

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 nd tier subsidiary to 1 st tier subsidiary
May 31, 2005	Woori Investment Trust Management and LG Investment Trust Management merged (the name of the surviving entity, LG Investment Trust Management, changed to Woori Asset Management)
August 3, 2005	Dissolution of Woori LB Second Asset Securitization Specialty Co., Ltd.

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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 nd tier subsidiary, and Japan's Shinsei Bank (involving a transfer of 49% of Woori F&I's 100% stake in Woori CA Asset Management to Shinsei Bank)
April 11, 2006	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 nd 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 nd 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 nd tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.
*	On September 14, 2007, Hanmi Capital was included as our 1 st 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 nd 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 nd 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 nd 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 nd 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 nd 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 nd tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.
*	On April 4, 2008, LIG Life Insurance was included as our 1 st 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 nd 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 2nd tier subsidiary.
- * On June 27, 2008, Woori SB Tenth Asset Securitization Specialty Co., Ltd. was included as our 2nd 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 2nd 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 2nd tier subsidiary.
- * On September 9, 2008, Woori F&I Ninth Asset Securitization Specialty Co., Ltd. was included as our 2nd tier subsidiary. Woori F&I Co., Ltd. owns 100% of its equity.
- * On March 3, 2009, PT Clemont Securities Indonesia was included as our 2nd 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 2nd 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 2nd 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 2nd tier subsidiary.
- * On September 28, 2009, Bien Viet Securities Joint Stock Company was included as our 2nd 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 2nd tier subsidiaries of financial holding companies, these entities became our 2nd 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 Shares	806,015,340	
	Preferred Shares		
Stocks without voting rights	Common Shares		
	Preferred Shares		
Stocks with limited voting rights under the Securities & Exchange Law		2,560	
Stocks with voting rights restored			
Stocks with voting rights	Common Shares	806,012,780	
	Preferred Shares		

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

(Non-consolidated)

(Unit: Won)

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)

Items	2009	2008	2007
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 rd 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
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.

c. Transactions related to Commission Fees

(units: millions of Won)

Category	2009	2008	2007
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%
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* 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

	Subsidiaries	2009	2008
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 Loans	Pre- Normal cautionary	Sub- standard	Estimated Doubtful Loss	Sub-standard		Loan Loss Reserve	Collateral	Coverage Ratio
					or below	Loss			
Kumho Tire Co., Ltd	5,478	2,012	3,466		3,466	710	388	20.0%	
Kumho Industrial Jun Jin Development & Construction Co., Ltd.	2,306		2,306		2,306	460	876	57.9	
Hanwori World Resort	1,075		1,075		1,075	527		49.0	
21 st Century Shipbuilding Co., Ltd.	1,052			1,052	1,052	1,052		100.0	
DOMS Partners 1 st Kumho Trust C& Heavy Industries Co., Ltd.	1,057	56	1,001		1,001	294	216	48.3	
	951		773	178	951	315		33.1	
	921	1	920		920	184	1	20.0	
Samho International Co., Ltd.	744		37	707	744	419	37	61.3	
Kamco Value Creation 1 st Securitization Company Woolim Construction & Development Co., Ltd.	672		672		672	290		43.2	
	558		558		558	273		48.9	
City&Culture Shinsung Engineering & Construction Co., Ltd.	549	2	547		547	132	2	24.4	
	400		400		400	77	400	119.3	
Hanmi Piore Seahan Steel Yewon RB Daehan Shipbuilding Co., Ltd.	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	
Focus Daiwa Tech	236		236		236	64		27.1	
	232			232	232	232		100.0	
	223		43	147	33	223	83	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 nd	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)

Items	2009	2008	2007	2006	2005
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
Total Assets	17,545,128	15,620,192	15,191,656	13,793,521	12,031,783
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
Total Liabilities	3,824,205	3,412,854	2,129,288	1,860,449	2,314,419
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
Total Stockholder s Equity	13,720,923	12,207,338	13,062,368	11,933,072	9,717,364
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)

Items	2009	2008	2007	2006	2005
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
Total Assets	284,904,067	290,994,295	249,652,302	211,997,330	164,542,848
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
Total Liabilities	268,916,936	276,685,692	234,635,010	198,572,525	153,437,886
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
Total Stockholders Equity	15,987,131	14,308,603	15,017,292	13,424,805	11,104,962
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)

	Period	Item	Total Credits	Loan Loss Reserves	Provisioning Ratio
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)

	Item	2009	2008	2007
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**

	2009	2008	2007
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 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 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 reconciliation	2007.7~2007.8 2008.2~2008.3	22
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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

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

<p>Young-Ho Lee (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>None</p>	<p>Second consecutive term</p>
<p>Hak-Jin Kim (Non-standing Director)</p>	<p>Current) Director General of Department of Planning & 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>Doo-Hee Lee (Non-standing Director)</p>	<p>Current) 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>Hun Lee (Non-standing Director)</p>	<p>Current) 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

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

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

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2. Related Companies

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

As of December 31, 2009

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

	Beginning Balance			Changes ¹			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	900	100.0	13,076			1,937	900	100.0	15,013	221,876	1,4
Woori F&I	2,000	100.0	139,999	4,000	20,000	26,564	6,000	100.0	166,563	508,542	24,6
Woori 3rd	2	100.0									
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)

Period	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009
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)

Period	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009
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 (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 Compensation	Compensation Limit approved at Meeting of Shareholders	Fair value of Stock Option	Note
Standing Director	490			
Non-standing Directors (excluding audit committee member)	64	4,000		
Audit committee members	190			
	34			

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 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 of Shares	Beginning	Increase	Decrease	Ending	Notes
Woori Bank	Subsidiary	stock	635,956,580	60,000,000		695,956,580	
		Preferred Stock	70,000,000			70,000,000	
Kwangju Bank	Subsidiary	Common stock	49,413,333			49,413,333	
Kyongnam Bank	Subsidiary	Common stock	58,049,994			58,049,994	
Woori Finance Info Sys.	Subsidiary	Common Stock	900,000			900,000	
Woori F&I	Subsidiary	Common Stock	2,000,000	4,000,000		6,000,000	
Woori Third Asset Securitization Specialty	Subsidiary	Invested Shares	2,000		2,000		
Woori Investment & Securities	Subsidiary	Common Stock	46,324,981			46,324,981	
Woori Asset Management	Subsidiary	Common Stock	4,663,400	1,998,600		6,662,000	
Woori Private Equity	Subsidiary	Common Stock	2,000,000	2,000,000		4,000,000	
Woori Financial	Subsidiary	Common Stock	8,499,955	409,484		8,909,439	
Woori Aviva Life Insurance	Subsidiary	Common 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 U.S. dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
ASSETS				
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
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
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
SHAREHOLDERS' EQUITY				
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 U.S. dollars (Note 2)	
	2009	2008	2009	2008
	(In millions, except for income per share data)		(In thousands, except for income per share data)	
OPERATING REVENUE				
Gain on valuation using the equity method of accounting (Notes 3 and 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 accounts (Note 4)	150		129	
	1,326,855	666,267	1,136,395	570,629
OPERATING EXPENSES				
Loss on valuation using the equity method of accounting (Notes 3 and 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 (Note 4)		850		728
General and administrative (Notes 13 and 16)	25,080	23,250	21,480	19,913
	298,392	210,455	255,560	180,246
OPERATING INCOME	1,028,463	455,812	880,835	390,383
NON-OPERATING INCOME	1,273	458	1,090	392
NON-OPERATING EXPENSES	3,712	1,792	3,179	1,535
INCOME BEFORE INCOME TAX	1,026,024	454,478	878,746	389,240
INCOME TAX EXPENSE (Note 11)				
NET INCOME	₩ 1,026,024	₩ 454,478	US\$ 878,746	US\$ 389,240

NET INCOME PER COMMON SHARE (Note 17)	₩	1,273	₩	564	US\$	1.09	US\$	0.48
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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)	
RETAINED EARNINGS BEFORE				
APPROPRIATIONS:				
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
APPROPRIATIONS:				
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
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEARS				
	₩ 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 U.S. dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
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)	
CASH FLOWS FROM INVESTING ACTIVITIES:				
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)
CASH FLOWS FROM FINANCING ACTIVITIES:				
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
NET INCREASE (DECREASE) IN CASH AND BANK DEPOSITS	(96,083)	86,848	(82,291)	74,381
CASH AND BANK DEPOSITS, BEGINNING OF THE YEAR	119,350	32,502	102,218	27,837
CASH AND BANK DEPOSITS, END OF THE YEAR	₩ 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&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 Woori Investment Asia Pte. Ltd.	Investments	USD	50,000	50,000,000	2007.09.20	Singapore
Woori Absolute Asia Global Opportunity Fund	Securities investments	USD	35,000	35,000	2008.07.21	Cayman Island
Kumho Investment Bank Woori	Credit financial business	₩	89,951	179,902,850	1974.06.29	Kwangju, Korea
Renaissance Holdings	Other financial business	₩	24	2,440	2008.03.31	Seoul, Korea
Phoenix Digital Tech Co., Ltd.	Manufacturing	₩	5,000	1,000,000	1992.05.15	Chungcheongdo, Korea
Woori BK Co.,Ltd.	Other financial business	₩	10	1,000	2009.12.10	Seoul, Korea
UP Chemical 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) on valuation using the equity method (*)	Other comprehensive income (*)	Dividends	Other increase (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 rd SPC		38,328	(8,692)		(29,636)	
Woori Investment Securities	709,114	36,686	34,269	(25,479)	192	754,782
Woori Asset Management	41,296	4,315			21,845	67,456
Woori PE	12,844	1,320	103		9,979	24,246
Woori Financial	228,456	(24,589)	(1,085)	(1,275)	5,839	207,346
Woori Aviva	74,187	(2,498)	1,340		(126)	72,903
	₩ 15,285,356	₩ 1,285,374	₩ 495,000	₩ (40,476)	₩ 324,824	₩ 17,350,078

<2008>	Jan.1, 2008	Gain (loss) on valuation using the equity method (*)	Other comprehensive income (*)	Dividends	Other increase (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 rd SPC	1,885	(153)	(41,122)		39,390	
Woori Investment Securities	735,983	61,688	(37,773)	(50,957)	173	709,114
Woori Asset 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 rd 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 rd 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, 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, 2009	Realized	Incurred	Dec. 31, 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 date	Maturity date	Annual interest 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 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, 2009	Acquisition	Disposition	Depreciation	Dec. 31, 2009
Furniture and equipment	₩ 384	₩ 55	₩	₩ 183	₩ 256
Leasehold improvements	155	19		42	132
Others	27				27
	₩ 566	₩ 74	₩	₩ 225	₩ 415

	Jan. 1, 2008	Acquisition	Disposition	Depreciation	Dec. 31, 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, 2009	Acquisition	Amortization	Dec. 31, 2009
Software	₩ 3	₩	₩ 1	₩ 2
Industrial property rights	11		5	6
	₩ 14	₩	₩ 6	₩ 8

	Jan. 1, 2008	Acquisition	Amortization	Dec. 31, 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

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(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 st bonds	Aug. 30, 2007	5.71	Aug. 30, 2010	250,000	250,000
The 18-2 nd bonds	Aug. 30, 2007	5.79	Aug. 30, 2012	250,000	250,000
The 19-1 st bonds	Dec. 6, 2007	6.63	Dec. 6, 2010	130,000	130,000
The 19-2 nd bonds	Dec. 6, 2007	6.63	Dec. 6, 2012	140,000	140,000
The 20-1 st bonds	Apr. 14, 2008	5.67	Apr. 14, 2011	160,000	160,000
The 20-2 nd 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 st bonds	Sep. 25, 2008	7.24	Sep. 25, 2010	50,000	50,000
The 22-2 nd bonds	Sep. 25, 2008	7.28	Sep. 25, 2011	250,000	250,000
The 23-1 rd bonds	Dec. 9, 2008	7.96	Dec. 9, 2010	210,000	210,000
The 23-2 nd bonds	Dec. 9, 2008	8.13	Dec. 9, 2011	530,000	530,000
The 23-3 rd 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 (*1)	Utilized	Expiration	Remaining	Expiration Date Dec. 31, 2009
2004	22,414		22,414		Dec. 31, 2010
2005	112,067			112,067	Dec. 31, 2011
2006	22,324			22,324	Dec. 31, 2012
2007	57,788			57,788	Dec. 31, 2013
2008	88,593			88,593	Dec. 31, 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):

	Total assets	Total liabilities	Total shareholders equity
<2009>			
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>			
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 rd 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):

	Operating revenue	Operating expenses	Operating income (loss)	Ordinary income (loss)	Net income (loss)
<2009>					
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
	₩ 54,505,247	₩ 52,831,302	₩ 1,673,945	₩ 1,773,587	₩ 1,392,357

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<2008>	Operating revenue	Operating expenses	Operating income (loss)	Ordinary income (loss)	Net income (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 rd 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 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
<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 rd 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		Allowance	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		Allowance	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 (%)	2008	Ratio (%)
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 rd 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 nd -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	
<Assets>			
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	
<Liabilities>			
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	
<Revenues>			
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
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<Expenses>

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 4TH QUARTER

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

	Three months ended Dec. 31, 2009 (Unaudited)	Three months ended Dec. 31, 2008 (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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