

KOOKMIN BANK
Form 6-K
August 14, 2003
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This Report on Form 6-K is incorporated by reference into the prospectus included in the Registration Statement on Form F-4 of Kookmin Bank (File No. 333-106262)

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 August 2003

Kookmin Bank

(Translation of registrant's name into English)

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

(Address of principal executive office)

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

Form 20-F Form 40-F

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

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

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

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

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

Yes No

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Summary of Semi-Annual Business Report

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

All references to Kookmin Bank mean Kookmin Bank on a non-consolidated basis, and all references to we or us the Bank mean Kookmin Bank and, as the context may require, its subsidiaries. Kookmin Bank means a new entity established by a 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 acquirer 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 business purpose of the Bank is to engage in the following business activities:

- n The banking business as prescribed by the Bank Act; and
- n The other businesses permitted by the Bank Act or other relevant Korea laws and regulations

1.2. History

- n November 1, 2001 Incorporated and Listed on the New York Stock Exchange
- n November 9, 2001 Listed on the Korea Stock Exchange
- n September 23, 2002 Integrated two brand operations onto a single information technology platform in connection with the merger
- n December 4, 2002 Entered into a strategic alliance agreement with ING Bank N.V., which replaced the prior investment agreement with H&CB
- n May 30, 2003 Merger agreement with Kookmin Credit Card was made and merger statement was officially submitted to FSS

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.

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

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

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issued 10,581,269 common shares and distributed them to Goldman Sachs Capital Koryo, L.P.

As of June 30, 2003, 328,258,685 shares of common stock were issued and outstanding with paid-in capital of 1,641.2 billion Won.

Regarding the contemplated merger between Kookmin Bank and Kookmin Credit Card, once the proposed merger with Kookmin Credit Card is completed (scheduled on September 30, 2003), the total paid-in capital will amount to 1,681.9 billion Won, increased by 40.6 billion Won.

1.3.2. Treasury Stock

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

(Unit: in thousands of Won unless otherwise indicated)

Date	Transaction	Number of shares	Cost	Average 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 due to exercise of stock option by a grantee	10,000 shares	432,003	48,900 Won
April 3, 2002	Acquisition of fractional shares due to stock dividend	36,089 shares	2,071,557	57,400 Won
May 14, 2002	Disposition pursuant to the Bank Act of Korea	31,548 shares	1,601,944	50,788 Won
July 30 ~ October 23, 2002	Acquisition pursuant to the Securities and Exchange Act of Korea	3,000,000 shares	147,632,489	49,210 Won
December 24, 2002	Disposition due to exercise of stock option by a grantee	10,000 shares	492,294	49,229 Won
January 15, 2003	Disposition due to exercise of stock option by a grantee	10,000 shares	492,294	49,229 Won
Total		Outstanding balance: 3,016,089 shares	148,480,396	

Table of Contents**1.3.3. 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 June 30, 2003, Units: in Won, shares)

Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of granted options*	Number of exercised options	Number of exercisable options
			From	To				
31-Oct-98	Jungtae Kim	Chairman, President & CEO	01-Nov-01	31-Oct-04	5,000	400,000	330,000	70,000
27-Feb-99	Choulju Lee	Auditor & Executive Director	28-Feb-02	27-Feb-05	13,900	30,000	30,000	0
27-Feb-99	Seungdong Kim	Executive Vice President	28-Feb-02	27-Feb-05	13,900	20,054	20,054	0
27-Feb-99	Youngjo Joo	Executive Vice President	28-Feb-02	27-Feb-05	13,900	30,000	30,000	0
27-Feb-99	Seokil Cho	Executive Vice President	28-Feb-02	27-Feb-05	13,900	20,054	20,054	0
27-Feb-99	Hongshik Chung	Executive Vice President	28-Feb-02	27-Feb-05	13,900	20,000	20,000	0
27-Feb-99	Bonghwan Cho	Executive Vice President	28-Feb-02	27-Feb-05	13,900	30,000	30,000	0
27-Feb-99	Sunjoo Kim	Executive Vice President	28-Feb-02	27-Feb-05	13,900	10,000	10,000	0
27-Feb-99	Jehyung Jo	Executive Vice President	28-Feb-02	27-Feb-05	13,900	30,000	30,000	0
27-Feb-99	Hogi Baek	Executive Vice President	28-Feb-02	27-Feb-05	13,900	20,000	20,000	0
27-Feb-99	Bruce Willison	Non Executive Director	28-Feb-02	27-Feb-05	13,900	10,000	10,000	0
28-Feb-00	Jan Op de Beeck	Director & Executive Vice President	01-Mar-03	28-Feb-06	27,600	22,490	0	22,490
28-Feb-00	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

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

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Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of granted options*	Number of exercised options	Number of exercisable options
			From	To				
28-Feb-00	Byungman Lim	Head of Regional Head Office	01-Mar-03	28-Feb-06	27,600	3,333	0	3,333
24-Mar-01	Youngil Kim	Executive Vice President	25-Mar-04	24-Mar-07	25,100	30,000	0	30,000
24-Mar-01	Jongin Park	Executive Vice President	25-Mar-04	24-Mar-07	25,100	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
24-Mar-01	Chulsoo Ahn	Non Executive Director	25-Mar-04	24-Mar-07	25,100	1,916	0	1,916
24-Mar-01	Jaehan Kim	Head of Regional Head Office	25-Mar-04	24-Mar-07	25,100	10,000	0	10,000
24-Mar-01	Jongok Na	Head of Regional Head Office	25-Mar-04	24-Mar-07	25,100	10,000	0	10,000
24-Mar-01	Kyuhoo Lee	Head of Regional Head Office	25-Mar-04	24-Mar-07	25,100	3,275	0	3,275
18-Mar-00	Sanghoon Kim	Chairman & CEO	19-Mar-03	18-Mar-05	23,469	41,460	0	41,460
18-Mar-00	Jongmin Lee	Auditor & Executive Director	19-Mar-03	18-Mar-05	23,469	14,807	0	14,807
18-Mar-00	Sejong Oh	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Inkie Kim	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Jihong Kim	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	2,961	0
18-Mar-00	Jinho Hwang	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Hyungjin Chang	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Ikrae Kim	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Bongho Paick	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	0	2,961
18-Mar-00	Bockwoan Kim	Executive Vice President	19-Mar-03	18-Mar-05	23,469	11,845	0	11,845
18-Mar-00	Yoohwan Kim	Executive Vice President	19-Mar-03	18-Mar-05	23,469	11,845	0	11,845
18-Mar-00	Dukhyun Kim	Executive Vice President	19-Mar-03	18-Mar-05	23,469	11,845	0	11,845

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15-Mar-01	Sanghoon Kim	President Chairman & CEO	16-Mar-04	15-Mar-09	28,027	29,614	0	29,614
15-Mar-01	Jongmin Lee	Auditor & Executive Director	16-Mar-04	15-Mar-09	28,027	14,807	0	14,807
15-Mar-01	Inkie Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Hyungjin Chang	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Jihong Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Bongho Paick	Non Executive Director	16-Mar-04	15-Mar-09	28,027	1,870	0	1,870
15-Mar-01	Ikrae Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Seunghoon Han	Non Executive Director	16-Mar-04	15-Mar-09	28,027	1,870	0	1,870
15-Mar-01	Youngseok Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	1,870	0	1,870
15-Mar-01	Sewoong Lee	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Changki Min	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Bockwoan Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Yoohwan Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Dukhyun Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Yoonok Hyun	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Taigon Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Byungsang Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Byungjin Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Jihan Koo	President Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Dongsoon Park	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Hoosang Chang	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Sanghoon Lee	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Jaemin Suh	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01			16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01			16-Mar-04	15-Mar-09	28,027	2,961	0	2,961

**Sunghyun
Chung**

**Head of
Regional
Head Office**

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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	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
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

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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
					<hr/>			
16-Nov-01	Jungtae Kim	President & CEO	17-Nov-04	16-Nov-09	X ¹	500,000	0	500,000
16-Nov-01	Jungtae Kim	President & CEO	17-Nov-04	16-Nov-09		200,000 ²	0	200,000

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

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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				
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 ¹	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
22-Mar-02	Sunjin Kim	Non Executive Director	23-Mar-05	22-Mar-10		3,000	0	3,000
22-Mar-02	Moonsoul Chung	Non Executive Director	23-Mar-05	22-Mar-10	Y	3,000	0	3,000
22-Mar-02	Kyunghee Yoon	Non Executive Director	23-Mar-05	22-Mar-10		3,000	0	3,000
22-Mar-02	Jongkyoo Yoon	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Bonghwan Cho	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Jaemin Suh	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Bumsoo Choi	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Bockwoan Kim	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Kitaek Hong	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Sunghyun Chung	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Kisup Shin	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Sungkyu Lee	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Byungsang Kim	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Jongyoung Yoon	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Jaehil 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	Dongsoo 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

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.

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

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Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of granted options*	Number of exercised options	Number of exercisable options
			From	To				
22-Mar-02	Jongok Na	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	5,000	0	5,000
26-Jul-02	Donald MacKenzie	Executive Vice President	27-Jul-05	26-Jul-10	58,800	30,000	0	30,000
21-Mar-03	Sungnam Lee	Auditor & Executive Director	22-Mar-06	21-Mar-11		30,000	0	30,000
21-Mar-03	Moonsoul Chung	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Sunjin Kim	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Richard Elliott Lint	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Kyunghee Yoon	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Seoungwoo Nam	Non Executive director	22-Mar-06	21-Mar-11	Y ¹	10,000	0	10,000
21-Mar-03	Sukyoung Cha	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Bernard S. Black	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Kihong Kim	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Eunjoo Park	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Cheolsoo Ahn	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Kyungbae Suh	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Sungchul Kim	Executive Vice President	22-Mar-06	21-Mar-11	35,500	30,000	0	30,000
21-Mar-03	Woojung Lee	Executive Vice President	22-Mar-06	21-Mar-11	35,500	30,000	0	30,000
21-Mar-03	Seeyoung Lee	Executive Vice President	22-Mar-06	21-Mar-11	35,000	30,000	0	30,000
21-Mar-03	Wonsuk Oh	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,500	15,000	0	15,000
21-Mar-03	Sungdae Min	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,500	15,000	0	15,000
21-Mar-03	Kyungjae Cheong	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,500	15,000	0	15,000
21-Mar-03	Choulhee Kim	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,500	15,000	0	15,000
21-Mar-03	Indo Lee	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,000	15,000	0	15,000
21-Mar-03	Maengsu Yang	Head of Regional Head Office	22-Mar-06	21-Mar-11	35,500	15,000	0	15,000
Total						2,881,131	553,069	

¹ Exercise price = 35,500 Won x (1 + the increase rate of KOSPI Banking Industry Index x 0.4). The increase rate of KOSPI Banking Industry Index = (KOSPI Banking Industry Index as of the starting date of exercise period - KOSPI Banking Industry Index as of the grant date) / KOSPI Banking Industry Index as of the grant date.

Table of Contents**1.4. Dividend**

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

(Units: in millions of Won unless indicated otherwise)

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

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

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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 1,216 domestic branches and sub-branches as of June 30, 2003. Our extensive branch network and retail customer base have provided us with a source of stable and low cost funding.

2.2. Market Shares

2.2.1. Market Share of Deposits in Won

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

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

(Units: in 100 millions of Won, %)

	June 30, 2003		December 31, 2002		December 31, 2001	
	Amount	%	Amount	%	Amount	%
Kookmin Bank	1,264,679	31.6	1,220,260	31.7	1,140,587	33.7
Woori Bank	655,909	16.4	589,095	15.3	513,903	15.2
Hana Bank	549,788	13.7	534,570	13.9	322,652	9.5
Chohung Bank	393,625	9.8	426,902	11.1	355,967	10.5
Shinhan Bank	358,744	9.0	331,479	8.6	301,285	8.9
Korea Exchange Bank	306,485	7.6	318,792	8.3	253,284	7.5
Korea First Bank	249,262	6.2	227,993	5.9	171,800	5.1
KorAm Bank	228,827	5.7	202,233	5.2	171,834	5.1
Seoul Bank					151,458	4.5
Total	4,007,319	100.0	3,851,324	100	3,382,770	100

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

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

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

(Units: in 100 millions of Won, %)

	June 30, 2003		December 31, 2002		December 31, 2001	
	Amount	%	Amount	Amount	%	Amount
Kookmin Bank	776,094	40.4	743,096	41.1	601,536	47.2
Hana Bank	248,029	13.0	235,987	13.1	105,143	8.2
Woori Bank	241,601	12.6	228,530	12.6	132,501	10.4
Shinhan Bank	166,861	8.7	159,927	8.9	107,729	8.4
Chohung Bank	160,849	8.3	154,565	8.6	90,723	7.1
Korea First Bank	131,840	6.9	105,997	5.9	78,874	6.2
Korea Exchange Bank	110,148	5.7	102,062	5.6	64,053	5.0
KorAm Bank	85,276	4.4	75,759	4.2	41,807	3.3
Seoul Bank					53,156	4.2
Total	1,920,698	100.0	1,805,923	100	1,275,522	100

2.2.3. Market Share of Mortgage Loans

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

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

(Units: in 100 millions of Won, %)

	June 30, 2003		December 31, 2002		December 31, 2001	
	Amount	%	Amount	Amount	%	Amount

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Kookmin Bank	359,867	78.3	338,706	79.9	253,495	87.4
Hana Bank	30,143	6.5	25,014	5.9	7,552	2.6
Woori Bank	29,376	6.4	23,037	5.4	10,998	3.8
Korea Exchange Bank	15,172	3.3	15,584	3.7	8,719	3.0
KorAm Bank	8,568	1.9	8,592	2.0	2,432	0.8
Shinhan Bank	8,268	1.8	7,709	1.8	2,943	1.0
Chohung Bank	6,090	1.3	4,126	1.0	2,326	0.8
Korea First Bank	2,273	0.5	1,308	0.3	658	0.2
Seoul Bank					1,078	0.4
Total	459,757	100.0	424,076	100	290,201	100

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

(Unit: in millions of Won)

		June 30, 2003		December 31, 2002		December 31, 2001	
		Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency	Deposits and Mutual installment	115,218,184	3.84	113,157,719	4.21	63,743,997	5.53
	Certificate of deposit	3,268,738	4.78	2,119,900	4.82	2,022,414	6.10
	Borrowings	3,424,101	3.99	4,568,873	4.45	3,784,147	4.85
	Call money	1,859,556	4.03	1,039,249	4.02	403,937	4.11
	Other	22,660,161	5.97	14,254,281	6.70	9,112,858	7.57
Subtotal		146,430,740	4.20	135,140,022	4.49	79,067,353	5.74
Foreign currency	Deposits	1,187,443	0.85	1,096,544	1.28	952,701	3.08
	Borrowings	3,489,244	1.13	2,269,774	2.45	2,018,537	5.47
	Call money	128,343	1.11	293,151	1.65	223,156	3.67
	Finance debentures issued	732,687	2.22	1,071,848	3.57	1,430,804	5.68
	Other	24,035		23,087		15,081	
Subtotal		5,561,752	1.21	4,754,404	2.67	4,640,279	5.32
Other	Total Shareholders Equity	11,294,217		14,586,550		7,463,687	
	Allowances	90,396		63,039		353,183	
	Other	9,349,108		3,717,379		4,065,899	
Subtotal		20,733,721		18,366,968		11,882,769	
Total		172,726,213	3.92	158,261,394	3.92	95,590,401	5.00

Table of Contents2.3.2. *Use of Funds*

(Unit: in millions of Won)

		June 30, 2003		December 31, 2002		December 31, 2001	
		Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency	Due from banks	191,901	1.46	1,041,865	4.62	1,339,572	5.60
	Securities	30,815,871	5.55	30,180,305	6.32	23,861,424	6.78
	Loans	119,371,550	7.25	105,188,481	7.79	53,575,082	8.87
	Advances for customers	62,625	13.00	91,583	4.35	127,704	3.84
	Call loan	154,128	4.24	736,571	4.36	1,765,067	4.80
	Private placement corporate bonds	1,245,872	8.43	1,631,524	7.32	2,065,179	10.32
	Credit card accounts	5,685,500	8.82	5,719,359	10.25	912,210	17.63
	Other	191,428		374,718		614,014	
	Allowance for credit losses ()	2,086,031		1,437,960		1,297,930	
	Subtotal		155,632,844	7.13	143,526,446	7.66	82,962,322
Foreign currency	Due from banks	514,202	1.47	253,390	1.35	121,994	3.28
	Securities	1,302,393	4.72	1,302,214	7.97	1,079,359	9.13
	Loans	2,775,614	3.03	3,216,042	3.39	3,870,853	5.66
	Call loan	92,938	1.37	188,465	1.98	185,466	4.15
	Bills bought	2,130,872	1.72	835,356	4.71	1,045,331	7.60
	Other	10,767		15,739		116,454	
	Allowance for credit losses ()	128,636		267,194		266,613	
Subtotal		6,698,150	2.88	5,544,012	4.95	6,152,844	7.11
Other	Cash	980,850		914,639		530,451	
	Fixed assets held for business	3,136,851		3,126,812		1,462,413	
	Other	6,277,518		5,149,485		4,482,371	

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Subtotal	10,395,219		9,190,936		6,475,235	
Total	172,726,213	6.54	158,261,394	7.12	95,590,401	7.83

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

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

(Unit: in millions of Won)

		June 30, 2003		December 31, 2002		December 31, 2001	
		Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Deposits in Won	Demand deposits	11,820,615	13,652,113	10,654,651	12,987,742	4,832,281	10,824,005
	Time & savings deposits	95,298,954	97,619,182	93,347,999	93,630,423	53,496,908	89,080,935
	Mutual installment deposits	7,000,806	6,768,822	8,058,664	7,491,115	6,469,772	8,871,193
	Mutual installment for housing	5,035,408	5,148,609	4,463,601	4,872,637	928,398	4,128,489
	Certificates of deposits	3,268,738	3,279,148	2,119,900	3,044,089	2,022,414	1,154,056
Subtotal		122,424,521	126,467,874	118,644,815	122,026,006	67,749,773	114,058,678
Deposits in foreign currency		1,187,443	1,234,277	1,096,544	1,083,647	952,701	1,102,626
Trust deposits	Money trust	14,409,216	13,116,617	17,214,936	15,356,285	20,375,456	19,739,709
	Property trust	26,167,631	24,633,389	16,783,690	26,852,684	5,409,033	12,559,922
Subtotal		40,576,847	37,750,006	33,998,626	42,208,969	25,784,489	32,299,631
Total		164,188,811	165,452,157	153,739,985	165,318,622	94,486,963	147,460,935

2.4.2. Average Deposit per Domestic Branch

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

(Unit: in millions of Won)

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	June 30, 2003	December 31, 2002	December 31, 2001
Deposits	117,941	121,137	133,548
Deposits in Won	117,152	120,336	132,320

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Table of Contents**2.4.3. Average Deposit per Employee**

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

(Unit: in millions of Won)

	June 30, 2003	December 31, 2002	December 31, 2001
Deposits	7,529	7,256	7,243
Deposits in Won	7,479	7,208	7,176

2.4.4. Loan Balances

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

(Unit: in millions of Won)

	June 30, 2003		December 31, 2002		December 31, 2001	
	Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Loans in Won	119,354,628	121,649,225	105,117,047	116,472,105	53,498,087	94,698,769
Loans in foreign currency	4,266,188	4,199,976	3,228,857	4,417,176	3,924,562	4,174,237
Advances to customers	71,476	86,108	106,380	52,430	244,158	199,831
Subtotal	123,692,292	125,935,309	108,452,284	120,941,711	57,666,807	99,072,837
Trust account loans	544,514	500,933	789,614	575,412	2,194,851	1,117,817
Total	124,236,806	126,436,242	109,241,898	121,517,123	59,861,658	100,190,654

2.4.5. Loan Balances as of June 30, 2003 by Remaining Maturities

(Unit: in millions of Won)

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

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Loans in Won	58,807,965	46,141,260	5,614,930	11,085,070	121,649,225
Loans in foreign currencies	2,768,684	452,137	406,804	572,351	4,199,976

Table of Contents**2.4.6. Loan Balances by Uses**

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

(Unit: in millions of Won)

		June 30, 2003	December 31, 2002	December 31, 2001
Loans to enterprise	Loans for operations	36,970,358	35,369,066	29,286,707
	Loans for facility	6,482,736	5,963,631	4,434,447
Loans to households		41,666,330	40,477,483	34,648,918
Loans to public sector & others	Loans for operations	529,201	738,632	730,598
	Loans for equipment	40,753	39,414	57,211
Loans on property formation savings		80,187	95,252	154,069
Loans for housing		35,858,294	33,731,435	25,342,969
Inter-bank loans		16,771	20,941	36,110
Others		4,595	36,251	7,740
Total		121,649,225	116,472,105	94,698,769

2.4.7. Loan to Deposit Ratio

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

(Units: in millions of Won, %)

	June 30, 2003	December 31, 2002	December 31, 2001
Loans¹ (A)	119,354,626	105,117,047	53,498,087
Deposits² (B)	122,424,522	118,644,815	67,749,773

Loan to deposit ratio (A/B)	97.49	88.60	78.96
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2.4.8. *Acceptances and Guarantees*

(Unit: in millions of Won)

	<u>June 30, 2003</u>	<u>December 31, 2002</u>	<u>December 31, 2001</u>
Determined	1,099,658	1,031,698	3,521,970
Contingent	1,306,021	1,306,878	1,369,723
Total	2,405,679	2,338,576	4,891,693

2.4.9. *Breakdown of Securities Investment*

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

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

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(Unit: in millions of Won)

		June 30, 2003		December 31, 2002		December 31, 2001	
		Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Securities in Won (Banking account)	Monetary stabilization bonds	3,845,362	4,837,276	2,834,534	3,269,269	3,571,137	3,139,925
	Government and public bonds	5,241,972	5,328,964	4,272,946	5,252,321	4,454,446	4,592,251
	Debentures	12,484,946	12,739,151	13,154,258	12,378,717	11,410,904	14,691,304
	Stocks	1,636,435	1,191,548	2,146,149	1,661,682	1,309,134	2,154,449
	Others	7,607,157	7,300,022	7,809,012	7,162,134	3,115,803	7,547,153
Subtotal		30,815,872	31,396,961	30,216,899	29,724,123	23,861,424	32,125,082
Securities in Won (Trust account)	Monetary stabilization bonds	767,250	1,213,633	1,309,515	583,379	3,228,021	2,725,071
	Government and public bonds	1,080,164	1,061,089	2,023,503	1,323,195	2,990,549	3,059,777
	Debentures	6,684,549	5,836,911	8,035,960	7,600,794	7,635,765	7,613,829
	Stocks	847,626	766,727	904,921	924,514	672,845	890,151
	Others	3,807,119	3,438,851	3,945,649	3,821,884	4,340,103	3,913,328
Subtotal		14,102,014	13,264,404	16,779,512	15,001,019	18,985,430	18,572,571
Securities in foreign currency (Banking account)	Foreign securities	1,024,294	966,991	945,199	960,749	736,084	909,730
	Off-shore foreign securities	278,099	283,834	320,423	255,878	343,275	382,542
Subtotal		1,302,393	1,250,825	1,265,622	1,216,627	1,079,359	1,292,272
Total		46,220,279	45,912,190	48,262,033	45,941,769	43,926,213	51,989,925

2.4.10. Trust Account (money trust)

(Unit: in millions of Won)

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	June 30, 2003		December 31, 2002		December 31, 2001	
	Total amount trusted	Trust fees	Total amount trusted	Trust fees	Total amount trusted	Trust fees
Return-guaranteed trust	686	21,968	1,528	59,530	25,551	-17,147
Performance trust	40,576,161	97,233	33,997,098	241,444	25,758,938	353,890
Total	40,576,847	119,201	33,998,626	300,974	25,784,489	336,743

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

(Unit: in millions of Won unless indicated otherwise)

		June 30, 2003	2002	2001
Number of card holders (Person)	Corporate	54,881	58,090	23,811
	Individual	4,303,330	4,748,427	4,017,950
Number of merchants		317,496	262,619	295,668
Profit	Sales ¹	11,220,625	27,216,500	22,272,700
	Fee revenue	464,723	1,039,710	819,399

2.4.11.2. Kookmin Card²

(Unit: in millions of Won unless indicated otherwise)

		June 30, 2003	2002	2001
Number of card holders (Person)	Corporate	152,645	153,425	105,600
	Individual	11,303,757	11,638,968	9,605,946
Number of merchants		1,580,585	1,675,176	1,569,103
Profit	Sales ¹	36,514,883	83,860,180	65,382,300
	Fee revenue ³	62,846	155,545	142,700

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

As of June 30, 2003, we had 1,156 branches and 60 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

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funding. Approximately 43% of our branches and sub-branches are located in Seoul.

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

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

Table of Contents**2.5.2. Business Property (Land & Buildings)**

Our registered office and corporate headquarters are located at 9-1, 2-Ga, Namdaemun-Ro, Jung-Gu, Seoul, Korea. The book value of all the properties owned by us as of June 30, 2003 was 1,544,953 million Won. In addition to the properties owned by us, we also leased 1,039,818 million Won of properties for our branch space.

2.5.3. Automated Banking Machines

We have established an extensive network of automated banking machines, which are located in branches and in Autobanks (unmanned outlets). These automated banking machines consist of ATMs, cash dispensers and passbook printers. As of June 30, 2003, we had 7,731 ATMs, 1,631 cash dispensers and 784 passbook printers.

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

(Units: in millions of Won, %)

	June 30, 2003 ¹	December 31, 2002	December 31, 2001
Risk-adjusted capital (A)	13,708,236	14,439,313	11,750,856
Risk-weighted assets (B)	130,330,970	138,703,021	114,849,227
BIS ratios (A/B)	10.52	10.41	10.23

2.6.2. Non-performing Loans²

(Units: in millions of Won unless indicated otherwise)

June 30, 2003		December 31, 2002		Change	
Amount	NPL to total loans	Amount	NPL to total loans	Amount	NPL to total loans
4,159,369	3.05	2,509,073	1.90%	1,650,296	1.15%p

¹ Tentative figures

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2. Non-performing loans are defined as those loans that are past due more than 90 days or that are placed non-accrual status according to the Financial Supervisory Service's guidelines.

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

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

(Units: in millions of Won)

		June 30, 2003	December 31, 2002	December 31, 2001
Loan loss allowance	Domestic	3,262,227	2,365,898	2,255,068
	Overseas	56,126	12,798	16,111
	Total	3,318,353	2,378,696	2,271,179
Write-offs for the Period		824,754	1,527,311	1,090,029

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3. Financial Information

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

Table of Contents**4. Independent Auditor****4.1. Compensation to the Independent Auditor****4.1.1. Audit Service**

Our Financial statements have been taken review from Samil Accounting Corporation, the Korean member firm of PricewaterhouseCoopers. The aggregate audit service contract amount as of the end of June 30, 2003 is 980 million Won.

4.1.2. Service Other than Audit

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

(Units: in millions of Won unless indicated otherwise)

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

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5. Corporate Governance and Affiliated Companies

5.1. Board of Directors

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

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

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

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

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

5.2. Audit Committee

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

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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 person. In this case, the Bank is required to send the documents and references necessary for exercise of voting rights, together with the convening notice.

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

5.4. Compensation to the Directors

For the 6 months ended June 30, 2003, the aggregate of the remuneration paid by us to 1) the Chairman, President & CEO and our other executive directors and 2) our non-executive directors was 1,916 million Won, 243 million Won, respectively. The following table shows the breakdown of the remuneration.

(Units: in millions of Won)

	The aggregate remuneration paid	Limit for the remuneration resolved by shareholders meeting	Average amount of the payment per person
Executive Directors	1,916		591
Non Executive Directors	243		24
Total	2,159	8,000	615

As part of remuneration, Kookmin Bank also granted stock options to directors.

See 1. Introduction to the Bank / 1.3. Capital Structure / 1.3.4. Stock Option.

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

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

- n KB Investment Co., Ltd.

- n Kookmin Credit Card Co., Ltd.

- n KB Investment Trust Management Co., Ltd.

- n KB Real Estate Trust Co., Ltd.

- n KB Credit Information Co., Ltd.

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- n Kookmin Data System Corporation
- n Kookmin Futures Co., Ltd.
- n ING Life Korea Ltd.
- n Kookmin Bank Luxemburg. S.A.
- n Kookmin Bank International (London) Ltd.
- n Kookmin Finance Hong Kong Ltd.

5.5.2. Operating Results of Affiliates

(Unit: in millions of Won)

Company name	Closing date	Operating results of the latest fiscal year				
		Total Assets	Total Liabilities	Total Equities	Sales	Net Income
KB Investment	December 31, 2002	99,979	26,206	73,773	18,744	33,883
Kookmin Credit Card	December 31, 2002	13,381,247	12,463,020	918,227	3,156,230	260,888
KB Investment Trust Management	March 31, 2003	65,086	17,447	47,639	31,474	13,966
KB Real Estate Trust	December 31, 2002	300,671	212,943	87,728	59,771	8,915
KB Credit Information	December 31, 2002	20,772	6,821	13,951	34,179	3,639
Kookmin Data System Corporation	December 31, 2002	18,290	4,671	13,619	43,290	2,008
Kookmin Futures	March 31, 2003	45,414	20,652	24,762	12,734	2,333
ING Life Korea	March 31, 2003	2,068,192	1,937,761	130,431	1,211,847	78,559
Kookmin Bank Luxemburg	June 30, 2003	480,131	482,420	(2,289)	7,919	(9,700)
Kookmin Bank International (London)	June 30, 2003	282,551	232,043	50,508	5,921	1,690

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Kookmin Finance Hong Kong	June 30, 2003	278,380	223,327	55,053	12,445	(6,005)
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Table of Contents**6. Equity Securities****6.1. Major Shareholders**

The following table presents information regarding the beneficial ownership of our shares as of June 17, 2003 by each person known by us to own beneficially more than 5% of our outstanding shares.

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

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

(Unit: in Won, thousands of shares)

		January	February	March	April	May	June
Registered Common Shares	High	44,300	42,200	37,800	35,550	34,200	39,900
	Low	39,150	36,500	29,600	29,150	29,950	35,150
Trading Volume		33,990	27,413	53,312	68,520	48,294	37,642

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

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

	January	February	March	April	May	June
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American Depositary Shares	High	37.87	35.38	31.59	29.13	28.79	33.73
	Low	33.08	30.50	22.90	23.23	24.71	28.70
Trading Volume		6,599	3,498	8,570	7,333	7,981	7,083

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

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

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

7.1. Executive Directors

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

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

Name	Date of Birth	Position	Common Stocks Owned
Sanghoon Kim	03/13/1942	Chairman	100
Jungtae Kim	08/15/1947	President & CEO	66,581
Sungnam Lee	11/11/1947	Auditor & Executive Director	
Donald H. MacKenzie	12/20/1948	Executive Director & EVP	

7.2. Non-Executive Directors

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

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

Name	Date of Birth	Position	Common Stocks Owned
Moonsoul Chung	03/07/1938	Non-Executive Director	3,771
Richard Elliott Lint	01/04/1946	Non-Executive Director	200
Sunjin Kim	06/08/1942	Non-Executive Director	2,405
Dongsoo Chung	09/24/1945	Non-Executive Director	350
Seungwoo Nam	05/13/1952	Non-Executive Director	361

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Kyunghee Yoon	01/05/1947	Non-Executive Director	
Sukeyoung Cha	06/09/1953	Non-Executive Director	270
Bernard S. Black	11/13/1953	Non-Executive Director	220
Kihong Kim	01/10/1957	Non-Executive Director	310
Eunjoon Park	06/03/1957	Non-Executive Director	280
Cheolsoo Ahn	01/22/1962	Non-Executive Director	270
Kyungbae Suh	01/14/1963	Non-Executive Director	270

Table of Contents**7.3. Senior Management**

In addition to the executive directors who are also our executive officers, we currently have the following 12 executive officers as of June 30, 2003:

Name	Date of Birth	Position	Common Shares Owned
Jongkyoo Yoon	10/13/1955	Executive Vice President	3,300
Sungchul Kim	09/10/1951	Executive Vice President	3,498
Jaemin Suh	08/11/1947	Executive Vice President	3,717
Buhmsoo Choi	08/08/1956	Executive Vice President	
Bockwoan Kim	11/17/1944	Executive Vice President	3,140
Youngil Kim	07/06/1953	Executive Vice President	3,327
Kitaek Hong	01/16/1948	Executive Vice President	3,931
Sunghyun Chung	08/10/1947	Executive Vice President	
Kisup Shin	10/29/1955	Executive Vice President	280
Seongkyu Lee	10/25/1959	Executive Vice President	
Seeyoung Lee	12/25/1952	Executive Vice President	2
Woojung Lee	07/11/1949	Executive Vice President	

7.4. Employees

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

(Unit: in millions of Won)

	Number of Employees			Average Tenure of the full-time employees	Total Payment for the 6 Months Period	Average Monthly Payment per Person
	Full-time	Contractual	Total			
Male	13,296	1,224	14,520	15.56 years	356,006	4.1
Female	5,015	7,489	12,504	12.26 years	193,827	2.6
Total	18,311	8,713	27,024	14.66 years	549,833	3.4

7.5. Labor Union

Under Korea Financial Industry Union, we currently have two union chapters following the merger. There are 8,378 members in former Kookmin Bank chapter and 6,968 members in former H&CB chapter.

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8. Related Party Transaction

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

8.1. Transactions with the Largest Shareholders and Etc.

8.1.1. Loans to Affiliates

(Unit: in millions of Won)

Name	Relation with the Bank	Beginning Balance (January 1, 2003)	Increase	Decrease	Ending Balance (June 30, 2003)
Kookmin Credit Card	Affiliate	20,783	260,442		281,225

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

(Unit: in millions of Won)

Name	Relation with the Bank	Account	Par Value	Beginning Balance (January 1, 2003)	Increase	Decrease	Ending Balance (June 30, 2003)
Kookmin Credit Card	Affiliate	Equity Securities of Affiliate	271,825	271,825			271,825
KB Real Estate Trust	Affiliate	Equity Securities of Affiliate	79,999	79,999			79,999
KB Investment	Affiliate	Equity Securities of Affiliate	31,999	44,708			44,708
KB Investment Trust Management	Affiliate	Equity Securities of Affiliate	30,670	30,670			30,670
Kookmin Futures	Affiliate	Equity Securities of Affiliate	19,996	19,996			19,996
Kookmin Data System	Affiliate	Equity Securities of Affiliate	7,998	7,998			7,998
KB Credit Information	Affiliate	Equity Securities of Affiliate	2,520	3,918			3,918
ING Life Korea	Affiliate	Equity Securities of Affiliate	14,000	14,000			14,000
Total			459,010	473,114			473,114

8.1.3. Real Estate Transactions with Affiliates

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(Unit: in millions of Won)

Name	Relation with the Bank	Type	Account	Increase	Decrease	Lease Deposits	Rent Fee
Kookmin Credit							
Card	Affiliate	Building	Rental Income		500	3,077	4.00
KB Credit Information	Affiliate	Building	Rental Income	287		3,124	11.71
KB Real Estate Trust	Affiliate	Building	Rental Income			1,782	
Kookmin Data System	Affiliate	Building	Rental Income			880	
Kookmin Futures	Affiliate	Building	Rental Income	743		1,363	
Total						9,696	16.1

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

(Unit: in millions of Won)

Name	Relation with the Bank	Account	Beginning Balance (January 1, 2003)	Increase	Decrease	Ending Balance (June 30, 2003)
Kihong Kim	Non executive director	Housing Loan	18			18
Pulmuone Water Co.	Related party of Non executive director, Seungwoo Nam	General Corporate Loan	2,000			2,000
		Corporate Overdraft	1,011		911	100
		Loan for Working Capital	1,800			1,800
		Loan for Purchasing		817		817
Pulmuone Co.	Related party of Non executive director, Seungwoo Nam	General Corporate Loan		4,000		4,000
		Purchase Card Loan		3,778	255	3,523
		Loan for Facility		3,300		3,300
		Facility Finance Loan		1,600		1,600
Pulmouwon Tech co.	Related party of	Note Discount		1,234		1,234

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Non
executive
director,
Seungwoo
Nam

Food Merce	Related party of Non executive director, Seungwoo Nam	Loan for Purchasing	998	998
Total			4,829	15,927
			1,166	19,590

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

(Unit: in millions of Won)

Name	Relation with Kookmin Bank	Type	Account	Deposits	Rent Fee
LG Card	Related party of Non executive director, Kyunghye Yoon	Building	Rental Deposit	1,694	0.2
Haitai Confectionary & Foods	Related party of Non executive director, Sukyoung Cha	Building	Rental Deposit	150	
National Pension Corporation	Shareholder	Building	Rental Income	550	
Pulmuone Life Co.	Related party of Non executive director Seungwoo Nam	Building	Rental Income	10	
MetLife Securities	Related party of Executive vice president Bumsoo Choi	Building	Rental Income	1,100	
Total				3,504	0.2

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9. Exhibits

9.1. List of Financial Statement