

WOORI FINANCE HOLDINGS CO LTD

Form 6-K

November 18, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

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

For the month of November 2003

Woori Finance Holdings Co., Ltd.

(Translation of registrant's name into English)

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

(Address of principal executive office)

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
x Form 40-F "

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

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

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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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I. Company Overview

1. Purpose of Company

a. Scope of Business

- 1) Acquisition/ownership of shares in companies, which are engaged in financial services or are closely related to financial services, and the governance and/or management
- 2) Funding of Affiliates (in this provision and hereafter, includes subsidiaries, and subsidiaries of the subsidiaries)
- 3) Capital investment in subsidiaries or procurement of funds for funding of Affiliates
- 4) Development and sale of products jointly with Affiliates and administrative support for joint use of facilities and computer systems with Affiliates
- 5) Development and sale of products jointly with Affiliates and administrative support for joint use of facilities and computer systems with Affiliates
- 6) Activities ancillary to the activities in the above items, for which the authorization, permits or approval is not required under the relevant laws and regulations
- 7) All businesses or activities directly or indirectly relating to the businesses listed above

b. Scope of Business for Subsidiaries

(1) Woori Bank

1) Primary Businesses

Deposit & savings and issuance of securities and other debt obligations

Loans and bill discounts

Domestic/overseas related foreign exchange services

Trust business

2) Supplementary Businesses

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Loan guarantees, bill undertaking

Installment services

Loan and sales of investment securities

Lending and offering of securities;

Offering of securities is restricted to commercial paper & trade bills

Underwriting and offering of securities, mediating sales; trading treasury securities under the Act of Securities

Trading repurchase bonds

Brokering of treasury bonds, sale of beneficiary certificates

Factoring

Safeguard deposits

Collection and payment services

Regional and municipal agency deposits

M&A brokering

Credit information services, and consulting services

Fiscal stamp, lottery tickets, and gift certificate sales

Real estate easing services

Investments in futures and foreign futures

(2) **Kyongnam Bank**

- 1) Banking services and all other related services in accordance with the Banking Act
- 2) All trust services in accordance with the Trust Act
- 3) All businesses or activities directly or indirectly relating to the businesses listed above

(3) **Kwangju Bank**

- 1) Banking services in accordance with the Banking Act
- 2) Foreign exchange services
- 3) All trust services in accordance with the Trust Act
- 4) All businesses or activities directly or indirectly relating to the businesses listed above

(4) **Woori Credit Card**

- 1) Issuing and managing credit cards
- 2) Credit card usage billing and settlement
- 3) Registering and managing of merchants
- 4) Providing funds to credit card users
- 5) All businesses or activities directly or indirectly relating to the businesses listed above.
- 6) Providing funds for payments made in installments or deferred payments.
- 7) Undertaking, managing, and collecting account receivables of manufacturers or sellers
- 8) Leasing services
- 9) Credit loans and/or collateralized loans
- 10) Discounting of bills

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- 11) Credit research services relating to businesses 1~7 as mentioned above.
- 12) Acquisition of securities issued and/or held by non-bank financial institutions, which are related to businesses 1~11 as mentioned above
- 13) Payment guarantees
- 14) Bond issuance and debt financing
- 15) Foreign currency borrowing and issue of foreign currency securities
- 16) Acquiring and managing securities
- 17) Telemarketing, Insurance brokering, travel related services
- 18) Foreign exchange services
- 19) Credit card manufacturing
- 20) Organizing and managing associations on behalf of customers
- 21) Publishing of service-related publications
- 22) Issuing prepaid & debit cards
- 23) Prepaid & debit card billing and settlement
- 24) Services related to other credit related products
- 25) New technology and venture investment
- 26) Venture capital
- 27) e-Commerce
- 28) Real estate leasing
- 29) Utilization of Internet for all above services
- 30) Supplementary and investment related to all services mentioned above

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31) Services have completed necessary filing, registration, endorsement, and approval from respective government agencies

(5) **Woori Investment Trust Management**

- 1) Securities investment trust management
- 2) Investment advisory, investment transactions
- 3) Futures investment
- 4) Call transactions
- 5) Purchasing bills
- 6) All businesses or activities directly or indirectly relating to businesses 1 to 5 mentioned above

(6) **Woori Finance Information System**

- 1) Development, distribution, and management of computer systems
- 2) Consulting services in computer implementation and usage
- 3) Distribution, mediation, and lease of computer systems
- 4) Maintenance of computer related equipment
- 5) Publish and distribute IT related reports and books
- 6) Educational services related to computer usage
- 7) Information communication, telecommunications, and information distribution services
- 8) Manufacturing and distribution of audio-visual media
- 9) Information processing and outsourcing services
- 10) All businesses or activities directly or indirectly relating to the businesses listed above

(7) **Woori F&I**

- 1)

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Undertaking and disposition of ABS, issued primarily to securitize distressed assets through asset securitization, under the Asset Securitization Law

- 2) Undertaking and disposition of asset management companies that were initially set up to manage distressed assets, under the Asset securitization Law.
- 3) All businesses or activities directly or indirectly relating to the businesses listed above

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

- 1) Transfer, management, and disposition of all rights related to securities and other assets (hereafter securitized assets) from Hanvit Bank, Peace Bank, Kyongnam Bank, Kwangju Bank, and Woori Merchant Bank under the Asset Securitization Law.
- 2) Issue and redemption of securitized assets
- 3) Preparing and registering of asset securitization plan to the Financial Supervisory Service
- 4) Consummation of contracts required to execute the asset securitization plan
- 5) Provisional borrowing and other similar procedures for ABS redemption.
- 6) Investment of surplus funds
- 7) Other businesses and activities relating to the businesses listed above.

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

- 1) Transfer, management, and disposition of all rights related to securities and other assets (hereafter securitized assets) Hanvit Bank and Kwangju Bank under the Asset Securitization Law..
- 2) Issue and redemption of securitized assets
- 3) Preparing and registering of asset securitization plan to the Financial Supervisory Service
- 4) Consummation of contracts required to execute the asset securitization plan
- 5) Provisional borrowing and other similar procedures for ABS redemption.
- 6) Investment of surplus funds
- 7) Other businesses and activities relating to the businesses listed above.

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

- 1) Transfer, management, and disposition of all rights related to securities and other assets (hereafter securitized assets) from Hanvit Bank, Kyongnam Bank and Woori Credit Card under the Asset Securitization Law.
- 2) Issue and redemption of securitized assets
- 3) Preparing and registering of asset securitization plan to the Financial Supervisory Service
- 4) Consummation of contracts required to execute the asset securitization plan
- 5) Provisional borrowing and other similar procedures for ABS redemption.
- 6) Investment of surplus funds
- 7) Other businesses and activities relating to the businesses listed above

(11) Woori Securities

- 1) Securities dealing
- 2) Sale consignment of securities
- 3) Brokering of securities transactions and/or proxy transactions
- 4) Brokering of securities in domestic securities markets and overseas markets
- 5) Underwriting securities
- 6) Offering of securities
- 7) Conscription for securities sales
- 8) Securities saving services
- 9) Overseas securities trading
- 10) Credit services related to securities trading
- 11) Lending and safe services
- 12) Trading and brokering of marketable certificate of deposits
- 13) Agent services for foreigners
- 14) Payment guarantee for corporate bond principal and interest
- 15) Trustee services for bond offerings
- 16) M&A mediation and brokering
- 17) Public offering related deposit agent services
- 18) Foreign exchange services
- 19) Bill discounting and trading

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- 20) Bill brokering
- 21) Real estate leasing
- 22) Lending of securities to institutional investors
- 23) Lottery and ticket sales
- 24) Publishing books and other publications
- 25) Leasing and sales of IT systems and software related to securities
- 26) Customer investment funds foreign exchange and foreign currency hedging
- 27) Financial derivatives
- 28) Consignment sales of mutual funds
- 29) Futures and consulting services under the Securities & exchange law
- 30) Other businesses and activities relating to the businesses listed above.

2. History of the Company

a. Company History

(1) Background to establishment and major changes

December 23, 2000	Establishment of Financial Holding Company Act
December 30, 2000	KDIC invested public fund of 8541.6 billion dollars in Hanvit Bank, Peace Bank, Kwangju Bank, Kyongnam Bank, and Hanaro Merchant Bank
March 14, 2001	Filed permission for establishment of Woori Finance Holdings
March 24, 2001	Official permission from FSS for Woori Finance Holdings
March 27, 2001	Incorporated as Woori Finance Holdings, Co. Ltd (Total Capital
April 2, 2001	Official launch of Woori Finance Holdings
July 16, 2001	Issued bond with warrants
September 29, 2001	Woori Finance Information System incorporated as subsidiary
December 3, 2001	Woori Asset Management incorporated as subsidiary
December 3, 2001	Woori First SPC incorporated as subsidiary
December 26, 2001	Woori Second SPC incorporated as subsidiary
December 31, 2001	Split merger of Peace Bank; Launch of Woori Credit Card
March 15, 2002	Establishment of Woori Third SPC subsidiary
March 29, 2002	Woori Investment Trust Management incorporated as subsidiary
June 11, 2002	Capital increase through public offering (Total capital : 3.817 trillion won)
June 24, 2002	Listed on the Korea Stock Exchange
July 29, 2002	Woori Securities as incorporated as subsidiary
September 5, 2002	Consummated strategic investment agreement of up to billion dollars with Lehman Brothers, in managing distressed assets
December 23, 2002	P&A contract with credit card division of Kwangju Bank
December 31, 2002	IT outsourcing contract with Kwangju Bank and Kyongnam Bank
March 10, 2003	Integrated IT platform with Kyongnam Bank
August 1, 2003	Woori Merchant Bank merged into Woori Bank

b. Associated Business Group

(1) Overview of Business Group

1) **Name of business group** : Woori Finance Group

2) **History**

December 23, 2000	Establishment of Financial Holding Company Act
December 30, 2000	KDIC invested public fund of 8541.6 billion dollars in Hanvit Bank, Peace Bank, Kwangju Bank, Kyongnam Bank, and Hanaro Merchant Bank
March 14, 2001	Filed permission for establishment of Woori Finance Holdings
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August 1, 2003	Woori Merchant Bank merged into Woori Bank

(2) Related companies within Business Group

Type	Name of Company	Controlling company	Notes	
Holding Company	Woori Finance Holdings	KDIC		
1 st Tier Subsidiaries	Woori Bank, Co.	Woori Finance Holdings	11 companies	
	Kyongnam Bank, Co.			
	Kwangju Bank, Co.			
	Woori Credit Card, Co.			
	Woori Finance Information System			
	Woori F & I			
	Woori First SPC			
	Woori Second SPC			
	Woori Third SPC			
	Woori Investment Trust Management, Co.			
	Woori Securities, Co. ^(*)			
2 nd Tier Subsidiaries	Woori Credit Information, Co.	Woori Bank	6 companies	
	Woori America Bank			
	P.T. Bank Woori Indonesia			
	Shinwoo Corporate Restructuring Company			
	Nexbi Tech			Woori Credit Card
	Woori CA Asset Management			Woori F&A

(*) Listed Company

3. Capital Structure**a. Change in Capital**

(units: won)

Date	Category	Type	Stock Decrease/Increase		Issue price	Changed Capital	Method	Ratio
			Quantity	Par Value				
2001.3.27	Establishment	C/S	727,458,609	5,000	5,000	3,637,293,045		
2002.5.31	Exercise BW	C/S	165,782	5,000	5,000	3,638,121,955		
2002.6.12	Capital increase w/consideration	C/S	36,000,000	5,000	6,800	3,818,121,955	Public Offering	0.0494
2002.6.30	Exercise BW	C/S	1,416,457	5,000	5,000	3,825,204,240		
2002.9.30	Exercise BW	C/S	2,769,413	5,000	5,000	3,839,051,305		
2002.12.31	Exercise BW	C/S	4,536	5,000	5,000	3,839,073,985		
2003.3.31	Exercise BW	C/S	1,122	5,000	5,000	3,839,079,595		
2003.6.30	Exercise BW	C/S	7,688,991	5,000	5,000	3,877,524,550		

b. Expected Change in Capital

Unwarranted foreign convertible bonds can be converted a year after its issuance, and therefore can bring about change in capital.

(1) Unsecured Convertible Bond Series No. 6-1

Item	Information
Date of Issuance	2002.9.27
Total Amount of Issuance	USD 36,000,000
Exercise Period	2003.9.28 ~ 2005.08.27

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Exercise Price	7,313 won
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Total amount of unexercised bond with warrants	USD 36,000,000
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Number of Shares	5,914,180
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(2) Unsecured Convertible Bond Series No. 6-2

Item	Information
Date of Issuance	2002.12.20
Total Amount of Issuance	USD 16,000,000
Exercise Period	2003.12.21 ~ 2005.11.20
Exercise Price	5,588 won
Total amount of unexercised bond with warrants	USD 16,000,000
Number of Shares available for issuance	3,481,173

(3) Unsecured Convertible Bond Series No. 6-3

Item	Information
Date of Issuance	2003.3.26
Total Amount of Issuance	USD 39,000,000
Exercise Period	2004. 3.27 ~ 2006. 2.26
Exercise Price	5,380 won
Total amount of unexercised bond with warrants	USD 39,000,000
Number of Shares available for issuance	8,661,914

(4) Unsecured Convertible Bond Series No. 6-4

Item	Information
Date of Issuance	2003.3.26
Total Amount of Issuance	20 billion won

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Exercise Period

2004. 3.27 ~ 2006. 2.26

Exercise Price

5,380 won

Total amount of unexercised bond with warrants

20 billion won

Number of Shares available for issuance

3,717,472

5) Unsecured Convertible Bond Series No. 6-5

Item	Information
Date of Issuance	2003.7.10
Total Amount of Issuance	USD 1,000,000
Exercise Period	2004. 7.11 ~ 2006.6.10
Exercise Price	7,228 won
Total amount of unexercised bond with warrants	USD 1,000,000
Number of Shares available for issuance	164,429

c. **Convertible Bonds**

(units: won, shares)

Item	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured	Total
	C/B	C/B	C/B	C/B	C/B	
	Series 6-1	Series 6-1	Series 6-1	Series 6-1	Series 6-1	
Date of Issue	2002.9.27	2002.12.20	2003.3.26	2003.3.26__	2003.7.10	
Total Amount	36,000,000	16,000,000	39,000,000	20 billion	1,000,000	USD92,000,000 +20 billion
Allotment Method	Private	Private	Private	Private	Private	
Conversion Period	2003.9.28~ 2005.8.27	2003.12.21 ~ 2005.11.20	2004.3.27 ~ 2006.2.26	2004.3.27 ~ 2006.2.26	2004. 7.11 ~ 2006. 6.10	
Conditions	ratio	100%	100%	100%	100%	
	price	7,313	5,588	5,380	5,380	7,228
Type of Stock when converted	Common	Common	Common	Common	Common	

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Converted	amount						
Bonds	shares						
Unconverted	amount	36,000,000	16,000,000	39,000,000	200__	1,000,000	
Stock	shares	5,914,180	3,481,173	8,661,914	3,717,472	164,429	21,939,168
Notes		Maturity:	Maturity:	Maturity:	Maturity :	Maturity :	
		2005.9.27	2005.12.20	2006.3.26	2006.3.26	2006.7.10	

* Units in won.

Series 6-1, 6-2, 6-3, 6-5 issuances are in dollars, while session 6-4 is in won

Conversion value is stated in won; the currency rate used in Series 6-1 was 1,210 won/\$, 6-2 was 1,215.80 won/\$, 6-3 was 1,194.90won/\$, and 6-5 was 1,188.50won/\$ respectively.

4. Total Number of Authorized Shares

a. Total Number of Authorized Shares

(as of 2003.09.30)

Total Number of shares to be authorized	Total Number of Issued Stock	Total Number of Unissued Stock
2,400,000,000	775,504,910	1,624,495,090

b. Information on Issued Shares

(as of 2003.09.30)

(Par Value : 5000 won)

(units: 1000 won, shares)

Type		Number of Stock Issued	Face Value	Notes
Registered	Common Stock	775,504,910	3,877,524,550	
	Total	775,504,910	3,877,524,550	

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c. Stock Options

(as of 2003.09.30)

(units: won, shares)

Grant date	Relationship	Grantee	Type of stock	No. of granted options	Exercised options	Exercisable options	Exercise period	Exercise price
2002.12.04	Standing director	Byung Chul Yoon	Common	100		100	2005.12.4 ~2008.12.3	
2002.12.04	Standing director	Kwang Woo Chun	Common	80		80	2005.12.4 ~2008.12.3	
2002.12.04	Standing director	Euoo Sung Min	Common	80		80	2005.12.4 ~2008.12.3	
2002.12.04	Non-standing dir.	Hwan Kyu Park	Common	40		40	2005.12.4 ~2008.12.3	
2002.12.04	Non-standing dir.	Ki Chul Han	Common	30		30	2005.12.4	
2002.12.04	Non-standing dir.	Tae Ho Sohn	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	Non-standing dir.	Won Gihl Son	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	Non-standing dir.	Nam Hong Cho	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Standing director	Sang Chul Lee	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Standing director	Chae Woong Lee	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Standing director	Gae Min	Common	10		10	2005.12.4	

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		Lee				~2008.12.3
2002.12.04		Kwang Sun	Common	10	10	2005.12.4
		Chung				~2008.12.3
2002.12.04	Standing director	Hae-Suk	Common	10	10	2005.12.4
		Suh				~2008.12.3
2002.12.04	Standing director	Duk Hoon	Common	80	80	2005.12.4
		Lee				~2008.12.3
2002.12.04	Dir .of related company	Jong Wook	Common	45	45	2005.12.4
		Kiim				~2008.12.3
2002.12.04	Director of related company	Jin Kyu	Common	45	45	2005.12.4
		Park				~2008.12.3
2002.12.04	Director of related company	Jong Ku	Common	30	30	2005.12.4
		Min				~2008.12.3
2002.12.04	Director of related company	Jong Hwee	Common	30	30	2005.12.4
		Lee				~2008.12.3
2002.12.04	Director of related company	Dong Myun	Common	30	30	2005.12.4
		Suh				~2008.12.3
2002.12.04	Director of related company	Ki Shin	Common	30	30	2005.12.4
		Kim				~2008.12.3
2002.12.04	Director of related company	Young Seok	Common	30	30	2005.12.4
		Kim				~2008.12.3
2002.12.04	Director of related company	Byung Kil	Common	30	30	2005.12.4
		Choi				~2008.12.3
2002.12.04	Director of related company	Young Ho	Common	30	30	2005.12.4
		Park				~2008.12.3

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Grant date	Relationship	Grantee	Type of stock	No. of granted options	Exercised options	Exercisable options	Exercise period	Exercise price
2002.12.04	Director of related company	Tae Woong Chung	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Dong Chan Bae	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Dae Hwan Kim	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Young Ha Kim	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Young Yong Kim	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Taik Su Han	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Sang Im Park	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Joon Ho Hahm	Common	10		10	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Joon Ho Lee	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Joo Sun Ohm	Common	20		20	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Ga Seok Chae	Common	20		20	2005.12.4 ~2008.12.3	

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2002.12.04	Director of related company	Sung Wook Park	Common	5	5	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Ki Seok Kim	Common	5	5	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Jae Ki Hong	Common	5	5	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Sam Su Hong	Common	40	40	2005.12.4 ~2008.12.3
2002.12.04		Jung Rak Chun	Common	30	30	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Won Chul Hwang	Common	20	20	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Jong Hwee Kim	Common	15	15	2005.12.4 ~2008.12.3
2002.12.04		Sung Hoo Kwak	Common	15	15	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Seok Hwan Lee	Common	15	15	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Seok Hee Hwang	Common	40	40	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Choong Hwan Lee	Common	35	35	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Ki Sang Chung	Common	30	30	2005.12.4 ~2008.12.3
2002.12.04		Ki Joong Kim	Common	15	15	2005.12.4

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	Director of related company					~2008.12.3
2002.12.04	Director of related company	Kwang Seo Koo	Common	15	15	2005.12.4
						~2008.12.3

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Grant date	Relationship	Grantee	Type of stock	No. of granted options	Exercised options	Exercisable options	Exercise period	Exercise price
2002.12.04		In Ki Paik	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Seung Yang Park	Common	15		15	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Keun Soo Yook	Common	15		15	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Ki Jong Chung	Common	5		5	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Hun Il Nam	Common	30		30	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Young Soo Kim	Common	30		30	2005.12.4 ~2008.12.33	
2002.12.04	Director of related company	Jin Ho Yoo	Common	20		20	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Seok Koo Yoon	Common	15		15	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Ji Yeon Joo	Common	15		15	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Ho Hyun Lee	Common	20		20	2005.12.4 ~2008.12.3	
2002.12.04	Director of related company	Chan Kook Chung	Common	15		15	2005.12.4 ~2008.12.3	

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2002.12.04	Director of related company	Duk Yoon Kim	Common	15	15	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Young Wook Kim	Common	15	15	2005.12.4 ~2008.12.3
2002.12.04	Director of related company	Dae Kyu Ko	Common	15	15	2005.12.4 ~2008.12.3
Total				1,560	1,560	

d. Status of Employee Stock Union Status

(as of 2003.9.30)

(units: won, shares)

Type of stock	Initial	Increase	Decrease	Ending	Notes
	Balance			Balance	
Common stock	15,439,230		11,570,183	3,689,047	
Total	15,439,230		11,570,183	3,689,047	

5. Voting Rights

(as of 2002.12.31)

(units: shares)

Items	Number of stock	Notes
1. Stock with voting rights (A-B)	(767,814,767)	
A. Total Number of issued stocks	767,814,767	
B. Stocks without voting rights		
2. Stocks with limited voting rights (A+B+C+D)	()	
A. Limited by the Business Law		
B. Limited by the Securities & Exchange Law		
C. Restrictions due to monopoly regulations and Fair Trade Act		
D. Limited by other law enforcements		
3. Stocks with voting rights restored	()	
Stocks with Voting Rights (1-2+3)	(767,814,767)	

6. Dividend Information

a. Dividend information for the past years

(Par value : 5000 won)

(units: won)

Items		2002	2001
Net profit		589,214,226,635	684,102,036,323
Earnings per share (won)		786	940
Profit available for Dividend distribution		1,086,596,253,235	558,501,102,453
Propensity to Dividend			
C	A. Dividend Per Stock	large C/S	50
		P/S	
S	A. Dividend Per Stock	small C/S	250
		P/S	
P	B. Total Dividend Amount	large C/S	33,672,930,450
		P/S	
Y	B. Total Dividend Amount	small C/S	23,589,047,000
		P/S	
O	C. Dividend Ratio	large C/S	1.04
		P/S	
T	C. Dividend Ratio	small C/S	5.22
		P/S	
S	A. Stock Dividend Ratio	large C/S	
		P/S	
T	A. Stock Dividend Ratio	small C/S	
		P/S	
C	B. Stock Dividend Per Share	large C/S	
		P/S	

	P/S	
	C/S	
small	P/S	
Net Asset per Share	6,596	5,605
Ordinary Income per Share	786	943

II. Description of Business

1. Business Overview

a. Current Trend of Industry

* Further Expansion and Convergence

Introduction of more diverse and complex financial securities, especially in the Bancassurance business

* Expansion in business roles of financial institutions, and increasing competition due to developments in IT and capital markets

No longer dependent on deposit to loan margin, now seeking new revenue models

IT developments inducing communications industry to enter the market

* Market share competition in retail finance markets

Aggressive competition due to rapid growth in retail financial markets, such as the credit card business.

b. Company Status

(1) General Overview and Classification of Business Sectors

(a) General Overview

Woori Finance Holdings Co., Ltd. (the Company) was established on March 27, 2001. The Company was engaged in the business of managing the five financial institutions (Woori Bank (formerly Hanvit Bank), Kyongnam Bank, Kwangju Bank, Woori Credit Card Co., Ltd. (formerly Peace Bank of Korea) and Woori Investment Bank (hereafter the five subsidiaries), 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. In accordance with its functional restructuring, the Company established or acquired seven more subsidiaries, and has four 2nd-tier subsidiaries. On establishment, the Company's common stock amounted to (Won)3,637,293 million (\$3,030,067 thousand), consisting of 727,459,000 common shares ((Won)5,000 per share) issued and outstanding. However as a result of several capital increases since establishment, the Company's common stock amounted to (Won)3,839,074 million (\$3,198,162 thousand), consisting of 767,814,797 common shares issued and outstanding as of December 31, 2002. On June 24, 2002, the Company listed its common shares on the Korea Stock Exchange through a public offering at a price of (Won)6,800 per share, which included 36 million new shares and 54 million issued shares. The KDIC owned 673,458,609 (87.7%) shares of the Company's common shares as of December 31, 2002.

Woori Bank (formerly Hanvit Bank) was established in 1899 and is engaged in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law, and foreign exchange business with approval from the Bank of Korea (BOK) and the Ministry of Finance and Economy (MOFE). In connection with the infusion of public funds, Woori Bank and the KDIC have entered into an Agreement on the Implementation of the Business Plan. Woori Bank changed its name from Hanvit Bank to Woori Bank on May 20, 2002. Its common stock amounted to (Won)2,764,400 million (\$2,302,899 thousand) consisting of 552,880,000 common shares issued and outstanding as of December 31, 2002. Woori Bank is wholly owned by the Company. The head office of Woori Bank is located in Seoul, Korea. Woori Bank has

675 branches or offices in Korea and overseas.

Kyongnam Bank was incorporated on April 18, 1970 and is engaged in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law, and foreign exchange business with approval from the BOK and the MOFE. In connection with the infusion of public funds, Kyongnam Bank and the KDIC have entered into an Agreement on the Implementation of the Business Plan. As of December 31, 2002, Kyongnam Bank's common stock amounted to (Won)259,000 million (\$215,761 thousand) consisting of 51,800,043 shares of common stock issued and outstanding. The Company owns 99.99% of Kyongnam Bank. The head office of Kyongnam Bank is located in Masan, Korea. Kyongnam Bank has 127 branches or offices in Korea.

Kwangju Bank was established on October 7, 1968 and is engaged in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law, and foreign exchange business with approval from the BOK and the MOFE. In connection with the infusion of public funds, Kwangju Bank and KDIC have entered into an Agreement on the Implementation of the Business Plan. As of December 31, 2002, its common stock amounted to (Won)170,403 million (\$141,955 thousand) consisting of 34,080,517 common shares issued and outstanding. The Company owns 99.99% of Kwangju Bank. Its head office is located in Kwangju City, Korea. Kwangju Bank has 112 domestic branches or offices in Korea.

Woori Credit Card Co., Ltd. (WCC , formerly Peace Bank of Korea) was established on November 6, 1991 to engage in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law, and foreign exchange business with approval from the BOK and the MOFE. On December 17, 2001, WCC changed its name from Peace Bank of Korea to Woori Credit Card Co., Ltd. and is engaged in the credit card business, factoring and other financing services. Pursuant to the business transfer agreement entered into between Woori Bank and WCC dated December 26, 2001, the banking business segment (including trust accounts) of WCC was merged with Woori Bank as of December 31, 2001. WCC acquired the credit card subscriber base of Woori Bank on January 31, 2002. In connection with the infusion of public funds, WCC and the KDIC have entered into an Agreement on the Implementation of the Business Plan. As of December 31, 2002, WCC's common stock amounted to (Won)1,173,000 million (\$977,174 thousand) consisting of 234,600,000 shares of common stock issued and outstanding. WCC is wholly owned by the Company. The head office of WCC is located in Seoul, Korea.

Woori Investment Bank (WIB , formerly Hanaro Investment Bank) was established with an initial capital of (Won)30,000 million (\$24,992 thousand, 6,000,000 common shares issued), which was provided by the KDIC, on November 3, 2000, and initiated merchant bank services upon obtaining approval from the Financial Supervisory Commission on November 10, 2000. As of November 21, 2000, in accordance with the Financial Supervisory Commission's directive, WIB took over (Won)2,490.2 billion (\$2,074.5 million) of assets and (Won)5,462.9 billion (\$4,550.9 million) of liabilities from four merchant banks (Yeungnam Merchant Banking Corp., Central Banking Corp., Korea Merchant Banking Corp. and H&S Investment Bank Corp.) considered as distressed financial institutions. In connection with the infusion of public funds, WIB and the KDIC have entered into an Agreement on the Implementation of the Business Plan. On September 1, 2001, WIB changed its name from Hanaro Investment Bank to Woori Investment Bank. As of December 31, 2002, WIB's common stock amounted to (Won)2,491,200 million (\$2,075,308 thousand) consisting of 498,240,000 shares issued and outstanding. WIB is wholly owned by the Company. The head office and three branches of WIB are located in Seoul, Korea.

Woori Finance Information System Co., Ltd. (WFIS , formerly Hanviteun System) was established on April 17, 1989 and is engaged in the business of installing computerized financial systems. On September 29, 2001, the Company purchased all the common stock of WFIS from Woori Bank, which was part of the group's functional restructuring and therefore, WFIS was incorporated as a subsidiary of the Company. On October 15, 2001, WFIS changed its name from Hanviteun System Co., Ltd. to Woori Finance Information System Co., Ltd. As of December 31, 2002, its common stock amounted to (Won)4,500 million (\$3,749 thousand) consisting of 900,000 shares issued and outstanding. WFIS is wholly owned by the Company. The office of WFIS is located in Seoul, Korea.

Woori F&I Co., Ltd. (WF&I , formerly Woori Asset Management Co., Ltd. (WAMC)) was established on November 16, 2001 to engage in the business of management, operation, and disposition of securitization assets. On September 13, 2002, WF&I, formerly WAMC, split off the asset management business segment and established Woori CA Asset Management Co., Ltd. (WCAAMC). As a result, WF&I is engaged in the business of acquisition and disposition of securities issued by asset securitization specialty corporations, established based on the Act on Asset-Backed Securitization for the purpose of non-performing assets securitization, and in the business of acquisition and disposition of equity of asset management corporations, which are established for the purpose of non-performing assets management. On September 16, 2002, WF&I changed its name from Woori Asset Management Co., Ltd. to Woori F&I Co., Ltd. As of December 31, 2002, its common stock amounted to (Won)10,000 million (\$8,331 thousand) consisting of 2,000,000 shares issued and outstanding. WF&I is wholly owned by the Company. The office of WF&I is located in Seoul, Korea.

(2) Market Share

Currently, Woori and Shinhan are the only domestic financial holding companies that have a separate banking business as a subsidiary.

(units: hundred millions of won)

Items	As of end of 2002	
	Woori Finance Holdings	Shinhan Finance Holdings
Total Assets	73,891	47,850
Total Liabilities	23,250	7,748
Total Shareholder s Equity	50,641	40,102
Capital	38,391	14,618
Operating Revenue	8,785	6,434
Operating Expense	3,027	412
Operating Income	5,758	6,022
Ordinary Income	5,892	6,039
Net profit	5,892	6,039

(3) **Organization Chart**

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

As a true financial holdings corporation under the Financial Holding Corporation Act, our main income is delivered through dividend payments of our subsidiaries. We are not involved in any other operations.

b. Financing and performance of operations**(1) Source of Funds**

(units: millions of won)

Items	2003 Sept. 30	2002 Dec. 31	2001 Dec. 31
Equity Capital	5,794,288	5,064,129	4,077,347
Total Capital	3,877,525	3,839,074	3,637,293
Capital Surplus	61,324	58,645	
Retained Earnings	1,448,635	1,145,518	558,501
Capital Adjustments	406,804	20,892	-118,447
Borrowings	2,678,740	2,325,022	1,616,466
Corporate Debentures	2,293,926	1,999,250	1,298,304
Bank Borrowings	350,000	300,000	310,000
CP			
Other Borrowings			
Other Liabilities	34,814	25,772	8,162
Total	8,473,028	7,389,151	5,693,813

(2) Use of Funds

(units: millions of won)

Items	2003 Sept. 30	2002 Dec. 31	2001 Dec. 31
Treasury Stock	7,157,484	6,062,119	5,016,864
Woori Bank	5,708,693	4,500,143	3,255,964
Kyongnam Bank	506,608	424,060	327,005
Kwangju Bank	375,280	290,003	213,177
Woori Credit Card	308,411	379,126	1,008,866
Woori Merchant Bank		222,936	195,613
Woori Financial Information System	7,076	3,364	6,511
Woori F&I	30,862	17,016	9,728
Woori First SPC			
Woori Second SPC	33,260	31,666	
Woori Third SPC	7,215		
Woori Investment Trust Management	34,877	39,646	
Woori Securities	145,202	154,159	
Loan Obligations	980,811	1,231,207	648,365
Tangible Assets	237	324	627
Intangible Assets	43	50	24
Cash	290,814	73,256	13,825
Other Assets	43,639	22,195	14,108
Total	8,473,028	7,389,151	5,693,813

c. Transactions of Commission Fees

Category	Items	2003 Sept. 30	2002 Dec. 31	2001 Dec. 31
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Commission Revenue (A)

<hr/>				
Commission Expense (B)	Fees	2,568	5,611	-4,641
<hr/>				
Commission Profit (A-B)		-2,568	-5,611	-4,641
<hr/>				

3. Other Details Relevant to Investment Decision

Instead of following the format of exhibiting BIS equity capital ratio and status of non performing loans to indicate capital adequacy and asset quality, we exhibit the current ratio and debt ratio as similar indicators under the Finance holdings company Act

a. Current Ratio (Won-denominated)

(units: millions of won)

Items	2003 Sept. 30	2002 Dec.31	2001 Dec.31
Current Assets (A)	293,887	78,357	185,154
Current Liabilities (B)	206,185	9,317	316,615
Current Ratio (A/B)	142.5%	841.0%	58.5%

* Current ratio based on won denominated positions

= $\frac{\text{assets with maturity less than 3 months}}{\text{liabilities with maturity less than 3 months}}$

b. Debt Ratio

(units: millions of won)

Items	2003 Sept. 30	2002 Dec.31	2001 Dec.31
Liabilities (A)	2,678,740	2,325,022	1,616,466
Equity (B)	5,794,288	5,064,129	4,077,347
Debt Ratio (A/B)	46.2%	45.9%	39.7%

c. Credit Ratings for the Past 3 years

Date of Rating	Evaluated Securities	Credit Rating	Company (Ratings Range)	Evaluation Category
2001.06.27	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2001.06.28	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2001.09.26	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2001.09.26	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2001.11.29	Debentures	BBB-	R&I (AAA~C)	Case evaluation
2002.10.17	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2002.10.22	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2002.11.8	Debentures	BBB	R&I (AAA~C)	Periodic evaluation
2002.12.13	Debentures	AA+	Korea Ratings (AAA~D)	Case evaluation
2002.12.16	Debentures	AA+	KIS Ratings (AAA~D)	Case evaluation
2003.06.30	Debentures	AA+	KIS Ratings (AAA~D)	Periodic evaluation
2003.09.08	Debentures	AAA	Korea Ratings (AAA~D)	Case evaluation
2003.09.08	Debentures	AAA	KIS Ratings (AAA~D))	Case evaluation

d. Other Important Information

III. Financial Information**1. Summarized Financial Statements**

(units: millions of won)

Items	2003 Sept. 30	2002 Dec. 31	2001 Dec. 31
Cash and Due from Banks	290,814	73,255	13,825
Securites	7,157,484	6,062,119	5,016,864
Loans	980,811	1,235,042	648,365
Fixed Assets	280	374	651
Other Assets	43,639	18,361	14,108
Total Assets	8,473,028	7,389,151	5,693,813
Deposits	350,000	300,000	310,000
Borrowings	2,293,926	1,999,250	1,298,304
Other Liabilities	34,814	25,772	8,162
Total Liabilities	2,678,740	2,325,022	1,616,466
Common Stock	3,877,525	3,839,074	3,637,293
Capital Surplus	61,324	58,645	
Retained Earnings	1,448,635	1,145,518	588,501
Capital Adjustment	406,804	20,892	Δ 118,447
Total Stockholder s Equity	5,794,288	5,064,129	4,077,347
Operating Income	509,780	878,488	717,112
Operating Cost	139,323	302,721	31,222

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Operating Net Income	370,457	575,767	685,890
Ordinary Income	370,091	589,214	685,885
Net Income	370,091	589,214	684,102

[Δ stands for negative numbers]

* Refer to Exhibits to see detailed financial statements

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

2003 Sept. 30	2002 Sept. 30	2002 Dec. 2002	2001 Dec. 2001
Deloitte & Touche	Arthur Andersen	Deloitte Touche	Arthur Andersen

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

(units: millions of won)

Year	Auditor	Activity	Compensation	Accrued Time (hr)
2003 3Q	Deloitte Touche	Half Year Interim Financial Statement	70	400
		Quarter Interim Financial Statement	140	800
2002	Arthur Andersen	Quarter Interim Financial Statement	140	1,200
		Half Year Interim Financial Statement	70	600
	Deloitte Touche	Annual Financial Statement	30 30	300 300
2001	Arthur Andersen	Quarter Interim Financial Statement	80	800

b. Compensation for services other than Audit

(units: thousands of dollars)

Year	Contract Date	Activity	Period	Comp.	Note
2003 1H	2003.7.30	US GAAP Auditing	2003.8~2004.5	4,500	Deloitte Touche
2002	2003.2.28	US GAAP Auditing	2002.12~2003.5	4,250	Deloitte Touche

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2001	2001.8.17	US GAAP Auditing	2001.8~2002.11	6,600	Arthur Andersen
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V. Corporate Governance & Affiliated Companies

1. Overview of Corporate Governance

a. Board of Directors

(1) About the Board of Directors

The Board of Directors consists of the Group's chairman Byung-Chul Yoon, Vice chairman Duk-Hoon Lee(CEO of Woori Bank), Vice Chairman Kwang-Woo Jun(Chief Strategy Officer), Vice chairman Euoo-Sung Min(Chief Financial Officer). And for our non-standing directors, we have Nam-Hong Cho (Vice President of Korea Employer's Federation), Sang-Chul Lee (Former CEO of Kookmin Bank), Chae-Woong Lee (professor of Sungkyunkwan University), Gae-Min Lee (CEO of Hankyung.com), Oh-seok Hyun (president of Trade Research Institute), and Hae-Suk Suh (legal consultant of Wu Hyun law firm).

(a) Duties of Boards of Directors

The Board of Directors shall consist of directors and shall determine the matters which are provided for as the authority of the Board of Directors under the relevant laws and regulations

The Board of Directors shall perform its duties set forth in the Rules for the Board of Directors for the purpose of enhancement of the shareholders' benefits

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(b) Information Regarding Board of Directors

Position	Name	Information	Relationship with KDIC	Transaction with WFG
Non-standing				
Director		B.A. in Sociology, Seoul National Univ.		
candidate		former Director of Int'l Labor Org.		
Audit Committee	Nam-Hong Cho	Executive Vice President of Korea Employers Federation		-C/S
candidate		Non-standing director of Woori Finance Holdings	N/A	496 shares
Non-standing				
Director		B.A. in commerce, Seoul National University		
candidate		former CEO of Kookmin Bank		
Audit Committee	Sang-Chul	Non-standing director of Samsung SDI, co.		
candidate	Lee	Non-standing director of Woori Finance Holdings	N/A	N/A
Non-standing				
Director				
candidate		B.A. in economics, Seoul National University		
Audit Committee	Chae- Woong Lee	Former Vice President & Professor at Sungkyunkwan University		
candidate		Non-standing director of Woori Finance Holdings	N/A	N/A
Non-standing				
Director		B.A. in economics, Kyung Hee University		
candidate		former Chief Editorial Writer of Korea Economic Daily		
Audit Committee	Gae-Min	CEO of Hangkyung.com		
candidate	Lee	Non-standing director of Woori Finance Holdings	N/A	N/A
Non-standing				
Director		B.A. in English, Ewha Women's University		
candidate		J.D. from Santa Clara law school		
Audit Committee	Hae-Suk	Foreign legal consultant at Wu Hyun law firm		
candidate	Suh	Non-standing director of Woori Finance Holdings	N/A	N/A

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Non-standing		B.A. in Business Administration, Seoul National University		
Director		Ph.D. in economics, University of Pennsylvania		
candidate		_____		
Audit Committee		former employee at Ministry of Finance and Economy		
candidate	Oh-Seok			
	Hyun	President of Trade Research Institute, Korean Int'l Trade Association	N/A	N/A

(c) Appointment of Non-standing Directors

The outside directors of the Company shall be elected at the General Meeting of Shareholders after being recommended by the Recommendation Committee for Outside Director Candidates to be established under Article 42. However, this is not applicable for the first fiscal year of the company.

* Article 42 (Committee)

1. We currently have the following management committee that serves under the board.

1. The Management Committee
2. The Business Strategy & Compensation Committee
3. The Risk Management Committee
4. The Audit Committee
5. Committees constituted by directors

2. The duties, rights, and management of each committee is appointed by the Board of Directors.

(d) Committees within Board of Directors

1) The Management Committee

Name	Non-standing Director	Notes
Byung-Chul Yoon	X	
Kwang-Woo Jun	X	Chairman Byung-Chul Yoon heads the committee and non-standing directors constitute more than half of the committee
Nam-Hong Cho	O	
Sang-Chul Lee	O	
Gae-Min Lee	O	

2) Risk Management Committee

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Name	Position	Notes
Byung-Chul Yoon	Chairman and CEO	The representative director
Euoo-Sung Min	Vice Chairman	is Byung-Chul Yoon, and is
Chae-Woong Lee	Non-standing Director	consisted of 2 directors
Oh-Seok Hyun	Non-standing Director	and 3 non-standing
Hae-Suk Suh	Non-standing Director	directors

3) Business Strategy & Compensation Committee

Name	Position	Notes
Nam-Hong Cho	Non-standing Director	
Sang-Chul Lee	Non-standing Director	
Chae-Woong Lee	Non-standing Director	The representative director
Gae-Min Lee	Non-standing Director	is Sang-Chul Lee, and is
Oh-Seok Hyun	Non-standing Director	consisted of 6 non-standing directors
Hae-Suk Suh	Non-standing Director	

4) Audit Committee

Name	Position	Notes
Nam-Hong Cho	Non-standing Director	
Sang-Chul Lee	Non-standing Director	
Chae-Woong Lee	Non-standing Director	The representative director
Gae-Min Lee	Non-standing Director	is Sang-Chul Lee, and is
Oh-Seok Hyun	Non-standing Director	consisted of 6 non-standing directors
Hae-Suk Suh	Non-standing Director	

5) Standing Committee

Name	Position	Notes
Byung-Chul Yoon	Chairman and CEO	
Euoo-Sung Min	Vice Chairman	The representative director
Kwang-woo Jun	Vice Chairman	is Byung-Chul Yoon, and is
Duk-Hoon Lee	Vice Chairman	consisted of 4 directors

2. Related Companies

a. Invested shares in related companies

Investor	Investee	Number of Invested Stock	Stock Share (%)
Woori Finance Holdings	Woori Bank	570,567,520	100.0
	Kyongnam Bank	51,800,000	99.9
	Kwangju Bank	34,080,000	99.9
	Woori Credit Card	402,600,000	100.0
	Woori Finance Information Systems	900,000	100.0
	Woori F&I	2,000,000	100.0
	SPC Series 1	1,900	95.0
	SPC Series 2	1,900	95.0
	SPC Series 3	2,000	100.0
	Woori Investment Management	6,000,000	100.0
	Woori Securities	13,250,570	40.2
Woori Bank	Woori America Bank	8,500,000	100.0
	P.T. Bank Woori Indonesia	1,387	81.6
	Woori Credit Information	1,008,000	100.0
	Shinwoo CRC	437,525	76.6
Woori Credit Card	Nexbi Tech.	102,000	50.5
Woori F&I	Woori CA Asset Management	408,000	51.0
	Woori LB SPC Series 1	480,000	30.0
	Woori LB SPC Series 2	138,000	30.0
	Woori LB SPC Series 3	414,000	30.0
	Woori LB SPC Series 4	432,000	30.0

b. Year-end Performance of Affiliated companies and Subsidiaries

Name : Woori Bank Co., Ltd.

Company number : 00254045

(units: millions of won)

Items	Period 169 (2002.12.31)	Period 168 (2001.12.31)	Period 167 (2000.12.31)
Cash and Due from Banks	4,098,110	3,911,225	6,036,374
Trading securities	813,173	1,146,336	882,822
Investment securities	17,930,546	17,223,404	15,973,928
Loans	58,967,737	48,177,595	41,817,343
Fixed Assets	1,762,660	1,843,368	1,887,783
Others	3,905,144	4,355,840	4,768,757
Total Assets	87,477,370	76,657,768	69,845,987
Deposits in Won	58,586,891	50,645,040	43,363,016
Deposits in Foreign exchange	3,251,760	2,386,192	2,473,836
CDs	346,214	737,106	1,337,053
Borrowings in Won	3,548,478	3,598,368	2,704,657
Borrowings in Foreign exchange	4,775,613	4,491,778	5,135,267
Foreign exchange trust		128,797	2,189,036
Other Borrowings	1,684,546	2,664,915	3,438,013
Debentures	5,941,886	3,084,569	3,048,994
Other Liabilities	5,199,018	5,992,471	5,412,035
Total Liabilities	83,334,406	73,729,236	67,580,887
Capital	2,764,400	2,764,400	2,764,400
Capital Surplus	516,026	31,903	
Retained Earnings	845,686	203,690	-454,686

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Capital Adjustments	16,852	-71,461	-44,614
Total Shareholder s Equity	4,142,964	2,928,532	2,265,100
Operating Revenue	6,607,882	6,848,493	7,382,216
Operating Income	602,949	283,194	-4,158,890
Ordinary Income	595,988	610,679	-5,014,380
Net Increase	779,571	712,945	-3,006,414

* Accounting policy changes in period 169 brought retroactive changes go periods 167 and 168,

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Name of Company : Kyongnam Bank

Company Number : 00101363

(units: millions of won)

	(2002.12.31)	(2001.12.31)	(2000.12.31)
Cash and Due from Banks	1,148,371	1,387,331	731,220
Trading securities	154,909	2,897	144,001
Investment securities	2,380,128	2,174,229	1,703,581
Loans	5,820,207	4,744,317	4,283,601
Fixed Assets	208,970	214,581	235,943
Other Assets	263,262	236,469	339,461
Total Assets	9,975,847	8,759,824	7,437,807
Deposits	7,544,267	5,930,100	4,943,281
Borrowings	1,286,963	1,435,321	1,395,427
Debentures	303,304	424,974	360,956
Other Liabilities	430,271	656,059	487,967
Total Liabilities	9,564,805	8,446,454	7,187,630
Capital	259,000	259,000	259,000
Capital Surplus	26,910	26,906	
Retained Earnings	129,191	51,905	
Capital Adjustments	-4,059	-24,441	-35,729
Total Shareholder s Equity	411,042	313,370	250,177
Operating Revenue	742,141	721,643	709,255
Operating Income	107,423	87,040	-318,224
Ordinary Income	82,466	69,158	-405,233
Net Income	82,466	69,158	-311,233

* Accounting policy changes in period 41 brought about retroactive changes to period 40, but not reflected in period 39

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Name of Company : Kwangju Bank

Company Number : 00104078

(units: millions of won)

	Period 44	Period 43	Period 42
	(2002.12.31)	(2001.12.31)	(2000.12.31)
Cash and Due from Banks	386,827	299,088	469,370
Trading securities	143,525	146,081	20,732
Investment securities	1,968,418	2,056,441	1,272,820
Loans	4,896,333	3,964,489	3,257,542
Fixed Assets	224,952	229,929	292,252
Others	426,879	424,910	773,299
Total Assets	8,046,934	7,120,938	6,086,014
Deposits	6,077,260	5,250,418	4,465,783
Borrowings	967,696	946,702	648,861
Debentures	200,485	297,723	297,691
Other Liabilities	532,307	434,702	525,765
Total Liabilities	7,777,748	6,929,545	5,938,099
Capital	170,403	170,403	170,400
Retained Earnings	98,185	26,813	-35,787
Capital Adjustments	598	-5,822	13,303
Total Shareholder s Equity	269,186	191,394	147,915
Operating Revenue	578,844	532,712	585,152
Operating Income	85,962	71,290	-107,980
Ordinary Income	74,839	66,346	-413,652
Net Income	74,839	66,346	-140,552

* Accounting policy changes in period 43 brought retroactive changes go periods 42 and 41.

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Name : Woori Credit Card

Company Number : 00171308

(units: millions of won)

	Period 12	Period 11	Period 10
	(2002.12.31)	(2001.12.31)	(2000.12.31)
Cash and Due from Banks	968,933	322,304	438,515
Trading securities	0		328,677
Investment securities	856,374	214,112	1,010,240
Loans	2,669,542	642,611	3,613,293
Fixed Assets	160,991	11,583	34,486
Others	48,374	158,065	594,401
Total Assets	4,704,214	1,348,675	6,019,611
Deposits			3,982,820
Borrowings	1,137,547		1,155,558
Debentures	3,198,006		204,742
Other Liabilities	60,637	408,689	432,212
Total Liabilities	4,396,190	408,689	5,775,332
Capital	1,173,000	1,173,000	273,000
Capital Surplus			11,113
Retained Earnings	-332,565	-181,146	
Capital Adjustments	-532,411	-51,868	-39,834
Total Shareholder s Equity	308,024	939,686	244,279
Operating Revenue	915,039	588,710	838,722
Operating Income	21,660	-105,097	-151,415

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Ordinary Income	-151,419	-271,625	-457,163
Net Income	-151,419	-150,665	-118,263

Company : Woori Investment Management

Company Number : 00243377

(units: millions of won)

	Period 15	Period 14	Period 13
	(2002.12.31)	(2001.12.31)	(2000.12.31)
Current Assets	27,878	30,235	26,984
Fixed Assets	13,490	12,839	12,255
Total Assets	41,368	43,074	39,239
Current Liabilities	3,686	6,172	4,088
Fixed Liabilities	177	124	
Total Liabilities	3,863	6,296	4,088
Capital	30,000	30,000	30,000
Capital Surplus			
Retained Earnings	7,504	6,778	5,150
Capital Adjustments			
Total Shareholder s Equity	37,504	36,778	35,150
Operating Income	10,360	11,830	13,522
Operating Profit	5,276	4,348	7,388
Ordinary Income	5,330	4,568	8,233
Net Income	3,726	3,128	7,083

Name of Company : Woori Credit Information

Company Number : 00378947

(units: millions of won)

	Period 14	Period 13	Period 12
	(2002.12.31)	(2001.12.31)	(2000.12.31)
Current Assets	76,504	5,933	9,384
Fixed Assets	164,549	2,882	806
Total Assets	241,053	8,815	10,190
Current Liabilities	5,394	2,362	5,016
Fixed Liabilities	184,349	373	217
Total Liabilities	238,291	2,735	5,233
Capital	4,500	4,500	4,500
Capital Surplus			
Retained Earnings	-1,738	1,580	457
Capital Adjustments			
Total Shareholder s Equity	2,762	6,080	4,957
Sales	131,843	25,444	14,723
Operating Income	4,404	1,127	1,273
Ordinary Income	-3,190	1,421	1,546
Net Income	-3,318	1,123	1,153

Name of Company : Woori Securities

Company Number : 00163178

(units: millions of won)

	Period 15	Period 14	Period 13
	(2002.12.31)	(2001.12.31)	(2000.12.31)
Current Assets	415,148	445,810	375,147
Fixed Assets	125,686	171,517	147,767
Total Assets	540,834	617,327	522,914
Current Liabilities	180,613	231,064	148,284
Fixed Liabilities	4,585	7,449	2,912
Total Liabilities	185,198	238,513	151,196
Capital	164,782	164,782	164,782
Capital Surplus	131,776	131,776	131,424
Retained Earnings	97,156	105,902	93,355
Capital Adjustments	-38,078	-23,646	-17,843
Total Shareholder s Equity	355,636	378,814	371,718
Operating Revenue	186,664	205,208	215,602
Operating Income	21,332	45,434	41,728
Ordinary Income	1,570	56,434	30,835
Net Income	1,627	40,107	20,401

Company Name : Woori F&I

Company Number : 00416593

(units: millions of won)

	Period 2	Period 1
	(2002.12.31)	(2001.12.31)
Current Assets	2,290	8,531
Fixed Assets	52,493	1,153
Total Assets	54,783	9,684
Current Liabilities	2,323	50
Fixed Liabilities	37,033	
Total Liabilities	39,356	50
Capital	10,000	10,000
Capital Surplus		
Retained Earnings	5,461	-366
Capital Adjustments	-34	
Total Shareholder s Equity	15,427	9,634
Operating Revenue	18,913	196
Operating Income	10,253	-414
Ordinary Income	10,335	-366
Net Income	7,327	-366

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Company Name : Woori First Asset Securitization Specialty

Company Number : 00389086

(units: millions of won)

	Period 2	Period 1
	(2002.12.31)	(2001.12.31)
Current Assets	19,202	48,284
Securitized Assets	51,048	437,482
Fixed Assets		1
Total Assets	70,250	485,767
Current Liabilities	13,271	1,297
Securitized Liabilities	188,847	484,487
Total Liabilities	202,118	485,784
Capital	10	10
Capital Surplus		
Retained Earnings	-131,878	-27
Capital Adjustments		
Total Shareholder s Equity	-131,868	-17
Operating Revenue	66,576	5,593
Operating Income	-133,252	-2,259
Ordinary Income	-131,852	-27
Net Income	-131,852	-27

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Company Name : Woori Second Asset Securitization Specialty

Company Number : 00391665

(units: millions of won)

	Period 2	Period 1
	(2002.12.31)	(2001.12.31)
Current Assets	23,560	10
Securitized Assets	74,106	167,136
Fixed Assets	97,666	167,146
Total Assets	51,269	167,170
Current Liabilities	59,936	0
Securitized Liabilities	111,205	167,170
Total Liabilities	10	10
Capital		
Capital Surplus	-13,549	-34
Retained Earnings		
Capital Adjustments	-13,539	-24
Total Shareholder s Equity	52,425	
Operating Revenue	32,553	-34
Operating Income	33,367	-34
Ordinary Income	33,329	-34
Net Income		

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Company Name : Woori Third Asset Securitization Specialty

Company Number : 00399357

(units: millions of won)

	Period 1
	(2002.12.31)
Current Assets	18,226
Securitized Assets	48,764
Total Assets	66,990
Current Liabilities	71,444
Securitized Liabilities	65,204
Total Liabilities	136,648
Capital	10
Capital Surplus	
Retained Earnings	-69,668
Capital Adjustments	
Total Shareholder s Equity	-69,658
Operating Revenue	33,566
Operating Income	-10,008
Ordinary Income	-9,899
Net Income	-9,899

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Company Name: Woori CA Asset Management

Company Number : (units: millions of won)

	Period 1
	(2002.12.31)
Current Assets	4,854
Securitized Assets	1,379
Total Assets	6,223
Current Liabilities	1,302
Securitized Liabilities	358
Total Liabilities	1,660
Capital	4,000
Retained Earnings	573
Total Shareholder s Equity	4,573
Operating Revenue	4,070
Operating Income	1,324
Ordinary Income	1,348
Net Income	908

* Refer to Business Report of Woori Bank for the performances of Woori Credit Information, Woori America Bank, and Woori Indonesia Bank

3. Investment in Other Companies

(units: thousand shares, millions of won)

Type	Name	Beginning Balance			Changes		Ending Bal.			Summary	
		Quantity	Share	Cost	Quantity	Cost	Quantity	Share	Cost	Date	Dividend Revenue
										2001.3.27	
	Woori Bank ^(*)	552,880	100.0	2,741,818	17,688	170,493	570,568	100.0	2,912,311	2003.7.31	518,601
	Kwangju Bank	34,080	99.9	170,400			34,080	99.9	170,400	2001.3.27	3,408
	Kyong-nam Bank	51,800	99.9	259,000			51,800	99.9	259,000	2001.3.27	5,180
D	Woori Credit Card	234,600	100.0	1,173,000	168,000	840,000	402,600	100.0	2,013,000	2002.3.27	
O	Woori Merchant Bank	498,240	100.0	170,493	498,240	170,493				2001.3.27	
M	Woori Inv t Mgmt.	6,000	100.0	39,128			6,000	100.0	39,128	2002.3.29	6,000
E	Woori Securities	13,251	40.2	152,662			13,250	40.2	152,662	2002.7.29	5,300
S	Woori Finance Info Sys.	900	100.0	5,244			900	100.0	5,244	2001.9.29	
T	Woori F&I	2,000	100.0	10,094			2,000	100.0	10,094	2001.12.3	1,500
I	Woori 1 st SPC	1.9	95.0	9.6			1.9	95.0	9.6	2001.12.3	
C	Woori 2 nd SPC	1.9	95.0	9.6			1.9	95.0	9.6	2001.12.26	
	Woori 3 rd SPC	2	100.0	10			2	100.0	10	2002.3.15	
	Foreign										
	Total	1,393,756		4,721,869	683,928	1,180,986	1,411,444		5,561,872		539,989

* Dividends derived from fiscal basis

1. Woori Bank and Woori Merchant Bank were merged in 2003 July 31

2. Woori Finance Holdings injected capital into Woori Credit Card on 2003 March 27 and 2003 Sept. 30

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

(as of 2003.09.30)

(units: shares, %)

Name	Relation	Type	Shares Held				Reasons Behind Change		
			Beginning balance		(+)	(-)		Ending balance	
			Stock	Share				Stock	Share
KDIC	Major S/H	C/S	673,458,609	87.7			673,458,609	86.8	
		C/S	673,458,609	87.7			673,458,609	86.8	
	Total	P/S							
		Total	673,458,609	87.7			673,458,609	86.8	

Major Shareholder : KDIC

b. Share Ownership of more than 5%

(as of 2003.09.30)

(units: shares, %)

No.	Name	Common Stock		Preferred Stock		Total	
		No. of shares	%	No. of shares	%	No. of shares	%
1	KDIC	673,458,609	86.8			673,458,609	86.8
	Total	673,458,609	86.8			673,458,609	86.8

c. Shareholder Distribution

(as of 2002. 12. 31)

Items	Shareholder number	Ratio	Number of shares	Ratio
Government	0		0	
Government related companies	1	0.00%	673,458,609	87.71%
Securities companies	39	0.18%	1,508,598	0.20%
Insurance companies	3	0.01%	224,393	0.03%
Asset Management	129	0.59%	44,648,339	5.81%
Financial Institutions	2	0.01%	24,430	0.00%
Finance Companies	2	0.01%	42,499	0.01%
Financial Groups	0	0.00%	0	0.00%
Mutual Savings	19	0.09%	908,735	0.12%
Other companies	61	0.28%	703,743	0.09%
Individuals	21,477	98.62%	40,993,736	5.34%
Foreigners	44	0.20%	5,295,222	0.69%
KSD	1	0.00%	6,493	0.00%
Total	21,778	100.0%	767,814,797	100.0%

d. Total Minority Shareholders, Major Shareholders, and Other Shareholders

(as of 2002.12.31)

Items	Shareholder number	Ratio	Number of shares	Ratio	Notes
Total Minority shareholders	21,774	99.98%	67,208,127	8.75%	
Minority Shareholders (companies)	283	1.30%	41,579,588	5.42%	

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Minority Shareholders (individuals)	21,491	98.68%	25,610,539	3.34%
Major shareholder	1	0.00%	673,458,609	87.71%
Total other shareholders	2	0.01%	27,141,568	3.53%
Other shareholders (companies)	1	0.00%	11,702,338	1.52%
Other shareholders (individuals)	1	0.00%	15,439,230	2.01%
KSD	1	0.00%	6,493	0.00%
Total	21,778	100.00%	767,814,797	100.00%

2. Stock Price and Stock Market Performance for the Past 6 Months

a. Domestic Stock Market

(units: won, shares)

Period	April	May	June	July	August	September
High	5,020	5,740	6,480	7,250	7,450	7,450
Low	3,895	4,500	5,720	6,080	5,960	6,020
Monthly Trade Volume	33,501,308	31,342,260	40,178,067	37,570,870	35,207,308	32,805,327
High						
Low						
Monthly Trade Volume						

b. Foreign Stock Market

(name of market : NYSE)

(units: dollars, shares)

Period	September
ADR	High 16.25
	Low 16.25
Monthly Trade Volume	100
	High
	Low
Monthly Trade Volume	

* The ADR exchange ratio is 3:1

VII. Directors and Employee Information**1. Directors**

Position		Name	Date of Birth	Common Stocks
				Owned
Chairman	Registered	Byung-Chul Yoon	1937.5.15	49,973
Vice Chairman	Registered	Kwang-Woo Jun	1949.5.7	
Vice Chairman	Registered	Euoo-Sung Min	1954.3.15	
Vice Chairman	Registered	Duk-Hoon Lee	1949.7.10	
Managing Director	Non-registered	Sam-soo Pyo	1951.12.12	
Managing Director	Non-registered	Hwan-Kyu Park	1952.12.12	
Managing Director	Non-registered	Won-Gihl Sohn	1953.9.27	
Managing Director	Non-registered	Tae-Ho Son	1949.12.14	
Managing Director	Non-registered	Ki-Chul Han	1945.3.20	
Non-standing Director	Registered	Gae-Min Lee	1946.11.1	
Non-standing Director	Registered	Sang-Chul Lee	1936.11.30	895
Non-standing Director	Registered	Chae-Woong Lee	1942.5.2	
Non-standing Director	Registered	Nam-Hong Cho	1936.6.20	
Non-standing Director	Registered	Oh-Seok Hyun	1950.5.5	
Non-standing Director	Registered	Hae-Suk Suh	1953.11.14	

2. Employee Status

(units: no. of , shares)

Items	Staff				Average Tenure	Quarterly Compensation	Average Compensation	Note
	Admin.	Manu.	Misc.	Total			Per Person	
Male	44		4	48	2.8	2,685,429	55,946	

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Female	4	8	12	2.8	390,374	32,531
Total	48	12	60	2.8	3,075,783	51,263

* Based on compensation from Jan. to Sept.

VIII. Related Party Transactions

1. Transactions with Major shareholders

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

(units: millions of won)

T Y P e	Transactions of provisional payments & loans										
	Conditions					Changes					
	Name	Relation	Item	Date	Maturity Date	Interest Rate		Beg.	Change		End.
						Loan	Borrow		+	-	
	Woori 1 st SPC	subsidiary	Other loan	2001.12.21	2010.12.21	7.5%		188,847	15,472	173,375	
	Woori 2 nd SPC	subsidiary	Other loan	2002.1.8	2012.1.8	7.5%		59,936	41,400	18,536	
	Woori 3 rd SPC	subsidiary	Other loan	2002.4.15	2012.4.15	7.8%		65,204	35,414	29,790	
	Woori Bank	subsidiary	Other loan	2002.9~ 2002.11	10 yr	0%		600,000		600,000	
	Kwangju Bank	subsidiary	Other loan	2002.12.31	10 yr	0%		50,000		50,000	
	Woori Credit Card	subsidiary	Other loan	2002.12.27	6yr	6.62%		200,000	200,000		
	Woori Finance Info. Sys	subsidiary	Other loan	2002.4 ~ 2002.10	4 yr	7.3% ~ 7.8%		180,000		180,000	
	Woori F&I	subsidiary	Other loan	2002.9 ~ 2003.3	4yr	7.3% ~ 7.6%		34,600	90,000	10,400	114,200
Foreign											
Total								1,378,587	90,000	302,686	1,165,901

b. Payment Transactions

Name	Relation	Item	Transactions of Payments					Gain/ Loss
			Par value	Transactions			Ending	
				Beginning	Increase	Decrease		
Woori Bank	Subsidiary	Investment stock	5,000	4,500,143	935,766	138,220	5,297,689	
Kyongnam								
Bank	Subsidiary	Investment stock	5,000	424,060	61,953	5,180	480,833	
Kwangju								
Bank	Subsidiary	Investment stock	5,000	290,003	60,565	3,408	347,160	
Woori Credit								
Card	Subsidiary	Investment stock	5,000	379,126	200,000	257,635	321,491	
Woori Merchant Bank								
Bank	Subsidiary	Investment stock	5,000	222,936	56,465		279,401	
Woori Finance								
Info. System	Subsidiary	Investment stock	5,000	3,364	3,324		6,688	
Woori F&I	Subsidiary	Investment stock	5,000	17,016	13,005	1,500	28,521	
Woori 1 st SPC	Subsidiary	Investment stock	5,000					
Woori 2 nd SPC	Subsidiary	Investment stock	5,000	31,666	5,528		37,194	
Woori 3 rd SPC	Subsidiary	Investment stock	5,000		1,885		1,885	
Woori Inv t Mgmt	Subsidiary	Investment stock	5,000	39,646	1,187		40,833	
Woori Securities	Subsidiary	Investment stock	5,000	154,159		8,890	145,269	
Total				6,062,119	1,339,678	414,833	6,986,964	

* The above transactions have been derived using the equity method.

c. Real-Estate Transactions (including rent activities)**(1) Transactions of Real-estate Rent activities**

Transactions of Payments

Name	Relation	Item	location	Quantity				Information		
				Rent		Rent		Maturity	Guarantee	Rent
				Inc	Dec	Inc	Dec			
Woori Bank	Affiliate	Rent	Bldg					2001.3.21 ~ 2003.3.21	3,846	1484
Total									3846	1484

* The above contract has extended its contract, renewing it on 2003.3.21.

INDEPENDENT ACCOUNTANTS REVIEW REPORT

To the Shareholders and Board of Directors of

Woori Finance Holdings Co., Ltd:

We have reviewed the accompanying non-consolidated balance sheet of Woori Finance Holdings Co., Ltd. (the Company) as of September 30, 2003 and the related non-consolidated statements of operations and cash flows for the three-month and nine-month periods ended September 30, 2003, 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 review. The non-consolidated statements of operations for the three-month and nine-month periods ended September 30, 2002, which are presented for comparative purposes, were reviewed by Anjin & Co. whose report dated November 12, 2002 stated that nothing had come to their attention that caused them to believe that such non-consolidated statements of income were not presented fairly, in all material respects, in accordance with financial accounting standards in the Republic of Korea.

We conducted our review in accordance with standards for review of interim financial statements 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 thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying non-consolidated financial statements as of and for the three-month and nine-month periods ended September 30, 2003 are not presented fairly, in all material respects, in accordance with accounting principles generally accepted in the Republic of Korea.

We have previously audited the non-consolidated balance sheet of the Company as of December 31, 2002 and the accompanying related non-consolidated statements of income, appropriations of retained earnings and cash flows for the year then ended (not presented herein) in accordance with auditing standards generally accepted in the Republic of Korea and in our report dated March 26, 2003, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying non-consolidated balance sheet as of December 31, 2002 presented for comparative purposes does not materially differ from the audited non-consolidated balance sheet.

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

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED

SEPTEMBER 30, 2003 AND 2002

TOGETHER WITH INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

As explained in Note 2 to the accompanying non-consolidated financial statements, the Company comparatively presented the balance sheets as of September 30, 2003 and December 31, 2002 and the statements of operations for the three-month and nine-month periods ended September 30, 2003 and 2002. However, the Company presents stand-alone statements of cash flows for the three-month and nine-month periods ended September 30, 2003 in accordance with the transition provision of Statement of Korean Accounting Standards No 2.

As explained in Note 22 to the accompanying non-consolidated financial statements, Woori Bank, a subsidiary of the Company, has loans receivable from and payment guarantees for SK Networks Co., Ltd.(formerly known as SK Global) and its overseas subsidiaries (collectively referred to as SK Networks) in the total amount of (Won)301 billion (US\$262 million). In connection therewith, Woori Bank provided (Won)180 billion (US\$156 million) as allowances for credit losses as of September 30, 2003. However, SK Networks is currently undergoing a corporate restructuring and depending on the result of this restructuring, Woori Bank's actual losses on SK Networks credit may differ materially.

As explained in Note 1 to the accompanying non-consolidated financial statements, Woori Credit Card Co., Ltd. (WCC), a subsidiary of the Company, issued new 40,000,000 shares of stock amounting to (Won)200 billion (US\$ 174 million) on March 27, 2003 and new 128,000,000 shares of stock amounting to (Won)640 billion (US\$556 million) on September 30, 2003 all to the Company. As a result, the number of issued common stock and capital of WCC increased to 402,000,000 shares and (Won)2,013 billion (US\$ 1,750 million), respectively, as of September 30, 2003.

As explained in Note 24 to the accompanying non-consolidated financial statements, Woori Bank merged with Woori Investment Bank, a subsidiary of the Company, on July 31, 2003 pursuant to a merger agreement dated June 25, 2003. As a result, Woori Bank took over substantially all of the assets and liabilities of Woori Investment Bank by exchanging one common share of Woori Investment Bank for 0.0355 share of Woori Bank. Accordingly, the number of issued common shares of Woori Bank increased from 553 million to 571 million and contributed capital of Woori Bank increased from (Won)2,764.4 billion (US\$2,403 million) to (Won)2,852.8 billion (US\$2,480 million).

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

November 13, 2003

Notice to Readers

This report is effective as of November 13, 2003, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the accountants' review report.

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 2003 AND DECEMBER 31, 2002

(See Independent Accountants' Review Report)

	Korean won		US dollars (Note 2)	
	September 30, 2003	December 31, 2002	September 30, 2003	December 31, 2002
	(In millions)		(In thousands)	
ASSETS				
Cash and bank deposits (Notes 16 and 20)	(Won) 290,814	(Won) 73,256	US\$ 252,838	US\$ 63,690
Investment securities of subsidiaries (Note 3)	7,157,484	6,062,119	6,222,817	5,270,491
Loans, net of allowance for possible loan losses (Notes 4, 5 and 20)	980,811	1,231,207	852,731	1,070,429
Fixed assets (Note 6)	280	374	243	325
Other assets (Notes 7, 11 and 20)	43,639	22,195	37,940	19,297
	<u>(Won) 8,473,028</u>	<u>(Won) 7,389,151</u>	<u>US\$ 7,366,569</u>	<u>US\$ 6,424,232</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
Borrowings (Note 8)	(Won) 350,000	(Won) 300,000	US\$ 304,295	US\$ 260,824
Debentures, net of discounts and reconciliation for conversion rights, and plus added accrued interest and redemption premium (Notes 9 and 11)	2,293,926	1,999,250	1,994,371	1,738,176
Other liabilities (Notes 10, 11, 12 and 20)	34,814	25,772	30,268	22,407
	<u>2,678,740</u>	<u>2,325,022</u>	<u>2,328,934</u>	<u>2,021,407</u>
SHAREHOLDERS' EQUITY				
Common stock (Note 13)	3,877,525	3,839,074	3,371,175	3,337,745
Capital surplus (Note 13)	61,324	58,645	53,316	50,987
Retained earnings (Net income of (Won)370,091 million for the nine months ended September 30, 2003 and (Won)589,214 million for the year ended December 31, 2002)	1,448,635	1,145,518	1,259,463	995,929
Capital adjustments (Notes 3 and 14)	406,804	20,892	353,681	18,164
	<u>5,794,288</u>	<u>5,064,129</u>	<u>5,037,635</u>	<u>4,402,825</u>
	<u>(Won) 8,473,028</u>	<u>(Won) 7,389,151</u>	<u>US\$ 7,366,569</u>	<u>US\$ 6,424,232</u>

See accompanying notes to non-consolidated financial statements.

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2003 AND 2002

(See Independent Accountants' Review Report)

	Korean won				US dollars (Note 2)				
	2003		2002		2003		2002		
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30	
	(In millions, except for income per share data)				(In thousands, except for income per share data)				
OPERATING REVENUE									
Gain on valuation using the equity method of accounting (Note 3)	(Won)	(Won) 420,371	(Won) 164,026	(Won) 351,149	US\$	US\$ 365,476	US\$ 142,607	US\$ 305,294	
Interest income (Note 20)		16,925	54,284	13,071	40,517	14,715	47,195	11,364	35,226
Gain on valuation of swap contracts (Notes 9 and 20)		7,805	5,296	3,500	1,338	6,786	4,604	3,043	1,163
Gain on foreign currency translation		7,892	14,895		15,809	6,861	12,950		13,745
Reversal of allowance for doubtful accounts		11,161	14,934			9,704	12,984		
		43,783	509,780	180,597	408,813	38,066	443,209	157,014	355,428
OPERATING EXPENSES									
Loss on valuation using the equity method of accounting	(Won)	(129,083)	(Won)	(Won)	(Won)	US\$ (112,227)	US\$	US\$	US\$
Interest expense (Note 20)		(33,473)	(103,371)	(25,738)	(78,344)	(29,102)	(89,872)	(22,377)	(68,113)
Loss on valuation of swap contracts (Notes 9 and 20)		(9,165)	(12,082)	(210)	(15,113)	(7,968)	(10,504)	(183)	(13,139)
Bad debt expense				(90,262)	(90,645)			(78,475)	(78,808)
Loss on foreign currency transactions					(2,016)				(1,753)
Loss on foreign currency translation		(2,409)	(2,409)	(2,618)		(2,094)	(2,094)	(2,277)	
Fees and commissions		(1,795)	(4,363)	(82)	(2,870)	(1,561)	(3,794)	(71)	(2,496)
		(4,749)	(17,098)	(2,647)	(15,795)	(4,129)	(14,865)	(2,301)	(13,732)

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General and
administrative (Notes
17 and 20)

	(180,674)	(139,323)	(121,557)	(204,783)	(157,081)	(121,129)	(105,684)	(178,041)
OPERATING INCOME (LOSS)	(136,891)	370,457	59,040	204,030	(119,015)	322,080	51,330	177,387
NON-OPERATING INCOME		190	11,448	13,494		165	9,953	11,731
NON-OPERATING EXPENSES	(520)	(556)	(2)	(46)	(452)	(483)	(1)	(40)

(continued)

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2003 AND 2002

(See Independent Accountants' Review Report)

	Korean won				US dollars (Note 2)			
	2003		2002		2003		2002	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
	(In millions, except for income per common share data)				(In thousands, except for income per common share data)			
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	(Won) (137,411)	(Won) 370,091	(Won) 70,486	(Won) 217,478	US\$ (119,467)	US\$ 321,762	US\$ 61,282	US\$ 189,078
INCOME TAX EXPENSE (Note 15)								
NET INCOME (LOSS)	(Won) (137,411)	(Won) 370,091	(Won) 70,486	(Won) 217,478	US\$ (119,467)	US\$ 321,762	US\$ 61,282	US\$ 189,078
BASIC ORDINARY INCOME (LOSS) PER COMMON SHARE (Note 21)	(Won) (177)	(Won) 480	(Won) 92	(Won) 293	US\$ (0.154)	US\$ 0.417	US\$ 0.080	US\$ 0.255
BASIC NET INCOME (LOSS) PER COMMON SHARE (Note 21)	(Won) (177)	(Won) 480	(Won) 92	(Won) 293	US\$ (0.154)	US\$ 0.417	US\$ 0.080	US\$ 0.255
DILUTED ORDINARY INCOME (LOSS) PER COMMON SHARE (Note 21)	(Won) (177)	(Won) 468	(Won) 91	(Won) 292	US\$ (0.154)	US\$ 0.407	US\$ 0.079	US\$ 0.254
DILUTED NET INCOME (LOSS) PER COMMON SHARE (Note 21)	(Won) (177)	(Won) 468	(Won) 91	(Won) 292	US\$ (0.154)	US\$ 0.407	US\$ 0.079	US\$ 0.254

See accompanying notes to non-consolidated financial statements.

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30,2003

(See Independent Accountants' Review Report)

	Korean won		US dollars (Note 2)	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
	(In millions)		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	(Won) (137,411)	(Won) 370,091	US\$ (119,467)	US\$ 321,762
Adjustments to reconcile net income (loss) to net cash used in operating activities:				
Interest expense (amortization of discounts on debentures)	2,937	8,155	2,554	7,090
Loss on valuation of swap contracts	9,165	12,082	7,968	10,504
Loss on foreign currency translation	2,409	2,409	2,094	2,094
Provision for severance benefits	20	287	17	250
Depreciation	35	105	30	91
Amortization on intangible assets	3	10	3	9
Stock compensation	117	351	102	305
Loss (gain) on valuation using the equity method of accounting	129,083	(420,371)	112,227	(365,476)
Long-term accrued interest income	(6,690)	(19,659)	(5,816)	(17,092)
Gain on valuation of swap contracts	(7,805)	(5,296)	(6,786)	(4,604)
Gain on foreign currency translation	(7,892)	(14,895)	(6,861)	(12,950)
Reversal of allowance for doubtful accounts	(11,161)	(14,934)	(9,704)	(12,984)
	110,221	(451,756)	95,828	(392,763)
Changes in operating assets and liabilities:				
Decrease (increase) in other assets	(1,214)	4,260	(1,055)	3,704
Decrease in other liabilities	(3,507)	(3,326)	(3,050)	(2,892)
	(4,721)	934	(4,105)	812
Net cash used in operating activities	(31,911)	(80,731)	(27,744)	(70,189)

(continued)

WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2003

(See Independent Accountants' Review Report)

	Korean won		US dollars (Note 2)	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
	(In millions)	(In millions)	(In thousands)	(In thousands)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Dividend income	(Won) 386,381	(Won) 539,989	US\$ 335,925	US\$ 469,474
Collection of loans	19,200	29,600	16,693	25,735
Collection of other loans	65,411	357,697	56,869	310,987
Acquisition of investment securities of subsidiaries	(640,000)	(840,000)	(556,425)	(730,308)
Increase in loans	(31,850)	(121,850)	(27,691)	(105,938)
Acquisition of fixed assets		(21)		(19)
Net cash used in investing activities	(200,858)	(34,585)	(174,629)	(30,069)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase in borrowings	150,000	150,000	130,412	130,412
Proceeds from debentures in local currency	299,128	319,128	260,066	277,454
Proceeds from debentures in foreign currencies	1,179	49,812	1,025	43,307
Capital increase with consideration		38,450		33,420
Payment of borrowings		(100,000)		(86,941)
Payment of debentures in local currency	(66,680)	(66,680)	(57,972)	(57,973)
Decrease in capital surplus	(544)	(574)	(473)	(499)
Payment of dividends		(57,262)		(49,784)
Net cash provided by financing activities	383,083	332,874	333,058	289,406
NET INCREASE IN CASH AND BANK DEPOSITS	150,314	217,558	130,685	189,148
CASH AND BANK DEPOSITS, BEGINNING OF THE PERIOD	140,500	73,256	122,153	63,690
CASH AND BANK DEPOSITS, END OF THE PERIOD (Note 16)	(Won) 290,814	(Won) 290,814	US\$ 252,838	US\$ 252,838

See accompanying notes to non-consolidated financial statements.

WOORI FINANCE HOLDINGS CO., LTD.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2003 AND 2002

(See Independent Accountants' Review Report)

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 five financial institutions, Woori Bank (formerly Hanvit Bank), Kyongnam Bank, Kwangju Bank, Woori Credit Card Co., Ltd. (formerly Peace Bank of Korea) and Woori Investment Bank (hereafter collectively referred to as the Five Subsidiaries), 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. In accordance with its functional restructuring, the Company established or acquired seven more subsidiaries, and has four 2nd-tier subsidiaries. Upon incorporation, the Company's common stock amounted to (Won)3,637,293 million (US\$3,162,314 thousand), consisting of 727,458,609 common shares ((Won)5,000 per share) issued and outstanding. However, as a result of several capital increases and exercise of warrants since incorporation, the Company's common stock amounted to (Won)3,877,525 million (US\$3,371,175 thousand), consisting of 775,504,910 common shares issued and outstanding as of September 30, 2003. On June 24, 2002, the Company listed its common shares on the Korea Stock Exchange through a public offering at a price of (Won)6,800 per share with 36,000,000 new shares and 54,000,000 issued shares. The KDIC owned 673,458,609 (86.8%) shares of the Company's common shares as of September 30, 2003.

(2) Subsidiaries

General information pertaining to the Company's subsidiaries is as follows:

Woori Bank (formerly Hanvit Bank) was established in 1899 and is engaged in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law, merchant bank services under the Merchant Bank Act, and foreign exchange business with approval from the Bank of Korea (the BOK) and the Ministry of Finance and Economy (the MOFE). In connection with the infusion of public funds, Woori Bank and the KDIC have entered into the Agreement on the Implementation of the Business Plan. Woori Bank changed its name from Hanvit Bank to Woori Bank on May 20, 2002. Its common stock amounted to (Won)2,764,400 million (US\$2,403,408 thousand) consisting of 552,880,000 common shares issued and outstanding as of September 30, 2003. Woori Bank is wholly owned by the Company. The head office of Woori Bank is located in Seoul, Korea. Woori Bank has 685 branches and offices in Korea and 11 branches and offices in overseas.

Kyongnam Bank was incorporated on April 18, 1970 and is engaged in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law, and foreign exchange business with approval from the BOK and the MOFE. In connection with the infusion of public funds, Kyongnam Bank and the KDIC have entered into the Agreement on the Implementation of the Business Plan. As of September 30, 2003, Kyongnam Bank's common stock amounted to (Won)259,000 million (US\$225,178 thousand) consisting of 51,800,043

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shares of common stock issued and outstanding of which the Company owns 99.99%. The head office of Kyongnam Bank is located in Masan, Korea. Kyongnam Bank has 128 branches and offices in Korea.

Kwangju Bank was established on October 7, 1968 and is engaged in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law, and foreign exchange business with approval from the BOK and the MOFE. In connection with the infusion of public funds, Kwangju Bank and the KDIC have entered into the Agreement on the Implementation of the Business Plan. As of September 30, 2003, its common stock amounted to (Won)170,403 million (US\$148,151 thousand) consisting of 34,080,517 common shares issued and outstanding of which the Company owns 99.99%. Kwangju Bank's head office is located in Kwangju City, Korea and has 113 domestic branches and offices in Korea.

Woori Credit Card Co., Ltd. (WCC , formerly Peace Bank of Korea) was established on November 6, 1991 to engage in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law, and foreign exchange business with approval from the BOK and the MOFE. On December 17, 2001, WCC changed its name from Peace Bank of Korea to Woori Credit Card Co., Ltd. and is engaged in the credit card business, factoring and other financing services. Pursuant to the business transfer agreement entered into between Woori Bank and WCC dated December 26, 2001, the banking business segment (including trust accounts) of WCC was merged with Woori Bank as of December 31, 2001. WCC acquired the credit card subscriber base of Woori Bank on January 31, 2002. In connection with the infusion of public funds, WCC and the KDIC have entered into the Agreement on the Implementation of the Business Plan. WCC has issued new 40,000,000 shares of stock amounting to (Won)200 billion (US\$ 174 million) on March 28, 2003 and new 128,000,000 shares of stock amounting to (Won)640 billion (US\$556 million) on September 30, 2003 all to the Company. As a result, the WCC s the number of issued common stock and capital increased to 402,600,000 shares and (Won)2,013 billion (US\$1,750million), respectively, as of September 30, 2003 which are entirely owned by the Company. The head office of WCC is located in Seoul, Korea.

Woori Investment Bank (WIB , formerly Hanaro Investment Bank) was established on November 3, 2000 with an initial capital of (Won)30,000 million (US\$26,082 thousand; 6,000,000 common shares issued), which was provided by the KDIC. On November 10, 2000, it started its merchant bank services upon obtaining approval from the Financial Supervisory Commission. As of November 21, 2000, in accordance with the Financial Supervisory Commission s directive, WIB took over (Won)2,490.2 billion (US\$2,165 million) of assets and (Won)5,462.9 billion (US\$4,750 million) of liabilities from four merchant banks (Yeungnam Merchant Banking Corp., Central Banking Corp., Korea Merchant Banking Corp. and H&S Investment Bank Corp.) considered as distressed financial institutions. WIB was merged into Woori Bank as of July 31, 2003.

Woori Finance Information System Co., Ltd. (WFIS , formerly Hanviteun System) was established on April 17, 1989 and is engaged in the business of installing computerized financial systems. On September 29, 2001, the Company purchased all of the common stock of WFIS from Woori Bank in accordance with the group s functional restructuring, making WFIS a subsidiary of the Company. On October 15, 2001, WFIS changed its name from Hanviteun System Co., Ltd. to Woori Finance Information System Co., Ltd. As of September 30, 2003, its common stock amounted to (Won)4,500 million (US\$3,912 thousand) consisting of 900,000 shares issued and outstanding all of which are owned by the Company. The office of WFIS is located in Seoul, Korea.

Woori F&I Co., Ltd. (WF&I , formerly Woori Asset Management Co., Ltd. (WAMC)) was established on November 16, 2001 to engage in the business of management, operation, and disposition of securitization assets. On September 13, 2002, WF&I split off the asset management business segment and established Woori CA Asset Management Co., Ltd. (WCAAMC). As a result, WF&I is engaged in the business of acquisition and disposition of securities issued by asset securitization specialty corporations, established based on the Act on Asset-Backed Securitization for the purpose of non-performing assets securitization, and in the business of acquisition and disposition of equity of asset management corporations, which are established for the purpose of non-performing assets management. On September 16, 2002, WF&I changed its name from Woori Asset Management Co., Ltd. to Woori F&I Co., Ltd. As of September 30, 2003, its common stock amounted to (Won)10,000 million (US\$8,694 thousand) consisting of 2,000,000 shares issued and outstanding all of which are owned by the Company. The office of WF&I is located in Seoul, Korea.

Woori First Asset Securitization Specialty Co., Ltd. (WASS1) was established on November 16, 2001 under the Act on Asset-Backed Securitization of the Republic of Korea as a special purpose company. WASS1 is engaged in the business of management, operation, and disposition of the securitization assets and issuance of asset-backed securities based on the securitization assets acquired from Woori Bank, WCC, Kyongnam Bank, Kwangju Bank and WIB. WASS1 changed its contractor in connection with the asset management and other activities from WF&I to WCAAMC as of September 14, 2002 due to the split off of WCAAMC from WAMC as explained above. As of September 30, 2003, its common stock amounted to (Won)10 million (US\$9 thousand) consisting of 2,000 shares issued and outstanding of which the Company owns 95%. A resolution was made to dissolve WASS1 on September 30, 2003.

Woori Second Asset Securitization Specialty Co., Ltd. (WASS2) was established on December 22, 2001 under the Act on Asset-Backed Securitization of the Republic of Korea as a special purpose company. WASS2 is engaged in the business of management, operation, and disposition of the securitization assets and issuance of asset-backed securities based on the securitization assets acquired from WCC. WASS2 changed its contractor in connection with the asset management and other activities from WF&I to WCAAMC as of September 14, 2002 due to the split off of WCAAMC from WAMC as explained above. As of September 30, 2003, its common stock amounted to (Won)10 million (US\$9 thousand) consisting of 2,000 shares issued and outstanding of which the Company owns 95%.

Woori Third Asset Securitization Specialty Co., Ltd. (WASS3) was established on March 15, 2002 under the Act on Asset-Backed Securitization of the Republic of Korea as a special purpose company. WASS3 is engaged in the business of management, operation, and disposition of the securitization assets and issuance of asset-backed securities based on the securitization assets acquired from Woori Bank, Kyongnam Bank and WCC. WASS3 changed its contractor in connection with the asset management and other activities from WF&I to WCAAMC as of September 14, 2002 due to the split off of WCAAMC from WAMC as explained above. As of September 30, 2003, its common stock amounted to (Won)10 million (US\$9 thousand) consisting of 2,000 shares issued and outstanding all of which are owned by the Company.

Woori Investment Trust Management Co., Ltd. (WITM , formerly Hanvit Investment Trust Management Co., Ltd.) was established on June 24, 1988 and is engaged in the investment trust business under the Investment Trust Business Law with approval from the MOFE. In connection with the functional restructuring, on March 29, 2002, the Company purchased the entire common stock of WITM from Woori Bank, making WITM a subsidiary of the Company. On May 17, 2002, WITM changed its name from Hanvit Investment Trust Management Co., Ltd. to Woori Investment Trust Management Co., Ltd. As of September 30, 2003, its common stock amounted to (Won)30,000 million (US\$26,082 thousand) consisting of 6,000,000 shares issued and outstanding all of which are owned by the Company. The office of WITM is located in Seoul, Korea.

Woori Securities Co., Ltd. (Woori Securities , formerly Hanvit Securities Co., Ltd.) was established on August 26, 1954 to engage mainly in trading, agency, brokerage, and underwriting of securities and listed its shares on the Korea Stock Exchange on July 26, 1988. In connection with the functional restructuring, as of July 29, 2002, the Company acquired 40.2% (13,250,570 shares) of common stocks of Woori Securities from Woori Bank, making Woori Securities a subsidiary of the Company. On June 1, 2002, Woori Securities changed its name from Hanvit Securities Co., Ltd. to Woori Securities Co., Ltd. As of September 30, 2003, its common stock amounted to (Won)164,782 million (US\$143,264 thousand) consisting of 32,956,413 shares issued and outstanding of which the Company owns 40.2%. The head office of Woori Securities is located in Seoul, Korea. Woori Securities has 62 branches and offices in Korea.

(3) 2nd-tier Subsidiaries

General information pertaining to the Company's 2nd-tier subsidiaries is as follows:

Woori Credit Information Co., Ltd. (WCI , formerly Hanvit Credit Information Co., Ltd.) was established on March 15, 1991 and is engaged in the credit investigation business and credit collection business under the Act on Use and Protection of Credit Information of the Republic of Korea. On June 1, 2002, WCI changed its name from Hanvit Credit Information Co., Ltd. to Woori Credit Information Co., Ltd. As of September 30, 2003, the common stock of WCI amounted to (Won)5,040 million (US\$4,382 thousand) consisting of 1,008,000 shares issued and outstanding, and is wholly owned by Woori Bank. The head office of WCI is located in Seoul, Korea. WCI has 6 branches and offices in Korea.

Woori America Bank (WAB , formerly Hanvit America Bank) was established on January 7, 1984 and is engaged in the banking business in New York, U.S.A. On May 20, 2002, WAB changed its name from Hanvit America Bank to Woori America Bank. As of September 30, 2003, its common stock amounted to US\$42,500 thousand consisting of 8,500,000 shares issued and outstanding and is wholly owned by Woori Bank.

PT. Bank Woori Indonesia (BWI , formerly P.T. Bank Hanvit Indonesia) was established on June 18, 1992 and is engaged in the banking business in Indonesia. BWI changed its name from P.T. Bank Hanvit Indonesia to PT. Bank Woori Indonesia on May 20, 2002. As of September 30, 2003, its common stock amounted to IDR 170,000 million consisting of 1,700 shares issued and outstanding of which Woori Bank owns 81.6%.

Woori CA Asset Management Co., Ltd. (WCAAMC) was established on September 14, 2002 as an asset management company for asset securitization specialty companies established based on the Act on Asset-Backed Securitization and is engaged in the business of management, operation, and disposition of securitization assets. WCAAMC was established through split-off from WF&I in accordance with the Joint Venture Agreement entered into by the Company and Lehman Brothers Luxembourg Investment S.a.r.l. (LB Luxembourg). In addition, it took over the asset management and operation contracts from WAMC and therefore, is engaged in managing and operating the assets of WASS1, WASS2, WASS3, and Woori LB First Second Third Fourth Fifth Sixth Seventh Asset Securitization Specialty Co., Ltds. As of September 30, 2003, WCAAMC s common stock amounted to (Won)4,000 million (US\$3,478 thousand) consisting of 800,000 shares issued and outstanding of which WF&I and LB Luxembourg own 51% and 49%, respectively. The office of WCAAMC is located in Seoul, Korea.

(4) The summary of subsidiaries as of September 30, 2003 is as follows:

Parent companies	Subsidiaries	Number of shares owned	Percentage of owner- ship(%)	Fiscal year end	
Woori Finance Holdings Co., Ltd.	Woori Bank ^{(*)1}	570,567,520	100.0	December 31	
	Kyongnam Bank	51,800,000	99.9	December 31	
	Kwangju Bank	34,080,000	99.9	December 31	
	Woori Credit Card Co., Ltd. ^{(*)2}	402,600,000	100.0	December 31	
	Woori Finance Information System Co., Ltd.	900,000	100.0	December 31	
	Woori F&I Co., Ltd.	2,000,000	100.0	December 31	
	Woori First Asset Securitization Specialty Co., Ltd	1,900	95.0	December 31	
	Woori Second Asset Securitization Specialty Co., Ltd.	1,900	95.0	December 31	
	Woori Third Asset Securitization Specialty Co., Ltd.	2,000	100.0	December 31	
	Woori Investment Trust Management Co., Ltd.	6,000,000	100.0	March 31	
	Woori Securities Co., Ltd.	13,250,570	40.2	March 31	
	Woori Bank	Woori Credit Information Co., Ltd.	1,008,000	100.0	December 31
		Woori America Bank	8,500,000	100.0	December 31
Woori F&I Co., Ltd.	PT. Bank Woori Indonesia	1,387	81.6	December 31	
	Woori CA Asset Management Co., Ltd.	408,000	51.0	December 31	

(*)1 The number of outstanding shares of Woori Bank increased by 17,687,520 shares as the result of Woori Bank s merge with Woori Investment Bank on July 31, 2003.

(*)2 On March 27, 2003 and September 30, 2003, the Company purchased 40,000,000 new shares of WCC for (Won)200,000 million (US\$173,883 thousand) and 128,000,000 new shares of WCC for (Won)640,000 million (US\$556,425 thousand), respectively.

The summary of subsidiaries as of December 31, 2002 was summarized as follows:

<u>Parent companies</u>	<u>Subsidiaries</u>	<u>Number of shares owned</u>	<u>Percentage of owner- ship(%)</u>	<u>Fiscal year end</u>
Woori Finance Holdings Co., Ltd.	Woori Bank ^(*)	552,880,000	100.0	December 31
	Kyongnam Bank	51,800,000	99.9	December 31
	Kwangju Bank	34,080,000	99.9	December 31
	Woori Credit Card Co., Ltd.	234,600,000	100.0	December 31
	Woori Investment Bank ^(*)	498,240,000	100.0	March 31
	Woori Finance Information System Co., Ltd. ^(*)	900,000	100.0	December 31
	Woori F&I Co., Ltd.	2,000,000	100.0	December 31
	Woori First Asset Securitization Specialty Co., Ltd	1,900	95.0	December 31
	Woori Second Asset Securitization Specialty Co., Ltd.	1,900	95.0	December 31
	Woori Third Asset Securitization Specialty Co., Ltd.	2,000	100.0	December 31
	Woori Investment Trust Management Co., Ltd.	6,000,000	100.0	March 31
	Woori Securities Co., Ltd.	13,250,570	40.2	March 31
	Woori Bank	Woori Credit Information Co., Ltd.	1,008,000	100.0
Woori America Bank		7,000,000	100.0	December 31
P.T. Bank Woori Indonesia		1,387	81.6	December 31
Woori F&I Co., Ltd.	Woori CA Asset Management Co., Ltd.	408,000	51.0	December 31

(*) WIB was merged into Woori Bank on July 31, 2003.

(*) WFIS changed its fiscal year end from March 31 to December 31 in 2002.

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 financial accounting standards and accounting standards for financial holding companies in the Republic of Korea. Certain financial accounting standards applied by the Company that conform with those generally accepted in the Republic of Korea may not conform with generally accepted accounting principles in other countries. Accordingly, the accompanying financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been restructured and translated into English from the Korean language financial statements.

The US dollar amounts presented in these financial statements were computed by translating Korean won into US dollars at the rate of (Won)1,150.2 to US\$1.00 the Base Rate announced by the Korean Financial Telecommunications & Clearing Institute at September 30, 2003, solely for the convenience of the reader. This convenience translation into US dollars should not be construed as representations that the Korean won amounts have been, could have been, or could in the future be, converted at this or any other rate of exchange.

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The accounting policies, which have been adopted in preparing the accompanying non-consolidated interim financial statements, except for the matters set forth below, are not different materially from those used in preparing the non-consolidated financial statements for the year ended December 31, 2002.

Statement of Korea Accounting Standards (SKAS)

Korea Accounting Standards Board (KASB) has issued SKASs that replaced existing Korean Financial Accounting Standards (KFAS) in order to enhance the global convergence of existing accounting standards and usefulness of accounting information. Accordingly, the Company has adopted SKASs since this fiscal year of 2003.

SKAS No. 2 Interim Financial Reporting

SKAS No. 2 Interim Financial Reporting requires that interim financial statements should comparatively present the balance sheets and the statements of income and cash flows. However, the stand-alone statements of cash flows for the three-month and nine-month periods ended September 30, 2003 are presented in accordance with the transition provision of the SKAS No. 2.

SKAS No. 9 Convertible Securities

Korea Accounting Standards Board (KASB) issued SKAS No. 9 - Convertible Securities , which revised the accounting and reporting for convertible securities. The statement requires recognizing the value of convertible rights when convertible bonds are issued. SKAS No. 9 is effective for the fiscal year beginning after December 31, 2002. Accordingly, the Company recognized the consideration for convertible rights by computing issuance price of the convertible bonds less the market price of straight bonds as of the issuance date of the convertible bonds. The consideration for convertible rights is recorded on other capital surplus when the bonds are issued and it will be credited to additional paid-in capital if the right is exercised. Reconciliation for convertible rights is presented as a deduction from the bonds and the redemption premium, if any, is added to the debentures. However, in accordance with SKAS No. 9, the convertible bonds issued before December 31, 2002 are reported in accordance with the previous accounting standards for convertible bonds.

3. INVESTMENT SECURITIES OF SUBSIDIARIES:

- (1) Changes in equity securities for the nine months ended September 30, 2003, which are accounted for using the equity method of accounting, are as follows (Unit: Korean won in millions):

	Gain (loss)				Ending balance
	Beginning balance	on valuation using the equity method	Capital adjust- ments	Other increase (decrease)	
Woori Bank	(Won) 4,500,143	(Won) 1,147,436	(Won) 329,841	(Won) (268,727)	(Won) 5,708,693
Kyongnam Bank	424,060	83,403	4,325	(5,180)	506,608
Kwangju Bank	290,003	63,678	25,038	(3,439)	375,280
Woori Credit Card	379,126	(893,447)	(17,268)	840,000	308,411
Woori Investment Bank	222,936	7,390	19,340	(249,666)	
Woori Finance Information System	3,364	3,712			7,076
Woori F&I	17,016	10,873	4,473	(1,500)	30,862
	31,666	1,594			33,260

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Woori Second Asset Securitization

Specialty

Woori Third Asset Securitization

Specialty

Woori Investment Trust Management

Woori Securities

		(1,888)	18,992	(9,889)	7,215
39,646	1,231			(6,000)	34,877
154,159	(3,611)		(46)	(5,300)	145,202

(Won) 6,062,119	(Won) 420,371	(Won) 384,695	(Won) 290,299	(Won) 7,157,484
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The differences between the acquisition cost and the balance as of December 31, 2002 are summarized as follows (Unit: Korean won in millions):

	Acquisition cost	Gain (loss)			Balance as of Dec. 31, 2002
		on valuation using the equity method	Capital adjust- ments	Other increase (decrease)	
Woori Bank	(Won) 2,764,400	(Won) 1,439,942	(Won) 484,040	(Won) (188,239)	(Won) 4,500,143
Kyongnam Bank	259,000	150,565	31,163	(16,668)	424,060
Kwangju Bank	170,403	139,251	(12,506)	(7,145)	290,003
Woori Credit Card	273,000	(301,298)	(492,576)	900,000	379,126
Woori Investment Bank	170,493	37,390	15,286	(233)	222,936
Woori Finance Information System	5,244	(1,676)		(204)	3,364
Woori F&I	10,094	6,956	(34)		17,016
Woori First Asset Securitization Specialty	10	(10)			
Woori Second Asset Securitization Specialty	10	31,656			31,666
Woori Third Asset Securitization Specialty	10	(10)			
Woori Investment Trust Management	39,128	2,018		(1,500)	39,646
Woori Securities	152,662	6,114	(4,617)		154,159
	<u>(Won) 3,844,454</u>	<u>(Won) 1,510,898</u>	<u>(Won) 20,756</u>	<u>(Won) 686,011</u>	<u>(Won) 6,062,119</u>

(2) Of the valuation of the investment securities using the equity method, the details of other increase or decrease during the nine-month period ended September 30, 2003 are as follows (Unit: Korean won in millions):

	Acquisition	Retained	Dividends	Total
	(disposition)			
	amount	earnings	received	
Woori Bank ^(*)	(Won) 249,666	(Won) 208	(Won) (518,601)	(Won) (268,727)
Kyongnam Bank			(5,180)	(5,180)
Kwangju Bank		(31)	(3,408)	(3,439)
Woori Credit Card Co., Ltd.	840,000			840,000
Woori Investment Bank ^(*)	(249,666)			(249,666)
Woori F&I Co., Ltd.			(1,500)	(1,500)
Woori Third Asset Securitization Specialty Co., Ltd.		(9,889)		(9,889)
Woori Investment Trust Management			(6,000)	(6,000)
Woori Securities Co., Ltd.			(5,300)	(5,300)
	<u>(Won) 840,000</u>	<u>(Won) (9,712)</u>	<u>(Won) (539,989)</u>	<u>(Won) 290,299</u>

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(*1) The investment securities in WIB were combined with the investment securities in Woori Bank, as WIB was merged into Woori Bank.

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The details of other increase or decrease during the period from the acquisitions of the securities to December 31, 2002 are as follows (Unit: Korean won in millions):

	Acquisition			
	(disposition)	Retained	Dividends	Total
	amount	earnings	received	
Woori Bank ^(*)	(Won) (22,582)	(Won) (110,369)	(Won) (55,288)	(Won) (188,239)
Kyongnam Bank		(11,488)	(5,180)	(16,668)
Kwangju Bank		(3,737)	(3,408)	(7,145)
Woori Credit Card Co., Ltd.	900,000			900,000
Woori Investment Bank		(233)		(233)
Woori Finance Information System Co., Ltd.		(204)		(204)
Woori Investment Trust Management Co., Ltd.			(1,500)	(1,500)
	<u>(Won) 877,418</u>	<u>(Won) (126,031)</u>	<u>(Won) (65,376)</u>	<u>(Won) 686,011</u>

(*) Woori Bank recorded a gain on disposition of the investment securities from WITM amounting to (Won)17,715 million (US\$15,402 thousand) and a loss on disposition of the investment securities from Woori Securities amounting to (Won)40,297 million (US\$35,035 thousand) which were recorded in capital surplus of Woori Bank. The Company recognized these amounts as increase and decrease, respectively, in acquisition cost of the investment securities in Woori Bank.

(3) For investments in the subsidiaries accounted for using the equity method, the difference between the acquisition cost and the net asset value on the acquisition date is amortized using the straight-line method over 20 years.

The details of changes in the difference between the acquisition cost and the net asset value on the acquisition date during the nine-month period ended September 30, 2003 are as follows (Unit: Korean won in millions):

	Beginning	Increase	Amortization	Ending
	balance	(decrease)		balance
Woori Bank	(Won) 274,097	(Won) 5,282	(Won) 11,471	(Won) 267,908
Kyongnam Bank	8,010		334	7,676
Kwangju Bank	17,409		725	16,684
Woori Credit Card Co., Ltd.	25,850		1,077	24,773
Woori Investment Bank	5,456	(5,282)	174	
Woori Finance Information System Co., Ltd.	(37)		(28)	(9)
Woori F&I Co., Ltd.	89		4	85
Woori Securities Co., Ltd.	237		177	60
	<u>(Won) 331,111</u>	<u>(Won)</u>	<u>(Won) 13,934</u>	<u>(Won) 317,177</u>

The details of changes in the difference between the acquisition cost and net asset value on the acquisition date during the period from the acquisitions to December 31, 2002 are as follows (Unit: Korean won in millions):

	The initial			
	difference	Increase		Balance as
	at acquisition	(decrease)	Amortization	of Dec. 31,
				2002
Woori Bank	(Won) 328,323	(Won) (22,582)	(Won) 31,644	(Won) 274,097
Kyongnam Bank	8,900		890	8,010
Kwangju Bank	19,343		1,934	17,409
Woori Credit Card Co., Ltd.	28,721		2,871	25,850
Woori Investment Bank	5,979		523	5,456
Woori Finance Information System Co., Ltd.	(110)		(73)	(37)
Woori F&I Co., Ltd.	94		5	89
Woori Securities Co., Ltd.	355		118	237
	<u>(Won) 391,605</u>	<u>(Won) (22,582)</u>	<u>(Won) 37,912</u>	<u>(Won) 331,111</u>

- (4) The details of the elimination of unrealized intercompany income or loss for the nine-month period ended September 30, 2003 are as follows (Unit: Korean won in millions):

	Operating income	Operating expenses	Non-operating income	Non-operating expenses	Total
Woori Bank	(Won) (3,345)	(Won)	(Won) 3,066	(Won)	(Won) (279)
Kyongnam Bank				(6)	(6)
Woori Credit Card Co., Ltd.				(2,589)	(2,589)
Woori Investment Bank			(13,947)		(13,947)
Woori Finance					
Information System Co., Ltd.	(27,361)	25,633			(1,728)
	(Won) (30,706)	(Won) 25,633	(Won) (10,881)	(Won) (2,595)	(Won) (18,549)

- (5) The Company applied the equity method of accounting based on the financial statements of the investees prepared at the same date as the Company's balance sheet date.

4. LOANS:

Loans as of September 30, 2003 and December 31, 2002 are as follows:

	Issuance date	Maturity date	Interest rate (%)	Korean won		US dollars (Note 2)	
				Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002
				(In millions)		(In thousands)	
Woori Finance Information System ^(*)	Apr. 25, 2002	Apr. 25, 2006	7.8	(Won) 30,000	(Won) 30,000	US\$ 6,082	US\$ 6,082
	Oct. 31, 2002	Oct. 31, 2006	7.3	150,000	150,000	130,412	130,412
				(Won) 180,000	(Won) 180,000	US\$ 56,494	US 156,494
Woori F&I ^(*)	Sep. 27, 2002	Sep. 27, 2006	7.6		400		348
	Dec. 20, 2002	Dec. 20, 2006	7.6	5,000	34,200	4,347	29,734
	Mar. 25, 2003	Mar. 25, 2007	7.3	90,000		78,247	
	Jul. 7, 2003	Jul. 7, 2007	7.3	23,000		19,997	
	Jul 29 2003	Jul 29 2007	7.3	8,850		7,694	
				126,850	34,600	110,285	30,082

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				(Won) 306,850	(Won) 214,600	US\$ 266,779	US\$ 186,576
WASS1:							
1-1 unguaranteed privately placed bond ^(*3)	Dec. 21, 2001	Dec. 21, 2010	6.24	(Won)	(Won) 4,360	US\$	US\$ 3,791
1-2 unguaranteed privately placed bond ^(*4)	Dec. 21, 2001	Dec. 21, 2010	7.5		184,487		160,395
					188,847		164,186
WASS2:							
2-1 unguaranteed privately placed bond ^(*5)	Jan. 8, 2002	Jan. 8, 2012	7.5	100	59,936	87	52,110

WASS3:							
3-1 unguaranteed privately placed bond ^(*5)	Apr. 15, 2002	Apr. 15, 2012	7.8	28,790	65,205	25,030	56,689
Woori Bank:							
1st unguaranteed subordinated convertible bonds ^(*6)	Sep. 27, 2002	Sep. 27, 2012		150,000	150,000	130,412	130,412
2nd unguaranteed subordinated convertible bonds ^(*6)	Oct. 30, 2002	Oct. 30, 2012		200,000	200,000	173,883	173,883
3rd unguaranteed subordinated convertible bonds ^(*6)	Nov. 28, 2002	Nov. 28, 2012		250,000	250,000	217,354	217,354
				600,000	600,000	521,649	521,649
Woori Credit Card:							
Unguaranteed subordinated privately placed bond ^(*7)	Dec. 27, 2002	Dec. 27, 2008	6.62%		200,000		173,883
Kwangju Bank:							
Unguaranteed subordinated convertible bonds ^(*8)	Dec. 31, 2002	Dec. 31, 2012		50,000	50,000	43,471	43,471
Total				(Won) 985,740	(Won) 1,378,588	US\$ 857,016	US\$ 1,198,564
Allowance for possible loan losses				(Won) 4,929	(Won) 147,381	US\$ 4,285	US\$ 128,135
Net				(Won) 980,811	(Won) 1,231,207	US\$ 852,731	US\$ 1,070,429

^(*1) Loans to finance the transaction among Woori Bank, WCC and WFIS, in which Woori Bank and WCC transferred their IT equipment to WFIS.

^(*2) Loans granted to finance the acquisitions of the securitization debentures and the investment equity securities related to the joint venture special entities of WF&I. Lump-sum redemption will be made (partial early payment could be made).

^(*3) Early repaid entirely as of January 30, 2003.

^(*4) As of September 24, 2003, (Won)57,087 million (US\$ 49,632 thousand) was repaid and (Won)127,400 million was written off (US\$110,763 thousand).

^(*5) The principal of the non-guaranteed privately placed bonds listed above shall be fully repaid on the maturity date, however, the trustees may exercise early redemption rights to pay in part or in whole the principal in accordance with the business trust contract pursuant to the asset securitization plan.

^(*6) The coupon rate on the bonds is zero and the guaranteed return is 148.02%. The conversion price is (Won)5,000 and conversion rights are valid from one year after the issuance date to one month before the maturity date. The common shares of Woori Bank will be issued upon

conversion.

(*7) Early repaid entirely as of March 27, 2003.

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

5. ALLOWANCE FOR POSSIBLE LOAN LOSSES:

Allowance for possible loan losses as of September 30, 2003 and December 31, 2002 are as follows:

	Korean won		US dollars (Note 2)	
	Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002
	(In millions)		(In thousands)	
Loan:				
Woori F&I	(Won) 634	(Won) 173	US\$ 552	US\$ 151
Woori Finance Information System	900	900	782	782
Woori Bank	3,000	3,000	2,608	2,608
Woori Credit Card		1,000		869
Kwangju Bank	250	250	217	217
Woori First Asset Securitization Specialty		131,869		114,649
Woori Second Asset Securitization Specialty	1	300	1	261
Woori Third Asset Securitization Specialty	144	9,889	125	8,598
Sub-total	4,929	147,381	4,285	128,135
Other asset:				
Long-term accrued interest income	117		102	
	(Won) 5,046	(Won) 147,381	US\$ 4,387	US\$ 128,135

 6. FIXED ASSETS:

Fixed assets as of September 30, 2003 and December 31, 2002 are as follows:

	Korean Won		US Dollars (Note 2)	
	Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002
	(In millions)		(In thousands)	
Tangible assets				
Vehicles	(Won) 104	(Won) 104	US\$ 90	US\$ 90
Furniture and equipment	542	523	472	455
Structures in leased offices	121	121	105	105
	767	748	667	650
Less: Accumulated depreciation	(530)	(424)	(461)	(368)
	237	324	206	282
Intangible assets	43	50	37	43
	(Won) 280	(Won) 374	US\$ 243	US\$ 325

7. OTHER ASSETS:

Other assets as of September 30, 2003 and December 31, 2002 are as follows:

	Korean won		US dollars (Note 2)	
	Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002
	(In millions)		(In thousands)	
Guarantee deposits	(Won) 3,871	(Won) 3,871	US\$ 3,366	US\$ 3,366
Other receivables	962	100	836	87
Accrued income	26,567	8,933	23,098	7,766
Currency swaps (Notes 9 and 10)	5,736	440	4,987	383
Advance payment	5		4	
Prepaid expenses	1,118	1,887	972	1,641
Prepaid income tax	5,497	6,964	4,779	6,054
Total	43,756	22,195	38,042	19,297
Allowance for losses for accrued interest	(117)		(102)	
Net	(Won) 43,639	(Won) 22,195	US\$ 37,940	US\$ 19,297

8. BORROWINGS:

Borrowings in local currency as of September 30, 2003 and December 31, 2002 are as follows:

	Annual interest rate (%)	Maturity	Korean won		US dollars (Note 2)	
			Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002
			(In millions)		(In thousands)	
Seoul Bank	(^{*1})	Oct. 30, 2003	(Won) 200,000	(Won) 200,000	US\$ 173,883	US\$ 173,883
KorAm Bank	(^{*1,*2})	Oct. 31, 2003		100,000		86,941
Korea First Bank(^{*3})	5.31%	Jul. 16, 2004	30,000		26,082	
Shinhan Bank (^{*4})	5.21%	Aug. 19, 2005	70,000		60,859	
Samsung Insurance Company(^{*5})	6.10%	Sep. 15, 2004	50,000		43,471	
			(Won) 350,000	(Won) 300,000	US\$ 304,295	US\$ 260,824

(^{*1}) Interest at 3-month Negotiable Certificate of Deposit (CD) rate + 1% should be paid in advance. Early redemption is permitted.

(^{*2}) Early redeemed entirely as of May 30, 2003.

(^{*3}) Under the agreement of line of credit of (Won)100,000 million, unused balance is (Won) 70,000 million as of September 30, 2003.

(^{*4}) Under the agreement of line of credit of (Won)200,000 million, unused balance is (Won)130,000 million as of September 30, 2003.

(^{*5}) Under the agreement of line of credit of (Won)100,000 million, unused balance is (Won)50,000 million as of September 30, 2003.

9. DEBENTURES:

(1) Debentures in local currency as of September 30, 2003 and December 31, 2002 are as follows:

1) Bonds

	Issuing date	Interest rate (%)	Maturity	Korean won		US dollars (Note2)	
				Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002
				(In millions)		(In thousands)	
The 2nd bonds	Sep. 28, 2001	5.00	Sep. 28, 2004	(Won) 300,000	(Won) 300,000	US\$ 260,824	US\$ 260,824
The 3rd bonds	Dec. 3, 2001	5.93	Dec. 3, 2004	300,000	300,000	260,824	260,824
The 4th bonds	Dec. 17, 2001	6.00	Dec. 17, 2004	150,000	150,000	130,413	130,413
The 5th bonds	Dec. 28, 2001	6.86	Jun. 28, 2004	300,000	300,000	260,824	260,824
The 7th bonds	Nov. 27, 2002	5.80	Nov. 27, 2005	300,000	300,000	260,824	260,824
The 8th bonds	Dec. 26, 2002	6.05	Dec. 26, 2007	200,000	200,000	173,883	173,883
The 9th bonds	Sep. 19, 2003	4.64	Sep. 19, 2006	300,000		260,824	
Total				1,850,000	1,550,000	1,608,416	1,347,592
Less: discounts				(8,233)	(12,012)	(7,158)	(10,444)
				(Won) 1,841,767	(Won) 1,537,988	US\$ 1,601,258	US\$ 1,337,148

2) Bonds with warrants

	Issuing date	Interest rate (%)	Maturity	Korean won		US dollars (Note2)	
				Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002
				(In millions)		(In thousands)	
The 1 st bonds with warrants	Jul. 16, 2001	5.00	Jul. 16, 2003	(Won) 66,680	(Won) 66,680	US\$ 57,972	US\$ 57,972
Less: discounts					(220)		(191)
				(Won) 66,460	(Won) 66,460	US\$ 57,781	US\$ 57,781

3) Convertible bonds

	Issuing date	Interest rate (%)	Maturity	Korean won		US dollars (Note2)	
				Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002
				(In millions)		(In thousands)	
The subordinated convertible bonds	Mar. 26, 2003		Mar. 26, 2006	(Won) 20,000	(Won) 20,000	US\$ 17,388	US\$ 17,388

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Add: redemption premium	2,314		2,012	
Less: reconciliation for conversion rights	(2,773)		(2,411)	
	<u>(Won) 19,541</u>	<u>(Won)</u>	<u>US\$ 16,989</u>	<u>US\$</u>

This unguaranteed subordinated privately placed convertible bonds were issued to Lehman Brothers International Europe (LBIE). The coupon rate is zero whereas yield to maturity of 3.683 % was guaranteed if the bonds would not be converted. The conversion price is (Won) 5,380 (US\$ 4.68) per share which might be adjusted due to additional stock issuances, stock dividends, and split or reverse split of shares. The number of the shares to be issued upon conversion is 3,717,472. The conversion rights are valid from one year after the issuance date to one month before the maturity date. The Company is obligated to issue new common shares upon the requests of the bondholders while the purchaser is obligated to hold the bonds or converted shares, if converted, until September 26, 2004.

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(2) Debentures in foreign currencies as of September 30, 2003 and December 31, 2002 are as follows (Unit: Korean won in millions, US dollars in thousands, and Japanese yen in thousands):

1) Bonds in foreign currency

	Issuing Date	Annual interest rate (%)	Maturity	Foreign currency			
				Sep. 30, 2003		Dec. 31, 2002	
				(In thousands)			
Floating rate notes	Nov. 2, 2001	(*1)	Nov. 2, 2004	US\$	150,000	US\$	150,000
Less: Discount					(263)		(438)
				US\$	149,737	US\$	149,562
Translation into Korean won				(Won)	172,227	(Won)	179,534
Yen denominated bonds	Jan. 16, 2002	1.74	Jan. 16, 2004	JPY	15,000,000	JPY	15,000,000
Less: Discount					(11,144)		(39,604)
				JPY	14,988,856	JPY	14,960,396
Translation into Korean won				(Won)	154,226	(Won)	151,530
Total				(Won)	326,453	(Won)	331,064

(*1) London Inter Bank Offered Rate (LIBOR) (6 months) + 1.6%

2) Convertible bonds in foreign currency

	Issuing date	Annual interest rate (%)	Maturity	Foreign currency			
				Sep. 30, 2003		Dec. 31, 2002	
				(In thousands)			
Convertible bonds (*1)	Sep. 27, 2002		Sep. 27, 2005	US\$	36,000	US\$	36,000
Long-term accrued interest					1,069		276
				US\$	37,069	US\$	36,276
Translation into Korean won				(Won)	42,692	(Won)	44,474

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Convertible bonds ^(*2)	Dec. 12, 2002	Dec. 12, 2005	US\$	16,000	US\$	16,000
Long-term accrued interest				343		13
				<u>16,343</u>		<u>16,013</u>
			US\$	16,343	US\$	16,013
Translation into Korean won			(Won)	18,819	(Won)	19,264
Convertible bonds ^(*3)	Mar. 26, 2003	Mar. 26, 2006	US\$	39,000	US\$	
Add: redemption premium				2,664		
Less: reconciliation for conversion rights				(3,772)		
				<u>37,892</u>		<u></u>
			US\$	37,892	US\$	
Translation into Korean won			(Won)	43,535	(Won)	
Convertible bonds ^(*4)	Jul. 10, 2003	Jul. 10, 2006	US\$	1,000	US\$	
Add: redemption premium				63		
Less: reconciliation for conversion rights				(90)		
				<u>973</u>		<u></u>
			US\$	973	US\$	
			(Won)	1,117	(Won)	
Total			(Won)	106,163	(Won)	63,738

- (*) The unguaranteed subordinated privately placed bonds of US\$36 million were issued to LBIE on September 27, 2002. The coupon rate on the bonds is zero whereas yield to maturity of 2.9245% was guaranteed if the bonds would not be converted. The conversion price is (Won) 7,313 per share (conversion-exchange rate applied was (Won)1,201.4:US\$ 1), which might be adjusted due to additional stock issuances, stock dividends, and split or reverse split of shares. The number of shares available for conversion is 5,914,180 shares. The conversion rights are valid from one year after the issuance date to one month before the maturity date. The Company is obligated to issue new common shares upon the requests of the bondholders while the purchaser is obligated to hold the bonds or converted shares, if converted, until one and half year after the issuance date.
- (*) The unguaranteed subordinated privately placed bonds of US\$16 million were issued to LBIE on December 20, 2002. The coupon rate on the bonds is zero whereas yield to maturity of 2.7335% was guaranteed if the bonds would not be converted. The conversion price is (Won)5,588 per share (conversion-exchange rate applied was (Won)1,215.8:US\$ 1), which might be adjusted due to additional stock issuances, stock dividends, and split or reverse split of shares. The number of shares available for conversion is 3,481,173 shares. The conversion rights are valid from one year after the issuance date to one month before the maturity date. The Company is obligated to issue new common shares upon the requests of the bondholders while the purchaser is obligated to hold the bonds or converted shares, if converted, until one and a half year after the issuance date.
- (*) The unguaranteed subordinated privately placed bonds of US\$ 39 million were issued to LBIE on March 26, 2003. The coupon rate on the bonds is zero whereas yield to maturity of 2.215% was guaranteed if the bonds would not be converted. The conversion price is (Won)5,380 per share (conversion-exchange rate applied was (Won)1,194.9:US\$ 1), which might be adjusted due to additional stock issuances, stock dividends, and split or reverse split of shares. The number of shares available for conversion is 8,661,914 shares. The conversion rights are valid from one year after the issuance date to one month before the maturity date. The Company is obligated to issue new common shares upon the requests of the bondholders while the purchaser is obligated to hold the bonds or converted shares, if converted, until September 26, 2004.
- (*) The unguaranteed subordinated privately placed bonds of US\$ 1 million were issued to LBIE on July 10, 2003. The coupon rate on the bonds is zero whereas yield to maturity of 2.034% was guaranteed if the bonds would not be converted. The conversion price is (Won)7,228 per share (conversion-exchange rate applied was (Won)1,185.5:US\$ 1), which might be adjusted due to additional stock issuances, stock dividends, and split or reverse split of shares. The number of shares available for conversion is 164,429 shares. The conversion rights are valid from one year after the issuance date to one month before the maturity date. The Company is obligated to issue new common shares upon the requests of the bondholders while the purchaser is obligated to hold the bonds or converted shares, if converted, until January 10, 2005.
- (3) In connection with the debentures in foreign currencies listed above, the Company has entered into cross currency swaps with Woori Bank in order to prevent any risks involved with fluctuations in exchange rates and interest rates. As of September 30, 2003 and December 31, 2002, cross currency swap contracts were as follows (Unit: Korean won in millions, U.S. dollars in thousands, and Japanese yen in thousands):

	Contract date	Maturity date	Contracted amount		Interest rates and terms of payment
			Sep. 30, 2003	Dec. 31, 2002	
Swap 1	Nov. 7, 2001	Nov. 7, 2004	US\$ 50,000	US\$ 50,000	Receipt: LIBOR (6 months) + 1.6% Payment: Annual rate of 6.90% in every 3 months
			64,650	64,650	
Swap 2	Nov. 18, 2001	Nov. 18, 2004	US\$ 99,496	US\$ 99,496	Receipt: LIBOR (6 months) + 1.6% Payment: CD interest rate (3 months) + 1.5%
			128,888	128,888	
Swap 3	Jan. 28, 2002	Jan. 16, 2004	JPY 14,924,633	JPY 14,924,633	Receipt: Annual rate of 1.74% in every 6 months Payment: CD interest rate (91 days) + 1.59%
			147,754	147,754	

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Swap 4	Sep. 27, 2002	Sep. 27, 2005	US\$	36,000	US\$	36,000	Receipt: Compound interest rate of 2.9245%(6 month)
				44,136		44,136	Payment: Annual rate of 5%
Swap 5	Dec. 20, 2002	Dec. 20, 2005	US\$	16,000	US\$	16,000	Receipt: Compound interest rate of 2.7335%(6 month)
				19,248		19,248	Payment: Annual rate of 4.84%
Swap 6	Mar. 26, 2003	Mar. 26, 2006	US\$	39,000			Receipt: Compound interest rate of 2.215%(6 month)
				48,633			Payment: Annual rate of 3.04%
Swap 7	Jul. 9, 2003	Jul. 10, 2006	US\$	1,000			Receipt: Compound interest rate of 2.034%(6 month)
				1,179			Payment: Annual rate of 3.93%

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For the nine-month period ended September 30, 2003, gains on valuation of swaps of (Won)5,296 million (US\$4,604 thousand) and losses on valuation of (Won)12,082 million (US\$10,504 thousand) were recorded in connection with Swap 1, Swap 2, Swap 3, Swap 4, Swap 5 Swap 6 and Swap 7. For the nine-month period ended September 30, 2002, gains on valuation of (Won)1,338 million (US\$1,163 thousand) and losses on valuation of (Won)15,113 million (US\$13,139 thousand) were recorded in connection with Swap 1, Swap 2, Swap 3 and Swap 4.

10. 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 amount to be paid for employees is calculated based on the average wage for 30 days for their each one-year service while the amount for the directors is based on a different regulation of the Company. The accrued severance benefits that would be payable assuming all eligible employees and directors were to resign as of September 30, 2003 amounted to (Won)1,255 million (US\$1,091 thousand).

The details of changes in the accrued severance benefits for the nine-month period ended September 30, 2003 are as follows:

	Korean won	US dollars (Note2)
	(In millions)	(In thousands)
Beginning balance	(Won) 968	US\$ 842
Retirement benefits	287	249
Payment for severance benefits		
Ending balance	(Won) 1,255	US\$ 1,091

The Company has purchased an employee retirement trust and made deposits in Woori Bank as of September 30, 2003. The deposits, amounting to (Won)581 million (US\$505 thousand) as of September 30, 2003, are presented as a deduction from accrued severance indemnities.

11. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES:

Assets and liabilities in foreign currencies of the Company as of September 30, 2003 and December 31, 2002 are summarized as follows:

	Foreign currencies		Korean won equivalent	
	Dec. 31, 2002	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002
	(In thousands)		(In millions)	
(Assets)				
Currency swaps	JPY 557,472	JPY 43,403	(Won) 5,736	(Won) 440
(Liabilities)				
Debentures in foreign currencies	US\$ 149,737	US\$ 149,562	172,227	179,534
	JPY 14,988,855	JPY 14,960,396	154,226	151,530

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US\$	36,000	US\$	36,000	41,407	44,136
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	Foreign currencies				Korean won equivalent	
	Dec. 31, 2002		Dec. 31, 2002		Sep. 30, 2003	Dec. 31, 2002
	(In thousands)		(In thousands)		(In millions)	
	US\$	16,000	US\$	16,000	18,403	19,248
	US\$	39,000	US\$		44,858	
	US\$	1,000			1,150	
Long-term accrued interest payables	US\$	1,069	US\$	276	1,285	338
	US\$	343	US\$	13	417	16
Redemption premium	US\$	2,727			3,258	
Reconciliation for conversion rights	US\$	(3,862)			(4,614)	
					432,617	394,802
Accrued expenses	US\$	920	US\$	920	1,058	1,104
	JPY	54,611	JPY	54,611	562	553
					1,620	1,657
Currency swaps	US\$	7,176	US\$	12,422	(Won) 8,254	(Won) 14,911
	US\$	9,884	US\$		11,368	
	US\$	2,797	JPY		3,216	
	US\$	874	US\$		1,005	
	US\$	2,697	US\$		3,102	
	US\$	42	US\$		48	
					26,993	14,911
					(Won) 461,230	(Won) 411,370

12. OTHER LIABILITIES:

Other liabilities as of September 30, 2003 and December 31, 2002 are as follows:

	Korean won		US dollars (Note 2)	
	Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002
	(In millions)		(In thousands)	
Accrued severance benefits	(Won) 1,255	(Won) 968	US\$ 1,091	US\$ 842
Deposits with employee retirement trust (Note 10)	(581)	(581)	(505)	(505)
Accrued expenses	6,570	10,228	5,712	8,892
Other payables	375	143	326	124
Withholdings	202	103	176	90
Currency swaps (Notes 9 and 11)	26,993	14,911	23,468	12,964
	(Won) 34,814	(Won) 25,772	US\$ 30,268	US\$ 22,407

13. SHAREHOLDERS EQUITY:

The Company has 2,400,000,000 authorized shares of common stock with (Won)5,000 par value, of which 775,504,910 common shares [(Won)3,877,525 million (US\$3,371,175 thousand)] and 767,814,797 common shares [(Won)3,839,074 million (US\$3,337,745 thousand)] were issued and outstanding as of September 30, 2003 and December 31, 2002, respectively.

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The changes in the capital stock of the Company during the period from the incorporation to September 30, 2003 are as follows (Unit: Korean won in millions):

Date of issuance	Description	Number of shares issued	Capital stock	Paid-in capital in excess of par value
March 27, 2001	Establishment	727,458,609	(Won) 3,637,293	(Won)
June 12, 2002	Issue of new shares	36,000,000	180,000	58,645
In 2002	Exercise of warrants	4,356,188	21,781	
		<u>767,814,797</u>	<u>(Won) 3,839,074</u>	<u>(Won) 58,645</u>
In 2003	Exercise of warrants	7,690,113	38,451	(574)
		<u>775,504,910</u>	<u>(Won) 3,877,525</u>	<u>(Won) 58,071</u>

Other capital surplus consists of consideration for conversion rights in the amounts of (Won)2,215 million (US\$1,926 thousand), (Won)997 million (US\$ 867 thousand), and (Won)41million(US\$ 35.6thousand) of subordinated convertible bonds, the first two among which were issued on March 26, 2003 and the third among which was issued on July 10, 2003, respectively.

Pursuant to the Financial Holding Company Act Article 53, legal reserves are appropriated at more than one tenth of the net income but not exceeding the total capital amount, whenever dividends are declared.

14. STOCK OPTIONS:

- (1) On December 4, 2002, the Company granted stock options to 62 directors of the Company and its subsidiaries. The exercise price of 60 percent of the total number of stock options granted will be determined depending on the Korean banking industry stock index (at minimum (Won)6,800 per share). In addition, for the remaining 40 percent of the total number of stock options granted, of which the exercise price is (Won)6,800 per share, the number of stock option to be vested will be dependent on the Company's management performance target levels; non-performing loans ratio, capital adequacy ratio and net income to total asset ratio by 15%, 15%, and 10%, respectively. The stock options are exercisable during a three-year period beginning after three years from the grant date. If the stock options are exercised, the Company has the option either to issue new shares or shares held as treasury stock, or to pay the difference between the market price and the exercise price in cash or with treasury stock.

The summary of stock options granted as of September 30, 2003 is summarized as follows:

Description	The Company	Subsidiaries	Total
Exercisable number of shares	450,000 shares	1,110,000 shares	1,560,000 shares
Type	Share issue or balance compensation	Share issue or balance compensation	
Valuation method	Fair value approach	Fair value approach	Fair value approach

- (2) The Company estimated stock option costs using the Black & Scholes pricing model and the details are summarized as follows:

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

- (3) The summary of stock option costs over the exercisable period is summarized as follows (Unit: Korean won in millions):

<u>Description</u>	<u>The Company</u>	<u>Subsidiaries</u>	<u>Total</u>
Total stock option costs	(Won) 936	(Won) 2,310	(Won) 3,246
Recorded in 2002	39	96	135
Recorded in the nine months ended 2003	351	866	1,217
To be recorded thereafter	546	1,348	1,894

As for the managements of the subsidiaries, each subsidiary is responsible for absorbing the respective stock option cost. The subsidiaries recorded the related cost as stock compensation expense and other payables, and the Company recorded the same amount as other receivables and capital adjustments.

15. INCOME TAX EXPENSE:

- (1) Differences between financial accounting income and taxable income (loss) for the nine-month period ended September 30, 2003 are as follows:

	Korean won	US dollars (Note 2)
	(In millions) (Won)	(In thousands) US\$
Net income	370,091	321,762
Permanent differences		
Addition;		
Gain on valuation of investment securities	384,695	334,459
Deemed interest income	31,549	27,429
Reconciliation for convertible rights	3,253	2,828
Other	2,118	1,840
	<u>421,615</u>	<u>366,556</u>
Deduction;		
Dividend	495,990	431,220
Investment securities	9,712	8,444
	<u>505,702</u>	<u>439,664</u>
	<u>(84,087)</u>	<u>(73,108)</u>
Temporary differences:		
Addition;		
Investment securities	1,338,480	1,163,693
Other	48,880	42,497
	<u>1,387,360</u>	<u>1,206,190</u>
Deduction;		
Investment securities	1,593,845	1,385,711
Other	195,463	169,938
	<u>1,789,308</u>	<u>1,555,649</u>
	<u>(401,948)</u>	<u>(349,459)</u>
Taxable income (loss)	<u>(Won) (115,944)</u>	<u>US\$ (100,805)</u>

- (2) The changes in cumulative temporary differences and tax loss carryforwards for the nine-month period ended September 30, 2003 are as follows (Unit: Korean won in millions):

	Jan. 1, 2003 ^(*1)	Increase	Decrease	Sep 30, 2003	Deferred tax assets (liabilities) ^(*2)
Investment securities	(Won) (1,338,480)	(Won) (1,593,845)	(Won) (1,338,480)	(Won) (1,593,845)	(Won) (28,037)

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Swap contracts	14,472	21,257	14,472	21,257	6,313
Accrued income	(5,098)	(3,073)	(5,098)	(3,073)	(913)
Accrued severance benefits		172		172	51
Depreciation	18	2	4	16	5
Accrued expenses	2,903	909	2,903	909	270
Allowance for doubtful accounts	133,556	4,811	133,556	4,811	1,429
Accounts receivable	(96)	(862)		(958)	(285)
Long-term accrued interest payables	354	1,347		1,701	505
Long-term accrued interest income	(3,835)	(23,494)		(27,329)	(8,117)
Amortization of discounts on debentures		5,572		5,572	1,655
Adjustment of conversion rights		(7,387)		(7,387)	(2,194)
	(1,196,206)	(1,594,591)	(1,192,643)	(1,598,154)	(29,318)
Tax loss carryforwards	39,793	115,944		155,737	46,254
	<u>(Won) (1,156,413)</u>	<u>(Won) (1,478,647)</u>	<u>(Won) (1,192,643)</u>	<u>(Won) (1,442,417)</u>	<u>(Won) 16,936</u>

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

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

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

<u>Year incurred</u>	<u>Amount</u>	<u>Utilized</u>	<u>Remaining</u>	<u>Expiration</u>
2001	(Won) 25,588	(Won)	(Won) 25,588	2006
2002	14,205		14,205	2007
	(Won) 39,793	(Won)	(Won) 39,793	

16. STATEMENTS OF CASHFLOWS

For the nine months ended September 30, 2003, the transactions without cash flows are as follows (unit: Korean won in millions):

<u>Transactions</u>	<u>Sep. 30, 2003</u>	<u>Sep. 30, 2003</u>
	(million)	(thousand)
Increase in capital adjustments due to valuation of investment securities	(Won) 384,695	US\$ 334,459
Decrease in retained earnings due to valuation of investment securities	9,712	8,444
Write-off of loans	127,517	110,865
Increase in other receivable and stock options	866	753

17. GENERAL AND ADMINISTRATIVE EXPENSES:

General and administrative expenses for the nine-month periods ended September 30, 2003 and 2002 are summarized as follows:

	<u>Korean won</u>		<u>US dollars (Note 2)</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
	<u>(In millions)</u>		<u>(In thousands)</u>	
Salaries, wages and bonuses	(Won) 5,166	(Won) 5,002	US\$ 4,491	US\$ 4,349
Provision for severance benefits	287	769	250	669
Fringe benefits	323	363	281	316
Rent	1,746	1,777	1,518	1,545
Entertainment	348	380	303	330
Depreciation	105	197	91	171
Amortization on intangible assets	10	8	9	7
Taxes and dues	60	76	52	66
Advertising	6,234	5,841	5,420	5,078
Travel	169	277	147	241
Telecommunications	50	55	43	48
Commissions	1,191	535	1,035	465
Suppliers	76	84	66	73
Stock compensation (Note 14)	351		305	
Other	982	431	854	374

(Won) 17,098	(Won) 15,795	US\$ 14,865	US\$ 13,732
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General and administrative expenses for the three-month periods ended September 30, 2003 and 2002 are summarized as follows:

	Korean won		US dollars (Note 2)	
	2003	2002	2003	2002
	(In millions)		(In thousands)	
Salaries, wages and bonuses	(Won) 1,805	(Won) 1,183	US\$ 1,569	US\$ 1,029
Provision for severance benefits	20	69	17	60
Fringe benefits	84	83	73	72
Rent	576	592	501	515
Entertainment	91	109	79	95
Depreciation	35	65	30	57
Amortization on intangible assets	3	3	3	3
Taxes and dues	17	32	15	28
Advertising	967	30	841	26
Travel	62	33	54	29
Telecommunications	13	18	11	16
Commissions	621	212	540	184
Suppliers	27	24	23	21
Stock compensation (Note 14)	117		102	
Other	311	194	271	166
	(Won) 4,749	(Won) 2,647	US\$ 4,129	US\$ 2,301

18. FINANCIAL INFORMATION OF SUBSIDIARIES:

(1) The condensed balance sheets of subsidiaries prepared as of September 30, 2003 are as follows (Unit: Korean won in millions):

<u>Company</u>	<u>Total assets</u>	<u>Total liabilities</u>	<u>Total stockholders equity (capital deficiency)</u>
Woori Bank	(Won) 97,936,335	(Won) 92,427,254	(Won) 5,509,081
Kyongnam Bank	11,140,921	10,642,039	498,882
Kwangju Bank	9,003,099	8,644,503	358,596
Woori Credit Card	3,668,864	3,431,235	237,629
Woori Finance Information System	264,395	256,221	8,174
Woori F&I	168,724	134,340	34,384
Woori First Asset Securitization Specialty	430	395	35
Woori Second Asset Securitization Specialty	33,733	47,318	(13,585)
Woori Third Asset Securitization Specialty	36,585	89,139	(52,554)
Woori Investment Trust Management	35,253	375	34,878
Woori Securities	849,617	488,622	360,995
	(Won) 123,137,956	(Won) 116,161,441	(Won) 6,976,515

- (2) The condensed statements of operations of subsidiaries prepared for the nine-month period ended September 30, 2003 are as follows (Unit: Korean won in millions):

<u>Company</u>	<u>Operating revenue</u>	<u>Operating expense</u>	<u>Net operating profit (loss)</u>	<u>Ordinary income (loss)</u>	<u>Net income (loss)</u>
Woori Bank	(Won) 5,824,425	(Won) 4,838,243	(Won) 986,182	(Won) 1,280,562	(Won) 1,159,137
Kyongnam Bank	566,942	506,907	60,035	53,296	83,742
Kwangju Bank	441,015	408,241	32,774	36,748	64,404
Woori Credit Card	765,314	1,562,773	(797,459)	(768,821)	(889,781)
Woori Investment Bank ^(*)	140,514	138,037	2,477	21,561	21,561
Woori Finance Information System	200,641	194,285	6,356	7,445	5,413
Woori F&I	17,460	11,774	5,686	17,966	10,876
Woori First Asset Securitization Specialty	14,766	10,256	4,510	4,505	131,905
Woori Second Asset Securitization Specialty	11,975	11,204	771	(83)	(83)
Woori Third Asset Securitization Specialty	4,557	5,983	(1,426)	(1,888)	(1,888)
Woori Investment Trust Management	5,568	3,828	1,740	1,801	1,231
Woori Securities	123,193	119,943	3,250	(13,748)	(11,348)
	<u>(Won) 8,116,370</u>	<u>(Won) 7,811,474</u>	<u>(Won) 304,896</u>	<u>(Won) 639,344</u>	<u>575,169</u>

- (*) The condensed statement of operations of WIB was prepared for the seven months ended July 31, 2003 prior to the merger into Woori Bank.

- (3) Major debt and assets of the Company and its subsidiaries as of September 30, 2003 are summarized as follows (Unit: Korean won in millions):

1) Major debt

<u>Company</u>	<u>Deposits</u>	<u>Borrowings</u>	<u>Debentures</u>	<u>Total</u>
Woori Finance Holdings	(Won)	(Won) 350,000	(Won) 2,293,926	(Won) 2,643,926
Woori Bank	69,605,114	9,203,712	6,704,616	85,513,442
Kyongnam Bank	8,419,236	1,531,963	310,164	10,261,363
Kwangju Bank	6,487,449	1,447,202	200,538	8,135,189
Woori Credit Card		740,112	2,505,230	3,245,342
Woori Finance Information System		180,000		180,000
Woori F&I		126,850		126,850
Woori Second Asset Securitization Specialty			100	100
Woori Third Asset Securitization Specialty			28,790	28,790
Woori Investment Trust Management	48			48
Woori Securities	139,212	110,860		250,072
	<u>(Won) 84,651,059</u>	<u>(Won) 13,690,699</u>	<u>(Won) 12,043,364</u>	<u>(Won) 110,385,122</u>

2) Major assets

<u>Company</u>	<u>Cash and due from banks</u>	<u>Securities</u>	<u>Loans</u>	<u>Total</u>
Woori Finance Holdings	(Won) 290,814	(Won) 7,157,484	(Won) 980,811	(Won) 8,429,109
Woori Bank	4,048,219	18,834,323	69,025,920	91,908,462
Kyongnam Bank	944,816	3,217,992	6,422,702	10,585,510
Kwangju Bank	313,800	2,765,194	5,322,355	8,401,349
Woori Credit Card.	867,045	673,197	2,002,189	3,542,431
Woori Finance Information System	5,730	89		5,819
Woori F&I	14,895	146,743		161,638
Woori First Asset Securitization Specialty	430			430
Woori Second Asset Securitization Specialty	3,212	20,244	9,954	33,410
Woori Third Asset Securitization Specialty	4,905	31,245	426	36,576
Woori Investment Trust Management	24,692	339	1,800	26,831
Woori Securities	228,228	415,333	37,231	680,792
	<u>(Won) 6,746,786</u>	<u>(Won) 33,262,183</u>	<u>(Won) 83,803,388</u>	<u>(Won) 123,812,357</u>

(4) Allowances for possible loan losses of subsidiaries as of September 30, 2003 are summarized as follows (Unit: Korean won in millions):

<u>Company</u>	<u>Loans subject to allowance for possible loan losses</u>	<u>Allowance</u>	<u>% of allowance to loans</u>
Woori Bank	(Won) 70,539,604	(Won) 1,513,684	2.15
Kyongnam Bank	6,533,766	111,064	1.70
Kwangju Bank	5,405,925	83,570	1.55
Woori Credit Card	2,561,338	559,149	21.83
Woori Second Asset Securitization Specialty	18,515	8,561	46.24
Woori Third Asset Securitization Specialty	445	19	4.27
Woori Investment Trust Management	1,800		
Woori Securities	58,341	21,110	36.18
Total	<u>(Won) 85,119,734</u>	<u>(Won) 2,297,157</u>	<u>2.70</u>

 19. CONTRIBUTIONS TO NET INCOME BY SUBSIDIARIES:

Contributions to net income of the Company by subsidiaries after elimination of intercompany transactions for the nine months ended September 30, 2003 are as follows:

<u>Company</u>	<u>Korean won</u>	<u>US dollars</u> (Note 2)	<u>Ratio (%)</u>
	(In millions)	(In thousands)	
Woori Bank	(Won) 1,147,436	US\$ 997,597	273.0

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Kyongnam Bank	83,403	72,512	19.8
Kwangju Bank	63,678	55,363	15.1
Woori Credit Card	(893,447)	(776,775)	(212.5)
Woori Investment Bank	7,390	6,425	1.7
Woori Finance Information System	3,712	3,227	0.9
Woori F&I	10,873	9,453	2.6
Woori Second Asset Securitization Specialty	1,594	1,386	0.4
Woori Third Asset Securitization Specialty	(1,888)	(1,642)	(0.4)
Woori Investment Trust Management	1,231	1,070	0.3
Woori Securities	(3,611)	(3,140)	(0.9)
	<u> </u>	<u> </u>	<u> </u>
Gain on valuation using the equity method	420,371	365,476	100.0
			<u> </u>
Other income	89,600	77,900	
Other expenses	(139,880)	(121,614)	
	<u> </u>	<u> </u>	
Net income	(Won) 370,091	US\$ 321,762	
	<u> </u>	<u> </u>	

20. TRANSACTIONS WITH RELATED PARTIES:

(1) Balances for transactions with the subsidiaries as of September 30, 2003 and December 31, 2002 are as follows:

	Korean won		US dollars (Note2)		Account
	Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002	
	(In millions)		(In thousands)		
Woori Bank	(Won) 263,563	(Won) 51,757	US\$ 229,145	US\$ 44,998	Cash and bank deposits
	600,000	600,000	521,648	521,648	Loans
	3,846	3,846	3,344	3,344	Guarantee deposits
	433	43	376	37	Other receivables
	22,148	3,905	19,256	3,395	Accrued income
	5,736	440	4,987	383	Currency swaps (assets)
	26,993	14,911	23,468	12,964	Currency swaps (liabilities)
Kyongnam Bank	16,092	10,595	13,991	9,211	Cash and bank deposits
	15	12	13	10	Accrued income
Kwangju Bank	11,158	10,898	9,701	9,475	Cash and bank deposits
	50,000	50,000	43,471	43,471	Loans
	1,691	9	1,470	8	Accrued income
Woori Credit Card		200,000		173,883	Loans
		12		10	Other receivables
		147		128	Accrued income
	43	92	37	80	Other payables
Woori Investment Bank		7		6	Other receivables
Woori Finance Information System	180,000	180,000	156,495	156,495	Loans
	117	12	102	10	Other receivables
	2,235	2,235	1,943	1,943	Accrued income
	27		23		Other payables
	69		60		Accrued expenses
Woori F&I	126,850	34,600	110,285	30,082	Loans
		78		68	Accrued income
Woori First Asset Securitization Specialty		188,847		164,186	Loans
		431		375	Accrued income
Woori Second Asset Securitization Specialty	100	59,936	87	52,109	Loans
	2	1,038	2	902	Accrued income

	Korean won		US dollars (Note2)		Account
	Sep. 30, 2003	Dec. 31, 2002	Sep. 30, 2003	Dec. 31, 2002	
	(In millions)		(In thousands)		
Woori Third Asset Securitization Specialty	28,790	65,204	25,030	56,689	Loans
	476	1,078	414	937	Accrued income
Woori Investment Trust Management	56	6	49	5	Other receivables
Woori Credit Information	69	7	60	6	Other receivables
Woori CA Asset Management	95		83		Other receivables
Principal guaranteed trust accounts of Woori Bank	581	581	505	505	Deposits with employee retirement trust

(2) Transactions with the subsidiaries for the nine-month periods ended September 30, 2003 and 2002 are as follows:

	Korean won		US dollars (Note2)		Account
	2003	2002	2003	2002	
	(In millions)		(In thousands)		
Woori Bank	(Won) 3,102	1,110	US\$ 2,697	US\$ 965	Interest income
	17,976	64	15,629	56	Interest income
	5,296	1,338	4,604	1,163	Gain on valuation of swap contracts
	1,488	15,113	1,294	13,139	Loss on valuation of swap contracts
	12,082	1,637	10,504	1,423	Rent
		415		361	Interest expense
Kyongnam Bank	377	391	328	340	Interest income
Kwangju Bank	305	468	265	407	Interest income
	1,683		1,463		Interest income
Woori Credit Card	3,163		2,750		Interest income
Woori Finance Information System	9,968	1,005	8,666	874	Interest income
		239		208	Miscellaneous income
	259	29	225	25	Other administrative expenses
Woori F&I	5,408	14	4,702	12	Interest income
Woori First Asset Securitization Specialty	9,190	24,518	7,990	21,316	Interest income
Woori Second Asset Securitization Specialty	1,120	7,165	974	6,229	Interest income
Woori Third Asset Securitization Specialty	1,992	4,463	1,732	3,880	Interest income

(3) Transfer of credit card subscriber base

Pursuant to a transfer agreement between Kwangju Bank and WCC dated December 23, 2002, Kwangju Bank sold its credit card subscriber base to WCC for (Won)27 billion (US\$23 million) on February 28, 2003.

21. EARNINGS PER COMMON SHARES:

- (1) Basic ordinary income (loss) per common share and basic net income (loss) per common share for the three-month and nine-month periods ended September 30, 2003 and 2002 are as follows:

	Korean won							
	2003				2002			
	Three-month		Nine-month		Three-month		Nine-month	
	(In millions, except for income per share)							
Net income (loss) on common shares	(Won)	(137,411)	(Won)	370,091	(Won)	70,486	(Won)	217,478
Extraordinary gain (loss)								
Income tax effect on extraordinary gain (loss)								
Ordinary income (loss) on common shares	(Won)	(137,411)	(Won)	370,091	(Won)	70,486	(Won)	217,478
Weighted average number of common shares outstanding		775,504,910		770,449,840		766,583,466		743,173,050
Basic ordinary income (loss) per common shares	(Won)	(177)	(Won)	480	(Won)	92	(Won)	293
Basic net income (loss) per common shares	(Won)	(177)	(Won)	480	(Won)	92	(Won)	293
	US dollars (Note 2)							
	2003				2002			
	Three-month		Nine-month		Three-month		Nine-month	
	(In thousands, except for income per share)							
Net income (loss) on common shares	US\$	(119,467)	US\$	321,762	US\$	61,282	US\$	189,078
Extraordinary gain (loss)								
Income tax effect on extraordinary gain (loss)								
Ordinary income (loss) on common shares	US\$	(119,467)	US\$	321,762	US\$	61,282	US\$	189,078
Weighted average number of common shares outstanding		775,504,910		770,449,840		766,583,466		743,173,050

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Basic ordinary income (loss) per common shares	US\$	(0.154)	US\$	0.417	US\$	0.080	US\$	0.255
Basic net income (loss) per common shares	US\$	(0.154)	US\$	0.417	US\$	0.080	US\$	0.255

(2) Diluted ordinary income (loss) per common share and diluted net income (loss) per common share are for the three-month and nine-month periods ended September 30, 2003 and 2002 are as follows:

	Korean won							
	2003				2002			
	Three-month		Nine-month		Three-month		Nine-month	
	(In millions, except for income per share)							
Diluted net income (loss) on common shares	(Won)	(137,411)	(Won)	372,296	(Won)	70,493	(Won)	217,708
Extraordinary gain (loss)								
Income tax effect on extraordinary gain (loss)								
Diluted ordinary income (loss) on common shares	(Won)	(137,411)	(Won)	372,296	(Won)	70,493	(Won)	217,708
Weighted average number of common and dilutive common shares outstanding		775,504,910		795,662,969		768,796,965		745,019,617
Diluted ordinary income (loss) per common shares	(Won)	(177)	(Won)	468	(Won)	91	(Won)	292
Diluted net income (loss) per common shares	(Won)	(177)	(Won)	468	(Won)	91	(Won)	292

US dollars (Note 2)

	2003		2002	
	Three-month	Nine-month	Three-month	Nine-month
	(In thousands, except for income per share)			
Diluted net income (loss) on common shares	US\$ (119,467)	US\$ 323,679	US\$ 61,288	US\$ 189,278
Extraordinary gain (loss)				
Income tax effect on extraordinary gain (loss)				
Diluted ordinary income (loss) on common shares	US\$ (119,467)	US\$ 323,679	US\$ 61,288	US\$ 189,278
Weighted average number of common and dilutive common shares outstanding	775,504,910	795,662,969	768,796,965	745,019,617
Diluted ordinary income (loss) per common shares	US\$ (0.154)	US\$ 0.407	US\$ 0.079	US\$ 0.254
Diluted net income (loss) per common shares	US\$ (0.154)	US\$ 0.407	US\$ 0.079	US\$ 0.254

(3) The basic net income per share for the three-month periods ended March 31, 2003 and June 30, 2003 were (Won)273 (US\$ 0.237) and (Won)411 (US\$ 0.357), respectively, and for the year ended December 31, 2002 was (Won)786 (US\$0.683). The basic ordinary income per share for such periods were the same as the basic net income per share.

(4) All common stock equivalents as of September 30, 2003 are as follows:

Item	Face value (In millions)	Exercise period	Common stock to be issued (shares)	Remarks
Convertible bonds	US\$ 36	Oct. 28, 2002 ~ Aug 27, 2005	5,914,180	Using exchange rate of (Won)1,201.4 convert 1 share at (Won)7,313
Convertible bonds	US\$ 16	Jan. 21, 2003 ~ Nov. 20, 2005	3,481,173	Using exchange rate of (Won)1,215.8 convert 1 share at (Won)5,588
Convertible bonds	(Won) 20,000	Mar. 27, 2004 ~ Feb. 26, 2006	3,717,472	Convert 1share at (Won)5,380
Convertible bonds	US\$ 39	Mar. 27, 2004 ~ Feb. 26, 2006	8,661,914	Using exchange rate of (Won)1,194.9 concert 1 shares at (Won)5,380
Convertible bonds	US\$ 1	Jul. 10, 2004 ~ Jun. 10, 2006	164,429	Using exchange rate of (Won)1,185.5 concert 1 shares at (Won)7,228
Stock options		Dec. 5, 2005 ~ Dec. 4, 2008	1,560,000	(Note 14)

22. CREDITS TO SK NETWORKS CO., LTD.:

Woori Bank, a subsidiary of the Company, has loans receivable from and payment guarantees for SK Networks Co., Ltd.(formerly known as SK Global) and its overseas subsidiaries (collectively referred to as SK Global) in the total amount of (Won)301 billion (US\$262 million). In connection, Woori Bank provided (Won)180 billion (US\$156 million) as allowances for credit losses as of September 30, 2003. However, SK Networks is currently undergoing a corporate restructuring and depending on the result of this restructuring, Woori Bank's actual losses on SK Networks credit may differ materially.

23. WOORI AMERICA BANK S MERGER WITH PANASIA BANK N.A.

On September 11, 2003, Woori America Bank, an overseas 2nd-tier subsidiary of the Company, merged with Panasia Bank N.A. pursuant to an agreement with National Penn Bancshares dated February 10, 2003, which had owned 100% stock of Panasia Bank N.A. The merger consideration was US\$ 34,500 thousand and in connection with the merger, Woori Bank, a subsidiary of the Company, increased its capital holding in Woori America Bank by US\$ 15,000 thousand on September 3, 2003.

24. WOORI BANK S MERGER WITH WOORI INVESTMENT BANK:

Woori Bank merged with Woori Investment Bank, a subsidiary of the Company, on July 31, 2003 pursuant to a merger agreement dated June 25, 2003. As a result, Woori Bank took over substantially all of the assets and liabilities of Woori Investment Bank by exchanging one common share of Woori Investment Bank for 0.0355 share of Woori Bank. Woori Bank increased its capital surplus by (Won)88,439 million (US\$ 76,890 thousand) which was the difference between merger consideration of (Won)138,682 million (US\$ 120,572 thousand) and net assets acquired of (Won)227,121 million (US\$ 197,462 thousand). Accordingly, the number of issued common shares of Woori Bank increased from 553 million to 571 million and contributed capital of Woori Bank increased from (Won)2,764.4 billion (US\$2,403 million) to (Won)2,852.8 billion (US\$2,480 million).

25. LITIGATION

As of September 30, 2003, the Company is a defendant in a lawsuit claiming damages amounting to (Won)17 billion (US\$15 million). However, the Company does not anticipate that the outcome of this lawsuit would have a significant effect on its financial condition.

26. ECONOMIC UNCERTAINTIES:

In response to general unstable economic conditions, the Korean government and the private sector have been implementing structural reforms to historical business practices. Implementation of these reforms is progressing slowly, particularly in the areas of restructuring private enterprises and reforming the banking industry. The Korean government continues to apply pressure to Korean companies to restructure into more efficient and profitable firms. The Company may be either directly or indirectly affected by these general unstable economic conditions and the reform program described above. The accompanying non-consolidated financial statements reflect management's assessment of the impact to date of the economic situation on the financial position of the Company. Actual results may differ materially from management's current assessment.

SIGNATURES

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

Woori Finance Holdings Co., Ltd.

(Registrant)

Date: November 18, 2003

By:

/s/ WON GIHL SOHN

(Signature)

Name:

Won Gihl Sohn

Title:

Managing Director