



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

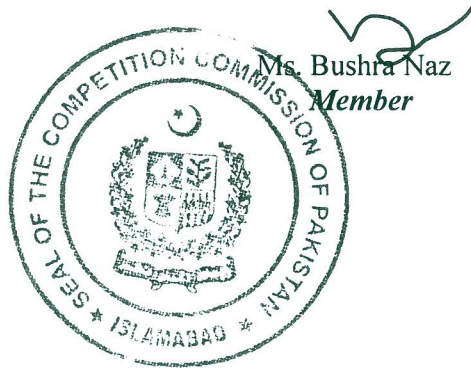
FIRST PHASE REVIEW

IN THE MATTER OF MERGER OF M/S. SAMBA FINANCIAL GROUP WITH AND
INTO M/S. NATIONAL COMMERCIAL BANK

CASE: 1133/Merger-CCP/20

Commission

ML
Mr. Mujtaba Ahmad Lodhi
Member



ORDER

1. On 14th December, 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") submitted by National Commercial Bank ("**NCB**" or "**Merger Party 1**") of a proposed merger pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby Samba Financial Group ("**SFG**" or "**Merger Party 2**") will be merged with and into NCB pursuant to the Merger Agreement ("**Agreement**"). The confirmation of the processing fee in Commission's account was received on December 28, 2020.
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 independent research/investigation in the relevant market. 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 Merger Party 1: it provides a full range of banking and related services in Saudi Arabia
 - b. For Merger Party 2: it provides full range of banking and related services in Saudi Arabia
 - ii. The proposed transaction involves the merger of SFG with and into NCB. Pursuant to the Agreement, NCB will continue to exist and SFG will cease to exist as a legal entity and its shares will be cancelled and new shares in NCB will be issued to shareholders of SFG. The new shares of par value SAR will be issued by the NCB to the shareholders of SFG. Therefore, the consideration amount can be estimated to be SAR (Approx. PKR as on December 22, 2020).
 - iii. The relevant market in this case has been identified as "**Commercial banking and related services**" and the geographic market is "**Pakistan**". In Pakistan, SFG is active in relevant market through its subsidiary Samba Bank Limited ("**SBL**"). As per the report dated June 18, 2020 prepared by KPMG Taseer Hadi & Co. Chartered Accountants, titled "Banking Results 2019-Commercial Banks Operating in Pakistan" the total estimated size of Pakistan's banking industry in terms of deposits as of December 31, 2019 is PKR billion. The total deposits of SBL are approximately PKR Hence, the estimated market share of SBL is (..... % based on deposits. The merger parties have no overlaps in Pakistan, therefore, post transaction the market share 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.



(Mr. Mujtaba Ahmad Lodhi)
Member



(Ms. Bushra Naz)
Member

Islamabad the 31st December, 2020.

