

WOORI FINANCE HOLDINGS CO LTD

Form 6-K

November 18, 2003

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

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

For the month of November 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

Form 40-F

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

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

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

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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

Yes

No

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Restatement of Woori Finance Holdings First Half 2003 Financial Statements

NON-CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated net income of Woori Finance Holdings for 1H 2003 has been restated as Won 497 billion from Won 407 billion as a result of an amendment by Woori Bank with respect to its ABS subordinated debenture-related income and subsequent events with respect other subsidiaries of Woori Finance Holdings.

Please refer to the below table for more detailed information with respect to the restatement of Woori Finance Holdings 1H 2003 financial statements.

Net Income Restatement Details

(units: billions of Won)

Item	Before (A)	After (B)	Diff. (A-B)
Woori Finance Holdings (Cons.)	406.8	497.0	90.2
Woori Finance Holdings (Non-cons.)	418.4	507.5	89.1
Woori Bank	559.7	814.9	255.2
Woori Card	(246.3)	(409.8)	(163.5)
Kyongnam Bank	60.6	57.7	(2.9)
Woori Securities	(9.8)	(11.4)	(1.6)
SPC and Consolidated Adjustments		3.0	3.0

* Based on Korean corporate accounting regulations. In the event an amendment is made on previous financial statements, subsequent events from the respective closing date to the restatement date have to be reflected in the newly prepared financial statements.

Restated financial statements have been prepared for Woori Finance Holdings (on both a consolidated and non-consolidated basis), Woori Bank and Woori Credit Card.

Attached:

Woori Financial Holdings restated non-consolidated 1H 2003 financial statements

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WOORI FINANCE HOLDINGS CO., LTD.

*NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX- MONTH PERIODS
ENDED JUNE 30, 2003 (RESTATED) AND 2002
TOGETHER WITH INDEPENDENT ACCOUNTANTS REVIEW REPORT*

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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 June 30, 2003 and the related non-consolidated statements of income and cash flows for the three-month and six-month periods ended June 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 income for the three-month and six-month periods ended June 30, 2002, which are presented for comparative purposes, were reviewed by Anjin & Co. whose report dated August 9, 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 six-month periods ended June 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.

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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 June 30, 2003 and December 31, 2002 and the statements of income for the three-month and six-month periods ended June 30, 2003 and 2002. However, the Company presents stand-alone statements of cash flows for the three-month and six-month periods ended June 30, 2003 in accordance with Statement of Korean Accounting Standards No 2.

As explained in Note 21 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) of W311 billion (US\$261 million). In connection therewith, Woori Bank provided W185 billion (US\$155 million) as allowances for credit losses as of June 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 23 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 W2,764.4 billion (US\$2,317 million) to W2,852.8 billion (US\$2,391 million).

We had reviewed the interim non-consolidated financial statements of the Company for the six months ended June 30, 2003 and issued the independent accountants' review report on August 9, 2003. As explained in Note 22 to accompanying non-consolidated financial statements, the Company restated its non-consolidated interim financial statements for the six months ended June 30, 2003 reflecting the subsequent events discovered after the issuance of such interim financial statement. As a result, the Company's previously reported total assets of W8,180 billion (US\$6,856 million), total liabilities of W2,294 billion (US\$1,923 million), and total shareholders' equity of W5,886 billion (US\$4,933 million) as of June 30, 2003, and net income of W418 billion (US\$350 million) for the six months ended June 30, 2003 are amended to W8,226 billion (US\$6,895 million), W2,294 billion (US\$1,923 million), W5,932 billion (US\$4,972 million), and W508 billion (US\$426 million), respectively. Accordingly, we reissue this independent accountants' review report on the restated accompanying non-consolidated financial statements of the Company for the six months ended June 30, 2003.

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.

October 16, 2003

Notice to Readers

This report is effective as of October 16, 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.

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WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED BALANCE SHEETS

AS OF JUNE 30, 2003 (RESTATED) AND DECEMBER 31, 2002

(See Independent Accountants' Review Report)

	Korean won		US dollars (Note 2)	
	June 30, 2003	December 31, 2002	June 30, 2003	December 31, 2002
	(In millions)		(In thousands)	
	(restated)		(restated)	
ASSETS				
Cash and bank deposits (Note 19)	W 140,500	W 73,256	US\$ 117,760	US\$ 61,400
Investment securities of subsidiaries (Note 3)	7,033,121	6,062,119	5,894,830	5,080,981
Loans, net of allowance for possible loan losses (Notes 4, 5 and 19)	1,022,378	1,231,207	856,909	1,031,939
Fixed assets (Note 6)	387	374	324	313
Other assets (Notes 7, 11 and 19)	29,743	22,195	24,929	18,603
	<u>W 8,226,129</u>	<u>W 7,389,151</u>	<u>US\$6,894,752</u>	<u>US\$6,193,236</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
Borrowings (Note 8)	W 200,000	W 300,000	US\$ 167,631	US\$ 251,446
Debentures, net of discounts and reconciliation for conversion rights added accrued interest and redemption premium (Notes 9 and 11)	2,062,886	1,999,250	1,729,013	1,675,677
Other liabilities (Notes 10, 11, 12 and 19)	31,274	25,772	26,212	21,601
	<u>2,294,160</u>	<u>2,325,022</u>	<u>1,922,856</u>	<u>1,948,724</u>
SHAREHOLDERS' EQUITY				
Common stock (Note 13)	3,877,525	3,839,074	3,249,958	3,217,730
Capital surplus (Note 13)	61,827	58,645	51,821	49,153
Retained earnings				
(Net income of W507,502 million for six months ended June 30, 2003 and 589,214 million for the year ended December 31, 2002)	1,585,802	1,145,518	1,329,145	960,119
Capital adjustments (Notes 3 and 14)	406,815	20,892	340,972	17,510
	<u>5,931,969</u>	<u>5,064,129</u>	<u>4,971,896</u>	<u>4,244,512</u>
	<u>W 8,226,129</u>	<u>W 7,389,151</u>	<u>US\$6,894,752</u>	<u>US\$6,193,236</u>

See accompanying notes to non-consolidated financial statements.

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WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2003 (RESTATED) AND 2002

(See Independent Accountants' Review Report)

	Korean won				US dollars (Note 2)			
	2003		2002		2003		2002	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
	(In millions, except for income per share data)				(In thousands, except for income per share data)			
	(restated)	(restated)			(restated)	(restated)		
OPERATING REVENUE								
Gain on valuation using the equity method of accounting (Note 3)	W 339,466	W 549,454	W 305,644	W 187,124	US\$ 284,525	US\$ 460,526	US\$ 256,176	US\$ 156,839
Interest income (Note 19)	17,777	37,358	13,837	27,445	14,900	31,312	11,598	23,003
Gain on valuation of swap contracts (Notes 9 and 19)		1,392		1,548		1,166		1,297
Gain on foreign currency translation	21,612	7,003	17,895	18,577	18,114	5,870	14,999	15,570
Reversal of allowance for doubtful accounts	9,986	3,773			8,370	3,162		
	<u>388,841</u>	<u>598,980</u>	<u>337,376</u>	<u>234,694</u>	<u>325,909</u>	<u>502,036</u>	<u>282,773</u>	<u>196,709</u>
OPERATING EXPENSES								
Interest expense (Note 19)	(34,687)	(69,899)	(28,572)	(52,606)	(29,073)	(58,586)	(23,947)	(44,091)
Loss on valuation of swap contracts (Notes 9 and 19)	(22,792)	(6,817)	(18,922)	(18,613)	(19,103)	(5,714)	(15,859)	(15,600)
Bad debt expense			(487)	(383)			(408)	(321)
Loss on foreign currency transactions				(2,016)				(1,690)
Loss on foreign currency translation			(104)	(149)			(88)	(125)
Fees and commissions (Note 19)	(1,553)	(2,568)	(2,301)	(2,788)	(1,302)	(2,152)	(1,929)	(2,337)
General and administrative (Notes 16 and 19)	(4,217)	(12,349)	(9,542)	(13,149)	(3,535)	(10,350)	(7,998)	(11,021)

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	(63,249)	(91,633)	(59,928)	(89,704)	(53,013)	(76,802)	(50,229)	(75,185)
OPERATING INCOME	325,592	507,347	277,448	144,990	272,896	425,234	232,544	121,524
NON-OPERATING INCOME		191	95	2,046		160	80	1,715
NON-OPERATING EXPENSES	(29)	(36)	(44)	(44)	(24)	(30)	(37)	(37)
INCOME BEFORE INCOME TAX EXPENSE	325,563	507,502	277,499	146,992	272,872	425,364	232,587	123,202
INCOME TAX EXPENSE (Note 15)								
NET INCOME	W 325,563	W 507,502	W 277,499	W 146,992	US\$ 272,872	US\$ 425,364	US\$ 232,587	US\$ 123,202

(continued)

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WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF INCOME (CONTINUED)

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2003 (RESTATED) AND 2002

(See Independent Accountants' Review Report)

	Korean won				US dollars (Note 2)			
	2003		2002		2003		2002	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
	(In millions, except for income per common share data)				(In thousands, except for income per common share data)			
	(restated)	(restated)			(restated)	(restated)		
BASIC ORDINARY INCOME PER COMMON SHARE (Note 20)	W 424	W 661	W 378	W 201	US\$0.355	US\$ 0.554	US\$0.317	US\$ 0.168
BASIC NET INCOME PER COMMON SHARE (Note 20)	W 424	W 661	W 378	W 201	US\$0.355	US\$ 0.554	US\$0.317	US\$ 0.168
DILUTED ORDINARY INCOME PER COMMON SHARE (Note 20)	W 413	W 649	W 376	W 200	US\$0.346	US\$ 0.544	US\$0.315	US\$ 0.168
DILUTED NET INCOME PER COMMON SHARE (Note 20)	W 413	W 649	W 376	W 200	US\$0.346	US\$ 0.544	US\$0.315	US\$ 0.168

See accompanying notes to non-consolidated financial statements.

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WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2003 (RESTATED)

(See Independent Accountants' Review Report)

	Korean won		US dollars (Note 2)	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
	(In millions)		(In thousands)	
	(restated)	(restated)	(restated)	(restated)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	W 325,563	W 507,502	US\$ 272,872	US\$ 425,364
Adjustments to reconcile net income to net cash used in operating activities:				
Interest expense (amortization of discounts on debentures)	2,949	5,217	2,473	4,371
Loss on valuation of swap contracts	22,792	5,425	19,103	4,548
Provision for severance benefits	210	267	176	224
Depreciation	36	70	30	59
Amortization on intangible assets	4	7	3	6
Stock compensation	117	234	98	196
Gain on valuation using the equity method of accounting	(339,466)	(549,454)	(284,525)	(460,526)
Long-term accrued interest income	(6,552)	(12,968)	(5,492)	(10,870)
Gain on foreign currency translation	(21,612)	(7,003)	(18,114)	(5,870)
Reversal of allowance for doubtful accounts	(9,986)	(3,773)	(8,370)	(3,162)
	<u>(351,508)</u>	<u>(561,978)</u>	<u>(294,618)</u>	<u>(471,024)</u>
Changes in operating assets and liabilities:				
Decrease in other assets	6,120	5,474	5,129	4,588
Increase (decrease) in other liabilities	(4,316)	183	(3,617)	153
	<u>1,804</u>	<u>5,657</u>	<u>1,512</u>	<u>4,741</u>
Net cash used in operating activities	<u>(24,141)</u>	<u>(48,819)</u>	<u>(20,234)</u>	<u>(40,918)</u>

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WOORI FINANCE HOLDINGS CO., LTD.

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2003 (RESTATED)

(See Independent Accountants' Review Report)

	Korean won		US dollars (Note 2)	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
	(In millions)		(In thousands)	
	(restated)	(restated)	(restated)	(restated)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Dividend income	W 152,108	W 153,608	US\$ 127,490	US\$ 128,747
Collection of loans		10,400		8,717
Collection of other loans	7,400	292,286	6,202	244,980
Acquisition of investment securities of subsidiaries		(200,000)		(167,631)
Increase in loans		(90,000)		(75,434)
Acquisition of fixed assets	(13)	(22)	(11)	(18)
Net cash provided by investing activities	159,495	166,272	133,681	139,361
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from debentures in local currency		20,000		16,763
Proceeds from debentures in foreign currencies		48,633		40,761
Capital increase with consideration	38,416	38,420	32,198	32,202
Payment of borrowings	(100,000)	(100,000)	(83,815)	(83,815)
Payment of dividends	(57,262)	(57,262)	(47,994)	(47,994)
Net cash used in financing activities	(118,846)	(50,209)	(99,611)	(42,083)
NET INCREASE IN CASH AND BANK DEPOSITS	16,508	67,244	13,836	56,360
CASH AND BANK DEPOSITS, BEGINNING OF THE PERIOD	123,992	73,256	103,924	61,400
CASH AND BANK DEPOSITS, END OF THE PERIOD	W 140,500	W 140,500	US\$ 117,760	US\$ 117,760

See accompanying notes to non-consolidated financial statements.

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WOORI FINANCE HOLDINGS CO., LTD.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2003 (RESTATED) 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 W3,637,293 million (US\$3,048,607 thousand), consisting of 727,458,609 common shares (W5,000 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 W3,877,525 million (US\$3,249,958 thousand), consisting of 775,504,910 common shares issued and outstanding as of June 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 W6,800 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 June 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, 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 W2,764,400 million (US\$2,316,989 thousand) consisting of 552,880,000 common shares issued and outstanding as of June 30, 2003. Woori Bank is wholly owned by the Company. The head office of Woori Bank is located in Seoul, Korea. Woori Bank has 673 branches and 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 the Agreement on the Implementation of the Business Plan. As of June 30, 2003, Kyongnam Bank's common stock amounted to W259,000 million (US\$217,082 thousand) consisting of 51,800,043 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 June 30, 2003, its common stock amounted to W170,403 million (US\$142,824 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 112 domestic branches and offices in Korea.

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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. As of June 30, 2003, WCC's common stock amounted to W1,373,000 million (US\$1,150,784 thousand) consisting of 274,600,000 shares of common stock issued and outstanding all of which are 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 W30,000 million (US\$25,145 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 W2,490.2 billion (US\$2,087.2 million) of assets and W5,462.9 billion (US\$4,578.7 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 the 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 June 30, 2003, WIB's common stock amounted to W2,491,200 million (US\$2,088,006 thousand) consisting of 498,240,000 shares issued and outstanding all of which are owned by the Company.

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 June 30, 2003, its common stock amounted to W4,500 million (US\$3,772 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 June 30, 2003, its common stock amounted to W10,000 million (US\$8,382 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 June 30, 2003, its common stock amounted to W10 million (US\$8 thousand) consisting of 2,000 shares issued and outstanding of which the Company owns 95%. WASS1 has a dissolution registered as of October 2, 2003 by determining of the board of the specialty to dissolve WASS1 on September 30, 2003.

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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 June 30, 2003, its common stock amounted to W10 million (US\$8 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 June 30, 2003, its common stock amounted to W10 million (US\$8 thousand) consisting of 2,000 shares issued and outstanding all of which are owned by the Company. The office of WASS3 is located in Seoul, Korea.

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 June 30, 2003, its common stock amounted to W30,000 million (US\$25,145 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 June 30, 2003, its common stock amounted to W164,782 million (US\$138,112 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 35 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 June 30, 2003, the common stock of WCI amounted to W5,040 million (US\$4,224 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 June 30, 2003, its common stock amounted to US\$35,000 thousand consisting of 7,000,000 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 June 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%.

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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 splitting 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, Woori LB First · Second · Third · Fourth · Fifth · Sixth · Seventh Asset Securitization Specialty Co., Ltds. As of June 30, 2003, WCAAMC's common stock amounted to W4,000 million (US\$3,353 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 June 30, 2003 is as follows:

Parent companies	Subsidiaries	Number of shares owned	Percentage of ownership(%)	Fiscal year end
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. (*1)	274,600,000	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
PT. 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

(*1) On March 27, 2003, the Company purchased 40,000,000 new shares of WCC for W200,000 million (US\$167,631 thousand).

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

Parent companies	Subsidiaries	Number of shares owned	Percentage of ownership(%)	Fiscal year end
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. (*1)	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

(*1) WFIS changed its fiscal year from April 1 to March 31 to from January 1 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 W1,193.1 to US\$1.00 the Base Rate announced by the Korean Financial Telecommunications & Clearing Institute at June 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.

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.

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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 statements of cash flows for the three-months and six-months ended June 30, 2003 are not presented for comparative purpose 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. The Company does not believe that the effect, which would arise from implementing the SKAS No. 9 retroactively for the convertible bonds, on the non-consolidated financial statements is material.

3. INVESTMENT SECURITIES OF SUBSIDIARIES:

(1) Equity securities as of June 30, 2003, which are accounted for using the equity method of accounting, are as follows (Unit: Korean won in millions):

	Beginning balance	Gain (loss) on valuation using the equity method	Capital adjustments	Other increase (decrease)	Ending balance
	(restated)	(restated)	(restated)		(restated)
Woori Bank	W 4,500,143	W 806,224	W 340,985	W (138,265)	W 5,509,087
Kyongnam Bank	424,060	58,136	939	(5,180)	477,955
Kwangju Bank	290,003	42,159	18,427	(3,428)	347,161
Woori Credit Card	379,126	(410,312)	(10,878)	200,000	157,936
Woori Investment Bank	222,936	39,653	16,811		279,400
Woori Finance Information System	3,364	3,324			6,688
Woori F&I	17,016	9,069	3,936	(1,500)	28,521
Woori Second Asset Securitization Specialty	31,666	7,496			39,162
Woori Third Asset Securitization Specialty		(2,934)	14,709	(9,890)	1,885
Woori Investment Trust Management	39,646	1,186			40,832
Woori Securities	154,159	(4,547)	182	(5,300)	144,494
	<u>W 6,062,119</u>	<u>W 549,454</u>	<u>W 385,111</u>	<u>W 36,437</u>	<u>W 7,033,121</u>

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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) on valuation using the equity method	Capital Adjustments	Other increase (decrease)	Balance as of Dec. 31, 2002
Woori Bank	W 2,764,400	W 1,439,942	W 484,040	W (188,239)	W 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>W 3,844,454</u>	<u>W 1,510,898</u>	<u>W 20,756</u>	<u>W 686,011</u>	<u>W 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 six-month period ended June 30, 2003 are as follows (Unit: Korean won in millions):

	Acquisition amount	Retained earnings	Dividends received	Total
Woori Bank	W	W (45)	W (138,220)	W (138,265)
Kyongnam Bank			(5,180)	(5,180)
Kwangju Bank		(20)	(3,408)	(3,428)
Woori Credit Card Co., Ltd.	200,000			200,000
Woori F&I Co., Ltd.			(1,500)	(1,500)
Woori Third Asset Securitization Specialty Co., Ltd.		(9,890)		(9,890)
Woori Securities Co., Ltd.			(5,300)	(5,300)
	<u>W 200,000</u>	<u>W (9,955)</u>	<u>W (153,608)</u>	<u>W 36,437</u>

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) amount	Retained earnings	Dividends received	Total
Woori Bank (*1)	W (22,582)	W (110,369)	W (55,288)	W (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>W 877,418</u>	<u>W (126,031)</u>	<u>W (65,376)</u>	<u>W 686,011</u>
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(*1) Woori Bank recorded a gain on disposition of the investment securities from WITM amounting to W17,715 million (US\$14,848 thousand) and a loss on disposition of the investment securities from Woori Securities amounting to W40,297 million (US\$33,775 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 six-month period ended June 30, 2003 are as follows (Unit: Korean won in millions):

	Beginning balance	Increase (decrease)	Amortization	Ending balance
Woori Bank	W 274,097	W	W 7,614	W 266,483
Kyongnam Bank	8,010		223	7,787
Kwangju Bank	17,409		484	16,925
Woori Credit Card Co., Ltd.	25,850		718	25,132
Woori Investment Bank	5,456		152	5,304
Woori Finance Information System Co., Ltd.	(37)		(18)	(19)
Woori F&I Co., Ltd.	89		2	87
Woori Securities Co., Ltd.	237		118	119
	<u>W 331,111</u>	<u>W</u>	<u>W 9,293</u>	<u>W 321,818</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 at acquisition	Increase (decrease)	Amortization	Balance as of Dec. 31, 2002
Woori Bank	W 328,323	W (22,582)	W 31,644	W 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>W 391,605</u>	<u>W (22,582)</u>	<u>W 37,912</u>	<u>W 331,111</u>

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

	Operating income	Operating expenses	Non-operating income	Non-operating expenses	Total
Woori Bank	W (3,645)	W	W 2,053	W	W (1,592)
Kyongnam Bank				54	54
Woori Credit Card Co., Ltd.				245	245

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Woori Finance Information System Co., Ltd.	(4,111)	3,746	_____	_____	(365)
	<u>W (7,756)</u>	<u>W 3,746</u>	<u>W 2,053</u>	<u>W 299</u>	<u>W (1,658)</u>

(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.

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4. LOANS:

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

	Issuance date	Maturity date	Interest rate (%)	Korean won		US dollars (Note 2)	
				Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002
				(In millions)		(In thousands)	
Woori Finance Information System (*1)	Apr. 25, 2002	Apr. 25, 2006	7.80	W 30,000	W 30,000	US\$ 25,145	US\$ 25,145
	Oct. 31, 2002	Oct. 31, 2006	7.30	150,000	150,000	125,723	125,723
				<u>180,000</u>	<u>180,000</u>	<u>150,868</u>	<u>150,868</u>
Woori F&I (*2)	Sep. 27, 2002	Sep. 27, 2006	7.60		400		335
	Dec. 20, 2002	Dec. 20, 2006	7.60	24,200	34,200	20,283	28,665
	Mar. 25, 2003	Mar. 25, 2007	7.30	90,000		75,434	
				<u>114,200</u>	<u>34,600</u>	<u>95,717</u>	<u>29,000</u>
WASS1:							
1-1 non-guaranteed privately placed bond (*3)	Dec. 21, 2001	Dec. 21, 2010	6.24		4,360		3,655
1-2 non-guaranteed privately placed bond (*4)	Dec. 21, 2001	Dec. 21, 2010	7.50	173,375	184,487	145,315	154,628
				<u>173,375</u>	<u>188,847</u>	<u>145,315</u>	<u>158,283</u>
WASS2:							
2-1 non-guaranteed privately placed bond (*4)	Jan. 8, 2002	Jan. 8, 2012	7.50	18,536	59,936	15,536	50,236
WASS3:							
3-1 non-guaranteed privately placed bond (*4)	Apr. 15, 2002	Apr. 15, 2012	7.80	29,790	65,205	24,969	54,651
Woori Bank:							
1 st non-guaranteed subordinated convertible bonds	Sep. 27, 2002	Sep. 27, 2012	(*5)	150,000	150,000	125,723	125,723
2 nd non-guaranteed subordinated convertible bonds	Oct. 30, 2002	Oct. 30, 2012	(*5)	200,000	200,000	167,631	167,631
3 rd non-guaranteed subordinated convertible bonds	Nov. 28, 2002	Nov. 28, 2012	(*5)	250,000	250,000	209,538	209,538
				<u>600,000</u>	<u>600,000</u>	<u>502,892</u>	<u>502,892</u>
Woori Credit Card:							
Non-guaranteed subordinated privately placed	Dec. 27, 2002	Dec. 27, 2008	6.62%		200,000		167,630

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bond (*6)

Kwangju Bank:

	Dec. 31, 2012	Dec. 31, 2012	(*7)				
Non-guaranteed subordinated convertible bonds				50,000	50,000	41,907	41,907
Total				W 1,165,901	W 1,378,588	US\$ 977,204	US\$ 1,155,467
Allowance for possible loan losses				W 143,523	W 147,381	US\$ 120,295	US\$ 123,528
Net				W 1,022,378	W 1,231,207	US\$ 856,909	US\$ 1,031,939

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- (*1) Loans to finance the transaction among Woori Bank, WCC, and WFIS, in which Woori Bank and WCC transferred their IT equipments 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 paid entirely as of January 30, 2003.
- (*4) The principal of the non-guaranteed privately placed bonds listed above shall be fully paid on the maturity date, however, the trustees may early exercise redemption rights to pay in part or in whole the principal in accordance with the business trust contract pursuant to the asset securitization plan.
- (*5) The coupon rate on the bonds is zero and the guaranteed return is 148.02%. The conversion price is W5,000 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.
- (*6) Early paid entirely as of March 27, 2003.
- (*7) The coupon rate on the bonds is zero and guaranteed return is 155.29%. The conversion price is W5,000 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 June 30, 2003 and December 31, 2002 are as follows:

	Korean won		US dollars (Note 2)	
	Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002
	(In millions)		(In thousands)	
Loan:				
Woori F&I	W 571	W 173	US\$ 479	US\$ 145
Woori Finance Information System	900	900	754	754
Woori Bank	3,000	3,000	2,514	2,514
Woori Credit Card		1,000		838
Kwangju Bank	250	250	210	210
Woori First Asset Securitization Specialty	138,560	131,869	116,135	110,526
Woori Second Asset Securitization Specialty	93	300	78	252
Woori Third Asset Securitization Specialty	149	9,889	125	8,289
Sub-total	143,523	147,381	120,295	123,528
Other asset:				
Long-term accrued interest income	84		70	
	W 143,607	W 147,381	US\$ 120,365	US\$ 123,528

6. FIXED ASSETS:

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

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	Korean Won		US Dollars (Note 2)	
	Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002
	(In millions)		(In thousands)	
Tangible assets				
Vehicles	W 104	W 104	US\$ 87	US\$ 87
Furniture and equipment	542	523	454	438
Structures in leased offices	120	121	101	101
	<u>766</u>	<u>748</u>	<u>642</u>	<u>626</u>
Less: Accumulated depreciation	(494)	(424)	(414)	(355)
	<u>272</u>	<u>324</u>	<u>228</u>	<u>271</u>
Intangible assets	115	50	96	42
	<u>W 387</u>	<u>W 374</u>	<u>US\$ 324</u>	<u>US\$ 313</u>

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7. OTHER ASSETS:

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

	Korean won		US dollars (Note 2)	
	Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002
	(In millions)		(In thousands)	
Guarantee deposits	W 3,871	W 3,871	US\$ 3,244	US\$ 3,244
Other receivables	674	100	565	84
Accrued income	20,309	8,933	17,022	7,487
Currency swaps (Notes 9 and 11)		440		369
Prepaid expenses	1,077	1,887	902	1,582
Prepaid income tax	3,896	6,964	3,266	5,837
Total	29,827	22,195	24,999	18,603
Allowance for losses for accrued interest	84		70	
Net	W 29,743	W 22,195	US\$ 24,929	US\$ 18,603

8. BORROWINGS:

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

	Annual interest rate (%)	Maturity	Korean won		US dollars (Note 2)	
			Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002
			(In millions)		(In thousands)	
Seoul Bank	(*1)	Oct. 30, 2003	W 200,000	W 200,000	US\$ 167,631	US\$ 167,631
KorAm Bank (*2)	(*1)	Oct. 31, 2003		100,000		83,815
			W 200,000	W 300,000	US\$ 167,631	US\$ 251,446

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

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

9. DEBENTURES:

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

1) Bonds

Korean won

US dollars (Note 2)

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	<u>Issuing</u> <u>date</u>	<u>Interest</u> <u>rate</u> <u>(%)</u>	<u>Maturity</u>	<u>Jun. 30, 2003</u>	<u>Dec. 31, 2002</u>	<u>Jun. 30, 2003</u>	<u>Dec. 31, 2002</u>
				(In millions)		(In thousands)	
The 2nd bonds	Sep. 28, 2001	5.00	Sep. 28, 2004	W 300,000	W 300,000	US\$ 251,446	US\$ 251,446
The 3rd bonds	Dec. 3, 2001	5.93	Dec. 3, 2004	300,000	300,000	251,446	251,446
The 4th bonds	Dec. 17, 2001	6.00	Dec. 17, 2004	150,000	150,000	125,723	125,723
The 5th bonds	Dec. 28, 2001	6.86	Jun. 28, 2004	300,000	300,000	251,446	251,446
The 7th bonds	Nov. 27, 2002	5.80	Nov. 27, 2005	300,000	300,000	251,446	251,446
The 8th bonds	Dec. 26, 2002	6.05	Dec. 26, 2007	200,000	200,000	167,630	167,630
Total				1,550,000	1,550,000	1,299,137	1,299,137
Less: discounts				(8,949)	(12,012)	(7,501)	(10,068)
				W 1,541,051	W 1,537,988	US\$ 1,291,636	US\$ 1,289,069

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2) Bonds with warrants

	Issuing date	Interest rate (%)	Maturity	Korean won		US dollars (Note 2)	
				Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002
				(In millions)		(In thousands)	
The 1 st bonds with warrants	Jul. 16, 2001	5.00	Jul. 16, 2003	W 66,680	W 66,680	US\$ 55,888	US\$ 55,888
Less: discounts				(17)	(220)	(14)	(184)
				<u>W 66,663</u>	<u>W 66,460</u>	<u>US\$ 55,874</u>	<u>US\$ 55,704</u>

The Company is obligated to issue new common shares upon the requests of the bondholders. The exercise price is W5,000 (US\$4.19) and the warrants are exercisable from October 17, 2001 to June 16, 2003. Since the issuance date, the common shares, which have been issued due to exercise of warrants, were 12,046,301 shares.

3) Convertible bonds

	Issuing date	Interest rate (%)	Maturity	Korean won		US dollars (Note 2)	
				Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002
				(In millions)		(In thousands)	
The subordinated convertible bonds	Mar. 26, 2003		Mar. 26, 2006	W 20,000	W	US\$ 16,764	US\$
Add: redemption premium				2,314		1,939	
Less: reconciliation for conversion rights				(3,036)		(2,545)	
				<u>W 19,278</u>	<u>W</u>	<u>US\$ 16,158</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 W5,380 (US\$4.5) 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 exercised shares, if exercised, until September 26, 2004.

- (2) Debentures in foreign currencies as of June 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	
				Jun. 30, 2003	Dec. 31, 2002
				(In thousands)	
Floating rate notes		(*1)		US\$ 150,000	US\$ 150,000

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	Nov. 2, 2001		Nov. 2, 2004		
Less: Discount				(322)	(438)
				US\$ 149,678	US\$ 149,562
Translation into Korean won				W 178,581	W 179,534
Yen denominated bonds	Jan. 16, 2002	1.74	Jan. 16, 2004	JPY 15,000,000	JPY 15,000,000
Less: Discount				(20,695)	(39,604)
				JPY 14,979,305	JPY 14,960,396
Translation into Korean won				W 149,255	W 151,530
Total				W 327,836	W 331,064

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

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2) Convertible bonds in foreign currency

	Issuing date	Annual interest rate (%)	Maturity	Foreign currency	
				Jun. 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				801	276
				<u>US\$ 36,801</u>	<u>US\$ 36,276</u>
Translation into Korean won				W 43,915	W 44,474
Convertible bonds (*2)	Dec. 12, 2002		Dec. 12, 2005	US\$ 16,000	US\$ 16,000
Long-term accrued interest				232	13
				<u>US\$ 16,232</u>	<u>US\$ 16,013</u>
Translation into Korean won				W 19,371	W 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				(4,136)	
				<u>US\$ 37,528</u>	<u>US\$</u>
Translation into Korean won				W 44,772	W
Total				<u>W 108,058</u>	<u>W 63,738</u>

(*1) 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 W 7,313 per share (conversion-exchange rate applied was W1,201.4: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 exercised shares, if exercised, until one and half year after the issuance date.

(*2) 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 W5,588 per share (conversion-exchange rate applied was W1,215.8: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 exercised shares, if exercised, until one and a half year after the issuance date.

(*3)

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The unguaranteed subordinated privately placed bonds of US\$39 million were issued to LBIE on March 26, 2002. 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 W5,380 per share (conversion-exchange rate applied was W1,194.9: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 exercised shares, if exercised, until one and a half year after the issuance date.

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- (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 June 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
			Jun. 30, 2003	Dec. 31, 2002	
Swap 1	Nov. 7, 2001	Nov. 2, 2004	US\$ 50,000 64,650	US\$ 50,000 64,650	Receipt: LIBOR (6 months) + 1.6% Payment: Annual rate of 6.90% in every 3 months
Swap 2	Nov. 18, 2001	Nov. 2, 2004	US\$ 99,496 128,888	US\$ 99,496 128,888	Receipt: LIBOR (6 months) + 1.6% Payment: CD interest rate (3 months) + 1.5%
Swap 3	Jan. 28, 2002	Jan. 16, 2004	JPY 14,924,633 147,754	JPY 14,924,633 147,754	Receipt: Annual rate of 1.74% in every 6 months Payment: CD interest rate (91 days) + 1.59%
Swap 4	Sep. 27, 2002	Sep. 27, 2005	US\$ 36,000 44,136	US\$ 36,000 44,136	Receipt: Compound interest rate of 2.9245% (6 month) Payment: Annual rate of 5%
Swap 5	Dec. 20, 2002	Dec. 20, 2005	US\$ 16,000 19,248	US\$ 16,000 19,248	Receipt: Compound interest rate of 2.7335% (6 month) Payment: Annual rate of 4.84%
Swap 6	Mar. 26, 2003	Mar. 26, 2006	US\$ 39,000 48,633		Receipt: Compound interest rate of 2.215% (6 month) Payment: Annual rate of 3.04%

For the six-month period ended June 30, 2003, gains on valuation of swaps of W1,392 million (US\$1,166 thousand) and losses on valuation of W6,817 million (US\$5,714 thousand) were recorded in connection with Swap 1, Swap 2, Swap 3, Swap 4, Swap 5 and Swap 6. For the six-month period ended June 30, 2002, gains on valuation of W1,548 million (US\$1,297 thousand) and losses on valuation of W18,613 million (US\$15,600 thousand) were recorded in connection with Swap 1, Swap 2, and Swap 3.

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 June 30, 2003 amounted to W1,235 million (US\$1,035 thousand).

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

	Korean won	US dollars (Note 2)
	(In millions)	(In thousands)
Beginning balance	W 968	US\$ 811
Retirement benefits	267	224
Payment for severance benefits		
Ending balance	W 1,235	US\$ 1,035

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The Company has purchased an employee retirement trust and made deposits in Woori Bank as of June 30, 2003. The deposits, amounting to W581 million (US\$487 thousand) as of June 30, 2003, are presented as a deduction from accrued severance indemnities.

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11. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES:

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

	Korean won		Foreign currencies	
	Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002
	(In millions)		(In thousands)	
(Assets)				
Currency swaps	W	W 440	US\$	US\$ 43,403
(Liabilities)				
Debentures in foreign currencies	178,581	179,534	US\$ 149,678	US\$ 149,562
	149,255	151,530	JPY 14,979,305	JPY 14,960,396
	42,952	44,136	US\$ 36,000	US\$ 36,000
	19,089	19,248	US\$ 16,000	US\$ 16,000
	46,531		US\$ 39,000	US\$
Long-term accrued interest payables	963	338	US\$ 802	US\$ 276
	281	16	US\$ 232	US\$ 13
Redemption premium	3,184		US\$ 2,664	
Reconciliation for conversion rights	(4,943)		US\$ (4,136)	
	W 435,893	W 394,802		
Accrued expenses	W 1,097	W 1,104	US\$ 920	US\$ 920
	543	553	JPY 54,495	JPY 54,611
	1,640	1,657		
Currency swaps	6,599	14,911	US\$ 5,531	US\$ 12,422
	7,715		US\$ 6,466	US\$
	2,069		JPY 207,659	JPY
	2,044		US\$ 1,713	US\$
	486		US\$ 407	US\$
	984		US\$ 825	US\$
	19,897	14,911		
	W 457,430	W 411,370		

12. OTHER LIABILITIES:

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

	Korean won		US dollars (Note 2)	
	Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002
	(In millions)		(In thousands)	

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Accrued severance benefits	W 1,235	W 968	US\$ 1,035	US\$ 811
Deposits with employee retirement trust (Note 10)	(581)	(581)	(487)	(487)
Accrued expenses (Note 11)	10,067	10,228	8,437	8,573
Other payables	539	143	452	120
Withholdings	118	103	99	86
Currency swaps (Notes 9 and 11)	19,896	14,911	16,676	12,498
	<u>W 31,274</u>	<u>W 25,772</u>	<u>US\$ 26,212</u>	<u>US\$ 21,601</u>

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13. SHAREHOLDERS EQUITY:

The Company has 2,400,000,000 authorized shares of common stock, W5,000 par value, of which 775,504,910 common shares [W3,877,525 million (US\$3,249,958 thousand)] and 767,814,797 common shares [W3,839,074 million (US\$3,217,730 thousand)] were issued and outstanding as of June 30, 2003 and December 31, 2002, respectively.

The changes in the capital stock of the Company during the period from the incorporation to June 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	W 3,637,293	W
June 12, 2002	Issue of new shares	36,000,000	180,000	58,646
In 2002	Exercise of warrants	4,356,188	21,781	
		<u>767,814,797</u>	<u>W 3,839,074</u>	<u>W 58,646</u>
In 2003	Exercise of warrants	7,690,113	38,451	(30)
		<u>775,504,910</u>	<u>W 3,877,525</u>	<u>W 58,616</u>

Other capital surplus consists of consideration for conversion rights in the amounts of W2,215 million (US\$1,857 thousand) and W997 million (US\$836 thousand) of subordinated convertible bonds in Korean won issued on March 3, 2003 and subordinated convertible bonds in U.S. dollar on March 26, 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 W6,800 per share). In addition, for the remaining 40 percent of the total number of stock options granted, of which the exercise price is W6,800 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 June 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:

Description

Application

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%

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Description	Application
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	W6,800 per share
Fair value	W2,081 per share

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

Description	The Company	Subsidiaries	Total
Total stock option costs	W 936	W 2,310	W 3,246
Recorded in 2002	39	96	135
Recorded in the first half of 2003	234	578	812
To be recorded thereafter	663	1,636	2,299

As for the managements of the subsidiaries, each subsidiary is responsible of absorbing of 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 (RESTATED):

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

	Korean won	US dollars (Note 2)
	(In millions) (restated)	(In thousands) (restated)
Net income	W 507,502	US\$ 425,364
Permanent differences		
Addition;		
Gain on valuation of investment securities	385,111	322,782
Deemed interest income	21,034	17,630
Reconciliation for convertible rights	3,212	2,692
Other	1,059	887
	<u>410,416</u>	<u>343,991</u>
Deduction;		
Dividend	124,429	104,291
Investment securities	9,955	8,343
	<u>134,384</u>	<u>112,634</u>
	<u>276,032</u>	<u>231,357</u>
Temporary differences:		
Addition;		
Investment securities	1,338,480	1,121,851
Other	174,282	146,075
	<u>1,512,762</u>	<u>1,267,926</u>
Deduction;		

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Investment securities	2,109,483	1,768,070
Other	185,921	155,830
	<u> </u>	<u> </u>
	2,295,404	1,923,900
Total	(782,642)	(655,974)
	<u> </u>	<u> </u>
Net income after tax adjustments	W 892	US\$ 747
	<u> </u>	<u> </u>
Tax loss carryforwards	892	747
	<u> </u>	<u> </u>
Taxable Income	W	US\$
	<u> </u>	<u> </u>

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

	<u>Jan. 1, 2003 (*1)</u>	<u>Addition</u>	<u>Deduction</u>	<u>June 30, 2003</u>	<u>Deferred tax assets (liabilities)(*3)</u>
		<u>(restated)</u>	<u>(restated)</u>	<u>(restated)</u>	<u>(restated)</u>
Investment securities (*2)	W (1,338,480)	W (2,109,483)	W (1,338,480)	W (2,109,483)	W (26,901)
Swap contracts	14,472	19,897	14,472	19,897	5,909
Accrued income	(5,098)	(3,506)	(5,098)	(3,506)	(1,041)
Accrued severance benefits		160		160	47
Depreciation	18	2	4	16	5
Accrued expenses	2,903	833	2,903	833	247
Allowance for doubtful accounts	133,556	131,948	133,556	131,948	39,189
Accounts receivable	(96)	(577)		(673)	(200)
Long-term accrued interest payables	354	891		1,245	370
Long-term accrued interest income	(3,835)	(12,969)		(16,804)	(4,991)
Amortization of discounts on debentures		5,498		5,498	1,633
Adjustment of conversion rights		(7,979)		(7,979)	(2,370)
	<u>(1,196,206)</u>	<u>(1,975,285)</u>	<u>(1,192,643)</u>	<u>(1,978,848)</u>	<u>11,897</u>
Loss carryforwards	<u>39,793</u>		<u>892</u>	<u>38,901</u>	<u>11,554</u>
	<u>W (1,156,413)</u>	<u>W (1,975,285)</u>	<u>W (1,191,751)</u>	<u>W (1,939,947)</u>	<u>W 23,451</u>

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

(*2) The Company estimates the deferred income tax effect for the gain on valuation using the equity method by considering each subsidiary's temporary difference between acquisition costs and its ending balance and its realizability. The taxable temporary differences resulting from the gain on valuation using the equity method, which are expected to be realizable, amounted to W90,578 million (US\$75,918 thousand) as of June 30, 2003.

(*3) 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>
		<u>(restated)</u>	<u>(restated)</u>	
2001	W 25,588	W 892	W 24,696	2006
2002	14,205		14,205	2007
	<u>W 39,793</u>	<u>W 892</u>	<u>W 38,901</u>	

16. GENERAL AND ADMINISTRATIVE EXPENSES:

General and administrative expenses for the six-month periods ended June 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>

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	(In millions)		(In thousands)	
Salaries, wages and bonuses	W 3,360	W 3,820	US\$ 2,816	US\$ 3,202
Provision for severance benefits	267	699	224	586
Fringe benefits	239	280	200	235
Rent	1,169	1,185	980	993

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	Korean won		US dollars (Note 2)	
	2003	2002	2003	2002
	(In millions)		(In thousands)	
Entertainment	257	271	215	227
Depreciation	70	133	59	111
Amortization on intangible assets	7	5	6	4
Taxes and dues	43	44	36	37
Advertising	5,267	5,811	4,414	4,870
Travel	107	243	90	204
Telecommunications	37	37	31	31
Commissions	570	323	478	271
Suppliers	49	60	41	51
Stock compensation (Note 14)	234		196	
Other	673	238	564	199
	<u>W 12,349</u>	<u>W 13,149</u>	<u>US\$ 10,350</u>	<u>US\$ 11,021</u>

General and administrative expenses for the three-month periods ended June 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	W 1,425	W 1,564	US\$ 1,195	US\$ 1,311
Provision for severance benefits	210	699	176	586
Fringe benefits	98	121	82	101
Rent	582	587	488	492
Entertainment	149	163	125	137
Depreciation	36	67	30	56
Amortization on intangible assets	4	4	3	3
Taxes and dues	21	29	18	24
Advertising	728	5,718	610	4,793
Travel	67	210	56	176
Telecommunications	19	19	16	16
Commissions	311	221	261	185
Suppliers	22	25	18	21
Stock compensation (Note 14)	117		98	
Other	428	115	359	97
	<u>W 4,217</u>	<u>W 9,542</u>	<u>US\$ 3,535</u>	<u>US\$ 7,998</u>

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17. FINANCIAL INFORMATION OF SUBSIDIARIES (RESTATED):

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

Company	Total assets	Total liabilities	Total stockholders' equity (capital deficiency)
	(restated)	(restated)	(restated)
Woori Bank	W 96,904,359	W 91,591,301	W 5,313,058
Kyongnam Bank	10,993,727	10,523,669	470,058
Kwangju Bank	8,773,039	8,442,804	330,235
Woori Credit Card	3,840,061	3,756,399	83,662
Woori Investment Bank	1,627,193	1,367,043	260,150
Woori Finance Information System	253,894	247,463	6,431
Woori F&I	153,217	121,630	31,587
Woori First Asset Securitization Specialty	35,655	174,216	(138,561)
Woori Second Asset Securitization Specialty	58,259	65,942	(7,683)
Woori Third Asset Securitization Specialty	32,187	90,071	(57,884)
Woori Investment Trust Management	41,629	6,797	34,832
Woori Securities	628,473	269,388	359,085
	W 123,341,693	W 116,656,723	W 6,684,970

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

Company	Operating revenue	Operating expense	Net operating profit (loss)	Ordinary income (loss)	Net income (loss)
	(restated)	(restated)	(restated)	(restated)	(restated)
Woori Bank	W 3,842,512	W 3,151,795	W 690,717	W 914,002	W 815,430
Kyongnam Bank	363,884	327,967	35,917	31,544	58,305
Kwangju Bank	293,912	272,949	20,963	27,173	42,643
Woori Credit Card	542,746	918,836	(376,090)	(347,509)	(409,838)
Woori Investment Bank	140,262	141,554	(1,292)	39,805	39,805
Woori Finance Information System	129,221	125,413	3,808	4,890	3,670
Woori F&I	9,042	6,415	2,627	14,569	9,072
Woori First Asset Securitization Specialty	764	7,445	(6,681)	(6,692)	(6,692)
Woori Second Asset Securitization Specialty	12,443	6,614	5,829	5,819	5,819
Woori Third Asset Securitization Specialty	2,782	5,743	(2,961)	(2,934)	(2,934)
Woori Investment Trust Management	4,160	2,487	1,673	1,741	1,186
Woori Securities	88,495	87,033	1,462	(15,864)	(13,825)
	W 5,430,223	W 5,054,251	W 375,972	W 666,544	W 542,641

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

1) Major debt

Company	Deposits	Borrowings	Debentures	Total
	(restated)	(restated)	(restated)	(restated)
Woori Finance Holdings	W	W 200,000	W 2,062,886	W 2,262,886
Woori Bank	70,253,719	9,837,806	6,182,051	86,273,576
Kyongnam Bank	8,324,290	1,510,159	310,091	10,144,540
Kwangju Bank	6,522,252	1,221,203	200,520	7,943,975
Woori Credit Card		826,975	2,824,968	3,651,943
Woori Investment Bank	1,260,206	29,073		1,289,279
Woori Finance Information System		180,000		180,000
Woori F&I		114,200		114,200
Woori First Asset Securitization Specialty			173,375	173,375
Woori Second Asset Securitization Specialty			18,536	18,536
Woori Third Asset Securitization Specialty			29,790	29,790
Woori Investment Trust Management	56			56
Woori Securities	161,845	72,128		233,973
	W 86,522,368	W 13,991,544	W 11,802,217	W 112,316,129

2) Major assets

Company	Cash and due from banks	Securities	Loans	Total
		(restated)	(restated)	(restated)
Woori Finance Holdings	W 140,500	W 7,033,121	W 1,022,378	W 8,195,999
Woori Bank	3,656,433	19,838,475	67,957,011	91,451,919
Kyongnam Bank	1,001,491	3,117,265	6,282,363	10,401,119
Kwangju Bank	391,632	2,612,765	5,173,867	8,178,264
Woori Credit Card	851,400	1,055,007	1,750,753	3,657,160
Woori Investment Bank	188,240	285,970	391,808	866,018
Woori Finance Information System	16,908	90		16,998
Woori F&I	45,642	103,618		149,260
Woori First Asset Securitization Specialty	35,177			35,177
Woori Second Asset Securitization Specialty	7,784	33,286	17,066	58,136
Woori Third Asset Securitization Specialty	3,047	26,961	2,172	32,180
Woori Investment Trust Management	31,130	339	1,800	33,269
Woori Securities	296,101	188,682	37,502	522,285
	W 6,665,485	W 34,295,579	W 82,636,720	W 123,597,784

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

Company	Loans subject to allowance for		% of allowance to loans
	possible loan losses	Allowance	
		(restated)	(restated)
Woori Bank	W 69,392,395	W 1,435,384	2.07
Kyongnam Bank	6,400,418	118,055	1.84
Kwangju Bank	5,255,926	82,059	1.56
Woori Credit Card	2,157,035	406,282	18.84
Woori Investment Bank	446,046	54,238	12.16
Woori Second Asset Securitization Specialty	19,416	2,350	12.10
Woori Third Asset Securitization Specialty	6,698	4,526	67.57
Woori Securities	59,147	21,645	36.60
Total	W 83,737,081	W 2,124,539	2.54

18. CONTRIBUTIONS TO NET INCOME BY SUBSIDIARIES (RESTATED):

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

Company	Korean won	US dollars	Ratio
	(In millions) (restated)	(Note 2) (In thousands) (restated)	(%) (restated)
Woori Bank	W 806,224	US\$ 675,739	146.7
Kyongnam Bank	58,136	48,727	10.6
Kwangju Bank	42,159	35,336	7.7
Woori Credit Card	(410,312)	(343,904)	(74.7)
Woori Investment Bank	39,653	33,235	7.2
Woori Finance Information System	3,324	2,786	0.6
Woori F&I	9,069	7,601	1.7
Woori Second Asset Securitization Specialty	7,496	6,282	1.3
Woori Third Asset Securitization Specialty	(2,934)	(2,459)	(0.5)
Woori Investment Trust Management	1,186	994	0.2
Woori Securities	(4,547)	(3,811)	(0.8)
Gain on valuation using the equity method	549,454	460,526	100.0
Other income	49,717	41,670	
Other expenses	(91,669)	(76,832)	
Net income	W 507,502	US\$ 425,364	

19. TRANSACTIONS WITH RELATED PARTIES:

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

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	Korean won		US dollars (Note 2)		Account
	Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002	
	(In millions)		(In thousands)		
Woori Bank	W113,427	W 51,757	US\$ 95,069	US\$ 43,380	Cash and bank deposits
	600,000	600,000	502,892	502,892	Loans
	3,846	3,846	3,224	3,224	Guarantee deposits
	303	43	254	36	Other receivables
	15,782	3,905	13,228	3,273	Accrued income

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	Korean won		US dollars (Note 2)		Account
	Jun. 30, 2003	Dec. 31, 2002	Jun. 30, 2003	Dec. 31, 2002	
	(In millions)		(In thousands)		
		440		369	Currency swaps (assets)
	19,897	14,911	16,677	12,498	Currency swaps (liabilities)
Kyongnam Bank	15,976	10,595	13,390	8,880	Cash and bank deposits
	12	12	10	10	Accrued income
Kwangju Bank	11,077	10,898	9,284	9,134	Cash and bank deposits
	50,000	50,000	41,908	41,908	Loans
	1,117	9	936	8	Accrued income
Woori Credit Card		200,000		167,631	Loans
	82	12	69	10	Other receivables
		147		123	Accrued income
	100	92	84	77	Other payables
Woori Investment Bank	52	7	44	6	Other receivables
Woori Finance Information System	180,000	180,000	150,867	150,867	Loans
	82	12	69	10	Other receivables
	2,233	2,235	1,872	1,873	Accrued income
	62		52		Other payables
	47		39		Accrued expenses
Woori F&I	114,200	34,600	95,717	29,000	Loans
		78		65	Accrued income
Woori First Asset Securitization Specialty	173,375	188,847	145,315	158,283	Loans
	353	431	296	361	Accrued income
Woori Second Asset Securitization Specialty	18,536	59,936	15,536	50,236	Loans
	321	1,038	269	870	Accrued income
Woori Third Asset Securitization Specialty	29,790	65,204	24,969	54,651	Loans
	492	1,078	412	904	Accrued income
Woori Investment Trust Management	39	6	33	5	Other receivables
Woori Credit Information	49	7	41	6	Other receivables
Woori CA Asset Management	67		56		Other receivables
Principal guaranteed trust accounts of Woori Bank	581	581	487	487	Deposits with employee retirement trust

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

	Korean won		US dollars (Note 2)		Account
	2003	2002	2003	2002	
	(In millions)		(In thousands)		
Woori Bank	₩2,349	₩ 432	US\$ 1,969	US\$ 392	Interest income

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	11,859		9,940		Interest income
	598	3,048	501	2,555	Gain on valuation of swap contracts
	6,023	1,190	5,048	997	Loss on valuation of swap contracts
	992	546	831	458	Rent
Kyongnam Bank	236	32	198	27	Interest income
Kwangju Bank	209	32	175	27	Interest income

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	Korean won		US dollars (Note 2)		Account
	2003	2002	2003	2002	
	(In millions)		(In thousands)		
Kwangju Bank	209	32	175	27	Interest income
	1,110		930		Interest income
Woori Credit Card	3,163		2,651		Interest income
Woori Finance Information System	6,643		5,568		Interest income
	185		155		Other administrative expenses
Woori F&I	2,848		2,387		Interest income
Woori First Asset Securitization Specialty	6,514	10,021	5,460	8,399	Interest income
Woori Second Asset Securitization Specialty	1,001	3,091	839	2,591	Interest income
Woori Third Asset Securitization Specialty	1,427		1,196		Interest income

(3) Transfer of credit card subscriber base

Pursuant to a transfer agreement between Kwangju Bank, one of the Company's subsidiaries and WCC dated December 23, 2002, Kwangju Bank sold its credit card subscriber base to WCC for W27 billion (US\$23 million) on February 28, 2003.

20. EARNINGS PER COMMON SHARES:

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

	Korean won			
	2003		2002	
	Three-month	Six-month	Three-month	Six-month
	(In millions, except for income per share data)			
	(restated)		(restated)	
Net income on common shares	W 325,563	W 507,502	W 277,499	W 146,992
Extraordinary gain (loss)				
Income tax effect on extraordinary gain (loss)				
Ordinary income on common shares	W 325,563	W 507,502	W 277,499	W 146,992
Weighted average number of common shares outstanding	767,944,624	767,880,412	734,729,608	731,094,109
Basic ordinary income per common shares	424	661	378	201
Basic net income per common shares	W 424	W 661	W 378	W 201

US dollars (Note 2)

2003	2002
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	Three-month	Six-month	Three-month	Six-month
	(In thousands, except for income per share data)			
	(restated)	(restated)		
Net income on common shares	US\$ 272,872	US\$ 425,364	US\$ 232,587	US\$ 123,202
Extraordinary gain (loss)				
Income tax effect on extraordinary gain (loss)				
Ordinary income on common shares	US\$ 272,872	US\$ 425,364	US\$ 232,587	US\$ 123,202
Weighted average number of common shares outstanding	767,944,624	767,880,412	734,729,608	731,094,109
Basic ordinary income per common shares	US\$ 0.355	US\$ 0.554	US\$ 0.317	US\$ 0.168
Basic net income per common shares	US\$ 0.355	US\$ 0.554	US\$ 0.317	US\$ 0.168

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

	Korean won			
	2003		2002	
	Three-month	Six-month	Three-month	Six-month
	(restated)	(restated)		
	(In millions, except for income per share data)			
Diluted net income on common shares	W 326,449	W 508,806	W 277,614	W 146,992
Extraordinary gain (loss)				
Income tax effect on extraordinary gain (loss)				
Diluted ordinary income on common shares	W 326,449	W 508,806	W 277,614	W 146,992
Weighted average number of common and dilutive common shares outstanding	790,120,180	783,910,021	738,206,337	734,597,519
Diluted ordinary income per common shares	413	649	376	200
Diluted net income per common shares	W 413	W 649	W 376	W 200
	US dollars (Note 2)			
	2003		2002	
	Three-month	Six-month	Three-month	Six-month
	(restated)	(restated)		
	(In thousands, except for income per share data)			
Diluted net income on common shares	US\$ 273,614	US\$ 426,457	US\$ 232,683	US\$ 123,202
Extraordinary gain (loss)				
Income tax effect on extraordinary gain (loss)				
Diluted ordinary income on common shares	US\$ 273,614	US\$ 426,457	US\$ 232,683	US\$ 123,202
Weighted average number of common and dilutive common shares outstanding	790,188,490	783,910,021	738,206,337	734,597,519
Diluted ordinary income per common shares	US\$ 0.346	US\$ 0.544	US\$ 0.315	US\$ 0.168
Diluted net income per common shares	US\$ 0.346	US\$ 0.544	US\$ 0.315	US\$ 0.168

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(3) Both of basic ordinary income (loss) per share and basic net income (loss) per share for the year ended December 31, 2002 were W786 and for the three-month periods ended March 31, 2003 and 2002 were W237 and W(180), respectively.

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

Item	Face value (In millions)	Exercise period	Common stock to be issued	Remarks
Convertible bonds	US\$ 36	Oct. 28, 2002 ~ Aug 27, 2005	5,914,180 shares	Using exchange rate of W1,201.4 convert 1 share at W7,313
Convertible bonds	US\$ 16	Jan. 21, 2003 ~ Nov. 20, 2005	3,481,173 shares	Using exchange rate of W1,215.8 convert 1 share at W5,588
Convertible bonds	W 20,000	Mar. 27, 2004 ~ Feb. 26, 2006	3,717,472 shares	Convert 1share at W5,380
Convertible bonds	US\$ 39	Mar. 27, 2004 ~ Feb. 26, 2006	8,661,914 shares	Using exchange rate of W1,194.9 concert 1 shares at W5,380
Stock options		Dec. 5, 2005 ~ Dec. 4, 2008	1,560,000 shares	(Note 14)

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21. CREDITS TO SK NETWORKS CO., LTD.(RESTATEd):

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) of W311 billion (US\$261 million). In connection, Woori Bank provided W185 billion (US\$155 million) as allowances for credit losses as of June 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.

22. RESTATEMENT OF THE INTERIM NON-CONSOLIDATED FINANCIAL STATEMENTS

After the issuance of the interim non-consolidated financial statements for the six months ended June 30, 2003, the Company discovered the events related to valuation of certain equity method investments that required adjustments of the previously issued financial statements and therefore, restated its interim non-consolidated financial statements, as explained below.

a. Woori Bank

For the six months ended June 30, 2003, Woori Bank, a subsidiary, in which the Company's investment is accounted for using the equity method of accounting, additionally recognized a reversal of allowances for possible losses on cash reserves of W61 billion (US\$51 million) and a reversal of allowances for possible losses on recourse obligations of W5 billion (US\$4 million), both of which are related to Hanvit Securitization Specialty Co., Ltd. (Hanvit SPCs), a reversal of impairment losses of W111 billion (US\$93 million), and interest incomes of W35 billion (US\$29 million) relating to available-for-sale securities purchased from those Hanvit SPCs, and dividends incomes of W28 billion (US\$23 million) from the Hanvit SPCs. In addition, gains on valuation of available-for-sale securities and allowances for loan losses decreased by W44 billion (US\$37 million) and W25 billion (US\$21 million), respectively, and impairment losses of held-to-maturity securities increased by W11 billion (US\$9 million).

Accordingly, Woori Bank's previously reported total assets of W96,698 billion (US\$81,048 million), total liabilities of W91,597 billion (US\$76,772 million), and total shareholders' equity of W5,101 billion (US\$4,276 million) as of June 30, 2003, and net income of W560 billion (US\$469 million) for the six months ended June 30, 2003 are adjusted to W96,904 billion (US\$81,220 million), W91,591 billion (US\$76,767 million), W5,313 billion (US\$4,453 million) and W815 billion (US\$683 million), respectively.

b. Woori Credit Card

For the six months ended June 30, 2003, Woori Credit Card (WCC), a subsidiary, in which the Company's investment is accounted for using the equity method of accounting, additionally recognized the allowance for possible losses on credit card accounts of W138 billion (US\$115 million) and impairment losses of available-for-sale securities of W26 billion (US\$22 million) based on the Financial Supervisory Service's directive to WCC to change asset classification for certain credit card accounts and properly record allowances for possible losses on those credit card accounts.

Accordingly, WCC's previously reported total assets of W4,004 billion (US\$3,356 million), total liabilities of W3,756 billion (US\$3,148 million), and total shareholders' equity of W248 billion (US\$208 million) as of June 30, 2003 and net loss of W246 billion (US\$206 million) for the six months ended June 30, 2003 are adjusted to W3,840 billion (US\$3,219 million), W3,756 billion (US\$3,148 million), W84 billion (US\$71 million), and W410 billion (US\$344 million), respectively.

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To reflect subsequent events described above, the Company increased investment securities of subsidiaries as of June 30, 2003 by W46 billion (US\$39 million) and additionally recorded gains on valuation of investments using the equity method of accounting of W89 billion (US\$75 million) and losses on valuation of equity securities (capital adjustment) of W43 billion (US\$36 million) for the six months ended June 30, 2003. As a result, the Company's previously reported total assets of W8,180 billion (US\$6,856 million), total liabilities of W2,294 billion (US\$1,923 million), and total shareholders' equity of W5,886 billion (US\$4,933 million) as of June 30, 2003, and net income of W418 billion (US\$350 million) for the six months ended June 30, 2003 are amended to W8,226 billion (US\$6,895 million), W2,294 billion (US\$1,923 million), W5,932 billion (US\$4,972 million), and W508 billion (US\$426 million), respectively.

23. SUBSEQUENT EVENTS:**a. 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. 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 W2,764.4 billion (US\$2,317 million) to W2,852.8 billion (US\$2,391 million).

b. 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.

c. Credit to WF&I

The Company provided loans amounting to W23 billion (US\$19 million) and W8.8 billion (US\$7 million) to WF&I on July 7, 2003 and July 29, 2003, respectively, in order to finance the acquisitions of the securitization debentures from special purpose entities and the investments in equity of those special purpose entities. The maturity date is 4 years following the lending date and the interest rate is 7.3%.

d. Agreements of credit line

The Company entered into agreements of line of credit with Korea First Bank on July 16, 2003, Shinhan Bank on August 21, 2003, and Samsung life insurance Co., Ltd., respectively, on September 15, 2003 which are summarized as follows (unit: Korean won in millions):

	<u>Line of credit</u>	<u>Interest rate</u>	<u>Fees</u>
Korea First Bank	W100,000	CD+1.5%	0.1%
Shinhan Bank	W200,000	CD+1.4%	0.1%
Samsung life insurance Co., Ltd.	W100,000	6.1%	

e. Issuance of new shares of Woori Credit Card

The Company purchased 128,000,000 of new shares of WCC for W640 billion (US\$536 million) on September 30, 2003. As a result, the number of issued common shares and the capital of WCC increased to 402,600,000 shares and W2,013 billion (US\$1,687 million), respectively.

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24. 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 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.

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SIGNATURES

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

Woori Finance Holdings Co., Ltd.

(Registrant)

Date: November 14, 2003

By: /s/ Won Gihl Sohn

(Signature)

Name: Won Gihl Sohn

Title: Managing Director