

Edgar Filing: KOOKMIN BANK - Form 425

KOOKMIN BANK  
Form 425  
May 30, 2003

Filed by Kookmin Bank

Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Kookmin Bank

(Exchange Act file number 1-15258)

These materials contain certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of the safe-harbor provisions of the U.S. federal securities laws. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors that are beyond Kookmin Bank's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators and other risk factors detailed in Kookmin Bank's reports filed with the Securities and Exchange Commission (the Commission). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of these materials. We do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

Investors and security holders are advised to read any prospectus required to be filed with the Commission regarding the potential business combination transaction between Kookmin Bank and Kookmin Credit Card. If required, a prospectus will be filed with the Commission either by Kookmin Bank, Kookmin Credit Card or a newly formed corporation. Security holders may obtain a free copy of such prospectus (if required and when available) and other related documents filed by Kookmin Bank, Kookmin Credit Card and/or such newly formed corporation at the Commission's public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the public reference room. If required and when available, the prospectus and other documents may also be obtained from Kookmin Bank by contacting Kookmin Bank, Investor Relations Team, 36-3 Yoido-dong, Youngdeungpo-ku, Seoul 150-758, Korea.

\* \* \*

The following materials were released by Kookmin Bank on May 30, 2003.

**Resolution on Merger with Kookmin Credit Card Co.**

On May 30, 2003, the board of directors of Kookmin Bank passed a resolution on the merger between Kookmin Bank and Kookmin Credit Card Co. as follows:

<b>Description of merger</b>	<p>Acquiror: Kookmin Bank</p> <p>Target: Kookmin Credit Card Co.</p>						
<b>Purpose of merger</b>	<p>This merger will:</p> <ul style="list-style-type: none"> <li>create a unified credit card business unit through which Kookmin Bank can further enhance its credit card business by focusing on growth potential and maximizing management efficiency; and</li> <li>enable Kookmin Bank to strengthen its competitiveness in the credit card business by enabling it to flexibly respond to the dynamics of the changing market environment, efficiently allocate its resources and reduce costs.</li> </ul>						
<b>Merger ratio and basis for calculation</b>	<p>Merger ratio:</p> <p>Kookmin Bank 0.442983: Kookmin Credit Card 1</p> <p>Basis for calculation:</p> <ul style="list-style-type: none"> <li>(1) In connection with the merger of Kookmin Bank with Kookmin Credit Card, the merger ratio was calculated pursuant to Article 36-12 of Enforcement Regulation of the Korean Securities and Exchange Act and Article 84-7 of Enforcement Decree of the Korean Securities and Exchange Act.</li> <li>(2) The base stock price was calculated based on the lesser of (x) the arithmetic average of (i) the closing stock price on May 29, 2003, (ii) the weighted average closing stock price for the one week period ending May 29, 2003, and (iii) the weighted average closing stock price for the one month period ending May 29, 2003 and (y) the closing stock price on May 29, 2003.</li> </ul> <p>Base stock price: Kookmin Bank KRW31,780; Kookmin Credit Card KRW14,078</p> <p>Merger ratio with respect to common shares: Kookmin Bank 0.442983: Kookmin Credit Card 1</p>						
<b>Class and number of new shares to be distributed at the time of merger</b>	<table border="0"> <tr> <td>Common shares</td> <td style="text-align: right;">8,120,431 shares</td> </tr> <tr> <td>Preferred shares</td> <td></td> </tr> <tr> <td>Others</td> <td></td> </tr> </table>	Common shares	8,120,431 shares	Preferred shares		Others	
Common shares	8,120,431 shares						
Preferred shares							
Others							

	<b>Name of company</b>	Kookmin Bank
	<b>Name of representative</b>	Jung-Tae Kim
<b>Details of acquiror after merger</b>	<b>Paid-in capital (KRW)</b>	1,681,895,580,000
	<b>Total number of shares outstanding</b>	336,379,116
	<b>Par value of shares (KRW)</b>	5,000
	<b>Business area</b>	Banking activities permitted pursuant to the Bank Act of Korea and other banking related regulations.
	<b>Location of head office</b>	9-1, 2-Ga, Namdaemun-Ro, Jung-Gu, Seoul, Korea 100-703
<b>Registration date for merger</b>		October 2, 2003
<b>Record date for dividend of new shares</b>		January 1, 2003
<b>Effective date of merger</b>		September 30, 2003
<b>Date of Kookmin Bank shareholders meeting for merger approval</b>		Not applicable
<b>Period of creditors formal objection</b>		August 19, 2003 through September 18, 2003
<b>Date of merger agreement</b>		May 30, 2003

**Appraisal right of dissenting shareholders of Kookmin Bank:**

Kookmin Bank shareholders have no appraisal rights in a small-scale merger.

Pursuant to Article 527-3 of the Korean Commercial Code relating to small-scale mergers, the approval of the merger may be obtained by the board of directors instead of by shareholders meeting. However, if the shareholders of Kookmin Bank holding more than 20/100 of the total number of issued and outstanding shares of Kookmin Bank dissent to the merger, the shareholders of Kookmin Bank must approve the merger at a shareholders meeting.

**Resolution date (date of board resolution on May 30, 2003)**

attendance of non-executive directors: 7 of 12

attendance of auditor: present

**Details of acquired company**

<b>Name of company</b>	Kookmin Credit Card Co.
<b>Name of representative</b>	Bong Hwan Cho
<b>Total assets (KRW million)</b>	13,261,817
<b>Paid-in capital (KRW million)</b>	366,000
<b>Sales (KRW million)</b>	796,860
<b>Number of outstanding shares</b>	73,200,000
<b>Relationship with company</b>	Subsidiary of Kookmin Bank
<b>Merger ratio</b>	0.442983

<b>Business areas</b>	<p>Business activities relating to:</p> <ol style="list-style-type: none"> <li>1. the Specialized Credit Financial Business Act of 1997, as amended;</li> <li>2. the credit card business and lending business;</li> <li>3. telemarketing;</li> <li>4. insurance and travel services;</li> <li>5. the issuance of credit cards;</li> <li>6. the distribution of printed matter relating to the credit card business;</li> <li>7. property leasing;</li> <li>8. enrolling members with respect to certain programs;</li> <li>9. internet and other forms of electronic marketing; and</li> <li>10. other activities with respect to those described above.</li> </ol>
-----------------------	--