

WOORI FINANCE HOLDINGS CO LTD

Form 6-K

August 17, 2005

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## Form 6-K

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**REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2005

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## Woori Finance Holdings Co., Ltd.

(Translation of Registrant's name into English)

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203, Hoehyon-dong, 1-ga, Chung-gu, Seoul, Korea 100-792

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

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Form 20-F  X  Form 40-F \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

*Note:* Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

*Note:* Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes \_\_\_\_\_ No  X

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**I. Company Overview**

**1. Purpose of Company**

**a. Scope of Business**

Acquisition/ownership of shares in companies that are engaged in financial services or are closely related to financial services, as well as the governance and/or management of such companies.

(1) Corporate Management

1. Setting management targets for and approving business plans of the subsidiaries;
2. Evaluation of the subsidiaries' business performances and establishment of compensation levels;
3. Formulation of corporate governance structures of the subsidiaries.
4. Inspection of operation and assets of the subsidiaries; and
5. Other activities complementary to the items mentioned in number 1 to 4.

(2) Corporate Management Support Activities

1. Funding for the affiliate companies (including direct and indirect subsidiaries, the Affiliates );
2. Capital investment in subsidiaries or procurement of funds for the Affiliates;
3. Joint development, marketing and use of facilities and computer system with the Affiliates; and
4. Activities ancillary to the above items, for which the authorization, permission or approval is not required under the relevant laws and regulations.

(3) All activities directly or indirectly related to the items listed above.

**b. Scope of Business of Subsidiaries**

(1) Woori Bank

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1. Primary Businesses

Banking business

Ancillary business

2. Supplementary Businesses

Trust business

Credit card business

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Other authorized businesses

(2) Kwangju Bank

1. Primary Businesses

Banking business

Ancillary business

2. Supplementary Businesses

Trust business

Credit card business

Other authorized businesses

(3) Kyongnam Bank

1. Primary Businesses

Banking business

Ancillary business

2. Supplementary Businesses

Trust business

Credit card business

Other authorized businesses

(4) Woori Investment & Securities

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1. Securities dealing;
2. Consignment sales of securities;
3. Brokering and/or proxy transactions of securities;
4. Underwriting of securities
5. Offering of securities;
6. Conscription for securities sales;
7. Brokering of securities in domestic and overseas securities markets;
8. Credit services related to securities trading;
9. Securities-backed loans;
10. Lending of securities;
11. Securities saving services;
12. Rating of securities and equity stakes;



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13. Payment guarantees for principal and interests of corporate bond;
  14. Trustee services for bond offerings;
  15. Trading and brokering of marketable certificates of deposits;
  16. Lottery sales;
  17. Real estate leasing;
  18. Lending of securities, and related brokerage, arrangement and agency services;
  19. Trading of leased securities and related brokerage, arrangement and agency services;
  20. Depositary of securities;
  21. Asset management and trustee services for securitization specialty companies under asset securitization regulations;
  22. Securities dealing in the ECN market;
  23. Underwriting, brokerage and agency services for securities issued on a private placement basis;
  24. Leasing and sales of IT systems and software related to securities business;
  25. Advertisement in the form of electronic document through communication network;
  26. Other businesses and activities related to the items listed above; and
  27. Other businesses approved by relevant regulatory agencies.
- (5) Woori Asset Management
1. Creation/cancellation of investment trusts;
  2. Management of investment trust assets;
  3. Management of mutual funds;

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4. Sales and redemption of indirect investment securities
5. Investment advisory;
6. Investment executions;
7. Administration of invested companies;
8. Futures trading;
9. Call trading;

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10. Bill purchases; and
11. Research domestic and global economy and capital markets;
12. Securities dealing;
13. Publishing investment related books;
14. Leasing real estate
15. Other activities approved by the Indirect Investment Asset Management Business Act
16. Other businesses and activities related to the items listed above; and
17. Other businesses approved by relevant regulatory agencies.

(6) Woori Finance Information System

1. Development, distribution and management of computer system;
2. Consulting services in computer installation and usage;
3. Distribution, brokerage and lease of computer system;
4. Maintenance of computer-related equipment;
5. Publication and distribution of IT-related reports and books;
6. Educational services related to computer usage;
7. Research and outsourcing information processing services;
8. Internet-related businesses;
9. Information processing, telecommunications and information distribution services;
10. Manufacturing and distribution of audio-visual media; and

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11. All activities directly or indirectly related to the items listed above.

(7) Woori F&I

1. Purchase and disposition of ABSs, issued primarily to securitize distressed assets, pursuant to the Asset Securitization Law;
2. Purchase and disposition of asset management companies that had been initially set up to manage distressed assets pursuant to the Asset securitization Law; and
3. All businesses or activities directly or indirectly related to the businesses listed above.

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(8) Woori LB Second Asset Securitization Specialty Co., Ltd.\*

1. Transfer, management and disposition of all rights related to the securities and other assets (the securitized assets ) of Woori Bank (formerly known as Hanvit Bank) and Kwangju Bank pursuant to the Asset Securitization Law;
2. Offering and redemption of the securitized assets;
3. Preparation and registration of asset securitization plans to the Financial Supervisory Service;
4. Execution of agreements required for the asset securitization plan;
5. Provisional borrowing and other similar procedures for ABS redemption;
6. Investment of surplus funds; and
7. Other activities related to the items listed above.

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\* Dissolved on August 3, 2005

(9) Woori LB Third Asset Securitization Specialty Co., Ltd.

1. Transfer, management and disposition of all rights related to the securities and other assets (the securitized assets ) of Woori Bank (formerly known as Hanvit Bank) and Kwangju Bank pursuant to the Asset Securitization Law;
2. Offering and redemption of the securitized assets;
3. Preparation and registration of asset securitization plans to the Financial Supervisory Service;
4. Execution of agreements required for the asset securitization plan;
5. Provisional borrowing and other similar procedures for ABS redemption;
6. Investment of surplus funds; and
7. Other activities related to the items listed above.

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**2. History of the Company**

**a. Company History**

(1) Background: From the establishment and its major changes.

December 23, 2000	Enactment of the Financial Holding Company Act
December 30, 2000	KDIC invested public funds of Won 8.5 trillion in Hanvit Bank, Peace Bank, Kwangju Bank, Kyongnam Bank and Hanaro Merchant Bank
March 14, 2001	Filed application for the incorporation of Woori Finance Holdings
March 24, 2001	Official approval from the Financial Supervisory Service for Woori Finance Holdings
March 27, 2001	Incorporated as Woori Finance Holdings, Co. Ltd (Total Capital: Won 3.6 trillion)
April 2, 2001	Official launch of Woori Finance Holdings
July 16, 2001	Issued bonds with warrants
September 29, 2001	Woori Finance Information System incorporated as a subsidiary
December 3, 2001	Woori Asset Management incorporated as a subsidiary
December 3, 2001	Woori First Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
December 26, 2001	Woori Second Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
December 31, 2001	Spin-off and merger of Peace Bank; Launch of Woori Credit Card
March 15, 2002	Woori Third Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
March 29, 2002	Woori Investment Trust Management incorporated as a subsidiary
June 11, 2002	Capital increase through public offering (Total capital: 3.8 trillion Won)
June 24, 2002	Listed on the Korea Stock Exchange
July 29, 2002	Woori Securities incorporated as a subsidiary

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September 5, 2002	Executed strategic investment agreement with Lehman Brothers with respect to the management of distressed assets
December 23, 2002	Purchase and acquisition agreement with the credit card division of Kwangju Bank
December 31, 2002	IT outsourcing agreement with Kwangju Bank and Kyongnam Bank
March 10, 2003	Integrated IT platform with Kyongnam Bank
August 1, 2003	Woori Merchant Bank merged into Woori Bank
August 15, 2003	Integrated of IT platform with Kwangju Bank
September 3, 2003	Launching of bancassurance business
September 29, 2003	Listing on the New York Stock Exchange
December 11, 2003	Liquidation of Woori LB First Asset Securitization Specialty Co., Ltd.
December 12, 2003	Announcement of merger between Woori Card and Woori Bank
March 30, 2004	Appointment of new management
June 18, 2004	Woori Securities becomes a wholly-owned subsidiary
December 21, 2004	Capital increase through conversion of CBs (Total capital after conversion: Won3.9 trillion)
December 24, 2004	Acquired LG Investment & Securities and incorporated as a subsidiary
February 17, 2005	Capital increase through conversion of CBs (Total capital after conversion: Won 3.9 trillion)
March 11, 2005	Capital increase through conversion of CBs (Total capital after conversion: 4.0 trillion Won)
March 31, 2005	Woori Securities and LG Investment & Securities merged (The name of the surviving entity, LG Investment & Securities, changed to Woori Investment & Securities)
May 6, 2005	Incorporated LG Investment Trust Management from 2 <sup>nd</sup> tier subsidiary to 1 <sup>st</sup> tier subsidiary
May 31, 2005	Woori Investment Trust Management and LG Investment Trust Management merged (The name of the surviving entity, LG Investment Trust Management, changed to Woori Asset Management)

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August 3, 2005                      Dissolution of Woori LB Second Asset Securitization Specialty Co., Ltd.

**b. Associated Business Group**

(1) Overview of Business Group

1. **Name of business group:** Woori Financial Group

2. **History**

December 23, 2000	Enactment of the Financial Holding Company Act
December 30, 2000	KDIC invested public funds of Won 8.5 trillion in Hanvit Bank, Peace Bank, Kwangju Bank, Kyongnam Bank and Hanaro Merchant Bank
March 14, 2001	Filed application for the incorporation of Woori Finance Holdings
March 24, 2001	Official approval from the Financial Supervisory Service for Woori Finance Holdings
March 27, 2001	Incorporated as Woori Finance Holdings, Co. Ltd (Total Capital: Won 3.6 trillion)
April 2, 2001	Official launch of Woori Finance Holdings
July 16, 2001	Issued bonds with warrants
September 29, 2001	Woori Finance Information System incorporated as a subsidiary
December 3, 2001	Woori Asset Management incorporated as a subsidiary
December 3, 2001	Woori First Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
December 26, 2001	Woori Second Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
December 31, 2001	Spin-off and merger of Peace Bank; Launch of Woori Credit Card
March 15, 2002	Woori Third Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
March 29, 2002	Woori Investment Trust Management incorporated as a subsidiary
June 11, 2002	Capital increase through public offering (Total capital: 3.8 trillion Won)



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June 24, 2002	Listed on the Korea Stock Exchange
July 29, 2002	Woori Securities incorporated as a subsidiary
September 5, 2002	Executed strategic investment agreement with Lehman Brothers with respect to the management of distressed assets
December 23, 2002	Purchase and acquisition agreement with the credit card division of Kwangju Bank
December 31, 2002	IT outsourcing agreement with Kwangju Bank and Kyongnam Bank
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March 31, 2005	Woori Securities and LG Investment & Securities merged (The name of the surviving entity, LG Investment & Securities, changed to Woori Investment & Securities)
May 6, 2005	Incorporated LG Investment Trust Management from 2 <sup>nd</sup> tier subsidiary to 1 <sup>st</sup> tier subsidiary

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May 31, 2005	Woori Investment Trust Management and LG Investment Trust Management merged (The name of the surviving entity, LG Investment Trust Management, changed to Woori Asset Management)
August 3, 2005	Dissolution of Woori LB Second Asset Securitization Specialty Co., Ltd.

(2) Related companies within the business group

<u>Type</u>	<u>Name of Company</u>	<u>Controlling Company</u>	<u>Notes</u>
Holding Company	Woori Finance Holdings	KDIC	
	Woori Bank		
	Kwangju Bank		
	Kyongnam Bank		
1 <sup>st</sup> Tier Subsidiaries	Woori Finance Information System	Woori Finance	
	Woori F & I		9 companies
	Woori Second Asset Securitization Specialty (1)	Holdings	
	Woori Third Asset Securitization Specialty		
	Woori Asset Management (formerly known as LGITM) (2)		
	Woori Investment & Securities (Formerly known LGIS)		
	Woori Credit Information		
	Woori America Bank		
	P.T. Bank Woori Indonesia	Woori Bank	12 companies
	Shinwoo Corporate Restructuring Company		
	Woori First Private Equity Fund		
2 <sup>nd</sup> Tier Subsidiaries	Nexbi Tech	Woori Finance	
		Information System	
	Woori CA Asset Management		
	Woori Futures (3)		
	Woori Investment & Securities International Ltd. (3)	Woori F&I	
	Woori Investment & Securities (HK) Ltd. (3)		
	Woori Investment & Securities America Inc. (3)		
	Mars First Private Hoesa		

(1) Excluded as a subsidiary following its dissolution on August 3, 2005.

(2) On May 6, 2005, Woori Finance Holdings acquired 90% stake in LG Investment Trust Management from Woori Investment & Securities, and LGITM was upgraded to a first tier subsidiary. The name was changed to Woori Asset Management on June 2, 2005.

(3) The names of the subsidiaries of former LG Investment & Securities changed as well.

**Table of Contents****3. Capital Structure****a. Changes in Capital**

(units: Won)

Date	Category	Stock Decrease/Increase				Note
		Type	Quantity	Par Value	Issue price	
2001.3.27	Establishment	Common	727,458,609	5,000	5,000	
2002.5.31	Exercise B/W	Common	165,782	5,000	5,000	
2002.6.12	Capital increase w/ consideration	Common	36,000,000	5,000	6,800	0.0494
2002.6.30	Exercise B/W	Common	1,416,457	5,000	5,000	
2002.9.30	Exercise B/W	Common	2,769,413	5,000	5,000	
2002.12.31	Exercise B/W	Common	4,536	5,000	5,000	
2003.3.31	Exercise B/W	Common	1,122	5,000	5,000	
2003.6.30	Exercise B/W	Common	7,688,991	5,000	5,000	
2004.6.18	Stock Exchange	Common	8,571,262	5,000	8,902 <sup>(1)</sup>	Exchange with Woori Sec shares on a 1-to- 0.55 basis
2004.11.4	Exercise CB	Common	666,301	5,000	5,380	
2004.12.2	Exercise CB	Common	7,995,613	5,000	5,380	
2004.12.21	Exercise CB	Common	3,717,472	5,000	5,380	
2005.2.17	Exercise CB	Common	3,481,173	5,000	5,588	
2005.3.11	Exercise CB	Common	5,914,180	5,000	7,313	
2005.3.11	Exercise CB	Common	164,429	5,000	7,228	

(1) Per share price derived by applying the exchange ratio.

**b. Anticipated Changes in Capital**

Not applicable

**c. Convertible Bonds**

All issued convertible bonds have been converted as of the date of this report.



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**4. Total Number of Authorized Shares**

**a. Total Number of Authorized Shares**

As of 2005.6.30 (units: shares)

Items	Type	
	Common Shares	Total
Total number of shares authorized	2,400,000,000	2,400,000,000
Total number of issued stock	806,015,340	806,015,340
Treasury stock	2,549	2,549
Free float shares	806,012,791	806,012,791

**b. Capital and price per share**

As of 2005.6.30 (units: Won, shares)

Type	Capital			Price per share		
	Capital	Par value of issued shares	Par value of free float shares	Par value per share	Capital ÷ number of shares issued	Capital ÷ free float shares
Registered Common Stock	4,030,076,700,000	4,030,076,700,000	4,030,063,955,000	5,000	5,000	5,000
Total	4,030,076,700,000	4,030,076,700,000	4,030,063,955,000	5,000	5,000	5,000

**c. Treasury Stock**

As of 2005.6.30 (units: shares)

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Acquisition

<u>Method</u>	<u>Type of Stock</u>	<u>Beg.</u>	<u>Acquired</u>	<u>Disposal</u>	<u>Canceled</u>	<u>End</u>	<u>Remarks</u>
Direct purchase under Sub-section 1, section 189-2	Common Preferred						
Direct purchase other than the conditions under Sub-section 1, section 189-2	Common Preferred	2,547	2			2,549	
Subtotal	Common Preferred	2,547	2			2,549	
Indirect acquisition from trust agreement	Common Preferred						
Total	Common Preferred	2,547	2			2,549	

**Table of Contents****d. Status of Employee Stock Option Program**

As of 2005.6.30 (units: Won, shares)

<u>Type of stock</u>	<u>Type of Stock</u>	<u>Initial Balance</u>	<u>Ending Balance</u>
Employee Account			
Employee Union Account	Common stock	2,073,551	1,623,069

**5. Voting Rights**

As of 2005.6.30 (units: shares)

<u>Items</u>		<u>Number of stock</u>	<u>Notes</u>
Total number of shares	Common Shares Preferred Shares	806,015,340	
Stocks without voting rights	Common Shares Preferred Shares		
Stocks with limited voting rights under the Securities & Exchange Law		2,549	
Stocks with voting rights restored			
Stocks with voting rights	Common Shares Preferred Shares	806,012,791	

**Table of Contents****6. Dividend Information****a. Dividend information for the past three years**

(units: Won)

Items	2004	2003	2002
Par value per share (Won)	5,000	5,000	5,000
Net profit (Won in Millions)	1,292,493	202,565	589,214
Earnings per share (Won)	1,655	262	786
Profit available for dividend distribution (Won in Millions)	2,150,995	1,203,688	1,086,596
Total cash payout (Won in Millions)	119,468	77,550	57,262
Total stock dividends (Won in Millions)			
Propensity to cash dividends (%)	9.24	38.28	9.72
Cash dividend yield (%)			
Common Shares	1.81	1.53	5.22
Preferred Shares			
Stock dividend yield (%)			
Common Shares			
Preferred Shares			
Cash dividend per share (Won)			
Common Shares	150	100	250
Preferred Shares			
Stock dividend per share (Won)			
Common Shares			
Preferred Shares			



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**II. Description of Business**

**1. Business Overview**

**a. Current Trend of Industry**

Fierce competition in the banking sector

Normalization of the credit card business

Convergence of products/services in the financial industry

Expansion of financial services due to the development of the capital market and technology

**b. Organization Chart**

**Table of Contents****2. Overview of Operations****a. Performance of Operations**

As a financial holding company under the Financial Holding Company Act, our main income consists of dividend payments made to us by our subsidiaries. We are not involved in any other operations.

**b. Financing of operations**

## (1) Source of Funds

(units: millions of Won)

Items	2005 1H	2004	2003	2002
Shareholders Equity	8,227,540	7,436,457	5,597,895	5,064,129
Capital	4,030,076	3,982,278	3,877,525	3,839,074
Capital Surplus	84,488	84,356	61,324	58,645
Retained Earnings	3,031,498	2,359,422	1,282,866	1,145,518
Capital Adjustments	1,081,477	1,010,402	376,180	20,892
Borrowings	2,356,980	2,299,992	2,649,920	2,325,021
Debentures	2,345,877	2,154,637	2,621,182	1,999,250
Bank Borrowings		120,000		300,000
Commercial Paper				
Other Borrowings				
Other Liabilities	11,102	25,354	28,738	25,771
Total	10,584,521	9,736,449	8,247,815	7,389,150

\* Change in accounting policy with respect to private funds was not applied to figures for 2002, 2003, and 2004

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## (2) Use of Funds

(units: millions of Won)

Items	2005 1H	2004	2003	2002
Subsidiary Stock	10,174,667	9,425,381	7,007,222	6,062,119
Woori Bank	8,394,282	7,578,363	5,869,558	4,500,143
Kyongnam Bank	648,022	608,802	504,629	424,060
Kwangju Bank	438,295	420,595	364,955	290,003
Woori Credit Card				379,126
Woori Merchant Bank				222,936
Woori Financial Information System	10,057	7,613	7,284	3,364
Woori F&I	71,311	58,231	35,896	17,016
Woori 2 <sup>nd</sup> Asset Securitization Specialty			20,016	31,666
Woori 3 <sup>rd</sup> Asset Securitization Specialty			1,266	
Woori Investment Trust Management (2)		35,076	34,978	39,646
Woori Securities (1)		361,500	168,639	154,159
Woori Investment & Securities (1)	534,136	355,201		
Woori Asset Management (2)	78,564			
Loan Obligations	204,761	218,641	830,566	1,231,207
Tangible Assets	159	228	242	324
Intangible Assets	44	54	51	50
Cash	163,794	56,099	349,585	73,256
Other Assets	41,095	36,047	60,148	22,195
Total	10,584,521	9,736,449	8,247,815	7,389,151

\* Change in accounting policy with respect to private funds was not applied to figures for 2002, 2003, and 2004

- 1) Invested shares of Woori Securities were evaluated under equity method until the merger in March 31, 2005 and were absorbed into Woori Investment & Securities.
- 2) Invested shares of Woori Investment Trust Management were evaluated under equity method until the merger in May 31, 2005 and were absorbed into Woori Asset Management.

**c. Transactions related to Commission Fees**

(units: millions of Won)

Category	Items	2005 1H	2004 1H	2004
Commission Revenue (A)		0	0	0
Commission Expense (B)		2,660	2,980	8,037
Commission Profit (A-B)		-2,660	-2,980	-8,037

**Table of Contents****3. Other Information Relevant to Investment Decisions**

We calculated the following ratios in accordance with the Financial Holding Company Act as explained in the footnote below.

**a. Won-denominated Current Ratio**

(units: millions of Won)

Items	2005 1H	2004	2003	2002
Current Assets (A)	164,509	57,346	203,202	78,357
Current Liabilities (B)	111,103	11,385	9,711	9,317
Current Ratio (A/B)	148.1%	503.7%	2,092.5%	841.0%

**\* Current ratio of Won**

= assets with maturity of less than 3 months  
liabilities with maturity of less than 3 months

**b. Foreign Currency-denominated Current Ratio**

(units: millions of Won)

Items	2005 1H	2004	2003	2002
Current Assets (A)			147,754	
Current Liabilities (B)			148,598	
Current Ratio (A/B)			99.4%	

**\* Current ratio of foreign currency**

= assets with maturity of less than 3 months  
liabilities with maturity of less than 3 months

**c. Debt Ratio**

(units: millions of Won)

Items	2005 1H	2004	2003	2002
Liabilities (A)	2,356,981	2,299,992	2,649,920	2,325,022
Equity (B)	8,227,541	7,436,457	5,597,895	5,064,129
Debt Ratio (A/B)	28.7%	30.9%	47.3%	45.9%

**Table of Contents****d. Credit ratings for the past three years**

<b>Date of Rating</b>	<b>Evaluated Securities</b>	<b>Credit Rating</b>	<b>Company (Ratings Range)</b>	<b>Evaluation Category</b>
2001.6.27	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2001.6.28	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2001.9.26	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2001.9.26	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2001.11.29		BBB-	R&I (AAA~C)	Case evaluation
2002.10.17	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2002.10.22	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2002.11.8		BBB	R&I (AAA~C)	Periodic evaluation
2002.12.13	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2002.12.16	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2003.6.30	Debentures	AA+	KIS Ratings (AAA~D)	Periodic evaluation
2003.9.8	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
2003.9.8	Debentures	AAA	KIS Ratings (AAA~D))	Case evaluation
2003.11.13		BBB	R&I (AAA~C)	Periodic evaluation
2003.12.04		AAA	NICE (AAA~D)	Case evaluation
2003.12.04	Debentures	AAA	KIS Ratings (AAA~D))	Case evaluation
2004.2.6	Debentures	BBB	Fitch Rating (AAA~D)	Case evaluation
2004.3.11		BBB-	S&P (AAA~D)	Case evaluation
2004.5.27		Baa3	Moody s (Aaa~C)	Case evaluation
2004.6.9		AAA	KIS Ratings (AAA~D))	Case evaluation
2004.6.9		AAA	NICE (AAA~D)	Case evaluation
2004.7.16	Debentures	AAA	NICE (AAA~D)	Case evaluation
2004.7.16	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
	Debentures			

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2004.11.15	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
2004.11.15	Debentures	AAA	KIS Ratings (AAA~D)	Case evaluation
2005.6.7	Debentures	BBB	S&P (AAA~D)	Case evaluation
2005.6.9		AAA	KIS Ratings (AAA~D)	Case evaluation
2005.6.13	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
	Debentures			

### e. Other Important Information

See our annual report for the BIS capital ratio and non-performing loans of our subsidiaries.

**Table of Contents****III. Financial Information****1. Condensed Financial Statements (Non-consolidated)**

(units: millions of Won)

Items	2005 1H	2004	2003	2002	2001
Cash and Due from Banks	163,795	56,099	349,585	73,256	13,825
Securities	10,174,667	9,436,976	7,007,222	6,062,119	5,016,864
Loans	204,761	218,641	830,566	1,231,207	648,365
Fixed Assets	204	282	293	374	651
Other Assets	41,095	36,046	60,148	22,195	14,108
<b>Total Assets</b>	<b>10,584,522</b>	<b>9,748,044</b>	<b>8,247,814</b>	<b>7,389,151</b>	<b>5,693,813</b>
Borrowings	0	120,000	0	300,000	310,000
Debentures	2,345,878	2,154,636	2,621,182	1,999,250	1,298,304
Other Liabilities	11,103	25,355	28,737	25,772	8,162
<b>Total Liabilities</b>	<b>2,356,981</b>	<b>2,299,991</b>	<b>2,649,919</b>	<b>2,325,022</b>	<b>1,616,466</b>
Common Stock	4,030,077	3,982,278	3,877,525	3,839,074	3,637,293
Capital Surplus	84,488	84,356	61,324	58,645	0
Retained Earnings	3,031,498	2,328,854	1,282,866	1,145,518	558,501
Capital Adjustment	1,081,478	1,052,565	376,180	20,892	-118,447
<b>Total Stockholder's Equity</b>	<b>8,227,541</b>	<b>7,448,053</b>	<b>5,597,895</b>	<b>5,064,129</b>	<b>4,077,347</b>
Operating Income*	924,187	1,922,849	1,593,251	878,488	717,112
Operating Expenses *	97,615	662,975	1,390,154	302,721	31,222
Operating Profit	826,572	1,259,874	203,097	575,767	685,890
Ordinary Income	826,856	1,261,925	202,565	589,214	685,885
<b>Net profit</b>	<b>826,856</b>	<b>1,261,925</b>	<b>202,565</b>	<b>589,214</b>	<b>684,102</b>

- \* 1. Operating income and operating expenses are computed by the total amount of gain or loss from equity method in accordance with the Article 15 of the corporate accounting standard.
2. The 2004 figures have been changed due to the changes in accounting standards.

**Table of Contents****2. Condensed Financial Statements (Consolidated)**

(units: millions of Won)

Items	2004	2003	2002	2001
Cash and Due from Banks	6,850,115	6,471,855	6,568,852	6,432,890
Securities	28,553,168	27,006,677	26,452,509	25,024,333
Loans	91,768,615	86,077,297	73,604,113	59,876,198
Fixed Assets	2,646,979	2,734,616	2,796,183	2,831,851
Other Assets	6,811,684	6,477,274	5,421,877	5,920,545
<b>Total Assets</b>	<b>136,630,561</b>	<b>128,767,718</b>	<b>114,843,534</b>	<b>100,058,817</b>
Deposits	92,148,907	89,049,625	78,917,388	69,332,217
Borrowings	13,285,773	12,813,104	13,839,614	13,742,572
Debentures	13,687,295	12,195,159	10,792,932	5,491,533
Other Liabilities	8,814,901	9,011,530	5,987,833	7,080,301
<b>Total Liabilities</b>	<b>127,936,876</b>	<b>123,069,418</b>	<b>109,528,767</b>	<b>95,646,623</b>
Common Stock	3,982,278	3,877,525	3,839,074	3,637,293
Consolidated Capital Surplus	170,960	57,844	25,029	
Consolidated Retained Earnings	2,363,713	1,152,053	1,151,113	558,852
Consolidated Capital Adjustment	923,794	414,969	54,506	-116,546
Minority Interest	1,252,940	195,909	245,045	359,595
<b>Total Stockholder's Equity</b>	<b>8,693,685</b>	<b>5,698,300</b>	<b>5,314,767</b>	<b>4,439,194</b>
Operating Income (1)	13,359,215	10,403,445	9,623,990	10,159,156
Operating Expenses (2)	12,191,952	10,060,210	8,908,732	9,847,439
Operating Profit	1,167,263	343,235	715,258	311,717
Non-operating Income	458,277	639,882	540,113	1,190,685
Non-operating Expenses	390,804	752,055	800,487	937,984
Ordinary Income	1,234,736	231,062	454,884	564,418
Aggregated Net Profit	1,291,620	52,374	613,576	736,616
Consolidated Net Profit	1,292,493	56,279	591,588	686,287
No. of Companies Consolidated	24	15	17	17

- (1) (2) Operating income and operating expenses are calculated from the total amount of gain or loss under the equity method in accordance with the Article 15 of the corporate accounting standard.



**Table of Contents****3. Accounting Information****a. Loan Loss Reserves**

(1) Loan Loss Reserves for the past three years by classification

(units: millions of Won)

<u>Period</u>	<u>Item</u>	<u>Total Credits</u>	<u>Loan Loss Reserves</u>	<u>Provisioning Ratio</u>
2005 1H	Lendings	138,000	690	0.5%
	Loans	67,790	339	0.5%
	<b>Total</b>	<b>205,790</b>	<b>1,029</b>	<b>0.5%</b>
2004	Lendings	151,850	759	0.5%
	Loans	67,890	339	0.5%
	<b>Total</b>	<b>219,740</b>	<b>1,098</b>	<b>0.5%</b>
2003	Lendings	156,850	784	0.5%
	Loans	677,890	3,390	0.5%
	<b>Total</b>	<b>834,740</b>	<b>4,174</b>	<b>0.5%</b>

(2) Change in Loan Loss Reserves for the past three years

(units: millions of Won)

<u>Item</u>	<u>2005 1H</u>	<u>2004</u>	<u>2003</u>
1. Initial loan loss reserves balance	1,098	4,174	147,381
2. Net credit costs	0	0	127,551
1) Write-offs	0	0	127,400
2) Recovery of written-off assets	0	0	0
3) Other changes	0	0	151
Recovery of credit costs	(69)	(3,076)	15,656
Ending loan loss reserve balance	1,029	1,098	4,174

**Table of Contents****4. Notes on consolidated financial statement**

(1) Auditor's opinion

<u>Item</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Auditor's Opinion	Deloitte HanaAnjin Unqualified Opinion	Deloitte & Touche Unqualified Opinion	Deloitte & Touche Unqualified Opinion	Arthur Andersen Unqualified Opinion

(2) Companies included in the consolidated financial statement in the last three years

<u>Year</u>	<u>Companies included</u>	<u>Newly included companies</u>	<u>Excluded companies</u>
2004	Woori Finance Holdings and 24 companies	- Woori First Private Investment Company  - LG Investment & Securities  - LG Futures  - LG Investment Trust Management  - LG Investment & Securities Int'l Ltd.  - LG Investment & Securities (H.K.) Limited  - LG Investment & Securities America, Inc.  - LG Investments Holding B.V. (Amsterdam)GG  - High Technology Venture Investment  - Global Technology Investment	- Woori Credit Card
2003	Woori Finance Holdings and 15 companies		- Woori Merchant Bank
2002	Woori Finance Holdings and 17 companies	- Woori F&I  - Woori 3 <sup>rd</sup> SPC	- Woori First SPC

**Table of Contents****IV. Independent Auditor's Opinion****1. Independent Auditor's Opinion****a. Independent Auditor**

2005 1H	2004 1H	2004 Dec. 31	2003 Dec. 31
Deloitte HanaAnjin	Deloitte & Touche	Deloitte HanaAnjin	Deloitte & Touche

**2. Compensation to the Independent Auditor****a. Auditing Service**

(units: millions of Won)

**Accrued Time**

Year	Auditor	Activity	Compensation	(hr)
2005 1H	Deloitte HanaAnjin	Quarter, Half Year, Annual Interim Financial Statement (Consolidated, Non-consolidated)	320	3,315
2004	Deloitte HanaAnjin	Quarter, Half Year, Annual Interim Financial Statement (Consolidated, Non-consolidated)	310	7,158
2003	Deloitte Touche	Quarter, Half Year, Annual Interim Financial Statement (Consolidated, Non-consolidated)	283	6,751

- (1) Compensation for 2005 1H is on an yearly contract basis  
(2) Accrued time for 2005 1H is the actual amount of time spent in the 1<sup>st</sup> half

**b. Compensation for services other than the Audit**

(units: thousands of dollars)

**Note**

Year	Contract Date	Activity	Period	Comp.	Note
2004	2005.3.25	US GAAP Auditing	2004.12~2005.5	2,050	Deloitte HanaAnjin
2003	2003.7.30	US GAAP Auditing	2003.8~2004.5	4,500	Deloitte Touche
2002	2003.2.28	US GAAP Auditing	2002.12~2003.5	4,250	Deloitte Touche

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V. Corporate Governance and Affiliated Companies

1. Overview of the Corporate Governance

a. About the Board of Directors

(1) Board of Directors

A. Duties of Boards of Directors

1. The Board of Directors shall consist of directors and shall determine the matters which are provided for as the authority of the Board of Directors under the relevant laws and regulations
2. The Board of Directors shall perform its duties set forth in the Rules for the Board of Directors for the purpose of enhancement of shareholders' benefits

B. Information Regarding the Board of Directors

The following information was stated in the notice to the shareholders of the annual general meeting and in the explanation of bill on March 10 and 11, 2005, respectively.

Ø Second Resolution: Appointment of Standing Director

<u>Position</u>	<u>Name</u>	<u>Information</u>	<u>Relationship with KDIC</u>	<u>Transaction with WFG</u>
<u>Standing Director</u>		<u>- Executive Director of KDIC</u>		
	<u>Seung Hee Park</u>	<u>-Senior Managing Director at Woori Finance Holdings</u>	<u>N/A</u>	<u>N/A</u>

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## Ø Third Resolution: Appointment of Non-Standing Directors and Audit Committee Members

<u>Position</u>	<u>Name</u>	<u>Information</u>	<u>Relationship with KDIC</u>	<u>Transaction with WFG</u>
Non-standing	Je-Hoon	- B.A. in Sociology, Seoul National University		
Director and audit Committee	Lee	- M.A. in Journalism, Seoul National University - CEO & President of The Joongang Ilbo - Currently President of Korea BBB Association	N/A	N/A
Non-standing	Sung-Tae	- B.A. in Economics, Seoul National University		
Director and audit Committee	Ro	- Ph.D. in Economics, Harvard University - Chief Editor of The Korea Economic Daily - Currently Dean of Business School at Myongji University	N/A	N/A
Non-standing	Oh-Seok	- B.A. in Business Administration, Seoul National University		
Director and audit Committee	Hyun	- Ph.D. in Economics, University of Pennsylvania - Former employee at Ministry of Finance and Economy - Currently President of Trade Research Institute, Korea Int'l Trade Association	N/A	N/A
Non-standing	Dosoung Choi	- B.A. in Business Administration, Seoul National University		
Director and audit Committee		- Ph.D. in Finance, Pennsylvania State University - Chairman of Korean Securities Association - Currently Professor of Finance at Seoul National University	N/A	N/A
Non-standing	Chung-Sook Moon	- B.A. in Home Management, Sookmyung Women's University		
Director and audit Committee		- Ph.D. in Consumer Economics, Kansas State University - Currently Professor of Economics at Sookmyung Women's University	N/A	N/A
Non-standing	Sung-Hwan Bae	- Ph.D. in Business Administration at SungKyunKwan University		
Director and audit Committee		- Banking Supervisory Authority of the Bank of Korea - Currently director at Korea Deposit Insurance Corp.	Employee (Director)	N/A
Non-standing	Woon-Youl Choi	- B.A. in Business Administration at Seoul National University	N/A	N/A
Director and audit Committee		- Ph.D. in Finance at University of Georgia - Member, Monetary Policy Committee		



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C. Appointment of Non-standing Directors

Pursuant to Article 42 of the Articles of Association and Article 5 of the non-standing director candidate nomination committee regulations, a non-standing director is appointed through the recommendation by the non-standing director candidate nomination committee of the candidates and the a resolution at a shareholders meeting.

\* Article 42 (Committee)

1. We currently have the following management committees serving under the board of directors:

- (a) BOD Management Committee
- (b) Management Compensation Committee
- (c) Risk Management Committee
- (d) Executive Management Committee
- (e) Ethics Management Committee
- (f) Non-standing Director Candidate Nomination Committee
- (g) MOU Review Committee
- (h) Audit Committee

D. Committees within Board of Directors

As of 2005.6.30

1. BOD Management Committee

Name	Position	Notes
Young-Key Hwang	Chairman and CEO	Chairman/CEO Young-Key Hwang heads the committee consisting of the heads of sub-committees. Non-standing directors must be more than 1/2 of the
Je-Hoon Lee	Non-standing Director	
Sung-Tae Ro	Non-standing Director	
Woon-Youl Choi	Non-standing Director	

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Dosoung Choi  
Chung-Sook Moon

Non-standing Director  
Non-standing Director

total committee members.

Director Dosoung Choi resigned on April 7, 2005.

An audit committee member, Woon-Youl Choi, was appointed to the committee on April 20, 2005.



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## 2. Management Compensation Committee

<b>Name</b>	<b>Position</b>	<b>Notes</b>
Je-Hoon Lee	Non-standing Director	Non-standing director Je-Hoon Lee heads the committee consisting of 4 non-standing directors.
Woon-Youl Choi	Non-standing Director	
Oh-Seok Hyun	Non-standing Director	
Dosoung Choi	Non-standing Director	

Non-standing director Woon-Youl Choi was newly appointed to the committee on March 28, 2005.

Directors Je-Hoon Lee, Oh-Seok Hyun and Dosoung Choi have been reappointed and Dosoung Choi resigned on April 7, 2005.

## 3. Risk Management Committee

<b>Name</b>	<b>Position</b>	<b>Notes</b>
Young-Key Hwang	Chairman and CEO	The committee consists of the Chairman/CEO, CFO and no less than 3 non-standing directors.
Seung Hee Park	Senior managing director and CFO	
Sung-Tae Ro	Non-standing Director	
Woon-Youl Choi	Non-standing Director	
Oh-Seok Hyun	Non-standing Director	
Dosoung Choi	Non-standing Director	

At the BOD meeting held on March 28, 2005, the regulations of the risk management committee have been revised, and the committee structure was adjusted.

Newly appointed standing director Seung Hee Park was appointed to the committee and directors Sung-Tae Ro and Oh-Seok Hyun have been reappointed on March 28, 2005.

Dosoung Choi resigned and Woon-Youl Choi was newly appointed on April 7, 2005.

## 4. Audit Committee

<b>Name</b>	<b>Position</b>	<b>Notes</b>
Je-Hoon Lee	Non-standing Director	
Sung-Tae Ro	Non-standing Director	
Oh-Seok Hyun	Non-standing Director	
Dosoung Choi	Non-standing Director	
Chung-Sook Moon	Non-standing Director	
Sung-Hwan Bae	Non-standing Director	
Woon-Youl Choi	Non-standing Director	

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Director Woon-Youl Choi was appointed to the committee on March 28, 2005.

Director Dosoung Choi resigned on April 7, 2005.

### 5. Executive Management Committee

<u>Name</u>	<u>Position</u>	<u>Notes</u>
Young-Key Hwang	Chairman and CEO	Chairman/CEO Young-Key Hwang heads the committee consisting of all executive directors.
Jong-Wook Kim	Vice Chairman	
Seung Hee Park	Senior managing director and CFO	

Newly appointed standing director Seung Hee Park was appointed to the committee on March 28, 2005.

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## 6. Ethics Management Committee

<b>Name</b>	<b>Position</b>	<b>Notes</b>
Young-Key Hwang	Chairman and CEO	
Jong-Wook Kim	Vice Chairman	Non-standing director
Seung Hee Park	Senior managing director and CFO	Chung-Sook Moon heads the committee consisting of all executive directors and no less than 2 non-standing directors.
Je-Hoon Lee	Non-standing Director	
Oh-Seok Hyun	Non-standing Director	
Chung-Sook Moon	Non-standing Director	

Newly appointed standing director Seung Hee Park was appointed to the committee and directors Je-Hoon Lee, Oh-Seok Hyun and Chung-Sook Moon have been reappointed on March 28, 2005.

## 7. Non-standing Director Candidate Nomination Committee

<b>Name</b>	<b>Position</b>	<b>Notes</b>
Young-Key Hwang	Chairman and CEO	
Je-Hoon Lee	Non-standing Director	Non-standing director
Sung-Tae Ro	Non-standing Director	Sung-Tae Ro heads the committee consisting of the Chairman/CEO and no less than 3 non-standing directors.
Woon-Youl Choi	Non-standing Director	

Newly appointed non-standing director Woon-Youl Choi was appointed to the committee and directors Je-Hoon Lee and Sung-Tae Ro were reappointed on March 28, 2005..

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## 8. MOU Review Committee

<b>Name</b>	<b>Position</b>	<b>Notes</b>
Young-Key Hwang	Chairman and CEO	Chairman/CEO Young-Key Hwang heads the committee consisting of the entire board of directors.
Jong-Wook Kim	Vice Chairman	
Seung Hee Park	Senior Managing director and CFO	
Je-Hoon Lee	Non-standing Director	
Sung-Tae Ro	Non-standing Director	
Woon-Youl Choi	Non-standing Director	
Oh-Seok Hyun	Non-standing Director	
Dosoung Choi	Non-standing Director	
Chung-Sook Moon	Non-standing Director	
Sung-Hwan Bae	Non-standing Director	

Non-standing directors Woon-Youl Choi and Seung Hee Park have been newly appointed to the committee on March 28, 2005.

Director Dosoung Choi resigned on April 7, 2005.

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## E. Stock Options

As of 2005.6.30

(units: Won, thousand shares)

<b>Grantee</b>	<b>Relationship</b>	<b>Grant date</b>	<b>Type of stock</b>	<b>No. of granted options</b>	<b>Exercised options</b>	<b>Cancelled options</b>	<b>Exercisable options</b>	<b>Closing price</b>
Byung Chul Yoon	Standing director	2002.12.04	Common	100			100	8,530
Kwang Woo Chun	Standing director	2002.12.04	Common	80			80	8,530
Euoo Sung Min	Standing director	2002.12.04	Common	80		80		8,530
Hwan Kyu Park	Non-standing dir.	2002.12.04	Common	40			40	8,530
Ki Chul Han	Non-standing dir.	2002.12.04	Common	30			30	8,530
Tae Ho Sohn	Non-standing dir.	2002.12.04	Common	30			30	8,530
Won Gihl Sohn	Non-standing dir.	2002.12.04	Common	30			30	8,530
Nam Hong Cho	Standing director	2002.12.04	Common	10			10	8,530
Sang Chul Lee	Standing director)	2002.12.04	Common	10			10	8,530
Jae Woong Lee	Standing director	2002.12.04	Common	10			10	8,530
Gae Min Lee	Standing director	2002.12.04	Common	10			10	8,530
Kwang Sun Chung	Standing director	2002.12.04	Common	10			10	8,530
Hae-Seok Suh	Standing director	2002.12.04	Common	10			10	8,530
Duk Hoon Lee	Director of related company	2002.12.04	Common	80			80	8,530
Jong Wook Kiim	Director of related company	2002.12.04	Common	45			45	8,530
Jin Kyu Park	Director of related company	2002.12.04	Common	45			45	8,530
Jong Ku Min	Director of related company	2002.12.04	Common	30			30	8,530
Jong Hwee Lee	Director of related company	2002.12.04	Common	30			30	8,530
Dong Myun Suh	Director of related company	2002.12.04	Common	30			30	8,530
Ki Shin Kim	Director of related company	2002.12.04	Common	30			30	8,530
Young Seok Kim	Director of related company	2002.12.04	Common	30			30	8,530
Byung Kil Choi	Director of related company	2002.12.04	Common	30			30	8,530

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<u>Grantee</u>	<u>Relationship</u>	<u>Grant date</u>	<u>Type of stock</u>	<u>No. of granted options</u>	<u>Exercised options</u>	<u>Cancelled options</u>	<u>Exercisable options</u>	<u>Closing Price</u>
Young Ho Park	Director of related company	2002.12.04	Common	30			30	8,530
Tae Woong Chung	Director of related company	2002.12.04	Common	30			30	8,530
Dong Chan Bae	Director of related company	2002.12.04	Common	30			30	8,530
Dae Hwan Kim	Director of related company	2002.12.04	Common	10			10	8,530
Young Ha Kim	Director of related company	2002.12.04	Common	10			10	8,530
Young Yong Kim	Director of related company	2002.12.04	Common	10			10	8,530
Taik Su Han	Director of related company	2002.12.04	Common	10			10	8,530
Sang Im Park	Director of related company	2002.12.04	Common	10			10	8,530
Joon Ho Hahm	Director of related company	2002.12.04	Common	10			10	8,530
Joon Ho Lee	Director of related company	2002.12.04	Common	30			30	8,530
Joo Sun Yeom	Director of related company	2002.12.04	Common	20			20	8,530
Ga Seok Chae	Director of related company	2002.12.04	Common	20			20	8,530
Sung Wook Park	Director of related company	2002.12.04	Common	5			5	8,530
Ki Seok Kim	Director of related company	2002.12.04	Common	5			5	8,530
Jae Ki Hong	Director of related company	2002.12.04	Common	5			5	8,530
Sam Su Pyo	Director of related company	2002.12.04	Common	40			40	8,530
Jung Rak Chun	Director of related company	2002.12.04	Common	30		30		8,530
Won Chul Hwang	Director of related company	2002.12.04	Common	20			20	8,530
Jong Hwee Kim	Director of related company	2002.12.04	Common	15			15	8,530
Sung Hoo Kwak	Director of related company	2002.12.04	Common	15		15		8,530
Seok Hwan Lee	Director of related company	2002.12.04	Common	15			15	8,530

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Seok Hee Hwang	Director of related company	2002.12.04	Common	40	40	8,530
Choong Wan Lee	Director of related company	2002.12.04	Common	35	35	8,530
Ki Sang Chung	Director of related company	2002.12.04	Common	30	30	8,530

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<u>Grantee</u>	<u>Relationship</u>	<u>Grant date</u>	<u>Type of stock</u>	<u>No. of granted options</u>	<u>Exercised options</u>	<u>Cancelled options</u>	<u>Exercisable options</u>	<u>Closing Price</u>
Ki Joong Kim	Director of related company	2002.12.04	Common	15		15		8,530
Kwang Suh Koo	Director of related company	2002.12.04	Common	15		15		8,530
In Kee Baek	Director of related company	2002.12.04		30			30	8,530
Seung Yang Han	Director of related company	2002.12.04		15		15		8,530
Keun Soo Yook	Director of related company	2002.12.04		15		15		8,530
Ki Jong Chung	Director of related company	2002.12.04	Common	5			5	8,530
Hun Il Nam	Director of related company	2002.12.04	Common	30			30	8,530
Young Soo Kim	Director of related company	2002.12.04	Common	30			30	8,530
Jin Ho Yoon	Director of related company	2002.12.04	Common	20			20	8,530
Seok Koo Yoon	Director of related company	2002.12.04	Common	15			15	8,530
Ji Yeon Joo	Director of related company	2002.12.04	Common	15			15	8,530
Ho Hyun Lee	Director of related company	2002.12.04	Common	20			20	8,530
Chan Kook Chung	Director of related company	2002.12.04	Common	15			15	8,530
Duk Yoon Kim	Director of related company	2002.12.04	Common	15			15	8,530
Young Wook Kim	Director of related company	2002.12.04	Common	15			15	8,530
Dae Kyu Ko	Director of related company	2002.12.04	Common	15			15	8,530
Total				1,560		300	1,260	

1. Methods of compensation: Issuance of new shares; provision of treasury shares, cash payment or provision of treasury shares for the difference between exercise price and market price.
2. Exercise period: December 5, 2005 ~ December 4, 2008



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3. Exercise Price: 60% of granted =  $\{6,800 \times (1 + \text{Rate of return of the banking industry index})\}$  Won 40% of granted = 6,800 Won

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**2. Related Companies**

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**Table of Contents****3. Investments in Other Companies**

As of 2005.6.30

(units: thousands of shares, millions of Won)

Type	Name	Beginning Balance			Changes		Ending Bal.			Latest Net Income *
		Quantity	Share	Cost	Quantity	Cost	Quantity	Share	Cost	
DOMESTIC	Woori Bank	635,957	100.0	7,589,957		804,325	635,957	100.0	8,394,282	1,996,694
	Kwangju Bank	34,080	99.9	420,595		17,700	34,080	99.9	438,295	72,270
	Kyongnam Bank	51,800	99.9	608,802		39,220	51,800	99.9	648,022	109,235
	Woori									
	Inv. Trust Mgmt.	6,000	100.0	35,076	-6,000	-35,076				
	Woori Securities	32,956	100.0	361,500	-32,956	-361,500				2,369
	Woori Finance Info Sys.	900	100.0	7,613		2,444	900	100.0	10,057	400
	Woori F&I	2,000	100.0	58,231		13,080	2,000	100.0	71,311	20,075
	Woori 2 <sup>nd</sup> SPC	2	95.0				2	95.0		8,097
	Woori 3 <sup>rd</sup> SPC	2	100.0				2	100.0		7,790
	Woori Investment & Securities (Formerly LGIS)	32,877	23.16	355,201	13,447	178,935	46,324	30.00	513,726	4,240
	Woori Asset Management Foreign				9,210	78,564	9,210	93.88	78,564	5,097
	<b>Total</b>	<b>796,574</b>		<b>9,436,975</b>	<b>-16,299</b>	<b>737,692</b>	<b>780,275</b>		<b>10,174,667</b>	<b>2,221,716</b>

1. The changes in the quantity and cost are calculated from the increase or decrease under the equity method.
2. The invested shares of Woori Securities have been absorbed into Woori Investment & Securities after Woori Investment & Securities (Formerly known as LG Investment & Securities) and Woori Securities merged.
3. The invested shares of Woori Securities have been absorbed into Woori Asset Management after Woori Asset Management (Formerly known as LG Investment Trust Management) and Woori Investment Trust Management merged.
4. The latest net income date is December 2004, except for Woori Asset Management, Woori Securities and Woori Investment & Securities for whose latest net income date is March 2004.
5. Due to change in accounting standards, the beginning balance has been adjusted.
6. Woori 2<sup>nd</sup> SPC was dissolved on Aug. 3, 2005

**Table of Contents****VI. Stock Information****1. Stock Distribution****a. Stock Information of Major Shareholders and Related Parties**

As of 2005.6.30

(units: shares, %)

Name	Relation	Type	Shares Held				Reasons Behind Change		
			Beginning balance		Ending balance				
			Stock	Share (%)	Stock	Share (%)			
KDIC	Major S/H	Common	628,458,609	77.97			628,458,609	77.97	
		Common	628,458,609	77.97			628,458,609	77.97	
Total		Preferred					0	0	
		Total	628,458,609	77.97			628,458,609	77.97	

Major Shareholder: KDIC

**b. Share Ownership of more than 5%**

As of 2005.6.30

(units: shares, %)

No.	Name	Common Stock		Preferred Stock		Total	
		No. of shares	%	No. of shares	%	No. of shares	%
1	KDIC	628,458,609	77.97			628,458,609	77.97
Total		628,458,609	77.97			628,458,609	77.97

**c. Shareholder Distribution**

As of 2004.12.31

Items	Shareholder number	Ratio	Number of shares	Ratio
Total Minority Shareholders	28,780	99.99	145,997,551	18.33
Minority Shareholders (Companies)	652	2.27	116,583,764	14.64

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Minority Shareholders (Individual)	28,128	97.72	29,413,787	3.69
Major Shareholders	1	0.00	628,458,609	78.91
Main Shareholders	2	0.01	21,997,510	2.76
Total Other Shareholders	2	0.01	21,997,510	2.76
Others Shareholders (Companies)				
Others Shareholders (Individual)	1	0.00	1,888	0.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total	28,784	100.00	796,455,558	100.0
	<hr/>	<hr/>	<hr/>	<hr/>

**Table of Contents****2. Stock Price and Stock Market Performance for the Past Six Months****a. Domestic Stock Market**

(units: Won, shares)

<u>Period</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
High	9,300	9,790	10,700	10,250	9,520	10,300
Low	8,220	9,160	9,350	9,110	8,970	9,350
Monthly Trade Volume	38,929,242	37,359,936	70,311,587	32,608,467	21,450,799	27,294,972

**b. Foreign Stock Market (NYSE)**

(units: US Dollars, shares)

<u>Period</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
ADR High	27.20	29.10	31.60	30.30	29.40	30.10
ADR Low	23.50	27.30	28.00	27.85	27.75	28.27
Monthly Trade Volume	72,800	24,600	33,200	14,300	54,300	26,500

\* The ADR exchange ratio is 3 shares of Common Stock per one ADS.

**Table of Contents****VII. Directors and Employee Information****1. Directors**

Position		Name	Common Stocks Owned
Chairman	Registered	Young-Key Hwang	
Vice Chairman	Registered	Jong-Wook Kim	
Senior Managing Director and CFO	Registered	Seung Hee Park	
Managing Director	Non-Registered	Jin-Hyung Ju	
Non-standing Director	Registered	Je-Hoon Lee	
Non-standing Director	Registered	Sung-Tae Ro	
Non-standing Director	Registered	Woon-Youl Choi	
Non-standing Director	Registered	Oh-Seok Hyun	
Non-standing Director	Registered	Chung-Sook Moon	
Non-standing Director	Registered	Sung-Hwan Bae	

Director Suk-Jean Kang resigned on March 17, 2005.

Woon-Youl Choi was newly appointed on March 28, 2005.

Director Dosoung Choi resigned on April 7, 2005.

**2. Employee Status**

(units: years, thousands of Won)

Items	Staff				Average	Quarterly Compensation	Average Compensation	Note
	Admin.	Manu.	Misc.	Total	Tenure		Per Person	
					Years			
Male	50		3	53	4	2,294,838	43,299	
Female	5		13	18	4	332,354	18,464	
Total	55		16	71	4	2,627,192	37,003	

**3. Labor Union Membership**

Items	Details	Remarks
Total Membership Base	Deputy Director and below	
Actual Members	22	
Full-time Members		
Associated Labor Union Group		
Miscellaneous		

**4. Number of professional personnel**

<b>Items</b>	<b>Number</b>	<b>Responsibilities</b>	<b>Remarks</b>
Lawyer	1	Legal advisory	
CPA	5	Financial accounting, Financial Planning	
Ph.D in Law/Finance/Accounting	2	Strategic Planning (Research)	



**Table of Contents****VIII. Related Party Transactions****1. Transactions with Affiliated Parties****a. Transactions of Provisional Payments and Loans (including secured loans)**

(units: millions of Won)

Name	Relation	Item	Changes			End	Notes
			Beg.	+	-		
Woori 2 <sup>nd</sup> SPC	subsidiary	Other loan	100		100	0	
Woori 3 <sup>rd</sup> SPC	subsidiary	Other loan	17,790			17,790	
Kwangju Bank	subsidiary	Other loan	50,000			50,000	
Woori Finance Info. Sys	subsidiary	Other loan	30,000			30,000	
Woori F&I	subsidiary	Other loan	121,850		13,850	108,000	Partial redemption on February 28 and May 2, 2005
Total		219,740			13,950	205,790	

\* Woori 2<sup>nd</sup> SPC was dissolved on Aug. 3, 2005**b. Payment Transactions**

(units: millions of Won)

Name	Relation	Item	Transactions of Payments				Ending	Notes
			Beginning	Increase	Decrease	Ending		
Woori Securities	Subsidiary	Common stock	32,956,413		32,956,413	0	(1)	
Woori Investment & Securities								
(Formerly known as LG Investment & Securities)	Subsidiary	Common Stock	32,877,487	13,447,494		46,324,981	(2)	
Woori Investment Trust Management	Subsidiary	Common Stock	6,000,000		6,000,000	0	(3)	
Woori Asset Management								
(Formerly known as LG Investment Trust Management)	Subsidiary	Common Stock	0	9,210,000		9,210,000	(4)	
Total			71,833,900	22,657,494	38,956,413	55,534,981		

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- (1) On January 7, 2005, 14,000,000 shares of Woori Securities have been cancelled, and the remaining shares have been absorbed into Woori Investment & Securities following the merger.
  - (2) Due to the merger with Woori Securities, 12,397,494 shares were newly issued by Woori Investment & Securities in exchange for shares in Woori Securities. Additional 1,050,000 shares have been acquired from the market from April 8, 2005 to April 12, 2005.
  - (3) Following the merger into Woori Asset Management, the remaining shares have been absorbed into Woori Asset Management on May 31, 2005.
  - (4) On May 6, 2005, Woori Finance Holdings acquired 5,400,000 shares (90%) of LG Investment Trust Management from Woori Investment & Securities, and LGITM was upgraded to a first tier subsidiary. The name was changed to Woori Asset Management on June 2, 2005. An additional 3,810,000 shares have been acquired after the merger in May 31, 2005.

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**EXHIBIT A**

**FINANCIAL STATEMENTS**

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**WOORI FINANCE HOLDINGS CO., LTD.**

NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS

ENDED JUNE 30, 2005 AND 2004

AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**Audit.Tax.Consulting.Financial Advisory.**

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**Independent Accountants Review Report**

English Translation of a Report Originally Issued in Korean

**To Shareholders and the Board of Directors of**

**Woori Finance Holdings Co., Ltd.:**

We have reviewed the accompanying non-consolidated balance sheet of Woori Finance Holdings Co., Ltd. (the Company) as of June 30, 2005 and the related non-consolidated statements of income and cash flows for the three months and six months ended June 30, 2005 and 2004, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

We conducted our reviews in accordance with standards for review of interim financial statements in the Republic of Korea. Those standards require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and this provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with the financial accounting standards in the Republic of Korea (see Note 2).

We have previously audited, in accordance with auditing standards generally accepted in the Republic of Korea, the non-consolidated balance sheet of the Company as of December 31, 2004 and the related non-consolidated statements of income, appropriations of retained earnings and cash flows for the year then ended (not presented herein) and in our report dated February 25, 2005, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying balance sheet as of December 31, 2004, which is comparatively presented, does not differ in material respects from such audited non-consolidated balance sheet, except for what is explained in Note 2.

Our reviews also comprehended the translation of the Korean won amounts into U.S. dollar amounts and nothing has come to our attention that causes us to believe that such translation has not been made in conformity with the basis stated in Note 2. Such U.S. dollar amounts are presented solely for the convenience of readers outside of Korea.

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Without affecting our conclusion, we draw attention to the following:

As explained in Note 1 to the non-consolidated financial statements, LG Investment Securities Co., Ltd. ( LG Securities ), a subsidiary of the Company, merged with Woori Securities Co., Ltd. ( Woori Securities ), also a subsidiary of the Company, on March 31, 2005 and changed its name to Woori Investment Securities Co., Ltd. ( Woori Investment Securities ). Woori Investment Securities took over substantially all assets and liabilities of Woori Securities by exchanging one common share of Woori Securities with 0.654 share of Woori Investment Securities. The number of issued common shares and contributed capital of Woori Investment Securities increased from 122.1 million and (Won)625.5 billion to 134.5 million and (Won)687.4 billion as of March 31, 2005. As a result of this merger, the Company's ownership percentage in Woori Investment Securities increased from 26.92% to 33.66%.

As explained in Note 1 to the non-consolidated financial statements, the Company purchased 90% ownership interest of LG Investment Trust Management Co., Ltd. ( LG Investment Trust Management ) from Woori Investment Securities on May 6, 2005. Subsequently, LG Investment Trust Management merged with Woori Investment Trust Management Co., Ltd. ( Woori Investment Trust Management ), also a subsidiary of the Company, on May 31, 2005 and changed its name to Woori Asset Management Co., Ltd. ( Woori Asset Management ). Woori Asset Management took over substantially all assets and liabilities of Woori Investment Trust Management by exchanging one common share of Woori Investment Trust Management with 0.635 share of Woori Asset Management. The number of issued common shares and contributed capital of Woori Asset Management increased from 6 million and (Won)30.0 billion to 9.8 million and (Won)49.1 billion as of May 31, 2005. As a result of this merger, the Company's ownership percentage in Woori Asset Management increased from 90% to 93.9%.

As explained in Note 20 to the non-consolidated financial statements, the Company's receivables from its subsidiaries as of June 30, 2005 and December 31, 2004 are (Won)383.0 billion and (Won)288.8 billion, respectively, and payables to its subsidiaries are (Won)0.6 billion and (Won)16.0 billion, respectively. In addition, for the six months ended June 30, 2005 and 2004, revenues from transactions with its subsidiaries are (Won)7.9 billion and (Won)17.6 billion, respectively, and expenses are (Won)4.6 billion and (Won)15.9 billion, respectively.

Accounting principles and review standards and their application in practice vary among countries. The accompanying non-consolidated financial statements are not intended to present the financial position, results of operations or cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those knowledgeable about Korean accounting procedures and review standards and their application in practice.

July 25, 2005

Notice to Readers

This report is effective as of July 25, 2005, the accountants' review report date. Certain subsequent events or circumstances may have occurred between this review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the accountants' review report.

**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED BALANCE SHEETS****AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

	Korean won		Translation into U.S. dollars (Note 2)	
	2005	2004	2005	2004
	(In millions)		(In thousands)	
<b>ASSETS</b>				
Cash and bank deposits (Notes 16, 18 and 20)	(Won) 163,795	(Won) 56,099	US\$ 159,894	US\$ 54,763
Investment securities accounted for using the equity method of accounting (Notes 3 and 18)	10,174,667	9,436,975	9,932,318	9,212,197
Loans, net of allowance for possible loan losses (Notes 4, 5, 18 and 20)	204,761	218,641	199,884	213,433
Fixed and intangible assets (Note 6)	203	282	198	275
Other assets (Notes 5, 7 and 20)	41,096	36,047	40,117	35,189
	(Won) 10,584,522	(Won) 9,748,044	US\$ 10,332,411	US\$ 9,515,857
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>LIABILITIES</b>				
Borrowings (Notes 8 and 18)	(Won)	(Won) 120,000	US\$	US\$ 117,142
Debentures, net of discounts and added accrued interest and redemption premium (Notes 9, 10 and 18)	2,345,878	2,154,637	2,290,002	2,103,316
Other liabilities (Notes 12 and 20)	11,103	25,355	10,838	24,751
	2,356,981	2,299,992	2,300,840	2,245,209
<b>SHAREHOLDERS' EQUITY</b>				
Common stock (Note 13)	4,030,077	3,982,278	3,934,085	3,887,425
Capital surplus (Note 13)	84,488	84,356	82,476	82,347
Retained earnings (Notes 3 and 13):				
Legal reserve	208,427	79,178	203,462	77,292
Voluntary reserve	2,030,000	1,120,000	1,981,648	1,093,323
Retained earnings before appropriations (Net income of (Won) 826,856 million for the six months ended June 30, 2005 and (Won) 1,261,925 million for the year ended December 31, 2004)	793,071	1,129,675	774,181	1,102,767
	3,031,498	2,328,853	2,959,291	2,273,382
Capital adjustments (Notes 3, 13 and 14)	1,081,478	1,052,565	1,055,719	1,027,494
	8,227,541	7,448,052	8,031,571	7,270,648
	(Won) 10,584,522	(Won) 9,748,044	US\$ 10,332,411	US\$ 9,515,857

See accompanying notes to non-consolidated financial statements.



**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF INCOME****FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2005 AND 2004**

	Korean won				Translation into U.S. dollars (Note 2)			
	2005		2004		2005		2004	
	Three months	Six months	Three months	Six months	Three months	Six months	Three months	Six months
	(In millions, except for income per share data)				(In thousands, except for income per share data)			
<b>OPERATING REVENUE</b>								
Gain on valuation using the equity method of accounting (Notes 3 and 19)	(Won) 497,148	(Won) 916,240	(Won) 373,689	(Won) 714,513	US\$ 485,307	US\$ 894,416	US\$ 364,788	US\$ 697,494
Interest income (Note 20)	4,016	7,883	6,291	17,627	3,920	7,695	6,141	17,207
Gain on foreign currency transactions				2,884				2,816
Gain on foreign currency translation			408	11,040			399	10,777
Reversal of allowance for doubtful accounts	42	64		3,144	41	63		3,069
	<u>501,206</u>	<u>924,187</u>	<u>380,388</u>	<u>749,208</u>	<u>489,268</u>	<u>902,174</u>	<u>371,328</u>	<u>731,363</u>
<b>OPERATING EXPENSES</b>								
Loss on valuation using the equity method of accounting (Notes 3 and 19)	388	27,043	526	468,056	379	26,399	513	456,907
Interest expense (Note 20)	28,391	56,825	36,838	74,482	27,715	55,471	35,960	72,708
Loss on valuation of swap contracts (Notes 9 and 20)		91	4,271	13,531		89	4,169	13,209
Loss on foreign currency transactions	1	1			1	1		
Provision for possible loan losses			3				3	
Fees and commissions (Note 20)	1,605	2,661	1,825	2,980	1,567	2,598	1,782	2,909
General and administrative (Notes 17 and 20)	6,186	10,995	5,047	9,825	6,039	10,733	4,927	9,591
	<u>36,571</u>	<u>97,616</u>	<u>48,510</u>	<u>568,874</u>	<u>35,701</u>	<u>95,291</u>	<u>47,354</u>	<u>555,324</u>
<b>OPERATING INCOME</b>	<u>464,635</u>	<u>826,571</u>	<u>331,878</u>	<u>180,334</u>	<u>453,567</u>	<u>806,883</u>	<u>323,974</u>	<u>176,039</u>
<b>NON-OPERATING INCOME</b>	201	297	25	202	197	290	24	197
<b>NON-OPERATING EXPENSES</b>	4	12	59	61	4	12	58	60
<b>INCOME BEFORE INCOME TAX</b>	<u>464,832</u>	<u>826,856</u>	<u>331,844</u>	<u>180,475</u>	<u>453,760</u>	<u>807,161</u>	<u>323,940</u>	<u>176,176</u>

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INCOME TAX EXPENSE (Note 15)								
NET INCOME	(Won) 464,832	(Won) 826,856	(Won) 331,844	(Won) 180,475	US\$ 453,760	US\$ 807,161	US\$ 323,940	US\$ 176,176

**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF INCOME (CONTINUED)****FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2005 AND 2004**

	Korean won				Translation into U.S. dollars (Note 2)			
	2005		2004		2005		2004	
	Three months	Six months	Three months	Six months	Three months	Six months	Three months	Six months
	(In millions, except for income per common share data)				(In thousands, except for income per common share data)			
BASIC ORDINARY INCOME PER COMMON SHARE (Note 21)	(Won) 577	(Won) 1,030	(Won) 427	(Won) 233	US\$ 0.56	US\$ 1.01	US\$ 0.42	US\$ 0.23
BASIC NET INCOME PER COMMON SHARE (Note 21)	(Won) 577	(Won) 1,030	(Won) 427	(Won) 233	US\$ 0.56	US\$ 1.01	US\$ 0.42	US\$ 0.23
DILUTED ORDINARY INCOME PER COMMON SHARE (Note 21)	(Won) 576	(Won) 1,026	(Won) 420	(Won) 232	US\$ 0.56	US\$ 1.00	US\$ 0.41	US\$ 0.23
DILUTED NET INCOME PER COMMON SHARE (Note 21)	(Won) 576	(Won) 1,026	(Won) 420	(Won) 232	US\$ 0.56	US\$ 1.00	US\$ 0.41	US\$ 0.23

See accompanying notes to non-consolidated financial statements.

**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2005 AND 2004**

	Korean won				Translation into U.S. dollars (Note 2)			
	2005		2004		2005		2004	
	Three months	Six months	Three months	Six months	Three months	Six months	Three months	Six months
	(In millions)				(In thousands)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Net income	(Won) 464,832	(Won) 826,856	(Won) 331,844	(Won) 180,475	US\$ 453,760	US\$ 807,161	US\$ 323,940	US\$ 176,176
Adjustments to reconcile net income to net cash used in operating activities:								
Loss on valuation using the equity method of accounting	388	27,043	526	468,056	379	26,399	513	456,907
Interest expense (amortization of discounts on debentures)	405	1,085	3,022					