

WOORI FINANCE HOLDINGS CO LTD

Form 6-K

April 01, 2010

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 6-K  
REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934  
For the month of April 2010  
Woori Finance Holdings Co., Ltd.**

(Translation of Registrant's name into English)  
203, Hoehyon-dong, 1-ga, Chung-gu, Seoul, Korea 100-792  
(Address of principal executive offices)

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

Form 20-F  Form 40-F

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

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

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

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

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

Yes  No

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**Exhibit A- Financial Statements**

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

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**I. Company Overview**

**1. Purpose of the Company**

**a. Scope of Business**

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

(1) Corporate Management

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

(2) Corporate Management Support Activities

1. Funding for the affiliate companies (including direct and indirect subsidiaries, the Affiliates );
2. Capital investment in subsidiaries or procurement of funds for the Affiliates; and
3. Activities ancillary to the above items, for which authorization, permission or approval is not required under the relevant laws and regulations.

(3) All activities directly or indirectly related to the items listed above.

**b. Scope of Business of Subsidiaries**

(1) Bank Subsidiaries (Woori Bank, Kwangju Bank and Kyongnam Bank):

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

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

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

**2. History of the Company**

**a. Company History**

- (1) Background: Major developments.

|                   |   |
|-------------------|---|
| March 30, 2004    | Appointment of new management   |
| March 31, 2004    | Woori Card merged into Woori Bank   |
| June 18, 2004     | Woori Securities becomes a wholly-owned subsidiary  |
| December 21, 2004 | Capital increase through conversion of CBs (Total capital after conversion: Won 4.0 trillion)   |
| December 24, 2004 | Acquired LG Investment & Securities and incorporated as a subsidiary  |
| February 17, 2005 | Capital increase through conversion of CBs (Total capital after conversion: Won 4.0 trillion)   |
| March 11, 2005    | Capital increase through conversion of CBs (Total capital after conversion: Won 4.0 trillion)   |
| March 31, 2005    | Woori Securities and LG Investment & Securities merged (the name of the surviving entity, LG Investment & Securities, changed to Woori Investment & Securities)                   |
| May 6, 2005       | Incorporated LG Investment Trust Management from 2 <sup>nd</sup> tier subsidiary to 1 <sup>st</sup> tier subsidiary   |
| May 31, 2005      | Woori Investment Trust Management and LG Investment Trust Management merged (the name of the surviving entity, LG Investment Trust Management, changed to Woori Asset Management) |
| August 3, 2005    | Dissolution of Woori LB Second Asset Securitization Specialty Co., Ltd.   |

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

**b. Associated Business Group**

- (1) Overview of Business Group





Woori Investment & Securities (HK) Ltd.  
Woori Investment & Securities America Inc.  
Mars Private Equity Fund No. 1  
Mars Private Equity Fund No.2  
Woori Investment Asia Pte. Ltd.  
Mars Private Equity Fund No.3  
Mars Private Equity Fund No.4  
Woori Absolute Partners PTE, Ltd.  
Woori Absolute Asia Multi Strategy Fund  
Woori Absolute Global Opportunity Fund  
Woori Korindo Securities Indonesia  
High Technology Venture Investment  
Global Technology Investment  
LG Investment Holdings B.V. GG  
Connacht Capital Market Investment Ltd  
Bien Viet Securities Joint Stock Company

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| Type | Name of Company   | Controlling Company | Notes  |
|------|---|---------------------|--|
|      | Brim Asian Credit Fund  |                     |  |
| *    | Woori Finance Holdings, Woori Investment & Securities and Woori Financial   |                     | are listed on the KRX KOSPI Market   |
| *    | On March 5, 2007, Mars Private Equity Fund No. 2,   |                     | with KRW 31,500 million paid-in-capital, was included as our 2 <sup>nd</sup> tier subsidiary. Woori Investment & Securities, which owns a 4.76% stake, is its general partner.   |
| *    | On March 27, 2007, Nexbi Tech, a subsidiary of Woori Finance Information System,  |                     | was removed from our list of 2 <sup>nd</sup> tier subsidiaries as the company undertook a second capital reduction (the first capital reduction was as of Oct. 18, 2006), liquidating all the shares held by Woori Finance Information System. |
| *    | On May 23, 2007, Woori F&I Fifth Asset Securitization Specialty Co., Ltd.   |                     | was included as our 2 <sup>nd</sup> tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.  |
| *    | On September 14, 2007, Hanmi Capital was included as our 1 <sup>st</sup> tier subsidiary to strengthen our non-banking business (Hanmi Capital was renamed Woori Financial as of October 26, 2007). |                     |  |
| *    | On September 20, 2007, Woori Investment Asia Pte. Ltd.  |                     | was included as our 2 <sup>nd</sup> tier subsidiary. Woori Investment & Securities owns a 100% stake in Woori Investment Asia Pte. Ltd.  |
| *    | On October 26, 2007, Woori Bank (China) Limited was included as our 2 <sup>nd</sup> tier subsidiary.  |                     | Woori Bank owns a 100% stake in Woori Bank (China) Limited.  |
| *    | On November 22, 2007, ZAO Woori Bank was included as our 2 <sup>nd</sup> tier subsidiary.   |                     | Woori Bank owns a 100% stake in ZAO Woori Bank, excluding one ZAO Woori Bank share which is owned by a related party of Woori Bank in order to comply with Russian regulations on single shareholder limitations.                              |
| *    | On December 12, 2007, Woori F&I Sixth Asset Securitization Specialty Co., Ltd. and Woori F&I Seventh Asset Securitization Specialty Co., Ltd.   |                     | were included as our 2 <sup>nd</sup> tier subsidiaries. Woori F&I Co., Ltd. owns a 100% stake in each of these two subsidiaries.   |
| *    | On March 18, 2008, Mars Private Equity Fund No. 3,  |                     | with an expected paid-in-capital of KRW 51 billion, was included as our 2 <sup>nd</sup> tier subsidiary. Woori Investment & Securities, as its general partner, will have contributed 1.96% of the capital of Mars Private Equity Fund No. 3.  |
| *    | On April 3, 2008, Woori F&I Eighth Asset Securitization Specialty Co., Ltd.   |                     | was included as our 2 <sup>nd</sup> tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.  |
| *    | On April 4, 2008, LIG Life Insurance was included as our 1 <sup>st</sup> tier subsidiary (LIG Life Insurance was renamed Woori Aviva Life Insurance as of April 1, 2008).                           |                     |  |
| *    | On May 14, 2008, Mars Private Equity Fund No. 4,  |                     | with an expected paid-in-capital of KRW 51 billion, was included as our 2 <sup>nd</sup> tier subsidiary. Woori Investment & Securities, as its general partner, will have contributed 0.99% of the capital.                                    |



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- \* On May 29, 2008, Woori Absolute Partners Pte. Ltd., an investment advisory service company wholly-owned by Woori Investment & Securities and established in Singapore to manage offshore funds, was included as our 2<sup>nd</sup> tier subsidiary.
- \* On June 27, 2008, Woori SB Tenth Asset Securitization Specialty Co., Ltd. was included as our 2<sup>nd</sup> tier subsidiary. Woori F&I owns a stake of 50% plus one share in the company.
- \* On July 21, 2008, Woori Absolute Asia Multi Strategy Fund, an offshore financial company wholly-owned by Woori Investment & Securities, was included as our 2<sup>nd</sup> tier subsidiary.
- \* On July 21, 2008, Woori Absolute Global Opportunity Fund, an offshore financial company wholly-owned by Woori Investment & Securities, was included as our 2<sup>nd</sup> tier subsidiary.
- \* On September 9, 2008, Woori F&I Ninth Asset Securitization Specialty Co., Ltd. was included as our 2<sup>nd</sup> tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.
- \* On March 3, 2009, PT Clemont Securities Indonesia was included as our 2<sup>nd</sup> tier subsidiary. Woori Investment & Securities owns a 60% stake in PT Clemont Securities Indonesia.
- \* On March 12, 2009, Woori F&I Tenth Asset Securitization Specialty Co., Ltd. was included as our 2<sup>nd</sup> tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.
- \* On July 24, 2009, Woori F&I Twelfth Asset Securitization Specialty Co., Ltd. was removed as our 2<sup>nd</sup> tier subsidiary following the sale of Woori F&I's equity stake in Woori F&I Twelfth Asset Securitization Specialty Co., Ltd.
- \* On August 31, 2009, Woori F&I Thirteenth Asset Securitization Specialty Co., Ltd. was included as our 2<sup>nd</sup> tier subsidiary.
- \* On September 28, 2009, Bien Viet Securities Joint Stock Company was included as our 2<sup>nd</sup> tier subsidiary. Woori Investment & Securities owns a 49% stake in Bien Viet Securities Joint Stock Company.
- \* On October 15, 2009, we acquired an additional 2.41% of common shares of Woori Financial, and our shareholding is currently 52.52%.
- \* On October 28, 2009, Woori Asset Management became our wholly-owned subsidiary following our acquisition of Credit Suisse's 30% interest in Woori Asset Management.
- \* High Technology Venture Investment, Global Technology Investment, LG Investment Holdings B.V. GG and Connacht Capital Market Investment, which are offshore finance companies and subsidiaries of Woori Investment & Securities, are currently undergoing liquidation or other change of control-related proceedings. Due to an expansion in the types of entities that are considered 2<sup>nd</sup> tier subsidiaries of financial holding companies, these entities became our 2<sup>nd</sup> tier subsidiaries.
- \* On December 28, 2009, Woori SB Asset Management changed its name to Woori AMC and became a wholly-owned subsidiary of Woori F&I following the termination of its joint venture with Shinsei Bank.

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\* On December 30, 2009, Woori Third Asset Securitization Specialty Co., Ltd. was dissolved and removed from our list of subsidiaries.

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

(units: Won, shares)

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

**b. Convertible Bonds**

Not applicable

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

As of December 31, 2009 (units: shares)

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

**b. Treasury Stock**

As of December 31, 2009 (units: shares)

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

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

**5. Voting Rights**

As of December 31, 2009 (units: shares)



| Items  |                     | Number of stock | Notes |
|--|---------------------|-----------------|-------|
| Total number of shares   | Common<br>Shares    | 806,015,340     |       |
|  | Preferred<br>Shares |                 |       |
| Stocks without voting rights   | Common<br>Shares    |                 |       |
|  | Preferred<br>Shares |                 |       |
| Stocks with limited voting rights under the Securities &<br>Exchange Law |                     | 2,560           |       |
| Stocks with voting rights restored                                       |                     |                 |       |
| Stocks with voting rights  | Common<br>Shares    | 806,012,780     |       |
|  | Preferred<br>Shares |                 |       |

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

(Non-consolidated)

(Unit: Won)

| Items                                   | 2009             | 2008    | 2007      |
|---|------------------|---------|-----------|
| Par value per share (Won)               | 5,000            | 5,000   | 5,000     |
| Net profit (Won in Millions)            | 1,026,024        | 454,478 | 1,943,560 |
| Earnings per share (Won)                | 1,273            | 564     | 2,411     |
| Total cash payout (Won in Millions)     | 80,601           |         | 201,503   |
| Total stock dividends (Won in Millions) |                  |         |           |
| Cash dividend payout ratio (%)          | 7.86             |         | 10.37     |
| Cash dividend yield (%)                 | Common Shares    | 2.00    | 1.29      |
|   | Preferred Shares |         |           |
| Stock dividend yield (%)                | Common Shares    |         |           |
|   | Preferred Shares |         |           |
| Cash dividend per share (Won)           | Common Shares    | 100     | 250       |
|   | Preferred Shares |         |           |
| Stock dividend per share (Won)          | Common Shares    |         |           |
|   | Preferred Shares |         |           |

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**II. Description of Business**

**1. Business Overview**

**a. Organizational Chart**

As of December 31, 2009

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

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

**b. Financing of Operations**

## (1) Source of Funds

(units: millions of Won)

| Items               | 2009       | 2008       | 2007       |
|---------------------|------------|------------|------------|
| Shareholders Equity | 13,720,923 | 12,207,338 | 13,062,368 |
| Capital             | 4,030,077  | 4,030,077  | 4,030,077  |
| Capital Surplus     | 179,488    | 186,959    | 187,554    |
| Retained Earnings   | 8,346,186  | 7,323,148  | 7,058,269  |
| Capital Adjustments | 1,165,172  | 667,154    | 1,786,488  |
| Borrowings          | 3,824,205  | 3,412,854  | 2,129,288  |
| Debtentures         | 3,744,156  | 3,393,702  | 2,116,679  |
| Bank Borrowings     | 60,000     |            |            |
| Commercial Paper    |            |            |            |
| Other Borrowings    |            |            |            |
| Other Liabilities   | 20,049     | 19,152     | 12,609     |
| Total               | 17,545,128 | 15,620,192 | 15,191,656 |

\* The figures for fiscal years 2007 to 2009 reflect our adoption of Statements of Korea Accounting Standard No. 15 ( Equity method accounting ).

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

for derivative  
instruments.

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## (2) Use of Funds

(units: millions of Won)

| <b>Items</b>  | <b>2009</b>       | <b>2008</b>       | <b>2007</b>       |
|---|-------------------|-------------------|-------------------|
| Subsidiary Stock  | 17,350,078        | 15,285,356        | 15,062,711        |
| Woori Bank  | 13,621,824        | 11,900,128        | 12,196,954        |
| Kyongnam Bank   | 1,443,661         | 1,245,318         | 923,555           |
| Kwangju Bank  | 976,284           | 920,938           | 726,256           |
| Woori Financial Information System                          | 15,013            | 13,076            | 10,080            |
| Woori F&I   | 166,563           | 139,999           | 144,746           |
| Woori 3 <sup>rd</sup> Asset Securitization Specialty        |                   |                   | 1,885             |
| Woori Investment & Securities                               | 754,782           | 709,114           | 735,983           |
| Woori Asset Management (formerly Woori CS Asset Management) | 67,456            | 41,296            | 49,895            |
| Woori Private Equity  | 24,246            | 12,844            | 11,949            |
| Woori Financial   | 207,346           | 228,456           | 261,408           |
| Woori Aviva Life Insurance                                  | 72,903            | 74,187            |                   |
| Investment Securities                                       |                   |                   |                   |
| Loan Obligations  | 139,300           | 169,150           |                   |
| Tangible Assets   | 415               | 566               | 438               |
| Intangible Assets   | 8                 | 14                | 20                |
| Cash  | 23,267            | 119,350           | 32,502            |
| Other Assets  | 32,060            | 45,756            | 95,985            |
| <b>Total</b>  | <b>17,545,128</b> | <b>15,620,192</b> | <b>15,191,656</b> |

\* The figures for fiscal years 2007 to 2009 reflect our adoption of Statements of Korea Accounting Standard No. 15 ( Equity method accounting ).

\* The figures for fiscal year 2007 have been adjusted to take into account the effects of the revisions to the Interpretations on Financial Accounting

Standards 53-70  
on accounting  
for derivative  
instruments.

**c. Transactions related to Commission Fees**

(units: millions of Won)

| <b>Category</b>         | <b>2009</b> | <b>2008</b> | <b>2007</b> |
|-------------------------|-------------|-------------|-------------|
| Commission Revenue (A)  |             |             |             |
| Commission Expense (B)  | 7,001       | 7,119       | 5,916       |
| Commission Profit (A-B) | (7,001)     | (7,119)     | (5,916)     |

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

(units: millions of Won)

| Items                    | 2009        | 2008        | 2007        |
|--------------------------|-------------|-------------|-------------|
| Total Capital (A)        | 24,824,094  | 22,436,482  | 20,102,976  |
| Risk weighted assets (B) | 200,954,776 | 206,606,315 | 174,367,585 |
| BIS Ratio (A/B)          | 12.35%      | 10.86%      | 11.53%      |

\* Applied since  
January 1, 2007.

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

| Date of Rating | Evaluated Securities | Credit Rating | Company (Ratings Range) | Evaluation Category |
|----------------|----------------------|---------------|-------------------------|---------------------|
| 2005.06.07     |                      | BBB           | S&P (AAA ~ D)           | Case evaluation     |
| 2005.06.09     | Debentures           | AAA           | KIS Ratings (AAA ~ D)   | Case evaluation     |
| 2005.06.13     | Debentures           | AAA           | Korea Ratings (AAA ~ D) | Case evaluation     |
| 2005.09.16     | Debentures           | AAA           | NICE (AAA ~ D)          | Case evaluation     |
| 2005.09.20     | Debentures           | AAA           | KIS Ratings (AAA ~ D)   | Case evaluation     |
| 2005.10.24     |                      | BBB+          | Fitch Rating (AAA ~ D)  | Case evaluation     |
| 2006.08.10     |                      | Baa2          | Moody s (Aaa ~ C)       | Case evaluation     |
| 2006.09.07     |                      | Baa1          | Moody s (Aaa ~ C)       | Case evaluation     |
| 2007.05.07     |                      | A2            | Moody s (Aaa ~ C)       | Case evaluation     |
| 2007.08.17     | Debentures           | AAA           | NICE (AAA ~ D)          | Case evaluation     |
| 2007.08.17     | Debentures           | AAA           | KIS Ratings (AAA ~ D)   | Case evaluation     |
| 2007.11.27     | Debentures           | AAA           | NICE (AAA ~ D)          | Case evaluation     |
| 2007.11.27     | Debentures           | AAA           | Korea Ratings (AAA ~ D) | Case evaluation     |
| 2008.04.03     | Debentures           | AAA           | KIS Ratings (AAA ~ D)   | Case evaluation     |
| 2008.04.03     | Debentures           | AAA           | NICE (AAA ~ D)          | Case evaluation     |
| 2008.06.04     |                      | BBB+          | S&P (AAA ~ D)           | Case evaluation     |
| 2008.06.12     | Debentures           | AAA           | NICE (AAA ~ D)          | Case evaluation     |
| 2008.06.16     | Debentures           | AAA           | Korea Ratings (AAA ~ D) | Case evaluation     |
| 2008.09.12     | Debentures           | AAA           | NICE (AAA ~ D)          | Case evaluation     |
| 2008.09.16     | Debentures           | AAA           | Korea Ratings (AAA ~ D) | Case evaluation     |
| 2008.12.02     | Debentures           | AAA           | KIS Ratings (AAA ~ D)   | Case evaluation     |
| 2008.12.02     | Debentures           | AAA           | Korea Ratings (AAA ~ D) | Case evaluation     |
| 2009.03.13     | Debentures           | AAA           | Korea Ratings (AAA ~ D) | Case evaluation     |
| 2009.03.13     | Debentures           | AAA           | NICE (AAA ~ D)          | Case evaluation     |
| 2009.06.30     | Debentures           | AAA           | NICE (AAA ~ D)          | Case evaluation     |
| 2009.06.30     | Debentures           | AAA           | Korea Ratings (AAA ~ D) | Case evaluation     |
| 2009.11.05     | Debentures           | AAA           | Korea Ratings (AAA ~ D) | Case evaluation     |
| 2009.11.05     | Debentures           | AAA           | KIS Ratings (AAA ~ D)   | Case evaluation     |

**c. Won-denominated Current Ratio**

(units: millions of Won)

| Items                   | 2009   | 2008    | 2007   | 2006    |
|-------------------------|--------|---------|--------|---------|
| Current Assets (A)      | 23,682 | 119,566 | 32,874 | 117,037 |
| Current Liabilities (B) | 8,995  | 18,376  | 12,207 | 12,496  |



|                      |         |         |         |         |
|----------------------|---------|---------|---------|---------|
| Current Ratio* (A/B) | 263.29% | 650.66% | 269.30% | 936.60% |
|----------------------|---------|---------|---------|---------|

\* Beginning in 2009, current ratio is calculated as the ratio of  
(i) Won-denominated assets with maturity of less than 1 month and  
(ii) Won-denominated liabilities with maturity of less than 1 month. Prior to 2009, current ratio was calculated as the ratio of  
(i) Won-denominated assets with maturity of less than 3 months and  
(ii) Won-denominated liabilities with maturity of less than 3 months.

**Table of Contents****d. Foreign Currency-denominated Current Ratio**

(units: millions of Won)

| Items                   | 2009 | 2008 | 2007 | 2006 |
|-------------------------|------|------|------|------|
| Current Assets (A)      |      |      |      |      |
| Current Liabilities (B) |      |      |      |      |
| Current Ratio* (A/B)    |      |      |      |      |

\* Current ratio is calculated as the ratio of (i) foreign currency-denominated assets with maturity of less than 3 months and (ii) foreign currency-denominated liabilities with maturity of less than 3 months

**e. Debt Ratio**

(units: millions of Won)

| Items            | 2009       | 2008       | 2007          | 2006       |
|------------------|------------|------------|---------------|------------|
| Liabilities (A)  | 3,824,205  | 3,412,854  | 2,129,288     | 1,860,448  |
| Equity (B)       | 13,720,923 | 12,207,338 | (*)13,062,368 | 11,933,072 |
| Debt Ratio (A/B) | 27.87%     | 27.96%     | 16.30%        | 15.59%     |

\* The figures for fiscal years 2006 to 2009 reflect our adoption of Statements of Korea Accounting Standard No. 15 ( Equity method accounting ).

\* The figures for fiscal year 2007 have been adjusted to take into account the effects of the revisions to the Interpretations on Financial Accounting

Standards 53-70  
on accounting  
for derivative  
instruments.

**f. Loan to Deposit Ratios**

|               | <b>Subsidiaries</b> | <b>2009</b> | <b>2008</b> |
|---------------|---------------------|-------------|-------------|
| Woori Bank    |                     | 111%        | 129%        |
| Kwangju Bank  |                     | 105%        | 108%        |
| Kyongnam Bank |                     | 114%        | 124%        |

\* Excludes certificates of deposits.

**Table of Contents****g. 30 Largest Exposures by Borrower**

(units: in hundred million Won)

| Name   | Loans  | Normal | Pre-cautionary | Sub-standard | Estimated Doubtful Loss | Securities | Total Exposure |
|--|--------|--------|----------------|--------------|-------------------------|------------|----------------|
| Hynix  | 3,327  | 3,327  |                |              |                         | 8,632      | 11,959         |
| STX Shipbuilding Co., Ltd                    | 11,767 | 11,767 |                |              |                         |            | 11,767         |
| Korea Development Bank                       |        |        |                |              |                         | 11,742     | 11,742         |
| Kookmin Bank                                 | 840    | 840    |                |              |                         | 10,837     | 11,677         |
| SH Corporation                               | 9,349  | 9,349  |                |              |                         | 1,993      | 11,342         |
| National Agricultural Cooperation Federation | 297    | 297    |                |              |                         | 10,978     | 11,275         |
| Industrial Bank of Korea                     |        |        |                |              |                         | 10,726     | 10,726         |
| Samsung Heavy Industries Co., Ltd.           | 8,943  | 8,943  |                |              |                         | 298        | 9,241          |
| Hyundai Engineering & Construction Co., Ltd. | 2,481  | 2,481  |                |              |                         | 5,827      | 8,308          |
| Samsung Electronics Co., Ltd.                | 7,843  | 7,843  |                |              |                         | 453        | 8,296          |
| Hyundai Heavy Industries Co., Ltd.           | 7,787  | 7,787  |                |              |                         | 380        | 8,167          |
| Sung-Dong Ship Marine Co., Ltd.              | 8,064  | 8,064  |                |              |                         |            | 8,064          |
| Shinhan Bank Co., Ltd.                       | 6      | 6      |                |              |                         | 6,860      | 6,866          |
| SLS Shipbuilding Co., Ltd.                   | 6,786  | 6,660  |                | 126          |                         |            | 6,786          |
| Hyundai Steel                                | 6,150  | 6,150  |                |              |                         | 636        | 6,786          |
| Hana Bank Co., Ltd.                          | 54     | 54     |                |              |                         | 5,899      | 5,953          |
| Korea Securities Finance Corporation         |        |        |                |              |                         | 5,756      | 5,756          |
| Kumho Tire Co., Ltd.                         | 5,485  | 2,012  |                | 3,473        |                         |            | 5,485          |
| SPP Shipbuilding                             | 5,385  | 5,385  |                |              |                         |            | 5,385          |
| Hyundai Mipo Dockyard Co.,                   | 5,041  | 5,041  |                |              |                         | 1          | 5,042          |

|  |         |         |       |        |         |
|--|---------|---------|-------|--------|---------|
| Ltd.   |         |         |       |        |         |
| Bond Market Safe Fund                              |         |         |       | 5,038  | 5,038   |
| LG Chem, Ltd.                                      | 4,847   | 4,847   |       | 31     | 4,878   |
| Daewoo International Corporation                   | 4,298   | 4,298   |       | 548    | 4,846   |
| Daewoo E&C Co., Ltd.                               | 4,339   | 4,339   |       |        | 4,339   |
| Kia Motors   | 3,753   | 3,753   |       | 529    | 4,282   |
| Hyosung Co., Ltd.                                  | 4,066   | 4,066   |       | 110    | 4,176   |
| Woori Partner Plus Private Equity Investment Trust |         |         |       | 4,000  | 4,000   |
| Neo DWC  |         |         |       | 3,980  | 3,980   |
| Samsung Card Co., Ltd.                             | 3,295   | 3,295   |       | 471    | 3,766   |
| Hyundai Samho Heavy Industries Co., Ltd.           | 3,700   | 3,700   |       |        | 3,700   |
| Total  | 117,903 | 114,304 | 3,599 | 95,724 | 213,627 |

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

(units: in hundred million Won, %)

| Name   | Total<br>Loans | Pre-<br>Normal<br>cautionary | Sub-<br>standard | Estimated<br>Doubtful<br>Loss | Sub-standard<br>or<br>Loss |         | Collateral | Coverage<br>Ratio |
|--|----------------|------------------------------|------------------|-------------------------------|----------------------------|---------|------------|-------------------|
|  |                |                              |                  |                               | below                      | Reserve |            |                   |
| Kumho Tire Co.,<br>Ltd   | 5,478          | 2,012                        | 3,466            |                               | 3,466                      | 710     | 388        | 20.0%             |
| Kumho<br>Industrial<br>Jun Jin<br>Development &<br>Construction<br>Co., Ltd.   | 2,306          |                              | 2,306            |                               | 2,306                      | 460     | 876        | 57.9              |
| Hanwori World<br>Resort  | 1,075          |                              | 1,075            |                               | 1,075                      | 527     |            | 49.0              |
| 21 <sup>st</sup> Century<br>Shipbuilding<br>Co., Ltd.  | 1,052          |                              |                  | 1,052                         | 1,052                      | 1,052   |            | 100.0             |
| DOMS Partners<br>1 <sup>st</sup> Kumho Trust   | 1,057          | 56                           | 1,001            |                               | 1,001                      | 294     | 216        | 48.3              |
| C& Heavy<br>Industries Co.,<br>Ltd.  | 951            |                              | 773              | 178                           | 951                        | 315     |            | 33.1              |
| Samho<br>International<br>Co., Ltd.  | 921            | 1                            | 920              |                               | 920                        | 184     | 1          | 20.0              |
| Kamco Value<br>Creation 1 <sup>st</sup><br>Securitization<br>Company<br>Woolim<br>Construction &<br>Development<br>Co., Ltd. | 744            |                              | 37               | 707                           | 744                        | 419     | 37         | 61.3              |
| City&Culture<br>Shinsung<br>Engineering &<br>Construction<br>Co., Ltd.   | 672            |                              | 672              |                               | 672                        | 290     |            | 43.2              |
| Hanmi Piore<br>Seahan Steel<br>Yewon RB<br>Daehan<br>Shipbuilding<br>Co., Ltd.   | 558            |                              | 558              |                               | 558                        | 273     |            | 48.9              |
| Focus<br>Daiwa Tech  | 549            | 2                            | 547              |                               | 547                        | 132     | 2          | 24.4              |
|  | 400            |                              | 400              |                               | 400                        | 77      | 400        | 119.3             |
|  | 352            |                              | 327              | 25                            | 352                        | 70      | 327        | 112.7             |
|  | 300            |                              | 300              |                               | 300                        | 60      |            | 20.0              |
|  | 292            |                              | 292              |                               | 292                        | 79      | 24         | 35.2              |
|  | 257            |                              | 180              | 77                            | 257                        | 74      |            | 29.0              |
|  | 236            |                              | 236              |                               | 236                        | 64      |            | 27.1              |
|  | 232            |                              |                  | 232                           | 232                        | 232     |            | 100.0             |
|  | 223            |                              | 43               | 147                           | 33                         | 223     | 43         | 56.4              |

|                              |        |       |        |     |       |        |       |       |       |
|------------------------------|--------|-------|--------|-----|-------|--------|-------|-------|-------|
| Korea Cold Storage Co., Ltd. | 178    |       | 178    |     |       | 178    | 36    | 150   | 104.5 |
| Total                        | 17,833 | 2,071 | 13,311 | 427 | 2,204 | 15,762 | 5,431 | 2,464 | 44.3% |

**Table of Contents****i. 20 Largest Loan Exposures Classified as Precautionary by Borrower**

(units: in hundred million Won, %)

| Name                          | Exposure | Normal | Pre-cautionary standard | Sub-Doubtful | Estimated Loss | Loan Loss Reserve | Collateral | Coverage Ratio |
|-------------------------------|----------|--------|-------------------------|--------------|----------------|-------------------|------------|----------------|
| Kumho Petrochemical Co., Ltd. | 3,674    | 760    | 2,914                   |              |                | 206               | 800        | 27.4%          |
| Poonglim Industrial Co., Ltd. | 3,166    | 117    | 3,049                   |              |                | 576               | 669        | 39.3           |
| Asiana Airlines               | 1,601    |        | 1,601                   |              |                | 113               |            | 7.1            |
| KSID                          | 1,730    |        | 1,730                   |              |                | 326               |            | 18.8           |
| Beak Ik Investment            | 1,681    | 409    | 1,272                   |              |                | 245               | 409        | 38.9           |
| Haesol City                   | 1,192    |        | 1,192                   |              |                | 71                |            | 6.0            |
| Pi City                       | 1,000    |        | 1,000                   |              |                | 190               |            | 19.0           |
| Pungan Construction Co., Ltd. | 965      |        | 965                     |              |                | 154               |            | 16.0           |
| Sekwang Shipping Co., Ltd.    | 929      |        | 929                     |              |                | 102               | 36         | 14.9           |
| Dongun                        | 900      |        | 900                     |              |                | 63                |            | 7.0            |
| Woojong LD                    | 857      |        | 857                     |              |                | 163               |            | 19.0           |
| Mani D&C Co., Ltd.            | 800      |        | 800                     |              |                | 152               |            | 19.0           |
| Dukwon Construction Co., Ltd. | 800      |        | 800                     |              |                | 152               |            | 19.0           |
| Woolim C&D Co., Ltd.          | 780      |        | 780                     |              |                | 148               |            | 19.0           |
| Amuty 2 <sup>nd</sup>         | 700      |        | 700                     |              |                | 112               |            | 16.0           |
| Landmark C&D Co., Ltd.        | 690      |        | 690                     |              |                | 131               |            | 19.0           |
| KFD City Development          | 630      |        | 630                     |              |                | 44                |            | 7.0            |
| Kumho Asiana Plaza Saigon     | 619      |        | 619                     |              |                | 43                |            | 6.9            |
| Prism G&C Plus                | 600      |        | 600                     |              |                | 42                |            | 7.0            |
| Kaengnam Vina Co., Ltd.       | 584      |        | 584                     |              |                | 41                |            | 7.0            |
| Total                         | 23,898   | 1,286  | 22,612                  |              |                | 3,074             | 1,914      | 20.9%          |



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

(units: millions of Won)

| <b>Items</b>                            | <b>2009</b>       | <b>2008</b>       | <b>2007</b>       | <b>2006</b>       | <b>2005</b>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash and Due from Banks                 | 23,267            | 119,350           | 32,502            | 89,724            | 104,072           |
| Securities                              | 17,350,078        | 15,285,356        | 15,062,711        | 13,591,413        | 11,751,678        |
| Loans                                   | 139,300           | 169,150           | 0                 | 49,750            | 109,450           |
| Tangible Assets                         | 415               | 566               | 438               | 630               | 119               |
| Other Assets                            | 32,068            | 45,770            | 96,005            | 62,004            | 66,464            |
| <b>Total Assets</b>                     | <b>17,545,128</b> | <b>15,620,192</b> | <b>15,191,656</b> | <b>13,793,521</b> | <b>12,031,783</b> |
| Borrowings                              | 60,000            |                   |                   |                   |                   |
| Debentures                              | 3,744,155         | 3,393,702         | 2,116,679         | 1,847,591         | 2,296,203         |
| Other Liabilities                       | 20,050            | 19,152            | 12,609            | 12,858            | 18,216            |
| <b>Total Liabilities</b>                | <b>3,824,205</b>  | <b>3,412,854</b>  | <b>2,129,288</b>  | <b>1,860,449</b>  | <b>2,314,419</b>  |
| Common Stock                            | 4,030,077         | 4,030,077         | 4,030,077         | 4,030,077         | 4,030,077         |
| Capital Surplus                         | 179,488           | 186,959           | 187,554           | 187,955           | 142,608           |
| Capital Adjustment                      | (54,201)          | (57,219)          | (55,812)          | (55,854)          | (52,747)          |
| Consolidated Other Comprehensive Income | 1,219,373         | 724,373           | 1,842,300         | 2,173,349         | 1,705,463         |
| Retained Earnings                       | 8,346,186         | 7,323,148         | 7,058,249         | 5,597,545         | 3,891,963         |
| <b>Total Stockholder s Equity</b>       | <b>13,720,923</b> | <b>12,207,338</b> | <b>13,062,368</b> | <b>11,933,072</b> | <b>9,717,364</b>  |
| Operating Revenue                       | 1,326,855         | 666,267           | 2,080,957         | 2,031,611         | 1,867,488         |
| Operating Income                        | 1,028,463         | 455,812           | 1,939,374         | 1,893,248         | 1,687,964         |
| Income before income tax expense        | 1,026,024         | 454,478           | 1,943,561         | 2,029,319         | 1,688,221         |
| Net income                              | 1,026,024         | 454,478           | 1,943,561         | 2,029,319         | 1,688,221         |

\* The figures for fiscal years 2005 to 2009 reflect our adoption of Statements of Korea Accounting Standard No. 15 ( Equity method accounting ).

\* The figures for fiscal year 2007 have been

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

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

(units: millions of Won)

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

\* The figures for fiscal years

2007 to 2009  
take into  
account the  
effects of the  
revisions to the  
Interpretations  
on Financial  
Accounting  
Standards 53-70  
on accounting  
for derivative  
instruments.

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

**Table of Contents****3. Other Selected Financial Data****a. Selected ratios**

| Category   | (Unit: %) |      |
|--|-----------|------|
|  | 2009      | 2008 |
| Net income as a percentage of average total assets                                   | 0.2%      | 0.2% |
| Net income as a percentage of average stockholders' equity                           | 7.9       | 3.5  |
| Net interest margin  | 1.99      | 2.27 |
| Selling, general and administrative expenses as a percentage of net operating income | 45.5      | 52.7 |
| Delinquency rate   | 0.61      | 0.92 |
| BIS ratio of bank subsidiaries*  | 14.3      | 11.7 |
| Tier I capital ratio of bank subsidiaries*   | 10.2      | 7.7  |

\* Calculated in accordance with Basel II.

**b. Asset quality**

(units: in billions of Won)

| Subsidiaries                                  | 2009    | 2008    |
|---|---------|---------|
| Total loans                                   | 203,530 | 209,182 |
| Normal  | 193,941 | 202,278 |
| Precautionary                                 | 6,152   | 4,303   |
| Sub-standard                                  | 2,469   | 1,191   |
| Doubtful                                      | 447     | 842     |
| Estimated Loss                                | 519     | 568     |
| Non-performing loans (sub-standard and below) | 3,436   | 2,601   |
| Non-Performing Loan Ratio                     | 1.7%    | 1.2%    |
| Loan Loss Reserve                             | 3,824   | 3,630   |
| Coverage Ratio for Non-Performing Loans       | 111.3%  | 139.6%  |

**4. Accounting Information****a. Loan Loss Reserves**

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

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(units: millions of Won)

|      | <b>Period</b> | <b>Item</b> | <b>Total<br/>Credits</b> | <b>Loan Loss<br/>Reserves</b> | <b>Provisioning<br/>Ratio</b> |
|------|---------------|-------------|--------------------------|-------------------------------|-------------------------------|
| 2009 |               | Loans       | 140,000                  | 700                           | 0.5%                          |
|      |               | Total       | 140,000                  | 700                           | 0.5%                          |
| 2008 |               | Loans       | 170,000                  | 850                           | 0.5%                          |
|      |               | Total       | 170,000                  | 850                           | 0.5%                          |
| 2007 |               | Loans       |                          |                               |                               |
|      |               | Total       |                          |                               |                               |

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

(units: millions of Won)

|    | <b>Item</b>                        | <b>2009</b> | <b>2008</b> | <b>2007</b> |
|----|------------------------------------|-------------|-------------|-------------|
| 1. | Initial loan loss reserves balance | 850         | 0           | 250         |
| 2. | Net credit costs                   |             |             |             |
| 1) | Write-offs                         |             |             |             |
| 2) | Recovery of written-off assets     |             |             |             |
| 3) | Other changes                      |             |             |             |
|    | Recovery of credit costs           | (150)       | 850         | (250)       |
|    | Ending loan loss reserve balance   | 700         | 850         | 0           |

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

|                   |                     |                     |                     |
|-------------------|---------------------|---------------------|---------------------|
|                   | <b>2009</b>         | <b>2008</b>         | <b>2007</b>         |
| Auditor           | Deloitte Anjin LLC  | Deloitte Anjin LLC  | Deloitte Anjin LLC  |
| Auditor's Opinion | Unqualified Opinion | Unqualified Opinion | Unqualified Opinion |

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

(units: millions of Won, hours)

| Year | Auditor            | Activity   | Compensation | Accrued Time (hrs) |
|------|--------------------|--|--------------|--------------------|
| 2009 | Deloitte Anjin LLC | Review of Quarter and Half Year financial statements and audit of Annual financial statements (Consolidated, Non-consolidated) | 342          | 4,941              |
| 2008 | Deloitte Anjin LLC | Review of Quarter and Half Year financial statements and audit of Annual financial statements (Consolidated, Non-consolidated) | 360          | 4,957              |
| 2007 | Deloitte Anjin LLC | Review of Quarter and Half Year financial statements and audit of Annual financial statements (Consolidated, Non-consolidated) | 340          | 4,936              |

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

(units: in millions of Won)

| Year | Contract Date | Activity  | Period                           | Comp. | Note               |
|------|---------------|---|----------------------------------|-------|--------------------|
| 2009 | 2009.12.21    | US GAAP and SOX Auditing                                      | 2009.12~2010.05                  | 3,006 | Deloitte Anjin LLC |
|      | 2009.04.29    | Corporate tax reconciliation (Consolidated tax return review) | 2009.07~2009.08<br>2010.2~2010.3 | 31    |                    |
| 2008 | 2009.01.07    | US GAAP and SOX Auditing                                      | 2008.12~2009.5                   | 3,340 | Deloitte Anjin LLC |
|      | 2008.05.14    | Corporate tax reconciliation                                  | 2008.7~2008.8<br>2009.2~2009.3   | 23    |                    |
| 2007 | 2008.01.24    | US GAAP and SOX Auditing                                      | 2007.12~2008.5                   | 3,530 | Deloitte Anjin LLC |

|            |                                 |                                |    |
|------------|---------------------------------|--------------------------------|----|
| 2007.04.30 | Corporate tax<br>reconciliation | 2007.7~2007.8<br>2008.2~2008.3 | 22 |
|------------|---------------------------------|--------------------------------|----|



**Table of Contents****V. Corporate Governance and Affiliated Companies****1. About the Board of Directors**

## A. Composition of our board of directors

As of March 27, 2010

| <b>Name</b>                                     | <b>Career &amp; Academic Background</b>   | <b>Relationship with Largest Shareholder</b> | <b>Notes</b>            |
|---|---|--|-------------------------|
| <b>Pal Seung Lee</b><br>(Standing Director)     | <b>Current)</b> Chairman and chief executive officer of Woori Finance Holdings<br><br>Chief executive officer, Woori Investment & Securities<br><br>Executive managing director, Hanil Bank<br><br>Bachelor of Law, Korea University  | None   | Chairman of the board   |
| <b>Min-Joon Bang</b><br>(Non-standing Director) | Arbitration Commissioner of Press Arbitration Commission<br><br>Head of Editorial Desk, Korea Times<br><br>Bachelor of Korean Language and Literature, Seoul National University  | None   | Third consecutive term  |
| <b>Hi-Taek Shin</b><br>(Non-standing Director)  | <b>Current)</b> Professor of College of Law, Seoul National University<br><br>Lawyer, Kim & Chang Law Firm<br><br>Bachelor of Laws, Seoul National University<br><br>Master of Laws, Seoul National University<br><br>J.S.D at Yale Law School  | None   | Third consecutive term  |
| <b>Hi-Bock Kang</b><br>(Non-standing Director)  | <b>Current)</b> Executive Director, Market Economy Research Institute<br><br>Chief Executive Officer, Korea Minting and Security Printing Corporation<br><br>Bachelor of Public Administration, Seoul National University<br><br>Graduate School of Public Administration, Seoul National University<br><br><b>Current)</b> Advisor, Kim & Chang Law Firm | None   | Second consecutive term |

|  |  |   |
|--|--|---|
| <p><b>Young-Ho Lee</b><br/>(Non-standing Director)</p> | <p>Chairman, Market Oversight Commission of Korea Exchange</p> <p>Assistant Governor, Financial Supervisory Service</p> <p>Bachelor of Laws, Korea University</p>  | <p>Second consecutive term</p>  |
| <p><b>Hak-Jin Kim</b><br/>(Non-standing Director)</p>  | <p><b>Current</b>) Director General of Department of Planning &amp; Coordination, Korea Deposit Insurance Corporation</p> <p>General Manager of Human Resources Development Department, Korea Deposit Insurance Corporation</p> <p>Bachelor of Economics, Chung-Ang University</p> | <p>Employee of the majority shareholding company</p> <p>Second consecutive term</p> |
| <p><b>Doo-Hee Lee</b><br/>(Non-standing Director)</p>  | <p><b>Current</b>) Professor of College of Business Administration, Korea University</p> <p>President, Korea Advertising Society</p> <p>Bachelor of Business Administration, Korea University</p> <p>Ph.D. in Business Administration, Michigan State University</p>               | <p>None</p> <p>Second consecutive term</p>  |
| <p><b>Hun Lee</b><br/>(Non-standing Director)</p>      | <p><b>Current</b>) Co-Head, The Lawyers for Citizens Lawyer, Barun Law</p> <p>Bachelor of Law, Chung-Ang University</p>  | <p>None</p> <p>Second consecutive term</p>  |

B. Committees under the Board of Directors

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

- (a) Management Committee

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(b) Business Development and Compensation Committee

(c) Risk Management Committee

(d) Standing Directors Committee

(e) Ethics Committee

(f) Outside Directors Recommendation Committee

(g) MOU Evaluation Committee

(h) Audit Committee

(i) Audit Committee Member Candidate Recommendation Committee

As of March 27, 2010

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

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

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**2. Related Companies**

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

As of December 31, 2009

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

|                               | Beginning Balance |       |            | Changes <sup>1</sup> |         |           | Ending Bal. |       |            | Total Assets | Net Income |
|-------------------------------|-------------------|-------|------------|----------------------|---------|-----------|-------------|-------|------------|--------------|------------|
|                               | Quantity          | Share | Book value | Quantity             | Cost    | Gain/Loss | Quantity    | Share | Book value |              |            |
| Woori Bank                    | 705,957           | 100.0 | 11,900,128 | 60,000               | 300,000 | 1,721,966 | 765,957     | 100.0 | 13,621,824 | 222,295,083  | 953,8      |
| Woori Bank                    | 49,413            | 99.9  | 920,938    |                      |         | 198,343   | 49,413      | 99.9  | 976,284    | 15,893,289   | 62.0       |
| Woori Bank                    | 58,050            | 99.9  | 1,245,318  |                      |         | 56,346    | 58,050      | 99.9  | 1,443,661  | 20,405,337   | 193.6      |
| Woori Finance Info            |                   |       |            |                      |         |           |             |       |            |              |            |
| Woori F&I                     | 900               | 100.0 | 13,076     |                      |         | 1,937     | 900         | 100.0 | 15,013     | 221,876      | 1.4        |
| Woori 3 <sup>rd</sup>         | 2,000             | 100.0 | 139,999    | 4,000                | 20,000  | 26,564    | 6,000       | 100.0 | 166,563    | 508,542      | 24.6       |
| Woori Investment & Securities | 46,325            | 35.0  | 709,114    |                      |         | 45,668    | 46,325      | 35.0  | 754,782    | 15,569,687   | 181.8      |
| Woori Asset Management        | 4,663             | 70.0  | 41,296     | 1,999                | 47,850  | 26,160    | 6,662       | 100.0 | 67,456     | 89,595       |            |
| Woori Private Equity          | 2,000             | 100.0 | 12,844     | 2,000                | 10,000  | 11,402    | 4,000       | 100.0 | 24,246     | 25,141       | 1.3        |
| Woori Financial               | 8,500             | 50.1  | 228,456    | 409                  | 4,005   | (21,110)  | 8,909       | 52.5  | 207,346    | 2,151,217    | 25.7       |
| Woori Aviva Insurance         | 3,060             | 51.0  | 74,187     |                      |         | (1,284)   | 3,060       | 51.0  | 72,903     | 1,640,793    | 10.8       |
| Woori Total                   | 880,870           |       | 15,285,356 | 68,408               | 330,000 | 2,064,722 | 949,278     |       | 17,350,078 | 278,800,560  | 1,455.2    |

1. The changes in quantity and cost are calculated from the increase or decrease under the equity method.
2. The figures for the net income stated above are for the fiscal year ended

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

3. The figures have been adjusted to reflect our adoption of Statements of Korea Accounting Standard No. 15 ( Equity method accounting ). The figures for fiscal year 2007 have been adjusted to take into account the effects of the revisions to the Interpretations on Financial Accounting Standards 53-70 on accounting for derivative instruments.

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

As of December 31, 2009

(units: shares, %)

| Name  | Relation | Type      | Beginning balance |       | Shares Held |            | Ending balance |       | Reasons Behind Change |
|-------|----------|-----------|-------------------|-------|-------------|------------|----------------|-------|-----------------------|
|       |          |           | Stock             | Share | (+)         | (-)        | Stock          | Share |                       |
|       | Largest  |           |                   |       |             |            |                |       |                       |
| KDIC  | S/H      | Common    | 588,158,609       | 72.97 |             | 56,420,000 | 531,738,609    | 65.97 |                       |
| Total |          | Common    | 588,158,609       | 72.97 |             | 56,420,000 | 531,738,609    | 65.97 |                       |
|       |          | Preferred |                   |       |             |            |                |       |                       |
|       |          | Total     | 588,158,609       | 72.97 |             | 56,420,000 | 531,738,609    | 65.97 |                       |

Largest Shareholder: KDIC

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

As of December 31, 2009

(units: shares, %)

| No.   | Name | Common Stock  |       | Preferred Stock |   | Total         |       |
|-------|------|---------------|-------|-----------------|---|---------------|-------|
|       |      | No. of shares | %     | No. of shares   | % | No. of shares | %     |
| 1     | KDIC | 531,738,609   | 65.97 |                 |   | 531,738,609   | 65.97 |
| Total |      | 531,738,609   | 65.97 |                 |   | 531,738,609   | 65.97 |

**c. Shareholder Distribution**

As of December 31, 2009

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



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

(units: Won, shares)

| <b>Period</b>        | <b>July 2009</b> | <b>August 2009</b> | <b>September 2009</b> | <b>October 2009</b> | <b>November 2009</b> | <b>December 2009</b> |
|----------------------|------------------|--------------------|-----------------------|---------------------|----------------------|----------------------|
| Common Stock         |                  |                    |                       |                     |                      |                      |
| High                 | 14,250           | 14,700             | 16,950                | 16,900              | 16,700               | 15,600               |
| Low                  | 10,700           | 13,250             | 14,500                | 15,250              | 13,300               | 13,850               |
| Average              | 12,363           | 14,095             | 15,970                | 16,140              | 15,795               | 15,074               |
| Monthly Trade Volume |                  |                    |                       |                     |                      |                      |
| High                 | 12,015,832       | 10,459,733         | 13,501,712            | 6,160,933           | 70,050,991           | 11,145,935           |
| Low                  | 4,047,081        | 2,595,227          | 1,620,061             | 1,784,163           | 1,302,133            | 1,504,110            |
| Average              | 165,134,569      | 104,562,754        | 107,057,006           | 66,227,647          | 140,716,281          | 85,018,954           |

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

(units: US Dollars, ADR)

| <b>Period</b>        | <b>July 2009</b> | <b>August 2009</b> | <b>September 2009</b> | <b>October 2009</b> | <b>November 2009</b> | <b>December 2009</b> |
|----------------------|------------------|--------------------|-----------------------|---------------------|----------------------|----------------------|
| ADR                  |                  |                    |                       |                     |                      |                      |
| High                 | 35.60            | 36.14              | 43.29                 | 43.11               | 43.78                | 40.03                |
| Low                  | 25.10            | 31.62              | 34.29                 | 39.39               | 35.00                | 35.50                |
| Average              | 29.75            | 34.26              | 39.91                 | 41.13               | 41.00                | 38.33                |
| Won Con-version      |                  |                    |                       |                     |                      |                      |
| High                 | 44,126           | 44,477             | 52,199                | 50,340              | 50,570               | 46,151               |
| Low                  | 31,854           | 39,050             | 42,756                | 47,292              | 40,376               | 41,567               |
| Average              | 37,603           | 42,428             | 48,656                | 48,338              | 47,733               | 44,710               |
| Monthly Trade Volume |                  |                    |                       |                     |                      |                      |
| High                 | 15,400           | 21,400             | 25,300                | 57,135              | 92,521               | 27,832               |
| Low                  | 1,100            | 1,600              | 2,900                 | 900                 | 700                  | 1,315                |
| Average              | 126,900          | 144,500            | 221,500               | 202,035             | 302,933              | 171,216              |

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

| Position                 |                | Name           | Common Stocks Owned<br>(As of February 26, 2010) | Note   |
|--------------------------|----------------|----------------|--|--|
| Chairman and CEO         | Registered     | Pal Seung Lee  | 27,000   |  |
| Senior Managing Director | Non-Registered | Kyung Dong Kim | 2,000  |  |
| Senior Managing Director | Non-Registered | Sang Koo Youn  | 400  |  |
| Senior Managing Director | Non-Registered | Jeong Han Kim  |  | Also serves as the Head of the Risk Management Unit at Woori Bank                              |
| Managing Director        | Non-Registered | In Chul Park   | 1,000  |  |
| Managing Director        | Non-Registered | Sook Kyo Kwon  | 1,000  | Appointed as the representative director of Woori Finance Information System on March 25, 2010 |
| Managing Director        | Non-Registered | Sung Jae Park  | 353  | Appointed as the Chief Compliance Officer on February 10, 2010                                 |
| Managing Director        | Non-Registered | Seung Gyu Kim  |  |  |
| Non-standing Director    | Registered     | Hi-Bock Kang   |  |  |
| Non-standing Director    | Registered     | Young-Ho Lee   |  |  |
| Non-standing Director    | Registered     | Min-Joon Bang  |  |  |
| Non-standing Director    | Registered     | Hi-Taek Shin   |  |  |
| Non-standing Director    | Registered     | Hak-Jin Kim    |  |  |
| Non-standing Director    | Registered     | Doo-Hee Lee    |  |  |
| Non-standing Director    | Registered     | Hun Lee        |  |  |

**2. Employee Status**

As of December 31, 2009

(units: persons, thousands of Won)

| Items | Admin. | Staff |       | Total | Average Tenure Years | Cumulative Compensation | Average Compensation Per Person | Note |
|-------|--------|-------|-------|-------|----------------------|-------------------------|---------------------------------|------|
|       |        | Manu. | Misc. |       |                      |                         |                                 |      |
| Total | 111    |       | 12    | 123   | 3 years and 2 months | 5,976,750               | 53,844                          |      |
|       |        |       |       | 33    |                      |                         |                                 |      |

**Table of Contents****3. Directors Compensation**

(units: millions of Won)

| Items  | Total<br>Compensation | Compensation Limit<br>approved at<br>Meeting of Shareholders | Fair<br>value of<br>Stock<br>Option | Note |
|--|-----------------------|--|-------------------------------------|------|
| Standing Director  | 490                   |  |                                     |      |
| Non-standing Directors (excluding audit<br>committee member) | 64                    | 4,000  |                                     |      |
| Audit committee members                                      | 190                   |  |                                     |      |
|  | 34                    |  |                                     |      |

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

(units: millions of Won)

| Name            | Relation   | Item<br>Other | Beg.    | Changes |        | End     | Notes |
|-----------------|------------|---------------|---------|---------|--------|---------|-------|
|                 |            |               |         | +       | -      |         |       |
| Woori Financial | Subsidiary | Loan          | 170,000 |         | 70,000 | 100,000 |       |
| Woori F&I       | Subsidiary | Loan          |         | 40,000  |        | 40,000  |       |
| Total           |            |               | 170,000 | 40,000  | 70,000 | 140,000 |       |

**b. Payment Transactions**

(units: shares)

Capital Contribution and Share Disposal  
Transactions

| Name   | Relation   | Types<br>of<br>Shares | Beginning   | Increase   | Decrease | Ending      | Notes |
|--|------------|-----------------------|-------------|------------|----------|-------------|-------|
|  |            |                       |             |            |          |             |       |
| Woori Bank                                       | Subsidiary | stock                 | 635,956,580 | 60,000,000 |          | 695,956,580 |       |
|  |            | Preferred<br>Stock    | 70,000,000  |            |          | 70,000,000  |       |
| Kwangju Bank                                     | Subsidiary | Common<br>stock       | 49,413,333  |            |          | 49,413,333  |       |
| Kyongnam Bank                                    | Subsidiary | Common<br>stock       | 58,049,994  |            |          | 58,049,994  |       |
| Woori Finance Info<br>Sys.                       | Subsidiary | Common<br>Stock       | 900,000     |            |          | 900,000     |       |
| Woori F&I  | Subsidiary | Common<br>Stock       | 2,000,000   | 4,000,000  |          | 6,000,000   |       |
| Woori Third Asset<br>Securitization<br>Specialty | Subsidiary | Invested<br>Shares    | 2,000       |            | 2,000    |             |       |
| Woori Investment &<br>Securities                 | Subsidiary | Common<br>Stock       | 46,324,981  |            |          | 46,324,981  |       |
| Woori Asset<br>Management                        | Subsidiary | Common<br>Stock       | 4,663,400   | 1,998,600  |          | 6,662,000   |       |
| Woori Private<br>Equity                          | Subsidiary | Common<br>Stock       | 2,000,000   | 2,000,000  |          | 4,000,000   |       |
| Woori Financial                                  | Subsidiary | Common<br>Stock       | 8,499,955   | 409,484    |          | 8,909,439   |       |
| Woori Aviva Life<br>Insurance                    | Subsidiary | Common<br>Stock       | 3,060,000   |            |          | 3,060,000   |       |
| Total  |            |                       | 880,870,243 | 68,408,084 | 2,000    | 949,276,327 |       |



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**EXHIBIT A**

**FINANCIAL STATEMENTS**

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**WOORI FINANCE HOLDINGS CO., LTD.**  
NON-CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
AND INDEPENDENT AUDITORS REPORT  
**Audit.Tax.Consulting.Financial Advisory.**

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**Independent Auditors' Report**

English Translation of a Report Originally Issued in Korean

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

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

We have audited the accompanying non-consolidated statements of financial position of Woori Finance Holdings Co., Ltd. (the Company) as of December 31, 2009 and 2008, and the related non-consolidated income statements, appropriations of retained earnings, changes in shareholders' equity and cash flows for the years ended December 31, 2009 and 2008, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2009 and 2008, and the results of its operations, changes in its retained earnings and shareholders' equity, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the Republic of Korea.

Our audits also comprehended the translation of the Korean won amounts into U.S. dollar amounts and in our opinion, such translation has been made in conformity with the basis stated in Note 2. Such U.S. dollar amounts are presented solely for the convenience of readers outside of Korea.

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations and 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 audit 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 auditing standards and their application in practice.

March 4, 2010

**Notice to Readers**

This report is effective as of March 4, 2010, the auditors' report date. Certain subsequent events or circumstances may have occurred between the auditors' report date and the time the auditors' report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the auditors' report.



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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2009 AND 2008**

|  | Korean won    |              | Translation into<br>U.S. dollars (Note 2) |                 |
|--|---------------|--------------|---|-----------------|
|  | 2009          | 2008         | 2009                                      | 2008            |
|  | (In millions) |              | (In thousands)                            |                 |
| <b>ASSETS</b>  |               |              |   |                 |
| Cash and bank deposits (Notes 14 and 16)   | ₩ 23,267      | ₩ 119,350    | US \$19,927                               | US \$102,218    |
| Investment securities accounted for using the equity method of accounting (Notes 3 and 15) | 17,350,078    | 15,285,356   | 14,859,608                                | 13,091,261      |
| Loans, net of allowance for possible loan losses (Notes 4, 14 and 16)                      | 139,300       | 169,150      | 119,305                                   | 144,870         |
| Fixed assets (Note 5)  | 415           | 566          | 355                                       | 485             |
| Other assets (Notes 6 and 16)  | 32,068        | 45,770       | 27,465                                    | 39,200          |
|  | ₩ 17,545,128  | ₩ 15,620,192 | US\$ 15,026,660                           | US\$ 13,378,034 |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |               |              |   |                 |
| <b>LIABILITIES</b>   |               |              |   |                 |
| Debentures, net of discounts (Notes 7 and 14)  | ₩ 3,744,156   | ₩ 3,393,702  | US\$ 3,206,711                            | US\$ 2,906,562  |
| Borrowings (Note 7)  | 60,000        |              | 51,388                                    |                 |
| Other liabilities (Notes 9 and 16)   | 20,050        | 19,152       | 17,172                                    | 16,403          |
|  | 3,824,206     | 3,412,854    | 3,275,271                                 | 2,922,965       |
| <b>SHAREHOLDERS' EQUITY</b>  |               |              |   |                 |
| Common stock (Note 10)   | 4,030,077     | 4,030,077    | 3,451,590                                 | 3,451,590       |
| Capital surplus (Note 10)  | 179,488       | 186,959      | 153,724                                   | 160,123         |
| Capital adjustments (Note 10)  | (54,201)      | (57,219)     | (46,421)                                  | (49,006)        |
| Accumulated other comprehensive income (Notes 3 and 18)                                    | 1,219,372     | 724,372      | 1,044,341                                 | 620,395         |
| Retained earnings:   |               |              |   |                 |
| Legal reserve  | 783,300       | 783,300      | 670,864                                   | 670,864         |
| Voluntary reserve  | 6,539,000     | 6,160,000    | 5,600,377                                 | 5,275,779       |
| Retained earnings before appropriations (Note 10)  | 1,023,886     | 379,849      | 876,914                                   | 325,324         |
|  | 8,346,186     | 7,323,149    | 7,148,155                                 | 6,271,967       |

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|              |              |                 |                 |
|--------------|--------------|-----------------|-----------------|
| 13,720,922   | 12,207,338   | 11,751,389      | 10,455,069      |
| ₩ 17,545,128 | ₩ 15,620,192 | US\$ 15,026,660 | US\$ 13,378,034 |

See accompanying notes to non-consolidated financial statements.

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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NON-CONSOLIDATED INCOME STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

|  | Korean won  |                  | Translation into<br>U.S. dollars (Note 2)              |                     |
|--|---|------------------|--|---------------------|
|  | 2009  | 2008             | 2009   | 2008                |
|  | (In millions, except for income<br>per<br>share data) |                  | (In thousands, except for income<br>per<br>share data) |                     |
| <b>OPERATING REVENUE</b>   |   |                  |  |                     |
| Gain on valuation using the equity<br>method of accounting (Notes 3 and<br>15) | ₩ 1,312,460   | ₩ 654,032        | US\$ 1,124,066   | US\$ 560,150        |
| Interest income (Note 16)  | 14,245  | 12,235           | 12,200   | 10,479              |
| Reversal of allowance for doubtful<br>accounts (Note 4)                        | 150   |                  | 129  |                     |
|  | 1,326,855   | 666,267          | 1,136,395  | 570,629             |
| <b>OPERATING EXPENSES</b>  |   |                  |  |                     |
| Loss on valuation using the equity<br>method of accounting (Notes 3 and<br>15) | 27,086  | 35,254           | 23,199   | 30,194              |
| Interest expense   | 239,225   | 143,982          | 204,885  | 123,314             |
| Fees   | 7,001   | 7,119            | 5,996  | 6,097               |
| Provision for possible loan losses<br>(Note 4)                                 |   | 850              |  | 728                 |
| General and administrative (Notes 13<br>and 16)                                | 25,080  | 23,250           | 21,480   | 19,913              |
|  | 298,392   | 210,455          | 255,560  | 180,246             |
| <b>OPERATING INCOME</b>  | <b>1,028,463</b>                                      | <b>455,812</b>   | <b>880,835</b>   | <b>390,383</b>      |
| <b>NON-OPERATING INCOME</b>  | <b>1,273</b>  | <b>458</b>       | <b>1,090</b>   | <b>392</b>          |
| <b>NON-OPERATING EXPENSES</b>  | <b>3,712</b>  | <b>1,792</b>     | <b>3,179</b>   | <b>1,535</b>        |
| <b>INCOME BEFORE INCOME TAX</b>  | <b>1,026,024</b>                                      | <b>454,478</b>   | <b>878,746</b>   | <b>389,240</b>      |
| <b>INCOME TAX EXPENSE (Note 11)</b>  |   |                  |  |                     |
| <b>NET INCOME</b>  | <b>₩ 1,026,024</b>                                    | <b>₩ 454,478</b> | <b>US\$ 878,746</b>                                    | <b>US\$ 389,240</b> |

|  |   |       |   |     |      |      |      |      |
|--|---|-------|---|-----|------|------|------|------|
| NET INCOME PER COMMON<br>SHARE (Note 17) | ₩ | 1,273 | ₩ | 564 | US\$ | 1.09 | US\$ | 0.48 |
|--|---|-------|---|-----|------|------|------|------|

See accompanying notes to non-consolidated financial statements.

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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS**  
**OF APPROPRIATIONS OF RETAINED EARNINGS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

|  | Korean won    |            | Translation into      |               |
|--|---------------|------------|-----------------------|---------------|
|  | 2009          | 2008       | U.S. dollars (Note 2) | 2008          |
|  | (In millions) |            | (In thousands)        |               |
| <b>RETAINED EARNINGS BEFORE</b>  |               |            |                       |               |
| <b>APPROPRIATIONS:</b>   |               |            |                       |               |
| Unappropriated retained earnings (Undisposed deficit) carried over from prior years    | ₩ 849         | ₩ (86,553) | US\$ 726              | US\$ (74,130) |
| Changes in retained earnings using the equity method of accounting (Note 3)            | (2,987)       | 11,924     | (2,558)               | 10,214        |
| Net income   | 1,026,024     | 454,478    | 878,746               | 389,240       |
|  | 1,023,886     | 379,849    | 876,914               | 325,324       |
| <b>APPROPRIATIONS:</b>   |               |            |                       |               |
| Legal reserve  | 102,603       |            | 87,875                |               |
| Cash dividends (Note 10)   | 80,601        |            | 69,032                |               |
| (Dividends per common stock: ₩100 (2.0%) and ₩0 (0.0%) in 2009 and 2008, respectively) |               |            |                       |               |
| Voluntary reserve  | 840,000       | 379,000    | 719,424               | 324,598       |
|  | 1,023,204     | 379,000    | 876,331               | 324,598       |
| <b>UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEARS</b>      |               |            |                       |               |
|  | ₩ 682         | ₩ 849      | US\$ 583              | US\$ 726      |

See accompanying notes to non-consolidated financial statements.



|   |                |              |               |                |                |                 |
|---|----------------|--------------|---------------|----------------|----------------|-----------------|
| Dividend  |                |              |               |                | (172,579)      | (172,579)       |
| Other capital surplus                             |                | (509)        |               |                |                | (509)           |
| Valuation using the equity method on subsidiaries |                |              | (1,205)       | (957,457)      | 10,214         | (948,448)       |
| December 31, 2008                                 | US\$ 3,451,590 | US\$ 160,123 | US\$ (49,006) | US\$ 620,395   | US\$ 6,271,967 | US\$ 10,455,069 |
| January 1, 2009 (Reported)                        | US\$ 3,451,590 | US\$ 160,123 | US\$ (49,006) | US\$ 620,395   | US\$ 6,271,967 | US\$ 10,455,069 |
| Net income  |                |              |               |                | 878,746        | 878,746         |
| Other capital surplus                             |                | (6,399)      |               |                |                | (6,399)         |
| Valuation using the equity method on subsidiaries |                |              | 2,585         | 423,946        | (2,558)        | 423,973         |
| December 31, 2009                                 | US\$ 3,451,590 | US\$ 153,724 | US\$ (46,421) | US\$ 1,044,341 | US\$ 7,148,155 | US\$ 11,751,389 |

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 YEARS ENDED DECEMBER 31, 2009 AND 2008**

|   | Korean won    |           | Translation into<br>U.S. dollars (Note 2) |              |
|---|---------------|-----------|---|--------------|
|   | 2009          | 2008      | 2009                                      | 2008         |
|   | (In millions) |           | (In thousands)                            |              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |               |           |   |              |
| Net income  | ₩ 1,026,024   | ₩ 454,478 | US\$ 878,746                              | US\$ 389,240 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |               |           |   |              |
| Loss on valuation using the equity method of accounting                                     | 27,086        | 35,254    | 23,199                                    | 30,194       |
| Interest expense (amortization of discounts on debentures)                                  | 2,781         | 1,717     | 2,381                                     | 1,470        |
| Provision for severance benefits  | 965           | 1,103     | 827                                       | 944          |
| Depreciation  | 225           | 249       | 193                                       | 213          |
| Amortization  | 6             | 10        | 5   | 9            |
| Provision for possible loan losses  |               | 850       |   | 728          |
| Other non-operating expense   | 818           |           | 700                                       |              |
| Gain on valuation using the equity method of accounting                                     | (1,312,460)   | (654,032) | (1,124,066)                               | (560,150)    |
| Reversal of allowance for doubtful accounts   | (150)         |           | (129)                                     |              |
|   | (1,280,729)   | (614,849) | (1,096,890)                               | (526,592)    |
| Changes in operating assets and liabilities:  |               |           |   |              |
| Decrease (increase) in other receivables  | (80)          | 969       | (69)                                      | 829          |
| Decrease in accrued dividends   | 14,479        |           | 12,401                                    |              |
| Decrease in accrued income  | 204           | 156       | 175                                       | 134          |
| Increase in prepaid expenses  | (40)          | (99)      | (34)                                      | (85)         |
| Decrease in prepaid income tax  | 62            | 511       | 53  | 438          |
| Retirement benefits payment   | (775)         | (610)     | (664)                                     | (522)        |
| Increase in post-retirement Pension plan asset  | (205)         | (119)     | (175)                                     | (102)        |
| Increase (decrease) in other payables   | 412           | (87)      | 353                                       | (75)         |
| Increase in accrued expenses  | 262           | 6,312     | 224                                       | 5,406        |
| Increase (decrease) in withholdings   | 239           | (56)      | 205                                       | (48)         |
| Dividends on investment securities accounted for the equity method                          | 40,476        | 283,101   | 34,664                                    | 242,465      |
|   | 55,034        | 290,078   | 47,133                                    | 248,440      |
|   | (199,671)     | 129,707   | (171,011)                                 | 111,088      |



Net cash provided by (used in) operating  
activities

(Continued)

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**WOORI FINANCE HOLDINGS CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

|  | Korean won    |             | Translation into |              |
|--|---------------|-------------|------------------|--------------|
|  | 2009          | 2008        | 2009             | 2008         |
|  | (In millions) |             | (In thousands)   |              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |               |             |                  |              |
| Disposal of investment securities accounted for using the equity method of accounting    | ₩ 29,636      | ₩           | US\$ 25,382      | US\$         |
| Collection of loans  | 70,000        |             | 59,952           |              |
| Collection of guarantee deposits   |               | 14,000      |                  | 11,990       |
| Settlement amount under the condition of ex-post settlement                              | 19,015        |             | 16,286           |              |
| Increase in loans  | (40,000)      | (170,000)   | (34,258)         | (145,598)    |
| Acquisition of investment securities accounted for using the equity method of accounting | (381,733)     | (955,584)   | (326,937)        | (818,417)    |
| Acquisition of fixed assets  | (74)          | (377)       | (64)             | (323)        |
| Acquisition of intangible assets   |               | (4)         |                  | (4)          |
| Increase in guarantee deposits   | (929)         | (4,697)     | (796)            | (4,022)      |
| Net cash used in investing activities  | (304,085)     | (1,116,662) | (260,435)        | (956,374)    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |               |             |                  |              |
| Proceeds from borrowings in local currency   | 60,000        |             | 51,387           |              |
| Proceeds from debentures in local currency   | 1,097,673     | 1,775,306   | 940,111          | 1,520,475    |
| Repayment of debentures in local currency  | (750,000)     | (500,000)   | (642,343)        | (428,229)    |
| Payment of dividends   |               | (201,503)   |                  | (172,579)    |
| Net cash provided by financing activities  | 407,673       | 1,073,803   | 349,155          | 919,667      |
| <b>NET INCREASE (DECREASE) IN CASH AND BANK DEPOSITS</b>                                 | (96,083)      | 86,848      | (82,291)         | 74,381       |
| <b>CASH AND BANK DEPOSITS, BEGINNING OF THE YEAR</b>                                     | 119,350       | 32,502      | 102,218          | 27,837       |
| <b>CASH AND BANK DEPOSITS, END OF THE YEAR</b>   | ₩ 23,267      | ₩ 119,350   | US\$ 19,927      | US\$ 102,218 |

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 YEARS ENDED DECEMBER 31, 2009 AND 2008**

**1. GENERAL**

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

Woori Finance Holdings Co., Ltd. (the Company) was incorporated on March 27, 2001, to engage in the business of managing the following five financial institutions: Woori Bank, Kyongnam Bank, Kwangju Bank, Woori Credit Card Co., Ltd. (formerly Peace Bank of Korea and merged into Woori Bank on March 31, 2004) and Woori Investment Bank (merged into Woori Bank on July 31, 2003), whose shares were contributed to the Company by the Korea Deposit Insurance Corporation (the KDIC) in accordance with the provisions of the Financial Holding Company Act. As a result of its functional restructuring, the Company owns 10 subsidiaries and 25 2nd-tier subsidiaries as of December 31, 2009.

Upon incorporation, the Company's stock amounted to ~~₩~~3,637,293 million, consisting of 727,458,609 common shares (~~₩~~5,000 per share) issued and outstanding. As a result of several capital increases, exercise of warrants and conversion rights since incorporation, as of December 31, 2009, the Company's stock amounted to ~~₩~~4,030,077 million, consisting of 806,015,340 common shares issued and outstanding of which the KDIC owns 531,738,609 shares (65.97%).

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

## (2) The structure of the Company and its significant subsidiaries as of December 31, 2009 and 2008 is as follows:

| Parent Companies                 | Subsidiaries  | 2009                   |                             | 2008                   |                             | Financial statements as of |
|----------------------------------|---|------------------------|-----------------------------|------------------------|-----------------------------|----------------------------|
|                                  |   | Number of shares owned | Percentage of ownership (%) | Number of shares owned | Percentage of ownership (%) |                            |
| Woori Finance Holdings Co., Ltd. | Woori Bank (*1)   | 765,956,580            | 100.0                       | 705,956,580            | 100.0                       | Dec. 31                    |
|                                  | Kyongnam Bank   | 58,049,994             | 99.9                        | 58,049,994             | 99.9                        | Dec. 31                    |
|                                  | Kwangju Bank  | 49,413,333             | 99.9                        | 49,413,333             | 99.9                        | Dec. 31                    |
|                                  | Woori Finance Information System Co., Ltd.                | 900,000                | 100.0                       | 900,000                | 100.0                       | Dec. 31                    |
|                                  | Woori F&I Co., Ltd. (*1)                                  | 6,000,000              | 100.0                       | 2,000,000              | 100.0                       | Dec. 31                    |
|                                  | Woori Third Asset Securitization Specialty Co., Ltd. (*2) |                        |                             | 2,000                  | 100.0                       | Dec. 31                    |
|                                  | Woori Investment Securities Co., Ltd.                     | 46,324,981             | 35.0                        | 46,324,981             | 35.0                        | Dec. 31                    |
|                                  | Woori Asset Management Co., Ltd. (*3)                     | 6,662,000              | 100.0                       | 4,663,400              | 70.0                        | Dec. 31                    |

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|            |   |            |       |            |       |              |
|------------|---|------------|-------|------------|-------|--------------|
|            | Woori Private Equity Co., Ltd. (*1)         | 4,000,000  | 100.0 | 2,000,000  | 100.0 | Dec. 31      |
|            | Woori Financial Co., Ltd. (*3)              | 8,909,439  | 52.5  | 8,499,955  | 50.1  | Dec. 31      |
|            | Woori Aviva Life Insurance Co., Ltd.        | 3,060,000  | 51.0  | 3,060,000  | 51.0  | Dec. 31      |
| Woori Bank | Woori Credit Information Co., Ltd.          | 1,008,000  | 100.0 | 1,008,000  | 100.0 | Dec. 31 (*9) |
|            | Woori America Bank PT. Bank Woori Indonesia | 10,500,000 | 100.0 | 10,500,000 | 100.0 | Dec. 31 (*9) |
|            |   | 1,618      | 95.2  | 1,618      | 95.2  | Dec. 31 (*9) |
|            | Woori Global Market Asia Limited            | 39,000,000 | 100.0 | 39,000,000 | 100.0 | Dec. 31 (*9) |
|            | Woori Bank (China) Limited                  |            | 100.0 |            | 100.0 | Dec. 31 (*9) |
|            | ZAO Woori Bank                              | 19,999,999 | 100.0 | 19,999,999 | 100.0 | Dec. 31 (*9) |

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| Parent Companies                      | Subsidiaries   | 2009                   |                             | 2008                   |                             | Financial statements as of |
|---------------------------------------|--|------------------------|-----------------------------|------------------------|-----------------------------|----------------------------|
|                                       |  | Number of shares owned | Percentage of ownership (%) | Number of shares owned | Percentage of ownership (%) |                            |
| Woori F&I Co., Ltd.                   | Woori AMC Co., Ltd. (*5)   |                        |                             | 408,000                | 51.0                        | Dec. 31                    |
|                                       | Woori F&I Fifth Asset Securitization Specialty (*7)                                | 92,500                 | 100.0                       | 182,500                | 100.0                       | Dec. 31                    |
|                                       | Woori F&I Sixth Asset Securitization Specialty                                     | 98,780                 | 100.0                       | 98,780                 | 100.0                       | Dec. 31                    |
|                                       | Woori F&I Seventh Asset Securitization Specialty                                   | 105,300                | 100.0                       | 105,300                | 100.0                       | Dec. 31                    |
|                                       | Woori F&I Eighth Asset Securitization Specialty (*5)                               |                        |                             | 140,000                | 100.0                       | Dec. 31                    |
|                                       | Woori F&I Tenth Asset Securitization Specialty (*4)                                | 478,020                | 100.0                       |                        |                             | Dec. 31                    |
|                                       | Woori SB Tenth Asset Securitization Specialty                                      | 410,711                | 50.0                        | 410,711                | 50.0                        | Dec. 31                    |
| Woori Investment Securities Co., Ltd. | Woori Futures Co., Ltd.  | 5,000,000              | 100.0                       | 5,000,000              | 100.0                       | Dec. 31                    |
|                                       | Woori Investment Securities Int 1 Ltd. (*5)  |                        |                             | 5,788,000              | 100.0                       | Dec. 31 (*9)               |
|                                       | Woori Investment Securities (H.K.) Ltd.  | 22,500,000             | 100.0                       | 22,500,000             | 100.0                       | Dec. 31 (*9)               |
|                                       | Woori Investment Securities America, Inc. (*5)                                     |                        |                             | 300                    | 100.0                       | Dec. 31 (*9)               |
|                                       | LG Investments Holding B.V. (Amsterdam) GG High Technology Venture Investment (*5) | 1,642,398,242          | 100.0                       | 1,642,398,242          | 100.0                       | Dec. 31 (*9)               |
|                                       | Global Technology Investment (*5)  |                        |                             | 208,000                | 42.9                        | Dec. 31 (*9)               |
|                                       | MARS First Private Equity Fund   | 18,000,000             | 52.9                        | 18,000,000             | 52.9                        | Dec. 31 (*9)               |
|                                       |  | 25,066,666,670         | 8.9                         | 25,066,666,670         | 8.9                         | Dec. 31 (*9)               |

|   |  |            |       |            |       |              |
|---|--|------------|-------|------------|-------|--------------|
|   | MARS Second Private Equity Fund Connacht Capital Market Investment | 15,000,000 | 100.0 | 15,000,000 | 100.0 | Dec. 31 (*9) |
|   | Woori Investment Asia Pte. Ltd.                                    | 50,000,000 | 100.0 | 50,000,000 | 100.0 | Dec. 31 (*9) |
|   | Woori Absolute Asia Global Opportunity Fund (*6)                   | 35,000     | 100.0 |            |       | Dec. 31 (*9) |
| Woori, Kyongnam & Kwangju Bank, Woori Investment Securities, Woori F&I & Woori PE Woori Private Equity Fund | Woori Private Equity Fund (*1)                                     | 149,937    | 61.0  | 141,494    | 61.0  | Dec. 31      |
|   | Kumho Investment Bank  | 74,550,000 | 41.4  | 74,550,000 | 41.4  | Dec. 31      |
|   | Woori EL, Ltd. (*5)  |            |       | 1,010      | 100.0 | Dec. 31      |
|   | Woori Renaissance Holdings (*6)                                    | 1,260      | 51.6  |            |       | Dec. 31      |
|   | Phoenix Digital Tech Co., Ltd. (*8)                                | 500,000    | 50.0  |            |       | Dec. 31      |
|   | Woori BK Co., Ltd. (*8)  | 1,000      | 100.0 |            |       | Dec. 31 (*9) |
| Woori Renaissance Holdings  | UP Chemical Co., Ltd.  | 582,371    | 70.0  | 582,371    | 70.0  | Dec. 31 (*9) |

(\*1) The investees increased their capital for the year ended December 31, 2009. As a result, the number of shares owned increased.

(\*2) Woori 3rd SPC finished the process of liquidation; therefore, it is no longer subject to consolidation for the year ended

December 31,  
2009.

(\*3) The number of  
share owned  
and the  
percentage of  
ownership  
increased due to  
additional  
acquisition.

(\*4) Woori F&I  
acquired 100%  
ownership  
interest of  
Woori F&I  
Tenth Asset  
Securitization  
Specialty Co.,  
Ltd.



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(\*5) Since total value of assets as of December 31, 2008 did not exceed ₩10 billion, it has been excluded from subsidiaries.

(\*6) Since total value of assets as of December 31, 2008 exceeded ₩10 billion, it has been included in subsidiaries.

(\*7) The investees decreased their capital for the year ended December 31, 2009. As a result, the number of shares owned decreased.

(\*8) Woori Private Equity Fund acquired respectively 50% of ownership of Phoenix Digital Tech Co., Ltd. and 100% of ownership of Woori BK Co., Ltd.

(\*9) The financial statements as of December 31, 2009 are not audited.

(3) General information pertaining to the Company's subsidiaries as of December 31, 2009 is set forth below:

a. Woori Bank

Woori Bank was established in 1899 and has been engaged in the commercial banking business under the Korean Banking Law, trust business under the Trust Business Law, merchant bank services under the Merchant Bank Act and foreign exchange business with approval from the Bank of Korea (the BOK ) and the Ministry of Strategy and Finance (the MOSF ). In connection with the infusion of public funds, Woori Bank and the KDIC have entered into an Agreement on the Implementation of the Business Plan. As of December 31, 2009, its issued common stock amounted to ₩3,479,783 million consisting of 695,956,580 shares and its issued preferred stock amounted to ₩350,000 million consisting of 70,000,000 shares. Woori Bank is wholly owned by the Company. The head office of Woori Bank is located in Seoul, Korea. Woori Bank has 889 branches and offices in Korea, and 12 branches and offices overseas.

b. Kyongnam Bank

Kyongnam Bank was incorporated on April 18, 1970 and has been 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 MOSF. In connection with the infusion of public funds, Kyongnam Bank and the KDIC have entered into an Agreement on the Implementation of the Business Plan. As of December 31, 2009, Kyongnam Bank's common stock amounted to ₩290,250 million consisting of 58,050,037 shares of common stock issued and outstanding of which the Company owns 99.99% ownership. The head office of Kyongnam Bank is located in Masan, Korea. Kyongnam Bank has 148 branches and offices in Korea.

c. Kwangju Bank

Kwangju Bank was established on October 7, 1968 and has been 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 MOSF. In connection with the infusion of public funds, Kwangju Bank and the KDIC have entered into an Agreement on the Implementation of the Business Plan. As of December 31, 2009, its common stock amounted to ₩247,069 million consisting of 49,413,850 common shares issued and outstanding of which the Company owns 99.99% ownership. Kwangju Bank's head office is located in Kwangju, Korea. Kwangju Bank has 135 domestic branches and offices in Korea.

d. Woori Finance Information System Co., Ltd.

Woori Finance Information System Co., Ltd. ( WFIS ) was established on April 17, 1989 and has been 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. As of December 31, 2009, its common stock amounted to ₩4,500 million 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.

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## e. Woori F&amp;I Co., Ltd.

Woori F&I Co., Ltd. ( Woori F&I ) was established on November 16, 2001 and has been engaged in the business of management, operation and disposition of securitization assets. On September 13, 2002, Woori F&I split off the asset management business segment and established Woori AMC Co., Ltd. (formerly Woori SB Asset Management Co., Ltd.). As a result, Woori F&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. As of December 31, 2009, its common stock amounted to ₩30,000 million consisting of 6,000,000 shares issued and outstanding, all of which are owned by the Company. The office of Woori F&I is located in Seoul, Korea.

## f. Woori Investment Securities Co., Ltd.

Woori Investment Securities Co., Ltd. (formerly LG securities , Woori Investment Securities ), whose shares were listed on the Korea Exchange, was established in 1969 to engage in trading, agency, brokerage and underwriting of securities. Woori Investment Securities became a subsidiary of the Company on December 24, 2004 as the Company acquired 26.92% of voting rights of LG Securities and was able to govern its management. LG Securities merged with Woori Securities on March 31, 2005 and changed its name to Woori Investment Securities. As of December 31, 2009, its issued common stock amounted to ₩687,445 million consisting of 132,513,863 shares and preferred stock amounted to ₩99,355 million consisting of 18,870,968 shares issued and outstanding of which the Company owns 35.0% ownership. The head office of Woori Investment Securities is located in Seoul, Korea. Woori Investment Securities has 124 branches and offices in Korea and 5 offices in overseas.

## g. Woori Asset Management Co., Ltd.

Woori Asset Management Co., Ltd. (formerly Woori Credit Suisse Asset Management Co., Ltd , Woori Asset Management ) established on March 26, 1988, has been engaged in securities investment trust management, investment advisory and mutual fund management. As the Company acquired 90% ownership interest of LG Investment Trust Management from Woori Investment Securities, it became a subsidiary of the Company on May 6, 2005. On May 31, 2005, LG Investment Trust Management merged with Woori Investment Trust Management and changed its name to Woori Asset Management Co., Ltd. On May 30, 2006, the Company sold 1,998,600 shares (30%) of Woori Asset Management to Credit Suisse and ₩34,604 million of gain on the disposal of ownership interest in Woori CS was recorded as accumulated other comprehensive income and subsequently, Woori Asset Management changed its name to Woori CS. In addition, at the directors' meeting on May 13, 2009 approved forward the cancellation of shareholder's contract between Woori Finance Holdings CO., Ltd and Credit Suisse Asset Management International Holding. Accordingly, the company changed its name from Woori Credit Suisse Asset Management Co., Ltd to Woori Asset Management, Woori Finances Holdings Co., Ltd acquired 1,998,600 shares from Credit Suisse Asset Management International Holding (30% of total issued stocks) on October 28, 2009.

As of December 31, 2009, the number of issued and outstanding common shares and contributed capital of Woori Asset Management are 6,662,000 shares and ₩33,310 million, respectively, which the Company owns 100% of the common shares. The head office of Woori Asset Management is located in Seoul, Korea.

## h. Woori Private Equity Co., Ltd.

Woori Private Equity Co., Ltd. ( Woori PE ), established on October 24, 2005, has been engaged in direct investment in a private equity fund or investment advisory and management services. As of December 31, 2009, its common stock amounted to ₩20,000 million consisting of 4,000,000 shares issued and outstanding, all of which are owned by the Company. The office of Woori PE is located in Seoul, Korea.

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i. Woori Financial Co., Ltd.

Woori Financial Co., Ltd. (formerly Hanmi Capital , Woori Financial ), established on September 1989, has been engaged in lease, installment and factoring business. On September 14, 2007, the Company acquired 8,499,955 shares of Hanmi Capital at ₩271,149 million. On October 26, 2007, Hanmi Capital changed its corporate name into Woori Financial. As of December 31, 2009, the number of issued and outstanding common shares and contributed capital of Woori Financial are 16,963,128 shares and ₩84,816 million, respectively, which the Company owns 52.5% of the common shares. The office of Woori Financial is located in Suwon, Korea and Woori Financial has 13 domestic branches in Korea.

j. Woori Aviva Life Insurance Co., Ltd.

Woori Aviva Life Insurance Co., Ltd. (formerly LIG Life Insurance , Woori Aviva ), established on March 4, 1988, has been engaged in life insurance and the related reinsurance business. On April 4, 2008, the Company acquired 3,060,000 shares of LIG Life Insurance at ₩75,584 million and LIG Life Insurance changed its corporate name to Woori Aviva. As of December 31, 2009, the number of issued and outstanding common shares and contributed capital of Woori Aviva are 6,000,000 shares and ₩30,000 million, respectively. The Company owns 51.0% of Woori Aviva s outstanding common shares. The office of Woori Aviva is located in Busan, Korea and Woori Aviva has 42 domestic branches in Korea.

(4) General information pertaining to the Company s 2nd -tier subsidiaries as of December 31, 2009 is as follows:

a. Woori Credit Information Co., Ltd.

Woori Credit Information Co., Ltd. ( Woori CI ) was established on March 15, 1991 and has been 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. As of December 31, 2009, the common stock of Woori CI amounted to ₩5,040 million consisting of 1,008,000 shares issued and outstanding, and is wholly owned by Woori Bank. The head office of Woori CI is located in Seoul, Korea. Woori CI has 16 branches and offices in Korea.

b. Woori America Bank

Woori America Bank ( Woori America ) was established on January 7, 1984 and has been engaged in the banking business in New York, U.S.A. Woori America merged with Panasia Bank N.A. on September 11, 2003. As of December 31, 2009, its common stock amounted to US\$60,000 thousand consisting of 10,500,000 shares issued and outstanding, and is wholly owned by Woori Bank.

c. PT. Bank Woori Indonesia

PT. Bank Woori Indonesia ( Woori Indonesia ) was established on June 18, 1992 and has been engaged in the banking business in Indonesia. As of December 31, 2009, its common stock amounted to IDR 170,000 million consisting of 1,700 shares issued and outstanding of which Woori Bank owns 95.2% ownership.

d. Woori Private Equity Fund

Woori Private Equity Fund ( Woori PEF ) was established on July 6, 2006, based on the Act on Capital Market and Financial Investment Business and has been engaged in investments by private funding and intends to offer an investment return to investors by enhancing the investees value by participation in investees management and restructuring. As of December 31, 2009, the common stock of Woori PEF amounted to ₩245,651 million

consisting of 245,651 shares of which the Company's subsidiaries own 61.0% of Woori PEF. The office of Woori PEF is located in Seoul, Korea.

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e. The information of other 2nd tier subsidiaries as of December 31, 2009 is as follows (Korean won in millions and U.S. dollar, EURO, HKD, CNY and RUB in thousands):

| Subsidiaries                                     | Main business            | Capital |           | Number of issued shares | Date of Establishment | Location           |
|--|--------------------------|---------|-----------|-------------------------|-----------------------|--------------------|
| Woori Global Market Asia Limited                 | Financial business       | HKD     | 39,000    | 39,000,000              | 2006.08.23            | Hong Kong, China   |
| Woori Bank (China) Limited                       | Banking                  | CNY     | 2,400,000 |                         | 2007.10.26            | Beijing, China     |
| ZAO Woori Bank                                   | Banking                  | RUB     | 500,000   | 20,000,000              | 2007.11.22            | Moscow, Russia     |
| Woori F&I Fifth Asset Securitization Specialty   | Asset Securitization     | ₩       | 463       | 92,500                  | 2007.05.23            | Seoul, Korea       |
| Woori F&I Sixth Asset Securitization Specialty   | Asset Securitization     | ₩       | 494       | 98,780                  | 2007.12.12            | Seoul, Korea       |
| Woori F&I Seventh Asset Securitization Specialty | Asset Securitization     | ₩       | 527       | 105,300                 | 2007.12.12            | Seoul, Korea       |
| Woori F&I Tenth Asset Securitization Specialty   | Asset Securitization     | ₩       | 2,390     | 478,020                 | 2009.03.10            | Seoul, Korea       |
| Woori SB Tenth Asset Securitization Specialty    | Asset Securitization     | ₩       | 4,107     | 821,421                 | 2008.06.27            | Seoul, Korea       |
| Woori Futures Co., Ltd.                          | Futures trading          | ₩       | 25,000    | 5,000,000               | 1992.07.10            | Seoul, Korea       |
| Woori Investment Securities (H.K.) Ltd.          | Securities               | USD     | 22,500    | 22,500,000              | 1995.03.06            | Hong Kong, China   |
| LG Investment Holding B.V. (Amsterdam) GG        | Securities investments   | EURO    | 16,424    | 1,642,398,242           | 1996.10.18            | Amsterdam, Holland |
| MARS First Private Equity Fund                   | Other financial business | ₩       | 34,000    | 34,000,000              | 2005.01.26            | Seoul, Korea       |
| MARS Second Private Equity Fund                  | Other financial business | ₩       | 282,000   | 282,000,000,000         | 2007.02.08            | Seoul, Korea       |
| Connacht Capital Market                          | Securities investments   | USD     | 150       | 15,000,000              | 1996.05.08            | Malaysia           |

|   |                              |     |        |             |            |                         |
|---|------------------------------|-----|--------|-------------|------------|-------------------------|
| Investment<br>Woori Investment<br>Asia Pte. Ltd.        | Investments                  | USD | 50,000 | 50,000,000  | 2007.09.20 | Singapore               |
| Woori Absolute<br>Asia<br>Global<br>Opportunity<br>Fund | Securities<br>investments    | USD | 35,000 | 35,000      | 2008.07.21 | Cayman Island           |
| Kumho<br>Investment Bank<br>Woori                       | Credit financial<br>business | ₩   | 89,951 | 179,902,850 | 1974.06.29 | Kwangju, Korea          |
| Renaissance<br>Holdings                                 | Other financial<br>business  | ₩   | 24     | 2,440       | 2008.03.31 | Seoul, Korea            |
| Phoenix Digital<br>Tech Co., Ltd.                       | Manufacturing                | ₩   | 5,000  | 1,000,000   | 1992.05.15 | Chungcheongdo,<br>Korea |
| Woori BK<br>Co.,Ltd.                                    | Other financial<br>business  | ₩   | 10     | 1,000       | 2009.12.10 | Seoul, Korea            |
| UP Chemical<br>Co.,Ltd.                                 | Manufacturing                | ₩   | 4,160  | 831,934     | 1998.08.13 | Seoul, Korea            |

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**Table of Contents****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Basis of Financial Statement Presentation**

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

The accompanying financial statements are stated in Korean won, the currency of the country in which the Company is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers outside of the Republic of Korea and has been made at the rate of ₩1,167.60 to US\$1.00 at December 31, 2009, the Base Rate announced by Seoul Money Brokerage Service, Ltd. Such translations should not be construed as representations that the Korean won amounts could be converted into U.S. dollars at that or any other rate.

The accompanying non-consolidated financial statements were approved by the board of directors on February 10, 2010.

The significant accounting policies followed in preparing the accompanying non-consolidated financial statements are summarized below. Due to the amendment to the Act on External Audit for Stock Companies, the Company has renamed the balance sheets to the statements of financial position as of December 31, 2009 and 2008.

a. Investment securities accounted for using the equity method of accounting

If the Company owns 20% or more of the voting shares of its investees, either directly or indirectly, the Company is presumed to have significant influence on the investees' management and accordingly, the investment equity securities in those investees are accounted for using the equity method of accounting. Investment equity securities are initially stated at their acquisition costs including incidental cost incurred in connection with acquisition of the related securities.

The excess of the acquisition cost over the proportionate net asset value on the acquisition date is amortized using the straight-line method over 20 years or less. The excess of the proportionate net asset value over the acquisition cost arising with respect to identifiable non-monetary assets are recognized as income, as economic benefits embodied therein flow to the acquirer (when the assets are amortized or disposed). The amount of the excess of the proportionate net asset value over the acquisition cost in excess of the fair value of non-monetary assets, which is deemed arising from purchasing monetary assets at lower price, is immediately recognized as a gain. The Company's interest in net assets of investees is added to or deducted from the investment securities. The Company's interest in net income or net loss of investees is reflected in current operations. Changes in retained earnings of the investees are reflected in the retained earnings account and changes in capital surplus or other capital accounts of the investees are reflected in the capital adjustment account of the Company.

b. Allowance for possible loan losses

The Company provides an allowance for possible loan losses based on management's analysis of the borrowers' capacity to repay and prior bad debt experience. The allowance for possible loan losses is presented as a deduction from loans.

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- c. Fixed assets and depreciation  
Fixed assets are recorded at acquisition cost, and expenditures that increase future economic benefits beyond its most recently assessed standard of performance are capitalized as additions to fixed assets. Depreciation is computed using the straight-line method for leasehold improvements and the declining balance method for all other assets based on the estimated useful lives of the assets. The estimated useful life is 5 years for fixed assets.
- d. Intangible assets  
Intangible assets are recorded at acquisition cost. Intangible assets are amortized using the straight-line method over the estimated useful life of 5 years.
- e. Amortization of discount on debentures  
Discounts on debentures issued are presented as deductions from the debentures. Discounts are accreted over the period from issuance to maturity using the effective interest rate method. Accretion of discounts is recognized as interest expense on the debentures.
- f. Accrued severance benefits  
In accordance with the Company's policy, all employees with more than one year of service are entitled to receive severance benefit payments upon termination. Before the beginning of 2008, deposits for severance benefits, which would be directly paid to employees, were recorded as deductions from accrued severance benefits. Beginning in 2007, deposits for severance benefits have been transferred to defined benefit post-retirement pension plan assets which are presented as deductions from accrued severance benefits (Note 8).
- g. Income tax expense and deferred tax asset (liability)  
Deferred tax liabilities are generally recognized for all taxable temporary differences with some exceptions. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Income tax expense is determined by adding or deducting the total income tax and surtaxes to be paid for the current period and the changes in deferred income tax assets or liabilities. In addition, current tax and deferred tax is charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity in the same or different period.

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

(1) Changes in investment securities accounted for using the equity method of accounting for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

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

| <2008>                         | Jan.1, 2008  | Gain (loss)<br>on valuation<br>using<br>the equity<br>method (*) | Other<br>comprehensive<br>income (*) | Dividends   | Other<br>increase<br>(decrease) | Dec.31, 2008 |
|--------------------------------|--------------|--|--------------------------------------|-------------|---------------------------------|--------------|
| Woori Bank                     | ₩ 12,196,954 | ₩ 250,120  | ₩ (1,056,639)                        | ₩ (200,326) | ₩ 710,019                       | ₩ 11,900,128 |
| Kyongnam Bank                  | 923,555      | 211,607  | 10,468                               |             | 99,688                          | 1,245,318    |
| Kwangju Bank                   | 726,256      | 103,246  | 11,568                               |             | 79,868                          | 920,938      |
| WFIS                           | 10,080       | 2,995  | 1                                    |             |                                 | 13,076       |
| Woori F&I                      | 144,746      | 22,801   | (7,308)                              | (20,174)    | (66)                            | 139,999      |
| Woori 3 <sup>rd</sup> SPC      | 1,885        | (153)  | (41,122)                             |             | 39,390                          |              |
| Woori Investment<br>Securities | 735,983      | 61,688   | (37,773)                             | (50,957)    | 173                             | 709,114      |
| Woori Asset<br>Management      | 49,895       | 495  |                                      | (9,094)     |                                 | 41,296       |
| Woori PE                       | 11,949       | 1,081  | (95)                                 |             | (91)                            | 12,844       |
| Woori Financial                | 261,408      | (32,919)   | 2,186                                | (2,550)     | 331                             | 228,456      |
| Woori Aviva                    |              | (2,183)  | 786                                  |             | 75,584                          | 74,187       |
|                                | ₩ 15,062,711 | ₩ 618,778  | ₩ (1,117,928)                        | ₩ (283,101) | ₩ 1,004,896                     | ₩ 15,285,356 |

(\*) Gain or loss on valuation using

the equity  
method and  
changes in  
equity of  
investees using  
the equity  
method is  
represented in  
total amount  
segregated by  
each investee.

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(2) The details of other increase or decrease for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

|                             | Capital surplus | Capital adjustment | Retained earnings | Other non-operating expenses | Acquisition/ Others | Total     |
|-----------------------------|-----------------|--------------------|-------------------|------------------------------|---------------------|-----------|
| <2009>                      |                 |                    |                   |                              |                     |           |
| Woori Bank                  | ₩ (895)         | ₩ 898              | ₩(2,987)          | ₩ (818)                      | ₩ 300,000           | ₩ 296,198 |
| Kyongnam Bank               | 71              | 181                |                   |                              |                     | 252       |
| Kwangju Bank                | 71              | 181                |                   |                              |                     | 252       |
| Woori F&I                   | 34              | (5)                |                   |                              | 20,000              | 20,029    |
| Woori 3 <sup>rd</sup> SPC   |                 |                    |                   |                              | (29,636)            | (29,636)  |
| Woori Investment Securities | (13)            | 205                |                   |                              |                     | 192       |
| Woori Asset Management      | (26,005)        |                    |                   |                              | 47,850              | 21,845    |
| Woori PE                    | 34              | (55)               |                   |                              | 10,000              | 9,979     |
| Woori Financial             | 217             | 1,613              |                   |                              | 4,009               | 5,839     |
| Woori Aviva                 |                 |                    |                   |                              | (126)               | (126)     |
|                             | ₩(26,486)       | ₩ 3,018            | ₩(2,987)          | ₩ (818)                      | ₩ 352,097           | ₩ 324,834 |

|                             | Capital surplus | Capital adjustment | Retained earnings | Acquisition/ Others | Total       |
|-----------------------------|-----------------|--------------------|-------------------|---------------------|-------------|
| <2008>                      |                 |                    |                   |                     |             |
| Woori Bank                  | ₩(1,102)        | ₩ (803)            | ₩ 11,924          | ₩ 700,000           | ₩ 710,019   |
| Kyongnam Bank               | (150)           | (162)              |                   | 100,000             | 99,688      |
| Kwangju Bank                | 30              | (162)              |                   | 80,000              | 79,868      |
| Woori F&I                   | 15              | (81)               |                   |                     | (66)        |
| Woori 3 <sup>rd</sup> SPC   |                 |                    |                   | 39,390              | 39,390      |
| Woori Investment Securities | 365             | (192)              |                   |                     | 173         |
| Woori PE                    | 9               | (100)              |                   |                     | (91)        |
| Woori Financial             | 238             | 93                 |                   |                     | 331         |
| Woori Aviva                 |                 |                    |                   | 75,584              | 75,584      |
|                             | ₩ (595)         | ₩ (1,407)          | ₩ 11,924          | ₩ 994,974           | ₩ 1,004,896 |

(3) The details of changes in the difference between the acquisition costs and the proportionate net asset values on the acquisition date for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

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

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|                             | Jan. 1, 2008 | Acquisition | Amortization | Dec. 31,<br>2008 |
|-----------------------------|--------------|-------------|--------------|------------------|
| Woori F&I                   | ₩ 66         | ₩           | ₩ 5          | ₩ 61             |
| Woori Investment Securities | (2,355)      |             | (110)        | (2,245)          |
| Woori Financial             | 182,544      |             | 38,430       | 144,114          |
| Woori Aviva                 |              | 36,539      | 5,481        | 31,058           |
|                             | ₩ 180,255    | ₩ 36,539    | ₩ 43,806     | ₩ 172,988        |

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(4) The details of unrealized gains (losses) from transactions among subsidiaries for the year ended December 31, 2009 are as follows (Korean won in millions):

|                             | Jan. 1,<br>2009 | Realized | Incurred | Dec. 31,<br>2009 |
|-----------------------------|-----------------|----------|----------|------------------|
| Woori Bank                  | ₩ (9,079)       | ₩ 2,206  | ₩ 11,048 | ₩ 4,175          |
| Kyongnam Bank               | (84)            | 84       | 360      | 360              |
| Kwangju Bank                | 1,284           | 1,081    |          | 2,365            |
| WFIS                        | 3,124           | 513      | 5        | 3,642            |
| Woori F&I                   |                 |          | 200      | 200              |
| Woori Investment Securities | (158)           | 36       |          | (122)            |
| Woori Financial             | 850             | (76)     | (350)    | 424              |
| Woori Aviva                 | 56              | (56)     |          |                  |
|                             | ₩ (4,007)       | ₩ 3,788  | ₩ 11,263 | ₩ 11,044         |

(5) The market values of Woori Investment Securities and Woori Financial are ₩771,311 million (₩16,650 per share) and ₩88,025 million (₩9,880 per share), respectively, as of December 31, 2009.

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

(1) Loans as of December 31, 2009 and 2008 are as follows (Korean won in millions):

|                                       | Issuance<br>date | Maturity<br>date | Annual<br>interest<br>rate (%) | 2009      | 2008      |
|---------------------------------------|------------------|------------------|--------------------------------|-----------|-----------|
| Woori Financial                       | 2008.11.03       | 2010.10.19       | 5.47                           | ₩ 30,000  | ₩ 50,000  |
|                                       | 2008.11.10       | 2009.10.19       | 4.94                           |           | 50,000    |
|                                       | 2008.12.26       | 2010.10.19       | 5.47                           | 70,000    | 70,000    |
| Woori F&I                             | 2009.03.27       | 2012.03.27       | 6.80                           | 40,000    |           |
|                                       |                  |                  |                                | 140,000   | 170,000   |
| Allowance for possible loan<br>losses |                  |                  |                                | (700)     | (850)     |
|                                       |                  |                  |                                | ₩ 139,300 | ₩ 169,150 |

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

(1) Changes in fixed assets for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

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

  

|                         | Jan. 1,<br>2008 | Acquisition | Disposition | Depreciation | Dec. 31,<br>2008 |
|-------------------------|-----------------|-------------|-------------|--------------|------------------|
| Furniture and equipment | ₩ 353           | ₩ 246       | ₩           | ₩ 215        | ₩ 384            |
| Leasehold improvements  | 58              | 131         |             | 34           | 155              |
| Others                  | 27              |             |             |              | 27               |
|                         | ₩ 438           | ₩ 377       | ₩           | ₩ 249        | ₩ 566            |

(2) Changes in intangible assets for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

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

  

|                            | Jan. 1,<br>2008 | Acquisition | Amortization | Dec. 31,<br>2008 |
|----------------------------|-----------------|-------------|--------------|------------------|
| Software                   | ₩ 2             | ₩ 3         | ₩ 2          | ₩ 3              |
| Industrial property rights | 18              | 1           | 8            | 11               |
|                            | ₩ 20            | ₩ 4         | ₩ 10         | ₩ 14             |

As of December 31, 2009 and 2008, accumulated amortization of software amounted to ₩35 million and ₩34 million, respectively, and accumulated amortization of industrial property rights amounted to ₩82 million and ₩77 million, respectively.

**6. OTHER ASSETS**

Other assets as of December 31, 2009 and 2008 are as follows (Korean won in millions):

|                              | 2009     | 2008     |
|------------------------------|----------|----------|
| Guarantee deposits (Note 16) | ₩ 31,645 | ₩ 30,716 |
| Other receivables (Note 16)  | 81       | 1        |
| Dividend receivables         |          | 14,479   |
| Accrued income (Note 16)     | 12       | 216      |



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|                               |          |          |
|-------------------------------|----------|----------|
| Prepaid expenses              | 322      | 282      |
| Income tax refund receivables |          | 62       |
| Intangible assets (Note 5)    | 8        | 14       |
|                               | ₩ 32,068 | ₩ 45,770 |

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

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

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

(2) Debentures in local currency as of December 31, 2009 and 2008 are as follows (Korean won in millions):

|                              | Issuance date | Annual interest rate (%) | Maturity      | 2009        | 2008        |
|------------------------------|---------------|--------------------------|---------------|-------------|-------------|
| The 11th bonds               | Jun. 18, 2004 | 5.05                     | Jun. 18, 2009 | ₩           | ₩ 370,000   |
| The 12th bonds               | Jul. 26, 2004 | 4.84                     | Jul. 26, 2009 |             | 230,000     |
| The 15th bonds               | Jun. 21, 2005 | 4.31                     | Jun. 21, 2010 | 250,000     | 250,000     |
| The 18-1 <sup>st</sup> bonds | Aug. 30, 2007 | 5.71                     | Aug. 30, 2010 | 250,000     | 250,000     |
| The 18-2 <sup>nd</sup> bonds | Aug. 30, 2007 | 5.79                     | Aug. 30, 2012 | 250,000     | 250,000     |
| The 19-1 <sup>st</sup> bonds | Dec. 6, 2007  | 6.63                     | Dec. 6, 2010  | 130,000     | 130,000     |
| The 19-2 <sup>nd</sup> bonds | Dec. 6, 2007  | 6.63                     | Dec. 6, 2012  | 140,000     | 140,000     |
| The 20-1 <sup>st</sup> bonds | Apr. 14, 2008 | 5.67                     | Apr. 14, 2011 | 160,000     | 160,000     |
| The 20-2 <sup>nd</sup> bonds | Apr. 14, 2008 | 5.72                     | Apr. 14, 2013 | 170,000     | 170,000     |
| The 21th bonds               | Jun. 24, 2008 | 6.55                     | Jun. 24, 2011 | 200,000     | 200,000     |
| The 22-1 <sup>st</sup> bonds | Sep. 25, 2008 | 7.24                     | Sep. 25, 2010 | 50,000      | 50,000      |
| The 22-2 <sup>nd</sup> bonds | Sep. 25, 2008 | 7.28                     | Sep. 25, 2011 | 250,000     | 250,000     |
| The 23-1 <sup>rd</sup> bonds | Dec. 9, 2008  | 7.96                     | Dec. 9, 2010  | 210,000     | 210,000     |
| The 23-2 <sup>nd</sup> bonds | Dec. 9, 2008  | 8.13                     | Dec. 9, 2011  | 530,000     | 530,000     |
| The 23-3 <sup>rd</sup> bonds | Dec. 9, 2008  | 8.19                     | Dec. 9, 2013  | 60,000      | 60,000      |
| The 24th bonds               | Dec. 17, 2008 | 6.75                     | Dec. 17, 2009 |             | 150,000     |
| The 25-1st bonds             | Mar. 24, 2009 | 5.24                     | Mar. 24, 2011 | 50,000      |             |
| The 25-2nd bonds             | Mar. 24, 2009 | 5.39                     | Mar. 24, 2012 | 100,000     |             |
| The 25-3rd bonds             | Mar. 24, 2009 | 5.70                     | Mar. 24, 2014 | 150,000     |             |
| The 26th bonds               | Mar. 31, 2009 | 6.36                     | Jan. 1, 2015  | 300,000     |             |
| The 27-1st bonds             | Jun. 15, 2009 | 5.43                     | Jun. 15, 2012 | 220,000     |             |
| The 27-2nd bonds             | Jun. 15, 2009 | 5.94                     | Jun. 15, 2014 | 80,000      |             |
| The 28-1st bonds             | Nov. 13, 2009 | 5.21                     | Nov. 13, 2012 | 60,000      |             |
| The 28-2nd bonds             | Nov. 13, 2009 | 5.43                     | Nov. 13, 2013 | 140,000     |             |
|                              |               |                          |               | 3,750,000   | 3,400,000   |
| Less: discounts              |               |                          |               | (5,844)     | (6,298)     |
|                              |               |                          |               | ₩ 3,744,156 | ₩ 3,393,702 |

(\*)

All debentures  
above are in  
terms of bullet  
repayment.

**Table of Contents****8. ACCRUED SEVERANCE BENEFITS**

Employees and directors with more than one year of service are entitled to receive a lump-sum payment upon termination of their service with the Company. The accrued severance benefits that would be payable assuming all eligible employees and directors were to terminate amounted to ₩2,175 million and ₩1,985 million as of December 31, 2009 and 2008, respectively.

The details of changes in the accrued severance benefits for years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

|  | 2009    | 2008    |
|--|---------|---------|
| January 1                                  | ₩ 1,985 | ₩ 1,492 |
| Provision for severance benefits (Note 13) | 965     | 1,103   |
| Retirement indemnities payment             | (775)   | (610)   |
| December 31                                | ₩ 2,175 | ₩ 1,985 |

As of December 31, 2009 and 2008, the Company has deposited post-retirement pension plan assets at Woori Bank and the pension plan assets amounting to ₩1,414 million and ₩1,209 million, respectively, are presented as a deduction from accrued severance benefits. As of December 31, 2009, post-retirement pension plan assets consist of beneficiary certificates and time deposits amounted to ₩146 million and ₩1,268 million.

**9. OTHER LIABILITIES**

Other liabilities as of December 31, 2009 and 2008 are as follows (Korean won in millions):

|  | 2009     | 2008     |
|--|----------|----------|
| Accrued severance benefits (Note 8)                  | ₩ 2,175  | ₩ 1,985  |
| Post-retirement pension plan assets (Notes 8 and 16) | (1,414)  | (1,209)  |
| Other payables                                       | 758      | 346      |
| Accrued expenses                                     | 18,070   | 17,808   |
| Withholdings   | 461      | 222      |
|  | ₩ 20,050 | ₩ 19,152 |

**10. SHAREHOLDERS EQUITY**

(1) The authorized shares and issued shares of common stock as of December 31, 2009 and 2008 are as follows:

|                                   | 2009          | 2008          |
|-----------------------------------|---------------|---------------|
| Authorized shares of common stock | 2,400,000,000 | 2,400,000,000 |
| Par value                         | ₩ 5,000       | ₩ 5,000       |
| Issued shares of common stock     | 806,015,340   | 806,015,340   |

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(2) The changes in the capital stock of the Company for the period from its incorporation to December 31, 2009 are as follows (Korean won in millions):

| Date           | Description  | Number of shares issued | Capital stock | Paid-in capital in excess of par value |
|----------------|--|-------------------------|---------------|--|
| March 27, 2001 | Establishment  | 727,458,609             | ₩ 3,637,293   | ₩                                      |
| June 12, 2002  | Issuance of new shares                                 | 36,000,000              | 180,000       | 58,645                                 |
| In 2002        | Exercise of warrants                                   | 4,356,188               | 21,781        |  |
| 2002.12.31     |  | 767,814,797             | 3,839,074     | 58,645                                 |
| In 2003        | Exercise of warrants                                   | 7,690,113               | 38,451        | (574)                                  |
| 2003.12.31     |  | 775,504,910             | 3,877,525     | 58,071                                 |
| In 2004        | Issuance of new shares                                 | 8,571,262               | 42,856        | 14,126                                 |
|                | Exercise of convertible bonds                          | 12,379,386              | 61,897        | 12,118                                 |
| 2004.12.31     |  | 796,455,558             | 3,982,278     | 84,315                                 |
| In 2005        | Exercise of convertible bonds                          | 9,559,782               | 47,799        | 24,710                                 |
|                | Acquisition of common shares of Woori Asset Management |                         |               | (24,537)                               |
| 2006.12.31     |  | 806,015,340             | ₩ 4,030,077   | ₩ 84,488                               |
| 2009.12.31     |  | 806,015,340             | ₩ 4,030,077   | ₩ 84,488                               |

(3) Pursuant to Article 53 of the Financial Holding Company Act, legal reserves are appropriated at no less than one tenth of net income until reaching to an amount equal to the Company's contributed capital, whenever dividends are declared.

(4) The Company held 2,560 shares of treasury stock as of December 31, 2009 and 2008.

(5) The changes in retained earnings from December 31, 2008 to December 31, 2009 are as follows (Korean won in millions):

|   |           |
|---|-----------|
| Balance December 31, 2008                         | 2008      |
|   | ₩ 379,849 |
| Appropriations:                                   |           |
| Dividend  |           |
| Voluntary reserve                                 | (379,000) |
| Increase by using the equity method of accounting | (2,987)   |
| Net income for the year ended December 31, 2009   | 1,026,024 |

Balance December 31, 2009 ₩ 1,023,886

(6) Dividend to net income ratio for the years ended December 31, 2009 is as follows:

|                               |                     |  |
|-------------------------------|---------------------|--|
|                               | 2009                |  |
| The number of issued shares   | 806,015,340         |  |
| The number of treasury stocks | 2,560               |  |
| Shares subject to dividend    | 806,012,780         |  |
| Dividend per share            | ₩ 100               |  |
| Par value                     | ₩ 5,000             |  |
| Dividend ratio per share      | 2.0%                |  |
| Gross dividend                | ₩ 80,601 million    |  |
| Net income                    | ₩ 1,026,024 million |  |
| Dividend ratio by net income  | 7.86%               |  |

**Table of Contents****11. INCOME TAX EXPENSE**

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

(2) The changes in cumulative temporary differences and tax loss carry-forwards for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

|   | Jan. 1, 2009  | Decrease   | Increase      | Dec. 31, 2009 | Deferred tax assets (liabilities) |
|---|---------------|------------|---------------|---------------|-----------------------------------|
| <2009>  |               |            |               |               |                                   |
| Investment securities   | ₩ (6,334,148) | ₩ (70,710) | ₩ (1,273,315) | ₩ (7,536,753) | ₩ (*1) (53,563)                   |
| Accrued expenses  | 1,820         | 1,820      | 2,043         | 2,043         | 494                               |
| Accrued severance benefits  | 1,374         | 229        | 378           | 1,523         | 335                               |
| Employee retirement deposits                                      | (1,209)       | (229)      | (434)         | (1,414)       | (311)                             |
| Depreciation  | 10            | 4          | 1             | 7             | 2                                 |
| Dividend receivable   | 39,390        | 39,390     |               |               |                                   |
| Other comprehensive income due to the equity method of accounting | (910,340)     |            | (480,224)     | (1,390,564)   | (*1) (12,400)                     |
| Gain on disposal of investments using the equity method           | 34,604        | 34,604     |               |               |                                   |
| Others  | 2             | 2          |               |               |                                   |
|   | ₩ (7,168,497) | ₩ 5,110    | ₩ (1,751,551) | ₩ (8,925,158) | ₩ (65,443)                        |
| Tax loss carry-forwards   | ₩ 303,186     | ₩ 22,414   | ₩ 227,374     | ₩ 508,146     | ₩ 111,792                         |

|   | Jan. 1, 2008  | Decrease    | Increase    | Dec. 31, 2008 | Deferred tax assets (liabilities) |
|---|---------------|-------------|-------------|---------------|-----------------------------------|
| <2008>  |               |             |             |               |                                   |
| Investment securities   | ₩ (6,080,436) | ₩ (400,320) | ₩ (654,032) | ₩ (6,334,148) | ₩ (*1)(14,947)                    |
| Accrued expenses  | 2,188         | 2,188       | 1,820       | 1,820         | 440                               |
| Accrued severance benefits  | 970           | 225         | 629         | 1,374         | 302                               |
| Employee retirement deposits                                      | (970)         | (225)       | (464)       | (1,209)       | (266)                             |
| Depreciation  | 4             | 1           | 7           | 10            | 2                                 |
| Long-term receivables   | (908)         | (908)       |             |               |                                   |
| Dividend receivable   |               |             | 39,390      | 39,390        | 8,666                             |
| Long-term accrued expenses  | 1,459         | 1,459       |             |               |                                   |
| Other comprehensive income due to the equity method of accounting | (1,992,955)   | (1,185,086) | (102,471)   | (910,340)     | (*1)(39,297)                      |
| Gain on disposal of investments using the equity method           | 34,604        |             |             | 34,604        | 7,613                             |
| Accrued income  | (367)         | (367)       |             |               |                                   |

|                         |               |               |             |               |   |          |
|-------------------------|---------------|---------------|-------------|---------------|---|----------|
| Others                  |               |               | 2           | 2             |   |          |
|                         | ₩ (8,036,411) | ₩ (1,583,033) | ₩ (715,119) | ₩ (7,168,497) | ₩ | (37,487) |
| Tax loss carry-forwards | ₩ 262,991     | ₩ 48,398      | ₩ 88,593    | ₩ 303,186     | ₩ | 66,701   |

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



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

| Year incurred | Amount<br>(*1) | Utilized | Expiration | Remaining | Expiration<br>Date<br>Dec. 31,<br>2009 |
|---------------|----------------|----------|------------|-----------|--|
| 2004          | 22,414         |          | 22,414     |           | Dec. 31,<br>2010                       |
| 2005          | 112,067        |          |            | 112,067   | Dec. 31,<br>2011                       |
| 2006          | 22,324         |          |            | 22,324    | Dec. 31,<br>2012                       |
| 2007          | 57,788         |          |            | 57,788    | Dec. 31,<br>2013                       |
| 2008          | 88,593         |          |            | 88,593    | Dec. 31,<br>2019                       |
| 2009          | 227,374        |          |            | 227,374   |  |
|               | ₩ 530,560      | ₩        | ₩ 22,414   | ₩ 508,146 |  |

(\*1) Adjusted based  
on the reported  
tax returns

**12. STATEMENTS OF CASH FLOWS**

The significant transactions without cash flows for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

| Transactions   | 2009      | 2008          |
|--|-----------|---------------|
| Other comprehensive income due to the equity method of accounting  | ₩ 495,000 | ₩ (1,117,928) |
| Change in retained earnings due to the equity method of accounting | (2,987)   | 11,924        |

**13. GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses for the years ended December 31, 2009 and 2008 are summarized as follows (Korean won in millions):

|   | 2009     | 2008     |
|---|----------|----------|
| Salaries, wages and bonuses (Note 21)             | ₩ 14,537 | ₩ 13,027 |
| Provision for severance benefits (Notes 8 and 21) | 965      | 1,103    |
| Fringe benefits (Note 21)                         | 1,625    | 1,377    |
| Rent (Notes 16 and 21)                            | 1,076    | 927      |
| Entertainment                                     | 913      | 974      |
| Depreciation (Notes 5 and 21)                     | 225      | 249      |
| Amortization (Notes 5 and 21)                     | 6        | 10       |
| Taxes and dues (Note 21)                          | 83       | 146      |
| Advertising                                       | 196      | 362      |
| Travel  | 494      | 552      |
| Telecommunications                                | 194      | 187      |
| Service fees (Note 16)                            | 2,775    | 2,540    |
| Suppliers   | 145      | 164      |
| Others (Note 16)                                  | 1,846    | 1,632    |

₩ 25,080      ₩ 23,250

**Table of Contents****14. FINANCIAL INFORMATION OF SUBSIDIARIES**

(1) The condensed statements of financial position of subsidiaries as of December 31, 2009 and 2008 are as follows (Korean won in millions):

| <2009>                      | Total assets  | Total liabilities | Total shareholders equity |
|-----------------------------|---------------|-------------------|---------------------------|
| Woori Bank                  | ₩ 226,787,908 | ₩ 213,152,942     | ₩ 13,634,966              |
| Kyongnam Bank               | 20,508,278    | 19,064,214        | 1,444,064                 |
| Kwangju Bank                | 15,906,138    | 14,932,171        | 973,967                   |
| WFIS                        | 221,876       | 210,505           | 11,371                    |
| Woori F&I                   | 549,315       | 368,029           | 181,286                   |
| Woori Investment Securities | 16,102,911    | 13,491,834        | 2,611,077                 |
| Woori Asset Management      | 89,595        | 22,138            | 67,457                    |
| Woori PE                    | 2,003,443     | 1,589,549         | 413,894                   |
| Woori Financial             | 2,151,217     | 1,939,811         | 211,406                   |
| Woori Aviva                 | 1,640,793     | 1,562,663         | 78,130                    |
|                             | ₩ 285,961,474 | ₩ 266,333,856     | ₩ 19,627,618              |

| <2008>                      | Total assets  | Total liabilities | Total shareholders equity |
|-----------------------------|---------------|-------------------|---------------------------|
| Woori Bank                  | ₩ 232,490,475 | ₩ 220,563,989     | ₩ 11,926,486              |
| Kyongnam Bank               | 20,811,587    | 19,566,185        | 1,245,402                 |
| Kwangju Bank                | 15,727,354    | 14,807,700        | 919,654                   |
| WFIS                        | 238,481       | 228,528           | 9,953                     |
| Woori F&I                   | 396,992       | 234,303           | 162,689                   |
| Woori 3 <sup>rd</sup> SPC   | 14,500        | 53,890            | (39,390)                  |
| Woori Investment Securities | 17,710,022    | 15,200,291        | 2,509,731                 |
| Woori Asset Management      | 79,690        | 20,696            | 58,994                    |
| Woori PE                    | 1,519,475     | 1,250,308         | 269,167                   |
| Woori Financial             | 1,802,189     | 1,617,461         | 184,728                   |
| Woori Aviva                 | 1,480,961     | 1,416,045         | 64,916                    |
|                             | ₩ 292,271,726 | ₩ 274,959,396     | ₩ 17,312,330              |

(2) The condensed statements of operations of subsidiaries for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

| <2009>        | Operating revenue | Operating expenses | Operating income (loss) | Ordinary income (loss) | Net income (loss) |
|---------------|-------------------|--------------------|-------------------------|------------------------|-------------------|
| Woori Bank    | ₩ 44,269,463      | ₩ 43,197,914       | ₩ 1,071,549             | ₩ 1,206,618            | ₩ 953,830         |
| Kyongnam Bank | 1,835,951         | 1,579,481          | 256,470                 | 256,450                | 193,618           |
| Kwangju Bank  | 1,229,655         | 1,142,142          | 87,513                  | 82,978                 | 62,003            |
| WFIS          | 281,219           | 279,288            | 1,931                   | 1,942                  | 1,416             |
| Woori F&I     | 72,633            | 53,583             | 19,050                  | 26,986                 | 23,996            |
|               | 5,357,858         | 5,226,290          | 131,568                 | 124,686                | 111,514           |

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Woori Investments

Securities

|                        |                     |                     |                    |                    |                    |
|------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|
| Woori Asset Management | 39,924              | 24,041              | 15,883             | 10,845             | 8,462              |
| Woori PE               | 367,277             | 324,076             | 43,201             | 15,258             | 1,310              |
| Woori Financial        | 254,065             | 220,179             | 33,886             | 33,647             | 25,732             |
| Woori Aviva            | 797,202             | 784,308             | 12,894             | 14,177             | 10,476             |
|                        | <b>₩ 54,505,247</b> | <b>₩ 52,831,302</b> | <b>₩ 1,673,945</b> | <b>₩ 1,773,587</b> | <b>₩ 1,392,357</b> |

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| <2008>                    | Operating<br>revenue | Operating<br>expenses | Operating<br>income (loss) | Ordinary<br>income (loss) | Net income<br>(loss) |
|---------------------------|----------------------|-----------------------|----------------------------|---------------------------|----------------------|
| Woori Bank                | ₩ 75,288,814         | ₩ 74,740,404          | ₩ 548,410                  | ₩ 607,319                 | ₩ 233,976            |
| Kyongnam Bank             | 2,710,296            | 2,430,177             | 280,119                    | 284,429                   | 210,202              |
| Kwangju Bank              | 1,353,323            | 1,208,047             | 145,276                    | 145,091                   | 103,358              |
| WFIS                      | 270,395              | 266,726               | 3,669                      | 4,027                     | 2,420                |
| Woori F&I                 | 66,079               | 39,881                | 26,198                     | 33,061                    | 22,892               |
| Woori 3 <sup>rd</sup> SPC | 3                    | 155                   | (152)                      | (153)                     | (153)                |
| Woori Investments         |                      |                       |                            |                           |                      |
| Securities                | 6,738,796            | 6,471,582             | 267,214                    | 267,131                   | 201,372              |
| Woori Asset Management    | 44,269               | 26,614                | 17,655                     | 2,792                     | 707                  |
| Woori PE                  | 230,145              | 233,252               | (3,107)                    | 1,083                     | 1,093                |
| Woori Financial           | 237,064              | 220,196               | 16,868                     | 16,729                    | 12,503               |
| Woori Aviva               | 513,072              | 509,681               | 3,391                      | 7,673                     | 6,598                |
|                           | ₩ 87,452,256         | ₩ 86,146,715          | ₩ 1,305,541                | ₩ 1,369,182               | ₩ 794,968            |

(3) Significant liabilities and assets of the Company and its subsidiaries as of December 31, 2009 and 2008 are summarized as follows (Korean won in millions):

## 1) Significant liabilities

| <2009>                      | Deposits      | Borrowings   | Debentures   | Total         |
|-----------------------------|---------------|--------------|--------------|---------------|
| Woori Finance Holdings      | ₩             | ₩ 60,000     | ₩ 3,744,156  | ₩ 3,804,156   |
| Woori Bank                  | 151,830,534   | 20,103,010   | 27,422,953   | 199,356,497   |
| Kyongnam Bank               | 13,577,524    | 2,410,069    | 1,856,775    | 17,844,368    |
| Kwangju Bank                | 11,255,669    | 1,991,425    | 1,069,677    | 14,316,771    |
| WFIS                        |               | 64,100       |              | 64,100        |
| Woori F&I                   |               | 216,108      | 144,627      | 360,735       |
| Woori Investment Securities | 1,505,967     | 9,195,567    | 1,098,290    | 11,799,824    |
| Woori PE                    | 1,178,219     | 249,864      | 52,665       | 1,480,748     |
| Woori Financial             |               | 406,286      | 1,325,187    | 1,731,473     |
| Woori Aviva                 |               | 33,700       |              | 33,700        |
|                             | ₩ 179,347,913 | ₩ 34,730,129 | ₩ 36,714,330 | ₩ 250,792,372 |

| <2008>                      | Deposits    | Borrowings | Debentures  | Total       |
|-----------------------------|-------------|------------|-------------|-------------|
| Woori Finance Holdings      | ₩           | ₩          | ₩ 3,393,702 | ₩ 3,393,702 |
| Woori Bank                  | 143,508,573 | 20,212,737 | 31,584,369  | 195,305,679 |
| Kyongnam Bank               | 13,543,248  | 2,592,945  | 2,025,568   | 18,161,761  |
| Kwangju Bank                | 10,878,395  | 2,130,072  | 1,111,515   | 14,119,982  |
| WFIS                        |             | 120,000    |             | 120,000     |
| Woori F&I                   |             | 225,258    |             | 225,258     |
| Woori Investment Securities | 2,340,526   | 8,919,618  | 998,573     | 12,258,717  |
| Woori PE                    | 801,835     | 324,289    | 39,329      | 1,165,453   |
| Woori Financial             |             | 511,055    | 938,771     | 1,449,826   |
| Woori Aviva                 |             | 33,700     |             | 33,700      |

₩ 171,072,577    ₩ 35,069,674    ₩ 40,091,827    ₩ 246,234,078

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## 2) Significant assets

|                             | Cash and due<br>from banks | Securities   | Loans         | Total         |
|-----------------------------|----------------------------|--------------|---------------|---------------|
| <2009>                      |                            |              |               |               |
| Woori Finance Holdings      | ₩ 23,267                   | ₩ 17,350,078 | ₩ 139,300     | ₩ 17,512,645  |
| Woori Bank                  | 16,423,075                 | 31,278,324   | 167,148,670   | 214,850,069   |
| Kyongnam Bank               | 905,625                    | 3,329,979    | 15,034,331    | 19,269,935    |
| Kwangju Bank                | 1,235,796                  | 3,288,196    | 10,765,744    | 15,289,736    |
| WFIS                        | 245                        | 114          |               | 359           |
| Woori F&I                   | 16,142                     | 134,177      | 241,171       | 391,490       |
| Woori Investment Securities | 2,286,537                  | 11,309,191   | 1,041,399     | 14,637,127    |
| Woori Asset Management      | 58,375                     | 13,862       | 1,169         | 73,406        |
| Woori PE                    | 217,120                    | 522,295      | 630,115       | 1,369,530     |
| Woori Financial             | 76,260                     | 14,836       | 1,938,147     | 2,029,243     |
| Woori Aviva                 | 76,482                     | 1,034,582    | 176,981       | 1,288,045     |
|                             | ₩ 21,318,924               | ₩ 68,275,634 | ₩ 197,117,027 | ₩ 286,711,585 |

|                             | Cash and due<br>from banks | Securities   | Loans         | Total         |
|-----------------------------|----------------------------|--------------|---------------|---------------|
| <2008>                      |                            |              |               |               |
| Woori Finance Holdings      | ₩ 119,350                  | ₩ 15,285,356 | ₩ 169,150     | ₩ 15,573,856  |
| Woori Bank                  | 14,991,465                 | 27,312,897   | 168,734,756   | 211,039,118   |
| Kyongnam Bank               | 1,410,168                  | 4,012,502    | 14,147,730    | 19,570,400    |
| Kwangju Bank                | 1,120,351                  | 3,251,553    | 10,661,601    | 15,033,505    |
| WFIS                        | 17,361                     | 89           |               | 17,450        |
| Woori F&I                   | 19,284                     | 64,384       | 88,528        | 172,196       |
| Woori 3 <sup>rd</sup> SPC   | 187                        | 14,313       |               | 14,500        |
| Woori Investment Securities | 2,600,612                  | 11,217,162   | 1,289,099     | 15,106,873    |
| Woori Asset Management      | 61,925                     | 302          | 956           | 63,183        |
| Woori PE                    | 151,879                    | 590,516      | 516,197       | 1,258,592     |
| Woori Financial             | 29,056                     | 10,893       | 1,589,166     | 1,629,115     |
| Woori Aviva                 | 54,789                     | 720,734      | 168,471       | 943,994       |
|                             | ₩ 20,576,427               | ₩ 62,480,701 | ₩ 197,365,654 | ₩ 280,422,782 |

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(4) Loans subject to allowance for possible loan losses, allowance for possible loan losses and percentage of allowance to loans of each subsidiary as of December 31, 2009 and 2008 are summarized as follows (Korean won in millions):

|                             | Loans subject to allowance for possible loan losses |             | Percentage of allowance to loans (%) |
|-----------------------------|---|-------------|--------------------------------------|
| <2009>                      | ₩   | ₩           |                                      |
| Woori Bank                  | 170,219,685   | ₩ 3,071,015 | 1.8                                  |
| Kyongnam Bank               | 15,238,696  | 204,365     | 1.3                                  |
| Kwangju Bank                | 10,976,560  | 210,816     | 1.9                                  |
| Woori F&I                   | 245,066   | 3,895       | 1.6                                  |
| Woori Investment Securities | 1,183,249   | 141,850     | 12.0                                 |
| Woori Asset Management      | 1,175   | 6           | 0.5                                  |
| Woori PE                    | 657,785   | 27,670      | 4.2                                  |
| Woori Financial             | 1,976,605   | 38,458      | 1.9                                  |
| Woori Aviva                 | 180,062   | 3,081       | 1.7                                  |
|                             | ₩ 200,678,883                                       | ₩ 3,701,156 | 1.8                                  |

|                             | Loans subject to allowance for possible loan losses |             | Percentage of allowance to loans (%) |
|-----------------------------|---|-------------|--------------------------------------|
| <2008>                      | ₩   | ₩           |                                      |
| Woori Bank                  | 171,693,722   | ₩ 2,958,966 | 1.7                                  |
| Kyongnam Bank               | 14,352,454  | 204,725     | 1.4                                  |
| Kwangju Bank                | 10,833,556  | 171,955     | 1.6                                  |
| Woori F&I                   | 88,973  | 445         | 0.5                                  |
| Woori Investment Securities | 1,406,091   | 116,992     | 8.3                                  |
| Woori Asset Management      | 961   | 5           | 0.5                                  |
| Woori PE                    | 526,417   | 10,220      | 1.9                                  |
| Woori Financial             | 1,613,425   | 24,260      | 1.5                                  |



|             |   |             |             |     |
|-------------|---|-------------|-------------|-----|
| Woori Aviva |   | 171,652     | 3,181       | 1.9 |
|             | ₩ | 200,687,251 | ₩ 3,490,749 | 1.7 |

### 15. CONTRIBUTIONS TO NET INCOME BY SUBSIDIARIES

Contributions to net income of the Company by subsidiaries for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

|   | 2009        | Ratio<br>(%) | 2008      | Ratio<br>(%) |
|---|-------------|--------------|-----------|--------------|
| Woori Bank  | ₩ 952,362   | 74.1         | ₩ 250,120 | 40.4         |
| Kyongnam Bank   | 191,438     | 14.9         | 211,607   | 34.2         |
| Kwangju Bank  | 61,980      | 4.8          | 103,246   | 16.7         |
| WFIS  | 1,935       | 0.2          | 2,995     | 0.5          |
| Woori F&I   | 24,097      | 1.9          | 22,801    | 3.7          |
| Woori 3 <sup>rd</sup> SPC                               | 38,328      | 3.0          | (153)     |              |
| Woori Investment Securities                             | 36,686      | 2.8          | 61,688    | 10.0         |
| Woori Asset Management                                  | 4,315       | 0.3          | 495       | 0.1          |
| Woori PE  | 1,320       | 0.1          | 1,081     | 0.2          |
| Woori Financial   | (24,589)    | (1.9)        | (32,919)  | (5.3)        |
| Woori Aviva   | (2,498)     | (0.2)        | (2,183)   | (0.5)        |
| Gain on valuation using the equity method of accounting | 1,285,374   | 100.0        | 618,778   | 100.0        |
| Other income  | 15,668      |              | 12,692    |              |
| Other expenses  | 275,018     |              | 176,992   |              |
| Net income  | ₩ 1,026,024 |              | ₩ 454,478 |              |

**Table of Contents****16. TRANSACTIONS WITH RELATED PARTIES**

(1) The related parties of the Company as of December 31, 2009 are as follows:

|                                    | Company name                                     |
|------------------------------------|--|
| Majority shareholder               | Korea Deposit Insurance Corporation              |
| Subsidiaries and                   | Woori Bank                                       |
| 2 <sup>nd</sup> -tier subsidiaries | Kyongnam Bank                                    |
|                                    | Kwangju Bank                                     |
|                                    | Woori Finance Information System Co., Ltd.       |
|                                    | Woori F&I Co., Ltd.                              |
|                                    | Woori Investment Securities Co., Ltd.            |
|                                    | Woori Asset Management                           |
|                                    | Woori Private Equity Co., Ltd.                   |
|                                    | Woori Financial Co., Ltd.                        |
|                                    | Woori Aviva Life Insurance Co., Ltd.             |
|                                    | Woori credit information                         |
|                                    | Woori America Bank                               |
|                                    | PT. Bank Woori Indonesia                         |
|                                    | Woori Global Market Asia Limited                 |
|                                    | Woori Bank (China) Limited                       |
|                                    | ZAO Woori Bank                                   |
|                                    | Woori F&I Fifth Asset Securitization Specialty   |
|                                    | Woori F&I Sixth Asset Securitization Specialty   |
|                                    | Woori F&I Seventh Asset Securitization Specialty |
|                                    | Woori SB Tenth Asset Securitization Specialty    |
|                                    | Woori F&I Tenth Asset Securitization Specialty   |
|                                    | Woori Futures Co., Ltd.                          |
|                                    | Woori Investment Securities (H.K.) Ltd.          |
|                                    | LG Investments Holding B.V. (Amsterdam) GG       |
|                                    | MARS First Private Equity Fund                   |
|                                    | MARS Second Private Equity Fund                  |
|                                    | Connacht Capital Market Investment               |
|                                    | Woori Investment Asia Pte. Ltd.                  |
|                                    | Woori Absolute Asia Global Opportunity Fund      |
|                                    | Woori Private Equity Fund                        |
|                                    | Kumho Investment Bank                            |
|                                    | Woori Reminiscence Holdings                      |
|                                    | UP Chemical Co.,Ltd.                             |
|                                    | Phoenix Digital Tech Co., Ltd.                   |
|                                    | Woori BK Co.,Ltd.                                |

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(2) Assets and liabilities from transactions with the subsidiaries as of December 31, 2009 and 2008 are as follows (Korean won in millions):

|                            | 2009      | 2008      |                                     |
|----------------------------|-----------|-----------|-------------------------------------|
| <b>&lt;Assets&gt;</b>      |           |           |                                     |
| Woori Bank                 | ₩ 23,267  | ₩ 119,348 | Cash and bank deposits              |
|                            | 31,555    | 30,635    | Guarantee deposits                  |
|                            | 13        | 217       | Accrued income                      |
|                            | 1,414     | 1,209     | Post-retirement pension plan assets |
| Woori Financial            | 100,000   | 170,000   | Loans                               |
| Woori F&I                  | 40,000    |           | Loans                               |
|                            | ₩ 196,249 | ₩ 321,409 |                                     |
| <b>&lt;Liabilities&gt;</b> |           |           |                                     |
| Woori Bank                 | 246       | 221       | Other payables                      |
| WFIS                       | 143       |           | Other payables                      |
|                            | ₩ 389     | ₩ 221     |                                     |

(3) Revenues and expenses from transactions with the subsidiaries for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

|                         | 2009    | 2008    |                             |
|-------------------------|---------|---------|-----------------------------|
| <b>&lt;Revenues&gt;</b> |         |         |                             |
| Woori Bank              | ₩ 2,760 | ₩ 6,860 | Interest income on deposits |
| Kyongnam Bank           | 295     | 228     | Interest income on deposits |
| Kwangju Bank            | 295     | 228     | Interest income on deposits |
| WFIS                    | 8,798   | 1,318   | Interest income on loans    |
| Woori F&I               | 2,087   |         | Interest income on loans    |

|   |        |   |       |
|---|--------|---|-------|
| ₩ | 14,235 | ₩ | 8,634 |
|---|--------|---|-------|

## &lt;Expenses&gt;

|                             |   |       |   |       |                               |
|-----------------------------|---|-------|---|-------|-------------------------------|
| Woori Bank                  | ₩ | 727   | ₩ | 674   | Rent                          |
| WFIS                        |   | 1,675 |   | 1,572 | Service fees                  |
| Woori Investment Securities |   |       |   | 910   | Other administrative expenses |
|                             |   | 4     |   | 32    | Interest expenses             |
|                             | ₩ | 2,406 | ₩ | 3,188 |                               |

- (4) The Company compensated registered or non-registered directors, who have the authorities and responsibilities for the plan, management and control of the Company, operation for ₩3,105 million of salaries and recorded ₩119 million of provision for severance benefits for the year ended December 31, 2009.

**17. EARNINGS PER COMMON SHARE**

- (1) Basic net income per common share for the years ended December 31, 2009 and 2008 is as follows (Korean won in millions, except for earnings per share data):

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|  | 2009        | 2008        |
|--|-------------|-------------|
| Net income on common shares                          | ₩ 1,026,024 | ₩ 454,478   |
| Weighted average number of common shares outstanding | 806,012,780 | 806,012,780 |
| Basic net income per common shares                   | ₩ 1,273     | ₩ 564       |

**Table of Contents****18. COMPREHENSIVE INCOME (LOSS) STATEMENTS**

Comprehensive income (loss) statements for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

|   | 2009        | 2008        |
|---|-------------|-------------|
| Net income  | ₩ 1,026,024 | ₩ 454,478   |
| Valuation using the equity method on subsidiaries | 495,000     | (1,117,928) |
| Comprehensive income (loss)                       | ₩ 1,521,024 | ₩ (663,450) |

**19. INSURANCE**

As of December 31, 2009, the Company has insurance for liability of reparation of directors with Samsung Fire & Marine Insurance Co., Ltd. and others. The insurance coverage is ₩50,000 million.

**20. THE MAJOR INDICATORS OF THE 4<sup>TH</sup> QUARTER**

Major indicators for management performance for the 4<sup>th</sup> quarter period in 2009 and 2008 (unaudited) are as follows (Korean won in millions, except for earning per share data):

|  | Three months<br>ended<br>Dec. 31, 2009<br>(Unaudited) | Three months<br>ended<br>Dec. 31, 2008<br>(Unaudited) |
|--|---|---|
| Operating revenue                        | ₩ 230,793   | ₩ (602,937)   |
| Operating expenses                       | 77,091  | 61,754  |
| Operating income (loss)                  | 153,702   | (664,691)   |
| Net income (loss)                        | ₩ 156,778   | ₩ (664,791)   |
| Basic net income (loss) per common share | ₩ 195   | ₩ (825)   |

**21. INFORMATION FOR CALCULATING VALUE ADDED**

Information for calculating value added for the years ended December 31, 2009 and 2008 are as follows (Korean won in millions):

|                                  | 2009     | 2008     |
|----------------------------------|----------|----------|
| Salaries, wages and bonuses      | ₩ 14,537 | ₩ 13,027 |
| Provision for severance benefits | 965      | 1,103    |
| Fringe benefits                  | 1,625    | 1,377    |
| Rent                             | 1,076    | 927      |
| Depreciation                     | 225      | 249      |
| Amortization                     | 6        | 10       |
| Taxes and dues                   | 83       | 146      |
|                                  | ₩ 18,517 | ₩ 16,839 |

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

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

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

(2) The expected important issues on differences between the current accounting process and the adoption of K-IFRS  
The expected important issues on differences between the current accounting process and the adoption of K-IFRS as of December 31, 2009 are summarized below. Such divergence does not include every single difference that would be varied with the result of a supplementary analysis. Moreover, the detailed effects of the important differences may not figure out in business practice.

| Classification                          | K-IFRS   | Current accounting Standards   |
|---|--|--|
| Change of consolidation scope           | Exceeding 50% of shares, decision making capability and holding benefits and risks are conditional on the alternation of consolidation scope.                                  | Over 30% of shares owned, the biggest shareholder decision making are subject to the alternation. Companies that have a special purpose that only some factors satisfied are excluded.   |
| Business Combinations                   | Conduct by Acquisition cost basis  | Deal with purchase accounting and pooling interest method  |
| Evaluation of Goodwill                  | The impairment test figures out the recognition of impairment amount.  | Straight line method within 20 years   |
| Allowance for Bad Debts                 | The estimated impairment amount is adopted of which the reason is objectively supported.   | It provides an allowance for doubtful accounts to cover estimated losses on loan, based on rational and unbiased standards (It must be selected as large amount between the percentage of loan loss allowance established by the Financial Supervisory Commission and loan loss experience ratio on a loan.) |
| Classification of Financial Instruments | Financial instruments classify financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity investments, loan and receivables. | Securities are classified by trading securities, available-for-sale securities and held-to-maturity securities. Otherwise, deposits and derivatives are separately categorized.  |
| Measurement of Financial Instruments    | The fair-value evaluation reflects credit risks.   | The fair-value evaluation is targeted to trading securities, available-for-sale securities and derivatives, which are limited, the reflection of credit risk is not mentioned. Cost is amortized over the  |

remaining terms of the securities by  
applying the effective interest method.



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

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

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

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

In order to implement the agreements of above three subsidiaries with the KDIC, on July 2, 2001, the Company and its three subsidiaries entered into agreements for the implementation of the management improvement for the three subsidiaries. Pursuant to the agreements, the three subsidiaries should meet management goals given by the Company,

consult with the Company about material business decisions before execution, and prepare and implement a detailed business plan in conformity with the Company's business strategies. If the three subsidiaries fail to implement the management improvement plan, the Company may order the three subsidiaries to limit sales of the specific financial products, investments in fixed assets, promotion of new business or new equity investment, or to close or merge their branch operations and subsidiaries.

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**Internal Accounting Control System Review Report**

English Translation of a Report Originally Issued in Korean

**To Chief Executive Officer of**

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

We have reviewed the management's report on the operations of the Internal Accounting Control System ( IACS ) of Woori Finance Holdings Co., Ltd. (the Company ) as of December 31, 2009. The Company's management is responsible for designing and operating IACS and for its assessment of the effectiveness of IACS. Our responsibility is to review the management's report on the operations of the IACS and issue a report based on our review. The management's report on the operations of the IACS of the Company states that based on the assessment of the operations of the IACS as of December 31, 2009, the Company's IACS has been designed and is operating effectively as of December 31, 2009, in all material respects, in accordance with the IACS standards established by the Internal Accounting Control System Operations Committee (IACSOC) of the Korea Listed Companies Association.

Our review was conducted in accordance with the IACS review standards established by the Korean Institute of Certified Public Accountants. Those standards require that we plan and perform, in all material respects, the review of management's report on the operations of the IACS to obtain a lower level of assurance than an audit. A review includes obtaining an understanding of the Company's IACS and consists principally of inquiries of management and, when deemed necessary, a limited inspection of underlying documents, which is substantially less in scope than an audit.

The Company's IACS is a system to monitor and operate those policies and procedures designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the Republic of Korea. Due to inherent limitations, IACS may not prevent or detect a material misstatement of the financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our review, nothing has come to our attention that causes us to believe that management's report on the operations of the IACS, referred to above, is not presented fairly, in all material respects, in accordance with the IACS standards established by IACSOC.

Our review is based on the Company's IACS as of December 31, 2009, and we did not review management's assessment of its IACS subsequent to December 31, 2009. This report has been prepared pursuant to the Acts on External Audit for Stock Companies in Korea and may not be appropriate for other purposes or for other users.  
March 4, 2010

**Notice to Readers**

This report is annexed in relation to the audit of the financial statements as of December 31, 2009 and the review of management report on the assessment of the operations of IACS pursuant to Article 2-3 of the Act on External Audit for Stock Companies of the Republic of Korea.

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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: April 1, 2010

By: /s/ Woo Seok Seong  
(Signature)  
Name: Woo Seok Seong  
Title: General Manager

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