



Kang'ombe House, 5th Floor-West Wing  
P.O. Box 30742  
Lilongwe 3, Malawi  
Tel: +265 (0) 1772466  
Email- compcom@comesa.int



Common Market for Eastern  
and Southern Africa

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### **CCC Merger Inquiry Notice No. 19 of 2017**

#### **Notice of Inquiry into the proposed indirect acquisition of Barclays Bank Zimbabwe Limited, by First Merchant Bank Capital Holdings Plc, through the acquisition of 67.68% in Afcarne Zimbabwe Holdings (Pvt) Limited.**

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It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “Regulations”) that the COMESA Competition Commission (the “Commission”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed indirect acquisition of Barclays Bank Zimbabwe (“**BBZ**”) by First Merchant Bank Capital Holding Limited (“**FMB CH**”) through the acquisition of 67.68% in Afcarne Zimbabwe Holdings (Pvt) Limited, intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that for the purposes of this transaction the **acquiring undertaking** is FMB CH. As a background to the proposed transaction, the entity known as First Merchant Bank Plc (“**FMB**”) was incorporated in Malawi in 1995. FMB is a public company listed on the Malawi Stock Exchange. FMB is a commercial bank with headquarters in Malawi, offering a wide range of traditional banking services including capital markets, corporate finance, asset management and transfer secretarial services.

The parties have further submitted that this transaction is in line with FMB’s long term strategy to become a regional bank with a presence in surrounding countries in the SADC region. The bank has so far expanded its operations gradually into neighboring countries namely, Zambia, Mozambique and Botswana. To this end, a group holding company being FBM Capital Holdings Plc has been set up in Mauritius to hold all the entities within the group and to oversee its regional expansion strategy and internal restructuring plan which will follow the proposed transaction.

The parties have also submitted that the **target undertaking**, Afcarne, is a private company limited by shares, incorporated in Zimbabwe. Prior to the proposed transaction, Afcarne is wholly owned by Barclays Bank Plc. The parties have further submitted that Afcarne is merely a holding entity for the shares held in BBZ, a public company listed on the Zimbabwean Stock Exchange. It is further submitted that Afcarne does not have any interest in any other company other than Barclays Bank Zimbabwe.

BBZ is a commercial bank with its headquarters in Harare, Zimbabwe. The bank offers a wide range of financial services including business banking, corporate banking and retail

banking. From Barclays' perspective, the proposed transaction aligns with Barclays' recent strategy to reduce its shareholding in entities on the African continent

The Commission will, in accordance with the provisions of the Regulations, determine among other things whether or not the merger is likely to substantially prevent or lessen competition within the Common Market and whether the merger is or would be contrary to the public interest as provided for under Article 26 of the Regulations. In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: [jmwesige@comesa.int](mailto:jmwesige@comesa.int). All written representations should be sent to the Commission not later than **8<sup>th</sup> August, 2017**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Mr. John Mwesige, Economist** on +265 (0) 1 772 466 or via email at [jmwesige@comesa.int](mailto:jmwesige@comesa.int).

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.