

KOOKMIN BANK
Form 6-K
November 14, 2006
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

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

For the month of November 2006

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

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

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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

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Summary of 2006 Third Quarter Business Report

On November 14, 2006, pursuant to the Securities and Exchange Act of Korea, Kookmin Bank filed its business report for the third quarter of 2006 (the Business Report) to the Financial Supervisory Commission of Korea and the Korea Exchange. This is a summary of the Business Report translated into English.

All financial information contained in this summary (and in the attached review report) have been prepared in accordance with generally accepted accounting principles in Korea, which differ in certain important respects from generally accepted accounting principles in the United States.

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 in this document are to the currency of the Republic of Korea.

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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 Banking Act,
- n The trust business as prescribed by the Banking Trust Act,
- n The credit card business as prescribed by the Specialized Credit Financial Business Act, and
- n Other business permitted by the Bank Act or other relevant Korean 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 IT platforms of old Kookmin Bank and H&CB

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

n September 30, 2003
Completed the merger with Kookmin Credit Card

n December 16, 2003
Completed a strategic investment in Bank Internasional Indonesia (BII) by investing in a 25% stake in Sorak Financial Holdings, a consortium with other investors

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December 19, 2003

Fully privatized through the entire disposition of Korean government's stake in Kookmin Bank

April 29, 2004

Established a subsidiary, KB Life Insurance Co. Ltd., to engage in insurance business

July 22, 2004

Entered into an alliance with China Construction Bank in connection with the foreign currency business

August 31, 2004

ING Bank N.V. Amsterdam entered into a contract with KB for a strategic investment in KB Life Insurance

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n October 29, 2004
Appointed Mr. Chung Won Kang as the President & CEO in an extraordinary general shareholders meeting

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

n January 01, 2005
Integrated three labor unions (former Kookmin Bank, former H&CB, former Kookmin Credit Card) into a single KB labor union

n March 02, 2005
Opened KB Satellite Broad Casting System for the first time in Korea

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

n June 16, 2005
Disposed of 27,423,761 shares of treasury stock by means of a combination of domestic over-the-counter-sales and an international issuance of depository receipts

n July 26, 2005
Obtained an approval from FSS to use the Market Risk Internal Model for the first time among domestic financial institutions

n October 14, 2005
The largest shareholder of Kookmin Bank changed from ING Bank N.V. Amsterdam to Euro-Pacific Growth Fund

n February 2, 2006
Established the Basel II system to calculate credit risk weighted asset and New BIS Capital adequacy ratio for the first time among domestic financial institutions

n March 24, 2006
Selected as the preferred bidder for the acquisition of Korea Exchange Bank

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n April 3, 2006

Established 100% computerization of bank accounts for the first time among domestic financial institutions

n May 19, 2006

Entered into a share purchase agreement with respect to acquiring Korea Exchange Bank stock

n September 8, 2006

Implemented SOD (Segregation of Duties)

Table of Contents**1.3. Capital Structure****1.3.1. Common Shares**

Kookmin Bank has the 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 Kookmin Bank's issued and outstanding shares of common stock. Upon completion of the merger between the former Kookmin Bank and H&CB, Kookmin Bank issued 299,697,462 common shares.

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

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 respect to the merger between Kookmin Bank and Kookmin Credit Card on September 30, 2003, Kookmin Bank issued an additional 8,120,431 common shares on October 1, 2003. Accordingly, as of September 30, 2006, a total of 336,379,116 common shares were issued.

Number of Shares

(Unit: share)

	Type	
	Common Stock	Total
Share Issued (A)	336,379,116	336,379,116
Treasury Stock (B)		
Share Outstanding (A-B)	336,379,116	336,379,116
Capital Increase		

(Unit: Won, share)

Issue Date	Type	Number	Face Value	Issue Price	Remarks
2001.10.31	Common Stock	299,697,462	5,000		M&A into a new entity
2002.3.22	Common Stock	17,979,954	5,000	5,000	Stock dividend
2002.11.30	Common Stock	10,581,269	5,000	22,124	CB conversion
2003.10.01	Common Stock	8,120,431	5,000	38,100	M&A with KCC

1.3.2. Treasury Stock

(Unit: share)

Date	Details	Number of shares
December 31, 2005	Outstanding Treasury Shares	217,935
January 13, 2006	Disposition due to exercise of stock option by grantees	217,935
September 30, 2006	Outstanding Treasury Shares	0

Table of Contents**1.3.3. Employee Stock Ownership Association**

(Unit: share)

Type	Beginning Balance (January 1, 2006)	Increase	Decrease	Ending	Remarks
				Balance (September 30, 2006)	
Registered common stock	2,868,596		70,032	2,798,564	
Total	2,868,596		70,032	2,798,564	

1.4. Dividend

The following table shows our dividend related information for the last three years. The Board of Directors of Kookmin Bank passed a resolution to pay dividend for the fiscal year of 2005, and shareholders of Kookmin Bank approved of the dividend payout for that year at the general shareholders meeting held on March 24, 2006

(Unit: in millions of Won unless indicated otherwise)

	September 2006	2005	2004
Net (loss) income for the period		2,252,218	360,454
Diluted (loss) earnings per share (Won)		6,977 ¹	1,176
Total dividend amount		184,889	168,574
Dividend payout ratio (%)		8.21 ²	46.77
Cash dividend per common share (Won)		550	550
Stock dividend per common share (%)			
Dividend per preferred share (Won)			
Dividend yield ratio (%)		0.72 ³	1.42

¹ Earnings per share = net income (2,252,218,097,725 Won) / weighted average number of shares (322,785,751 shares).

² Dividend payout ratio = total dividend amount for common shares (184,888,649,550 Won) / net income (2,252,218,097,725 Won).

³ 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, 2005 (76,000 Won).

Table of Contents**2. Business****2.1. Source and Use of Funds****2.1.1. Source of Funds**

(Unit: in millions of Won)

	September 30, 2006		December 31, 2005		December 31, 2004	
	Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency						
Deposits	111,022,278	2.87	114,394,983	2.82	118,017,849	3.29
Certificate of deposit	7,703,070	4.44	5,008,378	3.69	6,108,179	4.06
Borrowings	2,594,294	3.33	2,674,268	3.02	3,053,890	3.43
Call money	2,590,462	4.03	931,968	3.24	1,117,576	3.55
Other	27,193,829	5.07	24,315,388	5.08	23,376,439	5.61
Subtotal	151,103,933	3.37	147,324,985	3.23	151,673,933	3.68
Foreign currency						
Deposits	1,456,674	2.27	1,473,811	1.61	1,777,402	0.61
Borrowings	3,530,593	3.29	3,231,480	2.06	2,796,300	0.94
Call money	643,733	4.68	285,573	3.48	145,809	1.43
Finance debentures issued	1,377,477	4.39	765,723	4.09	824,745	2.28
Other	56,219		52,592		40,383	
Subtotal	7,064,696	3.39	5,809,179	2.26	5,584,639	1.04
Other						
Total Shareholders Equity	13,802,573		11,369,246		9,284,477	
Allowances	1,012,029		677,036		459,124	
Other	11,884,267		12,041,392		12,773,040	
Subtotal	26,658,869		24,087,674		22,516,641	
Total	184,827,498	2.89	177,221,838	2.76	179,775,213	3.14

Table of Contents**2.1.2. Use of Funds**

(Unit: in millions of Won)

	September 30, 2006		December 31, 2005		December 31, 2004	
	Average balance	Interest rate (%)	Average balance	Interest rate (%)	Average balance	Interest rate (%)
Won currency						
Due from banks	246,585	3.79	304,662	2.97	184,593	0.83
Securities	31,742,840	4.54	27,676,964	4.58	23,930,678	5.14
Loans	119,219,161	6.43	120,539,476	6.24	125,504,672	6.64
Advances for customers	12,844	2.11	23,947	8.64	71,213	2.01
Call loan	825,216	4.13	1,473,725	3.43	1,661,772	3.78
Private placement corporate bonds	5,229,157	5.48	1,887,514	6.95	1,322,470	6.58
Credit card accounts	7,600,084	24.96	7,321,906	26.93	9,581,330	26.80
Other	291,668		267,061		172,783	
Allowance for credit losses (-)	-2,351,332		-3,034,841		-3,844,940	
Subtotal	162,816,223	7.01	156,460,414	7.06	158,584,571	7.81
Foreign currency						
Due from banks	485,922	4.25	598,015	2.88	632,526	1.34
Securities	784,160	6.99	858,565	6.15	1,208,124	3.88
Loans	6,239,658	3.91	4,745,013	2.97	4,011,351	2.73
Call loan	301,559	4.69	132,210	3.24	114,606	1.63
Bills bought	1,314,409	5.43	1,037,144	4.64	568,502	4.07
Other	1,815		2,209		4,812	
Allowance for credit losses (-)	-61,707		-64,290		-94,501	
Subtotal	9,065,816	6.82	7,308,866	3.68		