



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM239Mar15

In the matter between:

**ABSA BANK LTD
AND AMDEC INVESTMENTS (PTY) LTD**

Primary Acquiring Firms

And

**CULEMBORG INVESTMENT (PTY) LTD
PROPRIETARY (PTY) LTD**

Primary Target Firms

Panel	: N Manoim (Presiding Member)
	: A Ndoni (Tribunal Member)
	: M Mokuena (Tribunal Member)
Heard on	: 20 May 2015
Order Issued on	: 20 May 2015
Reasons Issued on	: 28 May 2015

Reasons for decision

Approval

- [1] On 20 May 2015, The Competition Tribunal (“**Tribunal**”) unconditionally approved the acquisition by ABSA Bank Limited (“**ABSA**”) and Amdec Investments (Pty) Ltd (“**Amdec**”) of Culemborg Investment Properties (Pty) Ltd (“**Culemborg**”).

[2] The reasons for approving the proposed transaction follow.

Parties to the transaction

[3] The primary acquiring firms are ABSA and Amdec. ABSA is a wholly owned subsidiary of Barclays Africa Group Limited ("**BAGL**"). BAGL is controlled by; Barclays PLC, Public Investment Corporation, Sanlam Investment Management, Old Mutual Asset Managers and Stanlib Asset Managers.

[4] Amdec is jointly controlled by the Baker Family Trust and Rowe Family Trust. The Baker Family Trust has the following Trustees; James Alexander Wilson, John Stuart Wilson and Deborah Anne Wilson. The Baker Family Trust controls Silver Tint Investments 1 (Pty) Ltd and The Steenberg Estate Erf 11007 (Pty) Ltd. The Rowe Family Trust has the following Trustees; James Alexander Wilson, John Stuart Wilson and Astra Margaret Wilson. The Rowe Family Trust controls Steenberg Estate Erf 11007 Cape Town and Mjejane 12 Investments (Pty) Ltd. Amdec controls various firms including Culemborg.

[5] Culemborg is jointly controlled by; Absa, Amdec and Edge Properties (Pty) Ltd ("**Edge Properties**"). Edge Properties is in turn jointly controlled by; The Reform Trust, The Shannon Clark Family Trust, The Toadhall Trust and The Carins Family Trust.

Proposed Transaction

[6] Absa and Amdec intend to increase their shareholding in Culemborg from 50% to 67% and 25% to 33% respectively. Post-merger Absa and Amdec will jointly control Culemborg.

Rationale

[7] For Absa the increased shareholding will enable them to consolidate their investment in Culemborg. Amdec wishes to grow its property portfolio in the Western Cape. Collectively the proposed transaction will allow the merged entity to

compete more effectively with its competitors. The proposed transaction will enable Edge to realise its investment in Culemborg.

Relevant Market and Impact on Competition

- [8] The Absa Group offers banking products and services through, *inter alia*, retail, banking, private banking, flexi-banking and commercial banking. Relevant for the proposed transaction is Absa's speciality retail property (motor dealership property) located in Somerset West in the Western Cape. Amdec is a privately owned property development and investment company. Amdec has a property portfolio comprising of residential, retirement, storage, commercial office space and mixed-used rental space. Amdec does not own any retail speciality properties in the Western Cape.
- [9] Culemborg is a speciality retail property letting enterprise in the Culemborg district of Cape Town. Culemborg's speciality retail property is let to several tenants who operate as motor dealerships/showrooms.
- [10] Both parties are active in the market for provision of rentable space in speciality retail. However the Commission did not consider that Absa's Somerset West property which is 47 kilometres from the target firm, would exercise any constraint on it and hence concluded that there was no geographic overlap and for this reason the merger raised no competition concerns.

Conclusion on Competition Analysis

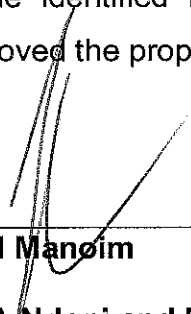
- [11] We agree with the Commission that the proposed transaction raises no competition concerns due to the absence of a geographic overlap.

Public Interest

- [12] The merging parties have submitted that the proposed transaction will not result in any negative impact on employment as the target firm has no employees. There are no other public interest concerns.

Conclusion

- [13] The proposed transaction is unlikely to substantially prevent or lessen competition in the identified market or raise any public interest concerns. Accordingly we approved the proposed transaction unconditionally.



Mr N Manóim

DATE: 28 May 2015

Ms A Ndoni and Ms M Mokuena concurring

Tribunal Researcher:

Moleboheng Moleko

For the merging parties:

Norton Rose Fulbright

For the Commission:

Hugh Dlamini and Xolela Nokele