

KOOKMIN BANK
Form 6-K
November 18, 2003
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

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

For the month of November 2003

Kookmin Bank

(Translation of registrant's name into English)

9-1, 2-Ga, Namdaemun-Ro, Jung-Gu, Seoul, Korea 100-703

(Address of principal executive office)

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

Form 20-F Form 40-F

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

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

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

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

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

Yes No

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Summary of 3rd Quarter Business Report of Kookmin Bank

On November 14, 2003, Kookmin Bank filed a 3rd quarter business report (the Business Report) with the Financial Supervisory Commission of Korea pursuant to the Securities and Exchange Act of Korea. This is a summary of the Business Report translated into English.

All references to Kookmin Bank mean Kookmin Bank on a non-consolidated basis, and all references to we or us the Bank mean Kookmin Bank and, as the context may require, its subsidiaries. Kookmin Bank means a new entity established by a consolidation with former Kookmin Bank and H&CB on the consolidation date of October 31, 2001. Sometimes we refer it to New Kookmin Bank. On the other hand, we use the Former Kookmin Bank for the name of the former Kookmin Bank, which had been another entity before it merged H&CB.

We were formed through a consolidation between the Former Kookmin Bank and H&CB, which formed a new corporation named Kookmin Bank effective November 1, 2001. Accordingly, financial information in this Business Report since the merger date reflects the impact of the merger. Under generally accepted accounting principles in Korea, the Former Kookmin Bank is deemed the accounting acquirer of H&CB in the consolidation, and we have accounted for the acquisition using the purchase method of accounting. However, trust accounts are not accounted by the purchase method accounting according to the Korean Financial Supervisory Service s guidelines.

Therefore, unless indicated otherwise, any comparative description or table of year 2000 1) for bank accounts is based on the Former Kookmin Bank s results and 2) for trust accounts is based on simply consolidated numbers of Former Kookmin Bank s and H&CB s results.

All references to Won or W in this document are to the currency of the Republic of Korea.

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1. Introduction to the Bank

1.1. Business Purpose

The business purpose of the Bank is to engage in the following business activities:

- n The banking business as prescribed by the Bank Act,
- n The trust business as prescribed by the Banking Trust Act,
- n The credit card business as prescribed by the Non-Banking Financing Act, and
- n The other businesses permitted by the Bank Act or other relevant Korea laws and regulations

1.2. History

- n November 1, 2001 Incorporated and Listed on the New York Stock Exchange
- n November 9, 2001 Listed on the Korea Stock Exchange
- n September 23, 2002 Integrated two brand operations onto a single information technology platform in connection with the merger
- n December 4, 2002 Entered into a strategic alliance agreement with ING Bank N.V., which replaced the prior investment agreement with H&CB
- n May 30, 2003 Entered into a merger agreement with Kookmin Credit Card, one of our major subsidiaries and officially submitted Merger Statement to Financial Supervisory Service
- n September 30, 2003 Completed small-scale merger with Kookmin Credit Card

1.3. Capital Structure

1.3.1. Common Shares

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Kookmin Bank has authority to issue a total of 1,000,000,000 shares of capital stock according to its articles of incorporation. Kookmin Bank's articles of incorporation also provide that it is authorized to issue shares of preferred stock up to one-half of all of the issued and outstanding shares of common stock. On completion of the merger between Former Kookmin Bank and H&CB, Kookmin Bank issued 299,697,462 common shares.

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Upon the resolution of shareholders' meeting held on March 22, 2002, Kookmin Bank issued additional 17,979,954 common shares in connection with stock dividend of 6 percent.

On November 25, 2002 Goldman Sachs Capital Koryo, L.P. converted all of its convertible bonds into common shares. According to this conversion, on November 30, Kookmin Bank issued 10,581,269 common shares and distributed them to Goldman Sachs Capital Koryo, L.P.

With regard to the Merger between Kookmin Bank and Kookmin Credit Card on September 30, 2003, Kookmin Bank issued additional 8,120,431 shares on September 30, 2003 with total 336,379,116 shares issued and total 1,681,896 million Won of paid-in capital.

1.3.2. Treasury Stock

The following table shows the purchase and disposition of our treasury stock as of November 14, 2003.

(Unit: in thousands of Won unless otherwise indicated)

Date	Transaction	Number of shares	Average cost per	
			Cost	one share
November 15, 2001	Acquisition of fractional shares in the course of the merger	41,548 shares	1,794,885	43,200 Won
December 24, 2001	Disposition due to exercise of stock option by a grantee	10,000 shares	432,003	48,900 Won
April 3, 2002	Acquisition of fractional shares due to stock dividend	36,089 shares	2,071,557	57,400 Won
May 14, 2002	Disposition pursuant to the Bank Act of Korea	31,548 shares	1,601,944	50,788 Won
July 30 - October 23, 2002	Acquisition pursuant to the Securities and Exchange Act of Korea	3,000,000 shares	147,632,489	49,210 Won
December 24, 2002	Disposition due to exercise of stock option by a grantee	10,000 shares	492,294	49,229 Won
January 15, 2003	Disposition due to exercise of stock option by a grantee	10,000 shares	492,294	49,229 Won
September 4 - 9, 2003	Acquisition pursuant to the Securities and Exchange Act of Korea	650,000 shares	29,094,064	44,760 Won
October 16, 2003	Acquisition of fractional shares due to the Merger with Kookmin Credit Card	5,095 shares	214,254	42,050 Won
October 27, 2003	Disposition due to exercise of stock option by a grantee	62,961 shares	3,049,075	48,428 Won
November 3, 2003	Disposition due to exercise of stock option by a grantee	5,000 shares	242,140	48,428 Won
Total		Outstanding balance: 3,603,223 shares	174,497,499	

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The following table is the breakdown of stock options Kookmin Bank has granted to the directors and employees.

(As of September 30, 2003, Units: in Won, shares)

Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of granted options*	Number of exercised options	Number of exercisable options
			From	To				
31-Oct-98	Jungtae Kim	Chairman, President & CEO	01-Nov-01	31-Oct-04	5,000	400,000	330,000	70,000
27-Feb-99	Choulju Lee	Auditor & Executive Director	28-Feb-02	27-Feb-05	13,900	30,000	30,000	0
27-Feb-99	Seungdong Kim	Executive Vice President	28-Feb-02	27-Feb-05	13,900	20,054	20,054	0
27-Feb-99	Youngjo Joo	Executive Vice President	28-Feb-02	27-Feb-05	13,900	30,000	30,000	0
27-Feb-99	Seokil Cho	Executive Vice President	28-Feb-02	27-Feb-05	13,900	20,054	20,054	0
27-Feb-99	Hongshik Chung	Executive Vice President	28-Feb-02	27-Feb-05	13,900	20,000	20,000	0
27-Feb-99	Bonghwan Cho	Executive Vice President	28-Feb-02	27-Feb-05	13,900	30,000	30,000	0
27-Feb-99	Sunjoo Kim	Executive Vice President	28-Feb-02	27-Feb-05	13,900	10,000	10,000	0
27-Feb-99	Jehyung Jo	Executive Vice President	28-Feb-02	27-Feb-05	13,900	30,000	30,000	0
27-Feb-99	Hogi Baek	Executive Vice President	28-Feb-02	27-Feb-05	13,900	20,000	20,000	0
27-Feb-99	Bruce Willison	Non Executive Director	28-Feb-02	27-Feb-05	13,900	10,000	10,000	0
28-Feb-00	Jan Op de Beeck	Director & Executive Vice President	01-Mar-03	28-Feb-06	27,600	22,490	0	22,490
28-Feb-00	Sunghul Kim	Executive Vice President	01-Mar-03	28-Feb-06	27,600	30,000	0	30,000
28-Feb-00	Woojung Lee	Executive Vice President	01-Mar-03	28-Feb-06	27,600	30,000	0	30,000
28-Feb-00	Kukju Kwon	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,800	0	4,800
28-Feb-00	Sunjin Kim	Non Executive Director	01-Mar-03	28-Feb-06	27,600	7,000	0	7,000
28-Feb-00	Joon Park	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,800	0	4,800
28-Feb-00	Moonsoul Chung	Non Executive Director	01-Mar-03	28-Feb-06	27,600	7,000	0	7,000
28-Feb-00	Juhyun Yoon	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,800	0	4,800
28-Feb-00	Heungsoon Chang	Non Executive Director	01-Mar-03	28-Feb-06	27,600	2,486	0	2,486
28-Feb-00	Injoon Kang	Non Executive Director	01-Mar-03	28-Feb-06	27,600	2,486	0	2,486
28-Feb-00	Sunhee Jwa	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,800	0	4,800
28-Feb-00	Seungwoo Nam	Non Executive Director	01-Mar-03	28-Feb-06	27,600	1,928	0	1,928
28-Feb-00	Woonyou Choi	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,909	0	4,909
28-Feb-00	Kyunghee Yoon	Non Executive Director	01-Mar-03	28-Feb-06	27,600	7,000	0	7,000
28-Feb-00	Sungcheon Hong	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	6,821	0	6,821
28-Feb-00	Miro Yoon	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	3,333	0	3,333
28-Feb-00	Hakdong Shin	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	6,821	0	6,821
28-Feb-00	Hakyeon Jeong	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	10,000	0	10,000
28-Feb-00	Jeongyeon Kim	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	10,000	0	10,000
28-Feb-00	Jongwhan Byun	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	10,000	0	10,000
28-Feb-00	Samyoung Lee	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	6,821	0	6,821
28-Feb-00	Wonki Kim	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	6,821	0	6,821
28-Feb-00	Bangyeoul Kim	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	3,333	0	3,333

* Some numbers of the granted options have been adjusted due to the merger and the early retirement of the grantees

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Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of granted options*	Number of exercised options	Number of exercisable options
			From	To				
28-Feb-00	Byungman Lim	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	3,333	0	3,333
24-Mar-01	Youngil Kim	Executive Vice President	25-Mar-04	24-Mar-07	25,100	30,000	0	30,000
24-Mar-01	Jongin Park	Executive Vice President	25-Mar-04	24-Mar-07	25,100	19,333	0	19,333
24-Mar-01	Wonbae Yoon	Non Executive Director	25-Mar-04	24-Mar-07	25,100	2,318	0	2,318
24-Mar-01	Jaekyu Lee	Non Executive Director	25-Mar-04	24-Mar-07	25,100	2,318	0	2,318
24-Mar-01	Chulsoo Ahn	Non Executive Director	25-Mar-04	24-Mar-07	25,100	1,916	0	1,916
24-Mar-01	Jaehan Kim	Head of Regional Head Office	25-Mar-04	24-Mar-07	25,100	10,000	0	10,000
24-Mar-01	Jongok Na	Head of Regional Head Office	25-Mar-04	24-Mar-07	25,100	10,000	0	10,000
24-Mar-01	Kyuhoo Lee	Head of Regional Head Office	25-Mar-04	24-Mar-07	25,100	3,275	0	3,275
18-Mar-00	Sanghoon Kim	Chairman & CEO	19-Mar-03	18-Mar-05	23,469	41,460	0	41,460
18-Mar-00	Jongmin Lee	Auditor & Executive Director	19-Mar-03	18-Mar-05	23,469	14,807	0	14,807
18-Mar-00	Sejong Oh	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Inkie Kim	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Jihong Kim	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	2,961	0
18-Mar-00	Jinho Hwang	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Hyungjin Chang	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Ikrae Kim	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Bongho Paick	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Bockwoan Kim	Executive Vice President	19-Mar-03	18-Mar-05	23,469	11,845	0	11,845
18-Mar-00	Yoohwan Kim	Executive Vice President	19-Mar-03	18-Mar-05	23,469	11,845	0	11,845
18-Mar-00	Dukhyun Kim	Executive Vice President	19-Mar-03	18-Mar-05	23,469	11,845	0	11,845
15-Mar-01	Sanghoon Kim	Chairman & CEO	16-Mar-04	15-Mar-09	28,027	29,614	0	29,614
15-Mar-01	Jongmin Lee	Auditor & Executive Director	16-Mar-04	15-Mar-09	28,027	14,807	0	14,807
15-Mar-01	Inkie Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Hyungjin Chang	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Jihong Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Bongho Paick	Non Executive Director	16-Mar-04	15-Mar-09	28,027	1,870	0	1,870
15-Mar-01	Ikrae Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Seunghoon Han	Non Executive Director	16-Mar-04	15-Mar-09	28,027	1,870	0	1,870
15-Mar-01	Youngseok Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	1,870	0	1,870
15-Mar-01	Sewoong Lee	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Changki Min	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Bockwoan Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Yoohwan Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Dukhyun Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Yoonok Hyun	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Taigon Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Byungsang Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Byungjin Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Jihan Koo	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Dongsoon Park	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Hoosang Chang	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Sanghoon Lee	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Jaemin Suh	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Sunghyun Chung	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Jonghwa Lee	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961

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Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of granted options*	Number of exercised options	Number of exercisable options
			From	To				
15-Mar-01	Sangwon Lee	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Joonsup Chang	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Dongshin Yang	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Jaekyung Lee	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Yeonkun Chung	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Youngno Lee	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Kitaek Hong	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Soondo Park	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Joonho Park	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Yangjin Kim	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Kwangdae Park	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Sungwan Choi	General Manager	16-Mar-04	15-Mar-09	28,027	370	0	370
15-Mar-01	Junghaeng Lee	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Anseok Cho	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Sangcheol Lee	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Taejoo Yoon	General Manager	16-Mar-04	15-Mar-09	28,027	10	0	10
15-Mar-01	Youngman Lee	General Manager	16-Mar-04	15-Mar-09	28,027	520	0	520
15-Mar-01	Youngsoo Kim	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Jongyoung Yoon	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Jaehong Yoo	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Changhwan Bae	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Sian Heo	General Manager	16-Mar-04	15-Mar-09	28,027	370	0	370
15-Mar-01	Seokwon Choi	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Gilho Seo	General Manager	16-Mar-04	15-Mar-09	28,027	370	0	370
15-Mar-01	Youngsoo Shin	General Manager	16-Mar-04	15-Mar-09	28,027	370	0	370
15-Mar-01	Joonbo Cho	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Kiyoul Seo	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Byungdoo Ahn	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Kookshin Kang	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Ingyu Choi	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Hyungyoung Lee	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Youngrok Han	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Hyeyoung Kim	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Kihyun Kim	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Sungshin Cho	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Youngmo Lee	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Jongik Kim	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Kwangmook Park	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Yongseung Lee	General Manager	16-Mar-04	15-Mar-09	28,027	592	0	592
15-Mar-01	Sunggil Lee	General Manager	16-Mar-04	15-Mar-09	28,027	370	0	370
16-Nov-01	Jungtae Kim	President & CEO	17-Nov-04	16-Nov-09		500,000	0	500,000
16-Nov-01	Jungtae Kim	President & CEO	17-Nov-04	16-Nov-09	X ¹	200,000 ²	0	200,000
16-Nov-01	Sanghoon Kim	Chairman	17-Nov-04	16-Nov-09		150,000	0	150,000

- Exercise price = $51,200 \text{ Won} \times (1 + \frac{\text{increase rate of KOSPI Banking Industry Index}}{100})$. The increase rate of KOSPI Banking Industry Index = $(\text{KOSPI Banking Industry Index as of the starting date of exercise period} / 207.25) / 207.25 \times 100$.
- Conditional options up to 200,000: Additional shares shall be granted if the average closing price of Kookmin Bank's stock from August 17, 2004 to November 16, 2004 (or for the three months prior to his resignation, if he resigns earlier than his original tenure) is higher than the stock prices of any other bank listed on the Korea Stock Exchange. The number of options to be granted shall be based on total score, which calculated by the earned total scores of both ROE and market capitalization on November 17, 2004 (or on the date of his resignation, if he resigns earlier than his original tenure). The additional shares will not be exercisable if the CEO works less than 18 months or the earned total score is less than 80 points.

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Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of granted options*	Number of exercised options	Number of exercisable options
			From	To				
22-Mar-02	Choulju Lee	Auditor & Executive Director	23-Mar-05	22-Mar-10		9,963	0	9,963
22-Mar-02	Henry Cornell	Non Executive Director	23-Mar-05	22-Mar-10		3,321	0	3,321
22-Mar-02	Keunshik Oh	Non Executive Director	23-Mar-05	22-Mar-10		3,321	0	3,321
22-Mar-02	Dongsoo Chung	Non Executive Director	23-Mar-05	22-Mar-10		10,000	0	10,000
22-Mar-02	Jihong Kim	Non Executive Director	23-Mar-05	22-Mar-10	Y ¹	3,321	0	3,321
22-Mar-02	Timothy Hartman	Non Executive Director	23-Mar-05	22-Mar-10		3,321	0	3,321
22-Mar-02	Sunjin Kim	Non Executive Director	23-Mar-05	22-Mar-10		3,000	0	3,000
22-Mar-02	Moonsoul Chung	Non Executive Director	23-Mar-05	22-Mar-10		3,000	0	3,000
22-Mar-02	Kyunghee Yoon	Non Executive Director	23-Mar-05	22-Mar-10		3,000	0	3,000
22-Mar-02	Jongkyoo Yoon	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Bonghwan Cho	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Jaemin Suh	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Bumsoo Choi	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Bockwoan Kim	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Kitaek Hong	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Sunghyun Chung	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Kisup Shin	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Sungkyu Lee	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Byungsang Kim	Executive Vice President	23-Mar-05	22-Mar-10	57,100	9,498	0	9,498
22-Mar-02	Jongyoung Yoon	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Jaeil Song	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Hyunggoo Shim	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Junghaeng Lee	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Joonsup Chang	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Youngno Lee	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Dongsoon Park	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Sungbin Kim	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Sungbok Park	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Yeonkun Chung	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Mahnsoo Song	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Jeongyeon Kim	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	5,000	0	5,000
22-Mar-02	Hakyeon Jeong	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	5,000	0	5,000
22-Mar-02	Jongwhan Byun	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	5,000	0	5,000
22-Mar-02	Jaehan Kim	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	5,000	0	5,000
22-Mar-02	Jongok Na	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	5,000	0	5,000
26-Jul-02	Donald MacKenzie	Executive Vice President	27-Jul-05	26-Jul-10	58,800	30,000	0	30,000

1. Exercise price = 57,100 Won x (1 + the increase rate of KOSPI Banking Industry Index x 0.4). The increase rate of KOSPI Banking Industry Index = (KOSPI Banking Industry Index as of the starting date of exercise period - KOSPI Banking Industry Index as of the grant date) / KOSPI Banking Industry Index as of the grant date.

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Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of granted options*	Number of exercised options	Number of exercisable options
			From	To				
21-Mar-03	Sungnam Lee	Auditor & Executive Director	22-Mar-06	21-Mar-11		30,000	0	30,000
21-Mar-03	Moonsoul Chung	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Sunjin Kim	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Richard Elliott Lint	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Kyunghee Yoon	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Seoungwoo Nam	Non Executive director	22-Mar-06	21-Mar-11	Y ¹	10,000	0	10,000
21-Mar-03	Sukyoung Cha	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Bernard S. Black	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Kihong Kim	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Eunjoo Park	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Cheolsoo Ahn	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Kyungbae Suh	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Sungchul Kim	Executive Vice President	22-Mar-06	21-Mar-11	35,500	30,000	0	30,000
21-Mar-03	Woojung Lee	Executive Vice President	22-Mar-06	21-Mar-11	35,500	30,000	0	30,000
21-Mar-03	Seeyoung Lee	Executive Vice President	22-Mar-06	21-Mar-11	35,000	30,000	0	30,000
21-Mar-03	Wonsuk Oh	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,500	15,000	0	15,000
21-Mar-03	Sungdae Min	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,500	15,000	0	15,000
21-Mar-03	Kyungjae Cheong	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,500	15,000	0	15,000
21-Mar-03	Choulhee Kim	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,500	15,000	0	15,000
21-Mar-03	Indo Lee	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,000	15,000	0	15,000
21-Mar-03	Maengsu Yang	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,500	15,000	0	15,000
27-Aug-03	Jinbaek Cheong	Executive Vice President	28-Aug-03	27-Aug-11	40,500	30,000	0	30,000
22-Mar-01	Hankyung Lee ²	Former KCC Officer	23-Mar-04	22-Mar-11	71,538	6,644	0	6,644
22-Mar-01	Junchae Song	Former KCC Officer	23-Mar-04	22-Mar-11	71,538	6,644	0	6,644
22-Mar-01	Cheolho Kim	Former KCC Officer	23-Mar-04	22-Mar-11	71,538	4,429	0	4,429
22-Mar-01	Myoungwoo Lee	Former KCC Officer	23-Mar-04	22-Mar-11	71,538	4,429	0	4,429
29-Mar-02	Bounghak Kim	Former KCC Officer	30-Mar-04	29-Mar-11		4,429	0	4,429
29-Mar-02	Sun Lee	Former KCC Officer	30-Mar-04	29-Mar-11	Y ³	4,429	0	4,429
29-Mar-02	Jangok Kim	Former KCC Officer	30-Mar-04	29-Mar-11		4,429	0	4,429
Total						2,883,242	553,069	2,330,173

- Exercise price = 35,500 Won x (1 + the increase rate of KOSPI Banking Industry Index x 0.4). The increase rate of KOSPI Banking Industry Index = (KOSPI Banking Industry Index as of the starting date of exercise period - KOSPI Banking Industry Index as of the grant date) / KOSPI Banking Industry Index as of the grant date.
- Exercise price = 129,100 Won x (1 + the increase rate of Comparative Industry Index x 0.4).
If negative index produced, the factor is not to be considered.
The increase rate of Comparative Industry Index = (B-A)/A
A : KOSPI as of the grant date x 0.5 + KOSPI Banking Industry Index as of the grant date x 0.5
B : KOSPI as of the exercise date x 0.5 + KOSPI Banking Industry Index as of the exercise date x 0.5
- The last 7 people in the above stock option table were granted Kookmin Bank stock option retroactively on the indicated dates. Those were originally granted by Kookmin Credit Card (KCC) when they were in office, and due to the Merger between Kookmin Bank and Kookmin Credit Card, those options were converted into stock options of the Bank.

Table of Contents**1.4. Dividend**

The following table shows dividend policy and the related information for the last three years.

(Units: in millions of Won unless indicated otherwise)

	2002	2001	2000
Net income for the period	1,310,291	740,565	719,700
Earnings per share (Won)	4,123 ¹	3,706	2,403
Maximum amount available for dividend	1,192,643 ²	604,984	614,046
Total dividend amount	325,232	119,866	151,009
Dividend payout ratio (%)	24.82 ³	16.19	20.76
Cash dividend per common share (Won)	1,000	100	500
Stock dividend per common share (%)		6	
Dividend per preferred share (Won)			50
Dividend yield ratio (%)	2.38 ⁴	0.80	3.36
Net asset value per common share (Won)	30,614 ⁵	29,742	12,533
Ordinary income per common share (Won)	4,123	3,706	2,403

1.5. Merger Summary

As of September 30, 2003, Kookmin Bank merged Kookmin Credit Card, its former subsidiary about 74% shares owned. Followings are summarized information with regard to the Merger.

1.5.1. Brief Note on Merger Procedures

May 30, 2003 :	Completed merger agreement and officially submitted Merger Statement to FSS.
July 23, 2003 :	Approved by board of directors of Kookmin Bank
September 5, 2003 :	Approved by shareholders meeting of Kookmin Credit Card
September 30, 2003 :	Completed the merger and integrated into single card business unit.
October 7, 2003 :	Submitted Merger Completion Report to FSS

- Earnings per share = net income (1,310,291,195,314 Won) / weighted average number of shares (317,786,872 shares)
- Maximum amount available for dividend = retained earnings before appropriations (1,319,970 millions of Won) + transferred from prior years reserves (5,417 millions of Won) - appropriated amount pursuant to the relevant rules and regulations (132,744 millions of Won)
- Dividend payout ratio = total dividend amount for common shares (325,232,596,000 Won) / net income (1,310,291,195,314 Won).
- Dividend yield ratio = dividend per share (1,000 Won) / market closing price of December 31, 2002 (42,000 Won)
- Net asset value per common share = total shareholders equity (10,049,396 millions of Won) / total issued shares as of December 31, 2002 (328,258,685 shares).

Table of Contents**1.5.2. Merger Method**

Entity	Business	Merger Method
Kookmin Bank (KB) Kookmin Credit Card (KCC)	Banking Credit card	KCC is merged into KB

1.5.3. Merger Ratio

	KB	KCC
Stock Price	31,780 Won	14,078 Won
Merger Ratio (Common Stock)	1	0.442983

1.5.4. Changes in Equity-related factors after Merger

		Before Merger	After Merger
Number of Stocks Authorized	Common stocks	1,000,000,000	1,000,000,000
	Preferred stocks		
Number of Stocks Issued	Common stocks	328,258,685	336,379,116
	Preferred stocks		
Paid-in capital (million Won)		1,641,293	1,681,896

Table of Contents**2. Business****2.1. Source and Use of Funds****2.1.1. Source of Funds**

(Unit: in millions of Won)

		September 30, 2003		December 31, 2002		December 31, 2001	
		Interest		Interest			
		Average balance	rate (%)	Average balance	rate (%)	Average balance	Interest rate (%)
Won currency	Deposits and Mutual installment	116,492,015	3.78	113,157,719	4.21	63,743,997	5.53
	Certificate of deposit	3,561,241	4.60	2,119,900	4.82	2,022,414	6.10
	Borrowings	3,384,195	3.91	4,568,873	4.45	3,784,147	4.85
	Call money	1,503,361	3.99	1,039,249	4.02	403,937	4.11
	Other	22,474,928	5.90	14,254,281	6.70	9,112,858	7.57
	Subtotal		147,415,740	4.13	135,140,022	4.49	79,067,353
Foreign currency	Deposits	1,237,424	0.81	1,096,544	1.28	952,701	3.08
	Borrowings	3,480,029	1.06	2,269,774	2.45	2,018,537	5.47
	Call money	147,883	1.08	293,151	1.65	223,156	3.67
	Finance debentures issued	739,912		1,071,848	3.57	1,430,804	5.68
	Other	25,782		23,087		15,081	
	Subtotal		5,631,030	1.14	4,754,404	2.67	4,640,279
Other	Total Shareholders Equity	11,549,211		14,586,550		7,463,687	
	Allowances	88,675		63,039		353,183	
	Other	9,756,156		3,717,379		4,065,899	
Subtotal		21,394,042		18,366,968		11,882,769	
Total		174,440,812	3.52	158,261,394	3.92	95,590,401	5.00

Table of Contents**2.1.2. Use of Funds**

(Unit: in millions of Won)

		September 30, 2003		December 31, 2002		December 31, 2001	
		Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency	Due from banks	169,303	1.40	1,041,865	4.62	1,339,572	5.60
	Securities	30,730,771	6.33	30,180,305	6.32	23,861,424	6.78
	Loans	120,647,990	7.17	105,188,481	7.79	53,575,082	8.87
	Advances for customers	90,359	7.62	91,583	4.35	127,704	3.84
	Call loan	468,440	3.94	736,571	4.36	1,765,067	4.80
	Private placement corporate bonds	1,232,206	8.47	1,631,524	7.32	2,065,179	10.32
	Credit card accounts	5,407,667	9.84	5,719,359	10.25	912,210	17.63
	Other	295,534	36.49	374,718		614,014	
	Allowance for credit losses (-)	-1,792,386		1,437,960		1,297,930	
	Subtotal	157,249,884	7.23	143,526,446	7.66	82,962,322	8.50
Foreign currency	Due from banks	593,757	1.35	253,390	1.35	121,994	3.28
	Securities	1,281,677	5.90	1,302,214	7.97	1,079,359	9.13
	Loans	2,737,718	2.89	3,216,042	3.39	3,870,853	5.66
	Call loan	78,238	1.35	188,465	1.98	185,466	4.15
	Bills bought	2,073,176	1.78	835,356	4.71	1,045,331	7.60
	Other	12,962	16.20	15,739		116,454	
	Allowance for credit losses (-)	-138,506		267,194		266,613	
Subtotal	6,639,022	3.05	5,544,012	4.95	6,152,844	7.11	
Other	Cash	976,422		914,639		530,451	
	Fixed assets held for business	3,136,226		3,126,812		1,462,413	
	Other	6,439,258		5,149,485		4,482,371	

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Subtotal	10,551,906		9,190,936		6,475,235	
Total	174,440,812	6.63	158,261,394	7.12	95,590,401	7.83

Table of Contents**2.2. Principal Banking Activities****2.2.1. Deposits**

The following table shows the average balances of our deposits for the past three years and ending balances as of the dates indicated.

(Unit: in millions of Won)

		September 30, 2003		December 31, 2002		December 31, 2001	
		Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Deposits in Won	Demand deposits	11,989,488	13,176,682	10,654,651	12,987,742	4,832,281	10,824,005
	Time & savings deposits	96,428,974	96,630,311	93,347,999	93,630,423	53,496,908	89,080,935
	Mutual installment deposits	6,940,006	7,009,983	8,058,664	7,491,115	6,469,772	8,871,193
	Mutual installment for housing	5,094,516	5,291,492	4,463,601	4,872,637	928,398	4,128,489
	Certificates of deposits	3,561,241	4,689,250	2,119,900	3,044,089	2,022,414	1,154,056
Subtotal		124,014,225	126,797,718	118,644,815	122,026,006	67,749,773	114,058,678
Deposits in foreign currency		1,237,424	1,303,028	1,096,544	1,083,647	952,701	1,102,626
Trust deposits	Money trust	13,737,752	11,881,479	17,214,936	15,356,285	20,375,456	19,739,709
	Property trust	25,291,861	22,047,490	16,783,690	26,852,684	5,409,033	12,559,922
Subtotal		39,029,613	33,928,969	33,998,626	42,208,969	25,784,489	32,299,631
Total		164,281,262	162,029,715	153,739,985	165,318,622	94,486,963	147,460,935

2.2.2. Average Deposit per Domestic Branch

The following table shows the average balances of our deposits per domestic branch as of the dates indicated.

(Unit: in millions of Won)

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	September 30, 2003	December 31, 2002	December 31, 2001
Deposits	117,753	121,137	133,548
Deposits in Won	116,937	120,336	132,320

Table of Contents**2.2.3. Average Deposit per Employee**

The following table shows the average balances of our deposits per employee as of the dates indicated.

(Unit: in millions of Won)

	September 30, 2003	December 31, 2002	December 31, 2001
Deposits	7,531	7,256	7,243
Deposits in Won	7,479	7,208	7,176

2.2.4. Loan Balances

The following table shows the average balances of our loans for the past three years and ending balances as of the dates indicated.

(Unit: in millions of Won)

	September 30, 2003		December 31, 2002		December 31, 2001	
	Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Loans in Won	120,627,480	124,678,337	105,117,047	116,472,105	53,498,087	94,698,769
Loans in foreign currency	4,180,092	3,832,578	3,228,857	4,417,176	3,924,562	4,174,237
Advances to customers	101,847	120,535	106,380	52,430	244,158	199,831
Subtotal	124,909,419	120,631,450	108,452,284	120,941,711	57,666,807	99,072,837
Trust account loans	536,741	509,530	789,614	575,412	2,194,851	1,117,817
Total	125,446,160	129,140,980	109,241,898	121,517,123	59,861,658	100,190,654

2.2.5. Loan Balances as of September 30, 2003 by Remaining Years to Maturities

(Unit: in millions of Won)

	Less than 1 year	More than 1 year -	More than 3 years -	More than 5 years	Total

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		less than 3 years	less than 5 years		
Loans in Won	61,309,521	46,935,406	5,744,289	10,689,121	124,678,337
Loans in foreign currencies	2,431,854	488,000	380,503	532,222	3,832,579

Table of Contents**2.2.6. Loan Balances by Uses**

The following table shows the banking account balances of our loans in Won by uses as of the dates indicated.

(Unit: in millions of Won)

		September 30, 2003	December 31, 2002	December 31, 2001
Loans to enterprise	Loans for operations	37,215,145	35,369,066	29,286,707
	Loans for facility	6,792,781	5,963,631	4,434,447
Loans to households		42,857,247	40,477,483	34,648,918
Loans to public sector & others	Loans for operations	500,892	738,632	730,598
	Loans for equipment	42,155	39,414	57,211
Loans on property formation savings		73,734	95,252	154,069
Loans for housing		37,175,741	33,731,435	25,342,969
Inter-bank loans		16,412	20,941	36,110
Others		4,230	5,449	7,740
Total		124,678,337	116,441,303	94,698,769

2.2.7. Loan to Deposit Ratio

The following table shows loan to deposit ratio as of indicated dates.

(Units: in millions of Won, %)

	September 30, 2003	December 31, 2002	December 31, 2001
Loans¹ (A)	120,627,480	105,117,047	53,498,087
Deposits² (B)	124,014,224	118,644,815	67,749,773
Loan to deposit ratio (A/B)	97.27	88.60	78.96

2.2.8. Acceptances and Guarantees

(Unit: in millions of Won)

	September 30, 2003	December 31, 2002	December 31, 2001
Determined	794,963	1,031,698	3,521,970
Contingent	1,189,639	1,306,878	1,369,723
Total	1,984,602	2,338,576	4,891,693

2.2.9. Breakdown of Securities Investment

The following table shows the average balances of our securities for the past three years and ending balances as of indicated dates.

1. Average balance of loans in each indicated date
2. Average balance of deposits in each indicated date. The balances include certificate of deposits

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(Unit: in millions of Won)

		September 30, 2003		December 31, 2002		December 31, 2001	
		Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Securities in Won (Banking account)	Monetary stabilization bonds	4,069,977	5,083,198	2,834,534	3,269,269	3,571,137	3,139,925
	Government and public bonds	5,536,731	6,175,168	4,272,946	5,252,321	4,454,446	4,592,251
	Debentures	12,147,001	8,250,618	13,154,258	12,378,717	11,410,904	14,691,304
	Stocks	1,593,871	854,395	2,146,149	1,661,682	1,309,134	2,154,449
	Others	7,383,192	9,045,467	7,809,012	7,162,134	3,115,803	7,547,153
	Subtotal		30,730,772	29,408,846	30,216,899	29,724,123	23,861,424
Securities in Won (Trust account)	Monetary stabilization bonds	901,854	1,220,416	1,309,515	583,379	3,228,021	2,725,071
	Government and public bonds	1,133,579	1,185,062	2,023,503	1,323,195	2,990,549	3,059,777
	Debentures	6,299,382	5,072,127	8,035,960	7,600,794	7,635,765	7,613,829
	Stocks	807,425	743,657	904,921	924,514	672,845	890,151
	Others	3,510,767	2,795,094	3,945,649	3,821,884	4,340,103	3,913,328
	Subtotal		13,546,727	11,819,947	77,213,310	74,449,265	18,985,430
Securities in foreign currency (Trust Account)		893,720	803,591	559,964	747,253	118,147	370,415
Subtotal		13,546,727	11,819,947	77,213,310	74,449,265	18,985,430	18,572,571
Securities in foreign currency (Banking account)	Foreign securities	986,319	935,098	945,199	960,749	736,084	909,730
	Off-shore foreign securities	295,358	245,171	320,423	255,878	343,275	382,542
	Subtotal	1,281,677	1,180,269	1,265,622	1,216,627	1,079,359	1,292,272
Total		45,559,176	42,409,062	48,262,033	45,941,769	43,926,213	51,989,925

2.2.10. Trust Account (money trust)

(Unit: in millions of Won)

September 30, 2003	December 31, 2002	December 31, 2001
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	Total amount trusted	Trust fees	Total amount trusted	Trust fees	Total amount trusted	Trust fees
Return-guaranteed trust	606	33,403	1,528	59,530	25,551	-17,147
Performance trust	39,029,007	143,251	33,997,098	241,444	25,758,938	353,890
Total	39,029,613	176,654	33,998,626	300,974	25,784,489	336,743

Table of Contents**2.2.11. Credit Card****2.2.11.1. BC Card**

(Unit: in millions of Won unless indicated otherwise)

		September 30, 2003	2002	2001
Number of card holders (Person)	Corporate	54,941	58,090	23,811
	Individual	4,056,222	4,748,427	4,017,950
Number of merchants		325,262	262,619	295,668
Profit	Sales ¹	16,340,878	27,216,500	22,272,700
	Fee revenue ²	694,559	1,039,710	819,399

2.2.11.2. Kookmin Card³

(Unit: in millions of Won unless indicated otherwise)

		September 30, 2003	2002	2001
Number of card holders (Person)	Corporate	152,472	153,425	105,600
	Individual	11,052,024	11,638,968	9,605,946
Number of merchants		1,552,983	1,675,176	1,569,103
Profit	Sales ¹	52,143,378	83,860,180	65,382,300
	Fee revenue	1,401,711	155,545	142,700

2.3. Property, Plants and Equipment**2.3.1. Branch Network**

As of September 30, 2003, we had 1,164 branches and 61 sub-branches in Korea, the largest number of branches among Korean commercial banks. Approximately 43% of our branches and sub-branches are located in Seoul.

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We also have three overseas branches in Tokyo, New York and Auckland, and 1 overseas office in Guangzhou in China

2.3.2. *Business Property (Land & Buildings)*

Our registered office and corporate headquarters are located at 9-1, 2-Ga, Namdaemun-Ro, Jung-Gu, Seoul, Korea. The book value of all the properties owned by us as of September 30, 2003 is 1,611,342 million Won. In addition to the properties owned by us, we also leased 1,095,163 million Won of properties for our branch space.

-
1. Includes credit card receivables and cash advances.
 2. Excludes fee related to Kookmin Credit Card
 3. This is the result of former Kookmin Credit Card.

Table of Contents**2.3.3. Automated Banking Machines**

We have established an extensive network of automated banking machines, which are installed in branches and in Autobanks (unmanned outlets). These automated banking machines consist of ATMs, cash dispensers and passbook printers. As of September 30, 2003, we had 7,945 ATMs, 1,532 cash dispensers and 767 passbook printers.

2.4. Other Details Relevant to Investment Decision**2.4.1. BIS Risk-adjusted Capital Ratios**

(Units: in millions of Won, %)

	September 30, 2003 ¹	December 31, 2002	December 31, 2001
Risk-adjusted capital (A)	13,894,299	14,439,313	11,750,856
Risk-weighted assets (B)	129,335,550	138,703,021	114,849,227
BIS ratios (A/B)	10.74	10.41	10.23

2.4.2. Non-performing Loans²

(Units: in millions of Won unless indicated otherwise)

September 30, 2003		December 31, 2002		Change	
Amount	NPL to total loans	Amount	NPL to total loans	Amount	NPL to total loans
3,800,519	2.77%	2,509,073	1.90%	1,291,446	0.87%p

¹ Tentative figures² Excluding non-performing loans of former Kookmin Credit Card. Non-performing loans are defined as those loans that are past due more than 90 days or that are placed non-accrual status according to the Financial Supervisory Service's guidelines.**2.4.3. Loan Losses Allowance¹**

The following table shows the balance of our loan losses allowances as of the dates indicated.

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(Units: in millions of Won)

		September 30, 2003	December 31, 2002	December 31, 2001
Loan losses allowance	Domestic	4,514,676	2,365,898	2,255,068
	Overseas	10,764	12,798	16,111
	Total	4,525,440	2,378,696	2,271,179
Write-offs for the Period		1,963,191	1,527,311	1,090,029

1. Including 1,388,854 million Won of loan losses allowance of former Kookmin Credit Card

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3. Financial Information

See 9. Exhibits / 9.1. List of Financial Statements.

Table of Contents**4. Principal Accountant Fees and Services****4.1. Audit & Review Service**

Our Financial statements for the third quarter, 2003 have been reviewed by Samil Accounting Corporation, the Korean member firm of PricewaterhouseCoopers. The aggregate audit and review service contract amount for the year 2003 is 980 million Won.

4.2. Service Other than Audit & Review

The following is a description of non-audit services rendered by our independent auditor for the last three years.

(Units: in millions of Won unless indicated otherwise)

Year	Service description	Amount of payment
September 30	- US GAAP conversion for 2002	US\$3,800 thousand
2003	- Due Diligence on Kookmin Credit Card	250
	- SEC Filing regarding the proposed merger with Kookmin Credit Card	US\$30 thousand
2002	- Project for improving the accounting process	690
	- Advisory service for the conversion process in US GAAP	1,450
2001	- Due diligence on the assets and liabilities in connection with the merger	2,400
	- US GAAP conversion for 2000	US\$ 2,700 thousand
	- US GAAP conversion for New York Stock Exchange listing of New Kookmin Bank	US\$ 7,480 thousand
	- Advisory service for tax in connection with the merger	300
	- US GAAP conversion	US\$ 4,950 thousand

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5. Corporate Governance and Affiliated Companies

5.1. Board of Directors

The board of directors holds regular meetings every quarter. The board of directors consists of directors and resolves each following matter:

- n matters relating to business objectives and performance evaluation;
- n matters relating to amendments of the Articles of Incorporation;
- n matters relating to budget and accounting including salaries of directors and employees;
- n matters relating to major organizational changes such as dissolution, business transfer and merger;
- n matters relating to internal control standards; or
- n other matters determined by law and the board of directors regulations.

We currently have six management committees that serve under the board:

- n the Board Steering Committee;
- n the Management Strategy Committee;
- n the Risk Management Committee;
- n the Audit Committee;
- n the Compensation Committee; and
- n the Non Executive Director Nomination Committee.

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Each committee member is appointed by the board of directors, except for members of the Audit Committee, who are elected at the general meeting of stockholders. For list of our directors, see 7. Directors, Senior Management and Employees / 7.1. Executive Directors and 7.2. Non-Executive Directors.

5.2. Audit Committee

Audit Committee oversees our financial reporting and approves the appointment of and interaction with our independent auditors, compliance officers, management personnel and other committee advisors. The committee also reviews our financial information, auditor's examinations, key financial statement issues and the administration of our financial affairs by the board of directors. In connection with the general meetings of stockholders, the committee examines the agenda for, and financial statements and other reports to be submitted by, the board of directors to each general meeting of stockholders. The committee holds regular meetings every quarter and as-needed basis.

Table of Contents**5.3. Voting Rights of Shareholders**

Each outstanding share of our common stock is entitled to one vote per share.

If the method of written resolution at the general meeting of shareholders is adopted by resolution of the board of directors, at which the convening of the general meeting of shareholders is determined, the shareholders may exercise their voting rights in writing without participating the meeting in person. In this case, the Bank is required to send the documents and references necessary for exercise of voting rights, together with the convening notice.

If a shareholder intends to exercise his/her voting rights in writing, the shareholder is required to fill in a certain form and submit it to the Bank one day before the date set for the general meeting of shareholders.

5.4. Compensation to the Directors

For the 9 months ended September 30, 2003, the aggregate of the remuneration paid by us to 1) the Chairman, President & CEO and our other executive directors and 2) our non-executive directors was 2,483 million Won, 389 million Won, respectively. The following table shows the breakdown of the remuneration.

(Units: in millions of Won)

	The aggregate remuneration paid	Limit for the remuneration resolved by shareholders meeting	Average amount of the payment per person
1) Executive Directors	2,483		733
2) Non Executive Directors	389		36
Total	2,872	8,000	769

As part of remuneration, Kookmin Bank also granted stock options to directors. See 1. Introduction to the Bank / 1.3. Capital Structure / 1.3.4. Stock Option.

5.5. Affiliated Companies**5.5.1. List of Affiliates**

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As of September 30, 2003, we have following affiliates.

- n KB Investment Co., Ltd.

- n KB Investment Trust Management Co., Ltd.

- n KB Real Estate Trust Co., Ltd.

- n KB Credit Information Co., Ltd.

- n Kookmin Data System Corporation

- n Kookmin Futures Co., Ltd.

- n ING Life Korea Ltd.

- n Kookmin Bank Luxemburg. S.A.

- n Kookmin Bank International (London) Ltd.

- n Kookmin Finance Hong Kong Ltd.

Table of Contents**5.5.2. Operating Results of Affiliates**

(Unit: in millions of Won)

Company name	Closing date	Operating results of the latest fiscal year				
		Total Assets	Total Liabilities	Total Equities	Sales	Net Income
KB Investment	December 31, 2002	99,979	26,206	73,773	18,744	33,883
Kookmin Credit Card	December 31, 2002	13,381,247	12,463,020	918,227	3,156,230	260,888
KB Investment Trust Management	March 31, 2003	65,086	17,447	47,639	31,474	13,966
KB Real Estate Trust	December 31, 2002	300,671	212,943	87,728	59,771	8,915
KB Credit Information	December 31, 2002	20,772	6,821	13,951	34,179	3,639
Kookmin Data System Corporation	December 31, 2002	18,290	4,671	13,619	43,290	2,008
Kookmin Futures	March 31, 2003	45,414	20,652	24,762	12,734	2,333
ING Life Korea	March 31, 2003	2,068,192	1,937,761	130,431	1,211,847	78,559
Kookmin Bank Luxemburg	September 30, 2003	445,781	445,732	49	11,031	(6,685)
Kookmin Bank International (London)	September 30, 2003	253,496	205,721	47,775	7,823	363
Kookmin Finance Hong Kong	September 30, 2003	224,841	170,802	54,039	14,196	(4,951)

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Table of Contents**6. Share Ownership and Stocks****6.1. Major Shareholders**

The following table presents information regarding the beneficial ownership of our shares as of June 17, 2003 (official record date for the Merger with Kookmin Credit Card) by each person known by us to own beneficially more than 5% of our outstanding shares.

Name	Number of Shares of Common Stock	Percentage of Total Outstanding Shares of Common Stock
The Government of Korea	30,623,761	9.33%
Goldman Sachs ¹	16,831,607	5.13%
The Bank of New York ²	30,875,235	9.41%
Total	78,330,603	23.87%

6.2. Market Price Information for the Previous Six Months**6.2.1. Common Stock Traded in the Korea Stock Exchange**

(Unit: in Won, thousands of shares)

		April	May	June	July	August	September
Registered Common Shares	High	35,550	34,200	39,900	42,800	42,950	46,200
	Low	29,150	29,950	35,150	36,400	37,300	37,300
Trading Volume		68,520	48,294	37,642	38,874	25,806	38,017

6.2.2. American Depositary Shares Traded in the New York Stock Exchange

(Unit: in US\$, thousands of shares)

April May June July August September

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American Depositary Shares	High	29.13	28.79	33.73	37.40	37.30	39.65
	Low	23.23	24.71	28.70	30.27	31.30	32.43
Trading Volume		7,333	7,981	7,083	7,926	4,145	13,850

1. In September, Goldman Sachs disposed about 13,000,000 shares, accordingly, ownership of our shares changed to 1.18% as of September 5, 2003.
2. As depositary bank of American Depositary Shares of Kookmin Bank

Table of Contents**7. Directors, Senior Management and Employees**

As of September 30, 2003, our board of directors, which consists of 4 executive directors and 12 non-executive directors, has the ultimate responsibility for the management of our affairs.

7.1. Executive Directors

Our 4 executive directors consist of the chairman, president & CEO, auditor & executive director and one executive director seconded from ING.

The names and positions of our directors with Kookmin Bank's common stocks owned are set forth below.

Name	Date of Birth	Position	Common Stocks Owned
Sanghoon Kim	03/13/1942	Chairman	
Jungtae Kim	08/15/1947	President & CEO	66,581
Sungnam Lee	11/11/1947	Auditor & Executive Director	
Donald H. MacKenzie	12/20/1948	Executive Director & EVP	

7.2. Non-Executive Directors

Our non-executive directors are selected based on the candidates' talents and skills in diverse areas, such as law, finance, economy, management and accounting. As of September 30, 2003, 12 non-executive directors are in office.

Our current non-executive directors with Kookmin Bank's shares owned are as follows.

Name	Date of Birth	Position	Common Stocks Owned
Moonsoul Chung	03/07/1938	Non-Executive Director	4,041
Richard Elliott Lint	01/04/1946	Non-Executive Director	400
Sunjin Kim	06/08/1942	Non-Executive Director	2,525
Dongsoo Chung	09/24/1945	Non-Executive Director	480
Seungwoo Nam	05/13/1952	Non-Executive Director	591
Kyunghee Yoon	01/05/1947	Non-Executive Director	
Sukyoung Cha	06/09/1953	Non-Executive Director	510
Bernard S. Black	11/13/1953	Non-Executive Director	400

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Kihong Kim	01/10/1957	Non-Executive Director	570
Eunjo Park	06/03/1957	Non-Executive Director	510
Cheolsoo Ahn	01/22/1962	Non-Executive Director	510
Kyungbae Suh	01/14/1963	Non-Executive Director	510

Table of Contents**7.3. Senior Management**

In addition to the executive directors who are also our executive officers, we currently have the following 11 executive officers as of September 30, 2003:

Name	Date of Birth	Position	Common Shares Owned
Jongkyoo Yoon	10/13/1955	Executive Vice President	3,300
Sungchul Kim	09/10/1951	Executive Vice President	3,498
Youngil Kim	07/06/1953	Executive Vice President	3,327
Kitaek Hong	01/16/1948	Executive Vice President	3,931
Sunghyun Chung	08/10/1947	Executive Vice President	
Kisup Shin	10/29/1955	Executive Vice President	280
Seongkyu Lee	10/25/1959	Executive Vice President	
Seeyoung Lee	12/25/1952	Executive Vice President	2
Woojung Lee	07/11/1949	Executive Vice President	
Jinbaek Chung	10/29/1955	Executive Vice President	
Bonghwan Cho	03/30/1950	Executive Vice President	14,581

7.4. Employees¹

The following table shows the breakdown of our employees as of September 30, 2003.

(Unit: in millions of Won)

	Number of Employees			Average Tenure of the full-time employees	Total Payment for the 9 Months Period	Average Monthly Payment per Person
	Full-time	Contractual	Total			
Male	13,284	1,218	14,502	15.68	539,993	4.1
Female	5,005	7,477	12,482	12.33	293,836	2.6
Total	18,289	8,695	26,984	14.66	833,829	3.4

7.5. Labor Union²

Under Korea Financial Industry Union, we currently have two union chapters following the merger. There are 8,363 members in former Kookmin Bank chapter and 6,951 members in former H&CB chapter.

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1. Excluding employees hired in local branches overseas and employees of former Kookmin Credit Card
 2. Excluding employees of former Kookmin Credit Card

Table of Contents**8. Related Party Transaction**

A number of banking transactions are entered into with related parties in the ordinary course of business. Generally, these transactions include loans, deposits, debt securities and other arms-length transactions relating to our banking business. These transactions are carried out on commercial terms and conditions and at market rates.

8.1. Transactions with Largest Shareholders and Affiliates**8.1.1. Investments in Affiliates¹**

(Unit: in millions of Won)

Name	Relation with the Bank	Account	Par Value	Beginning Balance (January 1, 2003)	Increase	Decrease	Ending Balance (September 30, 2003)
KB Real Estate Trust	Affiliate	Equity Securities of Affiliate	79,999	79,999			79,999
KB Investment	Affiliate	Equity Securities of Affiliate	44,708	44,708			44,708
KB Investment Trust Management	Affiliate	Equity Securities of Affiliate	30,670	30,670			30,670
Kookmin Futures	Affiliate	Equity Securities of Affiliate	19,996	19,996			19,996
Kookmin Data System	Affiliate	Equity Securities of Affiliate	7,998	7,998			7,998
KB Credit Information	Affiliate	Equity Securities of Affiliate	2,520	3,918			3,918
ING Life Korea	Affiliate	Equity Securities of Affiliate	14,000	14,000			14,000
KOMOCO	Affiliate	Equity Securities of Affiliate	30,000	30,000			30,000
Total			229,891	229,891			229,891

1. Excluding Joeeun Industry and Jangeun Securities which have been under liquidation procedures Kookmin Credit Card, a former major affiliate, was merged into the Bank as of September 30, 2003.

Table of Contents**8.1.2. Real Estate Transactions with Affiliates**

(Unit: in millions of Won)

Name	Relation with the Bank	Type	Account	Increase	Decrease	Deposits	Rent Fee
KB Credit Information	Affiliate	Building	Rental Income			2,804.35	8.11
KB Real Estate Trust	Affiliate	Building	Rental Income			1,738	
Kookmin Data System	Affiliate	Building	Rental Income			879.36	
Kookmin Futures	Affiliate	Building	Rental Income			1,363.36	
Total						6,785.07	8.11

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Table of Contents**8.2. Transactions with Shareholders (Other than the Largest Shareholders and Etc.), Directors and Employees.****8.2.1. Loans and Guarantees**

(Unit: in millions of Won)

Name	Relation with the Bank	Account	Beginning Balance	Increase	Decrease	Ending Balance (September 30, 2003)
Kihong Kim	Non executive director	Housing Loan	18		18	
Pulmuone Water Co.	Related party of Non executive director, Seungwoo Nam	General Corporate Loan	2,000			2,000
		Corporate Overdraft	1,011	1,469	911	1,569
		Loan for Working Capital	1,800			1,800
		Loan for Purchasing	343	474	157	660
Pulmuone Co.	Related party of Non executive director, Seungwoo Nam	General Corporate Loan	4,000		4,000	
		Purchase Card Loan	3,778		3,778	
		Loan for Facility		3,300		3,300
		Facility Finance Loan	1,600		1,600-	
		Purchase Card Loan		1,721		1,721
Pulmouwon Tech co.	Related party of Non executive director, Seungwoo Nam	Note Discount		1,234	1,234	
Food Merce	Related party of Non executive director,	Loan for Purchasing	362	636		998

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Seungwoo Nam				
Pulmouwon Healthy Life	Related party of Non executive director, Seungwoo Nam	General Corporate Loan		
			978	978
Total			14,912	9,812
			11,698	13,026

Table of Contents**8.2.2. Real Estate Transaction**

(Unit: in millions of Won)

Name	Relation with		Type	Account	Deposits	Rent Fee
	Kookmin Bank					
Haitai	Related party of					
Confectionary & Foods	Non executive director,		Building	Rental Deposit	150	
National Pension Corporation	Shareholder		Building	Rental Income	550	
Pulmuone Life Co.	Related party of					
	Non executive director		Building	Rental Income	10	0.5
Total					710	0.5

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KOOKMIN BANK

Interim Financial Statements

As of September 30, 2003 and

for the three-month period ended September 30, 2003 and

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