

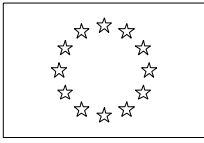
***Case No IV/M.1184 -
TRAVELERS /
CITICORP***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 23/06/1998

*Also available in the CELEX database
Document No 398M1184*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.6.1998

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying parties

Subject: Case No IV/M.1184 - TRAVELERS/CITICORP

Notification of 20.05.1998 pursuant to Article 4 of Council Regulation No 4064/89

1. On 20 May 1998, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which the Travelers Group Inc. ("Travelers"), US, enters into a full merger within the meaning of Article 3(1)(a) of the Council Regulation with Citicorp, US.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) 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 PARTIES

3. Travelers is a US undertaking principally involved in investment services, including asset management, consumer finance services and life and non-life insurance services. Its presence in the Community is essentially limited to investment banking services provided by its subsidiary Salomon Smith Barney Holdings Inc.
4. Citicorp is a US undertaking principally involved in commercial banking services. Citicorp also performs a limited range of investment banking services.

II. CONCENTRATION

5. Citicorp will merge with and into a newly formed, wholly owned subsidiary of Travelers. Following completion Travelers will change its name to Citigroup Inc.
6. This transaction constitutes a concentration within the meaning of Article 3(1)(a) of the Regulation.

III. COMMUNITY DIMENSION

7. The combined aggregate world-wide turnover of the undertakings concerned exceeded 5,000 million ECU in the last financial year (Travelers: 33,163 million ECU; Citicorp: 19,061 million ECU). The aggregate Community-wide turnover of each of them was more than 250 million ECU (Travelers: [...] ¹ million ECU; Citicorp: [...] ² million ECU).
8. The undertakings concerned do not generate more than two-thirds of their aggregated Community-wide turnover within one and the same Member State. Hence, the concentration has a Community dimension.

IV. COMPATIBILITY WITH THE COMMON MARKET

A. Relevant product markets

9. The notifying parties state that there will be horizontal market overlaps in the following relevant markets: corporate banking, merger and acquisitions advisory services, securities underwriting, securities trading/broker-dealer activities, foreign exchange trading, derivatives trading, money markets and asset management. Moreover, the notifying parties have a vertical relationship in custodian services, cash management services and underwriting of speciality property and casualty insurances.
10. However, in the present case it is not necessary to conclusively define the relevant product markets because, even on the narrowest market definition, the concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

¹ business secret: between ECU 3,5 – 4 million

² business secret: between ECU 2,5 – 3 million

B. Relevant geographic markets

11. The notifying parties state that the relevant geographic markets are either national or international in scope depending on the sector.
12. However, in the present case it is not necessary to conclusively define the relevant product markets because, even on the narrowest market definition, the concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

C. Competitive assessment

13. The parties market shares in the sectors for commercial banking services, investment banking as well as the other markets identified by the parties will be well below 15%. Moreover, the overlaps will be very small.
14. In view of the market position of the parties to the concentration, it appears that the notified operation will have no or de minimis impact on competition in the EEA. Consequently, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

V. CONCLUSION

14. 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 EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission