

KOOKMIN BANK
Form 6-K
May 16, 2005
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

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

For the month of May 2005

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.

Edgar Filing: KOOKMIN BANK - Form 6-K

Form 20-F X Form 40-F _____

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

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

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

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

Table of Contents

TABLE OF CONTENTS

<i>Summary of 2005 1st Quarter Business Report</i>	4
1. <u>Introduction to the Bank</u>	5
1.1. <u>Business Purposes</u>	5
1.2. <u>History</u>	5
1.3. <u>Capital Structure</u>	7
1.4. <u>Employee Stock Ownership Association</u>	13
1.5. <u>Dividend</u>	13
2. <u>Business</u>	14
2.1. <u>Sources and Uses of Fund</u>	14
2.2. <u>Principal Banking Activities</u>	17
2.3. <u>Branch Networks</u>	21
2.4. <u>Other Information for Investment Decision</u>	22
3. <u>Financial Information</u>	24
3.1. <u>Non-Consolidated Condensed Financial Statements</u>	24
3.2. <u>Other Financial Information</u>	24
4. <u>Independent Accountant Fees and Services</u>	25
4.1. <u>Audit & Review Fees</u>	25
4.2. <u>Non-Audit Services</u>	25
5. <u>Corporate Governance and Affiliated Companies</u>	26
5.1. <u>Board of Directors & Committees under the Board</u>	26
5.2. <u>Audit Committee</u>	26
5.3. <u>Compensation to Directors</u>	27
5.4. <u>Voting Rights of Shareholders</u>	27
5.5. <u>Share Ownership</u>	27
5.6. <u>Affiliated Companies</u>	28
6. <u>Directors, Senior Management and Employees</u>	29
6.1. <u>Executive Directors</u>	29
6.2. <u>Non-Executive Directors</u>	29
6.3. <u>Senior Management</u>	30
6.4. <u>Employees</u>	30
7. <u>Related Party Transactions</u>	31
7.1. <u>Transactions with the Largest Shareholders or Affiliates</u>	31
7.2. <u>Transactions with Other than the Largest Shareholders or Affiliates</u>	32

Table of Contents

Index

1. Summary of 2005 1st Quarter Business Report

2. Exhibit 99.1_Kookmin Bank Review Report for the 1st Quarter of 2005

3

Table of Contents

Summary of 2005 1st Quarter Business Report

On May 16, 2005, Kookmin Bank filed its business report for the first quarter of 2005 (the Business Report) with the Financial Supervisory Commission of Korea pursuant to the Securities and Exchange Act of Korea. This is the 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 , us or the Bank mean Kookmin Bank and, as the context may require, its subsidiaries. In addition, all references to Won or W in this document are to the currency of the Republic of Korea.

Accounting policy with respect to the private funds in which we hold interest in the form of wholly owned beneficiary certificates, or WOBCs, was changed in April 2005. Before the change, unrealized Gain or Loss on WOBCs was recognized as non-interest income from beneficiary certificates in the income statement. However, it should be recognized as a capital adjustment in owner s equity section of balance sheet after the change. The financial statements for the years 2002 and 2003, respectively, do not require adjustment because unrealized gain or loss on WOBCs was already reflected as a capital adjustment for those periods.

Table of Contents

1. Introduction to the Bank

1.1. Business Purposes

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

- n The banking business as prescribed by the Bank Act,
- n The trust business as prescribed by the Banking Trust Act,
- n The credit card business as prescribed by the Non-Banking Financing Act, and
- n 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
- n December 4, 2002
Entered into a strategic alliance agreement with ING Bank N.V., which replaced the prior investment agreement with H&CB
- n May 30, 2003
Entered into a merger agreement with Kookmin Credit Card, one of our major subsidiaries, and officially submitted Merger Statement to Financial Supervisory Commission
- n September 30, 2003
Completed small-scale merger with Kookmin Credit Card
- n December 16, 2003
Completed strategic investment in Bank International Indonesia (BII) through the Consortium of Sorak Financial Holdings, of which we hold 25% stake

Edgar Filing: KOOKMIN BANK - Form 6-K

- n December 19, 2003
Fully privatized through the entire disposition of Korean government's stake in Kookmin Bank

- n April 29, 2004
Established a subsidiary, KB Life Co. Ltd., to engage in insurance business

- n July 22, 2004
Made an alliance with China Construction Bank for the foreign currency business

Table of Contents

- n August 31, 2004
Made a contract with ING for the strategic investment on KB Life

- n October 29, 2004
Appointed Mr. Chung Won Kang as the President & CEO in Extraordinary General Shareholders Meeting

- n November 09, 2004
Integrated three labor unions (former Kookmin Bank, former H&CB, former Kookmin Credit Card) into a single KB labor union

- n December 31, 2004
The largest shareholder of Kookmin Bank changed from ING Bank N.V. Amsterdam to Euro-Pacific Growth Fund

- n March 02, 2005
Open KB Satellite Broad Casting System for the first time in the world

- n March 21, 2005
The largest shareholder of Kookmin Bank changed from Euro-Pacific Growth Fund to ING Bank N.V. Amsterdam

Table of Contents

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

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

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

With regard to the merger between Kookmin Bank and Kookmin Credit Card on September 30, 2003, Kookmin Bank issued additional 8,120,431 shares on October 1, 2003. Accordingly, as of March 31, 2005, total 336,379,116 shares were issued with 1,681,896 million Won of paid-in capital.

Table of Contents**1.3.2. Treasury Stock¹**

The following table shows the acquisition and disposition of our treasury stock as of March 31, 2005.

(Units: in millions of Won unless indicated otherwise)

Date	Transaction	Number of share	Acquisition/ Disposition amount	Average cost per one share (Won)
November 15, 2001	Acquisition of fractional shares in the course of the merger	41,548	1,794,885	43,200
December 24, 2001	Disposition due to exercise of stock option by a grantee	10,000	432,003	43,200
April 3, 2002	Acquisition of fractional shares due to stock dividend	36,089	2,071,557	57,400
May 14, 2002	Disposition pursuant to the Bank Act of Korea	31,548	1,601,944	50,788
July 30 ~ October 23, 2002	Acquisition pursuant to the Securities and Exchange Act of Korea	3,000,000	147,632,489	49,210
December 24, 2002	Disposition due to exercise of stock option by a grantee	10,000	492,294	49,229
January 15, 2003	Disposition due to exercise of stock option by a grantee	10,000	492,294	49,229
September 4 ~ 9, 2003	Acquisition pursuant to the Securities and Exchange Act of Korea	650,000	29,094,064	44,760
October 16, 2003	Acquisition of fractional shares due to the Merger with Kookmin Credit Card	5,095	214,254	42,050
4 th quarter, 2003	Disposition due to exercise of stock option by grantees	78,322	3,792,977	48,428
December 17, 2003	Acquisition from the sale of Korean government shares of the Bank	27,423,761	1,198,568,158	43,700
December 26, 2003	Disposition due to contribution to ESOP account	1,000,000	44,252,000	44,252
1 st quarter, 2004	Disposition due to exercise of stock option by grantees	30,855	1,365,396	44,252
2 nd quarter, 2004	Disposition due to exercise of stock option by grantees	55,593	2,460,101	44,252
3 rd quarter, 2004	Disposition due to exercise of stock option by grantees	592	26,197	44,252
4 th quarter, 2004	Disposition due to exercise of stock option by grantees	48,374	2,140,646	44,252
1 st quarter, 2005	Disposition due to contribution to ESOP account and exercise of stock option by grantees	1,095,038	48,457,622	44,252
Total		28,786,171	1,273,861,933	

¹ Disposed 1,000,000 shares of Treasury stock for the purpose of contribution to ESOP on April 12, 2005.

KB also plans to dispose up to 27,423,761 shares of Treasury stock by means of the combination of domestic over-the counter sales and an international issuance of depository receipts as we disclosed on April 27, 2005.

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 as of March 31, 2005.

(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				
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	Sung Chul Kim	Executive Vice President	01-Mar-03	28-Feb-06	27,600	30,000	20,000	10,000
28-Feb-00	Woo Jung Lee	Executive Vice President	01-Mar-03	28-Feb-06	27,600	30,000	0	30,000
28-Feb-00	Kuk Ju Kwon	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,800	0	4,800
28-Feb-00	Sun Jin Kim	Non Executive Director	01-Mar-03	28-Feb-06	27,600	7,000	4,100	2,900
28-Feb-00	Joon Park	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,800	0	4,800
28-Feb-00	Moon Soul Chung	Non Executive Director	01-Mar-03	28-Feb-06	27,600	7,000	0	7,000
28-Feb-00	Heung Soon Chang	Non Executive Director	01-Mar-03	28-Feb-06	27,600	2,486	0	2,486
28-Feb-00	In Joon Kang	Non Executive Director	01-Mar-03	28-Feb-06	27,600	2,486	0	2,486
28-Feb-00	Sung Hee Jwa	Non Executive Director	01-Mar-03	28-Feb-06	27,600	4,800	730	4,070
28-Feb-00	Seung Woo Nam	Non Executive Director	01-Mar-03	28-Feb-06	27,600	1,928	0	1,928
28-Feb-00	Kyung Hee Yoon	Non Executive Director	01-Mar-03	28-Feb-06	27,600	7,000	0	7,000
28-Feb-00	Sung Cheon Hong & 9 others	Employees	01-Mar-03	28-Feb-06	27,600	67,283	33,975	33,308
24-Mar-01	Young II Kim	Executive Vice President	25-Mar-04	24-Mar-07	25,100	30,000	7,000	23,000
24-Mar-01	Jong In Park	Executive Vice President	25-Mar-04	24-Mar-07	25,100	19,333	0	19,333
24-Mar-01	Won Bae Yoon	Non Executive Director	25-Mar-04	24-Mar-07	25,100	2,318	0	2,318
24-Mar-01	Jae Kyu Lee	Non Executive Director	25-Mar-04	24-Mar-07	25,100	2,318	0	2,318
24-Mar-01	Chul Soo Ahn	Non Executive Director	25-Mar-04	24-Mar-07	25,100	1,916	0	1,916
24-Mar-01	Jae Han Kim & 2 others	Employees	25-Mar-04	24-Mar-07	25,100	16,491	13,216	3,275
18-Mar-00	Sang Hoon Kim	Chairman&CEO	19-Mar-03	18-Mar-05	23,469	41,460	41,460	0
18-Mar-00	In Kie Kim	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	2,961	0
18-Mar-00	Jin Ho Hwang	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	2,961	0
18-Mar-00	Bong Ho Paick	Non Executive Director	19-Mar-03	18-Mar-05	23,469	2,961	2,961	0
18-Mar-00	Yoo Hwan Kim	Executive Vice President	19-Mar-03	18-Mar-05	23,469	11,845	11,485	0
18-Mar-00	Duk Hyun Kim	Executive Vice President	19-Mar-03	18-Mar-05	23,469	11,845	11,485	0
15-Mar-01	Sang Hoon Kim	Chairman&CEO	16-Mar-04	15-Mar-09	28,027	29,614	1,000	28,614
15-Mar-01	Jong Min Lee	Auditor&Executive Director	16-Mar-04	15-Mar-09	28,027	14,807	0	14,807
15-Mar-01	In Kie Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Ji Hong Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Bong Ho Paick	Non Executive Director	16-Mar-04	15-Mar-09	28,027	1,870	1,870	0
15-Mar-01	Ik Rae Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Seung Heon Han	Non Executive Director	16-Mar-04	15-Mar-09	28,027	1,870	0	1,870
15-Mar-01	Young Seok Kim	Non Executive Director	16-Mar-04	15-Mar-09	28,027	1,870	0	1,870
15-Mar-01	Se Woong Lee	Non Executive Director	16-Mar-04	15-Mar-09	28,027	2,961	0	2,961
15-Mar-01	Bock Woan Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Yoo Hwan Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845

Edgar Filing: KOOKMIN BANK - Form 6-K

15-Mar-01	Duk Hyun Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	2,845	9,000
15-Mar-01	Ok Hyun Yoon	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	2,845	9,000
15-Mar-01	Tai Gon Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	8,845	3,000
15-Mar-01	Byung Sang Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	0	11,845
15-Mar-01	Byung Jin Kim	Executive Vice President	16-Mar-04	15-Mar-09	28,027	11,845	3,845	8,000
15-Mar-01	Han Koo Ji & 37 others	Employees	16-Mar-04	15-Mar-09	28,027	39,684	5,015	34,669

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

Table of Contents

Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of granted options*	Number of exercised options	Number of exercisable options
			From	To				
16-Nov-01	Jung Tae Kim	President & CEO	17-Nov-04	16-Nov-09	X ¹	500,000	0	500,000
16-Nov-01	Sang Hoon Kim	Chairman	17-Nov-04	16-Nov-09		150,000	0	150,000
22-Mar-02	Choul Ju Lee	Auditor&Executive Director	23-Mar-05	22-Mar-10		9,963	0	9,963
22-Mar-02	Henry Cornell	Non Executive Director	23-Mar-05	22-Mar-10		3,321	0	3,321
22-Mar-02	Keun Shik Oh	Non Executive Director	23-Mar-05	22-Mar-10		3,321	0	3,321
22-Mar-02	Dong Soo Chung	Non Executive Director	23-Mar-05	22-Mar-10		10,000	0	10,000
22-Mar-02	Ji Hong Kim	Non Executive Director	23-Mar-05	22-Mar-10	Y ²	3,321	0	3,321
22-Mar-02	Timothy Hartman	Non Executive Director	23-Mar-05	22-Mar-10		3,321	0	3,321
22-Mar-02	Sun Jin Kim	Non Executive Director	23-Mar-05	22-Mar-10		3,000	0	3,000
22-Mar-02	Moon Soul Chung	Non Executive Director	23-Mar-05	22-Mar-10		3,000	0	3,000
22-Mar-02	Kyung Hee Yoon	Non Executive Director	23-Mar-05	22-Mar-10		3,000	0	3,000
22-Mar-02	Jong Kyoo Yoon	Executive Vice President	23-Mar-05	22-Mar-10	57,100	20,522	0	20,522
22-Mar-02	Bong Hwan Cho	Executive Vice President	23-Mar-05	22-Mar-10	57,100	9,498	0	9,498
22-Mar-02	Bum Soo Choi	Executive Vice President	23-Mar-05	22-Mar-10	57,100	13,339	0	13,339
22-Mar-02	Bock Woan Kim	Executive Vice President	23-Mar-05	22-Mar-10	57,100	13,339	0	13,339
22-Mar-02	Ki Taek Hong	Executive Vice President	23-Mar-05	22-Mar-10	57,100	19,525	0	19,525
22-Mar-02	Sung Hyun Chung	Executive Vice President	23-Mar-05	22-Mar-10	57,100	19,525	0	19,525
22-Mar-02	Ki Sup Shin	Executive Vice President	23-Mar-05	22-Mar-10	57,100	26,405	0	26,405
22-Mar-02	Seong Kyu Lee	Executive Vice President	23-Mar-05	22-Mar-10	57,100	30,000	0	30,000
22-Mar-02	Byung Sang Kim	Executive Vice President	23-Mar-05	22-Mar-10	57,100	9,498	0	9,498
22-Mar-02	Jong Young Yoon & 15 others	Employees	23-Mar-05	22-Mar-10	57,100	147,658	0	147,658
26-Jul-02	Donald H. MacKenzie	Executive Vice President	27-Jul-05	26-Jul-10	58,800	30,000	0	30,000
21-Mar-03	Moon Soul Chung	Non Executive director	22-Mar-06	21-Mar-11		6,678	0	6,678
21-Mar-03	Sun Jin Kim	Non Executive director	22-Mar-06	21-Mar-11		6,678	0	6,678
21-Mar-03	Richard Elliott Lint	Non Executive director	22-Mar-06	21-Mar-11		6,678	0	6,678

Edgar Filing: KOOKMIN BANK - Form 6-K

21-Mar-03	Kyung Hee Yoon	Non Executive director	22-Mar-06	21-Mar-11		6,678	0	6,678
21-Mar-03	Suk Yong 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		6,678	0	6,678
21-Mar-03	Ki Hong Kim	Non Executive director	22-Mar-06	21-Mar-11		10,000	0	10,000
21-Mar-03	Eun Joo Park	Non Executive director	22-Mar-06	21-Mar-11		3,351	0	3,351
21-Mar-03	Cheol Soo Ahn	Non Executive director	22-Mar-06	21-Mar-11		3,351	0	3,351
21-Mar-03	Kyung Bae Suh	Non Executive director	22-Mar-06	21-Mar-11		3,351	0	3,351
21-Mar-03	Sung Chul Kim	Executive Vice President	22-Mar-06	21-Mar-11	35,500	9,443	0	9,443
21-Mar-03	Woo Jung Lee	Executive Vice President	22-Mar-06	21-Mar-11	35,500	9,443	0	9,443
21-Mar-03	See Young Lee	Executive Vice President	22-Mar-06	21-Mar-11	35,000	7,024	0	7,024
21-Mar-03	Won Suk Oh & 6 others	Employees	22-Mar-06	21-Mar-11	35,500	63,650	0	63,650
27-Aug-03	Jin Baek Cheong	Executive Vice President	28-Aug-03	27-Aug-11	40,500	5,091	0	5,091
22-Mar-01	Han Kyoung Lee	Former KCC Officer	23-Mar-04	22-Mar-11	71,538	6,644	0	6,644

¹ Exercise price = 51,200 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 - 207.25) / 207.25 x 100.

² 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.

³ Exercise price = 35,500 Won x (1 + the increase rate of KOSPI Banking Industry Index x 0.4). The increase rate of KOSPI Banking Industry Index = (KOSPI Banking Industry Index as of the starting date of exercise period - KOSPI Banking Industry Index as of the grant date) / KOSPI Banking Industry Index as of the grant date.

Table of Contents

Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of options* granted	Number of options exercised	Number of options exercisable
			From	To				
22-Mar-01	Jun Chae Song	Former KCC Officer	23-Mar-04	22-Mar-11	71,538	6,644	0	6,644
22-Mar-01	Cheol Ho Kim	Former KCC Officer	23-Mar-04	22-Mar-11	71,538	4,429	0	4,429
22-Mar-01	Myoung Woo Lee	Former KCC Officer	23-Mar-04	22-Mar-11	71,538	4,429	0	4,429
29-Mar-02	Boung Hak Kim	Former KCC Officer	30-Mar-04	29-Mar-11		3,330	0	3,330
29-Mar-02	Sun Lee	Former KCC Officer	30-Mar-04	29-Mar-11	Y ⁴	3,330	0	3,330
29-Mar-02	Jang Ok Kim	Former KCC Officer	30-Mar-04	29-Mar-11		3,330	0	3,330
09-Feb-04	Young Il Kim	Senior Executive Vice President	10-Feb-07	09-Feb-12	46,100	7,125	0	7,125
09-Feb-04	Jeung Lak Lee	Senior Executive Vice President	10-Feb-07	09-Feb-12	46,100	7,452	0	7,452
09-Feb-04	Sang Jin Lee	Senior Executive Vice President	10-Feb-07	09-Feb-12	46,100	7,125	0	7,125
09-Feb-04	Yun Keun Jung	Senior Executive Vice President	10-Feb-07	09-Feb-12	46,100	5,000	0	5,000
09-Feb-04	Kuk Shin Kang & 9 others	Employees	10-Feb-07	09-Feb-12	46,100	48,837	0	48,837
23-Mar-04	Dong Soo Chung	Non Executive Director	24-Mar-07	23-Mar-12		5,000	0	5,000
23-Mar-04	Woon Youl Choi	Non Executive Director	24-Mar-07	23-Mar-12		5,000	0	5,000
23-Mar-04	Wang Ha Cho	Non Executive Director	24-Mar-07	23-Mar-12	Y ⁵	5,000	0	5,000
23-Mar-04	Young Soon Cheon	Non Executive Director	24-Mar-07	23-Mar-12		5,000	0	5,000
23-Mar-04	Jung Young Kang	Senior Executive Vice President	24-Mar-07	23-Mar-12	47,200	10,000	0	10,000
01-Nov-04	Chung Won Kang	President & CEO	02-Nov-07	01-Nov-12	X ⁶	700,000	0	700,000
18-Mar-05	Hyung Duk Chang	Auditor & Executive Director	19-Mar-08	18-Mar-13	X ⁷	30,000	0	30,000
18-Mar-05	Kap Shin	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Dong Won Kim	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Yun Keun Jung	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Nam Sik Yang	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Hyo Sung Won	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Young Kook Oh	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Sang Jin Lee	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000

⁴ Exercise price = 129,100 won x (1 + the increase rate of Comparative Industry Index x 0.4).
If negative index produced, the factor is not to be considered.

The Increase rate of Comparative Industry Index = (B-A)/A

A: KOSPI as of the grant date x 0.5 + KOSPI Banking Industry Index as of the grant date x 0.5

B. KOSPI as of the exercise date x 0.5 + KOSPI Banking Industry Index as of the exercise date x 0.5

⁵ Exercise price = 47,200Won 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.

⁶ Exercise price = 37,600 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.

⁷ Exercise price = 46,800 Won x (1 + the increase rate of KOSPI Banking Industry Index x 0.4). The increase rate of KOSPI Banking Industry Index = (KOSPI Banking Industry Index as of the starting date of exercise period - KOSPI Banking Industry Index as of the grant date) / KOSPI Banking Industry Index as of the grant date.

Table of Contents

Grant date	Name of the grantee	Position when granted	Exercise period		Exercise price	Number of granted options*	Number of exercised options	Number of exercisable options
			From	To				
18-Mar-05	Ahn Sook Koo	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Jung Young Kang	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Young Han Choi	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Dong Soo Choe	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Seong Kyu Lee	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Jun Bo Cho	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Jung Min Kim	Senior Executive Vice President	19-Mar-08	18-Mar-13	46,800	30,000	0	30,000
18-Mar-05	Sung Soo Jung & 22 others	Employees	19-Mar-08	18-Mar-13	46,800	345,000	0	345,000
18-Mar-05	Suk Yong Cha	Non Executive director	19-Mar-08	18-Mar-13		15,000	0	15,000
18-Mar-05	Ki Hong Kim	Non Executive director	19-Mar-08	18-Mar-13		15,000	0	15,000
18-Mar-05	Young Soon Cheon	Non Executive director	19-Mar-08	18-Mar-13		15,000	0	15,000
18-Mar-05	Dong Soo Chung	Non Executive director	19-Mar-08	18-Mar-13		15,000	0	15,000
18-Mar-05	Chang Kyu Lee	Non Executive director	19-Mar-08	18-Mar-13	X ⁷	15,000	0	15,000
18-Mar-05	Hun Namkoong	Non Executive director	19-Mar-08	18-Mar-13		15,000	0	15,000
18-Mar-05	Doo Hwan Song	Non Executive director	19-Mar-08	18-Mar-13		15,000	0	15,000
18-Mar-05	Dam Cho	Non Executive director	19-Mar-08	18-Mar-13		15,000	0	15,000
18-Mar-05	Nobuya Takasugi	Non Executive director	19-Mar-08	18-Mar-13		15,000	0	15,000
Total						3,480,281	178,599	3,300,962

Table of Contents**1.4. Employee Stock Ownership Association¹**

	Beginning			Ending	
	balance			Balance	
	(January 1, 2005)	Increase	Decrease	(March 31, 2005)	Remarks
Registered common stock	1,944,211	585,530	95,698	2,434,043	
Total	1,944,211	585,530	95,698	2,434,043	

1.5. Dividend

The following table shows dividend policy and the related information for the last three years. The Board of Directors of Kookmin Bank made a resolution to pay dividend for the fiscal year of 2004, and shareholders of Kookmin Bank approved of the dividend payout for the year at the general shareholders meeting held on March 18, 2005

(Units: in millions of Won unless indicated otherwise)

	2004	2003	2002
Net (loss) income for the period	360,454	(930,356)	1,310,291
Diluted (loss) earnings per share (Won)	1,176 ₂	(2,854)	4,123
Total dividend amount	168,574		325,232
Dividend payout ratio (%)	46.77 ₃		24.82
Cash dividend per common share (Won)	550		1,000
Stock dividend per common share (%)			
Dividend per preferred share (Won)			
Dividend yield ratio (%)	1.42 ₄		2.19

¹ Disposed 1,000,000 shares of Treasury stock for the purpose of contribution to ESOP on April 12, 2005.

² Earnings per share = net income (360,454,000,000 Won) / weighted average number of shares (306,529,707 shares).

³ Dividend payout ratio = total dividend amount for common shares (168,574,000,000 Won) / net income (360,454,000,000 Won).

⁴ Dividend yield ratio = dividend per share (550 Won) / average closing price for a week based on business day prior to market closing date of December 31, 2004 (38,720 Won).

Table of Contents**2. Business****2.1. Sources and Uses of Fund****2.1.1. Sources of Fund**

(Unit: in millions of Won)

		March 31, 2005		December 31, 2004		December 31, 2003	
		Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency	Deposits	115,575,043	2.93	118,017,849	3.29	117,045,837	3.69
	Certificate of deposit	4,291,889	3.58	6,108,179	4.06	4,068,327	4.45
	Borrowings	2,720,835	2.88	3,053,890	3.43	3,625,926	3.89
	Call money	1,075,572	3.08	1,117,576	3.55	1,315,639	3.93
	Other	25,958,026	5.07	23,376,439	5.61	23,311,299	5.91
Subtotal		149,621,365	3.32	151,673,933	3.68	149,367,028	4.06
Foreign currency	Deposits	1,362,120	1.13	1,777,402	0.61	1,276,952	0.84
	Borrowings	2,771,404	1.57	2,796,300	0.94	3,462,883	1.01
	Call money	226,501	2.49	145,809	1.43	150,609	1.07
	Finance debentures issued	688,271	3.41	824,745	2.28	773,840	2.11
	Other	42,150	0.01	40,383		26,491	
Subtotal		5,090,446	1.73	5,584,639	1.04	5,690,775	1.12
Other	Total Shareholders Equity	9,515,802		9,284,477		12,053,112	
	Allowances	711,427		459,124		98,422	
	Other	13,082,214		12,773,040		9,509,283	
Subtotal		23,309,443		22,516,641		21,660,817	
Total		178,021,254	2.84	179,775,213	3.14	176,718,620	3.47

Table of Contents**2.1.2. Uses of Fund**

(Unit: in millions of Won)

		March 31, 2005		December 31, 2004		December 31, 2003	
		Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency	Due from banks	351,618	2.70	184,593	0.83	165,358	1.37
	Securities	27,084,729	3.58	23,930,678	5.17	30,069,922	7.26
	Loans	122,411,338	6.17	125,504,672	6.64	121,725,298	7.10
	Advances for customers	32,574	1.41	71,213	2.01	96,547	5.79
	Call loan	1,561,579	3.35	1,661,772	3.78	685,953	3.92
	Private placement corporate bonds	1,331,380	7.22	1,322,470	6.58	1,287,623	10.26
	Credit card accounts	7,316,075	11.69	9,581,330	10.83	6,698,954	10.44
	Other	53,452		172,783		298,858	
	Allowance for credit losses (-)	3,166,579		3,844,941		1,823,976	
	Subtotal	156,976,166	6.13	158,584,570	6.86	159,204,537	7.41
Foreign currency	Due from banks	656,943	2.32	632,526	1.34	612,862	1.33
	Securities	895,223	6.45	1,208,124	3.88	1,269,538	5.23
	Loans	2,856,612	3.13	2,675,293	3.61	2,785,091	3.11
	Call loan	112,613	2.58	114,606	1.63	84,803	1.28
	Bills bought	2,105,253	2.38	1,904,560	1.88	1,983,368	1.83
	Other	1,841		4,812		12,391	
	Allowance for credit losses (-)	64,030		94,501		132,105	
Subtotal	6,564,455	3.30	6,445,420	2.97	6,615,948	3.03	
Other	Cash	1,006,478		965,852		968,815	
	Fixed assets held for business	2,638,039		3,084,589		3,210,463	
	Other	10,836,116		10,694,782		6,718,857	
Subtotal	14,480,633		14,745,223		10,898,135		
Total	178,021,254	5.53	179,775,213	6.16	176,718,620	6.79	

Table of Contents**2.1.3. Fee Transactions**

(Unit: in millions of Won)

		<u>March 31, 2005</u>	<u>March 31, 2004</u>	<u>December 31, 2004</u>
Fee Revenue				
Won currency	Guarantees	1,319	1,123	4,957
	Commissions received	196,459	174,220	776,852
	Credit card	313,965	463,426	1,599,205
	NHF	41,428	38,804	160,874
		<u> </u>	<u> </u>	<u> </u>
Foreign currency	Guarantees	880	710	2,593
	Others	18,539	17,712	75,016
		<u> </u>	<u> </u>	<u> </u>
Subtotal		<u>572,590</u>	<u>695,995</u>	<u>2,619,497</u>
Fee Expense				
Won & foreign currency	Commissions paid in Won	16,839	22,201	78,681
	Credit card	58,270	106,368	353,324
	Others	4,760	4,793	20,169
		<u> </u>	<u> </u>	<u> </u>
Subtotal		<u>79,869</u>	<u>133,362</u>	<u>452,174</u>
Fee Income		<u>492,721</u>	<u>562,633</u>	<u>2,167,323</u>

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

The following table shows the average balances of our deposits for the periods ended and ending balances as of the dates indicated.

(Unit: in millions of Won)

		March 31, 2005		December 31, 2004		December 31, 2003	
		Average	Ending	Average	Ending	Average	Ending
		balance	balance	balance	balance	balance	balance
Deposits in Won	Demand deposits	13,971,175	14,688,135	12,994,946	14,338,784	12,192,971	14,110,288
	Time & savings deposits	93,965,810	91,250,251	96,637,551	94,723,601	96,668,084	97,616,747
	Mutual installment deposits	6,092,475	5,857,548	6,682,928	6,306,923	6,958,043	7,054,753
	Mutual installment for housing	5,219,173	5,126,054	5,453,713	5,295,274	5,161,535	5,423,853
	Certificates of deposits	4,291,889	4,305,149	6,108,179	4,911,891	4,068,327	6,499,258
Subtotal		123,540,522	121,227,137	127,877,317	125,576,473	125,048,960	130,704,899
Deposits in foreign currency		1,362,120	1,287,450	1,769,828	1,434,061	1,276,952	1,475,374
Trust deposits	Money trust	7,090,054	7,141,308	7,701,447	7,028,835	13,064,749	10,278,357
	Property trust	11,931,575	10,755,039	16,297,382	12,534,329	24,512,746	21,453,761
Subtotal		19,021,629	17,896,347	23,998,829	19,563,164	37,577,495	31,732,118
Total		143,924,271	140,410,934	153,645,974	146,573,698	163,903,407	163,912,390

2.2.2. Average Deposit per Domestic Branch

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

(Unit: in millions of Won)

Edgar Filing: KOOKMIN BANK - Form 6-K

	<u>March 31, 2005</u>	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Deposits	121,206	123,945	119,593
Deposits in Won	120,175	122,585	118,756

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

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

(Unit: in millions of Won)

	<u>March 31, 2005</u>	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Deposits	7,523	7,232	7,487
Deposits in Won	7,459	7,152	7,434

2.2.4. Loan Balances

The following table shows the average balances of our loans for the periods ended and ending balances as of the dates indicated.

(Unit: in millions of Won)

	<u>March 31, 2005</u>		<u>December 31, 2004</u>		<u>December 31, 2003</u>	
	Average	Ending	Average	Ending	Average	Ending
	balance	balance	balance	balance	balance	balance
Loans in Won	122,403,811	121,352,359	125,496,237	122,721,898	121,705,493	123,715,244
Loans in foreign currency	4,129,535	4,314,719	4,011,351	3,860,828	4,160,185	4,019,929
Advances to customers	32,574	29,671	73,801	32,120	107,091	89,665
Subtotal	126,565,920	125,696,749	129,581,389	126,614,846	125,972,769	127,824,838
Trust account loans	354,648	345,771	429,054	361,906	531,500	489,788
Total	126,920,568	126,042,520	130,010,443	126,976,752	126,504,269	128,314,626

2.2.5. Loan Balances as of March 31, 2005 by Remaining Years to Maturities

(Unit: in millions of Won)

Edgar Filing: KOOKMIN BANK - Form 6-K

	<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	69,344,864	31,240,966	7,410,775	13,355,754	121,352,359
Loans in foreign currencies	3,332,133	605,400	200,611	176,575	4,314,719

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

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)

		March 31, 2005	December 31, 2004	December 31, 2003
Loans to enterprise	Loans for operations	31,615,421	31,678,117	35,351,506
	Loans for facility	6,071,581	6,286,747	6,631,703
Loans to households		42,162,111	42,790,337	42,884,305
Loans to public sector & others	Loans for operations	640,186	673,456	526,227
	Loans for facility	37,988	40,383	42,473
Loans on property formation savings		8,603	9,719	62,963
Loans for housing		40,809,116	41,234,086	38,199,290
Inter-bank loans		4,666	6,114	12,815
Others		2,687	2,939	3,962
Total		121,352,359	122,721,898	123,715,244

2.2.7. Loan to Deposit Ratio

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

(Units: in millions of Won, %)

	March 31, 2005	December 31, 2004	December 31, 2003
Loans¹ (A)	122,403,811	125,496,237	121,705,493
Deposits² (B)	123,540,522	127,877,317	125,048,960
Loan to deposit ratio (A/B)	99.08	98.14	97.33

2.2.8. Acceptances and Guarantees

(Unit: in millions of Won)

	<u>March 31, 2005</u>	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Determined	1,138,046	975,788	800,297
Contingent	1,561,016	1,311,774	1,281,518
Total	<u>2,699,062</u>	<u>2,287,562</u>	<u>2,081,815</u>

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

Table of Contents**2.2.9. Breakdown of Securities Investment**

The following table shows the average balances of our securities for the periods ended and ending balances as of the indicated dates.

(Unit: in millions of Won)

		March 31, 2005		December 31, 2004 ¹		December 31, 2003	
		Average balance	Ending balance	Average balance	Ending balance	Average balance	Ending balance
Securities in Won (Banking account)	Monetary stabilization bonds	10,601,517	10,157,634	7,150,535	10,524,835	4,343,978	5,540,598
	Government and public bonds	5,044,170	5,621,401	4,753,135	4,675,093	5,630,422	5,885,595
	Debentures	6,148,880	6,424,760	7,013,765	6,152,749	12,315,840	8,936,220
	Stocks	1,318,861	1,313,937	1,003,131	1,282,050	1,380,254	877,013
	Others	5,302,680	4,881,168	5,332,583	5,583,538	7,687,051	7,299,404
Subtotal		28,416,108	28,398,900	25,253,149	28,218,265	31,357,545	28,538,830
Securities in Won (Trust account)	Monetary stabilization bonds	1,021,033	974,007	1,222,004	1,152,621	984,380	878,077
	Government and public bonds	1,152,593	1,047,969	922,790	837,080	1,182,165	1,252,419
	Debentures	2,072,846	2,099,518	2,363,630	2,312,459	5,876,064	4,080,362
	Stocks	510,206	499,026	564,538	510,650	763,277	592,379
	Others	2,422,612	2,639,583	2,101,832	2,324,393	3,208,160	2,106,262
Subtotal		7,602,849	7,613,857	7,837,343	7,586,618	12,882,865	9,677,174
Securities in foreign currency (Trust Account)		423,559	353,754	662,549	449,415	868,819	767,675
Subtotal		7,602,849	7,613,857	7,837,343	7,586,618	12,882,865	9,677,174
Securities in foreign currency (Banking account)	Foreign securities	589,330	562,654	894,722	745,352	999,806	1,072,483
	Off-shore foreign securities	305,736	302,551	313,402	205,455	269,732	277,663
Subtotal		895,066	865,205	1,208,124	950,807	1,269,538	1,350,146
Total		36,914,023	36,877,962	34,298,616	29,169,072	45,509,948	39,566,150

2.2.10. Trust Account

(Unit: in millions of Won)

	March 31, 2005		December 31, 2004		December 31, 2003	
	Total amount	Trust	Total amount	Trust	Total amount	Trust
	trusted	fees	trusted	fees	trusted	fees
Return-guaranteed trust	337	21,583	369	8,365	559	45,682
Performance trust	19,021,292	18,593	23,998,460	93,856	37,576,936	186,851
Total	19,021,629	40,176	23,998,829	102,221	37,577,495	232,533

¹ Restated due to the change in accounting treatment for Wholly Owned Beneficiary Certificates by FSS

Table of Contents**2.2.11. Credit Card**

(Unit: in millions of Won unless indicated otherwise)

		As of or for the years ended of indicated dates		
		March 31, 2005	December 31, 2004	December 31, 2003
Number of card holders (Person)	Corporate	176,570	182,109	147,813
	Individual	11,126,606	11,362,173	10,990,703
Number of merchants		1,485,831	1,491,730	1,528,872
Profit	Sales¹	14,956,438	66,348,465	92,535,500
	Fee revenue	549,708	2,800,901	4,012,017

2.3. Branch Networks

As of March 31, 2005, we had 1,077 branches and 45 sub-branches in Korea, the largest number of branches among Korean commercial banks. Approximately 41.4% of our branches and sub-branches are located in Seoul.

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

1. Includes lump-sum & installment and cash advances.

Table of Contents**2.4. Other Information for Investment Decision****2.4.1. BIS Risk-adjusted Capital Ratios**

(Units: in millions of Won, %)

	<u>March 31, 2005¹</u>	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Risk-adjusted capital (A)	12,974,680	13,334,531	12,499,543
Risk-weighted assets (B)	119,699,952	121,081,735	127,370,180
BIS ratios (A/B)	10.84	11.01	9.81

2.4.2. Non-Performing Loans²

(Units: in millions of Won unless indicated otherwise)

	<u>March 31, 2005</u>		<u>December 31, 2004</u>		<u>Change</u>	
<u>Amount</u>	<u>NPL to total loans</u>	<u>Amount</u>	<u>NPL to total loans</u>	<u>Amount</u>	<u>NPL to total loans</u>	
3,317,159	2.45%	3,207,190	2.35%	109,969		0.10%p

2.4.3. Loan Loss Allowances

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

(Units: in millions of Won)

	<u>March 31, 2005</u>	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Loan losses allowance	3,301,964		
Loans in Won			