



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ



ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

Decision CPC: 12/2020

Case Number: 8.13.020.03

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

Notification of a concentration concerning the acquisition of control of the joint venture
Trusset Asset Management Limited by Qualco Holdco Limited και Astrobank Public
Company Limited

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mr. Andreas Karidis,	Member
Mr. Panayiotis Oustas,	Member
Mr. Aristos Aristidou Palouzas,	Member
Mr. Polinikis Panayiotis Charalambides	Member

Date of decision: 4 March 2020

SUMMARY OF THE DECISION

On the 24th of January 2020, the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of Qualco Holdco Limited (hereinafter "Qualco") and Astrobank Public Company Limited (hereinafter the "Astrobank") 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 the acquisition of control of the joint company Trusset Asset Management Limited (hereinafter the "JVC") by Qualco and Astrobank.

Qualco Holdco Limited is a company duly registered under the laws of England and among with its subsidiaries ("Qualco group") it is active in the provision of financial technology, management of debt collection and the provision of real estate consultancy services.

Astrobank Public Company Limited is a company duly registered under the laws of Cyprus and is credit institution licensed under the Business of Credit Institutions Law, No. 66(I)/1997, as amended, that is supervised by Central Bank of Cyprus and European Central Bank. It is noted that on the basis of the Commission's Decision No 44/2018, AstroBank acquired the assets, liabilities and operations of USB Bank PLC (hereinafter 'USB'). It is also noted that at its meeting dated 24/2/2020, the Commission approved as compatible the notification of concentration regarding the acquisition of the share capital of the National Bank of Greece (Cyprus) Ltd from Astrobank.

The joint venture that will be created by the aforementioned companies named Trusset Asset Management Limited is a company duly registered under the laws of Cyprus. The joint venture's main activities will be (a) the management and recovery of non-performing loans and (b) management of property acquired by execution proceedings or payment credit rights arising from mortgage loans.

The transaction is based on two stages. At stage 1, under the terms of the Share Purchase Agreement between Qualco, AstroBank and JVC (hereinafter the "Agreement"), Qualco will acquire 74,9% of JVC's share capital from AstroBank. At the same time, Astrobank and Qualco will conclude a shareholder agreement (hereinafter the "SHA") which will provide for decisions on specific issues of a strategic nature and importance which will need the approval of both parties. At stage 2, upon successful completion of the concentration, JVC will acquire (a) the management and recovery of non-performing loans and (b) the management of immovable property acquired through execution or payment procedures against credit rights deriving from AstroBank's mortgage loans (hereinafter the "Target Enterprise") under a service agreement (hereinafter the "SLA"). Under SLA's terms, AstroBank agrees to appoint JVC to provide services for the exclusive management of AstroBank's non-performing Loans (hereinafter the "Services"), as well as AstroBank Real Estate specified in the SLA (hereinafter the "Assets"). Upon the successful completion of

the merger, Qualco will own 74,9% and AstroBank 25,1% of JVC's share capital and JVC will acquire the Target Company under SLA and provide the Services referred to in SLA. These two interrelated acts constitute a single concentration within the provisions of Section 7 of the Law.

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)(b) of the Law, since JVC is a joint venture controlled by Qualco and Astrobank, which will permanently perform all operations of an autonomous entity.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3(2) (α) of the Law were satisfied and therefore the notified transaction was of major importance under the Law.

The Commission, for the purposes of evaluating this concentration, defined the relevant product/service market as (1) the market of debt collection relating to non-performing loans, 2) the management of immovable property acquired through execution or payment procedures against credit rights arising from mortgage loans, and (3) the purchase of loans, namely non-performing loans. For the purposes of the present case, the geographic market of the relevant markets was defined as that of the Republic of Cyprus.

The Commission noted that there is a vertical link between JVC's activities and Astrobank as the bank owns non-performing loans, and JVC will provide debt collection services for non-performing loans and immovable property. It is also noted that Astrobank operated this service internally and upon completion of this operation will entrust it to JVC, which is jointly controlled by Astro bank and Qualco.

The market shares of the parties in each one of the above relevant markets are below 25% and therefore do not constitute an affected market according to Annex I of the Law.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position 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