

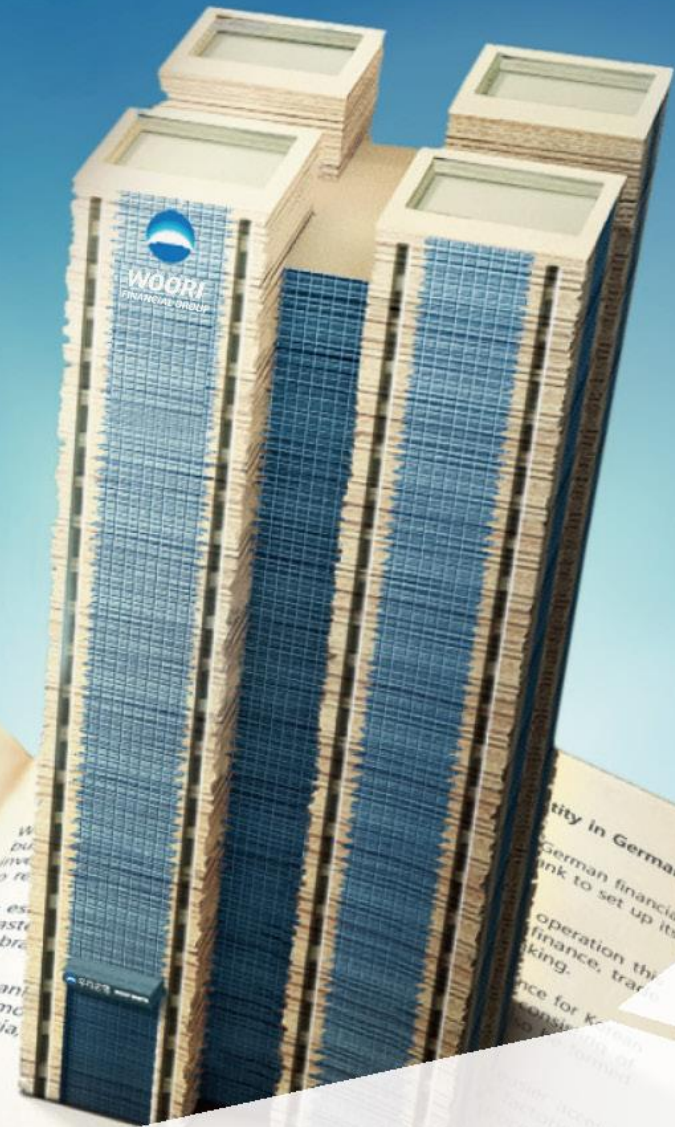
# 1st Half 2019 Business Results



1899

## The Birth of Daehancheonil Bank

Daehancheonil Bank was established on January 30<sup>th</sup> 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 government officials to serve as bank managers. The bank's name Daehancheonil meant 'the first bank under the sky'.



2019

## Woori Financial

We will become a strong financial group celebrating our 120th anniversary. As this year marks our 120th anniversary, we will provide strength to our customers.



**WOORI FINANCIAL GROUP**

WFG  
LISTED  
NYSE

# Contents

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- **1H19 Financial Highlights**
- **Group Overview**
- **Earnings**
- **Assets & Liabilities**
- **Asset Quality & Capital Adequacy**
- **Woori Card**

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## 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.

※ Bank (Consolidated) includes Woori Card and Woori Investment Bank

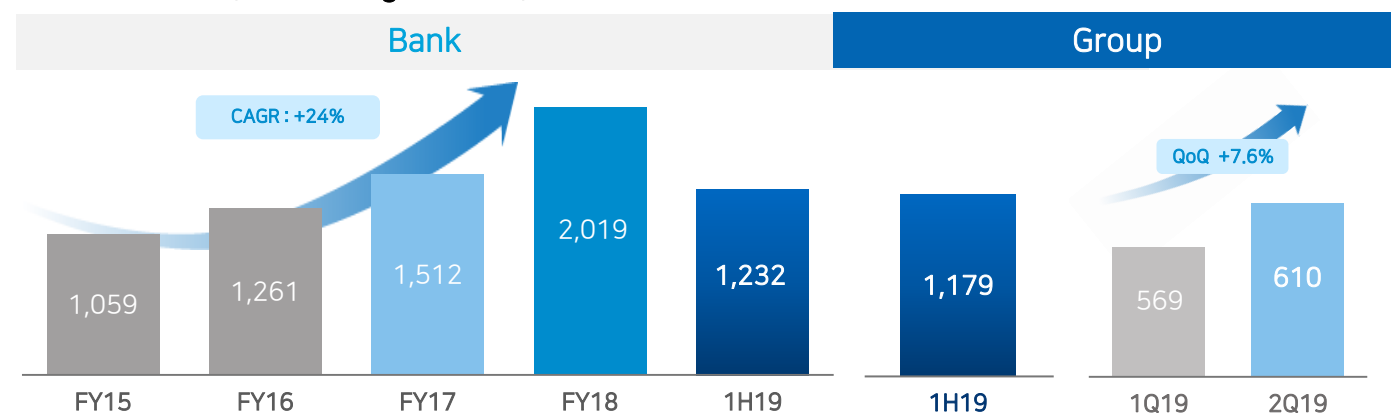
# 1H19 Financial Highlights (1) Group Results Overview

Group		Bank (Consolidated) Includes Woori Card & Woori Investment Bank (Won in billions)					
	1H19	1H19	1H18	YoY(%)	2Q19	1Q19	QoQ(%)
Net Operating Revenue	3,542	3,536	3,347	5.6	1,813	1,723	5.2
Interest Income	2,931	2,930	2,765	6.0	1,476	1,454	1.5
Non-Interest Income	611	606	582	4.1	337	269	25.3
SG&A (-)	1,696	1,666	1,567	6.3	853	813	4.9
Impairment on Credit Loss(-)	136	136	-29	NA	76	60	26.7
Operating Income	1,710	1,734	1,808	-4.1	884	850	4.0
Non-Operating Income	17	-33 <sup>1)</sup>	-6	NA	27	-60	NA
Pre-Provision Income	1,864	1,837	1,773	3.6	987	850	16.1
Income before Corp. Tax	1,727	1,701	1,802	-5.6	911	790	10.3
Corp. Tax (-)	456	455	485	-6.2	243	212	14.6
Net Income	1,271	1,246	1,316	-5.3	668	578	15.6
Controlling Interest	1,179	1,232	1,306	-5.7	661	571	14.4
Non-controlling Interests	92	14	10	40.0	7	7	-

1) Bank: Takes into account the effect of accounting loss of W53.5bn related to the transfer of 5 subsidiaries from Woori Bank to the holding company.

## Net Income (Controlling Interest)

(Won in billions)



• Consolidated basis

## Group Net Income of W1.18tr in 1H19

- Record-high normalized net income
  - Normalized net income of W1.26tr considering the decrease of W78bn in controlling interests from a change in applied accounting standards.
  - Group net income grew 7.2% QoQ to W610bn
- Results demonstrate enhanced earnings capacity and continued improvement in asset quality
- Balanced improvement in profitability:
  - Group: ROA 0.67%, ROE 12.43%
  - Bank: ROA 0.71%, ROE 11.38%

## Growth across Interest & Non-interest Income

- Continuous increase in interest income as a result of prime asset focused loan growth and funding structure improvement via core deposits
- Growth in non-interest Income continues to be supported by strong performance in wealth management (+5.0% YoY)

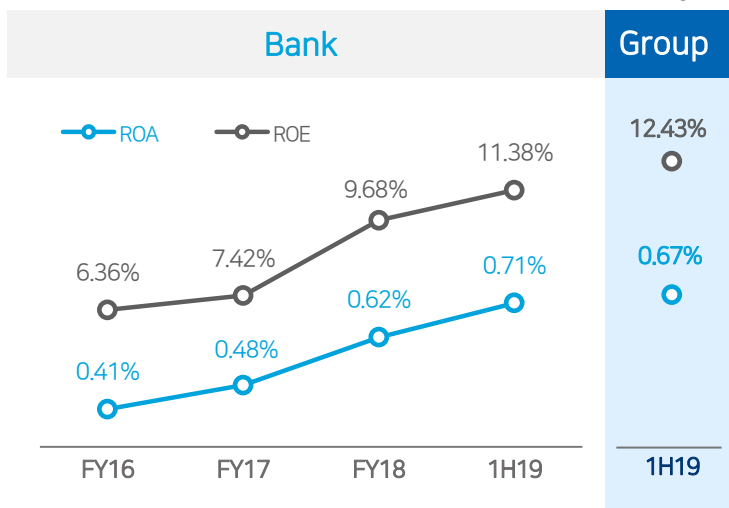
## Industry leader in asset quality indicators

- Asset quality of loan portfolio shows continued improvement supported by prime asset growth
  - Group: NPL ratio 0.47%, Delinquency 0.36%
  - Bank: NPL ratio 0.43%, Delinquency 0.32%
- Prime Asset Ratio rose to 85.3% (+0.2%p QoQ)

# 1H19 Financial Highlights (2) Key Financial Indicators

## ROA, ROE

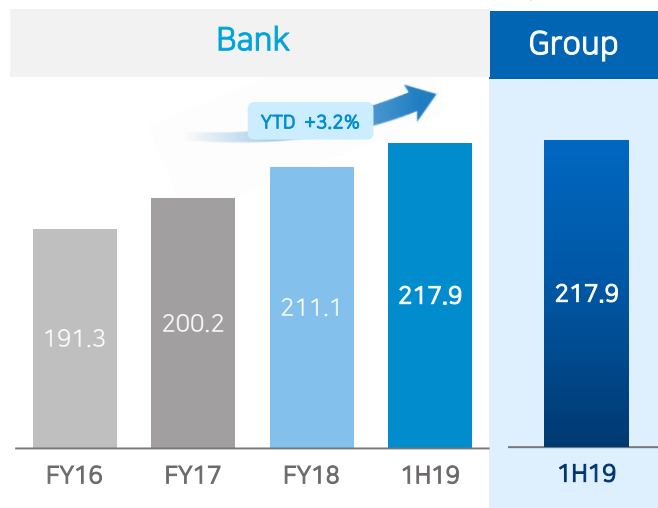
(Cumulative basis, Annualized figures)



· Consolidated basis (Controlling Interest Net Income basis)

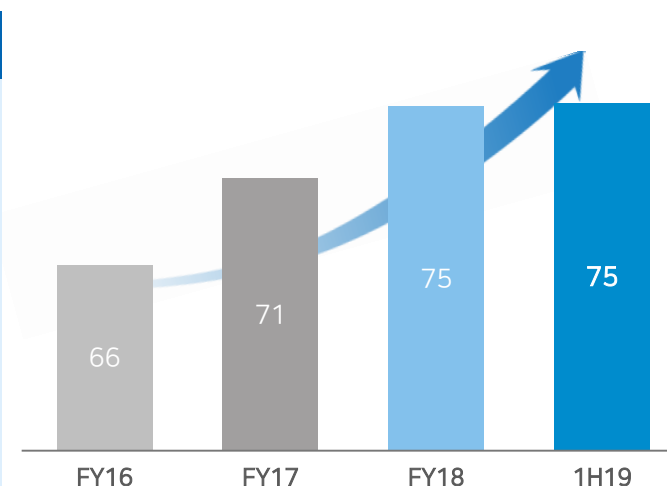
## Loans in Won

(Won in trillions)



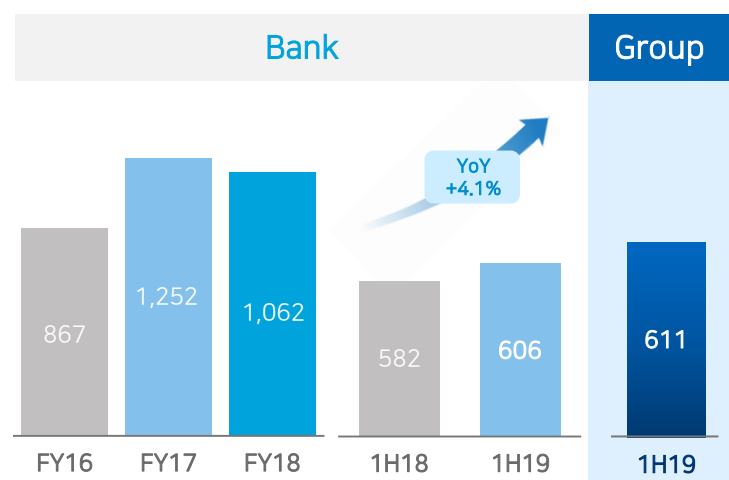
## Core Deposits (Low-cost)

(Won in trillions)



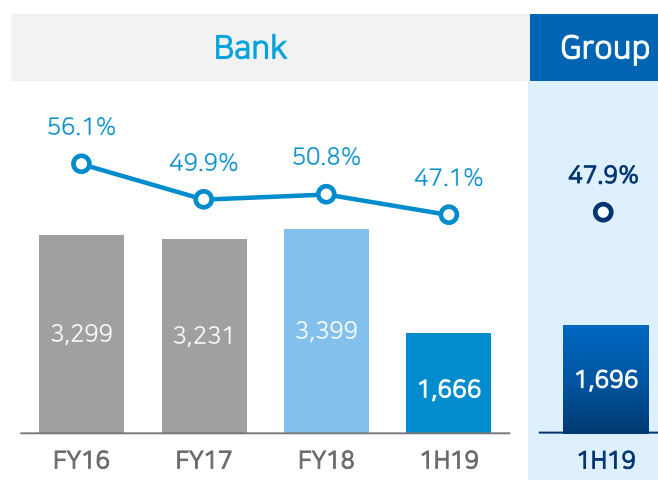
## Non-Interest Income

(Won in billions)



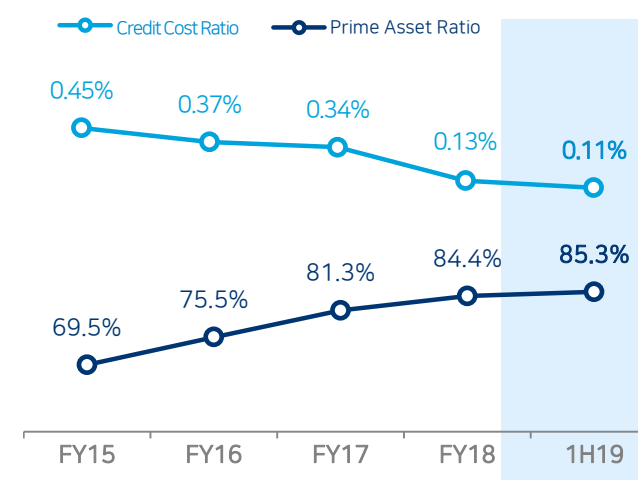
## Cost-to-Income Ratio

(Won in billions)



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

## Credit Cost / Prime Asset Ratio



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



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## II. Woori Financial Group

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- Group Overview
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# Group Overview

	Woori Financial Group (Consol.)	Subsidiaries								
		Woori Bank				Woori FIS	Woori Finance Research Institute	Woori Credit Information	Woori Fund Service	Woori PE Asset Management
		Separate	Woori Card	Woori Investment Bank	Consol.					
Total Assets <sup>1)</sup> (Wtn)	409.8	398.8 <sup>4)</sup>	9.6	2.8	409.7	0.1	0.0	0.0	0.0	0.0
Shareholder's Equity <sup>2)</sup> (Wbn)	19,443	20,978	1,744	337	21,862	28	4	29	14	37
Net Income <sup>3)</sup> (Wbn)	1,179.0	1,152.3 <sup>4)</sup>	66.5	22.2	1,232.1	-4.6	0.2	0.8	0.9	-0.8
Shareholdings	Strategic Large Shareholders <sup>5)</sup> 22%	100%	100%	59.8%	-	100%	100%	100%	100%	100%

• As of Jun. 30, 2019 (K-IFRS)

Note 1) Total assets include trust account

Note 2) Excluding non-controlling interests

Note 3) Net income attributable to controlling interests

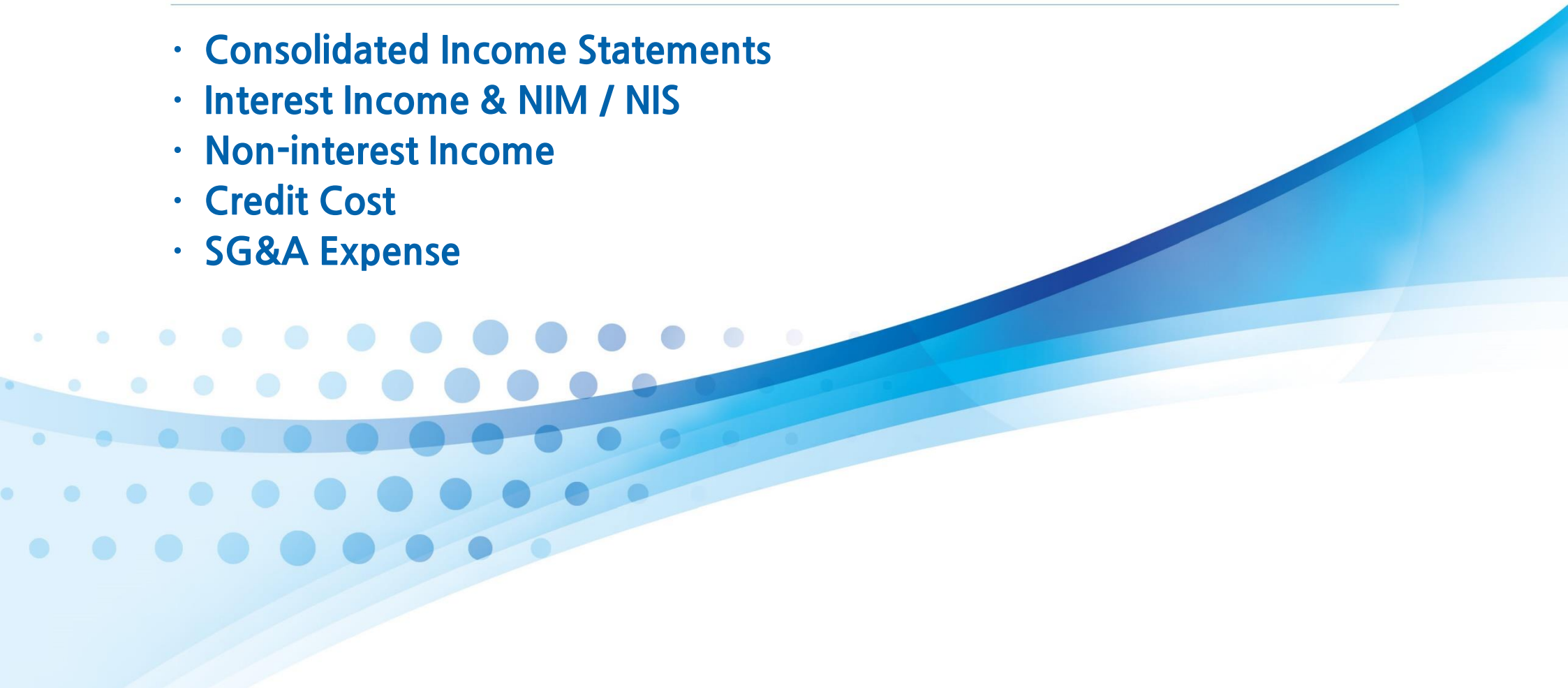
Note 4) Total Assets, Net Income for Woori Bank: Sum of Woori Bank(Only), Overseas Subsidiaries, and Others

Note 5) Strategic Large shareholders : IMM, Tongyang Life Insurance, Kiwoom Securities, Korea Investment & Securities, Hanwha Life Insurance

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## III. Earnings

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

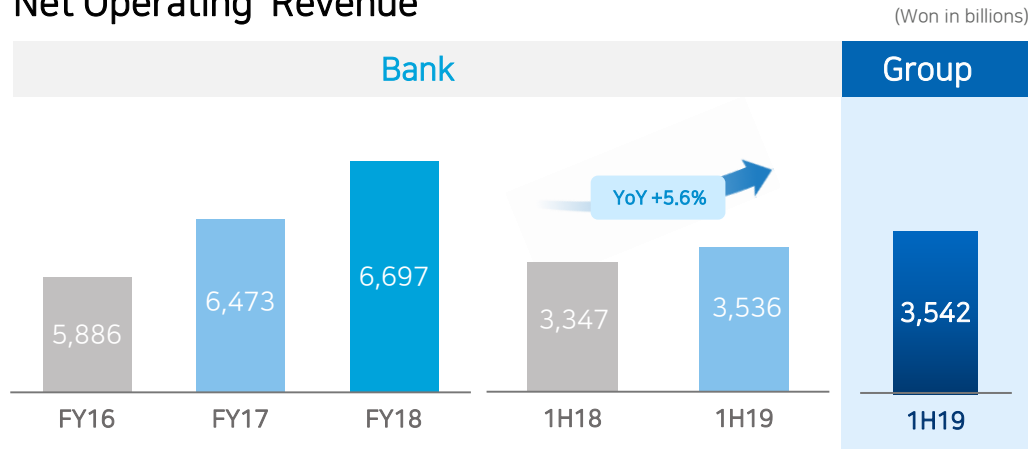
# Consolidated Income Statements

Group				
	1H19	2Q19	1Q19	QoQ(%)
Net Operating Revenue	3,542	1,816	1,726	5.2
Interest Income	2,931	1,476	1,455	1.4
Non-Interest Income	611	340	271	25.5
SG&A (-)	1,696	864	832	3.8
Impairment on Credit Loss(-)	136	76	60	26.7
Operating Income	1,710	876	834	5.0
Non-Operating Income	17	25	-8	NA
Pre-Provision Income	1,864	978	886	10.4
Income before Corp. Tax	1,727	901	826	9.1
Corp. Tax (-)	456	245	211	16.1
Net Income	1,271	656	615	6.7
Controlling Interests	1,179	610	569	7.2
Non-controlling Interests	92	46	46	-

Bank (Consolidated)				(Won in billions)		
1H19	1H18	YoY(%)	2Q19	1Q19	QoQ(%)	
3,536	3,347	5.6	1,813	1,723	5.2	
2,930	2,765	6.0	1,476	1,454	1.5	
606	582	4.1	337	269	25.3	
1,666	1,567	6.3	853	813	4.9	
136	-29	NA	76	60	26.7	
1,734	1,808	-4.1	884	850	4.0	
-33 <sup>1)</sup>	-6	NA	27	-60	NA	
1,837	1,773	3.6	987	850	16.1	
1,701	1,802	-5.6	911	790	10.3	
455	485	-6.2	243	212	14.6	
1,246	1,316	-5.3	668	578	15.6	
1,232	1,306	-5.7	661	571	14.4	
14	10	40.0	7	7	-	

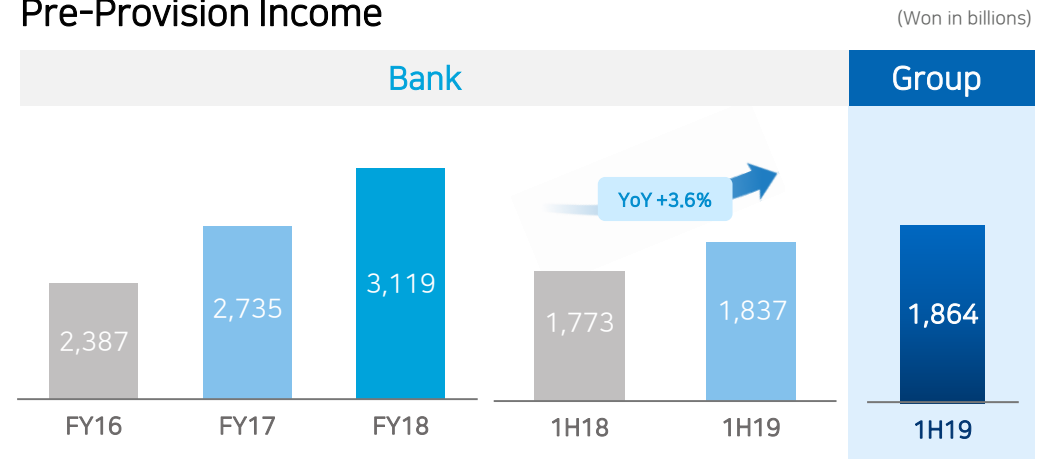
1) Bank: Takes into account the effect of accounting loss of ₩53.5bn related to the transfer of 5 subsidiaries from Woori Bank to the holding company.

## Net Operating Revenue



· Consolidated basis

## Pre-Provision Income



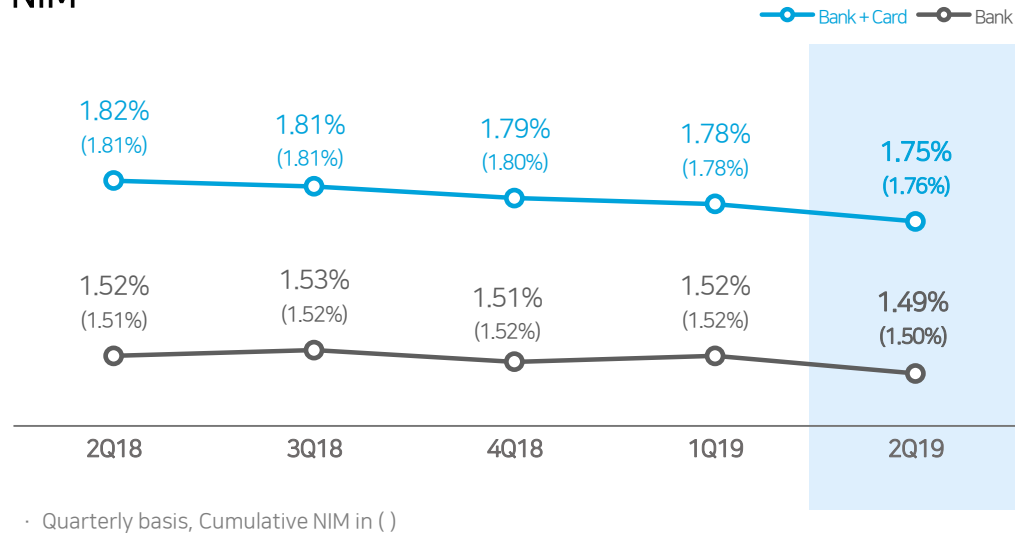
· Consolidated basis



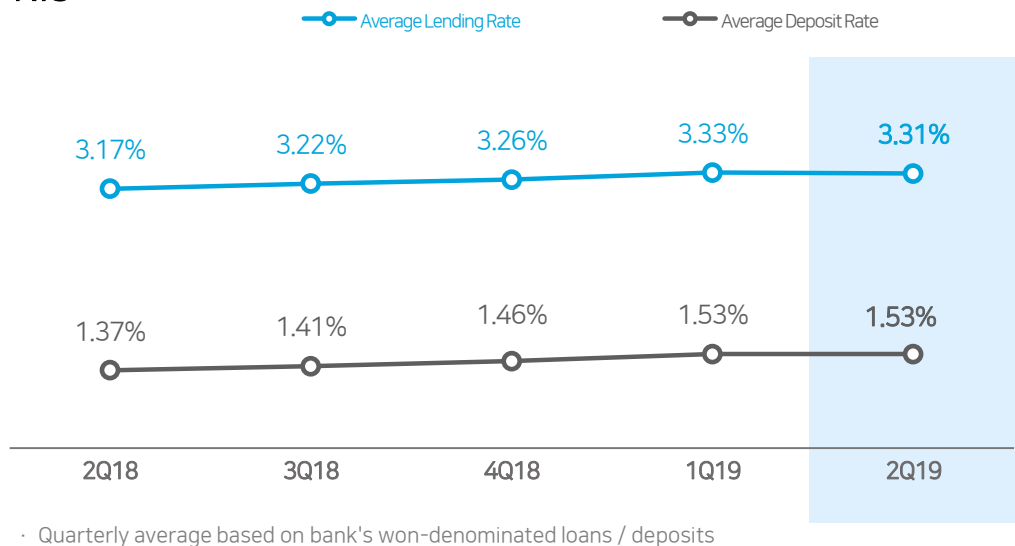
# Interest Income

## NIM/NIS

### NIM

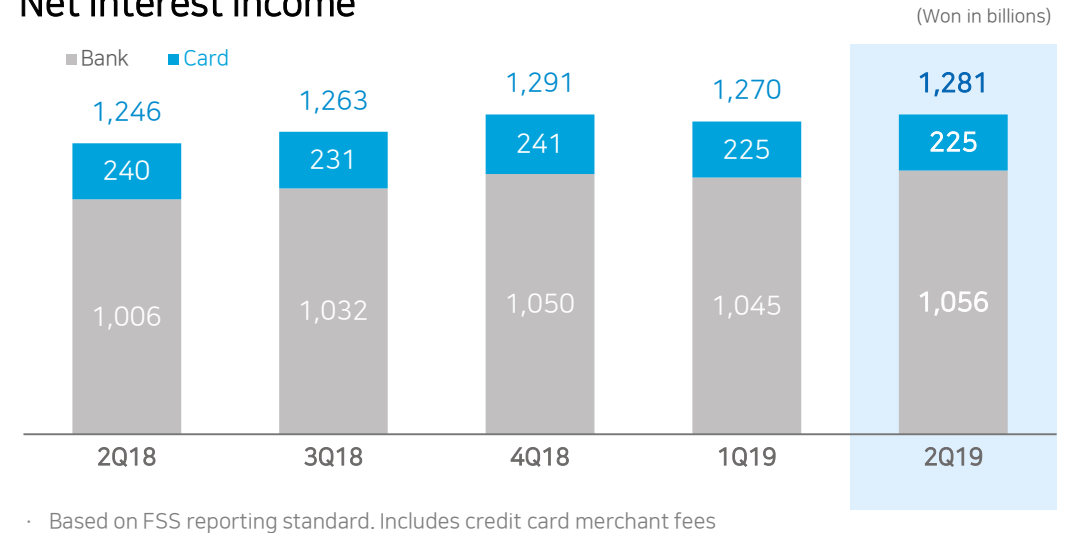


### NIS

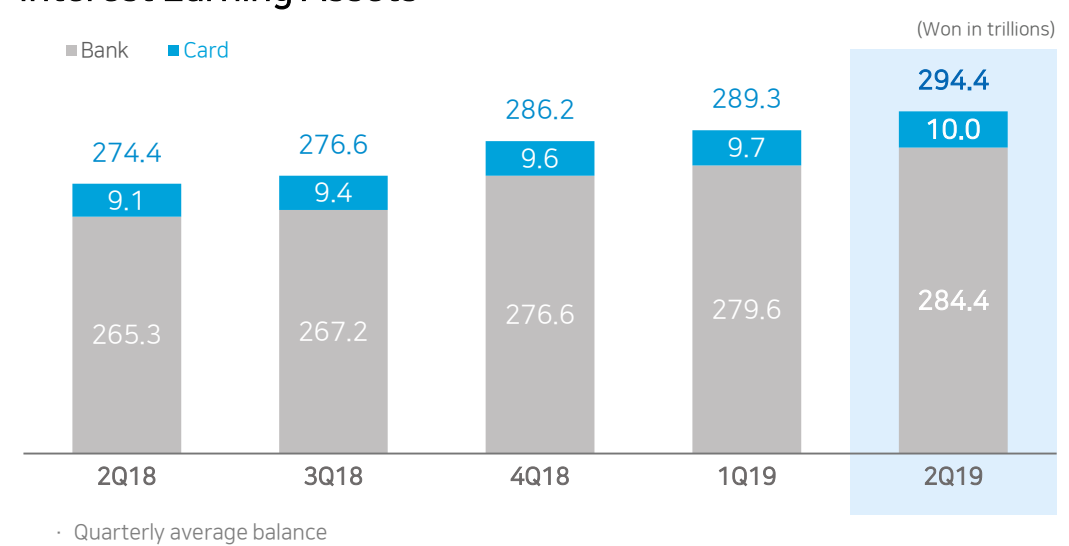


## Interest Income / Interest Earning Assets

### Net Interest Income



### Interest Earning Assets



# Non-Interest Income

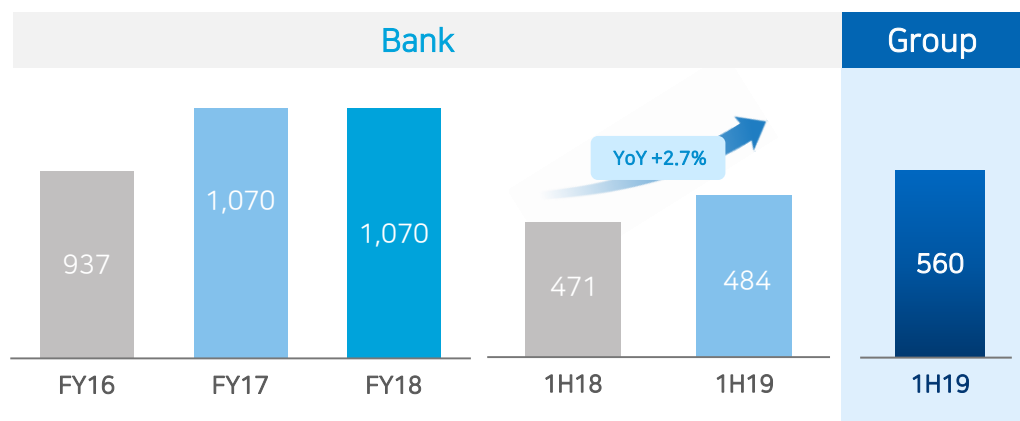
Group	1H19	2Q19	1Q19	QoQ(%)
Non-Interest Income	611	340	271	25.5
Fees & Commission	560	285	275	3.6
Wealth Management	190	100	90	11.1
Trust	88	47	41	14.6
Bancassurance	47	24	23	4.3
Fund	55	29	26	11.5
Credit Card	69	30	39	-23.1
Other Fees	301	155	146	6.2
FX Trading/ Derivatives	136	80	56	42.9
Securities	135	51	84	-39.3
Valuation/Disposal of Loans	95	74	21	252.4
Others <sup>1)</sup>	-315	-150	-165	-9.1

1) Deposit Insurance Fees etc..

Bank (Consolidated)				(Won in billions)	
1H19	1H18	YoY(%)	2Q19	1Q19	QoQ(%)
606	582	4.1	337	269	25.3
549	579	-5.2	280	269	4.1
190	187	1.6	100	90	11.1
88	98	-10.2	47	41	14.6
47	43	9.3	24	23	4.3
55	46	19.6	29	26	11.5
65	108	-39.8	28	37	-24.3
294	284	3.5	152	142	7.0
136	181	-24.9	80	56	42.9
134	123	8.9	50	84	-40.5
95	34	179.4	74	21	252.4
-308	-334	-7.8	-147	-161	-8.7

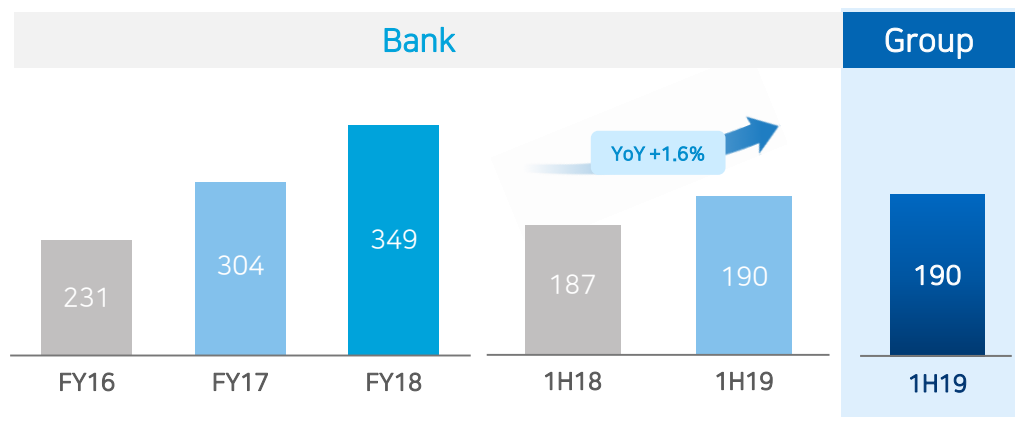
## Fees & Commission

(Won in billions)



## Wealth Management (Fees & Commission)

(Won in billions)



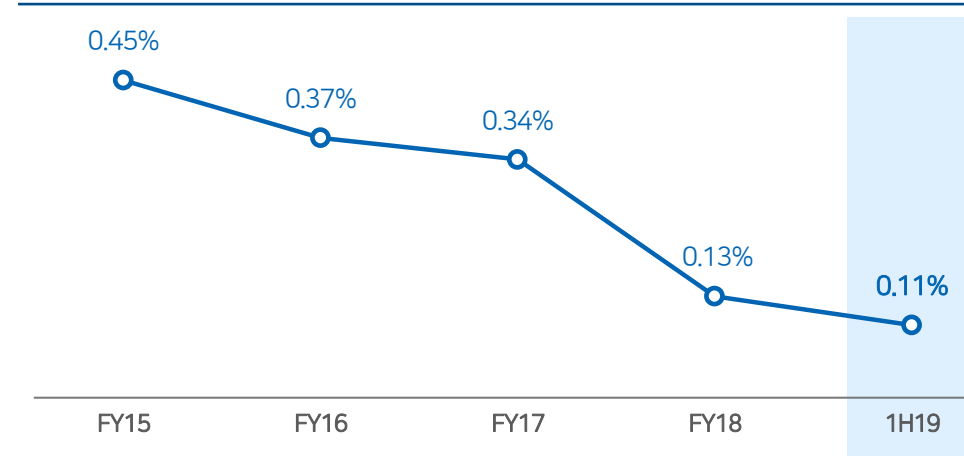
# Credit Cost

Group						
	1H19	1Q19	FY18	FY17	FY16	FY15
Credit Cost <sup>1)</sup> (Wbn)	136	60	330	785	834	967
Total Credit <sup>2)</sup> (Wtr)	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

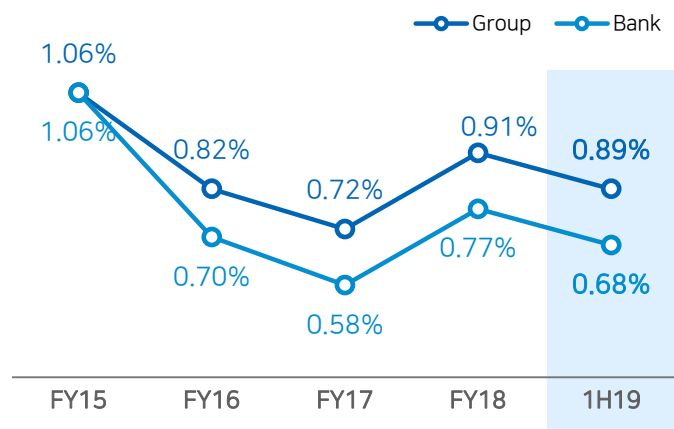
## Credit Cost Ratio



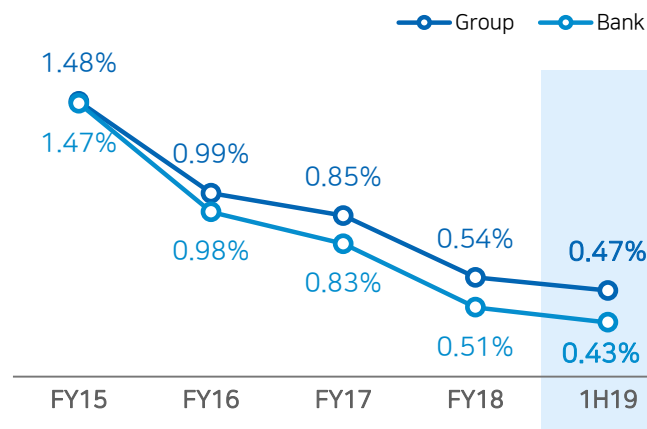
· Credit Cost Ratio = Credit cost/average Total Credit balance  
(Consolidated basis, Annualized figures)

## Asset Quality Ratio Trend

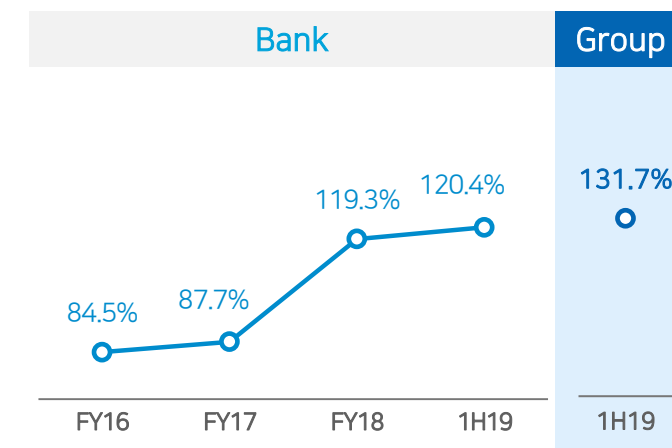
### Precautionary Ratio



### NPL Ratio



### NPL Coverage Ratio



# SG&A Expense

Group	1H19	2Q19	1Q19	QoQ(%)
SG&A Expense	1,696	864	832	3.8
Salaries & Benefits	1,044	518	526	-1.5
ERP Expense	8	-	8	NA
Salaries & Benefits (excl. ERP)	1,036	518	518	-
General & Administration	371	196	175	12.0
Depreciation	207	111	96	15.6
Taxes & Dues	74	39	35	11.4

Bank (Consolidated)						(Won in billions)
1H19	1H18	YoY(%)	2Q19	1Q19	QoQ(%)	
1,666	1,567	6.3	853	813	4.9	
961	952	0.9	482	479	0.6	
-	21	NA	-	-	NA	
961	931	3.2	482	479	0.6	
431	448	-3.8	226	205	10.2	
200	100	100.0	106	94	12.8	
74	67	10.4	39	35	11.4	

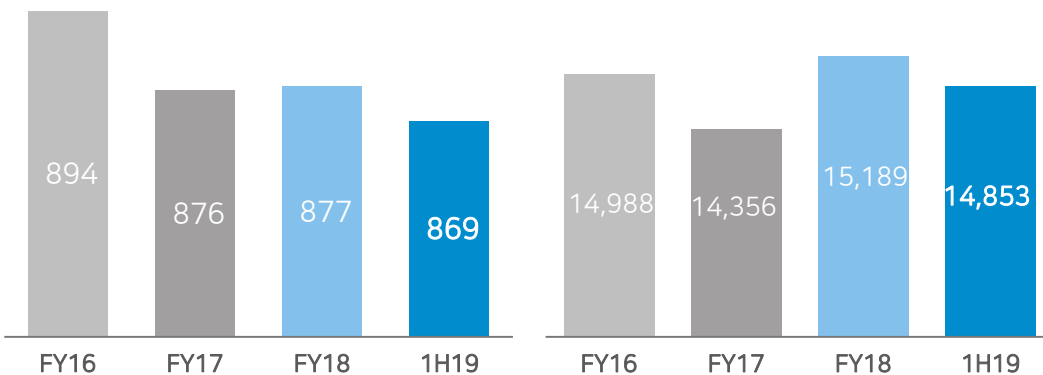
## Branches and Workforce (Bank)

### Branches

(Unit : Branch)

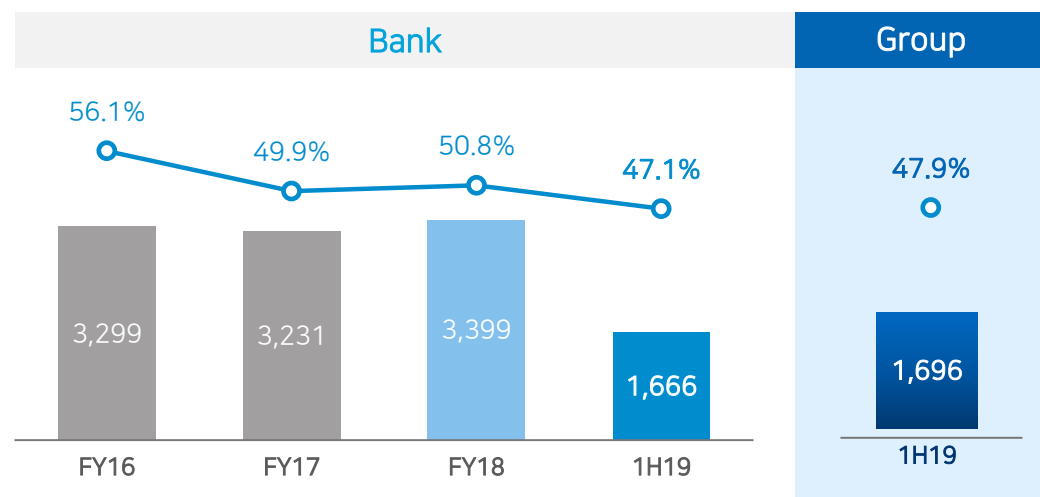
### Workforce

(Unit : Person)



• Domestic branches and sub-branches only

## SG&A Expense and Cost-to-Income Ratio Trend <sup>1)</sup>



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

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

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## IV. Assets & Liabilities

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- Statement of Financial Position
  - Funding
  - Loans
- 



# Statement of Financial Position (Consolidated)

Group			
	1H19	1Q19	QoQ(%)
Total Assets	359.4	345.1	4.1
Financial Assets	53.1	47.6	11.6
Loans and Receivables	294.6	287.7	2.4
Loans in Won	217.9	213.8	1.9
Loans in F/C	18.0	16.1	11.8
Foreign Bills Bought	6.4	6.5	-1.5
Total Liabilities	336.6	322.9	4.2
Deposits	256.1	250.2	2.4
Borrowings	19.3	16.3	18.4
Debentures	30.6	28.5	7.4
Shareholder's Equity <sup>1)</sup>	19.4	18.8	3.2
Capital Stock	3.4	3.4	-
Hybrid Securities	-	-	-
Retained Earnings	17.8	17.2	3.5
(Non-controlling Interests)	(3.4)	(3.4)	-
Group Total Assets <sup>2)</sup>	409.8	394.6	3.9

Note 1) Controlling Interest

Note 2) Total assets include trust account

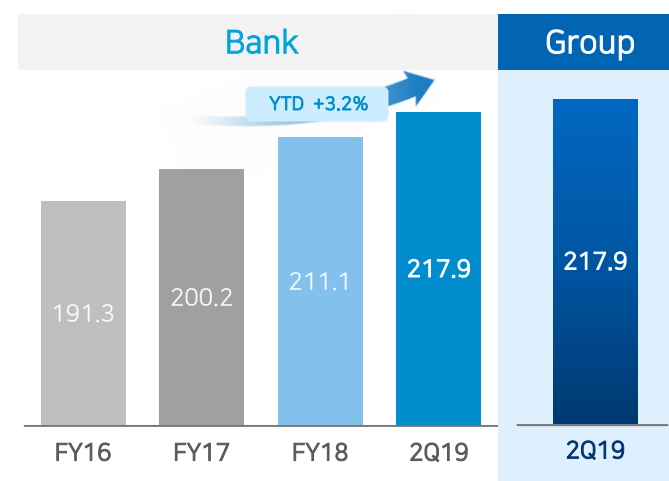
## Bank (Consolidated)

(Won in trillions)

	1H19	FY18	YTD(%)	1Q19	QoQ(%)
Total Assets	359.3	340.4	5.6	345.1	4.1
Financial Assets	53.1	47.1	12.7	47.6	11.6
Loans and Receivables	294.6	282.4	4.3	287.7	2.4
Loans in Won	217.9	211.1	3.2	213.8	1.9
Loans in F/C	18.0	15.2	18.4	16.1	11.8
Foreign Bills Bought	6.4	7.9	-19.0	6.5	-1.5
Total Liabilities	337.2	318.5	5.9	322.9	4.4
Deposits	257.1	248.7	3.4	250.2	2.8
Borrowings	19.3	16.2	19.1	16.3	18.4
Debentures	30.3	28.7	5.6	28.5	6.3
Shareholder's Equity <sup>1)</sup>	21.9	21.7	0.9	21.9	-
Capital Stock	3.4	3.4	-	3.4	-
Hybrid Securities	3.2	3.2	-	3.2	-
Retained Earnings	17.1	17.1	-	17.2	-0.6
(Non-controlling Interests)	(0.2)	(0.2)	-	(0.2)	-
Group Total Assets <sup>2)</sup>	409.7	388.9	5.3	394.4	3.9

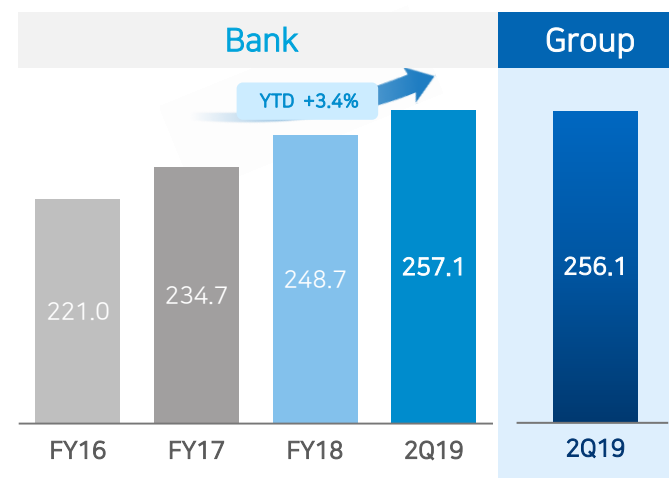
## Loans in Won

(Won in trillions)



## Deposits

(Won in trillions)



# Funding (Bank)

## Breakdown by Funding Sources

(Won in billions)

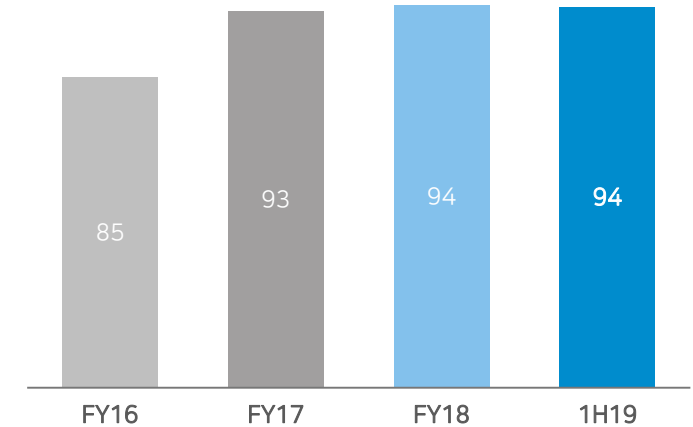
	1H19	FY18	YTD(%)	1Q19	QoQ(%)
Total Funding in KRW	254,739	246,300	3.4	247,704	2.8
Low Cost Deposits <sup>1)</sup>	93,827	94,047	-0.2	93,891	-0.1
Core Deposits	75,249	75,075	0.2	73,107	2.9
MMDA(Corporate)	18,577	18,972	-2.1	20,785	-10.6
Savings Deposits	128,646	121,250	6.1	122,775	4.8
Marketable Deposits	6,298	6,465	-2.6	6,681	-5.7
Borrowings	6,988	6,467	8.1	6,667	4.8
Debentures	18,981	18,071	5.0	17,691	7.3
Total Funding in FC	28,753	26,238	9.6	25,483	12.8
Total Funding	283,492	272,538	4.0	273,187	3.8

• Ending Balance basis (Bank Only)

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

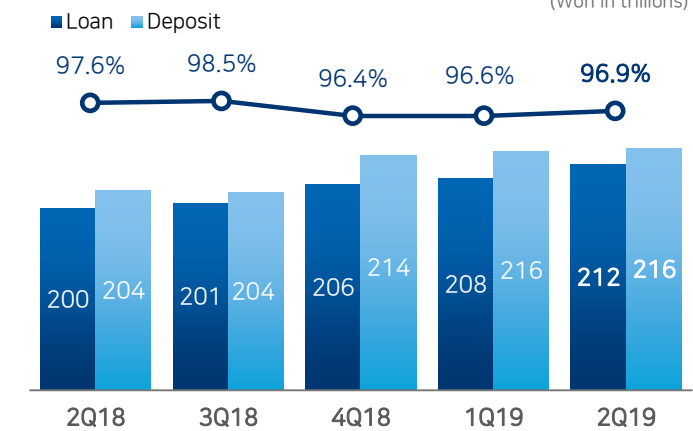
## Low Cost Deposit Trend

(Won in trillions)



## Loan-to-Deposit Ratio

(Won in trillions)



• Monthly average basis

# Loans (Bank)

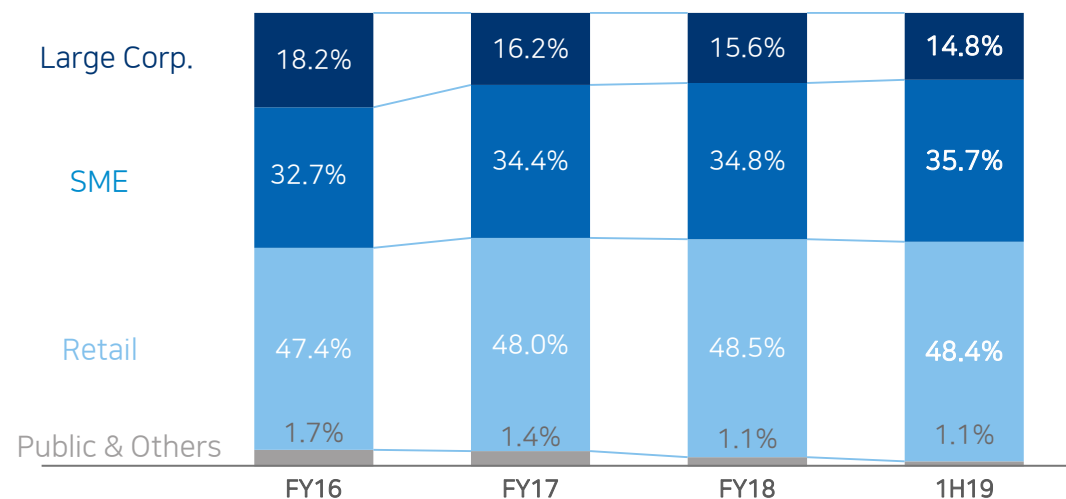
## Breakdown by Borrowers

(Won in billions)

	1H19	FY18	YTD(%)	1Q19	QoQ(%)
Large Corp.	35,778	36,463	-1.9	35,176	1.7
SME	86,146	81,303	6.0	83,354	3.3
Corporate	42,825	39,709	7.8	40,915	4.7
SOHO	43,321	41,594	4.2	42,439	2.1
Retail	116,600	113,497	2.7	114,547	1.8
Secured	92,969	90,188	3.1	90,952	2.2
Unsecured	23,630	23,309	1.4	23,595	0.1
Public & Others	2,566	2,653	-3.3	2,666	-3.7
Total	241,089	233,916	3.1	235,743	2.3

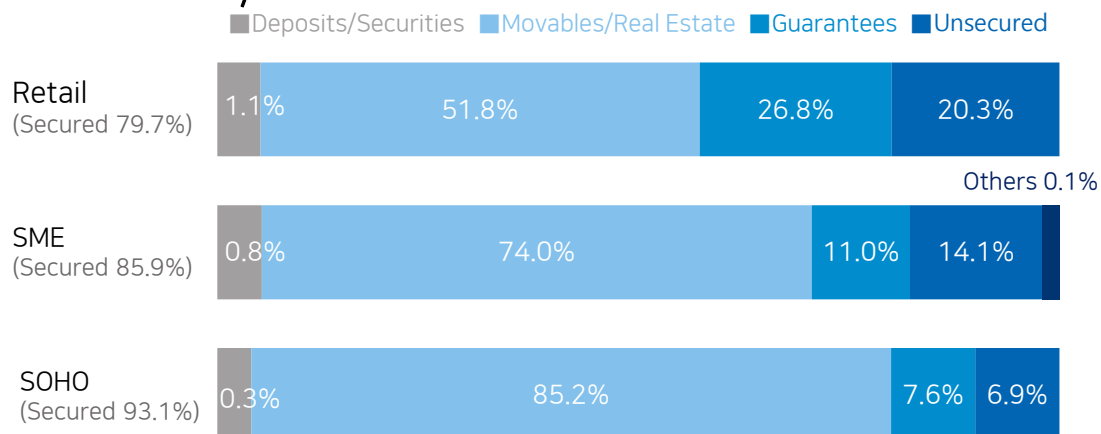
• FSS NPL reporting standards  
(including banking and trust account, foreign bills bought, guarantees and etc.)

## Loan Portfolio



• FSS NPL reporting standards

## Breakdown by Collateral



• Won Loan basis

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## V. Asset Quality / Capital Adequacy

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- Asset Quality
  - Capital Adequacy
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# Asset Quality

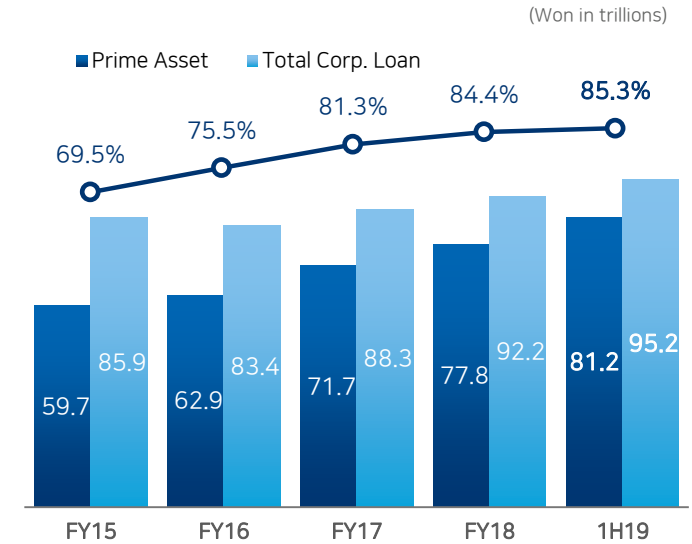
Group	1H19	1Q19	QoQ (%,%p)
Total Credit Offering	263,138	256,955	0.8
Precautionary	2,162	2,284	-3.0
	0.82%	0.89%	-0.07
Substandard & Below (NPL)	1,240	1,324	-6.1
	0.47%	0.52%	-0.05
Loan Loss Reserve	1,633	1,719	-6.5
LLR / (Substandard & Below Loans)	131.7%	129.9%	1.8

· Bank Only

Bank	1H19	FY18	YTD (%,%p)	1Q19	QoQ (%,%p)
	241,089	233,916	3.1	235,743	2.3
	1,637	1,806	-9.3	1,752	-6.6
	0.68%	0.77%	-0.09	0.74%	-0.06
	1,027	1,182	-13.1	1,110	-7.4
	0.43%	0.51%	-0.08	0.47%	-0.04
	1,237	1,410	-12.3	1,320	-6.3
	120.4%	119.3%	1.0	118.9%	1.5

(Won in billions)

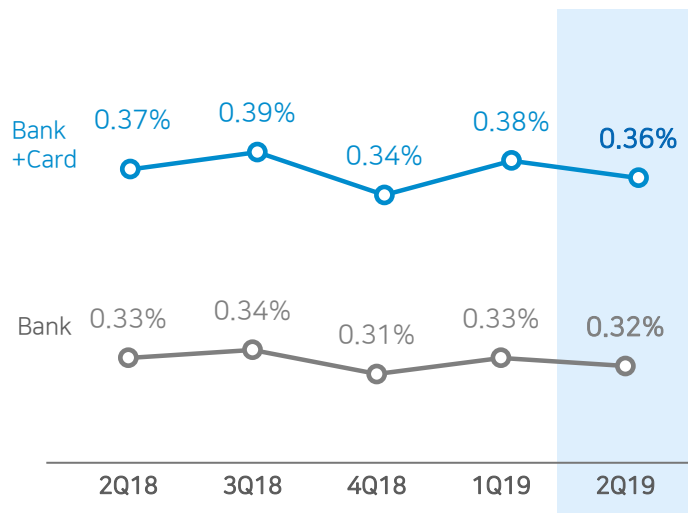
## Prime Asset Ratio



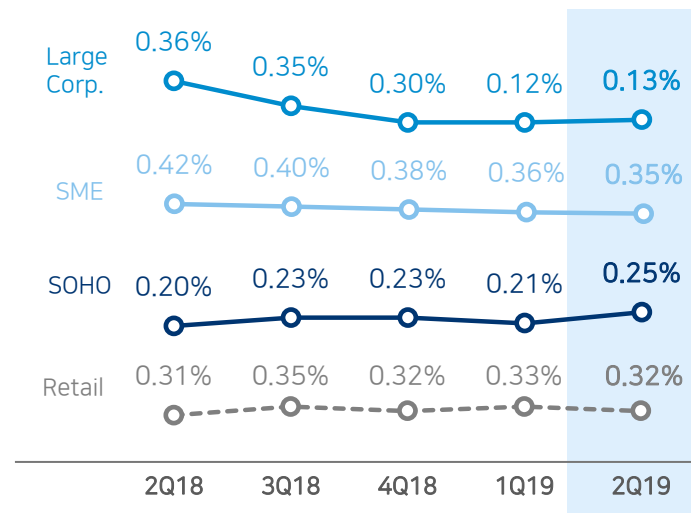
· Won loan basis

· Prime Asset : Internal credit rating of BBB and above

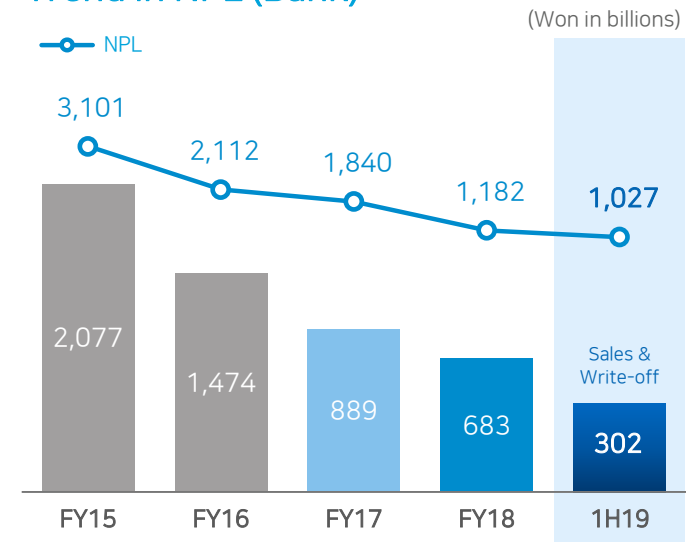
## Delinquency



## Delinquency Ratio (Bank)



## Trend in NPL (Bank)



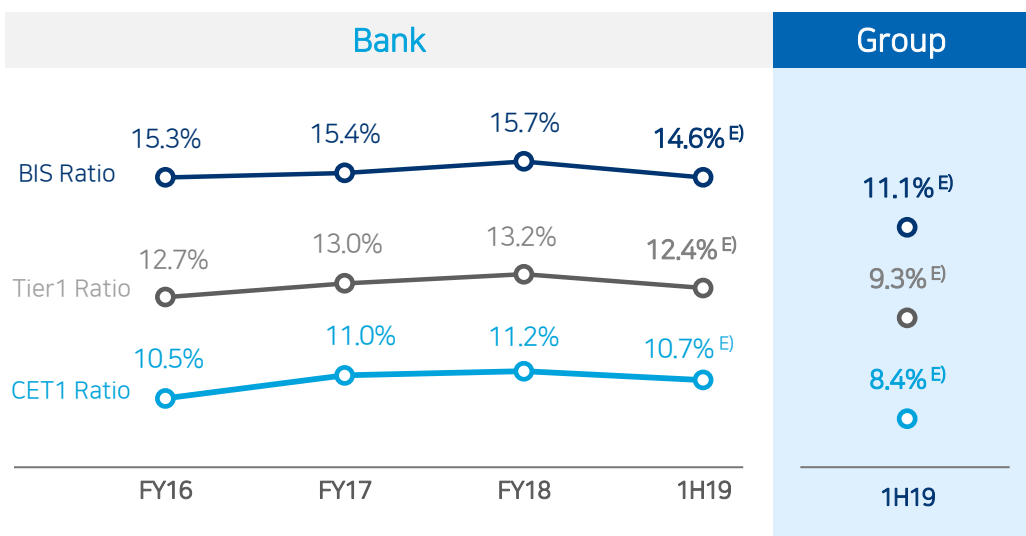


# Capital Adequacy

Group			
	1H19	1Q19	QoQ(%)
Total Capital	24,969	23,954	4.2
Common Equity	18,775	18,136	3.5
Tier 1 Capital	20,885	20,139	3.6
Tier 2 Capital	4,114	3,815	7.8
Risk-Weighted Assets	224,676	216,539	3.8

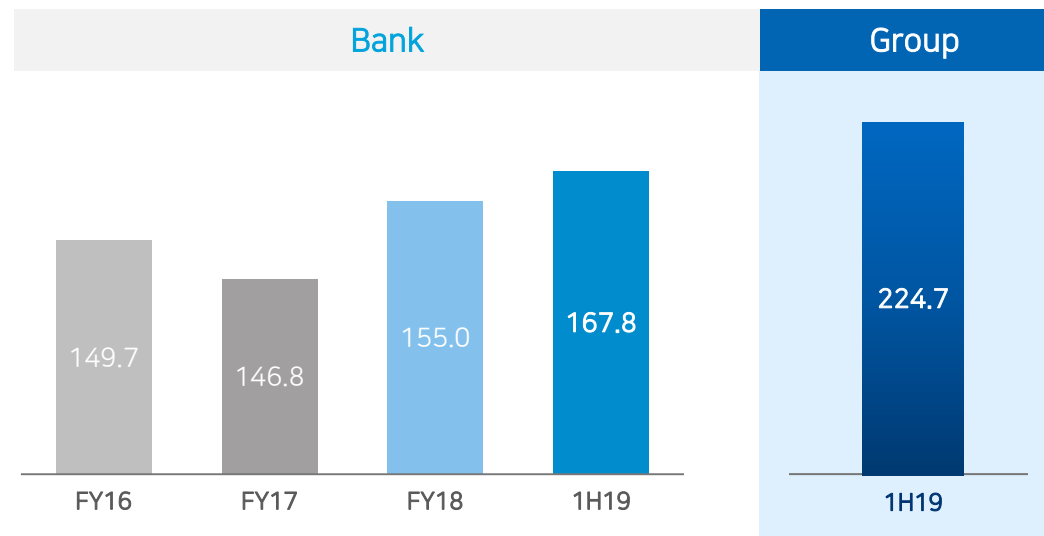
Bank (Consolidated)					(Won in billions)
	1H19	FY18	YTD(%)	1Q19	QoQ(%)
Total Capital	24,441	24,251	0.8	24,490	-0.2
Common Equity	17,884	17,276	3.5	17,729	0.9
Tier 1 Capital	20,861	20,423	2.1	20,707	0.7
Tier 2 Capital	3,580	3,828	-6.5	3,783	-5.4
Risk-Weighted Assets	167,781	154,971	8.3	159,864	5.0

## BIS Ratio Trend



· Consolidated basis

## Risk-Weighted Assets



· Consolidated basis

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## VI. Woori Card

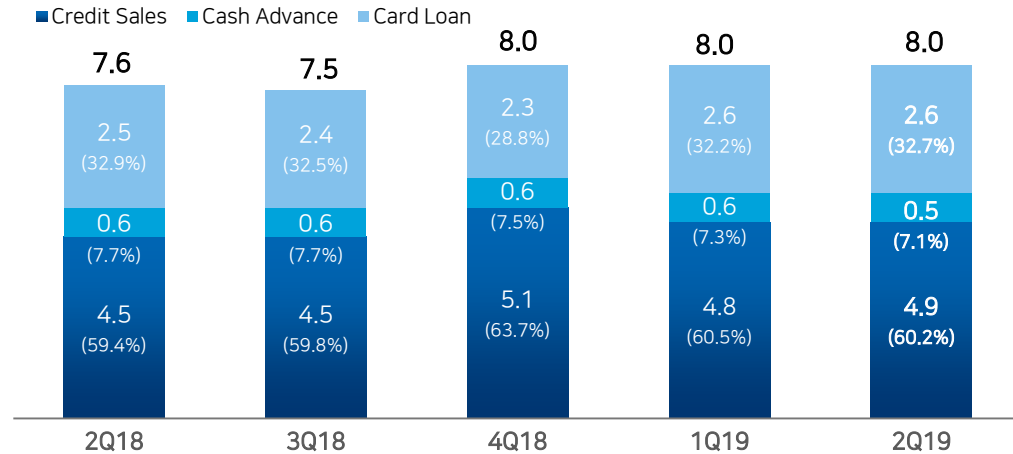
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- Woori Card at a Glance

# Woori Card at a Glance

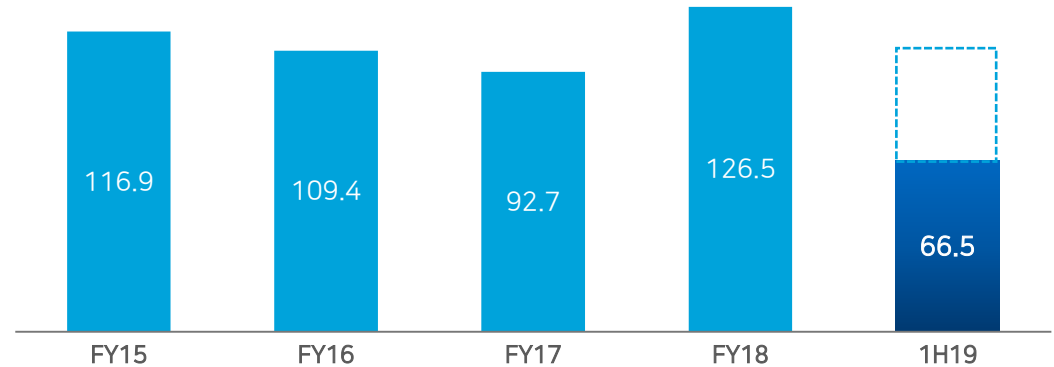
## Asset Breakdown

(Won in trillions)



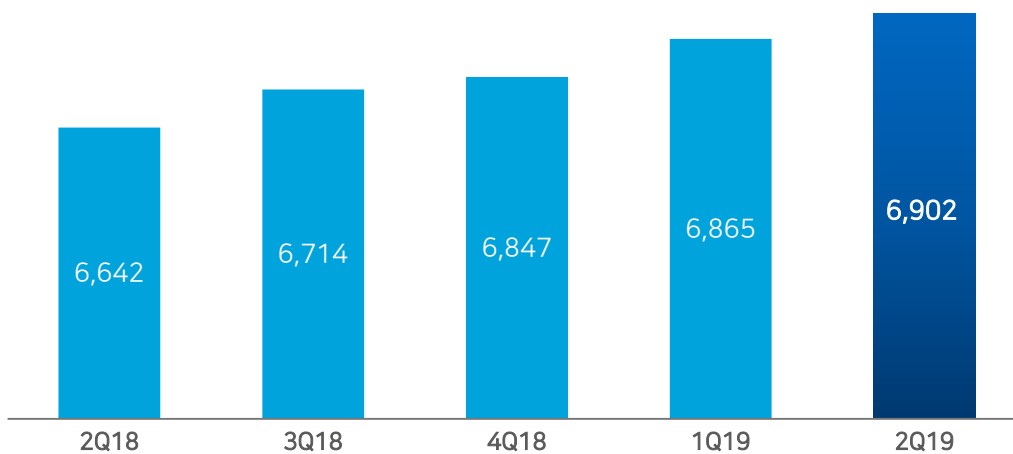
## Net Income

(Won in billions)



## Effective Members<sup>1)</sup>

(Unit : thousand persons)



Note 1) Members who used at least once within one month

## Delinquency Ratio

(Won in billions)

