



## COMPETITION TRIBUNAL OF SOUTH AFRICA

**Case No: 105/LM/Dec11**

In the matter between:

**First Rand Bank Limited**

**Acquiring Firm**

And

**The property owned by  
Old Mutual Life Assurance Company  
(South Africa) Limited, located at  
Erf number 173019 Cape Town**

**Target Firm**

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Panel	:	Norman Manoim (Presiding Member) Andreas Wessels (Tribunal Member) and Medi Mokuena (Tribunal Member)
Heard on	:	01 February 2012
Order issued on	:	01 February 2012
Reasons issued on	:	01 February 2012

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### **Reasons for Decision**

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#### **Approval**

[1] On 01 February 2012 the Competition Tribunal ("Tribunal") approved the merger between First Rand bank Limited and the property owned by Old Mutual Life Assurance Company (South Africa) Limited, located at Erf number 173019, Cape Town CBD. The reasons for approving the proposed transaction follow below.

**Parties to the transaction**

[2] The primary acquiring firm is First Rand Bank Limited (“FRB”), a company whose activities include retail, corporate, investment and merchant banking.

[3] Old Mutual Life Assurance Company (South Africa) Limited (“OMLACSA”) is the current owner of the property located at Erf number 173019, which is located in the Cape Town CBD.

**Proposed transaction**

[4] The proposed transaction involves FRB’s acquisition of 50% of the Basement Units and 50% of the Real Rights, whilst OMLACSA retains the other half. FRB and OMLACSA have concluded a joint ownership agreement which reflects their intention to co-develop the site into AAA-grade commercial office space, with a small retail component. FRB will use its portion as a regional head office and FNB branch, whilst OMLACSA will use its portion for office and retail space to third party tenants.

**Rationale for transaction**

[5] The rationale for the proposed merger is that the acquiring firm feels this is a preferred location from a strategic perspective from which to conduct business.

**Impact on competition**

[6] There is no product or geographic overlap between the activities of the parties, as FRB does not own any property which can be classified in the same grade or any classification within the Cape Town CBD node. Therefore the proposed transaction is unlikely to substantially prevent or lessen competition.

**Public interest**

[7] The merging parties confirmed that there will be no adverse effect on employment as a result of the proposed transaction.<sup>1</sup> No other public interest issues arise as a result of this transaction.

## **CONCLUSION**

[8] We conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. Furthermore, the proposed transaction raises no public interest concerns. Accordingly, we approve the proposed merger unconditionally.

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**NORMAN MANOIM**

01 February 2012  
**DATE**

**Andreas Wessels and Medi Mokuena concurring.**

Tribunal researcher: Nicola Ilgner  
For the merging parties: Edward Nathan Sonnenbergs  
For the Commission: Bheki Masilela

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<sup>1</sup> See page 71 of the record.