

WOORI FINANCIAL GROUP

3Q 2020 Business Results

2020. 10



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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 this material.

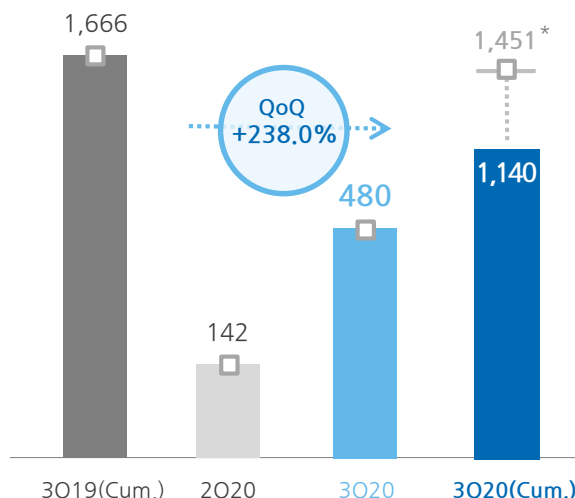
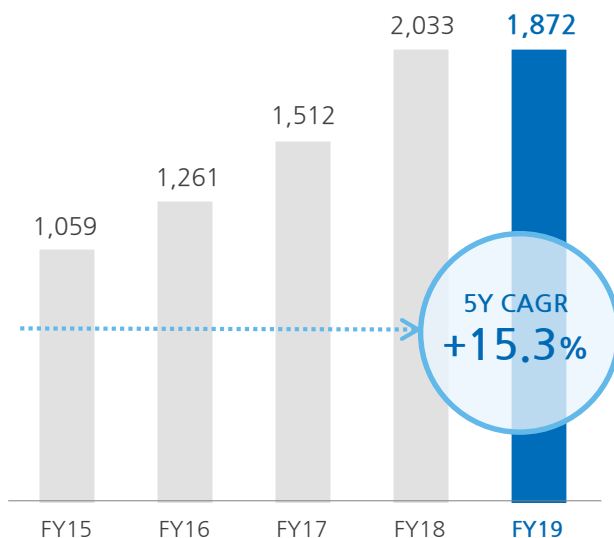
- Numbers presented throughout this material may not add up precisely to the totals indicated due to rounding.

I. 3Q20 Financial Highlights (1) Overview

Group Earnings

(Won in billions)

Net Income (Controlling Interests)



* Net Income excluding major one-off items (for illustration purpose)
 - Pre-emptive provisioning in regards to COVID and etc. (W269.4bn)
 - Non-operating expense related to WM products (W160bn)

Earnings Improvement

- Robust growth in prime assets and core low-cost deposits were main drivers of net operating revenue increase in 3Q (+5.0% QoQ)

3Q Net Income
W479.8bn
 (+238.0% QoQ)

Stable Asset Quality Ratios

- Prudent risk-management practices resulting in industry-leading AQ ratios
- Group NPL coverage ratio : 152.7%
- Normalized credit cost ratio: 0.16%

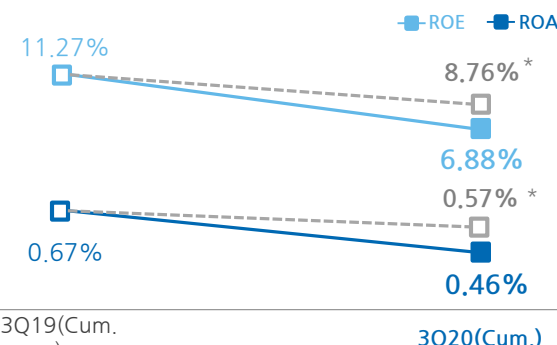
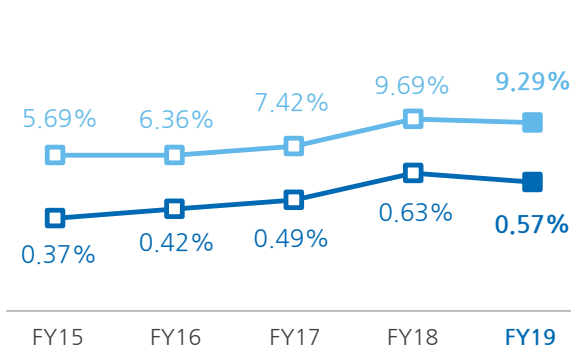
Group
 NPL **0.40%**
 Delinquency **0.32%**

Capital Enhancement

- Early adoption of BASEL III framework in 3Q and continued efforts to improve capital ratios to provide buffer during uncertain financial environment

Group CAR
 BIS **14.2%**
 CET1 **10.4%**

ROA/ROE



* Net Income excluding major one-off items (for illustration purpose)
 - Pre-emptive provisioning in regards to COVID and etc. (W269.4bn)
 - Non-operating expense related to WM products (W160bn)

Acquisition of Aju Capital

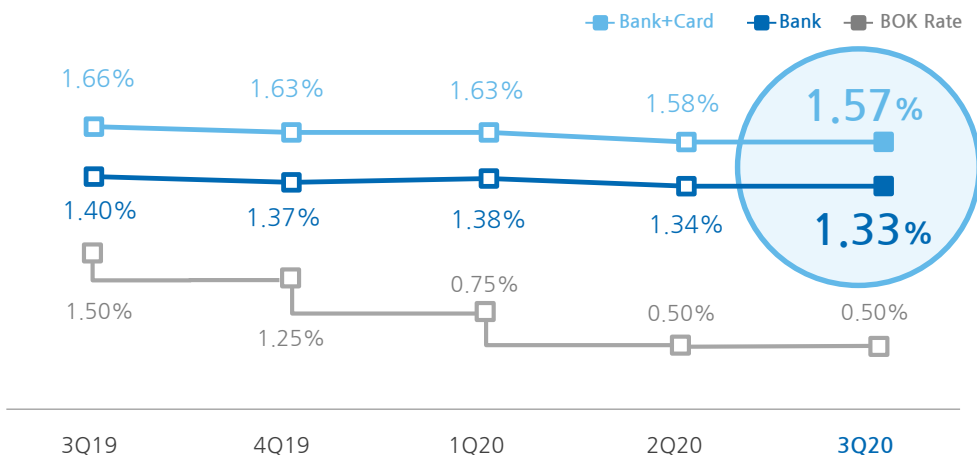
- Strengthening of Group's Non-Bank Portfolio
- Synergies between subsidiaries to improve non-bank revenues

* Aju Savings Bank, subsidiary of Aju Capital, to be included in Group

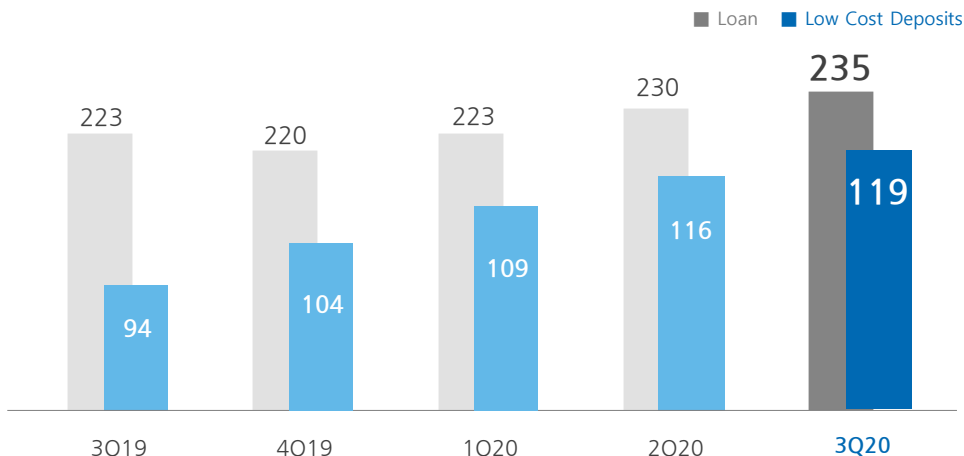
I. 3Q20 Financial Highlights (2) Key Financial Indicators I

Profitability

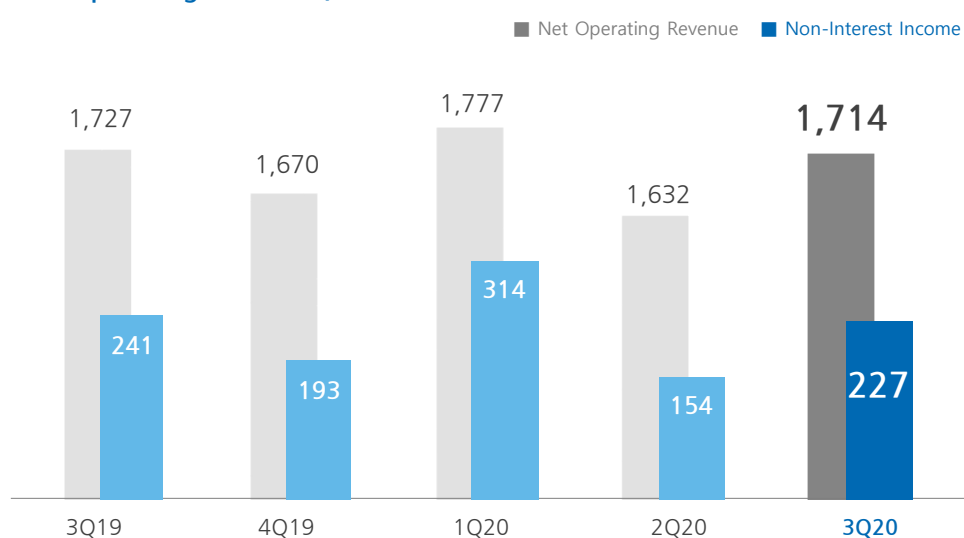
NIM



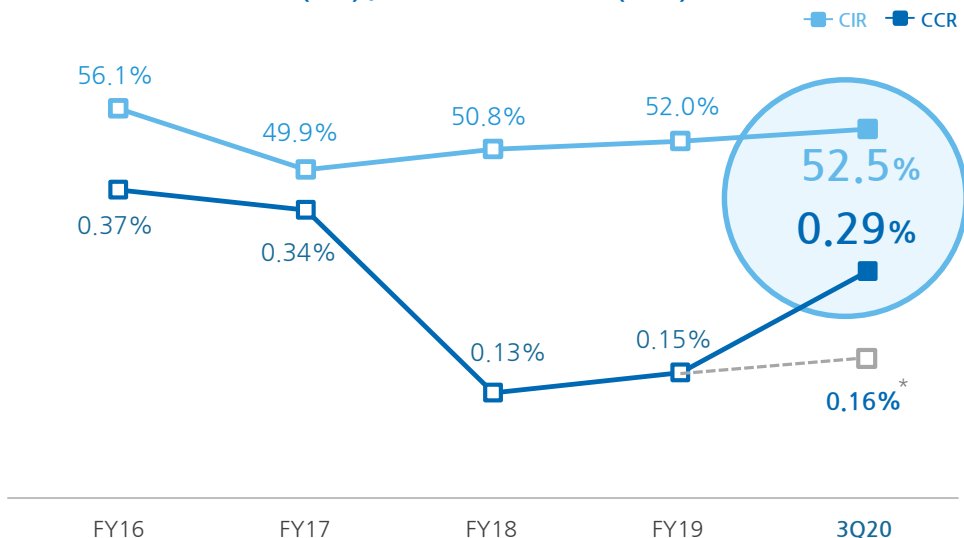
Loan / Low Cost Deposits in Won (Bank)



Net Operating Revenue / Non-Interest Income



Cost-to-Income Ratio (CIR) / Credit Cost Ratio (CCR)



· CIR = SG&A expense / (Interest income + Non-Interest Income), Consolidated basis

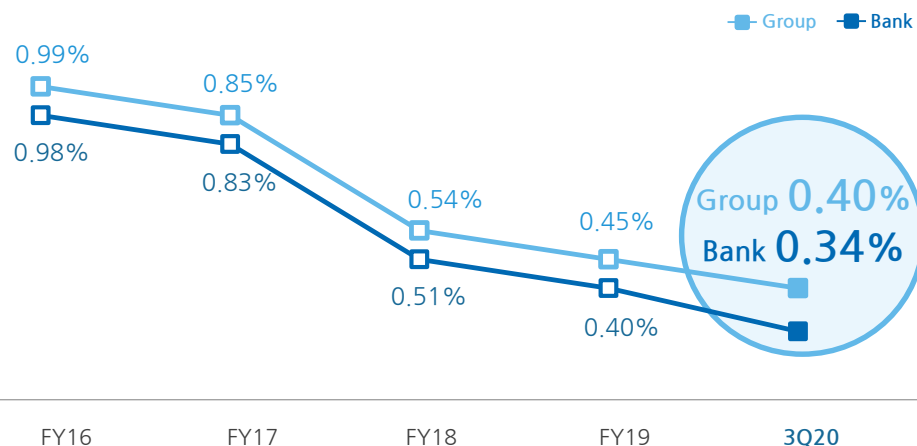
· CCR = Credit cost / Average total credit balance, Consolidated basis (annualized figures)

* Excluding one-off items in FY20 (pre-emptive provisioning of W269.4bn in regards to COVID and etc., for illustration purpose)

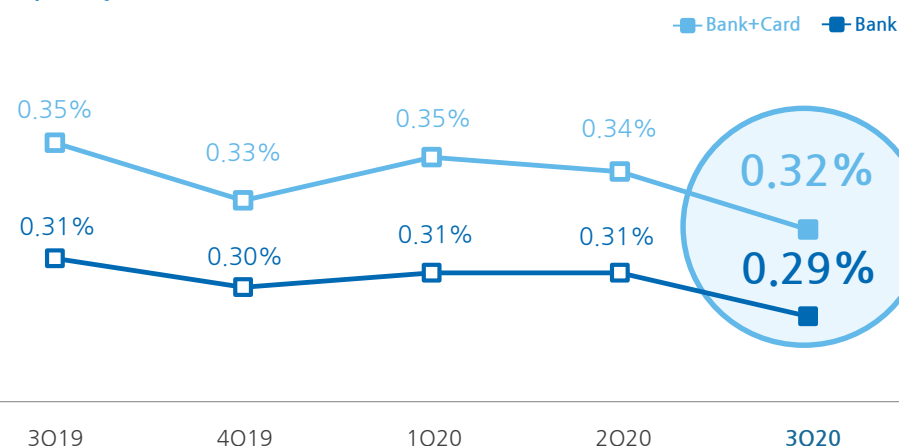
I. 3Q20 Financial Highlights (3) Key Financial Indicators II

Asset Quality / Capital Adequacy

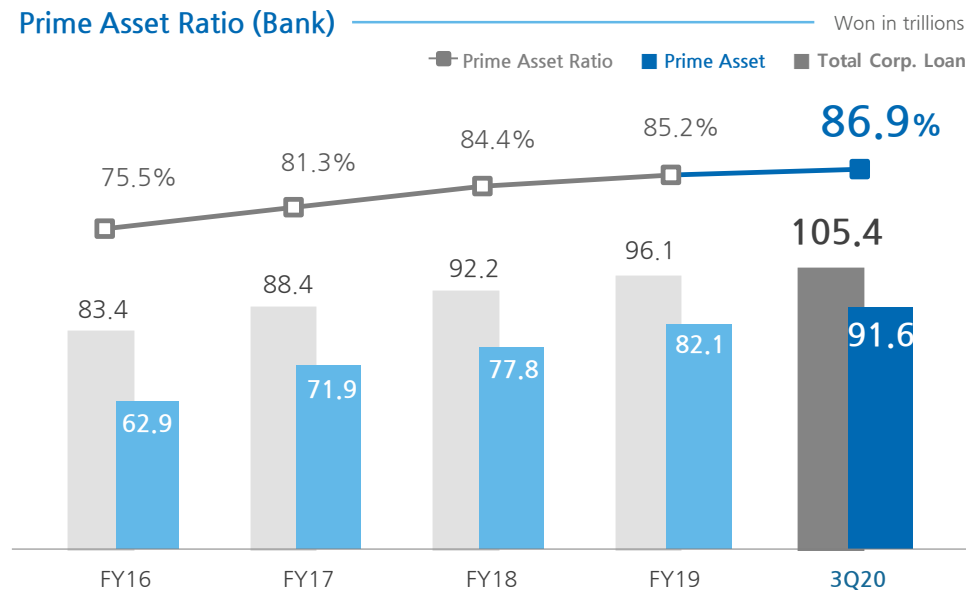
NPL Ratio



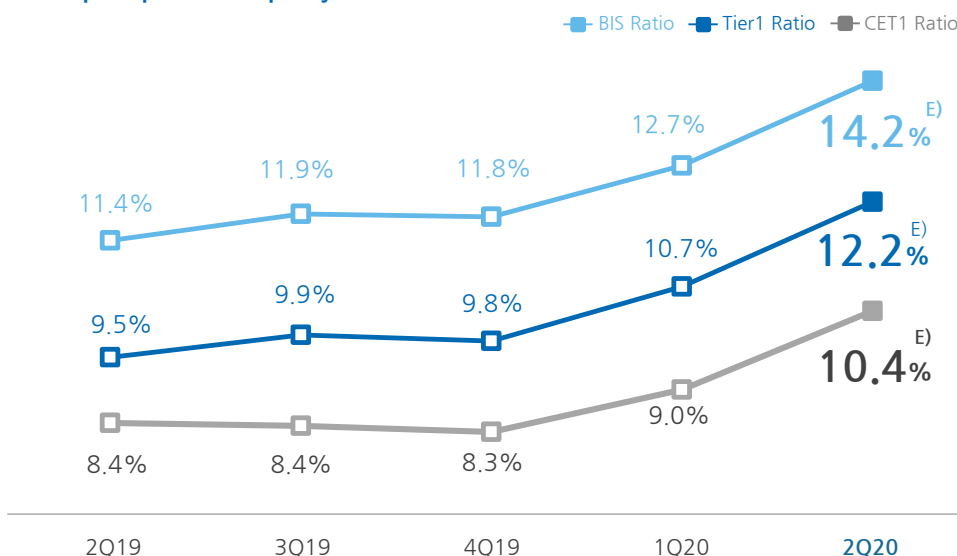
Delinquency Ratio



Prime Asset Ratio (Bank)



Group Capital Adequacy Ratio



· Loans in KRW basis (excluding clients only with certain specific loans, such as deposit secured loans)

· IRB Approach adopted starting from 2Q20 (previous numbers are under Standardized Approach)

· Early adoption of BASEL III framework in 3Q20

II. Group Overview

	Group (Consol.)	Subsidiaries										
		Woori Bank	Woori Card	Woori Investment Bank	Woori FIS	Woori Finance Research Institute	Woori Credit Information	Woori Fund Service	Woori PE Asset Mgm't	New acquisitions in 2019		
										Woori Asset Trust	Woori Asset Mgm't	Woori Global Asset Mgm't
Net Income ¹⁾ (Wbn)	1,140.4	1,158.6	107.4	50.1	4.1	0.3	1.7	1.9	0.0	27.3	5.2	-1.2
Total Assets ²⁾ (Wtn)	504.3	426.0	10.8	4.2	0.1	0	0	0	1.0	32.6	21.4	8.4
Shareholder's Equity ³⁾ (Wbn)	22,753	23,320	2,033	417	40	4	37	16	35	120	111	28
Ownership	Strategic Shareholder Group ⁴⁾ 24.1%	100%	100%	59.8%	100%	100%	100%	100%	100%	51.0%	73.0%	100%

· As of September 30, 2020 (K-IFRS)

Note 1) Net income attributable to controlling interests (consolidated basis)

Note 2) Total assets include trust account & AUM

Note 3) Excluding non-controlling interests

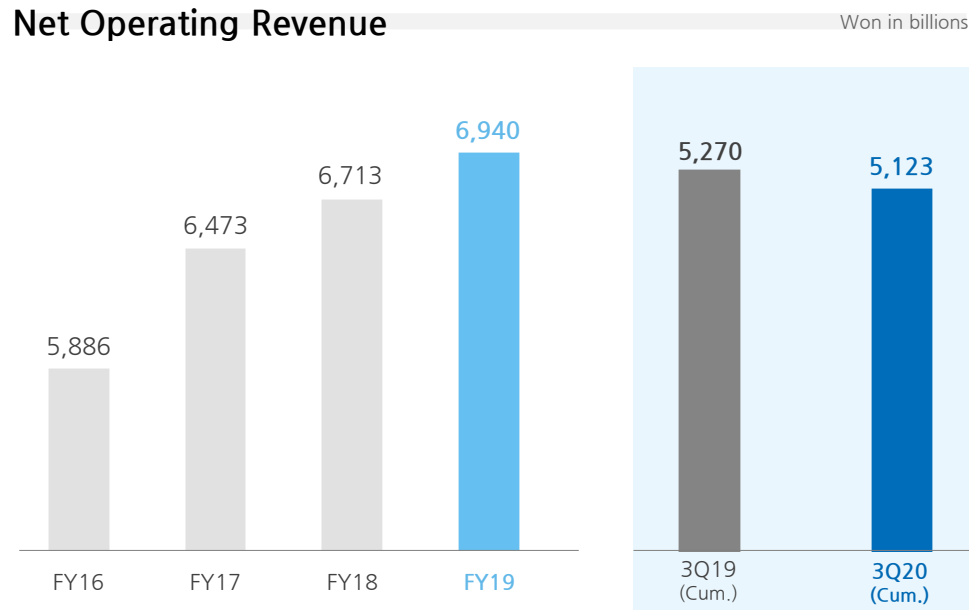
Note 4) Strategic Shareholder Group (as of 2019-end) : IMM, Tongyang Life, Kiwoom Securities, Korea Investment & Securities, Hanwha Life Insurance, Fubon Life Insurance

III. Earnings (1) Income Statement

Group Consolidated Income Statement

Won in billions	3Q20(Cum.)	3Q19(Cum.)	YoY(%)	3Q20	2Q20	QoQ(%)
Net Operating Revenue	5,123	5,270	-2.8	1,714	1,632	5.0
Interest Income	4,428	4,417	0.2	1,487	1,478	0.6
Non-Interest Income	695	853	-18.5	227	154	47.4
SG&A (-)	2,689	2,576	4.4	899	897	0.2
PPOP	2,434	2,694	-9.7	815	735	10.9
Impairment on Credit Loss (-)	587	324	81.2	140	336	-58.3
Operating Income	1,847	2,370	-22.1	675	399	69.2
Non-Operating Income	-138	28	NA	0	-118	NA
Income before Corp. Tax	1,709	2,398	-28.7	675	281	140.2
Corp. Tax (-)	414	592	-30.1	154	65	136.9
Net Income	1,295	1,806	-28.3	521	216	141.2
Controlling Interests	1,140	1,666	-31.6	480	142	238.0
Non-controlling Interests	155	140	10.7	41	74	-44.6

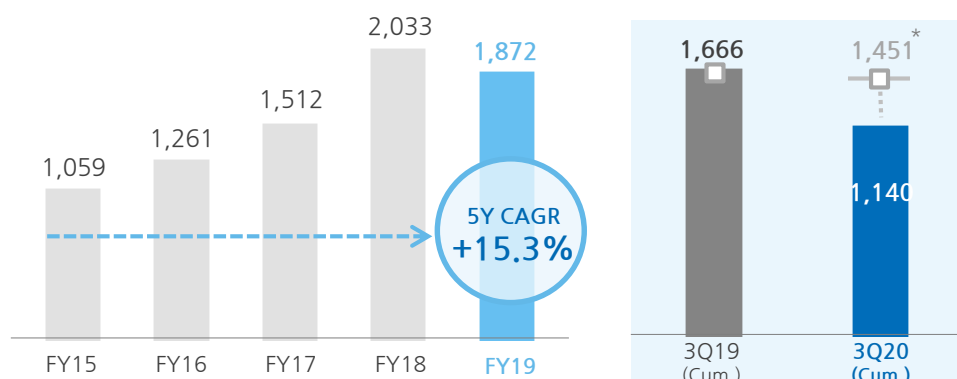
Net Operating Revenue



* Consolidated basis

Net Income (Controlling Interests)

Won in billions

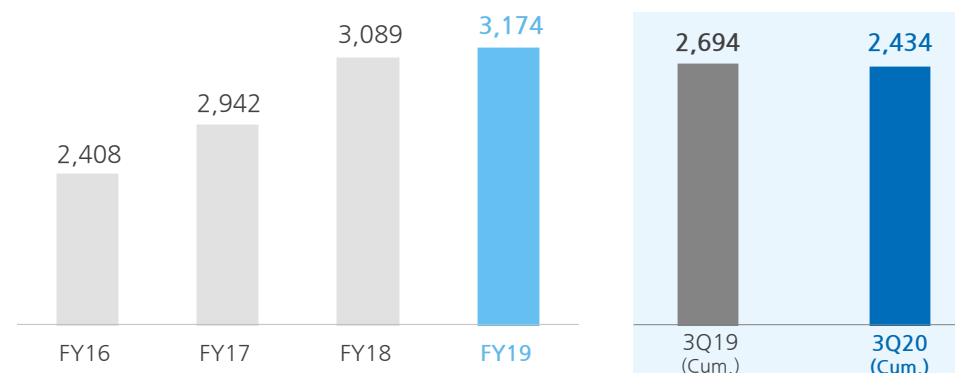


* Consolidated basis

* Net Income excluding major one-off items (for illustration purpose)
 - Pre-emptive provisioning in regards to COVID and etc. (W269.4bn)
 - Non-operating expense related to WM products (W160bn)

PPOP

Won in billions



* Consolidated basis

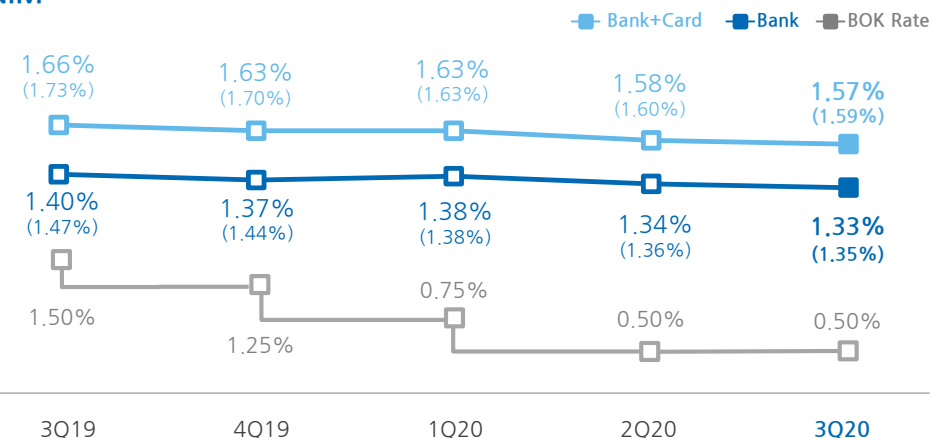
III. Earnings (2) Interest Income

Group Interest Income

Won in billions	3Q20(Cum.)	3Q19(Cum.)	YoY(%)	3Q20	2Q20	QoQ(%)
Net Interest Income	4,428	4,417	0.2	1,487	1,478	0.6
Interest Income	7,189	7,969	-9.8	2,273	2,412	-5.8
Loans	6,445	7,131	-9.6	2,047	2,168	-5.6
Financial Assets	675	709	-4.8	207	226	-8.4
Others	69	129	-46.5	19	18	5.6
Interest Expense	2,760	3,552	-22.3	785	934	-16.0
Deposits	1,969	2,593	-24.1	555	664	-16.4
Borrowings	223	297	-24.9	57	81	-29.6
Others	569	662	-14.0	173	189	-8.5

NIM / Interest Earning Assets

NIM

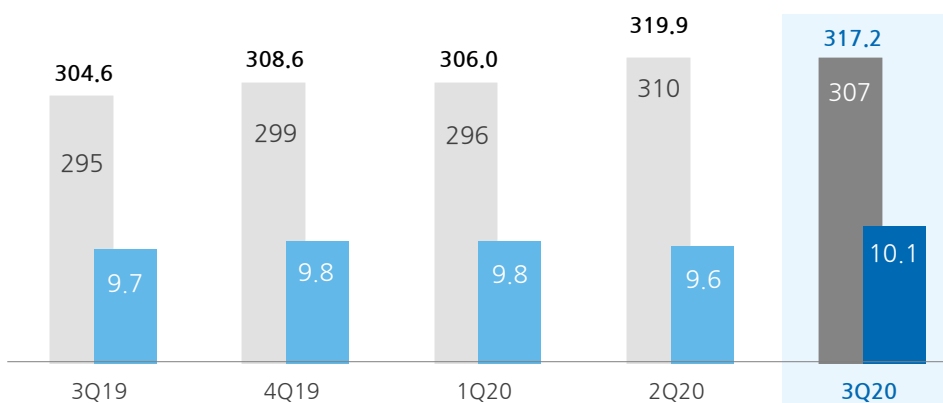


* Quarterly basis, Cumulative NIM in ()

Interest Earning Assets

Won in trillions

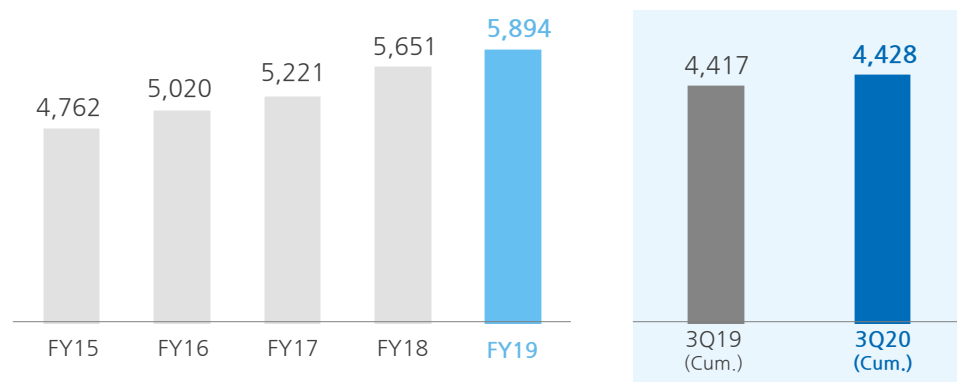
■ Bank ■ Card



* Quarterly average balance

Net Interest Income

Won in billions



III. Earnings (3) Non-Interest Income

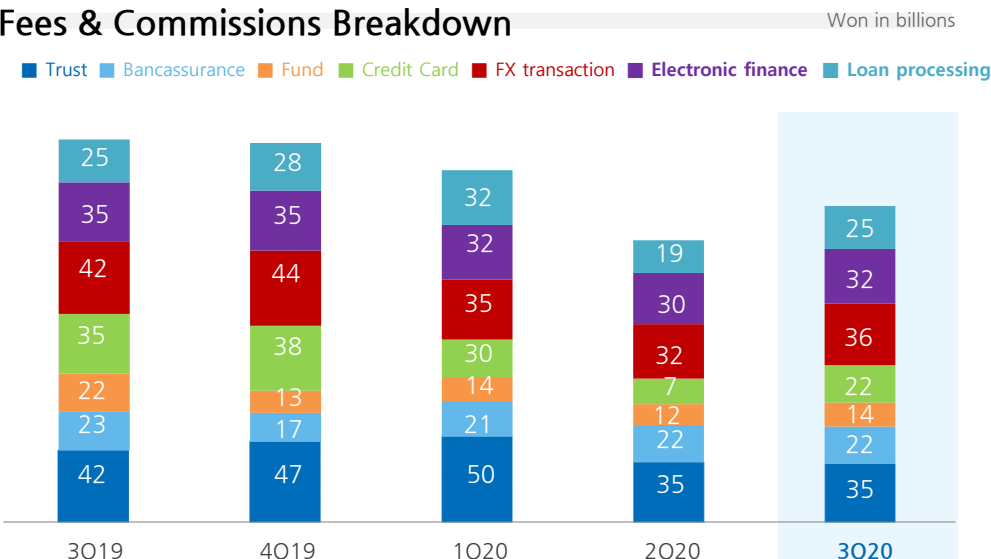
Group Fees & Commissions

Won in billions	3Q20(Cum.)	3Q19(Cum.)	YoY(%)	3Q20	2Q20	QoQ(%)
Fees & Commissions	731	841	-13.1	233	224	4.0
Trust	119	131	-9.2	34	35	-2.9
Bancassurance	63	70	-10.0	20	22	-9.1
Fund	40	77	-48.1	14	12	16.7
Credit Card	59	103	-42.7	22	7	214.3
Others	474	460	3.0	166	148	12.2
FX transaction	102	137	-25.5	36	32	12.5
Electronic finance	94	103	-8.7	32	30	6.7
Loan processing	76	60	26.7	25	19	31.6

Group Non-Interest Income

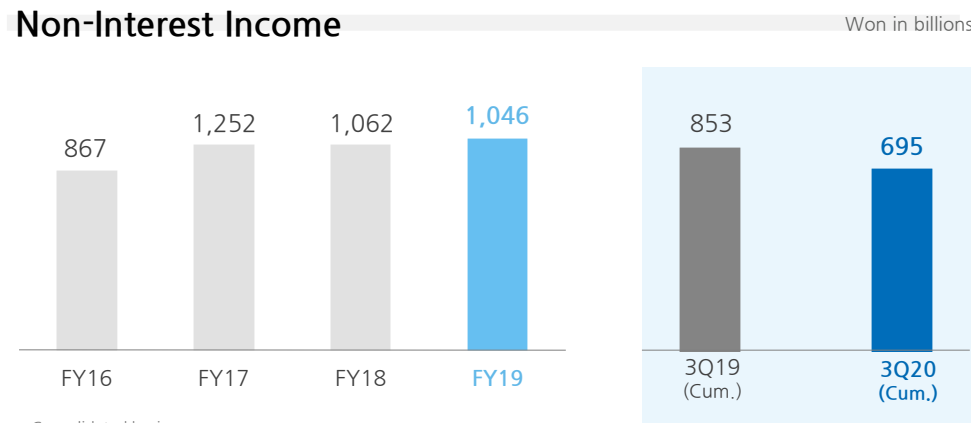
Won in billions	3Q20(Cum.)	3Q19(Cum.)	YoY(%)	3Q20	2Q20	QoQ(%)
Non-Interest Income	695	853	-18.5	227	154	47.4
Fees & Commission	731	841	-9.2	233	224	4.0
FX Trading/Derivatives	300	291	3.1	106	12	783.3
Securities	183	171	7.0	75	77	-2.6
Valuation/Disposal of Loans	41	101	-59.4	8	7	14.3
Others	-563	-551	2.2	-195	-167	16.8
Deposit Insurance & Contribution to Guarantee Funds	-517	-483	7.0	-179	-169	5.9

Fees & Commissions Breakdown



* Consolidated basis

Non-Interest Income



* Consolidated basis

III. Earnings (4) SG&A Expense and Credit Cost

Group SG&A Expense

Won in billions	3Q20(Cum.)	3Q19(Cum.)	YoY(%)	3Q20	2Q20	QoQ(%)
SG&A Expense	2,689	2,576	4.4	899	897	0.2
Salary & Benefits	1,667	1,572	6.0	557	549	1.5
Salaries & Benefits (excluding ERP)	1,667	1,564	6.6	557	549	1.5
General & Administration	533	546	-2.4	186	184	1.1
Depreciation	388	346	12.1	129	124	4.0
Taxes & Dues	101	112	-9.8	27	40	-32.5

· Excluding 3 asset management companies acquired in 2019 : (3Q cum.) SGA Expense +3.0% YoY, Salary & Benefits +4.6% YoY

Group Credit Cost

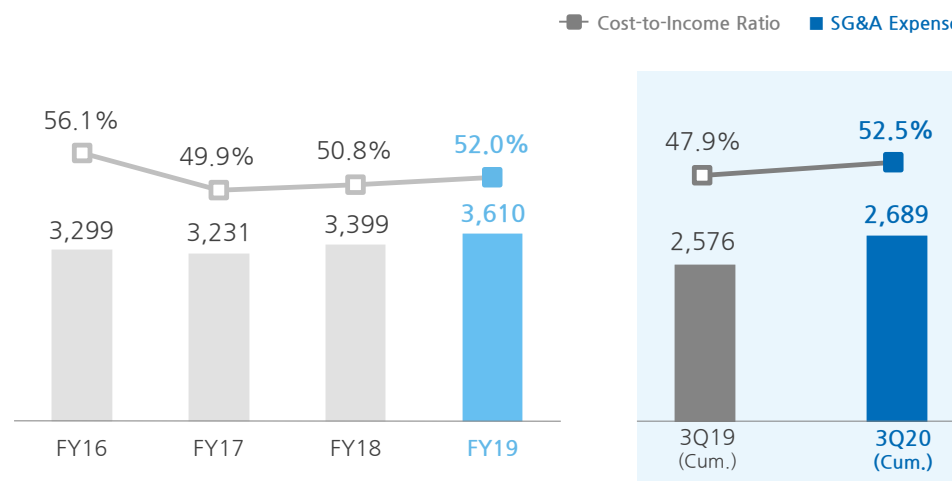
	3Q20(Cum.)	FY19	FY18	FY17	FY16
Credit Cost ¹⁾ (Wbn)	587	374	330	785	834
Total Credit ²⁾ (Wtn)	285.2	266.4	254.3	238.5	231.2

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

Note 2) Ending balance

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

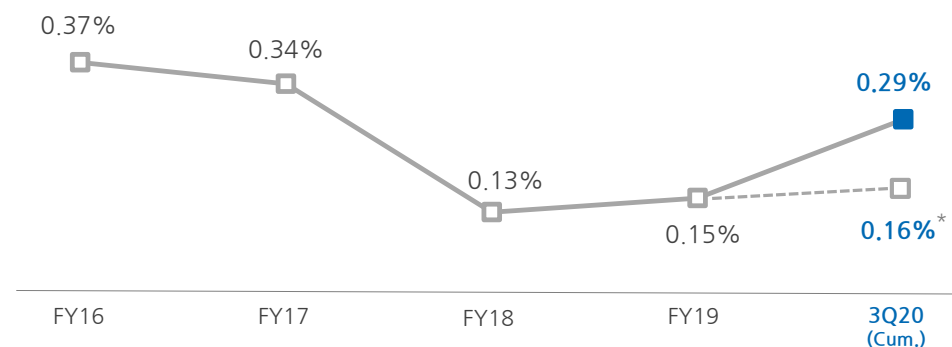
Won in billions, %



· Cost-to-Income Ratio = SG&A Expense / (Interest Income + Non-Interest Income), Consolidated basis

· Note 1) Excluding ERP Expense : 179bn(FY16), 304bn(FY17), 225bn(FY18), 156bn(FY19)

Credit Cost Ratio



· Credit Cost Ratio = Credit cost / Average total credit balance (Consolidated basis, annualized figures)

* Excluding one-off items in FY20 (pre-emptive provisioning of W269.4bn in regards to COVID and etc., for illustration purpose)

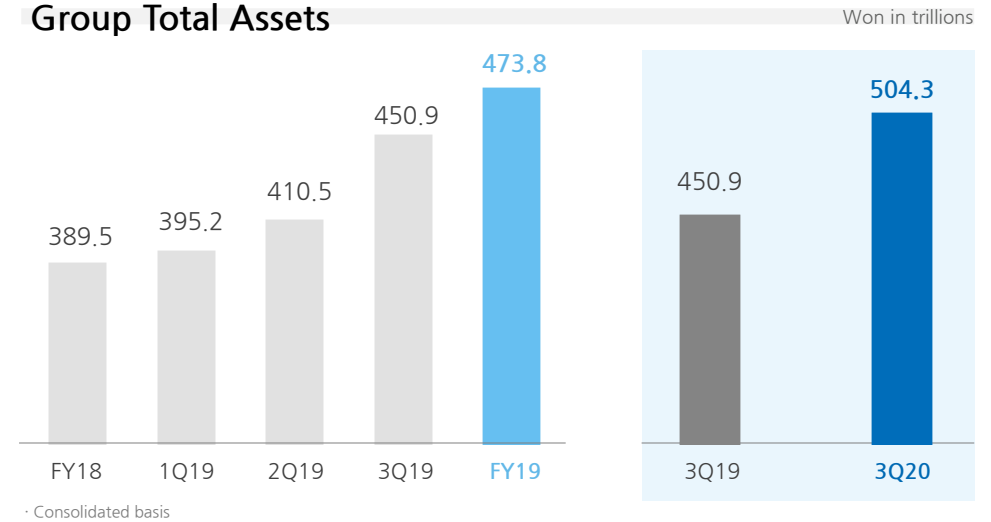
IV. Assets/Liabilities (1) Statement of Financial Position

Group Statement of Financial Position

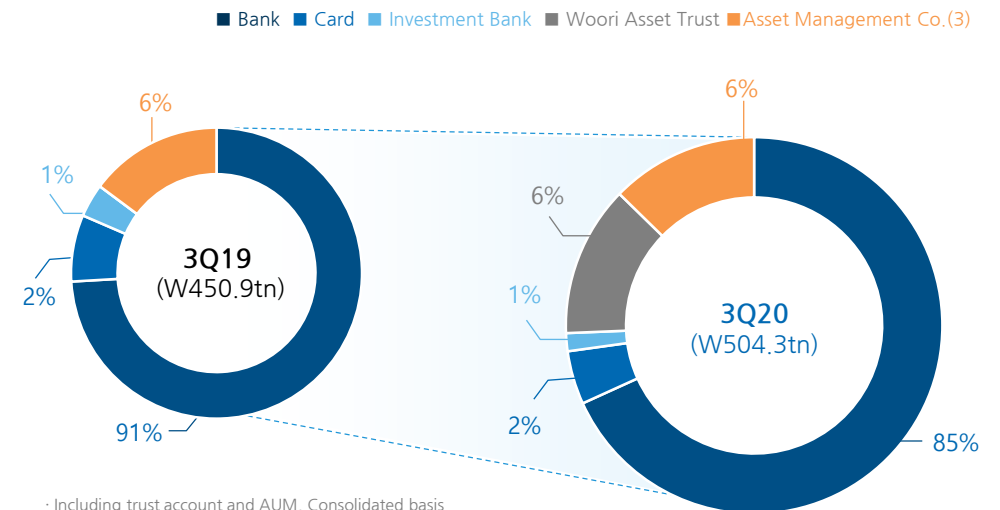
Won in trillions	3Q20	FY19	YTD(%)	2Q20	QoQ(%)
Total Assets	380.8	362.0	5.2	380.1	0.2
Financial Assets	58.2	56.1	3.7	58.3	0.2
Loans and Receivables	308.0	293.7	4.9	306.4	0.5
Loans in Won	236.5	221.5	6.8	231.8	2.0
Loans in F/C	20.9	18.5	13.0	19.9	5.0
Foreign Bills Bought	6.6	4.8	37.5	4.9	34.7
Total Liabilities	354.6	336.5	5.4	354.3	0.1
Deposits	278.5	264.7	5.2	276.9	0.6
Borrowings	22.8	19.0	20.0	21.3	7.0
Debentures	30.0	30.9	-2.9	31.0	-3.2
Shareholder's Equity ¹⁾	22.8	21.5	6.0	22.3	2.2
Capital Stock	3.6	3.6	-	3.6	-
Hybrid Securities	1.7	1.0	70.0	1.7	-
Retained Earnings	19.1	18.5	3.2	18.7	2.1
Non-controlling Interests	3.5	4.0	-12.5	3.5	-
Group Total Assets	504.3	473.8	6.4	501.0	0.7
Trust Account & AUM	123.5	111.8	10.5	121.0	2.1

Note 1) Controlling Interests

Group Total Assets



Group Asset Breakdown



IV. Assets/Liabilities (2) Funding

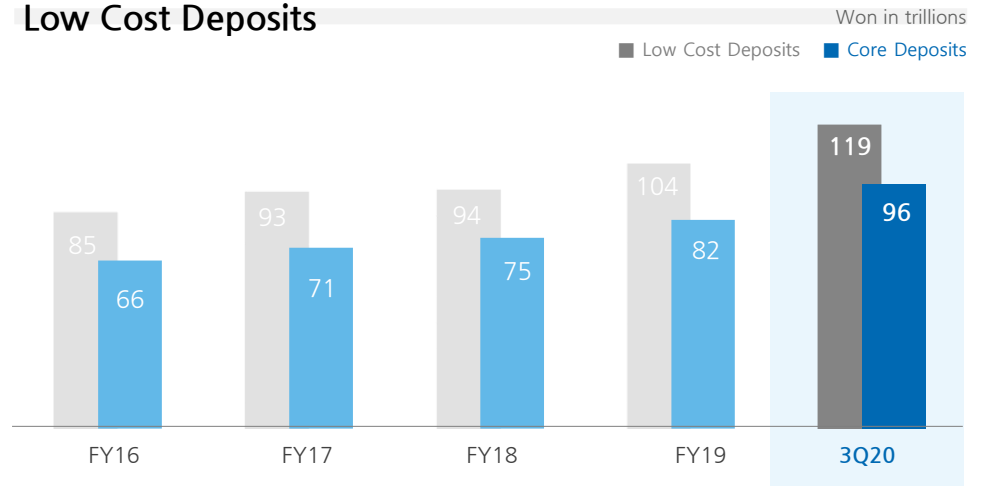
Funding (Bank)

Won in billions	3Q20	FY19	YTD(%)	2Q20	QoQ(%)
Total Funding in KRW	270,595	261,062	3.7	269,421	0.4
Low Cost Deposits ¹⁾	118,939	104,214	14.1	116,356	2.2
Core Deposits	96,138	82,116	17.1	92,245	4.2
MMDA(Corporate)	22,801	22,098	3.2	24,111	-5.4
Savings Deposits	123,434	129,905	-5.0	124,362	-0.7
CDs and etc.	1,583	983	61.1	1,846	-14.2
Borrowings	9,098	7,420	22.6	8,617	5.6
Debentures	17,540	18,541	-5.4	18,241	-3.8
Total Funding in FC	32,402	29,534	9.7	33,579	-3.5
Total Funding	302,997	290,596	4.3	303,000	-0.0

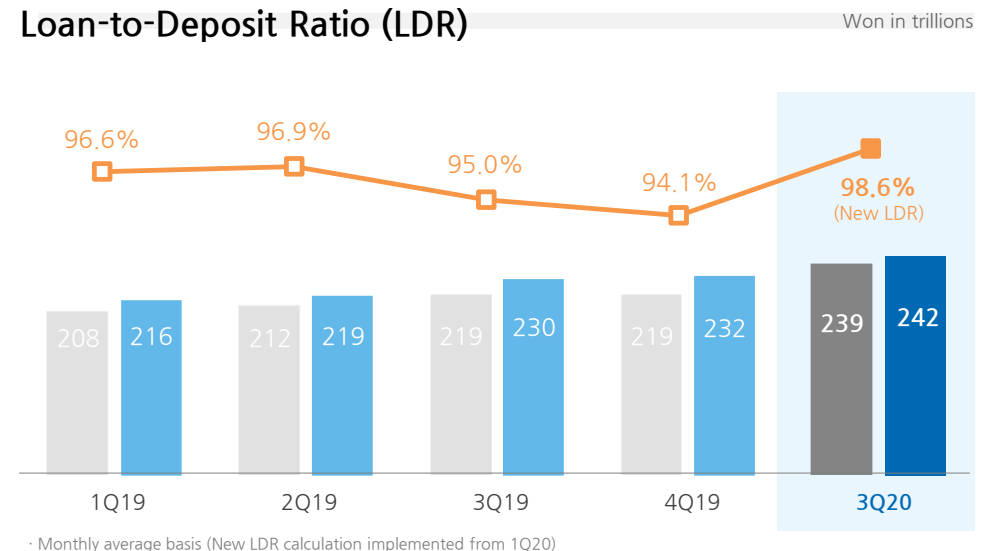
· Ending Balance (Bank Only)

Note 1) Demand Deposits, Retail & Corporate Savings Deposits, MMDA included

Low Cost Deposits



Loan-to-Deposit Ratio (LDR)



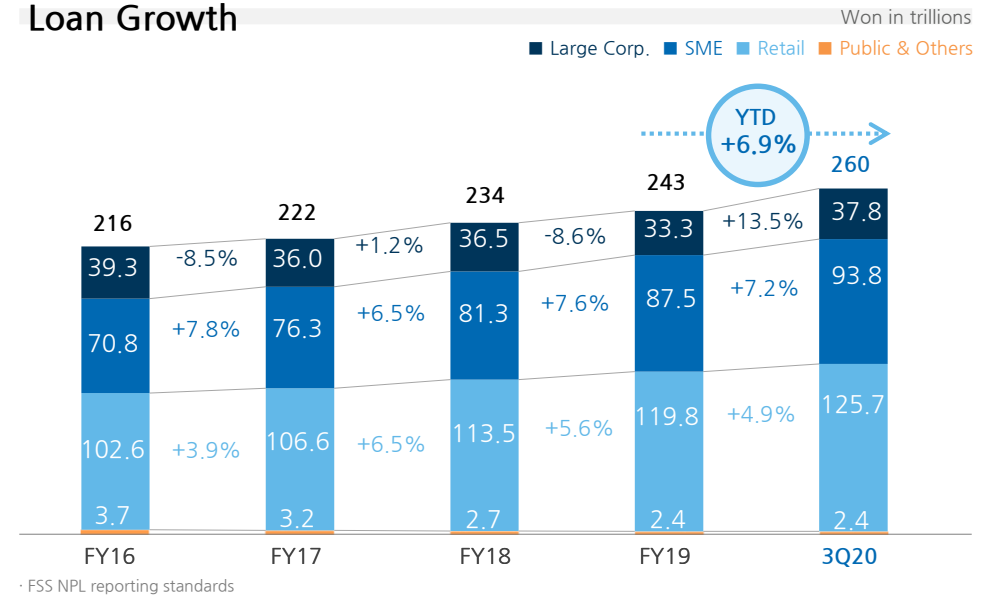
IV. Assets/Liabilities (3) Loans

Loans (Bank)

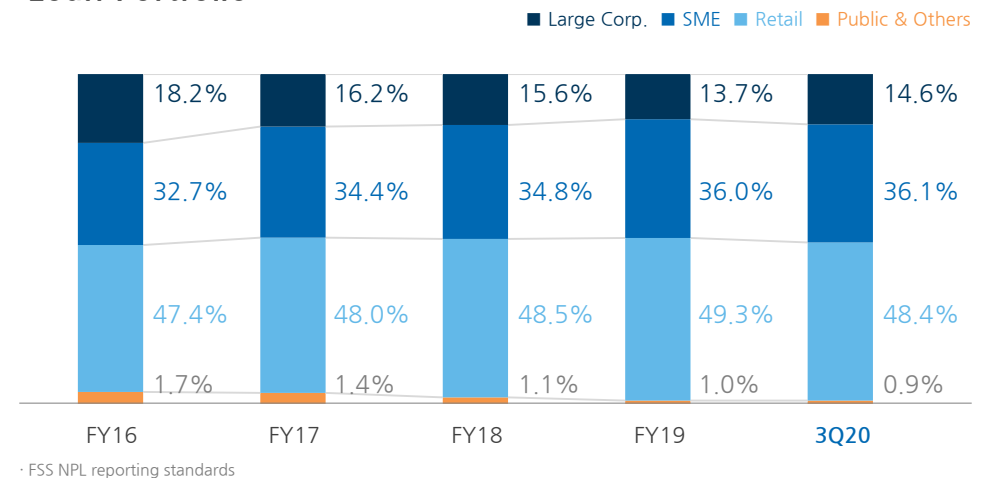
Won in billions	3Q20	FY19	YTD(%)	2Q20	QoQ(%)
Large Corp.	37,815	33,330	13.5	37,229	1.6
SME	93,774	87,506	7.2	93,054	0.8
Corporate	47,162	43,462	8.5	46,761	0.9
SOHO	46,612	44,044	5.8	46,293	0.7
Retail	125,748	119,834	4.9	122,102	3.0
Secured	98,161	96,065	2.2	96,947	1.3
Unsecured	27,587	23,769	16.1	25,155	9.7
Public & Others	2,443	2,414	1.2	2,474	-1.3
Total	259,780	243,084	6.9	254,859	1.9

· FSS NPL reporting standards
(includes bank and trust accounts, foreign bills bought, guarantees and etc.)

Loan Growth



Loan Portfolio

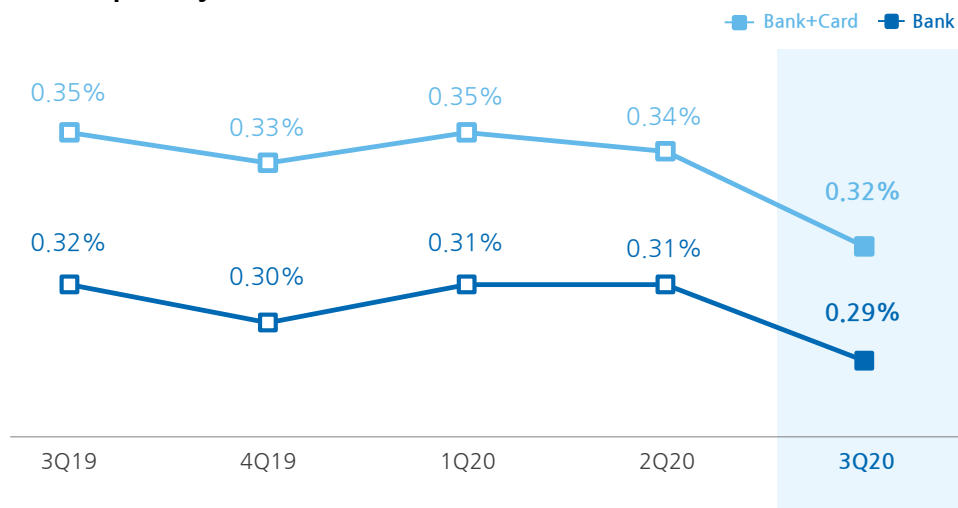


V. Asset Quality (1) Group

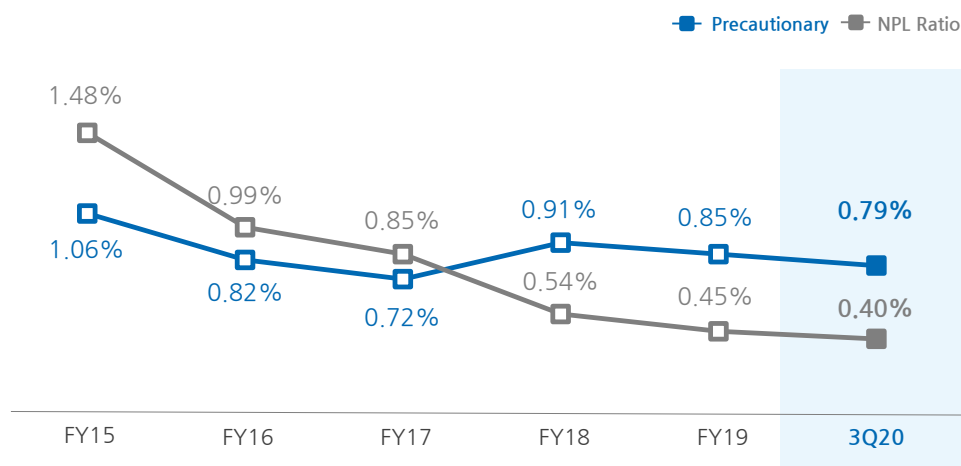
Group Asset Quality

Won in billions	3Q20	FY19	YTD(%,%p)	2Q20	QoQ(%,%p)
Total Credit	285,178	266,432	7.0	278,661	2.3
Precautionary	2,241	2,264	-1.0	2,383	-6.0
	0.79%	0.85%	-0.06	0.86%	-0.07
Substandard & Below (NPL)	1,132	1,198	-5.5	1,205	-6.1
	0.40%	0.45%	-0.05	0.43%	-0.03
Loan Loss Reserve	1,728	1,600	8.0	1,716	0.7
NPL Coverage Ratio	152.7%	133.6%	19.1	142.4%	10.4

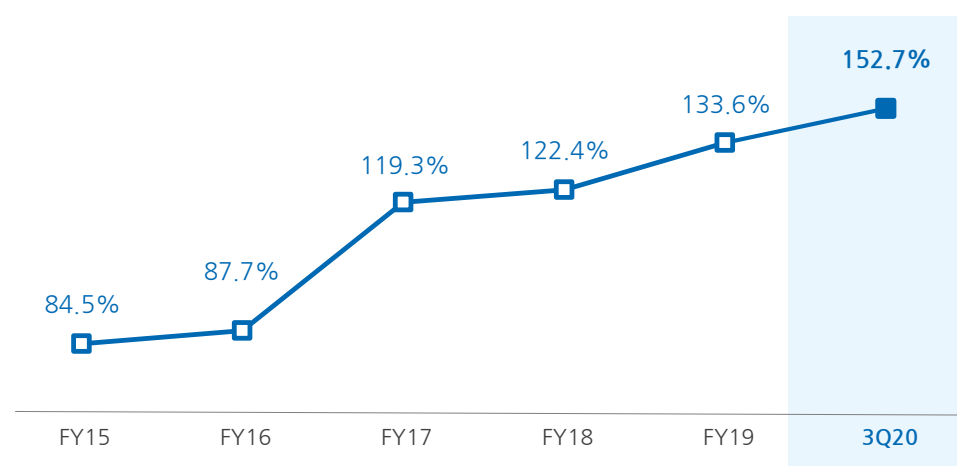
Delinquency Ratio



Precautionary / NPL Ratio



NPL Coverage Ratio



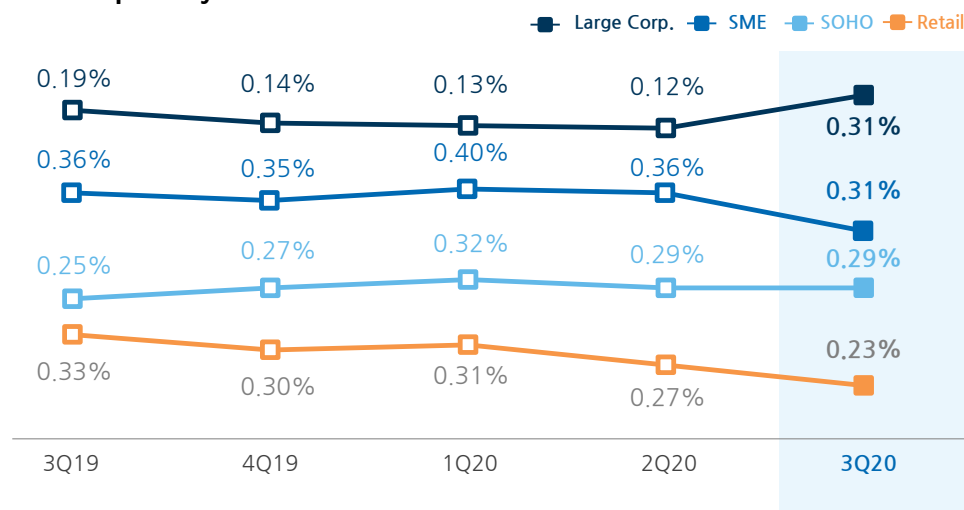
V. Asset Quality (2) Bank

Bank Asset Quality

Won in billions	3Q20	FY19	YTD(%,%p)	2Q20	QoQ(%,%p)
Total Credit	259,780	243,084	6.9	254,859	1.9
Precautionary	1,716	1,704	0.7	1,856	-7.5
	0.66%	0.70%	-0.04	0.73%	-0.07
Substandard & Below	882	980	-10.0	975	-9.5
	0.34%	0.40%	-0.06	0.38%	-0.04
Loan Loss Reserve	1,333	1,193	11.7	1,329	0.3
NPL Coverage Ratio	151.1%	121.8%	29.3	136.4%	14.7

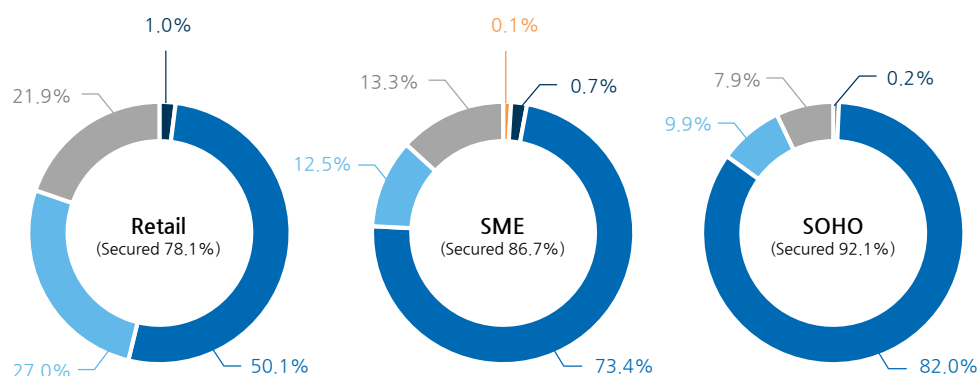
• Bank only

Delinquency Ratio



Breakdown by Collateral

Deposits/Securities Movables/Real Estate Guarantees Unsecured Others

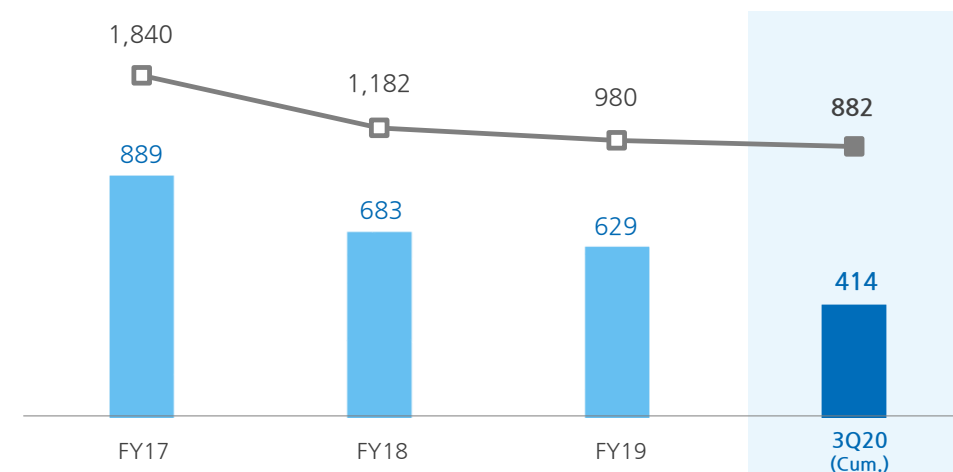


• Loans in KRW

NPL Trend (Bank)

Won in billions

NPL Sales/Write-off



VI. Capital Adequacy

Group

Won in billions	3Q20	FY19	YTD(%)	2Q20	QoQ(%)
Total Capital	27,261	27,115	0.9	27,352	-0.3
Common Equity	20,061	19,135	1.5	19,429	3.3
Tier 1 Capital	23,343	22,475	2.4	23,017	1.4
Risk-Weighted Assets	192,001	228,046	-5.8	214,815	-10.6

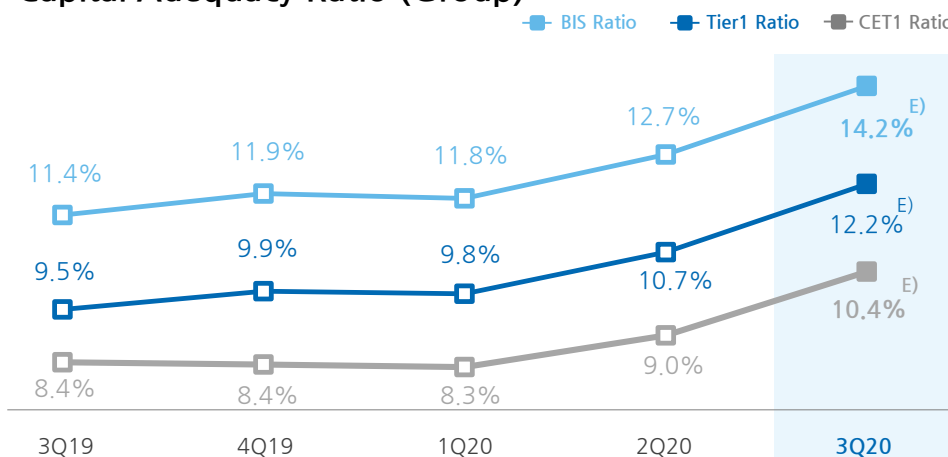
· IRB Approach adopted starting from 2Q20 (previous numbers are under Standardized Approach)
 · Early adoption of BASEL III framework starting in 3Q20

Bank

Won in billions	3Q20	FY19	YTD(%)	2Q20	QoQ(%)
Total Capital	26,028	24,314	7.0	25,372	2.6
Common Equity	19,715	17,321	13.8	19,032	3.6
Tier 1 Capital	22,468	20,787	8.1	21,785	3.1
Risk-Weighted Assets	147,867	157,890	-6.3	171,465	-13.8

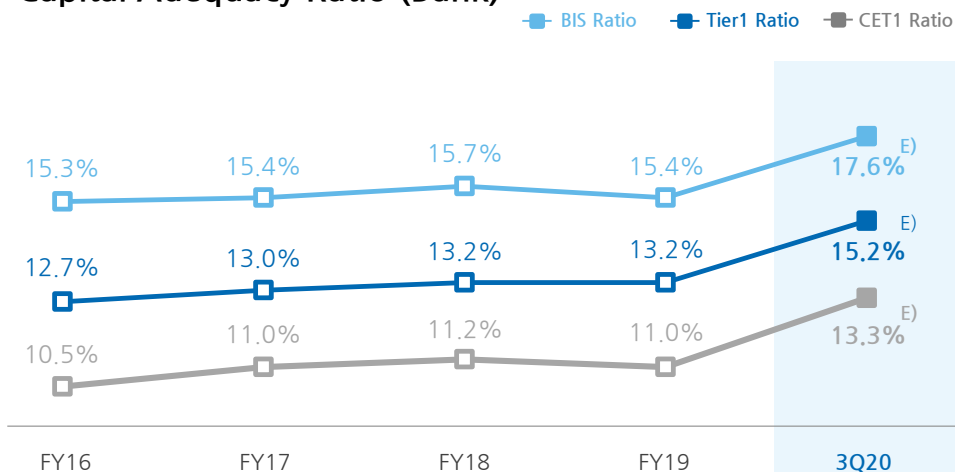
· Early adoption of BASEL III framework in 3Q20

Capital Adequacy Ratio (Group)



· Consolidated basis

Capital Adequacy Ratio (Bank)



· Consolidated basis

VII. Key Subsidiaries (1) Woori Bank

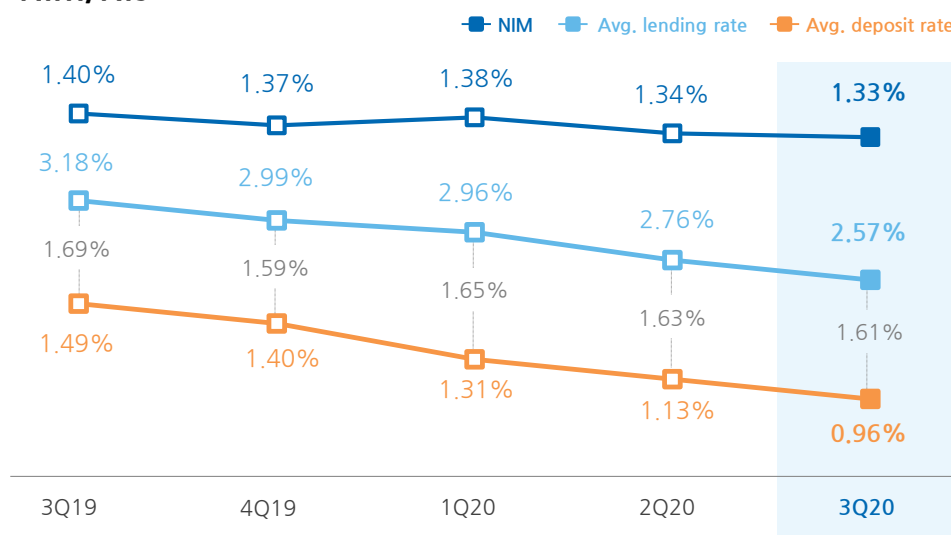
Consolidated Income Statement

Won in billions	3Q20 (Cum.)	3Q19 (Cum.)	YTD(%)	3Q20	2Q20	QoQ(%)
Net Operating Revenue	4,519	4,714	-4.1	1,528	1,428	7.0
Interest Income	3,954	3,996	-1.1	1,329	1,320	0.7
Non-Interest Income	565	718	-21.3	199	108	84.3
SG&A (-)	2,427	2,390	1.5	810	812	-0.2
PPOP	2,092	2,324	-10.0	717	617	16.2
Impairment on Credit Loss (-)	432	132	227.3	95	277	-65.7
Operating Income	1,660	2,192	-24.3	622	340	82.9
Non-Operating Income ¹⁾	-130	153	NA	4	-117	-103.4
Income before Tax from continuing operation	1,530	2,345	-34.8	626	223	180.7
Corp. Tax from continuing operation (-)	364	562	-35.2	142	47	202.1
NI from continuing operations	1,166	1,783	-34.6	484	176	175.0
NI from discontinued operations ²⁾	-	-471	NA	-	-	-
Net Income	1,166	1,312	-11.1	484	176	175.0
Controlling Interests	1,159	1,292	-10.3	481	174	176.4
Non-controlling Interests	7	20	-65.0	3	2	50.0

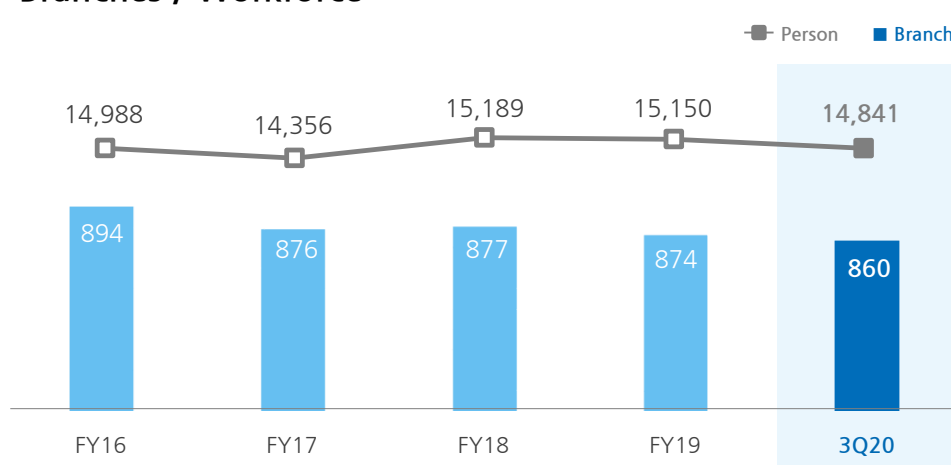
Note 1) Includes gains/losses related to transfer of 5 subsidiaries in 1H19

Note 2) Includes financial results from Woori Card reclassified as net income from discontinued operations

NIM/NIS



Branches / Workforce



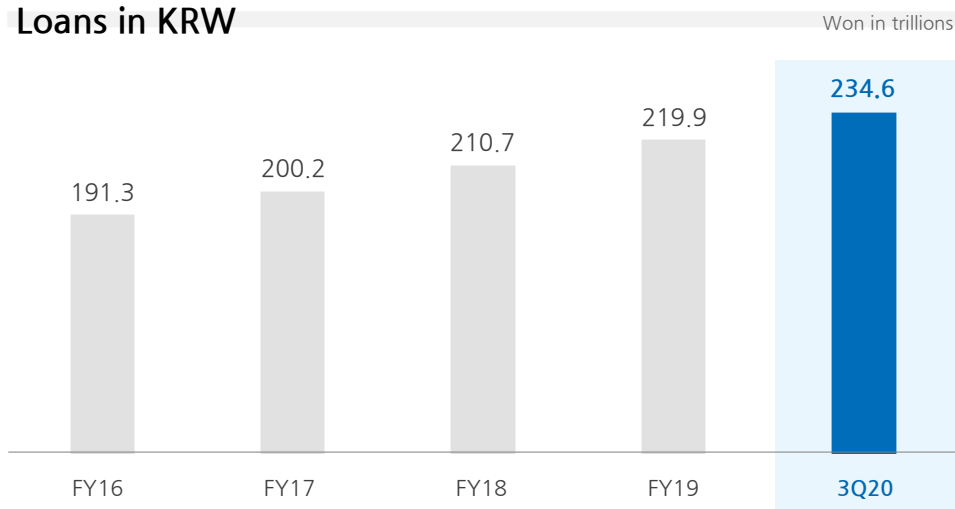
VII. Key Subsidiaries (2) Woori Bank

Consolidated Statement of Financial Position

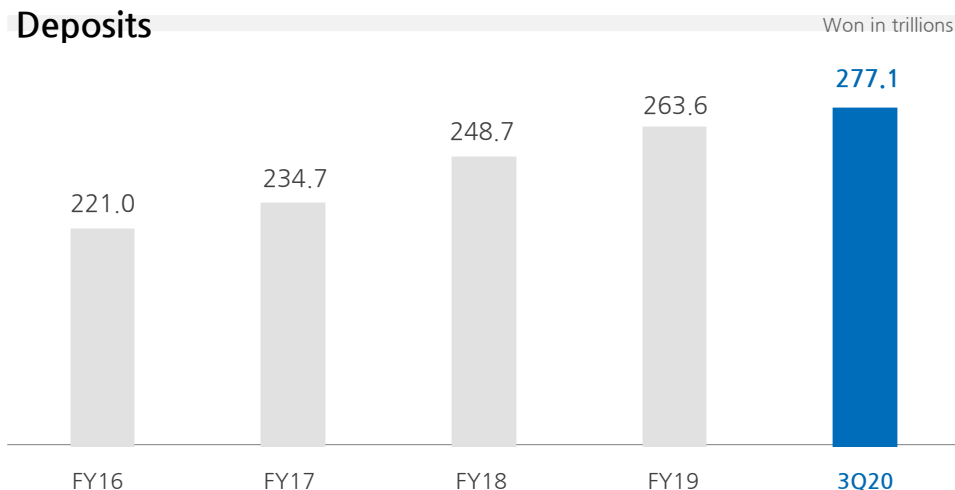
Won in trillions	3Q20	FY19	YTD(%)	2Q20	QoQ(%)
Total Assets	365.5	348.2	5.0	365.4	0.0
Financial Assets	59.8	57.6	3.8	60.6	-1.3
Loans and Receivables	295.4	282.2	4.7	294.3	0.4
Loans in Won	234.6	219.9	6.7	230.0	2.0
Loans in F/C	20.9	18.5	13.0	19.9	5.0
Foreign Bills Bought	6.6	4.8	37.5	4.9	34.7
Total Liabilities	342.1	325.5	5.1	342.3	-0.1
Deposits	277.1	263.6	5.1	275.4	0.6
Borrowings	22.2	18.6	19.4	20.6	7.8
Debentures	21.5	22.8	-5.7	22.7	-5.3
Shareholder's Equity ¹⁾	23.3	22.6	3.1	22.9	1.7
Capital Stock	3.6	3.4	5.9	3.6	-
Hybrid Securities	3.1	3.7	-16.2	3.1	-
Retained Earnings	17.7	17.4	1.7	17.3	2.3
Non-controlling Interests	0.1	0.1	-	0.1	-

Note 1) Controlling interests

Loans in KRW



Deposits



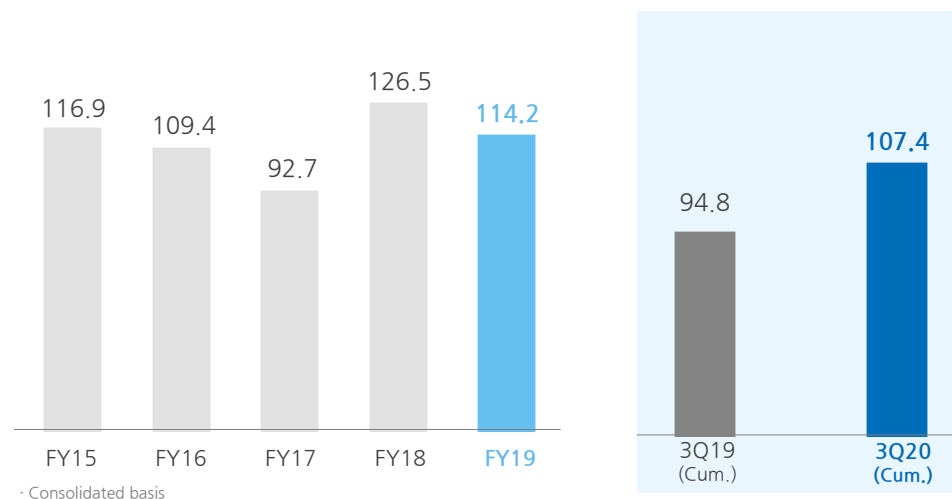
VII. Key Subsidiaries (3) Woori Card

Consolidated Income Statement

Won in billions	3Q20 (Cum.)	3Q19 (Cum.)	YoY(%)	3Q20	2Q20	QoQ(%)
Net Operating Revenue	435	431	0.9	125	142	-12.0
SG&A (-)	146	136	7.4	49	48	2.1
PPOP	289	295	-2.0	76	94	-19.1
Impairment on Credit Loss (-)	151	191	-20.9	41	55	-25.5
Operating Income	138	104	32.7	35	39	-10.3
Non-Operating Income	2	20	-90.0	1	1	-
Income before corp. tax	140	124	12.9	36	40	-10.0
Corp. Tax (-)	33	29	13.8	8	11	-27.3
Net Income	107	95	12.6	28	29	-3.4

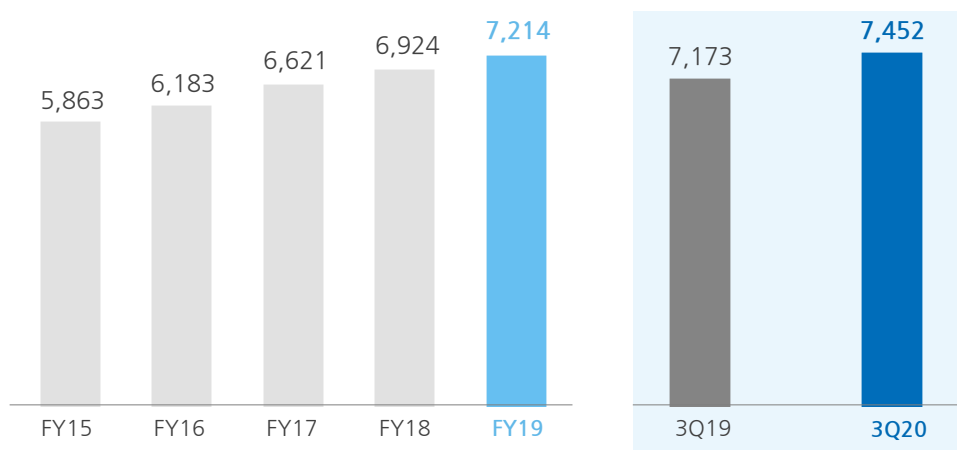
Net Income

Won in billions



Effective Members ¹⁾

Unit : thousand persons

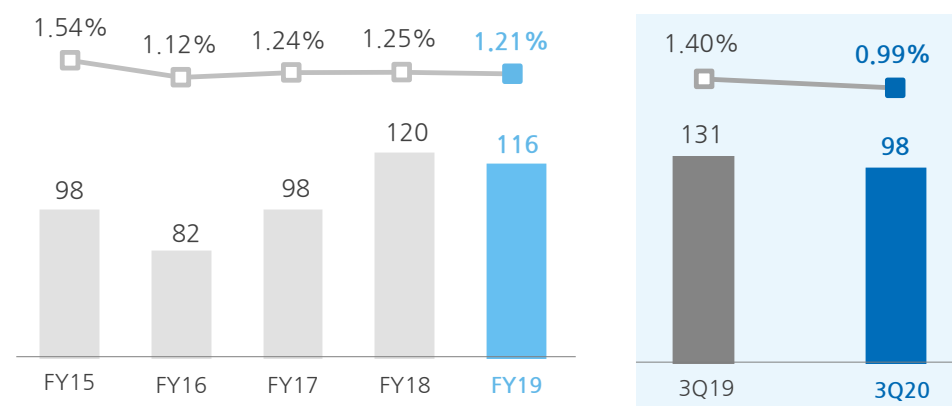


Note 1) Customers using credit card for at least one transaction or credit services (cash advance or card loan) within a month

Delinquency Ratio

Won in billions

■ Delinquency Ratio ■ Delinquent Balance

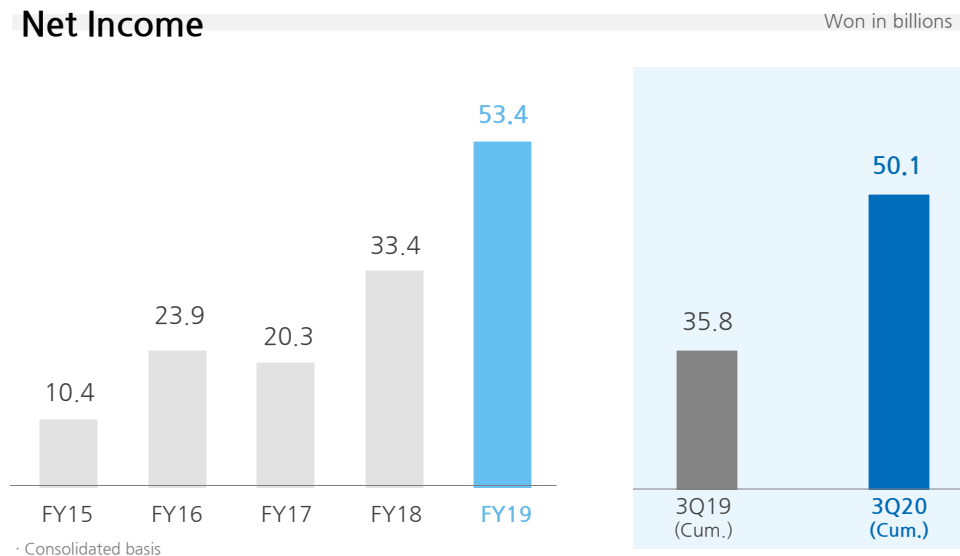


VII. Key Subsidiaries (4) Woori Investment Bank

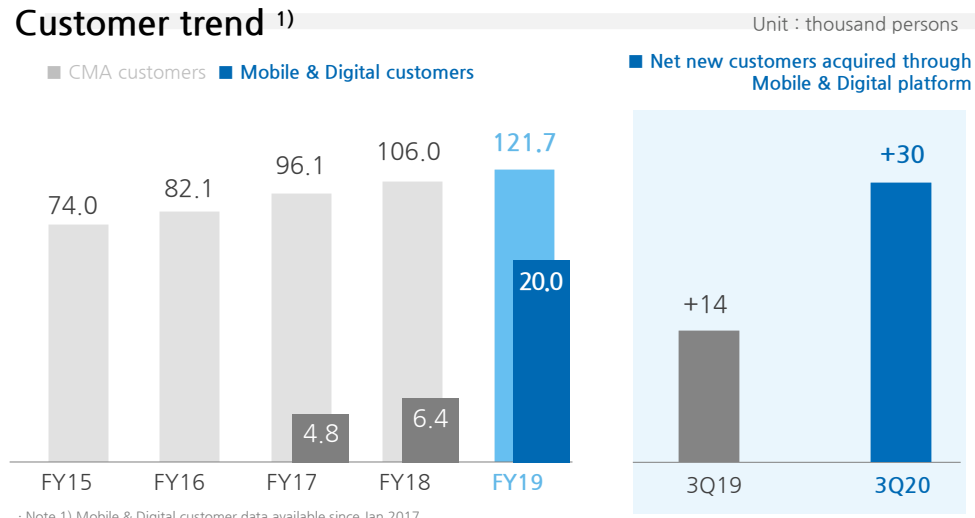
Consolidated Income Statement

Won in billions	3Q20 (Cum.)	3Q19 (Cum.)	YoY(%)	3Q20	2Q20	QoQ(%)
Net Operating Revenue	85	61	39.3	32	34	-5.9
Interest Income	56	37	51.4	21	20	5.0
Non-Interest Income	29	24	20.8	11	14	-21.4
Impairment on Credit Loss (-)	2	1	100.0	2	3	-33.3
SG&A (-)	26	19	36.8	9	10	-10.0
Other Income	-1	-1	NA	-	-	NA
Income before corp. tax	56	40	40.0	21	21	-
Corp. Tax (-)	6	4	50.0	2	3	-33.3
Net Income	50	36	38.9	19	18	5.6

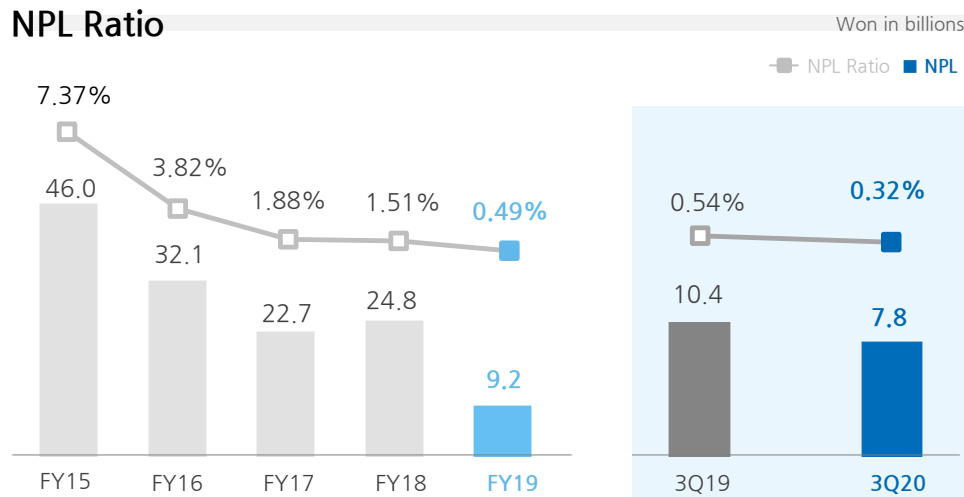
Net Income

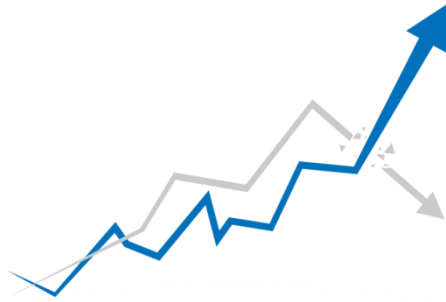


Customer trend ¹⁾



NPL Ratio





 ***WOORI FINANCIAL GROUP***