

KOOKMIN BANK
Form F-4
June 19, 2003
Table of Contents

As filed with the Securities and Exchange Commission on June 19, 2003

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-4 REGISTRATION STATEMENT

*UNDER
THE SECURITIES ACT OF 1933*

Kookmin Bank

(Exact name of Registrant as specified in its charter)

Republic of Korea
(Jurisdiction of
incorporation or organization)

6029
(Primary Standard Industrial
Classification Code Number)

Not Applicable
(I.R.S. Employer
Identification No.)

9-1, 2-ga, Namdaemoon-ro, Jung-gu

Seoul, Korea 100-703

822-317-2114

Edgar Filing: KOOKMIN BANK - Form F-4

(Address of Registrant's principal executive offices)

Kookmin Bank, New York Branch

565 Fifth Avenue, 24th Floor

New York, New York 10017

212-697-6100

(Name, Address, Including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

Copies to:

Jinduk Han, Esq.

Cleary, Gottlieb, Steen & Hamilton

39th Floor, Bank of China Tower

One Garden Road, Central

Hong Kong, S.A.R.

People's Republic of China

852-2521-4122

Yong G. Lee, Esq.

Cleary, Gottlieb, Steen & Hamilton

One Liberty Plaza

New York, NY 10006-1470

United States of America

212-225-2000

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the Registration Statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per unit(2)	Proposed maximum aggregate offering price(1)(2)	Amount of registration fee
Common stock, par value (Won)5,000 per share	4,000,000	\$31.23	\$124,926,489	\$10,107

- (1) Represents the maximum number of shares of common stock of Kookmin Bank expected to be issued to Kookmin Credit Card stockholders resident in the United States in connection with the merger described herein, based on the merger ratio of .442983 shares of common stock of Kookmin Bank to be issued for every one share of common stock of Kookmin Credit Card. The securities to be issued in connection with the merger outside the United States are not registered under this registration statement.
- (2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(f), based on the market value of the shares of Kookmin Bank common stock calculated pursuant to Rule 457(c) by taking the average of the high and low prices of such shares as reported on the Korea Stock Exchange on June 16, 2003 and converting them into U.S. Dollars based on the noon buying rate for cable transfers in Won as certified for customs purposes by the Federal Reserve Bank of New York as in effect on such date of (Won)1,190.3 = US\$1.00.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registrant Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. We may not ask you to vote until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated June 19, 2003

Extraordinary General Meeting of Stockholders of Kookmin Credit Card

MERGER PROPOSAL

The board of directors of Kookmin Credit Card Co., Ltd. has approved a merger agreement that would result in Kookmin Credit Card merging with and into Kookmin Bank. In the merger, each holder of one outstanding share of Kookmin Credit Card common stock will receive .442983 shares of Kookmin Bank common stock.

Kookmin Bank and Kookmin Credit Card believe the merger will:

maximize management efficiencies for our credit card operations;

provide the capital necessary to support the future growth of our credit card operations;

enable us to respond flexibly to the dynamics of the changing credit card market environment in Korea;

enable us to efficiently allocate resources and reduce costs in our credit card operations; and

strengthen our overall competitiveness in the Korean credit card industry.

Before we can proceed with the merger, the merger agreement must be approved at an extraordinary general meeting of Kookmin Credit Card stockholders to be held at _____ on September _____, 2003 at _____ a.m. local time. Because Kookmin Bank currently owns approximately 74.3% of Kookmin Credit Card's outstanding shares of common stock, it has the power to approve the merger agreement without the vote of any other holders of Kookmin Credit Card common stock.

This prospectus has been prepared for stockholders of Kookmin Credit Card residing in the United States to provide information about the merger and the extraordinary general meeting of stockholders of Kookmin Credit Card. **We encourage you to read this document in its entirety, including the section describing risk factors relating to the merger that begins on page 6.**

Edgar Filing: KOOKMIN BANK - Form F-4

Common stockholders of Kookmin Credit Card will be entitled to attend and vote, either in person or by proxy at the extraordinary general meeting if they are recorded on the stockholder register on _____, 2003, which is _____ days prior to the date of the meeting.

Your vote is important, regardless of the number of shares you own. On behalf of your board of directors, I urge you to vote in favor of the merger.

Bong-Hwan Cho

Chairman, President and Chief Executive Officer

Kookmin Credit Card Co., Ltd.

**WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND US A PROXY.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated _____, 2003 and is expected to be first mailed to stockholders on or about such date.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>Notes</u>	1
<u>Currencies and Exchange Rates</u>	1
<u>Summary</u>	2
<u>Kookmin Bank</u>	2
<u>Kookmin Credit Card</u>	2
<u>The Proposed Merger</u>	2
<u>Treatment of Kookmin Credit Card Stock Options</u>	2
<u>Dissent and Appraisal Rights</u>	3
<u>The Extraordinary General Meeting</u>	3
<u>Interests of Directors and Officers in the Merger</u>	3
<u>Accounting Treatment</u>	3
<u>Income Tax Consequences of the Merger</u>	3
<u>Conditions to the Completion of the Merger</u>	4
<u>Termination of the Merger Agreement</u>	4
<u>Creditor Protection Procedures</u>	4
<u>Regulatory Matters</u>	4
<u>Completion and Effectiveness of the Merger</u>	5
<u>Summary Market Price Information</u>	5
<u>Summary Financial Data of Kookmin Bank</u>	5
<u>Questions About the Merger</u>	5
<u>Risk Factors Relating to the Merger</u>	6
<u>Forward-Looking Information</u>	8
<u>The Extraordinary General Meeting of Kookmin Credit Card Stockholders</u>	9
<u>Time, Place and Purpose</u>	9
<u>Record Date and Outstanding Capital Stock</u>	9
<u>Voting Rights and Votes Required</u>	9
<u>Voting by Proxy</u>	9
<u>The Merger</u>	11
<u>Background and Reasons for the Merger</u>	11
<u>Conversion of Kookmin Credit Card Common Stock</u>	11
<u>Interests of Certain Kookmin Credit Card Directors and Executive Officers in the Merger</u>	12
<u>Completion and Effectiveness of the Merger</u>	12
<u>Exchange of Kookmin Credit Card Common Stock for Kookmin Bank Common Stock</u>	12
<u>Creditor Protection Procedures</u>	13
<u>Treatment of Kookmin Credit Card Stock Options</u>	13
<u>Income Tax Consequences of the Merger</u>	13
<u>Accounting Treatment of the Merger</u>	13
<u>Regulatory Matters</u>	14
<u>Dissent and Appraisal Rights</u>	14
<u>The Merger Agreement</u>	16
<u>Information About Kookmin Bank</u>	20
<u>Information About Kookmin Credit Card</u>	20
<u>Description of Kookmin Bank's Capital Stock</u>	21
<u>Comparison of Rights of Kookmin Bank Stockholders and Kookmin Credit Card Stockholders</u>	21

Table of Contents

<u>Tax Considerations</u>	22
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	22
<u>Korean Tax Considerations</u>	27
<u>Legal Matters</u>	30
<u>Experts</u>	30
<u>Where You Can Find More Information</u>	30
<u>Annex I Merger Agreement (English Version)</u>	I-1

Table of Contents**NOTES**

The fiscal years of Kookmin Bank and Kookmin Credit Card end on December 31 of each year. All references to a particular year are to the year ended December 31 of that year.

Unless otherwise indicated, the financial information presented in this document has been prepared in accordance with accounting principles generally accepted in the United States, which are known as U.S. GAAP.

Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

CURRENCIES AND EXCHANGE RATES

All references to Won or (Won) in this prospectus are to the currency of Korea, and all references to Dollars, U.S. Dollars, \$ or US\$ are to the currency of the United States of America.

The tables below set forth, for the periods and dates indicated, information concerning the noon buying rate for Won, expressed in Won per one U.S. Dollar. The noon buying rate is the rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York. Unless otherwise stated, translations of Won amounts into U.S. Dollars in this prospectus were made at the noon buying rate in effect on December 31, 2002 which was (Won)1,186.3 to US\$1.00. We do not intend to imply that the Won or U.S. Dollar amounts referred to herein could have been or could be converted into U.S. Dollars or Won, as the case may be, at any particular rate, or at all. On January 1, 2003, the noon buying rate was (Won) 1,186.3 = US\$1.00.

Won per U.S. Dollar**(noon buying rate)**

	Average	High	Low	Period-End
	(of month end rates)			
1998	(Won) 1,367.3	(Won) 1,812.0	(Won) 1,196.0	(Won) 1,206.0
1999	1,188.2	1,243.0	1,125.0	1,136.0
2000	1,140.0	1,267.0	1,105.5	1,267.0
2001	1,293.4	1,369.0	1,234.0	1,313.5
2002	1,242.0	1,332.0	1,160.6	1,186.3
2003 (through August)				
January		1,197.3	1,164.6	1,165.0
February		1,206.0	1,173.0	1,193.7
March		1,260.0	1,184.6	1,252.0
April		1,262.0	1,204.0	1,215.5
May		1,222.5	1,192.0	1,210.0

June
July
August (through August)

Table of Contents

SUMMARY

*This summary highlights selected information in this prospectus and may not contain all of the information that is important to you. You should carefully read the entire prospectus for a complete understanding of the merger. In particular, you should read the documents attached to this prospectus, including the merger agreement, and the other documents to which this prospectus refers you. See *Where You Can Find More Information* beginning on page 30.*

Kookmin Bank

9-1, 2-ga, Namdaemoon-ro, Jung-gu

Seoul, Korea 100-703

Telephone: 822-317-2114

Kookmin Bank is the largest commercial bank in Korea in terms of total assets as a result of the merger in November 2001 between the former Kookmin Bank and H&CB. As of December 31, 2002, Kookmin Bank had total assets of (Won)84,099 billion and total deposits of (Won)122,399 billion. On the asset side, Kookmin Bank provides credit and related financial services to individuals and small- and medium-sized enterprises and, to a lesser extent, to large corporate customers. On the deposit side, Kookmin Bank provides a full range of deposit products and related services to both individuals and enterprises of all sizes.

Kookmin Credit Card (see page 20)

167 Naesu-dong, Jongno-gu

Seoul, Korea 110-070

Telephone: 822-3700-3068

Kookmin Credit Card is one of the largest credit card companies in Korea with over 12.8 million cards issued as of December 31, 2002. As of December 31, 2002, Kookmin Credit Card had total assets of (Won)17,007 billion. Kookmin Credit Card provides a wide range of financial services beyond credit card services, including loans and consumer financing. Kookmin Credit Card is approximately 74.3% owned by Kookmin Bank and is a consolidated subsidiary of Kookmin Bank.

The Proposed Merger (see page 11)

In the merger, Kookmin Credit Card will merge with and into Kookmin Bank, with Kookmin Bank surviving the merger. In the merger, Kookmin Credit Card common stockholders will receive .442983 shares of Kookmin Bank common stock for every one share of Kookmin Credit Card common stock they own, and cash instead of fractional shares that they would otherwise be entitled to receive in the merger. Immediately following the merger, we anticipate that current stockholders of Kookmin Credit Card, other than Kookmin Bank, will own approximately 2.4% of Kookmin Bank's outstanding common stock.

Treatment of Kookmin Credit Card Stock Options (see page 13)

If we successfully complete the merger, Kookmin Bank intends to assume Kookmin Credit Card's employee stock options by converting options to acquire shares of Kookmin Credit Card common stock into options to acquire shares of Kookmin Bank common stock. We anticipate that, subject to agreement between Kookmin Bank and Kookmin Credit Card, the number of shares that each option would represent the right to purchase and the exercise price per share will be adjusted based on the merger ratio. Existing stock options to acquire shares of Kookmin Bank common stock will not be affected by the merger.

Table of Contents

Dissent and Appraisal Rights (see page 14)

Under Korean law, holders of shares of Kookmin Credit Card common stock who oppose the merger may exercise an appraisal right and require us to purchase their shares if the merger is completed. In order for stockholders to exercise such right, dissenting stockholders must submit to Kookmin Credit Card written notice of their intention to dissent prior to the extraordinary general meeting and, within ten days of such meeting, must request that their shares be repurchased.

If the merger is completed, we expect to pay (Won)13,680 for each share of Kookmin Credit Card common stock properly submitted to us for appraisal. If 30% or more of stockholders requesting appraisal reject the applicable appraisal price, the Financial Supervisory Commission of Korea will review, and may adjust, the price to be paid in respect of Kookmin Credit Card's shares. For a more complete description of the appraisal rights, see The Merger Dissent and Appraisal Rights .

The Extraordinary General Meeting (see page 9)

The Kookmin Credit Card extraordinary general meeting will be held at on _____, 2003, starting at _____ a.m. local time. The agenda for the meeting is the approval of the merger agreement.

The approval of the merger agreement will require a special resolution adopted by the affirmative vote of at least two-thirds of the shares of common stock present or represented at the meeting. The shares voting to approve the merger agreement must also represent at least one-third of the total issued and outstanding shares of common stock. Each share of common stock present or represented at the meeting will be entitled to one vote.

Kookmin Bank currently owns 54,365,028 shares of Kookmin Credit Card common stock, representing approximately 74.3% of the total votes entitled to be cast at the extraordinary general meeting. Kookmin Bank intends to vote all of its Kookmin Credit Card shares in favor of the resolution to approve the merger agreement. The vote of Kookmin Credit Card shares owned by Kookmin Bank is sufficient to ensure approval of the merger agreement at the extraordinary general meeting.

Interests of Directors and Officers in the Merger (see page 12)

You should be aware that a number of directors and officers of Kookmin Credit Card may have interests in the merger that are different from, or in addition to, your interests as a Kookmin Credit Card stockholder. We describe these interests beginning on page 12 of this prospectus.

Accounting Treatment (see page 13)

Under U.S. GAAP, Kookmin Bank will account for the merger using the purchase method of accounting.

Income Tax Consequences of the Merger (see page 13)

Kookmin Credit Card believes it is a passive foreign investment company for U.S. federal income tax purposes. Accordingly, in general, holders of Kookmin Credit Card common stock will recognize taxable gain to the extent that the fair market value of the Kookmin Bank common stock they receive in the merger (including any cash received in lieu of fractional shares) exceeds their tax basis in the Kookmin Credit Card shares they hold. You should consult your own tax advisor regarding the tax consequences of the merger involving a passive foreign investment company and ownership of Kookmin Bank common stock.

Table of Contents

Conditions to the Completion of the Merger (see page 17)

We will complete the merger only if specified conditions are satisfied or waived, including those listed below:

we must obtain regulatory approvals and other consents from Korean governmental entities;

we must have performed our respective covenants and other obligations in the merger agreement;

there must not have occurred a material adverse effect on either of our respective properties or business conditions;

Kookmin Bank must not have received notices from stockholders holding 20% or more of its outstanding common stock that they dissent from the merger;

our respective representations and warranties in the merger agreement must be true and correct as of the date of the merger; and

the merger agreement must have been approved by Kookmin Credit Card stockholders.

Termination of the Merger Agreement (see page 17)

Kookmin Bank and Kookmin Credit Card can jointly agree to terminate the merger agreement at any time. In addition, either entity may terminate the merger agreement if, among other things:

the completion of the merger becomes impossible or unlawful because any necessary governmental approval or consent is not granted or due to a change in applicable law unless otherwise agreed by each party within 15 days from the occurrence of any such event; or

the other party breaches any of its representations, warranties or obligations under the merger agreement and fails to cure the breach within 30 days after notice, if the breach causes a material adverse effect.

Creditor Protection Procedures (see page 13)

Under Korean law, Kookmin Credit Card is required to implement creditor protections procedures in connection with the merger. After the merger agreement is approved at the extraordinary general meeting, creditors of Kookmin Credit Card that are opposed to the merger may require it to perform its payment obligations to such creditors on an accelerated basis or provide collateral or property in trust to secure such payment.

Regulatory Matters (see page 14)

We are working to obtain all necessary regulatory approvals required under Korean and other laws and regulations. Kookmin Bank and Kookmin Credit Card submitted a report regarding the proposed merger to the Financial Supervisory Commission, the Korea Stock Exchange and the Korea Securities Dealers Association on May 30, 2003, the date of execution of the merger agreement. We have also submitted an application for preliminary approval of the merger, pursuant to the Act on Structural Improvement of the Financial Industry, to the Financial Supervisory Commission on _____, 2003. Kookmin Bank and Kookmin Credit Card have undertaken in the merger agreement to use their best efforts to obtain all necessary Korean or non-Korean approvals required to complete the merger.

Table of Contents**Completion and Effectiveness of the Merger**

We will complete the merger when all the conditions to completion of the merger are satisfied or waived in accordance with the merger agreement. The merger will become effective when Kookmin Bank registers the merger and Kookmin Credit Card registers its dissolution as a result of the merger with the commercial registry office of the Seoul District Court, pursuant to the applicable requirements of Korean law. We expect to complete the merger during the _____ quarter of 2003.

Summary Market Price Information

Shares of Kookmin Bank and Kookmin Credit Card common stock are traded on the Korea Stock Exchange and the KOSDAQ Stock Market, respectively. The table below lists the closing prices of Kookmin Bank's and Kookmin Credit Card's common stock, and the equivalent value of Kookmin Credit Card's common stock based upon the merger ratio, on May 29, 2003, the last trading day before the public announcement of the proposed merger, and on _____, 2003.

	May 29, 2003	_____, 2003
Kookmin Bank common stock	(Won) 32,200	(Won) _____
Kookmin Credit Card common stock	14,850	
Pro forma equivalent per share value of Kookmin Credit Card common stock ⁽¹⁾	14,264	

(1) Calculated by multiplying the Kookmin Bank common stock closing price by the merger ratio of .442983.

Summary Financial Data of Kookmin Bank

We present below per common share data on a U.S. GAAP basis regarding the net income, cash dividends declared and book value of Kookmin Bank on a historical basis.

Year Ended December 31, 2002

	Kookmin Bank (Historical)
Net income per share	
Basic	(Won) 3,939
Diluted	3,831
Dividends per share	100

Book value per share

27,167

Questions About the Merger

If you have any questions about the merger or the voting procedures in connection with the extraordinary general meeting of Kookmin Credit Card stockholders, you may contact:

Kookmin Credit Card

Investor Relations Team

167 Naesu-dong, Jongno-gu

Seoul, Korea 110-070

Telephone: 822-3700-3068

Facsimile: 822-3700-3069

e-mail: ir@kmc card.co.kr

Table of Contents

RISK FACTORS RELATING TO THE MERGER

As a result of the merger, Kookmin Credit Card's businesses will be subject to the following new or increased risks related to Kookmin Bank's other businesses and/or the structure of the merger. In addition to the risks described below, the combined company will continue to be subject to the risks described in the documents that Kookmin Bank has filed with the SEC that are incorporated by reference into this prospectus. You should carefully consider the following risk factors as well as the other information contained or incorporated into this prospectus in deciding whether to vote in favor of the merger.

Your vote at the extraordinary general meeting may not affect the outcome with respect to the proposed merger.

The approval of the merger agreement at the extraordinary general meeting of Kookmin Credit Card stockholders will require a special resolution adopted by the affirmative vote of at least two-thirds of the shares of common stock present or represented at the meeting and at least one-third of Kookmin Credit Card's total issued and outstanding shares of common stock. Kookmin Bank currently owns Kookmin Credit Card common stock representing approximately 74.3% of total votes entitled to be cast at the extraordinary general meeting, which is sufficient to ensure approval of the merger, and intends to vote all of its Kookmin Credit Card shares in favor of the resolution to approve the merger agreement. Accordingly, your vote at the extraordinary general meeting may have no effect on the outcome with respect to the proposed merger.

There was no formal valuation determining the fairness of the merger ratio.

The merger ratio was determined in accordance with Korean law and not by arm's length negotiations between Kookmin Bank and Kookmin Credit Card. There was no formal valuation of Kookmin Credit Card or Kookmin Bank by an independent third party. Neither Kookmin Credit Card nor Kookmin Bank has obtained a fairness opinion by an investment banking firm or other qualified appraiser, and neither intends to obtain such an appraisal. Accordingly, the merger ratio may not represent what you would regard as fair or adequate consideration for your Kookmin Credit Card common stock.

The merger ratio is fixed and will not reflect market fluctuations; as a result, the value of the Kookmin Bank common stock you receive in the merger may be less than when you vote.

Upon completion of the merger, shares of Kookmin Credit Card common stock will be converted into shares of Kookmin Bank common stock. The ratio at which Kookmin Credit Card common stock will be converted is fixed, and there will be no adjustment for changes in the market price of Kookmin Bank common stock. Any change in the price of Kookmin Bank common stock occurring prior to the effective date of the merger will affect the value that Kookmin Credit Card stockholders will receive in the merger. The value of the Kookmin Bank common stock received in the merger may be higher or lower than the value calculated as of the date of the extraordinary general meeting, depending on whether the market price of Kookmin Bank's common stock goes up or down. Stock price changes may result from a variety of factors that are beyond our control, including changes in Kookmin Credit Card's or Kookmin Bank's businesses, operations and prospects, regulatory considerations and general market and economic conditions. Kookmin Credit Card is not permitted to walk away from the merger or resolicit the vote of stockholders solely because of changes in the market price of Kookmin Bank's common stock.

Table of Contents

We may fail to realize the anticipated benefits of the merger.

The success of the merger of Kookmin Credit Card with Kookmin Bank will depend, in part, on our ability to realize the anticipated synergies, growth opportunities and, to a lesser extent, cost savings from combining those two businesses. The realization of these anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which are outside our control. These factors include:

difficulties in integrating the operations of Kookmin Credit Card with those of Kookmin Bank, including information systems, personnel, policies and procedures, and overlapping operations and marketing networks;

unforeseen contingent risks or latent liabilities relating to the merger that may become apparent in the future;

difficulties in managing a larger business;

loss of key personnel; and

labor unrest.

Accordingly, we cannot assure you that we will realize the anticipated benefits of the merger or that the merger will not adversely affect our combined business, financial condition and results of operations.

The integration of the operations of Kookmin Credit Card into Kookmin Bank may require significant amounts of time, financial resources and management attention. Kookmin Bank's management intends to implement a business plan to effectively combine the operations of Kookmin Credit Card with the credit card operations of Kookmin Bank. If this business plan is not effective in integrating these operations, however, we may not realize the anticipated benefits of the merger. Moreover, the integration process could result in the disruption of our ongoing credit card business and information technology systems, or inconsistencies in standards, controls, procedures and policies and a reduction in employee morale, each of which may adversely affect our ability to maintain relationships with customers and to retain key personnel.

Labor union unrest may disrupt our operations, which may hinder our ability to realize the benefits of the merger.

In May 2003, Kookmin Credit Card experienced a period of labor unrest in connection with the announcement of the merger, as its employees engaged in a strike demanding that the merger with Kookmin Bank not go forward. The employees and labor unions of either or both Kookmin Credit Card and Kookmin Bank may continue to engage in disruptive activities in opposition to the merger. In addition, we may face continued labor unrest after the merger is completed. Actual or threatened labor unrest may hinder our ability to realize cost savings in connection with the merger, and any significant labor action by our workforce could seriously disrupt our operations.

We may experience customer loss as a result of, among other things, our move to create a single brand for our credit card products and services.

Our credit card businesses currently operate under the Kookmin Card and BC Card brand names. Following the merger, we plan to gradually migrate existing BC Card holders to the Kookmin Card brand over time. We may suffer a loss of our existing credit card customers as a result of the merger, to the extent they currently hold both brands of credit cards and cancel one brand, or in connection with our planned brand migration process. Loss of a significant number of customers would lead to a decline in credit card revenue and market share, and could have an adverse effect on our combined business, financial condition and results of operations.

Table of Contents

The merger is subject to various conditions and may not be completed as scheduled or at all.

Under the merger agreement, the obligation of Kookmin Bank and Kookmin Credit Card to complete the merger is subject to a number of specified conditions, including the obtaining or satisfaction of all regulatory approvals, permits, consents and requirements necessary for the consummation of the merger. Regulatory authorities in Korea or elsewhere may seek to block or delay the merger or may impose conditions that reduce the anticipated benefits of the merger or make it difficult to complete as planned. In addition, both parties have the right to terminate the merger agreement at any time prior to the completion of the merger, upon mutual written consent. Either party may also terminate the merger agreement upon a continuing breach of the agreement by the other party that has a material adverse effect on either party or the ability of either party to perform its obligations under the agreement. Accordingly, even if the merger is approved at the extraordinary general meeting of stockholders of Kookmin Credit Card, we cannot assure you that the merger will be completed as scheduled or at all.

FORWARD-LOOKING INFORMATION

The 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 prospectus contains forward-looking statements, which may include statements regarding the period following completion of the merger.

Words such as anticipate, estimate, expect, project, intend, plan, believe and words and terms of similar substance used in connection with discussion of future operating or financial performance, or the merger of Kookmin Bank and Kookmin Credit Card, identify 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 the businesses of Kookmin Bank and Kookmin Credit Card, the factors relating to the merger discussed under Risk Factors Relating to the Merger, among others, could cause actual results to differ materially from those described in the forward-looking statements. These factors include, but are not limited to, any downward adjustment of the value of Kookmin Bank common stock relative to Kookmin Credit Card common stock, failure to realize the anticipated benefits of the merger and adverse regulatory developments. We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date they are made. Except as required by law, neither Kookmin Bank nor Kookmin Credit Card is under any obligation, and each expressly disclaims 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 Kookmin Bank or Kookmin Credit Card or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

Table of Contents

THE EXTRAORDINARY GENERAL MEETING OF KOOKMIN CREDIT CARD

STOCKHOLDERS

Time, Place and Purpose

The extraordinary general meeting is scheduled to be held at _____ on _____, 2003, at _____ a.m. local time. The extraordinary general meeting is being held so that common stockholders of Kookmin Credit Card can consider and vote upon a special resolution approving the merger agreement between Kookmin Bank and Kookmin Credit Card, pursuant to which Kookmin Credit Card will be merged into Kookmin Bank, with Kookmin Bank continuing as the surviving entity.

Record Date and Outstanding Capital Stock

The board of directors of Kookmin Credit Card has fixed the close of business on _____, 2003 as the record date for the determination of Kookmin Credit Card common stockholders entitled to notice of and to vote at the extraordinary general meeting. On the record date, there were 73,200,000 shares of Kookmin Credit Card stock outstanding held by _____ holders of record.

Voting Rights and Votes Required

Common stockholders of Kookmin Credit Card recorded on the stockholder register as of the record date will be entitled to attend and vote, either in person or by proxy, at the extraordinary general meeting. Each share of common stock present or represented at the meeting will be entitled to one vote.

The adoption of any special resolution at the extraordinary general meeting requires the affirmative vote of at least two-thirds of the shares of common stock present or represented at the meeting. The shares voting affirmatively must also represent at least one-third of the total issued and outstanding shares of common stock.

As of the record date, Kookmin Bank owned 54,365,028 shares of Kookmin Credit Card common stock, representing approximately 74.3% of the total votes entitled to be cast on the merger. Kookmin Bank intends to vote, or cause to be voted, all of the shares of Kookmin Credit Card common stock owned by it in favor of the resolution to approve the merger agreement. The vote of Kookmin Credit Card shares owned by Kookmin Bank is sufficient to ensure approval of the merger agreement at the extraordinary general meeting.

Voting by Proxy

Edgar Filing: KOOKMIN BANK - Form F-4

Common stockholders of Kookmin Credit Card may vote either in person at the extraordinary general meeting or by proxy. Stockholders who wish to vote their shares of Kookmin Credit Card common stock by proxy can do so through one of the following methods:

Voting through the Korea Securities Depository. Common stockholders will be entitled to instruct the Korea Securities Depository, as depository for Kookmin Credit Card common stock issued in book-entry form, as to how to vote their shares of common stock at the extraordinary general meeting. A stockholder wishing to provide voting instructions to the Korea Securities Depository must:

If it has not received from its standing proxy in Korea a voting instruction form prepared by the Korea Securities Depository, ask the standing proxy to obtain and send the voting instruction form to the stockholder; and

Complete the voting instruction form and return it to the stockholder's standing proxy in Korea **by no later than September 10, 2003 (Seoul time)**, with instructions for the standing proxy to submit the voting instruction form to the Korea Securities Depository by the end of business on September 10, 2003.

Table of Contents

Although there is no guarantee, if the Korea Securities Depository receives a completed voting instruction form from a stockholder through its standing proxy on or prior to _____, 2003, the Korea Securities Depository will try to vote the stockholder's shares in accordance with the instructions of the stockholder, as far as practical and subject to the requirements of Korean law. Stockholders will be able to change their vote after they send in their voting instruction forms to the Korea Securities Depository, by attending the meeting and voting their shares in person or, if available, by requesting their respective standing proxies to attend the meeting and vote the shares by proxy as described below.

In the case of any shares of common stock as to which the Korea Securities Depository does not receive voting instructions from the stockholder in a timely manner, the Korea Securities Depository will vote the shares in the same manner and same proportion on each matter as all the other shares of common stock present or represented at the extraordinary general meeting are voted, unless the stockholder or its standing proxy attends the meeting and votes the shares.

Voting through a Standing Proxy in Korea. Depending on the terms of its agreement with its standing proxy in Korea, a Kookmin Credit Card common stockholder may also be entitled to request the standing proxy attend the extraordinary general meeting on behalf of the stockholder and vote the stockholder's shares by proxy in accordance with the stockholder's instructions. **Stockholders who wish to vote their shares of Kookmin Credit Card common stock in this manner should consult with their standing proxy.** Among other things, in order to vote its shares by proxy in this manner, a stockholder must deliver a power of attorney to its standing proxy authorizing it to vote the shares on behalf of the stockholder at the extraordinary general meeting. The standing proxy will be required to produce the power of attorney at the meeting.

A stockholder may revoke a power of attorney after it is delivered and provide a different power of attorney to its standing proxy at any time prior to the extraordinary general meeting. A stockholder may also revoke any power of attorney and attend and vote directly at the extraordinary general meeting.

If you have further questions regarding your voting rights, you should contact your standing proxy in Korea, or Kookmin Credit Card at:

Kookmin Credit Card

167 Naesu-dong, Jongno-gu

Seoul, Korea 110-070

Telephone: 822-3700-3068

Facsimile: 822-3700-3069

e-mail: ir@kmc card.co.kr

Table of Contents

THE MERGER

Background and Reasons for the Merger

On May 30, 2003, the board of director