

## **The Hungarian Competition Authority (GVH) approved new concentrations**

**With its decision concluded on 14 September 2010 the GVH granted authorisation to FHB Jelzálogbank Nyrt. (FHB) for acquiring 100 % of the shares – and therefore sole control - of Allianz Bank Zrt. (Allianz).**

The undertakings are present both on the Hungarian market of residential and corporate banking services – concerning also credit loans and bank deposits -, but taking into account the market share possessed by the parties (as regards credit loans the market share of FHB is less than 5%, while the market share of Allianz does not reach 1%, as regards of retail deposits, corporate credit accounts and corporate deposit accounts the joint market share of Allianz and FHB is less than 1%) and the significant market share of the competitors, the GVH came to the conclusion that the concentration would obviously not result in harmful horizontal effects on the markets concerned.

In its decision the GVH highlighted the importance of FHB's special role in connection with mortgage loans, which hypothetically indicates that the refinancing of mortgage loans could be regarded as a separate relevant market. In this case, taking into account that FHB provides services to Allianz, the concentration may also have vertical effects. Nevertheless, the GVH considered two phenomena that show that the concentration would not distort competition: the low market share of Allianz and also the circumstance that Allianz and FHB were already business partners prior to the acquisition. Likewise, the outcome that with the acquisition of Allianz FHB's activity is going to expand with the supply of corporate investment services would not put harmful effects on competition either considering the low market share of the parties on the relevant markets.

Case Number: **Vj-66/2010.**

## **The GVH cleared the proposed merger of Prémium Magánnyugdíjpénztár (Prémium) and AXA Önkéntes- és Magánnyugdíjpénztár (AXA).**

By investigating the market of private and volunteer pension funds that contains 19 private and 65 volunteer pension funds, the GVH took into consideration that out of the two undertakings it is only AXA that is present on the market of volunteer pension funds as a rather small competitor. Although on the highly concentrated market of private pension funds Prémium and AXA are both competitors, and AXA is the fifth most significant competitor on the market after OTP, AEGON, ING and Allianz. According to its asset value, and membership Prémium is only a small competitor with its less than 1% market share.

As a result of the concentration the market share of AXA, which is now 8,2% according to its asset value and 6,2% according to its membership will increase just slightly, approximately with 1%. Taking into account the market position of the parties and the circumstance that AXA Magyarország Befektetési Alapkezelő Zrt has already managed the asset values of

Prémium prior to the concentration, the GVH came to the conclusion that the concentration may not result in anticompetitive effects.

Case Number: **Vj-62/2010**.

**Similarly to the above-mentioned cases, the GVH did not find objectionable the proposed concentration of Wallis Asset Management Zrt. (Wallis Zrt.) and NAV-Invest Kft. (NAV-Invest).**

Wallis Zrt is one of the 116 undertakings that belong to the Wallis undertaking-group, pursues a wide range of activities and has previously possessed 49% of the shares of NAV-Invest. Wallis Zrt acquired the remaining 51% of the shares from Marivaux Investment Ltd, while NAV-Invest still operates controlling and holding functions as a subsidiary of Wallis Zrt. Within the framework of NAV-Invest group it is only Navigator Informatika Zrt, which is engaged in business activity. The undertaking is present on the markets of outsourced informatics services (IT outsourcing) and repairing and engineering services in connection with telecommunications systems, while the undertaking is playing an active role in the field of communications services (telecommunications and Internet) and retail purchasing of IT devices for customers.

When evaluating the possible effects of the transaction the GVH considered the following circumstances. The above-mentioned segments of the IT sector are not regarded as highly concentrated markets, competitors supply services with the same features, e.g. content, price and quality and price plays usually a decisive role. In addition these markets are mainly focused on demand-side and not supply-side services. As regards all of its activities, NAV-Invest faces a competitor that realizes a significantly higher net turnover and disposes a huge circle of customers. In contrast to that, Wallis Zrt did not realize any turnover on the above-mentioned segments of the IT sector, therefore a horizontal overlap between the two undertakings cannot be recognised. With regard to many services provided by NAV-Invest, Wallis Zrt was a client of the undertaking and covered a slight but not significant part of its distribution. It is beyond question that Wallis Zrt provides a massive investor background for NAV-Invest, but on the one hand, NAV-Invest has already possessed the above-mentioned background prior to the concentration, and on the other hand, other competitors also bear a background that is well capitalized.

Taking into account all the circumstances, the GVH came to the conclusion that the proposed concentration would not result in harmful effects on the markets concerned.

Case Number: **Vj-57/2010**.

Budapest, 21 September 2010

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