



REPUBLIC OF ALBANIA
-COMPETITION AUTHORITY-
Competition Commission

D E C I S I O N

No. 33, Dated 28.02. 2006

On

**The concentration realized through the purchase
of 80% of shares of the Italian-Albanian Bank, by San Paolo IMI
S.p.a.**

The Competition Commission, at its meeting held on 28.02.2006, with the participation of:

- | | |
|----------------------|-----------------|
| ▪ Mr. Lush Përpali | Deputy chairman |
| ▪ Mr. Franc Zhupa | Member |
| ▪ Mr. Raimond Cimbi | Member |
| ▪ Mrs. Teuta Shkenza | Member |

Discussed the following issue:

Subject: Italian-Albanian Bank, San Paolo IMI S.p.a

Notification dated 30.1.2006, on the concentration realized through the purchase of 80% of shares of the Italian-Albanian Bank, by San Paolo IMI S.p.a.

Legal basis: Law No. 9121, dated 28.07.2003, titled "On Protection of Competition", Article 24, letter "d", in particular Chapter III "Concentrations of Undertakings", Articles 10-17.

Upon review of the notification of concentration, the Competition Commission,

NOTED THAT:

1. San Paolo IMI, with headquarters in Turin, Italy, is authorized to operate in the banking and financial sectors. San Paolo IMI S.p.a is part of the financial group San Paolo, which operates in Italy. This company does not have any economic activity in Albania.

2. In the year 2004, the annual turnover of San Paolo IMI S.p. a. in the international market was 5 billion and 788 million Euro (approximately 706 billion and 136 million Lek).
3. The Italian-Albanian Bank, with headquarters in Tirana, operates in the banking market of the Republic of Albania, based on license No. 1/1996, dated 17.07.1998. In the year 2004, the annual turnover of the Italian-Albanian Bank in the national market was 848.2 billion Lek. The network of the Italian-Albanian Bank is composed of four regional branches, located within the territory of the Republic of Albania. The Italian-Albanian Bank owns: 3.89% of the banking market; 6.73% of the stock market; 3.71% of the total deposits; 4.13% of the credit market; and 3.21% of the treasury bond market.
4. The transaction defined in the contract signed on 7 December 2005 in Rome, Italy, by the Ministry of Finance, the owner of 40% of the capital, Capitalia company, the owner of 40% of the capital, and San Paolo IMI S.p.a., materializes a change of the ownership on the Italian-Albanian Bank, through the purchase of 80% of its shares by San Paolo IMI S.p.a., the winner of the public tender organized by the Albanian Government.
5. The transaction realized through the takeover of Sanpaolo IMI S.p.a. by Banca Intesa S.p.a. constitutes a concentration in the meaning of Article 10, Paragraph 1, letter "a" of the Law, as well as accomplishes the conditions of becoming subject of review by the Competition Authority, in conformity with the Article 12, Paragraph 1 of the Law.
6. The purchase of 80% of the shares of the Italian-Albanian Bank by San Paolo IMI S.p.a constitutes a concentration in the meaning of Article 10, Paragraph 1, letter "b" of the Law, as well as accomplishes the conditions of becoming subject of review by the Competition Authority, in conformity with the Article 12, Paragraph 1 of the Law.

7. Relevant market

a) Product Market:

- Acceptance of deposits (in the form of unlimited deposits; limited deposits or other forms of deposits) with payable or unpayable interest;
- Granting of loans, including consumable and mortgage loans, factoring loans with or without assistance resources and financing of trading transactions;
- Borrowing of funds and purchasing or selling on her behalf or on behalf of the clients (of instruments of monetary market, such as cheques, bills of exchange and certificates of deposits; debt securities; futures and options, related to debt securities or interests rates; instruments of interests rates);
- Payment services;

- Emission and administration of payment means, including credit and debit cards,, traveller cheques and banker cheques;
- Intermediation of monetary operations, including hard currency;
- Financial leasing,
- b) Geographical market: Territory of Albania. The actual network of the Italian-Albanian Bank, extended in four cities: Tiranë, Durrës, Shkodër and Vlorë.

The assesment of impact into competition.

Although the companies participating in the concentration operate in the banking market, they operate in separated, and as a consequence, they can not have common clients. Under this context, the concentration can not have anti-competition effects, because, in the meaning of Article 13 of the Law, it does not risk to create or enforce the dominant position of the companies involved in the concentration. Therefore, there is no causal relation between the concentration and the creation or enforcement of a dominant position. The notified transaction consists on the replacement of ownership of the 80% of shares of the capital of Italian-Albanian Bank, and does not bear any negative effects on competition in the relevant market of products, or in the geographical market.

FOR THE ABOVE REASONS

Based on, Article 24, letter “d”, and Article 56, paragraph 1 of Law No. 9121, dated 28.07.2003, titled “On Protection of Competition”

DECIDED:

1. To authorize the concentration realized through the takeover of 80% of shares of the Italian-Albanian Bank by SanPaolo IMI S.p.a., Turin, Italy.

This decision enters into effect immediately.

THE COMPETITION COMMISSION

Franc Zhupa
(_____)

Member

Raimond Cimbi
(_____)

Member

Teuta Shkenza
(_____)

Member

Lush PËRPALI

DEPUTY CHAIRMAN



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Legal basis: Law No. 9121, dated 28.07.2003, titled "On Protection of Competition", Article 24, letter "d", in particular Chapter III "Concentrations of Undertakings", Articles 10-17.

Upon review of the notification of concentration, the Competition Commission,

NOTED THAT:

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12. The transaction realized through the takeover of Sanpaolo IMI S.p.a. by Banca Intesa S.p.a. constitutes a concentration in the meaning of Article 10, Paragraph 1, letter "a" of the Law, as well as accomplishes the conditions of becoming subject of review by the Competition Authority, in conformity with the Article 12, Paragraph 1 of the Law.
13. The purchase of 80% of the shares of the Italian-Albanian Bank by San Paolo IMI S.p.a constitutes a concentration in the meaning of Article 10, Paragraph 1, letter "b" of the Law, as well as accomplishes the conditions of becoming subject of review by the Competition Authority, in conformity with the Article 12, Paragraph 1 of the Law.

14. Relevant market

b) Product Market:

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The assesment of impact into competition.

Although the companies participating in the concentration operate in the banking market, they operate in separated, and as a consequence, they can not have common clients. Under this context, the concentration can not have anti-competition effects, because, in the meaning of Article 13 of the Law, it does not risk to create or enforce the dominant position of the companies involved in the concentration. Therefore, there is no causal relation between the concentration and the creation or enforcement of a dominant position. The notified transaction consists on the replacement of ownership of the 80% of shares of the capital of Italian-Albanian Bank, and does not bear any negative effects on competition in the relevant market of products, or in the geographical market.

FOR THE ABOVE REASONS

Based on, Article 24, letter “d”, and Article 56, paragraph 1 of Law No. 9121, dated 28.07.2003, titled “On Protection of Competition”

DECIDED:

2. To authorize the concentration realized through the takeover of 80% of shares of the Italian-Albanian Bank by SanPaolo IMI S.p.a., Turin, Italy.

This decision enters into effect immediately.

THE COMPETITION COMMISSION

Franc Zhupa
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