

WOORI FINANCE HOLDINGS CO LTD

Form 6-K

August 16, 2010

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**Form 6-K**  
**REPORT OF FOREIGN PRIVATE ISSUER**  
**PURSUANT TO RULE 13a-16 OR 15d-16 UNDER**  
**THE SECURITIES EXCHANGE ACT OF 1934**  
**For the month of August 2010**  
**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 securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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

Yes  No

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**Summary of 2010 First Half Business Report**

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

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**I. Company Overview**

**1. Purpose of the Company**

**a. Scope of Business**

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

(1) Corporate Management

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

(2) Corporate Management Support Activities

1. Funding for the affiliate companies (including direct and indirect subsidiaries, the Affiliates );
2. Capital investment in subsidiaries or procurement of funds for the Affiliates; and
3. 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) Bank Subsidiaries (Woori Bank, Kwangju Bank and Kyongnam Bank):

1. Banking business as prescribed by the Banking Act;
2. Trust business;
3. Foreign exchange business; and
4. Other authorized businesses.

(2) Woori Investment & Securities: businesses authorized under the Financial Investment Services and Capital Markets Act and related laws and regulations.

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- (3) Woori Aviva Life Insurance: life insurance and other insurance activities and other business activities permitted under the Insurance Business Act.
- (4) Woori Asset Management: asset management business.
- (5) Woori Financial: consumer finance business.
- (6) Woori Finance Information System: finance-related IT services.
- (7) Woori F&I: securitization business.
- (8) Woori Private Equity: private equity business.

**2. History of the Company**

**a. Company History**

- (1) Background: Major developments.

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 4.0 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 4.0 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 <sup>nd</sup> tier subsidiary to 1 <sup>st</sup> 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.



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September 5, 2005	Woori Asset Management becomes a wholly-owned subsidiary through capital reduction and cancellation
October 21, 2005	Woori Private Equity is established and incorporated as a subsidiary
October 27, 2005	Closure of strategic investment agreement with Lehman Brothers
February 23, 2006	Joint venture arrangement between Woori CA Asset Management, a 2 <sup>nd</sup> tier subsidiary, and Japan's Shinsei Bank (involving a transfer of 49% of Woori F&I's 100% stake in Woori CA Asset Management to Shinsei Bank)
April 11, 2006	Joint venture agreement to transfer 30% of the shares of Woori Asset Management to Credit Suisse Asset Management International Holdings, a wholly owned subsidiary of Credit Suisse.
May 30, 2006	Upon the 30% share transfer to Credit Suisse Asset Management International Holdings, Woori Asset Management was renamed Woori Credit Suisse Asset Management.
March 30, 2007	Appointment of new management
September 14, 2007	Acquired Hanmi Capital as a subsidiary (Hanmi Capital was renamed Woori Financial as of October 26, 2007)
April 4, 2008	Acquired LIG Life Insurance as a subsidiary (LIG Life Insurance was renamed Woori Aviva Life Insurance as of April 1, 2008)
June 27, 2008	Appointment of new management
April 29, 2009	Termination of joint venture with Credit Suisse regarding Woori Credit Suisse Asset Management. Renamed Woori Asset Management (May 30, 2009)
October 28, 2009	Acquired the remaining 30% equity stake in Woori Credit Suisse Asset Management from Credit Suisse Asset Management International Holding and completed the establishment of Woori Asset Management as our wholly-owned subsidiary

**Table of Contents****b. Associated Business Group**

- (1) Overview of Business Group
  1. **Name of business group:** Woori Financial Group
- (2) Related companies within the business group

As of June 30, 2010

Type	Name of Company	Controlling Company	Notes
Holding Company	Woori Finance Holdings	Korea Deposit Insurance Corporation	1 company
1 <sup>st</sup> Tier Subsidiaries	Woori Bank	Woori Finance Holdings	10 companies
	Kwangju Bank		
	Kyongnam Bank		
	Woori Finance Information System		
	Woori F & I		
	Woori Asset Management		
	Woori Investment & Securities		
	Woori Private Equity		
	Woori Financial		
2 <sup>nd</sup> Tier Subsidiaries	Woori Aviva Life Insurance		
	Woori Credit Information	Woori Bank	44 companies
	Woori America Bank		
	P.T. Bank Woori Indonesia		
	Korea BTL Infrastructure Fund		
	Woori Global Markets Asia Ltd.		
	ZAO Woori Bank		
	Woori Bank (China) Limited		
	Woori AMC	Woori F&I	
	Woori F&I Fifth Asset Securitization Specialty Co., Ltd.		
	Woori F&I Sixth Asset Securitization Specialty Co., Ltd.		
	Woori F&I Seventh Asset Securitization Specialty Co., Ltd.		
	Woori F&I Eighth Asset Securitization Specialty Co., Ltd.		
	Woori F&I Ninth Asset Securitization Specialty Co., Ltd.		
	Woori SB Tenth Asset Management		
	Woori F&I Tenth Asset Securitization Specialty Co., Ltd.		
	Woori F&I Eleventh Asset Securitization Specialty Co., Ltd.		
	Woori F&I Thirteenth Asset Securitization Specialty Co., Ltd.		
	Woori F&I Fourteenth Asset Securitization Specialty Co., Ltd.		

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Woori F&I Fifteenth Asset Securitization Specialty Co., Ltd.	
Woori F&I Sixteenth Asset Securitization Specialty Co., Ltd.	
Woori EA Third Asset Securitization Specialty Co., Ltd.	
Woori EA Fourth Asset Securitization Specialty Co., Ltd.	
Woori EA Fifth Asset Securitization Specialty Co., Ltd.	
Woori Private Equity Fund	Woori Private Equity
Woori Blackstone Korea Opportunity Private Equity Fund No.1	
Woori Futures	Woori Investment & Securities
Woori Investment & Securities International Ltd.	
Woori Investment & Securities (HK) Ltd.	
Woori Investment & Securities America Inc.	
Mars Private Equity Fund No. 1	
Mars Private Equity Fund No. 2	
Woori Investment Asia Pte. Ltd.	
Mars Private Equity Fund No. 3	
Mars Private Equity Fund No. 4	
Woori Absolute Partners PTE, Ltd.	
Woori Absolute Global Opportunity Fund	
Woori Korindo Securities Indonesia	
High Technology Venture Investment	
Global Technology Investment	
LG Investment Holdings B.V. GG	
Connacht Capital Market Investment Ltd.	
Bien Viet Securities Joint Stock Company	
Brim Asian Credit Fund	
Woori Absolute Return Investment Strategies	

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- \* Woori Finance Holdings, Woori Investment & Securities and Woori Financial are listed on the KRX KOSPI Market.
  
- \* On March 5, 2007, Mars Private Equity Fund No. 2, with KRW 31,500 million paid-in-capital, was included as our 2<sup>nd</sup> tier subsidiary. Woori Investment & Securities, which owns a 4.76% stake, is its general partner.
  
- \* On March 27, 2007, Nexbi Tech, a subsidiary of Woori Finance Information System, was removed from our list of 2<sup>nd</sup> tier subsidiaries as the company undertook a second capital reduction (the first capital reduction was as of Oct. 18, 2006), liquidating all the shares held

by Woori  
Finance  
Information  
System.

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

\* On  
September 14,  
2007, Hanmi  
Capital was  
included as our  
1<sup>st</sup> tier  
subsidiary to  
strengthen our  
non-banking  
business (Hanmi  
Capital was  
renamed Woori  
Financial as of  
October 26,  
2007).

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

\*

On October 26, 2007, Woori Bank (China) Limited was included as our 2<sup>nd</sup> tier subsidiary. Woori Bank owns a 100% stake in Woori Bank (China) Limited.

\* On November 22, 2007, ZAO Woori Bank was included as our 2<sup>nd</sup> tier subsidiary. Woori Bank owns a 100% stake in ZAO Woori Bank, excluding one ZAO Woori Bank share which is owned by a related party of Woori Bank in order to comply with Russian regulations on single shareholder limitations.

\* On December 12, 2007, Woori F&I Sixth Asset Securitization Specialty Co., Ltd. and Woori F&I Seventh Asset Securitization Specialty Co., Ltd. were included as our

2nd tier subsidiaries. Woori F&I Co., Ltd. owns a 100% stake in each of these two subsidiaries.

\* On March 18, 2008, Mars Private Equity Fund No. 3, with an expected paid-in-capital of KRW 51 billion, was included as our 2<sup>nd</sup> tier subsidiary. Woori Investment & Securities, as its general partner, will have contributed 1.96% of the capital of Mars Private Equity Fund No. 3.

\* On April 3, 2008, Woori F&I Eighth Asset Securitization Specialty Co., Ltd. was included as our 2<sup>nd</sup> tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.

\* On April 4, 2008, LIG Life Insurance was included as our 1<sup>st</sup> tier

subsidiary (LIG  
Life Insurance  
was renamed  
Woori Aviva  
Life Insurance  
as of April 1,  
2008).



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- \* On May 14, 2008, Mars Private Equity Fund No. 4, with an expected paid-in-capital of KRW 51 billion, was included as our 2<sup>nd</sup> tier subsidiary. Woori Investment & Securities, as its general partner, will have contributed 0.99% of the capital.
  
- \* On May 29, 2008, Woori Absolute Partners Pte. Ltd., an investment advisory service company wholly-owned by Woori Investment & Securities and established in Singapore to manage offshore funds, was included as our 2<sup>nd</sup> tier subsidiary.
  
- \* On June 27, 2008, Woori SB Tenth Asset Securitization Specialty Co., Ltd. was included as our

2<sup>nd</sup> tier subsidiary. Woori F&I owns a stake of 50% plus one share in the company.

\* On July 21, 2008, Woori Absolute Global Opportunity Fund, an offshore financial company wholly-owned by Woori Investment & Securities, was included as our 2<sup>nd</sup> tier subsidiary.

\* On September 9, 2008, Woori F&I Ninth Asset Securitization Specialty Co., Ltd. was included as our 2<sup>nd</sup> tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.

\* On March 3, 2009, PT Clemont Securities Indonesia was included as our 2<sup>nd</sup> tier subsidiary. Woori Investment & Securities owns a 60% stake in PT Clemont

Securities  
Indonesia.

- \* On March 12, 2009, Woori F&I Tenth Asset Securitization Specialty Co., Ltd. was included as our 2<sup>nd</sup> tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.
  
- \* On July 24, 2009, Woori F&I Twelfth Asset Securitization Specialty Co., Ltd. was removed as our 2<sup>nd</sup> tier subsidiary following the sale of Woori F&I s equity stake in Woori F&I Twelfth Asset Securitization Specialty Co., Ltd.
  
- \* On August 31, 2009, Woori F&I Thirteenth Asset Securitization Specialty Co., Ltd. was included as our 2<sup>nd</sup> tier subsidiary.
  
- \* On September 28, 2009, Bien Viet

Securities Joint  
Stock Company  
was included as  
our 2<sup>nd</sup> tier  
subsidiary.

Woori  
Investment &  
Securities owns  
a 49% stake in  
Bien Viet  
Securities Joint  
Stock Company.

\* On October 15,  
2009, we  
acquired an  
additional  
2.41% of  
common shares  
of Woori  
Financial, and  
our  
shareholding is  
currently  
52.52%.

\* On October 28,  
2009, Woori  
Asset  
Management  
became our  
wholly-owned  
subsidiary  
following our  
acquisition of  
Credit Suisse's  
30% interest in  
Woori Asset  
Management.

\* High  
Technology  
Venture  
Investment,  
Global  
Technology  
Investment, LG  
Investment  
Holdings B.V.  
GG and  
Connacht

Capital Market  
Investment,  
which are  
offshore finance  
companies and  
subsidiaries of  
Woori  
Investment &  
Securities, are  
currently  
undergoing  
liquidation or  
other change of  
control-related  
proceedings.  
Due to an  
expansion in the  
types of entities  
that are  
considered 2<sup>nd</sup>  
tier subsidiaries  
of financial  
holding  
companies,  
these entities  
became our 2<sup>nd</sup>  
tier subsidiaries.

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- \* On December 28, 2009, Woori SB Asset Management changed its name to Woori AMC and became a wholly-owned subsidiary of Woori F&I following the termination of its joint venture with Shinsei Bank.
  
- \* On December 30, 2009, Woori Third Asset Securitization Specialty Co., Ltd. was dissolved and removed from our list of subsidiaries.
  
- \* On February 15, 2010, Woori Investment & Securities sold 100% of its investment stake in Woori Absolute Asia Multi Strategy Fund, an offshore financial company that was wholly-owned by Woori Investment & Securities prior

to such sale.

- \* On March 8, 2010, Woori F&I Fourteenth Asset Securitization Specialty Co., Ltd. was included as our 2<sup>nd</sup> tier subsidiary.
  
- \* On May 20, 2010, Woori Absolute Return Investment Strategies, an offshore financial company wholly-owned by Woori Investment & Securities, was included as our 2<sup>nd</sup> tier subsidiary.
  
- \* On June 10, 2010, Woori F&I Fifteenth Asset Securitization Specialty Co., Ltd. and Woori F&I Sixteenth Asset Securitization Specialty Co., Ltd., which are wholly-owned by Woori F&I, were included as our 2<sup>nd</sup> tier subsidiaries.
  
- \* On June 18, 2010, Woori EA Third Asset Securitization

Specialty Co.,  
Ltd., a 70%  
owned  
subsidiary of  
Woori F&I, was  
included as our  
2<sup>nd</sup> tier  
subsidiary.

\* On June 28,  
2010, Woori Ea  
Fourth Asset  
Securitization  
Specialty Co.,  
Ltd., a 70%  
owned  
subsidiary of  
Woori F&I, was  
included as our  
2<sup>nd</sup> tier  
subsidiary.

\* On June 29,  
2010, Woori Ea  
Fifth Asset  
Securitization  
Specialty Co.,  
Ltd., a 70%  
owned  
subsidiary of  
Woori F&I, was  
included as our  
2<sup>nd</sup> tier  
subsidiary.



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

(units: Won, shares)

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

**b. Convertible Bonds**

Not applicable

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

As of June 30, 2010

(unit: shares)

Items	Type	
	Common Shares	Total
Total number of shares authorized	2,400,000,000	2,400,000,000
Total number of issued stock	806,015,340	806,015,340
Treasury stock	2,560	2,560
Free float shares	806,012,780	806,012,780

**b. Treasury Stock**

As of June 30, 2010

(unit: shares)

**Acquisition**

Method	Type of Stock	Beg.	Acquired	Disposal	Canceled	End	Remarks
Direct purchase under Sub-section 1, section 165-2	Common						
Direct purchase other than the conditions under Sub-section 1, section 165-2	Preferred						
Subtotal	Common	2,560				2,560	
Subtotal	Preferred						
Subtotal	Common	2,560				2,560	
Indirect acquisition from trust agreement	Preferred						
Total	Common	2,560				2,560	
	Preferred						

\* Woori Financial Holdings acquired additional treasury shares in respect of fractional shares resulting from share exchange for Woori Securities.

**5. Voting Rights**

As of June 30, 2010

(unit: 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		2,560
Stocks with voting rights restored		
Stocks with voting rights	Common Shares	806,012,780
	Preferred Shares	

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

(Non-consolidated)

(unit: Won)

<b>Items</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Par value per share (Won)	5,000	5,000	5,000
Net profit (Won in Millions)	1,026,024	454,478	1,943,560
Earnings per share (Won)	1,273	564	2,411
Total cash payout (Won in Millions)	80,601		201,503
Total stock dividends (Won in Millions)			
Cash dividend payout ratio (%)	7.86		10.37
Cash dividend yield (%)		Common Shares Preferred Shares	1.3
Stock dividend yield (%)		Common Shares Preferred Shares	
Cash dividend per share (Won)		Common Shares Preferred Shares	250
Stock dividend per share (Won)		Common Shares Preferred Shares	

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**II. Description of Business**

**1. Business Overview**

**a. Organizational Chart**

(As of July 12, 2010)

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

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

**b. Financing of Operations**

## (1) Source of Funds

(unit: in millions of Won)

<b>Items</b>	<b>2010 1H</b>	<b>2009</b>	<b>2008</b>
Shareholders Equity	13,918,759	13,720,923	12,207,338
Capital	4,030,077	4,030,077	4,030,077
Capital Surplus	159,610	179,488	186,959
Retained Earnings	8,800,332	8,346,186	7,323,148
Capital Adjustments	928,740	1,165,172	667,154
Borrowings	3,898,453	3,824,205	3,412,854
Debentures	3,744,934	3,744,156	3,393,702
Bank Borrowings		60,000	
Commercial Paper			
Other Borrowings			
Other Liabilities	153,519	20,049	19,152
Total	17,817,212	17,545,128	15,620,192

\* The figures in the table above reflect our adoption of Statements of Korea Accounting Standard No. 15 ( Equity method accounting ).

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## (2) Use of Funds

(unit: in millions of Won)

<b>Items</b>	<b>2010 1H</b>	<b>2009</b>	<b>2008</b>
Subsidiary Stock	17,410,200	17,350,078	15,285,356
Woori Bank	13,611,331	13,621,824	11,900,128
Kyongnam Bank	1,446,839	1,443,661	1,245,318
Kwangju Bank	1,028,207	976,284	920,938
Woori Financial Information System	17,921	15,013	13,076
Woori F&I	171,141	166,563	139,999
Woori Investment & Securities	790,589	754,782	709,114
Woori Asset Management	60,490	67,456	41,296
Woori Private Equity	25,027	24,246	12,844
Woori Financial	190,690	207,346	228,456
Woori Aviva Life Insurance	67,965	72,903	74,187
Investment Securities			
Loan Obligations	99,500	139,300	169,150
Tangible Assets	342	415	566
Intangible Assets	24	8	14
Cash	194,870	23,267	119,350
Other Assets	112,276	32,060	45,756
<b>Total</b>	<b>17,817,212</b>	<b>17,545,128</b>	<b>15,620,192</b>

\* The figures in the table above reflect our adoption of Statements of Korea Accounting Standard No. 15 ( Equity method accounting ).

**c. Transactions related to Commission Fees**

(unit: in millions of Won)

<b>Category</b>	<b>2010 1H</b>	<b>2009</b>	<b>2008</b>
Commission Revenue (A)			
Commission Expense (B)	2,136	7,001	7,119
Commission Profit (A-B)	(2,136)	(7,001)	(7,119)

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

(unit: in millions of Won)

Items	2010 1H	2009	2008	2007
Total Capital (A)	24,840,468	24,824,094	22,436,482	20,102,976
Risk weighted assets (B)	203,024,237	200,954,776	206,606,315	174,367,585
BIS Ratio (A/B)	12.24%	12.35%	10.86%	11.53%

\* Applied since  
January 1, 2007.

**b. Credit Ratings for the Past Three Years**

Date of Rating	Evaluated Securities	Credit Rating	Company (Ratings Range)	Evaluation Category
2007.05.07		A2	Moody's (Aaa ~ C)	Case evaluation
2007.08.17	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2007.08.17	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation
2007.11.27	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2007.11.27	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2008.04.03	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation
2008.04.03	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2008.06.04		BBB+	S&P (AAA ~ D)	Case evaluation
2008.06.12	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2008.06.16	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2008.09.12	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2008.09.16	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2008.12.02	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation
2008.12.02	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2009.03.13	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2009.03.13	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2009.06.30	Debentures	AAA	NICE (AAA ~ D)	Case evaluation
2009.06.30	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2009.11.05	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2009.11.05	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation
2010.05.10	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2010.05.10	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation
2010.07.23	Debentures	AAA	Korea Ratings (AAA ~ D)	Case evaluation
2010.07.23	Debentures	AAA	KIS Ratings (AAA ~ D)	Case evaluation

**c. Won-denominated Current Ratio**

(unit: in millions of Won)

Items	2010 1H	2009	2008	2007
Current Assets (A)	195,041	23,682	119,566	32,874
Current Liabilities (B)	7,329	8,995	18,376	12,207
Current Ratio* (A/B)	2,661.22%	263.29%	650.66%	269.30%

\* Beginning in 2009,  
current ratio is



calculated as the ratio  
of

(i) Won-denominated  
assets with maturity of  
less than 1 month and

(ii) Won-denominated  
liabilities with  
maturity of less than 1  
month. Prior to 2009,  
current ratio was  
calculated as the ratio  
of

(i) Won-denominated  
assets with maturity of  
less than 3 months and

(ii) Won-denominated  
liabilities with  
maturity of less than 3  
months.

**Table of Contents****d. Debt Ratio**

(unit: in millions of Won)

Items	2010 1H	2009	2008	2007
Liabilities (A)	3,898,453	3,824,205	3,412,854	2,129,288
Equity (B)	13,918,759	13,720,923	12,207,338	(*)13,062,368
Debt Ratio (A/B)	28.01%	27.87%	27.96%	16.30%

The figures in the table above reflect our adoption of Statements of Korea Accounting Standard No. 15 ( Equity method accounting ).

\* The figures for fiscal year 2007 have been adjusted to take into account the effects of the revisions to the Interpretations on Financial Accounting Standards 53-70 on accounting for derivative instruments.

**e. 30 Largest Exposures by Borrower**

(As of June 30, 2010)

(unit: in billions of Won)

Name	Total Credit Exposure	Normal	Pre-cautionary	Sub-standard	Doubtful	Estimated Loss	Securities	Total Exposure
Industrial Bank of Korea	0	0	0	0	0	0	1,967	1,967
Kookmin Bank	99	99	0	0	0	0	1,526	1,625
Korea Development Bank	37	37	0	0	0	0	1,495	1,532
Samsung Electronics	1,364	1,364	0	0	0	0	13	1,377
SH Corporation	1,130	1,130	0	0	0	0	120	1,249
Seoul Metropolitan Government	1,135	1,135	0	0	0	0	0	1,135
Samsung Heavy Industries	1,033	1,033	0	0	0	0	8	1,040
Korea Land & Housing Corporation	30	30	0	0	0	0	988	1,018
STX Shipbuilding	998	998	0	0	0	0	0	998
Hynix	252	252	0	0	0	0	693	945
Hyundai Steel	767	767	0	0	0	0	136	903

Sungdong Shipbuilding & Marine	899	422	477	0	0	0	0	899
National Agricultural Cooperative Federation	33	33	0	0	0	0	766	799
Hyundai Heavy Industries	729	729	0	0	0	0	36	765
LG Chemical	697	697	0	0	0	0	4	702
Hyundai E&C	207	207	0	0	0	0	477	684
Korea Housing Finance Corporation	0	0	0	0	0	0	676	676
SLS Shipbuilding	604	591	0	13	0	0	0	604
Shinhan Bank	0	0	0	0	0	0	599	599
Kumho Tire	591	38	0	553	0	0	0	591

**Table of Contents**

<b>Name</b>	<b>Total Credit Exposure</b>	<b>Normal</b>	<b>Pre- cautionary</b>	<b>Sub- standard</b>	<b>Doubtful</b>	<b>Estimated Loss</b>	<b>Securities</b>	<b>Total Exposure</b>
Kumho Industrial Daewoo	415	0	0	415	0	0	84	499
International	425	425	0	0	0	0	54	479
SPP Shipbuilding	473	99	374	0	0	0	0	473
Hyundai Samho Heavy Industries	469	469	0	0	0	0	0	469
Hyosung	451	451	0	0	0	0	0	451
STX	401	401	0	0	0	0	25	426
Amkor Technology	425	425	0	0	0	0	0	425
PI Investment	400	42	0	357	0	0	0	400
Hyundai Mipo Dockyard	392	392	0	0	0	0	0	393
Kumho Petrochemical	389	92	298	0	0	0	0	389
<b>Total</b>	<b>14,843</b>	<b>12,356</b>	<b>1,149</b>	<b>1,338</b>	<b>0</b>	<b>0</b>	<b>9,668</b>	<b>24,511</b>

**Table of Contents****f. 20 Largest Loan Exposures Classified as Sub-Standard or Below by Borrower**

(As of June 30, 2010)

(unit: in billions of Won)

Name	Total Loans	Normal	Pre- cautionary	Sub- standard	Estimated Doubtful	Loss	Sub-standard Loan		Collateral	Coverage Ratio
							or below	Loss Reserve		
Kumho Tires	591	38	0	553	0	0	553	167	126	49.5%
Kumho Industrial	415	0	0	415	0	0	415	82	375	110.0%
PI Investment	400	42	0	357	0	0	357	175	44	54.9%
Poonglim										
Industrial	310	5	0	305	0	0	305	61	119	58.1%
Orient Shipyard	241	5	0	15	0	222	237	167	5	71.1%
Daewoo Motor										
Sales	186	0	0	186	0	0	186	37	78	61.9%
KSID	185	0	0	185	0	0	185	41	0	22.0%
Byucksan E&C	119	0	0	119	0	0	119	23	100	103.2%
Hanwori World										
Resort	105	0	0	105	0	0	105	51	0	49.0%
21st Century										
Shipbuilding	103	2	0	101	0	0	101	33	39	69.6%
Pi City	100	0	0	100	0	0	100	20	0	20.0%
KD Preya PFV	100	0	0	100	0	0	100	20	0	20.0%
Singok SPC	100	0	0	100	0	0	100	40	0	40.0%
Dukwon										
Construction	79	0	0	79	0	0	79	39	0	49.0%
Hyundai Cement	79	1	0	79	0	0	79	16	0	19.9%
SAMT	80	6	0	74	0	0	74	34	6	50.3%
Sungwoo										
Construction	65	0	0	65	0	0	65	18	0	27.2%
KFD Urban										
Development	63	0	0	63	0	0	63	13	0	20.0%
Samho	63	0	0	63	0	0	63	31	0	4.09%
KAMCO Value										
Creation 1st SPC	56	0	0	56	0	0	56	27	0	49.0%
<b>Total</b>	<b>3,441</b>	<b>99</b>	<b>0</b>	<b>3,120</b>	<b>0</b>	<b>222</b>	<b>3,342</b>	<b>1,095</b>	<b>891</b>	<b>57.7%</b>

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

(unit: in millions of Won, except per share amounts)

<b>Items</b>	<b>2010 1H</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Cash and Due from Banks	194,870	23,267	119,350	32,502	89,724
Securities	17,410,200	17,350,078	15,285,356	15,062,711	13,591,413
Loans	99,500	139,300	169,150	0	49,750
Tangible Assets	342	415	566	438	630
Other Assets	112,300	32,068	45,770	96,005	62,004
<b>Total Assets</b>	<b>17,817,212</b>	<b>17,545,128</b>	<b>15,620,192</b>	<b>15,191,656</b>	<b>13,793,521</b>
Borrowings		60,000			
Debentures	3,744,934	3,744,155	3,393,702	2,116,679	1,847,591
Other Liabilities	153,519	20,050	19,152	12,609	12,858
<b>Total Liabilities</b>	<b>3,898,453</b>	<b>3,824,205</b>	<b>3,412,854</b>	<b>2,129,288</b>	<b>1,860,449</b>
Common Stock	4,030,077	4,030,077	4,030,077	4,030,077	4,030,077
Capital Surplus	159,610	179,488	186,959	187,554	187,955
Capital Adjustment	(64,452)	(54,201)	(57,219)	(55,812)	(55,854)
Consolidated Other					
Comprehensive Income	993,192	1,219,373	724,373	1,842,300	2,173,349
Retained Earnings	8,800,332	8,346,186	7,323,148	7,058,249	5,597,545
<b>Total Stockholder s Equity</b>	<b>13,918,759</b>	<b>13,720,923</b>	<b>12,207,338</b>	<b>13,062,368</b>	<b>11,933,072</b>
Operating Revenue	704,460	1,326,855	666,267	2,080,957	2,031,611
Operating Income	547,710	1,028,463	455,812	1,939,374	1,893,248
Net Income	532,443	1,026,024	454,478	1,943,561	2,029,319
Earnings per share (in Won)	661	1,273	564	2,411	2,518

\* The figures in the table above reflect our adoption of Statements of Korea Accounting Standard No. 15 ( Equity method accounting ).

\* The figures for fiscal year 2007 have been adjusted to take into account the

effects of the  
revisions to the  
Interpretations  
on Financial  
Accounting  
Standards 53-70  
on accounting  
for derivative  
instruments.

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

(unit: in millions of Won)

<b>Items</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Cash and Due from Banks	21,133,831	19,967,897	14,984,541	10,674,977	11,224,015
Securities	50,276,343	46,714,465	48,228,254	46,313,960	37,693,090
Loans	196,882,416	197,040,672	167,635,411	140,854,505	106,937,970
Tangible Assets	2,820,417	2,796,537	2,638,774	2,561,391	2,472,727
Other Assets	13,791,060	24,474,724	16,165,322	11,592,497	6,215,046
<b>Total Assets</b>	<b>284,904,067</b>	<b>290,994,295</b>	<b>249,652,302</b>	<b>211,997,330</b>	<b>164,542,848</b>
Deposits	178,660,922	170,224,891	146,583,312	129,022,868	107,087,990
Borrowings	71,664,594	74,717,758	66,040,316	54,111,207	37,116,858
Other Liabilities	18,591,420	31,743,043	22,011,382	15,438,450	9,233,038
<b>Total Liabilities</b>	<b>268,916,936</b>	<b>276,685,692</b>	<b>234,635,010</b>	<b>198,572,525</b>	<b>153,437,886</b>
Common Stock	4,030,077	4,030,077	4,030,077	4,030,077	4,030,077
Consolidated Capital Surplus	179,488	186,959	187,555	187,955	142,608
Consolidated Capital Adjustment	(54,201)	(57,219)	(55,812)	(55,854)	(52,747)
Consolidated Other Comprehensive Income	1,219,366	724,366	1,842,294	2,173,342	1,705,456
Consolidated Retained Earnings	8,346,186	7,323,149	7,058,249	5,601,869	3,896,255
Minority Interest	2,266,215	2,101,271	1,954,929	1,487,416	1,383,313
<b>Total Stockholder s Equity</b>	<b>15,987,131</b>	<b>14,308,603</b>	<b>15,017,292</b>	<b>13,424,805</b>	<b>11,104,962</b>
Operating Revenue	54,061,689	86,901,260	26,650,127	19,895,975	14,564,520
Operating Income	1,383,261	1,115,659	2,915,803	2,748,368	2,004,494
Income before income tax expense	1,459,818	1,190,400	2,923,358	2,913,712	2,145,704
Net income from continuing operation	1,077,445	588,655	2,114,501	2,189,207	1,833,521
Aggregated Net Income	1,115,773	588,502	2,114,360	2,189,207	1,833,521
Net Income for Majority Shareholders	1,026,024	454,478	1,939,238	2,029,319	1,688,221
Net Income for Minority Shareholders	89,749	134,024	175,122	159,888	145,300
No. of Companies Consolidated	36	38	30	24	21

\* The figures for fiscal years 2007 to 2009 take into account the



effects of the revisions to the Interpretations on Financial Accounting Standards 53-70 on accounting for derivative instruments.

\* The figures for fiscal years 2007 and 2008 have been adjusted to reflect the re-classification of net income (loss) from discontinued operations.

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

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

(unit: in millions of Won)

<b>Period</b>	<b>Item</b>	<b>Total Credits</b>	<b>Loan Loss Reserves</b>	<b>Provisioning Ratio</b>
2010 2Q	Loans	100,000	500	0.5%
	Total	100,000	500	0.5%
2009	Loans	140,000	700	0.5%
	Total	140,000	700	0.5%
2008	Loans	170,000	850	0.5%
	Total	170,000	850	0.5%

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

(unit: in millions of Won)

<b>Item</b>	<b>2010 2Q</b>	<b>2009</b>	<b>2008</b>
1. Initial loan loss reserves balance	700	850	0
2. Net credit costs			
1) Write-offs			
2) Recovery of written-off assets			
3) Other changes			
Recovery of credit costs	(200)	(150)	850
Ending loan loss reserve balance	500	700	850

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

	<b>2010 2Q</b>	<b>2009 2Q</b>	<b>2009</b>	<b>2008</b>
Auditor	Deloitte Anjin LLC	Deloitte Anjin LLC	Deloitte Anjin LLC Unqualified Opinion	Deloitte Anjin LLC Unqualified Opinion
Auditor's Opinion				

**2. Compensation to the Independent Auditor for the Past Three Years****a. Auditing Service**

(units: in millions of Won, hours)

Year	Auditor	Activity	Compensation	Accrued Time (hrs)
2010 2Q	Deloitte Anjin LLC	Review of Quarter and Half Year financial statements and audit of Annual financial statements (Consolidated, Non-consolidated)	325	2,165
2009	Deloitte Anjin LLC	Review of Quarter and Half Year financial statements and audit of Annual financial statements (Consolidated, Non-consolidated)	342	4,941
2008	Deloitte Anjin LLC	Review of Quarter and Half Year financial statements and audit of Annual financial statements (Consolidated, Non-consolidated)	360	4,957

**b. Compensation for Services Other than the Audit**

(unit: in millions of Won)

Year	Contract Date	Activity	Period	Comp.	Note
2010 2Q	2010.04.30	Corporate tax reconciliation (Consolidated tax return advice)	2010.07~2010.08 2011.02~2011.03	72	Deloitte Anjin LLC
2009	2009.12.21 2009.04.29	US GAAP and SOX Auditing Corporate tax reconciliation (Consolidated tax return review)	2009.12~2010.05 2009.07~2009.08 2010.2~2010.3	3,006 31	Deloitte Anjin LLC
2008	2009.01.07 2008.05.14	US GAAP and SOX Auditing Corporate tax reconciliation	2008.12~2009.5 2008.7~2008.8 2009.2~2009.3	3,340 23	Deloitte Anjin LLC

**Table of Contents****V. Corporate Governance and Affiliated Companies****1. About the Board of Directors****A. Composition of our board of directors**

After the general shareholders meeting on March 26, 2010

<b>Name</b>	<b>Career &amp; Academic Background</b>	<b>Relationship with Largest Shareholder</b>	<b>Notes</b>
<b>Pal Seung Lee</b> (Standing Director)	<ul style="list-style-type: none"> <li>- <b>Current</b>) Chairman and chief executive officer of Woori Finance Holdings</li> <li>- Chief executive officer, Woori Investment &amp; Securities</li> <li>- Executive managing director, Hanil Bank</li> <li>- Bachelor of Law, Korea University</li> </ul>	None	Chairman of the board
<b>Min-Joon Bang</b> (Non-standing Director)	<ul style="list-style-type: none"> <li>- Arbitration Commissioner of Press Arbitration Commission</li> <li>- Head of Editorial Desk, Korea Times</li> <li>- Bachelor of Korean Language and Literature, Seoul National University</li> </ul>	None	Third consecutive term
<b>Hi-Taek Shin</b> (Non-standing Director)	<ul style="list-style-type: none"> <li>- <b>Current</b>) Professor of College of Law, Seoul National University</li> <li>- Lawyer, Kim &amp; Chang Law Firm</li> <li>- Bachelor of Laws, Seoul National University</li> <li>- Master of Laws, Seoul National University</li> <li>- J.S.D at Yale Law School</li> </ul>	None	Third consecutive term
<b>Hi-Bock Kang</b> (Non-standing Director)	<ul style="list-style-type: none"> <li>- <b>Current</b>) Executive Director, Market Economy Research Institute</li> <li>- Chief Executive Officer, Korea Minting and Security Printing Corporation</li> <li>- Bachelor of Public Administration, Seoul National University</li> <li>- Graduate School of Public Administration, Seoul National University</li> </ul>	None	Second consecutive term
<b>Young-Ho Lee</b> (Non-standing Director)	<ul style="list-style-type: none"> <li>- <b>Current</b>) Advisor, Kim &amp; Chang Law Firm</li> <li>- Chairman, Market Oversight Commission of Korea Exchange</li> <li>- Assistant Governor, Financial Supervisory Service</li> <li>- Bachelor of Laws, Korea University</li> </ul>	None	Second consecutive term
<b>Hak-Jin Kim</b> (Non-standing Director)	<ul style="list-style-type: none"> <li>- <b>Current</b>) Director General of Department of Planning &amp; Coordination, Korea Deposit Insurance Corporation</li> <li>- General Manager of Human Resources Development Department, Korea Deposit Insurance Corporation</li> <li>- Bachelor of Economics, Chung-Ang University</li> </ul>	Employee of the majority shareholding company	Second consecutive term
<b>Doo-Hee Lee</b> (Non-standing Director)	<ul style="list-style-type: none"> <li>- <b>Current</b>) Professor of College of Business Administration, Korea University</li> </ul>	None	Second consecutive term

Director)	<ul style="list-style-type: none"> <li>- President, Korea Advertising Society</li> <li>- Bachelor of Business Administration, Korea University</li> <li>- Ph.D. in Business Administration, Michigan State University</li> </ul>		
<b>Hun Lee</b> (Non-standing Director)	<ul style="list-style-type: none"> <li>- <b>Current</b>) Co-Head, The Lawyers for Citizens</li> <li>- Lawyer, Barun Law</li> <li>- Bachelor of Law, Chung-Ang University</li> </ul>	None	Second consecutive term

B. Committees under the Board of Directors

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

- (a) Management Committee
- (b) Business Development and Compensation Committee

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- (c) Risk Management Committee
- (d) Standing Directors Committee
- (e) Ethics Committee
- (f) Outside Directors Recommendation Committee
- (g) MOU Evaluation Committee
- (h) Audit Committee
- (i) Audit Committee Member Candidate Recommendation Committee

After the general shareholders meeting on March 26, 2010

<b>Name</b>	<b>Position</b>	<b>Notes</b>
Management Committee	Pal Seung Lee Hi-Bock Kang Young-Ho Lee Min-Joon Bang Hi-Taek Shin	Chairman and CEO Pal Seung Lee heads this committee consisting of the heads of the sub-committees.
Business Development and Compensation Committee	Young-Ho Lee Doo-Hee Lee Hun Lee	Non-standing director Young-Ho Lee heads this committee consisting of no fewer than three non-standing directors.
Risk Management Committee	Pal Seung Lee Hi-Bock Kang Young-Ho Lee Min-Joon Bang Hun Lee	Chairman and CEO Pal Seung Lee heads this committee. The committee consists of the Chairman and CEO, inside director and no fewer than three non-standing directors.
Standing Directors Committee	Pal Seung Lee	Chairman and CEO Pal Seung Lee heads the committee consisting of all executive directors.
Ethics Committee	Pal Seung Lee Min-Joon Bang Hak-Jin Kim Doo-Hee Lee Hi-Taek Shin	Non-standing director Min-Joon Bang heads this committee consisting of all executive directors and no fewer than two non-standing directors.
Outside Directors Recommendation Committee	Pal Seung Lee Hi-Bock Kang Hak-Jin Kim Doo-Hee Lee Hun Lee	Non-standing director Hi-Bock Kang heads this committee consisting of the Chairman and CEO and no fewer than three non-standing directors.
MOU Evaluation Committee	Pal Seung Lee Hi-Bock Kang Young-Ho Lee Min-Joon Bang Hi-Taek Shin Hak-Jin Kim Doo-Hee Lee	Chairman and CEO Pal Seung Lee heads this committee consisting of the entire board of directors.

Audit Committee	Hun Lee Young-Ho Lee Hak-Jin Kim Hi-Taek Shin Doo-Hee Lee	Consists of no fewer than 3 directors and one financial expert, at least two-thirds of whom are non-standing directors
Audit Committee Member Candidate Recommendation Committee	Hi-Bock Kang Young-Ho Lee Min-Joon Bang Hi-Taek Shin Hak-Jin Kim Doo-Hee Lee Hun Lee	Non-standing director Hi-Bock Kang heads this committee consisting of all executive directors.

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**2. Related Companies**

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

As of June 30, 2010

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

Name	Beginning Balance			Changes <sup>1</sup>		Ending Bal.			Total Assets as of the Most Recent Fiscal Year	Net Income for the Most Recent Fiscal Year <sup>2</sup>
	Quantity	Share	Book value	Quantity	Valuation Gain/Loss	Quantity	Share	Book value		
Woori Bank Kwangju	765,957	100.0	13,621,824		(10,493)	765,957	100.0	13,611,331	237,910,470	953,829
Bank Kyongnam	49,413	99.9	976,284		51,923	49,413	99.9	1,028,207	17,308,304	62,003
Bank Woori Finance Info Sys.	900	100.0	15,013		2,908	900	100.0	17,921	221,876	1,416
Woori F&I	6,000	100.0	166,563		4,578	6,000	100.0	171,141	508,542	24,667
Woori Investment & Securities	46,325	35.0	754,782		35,807	46,325	35.0	790,589	18,406,605	180,543
Woori Asset Management	6,662	100.0	67,456		(6,966)	6,662	100.0	60,490	92,363	9,954
Woori Private Equity	4,000	100.0	24,246		781	4,000	100.0	25,027	25,141	1,310
Woori Financial	8,970	52.9	207,346		(16,656)	8,970	52.5	190,690	2,151,217	25,732
Woori Aviva Life Insurance	3,060	51.0	72,903		(4,938)	3,060	51.0	67,965	1,743,823	2,643
<b>Total</b>	<b>949,337</b>		<b>17,350,078</b>		<b>60,122</b>	<b>949,337</b>		<b>17,410,200</b>	<b>301,525,667</b>	<b>1,455,715</b>

1. The changes in quantity and cost are calculated from the increase or decrease under the equity method.

2. The figures for the net income for the most

recent fiscal  
year as stated  
above are for  
the fiscal year  
ended  
December 31,  
2009, except for  
the figures for  
the latest net  
income of  
Woori Asset  
Management,  
Woori  
Investment &  
Securities and  
Woori Aviva  
Life Insurance,  
which are for  
the fiscal year  
ended  
March 31, 2010.

**Table of Contents****VI. Stock Information****1. Stock Distribution****a. Stock Information of the Largest Shareholder and Specially Related Parties**

As of June 30, 2010

(units: shares, %)

Name	Relation	Type	Beginning balance		Shares Held		Ending balance		Reasons Behind Change
			Stock	Share	(+)	(-)	Stock	Share	
KDIC	S/H	Largest Common	459,198,609	56.97			459,198,609	56.97	
		Common	459,198,609	56.97			459,198,609	56.97	
Total		Preferred							
		Total	459,198,609	56.97			459,198,609	56.97	

Largest Shareholder: KDIC

**b. Share Ownership of More Than 5%**

As of June 30, 2010

(units: shares, %)

No.	Name	Common Stock		Preferred Stock		Total	
		No. of shares	%	No. of shares	%	No. of shares	%
1	KDIC	459,198,609	56.97			459,198,609	56.97
2	Mirae Asset Management Investment	49,967,187	6.20			49,967,187	6.20
	Total	509,165,796	63.17			509,165,796	63.17

**c. Shareholder Distribution**

As of December 31, 2009

Items	Shareholder		Number of	
	number	Ratio(%)	shares	Ratio(%)
Total Minority Shareholders	70,667	100.00	265,694,161	32.96
Minority Shareholders (Companies)	1,547	2.19	215,407,064	26.72
Minority Shareholders (Individual)	69,120	97.81	50,287,097	6.24
Largest Shareholders, etc.	1		531,738,609	65.97
Main Shareholders				
Total Other Shareholders	1		8,580,000	1.06
Others Shareholders (Companies)	1		8,580,000	1.06
Others Shareholders (Individuals)				
Others	1		2,570	
Total	70,670	100.0	806,015,340	100.00



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

(units: Won, shares)

<b>Period</b>		<b>January 2010</b>	<b>February 2010</b>	<b>March 2010</b>	<b>April 2010</b>	<b>May 2010</b>	<b>June 2010</b>
Common							
Stock	High	16,000	14,450	16,800	18,300	17,700	16,050
	Low	13,400	12,950	13,750	16,000	14,900	14,600
	Average	14,953	13,546	15,080	17,416	15,847	15,214
Monthly Trade							
Volume	High	9,228,569	4,601,541	8,445,039	84,849,174	11,124,434	12,414,955
	Low	2,503,978	1,237,078	1,518,406	2,488,793	3,100,160	2,863,285
	Average	85,347,708	55,357,442	83,747,705	182,700,533	111,422,140	129,164,376

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

(units: US Dollars, ADRs)

<b>Period</b>		<b>January 2010</b>	<b>February 2010</b>	<b>March 2010</b>	<b>April 2010</b>	<b>May 2010</b>	<b>June 2010</b>
ADR	High	42.50	36.60	44.10	49.68	48.01	40.49
	Low	33.93	33.05	34.35	43.06	36.15	35.02
	Average	39.00	35.12	39.75	47.01	40.47	37.45
Won Conversion	High	48,400	42,349	50,170	55,428	53,219	49,232
	Low	38,640	38,241	39,078	48,361	42,118	42,385
	Average	44,414	40,637	45,221	52,517	47,070	45,406
Monthly Trade							
Volume	High	68,100	15,700	54,900	30,300	16,800	10,400
	Low	2,000	2,200	500	600	100	1,900
	Average	257,600	130,300	180,600	127,700	140,000	130,900

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

Position		Name	Common Stocks Owned	Note
Chairman and CEO	Registered	Pal Seung Lee	35,000 (as of August 12, 2010)	
Senior Managing Director	Non-Registered	Sang Koo Youn	4,400 (as of August 9, 2010)	
Senior Managing Director	Non-Registered	Jeong Han Kim		Also serves as the Head of the Risk Management Unit at Woori Bank
Managing Director	Non-Registered	Sung Jae Park	353	Appointed as the Chief Compliance Officer on February 10, 2010
Managing Director	Non-Registered	Seung Gyu Kim		
Non-standing Director	Registered	Hi-Bock Kang		
Non-standing Director	Registered	Young-Ho Lee		
Non-standing Director	Registered	Min-Joon Bang		
Non-standing Director	Registered	Hi-Taek Shin		
Non-standing Director	Registered	Hak-Jin Kim		
Non-standing Director	Registered	Doo-Hee Lee		
Non-standing Director	Registered	Hun Lee		

**2. Employee Status**

As of June 30, 2010

(units: persons, thousands of Won)

Items	Staff			Total	Average Tenure Years	Cumulative Compensation	Average Compensation Per Person	Note
	Admin.	Manu.	Misc.					
Total	115		12	127	2 years and 11 months	3,482,250	27,419	

**3. Directors Compensation**

(unit: in millions of Won)

Items	Total Compensation	Compensation Limit approved at Meeting of Shareholders	Fair value of Stock Option	Note
Standing Director	239	4,000		
	40			

Non-standing Directors (excluding audit  
committee member)

Audit committee members

80

31

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

(unit: in millions of Won)

Name	Relation	Item Other	Beg.	Changes		End	Notes
				+			
Woori Financial	Subsidiary	Loan	100,000			100,000	
Woori F&I	Subsidiary	Other					
Woori F&I	Subsidiary	Loan	40,000	40,000			
Total			140,000	40,000		100,000	

**b. Payment Transactions**

(unit: shares)

Capital Contribution and Share Disposal  
Transactions

Name	Relation	Types of Shares	Beginning	Capital Contribution and Share Disposal Transactions		Ending	Notes
				Increase	Decrease		
Woori Bank	Subsidiary	Common stock	695,956,580			695,956,580	
		Preferred Stock	70,000,000			70,000,000	
Kwangju Bank	Subsidiary	Common stock	49,413,333			49,413,333	
Kyongnam Bank	Subsidiary	Common stock	58,049,994			58,049,994	
Woori Finance Info Sys.	Subsidiary	Common Stock	900,000			900,000	
Woori F&I	Subsidiary	Common Stock	6,000,000			6,000,000	
Woori Investment & Securities	Subsidiary	Common Stock	46,324,981			46,324,981	
Woori Asset Management	Subsidiary	Common Stock	6,662,000			6,662,000	
Woori Private Equity	Subsidiary	Common Stock	4,000,000			4,000,000	
Woori Financial	Subsidiary	Common Stock	8,970,639			8,970,639	
Woori Aviva Life Insurance	Subsidiary	Common Stock	3,060,000			3,060,000	
Total			949,337,527			949,337,527	



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**EXHIBIT A**

**FINANCIAL STATEMENTS**

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

NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS

ENDED JUNE 30, 2010 AND 2009

AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**Audit.Tax.Consulting.Financial Advisory.**

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**Independent Accountants Review Report**

English Translation of a Report Originally Issued in Korean

**To the Shareholders and Board of Directors of**

**Woori Finance Holdings Co., Ltd.:**

We have reviewed the accompanying non-consolidated statement of financial position of Woori Finance Holdings Co., Ltd. (the Company) as of June 30, 2010, the related non-consolidated statements of operations for the three months and six months ended June 30, 2010 and 2009, and non-consolidated statements of changes in shareholders equity and cash flows for the six months ended June 30, 2010 and 2009, 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 statement of financial position of the Company as of December 31, 2009 and the related non-consolidated statements of operations, appropriations of retained earnings, changes in shareholders equity and cash flows for the year then ended (not presented herein) and in our report dated March 4, 2010, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying statement of financial position as of December 31, 2009, which is comparatively presented, does not differ in material respects from such audited non-consolidated statement of financial position.

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

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Accounting principles and review standards and their application in practice vary among countries. The accompanying non-consolidated financial statements are not intended to present the financial position, results of operations, changes in shareholders' equity 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.

August 4, 2010

**Notice to Readers**

This report is effective as of August 4, 2010, 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.

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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2010 AND DECEMBER 31, 2009**

	Korean won		Translation into	
	2010	2009	U.S. dollars (Note 2)	2009
	(In millions)		(In thousands)	
<b>ASSETS</b>				
Cash and bank deposits (Notes 15 and 17)	₩ 194,870	₩ 23,267	US\$ 161,010	US\$ 19,224
Investment securities accounted for using the equity method of accounting (Notes 3 and 15)	17,410,200	17,350,078	14,385,029	14,335,353
Loans, net of allowance for possible loan losses (Notes 4 and 15)	99,500	139,300	82,211	115,095
Fixed assets (Note 5)	342	415	283	343
Other assets (Notes 6, 7 and 17)	112,300	32,068	92,786	26,497
	₩ 17,817,212	₩ 17,545,128	US\$ 14,721,319	US\$ 14,496,512
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>				
<b>LIABILITIES</b>				
Debentures, net of discounts (Notes 8 and 15)	₩ 3,744,934	₩ 3,744,156	US\$ 3,094,220	US\$ 3,093,577
Borrowings (Notes 8 and 15)		60,000		49,574
Other liabilities (Notes 10 and 17)	153,519	20,049	126,844	16,566
	3,898,453	3,824,205	3,221,064	3,159,717
<b>SHAREHOLDERS EQUITY</b>				
Common stock (Note 11)	4,030,077	4,030,077	3,329,817	3,329,817
Capital surplus (Note 3)	159,609	179,488	131,876	148,300
Capital adjustments (Notes 3 and 11)	(64,452)	(54,201)	(53,253)	(44,783)
Accumulated other comprehensive income (Notes 3 and 19)	993,192	1,219,373	820,616	1,007,496
Retained earnings:				
Legal reserve	885,903	783,300	731,970	647,195
Voluntary reserve	7,379,000	6,539,000	6,096,835	5,402,793
Retained earnings before appropriations (Notes 3 and 11)	535,430	1,023,886	442,394	845,977
	8,800,333	8,346,186	7,271,199	6,895,965
	13,918,759	13,720,923	11,500,255	11,336,795

₩ 17,817,212    ₩ 17,545,128    US\$ 14,721,319    US\$ 14,496,512

See accompanying notes to non-consolidated financial statements.

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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2010 AND 2009**

	Korean won				Translation into U.S. dollars (Note 2)			
	2010		2009		2010		2009	
	Three months	Six months	Three months	Six months	Three months	Six months	Three months	Six months
	(In millions, except for income per share data)				(In thousands, except for income per share data)			
<b>OPERATING REVENUE</b>								
Gain on valuation using the equity method of accounting (Notes 3 and 16)	₩ 51,808	₩ 699,677	₩ 294,841	₩ 530,062	US\$ 42,806	US\$ 578,102	US\$ 243,610	US\$ 437,959
Interest income (Note 17)	2,715	4,583	4,456	8,227	2,243	3,787	3,682	6,797
Reversal of allowance for doubtful accounts		200				165		
	54,523	704,460	299,297	538,289	45,049	582,054	247,292	444,756
<b>OPERATING EXPENSES</b>								
Loss on valuation using the equity method of accounting (Notes 3 and 16)	10,880	18,427	2,554	15,349	8,990	15,225	2,110	12,682
Interest expense	61,189	122,308	62,137	116,859	50,557	101,056	51,340	96,554
Fees (Note 17)	1,247	2,136	1,850	2,981	1,030	1,765	1,529	2,463
Provision for possible loan losses				100				83
General and administrative (Notes 14 and 15)	6,665	13,879	5,866	12,328	5,507	11,467	4,847	10,185
	79,981	156,750	72,407	147,617	66,084	129,513	59,826	121,967
<b>OPERATING INCOME</b>	(25,458)	547,710	226,890	390,672	(21,035)	452,541	187,466	322,789
<b>NON-OPERATING INCOME</b>								
	91	93	126	170	74	77	104	141
	1,165	1,318	3,890	5,443	963	1,090	3,214	4,497

NON-OPERATING  
EXPENSES

INCOME (LOSS) BEFORE INCOME TAX	(26,532)	546,485	223,126	385,399	(21,924)	451,528	184,356	318,433
INCOME TAX EXPENSE (Note 12)	14,042	14,042			11,602	11,602		
NET INCOME (LOSS)	₩ (40,574)	₩ 532,443	₩ 223,126	₩ 385,399	US\$ (33,526)	US\$ 439,926	US\$ 184,356	US\$ 318,433
NET INCOME (LOSS) PER COMMON SHARE (Note 18)	₩ (50)	₩ 661	₩ 277	₩ 478	US\$ (0.041)	US\$ 0.546	US\$ 0.229	US\$ 0.395

See accompanying notes to non-consolidated financial statements.

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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009**

Korean won	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
	(In millions)					
January 1, 2009 (Reported)	₩4,030,077	₩186,959	₩(57,219)	₩724,373	₩7,323,149	₩12,207,339
Net income					385,399	385,399
Valuation using the equity method on subsidiaries		17,612	644	169,966	(1,041)	187,181
June 30, 2009	₩4,030,077	₩204,571	₩(56,575)	₩894,339	₩7,707,507	₩12,779,919
January 1, 2010 (Reported)	₩4,030,077	179,488	₩(54,201)	₩1,219,373	₩8,346,186	₩13,720,923
Net income					532,443	532,443
Dividend					(80,601)	(80,601)
Valuation using the equity method on subsidiaries		(19,879)	(10,251)	(226,181)	2,305	(254,006)
June 30, 2010	₩4,030,077	₩159,609	₩(64,452)	₩993,192	₩8,800,333	₩13,918,759
Translation into U.S. dollars (Note 2)	Common stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
	(In thousands)					
January 1, 2009 (Reported)	US\$ 3,329,817	US\$ 154,473	US\$ (47,277)	US\$ 598,507	US\$ 6,050,689	US\$ 10,086,209
Net income					318,433	318,433
Valuation using the equity method on subsidiaries		14,552	532	140,433	(860)	154,657
June 30, 2009	US\$ 3,329,817	US\$ 169,025	US\$ (46,745)	US\$ 738,940	US\$ 6,368,262	US\$ 10,559,299
January 1, 2010 (Reported)	US\$ 3,329,817	US\$ 148,300	US\$ (44,783)	US\$ 1,007,496	US\$ 6,895,965	US\$ 11,336,795
Net income					439,926	439,926
Dividend					(66,597)	(66,597)



Valuation using the equity method on subsidiaries	(16,424)	(8,470)	(186,880)	1,905	(209,869)	
June 30, 2010	US\$ 3,329,817	US\$ 131,876	US\$ (53,253)	US\$ 820,616	US\$ 7,271,199	US\$ 11,500,255

See accompanying notes to non-consolidated financial statements.

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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009**

	Korean won		Translation into U.S. dollars (Note 2)	
	2010	2009	2010	2009
	(In millions)		(In thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income	₩ 532,443	₩ 385,399	US\$ 439,926	US\$ 318,433
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Loss on valuation using the equity method of accounting	18,427	15,349	15,225	12,682
Interest expense (amortization of discounts on debentures)	1,508	1,359	1,245	1,123
Provision for severance benefits	503	421	417	348
Depreciation	81	108	67	89
Amortization	4	3	3	2
Provision for possible loan losses		100		83
Other non-operating expense		3,852		3,183
Gain on valuation using the equity method of accounting	(699,677)	(530,062)	(578,102)	(437,959)
Reversal of allowance for doubtful accounts	(200)		(165)	
	(679,354)	(508,870)	(561,310)	(420,449)
Changes in operating assets and liabilities:				
Increase in other receivables	(78,714)	(482)	(65,037)	(398)
Decrease in investment securities accounted for using the equity method of accounting	407,130	40,476	336,388	33,443
Decrease (increase) in accrued income	(157)	25	(130)	20
Decrease in prepaid expenses	47	102	39	84
Increase in advanced payments	(1,392)	(21)	(1,150)	(17)
Retirement benefits succession	400	18	330	15
Severance benefits payment	(337)	(230)	(278)	(190)
Decrease in employee retirement insurance deposit	51	164	42	136
Increase (decrease) in other payables	(39)	449	(31)	371
Increase in accrued expenses	333	66	276	54
Decrease in withholdings	(286)	(67)	(236)	(55)
Decrease in prepaid income tax		62		51
Increase in income tax payable	78,794		65,103	
Increase in deferred income tax liabilities	14,042		11,602	

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	419,872	40,562	346,917	33,514
Net cash provided by (used in) operating activities	272,961	(82,909)	225,533	(68,502)

(Continued)

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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009**

	Korean won		Translation into	
	2010	2009	2010	2009
	(In millions)		(In thousands)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Collection of loans	₩ 40,000	₩ 20,000	US\$ 33,050	US\$ 16,525
Acquisition of investment securities accounted for using the equity method accounting		(300,000)		(247,871)
Acquisition of fixed assets	(8)	(23)	(7)	(19)
Acquisition of intangible assets	(19)	(8)	(16)	(7)
Extension of loans		(40,000)		(33,050)
Net cash provided by (used in) investing activities	39,973	(320,031)	33,027	(264,422)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of debentures in local currency	249,270	898,258	205,957	742,178
Proceeds from borrowings in local currency	10,000		8,262	
Repayment of debentures in local currency	(250,000)	(370,000)	(206,560)	(305,709)
Payment of dividends	(80,601)		(66,596)	
Repayment of borrowings in local currency	(70,000)		(57,837)	
Net cash provided by (used in) financing activities	(141,331)	528,258	(116,774)	436,469
NET INCREASE IN CASH AND BANK DEPOSITS	171,603	125,318	141,786	103,545
CASH AND BANK DEPOSITS, BEGINNING OF THE PERIOD	23,267	119,350	19,224	98,612
CASH AND BANK DEPOSITS, END OF THE PERIOD	₩ 194,870	₩ 244,668	US\$ 161,010	US\$ 202,157

See accompanying notes to non-consolidated financial statements.



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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2010 AND 2009**

**1. GENERAL**

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

Woori Finance Holdings Co., Ltd. (the Company) was incorporated on March 27, 2001, to engage in the business of managing the following five financial institutions; Woori Bank, Kyongnam Bank, Kwangju Bank, Woori Credit Card Co., Ltd. (formerly Peace Bank of Korea and merged into Woori Bank on March 31, 2004) and Woori Investment Bank (merged into Woori Bank on July 31, 2003), whose shares were contributed to the Company by the Korea Deposit Insurance Corporation (the KDIC) in accordance with the provisions of the Financial Holding Company Act. As a result of its functional restructuring, the Company owns 10 subsidiaries and 30 2nd-tier subsidiaries as of June 30, 2010.

Upon incorporation, the Company's stock amounted to ₩3,637,293 million, consisting of 727,458,609 common shares (₩5,000 per share) issued and outstanding. As a result of several capital increases, exercise of warrants and conversion rights since incorporation, as of June 30, 2010, the Company's stock amounted to ₩4,030,077 million, consisting of 806,015,340 common shares issued and outstanding of which the KDIC owns 459,198,609 shares (56.97%).

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 significant subsidiaries as of June 30, 2010 and December 31, 2009 is as follows:

Parent companies	Subsidiaries	2010		2009		Financial statements as of June
		Number of shares owned	Percentage of ownership (%)	Number of shares owned	Percentage of ownership (%)	
Woori Finance Holdings Co., Ltd.	Woori Bank	765,956,580	100.0	765,956,580	100.0	30
"	Kyongnam Bank	58,049,994	99.9	58,049,994	99.9	30
"	Kwangju Bank	49,413,333	99.9	49,413,333	99.9	30
"	Woori Finance Information System Co., Ltd.	900,000	100.0	900,000	100.0	30
"	Woori F&I Co., Ltd.	6,000,000	100.0	6,000,000	100.0	30
"	Woori Investment Securities Co., Ltd.	46,324,981	35.0	46,324,981	35.0	30
"	Woori Asset Management Co., Ltd.	6,662,000	100.0	6,662,000	100.0	30
"	Woori Private Equity Co., Ltd.	4,000,000	100.0	4,000,000	100.0	30
"	Woori Financial Co., Ltd.	8,909,439	52.5	8,909,439	52.5	30
"	Woori Aviva Life Insurance Co., Ltd.	3,060,000	51.0	3,060,000	51.0	30

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Woori Bank	Woori Credit Information Co., Ltd.	1,008,000	100.0	1,008,000	100.0	June 30 (*9)
"	Woori America Bank	10,500,000	100.0	10,500,000	100.0	June 30 (*9)
"	PT. Bank Woori Indonesia Woori Global Market Asia Limited	1,618	95.2	1,618	95.2	June 30 (*9)
"	Woori Bank (China) Limited	39,000,000	100.0	39,000,000	100.0	June 30 (*9)
"	ZAO Woori Bank	19,999,999	100.0	19,999,999	100.0	June 30 (*9)

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Parent companies	Subsidiaries	2010		2009		Financial statements as of
		Number of shares owned	Percentage of ownership (%)	Number of shares owned	Percentage of ownership (%)	
Woori F&I Co., Ltd.	Woori AMC Co., Ltd. (*7)	800,000	100.0			June 30
"	Woori F&I Fifth Asset Securitization Specialty (*6)			92,500	100.0	June 30
"	Woori F&I Sixth Asset Securitization Specialty	98,780	100.0	98,780	100.0	June 30
"	Woori F&I Seventh Asset Securitization Specialty	105,300	100.0	105,300	100.0	June 30
"	Woori F&I Tenth Asset Securitization Specialty (*1)	278,020	100.0	478,020	100.0	June 30
"	Woori F&I Eleventh Asset Securitization Specialty (*7)	181,060	100.0			June 30
"	Woori F&I Thirteenth Asset Securitization Specialty (*7)	855,721	94.6			June 30
"	Woori SB Tenth Asset Securitization Specialty	410,711	50.0+1stock	410,711	50.0+1stock	June 30
Woori Investment Securities Co., Ltd.	Woori Futures Co., Ltd.	5,000,000	100.0	5,000,000	100.0	June 30
"	Woori Investment Securities (H.K.) Ltd.	22,500,000	100.0	22,500,000	100.0	June 30 (*9)
"	LG Investments Holding B.V. (Amsterdam) GG	1,642,398,242	100.0	1,642,398,242	100.0	June 30 (*9)
"	MARS First Private Equity Fund	18,000,000	52.9	18,000,000	52.9	June 30 (*9)
"	MARS Second Private Equity Fund (*8)	25,066,666,670	8.9	25,066,666,670	8.9	June 30 (*9)
"	Connacht Capital Market Investment	15,000,000	100.0	15,000,000	100.0	June 30 (*9)
"	Woori Investment Asia Pte. Ltd.	50,000,000	100.0	50,000,000	100.0	June 30 (*9)
"	Woori Absolute Global Opportunity Fund (*2)	44,700	100.0	35,000	100.0	June 30



						(*9)
"	Woori Absolute Return Investment Strategies Fund (*5)	30,000	100.0			June 30 (*9)
"	Bien Viet Securities Joint Stock Company (*7)	6,615,000	49.0			June 30 (*9)
Woori, Kyongnam & Kwangju Bank, Woori Investment Securities, Woori F&I & Woori PE Woori Private Equity Fund	Woori Private Equity Fund (*3)	140,294	61.0	149,937	61.0	June 30
	Kumho Investment Bank	74,550,000	41.4	74,550,000	41.4	June 30 (*9)
"	Woori Renaissance Holdings	1,260	51.6	1,260	51.6	June 30
"	Phoenix Digital Tech Co., Ltd.	500,000	50.0	500,000	50.0	June 30 (*9)
"	Woori BK Co., Ltd.	1,000	100.0	1,000	100.0	June 30 (*9)
Woori Private Equity Fund & Kumho Investment Bank	Sahn Eagles LLC (*7)	51,027,331	63.8			Mar 31
Woori Renaissance Holdings	UP Chemical Co., Ltd. (*4)	491,091	66.8	582,371	70.0	June 30 (*9)

(\*1) The investee decreased its capital in cash. As a result, the number of shares owned decreased.

(\*2) The investee increased its capital in cash. As a result, the number of shares owned increased.

(\*3) Equity investments decreased due to termination

refund.

(\*4) Percentages of ownership decreased due to stock repurchase.

(\*5) Woori Absolute Return Investment Strategies Fund was incorporated by Woori Investment Securities Co., Ltd. Since total capital stock as of its incorporation exceeded ₩10 billion, it has been consolidated.

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(\*6) Since total assets as of December 31, 2009 decreased to ₩10 billion, it has been deconsolidated and accounted for using the equity method as of January 1, 2010.

(\*7) Since total assets as of December 31, 2009 exceeded ₩10 billion, it has been consolidated as of January 1, 2010.

(\*8) As a General Partner of investee s company, Woori Investment Securities Co., Ltd. has a right to make investment decisions even though it holds less than 50% equity of Mars 2nd Private Equity Fund. Therefore, it has been consolidated.

(\*9) The unreviewed financial statements as of June 30, 2010 are used for the

consolidation.

- (3) General information pertaining to the Company's subsidiaries as of June 30, 2010 does not differ materially from that as of December 31, 2009.

## **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, changes in shareholders' equity 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 ₩1,210.30 to US\$1.00 at June 30, 2010, 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, 2009.

#### **(1) Accounting policy of consolidated tax return**

In accordance with the Korean Corporate Tax Act, the Company and its 100% owned subsidiaries adopted consolidated tax return from the year 2010. The Company recorded the consolidated tax payables on behalf of the subsidiaries and same amounts were recorded as other receivables to be collected from the subsidiaries.

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

(1) Changes in investment securities accounted for using the equity method of accounting for the six months ended June 30, 2010 and the year ended December 31, 2009 are as follows (Korean won in millions):

	Jan. 1, 2010	Gain (loss) on valuation using the equity method (*1)	Other comprehensive income (*1)	Dividends	Other increase (decrease)	Jun. 30, 2010
<2010>						
Woori Bank	₩ 13,621,824	₩ 487,355	₩ (213,476)	₩ (286,148)	₩ 1,776	₩ 13,611,331
Kyongnam Bank (*2)	1,443,661	60,073	1,302	(58,050)	(147)	1,446,839
Kwangju Bank	976,284	76,048	(5,398)	(18,580)	(147)	1,028,207
WFIS	15,013	2,908				17,921
Woori F&I	166,563	18,759	620	(14,802)	1	171,141
Woori Investment Securities	754,782	51,332	758	(16,214)	(70)	790,588
Woori Asset Management	67,456	2,360		(9,326)		60,490
Woori PE	24,246	842	14		(74)	25,028
Woori Financial	207,346	(12,626)	(21)	(4,009)		190,690
Woori Aviva	72,903	(5,801)	863			67,965
	₩ 17,350,078	₩ 681,250	₩ (215,338)	₩ (407,129)	₩ 1,339	₩ 17,410,200

	Jan. 1, 2009	Gain (loss) on valuation using the equity method (*1)	Other comprehensive income (*1)	Dividends	Other increase (decrease)	Dec. 31, 2009
<2009>						
Woori Bank	₩ 11,900,128	₩ 952,362	₩ 475,591	₩ (2,455)	₩ 296,198	₩ 13,621,824
Kyongnam Bank	1,245,318	191,438	6,653		252	1,443,661
Kwangju Bank	920,938	61,980	(6,886)		252	976,284
WFIS	13,076	1,935	2			15,013
Woori F&I	139,999	24,097	(6,295)	(11,267)	20,029	166,563
Woori 3 <sup>rd</sup> SPC		38,328	(8,692)		(29,636)	
Woori Investment Securities	709,114	36,686	34,269	(25,479)	192	754,782
Woori Asset Management	41,296	4,315			21,845	67,456
Woori PE	12,844	1,320	103		9,979	24,246
Woori Financial	228,456	(24,589)	(1,085)	(1,275)	5,839	207,346
Woori Aviva	74,187	(2,498)	1,340		(126)	72,903
	₩ 15,285,356	₩ 1,285,374	₩ 495,000	₩ (40,476)	₩ 324,824	₩ 17,350,078

(\*1) Gross amounts  
for the six  
months ended  
June 30, 2010  
and the year  
ended  
December 31,  
2009

(\*2) Contingent  
liabilities related  
to Kyongnam  
Bank's financial  
incident of  
₩105.5 billion  
(made up of  
provision for  
contingent  
liabilities of  
₩58.2 billion  
and  
₩47.3 billion of  
prior error  
corrections in  
non-operating  
expense) have  
been  
recognized.

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(2) The details of other increase (decrease) for the six months ended June 30, 2010 and the year ended December 31, 2009 are as follows (Korean won in millions):

<2010>	Capital surplus	Capital adjustment	Retained earnings	Total
Woori Bank	₩ 1,026	₩ (1,556)	₩ 2,306	₩ 1,776
Kyongnam Bank	167	(314)		(147)
Kwangju Bank	167	(314)		(147)
Woori F&I	62	(61)		1
Woori Investment Securities	1,098	(1,168)		(70)
Woori PE	84	(158)		(74)
	₩ 2,604	₩ (3,571)	₩ 2,306	₩ 1,339

<2009>	Capital surplus	Capital adjustment	Retained earnings	Other non-operating expenses	Acquisition/ Others	Total
Woori Bank	₩ (895)	₩ 898	₩ (2,987)	₩ (818)	₩ 300,000	₩ 296,198
Kyongnam Bank	71	181				252
Kwangju Bank	71	181				252
Woori F&I	34	(5)			20,000	20,029
Woori 3 <sup>rd</sup> SPC					(29,636)	(29,636)
Woori Investment Securities	(13)	205				192
Woori Asset Management	(26,005)				47,850	21,845
Woori PE	34	(55)			10,000	9,979
Woori Financial	217	1,613			4,009	5,839
Woori Aviva					(126)	(126)
	₩ (26,486)	₩ 3,018	₩ (2,987)	₩ (818)	₩ 352,097	₩ 324,824

(\*) The variation of equity due to the additional acquisition, disposal of shares and paid in capital of Company's subsidiaries are accounted as capital surplus or capital adjustments.

(3) The details of changes in the difference between the acquisition cost and the proportionate net asset value on the acquisition date for the six months ended June 30, 2010 and the year ended December 31, 2009 are as follows (Korean won in millions):

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<2010>	Jan. 1, 2010	Acquisition	Amortization	Jun. 30, 2010
Woori F&I	₩ 56	₩	₩ 2	₩ 54
Woori Investment Securities	(2,223)		(83)	(2,140)
Woori Financial	105,684		19,216	86,468
Woori Aviva	23,633		3,672	19,961
	₩ 127,150	₩	₩ 22,807	₩ 104,343

<2009>	Jan. 1, 2009	Acquisition	Amortization	Dec. 31, 2009
Woori F&I	₩ 61	₩	₩ 5	₩ 56
Woori Investment Securities	(2,245)		(22)	(2,223)
Woori Financial	144,114		38,430	105,684
Woori Aviva	31,058	(126)	7,299	23,633
	₩ 172,988	₩ (126)	₩ 45,712	₩ 127,150



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(4) The details of unrealized gain (loss) from transactions among subsidiaries for the six months ended June 30, 2010 are as follows (Korean won in millions):

	Jan. 1, 2010	Realized	Incurred	Jun. 30, 2010
Woori Bank	₩ 4,175	₩ 12,100	₩ (5,765)	₩ 10,510
Kyongnam Bank	360	235		595
Kwangju Bank	2,365	293		2658
WFIS	3,642	(10)		3,632
Woori F&I	200	(200)		
Woori Investment Securities	(122)	14		(108)
Woori Financial	424	(93)		331
	₩ 11,044	₩ 12,339	₩ (5,765)	₩ 17,618

(5) The market values of Woori Investment Securities and Woori Financial are ₩736,567 million (₩15,000 per share) and ₩83,660 million (₩9,390 per share), respectively, as of June 30, 2010.

**4. LOANS AND ALLOWANCE FOR POSSIBLE LOAN LOSSES**

Loans as of June 30, 2010 and December 31, 2009 are as follows (Korean won in millions):

	Issuance date	Maturity date	Annual interest rate (%)	2010	2009
Woori Financial	Nov. 3, 2008	Oct. 19, 2010	5.47	₩ 30,000	₩ 30,000
"	Nov. 10, 2008	Oct. 19, 2010	5.47	70,000	70,000
Woori F&I	Mar. 27, 2009	Mar. 27, 2012	6.80		40,000
				100,000	140,000
Allowance for possible loan losses				(500)	(700)
				₩ 99,500	₩ 139,300

**5. FIXED ASSETS**

(1) Changes in fixed assets for the six months ended June 30, 2010 and the year ended December 31, 2009 are as follows (Korean won in millions):

<2010>	Jan. 1, 2010	Acquisition	Disposition	Depreciation	Jun. 30, 2010
Furniture and equipment	₩ 256	₩ 3	₩	₩ 59	₩ 200
Leasehold improvements	132	5		22	115
Others	27				27
	₩ 415	₩ 8	₩	₩ 81	₩ 342

<2009>	Jan. 1, 2009	Acquisition	Disposition	Depreciation	Dec. 31, 2009
Furniture and equipment	₩ 384	₩ 55	₩	₩ 183	₩ 256
Leasehold improvements	155	19		42	132
Others	27				27
	₩ 566	₩ 74	₩	₩ 225	₩ 415

**Table of Contents****6. INTANGIBLE ASSETS**

(1) Changes in intangible assets for the six months ended June 30, 2010 and the year ended December 31, 2009 are as follows (Korean won in millions):

<2010>	Jan. 1, 2010	Acquisition	Amortization	Jun. 30, 2010
Software	₩ 2	₩	₩	₩ 2
Industrial property rights	6	19	4	21
	₩ 8	₩ 19	₩ 4	₩ 23

  

<2009>	Jan. 1, 2009	Acquisition	Amortization	Dec. 31, 2009
Software	₩ 3	₩	₩ 1	₩ 2
Industrial property rights	11		5	6
	₩ 14	₩	₩ 6	₩ 8

As of June 30, 2010 and December 31, 2009, accumulated amortization of software amounted to ₩35.4 million and ₩35.1 million, respectively, and accumulated amortization of industrial property rights amounted to ₩85.9 million and ₩82.4 million, respectively.

**7. OTHER ASSETS**

Other assets as of June 30, 2010 and December 31, 2009 are as follows (Korean won in millions):

	2010	2009
Deposits refundable (Note 17)	₩ 31,645	₩ 31,645
Other receivables (Note 2)	78,795	81
Accrued income (Note 17)	170	13
Prepaid expenses	275	321
Advance payments	1,392	
Intangible assets (Note 6)	23	8
	₩ 112,300	₩ 32,068

**Table of Contents****8. BORROWINGS AND DEBENTURES**

(1) Borrowings in local currency as of June 30, 2010 and December 31, 2009 are as follows (Korean won in millions):

Lender	Annual interest rate (%)	Maturity	Line of credit	2010	2009
Hana Bank	CD(3M)+2.5	Jul. 14, 2010	₩ 100,000	₩	₩ 50,000
Kookmin Bank	5.3	Jun. 17, 2010	150,000		10,000
			₩ 250,000	₩	₩ 60,000

(2) Debentures in local currency as of June 30, 2010 and December 31, 2009 are as follows (Korean won in millions):

	Issuance date	Annual interest rate (%)	Maturity (*)	2010	2009
The 15th bonds	Jun. 21, 2005	4.31	Jun. 21, 2010	₩	₩ 250,000
The 18-1 <sup>st</sup> bonds	Aug. 30, 2007	5.71	Aug. 30, 2010	250,000	250,000
The 18-2 <sup>nd</sup> bonds	Aug. 30, 2007	5.79	Aug. 30, 2012	250,000	250,000
The 19-1 <sup>st</sup> bonds	Dec. 6, 2007	6.63	Dec. 6, 2010	130,000	130,000
The 19-2 <sup>nd</sup> bonds	Dec. 6, 2007	6.63	Dec. 6, 2012	140,000	140,000
The 20-1 <sup>st</sup> bonds	Apr. 14, 2008	5.67	Apr. 14, 2011	160,000	160,000
The 20-2 <sup>nd</sup> bonds	Apr. 14, 2008	5.72	Apr. 14, 2013	170,000	170,000
The 21 <sup>st</sup> bonds	Jun. 24, 2008	6.55	Jun. 24, 2011	200,000	200,000
The 22-1 <sup>st</sup> bonds	Sep. 25, 2008	7.24	Sep. 25, 2010	50,000	50,000
The 22-2 <sup>nd</sup> bonds	Sep. 25, 2008	7.28	Sep. 25, 2011	250,000	250,000
The 23-1 <sup>rd</sup> bonds	Dec. 9, 2008	7.96	Dec. 9, 2010	210,000	210,000
The 23-2 <sup>nd</sup> bonds	Dec. 9, 2008	8.13	Dec. 9, 2011	530,000	530,000
The 23-3 <sup>rd</sup> bonds	Dec. 9, 2008	8.19	Dec. 9, 2013	60,000	60,000
The 25-1 <sup>st</sup> bonds	Mar. 24, 2009	5.24	Mar. 24, 2011	50,000	50,000
The 25-2 <sup>nd</sup> bonds	Mar. 24, 2009	5.39	Mar. 24, 2012	100,000	100,000
The 25-3 <sup>rd</sup> bonds	Mar. 24, 2009	5.70	Mar. 24, 2014	150,000	150,000
The 26th bonds	Mar. 31, 2009	6.36	Jan. 1, 2015	300,000	300,000
The 27-1 <sup>st</sup> bonds	Jun. 15, 2009	5.43	Jun. 15, 2012	220,000	220,000
The 27-2 <sup>nd</sup> bonds	Jun. 15, 2009	5.94	Jun. 15, 2014	80,000	80,000
The 28-1 <sup>st</sup> bonds	Nov. 13, 2009	5.21	Nov. 13, 2012	60,000	60,000
The 28-2 <sup>nd</sup> bonds	Nov. 13, 2009	5.43	Nov. 13, 2013	140,000	140,000
The 29-1 <sup>st</sup> bonds	May. 20, 2010	4.45	May. 20, 2013	30,000	

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The 29-2nd bonds	May. 20, 2010	5.11	May. 20, 2015	220,000	
				3,750,000	3,750,000
Less: discounts				(5,066)	(5,844)
				<b>₩ 3,744,934</b>	<b>₩ 3,744,156</b>

(\* All debentures above are to be paid the total amount at maturity.

**Table of Contents****9. 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 ₩2,741 million and ₩2,175 million as of June 30, 2010 and December 31, 2009, respectively.

The details of changes in the accrued severance benefits for the six months ended June 30, 2010 and the year ended December 31, 2009 are as follows (Korean won in millions):

	2010	2009
Beginning balance	₩ 2,175	₩ 1,985
Provision for severance benefits (Note 14)	503	965
Retirement benefits succession	400	18
Retirement benefits payment	(337)	(793)
Ending balance	₩ 2,741	₩ 2,175

As of June 30, 2010 and December 31, 2009, the Company has enrolled post-retirement pension plan deposits at Woori Bank and the deposits amounting to ₩1,363 million and ₩1,414 million, respectively, are presented as a deduction from accrued severance benefits. As of June 30, 2010, post-retirement pension plan deposits consist of beneficiary certificates and time deposits amounting to ₩96 million and ₩1,267 million, respectively.

**10. OTHER LIABILITIES**

Other liabilities as of June 30, 2010 and December 31, 2009 are as follows (Korean won in millions):

	2010	2009
Accrued severance benefits (Note 9)	₩ 2,741	₩ 2,175
Post-retirement pension plan deposits (Notes 9 and 17)	(1,363)	(1,414)
Other payables (Note 17)	720	758
Accrued expenses	18,403	18,069
Income tax payable (Notes 2 and 12)	78,794	
Deferred income tax credits (Note 12)	54,048	
Withholdings	176	461
	₩ 153,519	₩ 20,049

**11. SHAREHOLDERS EQUITY**

(1) The authorized shares and issued shares of common stock as of June 30, 2010 and December 31, 2009 are as follows:

	2010	2009
Authorized shares of common stock	2,400,000,000	2,400,000,000
Par value	₩ 5,000	₩ 5,000
Issued shares of common stock	806,015,340	806,015,340

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(2) The changes in the capital stock of the Company for the period from its incorporation to June 30, 2010 are as follows (Korean won in millions):

Date	Description	Number of shares issued	Capital stock	Paid-in capital in excess of par value
March 27, 2001	Establishment	727,458,609	₩ 3,637,293	₩
June 12, 2002	Issuance of new shares	36,000,000	180,000	58,645
In 2002	Exercise of warrants	4,356,188	21,781	
2002.12.31		767,814,797	3,839,074	58,645
In 2003	Exercise of warrants	7,690,113	38,451	(574)
2003.12.31		775,504,910	3,877,525	58,071
In 2004	Issuance of new shares	8,571,262	42,856	14,126
	Exercise of convertible bonds	12,379,386	61,897	12,118
2004.12.31		796,455,558	3,982,278	84,315
In 2005	Exercise of convertible bonds	9,559,782	47,799	24,710
	Acquisition of common shares of Woori Asset Management			(24,537)
2006.12.31		806,015,340	4,030,077	84,488
2010.06.30		806,015,340	₩ 4,030,077	₩ 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) The Company held 2,560 shares of treasury stock as of June 30, 2010 and December 31, 2009.

(5) The changes in retained earnings from December 31, 2009 to June 30, 2010 are as follows (Korean won in millions):

Balance	December 31, 2009	2010
		₩ 1,023,885
Appropriations:		
	Dividend	(80,601)
	Legal reserve	(102,603)
	Voluntary reserve	(840,000)
	Increase by using the equity method of accounting	2,306
	Net income for the six months ended June 30, 2010	532,443

Balance June 30, 2010 ₩ 535,430

## 12. INCOME TAX EXPENSE

(1) Components of income tax expense for the six months ended June 30, 2010 is as follows (Korean won in millions):

Description	2010
Income tax currently payable	₩ 54,048
Changes in deferred income taxes due to temporary differences (*1)	(40,006)
Deferred income tax directly reflected to equity	
Income tax expense	₩ 14,042
(*1) Deferred income tax liabilities at the beginning of period	₩ 54,048
Deferred income tax liabilities at the end of period	
Changes in deferred income taxes due to temporary differences	₩ 54,048



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(2) Reconciling items between income before income tax and taxable income for the six months ended June 30, 2010 are as follows (Korean won in millions):

Description	2010
Income before income tax	₩ 546,485
Tax calculated at statutory tax rate (24.2% for the six months ended June 30, 2010 )	132,225
Tax reconciliation items:	
Non-taxable income (₩347,432 million for the six months ended June 30, 2010)	(84,063)
Non-deductible expenses (₩18,689 million for the six months ended June 30, 2010)	4,522
Changes of realizability for temporary differences	11,279
Non-recognition of deferred income taxes from temporary differences	(49,027)
Other	(894)
Income tax expense	₩ 14,042
Effective tax rate	3%

(3) The changes in cumulative temporary differences and tax loss carry-forwards for the six months ended June 30, 2010 and the year ended December 31, 2009 are as follows (Korean won in millions):

<2010>	Jan. 1, 2010	Decrease (*1)	Increase (*1)	Jun. 30, 2010	Deferred tax assets (liabilities)
Investment securities (*2)	₩ (7,536,753)	₩ (295,184)	₩ (701,983)	₩ (7,943,552)	₩ (196,594)
Accrued expenses	2,043	2,043	2,952	2,952	714
Accrued severance benefits	1,523	51	496	1,968	433
Post-retirement pension plan deposits	(1,414)	(51)		(1,363)	(300)
Depreciation	6			6	1
Other comprehensive income due to the equity method of accounting	(1,390,564)	(349,282)	(2,604)	(1,043,886)	(229,655)
Carry-forwarded tax loss	508,147	266,417		241,730	53,181
Total	₩ (8,417,012)	₩ (376,006)	₩ (701,139)	₩ (8,742,145)	₩ (372,220)
Unrecognized amount (*3)	(8,417,012)			(8,670,222)	(318,172)
Recognized amount				(71,923)	(54,048)

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

(\*2) Based on the assumption that the temporary differences in

securities  
accounted for  
using the equity  
method of  
accounting would  
be realized by  
dividends.

(\*3) Deferred tax liabilities for the temporary differences in relation with equity method valuation of ₩ 8,911,952 million were not recognized since the Company is able to control the timing of the reversal of the temporary differences in investment securities accounted for using the equity method of accounting and it is almost probable that the temporary differences will not reverse in the foreseeable future. Also, deferred tax assets for tax-loss carry forward of ₩ 241,730 million were not recognized due to the uncertainty of utilizing such tax-loss carry forward.

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	Jan. 1, 2009	Decrease (*1)	Increase (*1)	Dec. 31, 2009	Deferred tax assets (liabilities)
<2009>					
Investment securities (*2)	₩ (6,334,148)	₩ (70,710)	₩ (1,273,315)	₩ (7,536,753)	₩ (53,563)
Accrued expenses	1,820	1,820	2,043	2,043	494
Accrued severance benefits	1,374	229	378	1,523	335
Post-retirement pension plan deposits	(1,209)	(229)	(434)	(1,414)	(311)
Depreciation	10	4	1	7	2
Dividend receivable	39,390	39,390			
Other comprehensive income due to the equity method of accounting	(910,340)		(480,224)	(1,390,564)	(12,400)
Gain on disposal of investments using the equity method	34,604	34,604			
Others	2	2			
Carry-forwarded tax loss	303,186	22,414	227,374	508,146	111,792
Total	₩ (6,865,311)	₩ 27,524	₩ (1,524,177)	₩ (8,417,012)	₩ 46,349
Unrecognized amount (*3)	(8,417,012)			(8,417,012)	46,349
Recognized amount					

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

(\*2) Based on the assumption that the temporary differences in securities accounted for using the equity method of accounting would be realized by dividends.

(\*3) 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.

(4) Details of deferred tax directly reflected to equity for the six months ended June 30, 2010 is as follows:

Description	Before tax	Tax effect	After tax
Other capital surplus	₩ 97,605	₩ (22,483)	₩ 75,122
Capital adjustments of equity method	(57,753)	(6,680)	(64,433)
Valuation using the equity method	1,004,077	(10,843)	993,234
	₩ 1,043,929	₩ (40,006)	₩ 1,003,923

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

Year incurred	Amount (*1)	Utilized	Expiration	Remaining	Expiration Date
2005	₩ 56,965	₩	₩	₩ 56,965	Dec. 31, 2010
2008	12,562			12,562	Dec. 31, 2013
2009	172,203			172,203	Dec. 31, 2019
	₩ 241,730	₩	₩	₩ 241,730	

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

(6) The Company recorded the consolidated tax payables amounting to ₩ 78,794 million on behalf of the subsidiaries.

**Table of Contents****13. STATEMENTS OF CASH FLOWS**

The significant transactions without cash flows for the six months ended June 30, 2010 and 2009 are as follows (Korean won in millions):

Transactions	2010	2009
Decrease in other capital surplus for the equity method of accounting	₩ (19,878)	₩
Decrease in capital adjustments for the equity method of accounting	(10,251)	
Increase (decrease) in other comprehensive income for the equity method of accounting	(226,181)	169,966
Increase (decrease) in retained earnings for the equity method of accounting	2,306	(1,041)
Increase in deferred income tax liabilities reflected to equity	40,006	
Increase in dividend receivables		(14,771)

**14. GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses for the six months ended June 30, 2010 and 2009 are summarized as follows (Korean won in millions):

	2010	2009
Salaries, wages and bonuses (Note 17)	₩ 8,021	₩ 7,241
Provision for severance benefits (Notes 9 and 17)	503	421
Fringe benefits	894	828
Rent (Note 17)	548	532
Entertainment	501	428
Depreciation (Note 5)	81	108
Amortization (Note 6)	4	3
Taxes and dues	126	46
Advertising	82	62
Travel	348	200
Telecommunications	100	83
Service fees (Note 17)	1,533	1,488
Suppliers	78	71
Others (Note 17)	1,060	817
	₩ 13,879	₩ 12,328

**Table of Contents****15. FINANCIAL INFORMATION OF SUBSIDIARIES**

(1) The condensed statements of financial position of subsidiaries as of June 30, 2010 are as follows (Korean won in millions):

	Total assets	Total liabilities	Total shareholders equity
Woori Bank	₩ 234,632,961	₩ 221,012,071	₩ 13,620,890
Kyongnam Bank	23,442,056	21,995,410	1,446,646
Kwangju Bank	16,327,130	15,301,940	1,025,190
WFIS	214,142	199,853	14,289
Woori F&I	852,621	664,557	188,064
Woori Investment Securities	18,207,639	15,493,177	2,714,462
Woori Asset Management	82,127	21,637	60,490
Woori PE	2,349,528	1,959,224	390,304
Woori Financial	2,360,893	2,145,900	214,993
Woori Aviva	1,881,667	1,805,119	76,548
Total	₩ 300,350,764	₩ 280,598,888	₩ 19,751,876

(2) The condensed statements of operations of subsidiaries for the six months ended June 30, 2010 are as follows (Korean won in millions):

	Operating revenue	Operating expenses	Operating income (loss)	Income (loss) before income tax	Net income (loss)
Woori Bank	₩ 14,951,815	₩ 14,366,965	₩ 584,850	₩ 579,797	₩ 482,982
Kyongnam Bank	890,488	762,371	128,117	81,510	59,993
Kwangju Bank	606,219	503,213	103,006	100,404	75,710
WFIS	143,147	139,259	3,888	3,873	2,919
Woori F&I	43,522	26,082	17,440	25,609	18,960
Woori Investments Securities	2,460,299	2,261,667	198,632	203,563	162,396
Woori Asset Management	16,010	12,653	3,357	2,971	2,360
Woori PE	184,920	205,797	(20,877)	(14,944)	1,211
Woori Financial	135,810	120,791	15,019	15,046	11,261
Woori Aviva	490,823	495,086	(4,263)	(4,266)	(3,275)
	₩ 19,923,053	₩ 18,893,884	₩ 1,029,169	₩ 993,563	₩ 814,517

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(3) Significant liabilities and assets of the Company and its subsidiaries as of June 30, 2010 are summarized as follows (Korean won in millions):

## 1) Significant liabilities

	Deposits	Borrowings	Debentures	Total
Woori Finance Holdings	₩	₩	₩ 3,744,934	₩ 3,744,934
Woori Bank	157,900,863	18,569,915	26,619,801	203,090,579
Kyongnam Bank	15,249,878	2,575,569	1,896,430	19,721,877
Kwangju Bank	11,443,315	2,330,686	926,633	14,700,634
WFIS		69,100		69,100
Woori F&I		376,258	274,368	650,626
Woori Investment Securities	1,454,802	10,762,102	1,025,012	13,241,916
Woori PE	1,247,398	426,173	50,000	1,723,571
Woori Financial		508,130	1,431,102	1,939,232
Woori Aviva		33,700		33,700
Total	₩ 187,296,256	₩ 35,651,633	₩ 35,968,280	₩ 258,916,169

## 2) Significant assets

	Cash and due from banks	Securities	Loans	Total
Woori Finance Holdings	₩ 194,870	₩ 17,410,200	₩ 99,500	₩ 17,704,570
Woori Bank	19,470,326	34,392,923	165,148,402	219,011,651
Kyongnam Bank	1,332,215	4,010,969	15,929,402	21,272,586
Kwangju Bank	1,536,145	3,395,511	10,726,311	15,657,967
WFIS	3,710	107		3,817
Woori F&I	24,074	120,251	495,436	639,761
Woori Investment Securities	3,069,515	11,629,358	1,124,177	15,823,050
Woori Asset Management	61,375	302	1,207	62,884
Woori PE	264,120	637,188	436,243	1,337,551
Woori Financial	26,725	11,998	2,222,043	2,260,766
Woori Aviva	190,105	1,168,333	176,825	1,535,263
Total	₩ 26,173,180	₩ 72,777,140	₩ 196,359,546	₩ 295,309,866

(4) Loans subject to allowance for possible loan losses, allowance for possible loan losses and percentage of allowance to loans of each subsidiary as of June 30, 2010 are summarized as follows (Korean won in millions):

	Loans subject to allowance for possible loan losses	Allowance	Percentage of allowance to loans (%)
Woori Bank	₩ 168,937,750	₩ 3,789,348	2.2
Kyongnam Bank	16,156,513	227,111	1.4
Kwangju Bank	10,947,013	220,702	2.0
Woori F&I	506,978	11,542	2.3
Woori Investment Securities	1,215,822	91,645	7.5

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Woori Asset Management	1,213	6	0.5
Woori PE	470,756	34,513	7.3
Woori Financial	2,273,673	51,630	2.3
Woori Aviva	181,612	4,787	2.6
Total	₩ 200,691,330	₩ 4,431,284	2.2



**Table of Contents****16. PROPORTION OF INCOME FROM SUBSIDIARIES IN THE COMPANY'S NET INCOME**

Proportion of income from subsidiaries in the Company's net income for the three months ended June 30, 2010 and 2009 is as follows (Korean won in millions):

	2010	Ratio (%)	2009	Ratio (%)
Woori Bank	₩ 487,355	71.5	₩ 341,411	66.3
Kyongnam Bank	60,073	8.8	98,892	19.2
Kwangju Bank	76,048	11.2	35,991	7.0
WFIS	2,908	0.4	(237)	
Woori F&I	18,759	2.8	9,991	1.9
Woori 3 <sup>rd</sup> SPC (*)			(75)	
Woori Investment Securities	51,332	7.5	37,602	7.3
Woori Asset Management	2,360	0.4	4,464	0.9
Woori PE	842	0.1	1,177	0.2
Woori Financial	(12,626)	(1.9)	(15,037)	(2.9)
Woori Aviva	(5,801)	(0.8)	534	0.1
Gain on valuation using the equity method of accounting, net of loss	681,250	100.0	514,713	100.0
Other income	4,877		8,397	
Other expenses	153,684		137,711	
Net income	₩ 532,443		₩ 385,399	

(\*) Woori 3<sup>rd</sup> SPC was liquidated for the year ended December 31, 2009.

**17. TRANSACTIONS WITH RELATED PARTIES**

(1) The related parties of the Company as of June 30, 2010 are as follows:

	Company name
Majority shareholder	Korea Deposit Insurance Corporation
Consolidated subsidiaries	Woori Bank Kyongnam Bank Kwangju Bank Woori Finance Information System Co., Ltd. Woori F&I Co., Ltd. Woori Investment Securities Co., Ltd. Woori Asset Management Co., Ltd. Woori Private Equity Co., Ltd. Woori Financial Co., Ltd. Woori Aviva Life Insurance Co., Ltd.

Other affiliates

Woori Credit Information  
Woori America Bank  
PT. Bank Woori Indonesia  
Woori Global Market Asia Limited  
Woori Bank (China) Limited  
ZAO Woori Bank  
Woori AMC Co., Ltd.  
Woori F&I Sixth Asset Securitization Specialty  
Woori F&I Seventh Asset Securitization Specialty  
Woori F&I Tenth Asset Securitization Specialty  
Woori F&I Eleventh Asset Securitization Specialty  
Woori F&I Thirteenth Asset Securitization Specialty  
Woori SB Tenth Asset Securitization Specialty  
Woori Futures Co., Ltd.  
Woori Investment Securities (H.K.) Ltd.  
LG Investment Holding B.V.(Amsterdam) GG

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Company name

MARS First Private Equity Fund  
MARS Second Private Equity Fund  
Connacht Capital Market Investment  
Woori Investment Asia Pte. Ltd.  
Woori Absolute Global Opportunity Fund  
Bien Viet Securities Joint Stock Company  
Woori Absolute Return Investment Strategies Fund  
Woori Private Equity Fund  
Kumho Investment Bank  
Woori Renaissance Holdings  
Phoenix Digital Tech Co., Ltd.  
Woori BK Co., Ltd.  
Sahn Eagles LLC  
UP Chemical Co., Ltd.

(2) Assets and liabilities from transactions with the subsidiaries as of June 30, 2010 and December 31, 2009 are as follows (Korean won in millions):

	2010	2009	
<Assets>			
Woori Bank	₩ 236,356	₩ 23,267	Cash and bank deposits
	31,555	31,555	Guarantee deposits
	28	13	Accrued income
	1,303	1,414	Post-retirement pension plan assets
Kyongnam Bank	58,050		Cash and bank deposits
Kwangju Bank	18,579		Cash and bank deposits
	1		Accrued income
Woori Financial	100,000	100,000	Loans
Woori F&I		40,000	Loans
	₩ 445,872	₩ 196,249	
<Liabilities>			
Woori Bank	₩ 187	246	Other payables
WFIS	123	143	Other payables
	₩ 310	₩ 389	

(3)

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Revenues and expenses from transactions with the subsidiaries for the six months ended June 30, 2010 and 2009 are as follows:

	2010	2009	Account
<Revenues>			
Woori Bank	₩ 123	₩ 1,809	Interest income on deposits
Kyongnam Bank		267	Interest income on deposits
Kwangju Bank	1	267	Interest income on deposits
Woori Financial	1,349	5,168	Interest income on loans
Woori F&I	395	715	Interest income on loans
	₩ 1,868	₩ 8,226	
<Expenses>			
Woori Bank	₩ 182	₩ 364	Rent
WFIS	501	60	Fees
Woori Investment Securities Co., Ltd.		4	Fees
	₩ 683	₩ 428	

(4) The Company compensated standing or non-standing directors for ₩1,820 million of salaries and recorded ₩72 million of severance benefits for the six months ended June 30, 2010.

**Table of Contents****18. EARNINGS (LOSS) PER COMMON SHARE**

(1) Basic net income (loss) per common share for the six months ended June 30, 2010 and 2009 is as follows (Korean won in millions, except for earnings per share data):

	2010		2009	
	Three months	Six months	Three months	Six months
Net income (loss) on common shares	₩ (40,574)	₩ 532,443	₩ 223,126	₩ 385,399
Weighted average number of common shares outstanding	806,012,780	806,012,780	806,012,780	806,012,780
Basic net income (loss) per common shares	₩ (50)	₩ 661	₩ 277	₩ 478

(2) Net income per common share for the year ended December 31, 2009 and for the three months ended March 31, 2010 are ₩1,273 and ₩711, respectively.

**19. STATEMENTS OF COMPREHENSIVE INCOME**

Comprehensive income statements for the six months ended June 30, 2010 and 2009 are as follows (Korean won in millions):

	2010	2009
Net income	₩ 532,443	₩ 385,399
Valuation using the equity method on subsidiaries	(226,181)	169,966
Comprehensive income	₩ 306,262	₩ 555,365

**20. INSURANCE**

As of June 30, 2010, the Company has insurance for liability of reparation of directors with Samsung Fire & Marine Insurance Co., Ltd. The insurance coverage is ₩50,384 million. The Company also has insurance to cover for damage on premises, property and equipment with Samsung Fire & Marine Insurance Co., Ltd.

**21. SUBSEQUENT EVENTS**

(1) Disposal plan of the Company

On July 31, 2010, the Public Fund Oversight Committee resolved a plan to sell the Company. It includes a spin-off plan of Kyongnam Bank and Kwangju Bank.

(2) Acquisition of Hanmi Finance Corporation

In May 2010, the Company entered into a Securities Purchase Agreement with Hanmi Financial Corporation to acquire 175,000,000 newly issued shares of the acquiree's common stock for \$210 million. Subsequent to the approvals from regulators in both countries, Korea and United States of America, the Company obtains the control over the acquiree. Hanmi Financial Corporation is the holding company of Hanmi Bank, a California state chartered bank with 27 branches throughout California and one loan production office.

(3) Capital increase of Woori Aviva Life Insurance Co., Ltd.

On July 23, 2010, the board of directors made a resolution for acquisition of 4,541,091 newly issued common shares of Woori Aviva Life Insurance Co., Ltd. amounting to ₩33 billion, 51% of 8,904,100 shares amounting to ₩65 billion.



**Table of Contents****22. ADOPTION OF KOREAN INTERNATIONAL FINANCIAL REPORTING STANDARDS****(1) Adoption of Korean International Finance Reporting Standard**

In accordance with the amendment to the Act on External Audit for Stock Companies, the Company is required to comply with Korean international financial reporting standard (K-IFRS) since January 1, 2011. From July 2007, the Company has processed the GAAP conversion toward K-IFRS by adopting systematic approach, such as analyzing IFRS impact on current accounting, establishing new accounting standards and financial reporting system, and simultaneously operating K-IFRS adopted financial reporting system and current reporting system.

In July 2008, the Company established the master transition plan toward K-IFRS, and is currently in the process of designing and implementing the new accounting framework and financial reporting system. The Company is to issue its financial statements under K-IFRS from 2011.

**(2) Differences between K-IFRS and K-GAAP which are significant to the Company**

Differences between K-IFRS and K-GAAP, which are significant to the Company, are summarized below. Such items being presented do not explain detailed impacts on financial statements which may vary with further analysis.

Presently, the Company could not estimate the financial impacts from key differences.

Classification	K-IFRS	Current accounting Standards
Change of Consolidation Scope	Exceeding 50% of the voting power, decision making capability and holding benefits and risks are conditional on the alternation of consolidation scope.	Over 30% of shares owned, the biggest shareholder decision making are subject to the alternation, excluding special purpose entities subject to certain condition.
Business Combinations	Acquisition method of accounting	Purchase accounting or pooling interest method
Evaluation of Goodwill	No amortization but impairment testing	Amortization with straight line method within 20 years and impairment test
Allowance for Bad Debts	The estimated impairment amount is adopted of which the reason is objectively supported. An impairment loss should be regarded as incurred and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition.	It provides an allowance for doubtful accounts to cover estimated losses on loan, based on rational and unbiased standards (It is the larger amount between the percentage of loan loss allowance established by the Financial Supervisory Commission and loan loss experience ratio on a loan.)
Classification of Financial Instruments	Financial instruments classify financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity investments, loan and receivables.	Securities are classified by trading securities, available-for-sale securities and held-to-maturity securities. Otherwise, deposits and derivatives are separately categorized.
	The fair-value evaluation reflects credit risks.	

Measurement of Financial Instruments

The fair-value evaluation is targeted to trading securities, available-for-sale securities and derivatives, which are limited, the reflection of credit risk is not explicitly mentioned.

Derecognition of Financial Assets

A financial asset is derecognized when, and when only, either the contractual rights to the asset's cash flows expire, or the asset is transferred and the transfer qualifies for derecognition. The decision whether a transfer qualifies for derecognition is made by applying a combination of risks and rewards and control tests.

The disposal of financial assets is contingent on the risks and rewards of ownership of the financial assets, and whether it has retained control of the financial assets. However, some particular transactions like the asset backed method are recognized as disposal.



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Classification	K-IFRS	Current accounting Standards
Classification of Capital	Capital is categorized by contents of the contract rather than the legal forms.	Capital is classified as a legal capital which shareholders paid.
Classification of Investment Property	Property (land or building) to earn rentals is treated as investment property.	Property (land or building) to earn rentals is treated as tangible assets.
Evaluation of Tangible Asset and Investment Property	In accordance with asset classifications, the asset cost method and asset revaluation reserves are selected as alternative. In addition, cost method is a selective option. However, the Company can use fair value as deemed cost for the convertible basic price of an item of land and buildings.	In accordance with asset classifications, the asset cost method and asset revaluation reserves are selected as alternative. In addition, cost method is a selective option.
Measurement of Accrued Severance Benefits	In accordance with the concept of estimated accumulation rate per unit using the actuarial technique and discount rate, calculate for current value of the estimated amount of severance pay, and the outcome is applied as the liability of the amount of severance pay.	In accordance with the Company's policy, all employees with more than one year of service are entitled to receive severance benefit payments upon termination.

**23. AGREEMENT ON THE IMPLEMENTATION OF A MANAGEMENT IMPROVEMENT PLAN**

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

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

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

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**SIGNATURES**

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

Woori Finance Holdings Co., Ltd.

(Registrant)

Date: August 16, 2010

By: /s/ Woo Seok Seong

(Signature)

Name: Woo Seok Seong

Title: General Manager