

WiBee Platform



2017 3Q

# RESULTS



A Better Tomorrow, A Stronger Bank



WiBee Platform

# Table of Contents



A Better Tomorrow,  
A Stronger Bank

- 2017 3Q Financial Highlights
- Woori Bank at a Glance
- Earnings
- Assets & Liabilities
- Asset Quality / Capital Adequacy
- Woori Card
- Appendix

## Disclaimer

This material has been prepared by Woori Bank ("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.

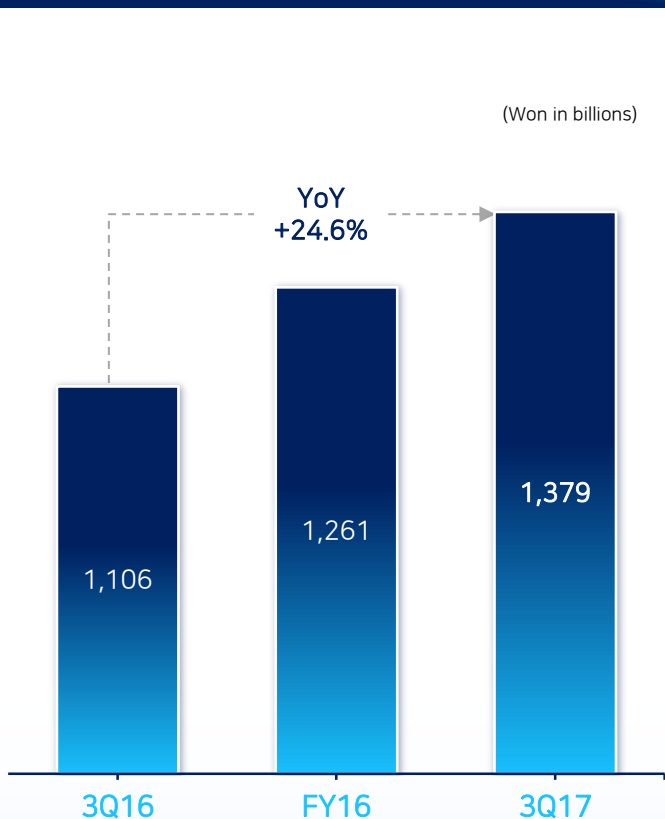
Accordingly, this material may differ significantly from the actual result and is subject to change without notice.

The Company, and its affiliates, accept no liability whatsoever for any losses arising from any information contained in the material.



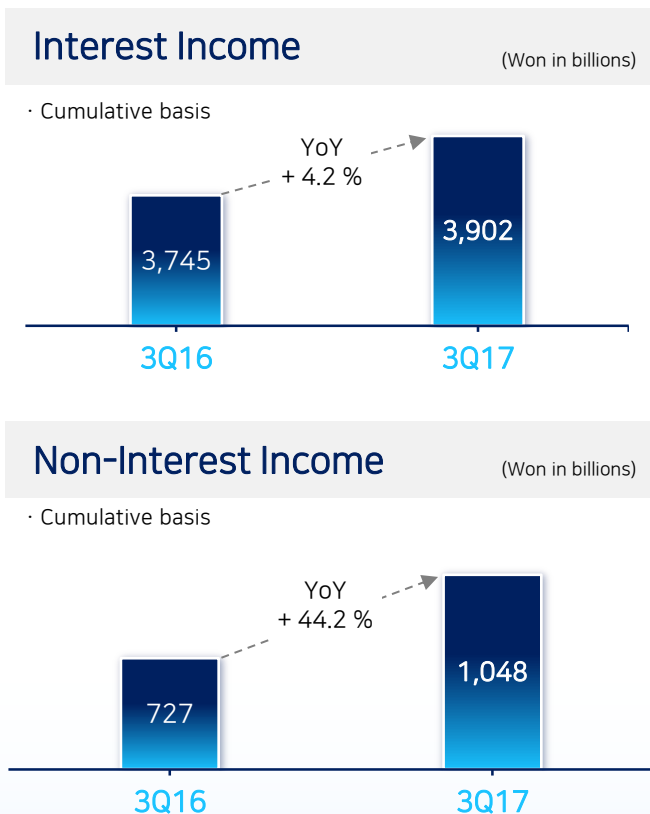
# 2017 3Q Financial Highlights

## ✓ Net Profit of KRW1,378.5bn



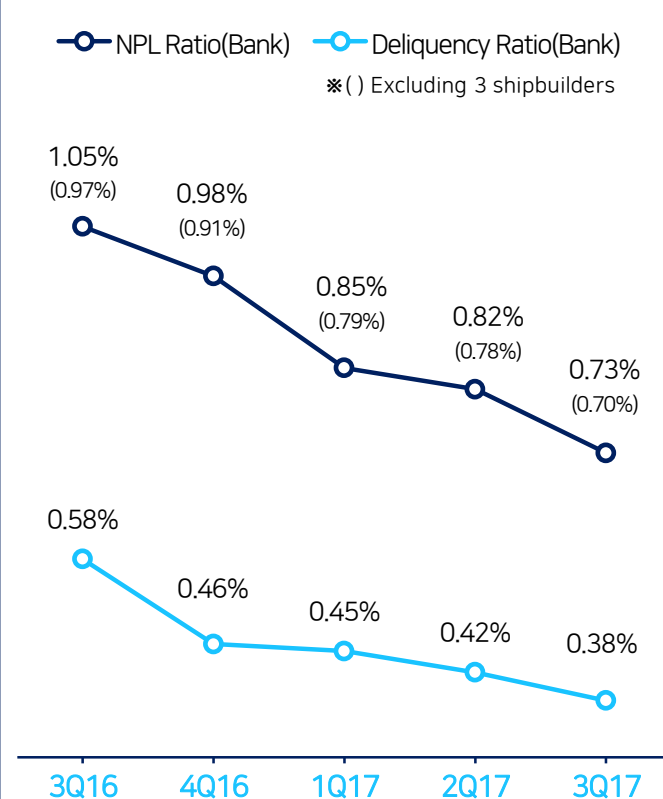
- Outstanding performance due to continuous enhancement in net operating revenue(interest income, non-interest Income), significantly reduced credit cost and stabilized SG&A cost.

## ✓ Balanced growth in Interest and Non-interest Income



- Interest Income on the rise mainly attributable to well-balanced loan growth in corporate and retail sectors and increased low-cost funding
- Non-Interest income on the rise attributable to continuous increase in sales of wealth management, F/X and derivatives products

## ✓ Stable Asset Quality Management



- Continued Improvement in Asset Quality, with more strict risk management and growth in Prime Quality Assets (with internal credit rating over BBB<sup>0</sup>)



WiBee Platform



## Woori Bank at a Glance

- Overview
- Key Performance Indicators

# Overview



	Woori Bank	Subsidiaries							Group (Consol.)
		Woori Card	Woori Merchant Bank	Woori FIS	Woori Finance Research Institute	Woori Credit Information	Woori Fund Service	Woori PE Asset Management	
<b>Total Assets<sup>1)</sup></b> (Wtn)	<b>347.6<sup>4)</sup></b>	8.7	2.0	0.1	0.0	0.0	0.0	Raised Capital 1.0	<b>357.2</b>
<b>Shareholder's Equity<sup>2)</sup></b> (Wbn)	<b>19,785</b>	1,608	188	36	4	27	11	41	<b>20,451</b>
<b>Net Income<sup>3)</sup></b> (Wbn)	<b>1,288.5<sup>4)</sup></b>	81.3	15.6	0.4	0.5	1.0	1.2	-3.4	<b>1,378.5</b>
<b>Shareholdings</b>	-	100.0%	58.2%	100.0%	100.0%	100.0%	100.0%	100.0%	Oligopolistic Shareholders <sup>5)</sup> 28.74%

• As of June 30, 2017 (K-IFRS)

Note 1) Total assets include trust account

Note 2) Excluding minority interest

Note 3) Net income attributable to controlling interests

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

Note 5) Oligopolistic shareholders (as of Jun. 2016) : IMM, Tongyang Life Insurance, Kiwoom Securities, Korea Investment & Securities, Hanwha Life Insurance, Mirae Asset Global Investments, Eugene Asset Management

# Key Performance Indicators



		FY15	FY16	1Q17	2Q17	3Q17
Profitability (Consol.)	ROA (%)	0.37	0.41	0.83	0.71	0.59
	ROE (%)	5.69	6.36	12.67	10.88	9.05
Capital Adequacy <sup>1)</sup> (Consol.)	Common Equity Ratio (%)	8.5	10.5	10.8	10.9	10.9(E)
	Tier 1 Ratio (%)	10.4	12.7	12.8	13.0	12.9(E)
	BIS Ratio (%)	13.7	15.3	15.1	15.3	15.2(E)
Asset Quality	Delinquency Ratio (%)	Bank 0.82 Bank+Card 0.84	Bank 0.46 Bank+Card 0.48	Bank 0.45 Bank+Card 0.48	Bank 0.42 Bank+Card 0.45	Bank 0.38 Bank+Card 0.42
	NPL Ratio (%)	Bank 1.47 (Excluding 4 shipbuilders* 1.24)	Bank 0.98 (Excluding 3 shipbuilders* 0.91)	Bank 0.85 (Excluding 3 shipbuilders* 0.79)	Bank 0.82 (Excluding 2 shipbuilders* 0.78)	Bank 0.73 (Excluding 2 shipbuilders* 0.70)
	NPL Coverage Ratio (%) <sup>2)</sup>	Bank 70.2 (121.5)	Bank 84.5 (165.0)	Bank 87.1 (180.3)	Bank 85.0 (180.7)	Bank 95.7 (202.8)
Per Share Data (Consol.)	EPS (Won)	1,567	1,866	3,824	3,277	2,726
	BPS (Won)	28,385	30,157	30,191	29,965	30,252
	DPS (Won)	500 (Interim Dividend included)	400	NA	100	100

Note 1) Basel III basis

Note 2) Including regulatory reserve for credit loss in ( )

• 4 shipbuilders : Sungdong Shipbuilding & Marine Engineering, SPP Shipbuilding, Daesun Shipbuilding & Engineering, STX Offshore & Shipbuilding



## WiBee Platform



# Earnings

- Condensed Income Statement
- Interest Income & NIM / NIS
- Non-interest Income
- Credit Cost
- SG&A Expense

# Condensed Income Statement (Consol.)

(Won in billions)

	3Q17 (Cum.)	3Q16 (Cum.)	YoY	3Q17	2Q17	QoQ
Net Operating Revenue	4,950	4,472	10.7%	1,644	1,594	3.1%
Interest Income	3,902	3,745	4.2%	1,352	1,287	5.0%
Non-Interest Income	1,048	727	44.2%	292	307	-4.9%
SG&A (-)	2,647	2,412	9.7%	1,109	784	41.4%
Impairment on Credit Loss (-)	501	671	-25.3%	217	205	6.1%
Operating Income	1,802	1,389	29.7%	318	605	-47.5%
Pre-Provision Income	2,303	2,030	13.4%	589	806	-26.9%
Income before Corp. Tax	1,802	1,359	32.5%	372	601	-38.2%
Net Income <sup>1)</sup>	1,379	1,106	24.6%	280	461	-39.3%

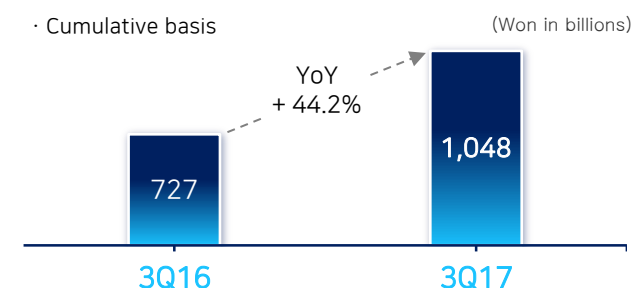
• Woori Bank consolidated basis (K-IFRS)

Note 1) Net Income attributable to controlling interests

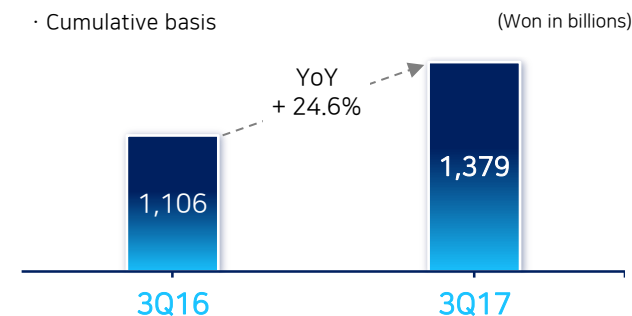
## Interest Income



## Non-Interest Income



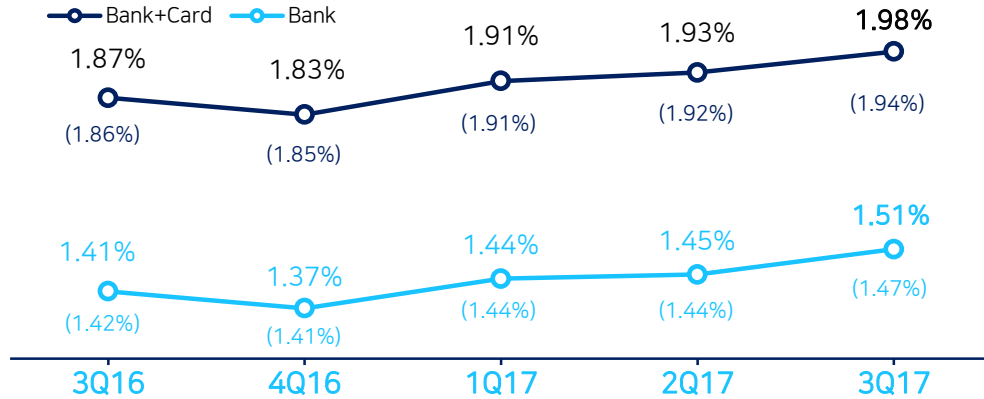
## Net Income



# Interest Income & NIM / NIS

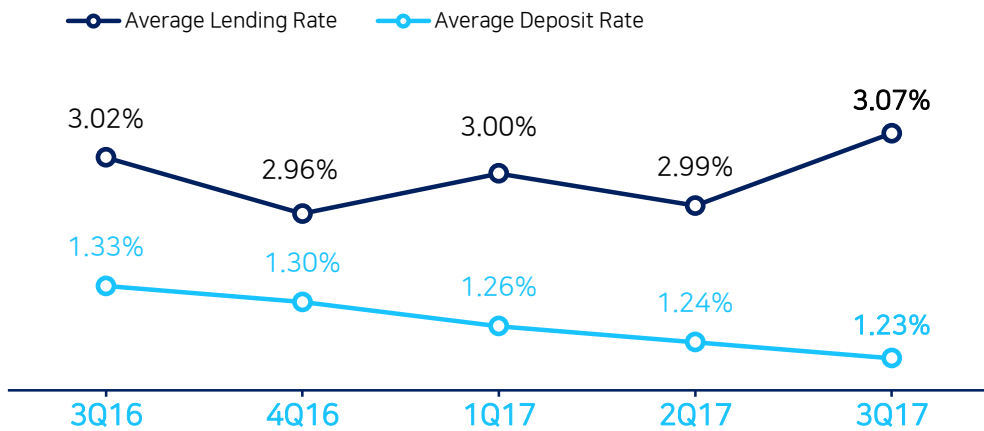
## NIM/NIS

### NIM



• Quarterly basis, Cumulative NIM in ( )

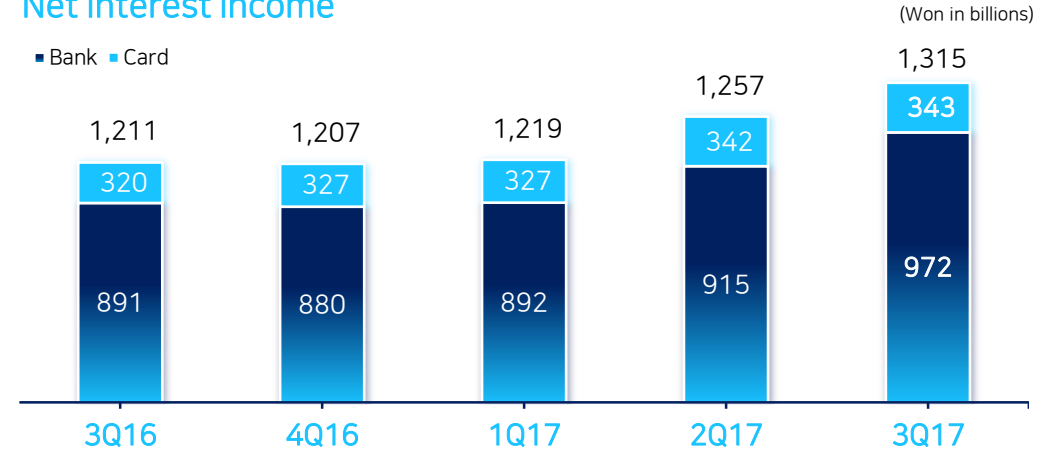
### NIS



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

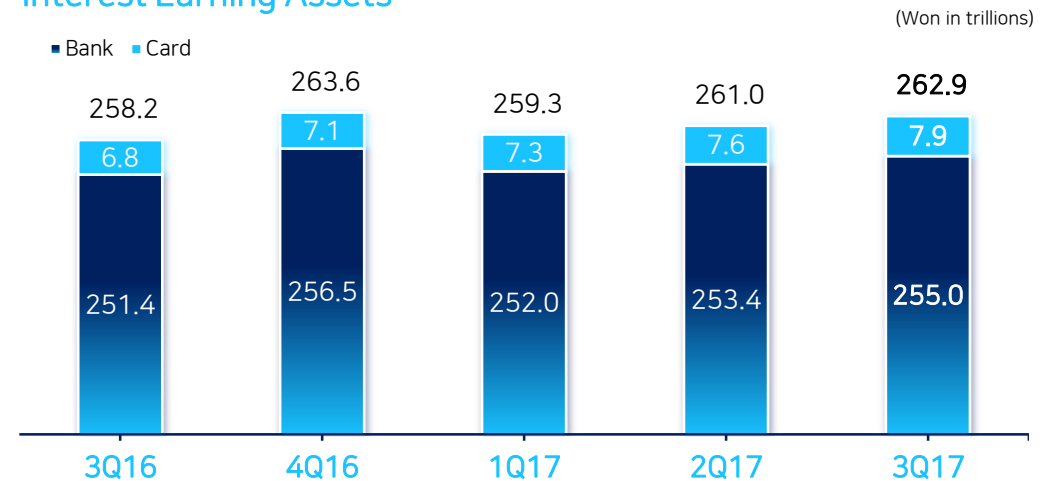
## Interest Income / Interest Earning Assets

### Net Interest Income



• Based on FSS reporting standard. Including credit card merchant fees

### Interest Earning Assets



• Quarterly average balance

# Non-Interest Income (Consol.)

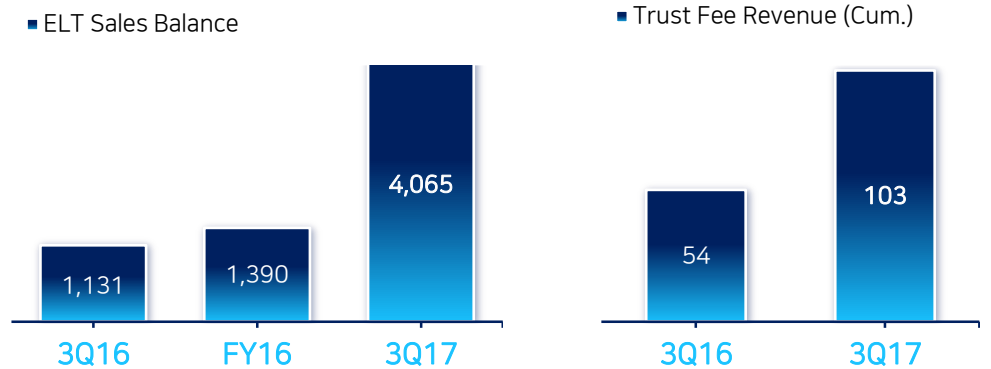
(Won in billions)

	3Q17 (Cum.)	3Q16 (Cum.)	YoY	3Q17	2Q17	QoQ
Non-Interest Income	1,048	727	44.2%	292	307	-4.9%
Fees & Commission	815	710	14.8%	276	264	4.5%
Credit Card	185	142	30.3%	57	70	-18.6%
Fund	59	53	11.3%	20	20	0.0%
Bancassurance	66	69	-4.3%	22	20	10.0%
Trust	103	54	90.7%	39	30	30.0%
Other Fees	402	392	2.6%	138	124	11.3%
Securities	266	197	35.0%	96	109	-11.9%
FX Trading/ Derivatives	241	101	138.6%	98	99	-1.0%
Valuation/ Disposal of Loans	193	199	-3.0%	-8	15	N/A
Other	-467	-480	-2.7%	-169	-180	-6.1%

## Core Products Sales in Wealth Management

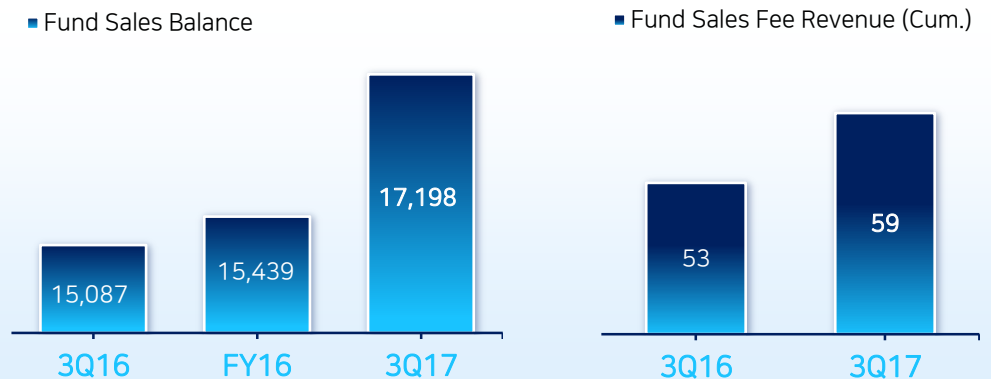
### Trust Sales by Bank

(Won in billions)



### Fund Sales by Bank

(Won in billions)



# Credit Cost (Consol.)

## Credit Cost Overview

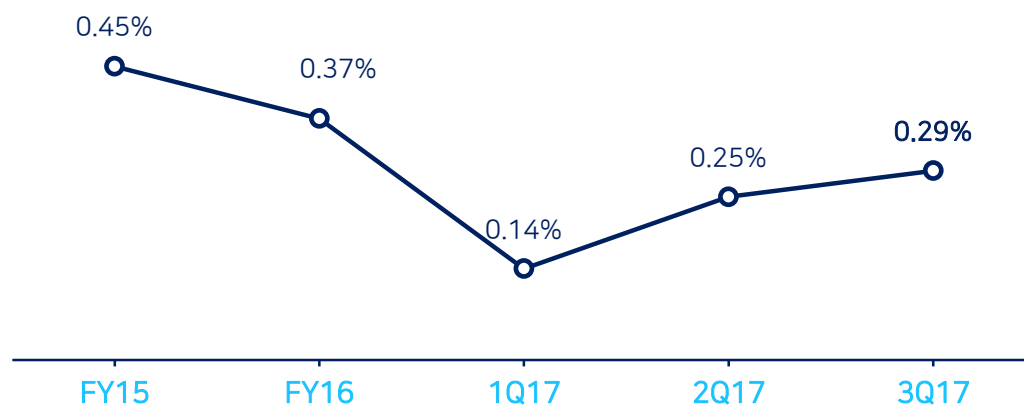
	FY15	FY16	1Q17	2Q17	3Q17
Credit Cost <sup>1)</sup> (Wbn)	967	834	79	284	501
Total Credit <sup>2)</sup> (Wtn)	223.2	231.2	230.3	232.4	236.1

• Consolidated basis

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

Note 2) Ending balance

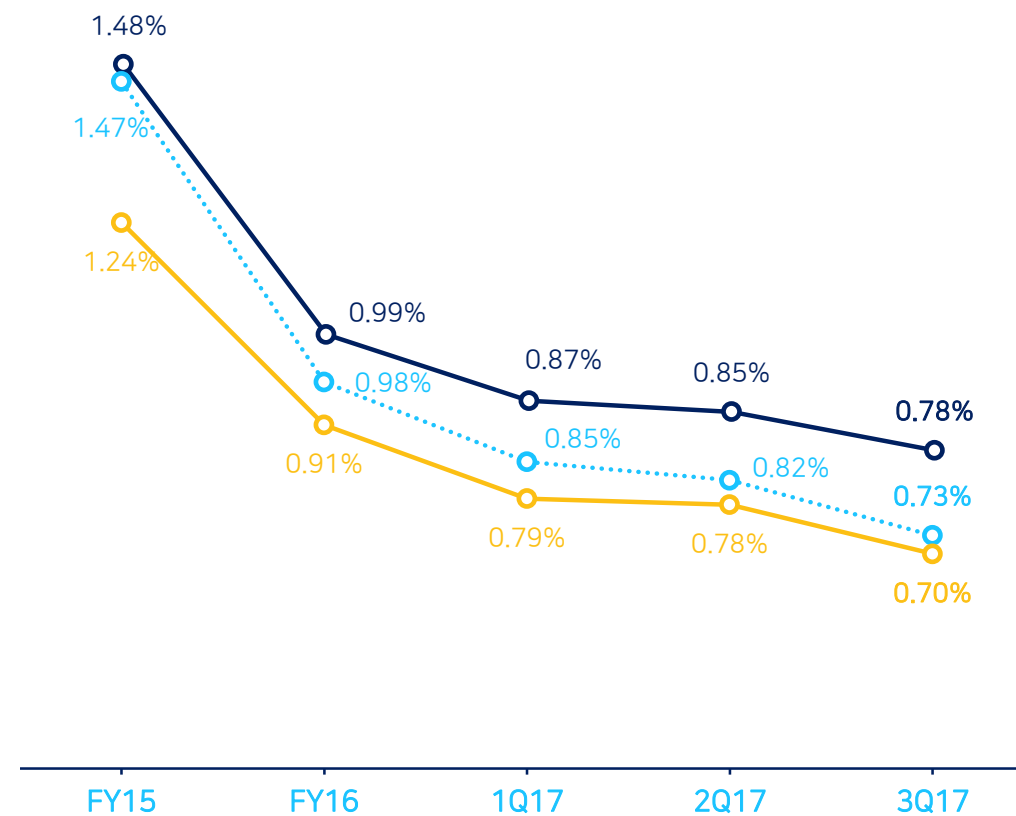
## Credit Cost Ratio



• Credit Cost Ratio = Credit cost/average Total Credit balance (Consolidated basis. Annualized figures.)

## Asset Quality Ratio Trend

- NPL Raio (Consol.)
- NPL Ratio (Bank)
- NPL Ratio (excluding 4 shipbuilders etc)



# SG&A Expense (Consol.)

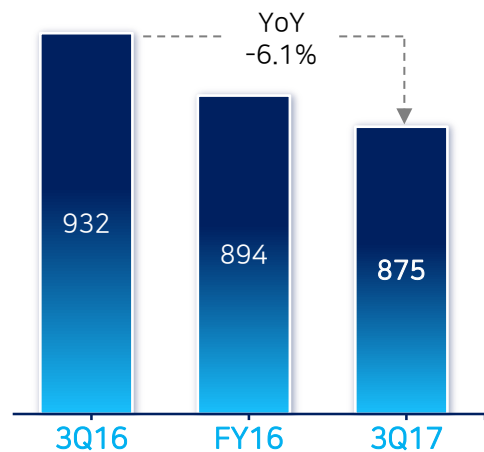
(Won in billions)

	3Q17 (Cum.)	3Q16 (Cum.)	YoY	3Q17	2Q17	QoQ
SG&A Expense	2,647	2,412	9.7%	1,109	784	41.4%
Salaries & Benefits	1,762	1,447	21.8%	815	483	68.7%
ERP Expense	304	92	230.7%	299	5	N/A
General & Administration	658	691	-4.7%	225	222	1.4%
Depreciation	140	188	-25.7%	45	45	0.0%
Taxes & Dues	87	86	1.0%	24	34	-30.8%

## Branches and Workforce (Bank)

### Branches

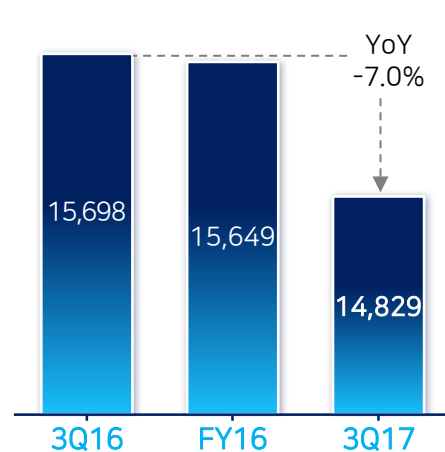
(Unit : branch)



• Domestic branches and sub-branches only

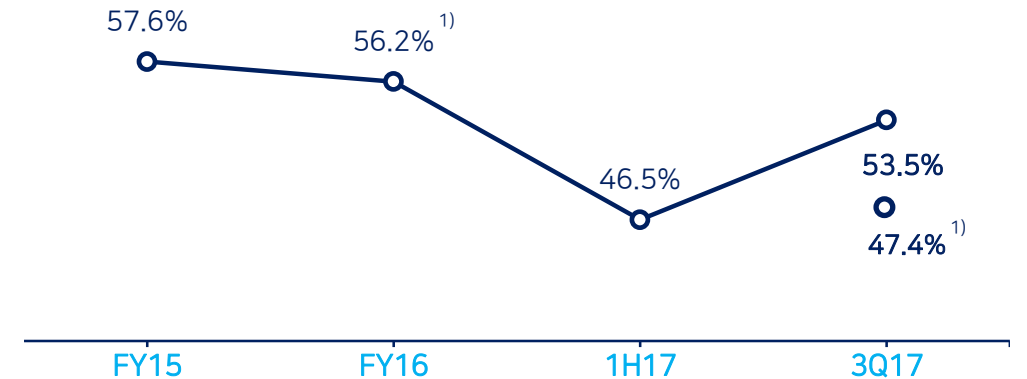
### Workforce

(Unit : Person)



• Based on FSS reporting standard

## Cost-to-Income Ratio



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

Note 1) Excluding ERP Expense (incurred in 4Q 2016 in amount of 170bn and in 3Q 2017 in amount of 299bn)



WiBee Platform



# Assets & Liabilities

- Statement of Financial Position
- Funding
- Loans

# Statement of Financial Position (Consol.)



(Won in trillions)

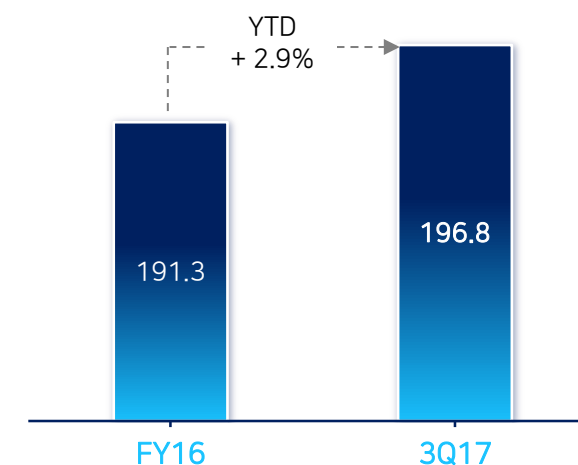
	3Q17	FY16	YTD	2Q17	QoQ
Total Assets	317.9	310.7	2.3%	316.1	0.6%
Financial Assets	39.6	40.4	-2.0%	39.3	0.8%
Loans and Receivables	267.0	258.4	3.3%	265.1	0.7%
Loans in Won	196.8	191.3	2.9%	194.3	1.3%
Loans in F/C	13.7	14.1	-2.8%	13.7	0.0%
Foreign Bills Bought	8.4	7.8	7.7%	7.6	10.5%
Total Liabilities	297.3	290.1	2.5%	295.6	0.6%
Deposits	226.3	221.0	2.4%	226.2	0.0%
Borrowings	16.3	18.8	-13.3%	15.7	3.8%
Debentures	27.5	23.6	16.5%	25.6	7.4%
Shareholder's Equity <sup>1)</sup>	20.5	20.4	0.5%	20.3	1.0%
Capital Stock	3.4	3.4	-	3.4	-
Hybrid Securities	3.0	3.6	-16.7%	3.0	0.0%
Retained Earnings	15.5	14.6	6.2%	15.3	1.3%
(Non-controlling Equity)	(0.2)	(0.2)	-	(0.2)	-
Group Total Assets <sup>2)</sup>	357.2	343.4	4.0%	354.7	0.7%

• Woori Bank consolidated basis (K-IFRS)

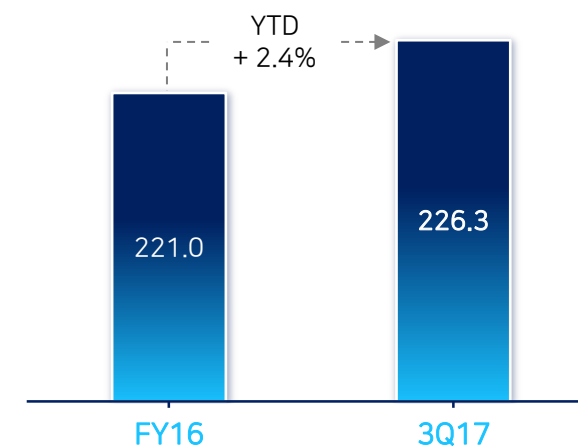
Note 1) Controlling Interest

Note 2) Total assets include trust account

## Loans in Won (Won in trillions)



## Deposits (Won in trillions)



# Funding (Bank)

## Breakdown of Funding Sources

(Won in billions)

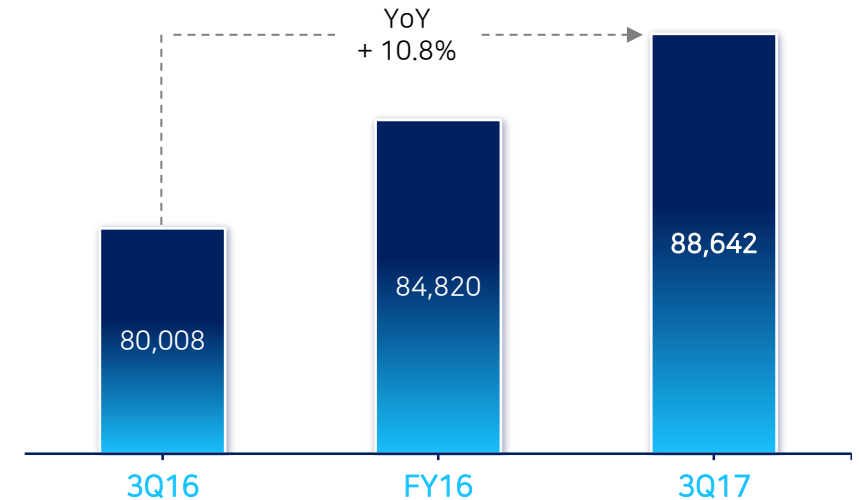
	3Q17	FY16	YTD	2Q17	QoQ
Total Deposits in KRW	226,721	218,261	3.9%	225,832	0.4%
Core Deposits <sup>1)</sup>	88,642	84,820	4.5%	86,009	3.1%
Savings Deposits	108,518	108,542	0.0%	112,372	-3.4%
Marketable Deposits	5,734	3,892	47.3%	4,841	18.4%
Borrowings	6,193	6,580	-5.9%	6,245	-0.8%
Debentures	17,634	14,427	22.2%	16,365	7.8%
Total Deposits in FC	24,658	25,638	-3.8%	23,978	2.8%
Total Deposits	251,379	243,899	3.1%	249,810	0.6%

• Ending Balance basis

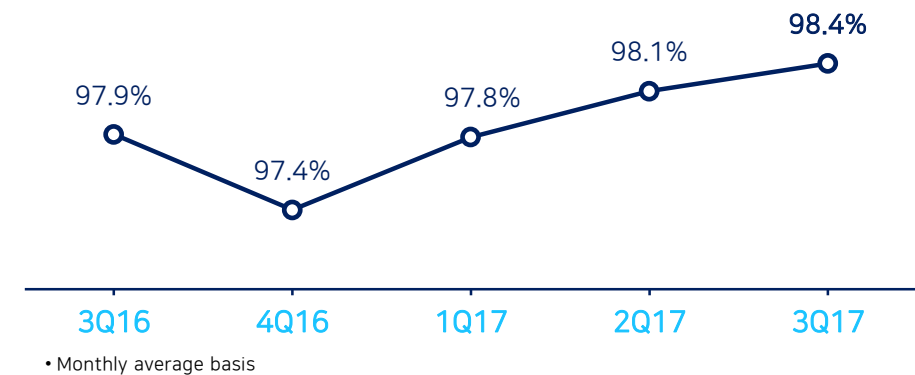
Note1) demand deposits, retail & corporate savings deposits, MMDA included

## Core Deposits<sup>1)</sup> Trend

(Won in billions)



## Loan-to-Deposit Ratio



# Loans (Bank)

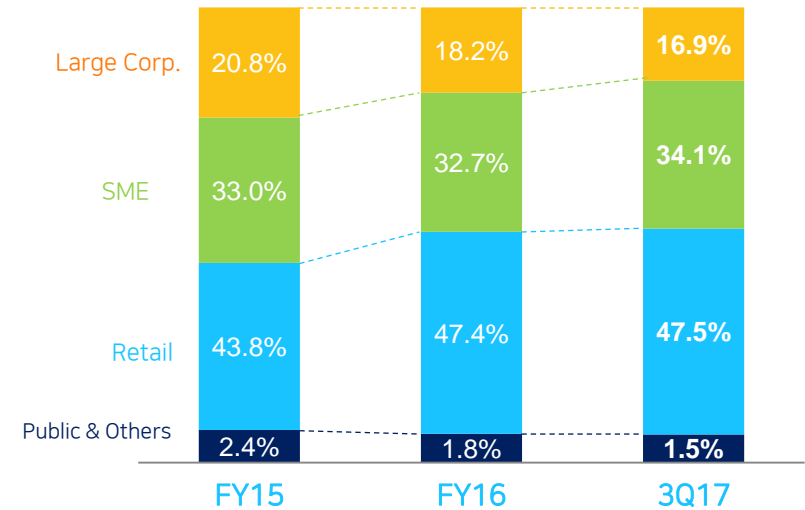
## Breakdown by Borrowers

(Won in billions)

	3Q17	FY16	YTD	2Q17	QoQ
Large Corp.	37,193	39,349	-5.5%	36,062	3.1%
SME	74,974	70,814	5.9%	73,307	2.3%
Corporate	39,115	38,360	2.0%	38,959	0.4%
SOHO	35,859	32,454	10.5%	34,347	4.4%
Retail	104,434	102,587	1.8%	104,235	0.2%
Secured	83,616	83,925	-0.4%	84,129	-0.6%
Unsecured	20,818	18,662	11.6%	20,106	3.5%
Public & Others	3,067	3,862	-20.6%	3,228	-5.0%
<b>Total</b>	<b>219,668</b>	<b>216,612</b>	<b>1.4%</b>	<b>216,832</b>	<b>1.3%</b>

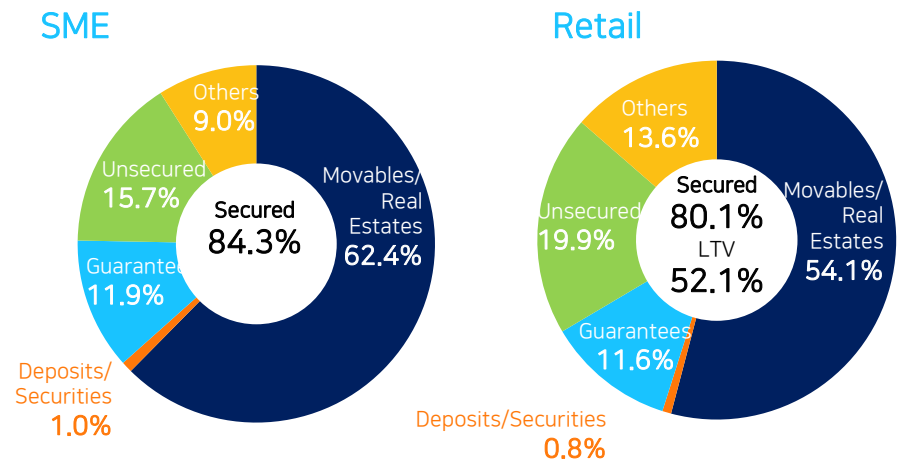
• FSS NPL reporting standards (including banking and trust account, foreign bills bought, guarantees and etc.)

## Loan Portfolio



• FSS NPL reporting standards (Refer to Factbook for historical data)

## Breakdown by Collateral\*



\* Bank account in Won currency



WiBee Platform



# Asset Quality/Capital Adequacy

- Asset Quality
- Capital Adequacy

# Asset Quality (Bank)

## Asset Breakdown

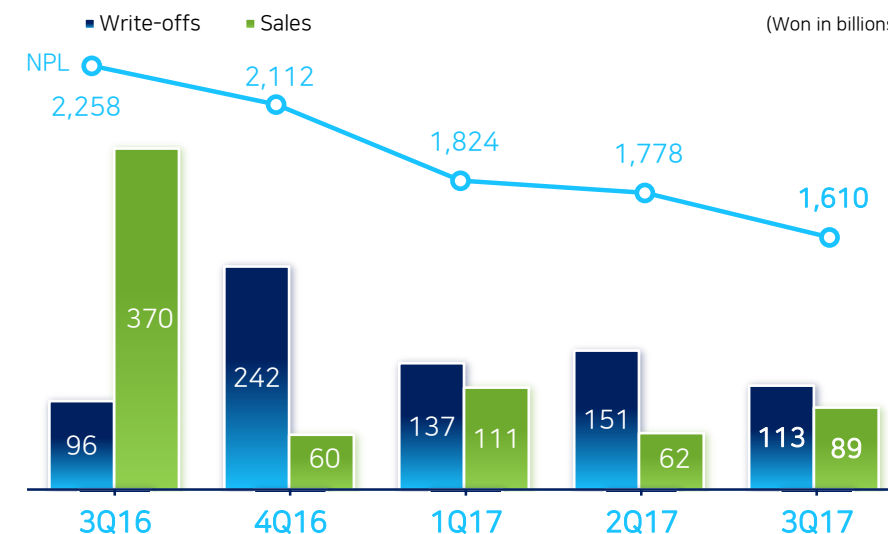
(Won in billions)

	3Q17	FY16	YTD	2Q17	QoQ
Total Credit Offerings	219,668	216,612	1.4%	216,832	1.3%
Precautionary	1,774	1,513	17.3%	1,390	27.6%
	0.81%	0.70%	0.11%p	0.64%	0.17%p
Substandard & Below (NPL) * 3 shipbuilders ** Excl. 3 shipbuilders	1,610 (75)*	2,112 (138)*	-23.8%	1,778 (88)*	-9.5%
	0.73% (0.70%)**	0.98% (0.91%)**	-0.25%p	0.82% (0.78%)**	-0.09%p
Loan Loss Reserve (LLR) <sup>1)</sup>	1,540 (3,264)	1,784 (3,486)	-13.7% (-6.4%)	1,511 (3,214)	1.9% (1.6%)
LLR/Substandard & Below Loans <sup>1)</sup>	95.7% (202.8%)	84.5% (165.0%)	11.2%p (37.8%p)	85.0% (180.7%)	10.7%p (22.1%p)

Note 1) Including regulatory reserve for credit loss in ( )

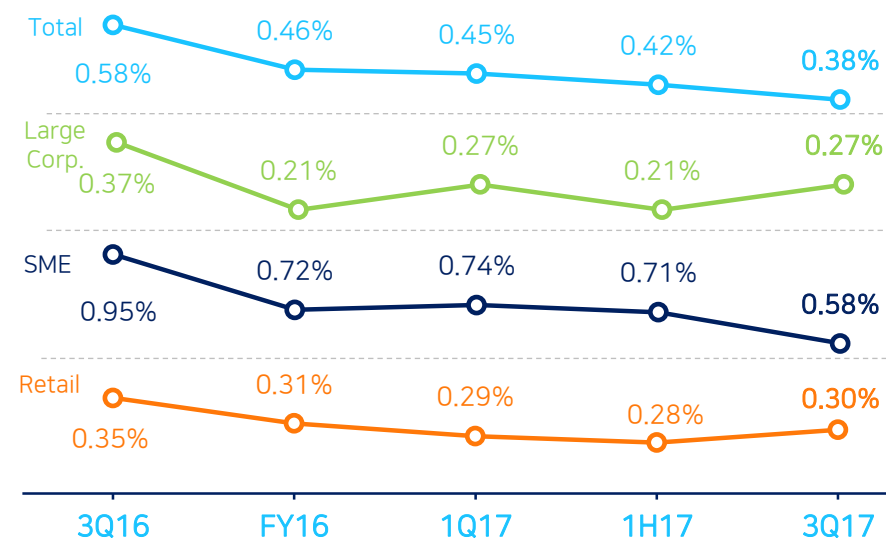
## NPL, Write-offs and Sales Trend

(Won in billions)



• based on FSS reporting basis/ 1) including deduction from loan collection and others

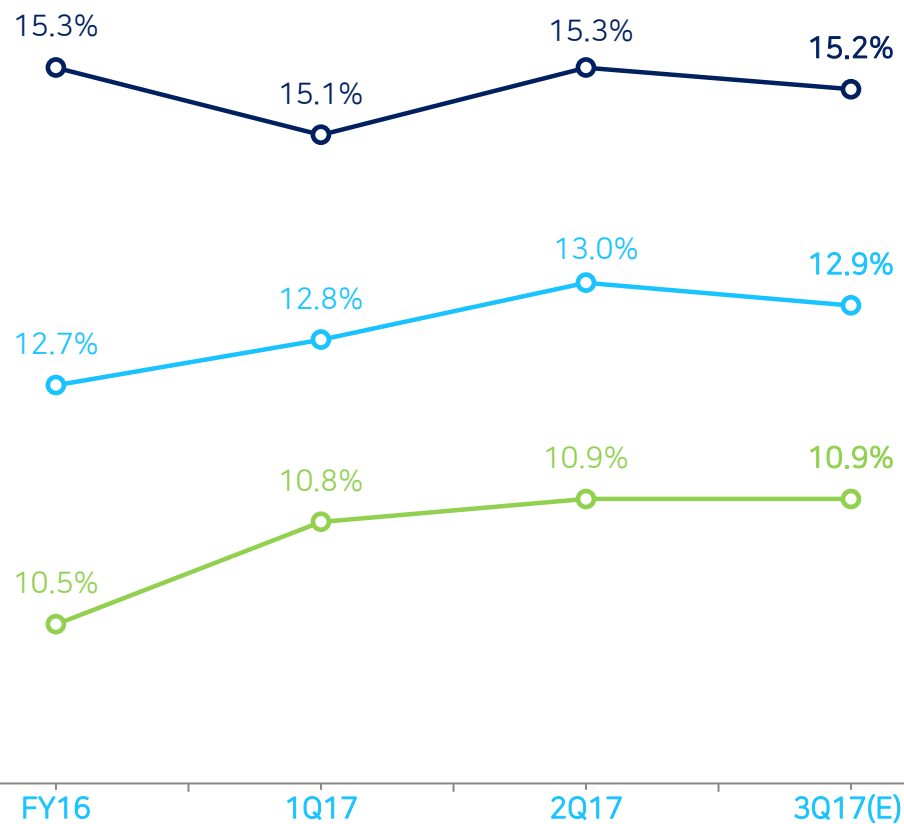
## Delinquency Ratio



# Capital Adequacy (Consol.)

## BIS Ratio

○ BIS Ratio    ○ Tier 1 Ratio    ○ Common Equity Ratio



• Basel III basis

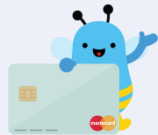
## Capital / Risk-Weighted Assets

(Won in billions)

	3Q17 (E)	FY16	YTD	2Q17	QoQ
Total Capital	22,909	22,901	0.0%	22,639	1.2%
Common Equity	16,450	15,715	4.7%	16,178	1.7%
Tier 1 Capital	19,485	18,990	2.6%	19,224	1.4%
Tier 2 Capital	3,424	3,911	-12.5%	3,415	0.3%
Risk-Weighted Assets	150,693	149,728	0.6%	148,102	1.7%



WiBee Platform



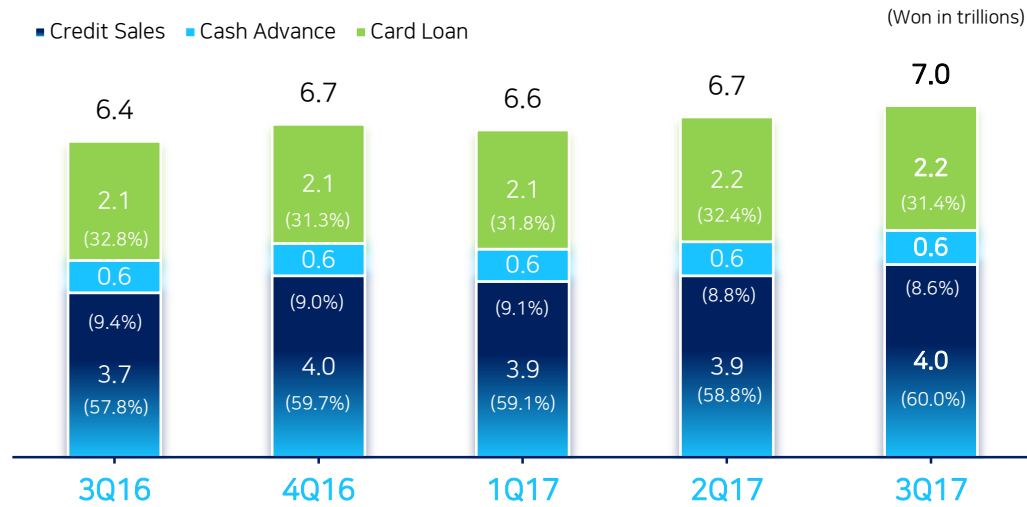
## Woori Card

- Woori Card at a Glance

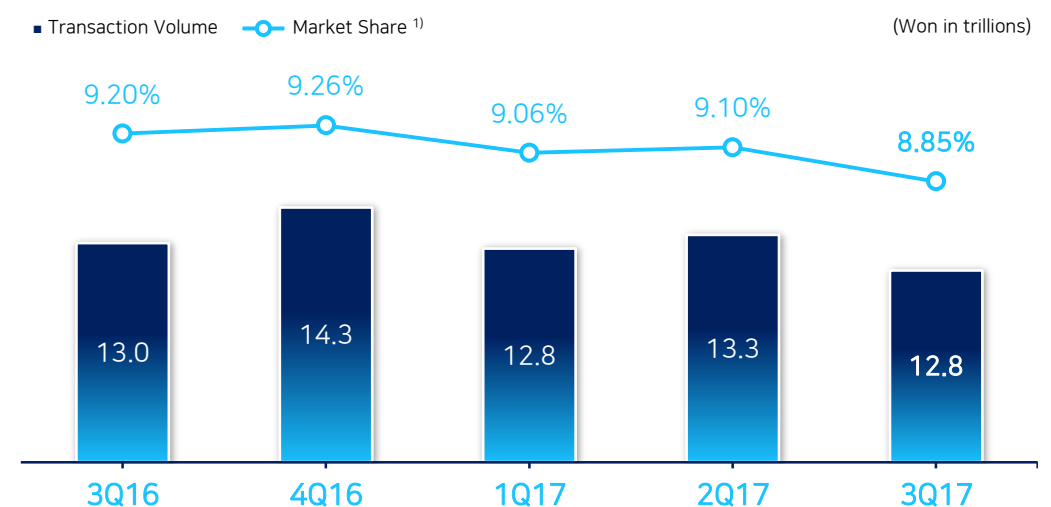
# Woori Card at a Glance



## Asset Breakdown

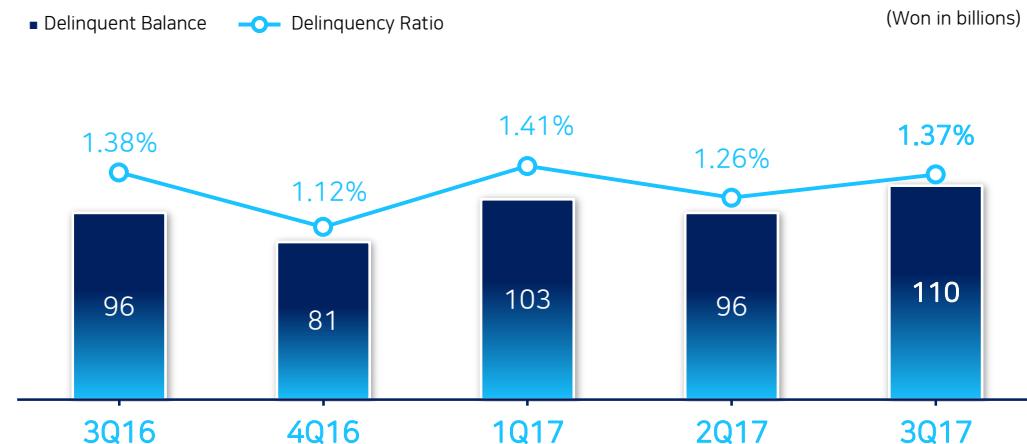


## Market Share and Transaction Volume



Note 1) Cumulative basis

## Delinquency Ratio



## Key Performance Indicators

Net Income (Wbn)	81.3	Adj. Equity Capital Ratio	20.4%
ROA <sup>1)</sup>	1.3%	NPL Ratio	1.0%
NIM <sup>1)</sup>	17.3%	Effective Members <sup>2)</sup> / Total Members (mn)	6.5/13.0

· 3Q17 basis

Note 1) Annualized figures

Note 2) Members who used at least once within one month



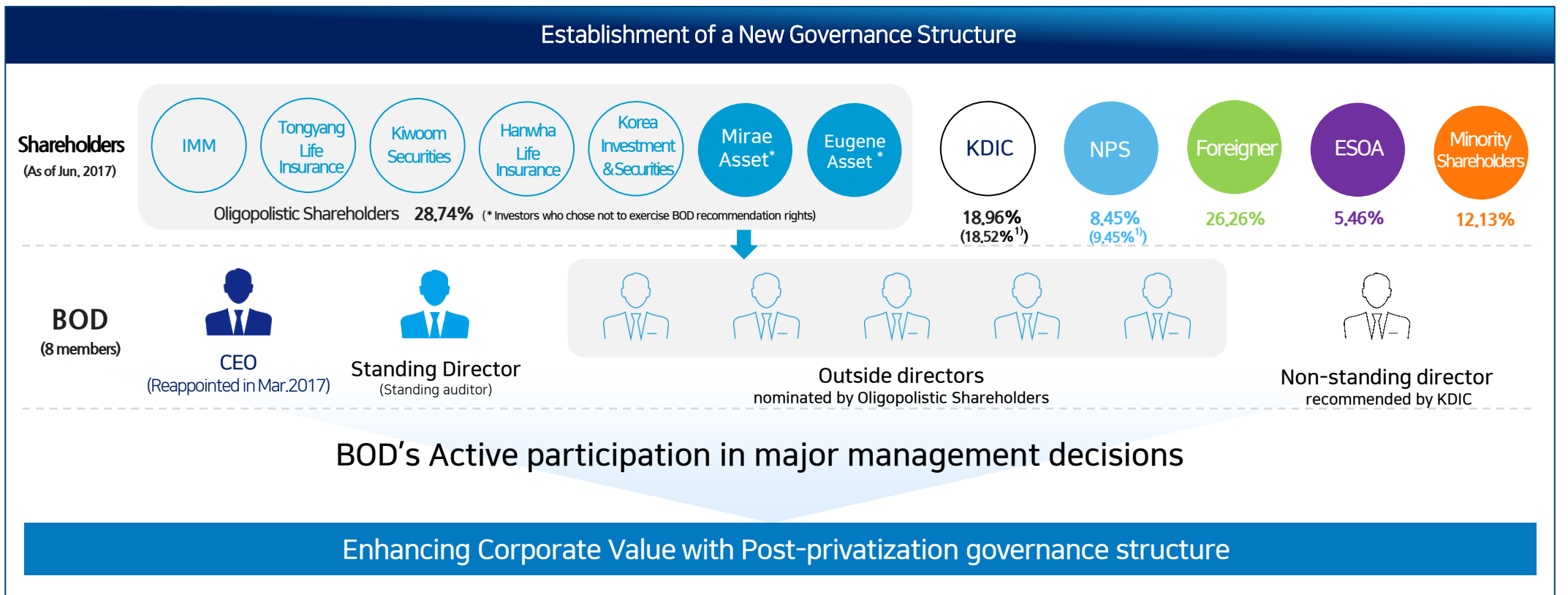
WiBee Platform



# Appendix

- Post-privatization Corporate Governance

# Post-privatization Corporate Governance



Note 1) As of Sep. 2017