

**COMPETITION TRIBUNAL  
REPUBLIC OF SOUTH AFRICA**

**Case no.: 69/LM/Jul05**

**In the large merger between:**

Standard Bank Group Ltd

and

Andisa Capital (Pty) Ltd

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**Reasons**

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**Introduction**

The Competition Tribunal approved the merger between Standard Bank Group Ltd and Andisa Capital (Pty) Ltd on 12 October 2005. The reasons are set out below.

**The transaction**

The primary target firm, Andisa Capital, was originally formed in 2003 by Standard Bank Group Ltd ("SBG") and Andisa Consortium, holding 49% and 51% respectively, to establish an empowered investment group. The Consortium consisted of:

- |                              |     |
|------------------------------|-----|
| ▪ Nduna Trust                | 29% |
| ▪ Safika Holdings            | 29% |
| ▪ Simeka Investment Holdings | 10% |
| ▪ Andisa BEE Trust           | 32% |

The proposed transaction concerns a restructuring in the shareholding of Andisa Capital. It involves SBG increasing its shareholding in Andisa Capital from 49%

to 79% and Safika Holdings subscribing for a direct stake of 21% in Andisa Capital with Andisa Consortium ultimately exiting as shareholders from Andisa Capital.

Post the transaction SBG and Safika Holdings will remain as the only shareholders in Andisa Capital with SBG having sole control. In the second leg of the transaction Nduna Trust will increase its shareholding in Andisa Consortium and Andisa Investments to 90% with Simeka holding the remaining 10% in both.<sup>1</sup>

### **Rationale for the transaction**

The parties submit that the rationale behind the restructuring relates to the fact that Ronnie Ntuli, the Chief Executive Officer of Andisa Capital, wanted to pursue his own personal business interests and the shareholders accordingly agreed to a restructuring.

### **Effect on competition**

SBG controls The Standard Bank of South Africa Ltd, which is a registered bank conducting a wide range of personal and business banking and related services. Andisa Capital's primary activities include private equity and stock exchange services as well as treasury services. Since Andisa Capital's inception SBG has been channelling all its securities trading, treasury management and private equity business to Andisa Capital.

Since this transaction involves only a restructuring of shareholders the transaction will not have any effect on competition in the product markets concerned.

### **Public interest**

No public interest issues arise from the transaction.

2 November 2005

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<sup>1</sup> Andisa Investments was a 100% owned subsidiary of Andisa Capital prior to this transaction. Post the transaction its shareholders will be Nduna Trust and Simeka Investment Holdings.

**Y Carrim**

**Date**

**Concurring: D Lewis, N Manoim**