



DETERMINATION OF MERGER NOTIFICATION M/05/080 – Deutsche Bank/East Surrey Holdings

Section 21 of the Competition Act 2002

Proposed acquisition of East Surrey Holdings Limited by Deutsche Bank AG (London)

Dated 10/01/06

Introduction

1. On 16th December 2005, the Competition Authority, in accordance with Section 18(1) of the Competition Act, 2002 (“the Act”), was notified on a mandatory basis of the proposed acquisition by Deutsche Bank AG (“Deutsche Bank”), through its London branch, Deutsche Bank AG (London), of the entire issued share capital of East Surrey Holdings Limited (“ESH”).

Undertakings Involved

2. Deutsche Bank, the acquirer, is a worldwide commercial bank. It is active in all fields of the banking business including, deposit and credit business, issuing of securities, asset management, investment banking as well as factoring. It also offers other financial services such as building society savings through its group companies. It offers its full range of services in the State.
3. ESH, the target, is a UK-based company whose main business is Sutton and East Surrey Water plc. Sutton and East Surrey Water plc is a UK-regulated water company with a licence area extending across the London Boroughs of Croydon, Merton and Sutton, East Surrey and parts of Kent and Sussex.
4. ESH also offers an insured household emergency scheme, central heating servicing and maintenance, plumbing services, supply of building products, mineral processing, distribution and retail of bathroom equipment, and property letting.
5. ESH is active in the State through Advanced Minerals Limited and Fische Limited. Advanced Minerals Limited is active in the processing and blending of minerals for use as an additive in [a type of polymer processing]. Fische Limited is active in the distribution and retail of shower doors imported from China as well as other related bathroom plumbing products such as shower trays.

Analysis

6. There is no competitive overlap between the parties' activities in the State. Deutsche Bank is active in the banking business while ESH is active in the provision of water supply and other non-banking services, as described. Therefore, the proposed transaction does not raise competition concerns.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Deutsche Bank AG, through its London branch, Deutsche Bank AG (London), of East Surrey 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

Edward Henneberry
Member of the Competition Authority