



DETERMINATION OF MERGER NOTIFICATION M/06/092 – CITIBANK/QUILTER

Section 21 of the Competition Act 2002

Proposed acquisition by Citibank Investments Limited of Quilter Holdings Limited

Dated 11/01/07

Introduction

1. On 13 December 2006, the Competition Authority (“the Authority”), in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Citibank Investments Limited (“Citibank”) would acquire all shares in Quilter Holdings Limited (“Quilter”).

The Undertakings Involved

2. Citibank, the acquirer, is an indirect subsidiary of Citigroup Inc. (“Citigroup”). The acquirer has a 100% shareholding in Citibank International plc which is a United Kingdom authorised bank.
3. Citigroup is a publicly held company listed on the New York Stock Exchange, the Pacific Exchange and the Mexican Stock Exchange and is registered in England and Wales.
4. Citigroup is active in the provision of global financial services offering a broad range of products and services including consumer banking, corporate and investment banking, insurance, and securities brokerage in over one hundred countries worldwide.
5. In the State, Citigroup operates a full service banking branch providing corporate and commercial banking services for companies.
6. Citigroup also offers (private) wealth/asset management services to its customers. [...]
7. Quilter, the target, is a wholly-owned subsidiary of Morgan Stanley Group (Europe) (“Morgan Stanley”) which acquired Quilter in 2001.
8. Quilter, together with its sixteen wholly-owned subsidiaries, forms a private client investment management group. The target is headquartered in London.
9. The target is active in the provision of (private) wealth/asset management services in the State, in the United Kingdom and in the Channel Islands. The target’s activities in the State in 2005 accounted for approximately [...] of all of its (private) wealth/ asset management services in the State, the United Kingdom and the Channel Islands.

10. The business activities, branding and operations of Quilter have, since its acquisition in 2001 by Morgan Stanley, been kept as a stand-alone operation, have not been combined with the financial services offerings and, specifically, the wealth management services, of Morgan Stanley.

Analysis

11. While the activities of the target and the acquirer overlap globally in respect of the provision of (private) wealth/asset management services to their respective customers globally, there is no overlap in the activities of the undertakings involved in the State.
12. The target is active only in the provision of (private) wealth/asset management services in the State.
13. The acquirer operates a full-service branch banking service in the State, offering corporate and commercial banking services to companies. It does not operate a (private) wealth/ asset management business in the State. [...].
14. The acquirer is not, therefore, actively competing against, *inter alia*, the target for customers of (private) wealth/ asset management services in the State [...].
15. With no overlap in the activities of the undertakings involved in the State, the Authority has, therefore, concluded that no competition concerns arise as a result of the proposed transaction.

Determination

The Competition Authority, in accordance with Section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Citibank Investments Limited of Quilter Holdings Limited will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Dr. Paul K. Gorecki
Member of the Competition Authority