

WOORI FINANCE HOLDINGS CO LTD

Form 6-K

November 15, 2004

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## Form 6-K

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

For the month of November 2004

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## Woori Finance Holdings Co., Ltd.

(Translation of Registrant's name into English)

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

(Address of principal executive offices)

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

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Form 20-F  Form 40-F

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

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

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

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

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

Yes  No

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**I. Company Overview**

**1. Purpose of Company**

**a. Scope of Business**

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

(1) Corporate Management

1. Setting management targets for subsidiaries and approving subsidiary business plans of subsidiaries
2. Evaluation of subsidiary business performance and establishment of compensation levels
3. Formulation of corporate governance structures of subsidiaries
4. Inspection of operational and asset status of subsidiaries
5. Activities complementary to aforementioned business activities from number 1 to 4

(2) Corporate Management Support Activities

1. Funding of Affiliates (in this provision and hereinafter, includes direct and indirect subsidiaries)
2. Capital investment in subsidiaries or procurement of funds for funding of Affiliates
3. Development and sale of products jointly with Affiliates and administrative support for joint use of facilities and computer systems with Affiliates
4. Activities ancillary to the activities in the above items, for which the authorization, permission or approval is not required under the relevant laws and regulations

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

**b. Scope of Business of Subsidiaries**

(1) **Woori Bank**

1. Primary Businesses

- Banking business activities

- Ancillary business activities

2. Supplementary Businesses

- Trust business activities

- Credit card business activities

- Other authorized business activities

(2) **Kyongnam Bank**

1. Primary Businesses

- Banking business activities

- Ancillary business activities

2. Supplementary Businesses

- Trust business activities

- Credit card business activities

- Other authorized business activities

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(3) **Kwangju Bank**

1. Primary Businesses

- Banking business activities

- Ancillary business activities

2. Supplementary Businesses

- Trust business activities

- Credit card business activities

- Other authorized business activities

(4) **Woori Securities**

1) Securities dealing

2) Consignment sales of securities

3) Brokering of securities transactions and/or proxy transactions

4) Brokering of securities in domestic securities markets and overseas markets

5) Underwriting securities

6) Offering of securities

7) Conscription for securities sales

8) Securities saving services

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- 9) Overseas securities trading
- 10) Securities secured loans and securities lending
- 11) Credit services related to securities trading
- 12) Securities and shareholdings valuation
- 13) Securities safekeeping
- 14) Trading and brokering of marketable certificate of deposits
- 15) Agent services for foreigners
- 16) Payment guarantee for corporate bond principal and interest
- 17) Trustee services for bond offerings
- 18) M&A mediation and brokering
- 19) Public offering related deposit agent services
- 20) Foreign exchange services
- 21) Domestic consignment sales of foreign investment trust securities
- 22) Bill discounts and trading
- 23) Bill brokering
- 24) Corporate management and restructuring, financial advisory
- 25) Real estate leasing
- 26) Lending of securities to institutional investors
- 27) Lottery and ticket sales
- 28) Training related to securities operations

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- 29) Publishing books and other publications
- 30) Leasing and sales of IT systems and software related to securities
- 31) Customer investment funds related to foreign exchange and foreign currency hedging
- 32) Foreign exchange trading, exchange, brokering of lendings and derivatives
- 33) Consignment sales of mutual funds
- 34) Futures under the Futures Trading Act
- 35) Investment advisory, discretionary investment under the Indirect Investment Assets Management Act

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- 36) Lending of securities, brokering, arranging and agent service
- 37) Underwriting, brokering and agent service for securities issued on a private placement basis
- 38) Trading, brokering and agent service for loans
- 39) Safeguard deposit of securities
- 40) Asset management and trustee services for securitization specialty companies under asset securitization regulations
- 41) Trading, brokering and agent service for OTC derivatives
- 42) Other businesses and activities related to the businesses listed above

**(5) Woori Investment Trust Management**

- 1) Securities investment trust management
- 2) Investment advisory and investment transactions
- 3) Futures investment
- 4) Call transactions
- 5) Purchasing bills
- 6) All businesses or activities directly or indirectly related to businesses 1 to 5 mentioned above

**(6) Woori Finance Information System**

- 1) Development, distribution and management of computer systems
- 2) Consulting services in computer implementation and usage
- 3) Distribution, mediation and lease of computer systems
- 4) Maintenance of computer related equipment

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- 5) Publish and distribution of IT-related reports and books
- 6) Educational services related to computer usage
- 7) Research on information technology and training outsourcing
- 8) Internet related business
- 9) Information communication, telecommunications and information distribution services
- 10) Manufacturing and distribution of audio-visual media
- 11) Information processing and outsourcing services
- 12) All businesses or activities directly or indirectly related to the businesses listed above

### (7) **Woori F&I**

- 1) Undertaking and disposition of ABS, issued primarily to securitize distressed assets through asset securitization, under the Asset Securitization Law
- 2) Undertaking and disposition of asset management companies that were initially set up to manage distressed assets, under the Asset securitization Law
- 3) All businesses or activities directly or indirectly related to the businesses listed above

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

- 1) Transfer, management and disposition of all rights related to securities and other assets (hereinafter securitized assets ) of Woori Bank (formerly known as Hanvit Bank) and Kwangju Bank under the Asset Securitization Law
- 2) Issue and redemption of securitized assets
- 3) Preparing and registering of the asset securitization plan to the Financial Supervisory Service

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- 4) Consummation of contracts required to execute the asset securitization plan
- 5) Provisional borrowing and other similar procedures for ABS redemption
- 6) Investment of surplus funds
- 7) Other businesses and activities related to the businesses listed above

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

- 1) Transfer, management and disposition of all rights related to securitized assets of Woori Bank, Kyongnam Bank and Woori Credit Card under the Asset Securitization Law
- 2) Issue and redemption of securitized assets
- 3) Preparing and registering of the asset securitization plan to the Financial Supervisory Service
- 4) Consummation of contracts required to execute the asset securitization plan
- 5) Provisional borrowing and other similar procedures for ABS redemption
- 6) Investment of surplus funds
- 7) Other businesses and activities related to the businesses listed above

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**2. History of the Company**

**a. Company History**

**(1) Background to establishment and major changes**

December 23, 2000	Establishment of Financial Holding Company Act
December 30, 2000	KDIC invested public funds of 8.5 trillion won in Hanvit Bank, Peace Bank, Kwangju Bank, Kyongnam Bank and Hanaro Merchant Bank
March 14, 2001	Filed for establishment approval of Woori Finance Holdings
March 24, 2001	Official approval from the Financial Supervising Service for Woori Finance Holdings
March 27, 2001	Incorporated as Woori Finance Holdings, Co. Ltd (Total Capital: 3.6 trillion won)
April 2, 2001	Official launch of Woori Finance Holdings
July 16, 2001	Issued bond with warrants
September 29, 2001	Woori Finance Information System incorporated as a subsidiary
December 3, 2001	Woori Asset Management incorporated as a subsidiary
December 3, 2001	Woori First Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
December 26, 2001	Woori Second Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
December 31, 2001	Spin-off and merger of Peace Bank; Launch of Woori Credit Card
March 15, 2002	Woori Third Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
March 29, 2002	Woori Investment Trust Management incorporated as subsidiary
June 11, 2002	Capital increase through public offering (Total capital: 3.8 trillion won)
June 24, 2002	Listed on the Korea Stock Exchange
July 29, 2002	Woori Securities as incorporated as subsidiary
September 5, 2002	Consummated strategic investment agreement with Lehman Brothers with respect to managing distressed assets
December 23, 2002	Purchase and Acquisition contract with credit card division of Kwangju Bank
December 31, 2002	IT outsourcing contract with Kwangju Bank and Kyongnam Bank
March 10, 2003	Integrated IT platform with Kyongnam Bank
August 1, 2003	Woori Merchant Bank merged into Woori Bank
August 15, 2003	Integration of Kwangju Bank IT platform
September 3, 2003	Launching of bancassurance business
September 29, 2003	Listing on New York Stock Exchange
December 11, 2003	Liquidation of Woori LB First Asset Securitization Specialty Co., Ltd.
December 12, 2003	Announcement of merger between Woori Card and Woori Bank
March 30, 2004	Appointment of new management
June 18, 2004	Woori Securities becomes a wholly owned subsidiary

**Table of Contents****b. Associated Business Group****(1) Overview of Business Group****1) Name of business group : Woori Finance Group****2) History**

December 23, 2000	Establishment of Financial Holding Company Act
December 30, 2000	KDIC invested public funds of 8.5 trillion won in Hanvit Bank, Peace Bank, Kwangju Bank, Kyongnam Bank and Hanaro Merchant Bank
March 14, 2001	Filed for establishment approval of Woori Finance Holdings
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March 30, 2004	Appointment of new management

June 18, 2004

Woori Securities becomes a wholly owned subsidiary

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(2) Related companies within Business Group

<u>Type</u>	<u>Name of Company</u>	<u>Controlling Company</u>	<u>Notes</u>
Holding Company	Woori Finance Holdings (*1)	KDIC	
1 <sup>st</sup> Tier Subsidiaries	Woori Bank Kyongnam Bank Kwangju Bank Woori Finance Information System Woori F & I Woori Second Asset Securitization Specialty Woori Third Asset Securitization Specialty Woori Investment Trust Management, Co. Woori Securities (*2)	Woori Finance Holdings	9 companies
2 <sup>nd</sup> Tier Subsidiaries	Woori Credit Information Woori America Bank P.T. Bank Woori Indonesia Shinwoo Corporate Restructuring Company  Nexbi Tech  Woori CA Asset Management	Woori Bank  Woori Finance Information System Woori F&I	6 companies

(\*1) Listed company on the New York Stock Exchange

(\*2) Listing was cancelled on June 24, 2004 following exchange of stocks between Woori Securities and Woori Finance Holdings

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

(units: won)

Date	Category	Type	Stock Decrease/Increase			Changed Capital	Method	Ratio
			Quantity	Par Value	Issue price			
2001.3.27	Establishment	Common	727,458,609	5,000	5,000	3,637,293,045		
2002.5.31	Exercise B/W	Common	165,782	5,000	5,000	3,638,121,955		
2002.6.12	Capital increase w/consideration	Common	36,000,000	5,000	6,800	3,818,121,955	Public Offering	0.0494
2002.6.30	Exercise B/W	Common	1,416,457	5,000	5,000	3,825,204,240		
2002.9.30	Exercise B/W	Common	2,769,413	5,000	5,000	3,839,051,305		
2002.12.31	Exercise B/W	Common	4,536	5,000	5,000	3,839,073,985		
2003.3.31	Exercise B/W	Common	1,122	5,000	5,000	3,839,079,595		
2003.6.30	Exercise B/W	Common	7,688,991	5,000	5,000	3,877,524,550		
2004.6.18	Stock Exchange	Common	8,571,262	5,000	8,902 <sup>1)</sup>	3,920,380,860	Exchange with WooriSec shares on a 1-to-0.55 basis	0.0110

1) Applied share price when deriving the exchange ratio

**b. Expected Changes in Capital**

Unsecured Convertible Bonds can be converted a year after their issuance and, therefore, can bring about changes in capital.

On November 4, 2004 there was a request for conversion of Unsecured C/B Series 6-3 (USD 3,000,000), and therefore increase in capital of 3,331,505,000 won (666,301 shares) is anticipated.

**(1) Unsecured Convertible Bond Series No. 6-1**

Item	Information
Date of Issuance	2002.9.27
Total Amount of Issuance	USD 36,000,000
Exercise Period	2003.9.28 ~ 2005.08.27
Exercise Price	7,313 won
Total amount of unexercised bond with warrants	USD 36,000,000
Number of Shares	5,914,180



**Table of Contents****(2) Unsecured Convertible Bond Series No. 6-2**

Item	Information
Date of Issuance	2002.12.20
Total Amount of Issuance	USD 16,000,000
Exercise Period	2003.12.21 ~ 2005.11.20
Exercise Price	5,588 won
Total amount of unexercised bond with warrants	USD 16,000,000
Number of Shares available for issuance	3,481,173

**(3) Unsecured Convertible Bond Series No. 6-3**

Item	Information
Date of Issuance	2003.3.26
Total Amount of Issuance	USD 39,000,000
Exercise Period	2004.3.27 ~ 2006.2.26
Exercise Price	5,380 won
Total amount of unexercised bond with warrants	USD 39,000,000
Number of Shares available for issuance	8,661,914

**(4) Unsecured Convertible Bond Series No. 6-4**

Item	Information
Date of Issuance	2003.3.26
Total Amount of Issuance	20 billion won
Exercise Period	2004.3.27 ~ 2006.2.26
Exercise Price	5,380 won
Total amount of unexercised bond with warrants	20 billion won
Number of Shares available for issuance	3,717,472

**Table of Contents**5) **Unsecured Convertible Bond Series No. 6-5**

<u>Item</u>	<u>Information</u>
Date of Issuance	2003.7.10
Total Amount of Issuance	USD 1,000,000
Exercise Period	2004.7.11 ~ 2006.6.10
Exercise Price	7,228 won
Total amount of unexercised bond with warrants	USD 1,000,000
Number of Shares available for issuance	164,429

c. **Convertible Bonds**

(units: won, USD, shares)

<u>Item</u>	Unsecured		Unsecured		Unsecured		Unsecured	
	C/B		C/B		C/B		C/B	
	Series 6-1	Series 6-2	Series 6-3	Series 6-4*	Series 6-5	Total		
Date of Issue	2002.9.27	2002.12.20	2003.3.26	2003.3.26	2003.7.10			
Total Amount	USD 36,000,000	USD 16,000,000	USD 39,000,000	20 billion won	USD 1,000,000	USD92,000,000	+20 billion won	
Allotment Method	Private	Private	Private	Private	Private			
Conversion Period	2003.9.28~ 2005.8.27	2003.12.21 ~ 2005.11.20	2004.3.27 ~ 2006.2.26	2004.3.27 ~ 2006.2.26	2004.7.11 ~ 2006.6.10			
Conditions	ratio price	100% 7,313	100% 5,588	100% 5,380	100% 5,380	100% 7,228		
Type of Stock when converted	Common	Common	Common	Common	Common			
Converted								
Bonds	amount							
Unconverted	shares							
Stock	amount	USD 36,000,000	USD 16,000,000	USD 39,000,000	20 billion won	USD 1,000,000		
Notes	shares	5,914,180	3,481,173	8,661,914	3,717,472	164,429	21,939,168	
		Maturity: 2005.9.27	Maturity: 2005.12.20	Maturity: 2006.3.26	Maturity : 2006.3.26	Maturity : 2006.7.10		

\* Units in won, because dart system does not convert into USD.

Series 6-1, 6-2, 6-3, 6-5 issuances are in dollars, while series 6-4 is in won

Conversion value is stated in won; the currency rate used in series 6-1 was 1,201.40 won/\$, 6-2 was 1,215.80 won/\$, 6-3 was 1,194.90 won/\$ and 6-5 was 1,188.50 won/\$, respectively.

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- On November 4, 2004 there was a request for conversion of Unsecured C/B Series 6-3 (USD 3,000,000), and therefore increase in capital of 3,331,505,000 won (666,301 shares) is anticipated.

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**4. Total Number of Authorized Shares**

**a. Total Number of Authorized Shares**

[as of 2004.9.30]

<u>Total Number of shares authorized</u>	<u>Total Number of Issued Stock</u>	<u>Total Number of Unissued Stock</u>
2,400,000,000	784,076,172	1,615,923,828

**b. Information of Issued Shares**

[as of 2004.9.30]

[Par Value : 5,000 won]

(units: 1,000 won, shares)

Type	Common Stock	Number of Stock		Notes
		Issued	Face Value	
Registered	Common Stock	784,076,172	3,920,380,860	
Total		784,076,172	3,920,380,860	

**Table of Contents****c. Stock Options**

(as of 2004.9.30)

(units: won, shares)

<u>Grant date</u>	<u>Relationship</u>	<u>Grantee</u>	<u>Type of stock</u>	<u>No. of granted options</u>	<u>Exercised options</u>	<u>Exercisable options</u>	<u>Exercise period</u>	<u>Exercise price</u>
2002.12.04	Standing director	Byung Chul	Common	100		100	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Standing director	Yoon Kwang Woo	Common	80		80	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Standing director	Chun Euoo Sung	Common	80		80	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Non-standing dir.	Min Hwan Kyu	Common	40		40	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Non-standing dir.	Park Ki Chul Han	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Non-standing dir.	Tae Ho	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Non-standing dir.	Sohn Won Gihl	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Standing director	Sohn Nam Hong	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Standing director	Cho Sang Chul	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Standing director	Lee Jae Woong	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Standing director	Lee Gae Min	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Standing director	Lee Hae-Seok	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Director of related company (R)	Suh Duk Hoon	Common	80		80	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Director of related company	Lee Jong Wook	Common	45		45	2005.12.4 ~2008.12.3	
2002.12.04	(Retired) Director of related company(R)	Kiim Jin Kyu Park	Common	45		45	2005.12.4 ~2008.12.3	

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2002.12.04	Director of related company(R)	Jong Ku	Common	30	30	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Min Jong Hwee	Common	30	30	2005.12.4 ~2008.12.3
2002.12.04	Director of related company(R)	Lee Dong Myun	Common	30	30	2005.12.4 ~2008.12.3
2002.12.04	Director of related company(R)	Suh Ki Shin	Common	30	30	2005.12.4 ~2008.12.3
2002.12.04	Director of related company(R)	Kim Young Seok	Common	30	30	2005.12.4 ~2008.12.3
2002.12.04	Director of related company(R)	Kim Byung Kil	Common	30	30	2005.12.4 ~2008.12.3
2002.12.04	Director of related company(R)	Choi Young Ho	Common	30	30	2005.12.4 ~2008.12.3
	Director of related company(R)	Park				

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<u>Grant date</u>	<u>Relationship</u>	<u>Grantee</u>	<u>Type of stock</u>	<u>No. of granted options</u>	<u>Exercised options</u>	<u>Exercisable options</u>	<u>Exercise period</u>	<u>Exercise price</u>
2002.12.04	Director of related company	Tae Woong	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Chung Dong Chan	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Bae Dae Hwan	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Kim Young Ha	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Kim Young Yong	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Kim Taik Su Han	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Sang Im Park	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Joon Ho	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Hahm Joon Ho Lee	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Joo Sun Yeom	Common	20		20	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Ga Seok	Common	20		20	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Chae Sung Wook	Common	5		5	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Park Ki Seok	Common	5		5	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Kim Jae Ki Hong	Common	5		5	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Sam Su	Common	40		40	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Pyo Won Chul Hwang	Common	20		20	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Jong Hwee	Common	15		15	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Kim Seok Hwan	Common	15		15	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Lee In kee baek		30		30	2005.12.4 ~2008.12.3	

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2002.12.04	Director of related company	Ki Jong	Common	5	5	2005.12.4 ~2008.12.3
2002.12.04	Director of related company(R)	Chung Hun Il Nam	Common	30	30	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Young Soo	Common	30	30	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Kim Jin Ho Yoon	Common	20	20	2005.12.4 ~2008.12.3
2002.12.04	Director of related company(R)	Seok Koo Yoon	Common	15	15	2005.12.4 ~2008.12.3

**Table of Contents**

<u>Grant date</u>	<u>Relationship</u>	<u>Grantee</u>	<u>Type of stock</u>	<u>No. of granted options</u>	<u>Exercised options</u>	<u>Exercisable options</u>	<u>Exercise period</u>	<u>Exercise price</u>
2002.12.04	Director of related company	Ji Yeon Joo	Common	15		15	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Ho Hyun Lee	Common	20		20	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Chan Kook Chung	Common	15		15	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Duk Yoon Kim	Common	15		15	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company(R)	Young Wook Kim	Common	15		15	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Dae Kyu Ko	Common	15		15	2005.12.4 ~2008.12.3	
<b>Total</b>				<b>1,340</b>		<b>1,340</b>		

- Exercise price is derived based on the banking industry stock price index at the point of exercise.

-

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

[as of 2004.9.30]

(units: won, shares)

<u>Type of stock</u>	<u>Initial</u>			<u>Ending</u>		<u>Notes</u>
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>		
Common stock	2,430,703		139,343	2,291,360		
Total	2,430,703		139,343	2,291,360		

**5. Voting Rights**

[as of 2004.9.30]

(units: shares)

<u>Items</u>	<u>Number of stock</u>	<u>Notes</u>
1. Stock with voting rights (A-B)	784,076,172	
A. Total Number of issued stocks	784,076,172	
B. Stocks without voting rights		
2. Stocks with limited voting rights (A+B+C+D)	-2,542	
A. Limited by the Business Law	-2,542	
B. Limited by the Securities & Exchange Law		
C. Restrictions due to monopoly regulations and Fair Trade Act		
D. Limited by other law enforcements		
3. Stocks with voting rights restored		
Stocks with Voting Rights (1-2+3)	784,073,630	



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

(Par value : 5,000 won)

(units: won)

Items	2003	2002	2001
Net profit	202,565,030,433	589,214,226,635	684,102,036,323
Earnings per share (won)	262	786	940
Profit available for Dividend distribution	1,203,688,237,170	1,086,596,253,235	558,501,102,453
Propensity to Dividend	38.28	9.72	
<b>DIVIDENDS</b>			
<b>CASH PAYOUT</b>			
<b>a. Dividend per Share</b>			
Majority			
Common	100	50	
Preferred			
Minority			
Common	100	250	
Preferred			
<b>b. Total Dividend Amount</b>			
Majority			
Common	67,345,860,900	33,672,930,450	
Preferred			
Minority			
Common	10,204,630,100	23,586,047,000	
Preferred			
<b>c. Dividend Ratio</b>			
Majority			
Common	1.54	1.04	
Preferred			
Minority			
Common	1.54	5.22	
Preferred			
<b>STOCK</b>			
<b>a. Stock Dividend Ratio</b>			
Majority			
Common			
Preferred			
Minority			
Common			
Preferred			
<b>b. Stock Dividend per Share</b>			
Majority			
Common			
Preferred			
Minority			
Common			
Preferred			

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Net Asset per Share	7,218	6,596	5,605
Ordinary Income per Share	262	786	943

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### **II. Description of Business**

#### **1. Business Overview**

##### **a. Current Trend of Industry**

Increased competition in the banking sector

Restructuring of the 2nd tier financial industry

Convergence of products/services in the financial industry

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

##### **b. Company Status**

###### **(1) General Overview**

###### **(a) Group Description**

Woori Finance Holdings Co., Ltd. (the Company) was established on March 27, 2001. The Company was engaged in the business of managing the five financial institutions (Woori Bank (formerly Hanvit Bank), Kyongnam Bank, Kwangju Bank, Woori Credit Card Co., Ltd. (formerly Peace Bank of Korea) and Woori Investment Bank (hereinafter the five subsidiaries)), 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. In connection with its functional restructuring, the Company established or acquired seven more subsidiaries and has four second-tier subsidiaries. Upon establishment, the Company's common stock amounted to (Won)3,637,293 million, consisting of 727,459,000 common shares ((Won) 5,000 per share) issued and outstanding. However as a result of several capital increases since establishment, the Company's common stock amounted to (Won) 3,920,380,860 million, consisting of 784,076,172 common shares issued and outstanding as of September 30, 2004. On June 24, 2002, the Company listed its common shares on the Korea Stock Exchange through a public offering at a price of (Won)6,800 per share, which included 36 million new shares and 54 million issued shares. The KDIC owned 628,458,609 (80.15%) shares of the Company's common shares as of September 30, 2004.

Woori Bank (formerly Hanvit Bank) was established in 1899 and is engaged in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law and foreign exchange business with approval from the Bank of Korea (BOK) and the Ministry of Finance and Economy (MOFE). In connection with the infusion of public funds, Woori Bank and the KDIC have entered into an Agreement on the Implementation of the Business Plan. Woori Bank changed its name from Hanvit Bank to Woori Bank on May 20, 2002. Its common stock amounted to (Won) 3,179,783 million consisting of 636 million common shares issued and outstanding as of September 30, 2004. Woori Bank is wholly owned by the Company. The head office of Woori Bank is located in Seoul, Korea. Woori Bank has 697 branches and offices in Korea, and 11 branches overseas.

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Kyongnam Bank was incorporated on April 18, 1970 and is engaged in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law and foreign exchange business with approval from the BOK and the MOFE. In connection with the infusion of public funds, Kyongnam Bank and the KDIC have entered into an Agreement on the Implementation of the Business Plan. As of September 30, 2003, Kyongnam Bank's common stock

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amounted to (Won) 259,000 million consisting of 51 million shares issued and outstanding. The Company owns 99.99% of Kyongnam Bank. The head office of Kyongnam Bank is located in Masan, Korea. Kyongnam Bank has 118 branches and offices in Korea.

Kwangju Bank was established on September 17, 1968 and is engaged in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law and foreign exchange business with approval from the BOK and the MOFE. In connection with the infusion of public funds, Kwangju Bank and the KDIC have entered into an Agreement on the Implementation of the Business Plan. As of September 30, 2003, Kwangju Bank's common stock amounted to (Won) 170,403 million consisting of 34 million shares issued and outstanding. The Company owns 99.99% of Kwangju Bank. The head office of Kwangju Bank is located in Kwangju City, Korea. Kwangju Bank has 115 domestic branches and offices in Korea.

Woori Securities Co., Ltd. ( Woori Securities , formerly Hanvit Securities Co., Ltd.) was established on August 26, 1954 to engage mainly in trading, agency, brokerage and underwriting of securities, and listed its shares on the Korea Stock Exchange on July 26, 1988. On June 1, 2002, Woori Securities changed its name from Hanvit Securities Co., Ltd. to Woori Securities Co., Ltd. In connection with its functional restructuring, as of July 29, 2002, the Company acquired 40.2% interest (13,250,570 shares of common stock) of Woori Securities from Woori Bank, making Woori Securities a subsidiary of the Company. On April 28, 2004, the Board of Directors approved additional acquisition of its shares to 100% and on June 18, 2004 became wholly owned by the Company. As of September 30, 2003, its common stocks amounted to (Won)164,782 million consisting of 32,956,413 shares issued and outstanding of which is wholly owned by the Company. As the acquisition of LG Investment & Securities was approved by the Board of Directors, merger with LG Investment & Securities is anticipated. The head office of Woori Securities is located in Seoul, Korea. Woori Securities has 71 branches and offices in Korea.

Woori Investment Trust Management Co., Ltd. ( WITM , formerly Hanvit Investment Trust Management Co., Ltd.) was established on June 24, 1988 and is engaged in the investment trust business under the Investment Trust Business Law with approval from the MOFE. In connection with its functional restructuring, on March 29, 2002, the Company purchased the entire common stock of WITM from Woori Bank, making WITM a subsidiary of the Company. On May 17, 2002, WITM changed its name from Hanvit Investment Trust Management Co., Ltd. to Woori Investment Trust Management Co., Ltd. As of September 30, 2003, its common stock amounted to (Won) 30,000 million consisting of 6,000,000 shares issued and outstanding all of which are owned by the Company. The office of WITM is located in Seoul, Korea.

Woori Finance Information System Co., Ltd. ( WFIS , formerly Hanviteun System) was established on April 17, 1989 and is engaged in the business of installing computerized financial systems. On September 29, 2001, the Company purchased all the common stock of WFIS from Woori Bank, which was part of the group's functional restructuring and therefore, WFIS was incorporated as a subsidiary of the Company. On October 15, 2001, WFIS changed its name from Hanviteun System Co., Ltd. to Woori Finance Information System Co., Ltd. As of September 30, 2003, its common stock amounted to (Won) 4,500 million (\$3,749 thousand) consisting of 900,000 shares issued and outstanding. WFIS is wholly owned by the Company. The office of WFIS is located in Seoul, Korea.

Woori F&I Co., Ltd. ( WF&I , formerly Woori Asset Management Co., Ltd. ( WAMC )) was established on November 16, 2001 to engage in the business of management, operation and disposition of securitization assets. On September 13, 2002, WF&I, formerly WAMC, spun off the asset management business segment and established Woori CA Asset Management Co., Ltd. ( WCAAMC ). As a result, WF&I is engaged in the business of acquisition and disposition of securities issued by asset securitization specialty corporations, established based on the Act on Asset-Backed Securitization for the purpose of non-performing assets securitization, and in the business of acquisition and disposition of equity of asset management corporations, which are established for the purpose of non-performing assets management. On September 16, 2002, WF&I changed its name from Woori Asset Management Co., Ltd. to Woori F&I Co., Ltd. As of September 30, 2003, its common stock amounted to (Won)10,000 million (\$8,349 thousand) consisting of 2,000,000 shares issued and outstanding. WF&I is wholly owned by the Company. The office of WF&I is located in Seoul, Korea.



**Table of Contents****(2) Market Share**

Woori, Shinhan and Dongwon are the domestic finance holding groups that have a separate banking business as a subsidiary.

(units: hundreds of millions of won)

Items	As of end of March 2003		
	Woori Finance Holdings	Shinhan Finance Holdings	Dongwon Finance Holdings
Total Assets	86,501	88,925	11,217
Total Liabilities	27,916	25,337	997
Total Shareholder s Equity	58,585	63,588	10,220
Capital	38,775	19,585	3,079
Operating Revenue	280	1,845	211
Operating Expense	1,795	392	13
Operating Income	-1,515	1,453	198
Ordinary Income	-1,514	1,456	219
Net profit	-1,514	1,456	219

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(3) **Organization Chart**

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

As a financial holdings corporation under the Financial Holding Corporation Act, our main income consists of dividend payments of our subsidiaries. We are not involved in any other operations.

**b. Financing of operations****(1) Source of Funds**

(units: millions of won)

Items	2004 3Q	2003	2002	2001
Shareholders Equity	6,289,105	5,597,895	5,064,129	4,077,347
Capital	3,920,381	3,877,525	3,839,074	3,637,293
Capital Surplus	75,451	61,324	58,645	
Retained Earnings	1,507,372	1,282,866	1,145,518	558,501
Capital Adjustments	785,901	376,180	20,892	-118,447
Borrowings	2,709,026	2,649,920	2,325,021	1,616,466
Debtentures	2,548,129	2,621,182	1,999,250	1,298,304
Bank Borrowings	120,00		300,000	310,000
Commercial Paper				
Other Borrowings				
Other Liabilities	40,897	28,738	25,771	8,162
Total	8,998,131	8,247,815	7,389,150	5,693,813

**Table of Contents****(2) Use of Funds**

(units: millions of won)

Items	2004 3Q	2003	2002	2001
Subsidiary Stock	8,000,257	7,007,222	6,062,119	5,016,864
Woori Bank	6,620,217	5,869,558	4,500,143	3,255,964
Kyongnam Bank	589,734	504,629	424,060	327,005
Kwangju Bank	433,078	364,955	290,003	213,177
Woori Credit Card	Note 1)		379,126	1,008,866
Woori Merchant Bank			222,936	195,613
Woori Financial Information System	8,354	7,284	3,364	6,511
Woori F&I	43,431	35,896	17,016	9,728
Woori 2 <sup>nd</sup> Asset Securitization Specialty	25,537	20,016	31,666	
Woori 3 <sup>rd</sup> Asset Securitization Specialty	15,817	1,266		
Woori Investment Trust Management	34,891	34,978	39,646	
Woori Securities	229,198	168,639	154,159	
Loan Obligations	231,726	830,566	1,231,207	648,365
Tangible Assets	259	242	324	627
Intangible Assets	50	51	50	24
Cash	719,328	349,585	73,256	13,825
Other Assets	46,511	60,148	22,195	14,108
Total	8,998,131	8,247,815	7,389,151	5,693,813

- 1) Losses of 105,581 million won, which was not recognized the last quarter, was recognized in the 2<sup>nd</sup> quarter. Following the merger of Woori Credit Card into Woori Bank, the invested stocks of Woori Credit Card were merged with invested stocks of Woori Bank

**c. Transactions related to Commission Fees**

(units: millions of won)

Category	Items	2004 3Q	2003	2002	2001
Commission Revenue (A)					
Commission Expense (B)	Fees	5,073	6,704	5,611	4,641
Commission Profit (A-B)		-5,073	-6,704	-5,611	-4,641

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

Instead of following the format of exhibiting BIS equity capital ratio and status of non-performing loans to indicate capital adequacy and asset quality, we exhibit the current ratio and debt ratio as similar indicators under the Finance Holding Company Act

**a. Won-denominated Current Ratio**

(units: millions of won)

Items	2004 3Q	2003	2002	2001
Current Assets (A)	578,440	203,202	78,357	185,154
Current Liabilities (B)	458,104	9,711	9,317	316,615
Current Ratio (A/B)	126.27%	2,092.5%	841.0%	58.5%

**\* Current ratio of won**

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

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

(units: millions of won)

Items	2004 3Q	2003	2002	2001
Current Assets (A)	172,160	147,754		
Current Liabilities (B)	194,116	148,598		
Current Ratio (A/B)	88.7%	99.4%		

**\* Current ratio of foreign currency**

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

**c. Debt Ratio**

(units: millions of won)

Items	2004 3Q	2003	2002	2001
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Liabilities (A)	2,709,026	2,649,920	2,325,022	1,616,466
Equity (B)	6,289,105	5,597,895	5,064,129	4,077,347
Debt Ratio (A/B)	43.1%	47.3%	45.9%	39.7%

**Table of Contents****d. Credit Ratings for the Past 3 years**

<b>Date of</b>	<b>Evaluated</b>	<b>Credit</b>	<b>Company</b>	<b>Evaluation</b>
<b>Rating</b>	<b>Securities</b>	<b>Rating</b>	<b>(Ratings Range)</b>	<b>Category</b>
2001.6.27	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2001.6.28	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2001.9.26	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2001.9.26	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2001.11.29		BBB-	R&I (AAA~C)	Case evaluation
2002.10.17	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2002.10.22	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2002.11.8		BBB	R&I (AAA~C)	Periodic evaluation
2002.12.13	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2002.12.16	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2003.6.30	Debentures	AA+	KIS Ratings (AAA~D)	Periodic evaluation
2003.9.8	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
2003.9.8	Debentures	AAA	KIS Ratings (AAA~D))	Case evaluation
2003.11.13		BBB	R&I (AAA~C)	Periodic evaluation
2003.12.04	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

**e. Other Important Information**

Please refer to 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	2004 3Q	2003	2002	2001
Cash and Due from Banks	719,328	349,585	73,256	13,825
Securities	8,000,257	7,007,222	6,062,119	5,016,864
Loans	231,725	830,566	1,231,207	648,365
Fixed Assets	309	293	374	651
Other Assets	46,511	60,148	18,361	14,108
Total Assets	8,998,130	8,247,815	7,389,151	5,693,813
Borrowings	120,000		300,000	310,000
Debentures	2,548,129	2,621,182	1,999,250	1,298,304
Other Liabilities	40,897	28,738	25,772	8,162
Total Liabilities	2,709,026	2,649,920	2,325,022	1,616,466
Common Stock	3,920,381	3,877,525	3,839,074	3,637,293
Capital Surplus	75,451	61,324	58,645	
Retained Earnings	1,507,372	1,282,866	1,145,518	588,501
Capital Adjustment	785,900	376,180	20,892	Δ 118,447
Total Stockholder's Equity	6,289,104	5,597,895	5,064,129	4,077,347
Operating Income	582,404	396,624	878,488	717,112
Operating Expenses	143,890	193,527	302,721	31,222
Operating Profit	438,514	203,097	575,767	685,890
Ordinary Income	440,157	202,565	589,214	685,885
Net profit	440,157	202,565	589,214	684,102

[Δ stands for negative numbers]

\* Refer to Exhibits to see detailed financial statements

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

(units: millions of won)

Items	2003	2002	2001
Cash and Due from Banks	6,471,855	6,568,852	6,432,890
Marketable Securities	2,727,843	2,943,800	3,217,882
Invested Securities	24,278,834	23,508,709	21,806,451
Loans	86,077,297	73,604,113	59,876,198
Fixed Assets	2,734,616	2,796,183	2,831,851
Other Assets	6,477,275	5,421,877	5,920,545
Total Assets	128,767,720	114,843,534	100,058,817
Deposits	89,049,625	78,917,388	69,332,217
Borrowings	12,813,104	13,839,614	13,742,572
Debentures	12,195,159	10,792,932	5,491,533
Other Liabilities	9,011,532	5,987,833	7,080,301
Total Liabilities	123,069,420	109,528,767	95,646,623
Common Stock	3,877,525	3,839,074	3,637,293
Consolidated Capital Surplus	57,844	25,029	
Consolidated Retained Earnings	1,152,053	245,045	558,852
Consolidated Capital Adjustment	414,969	5,314,767	Δ 116,546
Minority Interest	195,909	9,623,990	359,595
Total Stockholder's Equity	5,698,300	5,314,767	4,439,194
Operating Income	10,403,445	9,623,990	10,159,156
Operating Expenses	10,261,111	8,908,732	9,847,439
Operating Profit	142,334	715,258	311,717
Non-operating Income	586,267	540,113	1,190,685
Non-operating Expenses	497,539	800,487	937,984
Ordinary Income	231,062	454,884	564,418
Aggregated Net Profit	52,374	613,576	736,616
Consolidated Net Profit	56,279	591,588	686,287
No. of Companies Consolidated	15	17	17

[Δ stands for negative numbers]

**Table of Contents****3. Accounting Information****a. Loan Loss Reserves****(1) Loan Loss Reserves for past 3 years by classification**

(units: millions of won)

<u>Period</u>	<u>Item</u>	<u>Total Credits</u>	<u>Loan Loss Reserves</u>	<u>Provisioning Ratio</u>
2004 3Q	Lendings	155,000	775	0.5%
	Loans	77,890	389	0.5%
	Total	232,890	1,164	0.5%
2003	Lendings	156,850	784	0.5%
	Loans	677,890	3,390	0.5%
	Total	834,740	4,174	0.5%
2002	Lendings	214,600	1,073	0.5%
	Loans	1,167,822	146,308	12.5%
	Total	1,382,422	147,381	10.7%

**(2) Change in Loan Loss Reserves for past 3 years**

(units: millions of won)

<u>Item</u>	<u>2004 3Q</u>	<u>2003</u>	<u>2002</u>
1. Initial loan loss reserves balance	4,174	147,381	3,258
2. Net credit costs		127,551	144,123
1) Write-offs		127,400	
2) Recovery of written-off assets			
3) Other changes		151	144,123
Recovery of credit costs	-3,010	15,656	
Ending loan loss reserve balance	1,164	4,174	147,381

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

2004 3Q	2003 Dec. 31	2002 Dec. 31	2001 Dec. 31
Deloitte & Touche	Deloitte & Touche	Deloitte Touche	Arthur Andersen

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

(units: millions of won)

Year	Auditor	Activity	Compensation	Accrued Time (hr)
2004 3Q	Deloitte & Touche	Quarter, Half Year, Annual Interim Financial Statement (Consolidated, Non-consolidated)	310	4,960
		Quarter Interim Financial Statement		
		Half Year Interim Financial Statement		
2003	Arthur Andersen Deloitte Touche	Annual Financial Statement	140	1,200
		(Consolidated, Non-consolidated)	70	600
		Quarter Interim Financial Statement	36	300
		Quarter Interim Financial Statement	37	300
2002	Arthur Andersen	Half Year Interim Financial Statement	140	1,200
		Year-end Financial Statement	70	600
		Consolidated Financial Statement	30	300

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

(units: thousands of dollars)

<u>Year</u>	<u>Contract Date</u>	<u>Activity</u>	<u>Period</u>	<u>Comp.</u>	<u>Note</u>
2004 3Q			Not Applicable		
2003	2003.7.30	US GAAP Auditing	2003.8~2004.5	4,500	Deloitte Touche
2002	2003.2.28	US GAAP Auditing	2002.12~2003.5	4,250	Deloitte Touche

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**V. Corporate Governance and Affiliated Companies**

**1. Overview of Corporate Governance**

**a. About the Board of Directors**

**(1) Board of Directors**

At our 3<sup>rd</sup> Annual General Shareholders Meeting held on March 30, 2004 a new Board of Directors was appointed, consisting of the Group's Chairman Young-Key Hwang, Vice Chairman Jong-Wook Kim and Vice Chairman Euoo-Sung Min. Our non-standing directors currently consist of Suk-Jean Kang (Chairman of CEO Consulting Group), Je-Hoon Lee (President of Korea BBB Association), Sung-Tae Ro (Dean of the School of Business at Myongji University), Do-Soung Choi (Professor of Finance at Seoul National University), Oh-Seok Hyun (President of the Trade Research Institute) and Chung-Sook Moon (Professor of Economics at Sookmyung University).

Sung-Hwan Bae was appointed as a non-standing director at the May 18, 2004 extraordinary shareholders meeting. Vice Chairman Euoo-Sung Min resigned in May 2004.

**(A) Duties of Boards of Directors**

- The Board of Directors shall consist of directors and shall determine the matters which are provided for as the authority of the Board of Directors under the relevant laws and regulations
- 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

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## (B) Information Regarding the Board of Directors

<u>Position</u>	<u>Name</u>	<u>Information</u>	<u>Relationship with KDIC</u>	<u>Transaction with WFG</u>
<u>Non-standing Director candidate and audit Committee candidate</u>	<u>Suk-Jean Kang</u>	<u>- B.A. in Economics, Chungang University</u> <u>- Completed ISMP at Harvard Business School</u> <u>- Chairman of GE Korea</u> <u>- Currently Chairman of CEO Consulting Group</u>	<u>N/A</u>	<u>N/A</u>
<u>Non-standing Director candidate and audit Committee candidate</u>	<u>Je-Hoon Lee</u>	<u>- B.A. in History, Seoul National University</u> <u>- M.A. in Journalism, Seoul National University</u> <u>- CEO &amp; President of The Joongang Ilbo</u> <u>- Currently President of Korea BBB Association</u>	<u>N/A</u>	<u>N/A</u>
<u>Non-standing Director candidate and audit Committee candidate</u>	<u>Sung-Tae Ro</u>	<u>- B.A. in Economics, Seoul National University</u> <u>- Ph.D. in Economics, Harvard University</u> <u>- Chief Editor of The Korea Economic Daily</u> <u>- Currently Dean of Business School at Myongji University</u>	<u>N/A</u>	<u>N/A</u>
<u>Non-standing Director candidate and audit Committee candidate</u>	<u>Oh-Seok Hyun</u>	<u>- B.A. in Business Administration, Seoul National University</u> <u>- Ph.D. in Economics, University of Pennsylvania</u> <u>- Former employee at Ministry of Finance and Economy</u> <u>- Currently President of Trade Research Institute, Korea Int'l Trade Association</u>	<u>N/A</u>	<u>N/A</u>
<u>Non-standing Director candidate and audit Committee candidate</u>	<u>Dosoung Choi</u>	<u>- B.A. in Business Administration, Seoul National University</u> <u>- Ph.D. in Finance, Pennsylvania State University</u> <u>- Chairman of Korean Securities Association</u> <u>- Currently Professor of Finance at Seoul National University</u>	<u>N/A</u>	<u>N/A</u>
<u>Non-standing Director candidate and audit Committee candidate</u>	<u>Chung-Sook Moon</u>	<u>- B.A. in Home Management, Sookmyung Women's University</u> <u>- Ph.D. in Consumer Economics, Kansas State University</u> <u>- Currently Professor of Economics at Sookmyung Women's University</u>	<u>N/A</u>	<u>N/A</u>
<u>Non-standing Director candidate and</u>	<u>Sung-Hwan Bae</u>	<u>- B.A. in Business Administration at Yeungnam University</u> <u>- Masters in Economics at University of Illinois</u>	<u>Employee</u> <u>(Director)</u>	<u>N/A</u>

<u>audit</u>	- <u>Ph.D. in Business Administration at SungKyunKwan University</u>
<u>Committee</u>	
<u>candidate</u>	- <u>Banking Supervisory Authority of the Bank of Korea</u>
	- <u>Member, Board of Directors of Seoul Guarantee Insurance</u>

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(C) Appointment of Non-standing Directors

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

\* Article 42 (Committee)

1. We currently have the following management committees that serve under the board.

1. The BOD Management Committee
2. The Business Strategy & Compensation Committee
3. The Risk Management Committee
4. Executive Committee
5. Ethics Committee
6. Non-standing Director Nomination Committee
7. MOU Review Committee
8. The Audit Committee

(D) Committees within Board of Directors

[as of 2004.9.30]

1) BOD Management Committee

<u>Name</u>	<u>Position</u>	<u>Notes</u>
Young-Key Hwang	Chairman and CEO	Chairman/CEO Young-Key Hwang heads the committee consisting of the heads of sub-committees. Non-standing directors must be the majority.
Suk-Jean Kang	Non-standing Director	
Sung-Tae Ro	Non-standing Director	
Dosoung Choi	Non-standing Director	

Chung-Sook Moon Non-standing Director

2) Business Strategy and Compensation Committee

Name	Position	Notes
Suk-Jean Kang	Non-standing Director	Non-standing director Suk-Jean Kang heads the committee consisting of 4 non-standing directors.
Je-Hoon Lee	Non-standing Director	
Oh-Seok Hyun	Non-standing Director	
Dosoung Choi	Non-standing Director	

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## 3) Risk Management Committee

<u>Name</u>	<u>Position</u>	<u>Notes</u>
Young-Key Hwang	Chairman and CEO	Chairman/CEO Young-Key Hwang heads the committee consisting of 1 director and 3 non-standing directors.
Sung-Tae Ro	Non-standing Director	
Oh-Seok Hyun	Non-standing Director	
Dosoung Choi	Non-standing Director	

## 4) Executive Committee

<u>Name</u>	<u>Position</u>	<u>Notes</u>
Young-Key Hwang	Chairman and CEO	Chairman/CEO Young-Key Hwang heads the committee consisting of all executive directors
Jong-Wook Kim	Vice Chairman	

## 5) Ethics Committee

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

## 6) Non-standing Director Nomination Committee

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

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## 7) Audit Committee

<u>Name</u>	<u>Position</u>	<u>Notes</u>
Suk-Jean Kang	Non-standing Director	
Je-Hoon Lee	Non-standing Director	
Sung-Tae Ro	Non-standing Director	Non-standing director Do-Soung Choi heads the committee consisting of more than 3 directors of which no less than 2/3 are non-standing directors.
Oh-Seok Hyun	Non-standing Director	
Dosoung Choi	Non-standing Director	
Sung-Hwan Bae	Non-standing Director	
Chung-Sook Moon	Non-standing Director	

## 8) MOU Review Committee

<u>Name</u>	<u>Position</u>	<u>Notes</u>
Young-Key Hwang	Chairman and CEO	
Jong-Wook Kim	Vice Chairman	
Suk-Jean Kang	Non-standing Director	Chairman/CEO Young-Key Hwang heads the committee consisting of the entire board of directors
Je-Hoon Lee	Non-standing Director	
Sung-Tae Ro	Non-standing Director	
Oh-Seok Hyun	Non-standing Director	
Dosoung Choi	Non-standing Director	
Sung-Hwan Bae	Non-standing Director	
Chung-Sook Moon	Non-standing Director	

**Table of Contents****2. Related Companies****a. Invested Shares in Related Companies**

Investor	Investee	Number of Invested Stock	Shareholding Ratio (%)
Woori Finance Holdings	Woori Bank	635,956,580	100.0
	Kyongnam Bank	51,800,000	99.9
	Kwangju Bank	34,080,000	99.9
	Woori Finance Information Systems	900,000	100.0
	Woori F&I	2,000,000	100.0
	Woori Second SPC	1,900	95.0
	Woori Third SPC	2,000	100.0
	Woori Investment Management	6,000,000	100.0
	Woori Securities	32,956,413	100.0
	Woori Bank	Woori Credit Information	1,008,000
Woori America Bank		8,500,000	100.0
P.T. Bank Woori Indonesia		1,618	95.2
Woori F&I	Woori CA Asset Management	408,000	51.0

**Table of Contents****b. Year-end Performance of Affiliated Companies and Subsidiaries**

Name : Woori Bank Co., Ltd.

Company number : 00254045

(units: millions of won)

Items	Period 171	Period 170	Period 169	Period 168
	3Q			
	(2004.9.30)	(2003.12.31)	(2002.12.31)	(2001.12.31)
Cash and Due from Banks	5,715,994	4,833,325	4,098,110	3,911,225
securities	16,762,950	17,967,751	17,930,546	17,223,404
Loans	75,472,628	71,198,169	58,967,737	48,177,595
Fixed Assets	1,745,367	1,718,556	1,762,660	1,843,368
Other Assets	9,655,901	7,591,909	4,718,317	5,502,176
Total Assets	109,352,840	103,309,710	87,477,370	76,657,768
Deposits	76,888,719	70,811,000	62,184,865	53,768,338
Borrowings	8,835,706	9,632,495	10,008,637	10,883,858
Debentures	10,732,957	7,780,156	5,941,886	3,084,569
Other Liabilities	83,435,408	80,240,310	67,245,663	59,760,809
Total Liabilities	103,004,071	97,652,961	83,196,186	73,729,236
Capital	3,179,783	2,852,838	2,764,400	2,764,400
Capital Surplus	463,003	654,708	516,026	31,903
Retained Earnings	2,006,910	1,798,918	984,683	203,690
Capital Adjustments	699,073	350,285	16,075	-71,461
Total Shareholder s Equity	6,348,769	5,656,749	4,281,184	2,928,532
Operating Revenue	7,051,057	7,621,300	6,607,882	6,848,493
Operating Expense	6,295,535	6,341,472	6,004,933	6,565,299
Operating income	755,522	1,279,828	602,949	283,194
Ordinary Income	961,411	1,429,662	595,988	610,679
Net profit	850,707	1,332,185	779,571	712,945

**Table of Contents**

Name of Company : Kyongnam Bank

Company Number : 00101363

(units: millions of won)

	Period 43 3Q	Period 42	Period 41	Period 40
	(2004.9.30)	(2003.12.31)	(2002.12.31)	(2001.12.31)
Cash and Due from Banks	743,319	834,276	1,148,370	1,387,331
securities	3,253,553	3,147,183	2,535,037	2,177,126
Loans	6,995,291	6,435,508	5,819,418	4,727,537
Fixed Assets	201,689	202,198	208,970	214,581
Other Assets	284,681	366,973	264,051	236,469
Total Assets	11,478,533	10,986,138	9,975,846	8,759,824
Deposits	8,536,417	8,462,345	7,544,267	5,930,101
Borrowings	1,708,939	1,278,626	1,286,963	1,435,321
Debentures	210,000	310,238	303,304	424,974
Other Liabilities	440,663	437,756	425,091	656,143
Total Liabilities	10,896,019	10,488,965	9,559,625	8,446,454
Capital	259,000	259,000	259,000	259,000
Capital Surplus	26,910	26,910	26,910	26,906
Retained Earnings	285,924	214,411	134,371	51,905
Capital Adjustments	10,680	-3,148	-4,059	-24,441
Total Shareholder s Equity	582,514	497,173	416,222	313,370
Operating Revenue	574,804	767,171	742,140	721,643
Operating income	98,637	93,859	108,121	87,040
Ordinary Income	85,082	54,731	82,466	69,158
Net profit	84,459	85,224	82,466	69,158

**Table of Contents**

Name of Company : Kwangju Bank

Company Number : 00104078

(units: millions of won)

	Period 46 3Q	Period 45	Period 44	Period 43
	(2004.9.30)	(2003.12.31)	(2002.12.31)	(2001.12.31)
Cash and Due from Banks	401,016	390,078	386,827	299,088
securities	2,802,726	2,564,942	2,111,943	2,202,522
Loans	5,611,459	5,336,775	4,896,333	3,964,489
Fixed Assets	223,237	223,669	224,952	229,929
Others	224,197	262,118	426,879	424,910
Total Assets	9,262,635	8,777,582	8,046,934	7,120,938
Deposits	6,579,950	6,737,967	6,077,260	5,250,418
Borrowings	1,634,163	1,165,133	967,696	946,702
Debentures	250,000	200,556	200,485	297,723
Other Liabilities	381,314	325,974	532,307	434,702
Total Liabilities	8,845,427	8,429,330	7,777,749	6,929,545
Capital	170,403	170,403	170,403	170,403
Capital Surplus	24,173	24,173		
Retained Earnings	214,909	155,238	98,185	26,813
Capital Adjustments	7,723	-1,561	598	-5,822
Total Shareholder s Equity	417,208	348,252	269,185	191,393
Operating Revenue	438,253	581,314	578,844	532,712
Operating income	63,581	40,735	85,962	71,290
Ordinary Income	78,695	32,542	74,839	66,346
Net profit	68,231	57,052	74,839	66,346

**Table of Contents**

Name of Company : Woori Securities

Company Number : 00163178

(units: millions of won)

	Period 51 1H	Period 50	Period 49	Period 48
	(2004.9.30)	(2004.3.31)	(2003.3.31)	(2002.3.31)
Current Assets	624,797	473,470	413,056	443,421
Fixed Assets	143,615	93,278	127,777	173,906
Total Assets	768,412	566,748	540,833	617,327
Current Liabilities	398,034	190,476	170,239	203,504
Fixed Liabilities	7,191	6,283	4,585	7,448
Total Liabilities	405,225	196,759	174,824	210,952
Capital	164,782	164,782	164,782	164,782
Capital Surplus	131,497	131,424	131,776	131,776
Retained Earnings	72,242	99,525	107,529	133,463
Capital Adjustments	-5,334	-25,742	-38,078	-23,646
Total Shareholder s Equity	363,187	369,989	366,009	406,375
Operating Revenue	73,977	173,648	186,664	205,208
Operating income	-5,907	10,099	21,332	45,434
Ordinary Income	-11,946	4,073	1,570	56,434
Net profit	-13,377	2,369	1,627	40,107

**Table of Contents**

Company : Woori Investment Trust Management

Company Number : 00243377

(units: millions of won)

	Period 17 1H	Period 16	Period 15	Period 14
	(2004.9.30)	(2004.3.31)	(2003.3.31)	(2002.3.31)
Current Assets	31,616	30,749	27,878	30,235
Fixed Assets	3,785	4,637	13,490	12,839
Total Assets	35,401	35,386	41,368	43,074
Current Liabilities	193	82	3,686	6,172
Fixed Liabilities	317	253	177	124
Total Liabilities	510	335	3,863	6,296
Capital	30,000	30,000	30,000	30,000
Capital Surplus				
Retained Earnings	4,891	5,051	7,504	6,778
Capital Adjustments				
Total Shareholder s Equity	34,891	35,051	37,504	36,778
Operating income	2,604	5,979	10,360	11,830
Operating Profit	162	692	5,276	4,348
Ordinary Income	3,121	919	5,330	4,568
Net profit	2,240	546	3,726	3,128

**Table of Contents**

Name of Company : Woori Finance Information System

Company Number : 00378947

(units: millions of won)

	Period 16 3Q	Period 15	Period 14	Period 13
	(2004.9.30)	(2003.12.31)	(2002.12.31)	(2002.3.31)
Current Assets	63,439	66,061	76,504	5,933
Fixed Assets	236,110	214,158	164,549	2,882
Total Assets	299,549	280,219	241,053	8,815
Current Liabilities	54,362	49,763	53,942	2,362
Fixed Liabilities	235,851	222,753	184,349	373
Total Liabilities	290,213	272,516	238,291	2,735
Capital	4,500	4,500	4,500	4,500
Capital Surplus				
Retained Earnings	4,830	3,197	-808	1,580
Capital Adjustments	6	6		
Total Shareholder s Equity	9,336	7,703	3,692	6,080
Sales	215,797	281,787	131,843	25,444
Operating income	10,667	20,870	4,404	1,127
Ordinary Income	2,637	5,871	-3,190	1,421
Net profit	1,633	4,005	-2,182	1,123

**Table of Contents**

Company Name : Woori F&amp;I

Company Number : 00416593

(units: millions of won)

	<b>Period 4 3Q</b>	<b>Period 3</b>	<b>Period 2</b>	<b>Period 1</b>
	<b>(2004.9.30)</b>	<b>(2003.12.31)</b>	<b>(2002.12.31)</b>	<b>(2001.12.31)</b>
Current Assets	45,119	24,231	2,290	8,531
Fixed Assets	159,910	147,534	52,493	1,153
Total Assets	205,029	171,765	54,783	9,684
Current Liabilities	36,124	4,669	823	50
Fixed Liabilities	125,000	130,783	37,033	
Total Liabilities	161,124	135,452	37,856	50
Capital	10,000	10,000	10,000	10,000
Capital Surplus				
Retained Earnings	26,336	22,315	6,961	-366
Capital Adjustments	7,569	3,998	-34	
Total Shareholder s Equity	43,905	36,313	16,927	9,634
Operating Revenue	15,645	31,552	18,913	196
Operating income	14,961	31,244	10,253	-414
Ordinary Income	7,845	24,088	10,335	-366
Net profit	5,521	16,854	7,327	-366

**Table of Contents**

Company Name : Woori Second Asset Securitization Specialty

Company Number : 00391665

(units: millions of won)

	<b>Period 4 3Q</b>	<b>Period 3</b>	<b>Period 2</b>	<b>Period 1</b>
	<b>(2004.9.30)</b>	<b>(2003.12.31)</b>	<b>(2002.12.31)</b>	<b>(2001.12.31)</b>
Current Assets	25,187	730	23,560	10
Securitized Assets	1,053	19,623	74,106	167,136
Total Assets	26,240	20,353	97,666	167,146
Current Liabilities	34,447	34,081	4,425	167,170
Securitized Liabilities	100	100	59,936	0
Total Liabilities	34,547	34,181	64,361	167,170
Capital	10	10	10	10
Capital Surplus				
Retained Earnings	-8,317	-13,838	33,295	-34
Capital Adjustments				
Total Shareholder s Equity	-8,307	-13,828	33,305	-24
Operating Revenue	5,442	15,256	52,425	
Operating income	5,442	-480	32,553	-34
Ordinary Income	5,521	-289	33,367	-34
Net profit	5,521	-289	33,329	-34

**Table of Contents**

Company Name : Woori Third Asset Securitization Specialty

Company Number : 00399357

(units: millions of won)

	<b>Period 3 3Q</b>	<b>Period 2</b>	<b>Period 1</b>
	<b>(2004.9.30)</b>	<b>(2003.12.31)</b>	<b>(2002.12.31)</b>
Current Assets	1,208	3,044	18,226
Securitized Assets	42,894	26,503	48,764
Total Assets	44,102	29,547	66,990
Current Liabilities	60,264	60,260	11,676
Securitized Liabilities	27,790	27,790	65,204
Total Liabilities	88,054	88,050	76,880
Capital	10	10	10
Capital Surplus			
Retained Earnings	-74,577	-72,337	-9,899
Capital Adjustments	30,615	13,824	
Total Shareholder's Equity	-43,952	-58,503	-9,889
Operating Revenue	-2,279	4,473	33,566
Operating income	-2,279	-2,804	-10,008
Ordinary Income	-2,240	-2,669	-9,899
Net profit	-2,240	-2,669	-9,899

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

(units: thousand shares, millions of won)

Type	Name	Beginning Balance			Changes		Ending Bal.			Dividend Revenue
		Quantity	Share	Cost	Quantity	Cost	Quantity	Share	Cost	
DOMESTIC										
	Woori Bank	570,568	100.0	2,912,311	65,389	913,000	635,957	100.0	3,825,311	620,019
	Kwangju Bank	34,080	99.9	170,400			34,080	99.9	170,400	8,502
	Kyong-nam Bank	51,800	99.9	259,000			51,800	99.9	259,000	12,950
	Woori Credit Card	22,600	100.0	113,000	(-22,600)	(-113,000)		100.0		
	Woori Inv t Mgmt.	6,000	100.0	39,128			6,000	100.0	39,128	2,400
	Woori Securities	17,372	52.7	169,621	15,584	56,999	32,956	100.0	226,620	8,686
	Woori Finance Info Sys.	900	100.0	5,244			900	100.0	5,244	
	Woori F&I	2,000	100.0	10,094			2,000	100.0	10,094	1,500
	Woori 2 <sup>nd</sup> SPC	2	95.0	10			2	95.0	10	13,000
	Woori 3 <sup>rd</sup> SPC	2	100.0	10			2	100.0	10	
	Foreign									
	Total	705,324		3,678,818	58,373	856,999	763,697		4,535,817	667,057

\* Dividends derived on a fiscal basis

- As of March 31, 2004, Woori Bank merged with its subsidiary Woori Credit Card. From the merger, Woori Bank's common shares were newly issued in the ratio of 1 Woori Credit Card to 0.3581 Woori Bank, thereby increasing Woori Bank's number of shares and capital to 636 million shares and 3,179,800 million won from 571 million shares and 2,852,800 million won respectively.
- As Woori Bank and Woori Credit Card merged, investment securities of Woori Credit Card was added to Woori Bank's investment securities.
- 1,900,000 million won from capital reduction without consideration is reflected in the initial purchase.
- Woori Finance Holdings acquired 15,584,113 shares of Woori Securities in the 2<sup>nd</sup> quarter through exchange of stocks.

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

[as of 2004. 9.30]

(units: shares, %)

Name	Relation	Type	Shares Held					Reasons Behind Change	
			Beginning balance		(+)	(-)	Ending balance		
			Stock	Share			Stock		Share
KDIC	Major S/H	Common	673,458,609	86.8		45,000,000	628,458,609	80.15	
		Common	673,458,609	86.8		45,000,000	628,458,609	80.15	
	Total	Preferred					0	0	
		Total	673,458,609	86.8		45,000,000	628,458,609	80.15	

Major Shareholder : KDIC

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

[as of 2003.12.31]

(units: shares, %)

No.	Name	Common Stock		Preferred Stock		Total	
		No. of shares	%	No. of shares	%	No. of shares	%
1	KDIC	628,458,609	80.15			628,458,609	80.15
	Total	628,458,609	80.15			628,458,609	80.15

**Table of Contents****c. Shareholder Distribution**

[as of 2003.12.31]

<b>Items</b>	<b>Shareholder</b>		<b>Number of shares</b>	<b>Ratio</b>
	<b>number</b>	<b>Ratio</b>		
Government	3	0.01%	7,398	0.00%
Government related companies	4	0.02%	673,492,609	86.85%
Securities companies	66	0.25%	2,506,076	0.32%
Insurance companies	8	0.03%	490,870	0.06%
Asset Management	9	0.03%	180,940	0.02%
Financial Institutions	139	0.52%	21,206,778	2.73%
Finance Companies	0	0.00%	0	0.00%
Financial Groups	4	0.02%	999,164	0.13%
Mutual Savings	2	0.01%	4,140	0.00%
Other companies	67	0.25%	8,782,528	1.13%
Individuals	26,236	98.42%	32,865,520	4.24%
Foreigners	116	0.44%	34,961,395	4.51%
Other	1	0.00%	150	0.00%
KSD	1	0.00%	7,342	0.00%
Total	26,656	100.0%	775,504,910	100.0%

**d. Total Minority Shareholders, Major Shareholders and Other Shareholders**

(as of 2003.12.31)

<b>Items</b>	<b>Shareholder</b>		<b>Number of shares</b>	<b>Ratio</b>	<b>Notes</b>
	<b>number</b>	<b>Ratio</b>			
Total Minority shareholders	26,652	99.99%	84,615,239	10.91%	
Minority Shareholders (companies)	379	1.42%	44,597,568	5.75%	
Minority Shareholders (individuals)	26,273	98.56%	40,017,671	5.16%	
Major shareholder	1	0.00%	673,458,609	86.84%	
Total other shareholders	2	0.01%	17,423,720	2.25%	
Other shareholders (companies)	1	0.00%	8,146,720	1.05%	
Other shareholders (individuals)	1	0.00%	9,277,000	1.20%	
KSD	1	0.00%	7,342	0.00%	
Total	26,656	100.00%	775,504,910	100.00%	

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

(units: won, shares)

<u>Period</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>
High	9,210	8,750	7,510	7,490	7,850	8,200
Low	8,030	6,180	6,520	6,600	6,500	7,430
Monthly Trade Volume	34,580,246	41,736,095	35,985,286	26,174,739	35,503,225	113,547,828

Monthly Trade  
Volume

**b. Foreign Stock Market**

[name of market : NYSE]

(units: dollars, shares)

<u>Period</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>
ADR High	23.57	21.95	19.30	19.32	19.90	22.00
ADR Low	21.60	17.00	17.15	16.91	16.45	19.44
Monthly Trade Volume	45,700	83,800	37,100	19,900	32,300	50,000

High  
Low  
Monthly Trade  
Volume

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

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

Position		Name	Common Stocks Owned
Chairman	Registered	Young-Key Hwang	
Vice Chairman	Registered	Jong-Wook Kim	
Managing Director	Registered	Seung Hee Park	
Managing Director	Registered	Jin-hyung Ju	
Non-standing Director	Registered	Suk-Jean Kang	
Non-standing Director	Registered	Je-Hoon Lee	
Non-standing Director	Registered	Sung-Tae Ro	
Non-standing Director	Registered	Oh-Seok Hyun	
Non-standing Director	Registered	Dosoung Choi	
Non-standing Director	Registered	Sung-Hwan Bae	
Non-standing Director	Registered	Chung-Sook Moon	

**2. Employee Status**

(units: years, thousands of won)

Items	Staff				Average Tenure	Annual Compensation	Average Compensation Per Person	Note
	Admin.	Manu.	Misc.	Total				
Male	46		3	49	2.67	2,647,644	54,034	
Female	4		12	16	2.38	317,482	19,843	
Total	51		15	65		2,965,126	45,617	

\* Based on compensation from Jan. to Sept.

**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

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

(units: millions of won)

Transactions of provisional payments & loans											
TYPe	Name	Relation	Item	Conditions				Changes			
				Date	Maturity Date	Interest Rate		Beg.	Change		End.
						Loan	Borrow		+	-	
	Woori 2nd SPC	subsidiary	Other loan	2002.1.8	2012.1.8	7.5%		100			100
	Woori 3rd SPC	subsidiary	Other loan	2002.4.15	2012.4.15	7.8%		27,790			27,790
	Woori Bank	subsidiary	Other loan	2002.9~ 2002.11	10 yr	4.0%		600,000		600,000	
	Kwangju Bank	subsidiary	Other loan	2002. 12.31	10 yr	4.5%		50,000			50,000
	Woori Finance Info. Sys	subsidiary	Other loan	2002.4 ~ 2002.10	4yr	7.3%		30,000			30,000
	Woori F&I	subsidiary	Other loan	2002.9 ~ 2003.3	4yr	7.3% ~ 7.6%		126,850		1,850	125,000
Foreign								834,740		601,850	232,890
Total											

**Table of Contents****b. Payment Transactions**

(units: millions of won)

Name	Relation	Item	Par value	Transactions			Gain / Loss
				Beginning	Increase	Decrease	
				Ending			
Woori Bank Kyongnam	Subsidiary	Investment stock	5,000	5,869,559	750,658		6,620,217
Bank Kwangju	Subsidiary	Investment stock	5,000	504,628	85,106		589,734
Bank	Subsidiary	Investment stock	5,000	364,955	68,123		433,078
Woori Credit Card	Subsidiary	Investment stock	5,000				*1
Woori Finance Info. System	Subsidiary	Investment stock	5,000	7,284	1,070		8,354
Woori F&I	Subsidiary	Investment stock	5,000	35,896	7,535		43,431
Woori 2nd SPC	Subsidiary	Investment stock	5,000	20,016	5,521		25,537
Woori 3rd SPC	Subsidiary	Investment stock	5,000	1,266	14,551		15,817
Woori Inv t Mgmt	Subsidiary	Investment stock	5,000	34,978		13	34,891
Woori Securities	Subsidiary	Investment stock	5,000	168,640	60,558		229,198
	Total			7,007,222	1,250,251	2,295	8,00,257

\* The above transactions have been derived using the equity method.

- 1) Losses of 105,581 million won, which was not recognized the last quarter, was recognized in the 2<sup>nd</sup> quarter. Following the merger of Woori Credit Card into Woori Bank, the invested stocks of Woori Credit Card were merged with invested stocks of Woori Bank
- 2) 15,584,113 Woori Securities shares (47.3% of total shares) were acquired through a stock exchange in the 2<sup>nd</sup> quarter

**c. Real-Estate Transactions (including rent activities)****(1) Transactions of Real-estate Rent activities**

(units: millions of won)

**Transactions of Payments****Quantity****Information****Rent****Rent**

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<u>Name</u>	<u>Relation</u>	<u>Item</u>	<u>location</u>	<u>Inc</u>	<u>Dec</u>	<u>Inc</u>	<u>Dec</u>	<u>Maturity</u>	<u>Guarantee</u>	<u>Rent</u>
Woori Bank	Affiliate	Rent	Bldg					2004.7.11~ 2007.6.30	4,153	1,130
	Total								4,153	1,130

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

NON-CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS

ENDED SEPTEMBER 30, 2004 AND 2003

AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**Table of Contents**

**Independent Accountants Review Report**

**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 September 30, 2004 and the related non-consolidated statements of operations and cash flows for the three-month and nine-month periods ended September 30, 2004 and 2003, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

We conducted our reviews in accordance with standards for review of interim financial statements in the Republic of Korea. 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 thus, 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 such non-consolidated interim financial statements are not presented fairly, in all material respects, in accordance with the financial accounting standards in the Republic of Korea.

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, 2003 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 17, 2004, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying non-consolidated balance sheet as of December 31, 2003 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 is not made in conformity with the basis stated in Note 2 to the accompanying non-consolidated interim financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside of the Republic of Korea.

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

As explained in Notes 1 and 25 to the accompanying non-consolidated interim financial statements, Woori Bank, a subsidiary of the Company, merged with Woori Credit Card Co., Ltd. ( WCC ), a subsidiary of the Company, on March 31, 2004. Woori Bank took over substantially all of the assets and liabilities of WCC by exchanging one common share of WCC with 0.3581 share of Woori Bank and (Won) 330.4 billion (US\$ 287.8million) of the difference between (Won) 657.3billion (US\$ 572.6million) of net assets acquired from WCC and (Won) 326.9billion (US\$ 284.8 million) of consideration for the merger was recorded as capital surplus of Woori Bank. As a result, the number of issued common shares of Woori Bank increased from 570.6 million to 636.0 million and contributed capital of Woori Bank increased from (Won) 2,852.8 billion (US\$ 2,485.2 million) to (Won) 3,179.8 billion (US\$ 2,770.1 million).

As explained in Notes 1 and 26 to the accompanying non-consolidated interim financial statements, on June 18, 2004 the Company issued 8.6 million new common shares and exchanged them for 15.6 million common shares of Woori Securities, a subsidiary of the Company, in order to wholly own the subsidiary. As a result, the number of issued common shares of the Company increased from 775.5 million to 784.1 million and contributed capital of the Company increased from (Won) 3,877.5 billion (US\$ 3,377.9 million) to (Won) 3,920.4 billion (US\$ 3,415.3 million).

As explained in Note 27 to the accompanying non-consolidated interim financial statements, on September 15, 2004, the Company made a resolution to acquire 25,877,487 shares of LG Investment & Securities Co., Ltd.'s common stock, 21.2% of ownership interest, for (Won) 297.6 billion (US\$ 259.3 million) and on September 23, 2004, the Company has entered into a purchase agreement with LG Card Co., Ltd., which currently owns those common shares of LG Investment & Securities Co., Ltd., and paid a deposit of (Won) 29.8 billion (US\$ 25.9 million).

As explained in Note 20 to the accompanying non-consolidated interim financial statements, the Company's receivables from its subsidiaries as of September 30, 2004 and December 31, 2003 are (Won) 963.8 billion (US\$ 839.6 million) and (Won) 1,238.1 billion (US\$ 1,078.6), respectively, and payables to its subsidiaries are (Won) 31.3 billion (US\$ 27.2 million) and (Won) 18.5 billion (US\$ 16.1 million), respectively. In addition, for the nine months ended September 30, 2004 and 2003 revenues from transactions with its subsidiaries are (Won) 25.0 billion (US\$ 21.8 million) and (Won) 59.6 billion (US\$ 51.9 million), respectively, and expenses from transactions with its subsidiaries are (Won) 15.8 billion (US\$ 13.8 million) and (Won) 13.8 billion (US\$ 12.0 million), respectively.

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

November 5, 2004

Notice to Readers

This report is effective as of November 5, 2004, the accountants' review report date. Certain subsequent events or circumstances may have occurred between this review report date and the time the 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.

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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NON-CONSOLIDATED BALANCE SHEETS**  
**AS OF SEPTEMBER 30, 2004 AND DECEMBER 31, 2003**

(See Independent Accountants' Review Report.)

	Korean won		US dollars (Note 2)	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
	(In millions)		(In thousands)	
<b>ASSETS</b>				
Cash and bank deposits (Notes 16, 18 and 20)	(Won) 719,328	(Won) 349,585	US\$ 626,647	US\$ 304,543
Investment securities of subsidiaries (Notes 3 and 18)	8,000,257	7,007,222	6,969,472	6,104,384
Loans, net of allowance for possible loan losses (Notes 4, 5, 18 and 20)	231,726	830,566	201,870	723,553
Fixed assets (Note 6)	309	293	269	255
Other assets (Notes 7, 10 and 20)	46,511	60,149	40,518	52,399
	<u>(Won) 8,998,131</u>	<u>(Won) 8,247,815</u>	<u>US\$ 7,838,776</u>	<u>US\$ 7,185,134</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>LIABILITIES</b>				
Borrowings (Notes 8 and 18)	(Won) 120,000	(Won)	US\$ 104,538	US\$
Debentures, net of discounts and reconciliation for conversion rights plus accrued interest and redemption premium (Notes 9, 10 and 18)	2,548,129	2,621,182	2,219,818	2,283,458
Other liabilities (Notes 10, 11, 12 and 20)	40,897	28,738	35,628	25,036
	<u>2,709,026</u>	<u>2,649,920</u>	<u>2,359,984</u>	<u>2,308,494</u>
<b>SHAREHOLDERS' EQUITY</b>				
Common stock (Note 13)	3,920,381	3,877,525	3,415,264	3,377,929
Capital surplus (Note 13)	75,451	61,324	65,730	53,423
Retained earnings (Notes 3 and 13):				
Legal reserve	79,177	58,921	68,976	51,329
Voluntary reserve	1,120,000	1,000,000	975,695	871,156
Retained earnings before appropriations (Net income of (Won) 440,157 million and (Won) 202,565 million for the nine months ended September 30, 2004 and for the year ended December 31, 2003, respectively)	308,195	223,945	268,485	195,091
	<u>1,507,372</u>	<u>1,282,866</u>	<u>1,313,156</u>	<u>1,117,576</u>
Capital adjustments (Notes 3 and 14)	785,901	376,180	684,642	327,712
	<u>6,289,105</u>	<u>5,597,895</u>	<u>5,478,792</u>	<u>4,876,640</u>

<u>(Won) 8,998,131</u>	<u>(Won) 8,247,815</u>	<u>US\$ 7,838,776</u>	<u>US\$ 7,185,134</u>
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See accompanying notes to non-consolidated interim financial statements.

**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2004 AND 2003**

(See Independent Accountants' Review Report.)

	Korean won				US dollars (Note 2)			
	2004		2003		2004		2003	
	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30
	(In millions, except for income per share data)				(In thousands, except for income per share data)			
<b>OPERATING REVENUE</b>								
Gain on valuation using the equity method of accounting (Notes 3 and 19)	(Won) 292,686	(Won) 539,143	(Won)	(Won) 420,371	US\$ 254,975	US\$ 469,678	US\$	US\$ 366,209
Interest income (Note 20)	7,426	25,053	16,925	54,284	6,469	21,825	14,744	47,290
Gain on valuation of swap contracts								
(Notes 9 and 20)	1,091		7,805	5,296	950		6,799	4,614
Gain on foreign currencies transactions		2,884				2,512		
Gain on foreign currencies translation	1,144	12,183	7,892	14,894	997	10,614	6,876	12,974
Reversal of allowance for possible loan losses (Note 5)		3,141	11,161	14,935		2,736	9,723	13,011
	<u>302,347</u>	<u>582,404</u>	<u>43,783</u>	<u>509,780</u>	<u>263,391</u>	<u>507,365</u>	<u>38,142</u>	<u>444,098</u>
<b>OPERATING EXPENSES</b>								
Loss on valuation using the equity method of accounting			(129,083)				(112,451)	
Interest expense (Note 20)	(37,771)	(112,253)	(33,473)	(103,371)	(32,904)	(97,790)	(29,160)	(90,052)
Loss on valuation of swap contracts								
(Notes 9 and 20)		(12,440)	(9,165)	(12,082)		(10,837)	(7,984)	(10,525)
Loss on foreign currencies translation			(2,409)	(2,409)			(2,099)	(2,099)
	(3)				(3)			

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Provision for possible loan losses								
Fees and commissions (Note 20)	(2,093)	(5,073)	(1,795)	(4,363)	(1,823)	(4,419)	(1,564)	(3,801)
General and administrative (Notes 17 and 20)	(4,299)	(14,124)	(4,749)	(17,098)	(3,745)	(12,305)	(4,137)	(14,895)
	<u>(44,166)</u>	<u>(143,890)</u>	<u>(180,674)</u>	<u>(139,323)</u>	<u>(38,475)</u>	<u>(125,351)</u>	<u>(157,395)</u>	<u>(121,372)</u>
<b>OPERATING INCOME (LOSS)</b>	258,181	438,514	(136,891)	370,457	224,916	382,014	(119,253)	322,726
NON-OPERATING INCOME	1,522	1,724		190	1,326	1,502		166
NON-OPERATING EXPENSES	(21)	(81)	(520)	(556)	(18)	(71)	(453)	(485)

(continued)

**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2004 AND 2003 (CONTINUED)**

(See Independent Accountants' Review Report.)

	Korean won				US dollars (Note 2)			
	2004		2003		2004		2003	
	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30
	(In millions, except for income per common share data)				(In thousands, except for income per common share data)			
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	259,682	440,157	(137,411)	370,091	226,224	383,445	(119,706)	322,407
INCOME TAX EXPENSE (Note 15)								
NET INCOME (LOSS)	(Won) 259,682	(Won) 440,157	(Won) (137,411)	(Won) 370,091	US\$ 226,224	US\$ 383,445	US\$ (119,706)	US\$ 322,407
BASIC ORDINARY INCOME (LOSS) PER COMMON SHARE (Note 21)	(Won) 331	(Won) 565	(Won) (177)	(Won) 480	US\$ 0.289	US\$ 0.492	US\$ (0.154)	US\$ 0.418
BASIC NET INCOME (LOSS) PER COMMON SHARE (Note 21)	(Won) 331	(Won) 565	(Won) (177)	(Won) 480	US\$ 0.289	US\$ 0.492	US\$ (0.154)	US\$ 0.418
DILUTED ORDINARY INCOME (LOSS) PER COMMON SHARE (Note 21)	(Won) 324	(Won) 558	(Won) (177)	(Won) 468	US\$ 0.282	US\$ 0.486	US\$ (0.154)	US\$ 0.408
DILUTED NET INCOME (LOSS) PER COMMON SHARE (Note 21)	(Won) 324	(Won) 558	(Won) (177)	(Won) 468	US\$ 0.282	US\$ 0.486	US\$ (0.154)	US\$ 0.408

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-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2004 AND 2003**

(See Independent Accountants' Review Report.)

	Korean won				US dollars (Note 2)				
	2004		2003		2004		2003		
	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	
	(In millions)				(In thousands)				
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>									
Net income (loss)	(Won) 259,682	(Won) 440,157	(Won) (137,411)	(Won) 370,091	US\$ 226,224	US\$ 383,445	US\$ (119,706)	US\$ 322,407	
Adjustments to reconcile net income (loss) to net cash used in operating activities:									
Loss on valuation using the equity method of accounting			129,083				112,451		
Interest expense (amortization of discounts on debentures)	2,797	8,807	2,937	8,155	2,437	7,672	2,559	7,104	
Provision for possible loan losses	3				3				
Loss on valuation of swap contracts		12,440	9,165	12,082		10,837	7,984	10,525	
Loss on foreign currencies translation			2,409	2,409			2,099	2,099	
Provision for severance benefits	38	63	20	287	33	55	17	250	
Depreciation	39	125	35	105	34	109	30	91	
Amortization on intangible assets	5	14	3	10	4	12	3	9	
Stock compensation	114	343	117	351	99	299	102	306	
Other non-operating expense		8				7			
Gain on valuation using the equity	(292,686)	(539,143)		(420,371)	(254,975)	(469,678)		(366,209)	

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method of accounting								
Interest income (long-term accrued interest)	(568)	(1,690)	(6,690)	(19,659)	(495)	(1,472)	(5,828)	(17,126)
Gain on valuation of swap contracts	(1,091)		(7,805)	(5,296)	(950)		(6,799)	(4,614)
Gain on foreign currencies translation	(1,144)	(12,183)	(7,892)	(14,894)	(997)	(10,614)	(6,876)	(12,974)
Reversal of allowance for possible loan losses		(3,141)	(11,161)	(14,935)		(2,736)	(9,723)	(13,011)
Gain on disposal of tangible assets	(2)	(15)			(2)	(13)		
Other non-operating revenue		(11)				(10)		
	<u>(292,495)</u>	<u>(534,383)</u>	<u>110,221</u>	<u>(451,756)</u>	<u>(254,809)</u>	<u>(465,532)</u>	<u>96,019</u>	<u>(393,550)</u>

(continued)

**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2004 AND 2003 (CONTINUED)**

(See Independent Accountants' Review Report.)

	Korean won				US dollars (Note 2)				
	2004		2003		2004		2003		
	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	
	(In millions)				(In thousands)				
Changes in operating assets and liabilities:									
Decrease (increase) in other receivables	(Won) (2)	(Won) 128	(Won) 4	(Won) 4	US\$ (2)	US\$ 112	US\$ 3	US\$ 3	US\$ 3
Decrease in accrued income	218	27,983	433	2,025	190	24,378	377	1,764	1,764
Decrease in currency swap contracts		16,463				14,342			
Increase in advance payment	(29,775)	(29,794)	(5)	(5)	(25,939)	(25,955)	(4)	(4)	(4)
Decrease (increase) in prepaid expenses	185	466	(42)	769	161	406	(37)	670	670
Decrease (increase) in prepaid income tax	(82)	1,247	(1,600)	1,467	(71)	1,086	(1,394)	1,278	1,278
Retirement benefits payments	(37)	(567)			(32)	(494)			
Decrease in retirement insurance	11	448			10	390			
Increase (decrease) in other payables	(1,308)	(404)	(95)	233	(1,139)	(352)	(82)	203	203
Increase (decrease) in accrued expenses	367	280	(3,497)	(3,658)	320	244	(3,046)	(3,187)	(3,187)
Increase (decrease) in withholdings	(27)	(100)	85	99	(25)	(87)	74	87	87
	(30,450)	16,150	(4,721)	934	(26,527)	14,071	(4,112)	814	814

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Net cash used in operating activities	(63,263)	(78,076)	(31,911)	(80,731)	(55,112)	(68,017)	(27,799)	(70,329)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>								
Dividend income	400,017	673,711	386,381	539,989	348,478	586,907	336,598	470,415
Collection of loans		1,850	19,200	29,600		1,612	16,726	25,786
Collection of other loans		600,000	65,411	357,697		522,694	56,983	311,610
Disposition of tangible assets	4	52			3	45		
Acquisition of investment securities of subsidiaries		(800,000)	(640,000)	(840,000)		(696,925)	(557,540)	(731,771)
Increase in loans			(31,850)	(121,850)			(27,746)	(106,150)

(continued)

**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2004 AND 2003 (CONTINUED)**

(See Independent Accountants' Review Report.)

	Korean won				US dollars (Note 2)									
	2004		2003		2004		2003							
	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30	Three months ended Sep. 30	Nine months ended Sep. 30						
	(In millions)				(In thousands)									
Acquisition of tangible assets	(Won)	(2)	(Won)	(179)	(Won)	(18)	US\$	(2)	US\$	(156)	US\$	US\$	(16)	
Acquisition of intangible assets		(2)		(13)		(3)		(2)		(11)			(3)	
Increase in guarantee deposits		(333)		(333)				(290)		(290)				
Net cash provided by (used in) investing activities		399,684		475,088		(200,858)		(34,585)		348,187		413,876	(174,979)	(30,129)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>														
Proceeds from borrowings				120,000		150,000		150,000		104,539		130,673	130,673	
Proceeds from debentures in local currency		329,330		698,255		299,128		319,128		286,898		608,289	260,587	278,010
Proceeds from debentures in foreign currencies						1,179		49,812				1,027	43,394	
Capital increase with consideration								38,450					33,496	
Payment of borrowings		(100,000)				(100,000)		(87,116)					(87,116)	
Payment of debentures in local currency		(300,000)		(600,000)		(66,680)		(66,680)		(261,347)		(522,694)	(58,089)	(58,089)
Payment of debentures in foreign currencies				(167,940)						(146,302)				(500)
Share issuance cost				(16)		(544)		(574)		(14)		(473)	(473)	(500)
Payment of dividends				(77,550)				(57,262)		(67,558)				(49,883)
Acquisition of treasury stocks		(18)		(18)						(15)		(15)		

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Net cash provided by (used in) financing activities	(70,688)	(27,269)	383,083	332,874	(61,580)	(23,755)	333,725	289,985
NET INCREASE IN CASH AND BANK DEPOSITS	265,733	369,743	150,314	217,558	231,495	322,104	130,947	189,527
CASH AND BANK DEPOSITS, BEGINNING OF THE PERIOD	453,595	349,585	140,500	73,256	395,152	304,543	122,397	63,817
CASH AND BANK DEPOSITS, END OF THE PERIOD (Note 16)	(Won) 719,328	(Won) 719,328	(Won) 290,814	(Won) 290,814	US\$ 626,647	US\$ 626,647	US\$ 253,344	US\$ 253,344

See accompanying notes to non-consolidated interim financial statement.

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

**NOTES TO NON-CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS**

**ENDED SEPTEMBER 30, 2004 AND 2003**

(See Independent Accountants' Review Report.)

**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 (formerly Hanvit Bank), Kyongnam Bank, Kwangju Bank, Woori Credit Card Co., Ltd. (formerly Peace Bank of Korea and merged into Woori Bank on March 31, 2004) and Woori Investment Bank (merged into Woori Bank on July 31, 2003), whose shares were contributed to the Company by the Korea Deposit Insurance Corporation (the "KDIC") in accordance with the provisions of the Financial Holding Company Act. As a result of its functional restructuring, the Company owns nine subsidiaries and four 2nd-tier subsidiaries as of September 30, 2004.

Upon incorporation, the Company's stock amounted to (Won) 3,637,293 million (US\$ 3,168,650 thousand), consisting of 727,458,609 common shares ((Won)5,000 per share) issued and outstanding. As a result of several capital increases and exercise of warrants since incorporation, as of September 30, 2004, the Company's stock amounted to (Won) 3,920,381 million (US\$ 3,415,264 thousand), consisting of 784,076,172 common shares issued and outstanding of which the KDIC owns 628,458,609 shares (80.15%).

On June 24, 2002, the Company listed its common shares on the Korea Stock Exchange through a public offering at a price of (Won) 6,800 per share with 36,000,000 new shares and 54,000,000 issued shares.

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 on September 29, 2003.

(2) Subsidiaries

General information pertaining to the Company's subsidiaries as of September 30, 2004 does not differ materially from that as of December 31, 2003 except for set forth below.

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- a. Woori Bank, a subsidiary of the Company, merged with WCC, a subsidiary of the Company, on March 31, 2004. Woori Bank issued 0.3581 new common shares per one common share of WCC.

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Accordingly, the number of issued common shares of Woori Bank increased from 571 million to 636 million and contributed capital of Woori Bank increased from (Won) 2,852.8 billion (US\$2,485.2 million) to (Won) 3,179.8 billion (US\$2,770.1 million).

- b. For the three-month period ended March 31, 2004, Woori Bank additionally acquired PT. Bank Woori Indonesia's 231 shares of common stock which are 13.6% ownership interest in the 2nd-tier subsidiary of the Company.
- c. For the three-month period ended June 30, 2004, the Company additionally acquired Woori Securities Co., Ltd.'s 15,584,113 shares of common stock which are 47.3% ownership interest in the subsidiary of the Company. As a result, the number of issued common shares of the Company increased from 775.5 million to 784.1 million and contributed capital of the Company increased from (Won) 3,877.5 billion (US\$ 3,377.9 million) to (Won) 3,920.4 billion (US\$ 3,415.3 million) and Woori Securities Co., Ltd. became a wholly owned subsidiary.
- d. The summary of subsidiaries as of September 30, 2004 is as follows:

<u>Parent companies</u>	<u>Subsidiaries</u>	<u>Number of shares owned</u>	<u>Percentage of owner- ship (%)</u>	<u>Fiscal year end</u>
Woori Finance Holdings Co., Ltd.	Woori Bank	635,956,580	100.0	December 31
	Kyongnam Bank	51,800,000	99.9	December 31
	Kwangju Bank	34,080,000	99.9	December 31
	Woori Finance Information System Co., Ltd. (WFIS)	900,000	100.0	December 31
	Woori F&I Co., Ltd. (WF&I)	2,000,000	100.0	December 31
	Woori Second Asset Securitization Specialty Co., Ltd. (WASS2)	1,900	95.0	December 31
	Woori Third Asset Securitization Specialty Co., Ltd. (WASS3)	2,000	100.0	December 31
	Woori Investment Trust Management Co., Ltd. (WITM)	6,000,000	100.0	March 31
	Woori Securities Co., Ltd. (Woori Securities)	32,956,413	100.0	March 31
	Woori Bank	Woori Credit Information Co., Ltd. (WCI)	1,008,000	100.0
Woori America Bank (WAB)		8,500,000	100.0	December 31
PT. Bank Woori Indonesia (BWI)		1,618	95.2	December 31
Woori F&I Co., Ltd.	Woori CA Asset Management Co., Ltd. (WCAAMC)	408,000	51.0	December 31

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e. The summary of subsidiaries as of December 31, 2003 was as follows:

<u>Parent companies</u>	<u>Subsidiaries</u>	<u>Number of shares owned</u>	<u>Percentage of owner- ship (%)</u>	<u>Fiscal year end</u>
Woori Finance Holdings Co., Ltd.	Woori Bank (*1)	570,567,520	100.0	December 31
	Kyongnam Bank	51,800,000	99.9	December 31
	Kwangju Bank	34,080,000	99.9	December 31
	Woori Credit Card Co., Ltd. (*2)	22,600,000	100.0	December 31
	Woori Finance Information System Co., Ltd.	900,000	100.0	December 31
	Woori F&I Co., Ltd.	2,000,000	100.0	December 31
	Woori Second Asset Securitization Specialty Co., Ltd.	1,900	95.0	December 31
	Woori Third Asset Securitization Specialty Co., Ltd.	2,000	100.0	December 31
	Woori Investment Trust Management Co., Ltd.	6,000,000	100.0	March 31
	Woori Securities Co., Ltd. (*3)	17,372,300	52.7	March 31
Woori Bank	Woori Credit Information Co., Ltd.	1,008,000	100.0	December 31
	Woori America Bank (*4)	8,500,000	100.0	December 31
	P.T. Bank Woori Indonesia	1,387	81.6	December 31
Woori F&I Co., Ltd.	Woori CA Asset Management Co., Ltd.	408,000	51.0	December 31

(\*1) The number of outstanding shares of Woori Bank increased by 17,687,520 shares as a result of Woori Bank's merger with Woori Investment Bank on July 31, 2003.

(\*2) On March 27, 2003, the Company purchased 40,000,000 new shares of WCC for (Won) 200,000 million (US\$ 174,231 thousand) and on September 30, 2003, the Company purchased 128,000,000 new shares of WCC for (Won) 640,000 million (US\$ 557,540 thousand). However, WCC curtailed 380,000,000 shares amounting to (Won) 1,900,000 million (US\$ 1,655,196 thousand) in a capital reduction without consideration on December 22, 2003.

(\*3) The Company purchased 4,121,730 shares of Woori Securities for (Won) 16,899 million (US\$ 14,722 thousand) on November 28, 2003.

(\*4) Woori Bank purchased 1,500,000 new shares of WAB for US\$ 15 million on September 3, 2003.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Financial Statement Presentation**

The Company maintains its official accounting records in Korean won and prepares statutory 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 from the Korean language financial statements.

The US dollar amounts presented in these non-consolidated interim financial statements were computed by translating Korean won amounts into US dollars amounts at the rate of (Won) 1,147.9 to US\$ 1.00 the Base Rate announced by Seoul Money Brokerage Service, Ltd. at September 30, 2004, solely for the convenience of the readers outside of the Republic of Korea. This convenience translation into US dollars should not be construed as representations that the Korean won amounts have been, could have been, or could in the future be, converted at this or any other rate of exchange.

The accounting policies, which have been adopted in preparing the accompanying non-consolidated interim financial statements, are not different materially from those used in preparing the non-consolidated financial statements for the year ended December 31, 2003.

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**3. INVESTMENT SECURITIES OF SUBSIDIARIES**

- (1) Changes in equity securities during the nine-month period ended September 30, 2004, which are accounted for using the equity method of accounting, are as follows (Unit: Korean won in millions):

	Gain (loss)				September 30, 2004
	January 1, 2004	on valuation using the equity method	Capital adjust- ments	Other increase (decrease)	
Woori Bank	(Won) 5,869,559	(Won) 840,777	(Won) 352,309	(Won) (442,428)	(Won) 6,620,217
Kyongnam Bank	504,628	82,723	15,354	(12,971)	589,734
Kwangju Bank	364,955	67,015	9,668	(8,560)	433,078
Woori Credit Card (*1)		(466,410)	1,677	464,733	
Woori Finance Information System	7,284	1,070			8,354
Woori F&I	35,896	5,464	3,571	(1,500)	43,431
Woori Second Asset Securitization Specialty	20,016	5,521			25,537
Woori Third Asset Securitization Specialty	1,266	(2,240)	16,791		15,817
Woori Investment Trust Management	34,978	2,313		(2,400)	34,891
Woori Securities	168,640	2,910	9,335	48,313	229,198
	<u>(Won) 7,007,222</u>	<u>(Won) 539,143</u>	<u>(Won) 408,705</u>	<u>(Won) 45,187</u>	<u>(Won) 8,000,257</u>

- (\*1) (Won) 105,581 million (US\$ 91,978 thousand) of unrecorded loss on valuation of the equity securities in WCC in 2003 due to discontinuance of the equity method of accounting was reflected in the other increase or decrease for the nine months ended September 30, 2004. In addition, the investment securities of WCC were combined in those of Woori Bank since WCC was merged into Woori Bank on March 31, 2004.
- (2) The reconciliation between the acquisition costs and the book value as of December 31, 2003 is summarized as follows (Unit: Korean won in millions):

	Gain (loss)				Dec. 31, 2003
	Acquisition cost	on valuation using the equity method	Capital adjust- ments	Other increase (decrease)	
Woori Bank	(Won) 2,764,400	(Won) 2,760,234	(Won) 800,161	(Won) (455,236)	(Won) 5,869,559

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Kyongnam Bank	259,000	235,406	32,074	(21,852)	504,628
Kwangju Bank	170,403	195,597	9,508	(10,553)	364,955

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	Gain (loss)				Dec. 31, 2003
	Acquisition cost	on valuation using the equity method	Capital adjust- ments	Other increase (decrease)	
Woori Credit Card (*1)	273,000	(1,490,901)	(522,099)	1,740,000	
Woori Investment Bank	(Won) 170,493	(Won) 44,780	(Won) 34,627	(Won) (249,900)	(Won)
Woori Finance Information System	5,244	2,238	6	(204)	7,284
Woori F&I	10,094	23,304	3,998	(1,500)	35,896
Woori First Asset Securitization Specialty	10	(10)			
Woori Second Asset Securitization Specialty	10	33,006		(13,000)	20,016
Woori Third Asset Securitization Specialty	10	(2,678)	13,824	(9,890)	1,266
Woori Investment Trust Management	39,128	3,350		(7,500)	34,978
Woori Securities	152,662	1,759	2,560	11,659	168,640
	<u>(Won) 3,844,454</u>	<u>(Won) 1,806,085</u>	<u>(Won) 374,659</u>	<u>(Won) 982,024</u>	<u>(Won) 7,007,222</u>

(\*1) In 2003, the equity method of accounting was discontinued for the valuation of investment securities in WCC as the investment balance was reduced to zero during the year.

(3) The details of other increase or decrease during the nine-month period ended September 30, 2004 are as follows (Unit: Korean won in millions):

	Merger between subsidiaries	Acquisition	Retained earnings	Dividends received	Total
Woori Bank	(Won) 200,163	(Won)	(Won) (2,936)	(Won) (639,655)	(Won) (442,428)
Kyongnam Bank			(21)	(12,950)	(12,971)
Kwangju Bank			(40)	(8,520)	(8,560)
Woori Credit Card	(200,163)	800,000	(135,104)		464,733
Woori F&I				(1,500)	(1,500)
Woori Investment Trust Management				(2,400)	(2,400)
Woori Securities		56,999		(8,686)	48,313
	<u>(Won)</u>	<u>(Won) 56,999</u>	<u>(Won) (138,101)</u>	<u>(Won) (673,711)</u>	<u>(Won) 45,187</u>

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- (4) The details of other increase or decrease during the period from the acquisitions of the securities to December 31, 2003 are as follows (Unit: Korean won in millions):

	Acquisition (disposition)	Retained earnings	Dividends received	Total
Woori Bank (*1)	(Won) 227,084	(Won) (108,430)	(Won) (573,890)	(Won) (455,236)
Kyongnam Bank		(11,492)	(10,360)	(21,852)
Kwangju Bank		(3,737)	(6,816)	(10,553)
Woori Credit Card	1,740,000			1,740,000
Woori Investment Bank	(249,666)	(234)		(249,900)
Woori Finance Information System		(204)		(204)
Woori F&I			(1,500)	(1,500)
Woori Second Asset Securitization Specialty			(13,000)	(13,000)
Woori Third Asset Securitization Specialty		(9,890)		(9,890)
Woori Investment Trust Management			(7,500)	(7,500)
Woori Securities	16,959		(5,300)	11,659
	(Won) 1,734,377	(Won) (133,987)	(Won) (618,366)	(Won) 982,024

- (\*1) Woori Bank recorded a gain on disposition of the investment in WITM amounting to (Won) 17,715 million (US\$ 15,433 thousand) and a loss on disposition of the investment in Woori Securities amounting to (Won) 40,297 million (US\$ 35,105 thousand) which were recorded in capital surplus of Woori Bank in 2002. The Company recognized these amounts as an increase and a decrease, respectively, in acquisition cost of the investment in Woori Bank in 2002.

- (5) For investments in the subsidiaries accounted for using the equity method, the excess of the acquisition cost over the proportionate net asset value on the acquisition date is amortized using the straight-line method over 20 years while excess of the proportionate net asset value on the acquisition date over the acquisition cost is amortized over 5 years.

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The details of changes in the difference between the acquisition cost and the proportionate net asset value on the acquisition date during the nine-month period ended September 30, 2004 are as follows (Unit: Korean won in millions):

	January 1, 2004	Increase or decrease	Amortization	September 30, 2004
Woori Bank	(Won) 264,026	(Won) 24,056	(Won) 12,363	(Won) 275,719
Kyongnam Bank	7,565		334	7,231
Kwangju Bank	16,442		725	15,717
Woori Credit Card	24,415	(24,056)	359	
Woori F&I	84		4	80
Woori Securities	(30,223)	(113,999)	(10,233)	(133,989)
	<u>(Won) 282,309</u>	<u>(Won) (113,999)</u>	<u>(Won) 3,552</u>	<u>(Won) 164,758</u>

The details of changes in the difference between the acquisition cost and the proportionate net asset value on the acquisition date during the period from the acquisition to December 31, 2003 are as follows (Unit: Korean won in millions):

	The initial difference at acquisition	Increase or decrease	Amortization	December 31, 2003
Woori Bank	(Won) 328,323	(Won) (17,300)	(Won) 46,997	(Won) 264,026
Kyongnam Bank	8,900		1,335	7,565
Kwangju Bank	19,343		2,901	16,442
Woori Credit Card	28,721		4,306	24,415
Woori Investment Bank	5,979	(5,282)	697	
Woori Finance Information System	(110)		(110)	
Woori F&I	94		10	84
Woori Securities	355	(30,223)	355	(30,223)
	<u>(Won) 391,605</u>	<u>(Won) (52,805)</u>	<u>(Won) 56,491</u>	<u>(Won) 282,309</u>

(6) The details of the elimination of unrealized intercompany income or loss for the nine-month period ended September 30, 2004 are as follows (Unit: Korean won in millions):

Operating revenues	Operating expenses	Non-operating income	Non-operating expenses	Total
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Woori Bank	(Won) 1,069	(Won)	(Won) 1,720	(Won) (90)	(Won) 2,699
Kyongnam Bank				(14)	(14)
Kwangju Bank				(88)	(88)
Woori Credit Card				(173)	(173)
Woori Finance Information System	(563)				(563)
	(Won) 506	(Won)	(Won) 1,720	(Won) (365)	(Won) 1,861

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**4. LOANS**

Loans as of September 30, 2004 and December 31, 2003 are as follows:

	Issuance date	Maturity date	Annual interest rate (%)	Korean won		US dollars (Note 2)	
				Sep. 30, 2004	Dec. 31, 2003	Sep. 30, 2004	Dec. 31, 2003
				(In millions)		(In thousands)	
Woori Finance Information System (*1)	Oct. 31, 2002	Oct. 31, 2006	7.3	(Won) 30,000	(Won) 30,000	US\$ 26,135	US\$ 26,135
Woori F&I (*2)	Dec. 20, 2002	Dec. 20, 2006	7.6	3,150	5,000	2,744	4,356
	Mar. 25, 2003	Mar. 25, 2007	7.3	90,000	90,000	78,404	78,404
	Jul. 7, 2003	Jul. 7, 2007	7.3	23,000	23,000	20,037	20,037
	Jul. 29, 2003	Jul. 29, 2007	7.3	8,850	8,850	7,710	7,710
				125,000	126,850	108,895	110,507
<b>WASS2:</b>							
2-1 non-guaranteed privately placed bond (*3)	Jan. 8, 2002	Jan. 8, 2012	7.5	100	100	87	87
<b>WASS3:</b>							
3-1 non-guaranteed privately placed bond (*3)	Apr. 15, 2002	Apr. 15, 2012	7.8	27,790	27,790	24,209	24,209
<b>Woori Bank:</b>							
1st non-guaranteed subordinated convertible bonds	Sep. 27, 2002	Sep. 27, 2012			150,000		130,673
2nd non-guaranteed subordinated convertible bonds	Oct. 30, 2002	Oct. 30, 2012			200,000		174,231
3rd non-guaranteed subordinated convertible bonds	Nov. 28, 2002	Nov. 28, 2012			250,000		217,789
					600,000		522,693
<b>Kwangju Bank:</b>							
Non-guaranteed subordinated convertible bonds (*4)	Dec. 31, 2002	Dec. 31, 2012		50,000	50,000	43,558	43,558

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Total	232,890	834,740	202,884	727,189
Allowance for possible loan losses (Note 5)	(1,164)	(4,174)	(1,014)	(3,636)
Net	(Won) 231,726	(Won) 830,566	US\$ 201,870	US\$ 723,553

(\*1) Loans granted to finance the transaction among Woori Bank, WCC and WFIS, in which Woori Bank and WCC transferred their IT equipment to WFIS.

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- (\*2) Loans granted to finance the acquisitions of the securitization debentures and the investment equity securities related to the joint venture special entities of WF&I.
- (\*3) The principal of the non-guaranteed privately placed bonds listed above shall be fully repaid on the maturity date, however, the trustees may exercise early redemption rights to pay in part or in whole the principal in accordance with the business trust contract pursuant to the asset securitization plan.
- (\*4) The coupon rate on the bonds is zero and the guaranteed return is 155.29%. The conversion price is (Won) 5,000 and conversion rights are valid from one year after the issuance date to one month before the maturity date. The common shares of Kwangju Bank will be issued upon conversion.

**5. ALLOWANCE FOR POSSIBLE LOAN LOSSES**

- (1) Allowances for possible loan losses as of September 30, 2004 and December 31, 2003 are as follows:

	Korean won		US dollars (Note 2)	
	Sep. 30, 2004	Dec. 31, 2003	Sep. 30, 2004	Dec. 31, 2003
	(In millions)		(In thousands)	
Loans:				
Woori Bank	(Won)	(Won) 3,000	US\$	US\$ 2,613
Kwangju Bank	250	250	218	218
Woori Finance Information System	150	150	131	131
Woori F&I	624	634	543	552
Woori Second Asset Securitization Specialty	1	1	1	1
Woori Third Asset Securitization Specialty	139	139	121	121
Sub-total	1,164	4,174	1,014	3,636
Long-term accrued interest income:				
Woori Bank		140		122
Kwangju Bank	20	11	17	10
Sub-total	20	151	17	132
Total	(Won) 1,184	(Won) 4,325	US\$ 1,031	US\$ 3,768

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- (2) Changes in allowances for possible loan losses during the nine-month periods ended September 30, 2004 and 2003 and the year ended December 31, 2003 are as follows (Unit: Korean won in millions):

	Nine months ended	Year ended	Nine months ended
	Sep. 30, 2004	Dec. 31, 2003	Sep. 30, 2003
Beginning balance	(Won) 4,325	(Won) 147,381	(Won) 147,381
Write-off of loans		(127,400)	(127,400)
Provision for possible loan loss (reversal of allowance for doubtful loans)	(3,141)	(15,656)	(14,935)
Ending balance	(Won) 1,184	(Won) 4,325	(Won) 5,046

**6. FIXED ASSETS**

- (1) Changes in tangible assets for the nine-month period ended September 30, 2004 are as follows (Unit: Korean won in millions):

	Jan. 1, 2004	Acquisition	Disposition	Depreciation	Sep. 30, 2004
Vehicles	(Won) 57	(Won)	(Won) 35	(Won) 14	(Won) 8
Furniture and equipment	124	126	2	85	163
Structures in leased offices	61	53		26	88
	(Won) 242	(Won) 179	(Won) 37	(Won) 125	(Won) 259

- (2) Changes in intangible assets for the nine-month period ended September 30, 2004 are as follows (Unit: Korean won in millions):

	Jan. 1, 2004	Acquisition	Amortization	Sep. 30, 2004
Software	(Won) 20	(Won)	(Won) 5	(Won) 15
Industrial property right		31	13	9
	(Won) 51	(Won) 13	(Won) 14	(Won) 50

Accumulated amortization of software and industrial property right amounted to (Won) 18 million (US\$ 16 thousand) and (Won) 23 million (US\$ 20 thousand), respectively, as of September 30, 2004.

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**7. OTHER ASSETS**

Other assets as of September 30, 2004 and December 31, 2003 are as follows:

	<b>Korean won</b>		<b>US dollars (Note 2)</b>	
	<b>Sep. 30, 2004</b>	<b>Dec. 31, 2003</b>	<b>Sep. 30, 2004</b>	<b>Dec. 31, 2003</b>
	<b>(In millions)</b>		<b>(In thousands)</b>	
Guarantee deposits	(Won) 4,204	(Won) 3,871	US\$ 3,662	US\$ 3,372
Other receivables	1,721	1,146	1,499	998
Accrued income	5,176	31,471	4,509	27,416
Currency swaps (Notes 9 and 10)		16,463		14,342
Advance payment	29,795	1	25,956	1
Prepaid expenses	328	794	286	692
Prepaid income tax	5,307			