



Decision CPC: 36/2021

Case Number: 08.05.001.021.030

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of a concentration concerning the acquisition of the assets, liabilities and operations of the branch of Byblos Bank S.A.L. in Cyprus by Astro Bank Public Company Limited

Commission for the Protection of Competition:

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

Date of Decision: 10th of June 2021

SUMMARY OF THE DECISION

On 20/05/2021, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Astro Bank 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 a concentration, according to which, AstroBank, will acquire the assets, liabilities and operations of the branch of Byblos Bank S.A.L. in Cyprus. (hereinafter the «Target»).

AstroBank Public Company Limited is a company duly registered in accordance with the laws of the Republic of Cyprus. It is a licensed credit institution which is

supervised by the Central Bank of Cyprus. The main activity of this company is the provision of banking services and insurance intermediation services through its 100% subsidiary AstroBank Insurance Agency Limited.

Astrobank is an owner of Special Purpose Companies (SPVs), which own, until be sold, land, buildings acquired by customers in return of partial or full repayment of their debts to the Bank.

It is noted that based on the Decision of the Commission No. 44/2018, Astrobank acquired the assets, liabilities and the operations of the USB Bank PLC. Moreover, according to the Decision of the Commission No. 10/2020, Astrobank is going to acquire the share capital of National Bank of Greece (Cyprus) Ltd.

Astrobank belongs to a number of investors, who have not direct or indirect control over it.

The Target in this concentration is the branch of Byblos Bank S.A.L in Cyprus, which operates as a licensed branch of a foreign credit institution (of Byblos Bank S.A.L) in accordance with the provisions of the Operations of Credit Institutions Laws of 1997 to 2020, which is supervised by the Central Bank of Cyprus. The Target is in active in the provision of banking services.

The concentration is based on an Agreement dated 12/05/2021 (hereinafter "Agreement") between Astrobank as a purchaser and Byblos Bank S.A.L as a seller. Based on this Agreement, AstroBank, will acquire the assets, liabilities and operations of the branch of Byblos Bank S.A.L. in Cyprus.

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 Company.

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/services markets in this case were defined as the market of 1) the provision of loaning services 2) the provision of deposit services 3) the

distribution of insurance products. The geographic market of the above-mentioned relevant product/services market is the territory of the Republic of Cyprus.

Market of Banking Services

The Commission noted that the participating enterprises are active in the same relevant markets, i.e. the 1) provision of loaning services and the 2) provision of deposit services in Cyprus. Therefore, there is a horizontal overlap.

According to the notification, the combined market share of the parties in either market is 0-5% and does not exceed the threshold of 15%, which is set out in paragraph 1 (a) of Annex I of the Law, in order to be considered as an affected market.

Market of distribution of insurance services

This market is a neighboring market that is closely linked to the provision of loaning services as these products belong to a range of products typically purchased by the same group of customers. Especially, a customer who will acquire a loan from a financial institution, in most cases and certainly in the cases of mortgages, will have to buy at the same time life insurance and/or general insurance to secure this loan. Based on the details of the notification, Astrobank is the owner of Astrobank Insurance Agency Ltd which acts as an insurance mediator for other insurance companies. Its market share according to the parties involved in the market of distribution of insurance services is 0-5%.

Therefore, the above-mentioned market share does not exceed the threshold of 25%, which is set out in paragraph 4 (c) of Annex I of the Law, so that these relevant markets can be considered as markets in which the notified concentration may have a significant impact.

The Commission further noted that there are no vertical relationships in the activities of the parties involved.

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