

KOOKMIN BANK
Form 6-K
March 31, 2003
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

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

For the month of March 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 Business Report

On March 31, 2003, Kookmin Bank filed a business report with the Financial Supervisory Commission of Korea pursuant to the Securities and Exchange Act of Korea (the Business Report). This is a summary of the Business Report translated into English. Non-material or previously disclosed portions were omitted or abridged.

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

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

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

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

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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

December 4, 2002
Entered into a strategic alliance agreement with ING Bank N.V., which replaced the prior investment agreement with H&CB

1.3. Capital Structure

1.3.1. Common Shares

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.

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

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As of December 31, 2002, 328,258,685 shares of common stock were issued and outstanding with paid-in capital of 1,641,293 million Won. All of the issued and outstanding shares are fully-paid and non-assessable, and are in registered form.

1.3.2. Convertible Bonds

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

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

1.3.3. Treasury Stock

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

(Unit: in thousands of Won unless otherwise indicated)

Date	Reason	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 ¹	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
Total		Outstanding balance: 3,026,089 shares	148,972,690	

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1. On July 26, 2002, Kookmin Bank's board of directors 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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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 December 31, 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, President & CEO	01-Nov-01	31-Oct-04	5,000	400,000	320,000	80,000
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		01-Mar-03	28-Feb-06	27,600	2,486	0	2,486

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		Non Executive Director						
28-Feb-00	Sunghye Jwa	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,800	0	4,800
28-Feb-00	Seungwoo Nam	Non Executive Director	01-Mar-03	28-Feb-06	27,600	1,928	0	1,928
28-Feb-00	Woonyoul Choi	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,909	0	4,909
28-Feb-00	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 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				
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	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	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		16-Mar-04	15-Mar-09	28,027	2,961	0	2,961

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		Non Executive Director						
15-Mar-01	Bockwoan Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Yoohwan Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Dukhyun Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Yoonok Hyun	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Taigon Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Byungsang Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Byungjin Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Jihan Koo	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Dongsoon Park	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Hoosang Chang	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Sanghoon Lee	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Jaemin Suh	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Sunghyun Chung	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Jonghwa Lee	Head of Regional Head Office	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
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		10,000	0	10,000
22-Mar-02	Dongsoo Chung	Non Executive Director	23-Mar-05	22-Mar-10	Y ³	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

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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	Y	3,000	0	3,000
22-Mar-02	Moonsoul Chung	Non Executive Director	23-Mar-05	22-Mar-10		3,000	0	3,000
22-Mar-02	Kyunghee Yoon	Non Executive Director	23-Mar-05	22-Mar-10		3,000	0	3,000
22-Mar-02	Jongkyoo Yoon	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Bonghwan Cho	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Jaemin Suh	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Bumsoo Choi	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Bockwoan Kim	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Kitaek Hong	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Sunghyun Chung	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Kisup Shin	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Sungkyu Lee	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Byungsang Kim	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Jongyoung Yoon	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Jaecil Song	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Hyunggoo Shim	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Junghaeng Lee	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Joonsup Chang	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	Youngno Lee	Head of Regional Head Office	23-Mar-05	22-Mar-10	57,100	15,000	0	15,000
22-Mar-02	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

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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						<u>2,681,339</u>	<u>540,108</u>	

Table of Contents**1.4. Dividend**

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

(Units: in millions of Won unless indicated otherwise)

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

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

Table of Contents**2. Business****2.1. Business Overview**

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

We have developed one of the most extensive domestic branch networks, with 1,190 domestic branches and sub-branches as of December 31, 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.

For the year 2002, 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, %)

	December 31, 2002		December 31, 2001		December 31, 2000	
	Amount	%	Amount	%	Amount	%
Kookmin Bank	1,220,260	31.7	1,140,587	33.7	1,024,784	33.8
Woori Bank	589,095	15.3	513,903	15.2	486,305	16.0
Hana Bank	534,570	13.9	322,652	9.5	275,777	9.1
Chohung Bank	426,902	11.1	355,967	10.5	312,699	10.3
Shinhan Bank	331,479	8.6	301,285	8.9	263,513	8.7
Korea Exchange Bank	318,792	8.3	253,284	7.5	215,049	7.1
Korea First Bank	227,993	5.9	171,800	5.1	163,302	5.4
KorAm Bank	202,233	5.2	171,834	5.1	167,843	5.5
Seoul Bank			151,458	4.5	123,404	4.1
Total	3,851,324	100	3,382,770	100	3,032,676	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. Numbers for 2000 are proforma results of Former Kookmin Bank and H&CB.

For the year 2002, 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, %)

	December 31, 2002		December 31, 2001		December 31, 2000	
	Amount	%	Amount	%	Amount	%
Kookmin Bank	743,096	41.1	601,536	47.2	488,734	56.2
Hana Bank	235,987	13.1	105,143	8.2	53,337	6.1
Woori Bank	228,530	12.6	132,501	10.4	84,896	9.8
Shinhan Bank	159,927	8.9	107,729	8.4	56,987	6.5
Chohung Bank	154,565	8.6	90,723	7.1	53,855	6.2
Korea First Bank	105,997	5.9	78,874	6.2	50,326	5.8
Korea Exchange Bank	102,062	5.6	64,053	5.0	36,752	4.2
Seoul Bank			53,156	4.2	17,435	2.0
KorAm Bank	75,759	4.2	41,807	3.3	27,742	3.2
Total	1,805,923	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.

For the year 2002, 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, %)

	December 31, 2002	December 31, 2001	December 31, 2000
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	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Kookmin Bank	338,706	79.9	253,495	87.4	226,460	90.7
Hana Bank	25,014	5.9	7,552	2.6	2,017	0.8
Woori Bank	23,037	5.4	10,998	3.8	11,042	4.4
Korea Exchange Bank	15,584	3.7	8,719	3.0	2,394	1.0
KorAm Bank	8,592	2.0	2,432	0.8	2,264	0.9
Shinhan Bank	7,709	1.8	2,943	1.0	2,374	1.0
Seoul Bank			1,078	0.4	862	0.3
Chohung Bank	4,126	1.0	2,326	0.8	1,702	0.7
Korea First Bank	1,308	0.3	658	0.2	550	0.2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	424,076	100	290,201	100	249,665	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

(Unit: in millions of Won)

		December 31, 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	113,157,719	4.21	63,743,997	5.53	47,038,144	6.18
	Certificate of deposit	2,119,900	4.82	2,022,414	6.10	1,910,630	6.99
	Borrowings	4,568,873	4.45	3,784,147	4.85	3,317,619	6.43
	Call money	1,039,249	4.02	403,937	4.11	562,807	4.89
	Other	14,254,281	6.70	9,112,858	7.57	5,799,092	10.78
Subtotal		135,140,022	4.49	79,067,353	5.74	58,628,292	6.67
Foreign currency	Deposits	1,096,544	1.28	952,701	3.08	882,344	5.20
	Borrowings	2,269,774	2.45	2,018,537	5.47	2,725,810	7.10
	Call money	293,151	1.65	223,156	3.67	193,324	6.31
	Finance debentures issued	1,071,848	3.57	1,430,804	5.68	1,521,343	7.75
	Other	23,087		15,081		13,666	
Subtotal		4,754,404	2.67	4,640,279	5.32	5,336,487	7.20
Other	Total Shareholders' Equity	14,586,550		7,463,687		5,001,918	
	Allowance for credit losses	63,039		353,183		519,496	
	Other	3,717,379		4,065,899		3,032,325	
Subtotal		18,366,968		11,882,769		8,553,739	
Total		158,261,394	3.92	95,590,401	5.00	72,518,518	5.92

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

(Unit: in millions of Won)

		December 31, 2002		December 31, 2001		December 31, 2000	
		Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency	Due from banks	1,041,865	4.62	1,339,572	5.60	3,276,652	7.39
	Securities	30,180,305	6.32	23,861,424	6.78	18,030,147	9.38
	Loans	105,188,481	7.79	53,575,082	8.87	38,301,330	9.71
	Advances for customers	91,583	4.35	127,704	3.84	337,987	4.62
	Call loan	736,571	4.36	1,765,067	4.80	524,653	6.59
	Private placement corporate bonds	1,631,524	7.32	2,065,179	10.32	1,878,194	9.21
	Credit card accounts	5,719,359	10.25	912,210	17.63	565,673	10.54
	Other	374,718		614,014		145,983	
	Allowance for credit losses (-)	1,437,960		1,297,930		1,224,823	
	Subtotal	143,526,446	7.66	82,962,322	8.50	61,835,796	9.73
Foreign currency	Due from banks	253,390	1.35	121,994	3.28	1,335,708	7.50
	Securities	1,302,214	7.97	1,079,359	9.13	961,991	12.48
	Loans	3,216,042	3.39	3,870,853	5.66	3,073,781	7.69
	Call loan	188,465	1.98	185,466	4.15	209,321	6.88
	Bills bought	835,356	4.71	1,045,331	7.60	719,683	10.16
	Other	15,739		116,454			
	Allowance for credit losses (-)	267,194		266,613		452,120	
Subtotal	5,544,012	4.95	6,152,844	7.11	5,848,355	9.40	
Other	Cash	914,639		530,451		421,390	
	Fixed assets used for business purpose	3,126,812		1,462,413		1,298,813	
	Other	5,149,485		4,482,371		3,114,164	
Subtotal	9,190,936		6,475,235		4,834,367		
Total	158,261,394	7.12	95,590,401	7.83	72,518,518	9.06	

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)

		December 31, 2002		December 31, 2001		December 31, 2000	
		Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Deposits in Won	Demand deposits	10,654,651	12,987,742	4,832,281	10,824,005	3,720,546	4,173,966
	Time & savings deposits	93,347,999	93,630,423	53,496,908	89,080,935	40,279,328	43,495,480
	Mutual installment deposits	8,058,664	7,491,115	6,469,772	8,871,193	4,632,965	5,521,161
	Mutual installment for housing	4,463,601	4,872,637	928,398	4,128,489	73,831	204,111
	Certificates of deposits	2,119,900	3,044,089	2,022,414	1,154,056	1,910,630	2,424,947
Subtotal		118,644,815	122,026,006	67,749,773	114,058,678	50,617,300	55,819,665
Deposits in foreign currency		1,096,544	1,083,647	952,701	1,102,626	858,330	702,481
Trust deposits	Money trust	17,214,936	15,356,285	20,375,456	19,739,709	22,279,546	20,349,257
	Property trust	16,783,690	26,852,684	5,409,033	12,559,922	92,838	875,984
Subtotal		33,998,626	42,208,969	25,784,489	32,299,631	22,372,384	21,225,241
Total		153,739,985	165,318,622	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)

	<u>December 31, 2002</u>	<u>December 31, 2001</u>	<u>December 31, 2000</u>
Deposits	121,137	133,548	120,422
Deposits in Won	120,336	132,320	119,089

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

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

(Unit: in millions of Won)

	<u>December 31, 2002</u>	<u>December 31, 2001</u>	<u>December 31, 2000</u>
Deposits	7,256	7,243	5,917
Deposits in Won	7,208	7,176	5,852

2.4.4. Loan Balances

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

(Unit: in millions of Won)

	<u>December 31, 2002</u>		<u>December 31, 2001</u>		<u>December 31, 2000</u>	
	Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Loans in Won	105,117,047	116,472,105	53,498,087	94,698,769	38,301,330	43,436,111
Loans in foreign currency	3,228,857	4,417,176	3,924,562	4,174,237	3,077,642	2,970,653
Advances to customers	106,380	52,430	244,158	199,831	337,987	240,992
Subtotal	108,452,284	120,941,711	57,666,807	99,072,837	41,716,959	46,647,756
Trust account loans	789,614	575,412	2,194,851	1,117,817	4,216,018	3,170,756
Total	109,241,898	121,517,123	59,861,658	100,190,654	45,932,977	49,818,512

2.4.5. Loan Balances as of December 31, 2002 by Remaining Maturities

(Unit: in millions of Won)

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	<u>Less than 1 year</u>	<u>More than 1 year-less than 3 years</u>	<u>More than 3 years-less than 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Loans in Won	52,978,906	45,900,006	5,496,579	12,096,614	116,472,105
Loans in foreign currencies	2,881,739	644,270	293,480	597,687	4,417,176

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

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

(Unit: in millions of Won)

		<u>December 31, 2002</u>	<u>December 31, 2001</u>	<u>December 31, 2000</u>
Loans to enterprise	Loans for operations	35,369,066	29,286,707	20,899,277
	Loans for equipments	5,963,631	4,434,447	4,393,664
Loans to households		40,477,483	34,648,918	14,215,303
Loans to public sector & others	Loans for operations	738,632	730,598	1,914,841
	Loans for equipment	39,414	57,211	49,508
Loans on property formation savings		95,252	154,069	244,479
Loans for housing		33,731,435	25,342,969	1,663,904
Inter-bank loans		20,941	36,110	51,343
Others		36,251	7,740	3,792
Total		116,472,105	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, %)

	<u>December 31, 2002</u>	<u>December 31, 2001</u>	<u>December 31, 2000</u>
Loans ¹ (A)	105,117,047	53,498,087	38,301,330
Deposits ² (B)	118,644,815	67,749,773	50,617,300
Loan to deposit ratio (A/B)	88.60	78.96	75.67

2.4.8. Acceptances and Guarantees

(Unit: in millions of Won)

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	<u>December 31, 2002</u>	<u>December 31, 2001</u>	<u>December 31, 2000</u>
Confirmed	1,031,698	3,521,970	3,035,968
Unconfirmed	1,306,878	1,369,723	1,183,433
Total	2,338,576	4,891,693	4,219,401

-
1. Average balance of loans in Won for 12 months ended each indicated date
 2. Average balance of deposits in Won for 12 months ended each indicated date. The balances include certificate of deposits

Table of Contents**2.4.9. Breakdown of Securities Investment**

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

(Unit: in millions of Won)

		December 31, 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	2,834,534	3,269,269	3,571,137	3,139,925	2,773,897	1,973,079
	Government and public bonds	4,272,946	5,252,321	4,454,446	4,592,251	4,095,760	4,595,840
	Debentures	13,154,258	13,378,717	11,410,904	14,691,304	8,431,478	9,151,880
	Stocks	2,146,149	1,661,682	1,309,134	2,154,449	1,004,648	1,142,113
	Others	7,809,012	7,162,134	3,115,803	7,547,153	1,724,364	1,588,295
Subtotal		30,216,899	29,724,123	23,861,424	32,125,082	18,030,147	18,451,207
Securities in Won (Trust account)	Monetary stabilization bonds	1,309,515	583,379	3,228,021	2,725,071	3,654,209	3,365,883
	Government and public bonds	2,023,503	1,323,195	2,990,549	3,059,777	1,894,815	2,816,167
	Debentures	8,035,960	7,600,794	7,635,765	7,613,829	6,966,409	6,828,929
	Stocks	904,921	924,514	672,845	890,151	568,650	547,797
	Others	3,945,649	3,821,884	4,340,103	3,913,328	5,718,473	3,576,520
Subtotal		16,779,512	15,001,019	18,985,430	18,572,571	18,842,267	17,135,296
Securities in foreign currency (Trust Account)		559,964	747,253	118,147	370,415	39,711	0
Subtotal		16,779,512	15,001,019	18,985,430	18,572,571	18,842,267	17,135,296
Securities in foreign currency (Banking account)	Foreign securities	945,199	960,749	736,084	909,730	631,040	583,229
	Off-shore foreign securities	320,423	255,878	343,275	382,542	370,664	316,868
Subtotal		1,265,622	1,216,627	1,079,359	1,292,272	1,001,704	900,097
Total		48,262,033	45,941,769	43,926,213	51,989,925	37,874,118	36,486,600

2.4.10. Trust Account (money trust)

(Unit: in millions of Won)

	December 31, 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	1,528	59,530	25,551	- 17,147	581,332	- 77,157
Performance trust	33,997,098	241,444	25,758,938	353,890	21,821,152	308,287
Total	33,998,626	300,974	25,784,489	336,743	22,402,484	231,130

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

(Unit: in millions of Won unless indicated otherwise)

		As of or for the years ended December 31		
		2002	2001	2000
Number of card holders (Person)	Corporate	58,090	23,811	17,942
	Individual	4,748,427	4,017,950	3,053,224
Number of merchants		295,668	262,619	196,264
Profit	Sales ¹	27,216,500	22,272,700	12,538,100
	Fee revenue	1,039,710	819,399	440,653

2.4.11.2. Kookmin Card²

(Unit: in millions of Won unless indicated otherwise)

		As of or for the years ended December 31		
		2002	2001	2000
Number of card holders (Person)	Corporate	153,425	105,600	137,657
	Individual	11,638,968	9,605,946	8,036,140
Number of merchants		1,569,103	1,675,176	1,230,838
Profit	Sales ¹	83,860,180	65,382,300	37,875,680
	Fee revenue ³	155,545	142,700	115,355

2.5. Property, Plants and Equipment

2.5.1. Branch Network

As of December 31, 2002, we had 1,128 branches and 62 sub-branches in Korea, the largest number of branches among Korean commercial banks. We believe that our extensive branch network in Korea and retail customer base provide us with a source of stable and relatively low cost funding. Approximately 42% of our branches and sub-branches are located in Seoul.

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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.

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We also have three subsidiaries in Luxemburg, Hong Kong and London and three branches in Tokyo, New York and Auckland.

2.5.2. Property

Our registered office and corporate headquarters are located at 9-1, 2-Ga, Namdaemun-Ro, Jung-Gu, Seoul, Korea. The book value of all the properties owned by us as of December 31, 2002 was 1,591,439 million Won. In addition to the properties owned by us, we also leased 1,026,344 million Won of properties for our branch space. We do not own any material properties outside of Korea.

2.5.3. Automated Banking Machines

We have established an extensive network of automated banking machines, which are located in branches and in Autobanks (unmanned outlets). These automated banking machines consist of ATMs, cash dispensers and passbook printers. As of December 31, 2002, we had 6,102 ATMs, 2,748 cash dispensers and 896 passbook printers.

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

(Units: in millions of Won, %)

	<u>December 31, 2002</u>	<u>December 31, 2001</u>	<u>December 31, 2000</u>
Risk-adjusted capital (A)	14,439,313	11,750,856	6,297,886
Risk-weighted assets (B)	138,703,021	114,849,227	56,346,867
BIS ratios (A/B)	10.41	10.23	11.18

2.6.2. Non-performing Loans¹

(Units: in millions of Won unless indicated otherwise)

<u>December 31, 2002</u>		<u>December 31, 2001</u>		<u>Change</u>	
Amount	NPL to total loans	Amount	NPL to total loans	Amount	NPL to total loans

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<u>2,509,073</u>	1.90 %	2,954,464	2.62 %	- 445,391	- 0.72 percentage points
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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.

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

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

(Units: in millions of Won)

		December 31, 2002	December 31, 2001	December 31, 2000
Loan loss allowance	Domestic	2,365,898	2,255,068	1,822,208
	Overseas	12,798	16,111	4,492
	Total	2,378,696	2,271,179	1,826,700
Write-offs for the 12 month periods ended December 31		1,527,311	1,090,029	558,480

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3. Financial Information

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

Table of Contents**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, 2002, 2001 and 2000 was 900 million Won, 1,090 million Won and 490 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 unless indicated otherwise)

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
	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
2000 for H&CB	US GAAP conversion for New York Stock Exchange listing	US\$ 6,100 thousand
	US GAAP consulting service	US\$ 820 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:

matters relating to business objectives and performance evaluation;

matters relating to amendments of the Articles of Incorporation;

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

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

matters relating to internal control standards; or

other matters determined by law and the board of directors regulations

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

the Board Steering Committee;

the Management Strategy Committee;

the Risk Management Committee;

the Audit Committee;

the Compensation Committee; and

the Non Executive Director Nomination Committee.

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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

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

5.3. Voting Rights of Shareholders

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

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

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

5.4. Compensation to the Directors

For the 12 months ended December 31, 2002, 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 3,146 million Won, 515 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	3,146		681
Non Executive Directors	515		47
	3,661	8,000	728

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 December 31, 2002, we have following affiliates.

KB Investment Co., Ltd.

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Kookmin Credit Card Co., Ltd.

KB Investment Trust Management Co., Ltd.

KB Real Estate Trust Co., Ltd.

KB Credit Information Co., Ltd.

Kookmin Data System Corporation

Kookmin Futures Co., Ltd.

ING Life Korea Ltd.

Kookmin Bank 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)

Company name	Closing date	Accounting 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, 2002	60,074	14,945	45,129	34,161	19,243
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, 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	December 31, 2002	459,080	453,951	5,129	17,829	7,501
Kookmin Bank International (London)	December 31, 2002	344,265	296,527	47,738	11,327	742

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Kookmin Finance Hong Kong	December 31, 2002	293,205	231,773	61,432	22,957	12,186
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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 at December 31, 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	9.33%
Goldman Sachs	16,831,607	5.13%
The Bank of New York ¹	37,728,214	11.49%
Total	85,183,582	25.95%

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)

		July	August	September	October	November	December
Registered Common Shares	High	62,100	56,500	57,200	46,000	45,950	47,700
	Low	53,300	50,700	44,750	37,150	32,900	42,000
Trading Volume		26,808	18,972	30,320	50,040	50,870	29,678

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

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

July	August	September	October	November	December
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American Depositary Shares	High	51.76	47.62	46.08	36.85	34.01	40.09
	Low	44.10	42.10	35.43	29.40	31.30	34.90
Trading Volume		8,197	5,095	6,829	10,244	8,831	4,269

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

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

As of December 31, 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 auditor & executive director.

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

Name	Date of Birth	Position	Common Shares Owned
Sanghoon Kim	03/13/1942	Chairman	100
Jungtae Kim	08/15/1947	President & CEO	56,581
Choulju Lee	11/22/1939	Auditor & Executive Director	682

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 December 31, 2002, 8 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 Shares Owned
Moonsoul Chung	03/07/1938	Non-Executive Director	3,191
Timothy Hartman	03/01/1939	Non-Executive Director	
Sunjin Kim	06/08/1942	Non-Executive Director	2,215
Dongsoo Chung	09/24/1945	Non-Executive Director	200
Keunshik Oh	09/12/1946	Non-Executive Director	360
Kyunghee Yoon	01/05/1947	Non-Executive Director	
Henry Cornell	04/11/1956	Non-Executive Director	
Jihong Kim	06/08/1956	Non-Executive Director	

Table of Contents**7.3. Senior Management**

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

Name	Date of Birth	Position	Common Shares Owned
Jongkyoo Yoon	10/13/1955	Executive Vice President	3,300
Donald MacKenzie	12/20/1948	Executive Vice President	
Bonghwan Cho	03/30/1950	Executive Vice President	4,581
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	
Jongin Park	03/10/1954	Executive Vice President	265
Byungsang Kim	02/19/1947	Executive Vice President	634
Woojung Lee	07/11/1949	Executive Vice President	

7.4. Employees

The following table shows the breakdown of our employees as of December 31, 2002.

(Unit: in millions of Won)

	Number of Employees			Average Tenure of the full-time employees	Total Payment for the 12 Months Period	Average Monthly Payment per Person
	Full-time	Contractual	Total			
Male	13,288	1,234	14,522	15.60 years	824,993	4.7
Female	5,029	7,431	12,460	12.22 years	410,024	2.7
Total	18,317	8,665	26,982	14.67 years	1,235,017	3.8

7.5. Labor Union

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Under Korea Financial Industry Union, we currently have two union chapters following the merger. There are 8,446 members in Former Kookmin Bank chapter and 7,022 members in H&CB chapter.

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

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

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

(Unit: in millions of Won)

Name	Relation with the Bank	Beginning Balance (January 1, 2002)	Increase	Decrease	Ending Balance (December 31, 2002)
Kookmin Credit Card	Affiliate	22,526		1,743	20,783

8.1.2. Guarantees Provided for Affiliates

(Unit: in millions of Won)

Name	Relation with the Bank	Beginning Balance (January 1, 2002)	Increase	Decrease	Ending Balance (December 31, 2002)
KB Real Estate Trust	Affiliate	53		53	0

Table of Contents**8.1.3. Investments in Affiliates**

(Unit: in millions of Won)

Name	Relation with the Bank	Account	Par Value	Beginning Balance (January 1, 2002)	Increase	Decrease	Ending Balance (December 31, 2002)
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	31,999	12,709		44,708
KB Investment Trust Management	Affiliate	Equity Securities of Affiliate	30,670	30,670			30,670
Kookmin Futures	Affiliate	Equity Securities of Affiliate	19,999	19,999			19,999
Kookmin Data System	Affiliate	Equity Securities of Affiliate	7,998	7,998			7,998
KB Credit Information	Affiliate	Equity Securities of Affiliate	2,520	2,520	1,398		3,918