

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: 70/LM/Jun12

(015321)

In the matter between:

Absa Bank Ltd

and

the Private Label Store Card Portfolio of Edcon (Pty) Ltd

Panel : N Manoim (Presiding Member), A Wessels (Tribunal Member) and M Mokuena (Tribunal Member)


Heard on : 20 September 2012

Decided on : 20 September 2012

ORDER (NON-CONFIDENTIAL VERSION)

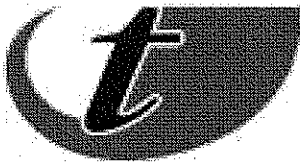
Further to the recommendation of the Competition Commission in terms of section 14A(1)(b) of the Competition Act, 1998 ("the Act") the Competition Tribunal orders that –

1. the merger between Absa Bank Ltd and the Private Label Store Card Portfolio of Edcon (Pty) Ltd be approved in terms of section 16(2)(b) of the Act subject to the conditions in Annexure A and B; and
2. a Merger Clearance Certificate be issued in terms of Competition Tribunal Rule 35(5)(a).



Presiding Member
N Manoim

Concurring: A Wessels and M Mokuena



competitiontribunal south africa

Notice CT 10

About this Notice

This notice is issued in terms of section 16 of the Competition Act.

You may appeal against this decision to the Competition Appeal Court within 20 business days.

Contacting the Tribunal

The Competition Tribunal
Private Bag X24
Sunnyside
Pretoria 0132
Republic of South Africa
tel: 27 12 394 3300
fax: 27 12 394 0169
e-mail: ctsa@comptrib.co.za

Merger Clearance Certificate

20-Sep-2012

Date: _____

To: Absa and Werksmans

(Name and file number of merger:)

Absa Bank Ltd
and
The Private Label Store Card Portfolio of Edcon (Pty) Ltd
Case no.: 70/LM/Jun12 (015321)

You applied to the Competition Commission on 22-Jun-2012
for merger approval in accordance with Chapter 3 of the Competition Act.

Your merger was referred to the Competition Tribunal in terms of section 14A of the Act, or was the subject of a Request for Consideration by the Tribunal in terms of section 16(1) of the Act.

After reviewing all relevant information, and the recommendation or decision of the Competition Commission, the Competition Tribunal approves the merger in terms of section 16(2) of the Act, for the reasons set out in the Reasons for Decision.

This approval is subject to:

- no conditions.
- the conditions listed on the attached sheet.

The Competition Tribunal has the authority in terms of section 16(3) of the Competition Act to revoke this approval if

- (a) it was granted on the basis of incorrect information for which a party to the merger was responsible.
- (b) the approval was obtained by deceit.
- (c) a firm concerned has breached an obligation attached to this approval.

The Registrar, Competition Tribunal:

ANNEXURE A

Absa Bank Limited / The Private Label Store Card Portfolio of Edcon(Proprietary) Limited

CC CASE NUMBER: 2012Jun0344

CONDITIONS

1. Definitions

The following expressions shall bear the meanings assigned to them below and cognate expressions bear corresponding meanings –

- 1.1. "Absa Bank Limited" means Absa;
- 1.2. "Approval Date" means the date referred to in the Competition Tribunal's merger clearance certificate (Form CT 10);
- 1.3. "Annexure B" means the store card portfolio governance;
- 1.4. "Commission" means the Competition Commission of South Africa;
- 1.5. "Conditions" means these conditions;
- 1.6. "Edcon" means Edcon(Proprietary) Limited;
- 1.7. "Merger" means the acquisition of control over the Portfolio by Absa;
- 1.8. "Portfolio" The private label store card portfolio of Edcon(Proprietary) Limited;
- 1.9. "WFS" means Woolworths Financial Services; and
- 1.10. "Woolworths" means Woolworths (Proprietary) Limited.

2. Recordal

- 2.1. Absa has agreed to the following undertakings meant to address the potential anti-competitive concerns.
- 2.2. It is the Commission's view that the conditions, in current form, are necessary to address the potential anti-competitive concerns resulting from the proposed transaction.

3. Conditions to the approval of the merger

- 3.1. For as long as Absa controls both the Portfolio and Woolworths Financial Services (Proprietary) Limited ("WFS"), it shall continue to apply the ring fencing measures contained in the governance structure as indicated in Annexure B hereto, to ensure that Edcon and Woolworths (Proprietary) Limited do not share their respective competitively sensitive information through Absa.
- 3.2. Competitively sensitive information shall include, but not be limited to, any and all such information relating to:
- (i) Pricing – including, but not limited to, pricing of specific products, prices/discounts offered to specific clients and planned price reductions or increases;
 - (ii) Margin information by product or client;
 - (iii) Costs information for particular products;
 - (iv) Information on specific clients and client strategy, including information with respect to the sales volume of clients; and
 - (v) Marketing strategies.

4. Monitoring of compliance with the Conditions

- 4.1. The Head of Compliance and Regulatory Affairs for Absa Group Limited will submit an affidavit on an annual basis attesting to Absa's compliance with the ring fencing measures contained in the governance structure attached as Annexure A hereto.
- 4.2. The first affidavit will be provided to the Commission on the first anniversary of the Competition Tribunal's approval of Absa's acquisition of the Portfolio.
- 4.3. Should Absa dispose of its controlling interest in either the Portfolio or WFS, Absa shall inform the Commission of such disposal within 3 months of concluding the final sale agreement in that regard and shall submit a signed copy of such final sale agreement to the Commission as proof thereof.
- 4.4. All information required in respect of the monitoring requirement for this condition must be submitted to the following email: mergerconditions@compcom.co.za.

ANNEXURE B
STORE CARD PORTFOLIO GOVERNANCE
(CONFIDENTIAL)