

WOORI FINANCE HOLDINGS CO LTD
Form 6-K
November 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 November 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 X

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Summary of 2007 3Q Business Report

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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.

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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;

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) Hanmi Capital
1. Rental business in connection with facilities, machineries, construction equipment, automobiles, ships, aircrafts, real estate and their rights;
 2. Yearly installment sales;
 3. Installment finance;
 4. New technology business finance;
 5. Credit and collateralized loans;
 6. Bill discounting;
 7. Acquisitioning, management and collection of account receivables;
 8. Acquisition of receivable of, or related Securities issued by, other finance or leasing companies relating to businesses listed in (1) through (7) above;
 9. Payment guarantee business;
 10. Securitized asset management under asset securitization regulations;

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11. Credit review and related activities in connection with businesses listed in (1) through (10) above;
12. Real estate rental business;
13. Corporate restructuring SPC business in accordance with the Industry Development Act;
14. General partner of private equity funds investing in new technologies;
15. Rental business for leased goods;
16. Other businesses and activities related to the items listed above.

Note 1) Hanmi Capital was renamed Woori Financial on October 26, 2007.

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2) On Oct. 26, 2007, Item 14, 15, and 16 were added due to changes in Hanmi Capital's business scope.

(7) 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.

(8) 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
 5. All businesses or activities directly or indirectly related to the businesses listed in 1 and 4.
- (9) 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;

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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.

(10) 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.

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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 |
| September 14, 2007 | Acquired Hanmi Capital as a subsidiary (Hanmi Capital was renamed Woori Financial as of October 26, 2007) |

b. Associated Business Group

(1) Overview of Business Group

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

2. **History**

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

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

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| | |
|--------------------|---|
| March 11, 2005 | Capital increase through conversion of CBs (Total capital after conversion: Won 4.0 trillion) |
| March 31, 2005 | Woori Securities and LG Investment & Securities merged (the name of the surviving entity, LG Investment & Securities, changed to Woori Investment & Securities) |
| May 6, 2005 | Incorporated LG Investment Trust Management from 2 nd tier subsidiary to 1 st tier subsidiary |
| May 31, 2005 | Woori Investment Trust Management and LG Investment Trust Management merged (the name of the surviving entity, LG Investment Trust Management, changed to Woori Asset Management) |
| August 3, 2005 | Dissolution of Woori LB Second Asset Securitization Specialty Co., Ltd. |
| September 5, 2005 | Woori Asset Management becomes a wholly-owned subsidiary through capital reduction and cancellation |
| October 21, 2005 | Woori Private Equity is established and incorporated as a subsidiary |
| October 27, 2005 | Closure of strategic investment agreement with Lehman Brothers |
| February 23, 2006 | Joint venture arrangement between Woori CA Asset Management, a 2 nd tier subsidiary, and Japan's Shinsei Bank (involving a transfer of 49% of Woori F&I's 100% stake in Woori CA Asset Management to Shinsei Bank) |
| April 11, 2006 | Joint venture agreement to transfer 30% of the shares of Woori Asset Management to Credit Suisse Asset Management International Holdings, a wholly owned subsidiary of Credit Suisse. |
| May 30, 2006 | Upon the 30% share transfer to Credit Suisse Asset Management International Holdings, Woori Asset Management was renamed Woori Credit Suisse Asset Management. |
| March 30, 2007 | Appointment of new management (elected Byongwon Bahk as the representative director) |
| September 14, 2007 | Acquired Hanmi Capital as a subsidiary (Hanmi Capital was renamed Woori Financial as of October 26, 2007) |

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(2) Related companies within the business group

| Type | Name of Company | Controlling Company | Notes | |
|--|--|------------------------|--------------|----------------------|
| Holding Company | Woori Finance Holdings | KDIC | | |
| | Woori Bank Kwangju Bank Kyongnam Bank Woori Finance Information System Woori F & I | | | |
| 1 st Tier Subsidiaries | Woori Third Asset Securitization Specialty | Woori Finance Holdings | 10 companies | |
| | Woori CS Asset Management | | | |
| | Woori Investment & Securities | | | |
| | Woori Private Equity | | | |
| | Hanmi Capital | | | |
| | Woori Credit Information | | | |
| | Woori America Bank | | | |
| | P.T. Bank Woori Indonesia | | | Woori Bank |
| | Korea BTL Infrastructure Fund | | | |
| | Woori Global Markets Asia Ltd. | | | |
| 2 nd Tier Subsidiaries | Woori SB Asset Management | Woori F&I | | |
| | Woori F&I Fifth Asset Securitization Specialty Co., Ltd. | | | |
| | Woori Private Equity Fund | | | Woori Private Equity |
| | Woori Futures | | | |
| | Woori Investment & Securities International Ltd. | | | |
| Woori Investment & Securities (HK) Ltd. | Woori Investment & Securities | | | |
| Woori Investment & Securities America Inc. | | | | |
| Mars First Private Hoesa | | | | |
| Mars Second Private Hoesa | | | | |
| Woori Investment Asia Pte. Ltd. | | | | |

* 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.

* On September 14, 2007, Hanmi Capital was included as our 1st tier subsidiary to strengthen our non-banking business.

* On September 20, 2007, Woori Investment Asia Pte. Ltd. was included as our 2nd tier subsidiary. Woori Investment & Securities owns a 100% stake in Woori Investment Asia Pte. Ltd.

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

(units: Won, shares)

| Date | Category | Type | Quantity | Stock Decrease/Increase Par Value | Issue price | Note |
|------------|--------------------------------------|--------|-------------|--------------------------------------|-------------|--|
| 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 | 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.

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

As of 2007.9.30

(units: shares)

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

* Treasury stock as of October 31, 2007: 2,560

b. Capital and Price per Share

As of 2007.9.30

(units: Won, shares)

| Type | Capital | Par value of issued shares | Par value of free float shares | Par value per share | Price 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 | 5,000 |
| Total | 4,030,076,700,000 | 4,030,076,700,000 | 4,030,063,910,000 | 5,000 | 5,000 | 5,000 | 5,000 |

c. Treasury Stock

As of 2007.9.30

(units: shares)

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

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* As of October 31, 2007, we acquired two additional shares to in respect of fractional shares resulting from share exchange for Woori Securities.

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d. Status of Employee Stock Option Program

(units: shares)

| Type of stock | Type of Stock | Beginning Balance (2007.01.01) | Ending Balance (2007.09.30) |
|------------------------|----------------------|---|--|
| Employee Account | | | |
| Employee Union Account | Common stock | 41,403 | 0 |

5. Voting Rights

As of 2007.9.30

(units: shares)

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

* Treasury stock as of October 31, 2007: 2,560

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 |
| | Preferred Shares | | 1.81 |
| Stock dividend yield (%) | | | |
| | Common Shares | | |
| | Preferred Shares | | |
| Cash dividend per share (Won) | | | |
| | Common Shares | 600 | 400 |
| | Preferred Shares | | 150 |
| 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 2007.9.30

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 3Q | 2006 | 2005 |
|---------------------|------------|------------|------------|
| Shareholders Equity | 13,281,195 | 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 | 6,941,950 | 5,597,546 | 3,891,963 |
| Capital Adjustments | 2,224,681 | 2,220,962 | 1,710,836 |
| Borrowings | 2,630,286 | 1,860,449 | 2,314,419 |
| Debtentures | 2,347,083 | 1,847,591 | 2,296,203 |
| Bank Borrowings | 270,000 | | |
| Commercial Paper | | | |
| Other Borrowings | | | |
| Other Liabilities | 13,203 | 12,858 | 18,216 |
| Total | 15,911,481 | 13,793,521 | 12,031,783 |

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(2) Use of Funds

(units: millions of Won)

| Items | 2007 3Q | 2006 | 2005 |
|---|------------|------------|------------|
| Subsidiary Stock | 15,246,440 | 13,591,413 | 11,751,678 |
| Woori Bank | 12,415,105 | 11,297,882 | 9,695,213 |
| Kyongnam Bank | 910,662 | 794,984 | 694,275 |
| Kwangju Bank | 719,759 | 630,995 | 561,330 |
| Woori Financial Information System | 6,498 | 11,245 | 11,903 |
| Woori F&I | 142,383 | 124,874 | 114,017 |
| Woori 3 rd Asset Securitization Specialty | 13,209 | 24,317 | |
| Woori Investment & Securities | 709,439 | 649,355 | 604,543 |
| Woori CS Asset Management (formerly Woori Asset Management) | 46,297 | 47,655 | 60,600 |
| Woori Private Equity | 11,939 | 10,106 | 9,797 |
| Hanmi Capital | 271,149 | | |
| Investment Securities | | | |
| Loan Obligations | | 49,750 | 109,450 |
| Tangible Assets | 511 | 630 | 119 |
| Intangible Assets | 22 | 30 | 35 |
| Cash | 581,288 | 89,724 | 104,072 |
| Other Assets | 83,220 | 61,974 | 66,428 |
| Total | 15,911,481 | 13,793,521 | 12,031,783 |

* Hanmi Capital was renamed Woori Financial on October 26, 2007.

c. Transactions related to Commission Fees

(units: millions of Won)

| Category | 2007 3Q | 2006 | 2005 |
|-------------------------|---------|--------|--------|
| Commission Revenue (A) | 0 | 0 | 0 |
| Commission Expense (B) | 4,840 | 7,613 | 6,641 |
| Commission Profit (A-B) | -4,840 | -7,613 | -6,641 |

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

(units: millions of Won)

| Items | 2007 3Q | 2006 | 2005 |
|--------------------------|-------------|------|------|
| Total Capital (A) | 19,787,000 | | |
| Risk weighted assets (B) | 167,661,700 | | |
| BIS Ratio (A/B) | 11.80% | | |

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 |
| 2007.08.17 | Debentures | AAA | NICE (AAA ~ D) | Case evaluation |
| 2007.08.17 | Debentures | AAA | KIS Ratings (AAA ~ D) | Case evaluation |

c. Won-denominated Current Ratio

(units: millions of Won)

| Items | 2007 3Q | 2006 | 2005 | 2004 |
|-------------------------|---------|---------|---------|---------|
| Current Assets (A) | 562,424 | 117,037 | 111,091 | 57,346 |
| Current Liabilities (B) | 512,267 | 12,496 | 18,216 | 11,385 |
| Current Ratio (A/B) | 109.79% | 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 3Q | 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 3Q | 2006 | 2005 | 2004 |
|------------------|------------|------------|-----------|-----------|
| Liabilities (A) | 2,630,286 | 1,860,448 | 2,314,418 | 2,299,992 |
| Equity (B) | 13,281,195 | 11,922,274 | 9,717,364 | 7,448,052 |
| Debt Ratio (A/B) | 19.80% | 15.60% | 23.80% | 30.90% |

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

(units: millions of Won)

| Items | 2007 3Q | 2006 | 2005 | 2004 | 2003 |
|-----------------------------------|-------------------|-------------------|-------------------|------------------|------------------|
| Cash and Due from Banks | 581,288 | 89,724 | 104,072 | 56,099 | 349,585 |
| Securities | 15,246,440 | 13,591,413 | 11,751,678 | 9,436,975 | 7,007,222 |
| Loans | 0 | 49,750 | 109,450 | 218,641 | 830,566 |
| Tangible Assets | 511 | 630 | 119 | 228 | 242 |
| Other Assets | 83,242 | 62,004 | 66,464 | 36,101 | 60,200 |
| Total Assets | 15,911,481 | 13,793,521 | 12,031,783 | 9,748,044 | 8,247,815 |
| Borrowings | 270,000 | 0 | 0 | 120,000 | 0 |
| Debentures | 2,347,083 | 1,847,591 | 2,296,203 | 2,154,637 | 2,621,182 |
| Other Liabilities | 13,203 | 12,858 | 18,216 | 25,354 | 28,738 |
| Total Liabilities | 2,630,286 | 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 | 2,224,699 | 2,220,980 | 1,710,854 | 1,049,961 | 374,658 |
| Retained Earnings | 6,941,949 | 5,597,545 | 3,891,963 | 2,328,854 | 1,282,866 |
| Total Stockholder's Equity | 13,281,195 | 11,933,072 | 9,717,364 | 7,448,053 | 5,597,895 |
| Operating Income | 1,922,154 | 2,031,611 | 1,867,488 | 1,922,849 | 1,593,251 |
| Operating Profit | 1,827,450 | 1,893,248 | 1,688,298 | 1,259,874 | 203,097 |
| Net Profit before Tax | 1,827,612 | 2,029,319 | 1,688,221 | 1,261,925 | 202,565 |
| Net profit | 1,827,612 | 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 Stockholders 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 3Q | Loans | | | |
| | Total | | | |
| 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 3Q | 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 | -250 | -300 | -548 |
| Ending loan loss reserve balance | 0 | 250 | 550 |

Table of Contents**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 - LG Investment & Securities - LG Futures - LG Investment Trust Management - LG Investment & Securities Int'l Ltd. - LG Investment & Securities (H.K.) Limited - LG Investment & Securities America, Inc. - LG Investments Holding B.V. (Amsterdam) GG | - Woori Credit Card |

- High Technology Venture
Investment

- Global Technology Investment

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

| | | | |
|--|--|---------------------------------------|---------------------------------------|
| 2007 3Q Anjin (Deloitte Anjin) | 2006 3Q Anjin (Deloitte Anjin) | 2006 Anjin (Deloitte Anjin) | 2005 Anjin (Deloitte Anjin) |
|--|--|---------------------------------------|---------------------------------------|

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

(units: millions of Won)

| Year | Auditor | Activity | Compensation | Accrued Time (hrs) |
|---------|------------------------|--|--------------|-----------------------|
| 2007 3Q | Anjin (Deloitte Anjin) | Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated) | 340 | 3,286 |
| 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 3Q | | 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 |

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V. Corporate Governance and Affiliated Companies

1. Overview of the Corporate Governance

a. About the Board of Directors

(1) Board of Directors

A. Duties of Boards of Directors

1. The Board of Directors shall consist of directors and shall determine the matters 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 Bahk | - Director-General, Bureau of Economic Policy, Ministry of Finance and Economy (MOFE) - Vice Minister, Ministry of Finance and Economy (MOFE) | N/A | N/A |

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

| Position | Name | Information | Relationship with KDIC | Transaction with WFG |
|---|---------------|--|------------------------|----------------------|
| Non-standing Director and audit Committee | Bong-Soo Park | - Chairman & President, Korea Technology Credit Guarantee Fund | N/A | N/A |

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- Currently Executive Advisor at Korea
Institute for

International Economics Policy

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

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

* 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 | 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. |
| Pyoung Wan Har | Non-standing Director | |
| Kwang-Dong Kim | Non-standing Director | |
| 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 | |
| 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 September 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 | 20,900 |
| Kwang Woo Chun | Standing director | 2002.12.04 | Common | 80,000 | 76,000 | 4,000 | 0 | 20,900 |
| Euoo Sung Min | Standing director | 2002.12.04 | Common | 80,000 | 0 | 80,000 | 0 | 20,900 |
| Hwan Kyu Park | Non-standing dir. | 2002.12.04 | Common | 40,000 | 0 | 2,000 | 38,000 | 20,900 |
| Ki Chul Han | Non-standing dir. | 2002.12.04 | Common | 30,000 | 18,500 | 1,500 | 10,000 | 20,900 |
| Tae Ho Sohn | Non-standing dir. | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 20,900 |
| Won Gihl Sohn | Non-standing dir. | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 20,900 |
| Nam Hong Cho | Standing director | 2002.12.04 | Common | 10,000 | 9,500 | 500 | 0 | 20,900 |
| Sang Chul Lee | Standing director) | 2002.12.04 | Common | 10,000 | 9,500 | 500 | 0 | 20,900 |
| Jae Woong Lee | Standing director | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 20,900 |
| Gae Min Lee | Standing director | 2002.12.04 | Common | 10,000 | 9,500 | 500 | 0 | 20,900 |
| Kwang Sun Chung | Standing director | 2002.12.04 | Common | 10,000 | 0 | 10,000 | 0 | 20,900 |
| Hae-Seok Suh | Standing director | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 20,900 |
| Duk Hoon Lee | Director of related company | 2002.12.04 | Common | 80,000 | 76,000 | 4,000 | 0 | 20,900 |
| Jong Wook Kim | Director of related company | 2002.12.04 | Common | 45,000 | 42,750 | 2,250 | 0 | 20,900 |
| Jin Kyu Park | Director of related company | 2002.12.04 | Common | 45,000 | 42,750 | 2,250 | 0 | 20,900 |
| Jong Ku Min | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 30,000 | 0 | 20,900 |
| Jong Hwee Lee | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 1,500 | 28,500 | 20,900 |
| Dong Myun Suh | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 1,500 | 28,500 | 20,900 |
| Ki Shin Kim | Director of related company | 2002.12.04 | Common | 30,000 | 18,000 | 1,500 | 10,500 | 20,900 |
| Young Seok Kim | Director of related company | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 20,900 |
| Byung Kil Choi | Director of related company | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 20,900 |

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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 | 20,900 |
| Tae Woong Chung | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 1,500 | 28,500 | 20,900 |
| Dong Chan Bae | Director of related company | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 20,900 |
| Dae Hwan Kim | Director of related company | 2002.12.04 | Common | 10,000 | 9,500 | 500 | 0 | 20,900 |
| Young Ha Kim | Director of related company | 2002.12.04 | Common | 10,000 | 5,500 | 500 | 4,000 | 20,900 |
| Young Yong Kim | Director of related company | 2002.12.04 | Common | 10,000 | 3,500 | 500 | 6,000 | 20,900 |
| Taik Su Han | Director of related company | 2002.12.04 | Common | 10,000 | 9,500 | 500 | 0 | 20,900 |
| Sang Im Park | Director of related company | 2002.12.04 | Common | 10,000 | 0 | 500 | 9,500 | 20,900 |
| Joon Ho Hahm | Director of related company | 2002.12.04 | Common | 10,000 | 4,750 | 500 | 4,750 | 20,900 |
| Joon Ho Lee | Director of related company | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 20,900 |
| Joo Sun Yeom | Director of related company | 2002.12.04 | Common | 20,000 | 19,000 | 1,000 | 0 | 20,900 |
| Ga Seok Chae | Director of related company | 2002.12.04 | Common | 20,000 | 19,000 | 1,000 | 0 | 20,900 |
| Sung Wook Park | Director of related company | 2002.12.04 | Common | 5,000 | 4,750 | 250 | 0 | 20,900 |
| Ki Seok Kim | Director of related company | 2002.12.04 | Common | 5,000 | 0 | 250 | 4,750 | 20,900 |
| Jae Ki Hong | Director of related company | 2002.12.04 | Common | 5,000 | 4,750 | 250 | 0 | 20,900 |
| Sam Su Pyo | Director of related company | 2002.12.04 | Common | 40,000 | 38,000 | 2,000 | 0 | 20,900 |
| Jung Rak Chun | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 30,000 | 0 | 20,900 |
| Won Chul Hwang | Director of related company | 2002.12.04 | Common | 20,000 | 6,000 | 1,000 | 13,000 | 20,900 |
| Jong Hwee Kim | Director of related company | 2002.12.04 | Common | 15,000 | 0 | 15,000 | 0 | 20,900 |
| Sung Hoo Kwak | Director of related company | 2002.12.04 | Common | 15,000 | 0 | 15,000 | 0 | 20,900 |
| Seok Hwan Lee | Director of related company | 2002.12.04 | Common | 15,000 | 0 | 15,000 | 0 | 20,900 |
| Seok Hee Hwang | Director of related company | 2002.12.04 | Common | 40,000 | 0 | 40,000 | 0 | 20,900 |
| Choong Wan Lee | Director of related company | 2002.12.04 | Common | 35,000 | 0 | 35,000 | 0 | 20,900 |
| Ki Sang Chung | Director of related company | 2002.12.04 | Common | 30,000 | 0 | 30,000 | 0 | 20,900 |

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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 | 20,900 |
| Kwang Suh Koo | Director of related company | 2002.12.04 | Common | 15,000 | 0 | 15,000 | 0 | 20,900 |
| In Kee Baek | Director of related company | 2002.12.04 | | 30,000 | 28,500 | 1,500 | 0 | 20,900 |
| Seung Yang Han | Director of related company | 2002.12.04 | | 15,000 | 0 | 15,000 | 0 | 20,900 |
| Keun Soo Yook | Director of related company | 2002.12.04 | | 15,000 | 0 | 15,000 | 0 | 20,900 |
| Ki Jong Chung | Director of related company | 2002.12.04 | Common | 5,000 | 4,750 | 250 | 0 | 20,900 |
| Hun Il Nam | Director of related company | 2002.12.04 | Common | 30,000 | 10,500 | 1,500 | 18,000 | 20,900 |
| Young Soo Kim | Director of related company | 2002.12.04 | Common | 30,000 | 28,500 | 1,500 | 0 | 20,900 |
| Jin Ho Yoon | Director of related company | 2002.12.04 | Common | 20,000 | 19,000 | 1,000 | 0 | 20,900 |
| Seok Koo Yoon | Director of related company | 2002.12.04 | Common | 15,000 | 5,250 | 750 | 9,000 | 20,900 |
| Ji Yeon Joo | Director of related company | 2002.12.04 | Common | 15,000 | 14,250 | 750 | 0 | 20,900 |
| Ho Hyun Lee | Director of related company | 2002.12.04 | Common | 20,000 | 19,000 | 1,000 | 0 | 20,900 |
| Chan Kook Chung | Director of related company | 2002.12.04 | Common | 15,000 | 14,250 | 750 | 0 | 20,900 |
| Duk Yoon Kim | Director of related company | 2002.12.04 | Common | 15,000 | 12,250 | 750 | 2,000 | 20,900 |
| Young Wook Kim | Director of related company | 2002.12.04 | Common | 15,000 | 9,250 | 750 | 5,000 | 20,900 |
| Dae Kyu Ko | Director of related company | 2002.12.04 | Common | 15,000 | 7,250 | 750 | 7,000 | 20,900 |
| Total | | | | 1,560,000 | 894,000 | 420,000 | 246,000 | |

1. Exercised options as of September 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.
- * Hanmi Capital was renamed Woori Financial on October 26, 2007.

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

As of September 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 | | 1,117,223 | 635,957 | 100.0 | 12,415,105 | 1,642,032 | 1,557,474 |
| | Kwangju Bank | 44,080 | 99.9 | 630,995 | | 88,764 | 44,080 | 99.9 | 719,759 | 90,118 | 102,589 |
| | Kyongnam Bank | 51,800 | 99.9 | 794,984 | | 115,678 | 51,800 | 99.9 | 910,662 | 154,958 | 145,723 |
| | Woori Finance Info Sys. | 900 | 100.0 | 11,245 | | -4,747 | 900 | 100.0 | 6,498 | 2,444 | -2,497 |
| | Woori F&I | 2,000 | 100.0 | 124,874 | | 17,509 | 2,000 | 100.0 | 142,383 | 28,629 | 35,118 |
| | Woori 3 rd SPC | 2 | 100.0 | 24,317 | | -11,108 | 2 | 100.0 | 13,209 | -139 | -107 |
| | Woori Investment & Securities (formerly LGIS) | 46,325 | 35.0 | 649,355 | | 60,084 | 46,325 | 35.0 | 709,439 | 213,765 | 65,967 |
| | Woori CS Asset Management (formerly LGITM) | 4,663 | 70.0 | 47,655 | | -1,358 | 4,663 | 70.0 | 46,297 | 13,179 | 7,022 |
| | Woori Private Equity | 2,000 | 100.0 | 10,106 | | 1,833 | 2,000 | 100.0 | 11,939 | 309 | 1,829 |
| | Hanmi Capital | | | | 8,500 | 271,149 | 8,500 | 50.1 | 271,149 | 7,496 | |
| | Foreign Total | 787,727 | | 13,591,413 | 8,500 | 1,655,027 | 796,227 | | 15,246,440 | 2,152,791 | 1,913,118 |

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, Woori Investment & Securities and Hanmi Capital 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 2007.9.30

(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 2007.9.30, 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 | | Ratio | Number of shares | | Ratio |
|-----------------------------------|-------------|--|-------|------------------|--|-------|
| | number | | | | | |
| 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 |

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| | | | | |
|---------------------|--------|--------|-------------|-------|
| 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 |
| Others Shareholders | | | | |
| (Individual) | | | | |
| Total | 30,140 | 100.00 | 806,015,340 | 100.0 |

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

(units: Won, shares)

| Period | April | May | June | July | August | September |
|----------------------|--------------|------------|-------------|-------------|---------------|------------------|
| High | 24,350 | 23,550 | 23,900 | 25,250 | 23,300 | 21,450 |
| Low | 22,700 | 21,400 | 21,350 | 23,850 | 21,100 | 20,350 |
| Monthly Trade Volume | 38,863,326 | 59,307,599 | 140,640,606 | 72,806,601 | 75,375,877 | 50,057,582 |

b. Foreign Stock Market (NYSE)

(units: US Dollars, ADR)

| Period | April | May | June | July | August | September |
|----------------------|--------------|------------|-------------|-------------|---------------|------------------|
| ADR High | 79.10 | 76.75 | 77.27 | 83.79 | 77.91 | 72.25 |
| ADR Low | 74.29 | 69.76 | 70.37 | 74.50 | 65.68 | 66.01 |
| Monthly Trade Volume | 129,700 | 142,000 | 244,300 | 277,700 | 234,600 | 250,300 |

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

| | Position | | Name | Owned (As of Sept. 30, 2007) |
|--------------------------|-----------------|--|-----------------|-------------------------------------|
| Chairman and CEO | Registered | | Byongwon Bahk | 660 |
| 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 | 440 |
| Non-standing Director | Registered | | Kwang-Dong Kim | 160 |
| Non-standing Director | Registered | | Bong-Soo Park | 440 |
| Non-standing Director | Registered | | Inbong Ha | 700 |
| Non-standing Director | Registered | | Woon-Youl Choi | 700 |
| Non-standing Director | Registered | | Myoung-Soo Choi | |

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

2. Employee Status

As of 2007.9.30

(units: persons, thousands of Won)

| Items | Admin. | Manu. | Staff | Misc. | Total | Average Tenure Years | Quarterly Compensation | Average Compensation Per Person | Note |
|--------------|---------------|--------------|--------------|--------------|--------------|-----------------------------|-------------------------------|--|-------------|
| Male | 80 | | | 1 | 81 | 2 years and 5 months | 2,696,978 | 33,296 | |
| Female | 8 | | | 9 | 17 | 3 years and 4 months | 321,252 | 18,897 | |
| Total | 88 | | | 10 | 98 | 2 years and 6 months | 3,018,230 | 30,798 | |

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 | |

As of October 31, 2007, there were three CPAs in charge of financial accounting.

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 | | | Ending | Notes |
|---|------------|-----------------|--------------------------|-----------|----------|-------------|-------|
| | | | Beginning | Increase | Decrease | | |
| Woori Bank | Subsidiary | Common stock | 635,956,580 | | | 635,956,580 | |
| Kwangju Bank | Subsidiary | Common stock | 44,080,000 | | | 44,080,000 | |
| Kyongnam Bank | Subsidiary | Common stock | 51,800,000 | | | 51,800,000 | |
| Woori Finance Info Sys. | Subsidiary | Common Stock | 900,000 | | | 900,000 | |
| Woori F&I | Subsidiary | Common Stock | 2,000,000 | | | 2,000,000 | |
| Woori Third Asset Securitization Specialty Woori Investment & Securities | Subsidiary | Invested Shares | 2,000 | | | 2,000 | |
| (formerly known as LG Investment & Securities) | 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 | |
| Hanmi Capital | Subsidiary | Common Stock | | 8,499,955 | | 8,499,955 | Note |
| Total | | | 787,726,961 | 8,499,955 | | 796,226,916 | |

Note) Hanmi Capital was renamed Woori Financial on October 26, 2007.

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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 NINE MONTHS

ENDED SEPTEMBER 30, 2007 AND 2006

AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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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 September 30, 2007 and the related non-consolidated statements of income for the three months and nine months ended September 30, 2007 and 2006 and non-consolidated statements of cash flows and changes in shareholders' equity for the nine months ended September 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 cause us to believe that such translation has not been made in conformity with the basis stated in Note 2. Such U.S. dollar amounts are presented solely for the convenience of readers outside of Korea.

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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.

November 6, 2007

Notice to Readers

This report is effective as of November 6, 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 SEPTEMBER 30, 2007 AND DECEMBER 31, 2006**

| | 2007 | Korean won (In millions) | 2006 | Translation into | |
|--|----------------|-----------------------------|----------------|-------------------------------|-------------------------------|
| | | | | U.S. dollars (Note 2) 2007 | U.S. dollars (Note 2) 2006 |
| | | | | (In thousands) | |
| <u>ASSETS</u> | | | | | |
| Cash and bank deposits (Notes 15 and 17) | WON 581,288 | | WON 89,724 | US\$ 631,354 | US\$ 97,452 |
| Investment securities accounted for using the equity method of accounting (Notes 3 and 15) | 15,246,439 | | 13,591,413 | 16,559,617 | 14,762,043 |
| Loans, net of allowance for possible loan losses (Notes 4, 15 and 17) | | | 49,750 | | 54,035 |
| Fixed assets (Note 5) | 511 | | 630 | 555 | 684 |
| Other assets (Notes 6 and 17) | 83,243 | | 62,004 | 90,413 | 67,345 |
| | WON 15,911,481 | | WON 13,793,521 | US\$ 17,281,939 | US\$ 14,981,559 |
| <u>LIABILITIES AND</u> | | | | | |
| <u>SHAREHOLDERS' EQUITY</u> | | | | | |
| LIABILITIES | | | | | |
| Borrowings (Note 7) | WON 270,000 | | WON | US\$ 293,255 | US\$ |
| Debentures, net of discounts (Notes 7 and 15) | 2,347,083 | | 1,847,591 | 2,549,238 | 2,006,724 |
| Other liabilities (Notes 9 and 17) | 13,204 | | 12,858 | 14,340 | 13,966 |
| | 2,630,287 | | 1,860,449 | 2,856,833 | 2,020,690 |
| SHAREHOLDERS' EQUITY | | | | | |
| Common stock (Note 10) | 4,030,077 | | 4,030,077 | 4,377,188 | 4,377,188 |
| Capital surplus | 84,488 | | 84,488 | 91,765 | 91,765 |
| Capital adjustments (Note 10) | (18) | | (18) | (19) | (19) |
| Accumulated other comprehensive income (Notes 3 and 19) | 2,224,698 | | 2,220,979 | 2,416,313 | 2,412,272 |
| Retained earnings: | | | | | |
| Legal reserve | 580,181 | | 377,249 | 630,152 | 409,741 |
| Voluntary reserve | 4,530,000 | | 3,190,000 | 4,920,169 | 3,464,755 |
| Retained earnings before appropriations (Note 10) | 1,831,768 | | 2,030,297 | 1,989,538 | 2,205,167 |
| | 6,941,949 | | 5,597,546 | 7,539,859 | 6,079,663 |
| | 13,281,194 | | 11,933,072 | 14,425,106 | 12,960,869 |
| | WON 15,911,481 | | WON 13,793,521 | US\$ 17,281,939 | US\$ 14,981,559 |

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 NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006**

| | Korean won | | | | Translation into U.S. dollars (Note 2) | | | |
|--|---|------------------|----------------|------------------|--|------------------|----------------|------------------|
| | 2007 | | 2006 | | 2007 | | 2006 | |
| | Three months | Nine months | Three months | Nine months | Three months | Nine months | Three months | Nine months |
| | (In millions, except for income per share data) | | | | (In thousands, except for income per share data) | | | |
| OPERATING REVENUE | | | | | | | | |
| Gain on valuation using the equity method of accounting (Notes 3 and 16) | WON 356,986 | WON 1,915,722 | WON 497,023 | WON 1,567,621 | US\$ 387,733 | US\$ 2,080,723 | US\$ 539,832 | US\$ 1,702,640 |
| Interest income (Note 17) | 2,693 | 6,182 | 5,190 | 12,955 | 2,925 | 6,714 | 5,637 | 14,071 |
| Reversal of allowance for doubtful accounts | 50 | 250 | 75 | 125 | 55 | 272 | 81 | 136 |
| | 359,729 | 1,922,154 | 502,288 | 1,580,701 | 390,713 | 2,087,709 | 545,550 | 1,716,847 |
| OPERATING EXPENSES | | | | | | | | |
| Loss on valuation using the equity method of accounting (Notes 3 and 16) | 2,531 | 2,604 | | 106 | 2,749 | 2,828 | | 115 |
| Interest expense | 25,749 | 71,676 | 26,237 | 80,965 | 27,967 | 77,850 | 28,496 | 87,938 |
| Fees | 3,162 | 4,840 | 854 | 5,791 | 3,434 | 5,257 | 928 | 6,290 |
| General and administrative (Notes 14 and 17) | 4,928 | 15,584 | 5,044 | 19,435 | 5,353 | 16,926 | 5,478 | 21,109 |
| | 36,370 | 94,704 | 32,135 | 106,297 | 39,503 | 102,861 | 34,902 | 115,452 |
| OPERATING INCOME | 323,359 | 1,827,450 | 470,153 | 1,474,404 | 351,210 | 1,984,848 | 510,648 | 1,601,395 |
| NON-OPERATING INCOME | | 282 | 122,482 | 122,761 | | 306 | 133,031 | 133,334 |
| NON-OPERATING EXPENSES | 93 | 120 | | 9 | 101 | 130 | | 10 |
| INCOME BEFORE INCOME TAX | 323,266 | 1,827,612 | 592,635 | 1,597,156 | 351,109 | 1,985,024 | 643,679 | 1,734,719 |
| INCOME TAX EXPENSE (Note 12) | | | | | | | | |

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| | | | | | | | | |
|------------|-------------|---------------|-------------|---------------|--------------|----------------|--------------|----------------|
| NET INCOME | WON 323,266 | WON 1,827,612 | WON 592,635 | WON 1,597,156 | US\$ 351,109 | US\$ 1,985,024 | US\$ 643,679 | US\$ 1,734,719 |
|------------|-------------|---------------|-------------|---------------|--------------|----------------|--------------|----------------|

| | | | | | | | | |
|---|---------|-----------|---------|-----------|------------|------------|------------|------------|
| NET INCOME PER COMMON SHARE (Note 18) | WON 401 | WON 2,267 | WON 735 | WON 1,982 | US\$ 0.436 | US\$ 2,463 | US\$ 0.798 | US\$ 2.153 |
|---|---------|-----------|---------|-----------|------------|------------|------------|------------|

See accompanying notes to non-consolidated financial statements.

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

| | Korean won | | Translation into | |
|---|---------------|---------------|-----------------------|-----------------------|
| | 2007 | 2006 | U.S. dollars (Note 2) | U.S. dollars (Note 2) |
| | (In millions) | | (In thousands) | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net income | WON 1,827,612 | WON 1,597,156 | US\$ 1,985,024 | US\$ 1,734,719 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Loss on valuation using the equity method of accounting | 2,604 | 106 | 2,828 | 115 |
| Interest expense (amortization of discounts on debentures) | 947 | 1,086 | 1,029 | 1,181 |
| Provision for severance benefits | 588 | 515 | 639 | 559 |
| Depreciation | 225 | 63 | 244 | 69 |
| Amortization | 10 | 16 | 11 | 17 |
| Gain on disposal of fixed assets | | (19) | | (21) |
| Gain on valuation using the equity method of accounting | (1,915,722) | (1,567,621) | (2,080,723) | (1,702,640) |
| Other non-operating income | | (122,478) | | (133,027) |
| Reversal of allowance for doubtful accounts | (250) | (125) | (272) | (136) |
| | (1,911,598) | (1,688,456) | (2,076,244) | (1,833,883) |
| Changes in operating assets and liabilities: | | | | |
| Decrease in other receivable | 1,342 | | 1,458 | |
| Decrease(increase) in accrued income | (689) | 11 | (748) | 12 |
| Increase in advanced payments | | (4) | | (4) |
| Increase in prepaid expenses | (45) | (26) | (49) | (28) |
| Decrease(increase) in prepaid income taxes | (14) | 1,246 | (15) | 1,353 |
| Retirement benefits payment | (519) | (360) | (564) | (391) |
| Decrease in employee retirement insurance deposit | 427 | 305 | 464 | 331 |
| Decrease in other payables | (451) | (578) | (491) | (628) |
| Increase(decrease) in accrued expenses | 181 | (3,604) | 197 | (3,913) |
| Increase(decrease) in withholdings | 119 | (267) | 129 | (290) |
| Dividends income on investment securities accounted for the equity method | 533,358 | 767,091 | 579,296 | 833,161 |
| Net cash provided by operating activities | 449,723 | 672,514 | 488,457 | 730,439 |

(Continued)

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

| | Korean won | | Translation into | |
|--|--------------------|-------------------|-----------------------|--------------------|
| | 2007 | 2006 | U.S. dollars (Note 2) | 2006 |
| | (In millions) | | (In thousands) | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Disposition of investment securities accounted for using the equity method of accounting | WON | WON 54,000 | US\$ | US\$ 58,651 |
| Collection of loans | 50,000 | 25,000 | 54,307 | 27,153 |
| Disposition of vehicles | | 19 | | 21 |
| Collection of guarantee deposits | | 25 | | 26 |
| Acquisition of investment securities accounted for using the equity method of accounting | (271,148) | | (294,502) | |
| Acquisition of fixed assets | (106) | (26) | (116) | (28) |
| Increase in guarantee deposits | (21,840) | | (23,721) | |
| Acquisition of intangible assets | (2) | (16) | (2) | (17) |
| Net cash provided by (used in) investing activities | (243,096) | 79,002 | (264,034) | 85,806 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Increase in debentures in local currency | 498,545 | | 541,485 | |
| Increase in borrowings in local currency | 270,000 | | 293,255 | |
| Repayment of debentures in local currency | | (450,000) | | (488,759) |
| Payment of dividends | (483,608) | (322,405) | (525,261) | (350,174) |
| Net cash provided by (used in) financing activities | 284,937 | (772,405) | 309,479 | (838,933) |
| NET INCREASE (DECREASE) IN CASH AND BANK DEPOSITS | 491,564 | (20,889) | 533,902 | (22,688) |
| CASH AND BANK DEPOSITS, BEGINNING OF THE PERIOD | 89,724 | 104,072 | 97,452 | 113,036 |
| CASH AND BANK DEPOSITS, END OF THE PERIOD | WON 581,288 | WON 83,183 | US\$ 631,354 | US\$ 90,348 |

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 NINE MONTHS ENDED SEPTEMBER 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 | | | | | 1,597,156 | 1,597,156 |
| Dividend | | | | | (322,405) | (322,405) |
| Valuation using the equity method on subsidiaries | | | | 398,799 | (1,104) | 397,695 |
| September 30, 2006 | WON 4,030,077 | WON 84,488 | WON (18) | WON 2,109,653 | WON 5,165,610 | WON 11,389,810 |
| January 1, 2007 | WON 4,030,077 | WON 84,488 | WON (18) | WON 2,220,979 | WON 5,597,546 | WON 11,933,072 |
| Net income | | | | | 1,827,612 | 1,827,612 |
| Dividend | | | | | (483,608) | (483,608) |
| Valuation using the equity method on subsidiaries | | | | 3,719 | 399 | 4,118 |
| September 30, 2007 | WON 4,030,077 | WON 84,488 | WON (18) | WON 2,224,698 | WON 6,941,949 | WON 13,281,194 |

See accompanying notes to non-consolidated financial statements.

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

(1) Woori Finance Holdings Co., Ltd.

Woori Finance Holdings Co., Ltd. (the Company) was incorporated on March 27, 2001, to engage in the business of managing the following five financial institutions; Woori Bank, Kyongnam Bank, Kwangju Bank, Woori Credit Card Co., Ltd. (formerly Peace Bank of Korea and merged into Woori Bank on March 31, 2004) and Woori Investment Bank (merged into Woori Bank on July 31, 2003), whose shares were contributed to the Company by the Korea Deposit Insurance Corporation (the KDIC) in accordance with the provisions of the Financial Holding Company Act. As a result of its functional restructuring, the Company owns 10 subsidiaries and 19 2nd-tier subsidiaries as of September 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 September 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% ownership).

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

(2) The structure of the Company and its subsidiaries as of September 30, 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 | Sep. 30 |
| " | Kyongnam Bank | 51,800,000 | 99.9 | 51,800,000 | 99.9 | Sep. 30 |
| " | Kwangju Bank | 44,080,000 | 99.9 | 44,080,000 | 99.9 | Sep. 30 |
| " | Woori Finance Information System Co., Ltd. | 900,000 | 100.0 | 900,000 | 100.0 | Sep. 30 |
| " | Woori F&I Co., Ltd. | 2,000,000 | 100.0 | 2,000,000 | 100.0 | Sep. 30 |
| " | Woori Third Asset Securitization Specialty Co., Ltd. | 2,000 | 100.0 | 2,000 | 100.0 | Sep. 30 |
| " | Woori Investment Securities Co., Ltd. | 46,324,981 | 35.0 | 46,324,981 | 35.0 | Sep. 30 |
| " | Woori Credit Suisse Asset Management Co., Ltd. | 4,663,400 | 70.0 | 4,663,400 | 70.0 | Sep. 30 |
| " | | 2,000,000 | 100.0 | 2,000,000 | 100.0 | Sep. 30 |

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| | | | | | | |
|---------------------|-------------------------------------|------------|-------|------------|-------|-------------|
| | Woori Private Equity Co., Ltd. | | | | | |
| " | Hanmi Capital Co., Ltd.(*1) | 8,499,955 | 50.1 | | | Sep. 30 |
| Woori Bank | Woori Credit Information Co., Ltd. | 1,008,000 | 100.0 | 1,008,000 | 100.0 | Sep.30(*6) |
| " | Woori America Bank | 10,500,000 | 100.0 | 10,500,000 | 100.0 | Sep. 30(*6) |
| " | PT. Bank Woori Indonesia | 1,618 | 95.2 | 1,618 | 95.2 | Sep. 30(*6) |
| " | Korea BTL Infrastructure Fund | 7,937,899 | 100.0 | 7,937,899 | 100.0 | Sep. 30 |
| " | Woori Global Market Asia Limited | 39,000,000 | 100.0 | 39,000,000 | 100.0 | Sep. 30(*6) |
| Woori F&I Co., Ltd. | Woori SB Asset Management Co., Ltd. | 408,000 | 51.0 | 408,000 | 51.0 | Sep. 30 |

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| Parent companies | Subsidiaries | 2007 | | 2006 | | Financial statements as of |
|---|---|------------------------|-----------------------------|------------------------|-----------------------------|----------------------------|
| | | Number of shares owned | Percentage of ownership (%) | Number of shares owned | Percentage of ownership (%) | |
| Woori Investment Securities Co., Ltd. | Woori Futures Co., Ltd. | 5,000,000 | 100.0 | 5,000,000 | 100.0 | Sep. 30 |
| " | Woori Investment Securities Int 1 Ltd. | 5,788,000 | 100.0 | 5,788,000 | 100.0 | Sep. 30(*6) |
| " | Woori Investment Securities (H.K.) Ltd. | 22,500,000 | 100.0 | 22,500,000 | 100.0 | Sep. 30(*6) |
| " | Woori Investment Securities America, Inc. | 300 | 100.0 | 300 | 100.0 | Sep. 30(*6) |
| " | LG Investment Holding B.V. (Amsterdam) GG | 1,642,398,242 | 100.0 | 1,642,398,242 | 100.0 | Sep. 30(*6) |
| " | High Technology Venture Investment | 208,000 | 42.9 | 208,000 | 42.9 | Sep. 30(*6) |
| " | Global Technology Investment | 592,000 | 50.0 | 592,000 | 50.0 | Sep. 30(*6) |
| " | MARS First Private Equity Fund | 9,000,000 | 52.9 | 9,000,000 | 52.9 | Sep. 30(*6) |
| " | MARS Second Private Equity Fund (*2) | 2,418 | 8.9 | | | Sep. 30(*6) |
| " | Connacht Capital Market Investment (*3) | 15,000,000 | 100.0 | | | Sep. 30(*6) |
| " | Woori Investment Asia Pte. Ltd. (*4) | 50,000,000 | 100.0 | | | Sep. 30(*6) |
| Woori, Kyongnam & Kwangju Bank, Woori Investment Securities, Woori F&I & Woori PE | Woori Private Equity Fund | 78,858 | 61.0 | 1,613 | 60.6 | Sep. 30 |
| Woori Private Equity Fund | Kumho Investment Bank (*5) | 7,100,000 | 41.4 | | | Jun. 30 |

(*1) On September 14, 2007, the Company acquired 8,499,955 shares (50.1%) of Hanmi Capital Co., Ltd. (Hanmi Capital) by WON 271,149 million and it has been included in consolidation scope of the Company. In addition, on October 26, 2007, Hanmi Capital changed its corporate name into Woori Financial Co., Ltd. (Woori Financial).

(*2) 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.

(*3) 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 nine months ended September 30, 2007.

(*4)

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On August 31, 2007, Woori Investment Securities acquired the whole interest of Woori Investment Asia Pte. Ltd. (Woori Investment Asia) in Singapore and included Woori Investment Asia in its consolidation scope.

(*5) On June 26, 2007, Woori Private Equity Fund acquired 7,100,000 shares (41.4%) of Kumho Investment Bank.

(*6) The financial statements as of September 30, 2007 are not reviewed.

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statement Presentation

The Company maintains its official accounting records in Korean won and prepares statutory 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 920.70 to US\$ 1.00 at September 30, 2007, 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.

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 September 30, 2007 interim period and year-to-date period. However, statements of cash flows and changes in shareholders' equity have been prepared for the nine months ended September 30, 2007. The Company presented those of the corresponding periods of the prior year for the comparative purpose.

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

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

| | January 1, 2007 | Gain (loss) on valuation using the equity method | Other comprehensive income | Retained earnings | Acquisition | Dividends | September 30, 2007 |
|-----------------------------|--------------------|--|----------------------------------|----------------------|-------------|---------------|-----------------------|
| Woori Bank | WON 11,297,882 | WON 1,557,474 | WON (15,834) | WON 402 | WON | WON (424,819) | WON 12,415,105 |
| Kyongnam Bank | 794,984 | 145,723 | 933 | (2) | | (30,976) | 910,662 |
| Kwangju Bank | 630,995 | 102,589 | 4,204 | | | (18,029) | 791,759 |
| WFIS | 11,245 | (2,497) | | | | (2,250) | 6,498 |
| Woori F&I | 124,874 | 35,118 | (3,463) | | | (14,146) | 142,383 |
| Woori 3 rd SPC | 24,317 | (107) | (11,001) | | | | 13,209 |
| Woori Investment Securities | 649,355 | 65,967 | 28,861 | | | (34,744) | 709,439 |
| Woori CS | 47,655 | 7,022 | 14 | | | (8,394) | 46,297 |
| Woori PE | 10,106 | 1,829 | 5 | (1) | | | 11,939 |
| Hanmi Capital | | | | | 271,149 | | 271,149 |
| | WON 13,591,413 | WON 1,913,118 | WON 3,719 | WON 399 | WON 271,149 | WON (533,358) | WON 15,246,440 |

| | January 1, 2006 | Gain (loss) on valuation using the equity method | Other comprehensive income | Retained earnings | Other decrease | December 31, 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 |

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

| | Other | | Dividends | Total |
|-----------------------------|---------------|--------------|---------------|---------------|
| | non-operating | Acquisition | | |
| | 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.

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

| | Jan. 1, 2007 | Acquisition | Amortization | Sep. 30, 2007 |
|-----------------------------|--------------|-------------|--------------|---------------|
| Woori F&I | WON 70 | WON | WON 3 | WON 67 |
| Woori Investment Securities | (2,494) | | (68) | (2,426) |
| Hanmi Capital | | 192,152 | | 192,152 |
| | WON (2,424) | WON 192,152 | WON (65) | WON 189,793 |

| | 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) |

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

| | Jan. 1, 2007 | Realized | Incurred | Sep. 30, 2007 |
|-----------------------------|--------------|-------------|-------------|---------------|
| Woori Bank | WON 588 | WON (4,097) | WON (3,567) | WON (7,076) |
| Kyongnam Bank | 5 | (3) | 101 | 103 |
| Kwangju Bank | 3,688 | 4,459 | 152 | 8,299 |
| WFIS | 1,726 | 493 | | 2,219 |
| Woori F&I | (384) | (250) | | (634) |
| Woori 3 rd SPC | (139) | | | (139) |
| Woori Investment Securities | | 3 | (122) | (119) |
| | WON 5,484 | WON 605 | WON (3,436) | WON 2,653 |

- (5) The market value of Woori Investment Securities and Hanmi Capital are WON 1,199,817 million (WON 25,900 per share) and WON 161,499 million (WON 19,000 per share) as of September 30, 2007.

4. LOANS

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

| | Issuance | Maturity | Annual interest | 2007 | 2006 |
|----------------|---------------|---------------|-----------------|------|------------|
| | date | date | rate (%) | 2007 | 2006 |
| Woori F&I (*1) | Mar. 25, 2003 | Mar. 25, 2007 | 7.3 | WON | WON 27,000 |
| " | Jul. 7, 2003 | Jul. 7, 2007 | 7.3 | | 23,000 |

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| | |
|------------------------------------|------------|
| | 50,000 |
| Allowance for possible loan losses | (250) |
| | WON |
| | 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.

Table of Contents**5. FIXED ASSETS AND INTANGIBLE ASSETS**

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

| | Jan. 1, 2007 | Acquisition | Disposition | Depreciation | Sep. 30, 2007 |
|-------------------------|--------------|-------------|-------------|--------------|---------------|
| Furniture and equipment | WON 596 | WON 35 | WON | WON 210 | WON 421 |
| Leasehold improvements | 34 | 44 | | 15 | 63 |
| Others | | 27 | | | 27 |
| | WON 630 | WON 106 | WON | WON 225 | WON 511 |

| | 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 |

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

| | Jan. 1, 2007 | Acquisition | Amortization | Sep. 30, 2007 |
|----------------------------|--------------|-------------|--------------|---------------|
| Software | WON 3 | WON | WON 1 | WON 2 |
| Industrial property rights | 27 | 2 | 9 | 20 |
| | WON 30 | WON 2 | WON 10 | WON 22 |

| | 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 September 30, 2007, accumulated amortization of software and industrial property rights amount to WON 32 million and WON 66 million, respectively.

6. OTHER ASSETS

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

| | 2007 | 2006 |
|------------------------------|------------|-----------|
| Guarantee deposits (Note 17) | WON 26,019 | WON 4,178 |

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| | | |
|-------------------------------------|------------|------------|
| Other receivables (Notes 11 and 17) | 1,934 | 3,276 |
| Dividend receivables | 53,869 | 53,869 |
| Accrued income (Note 17) | 1,137 | 448 |
| Prepaid expenses | 248 | 203 |
| Prepaid Income Taxes | 14 | |
| Intangible assets (Note 5) | 22 | 30 |
| | WON 83,243 | WON 62,004 |

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Table of Contents**7. BORROWINGS AND DEBENTURES**

(1) Borrowings as of September 30, 2007 are as follows (Korean won in millions):

| Lender | Annual interest | | Line of credit | Amounts |
|--------------|-----------------|--------------|----------------|-------------|
| | rate (%) | Maturity | | |
| Shinhan Bank | CD(3M)+0.68 | Jan.10, 2008 | WON 270,000 | WON 270,000 |
| | | | WON 270,000 | WON 270,000 |

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

| | Issuance date | Annual interest rate (%) | Maturity | Amounts | |
|------------------------------|------------------|--------------------------------|---------------|---------------|---------------|
| | | | | 2007 | 2006 |
| 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 |
| The 14th bonds | Nov. 23, 2004 | 3.49 | Nov. 23, 2007 | 300,000 | 300,000 |
| The 15th bonds | Jun. 21, 2005 | 4.31 | Jun. 21, 2010 | 250,000 | 250,000 |
| The 16th bonds | Sep. 28, 2005 | 5.10 | Sep. 28, 2008 | 200,000 | 200,000 |
| The 18-1 st bonds | Aug. 30, 2007 | 5.71 | Aug. 30, 2010 | 250,000 | |
| The 18-2 nd bonds | Aug. 30, 2007 | 5.79 | Aug. 30, 2012 | 250,000 | |
| | | | | 2,350,000 | 1,850,000 |
| Less: discounts | | | | (2,917) | (2,409) |
| | | | | WON 2,347,083 | WON 1,847,591 |

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 2,432 million and WON 2,363 million as of September 30, 2007 and December 31, 2006, respectively.

The details of changes in the accrued severance benefits for the nine months ended September 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 | 588 | 880 |
| Retirement indemnities payment | (519) | (497) |

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Ending balance

WON 2,432

WON 2,363

The Company has deposited employee retirement insurance at Woori Bank. As of September 30, 2007 and December 31, 2006, the deposits, amounting to WON 1,574 million and WON 2,002 million, respectively, are presented as a deduction from accrued severance benefits.

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Table of Contents**9. OTHER LIABILITIES**

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

| | 2007 | 2006 |
|--|------------|------------|
| Accrued severance benefits (Note 8) | WON 2,432 | WON 2,363 |
| Deposits with employee retirement insurance trust (Notes 8 and 17) | (1,574) | (2,002) |
| Other payables (Note 17) | 200 | 651 |
| Accrued expenses (Note 11) | 11,863 | 11,682 |
| Withholdings | 283 | 164 |
| | WON 13,204 | WON 12,858 |

10. SHAREHOLDERS EQUITY

(1) The authorized and issued shares of common stock as of September 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.

(3) As of September 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.

(4) The changes in retained earnings from December 31, 2006 to September 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 | 399 |
| Net income for the nine months ended September 30, 2007 | 1,827,612 |
| Balance - September 30, 2007 | WON 1,831,768 |

Table of Contents**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 894,000 stock options were exercised amounting to WON 8,688 million until September 30, 2007. In connection with this, the Company revalued stock based compensation and recorded WON 2,652 million of the stock-based payment as a liability as of September 30, 2007.
- (2) The summary of stock-based compensation granted as of September 30, 2007 is as follows:

| | Type A | Type B |
|--------------------------------------|---|-------------------|
| Settlement | 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 | 554,000 shares | 340,000 shares |
| Exercisable number of rights | 166,000 shares | 80,000 shares |
| Value per right | WON 9,115 | WON 14,236 |
| Stock-based compensation liabilities | WON 1,513 million | WON 1,139 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 1,934 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 loss for the nine months ended September 30, 2007 and 2006 are as follows (Korean won in millions):

| | 2007 | | 2006 |
|--|---------------|--------------|---------------|
| Net income before income tax | WON 1,827,612 | | WON 1,597,156 |
| Non-temporary differences: | | | |
| Addition: | | | |
| Investment securities | 4,118 | | 485,905 |
| Stock Compensation | | | 1,010 |
| Entertainment expense in excess of tax limit | 406 | | 325 |
| Other | 120 | | 63 |
| | 4,644 | | 487,303 |
| Deduction: | | | |
| Dividend income | 495,077 | | 708,688 |
| Investment securities | | | 1,104 |
| | 495,077 | (490,433) | 707,792 |
| | | | (222,489) |
| Temporary differences: | | | |
| Addition: | | | |
| Long-term other receivables-prior year | 1,342 | | 2,743 |
| Unsettled expense | 4,220 | | 1,458 |
| Other | 608 | | 935 |
| | 6,170 | | 5,136 |
| Deduction: | | | |
| Long-term other receivables-current year | 1,477 | | 3,769 |
| Investment securities | 1,383,878 | | 1,386,837 |
| Other | 2,741 | | 3,805 |
| | 1,388,096 | (1,381,926) | 1,394,411 |
| | | | (1,389,275) |
| Taxable income before donation adjustment | | (44,747) | (14,608) |
| Excess donation expense | | 120 | 9 |
| Taxable loss | | WON (44,627) | WON (14,599) |

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

| <2007> | Jan. 1, 2007 | Decrease | Increase | Sep. 30, 2007 | Deferred tax |
|--------|--------------|----------|----------|---------------|--------------|
|--------|--------------|----------|----------|---------------|--------------|

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assets

(liabilities)

| | | | | | |
|---|-----------------|---------------|-----------------|-----------------|------------------|
| Investment securities | WON (4,461,245) | WON (535,962) | WON (1,916,121) | WON (5,841,404) | WON (*1)(74,354) |
| Accrued expenses | 2,153 | 2,153 | 4,220 | 4,220 | 1,160 |
| Accrued severance benefits | 1,418 | | 608 | 2,026 | 557 |
| Employee retirement deposits | (1,418) | | (588) | (2,006) | (552) |
| Depreciation | 178 | | | 178 | 49 |
| Long-term receivables | (3,276) | (1,342) | | (1,934) | (532) |
| Long-term accrued expenses | 4,129 | 1,477 | | 2,652 | 729 |
| Other comprehensive income due to the equity method of accounting | (2,322,288) | | (3,719) | (2,326,007) | (*1)(44,718) |
| Gain on disposal of investments using the equity method | 34,604 | | | 34,604 | 9,516 |
| Total | WON (6,745,745) | WON (533,674) | WON (1,915,600) | WON (8,127,671) | WON (108,145) |
| Tax loss carry-forwards | WON 219,103 | WON | WON 44,627 | WON 263,730 | WON 72,525 |

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| <2006> | Jan. 1, 2006 | Decrease | Increase | Sep. 30, 2006 | Deferred tax |
|---|------------------------|-------------------|------------------------|------------------------|---------------------|
| | | | | | assets |
| | | | | | (liabilities) |
| Investment securities | WON (3,200,579) | WON 12,970 | WON (921,799) | WON (4,135,348) | WON (*1) (38,055) |
| Accrued expenses | 2,770 | 2,770 | 1,458 | 1,458 | 401 |
| Accrued severance benefits | 1,188 | 306 | 604 | 1,486 | 409 |
| Employee retirement deposits | (1,188) | (306) | (604) | (1,486) | (409) |
| Depreciation | 41 | 18 | 26 | 49 | 13 |
| Long-term receivables | (6,090) | (2,744) | | (3,346) | (920) |
| Dividend receivables | 108 | 108 | | | |
| Long-term accrued expenses | 7,937 | 3,769 | | 4,168 | 1,146 |
| Other comprehensive income due to the equity method of accounting | (1,710,854) | 768 | (485,905) | (2,197,527) | (*1) (36,478) |
| Gain On disposal of investments using the equity method | | | 34,604 | 34,604 | 9,516 |
| Total | WON (4,906,667) | WON 17,660 | WON (1,371,617) | WON (6,295,942) | WON (64,377) |
| Tax loss carry-forwards | WON 222,067 | WON | WON 14,599 | WON 236,666 | WON 65,082 |

(*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 | 44,627 | | 44,627 | Dec. 31, 2012 |
| | WON 263,730 | WON | WON 263,730 | |

(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 nine months ended September 30, 2007 and 2006, the significant non-cash transactions as follows (Korean won in millions):

| Transactions | 2007 | 2006 |
|--------------|------|------|
|--------------|------|------|

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| | | |
|--|-----------|-------------|
| Changes in other comprehensive income due to the equity method of accounting | WON 3,719 | WON 486,673 |
| Changes in retained earnings due to the equity method of accounting | 399 | (1,104) |
| Increase in dividend receivables | | 108 |
| Increase in stock options subject to subsidiaries | | 2,744 |

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

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

| | 2007 | | 2006 | |
|---|--------------|-------------|--------------|-------------|
| | Three months | Nine months | Three months | Nine months |
| Salaries, wages and bonuses | WON 2,864 | WON 8,641 | WON 2,596 | WON 7,358 |
| Provision for severance benefits (Note 8) | 230 | 588 | 139 | 515 |
| Voluntary retirement benefits | | 176 | | |
| Fringe benefits | 232 | 695 | 200 | 568 |
| Rent (Note 17) | 206 | 1,388 | 583 | 1,736 |
| Entertainment | 211 | 549 | 175 | 479 |
| Depreciation (Note 5) | 76 | 225 | 11 | 63 |
| Amortization (Note 5) | 3 | 10 | 5 | 16 |
| Taxes and dues | 13 | 55 | 14 | 53 |
| Advertising | 27 | 180 | 442 | 5,975 |
| Travel | 129 | 346 | 70 | 169 |
| Telecommunications | 28 | 107 | 23 | 68 |
| Service fees (Note 17) | 582 | 1,669 | 544 | 1,660 |
| Suppliers | 20 | 97 | 18 | 61 |
| Others (Note 17) | 307 | 858 | 224 | 714 |
| | WON 4,928 | WON 15,584 | WON 5,044 | WON 19,435 |

15. FINANCIAL INFORMATION OF SUBSIDIARIES

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

| | Total | | |
|-----------------------------|-----------------|-------------------|---------------------|
| | Total assets | Total liabilities | shareholders equity |
| Woori Bank | WON 191,177,485 | WON 178,750,525 | WON 12,426,960 |
| Kyongnam Bank | 18,485,509 | 17,574,951 | 910,558 |
| Kwangju Bank | 15,405,961 | 14,694,378 | 711,583 |
| WFIS | 214,377 | 210,097 | 4,280 |
| Woori F&I | 217,800 | 71,030 | 146,770 |
| Woori 3 rd SPC | 67,238 | 53,890 | 13,348 |
| Woori Investment Securities | 15,566,777 | 13,011,105 | 2,555,672 |
| Woori CS | 77,723 | 11,584 | 66,139 |
| Woori PE | 12,593 | 654 | 11,939 |
| Hanmi Capital | 889,123 | 709,792 | 179,331 |
| Total | WON 242,114,586 | WON 225,088,006 | WON 17,026,580 |

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

| | Operating revenue | Operating expenses | Operating income (loss) | Income(loss) before income tax | Net income (loss) |
|------------------------------|----------------------|-----------------------|-------------------------------|--------------------------------------|-------------------|
| Woori Bank | WON 14,279,475 | WON 12,150,831 | WON 2,128,644 | WON 2,157,855 | WON 1,580,832 |
| Kyongnam Bank | 936,112 | 739,760 | 196,352 | 198,514 | 145,272 |
| Kwangju Bank | 711,496 | 579,055 | 132,441 | 137,852 | 100,852 |
| WFIS | 196,528 | 199,459 | (2,931) | (3,149) | (2,990) |
| Woori F&I | 49,722 | 9,871 | 39,851 | 49,967 | 35,495 |
| Woori 3 rd SPC | 7 | 114 | (107) | (107) | (107) |
| Woori Investments Securities | 2,328,671 | 2,022,155 | 306,516 | 297,315 | 221,802 |
| Woori CS | 35,722 | 18,163 | 17,559 | 14,200 | 10,031 |
| Woori PE | 3,844 | 1,712 | 2,132 | 2,462 | 1,829 |
| Hanmi Capital | 110,547 | 104,436 | 6,111 | 10,225 | 8,678 |
| | WON 18,652,124 | WON 15,825,556 | WON 2,826,568 | WON 2,865,134 | WON 2,101,694 |

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

1) Significant liabilities

| | Deposits | Borrowings | Debentures | Total |
|-----------------------------|-----------------|----------------|----------------|-----------------|
| Woori Finance Holdings | WON | WON 270,000 | WON 2,347,083 | WON 2,617,083 |
| Woori Bank | 116,231,046 | 15,269,668 | 27,808,076 | 159,308,790 |
| Kyongnam Bank | 10,979,031 | 3,247,701 | 1,726,212 | 15,952,944 |
| Kwangju Bank | 10,705,957 | 2,322,464 | 1,073,355 | 14,101,776 |
| WFIS | | 148,500 | | 148,500 |
| Woori F&I | | 53,650 | | 53,650 |
| Woori Investment Securities | 1,690,159 | 10,509,049 | 399,410 | 12,598,618 |
| Hanmi Capital | | 266,900 | 310,049 | 576,949 |
| Total | WON 139,606,193 | WON 32,087,932 | WON 33,664,185 | WON 205,358,310 |

2) Significant assets

| | Cash and due | | | |
|------------------------|--------------|----------------|-------------|----------------|
| | from banks | Securities | Loans | Total |
| Woori Finance Holdings | WON 581,288 | WON 15,246,440 | WON | WON 15,827,728 |
| Woori Bank | 5,070,961 | 33,644,647 | 136,146,019 | 174,861,627 |
| Kyongnam Bank | 1,144,448 | 3,906,195 | 12,068,685 | 17,119,328 |
| Kwangju Bank | 1,178,406 | 4,092,306 | 9,669,309 | 14,940,021 |
| WFIS | 4,456 | 50 | | 4,506 |

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| | | | | |
|-----------------------------|---------------|----------------|-----------------|-----------------|
| Woori F&I | 14,494 | 179,732 | | 194,226 |
| Woori 3 rd SPC | 374 | 66,864 | | 67,238 |
| Woori Investment Securities | 1,770,771 | 10,495,374 | 2,168,597 | 14,434,742 |
| Woori CS | 59,002 | 1,040 | 956 | 60,998 |
| Woori PE | 6,693 | 4,346 | | 11,039 |
| Hanmi Capital | 4,786 | 28,004 | 606,708 | 639,498 |
| | WON 9,835,679 | WON 67,664,998 | WON 160,660,274 | WON 238,160,951 |

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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 September 30, 2007 are summarized as follows (Korean won in millions):

| | Loans subject to allowance for possible loan losses | Allowance | Percentage of allowance to loans (%) |
|-----------------------------|---|----------------------|--|
| Woori Bank | WON 137,955,096 | WON 1,809,077 | 1.31 |
| Kyongnam Bank | 12,198,987 | 130,302 | 1.07 |
| Kwangju Bank | 9,773,576 | 104,267 | 1.07 |
| Woori Investment Securities | 2,307,064 | 138,467 | 6.00 |
| Woori CS | 961 | 5 | 0.52 |
| Hanmi Capital | 613,202 | 6,494 | 1.06 |
| Total | WON 162,848,886 | WON 2,188,612 | 1.34 |

16. CONTRIBUTIONS TO NET INCOME BY SUBSIDIARIES

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

| | 2007 | Ratio (%) | 2006 | Ratio (%) |
|--|----------------------|-----------|----------------------|-----------|
| Woori Bank | WON 1,557,474 | 81.4 | WON 1,243,673 | 79.3 |
| Kyongnam Bank | 145,723 | 7.6 | 139,784 | 8.9 |
| Kwangju Bank | 102,589 | 5.4 | 98,238 | 6.3 |
| WFIS | (2,497) | (0.1) | 7,017 | 0.4 |
| Woori F&I | 35,118 | 1.8 | 19,846 | 1.3 |
| Woori 3 rd SPC | (107) | | (106) | |
| Woori Investment Securities | 65,967 | 3.4 | 49,931 | 3.2 |
| Woori CS | 7,022 | 0.4 | 9,131 | 0.6 |
| Woori PE | 1,829 | 0.1 | 1 | |
| Gain on valuation using the equity method of accounting, net of loss | 1,913,118 | 100.0 | 1,567,515 | 100.0 |
| Other income | 6,715 | | 135,840 | |
| Other expenses | 92,221 | | 106,199 | |
| Net income | WON 1,827,612 | | WON 1,597,156 | |

Table of Contents**17. TRANSACTIONS WITH RELATED PARTIES**

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

| | 2007 | 2006 | Account |
|---|-------------|-------------|---|
| <Assets> | | | |
| Woori Bank | WON 431,470 | WON 67,394 | Cash and bank deposits |
| | 25,994 | 4,153 | Guarantee deposits |
| | 1,390 | 2,619 | Other receivables |
| | 622 | 116 | Accrued income |
| Kyongnam Bank | 70,818 | 11,287 | Cash and bank deposits |
| | 282 | 14 | Accrued income |
| Kwangju Bank | 79,000 | 11,043 | Cash and bank deposits |
| | 234 | 8 | Accrued income |
| WFIS | 154 | 159 | Other receivables |
| Woori F&I | | 50,000 | Loans |
| | | 310 | Accrued income |
| Woori Credit Information | 143 | 240 | Other receivables |
| Woori SB | 246 | 257 | Other receivables |
| Principal guaranteed trust accounts of Woori Bank | | | Deposits with employee retirement trust |
| | 1,574 | 2,002 | |
| | WON 611,927 | WON 149,602 | |

| | | | |
|----------------------------|---------|---------|----------------|
| <Liabilities> | | | |
| Woori Bank | WON 133 | WON 117 | Other payables |

(2) Transactions with the subsidiaries for the nine months ended September 30, 2007 and 2006 are as follows:

| | 2007 | 2006 | Account |
|---|-----------|------------|-----------------------------|
| <Revenues> | | | |
| Woori Bank | WON 3,895 | WON 4,435 | Interest income on deposits |
| Kyongnam Bank | 763 | 1,275 | Interest income on deposits |
| Kwangju Bank | 720 | 992 | Interest income on deposits |
| WFIS | | 1,414 | Interest income on loans |
| Woori F&I | 799 | 3,972 | Interest income on loans |
| Principal guaranteed trust accounts of Woori Bank | 5 | 4 | Interest income on deposits |
| | WON 6,182 | WON 12,092 | |

| | | | |
|-----------------------------|-----------|-----------|------------------|
| <Expenses> | | | |
| Woori Bank | WON 1,187 | WON 1,541 | Rent |
| Woori Investment Securities | 1,833 | | Fees |
| " | 14 | | Interest expense |
| WFIS | 1,258 | 1,311 | Service fees |
| | WON 4,292 | WON 5,644 | |

- (3) The Company compensated key management personnel for WON 2,397 million of salaries for the nine months ended September 30, 2007.

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

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

| | 2007 | | 2006 | |
|--|--------------|---------------|--------------|---------------|
| | Three months | Nine months | Three months | Nine months |
| Net income on common shares | WON 323,266 | WON 1,827,612 | WON 592,635 | WON 1,597,156 |
| Weighted average number of common shares outstanding | 806,012,783 | 806,012,783 | 806,012,788 | 806,012,788 |
| Net income per common shares | WON 401 | WON 2,267 | WON 735 | WON 1,982 |

- (2) Net income per common share for the year ended December 31, 2006 is WON 2,518. Net income per common share for three months ended March 31, 2007 and June 30, 2007 are WON 1,100 and WON 766, respectively.

19. COMPREHENSIVE INCOME STATEMENT

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

| | 2007 | | 2006 | |
|---|--------------|---------------|--------------|---------------|
| | Three months | Nine months | Three months | Nine months |
| Net income | WON 323,266 | WON 1,827,612 | WON 592,635 | WON 1,597,156 |
| Valuation using the equity method on subsidiaries | 142,422 | 3,719 | 173,520 | 398,799 |
| Comprehensive income | WON 465,688 | WON 1,831,331 | WON 766,155 | WON 1,995,955 |

20. INSURANCE

As of September 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.

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

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SIGNATURES

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

Woori Finance Holdings Co., Ltd.
(Registrant)

Date: November 14, 2007

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

Name: Byung-Ho Park
Title: Managing Director