



## MERGER DECISION NO 36: 2023

### Notice in Terms of Section 53(4) (a) (ii) of the Competition Act 2018

#### **DECISION ON THE ASSESSMENT OF THE PROPOSED SALE AND ACQUISITION OF LOT 74768, CENTRAL BUSINESS DISTRICT, GABORONE FROM WINCHESTER PROPERTIES (PTY) LTD BY FIRST CAPITAL BANK LIMITED**

##### **Introduction of the Merging Parties**

Pursuant to Section 53(4)(a)(ii) of the Competition Act 2018 ("the Act"), notice is hereby given on the decision made by the Competition and Consumer Authority ("the Authority") in respect of the proposed sale and acquisition of Lot 74768, Central Business District ("CBD"), Gaborone from Winchester Properties (Pty) Ltd ("Winchester or Target Enterprise") by First Capital Bank Limited ("First Capital Bank or the Acquiring Enterprise"). The transaction was notified to the Authority on 15<sup>th</sup> September 2023, and the merger assessment was completed on 28<sup>th</sup> September 2023.

The Acquiring Enterprise, First Capital Bank, is a company incorporated in accordance with the Laws of Botswana. It is controlled by FMB Capital Holdings Plc; Everglades Holdings (Pty) Ltd; Premier Capital Ltd; and Prime Bank Ltd.

The Target Enterprise, Winchester, is a company incorporated in accordance with the Laws of Botswana. It is controlled by Jagdish Natwarlal Shah, (Motswana) and Ian Rankin Thomson (British).

##### **Relevant Markets**

The Acquiring Enterprise is in the commercial banking business, providing deposits, loans to corporates, individuals and Small Medium Micro Enterprises (SMMEs). It operates a total of four (4) branches and five loan centres across Botswana, specifically in Francistown, Gaborone, Kanye, Mochudi, Mogoditshane and Palapye; with customers in and outside Botswana.

On the flipside, the Target Entity is in the business of letting property and currently owns two (2) properties: Plot 43512 in Francistown, which is undeveloped; and a Sectional Title of a Scheme known as Mashatu Terrace Scheme, situated at Lot 74768, CBD, Gaborone (*the Property being sold*).

In light of the above it can be concluded that the Proposed Transaction does not give rise to horizontal overlap. In view of the nature of the service offered by Target Enterprise in the merger under assessment, the relevant market is defined as *the provision of commercial rental space in Gaborone*.

### **Competitive Analysis and Public Interest**

The Authority has established that the Proposed Transaction is not expected to alter the market structure post implementation, as the status quo will be maintained post-merger.

The Authority does not anticipate any substantial lessening of competition concerns arising due to the absence of product overlap in the activities of the merging parties. Furthermore, the proposed merger will not have any negative effect on public interest matters in Botswana.

### **The Determination**

Pursuant to the provision of Section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed sale and acquisition of Lot 74768, Central Business District, Gaborone from Winchester Properties (Pty) Ltd by First Capital Bank Limited

However, as stated under Section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 28<sup>th</sup> day of September 2023.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority,  
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