KOOKMIN BANK
Form 6-K
November 27, 2002
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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 2002

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 x Form 40-F ¨

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

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

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

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

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Summary of the Third Quarter Report

On November 14, 2002, Kookmin Bank filed a third quarter 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 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 Bar 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.

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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

1.3. Capital Structure

1.3.1. Common Shares

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.

As of September 30, 2002, 317,677,416 shares of common stock were issued and outstanding with paid-in capital of W1,588,387 million. All of the issued and outstanding shares are fully-paid and non-assessable, and are in registered form.

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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 its current level of W22,124 per share, and these bonds could be converted currently into 10,581,269 shares.

1.3.3. Treasury Stock

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

(As of October 31, 2002, Unit: in thousands of Won unless otherwise indicated)

Date	Reason	Number of shares	Cost	Cost per 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 for Exercise of stock option	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[1]	Acquisition pursuant to the Securities and Exchange Act of Korea	3,000,000 shares	147,632,489	49,210 Won
Total		Outstanding balance: 3,036,089 shares	149,464,984	

1. On July 26, 2002, Kookmin Bank s board of directors has approved and ratified to purchase the treasury stock up to 3 million shares for the purpose of introducing one of a stock purchase program and an employee stock ownership plan in order to provide a wide range of benefit with the employees.

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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 October 24, 2002, 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	310,000	90,000
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	Executive Vice President	01-Mar-03	28-Feb-06	27,600	22,490	0	22,490
28-Feb-00	Sungchul 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	Sunghee 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	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
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
24-Mar-01	Jaekyu Lee	Non Executive Director	25-Mar-04	24-Mar-07	25,100	2,318	0	2,318

* Some numbers of the granted options has 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				
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	Kyuho 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	0	2,961
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	Seungheon 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	Jaein 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
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

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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	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		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	Y_3	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
22-Mar-02	Timothy Hartman	Non Executive Director	23-Mar-05	22-Mar-10		10,000	0	10,000

1. 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.

2. 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.

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.

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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	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	Jaein 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	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
Total						2,681,339	530,108	2,151,231

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1.4. Dividend

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

(Units: in millions of Won, shares, and %)

	2001	2000	1999
Net income for the period	740,565	719,700	107,901
Earnings per share (Won)	3,706[1]	2,403	388
Maximum amount available for dividend	604,984[2]	614,046	22,129
Total dividends amount	119,866	151,009	16,938
Dividend payout ratio	16.19[3]	20.76	13.80
Cash dividends per common share (Won)	400	500	50
Stock dividends per common share (%)	6		
Dividends per preferred share (Won)		50	50
Dividend yield ratio	0.80[4]	3.36	0.28
Net asset value per common share (Won)	29,742[5]	12,533	13,079
Ordinary income per common shares (Won)	3,706	2,403	388

1. Earnings per share = net income (740,565,213,105 Won) / weighted average number of shares (199,825,909 shares)

2. Maximum amount available for dividend = retained earnings before appropriations (672,418 millions of Won) + transferred from prior years reserves (8,483 millions of Won) appropriated amount pursuant to the relevant rules and regulations (75,917 millions of Won)

3. Dividend payout ratio = total dividend amount for common shares (119,866,365,600 Won) / net income (740,565,213,105 Won).

4. Dividend yield ratio = dividend per share (400 Won) / market closing price for December 31, 2001 (49,800 Won)

5. Net asset value per common share = total shareholders equity (8,913,542 millions of Won) / total issued shares as of December 31, 2001 (299,697,462 shares).

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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 1,108 domestic branches and sub-branches as of September 30, 2002. 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. Numbers for 2000 are proforma results of Former Kookmin Bank and H&CB.

(Units: in 100 millions of Won, %)

	September 30, 2002		**December 31, 2001**		**December 31, 2000**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Kookmin Bank	1,221,923	32.3	1,140,587	33.7	1,024,784	33.8
Woori Bank	572,855	15.2	513,903	15.2	486,305	16.0
Chohung Bank	398,672	10.6	355,967	10.5	312,699	10.3
Hana Bank	347,314	9.2	322,652	9.5	275,777	9.1
Shinhan Bank	329,334	8.7	301,285	8.9	263,513	8.7
Korea Exchange Bank	291,759	7.7	253,284	7.5	215,049	7.1
Korea First Bank	226,932	6.0	171,800	5.1	163,302	5.4
KorAm Bank	200,318	5.3	171,834	5.1	167,843	5.5
Seoul Bank	188,658	5.0	151,458	4.5	123,404	4.1
Total	3,777,765	100	3,382,770	100	3,032,676	100

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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. Numbers for 2000 are proforma results of Former Kookmin Bank and H&CB.

(Units: in 100 millions of Won, %)

	September 30, 2002		December 31, 2001		December 31, 2000	
	Amount	%	Amount	%	Amount	%
Kookmin Bank	706,027	41.2	601,536	47.2	488,734	56.2
Woori Bank	214,599	12.5	132,501	10.4	84,896	9.8
Shinhan Bank	154,238	9.0	107,729	8.4	56,987	6.5
Chohung Bank	148,752	8.7	90,723	7.1	53,855	6.2
Hana Bank	143,815	8.4	105,143	8.2	53,337	6.1
Korea First Bank	99,895	5.8	78,874	6.2	50,326	5.8
Korea Exchange Bank	91,597	5.4	64,053	5.0	36,752	4.2
Seoul Bank	81,836	4.8	53,156	4.2	17,435	2.0
KorAm Bank	72,014	4.2	41,807	3.3	27,742	3.2
Total	1,712,773	100	1,275,522	100	870,064	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. Numbers for 2000 are proforma results of Former Kookmin Bank and H&CB.

(Units: in 100 millions of Won, %)

	September 30, 2002		December 31, 2001		December 31, 2000	
	Amount	%	Amount	%	Amount	%
Kookmin Bank	314,645	80.9	253,495	87.4	226,460	90.7
Woori Bank	19,360	5.0	10,998	3.8	11,042	4.4
Hana Bank	14,593	3.8	7,552	2.6	2,017	0.8
Korea Exchange Bank	14,520	3.7	8,719	3.0	2,394	1.0
KorAm Bank	7,822	2.0	2,432	0.8	2,264	0.9
Shinhan Bank	7,305	1.9	2,943	1.0	2,374	1.0
Seoul Bank	6,355	1.6	1,078	0.4	862	0.3
Chohung Bank	3,133	0.8	2,326	0.8	1,702	0.7
Korea First Bank	976	0.3	658	0.2	550	0.2
Total	388,709	100	290,201	100	249,665	100

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2.3. Source and Use of Funds

2.3.1. Source of Funds

(Unit: in millions of Won)

		September 30, 2002		December 31, 2001		December 31, 2000	
		Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency	Deposits and Mutual installment	112,385,172	4.27	63,743,997	5.53	47,038,144	6.18
	Certificate of deposit	1,869,185	4.76	2,022,414	6.10	1,910,630	6.99
	Borrowings	4,687,222	4.47	3,784,147	4.85	3,317,619	6.43
	Call money	1,089,947	3.99	403,937	4.11	562,807	4.89
	Other	12,702,223	6.97	9,112,858	7.57	5,799,092	10.78
Subtotal		132,733,749	4.54	79,067,353	5.74	56,628,292	6.67
Foreign currency	Deposits	1,083,844	1.32	952,701	3.08	882,344	5.20
	Borrowings	2,191,757	2.65	2,018,537	5.47	2,725,810	7.10
	Call money	328,095	1.71	223,156	3.67	193,324	6.31
	Finance debentures	1,122,501	3.63	1,430,804	5.68	1,521,343	7.75
	Other	20,338		15,081		13,666	
Subtotal		4,746,536	2.63	4,640,279	5.32	5,336,487	7.20
Other	Total Shareholders Equity	10,248,391		7,463,687		5,001,918	
	Allowance for credit losses	65,074		353,183		519,496	
	Other	8,270,235		4,065,899		3,032,325	
Subtotal		18,583,700		11,882,769		8,553,739	
Total		156,063,984	3.94	95,590,401	5.00	72,518,518	5.92

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2.3.2. Use of Funds

(Unit: in millions of Won)

		September 30, 2002		December 31, 2001		December 31, 2000	
		Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency	Loans	102,152,955	7.88	53,575,082	8.87	38,301,330	9.71
	Advances for customers	96,544	4.12	127,704	3.84	337,987	4.62
	Call loan	872,710	4.33	1,765,067	4.80	524,653	6.59
	Due from banks	1,102,690	4.59	1,339,572	5.60	3,276,652	7.39
	Securities	30,365,243	5.66	23,861,424	6.78	18,030,147	9.38
	Other	490,133		614,014		145,983	
	Private placement corporate bonds	1,733,142	6.74	2,065,179	10.32	1,878,194	9.21
	Credit card accounts	5,564,866	10.49	912,210	17.63	565,673	10.54
	Allowance for credit losses ( )	1,504,583		1,297,930		1,224,823	
Subtotal		140,873,700	7.58	82,962,322	8.50	61,835,796	9.73
Foreign currency	Loans	3,678,092	3.09	3,870,853	5.66	3,073,781	7.69
	Call loan	210,625	2.01	185,466	4.15	209,312	6.88
	Due from banks	142,321	1.39	121,994	3.28	1,335,708	7.50
	Bills bought	867,404	4.92	1,045,331	7.60	719,683	10.16
	Securities	1,283,633	9.56	1,079,359	9.13	961,991	12.48
	Other	19,022		116,454			
	Allowance for credit losses ( )	277,401		116,454		452,210	
Subtotal		5,923,696	4.94	6,152,844	7.11	5,848,355	9.40
Other	Cash	882,417		530,451		421,390	
	Fixed assets used for business purpose	3,049,764		1,462,413		1,298,813	
	Other	5,334,407		4,482,371		3,114,164	
Subtotal		9,266,588		6,475,235		4,834,367	
Total		156,063,984	7.03	95,590,401	7.83	72,518,518	9.06

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2.4. Principal Banking Activities

2.4.1. Deposits

The following table shows the average balances of our deposits for the past two years and for the first nine months ended September 30, 2002 and ending balances as of the dates indicated.

(Unit: in millions of Won)

		September 30, 2002		December 31, 2001		December 31, 2000	
		Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Deposits in Won	Demand deposits	10,324,260	12,520,359	4,832,281	10,824,005	3,720,546	4,173,966
	Time & savings deposits	92,765,950	95,079,757	53,496,908	89,080,935	40,279,328	43,495,480
	Mutual installment deposits	8,245,049	7,604,811	6,469,772	8,871,193	4,632,965	5,521,161
	Mutual installment for housing	4,362,565	4,660,379	928,398	4,128,489	73,831	204,111
	Certificates of deposits	1,869,185	2,327,069	2,022,414	1,154,056	1,910,630	2,424,947
Subtotal		117,567,009	122,192,375	67,749,773	114,058,678	50,617,300	55,819,665
Deposits in foreign currency		1,083,844	986,415	952,701	1,102,626	858,330	702,481
Trust deposits	Money trust	17,715,948	16,340,721	20,375,456	19,739,709	22,279,546	20,349,257
	Property trust	19,820,158	20,229,269	5,409,033	12,559,922	92,838	875,984
Subtotal		37,536,106	36,569,990	25,784,489	32,299,631	22,372,384	21,225,241
Total		156,186,959	159,748,780	94,486,963	147,460,935	73,848,014	77,747,387

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)

	September 30, 2002	December 31, 2001	December 31, 2000
Deposits	122,370	133,548	120,422
Deposits in Won	121,548	132,320	119,089

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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)

	September 30, 2002	December 31, 2001	December 31, 2000
Deposits	7,192	7,243	5,917
Deposits in Won	7,143	7,176	5,852

2.4.4. Loan Balances

The following table shows the average balances of our loans for the past two years and for the first nine months ended September 30, 2002 and ending balances as of the dates indicated.

(Unit: in millions of Won)

	September 30, 2002		December 31, 2001		December 31, 2000	
	Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Loans in Won	102,110,345	110,947,427	53,498,087	94,698,769	38,301,330	43,436,111
Loans in foreign currency	3,683,440	3,521,209	3,924,562	4,174,237	3,077,642	2,970,653
Advances to customers	115,566	73,337	244,158	199,831	337,987	240,992
Subtotal	105,909,351	114,541,973	57,666,807	99,072,837	41,716,959	46,647,756
Trust account loans	848,871	653,829	2,194,851	1,117,817	4,216,018	3,170,756
Total	106,758,222	115,195,802	59,861,658	100,190,654	45,932,977	49,818,512

2.4.5. Loan Balances as of September 30, 2002 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	51,317,450	40,589,920	6,662,271	12,377,786	110,947,427
Loans in foreign currencies	2,281,230	580,091	197,474	462,414	3,521,209

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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)

		September 30, 2002	December 31, 2001	December 31, 2000
Loans to enterprise	Loans for operations	34,332,289	29,286,707	20,899,277
	Loans for equipments	5,163,467	4,434,447	4,393,664
Loans to households		39,177,012	34,648,918	14,215,303
Loans to public sector & others	Loans for operations	738,637	737,206	1,914,841
	Loans for equipment	50,493	57,211	49,508
Loans on property formation savings		101,986	155,201	248,271
Loans for housing		31,318,266	25,342,969	1,663,904
Inter-bank loans		24,598	36,110	51,343
Others		40,679		
Total		110,947,427	94,698,769	43,436,111

2.4.7. Loan to Deposit Ratio

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

(Units: in millions of Won, %)

	September 30, 2002	December 31, 2001	December 31, 2000
Loans[1] (A)	102,110,345	53,498,087	38,301,330
Deposits[2] (B)	117,567,009	67,749,773	50,617,300
Loan to deposit ratio (A/B)	86.85	78.96	75.67

2.4.8. Guarantees and Acceptances

(Unit: in millions of Won)

	September 30, 2002	December 31, 2001	December 31, 2000
Confirmed	3,009,302	3,521,970	3,035,968
Unconfirmed	1,336,807	1,369,723	1,183,433
Total	4,346,109	4,891,693	4,219,401

1. Average balance of loans in Won for nine months ended September 30, 2002
2. Average balance of deposits in Won for nine months ended September 30, 2002, which includes certificate of deposits

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2.4.9. Breakdown of Securities Investment

The following table shows the average balances of our securities for the past two years and for the first nine months ended September 30, 2002 and ending balances as of indicated dates.

(Unit: in millions of Won)

		September 30, 2002		December 31, 2001		December 31, 2000	
		Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Securities in Won (Banking account)	Monetary stabilization bonds	2,773,425	2,552,173	3,571,137	3,139,925	2,773,897	1,973,079
	Government and public bonds	4,080,198	4,635,422	4,454,446	4,602,576	4,095,760	4,595,840
	Debentures	13,380,635	12,684,949	11,410,904	14,879,912	8,431,478	9,151,880
	Stocks	2,166,005	2,116,500	1,309,134	2,154,449	1,004,648	1,142,113
	Others	7,964,979	7,485,258	3,115,803	7,348,220	1,724,364	1,588,295
Sub-total		30,365,242	29,474,302	23,861,424	32,125,082	18,030,147	18,451,207
Securities (Trust account)	Monetary stabilization bonds	1,501,710	865,980	3,228,021	2,725,071	3,654,209	3,365,883
	Government and public bonds	2,223,446	1,561,365	2,990,549	3,059,777	1,894,815	2,816,167
	Debentures	8,069,491	8,038,130	7,635,765	7,613,829	6,966,409	6,828,929
	Stocks	894,341	899,619	672,845	890,151	568,650	547,797
	Foreign securities	528,991	605,663	118,147	370,415	39,711	0
	Others	3,949,909	4,097,012	4,340,103	3,913,328	5,718,473	3,576,520
Subtotal		17,167,888	16,067,769	18,985,430	18,572,571	18,842,267	17,135,296
Foreign currency (Banking account)	Foreign securities	945,440	937,795	736,084	909,730	631,040	583,229
	Off-shore foreign securities	338,193	281,535	343,275	382,542	370,664	316,868
Subtotal		1,283,633	1,219,330	1,079,359	1,292,272	1,001,704	900,097
Total		48,816,763	46,761,401	43,926,213	51,989,925	37,874,118	36,486,600

2.4.10. Trust Account (money trust)

(Unit: in millions of Won)

	September 30, 2002		December 31, 2001		December 31, 2000	
	Total amount trusted	Trust fees	Total amount trusted	Trust fees	Total amount trusted	Trust fees
Return-guaranteed trust	1,453	42,396	25,551	- 17,147	581,332	- 77,157
Performance trust	37,534,653	178,844	25,758,938	353,890	21,821,152	308,287
Total	37,536,106	221,240	25,784,489	336,743	22,402,484	231,130

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2.4.11. Credit Card

2.4.11.1. BC Card

(Unit: in millions of Won unless indicated otherwise)

		As of or for the nine months ended September 30	As of or for the year ended December 31	
		2002	**2001**	**2000**
Number of card holders (Person)	Corporate	56,904	23,811	17,942
	Individual	4,862,346	4,017,950	3,053,224
Number of merchants		291,321	262,619	196,264
Profit	Sales[1]	20,579,267	22,272,700	12,538,100
	Fee revenue	767,770	819,399	440,653

2.4.11.2. Kookmin Card[2]

(Unit: in millions of Won unless indicated otherwise)

		As of or for the nine months ended September 30	As of or for the year ended December 31	
		2002	**2001**	**2000**
Number of card holders (Person)	Corporate	334,708	105,600	137,657
	Individual	12,651,860	9,605,946	8,036,140
Number of merchants		1,532,601	1,675,176	1,230,838
Profit	Sales[1]	62,490,402	65,382,300	37,875,680
	Fee revenue[3]	85,601	142,700	115,355

2.5. Property, Plants and Equipment

2.5.1. Branch Network

As of September 30, 2002, we had 1,020 branches and 88 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 40% 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. Kookmin Bank also recognizes non-operating revenue in connection with consolidation of Kookmin Credit Card under equity method.

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We also have three subsidiaries in Luxemburg, Hong Kong and London and three branches in Tokyo, New York and Auckland. We do not own any material properties outside of Korea.

2.5.2. 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 September 30, 2002, we had 5,220 ATMs, 3,439 cash dispensers and 915 passbook printers.

2.5.3. Property

Our registered office and corporate headquarters are located at 9-1, 2-Ga, Namdaemun-Ro, Jung-Gu, Seoul, Korea. In addition, we own a few other headquarters, IT centers and many properties for branch space around the Korea.

The book value of all the properties owned by us as of September 30, 2002 was W1,532,631 million. We do not own any material properties outside of Korea.

2.6. Other Details Relevant to Investment Decision

2.6.1. BIS Risk-adjusted Capital Ratios

(Units: in millions of Won, %)

	September 30, 2002	December 31, 2001	December 31, 2000
Risk-adjusted capital (A)	14,134,513	11,750,856	6,297,886
Risk-weighted assets (B)	134,678,260	114,849,227	56,346,867
BIS ratios (A/B)	10.50	10.23	11.18

2.6.2. Non-performing Loans[1]

(Units: in millions of Won, %)

September 30, 2002		December 31, 2001		December 31, 2000	
Balance of NPL	NPL to total loans	Balance of NPL	NPL to total loans	Balance of NPL	NPL to total loans
2,504,223	1.95	2,954,464	2.62	2,656,100	4.84

1. 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.

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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)

		September 30, 2002	December 31, 2001	December 31, 2000
Loan loss allowance	Domestic	2,325,910	2,255,068	1,822,208
	Overseas	16,920	16,111	4,492
	Total	2,342,830	2,271,179	1,826,700
Write-offs for the nine months ended September 30, 2002		891,010	1,090,029	558,480

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3. Financial Information

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

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4. Auditors Report

4.1. Report of the Independent Auditor

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

4.2. Compensation to the Independent Auditor

4.2.1. Audit Service

The aggregate remuneration paid by us to the independent auditor for the last three years of the year ended December 31, 2001, 2000 and 1999 was 1,090 million Won, 950 million Won and 580 million Won, respectively.

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)

Year	Service description	Amount of payment
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
	Service on corporate tax adjustment	85
2000	Service on corporate tax adjustment	30
1999	Service on corporate tax adjustment	11

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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:

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 five management committees that serve under the board:

the Board Steering Committee;

the Management Strategy Committee;

the Risk Management Committee;

the Audit Committee; and

the Compensation Committee.

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.

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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 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 nine months ended September 30, 2002, the aggregate of the remuneration paid and benefits-in-kind paid by us to 1) the Chairman, President & CEO and our other executive directors and 2) our non-executive directors was W2,652 million, W418 million, respectively.

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 September 30, 2002, we have following affiliates.

Kookmin Leasing Co., Ltd.

Jooeun Leasing Co., Ltd.

KB Investment Co., Ltd.

Kookmin Credit Card Co., Ltd.

KB Investment Trust Management Co., Ltd.

KB Real Estate Trust Co., Ltd.

Kookeun Credit Information Co., Ltd.

Kookmin Data System Corporation

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Kookmin Futures Co., Ltd.

ING Life Korea Ltd.

Kookmin Bank Luxemburg. S.A.

Kookmin Bank International (London) Ltd.

Kookmin Finance Hong Kong Ltd.

5.5.2. Operating Results of Affiliates

(Unit: in millions of Won)

		Accounting results of the latest fiscal year				
Company name	**Closing date**	**Total Assets**	**Total Liabilities**	**Total Equities**	**Sales**	**Net income**
Kookmin Leasing	March 31, 2002	513,160	546,530	-33,370	99,276	-39,624
Jooeun Leasing[1]	March 31, 2002	226,204	199,754	26,450	42,523	924
KB Investment	December 31, 2001	92,941	9,009	83,932	14,890	9,953
Kookmin Credit Card	December 31, 2001	10,577,491	9,399,912	1,177,579	2,340,631	458,195
KB Investment Trust Management	March 31, 2002	60,074	14,945	45,129	34,161	19,243
KB Real Estate Trust	December 31, 2001	290,096	211,283	78,813	52,568	3,864
Kookeun Credit Information	December 31, 2001	13,263	3,595	9,668	26,252	2,022
Kookmin Data System Corporation	December 31, 2001	15,464	3,053	12,411	28,845	2,577
Kookmin Futures	March 31, 2002	46,826	23,396	23,430	14,622	3,519
ING Life Korea	March 31, 2002	1,135,081	1,083,209	51,872	712,355	37,241
Kookmin Bank Luxemburg[2]	September 30, 2002	474,925	446,934	27,991	12,987	2,036
Kookmin Bank International (London)[3]	September 30, 2002	344,302	297,831	46,471	8,467	-234
Kookmin Finance Hong Kong[4]	September 30, 2002	345,892	285,034	60,858	17,722	10,582

1. On August 30, 2002, Kookmin Bank entered into an agreement with Sun Capital in connection with the disposition of 65.43% of its stake in Jooeun Leasing. On October 28, 2002, Kookmin Bank additionally disposed of 5.03% of the total issued and outstanding shares of Jooeun Leasing. Currently Kookmin Bank holds 14.97% of the company.
2. As of or for the nine months ended September 30, 2002
3. As of or for the nine months ended September 30, 2002
4. As of or for the nine months ended September 30, 2002

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6. Equity Securities

6.1. Major Shareholders

The following table presents information regarding the beneficial ownership of our shares at September 30, 2002 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	9.64%
The Bank of New York[1]	42,941,310	13.52%
Total	73,565,071	23.16%

6.2. Market Price Information

6.2.1. Common Stock Traded in Korea Stock Exchange

(Unit: in Won, thousands of shares)

		April	May	June	July	October	September
Registered	High	63,500	66,400	63,800	62,100	56,500	57,200
Common Shares	Low	54,300	60,000	57,100	53,300	50,700	44,750
Trading Volume		42,560	30,603	26,999	26,808	18,972	30,320

6.2.2. American Depositary Shares Traded in New York Stock Exchange

(Unit: in US$, thousands of shares)

		April	May	June	July	October	September
American	High	49.30	53.96	51.99	51.76	47.62	46.08
Depositary Shares	Low	41.35	46.50	47.70	44.10	42.10	35.43
Trading Volume		7,133	4,763	8,389	8,197	5,095	6,829

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

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7. Directors, Senior Management and Employees

As of September 30, 2002, our board of directors, which consists of 3 executive directors and 8 non-executive directors, has the ultimate responsibility for the management of our affairs.

7.1. Executive Directors

Our 3 executive directors consist of the chairman, president & CEO, and one auditor & executive director.

The names and positions of our directors are set forth below.

Name	Date of Birth	Position
Sanghoon Kim	03/13/1942	Chairman
Jungtae Kim	08/15/1947	President & CEO
Choulju Lee	11/22/1939	Auditor & Executive Director

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, 2002, 8 non-executive directors are in office.

Our current non-executive directors are as follows.

Name	Date of Birth	Position
Moonsoul Chung	03/07/1938	Non-Executive Director
Timothy Hartman	03/01/1939	Non-Executive Director
Sunjin Kim	06/08/1942	Non-Executive Director
Dongsoo Chung	09/24/1945	Non-Executive Director
Keunshik Oh	09/12/1946	Non-Executive Director
Kyunghee Yoon	01/05/1947	Non-Executive Director
Henry Cornell	04/11/1956	Non-Executive Director
Jihong Kim	06/08/1956	Non-Executive Director

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7.3. Senior Management

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

Name	Date of Birth	Position
Jongkyoo Yoon	10/13/1955	Executive Vice President
Donald MacKenzie	12/20/1948	Executive Vice President
Bonghwan Cho	03/30/1950	Executive Vice President
Sungchul Kim	09/10/1951	Executive Vice President
Jaein Suh	08/11/1947	Executive Vice President
Buhmsoo Choi	08/08/1956	Executive Vice President
Bockwoan Kim	11/17/1944	Executive Vice President
Youngil Kim	07/06/1953	Executive Vice President
Kitaek Hong	01/16/1948	Executive Vice President
Sunghyun Chung	08/10/1947	Executive Vice President
Kisup Shin	10/29/1955	Executive Vice President
Seongkyu Lee	10/25/1959	Executive Vice President
Jongin Park	03/10/1954	Executive Vice President
Byungsang Kim	02/19/1947	Executive Vice President
Woojung Lee	07/11/1949	Executive Vice President

7.4. Employees

(As of September 30, 2002, Unit: in millions of Won)

	Number of Employees			Average Tenure (year)	Total Payment for the 9 Months	Average Monthly Payment per Person
	Full-time	Contractual	Total			
Male	13,671	1,183	14,854	14.28	594,612	4.4
Female	5,164	6,884	12,048	11.48	254,834	2.4
Total	18,835	8,067	26,902	13.51	849,445	3.5

7.5. Labor Union

Under Korea Financial Industry Union, we currently have two union chapters following the merger and negotiations are with representatives of both union chapters. There are 8,724 members in Kookmin Bank chapter and 6,989 members in H&CB chapter.

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8. Related Party Transaction

We regularly engage in transactions with affiliated companies, which we own directly or indirectly. Generally, these transactions include the extension of loans, the purchase of debt securities and other ordinary course activities relating to our banking business. For breakdown of the transaction, see Note 29 of Kookmin Bank Review Report in 9. Exhibits.

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9. Exhibits

9.1. List of Financial Statements

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Kookmin Bank Review Report 2002 for the Nine-Month Periods Ended September 30, 2002 and 2001	
Review Report of Independent Accountants	F-1
Kookmin Bank Non-Consolidated Balance Sheets September 30, 2001 and 2001	F-4
Kookmin Bank Non-Consolidated Statements of Income for the Nine-Month Period Ended September 30, 2002 and 2001	F-5
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Kookmin Bank

(Registrant)

Date: November 25, 2002

By: /s/ Jong-Kyoo Yoon

(Signature)

Name: Jong-Kyoo Yoon
Title: Executive Vice President &
Chief Financial Officer

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Review Report of Independent Accountants

To the Board of Directors and Shareholders of Kookmin Bank

We have reviewed the accompanying non-consolidated balance sheets of Kookmin Bank (the Bank), as of September 30, 2002 and 2001, and the related non-consolidated income statements for the nine-month periods then ended, 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 non-consolidated financial statements based on our reviews.

We conducted our reviews in accordance with semi-annual review standards established by the Securities & 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 non-consolidated 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 accounting standards for preparation of quarterly and semiannual financial statements in the Republic of Korea.

As discussed in Note 33 to the non-consolidated financial statements, the Bank entered into a business combination contract (the Contract) with H&CB on April 23, 2001 and obtained approval from the shareholders for such combination on September 29, 2001. In accordance with the Contract, the Bank completed the legal consolidation with H&CB as of October 31, 2001. According to the Contract, the shareholders of the Bank and H&CB received 1 new common share of the Bank for 1.688346 old shares of the Bank and 1 share of H&CB, respectively. The new common shares of the Bank were listed on the Korea Stock Exchange on November 9, 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 were listed on New York Stock Exchange as American Depositary Shares (ADS) on November 1, 2001

Continued;

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As discussed in Note 2 to the non-consolidated financial statements, allowances for consumer loans and credit cards are determined by applying the following rates, which were changed since May 10, 2002 in preparation for increasing risk of loan losses due to the increase of consumer loans and credit cards.

Credit risk Classification	Allowance rates Before May 10, 2002	Allowance rates since May 10, 2002	
		Consumer	Credit cards
Normal	0.5%	0.75%	1.0%
Precautionary	2.0%	5.0%	7.0%
Sub-standard	20.0%	20.0%	20.0%
Doubtful	50.0%	55.0%	60.0%
Estimated Loss	100.0%	100.0%	100.0%

As of September 30, 2002, the additional allowances of (Won)226,909 million for consumer loans and (Won)66,778 million for credit cards loans are provided by applying different allowance rates, resulting in the decrease of (Won)293,687 million of net income before income tax expenses.

As discussed in Note 17 to the non-consolidated financial statements, in accordance with the signed memorandum of understanding with Sun Capital Inc.(the Company) on June 15, 2002 and the resolution of the Bank s board meeting on July 26, 2002, the Bank is to sell 12,988,771 shares (equivalent to 65.43% ownership) of its 16,960,000 shares (equivalent to 85.43% ownership) of Jooeun Leasing Co., Ltd. and (Won)172,024 million of loans (outstanding principal balance as of March 31, 2002) to the Company. The Bank expects to receive (Won)145,000 million from the sale of investments and loans.

As discussed in Note 5 to the 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 of September 30, 2002, the Bank owns 99.89% of total issued shares of Kookmin Venture Capital Co., Ltd. and the investment amounts to (Won)107,877 million.

We draw attention to Note 17 of the non-consolidated financial statements which states that 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. Certain financially troubled borrowers of the Bank including Korea Data System Co., Ltd are experiencing a cash crisis or are in the debt restructuring process under workout plans and other similar programs. As of September 30, 2002, in relation to such borrowers, total loans outstanding including guarantees and acceptances amounted to (Won)904,554 million, and the related allowances and discounted present value are (Won)331,308 million and (Won)19,062 million, respectively. The ultimate effect of these significant uncertainties on the financial position of the Bank as of the balance sheet date cannot presently be determined and accordingly, no adjustments have been made in the accompanying financial statements related to such uncertainties.

Continued;

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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 non-consolidated 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.

Samil Accounting Corporation

Seoul, Korea
October 18, 2002

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KOOKMIN BANK
NON-CONSOLIDATED BALANCE SHEETS
September 30, 2002 and 2001
(Unaudited-See Accountants Review Report)

	In Millions of Korean Won	
	2002	**2001**
ASSETS		
Cash and due from banks (Note 3)	(Won) 6,241,327	(Won) 4,264,196
Trading securities (Note 4)	5,794,366	2,651,849
Investment securities (Note 5)	24,899,266	21,857,862
Loans (Notes 6 and 7)	121,350,946	54,885,280
Fixed assets (Note 8)	3,036,347	1,280,713
Other assets (Note 9)	6,166,926	4,353,717
Total Assets	(Won) 167,489,178	(Won) 89,293,617
LIABILITIES AND SHAREHOLDERS EQUITY		
Deposits (Note 10)	(Won) 123,178,790	(Won) 62,355,178
Borrowings (Note 11)	10,254,380	9,980,267
Debentures (Note 12)	13,514,926	5,612,062
Other liabilities (Note 13)	10,249,445	6,245,609
Total Liabilities	157,197,541	84,193,116
Commitments and contingencies (Notes 15 and 17)		
Common stock, par value : (Won)5,000, authorized : 1,000 million shares, issued and outstanding : 317,677,416 shares (Notes 1 and 18)	1,588,387	1,677,932
Capital surplus (Note 19)	5,683,828	1,616,052
Retained earnings (Note 20)	2,951,013	1,639,081
Capital adjustments (Note 21)	68,409	167,436
Total Shareholders Equity	10,291,637	5,100,501
Total Liabilities and Shareholders Equity	(Won) 167,489,178	(Won) 89,293,617

The accompanying notes are an integral part of these non-consolidated interim financial statements.

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KOOKMIN BANK
NON-CONSOLIDATED STATEMENTS OF INCOME
For the nine-month periods ended September 30, 2002 and 2001
(Unaudited-See Accountants Review Report)

	In Millions of Korean Won	
	2002	**2001**
Interest income :		
Interest on due from banks	(Won) 39,314	(Won) 68,459
Interest on trading securities	73,560	138,189
Interest on investment securities	1,076,831	1,057,927
Interest on loans	6,817,728	3,652,105
Other interest income	80,222	93,420
	8,087,655	5,010,100
Interest expenses :		
Interest on deposits	3,581,922	2,465,341
Interest on borrowings	306,297	373,557
Interest on debentures	578,277	382,315
Other interest expenses	49,507	40,459
	4,516,003	3,261,672
Net interest income	3,571,652	1,748,428
Bad debt expense (Note 7)	946,200	509,324
Net interest income after bad debt expenses	2,625,452	1,239,104
Non-interest income :		
Fees and commission income	1,013,260	291,201
Dividends on trading securities	1,123	323
Dividends on investment securities	18,832	7,650
Gain on foreign currency transactions	142,416	196,154
Gain on derivatives (Note 16)	1,856,401	1,869,446
Others (Note 23)	482,668	367,666
	3,514,700	2,732,440

The accompanying notes are an integral part of these non-consolidated interim financial statements.

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KOOKMIN BANK
NON-CONSOLIDATED STATEMENTS OF INCOME
For the nine-month periods ended September 30, 2002 and 2001
(Unaudited-See Accountants Review Report)

	In Millions of Korean Won	
	2002	**2001**
Non-interest expenses :		
Fees and commission expenses	(Won) 254,248	(Won) 60,364
General and administrative expenses (Note 24)	1,773,528	845,776
Loss on foreign currency transactions	182,178	73,918
Loss on derivatives (Note 16)	1,693,205	1,912,309
Others (Note 23)	242,562	189,137
	4,145,721	3,081,504
Operating income	1,994,431	890,040
Non-operating income, net (Note 25)	191,733	358,263
Net income before income tax expense	2,186,164	1,248,303
Income tax expense (Note 26)	673,296	385,241
Net income	(Won) 1,512,868	(Won) 863,062
Basic earnings per share (Note 27) (in Korean Won)	(Won) 4,767	(Won) 4,524
Diluted earnings per share (Note 27) (in Korean Won)	(Won) 4,624	(Won) 3,847

The accompanying notes are an integral part of these non-consolidated interim financial statements.

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See 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 (the P&A) as of June 29, 1998. The Bank entered into a business combination contract (the Contract) with H&CB on April 23, 2001. In accordance with the Contract, the Bank completed the legal consolidation with H&CB as of October 31, 2001 (See Note 33).

The Bank had its shares listed on the Korean 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)1,588,387 million as of September 30, 2002 (See Note 18). Also, as of September 30, 2002, 47,796,480 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 1,248 domestic branches and offices (including ATMs) and 3 overseas branches as of September 30, 2002.

2. Summary of Significant Accounting Policies:

The significant accounting policies followed by the Bank in the preparation of its financial statements are summarized below.

Basis of Non-consolidated Interim Financial Statement Presentation

The Bank s non-consolidated interim financial statements were prepared in accordance with the financial accounting standards generally accepted in the Republic of Korea, the accounting standards for preparation of quarterly and semiannual financial statements in the Republic of Korea and the accounting standards generally accepted for banking institutions, as modified by the accounting and reporting guidelines prescribed by the banking regulatory authorities.

The Bank maintains its official accounting records in Korean Won and prepares statutory financial statements in the Korean language in conformity with the accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Bank that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been condensed, restructured and translated into English from the Korean language financial statements. Some information attached to the Korean language financial statements, but not required for a fair presentation of the Bank s financial position or results of operations, is not presented in the accompanying financial statements.

The preparation of financial statements in conformity with financial accounting standards generally accepted in the Republic of Korea and the accounting standards generally accepted for banking institutions requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Due to the inherent uncertainty involved in making estimates, actual results may differ from those estimates.

The Bank operates both a commercial banking business and a trust business in which the Bank, as a fiduciary, holds and manages the property of others. Under the Trust Business Act, the trust funds are accounted for and reported separately from the Bank s own commercial banking business.

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

2. Summary of Significant Accounting Policies, Continued;

Recognition of Interest Income

The Bank recognizes interest income on loans and debt securities on an accrual basis. However, interest income on delinquent and dishonored loans and debt securities, other than those subject to security deposits and guaranteed by financial institutions, is recognized on a cash basis. Accordingly, under the cash basis, unaccrued interest income amounted to (Won)553,828 million and (Won)487,559 million as of September 30, 2002 and 2001, respectively.

Translation of foreign currency

Assets and liabilities denominated in foreign currencies are translated into Korean Won at exchange rates announced by Seoul Money Brokerage Services, Ltd. at the balance sheet date. The resulting exchange gains or losses are reflected in other operating income or expenses.

The exchange rates used to translate foreign currency denominated assets and liabilities at September 30, 2002 and 2001 are (Won)1,225.5 : US$1 and (Won)1,309.1 : US$1, respectively.

Allowances for Loan Losses

The Bank applies its internal credit rating system, Forward Looking Criteria (FLC), to corporate loans in order to classify the borrowers and to determine allowances for loan losses. The corporate borrowers are classified into 12 credit risk categories (AAA, AA, A, BBB, BB, BB^-, B, B^-, CCC, CC, C, D) since May 10, 2002, which were classified into 10 credit risk categories (AAA, AA, A, BBB, BB, B, CCC, CC, C, D). Credit risk classification under FLC is based on a scaled valuation of financial and non-financial risks with additional consideration of loan type, collateral and/or guarantees.

Allowances are determined by applying at minimum the following rates to the outstanding balances of each credit risk classification.

Credit Risk Classification	Credit Ratings before May 10, 2002	Credit Ratings after May 10, 2002	Allowance rates
Normal	AAA ~ B	AAA ~ B	0.5%
Precautionary	CCC	B^-, CCC	2%
Sub-standard	CC	CC	20%
Doubtful	C	C	50%
Estimated loss	D	D	100%

However, the Bank does not apply the FLC to small-sized corporate loans, consumer loans, and credit cards. Alternatively, the bank classifies such loans by considering current financial status including delinquent number of days, bankruptcies and collateral value. The allowances for small-sized corporate loans, consumer loans, and credit cards are determined by applying the following rates, which were changed since May 10, 2002.

Credit Risk Classification	Allowance rates before May 10, 2002	Allowance rates since May 10, 2002		
		Small-sized corporate	Consumer	Credit cards
Normal	0.5%	0.5%	0.75%	1.0%
Precautionary	2.0%	2.0%	5.0%	7.0%
Sub-standard	20.0%	20.0%	20.0%	20.0%
Doubtful	50.0%	50.0%	55.0%	60.0%
Estimated loss	100.0%	100.0%	100.0%	100.0%

As of September 30, 2002, the additional allowances of (Won) 226,909 million for consumer loans and (Won) 66,778 million for credit cards loans are provided by applying different allowance rates, resulting in the decrease of (Won) 293,687 million of net income before income tax expenses.

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

2. Summary of Significant Accounting Policies, Continued;

Present Value Discounts

Troubled debt restructuring loans, which are modified as to outstanding principal, interest rate, and/or maturity under programs such as workout, court receivership, court mediation, or debt restructuring agreements of parties concerned, are carried at present value if the difference between the book value and the present value of the restructured loan is significant. When estimating the present value of the loans, the Bank applies the interest rate as of the inception of the loans except for the interest rate of variable rate loans and extended maturity loans, which are adjusted to reflect the interest rate as of the restructuring date. The present value discounts are recorded by reclassifying allowances for loan losses and if additional allowances need to be provided for, the additional allowances are provided and recognized as bad debt expense of the current period. These present value discounts are amortized using the effective interest method and are recognized as interest income. Allowances for loan losses on the restructured loans are provided for based on the loan balances net of present value discounts.

Additionally, the Bank recorded (Won)22,121 million and (Won)29,682 million of present value discounts as of September 30, 2002 and 2001, respectively, on long-term deposits placed with Hansol Mutual Savings & Finance Co., Ltd. (Previously, Bukook Mutual Savings & Finance Co., Ltd.) (See Note 3). Also, the receivables from disposal of foreclosed assets that are redeemed in long-term installments are recorded in the balance sheet net of the related present value discounts.

Securities

Marketable securities held for short-term capital gain purposes, which exclude stocks issued by associates and debt securities held to maturity, are classified as trading securities. Securities that are not classified as trading securities are classified as investment securities.

Securities are initially recorded at cost with incidental expenses added to compute the acquisition cost in applying the moving average or specific identification method. The subsequent valuation methods used for the securities are summarized as follows:

	Valuation Method	Recognition of Unrealized Gains and Losses
Trading securities	Fair value	Net income
Investment securities		
Available-for-sale securities and marketable equity securities	Fair value	Capital adjustments
Held-to-maturity securities and non-marketable equity securities	Cost	N/A
Investment in associates	Equity	Net income, retained earnings, or capital adjustments per source of the gain or loss

If the fair value of the investment securities are significantly below the book value and the impairment is determined to be other than temporary, the Bank adjusts the investment securities to their fair value and recognizes the related impairment losses as part of the current period non-operating expenses.

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

2. Summary of Significant Accounting Policies, Continued;

Fixed Assets and Related Depreciation

Tangible assets are recorded at cost, except for upward revaluation of certain assets in accordance with Korean Asset Revaluation Law. Depreciation is calculated based on the estimated average useful lives of the assets and is presented as accumulated depreciation, which is a contra account of tangible assets in the financial statements.

The estimated useful lives and depreciation methods of the tangible assets are as follows:

Tangible assets	Amortization Method	Estimated Useful Life
Buildings and structures	Straight-line method	40 years
Leasehold improvements	Declining balance method	4 years
Equipment and vehicles	Declining balance method	4 years

Expenditures that enhance the value or extend the useful life of the assets involved are capitalized as additions to tangible assets. Routine maintenance and repairs are recognized as expenses as incurred.

Foreclosed assets acquired through, or in lieu of, loan redemption are stated at cost and are not depreciated. Valuation allowance is recorded where the latest bidding price at public auction is below the book value, and is presented as a contra account of foreclosed assets in the financial statements.

The Bank recorded goodwill as a result of the merger with H&CB for the cost of the merger exceeding the fair value of the net assets acquired.

Intangible assets are amortized based on the following estimated average useful lives using the straight-line method and are presented in the financial statements net of accumulated depreciation.

Intangible Asset	Amortization Method	Estimated Useful Life
Goodwill	Straight-line method	9 years
Trademarks	Straight-line method	1-10 years
Other	Straight-line method	7-30 years

Stock Issuance Costs and Debenture Issuance Costs

Stock issuance costs are deducted from paid-in capital in excess of par value. Debenture issuance costs are recorded as discounts on debentures and amortized over the maturity of the debentures using the effective interest method.

Accrued Retirement Benefits

Employees and directors with more than one year of service as of September 30, 2002 are entitled to receive a lump-sum payment upon termination of their employment with the Bank, based on their length of service and rate of pay at the time of termination. Additionally, the Bank records pension fund deposits which grant the payment rights to its employees and contributions to the national pension fund as contra accounts of accrued retirement benefits.

Guarantees and Acceptances

By applying credit risk classification used for loans to the guarantees and acceptances, the Bank records an allowance for losses on outstanding guarantees and acceptances according to their classification as sub-standard, doubtful, or estimated loss (allowance rates are at minimum 20%, 50%, and 100%, respectively).

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

2. Summary of Significant Accounting Policies, Continued;

Deferred Income Taxes

The Bank records the future tax effects of temporary differences between the financial and tax bases of assets and liabilities as deferred tax assets or liabilities. The cumulative effects of accounting changes adjust the beginning balance of retained earnings and thus result in temporary differences.

Derivatives Instruments

The Bank records the rights and obligations arising from derivative contracts on the balance sheet as assets and liabilities based on the fair values of such rights and obligations. Resulting unrealized gains or losses are included in net income.

Stock Options

The Bank calculates the fair value of stock options at the grant date and allocates the resulting total cost over the contractual service period. The costs allocated to the current period are charged to operating expenses and capital adjustments.

National Housing Fund

The Bank, as designated by the Korean Government under the Housing Construction Promotion Law, manages the sources and uses of funds of the National Housing Fund (the NHF) and records the related NHF account in other liabilities. In addition, the Bank pays interest, which is computed by multiplying the average balance of the NHF account by the passbook deposit interest rate, to the NHF.

Gains and Losses on Trust Management

The Bank s trust accounts (the Trust Accounts) recognize as an expense the trust commissions paid to the banking accounts, equivalent of total trust revenue less total trust expenses and trustee benefits (including the guaranteed principal and minimum rate of return). The Bank recognizes these trust commissions as a gain on trust management in other operating income. The trust fees on money trusts consist of base fees of 0.5% ~ 2.0% (depending on trust fund types) and special fees applied to the invested capital.

Under the Trust Business Act, reserves for future losses are set up in the trust accounts for losses related to those trust funds with guarantee of the principal or of a certain minimum rate of return. The reserves are used to provide for the losses on such trust funds and, if the losses are incurred in excess of the reserves for future losses, the excess losses are compensated by the Bank. Accordingly, the banking accounts recognize the compensation paid as a loss on trust management in other operating expenses and the trust accounts recognize the corresponding compensation as compensation from banking accounts. The Bank recorded (Won)119 million of loss on trust management for the nine-month period ended September 30, 2001.

Translation of Foreign Currency Financial Statements of Foreign Entities

Accounting records of the overseas branches are maintained in a foreign currency prevailing in their respective countries. For presentation in the accompanying financial statements, the financial statements of the branches have been translated into Korean Won, using exchange rates published by Seoul Money Brokerage Services, Ltd. as of September 30, 2002 and 2001.

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

3. Cash and Due from Banks:

Cash and due from banks at September 30, 2002 and 2001 are summarized as follows (in millions of Won):

		2002	2001
Cash on hand			
Cash in Won		(Won) 2,982,866	(Won) 1,323,354
Cash in foreign currencies		186,790	98,853
		3,169,656	1,422,207
Due from banks in Won			
The Bank of Korea	Reserve deposits	1,924,221	1,867,405
Banks	Time deposits	21,192	
	Payment reserves	458	340
	Certificates of deposits	29,599	246,712
	Current accounts and others		1,513
Other financial institutions	Cash management accounts	8,423	102,726
	Deposits at insurance companies	678,500	314,000
	Deposits at Finance Savings & Finance Co.	140,000	140,000
Others	Futures margin accounts	1,473	41,281
	Specified Money Trusts	7,764	36,970
	Others	458	446
		2,812,088	2,751,393
	Present value discounts[1*]	(22,121)	(29,682)
		2,789,967	2,721,711
Due from banks in foreign currencies			
The Bank of Korea	Demand deposits	39,136	24,882
Domestic banks	Demand deposits	23,707	10,329
Foreign banks	Demand deposits	170,748	70,430
Others	Other deposits	48,113	14,637
		281,704	120,278
		(Won) 6,241,327	(Won) 4,264,196

1* Present value discounts are recorded in relation to the (Won)140,000 million of time deposits (1% interest, six-year maturity at the point of deposit) placed with Hansol Mutual Savings & Finance Co., Ltd. (Previously, Bukook Mutual Savings & Finance Co., Ltd.).

Included in cash and due from banks as of September 30, 2002 and 2001 are the following restricted deposits (in millions of Won):

	2002	2001	Restrictions

Reserve deposits in the Bank of Korea and KEB	(Won) 1,987,522	(Won) 1,902,956	General Banking Act
Deposits placed with Hansol Mutual Savings & Finance Co.	140,000	140,000	Withdrawal at maturity
Deposits for severance payments	678,500	314,000	Related to borrowings
Other deposits	10,043	71,709	Guarantee deposit
	(Won) 2,816,065	(Won) 2,428,665	

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

3. Cash and Due from Banks, Continued;

The maturities of the due from banks as of September 30, 2002 are summarized as follows (in millions of Won):

	Due from Banks in Won	Due from Banks in foreign currencies	Total
Due in 3 months or less	(Won) 2,580,896	(Won) 281,704	(Won) 2,862,600
Due after 3 months through 6 months	20,000		20,000
Due after 6 months through 1 year			
Due after 1 year through 2 years	70,000		70,000
Due after 2 years through 3 years	50,000		50,000
Due after 3 years through 4 years	90,000		90,000
Due after 4 years through 5 years			
Thereafter	1,192		1,192
	(Won) 2,812,088	(Won) 281,704	(Won) 3,093,792

4. Trading Securities:

Trading securities as of September 30, 2002 and 2001 comprise the following (in millions of Won):

Type	Par Value	Beginning Balance[1]*	Amortized Amount[2]*	Balance Sheet Amount	
				2002	2001
Listed equity securities		(Won) 61,920	(Won) 61,920	(Won) 55,011	(Won) 16,500
Government and municipal bonds					
Treasury bonds	(Won) 255,000	260,612	260,247	262,608	607,297
Public housing bonds					116,012
Foreign exchange stabilization bonds	60,000	65,137	64,101	65,225	169,018
		325,749	324,348	327,833	892,327
Finance debentures					
Monetary stabilization bond	900,000	901,814	901,361	905,538	599,672
Other finance debentures	90,000	90,651	90,501	91,061	170,259
		992,465	991,862	996,599	769,931
Corporate bonds					
Government guaranteed bonds	150,000	154,173	153,122	154,236	727,753
Other corporate bonds	189,633	190,514	190,524	190,983	170,585
		344,687	343,646	345,219	898,338

Beneficiary certificates	3,924,518	3,924,518	4,069,704	11,926
Trading securities in foreign currencies				
Corporate bonds	546	546		62,827
	(Won) 5,649,885	5,646,840	(Won) 5,794,366	(Won) 2,651,849

1* Book value at December 31, 2001 or acquisition costs for the nine-month period ended September 30, 2002
2* Amount amortized using effective interest rate method

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

4. Trading Securities, Continued;

Trading debt securities in Won are recorded at fair value using the market yield of bonds provided by the Korea Securities Dealers Association. Trading debt securities in foreign currencies are recorded at fair value using the market yield of bonds provided by bond dealers.

Trading securities risk concentrations as of September 30, 2002 are as follows (in millions of Won):

	Securities in Won	
	Amount	**Ratio (%)**
By Geography		
Korea	(Won) 5,794,366	100.00
	(Won) 5,794,366	100.00
By Type		
Fixed rate bond	(Won) 1,639,898	28.30
Floating rate bond	29,752	0.51
Equity securities	55,012	0.95
Beneficiary certificates	4,069,704	70.24
	(Won) 5,794,366	100.00
By Issuer		
Governmental institutions	(Won) 327,833	5.66
Government invested institutions	156,577	2.70
Financial institutions	5,101,130	88.04
Other	208,826	3.60
	(Won) 5,794,366	100.00

The maturities of the trading securities except equity securities as of September 30, 2002 are summarized as follows (in millions of Won):

	Government and Municipal Bonds	**Finance Debentures**	**Corporate Bonds**	**Beneficiary Certificates**	**Total**
Due in 3 months or less	(Won)	(Won) 20,029	(Won)	(Won) 4,069,704	(Won) 4,089,733
Due after 3 months through 9 months		10,088			10,088
Due after 9 months through 1 year		19,015	20,753		39,768
Due after 1 year through 2 years	30,496	876,185	160,523		1,067,204
Due after 2 years through 3 years	193,855	71,282	40,597		305,734
Due after 3 years through 4 years	83,207		112,897		196,104
Due after 4 years through 5 years	20,275		10,449		30,724
Thereafter					

(Won) 327,833	(Won) 996,599	(Won) 345,219	(Won) 4,069,704	(Won) 5,739,355

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited-See Accountants Review Report)

5. Investment Securities:

Investment securities at September 30, 2002 and 2001 are as follows (in millions of Won):

Type	2002	2001
Equity securities		
Marketable equity securities	(Won) 277,332	(Won) 170,656
Non-marketable equity securities	350,251	263,395
Domestic related parties	1,433,906	1,044,698
	2,061,489	1,478,749
Investment in special funds		
Stock market stabilization fund	19,852	15,282
Investment union fund	22,509	14,508
	42,361	29,790
Government and municipal bonds		
Treasury bonds	2,871,688	2,036,456
Public housing bonds	292,246	398,435
Grain supply bonds	51,687	84,138
Foreign exchange stabilization bonds	964,291	692,048
Municipal bonds	43,841	174,912
	4,223,753	3,385,989
Finance debentures		
Monetary stabilization bond	1,646,635	2,863,194
Other finance debentures	620,669	1,147,068
	2,267,304	4,010,262
Corporate bonds		
Government guaranteed bonds	7,448,679	5,898,219
Other corporate bonds	3,990,820	3,778,261
	11,439,499	9,676,480
Beneficiary certificates	3,371,351	2,261,700
Securities lent	272,337	
Other investment securities[1*]	1,842	138

Securities denominated in foreign currencies		
Overseas related parties	125,638	73,345
Equity securities	30,263	27,264
Debt securities	1,063,429	914,145
	1,219,330	1,014,754
	(Won) 24,899,266	(Won) 21,857,862

1* Other investment securities include commercial paper and national stock trust.

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

5. Investment Securities, Continued;

At September 30, 2002, the amortized amount and balance sheet amount of the Bank s investment debt securities are as follows (in millions of Won):

	Par Value	Beginning Balance[1*]	Amortized Amount	Balance sheet Amount
Available for sale				
Government and municipal bonds	(Won) 1,888,966	(Won) 1,931,965	(Won) 1,903,058	(Won) 1,937,093
Finance debentures	1,598,398	1,557,695	1,561,356	1,579,783
Corporate bonds	3,975,234	3,855,626	3,807,425	3,830,535
Securities denominated in foreign currencies	1,131,495	972,504	1,007,892	987,815
	8,594,093	8,317,790	8,279,731	8,335,226
Held to maturity				
Government and municipal bonds	2,277,623	2,293,372	2,286,660	2,286,660
Finance debentures	714,700	687,462	687,522	687,521
Corporate bonds	7,574,918	7,676,733	7,608,964	7,608,964
Securities denominated in foreign currencies	94,263	75,416	75,614	75,614
	10,661,504	10,732,983	10,658,760	10,658,759
	(Won) 19,255,597	(Won) 19,050,773	(Won) 18,938,491	(Won) 18,993,985

1* Book value at December 31, 2001 or acquisition costs for the nine-month period ended September 30, 2002.

Available-for-sale debt securities in Won are recorded at fair value using the market yield of bonds provided by the Korea Securities Dealers Association. Available-for-sale debt securities in foreign currencies are recorded at fair value using the market yield of bonds provided by bond dealers.

Government and municipal bonds sold under repurchase agreements of (Won)2,504,865 million and (Won)3,640,439 million as of September 30, 2002 and 2001, respectively, are included in the investment securities (See Note 11).

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

5. Investment Securities, Continued;

Equity securities in related parties as of September 30, 2002 and 2001 are as follows (in millions of Won):

Issuer	Ownership (%)	Acquisition Cost	2002 Beginning Balance[8*]	Unrealized Gains (Losses)[9*]			Balance Sheet Amount[10*]	
				NI	R/E	C/A	2002	2001
Domestic related parties								
Kookmin Credit Card Co., Ltd.	74.27	(Won) 272,274	(Won) 873,991	(Won) 219,558	(Won) 585	(Won) 506	(Won) 1,094,640	(Won) 860,245
Kookmin Venture Capital Co.,Ltd.[1*]	99.89	155,311	179,694	(82,211)	10,155	239	107,877	116,177
Kookmin Leasing Co., Ltd.	88.66	266,646						
Kookmin Investment Trust Mgt.[2*]								32,851
Kookmin Data System Co., Ltd.	99.98	7,998	12,408	1,677			14,085	12,207
Kookmin Futures Co., Ltd.	99.98	19,996	22,515	2,229	(49)	46	24,741	22,561
KLB Securities Co., Ltd.3*	36.41	10,316						657
Jooeun Leasing Co., Ltd.	20.00	5,184	5,238	(38)		(93)	5,107	
KB Investment Trust Mgt Co.,Ltd.[4*]	80.00	39,015	32,685	10,229			42,914	
Jooeun Industrial Co., Ltd.[5*]	99.99	23,994	8,465	(8,465)				
KB Real Estate Trust Co., Ltd.[6*]	99.99	76,103	78,538	7,959			86,497	
KB Credit Information Co.Ltd.[7*]	62.57	7,935	8,082	(223)			7,859	
ING Life Korea Co., Ltd.	20.00	21,768	24,892	(8,273)			16,619	
Korea Mortgage Co.,Ltd.	28.22	30,000	32,487	1,080			33,567	
		936,540	1,278,995	143,522	10,691	698	1,433,906	1,044,698
Overseas related parties								
KB International Ltd. (London)	100.00	40,276	46,705	(234)			46,471	47,758
KB Luxembourg S.A.	100.00	21,907						3,806
Kookmin Singapore Ltd.[3*]	100.00	26,585	2,128				2,128	2,273
KookminFinance Asia Ltd.(H.K)	100.00	26,522	15,900	281			16,181	19,508

Kookmin Finance H.K Ltd.	100.00	55,924	50,331	10,527			60,858	
		171,214	115,064	10,574			125,638	73,345
		(Won) 1,107,754	(Won) 1,394,059	(Won) 154,096	(Won) 10,691	(Won) 698	(Won) 1,559,544	(Won) 1,118,043

1* Kookmin Venture Capital Co., Ltd merged with Frontier Investment Corp. and Kookmin Investment Co., Ltd, effective as of December 31, 2001 and June 27, 2002, respectively.

2* The Bank sold Kookmin Investment Trust Mgt. Co., Ltd. effective as of May 9, 2002

3* KLB Securities Co., Ltd. and Kookmin Singapore (merchant bank), Ltd. are in the process of liquidation.

4* The company changed its name from Jooeun Investment management Co. Ltd. to KB Investment Trust Management Co. Ltd., effective as of June 10, 2002.

5* Dissolution of Jooeun Industrial Co., Ltd was resolved in the general meeting of stockholders of the Company on March 19, 2002.

6* The company changed its name from Jooeun Real Estate trust Co. Ltd. to KB Real Estate trust Co. Ltd., effective as of September 16, 2002.

7* KB Credit Information Co., Ltd merged with KM Credit Information Co., Ltd. (KM), effective as of May 2, 2002 and changed its name to Kookmin Credit Information Co., Ltd.

8* The beginning balance is adjusted by dividends and changes in foreign exchange rate from the prior year s book value.

9* NI : Net Income, R/E : Retained Earnings, C/A : Capital Adjustments

10* The balance sheet amount is recorded using the monthly closing information of related parties as of September 30, 2002 if possible, otherwise the most recent financial information is used.

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

5. Investment Securities, Continued;

Equity securities, excluding equity securities in related parties, as of September 30, 2002 are as follows (in millions of Won):

Issuer	Ownership (%)	Acquisition Cost	Fair Value or Net Asset Value[1*]	Balance Sheet Amount
Marketable equity securities (KSE)				
Hyundai Construction Co., Ltd.	6.17	(Won) 140,124	(Won) 65,463	(Won) 65,463
KP Chemical Co.,Ltd	7.89	36,642	30,561	30,561
SK Securities Co., Ltd.	5.58	26,878	23,385	23,385
Kia Motors Corp.	0.65	26,281	18,922	18,922
INI Steel Co., Ltd.	2.04	9,564	14,968	14,968
Daewoo Securities Co., Ltd.	1.60	53,627	15,382	15,382
Hankang Restructuring Fund.	6.26	29,449	16,276	16,276
Ssangyong Motor Company	2.21	27,656	9,421	9,421
Shinwon Corp.	6.77	12,159	9,190	9,190
Saehan Industries Inc.	16.95	7,572	6,920	6,920
Samsung Electronics Co., Ltd.	0.02	5,205	8,955	8,955
Korea Zinc Co., Ltd.	1.91	9,008	4,972	4,972
KT	0.05	8,497	8,623	8,623
Korea Electric Power Corporation	0.05	6,120	6,180	6,180
Daewoo Engineering & Construction Co., Ltd.	1.35	5,077	5,405	5,405
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	0.29	2,500	3,956	3,956
Others		23,245	20,015	20,015
		429,604	268,594	268,594
Marketable equity securities (KOSDAQ)				
C&H capital Co., Ltd.	9.75	8,136	2,865	2,865
Seohan Co., Ltd.	13.39	1,201	1,002	1,002
KED media Co., Ltd.	2.80	500	942	942
Han Kook Capital Co., Ltd.	1.71	1,203	795	795
Tae Young Telstar Co., Ltd.	3.33	1,000	675	675
Shinwon Construction Co., Ltd.	1.79	1,622	603	603
Miju Steel Co., Ltd	4.30	1,348	426	426
KTF	0.01	436	387	387
Systems Technology Inc.	3.03	250	322	322
Others		7,000	721	721
		22,696	8,738	8,738
Non-marketable equity securities				
Mutual Fund[2*]	11.87	96,138	96,138	96,138
Korea Housing Guarantee Co., Ltd.	11.79	68,648	76,543	68,648
Daewoo Electronics Co.,Ltd.	5.71	23,800	2,357	2,357
Daewoo Telecom Ltd.	0.68	417	25	25
Kohap. Corp	2.68	861	23	23

Chonggu Co.,Ltd.	5.08	904		
Kt Icom Co., Ltd.	2.08	37,465	37,748	37,465
Dongbu Electronics Co., Ltd.	6.61	30,000	25,200	30,000
Hyundai Petrochemical Co., Ltd.	9.31	20,173	72,064	20,173
The Korea Securities Finance Corp.	2.40	8,160	10,371	8,160

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

5. Investment Securities, Continued;

Issuer	Ownership (%)	Acquisition Cost	Fair Value or Net Asset Value[1*]	Balance Sheet Amount
Korea Asset Management Corporation	5.38	7,827	5,589	7,827
Samsung Life Insurance Co., Ltd.	0.11	7,479	5,914	7,479
Korea Highway Corp.	0.12	6,248	15,528	6,248
BC Card Co., Ltd.	4.95	5,738	7,788	5,738
Mirae Asset Securities Co., Ltd.	4.43	5,000	8,212	5,000
Hanwha Investment Trust Management Co., Ltd.	11.00	3,487	4,184	3,487
Korea Vilene Co.,Ltd.	10.00	3,000	3,455	3,000
Hyundai Home Shopping Network Corporation	5.96	2,680	2,123	2,680
National Information & Credit Evaluation INC.	7.85	2,668	4,004	2,668
Korea Aerospace Industires, Ltd.	0.46	2,179	1,349	2,179
Korea Digital Satelite Broadcasting Co., Ltd.	0.65	2,174	2,029	2,174
Kyobo Investment Trust Management Co., Ltd.	7.00	2,100	3,390	2,100
C&S Microwave Co., Ltd.	6.88	2,000	785	2,000
NICE e-Banking Services	4.65	2,000	512	2,000
Others		32,682	27,947	32,682
		373,828	413,278	350,251
Foreign equity securities				
Asia Credit Services (PTE) Ltd.	6.67	12,255	9,809	9,809
Asia Finance and Investment Corp.	2.17	3,064	1,877	3,064
Nanjing Kumho Tire Co., Ltd.	6.00	2,607	1,897	2,607
Investment Development Leasing Com	10.00	1,573	2,139	2,139
Pan Asia Paper (Thailand) Co., Ltd.	2.94	3,308	1,843	1,843
Tianjin Samsung Opto-Electronics.	10.00	1,197	1,343	1,197
Others		10,668	12,532	9,604
		34,672	31,440	30,263
		(Won) 860,800	(Won) 722,050	(Won) 657,846

1* Net asset value is calculated using the monthly closing information of investees as of September 30, 2002 if possible, otherwise the most recent financial information is used.

2* Investments in mutual funds are calculated using net asset value per share provided by restructuring funds which consist of Seoul Debt-Restructuring Fund, Arirang Restructuring Fund, and Mukungwha Restructuring Fund formed to support corporate restructuring.

Unrealized gains and losses on investment securities included in net income for the nine-month period ended September 30, 2002 are summarized as follows (in millions of Won):

	Beginning Balance	Fair Value or Net Asset Value	Unrealized Gains

Investment in special funds			
Stock market stabilization fund	(Won) 18,156	(Won) 19,852	(Won) 1,696
Beneficiary certificates			
Special fund for corporate bonds	722,685	755,557	32,872
	(Won) 740,841	(Won) 775,409	(Won) 34,568

Most of the operating assets in the funds are composed of short-term financial assets and related gains and losses are recognized in the current period as gains and losses on investment in special funds.

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For the nine-month periods ended September 30, 2002 and 2001
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5. Investment Securities, Continued;

Impairment losses on investment securities for the nine-month period ended September 30, 2002 are as follows (in millions of Won):

	Acquisition Cost	Impairment Loss	Book Value
Equity Securities			
Marketable equity securities (KSE)			
Daewoo Securities Co., Ltd	(Won) 53,627	(Won) 38,245	(Won) 15,382
Ssangyong Motor Company	27,656	18,235	9,421
Woo Bang Housing Co., Ltd.	6,122	3,280	2,842
Shinwon Corp.	12,159	2,969	9,190
Hanmi Capital Co., Ltd.	2,335	849	1,486
Saehan Industries Inc.	7,572	652	6,920
Gun Young Co., Ltd.	762	441	321
Hyundae metal Co., Ltd	574	420	154
Hyundae metal Co., Ltd (preferred stocck)	266	207	59
Jindo Corporation	207	186	21
Maxon Telecom Co., Ltd (Preferred Stocck)	830	119	711
Hanchang	56	32	24
Choongnam Spinning Co., Ltd.	102	22	80
Monalisa Co., Ltd.	3	2	1
	112,271	65,659	46,612
Marketable equity securities (KOSDAQ)			
C&H Capital Co., Ltd.	8,136	5,271	2,865
Hansol Mutual Savings Bank	1,685	1,551	134
Eyesvision Corporation	1,491	1,416	75
Prochips Technology Inc.	1,323	1,161	162
Shinwon Construction Co., Ltd.	1,622	1,019	603
Miju Steel Co., Ltd.	1,348	922	426
Growell Telecom Co., Ltd.	1,000	917	83
NetSecure Technology, Inc.	954	841	113
Han Kook Capital Co., Ltd.	1,203	408	795
Ssangyong Engineering & Construction Co., Ltd	548	392	156
Seohan Co., Ltd.	1,201	199	1,002
	20,511	14,097	6,414
Non-marketable equity securities			
Daewoo Electronics Co., Ltd.	23,800	21,443	2,357
Chonggu Co., Ltd.	904	904	
Kohap. Corp	861	838	23
Daewoo Telecom, Ltd.	417	392	25
	25,982	23,577	2,405

Foreign equity securities			
Asia Credit Services (PTE), Ltd.	12,255	2,446	9,809
Pan Asia Paper (Thailand) Co.,Ltd.	3,308	1,465	1,843
Sahavirya Steel Inc.	919	294	625
	16,482	4,205	12,277
	175,246	107,538	67,708

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For the nine-month periods ended September 30, 2002 and 2001
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5. Investment Securities, Continued;

	Acquisition Cost	Impairment Loss	Book Value
Debt Securities			
Corporate bonds			
Subordinated ABS bond	59,500	13,100	46,400
Debt securities denominated in foreign currencies			
Daehan Investment Trust Co., Ltd.(TRS-SWAP)	43,893	14,726	29,167
Essar Gujarat LTD	1,838	1,348	490
SMM Finance Cayman Islands	1,532	1,195	337
PT Argo Pantes	1,532	797	735
Amsteel Corporation Bhd	919	680	239
PT Bakrie Investindo	735	676	59
Tuntex	918	275	643
PT Fiskar Agung Jakarta	184	184	
PT Pelabuan	11,778	4,425	7,353
PT Indorayon	1,532	1,501	31
PT Pelabuan	2,543	705	1,838
Kohap Global Inv.	368	368	
Dhamala	306	275	31
	68,078	27,155	40,923
	127,578	40,255	87,323
	(Won) 302,824	(Won) 147,793	(Won) 155,031

Recovery of impairment losses on equity investment securities for the nine-month period ended September 30, 2002 is (Won)15,318 million for the investment in Korea Housing Guarantee Co., Ltd. Recovery of impairment losses on debt investment securities for the period then ended is (Won)12,380 million for the investments in Subordinated ABS bond.

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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5. Investment Securities, Continued;

Investment securities risk concentrations as of September 30, 2002 are as follows (in millions of Won):

	Securities in Won[1*]		Securities in foreign currencies	
	Amount	Ratio (%)	Amount	Ratio (%)
By Geography				
Korea	(Won) 23,407,599	100.00	(Won) 944,484	77.46
Philippines			66,415	5.45
USA			67,927	5.57
Germany			34,315	2.81
Mexico			19,516	1.60
Indonesia			19,241	1.58
Thailand			14,094	1.16
India			13,462	1.10
Hong Kong			12,196	1.00
Others			27,680	2.27
	(Won) 23,407,599	100.00	(Won) 1,219,330	100.00
By Type				
Fixed rate bonds	(Won) 15,679,322	66.98	(Won) 272,034	22.31
Floating rate bonds	1,610,529	6.88	404,600	33.18
Subordinated bonds	472,922	2.02	161,296	13.23
Convertible bonds	31,758	0.14	208,680	17.11
Equity securities	2,061,489	8.81	155,901	12.79
Others	3,551,579	15.17	16,819	1.38
	(Won) 23,407,599	100.00	(Won) 1,219,330	100.00
By Industry				
Governmental institutions	(Won) 4,223,753	18.04	(Won)	
Government invested institutions	8,117,754	34.68	197,596	16.21
Financial institutions	5,885,547	25.14	509,676	41.80
Others	5,180,545	22.14	512,058	41.99
	(Won) 23,407,599	100.00	(Won) 1,219,330	100.00

1* Securities lent are not included.

The maturities of the investment securities, excluding investment equity securities, investment in special funds and securities lent, as of September 30, 2002 are summarized as follows (in millions of Won):

	Corporate Bonds	Others	Total

	Government and Municipal Bonds	Finance Debentures			Securities in foreign currencies	
Due in 3 months or less	(Won) 345,499	(Won) 60,673	(Won) 467,234	(Won) 2,657,158	(Won) 146,913	(Won) 3,677,477
Due after 3 months through 6 months	57,275	582,843	760,362	535,378	63,501	1,999,359
Due after 6 months through 9months	38,571	382,683	625,731	180,657	100,476	1,328,118
Due after 9 months through 1 year	356,598	137,386	4,095,070		39,377	4,628,431
Due after 1 year through 2 years	990,157	995,890	2,105,892		335,497	4,427,436
Due after 2 years through 3 years	1,253,857	107,829	2,059,264		75,807	3,496,757
Due after 3 years through 4 years	214,685		1,019,074		116,319	1,350,078
Due after 4 years through 5 years	812,643		25,453		34,028	872,124
Thereafter	154,468		281,419		151,511	587,398
	(Won) 4,223,753	(Won) 2,267,304	(Won) 11,439,499	(Won) 3,373,193	(Won) 1,063,429	(Won) 22,367,178

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

5. Investment Securities, Continued;

Currency concentrations of securities denominated in foreign currencies as of September 30, 2002 are as follows (in millions of Won):

	Investment Securities	
	Amount	**Ratio (%)**
USD	(Won) 1,121,481	91.98
GBP	46,471	3.81
JPY	40,357	3.31
DEM	5,480	0.45
THB	2,549	0.21
BDT	2,139	0.18
PHP	467	0.04
SFR	348	0.02
IDR	38	0.00
	(Won) 1,219,330	100.00

Securities lent as of September 30, 2002 are as follows (in millions of Won):

Company	**Securities**	**Amount**
LG Engineering & Construction Co., Ltd.	Corporate bonds	(Won) 188,501
Korea Development Corp.	Treasury bonds	10,153
Kyung Nam Enterprises Ltd.	Treasury bonds	73,683
		(Won) 272,337

Trading and investment securities of (Won)5,091,273 million (par value) can be discounted at the Bank of Korea as of September 30, 2002.

As of September 30, 2002, the following investment securities are pledged at various institutions (in millions of Won):

Related Liability		**Securities Provided**	
Transaction	**Amount**	**Book Value**	**Pledge Value**
Sale of RP	(Won)2,504,865	(Won) 5,486,782	(Won) 5,330,950
BOK borrowings	1,664,708	2,175,778	2,131,250
BOK settlements	Borrowing within credit line	348,153	339,900
Sale of non-performing loans	Borrowing within credit line	170,641	166,671
Derivatives transactions	Borrowing within credit line	98,094	106,000
Securities transactions	41,816	43,260	42,000
Foreign currency transactions	Borrowing within credit line	1,894	1,900

(Won)	8,324,602	(Won)	8,118,671

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

6. Loans:

Loans as of September 30, 2002 and 2001 are summarized as follows (in millions of Won):

Account	Detailed Account	2002	2001
Loans in Won			
Corporate loans	Operation loans		
	General operation loans	(Won) 27,640,862	(Won) 19,080,910
	Notes discounted	1,695,815	1,610,147
	Overdraft accounts	709,871	235,160
	Trading notes	844,982	594,055
	Other operation loans	3,440,759	1,910,464
		34,332,289	23,430,736
	Facility loans		
	General facility loans	3,857,127	3,296,505
	Special purpose loans	7,786	397,316
	Other facility loans	1,298,554	876,670
		5,163,467	4,570,491
		39,495,756	28,001,227
Consumer loans	General consumer loans	38,439,359	16,997,861
	Consumer housing loans	31,318,266	2,317,155
	Consumer benefit loans	62,799	21,340
	Other consumer loans	674,854	168,548
		70,495,278	19,504,904
Public loans	Public operation loans	738,637	323,349
	Public facility loans	50,493	35,973
		789,130	359,322
Other loans	Property formation loans	101,560	192,266
	Inter-bank loans	24,598	40,704
	Factoring loans	35,204	
	Others	5,901	1,538
		167,263	234,508
		110,947,427	48,099,961

Loans in foreign currencies	Domestic funding loans	1,504,941	1,554,593
	Overseas funding loans	925,764	898,018
	Inter-bank loans	1,082,357	1,148,715
	Domestic usance bills	4,722	4,724
	Government funding loans	3,425	8,506
		3,521,209	3,614,556
Bills bought in Won		30,080	161,166
Bills bought in foreign currencies		803,457	1,036,400
Payments on guarantees		73,337	238,704
Credit card accounts		6,092,484	20,304
Bonds purchased under resale agreements (RP)			10,000

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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6. Loans, Continued;

Account	Detailed Account	2002	2001
Call loans	Call loans in Won	450,000	1,330,100
	Call loans in foreign currencies	340,483	246,172
	Inter-bank reconciliation funds	52,286	14,308
		842,769	1,590,580
Privately placed debentures		1,397,757	1,889,448
Loans convertible to equity securities		17,543	36,708
		123,726,063	56,697,827
Allowances for loan losses(Note 7)		(2,342,830)	(1,703,207)
Present value discounts		(32,287)	(109,340)
		(Won) 121,350,946	(Won) 54,885,280

Restructured loans due to the commencement of workout plans or other similar restructuring programs at September 30, 2002 are as follows (in millions of Won):

		Settlements by issuance or grants of					
	Balances before Restructuring	Exemption	Convertible Loans[1*]	Equity Securities	Convertible Bonds	Balances after Restructuring	Present Value Discounts
Workout	(Won) 351,065	(Won) 1,099	(Won) 17,543	(Won) 90,106	(Won) 24	(Won) 242,293	(Won) 7,081
Court receivership	138,919			96,443		42,476	10,585
Court mediation	204,819			2,398		202,421	14,621
	(Won) 694,803	(Won) 1,099	(Won) 17,543	(Won) 188,947	(Won) 24	(Won) 487,190	(Won) 32,287

1* The loans, or portions thereof, that are agreed to debt restructuring by issuance or grants of equity are separately classified as loans convertible into equity securities as of the agreement date. The loans convertible into equity securities are stated at the lower of nominal amount or the fair value of the to-be-converted equity interest. The difference between the nominal amount and the fair value of equity interest is adjusted in related allowance for loan losses.

The maturities of loans as of September 30, 2002 are as follows (in millions of Won):

Loans in Won	Loans in foreign currencies	Bills bought[1*]	Credit card	Call loans	Privately Placed Debentures	Others	Total

Due in 3 months or less	(Won)	14,078,419	(Won) 1,265,762	(Won) 722,777	(Won) 4,075,164	(Won) 842,769	(Won) 215,083	(Won) 19,929	(Won) 21,219,903
Due after 3 months through 6 months		13,458,379	655,780	60,959	1,011,598		97,605	32,281	15,316,602
Due after 6 months through 1 year		23,780,652	359,688	33,964	952,702		304,325	8,057	25,439,388
Due after 1 year through 2 years		12,556,085	380,958	6,335	23,561		288,548	8,038	13,263,525
Due after 2 years through 3 years		28,033,835	199,133	6,335	15,377		242,269		28,496,949
Due after 3 years through 4 years		3,708,421	90,995	3,167	9,331		234,258		4,046,172
Due after 4 years through 5 years		2,953,850	106,479		4,751		15,004		3,080,084
Thereafter		12,377,786	462,414				665	22,575	12,863,440
	(Won)	110,947,427	(Won) 3,521,209	(Won) 833,537	(Won) 6,092,484	(Won) 842,769	(Won) 1,397,757	(Won) 90,880	(Won) 123,726,063

1* Bills bought in Won and Bills bought in foreign currencies

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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6. Loans, Continued;

Loan risk concentrations as of September 30, 2002 are as follows (in millions of Won):

	Loans in Won	Loans in foreign currencies	Others	Total	Percentage (%)
by country					
Korea	(Won) 110,947,427	(Won) 2,950,701	(Won) 9,195,805	(Won) 123,093,933	99.49
Southeast Asia		69,782	37,196	106,978	0.09
Russia		121,325		121,325	0.10
China		6,752		6,752	0.01
Japan		242,988	24,220	267,208	0.21
Others		129,661	206	129,867	0.10
	(Won) 110,947,427	(Won) 3,521,209	(Won) 9,257,427	(Won) 123,726,063	100.00
by industry					
Financial institutions	(Won) 574,494	(Won) 1,676,538	(Won) 892,534	(Won) 3,143,566	2.54
Manufacturing companies	15,240,080	841,550	1,309,224	17,390,854	14.06
Service companies	3,225,836	750,076	57,829	4,033,741	3.26
Others	21,304,277	188,224	944,778	22,437,279	18.13
	40,344,687	3,456,388	3,204,365	47,005,440	37.99
Households	70,602,740	64,821	6,053,062	76,720,623	62.01
	(Won) 110,947,427	(Won) 3,521,209	(Won) 9,257,427	(Won) 123,726,063	100.00
by customer					
Industrial loans	(Won) 40,240,618	(Won) 3,446,196	(Won) 3,204,365	(Won) 46,891,179	37.90
Household loans	70,602,740	64,821	6,053,062	76,720,623	62.01
Public and other loans	104,069	10,192		114,261	0.09
	(Won) 110,947,427	(Won) 3,521,209	(Won) 9,257,427	(Won) 123,726,063	100.00

7. Allowances for Loan Losses:

As of September 30, 2002 and 2001, allowances for loan losses are as follows (in millions of Won):

Allowance for	2002	2001
Loans in Won	(Won) 1,820,283	(Won) 993,072
Loans in foreign currencies	98,531	265,026
Bills bought in Won and bills bought in foreign currencies	24,868	113,545

Payments on guarantees	41,991	151,738
Credit card accounts	286,561	101
Privately placed debentures	38,679	148,960
Loans convertible into equity securities	9,268	27,082
Suspense receivables	13,734	1,526
Others[1*]	8,915	2,157
	(Won) 2,342,830	(Won) 1,703,207

1* The Bank provides allowances amounting to 7,133 million Won for the estimated losses from the repurchase of loans sold to KAMCO that are under the repurchase agreement (See Note 17).

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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7. Allowances for Loan Losses, Continued;

As of September 30, 2002, allowances for loan losses and credit risk classifications are as follows (in millions of Won):

		Normal	Precautionary	Substandard	Doubtful	Estimated Loss	Total
Loans in Won	Loan balance	(Won) 103,473,794	(Won) 4,588,006	(Won) 2,155,073	(Won) 501,339	(Won) 202,153	(Won) 110,920,365
	Allowances	687,793	162,533	458,912	308,892	202,153	1,820,283
	Percentage(%)	0.66	3.54	21.29	61.61	100.00	1.64
Loans in foreign currencies	Loan balance	3,192,438	118,523	169,464	27,443	8,985	3,516,853
	Allowances	10,550	8,575	54,959	15,462	8,985	98,531
	Percentage(%)	0.33	7.23	32.43	56.34	100.00	2.80
Bills bought[1*]	Loan balance	669,132	139,916	3,833	8,996	11,660	833,537
	Allowances	3,346	2,798	767	6,297	11,660	24,868
	Percentage(%)	0.50	2.00	20.01	70.00	100.00	2.98
Payments on guarantees	Loan balance	3,950	3,791	25,690	28,960	10,088	72,479
	Allowances	20	481	5,138	26,264	10,088	41,991
	Percentage(%)	0.51	12.69	20.00	90.69	100.00	57.94
Credit card accounts	Loan balance	5,497,172	282,912	41	251,456	60,903	6,092,484
	Allowances	54,972	19,804	8	150,874	60,903	286,561
	Percentage(%)	1.00	7.00	19.51	60.00	100.00	4.70
Call loans	Loan balance	842,769					842,769
	Allowances						
	Percentage(%)	0.00	0.00	0.00	0.00	0.00	0.00
Privately placed debentures	Loan balance	1,293,108	17,274	71,771	14,232	1,361	1,397,746
	Allowances	6,466	1,026	17,754	12,072	1,361	38,679

	Percentage(%)	0.50	5.94	24.74	84.82	100.00	2.77
Convertible loans[2*]	Loan balance		15,650	1,637	256		17,543
	Allowances		8,123	941	204		9,268
	Percentage(%)	0.00	51.90	57.48	79.69	0.00	52.83
Total loans	Loan balance[3*]	(Won) 114,972,363	(Won) 5,166,072	(Won) 2,427,509	(Won) 832,682	(Won) 295,150	(Won) 123,693,776
	Allowances[4*]	763,147	203,340	538,479	520,065	295,150	2,320,181
	Percentage(%)	0.66	3.94	22.18	62.46	100.00	1.88

1* Bills bought in Won and Bills bought in foreign currencies
2* Loans convertible into equity securities
3* The above amounts of loan balances are net of present value discounts.
4* The above amounts of allowances for loan losses do not include the allowances for suspense receivables and other allowances.

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For the nine-month periods ended September 30, 2002 and 2001
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7. Allowances for Loan Losses, Continued;

The movements in allowances for loan losses for the nine-month periods ended September 30, 2002 and 2001, are as follows (in millions of Won):

	2002	2001
Beginning Balance	(Won) 2,271,179	(Won) 1,826,700
Increase due to:		
Provision for loan losses	946,200	509,324
Collection of written-off loans	191,862	47,087
Troubled debt restructuring	51,631	31,442
Repurchase of loans sold	6,560	3,307
Others	28,604	17,085
	1,224,857	608,245
Decrease due to:		
Written-off loans	891,010	498,626
Sale of loans	65,370	42,576
Conversion of loans into equity securities	119,986	137,264
Exemption of loans	7,094	35,733
Set-off with present value discounts from troubled debt restructuring	46,651	17,539
Change in exchange rates and others	23,095	
	1,153,206	731,738
Ending Balance	(Won) 2,342,830	(Won) 1,703,207

As of September 30, 2002 and 2001, the ratios of allowances for loan losses to loans are as follows (in millions of Won):

	2002	2001
Loans[1*]	(Won) 123,693,776	(Won) 56,588,487
Allowances for loan losses[2*]	2,320,181	1,699,524
Ratio (%)	1.88	3.00

1* The above amounts of loans are net of present value discounts and suspense receivables.
2* The above amounts of allowances for loan losses do not include the allowances for suspense receivables and other allowances.

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8. Fixed Assets:

Fixed assets at June 30, 2002 and 2001 comprise the following (in millions of Won):

	2002			2001		
	Acquisition Cost	Accumulated Depreciation	Net Carrying Value	Acquisition Cost	Accumulated Depreciation	Net Carrying Value
Tangible assets						
Land	(Won) 1,176,052	(Won)	(Won) 1,176,052	(Won) 734,210	(Won)	(Won) 734,210
Buildings and structures	824,289	103,556	720,733	512,850	86,232	426,618
Leasehold improvements	73,934	41,736	32,198	30,966	26,351	4,615
Equipment and vehicles	988,627	524,055	464,572	508,223	406,310	101,913
Constructions in progress	7,513		7,513	5,440		5,440
	(Won) 3,070,415	(Won) 669,347	(Won) 2,401,068	(Won) 1,791,689	(Won) 518,893	(Won) 1,272,796
Intangible assets			633,791			5,855
Foreclosed assets (net of valuation allowance)			1,488			2,062
			(Won) 3,036,347			(Won) 1,280,713

In accordance with the General Banking Act, the Bank is prohibited from investing in non-business purpose real property and may only hold business-purpose real property within its own equity amount.

All of the Bank s property and equipment, other than those personal properties valued under (Won)1 million, are covered by insurance policies of (Won)986,233 million and (Won)592,394 million as of September 30, 2002 and 2001, respectively. All vehicles are covered by legal and general insurance policies.

Movements in intangible assets for the nine-month period ended September 30, 2002 are as follows (in millions of Won):

	Acquisition Cost	Increase	Accumulated Depreciation	Net Carrying Value
Goodwill due to the combination with H&CB	(Won) 692,050	(Won)	(Won) 58,759	(Won) 633,291
Premiums for rented store	196	101	34	263
Rights to income on donated asset	117		6	111
Trademarks	23		10	13
Others	4	117	8	113
	(Won) 692,390	(Won) 218	(Won) 58,817	(Won) 633,791

The total government-posted price of land for tax imposition and compensation for confiscation as of September 30, 2002 and 2001 is as follows (in millions of Won):

	2002		2001	
	Book Value	**Appraisal Value**	**Book Value**	**Appraisal Value**
Lands included in tangible assets	(Won) 1,176,052	(Won) 982,636	(Won) 734,210	(Won) 604,127
Lands included in foreclosed assets	2,885	952	3,928	1,444
	(Won) 1,178,937	(Won) 983,588	(Won) 738,138	(Won) 605,571

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For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

9. Other Assets:

Other assets at September 30, 2002 and 2001 comprise the following (in millions of Won):

	2002	2001
Guarantee deposits paid	(Won) 1,209,864	(Won) 619,832
Accounts receivable	2,564,567	1,835,236
Accrued income	1,050,577	1,017,319
Payments in advance	51,732	31,428
Prepaid expenses	18,890	43,906
Deferred income tax debits	29,274	
Derivative assets (Note16)	597,147	278,910
Unsettled exchange assets	555,708	282,566
Loans to trust accounts	72,023	231,145
Others	17,144	13,375
	(Won) 6,166,926	(Won) 4,353,717

10. Deposits:

Deposits at September 30, 2002 and 2001 comprise the following (in millions of Won):

	Annual Interest (%)	2002	2001
Deposits in Won			
Demand deposits			
Current deposits		(Won) 54,036	(Won) 160,432
Household deposits	0.50	460,005	373,058
Passbook deposits	0.50	7,874,163	2,450,355
Temporary deposits		3,991,798	2,045,080
Public fund deposits	0.50	129,440	65,791
Others		10,916	5
		12,520,358	5,094,721
Time deposits and savings deposits			
Time deposits	3.50-5.35	58,684,886	27,145,399
Installment savings deposits	4.20-5.15	1,480,217	621,731
Savings deposits for money sum	8.50-10.5	2,324	203
Time and savings deposits of non-resident citizens in won		87,292	
General savings deposits	0.50-3.80	21,884,786	12,143,150
Unrestricted corporate savings deposits	0.50-3.80	6,782,773	4,695,726
Long term savings for employees	8.20-13.5	362,184	457,163
Long term housing savings	5.65	470,634	52,501
Long term savings for households	5.15-12.0	2,339,154	1,934,446
Employee preferential savings deposits	5.35	2,985,423	1,042,087

Housing savings deposits for employees	5.65	85	36
Mutual installment deposits	3.50-5.25	7,604,811	6,157,727
Housing installment deposits	4.85-5.25	4,660,379	367,236
		107,344,948	54,617,405
		119,865,306	59,712,126

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For the nine-month periods ended September 30, 2002 and 2001
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10. Deposits, Continued;

Deposits at September 30, 2002 and 2001 comprise the following (in millions of Won):

	Annual Interest (%)	2002	2001
Deposits in foreign currencies			
Demand deposits			
Current deposits	0.00-3.00	28,781	21,452
Passbook deposits	0.10-0.57	435,696	278,694
Notice deposits	0.20-3.50	25,216	19,660
Temporary deposits		5,214	2,959
		494,907	322,765
Time deposits and savings deposits			
Time deposits	0.50-5.40	489,006	496,262
Others		2,502	3,284
		491,508	499,546
		986,415	822,311
Certificates of deposit	4.00-4.80	2,327,069	1,820,741
		(Won) 123,178,790	(Won) 62,355,178

The maturities of deposits as of September 30, 2002 are as follows (in millions of Won):

	Deposits in Won	Deposits in foreign currencies	Certificates of Deposit	Total
Due in 3 months or less	(Won) 63,695,060	(Won) 856,360	(Won) 979,871	(Won) 65,531,291
Due after 3 months through 6 months	14,668,658	85,717	1,287,626	16,042,001
Due after 6 months through 1 year	27,093,123	29,384	59,572	27,182,079
Due after 1 year through 2 years	8,795,276	12,716		8,807,992
Due after 2 years through 3 years	4,069,012	2,138		4,071,150
Due after 3 years through 4 years	946,427	24		946,451
Due after 4 years through 5 years	263,685	76		263,761
Thereafter	334,065			334,065
	(Won) 119,865,306	(Won) 986,415	(Won) 2,327,069	(Won) 123,178,790

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

11. Borrowings:

Borrowings as of September 30, 2002 and 2001 comprise the following (in millions of Won):

	Annual Interest (%)	2002	2001
Borrowings in Won			
Borrowings from the Bank of Korea			
Security collateralized borrowings	2.50	(Won) 1,664,708	(Won) 1,046,344
Others	5.00		1,677
		1,664,708	1,048,021
Borrowings from the government			
Borrowings from public finance	5.00-5.57	369,552	85,835
Others	0.00-8.30	695,708	534,087
		1,065,260	619,922
Borrowings from banking institutions			
Debenture funds for the development of small to medium industries	4.60-9.55	374,236	118,851
Other borrowings from domestic banks			208,997
		374,236	327,848
Borrowings from National Housing Fund	8.00	9,321	
Borrowings from non-banking financial institutions			
Borrowings from Korea Development Bank	2.00-5.00	6,520	405
Subordinated borrowings	5.59-6.52	580,000	430,000
Other finance borrowings			117,480
		586,520	547,885
Other borrowings			
Borrowings from local governments	2.20-8.00	394,850	442,209
Borrowings from Small and Medium Industry Promotion	4.90-5.75	702,327	665,040
Others	3.00-7.00	82,499	133,109
		1,179,676	1,240,358
		4,879,721	3,784,034
Borrowings denominated in foreign currencies			
Borrowings from domestic banks	3.11	549,473	660,614
Borrowings from foreign banks	2.86	1,675,799	837,277

Borrowings from other financial institutions	2.21	23,575	190,422
		2,248,847	1,688,313
Bonds sold under repurchase agreements	2.03-4.85	2,504,865	3,640,439
Bills sold	4.00-4.80	81,584	501,070
Due to the Bank of Korea denominated in foreign currencies		49,061	136,872
Call money			
Won	3.75-4.15	280,800	
Foreign currencies	0.25-5.90	209,502	229,539
		490,302	229,539
		(Won) 10,254,380	(Won) 9,980,267

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For the nine-month periods ended September 30, 2002 and 2001
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11. Borrowings, Continued;

The maturities of borrowings as of September 30, 2002 are as follows (in millions of Won):

	Borrowings in Won	Borrowings in foreign currencies	Others	Total
Due in 3 months or less	(Won) 2,362,756	(Won) 997,707	(Won) 2,829,292	(Won) 6,189,755
Due after 3 months through 6 months	217,139	150,422	141,058	508,619
Due after 6 months through 1 year	111,992	444,809	155,462	712,263
Due after 1 year through 2 years	601,003	274,696		875,699
Due after 2 years through 3 years	446,397	105,409		551,806
Due after 3 years through 4 years	352,886	100,399		453,285
Due after 4 years through 5 years	241,740	100,105		341,845
Thereafter	545,808	75,300		621,108
	(Won) 4,879,721	(Won) 2,248,847	(Won) 3,125,812	(Won) 10,254,380

12. Debentures:

Debentures as of September 30, 2002 and 2001 comprise the following (in millions of Won):

	Annual Interest (%)	2002	2001
Debentures in Won			
Subordinated debentures	6.69-15.66	(Won) 4,054,140	(Won) 1,876,231
Discounted debentures	4.12-13.79	790,183	1,241,139
Coupon debentures	4.75-16.75	1,523,205	167,362
Compound interest debentures	4.76-17.69	6,414,846	988,143
		12,782,374	4,272,875
Discounts on debentures		(208,830)	(10,751)
		12,573,544	4,262,124
Debentures denominated in foreign currencies			
Subordinated debentures	3.00-3.56	479,945	576,004
Coupon debentures	1.97-5.00	465,692	779,792
		945,637	1,355,796
Discounts on debentures		(4,255)	(5,858)
		941,382	1,349,938
		(Won) 13,514,926	(Won) 5,612,062

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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12. Debentures, Continued;

As of September 30, 2002, debentures in Won comprise the following:

	Issue Date	Hundred millions of Won	Annual Interest (%)	Maturity
Subordinated				
Floating rate	1998-12-29	(Won) 2,212	5.98	2004-03-31
	1998-12-29	883	6.98	2004-03-31
Fixed rate	1997-12-26	400	15.30	2002-12-26
	1997-12-29	1,000	16	2004-01-05
	1998-06-18	600	15.66	2003-07-18
	1998-06-23	1,749	15.02	2003-11-15
Sold over the counter	1997-01-08	1,051	11.04-15.66	2003-01-08
	2000-03-27	2,000	9.65	2005-03-27
	2000-06-28	2,540	9.04-9.10	2006-01-28
	2000-09-27	3,000	8.99	2006-01-27
	2000-09-28	1,500	8.79-8.85	2006-01-28
	2000-11-28	1,000	8.65-8.71	2006-02-28
	2000-11-28	1,620	9.57-9.65	2010-11-28
	2000-12-27	2,000	8.71	2006-01-27
	2001-05-28	2,000	7.60-7.65	2007-02-28
	2001-06-27	1,600	7.68	2008-03-27
	2001-06-27	2,175	7.86	2009-03-27
	2001-08-28	1,000	6.69-6.73	2007-08-28
	2001-09-28	1,500	6.69-6.73	2008-03-28
	2002-03-27	2,417	7.06-7.10	2008-01-27
	2002-07-27	3,024	6.96-7.00	2008-01-27
	2002-09-27	2,574	6.27-6.30	2008-03-27
	2002-09-27	1,500	6.51-6.55	2010-03-27
	2002-09-27	926	6.66-6.70	2013-03-27
Housing debentures	1998-12-31	270	5.98	2004-03-31
Non-subordinated				
Fixed rate	2000-11-28	2,000	7.01	2003-11-28
	2000-12-28	1,600	7.01	2003-12-28
	2001-02-28	800	5.48	2004-02-28
	2001-06-28	2,300	5.87	2004-06-28
	2001-07-28	600	5.82-5.87	2004-07-28
	2001-08-28	600	5.82	2004-08-28
	2001-10-28	500	4.21	2002-10-28
	1988.07-2002.06	78,870	4.12-17.69	1991.04-2007.09
Sold over the counter	1989.08-2000.09	13	6.28-16.28	1990.11-2005.03
		(Won) 127,824		

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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12. Debentures, Continued;

As of September 30, 2002, debentures denominated in foreign currencies comprise the following:

	Issue Date	Thousands of Dollars		Annual Interest (%)	Maturity	Listings
Subordinated						
Floating rate	1996-12-30	USD	190,000	3.76	2006-12-30	Luxembourg
Convertible bond (CB)	1999-06-14	USD	200,000	3.00	2005-06-14	Not listed
Non-subordinated						
Floating rate	2002-04-03	USD	46,000	2.04	2003-04-02	Not listed
	2002-04-03	USD	81,000	2.15	2004-04-02	Not listed
	1997-10-30	USD	33,340	3.32	2002-10-30	Not listed
	2000-04-10	USD	40,000	3.39	2003-04-10	Not listed
	2000-06-02	USD	10,000	3.38	2003-06-02	Not listed
	2000-08-10	USD	12,500	2.65	2003-08-11	Not listed
	2002-07-03	HKD	800,000	1.96	2003-07-02	Not listed
Fixed rate	2000-04-20	SGD	100,000	5.00	2003-04-20	Not listed
USD Equivalent (in thousands of USD)		USD	771,634			
KRW Equivalent (in millions of Won)		(Won)	945,637			

Among the debentures in foreign currencies, the subordinated debenture series issued during 1996 have annual call redemption options, which may be exercised on or after 5 years from the issuance dates

USD 10,000 thousand of the Bank s own debentures in foreign currencies reacquired by the Bank are deducted from the debentures series issued on December 30, 1996.

As of September 30, 2002, the conversion terms of the subordinated convertible bonds outstanding in the debentures in foreign currencies are as follows:

	Fixed Rate Subordinated CB
Face value	USD 200 million
Issue price	USD 200 million
Book value	(Won)245,100,000,000
Conversion price	(Won)22,124 per share
Conversion stock	Common stock
Convertible period	1999-07-14 2005-06-14
Conversion exchange rate	US$ 1: (Won)1,170.50
Method of redemption	Fully redeemed at maturity

The maturities of debentures as of September 30, 2002 are as follows (in millions of Won):

	Won	Foreign currencies	Total

Due in 3 months or less	(Won) 880,586	(Won) 40,858	(Won) 921,444
Due after 3 months through 6 months	1,947,157		1,947,157
Due after 6 months through 1 year	4,451,977	327,569	4,779,546
Due after 1 year through 2 years	1,584,710	99,265	1,683,975
Due after 2 years through 3 years	615,289	245,100	860,389
Due after 3 years through 4 years	1,122,283		1,122,283
Due after 4 years through 5 years	1,983,421	232,845	2,216,266
Thereafter	196,951		196,951
	(Won) 12,782,374	(Won) 945,637	(Won) 13,728,011

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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13. Other Liabilities:

Other liabilities at September 30, 2002 and 2001 comprise the following (in millions of Won):

	2002	2001
Accrued retirement benefits (Note 14)	(Won) 71,591	(Won) 260,635
Allowance for loss on acceptances and guarantees (Note 15)	22,124	24,993
Due to trust accounts	856,873	686,331
Accounts payable	2,512,391	1,891,607
Accrued expenses	4,785,644	2,356,860
Advances from customers	71,201	33,478
Unearned income	137,172	119,319
Withholding taxes	80,425	55,111
Guarantee deposits received	117,172	86,115
Deferred tax liabilities (Note 26)		5,506
Derivative liabilities (Note 16)	518,174	277,206
Unsettled domestic exchange transaction	62,812	295,919
Due to agencies	527,102	65,103
Other allowances[1]*	25,114	
Giro accounts	240,279	56,767
Others	221,371	30,659
	(Won) 10,249,445	(Won) 6,245,609

1* Other allowances comprise following (in millions of Won):

	Amounts	Remarks
Suspense receivables	(Won) 6,500	Allowance for loss on accident
Loss on closure of overseas branch	5,898	Allowance for loss on closure of the branch in Buenos Aires
Uncollected leasehold deposits	4,757	Allowance for loss on uncollected leasehold deposits
Credit card receivables	7,959	Allowance for unused cash advance to offset the risk of loss occurring from it
	(Won) 25,114	

14. Accrued Retirement Benefits:

The movements in accrued retirement benefits for the nine-month period ended September 30, 2002 are as follows (in millions of Won):

	Beginning Balance	Amounts Provided	Amounts Paid Out	Ending Balance
Retained retirement benefits	(Won) 21,973	(Won) 59,669	(Won) 10,046	(Won) 71,596
Contributed retirement benefits	28,414	492	192	28,714

Total accrued retirement benefits	50,387	60,161	10,238	100,310
Contribution to National Pension Fund	(33)		(28)	(5)
Contribution to pension funds	(28,414)	(492)	(192)	(28,714)
	(Won) 21,940	(Won) 59,669	(Won) 10,018	(Won) 71,591

Contributed retirement benefits, comprising approximately 28.63% of total accrued retirement benefits as of September 30, 2002, are contributions to pension funds at 2 insurance companies, including Korea Life Insurance Co., Ltd., and the Bank s employees hold the right of payment from these funds.

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For the nine-month periods ended September 30, 2002 and 2001
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15. Guarantees and Acceptances:

Guarantees and acceptances at September 30, 2002 and 2001 are summarized as follows (in millions of Won):

		2002	2001
Guarantees and acceptances outstanding			
Guarantees and acceptances in Won	Guarantees on debentures	(Won) 580	(Won) 5,363
	Guarantees on loan collateral	38,953	46,821
	Guarantees on commercial bills	723	25
	Others	243,599	137,471
		283,855	189,680
Guarantees and acceptances in foreign currencies	Acceptances on letters of credit	2,135,504	1,912,235
	Acceptances for letters of guarantee for importers	88,880	70,205
	Guarantees for performance	104,804	94,272
	Guarantees for bid	1,121	1,008
	Guarantees for borrowings	26,494	23,832
	Guarantees for repayment of advances	27,236	24,499
	Others	341,408	325,504
		2,725,447	2,451,555
Contingent guarantees and acceptances		3,009,302	2,641,235
	Letters of Credit	1,204,271	1,117,188
	Others	132,536	309,399
		1,336,807	1,426,587
		(Won) 4,346,109	(Won) 4,067,822

At September 30, 2002 the allowances for losses on guarantees and acceptances outstanding according to credit risk classifications are as follows (in millions of Won):

		Normal	Precautionary	Substandard	Doubtful	Estimated Loss	Total
Guarantees and acceptances in Won	Balance	(Won) 270,047	(Won) 11,856	(Won) 1,800	(Won) 152	(Won)	(Won) 283,855
	Allowance			360	136		496
	Ratio (%)			20.00	89.47	100	0.17

Guarantees and acceptances in foreign currencies	Balance	2,551,395	121,282	37,686	14,923	161	2,725,447
	Allowance			10,620	10,847	161	21,628
	Ratio (%)			28.18	72.69	100.0	0.79
Total	Balance	(Won) 2,821,442	(Won) 133,138	(Won) 39,486	(Won) 15,075	(Won) 161	(Won) 3,009,302
	Allowance			10,980	10,983	161	22,124
	Ratio (%)			27.81	72.86	100.0	0.74

The allowance ratios to guarantees and acceptances outstanding as of September 30, 2002 and 2001 are as follows (in millions of Won):

	2002	2001
Guarantees and acceptances outstanding	(Won) 3,009,302	(Won) 2,641,235
Allowances for losses from guarantees and acceptances outstanding	22,124	24,993
Ratio (%)	0.74	0.95

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KOOKMIN BANK

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For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

15. Guarantees and Acceptances, Continued;

For the nine-month periods ended September 30, 2002 and 2001, the allowances for losses on guarantees and acceptances outstanding changed as follows (in millions of Won):

	2002	2001
Beginning balance	(Won) 43,823	(Won) 37,330
Reversal of allowance	(18,417)	(12,337)
Changes in foreign exchange rates	(3,282)	
Ending balance	(Won) 22,124	(Won) 24,993

The guarantees and acceptances risk concentration by country as of September 30, 2002 are as follows (in millions of Won):

	Guarantees and Acceptances Outstanding		Contingent Guarantees and Acceptances		Total	
	Balance	Percentage (%)	Balance	Percentage (%)	Balance	Percentage (%)
Korea	(Won) 2,978,092	98.96	(Won) 1,335,804	99.92	(Won) 4,313,896	99.26
Others	31,210	1.04	1,003	0.08	32,213	0.74
	(Won) 3,009,302	100.00	(Won) 1,336,807	100.00	(Won) 4,346,109	100.00

The guarantees and acceptances risk concentration by industry as of September 30, 2002 are as follows (in millions of Won):

	Guarantees and Acceptances Outstanding		Contingent Guarantees and Acceptances		Total	
	Balance	Percentage (%)	Balance	Percentage (%)	Balance	Percentage (%)
Manufacturing	(Won) 1,702,866	56.59	(Won) 778,024	58.20	(Won) 2,480,890	57.08
Finance	140,909	4.68	26,951	2.02	167,860	3.86
Service	77,772	2.58	495	0.04	78,267	1.80
Others	1,087,755	36.15	531,337	39.74	1,619,092	37.26
	(Won) 3,009,302	100.00	(Won) 1,336,807	100.00	(Won) 4,346,109	100.00

The guarantees and acceptances risk concentration by customer as of September 30, 2002 are as follows (in millions of Won):

	Guarantees and Acceptances Outstanding	Contingent Guarantees and Acceptances	Total

	Balance	Percentage (%)	Balance	Percentage (%)	Balance	Percentage (%)
Industrial	(Won) 2,990,920	99.39	(Won) 1,336,807	100.00	(Won) 4,327,727	99.58
Public and Others	18,382	0.61			18,382	0.42
	(Won) 3,009,302	100.00	(Won) 1,336,807	100.00	(Won) 4,346,109	100.00

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For the nine-month periods ended September 30, 2002 and 2001
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16. Derivatives:

The Bank s derivative instruments are divided between hedge derivatives and trading derivatives based on the purpose of the transaction. The Bank enters into hedge transactions mainly for the purposes of hedging fair value risks related to its assets. Trading derivatives include future contracts, forward contracts, swaps, and options entered into by the Bank to gain profit from short-term fluctuations of the underlying variable of the instruments. Also, trading derivatives include those with the Bank s customers and the related hedging derivatives.

Hedge derivatives comprise mainly of interest rate swaps to hedge the fair value change of foreign available-for-sale investment securities arising from the interest rate risk. The counter-parties of these hedge derivatives are foreign financial institutions except for Korea Development Bank. Some hedge purpose transactions do not qualify for hedge accounting and are thus accounted for as trading derivatives. These transactions include the hedge relationships where the hedged item is an asset or liability that is remeasured with the changes in fair value attributable to the hedged risk reported currently in earnings or where the hedged item cannot be specifically identified.

The notional amounts outstanding for derivative contracts as of September 30, 2002 and 2001 are as follows (in millions of Won):

	2002			2001		
	Trading	Hedge	Total	Trading	Hedge	Total
Interest related						
Futures	(Won) 412,613	(Won)	(Won) 412,613	(Won) 193,836	(Won)	(Won) 193,836
Option	1,200		1,200			
Swap	28,175,750	464,219	28,639,969	16,781,699	705,597	17,487,296
	28,589,563	464,219	29,053,782	16,975,535	705,597	17,681,132
Currency related						
Forward	13,863,626		13,863,626	10,233,801		10,233,801
Futures	453,251		453,251	905,439		905,439
Option bought	151,962		151,962	49,746		49,746
Option sold	193,300		193,300	76,844		76,844
Swap	3,081,419		3,081,419	1,845,927		1,845,927
	17,743,558		17,743,558	13,111,757		13,111,757
Stock related						
Option bought	146,185		146,185			
Option sold	100,000		100,000			
	246,185		246,185			
Credit derivatives				68,073		68,073
Others				1,963		1,963
	(Won) 46,579,306	(Won) 464,219	(Won) 47,043,525	(Won) 30,157,328	(Won) 705,597	(Won) 30,862,925

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

16. Derivatives, Continued;

Gains and losses on derivatives are as follows (in millions of Won):

	2002	2001
Gain on derivatives		
Gain on derivatives transactions	(Won) 1,297,454	(Won) 1,648,024
Gain on valuation of derivatives	541,349	197,025
Gain on fair value hedged items	17,598	24,397
	(Won) 1,856,401	(Won) 1,869,446
Loss on derivatives		
Loss on derivatives transactions	(Won) 1,134,410	(Won) 1,731,723
Loss on valuation of derivatives	553,784	180,586
Loss on fair value hedged items	5,011	
	(Won) 1,693,205	(Won) 1,912,309

Derivative valuation gains and losses for the nine-month period ended September 30, 2002 are as follows (in millions of Won):

	Valuation Gains (P/L)			Valuation Losses (P/L)			Fair Value (B/S)	
	Trading	Hedge	Total	Trading	Hedge	Total	Asset	Liability
Interest related								
Interest option bought	(Won) 1,444	(Won)	(Won) 1,444	(Won) 1	(Won)	(Won) 1	(Won) 2	(Won)
Interest option sold								1
Swap	132,415	5,011	137,426	204,191	17,598	221,789	135,425	228,307
	133,859	5,011	138,870	204,192	17,598	221,790	135,427	228,308
Currency related								
Forward	213,631		213,631	242,564		242,564	200,910	222,379
Option bought	2,461		2,461				2,393	3,287
Option sold				2,943		2,943		
Swap	185,129		185,129	86,374		86,374	247,421	58,638
	401,221		401,221	331,881		331,881	450,724	284,304

Others	1,258		1,258	113		113	10,996	5,562
	(Won) 536,338	(Won) 5,011	(Won) 541,349	(Won) 536,186	(Won) 17,598	(Won) 553,784	(Won) 597,147	(Won) 518,174

17. Commitments and Contingencies:

As of September 30, 2002, 93 pending legal actions with an aggregate amount of claims of (Won)29,637 million are charged against the Bank and the Bank had also filed 108 lawsuits which are still pending with an aggregate amount of claims of (Won)41,422 million. Management believes that the actions against the Bank are without merit and that the ultimate liability, if any, will not materially affect the Bank s financial position.

The Bank, under the Mutual Savings & Finance Company Act, is liable for the payment of the deposits of Orange Mutual Savings & Finance Co., Ltd. and Bukook Mutual Savings & Finance Co., Ltd., previously the Bank s subsidiaries but which were sold during 1999, if they enter into bankruptcy within 3 years of sale. Orange Mutual Savings & Finance Co. is currently under going bankruptcy procedures due to the disapproval of its business by Financial Supervisory Commission. Korea Deposit Insurance Corporation (KDIC) has paid for the deposit money subject to the Depositor Protection Act. Despite the fact that KDIC has filed a lawsuit against the Bank for recovery of the repayment, such lawsuit is not expected to cause any loss which could materially affect the Bank s financial statements.

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KOOKMIN BANK

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For the nine-month periods ended September 30, 2002 and 2001
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17. Commitments and Contingencies, Continued;

The Bank has credit line and commitments to purchase commercial paper with asset securitization companies. Under these commitments, the Bank provides money, in case of temporary fund shortage, for the principal and interest repayment of these companies senior bonds within the contracted term and amounts. As of September 30, 2002, under these commitments, the aggregate committed credit line and loans outstanding are (Won)3,271,048 million and (Won)31,852 million, respectively. Also, the Bank entered into arrangements to purchase (Won)1,050,000 million of commercial papers issued by the securitization companies. The Bank has arranged various methods to provide for losses on these credit line commitments including payment guarantees, repurchase contracts, surety certificate guarantees, and cash reserve.

Pursuant to asset securitization plans, the Bank previously sold loans to ABS Specialty Companies before last fiscal year. The related contracts for asset securitization stipulate the Bank s performance of warranty liability for loans sold to Kookmin 4th-ABS Specialty Co., Ltd, Jooeun 4th-ABS Specialty Co., Ltd., and Jooeun 5th-ABS Specialty Co., Ltd. (collectively Specialty Co.) when underlying loans are delinquent for certain period of time or go into default. Accordingly, the Bank bears possible liabilities for collateral performance toward the Specialty Co. within the limits of (Won)72,000 million, (Won)23,382 million, and (Won)66,500 million, respectively, as of September 30, 2002. No adjustments have been made in the accompanying financial statements related to such uncertainties.

As of September 30, 2002, the Bank provided an allowance of (Won)7,133 million for estimated losses from repurchase of loans sold to KAMCO that are under the repurchase agreement (See Note 7).

On August 30, 2002, the Bank sold 12,988,771 shares (65.43%) out of its 16,960,000 shares (85.43%) and (Won)172,024 million loans of Jooeun Leasing Inc. to Sun Capital Inc. for (Won)145,000 million according to the MOU on June 15, 2002 and the decision of the Board of Directors on July 26, 2002.

As of September 30, 2002 and 2001, the Bank holds the unexpired rights to claim from borrowers or guarantors for loans in accordance with the relevant law, which already has been written off, of (Won)3,419,522 million and (Won)1,425,608 million, respectively.

As of September 30, 2002 and 2001, the Bank holds the endorsed bills of (Won)10,073 million and (Won)14,581 million, respectively.

In response to general unstable economic conditions, the Korean government and the private sector have been implementing structural reforms to historical business practices. Implementation of these reforms is progressing slowly, particularly in the areas of restructuring private enterprises and reforming the banking industry. The Korean government continues to apply pressure to Korean companies to restructure into more efficient and profitable firms. The Bank may be either directly or indirectly affected by these general unstable economic conditions and the reform program described above. The accompanying non-consolidated quarterly financial statements reflect management s assessment of the impact to date of the economic situation on the financial position of the Bank. Actual results may differ materially from management s current assessment.

Certain financially troubled borrowers of the Bank including Korea Data System Co., Ltd. are experiencing a cash crisis or in the debt restructuring process under workout plans and other similar programs. As of September 30, 2002, in relation to such borrowers, total loans outstanding including guarantees and acceptances amounted to (Won)904,554 million, and the related allowances and discounted present value are (Won)331,308 and (Won)19,062, respectively. Actual expenses may differ from the Bank s allowances. Therefore, the possible adjustments are not considered in this financial statement.

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

18. Capital Stock:

As of September 30, 2002, the Bank has 1,000,000,000 common shares (par value : (Won)5,000) authorized and 317,677,416 shares issued. Goldman Sachs Capital Koryo, L.P., ING Insurance International B.V., and the Korean government own 2.27%, 4.00%, and 9.64%, respectively, of the total issued shares. During the current period, Goldman Sachs Capital Koryo, L.P., sold 14,470,000 common shares as American Depositary Shares (ADS). Among the issued shares, 42,941,310 common shares, equivalent to 13.52% of the total issued shares, are listed on the New York Stock Exchange as ADS and are managed by Bank of New York, a trustee of the Bank.

Under the General Banking Act, if one single entity, other than the government or a foreign investor, owns more than 4% of total outstanding voting shares, the entity s voting rights are limited to those of 4% shareholders.

As a result of the business combination with H&CB, shareholders of the Bank and H&CB, who are listed on the Register of Shareholders at October 31, 2001, received 179,775,233 new shares and 119,922,229 new shares of the Bank, respectively, at the exchange ratio of 1 new common share of the Bank for 1.688346 old shares of the Bank and 1 share of H&CB.

In accordance with the resolution of the general shareholders meeting on March 22, 2002, the Bank has voted 6% stock dividends for shareholders, listed on the Register of Shareholders at December 31, 2001 and issued 17,979,954 shares.

The bank is authorized to issue to non-shareholders convertible bonds and bonds with stock purchase warrants up to total par value amounts of (Won)2,500 billion and (Won)500 billion, respectively. At September 30, 2002, the Bank s subordinated foreign currency convertible bonds outstanding amounted to (Won)245,100 million (equivalent of USD 200 million, 10,581,269 shares at September 30, 2002) issued to Goldman Sachs Capital Koryo, L.P. during 1999 (See Note 12).

19. Capital Surplus:

Capital surplus as of September 30, 2002 and 2001 comprises the following (in millions of Won):

	2002	2001
Paid-in capital in excess of par value	(Won) 5,106,789	(Won) 1,039,396
Gain on business combination	397,669	397,669
Revaluation increment	177,229	177,229
Others	2,141	1,758
	(Won) 5,683,828	(Won) 1,616,052

The movements in capital surplus for the nine-month period ended September 30, 2002 are as follows (in millions of Won):

	Beginning Balance	Increase[1]*	Decrease[2]*	Ending Balance
Paid-in capital in excess of par value	(Won) 5,107,251	(Won)	(Won) 462	(Won) 5,106,789
Gain on business combination	397,669			397,669
Revaluation increment	177,229			177,229
Others	1,815	326		2,141
	(Won) 5,683,964	(Won) 326	(Won) 462	(Won) 5,683,828

1* The increases in other capital surplus value is due to the gain on the sales of treasury stocks.
2* The decreases in paid-in capital in excess of par value are due to the new common stock issuance of the Bank for stock dividends.

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

20. Retained Earnings:

Retained earnings as of September 30, 2002 and 2001 comprise the following (in millions of Won):

	2002	2001
Legal reserve	(Won) 413,740	(Won) 339,640
Reserve for business rationalization	40,760	39,760
Special reserves	960,700	480,700
Other reserves	7,136	14,902
Unappropriated retained earnings	1,528,677	764,079
	(Won) 2,951,013	(Won) 1,639,081

The General Banking Act requires the Bank to appropriate as a legal reserve a minimum of 10% of annual net income until the legal reserve equals paid in capital. This reserve is not available for payment of cash dividends but may be transferred to capital stock by an appropriate resolution by the Bank s board of directors or used to reduce accumulated deficit, if any, by appropriate resolution of the Bank s stockholders.

Pursuant to the Tax Exemption and Reduction Control Law, the Bank is required to appropriate, as a reserve for business rationalization, amounts equal to tax reductions arising from tax exemptions and tax credits. This reserve is not available for the payment of cash dividends, but may be transferred to capital stock or used to reduce accumulated deficits, if any.

At September 30, 2002 and 2001, other reserves comprise the following (in millions of Won):

	2002	2001
Reserves for overseas investment losses	(Won) 5,417	(Won) 13,900
Other reserves	1,719	1,002
	(Won) 7,136	(Won) 14,902

Pursuant to the Tax Exemption and Reduction Control Law, the Bank appropriates reserves for overseas investment losses. Other reserves are those appropriated for the operations of overseas branches.

21. Capital Adjustments:

As of September 30, 2002 and 2001, capital adjustments comprise the following (in millions of Won):

	2002	2001
Treasury stocks	(Won) (116,649)	(Won) (40,000)
Unissued stock dividends		
Unrealized gain on investment securities	169,563	206,080
Employee stock options (See Note 22)	15,495	1,356
	(Won) 68,409	(Won) 167,436

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21. Capital Adustments, Continued;

The movements in capital adjustments for the nine-month period ended September 30, 2002 are as follows (in millions of Won):

	Beginning Balance	Increase	Decrease	Ending Balance
Treasury stocks	(Won) (1,363)	(Won) (116,888)	(Won) (1,602)	(Won) (116,649)
Unissued stock dividends	89,900		89,900	
Unrealized gain on investment securities	189,058	41,235	60,730	169,563
Employee stock options (Notes 22)	26,021	7,040	17,566	15,495
	(Won) 303,616	(Won) (68,613)	(Won) 166,594	(Won) 68,409

The Bank, under the approval of the Board of Directors, established an Employee Stock Option Plan to raise the welfare level of the employees and decided to obtain 3,000,000 treasury stocks for that need until October 29, 2002. Accordingly, up to September 30, 2002, the Bank has obtained 2,200,000 treasury stocks equivalent to 98.4% of the total treasury stocks.

22. Employee Stock Options:

The Bank, under the approval of the Board of Directors, granted stock options to its executives on March 18, 2000, March 15, 2001, November 16, 2001, March 22, 2002 and July 26, 2002. In addition, the stock options of H&CB, which were granted on October 31, 1998, February 27, 1999, February 28, 2000, and March 24, 2001, were transferred to the Bank as a result of the business combination with H&CB. The details of the stock options in effect as of September 30, 2002 are as follows:

	Stock options transferred from H&CB								
	Series1*1	Series 2*1	Series 3	Series 4	Series 5	Series 6	Series7*2*3	Series 8*3	Series 9
Grant date	00.3.18	01.3.15	98.10.31	99.2.27	00.2.28	01.3.24	01.11.16	02.3.22	02.7.26
Shares granted	222,094	214,975	400,000	280,000	267,000	111,000	650,000	622,000	30,000
Shares expired to date	109,565	16,882		59,892	65,218	21,173		33,000	
Shares exercised			310,000	220,108					
Shares outstanding	112,529	198,093	90,000		201,782	89,827	650,000	589,000	30,000
Exercise method	The Bank s choice of issuance or net settlement								
Exercise price	(Won) 23,469	(Won) 28,027	(Won) 5,000	(Won) 13,900	(Won) 27,600	(Won) 25,100	(Won) 51,200	(Won) 57,100	(Won) 58,800
Exercise period	03.3.19-05.3.18	04.3.16-09.3.15	01.11.1-04.10.31	02.2.28-05.2.27	03.3.1-06.2.28	04.3.25-07.3.24	04.11.17-09.11.16	05.3.23-10.3.22	05.7.27-10.7.26

1* For stock options granted before the business combination, the number of shares have been adjusted based on a predetermined stock exchange ratio in the business combination with H&CB.
2* The stock options do not include the shares, which will be additionally granted if the three-month weighted average stock price of the Bank right before exercise is higher than that of any other listed bank.
3* The exercise price may be affected by the fluctuation of the stock price index of the banking industry.

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

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22. Employee Stock Options, Continued;

The Bank calculated the compensation costs using the fair value method and the details are as follows:

			Stock options transferred from H&CB			
	Series 1	**Series 2**	**Series 3*1**	**Series 4**	**Series 5**	**Series 6**
Stock price on grant date	(Won) 21,442	(Won) 25,156	(Won)	(Won) 33,750	(Won) 33,750	(Won) 33,750
Risk-free interest rate*2	9.325%	6.060%		4.743%	4.743%	4.743%
Expected exercise period*3	4 years	5.5 years		3 years	3 years	3 years
Stock price volatility*4	71.143%	70.301%		73.295%	73.295%	73.295%
Expected dividend rate*5	2.25%	2.47%		1.93%	1.93%	1.93%
Compensation cost per share	(Won) 12,638	(Won) 15,987	(Won) 44,750	(Won) 19,850	(Won) 13,320	(Won) 17,117
Total compensation cost*6	(Won) 1,422	(Won) 3,167	(Won) 3,578		(Won) 2,688	(Won) 1,538
Recognized compensation cost*6	(Won) 1,185	(Won) 1,583	(Won) 3,578		(Won) 2,315	(Won) 769

	Series 7	**Series 8**	**Series 9**
Stock price on grant date	(Won) 45,800	(Won) 58,000	(Won) 53,900
Risk-free interest rate*2	4.910%	6.136%	5.734%
Expected exercise period*3	3 years	3 years	3 years
Stock price volatility*4	58.902%	53.560%	52,393%
Expected dividend rate*5	1.42%	1.42%	1.42%
Compensation cost per share	(Won) 20,086	(Won) 24,496	(Won) 20,365
Total compensation cost*6	(Won) 13,056	(Won) 14,428	(Won) 611
Recognized compensation cost*6	(Won) 3,627	(Won) 2,405	(Won) 34

1* The compensation cost of shares granted on October 31, 1998 is to be determined annually by multiplying the difference between exercise price and market value at balance sheet date by number of shares granted.
2* Risk free interest rate is the government bond rate for the expected exercise period.
3* Expected exercise period is the average number of years between the vesting date and option expiration date to Series 1, 2 and the option expiration date to Series 3 - 9
4* Stock price volatility is annualized volatility as of the grant date.
5* Expected dividend rate is the average dividend rate for past periods corresponding to the expected exercise period.
6* in millions of Won

The compensation costs to be recognized in the future are as follows (in millions of Won):

			Stock options transferred					
	Series 1	**Series 2**	**Series 5**	**Series 6**	**Series 7**	**Series 8**	**Series 9**	**Total**
Within 1 year	(Won) 237	(Won) 1,056	(Won) 373	(Won) 513	(Won) 4,352	(Won) 4,809	(Won) 204	(Won) 11,544
Within 2 years		528		256	4,352	4,809	204	10,149
Within 3 years					725	2,405	169	3,299
	(Won) 237	(Won) 1,584	(Won) 373	(Won) 769	(Won) 9,429	(Won) 12,023	(Won) 577	(Won) 24,992

The weighted average exercise price and the weighted average fair value of the stock option as of September 30, 2002 are (Won)45,260 and (Won)19,725, respectively.

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For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

23. Other Non-interest Income (Expenses):

Other non-interest income (expenses) for the nine-month periods ended September 30, 2002 and 2001 comprise the following (in millions of Won):

	2002	2001
Other non-interest income:		
Realized gain on trading securities	(Won) 73,597	(Won) 133,453
Unrealized gain on trading securities	148,072	42,570
Gain on trust management	234,859	178,590
Reversal of allowance for losses on acceptances and guarantees	18,417	12,337
Others	7,723	716
	(Won) 482,668	(Won) 367,666
Other non-interest expenses:		
Realized loss on trading securities	(Won) 23,755	(Won) 90,168
Unrealized loss on trading securities	546	10
Loss on trust management		119
Contributions to special funds	109,144	59,001
Others	109,117	39,839
	(Won) 242,562	(Won) 189,137

24. General and Administrative Expenses:

General and administrative expenses for the nine-month periods ended September 30, 2002 and 2001 comprise the following (in millions of Won):

	2002	2001
Salaries and wages	(Won) 824,451	(Won) 303,601
Retirement benefits (Note 14)	60,163	54,019
Other employee benefits	162,966	227,616
Rent	35,647	14,784
Depreciation	204,222	70,195
Amortization	58,817	177
Taxes and dues	76,151	40,672
Advertising	42,726	20,341
Ordinary R&D	116,850	21,921
Fees and commissions	43,704	21,653
Others	147,831	70,797
	(Won) 1,773,528	(Won) 845,776

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

25. Non-Operating Income (Expenses):

Non-operating income (expenses) for the nine-month periods ended September 30, 2002 and 2001 comprise the following (in millions of Won):

	2002	2001
Non-operating income:		
Gain on disposal of fixed assets	(Won) 838	(Won) 353
Rent income	2,663	1,436
Gain on investment in associates using equity method of accounting (Note 5)	154,096	282,605
Realized gain on investment securities	233,371	72,871
Recovery of impairment loss on equity investment securities	15,318	
Recovery of impairment loss on debt investment securities	12,380	
Unrealized gain on investment in funds (Note 5)	34,568	96,318
Gain on sale of troubled loans	15,856	822
Others	69,407	35,764
	538,497	490,169
Non-operating expenses:		
Loss on disposal of fixed assets	1,242	3,193
Realized loss on investment securities	133,740	28,328
Impairment loss on equity investment securities (Note 5)	107,538	495
Impairment loss on debt investment securities (Note 5)	40,255	4,770
Loss on sale of troubled loans	9,383	15,905
Retirement benefits		38,866
Others	54,606	40,349
	346,764	131,906
Net amount	(Won) 191,733	(Won) 358,263

26. Income Tax Expenses:

Income tax expenses for the nine-month periods ended September 30, 2002 and 2001 comprise the following (in millions of Won):

	2002	2001
Income taxes payable	(Won) 599,275	(Won) 189,432
Change of deferred income taxes		
Deferred income taxes from temporary differences	45,092	195,809
Realization of prior years loss carry-forwards	28,929	
	74,021	195,809
Income tax expenses	(Won) 673,296	(Won) 385,241

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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26. Income Tax Expenses, Continued;

Adjustments of net income before income tax expenses to taxable income for the nine-month periods ended September 30, 2002 and 2001 comprise the following (in millions of Won):

	2002	2001
Adjustments to increase taxable income		
Permanent differences due to:		
Amortization of goodwill	(Won) 58,759	(Won)
Employee stock option	24,340	
Interests recognized	5,602	1,359
Interest paid	3,223	1,196
Others	50,975	3,972
	142,899	6,527
Temporary differences (See below)	1,106,386	1,149,237
	(Won) 1,249,285	(Won) 1,155,764
Adjustments to decrease taxable income		
Permanent differences due to:		
Dividend income	(Won) 56,539	(Won) 1,986
Refunded income taxes	4,502	
Others	819	2,020
	61,860	4,006
Temporary differences (See below)	1,409,989	1,784,980
	(Won) 1,471,849	(Won) 1,788,986

The significant changes in accumulated temporary differences and deferred tax assets (liabilities) for the nine-month period ended September 30, 2002 comprise the following (in millions of Won):

	Beginning Balance	Increase	Decrease	Ending Balance	Deferred tax Assets (Liab.)
Allowance for loan losses	(Won) 671,717	(Won) 284,312	(Won) 671,717	(Won) 284,312	(Won) 84,441
Accrued interest	(478,123)	(308,159)	(478,123)	(308,159)	(91,523)
Unrealized loss on securities	1,875	(216,096)	(213,579)	(642)	(190)
Unrealized loss on derivatives	32,011	(152)	71,525	(39,666)	(11,781)
Present value discounts	87,972	46,723	80,287	54,408	16,159
Allowance for losses on acceptances and guarantees	43,823	22,124	43,823	22,124	6,571

Accrued retirement benefits	1,785	29,373	(192)	31,350	9,311
Reserve for overseas investment losses	(6,664)		(4,997)	(1,667)	(495)
Stock option compensation cost	26,021	7,040	17,566	15,495	4,602
Others	21,750	31,187	11,928	41,009	12,179
	(Won) 402,167	(Won) (103,648)	(Won) 199,955	(Won) 98,564	(Won) 29,274

The statutory income tax rates applicable to the Bank, including resident tax surcharges, are 29.7% and 30.8% for the nine-month periods ended September 30, 2002 and 2001. However, due to taxable income adjustments, the effective tax rates are 30.80% and 30.86% for the nine-month periods ended September 30, 2002 and 2001, respectively.

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

27. Earnings Per Share:

Earnings per share (EPS) for the nine-month periods ended September 30, 2002 and 2001 are calculated as follows (in millions of Won):

	2002		2001[1*]	
Net income after income taxes	(Won)	1,512,868	(Won)	863,062
Dividend on preferred stock (1%)				(930)
		1,512,868		862,132
Weighted average number of common shares outstanding		317,390,563		190,576,391
Earnings per share (in Won)	(Won)	4,767	(Won)	4,524

Diluted EPS for the nine-month periods ended September 30, 2002 and 2001 are calculated as follows (in millions of Won):

	2002		2001[1*]	
Net income after income taxes	(Won)	1,512,868	(Won)	863,062
Interest expenses on convertible bonds		4,556		3,214
Stock compensation expenses		431		
		1,517,855		866,276
Weighted average number of common shares outstanding		328,274,851		225,158,139
Diluted earnings per share (in Won)	(Won)	4,624	(Won)	3,847

1* EPS and diluted EPS for the nine-month period ended September 30, 2001 are adjusted considering the effect of business combination with H&CB.

Weighted average number of common shares outstanding before and after dilution for the nine-month periods ended September 30, 2002 are calculated as follows:

	Number of Shares	Days Outstanding	Weighted Average Number of Shares
Weighted average common stock-beginning balance	317,677,416	273	317,677,416
Treasury common stock beginning balance	(31,548)	93	(10,747)
Treasury common stock acquisition during the period	(2,236,089)	34	(276,106)
Weighted average number of common shares before dilution ((1))			317,390,563
Convertible bonds issued to Goldman Sachs	10,581,269	273	10,581,269
Employee stock option	303,019	273	303,019

Diluting shares ((2))	10,884,288
Diluted weighted average number of common shares ((1)+(2))	328,274,851

The increase in common shares resulting from convertible bonds is computed assuming the conversion had taken place as of the beginning of the period.

The interest expenses on convertible bonds and stock compensation expenses used in the calculation of the diluted EPS are net of the 29.7% tax effect. The number of common shares assumed to be converted from convertible bonds is calculated by dividing the total convertible bond amount by the conversion price per share.

In addition, considering the stock dividend in the current period, the recomputed basic EPS and diluted EPS for the year ended December 31, 2001 are (Won)3,400 and (Won)3,266, respectively.

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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27. Earnings Per Share, Continued;

As of September 30, 2002, securities convertible to common stock are as follows:

Type	Exercise period	Numbers of common shares to be issued	Exercise price
Convertible Bond	1 month after issuance date-1 month before maturity	10,581,269	One share per (Won)22,124 of face value
Stock Option	03-19-2003 03-18-2005	112,529	(Won) 23,469 per share
Stock Option	03-16-2004 03-15-2009	198,093	(Won) 28,027 per share
Stock Option	11-01-2001 10-31-2004	90,000	(Won) 5,000 per share
Stock Option	03-01-2003 02-28-2006	201,782	(Won) 27,600 per share
Stock Option	03-25-2004 03-24-2007	89,827	(Won) 25,100 per share
Stock Option	11-17-2004 11-16-2009	650,000	(Won) 51,200 per share
Stock Option	03-23-2005 03-22-2010	589,000	(Won) 57,100 per share
Stock Option	07-27-2005 07-26-2010	30,000	(Won) 58,800 per share

28. Assets and Liabilities Denominated in Foreign Currencies:

Significant assets and liabilities denominated in foreign currencies as of September 30, 2002 comprise the following:

	Total Balances		Major Denomination Currencies		
	Millions of Won	Thousands of US Dollars[1*]	Thousands of US Dollars	Thousands of EC Euro	Thousands of Japanese Yen
Assets					
Cash	(Won) 186,790	$ 152,420	$ 71,836	13,383	¥ 6,916,364
Due from banks	281,704	229,869	185,960	5,374	2,640,517
Investment securities	1,219,330	994,965	911,446		5,009,613
Loans in foreign currencies	3,521,209	2,873,284	2,211,286	6,227	64,986,963
Bills bought	803,457	655,616	610,007	30,930	830,130
Advances for customers	2,270	1,852	1,852		
Call loans	340,483	277,832	256,400	1,700	2,426,000
Liabilities					
Deposits	986,415	804,908	571,726	11,799	22,292,066
Borrowings	2,248,847	1,835,044	1,546,758		33,226,600
Due to BOK	49,061	40,033	40,033		
Call money	209,502	170,952	1,200		20,750,400
Debentures	941,382	768,162	622,840		
Unsettled foreign payables	46,275	37,760	29,988	1,301	646,068

1* Foreign currencies other than US dollars are converted into US dollar amounts using the exchange rates provided by Korea Financial Telecommunications & Clearing Institute at the balance sheet date.

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

29. Related Party Transactions:

Significant transactions with related parties for the nine-month period ended September 30, 2002 are as follows (in millions of Won):

Account	Beginning Balance	Increase	Decrease	Ending Balance	Transactions Relating P/L
Kookmin Credit Card Co., Ltd.					
Loans	(Won) 122,526	(Won) 208,015	(Won)	(Won) 330,541	(Won) 15,654
Other assets	1,907	62		1,969	62
Deposits	4,687	6,161		10,848	(68)
Borrowings					(155)
Other liabilities	18,334	150,930	1,291	167,973	(2,780)
Commissions income					128,818
Commissions expenses					(176)
Kookmin Leasing Co., Ltd.					
Investment securities	761		761		968
Deposits	75,912		45,392	30,520	(1,719)
Kookmin Venture Capital Co., Ltd.					
Loans	96,000		88,000	8,000	8
Deposits	29,811		20,791	9,020	(978)
Kookmin Data System Co., Ltd.					
Deposits	3,676	2,029		5,705	(410)
Other liabilities	879			879	69
Kookmin Futures Co., Ltd.					
Due from banks	2,092		1,994	98	3
Deposits	10,646	273		10,919	(421)
Other liabilities	620			620	48
Kookmin Bank Luxembourg S.A.					
Due from banks	9,903	4,052		13,955	
Loans	218,807	65,390	69,765	214,432	3,763
Other assets					2,030
Borrowings					(75)
Other liabilities	155		155		
Kookmin Bank International (London) Ltd.					
Due from banks	1,856	3,677	1,169	4,364	1
Loans	146,911	31,793	1,006	177,698	1,778
Borrowings	7,670	22,974		30,644	(117)
Other liabilities	76		76		336
Kookmin Finance H.K. Ltd.					
Due from banks	2,030	19,626		21,656	6
Loans	182,052	42,157	10,738	213,471	3,018
Borrowings		18,383		18,383	(103)
Finance debentures	6,463		335	6,128	(178)
Kookmin Bank Leasing & Finance (HK) Ltd.					
Loans	17,440		13,242	4,198	145

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NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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29. Related Party Transactions, Continued;

Account	Beginning Balance	Increase	Decrease	Ending Balance	Transactions Relating P/L
Jooeun Leasing Co., Ltd.					
Loans	163,295		163,295		4,521
(Present value discounts)	(1,212)		(1,212)		(1,212)
Other assets	3,232		3,232		920
Deposits	1,304		1,304		5
Other liabilities	100		100		
Acceptances and guarantees	1,396		1,396		
Kookmin Investment Trust Mgt. Co., Ltd.					
Deposits	25,326		24,265	1,061	(579)
KB Real Estate Trust Co., Ltd.					
Loans	40,000		8,514	31,486	2,405
Deposits	241		149	92	(3)
Other liabilities	1,797		15	1,782	
Acceptances and guarantees	53			53	
KB Credit Information Co., Ltd.					
Deposits	7,838	2,077		9,915	(521)
Other liabilities	3,150	838	247	3,741	88
Commissions expenses					(17,493)
	(Won) 1,207,734	(Won) 578,437	(Won) 456,020	(Won) 1,330,151	(Won) 137,658

30. Transactions with Financial Institutions:

The assets and liabilities related to transactions with financial institutions for the nine-month ended September 30, 2002 are as follows (in millions of Won):

Accounts	Description	The Bank of Korea	Other Banks	Other Financial Institutions	Total
Cash and due from banks	Due from banks in Won	(Won) 1,924,221	(Won) 51,249	(Won) 826,923	(Won) 2,802,393
	Due from banks in foreign currencies	39,136	242,218	350	281,704
		1,963,357	293,467	827,273	3,084,097
Loans	Loans in Won		24,598	237,453	262,051
	Loans in foreign currencies		1,082,357		1,082,357
	Call loans		642,769	200,000	842,769
			1,749,724	437,453	2,187,177

Deposits	Deposits in Won		734,893	2,035,073	2,769,966
	Deposits in foreign currencies			180,000	180,000
			734,893	2,215,073	2,949,966
Borrowings	Borrowings in Won	1,664,708	374,236	586,520	2,625,464
	Borrowings in foreign currencies		2,162,458	53,526	2,215,984
	Others	49,061	573,598	1,058,341	1,681,000
		1,713,769	3,110,292	1,698,387	6,522,448
Debentures	Debentures in Won		336,500	214,900	551,400
	Debentures in foreign currencies		700,537	245,100	945,637
			1,037,037	460,000	1,497,037

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
(Unaudited See Accountants Review Report)

31. Interest Bearing Assets and Liabilities:

Assets and liabilities bearing interest income and interest expenses for the nine-month period ended September 30, 2002 are as follows (in millions of Won):

Account	Average Balance	Interest Income	Interest Rate (%)
Due from banks	(Won) 1,245,011	(Won) 39,314	4.22
Trading securities	1,656,820	73,560	5.94
Investment securities	19,861,072	1,076,831	7.25
Loans	115,471,019	6,817,728	7.89
	(Won) 138,233,922	(Won) 8,007,433	

Account	Average Balance	Interest Expenses	Interest Rate (%)
Deposits	(Won) 118,650,854	(Won) 3,581,922	4.04
Borrowings	10,163,467	306,297	4.03
Debentures	10,981,808	578,277	7.04
	(Won) 139,796,129	(Won) 4,466,496	

32. Operations of the Trust Accounts:

Assets and liabilities of the trust accounts as of September 30, 2002 are classified as principal or dividend guarantee money trusts, performance money trusts, and property trusts as follows (in millions of Won):

	Guarantee Money trusts	Performance Money trusts	Property trusts	Total
Securities	(Won) 4,260,875	(Won) 11,661,881	(Won) 145,013	(Won) 16,067,769
Loans	186,538	467,291		653,829
Receivables			20,076,309	20,076,309
Due from banking accounts	136,680	423,309	10,939	570,928
Present value discounts	(4,950)	(27)		(4,977)
Provision for loan losses	(147,196)	(115,321)		(262,517)
Other assets	110,179	279,547	62	389,788
Total assets	(Won) 4,542,126	(Won) 12,716,680	(Won) 20,232,323	(Won) 37,491,129
Trusts	(Won) 4,157,093	(Won) 12,183,629	(Won) 20,229,269	(Won) 36,569,991
Borrowings	72,023			72,023
Reserves for future losses	42,360			42,360
Other liabilities	270,650	533,051	3,054	806,755

Total liabilities	(Won) 4,542,126	(Won) 12,716,680	(Won) 20,232,323	(Won) 37,491,129

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KOOKMIN BANK

NOTES TO NON-CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS (Continued)

For the nine-month periods ended September 30, 2002 and 2001
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32. Operations of the Trust Accounts, Continued;

The Bank is liable as of September 30, 2002 for the following portion of the difference between book value and fair value in principal or dividend guarantee money trusts (in millions of Won):

	Book Value	Fair Value	Liable Amount
Principal guarantee money trusts	(Won) 4,062,908	(Won) 4,063,489	(Won)
Principal and dividend guarantee money trusts	218,237	197,386	20,851
	(Won) 4,281,145	(Won) 4,260,875	(Won) 20,851

The results of operation of the trust accounts, from the Bank s management accounting point of view, for the nine-month period ended September 30, 2002 are as follows (in millions of Won):

Trust Account Related Income		Trust Account Related Expenses	
Fees on money trusts	(Won) 221,240	Interest expense on borrowings from trust accounts	(Won) 18,633
Early withdrawal penalties	231	Compensation to trust accounts	
Interest income on loans to trust accounts	5,081		
	(Won) 226,552		(Won) 18,633

33. Business Combination with H&CB:

The Bank entered into a business combination contract (the Contract) with H&CB on April 23, 2001 and obtained approval from the shareholders for such combination on September 29, 2001. In accordance with the Contract, the Bank completed the legal consolidation with H&CB as of October 31, 2001. According to the Contract, the shareholders of the Bank and H&CB received 1 new common share of the Bank for 1.688346 old shares of the Bank and 1 share of H&CB, respectively. The new common shares of the Bank were listed on the Korea Stock Exchange on November 9, 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 were listed on New York Stock Exchange as American Depositary Shares (ADS) on November 1, 2001.

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For the nine-month periods ended September 30, 2002 and 2001
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34. Business Segments:

The Bank is organized into five major business segments: Retail Banking, Business Banking, Treasury and Investment Management, Credit Card, and others. These business segments are based on the nature of the products and services provided, the type or class of customer, and the Bank s management organization, and provide the basis on which the Bank reports its primary segment information.

The following table shows the distribution of the Bank s operations by business segment as of September 30, 2002 (in millions of Won):

	Retail Banking	Business Banking	Treasury and Investment Management	Credit Card	Others	Total
Loans	(Won) 68,676,406	(Won) 41,838,678	(Won) 4,985,612	(Won) 5,797,964	(Won) 52,286	(Won) 121,350,946
Securities			30,693,632			30,693,632
Fixed assets	1,871,300	409,603	150,604	286,328	318,512	3,036,347
Other assets	4,387,618	309,634	6,423,143	214,941	1,072,917	12,408,253
Total assets	(Won) 74,935,324	(Won) 42,557,915	(Won) 42,252,991	(Won) 6,299,233	(Won) 1,443,715	(Won) 167,489,178
Operating Revenue	(Won) 4,029,022	(Won) 2,194,237	(Won) 3,679,288	(Won) 897,485	(Won) 802,323	(Won) 11,602,355

The Bank principally operates in Korea. Secondary segments are geographically oriented and are segregated into two segments: domestic and overseas operations. The following table shows the distribution of the Bank s operations by geographical market as of September 30, 2002 (in millions of Won):

	Domestic	Overseas	Total
Loans	(Won) 120,278,766	(Won) 1,072,180	(Won) 121,350,946
Securities	30,596,308	97,324	30,693,632
Fixed assets	3,033,099	3,248	3,036,347
Other assets	12,374,961	33,292	12,408,253
Total assets	(Won) 166,283,134	(Won) 1,206,044	(Won) 167,489,178
Operating Revenue	(Won) 11,557,572	(Won) 44,783	(Won) 11,602,355

35. Reclassification of 2001 Accounts:

The Bank completed the legal consolidation with H&CB as of October 31, 2001. The financial statements of the prior period presented for comparative purposes represent the financial position of the former Kookmin Bank as of September 30, 2001, and the results of its operations for the nine-month period then ended.

Certain accounts of prior financial statements are reclassified for comparative purposes. These reclassifications have no effect on the net asset value and the net income of the Bank as of the balance sheet date.