



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ



ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

Decision CPC: 40/2020

Case Number 8.13.020.20

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW
No. 83(I)/2014**

**Notification of concentration regarding the acquisition of sole control of APS Debt Servicing
Cyprus Ltd by Hellenic Bank Public Company Ltd**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karidis,	Member
Mr. Panayiotis Ousta	Member
Mr. Aristos Aristeidou Palouzas	Member
Mr. Polinikis-Panagiotis Charalambides,	Member

Date of decision: 9/10/2020

SUMMARY OF THE DECISION

On the 4/9/2020, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Hellenic Bank Public Company Limited (hereinafter the “Hellenic Bank”), a notification of a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”).

The notification concerns a concentration, according to which, the Hellenic Bank will acquire the sole control of APS Debt Servicing Cyprus Ltd (hereinafter the “Target”).

Hellenic Bank Public Company Ltd is duly registered under the laws of the Republic of Cyprus. Hellenic Bank Public Company Ltd is a credit institution operating under the supervision of the Central Bank of Cyprus and the European Central Bank.

Hellenic Bank Group that consists of Hellenic Bank Public Company Ltd and its subsidiaries, among others is active in the provision of banking services, personal and corporate insurance contracts and management of properties acquired through debt to asset swaps.

The Target is a company duly registered under the laws of the Republic of Cyprus and is active in the management of real estate acquired by credit institutions through enforcement or payment procedures due to credit rights arising from mortgages and in the management and recovery of non-performing loans granted by credit institutions or other persons with arrears and related liabilities.

The concentration is based on the conditions precedent which are mentioned in paragraph 7 of the Term Sheet dated 7/8/2020 and on the Investment and Shareholders' agreement dated 10/1/2017, between Hellenic Bank and APS Holding Ltd, which will be amended as is provided in the Amendment Investment and Shareholders' Agreement.

The Commission, taking into account the facts of the concentration, has concluded that this transaction constitutes a concentration within the meaning of section 6 (1)(a)(ii) of the Law, since it leads to a permanent change of control of the target.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3 (2) (a) of the Law were satisfied and therefore the notified concentration was of major importance falling within the scope of the Law.

The relevant product market in this case was defined as (a) the market of the service of Non-Performing Loans either in-house or through third parties and (b) the management of real estate acquired through enforcement or payment procedures due to credit rights arising from Non-performing Loans. For the purposes of the present case, the geographic market was defined as the Republic of Cyprus.

According to the notification, there is a horizontal overlap in the activities of the companies participating in the concentration regarding the market of the service of Non-Performing Loans.

There is also a vertical relationship between the activities of the enterprises involved in because the Hellenic Bank holds a Non-Performing Loans portfolio that is managed by the Target.

According to the market shares of the companies in the aforementioned markets as well as the joint market shares and the fact that it is about a change from joint to sole control, there is no affected market according to Schedule I of the Law.

The Commission, on the basis of the factual and legal circumstances and the fact that it is about a change from joint to sole control, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of the competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition