

WOORI FINANCE HOLDINGS CO LTD

Form 6-K

May 16, 2005

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## Form 6-K

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

For the month of May 2005

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## Woori Finance Holdings Co., Ltd.

(Translation of Registrant's name into English)

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

(Address of principal executive offices)

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

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

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

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

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

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

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

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

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**I. Company Overview**

**1. Purpose of Company**

**a. Scope of Business**

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

(1) Corporate Management

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

(2) Corporate Management Support Activities

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

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

**b. Scope of Business of Subsidiaries**

(1) Woori Bank

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1. Primary Businesses

Banking business

Ancillary business

2. Supplementary Businesses

Trust business

Credit card business

Other authorized businesses

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(2) Kwangju Bank

1. Primary Businesses

Banking business

Ancillary business

2. Supplementary Businesses

Trust business

Credit card business

Other authorized businesses

(3) Kyongnam Bank

1. Primary Businesses

Banking business

Ancillary business

2. Supplementary Businesses

Trust business

Credit card business

Other authorized businesses

(4) Woori Investment & Securities

1. Securities dealing;

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



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

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4. Call trading;
5. Bill purchases; and
6. Other activities directly or indirectly related to items 1 to 5 mentioned above.

(6) Woori Finance Information System

1. Development, distribution and management of computer system;
2. Consulting services in computer installation and usage;

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3. Distribution, brokerage and lease of computer system;
4. Maintenance of computer-related equipment;
5. Publication and distribution of IT-related reports and books;
6. Educational services related to computer usage;
7. Research and outsourcing information processing services;
8. Internet-related businesses;
9. Information processing, telecommunications and information distribution services;
10. Manufacturing and distribution of audio-visual media; and
11. All activities directly or indirectly related to the items listed above.

(7) Woori F&I

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

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

1. Transfer, management and disposition of all rights related to the securities and other assets (the securitized assets ) of Woori Bank (formerly known as Hanvit Bank) and Kwangju Bank pursuant to the Asset Securitization Law;
2. Offering and redemption of the securitized assets;
3. Preparation and registration of asset securitization plans to the Financial Supervisory Service;
4. Execution of agreements required for the asset securitization plan;

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5. Provisional borrowing and other similar procedures for ABS redemption;
6. Investment of surplus funds; and
7. Other activities related to the items listed above.

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

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

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**2. History of the Company**

**a. Company History**

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

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

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

**b. Associated Business Group**

(1) Overview of Business Group

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

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December 23, 2000	Enactment of the Financial Holding Company Act
December 30, 2000	KDIC invested public funds of Won 8.5 trillion in Hanvit Bank, Peace Bank, Kwangju Bank, Kyongnam Bank and Hanaro Merchant Bank
March 14, 2001	Filed application for the incorporation of Woori Finance Holdings
March 24, 2001	Official approval from the Financial Supervisory Service for Woori Finance Holdings
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March 29, 2002	Woori Investment Trust Management incorporated as a subsidiary
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December 23, 2002	Purchase and acquisition agreement with the credit card division of Kwangju Bank



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March 10, 2003	Integrated IT platform with Kyongnam Bank
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(2) Related companies within the business group

<u>Type</u>	<u>Name of Company</u>	<u>Controlling Company</u>	<u>Notes</u>
Holding Company	Woori Finance Holdings	KDIC	
1 <sup>st</sup> Tier Subsidiaries	Woori Bank Kwangju Bank Kyongnam 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 (1) Woori Investment & Securities (Formerly known LGIS)	Woori Finance Holdings	10 companies
2 <sup>nd</sup> Tier Subsidiaries	Woori Credit Information Woori America Bank P.T. Bank Woori Indonesia Shinwoo Corporate Restructuring Company Woori First Private Equity Fund Nexbi Tech Woori CA Asset Management LG Investment Trust Management (2) Woori Futures (3) Woori Securities International Ltd. (3) Woori Securities (HK) Ltd. (3) Woori Securities America Inc. (3) Mars First Private Hoesa	Woori Bank  Woori Finance Information System Woori F&I Woori Investment & Securities	13 companies

- (1) Following the exchange of shares between Woori Securities and Woori Finance Holdings, Woori Securities merged with LG Investment & Securities on March 31, 2005 and was subsequently dissolved on April 2, 2005. It was de-listed on June 24, 2004.
- (2) On May 6, 2005, Woori Finance Holdings acquired 90% stake in LG Investment Trust Management from Woori Investment & Securities. Subsequently, it was upgraded as a tier-1 subsidiary.
- (3) The names of the subsidiaries of former LG Investment & Securities changed as well.

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

(units: Won)

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

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

**b. Anticipated Changes in Capital**

Not applicable

**c. Convertible Bonds**

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

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**4. Total Number of Authorized Shares**

**a. Total Number of Authorized Shares**

As of 2005.3.31

<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	806,015,340	1,593,984,660

**b. Information of Issued Shares**

As of 2005.3.31

Par Value : 5,000 Won

(units: Won 1,000, shares)

		<b>Number of Stock</b>		
<u>Type</u>		<u>Issued</u>	<u>Face Value</u>	<u>Notes</u>
Registered	Common Stock	806,015,340	4,030,076,700	
	Total	806,015,340	4,030,076,700	

**c. Treasury Stock**

As of 2005.3.31

(units: shares)

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

Preferred

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

As of 2005.3.31

(units: Won, shares)

<u>Type of stock</u>	<u>Type of Stock</u>	<u>Initial Balance</u>	<u>Ending Balance</u>
Employee Account			
Employee Union Account	Common stock	2,073,551	1,700,047

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**5. Voting Rights**

As of 2005.3.31

(units: shares)

<u>Items</u>		<u>Number of stock</u>	<u>Notes</u>
Total number of shares	Common Shares Preferred Shares	806,015,340	
Stocks without voting rights	Common Shares Preferred Shares		
Stocks with limited voting rights under the Securities & Exchange Law		2,547	
Stocks with voting rights restored			
Stocks with voting rights	Common Shares Preferred Shares	806,012,793	

**Table of Contents****6. Dividend Information****a. Dividend information for the past 3 years**

(units: Won)

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



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**II. Description of Business**

**1. Business Overview**

**a. Current Trend of Industry**

Fierce competition in the banking sector

Restructuring of the second-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. Organization Chart**

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

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

**b. Financing of operations**

## (1) Source of Funds

(units: millions of Won)

Items	2005 1Q	2004	2003	2002
Shareholders Equity	7,526,434	7,436,457	5,597,895	5,064,129
Capital	4,030,076	3,982,278	3,877,525	3,839,074
Capital Surplus	109,025	84,356	61,324	58,645
Retained Earnings	2,569,744	2,359,422	1,282,866	1,145,518
Capital Adjustments	817,588	1,010,402	376,180	20,892
Borrowings	2,345,710	2,299,992	2,649,920	2,325,021
Debentures	2,096,200	2,154,637	2,621,182	1,999,250
Bank Borrowings	120,000	120,000		300,000
Commercial Paper				
Other Borrowings				
Other Liabilities	129,510	25,354	28,738	25,771
Total	9,872,145	9,736,449	8,247,815	7,389,150

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## (2) Use of Funds

(units: millions of Won)

Items	2005 1Q	2004	2003	2002
Subsidiary Stock	9,377,751	9,425,381	7,007,222	6,062,119
Woori Bank	7,747,017	7,578,363	5,869,558	4,500,143
Kyongnam Bank	591,454	608,802	504,629	424,060
Kwangju Bank	412,975	420,595	364,955	290,003
Woori Credit Card				379,126
Woori Merchant Bank				222,936
Woori Financial Information System	9,846	7,613	7,284	3,364
Woori F&I	67,320	58,231	35,896	17,016
Woori 2 <sup>nd</sup> Asset Securitization Specialty			20,016	31,666
Woori 3 <sup>rd</sup> Asset Securitization Specialty			1,266	
Woori Investment Trust Management	35,414	35,076	34,978	39,646
Woori Securities		361,500	168,639	154,159
LG Investment & Securities	513,726	355,201		
Loan Obligations	213,266	218,641	830,566	1,231,207
Tangible Assets	181	228	242	324
Intangible Assets	48	54	51	50
Cash	243,727	56,099	349,585	73,256
Other Assets	36,770	36,047	60,148	22,195
Total	9,872,145	9,736,449	8,247,815	7,389,151

**c. Transactions related to Commission Fees**

(units: millions of Won)

Category	Items	2005 1Q	2004 1Q	2004
Commission Revenue (A)		0	0	0
Commission Expense (B)		1,055	1,155	8,037
Commission Profit (A-B)		-1,055	-1,155	-8,037

**3. Other Information Relevant to Investment Decisions**

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

**a. Won-denominated Current Ratio**

(units: millions of Won)

Items	2005 1Q	2004	2003	2002
Current Assets (A)	244,590	57,346	203,202	78,357
Current Liabilities (B)	129,510	11,385	9,711	9,317
Current Ratio (A/B)	188.86%	503.70%	2,092.5%	841.0%

\* **Current ratio of Won**

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

**Table of Contents****b. Foreign Currency-denominated Current Ratio**

(units: millions of Won)

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

**\* Current ratio of foreign currency**

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

**c. Debt Ratio**

(units: millions of Won)

Items	2005 1Q	2004	2003	2002
Liabilities (A)	2,345,711	2,299,992	2,649,920	2,325,022
Equity (B)	7,526,434	7,436,457	5,597,895	5,064,129
Debt Ratio (A/B)	31.2%	30.9%	47.3%	45.9%

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

<u>Date of Rating</u>	<u>Evaluated Securities</u>	<u>Credit Rating</u>	<u>Company (Ratings Range)</u>	<u>Evaluation Category</u>
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		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
	Debentures			

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2004.11.15	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
2004.11.15	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation

### **e. Other Important Information**

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

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

(units: millions of Won)

Items	2005 1Q	2004	2003	2002	2001
Cash and Due from Banks	243,727	56,099	349,585	73,256	13,825
Securities	9,377,752	9,436,976	7,007,222	6,062,119	5,016,864
Loans	213,666	218,641	830,566	1,231,207	648,365
Fixed Assets	230	282	293	374	651
Other Assets	36,770	36,046	60,148	22,195	14,108
<b>Total Assets</b>	<b>9,872,145</b>	<b>9,748,044</b>	<b>8,247,814</b>	<b>7,389,151</b>	<b>5,693,813</b>
Borrowings	120,000	120,000		300,000	310,000
Debentures	2,096,200	2,154,636	2,621,182	1,999,250	1,298,304
Other Liabilities	129,511	25,355	28,737	25,772	8,162
<b>Total Liabilities</b>	<b>2,345,711</b>	<b>2,299,991</b>	<b>2,649,919</b>	<b>2,325,022</b>	<b>1,616,466</b>
Common Stock	4,030,077	3,982,278	3,877,525	3,839,074	3,637,293
Capital Surplus	109,025	84,356	61,324	58,645	
Retained Earnings	2,569,744	2,328,854	1,282,866	1,145,518	558,501
Capital Adjustment	817,588	1,052,565	376,180	20,892	-118,447
<b>Total Stockholder's Equity</b>	<b>7,526,434</b>	<b>7,448,053</b>	<b>5,597,895</b>	<b>5,064,129</b>	<b>4,077,347</b>
Operating Income*	422,981	1,922,849	1,593,251	878,488	717,112
Operating Expenses *	61,044	662,975	1,390,154	302,721	31,222
Operating Profit	361,937	1,259,874	203,097	575,767	685,890
Ordinary Income	362,023	1,261,925	202,565	589,214	685,885
<b>Net profit</b>	<b>362,023</b>	<b>1,261,925</b>	<b>202,565</b>	<b>589,214</b>	<b>684,102</b>

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

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

**2. Condensed Financial Statements (Consolidated)**

(units: millions of Won)



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

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

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

## (1) Loan Loss Reserves for 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>
2005 1Q	Lendings	146,850	734	0.5%
	Loans	67,890	340	0.5%
	<b>Total</b>	<b>214,740</b>	<b>1,074</b>	<b>0.5%</b>
2004	Lendings	151,850	759	0.5%
	Loans	67,890	339	0.5%
	<b>Total</b>	<b>219,740</b>	<b>1,098</b>	<b>0.5%</b>
2003	Lendings	156,850	784	0.5%
	Loans	677,890	3,390	0.5%
	<b>Total</b>	<b>834,740</b>	<b>4,174</b>	<b>0.5%</b>

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

(units: millions of Won)

<u>Item</u>	<u>2005 1Q</u>	<u>2004</u>	<u>2003</u>
1. Initial loan loss reserves balance	1,098	4,174	147,381
2. Net credit costs			127,551
1) Write-offs			127,400
2) Recovery of written-off assets			
3) Other changes			151
Recovery of credit costs	(24)	(3,076)	15,656
Ending loan loss reserve balance	1,074	1,098	4,174

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

(1) Auditor's opinion

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

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

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

Independent Auditor's Opinion

**1. Independent Auditor's Opinion****a. Independent Auditor**

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

**Table of Contents****2. Compensation to the Independent Auditor****a. Auditing Service**

(units: millions of Won)

<u>Year</u>	<u>Auditor</u>	<u>Activity</u>	<u>Compensation</u>	<u>Accrued Time (hr)</u>
2004	Deloitte HanaAnjin	Quarter, Half Year, Annual Interim Financial Statement (Consolidated, Non-consolidated)	310	7,158
	Arthur Andersen	Quarter Interim Financial Statement	140	1,200
2003	Deloitte Touche	Half Year Interim Financial Statement Annual Financial Statement	70	600
		(Consolidated, Non-consolidated)	36	300
			37	300
2002	Arthur Andersen	Quarter Interim Financial Statement		
		Half Year Interim Financial Statement	140	1,200
		Year-end Financial Statement	70	600
		Consolidated Financial Statement	30	300
			30	300

**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	2005.3.25	US GAAP Auditing	2004.12~2005.5	2,050	Deloitte HanaAnjin
2003	2003.7.30	US GAAP Auditing	2003.8~2004.5	4,500	Deloitte Touche
2002	2003.2.28	US GAAP Auditing	2002.12~2003.5	4,250	Deloitte Touche

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V. Corporate Governance and Affiliated Companies

1. Overview of the Corporate Governance

a. About the Board of Directors

(1) Board of Directors

A. Duties of Boards of Directors

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

B. Information Regarding the Board of Directors

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

Ø Second Resolution: Appointment of Standing Director

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

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

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





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C. Appointment of Non-standing Directors

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

\* Article 42 (Committee)

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

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

D. Committees within Board of Directors

As of 2005.3.31

1. BOD Management Committee

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

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Dosoung Choi  
Chung-Sook Moon

Non-standing Director  
Non-standing Director

Director Dosoung Choi resigned on April 7, 2005.

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

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## 2. Business Strategy and Compensation Committee

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

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

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

## 3. Risk Management Committee

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

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

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

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

## 4. Audit Committee

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

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

Director Dosoung Choi resigned on April 7, 2005.

## 5. Standing Committee

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

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

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## 6. Ethics Committee

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

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

## 7. Non-standing Directors Nomination Committee

<b>Name</b>	<b>Position</b>	<b>Notes</b>
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.
Je-Hoon Lee	Non-standing Director	
Sung-Tae Ro	Non-standing Director	
Woon-Youl Choi	Non-standing Director	

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

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## 8. MOU Review Committee

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

Non-standing directors Woon-Youl Choi and Seung Hee Park have been newly appointed to the committee on March 28, 2005.  
 Director Suk-Jean Kang resigned on March 17, 2005.

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## E. Stock Options

As of 2005.3.31

(units: Won, thousand shares)

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

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<b>Grantee</b>	<b>Relationship</b>	<b>Grant date</b>	<b>Type of stock</b>	<b>No. of granted options</b>	<b>Exercised options</b>	<b>Cancelled options</b>	<b>Exercisable options</b>	<b>Closing Price</b>
Young Ho Park	Director of related company	2002.12.04	Common	30			30	8,530
Tae Woong Chung	Director of related company	2002.12.04	Common	30			30	8,530
Dong Chan Bae	Director of related company	2002.12.04	Common	30			30	8,530
Dae Hwan Kim	Director of related company	2002.12.04	Common	10			10	8,530
Young Ha Kim	Director of related company	2002.12.04	Common	10			10	8,530
Young Yong Kim	Director of related company	2002.12.04	Common	10			10	8,530
Taik Su Han	Director of related company	2002.12.04	Common	10			10	8,530
Sang Im Park	Director of related company	2002.12.04	Common	10			10	8,530
Joon Ho Hahm	Director of related company	2002.12.04	Common	10			10	8,530
Joon Ho Lee	Director of related company	2002.12.04	Common	30			30	8,530
Joo Sun Yeom	Director of related company	2002.12.04	Common	20			20	8,530
Ga Seok Chae	Director of related company	2002.12.04	Common	20			20	8,530
Sung Wook Park	Director of related company	2002.12.04	Common	5			5	8,530
Ki Seok Kim	Director of related company	2002.12.04	Common	5			5	8,530
Jae Ki Hong	Director of related company	2002.12.04	Common	5			5	8,530
Sam Su Pyo	Director of related company	2002.12.04	Common	40			40	8,530
Jung Rak Chun	Director of related company	2002.12.04	Common	30		30		8,530
Won Chul Hwang	Director of related company	2002.12.04	Common	20			20	8,530
Jong Hwee Kim	Director of related company	2002.12.04	Common	15			15	8,530
Sung Hoo Kwak	Director of related company	2002.12.04	Common	15		15		8,530
Seok Hwan Lee	Director of related company	2002.12.04	Common	15			15	8,530
Seok Hee Hwang	Director of related company	2002.12.04	Common	40		40		8,530
Choong Wan Lee	Director of related company	2002.12.04	Common	35		35		8,530
Ki Sang Chung	Director of related company	2002.12.04	Common	30		30		8,530



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

1. Methods of compensation: Issuance of new shares; provision of treasury shares, cash payment or provision of treasury shares for the difference between exercise price and market price.
2. Exercise period: December 4, 2005 ~ December 3, 2008
3. Exercise Price: 60% of granted = {6,800\*(1+Rate of return of the banking industry index)} Won 40% of granted = 6,800 Won

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**2. Related Companies**

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

As of 2005.3.31

(units: thousands of shares, millions of Won)

Type Name	Beginning Balance			Changes		Ending Bal.			Latest Net Income *
	Quantity	Share	Cost	Quantity	Cost	Quantity	Share	Cost	
<b>DOMESTIC</b>									
Woori Bank	635,957	100.0	7,589,957		157,060	635,957	100.0	7,747,017	1,996,694
Kwangju Bank	34,080	99.9	420,595		-7,620	34,080	99.9	412,975	72,270
Kyongnam Bank	51,800	99.9	608,802		-17,348	51,800	99.9	591,454	109,235
Woori Inv. Trust Mgmt.	6,000	100.0	35,076		338	6,000	100.0	35,414	546
Woori Securities	32,956	100.0	361,500	-32,956	-361,500	0	0	0	2,369
Woori Finance Info Sys.	900	100.0	7,613		2,233	900	100.0	9,846	400
Woori F&I	2,000	100.0	58,231		9,089	2,000	100.0	67,320	20,075
Woori 2nd SPC	2	95.0				2	95.0		8,097
Woori 3rd SPC	2	100.0				2	100.0		7,790
Woori Investment & Securities (Formerly LGIS)	32,877	23.16	355,201	12,398	158,525	45,275	29.32	513,726	4,240
Foreign									
<b>Total</b>	<b>796,574</b>		<b>9,436,975</b>	<b>-20,558</b>	<b>-59,223</b>	<b>776,016</b>		<b>9,377,752</b>	<b>2,221,716</b>

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

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

As of 2005.3.31

(units: shares, %)

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

Major Shareholder: KDIC

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

As of 2005.3.31

(units: shares, %)

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

**c. Shareholder Distribution**

As of 2004.12.31

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Items	Shareholder number	Ratio	Number of shares	Ratio
Total Minority Shareholders	28,780	99.99	145,997,551	18.33
Minority Shareholders (Companies)	652	2.27	116,583,764	14.64
Minority Shareholders				
(Individual)	28,128	97.72	29,413,787	3.69
Major Shareholders	1	0.00	628,458,609	78.91
Main Shareholders	2	0.01	21,997,510	2.76
Total Other				
Shareholders	2	0.01	21,997,510	2.76
Others Shareholders				
(Companies)				
Others Shareholders				
(Individual)	1	0.00	1,888	0.00
<b>Total</b>	<b>28,784</b>	<b>100.00</b>	<b>796,455,558</b>	<b>100.0</b>

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

**a. Domestic Stock Market**

(units: Won, shares)

<u>Period</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>
High	8,900	8,880	8,650	9,300	9,790	10,700
Low	7,700	8,260	8,000	8,220	9,160	9,350
Monthly Trade Volume	45,546,382	47,937,353	30,773,861	38,929,242	37,359,936	70,311,587

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

(units: US Dollars, shares)

<u>Period</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>
ADR						
High	12.10	24.90	25.25	27.20	29.10	31.60
Low	20.55	22.01	23.20	23.50	27.30	28.00
Monthly Trade Volume	19,000	21,800	20,600	72,800	24,600	33,200

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

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

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

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

Seung Hee Park (Standing director) and Woon-Youl Choi (Non-standing director) have been newly appointed on March 28, 2005.

**2. Employee Status**

(units: years, thousands of Won)

Items	Staff				Average	Average Compensation		Note
					Tenure	Quarterly Compensation	Per Person	
	Admin.	Manu.	Misc.	Total	Years			
Male	52		3	55	4	1,242,981	22,600	
Female	5		12	17	4	149,968	8,822	
<b>Total</b>	<b>57</b>		<b>15</b>	<b>72</b>	<b>4</b>	<b>1,392,949</b>	<b>19,347</b>	

**3. Labor Union Membership**

Items	Details	Remarks
Total Membership Base	Deputy Director and below	

Actual Members	22
Full-time Members	
Associated Labor Union Group	
Miscellaneous	

**4. Number of professional personnels**

<u>Items</u>	<u>Number</u>	<u>Responsibilities</u>	<u>Remarks</u>
Lawyer	1	Legal advisory	
CPA	6	Financial accounting, Financial Planning, Business Planning	
Ph.D in Law/Finance/Accounting	2	Research	

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

(units: millions of Won)

Name	Relation	Item	Changes			End	Notes
			Beg.	+	-		
Woori 2 <sup>nd</sup> SPC	subsidiary	Other loan	100			100	
Woori 3 <sup>rd</sup> SPC	subsidiary	Other loan	17,790			17,790	
Kwangju Bank	subsidiary	Other loan	50,000			50,000	
Woori Finance Info. Sys	subsidiary	Other loan	30,000			30,000	
Woori F&I							Partial redemption on February 28, 2005
	subsidiary	Other loan	121,850		5,000	116,850	
<b>Total</b>			<b>219,740</b>		<b>5,000</b>	<b>214,740</b>	

**b. Payment Transactions**

(units: millions of Won)

Name	Relation	Item	Par value	Transactions of Payments				Gain/Loss*
				Transactions			Ending	
				Beginning	Increase	Decrease		
Woori Securities	Subsidiary	Common stock	5,000	32,956,413		32,956,413	0	(1)
LG Investment & Securities								
(Formerly known as LG Investment & Securities)	Subsidiary	Common Stock	5,000	32,877,487	12,397,494		45,274,981	(2),(3)
<b>Total</b>				<b>65,833,900</b>	<b>12,397,494</b>	<b>32,956,413</b>	<b>45,274,981</b>	

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\* Derived by using the equity method.

- (1) On January 7, 2005, 14,000,000 shares of Woori Securities have been cancelled, and the remaining shares have been absorbed into Woori Investment & Securities following the merger.
- (2) Due to the merger with Woori Securities, 12,397,494 shares were newly issued by LG Investment & Securities in exchange for shares in Woori Securities.
- (3) Additional 1,050,000 shares have been acquired from the market from April 8, 2005 to April 12, 2005.

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**SIGNATURES**

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

Woori Finance Holdings Co., Ltd.  
(Registrant)

Date: May 16, 2005

By:           /s/ Young Sun Kim

(Signature)

Name: Young Sun Kim

Title: Director

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**WOORI FINANCE HOLDINGS Co., Ltd.**

NON-CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004  
AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Audit.Tax.Consulting.Financial Advisory.

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**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 March 31, 2005 and the related non-consolidated statements of operations and cash flows for the three months ended March 31, 2005 and 2004, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

We conducted our reviews in accordance with standards established by the Securities and Futures Commission of 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. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of Korea, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

We have previously audited, in accordance with auditing standards generally accepted in the Republic of Korea, the non-consolidated balance sheet of the Company as of December 31, 2004, which is presented in this report, and the related non-consolidated statements of income, appropriations of retained earnings and cash flows for the year then ended (not presented herein); and in our report dated February 25, 2005, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of December 31, 2004 is fairly stated, in relation to the non-consolidated balance sheet from which it has been derived.

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

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

As explained in Note 1, LG Investment Securities Co., Ltd. ( LG Securities ), a subsidiary of the Company, merged with Woori Securities Co., Ltd. ( Woori Securities ), also a subsidiary of the Company, on March 31, 2005 and changed its name to Woori Investment Securities Co., Ltd. ( Woori Investment Securities ). Woori Investment Securities took over substantially all assets and liabilities of Woori Securities by exchanging one common share of Woori Securities with 0.654 share of Woori Investment Securities. The number of issued common shares and contributed capital of Woori Investment Securities increased from 122.1 million and (Won)625.5 billion (US\$610.6 million) to 134.5 million and (Won)687.4 billion (US\$671.1 million) as of March 31, 2005. As a result of this merger, the Company's ownership percentage in Woori Investment Securities increased from 26.92% to 33.66% and the difference between sum of its ownership interests in the individual pre-merger subsidiaries' net assets and its ownership interests in Woori Investment Securities' net assets amounting to (Won)36.1 billion (US\$35.2 million) was recorded in capital adjustment of the Company as of March 31, 2005.

As explained in Note 20, the Company's receivables from its subsidiaries as of March 31, 2005 and December 31, 2004 are (Won)471.6 billion (US\$460.4 million) and (Won)288.8 billion (US\$282.0 million), respectively, and payables to its subsidiaries are (Won)0.2 billion (US\$0.2 million) and (Won)16.0 billion (US\$15.6 million), respectively. In addition, for the three months ended March 31, 2005 and 2004, revenues from transactions with its subsidiaries are (Won)3.9 billion (US\$3.8 million) and (Won)11.3 billion (US\$11.1 million), respectively, and expenses from transactions with its subsidiaries are (Won)3.2 billion (US\$3.1 million) and (Won)10.7 billion (US\$10.4 million), respectively.

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

May 6, 2005

Notice to Readers

This report is effective as of May 6, 2005, 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.

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

	Korean won		Translation into U.S. dollars (Note 2)	
	Mar. 31, 2005	Dec. 31, 2004	Mar. 31, 2005	Dec. 31, 2004
	(In millions)		(In thousands)	
<b>ASSETS</b>				
Cash and bank deposits (Notes 16, 18 and 20)	(Won) 243,727	(Won) 56,099	US\$ 237,945	US\$ 54,768
Investment securities accounted for using the equity method of accounting (Notes 3 and 18)	9,377,752	9,436,975	9,155,279	9,213,097
Loans, net of allowance for possible loan losses (Notes 4, 18 and 20)	213,666	218,641	208,597	213,454
Fixed and intangible assets (Note 6)	230	282	224	275
Other assets (Notes 7 and 20)	36,770	36,047	35,898	35,192
	<u>(Won) 9,872,145</u>	<u>(Won) 9,748,044</u>	<u>US\$ 9,637,943</u>	<u>US\$ 9,516,786</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>LIABILITIES</b>				
Borrowings (Notes 8 and 18)	(Won) 120,000	(Won) 120,000	US\$ 117,154	US\$ 117,154
Debentures, net of discounts and added accrued interest and redemption premium (Notes 9, 10 and 18)	2,096,200	2,154,638	2,046,470	2,103,522
Other liabilities (Notes 12 and 20)	129,511	25,354	126,438	24,752
	<u>2,345,711</u>	<u>2,299,992</u>	<u>2,290,062</u>	<u>2,245,428</u>
<b>SHAREHOLDERS' EQUITY</b>				
Common stock (Note 13)	4,030,077	3,982,278	3,934,469	3,887,804
Capital surplus (Note 13)	109,025	84,356	106,439	82,355
Retained earnings (Notes 3 and 13):				
Legal reserve	208,427	79,178	203,483	77,300
Voluntary reserve	2,030,000	1,120,000	1,981,841	1,093,430
Retained earnings before appropriations (Net income of (Won) 362,024 million for the three months ended March 31, 2005 and (Won) 1,261,925 million and for the year ended December 31, 2004)	331,317	1,129,675	323,457	1,102,875
	<u>2,569,744</u>	<u>2,328,853</u>	<u>2,508,781</u>	<u>2,273,605</u>
Capital adjustments (Notes 3, 13 and 14)	817,588	1,052,565	798,192	1,027,594
	<u>7,526,434</u>	<u>7,448,052</u>	<u>7,347,881</u>	<u>7,271,358</u>
	<u>(Won) 9,872,145</u>	<u>(Won) 9,748,044</u>	<u>US\$ 9,637,943</u>	<u>US\$ 9,516,786</u>

See accompanying notes to non-consolidated financial statements.



**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004**

	Korean won		Translation into U.S. dollars (Note 2)	
	2005	2004	2005	2004
	(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) 419,093	(Won) 340,823	US\$ 409,151	US\$ 332,737
Interest income (Note 20)	3,866	11,337	3,774	11,068
Gain on foreign currency transactions		2,884		2,816
Gain on foreign currency translation		10,632		10,380
Reversal of allowance for doubtful accounts	22	3,146	21	3,071
	<u>422,981</u>	<u>368,822</u>	<u>412,946</u>	<u>360,072</u>
<b>OPERATING EXPENSES</b>				
Loss on valuation using the equity method of accounting (Notes 3 and 19)	(26,654)	(467,530)	(26,022)	(456,438)
Interest expense	(28,434)	(37,644)	(27,759)	(36,751)
Loss on valuation of swap contracts (Notes 9 and 20)	(91)	(9,260)	(89)	(9,040)
Fees and commissions (Note 20)	(1,056)	(1,155)	(1,031)	(1,128)
General and administrative (Notes 17 and 20)	(4,809)	(4,778)	(4,695)	(4,665)
	<u>(61,044)</u>	<u>(520,367)</u>	<u>(59,596)</u>	<u>(508,022)</u>
<b>OPERATING INCOME (LOSS)</b>	<b>361,937</b>	<b>(151,545)</b>	<b>353,350</b>	<b>(147,950)</b>
<b>NON-OPERATING INCOME</b>	<b>95</b>	<b>177</b>	<b>93</b>	<b>173</b>
<b>NON-OPERATING EXPENSES</b>	<b>(8)</b>	<b>(1)</b>	<b>(8)</b>	<b>(1)</b>
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>362,024</b>	<b>(151,369)</b>	<b>353,435</b>	<b>(147,778)</b>
<b>INCOME TAX EXPENSE (Note 15)</b>				
<b>NET INCOME (LOSS)</b>	<b>(Won) 362,024</b>	<b>(Won) (151,369)</b>	<b>US\$ 353,435</b>	<b>US\$ (147,778)</b>
<b>BASIC ORDINARY INCOME (LOSS) PER COMMON SHARE (Note 21)</b>	<b>(Won) 453</b>	<b>(Won) (195)</b>	<b>US\$ 0.442</b>	<b>US\$ (0.191)</b>
<b>BASIC NET INCOME (LOSS) PER COMMON SHARE (Note 21)</b>	<b>(Won) 453</b>	<b>(Won) (195)</b>	<b>US\$ 0.442</b>	<b>US\$ (0.191)</b>

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DILUTED ORDINARY INCOME (LOSS) PER COMMON SHARE (Note 21)	(Won)	449	(Won)	(195)	US\$	0.439	US\$	(0.191)
DILUTED NET INCOME (LOSS) PER COMMON SHARE (Note 21)	(Won)	449	(Won)	(195)	US\$	0.439	US\$	(0.191)

See accompanying notes to non-consolidated financial statements.

**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD****NON-CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004**

	Korean won		Translation into U.S. dollars (Note 2)	
	2005	2004	2005	2004
	(In millions)		(In thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income (loss)	(Won) 362,024	(Won) (151,369)	US\$ 353,435	US\$ (147,778)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Loss on valuation using the equity method of accounting	26,654	467,530	26,022	456,438
Interest expense (amortization of discounts on debentures)	680	2,988	663	2,917
Loss on valuation of currency swap contracts	91	9,260	89	9,040
Provision for severance benefits	265	22	259	21
Depreciation	47	27	46	26
Amortization on intangible assets	5	4	5	4
Stock compensation		117		114
Gain on valuation using the equity method of accounting	(419,093)	(340,823)	(409,151)	(332,737)
Accrued interest on loans	(556)	(561)	(543)	(547)
Gain on foreign currency translation		(10,632)		(10,380)
Reversal of allowance for doubtful accounts	(22)	(3,146)	(21)	(3,071)
	(391,929)	124,786	(382,631)	121,825
Changes in operating assets and liabilities:				
Decrease in other receivable	405	130	395	127
Decrease (increase) in accrued income	(21)	336	(21)	328
Decrease in accrued interest on loans		27,982		27,318
Decrease in currency swap contracts		16,463		16,073
Decrease in advanced payments	65		64	
Decrease in prepaid expenses	17	7	17	7
Increase in prepaid income tax	(51)	(5,143)	(50)	(5,021)
Payment of severance benefits	(13)		(13)	
Decrease in severance insurance	13		13	
Increase (decrease) in other payables	191	(8)	187	(8)
Increase (decrease) in accrued expenses	(1,640)	535	(1,601)	522
Decrease in withholdings	(159)	(50)	(155)	(49)
	(1,193)	40,252	(1,164)	39,297
Net cash provided by (used in) operating activities	(31,098)	13,669	(30,360)	13,344

(Continued)

**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)****FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004**

	Korean won		Translation into U.S. dollars (Note 2)	
	2005	2004	2005	2004
	(In millions)		(In thousands)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Dividend income	(Won) 60,435	(Won) 262,609	US\$ 59,001	US\$ 256,379
Decrease in investment securities accounted for using the equity method of accounting due to reduction in capital stock with cash consideration	154,000		150,347	
Collection of loans	5,000	1,850	4,881	1,806
Collection of other loans		600,000		585,766
Acquisition of investment securities accounted for using the equity method of accounting		(800,000)		(781,021)
<b>Net cash provided by investing activities</b>	<b>219,435</b>	<b>64,459</b>	<b>214,229</b>	<b>62,930</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds from borrowings		230,000		224,544
Repayment of debentures in foreign currencies		(167,940)		(163,956)
Cost on issuance of new shares	(709)		(692)	
<b>Net cash provided by (used in) financing activities</b>	<b>(709)</b>	<b>62,060</b>	<b>(692)</b>	<b>60,588</b>
<b>NET INCREASE IN CASH AND BANK DEPOSITS</b>	<b>187,628</b>	<b>140,188</b>	<b>183,177</b>	<b>136,862</b>
<b>CASH AND BANK DEPOSITS, BEGINNING OF THE PERIOD</b>	<b>56,099</b>	<b>349,585</b>	<b>54,768</b>	<b>341,292</b>
<b>CASH AND BANK DEPOSITS, END OF THE PERIOD</b>	<b>(Won) 243,727</b>	<b>(Won) 489,773</b>	<b>US\$ 237,945</b>	<b>US\$ 478,154</b>

See accompanying notes to non-consolidated financial statements.

**Table of Contents****WOORI FINANCE HOLDINGS CO., LTD.****NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004****1. GENERAL**

## (1) Woori Finance Holdings Co., Ltd.

Woori Finance Holdings Co., Ltd. (the Company) was incorporated on March 27, 2001, to engage in the business of managing the 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 9 subsidiaries and 13 2nd-tier subsidiaries as of March 31, 2005.

Upon incorporation, the Company's stock amounted to (Won)3,637,293 million (US\$3,551,004 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 and conversion rights since incorporation, as of March 31, 2005, the Company's stock amounted to (Won)4,030,077 million (US\$3,934,469 thousand), consisting of 806,015,340 common shares issued and outstanding of which the KDIC owns 628,458,609 shares (77.97%).

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

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

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

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	Co., Ltd.					
	Woori Third Asset Securitization Specialty Co., Ltd.	2,000	100.0	2,000	100.0	Mar. 31
	Woori Investment Trust Management Co., Ltd.	6,000,000	100.0	6,000,000	100.0	Mar. 31
	Woori Securities Co., Ltd. (*1)			32,956,413	100.0	Mar. 31(*2)
	Woori Investment Securities Co., Ltd. (*1)	45,274,981	33.66	32,877,487	26.92	Mar. 31(*2)
Woori Bank	Woori Credit Information Co., Ltd.	1,008,000	100.0	1,008,000	100.0	Mar. 31(*2)
	Woori America Bank	8,500,000	100.0	8,500,000	100.0	Mar. 31(*2)
	PT. Bank Woori Indonesia	1,618	95.2	1,618	95.2	Mar. 31(*2)
	Woori First Private Equity Fund		52.38		52.38	Mar. 31(*2)

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Parent companies	Subsidiaries	Mar. 31, 2005		Dec. 31, 2004		Financial statements as of
		Number of shares owned	Percentage of ownership (%)	Number of shares owned	Percentage of ownership (%)	
Woori F&I Co., Ltd.	Woori CA Asset Management Co., Ltd.	408,000	51.0	408,000	51.0	Mar. 31
Woori Investment Securities Co., Ltd.	Woori Futures Co., Ltd. (*3)	5,000,000	100.0	5,000,000	100.0	Mar. 31
	LG Investment Trust Management Co., Ltd.	5,400,000	90.0	5,400,000	90.0	Mar. 31
	Woori Investment Securities Int'l Ltd. (*3)	5,788,000	100.0	5,788,000	100.0	Mar. 31(*2)
	Woori Investment Securities (H.K.) Limited (*3)	22,500,000	100.0	22,500,000	100.0	Mar. 31(*2)
	Woori Investment Securities America, Inc. (*3)	300	100.0	300	100.0	Mar. 31
	LG Investment Holding B.V. (Amsterdam) GG	1,642,398,242	100.0	1,642,398,242	100.0	Mar. 31
	High Technology Venture Investment	1,500,000	42.86	1,500,000	42.86	Mar. 31
	Global Technology Investment	1,500,000	50.00	1,500,000	50.00	Mar. 31

(\*1) LG Investment Securities Co., Ltd. ( LG Securities ), a subsidiary of the Company, merged with Woori Securities Co., Ltd. ( Woori Securities ), also a subsidiary of the Company, on March 31, 2005 and changed its name to Woori Investment Securities Co., Ltd. ( Woori Investment Securities ).

(\*2) The financial statements as of March 31, 2005 are not reviewed except those of Woori Securities Co., Ltd. In order to ensure the credibility of the financial statements of those subsidiaries, the Company performed certain procedures in accordance with Practice Statements in Financial Reporting 2002-7 Investees financial statements applied using the equity method of accounting .

(\*3) Some subsidiaries of Woori Investment Securities (formerly LG Securities) also changed their names as LG Securities changed its name.

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

a. Woori Investment Securities

LG Securities, which shares listed on the Korea Stock Exchange, was established in January 1969 to engage in trading, agency, brokerage and underwriting of securities. LG Securities became a subsidiary of the Company as of December 24, 2004 as Woori Finance Holdings Co., Ltd acquired 26.92% of voting right of LG Securities and is able to govern its management. LG Securities merged with Woori Securities on March 31, 2005 and changed its name to Woori Investment Securities. As a result of the merger, new 12,397,494 common shares of Woori Investment Securities were issued by exchanging one common share of Woori Securities with 0.654 common shares of Woori Investment Securities. As of March 31, 2005, its issued common stock amounted to (Won) 687,445 million (US\$ 671,136 thousand) consisting of 134,513,863 shares and its issued preferred stock amounted (Won)99,355 million (US\$ 96,998 thousand) consisting of 19,870,968 shares.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Financial Statement Presentation



The Company maintains its official accounting records in Korean won and prepares statutory non-consolidated financial statements in the Korean language (Hangul) in conformity with the accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been restructured and translated into English from the Korean language financial statements.

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The U.S. dollar amounts presented in these financial statements were computed by translating Korean won amounts into U.S. dollars amounts using the Base Rate announced by Seoul Money Brokerage Service, Ltd. of (Won) 1,024.3 to US\$ 1.00 at March 31, 2005, solely for the convenience of the readers outside of the Republic of Korea. This convenience translation into U.S. 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 financial statements, do not differ materially from those used in preparing the non-consolidated financial statements for the year ended December 31, 2004 except for the following:

a. Accounting of income taxes Statements Korea Accounting Standards ( SKAS ) No. 16

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

b. Reclassification of statements of operations and cash flows for three months ended March 31, 2004

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

c. Financial statements as of December 31, 2004

Woori Bank, a subsidiary of the Company, directly recorded certain assets such as securities and call loans that were deemed owned by Woori Bank through holding private beneficiary certificates, on its financial statements as of December 31, 2004. However, in accordance with the new interpretation of the accounting practice, a private beneficiary certificate on which management, as investor agrees to have no interference and is not practically managing is regarded as an ordinary beneficiary certificate and recorded as securities. Woori Bank adopted retroactively this new interpretation in its 2004 financial statements presented for comparative purposes. Therefore, the Company reflects such financial statements of Woori Bank on investment securities accounted for using the equity method of accounting in its 2004 financial statements. As a result, investment securities accounted for using the equity method of accounting increased by (Won)11.6 billion (US\$11.3 million), capital adjustments increased by (Won)42.1 billion (US\$ 41.1 million) and retained earnings decreased by (Won)30.5 billion (US\$ 29.8 million) in the Company s 2004 financial statements presented for comparative purposes.

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

- (1) Changes in investment securities accounted for using the equity method of accounting for the three months ended March 31, 2005 are as follows (Unit: Korean won in millions):

	Gain (loss)					
	on valuation			Other		
	January 1,	using the	Capital	Retained	increase	March 31,
	2005	equity method	adjustments	earnings	(decrease)	2005
Woori Bank	(Won) 7,589,957	(Won) 351,967	(Won) (193,239)	(Won) (1,668)	(Won)	(Won) 7,747,017
Kyongnam Bank	608,802	25,151	(9,809)	47	(32,737)	591,454
Kwangju Bank	420,595	18,601	(4,546)		(21,675)	412,975
Woori Finance Information System	7,613	2,235	(2)			9,846
Woori F&I	58,231	16,524	(1,369)	(44)	(6,022)	67,320
Woori Second Asset Securitization Specialty		(7)			7	
Woori Third Asset Securitization Specialty		(379)	973		(594)	
Woori Investment Trust Management	35,076	338				35,414
Woori Securities (*1)	361,500	(26,268)	8,729		(343,961)	
Woori Investment Securities (*1)	355,201	4,277	(35,713)		189,961	513,726
	(Won) 9,436,975	(Won) 392,439	(Won) (234,976)	(Won) (1,665)	(Won) (215,021)	(Won) 9,377,752

- (\*1) Due to Woori Securities merger into LG Securities as of March 31, 2005, investment securities of Woori Securities are combined in Woori Investment Securities.

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

	Gain (loss)					
	on valuation			Other		
	Acquisition	using the	Capital	Retained	increase	Dec. 31, 2004
	cost	equity method	adjustments	earnings	(decrease)	
Woori Bank	(Won) 2,764,400	(Won) 4,437,759	(Won) 1,285,748	(Won) (111,652)	(Won) (786,298)	(Won) 7,589,957
Kyongnam Bank	259,000	337,157	47,468	(11,513)	(23,310)	608,802
Kwangju Bank	170,403	251,325	17,980	(3,777)	(15,336)	420,595
Woori Credit Card	273,000	(1,957,311)	(520,422)	(135,104)	2,339,837	

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Woori Finance Information System	5,244	2,567	6	(204)		7,613
Woori F&I	10,094	43,239	7,898		(3,000)	58,231
Woori Second Asset Securitization Specialty	10	41,104			(41,114)	
Woori Third Asset Securitization Specialty	10	5,062	21,444	(9,890)	(16,626)	
Woori Investment Trust Management	39,128	5,848			(9,900)	35,076
Woori Securities	152,662	(6,348)	155,213		59,973	361,500
LG Securities	355,201					355,201
	<u>(Won) 4,029,152</u>	<u>(Won) 3,160,402</u>	<u>(Won) 1,015,335</u>	<u>(Won) (272,140)</u>	<u>(Won) 1,504,226</u>	<u>(Won) 9,436,975</u>

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(3) The details of other increase or decrease for the three months ended March 31, 2005 are as follows (Unit: Korean won in millions):

	Merger			
	between			
	subsidiaries	Acquisition	Dividends	Total
Kyongnam Bank	(Won)	(Won)	(Won) (32,737)	(Won) (32,737)
Kwangju Bank			(21,675)	(21,675)
Woori F&I			(6,022)	(6,022)
Woori Second Asset Securitization Specialty			(*1) 7	7
Woori Third Asset Securitization Specialty			(*1) (594)	(594)
Woori Securities	(189,961)	(154,000)		(343,961)
Woori Investment Securities	189,961			189,961
	(Won)	(Won) (154,000)	(Won) (61,021)	(Won) (215,021)

(\*1) Adjustment on dividend receivables

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

	Merger			
	between			
	subsidiaries	Acquisition	Dividends	Total
Woori Bank	(Won) 200,163	(Won) 227,084	(Won) (1,213,545)	(Won) (786,298)
Kyongnam Bank			(23,310)	(23,310)
Kwangju Bank			(15,336)	(15,336)
Woori Credit Card	(200,163)	2,540,000		2,339,837
Woori F&I			(3,000)	(3,000)
Woori Second Asset Securitization Specialty			(41,114)	(41,114)
Woori Third Asset Securitization Specialty			(16,626)	(16,626)
Woori Investment Trust Management			(9,900)	(9,900)
Woori Securities		73,958	(13,985)	59,973
	(Won)	(Won) 2,841,042	(Won) (1,336,816)	(Won) 1,504,226

(5) The details of changes in the difference between the acquisition cost and the proportionate net asset value on the acquisition date for the three months ended March 31, 2005 are as follows (Unit: Korean won in millions):

	Jan. 1, 2005	Amortization	Mar. 31, 2005
Woori F&I	(Won) 79	(Won) 1	(Won) 78

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Woori Investment Securities	<u>(15,405)</u>	<u>(4,867)</u>	<u>(10,538)</u>
	<u>(Won) (15,326)</u>	<u>(Won) (4,866)</u>	<u>(Won) (10,460)</u>

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- (6) The details of unrealized inter-company income or loss for the three months ended March 31, 2005 are as follows (Unit: Korean won in millions):

	<u>Jan. 1, 2005</u>	<u>Decrease</u>	<u>Increase</u>	<u>Mar. 31, 2005</u>
Woori Bank	(Won) 8,963	(Won) 286	(Won)	(Won) 8,677
Kyongnam Bank	(21)	(2)		(19)
Kwangju Bank	(160)	65	(3)	(228)
Woori Finance Information System	491	222	(50)	219
Woori F&I	25		25	50
Woori Third Asset Securitization Specialty	50			50
Woori Investment Trust Management	(3)			(3)
Woori Investment Securities			(62)	(62)
	<u>(Won) 9,345</u>	<u>(Won) 571</u>	<u>(Won) (90)</u>	<u>(Won) 8,684</u>

**4. LOANS**

Loans as of March 31, 2005 and December 31, 2004 are as follows:

	Issuance date	Maturity date	Annual interest rate (%)	Korean won		Translation into U.S. dollars (Note 2)	
				Mar. 31,	Dec. 31,	Mar. 31,	Dec. 31,
				2005	2004	2005	2004
			(In millions)	(In thousands)			
Woori Finance Information System	Oct. 31, 2002	Oct. 31, 2006	6.3	(Won) 30,000	(Won) 30,000	US\$ 29,288	US\$ 29,288
Woori F&I	Mar. 25, 2003	Mar. 25, 2007	7.3	85,000	90,000	82,984	87,865
	Jul. 7, 2003	Jul. 7, 2007	7.3	23,000	23,000	22,454	22,454
	Jul. 29, 2003	Jul. 29, 2007	7.3	8,850	8,850	8,640	8,640
				<u>116,850</u>	<u>121,850</u>	<u>114,078</u>	<u>118,959</u>
Woori Second Asset Securitization Specialty:							
2-1 non-guaranteed privately placed bonds (*1)	Jan. 8, 2002	Jan. 8, 2012	7.5	100	100	98	98

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Woori Third Asset Securitization							
Specialty:							
3-1 non-guaranteed privately placed bonds (*1)	Apr. 15, 2002	Apr. 15, 2012	7.8	17,790	17,790	17,368	17,368
Kwangju Bank:							
Non-guaranteed subordinated convertible bonds (*2)	Dec. 31, 2002	Dec. 31, 2012		50,000	50,000	48,814	48,814
<b>Total</b>				<b>214,740</b>	<b>219,740</b>	<b>209,646</b>	<b>214,527</b>
Allowance for possible loan losses (Note 5)				(1,074)	(1,099)	(1,049)	(1,073)
<b>Net</b>				<b>(Won) 213,666</b>	<b>(Won) 218,641</b>	<b>US\$ 208,597</b>	<b>US\$ 213,454</b>

(\*1) The principal of the non-guaranteed privately placed bonds listed above shall be fully repaid on the maturity date; however, the trustees may exercise early redemption rights to pay, in part or in whole, the principal in accordance with the business trust contract pursuant to the asset securitization plan.



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(\*2) The coupon rate on the bonds is zero and the guaranteed return is 155.29%. The conversion price is (Won)5,000 and conversion rights are valid from one year after the issuance date to one month before the maturity date. The common shares of Kwangju Bank will be issued upon conversion.

**5. ALLOWANCE FOR POSSIBLE LOAN LOSSES**

Allowances for possible loan losses as of March 31, 2005 and December 31, 2004 are as follows:

	Korean won		Translation into U.S. dollars (Note 2)	
	Mar. 31, 2005	Dec. 31, 2004	Mar. 31, 2005	Dec. 31, 2004
	(In millions)		(In thousands)	
Loans:				
Woori F&I	(Won) 584	(Won) 609	US\$ 571	US\$ 595
Woori Finance Information System	150	150	146	146
Woori Second Asset Securitization Specialty	1	1	1	1
Woori Third Asset Securitization Specialty	89	89	87	87
Kwangju Bank	250	250	244	244
	<u>1,074</u>	<u>1,099</u>	<u>1,049</u>	<u>1,073</u>
Long-term accrued interest income:				
Kwangju Bank	25	23	24	22
	<u>(Won) 1,099</u>	<u>(Won) 1,122</u>	<u>US\$ 1,073</u>	<u>US\$ 1,095</u>

**6. FIXED ASSETS AND INTANGIBLE ASSETS**

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

	Jan. 1, 2005	Acquisition	Disposition	Depreciation	Mar. 31, 2005
Vehicles	(Won) 7	(Won)	(Won)	(Won) 7	(Won)
Furniture and equipment	142			31	111
Structures in leased offices	79			9	70
	<u>(Won) 228</u>	<u>(Won)</u>	<u>(Won)</u>	<u>(Won) 47</u>	<u>(Won) 181</u>

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

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- (2) Changes in intangible assets for the three months ended March 31, 2005 and the year ended December 31, 2004 are as follows (Unit: Korean won in millions):

	<u>Jan. 1, 2005</u>	<u>Acquisition</u>	<u>Amortization</u>	<u>Mar. 31, 2005</u>
Software	(Won) 14	(Won)	(Won) 2	(Won) 12
Industrial property rights	40		3	37
	<u>(Won) 54</u>	<u>(Won)</u>	<u>(Won) 5</u>	<u>(Won) 49</u>
	<u>Jan. 1,</u>	<u>Acquisition</u>	<u>Amortization</u>	<u>Dec. 31,</u>
	<u>2004</u>			<u>2004</u>
Software	(Won) 20	(Won) 1	(Won) 7	(Won) 14
Industrial property rights	31	21	12	40
	<u>(Won) 51</u>	<u>(Won) 22</u>	<u>(Won) 19</u>	<u>(Won) 54</u>

As of March 31, 2005, accumulated amortization of software amount to (Won)22 million (US\$21 thousand) and accumulated amortization of industrial property rights amount to (Won)29 million (US\$28 thousand).

**7. OTHER ASSETS**

Other assets as of March 31, 2005 and December 31, 2004 are as follows:

	Translation into			
	Korean won		U.S. dollars (Note 2)	
	<u>Mar. 31,</u>	<u>Dec. 31,</u>	<u>Mar. 31,</u>	<u>Dec. 31,</u>
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	(In millions)		(In thousands)	
Guarantee deposits	(Won) 4,204	(Won) 4,204	US\$ 4,104	US\$ 4,104
Other receivables	1,887	2,293	1,842	2,239
Dividend receivables	18,726	18,140	18,282	17,710
Accrued income	5,878	5,302	5,738	5,176
Advanced payments	17	82	17	80
Prepaid expenses	640	657	625	641
Prepaid income tax	5,443	5,392	5,314	5,264
	<u>36,795</u>	<u>36,070</u>	<u>35,922</u>	<u>35,214</u>
Allowance for losses for accrued interest (Note 5)	(25)	(23)	(24)	(22)

(Won) 36,770	(Won) 36,047	US\$ 35,898	US\$ 35,192
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## 8. BORROWINGS

Borrowings in local currency and line of credit as of March 31, 2005 and December 31, 2004 are as follows:

	Annual interest rate (%)	Maturity	Line of credit	Translation into			
				Korean won		U.S. dollars (Note 2)	
				Mar. 31, 2005	Dec. 31, 2004	Mar. 31, 2005	Dec. 31, 2004
			(In millions)	(In millions)		(In thousands)	
Citibank	CD(3M)+1.3	Sep. 30, 2005	(Won) 100,000	(Won) 60,000	(Won) 60,000	US\$ 58,577	US\$ 58,577
Shinhan Bank	CD(3M)+1.4	Aug. 19, 2005	200,000	60,000	60,000	58,577	58,577
Korea First Bank	CD(3M)+1.5	Jul. 16, 2005	100,000				
Samsung Insurance Company	6.10	Sep. 15, 2005	100,000				
			(Won) 500,000	(Won) 120,000	(Won) 120,000	US\$ 117,154	US\$ 117,154

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(1) Debentures in local currency as of March 31, 2005 and December 31, 2004 are as follows:

1) Bonds in local currency

Issuance date	Annual interest rate (%)	Maturity	Translation into				
			Korean won		U.S. dollars (Note 2)		
			Mar. 31, 2005	Dec. 31, 2004	Mar. 31, 2005	Dec. 31, 2004	
			(In millions)		(In thousands)		
The 7th bonds	Nov. 27, 2002	5.80	Nov. 27, 2005	(Won) 300,000	(Won) 300,000	(Won) 292,883	(Won) 292,883
The 8th bonds	Dec. 26, 2002	6.05	Dec. 26, 2007	200,000	200,000	195,255	195,255
The 9th bonds	Sep. 19, 2003	4.64	Sep. 19, 2006	300,000	300,000	292,883	292,883
The 10th bonds	Dec. 16, 2003	5.92	Dec. 16, 2008	300,000	300,000	292,883	292,883
The 11th bonds	Jun. 18, 2004	5.05	Jun. 18, 2009	370,000	370,000	361,222	361,222
The 12th bonds	Jul. 26, 2004	4.84	Jul. 26, 2009	230,000	230,000	224,544	224,544
The 13th bonds	Aug. 31, 2004	4.42	Aug. 31, 2005	100,000	100,000	97,628	97,628
The 14th bonds	Nov. 23, 2004	3.49	Nov. 23, 2007	300,000	300,000	292,883	292,883
Total				2,100,000	2,100,000	2,050,181	2,050,181
Less: discounts				(3,800)	(4,194)	(3,711)	(4,095)
				(Won) 2,096,200	(Won) 2,095,806	US\$ 2,046,470	US\$ 2,046,086

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

1) Convertible bonds in foreign currencies

Issuance date	Annual interest rate (%)	Maturity	Dec. 31,	
			2004	
6-1 Convertible bonds	Sep. 27, 2002	Sep. 27, 2005	US\$	36,000
Long-term accrued interest				2,445
			US\$	38,445
Korean won equivalent			(Won)	40,129
6-2 Convertible bonds	Dec. 20, 2002	Dec. 20, 2005	US\$	16,000

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Long-term accrued interest				907
			US\$	16,907
Korean won equivalent			(Won)	17,647
6-5 Convertible bonds	Jul. 10, 2003	Jul. 10, 2006	US\$	1,000
Add: redemption premium				63
Less: reconciliation for conversion rights				(51)
			US\$	1,012
Korean won equivalent			(Won)	1,056
			(Won)	58,832

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- 2) The above convertible bonds were converted to common shares of the Company for the three months ended March 31, 2005 and the details of the conversion are as follows:

	<u>6-2 Convertible bonds</u>		<u>6-1 Convertible bonds</u>		<u>6-5 Convertible bonds</u>	
Converted on		2005.02.17		2005.03.11		2005.03.11
Converted by		Lehman Brothers International Europe		Lehman Brothers International Europe		Lehman Brothers International Europe
Conversion price	(Won)	5,588	(Won)	7,313	(Won)	7,228
Conversion-exchange rate applied	(Won)	1,215.8: US\$ 1	(Won)	1,201.4: US\$ 1	(Won)	1,188.5: US\$ 1
Issued common shares		3,481,173		5,914,180		164,429
Increased capital stock	(Won)	17,406 million	(Won)	29,571 million	(Won)	822 million
Increased paid-in capital in excess of par share	(Won)	4,290 million	(Won)	20,639 million	(Won)	491 million

- 3) In connection with the debentures in foreign currencies listed above, the Company has entered into cross currency interest rate swaps with Woori Bank in order to hedge any risks involved with fluctuations in exchange rates and interest rates. As of March 31, 2005 and 2004, cross currency interest rate swap contracts are as follows (Unit: Korean won in millions and U.S. dollars in thousands):

<u>Contract date</u>	<u>Maturity date</u>	<u>Contracted amount</u>		<u>Interest rates and terms of payment</u>
		<u>Mar. 31, 2005</u>	<u>Dec. 31, 2004</u>	
Sep. 27, 2002	Sep. 27, 2005	US\$ (Won)	US\$ 36,000 (Won) 44,136	Receipt: compound interest rate of 2.9245% (6 months) Payment: annual rate of 5%
Dec. 20, 2002	Dec. 20, 2005	US\$ (Won)	US\$ 16,000 (Won) 19,248	Receipt: compound interest rate of 2.7335% (6 months) Payment: annual rate of 4.84%
Jul. 9, 2003	Jul. 10, 2006	US\$ (Won)	US\$ 1,000 (Won) 1,179	Receipt: compound interest rate of 2.034% (6 months) Payment: annual rate of 3.93%

Loss on valuation of swaps of (Won)91 million (US\$ 89 thousand) and (Won)9,260 million (US\$ 9,040 thousand) for the three months ended March 31, 2005 and 2004, respectively, were recorded.

**10. LIABILITIES IN FOREIGN CURRENCIES**

Liabilities denominated in foreign currencies of the Company as of March 31, 2005 and December 31, 2004 are summarized as follows:

<u>Foreign currencies</u>	<u>Korean won equivalent</u>
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	<u>Mar. 31, 2005</u>	<u>Dec. 31, 2004</u>	<u>Mar. 31, 2005</u>	<u>Dec. 31, 2004</u>
	(In thousands)		(In millions)	
Debentures in foreign currencies	US\$	US\$ 53,000	(Won)	(Won) 55,321
Long-term accrued interest payables		3,352		3,499
Redemption premium		63		65
Reconciliation for conversion rights		(51)		(53)
Currency swaps		13,383		13,969
	<u>US\$</u>	<u>US\$ 69,747</u>	<u>(Won)</u>	<u>(Won) 72,801</u>

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**Table of Contents****11. ACCRUED SEVERANCE BENEFITS**

Employees and directors with more than one year of service are entitled to receive a lump-sum payment upon termination of their service with the Company. The accrued severance benefits that would be payable assuming all eligible employees and directors were to terminate amounted to (Won)1,482 million (US\$1,447 thousand) and (Won)1,230 million (US\$1,201 thousand) as of March 31, 2005 and December 31, 2004, respectively.

The details of changes in the accrued severance benefits for the three months ended March 31, 2005 and the year ended December 31, 2004 are as follows:

	Korean won		Translation into U.S. dollars (Note 2)	
	Mar. 31, 2005	Dec. 31, 2004	Mar. 31, 2005	Dec. 31, 2004
	(In millions)		(In thousands)	
Beginning balance	(Won) 1,230	(Won) 1,583	US\$ 1,201	US\$ 1,545
Provision for severance benefits	265	215	259	210
Payment for severance benefits	(13)	(568)	(13)	(554)
Ending balance	(Won) 1,482	(Won) 1,230	US\$ 1,447	US\$ 1,201

The Company has purchased an employee retirement trust and made deposits at Woori Bank. As of March 31, 2005 and December 31, 2004, the deposits, amounting to (Won)1,217 million (US\$1,188 thousand) and (Won)1,230 million (US\$1,201 thousand), respectively, are presented as a deduction from accrued severance benefits.

**12. OTHER LIABILITIES**

Other liabilities as of March 31, 2005 and December 31, 2004 are as follows:

	Korean won		Translation into U.S. dollars (Note 2)	
	Mar. 31, 2005	Dec. 31, 2004	Mar. 31, 2005	Dec. 31, 2004
	(In millions)		(In thousands)	
Accrued severance benefits (Note 11)	(Won) 1,482	(Won) 1,230	US\$ 1,447	US\$ 1,201

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Deposits with employee retirement trust (Note 11)	(1,217)	(1,230)	(1,188)	(1,201)
Other payables	354	163	345	159
Accrued expenses	9,199	10,838	8,981	10,581
Dividend payable	119,468		116,634	
Withholdings	225	384	219	375
Currency swaps (Notes 9 and 10)		13,969		13,637
	<u>(Won) 129,511</u>	<u>(Won) 25,354</u>	<u>US\$ 126,438</u>	<u>US\$ 24,752</u>

**13. SHAREHOLDERS EQUITY**

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

	<u>Mar. 31, 2005</u>	<u>Dec. 31, 2004</u>
Authorized shares of common stock	2,400,000,000	2,400,000,000
Par value	(Won) 5,000	(Won) 5,000
Issued shares of common stock	806,015,340	796,455,558

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(2) The changes in the capital stock of the Company for the period from its incorporation to March 31, 2005 are as follows (Unit: Korean won in millions):

Date of issuance	Description	Number of shares issued	Paid-in capital	
			Capital stock	in excess of par value
March 27, 2001	Establishment	727,458,609	(Won) 3,637,293	(Won)
June 12, 2002	Issuance of new shares	36,000,000	180,000	58,645
In 2002	Exercise of warrants	4,356,188	21,781	
2002.12.31		767,814,797	3,839,074	58,645
In 2003	Exercise of warrants	7,690,113	38,451	(574)
2003.12.31		775,504,910	3,877,525	58,071
In 2004	Issuance of new shares	8,571,262	42,856	14,126
	Exercise of convertible bonds	12,379,386	61,897	12,118
2004.12.31		796,455,558	3,982,278	84,315
In 2005	Exercise of convertible bonds (*1)	9,559,782	47,799	24,710
2005.3.31		806,015,340	(Won) 4,030,077	(Won) 109,025

(\*1) On February 17 and March 11, 2005, convertible bonds were converted (Note 9).

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

(4) Pursuant to Act Article 53 of the Financial Holding Company Act, legal reserves are appropriated at no less than one tenth of net income until reaching an amount equal to the Company's contributed capital, whenever dividends are declared.

(5) As of March 31, 2005 and December 31, 2004, the Company held 2,547 shares of treasury stock amounting to (Won)18 million (US\$17 thousand).

(6) The changes in retained earnings December 31, 2004 to March 31, 2005 are as follows (Unit : Korean won in millions):

Korean won	Translation into
	U.S. dollars (Note 2)
(In millions)	(In thousands)

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December 31, 2004 (*1)	(Won) 1,129,675	US\$ 1,102,875
Appropriations:		
Dividend declared	(119,468)	(116,634)
Appropriation of legal reserves	(129,249)	(126,183)
Appropriation of voluntary reserve	(910,000)	(888,411)
	(1,158,717)	(1,131,228)
Decrease due to investment securities accounted for using the equity method of accounting	(1,665)	(1,625)
Net income for the three months ended March 31, 2005	362,024	353,435
March 31, 2005	(Won) 331,317	US\$ 323,457

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

**Table of Contents****14. STOCK OPTIONS**

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

(2) The summary of stock options granted as of March 31, 2005 is summarized as follows:

Description	The Company	Subsidiaries	Total
Exercisable number of shares	405,000 shares	855,000 shares	1,260,000 shares
Type	Share issue or balance compensation	Share issue or balance compensation	
Valuation method	Fair value approach	Fair value approach	

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

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

(4) The Company and its subsidiaries had recorded stock option costs from its grant date to December 4, 2004 as shown below. The Company recorded the costs in capital adjustments.

Description	(Unit: Korean won in millions)		
	The Company	Subsidiaries	Total
Total stock option costs	(Won) 780	(Won) 1,842	(Won) 2,622

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

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

(1) Differences between financial accounting income and taxable loss for the three months ended March 31, 2005 is as follows:

	Korean won	Translation into U.S. dollars (Note 2)
	(In millions) (Won) 362,024	(In thousands) US\$ 353,435
Net income	362,024	353,435
Non-temporary differences:		
Deemed dividends	74,850	73,074
Deemed interest income	776	758
Dividend revenues	(122,429)	(119,525)
Investment securities	(225,046)	(219,707)
Others	98	96
	(271,751)	(265,304)
Temporary differences:		
Investment securities	(92,473)	(90,279)
Accrued expenses	2,193	2,141
Currency swap liabilities	(13,969)	(13,638)
Reversal of accrued expenses	(3,409)	(3,328)
Long-term accrued interest	(3,498)	(3,415)
Long-term interest receivables	(555)	(542)
Others	(25)	(24)
	(111,736)	(109,085)
Taxable loss after tax adjustments	(Won) (21,463)	US\$ (20,954)

(2) The changes in cumulative temporary differences and tax loss carry-forwards for the three months ended March 31, 2005 are as follows (Unit: Korean won in millions):

	Jan. 1, 2005 (*1)	Increase	Decrease	Mar. 31, 2005	Deferred tax assets (liabilities)(*3)
Investment securities	(Won) (2,635,223)	(Won) (392,438)	(Won) (299,965)	(Won) (2,727,696)	(Won) (*2)
Swap contracts	13,969		13,969		
Accrued income	(296)	(295)	(296)	(295)	(81)
Accrued severance benefits	738	151		889	244
Depreciation	28			28	8
Accrued expenses	3,409	2,193	3,409	2,193	603
Accounts receivable	(1,842)			(1,842)	(506)
Employee retirement deposits	(738)	(164)		(902)	(248)
Long-term accrued interest payables	3,498		3,498		

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Long-term accrued interest income	(4,506)	(555)	(5,061)	(1,392)
Premiums on debentures	65		65	
Adjustment of conversion rights	(53)		(53)	
Dividend receivables	48,873		48,873	13,440
	<u>(2,572,078)</u>	<u>(391,108)</u>	<u>(279,373)</u>	<u>12,068</u>
Tax loss carry-forwards	109,999	21,463	131,462	36,152
	<u>(Won) (2,462,079)</u>	<u>(Won) (369,645)</u>	<u>(Won) (2,552,351)</u>	<u>(Won) 48,220</u>

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

(\*2) The Company does not expect that the temporary differences on investment securities would result in tax amounts in future years as basis for recognizing deferred tax liabilities in the current year.

(\*3) The Company did not recognize deferred tax assets due to the uncertainty of its future realization.



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

<u>Year incurred</u>	<u>Amount(*1)</u>	<u>Utilized</u>	<u>Remaining</u>	<u>Expiration</u>
2001	(Won) 25,288	(Won)	(Won) 25,288	Dec. 31, 2006
2002	13,899		13,899	Dec. 31, 2007
2003	48,398		48,398	Dec. 31, 2008
2004	22,414		22,414	Dec. 31, 2009
2005	21,463		21,463	Dec. 31, 2010
	<u>(Won) 131,462</u>	<u>(Won)</u>	<u>(Won) 131,462</u>	

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

(4) For the three months ended March 31, 2005, there is no income tax expense reflected in the statements of operations as there is no tax currently payable under the Corporate Tax Act and there are no changes in net deferred tax assets or liabilities.

**16. STATEMENTS OF CASH FLOWS**

For the three months ended March 31, 2005 and 2004, the significant transactions without cash flows are as follows:

<u>Transactions</u>	<u>Korean won</u>		<u>Translation into</u>	
			<u>U.S. dollars (Note 2)</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	<u>(In millions)</u>		<u>(In thousands)</u>	
Changes in capital adjustments due to the equity method of accounting	(Won) 234,975	(Won) 657,351	US\$ 229,401	US\$ 641,756
Changes in retained earnings due to the equity method of accounting	(1,665)	(137,952)	(1,626)	(134,679)
Increase in other receivables and stock options		234		228
Capital increase due to conversion of convertible bonds in foreign currencies	72,468		70,749	
Increase in dividend receivables	587	51,128	573	49,915
Increase in accrued severance benefits		180		176

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

General and administrative expenses for the three-month periods ended March 31, 2005 and 2004 are summarized as follows:

	Korean won		Translation into U.S. dollars (Note 2)	
	2005	2004	2005	2004
	(In millions)		(In thousands)	
Salaries, wages and bonuses	(Won) 2,565	(Won) 2,011	US\$ 2,504	US\$ 1,963
Provision for severance benefits	265	22	259	21
Fringe benefits	186	269	182	263
Rent	573	565	559	552
Entertainment	53	109	52	107
Depreciation	47	27	46	26
Amortization on intangible assets	5	4	5	4
Taxes and dues	25	17	24	17
Advertising	126	704	123	687
Travel	34	16	33	16
Telecommunications	12	12	12	12
Service fees	609	498	594	486
Suppliers	14	22	14	21
Stock compensation (Note 14)		117		114
Others	295	385	288	376
	<u>(Won) 4,809</u>	<u>(Won) 4,778</u>	<u>US\$ 4,695</u>	<u>US\$ 4,665</u>

**18. FINANCIAL INFORMATION OF SUBSIDIARIES**

(1) The condensed balance sheets of subsidiaries as of March 31, 2005 are as follows (Unit: Korean won in millions):

	Total assets	Total liabilities	Total shareholders equity (capital deficiency)
Woori Bank	(Won) 112,386,889	(Won) 104,605,555	(Won) 7,781,334
Kyongnam Bank	12,033,524	11,442,089	591,435
Kwangju Bank	10,263,314	9,850,567	412,747
Woori Finance Information System	299,133	289,068	10,065
Woori F&I	292,996	222,752	70,244
Woori Second Asset Securitization Specialty	1,609	7,346	(5,737)
Woori Third Asset Securitization Specialty	35,376	77,876	(42,500)
Woori Investment Trust Management	36,166	755	35,411
Woori Investment Securities	5,909,216	4,123,383	1,785,833

(Won) 141,258,223

(Won) 130,619,391

(Won) 10,638,832

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- (2) The condensed statements of operations of subsidiaries for the three months ended March 31, 2005 are as follows (Unit: Korean won in millions):

	<b>Operating revenue</b>	<b>Operating expenses</b>	<b>Operating income (loss)</b>	<b>Ordinary income (loss)</b>	<b>Net income (loss)</b>
Woori Bank	(Won) 3,070,734	(Won) 2,668,590	(Won) 402,144	(Won) 493,963	(Won) 351,681
Kyongnam Bank	184,480	151,749	32,731	26,534	25,153
Kwangju Bank	148,415	124,650	23,765	24,176	18,533
Woori Finance Information System	67,564	65,362	2,202	3,340	1,962
Woori F&I	6,365	4,887	1,478	24,035	16,550
Woori Second Asset Securitization Specialty		45	(45)	(7)	(7)
Woori Third Asset Securitization Specialty	29	409	(380)	(379)	(379)
Woori Investment Trust Management	1,905	1,332	573	493	337
Woori Securities (*1)	47,824	62,205	(14,381)	(27,483)	(25,185)
Woori Investments Securities	292,031	275,317	16,714	(14,955)	(18,846)
	<b>(Won) 3,819,347</b>	<b>(Won) 3,354,546</b>	<b>(Won) 464,801</b>	<b>(Won) 529,717</b>	<b>(Won) 369,799</b>

(\*1) The income or loss is for the three months ended March 31, 2005 before merger into Woori Investment Securities.

- (3) Significant liabilities and assets of the Company and its subsidiaries as of March 31, 2005 are summarized as follows (Unit: Korean won in millions):

1) Significant liabilities

	<b>Deposits</b>	<b>Borrowings</b>	<b>Debentures</b>	<b>Total</b>
Woori Finance Holdings	(Won)	(Won) 120,000	(Won) 2,096,200	(Won) 2,216,200
Woori Bank	74,824,262	9,617,750	9,191,783	93,633,795
Kyongnam Bank	9,025,459	1,672,611	307,870	11,005,940
Kwangju Bank	7,308,763	1,810,267	347,651	9,466,681
Woori Finance Information System		210,000		210,000
Woori F&I		206,550		206,550
Woori Second Asset Securitization Specialty			100	100
Woori Third Asset Securitization Specialty		17,790		17,790
Woori Investment Securities	2,207,745	446,806	195,664	2,850,215
	<b>(Won) 93,366,229</b>	<b>(Won) 14,101,774</b>	<b>(Won) 12,139,268</b>	<b>(Won) 119,607,271</b>

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## 2) Significant assets

	Cash and due			
	from banks	Securities	Loans	Total
Woori Finance Holdings	(Won) 243,727	(Won) 9,377,752	(Won) 213,666	(Won) 9,835,145
Woori Bank	5,000,766	20,868,273	77,579,443	103,448,482
Kyongnam Bank	743,809	3,338,270	7,463,699	11,545,778
Kwangju Bank	658,086	3,179,778	5,964,436	9,802,300
Woori Finance Information System	33,357	515		33,872
Woori F&I	50,525	72,176	149,304	272,005
Woori Second Asset Securitization Specialty	991			991
Woori Third Asset Securitization Specialty	4,375	30,997		35,372
Woori Investment Trust Management	30,499	338		30,837
Woori Investment Securities	1,756,907	2,373,346	719,061	4,849,314
	(Won) 8,523,042	(Won) 39,241,445	(Won) 92,089,609	(Won) 139,854,096

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

	Loans subject to		Percentage of
	allowance for possible		allowance
	loan losses	Allowance	to loans (%)
Woori Bank	(Won) 79,091,828	(Won) 1,512,386	1.91
Kyongnam Bank	7,592,227	128,528	1.69
Kwangju Bank	6,052,094	87,658	1.45
Woori F&I	150,054	750	0.50
Woori Investment Securities	923,410	204,349	22.13
	(Won) 93,809,613	(Won) 1,933,671	2.06

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

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

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

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**Table of Contents****19. CONTRIBUTIONS TO NET INCOME BY SUBSIDIARIES**

Contributions to net income of the Company by subsidiaries after elimination of unrealized inter-company incomes or losses for the three months ended March 31, 2005 are as follows:

	Korean won	Translation into	
		U.S. dollars	Ratio
	(In millions)	(Note 2)	(%)
	(Won)	US\$	
Woori Bank	351,967	343,617	89.69
Kyongnam Bank	25,151	24,554	6.41
Kwangju Bank	18,601	18,160	4.74
Woori Finance Information System	2,235	2,182	0.57
Woori F&I	16,524	16,132	4.21
Woori Second Asset Securitization Specialty	(7)	(7)	0.00
Woori Third Asset Securitization Specialty	(379)	(370)	(0.10)
Woori Investment Trust Management	338	330	0.09
Woori Securities	(26,268)	(25,647)	(6.70)
Woori Investment Securities	4,277	4,177	1.09
Gain on valuation using the equity method of accounting	392,439	383,128	100.0
Other income	3,982	3,802	
Other expenses	(34,397)	(33,495)	
Net income	(Won) 362,024	US\$ 353,435	

**Table of Contents****20. TRANSACTIONS AND ACCOUNT BALANCES WITH RELATED PARTIES**

(1) Account balances with the subsidiaries as of March 31, 2005 and December 31, 2004 are as follows:

	Korean won		Translation into US dollars (Note 2)		Account
	Mar. 31, 2005	Dec. 31, 2004	Mar. 31, 2005	Dec. 31, 2004	
	(In millions)		(In thousands)		
<b>&lt;Assets&gt;</b>					
Woori Bank	(Won) 168,929	(Won) 35,852	US\$ 164,921	US\$ 35,001	Cash and bank deposits
	4,153	4,153	4,054	4,054	Guarantee deposits
	1,186	1,591	1,158	1,553	Other receivables
	204	118	199	115	Accrued income
Kyongnam Bank	42,743	9,938	41,729	9,702	Cash and bank deposits
	8	11	8	11	Accrued income
Kwangju Bank	32,056	10,309	31,295	10,064	Cash and bank deposits
	50,000	50,000	48,814	48,814	Loans
	5,066	4,511	4,946	4,404	Accrued income
Woori Finance Information System	30,000	30,000	29,288	29,288	Loans
	230	230	225	225	Other receivables
	306	366	299	357	Accrued income
Woori F&I	116,850	121,850	114,078	118,959	Loans
Woori Second Asset Securitization Specialty	100	100	98	98	Loans
	2	2	2	2	Accrued income
Woori Third Asset Securitization Specialty	17,790	17,790	17,368	17,368	Loans
	293	294	286	287	Accrued income
Woori Investment Trust Management	73	73	71	71	Other receivables
Woori Credit Information	166	166	162	162	Other receivables
Woori CA Asset Management	229	229	224	224	Other receivables
Principal guaranteed trust accounts of Woori Bank	1,216	1,230	1,187	1,201	Deposits with employee retirement trust
	<u>(Won) 471,600</u>	<u>(Won) 288,813</u>	<u>US\$ 460,412</u>	<u>US\$ 281,960</u>	
<b>&lt;Liabilities&gt;</b>					
Woori Bank	(Won) 55	(Won) 58	US\$ 54	US\$ 57	Accounts payable
		1,498		1,462	Accrued expenses
		13,969		13,638	Currency swaps (liabilities)
Woori Credit Card	162		158		Other payables
Woori Finance Information System		443		432	Accrued expenses
	<u>(Won) 217</u>	<u>(Won) 15,968</u>	<u>US\$ 212</u>	<u>US\$ 15,589</u>	



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(2) Transactions with the subsidiaries for the three-month periods ended March 31, 2005 and 2004 are as follows:

	Korean won		Translation into US dollars (Note 2)		Account
	2005	2004	2005	2004	
	(In millions)		(In thousands)		
<b>&lt;Revenues&gt;</b>					
Woori Bank	(Won) 247	(Won) 1,397	US\$ 241	US\$ 1,364	Interest income on deposits
		5,762		5,625	Interest income on loans
Kyongnam Bank	64	129	62	126	Interest income on deposits
Kwangju Bank	73	94	71	92	Interest income on deposits
	555	561	542	548	Interest income on loans
Woori Finance Information System	416	549	406	536	Interest income on loans
Woori F&I	2,162	2,301	2,111	2,246	Interest income on loans
Woori Second Asset Securitization Specialty	2	2	2	2	Interest income on loans
Woori Third Asset Securitization Specialty	346	541	338	528	Interest income on loans
	<u>(Won) 3,865</u>	<u>(Won) 11,336</u>	<u>US\$ 3,773</u>	<u>US\$ 11,067</u>	
<b>&lt;Expenses&gt;</b>					
Woori Bank	(Won) 2,185	(Won) 9,260	US\$ 2,133	US\$ 9,040	Loss on valuation of swap contracts
	390	496	381	485	Rent
	175		171		Other administrative expenses
Woori Finance Information System	489	705	477	688	Service fees
		262		256	Other administrative expenses
	<u>(Won) 3,239</u>	<u>(Won) 10,723</u>	<u>US\$ 3,162</u>	<u>US\$ 10,469</u>	

**Table of Contents****21. EARNINGS PER COMMON SHARE**

- (1) Basic ordinary income (loss) per common share and basic net income (loss) per common share for the three-month periods ended March 31, 2005 and 2004 are as follows:

	<b>Korean won</b>		<b>Translation into U.S. dollars (Note 2)</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	(In millions, except for earning per share data)		(In thousands, except for earning per share data)	
Net income (loss) on common shares	(Won) 362,024	(Won) (151,369)	US\$ 353,435	US\$ (147,778)
Extraordinary gain				
Income tax effect on extraordinary gain				
Ordinary income (loss) on common shares	(Won) 362,024	(Won) (151,369)	US\$ 353,435	US\$ (147,778)
Weighted average number of common shares outstanding	799,398,211	775,504,910	799,398,211	775,504,910
Basic ordinary income (loss) per common shares	(Won) 453	(Won) (195)	US\$ 0.442	US\$ (0.191)
Basic net income (loss) per common shares	(Won) 453	(Won) (195)	US\$ 0.442	US\$ (0.191)

- (2) Diluted ordinary income (loss) per common share and diluted net income (loss) per common share for the three-month periods ended March 31, 2005 and 2004 are as follows:

	<b>Korean won</b>		<b>Translation into US dollars (Note 2)</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	(In millions, except for earning per share data)		(In thousands, except for earning per share data)	
Diluted net income (loss) on common shares	(Won) 362,399	(Won) (151,369)	US\$ 353,802	US\$ (147,778)
Extraordinary gain				
Income tax effect on extraordinary gain				

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Diluted ordinary income (loss) on common shares	(Won) 362,399	(Won) (151,369)	US\$ 353,802	US\$ (147,778)
Weighted average number of common and dilutive common shares outstanding	806,372,764	775,504,910	806,372,764	798,851,749
Diluted ordinary income (loss) per common shares	(Won) 449	(Won) (195)	US\$ 0.439	US\$ (0.191)
Diluted net income (loss) per common shares	(Won) 449	(Won) (195)	US\$ 0.439	US\$ (0.191)

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

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

## 22. INSURANCE

As of March 31, 2005, the Company has insurance for liability of reparation of directors with Dongbu Insurance Co., Ltd. The insurance coverage is (Won)30,000 million (US\$29,288 thousand).

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### **23. CREDITS TO LG CARD CO., LTD.**

Woori Bank, Kyongnam Bank and Kwangju Bank, subsidiaries of the Company, have loans receivable, equity securities and debt securities from LG Card Co., Ltd. in the total amount of (Won)134.6 billion (US\$131.4 million), (Won)238.6 billion (US\$232.9 million) and (Won)133.2 billion (US\$130.0 million), respectively, as of March 31, 2005. In connection therewith, the banks recorded (Won)49.0 billion (US\$47.8 million) as allowances for credit losses and cumulative impairment losses on securities. However, the Company's bank subsidiaries' actual losses on LG Card Co., Ltd. credit may differ from the current estimate.

### **24. AGREEMENT ON THE IMPLEMENTATION OF A MANAGEMENT IMPROVEMENT PLAN**

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

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

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

### **25. SUBSEQUENT EVENT**

#### **a. Acquisition of LG Investment Trust Management Co., Ltd.**

On May 6, 2005, the Company acquired 5,400,000 common shares of LG Investment Trust Management Co., Ltd. from Woori Investment Securities, a subsidiary of the Company for (Won)72,948 million (US\$71,217 thousand) in order to include it as a consolidated subsidiary.

