

WOORI FINANCE HOLDINGS CO LTD

Form 6-K

November 14, 2005

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER

THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2005

Woori Finance Holdings Co., Ltd.

(Translation of Registrant's name into English)

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

(Address of principal executive offices)

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

Form 20-F 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):

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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 numbers 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

1. Primary Businesses

Banking business

Ancillary business

2. Supplementary Businesses

Trust business

Credit card business

Other authorized businesses

Table of Contents

(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

1. Securities dealing;

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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 bonds;
 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;
11. Domestic and global economy and capital markets research;
12. Securities dealing;
13. Publishing investment related books;
14. Real estate leasing;
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 systems;
2. Consulting services in computer installation and usage;
3. Distribution, brokerage and lease of computer systems;
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 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 1, 2001	Hanaro Merchant Bank's name changed to Woori Merchant Bank
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
May 20, 2002	Havit Bank's name changed to Woori Bank
June 11, 2002	Capital increase through public offering (Total capital: Won 3.8 trillion)
June 24, 2002	Listed on the Korea Stock Exchange

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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
July 31, 2003	Woori Merchant Bank merged into Woori Bank
September 29, 2003	Listing on the New York Stock Exchange
December 12, 2003	Liquidation of Woori LB First Asset Securitization Specialty Co., Ltd.
March 30, 2004	Appointment of new management
March 31, 2004	Woori Card merged into Woori Bank
June 18, 2004	Woori Securities becomes a wholly-owned subsidiary
December 21, 2004	Capital increase through conversion of CBs (Total capital after conversion: Won 3.9 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: Won 4.0 trillion)
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 nd tier subsidiary to 1 st 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)
August 3, 2005	Dissolution of Woori LB Second Asset Securitization Specialty Co., Ltd.
September 5, 2005	Woori Asset Management becomes a wholly-owned subsidiary through capital reduction and cancellation

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October 21, 2005	Woori Private Equity is established and incorporated as a subsidiary
October 27, 2005	Closure of strategic investment agreement with Lehman Brothers

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)
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December 26, 2001	Woori Second Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
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March 15, 2002	Woori Third Asset Securitization Specialty Co., Ltd. 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
July 31, 2003	Woori Merchant Bank merged into Woori Bank
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December 12, 2003	Liquidation of Woori LB First Asset Securitization Specialty Co., Ltd.
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March 31, 2004	Woori Card merged into Woori Bank
June 18, 2004	Woori Securities becomes a wholly-owned subsidiary
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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 nd tier subsidiary to 1 st 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.
September 5, 2005	Woori Asset Management becomes a wholly-owned subsidiary through capital reduction and cancellation
October 21, 2005	Woori Private Equity is established and incorporated as a subsidiary
October 27, 2005	Closure of strategic investment agreement with Lehman Brothers

(2) Related companies within the business group

Type	Name of Company	Controlling Company	Notes	
Holding Company	Woori Finance Holdings	KDIC		
1 st Tier Subsidiaries	Woori Bank	Woori Finance	8 companies	
	Kwangju Bank			
	Kyongnam Bank			
	Woori Finance Information System			
	Woori F & I			
	Woori Third Asset Securitization Specialty			
	Woori Asset Management (1)			
	Woori Investment & Securities			
	Woori Credit Information			
	Woori America Bank			
2 nd Tier Subsidiaries	P.T. Bank Woori Indonesia	Woori Bank	12 companies	
	Shinwoo Corporate Restructuring Company	Woori Finance		
	Woori First Private Equity Fund			
	Nexbi Tech			
	Woori CA Asset Management			Information System
	Woori Futures			Woori F&I
	Woori Investment & Securities International Ltd.			Woori Investment & Securities
	Woori Investment & Securities (HK) Ltd.			
	Woori Investment & Securities America Inc.			
	Mars First Private Hoesa			

(1) On May 6, 2005, Woori Finance Holdings acquired a 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. On September 5, 2005, Woori Asset Management became a wholly-owned subsidiary through capital reduction and cancellation.

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- * Woori Second Asset Securitization Specialty was excluded as a subsidiary following its dissolution on August 3, 2005.

- * Woori Private Equity was established on October 21, 2005 and incorporated as a subsidiary.

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

(units: Won)

Date	Category	Type	Stock Decrease/Increase			Note
			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 ¹⁾	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	

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 2005.9.30

(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	2,550	2,550
Free float shares	806,012,790	806,012,790

b. Capital and Price per Share

As of 2005.9.30

(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	4,030,063,950,000	5,000	5,000	5,000
Total	4,030,076,700,000	4,030,076,700,000	4,030,063,950,000	5,000	5,000	5,000

c. Treasury Stock

As of 2005.9.30

(units: shares)

Acquisition Method	Type of Stock	Beg.	Acquired	Disposal	Canceled	End	Remarks
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	3			2,550	
Subtotal	Common Preferred	2,547	3			2,550	
Indirect acquisition from trust agreement	Common Preferred						
Total	Common Preferred	2,547	3			2,550	

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

(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	293,718

5. Voting Rights

As of 2005.9.30

(units: shares)

<u>Items</u>		<u>Number of stock</u>	<u>Notes</u>
Total number of shares	Common Shares	806,015,340	
	Preferred Shares		
Stocks without voting rights	Common Shares		
	Preferred Shares		
Stocks with limited voting rights under the Securities & Exchange Law		2,550	
Stocks with voting rights restored			
Stocks with voting rights	Common Shares	806,012,790	
	Preferred Shares		

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 (%)			
	1.81	1.53	5.22
Stock dividend yield (%)			
Cash dividend per share (Won)	150	100	250
Stock dividend per share (Won)			

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II. Description of Business

1. Business Overview

a. 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 3Q	2004	2003	2002
Shareholders Equity	8,986,812	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	3,704,558	2,359,422	1,282,866	1,145,518
Capital Adjustments	1,167,689	1,010,402	376,180	20,892
Borrowings	2,606,084	2,299,992	2,649,920	2,325,021
Debentures	2,595,737	2,154,637	2,621,182	1,999,250
Bank Borrowings		120,000		300,000
Commercial Paper				
Other Borrowings				
Other Liabilities	10,346	25,354	28,738	25,771
Total	11,592,897	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 3Q	2004	2003	2002
Subsidiary Stock	10,947,829	9,425,381	7,007,222	6,062,119
Woori Bank	9,069,349	7,578,363	5,869,558	4,500,143
Kyongnam Bank	686,414	608,802	504,629	424,060
Kwangju Bank	464,695	420,595	364,955	290,003
Woori Credit Card				379,126
Woori Merchant Bank				222,936
Woori Financial Information System	12,761	7,613	7,284	3,364
Woori F&I	96,896	58,231	35,896	17,016
Woori 2 nd Asset Securitization Specialty			20,016	31,666
Woori 3 rd 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)	557,977	355,201		
Woori Asset Management (2)	59,738			
Loan Obligations	186,851	218,641	830,566	1,231,207
Tangible Assets	136	228	242	324
Intangible Assets	39	54	51	50
Cash	418,178	56,099	349,585	73,256
Other Assets	39,861	36,047	60,148	22,195
Total	11,592,897	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 3Q	2004 3Q	2004
Commission Revenue (A)		0	0	0
Commission Expense (B)		5,416	5,072	8,037
Commission Profit (A-B)		-5,416	-5,072	-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 3Q	2004	2003	2002
Current Assets (A)	419,048	57,346	203,202	78,357
Current Liabilities (B)	310,297	11,385	9,711	9,317
Current Ratio (A/B)	135.0%	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 3Q	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 3Q	2004	2003	2002
Liabilities (A)	2,606,084	2,299,992	2,649,920	2,325,022
Equity (B)	8,986,812	7,436,457	5,597,895	5,064,129
Debt Ratio (A/B)	29.0%	30.9%	47.3%	45.9%

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

Date of Rating	Evaluated Securities	Credit Rating	Company (Ratings Range)	Evaluation Category
2001.6.27	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2001.6.28				
2001.9.26	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2001.9.26				
2001.11.29	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2002.10.17	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2002.10.22				
2002.11. 8		BBB-	R&I (AAA~C)	Case evaluation
2002.12.13				
2002.12.16	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2003.6.30				
2003.9.8	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2003.9.8				
2003.11.13		BBB	R&I (AAA~C)	Periodic evaluation
2003.12.04				
2003.12.04		AA+	Korea Ratings (AAA~D)	Case evaluation
2004.2.6	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2004.3.11				
2004.5.27	Debentures	AA+	KIS Ratings (AAA~D)	Periodic evaluation
2004.6.9				
2004.6.9	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
2004.7.16				
2004.7.16	Debentures	AAA	KIS Ratings (AAA~D))	Case evaluation
2004.11.15				
2004.11.15	Debentures	BBB	R&I (AAA~C)	Periodic evaluation
2005.6.7				
2005.6.9		AAA	NICE (AAA~D)	Case evaluation
2005.6.13				
2005.6.13		AAA	KIS Ratings (AAA~D))	Case evaluation
2005.9.16				
2005.9.20	Debentures	BBB	Fitch Rating (AAA~D)	Case evaluation
2005.10.24				
2005.10.24	Debentures	BBB-	S&P (AAA~D)	Case evaluation
		Baa3	Moody s (Aaa~C)	Case evaluation
		AAA	KIS Ratings (AAA~D))	Case evaluation
		AAA	NICE (AAA~D)	Case evaluation
		AAA	NICE (AAA~D)	Case evaluation
	Debentures			
		AAA	Korea Ratings (AAA~D)	Case evaluation
	Debentures			

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Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
Debentures	AAA	KIS Ratings (AAA~D)	Case evaluation
Debentures	BBB	S&P (AAA~D)	Case evaluation
Debentures	AAA	KIS Ratings (AAA~D)	Case evaluation
	AAA	Korea Ratings (AAA~D)	Case evaluation
	AAA	NICE (AAA~D)	Case evaluation
Debentures	AAA	KIS Ratings (AAA~D)	Case evaluation
Debentures	BBB+	Fitch Rating (AAA~D)	Case evaluation
Debentures			
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 3Q	2004	2003	2002	2001
Cash and Due from Banks	418,179	56,099	349,585	73,256	13,825
Securities	10,947,829	9,436,976	7,007,222	6,062,119	5,016,864
Loans	186,851	218,641	830,566	1,231,207	648,365
Fixed Assets	176	282	293	374	651
Other Assets	39,862	36,046	60,148	22,195	14,108
Total Assets	11,592,897	9,748,044	8,247,814	7,389,151	5,693,813
Borrowings	0	120,000	0	300,000	310,000
Debentures	2,595,738	2,154,636	2,621,182	1,999,250	1,298,304
Other Liabilities	10,347	25,355	28,737	25,772	8,162
Total Liabilities	2,606,085	2,299,991	2,649,919	2,325,022	1,616,466
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	3,704,558	2,328,854	1,282,866	1,145,518	558,501
Capital Adjustment	1,167,690	1,052,565	376,180	20,892	-118,447
Total Stockholder's Equity	8,986,812	7,448,053	5,597,895	5,064,129	4,077,347
Operating Income*	1,637,665	1,922,849	1,593,251	878,488	717,112
Operating Expenses *	137,558	662,975	1,390,154	302,721	31,222
Operating Profit	1,500,107	1,259,874	203,097	575,767	685,890
Ordinary Income	1,500,034	1,261,925	202,565	589,214	685,885
Net profit	1,500,034	1,261,925	202,565	589,214	684,102

* 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
Total Assets	136,630,561	128,767,718	114,843,534	100,058,817
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
Total Liabilities	127,936,876	123,069,418	109,528,767	95,646,623
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
Total Stockholders' Equity	8,693,685	5,698,300	5,314,767	4,439,194
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 3Q	Lendings	120,000	600	0.5%
	Loans	67,790	339	0.5%
	Total	187,790	939	0.5%
2004	Lendings	151,850	759	0.5%
	Loans	67,890	339	0.5%
	Total	219,740	1,098	0.5%
2003	Lendings	156,850	784	0.5%
	Loans	677,890	3,390	0.5%
	Total	834,740	4,174	0.5%

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

(units: millions of Won)

<u>Item</u>	<u>2005 3Q</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	(159)	(3,076)	15,656
Ending loan loss reserve balance	939	1,098	4,174

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

(1) Auditor's opinion

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

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

Year	Companies included	Newly included companies	Excluded companies
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	- Woori Credit Card

- High Technology Venture
Investment

- Global Technology
Investment

2003 Woori Finance Holdings and 15 - Woori Merchant Bank
 companies

2002 Woori Finance Holdings and 17 - Woori First SPC
 companies - Woori F&I

- Woori 3rd SPC

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

2005 3Q	2004 3Q	2004 Dec. 31	2003 Dec. 31
Deloitte Anjin	Deloitte & Touche	Deloitte HanaAnjin	Deloitte & Touche

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

(units: millions of Won)

Year	Auditor	Activity	Compensation	Accrued Time (hr)
2005 3Q	Deloitte HanaAnjin	Quarter, Half Year, Annual Interim Financial Statement (Consolidated, Non-consolidated)	320	4,750
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 3Q is on a yearly contract basis

(2) Accrued time for 2005 3Q is the actual amount of time spent until the 3rd quarter**b. Compensation for services other than the Audit**

(units: thousands of dollars)

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

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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.

Second Resolution: Appointment of Standing Director

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

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

Position	Name	Information	Relationship with KDIC	Transaction with WFG
		- B.A. in Sociology, Seoul National University		
Non-standing Director and audit Committee	Je-Hoon	- M.A. in Journalism, Seoul National University	N/A	N/A
	Lee	- CEO & President of The JoongAng Ilbo		
		- Currently President of Korea BBB Association		
		- B.A. in Economics, Seoul National University		
Non-standing Director and audit Committee	Sung-Tae	- Ph.D. in Economics, Harvard University	N/A	N/A
	Ro	- Chief Editor of The Korea Economic Daily		
		- Currently Dean of Business School at Myongji University		
		- B.A. in Business Administration, Seoul National University		
Non-standing Director and audit Committee	Oh-Seok	- Ph.D. in Economics, University of Pennsylvania	N/A	N/A
	Hyun	- Former employee at Ministry of Finance and Economy		
		- Currently President of Trade Research Institute, Korea Int'l Trade Association		
Non-standing Director and audit Committee	Dosoung Choi	- B.A. in Business Administration, Seoul National University	N/A	N/A
		- Ph.D. in Finance, Pennsylvania State University		

- Chairman of Korean Securities Association

- Currently Professor of Finance at Seoul National University

- B.A. in Home Management, Sookmyung Women's University

Non-standing Director and audit Committee	Chung-Sook Moon	- Ph.D. in Consumer Economics, Kansas State University	N/A	N/A
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- Currently Professor of Economics at Sookmyung Women's University

- Ph.D. in Business Administration at SungKyunKwan University

Non-standing Director and audit Committee	Sung-Hwan Bae	- Banking Supervisory Authority of the Bank of Korea	Employee (Director)	N/A
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- Currently director at Korea Deposit Insurance Corp.

- B.A. in Business Administration at Seoul National University

Non-standing Director and audit Committee	Woon-Youl Choi	- Ph.D. in Finance at University of Georgia	N/A	N/A
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- Member, Monetary Policy Committee

- Currently Professor of Business at Sogang University

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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 2005.9.30

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 total committee members.
Je-Hoon Lee	Non-standing Director	
Sung-Tae Ro	Non-standing Director	
Woon-Youl Choi	Non-standing Director	
Dosoung Choi	Non-standing Director	

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Chung-Sook Moon

Non-standing Director

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

Name	Position	Notes
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

Name	Position	Notes
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

Name	Position	Notes
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

Name	Position	Notes
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

Name	Position	Notes
Young-Key Hwang	Chairman and CEO	
Jong-Wook Kim	Vice Chairman	
Seung Hee Park	Senior managing director and CFO	Non-standing director 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

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

8. MOU Review Committee

Name	Position	Notes
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Young-Key Hwang	Chairman and CEO
Jong-Wook Kim	Vice Chairman
Seung Hee Park	Senior Managing director
Je-Hoon Lee	and CFO 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

Chairman/CEO Young-Key Hwang heads the
committee consisting of the entire board of directors.

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 2005.9.30 (units: Won, thousands of shares)

<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>
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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Grantee	Relationship	Grant date	Type of stock	No. of granted options	Exercised options	Cancelled options	Exercisable options	Closing Price
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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Grantee	Relationship	Grant date	Type of stock	No. of granted options	Exercised options	Cancelled options	Exercisable options	Closing Price
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.
3. Exercise Price: 60% of granted = {6,800*(1+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 2005.9.30

(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	
D	Woori Bank	635,957	100.0	7,589,957		1,479,392	635,957	100.0	9,069,349	1,996,694
	Kwangju Bank	34,080	99.9	420,595		44,100	34,080	99.9	464,695	72,270
	Kyongnam Bank	51,800	99.9	608,802		77,612	51,800	99.9	686,414	109,235
O	Woori									
	Inv. Trust Mgmt.	6,000	100.0	35,076	-6,000	-35,076				
M	Woori Securities	32,956	100.0	361,500	-32,956	-361,500				2,369
	Woori Finance Info									
E	Sys.	900	100.0	7,613		5,148	900	100.0	12,761	400
	Woori F&I	2,000	100.0	58,231		38,665	2,000	100.0	96,896	20,075
S	Woori 2 nd SPC	2	95.0		-2					8,097
	Woori 3 rd SPC	2	100.0				2	100.0		7,790
T	Woori Investment & Securities (Formerly LGIS)	32,877	23.16	355,201	13,447	202,776	46,324	30.00	557,977	4,240
I	Woori Asset Management									
C	(Formerly LGITM)				6,662	59,738	6,662	100.0	59,738	5,097
	Foreign Total	796,574		9,436,975	-18,849	1,510,855	777,725		10,947,830	2,221,716

- The changes in the quantity and cost are calculated from the increase or decrease under the equity method.
- 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.
- 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.
- 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.
- Due to change in accounting standards, the beginning balance has been adjusted.
- Woori 2nd SPC was dissolved on Aug. 3, 2005.
- Due to the capital reduction of Woori Asset Management on September 5, 2005, Woori Finance Holdings shares decreased from 9,210,000 to 6,662,000.

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

As of 2005.9.30

(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	78.91			628,458,609	77.97	
		Common	628,458,609	78.91			628,458,609	77.97	
	Total	Preferred					0	0	
		Total	628,458,609	78.91			628,458,609	77.97	

Major Shareholder: KDIC

b. Share Ownership of more than 5%

As of 2005.9.30

(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

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Minority Shareholders (Companies)	652	2.27	116,583,764	14.64
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
Total	28,784	100.00	796,455,558	100.0

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2. Stock Price and Stock Market Performance for the Past Six Months

a. Domestic Stock Market

(units: Won, shares)

Period	April	May	June	July	August	September
High	10,250	9,520	10,300	12,650	13,350	15,950
Low	9,110	8,970	9,350	10,150	11,750	12,300
Monthly Trade						
Volume	34,283,368	21,450,799	27,294,972	41,707,871	57,359,505	54,644,159

b. Foreign Stock Market (NYSE)

(units: US Dollars, shares)

Period	April	May	June	July	August	September
ADR High	30.30	29.40	30.10	37.17	40.50	46.85
ADR Low	27.85	27.75	28.27	29.00	33.78	35.85
Monthly Trade						
Volume	14,300	54,300	26,500	24,000	86,300	71,400

* 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	48		1	49	4	3,399,528	69,378	
Female	5		12	17	4	488,754	28,750	
Total	53		13	66	4	3,888,282	58,913	

3. Labor Union Membership

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

4. Number of professional personnel

<u>Items</u>	<u>Number</u>	<u>Responsibilities</u>	<u>Remarks</u>
Lawyer	1	Legal advisory	
CPA	4	Financial accounting, Financial Planning,	
Ph.D in Law/Finance/Accounting	2	Business Planning Research	

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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 nd SPC	subsidiary	Other loan	100		100	0	Full redemption on April 27, 2005
Woori 3 rd 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		31,850	90,000	Partial redemption on February 28, May 2, and August 31, 2005
Total			219,740		31,950	187,790	

* Woori 2nd SPC was dissolved on Aug. 3, 2005

b. Payment Transactions

(units: millions of Won)

Name	Relation	Transactions of Payments				Notes
		Item	Transactions			
			Beginning	Increase	Decrease	Ending

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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							
(Formerly known as LG Investment Trust Mgmt.)	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	2,548,000	6,662,000	(4)
Woori Second Asset Securitization Specialty	Subsidiary	Invested Shares	1,900,000		1,900,000	0	(5)
Total			73,733,900	22,657,494	43,404,413	52,986,981	

- (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, and through capital reduction on September 5, 2005, number of shares decreased to 2,548,000.
- (5) Woori 2nd SPC was dissolved on August 3, 2005.

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EXHIBIT A

FINANCIAL STATEMENTS

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 September 30, 2005 and the related non-consolidated statements of income and cash flows for the three months and nine months ended September 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 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. Subsequently, Woori Asset Management purchased 600,000 shares of its treasury stock and extinguished them, and on September 5, 2005, reduced its 2,548,000 common shares by cash distribution at (Won)8,600 per share. As of September 30, 2005, the number of issued and outstanding common shares and contributed capital of Woori Asset Management are 6.7 million and (Won)33.3 billion, which the Company wholly owns.

As explained in Note 20 to the non-consolidated financial statements, the Company's receivables from its subsidiaries as of September 30, 2005 and December 31, 2004 are (Won)620.1 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 nine months ended September 30, 2005 and 2004, revenues from transactions with its subsidiaries are (Won)12.3 billion and (Won)25.0 billion, respectively, and expenses are (Won)5.6 billion and (Won)15.8 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.

November 11, 2005

Notice to Readers

This report is effective as of November 11, 2005, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' 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 SEPTEMBER 30, 2005 AND DECEMBER 31, 2004**

	Korean won		Translation into U.S. dollars (Note 2)	
	2005	2004	2005	2004
	(In millions)		(In thousands)	
ASSETS				
Cash and bank deposits (Notes 16, 18 and 20)	(Won) 418,178	(Won) 56,099	US\$ 402,869	US\$ 54,045
Investment securities accounted for using the equity method of accounting (Notes 3 and 18)	10,947,830	9,436,975	10,547,042	9,091,498
Loans, net of allowance for possible loan losses (Notes 4, 5, 18 and 20)	186,851	218,641	180,011	210,637
Fixed and intangible assets (Note 6)	177	282	170	272
Other assets (Notes 5, 7 and 20)	39,861	36,047	38,402	34,727
	<u>(Won) 11,592,897</u>	<u>(Won) 9,748,044</u>	<u>US\$ 11,168,494</u>	<u>US\$ 9,391,179</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
Borrowings (Note 8)	(Won)	(Won) 120,000	US\$	US\$ 115,607
Debentures, net of discounts and added accrued interest and redemption premium (Notes 9, 10 and 18)	2,595,738	2,154,637	2,500,711	2,075,758
Other liabilities (Notes 10, 12 and 20)	10,347	25,355	9,968	24,427
	<u>2,606,085</u>	<u>2,299,992</u>	<u>2,510,679</u>	<u>2,215,792</u>
SHAREHOLDERS' EQUITY				
Common stock (Note 13)	4,030,077	3,982,278	3,882,540	3,836,491
Capital surplus (Note 13)	84,488	84,356	81,395	81,268
Retained earnings (Notes 3 and 13):				
Legal reserve	208,427	79,178	200,797	76,279
Voluntary reserve	2,030,000	1,120,000	1,955,684	1,078,998
Retained earnings before appropriations (Net income of (Won) 1,384,145 million for the nine months ended September 30, 2005 and (Won) 1,261,925 million for the year ended December 31, 2004)	1,466,131	1,129,675	1,412,457	1,088,319
	<u>3,704,558</u>	<u>2,328,853</u>	<u>3,568,938</u>	<u>2,243,596</u>
Capital adjustments (Notes 3, 13 and 14)	1,167,689	1,052,565	1,124,942	1,014,032
	<u>8,986,812</u>	<u>7,448,052</u>	<u>8,657,815</u>	<u>7,175,387</u>
	<u>(Won) 11,592,897</u>	<u>(Won) 9,748,044</u>	<u>US\$ 11,168,494</u>	<u>US\$ 9,391,179</u>

See accompanying notes to non-consolidated financial statements.

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

	Korean won				Translation into U.S. dollars (Note 2)			
	2005		2004		2005		2004	
	Three months	Nine months	Three months	Nine months	Three months	Nine months	Three months	Nine months
	(In millions, except for income per share data)				(In thousands, except for income per share data)			
OPERATING REVENUE								
Gain on valuation using the equity method of accounting (Notes 3 and 19)	(Won) 709,008	(Won) 1,625,248	(Won) 293,626	(Won) 1,008,139	US\$ 683,052	US\$ 1,565,750	US\$ 282,877	US\$ 971,232
Interest income (Note 20)	4,384	12,266	7,426	25,053	4,223	11,817	7,154	24,136
Gain on valuation of swap contracts			1,091				1,051	
Gain on foreign currency transactions				2,884				2,778
Gain on foreign currency translation			1,143	12,183			1,101	11,737
Reversal of allowance for doubtful accounts	87	151		3,141	84	145		3,026
	713,479	1,637,665	303,286	1,051,400	687,359	1,577,712	292,183	1,012,909
OPERATING EXPENSES								
Loss on valuation using the equity method of accounting (Notes 3 and 19)	391	27,433	940	468,996	377	26,429	906	451,826
Interest expense	29,631	86,456	37,771	112,253	28,546	83,291	36,388	108,144
Loss on valuation of swap contracts (Notes 9 and 20)		91		12,440		87		11,985
Loss on foreign currency transactions		1				1		
Provision for possible loan losses			3				3	
Fees and commissions (Note 20)	2,756	5,417	2,093	5,073	2,655	5,219	2,016	4,887
General and administrative (Notes 17 and 20)	7,165	18,161	4,299	14,124	6,903	17,496	4,142	13,607
	39,943	137,559	45,106	612,886	38,481	132,523	43,455	590,449
OPERATING INCOME	673,536	1,500,106	258,180	438,514	648,878	1,445,189	248,728	422,460
NON-OPERATING INCOME	10	307	1,522	1,724	10	295	1,466	1,661
NON-OPERATING EXPENSES	367	379	20	81	353	365	19	78

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INCOME BEFORE								
INCOME TAX	673,179	1,500,034	259,682	440,157	648,535	1,445,119	250,175	424,043
INCOME TAX EXPENSE (Note 15)								
NET INCOME	(Won) 673,179	(Won) 1,500,034	(Won) 259,682	(Won) 440,157	US\$ 648,535	US\$ 1,445,119	US\$ 250,175	US\$ 424,043

(Continued)

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

	Korean won				Translation into U.S. dollars (Note 2)			
	2005		2004		2005		2004	
	Three months	Nine months	Three months	Nine months	Three months	Nine months	Three months	Nine 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) 835	(Won) 1,866	(Won) 331	(Won) 565	US\$ 0.67	US\$ 1.66	US\$ 0.32	US\$ 0.54
BASIC NET INCOME PER COMMON SHARE (Note 21)	(Won) 835	(Won) 1,866	(Won) 331	(Won) 565	US\$ 0.67	US\$ 1.66	US\$ 0.32	US\$ 0.54
DILUTED ORDINARY INCOME PER COMMON SHARE (Note 21)	(Won) 835	(Won) 1,861	(Won) 324	(Won) 558	US\$ 0.67	US\$ 1.65	US\$ 0.31	US\$ 0.54
DILUTED NET INCOME PER COMMON SHARE (Note 21)	(Won) 835	(Won) 1,861	(Won) 324	(Won) 558	US\$ 0.67	US\$ 1.65	US\$ 0.31	US\$ 0.54

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 NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004**

	Korean won				Translation into U.S. dollars (Note 2)			
	2005		2004		2005		2004	
	Three months	Nine months	Three months	Nine months	Three months	Nine months	Three months	Nine months
	(In millions)				(In thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income	(Won) 673,179	(Won) 1,500,034	(Won) 259,682	(Won) 440,157	US\$ 648,535	US\$ 1,445,119	US\$ 250,175	US\$ 424,043
Adjustments to reconcile net income to net cash used in operating activities:								
Loss on valuation using the equity method of accounting	391	27,433	940	468,996	377	26,429	906	451,826
Interest expense (amortization of discounts on debentures)	442	1,527	2,796	8,806	425	1,471	2,693	8,484
Provision for possible loan losses			3				3	
Loss on valuation of swap contracts		91		12,440		87		11,985
Provision for severance benefits	57	618	38	63	55	595	37	61
Depreciation	23	92	39	125	22	89	37	120
Amortization on intangible assets	5	15	5	14	5	14	5	13
Stock compensation			114	343			110	330
Other operating expenses				8				8
Gain on valuation using the equity method of accounting	(709,008)	(1,625,248)	(293,626)	(1,008,139)	(683,052)	(1,565,750)	(282,877)	(971,232)
Interest income	(567)	(1,683)	(567)	(1,689)	(546)	(1,621)	(546)	(1,627)
Gain on valuation of swap contracts			(1,091)				(1,051)	
Gain on foreign currency translation			(1,143)	(12,183)			(1,101)	(11,737)
Reversal of allowance for	(87)	(151)		(3,141)	(84)	(145)		(3,026)

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doubtful accounts								
Gain on disposal of tangible assets			(2)	(15)			(2)	(14)
Other non-operating income		(39)		(11)		(37)		(11)
	(708,744)	(1,597,345)	(292,494)	(534,383)	(682,798)	(1,538,868)	(281,786)	(514,820)

(Continued)

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

	Korean won				Translation into U.S. dollars (Note 2)									
	2005		2004		2005		2004							
	Three months	Nine months	Three months	Nine months	Three months	Nine months	Three months	Nine months						
	(In millions)				(In thousands)									
Changes in operating assets and liabilities:														
Decrease (increase) in other receivable	(Won)	(Won)	451	(Won)	(2)	(Won)	128	US\$	US\$	434	US\$	(2)	US\$	123
Decrease (increase) in accrued income	(155)	(73)		218		27,983	(149)	(70)		210		26,958		
Decrease in currency swap contracts						16,463							15,860	
Decrease (increase) in advanced payments	9	82	(29,775)	(29,794)	9	79	(28,685)	(28,703)						
Decrease in prepaid expenses	116	546	185	466	112	526	178	449						
Decrease (increase) in prepaid income tax	(49)	5,243	(82)	1,247	(47)	5,051	(79)	1,201						
Retirement benefits payment	(104)	(118)	(37)	(567)	(100)	(114)	(36)	(546)						
Decrease in retirement insurance	75	88	11	448	72	85	11	432						
Increase (decrease) in other payables	(790)	159	(1,308)	(404)	(761)	153	(1,260)	(389)						
Increase (decrease) in accrued expenses	283	(1,572)	366	280	272	(1,514)	353	270						
Decrease in withholdings	(277)	(214)	(27)	(100)	(267)	(206)	(26)	(96)						
	(892)	4,592	(30,451)	16,150	(859)	4,424	(29,336)	15,559						
Net cash used in operating activities	(36,457)	(92,719)	(63,263)	(78,076)	(35,122)	(89,325)	(60,947)	(75,218)						
CASH FLOWS FROM INVESTING ACTIVITIES:														
Dividend received	1,486	72,541	400,017	673,711	1,432	69,885	385,373	649,047						
Reduction of capital of a subsidiary	21,938	175,938			21,135	169,497								
Collection of loans	18,000	31,850		1,850	17,341	30,684		1,782						
Collection of other loans		100		600,000		97		578,035						
Proceeds from disposition of tangible assets			4	52			4	50						
Acquisition of investment securities		(84,141)		(800,000)		(81,061)		(770,713)						

(Continued)

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

	Korean won				Translation into U.S. dollars (Note 2)									
	2005		2004		2005		2004							
	Three months	Nine months	Three months	Nine months	Three months	Nine months	Three months	Nine months						
	(In millions)				(In thousands)									
Acquisition of tangible assets	(Won)	(Won)	(1)	(Won)	(2)	(Won)	(179)	US\$	US\$	(1)	US\$	(2)	US\$	(172)
Acquisition of intangible assets	(1)	(1)	(2)	(13)	(1)	(1)	(2)	(13)						
Increase in guarantee deposits			(333)	(333)			(321)	(321)						
Net cash provided by investing activities	41,423	196,286	399,684	475,088	39,907	189,100	385,052	457,695						
CASH FLOWS FROM FINANCING ACTIVITIES:														
Proceeds from borrowings				120,000				115,607						
Proceeds from debentures in local currency	349,418	598,690	329,330	698,255	336,626	576,773	317,273	672,693						
Repayment of borrowings		(120,000)	(100,000)			(115,607)	(96,339)							
Repayment of debentures in local currency	(100,000)	(100,000)	(300,000)	(600,000)	(96,339)	(96,339)	(289,017)	(578,035)						
Repayment of debentures in foreign currencies				(167,940)				(161,792)						
Expense of issuing new shares		(709)		(16)		(683)		(15)						
Payment of dividends		(119,468)		(77,550)		(115,094)		(74,711)						
Acquisition of treasury stock			(18)	(18)			(17)	(17)						
Net cash provided by (used in) financing activities	249,418	258,513	(70,688)	(27,269)	240,287	249,050	(68,100)	(26,270)						
NET INCREASE IN CASH AND BANK DEPOSITS	254,384	362,080	265,733	369,743	245,072	348,825	256,005	356,207						
CASH AND BANK DEPOSITS, BEGINNING OF THE PERIOD	163,795	56,099	453,595	349,585	157,798	54,045	436,989	336,787						

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CASH AND BANK DEPOSITS, END OF THE PERIOD	(Won) 418,179	(Won) 418,179	(Won) 719,328	(Won) 719,328	US\$ 402,870	US\$ 402,870	US\$ 692,994	US\$ 692,994
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See accompanying notes to non-consolidated financial statements.

Table of Contents**WOORI FINANCE HOLDINGS CO., LTD.****NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004****1. GENERAL**

(1) Woori Finance Holdings Co., Ltd.

Woori Finance Holdings Co., Ltd. (the Company) was incorporated on March 27, 2001, to engage in the business of managing the financial institutions, Woori Bank (formerly Hanvit Bank), Kyongnam Bank, Kwangju Bank, Woori Credit Card Co., Ltd. (formerly Peace Bank of Korea and merged into Woori Bank on March 31, 2004) and Woori Investment Bank (merged into Woori Bank on July 31, 2003), whose shares were contributed to the Company by the Korea Deposit Insurance Corporation (the KDIC) in accordance with the provisions of the Financial Holding Company Act. As a result of its functional restructuring, the Company owns 8 subsidiaries and 12 2nd-tier subsidiaries as of September 30, 2005.

Upon incorporation, the Company's stock amounted to (Won)3,637,293 million, consisting of 727,458,609 common shares ((Won)5,000 per share) issued and outstanding. As a result of several capital increases and exercise of warrants and conversion rights since incorporation, as of September 30, 2005, the Company's stock amounted to (Won)4,030,077 million, consisting of 806,015,340 common shares issued and outstanding of which the KDIC owns 628,458,609 shares (77.97%).

On June 24, 2002, the Company listed its common shares on the Korea Exchange. On September 29, 2003, the Company was registered with the Securities and Exchange Commission in the United States of America and listed its American Depositary Shares on the New York Stock Exchange.

(2) The structure of the Company and its subsidiaries as of September 30, 2005 and December 31, 2004 is as follows:

Parent companies	Subsidiaries	Sep. 30, 2005		Dec. 31, 2004		Financial statements as of
		Number of shares owned	Percentage of ownership (%)	Number of shares owned	Percentage of ownership (%)	
Woori Finance Holdings Co., Ltd.	Woori Bank	635,956,580	100.0	635,956,580	100.0	Sep. 30
	Kyongnam Bank	51,800,000	99.9	51,800,000	99.9	Sep. 30
	Kwangju Bank	34,080,000	99.9	34,080,000	99.9	Sep. 30
	Woori Finance Information System Co., Ltd.	900,000	100.0	900,000	100.0	Sep. 30
	Woori F&I Co., Ltd.	2,000,000	100.0	2,000,000	100.0	Sep. 30
				1,900	95.0	

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	Woori Second Asset Securitization Specialty Co., Ltd. (*4)					
	Woori Third Asset Securitization Specialty Co., Ltd.	2,000	100.0	2,000	100.0	Sep. 30
	Woori Investment Trust Management Co., Ltd. (*3)			6,000,000	100.0	
	Woori Securities Co., Ltd. (*1)			32,956,413	100.0	
	Woori Investment Securities Co., Ltd. (*1)	46,324,981	34.4	32,877,487	26.9	Sep. 30
	Woori Asset Management Co., Ltd. (*2 and *3)	6,662,000	100.0			Sep. 30
Woori Bank	Woori Credit Information Co., Ltd.	1,008,000	100.0	1,008,000	100.0	Sep. 30(*5)
	Woori America Bank (*7)	10,500,000	100.0	8,500,000	100.0	Sep. 30(*5)
	PT. Bank Woori Indonesia	1,618	95.2	1,618	95.2	Sep. 30(*5)
	Woori First Private Equity Fund		52.4		52.4	Sep. 30(*5)
Woori F&I Co., Ltd.	Woori CA Asset Management Co., Ltd.	408,000	51.0	408,000	51.0	Sep. 30

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Parent companies	Subsidiaries	Sep. 30, 2005		Dec. 31, 2004		Financial statements as of
		Number of shares owned	Percentage of ownership (%)	Number of shares owned	Percentage of ownership (%)	
Woori Investment Securities Co., Ltd.	Woori Futures Co., Ltd. (*6)	5,000,000	100.0	5,000,000	100.0	Sep. 30
	LG Investment Trust Management Co., Ltd. (*2)			5,400,000	90.0	
Woori Investment Securities Co., Ltd.	Woori Investment Securities Int 1 Ltd. (*6)	5,788,000	100.0	5,788,000	100.0	Sep. 30(*5)
	Woori Investment Securities (H.K.) Limited (*6)	22,500,000	100.0	22,500,000	100.0	Sep. 30(*5)
	Woori Investment Securities America, Inc. (*6)	300	100.0	300	100.0	Sep. 30(*5)
	LG Investment Holding B.V. (Amsterdam) GG	1,642,398,242	100.0	1,642,398,242	100.0	Sep. 30(*5)
	High Technology Venture Investment	1,500,000	42.9	1,500,000	42.9	Sep. 30(*5)
	Global Technology Investment	1,500,000	50.0	1,500,000	50.0	Sep. 30(*5)

(*1) 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 by stock exchange, on March 31, 2005 and changed its name to Woori Investment Securities Co., Ltd. (Woori Investment Securities). Subsequently, the Company acquired additional 1,050,000 shares of Woori Investment Securities to increase its ownership percentage. As a result, the Company's ownership interest in Woori Investment Securities increased from 33.7% to 34.4 %.

(*2) The Company purchased 5.4 million common shares, which is 90% of issued common shares of LG Investment Trust Management Co., Ltd. (LG Investment Trust Management) from Woori Investment Securities, amounting to (Won)72.9 billion on May 6, 2005 and included it in 1st - tier subsidiaries of the Company.

(*3) LG Investment Trust Management merged with Woori Investment Trust Management Co., Ltd. (Woori Investment Trust Management) on May 31, 2005 and changed its name to Woori Asset Management Co., Ltd. (Woori Asset Management).

(*4) Liquidated on August 2, 2005.

(*5) The financial statements as of September 30, 2005 are not reviewed. In order to ensure the credibility of the financial statements of those subsidiaries, the Company performed certain procedures in accordance with the Practice Statements in Financial Reporting 2002-7 Investees financial statements applied using the equity method of accounting .

(*6) Some subsidiaries of Woori Investment Securities also changed their names as LG Securities changed its name.

(*7) On September 15, 2005, Woori America Bank issued 2,000,000 new common shares to Woori Bank.

(3) General information pertaining to the Company's subsidiaries as of September 30, 2005 does not differ materially from that as of December 31, 2004 except for the following:

a. Woori Investment Securities

LG Securities, whose shares were listed on the Korea Stock Exchange, was established in 1969 to engage in trading, agency, brokerage and underwriting of securities. LG Securities became a subsidiary of the Company on December 24, 2004 as the Company acquired 26.92% of voting rights of LG Securities and was able to govern its management. LG Securities merged with Woori Securities on March 31, 2005 and changed its name to Woori Investment Securities. As a result of the merger, 12,397,494 new common shares of Woori Investment Securities were issued by exchanging one common share of Woori Securities with 0.654 common share of Woori Investment Securities and the difference between the sum of its ownership interests in the individual pre-merger subsidiaries' net assets and its ownership interests in Woori Investment Securities' net assets amounting to (Won)36.1 billion was recorded in capital adjustment of the Company as of March 31, 2005. As of

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September 30, 2005, its issued common stock amounted to (Won)687,445 million consisting of 134,513,863 shares and its issued preferred stock amounted to (Won)99,355 million consisting of 19,870,968 shares.

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b. Woori Asset Management

LG Investment Trust Management established in 1988, engages in securities investment trust management, investment advisory and mutual fund management. As the Company acquired 90% ownership interest of LG Investment Trust Management from Woori Investment Securities, it became a subsidiary of the Company on May 6, 2005. On May 31, 2005, LG Investment Trust Management merged with Woori Investment Trust Management and changed its name to Woori Asset Management. As a result of the merger, 3,810,000 new common shares of Woori Asset Management were issued by exchanging one common share of Woori Investment Trust Management with 0.635 common share of Woori Asset Management. Subsequently, Woori Asset Management purchased 600,000 shares of its treasury stock and extinguished them, and on September 5, 2005, reduced its 2,548,000 common shares by cash distribution at (Won)8,600 per share. As of September 30, 2005, the number of issued and outstanding common shares and contributed capital of Woori Asset Management are 6.7 million and (Won)33.3 billion, which the Company wholly owns.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statement Presentation

The Company maintains its official accounting records in Korean won and prepares statutory non-consolidated financial statements in the Korean language (Hangul) in conformity with the accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements. Certain information included in the Korean language financial statements, but not required for a fair presentation of the Company's financial position, results of operations or cash flows, is not presented in the accompanying financial statements for the three months and nine months ended September 30, 2005 and 2004.

The accompanying financial statements are stated in Korean Won, the currency of the country in which the Company is incorporated and operates. The translation of Korean Won amounts into U.S. dollar amounts are included solely for the convenience of readers outside of the Republic of Korea and have been made at the rate of (Won) 1,038.00 to US\$ 1.00 at September 30, 2005, the Base Rate announced by Seoul Money Brokerage Service, Ltd. Such translations should not be constructed as representations that the Korean Won amounts could be converted into U.S. dollars at that or any other rate.

The accounting policies, which have been adopted in preparing the accompanying non-consolidated financial statements, do not differ materially from those used in preparing the non-consolidated financial statements for the year ended December 31, 2004, except for the following:

a. Accounting of income taxes

The Company adopted SKAS No. 16 - Income Taxes from 2005. This statement requires that the temporary differences relating to items in equity, which will result in taxable or deductible amounts in future years, are directly charged to the related equity items, and deferred tax assets and liabilities are classified into current and non-current. The adoption of this standard has no effect on the Company's net assets and net income (Note 15).

b. Accounting of provision, contingent liabilities and contingent assets

The Company adopted SKAS No.17 Provision, Contingent Liabilities and Contingent Assets in 2005. This statement replaces paragraph 26 provision for estimated liabilities and paragraph 74 contingent situation in Korea Financial Accounting Standard (KFAS) and Interpretations on KFAS 31-74 accounting of contingent situation . It defines provision, contingent liabilities and contingent assets, cites examples of provisions and describes footnote requirements. The adoption of this standard has no material impact on the Company and its subsidiaries financial position, operating results or cash flows.

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- c. Reclassification of statements of income and cash flows for the nine months ended September 30, 2004

As the Company adopted SKAS No. 15 - Investments in Associates in preparing the financial statements for the year ended December 31, 2004, net loss on valuation using the equity method of accounting in the statements of income and cash flows for the three months and nine months ended September 30, 2004, which are presented for comparative purposes, is reclassified into gain and loss on valuation using the equity method of accounting at gross. This reclassification has no effect on the Company's net income for the nine months ended September 30, 2004.

- d. Financial statements as of December 31, 2004

Woori Bank, a subsidiary of the Company, directly recorded certain assets, such as securities and call loans that were deemed owned by Woori Bank through holding private beneficiary certificates, on its financial statements as of December 31, 2004. However, in accordance with a new interpretation of accounting practices, a private beneficiary certificate on which management, as investor, agrees to have no interference and is not managing, is regarded as an ordinary beneficiary certificate and recorded as securities. Woori Bank retroactively adopted this new interpretation in its 2004 financial statements presented for comparative purposes. Therefore, the Company reflected such financial statements of Woori Bank in investment securities accounted for using the equity method of accounting in its 2004 financial statements. As a result, investment securities accounted for using the equity method of accounting and capital adjustments increased by (Won)11.6 billion and (Won)42.1 billion, respectively, and retained earnings decreased by (Won)30.5 billion in the Company's 2004 balance sheet presented for comparative purposes.

Table of Contents**3. INVESTMENT SECURITIES ACCOUNTED FOR USING THE EQUITY METHOD OF ACCOUNTING**

- (1) Changes in investment securities accounted for using the equity method of accounting for the nine months ended September 30, 2005 are as follows (Korean won in millions):

	Gain (loss)					Sep. 30, 2005
	Jan. 1, 2005	on valuation using the equity method	Capital adjustments	Retained earnings	Other increase (decrease)	
Woori Bank	(Won) 7,589,957	(Won) 1,338,014	(Won) 143,649	(Won) (2,271)	(Won)	(Won) 9,069,349
Kyongnam Bank	608,802	123,117	(12,814)	47	(32,738)	686,414
Kwangju Bank	420,595	74,597	(8,823)		(21,674)	464,695
Woori Finance Information System	7,613	5,150	(2)			12,761
Woori F&I	58,231	41,706	3,042	(60)	(6,023)	96,896
Woori Second Asset Securitization Specialty		(28)			28	
Woori Third Asset Securitization Specialty		(1,137)	11,131		(9,994)	
Woori Investment Trust Management (*2)	35,076	35			(35,111)	
Woori Securities (*1)	361,500	(26,268)	8,728		(343,960)	
Woori Investment Securities (*1 and *3)	355,201	39,540	(27,090)	(2,577)	192,903	557,977
Woori Asset Management (*2)		3,089	(2,566)		59,215	59,738
	(Won) 9,436,975	(Won) 1,597,815	(Won) 115,255	(Won) (4,861)	(Won) (197,354)	(Won) 10,947,830

(*1) Accounted for the three months ended March 31, 2005 before merger into Woori Investment Securities and thereafter, combined into Woori Investment Securities.

(*2) Accounted for the five months ended May 31, 2005 before merger into Woori Asset Management and thereafter, combined into Woori Asset Management.

(*3) The market value of Woori Investment Securities is (Won) 678,661 million ((Won)14,650 per share) as of September 30, 2005.

- (2) The reconciliation between the acquisition costs and the book value as of December 31, 2004 is summarized as follows (Korean won in millions):

	Gain (loss)					Dec. 31, 2004
	Acquisition cost	on valuation using the equity method	Capital adjustments	Retained earnings	Other increase (decrease)	
Woori Bank (*1)	(Won) 3,207,893	(Won) 2,525,228	(Won) 799,953	(Won) (246,990)	(Won) 1,303,873	(Won) 7,589,957
Kyongnam Bank	259,000	337,157	47,468	(11,513)	(23,310)	608,802
Kwangju Bank	170,403	251,325	17,980	(3,777)	(15,336)	420,595

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Woori Finance						
Information System	5,244	2,567	6	(204)		7,613
Woori F&I	10,094	43,239	7,898		(3,000)	58,231
Woori Second Asset						
Securitization Specialty	10	41,104			(41,114)	
Woori Third Asset						
Securitization Specialty	10	5,062	21,444	(9,890)	(16,626)	
Woori Investment Trust						
Management	39,128	5,848			(9,900)	35,076
Woori Securities	152,662	(6,348)	155,213		59,973	361,500
LG Securities	355,201					355,201
	(Won) 4,199,645	(Won) 3,205,182	(Won) 1,049,962	(Won) (272,374)	(Won) 1,254,560	(Won) 9,436,975

(*1) Included Woori Credit Card Co., Ltd. and Woori Investment Bank Co., Ltd.

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(3) The details of other increase or decrease for the nine months ended September 30, 2005 are as follows (Korean won in millions):

	Merger		Capital	Acquisition	Dividends	Total
	between					
	subsidiaries	reduction				
Kyongnam Bank	(Won)	(Won)	(Won)	(Won)	(32,738)	(Won) (32,738)
Kwangju Bank					(21,674)	(21,674)
Woori F&I					(6,023)	(6,023)
Woori Second Asset Securitization Specialty				(*1)	28	28
Woori Third Asset Securitization Specialty				(*1)	(9,994)	(9,994)
Woori Investment Trust Management	(32,711)				(2,400)	(35,111)
Woori Securities	(189,960)	(154,000)				(343,960)
Woori Investment Securities	189,960		11,163		(8,220)	192,903
Woori Asset Management	32,711	(21,938)	48,442			59,215
	(Won)	(Won)	(Won)	(Won)	(81,021)	(Won) (197,354)

(*1) Adjusted by dividend receivables

(4) The details of other increase or decrease from the acquisition date to December 31, 2004 are as follows (Korean won in millions):

	Acquisition	Dividends	Total
Woori Bank (*1)	(Won) 2,517,418	(Won) (1,213,545)	(Won) 1,303,873
Kyongnam Bank		(23,310)	(23,310)
Kwangju Bank		(15,336)	(15,336)
Woori F&I		(3,000)	(3,000)
Woori Second Asset Securitization Specialty		(41,114)	(41,114)
Woori Third Asset Securitization Specialty		(16,626)	(16,626)
Woori Investment Trust Management		(9,900)	(9,900)
Woori Securities	73,958	(13,985)	59,973
	(Won) 2,591,376	(Won) (1,336,816)	(Won) 1,254,560

(*1) Included Woori Credit Card Co., Ltd. and Woori Investment Bank Co., Ltd.

(5) The details of changes in the difference between the acquisition cost and the proportionate net asset value on the acquisition date for the nine months ended September 30, 2005 are as follows (Korean won in millions):

Jan. 1, 2005	Amortization	Sep. 30, 2005
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Woori F&I	(Won) 79	(Won) 4	(Won) 75
Woori Investment Securities	(15,405)	(11,715)	(3,690)
	<u> </u>	<u> </u>	<u> </u>
	(Won) (15,326)	(Won) (11,711)	(Won) (3,615)
	<u> </u>	<u> </u>	<u> </u>

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- (6) The details of unrealized inter-companies income or loss for the nine months ended September 30, 2005 are as follows (Korean won in millions):

	<u>Jan. 1, 2005</u>	<u>Decrease</u>	<u>Increase</u>	<u>Sep. 30, 2005</u>
Woori Bank	(Won) (8,930)	(Won) 1,821	(Won) 395	(Won) (6,714)
Kyongnam Bank	21	123	(233)	(89)
Kwangju Bank	160	(45)		115
Woori Finance Information System	(491)	682		191
Woori F&I	(25)	(159)		(184)
Woori Third Asset Securitization Specialty	(50)			(50)
Woori Investment Trust Management	3	(3)		
	<u>(Won) (9,312)</u>	<u>(Won) 2,419</u>	<u>(Won) 162</u>	<u>(Won) (6,731)</u>

4. LOANS

Loans as of September 30, 2005 and December 31, 2004 are as follows (Korean won in millions):

	<u>Issuance date</u>	<u>Maturity date</u>	<u>Annual interest rate (%)</u>	<u>2005</u>	<u>2004</u>
Woori Finance Information System	Oct. 31, 2002	Oct. 31, 2006	6.3	(Won) 30,000	(Won) 30,000
Woori F&I	Mar. 25, 2003	Mar. 25, 2007	7.3	67,000	90,000
	Jul. 7, 2003	Jul. 7, 2007	7.3	23,000	23,000
	Jul. 29, 2003	Jul. 29, 2007	7.3		8,850
				<u>90,000</u>	<u>121,850</u>
Woori Second Asset Securitization Specialty: 2-1 non-guaranteed privately placed bonds (*1)	Jan. 8, 2002	Jan. 8, 2012	7.5		100
Woori Third Asset Securitization Specialty: 3-1 non-guaranteed privately placed bonds (*1)	Apr. 15, 2002	Apr. 15, 2012	7.8	17,790	17,790
Kwangju Bank: Non-guaranteed subordinated convertible bonds (*2)	Dec. 31, 2002	Dec. 31, 2012		50,000	50,000
Total				<u>187,790</u>	<u>219,740</u>
				(939)	(1,099)

Allowance for possible loan losses (Note 5)

(Won) 186,851	(Won) 218,641
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- (*1) The principal of the non-guaranteed privately placed bonds listed above shall be fully repaid on the maturity date; however, the trustees may exercise early redemption rights to pay, in part or in whole, the principal in accordance with the business trust contract pursuant to the asset securitization plan.
- (*2) The coupon rate on the bonds is zero and the guaranteed return is 155.29%. The conversion price is (Won)5,000 and conversion rights are valid from one year after the issuance date to one month before the maturity date. The common shares of Kwangju Bank will be issued upon conversion.

Table of Contents**5. ALLOWANCE FOR POSSIBLE LOAN LOSSES**

Allowances for possible loan losses as of September 30, 2005 and December 31, 2004 are as follows (Korean won in millions):

	<u>2005</u>	<u>2004</u>
Loans:		
Woori F&I	(Won) 450	(Won) 609
Woori Finance Information System	150	150
Woori Second Asset Securitization Specialty		1
Woori Third Asset Securitization Specialty	89	89
Kwangju Bank	250	250
	<u>939</u>	<u>1,099</u>
Long-term accrued income:		
Kwangju Bank	31	23
	<u>(Won) 970</u>	<u>(Won) 1,122</u>

6. FIXED AND INTANGIBLE ASSETS

(1) Changes in tangible assets for the nine months ended September 30, 2005 and the year ended December 31, 2004 are as follows (Korean won in millions):

	<u>Jan. 1, 2005</u>	<u>Acquisition</u>	<u>Disposition</u>	<u>Depreciation</u>	<u>Sep. 30, 2005</u>
Vehicles	(Won) 7	(Won)	(Won)	(Won) 7	(Won)
Furniture and equipment	142			59	83
Structures in leased offices	79	1		26	54
	<u>(Won) 228</u>	<u>(Won) 1</u>	<u>(Won)</u>	<u>(Won) 92</u>	<u>(Won) 137</u>

	<u>Jan. 1, 2004</u>	<u>Acquisition</u>	<u>Disposition</u>	<u>Depreciation</u>	<u>Dec. 31, 2004</u>
Vehicles	(Won) 57	(Won)	(Won) 34	(Won) 16	(Won) 7
Furniture and equipment	124	134	3	113	142
Structures in leased offices	61	54		36	79
	<u>(Won) 242</u>	<u>(Won) 188</u>	<u>(Won) 37</u>	<u>(Won) 165</u>	<u>(Won) 228</u>

(2)

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Changes in intangible assets for the nine months ended September 30, 2005 and the year ended December 31, 2004 are as follows (Korean won in millions):

	<u>Jan. 1, 2005</u>	<u>Acquisition</u>	<u>Amortization</u>	<u>Sep. 30, 2005</u>
Software	(Won) 14	(Won) 1	(Won) 5	(Won) 9
Industrial property rights	40	1	10	31
	<u>(Won) 54</u>	<u>(Won) 1</u>	<u>(Won) 15</u>	<u>(Won) 40</u>

	<u>Jan. 1, 2004</u>	<u>Acquisition</u>	<u>Amortization</u>	<u>Dec. 31, 2004</u>
Software	(Won) 20	(Won) 1	(Won) 7	(Won) 14
Industrial property rights	31	21	12	40
	<u>(Won) 51</u>	<u>(Won) 22</u>	<u>(Won) 19</u>	<u>(Won) 54</u>

As of September 30, 2005, accumulated amortization of software and industrial property rights amounts to (Won)25 million and (Won)37 million, respectively.

Table of Contents**7. OTHER ASSETS**

Other assets as of September 30, 2005 and December 31, 2004 are as follows (Korean won in millions):

	<u>2005</u>	<u>2004</u>
Guarantee deposits	(Won)4,204	(Won)4,204
Other receivables	1,750	2,293
Dividend receivables	26,620	18,140
Accrued income	7,058	5,302
Advanced payments		82
Prepaid expenses	111	657
Prepaid income tax	149	5,392
	<u>39,892</u>	<u>36,070</u>
Allowance for losses for accrued income (Note 5)	(31)	(23)
	<u>(Won) 39,861</u>	<u>(Won) 36,047</u>

8. BORROWINGS

Borrowings in local currency and line of credit as of December 31, 2004 are as follows (Korean won in millions):

	<u>Annual interest rate (%)</u>	<u>Maturity</u>	<u>Line of credit</u>	<u>2004</u>
Citibank	CD(3M)+1.3	Sep. 30, 2005	(Won) 100,000	(Won) 60,000
Shinhan Bank	CD(3M)+1.4	Aug. 19, 2005	200,000	60,000
Korea First Bank	CD(3M)+1.5	Jul. 16, 2005	100,000	
Samsung Insurance Company	6.10	Sep. 15, 2005	100,000	
			<u>(Won) 500,000</u>	<u>(Won) 120,000</u>

9. DEBENTURES

(1) Debentures in local currency as of September 30, 2005 and December 31, 2004 are as follows (Korean won in millions):

<u>Issuance date</u>	<u>Annual interest rate (%)</u>	<u>Maturity</u>	<u>2005</u>	<u>2004</u>
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The 7th bonds	Nov. 27, 2002	5.80	Nov. 27, 2005	(Won) 300,000	(Won) 300,000
The 8th bonds	Dec. 26, 2002	6.05	Dec. 26, 2007	200,000	200,000
The 9th bonds	Sep. 19, 2003	4.64	Sep. 19, 2006	300,000	300,000
The 10th bonds	Dec. 16, 2003	5.92	Dec. 16, 2008	300,000	300,000
The 11th bonds	Jun. 18, 2004	5.05	Jun. 18, 2009	370,000	370,000
The 12th bonds	Jul. 26, 2004	4.84	Jul. 26, 2009	230,000	230,000
The 13th bonds	Aug. 31, 2004	4.42	Aug. 31, 2005		100,000
The 14th bonds	Nov. 23, 2004	3.49	Nov. 23, 2007	300,000	300,000
The 15th bonds	Jun. 21, 2005	4.31	Jun. 21, 2010	250,000	
The 16th bonds	Sep. 28, 2005	5.10	Sep. 28, 2008	200,000	
The 17th bonds	Sep. 14, 2005	4.15	Apr. 14, 2006	150,000	
				2,600,000	2,100,000
Less: discounts				(4,262)	(4,195)
				(Won) 2,595,738	(Won) 2,095,805

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(2) Debentures in foreign currencies as of December 31, 2004 are as follows (Korean won in millions and U.S. dollars in thousands):

1) Convertible bonds in foreign currencies

	<u>Issuance</u> <u>date</u>	<u>Annual</u> <u>interest</u> <u>rate (%)</u>	<u>Maturity</u>	<u>2004</u>
6-1 Convertible bonds	Sep. 27, 2002		Sep. 27, 2005	US\$ 36,000
Long-term accrued interest				2,445
				<u>38,445</u>
6-2 Convertible bonds	Dec. 20, 2002		Dec. 20, 2005	US\$ 16,000
Long-term accrued interest				907
				<u>16,907</u>
6-5 Convertible bonds	Jul. 10, 2003		Jul. 10, 2006	US\$ 1,000
Add: redemption premium				63
Less: reconciliation for conversion rights				(51)
				<u>1,012</u>
Total				<u>US\$ 56,364</u>
Korean won equivalent				<u>(Won) 58,832</u>

2) The above convertible bonds were converted to common shares of the Company for the nine months ended September 30, 2005 and the details of the conversion are as follows:

	<u>6-2 Convertible bonds</u>		<u>6-1 Convertible bonds</u>		<u>6-5 Convertible bonds</u>	
Conversion date	Feb. 17, 2005		Mar. 11, 2005		Mar. 11, 2005	
Converted by	Lehman Brothers International Europe		Lehman Brothers International Europe		Lehman Brothers International Europe	
Conversion price per share	(Won)	5,588	(Won)	7,313	(Won)	7,228
Conversion-exchange rate applied	(Won)	1,215.80 : US\$ 1	(Won)	1,201.40 : US\$ 1	(Won)	1,188.50 : US\$ 1
Issued common shares		3,481,173		5,914,180		164,429
Increased capital stock	(Won)	17,406 million	(Won)	29,571 million	(Won)	822 million
Increased paid-in capital in excess of par value	(Won)	4,290 million	(Won)	20,639 million	(Won)	491 million

3) In connection with the debentures in foreign currencies listed above, the Company has entered into cross currency interest rate swaps with Woori Bank in order to hedge any risks involved with fluctuations in exchange rates and interest rates. As of December 31, 2004, cross currency interest rate swap contracts are as follows (Korean won in millions and U.S. dollars in thousands):

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<u>Contract date</u>	<u>Maturity date</u>	<u>Contracted amount</u>	<u>Interest rates and terms of payment</u>
Sep. 27, 2002	Sep. 27, 2005	US\$ 36,000 (Won) 44,136	Receipt: compound interest rate of 2.9245% (6 months) Payment: annual rate of 5%
Dec. 20, 2002	Dec. 20, 2005	US\$ 16,000 (Won) 19,248	Receipt: compound interest rate of 2.7335% (6 months) Payment: annual rate of 4.84%
Jul. 9, 2003	Jul. 10, 2006	US\$ 1,000 (Won) 1,179	Receipt: compound interest rate of 2.034% (6 months) Payment: annual rate of 3.93%

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Above swap contracts were settled for the nine months ended September 30, 2005. In connection with the swap contracts, the Company recorded loss on valuation of swap contracts of (Won)91 million and (Won)12,440 million for the nine months ended September 30, 2005 and 2004, respectively.

10. LIABILITIES IN FOREIGN CURRENCIES

Liabilities denominated in foreign currencies of the Company as of December 31, 2004 are summarized as follows (Korean won in millions and U.S. dollars in thousands):

	<u>Foreign currency</u>	<u>Korean won equivalent</u>
Debentures in foreign currencies	US\$ 53,000	(Won) 55,321
Long-term accrued interest payables	3,352	3,499
Redemption premium	63	65
Reconciliation for conversion rights	(51)	(53)
Currency swaps	13,383	13,969
	<u>US\$ 69,747</u>	<u>(Won) 72,801</u>

11. ACCRUED SEVERANCE BENEFITS

Employees and directors with more than one year of service are entitled to receive a lump-sum payment upon termination of their service with the Company. The accrued severance benefits that would be payable assuming all eligible employees and directors were to terminate amounted to (Won)1,730 million and (Won)1,230 million as of September 30, 2005 and December 31, 2004, respectively.

The details of changes in the accrued severance benefits for the nine months ended September 30, 2005 and the year ended December 31, 2004 are as follows (Korean won in millions):

	<u>2005</u>	<u>2004</u>
Beginning balance	(Won) 1,230	(Won) 1,583
Provision for severance benefits (Note 17)	618	215
Payment for severance benefits	(118)	(568)
Ending balance	<u>(Won) 1,730</u>	<u>(Won) 1,230</u>

The Company has purchased an employee retirement trust and made deposits at Woori Bank. As of September 30, 2005 and December 31, 2004, the deposits, amounting to (Won)1,142 million and (Won)1,230 million, respectively, are presented as a deduction from accrued severance benefits.

12. OTHER LIABILITIES

Other liabilities as of September 30, 2005 and December 31, 2004 are as follows (Korean won in millions):

	2005	2004
	<u> </u>	<u> </u>
Accrued severance benefits (Note 11)	(Won) 1,730	(Won) 1,230
Deposits with employee retirement trust (Note 11)	(1,142)	(1,230)
Other payables	322	163
Accrued expenses	9,266	10,839
Withholdings	171	384
Currency swaps (Notes 9 and 10)		13,969
	<u> </u>	<u> </u>
	(Won) 10,347	(Won) 25,355
	<u> </u>	<u> </u>

Table of Contents**13. SHAREHOLDERS EQUITY**

(1) The authorized shares and issued shares of common stock as of September 30, 2005 and December 31, 2004 are as follows:

	<u>2005</u>	<u>2004</u>
Authorized shares of common stock	2,400,000,000	2,400,000,000
Par value	(Won) 5,000	(Won) 5,000
Issued shares of common stock	806,015,340	796,455,558

(2) The changes in the capital stock of the Company for the period from its incorporation to September 30, 2005 are as follows (Korean won in millions):

<u>Date of</u>	<u>Description</u>	<u>Number of</u>	<u>Capital stock</u>	<u>Paid-in capital</u>
<u>issuance</u>		<u>shares issued</u>	<u>in excess of</u>	<u>par value</u>
March 27, 2001	Establishment	727,458,609	(Won) 3,637,293	(Won)
June 12, 2002	Issuance of new shares	36,000,000	180,000	58,645
In 2002	Exercise of warrants	4,356,188	21,781	
2002.12.31		<u>767,814,797</u>	<u>3,839,074</u>	<u>58,645</u>
In 2003	Exercise of warrants	7,690,113	38,451	(574)
2003.12.31		<u>775,504,910</u>	<u>3,877,525</u>	<u>58,071</u>
In 2004	Issuance of new shares	8,571,262	42,856	14,126
	Exercise of convertible bonds	12,379,386	61,897	12,118
2004.12.31		<u>796,455,558</u>	<u>3,982,278</u>	<u>84,315</u>
In 2005	Exercise of convertible bonds (*1)	9,559,782	47,799	24,710
	Acquisition of common shares of LG Investment Trust Management (*2)			(24,537)
2005. 9.30		<u>806,015,340</u>	<u>(Won) 4,030,077</u>	<u>(Won) 84,488</u>

(*1) In 2005, the convertible bonds in dollars were converted to common shares of the Company (Note 9).

(*2) The difference between book value and cash payment in acquiring the common shares of LG Investment Trust Management is charged to capital surplus.

(3) Other capital surplus as of December 31, 2004 was consideration of conversion rights relating to convertible bonds issued in 2003. It was transferred to paid-in capital in excess of par value as the convertible bonds were converted to common shares of the Company for the nine months ended September 30, 2005.

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- (4) Pursuant to Article 53 of the Financial Holding Company Act, legal reserve is appropriated at no less than one tenth of net income until reaching an amount equal to the Company's contributed capital, whenever dividends are declared.
- (5) As of September 30, 2005 and December 31, 2004, the Company held 2,549 and 2,547 shares of treasury stock amounting to (Won)18 million, respectively.
- (6) The changes in retained earnings for the nine months ended September 30, 2005 are as follows (Korean won in millions) :

	2005	
Balance - December 31, 2004 (*1)		(Won) 1,129,675
Appropriations:		
Dividend	(119,468)	
Appropriation of legal reserve	(129,250)	
Appropriation of voluntary reserve	(910,000)	(1,158,718)
Decrease due to investment securities accounted for using the equity method of accounting		(4,861)
Net income for the nine months ended September 30, 2005		1,500,034
Balance - September 30, 2005		(Won) 1,466,131

(*1) Included the effect of decreases in retained earnings resulting from Woori Bank's adoption of new interpretation (Note 2).

Table of Contents**14. STOCK OPTIONS**

- (1) On December 4, 2002, the Company granted stock options to directors of the Company and its subsidiaries. The exercise price of 60 percent of the total number of stock options granted will be determined depending on the Korean banking industry stock index (at minimum (Won)6,800 per share). In addition, for the remaining 40 percent of the total number of stock options granted, of which the exercise price is (Won)6,800 per share, the number of stock options to be vested will be dependent on the Company's management performance target levels; non-performing loans ratio, capital adequacy ratio and net income to total asset ratio by 15%, 15% and 10%, respectively. The portion of stock options dependent on the Company's management performance was finally determined for the nine months ended September 30, 2005; thus, the number of stock options decreased from 1,260,000 to 1,197,000. The stock options are exercisable during a three-year period beginning after three years from the grant date. If the stock options are exercised, the Company has the option either to issue new shares or shares held as treasury stock, or to pay the difference between the market price and the exercise price in cash or with treasury stock.
- (2) The summary of stock options granted as of September 30, 2005 is summarized as follows:

<u>Description</u>	<u>The Company</u>	<u>Subsidiaries</u>	<u>Total</u>
Exercisable number of shares	384,750 shares	812,250 shares	1,197,000 shares
Type	Share issue or balance compensation	Share issue or balance compensation	
Valuation method	Fair value approach	Fair value approach	

- (3) The Company estimated stock option costs using the Black-Scholes Option Pricing Model and the details are summarized as follows:

<u>Description</u>	<u>Application</u>
Risk free rate	Yield (5.70%) of treasury bond, which has the same residual maturity as the expected exercise period, as of Dec. 4, 2002
Expected exercising period	4.5 year (average holding period)
Expected dividend income ratio	0%
Expected lapse ratio	0%
Expected volatility of stock price	56.72%, that is the annualized standard deviation of expected stock investment yield based on the continuous compounded method
Exercise price	(Won)6,800 per share
Fair value	(Won)2,081 per share

- (4) The Company and its subsidiaries had recorded stock option costs from its grant date to December 4, 2004. Details of stock option included in capital adjustments are as follows (Korean won in millions):

<u>Description</u>	<u>The Company</u>	<u>Subsidiaries</u>	<u>Total</u>
Accumulated amounts as of Dec. 31, 2004	(Won) 780	(Won) 1,842	(Won) 2,622
Adjustment in 2005	(39)	(92)	(131)
Stock options as of Sep. 30, 2005	(Won) 741	(Won) 1,750	(Won) 2,491

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Each subsidiary is responsible for absorbing the respective stock option cost for its management. The subsidiaries recorded the related cost as other payables to the Company, and the Company recorded the same amount as other receivables from subsidiaries.

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Table of Contents**15. INCOME TAX EXPENSE**

- (1) Differences between financial accounting income and taxable loss for the nine months ended September 30, 2005 are as follows (Korean won in millions):

	<u>2005</u>
Net income before income tax	(Won) 1,500,034
Non-temporary differences:	
Deemed interest income	2,355
Dividend income	(123,796)
Investment securities	117,458
Others	19,854
	<u>15,871</u>
Temporary differences:	
Investment securities	(1,559,402)
Dividend receivables	(15,724)
Accrued expenses	1,394
Currency swap liabilities	(13,969)
Reversal of accrued expenses	(3,409)
Long-term accrued interest	(3,498)
Long-term interest receivables	(1,683)
Others	100
	<u>(1,596,191)</u>
Taxable loss after tax adjustments	<u>(Won) (80,286)</u>

- (2) The changes in cumulative temporary differences and tax loss carry-forwards for the nine months ended September 30, 2005 are as follows (Korean won in millions):

	<u>Jan. 1, 2005 (*1)</u>	<u>Increase</u>	<u>Decrease</u>	<u>Sep. 30, 2005</u>	<u>Deferred tax assets (liabilities)</u>
(Timing differences to be charged to income tax expense)					
Investment securities	(Won) (1,572,019)	(Won) (4,052,630)	(Won) (2,670,653)	(Won) (2,953,996)	(Won) (*2)(16,371)
Currency swap liabilities	13,969		13,969		
Accrued income	(296)	(294)	(296)	(294)	(81)
Accrued severance benefits	738	300		1,038	286
Depreciation	28	23	5	46	13
Accrued expenses	3,409	1,394	3,409	1,394	383
Accounts receivable	(1,842)		(92)	(1,750)	(481)
Employee retirement deposits	(738)	(300)		(1,038)	(286)

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Long-term accrued interest payables	3,498		3,498		
Long-term accrued interest income	(4,506)	(1,683)		(6,189)	(1,702)
Premiums on debentures	65		65		
Adjustment of conversion rights	(53)		(53)		
Dividend receivables	48,873		15,724	33,149	9,116
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	(Won) (1,508,874)	(Won) (4,053,190)	(Won) (2,634,424)	(Won) (2,927,640)	(Won) (9,123)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
(Timing differences to be charged to equity)					
Capital adjustments	(Won) (1,063,204)	(Won) (177,425)	(Won)	(Won) (1,240,629)	(Won) (*2)(42,979)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Tax loss carry-forwards	(Won) 109,999	(Won) 80,286	(Won)	(Won) 190,285	(Won) 52,329
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(*1) Reflected the additional adjustment based on the reported tax returns.

(*2) Based on the assumption that the temporary differences in securities accounted for using the equity method of accounting would be realized by dividends.

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- (3) The Company anticipates that there will be no tax expense unless the Company liquidates itself or disposes of its investment securities. The Company has no plan to dispose of its investment securities within the foreseeable future. Therefore, deferred tax assets (liabilities) are not recognized since there are no deductible or taxable amounts, resulting from the realization of timing difference.
- (4) Remaining tax loss carry-forwards and their expirations are as follows (Korean won in millions):

<u>Year incurred</u>	<u>Amount (*1)</u>	<u>Utilized</u>	<u>Remaining</u>	<u>Expiration</u>
2001	(Won) 25,288	(Won)	(Won) 25,288	Dec. 31, 2006
2002	13,899		13,899	Dec. 31, 2007
2003	48,398		48,398	Dec. 31, 2008
2004	22,414		22,414	Dec. 31, 2009
2005	80,286		80,286	Dec. 31, 2010
	<u>(Won) 190,285</u>	<u>(Won)</u>	<u>(Won) 190,285</u>	

(*1) Reflected the additional adjustment based on the reported tax returns.

- (5) For the nine months ended September 30, 2005, there is no income tax expense reflected in the statements of income as there is no tax currently payable under the Corporate Tax Act and there are no changes in net deferred tax assets or liabilities.

16. STATEMENTS OF CASH FLOWS

For the nine months ended September 30, 2005 and 2004, the significant transactions without cash flows are as follows (Korean won in millions):

<u>Transactions</u>	<u>2005</u>	<u>2004</u>
Increase in capital adjustments due to the equity method of accounting	(Won) 115,255	(Won) 408,705
Decrease in retained earnings due to the equity method of accounting	(4,861)	(138,101)
Increase in investment securities and capital		59,999
Increase (decrease) in other receivables and stock options	(92)	702
Capital increase due to conversion of convertible bonds in foreign currencies	72,468	
Increase in dividend receivables	9,966	

Table of Contents**17. GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses for the three months and nine months ended September 30, 2005 and 2004 are summarized as follows (Korean won in millions):

	2005		2004	
	Three months	Nine months	Three months	Nine months
Salaries, wages and bonuses	(Won) 2,138	(Won) 7,483	(Won) 1,748	(Won) 5,661
Provision for severance benefits	57	618	38	63
Fringe benefits	176	543	114	521
Rent	571	1,715	579	1,719
Entertainment	135	248	93	301
Depreciation (Note 6)	23	92	39	125
Amortization on intangible assets (Note 6)	5	15	5	14
Taxes and dues	18	56	17	43
Advertising	3,053	4,435	93	1,970
Travel	57	157	19	52
Telecommunications	13	54	11	45
Service fees	546	1,713	958	1,916
Suppliers	18	51	27	82
Stock compensation (Note 14)			114	343
Others	355	981	444	1,269
	(Won) 7,165	(Won) 18,161	(Won) 4,299	(Won) 14,124

18. FINANCIAL INFORMATION OF SUBSIDIARIES

(1) The condensed balance sheets of subsidiaries as of September 30, 2005 are as follows (Korean won in millions):

	Total assets	Total liabilities	Total shareholders equity
			(capital deficiency)
Woori Bank	(Won) 123,774,456	(Won) 114,695,385	(Won) 9,079,071
Kyongnam Bank	13,495,060	12,808,558	686,502
Kwangju Bank	11,277,728	10,813,148	464,580
Woori Finance Information System	283,516	270,946	12,570
Woori F&I	288,357	187,512	100,845
Woori Third Asset Securitization Specialty	44,778	77,877	(33,099)
Woori Investment Securities	8,039,857	6,174,044	1,865,813
Woori Asset Management	64,623	4,014	60,609
	(Won) 157,268,375	(Won) 145,031,484	(Won) 12,236,891

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- (2) The condensed statements of operations of subsidiaries for the nine months ended September 30, 2005 are as follows (Korean won in millions):

	Operating revenue	Operating expenses	Operating income (loss)	Ordinary income (loss)	Net income (loss)
Woori Bank (*1)	(Won) 8,454,877	(Won) 6,997,647	(Won) 1,457,230	(Won) 1,516,088	(Won) 1,335,765
Kyongnam Bank	583,936	445,790	138,146	131,339	123,226
Kwangju Bank	472,800	387,313	85,487	87,113	74,643
Woori Finance Information System	199,676	194,252	5,424	6,838	4,468
Woori F&I	20,570	15,095	5,475	59,989	41,869
Woori Third Asset Securitization Specialty	81	1,219	(1,138)	(1,137)	(1,137)
Woori Investment Trust Management (*2)	2,971	2,309	662	91	37
Woori Securities (*3)	47,824	62,205	(14,381)	(27,483)	(25,185)
Woori Investments Securities	897,110	766,681	130,429	124,206	76,833
Woori Asset Management	9,817	4,834	4,983	1,205	3,199
	<u>(Won) 10,689,662</u>	<u>(Won) 8,877,345</u>	<u>(Won) 1,812,317</u>	<u>(Won) 1,898,249</u>	<u>(Won) 1,633,718</u>

(*1) (Won)237 billion of deductible tax amounts resulting from deducting tax loss carry-forwards from taxable income generated from the credit card business of Woori bank is reflected in net income.

(*2) The income is for the five months ended May 31, 2005 before merger into Woori Asset Management.

(*3) The loss is for the three months ended March 31, 2005 before merger into Woori Investment Securities.

- (3) Significant liabilities and assets of the Company and its subsidiaries as of September 30, 2005 are summarized as follows (Korean won in millions):

1) Significant liabilities

	Deposits	Borrowings	Debentures	Total
Woori Finance Holdings	(Won)	(Won)	(Won) 2,595,738	(Won) 2,595,738
Woori Bank	82,196,495	11,243,723	10,797,489	104,237,707
Kyongnam Bank	9,653,872	2,124,768	604,844	12,383,484
Kwangju Bank	7,841,780	2,170,135	349,326	10,361,241
Woori Finance Information System		210,000		210,000
Woori F&I		162,900		162,900
Woori Third Asset Securitization Specialty		17,790		17,790
Woori Investment Securities	2,452,787	1,522,052	193,047	4,167,886
	<u>(Won) 102,144,934</u>	<u>(Won) 17,451,368</u>	<u>(Won) 14,540,444</u>	<u>(Won) 134,136,746</u>

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2) Significant assets

	Cash and due			
	from banks	Securities	Loans	Total
Woori Finance Holdings	(Won) 418,179	(Won) 10,947,830	(Won) 186,851	(Won) 11,552,860
Woori Bank	5,481,209	23,402,730	85,425,403	114,309,342
Kyongnam Bank	1,185,056	3,768,460	8,017,055	12,970,571
Kwangju Bank	670,956	3,353,497	6,705,131	10,729,584
Woori Finance Information System	38,406	514		38,920
Woori F&I	50,257	61,743	153,187	265,187
Woori Third Asset Securitization Specialty	3,618	41,156		44,774
Woori Investment Securities	1,776,113	4,067,094	1,056,088	6,899,295
Woori Asset Management	41,937	302	261	42,500
	<u>(Won) 9,665,731</u>	<u>(Won) 45,643,326</u>	<u>(Won) 101,543,976</u>	<u>(Won) 156,853,033</u>

- (4) Loans subject to allowance for possible loan losses, allowance for possible loan losses and percentage of allowance to loans of each subsidiary as of September 30, 2005 and December 31, 2004 are summarized as follows (Korean won in millions):

September 30, 2005

	Loans subject to allowance for possible		Percentage of allowance
	loan losses	Allowance	to loans (%)
Woori Bank	(Won) 86,789,104	(Won) 1,364,958	1.57
Kyongnam Bank	8,137,286	120,231	1.48
Kwangju Bank	6,795,563	92,842	1.37
Woori F&I	153,756	569	0.37
Woori Investment Securities	1,227,567	171,479	13.97
Woori Asset Management	262	1	0.38
	<u>(Won) 103,103,538</u>	<u>(Won) 1,750,080</u>	<u>1.70</u>

December 31, 2004

	Loans subject to allowance for possible		Percentage of allowance
	loan losses	Allowance	to loans (%)
Woori Bank	(Won) 79,074,540	(Won) 1,619,041	2.05

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Kyongnam Bank	7,565,018	123,827	1.64
Kwangju Bank	6,034,719	89,559	1.48
Woori F&I	122,413	612	0.50
Woori Securities	42,581	7,327	17.21
Woori Investment Securities	1,052,061	187,266	17.80
	<u>(Won) 93,891,332</u>	<u>(Won) 2,027,632</u>	<u>2.16</u>

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Contributions to net income of the Company by subsidiaries after elimination of unrealized inter-company incomes or losses for the nine months ended September 30, 2005 are as follows (Korean won in millions):

	2005	Ratio (%)
	<u> </u>	<u> </u>
Woori Bank	(Won) 1,338,014	83.7
Kyongnam Bank	123,117	7.7
Kwangju Bank	74,597	4.7
Woori Finance Information System	5,150	0.3
Woori F&I	41,706	2.6
Woori Second Asset Securitization Specialty	(28)	
Woori Third Asset Securitization Specialty	(1,137)	(0.1)
Woori Investment Trust Management	35	
Woori Securities	(26,268)	(1.6)
Woori Investment Securities	39,540	2.5
Woori Asset Management	3,089	0.2
	<u> </u>	<u> </u>
Gain on valuation using the equity method of accounting	1,597,815	100.0
Other income	15,423	
Other expenses	(113,204)	
	<u> </u>	
Net income	(Won) 1,500,034	
	<u> </u>	

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(1) Account balances with the subsidiaries as of September 30, 2005 and December 31, 2004 are as follows (Korean won in millions):

	<u>2005</u>	<u>2004</u>	
<Assets>			
Woori Bank	(Won) 397,686	(Won) 35,852	Cash and bank deposits
	4,153	4,153	Guarantee deposits
	1,127	1,591	Other receivables
	245	118	Accrued income
Kyongnam Bank	10,253	9,938	Cash and bank deposits
	10	11	Accrued income
Kwangju Bank	10,240	10,309	Cash and bank deposits
	50,000	50,000	Loans
	6,193	4,511	Accrued income
Woori Finance Information System	30,000	30,000	Loans
	178	230	Other receivables
	316	366	Accrued income
Woori F&I	90,000	121,850	Loans
Woori Second Asset Securitization Specialty		100	Loans
		2	Accrued income
Woori Third Asset Securitization Specialty	17,790	17,790	Loans
	294	294	Accrued income
Woori Investment Trust Management	69	73	Other receivables
Woori Credit Information	158	166	Other receivables
Woori CA Asset Management	218	229	Other receivables
Principal guaranteed trust accounts of Woori Bank	1,142	1,230	Deposits with employee retirement trust
	(Won) 620,072	(Won) 288,813	
<Liabilities>			
Woori Bank	(Won) 89	(Won) 58	Other payables
		1,498	Accrued expenses
		13,969	Currency swaps (liabilities)
Woori Finance Information System	175		Other payables
	351	443	Accrued expenses
	(Won) 615	(Won) 15,968	

(2) Transactions with the subsidiaries for the nine months ended September 30, 2005 and 2004 are as follows (Korean won in millions):

	<u>2005</u>	<u>2004</u>	
<Revenues>			
Woori Bank	(Won) 1,581	(Won) 6,346	Interest income on deposits
		5,762	Interest income on loans
Kyongnam Bank	275	587	Interest income on deposits
Kwangju Bank	256	413	Interest income on deposits

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	1,683	1,689	Interest income on loans
Woori Finance Information System	1,364	1,647	Interest income on loans
Woori F&I	6,062	6,881	Interest income on loans
Principal guaranteed trust accounts of Woori Bank		32	Interest income on deposits
Woori Second Asset Securitization Specialty		6	Interest income on loans
Woori Third Asset Securitization Specialty	1,041	1,626	Interest income on loans
	<u> </u>	<u> </u>	
	(Won) 12,262	(Won) 24,989	
	<u> </u>	<u> </u>	

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	<u>2005</u>	<u>2004</u>	
<Expenses>			
Woori Bank	(Won) 2,185	(Won) 12,440	Loss on valuation of swap contracts
	1,171	1,504	Rent
	525		Other administrative expenses
Woori Finance Information System	319	1,254	Service fees
	1,444	623	Other administrative expenses
	<u>(Won) 5,644</u>	<u>(Won) 15,821</u>	

21. EARNING PER COMMON SHARE

- (1) Basic ordinary income per common share and basic net income per common share for the three months and nine months ended September 30, 2005 and 2004 are as follows (Korean won in millions, except for earning per share data):

	<u>2005</u>		<u>2004</u>	
	<u>Three months</u>	<u>Nine months</u>	<u>Three months</u>	<u>Nine months</u>
Net income on common shares	(Won) 673,179	(Won) 1,500,034	(Won) 259,682	(Won) 440,157
Extraordinary gain (loss)				
Income tax effect on extraordinary gain (loss)				
Ordinary income on common shares	<u>(Won) 673,179</u>	<u>(Won) 1,500,034</u>	<u>(Won) 259,682</u>	<u>(Won) 440,157</u>
Weighted average number of common shares outstanding	806,012,791	803,815,131	784,076,172	778,789,518
Basic ordinary income per common share	<u>(Won) 835</u>	<u>(Won) 1,866</u>	<u>(Won) 331</u>	<u>(Won) 565</u>
Basic net income per common share	<u>(Won) 835</u>	<u>(Won) 1,866</u>	<u>(Won) 331</u>	<u>(Won) 565</u>

- (2) Diluted ordinary income per common share and diluted net income per common share for the three months and nine months ended September 30, 2005 and 2004 are as follows (Korean won in millions, except for earning per share data):

	<u>2005</u>		<u>2004</u>	
	<u>Three months</u>	<u>Nine months</u>	<u>Three months</u>	<u>Nine months</u>
Diluted net income on common shares	(Won) 673,179	(Won) 1,500,410	(Won) 261,367	(Won) 446,679
Extraordinary gain (loss)				
Income tax effect on extraordinary gain (loss)				
Diluted ordinary income on common shares	<u>(Won) 673,179</u>	<u>(Won) 1,500,410</u>	<u>(Won) 261,367</u>	<u>(Won) 446,679</u>

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Weighted average number of common and dilutive common shares outstanding	806,559,030	806,443,077	807,355,340	800,728,686
Diluted ordinary income per common share	(Won) 835	(Won) 1,861	(Won) 324	(Won) 558
Diluted net income per common share	(Won) 835	(Won) 1,861	(Won) 324	(Won) 558

(*1) Diluted net income on common shares is the calculated net income plus the expense occurred from convertible bonds and stock options. Weighted average number of common and dilutive common shares outstanding is the calculated weighted average number of common shares outstanding plus dilutable shares from those convertible bonds and stock option.

(3) Basic net income per common share and diluted net income per common share for the year ended December 31, 2004 are (Won)1,616 and (Won)1,587, respectively.

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- (4) Basic net income per common share and diluted net income per common share for the three months ended March 31, 2005 are (Won)453 and (Won)449, respectively.
- (5) Basic net income per common share and diluted net income per common share for the three months ended June 30, 2005 are (Won)577 and (Won)576, respectively.

22. INSURANCE

As of September 30, 2005 and December 31, 2004, the Company has insurance for liability of reparation of directors with Dongbu Insurance Co., Ltd. with insurance coverage of (Won)30,000 million.

23. SUBSEQUENT EVENT

On October 24, 2005, the Company established Woori Private Equity Co., Ltd. (Woori Private Equity); henceforth, to manage Private Equity Funds (PEFs) to be formed. Its issued and outstanding stock amounts to (Won)10,000 million consisting of 2,000,000 shares of which the Company wholly owns.

24. AGREEMENT ON THE IMPLEMENTATION OF A MANAGEMENT IMPROVEMENT PLAN

Since December 30, 2000, the Company's three subsidiaries, Woori Bank, Kyongnam Bank and Kwangju Bank, and the KDIC have entered into agreements for the implementation of management improvement plans for the banks. Under the agreements, the three subsidiaries are obligated to sell non-performing loans and fixed assets, close certain branches and subsidiaries, improve financial ratios including the capital adequacy ratio, and reinforce their risk management systems. If the three subsidiaries fail to implement the agreements, the KDIC may command for the three subsidiaries to increase or decrease their capital, pursue mergers, assign contracts such as loans and deposits, or close or sell parts of their business operations.

Since July 2, 2001, the Company and the KDIC have entered into an agreement whereby the Company would integrate the Company's above subsidiaries, Woori Bank, Kyongnam Bank and Kwangju Bank, and improve the performance of the subsidiaries. The agreement stipulates that the Company should build a governance and management structure plan, implement a short-term business improvement strategy, enhance subsidiaries' competitiveness, expedite privatization, meet the financial ratio targets, and dispose of business units in case of failure to carry out the agreement.

In order to implement the agreements of above three subsidiaries with the KDIC, on July 2, 2001, the Company and its three subsidiaries entered into agreements for the implementation of the management improvement for the three subsidiaries. Pursuant to the agreements, the three subsidiaries should meet management goals given by the Company, consult with the Company about material business decisions before execution, and prepare and implement a detailed business plan in conformity with the Company's business strategies. If the three subsidiaries fail to implement the management improvement plan, the Company may order the three subsidiaries to limit sales of the specific financial products, investments in fixed assets, promotion of new business or new equity investment, or to close or merge their branch operations and subsidiaries.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Woori Finance Holdings Co., Ltd.

(Registrant)

Date: November 14, 2005

By: /s/ YOUNGSUN KIM
(Signature)
Name: **Youngsun Kim**
Title: **Director**

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