

WOORI FINANCE HOLDINGS CO LTD
Form 6-K
May 12, 2006

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 May 2006

Woori Finance Holdings Co., Ltd.

(Translation of Registrant's name into English)

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

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

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

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

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

Yes No

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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

(2) Kwangju Bank

1. Primary Businesses

- Banking business
- Ancillary business

2. Supplementary Businesses

- Trust business
- Credit card business
- Other authorized businesses

(3) Kyongnam Bank

1. Primary Businesses

- Banking business
- Ancillary business

2. Supplementary Businesses

- Trust business
- Credit card business
- Other authorized businesses

(4) Woori Investment & Securities

1. Securities dealing;

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

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 Asset Management

1. Creation/cancellation of investment trusts;
2. Management of investment trust assets;
3. Management of mutual funds;

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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;

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;
16. Other businesses and activities related to the items listed above; and
17. Other businesses approved by relevant regulatory agencies.

(6) Woori Finance Information System

1. Development, distribution and management of computer systems;
2. Consulting services in computer installation and usage;
3. Distribution, brokerage and lease of computer systems;
4. Maintenance of computer-related equipment;
5. Publication and distribution of IT-related reports and books;
6. Educational services related to computer usage;
7. Research and outsourcing information processing services;
8. Internet-related businesses;
9. Information processing, telecommunications and information distribution services;
10. Manufacturing and distribution of audio-visual media; and

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11. All activities directly or indirectly related to the items listed above.

(7) Woori F&I

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

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

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

(9) Woori Private Equity

1. Private equity business; and
2. Other activities approved by the Indirect Investment Asset Management Business Act.

2. History of the Company

a. Company History

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

December 23, 2000	Enactment of the Financial Holding Company Act
December 30, 2000	KDIC invested public funds of Won 8.5 trillion in Hanvit Bank, Peace Bank, Kwangju Bank, Kyongnam Bank and Hanaro Merchant Bank
March 14, 2001	Filed application for the incorporation of Woori Finance Holdings
March 24, 2001	Official approval from the Financial Supervisory Service for Woori Finance Holdings
March 27, 2001	Incorporated as Woori Finance Holdings, Co. Ltd (Total Capital: Won 3.6 trillion)
April 2, 2001	Official launch of Woori Finance Holdings
July 16, 2001	Issued bonds with warrants
September 1, 2001	Hanaro Merchant Bank's name changed to Woori Merchant Bank
September 29, 2001	Woori Finance Information System incorporated as a subsidiary
December 3, 2001	Woori Asset Management incorporated as a subsidiary
December 3, 2001	Woori First Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
December 26, 2001	Woori Second Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
December 31, 2001	Spin-off and merger of Peace Bank; Launch of Woori Credit Card
March 15, 2002	Woori Third Asset Securitization Specialty Co., Ltd. incorporated as a subsidiary
March 29, 2002	Woori Investment Trust Management incorporated as a subsidiary
May 20, 2002	Havit Bank's name changed to Woori Bank
June 11, 2002	Capital increase through public offering (Total capital: Won 3.8 trillion)
June 24, 2002	Listed on the Korea Stock Exchange

July 29, 2002	Woori Securities incorporated as a subsidiary
September 5, 2002	Executed strategic investment agreement with Lehman Brothers with respect to the management of distressed assets
December 23, 2002	Purchase and acquisition agreement with the credit card division of Kwangju Bank
July 31, 2003	Woori Merchant Bank merged into Woori Bank
September 29, 2003	Listing on the New York Stock Exchange
December 12, 2003	Liquidation of Woori LB First Asset Securitization Specialty Co., Ltd.
March 30, 2004	Appointment of new management
March 31, 2004	Woori Card merged into Woori Bank
June 18, 2004	Woori Securities becomes a wholly-owned subsidiary
December 21, 2004	Capital increase through conversion of CBs (Total capital after conversion: Won 3.9 trillion)
December 24, 2004	Acquired LG Investment & Securities and incorporated as a subsidiary
February 17, 2005	Capital increase through conversion of CBs (Total capital after conversion: Won 3.9 trillion)
March 11, 2005	Capital increase through conversion of CBs (Total capital after conversion: Won 4.0 trillion)
March 31, 2005	Woori Securities and LG Investment & Securities merged (the name of the surviving entity, LG Investment & Securities, changed to Woori Investment & Securities)
May 6, 2005	Incorporated LG Investment Trust Management from 2 nd tier subsidiary to 1 st tier subsidiary
May 31, 2005	Woori Investment Trust Management and LG Investment Trust Management merged (the name of the surviving entity, LG Investment Trust Management, changed to Woori Asset Management)
August 3, 2005	Dissolution of Woori LB Second Asset Securitization Specialty Co., Ltd.
September 5, 2005	Woori Asset Management becomes a wholly-owned subsidiary through capital reduction and cancellation

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	Transfer of 30% of shares of Woori Asset Management to Credit Suisse Asset Management International Holdings, a wholly owned subsidiary of Credit Suisse.

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)
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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
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April 11, 2006	Transfer of 30% of shares of Woori Asset Management to Credit Suisse Asset Management International Holdings, a wholly owned subsidiary of Credit Suisse.

(2) Related companies within the business group

Type	Name of Company	Controlling Company	Notes
Holding Company	Woori Finance Holdings	KDIC	
1 st Tier Subsidiaries	Woori Bank Kwangju Bank Kyongnam Bank Woori Finance Information System Woori F & I	Woori Finance Holdings	9 companies
	Woori Third Asset Securitization Specialty Woori Asset Management Woori Investment & Securities Woori Private Equity		
2 nd Tier Subsidiaries	Woori Credit Information Woori America Bank P.T. Bank Woori Indonesia Shinwoo Corporate Restructuring Company	Woori Bank	
	Nexbi Tech	Woori Finance Information System	
2 nd Tier Subsidiaries	Woori SB Asset Management (1)	Woori F&I	12 companies
	Woori Futures Woori Investment & Securities International Ltd. Woori Investment & Securities (HK) Ltd. Woori Investment & Securities America Inc. Mars First Private Hoesa	Woori Investment & Securities	

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

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

3. Capital Structure**a. Changes in Capital**

(units: Won)

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

b. Anticipated Changes in Capital

Not applicable

c. Convertible Bonds

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

4. Total Number of Authorized Shares

a. Total Number of Authorized Shares

As of 2005.12.31 (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	2,551		2,551
Free float shares	806,012,789		806,012,789

b. Capital and Price per Share

As of 2006.3.31 (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	4,030,063,945,000	5,000	5,000	5,000
Total	4,030,076,700,000	4,030,076,700,000	4,030,063,945,000	5,000	5,000	5,000

c. Treasury Stock

As of 2006.3.31 (units: shares)

Acquisition		Type of Stock	Beg.	Acquired	Disposal	Canceled	End	Remarks
Method		Common						
Direct purchase under								
Sub-section 1, section 189-2		Preferred						
Direct purchase other than the conditions under		Common	2,550	1			2,551	
Sub-section 1, section 189-2		Preferred						
Subtotal		Common	2,550	1			2,551	
Indirect acquisition from trust agreement		Preferred						
Total		Common	2,550	1			2,551	
		Preferred						

d. Status of Employee Stock Option Program

		(units: Won, shares)	
		Initial	Ending
Type of stock	Type of Stock	Balance	Balance
Employee Account			
Employee Union Account	Common stock	101,793	68,493

5. Voting Rights

As of 2005.12.31		(units: shares)	
Items		Number of stock	Notes
Total number of shares	Common Shares	806,015,340	
	Preferred Shares		
Stocks without voting rights	Common Shares		
	Preferred Shares		
Stocks with limited voting rights under the Securities & Exchange Law		2,551	
Stocks with voting rights restored			
Stocks with voting rights	Common Shares	806,012,789	
	Preferred Shares		

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

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

II. Description of Business

1. Business Overview

a. Organizational Chart

As of 2006.3.31

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

Items	(units: millions of Won)		
	2006 1Q	2005	2004
Shareholders Equity	9,883,762	9,717,364	7,448,052
Capital	4,030,076	4,030,076	3,982,278
Capital Surplus	84,488	84,488	84,356
Retained Earnings	4,008,452	3,891,963	2,328,854
Capital Adjustments	1,760,745	1,710,836	1,052,565
Borrowings	2,632,639	2,314,419	2,299,992
Debtentures	2,296,558	2,296,203	2,154,637
Bank Borrowings			120,000
Commercial Paper			
Other Borrowings			
Other Liabilities	336,081	18,216	25,354
Total	12,516,401	12,031,783	9,748,044

* Change in accounting policy is reflected in 2004 figures for purpose of comparison

(2) Use of Funds

(units: millions of Won)

Items	2006 1Q	2005	2004
Subsidiary Stock	11,538,696	11,751,678	9,436,975
Woori Bank	9,507,021	9,695,213	7,589,957
Kyongnam Bank	674,431	694,275	608,802
Kwangju Bank	555,681	561,330	420,595
Woori Financial Information System	7,763	11,903	7,613
Woori F&I	99,850	114,017	58,231
Woori 3 rd Asset Securitization Specialty			
Woori Investment Trust Management			35,076
Woori Securities			361,500
Woori Investment & Securities	620,419	604,543	355,201
Woori Asset Management	64,089	60,600	
Woori Private Equity	9,442	9,797	
Loan Obligations	109,450	109,450	218,641
Tangible Assets	90	119	228
Intangible Assets	30	35	54
Cash	800,209	104,072	56,099
Other Assets	67,925	66,428	36,047
Total	12,516,401	12,031,783	9,748,044

c. Transactions related to Commission Fees

(units: millions of Won)

Category	Items	2006 1Q	2005 1Q	2005
Commission Revenue (A)		0	0	0
Commission Expense (B)		1,457	1,056	6,641
Commission Profit (A-B)		(1,457)	(1,056)	(6,641)

3. Other Information Relevant to Investment Decisions

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

a. Won-denominated Current Ratio

(units: millions of Won)

Items	2006 1Q	2005	2004	2003
Current Assets (A)	800,606	111,091	57,346	203,202
Current Liabilities (B)	485,706	18,216	11,385	9,711
Current Ratio (A/B)	164.83%	609.85%	503.70%	2,092.5%

* **Current ratio**
 = assets with maturity of less than 3 months
 liabilities with maturity of less than 3 months

b. Foreign Currency-denominated Current Ratio

(units: millions of Won)

Items	2006 1Q	2005	2004	2003
Current Assets (A)				147,754
Current Liabilities (B)				148,598
Current Ratio (A/B)				99.4%

* **Current ratio**
 = assets with maturity of less than 3 months
 liabilities with maturity of less than 3 months

c. Debt Ratio

(units: millions of Won)

Items	2006 1Q	2005	2004	2003
Liabilities (A)	2,632,639	2,314,418	2,299,992	2,649,920
Equity (B)	9,883,762	9,717,364	7,448,052	5,597,895
Debt Ratio (A/B)	26.64%	23.8%	30.9%	47.3%

d. Credit ratings for the past three years

Date of Rating	Evaluated Securities	Credit	Company	Evaluation
		Rating	(Ratings Range)	Category
2001.6.27	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2001.6.28	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2001.9.26	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2001.9.26	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2001.11.29		BBB-	R&I (AAA~C)	Case evaluation
2002.10.17	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2002.10.22	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2002.11. 8		BBB-	R&I (AAA~C)	Periodic evaluation
2002.12.13	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2002.12.16	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2003.6.30	Debentures	AA+	KIS Ratings (AAA~D)	Periodic evaluation
2003.9.8	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
2003.9.8	Debentures	AAA	KIS Ratings (AAA~D))	Case evaluation
2003.11.13		BBB	R&I (AAA~C)	Periodic evaluation
2003.12.04	Debentures	AAA	NICE (AAA~D)	Case evaluation
2003.12.04	Debentures	AAA	KIS Ratings (AAA~D))	Case evaluation
2004.2.6		BBB	Fitch Rating (AAA~D)	Case evaluation
2004.3.11		BBB	S&P (AAA~D)	Case evaluation
2004.5.27		Baa3	Moody s (Aaa~C)	Case evaluation
2004.6.9	Debentures	AAA	KIS Ratings (AAA~D))	Case evaluation
2004.6.9	Debentures	AAA	NICE (AAA~D)	Case evaluation
2004.7.16	Debentures	AAA	NICE (AAA~D)	Case evaluation
2004.7.16	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
2004.11.15	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
2004.11.15	Debentures	AAA	KIS Ratings (AAA~D)	Case evaluation
2005.6.7		BBB	S&P (AAA~D)	Case evaluation
2005.6.9	Debentures	AAA	KIS Ratings (AAA~D)	Case evaluation
2005.6.13	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
2005.9.16	Debentures	AAA	NICE (AAA~D)	Case evaluation
2005.9.20	Debentures	AAA	KIS Ratings (AAA~D)	Case evaluation
2005.10.24		BBB+	Fitch Rating (AAA~D)	Case evaluation

e. Other Important Information

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

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

(units: millions of Won)

Items	2006 1Q	2005	2004	2003	2002
Cash and Due from Banks	800,209	104,072	56,099	349,585	73,256
Securities	11,538,696	11,751,678	9,436,976	7,007,222	6,062,119
Loans	109,450	109,450	218,641	830,566	1,231,207
Fixed Assets	121	155	282	293	374
Other Assets	67,925	66,428	36,046	60,148	22,195
Total Assets	12,516,401	12,031,783	9,748,044	8,247,814	7,389,151
Borrowings	0	0	120,000	0	300,000
Debentures	2,296,558	2,296,203	2,154,636	2,621,182	1,999,250
Other Liabilities	336,081	18,216	25,355	28,737	25,772
Total Liabilities	2,632,639	2,314,419	2,299,991	2,649,919	2,325,022
Common Stock	4,030,077	4,030,077	3,982,278	3,877,525	3,839,074
Capital Surplus	84,488	84,488	84,356	61,324	58,645
Retained Earnings	4,008,452	3,891,963	2,328,854	1,282,866	1,145,518
Capital Adjustment	1,760,745	1,710,836	1,052,565	376,180	20,892
Total Stockholder's Equity	9,883,762	9,717,364	7,448,053	5,597,895	5,064,129
Operating Income*	475,306	1,867,488	1,922,849	1,593,251	878,488
Operating Expenses *	35,236	179,189	662,975	1,390,154	302,721
Operating Profit	440,070	1,688,299	1,259,874	203,097	575,767
Ordinary Income	440,107	1,688,221	1,261,925	202,565	589,214
Net profit	440,107	1,688,221	1,261,925	202,565	589,214

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

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

2. Condensed Financial Statements (Consolidated)

(units: millions of Won)

Items	2005	2004	2003	2002	2001
Cash and Due from Banks	11,224,015	6,530,065	6,471,855	6,568,852	6,432,890
Securities	37,693,090	29,175,271	27,006,677	26,452,509	25,024,333
Loans	106,937,970	91,482,647	86,077,297	73,604,113	59,876,198
Fixed Assets	2,684,534	2,646,979	2,734,616	2,796,183	2,831,851
Other Assets	6,003,239	6,767,002	6,477,275	5,421,877	5,920,545
Total Assets	164,542,848	136,601,964	128,767,720	114,843,534	100,058,817
Deposits	107,087,991	92,148,907	89,049,625	78,917,388	69,332,217
Borrowings	16,508,102	13,285,773	12,813,104	13,839,614	13,742,572
Debentures	18,813,020	13,687,295	12,195,159	10,792,932	5,491,533
Other Liabilities	11,028,773	8,774,709	9,011,532	5,978,833	7,080,301
Total Liabilities	153,437,886	127,896,684	123,069,420	109,528,767	95,646,623
Common Stock	4,030,077	3,982,278	3,877,525	3,839,074	3,637,293
Consolidated Capital Surplus	142,608	170,960	57,844	25,029	
Consolidated Retained Earnings	3,896,255	2,333,145	1,152,053	1,151,113	558,852
Consolidated Capital Adjustment	1,652,709	965,957	414,969	54,506	-116,546
Minority Interest	1,383,313	1,252,940	195,909	245,045	359,595
Total Stockholder's Equity	11,104,962	8,705,280	5,698,300	5,314,767	4,439,194
Operating Income (1)	14,258,430	13,245,482	10,403,445	9,623,990	10,159,156
Operating Expenses (2)	12,227,877	12,138,088	10,060,209	8,908,732	9,847,439
Operating Profit	2,030,553	1,107,394	343,236	715,258	311,717
Non-operating Income	573,219	482,946	639,883	540,113	1,190,685
Non-operating Expenses	458,068	397,766	752,057	800,487	937,984
Ordinary Income	2,145,704	1,192,574	231,062	454,884	564,418
Aggregated Net Profit	1,833,521	1,261,052	52,374	613,576	736,616
Consolidated Net Profit	1,688,221	1,261,925	56,279	591,588	686,287
No. of Companies Consolidated	21	24	15	17	17

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

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

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
2006 1Q	Lendings	110,000	550	0.5%
	Loans			
	Total	110,000	550	0.5%
2005	Lendings	110,000	550	0.5%
	Loans			
	Total	110,000	550	0.5%
2004	Lendings	151,850	759	0.5%
	Loans	67,890	339	0.5%
	Total	219,740	1,098	0.5%

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

(units: millions of Won)

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

4. Notes on Consolidated Financial Statements

(1) Auditor's opinion

Item	2005	2004	2003	2002	2001
Auditor	Deloitte Anjin	Deloitte HanaAnjin	Deloitte & Touche	Deloitte & Touche	Arthur Andersen
Auditor's Opinion	Unqualified Opinion	Unqualified 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
2005	Woori Finance Holdings and 21 companies	- Woori Private Equity	- Woori Investment Trust Management - Woori Securities - Woori Second SPC - Woori First Private Investment Company
2004	Woori Finance Holdings and 24 companies	- Woori First Private Investment Company - LG Investment & Securities - LG Futures - LG Investment Trust Management - LG Investment & Securities Int'l Ltd. - LG Investment & Securities (H.K.) Limited - LG Investment & Securities America, Inc. - LG Investments Holding B.V. (Amsterdam)GG - High Technology Venture Investment - Global Technology Investment	- Woori Credit Card
2003	Woori Finance Holdings and 15 companies		- Woori Merchant Bank - Woori First SPC

IV. Independent Auditor's Opinion

1. Independent Auditor's Opinion

a. Independent Auditor

2006 1Q
Deloitte Anjin

2005
Deloitte Anjin

2004
Deloitte HanaAnjin

2003
Deloitte & Touche

2. Compensation to the Independent Auditor

a. Auditing Service

(units: millions of Won)

Year	Auditor	Activity	Compensation	Accrued Time (hr)
2006 1Q	Deloitte Anjin	Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated)	320	1,158
2005	Deloitte Anjin	Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated)	320	5,950
2004	Deloitte HanaAnjin	Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated)	310	7,158
2003	Deloitte & Touche	Quarter, Half Year, Annual Interim Financial Statements (Consolidated, Non-consolidated)	283	6,751

b. Compensation for services other than the Audit

(units: thousands of dollars)

Year	Contract Date	Activity	Period	Comp.	Note
2006 1Q					
2005	2006.2.9	US GAAP Auditing	2005.12-2006.5	1,950	Deloitte Anjin
2004	2005.3.25	US GAAP Auditing	2004.12-2005.5	2,050	Deloitte HanaAnjin
2003	2003.7.30	US GAAP Auditing	2003.8-2004.5	4,500	Deloitte & Touche

V. Corporate Governance and Affiliated Companies

1. Overview of the Corporate Governance

a. About the Board of Directors

(1) Board of Directors

A. Duties of Boards of Directors

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

B. Information Regarding the Board of Directors

The following information was stated in the notice to the shareholders of the annual general meeting and in the explanation of bill on March 10 and 11, 2006, respectively.

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

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

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

<p>Non-standing Director and audit Committee</p>	<p>Sung-Kwan Huh</p>	<ul style="list-style-type: none"> - B.B.A. in Business Administration, Dong-A University - Masters in Business Administration, State University of New York at Buffalo - Ph.D. in Business Administration, State University of New York at Buffalo - Minister of Government Administration and Home Affairs - President of Gwangju Institute of Science and Technology 	<p>N/A</p>	<p>N/A</p>
<p>Non-standing Director and audit Committee</p>	<p>Bong Soo Park</p>	<ul style="list-style-type: none"> - B.B.A. in Business Administration, Seoul National University - Masters in Economics, George Washington University - Chief Director of Korea Technology Credit Guarantee Fund - Currently Executive Advisor at Korea Institute for International Economics Policy 	<p>N/A</p>	<p>N/A</p>

C. Appointment of Non-standing Directors

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

* Article 42 (Committee)

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

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

D. Committees within Board of Directors

1. BOD Management Committee

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

2. Management Compensation Committee

Name	Position	Notes
Je-Hoon Lee	Non-standing Director	
Sung-Kwan Huh	Non-standing Director	Non-standing director Je-Hoon Lee heads this committee consisting of 3 non-standing directors.
Woon-Youl Choi	Non-standing Director	

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

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

3. Risk Management Committee

Name	Position	Notes
Young-Key Hwang	Chairman and CEO	Chairman/CEO Young-Key Hwang heads this committee. The committee consists of the Chairman/CEO, CFO and no less than 3 non-standing directors.
Seung Hee Park	Senior managing director and CFO	
Sung-Tae Ro	Non-standing Director	
Sung-Kwan Huh	Non-standing Director	
Bong Soo Park	Non-standing Director	
Woon-Youl Choi	Non-standing Director	
Sung-Hwan Bae	Non-standing Director	

* Newly appointed non-standing director Sung-Kwan Huh, Bong Soo Park and reappointed Sung-Hwan Bae were appointed to the committee, and directors Sung-Tae Ro and Woon-Youl Choi were reappointed on March 28, 2005.

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

4. Audit Committee

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

* Newly appointed non-standing directors Bong Soo Park and Sung-Kwan Huh were appointed as audit committee members, and Oh-Seok Hyun resigned on March 28, 2006.

5. Executive Management Committee

Name	Position	Notes
Young-Key Hwang	Chairman and CEO	Chairman/CEO Young-Key Hwang heads the committee consisting of all executive
Seung Hee Park	Senior managing director	

and CFO

directors.

* Jong-Wook Kim resigned on March 28, 2006.

6. Ethics Management Committee

Name	Position	Notes
Young-Key Hwang	Chairman and CEO	
Seung Hee Park	Senior managing director and CFO	Non-standing director Chung-Sook Moon heads this committee consisting of all executive directors and no less than 2 non-standing directors.
Je-Hoon Lee	Non-standing Director	
Chung-Sook Moon	Non-standing Director	
Sung-Hwan Bae	Non-standing Director	

* Director Sung-Hwan Bae was appointed to the committee and directors Je-Hoon Lee and Chung-Sook Moon were reappointed on March 28, 2006.

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

7. Non-standing Director Candidate Nomination Committee

Name	Position	Notes
Young-Key Hwang	Chairman and CEO	
Je-Hoon Lee	Non-standing Director	Non-standing director Sung-Tae Ro heads this committee consisting of the Chairman/CEO and no less than 3 non-standing directors.
Sung-Tae Ro	Non-standing Director	
Bong Soo Park	Non-standing Director	
Woon-Youl Choi	Non-standing Director	

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

8. MOU Review Committee

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

* Non-standing directors Sung-Kwan Huh, Bong Soo Park were newly appointed to the committee on March 28, 2006.

* Vice chairman Jong-Wook Kim and Director Oh-Seok Hyun resigned.

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E. Stock Options

As of
2005.12.31

(units: Won, shares)

Grantee	Relationship	Grant date	Type of stock	No. of granted options	Exercised options	Cancelled options	Exercisable options	Closing price
Byung Chul	Standing director	2002.12.04	Common	100,000	95,000	5,000	0	20,100
Yoon								
Kwang Woo	Standing director	2002.12.04	Common	80,000	76,000	4,000	0	20,100
Chun								
Euoo Sung	Standing director	2002.12.04	Common	80,000	0	80,000	0	20,100
Min								
Hwan Kyu	Non-standing dir.	2002.12.04	Common	40,000	0	2,000	38,000	20,100
Park								
Ki Chul	Non-standing dir.	2002.12.04	Common	30,000	10,500	1,500	18,000	20,100
Han								
Tae Ho	Non-standing dir.	2002.12.04	Common	30,000	28,500	1,500	0	20,100
Sohn								
Won Gihl	Non-standing dir.	2002.12.04	Common	30,000	28,500	1,500	0	20,100
Sohn								
Nam Hong	Standing director	2002.12.04	Common	10,000	0	500	9,500	20,100
Cho								
Sang Chul	Standing director)	2002.12.04	Common	10,000	9,500	500	0	20,100
Lee								
Jae Woong	Standing director	2002.12.04	Common	10,000	0	500	9,500	20,100
Lee								
Gae Min	Standing director	2002.12.04	Common	10,000	0	500	9,500	20,100
Lee								
Kwang Sun	Standing director	2002.12.04	Common	10,000	0	10,000	0	20,100
Chung								
Hae-Seok	Standing director	2002.12.04	Common	10,000	0	500	9,500	20,100
Suh								
Duk Hoon	Director of related company	2002.12.04	Common	80,000	28,000	4,000	48,000	20,100
Lee								
Jong Wook	Director of related company	2002.12.04	Common	45,000	42,750	2,250	0	20,100
Kiim								

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Jin Kyu	Director of related company	2002.12.04	Common	45,000	42,750	2,250	0	20,100
Park								
Jong Ku	Director of related company	2002.12.04	Common	30,000	0	30,000	0	20,100
Min								
Jong Hwee	Director of related company	2002.12.04	Common	30,000	0	1,500	28,500	20,100
Lee								
Dong Myun	Director of related company	2002.12.04	Common	30,000	0	1,500	28,500	20,100
Suh								
Ki Shin	Director of related company	2002.12.04	Common	30,000	18,000	1,500	10,500	20,100
Kim								
Young Seok	Director of related company	2002.12.04	Common	30,000	28,500	1,500	0	20,100
Kim								
Byung Kil	Director of related company	2002.12.04	Common	30,000	0	1,500	28,500	20,100
Choi								

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	20,100
Tae Woong Chung	Director of related company	2002.12.04	Common	30,000	0	1,500	28,500	20,100
Dong Chan Bae	Director of related company	2002.12.04	Common	30,000	28,500	1,500	0	20,100
Dae Hwan Kim	Director of related company	2002.12.04	Common	10,000	0	500	9,500	20,100
Young Ha Kim	Director of related company	2002.12.04	Common	10,000	3,500	500	6,000	20,100
Young Yong Kim	Director of related company	2002.12.04	Common	10,000	3,500	500	6,000	20,100
Taik Su Han	Director of related company	2002.12.04	Common	10,000	0	500	9,500	20,100
Sang Im Park	Director of related company	2002.12.04	Common	10,000	0	500	9,500	20,100
Joon Ho Hahm	Director of related company	2002.12.04	Common	10,000	0	500	9,500	20,100
Joon Ho Lee	Director of related company	2002.12.04	Common	30,000	0	500	28,500	20,100
Joo Sun Yeom	Director of related company	2002.12.04	Common	20,000	0	1,000	19,000	20,100
Ga Seok Chae	Director of related company	2002.12.04	Common	20,000	0	1,000	19,000	20,100
Sung Wook Park	Director of related company	2002.12.04	Common	5,000	4,750	250	0	20,100
Ki Seok Kim	Director of related company	2002.12.04	Common	5,000	0	250	4,750	20,100
Jae Ki Hong	Director of related company	2002.12.04	Common	5,000	4,750	250	0	20,100
Sam Su Pyo	Director of related company	2002.12.04	Common	40,000	38,000	2,000	0	20,100
Jung Rak Chun	Director of related company	2002.12.04	Common	30,000	0	30,000	0	20,100
Won Chul Hwang	Director of related company	2002.12.04	Common	20,000	0	1,000	19,000	20,100
Jong Hwee Kim	Director of related company	2002.12.04	Common	15,000	0	150,000	0	20,100
Sung Hoo Kwak	Director of related company	2002.12.04	Common	15,000	0	15,000	0	20,100
Seok Hwan Lee	Director of related company	2002.12.04	Common	15,000	0	15,000	0	20,100
Seok Hee Hwang	Director of related company	2002.12.04	Common	40,000	0	40,000	0	20,100
Choong Wan Lee	Director of related company	2002.12.04	Common	35,000	0	35,000	0	20,100
Ki Sang Chung	Director of related company	2002.12.04	Common	30,000	0	30,000	0	20,100

Grantee	Relationship	Grant date	Type of stock	No. of granted options	Exercised	Cancelled	Exercisable	Closing Price
					options	options	options	
Ki Joong Kim	Director of related company	2002.12.04	Common	15,000	0	15,000	0	20,100
Kwang Suh Koo	Director of related company	2002.12.04	Common	15,000	0	15,000	0	20,100
In Kee Baek	Director of related company	2002.12.04		30,000	28,500	1,500	0	20,100
Seung Yang Han	Director of related company	2002.12.04		15,000	0	15,000	0	20,100
Keun Soo Yook	Director of related company	2002.12.04		15,000	0	15,000	0	20,100
Ki Jong Chung	Director of related company	2002.12.04	Common	5,000	4,750	250	0	20,100
Hun Il Nam	Director of related company	2002.12.04	Common	30,000	10,500	1,500	18,000	20,100
Young Soo Kim	Director of related company	2002.12.04	Common	30,000	28,500	1,500	0	20,100
Jin Ho Yoon	Director of related company	2002.12.04	Common	20,000	19,000	1,000	0	20,100
Seok Koo Yoon	Director of related company	2002.12.04	Common	15,000	5,250	750	9,000	20,100
Ji Yeon Joo	Director of related company	2002.12.04	Common	15,000	14,250	750	0	20,100
Ho Hyun Lee	Director of related company	2002.12.04	Common	20,000	19,000	1,000	0	20,100
Chan Kook Chung	Director of related company	2002.12.04	Common	15,000	0	750	14,250	20,100
Duk Yoon Kim	Director of related company	2002.12.04	Common	15,000	6,250	750	8,000	20,100
Young Wook Kim	Director of related company	2002.12.04	Common	15,000	0	750	14,250	20,100
Dae Kyu Ko	Director of related company	2002.12.04	Common	15,000	7,250	750	7,000	20,100
Total				1,560,000	662,750	420,000	477,250	

1. Exercised options as of March 10, 2006
2. Cancelled options reflect the deductions as stipulated in the stock option agreement for failure to meet the substandard and below loan ratio target.
3. Exercise period: December 5, 2005 ~ December 4, 2008

4. Exercise Price:

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

40% of granted = 6,800 Won

2. Related Companies

37

3. Investments in Other Companies

As of 2006.3.31

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

T y P e D O M E S T I C Foreign Total	Name	Beginning Balance			Changes		Ending Bal.			Latest Net Income *
		Quantity	Share	Cost	Quantity	Cost	Quantity	Share	Cost	
	Woori Bank	635,957	100.0	9,695,213		-188,192	635,957	100.0	9,507,021	1,425,755
	Kwangju Bank	44,080	99.9	561,330		-5,649	44,080	99.9	555,681	124,684
	Kyongnam Bank	51,800	99.9	694,275		-19,844	51,800	99.9	674,431	132,678
	Woori Finance Info Sys.	900	100.0	11,903		-4,140	900	100.0	7,763	3,473
	Woori F&I	2,000	100.0	114,017		-14,167	2,000	100.0	99,850	59,002
	Woori 3 rd SPC	2	100.0				2	100.0		16,887
	Woori Investment & Securities (formerly LGIS)	46,324	30.00	604,543		15,876	46,324	30.60	620,419	42,088
	Woori Asset Management (formerly LGITM)	6,662	100.0	60,600		3,489	6,662	100.0	64,089	5,079
	Woori Private Equity	2,000	100.0	9,797		-355	2,000	100.0	9,442	-203
	Total	789,725		11,751,678		-212,982	789,725		11,538,696	1,809,443

1. The changes in the quantity and cost are calculated from the increase or decrease under the equity method.
2. The latest net income date is December 2005, except for Woori Asset Management and Woori Investment & Securities for which the latest net income date is March 2005.
3. Due to Woori Investment & Securities profit retirement on January 24, 2006, Woori Finance Holdings percentage ownership increased without change in number of shares held.

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

As of 2006.3.31

(units:shares, %)

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

Major Shareholder: KDIC

b. Share Ownership of more than 5%

As of 2005.12.31

(units:shares, %)

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

c. Shareholder Distribution

As of 2005.12.31

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

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(Individual)

Total	41,133	100.00	806,015,340	100.0
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2. Stock Price and Stock Market Performance for the Past Six Months**a. Domestic Stock Market**

(units: Won, shares)

Period		October	November	December	January	February	March
	High	17,250	19,450	20,650	20,250	19,400	19,300
	Low	14,900	16,900	18,450	17,050	17,600	18,100
Monthly Trade Volume		79,031,958	69,802,426	53,056,336	61,197,334	43,258,838	40,768,126

b. Foreign Stock Market (NYSE)

(units: US Dollars, shares)

Period		October	November	December	January	February	March
ADR	High	50.25	55.90	61.47	63.55	60.39	59.55
	Low	43.00	49.10	52.75	52.79	54.22	55.30
Monthly Trade Volume		78,500	141,800	175,600	469,300	217,000	163,500

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

VII. Directors and Employee Information

1. Directors

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

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

* Vice chairman Jong-Wook Kim and Director Oh-Seok Hyun resigned.

2. Employee Status

(units: years, thousands of Won)

Items	Staff				Average		Note
	Admin.	Manu.	Misc.	Total	Tenure		
					Years	Quarterly Compensation	
Male	43		1	44	6	788,280	17,915
Female	5		12	17	6	121,468	7,145
Total	48		13	61	6	909,748	14,914

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
Lawyer		1	Legal advisory	
CPA		4	Financial accounting, Financial Planning, Business Planning	

VIII. Related Party Transactions

1. Transactions with Affiliated Parties

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

(units: millions of Won)

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

* Woori 2nd SPC was dissolved on August 3, 2005.

b. Payment Transactions

(units: millions of Won)

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	Subsidiary	Invested Shares	2,000			2,000	
Woori Investment & Securities (formerly known as LG Investment & Securities)	Subsidiary	Common Stock	46,324,981			46,324,981	
Woori Asset Management (formerly known as LG Investment Trust Management)	Subsidiary	Common Stock	6,662,000			6,662,000	
Woori Private Equity	Subsidiary	Common Stock	2,000,000			2,000,000	
	Total		789,725,561			789,725,561	

SIGNATURES

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

Woori Finance Holdings Co., Ltd.
(Registrant)

Date: May 12, 2006

By: /s/ Youngsun Kim
(Signature)

Name: Youngsun Kim
Title: Director

EXHIBIT A

FINANCIAL STATEMENTS

45

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

AND INDEPENDENT ACCOUNTANT S REVIEW REPORT

Audit.Tax.Consulting.Financial Advisory.

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 March 31, 2006 and the related non-consolidated statements of income and cash flows for the three months ended March 31, 2006 and 2005, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

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

Based on our reviews, nothing has come to our attention that causes us to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with accounting principles generally accepted in the Republic of Korea (See Note 2).

We have previously audited, in accordance with auditing standards generally accepted in the Republic of Korea, the non-consolidated balance sheet of the Company as of December 31, 2005 and the related non-consolidated statements of income, appropriations of retained earnings and cash flows for the year then ended (not presented herein) and in our report dated February 28, 2006, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying balance sheet as of December 31, 2005, which is comparatively presented, does not differ in material respects from such audited non-consolidated balance sheet.

Our reviews also comprehended the translation of the Korean won amounts into U.S. dollar amounts and nothing has come to our attention that 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.

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

May 4, 2006

Notice to Readers

This report is effective as of May 4, 2006, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the accountants' review report.

WOORI FINANCE HOLDINGS CO., LTD.**NON-CONSOLIDATED BALANCE SHEETS****AS OF MARCH 31, 2006 AND DECEMBER 31, 2005**

	2006	Korean won (In millions)	2005	Translation into U.S. dollars (Note 2)		
				2006	2005	
				(In thousands)	(In thousands)	
ASSETS						
Cash and bank deposits (Notes 13, 15 and 17)	(Won)	800,209	(Won)	104,072	US\$ 819,970	US\$ 106,642
Investment securities accounted for using the equity method of accounting (Notes 3 and 15)		11,538,696		11,751,678	11,823,646	12,041,888
Loans, net of allowance for possible loan losses (Notes 4, 15 and 17)		109,450		109,450	112,153	112,153
Fixed and intangible assets (Note 5)		121		155	124	159
Other assets (Notes 6 and 17)		67,925		66,428	69,602	68,068
	(Won)	12,516,401	(Won)	12,031,783	US\$ 12,825,495	US\$ 12,328,910
LIABILITIES AND SHAREHOLDERS' EQUITY						
LIABILITIES						
Debentures, net of discounts (Notes 7 and 15)	(Won)	2,296,558	(Won)	2,296,203	US\$ 2,353,272	US\$ 2,352,908
Other liabilities (Notes 8, 9 and 17)		336,081		18,216	344,380	18,666
		2,632,639		2,314,419	2,697,652	2,371,574
SHAREHOLDERS' EQUITY						
Common stock (Note 10)		4,030,077		4,030,077	4,129,600	4,129,600
Capital surplus (Note 10)		84,488		84,488	86,574	86,574
Retained earnings (Notes 3 and 10):						
Legal reserve		377,249		208,427	386,565	213,574
Voluntary reserve		3,190,000		2,030,000	3,268,778	2,080,131
Retained earnings before appropriations (Net income of (Won)440,107 million for the three months ended March 31, 2006 and (Won)1,688,221 million for the year ended December 31, 2005)		441,203		1,653,536	452,099	1,694,371
		4,008,452		3,891,963	4,107,442	3,988,076
Capital adjustments (Notes 3 and 10)		1,760,745		1,710,836	1,804,227	1,753,086
		9,883,762		9,717,364	10,127,843	9,957,336
	(Won)	12,516,401	(Won)	12,031,783	US\$ 12,825,495	US\$ 12,328,910

See accompanying notes to non-consolidated financial statements.

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

	Korean won		Translation into	
	2006	2005	U.S. dollars (Note 2) 2006	2005
	(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) 472,642	(Won) 419,093	US\$ 484,314	US\$ 429,442
Interest income (Note 17)	2,664	3,866	2,730	3,961
Reversal of allowance for doubtful accounts		22		23
	475,306	422,981	487,044	433,426
OPERATING EXPENSES				
Loss on valuation using the equity method of accounting (Notes 3 and 16)	388	26,654	397	27,312
Interest expense	28,057	28,434	28,750	29,136
Loss on valuation of swap contracts		91		93
Fees and commissions (Note 17)	1,457	1,056	1,493	1,082
General and administrative (Notes 14 and 17)	5,334	4,809	5,466	4,928
	35,236	61,044	36,106	62,551
OPERATING INCOME	440,070	361,937	450,938	370,875
NON-OPERATING INCOME	42	95	43	97
NON-OPERATING EXPENSES	5	8	5	8
INCOME BEFORE INCOME TAX	440,107	362,024	450,976	370,964
INCOME TAX EXPENSE (Note 12)				
NET INCOME	(Won) 440,107	(Won) 362,024	US\$ 450,976	US\$ 370,964
BASIC ORDINARY INCOME PER COMMON SHARE (Note 18)	(Won) 546	(Won) 453	US\$ 559	US\$ 464
BASIC NET INCOME PER COMMON SHARE (Note 18)	(Won) 546	(Won) 453	US\$ 559	US\$ 464
DILUTED ORDINARY INCOME PER COMMON SHARE (Note 18)	(Won)	(Won) 449	US\$	US\$ 460
DILUTED NET INCOME PER COMMON SHARE (Note 18)	(Won)	(Won) 449	US\$	US\$ 460

See accompanying notes to non-consolidated financial statements.

WOORI FINANCE HOLDINGS CO., LTD

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

	Korean won		Translation into	
	2006	2005	U.S. dollars (Note 2)	2005
	(In millions)		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	(Won) 440,107	(Won) 362,024	US\$ 450,976	US\$ 370,964
Adjustments to reconcile net income to net cash provided by operating activities:				
Loss on valuation using the equity method of accounting	388	26,654	397	27,312
Interest expense (amortization of discounts on debentures)	355	680	364	697
Loss on swap contracts		91		93
Provision for severance benefits	269	265	276	272
Depreciation	36	47	37	48
Amortization	5	5	5	5
Gain on valuation using the equity method of accounting	(472,642)	(419,093)	(484,314)	(429,442)
Accrued interest on loans		(556)		(569)
Reversal of allowance for doubtful accounts		(22)		(23)
	(471,589)	(391,929)	(483,235)	(401,607)
Changes in operating assets and liabilities:				
Decrease in other receivable		405		415
Decrease (increase) in accrued income	532	(21)	545	(22)
Decrease (increase) in advanced payments	(21)	65	(22)	67
Decrease (increase) in prepaid expenses	(425)	17	(435)	17
Increase in prepaid income tax		(51)		(52)
Payment of severance benefits	(231)	(13)	(237)	(13)
Decrease in severance insurance	144	13	148	13
Increase in other payables	132	191	135	196
Decrease in accrued expenses	(1,822)	(1,640)	(1,867)	(1,681)
Decrease in withholdings	(150)	(159)	(154)	(163)
Collection of dividends	729,467	60,435	747,481	61,928
	727,626	59,242	745,594	60,705
Net cash provided by operating activities	696,144	29,337	713,335	30,062

(Continued)

WOORI FINANCE HOLDINGS CO., LTD.**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)****FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005**

	2006	Korean won 2005 (In millions)	Translation into	
			2006	2005
			U.S. dollars (Note 2)	U.S. dollars (Note 2)
			2006	2005
			(In thousands)	(In thousands)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital reduction of a subsidiary	(Won)	(Won) 154,000	US\$	US\$ 157,803
Collection of loans		5,000		5,124
Acquisition of furniture and equipment		(3)		(3)
Acquisition of leasehold improvement		(4)		(4)
Net cash provided by (used in) investing activities		(7)		162,927
CASH FLOWS FROM FINANCING ACTIVITIES:				
Cost on issuance of new shares		(709)		(727)
Net cash used in financing activities		(709)		(727)
NET INCREASE IN CASH AND BANK DEPOSITS		696,137		192,262
CASH AND BANK DEPOSITS, BEGINNING OF THE PERIOD		104,072		57,484
CASH AND BANK DEPOSITS, END OF THE PERIOD	(Won)	(Won) 800,209	US\$	US\$ 249,746

See accompanying notes to non-consolidated financial statements.

WOORI FINANCE HOLDINGS CO., LTD.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

1. GENERAL

(1) Woori Finance Holdings Co., Ltd.

Woori Finance Holdings Co., Ltd. (the Company) was incorporated on March 27, 2001, to engage in the business of managing the following five financial institutions; Woori Bank, Kyongnam Bank, Kwangju Bank, Woori Credit Card Co., Ltd. (formerly Peace Bank of Korea and merged into Woori Bank on March 31, 2004) and Woori Investment Bank (merged into Woori Bank on July 31, 2003), whose shares were contributed to the Company by the Korea Deposit Insurance Corporation (the KDIC) in accordance with the provisions of the Financial Holding Company Act. As a result of its functional restructuring, the Company owns 9 subsidiaries and 11 2nd-tier subsidiaries as of March 31, 2006.

Upon incorporation, the Company's stock amounted to (Won)3,637,293 million, consisting of 727,458,609 common shares ((Won)5,000 per share) issued and outstanding. As a result of several capital increases, exercise of warrants and conversion rights since incorporation, as of March 31, 2006, the Company's stock amounted to (Won)4,030,077 million, consisting of 806,015,340 common shares issued and outstanding of which the KDIC owns 628,458,609 shares (77.97%).

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

(2) The structure of the Company and its subsidiaries as of March 31, 2006 and December 31, 2005 is as follows:

		2006		2005		Financial statements
		Number of shares	Percentage of ownership	Number of shares	Percentage of ownership	
Parent companies	Subsidiaries	owned	ship (%)	owned	ship (%)	as of
Woori Finance Holdings Co., Ltd.	Woori Bank	635,956,580	100.0	635,956,580	100.0	Mar. 31
	Kyongnam Bank	51,800,000	99.9	51,800,000	99.9	Mar. 31
	Kwangju Bank	44,080,000	99.9	44,080,000	99.9	Mar. 31
	Woori Finance Information System Co., Ltd.	900,000	100.0	900,000	100.0	Mar. 31
	Woori F&I Co., Ltd.	2,000,000	100.0	2,000,000	100.0	Mar. 31
	Woori Third Asset Securitization Specialty Co., Ltd.	2,000	100.0	2,000	100.0	Mar. 31
	Woori Investment Securities Co., Ltd. (*1)	46,324,981	35.0	46,324,981	34.4	Mar. 31
	Woori Asset Management Co., Ltd.	6,662,000	100.0	6,662,000	100.0	Mar. 31
	Woori Private Equity Co., Ltd.	2,000,000	100.0	2,000,000	100.0	Mar. 31
Woori Bank	Woori Credit Information Co., Ltd.	1,008,000	100.0	1,008,000	100.0	Mar. 31 (*2)
	Woori America Bank	10,500,000	100.0	10,500,000	100.0	Mar. 31 (*2)
	PT. Bank Woori Indonesia	1,618	95.2	1,618	95.2	Mar. 31 (*2)
Woori F&I Co., Ltd.	Woori SB Asset Management Co., Ltd. (*3)	408,000	51.0	800,000	100.0	Mar. 31
Woori Investment Securities Co., Ltd.	Woori Futures Co., Ltd.	5,000,000	100.0	5,000,000	100.0	Mar. 31

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Woori Investment Securities Int 1 Ltd.	5,788,000	100.0	5,788,000	100.0	Mar. 31 (*2)
Woori Investment Securities (H.K.) Ltd.	22,500,000	100.0	22,500,000	100.0	Mar. 31 (*2)

Parent companies	Subsidiaries	2006		2005		Financial statements as of
		Number of shares owned	Percentage of ownership (%)	Number of shares owned	Percentage of ownership (%)	
	Woori Investment Securities America, Inc.	300	100.0	300	100.0	Mar. 31 (*2)
Woori Investment Securities Co., Ltd.	LG Investment Holding B.V. (Amsterdam) GG High Technology Venture Investment	1,642,398,242	100.0	1,642,398,242	100.0	Mar. 31 (*2)
	Global Technology Investment	1,500,000	50.0	1,500,000	50.0	Mar. 31 (*2)

(*1) On January 24, 2006, Woori Investment Securities Co., Ltd. (Woori Investment Securities) reduced its treasury stock (1,000,000 shares of preferred stock and 2,000,000 shares of common stock) by extinguishing against retained earnings. As a result, the Company's ownership interest in Woori Investment Securities increased from 34.4% to 35.0%.

(*2) The financial statements as of March 31, 2006 are not reviewed. In order to ensure the credibility of the financial statements of those subsidiaries, the Company performed certain procedures in accordance with Practice Statements in Financial Reporting 2002-7 Investees financial statements applied using the equity method of accounting.

(*3) On February 23, 2006, Woori F&I Co., Ltd. (Woori F&I) sold 392,000 shares (49%) of Woori CA Asset Management Co., Ltd. (Woori CA) and Woori CA changed its corporate name into Woori SB Asset Management Co., Ltd. (Woori SB)

(3) General information pertaining to the Company's subsidiaries as of March 31, 2006 does not differ materially from that as of December 31, 2005.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statement Presentation

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

The accompanying financial statements are stated in Korean Won, the currency of the country in which the Company is incorporated and operates. The translation of Korean Won amounts into U.S. dollar amounts is included solely for the convenience of readers outside of the Republic of Korea and has been made at the rate of (Won)975.90 to US\$ 1.00 at March 31, 2006, the Base Rate announced by Seoul Money Brokerage Service, Ltd. Such translations should not be construed as representations that the Korean Won amounts could be converted into U.S. dollars at that or any other rate.

The accounting policies, which have been adopted in preparing the accompanying non-consolidated financial statements, do not differ materially from those used in preparing the non-consolidated financial statements for the year ended December 31, 2005 except for the following:

- a. Adoption of new Statements of Korea Accounting Standards (SKAS)
Korea Accounting Standards Board (KASB) has been issuing new accounting standards that replaces the existing Korea Financial Accounting Standards (KFAS) and has issued SKASs No.1 to No.20. The Company had adopted SKASs No.1 to No.17 (except for No.11) before the beginning of the 2006 and SKASs No.18 to No.20 on or after January 1, 2006.

Significant SKASs newly adopted are summarized below.

1) Related Party Disclosures SKAS No.20

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

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

(1) Changes in investment securities accounted for using the equity method of accounting for the three months ended March 31, 2006 are as follows (Korean won in millions):

	January 1, 2006	Gain (loss) on valuation using the equity method	Capital adjust- ments	Retained earnings	Dividends	March 31, 2006
Woori Bank	(Won) 9,695,213	(Won) 356,501	(Won) 49,231	(Won) (1,213)	(Won) (592,711)	(Won) 9,507,021
Kyongnam Bank	694,275	43,236	3,224		(66,304)	674,431
Kwangju Bank	561,330	32,812	2,490		(40,951)	555,681
Woori Finance						
Information System	11,903	360			(4,500)	7,763
Woori F&I	114,017	15,837	(503)		(29,501)	99,850
Woori Third Asset Securitization Specialty		(35)			(*1) 35	
Woori Investment Securities (*2)	604,543	20,441	(4,565)			620,419
Woori Asset Management	60,600	3,455	34			64,089
Woori PE	9,797	(353)	(2)			9,442
	(Won) 11,751,678	(Won) 472,254	(Won) 49,909	(Won) (1,213)	(Won) (733,932)	(Won) 11,538,696

(*1) Adjustment on dividend receivables

(*2) The market value of Woori Investment Securities is (Won)991,355 million ((Won)25,400 per share) as of March 31, 2006.

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

	Acquisition cost	Gain (loss) on valuation using the equity method	Capital adjustments	Retained earnings	Other increase (decrease)	Dec. 31, 2005
Woori Bank (*1)	(Won) 3,207,893	(Won) 3,966,728	(Won) 1,466,762	(Won) (250,043)	(Won) 1,303,873	(Won) 9,695,213
Kyongnam Bank	259,000	469,775	33,014	(11,466)	(56,048)	694,275
Kwangju Bank	170,403	366,509	8,162	(3,777)	20,033	561,330

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Woori Finance

Information System	5,244	6,858	5	(204)		11,903
Woori F&I	10,094	101,932	11,073	(60)	(9,022)	114,017
Woori Third Asset Securitization Specialty	10	21,860	47,680	(9,890)	(59,660)	
Woori Investment Securities (*2)	507,863	43,624	146,716	(2,577)	(91,083)	604,543
Woori Asset Management (*3)	87,570	9,827	(2,558)		(34,239)	60,600
Woori PE	10,000	(203)				9,797

(Won) 4,258,077 (Won) 4,986,910 (Won) 1,710,854 (Won) (278,017) (Won) 1,073,854 (Won) 11,751,678

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

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

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

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

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

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

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

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

- (4) The details of changes in the difference between the acquisition cost and the proportionate net asset value on the acquisition date for the three months ended March 31, 2006 are as follows (Unit: Korean won in millions):

	Jan. 1, 2006	Amortization	Mar. 31, 2006
Woori F&I	(Won) 75	(Won) 1	(Won) 74
Woori Investment Securities	(2,735)	(32)	(2,703)
	(Won) (2,660)	(Won) (31)	(Won) (2,629)

- (5) The details of unrealized inter-company income or loss for the three months ended March 31, 2006 are as follows (Korean won in millions):

	Jan. 1, 2006	Realized	Incurred	Mar. 31, 2006
Woori Bank	(Won) 7,020	(Won) 1,472	(Won)	(Won) 8,492
Kyongnam Bank	(40)	21		(19)
Kwangju Bank	(5,456)	502		(4,954)
Woori Finance Information System	327	227		554
Woori F&I	(234)			(234)
Woori Third Asset Securitization Specialty	(139)			(139)
	(Won) 1,478	(Won) 2,222	(Won)	(Won) 3,700

4. LOANS

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

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

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

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

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

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

5. FIXED ASSETS AND INTANGIBLE ASSETS

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

	Jan. 1, 2006	Acquisition	Disposition	Depreciation	Mar. 31, 2006
Furniture and equipment	(Won) 75	(Won) 3	(Won)	(Won) 27	(Won) 51
Leasehold improvements	45	4		9	40
	(Won) 120	(Won) 7	(Won)	(Won) 36	(Won) 91

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

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

	Jan. 1, 2006	Acquisition	Amortization	Mar. 31, 2006
Software	(Won) 7	(Won)	(Won) 1	(Won) 6
Industrial property rights	28		4	24
	(Won) 35	(Won)	(Won) 5	(Won) 30

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

As of March 31, 2006, accumulated amortization of software and industrial property rights amount to (Won)28 million and (Won)44 million, respectively.

6. OTHER ASSETS

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

	2006	2005
Guarantee deposits (Note 17)	(Won) 4,204	(Won) 4,204
Other receivables (Notes 11 and 17)	3,208	6,090
Dividend receivables	58,226	53,761
Accrued income (Note 17)	397	929
Advanced payments	21	
Prepaid expenses	623	198
Prepaid income tax	1,246	1,246
	(Won) 67,925	(Won) 66,428

7. DEBENTURES

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

	Issuance date	Annual interest rate (%)	Maturity	2006	2005
The 8th bonds	Dec. 26, 2002	6.05	Dec. 26, 2007	(Won) 200,000	(Won) 200,000
The 9th bonds	Sep. 19, 2003	4.64	Sep. 19, 2006	300,000	300,000
The 10th bonds	Dec. 16, 2003	5.92	Dec. 16, 2008	300,000	300,000
The 11th bonds	Jun. 18, 2004	5.05	Jun. 18, 2009	370,000	370,000
The 12th bonds	Jul. 26, 2004	4.84	Jul. 26, 2009	230,000	230,000
The 14th bonds	Nov. 23, 2004	3.49	Nov. 23, 2007	300,000	300,000
The 15th bonds	Jun. 21, 2005	4.31	Jun. 21, 2010	250,000	250,000
The 16th bonds	Sep. 28, 2005	5.10	Sep. 28, 2008	200,000	200,000
The 17th bonds	Sep. 14, 2005	4.15	Apr. 14, 2006	150,000	150,000

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	2,300,000	2,300,000
Less: discounts	(3,442)	(3,797)
	(Won) 2,296,558	(Won) 2,296,203

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)2,018 million and (Won)1,980 million as of March 31, 2006 and December 31, 2005, respectively.

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

	2006	2005
Beginning balance	(Won) 1,980	(Won) 1,230
Provision for severance benefits	269	967
Payment for severance benefits	(231)	(217)
Ending balance	(Won) 2,018	(Won) 1,980

The Company has purchased an employee retirement trust and made deposits at Woori Bank. As of March 31, 2006 and December 31, 2005, the deposits, amounting to (Won)1,643 million and (Won)1,788 million, respectively, are presented as a deduction from accrued severance benefits.

9. OTHER LIABILITIES

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

	2006	2005
Accrued severance benefits (Note 8)	(Won) 2,018	(Won) 1,980
Deposits with employee retirement insurance trust (Note 8)	(1,643)	(1,788)
Other payables (Note 17)	915	784
Accrued expenses (Notes 11)	12,102	16,806
Dividend payable	322,405	
Withholdings	284	434
	(Won) 336,081	(Won) 18,216

10. SHAREHOLDERS EQUITY

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

	2006	2005
Authorized shares of common stock	2,400,000,000	2,400,000,000
Par value	(Won) 5,000	(Won) 5,000
Issued shares of common stock	806,015,340	806,015,340

- (2) The changes in the capital stock of the Company for the period from its incorporation to March 31, 2006 are as follows (Korean won in millions):

Date	Description	Number of shares issued	Capital stock	Paid-in capital
				in excess of par value
2001.03.27	Establishment	727,458,609	(Won) 3,637,293	(Won)
2002.06.12	Issuance of new shares	36,000,000	180,000	58,645
In 2002	Exercise of warrants	4,356,188	21,781	
2002.12.31		767,814,797	3,839,074	58,645
In 2003	Exercise of warrants	7,690,113	38,451	(574)
2003.12.31		775,504,910	3,877,525	58,071
In 2004	Issuance of new shares	8,571,262	42,856	14,126
	Exercise of convertible bonds	12,379,386	61,897	12,118
2004.12.31		796,455,558	3,982,278	84,315
In 2005	Exercise of convertible bonds	9,559,782	47,799	24,710
	Acquisition of common shares of Woori Asset Management			(24,537)
2005. 12.31		806,015,340	4,030,077	84,488
2006. 03.31		806,015,340	(Won) 4,030,077	(Won) 84,488

- 3) Pursuant to Article 53 of the Financial Holding Company Act, legal reserves are appropriated at no less than one tenth of net income until reaching an amount equal to the Company's contributed capital, whenever dividends are declared.
- (4) As of March 31, 2006 and December 31, 2005, the Company held 2,550 shares of treasury stock amounting to (Won)18 million.
- (5) The changes in retained earnings from December 31, 2005 to March 31, 2006 are as follows (Korean won in millions):

	2006
Balance - December 31, 2005	(Won) 1,653,536
Appropriations:	
Dividend	(322,405)
Legal reserve	(168,822)
Voluntary reserve	(1,160,000)
Decrease by using the equity method of accounting	(1,213)
Net income for the three months ended March 31, 2006	440,107
Balance - March 31, 2006	(Won) 441,203

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. In connection with this, the Company revalued stock based compensation and recorded (Won)3,992 million and (Won)7,938 million of the stock-based payment as liabilities as of March 31, 2006 and December 31, 2005, respectively.

- (2) The summary of stock-based compensation granted as of March 31, 2006 is as follows:

Settlement	Type A		Type B	
		Cash settlement		Cash settlement
Exercise price	(Won)	11,921	(Won)	6,800
Exercisable period	During a three-year period beginning after December 4, 2005			
Initial granted number of rights		936,000 shares		624,000 shares
Cancelled number of rights		216,000 shares		204,000 shares
Exercised number of rights		387,000 shares		275,750 shares
Exercisable number of rights		333,000 shares		144,250 shares
Value per right	(Won)	6,816	(Won)	11,937
Stock-based compensation liabilities	(Won)	2,270 million	(Won)	1,722 million

- (3) Each subsidiary is responsible for absorbing the respective stock-based compensation for its management. The subsidiaries recorded the related cost as other payables amounting to (Won)3,208 million and the Company recorded the same amount as other receivables.

12. INCOME TAX EXPENSE

- (1) Differences between financial accounting income and taxable loss for the three months ended March 31, 2006 are as follows (Korean won in millions):

	Korean won	
		(Won)
Net income		440,107
Non-temporary differences:		
Addition:		
Investment securities	49,909	
Deemed interest income	17	
Entertainment expense in excess of tax limit	126	
Donation expense in excess of tax limit	5	
	50,057	
Deduction:		
Dividend income	709,293	
Investment securities	1,213	
	710,506	(660,449)
Temporary differences:		
Addition:		
Investment securities	213,017	
Long-term other receivables-prior year	6,090	
Unsettled expense	2,166	
Other	4,148	
	225,421	
Deduction:		
Long-term other receivables-current year	3,208	
Other	10,828	
	14,036	211,385

Taxable loss

(Won) (8,957)

- (2) The changes in cumulative temporary differences and tax loss carry-forwards for the three months ended March 31, 2006 are as follows (Korean won in millions):

	Jan. 1, 2006	Increase	Decrease	Mar. 31, 2006	Deferred tax assets (liabilities)
(Timing differences to be charged to income tax expense)					
Investment securities	(Won) (3,200,579)	(Won) (471,041)	(Won) (733,967)	(Won) (2,937,653)	(Won) (*1)(39,660)
Accrued severance benefits	1,188		121	1,067	293
Employee retirement deposits	(1,188)		(121)	(1,067)	(293)
Depreciation	41			41	11
Accrued expenses	2,770	2,166	2,770	2,166	596
Accounts receivable	(6,090)	(3,208)	(6,090)	(3,208)	(882)
Dividend receivables	108	35		143	39
Long-term accrued expenses	7,937	3,992	7,937	3,992	1,098
	(Won) (3,195,813)	(Won) (468,056)	(Won) (729,350)	(Won) (2,934,519)	(Won) (38,798)
(Timing differences to be charged to equity)					
Capital adjustments	(Won) (1,710,854)	(Won) (49,909)	(Won)	(Won) (1,760,763)	(Won) (*1)(37,674)
Timing difference total	(Won) (4,906,667)	(Won) (517,965)	(Won) (729,350)	(Won) (4,695,282)	(Won) (76,472)
Tax loss carry-forwards	(Won) 222,067	(Won) 8,957	(Won)	(Won) 231,024	(Won) 63,531

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

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

Year incurred	Amount(*1)	Utilized	Remaining	Expiration
2001	(Won) 25,288	(Won)	(Won) 25,288	Dec. 31, 2006
2002	13,899		13,899	Dec. 31, 2007
2003	48,398		48,398	Dec. 31, 2008
2004	22,414		22,414	Dec. 31, 2009
2005	112,068		112,068	Dec. 31, 2010
2006	8,957		8,957	Dec. 31, 2011
	(Won) 231,024	(Won)	(Won) 231,024	

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

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

13. STATEMENTS OF CASH FLOWS

For the three months ended March 31, 2006 and 2005, the significant transactions without cash flows are as follows (Korean won in millions):

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Transactions	2006	2005
Changes in capital adjustments due to the equity method of accounting	(Won) 49,909	(Won) 234,975
Changes in retained earnings due to the equity method of accounting	(1,203)	(1,665)
Capital increase due to conversion of convertible bonds in foreign currencies		72,468
Increase in dividend receivables	34	587

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14. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three months ended March 31, 2006 and 2005 are summarized as follows (Korean won in millions):

	2006	2005
Salaries, wages and bonuses	(Won) 2,567	(Won) 2,565
Provision for severance benefits	270	265
Fringe benefits	192	186
Rent	571	573
Entertainment	165	53
Depreciation	36	47
Amortization	5	5
Taxes and dues	23	25
Advertising	635	126
Travel	45	34
Telecommunications	19	12
Service fees	536	609
Suppliers	18	14
Others	252	295
	(Won) 5,334	(Won) 4,809

15. FINANCIAL INFORMATION OF SUBSIDIARIES

(1) The condensed balance sheets of subsidiaries as of March 31, 2006 are as follows (Korean won in millions):

	Total assets	Total liabilities	Total shareholders equity
Woori Bank	(Won) 139,579,436	(Won) 130,077,415	(Won) 9,502,021
Kyongnam Bank	13,973,149	13,298,700	674,449
Kwangju Bank	12,256,972	11,696,336	560,636
Woori Finance Information System	194,663	187,454	7,209
Woori F&I	278,562	175,637	102,925
Woori Third Asset Securitization Specialty	53,886	53,890	(4)
Woori Investment Securities	9,041,281	7,015,937	2,025,344
Woori Asset Management	69,014	4,677	64,337
Woori Private Equity	9,486	43	9,443
Total	(Won) 175,456,449	(Won) 162,510,089	(Won) 12,946,360

- (2) The condensed statements of operations of subsidiaries for the three months ended March 31, 2006 are as follows (Korean won in millions):

	Operating revenue	Operating expenses	Operating income (loss)	Ordinary income (loss)	Net income (loss)
Woori Bank	(Won) 3,767,541	(Won) 3,312,185	(Won) 455,356	(Won) 437,921	(Won) 355,029
Kyongnam Bank	226,703	169,467	57,236	59,594	43,215
Kwangju Bank	177,233	139,600	37,633	38,730	28,976
Woori Finance Information System	55,858	55,595	263	337	134
Woori F&I	6,371	3,945	2,426	21,820	15,837
Woori Third Asset Securitization Specialty	3	38	(35)	(35)	(35)
Woori Investments Securities	624,528	537,191	87,337	96,043	60,080
Woori Asset Management	8,087	3,002	5,085	5,095	3,455
Woori Private Equity	77	452	(375)	(353)	(353)
	(Won) 4,866,401	(Won) 4,221,475	(Won) 644,926	(Won) 659,152	(Won) 506,338

- (3) Significant liabilities and assets of the Company and its subsidiaries as of March 31, 2006 are summarized as follows (Korean won in millions):

1) Significant liabilities

	Deposits	Borrowings	Debentures	Total
Woori Finance Holdings	(Won) 2,296,558	(Won) 2,296,558	(Won) 2,296,558	(Won) 2,296,558
Woori Bank	86,056,124	13,885,512	15,472,985	115,414,621
Kyongnam Bank	9,958,805	1,888,708	902,115	12,749,628
Kwangju Bank	8,801,313	1,789,263	577,264	11,167,840
Woori Finance Information System		136,000		136,000
Woori F&I		153,000		153,000
Woori Investment Securities	2,985,435	1,734,693	189,990	4,910,118
Total	(Won) 107,801,677	(Won) 19,587,176	(Won) 19,438,912	(Won) 146,827,765

2) Significant assets

Cash and due				
	from banks	Securities	Loans	Total
Woori Finance Holdings	(Won) 800,209	(Won) 11,538,696	(Won) 109,450	(Won) 12,448,355
Woori Bank	5,824,884	26,324,451	97,052,761	129,202,096
Kyongnam Bank	735,550	3,943,534	8,718,977	13,398,061
Kwangju Bank	617,033	3,600,157	7,568,343	11,785,533
Woori Finance Information System	1,886	513		2,399
Woori F&I	28,946	102,009	133,673	264,628
Woori Third Asset Securitization Specialty	585	53,301		53,886

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Woori Investment Securities	1,654,669	5,131,031	1,349,481	8,135,181
Woori Asset Management	34,659	19,840	324	54,823
Woori Private Equity	8,798	8		8,806
	(Won) 9,707,219	(Won) 50,713,540	(Won) 114,933,009	(Won) 175,353,768

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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 March 31, 2006 are summarized as follows (Korean won in millions):

	Loans subject to allowance for possible loan losses		Allowance	Percentage of allowance to loans (%)
	(Won)		(Won)	
Woori Bank	98,441,325		1,388,564	1.41
Kyongnam Bank	8,831,512		112,535	1.27
Kwangju Bank	7,666,532		98,189	1.28
Woori F&I	134,345		672	0.50
Woori Investment Securities	1,501,801		152,320	10.14
Woori Asset management	326		2	0.61
Total	(Won) 116,575,841		(Won) 1,752,282	1.50

16. CONTRIBUTIONS TO NET INCOME BY SUBSIDIARIES

Contributions to net income of the Company by subsidiaries after elimination of unrealized inter-company incomes or losses for the three months ended March 31, 2006 are as follows (Korean won in millions):

	2006	Ratio (%)
	(Won)	
Woori Bank	356,501	75.5
Kyongnam Bank	43,236	9.2
Kwangju Bank	32,812	6.9
Woori Finance Information System	360	0.1
Woori F&I	15,837	3.4
Woori Third Asset Securitization Specialty	(35)	
Woori Investment Securities	20,441	4.3
Woori Asset Management	3,455	0.7
Woori Private Equity	(353)	(0.1)
Gain on valuation using the equity method of accounting	472,254	100.0
Other income	2,706	
Other expenses	(34,853)	
Net income	(Won) 440,107	

17. TRANSACTIONS AND ACCOUNT BALANCES WITH RELATED PARTIES

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

	2006	2005	
<Assets>			
Woori Bank	(Won) 672,172	(Won) 83,439	Cash and bank deposits
	4,153	4,153	Guarantee deposits
	2,477	4,305	Other receivables
	69	102	Accrued income
Kyongnam Bank	76,696	10,321	Cash and bank deposits
	10	10	Accrued income
Kwangju Bank	51,341	10,311	Cash and bank deposits
	13	6	Accrued income
Woori Finance Information System	30,000	30,000	Loans
	165	363	Other receivables
	306	316	Accrued income
Woori F&I	80,000	80,000	Loans
		496	Accrued income
Woori Credit Information	381	721	Other receivables
Woori SB Asset Management	184	385	Other receivables
Woori Asset Management		315	Other receivables
Principal guaranteed trust accounts of Woori Bank	1,643	1,788	Deposits with employee retirement trust
	(Won) 919,610	(Won) 227,031	
<Liabilities>			
Woori Bank	(Won) 98	(Won) 135	Other payables
Woori Finance Information System	156		Other payables
	(Won) 254	(Won) 135	

(2) Transactions with the subsidiaries for the three-month periods ended March 31, 2006 and 2005 are as follows:

	2006	2005	Account
<Revenues>			
Woori Bank	(Won) 600	(Won) 247	Interest income on deposits
Kyongnam Bank	71	64	Interest income on deposits
Kwangju Bank	86	73	Interest income on deposits
		555	Interest income on loans
Woori Finance Information System	466	416	Interest income on loans
Woori F&I	1,440	2,162	Interest income on loans
Woori Second Asset Securitization Specialty		2	Interest income on loans
Woori Third Asset Securitization Specialty		346	Interest income on loans
Principal guaranteed trust accounts of Woori Bank	1		Interest income on deposits
	(Won) 2,664	(Won) 3,865	
<Expenses>			
Woori Bank	(Won)	(Won) 2,185	

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			Loss on valuation of swap contracts
	390	390	Rent
	175	175	Other administrative expenses
Woori Finance Information System	438	489	Service fees
	(Won) 1,003	(Won) 3,239	

- (1) The Company compensated key management personnel for (Won)748 million of salaries and (Won)222 million of provision for severance benefits for the three months ended March 31, 2006.

18. EARNINGS PER COMMON SHARE

- (2) Basic ordinary income per common share and basic net income per common share for the three months ended March 31, 2006 and 2005 are as follows (Korean won in millions, except for earnings per share data):

	2006	2005
Net income on common shares	(Won) 440,107	(Won) 362,024
Extraordinary gain		
Income tax effect on extraordinary gain		
Ordinary income on common shares	(Won) 440,107	(Won) 362,024
Weighted average number of common shares outstanding	806,012,790	799,398,211
Basic ordinary income per common shares	(Won) 546	(Won) 453
Basic net income per common shares	(Won) 546	(Won) 453

- (3) Diluted ordinary income per common share and diluted net income per common share for the three months ended March 31, 2005 are as follows (Korean won in millions, except for earnings per share data):

	2005
Diluted net income on common shares	(Won) 362,399
Extraordinary gain	
Income tax effect on extraordinary gain	
Diluted ordinary income on common shares	(Won) 362,399
Weighted average number of common and dilutive common shares outstanding	806,372,764
Diluted ordinary income per common shares	(Won) 449
Diluted net income per common shares	(Won) 449

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

19. INSURANCE

As of March 31, 2006, the Company has insurance for liability of reparation of directors with Samsung Fire Insurance Co., Ltd. The insurance coverage is (Won)30,000 million.

20. SUBSEQUENT EVENT

On April 11, 2006, the board of directors of the Company resolved to approve a joint venture arrangement between Woori Asset Management Co., Ltd., a wholly-owned subsidiary of the Company, and Credit Suisse Asset Management International Holdings, a wholly-owned subsidiary of Credit Suisse Group. According to the agreement, 30% of the Company's 100% stake in Woori Asset Management Co., Ltd. will be transferred to Credit Suisse Asset Management International Holdings.

21. AGREEMENT ON THE IMPLEMENTATION OF A MANAGEMENT IMPROVEMENT PLAN

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

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

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