

BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

IN THE MATTER OF

FIRST PHASE REVIEW

ACQUISITION OF [] SHARES OF PICIC ASSET MANAGEMENT
COMPANY LIMITED BY HBL ASSET MANAGEMENT COMPANY

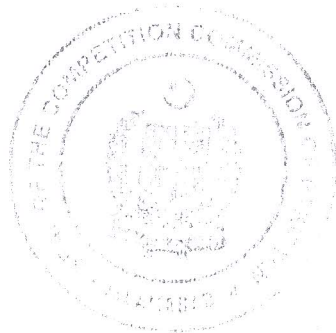
CASE: 777/MERGER-CCP/15

Commission

Ms. Vadiyya Khalil
Chairperson

Mr. Shahzad Ansar
Member

Mr. Ikram Ul Haque Qureshi
Member



ORDER

I Background

- 1 HBL Asset Management Company ("HBL AMC"/ "Acquirer"), through its authorized representative submitted a pre-merger application (the "Application") dated 14 December 2015 (received on 21 December 2015), to the Competition Commission of Pakistan (the "Commission") notifying the acquisition of _____ shares of PICIC Asset Management Company Limited ("PICIC AMC"/ "Target") by HBL AMC along with the applicable processing fee and necessary information in accordance with the Competition (Merger Control) Regulations 2007 (the "Merger Regulations") and the Competition Act 2010 (the "Act").

II Merger Parties

Acquirer

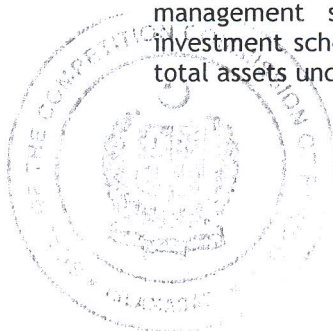
- 2 HBL AMC is a wholly owned subsidiary of Habib Bank Limited ("HBL"). The company was incorporated on 17 February, 2006 as a public limited company under the Companies Ordinance 1984. It was licensed for Investment Advisory and Asset Management Services by the Securities and Exchange Commission of Pakistan on 3rd April, 2006. The company is managing 7 different types of mutual funds which include 5 conventional Funds and 2 Islamic Funds along with 2 pension funds. HBL AMC has a _____ market share in the relevant market. None of its group companies is engaged in the same line of business, Its turnover for the year ended December 31,2014 is _____ and assets are _____.

Target

- 3 PICIC Asset Management Company Limited "PICIC AMC" is a wholly owned subsidiary of NIB Bank Limited. PICIC AMC is registered as a Non-Banking Finance Company (NBFC) licensed by the Securities and Exchange Commission of Pakistan (SECP) to provide Asset Management and Investment Advisory services. PICIC AMC is managing six open-end funds and two closed-end funds. PICIC AMC limited has a _____ market share in the relevant market. None of its group companies is engaged in the same line of business, Its turnover for the year ended December 31,2014 is _____ and assets were _____.

III Transaction

- 4 HBL AMC intends to acquire 100% shares of PICIC AMC Limited at a consideration of _____, which will be met by its holding company HBL.
- 5 The transaction meets the notification thresholds prescribed in Regulation 4(2)(e)&(f) of the Merger Regulations as in the case of an asset management company carrying out asset management services, its collective exposure for itself and in all of its collective investment schemes in a single entity is more than 25% of total voting rights and the value of total assets under its management is more than PKR 1 Billion.



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IV Relevant Market:

- 6 The relevant market in this case is the Asset Management Services Market.
- 7 The Relevant Geographic market is Pakistan.
- 8 Market position of leading companies including the merger parties engaged in the relevant market is as under:

Name of AMC	Market Share 2015
National Investment Trust Limited	
Al-Mezan investment Management Company	
UBL Fund Managers	
HBL AMC	
PICIC AMC Limited	
Others	
Total	

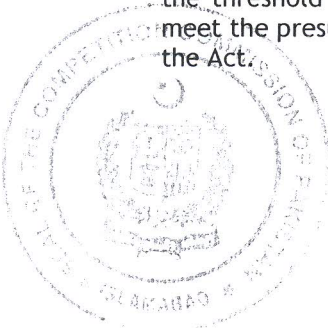
Estimates of the market share in value for the preceding year of the major competitors are given in the above table. The pre-merger and post-merger market shares of merger parties remains below the threshold limit of 40% of the total market.

V Findings

9 Findings of the Phase I investigation on the competition assessment

The competition assessment in Phase I has resulted in the following finding:

The post-merger market share of merging parties will be , which is significantly less than the threshold limit of 40% of the total market, therefore post-merger the acquirer does not meet the presumption of dominance as determined under Section 3 read with Section 2(1)(e) of the Act.





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VI Conclusion

In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31(1) (d) (i) of the Act.

10 It is so ordered.


(Shahzad Ansar)
Member


(Vadiyya Khalil)
Chairperson


(Ikram Ul Haque Qureshi)
Member

Islamabad, 22nd February, 2016.

