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**Common Market for Eastern  
and Southern Africa**

**Case File No. CCC/MER/11/47/2024**

**Decision<sup>1</sup> of the 121<sup>st</sup> Meeting of the Committee Responsible  
for Initial Determinations Regarding the Proposed  
Acquisition by BRED Banque Populaire of Sole Control of  
BFV – Société Générale Madagascar**

**ECONOMIC SECTOR:** Banking and Financial Services



**10 November 2025**

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<sup>1</sup> In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

## The Committee Responsible for Initial Determinations,

Desirability of the overriding objective of the Treaty establishing the Common Market for Eastern and Southern Africa (the "**Treaty**"), namely the strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration;

Cognisant of Article 55 of the Treaty;

Having regard to the COMESA Competition Regulations of 2004 (the "**Regulations**"), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the "**Rules**");

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

Having regard to the COMESA Merger Assessment Guidelines of 2014;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State.

Determines as follows:

### Introduction and Relevant Background

1. On 28 January 2025, the COMESA Competition Commission ("**the Commission**") received a notification of a merger made by BRED Banque Populaire ("**BRED**") regarding the Proposed Acquisition by BRED of sole control of BFV – Societe Générale Madagascar ("**BFV-SG**"), pursuant to Article 24(1) of the Regulations.
2. The CID at its the 117<sup>th</sup> Meeting granted an extension of sixty (60) days to the statutory timeline, starting from 4 June 2025, to enable the Commission to finalize its review of the transaction and equally finalize its investigation for contravention of Article 24(1) of the Regulations. The statutory timeline was therefore extended until 5 August 2025.
3. The CID at its 119<sup>th</sup> Meeting held on 2 – 3 August 2025, granted a further extension of sixty (60) days to the statutory timeline, starting from 6 August 2025 until 6 October 2025, to enable the Commission to finalize its investigation regarding the parties' contravention of Article 24(1) of the Regulations.



4. At its 120<sup>th</sup> Meeting held on 23 September 2025, the CID determined that BRED contravened Article 24(1) of the Regulations and imposed a fine of **USD28,050** on BRED. The CID further directed BRED to pay the fine within thirty (30) days of its Decision and deferred its decision on the competitive effect of the transaction until BRED's compliance with the order of the CID regarding the contravention of Article 24(1). On 17 October 2025, BRED complied with the directive of the CID and paid the imposed fine of **USD28,050**.
5. Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the transaction between the parties would or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.
6. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.

## **The Parties**

### ***BRED (the "Acquiring Firm")***

7. BRED, is a company incorporated under the laws of France. The parties submitted that BRED is mainly active in the provision of retail and corporate banking services such as loans and deposits to its customers. The parties further submitted that BRED is a banking cooperative limited company with fixed capital in France.
8. In the Common Market, the acquiring group operates in Djibouti and Kenya.
9. The acquiring group provides the following services in the above listed Member States:
  - i. Corporate and retail deposit services;
  - ii. Corporate and retail loan services; and
  - iii. Payment services.
10. The parties submitted that COFIBRED, a wholly owned subsidiary of BRED, is the acquisition vehicle in the transaction. The parties further submitted that COFIBRED is a holding company whose purpose is to hold the shareholding of the BRED and it does not carry out any operational activities.

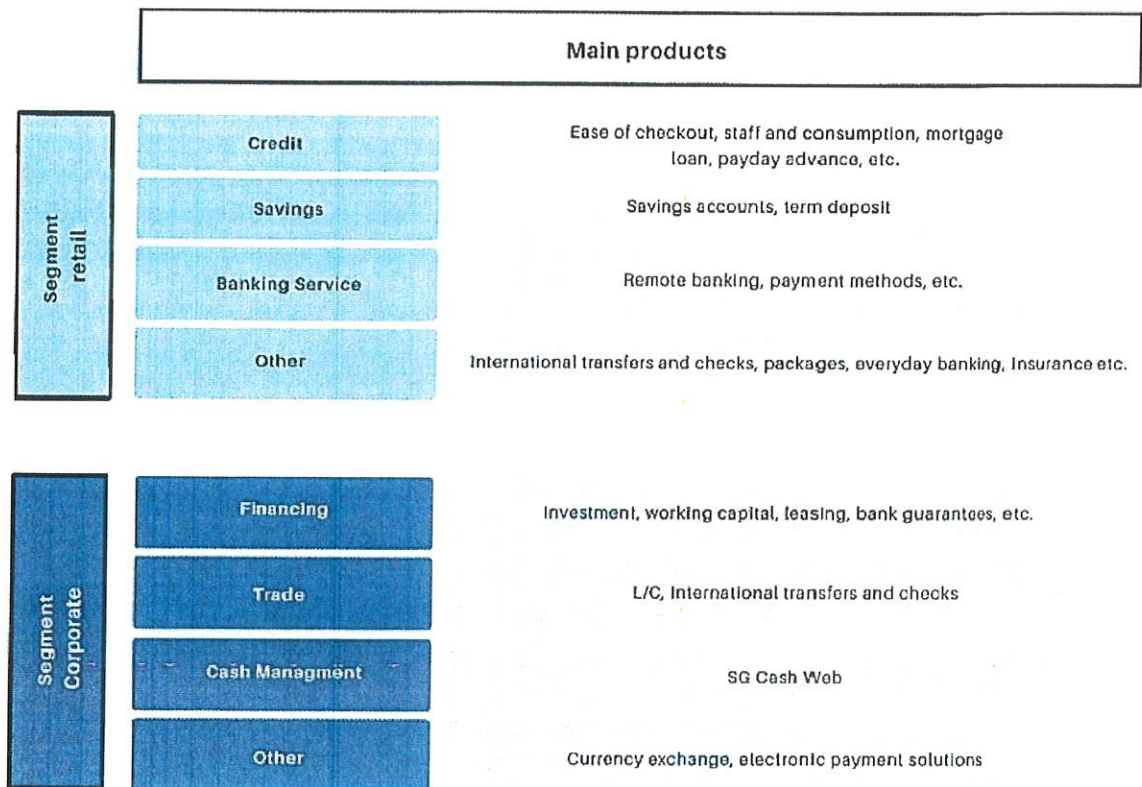
### ***BFV-SG (the "Target Firm")***

11. BFV-SG is a public limited company (société anonyme) incorporated under the laws of Madagascar. BFV-SG is also registered on the list of banks and financial institutions of Madagascar.
12. In the Common Market, BFV-SG operates in Madagascar only.



13. The parties submitted that BFV-SG provides the following services within the banking sector in Madagascar as per Figure 1 below.

**Figure 1: Services provided by BFV-SG in Madagascar**



14. The parties further submitted that BFV-SG also distributes insurance policies from third-party insurers ( ) in connection with its retail credit business and the provision of means of payment, which are ancillary products to these two businesses. This insurance distribution business is not conducted independently of the credit and payment services business.

### Jurisdiction of the Commission

15. Article 24(1) of the Regulations requires 'notifiable mergers' to be notified to the Commission. Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the "**Merger Notification Thresholds Rules**") provides that:

*"Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or the target firm, operate in two or more Member States, shall be notifiable if:*

- a) *the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds USD 50 million; and*



*b) the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds USD 10 million, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State”.*

16. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD50 million in the Common Market and they each derived a turnover of more than USD10 million in the Common Market. In addition, the parties do not derive/hold more than two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The CID was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Article 23(5)(a) of the Regulations.

### **Details of the Merger**

17. The notified transaction concerns the acquisition by COFIBRED of 490,000 shares of BFV-SG, representing 70% of its share capital and voting rights. The transaction will result in the indirect acquisition by BRED of the sole control of BFV-SG.

### **Competition Analysis**

#### **Consideration of the Relevant Markets**

18. In the determination of the relevant market which is divided into relevant product and relevant geographic markets, the CID is guided by its Guidelines on Market Definition and other authorities on the subject.

#### **Relevant Product Market**

19. The CID noted that the merging parties' activities overlap with respect to the provision of retail and corporate banking services in the Common Market. In line with Paragraph 8.4 of the COMESA Merger Assessment Guidelines, given that this transaction is a horizontal merger, the CID's assessment focused on the overlap between the product and geographic relations supplied by the parties.
20. Banking services encompass a wide range of banking and financial services across various types of customers. In view of their distinct characteristics, a distinction can be made by type of customers and type of products as provided below.
21. Retail banking comprises of all banking services provided to private individuals and very small enterprises, such as deposit account services including current accounts, saving accounts, cash deposits and cheque collection; payment services including ATM services, issuing of payment card, credit transfer, direct debit, standing orders and cheques; lending services such as personal loans,



consumer credit, overdraft facilities and mortgages; and investment products such as mutual funds, pension funds and securities brokerage and custody services (management of custody accounts and processing of corporate actions such as dividend distribution).<sup>2</sup>

22. Corporate banking services, on the other hand, comprise of tailor-made financial services that financial institutions offer to their corporate clients in the context of corporate financing and raising capital - including working capital finance, term loans, asset finance, trade and specialised finance, pre- and post-shipment finance, structured finance, and commodity finance. For instance, corporate customers require working capital to fund their payments when expected receipts are late, and banks normally provide the type of working capital necessary to meet the needs of such customers whose transaction accounts go into deficit. There exist deposit products provided to corporate and retail customers which are similar in principle with the major difference being the type of customers and the manner in which the customers are served. For instance, corporate customers unlike retail customers often get a dedicated bank teller in view of the large sums of money typically involved. Further, corporate customers are likely to have more bargaining power as compared to retail customers to negotiate favourable interest rates against their deposits and may have access to loans linked to their corporate profile.
23. In view of the above, and in line with the CID's decisional practice<sup>3</sup>, the CID was of the view that retail banking and corporate banking services belong to separate market segments based on the nature of the products/services. While retail banking products/services are standardised and customer-oriented, corporate banking are business-oriented and can be tailored or customized according to the specific needs and requirements of the clients. It is also noted that, in retail banking, the number of clients with small-value accounts are more as compared to the numbers of corporate banking clients; thus, a bank has an extensive clientele portfolio. Retail customers are characterised by their smaller transaction values and therefore retail banking is volumes driven. In corporate banking, the number of clients is lesser than retail banking, but the existing clients have significant balances and make high-value transactions. Therefore, corporate banking is mainly transaction value driven. Thus, from a supply perspective the two can be differentiated.
24. Further to the above, the CID observed that there exists a strong level of relationship between the bank and its corporate clients, implying that the provision of corporate banking services requires professionals with a higher standard of customer relationship expertise. Due to these transactional and existing distinctive

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<sup>2</sup> See case No M.8414 – DNB / Nordea / Luminor Group, paragraph 15, dated 14/09/2017

<sup>3</sup> Decision of the 109<sup>th</sup> Meeting of the Committee Responsible for Initial Determinations regarding the Proposed Acquisition by Access Bank Plc of 100% of the issued share capital of National Bank of Kenya Limited



requirements, and complex product nature in corporate banking services, it is highly unlikely that in response to a small but significant non-transitory increase in the interest rates of retail banking charges on the retail service, a significant number of retail customers would swiftly switch to corporate services. In view of the foregoing, from the demand side, it can be concluded that the corporate and retail market segments are distinct.

25. The CID has previously considered that there exist distinct products that are offered to different customers under both the retail and corporate banking segments.<sup>4</sup> The CID noted that the parties both provide loan, deposit and payment services to their customers which can be considered as distinct, for the reasons discussed below.
26. A deposit is an investment made by an account holder in a bank for security and/or gaining interests that will benefit an individual in future. On the other hand, loan services are provided by the bank to customers that need financial assistance which they repay in the future as principal plus interest computed on simple or compound interest. Further, with regards to loans, banks require collateral from a customer given the risks of default associated with loans. There is thus no direct demand substitutability between loan and deposit services given that each segment is intended for a distinct purpose. For example, a customer who requests a loan for investment purposes will not be affected by the rates on deposit accounts as he/she cannot substitute with the latter to fulfil the intended needs. Each product has its own distinct purpose and separate preconditions and requirements to be fulfilled by the customer.
27. Payment services entail cash deposit or withdrawal through electronic payment, and this comprises either direct debit, standing order, credit transfer, debit card or credit card transaction or mobile banking payment solutions. Such transactions are often carried out through online platforms. Payment services can be considered as distinct from deposit services or loan services on the basis that payment services play the role of transferring deposit balances held in banks across other banks, from bank to customers or from customers to banks (for example, mobile money to bank account transfer). Given that payment services are available to both corporate and retail customers, there is not much of a distinction between corporate and retail customers as relates to payment services as the advancement in technology has greatly enhanced the ease with which payments can be made by both corporate and retail customers. It is noted that the core function of payment services is to facilitate safe and efficient transfer of money between a buyer and seller. It does this by providing a range of services to a merchant, including a payment gateway, payment processing and merchant accounts.

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<sup>4</sup> *Ibid*



28. In light of the different purposes and the distinctive features of deposits, loans, and payment services, the CID considered that they should be categorized as distinct product markets.
29. The CID's assessment further noted that these different product categories can each be further segmented into narrower markets. For instance, there may exist different types of deposits, such as savings accounts, current accounts and time deposits (interest from deposit determined on time agreement between the customer and the bank). Similarly, payment services could be categorised by the mode of payment being used such as credit card, debit card, bank transfer or mobile to bank transfer. While there is clear differentiation among some of the products offered within each category product, there exists nonetheless some degree of demand substitutability across other products.<sup>5</sup> Further, is the CID noted from a supply perspective that the various products are extensively linked due to the fact that they are distributed through the same branch offices, mobile and internet banking facilities.<sup>6</sup> Most banks offer all or at least a wide range of products under a given category to offer a one-stop shopping experience for customers who would save on information costs.
30. In view of the foregoing, and in line with previous decisions of the CID<sup>7</sup>, the CID considered that for purposes of this transaction, the respective markets for loans, deposits and payment services do not require further segmentation.
31. On the basis of the foregoing assessment, and without prejudice to the CID's approach in similar future cases, the CID construed the relevant product markets as follows:
- a) **The provision of deposit services (segmented for retail and corporate customers);**
  - b) **The provision of lending services (segmented for retail and corporate customers); and**
  - c) **The provision of payment services.**

***Relevant Geographic Market***

32. By virtue of the licenses they are given, banking services tend to be regulated under the relevant laws in a country where the services are provided such that

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<sup>5</sup> A similar argument was made in European Commission Case No COMP/M.4844-Fortis/ ABN AMRO Assets, dated 03/10/2007, paragraphs 24 and 25.

<sup>6</sup> A similar finding was established by the European Commission in its approval of the merger between Nordbanken and Postgirot who were also active in the banking sector (Case No COMP/M.2567, decision dated 08/11/2001, paragraph 38).

<sup>7</sup> See for instance the Decision of the 76<sup>th</sup> CID Regarding the Merger involving Transnational Bank Plc and Access Bank Plc dated 14 November 2019; Decision of the 76<sup>th</sup> CID Regarding the Proposed Acquisition by Arab Bank Corporation (B.S.C) of 99.42 % of the share capital of Blom Bank Egypt S.A.E dated 27 June 2021; and Decision of the 106<sup>th</sup> CID Regarding the Proposed Acquisition of initially 69.67% and up to 80.89% of the issued shares in Finance Trust Bank Limited by Access Bank Plc dated 4 May 2024.



different requirements for operation are likely to apply in different countries. Corporate lending services (in particular advances and loans to corporate entities involved in international exports) tends to be predominantly national in scope since they usually require a close relationship between a bank and its clients in order to best tailor the funding to the particular needs of the clients.<sup>8</sup>

33. The CID has previously considered that it is unlikely that as a result of more favorable conditions in other countries, the merging parties would timely switch to set up operations or branches in such countries, as they would need to obtain the relevant licenses in these jurisdictions, as contemplated under the SSNIP test.<sup>9</sup>
34. The CID considered that the relevant geographic market was likely to be Madagascar where the target is operational. However, given the introduction of internet banking and improvement in technology, banking can no longer be effectively limited to the geographical boundaries of a certain country. This means that even in this case, it is possible to define the market wider than national. However, given that the transaction is unlikely to raise competition concerns, the CID considered that the relevant geographic market can in fact remain open.
35. The CID considered that since the target operates only in Madagascar, this is where competition concerns were likely since conditions of competition are likely to be sufficiently homogenous and can be distinguished from other areas because conditions of competition in those areas are appreciably different. The CID also considered that the parties will not consolidate in any other area than Madagascar, therefore, Madagascar was defined as the relevant geographic market.

#### ***Conclusion of Relevant Market Definition***

36. For purposes of assessing the Proposed Transaction, and without prejudice to its approach in future similar cases, the CID identified the following relevant markets:
  - a) **The provision of deposit services (segmented for retail and corporate customers) in Madagascar;**
  - b) **The provision of lending services (segmented for retail and corporate customers) in Madagascar; and**
  - c) **The provision of payment services in Madagascar.**

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<sup>8</sup> Decision of the 109<sup>th</sup> Meeting of the Committee Responsible for Initial Determinations regarding the Proposed Acquisition by Access Bank Plc of 100% of the issued share capital of National Bank of Kenya Limited

<sup>9</sup> *Ibid*



**Consideration of Substantial Lessening of Competition or “Effect” Test  
Market Shares and Concentration**

37. The parties submitted that the market shares of BFV-SG in Madagascar is approximately 20 - 30% and provided the below market shares for each of the identified markets in Madagascar.
38. The parties provided the market shares for BFV-SG and its competitors in the market for corporate deposit services in Madagascar as per Table 1 below.

**Table 1 – Non-Confidential Market shares Ranges for corporate deposit services in Madagascar**

Provider	Market Shares (%)
<b>BFV-SG</b>	<b>25 - 30</b>
BNI Madagascar	25 - 30
Bank of Africa	20 - 25
BMOI	15 - 20
Other	10 - 15

39. The parties provided the market shares for BFV-SG and its competitors in the market for corporate lending services in Madagascar as per Table 2 below.

**Table 2 – Market shares for corporate lending services in Madagascar**

Provider	Market Shares (%)
Bank of Africa	20 - 25
BNI Madagascar	20 - 25
<b>BFV-SG</b>	<b>20 - 25</b>
BMOI	15 - 20
Other	10 - 15

40. The parties provided the market shares for BFV-SG and its competitors in the market for retail lending services in Madagascar as per Table 3 below.

**Table 3 – Market shares for retail lending services in Madagascar**

Provider	Market Shares (%)
<b>BFV-SG</b>	<b>30 - 35</b>
Bank of Africa	20 - 25
BNI Madagascar	15 - 20
BMOI	0 - 5
Other	20 - 25



41. The parties further submitted that they were unable to provide market shares for BFV-SG and its competitors in relation to the market for the provision of payment services, in terms of volume of transactions, due to a lack of available data.
42. The foregoing notwithstanding, the CID observed that the structure of the relevant market was unlikely to be altered given that the acquiring firm had no operations in Madagascar hither to. The transaction will not lead to an accretion or a consolidation of market shares.

### **Determination**

43. The CID therefore determined that the merger was not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor will it be contrary to public interest. The CID further determined that the transaction was unlikely to negatively affect trade between Member States.
44. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 10<sup>th</sup> day of November 2025

**Commissioner Mahmoud Momtaz (Chairperson)**

**Commissioner Lloyds Vincent Nkhoma**

**Commissioner Vipin Naugah**

