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Press Release

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Financial Holding Companies' Net Income: First Half, 2007

The net income of the four domestic financial holding companies—Woori Financial Group, Shinhan Financial Group, Hana Financial Group, and Korea Investment Holdings—totalled KRW4.02 trillion on a consolidated basis for the first six months of 2007, an increase of KRW1.10 trillion or 37.8% from the same period a year earlier. Excluding the one-time gains (KRW1.17 trillion in pretax income) from the sale of shares in LG Card by the holding companies, net income for the period drops to KRW3.17 trillion.

Consolidated Net Income of Financial Holding Companies: June, 2007

(In billions of won)

	H1, 2006	H1, 2007	Change
Woori Financial Group	1,004.5	1,504.3 (1,136.5)	499.8 (132.0)
Shinhan Financial Group	1,072.1	1,646.4 (1,309.4)	574.4 (237.4)
Hana Financial Group	532.4	712.6 (567.2)	180.2 (34.8)
Korea Investment Holdings	306.0	154.3 -	-151.7 -
Total	2,915.0	4,017.7 (3,167.5)	1,102.7 (252.5)

Note: Figures in parentheses denote consolidated net income and change from the same period a year earlier ex-LG card related gains.

ROA rose modestly for Woori, Shinhan, and Hana but fell for Korea Investment. Excluding LG Card-related gains, ROA fell compared to the same period a year earlier.

ROA of Financial Holding Companies: June, 2007

(In percent)

	H1, 2006	H1, 2007	Change
Woori Financial Group	1.11	1.36 (1.03)	0.25 (-0.08)
Shinhan Financial Group	1.28	1.58 (1.26)	0.30 (-0.02)
Hana Financial Group	1.02	1.14 (0.91)	0.12 (-0.11)
Korea Investment Holdings	8.96	2.69	-6.27 -

Note: Figures in parentheses denote ROA and change from the same period a year earlier ex-LG card related gains.

As of end-June, 2007, assets of the four financial holding companies totaled KRW589.8 trillion on a consolidated basis, up KRW74.5 trillion from the same period a year earlier. Most of the asset increase resulted from the takeover of LG Card by Shinhan (KRW9.8 trillion), growth of loans to small- and medium-sized companies (KRW46.2 trillion), and increases in securities assets.



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Financial Holding Companies' Consolidated Assets: June, 2007

(In trillions of won)

	2006	H1, 2007	Change	
Woori Financial Group	212.0	229.7	17.7	(8.4%)
Shinhan Financial Group	177.7	216.8	39.1	(22.0%)
Hana Financial Group	116.1	129.8	13.7	(11.8%)
Korea Investment Holdings	9.4	13.5	4.0	(42.5%)
Total	515.3	589.8	74.5	(14.5%)

In terms of group assets, banking constituted the largest asset for Woori (89.6%), Shinhan (83.4%), and Hana (94.9%). For Korea Investment Holdings, securities businesses made up 91.3% of the group assets.

Proportion of Financial Holding Company Assets: June, 2007

(In percent)

	Woori		Shinhan		Hana		Korea Investment Holdings	
	2006	6/2007	2006	6/2007	2006	6/2007	2006	6/2007
Banks	90.7	89.6	89.8	83.4	96.4	94.9	-	-
Securities	5.9	7.1	2.3	2.8	3.1	3.8	86.4	91.3
Insurance	-	-	3.5	3.1	-	0.6	-	-
Non-banks	-	-	3.2	7.9	0.5	0.7	11.2	8.2
Others	3.4	3.3	1.2	2.8	0.0	0.0	2.4	0.5

Attached: Business Summary of Financial Holding Companies, June 2007



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Business Summary of Financial Holding Companies: June, 2007
(End of period)

	Woori		Shinhan		Hana		Korea Investment Holdings	
	2006	6/2007	2006	6/2007	2006	6/2007	2006	6/2007
Number of subsidiary units	22	23	24	26	10	10	10	10
Number of employees	64	61	115	117	91	109	42	42
Number of group employees (total)	15,854	19,471	15,020	17,707	9,053	9,237	2,614	2,666
Consolidated assets (In trillions of won)	212.0	229.7	177.7	216.8	116.1	129.8	9.4	13.5
BIS capital ratio ¹	-	12.33%	-	10.33%	-	13.90%	-	-
SBL ratio ²	1.08%	0.93%	0.84%	1.05%	0.69%	0.73%	3.41%	2.85%
Debt ratio	15.6%	14.5%	32.1%	43.7%	0.1%	0.1%	34.5%	31.8%
Equity in subsidiary units	41.2%	38.3%	66.1%	88.0%	74.9%	67.8%	49.9%	45.8%
Liquidity ratio (Won asset-liability)	936.6	1,247.9	243.5	179.9	3,848.5	216.0	236.2	173.2
	6/2006	6/2007	6/2006	6/2007	6/2006	6/2007	6/2006	6/2007
Consolidated net income (In billions of won)	1,004.5	1,504.3	1,072.1	1,646.4	532.4	712.6	306.0	154.3
ROA ³	1.11%	1.36%	1.28%	1.58%	1.02%	1.14%	8.96%	2.69%
ROE ³	19.58%	24.33%	22.01%	20.50%	15.53%	16.98%	36.97%	16.40%

Notes: 1. BIS capital requirements took effect for bank holding companies beginning the first quarter of 2007. For Korea Investment Holdings, the regulatory capital ratio for 2006 and end-June, 2007, came to 247.3 %and 305.3%, respectively.

2. Ratio of loans classified as substandard or below;

3. ROA and ROE for the first half are annualized.

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