

# BOU APPROVES ABSA'S SH1 TRILLION DEAL

By Ali Twaha

The Bank of Uganda (BOU) has approved the sale of Standard Chartered Bank's (StanChart) wealth and retail banking business to Absa, estimated at over sh1 trillion.

The approval from the central bank allows Absa to proceed with the acquisition of StanChart's wealth and retail banking operations. In a joint statement, officials said the transaction is still subject to the fulfillment of remaining conditions under the transaction agreement signed last year.

The actual value of the transaction remains undisclosed by both parties. But sources within the banks confirm that the combined transaction of both the retail and wealth businesses is estimated at over sh1 trillion.

"Absa's customer deposits alone will grow to sh5.4 trillion or thereabout," the source said. StanChart's wealth business is estimated at about sh400b, and its retail business is valued at about sh800b.

The transaction is anticipated to

be completed before the close of the year. The addition of these assets and deposits is expected to enhance Absa's lending capacity, receive income from wealth products, and overall market presence.

With customer deposits estimated at sh5.4 trillion after the deal, Absa is expected to become the second largest bank in Uganda by deposits. StanChart Bank currently leads with over sh8 trillion in deposits. Centenary Bank, which had sh5.2 trillion in deposits as of December 2025, is likely to fall into third place.

StanChart says the retail business continues to operate strongly during the transition period. However, customer deposits at the bank fell 41% to sh1.309 trillion from sh2.208 trillion in the review period.

The deal to sell the retail and wealth business forms part of StanChart's strategy to focus on its core strengths in corporate and investment banking.

"This approval is timely and a testament to the strength and vital contribution of both banking institutions to the banking industry.

## STANCHART PERFORMANCE

StanChart posted a net profit of sh115.1b for the year ended December 2025, representing a 503% jump from the sh19.1b it recorded in the prior year. What drove profits through the roof was a dramatic fall in costs. Total expenditure dropped 29% to sh184b from sh260.5b the previous year. Provisions for bad and doubtful debts fell sharply from sh28.9b to just sh4.6b, suggesting improved credit quality. Operating expenses also fell from sh148.7b to sh112.7b.

"We took deliberate actions to concentrate capital and resources in areas of greatest competitive advantage. We simplified our business, strengthened our balance sheet, and improved returns on risk weighted assets," Sanjay Rughani, the chief executive at StanChart, said.

The bank's total income fell, dropping 9% to sh304.9b from sh335.7b in 2024, as interest income on loans and advances declined from sh79.3b to sh57b. Loans and advances (net) tumbled 41% to sh582.7b from sh996.1b in 2024. That slide reflects a loan book that has been shrinking as the retail and wealth business segments wind down.

This decision reflects our continued commitment to align our operations with the Standard Chartered Group's global strategy, focusing on our core strengths in corporate and investment banking," Sanjay Rughani, the chief executive at StanChart, said.

David Wandera, the managing

director at Absa, said the regulatory approval marked an important step in the transaction process and reflected confidence in Uganda's banking sector.

Wandera said the bank would draw on experience gained during the transition from Barclays to Absa in

2019 to manage the integration while maintaining operational stability and customer service.

"We remain committed to maintaining service continuity while delivering stable, responsible and customer-focused banking solutions that contribute to Uganda's economic development," he said.

## ABSA, STANCHART PERFORMANCE

Absa reported a net profit of sh222.5b in 2025. The year before, that figure was sh177.9b. That's a jump of about 25% in a twelve month period.

Absa's total assets grew from sh5.4 trillion in 2024 to sh7 trillion in 2025. That's a 29% increase.

The bank also increased the money lent to customers.

The banks earnings report shows that loans and advances grew from sh1.99 trillion to sh2.14 trillion, an increase of about 7%.

Customer deposits, money that customers saved or placed in savings accounts, current accounts, and fixed deposits, surged from sh3.19 trillion to sh4.66 trillion.