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PRESS RELEASE**

PCC approves UnionBank’s acquisition of Citi PH consumer banking assets

The Philippine Competition Commission (PCC) has approved the proposed acquisition by Union Bank of the Philippines (UnionBank) of Citibank, N.A. Philippine Branch (Citibank PH), Citicorp Financial Services & Insurance Brokerage Philippines, Inc. (Citicorp), and Citibank Square Building (Citi Square).

In a Decision issued on April 5, the PCC found that the proposed takeover does not result in substantial lessening of competition in each of the segments of the consumer banking markets. This is due to substantial competitive constraints exerted by other banking institutions nationwide.

“Upon review of the findings and recommendation of the Mergers and Acquisitions Office and the Parties’ submissions, the Commission finds that the acquisition by UnionBank of assets of Citibank PH and Citi Square and shares in Citicorp will not likely result in substantial lessening of competition,” the Commission Decision read.

“Post-transaction, significant competitive pressures or constraints remain from other banking institutions in the markets for credit card issuance, retail deposits, asset management, and unsecured loans; and no horizontal or vertical overlaps exist in the market for real estate leasing of commercial spaces in Manila, Quezon City, and Pasig,” it added.

The transaction stemmed from Citi’s exit plan in 13 jurisdictions including the Philippines, and UnionBank reaching a deal for a takeover last year.

The acquisition includes the assets and liabilities of the consumer banking business of Citibank PH, 100% of the outstanding capital stock of Citicorp, and real estate interests in Citi Square in Quezon City and its bank branches.

The takeover by UnionBank covers the consumer banking business of Citibank PH, which includes its credit card, retail deposit, personal and unsecured loans, and asset management portfolio. However, institutional accounts will be retained by Citibank PH after the transaction.

UnionBank is a Philippine-owned commercial and retail bank by the Aboitiz Group. Among its subsidiaries are City Savings Bank, Inc., First Agro-Industrial Rural Bank,



Inc., Bangko Kabayan, Inc., UBX Philippines Corp. and UBP Investments Corp. Citibank PH, on the other hand, is the local subsidiary of global bank Citigroup.

To date, the said acquisition is the 204th transaction cleared by the PCC. It is also the first for 2022 following the implementation of a P50-billion merger review threshold through Bayanihan 2.

As the country's antitrust authority, PCC is mandated under the Philippine Competition Act to review mergers, acquisitions, and joint ventures of firms across all sectors that meet the threshold to ensure that these deals do not harm the interest of consumers.

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Commission Decision Link: <https://bit.ly/PCC-UnionBank-Citibank>

Reference:

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