COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 66/LM/Oct10

In the matter between:

Standard Bank Group Limited	**Acquiring Firm**
And	
Credit Suisse Standard Securities (Pty) Ltd	**Target Firm**

Panel	:	Norman Manoim (Presiding Member), Yasmin Carrim (Tribunal Member), and Andreas Wessels (Tribunal Member)
Heard on	:	24 November 2010
Order issued on	:	24 November 2010
Reasons issued on	:	15 December 2010

Reasons for Decision

Approval

1] On 24 November 2010, the Tribunal unconditionally approved the acquisition of Credit Suisse Standard Securities (Pty) Ltd ("CSSS") by Standard Bank Group ("SBG"). The reasons for approving the transaction follow.

The parties and their activities

2] The primary acquiring firm is Standard Bank Group ("Standard Bank"), a public company listed on the Johannesburg Stock Exchange. SBG has control over 6 entities.[1] Standard Bank is a financial services group that provides a diverse range of retail and commercial banking and other financial services. These services include personal and business banking, corporate and investment banking, and wealth services and activities.

3] Standard Bank also owns a separate stock broking entity, Standard Financial Markets (Pty) Ltd ("SFM") which operates in the retail stock brokerage and derivative trade markets.

4] The primary target firm is Credit Suisse Standard securities (Pty) Ltd (CSSS"). CSSS is a joint venture operation between Standard Bank of South Africa Limited ("SBSA") and Credit Suisse (International) Holding AG ("Credit Suisse"). Each of these parties hold a 50% interest of the issued ordinary share capital in CSSS.

5] CSSS is an institutional stock brokerage business. It provides services that include equity sales, equity trading, equity research, finance and administration and corporate broking services.

The proposed transaction and Rationale

6] Standard Bank is to acquire 50% shareholding in Credit Suisse Standard Securities ("CSSS"). Standard Bank will effectively hold 100% shareholding in CSSS, directly and through its wholly owned subsidiary SBSA.

7] Credit Suisse and Standard Bank have decided to end the joint venture after four successful years. During these four years the joint venture has

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1 Namely Standard Bank of South Africa Limited ("SBSA"), Stanbic Africa Holdings Limited, Standard International Holdings Limited, Liberty Holdings Limited, Standard Bank Group International Limited, Stand Bank Offshore Group.

grown significantly and has achieved a consistent Top 2 ranking among broking members of the securities exchange operated by the JSE Limited.

8] Standard Bank will rebrand and rename Credit Suisse Standard Securities to Standard Securities. Standard Bank will focus on further developing its institutional stock broking capabilities in key emerging markets. Standard Bank's equity derivative and capital markets businesses will be aligned with Standard Securities to deliver an integrated offering to both its domestic and international client base.

9] Credit Suisse will develop a wholly-owned integrated equities business and operate this business as Credit Suisse Johannesburg.

Relevant markets and impact on competition

10] The relevant market is the provision of equity sales, equity trading, equity research, finance and administration and corporate broking services.

11] CSSS's market share is expected to fall as 50% of the revenue generated was attributed to foreign investors trading equities on the exchange operated by the JSE. This is because majority of these foreign institutional investors are clients of Credit Suisse and not CSSS directly. These investors will continue to transact through Credit Suisse and its newly established licensed stock broker Credit Suisse Johannesburg.

12] Standard Bank Financial Markets, which is owned by Standard Bank Group, has approximately 2.06% market share and operates in the retail stock beverage market. Standard Bank Financial Markets does not operate in the same market or compete with CSSS which operates in the institutional stock brokerage market. CSSS has a market share of approximately 8.86% and has other effective competitors in the market.[2]

2 Such as Duetshce Securities, UBS Securities SA, ABSA Stockbrokers, Merrill Lynch SA, and others

13] There are no overlaps between the activities of the merging parties.

Public interest

14] No public interest concerns arise as a result of this proposed transaction.

Conclusion

15] The proposed transaction is unlikely to substantially prevent or lessen competition in any market. No significant public interest issues arise as a result of this transaction. We accordingly approve the transaction.

____________________ 15 December 2010

Yasmin Carrim DATE

Norman Manoim and Andreas Wessels concurring.

Tribunal Researcher : Mahashane Shabangu

For the Merging parties : Natalie von Ey of Cliffe Dekker Hofmeyr Inc

For the Commission : Lerato Monareng of the Mergers and Acquisitions Division