

WOORI FINANCE HOLDINGS CO LTD

Form 6-K

August 14, 2007

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER

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

THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2007

Woori Finance Holdings Co., Ltd.

(Translation of Registrant's name into English)

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

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's

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securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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

Yes No

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Summary of 2007 1H Business Report

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

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I. Company Overview

1. Purpose of the Company

a. Scope of Business

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

(1) Corporate Management

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

(2) Corporate Management Support Activities

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

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

b. Scope of Business of Subsidiaries

(1) Woori Bank

1. Primary Businesses

Banking business

Ancillary business

2. Supplementary Businesses

Trust business

Credit card business

Other authorized businesses

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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

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

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

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3. Management of mutual funds;
4. Sales and redemption of indirect investment securities;
5. Investment advisory;
6. Investment executions;
7. Administration of invested companies;
8. Futures trading;
9. Call trading;
10. Bill purchases;

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11. Domestic and global economy and capital markets research;
 12. Securities dealing;
 13. Publishing investment related books;
 14. Real estate leasing;
 15. Other activities approved by the Indirect Investment Asset Management Business Act; and
 16. Other businesses and activities related to the items listed above.
- (6) Woori Finance Information System
1. Development, distribution and management of computer systems;
 2. Consulting services in computer installation and usage;
 3. Distribution, brokerage and lease of computer systems;
 4. Maintenance of computer-related equipment;
 5. Publication and distribution of IT-related reports and books;
 6. Educational services related to computer usage;
 7. Research and outsourcing information processing services;
 8. Internet-related businesses;
 9. Information processing, telecommunications and information distribution services;
 10. Manufacturing and distribution of audio-visual media;

11. Information-processing operations and service systems; and
12. All activities directly or indirectly related to the items listed above.

(7) Woori F&I

1. Purchase and disposition of ABSs, issued primarily to securitize distressed assets, pursuant to the Asset Securitization Law;
2. Purchase and disposition of asset management companies that had been initially set up to manage distressed assets pursuant to the Asset securitization Law;
3. Purchase and disposition of troubled assets;
4. Investment activity with respect to indirect investment instruments under the Indirect Investment Asset Management Business Act and other investment activity with respect to other securities, bonds or similar financial assets under the Corporate Restructuring Promotion Act; and

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

(8) Woori Third Asset Securitization Specialty Co., Ltd.

1. Transfer, management and disposition of the securities and other assets (the securitized assets) and all rights related to the securitized asset of Hanvit Bank (now Woori Bank) and Kyongnam Bank pursuant to the Asset Securitization Law;

2. Offering and redemption of the securitized assets;

3. Preparation and registration of asset securitization plans to the Financial Supervisory Service;

4. Execution of agreements required for the asset securitization plan;

5. Provisional borrowing and other similar procedures for ABS redemption;

6. Investment of surplus funds; and

7. Other activities related to the items listed above.

(9) Woori Private Equity

1. Private equity business;

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

3. Other activities related to the items listed above.

Table of Contents**2. History of the Company****a. Company History**

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

March 24, 2001	Official approval from the Financial Supervisory Service for Woori Finance Holdings
March 27, 2001	Incorporated as Woori Finance Holdings, Co. Ltd (Total Capital: Won 3.6 trillion)
April 2, 2001	Official launch of Woori Finance Holdings
July 16, 2001	Issued bonds with warrants
September 1, 2001	Hanaro Merchant Bank's name changed to Woori Merchant Bank
September 29, 2001	Woori Finance Information System incorporated as a subsidiary
December 3, 2001	Woori Asset Management incorporated as a subsidiary
December 3, 2001	Woori First Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
December 26, 2001	Woori Second Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
December 31, 2001	Spin-off and merger of Peace Bank; Launch of Woori Credit Card
March 15, 2002	Woori Third Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
March 29, 2002	Woori Investment Trust Management incorporated as a subsidiary
May 20, 2002	Hanvit Bank's name changed to Woori Bank
June 11, 2002	Capital increase through public offering (Total capital: Won 3.8 trillion)
June 24, 2002	Listed on the Korea Stock Exchange
July 29, 2002	Woori Securities incorporated as a subsidiary
September 5, 2002	Executed strategic investment agreement with Lehman Brothers with respect to the management of distressed assets
December 23, 2002	Purchase and acquisition agreement with the credit card division of Kwangju Bank

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July 31, 2003	Woori Merchant Bank merged into Woori Bank
September 29, 2003	Listing on the New York Stock Exchange
December 12, 2003	Liquidation of Woori LB First Asset Securitization Specialty Co., Ltd.
March 30, 2004	Appointment of new management
March 31, 2004	Woori Card merged into Woori Bank
June 18, 2004	Woori Securities becomes a wholly-owned subsidiary
December 21, 2004	Capital increase through conversion of CBs (Total capital after conversion: Won 3.9 trillion)
December 24, 2004	Acquired LG Investment & Securities and incorporated as a subsidiary
February 17, 2005	Capital increase through conversion of CBs (Total capital after conversion: Won 3.9 trillion)
March 11, 2005	Capital increase through conversion of CBs (Total capital after conversion: Won 4.0 trillion)
March 31, 2005	Woori Securities and LG Investment & Securities merged (the name of the surviving entity, LG Investment & Securities, changed to Woori Investment & Securities)
May 6, 2005	Incorporated LG Investment Trust Management from 2 nd tier subsidiary to 1 st tier subsidiary
May 31, 2005	Woori Investment Trust Management and LG Investment Trust Management merged (the name of the surviving entity, LG Investment Trust Management, changed to Woori Asset Management)
August 3, 2005	Dissolution of Woori LB Second Asset Securitization Specialty Co., Ltd.
September 5, 2005	Woori Asset Management becomes a wholly-owned subsidiary through capital reduction and cancellation
October 21, 2005	Woori Private Equity is established and incorporated as a subsidiary
October 27, 2005	Closure of strategic investment agreement with Lehman Brothers
February 23, 2006	Joint venture arrangement between Woori CA Asset Management, a 2 nd tier subsidiary, and Japan's Shinsei Bank (involving a transfer of 49% of Woori F&I's 100% stake in Woori CA Asset Management to Shinsei Bank)

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April 11, 2006	Joint venture agreement to transfer 30% of the shares of Woori Asset Management to Credit Suisse Asset Management International Holdings, a wholly owned subsidiary of Credit Suisse.
May 30, 2006	Upon the 30% share transfer to Credit Suisse Asset Management International Holdings, Woori Asset Management was renamed Woori Credit Suisse Asset Management.
March 30, 2007	Appointment of new management

b. Associated Business Group

(1) Overview of Business Group

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

2. **History**

December 23, 2000	Enactment of the Financial Holding Company Act
December 30, 2000	KDIC invested public funds of Won 8.5 trillion in Hanvit Bank, Peace Bank, Kwangju Bank, Kyongnam Bank and Hanaro Merchant Bank
March 14, 2001	Filed application for the incorporation of Woori Finance Holdings
March 24, 2001	Official approval from the Financial Supervisory Service for Woori Finance Holdings
March 27, 2001	Incorporated as Woori Finance Holdings, Co. Ltd (Total Capital: Won 3.6 trillion)
April 2, 2001	Official launch of Woori Finance Holdings
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September 5, 2005	Woori Asset Management becomes a wholly-owned subsidiary through capital reduction and cancellation
October 21, 2005	Woori Private Equity is established and incorporated as a subsidiary
October 27, 2005	Closure of strategic investment agreement with Lehman Brothers
February 23, 2006	Joint venture arrangement between Woori CA Asset Management, a 2 nd tier subsidiary, and Japan's Shinsei Bank (involving a transfer of 49% of Woori F&I's 100% stake in Woori CA Asset Management to Shinsei Bank)
April 11, 2006	Joint venture agreement to transfer 30% of the shares of Woori Asset Management to Credit Suisse Asset Management International Holdings, a wholly owned subsidiary of Credit Suisse.
May 30, 2006	Upon the 30% share transfer to Credit Suisse Asset Management International Holdings, Woori Asset Management was renamed Woori Credit Suisse Asset Management.
March 30, 2007	Appointment of new management (elected Byungwon Bahk as the representative director)

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(2) Related companies within the business group

Type	Name of Company	Controlling Company	Notes
Holding Company	Woori Finance Holdings Woori Bank Kwangju Bank Kyongnam Bank	KDIC	
1 st Tier Subsidiaries	Woori Finance Information System Woori F & I Woori Third Asset Securitization Specialty Woori CS Asset Management Woori Investment & Securities Woori Private Equity Woori Credit Information Woori America Bank P.T. Bank Woori Indonesia Korea BTL Infrastructure Fund Woori Global Markets Asia Ltd. Woori SB Asset Management	Woori Finance Holdings Woori Bank	9 companies
2 nd Tier Subsidiaries	Woori F&I Fifth Asset Securitization Specialty Co., Ltd. Woori Private Equity Fund Woori Futures Woori Investment & Securities International Ltd. Woori Investment & Securities (HK) Ltd. Woori Investment & Securities America Inc. Mars First Private Hoesa Mars Second Private Hoesa	Woori F&I Woori Private Equity Woori Investment & Securities	14 companies

* On March 5, 2007, Mars Second Private Hoesa, with KRW 31,500 million paid-in-capital, was included as our 2nd tier subsidiary. Woori Investment & Securities, which owns a 4.76% stake, is its general partner.

* On March 27, 2007, Nexbi Tech, a subsidiary of Woori Finance Information System, was removed from our list of 2nd tier subsidiaries as the company performed a second capital reduction (the first capital reduction was held in Oct. 18, 2006), liquidating all the shares held by Woori Finance Information System.

* On May 23, 2007, Woori F&I Fifth Asset Securitization Specialty Co., Ltd. was incorporated as our 2nd tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.

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

(units: Won, shares)

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

b. Anticipated Changes in Capital

Not applicable

c. Convertible Bonds

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

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4. Total Number of Authorized Shares

a. Total Number of Authorized Shares

As of 2007.6.30

(units: shares)

Items	Type	
	Common Shares	Total
Total number of shares authorized	2,400,000,000	2,400,000,000
Total number of issued stock	806,015,340	806,015,340
Treasury stock	2,558	2,558
Free float shares	806,012,782	806,012,782

b. Capital and Price per Share

As of 2007.6.30

(units: Won, shares)

Type		Capital			Price per share		
		Capital	Par value of issued shares	Par value of free float shares	Par value per share	Capital ÷ number of shares issued	Capital ÷ free float shares
Registered	Common Stock	4,030,076,700,000	4,030,076,700,000	4,030,063,910,000	5,000	5,000	5,000
	Total	4,030,076,700,000	4,030,076,700,000	4,030,063,910,000	5,000	5,000	5,000

c. Treasury Stock

As of 2007.6.30

(units: shares)

Acquisition Method	Type of Stock	Beg.	Acquired	Disposal	Canceled	End	Remarks
Direct purchase under Sub-section 1, section 189-2	Common						
	Preferred						
Direct purchase other than the conditions under Sub-section 1, section 189-2	Common	2,555	3			2,558	
	Preferred						
Subtotal	Common	2,555	3			2,558	
	Preferred						
Indirect acquisition from trust agreement	Common						
	Preferred						
Total	Common	2,555	3			2,558	
	Preferred						

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d. Status of Employee Stock Option Program

		(units: shares)	
		Beginning	Ending
Type of stock	Type of Stock	Balance (2007.01.01)	Balance (2007.06.30)
Employee Account			
Employee Union Account	Common stock	41,403	0

5. Voting Rights

As of 2007.6.30 (units: shares)

Items	Number of stock	Notes
Total number of shares	806,015,340	
	Common Shares	
	Preferred Shares	
Stocks without voting rights		
	Common Shares	
	Preferred Shares	
Stocks with limited voting rights under the Securities & Exchange Law	2,558	
Stocks with voting rights restored		
Stocks with voting rights	806,012,782	
	Common Shares	
	Preferred Shares	

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

Items		2006	2005	2004
Par value per share (Won)		5,000	5,000	5,000
Net profit (Won in Millions)		2,029,319	1,688,221	1,261,924
Earnings per share (Won)		2,518	2,099	1,616
Profit available for dividend distribution (Won in Millions)		5,017,365	3,514,715	2,120,429
Total cash payout (Won in Millions)		483,608	322,405	119,468
Total stock dividends (Won in Millions)				
Propensity to cash dividends (%)		23.83	19.10	9.47
Cash dividend yield (%)	Common Shares	2.71	1.98	1.81
	Preferred Shares			
Stock dividend yield (%)	Common Shares			
	Preferred Shares			
Cash dividend per share (Won)	Common Shares	600	400	150
	Preferred Shares			
Stock dividend per share (Won)	Common Shares			
	Preferred Shares			

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II. Description of Business

1. Business Overview

a. Organizational Chart

As of 2007. 6. 30

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	2007 1H	2006	2005
Shareholders Equity	12,814,612	11,933,072	9,717,364
Capital	4,030,076	4,030,076	4,030,076
Capital Surplus	84,488	84,488	84,488
Retained Earnings	6,617,788	5,597,546	3,891,963
Capital Adjustments	2,082,259	2,220,962	1,710,836
Borrowings	1,859,604	1,860,449	2,314,419
Debtentures	1,848,198	1,847,591	2,296,203
Bank Borrowings			
Commercial Paper			
Other Borrowings			
Other Liabilities	11,406	12,858	18,216
Total	14,674,216	13,793,521	12,031,783

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(2) Use of Funds

(units: millions of Won)

Items	2007 1H	2006	2005
Subsidiary Stock	14,477,518	13,591,413	11,751,678
Woori Bank	12,044,602	11,297,882	9,695,213
Kyongnam Bank	869,295	794,984	694,275
Kwangju Bank	688,193	630,995	561,330
Woori Financial Information System	11,259	11,245	11,903
Woori F&I	135,347	124,874	114,017
Woori 3 rd Asset Securitization Specialty	17,622	24,317	
Woori Investment & Securities	655,293	649,355	604,543
Woori CS Asset Management (formerly Woori Asset Management)	44,632	47,655	60,600
Woori Private Equity	11,365	10,106	9,797
Investment Securities			
Loan Obligations	9,950	49,750	109,450
Tangible Assets	587	630	119
Intangible Assets	25	30	35
Cash	124,992	89,724	104,072
Other Assets	61,143	61,974	66,428
Total	14,674,215	13,793,521	12,031,783

c. Transactions related to Commission Fees

(units: millions of Won)

Category	2007 1H	2006	2005
Commission Revenue (A)	0	0	0
Commission Expense (B)	1,678	7,613	6,641
Commission Profit (A-B)	-1,678	-7,613	-6,641

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

(units: millions of Won)

Items	2007 1H	2006	2005
Total Capital (A)	19,451,900		
Risk weighted assets (B)	159,245,000		
BIS Ratio (A/B)	12.22%		

b. Credit ratings for the past three years

Date of Rating	Evaluated Securities	Credit Rating	Company (Ratings Range)	Evaluation Category
2003.11.13		BBB	R&I (AAA ~ C)	Periodic evaluation
2003.12.04	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2003.12.04	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation
2004.2.6		BBB	Fitch Rating (AAA ~ D)	Case evaluation
2004.3.11		BBB-	S&P (AAA ~ D)	Case evaluation
2004.5.27		Baa3	Moody s (Aaa ~ C)	Case evaluation
2004.6.9	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation
2004.6.9	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2004.7.16	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2004.7.16	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2004.11.15	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2004.11.15	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation
2005.6.7		BBB	S&P (AAA ~ D)	Case evaluation
2005.6.9	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation
2005.6.13	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2005.9.16	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2005.9.20	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation
2005.10.24		BBB+	Fitch Rating (AAA ~ D)	Case evaluation
2006.08.10		Baa2	Moody s (Aaa ~ C)	Case evaluation
2006.09.07		Baa1	Moody s (Aaa ~ C)	Case evaluation
2007.05.07		A2	Moody s (Aaa ~ C)	Case evaluation

c. Won-denominated Current Ratio

(units: millions of Won)

Items	2007 1H	2006	2005	2004
Current Assets (A)	135,202	117,037	111,091	57,346
Current Liabilities (B)	10,834	12,496	18,216	11,385
Current Ratio (A/B)	1,247.97%	936.60%	609.85%	503.70%

*** Current ratio**

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

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

(units: millions of Won)

Items	2007 1H	2006	2005	2004
Current Assets (A)				
Current Liabilities (B)				
Current Ratio (A/B)				

*** Current ratio**

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

e. Debt Ratio

(units: millions of Won)

Items	2007 1H	2006	2005	2004
Liabilities (A)	1,859,603	1,860,448	2,314,418	2,299,992
Equity (B)	12,814,612	11,922,274	9,717,364	7,448,052
Debt Ratio (A/B)	14.51%	15.60%	23.80%	30.90%

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

(units: millions of Won)

Items	2007 1H	2006	2005	2004	2003
Cash and Due from Banks	124,992	89,724	104,072	56,099	349,585
Securities	14,477,518	13,591,413	11,751,678	9,436,975	7,007,222
Loans	9,950	49,750	109,450	218,641	830,566
Tangible Assets	588	630	119	228	242
Other Assets	61,168	62,004	66,464	36,101	60,200
Total Assets	14,674,216	13,793,521	12,031,783	9,748,044	8,247,815
Borrowings	0	0	0	120,000	0
Debentures	1,848,198	1,847,591	2,296,203	2,154,637	2,621,182
Other Liabilities	11,406	12,858	18,216	25,354	28,738
Total Liabilities	1,859,604	1,860,449	2,314,419	2,299,991	2,649,920
Common Stock	4,030,077	4,030,077	4,030,077	3,982,278	3,877,525
Capital Surplus	84,488	84,488	84,488	84,356	61,324
Capital Adjustment	-18	-18	-18	2,604	1,522
Other Comprehensive Income	2,082,277	2,220,980	1,710,854	1,049,961	374,658
Retained Earnings	6,617,788	5,597,545	3,891,963	2,328,854	1,282,866
Total Stockholder's Equity	12,814,612	11,933,072	9,717,364	7,448,053	5,597,895
Operating Income	1,562,425	2,031,611	1,867,488	1,922,849	1,593,251
Operating Profit	1,504,091	1,893,248	1,688,298	1,259,874	203,097
Net Profit before Tax	1,504,346	2,029,319	1,688,221	1,261,925	202,565
Net profit	1,504,346	2,029,319	1,688,221	1,261,925	202,565

- *1. Accounts and numbers are presented in accordance with the Corporate Accounting Standard No. 101 and No. 24.
2. The 2006 figures include non-operating income of KRW 117.0 billion resulting from the accounting treatment and related interpretation of the effect of the sale of securities in prior periods by a related party in which we acquired an interest.
3. The 2006 figures also include KRW 26.6 billion as a result of changes in accounting treatment and related interpretation related to private equity fund.
4. Operating income and operating expenses in the year 2003, 2004, and 2005 are computed by the total amount of gain or loss under the equity method in accordance with the Article 15 of the corporate accounting standard.
5. The 2004 figures have been changed due to changes in accounting standards.

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

(units: millions of Won)

Items	2006	2005	2004	2003	2002
Cash and Due from Banks	10,674,977	11,224,015	6,530,065	6,471,855	6,568,852
Securities	46,313,960	37,693,090	29,175,271	27,006,678	26,452,509
Loans	140,854,505	106,937,970	91,482,647	86,077,297	73,604,113
Tangible Assets	2,561,391	2,472,727	2,410,106	2,253,714	2,356,235
Other Assets	11,592,497	6,215,046	7,003,875	6,958,176	5,861,825
Total Assets	211,997,330	164,542,848	136,601,964	128,767,720	114,843,534
Deposits	129,022,868	107,087,990	92,148,907	89,049,625	78,917,388
Borrowings	54,134,339	37,116,858	27,910,757	25,008,773	24,654,095
Other Liabilities	15,415,318	9,233,038	7,837,020	9,011,022	5,957,284
Total Liabilities	198,572,525	153,437,886	127,896,684	123,069,420	109,528,767
Common Stock	4,030,077	4,030,077	3,982,278	3,877,525	3,839,074
Consolidated Capital Surplus	187,955	142,608	170,960	57,844	25,029
Consolidated Capital Adjustment	-55,854	-52,485	-94,843	51,715	-12,903
Consolidated Other Comprehensive Income	2,173,342	1,705,194	1,060,800	363,254	67,409
Consolidated Retained Earnings	5,601,869	3,896,255	2,333,145	1,152,053	1,151,113
Minority Interest	1,487,416	1,383,313	1,252,940	195,909	245,045
Total Stockholder s Equity	13,424,805	11,104,962	8,705,280	5,698,300	5,314,767
Operating Income	19,895,975	14,564,520	13,542,554	10,696,247	9,996,388
Operating Profit	2,748,368	2,004,494	1,137,600	57,719	375,872
Net Profit before Tax	2,913,712	2,145,704	1,192,574	231,062	454,884
Aggregated Net Profit	2,189,207	1,833,521	1,261,052	52,374	613,576
Net Profit for Majority Shareholders	2,029,319	1,688,221	1,261,925	56,279	591,588
Net Profit for Minority Shareholders	159,888	145,300	-873	-3,905	21,988
No. of Companies Consolidated	24	21	24-	15	17

- *1. Accounts and numbers are presented in accordance with the Corporate Accounting Standard No. 101 and No. 24.
2. The 2006 figures include non-operating income of KRW 117.0 billion resulting from the accounting treatment and related interpretation of the effect of the sale of securities in prior periods by a related party in which we acquired an interest.
3. The 2006 figures also include KRW 26.6 billion as a result of changes in accounting treatment and related interpretation related to private equity fund.
4. Operating income and operating expenses in the year 2003, 2004, and 2005 are computed by the total amount of gain or loss under the equity method in accordance with the Article 15 of the corporate accounting standard.
5. The 2004 figures have been changed due to changes in accounting standards.

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

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

(units: millions of Won)

Period	Item	Total Credits	Loan Loss Reserves	Provisioning Ratio
2007 1H	Loans	10,000	50	0.5%
	Total	10,000	50	0.5%
2006	Loans	50,000	250	0.5%
	Total	50,000	250	0.5%
2005	Loans	110,000	550	0.5%
	Total	110,000	550	0.5%

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

(units: millions of Won)

Item	2007 1H	2006	2005
1. Initial loan loss reserves balance	250	550	1,098
2. Net credit costs	0	0	0
1) Write-offs	0	0	0
2) Recovery of written-off assets	0	0	0
3) Other changes	0	0	0
Recovery of credit costs	-200	-300	-548
Ending loan loss reserve balance	50	250	550

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4. Notes on Consolidated Financial Statements

(1) Auditor's opinion

Item	2006	2005	2004
Auditor	Anjin (Deloitte Anjin)	Anjin (Deloitte Anjin)	HanaAnjin (Deloitte HanaAnjin)
Auditor's Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion

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

Year	Companies included	Newly included companies	Excluded companies
2006	Woori Finance Holdings and 24 companies	- Korea BTL Infrastructure Fund	
		- Woori Global Markets Asia Limited	
		- Mars First Private Hoesa	
2005	Woori Finance Holdings and 21 companies	- Woori Private Equity	- Woori Investment Trust Management
			- Woori Securities
			- Woori Second SPC
			- Woori First Private Investment Company
2004	Woori Finance Holdings and 24 companies	- Woori First Private Investment Company	- Woori Credit Card
		- LG Investment & Securities	
		- LG Futures	

- LG Investment Trust Management

- LG Investment & Securities Int'l Ltd.

- LG Investment & Securities (H.K.)
Limited

- LG Investment & Securities America,
Inc.

- LG Investments Holding B.V.
(Amsterdam) GG

- High Technology Venture Investment

- Global Technology Investment

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

2007 1H Anjin (Deloitte Anjin)	2006 1H Anjin (Deloitte Anjin)	2006 Anjin (Deloitte Anjin)	2005 Anjin (Deloitte Anjin)
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2. Compensation to the Independent Auditor**a. Auditing Service**

(units: millions of Won)

Year	Auditor	Activity	Compensation	Accrued Time (hrs)
2007 1H	Anjin (Deloitte Anjin)	Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated)	340	2,136
2006	Anjin (Deloitte Anjin)	Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated)	320	5,210
2005	Anjin (Deloitte Anjin)	Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated)	320	5,950

b. Compensation for Services Other than the Audit

(units: in millions of won, unless otherwise indicated)

Year	Contract Date	Activity	Period	Comp.	Note
2007 1H		N/A			
2006	2006.12.15	US GAAP and SOX Auditing	2006.12~2007.5	3,530	Deloitte Anjin
2005	2006.2.9	US GAAP Auditing	2005.12~2006.5	USD 1,950 thousand	Deloitte Anjin

Table of Contents**V. Corporate Governance and Affiliated Companies****1. Overview of the Corporate Governance****a. About the Board of Directors****(1) Board of Directors****A. Duties of Boards of Directors**

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

B. Information Regarding the Board of Directors

The following information was stated in the notice to the shareholders of the annual general meeting and in the explanation of bill on March 12 and 13, 2007, respectively.

Second Resolution: Appointment of Executive Director

Position	Name	Information	Relationship with KDIC	Transaction with WFG
Executive Director	Byongwon	- Director-General, Bureau of Economic Policy, Ministry of Finance and Economy (MOFE)	N/A	N/A
	Bahk	- Vice Minister, Ministry of Finance and Economy (MOFE)		

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

Position	Name	Information	Relationship with KDIC	Transaction with WFG
Non-standing		- Chairman & President, Korea Technology Credit Guarantee Fund		
Director and audit Committee	Bong-Soo	- Currently Executive Advisor at Korea Institute for International Economics Policy	N/A	N/A
	Park			

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Non-standing		- Member of Monetary Policy Committee		
Director and audit	Woon-Youl			
Committee	Choi	- Currently Vice President of Sogang University	N/A	N/A
Non-standing		- Standing Audit Committee Member of Korean Exchange Bank		
Director and audit	Pyoung Wan			
Committee	Har		N/A	N/A

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Non-standing		- Deputy Minister for Trade, Ministry of Foreign Affairs and Trade		
Director and audit	Kwang-Dong			
Committee	Kim	- Ambassador of the Republic of Korea to the Federative Republic of Brazil	N/A	N/A
Non-standing		- President, Korean Business Administration and Economics Association		
Director and audit	Inbong Ha			
Committee		- Currently Professor, College of Economics and Business Administration, Kyungpook National University	N/A	N/A
Non-standing		- Director General of the Investigation Department at KDIC		
Director and audit	Myoung-Soo		Employee	
Committee	Choi	- Currently Director General of Fund Management & Planning Department at KDIC	(Director)	N/A

* Bong-Soo Park and Woon-Youl Choi were reappointed. Pyoung Wan Har, Kwang-Dong Kim, Inbong Ha and Myoung-Soo Choi were newly appointed.

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C. Appointment of Non-standing Directors

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

* Article 42 (Committee)

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

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

D. Committees within Board of Directors

1. BOD Management Committee

Name	Position	Notes
Byongwon Bahk	Chairman and CEO	
Pyoung Wan Har	Non-standing Director	Chairman/CEO Byongwon Bahk heads this committee consisting of the heads of the sub-committees. Non-standing directors must be more than 1/2 of the total committee members.
Kwang-Dong Kim	Non-standing Director	

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Bong-Soo Park

Non-standing Director

Woon-Youl Choi

Non-standing Director

On March 30, 2007, Byongwon Bahk was newly elected as Chairman & CEO at the Annual General Meeting of Shareholders and became the head of the BOD Management Committee.

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2. Management Compensation Committee

Name	Position	Notes
Pyoung Wan Har	Non-standing Director	Non-standing director Woon-Youl Choi heads this committee consisting of no less than three non-standing directors.
Bong-Soo Park	Non-standing Director	
Woon-Youl Choi	Non-standing Director	

Non-standing director Pyoung Wan Har, Bong-Soo Park, Woon-Youl Choi were newly appointed to the committee on March 30, 2007.

3. Risk Management Committee

Name	Position	Notes
Byongwon Bahk	Chairman and CEO	Chairman/CEO Byongwon Bahk heads this committee. The committee consists of the Chairman/CEO, CFO and no less than three non-standing directors.
Pyoung Wan Har	Non-standing Director	
Bong-Soo Park	Non-standing Director	
Woon-Youl Choi	Non-standing Director	
Inbong Ha	Non-standing Director	
Myoung-Soo Choi	Non-standing Director	

On March 30, 2007, Byongwon Bahk was newly elected as Chairman & CEO at the Annual General Meeting of Shareholders and became the head of the Risk Management Committee.

Non-standing directors Pyoung Wan Har, Bong-Soo Park, Woon-Youl Choi, Inbong Ha, and Myoung-Soo Choi were appointed to the Risk Management Committee on March 30, 2007.

4. Audit Committee

Name	Position	Notes
Bong-Soo Park	Non-standing Director	
Woon-Youl Choi	Non-standing Director	

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Pyoung Wan Har Non-standing Director

Kwang-Dong Kim Non-standing Director

Inbong Ha Non-standing Director

Myoung-Soo Choi Non-standing Director

5. Executive Management Committee

Name	Position	Notes
Byongwon Bahk	Chairman and CEO	Chairman/CEO Byongwon Bahk heads the committee consisting of all executive directors.

On March 30, 2007, Byongwon Bahk was newly elected as Chairman & CEO at the Annual General Meeting of Shareholders and became the head of the Executive Management Committee.

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6. Ethics Management Committee

Name	Position	Notes
Byongwon Bahk	Chairman and CEO	Non-standing director Kwang-Dong Kim heads this committee consisting of all executive directors and no less than two non-standing directors.
Kwang-Dong Kim	Non-standing Director	
Myoung-Soo Choi	Non-standing Director	

Non-standing Director Kwang-Dong Kim and Myoung-Soo Choi were newly appointed to the committee.

7. Non-standing Director Candidate Nomination Committee

Name	Position	Notes
Byongwon Bahk	Chairman and CEO	Non-standing director Pyoung Wan Har heads this committee consisting of the Chairman/CEO and no less than three non-standing directors.
Pyoung Wan Har	Non-standing Director	
Kwang-Dong Kim	Non-standing Director	
Bong-Soo Park	Non-standing Director	
Inbong Ha	Non-standing Director	

8. MOU Review Committee

Name	Position	Notes
Byongwon Bahk	Chairman and CEO	Chairman/CEO Byongwon Bahk heads this committee consisting of the entire board of directors.
Bong-Soo Park	Non-standing Director	
Woon-Youl Choi	Non-standing Director	
Pyoung Wan Har	Non-standing Director	
Kwang-Dong Kim	Non-standing Director	
Inbong Ha	Non-standing Director	

Myoung-Soo Choi

Non-standing Director

On March 30, 2007, Byongwon Bahk was newly elected as Chairman & CEO at the Annual General Meeting of Shareholders and became the head of the MOU Review Committee.

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E. Stock Options

As of June 30, 2007

(units: Won, shares)

Grantee	Relationship	Grant date	Type of stock	No. of granted options	Exercised options	Cancelled options	Exercisable options	Closing Price
Byung Chul Yoon	Standing director	2002.12.04	Common	100,000	95,000	5,000	0	23,400
Kwang Woo Chun	Standing director	2002.12.04	Common	80,000	76,000	4,000	0	23,400
Euoo Sung Min	Standing director	2002.12.04	Common	80,000	0	80,000	0	23,400
Hwan Kyu Park	Non-standing dir.	2002.12.04	Common	40,000	0	2,000	38,000	23,400
Ki Chul Han	Non-standing dir.	2002.12.04	Common	30,000	18,500	1,500	10,000	23,400
Tae Ho Sohn	Non-standing dir.	2002.12.04	Common	30,000	28,500	1,500	0	23,400
Won Gihl Sohn	Non-standing dir.	2002.12.04	Common	30,000	28,500	1,500	0	23,400
Nam Hong Cho	Standing director	2002.12.04	Common	10,000	9,500	500	0	23,400
Sang Chul Lee	Standing director	2002.12.04	Common	10,000	9,500	500	0	23,400
Jae Woong Lee	Standing director	2002.12.04	Common	10,000	0	500	9,500	23,400
Gae Min Lee	Standing director	2002.12.04	Common	10,000	9,500	500	0	23,400
Kwang Sun Chung	Standing director	2002.12.04	Common	10,000	0	10,000	0	23,400
Hae-Seok Suh	Standing director	2002.12.04	Common	10,000	0	500	9,500	23,400

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Duk Hoon Lee	Director of related company	2002.12.04	Common	80,000	76,000	4,000	0	23,400
Jong Wook Kim	Director of related company	2002.12.04	Common	45,000	42,750	2,250	0	23,400
Jin Kyu Park	Director of related company	2002.12.04	Common	45,000	42,750	2,250	0	23,400
Jong Ku Min	Director of related company	2002.12.04	Common	30,000	0	30,000	0	23,400
Jong Hwee Lee	Director of related company	2002.12.04	Common	30,000	0	1,500	28,500	23,400
Dong Myun Suh	Director of related company	2002.12.04	Common	30,000	0	1,500	28,500	23,400
Ki Shin Kim	Director of related company	2002.12.04	Common	30,000	18,000	1,500	10,500	23,400
Young Seok Kim	Director of related company	2002.12.04	Common	30,000	28,500	1,500	0	23,400
Byung Kil Choi	Director of related company	2002.12.04	Common	30,000	28,500	1,500	0	23,400

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Grantee	Relationship	Grant date	Type of stock	No. of granted options	Exercised options	Cancelled options	Exercisable options	Closing Price
Young Ho Park	Director of related company	2002.12.04	Common	30,000	28,500	1,500	0	23,400
Tae Woong Chung	Director of related company	2002.12.04	Common	30,000	0	1,500	28,500	23,400
Dong Chan Bae	Director of related company	2002.12.04	Common	30,000	28,500	1,500	0	23,400
Dae Hwan Kim	Director of related company	2002.12.04	Common	10,000	9,500	500	0	23,400
Young Ha Kim	Director of related company	2002.12.04	Common	10,000	5,500	500	4,000	23,400
Young Yong Kim	Director of related company	2002.12.04	Common	10,000	3,500	500	6,000	23,400
Taik Su Han	Director of related company	2002.12.04	Common	10,000	9,500	500	0	23,400
Sang Im Park	Director of related company	2002.12.04	Common	10,000	0	500	9,500	23,400
Joon Ho Hahm	Director of related company	2002.12.04	Common	10,000	4,750	500	4,750	23,400
Joon Ho Lee	Director of related company	2002.12.04	Common	30,000	28,500	1,500	0	23,400
Joo Sun Yeom	Director of related company	2002.12.04	Common	20,000	19,000	1,000	0	23,400
Ga Seok Chae	Director of related company	2002.12.04	Common	20,000	19,000	1,000	0	23,400
Sung Wook Park	Director of related company	2002.12.04	Common	5,000	4,750	250	0	23,400
Ki Seok Kim	Director of related company	2002.12.04	Common	5,000	0	250	4,750	23,400
Jae Ki	Director of related company	2002.12.04	Common	5,000	4,750	250	0	23,400

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Hong	company							
Sam Su	Director of related	2002.12.04	Common	40,000	38,000	2,000	0	23,400
Pyo	company							
Jung Rak	Director of related	2002.12.04	Common	30,000	0	30,000	0	23,400
Chun	company							
Won Chul Hwang	Director of related	2002.12.04	Common	20,000	6,000	1,000	13,000	23,400
	company							
Jong Hwee	Director of related	2002.12.04	Common	15,000	0	15,000	0	23,400
Kim	company							
Sung Hoo	Director of related	2002.12.04	Common	15,000	0	15,000	0	23,400
Kwak	company							
Seok Hwan	Director of related	2002.12.04	Common	15,000	0	15,000	0	23,400
Lee	company							
Seok Hee	Director of related	2002.12.04	Common	40,000	0	40,000	0	23,400
Hwang	company							
Choong Wan	Director of related	2002.12.04	Common	35,000	0	35,000	0	23,400
Lee	company							
Ki Sang	Director of related	2002.12.04	Common	30,000	0	30,000	0	23,400
Chung	company							

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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	15,000	0	15,000	0	23,400
Kwang Suh Koo	Director of related company	2002.12.04	Common	15,000	0	15,000	0	23,400
In Kee Baek	Director of related company	2002.12.04		30,000	28,500	1,500	0	23,400
Seung Yang Han	Director of related company	2002.12.04		15,000	0	15,000	0	23,400
Keun Soo Yook	Director of related company	2002.12.04		15,000	0	15,000	0	23,400
Ki Jong Chung	Director of related company	2002.12.04	Common	5,000	4,750	250	0	23,400
Hun Il Nam	Director of related company	2002.12.04	Common	30,000	10,500	1,500	18,000	23,400
Young Soo Kim	Director of related company	2002.12.04	Common	30,000	28,500	1,500	0	23,400
Jin Ho Yoon	Director of related company	2002.12.04	Common	20,000	19,000	1,000	0	23,400
Seok Koo Yoon	Director of related company	2002.12.04	Common	15,000	5,250	750	9,000	23,400
Ji Yeon Joo	Director of related company	2002.12.04	Common	15,000	14,250	750	0	23,400
Ho Hyun Lee	Director of related company	2002.12.04	Common	20,000	19,000	1,000	0	23,400
Chan Kook Chung	Director of related company	2002.12.04	Common	15,000	14,250	750	0	23,400
Duk Yoon Kim	Director of related company	2002.12.04	Common	15,000	12,250	750	2,000	23,400
Young Wook Kim	Director of related company	2002.12.04	Common	15,000	5,250	750	9,000	23,400

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company								
	Director of related							
Dae Kyu Ko		2002.12.04	Common	15,000	7,250	750	7,000	23,400
	company							
Total				1,560,000	890,000	420,000	250,000	

1. Exercised options as of June 30, 2007
2. Cancelled options reflect the deductions as stipulated in the stock option agreement for failure to meet the substandard and below loan ratio target.
3. Exercise period: December 5, 2005 ~ December 4, 2008

4. Exercise Price:

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

40% of granted = 6,800 Won

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2. Related Companies

* Woori Finance Holdings stake in Woori Investment & Securities includes preferred shares.

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

As of June 30, 2007

(units: thousands of shares, millions of Won, %)

T y P e D O M E S T I C	Name	Beginning Balance			Changes ¹		Ending Bal.			Latest Net Income ²	Note (Equity Method Gain/Loss)
		Quantity	Share	Cost	Quantity	Cost	Quantity	Share	Cost		
	Woori Bank	635,957	100.0	11,297,882		746,720	635,957	100.0	12,044,602	1,642,032	1,314,044
	Kwangju Bank	44,080	99.9	630,995		57,108	44,080	99.9	688,103	90,118	71,064
	Kyongnam Bank	51,800	99.9	794,984		74,311	51,800	99.9	869,295	154,958	101,433
	Woori Finance										
	Info Sys.	900	100.0	11,245		14	900	100.0	11,259	2,444	2,264
	Woori F&I	2,000	100.0	124,874		10,473	2,000	100.0	135,347	28,629	28,809
	Woori 3 rd SPC	2	100.0	24,317		-6,695	2	100.0	17,622	-139	-72
	Woori Investment										
	& Securities (formerly LGIS)	46,325	35.0	649,355		5,938	46,325	35.0	655,293	213,765	34,499
	Woori CS Asset Management (formerly LGITM)	4,663	70.0	47,655		-3,023	4,663	70.0	44,632	13,179	5,361
	Woori Private Equity	2,000	100.0	10,106		1,259	2,000	100.0	11,365	309	1,260
	Foreign										
	Total	787,727		13,591,413		886,105	787,727		14,477,518	2,145,295	1,558,662

1. The changes in quantity and cost are calculated from the increase or decrease under the equity method.
2. The latest net income is for the year ended December 31, 2006, except for Woori Credit Suisse Asset Management and Woori Investment & Securities for which the latest net income is for the year ended March 31, 2007.

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

As of 2007.6.30

(units: shares, %)

Name	Relation	Type	Beginning balance		Shares Held		Ending balance		Reasons Behind Change
			Stock	Share	(+)	(-)	Stock	Share	
KDIC	Major S/H	Common	628,458,609	77.97		40,300,000	588,158,609	72.97	After-hours Trading
		Common	628,458,609	77.97		40,300,000	588,158,609	72.97	
	Total	Preferred						0	
		Total	628,458,609	77.97		40,300,000	588,158,609	72.97	

Major Shareholder: KDIC

b. Share Ownership of More than 5%

As of 2006.12.31

(units: shares, %)

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

* As of 2007.6.30, KDIC owns 588,158,609 shares in Woori Finance Holdings, or 72.97% of shares outstanding.

c. Shareholder Distribution

As of 2006.12.31

Items	Shareholder number	Ratio	Number of shares	Ratio
Total Minority Shareholders	30,138	99.99	177,554,995	22.03
Minority Shareholders (Companies)	1,208	4.00	159,462,460	19.79
Minority Shareholders (Individual)	28,930	95.99	18,092,535	2.24
Major Shareholders	1	0.00	628,458,609	77.97
Main Shareholders				
Total Other Shareholders				
Others Shareholders (Companies)	1	0.00	1,736	0.00

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Others Shareholders (Individual)

Total	30,140	100.00	806,015,340	100.0
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Table of Contents**2. Stock Price and Stock Market Performance for the Past Six Months****a. Domestic Stock Market**

(units: Won, shares)

Period	January	February	March	April	May	June
High	22,200	25,800	24,000	24,350	23,550	23,900
Low	20,100	23,000	22,150	22,700	21,400	21,350
Monthly Trade Volume	33,890,469	41,176,235	46,518,958	38,863,326	59,307,599	140,640,606

b. Foreign Stock Market (NYSE)

(units: US Dollars, ADR)

Period		January	February	March	April	May	June
ADR	High	72.00	83.33	76.89	79.10	76.75	77.27
	Low	65.15	74.21	69.00	74.29	69.76	70.37
Monthly Trade Volume		121,900	129,600	164,500	129,700	142,000	244,300

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

				Common Stocks
	Position		Name	Owned
	Chairman and CEO	Registered	Byongwon Bahk	370
	Senior Managing Director	Non-Registered	Seong Mok Park	
	Senior Managing Director	Non-Registered	Young-Gaeng Kim	
	Senior Managing Director	Non-Registered	Dongil Kim	
	Non-standing Director	Registered	Pyoung Wan Har	250
	Non-standing Director	Registered	Kwang-Dong Kim	160
	Non-standing Director	Registered	Bong-Soo Park	250
	Non-standing Director	Registered	Inbong Ha	390
	Non-standing Director	Registered	Woon-Youl Choi	390
	Non-standing Director	Registered	Myoung-Soo Choi	

Senior Managing Director Dongil Kim was newly appointed on April 25, 2007.

2. Employee Status

As of 2007.6.30

(units: persons, thousands of Won)

Items	Staff				Average		Average Compensation		Note
	Admin.	Manu.	Misc.	Total	Tenure	Quarterly Compensation	Per Person		
Male	79		1	80	2 years and 3 months	1,714,787	21,434		
Female	8		10	18	3 years and 2 months	219,207	12,178		
Total	87		11	98	2 years and 4 months	1,933,994	19,734		

3. Labor Union Membership

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

4. Number of Professional Personnel

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Items	Number	Responsibilities	Remarks
CPA	4	Financial accounting, Financial planning	

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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	Beg.	Changes		End	Notes
				+	-		
Woori F&I	Subsidiary	Other loan	50,000		40,000	10,000	
Total			50,000		40,000	10,000	

* As of 2007.07.31, loans to Woori F&I have been fully repaid, and there is no outstanding loan balance.

b. Payment Transactions

(units: shares)

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

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EXHIBIT A

FINANCIAL STATEMENTS

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WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS

ENDED JUNE 30, 2007 AND 2006

AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Audit.Tax.Consulting.Financial Advisory.

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Independent Accountants Review Report

English Translation of a Report Originally Issued in Korean

To the Board of Directors and Shareholders of

Woori Finance Holdings Co., Ltd.:

We have reviewed the accompanying non-consolidated balance sheet of Woori Finance Holdings Co., Ltd. (the Company) as of June 30, 2007 and the related non-consolidated statement of income for the three months and six months ended June 30, 2007 and 2006 and non-consolidated statements of cash flows and changes in shareholders' equity for the six months ended June 30, 2007 and 2006, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

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

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

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, 2006 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 March 8, 2007, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying balance sheet as of December 31, 2006, which is comparatively presented, does not differ in material respects from such audited non-consolidated balance sheet.

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

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

August 3, 2007

Notice to Readers

This report is effective as of August 3, 2007, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the accountants' review report.

Table of Contents**WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED BALANCE SHEETS****AS OF JUNE 30, 2007 AND DECEMBER 31, 2006**

	Korean won		Translation into	
	2007	2006	2007	2006
	(In millions)		U.S. dollars (Note 2) (In thousands)	
ASSETS				
Cash and bank deposits (Notes 15 and 17)	(Won) 124,992	(Won) 89,724	US\$ 134,864	US\$ 96,811
Investment securities accounted for using the equity method of accounting (Notes 3 and 15)	14,477,518	13,591,413	15,620,973	14,664,882
Loans, net of allowance for possible loan losses (Notes 4, 15 and 17)	9,950	49,750	10,736	53,679
Fixed assets (Note 5)	587	630	634	680
Other assets (Notes 6 and 17)	61,169	62,004	66,000	66,901
	(Won) 14,674,216	(Won) 13,793,521	US\$ 15,833,207	US\$ 14,882,953
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
Debentures, net of discounts (Notes 7 and 15)	(Won) 1,848,198	(Won) 1,847,591	US\$ 1,994,171	US\$ 1,993,516
Other liabilities (Notes 9 and 17)	11,406	12,858	12,307	13,874
	1,859,604	1,860,449	2,006,478	2,007,390
SHAREHOLDERS' EQUITY				
Common stock (Note 10)	4,030,077	4,030,077	4,348,378	4,348,378
Capital surplus	84,488	84,488	91,161	91,161
Capital adjustments (Note 10)	(18)	(18)	(19)	(19)
Accumulated other comprehensive income (Notes 3 and 19)	2,082,277	2,220,979	2,246,738	2,396,395
Retained earnings:				
Legal reserve	580,181	377,249	626,005	407,044
Voluntary reserve	4,530,000	3,190,000	4,887,786	3,441,951
Retained earnings before appropriations (Note 10)	1,507,607	2,030,297	1,626,680	2,190,653
	6,617,788	5,597,546	7,140,471	6,039,648
	12,814,612	11,933,072	13,826,729	12,875,563
	(Won) 14,674,216	(Won) 13,793,521	US\$ 15,833,207	US\$ 14,882,953

See accompanying notes to non-consolidated financial statements.

Table of Contents**WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF INCOME****FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006**

	Korean won				Translation into U.S. dollars (Note 2)			
	2007		2006		2007		2006	
	Three months	Six months	Three months	Six months	Three months	Six months	Three months	Six months
	(In millions, except for income per share data)				(In thousands, except for income per share data)			
OPERATING REVENUE								
Gain on valuation using the equity method of accounting (Notes 3 and 16)	(Won) 644,058	(Won) 1,558,734	(Won) 598,650	(Won) 1,071,292	US\$ 694,927	US\$ 1,681,846	US\$ 645,932	US\$ 1,155,904
Interest income (Note 17)	1,992	3,491	5,101	7,765	2,149	3,766	5,504	8,378
Reversal of allowance for doubtful accounts	25	200	50	50	27	216	54	54
	646,075	1,562,425	603,801	1,079,107	697,103	1,685,828	651,490	1,164,336
OPERATING EXPENSES								
Loss on valuation using the equity method of accounting (Notes 3 and 16)		72	412	800		78	445	863
Interest expense	22,928	45,928	26,671	54,728	24,739	49,555	28,777	59,050
Fees	917	1,678	3,480	4,937	989	1,811	3,755	5,327
General and administrative (Notes 14 and 17)	5,101	10,656	9,057	14,391	5,504	11,498	9,772	15,528
	28,946	58,334	39,620	74,856	31,232	62,942	42,749	80,768
OPERATING INCOME	617,129	1,504,091	564,181	1,004,251	665,871	1,622,886	608,741	1,083,568
NON-OPERATING INCOME	217	282	237	279	234	304	256	301
NON-OPERATING EXPENSES	22	27	5	10	24	29	6	11
INCOME BEFORE INCOME TAX	617,324	1,504,346	564,413	1,004,520	666,081	1,623,161	608,991	1,083,858
INCOME TAX EXPENSE (Note 12)								

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NET INCOME	(Won) 617,324	(Won) 1,504,346	(Won) 564,413	(Won) 1,004,520	US\$ 666,081	US\$ 1,623,161	US\$ 608,991	US\$ 1,083,858
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NET INCOME PER COMMON SHARE (Note 18)	(Won) 766	(Won) 1,866	(Won) 700	(Won) 1,246	US\$ 0.83	US\$ 2.01	US\$ 0.76	US\$ 1.34
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See accompanying notes to non-consolidated financial statements.

Table of Contents**WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006**

	Korean won		Translation into	
	2007	2006	2007	2006
	(In millions)		U.S. dollars (Note 2)	
			(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	(Won) 1,504,346	(Won) 1,004,520	US\$ 1,623,161	US\$ 1,083,858
Adjustments to reconcile net income to net cash provided by operating activities:				
Loss on valuation using the equity method of accounting	72	800	78	863
Interest expense (amortization of discounts on debentures)	607	721	655	778
Provision for severance benefits	358	376	386	406
Depreciation	148	52	160	56
Amortization	6	11	8	12
Stock-based Compensation	128		138	
Other non-operating expenses		1		1
Gain on valuation using the equity method of accounting	(1,558,734)	(1,071,292)	(1,681,846)	(1,155,904)
Reversal of allowance for doubtful accounts	(200)	(50)	(216)	(54)
Gain on disposal of fixed assets		(19)		(21)
	(1,557,615)	(1,069,400)	(1,680,637)	(1,153,863)
Changes in operating assets and liabilities:				
Decrease in other receivable	518		558	
Decrease in accrued income	238	231	257	249
Decrease (increase) in prepaid expenses	90	(190)	97	(19)
Increase in advanced payments	(15)	(18)	(16)	(205)
Decrease in prepaid income tax		1,246		1,344
Retirement benefits payment	(521)	(269)	(563)	(290)
Decrease in employee retirement insurance deposit	374	245	404	264
Increase (decrease) in other payables	253	(343)	273	(370)
Decrease in accrued expenses	(1,948)	(1,482)	(2,101)	(1,599)
Decrease in withholdings	(96)	(168)	(104)	(181)
Dividends income on investment securities accounted for the equity method	533,358	767,091	575,483	827,677
	532,251	766,343	574,288	826,870
Net cash provided by operating activities	478,982	701,463	516,812	756,865

(Continued)

Table of Contents**WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)****FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006**

	Korean won		Translation into	
	2007	2006	2007	2006
	(In millions)		(In thousands)	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Disposition of investment securities accounted for using the equity method accounting	(Won) 40,000	(Won) 54,000	US\$ 43,159	US\$ 58,265
Collection of loans	40,000	10,000	43,159	10,790
Disposition of vehicles		19		21
Collection of guarantee deposits		25		27
Acquisition of available-for-sale securities		(50,000)		(53,949)
Acquisition of fixed assets	(105)	(19)	(113)	(21)
Acquisition of intangible assets	(1)	(14)	(1)	(15)
Net cash provided by investing activities	39,894	14,011	43,045	15,118
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of debentures in local currency		(150,000)		(161,847)
Payment of dividends	(483,608)	(322,405)	(521,804)	(347,869)
Net cash used in financing activities	(483,608)	(472,405)	(521,804)	(509,716)
NET INCREASE IN CASH AND BANK DEPOSITS	35,268	243,069	38,053	262,267
CASH AND BANK DEPOSITS, BEGINNING OF THE PERIOD	89,724	104,072	96,811	112,292
CASH AND BANK DEPOSITS, END OF THE PERIOD	(Won) 124,992	(Won) 347,141	US\$ 134,864	US\$ 374,559

See accompanying notes to non-consolidated financial statements.

Table of Contents**WOORI FINANCE HOLDINGS CO., LTD.****NON-CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY****FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006**

	Common stock	Capital surplus	Capital adjustment	Accumulated other comprehensive income (In millions)	Retained earnings	Total
January 1, 2006	(Won) 4,030,077	(Won) 84,488	(Won) (18)	(Won) 1,710,854	(Won) 3,891,963	(Won) 9,717,364
Net income					1,004,520	1,004,520
Dividend					(322,405)	(322,405)
Valuation using the equity method on subsidiaries				225,279	(241)	225,038
Gain on valuation of available-for-sale securities				391		391
June 30, 2006	(Won) 4,030,077	(Won) 84,488	(Won) (18)	(Won) 1,936,524	(Won) 4,573,837	(Won) 10,624,908
January 1, 2007	(Won) 4,030,077	(Won) 84,488	(Won) (18)	(Won) 2,220,980	(Won) 5,597,546	(Won) 11,933,073
Net income					1,504,346	1,504,346
Dividend					(483,608)	(483,608)
Valuation using the equity method on subsidiaries				(138,703)	(496)	(139,199)
June 30, 2007	(Won) 4,030,077	(Won) 84,488	(Won) (18)	(Won) 2,082,277	(Won) 6,617,788	(Won) 12,814,612

See accompanying notes to non-consolidated financial statements.

Table of Contents**WOORI FINANCE HOLDINGS CO., LTD.****NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006****1. GENERAL**

(1) Woori Finance Holdings Co., Ltd. (the Company) was incorporated on March 27, 2001, to engage in the business of managing the following five financial institutions; Woori Bank, Kyongnam Bank, Kwangju Bank, Woori Credit Card Co., Ltd. (formerly Peace Bank of Korea and merged into Woori Bank on March 31, 2004) and Woori Investment Bank (merged into Woori Bank on July 31, 2003), whose shares were contributed to the Company by the Korea Deposit Insurance Corporation (the KDIC) in accordance with the provisions of the Financial Holding Company Act. As a result of its functional restructuring, the Company owns nine subsidiaries and sixteen 2nd-tier subsidiaries as of June 30, 2007.

Upon incorporation, the Company's stock amounted to (Won)3,637,293 million, consisting of 727,458,609 common shares (Won)5,000 per share) issued and outstanding. As a result of several capital increases, exercise of warrants and conversion rights since incorporation, as of June 30, 2007, the Company's stock amounted to (Won)4,030,077 million, consisting of 806,015,340 common shares issued and outstanding of which the KDIC owns 588,158,609 shares (72.97%).

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

(2) The structure of the Company and its subsidiaries as of June 30, 2007 and December 31, 2006 is as follows:

Parent companies	Subsidiaries	2007		2006		Financial statements as of
		Number of shares owned	Percentage of ownership (%)	Number of shares owned	Percentage of ownership (%)	
Woori Finance Holdings Co., Ltd.	Woori Bank	635,956,580	100.0	635,956,580	100.0	Jun. 30
	Kyongnam Bank	51,800,000	99.9	51,800,000	99.9	Jun. 30
	Kwangju Bank	44,080,000	99.9	44,080,000	99.9	Jun. 30
	Woori Finance Information System Co., Ltd.	900,000	100.0	900,000	100.0	Jun. 30
	Woori F&I Co., Ltd.	2,000,000	100.0	2,000,000	100.0	Jun. 30
	Woori Third Asset Securitization Specialty Co., Ltd.	2,000	100.0	2,000	100.0	Jun. 30
	Woori Investment Securities Co., Ltd.	46,324,981	35.0	46,324,981	35.0	Jun. 30
	Woori Credit Suisse Asset Management Co., Ltd.	4,663,400	70.0	4,663,400	70.0	Jun. 30
	Woori Private Equity Co., Ltd.	2,000,000	100.0	2,000,000	100.0	Jun. 30
Woori Bank	Woori Credit Information Co., Ltd.	1,008,000	100.0	1,008,000	100.0	Jun. 30(*3)
	Woori America Bank	10,500,000	100.0	10,500,000	100.0	Jun. 30(*3)
	PT. Bank Woori Indonesia	1,618	95.2	1,618	95.2	Jun. 30(*3)
	Korea BTL Infrastructure Fund	7,937,899	100.0	7,937,899	100.0	Jun. 30
	Woori Global Market Asia Limited	39,000,000	100.0	39,000,000	100.0	Jun. 30(*3)
	Woori SB Asset Management Co., Ltd.	408,000	51.0	408,000	51.0	Jun. 30

Woori F&I Co.,
Ltd.

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		2007		2006		Financial statements as of
		Number of shares owned	Percentage of ownership (%)	Number of shares owned	Percentage of ownership (%)	
Parent companies	Subsidiaries					
Woori Investment Securities Co., Ltd.	Woori Futures Co., Ltd.	5,000,000	100.0	5,000,000	100.0	Jun. 30
	Woori Investment Securities Int'l Ltd.	5,788,000	100.0	5,788,000	100.0	Jun. 30(*3)
	Woori Investment Securities (H.K.) Ltd.	22,500,000	100.0	22,500,000	100.0	Jun. 30(*3)
	Woori Investment Securities America, Inc.	300	100.0	300	100.0	Jun. 30(*3)
	LG Investment Holding B.V. (Amsterdam) GG	1,642,398,242	100.0	1,642,398,242	100.0	Jun. 30(*3)
	High Technology Venture Investment	208,000	42.9	208,000	42.9	Jun. 30(*3)
	Global Technology Investment	592,000	50.0	592,000	50.0	Jun. 30(*3)
	MARS First Private Equity Fund	9,000,000	52.9	9,000,000	52.9	Jun. 30(*3)
	MARS Second Private Equity Fund (*1)	2,418	8.9			Jun. 30(*3)
	Connacht Capital Market Investment (*2)	15,000,000	100.0			Jun. 30(*3)

(*1) On March 20 and April 26, 2007, Woori Investment Securities acquired 129 and 2,289 shares of MARS Second Private Fund, respectively and included it in its consolidation scope since Woori Investment Securities can be involved in operating policy decision and participate on the board of directors as a general partner.

(*2) Since Connacht Capital Market Investment had been due for liquidation, it was accounted for using the equity method of accounting and excluded from consolidation for the year ended December 31, 2006. However, it has been included in consolidation scope of Woori Investment Securities as its liquidation process did not proceed for the six months ended June 30, 2007.

(*3) The financial statements as of June 30, 2007 are not reviewed.

(3) General information pertaining to the Company's subsidiaries as of June 30, 2007 does not differ materially from that as of December 31, 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Financial Statement Presentation**

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

The accompanying financial statements are stated in Korean Won, the currency of the country in which the Company is incorporated and operates. The translation of Korean Won amounts into U.S. dollar amounts is included solely for the convenience of readers outside of the Republic of Korea and has been made at the rate of (Won)926.80 to US\$ 1.00 at June 30, 2006, the Base Rate announced by Seoul Money Brokerage Service, Ltd. Such translations should not be construed as representations that the Korean Won amounts could be converted into U.S.

dollars at that or any other rate.

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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, 2006 except for the following:

a. Adoption of new statements of Korea accounting standards (SKAS)

Korea Accounting Standards Board (KASB) has been issuing new accounting standards that replaces the existing Korea Financial Accounting Standards (KFAS) and has issued SKASs No.1 to No.25. The Company had adopted SKASs No.1 to No.20 (except for No.11) before the beginning of the 2007 and SKASs No.11 Discontinuing operations and No.21 Preparation and presentation of financial statements to No.25 Consolidated financial statement on or after January 1, 2007.

Significant SKASs newly adopted are summarized below.

1) Change of presentation of financial statements

The Company has prepared the balance sheets, income statements, statements of appropriations of retained earnings (statements of disposition of accumulated deficit), statements of cash flows, statements of changes in shareholders' equity and notes on a going concern basis in accordance with SKAS No.21 and revised No.101 Financial holding company. The presentation and classification of items in the financial statements should be retained from one period to the next to improve the comparability of financial statements and the comparative information should be disclosed in respect of the previous period for all amounts reported in the financial statements. Thus, the Company has prepared the statements of changes in shareholders' equity as a complete set of financial statements and the statements of comprehensive income as a note.

2) Amendments to SKAS No.2 Interim Financial Reporting

In accordance with amendments to SKAS No. 2, the Company prepared income statements for the three months ended June 30, 2007 interim period and year-to-date period. However, statements of cash flows and changes in shareholders' equity have been prepared for the six months ended June 30, 2007. The Company presented those of the corresponding periods of the prior year for the comparative purpose.

3. INVESTMENT SECURITIES ACCOUNTED FOR USING THE EQUITY METHOD OF ACCOUNTING

(1) Changes in investment securities accounted for using the equity method of accounting for the six months ended June 30, 2007 and the year ended December 31, 2006 are as follows (Korean won in millions):

	Gain (loss)		Other		Dividends	June 30, 2007
	on valuation using	the equity method	comprehensive	Retained earnings		
Woori Bank	January 1, 2007 (Won) 11,297,882	(Won) 1,314,044	(Won) (142,012)	(Won) (493)	(Won) (424,819)	(Won) 12,044,602
Kyongnam Bank	794,984	101,433	3,856	(2)	(30,976)	869,295
Kwangju Bank	630,995	71,064	4,073		(18,029)	688,103
WFIS	11,245	2,264			(2,250)	11,259
Woori F&I	124,874	28,809	(4,190)		(14,146)	135,347
Woori 3 rd SPC	24,317	(72)	(6,623)			17,622
Woori Investment Securities	649,355	34,499	6,183		(34,744)	655,293
Woori CS	47,655	5,361	10		(8,394)	44,632
Woori PE	10,106	1,260		(1)		11,365

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(Won) 13,591,413 (Won) 1,558,662 (Won) (138,703) (Won) (496) (Won) (533,358) (Won) 14,477,518

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	Gain (loss)		Other		Retained	Other	December 31, 2006
	on valuation using	the equity method	comprehensive	income			
	January 1, 2006						
Woori Bank	(Won) 9,695,213	(Won) 1,648,837	(Won) 422,298	(Won) (1,331)	(Won) (467,135)	(Won) 11,297,882	
Kyongnam Bank	694,275	155,002	(22,759)		(31,534)	794,984	
Kwangju Bank	561,330	100,656	24,640		(55,631)	630,995	
WFIS	11,903	3,842			(4,500)	11,245	
Woori F&I	114,017	28,474	11,884		(29,501)	124,874	
Woori 3 rd SPC		(139)	24,564		(108)	24,317	
Woori Investment Securities	604,543	68,233	14,127		(37,548)	649,355	
Woori CS	60,600	11,013	768		(24,726)	47,655	
Woori PE	9,797	309				10,106	
	(Won) 11,751,678	(Won) 2,016,227	(Won) 475,522	(Won) (1,331)	(Won) (650,683)	(Won) 13,591,413	

- (2) The details of other decreases for the year ended December 31, 2006 are as follows (Korean won in millions):

	Other			
	non-operating	Acquisition	Dividends	Total
	revenue	(Disposal)		
Woori Bank	(Won) 125,576	(Won)	(Won) (592,711)	(Won) (467,135)
Kyongnam Bank	34,770		(66,304)	(31,534)
Kwangju Bank	(14,681)		(40,950)	(55,631)
WFIS			(4,500)	(4,500)
Woori F&I			(29,501)	(29,501)
Woori 3 rd SPC			(*1)(108)	(108)
Woori Investment Securities	(9,753)		(27,795)	(37,548)
Woori CS		(*2)(19,396)	(5,330)	(24,726)
	(Won) 135,912	(Won) (19,396)	(Won) (767,199)	(Won) (650,683)

(*1) Adjustment on dividend receivables

(*2) On May 30, 2006, the Company sold 1,998,600 shares (30%) of Woori CS to Credit Suisse and (Won)34,604 million of gain on the disposal of the ownership interest was recorded in other comprehensive income.

- (3) The details of changes in the differences between the acquisition cost and the proportionate net asset value on the acquisition date for the six months ended June 30, 2007 and for the year ended December 31, 2006 are as follows (Unit: Korean won in millions):

	Jan. 1, 2007	Amortization	Jun. 30, 2007
Woori F&I	(Won) 70	(Won) 2	(Won) 68
Woori Investment Securities	(2,494)	(61)	(2,433)
	(Won) (2,424)	(Won) (59)	(Won) (2,365)

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	Jan. 1, 2006	Amortization	Dec. 31, 2006
Woori F&I	(Won) 74	(Won) 4	(Won) 70
Woori Investment Securities	(2,735)	(241)	(2,494)
	(Won) (2,661)	(Won) (237)	(Won) (2,424)

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- (4) The details of unrealized gain(loss) from transactions among subsidiaries for the six months ended June 30, 2007 are as follows (Korean won in millions):

	Jan. 1, 2007	Realized	Incurred	Jun. 30, 2007
Woori Bank	(Won) 588	(Won) (2,443)	(Won) (4,329)	(Won) (6,184)
Kyongnam Bank	5	(2)		3
Kwangju Bank	3,688	2,152		5,840
WFIS	1,726	367		2,093
Woori F&I	(384)	(200)		(584)
Woori 3 rd SPC	(139)			(139)
	(Won) 5,484	(Won) (126)	(Won) (4,329)	(Won) 1,029

- (5) The market value of Woori Investment Securities is (Won)1,310,997 million ((Won)28,300 per share) as of June 30, 2007.

4. LOANS

- (1) Loans and allowance for the possible loan losses as of June 30, 2007 and December 31, 2006 are as follows (Korean won in millions):

	Issuance	Maturity	Annual interest rate (%)	2007	2006
	date	date			
Woori F&I (*1)	Mar. 25, 2003	Mar. 25, 2007	7.3	(Won) 10,000	(Won) 27,000
	Jul. 7, 2003	Jul. 7, 2007	7.3	10,000	23,000
				10,000	50,000
Allowance for possible loan losses				(50)	(250)
				(Won) 9,950	(Won) 49,750

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

5. FIXED ASSETS AND INTANGIBLE ASSETS

- (1) Changes in fixed assets for the six months ended June 30, 2007 and the year ended December 31, 2006 are as follows (Korean won in millions):

	Jan. 1, 2007	Acquisition	Disposition	Depreciation	Jun. 30, 2007
Furniture and equipment	(Won) 596	(Won) 35	(Won)	(Won) 140	(Won) 491
Leasehold improvements	34	43		8	69
Other		27			27

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	(Won) 630	(Won) 105	(Won)	(Won) 148	(Won) 587
	Jan. 1, 2006	Acquisition	Disposition	Depreciation	Dec. 31, 2006
Furniture and equipment	(Won) 74	(Won) 732	(Won)	(Won) 210	(Won) 596
Leasehold improvements	45	16		27	34
	(Won) 119	(Won) 748	(Won)	(Won) 237	(Won) 630

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- (2) Changes in intangible assets for the six months ended June 30, 2007 and the year ended December 31, 2006 are as follows (Korean won in millions):

	Jan. 1, 2007	Acquisition	Amortization	Jun. 30, 2007
Software	(Won) 3	(Won)	(Won) 1	(Won) 2
Industrial property rights	27	1	5	23
	(Won) 30	(Won) 1	(Won) 6	(Won) 25

	Jan. 1, 2006	Acquisition	Amortization	Dec. 31, 2006
Software	(Won) 7	(Won)	(Won) 4	(Won) 3
Industrial property rights	28	16	17	27
	(Won) 35	(Won) 16	(Won) 21	(Won) 30

As of June 30, 2007, accumulated amortization of software and industrial property rights amount to (Won)32 million and (Won)62 million, respectively.

6. OTHER ASSETS

Other assets as of June 30, 2007 and December 31, 2006 are as follows (Korean won in millions):

	2007	2006
Guarantee deposits (Note 17)	(Won) 4,179	(Won) 4,178
Other receivables (Notes 11 and 17)	2,758	3,276
Dividends receivable	53,869	53,869
Accrued income (Note 17)	210	448
Prepaid expenses	113	203
Advance payments	15	
Intangible assets (Note 5)	25	30
	(Won) 61,169	(Won) 62,004

7. DEBENTURES

Debentures in local currency as of June 30, 2007 and December 31, 2006 are as follows (Korean won in millions):

	Issuance	Annual interest		2007	2006
	date	rate (%)	Maturity		
The 8th bonds	Dec. 26, 2002	6.05	Dec. 26, 2007	(Won) 200,000	(Won) 200,000
The 10th bonds	Dec. 16, 2003	5.92	Dec. 16, 2008	300,000	300,000
The 11th bonds	Jun. 18, 2004	5.05	Jun. 18, 2009	370,000	370,000
The 12th bonds	Jul. 26, 2004	4.84	Jul. 26, 2009	230,000	230,000

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The 14th bonds	Nov. 23, 2004	3.49	Nov. 23, 2007	300,000	300,000
The 15th bonds	Jun. 21, 2005	4.31	Jun. 21, 2010	250,000	250,000
The 16th bonds	Sep. 28, 2005	5.10	Sep. 28, 2008	200,000	200,000
				1,850,000	1,850,000
Less: discounts				(1,802)	(2,409)
				(Won) 1,848,198	(Won) 1,847,591

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Table of Contents**8. ACCRUED SEVERANCE BENEFITS**

Employees and directors with more than one year of service are entitled to receive a lump-sum payment upon termination of their service with the Company. The accrued severance benefits that would be payable assuming all eligible employees and directors were to terminate amounted to (Won)2,200 million and (Won)2,363 million as of June 30, 2007 and December 31, 2006, respectively.

The details of changes in the accrued severance benefits for the six months ended June 30, 2007 and the year ended December 31, 2006 are as follows (Korean won in millions):

	2007	2006
Beginning balance	(Won) 2,363	(Won) 1,980
Provision for severance benefits	358	880
Retirement indemnities payment	(521)	(497)
Ending balance	(Won) 2,200	(Won) 2,363

The Company has deposited employee retirement insurance at Woori Bank. As of June 30, 2007 and December 31, 2006, the deposits, amounting to (Won)1,628 million and (Won)2,002 million, respectively, are presented as a deduction from accrued severance benefits.

9. OTHER LIABILITIES

Other liabilities as of June 30, 2007 and December 31, 2006 are as follows (Korean won in millions):

	2007	2006
Accrued severance benefits (Note 8)	(Won) 2,200	(Won) 2,363
Deposits with employee retirement insurance trust (Notes 8 and 17)	(1,628)	(2,002)
Other payables (Note 17)	904	651
Accrued expenses (Note 11)	9,863	11,682
Withholdings	67	164
	(Won) 11,406	(Won) 12,858

10. SHAREHOLDERS EQUITY

(1) The authorized and issued shares of common stock as of June 30, 2007 and December 31, 2006 are as follows:

	2007	2006
Authorized shares of common stock	2,400,000,000	2,400,000,000
Par value	(Won) 5,000	(Won) 5,000
Issued shares of common stock	806,015,340	806,015,340

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

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- (3) As of June 30, 2007 and December 31, 2006, the Company held 2,558 shares and 2,555 shares of treasury stock, respectively, amounting to (Won)18 million.

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- (4) The changes in retained earnings from December 31, 2006 to June 30, 2007 are as follows (Korean won in millions):

	2007
Balance - December 31, 2006	(Won) 2,030,297
Appropriations:	
Dividend	(483,608)
Legal reserve	(202,932)
Voluntary reserve	(1,340,000)
Increase by using the equity method of accounting	(496)
Net income for the six months ended June 30, 2007	1,504,346
Balance - June 30, 2007	(Won) 1,507,607

11. STOCK OPTIONS

- (1) On December 4, 2002, the Company granted stock options to 62 directors of the Company and its subsidiaries. In 2005, the exercise price of 60 percent of the total number of stock options granted was determined at (Won)11,921 based on the increase in the Korean banking industry stock index (Type A), and for the remaining 40 percent of the total number of stock options granted, of which the exercise price is (Won)6,800 per share and the number of stock options to be dependent by the Company's management performance target levels; non-performing loans ratio, capital adequacy ratio and net income to total asset ratio by 15%, 15% and 10%, respectively (Type B) was finally decided. In addition, the Company made a resolution that the stock-based compensation will be settled by paying cash instead of issuing equity instrument. The number of 859,500 stock options were exercised amounting to (Won)8,210 million until June 30, 2007. In connection with this, the Company revalued stock based compensation and recorded (Won)3,618 million of the stock-based payment as a liability as of June 30, 2007.
- (2) The summary of stock-based compensation granted as of June 30, 2007 is as follows:

Settlement	Type A	Type B
	Cash settlement	Cash settlement
Exercise price	(Won)11,921	(Won)6,800
Exercisable period	During the three-year period beginning after December 4, 2005	
Initial granted number of rights	936,000 shares	624,000 shares
Cancelled number of rights	216,000 shares	204,000 shares
Exercised number of rights	530,000 shares	329,500 shares
Exercisable number of rights	190,000 shares	90,500 shares
Value per right	(Won)11,247	(Won)16,368
Stock-based compensation liabilities	(Won) 2,137 million	(Won) 1,481 million

- (3) Each subsidiary and 2nd-tier subsidiary is responsible for absorbing the respective stock-based compensation for its management. The subsidiaries and 2nd-tier subsidiary recorded the related cost as other payables amounting to (Won)2,757 million and the Company recorded the same amount as other receivables.

Table of Contents**12. INCOME TAX EXPENSE**

- (1) Differences between net income before income tax and taxable income(loss) for the six months ended June 30, 2007 and 2006 are as follows (Korean won in millions):

	2007		2006	
Net income	(Won) 1,504,346		(Won) 1,004,520	
Non-temporary differences:				
Addition:				
Investment securities			190,674	
Gain on valuation of available-for-sale Securities			391	
Stock compensation			1,010	
Entertainment expense	223			229
Other			82	
	223			192,386
Deduction:				
Dividend income	495,077			687,591
Investment securities	139,200			242
	634,277	(634,054)	687,833	(495,447)
Temporary differences:				
Addition:				
Long-term other receivables	519			3,192
Unsettled expense	1,308			2,730
Other	769			657
	2,596			6,579
Deduction:				
Long-term accrued expenses	(511)			(4,329)
Investment securities	(886,105)			(472,272)
Other	(2,974)			(3,735)
	(889,590)	(886,994)	(480,336)	(473,757)
Taxable income(loss) before donation adjustment	(16,702)		35,316	
Excess donation expense	27		4	
Tax loss carry forward from prior year			(35,320)	
Taxable loss	(Won) (16,675)		(Won)	

- (2) The changes in cumulative temporary differences and tax loss carry-forwards for the six months ended June 30, 2007 and 2006 are as follows (Korean won in millions):

<2007>	Jan. 1, 2007	Decrease	Increase	Jun. 30, 2007	Deferred tax assets
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					(liabilities)
Investment securities	(Won) (4,461,245)	(Won) (533,927)	(Won) (1,558,736)	(Won) (5,486,054)	(Won) (*1)(64,622)
Accrued expenses	2,153	2,153	1,308	1,308	360
Accrued severance benefits	1,418	377	389	1,430	393
Employee retirement deposits	(1,418)	(377)	(389)	(1,430)	(393)
Depreciation	178	53	2	127	35
Long-term receivables	(3,276)	(519)		(2,757)	(758)
Long-term accrued expenses	4,129	511		3,618	995
Other comprehensive income due to the equity method of accounting	(2,322,288)	(138,703)		(2,183,585)	(*1)(40,226)
Gain on disposal of investments using the equity method	34,604			34,604	9,516
Total	(Won) (6,745,745)	(Won) (670,432)	(Won) (1,557,426)	(Won) (7,632,739)	(Won) (94,700)
Tax loss carry-forwards	(Won) 219,103	(Won)	(Won) 16,675	(Won) 235,778	(Won) 64,839

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<2006>	Deferred tax				
	Jan. 1, 2006	Decrease	Increase	Jun. 30, 2006	(liabilities) assets
Investment securities	(Won) (3,200,579)	(Won) 12,970	(Won) (303,232)	(Won) (3,516,781)	(Won) (*1)(38,751)
Accrued expenses	2,770	2,770	2,730	2,730	751
Accrued severance benefits	1,188	247	311	1,252	344
Employee retirement deposits	(1,188)	(247)	(311)	(1,252)	(344)
Depreciation	41	18	25	48	13
Long-term receivables	(6,090)	(3,192)		(2,898)	(797)
Dividend receivables	108		73	181	50
Long-term accrued expenses	7,937	4,329		3,608	992
Other comprehensive income due to the equity method of accounting	(1,710,854)	768	(189,906)	(1,901,528)	(*1)(35,648)
Gain on disposition of investment securities accounted for using the equity method accounting			34,604	34,604	9,516
Gain on valuation of available-for-sale securities			(391)	(391)	(108)
Total	(Won) (4,906,667)	(Won) 17,663	(Won) (456,097)	(Won) (5,380,427)	(Won) (63,982)
Tax loss carry-forwards	(Won) 222,067	(Won) 35,320	(Won)	(Won) 186,747	(Won) 51,355

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

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

Year incurred	Amount	Utilized	Remaining	Expiration
2002	(Won) 13,899	(Won)	(Won) 13,899	Dec. 31, 2007
2003	48,398		48,398	Dec. 31, 2008
2004	22,414		22,414	Dec. 31, 2009
2005	112,068		112,068	Dec. 31, 2010
2006	22,324		22,324	Dec. 31, 2011
2007	16,675		16,675	Dec. 31, 2012
	(Won) 235,778	(Won)	(Won) 235,778	

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

13. STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2007 and 2006, the significant transactions without cash flows are as follows (Korean won in millions):

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Transactions	2007	2006
Changes in other comprehensive income due to the equity method of accounting	(Won) 138,703	(Won) 190,675
Changes in retained earnings due to the equity method of accounting	(496)	(242)
Increase in dividend receivables		74
Increase in stock options subject to subsidiaries		3,192

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Table of Contents**14. GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses for the three months and six months ended June 30, 2007 and 2006 are summarized as follows (Korean won in millions):

	2007		2006	
	Three months	Six months	Three months	Six months
Salaries, wages and bonuses	(Won) 2,569	(Won) 5,649	(Won) 2,195	(Won) 4,762
Provision for severance benefits (Note 8)	204	358	106	376
Voluntary retirement benefits	177	177		
Fringe benefits	178	463	176	368
Rent	599	1,182	582	1,153
Entertainment	195	338	138	303
Depreciation (Note 5)	76	148	16	52
Amortization (Note 5)	3	6	6	11
Taxes and dues	19	43	17	40
Advertising	21	153	4,897	5,532
Travel	107	217	55	100
Telecommunications	43	79	26	45
Service fees	545	1,087	580	1,116
Suppliers	50	77	25	43
Compensation expenses associated with stock option		128		
Others	315	551	238	490
	(Won) 5,101	(Won) 10,656	(Won) 9,057	(Won) 14,391

15. FINANCIAL INFORMATION OF SUBSIDIARIES

(1) The condensed balance sheets of subsidiaries as of June 30, 2007 are as follows (Korean won in millions):

	Total	
	assets	liabilities and equity
Woori Bank	(Won) 179,875,149	(Won) 167,820,584
Kyongnam Bank	18,265,636	17,397,053
Kwangju Bank	14,931,583	14,249,321
WFIS	233,953	224,787
Woori F&I	263,055	124,139
Woori 3 rd SPC	71,651	53,890
Woori Investment Securities	16,876,140	14,474,617
Woori CS	73,799	10,039
Woori PE	11,860	494
Total	(Won) 230,602,826	(Won) 214,354,924
		(Won) 16,247,902

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(2) The condensed statements of operations of subsidiaries for the six months ended June 30, 2007 are as follows (Korean won in millions):

	Operating revenue	Operating expenses	Operating income (loss)	Ordinary income (loss)	Net income (loss)
Woori Bank	(Won) 8,962,013	(Won) 7,181,820	(Won) 1,780,193	(Won) 1,805,932	(Won) 1,336,620
Kyongnam Bank	596,852	461,882	134,970	137,027	100,726
Kwangju Bank	453,480	365,378	88,102	94,024	69,219
WFIS	138,847	136,232	2,615	2,688	1,897
Woori F&I	42,219	7,049	35,170	40,992	29,012
Woori 3 rd SPC	5	77	(72)	(72)	(72)
Woori Investment Securities	1,613,807	1,428,379	185,428	175,738	129,467
Woori CS	21,932	11,275	10,657	10,809	7,659
Woori PE	2,776	1,091	1,685	1,733	1,261
	(Won) 11,831,931	(Won) 9,593,183	(Won) 2,238,748	(Won) 2,268,871	(Won) 1,675,789

(3) Significant liabilities and assets of the Company and its subsidiaries as of June 30, 2007 are summarized as follows (Korean won in millions):

1) Significant liabilities

	Deposits	Borrowings	Debentures	Total
Woori Finance Holdings	(Won) 1,848,198	(Won) 1,848,198	(Won) 1,848,198	(Won) 1,848,198
Woori Bank	110,824,872	13,327,975	26,524,973	150,677,820
Kyongnam Bank	11,647,761	3,195,100	1,504,776	16,347,637
Kwangju Bank	10,592,984	2,345,090	778,375	13,716,449
WFIS		146,900		146,900
Woori F&I		106,000		106,000
Woori Investment Securities	2,966,636	9,487,511	249,588	12,703,735
Total	(Won) 136,032,253	(Won) 28,608,576	(Won) 30,905,910	(Won) 195,546,739

2) Significant assets

Cash and due

	from banks	Securities	Loans	Total
Woori Finance Holdings	(Won) 124,992	(Won) 14,477,518	(Won) 9,950	(Won) 14,612,460
Woori Bank	6,739,389	29,669,829	130,700,159	167,109,377
Kyongnam Bank	1,148,816	4,095,549	11,819,571	17,063,936
Kwangju Bank	896,310	4,137,218	9,395,629	14,429,157
WFIS	6,972	50		7,022
Woori F&I	46,138	81,384	121,564	249,086
Woori 3 rd SPC	408	71,243		71,651
Woori Investment Securities	1,696,835	10,497,577	2,584,580	14,778,992
Woori CS	57,829	1,030	928	59,787

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Woori PE	6,589	3,735	10,324
	(Won) 10,724,278	(Won) 63,035,133	(Won) 154,632,381
			(Won) 228,391,792

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- (4) Loans subject to allowance for possible loan losses, allowance for possible loan losses and percentage of allowance to loans of each subsidiary as of June 30, 2007 are summarized as follows (Korean won in millions):

	Loans subject to allowance for possible		Percentage of allowance to loans (%)
	loan losses	Allowance	
Woori Bank	(Won) 132,513,669	(Won) 1,813,511	1.37
Kyongnam Bank	11,947,261	127,690	1.07
Kwangju Bank	9,500,749	105,119	1.11
Woori F&I	122,175	611	0.50
Woori Investment Securities	2,730,372	145,792	5.34
Woori CS	933	5	0.54
Total	(Won) 156,815,159	(Won) 2,192,728	1.40

16. CONTRIBUTIONS TO NET INCOME BY SUBSIDIARIES

Contributions to net income of the Company by subsidiaries for the six months ended June 30, 2007 and 2006 are as follows (Korean won in millions):

	2007	Ratio (%)	2006	Ratio (%)
Woori Bank	(Won) 1,314,044	84.3	(Won) 849,164	79.3
Kyongnam Bank	101,433	6.5	93,653	8.8
Kwangju Bank	71,064	4.6	62,060	5.8
WFIS	2,264	0.2	3,485	0.3
Woori F&I	28,809	1.8	17,530	1.7
Woori 3 rd SPC	(72)		(74)	
Woori Investment Securities	34,499	2.2	38,577	3.6
Woori CS	5,361	0.3	6,823	0.6
Woori PE	1,260	0.1	(726)	(0.1)
Gain on valuation using the equity method of accounting, net of loss	1,558,662	100.0	1,070,492	100.0
Other income	3,973		8,094	
Other expenses	58,289		74,066	
Net income	(Won) 1,504,346		(Won) 1,004,520	

Table of Contents**17. TRANSACTIONS AND ACCOUNT BALANCES WITH RELATED PARTIES**

(1) Account balances with the subsidiaries as of June 30, 2007 and December 31, 2006 are as follows (Korean won in millions):

	2007	2006	Account
<Assets>			
Woori Bank	(Won) 52,949	(Won) 67,394	Cash and bank deposits
	4,153	4,153	Guarantee deposits
	2,054	2,619	Other receivables
	83	116	Accrued income
Kyongnam Bank	42,658	11,287	Cash and bank deposits
	49	14	Accrued income
Kwangju Bank	29,384	11,043	Cash and bank deposits
	19	8	Accrued income
WFIS	192	159	Other receivables
Woori F&I	10,000	50,000	Loans
	60	310	Accrued income
Woori Credit Information	218	240	Other receivables
Woori SB	304	257	Other receivables
Principal guaranteed trust accounts of Woori Bank			Deposits with employee retirement trust
	1,628	2,002	
	(Won) 143,751	(Won) 149,602	
<Liabilities>			
Woori Bank	(Won) 122	(Won) 117	Other payables
WFIS	131		Other payables
	(Won) 253	(Won) 117	

(2) Transactions with the subsidiaries for the six-month periods ended June 30, 2007 and 2006 are as follows:

	2007	2006	Account
<Revenues>			
Woori Bank	(Won) 1,951	(Won) 2,749	Interest income on deposits
Kyongnam Bank	430	707	Interest income on deposits
Kwangju Bank	323	532	Interest income on deposits
WFIS		937	Interest income on loans
Woori F&I	781	2,836	Interest income on loans
Principal guaranteed trust accounts of Woori Bank	3	3	Interest income on deposits
	(Won) 3,488	(Won) 7,764	
<Expenses>			
Woori Bank	(Won) 781	(Won) 781	Rent

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	350	350	Other administrative expenses
WFIS	824	873	Service fees
Woori Investment Securities	33		Other Selling & administrative expenses
	(Won) 1,988	(Won) 2,004	

- (3) The Company compensated key management personnel for (Won)1,577 million of salaries for the six months ended June 30, 2007.

Table of Contents**18. EARNINGS PER COMMON SHARE**

- (1) Net income per common share for the three months and six months ended June 30, 2007 and 2006 are as follows (Korean won in millions, except for earnings per share data):

	2007		2006	
	Three months	Six months	Three months	Six months
Net income on common shares	(Won) 617,324	(Won) 1,504,346	(Won) 564,413	(Won) 1,004,520
Weighted average number of common shares outstanding	806,012,784	806,012,784	806,012,787	806,012,789
Net income per common shares	(Won) 766	(Won) 1,866	(Won) 700	(Won) 1,246

- (2) Net income per common share for the year ended December 31, 2006 and for the three months ended March 31, 2007 are (Won)2,518 and (Won)1,101, respectively.

19. COMPREHENSIVE INCOME STATEMENT

Comprehensive income statement for the six months ended June 30, 2007 and 2006 are as follows (Korean won in millions):

	2007	2006
Net income	(Won) 1,504,346	(Won) 1,004,520
Valuation using the equity method on subsidiaries	(138,703)	225,279
Gain on valuation of available-for-sale securities		391
Comprehensive income	(Won) 1,365,643	(Won) 1,230,190

20. INSURANCE

As of June 30, 2007, the Company has insurance for liability of reparation of directors with Samsung Fire Insurance Co., Ltd. The insurance coverage is (Won)30,000 million.

21. AGREEMENT ON THE IMPLEMENTATION OF A MANAGEMENT IMPROVEMENT PLAN

Since December 30, 2000, the Company's three subsidiaries, Woori Bank, Kyongnam Bank and Kwangju Bank, and the KDIC have entered into agreements for the implementation of management improvement plans for the banks. Under the agreements, the three subsidiaries are obligated to improve financial ratio, such as BIS capital ratio, Return on Assets (ROA), General and administrative ratio, Non-performing loan rate and adjusted operating income (AOI) per person. If the three subsidiaries fail to implement the agreements, the KDIC may command for the three subsidiaries to increase or decrease their capital, pursue mergers, assign contracts such as loans and deposits, or close or sell parts of their business operations.

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

the agreement.

In order to implement the agreements of above three subsidiaries with the KDIC, on July 2, 2001, the Company and its three subsidiaries entered into agreements for the implementation of the management improvement for the three subsidiaries. Pursuant to the agreements, the three subsidiaries should meet management goals given by the Company, consult with the Company about material business decisions before execution, and prepare and implement a detailed business plan in conformity with the Company's business strategies. If the three subsidiaries

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fail to implement the management improvement plan, the Company may order the three subsidiaries to limit sales of the specific financial products, investments in fixed assets, promotion of new business or new equity investment, or to close or merge their branch operations and subsidiaries.

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SIGNATURES

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

Woori Finance Holdings Co., Ltd.
(Registrant)

Date: August 14, 2007

By: /s/ Byung-Ho Park
(Signature)

Name: Byung-Ho Park
Title: Managing Director