



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

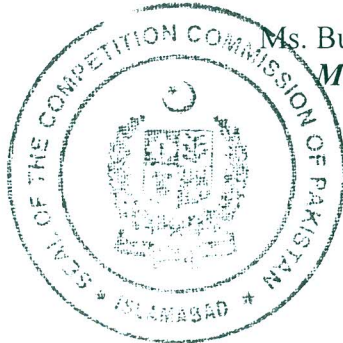
IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN M/S.
BANKISLAMI PAKISTAN LIMITED BY M/S. EMIRATES NBD BANK (P.J.S.C)
FROM M/S. DUBAI BANK

CASE: 1183/Merger-CCP/21

Commission

Ms. Shaista Bano
Member

Ms. Bushra Naz
Member



ORDER

1. On 07th June 2021, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") submitted by M/s. Emirates NBD Bank (P.J.S.C) ("**ENBD**" or "**Acquirer**") of the proposed acquisition of % shareholding of M/s. BankIslami (Pakistan) Limited ("**BankIslami**" or "**Target**") from M/s. Dubai Bank ("**DB**" or "**Seller**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") in accordance with Share Transfer Agreement ("**Agreement**").
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an independent research/investigation in the relevant markets. The Phase I competition assessment of the intended transaction has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For Acquirer: engaged in corporate banking, consumer banking, treasury activities, Islamic banking and property management.
 - b. For Target: engaged in Islamic banking
 - c. For Seller: banking company. However, it has not undertaken any business activities since 2011 and currently operates only to pursue recovery of non-performing assets.
 - ii. Pursuant to the Agreement, the proposed transaction is sale of shares of the Target by the Seller to the Acquirer. The estimated consideration amount is estimated to be AED 30,000,000/- (Approx. PKR as on June 21, 2021) which is subject to adjustment and settlement arrangements to be further agreed between the parties and the requirements under Pakistan law in respect of off-market transactions (as BankIslami is a listed entity on Pakistan Stock Exchange).
 - iii. The relevant markets in this case have been identified as the business of "**Islamic Banking Services**" and the relevant geographic market is "**Pakistan**".
 - iv. As per the application, the estimated market share of the Target in Pakistan based on customer deposits is %. The estimated market share of the Target in Pakistan based on assets is %.
 - v. In Pakistan, there are no overlaps between the merger parties. Currently, ENBD has indirect ownership of BankIslami shares through its subsidiary i.e. DB. Upon completion of the proposed transaction, ENBD will directly hold % shares of BankIslami. However, the market share of the Acquirer is nil as it is currently not operational. Post-transaction, market conditions will remain unchanged.
3. In conclusion, the proposed transaction does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**"). The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.

(Ms. Shashta Bano)
Member

(Ms. Bushra Naz)
Member

Islamabad the JUNE 22nd, 2021.