

KOOKMIN BANK
Form 6-K
May 15, 2003
Table of Contents

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 May 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)

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):

Edgar Filing: KOOKMIN BANK - Form 6-K

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

Table of Contents**TABLE OF CONTENTS**

<u>Summary of 1st Quarter Business Report</u>		3
1.	<u>Introduction to the Bank</u>	4
1.1.	<u>Business Purpose</u>	4
1.2.	<u>History</u>	4
1.3.	<u>Capital Structure</u>	4
1.4.	<u>Dividend</u>	11
2.	<u>Business</u>	12
2.1.	<u>Business Overview</u>	12
2.2.	<u>Market Shares</u>	12
2.3.	<u>Source and Use of Funds</u>	14
2.4.	<u>Principal Banking Activities</u>	16
2.5.	<u>Property, Plants and Equipment</u>	20
2.6.	<u>Other Details Relevant to Investment Decision</u>	21
3.	<u>Financial Information</u>	23
4.	<u>Auditor s Report</u>	24
4.1.	<u>Independent Accountants Review Report</u>	24
4.2.	<u>Compensation to the Independent Auditor</u>	24
5.	<u>Corporate Governance and Affiliated Companies</u>	25
5.1.	<u>Board of Directors</u>	25
5.2.	<u>Audit Committee</u>	25
5.3.	<u>Voting Rights of Shareholders</u>	26
5.4.	<u>Compensation to the Directors</u>	26
5.5.	<u>Affiliated Companies</u>	26
6.	<u>Equity Securities</u>	28
6.1.	<u>Major Shareholders</u>	28
6.2.	<u>Market Price Information for the Previous Six Months</u>	28
7.	<u>Directors, Senior Management and Employees</u>	29
7.1.	<u>Executive Directors</u>	29
7.2.	<u>Non-Executive Directors</u>	29
7.3.	<u>Senior Management</u>	30
7.4.	<u>Employees</u>	30
7.5.	<u>Labor Union</u>	30
8.	<u>Related Party Transaction</u>	31
8.1.	<u>Transactions with the Largest Shareholders and Etc.</u>	31

Edgar Filing: KOOKMIN BANK - Form 6-K

8.2.	<u>Transactions with Shareholders (Other than the Largest Shareholders and Etc.), Directors and Employees.</u>	33
9.	<u>Exhibits</u>	35
9.1.	<u>List of Financial Statements</u>	35

Table of Contents

Summary of 1st Quarter Business Report

On May 15, 2003, Kookmin Bank filed a business report with the Financial Supervisory Commission of Korea pursuant to the Securities and Exchange Act of Korea (the Business Report). This is a summary of the 1st quarter Business Report translated into English. Non-material or previously disclosed portions were omitted or abridged.

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 merger with former Kookmin Bank and H&CB on the merger 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 merger between the Former Kookmin Bank and H&CB, which merged into 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 acquiror of H&CB in the merger, 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 or before 1) for bank accounts is based on the Former Kookmin Bank s results and 2) for trust accounts is based on simple 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.

Table of Contents

1. Introduction to the Bank

1.1. Business Purpose

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

The banking business as prescribed by the Bank Act; and

The other business permitted by the Bank Act or other Korea laws.

1.2. History

November 1, 2001

Incorporated and Listed on the New York Stock Exchange

November 9, 2001

Listed on the Korea Stock Exchange

September 23, 2002

Integrated two brand operations onto a single information technology platform in connection with the merger

December 4, 2002

Entered into a strategic alliance agreement with ING Bank N.V., which replaced the prior investment agreement with H&CB

1.3. Capital Structure

1.3.1. Common Shares

Edgar Filing: KOOKMIN BANK - Form 6-K

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, New Kookmin Bank issued 299,697,462 common shares.

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.

Table of Contents

As of March 31, 2003, 328,258,685 shares of common stock were issued and outstanding with paid-in capital of 1,641,293 million Won. All of the issued and outstanding shares are fully-paid and non-assessable, and are in registered form.

1.3.2. Convertible Bonds

In June 1999, Goldman Sachs Capital Koryo, L.P., a fund managed by The Goldman Sachs Group, Inc., acquired (through its wholly-owned subsidiaries Goldman Sachs Capital Chosun, Ltd. and Goldman Sachs Capital Shilla, Ltd.) an interest in the Former Kookmin Bank in return for an investment of US\$500 million in new common shares and convertible bonds, consisting of W360 billion of new common shares (17,768,870 common shares at W20,260 per share, as adjusted for the merger ratio of 1.688346:1) and US\$200 million principal amount of subordinated convertible bonds with a conversion price of W14,200 per common share. As a result of the merger with H&CB and other adjustment events, the conversion price was adjusted to W22,124 per share.

On November 25, 2002, Goldman Sachs Capital Koryo, L.P. converted all of its convertible bonds into common shares of 10,581,269 and beneficially owned 5.13% of our outstanding common shares as of such date following that conversion.

1.3.3. Treasury Stock

The following table shows the purchase and disposition of our treasury stock.

(Unit: in thousands of Won unless otherwise indicated)

<u>Date</u>	<u>Reason</u>	<u>Number of shares</u>	<u>Cost</u>	<u>Average cost per one share</u>
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
Total		Outstanding balance:	148,480,396	

Table of Contents**1.3.4. Stock Option**

The following table is the breakdown of stock options Kookmin Bank has granted to the directors and employees. It describes grant date, position, exercise period, price and the number of options.

(As of March 31, 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, Presidnet&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	Sunchul 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	Sunghye 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	Woonyoul Choi	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,909	0	4,909
28-Feb-00	Kyunghye 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

Edgar Filing: KOOKMIN BANK - Form 6-K

28-Feb-00	Bangyeoul Kim	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	3,333	0	3,333
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	30,000	0	30,000
24-Mar-01	Wonbae Yoon	Non Executive Director	25-Mar-04	24-Mar-07	25,100	2,318	0	2,318

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

Table of Contents

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				
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		16-Mar-04	15-Mar-09	28,027	2,961	0	2,961

Edgar Filing: KOOKMIN BANK - Form 6-K

		Head of Regional Head Office						
15-Mar-01	Jonghwa Lee	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
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

Table of Contents

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	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
22-Mar-02	Choulju Lee	Auditor&Executive Director	23-Mar-05	22-Mar-10	Y ³	30,000	0	30,000
22-Mar-02	Henry Cornell	Non Executive Director	23-Mar-05	22-Mar-10		10,000	0	10,000
22-Mar-02	Keunshik Oh	Non Executive Director	23-Mar-05	22-Mar-10		10,000	0	10,000
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		10,000	0	10,000

- Exercise price = 51,200 Won x (1 + the increase rate of KOSPI Banking Industry Index x 0.4) / 100. The increase rate of KOSPI Banking Industry Index = (KOSPI Banking Industry Index as of the starting date of exercise period - 207.25) / 207.25 x 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.

Edgar Filing: KOOKMIN BANK - Form 6-K

3. 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.

Table of Contents

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	Timothy Hartman	Non Executive Director	23-Mar-05	22-Mar-10		10,000	0	10,000
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	Y	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	30,000	0	30,000
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	Jaecil 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	Dongssoon 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		23-Mar-05	22-Mar-10	57,100	5,000	0	5,000

Edgar Filing: KOOKMIN BANK - Form 6-K

		Head of Regional Head Office						
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

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

¹ 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.

Table of Contents

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	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
		Total				2,881,131	553,069	

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)

	<u>2002</u>	<u>2001</u>	<u>2000</u>
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

- 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**2. Business****2.1. Business Overview**

We are the largest commercial bank in Korea in terms of assets, deposits, branch network and retail customer base. Our primary focus is branch-based lending to and deposit-taking from retail customers and small and medium-sized enterprises. The principal components of our business are general household, mortgage and small and medium-sized enterprise lending, credit card operations and investment trust account management business and capital market activities. We also make loans and provide banking services to large domestic corporate customers.

We have developed one of the most extensive domestic branch networks, with 1,204 domestic branches and sub-branches as of March 31, 2003. Our extensive branch network and retail customer base have provided us with a source of stable and low cost funding.

2.2. Market Shares**2.2.1. Market Share of Deposits in Won**

The following table shows the market share of Kookmin Bank among 9 nationwide commercial banks in terms of deposits in Won (which includes certificate of deposits) as of the dates indicated.

For the year 2002 and 2003, Seoul Bank's figures are included in Hana Bank's figures due to the merger of Hana Bank and Seoul Bank.

(Units: in 100 millions of Won, %)

	March 31, 2003		December 31, 2002		December 31, 2001	
	Amount	%	Amount	%	Amount	%
Kookmin Bank	1,232,631	31.5	1,220,260	31.7	1,140,587	33.7
Woori Bank	620,484	15.8	589,095	15.3	513,903	15.2
Hana Bank	526,939	13.5	534,570	13.9	322,652	9.5
Chohung Bank	413,010	10.5	426,902	11.1	355,967	10.5
Shinhan Bank	346,980	8.9	331,479	8.6	301,285	8.9
Korea Exchange Bank	319,573	8.2	318,792	8.3	253,284	7.5
Korea First Bank	233,937	6.0	227,993	5.9	171,800	5.1
KorAm Bank	218,934	5.6	202,233	5.2	171,834	5.1

Edgar Filing: KOOKMIN BANK - Form 6-K

Seoul Bank					151,458	4.5
Total	3,912,488	100	3,851,324	100	3,382,770	100

Table of Contents**2.2.2. Market Share of Household Loans**

The following table shows the market share of Kookmin Bank among 9 nationwide commercial banks in terms of household loans as of the dates indicated.

For the year 2002 and 2003, Seoul Bank's figures are included in Hana Bank's figures due to the merger of Hana Bank and Seoul Bank.

(Units: in 100 millions of Won, %)

	March 31, 2003		December 31, 2002		December 31, 2001	
	Amount	%	Amount	Amount	%	Amount
Kookmin Bank	757,047	41.0	743,096	41.1	601,536	47.2
Hana Bank	234,900	12.7	235,987	13.1	105,143	8.2
Woori Bank	235,584	12.7	228,530	12.6	132,501	10.4
Shinhan Bank	159,574	8.6	159,927	8.9	107,729	8.4
Chohung Bank	156,811	8.5	154,565	8.6	90,723	7.1
Korea First Bank	119,738	6.5	105,997	5.9	78,874	6.2
Korea Exchange Bank	106,674	5.8	102,062	5.6	64,053	5.0
Seoul Bank					53,156	4.2
KorAm Bank	77,419	4.2	75,759	4.2	41,807	3.3
Total	1,847,747	100	1,805,923	100	1,275,522	100

2.2.3. Market Share of Mortgage Loans

The following table shows the market share of Kookmin Bank among 9 nationwide commercial banks in terms of mortgage loans as of the dates indicated.

For the year 2002 and 2003, Seoul Bank's figures are included in Hana Bank's figures due to the merger of Hana Bank and Seoul Bank.

(Units: in 100 millions of Won, %)

Edgar Filing: KOOKMIN BANK - Form 6-K

	March 31, 2003		December 31, 2002		December 31, 2001	
	Amount	%	Amount	Amount	%	Amount
Kookmin Bank	349,031	79.1	338,706	79.9	253,495	87.4
Hana Bank	27,295	6.2	25,014	5.9	7,552	2.6
Woori Bank	25,787	5.8	23,037	5.4	10,998	3.8
Korea Exchange Bank	16,062	3.6	15,584	3.7	8,719	3.0
KorAm Bank	8,472	1.9	8,592	2.0	2,432	0.8
Shinhan Bank	7,908	1.8	7,709	1.8	2,943	1.0
Seoul Bank					1,078	0.4
Chohung Bank	5,086	1.2	4,126	1.0	2,326	0.8
Korea First Bank	1,716	0.4	1,308	0.3	658	0.2
Total	441,357	100	424,076	100	290,201	100

Table of Contents**2.3. Source and Use of Funds****2.3.1. Source of Funds**

(Unit: in millions of Won)

		March 31, 2003		December 31, 2002		December 31, 2001	
		Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency	Deposits and Mutual installment	114,269,802	3.91	113,157,719	4.21	63,743,997	5.53
	Certificate of deposit	3,328,645	4.85	2,119,900	4.82	2,022,414	6.10
	Borrowings	3,510,277	4.04	4,568,873	4.45	3,784,147	4.85
	Call money	1,647,226	4.08	1,039,249	4.02	403,937	4.11
	Other	22,562,978	5.95	14,254,281	6.70	9,112,858	7.57
	Subtotal		145,318,928	1.38	135,140,022	4.49	79,067,353
Foreign currency	Deposits	1,134,446	0.92	1,096,544	1.28	952,701	3.08
	Borrowings	3,461,756	1.35	2,269,774	2.45	2,018,537	5.47
	Call money	193,303	1.11	293,151	1.65	223,156	3.67
	Finance debentures issued	777,842	2.33	1,071,848	3.57	1,430,804	5.68
	Other	22,336		23,087		15,081	
Subtotal		5,589,683	1.38	4,754,404	2.67	4,640,279	5.32
Other	Total Shareholders' Equity	10,648,640		14,586,550		7,463,687	
	Allowance for credit losses	92,053		63,039		353,183	
	Other	9,074,182		3,717,379		4,065,899	
Subtotal		19,814,875		18,366,968		11,882,769	
Total		170,723,486	3.67	158,261,394	3.92	95,590,401	5.00

Table of Contents**2.3.2. Use of Funds**

(Unit: in millions of Won)

		March 31, 2003		December 31, 2002		December 31, 2001	
		Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency	Due from banks	163,672	1.87	1,041,865	4.62	1,339,572	5.60
	Securities	30,627,851	5.69	30,180,305	6.32	23,861,424	6.78
	Loans	117,811,025	7.27	105,188,481	7.79	53,575,082	8.87
	Advances for customers	57,511	2.60	91,583	4.35	127,704	3.84
	Call loan	202,732	4.32	736,571	4.36	1,765,067	4.80
	Private placement						
	corporate bonds	1,256,020	8.80	1,631,524	7.32	2,065,179	10.32
	Credit card accounts	5,748,795	8.91	5,719,359	10.25	912,210	17.63
	Other	243,356		374,718		614,014	
	Allowance for credit losses ()	2,240,913		1,437,960		1,297,930	
Subtotal		153,870,049	7.18	143,526,446	7.66	82,962,322	8.50
Foreign currency	Due from banks	547,173	2.20	253,390	1.35	121,994	3.28
	Securities	1,278,996	4.22	1,302,214	7.97	1,079,359	9.13
	Loans	2,951,000	3.28	3,216,042	3.39	3,870,853	5.66
	Call loan	69,003	1.36	188,465	1.98	185,466	4.15
	Bills bought	2,027,903	1.70	835,356	4.71	1,045,331	7.60
	Other	6,612		15,739		116,454	
	Allowance for credit losses ()	122,233		267,194		266,613	
Subtotal		6,758,454	2.96	5,544,012	4.95	6,152,844	7.11
Other	Cash	1,039,517		914,639		530,451	
	Fixed assets used for business purpose	3,109,745		3,126,812		1,462,413	
	Other	5,945,721		5,149,485		4,482,371	
Subtotal		10,094,983		9,190,936		6,475,235	
Total		170,723,486	6.59	158,261,394	7.12	95,590,401	7.83

Table of Contents**2.4. Principal Banking Activities****2.4.1. 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)

		March 31, 2003		December 31, 2002		December 31, 2001	
		Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Deposits in Won	Demand deposits	11,471,069	12,783,251	10,654,651	12,987,742	4,832,281	10,824,005
	Time & savings deposits	94,362,898	95,661,364	93,347,999	93,630,423	53,496,908	89,080,935
	Mutual installment deposits	7,229,983	6,867,546	8,058,664	7,491,115	6,469,772	8,871,193
	Mutual installment for housing	4,973,408	5,047,024	4,463,601	4,872,637	928,398	4,128,489
	Certificates of deposits	3,328,645	2,903,927	2,119,900	3,044,089	2,022,414	1,154,056
	Subtotal	121,366,003	123,263,112	118,644,815	122,026,006	67,749,773	114,058,678
Deposits in foreign currency		1,134,446	1,157,450	1,096,544	1,083,647	952,701	1,102,626
Trust deposits	Money trust	15,017,512	14,652,418	17,214,936	15,356,285	20,375,456	19,739,709
	Property trust	26,771,183	25,567,685	16,783,690	26,852,684	5,409,033	12,559,922
	Subtotal	41,788,695	40,440,103	33,998,626	42,208,969	25,784,489	32,299,631
Total		122,791,887	125,016,438	153,739,985	165,318,622	94,486,963	147,460,935

2.4.2. 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)

	March 31, 2003	December 31, 2002	December 31, 2001
Deposits	118,340	121,137	133,548
Deposits in Won	117,572	120,336	132,320

Table of Contents**2.4.3. 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)

	<u>March 31, 2003</u>	<u>December 31, 2002</u>	<u>December 31, 2001</u>
Deposits	7,490	7,256	7,243
Deposits in Won	7,441	7,208	7,176

2.4.4. 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)

	<u>March 31, 2003</u>		<u>December 31, 2002</u>		<u>December 31, 2001</u>	
	Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Loans in Won	117,797,897	120,023,874	105,117,047	116,472,105	53,498,087	94,698,769
Loans in foreign currency	4,360,493	4,370,940	3,228,857	4,417,176	3,924,562	4,174,237
Advances to customers	60,775	68,139	106,380	52,430	244,158	199,831
Subtotal	122,219,165	124,462,953	108,452,284	120,941,711	57,666,807	99,072,837
Trust account loans	572,722	553,485	789,614	575,412	2,194,851	1,117,817
Total	122,791,887	125,016,438	109,241,898	121,517,123	59,861,658	100,190,654

2.4.5. Loan Balances as of March 31, 2003 by Remaining Maturities

(Unit: in millions of Won)

	Less than 1 year	More than 1 year less than 3 years	More than 3 years less than 5 years	More than 5 years	Total
Loans in Won	56,528,258	46,378,764	5,395,369	11,721,483	120,023,874
Loans in foreign currencies	2,840,725	652,736	373,785	503,695	4,370,941

Table of Contents**2.4.6. 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)

		<u>March 31, 2003</u>	<u>December 31, 2002</u>	<u>December 31, 2001</u>
Loans to enterprise	Loans for operations	37,200,265	35,369,066	29,286,707
	Loans for equipments	6,358,906	5,963,631	4,434,447
Loans to households		40,840,184	40,477,483	34,648,918
Loans to public sector & others	Loans for operations	702,385	738,632	730,598
	Loans for equipment	39,093	39,414	57,211
Loans on property formation savings		89,805	95,252	154,069
Loans for housing		34,769,672	33,731,435	25,342,969
Inter-bank loans		18,546	20,941	36,110
Others		5,018	36,251	7,740
Total		120,023,874	116,472,105	94,698,769

2.4.7. Loan to Deposit Ratio

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

(Units: in millions of Won, %)

	<u>March 31, 2003</u>	<u>December 31, 2002</u>	<u>December 31, 2001</u>
Loans ¹ (A)	117,797,897	105,117,047	53,498,087
Deposits ² (B)	121,366,003	118,644,815	67,749,773
Loan to deposit ratio (A/B)	97.06	88.60	78.96

2.4.8. Acceptances and Guarantees

(Unit: in millions of Won)

	March 31, 2003	December 31, 2002	December 31, 2001
Confirmed	1,173,152	1,031,698	3,521,970
Unconfirmed	1,500,714	1,306,878	1,369,723
Total	2,673,866	2,338,576	4,891,693

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

Table of Contents**2.4.9. 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.

(Unit: in millions of Won)

		March 31, 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	3,675,673	4,470,233	2,834,534	3,269,269	3,571,137	3,139,925
	Government and public bonds	5,222,212	5,354,626	4,272,946	5,252,321	4,454,446	4,592,251
	Debentures	12,578,705	12,441,576	13,154,258	12,378,717	11,410,904	14,691,304
	Stocks	1,658,102	1,372,260	2,146,149	1,661,682	1,309,134	2,154,449
	Others	7,493,158	8,379,991	7,809,012	7,162,134	3,115,803	7,547,153
Subtotal		30,627,850	32,018,686	30,216,899	29,724,123	23,861,424	32,125,082
Securities in Won (Trust account)	Monetary stabilization bonds	651,699	757,994	1,309,515	583,379	3,228,021	2,725,071
	Government and public bonds	1,151,420	988,522	2,023,503	1,323,195	2,990,549	3,059,777
	Debentures	7,183,845	6,737,485	8,035,960	7,600,794	7,635,765	7,613,829
	Stocks	903,588	874,595	904,921	924,514	672,845	890,151
	Others	3,801,456	3,831,849	3,945,649	3,821,884	4,340,103	3,913,328
Subtotal		14,577,143	14,131,202	16,779,512	15,001,019	18,985,430	18,572,571
Securities in foreign currency (Trust Account)		885,135	940,757	559,964	747,253	118,147	370,415
Subtotal		14,577,143	14,131,202	16,779,512	15,001,019	18,985,430	18,572,571
Securities in foreign currency (Banking account)	Foreign securities	1,002,823	1,076,617	945,199	960,749	736,084	909,730
	Off-shore foreign securities	276,173	341,084	320,423	255,878	343,275	382,542
Subtotal		1,278,996	1,417,701	1,265,622	1,216,627	1,079,359	1,292,272
Total		46,483,989	47,567,589	48,262,033	45,941,769	43,926,213	51,989,925

2.4.10. Trust Account (money trust)

(Unit: in millions of Won)

	March 31, 2003		December 31, 2002		December 31, 2001	
	Total amount trusted	Trust fees	Total amount trusted	Trust fees	Total amount trusted	Trust fees
Return-guaranteed trust	721	-4,098	1,528	59,530	25,551	-17,147
Performance trust	41,787,974	48,771	33,997,098	241,444	25,758,938	353,890
Total	41,788,695	44,673	33,998,626	300,974	25,784,489	336,743

Table of Contents**2.4.11. Credit Card****2.4.11.1. BC Card**

(Unit: in millions of Won unless indicated otherwise)

		March 31, 2003	2002	2001
Number of card holders (Person)	Corporate	56,217	58,090	23,811
	Individual	4,531,790	4,748,427	4,017,950
Number of merchants		315,339	262,619	295,668
Profit	Sales ¹	5,831,156	27,216,500	22,272,700
	Fee revenue	234,193	1,039,710	819,399

2.4.11.2. Kookmin Card²

(Unit: in millions of Won unless indicated otherwise)

		March 31, 2003	2002	2001
Number of card holders (Person)	Corporate	152,268	153,425	105,600
	Individual	11,554,049	11,638,968	9,605,946
Number of merchants		1,580,585	1,675,176	1,569,103
Profit	Sales ²	19,560,300	83,860,180	65,382,300
	Fee revenue ³	32,240	155,545	142,700

2.5. Property, Plants and Equipment**2.5.1. Branch Network**

Edgar Filing: KOOKMIN BANK - Form 6-K

As of March 31, 2003, we had 1,142 branches and 62 sub-branches in Korea, the largest number of branches among Korean commercial banks. We believe that our extensive branch network in Korea and retail customer base provide us with a source of stable and relatively low cost funding. Approximately 42% of our branches and sub-branches are located in Seoul.

1. Includes credit card receivables and cash advances.
2. Sales include credit card receivables and cash advances. This is the result of Kookmin Credit Card, our KOSDAQ-registered, majority-owned subsidiary.
3. Kookmin Bank recognizes fee revenues under a fee agreement with Kookmin Credit Card. These amounts are the revenues Kookmin Bank received from Kookmin Credit Card pursuant to the fee agreement. Besides, Kookmin Bank also recognizes non-operating revenue in connection with consolidation of Kookmin Credit Card under equity method.

Table of Contents

We also have three subsidiaries in Luxemburg, Hong Kong and London and three branches in Tokyo, New York and Auckland, and 1 overseas office in Guangzhou in China

2.5.2. Property

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 March 31, 2003 was 1,538,104 million Won. In addition to the properties owned by us, we also leased 1,029,848 million Won of properties for our branch space. We do not own any material properties outside of Korea.

2.5.3. Automated Banking Machines

We have established an extensive network of automated banking machines, which are located in branches and in Autobanks (unmanned outlets). These automated banking machines consist of ATMs, cash dispensers and passbook printers. As of March 31, 2003, we had 7,310 ATMs, 1,809 cash dispensers and 891 passbook printers.

2.6. Other Details Relevant to Investment Decision**2.6.1. BIS Risk-adjusted Capital Ratios**

(Units: in millions of Won, %)

	<u>March 31, 2003¹</u>	<u>December 31, 2002</u>	<u>December 31, 2001</u>
Risk-adjusted capital (A)	13,835,380	14,439,313	11,750,856
Risk-weighted assets (B)	138,041,610	138,703,021	114,849,227
BIS ratios (A/B)	10.02	10.41	10.23

2.6.2. Non-performing Loans²

(Units: in millions of Won unless indicated otherwise)

Edgar Filing: KOOKMIN BANK - Form 6-K

<u>March 31, 2003</u>		<u>December 31, 2002</u>		<u>Change</u>	
<u>Amount</u>	<u>NPL to total loans</u>	<u>Amount</u>	<u>NPL to total loans</u>	<u>Amount</u>	<u>NPL to total loans</u>
3,353,611	2.47%	2,509,073	1.90%	844,538	0.57%p

1. Tentative figures
2. 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.

Table of Contents**2.6.3. Loan Loss Allowances**

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

(Units: in millions of Won)

		March 31, 2003	December 31, 2002	December 31, 2001
Loan loss allowance	Domestic	2,795,345	2,365,898	2,255,068
	Overseas	28,693	12,798	16,111
	Total	2,824,038	2,271,179	2,378,696
Write-offs for the Period		253,853	1,527,311	1,090,029

Table of Contents

3. Financial Information

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

Table of Contents**4. Auditor s Report****4.1. Independent Accountants Review Report**

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

4.2. Compensation to the Independent Auditor**4.2.1. Audit Service**

The aggregate audit service contract amount as of the end of March 31, 2003 is 980 million Won.

4.2.2. Service Other than Audit

The following is a description for the last three years on services and the relevant fees and commissions we paid to the independent auditor for the respective service.

(Units: in millions of Won unless indicated otherwise)

<u>Year</u>	<u>Service description</u>	<u>Amount of payment</u>
March 31, 2003	US GAAP conversion for 2002	US\$3,800 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

Table of Contents

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:

matters relating to business objectives and performance evaluation;

matters relating to amendments of the Articles of Incorporation;

matters relating to budget and accounting including salaries of directors and employees;

matters relating to major organizational changes such as dissolution, business transfer and merger;

matters relating to internal control standards; or

other matters determined by law and the board of directors regulations.

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

the Board Steering Committee;

the Management Strategy Committee;

the Risk Management Committee;

the Audit Committee;

the Compensation Committee; and

the Non Executive Director Nomination Committee.

Edgar Filing: KOOKMIN BANK - Form 6-K

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

Table of Contents

by, the board of directors to each general meeting of stockholders. The committee holds regular meetings every quarter.

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 and submit to the Bank one day before the date set for the general meeting of shareholders.

5.4. Compensation to the Directors

For the 3 months ended March 31, 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 1,341 million Won, 97 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
Executive Directors	1,341		447
Non Executive Directors	97		12
	1,438	8,000	459

Edgar Filing: KOOKMIN BANK - Form 6-K

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

As of March 31, 2003, we have following affiliates.

KB Investment Co., Ltd.

Table of Contents

Kookmin Credit Card Co., Ltd.

KB Investment Trust Management Co., Ltd.

KB Real Estate Trust Co., Ltd.

KB Credit Information Co., Ltd.

Kookmin Data System Corporation

Kookmin Futures Co., Ltd.

ING Life Korea Ltd.

Kookmin Bank Luxembourg, S.A.

Kookmin Bank International (London) Ltd.

Kookmin Finance Hong Kong Ltd.

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 ¹	67,194	8,101	59,093	31,439	13,964
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 ²	45,407	20,645	24,762	12,734	2,333
ING Life Korea	March 31, 2002	1,135,081	1,083,209	51,872	712,355	37,241
Kookmin Bank Luxembourg	March 31, 2003	495,906	465,231	30,675	4,297	1,307

Edgar Filing: KOOKMIN BANK - Form 6-K

Kookmin Bank International (London)	March 31, 2003	313,932	264,458	49,474	2,786	588
Kookmin Finance Hong Kong	March 31, 2003	342,909	276,532	66,377	5,459	2,259

¹ Tentative figures

² Tentative figures

Table of Contents**6. Equity Securities****6.1. Major Shareholders**

The following table presents information regarding the beneficial ownership of our shares at March 31, 2003 by each person known by us to own beneficially more than 5% of our outstanding shares.

<u>Name</u>	<u>Number of Shares of Common Stock</u>	<u>Percentage of Total Outstanding Shares of Common Stock</u>
The Government of Korea	30,623,761	9.33%
Goldman Sachs	16,831,607	5.13%
The Bank of New York ¹	37,728,214	11.49%
Total	<u>85,183,582</u>	<u>25.95%</u>

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)

		<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>
Registered Common Shares	High	46,000	45,950	47,700	44,300	42,200	37,800
	Low	37,150	39,200	42,000	39,150	36,500	29,600
Trading Volume		<u>50,040</u>	<u>50,870</u>	<u>29,678</u>	<u>33,990</u>	<u>27,413</u>	<u>53,312</u>

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

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

		<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>
American Depositary Shares	High	36.85	34.01	40.09	37.87	35.38	31.59
	Low	29.40	31.30	34.90	33.08	30.50	22.90
Trading Volume		10,244	8,831	4,269	6,599	3,498	8,570

1. As depositary bank of American Depositary Shares of Kookmin Bank

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

As of March 31, 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 shares owned are set forth below.

<u>Name</u>	<u>Date of Birth</u>	<u>Position</u>	<u>Common Shares Owned</u>
Sanghoon Kim	03/13/1942	Chairman	100
Jungtae Kim	08/15/1947	President & CEO	56,581
Choulju Lee	11/22/1939	Auditor & Executive Director	682
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 March 31, 2003, 12 non-executive directors are in office.

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

<u>Name</u>	<u>Date of Birth</u>	<u>Position</u>	<u>Common Shares Owned</u>
Moonsoul Chung	03/07/1938	Non-Executive Director	3,461
Richard Elliott Lint	01/04/1946	Non-Executive Director	
Sunjin Kim	06/08/1942	Non-Executive Director	2,215
Dongsoo Chung	09/24/1945	Non-Executive Director	200

Edgar Filing: KOOKMIN BANK - Form 6-K

Seungwoo Nam	05/13/1952	Non-Executive Director	81
Kyunghee Yoon	01/05/1947	Non-Executive Director	
Sukyoung Cha	06/09/1953	Non-Executive Director	
Bernard S. Black	11/13/1953	Non-Executive Director	
Kihong Kim	01/10/1957	Non-Executive Director	
Eunjo Park	06/03/1957	Non-Executive Director	
Cheolsoo Ahn	01/22/1962	Non-Executive Director	
Kyungbae Suh	01/14/1963	Non-Executive Director	

Table of Contents**7.3. Senior Management**

In addition to the executive directors who are also our executive officers, we currently have the following executive officers:

<u>Name</u>	<u>Date of Birth</u>	<u>Position</u>	<u>Common Shares Owned</u>
Jongkyoo Yoon	10/13/1955	Executive Vice President	3,300
Sungchul Kim	09/10/1951	Executive Vice President	3,498
Jaemin Suh	08/11/1947	Executive Vice President	3,717
Buhmsoo Choi	08/08/1956	Executive Vice President	
Bockwoan Kim	11/17/1944	Executive Vice President	3,140
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	

7.4. Employees

The following table shows the breakdown of our employees as of March 31, 2003.

(Unit: in millions of Won)

	<u>Number of Employees</u>			<u>Average Tenure of the full-time employees</u>	<u>Total Payment for the 3 Months Period</u>	<u>Average Monthly Payment per Person</u>
	<u>Full-time</u>	<u>Contractual</u>	<u>Total</u>			
Male	13,298	1,227	14,525	15.78 years	187,313	4.3
Female	5,015	7,497	12,512	12.41 years	101,209	2.7
Total	18,313	8,724	27,037	14.86 years	288,522	3.6

7.5. Labor Union

Edgar Filing: KOOKMIN BANK - Form 6-K

Under Korea Financial Industry Union, we currently have two union chapters following the merger. There are 8,392 members in Former Kookmin Bank chapter and 6,978 members in H&CB chapter.

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

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

8.1. Transactions with the Largest Shareholders and Etc.**8.1.1. Loans to Affiliates**

(Unit: in millions of Won)

<u>Name</u>	<u>Relation with the Bank</u>	<u>Beginning Balance (January 1, 2003)</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance (March 31, 2003)</u>
Kookmin Credit Card	Affiliate	20,783	7,194		27,977

Table of Contents**8.1.2. Investments in Affiliates**

(Unit: in millions of Won)

<u>Name</u>	<u>Relation with the Bank</u>	<u>Account</u>	<u>Par Value</u>	<u>Beginning Balance (January 1, 2003)</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance (March 31, 2003)</u>
Kookmin Credit Card	Affiliate	Equity Securities of Affiliate	271,825	271,825			271,825
KB Real Estate Trust	Affiliate	Equity Securities of Affiliate	79,999	79,999			79,999
KB Investment	Affiliate	Equity Securities of Affiliate	31,999	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	19,999	19,999			19,999
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
Total			459,010	473,117			473,117

8.1.3. Real Estate Transactions with Affiliates

(Unit: in millions of Won)

<u>Name</u>	<u>Relation with the Bank</u>	<u>Type</u>	<u>Account</u>	<u>Increase (Pyung)</u>	<u>Decrease (Pyung)</u>	<u>Lease Deposits</u>	<u>Rent Fee</u>
Kookmin Credit Card	Affiliate	Building	Rental Income			3,577	7.99
KB Credit Information	Affiliate	Building	Rental Income			2,837	8.11
KB Real Estate Trust	Affiliate	Building	Rental Income			1,782	
Kookmin Data System	Affiliate	Building	Rental Income			880	
Kookmin Futures	Affiliate	Building	Rental Income			620	
Total						9,696	16.1

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 (January 1, 2003)	Increase	Decrease	Ending Balance (March 31, 2003)
Kihong Kim	Non executive director	Housing Loan	18			18
Pulmuone Water Co.	Related party of Non executive director, Seungwoo Nam	Corporate Loan	2,000			2,000
		Corporate Overdraft	1,011	220		1,231
Pulmuone Co.	Related party of Non executive director, Seungwoo Nam	Guaranty of payment on sight in foreign currency	4,183JPY		4,183JPY	
Total			3,029	220	4,183JPY	3,249
			4,183JPY			

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

(Unit: in millions of Won)

<u>Name</u>	<u>Relation with Kookmin Bank</u>	<u>Type</u>	<u>Account</u>	<u>Increase (Pyung)</u>	<u>Decrease (Pyung)</u>	<u>Lease Deposits</u>	<u>Rent Fee</u>
LG Card	Related party of Non executive director, Kyunghee Yoon	Building	Rental Income			1,699	0.2
Haitai Confectionary & Foods	Shareholders	Building	Rental Deposit			150	
Haitai Confectionary & Foods	Representatives (Related party of Non executive director, Sukyoung Cha)	Building	Rental Deposit			150	
National Pension Corporation	Shareholder	Building	Rental Income			550	
Total						2,549	0.2

Table of Contents

9. Exhibits

9.1. List of Financial Statements

	Page
Kookmin Bank Interim Review Report as of and for the three-month period ended March 31, 2003 and 2002	
Independent Accountants' Review Report	F-1
Non-Consolidated Balance Sheets March 31, 2003 and December 31, 2002	F-4
Non-Consolidated Statements of Income for the 3-month period ended March 31, 2003 and 2002	F-5
Non-Consolidated Statements of Cash Flows for the three-month period ended March 31, 2003	F-7
Notes to Non-Consolidated Financial Statements March 31, 2003	F-10

Table of Contents

Kookmin Bank

Interim Review Report 2003

As of and for the three-month period ended March 31, 2003

Table of Contents

Independent Accountants' Review Report

To the Board of Directors and Shareholders of Kookmin Bank

We have reviewed the accompanying non-consolidated balance sheet of Kookmin Bank (the Bank) as of March 31, 2003, the related non-consolidated income statements for three-month periods ended March 31, 2003 and 2002, and the related non-consolidated statement of cash flows for the three-month period ended March 31, 2003, expressed in Korean Won. These non-consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with quarterly review standards established by the Securities and Futures Commission of the Republic of Korea. These standards require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying non-consolidated financial statements are not presented fairly, in all material respects, in accordance with financial accounting standards generally accepted in the Republic of Korea.

We have audited the accompanying non-consolidated balance sheet of the Bank as of December 31, 2002, and the related non-consolidated statements of income, appropriations of retained earnings, and cash flows for the year then ended (not accompanied in this review report), expressed in Korean Won. We conducted our audit in accordance with auditing standards generally accepted in the Republic of Korea. We expressed an unqualified opinion on our audit report issued on February 7, 2003. The balance sheet as of December 31, 2002 provided herein for the comparative purposes does not differ, in all material respects, from the balance sheet in the audit report.

Without qualifying our review opinion, we draw attention to the following matters.

Continued;

Samil Accounting Corporation is the Korean member firm of the worldwide PricewaterhouseCoopers organization.

Table of Contents

As discussed in Note 32 to the accompanying non-consolidated financial statements, the Bank completed the legal consolidation with H&CB as of October 31, 2001. Despite the legal form of consolidation, the business combination was accounted for as an acquisition with the Bank as acquirer of H&CB's total assets of (Won)67,742,958 million and liabilities of (Won)64,381,185 million. The Bank's registration statement with the Securities and Exchange Commission of the United States of America was declared effective on September 10, 2001, and the new shares of the Bank are listed on the New York Stock Exchange as American Depositary Shares (ADS) since November 1, 2001.

The Korean Accounting Standards Board (KASB) has published a series of Statements of Korean Financial Accounting Standards (SKFAS) which has replaced the existing financial accounting standards established by the Korean Financial and Supervisory Board. SKFAS No. 2 through No. 9 become effective for the Bank as of January 1, 2003, and the Bank has adopted these SKFASs from January 1, 2003. The balance sheet as of December 31, 2002 and income statement for the three-month period ended March 31, 2002, presented herein for the comparative purposes, were prepared in accordance with Korean Financial Accounting Standards applicable to the Bank for the year ended December 31, 2002, which applied prior period and were not prepared in accordance with Statements of Korean Financial Accounting Standards No 2 or No 9, which became effective for the Bank from January 1, 2003. And the interim statement of cash flows for the three-month period ended March 31, 2002 are also not presented in accordance with Statement of Korean Financial Accounting Standards No 2.

As discussed in Note 2 to the accompanying non-consolidated financial statements, during the current period, the rates for determining allowances for consumer loans and credit cards loans were changed from 2002, in preparation for the increasing risk of loan losses due to the increase of consumer loans and credit cards, as follows.

Credit Risk Classification	Allowance Rates before Changes	Allowance Rates after Changes	
		Consumer	Credit Cards
Normal	0.50%	0.75%	1.00%
Precautionary	2.00%	8.00%	12.00%
Sub-standard	20.00%	20.00%	20.00%
Doubtful	50.00%	55.00%	60.00%
Estimated loss	100.00%	100.00%	100.00%

As a result of the changed allowance rates, the Bank's allowances for loan losses as of March 31, 2003 were increased by (Won)299,971 million for consumer loans and (Won)118,353 million for credit cards.

As discussed in Note 17 to the accompanying non-consolidated financial statements, the Bank sold 65.43% of its 85.43% investment in Kookmin Leasing Co., Ltd. and (Won)172,024 million of loans to Sun Capital Inc. for (Won)145,000 million on August 30, 2002. The Bank also sold an additional 5.03% of its investment in Kookmin Leasing Co., Ltd. to Sun Capital Inc. for (Won)900 million on October 28, 2002.

Continued;

Table of Contents

As discussed in Note 17 to the accompanying non-consolidated financial statements, the Bank sold its 87.00% ownership of Kookmin Investment Trust Management Co., Ltd. and 88.66% ownership of Alpha Capital Corp. (Jooeun Leasing Co., Ltd. Until prior period) Co., Ltd. to Morgan Stanley Private Equity, the M&A private funds led by Morgan Stanley Global Emerging Markets Inc. and affiliated funds and Sun Capital Inc. on May 29, 2002 and December 27, 2002, respectively.

As discussed in Note 4 to the accompanying non-consolidated financial statements, Kookmin Venture Capital Co., Ltd., Frontier Investment Co., Ltd., and Kookmin Investment Co., Ltd. were subsidiaries of the Bank. Kookmin Venture Capital Co., Ltd. merged with Frontier Investment Co., Ltd. and Kookmin Investment Co., Ltd. on December 31, 2001 and June 27, 2002, respectively, to avoid duplicate investments.

As discussed in Note 17 to the accompanying non-consolidated financial statements, the operations of the Bank may be directly or indirectly affected by the general unstable economic conditions in the Republic of Korea and the impact of the implementation of structural reforms. SK Global, one of major borrowers of the Bank, is under investigations and due diligence reviews concerning on accounting fraud, and related loans (including acceptances and guarantees of (Won)200,938 million) and securities of SK Global (including foreign branches) are (Won)380,575 million and (Won)52,608 million, respectively, as of March 31, 2003. The Bank provides related allowance of bad debt expenses of (Won)34,131 million and related impairment losses on available-for-sales securities of (Won)9,995 million. In case additional accounting fraud is discovered which materially affects the financial conditions of SK Global, actual loss from non-collectible accounts and impairment of securities amounts may differ from management's current assessment. No adjustments have been made in the accompanying financial statements related to such uncertainties.

The accompanying non-consolidated financial statements are not intended to present the financial position or results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of Korea. The procedures and practices used to review such financial statements may differ from those generally accepted and applied in other countries and jurisdictions. Accordingly, this report and the accompanying financial statements are not intended for use by those who are not informed about Korean accounting principles or reviewing standards and their application in practice.

Seoul, Korea

April 18, 2003

Table of Contents**KOOKMIN BANK****NON-CONSOLIDATED BALANCE SHEETS****March 31, 2003 and December 31, 2002****(Unaudited See Independent Accountants Review Report)**

	In Millions of Korean Won	
	March 31, 2003	December 31, 2002
<u>ASSETS :</u>		
Cash and due from banks (Note 3)	(Won) 7,099,571	(Won) 4,599,356
Securities (Note 4)	33,436,387	30,940,750
Loans (Notes 5 and 6)	129,497,382	126,730,561
Fixed assets (Note 7)	3,041,732	3,092,616
Other assets (Note 8)	5,780,401	6,135,558
Total Assets	(Won) 178,855,473	(Won) 171,498,841
<u>LIABILITIES AND SHAREHOLDERS EQUITY :</u>		
Deposits (Note 9)	(Won) 124,420,561	(Won) 123,109,653
Borrowings (Note 10)	13,743,977	10,690,754
Debentures (Note 11)	19,069,805	17,539,007
Other liabilities (Note 14)	11,527,779	10,110,031
Total Liabilities	168,762,122	161,449,445
Commitments and Contingencies (Notes 15 and 17)		
Common stock, par value: (Won)5,000, authorized: 1,000 million shares, issued and outstanding:		
328,258,685 shares (Notes 1 and 18)	1,641,293	1,641,293
Capital surplus (Note 19)	5,864,680	5,864,752
Retained earnings (Note 20)	2,489,243	2,417,102
Capital adjustments (Note 21)	98,135	126,249
Total Shareholders Equity	10,093,351	10,049,396
Total Liabilities and Shareholders Equity	(Won) 178,855,473	(Won) 171,498,841

The accompanying notes are an integral part of this non-consolidated financial statement.

Table of Contents**KOOKMIN BANK****NON-CONSOLIDATED STATEMENTS OF INCOME****For the three-month periods ended March 31, 2003 and 2002****(Unaudited See Independent Accountants Review Report)**

	In Millions of Korean Won	
	2003	2002
Interest income:		
Interest on due from banks	(Won) 3,779	(Won) 13,718
Interest on trading securities	24,522	26,821
Interest on available for sales securities	167,677	153,273
Interest on held to maturity securities	188,259	228,862
Interest on loans	2,377,701	2,231,663
Other interest income	22,766	21,299
	<u>2,784,704</u>	<u>2,675,636</u>
Interest expenses:		
Interest on deposits	1,103,487	1,192,936
Interest on borrowings	108,530	112,047
Interest on debentures	283,251	177,092
Other interest expenses	12,706	14,738
	<u>1,507,974</u>	<u>1,496,813</u>
Net interest income	1,276,730	1,178,823
Provision for loan losses (Note 6)	659,066	191,143
Net interest income after provision for loan losses	<u>617,664</u>	<u>987,680</u>
Non-interest income:		
Fees & commission income	336,866	314,563
Dividends on trading securities	1,587	230
Dividends on available for sales securities	2,666	740
Gain on foreign currency transactions	130,716	36,196
Gain on derivatives (Note 16)	637,812	250,703
Others (Note 22)	427,813	302,469
	<u>1,537,460</u>	<u>904,901</u>

The accompanying notes are an integral part of this non-consolidated financial statement.

Continued;

F-5

Table of Contents**KOOKMIN BANK****NON-CONSOLIDATED STATEMENTS OF INCOME****For the three-month periods ended March 31, 2003 and 2002****(Unaudited See Independent Accountants Review Report)**

	In Millions of Korean Won	
	2003	2002
Non-interest expenses :		
Fees & commission expenses	(Won) 49,235	(Won) 83,086
General and administrative expenses (Note 23)	582,116	556,323
Loss on foreign currency transactions	82,803	31,935
Loss on derivatives (Note 16)	616,975	223,670
Others (Note 22)	459,443	228,421
	<u>1,790,572</u>	<u>1,123,435</u>
Operating income	364,552	769,146
Non-operating income (expenses), net (Note 24)	(217,437)	186,293
Net income before income tax expenses	<u>147,115</u>	<u>955,439</u>
Income tax expenses (Note 25)	73,182	283,250
Net income	<u>(Won) 73,933</u>	<u>(Won) 672,189</u>
Basic earnings per share (In Korean Won) (Note 26)	<u>(Won) 227</u>	<u>(Won) 2,116</u>

The accompanying notes are an integral part of this non-consolidated financial statement.

Table of Contents**KOOKMIN BANK****NON-CONSOLIDATED STATEMENT OF CASH FLOWS****for the three-month period ended March 31, 2003****(Unaudited See Independent Accountants Review Report)**

	In Millions of Korean Won	
	2003	
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net income	(Won)	73,933
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized gain on trading securities, net		(14,095)
Unrealized gain on trading securities, net		(30,608)
Gain on foreign currency transactions, net		(47,913)
Provision for loan losses		659,066
Reversal of allowances and guarantees		(204)
Gain on derivative instruments, net		(20,837)
Unrealized loss on derivative instruments, net		26,111
Fair value hedges loss on derivative instruments		1,405
Retirement benefits		23,950
Depreciation and amortization		101,470
Loss on disposition of fixed assets, net		1,365
Realized gain on investment securities, net		(45,163)
Impairment reversal on investment securities, net		(8,960)
Realized gain on sale of held to maturity securities		(793)
Unrealized loss on investment securities, net		257,652
Loss on sale of loans, net		1,213
Others, net		(6,319)
Changes in assets and liabilities resulting from operations		
Accrued income		85,885
Prepaid expenses		(32,372)
Deferred tax assets		(171,788)
Other assets		3,419
Accrued expenses		19,969
Unearned income		(933)
Withholding taxes		2,978
Other liabilities		343,305
Decrease in retirement benefits		(3,271)
Net cash provided by operating activities		1,218,465

The accompanying notes are an integral part of this non-consolidated financial statement.

Continued;

F-7

Table of Contents**KOOKMIN BANK****NON-CONSOLIDATED STATEMENT OF CASH FLOWS****for the three-month period ended March 31, 2003****(Unaudited See Independent Accountants Review Report)**

	In Millions of Korean Won
	2003
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Proceeds in due from banks	(Won) (1,674,432)
Repayment in trading securities	303,703
Proceeds in available-for-sales securities	(3,985,260)
Repayment in held to maturity securities	1,029,563
Proceeds in loans, net	(3,407,290)
Proceeds from disposition of fixed assets	6,984
Acquisition of fixed assets	(58,600)
Proceeds in intangible assets	(270)
Repayment in property and equipment	30
Proceeds in guarantee deposits	(7,057)
Disposal of Other accounts receivables	50,109
Proceeds in advanced payment	(14,399)
Repayment in derivatives net assets	84,602
Repayment in domestic exchange receivables	436,152
Repayment in borrowing from trust accounts	6,878
Net cash used in investing activities	<u>(7,229,287)</u>

The accompanying notes are an integral part of this non-consolidated financial statement.

Continued;

Table of Contents**KOOKMIN BANK****NON-CONSOLIDATED STATEMENT OF CASH FLOWS****for the three-month period ended March 31, 2003****(Unaudited See Independent Accountants Review Report)**

	In Millions of Korean
	Won
	2003
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Proceeds in deposits, net	(Won) 1,310,908
Proceeds in borrowings, net	3,053,220
Proceeds in debentures, net	1,530,799
Proceeds in borrowings from Trust Accounts	541,626
Payment of dividend payable	(324,842)
Payment of other account payable	(166,021)
Proceeds in advances	686,045
Payment of lease guarantee deposits	(9,390)
Repayment in agent revenues	(194,235)
Repayment in domestic exchange payables	(431,057)
Proceeds in agencies	837,206
Stock options exercised	15
Net cash provided by financing activities	6,834,274
Net increase in cash and cash equivalents	823,452
Cash and cash equivalents, January 1, 2003 (Note 33)	3,100,581
Cash and cash equivalents, March 31, 2003 (Note 33)	(Won) 3,924,033

The accompanying notes are an integral part of this non-consolidated financial statement.

Table of Contents

KOOKMIN BANK

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2003

(Unaudited See Independent Accountants Review Report)

1. The Bank:

Kookmin Bank (the Bank) was established in 1963 under the Citizens National Bank Act to provide and administer funds for financing the general public and small businesses. Pursuant to the repeal of the Citizens National Bank Act effective January 5, 1995, the Bank has conducted its operations in accordance with the provisions of the General Banking Act.

The Bank merged with Korea Long Term Credit Bank (KLB) on December 31, 1998 and with Daegu, Busan, Jeonnam Kookmin Mutual Savings & Finance Co., Ltds. on August 22, 1999. Also, under the decision of the Financial Supervisory Commission in accordance with the Act concerning the Structural Improvement of the Financial Industry, the Bank purchased certain assets, including the loans classified as normal or precautionary, and assumed most of the liabilities of Daedong Bank as of June 29, 1998. The Bank completed the legal consolidation with H&CB as of October 31, 2001 (See Note 32).

The Bank had its shares listed on the Korea Stock Exchange since September 1994. As a result of the business combination with H&CB, the former shareholders of the Bank and H&CB received new common shares of the Bank on the basis of a pre-determined ratio. The new common shares of the Bank were relisted on the Korea Stock Exchange on November 9, 2001. The Bank's paid-in capital amounts to (Won)1,641,293 million as of March 31, 2003. Also, as of March 31, 2003, 37,728,214 shares of the Bank are listed on the New York Stock Exchange as American Depositary Shares (ADS).

The Bank is engaged in the banking and trust business according to the provisions of the General Banking Act and the Trust Business Act and operates through 1,245 domestic branches and offices (including ATMs) and 3 overseas branches as of March 31, 2003.

2. Summary of Significant Accounting Policies:

The significant accounting policies followed by the Bank in the preparation of its non-consolidated financial statements in accordance with Financial Accounting Standards are summarized below.