

KOOKMIN BANK  
Form 20-F  
June 28, 2006  
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As filed with the Securities and Exchange Commission on June 28, 2006

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 20-F**

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(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
Date of event requiring this shell company report \_\_\_\_\_.

Commission file number 001-15258

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**Kookmin Bank**

(Exact name of Registrant as specified in its charter)

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# Kookmin Bank

(Translation of Registrant's name into English)

**The Republic of Korea**

(Jurisdiction of incorporation or organization)

**9-1, 2-ga, Namdaemoon-ro, Jung-gu, Seoul 100-703, Korea**

(Address of principal executive offices)

### Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares, each representing  one share of Common Stock	New York Stock Exchange
Common Stock, par value (Won)5,000 per share	New York Stock Exchange*

### Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

### Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

**336,161,181 shares of Common Stock, par value (Won)5,000 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark which financial statement item the registrant has elected to follow.  Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

**(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)**

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Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. " Yes " No

\*Not for trading, but only in connection with the registration of the American Depositary Shares.

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**PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

As of and for the years ended December 31, 2001, 2002, 2003, 2004 and 2005, we have prepared financial information in accordance with United States generally accepted accounting principles, or U.S. GAAP. Unless indicated otherwise, the financial information in this annual report as of and for the years ended December 31, 2001, 2002, 2003, 2004 and 2005 has been prepared in accordance with U.S. GAAP.

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 document as of and for the year ended December 31, 2001 reflects the impact of the merger. Under U.S. GAAP, 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.

In this annual report:

references to we, us or Kookmin Bank are to Kookmin Bank and, unless the context otherwise requires, its subsidiaries and, for periods of time prior to the merger with H&CB, the former Kookmin Bank;

references to Korea are to the Republic of Korea;

references to the government are to the government of the Republic of Korea;

references to Won or (Won) are to the currency of Korea; and

references to U.S. dollars, \$ or US\$ are to United States dollars.

Discrepancies between totals and the sums of the amounts contained in any table may be a result of rounding.

For your convenience, this annual report contains translations of Won amounts into U.S. dollars at the noon buying rate of the Federal Reserve Bank of New York for Won in effect on December 30, 2005, which was (Won)1,010.0 = US\$1.00.

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**FORWARD-LOOKING STATEMENTS**

The U.S. Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This annual report contains forward-looking statements.

Words and phrases such as aim, anticipate, assume, believe, contemplate, continue, estimate, expect, future, goal, intend, predict, positioned, project, risk, seek to, shall, should, will likely result, will pursue, plan and words and terms of similar substance in connection with any discussion of future operating or financial performance or our expectations, plans, projections or business prospects identify forward-looking statements. In particular, the statements under the headings Item 3D. Risk Factors, Item 5. Operating and Financial Review and Prospects and Item 4B. Business Overview regarding our financial condition and other future events or prospects are forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

In addition to the risks related to our business discussed under Item 3D. Risk Factors, other factors could cause actual results to differ materially from those described in the forward-looking statements. These factors include, but are not limited to:

our ability to successfully implement our strategy;

future levels of non-performing loans;

our growth and expansion;

the adequacy of allowance for credit and investment losses;

technological changes;

interest rates;

investment income;

availability of funding and liquidity;

cash flow projections;

our exposure to market risks; and

adverse market and regulatory conditions.

By their nature, certain disclosures relating to these and other risks are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our income or results of operations could materially differ from those that have been estimated. For example, revenues could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.



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In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this annual report could include, but are not limited to:

general economic and political conditions in Korea or other countries that have an impact on our business activities or investments;

the monetary and interest rate policies of Korea;

inflation or deflation;

unanticipated volatility in interest rates;

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foreign exchange rates;

prices and yields of equity and debt securities;

the performance of the financial markets in Korea and globally;

changes in domestic and foreign laws, regulations and taxes;

changes in competition and the pricing environments in Korea; and

regional or general changes in asset valuations.

For further discussion of the factors that could cause actual results to differ, see the discussion under **Item 3D. Risk Factors** contained in this annual report. We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this annual report. Except as required by law, we are not under any obligation, and expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

All subsequent forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this annual report.

**Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGERS AND ADVISERS**

**Not applicable**

**Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

**Not applicable**

**Item 3. KEY INFORMATION**

**Item 3A. Selected Financial Data**

The selected consolidated financial and operating data set forth below as of and for the years ended December 31, 2001, 2002, 2003, 2004 and 2005 have been derived from our audited consolidated financial statements, which have been prepared in accordance with U.S. GAAP. Our consolidated financial statements as of and for the years ended December 31, 2001, 2002, 2003 and 2004 have been audited by independent registered public accounting firm Samil PricewaterhouseCoopers and our consolidated financial statements as of and for the year ended December 31, 2005 have been audited by independent registered public accounting firm Deloitte Anjin LLC.

You should read the following data together with the more detailed information contained in **Item 5. Operating and Financial Review and Prospects** and our consolidated financial statements included elsewhere in this annual report. Historical results do not necessarily predict future results.

**Table of Contents****Consolidated income statement data**

	Year ended December 31,										
	2001 <sup>(1)</sup>		2002		2003		2004		2005		2005 <sup>(2)</sup>
	(in billions of Won, except common share data)										
											(in millions of US\$, except common share data)
Interest and dividend income	(Won)	8,895	(Won)	13,450	(Won)	13,755	(Won)	12,092	(Won)	10,658	US\$ 10,552
Interest expense		5,317		6,734		6,462		5,516		4,757	4,709
Net interest income		3,578		6,716		7,293		6,576		5,901	5,843
Provision for credit losses		1,261		3,886		7,167		3,861		613	607
Non-interest income		1,765		3,098		2,914		2,800		2,844	2,816
Non-interest expense		2,354		4,387		4,406		4,032		4,314	4,271
Income tax expense (benefit)		647		597		(367)		448		1,099	1,089
Minority interest		84		(211)		(52)		3		3	3
Net income (loss) from continuing operations		997		1,155		(947)		1,032		2,716	2,689
Net (loss) income from discontinued operations after income taxes		8		97							
Cumulative effect of accounting change, net of tax		(13)									
Net income (loss)	(Won)	992	(Won)	1,252	(Won)	(947)	(Won)	1,032	(Won)	2,716	US\$ 2,689
Net income (loss) from continuing operations per common share											
Net income (loss) basic	(Won)	4,724	(Won)	3,633	(Won)	(2,905)	(Won)	3,367	(Won)	8,415	US\$ 8.33
Net income (loss) diluted <sup>(3)</sup>		4,278		3,535		(2,905)		3,365		8,411	8.33
Net income (loss) per common share											
Net income (loss) basic	(Won)	4,700	(Won)	3,939	(Won)	(2,905)	(Won)	3,367	(Won)	8,415	US\$ 8.33
Net income (loss) diluted <sup>(3)</sup>		4,256		3,831		(2,905)		3,365		8,411	8.33
Weighted average common shares outstanding-basic (in thousands of common shares)		211,037		317,787		326,000		306,432		322,786	322,786
Weighted average common shares outstanding-diluted (in thousands of common shares)		234,541		328,107		326,000		306,650		322,948	322,948
Cash dividends paid per common share <sup>(4)(5)</sup>	(Won)	844	(Won)	100	(Won)	1,000			(Won)	550	US\$ 0.54

(1) Data reflect the impact of the merger between the former Kookmin Bank and H&CB effected on November 1, 2001, which was accounted for using the purchase method of accounting.

(2) Won amounts are expressed in U.S. dollars at the rate of (Won)1,010.0 to US\$1.00, the noon buying rate in effect on December 30, 2005 as quoted by the Federal Reserve Bank of New York in the United States.

(3) Diluted earnings per share gives effect to the potential dilution that could occur if convertible securities, options or other contracts to issue common stock were converted into or exercised for common stock for the relevant periods. Effective from 2003, we had one category of potentially dilutive common shares, which was shares issuable on exercise of stock options granted to directors and employees.

(4)

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U.S. GAAP requires that dividends be recorded in the period in which they are declared rather than the period to which they relate unless these are the same.

- <sup>(5)</sup> On December 15, 2001, our board of directors passed a resolution recommending a 6% stock dividend and a cash dividend of (Won)100 per common share (before dividend tax), representing 2% of the par value of each share, for the fiscal year ended December 31, 2001. This resolution was approved and ratified by our stockholders on March 22, 2002. For this dividend, 17,979,954 common shares were issued and distributed to stockholders who were registered in our stockholder registry on December 31, 2001. No stock dividends were declared for the fiscal years ended December 31, 2002, 2003, 2004 or 2005.

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**Consolidated balance sheet data**

	2001 <sup>(1)</sup>	2002	As of December 31, 2003      2004 (in billions of Won)		2005	2005 <sup>(2)</sup> (in millions of US\$)
<b>Assets</b>						
Cash and cash equivalents	(Won) 3,041	(Won) 3,328	(Won) 3,170	(Won) 2,818	(Won) 3,086	US\$ 3,055
Restricted cash	4,373	1,580	2,770	1,822	2,259	2,236