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# 2018 1H RESULTS

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- 2018 1H Financial Highlights
- Woori Bank at a Glance
- Earnings
- Assets & Liabilities
- Asset Quality / Capital Adequacy
- Woori Card

## Disclaimer

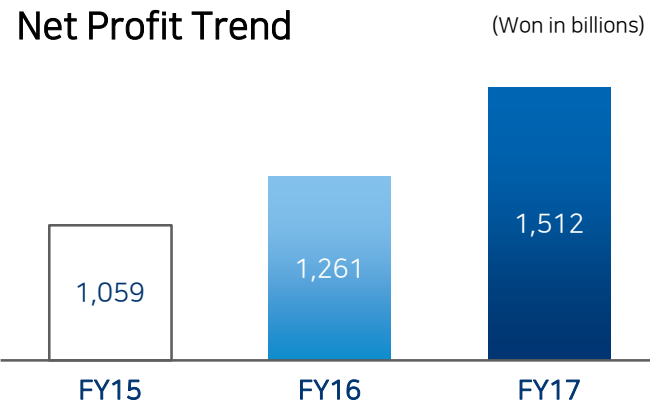
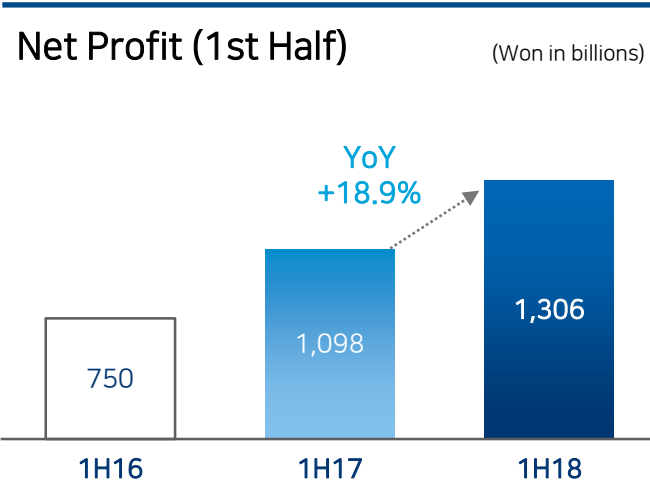
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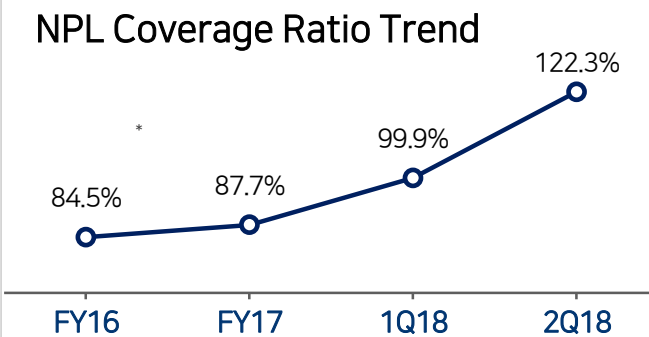
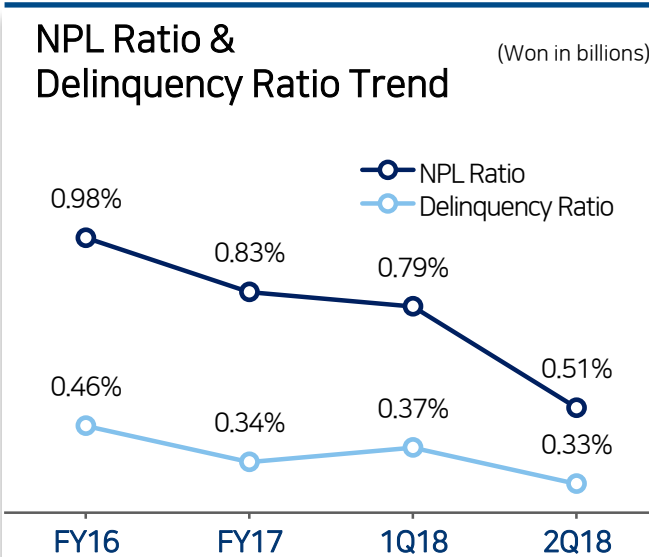
# 2018 1H Financial Highlights

## Earning Surprise (KRW 1,306 bn)



- ✓ Clean Bank : Significant improvement in asset quality
- ✓ Balanced growth in Fee & Commission and Core Deposit

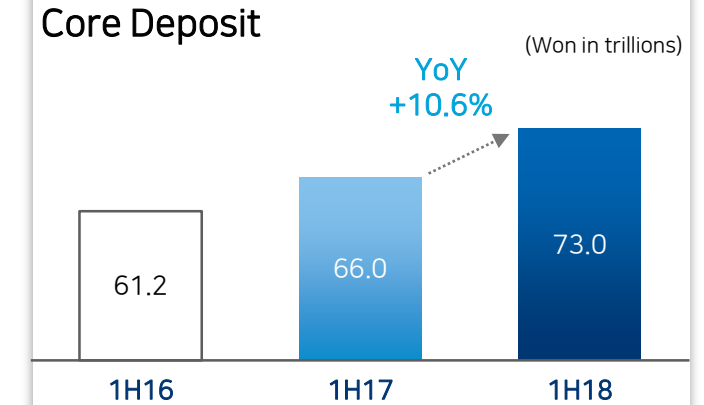
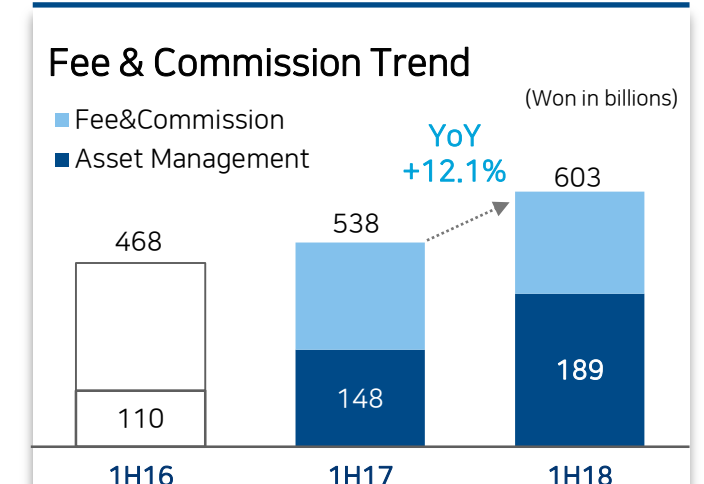
## Significant improvement in asset quality (Clean Bank)



- ✓ Enhanced risk management and improved asset quality
- ✓ Improved TLAC\* by dramatically increased NPL coverage ratio

\*TLAC : Total Loss Absorbing Capacity

## Balanced growth in Fee & Commission and Core Deposit



- ✓ Increased Fee & Commission led by continuous growth in sales of wealth management products
- ✓ Enlarged interest income led by growth in Core Deposit

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# Woori Bank at a Glance

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- Overview
- Key Performance Indicators

	Woori Bank	Subsidiaries							Group (Consol.)
		Woori Card	Woori Investment Bank	Woori FIS	Woori Finance Research Institute	Woori Credit Information	Woori Fund Service	Woori PE Asset Management	
<b>Total Assets</b> <sup>1)</sup> (Wtn)	<b>363.6<sup>4)</sup></b>	9.1	2.7	0.1	0.0	0.0	0.0	0.0	<b>374.5</b>
<b>Shareholder's Equity</b> <sup>2)</sup> (Wbn)	20,178	1,638	305	26	4	28	12	39	20,790
<b>Net Income</b> <sup>3)</sup> (Wbn)	<b>1,204.8<sup>4)</sup></b>	67.6	14.7	-7.0	0.3	0.8	1.0	-1.5	<b>1,305.9</b>
<b>Shareholdings</b>	-	100.0%	59.8%	100.0%	100.0%	100.0%	100.0%	100.0%	Oligopolistic Shareholders <sup>5)</sup> 27.2%

• As of Jun. 30, 2018 (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 : IMM, Tongyang Life Insurance, Kiwoom Securities, Korea Investment & Securities, Hanwha Life Insurance, Mirae Asset Global Investments, Eugene Asset Management,

# Key Performance Indicators



		FY16	FY17	1Q18	1H18
Profitability (Consol.)	ROA (%)	0.41	0.48	0.74	0.82
	ROE (%)	6.36	7.42	11.75	12.85
Capital Adequacy <sup>1)</sup> (Consol.)	Common Equity Ratio (%)	10.5	11.0	11.1	11.2 (E)
	Tier 1 Ratio (%)	12.7	13.0	13.0	13.0 (E)
	BIS Ratio (%)	15.3	15.4	15.1	15.3 (E)
Asset Quality	Delinquency Ratio (%)	Bank 0.46 Bank+Card 0.48	Bank 0.34 Bank+Card 0.39	Bank 0.37 Bank+Card 0.41	Bank 0.33 Bank+Card 0.37
	NPL Ratio (%)	Bank 0.98	Bank 0.83	Bank 0.79	Bank 0.51
	NPL Coverage Ratio (%)	Bank 84.5	Bank 87.7	Bank 99.9	Bank 122.3
Per Share Data (Consol.)	EPS (Won)	1,866	2,237	3,538	3,927
	BPS (Won)	30,157	30,210	30,091	30,755
	DPS (Won)	400	600	NA	NA

Note 1) Basel III basis

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# Earnings

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

# Condensed Income Statement (Consol.)



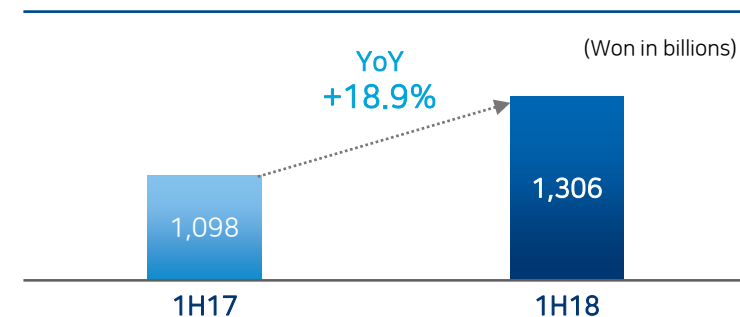
(Won in billions)

	1H18	1H17	YoY	2Q18	1Q18	QoQ
Net Operating Revenue	3,346	3,306	1.2%	1,663	1,683	-1.2%
Interest Income	2,764	2,550	8.4%	1,397	1,367	2.2%
Non-Interest Income	581	756	-23.1%	265	316	-16.1%
SG&A (-)	1,567	1,538	1.9%	827	740	11.8%
Impairment on Credit Loss (-)	-29	284	NA	-151	122	NA
Operating Income	1,808	1,484	21.8%	987	821	20.2%
Non-Operating Income	-6	-54	NA	9	-15	NA
Pre-Provision Income	1,773	1,714	3.4%	845	929	-9.0%
Income before Corp. Tax	1,802	1,430	26.0%	995	807	23.3%
Corp. Tax (-)	485	321	51.1%	273	212	28.8%
Net Income <sup>1)</sup>	1,306	1,098	18.9%	716	590	21.4%

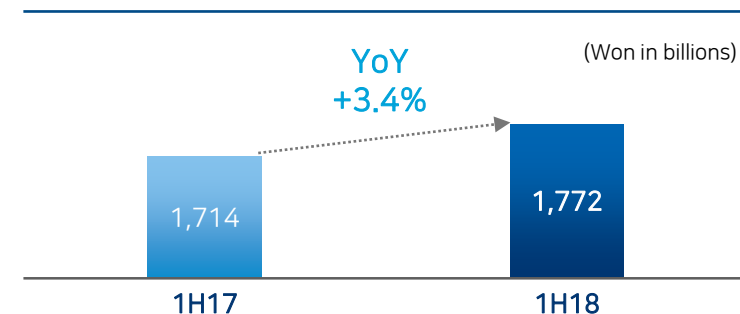
· Woori Bank consolidated basis (K-IFRS)

Note 1) Net Income attributable to controlling interests

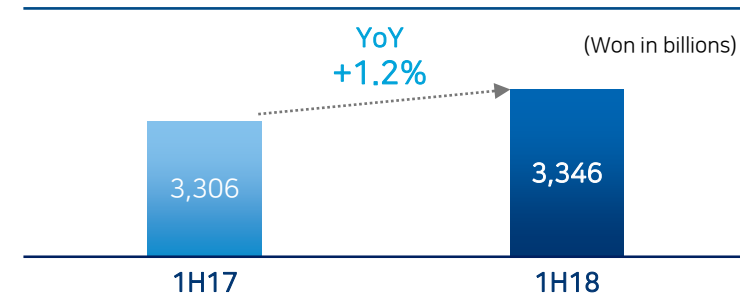
## Net Income



## Pre-Provision Income

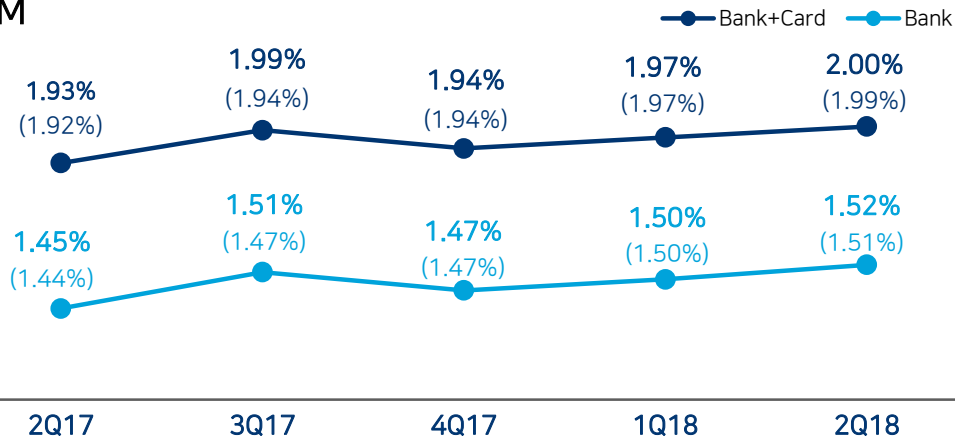


## Net Operating Revenue



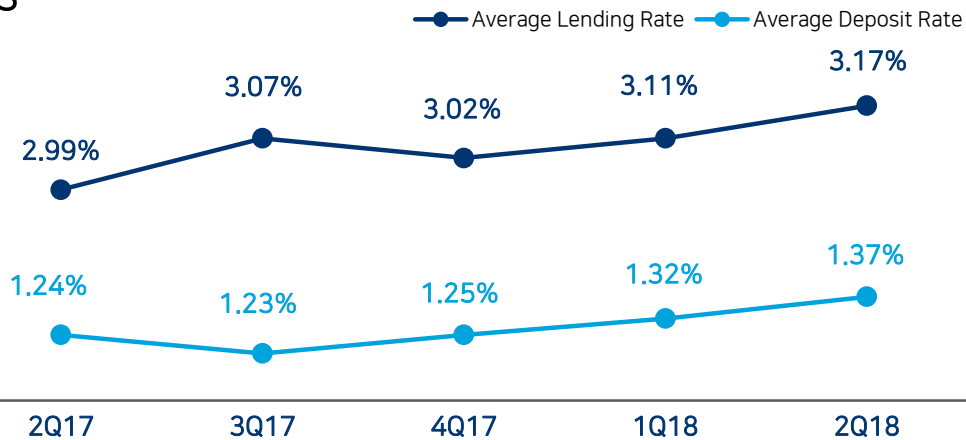
## NIM/NIS

### NIM



• Quarterly basis, Cumulative NIM in ( )

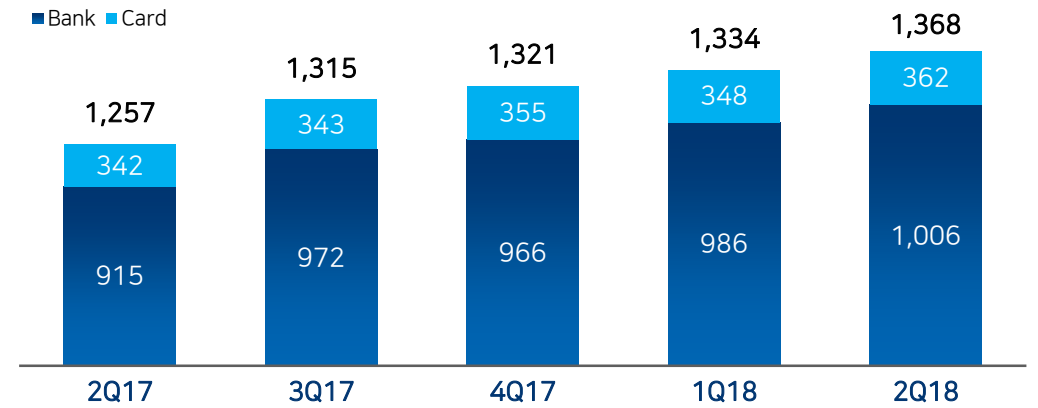
### NIS



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

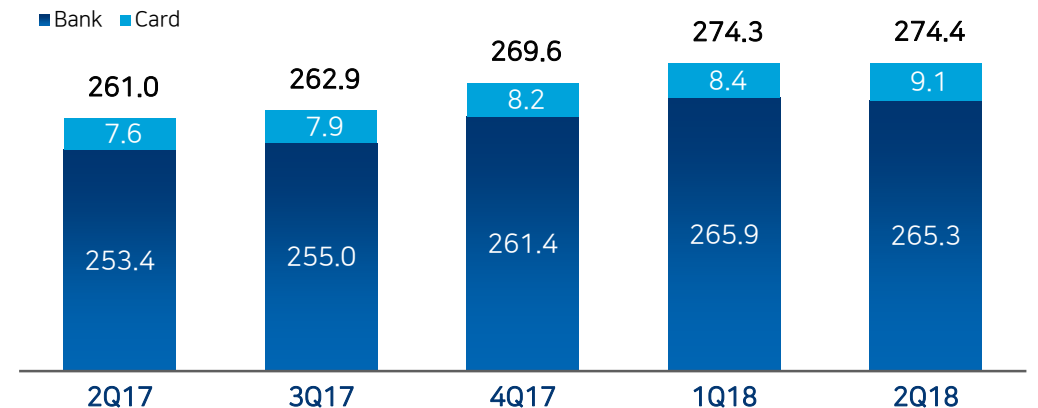
## Interest Income / Interest Earning Assets

### 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)

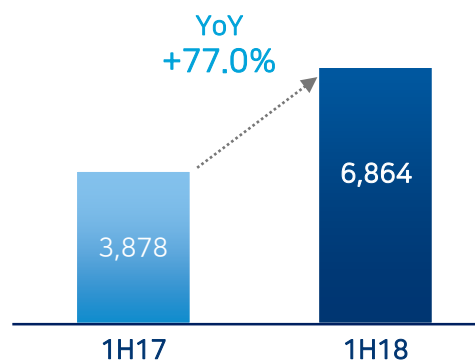
	1H18	1H17	YoY	2Q18	1Q18	QoQ
Non-Interest Income	581	756	-23.1%	265	316	-16.1%
Fees & Commission	603	538	12.1%	297	305	-2.6%
Wealth Management	189	148	27.7%	91	98	-7.1%
Fund	46	40	15.0%	21	25	-16.0%
Bancassurance	45	44	2.3%	21	24	-12.5%
Trust	98	64	53.1%	49	49	-
Credit Card	132	127	3.9%	69	62	11.3%
Other Fees	282	263	7.2%	137	145	-5.5%
FX Trading/ Derivatives	181	143	26.6%	92	89	3.4%
Securities	122	171	-28.7%	50	72	-30.6%
Valuation/ Disposal of Loans	34	202	-83.2%	10	24	-58.3%
Other	-358	-297	20.5%	-184	-174	5.7%

## Core Products Sales in Wealth Management

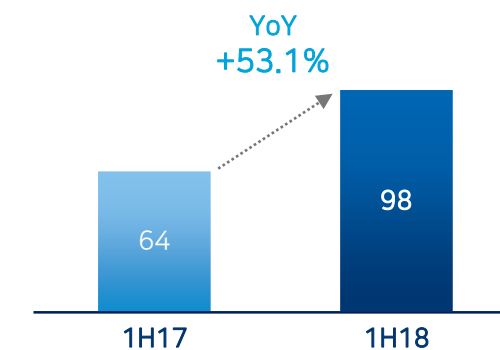
### Trust Sales by Bank

(Won in billions)

• ELT Sales Balance



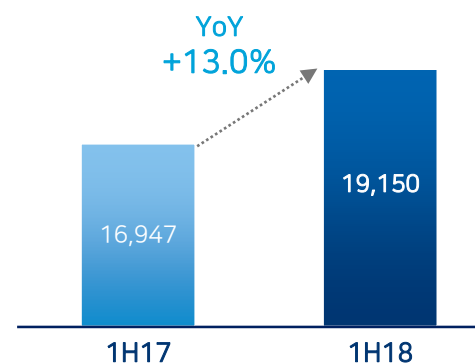
• Trust Fee Revenue



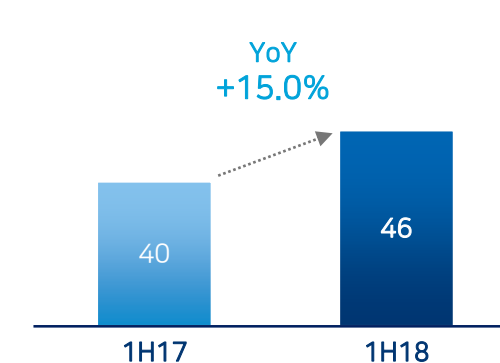
### Fund Sales by Bank

(Won in billions)

• Fund Sales Balance



• Fund Sales Fee Revenue



## Credit Cost Overview

(Won in billions)

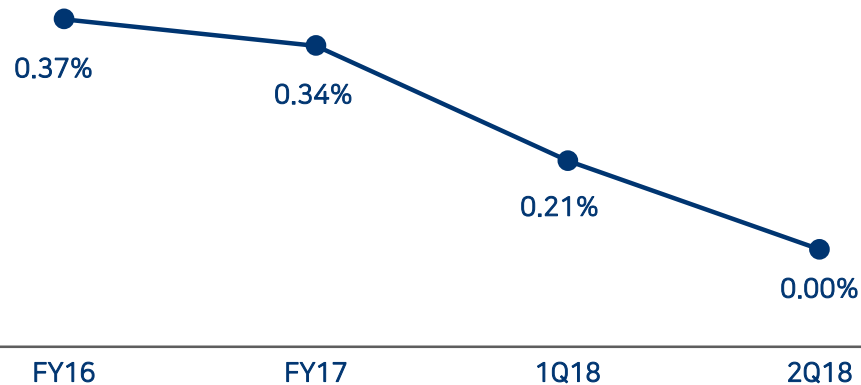
	FY16	FY17	1Q18	1H18
Credit Cost <sup>1)</sup> (Wbn)	834	785	122	-29
Total Credit <sup>2)</sup> (Wtn)	231.2	238.5	241.7	245.3

• Consolidated basis

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

Note 2) Ending balance

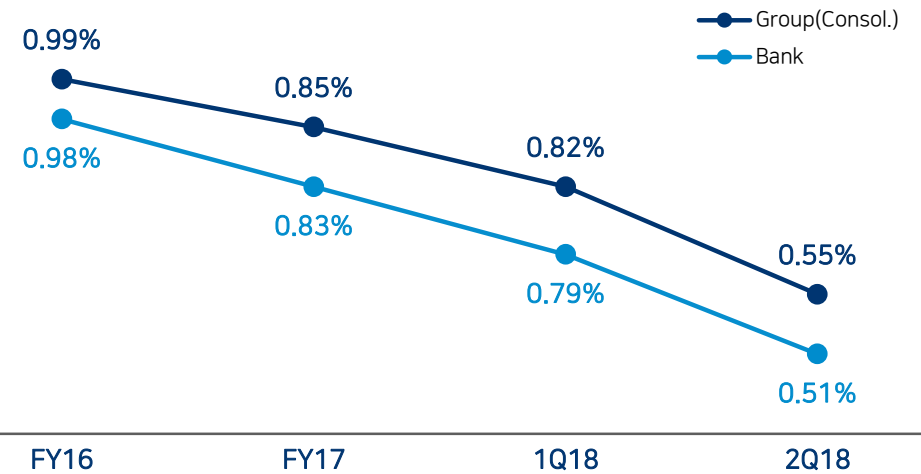
## Credit Cost Ratio



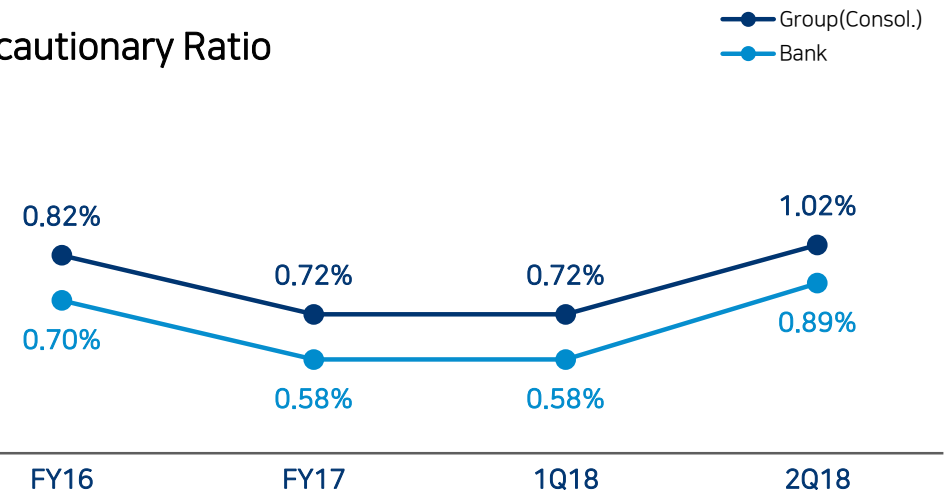
• Credit Cost Ratio = Credit cost/average Total Credit balance (Consolidated basis)

## Asset Quality Ratio Trend

### NPL Ratio



### Precautionary Ratio



# SG&A Expense (Consol.)

(Won in billions)

구분	1H18	1H17	YoY	2Q18	1Q18	QoQ
SG&A Expense	1,567	1,538	1.9%	827	740	11.8%
Salaries & Benefits	952	947	0.5%	508	444	14.4%
ERP Expense	21	5	-	21	0	NA
Salaries & Benefits (Excluding ERP)	931	942	-1.2%	487	444	9.7%
General & Administration	448	433	3.5%	229	219	4.6%
Depreciation	100	95	5.3%	52	48	8.3%
Taxes & Dues	67	63	6.3%	38	29	31.0%

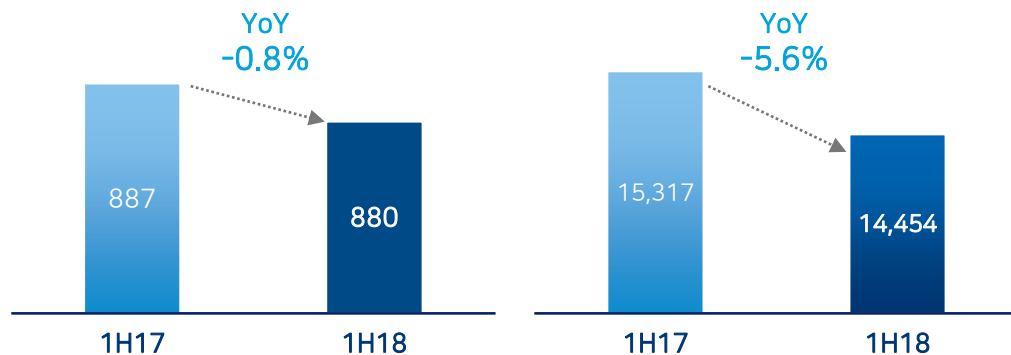
## Branches and Workforce (Bank)

### Branches

(Unit : Branch)

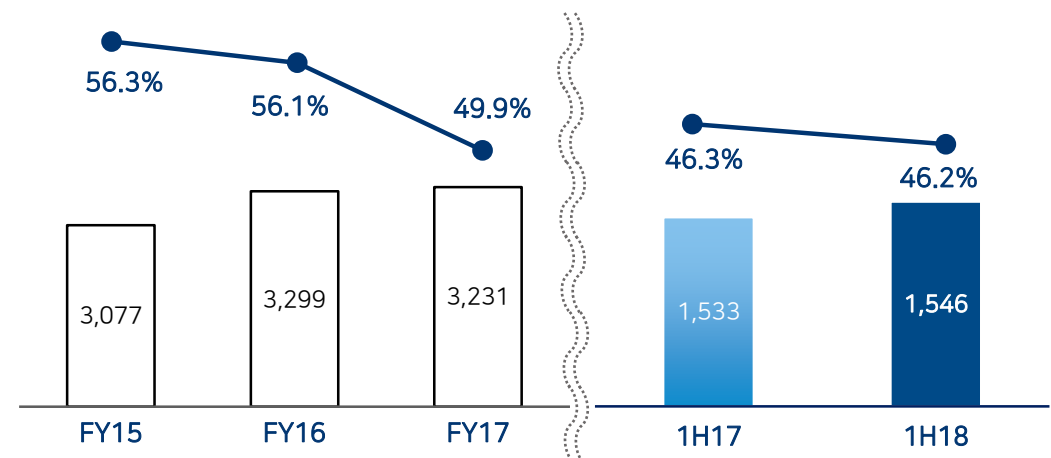
### Workforce

(Unit : Person)



• Domestic branches and sub-branches only    • Based on FSS reporting standard

## 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 : 73bn(FY15), 179bn(FY16), 300bn(FY17)

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# Assets & Liabilities

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- **Statement of Financial Position**
- **Funding**
- **Loans**

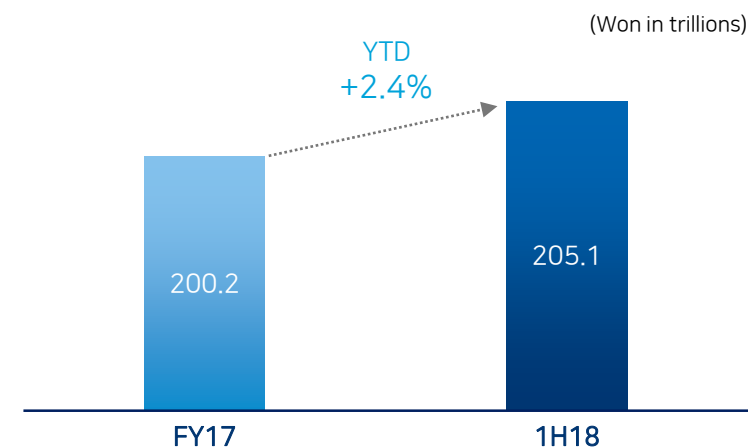
# Statement of Financial Position (Consol.)



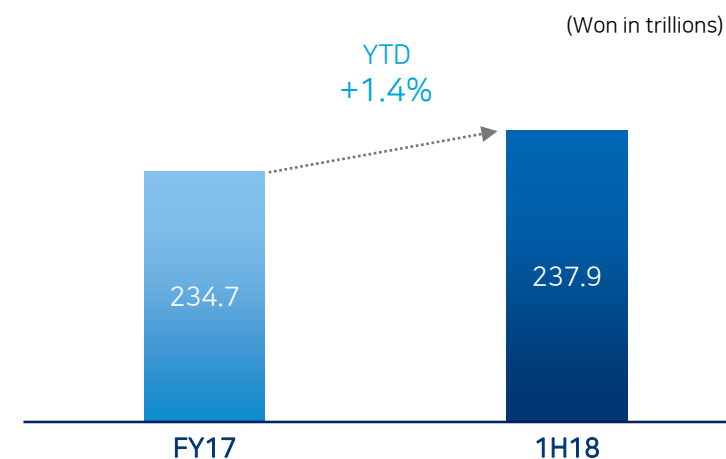
(Won in trillions)

	1H18	FY17	YTD	1Q18	QoQ
Total Assets	326.6	316.4	3.2%	325.8	0.2%
Financial Assets	38.7	37.9	2.1%	37.7	2.7%
Loans and Receivables	277.7	267.1	4.0%	278.1	-0.1%
Loans in Won	205.1	200.2	2.4%	203.4	0.8%
Loans in F/C	14.7	13.1	12.2%	13.8	6.5%
Foreign Bills Bought	6.8	8.2	-17.1%	6.8	-
Total Liabilities	305.6	295.7	3.3%	305.3	0.1%
Deposits	237.9	234.7	1.4%	237.5	0.2%
Borrowings	15.9	14.8	7.4%	13.9	14.4%
Debentures	26.8	28.0	-4.3%	27.1	-1.1%
Shareholder's Equity <sup>1)</sup>	20.8	20.4	2.0%	20.3	2.5%
Capital Stock	3.4	3.4	-	3.4	-
Hybrid Securities	2.8	3.0	-6.7%	3.0	-6.7%
Retained Earnings	16.5	15.6	5.8%	15.8	4.4%
(Non-controlling Equity)	(0.2)	(0.2)	-	(0.2)	-
Group Total Assets <sup>2)</sup>	374.5	355.5	5.3%	370.7	1.0%

## Loans in Won



## Deposits



· Woori Bank consolidated basis (K-IFRS)

Note 1) Controlling Interest, Note 2) Total assets include trust account

## Breakdown by Funding Sources

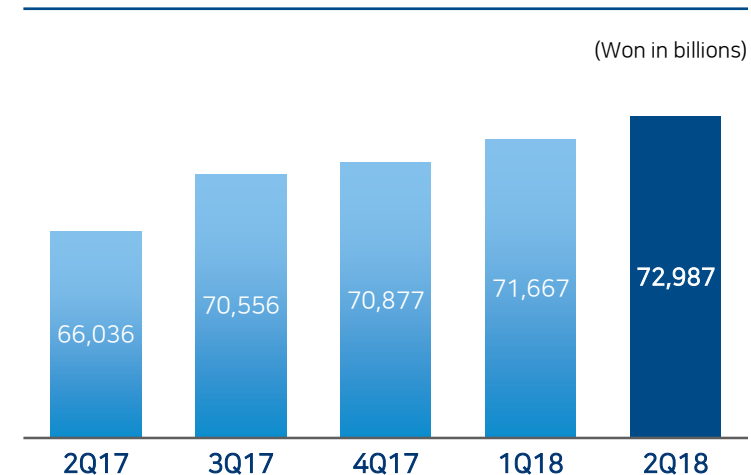
(Won in billions)

	1H18	FY17	YTD	1Q18	QoQ
<b>Total Deposits in KRW</b>	<b>235,786</b>	232,697	1.3%	235,180	0.2%
<b>Low Cost Deposits<sup>1)</sup></b>	<b>93,191</b>	93,216	0.0%	92,114	1.2%
<b>Core Deposits</b>	<b>72,987</b>	70,877	3.0%	71,667	1.8%
<b>MMDA (Corporate)</b>	<b>20,204</b>	22,339	-9.6%	20,447	-1.2%
<b>Savings Deposits</b>	<b>115,055</b>	110,565	4.1%	114,918	0.1%
<b>Marketable Deposits</b>	<b>4,503</b>	4,349	3.5%	4,180	7.7%
<b>Borrowings</b>	<b>6,613</b>	6,234	6.1%	6,476	2.2%
<b>Debentures</b>	<b>16,421</b>	18,333	-10.4%	17,492	-6.1%
<b>Total Deposits in FC</b>	<b>24,421</b>	26,637	-8.3%	24,901	-1.9%
<b>Total Deposits</b>	<b>260,206</b>	259,334	0.3%	260,081	0.0%

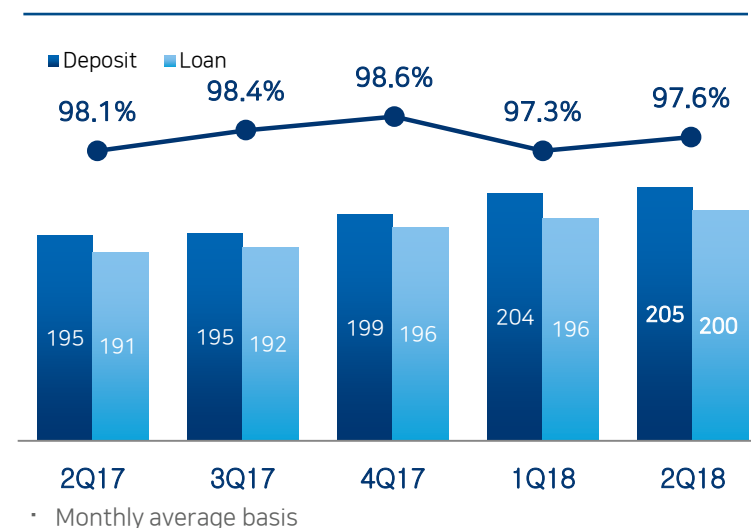
· Ending Balance basis

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

## Core Deposits Trend



## Loan-to-Deposit Ratio



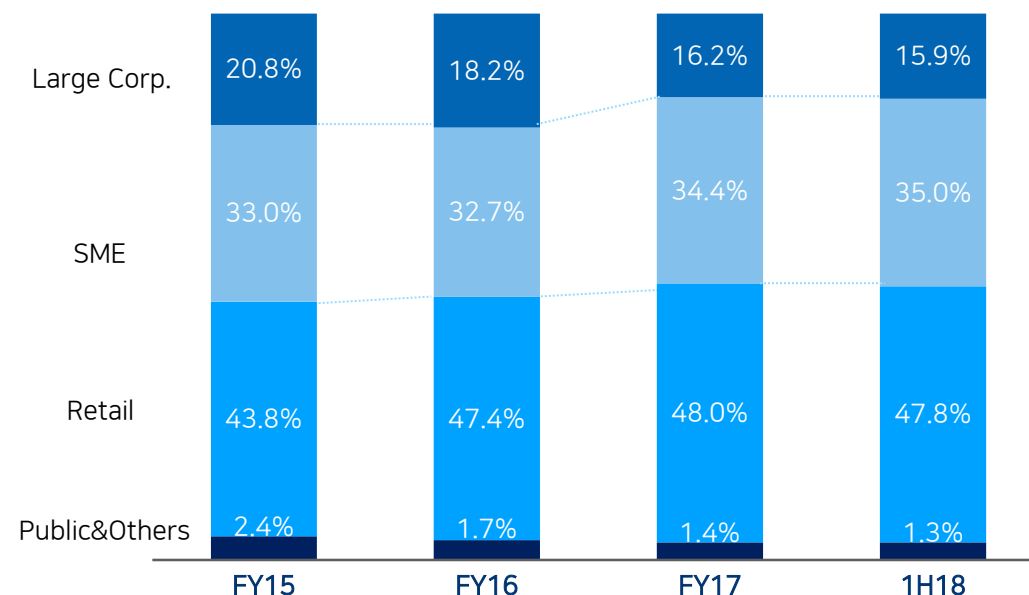
## Breakdown by Borrowers

(Won in billions)

	1H18	FY17	YTD	1Q18	QoQ
<b>Large Corp.</b>	35,977	36,022	-0.1%	34,967	2.9%
<b>SME</b>	79,166	76,339	3.7%	78,372	1.0%
<b>Corporate</b>	39,338	38,825	1.3%	39,511	-0.4%
<b>SOHO</b>	39,828	37,514	6.2%	38,861	2.5%
<b>Retail</b>	108,082	106,597	1.4%	107,442	0.6%
<b>Secured</b>	86,539	84,603	2.3%	84,934	1.9%
<b>Unsecured</b>	21,543	21,994	-2.1%	22,508	-4.3%
<b>Public &amp; Others</b>	3,010	3,160	-4.7%	3,045	-1.1%
<b>Total</b>	226,235	222,118	1.9%	223,826	1.1%

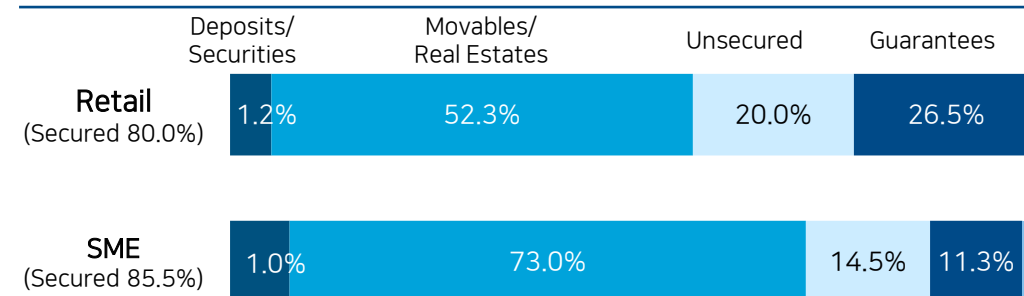
• FSS NPL reporting standards (including banking and trust account, foreign bills bought, guarantees and etc.)

## Loan Portfolio



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

## Breakdown by Collateral



• Bank account in Won currency

Others  
0.2%

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## **Asset Quality/ Capital Adequacy**

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- Asset Quality
- Capital Adequacy

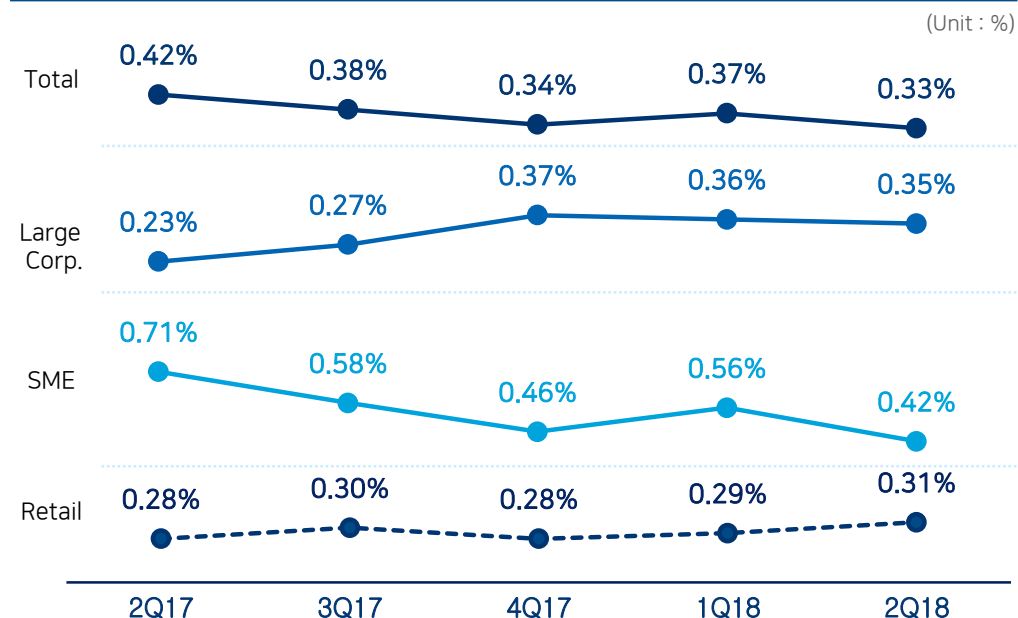
# Asset Quality (Bank)

## Asset Breakdown

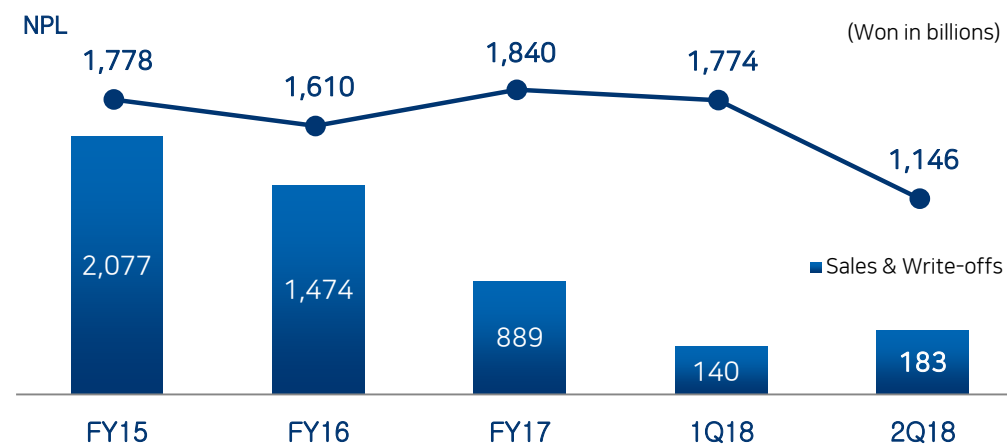
(Won in billions)

	1H18	FY17	YTD	1Q18	QoQ
Total Credit Offerings	226,235	222,118	1.9%	223,826	1.1%
Precautionary	2,013	1,283	56.9%	1,295	55.4%
	0.89%	0.58%	0.31%p	0.58%	0.31%p
Substandard & Below (NPL)	1,146	1,840	-37.7%	1,774	-35.4%
	0.51%	0.83%	-0.32%p	0.79%	-0.28%p
Loan Loss Reserve (LLR)	1,401	1,611	-13.0%	1,768	-20.8%
LLR/Substandard & Below Loans	122.3%	87.7%	34.6%p	99.9%	22.4%p

## Delinquency Ratio



## Trend in NPL



# Capital Adequacy (Consol.)

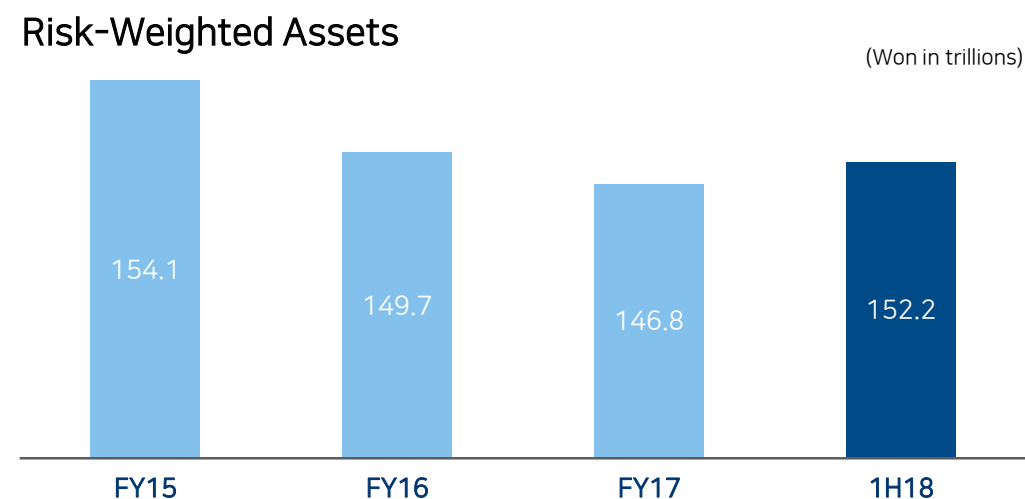
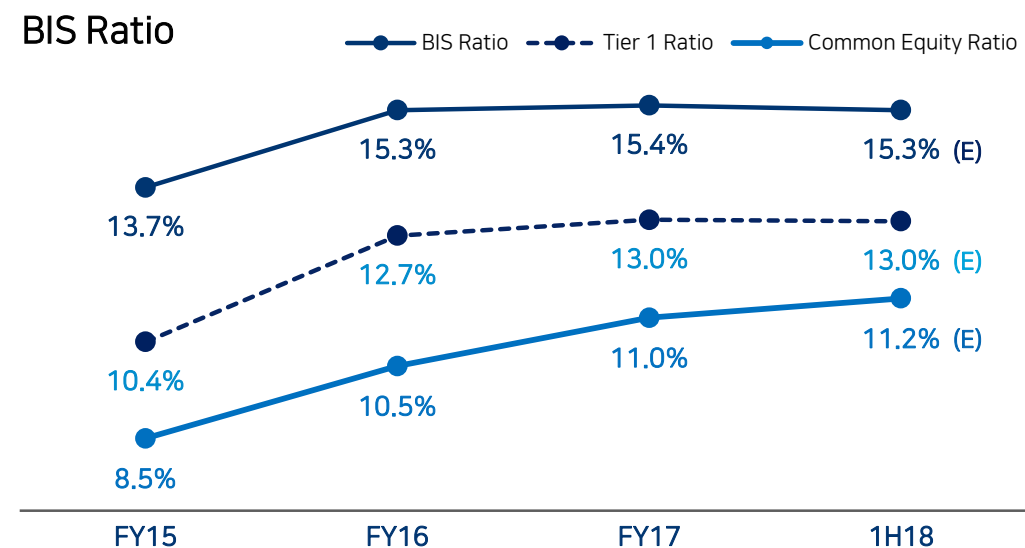
## Capital / Risk-Weighted Assets

(Won in billions)

	1H18 (E)	FY17	YTD	1Q18	QoQ
Total Capital	23,272	22,603	3.0%	22,606	2.9%
Common Equity	17,036	16,075	6.0%	16,592	2.7%
Tier 1 Capital	19,782	19,117	3.5%	19,439	1.8%
Tier 2 Capital	3,491	3,486	0.1%	3,167	10.2%
Risk-Weighted Assets	152,164	146,762	3.7%	149,859	1.5%

• Basel III basis

## BIS Ratio & Risk-Weighted Assets Trend



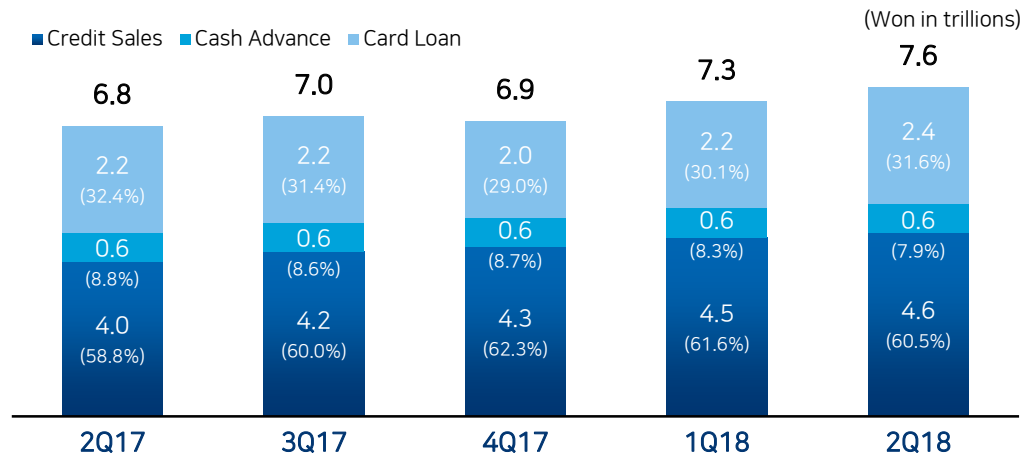
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## Woori Card

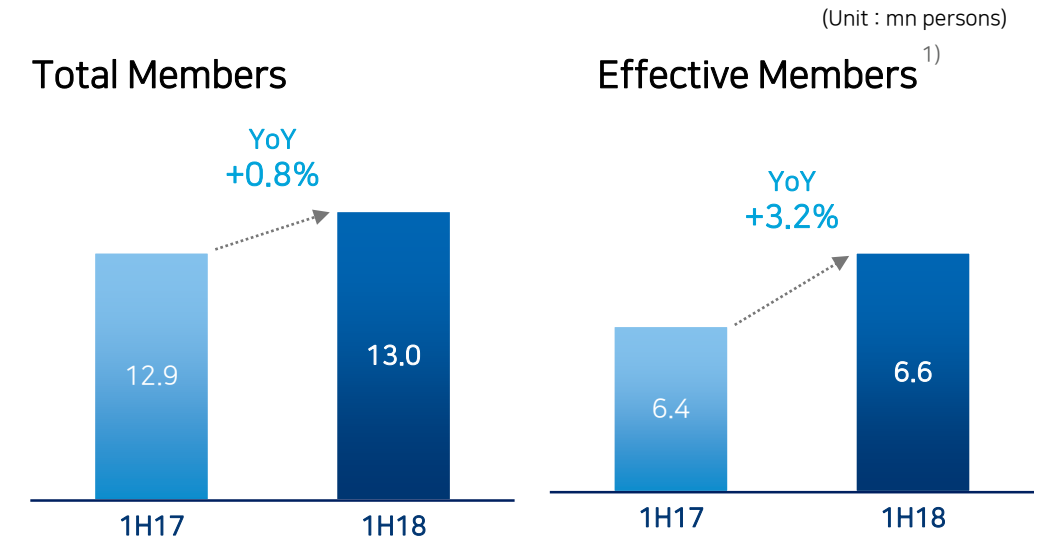
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- Woori Card at a Glance

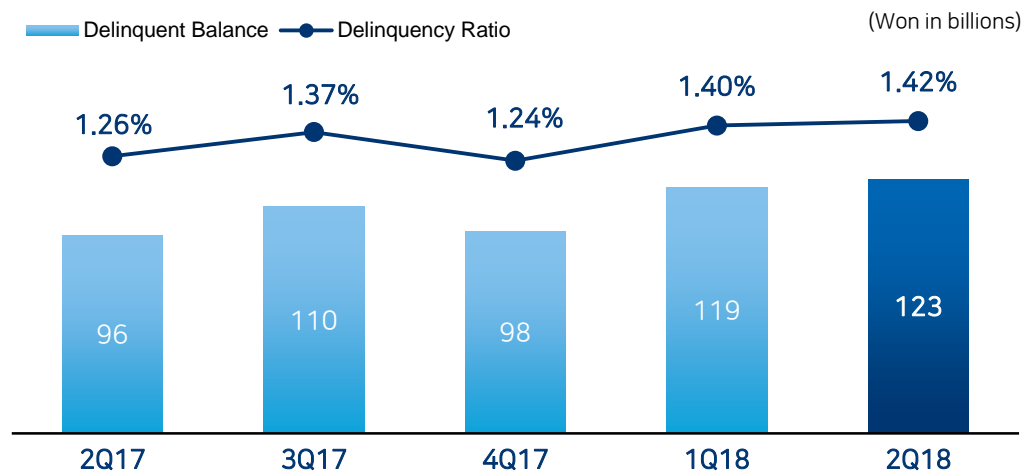
## Asset Breakdown



## Total Members and Effective Members



## Delinquency Ratio



Note 1) Cumulative basis

## Key Performance Indicators

Net Income (Wbn)	67.6	NIM	16.40%
ROA	1.5%	NPL Ratio	1.0%

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