



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

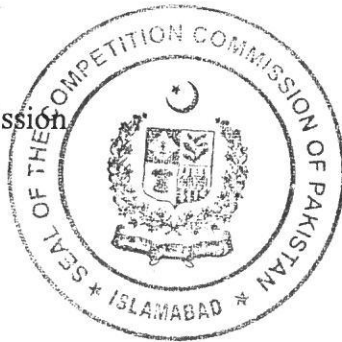
FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF 50% SHAREHOLDING OF M/S. FINCA  
MICROFINANCE BANK LIMITED BY M/S. TPL CORP LIMITED AND M/S. ABHI  
(PRIVATE) LIMITED FROM M/S. FINCA MICROFINANCE COÖPERATIEF U.A,  
M/S. INTERNATIONAL FINANCE CORPORATION, M/S. TRIODOS FAIR SHARE  
FUND AND M/S. ACUMEN PAKISTAN

CASE: 1489/Merger-CCP/2024

Commission

Commission



Dr. Kabir Ahmed Sidhu  
*Chairman*

## ORDER

1. On 2<sup>nd</sup> October, 2024, the Competition Commission of Pakistan (hereafter the “**Commission**”) received a pre-merger application (hereafter the “**Application**”) from the following parties:
  - i. M/s. TPL Corp Limited (hereafter the “**Acquirer 1**”); and
  - ii. M/s. ABHI (Private) Limited (hereafter the “**Acquirer 2**”), collectively to be referred as (“**Acquirers**”).
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter the “**Act**”) read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter the “**Merger Regulations**”).

### **Transaction:**

3. The proposed transaction entails acquisition of 94.8% shareholding of M/s. FINCA Microfinance Bank Limited (hereafter the “**Target**”) by the Acquirers from M/s. FINCA Microfinance Coöperatief U.A (hereafter “**Seller 1**”), M/s. International Finance Corporation (hereafter “**Seller 2**”), M/s. Triodos Fair Share Fund (hereafter “**Seller 3**”) and M/s. Acumen Pakistan (hereafter “**Seller 4**”) as per the Share Purchase Agreement (hereafter the “**Agreement**”) dated 20<sup>th</sup> September 2024.

### **Assessment:**

4. The Commission has examined the Application, all supporting documents, and the information provided by the relevant undertaking(s). The Commission carried out Phase I competition assessment of the intended transaction which revealed the following facts:

#### **Acquirer 1:**

- 4.1. M/s. TPL Corp Limited is a public listed company duly incorporated under the laws of Pakistan. It is an investment entity that has made various strategic investments such as insurances, real estate, security, asset tracking, navigation, mapping and technology start-ups.

#### **Acquirer 2:**

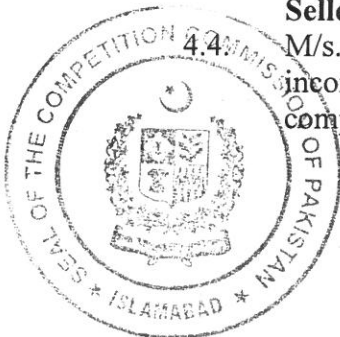
- 4.2. M/s. Abhi (Private) Limited is a private limited company duly incorporated under the laws of Pakistan. It is licensed to undertake investment finance services under the non-banking finance companies (Establishment and Regulation) Rule, 2003.

#### **Target:**

- 4.3. M/s. FINCA Microfinance Bank Limited is a public unlisted company incorporated under the laws of Pakistan. It is duly licensed by the State Bank of Pakistan (“**SBP**”) to carry on business as a microfinance bank in Pakistan

#### **Seller 1:**

- 4.4. M/s. FINCA Microfinance Coöperatief U.A. provides microfinance services to low income entrepreneurs. The company is based in Amsterdam, the Netherlands. The company operates as a subsidiary of FINCA International, Inc.



**Seller 2:**

- 4.5. M/s. International Finance Corporation (IFC) is an international financial institution that offers investment, advisory, and asset-management services to encourage private-sector development in less developed countries.

**Seller 3:**

- 4.6. M/s. Triodos Fair Share Fund is a private limited company which provides private debt and equity to financial service providers that empower people and small businesses across the globe. The company is based in Netherlands.

**Seller 4:**

- 4.7. M/s. Acumen Pakistan is a private limited company which invests in agribusinesses for sustainable development, focusing on smart farming to strengthen food systems and increase farmer resilience. It is registered under the laws of Pakistan.

**Transaction:**

- 4.8. As submitted in the Application and set out in the Agreement, the Acquirers will collectively acquire % shareholding of the Target from the Sellers. Post transaction, Acquirer 1 will have % and Acquirer 2 will have % shareholdings of the Target. Total consideration for the proposed transaction is PKR -.

**Relevant Market:**

- 4.9. The relevant market in this case has been identified as “**Microfinance Lending Services**” and the relevant geographic market is “**Pakistan**”.

**Market Share:**

- 4.10. The market share of the Target is % which is likely to remain unchanged post transaction.
- 4.11. As per the data provided in the Application, the Acquirers will gain presence in the relevant market through its investment in the Target.

**Determination:**

5. The proposed transaction will not result in dominance of the Acquirer in the relevant market, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, it is hereby authorized under Section 31(1)(d)(i) of the Act.
6. Notwithstanding the above, matters which may fall outside the scope of the Commission’s purview, remain subject to applicable laws.
7. It is so ordered.

(Dr. Kabir Ahmed Sidhu)

**Chairman**

Islamabad the

January 03, 2025

