

WOORI FINANCE HOLDINGS CO LTD

Form 6-K

August 11, 2006

Table of Contents

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 August 2006

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):

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

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

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

Table of Contents

Summary of 2006 1H Business Report

Table of Contents

| | |
|--|-----------|
| <u>I. Company Overview</u> | 4 |
| <u>1. Purpose of the Company</u> | 4 |
| a. <u>Scope of Business</u> | 4 |
| b. <u>Scope of Business of Subsidiaries</u> | 4 |
| <u>2. History of the Company</u> | 9 |
| a. <u>Company History</u> | 9 |
| b. <u>Associated Business Group</u> | 11 |
| <u>3. Capital Structure</u> | 15 |
| a. <u>Change in Capital</u> | 15 |
| b. <u>Anticipated Changes in Capital</u> | 15 |
| c. <u>Convertible Bonds</u> | 15 |
| <u>4. Total Number of Authorized Shares</u> | 16 |
| a. <u>Total Number of Authorized Shares</u> | 16 |
| b. <u>Capital and Price per Share</u> | 16 |
| c. <u>Treasury Stock</u> | 16 |
| d. <u>Status of Employee Stock Option Program</u> | 17 |
| <u>5. Voting Rights</u> | 17 |
| <u>6. Dividend Information</u> | 18 |
| a. <u>Dividend Information for the Past Three Years</u> | 18 |
| <u>II. Description of Business</u> | 19 |
| <u>1. Business Overview</u> | 19 |
| a. <u>Organizational Chart</u> | 19 |
| <u>2. Overview of Operations</u> | 20 |
| a. <u>Performance of Operations</u> | 20 |
| b. <u>Financing of Operations</u> | 20 |
| c. <u>Transactions related to Commission Fees</u> | 21 |
| <u>3. Other Details Relevant to Investment Decisions</u> | 22 |
| a. <u>Won-denominated Current Ratio</u> | 22 |
| b. <u>Foreign Currency-denominated Current Ratio</u> | 22 |
| c. <u>Debt Ratio</u> | 22 |
| d. <u>Credit Ratings for the Past Three Years</u> | 23 |
| e. <u>Other Important Information</u> | 23 |
| <u>III. Financial Information</u> | 24 |
| <u>1. Condensed Financial Statements (Non-consolidated)</u> | 24 |
| <u>2. Condensed Financial Statements (Consolidated)</u> | 25 |
| <u>3. Accounting Information</u> | 26 |
| <u>4. Notes on Consolidated Financial Statements</u> | 27 |

Table of Contents

| | |
|---|-----------|
| <u>IV. Independent Auditor's Opinion</u> | 28 |
| <u>1. Independent Auditor's Opinion</u> | 28 |
| a. Independent Auditor | 28 |
| <u>2. Compensation to the Independent Auditor</u> | 28 |
| a. Auditing Service | 28 |
| b. Compensation for Services Other than the Audit | 28 |
| <u>V. Corporate Governance and Affiliated Companies</u> | 29 |
| <u>1. Overview of Corporate Governance</u> | 29 |
| a. About the Board of Directors | 29 |
| <u>2. Related Companies</u> | 37 |
| <u>3. Investments in Other Companies</u> | 38 |
| <u>VI. Stock Information</u> | 39 |
| <u>1. Stock Distribution</u> | 39 |
| a. Stock Information of Major Shareholders and Related Parties | 39 |
| b. Share Ownership of More than 5% | 39 |
| c. Shareholder Distribution | 39 |
| <u>2. Stock Price and Stock Market Performance for the Past Six Months</u> | 40 |
| a. Domestic Stock Market | 40 |
| b. Foreign Stock Market | 40 |
| <u>VII. Directors and Employee Information</u> | 41 |
| <u>1. Directors</u> | 41 |
| <u>2. Employee Status</u> | 41 |
| <u>3. Labor Union Membership</u> | 41 |
| <u>4. Number of Professional Personnel</u> | 41 |
| <u>VIII. Related Party Transactions</u> | 42 |
| <u>1. Transactions with Affiliated Parties</u> | 42 |
| a. Transactions of Provisional Payments and Loans (including secured loans) | 42 |
| b. Payment Transactions | 43 |
| <u>Exhibit A- Financial Statements</u> | 44 |

All financial information contained in this document (including the attached financial statements) have been prepared accordance with generally accepted accounting principles in Korea, which differ in certain important respects from generally accepted accounting principles in the United States.

Table of Contents

I. Company Overview

1. Purpose of the 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 performance 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 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

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

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

Table of Contents

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 Credit Suisse Asset Management
1. Creation/cancellation of investment trusts;
 2. Management of investment trust assets;

3. Management of mutual funds;
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;
10. Bill purchases;

Table of Contents

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; and
 16. Other businesses and activities related to the items listed above.
- (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;

11. Information-processing operations and service systems; and
12. 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;
3. Purchase and disposition of troubled assets;
4. Investment activity with respect to indirect investment instruments under the Indirect Investment Asset Management Business Act and other investment activity with respect to other securities, bonds or similar financial assets under the Corporate Restructuring Promotion Act; and

Table of Contents

5. All businesses or activities directly or indirectly related to the businesses listed in 1 and 4.

(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.

(9) Woori Private Equity

1. Private equity business; and

2. Other activities approved by the Indirect Investment Asset Management Business Act; and

3. Other activities related to the items listed above.

Table of Contents

2. History of the Company

a. Company History

(1) Background: From the establishment and major developments.

| | |
|--------------------|---|
| 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 |

Table of Contents

| | |
|--------------------|---|
| 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 |

Table of Contents

| | |
|-------------------|---|
| October 21, 2005 | Woori Private Equity is established and incorporated as a subsidiary |
| October 27, 2005 | Closure of strategic investment agreement with Lehman Brothers |
| February 23, 2006 | Joint venture arrangement between Woori CA Asset Management, a 2 nd tier subsidiary, and Japan's Shinsei Bank (involving a transfer of 49% of Woori F&I's 100% stake in Woori CA Asset Management to Shinsei Bank) |
| April 11, 2006 | Joint venture agreement to transfer 30% of the shares of Woori Asset Management to Credit Suisse Asset Management International Holdings, a wholly owned subsidiary of Credit Suisse. |
| May 30, 2006 | Upon the 30% share transfer to Credit Suisse Asset Management International Holdings, Woori Asset Management was renamed Woori Credit Suisse Asset Management. |

b. Associated Business Group

(1) Overview of Business Group

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

2. **History**

| | |
|--------------------|---|
| December 23, 2000 | Enactment of the Financial Holding Company Act |
| December 30, 2000 | KDIC invested public funds of Won 8.5 trillion in Hanvit Bank, Peace Bank, Kwangju Bank, Kyongnam Bank and Hanaro Merchant Bank |
| March 14, 2001 | Filed application for the incorporation of Woori Finance Holdings |
| March 24, 2001 | Official approval from the Financial Supervisory Service for Woori Finance Holdings |
| March 27, 2001 | Incorporated as Woori Finance Holdings, Co. Ltd (Total Capital: Won 3.6 trillion) |
| April 2, 2001 | Official launch of Woori Finance Holdings |
| July 16, 2001 | Issued bonds with warrants |
| September 1, 2001 | Hanaro Merchant Bank's name changed to Woori Merchant Bank |
| September 29, 2001 | Woori Finance Information System incorporated as a subsidiary |

Table of Contents

| | |
|--------------------|--|
| 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 |
| 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) |

Table of Contents

| | |
|-------------------|---|
| 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 |
| October 21, 2005 | Woori Private Equity is established and incorporated as a subsidiary |
| October 27, 2005 | Closure of strategic investment agreement with Lehman Brothers |
| February 23, 2006 | Joint venture arrangement between Woori CA Asset Management, a 2 nd tier subsidiary, and Japan's Shinsei Bank (involving a transfer of 49% of Woori F&I's 100% stake in Woori CA Asset Management to Shinsei Bank) |
| April 11, 2006 | Joint venture agreement to transfer 30% of the shares of Woori Asset Management to Credit Suisse Asset Management International Holdings, a wholly owned subsidiary of Credit Suisse. |
| May 30, 2006 | Upon the 30% share transfer to Credit Suisse Asset Management International Holdings, Woori Asset Management was renamed Woori Credit Suisse Asset Management. |

Table of Contents

(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 Holdings | 9 companies | | |
| | Kwangju Bank | | | | |
| | Kyongnam Bank | | | | |
| | Woori Finance Information System | | | | |
| | Woori F & I | | | | |
| | Woori Third Asset Securitization Specialty | | | | |
| | Woori CS Asset Management (1) | | | | |
| | Woori Investment & Securities | | | | |
| | Woori Private Equity | | | | |
| | Woori Credit Information | | | | |
| 2 nd Tier Subsidiaries | Woori America Bank | Woori Bank | | | |
| | P.T. Bank Woori Indonesia | | | | |
| | Shinwoo Corporate Restructuring Company | | | | |
| | Korea BTL Infrastructure Fund | | | | |
| | Nexbi Tech | | | Woori Finance Information System | 12 companies |
| | Woori SB Asset Management (2) | | | | |
| | Woori Futures | | | Woori Investment & Securities | |
| | Woori Investment & Securities International Ltd. | | | | |
| | Woori Investment & Securities (HK) Ltd. | | | | |
| | Woori Investment & Securities America Inc. | | | | |
| | Mars First Private Hoesa | | | | |

(1) On May 30, 2006, Woori Asset Management was renamed Woori Credit Suisse Asset Management.

(2) On February 23, 2006, Woori CA Asset Management was renamed Woori SB Asset Management.

* Former 2nd tier subsidiary, Woori First Private Equity Fund, was dissolved on March 31, 2006.

* 1st tier subsidiary, Woori Private Equity, established Woori Private Equity Fund. Woori Private Equity Fund was included as 2nd tier subsidiary on July 27, 2006.

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

(units: Won)

| Date | Category | Type | Quantity | Stock Decrease/Increase | | Note |
|------------|-----------------------------------|--------|-------------|-------------------------|---------------------|----------------------|
| | | | | 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 | - |
| | | | | | | Exchange with |
| 2004.6.18 | Stock Exchange | Common | 8,571,262 | 5,000 | 8,902 ¹⁾ | 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.

Table of Contents**4. Total Number of Authorized Shares****a. Total Number of Authorized Shares**

As of 2006.6.30

(units: shares)

| Items | Common Shares | Type | 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 | 2,553 | | 2,553 |
| Free float shares | 806,012,787 | | 806,012,787 |

b. Capital and Price per Share

As of 2006.6.30

(units: Won, shares)

| Type | Common Stock | Capital | Par value of | Par value of | Price per share | Capital ÷ | Capital ÷ |
|------------|--------------|-------------------|-------------------|-------------------|---------------------|-------------------------|-------------------|
| | | Capital | Par value of | free float | Par value per share | number of shares issued | free float shares |
| Registered | Common Stock | 4,030,076,700,000 | 4,030,076,700,000 | 4,030,063,935,000 | 5,000 | 5,000 | 5,000 |
| Total | | 4,030,076,700,000 | 4,030,076,700,000 | 4,030,063,935,000 | 5,000 | 5,000 | 5,000 |

c. Treasury Stock

As of 2006.3.31

(units: shares)

| Acquisition | | Method | Type of Stock | Beg. | Acquired | Disposal | Canceled | End | Remarks |
|-------------|---|--------|---------------|-------|----------|----------|----------|-------|---------|
| | Direct purchase under | | Common | | | | | | |
| | Sub-section 1, section 189-2 | | Preferred | | | | | | |
| | Direct purchase other than the conditions under | | Common | 2,550 | 3 | | | 2,553 | |
| | Sub-section 1, section 189-2 | | Preferred | | | | | | |
| | Subtotal | | Common | 2,550 | 3 | | | 2,553 | |
| | Indirect acquisition from trust agreement | | Preferred | | | | | | |
| | Total | | Common | 2,550 | 3 | | | 2,553 | |

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

(units: Won, shares)

| Type of stock | Type of Stock | Initial Balance | Ending Balance |
|------------------------|---------------|-----------------|----------------|
| Employee Account | | | |
| Employee Union Account | Common stock | 101,793 | 57,393 |

5. Voting Rights

As of 2005.12.31

(units: shares)

| Items | | Number of stock | Notes |
|---|-----------------------------------|-----------------|-------|
| Total number of shares | Common Shares Preferred Shares | 806,015,340 | |
| Stocks without voting rights | Common Shares Preferred Shares | | |
| Stocks with limited voting rights under the Securities & Exchange Law | - | 2,553 | |
| Stocks with voting rights restored | - | | |
| Stocks with voting rights | Common Shares Preferred Shares | 806,012,787 | |

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

(units: Won)

| Items | | 2005 | 2004 | 2003 |
|--|------------------|-----------|-----------|-----------|
| Par value per share (Won) | | 5,000 | 5,000 | 5,000 |
| Net profit (Won in Millions) | | 1,688,221 | 1,261,924 | 202,565 |
| Earnings per share (Won) | | 2,099 | 1,616 | 262 |
| Profit available for dividend distribution (Won in Millions) | | 3,514,715 | 2,120,429 | 1,203,688 |
| Total cash payout (Won in Millions) | | 322,405 | 119,468 | 77,550 |
| Total stock dividends (Won in Millions) | | | | |
| Propensity to cash dividends (%) | | 19.10 | 9.47 | 38.28 |
| Cash dividend yield (%) | Common Shares | 1.98 | 1.81 | 1.53 |
| | Preferred Shares | | | |
| Stock dividend yield (%) | Common Shares | | | |
| | Preferred Shares | | | |
| Cash dividend per share (Won) | Common Shares | 400 | 150 | 100 |
| | Preferred Shares | | | |
| Stock dividend per share (Won) | Common Shares | | | |
| | Preferred Shares | | | |

Table of Contents

II. Description of Business

1. Business Overview

a. Organizational 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 | 2006 1H | 2005 | 2004 |
|---------------------|------------|------------|-----------|
| Shareholders Equity | 10,624,908 | 9,717,364 | 7,448,052 |
| Capital | 4,030,076 | 4,030,076 | 3,982,278 |
| Capital Surplus | 84,488 | 84,488 | 84,356 |
| Retained Earnings | 4,573,837 | 3,891,963 | 2,328,854 |
| Capital Adjustments | 1,936,506 | 1,710,836 | 1,052,565 |
| Borrowings | 2,160,307 | 2,314,419 | 2,299,992 |
| Debentures | 2,146,925 | 2,296,203 | 2,154,637 |
| Bank Borrowings | | | 120,000 |
| Commercial Paper | | | |
| Other Borrowings | | | |
| Other Liabilities | 13,382 | 18,216 | 25,354 |
| Total | 12,785,215 | 12,031,783 | 9,748,044 |

Table of Contents

(2) Use of Funds

(units: millions of Won)

| Items | 2006 1H | 2005 | 2004 |
|---|------------|------------|-----------|
| Subsidiary Stock | 12,226,190 | 11,751,678 | 9,436,975 |
| Woori Bank | 10,136,687 | 9,695,213 | 7,589,957 |
| Kyongnam Bank | 726,242 | 694,275 | 608,802 |
| Kwangju Bank | 582,870 | 561,330 | 420,595 |
| Woori Financial Information System | 10,888 | 11,903 | 7,613 |
| Woori F&I | 107,435 | 114,017 | 58,231 |
| Woori 3 rd Asset Securitization Specialty | | | |
| Woori Investment Trust Management | | | 35,076 |
| Woori Securities | | | 361,500 |
| Woori Investment & Securities | 609,536 | 604,543 | 355,201 |
| Woori CS Asset Management (formerly Woori Asset Management) | 43,463 | 60,600 | |
| Woori Private Equity | 9,069 | 9,797 | |
| Investment Securities | 50,391 | | |
| Loan Obligations | 99,500 | 109,450 | 218,641 |
| Tangible Assets | 86 | 119 | 228 |
| Intangible Assets | 38 | 35 | 54 |
| Cash | 347,141 | 104,072 | 56,099 |
| Other Assets | 61,869 | 66,428 | 36,047 |
| Total | 12,785,215 | 12,031,783 | 9,748,044 |

c. Transactions related to Commission Fees

(units: millions of Won)

| Category | Items | 2006 1H | 2005 1H | 2005 |
|-------------------------|-------|---------|---------|--------|
| Commission Revenue (A) | | 0 | 0 | 0 |
| Commission Expense (B) | | 4,937 | 2,661 | 6,641 |
| Commission Profit (A-B) | | -4,937 | -2,661 | -6,641 |

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 | 2006 1H | 2005 | 2004 | 2003 |
|-------------------------|---------|---------|---------|----------|
| Current Assets (A) | 398,231 | 111,091 | 57,346 | 203,202 |
| Current Liabilities (B) | 312,770 | 18,216 | 11,385 | 9,711 |
| Current Ratio (A/B) | 127.32% | 609.85% | 503.70% | 2,092.5% |

*** Current ratio**

= 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 | 2006 1H | 2005 | 2004 | 2003 |
|-------------------------|---------|------|------|---------|
| Current Assets (A) | | | | 147,754 |
| Current Liabilities (B) | | | | 148,598 |
| Current Ratio (A/B) | | | | 99.4% |

*** Current ratio**

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

c. Debt Ratio

(units: millions of Won)

| Items | 2006 1H | 2005 | 2004 | 2003 |
|------------------|------------|-----------|-----------|-----------|
| Liabilities (A) | 2,160,307 | 2,314,418 | 2,299,992 | 2,649,920 |
| Equity (B) | 10,624,908 | 9,717,364 | 7,448,052 | 5,597,895 |
| Debt Ratio (A/B) | 20.3% | 23.8% | 30.9% | 47.3% |

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 | Debentures | AA+ | KIS Ratings (AAA ~ D) | Case evaluation |
| 2001.9.26 | Debentures | AA+ | KIS Ratings (AAA ~ D) | Case evaluation |
| 2001.9.26 | Debentures | AA+ | Korea Ratings (AAA ~ D) | Case evaluation |
| 2001.11.29 | | BBB- | R&I (AAA ~ C) | Case evaluation |
| 2002.10.17 | Debentures | AA+ | Korea Ratings (AAA ~ D) | Case evaluation |
| 2002.10.22 | Debentures | AA+ | KIS Ratings (AAA ~ D) | Case evaluation |
| 2002.11.8 | | BBB | R&I (AAA ~ C) | Periodic evaluation |
| 2002.12.13 | Debentures | AA+ | Korea Ratings (AAA ~ D) | Case evaluation |
| 2002.12.16 | Debentures | AA+ | KIS Ratings (AAA ~ D) | Case evaluation |
| 2003.6.30 | Debentures | AA+ | KIS Ratings (AAA ~ D) | Periodic evaluation |
| 2003.9.8 | Debentures | AAA | Korea Ratings (AAA ~ D) | Case evaluation |
| 2003.9.8 | Debentures | AAA | KIS Ratings (AAA ~ D) | Case evaluation |
| 2003.11.13 | | BBB | R&I (AAA ~ C) | Periodic evaluation |
| 2003.12.04 | Debentures | AAA | NICE (AAA ~ D) | Case evaluation |
| 2003.12.04 | Debentures | AAA | KIS Ratings (AAA ~ D) | Case evaluation |
| 2004.2.6 | | BBB | Fitch Rating (AAA ~ D) | Case evaluation |
| 2004.3.11 | | BBB- | S&P (AAA ~ D) | Case evaluation |
| 2004.5.27 | | Baa3 | Moody s (Aaa ~ C) | Case evaluation |
| 2004.6.9 | Debentures | AAA | KIS Ratings (AAA ~ D) | Case evaluation |
| 2004.6.9 | Debentures | AAA | NICE (AAA ~ D) | Case evaluation |
| 2004.7.16 | Debentures | AAA | NICE (AAA ~ D) | Case evaluation |
| 2004.7.16 | Debentures | AAA | Korea Ratings (AAA ~ D) | Case evaluation |
| 2004.11.15 | Debentures | AAA | Korea Ratings (AAA ~ D) | Case evaluation |
| 2004.11.15 | Debentures | AAA | KIS Ratings (AAA ~ D) | Case evaluation |
| 2005.6.7 | | BBB | S&P (AAA ~ D) | Case evaluation |
| 2005.6.9 | Debentures | AAA | KIS Ratings (AAA ~ D) | Case evaluation |
| 2005.6.13 | Debentures | AAA | Korea Ratings (AAA ~ D) | Case evaluation |
| 2005.9.16 | Debentures | AAA | NICE (AAA ~ D) | Case evaluation |
| 2005.9.20 | Debentures | AAA | KIS Ratings (AAA ~ D) | Case evaluation |
| 2005.10.24 | | BBB+ | Fitch Rating (AAA ~ D) | Case evaluation |
| 2006.08.10 | | Baa2 | Moody s (Aaa ~ C) | Periodic evaluation |

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 | 2006 1H | 2005 | 2004 | 2003 | 2002 |
|-----------------------------------|-------------------|-------------------|------------------|------------------|------------------|
| Cash and Due from Banks | 347,140 | 104,072 | 56,099 | 349,585 | 73,256 |
| Securities | 12,276,581 | 11,751,678 | 9,436,976 | 7,007,222 | 6,062,119 |
| Loans | 99,500 | 109,450 | 218,641 | 830,566 | 1,231,207 |
| Fixed Assets | 125 | 155 | 282 | 293 | 374 |
| Other Assets | 61,868 | 66,428 | 36,046 | 60,148 | 22,195 |
| Total Assets | 12,785,214 | 12,031,783 | 9,748,044 | 8,247,814 | 7,389,151 |
| Borrowings | 0 | 0 | 120,000 | 0 | 300,000 |
| Debentures | 2,146,924 | 2,296,203 | 2,154,636 | 2,621,182 | 1,999,250 |
| Other Liabilities | 13,382 | 18,216 | 25,355 | 28,737 | 25,772 |
| Total Liabilities | 2,160,306 | 2,314,419 | 2,299,991 | 2,649,919 | 2,325,022 |
| Common Stock | 4,030,077 | 4,030,077 | 3,982,278 | 3,877,525 | 3,839,074 |
| Capital Surplus | 84,488 | 84,488 | 84,356 | 61,324 | 58,645 |
| Retained Earnings | 4,573,837 | 3,891,963 | 2,328,854 | 1,282,866 | 1,145,518 |
| Capital Adjustment | 1,936,506 | 1,710,836 | 1,052,565 | 376,180 | 20,892 |
| Total Stockholder s Equity | 10,624,908 | 9,717,364 | 7,448,053 | 5,597,895 | 5,064,129 |
| Operating Income* | 1,079,106 | 1,867,488 | 1,922,849 | 1,593,251 | 878,488 |
| Operating Expenses * | 74,856 | 179,189 | 662,975 | 1,390,154 | 302,721 |
| Operating Profit | 1,004,250 | 1,688,299 | 1,259,874 | 203,097 | 575,767 |
| Ordinary Income | 1,004,520 | 1,688,221 | 1,261,925 | 202,565 | 589,214 |
| Net profit | 1,004,520 | 1,688,221 | 1,261,925 | 202,565 | 589,214 |

* 1. Operating income and operating expenses are computed by the total amount of gain or loss under the equity method in accordance with the Article 15 of the corporate accounting standard.

2. The 2004 figures have been changed due to changes in accounting standards.

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

(units: millions of Won)

| Items | 2005 | 2004 | 2003 | 2002 | 2001 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Cash and Due from Banks | 11,224,015 | 6,530,065 | 6,471,855 | 6,568,852 | 6,432,890 |
| Securities | 37,693,090 | 29,175,271 | 27,006,677 | 26,452,509 | 25,024,333 |
| Loans | 106,937,970 | 91,482,647 | 86,077,297 | 73,604,113 | 59,876,198 |
| Fixed Assets | 2,684,534 | 2,646,979 | 2,734,616 | 2,796,183 | 2,831,851 |
| Other Assets | 6,003,239 | 6,767,002 | 6,477,275 | 5,421,877 | 5,920,545 |
| Total Assets | 164,542,848 | 136,601,964 | 128,767,720 | 114,843,534 | 100,058,817 |
| Deposits | 107,087,991 | 92,148,907 | 89,049,625 | 78,917,388 | 69,332,217 |
| Borrowings | 16,508,102 | 13,285,773 | 12,813,104 | 13,839,614 | 13,742,572 |
| Debentures | 18,813,020 | 13,687,295 | 12,195,159 | 10,792,932 | 5,491,533 |
| Other Liabilities | 11,028,773 | 8,774,709 | 9,011,532 | 5,978,833 | 7,080,301 |
| Total Liabilities | 153,437,886 | 127,896,684 | 123,069,420 | 109,528,767 | 95,646,623 |
| Common Stock | 4,030,077 | 3,982,278 | 3,877,525 | 3,839,074 | 3,637,293 |
| Consolidated Capital Surplus | 142,608 | 170,960 | 57,844 | 25,029 | |
| Consolidated Retained Earnings | 3,896,255 | 2,333,145 | 1,152,053 | 1,151,113 | 558,852 |
| Consolidated Capital Adjustment | 1,652,709 | 965,957 | 414,969 | 54,506 | -116,546 |
| Minority Interest | 1,383,313 | 1,252,940 | 195,909 | 245,045 | 359,595 |
| Total Stockholder s Equity | 11,104,962 | 8,705,280 | 5,698,300 | 5,314,767 | 4,439,194 |
| Operating Income (1) | 14,258,430 | 13,245,482 | 10,403,445 | 9,623,990 | 10,159,156 |
| Operating Expenses (2) | 12,227,877 | 12,138,088 | 10,060,209 | 8,908,732 | 9,847,439 |
| Operating Profit | 2,030,553 | 1,107,394 | 343,236 | 715,258 | 311,717 |
| Non-operating Income | 573,219 | 482,946 | 639,883 | 540,113 | 1,190,685 |
| Non-operating Expenses | 458,068 | 397,766 | 752,057 | 800,487 | 937,984 |
| Ordinary Income | 2,145,704 | 1,192,574 | 231,062 | 454,884 | 564,418 |
| Aggregated Net Profit | 1,833,521 | 1,261,052 | 52,374 | 613,576 | 736,616 |
| Consolidated Net Profit | 1,688,221 | 1,261,925 | 56,279 | 591,588 | 686,287 |
| No. of Companies Consolidated | 21 | 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.

* The 2004 figures have been changed due to the changes in accounting standards.

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

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

| Period | Item | Total Credits | Loan Loss Reserves | (units: millions of Won) | |
|---------|---------|---------------|--------------------|--------------------------|--|
| | | | | Provisioning Ratio | |
| 2006 1Q | Lending | 100,000 | 550 | 0.5% | |
| | Loans | | | | |
| | Total | 100,000 | 550 | 0.5% | |
| 2005 | Lending | 110,000 | 550 | 0.5% | |
| | Loans | | | | |
| | Total | 110,000 | 550 | 0.5% | |
| 2004 | Lending | 151,850 | 759 | 0.5% | |
| | Loans | 67,890 | 339 | 0.5% | |
| | Total | 219,740 | 1,098 | 0.5% | |

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

| Item | (units: millions of Won) | | |
|---------------------------------------|--------------------------|-------|--------|
| | 2006 1Q | 2005 | 2004 |
| 1. Initial loan loss reserves balance | 550 | 1,098 | 4,174 |
| 2. Net credit costs | 0 | 0 | 0 |
| 1) Write-offs | 0 | 0 | 0 |
| 2) Recovery of written-off assets | 0 | 0 | 0 |
| 3) Other changes | 0 | 0 | 0 |
| Recovery of credit costs | -50 | -548 | -3,076 |
| Ending loan loss reserve balance | 500 | 550 | 1,098 |

Table of Contents

4. Notes on Consolidated Financial Statements

(1) Auditor's opinion

| Item | 2005 | 2004 | 2003 | 2002 | 2001 |
|-------------------|-------------------------------|-----------------------------------|--------------------------------|--------------------------------|----------------------------------|
| Auditor | Anjin (Deloitte | HanaAnjin (Deloitte | Hana (Deloitte & | Hana (Deloitte & | Anjin (Arthur |
| Auditor's Opinion | Anjin) Unqualified Opinion | HanaAnjin) Unqualified Opinion | Touche) Unqualified Opinion | Touche) Unqualified Opinion | Andersen) Unqualified Opinion |

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

| Year | Companies included | Newly included companies | Excluded companies |
|------|---|--|---|
| 2005 | Woori Finance Holdings and 21 companies | - Woori Private Equity | - Woori Investment Trust Management - Woori Securities - Woori Second SPC - Woori First Private Investment Company |
| 2004 | Woori Finance Holdings and 24 companies | - Woori First Private Investment Company - LG Investment & Securities - LG Futures - LG Investment Trust Management - LG Investment & Securities Int'l Ltd. - LG Investment & Securities (H.K.) Limited - LG Investment & Securities America, Inc. - LG Investments Holding B.V. (Amsterdam) GG - High Technology Venture Investment - Global Technology Investment | - Woori Credit Card |
| 2003 | Woori Finance Holdings and 15 companies | | - Woori Merchant Bank - Woori First SPC |

Table of Contents

IV. Independent Auditor's Opinion

1. Independent Auditor's Opinion

a. Independent Auditor

| | | | |
|----------------------------------|--|---------------------------------------|---|
| 2006 1H Deloitte Anjin | 2005 1H HanaAnjin (Deloitte HanaAnjin) | 2005 Anjin (Deloitte Anjin) | 2004 HanaAnjin (Deloitte HanaAnjin) |
|----------------------------------|--|---------------------------------------|---|

2. Compensation to the Independent Auditor

a. Auditing Service

(units: millions of Won)

| Year | Auditor | Activity | Compensation | Accrued Time (hrs) |
|---------|--------------------------------|--|--------------|--------------------|
| 2006 1H | Anjin (Deloitte Anjin) | Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated) | 320 | 2,373 |
| 2005 | Anjin (Deloitte Anjin) | Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated) | 320 | 5,950 |
| 2004 | HanaAnjin (Deloitte HanaAnjin) | Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated) | 310 | 7,158 |

b. Compensation for Services Other than the Audit

(units: thousands of dollars)

| Year | Contract Date | Activity | Period | Comp. | Note |
|---------|---------------|------------------|----------------|-------|--------------------|
| 2006 1H | - | - | - | - | - |
| 2005 | 2006.2.9 | US GAAP Auditing | 2005.12~2006.5 | 1,950 | Deloitte Anjin |
| 2004 | 2005.3.25 | US GAAP Auditing | 2004.12~2005.5 | 2,050 | Deloitte HanaAnjin |

Table of Contents

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 that 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, 2006, respectively.

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

| Position | Name | Information | Relationship with KDIC | Transaction with WFG |
|------------------------------|-------------|--|------------------------|----------------------|
| Non-standing | | - B.A. in Sociology, Seoul National University | | |
| Director and audit Committee | Je-Hoon Lee | - M.A. in Journalism, Seoul National University - CEO & President of The Joongang Ilbo | N/A | N/A |
| Non-standing | | - Currently President of Korea BBB Association - B.A. in Economics, Seoul National University | | |
| Director and audit Committee | Sung-Tae Ro | - Ph.D. in Economics, Harvard University - Dean of Business School at Myongji University | N/A | N/A |
| Non-standing | Woon-Youl | - Currently President of Korea Economic Research Institute - B.B.A. in Business Administration, Seoul National University | N/A | N/A |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | | |
|--------------------|------------|--|---------------------|-----|
| Director and audit | Choi | - Ph.D. in Finance, University of Georgia | | |
| Committee | | - Member of Monetary Policy Committee | | |
| | | - Currently Vice President of Sogang University | | |
| Non-standing | | - B.A. in Home Management, Sookmyung Women's University | | |
| Director and audit | Chung-Sook | - Ph.D. in Consumer Economics, Kansas State University | | |
| Committee | Moon | - Member of Regulatory Reform Committee | N/A | N/A |
| | | - Currently Professor of Economics at Sookmyung Women's University | | |
| Non-standing | | - B.B.A. in Business Administration, Yeungnam University | | |
| Director and audit | | - Masters in Economics, University of Illinois | | |
| Committee | Sung-Hwan | - Ph.D. in Business Administration, SungKyunKwan University | Employee (Director) | N/A |
| | Bae | - Banking Supervisory Authority of the Bank of Korea | | |
| | | - Currently director at Korea Deposit Insurance Corp. | | |

Table of Contents

| | | | | |
|--------------------|-----------|--|-----|-----|
| Non-standing | | - B.B.A. in Business Administration, Dong-A University | | |
| Director and audit | | - Masters in Business Administration, State University of New | | |
| Committee | | York at Buffalo | | |
| | Sung-Kwan | - Ph.D. in Business Administration, State University of New York | N/A | N/A |
| | Huh | at Buffalo | | |
| | | - Minister of Government Administration and Home Affairs | | |
| | | - President of Gwangju Institute of Science and Technology | | |
| Non-standing | | - B.B.A. in Business Administration, Seoul National University | | |
| Director and audit | | - Masters in Economics, George Washington University | | |
| Committee | Bong Soo | - Chief Director of Korea Technology Credit Guarantee Fund | N/A | N/A |
| | Park | - Currently Executive Advisor at Korea Institute for | | |
| | | International Economics Policy | | |

Table of Contents

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

1. BOD Management Committee

| Name | Position | Notes |
|-----------------|-----------------------|---|
| Young-Key Hwang | Chairman and CEO | Chairman/CEO Young-Key Hwang heads this committee consisting of the heads of the 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 | |
| Chung-Sook Moon | Non-standing Director | |

Table of Contents

2. Management Compensation Committee

| Name | Position | Notes |
|----------------|-----------------------|--|
| Je-Hoon Lee | Non-standing Director | Non-standing director Je-Hoon Lee heads this committee consisting of three non-standing directors. |
| Sung-Kwan Huh | Non-standing Director | |
| Woon-Youl Choi | Non-standing Director | |

* Non-standing director Sung-Kwan Huh was newly appointed to the committee on March 28, 2006.

* Non-standing directors Je-Hoon Lee and Woon-Youl Choi were reappointed and Oh-Seok Hyun resigned on March 28, 2006.

3. Risk Management Committee

| Name | Position | Notes |
|-----------------|----------------------------------|--|
| Young-Key Hwang | Chairman and CEO | Chairman/CEO Young-Key Hwang heads this committee. The committee consists of the |
| Seung Hee Park | Senior managing director and CFO | |
| Sung-Tae Ro | Non-standing Director | Chairman/CEO, CFO and no less than three non-standing directors. |
| Sung-Kwan Huh | Non-standing Director | |
| Bong Soo Park | Non-standing Director | |
| Woon-Youl Choi | Non-standing Director | |
| Sung-Hwan Bae | Non-standing Director | |

* Non-standing directors Sung-Kwan Huh, Bong Soo Park, and Sung-Hwan Bae were newly appointed to the committee on March 28, 2006. Non-standing directors, Sung-Tae Ro and Woon-Youl Choi were reappointed to the committee on March 28, 2006.

* Non-standing director Oh-Seok Hyun resigned on March 28, 2006.

* Sung-Hwan Bae resigned on July 18, 2006.

4. Audit Committee

| Name | Position | Notes |
|-----------------|-----------------------|--------------|
| Je-Hoon Lee | Non-standing Director | |
| Sung-Tae Ro | Non-standing Director | |
| Sung-Kwan Huh | Non-standing Director | |
| Bong Soo Park | Non-standing Director | |
| Woon-Youl Choi | Non-standing Director | |
| Chung-Sook Moon | Non-standing Director | |
| Sung-Hwan Bae | Non-standing Director | |

* Non-standing director Oh-Seok Hyun resigned on March 28, 2006.

* Sung-Hwan Bae resigned on July 18, 2006.

5. Executive Management Committee

| Name | Position | Notes |
|-------------|-----------------|--------------|
|-------------|-----------------|--------------|

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

Young-Key Hwang
Seung Hee Park

Chairman and CEO
Senior managing director and
CFO

Chairman/CEO Young-Key Hwang heads the
committee consisting of all executive directors.

Table of Contents

6. Ethics Management Committee

| Name | Position | Notes |
|-----------------|----------------------------------|---|
| Young-Key Hwang | Chairman and CEO | Non-standing director Chung-Sook Moon heads this committee consisting of all executive directors and no less than two non-standing directors. |
| Seung Hee Park | Senior managing director and CFO | |
| Je-Hoon Lee | Non-standing Director | |
| Chung-Sook Moon | Non-standing Director | |
| Sung-Hwan Bae | Non-standing Director | |

- * Non-standing director Sung-Hwan Bae was appointed to the committee and non-standing directors Je-Hoon Lee and Chung-Sook Moon were reappointed on March 28, 2006.
- * Non-standing director Oh-Seok Hyun resigned on March 28, 2006.
- * Non-standing director Sung-Hwan Bae resigned on July 18, 2006.

7. Non-standing Director Candidate Nomination Committee

| Name | Position | Notes |
|-----------------|-----------------------|--|
| Young-Key Hwang | Chairman and CEO | Non-standing director Sung-Tae Ro heads this committee consisting of the Chairman/CEO and no less than three non-standing directors. |
| Je-Hoon Lee | Non-standing Director | |
| Sung-Tae Ro | Non-standing Director | |
| Bong Soo Park | Non-standing Director | |
| Woon-Youl Choi | Non-standing Director | |

- * Non-standing director Bong Soo Park was appointed to the committee and non-standing directors Je-Hoon Lee, Sung-Tae Ro and Woon-Youl Choi were reappointed on March 28, 2006.

8. MOU Review Committee

| Name | Position | Notes |
|-----------------|----------------------------------|--|
| Young-Key Hwang | Chairman and CEO | Chairman/CEO Young-Key Hwang heads this committee consisting of the entire board of directors. |
| Seung Hee Park | Senior Managing director and CFO | |
| Je-Hoon Lee | Non-standing Director | |
| Sung-Tae Ro | Non-standing Director | |
| Sung-Kwan Huh | Non-standing Director | |
| Bong Soo Park | Non-standing Director | |
| Woon-Youl Choi | Non-standing Director | |
| Chung-Sook Moon | Non-standing Director | |
| Sung-Hwan Bae | Non-standing Director | |

- * Non-standing directors Sung-Kwan Huh and Bong Soo Park were newly appointed to the committee on March 28, 2006.
- * Non-standing director Sung-Hwan Bae resigned on July 18, 2006.

Table of Contents

E. Stock Options

As of June 30, 2006

(units: Won, shares)

| Grantee | Relationship | Grant date | Type of stock | No. of granted options | Exercised options | Cancelled options | Exercisable options | Closing price |
|-----------------|-----------------------------|------------|---------------|------------------------|-------------------|-------------------|---------------------|---------------|
| Byung Chul Yoon | Standing director | 2002.12.04 | Common | 100,000 | 95,000 | 5,000 | 0 | 17,850 |
| Kwang Woo Chun | Standing director | 2002.12.04 | Common | 80,000 | 76,000 | 4,000 | 0 | 17,850 |
| Euoo Sung Min | Standing director | 2002.12.04 | Common | 80,000 | 0 | 80,000 | 0 | 17,850 |
| Hwan Kyu Park | Non-standing dir. | 2002.12.04 | Common | 40,000 | 0 | 2,000 | 38,000 | 17,850 |
| Ki Chul Han | Non-standing dir. | 2002.12.04 | Common | 30,000 | 10,500 | 1,500 | 18,000 | 17,850 |
| Tae Ho Sohn | Non-standing dir. | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 17,850 |
| Won Gihl Sohn | Non-standing dir. | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 17,850 |
| Nam Hong Cho | Standing director | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 17,850 |
| Sang Chul Lee | Standing director | 2002.12.04 | Common | 10,000 | 9,500 | 500 | 0 | 17,850 |
| Jae Woong Lee | Standing director | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 17,850 |
| Gae Min Lee | Standing director | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 17,850 |
| Kwang Sun Chung | Standing director | 2002.12.04 | Common | 10,000 | 0 | 10,000 | 0 | 17,850 |
| Hae-Seok Suh | Standing director | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 17,850 |
| Duk Hoon Lee | Director of related company | 2002.12.04 | Common | 80,000 | 28,000 | 4,000 | 48,000 | 17,850 |
| Jong Wook Kiim | Director of related company | 2002.12.04 | Common | 45,000 | 42,750 | 2,250 | 0 | 17,850 |
| Jin Kyu Park | Director of related company | 2002.12.04 | Common | 45,000 | 42,750 | 2,250 | 0 | 17,850 |
| Jong Ku Min | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 30,000 | 0 | 17,850 |
| Jong Hwee Lee | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 1,500 | 28,500 | 17,850 |
| Dong Myun Suh | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 1,500 | 28,500 | 17,850 |
| Ki Shin Kim | Director of related company | 2002.12.04 | Common | 30,000 | 18,000 | 1,500 | 10,500 | 17,850 |
| Young Seok Kim | Director of related company | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 17,850 |
| Byung Kil Choi | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 1,500 | 28,500 | 17,850 |

Table of Contents

| 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 | 30,000 | 28,500 | 1,500 | 0 | 17,850 |
| Tae Woong Chung | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 1,500 | 28,500 | 17,850 |
| Dong Chan Bae | Director of related company | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 17,850 |
| Dae Hwan Kim | Director of related company | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 17,850 |
| Young Ha Kim | Director of related company | 2002.12.04 | Common | 10,000 | 3,500 | 500 | 6,000 | 17,850 |
| Young Yong Kim | Director of related company | 2002.12.04 | Common | 10,000 | 3,500 | 500 | 6,000 | 17,850 |
| Taik Su Han | Director of related company | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 17,850 |
| Sang Im Park | Director of related company | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 17,850 |
| Joon Ho Hahm | Director of related company | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 17,850 |
| Joon Ho Lee | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 500 | 28,500 | 17,850 |
| Joo Sun Yeom | Director of related company | 2002.12.04 | Common | 20,000 | 0 | 1,000 | 19,000 | 17,850 |
| Ga Seok Chae | Director of related company | 2002.12.04 | Common | 20,000 | 0 | 1,000 | 19,000 | 17,850 |
| Sung Wook Park | Director of related company | 2002.12.04 | Common | 5,000 | 4,750 | 250 | 0 | 17,850 |
| Ki Seok Kim | Director of related company | 2002.12.04 | Common | 5,000 | 0 | 250 | 4,750 | 17,850 |
| Jae Ki Hong | Director of related company | 2002.12.04 | Common | 5,000 | 4,750 | 250 | 0 | 17,850 |
| Sam Su Pyo | Director of related company | 2002.12.04 | Common | 40,000 | 38,000 | 2,000 | 0 | 17,850 |
| Jung Rak Chun | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 30,000 | 0 | 17,850 |
| Won Chul Hwang | Director of related company | 2002.12.04 | Common | 20,000 | 0 | 1,000 | 19,000 | 17,850 |
| Jong Hwee Kim | Director of related company | 2002.12.04 | Common | 15,000 | 0 | 150,000 | 0 | 17,850 |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | | | | | | |
|----------------|---------------------|------------|--------|--------|---|--------|---|--------|
| | company | | | | | | | |
| Sung Hoo Kwak | Director of related | 2002.12.04 | Common | 15,000 | 0 | 15,000 | 0 | 17,850 |
| | company | | | | | | | |
| Seok Hwan Lee | Director of related | 2002.12.04 | Common | 15,000 | 0 | 15,000 | 0 | 17,850 |
| | company | | | | | | | |
| Seok Hee Hwang | Director of related | 2002.12.04 | Common | 40,000 | 0 | 40,000 | 0 | 17,850 |
| | company | | | | | | | |
| Choong Wan Lee | Director of related | 2002.12.04 | Common | 35,000 | 0 | 35,000 | 0 | 17,850 |
| | company | | | | | | | |
| Ki Sang Chung | Director of related | 2002.12.04 | Common | 30,000 | 0 | 30,000 | 0 | 17,850 |
| | company | | | | | | | |

Table of Contents

| 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 | 15,000 | 0 | 15,000 | 0 | 17,850 |
| Kwang Suh Koo | Director of related company | 2002.12.04 | Common | 15,000 | 0 | 15,000 | 0 | 17,850 |
| In Kee Baek | Director of related company | 2002.12.04 | | 30,000 | 28,500 | 1,500 | 0 | 17,850 |
| Seung Yang Han | Director of related company | 2002.12.04 | | 15,000 | 0 | 15,000 | 0 | 17,850 |
| Keun Soo Yook | Director of related company | 2002.12.04 | | 15,000 | 0 | 15,000 | 0 | 17,850 |
| Ki Jong Chung | Director of related company | 2002.12.04 | Common | 5,000 | 4,750 | 250 | 0 | 17,850 |
| Hun Il Nam | Director of related company | 2002.12.04 | Common | 30,000 | 10,500 | 1,500 | 18,000 | 17,850 |
| Young Soo Kim | Director of related company | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 17,850 |
| Jin Ho Yoon | Director of related company | 2002.12.04 | Common | 20,000 | 19,000 | 1,000 | 0 | 17,850 |
| Seok Koo Yoon | Director of related company | 2002.12.04 | Common | 15,000 | 5,250 | 750 | 9,000 | 17,850 |
| Ji Yeon Joo | Director of related company | 2002.12.04 | Common | 15,000 | 14,250 | 750 | 0 | 17,850 |
| Ho Hyun Lee | Director of related company | 2002.12.04 | Common | 20,000 | 19,000 | 1,000 | 0 | 17,850 |
| Chan Kook Chung | Director of related company | 2002.12.04 | Common | 15,000 | 0 | 750 | 14,250 | 17,850 |
| Duk Yoon Kim | Director of related company | 2002.12.04 | Common | 15,000 | 8,250 | 750 | 6,000 | 17,850 |
| Young Wook Kim | Director of related company | 2002.12.04 | Common | 15,000 | 0 | 750 | 14,250 | 17,850 |
| Dae Kyu Ko | Director of related company | 2002.12.04 | Common | 15,000 | 7,250 | 750 | 7,000 | 17,850 |
| Total | | | | 1,560,000 | 664,750 | 420,000 | 475,250 | |

1. Exercised options as of June 30, 2006
2. Cancelled options reflect the deductions as stipulated in the stock option agreement for failure to meet the substandard and below loan ratio target.
3. Exercise period: December 5, 2005 ~ December 4, 2008
4. Exercise Price:

60% of granted = 11,921 Won {6,800*(1+Rate of return of the banking industry index)}

40% of granted = 6,800 Won

Table of Contents

2. Related Companies

37

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

As of June 30, 2006

(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 | |
| | Woori Bank | 635,957 | 100.0 | 9,695,213 | | 441,474 | 635,957 | 100.0 | 10,136,687 | 1,425,755 |
| | Kwangju Bank | 44,080 | 99.9 | 561,330 | | 21,540 | 44,080 | 99.9 | 582,870 | 124,684 |
| | Kyongnam Bank | 51,800 | 99.9 | 694,275 | | 31,967 | 51,800 | 99.9 | 726,242 | 132,678 |
| | Woori Finance Info Sys. | 900 | 100.0 | 11,903 | | -1,015 | 900 | 100.0 | 10,888 | 3,473 |
| | Woori F&I | 2,000 | 100.0 | 114,017 | | -6,582 | 2,000 | 100.0 | 107,435 | 59,002 |
| DOMESTIC | Woori 3 rd SPC | 2 | 100.0 | | | | 2 | 100.0 | | 16,887 |
| | Woori Investment & Securities (formerly LGIS) | 46,325 | 30.00 | 604,543 | | 4,993 | 46,325 | 30.60 | 609,536 | 258,839 |
| | Woori CS Asset Management (formerly LGITM) | 6,662 | 100.0 | 60,600 | 1,999 | -17,137 | 4,663 | 70.0 | 43,463 | 8,363 |
| | Woori Private Equity Foreign | 2,000 | 100.0 | 9,797 | | -728 | 2,000 | 100.0 | 9,069 | -203 |
| | Total | 789,726 | | 11,751,678 | 1,999 | 474,512 | 787,727 | | 12,226,190 | 1,809,443 |

1. The changes in the quantity and cost are calculated from the increase or decrease under the equity method.
2. The latest net income date is December 2005, except for Woori Asset Management and Woori Investment & Securities for which the latest net income date is March 2006.
3. Due to Woori Investment & Securities profit retirement on January 24, 2006, Woori Finance Holdings percentage ownership increased without change in number of shares held.
4. On May 30, 2006, Woori Asset Management transferred 30% of its shares to Credit Suisse Asset Management International Holding, a 100% subsidiary of Credit Suisse, and it was renamed Woori Credit Suisse Asset Management.

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

As of 2006.6.30

(units: shares, %)

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

Major Shareholder: KDIC

b. Share Ownership of More than 5%

As of 2005.12.31

(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 2005.12.31

| Items | Shareholder number | Ratio | Number of shares | Ratio |
|------------------------------------|--------------------|--------|------------------|-------|
| Total Minority Shareholders | 41,131 | 100.00 | 177,549,984 | 22.03 |
| Minority Shareholders (Companies) | 1,075 | 2.61 | 144,364,297 | 17.91 |
| Minority Shareholders (Individual) | 40,056 | 97.38 | 33,185,687 | 4.12 |
| Major Shareholders | 1 | 0.00 | 628,458,609 | 77.97 |
| Main Shareholders | 0 | 0.00 | 0 | 0.00 |
| Total Other Shareholders | 0 | 0.00 | 0 | 0.00 |
| Others Shareholders (Companies) | 0 | 0.00 | 0 | 0.00 |
| Others Shareholders (Individual) | 1 | 0.00 | 6,747 | 0.00 |
| Total | 41,133 | 100.00 | 806,015,340 | 100.0 |

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

(units: Won, shares)

| Period | January | February | March | April | May | June |
|----------------------|------------|------------|------------|------------|------------|------------|
| High | 20,250 | 19,400 | 19,300 | 22,400 | 22,800 | 18,700 |
| Low | 17,050 | 17,600 | 18,100 | 19,500 | 19,000 | 16,800 |
| Monthly Trade Volume | 61,197,334 | 43,258,838 | 40,768,126 | 45,181,780 | 37,752,979 | 45,838,899 |

b. Foreign Stock Market (NYSE)

(units: US Dollars, shares)

| Period | January | February | March | April | May | June |
|----------------------|---------|----------|---------|---------|---------|---------|
| ADR | High | 63.55 | 60.39 | 59.55 | 68.71 | 60.24 |
| | Low | 52.79 | 54.22 | 55.30 | 61.30 | 51.60 |
| Monthly Trade Volume | 469,300 | 217,000 | 163,500 | 197,000 | 326,300 | 215,700 |

* The ADR exchange ratio is three shares of common stock per one ADS.

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

| | | | Common Stocks |
|--|----------------------------------|----------------|-----------------|
| | Position | | Owned |
| | | Name | |
| | Chairman and CEO | Registered | Young-Key Hwang |
| | Senior Managing Director and CFO | Registered | Seung Hee Park |
| | Senior Managing Director | Non-Registered | Seong Mok Park |
| | Senior Managing Director | Non-Registered | Young-Gaeng Kim |
| | Non-standing Director | Registered | Je-Hoon Lee |
| | Non-standing Director | Registered | Sung-Tae Ro |
| | Non-standing Director | Registered | Sung-Kwan Huh |
| | Non-standing Director | Registered | Bong Soo Park |
| | Non-standing Director | Registered | Woon-Youl Choi |
| | Non-standing Director | Registered | Chung-Sook Moon |
| | Non-standing Director | Registered | Sung-Hwan Bae |

* Sung-Kwan Huh and Bong Soo Park were newly appointed as non-standing directors on March 28, 2006.

* Non-standing director Sung-Hwan Bae resigned on July 18, 2006.

2. Employee Status

(units: years, thousands of Won)

| Items | Staff | | | | Average | | Average Compensation | | Note |
|--------|--------|-------|-------|-------|---------|------------------------|----------------------|--|------|
| | Admin. | Manu. | Misc. | Total | Tenure | | Per Person | | |
| | | | | | Years | Quarterly Compensation | | | |
| Male | 68 | | 1 | 69 | 6 | 1,719,520 | 24,921 | | |
| Female | 7 | | | 19 | 6 | 257,307 | 13,542 | | |
| Total | 75 | | 13 | 88 | 6 | 1,976,828 | 22,464 | | |

3. Labor Union Membership

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

4. Number of Professional Personnel

| Items | Number | Responsibilities | Remarks |
|--------------|---------------|--|----------------|
| Lawyer | 1 | Legal advisory | |
| CPA | 3 | Financial accounting, Financial Planning, Business Planning | |

Table of Contents

VIII. Related Party Transactions

1. Transactions with Affiliated Parties

a. Transactions of Provisional Payments and Loans (including secured loans)

(units: millions of Won)

| Name | Relation | Item | Beg. | Changes | End | Notes |
|-------------------------|-----------------|-------------|----------------|----------------|----------------|----------------|
| Woori Finance Info. Sys | subsidiary | Other loan | 30,000 | + | 30,000 | |
| Woori F&I | subsidiary | Other loan | 80,000 | | -10,000 | 70,000 |
| Total | | | 110,000 | | -10,000 | 100,000 |

Table of Contents**b. Payment Transactions**

(units: millions of Won)

| Name | Relation | Item | Transactions of Payments Transactions | | | Ending | Notes |
|---|------------|-----------------|---------------------------------------|----------|-----------|-------------|-------|
| | | | Beginning | Increase | Decrease | | |
| Woori Bank | Subsidiary | Common stock | 635,956,580 | | | 635,956,580 | |
| Kwangju Bank | Subsidiary | Common stock | 44,080,000 | | | 44,080,000 | |
| Kyongnam Bank | Subsidiary | Common stock | 51,800,000 | | | 51,800,000 | |
| Woori Finance Info Sys. | Subsidiary | Common Stock | 900,000 | | | 900,000 | |
| Woori F&I | Subsidiary | Common Stock | 2,000,000 | | | 2,000,000 | |
| Woori Third Asset Securitization Specialty Woori Investment & Securities | Subsidiary | Invested Shares | 2,000 | | | 2,000 | |
| (formerly known as LG Investment & Securities) Woori Asset Management | Subsidiary | Common Stock | 46,324,981 | | | 46,324,981 | |
| (formerly known as LG Investment Trust Management) | Subsidiary | Common Stock | 6,662,000 | | 1,998,600 | 4,663,400 | |
| Woori Private Equity | Subsidiary | Common Stock | 2,000,000 | | | 2,000,000 | |
| | | Total | 789,725,561 | | 1,998,600 | 787,726,961 | |

Table of Contents

EXHIBIT A
FINANCIAL STATEMENTS

44

Table of Contents

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS

ENDED JUNE 30, 2006 AND 2005

AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Audit, Tax, Consulting, Financial Advisory.

Table of Contents

Independent Accountants Review Report

English Translation of a Report Originally Issued in Korean

To the Board of Directors and Shareholders of

Woori Finance Holdings Co., Ltd.:

We have reviewed the accompanying non-consolidated balance sheet of Woori Finance Holdings Co., Ltd. (the Company) as of June 30, 2006 and the related non-consolidated statements of income and cash flows for the three months and six months ended June 30, 2006 and 2005, 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 statement in the Republic of Korea. These 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 accounting principles generally accepted 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, 2005 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 28, 2006, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying balance sheet as of December 31, 2005, which is comparatively presented, does not differ in material respects from such audited non-consolidated balance sheet.

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.

Table of Contents

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.

August 4, 2006

Notice to Readers

This report is effective as of August 4, 2006, 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 JUNE 30, 2006 AND DECEMBER 31, 2005**

| | Korean won | | Translation into | |
|---|------------------|------------------|-----------------------|-----------------------|
| | 2006 | 2005 | U.S. dollars (Note 2) | U.S. dollars (Note 2) |
| | (In millions) | (In millions) | (In thousands) | (In thousands) |
| ASSETS | | | | |
| Cash and bank deposits (Notes 14, 16 and 18) | (Won) 347,141 | (Won) 104,072 | US\$ 361,492 | US\$ 108,375 |
| Investment securities accounted for using the equity method of accounting (Notes 3 and 16) | 12,226,190 | 11,751,678 | 12,731,636 | 12,237,507 |
| Available-for-sale securities (Note 4) | 50,391 | | 52,474 | |
| Loans, net of allowance for possible loan losses (Notes 5, 16 and 18) | 99,500 | 109,450 | 103,613 | 113,975 |
| Fixed and intangible assets (Note 6) | 125 | 155 | 130 | 161 |
| Other assets (Notes 7 and 18) | 61,868 | 66,428 | 64,427 | 69,174 |
| | (Won) 12,785,215 | (Won) 12,031,783 | US\$ 13,313,772 | US\$ 12,529,192 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| LIABILITIES | | | | |
| Debentures, net of discounts (Notes 8 and 16) | (Won) 2,146,925 | (Won) 2,296,203 | US\$ 2,235,682 | US\$ 2,391,131 |
| Other liabilities (Notes 9, 10 and 18) | 13,382 | 18,216 | 13,935 | 18,969 |
| | 2,160,307 | 2,314,419 | 2,249,617 | 2,410,100 |
| SHAREHOLDERS' EQUITY | | | | |
| Common stock (Note 11) | 4,030,077 | 4,030,077 | 4,196,685 | 4,196,685 |
| Capital surplus (Note 11) | 84,488 | 84,488 | 87,981 | 87,981 |
| Retained earnings (Notes 3 and 11): | | | | |
| Legal reserve | 377,249 | 208,427 | 392,845 | 217,044 |
| Voluntary reserve | 3,190,000 | 2,030,000 | 3,321,878 | 2,113,923 |
| Retained earnings before appropriations (Net income of (Won)1,004,520 million for the six months ended June 30, 2006 and (Won)1,688,221 million for the year ended December 31, 2005) | 1,006,587 | 1,653,536 | 1,048,202 | 1,721,895 |
| | 4,573,836 | 3,891,963 | 4,762,925 | 4,052,862 |
| Capital adjustments (Notes 3 and 11) | 1,936,507 | 1,710,836 | 2,016,564 | 1,781,564 |
| | 10,624,908 | 9,717,364 | 11,064,155 | 10,119,092 |
| | (Won) 12,785,215 | (Won) 12,031,783 | US\$ 13,313,772 | US\$ 12,529,192 |

See accompanying notes to non-consolidated financial statements.

Table of Contents**WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF INCOME****FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005**

| | Korean won | | | | Translation into U.S. dollars (Note 2) | | | |
|--|---|-----------------|---------------|---------------|--|----------------|--------------|--------------|
| | 2006 | | 2005 | | 2006 | | 2005 | |
| | Three months | Six months | Three months | Six months | Three months | Six months | Three months | Six months |
| | (In millions, except for income per share data) | | | | (In thousands, except for income per share data) | | | |
| OPERATING REVENUE | | | | | | | | |
| Gain on valuation using the equity method of accounting (Notes 3 and 17) | (Won) 598,650 | (Won) 1,071,292 | (Won) 497,148 | (Won) 916,240 | US\$ 623,399 | US\$ 1,115,581 | US\$ 517,701 | US\$ 954,118 |
| Interest income (Note 18) | 5,101 | 7,765 | 4,016 | 7,883 | 5,312 | 8,086 | 4,182 | 8,209 |
| Reversal of allowance for doubtful accounts | 50 | 50 | 42 | 64 | 52 | 52 | 44 | 67 |
| | 603,801 | 1,079,107 | 501,206 | 924,187 | 628,763 | 1,123,719 | 521,927 | 962,394 |
| OPERATING EXPENSES | | | | | | | | |
| Loss on valuation using the equity method of accounting (Notes 3 and 17) | 412 | 800 | 388 | 27,043 | 429 | 833 | 404 | 28,161 |
| Interest expense | 26,671 | 54,728 | 28,391 | 56,825 | 27,774 | 56,991 | 29,566 | 59,174 |
| Loss on valuation of swap contracts | | | | 91 | | | | 95 |
| Loss on foreign currency transactions | | | 1 | 1 | | | 1 | 1 |
| Fees and commissions (Note 18) | 3,480 | 4,937 | 1,605 | 2,661 | 3,624 | 5,141 | 1,671 | 2,771 |
| General and administrative (Notes 15 and 18) | 9,057 | 14,391 | 6,186 | 10,995 | 9,431 | 14,986 | 6,442 | 11,450 |
| | 39,620 | 74,856 | 36,571 | 97,616 | 41,258 | 77,951 | 38,084 | 101,652 |
| OPERATING INCOME | 564,181 | 1,004,251 | 464,635 | 826,571 | 587,505 | 1,045,768 | 483,843 | 860,742 |
| NON-OPERATING INCOME | 237 | 279 | 201 | 297 | 247 | 290 | 210 | 309 |
| NON-OPERATING EXPENSES | 5 | 10 | 4 | 12 | 5 | 10 | 4 | 12 |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | | | | | | |
|------------------------------------|---------------|-----------------|---------------|---------------|--------------|----------------|--------------|--------------|
| INCOME BEFORE | | | | | | | | |
| INCOME TAX | 564,413 | 1,004,520 | 464,832 | 826,856 | 587,747 | 1,046,048 | 484,049 | 861,039 |
| INCOME TAX EXPENSE (Note 13) | | | | | | | | |
| NET INCOME | (Won) 564,413 | (Won) 1,004,520 | (Won) 464,832 | (Won) 826,856 | US\$ 587,747 | US\$ 1,046,048 | US\$ 484,049 | US\$ 861,039 |

(Continued)

Table of Contents**WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF INCOME (CONTINUED)****FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005**

| | Korean won | | | | Translation into U.S. dollars (Note 2) | | | |
|---|--|-------------|--------------|-------------|---|---------------|--------------|------------|
| | 2006 | | 2005 | | 2006 | | 2005 | |
| | Three months | Six months | Three months | Six months | Three months | Six months | Three months | Six months |
| | (In millions, except for income per common share data) | | | | (In thousands, except for income per common share data) | | | |
| BASIC ORDINARY INCOME PER COMMON SHARE (Note 19) | (Won) 700 | (Won) 1,246 | (Won) 577 | (Won) 1,030 | US\$ 0.73 | US\$ 1.30 | US\$ 0.60 | US\$ 1.07 |
| BASIC NET INCOME PER COMMON SHARE (Note 19) | (Won) 700 | (Won) 1,246 | (Won) 577 | (Won) 1,030 | US\$ 0.73 | US\$ 1.30 | US\$ 0.60 | US\$ 1.07 |
| DILUTED ORDINARY INCOME PER COMMON SHARE (Note 19) | (Won) | (Won) | (Won) 576 | (Won) 1,026 | US\$ | US\$ | US\$ 0.60 | US\$ 1.07 |
| DILUTED NET INCOME PER COMMON SHARE (Note 19) | (Won) | (Won) | (Won) 576 | (Won) 1,026 | US\$ | <u>US\$</u> - | US\$ 0.60 | US\$ 1.07 |

See accompanying notes to non-consolidated financial statements.

Table of Contents

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005

| | Korean won | | | | Translation into U.S. dollars (Note 2) | | | |
|---|---------------|-----------------|---------------|---------------|--|----------------|--------------|--------------|
| | 2006 | | 2005 | | 2006 | | 2005 | |
| | Three months | Six months | Three months | Six months | Three months | Six months | Three months | Six months |
| | (In millions) | | | | (In thousands) | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | | | | |
| Net income | (Won) 564,413 | (Won) 1,004,520 | (Won) 464,832 | (Won) 826,856 | US\$ 587,747 | US\$ 1,046,048 | US\$ 484,049 | US\$ 861,039 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | | | | | | |
| Loss on valuation using the equity method of accounting | 412 | 800 | 388 | 27,043 | 429 | 833 | 404 | 28,161 |
| Interest expense (amortization of discounts on debentures) | 367 | 721 | 405 | 1,085 | 382 | 751 | 422 | 1,129 |
| Loss on valuation of swap contracts | | | | 91 | | | | 95 |
| Provision for severance benefits | 106 | 376 | 297 | 561 | 111 | 392 | 309 | 584 |
| Depreciation | 16 | 52 | 23 | 70 | 17 | 54 | 24 | 73 |
| Amortization on intangible assets | 6 | 11 | 5 | 10 | 6 | 12 | 5 | 10 |
| Other non-operating expenses | 1 | 1 | | | 1 | 1 | | |
| Gain on valuation using the equity method of accounting | (598,650) | (1,071,292) | (497,148) | (916,240) | (623,399) | (1,115,581) | (517,701) | (954,118) |
| Accrued interest on loans | | | (561) | (1,116) | | | (584) | (1,162) |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | | | | | | |
|---|-----------|-------------|-----------|-----------|-----------|-------------|-----------|-----------|
| Reversal of allowance for doubtful accounts | (50) | (50) | (42) | (64) | (52) | (52) | (44) | (67) |
| Gain on disposal of tangible assets | (19) | (19) | | | (20) | (20) | | |
| Other non-operating income | | | (39) | (39) | | | (40) | (40) |
| | (597,811) | (1,069,400) | (496,672) | (888,599) | (622,525) | (1,113,610) | (517,205) | (925,335) |

(Continued)

Table of Contents**WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)****FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005**

| | 2006 | | Korean won 2005 | | Translation into U.S. dollars (Note 2) | | | | | | | |
|--|--------------|------------|-------------------------------|------------|--|------------|--------------------------------|------------|------|----|------|-----|
| | Three months | Six months | Three months (In millions) | Six months | Three months 2006 | Six months | Three months (In thousands) | Six months | | | | |
| Changes in operating assets and liabilities: | | | | | | | | | | | | |
| Decrease in other receivable | (Won) | (Won) | (Won) | 46 | (Won) | 451 | US\$ | US\$ | US\$ | 48 | US\$ | 470 |
| Decrease (increase) in accrued income | (301) | 231 | 103 | 82 | (313) | 240 | 107 | 85 | | | | |
| Decrease (increase) in advanced payments | 2 | (18) | 8 | 73 | 2 | (19) | 8 | 76 | | | | |
| Decrease (increase) in prepaid expenses | 235 | (190) | 412 | 429 | 245 | (198) | 429 | 447 | | | | |
| Decrease in prepaid income tax | 1,246 | 1,246 | 5,343 | 5,291 | 1,298 | 1,298 | 5,564 | 5,510 | | | | |
| Payment of severance benefits | (38) | (269) | (13) | (40) | (280) | (14) | | | | | | |
| Decrease in retirement insurance | 101 | 245 | 13 | 105 | 255 | 14 | | | | | | |
| Increase (decrease) in other payables | (475) | (343) | 758 | 948 | (495) | (357) | 789 | 987 | | | | |
| Increase (decrease) in accrued expenses | 340 | (1,482) | (216) | (1,855) | 354 | (1,543) | (225) | (1,932) | | | | |
| Increase (decrease) in withholdings | (18) | (168) | 222 | 63 | (19) | (175) | 231 | 66 | | | | |
| Dividend income | 37,625 | 767,091 | 10,620 | 71,054 | 39,180 | 798,803 | 11,059 | 73,991 | | | | |
| | 38,717 | 766,343 | 17,296 | 76,536 | 40,317 | 798,024 | 18,010 | 79,700 | | | | |
| Net cash provided by (used in) operating | 5,319 | 701,463 | (14,544) | 14,793 | 5,539 | 730,462 | (15,146) | 15,404 | | | | |

activities

| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | | | | |
|--|--------|--------|-------|--------|---------|--------|-------|---------|
| Capital reduction of a subsidiary | | | | | 154,000 | | | 160,366 |
| Disposition of investment securities accounted for using for equity method | | | | | | | | |
| accounting | 54,000 | 54,000 | | | 56,232 | 56,232 | | |
| Collection of loans | 10,000 | 10,000 | 8,950 | 13,950 | 10,413 | 10,413 | 9,320 | 14,527 |
| Disposition of vehicles | 19 | 19 | | | 20 | 20 | | |
| Collection of guarantee deposits | 25 | 25 | | | 26 | 26 | | |
| (Continued) | | | | | | | | |

Table of Contents

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005

| | Korean won | | | | Translation into U.S. dollars (Note 2) | | | | | |
|---|---------------|------------|--------------|------------|--|------------|--------------|------------|---------------|---------------|
| | 2006 | | 2005 | | 2006 | | 2005 | | | |
| | Three months | Six months | Three months | Six months | Three months | Six months | Three months | Six months | | |
| | (In millions) | | | | (In thousands) | | | | | |
| Acquisition of investment securities accounted for using the equity method accounting | (Won) | (Won) | (Won) | (84,141) | (Won) | (84,141) | US\$ | US\$ | US\$ (87,619) | US\$ (87,619) |
| Acquisition of available-for-sale securities | (50,000) | (50,000) | | | | | (52,067) | (52,067) | | |
| Acquisition of furniture and equipment | (3) | (6) | | | | | (3) | (6) | | |
| Acquisition of leasehold improvement | (9) | (13) | (1) | (1) | (9) | (14) | (1) | (1) | | |
| Acquisition of industrial property rights | (14) | (14) | | | | | (14) | (14) | | |
| Net cash provided by (used in) investing activities | 14,018 | 14,011 | (75,192) | 83,808 | 14,598 | 14,590 | (78,300) | 87,273 | | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | | | | | | | |
| Proceeds from debentures in local currency | | | 249,272 | 249,272 | | | 259,577 | 259,577 | | |
| Repayment of borrowings | | | (120,000) | (120,000) | | | (124,961) | (124,961) | | |
| Repayment of debentures in local currency | (150,000) | (150,000) | | | (156,201) | (156,201) | | | | |
| Cost on issuance of new shares | | | | (709) | | | | (738) | | |
| Payment of dividends | (322,405) | (322,405) | (119,468) | (119,468) | (335,734) | (335,734) | (124,407) | (124,407) | | |
| Net cash provided by (used in) | (472,405) | (472,405) | 9,804 | 9,095 | (491,935) | (491,935) | 10,209 | 9,471 | | |

| financing activities | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--|
| NET INCREASE (DECREASE) IN CASH AND BANK DEPOSITS | (453,068) | 243,069 | (79,932) | 107,696 | (471,798) | 253,117 | (83,237) | 112,148 | |
| CASH AND BANK DEPOSITS, BEGINNING OF THE PERIOD | 800,209 | 104,072 | 243,727 | 56,099 | 833,290 | 108,375 | 253,803 | 58,418 | |
| CASH AND BANK DEPOSITS, END OF THE PERIOD | (Won) 347,141 | (Won) 347,141 | (Won) 163,795 | (Won) 163,795 | US\$ 361,492 | US\$ 361,492 | US\$ 170,566 | US\$ 170,566 | |

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 SIX MONTHS ENDED JUNE 30, 2006 AND 2005****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 following five financial institutions; Woori 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 9 subsidiaries and 12 2nd-tier subsidiaries as of June 30, 2006.

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, exercise of warrants and conversion rights since incorporation, as of June 30, 2006, 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 June 30, 2006 and December 31, 2005 is as follows:

| Parent companies | Subsidiaries | 2006 | | 2005 | | Financial statements as of |
|----------------------------------|--|------------------------|------------------------------|------------------------|------------------------------|----------------------------|
| | | Number of shares owned | Percentage of owner-ship (%) | Number of shares owned | Percentage of owner-ship (%) | |
| Woori Finance Holdings Co., Ltd. | Woori Bank | 635,956,580 | 100.0 | 635,956,580 | 100.0 | Jun. 30 |
| | Kyongnam Bank | 51,800,000 | 99.9 | 51,800,000 | 99.9 | Jun. 30 |
| | Kwangju Bank | 44,080,000 | 99.9 | 44,080,000 | 99.9 | Jun. 30 |
| | Woori Finance Information System Co., Ltd. | 900,000 | 100.0 | 900,000 | 100.0 | Jun. 30 |
| | Woori F&I Co., Ltd. | 2,000,000 | 100.0 | 2,000,000 | 100.0 | Jun. 30 |
| | Woori Third Asset Securitization Specialty Co., Ltd. | 2,000 | 100.0 | 2,000 | 100.0 | Jun. 30 |
| | Woori Investment Securities Co., Ltd. (*1) | 46,324,981 | 35.0 | 46,324,981 | 34.4 | Jun. 30 |
| | Woori Credit Suisse Asset Management Co., Ltd. (*3) | 4,663,400 | 70.0 | 6,662,000 | 100.0 | Jun. 30 |
| | Woori Private Equity Co., Ltd. | 2,000,000 | 100.0 | 2,000,000 | 100.0 | Jun. 30 |
| Woori Bank | Woori Credit Information Co., Ltd. | 1,008,000 | 100.0 | 1,008,000 | 100.0 | Jun. 30(*2) |
| | Woori America Bank | 10,500,000 | 100.0 | 10,500,000 | 100.0 | Jun. 30(*2) |
| | PT. Bank Woori Indonesia | 1,618 | 95.2 | 1,618 | 95.2 | Jun. 30(*2) |
| | Korea BTL Infrastructure Fund (*4) | 2,000,000 | 100.0 | | | Jun. 30(*2) |
| Woori F&I Co., Ltd. | Woori SB Asset Management Co., Ltd. (*5) | 408,000 | 51.0 | 800,000 | 100.0 | Jun. 30 |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | | | | |
|---------------------------------------|--|-----------|-------|-----------|-------|--------------|
| Woori Investment Securities Co., Ltd. | Woori Futures Co., Ltd. | 5,000,000 | 100.0 | 5,000,000 | 100.0 | Jun. 30 |
| | Woori Investment Securities Int l Ltd. | 5,788,000 | 100.0 | 5,788,000 | 100.0 | Jun. 30 (*2) |

Table of Contents

| | | | | | | |
|--------------------------------------|---|---------------|-------|---------------|-------|--------------|
| | Woori Investment Securities (H.K.) Ltd. | 22,500,000 | 100.0 | 22,500,000 | 100.0 | Jun. 30 (*2) |
| Woori Investment Securities Co., Ltd | Woori Investment Securities America, Inc. | 300 | 100.0 | 300 | 100.0 | Jun. 30 (*2) |
| | LG Investment Holding B.V. (Amsterdam) GG | 1,642,398,242 | 100.0 | 1,642,398,242 | 100.0 | Jun. 30 (*2) |
| | High Technology Venture Investment | 1,500,000 | 42.9 | 1,500,000 | 42.9 | Jun. 30 (*2) |
| | Global Technology Investment | 1,500,000 | 50.0 | 1,500,000 | 50.0 | Jun. 30 (*2) |

- (*1) On January 24, 2006, Woori Investment Securities Co., Ltd. (Woori Investment Securities) reduced its treasury stock (1,000,000 shares of preferred stock and 2,000,000 shares of common stock) by extinguishing against retained earnings. As a result, the Company's ownership interest in Woori Investment Securities increased from 34.4% to 35.0%.
- (*2) The financial statements as of June 30, 2006 are not reviewed. In order to ensure the credibility of the financial statements of those subsidiaries, the Company performed certain procedures in accordance with Practice Statements in Financial Reporting 2002-7 Investees financial statements applied using the equity method of accounting .
- (*3) On May 30, 2006, the Company sold 1,998,600 shares (30%) of Woori Asset Management Co., Ltd. (Woori Asset Management) and Woori Asset Management changed its corporate name into Woori Credit Suisse Asset Management Co., Ltd. (Woori CS).
- (*4) On June 16, 2006, Woori Bank acquired whole ownership (2,000,000 shares) of Korea BTL Infrastructure Fund.
- (*5) On February 23, 2006, Woori F&I Co., Ltd. (Woori F&I) sold 392,000 shares (49%) of Woori CA Asset Management Co., Ltd. (Woori CA) and Woori CA changed its corporate name into Woori SB Asset Management Co., Ltd. (Woori SB).
- (3) General information pertaining to the Company's subsidiaries as of June 30, 2006 does not differ materially from that as of December 31, 2005.

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 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.

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 is included solely for the convenience of readers outside of the Republic of Korea and has been made at the rate of (Won)960.30 to US\$ 1.00 at June 30, 2006, the Base Rate announced by Seoul Money Brokerage Service, Ltd. Such translations should not be construed as representations that the Korean Won amounts could be converted into U.S. dollars at that or any other rate.

Table of Contents

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, 2005 except for the following:

a. Adoption of new Statements of Korea Accounting Standards (SKAS)

Korea Accounting Standards Board (KASB) has been issuing new accounting standards that replace the existing Korea Financial Accounting Standards (KFAS) and has issued SKASs No.1 to No.22. The Company had adopted SKASs No.1 to No.17 (except for No.11) before the beginning of 2006 and SKASs

No.18 to No.20 on or after January 1, 2006, and will adopt SKASs No.21 to No.22.

Significant SKASs newly adopted are summarized below.

1) Related Party Disclosures SKAS No.20

The Company adopted SKAS No.20 Related Party Disclosures in 2006. This statement prescribes the disclosures necessary to draw attention to the possibility that the financial position and profit or loss of an entity may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. It requires disclosing the nature of relationships between parents and subsidiaries, even if there were no transactions between those related parties, and compensation of key management personnel. In addition, transactions between related parties are stated separately for each related party and type of transactions. The adoption of this standard has no effect on the Company's net assets and net income for the three months and six months ended June 30, 2006 and for the year ended December 31, 2005.

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 six months ended June 30, 2006 are as follows (Korean won in millions):

| | Gain (loss) | | | | | | June 30, 2006 |
|---|--------------------|--|------------------------|----------------------|---------------------------|-----------------|------------------|
| | January 1, 2006 | on valuation using the equity method | Capital adjustments | Retained earnings | Acquisition / Disposal | Dividends | |
| Woori Bank | (Won) 9,695,213 | (Won) 849,164 | (Won) 185,263 | (Won) (242) | (Won) | (Won) (592,711) | (Won) 10,136,687 |
| Kyongnam Bank | 694,275 | 93,653 | 4,618 | | | (66,304) | 726,242 |
| Kwangju Bank | 561,330 | 62,060 | 430 | | | (40,950) | 582,870 |
| Woori Finance | | | | | | | |
| Information System | 11,903 | 3,485 | | | | (4,500) | 10,888 |
| Woori F&I | 114,017 | 17,530 | 5,389 | | | (29,501) | 107,435 |
| Woori Third Asset Securitization Specialty | | (74) | | | | (*1) 74 | |
| Woori Investment | 604,543 | 38,577 | (5,789) | | | (27,795) | 609,536 |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| Securities (*2) | | | | | | |
|-----------------|------------------|-----------------|---------------|-------------|----------------|------------------|
| Woori CS | 60,600 | 6,823 | 766 | (19,396) | (5,330) | 43,463 |
| Woori PE | 9,797 | (726) | (2) | | | 9,069 |
| | (Won) 11,751,678 | (Won) 1,070,492 | (Won) 190,675 | (Won) (242) | (Won) (19,396) | (Won) (767,017) |
| | | | | | | (Won) 12,226,190 |

(*1) Adjustment on dividend receivables

(*2) The market value of Woori Investment Securities is (Won)919,551 million ((Won)19,850 per share) as of June 30, 2006.

(2) The reconciliation between the acquisition costs and the book value as of December 31, 2005 is summarized as follows (Korean won in millions):

| | Acquisition | Gain (loss) | Capital | Retained | Other | Dec. 31, 2005 |
|-------------------|-----------------|---|-----------------|-----------------|-----------------|------------------|
| | cost | on valuation using the equity method | adjustments | earnings | (decrease) | |
| Woori Bank (*1) | (Won) 3,207,893 | (Won) 3,966,728 | (Won) 1,466,762 | (Won) (250,043) | (Won) 1,303,873 | (Won) 9,695,213 |
| Kyongnam Bank | 259,000 | 469,775 | 33,014 | (11,466) | (56,048) | 694,275 |
| Kwangju Bank | 170,403 | 366,509 | 8,162 | (3,777) | 20,033 | 561,330 |
| Woori Finance | | | | | | |
| Information | | | | | | |
| System | 5,244 | 6,858 | 5 | (204) | | 11,903 |
| Woori F&I | 10,094 | 101,932 | 11,073 | (60) | (9,022) | 114,017 |
| Woori Third Asset | | | | | | |
| Securitization | | | | | | |
| Specialty | 10 | 21,860 | 47,680 | (9,890) | (59,660) | |
| Woori Investment | | | | | | |
| Securities (*2) | 507,863 | 43,624 | 146,716 | (2,577) | (91,083) | 604,543 |
| Woori CS (*3) | 87,570 | 9,827 | (2,558) | | (34,239) | 60,600 |
| Woori PE | 10,000 | (203) | | | | 9,797 |
| | (Won) 4,258,077 | (Won) 4,986,910 | (Won) 1,710,854 | (Won) (278,017) | (Won) 1,073,854 | (Won) 11,751,678 |

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

(*2) Included Woori Securities Co., Ltd.

(*3) Included Woori Investment Trust Management Co., Ltd.

Table of Contents

- (3) The details of other increase or decrease from the acquisition date to December 31, 2005 are as follows (Korean won in millions):

| | Capital | | | |
|--|------------------|--------------------|-------------------|-----------------|
| | reduction | Acquisition | Dividends | Total |
| Woori Bank (*1) | (Won) | (Won) 2,517,418 | (Won) (1,213,545) | (Won) 1,303,873 |
| Kyongnam Bank | | | (56,048) | (56,048) |
| Kwangju Bank | | 57,044 | (37,011) | 20,033 |
| Woori F&I | | | (9,022) | (9,022) |
| Woori Third Asset Securitization Specialty | | | (59,660) | (59,660) |
| Woori Investment Securities (*2) | (154,000) | 85,121 | (22,204) | (91,083) |
| Woori CS (*3) | (21,939) | | (12,300) | (34,239) |
| | (Won) (175,939) | (Won) 2,659,583 | (Won) (1,409,790) | (Won) 1,073,854 |

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

(*2) Included Woori Securities Co., Ltd.

(*3) Included Woori Investment Trust Management Co., Ltd.

- (4) The details of changes in the difference between the acquisition cost and the proportionate net asset value on the acquisition date for the six months ended June 30, 2006 are as follows (Korean won in millions):

| | Jan. 1, 2006 | Amortization | Jun. 30, 2006 |
|-----------------------------|---------------------|---------------------|----------------------|
| Woori F&I | (Won) 75 | (Won) 2 | (Won) 73 |
| Woori Investment Securities | (2,735) | (72) | (2,663) |
| | (Won) (2,660) | (Won) (70) | (Won) (2,590) |

- (5) The details of unrealized inter-company income or loss for the six months ended June 30, 2006 are as follows (Korean won in millions):

| | Jan. 1, 2006 | Realized | Incurred | Jun. 30, 2006 |
|--|---------------------|-----------------|-----------------|----------------------|
| Woori Bank | (Won) 7,020 | (Won) 1,231 | (Won) | (Won) 8,251 |
| Kyongnam Bank | (40) | 36 | | (4) |
| Kwangju Bank | (5,456) | 4,857 | | (599) |
| Woori Finance Information System | 327 | 456 | | 783 |
| Woori F&I | (234) | (50) | | (284) |
| Woori Third Asset Securitization Specialty | (139) | | | (139) |
| | (Won) 1,478 | (Won) 6,530 | (Won) | (Won) 8,008 |

4. AVAILABLE-FOR-SALE SECURITIES

Acquisition cost and fair value of available-for-sale securities as of June 30, 2006 are as follows (Korean won in millions):

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | Acquisition cost | Fair value | Book value |
|--------------------------|-------------------------|-------------------|-------------------|
| Beneficiary certificates | (Won) 50,000 | (Won) 50,391 | (Won) 50,391 |

-4-

Table of Contents**5. LOANS**

(1) Loans as of June 30, 2006 and December 31, 2005 are as follows (Korean won in millions):

| | Issuance date | Maturity date | Annual interest rate (%) | Annual | |
|---------------------------------------|------------------|------------------|--------------------------------|---------------------|----------------------|
| | | | | 2006 | 2005 |
| | | | | (Won) 30,000 | (Won) 30,000 |
| Woori Finance Information System (*1) | Oct. 31, 2002 | Oct. 31, 2006 | 6.3 | (Won) 30,000 | (Won) 30,000 |
| Woori F&I (*2) | Mar. 25, 2003 | Mar. 25, 2007 | 7.3 | 47,000 | 57,000 |
| | Jul. 7, 2003 | Jul. 7, 2007 | 7.3 | 23,000 | 23,000 |
| | | | | 70,000 | 80,000 |
| Total | | | | 100,000 | 110,000 |
| Allowance for possible loan losses | | | | (500) | (550) |
| | | | | (Won) 99,500 | (Won) 109,450 |

(*1) Loans granted to finance the transaction between Woori Bank and Woori Finance Information System, to which Woori Bank transferred its IT equipment.

(*2) Loans granted to finance the acquisitions of the securitization debentures and the investment equity securities related to the joint venture special entities of Woori F&I.

(2) Allowances for possible loan losses as of June 30, 2006 and December 31, 2005 are as follows (Korean won in millions):

| | 2006 | 2005 |
|----------------------------------|-----------|-----------|
| Loans: | | |
| Woori F&I | (Won) 350 | (Won) 400 |
| Woori Finance Information System | 150 | 150 |
| | (Won) 500 | (Won) 550 |

6. FIXED ASSETS AND INTANGIBLE ASSETS

(1) Changes in fixed assets for the six months ended June 30, 2006 and the year ended December 31, 2005 are as follows (Korean won in millions):

| | Jan. 1, 2006 | Acquisition | Disposition | Depreciation | Jun. 30, 2006 |
|-------------------------|--------------|-------------|-------------|--------------|---------------|
| Furniture and equipment | (Won) 75 | (Won) 6 | (Won) | (Won) 34 | (Won) 47 |
| Leasehold improvements | 45 | 13 | | 18 | 40 |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | | | |
|-------------------------|---------------------|--------------------|--------------------|---------------------|----------------------|
| | (Won) 120 | (Won) 19 | (Won) | (Won) 52 | (Won) 87 |
| | Jan. 1, 2005 | Acquisition | Disposition | Depreciation | Dec. 31, 2005 |
| Vehicles | (Won) 7 | (Won) | (Won) | (Won) 7 | (Won) |
| Furniture and equipment | 142 | 9 | 1 | 75 | 75 |
| Leasehold improvements | 79 | 1 | | 35 | 45 |
| | (Won) 228 | (Won) 10 | (Won) 1 | (Won) 117 | (Won) 120 |

Table of Contents

- (2) Changes in intangible assets for the six months ended June 30, 2006 and the year ended December 31, 2005 are as follows (Korean won in millions):

| | Jan. 1, 2006 | Acquisition | Amortization | Jun. 30, 2006 |
|----------------------------|--------------|-------------|--------------|---------------|
| Software | (Won) 7 | (Won) | (Won) 3 | (Won) 4 |
| Industrial property rights | 28 | 14 | 8 | 34 |
| | (Won) 35 | (Won) 14 | (Won) 11 | (Won) 38 |

| | Jan. 1, 2005 | Acquisition | Amortization | Dec. 31, 2005 |
|----------------------------|--------------|-------------|--------------|---------------|
| Software | (Won) 14 | (Won) | (Won) 7 | (Won) 7 |
| Industrial property rights | 40 | 2 | 14 | 28 |
| | (Won) 54 | (Won) 2 | (Won) 21 | (Won) 35 |

As of June 30, 2006, accumulated amortization of software and industrial property rights amount to (Won)30 million and (Won)48 million, respectively.

7. OTHER ASSETS

Other assets as of June 30, 2006 and December 31, 2005 are as follows (Korean won in millions):

| | 2006 | 2005 |
|-------------------------------------|--------------|--------------|
| Guarantee deposits (Note 18) | (Won) 4,178 | (Won) 4,204 |
| Other receivables (Notes 12 and 18) | 2,897 | 6,090 |
| Dividend receivables | 53,688 | 53,761 |
| Accrued income (Note 18) | 699 | 929 |
| Advanced payments | 18 | |
| Prepaid expenses | 388 | 198 |
| Prepaid income tax | | 1,246 |
| | (Won) 61,868 | (Won) 66,428 |

8. DEBENTURES

Debentures in local currency as of June 30, 2006 and December 31, 2005 are as follows (Korean won in millions):

| | Issuance | Annual interest | | 2006 | 2005 |
|----------------|---------------|-----------------|---------------|---------------|---------------|
| | date | rate (%) | Maturity | | |
| The 8th bonds | Dec. 26, 2002 | 6.05 | Dec. 26, 2007 | (Won) 200,000 | (Won) 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 |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | | | |
|-----------------|---------------|------|---------------|-----------------|-----------------|
| The 12th bonds | Jul. 26, 2004 | 4.84 | Jul. 26, 2009 | 230,000 | 230,000 |
| 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 | 250,000 |
| The 16th bonds | Sep. 28, 2005 | 5.10 | Sep. 28, 2008 | 200,000 | 200,000 |
| The 17th bonds | Sep. 14, 2005 | 4.15 | Apr. 14, 2006 | | 150,000 |
| | | | | 2,150,000 | 2,300,000 |
| Less: discounts | | | | (3,075) | (3,797) |
| | | | | (Won) 2,146,925 | (Won) 2,296,203 |

Table of Contents**9. 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)2,087 million and (Won)1,980 million as of June 30, 2006 and December 31, 2005, respectively.

The details of changes in the accrued severance benefits for the six months ended June 30, 2006 and the year ended December 31, 2005 are as follows (Korean won in millions):

| | 2006 | 2005 |
|----------------------------------|-------------|-------------|
| Beginning balance | (Won) 1,980 | (Won) 1,230 |
| Provision for severance benefits | 376 | 967 |
| Payment for severance benefits | (269) | (217) |
| Ending balance | (Won) 2,087 | (Won) 1,980 |

The Company has purchased an employee retirement trust and made deposits at Woori Bank. As of June 30, 2006 and December 31, 2005, the deposits, amounting to (Won)1,543 million and (Won)1,788 million, respectively, are presented as a deduction from accrued severance benefits.

10. OTHER LIABILITIES

Other liabilities as of June 30, 2006 and December 31, 2005 are as follows (Korean won in millions):

| | 2006 | 2005 |
|--|--------------|--------------|
| Accrued severance benefits (Note 9) | (Won) 2,087 | (Won) 1,980 |
| Deposits with employee retirement insurance trust (Note 9) | (1,543) | (1,788) |
| Other payables (Note 18) | 441 | 784 |
| Accrued expenses (Note 12) | 12,132 | 16,806 |
| Withholdings | 265 | 434 |
| | (Won) 13,382 | (Won) 18,216 |

11. SHAREHOLDERS EQUITY

(1) The authorized shares and issued shares of common stock as of June 30, 2006 and December 31, 2005 are as follows:

| | 2006 | 2005 |
|-----------------------------------|---------------|---------------|
| 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 | 806,015,340 |

Table of Contents

- (2) The changes in the capital stock of the Company for the period from its incorporation to June 30, 2006 are as follows (Korean won in millions):

| Date | Description | Number of shares issued | Capital stock | Paid-in capital |
|-------------|--|----------------------------|-----------------|---------------------------|
| | | | | in excess of par value |
| 2001.03.27 | Establishment | 727,458,609 | (Won) 3,637,293 | (Won) |
| 2002.06.12 | Issuance of new shares | 36,000,000 | 180,000 | 58,645 |
| In 2002 | Exercise of warrants | 4,356,188 | 21,781 | |
| 2002.12.31 | | 767,814,797 | 3,839,074 | 58,645 |
| In 2003 | Exercise of warrants | 7,690,113 | 38,451 | (574) |
| 2003.12.31 | | 775,504,910 | 3,877,525 | 58,071 |
| 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 | | 796,455,558 | 3,982,278 | 84,315 |
| In 2005 | Exercise of convertible bonds | 9,559,782 | 47,799 | 24,710 |
| | Acquisition of common shares of Woori CS | | | (24,537) |
| 2005. 12.31 | | 806,015,340 | 4,030,077 | 84,488 |
| 2006. 06.30 | | 806,015,340 | (Won) 4,030,077 | (Won) 84,488 |

- (3) Pursuant to Article 53 of the Financial Holding Company Act, legal reserves are 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.
- (4) As of June 30, 2006 and December 31, 2005, the Company held 2,553 shares and 2,550 shares of treasury stock, respectively, amounting to (Won)18 million.
- (5) The changes in retained earnings from December 31, 2005 to June 30, 2006 are as follows (Korean won in millions):

| | 2006 | |
|---|-------------|-------------|
| Balance - December 31, 2005 | (Won) | 1,653,536 |
| Appropriations: | | |
| Dividend | (322,405) | |
| Legal reserve | (168,822) | |
| Voluntary reserve | (1,160,000) | (1,651,227) |
| Decrease by using the equity method of accounting | | (242) |
| Net income for the six months ended June 30, 2006 | | 1,004,520 |

Balance - June 30, 2006

(Won) 1,006,587

12. STOCK OPTIONS

- (1) On December 4, 2002, the Company granted stock options to 62 directors of the Company and its subsidiaries. In 2005, the exercise price of 60 percent of the total number of stock options granted was determined at (Won)11,921 based on the increase in the Korean banking industry stock index (Type A), and for the remaining 40 percent of the total number of stock options granted, of which the exercise price is (Won)6,800 per share and the number of stock options to be dependent by 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 (Type B) was finally decided. In addition, the Company made a resolution that the stock-based compensation will be settled by paying cash instead of issuing equity instrument. In connection with this, the Company revalued stock based compensation and recorded (Won)3,608 million and (Won)7,938 million of the stock-based payment as liabilities as of June 30, 2006 and December 31, 2005, respectively.

Table of Contents

- (2) The summary of stock-based compensation granted as of June 30, 2006 is as follows:

| Settlement | Type A | | Type B | |
|--------------------------------------|---|-----------------|--------|-----------------|
| | | Cash settlement | | Cash settlement |
| Exercise price | (Won) | 11,921 | (Won) | 6,800 |
| Exercisable period | During a three-year period beginning after December 4, 2005 | | | |
| Initial granted number of rights | | 936,000 shares | | 624,000 shares |
| Cancelled number of rights | | 216,000 shares | | 204,000 shares |
| Exercised number of rights | | 389,000 shares | | 275,750 shares |
| Exercisable number of rights | | 331,000 shares | | 144,250 shares |
| Value per right | (Won) | 6,037 | (Won) | 11,159 |
| Stock-based compensation liabilities | (Won) | 1,998 million | (Won) | 1,610 million |

- (3) Each subsidiary is responsible for absorbing the respective stock-based compensation for its management. The subsidiaries recorded the related cost as other payables amounting to (Won)2,897 million and the Company recorded the same amount as other receivables.

13. INCOME TAX EXPENSE

- (1) Differences between financial accounting income and taxable income for the six months ended June 30, 2006 are as follows (Korean won in millions):

| | Korean won | |
|--|------------|-----------------|
| Net income | | (Won) 1,004,520 |
| Non-temporary differences: | | |
| Addition: | | |
| Investment securities | 190,674 | |
| Gain on valuation of available-for-sale securities | 391 | |
| Stock compensation | 1,010 | |
| Entertainment expense in excess of tax limit | 229 | |
| Other | 82 | |
| | 192,386 | |
| Deduction: | | |
| Dividend income | 687,591 | |
| Investment securities | 242 | |
| | 687,833 | (495,447) |
| Temporary differences: | | |
| Addition: | | |
| Long-term other receivables-prior year | 3,192 | |
| Unsettled expense | 2,730 | |
| Other | 657 | |
| | 6,579 | |
| Deduction: | | |
| Long-term accrued expenses | 4,329 | |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | |
|---|---------|-----------|
| Investment securities | 472,272 | |
| Other | 3,735 | |
| | 480,336 | (473,757) |
| Taxable income before donation adjustment | | 35,316 |
| Donation expense in excess of tax limit | | 4 |
| Tax loss carry forward from prior year | | (35,320) |
| Taxable income | | (Won) |

Table of Contents

- (2) The changes in cumulative temporary differences and tax loss carry-forwards for the six months ended June 30, 2006 are as follows (Korean won in millions):

| | Jan. 1, 2006 | Increase | Decrease | Jun. 30, 2006 | Deferred tax assets (liabilities) |
|--|-------------------|-----------------|--------------|-------------------|---|
| (Timing differences to be charged to income tax expense) | | | | | |
| Investment securities | (Won) (3,200,579) | (Won) (303,232) | (Won) 12,970 | (Won) (3,516,781) | (Won) (*1)(38,751) |
| Accrued expenses | 2,770 | 2,730 | 2,770 | 2,730 | 751 |
| Accrued severance benefits | 1,188 | 311 | 247 | 1,252 | 344 |
| Employee retirement deposits | (1,188) | (311) | (247) | (1,252) | (344) |
| Depreciation | 41 | 25 | 18 | 48 | 13 |
| Accounts receivable | (6,090) | | (3,192) | (2,898) | (797) |
| Dividend receivables | 108 | 73 | | 181 | 50 |
| Long-term accrued expenses | 7,937 | | 4,329 | 3,608 | 992 |
| | (Won) (3,195,813) | (Won) (300,404) | (Won) 16,895 | (Won) (3,513,112) | (Won) (37,742) |
| (Timing differences to be charged to equity) | | | | | |
| Capital adjustments due to the equity method of accounting | (Won) (1,710,854) | (Won) (189,906) | (Won) 768 | (Won) (1,901,528) | (Won) (*1)(35,648) |
| Gain on disposal of investments using the equity method | | 34,604 | | 34,604 | 9,516 |
| Gain on valuation of available-for-sale securities | | (391) | | (391) | (108) |
| | (Won) (1,710,854) | (Won) (155,693) | (Won) 768 | (Won) (1,867,315) | (Won) (26,240) |
| Timing difference total | (Won) (4,906,667) | (Won) (456,097) | (Won) 17,663 | (Won) (5,380,427) | (Won) (63,982) |
| Tax loss carry-forwards | (Won) 222,067 | (Won) | (Won) 35,320 | (Won) 186,747 | (Won) 51,355 |

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

- (3) Remaining tax loss carry-forwards and their expirations are as follows (Korean won in millions):

| Year incurred | Amount(*1) | Utilized | Remaining | Expiration |
|---------------|--------------|--------------|-----------|---------------|
| 2001 | (Won) 25,288 | (Won) 25,288 | (Won) | Dec. 31, 2006 |
| 2002 | 13,899 | 10,032 | 3,867 | Dec. 31, 2007 |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | |
|------|---------------|--------------|---------------|
| 2003 | 48,398 | 48,398 | Dec. 31, 2008 |
| 2004 | 22,414 | 22,414 | Dec. 31, 2009 |
| 2005 | 112,068 | 112,068 | Dec. 31, 2010 |
| | (Won) 222,067 | (Won) 35,320 | (Won) 186,747 |

(*1) Adjusted based on the reported tax returns.

(4) Unless the Company sells or liquidates subsidiaries or affiliates, no income tax payments are expected under the Korean Corporate Tax Act. As the Company does not expect income tax payments, no deferred tax assets or liabilities are recorded in the financial statements.

- 10 -

Table of Contents**14. STATEMENTS OF CASH FLOWS**

For the six months ended June 30, 2006 and 2005, the significant transactions without cash flows are as follows (Korean won in millions):

| Transactions | 2006 | 2005 |
|---|---------------|--------------|
| Changes in capital adjustments due to the equity method of accounting | (Won) 190,675 | (Won) 29,043 |
| Changes in retained earnings due to the equity method of accounting | (242) | (4,743) |
| Capital increase due to conversion of convertible bonds in foreign currencies | | 72,468 |
| Increase in dividend receivables | 74 | 10,357 |
| Increase (decrease) in stock options | 3,192 | (92) |
| Increase in other payables | | 36 |

15. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three months and six months ended June 30, 2006 and 2005 are summarized as follows (Korean won in millions):

| | 2006 | | 2005 | |
|-----------------------------|--------------|--------------|--------------|--------------|
| | Three months | Six months | Three months | Six months |
| Salaries, wages and bonuses | (Won) 2,195 | (Won) 4,762 | (Won) 2,780 | (Won) 5,345 |
| Provision for severance | | | | |
| benefits (Note 9) | 106 | 376 | 296 | 561 |
| Fringe benefits | 176 | 368 | 181 | 367 |
| Rent | 582 | 1,153 | 571 | 1,144 |
| Entertainment | 138 | 303 | 60 | 113 |
| Depreciation (Note 6) | 16 | 52 | 23 | 70 |
| Amortization (Note 6) | 6 | 11 | 5 | 10 |
| Taxes and dues | 17 | 40 | 13 | 38 |
| Advertising | 4,897 | 5,532 | 1,256 | 1,382 |
| Travel | 55 | 100 | 66 | 100 |
| Telecommunications | 26 | 45 | 28 | 40 |
| Service fees | 580 | 1,116 | 558 | 1,167 |
| Suppliers | 25 | 43 | 19 | 33 |
| Others | 238 | 490 | 330 | 625 |
| | (Won) 9,057 | (Won) 14,391 | (Won) 6,186 | (Won) 10,995 |

16. FINANCIAL INFORMATION OF SUBSIDIARIES

(1) The condensed balance sheets of subsidiaries as of June 30, 2006 are as follows (Korean won in millions):

| | Total | | |
|---------------|-------------------|-------------------|---------------------|
| | Total assets | Total liabilities | shareholders equity |
| Woori Bank | (Won) 149,485,554 | (Won) 139,353,947 | (Won) 10,131,607 |
| Kyongnam Bank | 14,868,223 | 14,141,977 | 726,246 |
| Kwangju Bank | 12,375,971 | 11,792,502 | 583,469 |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | |
|--|-------------------|-------------------|------------------|
| Woori Finance Information System | 194,680 | 184,576 | 10,104 |
| Woori F&I | 272,290 | 161,421 | 110,869 |
| Woori Third Asset Securitization Specialty | 53,847 | 53,890 | (43) |
| Woori Investment Securities | 10,304,104 | 8,298,141 | 2,005,963 |
| Woori CS | 65,304 | 3,213 | 62,091 |
| Woori PE | 9,101 | 32 | 9,069 |
| Total | (Won) 187,629,074 | (Won) 173,989,699 | (Won) 13,639,375 |

-11-

Table of Contents

(2) The condensed statements of operations of subsidiaries for the six months ended June 30, 2006 are as follows (Korean won in millions):

| | Operating revenue | Operating expenses | Operating income (loss) | Ordinary income (loss) | Net income (loss) |
|---|----------------------|-----------------------|----------------------------|---------------------------|----------------------|
| Woori Bank | (Won) 7,558,512 | (Won) 6,580,147 | (Won) 978,365 | (Won) 1,116,347 | (Won) 847,934 |
| Kyongnam Bank | 463,636 | 343,856 | 119,780 | 126,486 | 93,617 |
| Kwangju Bank | 364,959 | 291,614 | 73,345 | 75,020 | 55,186 |
| Woori Finance Information System | 118,460 | 114,122 | 4,338 | 4,352 | 3,028 |
| Woori F&I | 12,224 | 8,686 | 3,538 | 24,690 | 17,582 |
| Woori Third Asset Securitization Specialty | 6 | 80 | (74) | (74) | (74) |
| Woori Investment Securities | 1,255,933 | 1,102,700 | 153,233 | 200,020 | 135,732 |
| Woori CS | 15,531 | 6,289 | 9,242 | 9,267 | 6,576 |
| Woori PE | 154 | 903 | (749) | (726) | (726) |
| | (Won) 9,789,415 | (Won) 8,448,397 | (Won) 1,341,018 | (Won) 1,555,382 | (Won) 1,158,855 |

(3) Significant liabilities and assets of the Company and its subsidiaries as of June 30, 2006 are summarized as follows (Korean won in millions):

1) Significant liabilities

| | Deposits | Borrowings | Debentures | Total |
|----------------------------------|-------------------|------------------|------------------|-------------------|
| Woori Finance Holdings | (Won) 2,146,925 | (Won) 2,146,925 | (Won) 2,146,925 | (Won) 2,146,925 |
| Woori Bank | 94,644,620 | 11,571,818 | 21,817,954 | 128,034,392 |
| Kyongnam Bank | 10,762,197 | 1,869,248 | 889,017 | 13,520,462 |
| Kwangju Bank | 8,786,392 | 1,955,127 | 678,294 | 11,419,813 |
| Woori Finance Information System | | 142,000 | | 142,000 |
| Woori F&I | | 151,400 | | 151,400 |
| Woori Investment Securities | 2,688,175 | 2,545,114 | 149,832 | 5,383,121 |
| Total | (Won) 116,881,384 | (Won) 18,234,707 | (Won) 25,682,022 | (Won) 160,798,113 |

2) Significant assets

Cash and due

| | from banks | Securities | Loans | Total |
|----------------------------------|---------------|------------------|--------------|------------------|
| Woori Finance Holdings | (Won) 347,141 | (Won) 12,276,581 | (Won) 99,500 | (Won) 12,723,222 |
| Woori Bank | 4,828,518 | 26,620,484 | 108,751,383 | 140,200,385 |
| Kyongnam Bank | 762,699 | 3,995,070 | 9,431,763 | 14,189,532 |
| Kwangju Bank | 672,947 | 3,394,935 | 7,928,962 | 11,996,844 |
| Woori Finance Information System | 5,557 | 512 | | 6,069 |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | | |
|---|-----------------|------------------|-------------------|-------------------|
| Woori F&I | 40,181 | 92,967 | 123,841 | 256,989 |
| Woori Third Asset Securitization Specialty | 546 | 53,301 | | 53,847 |
| Woori Investment Securities | 1,714,618 | 6,050,244 | 1,530,466 | 9,295,328 |
| Woori CS | 39,817 | 10,347 | 498 | 50,662 |
| Woori PE | 8,427 | 9 | | 8,436 |
| | (Won) 8,420,451 | (Won) 52,494,450 | (Won) 127,866,413 | (Won) 188,781,314 |

Table of Contents

- (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 June 30, 2006 are summarized as follows (Korean won in millions):

| | Loans subject to allowance for possible loan losses | | Allowance to loans (%) |
|-----------------------------|---|------------------------|---------------------------|
| | (Won) | (Won) | |
| Woori Bank | 110,114,397 | 1,363,014 | 1.24 |
| Kyongnam Bank | 9,545,774 | 114,011 | 1.19 |
| Kwangju Bank | 8,019,624 | 90,662 | 1.13 |
| Woori F&I | 124,463 | 622 | 0.50 |
| Woori Investment Securities | 1,675,260 | 144,794 | 8.64 |
| Woori CS | 501 | 3 | 0.60 |
| Total | (Won) 129,480,019 | (Won) 1,713,106 | 1.32 |

17. CONTRIBUTIONS TO NET INCOME BY SUBSIDIARIES

Contributions to net income of the Company by subsidiaries after elimination of unrealized inter-company incomes or losses for the six months ended June 30, 2006 are as follows (Korean won in millions):

| | 2006 | Ratio (%) |
|---|------------------------|-----------|
| Woori Bank | (Won) 849,164 | 79.3 |
| Kyongnam Bank | 93,653 | 8.8 |
| Kwangju Bank | 62,060 | 5.8 |
| Woori Finance Information System | 3,485 | 0.3 |
| Woori F&I | 17,530 | 1.7 |
| Woori Third Asset Securitization Specialty | (74) | |
| Woori Investment Securities | 38,577 | 3.6 |
| Woori CS | 6,823 | 0.6 |
| Woori PE | (726) | (0.1) |
| Gain on valuation using the equity method of accounting | 1,070,492 | 100.0 |
| Other income | 8,094 | |
| Other expenses | 74,066 | |
| Net income | (Won) 1,004,520 | |

Table of Contents**18. TRANSACTIONS AND ACCOUNT BALANCES WITH RELATED PARTIES**

(1) Account balances with the subsidiaries as of June 30, 2006 and December 31, 2005 are as follows (Korean won in millions):

| | 2006 | 2005 | |
|---|---------------|---------------|---|
| <Assets> | | | |
| Woori Bank | (Won) 186,125 | (Won) 83,439 | Cash and bank deposits |
| | 4,153 | 4,153 | Guarantee deposits |
| | 2,249 | 4,305 | Other receivables |
| | 257 | 102 | Accrued income |
| Kyongnam Bank | 90,547 | 10,321 | Cash and bank deposits |
| | 95 | 10 | Accrued income |
| Kwangju Bank | 70,469 | 10,311 | Cash and bank deposits |
| | 31 | 6 | Accrued income |
| Woori Finance Information System | 30,000 | 30,000 | Loans |
| | 151 | 363 | Other receivables |
| | 316 | 316 | Accrued income |
| Woori F&I | 70,000 | 80,000 | Loans |
| | | 496 | Accrued income |
| Woori Credit Information | 335 | 721 | Other receivables |
| Woori SB | 163 | 385 | Other receivables |
| Woori CS | | 315 | Other receivables |
| Principal guaranteed trust accounts of Woori Bank | | | Deposits with employee retirement trust |
| | 1,543 | 1,788 | |
| | (Won) 456,434 | (Won) 227,031 | |
| <Liabilities> | | | |
| Woori Bank | (Won) 82 | (Won) 135 | Other payables |
| | (Won) 82 | (Won) 135 | |

(2) Transactions with the subsidiaries for the six-month periods ended June 30, 2006 and 2005 are as follows:

| | 2006 | 2005 | Account |
|---|-------------|-------------|-------------------------------------|
| <Revenues> | | | |
| Woori Bank | (Won) 2,749 | (Won) 596 | Interest income on deposits |
| Kyongnam Bank | 707 | 208 | Interest income on deposits |
| Kwangju Bank | 532 | 190 | Interest income on deposits |
| | | 1,116 | Interest income on loans |
| Woori Finance Information System | 937 | 887 | Interest income on loans |
| Woori F&I | 2,836 | 4,183 | Interest income on loans |
| Woori Third Asset Securitization Specialty | | 693 | Interest income on loans |
| Principal guaranteed trust accounts of Woori Bank | 3 | 6 | Interest income on deposits |
| | (Won) 7,764 | (Won) 7,879 | |
| <Expenses> | | | |
| Woori Bank | (Won) | (Won) 2,185 | Loss on valuation of swap contracts |

Edgar Filing: WOORI FINANCE HOLDINGS CO LTD - Form 6-K

| | | | |
|----------------------------------|-------------|-------------|-------------------------------|
| | 781 | 781 | Rent |
| | 350 | 350 | Other administrative expenses |
| Woori Finance Information System | 873 | 319 | Service fees |
| | | 976 | Other administrative expenses |
| | (Won) 2,004 | (Won) 4,611 | |

- (3) The Company compensated key management personnel for (Won)1,518 million of salaries and (Won)228 million of provision for severance benefits for the six months ended June 30, 2006.

Table of Contents**19. EARNINGS PER COMMON SHARE**

- (1) Basic ordinary income per common share and basic net income per common share for the three months and six months ended June 30, 2006 and 2005 are as follows (Korean won in millions, except for earnings per share data):

| | 2006 | | 2005 | |
|--|---------------|-----------------|---------------|---------------|
| | Three months | Six months | Three months | Six months |
| Net income on common shares | (Won) 564,413 | (Won) 1,004,520 | (Won) 464,832 | (Won) 826,856 |
| Extraordinary gain | | | | |
| Income tax effect on extraordinary gain | | | | |
| Ordinary income on common shares | (Won) 564,413 | (Won) 1,004,520 | (Won) 464,832 | (Won) 826,856 |
| Weighted average number of common shares outstanding | 806,012,787 | 806,012,789 | 806,012,793 | 802,704,229 |
| Basic ordinary income per common shares | (Won) 700 | (Won) 1,246 | (Won) 577 | (Won) 1,030 |
| Basic net income per common shares | (Won) 700 | (Won) 1,246 | (Won) 577 | (Won) 1,030 |

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

| | 2005 | |
|--|---------------|---------------|
| | Three months | Six months |
| Diluted net income on common shares | (Won) 464,832 | (Won) 827,231 |
| Extraordinary gain | | |
| Income tax effect on extraordinary gain | | |
| Diluted ordinary income on common shares | (Won) 464,832 | (Won) 827,231 |
| Weighted average number of common and dilutive common shares outstanding | 806,361,063 | 806,184,907 |
| Diluted ordinary income per common shares | (Won) 576 | (Won) 1,026 |
| Diluted net income per common shares | (Won) 576 | (Won) 1,026 |

- (3) Basic net income per common share and diluted net income per common share for the year ended December 31, 2005 are (Won)2,099 and (Won)2,095, respectively.

(4) Basic net income per common share for the three months ended March 31, 2006 is (Won)546.

20. INSURANCE

As of June 30, 2006, the Company has insurance for liability of reparation of directors with Samsung Fire Insurance Co., Ltd. The insurance coverage is (Won)30,000 million.

Table of Contents

21. 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 improve financial ratio, such as BIS capital ratio, Return on Assets (ROA), Return on Equity (ROE), Non-performing loan rate and adjusted operating income (AOI) per person. 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.

Table of Contents

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: August 11, 2006

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