

## **BANK OF UGANDA**



### **PRESS RELAEASE**

#### **RELEASE OF UCBL FROM STATUTORY MANAGEMENT**

The Agreement between the Bank of Uganda and the Standard Bank Investment Corporation (Stanbic) for the sale of Uganda Commercial Bank Limited (UCBL) has now been successfully concluded. All conditions relating to the sale including regulatory approvals by the Ugandan and South African authorities have been satisfied and the parties have agreed that the formal legal steps that make the transaction effective will be taken on Thursday, 21<sup>st</sup> February 2002. Consequently, the Bank of Uganda's statutory management of UCBL, which commenced in April 1999, will be lifted with effect from the close of business on 21<sup>st</sup> February 2002, at which date Stanbic will take over full responsibility for the management of UCBL. It has been agreed that shortly after this date, UCBL will be merged with Stanbic Bank (Uganda) Limited. To facilitate this merger, the Government of Uganda has agreed to exchange its remaining shares in UCBL for a 10% shareholding in the merged bank.

In keeping with its undertaking to ensure that the resolution of UCBL is conducted in a fair and transparent manner, a team of independent banking and legal experts, identified and funded by the UK Department for International Development (DFI:W}, is now conducting a comprehensive review of all aspects of the resolution. The findings and conclusions of the review will be made public as soon as it is completed.

The Bank of Uganda wishes to express its gratitude to the directors, officers and staff of UCBL for their support and cooperation throughout the duration of the statutory management of the bank. The statutory management of UCBL by the Bank of Uganda

was successful in stabilizing the financial condition of UCBL, halting its losses and restoring it to profitability, thereby enabling UCBL to be successfully resolved through its sale to Stanbic, a bank with a long standing international banking reputation stretching back 140 years, and has operations in 17 African countries.

The Bank of Uganda's primary objectives in resolving UCBL are to ensure the safety and soundness of its deposits and to maintain its nationwide branch network and the sale of UCBL to Stanbic enables these objectives to be met in full. In addition, the resolution of UCBL will allow for 20% of the equity of the bank formed by the merger of UCBL and Stanbic Uganda Limited to be offered for sale to the Ugandan public at a future date.

**GOVERNOR**

**20th February 2002**