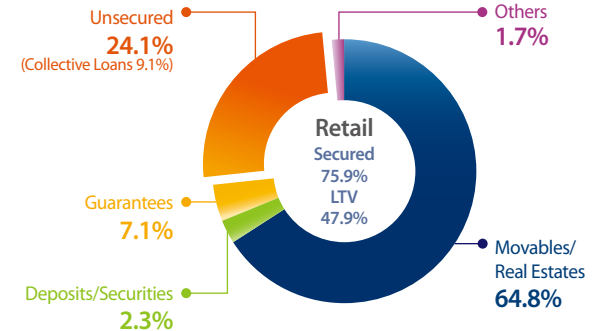
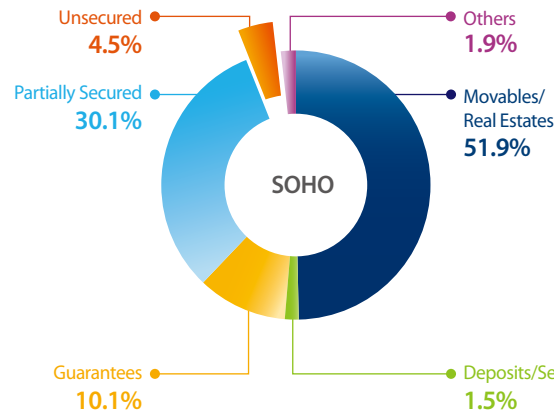
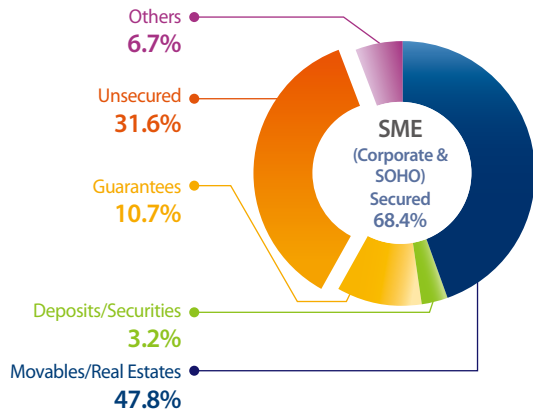
※ FSS NPL reporting standards

(Won in billions)

Retail	4Q10	2Q11	3Q11	QoQ
	K-GAAP	K-IFRS		
Total	67,006	69,895	71,444	2.2%
Secured	47,271	50,078	51,451	2.7%
Unsecured	16,216	16,258	16,301	0.3%
Collective Loan <sup>1)</sup>	5,693	5,731	6,139	7.1%
Credit Card	3,519	3,559	3,692	3.7%

※ FSS NPL reporting standards  
Note 1) Woori Bank only

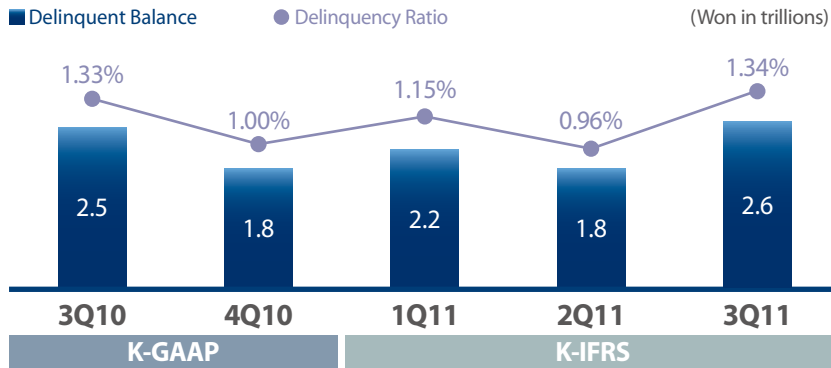
## Breakdown by Collateral



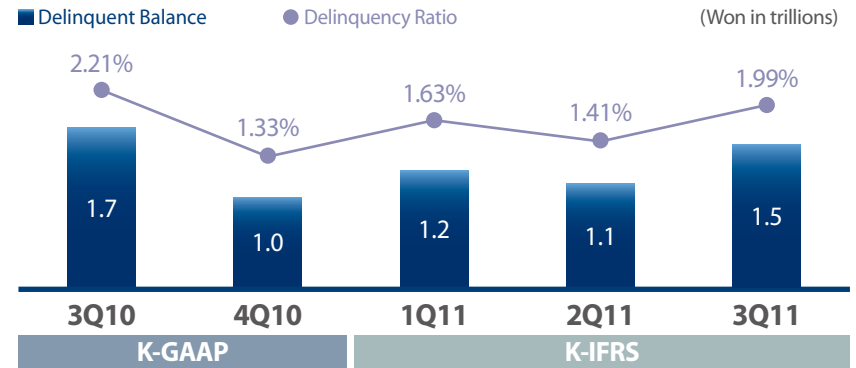
※ Bank account in Won currency

# Asset Quality (1) Delinquency Ratio

## Total Credit Offerings

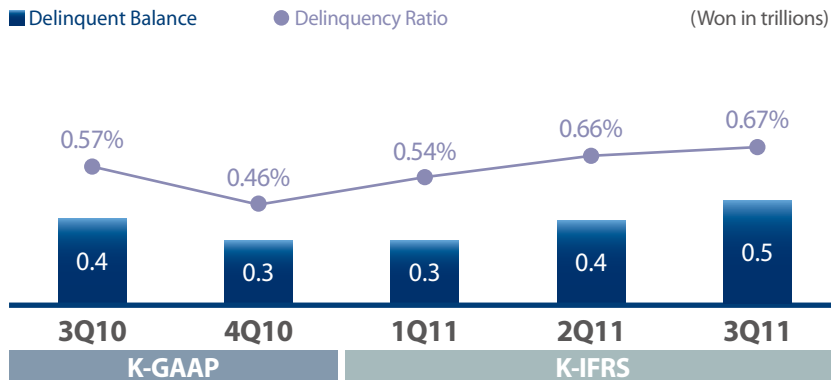


## SME



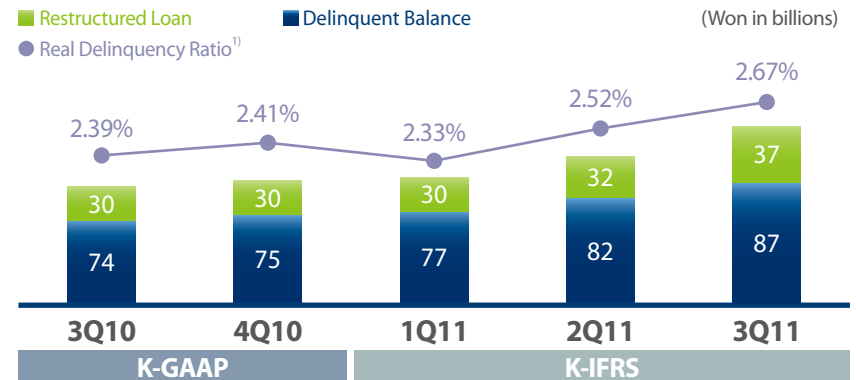
※ Bank and trust loans in Won currency

## Retail



※ Bank and trust loans in Won currency

## Credit Card



Note 1) (Delinquent Balance + Restructured Loans) / Total Card Asset

# Asset Quality (2) Breakdown by Quality

## Asset Breakdown

(Won in billions)

	4Q10	2Q11	3Q11	QoQ
	K-GAAP	K-IFRS		
Total Credit Offerings	204,404	212,151	217,940	2.7%
Precautionary	6,170	5,568	5,890	5.8%
	3.0%	2.6%	2.7%	0.1%p
Substandard & Below (NPL)	6,813	5,829	5,608	-3.8%
	3.3%	2.7%	2.6%	-0.1%p
Loan Loss Reserve (LLR)	4,785	5,085 <sup>1)</sup>	5,113 <sup>1)</sup>	0.6%
LLR/Precautionary & Below Loans	36.9%	44.6%	44.5%	-0.1%p
LLR/Substandard & Below Loans	70.2%	87.2%	91.2%	4.0%p

※ Consolidated basis

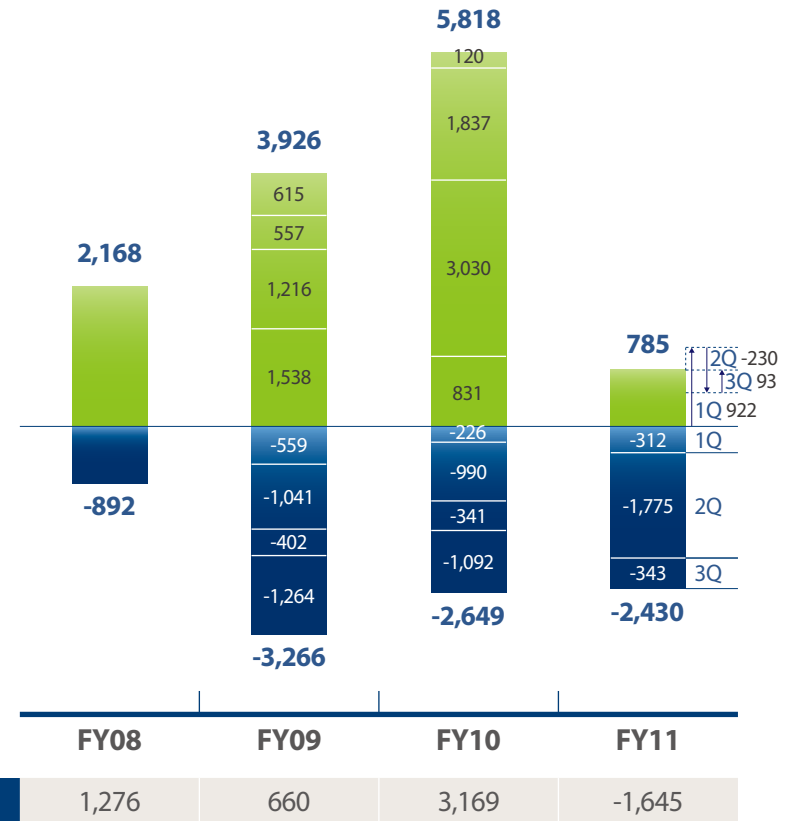
Note1) Sum of Loan Loss Reserve and Retained Earnings earmarked for credit losses

## Net Increase in NPL

(Won in billions)

■ New

■ Sales & Write-offs



※ FSS reporting basis (banks only)

# Asset Quality (3) SME Overview

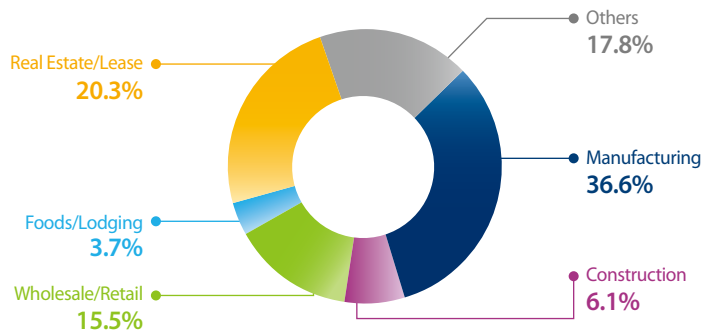
## Asset Breakdown

(Won in billions)

	4Q10	2Q11	3Q11	QoQ
	K-GAAP		K-IFRS	
Total Credit Offerings	84,896	86,595	87,796	1.4%
Precautionary	3,074	2,930	2,576	-12.1%
	3.6%	3.4%	2.9%	-0.5%p
Substandard & Below (NPL)	3,673	2,416	2,473	2.4%
	4.3%	2.8%	2.8%	-
Loan Loss Reserve	2,380	2,253	2,225	-1.2%

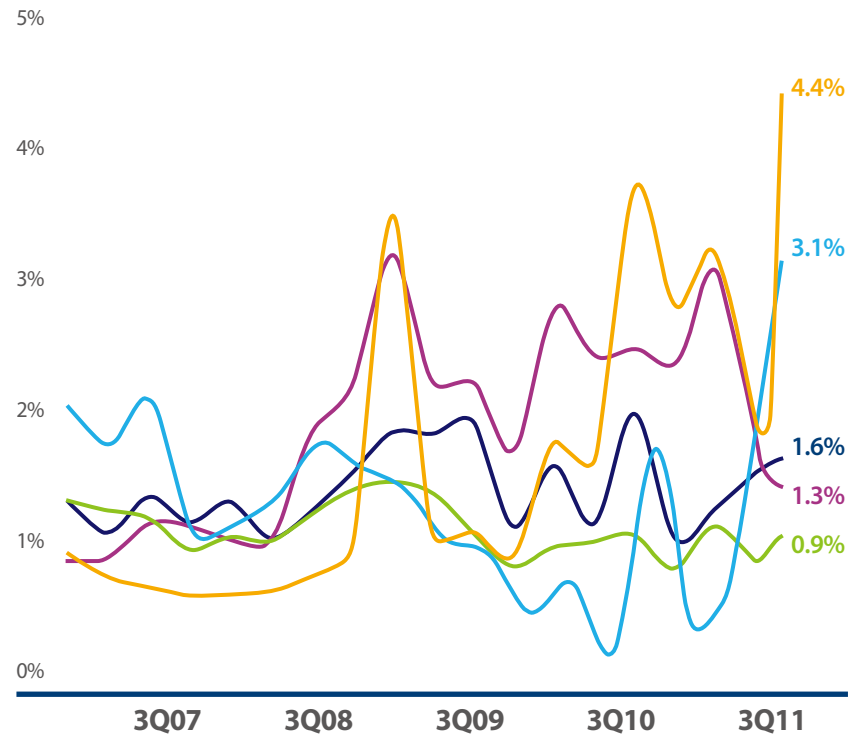
※ FSS NPL reporting standards

## Loan Breakdown by Industry



※ Bank and trust loans in Won currency

## Delinquency Trend by Industry



# Capital Adequacy

## Group Capital Adequacy

■ BIS Ratio ● Tier 1 Ratio (%)



3Q10 4Q10 1Q11 2Q11 3Q11

K-GAAP

K-IFRS

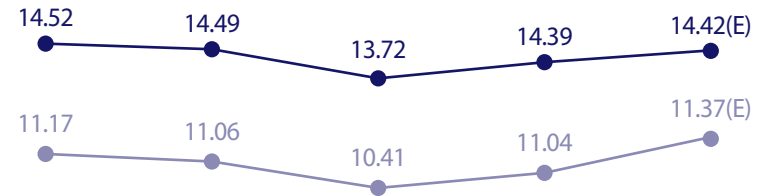
(Won in billions)

	4Q10	2Q11	3Q11(E)	QoQ
	K-GAAP	K-IFRS		
Total Capital	24,840	25,053	25,723	2.7%
Tier 1 Capital	17,785	17,868	18,677	4.5%
Tier 2 Capital	7,055	7,185	7,046	-1.9%
Risk-Weighted Assets	198,251	202,438	208,086	2.8%

※ Basel I basis

## Bank Capital Adequacy

■ BIS Ratio ● Tier 1 Ratio (%)



3Q10 4Q10 1Q11 2Q11 3Q11

K-GAAP

K-IFRS

(Won in billions)

	4Q10	2Q11	3Q11(E)	QoQ
	K-GAAP	K-IFRS		
Total Capital	23,136	23,517	23,923	1.7%
Tier 1 Capital	17,662	18,045	18,851	4.5%
Tier 2 Capital	5,474	5,472	5,072	-7.3%
Risk-Weighted Assets	159,674	163,417	165,850	1.5%

※ The Sum of Woori, Kwangju and Kyongnam Bank

※ Basel II basis

# Non-Banking Businesses

**Credit Card Business**

**Woori Investment & Securities**

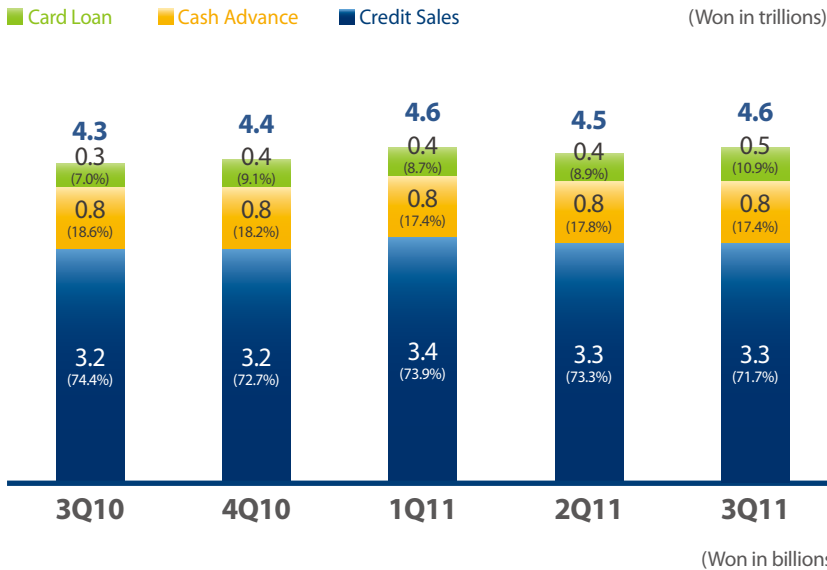
**Woori Aviva Life Insurance**

**Woori Asset Management**

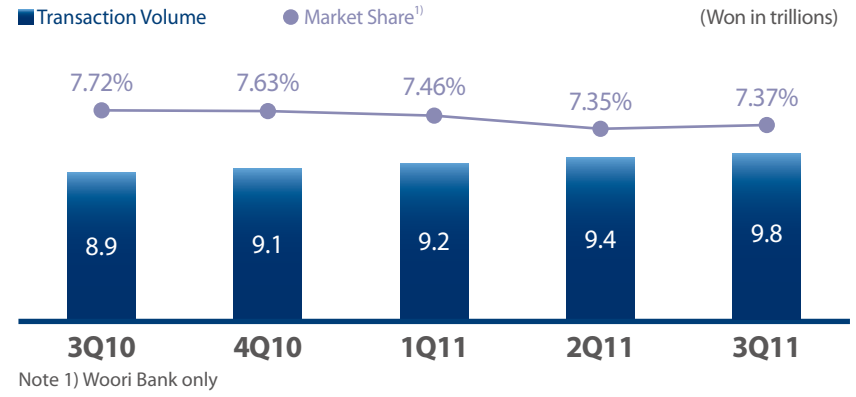
**Woori Financial**

# Credit Card

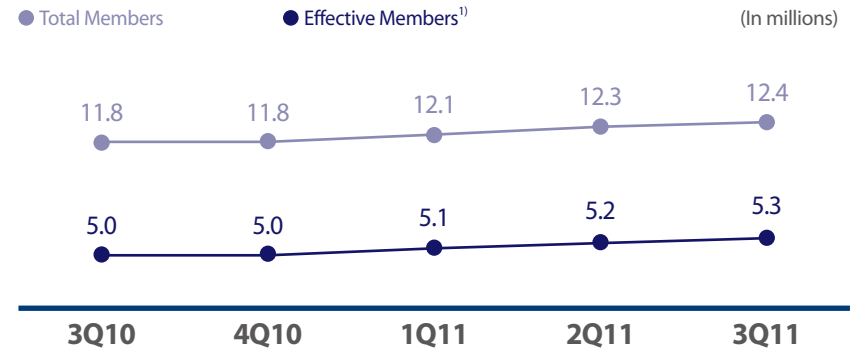
## Asset Breakdown



## Market Share and Transaction Volume



## No. of Card Members



※ Including check cards  
Note 1) Members used at least once within three months, Woori Bank only

	3Q10	4Q10	1Q11	2Q11	3Q11
	K-GAAP		K-IFRS		
Net Income Before Tax	64	112	117	128	107
ROA (after tax)	5.1%	5.8%	8.0%	8.3%	7.9%
Recovery from Written-off Assets	16	15	8	7	9

# Woori Investment & Securities

## Performance Summary

(Won in trillions)

Asset Trend	1Q11	2Q11	3Q11
Total Client Assets	148.9	146.4	135.5
Client Deposits	108.1	108.2	90.5
Financial Products	40.8	38.2	45.1
Retail Client Assets	87.1	91.0	77.6
Client Deposits	74.2	77.6	65.2
Financial Products	12.9	13.4	12.4
Beneficiary Certificates	2.3	2.5	2.4
ELS	1.3	1.5	1.3
Retail Bond	6.2	6.4	6.0
RP and Others	3.1	3.0	2.8

※ Based on K-IFRS

	1Q11	2Q11	3Q11
Net Income (Wbn)	65.7	35.7	26.9

※ Based on K-IFRS

	1Q11	2Q11	3Q11
No. of Clients <sup>1)</sup> (Thou.)	145	143	133
Brokerage M/S	6.9%	7.0%	7.4%

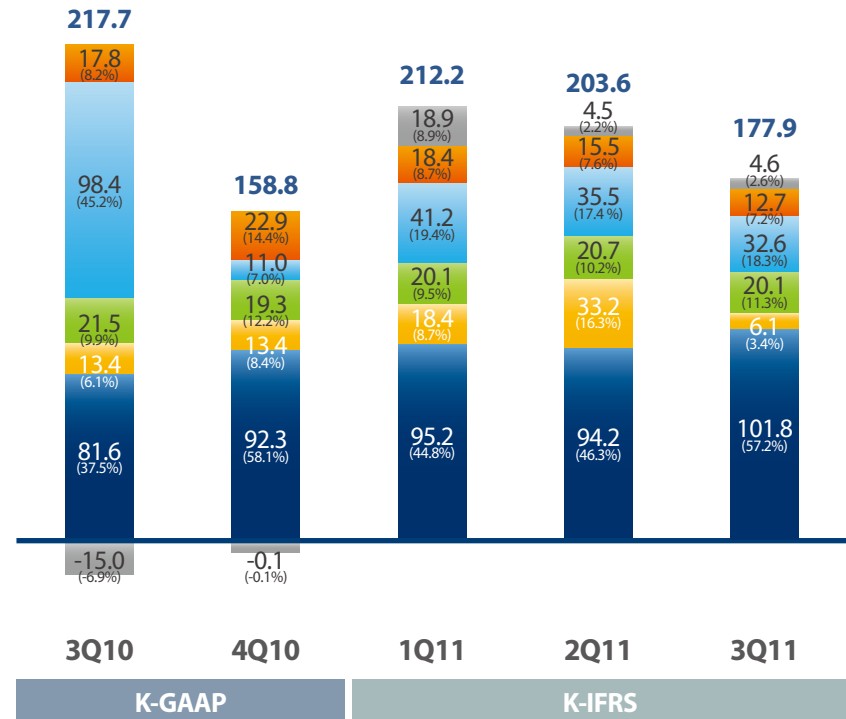
※ Calendar Year

Note 1) Clients with assets over W30mn

## Net Operating Income

(Won in billions)

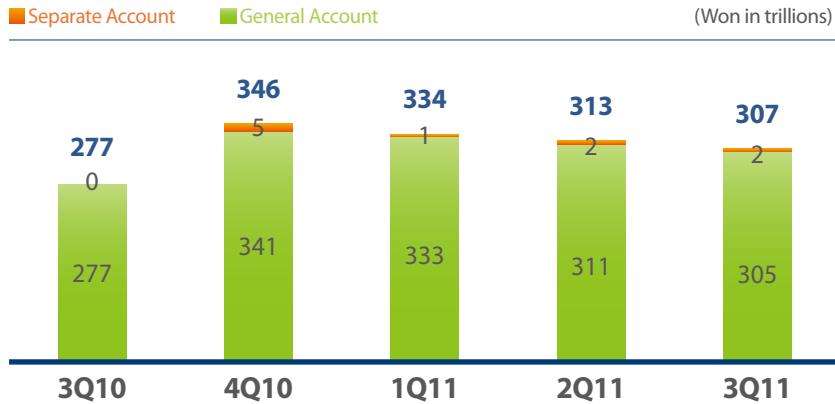
■ Financial Products Sales   
 ■ Trading   
 ■ Interest Income  
■ IB   
 ■ Brokerage   
 ■ Others



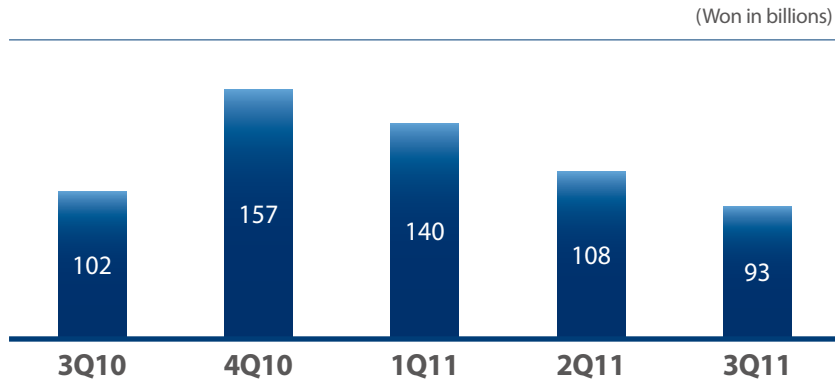
※ Calendar Year

# Woori Aviva Life Insurance

## Premium Income Trend



## Initial Premium Trend



※ Calendar Year

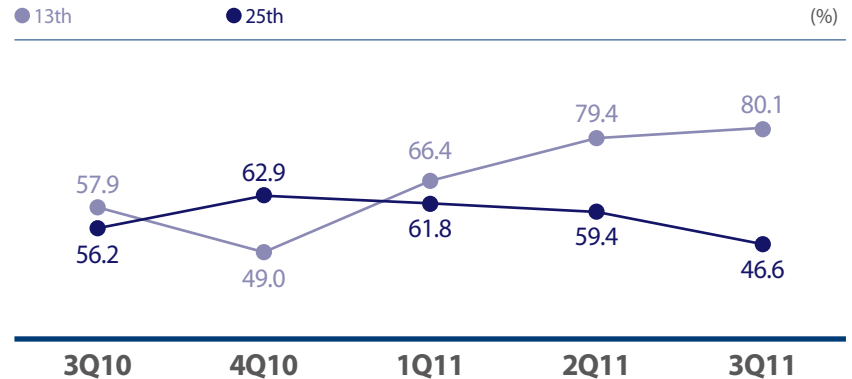
## Condensed Income Statement

(Won in billions)

	1Q11	2Q11	3Q11	QoQ
Net Earned Insurance Premiums	218.4	191.4	164.3	-14.2%
Net Investment Income	30.7	33.1	37.1	12.1%
Increase in Policy Reserve	245.0	221.5	196.9	-11.1%
Operating Income	-4.0	2.9	4.4	51.7%
Net Income	2.9	1.8	3.0	66.7%
RBC Ratio(%)	229.1	188.5	173.5	-15.0%p

※ Based on K-IFRS

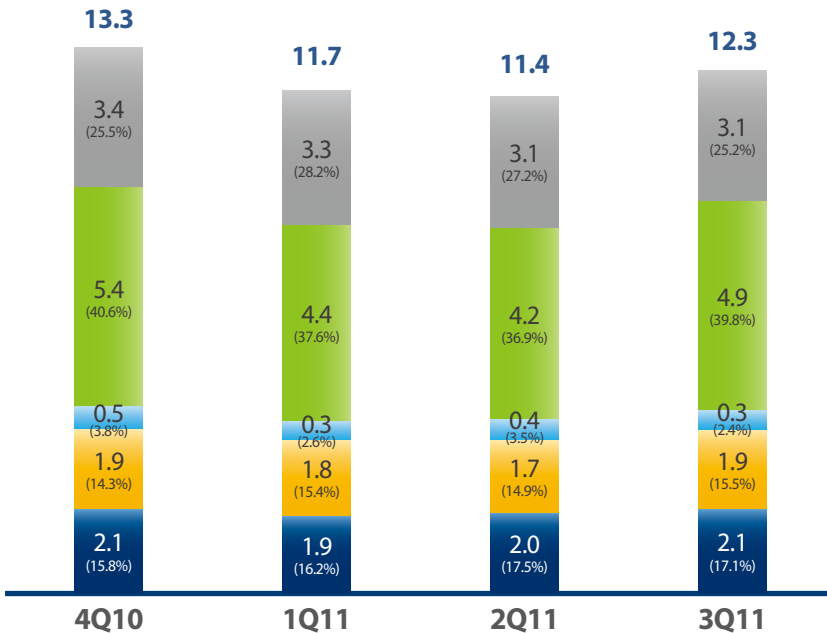
## Persistency Ratio (13th & 25th month) Trend



# Woori Asset Management

## AUM Breakdown

Others MMF Hybrid Equity Bond (Won in trillions)



※ Calendar Year

## Condensed Income Statement

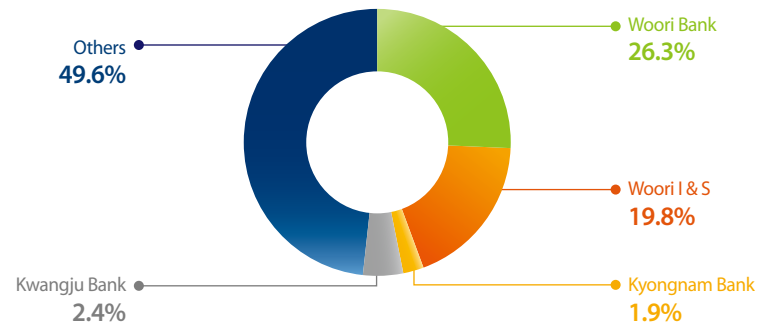
(Won in billions)

	1Q11	2Q11	3Q11	QoQ
Operating Revenue	7.4	9.1	7.4	-18.7%
Asset Mgt. Fee	5.9	5.7	5.4	-5.3%
Operating Expense	5.8	7.3	6.6	-9.6%
Operating Income	1.6	1.8	0.8	-55.6%
Net Income	1.5	1.3	0.3	-76.9%

※ Based on K-IFRS

※ Calendar Year

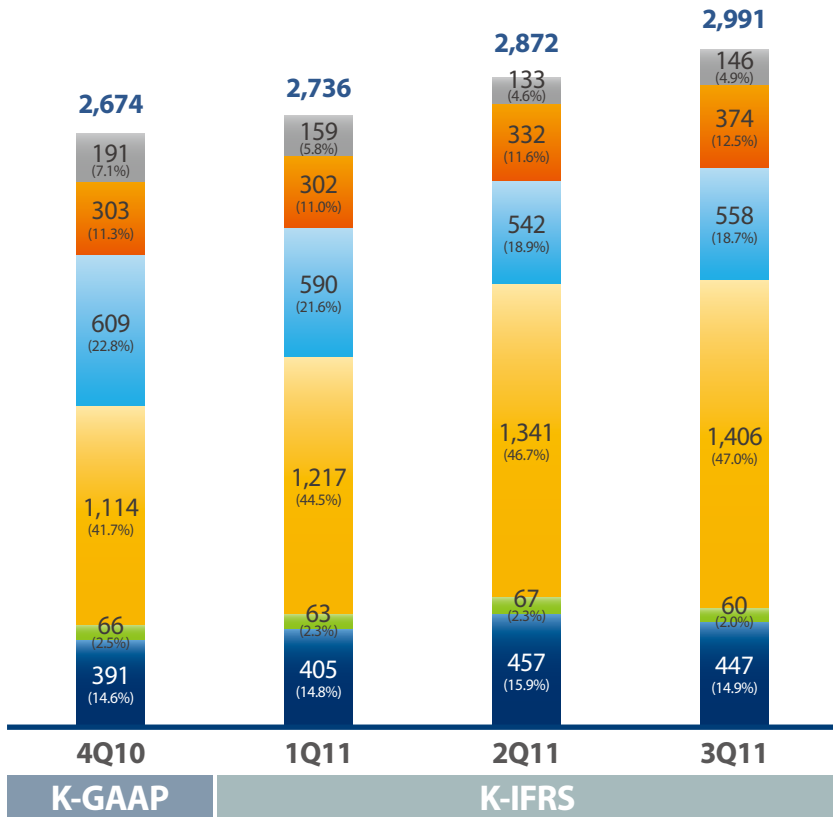
## Distribution Channel



# Woori Financial

## Operating Asset Balance

■ Others ■ Retail Loan ■ Corporate Loan  
■ Domestic Car Installment ■ Medical Equipment Lease ■ Auto Lease (Won in billions)



## Condensed Income Statement

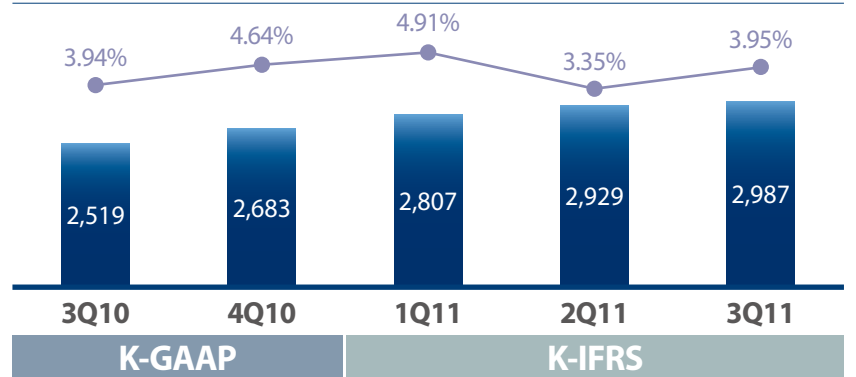
(Won in billions)

	1Q11	2Q11	3Q11	QoQ
Operating Revenue	84	81	87	7.4%
Operating Expense	67	67	74	10.4%
Operating Income	17	14	13	-7.1%
Non-operating Income	0	0	0	NM
Net Income	12	11	9	-18.2%

※ Based on K-IFRS

## Asset Quality

■ Total Credits ● Substandard & Below Loan Ratio (Won in billions)



# (Appendix) List of Major Securities held

	No. of Shares (In thousands)	Ownership (%)	Original BV (Wbn)	Current BV (Wbn)	BVPS (Won)	9.30 Market Price (Won)
Hynix	19,722	3.3	74.1	412.5	20,916	21,350
BC Card	1,217	27.7	10.9	121.3	99,691	-
Kumho Tire	22,515	23.3	113.2	135.5	6,019	10,900
Pantech	104,487	6.3	16.6	42.9	411	-
SAMT	12,685	16.4	14.2	8.1	635	692

※ Woori Bank only  
※ Based on K-IFRS