



MERGER DECISION NO 24 OF 2024

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF LOT 2658, SELEBI PHIKWE FROM BBS BANK LIMITED BY SEVENTY5 DEGREES (PTY) LTD FOR AND ON BEHALF OF THE BOTSWANA PUBLIC OFFICERS PENSION FUND

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 Lot 2658, Selebi - Phikwe, from BBS Bank Limited ("BBS Bank" or the "Target Enterprise") by Seventy5 Degrees (Pty) Ltd ("Seventy5 Degrees" or the "Acquiring Enterprise") for and on behalf of the Botswana Public Officers Pension Fund ("BPOPF"). The transaction was notified to the Authority on 26th June 2024, and the merger assessment was completed on 19th July 2024.

The Acquiring Enterprise, Seventy5 Degrees is an established private company incorporated in accordance with the Laws of Botswana. Seventy5 Degrees. Is currently part of an incubation program established by BPOPF to provide investments on its behalf.

The Target Enterprise, BBS Bank, is a public company duly incorporated in accordance with the Laws of Botswana. BBS Bank has a broad shareholder base with some of the material Shareholders holding in excess of 7% shareholding. These shareholders include Botswana Privatisation Asset Holdings Limited, Botswana Police Savings and Loans Guarantee Scheme, Derek Brink, Motor Vehicle Accident Fund and Rita Brink.

Relevant Market

The Acquiring Enterprise operates as a property asset manager in Botswana and is currently part of an incubation program established by BPOPF. Seventy5 Degrees operates throughout Botswana. On the other hand, in 2022, the Target Enterprise repositioned from a building society to a commercial bank and now offers broad banking automated teller machines. It serves both local and international clientele. In addition, the target enterprise owns several commercial properties in various places in Botswana, including, Lot 2658, Selebi-Phikwe (the Property being sold).

In light of the above, there is horizontal overlap the activities of the Merging Parties in that the Acquiring Enterprise is a new entrant in the property leasing, while the Target Enterprise is now a commercial bank, and is still owning some property assets that is still in the process of disposing them as per the Banking Act. Therefore, the proposed transaction will slightly alter the property leasing market especially in the relevant geographic market of Selebi-Phikwe post implementation. The Authority does not anticipate any competition concerns to arise in the relevant market in Botswana post-merger. This will be the first property asset by the acquirer in Selebi-Phikwe.

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 property leasing market in the relevant geographic market of Selebi-Phikwe*. 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 Lot 2658, Selebi -Phikwe, from BBS Bank Limited by Seventy5 Degrees (Pty) Ltd for and on behalf of the Botswana Public Officers Pension Fund.

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 19th day of July 2024.

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