



MERGER DECISION NO 07: 2024

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

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF EQSTRA INVESTMENT HOLDINGS (PTY) LTD BY NEDBANK GROUP 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 acquisition of 100% of the entire issued share capital of Eqstra Investment Holdings (Pty) Ltd (“Eqstra Holdings” or the “Target Enterprise”) by Nedbank Group Limited (“Nedbank” or the “Acquiring Enterprise”). The Transaction was notified to the Authority on 19th February 2024, and the merger assessment was completed on 20th March 2024.

The Acquiring Enterprise, Nedbank, is a public company listed on the following securities exchange: Johannesburg Stock Exchange, Namibian Stock Exchange and A2X Markets.

The Target Enterprise, Eqstra Holdings, is a company incorporated in accordance with the Laws of South Africa. It is wholly owned and controlled by enX, a public company listed on the Johannesburg Stock Exchange. The target enterprise has presence in Botswana through its 100% subsidiary enX Fleet Management Botswana (Pty) Ltd [“enX Fleet Botswana”].

Relevant Market

The Acquiring Enterprise is in various financial services as one of the largest banking groups in South Africa. Its core services include business, corporate and retail banking, property finance, investment banking, private banking, wealth management, foreign exchange and securities trading. In addition, Nedbank also generates income from private equity, fleet and asset-based finance, credit card issuing and processing services as well as insurance, asset management, and wealth management. The Acquiring Enterprise’s primary market is South Africa, and it has presence in other parts of Africa and outside Africa. The Acquiring Enterprise does not have any operations in Botswana.

On the other hand, the Target Enterprise is an investment holding company conducting business through its subsidiary companies- Eqstra FML Business; which is active through five divisions, namely: (i) Eqstra Fleet Management Services;

(ii) Eqstra Financial Services; (iii) GPS Tracking Solutions; (iv) Amasondo Fleet services and (v) Hypercar. The specific services provided by Eqstra FML Business in Botswana through enX Fleet Management Botswana, are as follows: fleet consulting services; fleet acquisition services; fleet services; maintenance and management services; fuel management services; risk management services; GPS tracking services; and fleet remarketing services.

In light of the above, the Acquiring Group is not involved in any business activities nor does it provide any service in Botswana which can be considered by customers as reasonably interchangeable with, or a substitute for, any services provided by the subsidiary of the target enterprise in Botswana. Therefore, there is lack of product overlap in the activities of the Merging Parties in Botswana.

The Authority therefore concluded to describe the relevant market based on the nature of the services offered by the subsidiary of the target enterprise in Botswana. The market under consideration is described as in the *provision of fleet management services and solution in Botswana*.

Competitive Analysis and Public Interest

The Authority has established that the Proposed Transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market for *provision of fleet management services and solution in Botswana*. Furthermore, the Proposed Merger will not have any negative effect on public interest matters in Botswana as per the provisions of section 52(2) of the Competition Act 2018.

The Determination

Pursuant to the provision of section 53 of the Competition Act, 2018, the Authority has decided to unconditionally approve the proposed acquisition of 100% of the entire issued share capital of Eqstra Investment Holdings (Pty) Ltd by Nedbank Group 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 20th day of March 2024.

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