

BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

IN THE MATTER OF

FIRST PHASE REVIEW

ACQUISITION OF % SHARES OF SECURITIES GENERAL  
INSURANCE COMPANY LIMITED BY ADAMJEE INSURANCE  
COMPANY LIMITED INCREASING ITS STAKES TO 14.22%

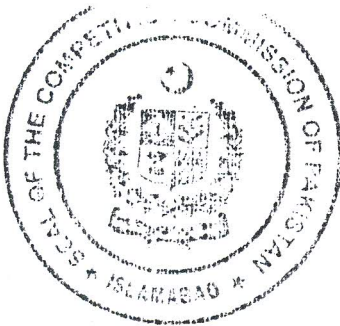
CASE: 752/Merger-CCP/15

Commission

Ms. Vadiyya Khalil  
Chairperson

Mr. Mueen Batlay  
Member

Mr. Ikram-ul-Haque Qureshi  
Member



# ORDER

## I Background

- 1 On 14/09/2015, the Acquirer, Adamjee Insurance Company Limited ("AICL") submitted a pre-merger application (the "application") to the Commission, notifying the acquisition of % shares of Security General Insurance Limited by ACIL increasing their stakes in the target to %.

## II Merger Parties

- 2 Acquirer

Adamjee Insurance Company Limited is a public Limited Company incorporated in Pakistan on 28 September 1960. The Company is listed on the stock exchange of Pakistan and is engaged in the general Insurance business comprising of Fire & Property, Marine, Motor, Health etc

ACIL had total assets valuing PKR while its turnover remained at PKR Million on 31<sup>st</sup> December 2014. Adamjee is the third biggest market player in the relevant market with a market share of %.

- 3 Target

Security General Insurance Company Limited (SGCIL) is a general non-life insurance company which was incorporated as an unquoted Public Limited Company in Pakistan on 13<sup>th</sup> May, 1996. The Company has 11 branches in Pakistan. It is engaged in providing general insurance in spheres of Fire, Marine, Motor and Miscellaneous. SGCIL is a small market player with a market share of %

## III Transaction

- 4 AICL intends to acquire % shares of Security General Insurance Company Limited at a consideration of PKR

- 5 The transaction meets the notification thresholds prescribed in Regulation 4(2)(a)(b)& (c) by having acquirer's assets valuing more than PKR 300 Million and combined assets being more than 1 Billion rupees and turnover of acquirer more than PKR 500 million and combined turnover being more than 1 Billion. The transaction value also exceeds 100 million and percentage of share to be acquired exceeds 10% of the total shareholding of the target.

## IV Relevant Market:

- 6 The relevant market in this case is the General Insurance market.

The Relevant Geographic market is Pakistan.

Market position in the relevant market is as under:



Company Name	Market Share(%)
Adamjee Insurance Company y Limited	
Securities General Insurance Company Limited	
EFU General Insurance	
Jubilee General Insurance	
Others (24 companies)	

**V Findings of the Phase I investigation on the competition assessment**

9 The competition assessment in Phase I have resulted in the following finding:

The market share of the acquire is % , while the market share of the target is % , post merger the market share will be % which is significantly less than the threshold limit of 40% therefore, the post merger entity does not meet the presumption of dominance as determined under Section 3 of the Act.

**VI Conclusion**

10 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 may be authorized under Section 31(1) (d) (i) of the Act.

11 It is so ordered.

*Mueen Batlay*

(Mueen Batlay)  
Member

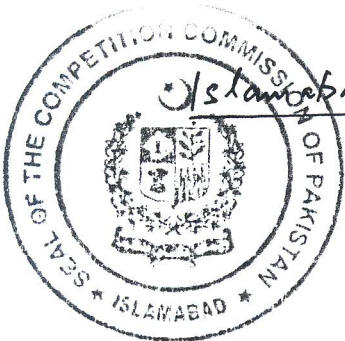
*Ikram-ul-Haq Qureshi*

(Ikram-ul-Haq Qureshi)

Member

*Vadiyya Khalil*

(Vadiyya Khalil)  
Chairperson



Islamabad, 6th October, 2015.