



THE PROPOSED ACQUISITION OF 24.9% ISSUED SHARES IN MONTESSORI LEARNING CENTRE LIMITED.

1. The Competition Authority of Kenya has approved the proposed acquisition of 24.9% shareholding of Montessori Learning Centre, with veto rights, unconditionally.
2. Victoria Commercial Bank (Victoria), the acquiring undertaking, is a commercial bank duly licensed by the Central Bank of Kenya (CBK) and which offers services like deposit-taking, checking and savings accounts, issuance of loans, and other financial services.
3. Montessori Learning Centre, the first target, is an education institution incorporated in Kenya offering the Montessori-based curriculum to learners.
4. Livonia Kenya Limited (Livonia), the second target, is incorporated in Kenya as a land-holding company. Livonia owns three parcels of land, including the parcel on which Montessori Learning Centre is situated. Livonia does not undertake any other commercial operations in Kenya.
5. The transaction involves the acquisition of 24.897% shareholding with veto rights in Montessori (the first target) and the acquisition of 24.897% shareholding in Livonia (second target).
6. The transaction will be actualized through restructuring debts the targets owe the acquirer. Upon completion of the restructuring, Livonia will be a subsidiary of Montessori, in which the acquirer will indirectly own 24.897% shareholding with certain veto rights. **The transaction therefore qualified as a merger within the meaning of Section 2 and 41 of the Competition Act No. 12 of 2010.**



7. The parties' combined and relevant turnover for the preceding year was **over Sh1 billion** and, therefore, the transaction met the threshold for mandatory notification and full merger analysis as provided for in the **Competition (General) Rules, 2019**.
8. The merging parties' commercial activities as elucidated earlier do not occasion any product overlaps. The relevant product market was, therefore, determined as the market for Montessori-based curriculum education.
9. The first target draws its students from across the country and therefore the relevant geographic market was determined to be national.
10. Montessori-based curricula are based on Doctor Maria Montessori's scientific observations regarding the learning process of children as they progress from birth to adulthood, covering five key learning areas, covering five key learning areas: practical life, sensorial, mathematics, language and culture
11. In Kenya, there are several Montessori-based learning institutions, including Lenana Montessori Foundation School in Dagoretti, St. Peter Claser Montessori Academy Makueni, St. John Montessori Junior Academy Busia, and Surina International Montessori Schools Karen.
12. Post-merger, the merged entities' market share will not change since no overlaps exist in their commercial activities. Therefore, the structure and concentration of the market for Montessori- based education curriculum in Kenya will not be affected.



13. From the foregoing, it is the Authority's view that the proposed transaction is unlikely to lead to substantial lessening or prevention of competition in the market for Montessori based education curriculum in Kenya.
14. During merger analysis, the Authority also considers the impact that a proposed transaction will have on public interest. They include;
- i. extent to which a proposed merger would impact employment opportunities;
 - ii. impact on competitiveness of small and medium enterprises (SMEs);
 - iii. impact on particular industries/sectors; and
 - iv. impact on the ability of national industries to compete in international markets.
15. With regard to public interest issues, the Authority is of the view that this proposed transaction is unlikely to lead to any negative public interest issues. Specifically, the merging parties have indicated that there will be no loss of employment.
16. **Based on the foregoing, the Authority approved the proposed acquisition of 24.897% shareholding of Montessori Learning Centre with veto right unconditionally.**