



Case File No. CCC/MER/10/45/2025

Decision¹ of the 124th Meeting of the Committee Responsible for Initial Determinations Regarding the Merger involving Absa Bank Uganda Limited and the wealth and retail banking business of Standard Chartered Bank Uganda Limited

ECONOMIC SECTOR: Banking and Financial Services



16 February 2026

¹ 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 7 November 2025, the COMESA Competition Commission (“**Commission**”) received a notification for approval of a merger involving Absa Bank Uganda Limited (“**ABU**”) and the wealth and retail banking business of Standard Chartered Bank Uganda Limited (“**SCBU**”) of the “**Target Business**”), pursuant to Article 24(1) of the Regulations.
2. 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.
3. 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

ABU (the “Acquirer”)

4. ABU is a private company registered in accordance with the laws of Uganda. ABU is part of Absa Group Limited (“**Absa Group**”). Absa Group is listed on the Johannesburg Stock Exchange in South Africa and is a diversified financial services group with a presence in 12 countries across the Continent.
5. Absa Group operates in the following COMESA Member States: Kenya, Mauritius, Seychelles, Uganda, and Zambia.

The Target Business

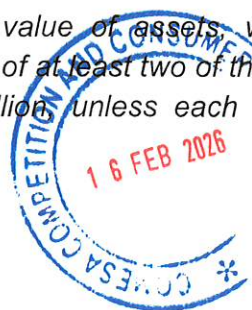
6. The Target Business is part of SCBU, the Ugandan subsidiary of Standard Chartered Holdings (Africa) B.V. and it carries out wealth and retail banking activities in Uganda. The Target Business, which operates only in Uganda, offers a range of retail banking and financial services to private individuals and very small enterprises. It was submitted that the products and services offering of the Target Business comprises:
 - a. Deposit products and services (current accounts, savings accounts, and fixed deposits);
 - b. Lending products and services;
 - c. Payment services;
 - d. Distribution of wealth management / investment products and services; and
 - e. Distribution of insurance products and services (commonly known as “bancassurance”).

Jurisdiction of the Commission

7. 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”.

8. 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

9. The notified transaction amounts to a sale of a business in terms of which ABU intends to acquire the wealth and retail banking business, the Target Business, of SCBU.

Competition Analysis

Consideration of the Relevant Markets

10. In the determination of the relevant market, which is divided into relevant product and relevant geographic markets, the CID is guided by the COMESA Guidelines on Market Definition and other authorities on the subject.
11. The CID observed that ABU is active in the provision of business banking, corporate and investment banking, international banking, personal/retail banking, premier banking as well as wealth and investment management in Kenya, Mauritius, Seychelles, Uganda and Zambia.
12. The CID further observed that the Target Business is active in the provision of deposit, lending, payment services; distribution of wealth management/investment products and services; and distribution of insurance products and services (bancassurance).
13. The CID considered that the merger raises horizontal overlaps in the banking sector and vertical links in respect of the bancassurance market.

Relevant Product Market

14. The CID observed that the provision of banking services entails a wide range of banking and financial services across various types of customers. In view of their distinct characteristics, a segmentation can be made by type of customers, and type of products as highlighted below.
15. The CID noted that retail banking entails all banking services provided to private individuals and very small enterprises, such as deposit account services (i.e., current accounts, saving accounts, cash deposits, cheque collection etc.);



payment services including ATM services, payment card issuing, credit transfer, direct debit, standing orders and cheques; lending (personal loans, consumer credit, overdraft facilities, mortgages etc.); 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.²

16. To the contrary, corporate banking services entail 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 served 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 bargaining power to negotiate favourable interest rates against their deposits and may also be offered access to loans linked to their corporate profile.
17. In view of the above, the CID considered that retail banking and corporate banking services belonged to separate markets on account of 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 much more than corporate banking; thus, the 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 much 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.
18. The CID also considered that there exist narrower markets offered to customers under the retail and corporate banking market segments such as loan, deposit and payment services to their customers which can be considered as distinct.
19. 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

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



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 fulfill the intended needs. Each product has its own distinct purpose and separate pre-conditions and requirements to be fulfilled by the customer.

20. 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 (i.e., 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 the 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.
21. Given the different intended purposes and the distinctive features of deposits, loans, and payment services, the CID considered that they should be categorized as distinct product markets.
22. The assessment further notes 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, that is 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 of product, there exists some level of demand substitutability across other products.³ The CID also noted that from a supply perspective, the various products are extensively linked since they are distributed through the same branch offices, mobile and internet banking facilities.⁴ Most banks offer all or at

³ A similar argument was made in European Commission Case No COMP/M.4644 Fortis/ABN AMRO Assets, dated 03/10/2007, paragraphs 24 and 25.

⁴ 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).



least a wide range of products under a given category giving a one-stop-shop experience for customers who would save on information costs.

23. In view of the foregoing, and in line with its previous decisions⁵, the CID considered that for purposes of assessing this transaction, the respective markets for loans, deposits and payment services do not require further segmentation.

Bancassurance

24. The Target is also active in the provision of bancassurance. Bancassurance can be described as the offer of life and non-life insurance products to customers through the bank distribution channel. Insurers can supply their products using direct channels (through e-commerce, internet, telesales, etc., and own sales force) or intermediary channels such as agents, brokers, banks, retailers, broker networks, aggregators, peer-to-peer channels. The CID observed that the various types of distribution channels are likely to constrain each other, such that they can be considered within the same market.
25. CID considered its previous decisions which distinguished between life and non-life insurance products.⁶ Within each market, the CID noted that further segmentation can be made. The life insurance market could further be segmented into protection products, savings and investment products, and pension products. In relation to the non-life segment, from a demand perspective, non-life insurance services can be distinguished into different types of sub-markets as each product covers different kinds of risks which are reflected in their distinct characteristics, premiums and purposes. The target offers the following products under general insurance: health, agricultural products (pet, livestock, crop, green house)⁷, motor insurance, and general (domestic package, fire & perils, burglary, all risks, money, fidelity guarantee, electronic equipment (computer), plate glass, machinery breakdown, contractors all risks, public liability, professional indemnity, personal accident, and work injury benefits act (wiba) insurance).⁸
26. In the current transaction, the CID observed that any further segmentation of the relevant markets would not alter the outcome of the competition assessment. For purposes of this assessment, the CID considered the broad markets for the provision of life insurance and non-life insurance.

⁵ See for instance the Decision of the 76th CID Regarding the Merger involving Transnational Bank Plc and Access Bank Plc dated 14 November 2019; Decision of the 76th 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 106th 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.

⁶ See for instance Case No. CCC/MER/8/37/2022, Decision of the 93rd Meeting of the CID regarding the Proposed Merger involving Sanlam Limited and Allianz SE issued on 30 April 2023, paragraph 28; and Case File No. CCC/MER/01/02/2024 Decision of the 106th Meeting of the CID regarding the Proposed Acquisition of up to 35% of the shareholding in Hennos Holdings Limited by Hollard International (Proprietary) Limited for an indirect minority stake of up to 25.9% in Apollo Investments Limited issued on 4 May 2024, paragraph 29.

⁷ <https://www.nationalbank.co.ke/personal-solutions/agricultural-products>

⁸ <https://www.nationalbank.co.ke/personal-solutions/general-insurance>



27. On the basis of the foregoing assessment, and without prejudice to its future approach in similar cases, the CID construed the relevant product markets as follows:
- a. **Provision of deposit services (segmented for retail and corporate customers);**
 - b. **Provision of lending services (segmented for retail and corporate customers);**
 - c. **Provision of payment services;**
 - d. **Provision of life insurance solutions; and**
 - e. **Provision of non-life insurance solutions.**

Relevant Geographic Market

28. Paragraph 8 of the Market Definition defines the relevant geographic market as, **“...the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas”**.
29. The CID recalled that the Acquirer provides its banking services in Kenya, Mauritius, Seychelles, Uganda and Zambia while the target provides its services in Uganda. The CID considered that banking services tend to be regulated under the relevant laws in a country where the services thus difference regulatory requirements apply in different countries. The CID observed that corporate lending services (such as advances and loans to corporate entities involved in international exports) tend to be predominantly national in scope since they usually require a close relationship between a bank and its clients to best tailor the funding to the particular needs of the clients.⁹
30. The CID considered that it was 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 a SSNIP test. From a demand perspective, it is unlikely that a significant number of individuals or corporate customers located in Uganda would be or would be willing to substitute purchase of banking products/services from Uganda to another country in response to a small but significant deterioration of the terms and conditions offered by banks in Uganda.
31. The CID held the view that the above demonstrates that the geographic scope for the relevant markets is likely to be national given the limited possibility of timely

⁹ See Case No IV/M.596 - Mitsubishi Bank/Bank of Tokyo, paragraph 8.



substitution of the products/services. Having regard to the acquirer's activities in the provision of deposit, loan, and payment products/services in the Common Market, the national markets affected by the merger are Kenya, Mauritius, Seychelles, Uganda and Zambia. As for the target, its provision of deposit, loan and payment products/services is limited to Uganda. Therefore, there is an overlap in the activities of the parties in Uganda with respect to banking services, as such, for purposes of conducting a competitive assessment of this transaction, the geographic market is considered as Uganda.

32. With regard to the insurance markets, the CID considered that the relevant geographic markets are likely to be national in scope given distribution channels, established product brands, fiscal constraints for cross-border insurance services and different regulatory systems across various Member States. Further, from a demand perspective, it is unlikely that the majority of individual customers would be able or willing to substitute the purchase of a life or a non-life insurance policy in their place of residence to another country in response to a small but significant change in the price of the insurance in their place of residence.¹⁰ The CID noted that the acquirer is not present in the insurance markets and further that the target only offers such products in Uganda, therefore the geographic market for life and non-life insurance services is considered as Uganda.

Conclusion of Relevant Market Definition

33. For the purposes of assessing the proposed transaction, and without prejudice to its approach in future similar cases, the CID identified the following relevant markets:
- a. **Provision of deposit services (segmented for retail and corporate customers) in Uganda;**
 - b. **Provision of lending services (segmented for retail and corporate customers) in Uganda;**
 - c. **Provision of payment services in Uganda;**
 - d. **Provision of life-insurance solutions in Uganda; and**
 - e. **Provision of non-life insurance solutions in Uganda.**

Consideration of Substantial Lessening of Competition or “Effect” Test

Market Shares and Concentration

34. The CID noted the parties' submissions of their estimated market shares and market shares of their competitors in the relevant markets are presented in the table below.

¹⁰ Decision of the Seventy-Fifth (75th) Committee Responsible for Initial Determination Regarding the Proposed Acquisition of the Property and Casualty Business and Medical Insurance of Jubilee Holdings Limited by Allianz Africa Holding GmbH, dated 16th April 2021.



Retail deposit services

Table 1 – Estimated Market Shares of for retail deposit services in Uganda

Competitor	Estimated market share
Stanbic Bank Uganda	[10-20]%
Absa Bank Uganda	[10-20]%
Centenary Bank Uganda	[10-20]%
DFCU Bank	[0-10]%
Target Business	[0-10]%
Others	[40-50]%

35. From the table above, the CID observed that the transaction would result in market share accretion with the merged entity holding a market share of [20-30]%. The CID considered that although the merged entity will be a leading player in this market, it will continue to face competition from other players in the market who will hold [70-80]% market shares including Stanbic Bank Uganda who have significant market shares. The CID also considered the likely change in the level of concentration in this market by assessing the Herfindahl-Hirschman Index (“**HHI**”) in this market. Accordingly, the CID observed that the market for retail deposit services was competitive given an HHI of below 1500 points, pre- and post-merger and a change in HHI of below 200 points. The CID considered that the transaction was not likely to result in a further concentration of the market, thus, the market will remain competitive, post-merger.

Retail lending services

Table 2 – Estimated Market Shares of for retail lending services in Uganda¹¹

Competitor	Estimated market share
Centenary Bank Uganda	[10-20]%
Stanbic Bank Uganda	[10-20]%
Absa Bank Uganda	[0-10]%
Target Business	[0-10]%
DFCU Bank	[0-10]%
Others	[30-40]%

¹¹ Market shares are based on amount of deposit. The parties claimed confidentiality on the market shares



36. The CID observed that the transaction would result in market share accretion with the merged entity holding a market share of [10-20]%. The CID considered that the merged entity would continue to face competition in the market for lending services from other significant players such as Centenary Bank Uganda and Stanbic Bank Uganda. The CID considered that the market will remain competitive, post-merger.

Payment solutions

37. The CID considered that the market share of the parties is likely to be representative of their respective market share in the other relevant markets, given that payment services tend to facilitate access by customers to a deposit, credit including insurance products. The CID considered that it is unlikely that the transaction will significantly alter the market structure of the payment services.

Life insurance solutions

Table 3: Estimated market shares for life insurance solutions market¹²

Competitor	Estimated market share
Centenary Bank Uganda	5%
Absa Bank Uganda	4.8%
Stanbic Bank Uganda	3.7%
DFCU Bank	1.8%
Standard Chartered Bank Uganda	1.7%
Pearl Bank Uganda	1.7%
Others ¹³	81.3%

38. The CID observed that the transaction will result in market share accretion with the merged entity holding a market share of 6.3%. The CID further considered that the merged entity would not hold significant market shares and the market is fragmented with numerous players as such, the merged entity will continue to face competition in the market for life insurance services.

Non-life insurance solutions

Table 4: Estimated market shares for non-life insurance solutions market

Competitor	Estimated market share
Stanbic Bank Uganda	1.26%

¹² The parties submitted that market share for each competitor's has been calculated based on gross written premium (GWP) in relation to their provision of life insurance solutions against the total market size, as reflected in the 2024 Annual Insurance Industry Market Report of the Insurance Regulatory Authority of Uganda.

¹³ The parties submitted that Comprising (i) direct channels such as, inter alia, e-commerce, internet, telesales and (ii) intermediary channels such as, inter alia, agents, brokers, banks, retailers, broker networks, aggregators, peer-to-peer channels).



Equity Bank	0.6%
Absa Bank Uganda	0.52%
KCB Bank	0.46%
DFCU Bank	0.38%
Standard Chartered Bank Uganda	0.02%
Others ¹⁴	96.76%

39. The CID observed that the transaction will result in market share accretion with the merged entity holding a market share of 0.54%. The CID observed that the merged entity will not hold significant market shares and the market is fragmented with numerous players as such, the merged entity will continue to face competition in the market for non-life insurance services. The CID was of the view that the transaction is not likely to raise any competition concerns resulting from the market share accretion in the provision of non-insurance solutions in Uganda.

Determination

40. 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.
41. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 16th February 2026

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma Commissioner Luyamba Kizito Mpamba

¹⁴ ibid

