

***Case No IV/M.850 -  
FORTIS /  
MEESPIERSON***

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**REGULATION (EEC) No 4064/89  
MERGER PROCEDURE**

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Article 6(1)(b) NON-OPPOSITION  
Date: 06/02/1997

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**COMMISSION OF THE EUROPEAN COMMUNITIES**

Brussels, 06.02.1997

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b)  
DECISION

To the notifying parties

Dear Sirs,

**Subject : Case No IV/M.850 - Fortis/MeesPierson**

Notification of 03-01-1997 pursuant to Article 4 of Council Regulation No 4064/89

1. On 3 January 1997 the Commission received the notification of an operation by which the Fortis AG S.A. and Fortis Amev N.V. will acquire 100% of the shares of MeesPierson N.V. from ABN-AMRO Bank N.V.
2. After examination of the notification the Commission has concluded that the notified operation falls within the scope of application of Council Regulation No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA Agreement.

**I. THE OPERATION AND THE PARTIES**

3. Fortis is a Belgian-Dutch insurance and banking group. Fortis was formed by the merger between Compagnie Financière et de Réassurance du Groupe AG (now called Fortis AG) and N.V. AMEV (now called Fortis AMEV) in 1990 (see Case IV/M.018 AG/AMEV - 21.11.1990). The main activity of Fortis is insurance and banking. Its operations are principally based in Belgium and the Netherlands, with some presence in other member states.
4. MeesPierson is a wholly owned subsidiary of ABN- AMRO. MeesPierson is a medium sized merchant bank with an international spread of activities. Its core activities are:

corporate finance, private banking, fund management and operational and information services. Furthermore MeesPierson is active in trade in currencies and money market instruments and their derivatives and trade in securities and their derivatives.

5. It is the intention that AMEV/VSB N.V.;, a 50%-50% subsidiary of Fortis AG and Fortis AMEV will act as purchaser of the share interest in MeesPierson. Following the transaction Fortis will have a hundred percent share interest in MeesPierson N.V.

## **II. CONCENTRATION**

6. As stated above Fortis will have sole control over MeesPierson at the completion of the transaction. The operation therefore constitutes a concentration within the meaning of article 3(1)b of the Council Regulation 4064/89, of 21 December 1989 (the "merger regulation").

## **III. COMMUNITY DIMENSION**

7. The combined world turnover of the parties exceeds 5 000 million ECU (Fortis 16 366 mECU, MeesPierson 1 575 mECU). The aggregate Community wide turnover of each of the undertakings is more than 250 mECU (Fortis 13 590 mECU, MeesPierson 1 353 mECU). The undertakings do not achieve more than two thirds of their turnover in one and the same Member State. The proposed concentration has therefore a Community dimension but does not constitute a cooperation case under the EEA Agreement pursuant to Article 57 and Article 2 in Protocol 24 of that Agreement.

## **IV. COMPETITIVE ASSESSMENT**

### Relevant product market

8. The Commission has traditionally divided banking services into three main sub-sectors: retail banking, corporate banking and financial markets (see Case No IV/342 Fortis/CGER, Case No.IV/M.573 - ING/BARINGS, etc).The retail banking sector can be further divided into a number of product groups including current, deposits and saving accounts, certificates of deposit and other for the depositing customer. For the borrowing customer the products are, among others, current and loans accounts secured in different ways, import-export finance, consumer finance, credit cards and other services (Case No. IV/M.391 - BAI/Banca Popolare di Lecco). Corporate banking comprises financial services to corporate clients, including investment bank services such as M&A advice, underwriting of equity and debt issues (Case No IV/M.597 - Swiss Bank Corporation/S.G. Warburg). Financial Markets comprise money markets operations, foreign exchange trading and derivatives trading (Case No IV/M.596 - Mitsubishi Bank/Bank of Tokio).
9. For the purpose of the present case it is not necessary to provide a definitive delimitation of the relevant product market since, on the basis of the assessment set out below, a dominant position would not be created or reinforced even on the narrowest product market definition.

### Relevant geographic market

10. From a geographical point of view, the activities of the retail sector have been traditionally considered national in scope. The markets for corporate banking and for financial markets activities are essentially international in scope

### Assessment

11. Geographical overlap of activities only occurs in the Netherlands since MeesPierson's activities on the Belgian market are insignificant. As far as the retail banking is concerned the concentration will lead to an increase of activities of Fortis Bank Netherlands of one percent, thus reaching a share of activity of 6% of the Dutch banking system. It is estimated that ABN-AMRO, ING and Rabobank hold jointly approximately eighty percent of the Dutch banking system. Apart from these three banks some fifty other banks are active on the Dutch market.
12. In respect of other banking services, within the corporate banking and financial services activities, the acquisition of MeesPierson by Fortis will improve Fortis' position. However considering the low market shares achieved by the new entity (below 5% of the Dutch market) and its absence in most of the Member States in the banking sector, the position of the new entity at European level will be negligible. Further, the operation will put an end to the overlap of activities which exists at present between MeesPierson and ABN-AMRO. In view of the above, the operation does not raise serious doubts about its compatibility with the common market or the EEA Agreement.

## **V ANCILLARY RESTRAINTS**

13. The notifying parties have requested that the clauses and agreements described below be considered as ancillary to the concentration.
14. Article 17 of the Sale and Purchase Agreement provides:
  - "17.1 Sellers undertakes -pro se and on behalf of any affiliate - for a period of one year from Completion not to solicit or offer employment to, hire or engage in any other capacity any of the Key Employees without prior written consent of Fortis, and;
  - 17.2 Seller undertakes -pro se and on behalf of any affiliate - for a period of three years from Completion not to use any information with respect to clients of the Company and its Subsidiaries which it has at its disposal either as a result of being the controlling shareholder of the Company or obtained during the Due Diligence Investigation to entice away such clients."
15. These provisions are considered necessary to enable the purchaser to take over the full value of the assets transferred. They can therefore be treated as ancillary to the concentration.

## **VI CONCLUSION**

16. It follows from the above that the proposed concentration would not create or strengthen a dominant position as a result of which competition would be significantly impeded in the common market or in a substantial part of it.
17. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the functioning of the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation No 4064/89.

For the Commission,