



STANBIC UGANDA HOLDINGS LIMITED
**ANNUAL REPORT AND
FINANCIAL STATEMENTS 2025**

Reading this report

This is an interactive report.

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Cover Image: Enabling Uganda's Energy Future

The cover image features a drilling rig, symbolising Uganda's momentum toward first oil and the transformative potential of the oil and gas sector. Stanbic Bank is a key partner in this journey, serving as Financial Advisor and Mandated Lead Arranger for the East African Crude Oil Pipeline—one of the region's largest infrastructure investments, poised to unlock broad-based economic growth and long-term value.

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INTRODUCTION

We are purpose-led.
Uganda is our home, we drive her growth.

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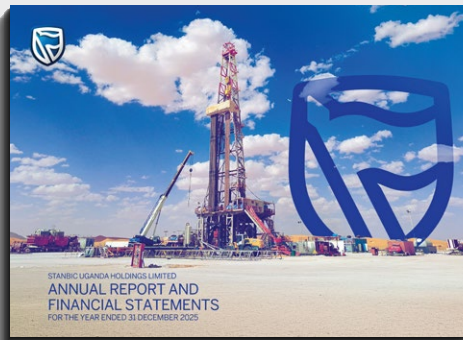
Our reporting suite

Our stakeholders are drawn from all levels of Ugandan society and span all sectors of the economy, complemented by regional and international stakeholders, including shareholders, clients and development institutions.

They, therefore, have diverse interests and require different information from the Group. We produce a suite of reports to engage with and meet the information needs of our diverse stakeholders, which can be accessed [online](#).



Integrated Reporting



ANNUAL REPORT

Our primary report to stakeholders provides an assessment of our ability to create value over time, as well as information relevant to our shareholders, including our annual financial statement.



REPORT TO SOCIETY

This report provides information on how we are delivering on our Sustainability Strategy and our approach to Environmental, Social and Governance (ESG) risk management. It can be found on our website.

Key frameworks considered and applied in the reporting suite

To satisfy various compliance reporting requirements, multiple corporate reporting and regulatory frameworks and guides are considered when preparing the reports in our reporting suite.

Comprehensive list of frameworks is included on [page 195](#).

Definitions and acronyms used in this report are provided on [pages 195 and 196](#).

Oversight

The board audit subcommittee is responsible for overseeing the financial reporting process. The committee recommends the Stanbic Uganda Holdings Limited (SUHL or the Group) annual report to the Board of Directors (the Board) for approval. The board approved the report on 26th May 2026.

FEEDBACK

We welcome feedback from our stakeholders on the reports in our reporting suite. Please get in touch with us at investorrelug@stanbic.com



Who we are

Our Purpose:

Uganda is our home, we drive her growth

Our Vision:

To be the leading financial service organisation in, for and across Uganda delivering exceptional client experiences and superior value.

Our Values:

DEEPLY COMMITTED

We are dedicated to our purpose and to the people we serve.

BOLDLY PIONEERING

We set the standard through our determination and resilience.

TRUSTED STEWARDS

The mark of our success is the legacy we leave.

GUIDED BY EMPATHY

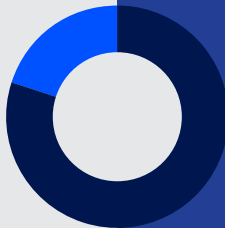
We treat people with respect, consideration and kindness.

UNFAILINGLY HONOURABLE

The choices we make are always ethical.

Our Organisation Structure

20%
MINORITY
SHAREHOLDERS
(OWNERSHIP)



80%
STANBIC
AFRICA
HOLDINGS
LIMITED
(OWNERSHIP)

100%
STANBIC
UGANDA
HOLDINGS
LIMITED
(SUHL)

Stanbic Bank
Uganda Limited

Commercial
Banking
Business

SBG Securities
Uganda Limited

Securities
Brokerage and
Asset
Management

Stanbic Business
Incubator Limited

SME training and
development

Stanbic Properties
Limited

Real Estate
Ecosystem
Solutions

FLYHUB Uganda
Limited

Digitisation and
Automation
solutions

A brief history of Stanbic Uganda Holdings Limited (SUHL)

Looking ahead

1906 **National Bank of India is founded** in Uganda. After several name changes, it is rebranded as Grindlays Bank.

1991 **Standard Bank Group (SBG) acquires Grindlays** and renames it Stanbic Bank Uganda Limited.

2002 **SBG acquires 90% of Uganda Commercial Bank** and merges it with Stanbic Bank Uganda, creating Uganda's largest commercial bank by assets and branch network.

2007 **The Government of Uganda divests its ownership in Stanbic Bank Uganda** through a listing on the Uganda Securities Exchange. SBG also lists 10% of its shares, retaining an 80% ownership stake.

2018 **Stanbic begins reorganising its corporate structure** to support the provision of additional services through subsidiary companies under a holding structure.

2019 **The reorganisation is completed with the establishment of Stanbic Uganda Holdings Limited** followed by a hive down of the banking business into a dedicated banking subsidiary.



Defend and grow our core business

- **Leveraging 35 years** of trust and legacy
- **Strong balance sheet** for Uganda's growth
- **Powering strategic economic sectors:** agro-industrialisation, tourism development, mineral-based industrial development, science, technology and innovation



Win in our growth segments

- **Fusing GenAI** and human expertise
- **Specialised solutions** across segments
- **Predictive and proactive** client experience



Enhance our positive impact













- Mobilise **US\$1 trillion** by 2028 via partnerships
- Drive **sustainable development** agenda
- **Targeted Women, Youth and Farmers** empowerment initiatives

Uganda is our home, we drive her growth

2025

- The Group operates **five subsidiaries** under the holding company:
- Stanbic Bank Uganda
 - SBG Securities
 - Stanbic Business Incubator
 - Stanbic Properties
 - FLYHUB Uganda

Facts about Stanbic Uganda Holdings

 TOTAL ASSETS UShs 11.5tn	 MARKET CAPITALISATION UShs 3.1tn	 EMPLOYEES 2,043	 SHAREHOLDERS 22,354	 HEADQUARTERS Crested Towers, Plot 17 Hannington Road, Kampala
 NUMBER OF BRANCHES 69	 NUMBER OF SUBSIDIARIES 5	 POINT OF SALE MACHINES 1,225	 NUMBER OF CSPs 14	 BANK AGENTS 6,114
 NUMBER OF CUSTOMERS 738,542	 CASH DISPENSERS 95			 INTELLIGENT ATMs 64
			 CASH DEPOSIT MACHINES 28	

Our purpose in action

UShs 711bn	BUY UGANDA, BUILD UGANDA: LOANS TO LOCAL MANUFACTURING SECTOR	JOURNEY TO FIRST OIL: FINANCING OIL & GAS PIPELINE	UShs 270bn
UShs 84bn	9,379 LOANS TO WOMEN WORTH	SUPPORTING ENERGY SECTOR TRANSITION	UShs 425bn
UShs 5.0tn	LENT ACROSS HOUSEHOLDS, TRADE, SERVICES & MANUFACTURING	LOANS EXTENDED TO SACCOs & VSLA	UShs 248bn
48,000	STUDENTS IMPACTED BY NATIONAL SCHOOLS CHAMPIONSHIPS, 2025	ASSETS UNDER MANAGEMENT	UShs 538bn

Standard Bank Group footprint

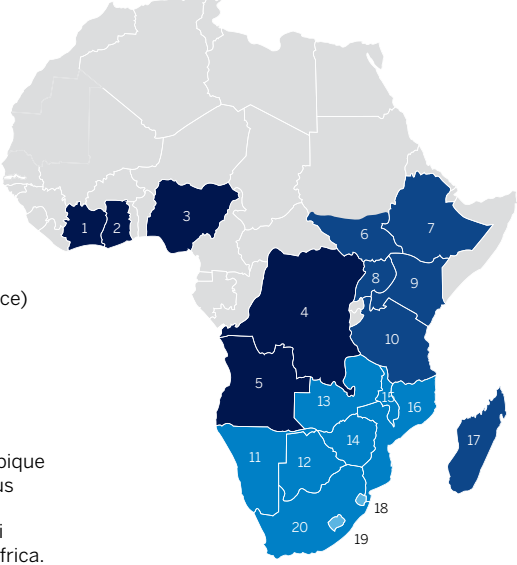
WE ARE FOCUSED

- We are Africa focused, client led and digitally enabled
- We provide comprehensive and integrated financial and related solutions to our clients
- We drive inclusive growth and sustainable development

MARKET CAPITALISATION
USD28bn
 (ZAR 460 Billion)

A LEADER ON THE AFRICAN CONTINENT

162 Years of serving our clients in Africa	4 Global Centres (Beijing, Dubai, London, New York)	2 Offshore hub (Isle of Man, Jersey)	20 Sub-Saharan African countries
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- West Africa**
 - Cote d'Ivoire
 - Ghana
 - Nigeria
 - Democratic Republic of Congo (DRC)
 - Angola
- East Africa**
 - South Sudan
 - Ethiopia (representative office)
 - Uganda
 - Kenya
 - Tanzania
- South & Central Africa**
 - Namibia
 - Botswana
 - Zambia
 - Zimbabwe
 - Malawi
 - Mozambique
 - Mauritius
 - Lesotho
 - Eswatini
 - South Africa.

AWARDS

- TIME** WORLD'S BEST COMPANIES 2025
World's Best companies for the second consecutive year
- FORBES** WORLD'S BEST EMPLOYERS
One of the World's Best Employers and the best in Africa
- NEWSWEEK** World's Most Trustworthy companies for the third consecutive year
- Brand Finance** Most valuable banking brand in Africa and South Africa for the fifth consecutive year in 2026

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OUR VALUE CREATION STORY

An overview of how we create value through our strategy, business model, and performance, and how we manage risks and stakeholder priorities to deliver sustainable long-term outcomes.

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Our approach to value creation

Our purpose: Uganda is our home, we drive her growth

INFORMING OUR THINKING

We consider our operating context, emerging trends and stakeholder expectations, and their implications for the Group and Uganda. On this basis, we identify opportunities, risks and possible constraints to delivering sustainable growth and value creation for our stakeholders to make informed trade-off decisions that achieve our ambitions.

Our operating context

Key trends provide an opportunity for growth and development, which justifies the optimism underpinning our strategy and purpose and enables us to navigate the complexity and changes in our environment. [Page 28](#)

Our material matters

Our material issues are those that matter most to our stakeholders. We consider their different views because they influence how well we can perform and grow over time. [Page 13](#)

Our stakeholders

Our stakeholders provide the resources and capital we need to achieve our strategy and purpose. Our relationships with them are supported by proactive and transparent engagement. [Page 11](#)

DIRECTING OUR PRIORITIES

Our strategy is designed to deliver our purpose. Our strategic priorities create the framework that outlines our targets and enables us to effectively allocate our resources to deliver our strategy.



Transform client experience

We strive to transform client experience, with a comprehensive set of solutions that meet client needs.
We draw on the power of technology and our people's expertise and empathy to deliver.



Execute with excellence

We execute with excellence and do the right business, the right way.



Drive sustainable growth and value

We create sustainable growth and value for our shareholders, society and the planet.

ORGANISING OUR BUSINESS

Our subsidiary operating models are client-led, and business units own the client relationship and create multi-solution client experiences. We use a formal decision-making framework to allocate resources and apply scenario planning to deliver our target outcomes.

MEASURING OUR PROGRESS

We have measures and targets in place to track our progress in achieving our medium-term targets.

OUR VALUE DRIVERS



Client focus

We understand our clients, provide them with the products and services they need to make life better, respond to changing expectations and achieve fair outcomes for them.



Employee engagement

Our employees believe in our purpose and their role in achieving it. They are productive, motivated and engaged. They feel valued and respected. They reflect the diversity of the communities in which we work. We support them to learn, grow and adapt to the changing world of work.



Risk and conduct

We operate with integrity and hold ourselves to high ethical standards. We understand the risks and opportunities facing our business and have robust policies and processes to manage them. We ensure the security of our information and that of our clients and guard against cyber threats.



Operational excellence

We use technology and data to ensure our systems are reliable, resilient and trusted and that we are always available to our clients when they need us. Our digital channels are always on and always secure.



Financial outcome

We allocate our resources to deliver sustainable earnings growth and value with attractive returns to our shareholders.



Positive impact

We understand the needs and challenges of Uganda's people and deliver solutions to address them. We balance social, economic and environmental considerations to drive sustainable growth.



Our Approach to Sustainability

Sustainability is integrated into the way we do business – we aim to deliver positive financial outcomes for our shareholders while driving sustainable and inclusive economic growth and creating positive impacts for society. Our approach rests on twin pillars:

Maximising positive impact

We achieve positive impact by providing products and services that meet the development needs of Uganda’s current and future generations.

Effectively managing risk

We actively identify and manage potential risks, opportunities and impacts arising from our operations, who we do business with and what we finance.

We are aligned with the United Nations Sustainable Development Goals (UN SDGs). We categorise our impact in relation to SDGs.

Our stakeholder engagements also contribute to achieving the SDGs.

SOCIAL



ECONOMIC



ENVIRONMENTAL



We commit to **enabling Uganda’s just energy transition and to prudently managing climate risk.**



Our stakeholder priorities

Our stakeholders are the individuals, groups and organisations that materially affect or could be affected by our business activities, products, services and performance.

Our stakeholders provide the resources and capital we need to achieve our strategic priorities and, ultimately, our purpose of driving Uganda's growth. They include, among others, our clients and customers, employees, regulators, government, shareholders, service providers, industry bodies, trade associations and the communities in which we operate. We are committed to listening and engaging constructively with all legitimate stakeholders. Proactive engagement with our stakeholders provides insights that help shape our strategy, informs the identification of our material issues and ultimately enables us to manage and respond to their concerns and minimise reputational risk. The board oversees our stakeholder relationships, ensuring that the Group responds appropriately to stakeholder issues.

Quality of relationships

We assess the quality of our relationships and engagements with our stakeholders based on various relationship metrics we track over time. The complexity and diversity of these relationships mean that there is no single metric, and relationship quality for each group fluctuates over time and with each engagement.

CLIENTS AND CUSTOMERS 738,542 (2024: 766,945)

Why they are important

Our clients and customers are at the core of the growth and sustainability of our business.

How we engage

Relationship managers, client surveys, online communication channels, call centres, complaints channels, social media and in-person.

How we measure quality of the relationship

Net Promoter Score (NPS) and Client Satisfaction Index (CSI).

Their priorities

- Having access to affordable and personalised solutions
- Being able to access reliable digital channels
- Access to solutions on demand
- Integrity and confidentiality
- Safeguarding personal information
- Secure systems.

Our responses

- We offer personalised solutions for individuals and businesses
- We have omni-channel options that balance digital convenience and human interaction when needed
- Our services are accessible, affordable and relevant
- We continually improve our system stability and reliability
- We invest in cyber and data security protection and awareness campaigns to reduce fraud and cybercrime.

SHAREHOLDERS AND INVESTORS 22,354 (2024: 22,311)

Why they are important

Our shareholders and investors are the primary providers of financial capital.

How we engage

Online communication channels, in-person investor and capital market participant meetings, conferences, roadshows, presentations, and Annual General Meeting (AGM).

How we measure quality of the relationship

- ROE, earnings growth, Net Asset Value growth and dividends
- Investor and other market participant feedback and AGM voting outcomes
- Environmental, Social and Governance (ESG) Ratings and sustainable finance solutions.

Their priorities

- Sustainable competitive solutions and services
- Growth through sustainable strategies and increasing effective digitisation
- Access to appropriate skills and talent
- Specialised skills to ensure market share growth
- Board skills and experience and succession planning.

Our responses

- We have a competitive client and value proposition to deliver growth through sustainable strategies
- Our risk management is underpinned by strong governance, ethics, market conduct, and internal controls
- We focus on ensuring system stability
- We have strong ESG and climate risk management in place
- Our employee value proposition is strong and provides access to appropriate skills and talent to ensure market share growth.



OUR VALUE CREATION STORY

Our approach to value creation | [Our stakeholder priorities](#) | Our material matters | Our top enterprise risks | Our strategy | Our performance outcomes | Our business model

EMPLOYEES
2,043 (2024: 2,035)

Why they are important

Our people are our brand and our greatest source of sustainable competitive advantage, supporting the growth of our business.

How we engage

Employee surveys, online communication channels and in-person.

Their priorities

- Having safe, environmentally friendly working conditions
- Access to the technology required to complete tasks and the implication of digitisation for skills, employability and job security
- Opportunities for advancement expected of a major financial service organisation
- Fair wages, salaries and benefits
- Training and opportunities to undertake approved tertiary education programmes
- Financial assistance to reach educational goals.

How we measure quality of the relationship

- Employee Net Promoter Score (eNPS), organisational alignment and work satisfaction scores
- Workforce diversity
- Turnover data and exit interviews
- Average learning hours per person
- Workforce return on investment.

Our responses

- We invest in developing our people, focusing on digital and technology skills and career progression
- We support diversity and inclusion and have targeted initiatives in place to improve leadership diversity
- We offer qualifying employees the opportunity to access bespoke training programmes, multicountry experience across the Standard Bank Group and bursaries for tertiary studies.

GOVERNMENT AND REGULATORS

Why they are important

We secure our licence to operate and maintain our credibility as a responsible corporate citizen through our engagements with governments and regulators.

How we engage

Regular engagements with regulators, engagement in policy making processes, involvement in government-business initiatives to address specific issues.

How we measure quality of the relationship

Constructive engagements, good working relationship with key departments, active participation in consultation processes, through trade associations and bilaterally.

Their priorities

- Financial inclusion for Ugandans
- Investment in key ATMS sectors
- Adherence and compliance with regulations and statutes
- Management of customer complaints
- Cloud computing risk
- Platform business risk
- Exchange controls.

Our responses

- We have robust financial crime controls, anti-money laundering and combatting the financing of terrorism (AML/CFT) mechanisms in place
- Ongoing engagement on key matters to ensure alignment of expectations
- We use technology, including automation and machine learning, to improve risk management
- We engage on climate and environmental risks and the role of banks.
- Customised value propositions and subsidised funding to targeted sectors
- Development of thought leadership

COMMUNITIES

Why they are important

Our long-term sustainability depends on the relationships we foster with the communities and societies in which we operate, as well as the contributions we make to societal advancement.

How we engage

Issue-specific engagements, bilateral meetings, written correspondence, grievance channels. Key issues are reported to the board via stakeholder engagement and reputation reports.

Their priorities

- Social and environmental impacts and risks associated with our business operations
- Climate commitments and progress.

How we measure quality of the relationship

Constructive dialogue and active participation.

Our responses

- Comprehensive screening, due diligence, and engagement processes to evaluate the economic, social, and environmental risks and opportunities linked to our business activities
- Our bank subsidiary is an active member of the Uganda Bankers Association, contributing to industry advocacy and initiatives that promote sustainable outcomes for the communities we serve.



Our material matters

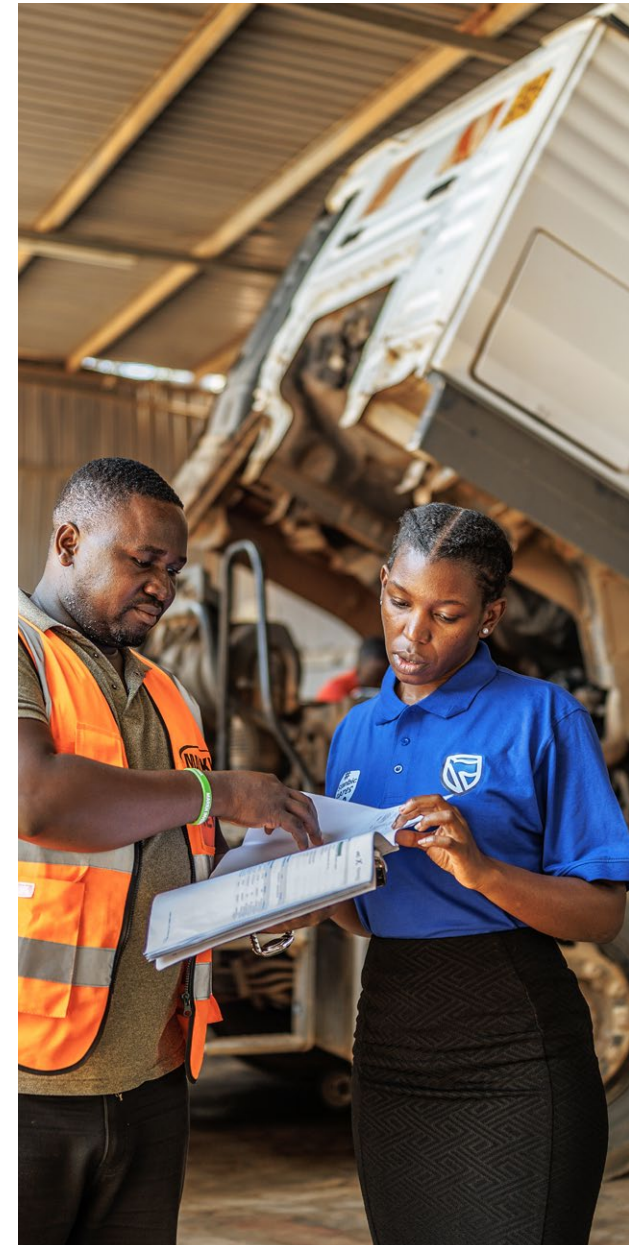
Our material issues are those that matter most to our internal and external stakeholders and providers of capital, and that impact our ability to create value in the short, medium, and long-term.

While these issues evolve over time, the broad themes are relatively stable. To identify and adequately interrogate our material issues, we undertake research and engagement on a range of information, including the consideration of:

- Risks, threats and opportunities identified through our enterprise risk process
- Stakeholder engagement and reputation risk analysis
- Issues raised through engagements, including the AGM
- Material issues identified by peer banks and the industry at large.

OUR MATERIAL ISSUES

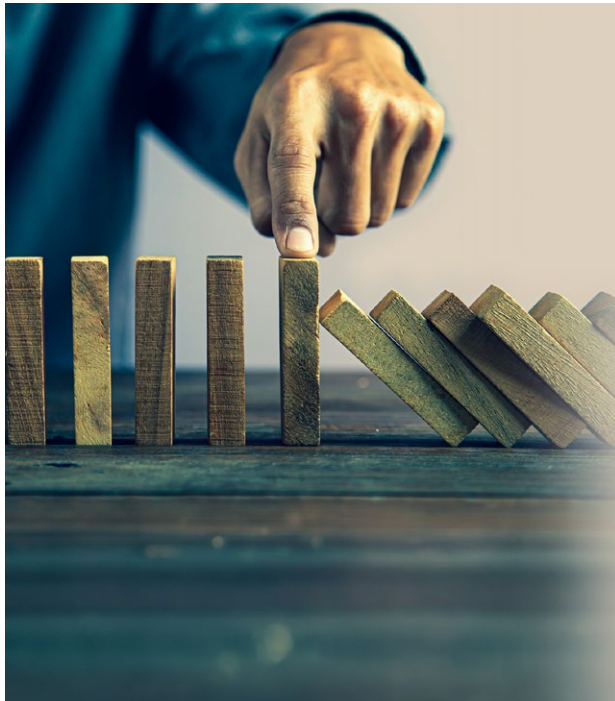
Based on our understanding of our strategic aspirations and stakeholder priorities, the material themes we have identified for 2025 are as follows:



Our top enterprise risks

Our top enterprise risks represent the risks that could have a material impact on our ability to achieve our strategic objectives. They are risks from all categories in our risk universe and consider the material issues that could impact the delivery of our strategy.

The top enterprise risks are compiled through a robust process that includes gathering content from internal and external sources, followed by detailed analysis and evaluation of the information and then prioritisation. They reflect a view of top risks over the medium term and aim to enable more informed and proactive strategic decision-making. These risks evolve over time as mitigation efforts mature, the factors that influence a risk change, or as new risks emerge. This allows us to adapt and develop our risk management strategies to better support the Group's long-term sustainability.




RISK THEME

Regulatory scrutiny and changes

The risks to the franchise's operating model due to increasing and sometimes conflicting policy and regulatory requirements, coupled with the impact of grey listing.

Strategic Pillar

 Defend and Grow Our Business

TREATMENT

- Strengthen execution of the compliance monitoring plan, supported by gap assessments and timely remediation
- Enhanced oversight of the regulatory landscape and consistent delivery of the compliance strategy across the organisation


OPPORTUNITIES


- Strengthening the compliance culture and modernising regulatory infrastructure by enhancing systems, processes, and capabilities to meet evolving supervisory expectations

Risk of failure to innovate and meet customer needs

The risk of failing to innovate products and services to respond and adapt to market trends and client needs.

Strategic Pillar

 Defend and Grow Our Business

 Win in Our Growth Levers

TREATMENT

- Executing the Franchise's strategic plan with clarity and focus
- Strengthen competitive intelligence and market scanning capabilities
- Build ecosystems partnerships to extend reach and capabilities


OPPORTUNITIES


- Explore strategic partnerships or targeted acquisitions to expand capabilities
- Differentiate through customer-centric innovation and enhanced digital experiences

Geopolitical rivalry and polarisation

High levels of geopolitical instability arising from armed conflicts and wars, US/China tensions and humanitarian crises.

Strategic Pillar

 Defend and Grow Our Business

 Win in Our Growth Levers

TREATMENT

- Ongoing monitoring of geopolitical events
- Stress testing of macro scenarios
- Continued management of risk appetite


OPPORTUNITIES


- Deepening client relationships by engaging clients exposed to geopolitical and geoeconomic pressures and offering tailored support to help them manage these risks

Fraud

The risks arising from unlawful misappropriation that could result in financial losses, reputational damage and legal consequences.

Strategic Pillar

 Defend and Grow Our Business

 Win in Our Growth Levers

TREATMENT

- Industry collaboration to support a coordinated response to emerging fraud threats.
- Fully leverage our fraud-monitoring tools to enhance prevent and detect.
- Targeted customer and staff education to build a proactive, fraud-awareness culture

OPPORTUNITIES

- Strengthening fraud-risk capabilities by advancing analytics, AI-driven detection, and customer-education approaches that enhance trust and reinforce the bank subsidiary's competitive position.
- Upskilling teams with requisite skillsets



RISK THEME

Technology exploitation

The risks arising from the evolution of technology used for nefarious purposes, including the use of AI in cyber-attacks and spread of misinformation.

Strategic Pillar



Defend and Grow Our Business



Win in Our Growth Levers

TREATMENT

- Strengthen execution of cybersecurity frameworks and protocols, including regular stress tests and simulation exercises
- Enhance the resilience of the technology architecture to better withstand and recover from cyber threats
- AI strategy execution

OPPORTUNITIES

- Accelerating technology modernisation and innovation, including the adoption of AI-driven capabilities

Extreme weather and climate change

The risks arising from the impact of climate change, access to transition finance, greenwashing and other climate related matters.

Strategic Pillar



Defend and Grow Our Business

TREATMENT

- Advanced country-wide climate-risk capabilities and enhanced data quality for ICAAP
- Developing internal capabilities relating to scenario analysis and stress testing
- Embedding a climate risk operating model

OPPORTUNITIES

- Accelerate the expansion of the sustainable-finance portfolio
- Bridge the climate change knowledge gap for all internal and external stakeholders

Operational resilience challenges

The risks arising from end-of-life technologies, legacy infrastructure and related costs, levels of third-party resilience, scarcity of skills and the ability to successfully implement large-scale modernisation programmes.

Strategic Pillar



Defend and Grow Our Business

TREATMENT

- Implementation of the organisation resilience framework (people, systems, processes)
- Enhanced third-party resilience (e.g., third party risk management framework)
- Effective implementation of the people strategy testing for specific sectors.
- Appropriate prioritisation and management focus to enable the delivery of large-scale IT programmes within budget

OPPORTUNITIES

- Strengthening resilience by enhancing oversight of critical third-party providers and modernising internal capabilities
- Attracting and retaining high-calibre talent by sharpening the employee value proposition and developing future-focused skills

Sovereign debt distress

Risk of sovereign debt crises or a voluntary decision by the sovereign to restructure local debt, leading to financial losses

Strategic Pillar



Defend and Grow Our Business

TREATMENT

- Diversify exposures and actively manage concentration limits to reduce vulnerability to sovereign-driven shocks.
- Enhance stress testing and scenario analysis to assess potential impacts on the balance sheet and capital position.

OPPORTUNITIES

- Strengthening strategic relationships with regulators and policymakers to shape the operating environment and influence outcomes that support sustainable growth.
- Development of hedging and risk transfer products to reduce exposure to sovereign risk

State capacity and local political tensions

Political instability, weakening institutional capacity and deteriorating infrastructure constrain economic performance, heightening operational uncertainty and limiting long-term growth prospects.

Strategic Pillar



Defend and Grow Our Business



Win in Our Growth Levers

TREATMENT

- Ongoing credit portfolio monitoring to identify pockets of stress and enable timely deployment of proactive interventions in response to emerging stress indicator.
- Enhanced scenario planning and political risk monitoring

OPPORTUNITIES

- Strengthening strategic relationships with policymakers to shape the operating environment and influence outcomes that support sustainable growth.



Our strategy

Our strategy is anchored in our purpose: Uganda is our home; we drive her growth. To deliver on this purpose, we focus on three strategic focus areas: defending and growing our core, winning in our growth levers, and enhancing our positive impact.

Execution across these focus areas is enabled by three enterprise-wide strategic priorities—transforming client experience, executing with excellence, and driving sustainable value—which guide how we operate, invest, and allocate resources. Together, these choices ensure delivery of our financial, operational, and impact targets.



Purpose Uganda is our home, we drive her growth.		
Strategic priorities		
Transform client experience	Executing with excellence	Driving sustainable value
Our targets		
10-15% revenue growth	<50% cost to income ratio	>20% return on equity
2025 achievements		
11% revenue growth	47.1% cost to income ratio	26.8% return on equity
Strategic focus areas		
Defend and Grow our Core	Win in our Growth Levers	Enhance our Positive Impact

Our performance outcomes

Our six value drivers are used to measure our strategic progress and focus our strategic delivery. We align the value we aspire to create for all our stakeholders to these value drivers.

Our performance outcomes are the financial and non-financial measures we use to evaluate our strategic delivery and inform our reward decision-making. We regularly evaluate our performance against our targets and ensure that we maintain a balance between our financial and non-financial objectives when executing our strategy. The metrics we use are regularly assessed to improve their coverage, accuracy, depth and appropriateness and, as such, may change over time.

TRANSFORM CLIENT EXPERIENCE	Value driver 1: Client focus	WHAT WE MEASURE	METRIC	2025	2024	2023	TARGET
		Client experience	Net Promoter Score (NPS)	+29	+33	+29	+30
	Client Satisfaction Index (CSI)		+8.6	+8.4	+8.2	+8	
	Value driver 2: Employee engagement	WHAT WE MEASURE					
		Engagement	Employee Net Promoter Score	+76%	+68	+70	+70
			Retention	Total employee attrition	8.1%	8.1%	3.7%
			Regrettable attrition	2.3%	2.3%	2.3%	<3%
		Diversity	Employee diversity (% of female managers)	43%	42%	42%	38%
	EXECUTING WITH EXCELLENCE	Value driver 3: Risk and conduct	WHAT WE MEASURE				
			Responsible risk taking	Liquid Assets to Deposit Ratio	64.4%	69.5%	50.8%
Capital Adequacy		23%		21.4%	24.7%	12%	
Liquidity Coverage Ratio		354%		193%	152%	>100%	
Bank of Uganda CAMELS risk rating		Satisfactory		Satisfactory	Satisfactory	Satisfactory	
Conduct		Credit Loss Ratio (CLR)	0.4%	0.8%	1.6%	>2.5%	
		Compliance Training	95%	98%	98%	>95%	
Value driver 4: Operational excellence			Operational loss ratio	-0.1%	-0.11%	0.78%	<0.9%
DRIVING SUSTAINABLE VALUE		Value driver 5: Financial outcome	WHAT WE MEASURE				
	Shareholder value		Return on Equity (ROE)	26.8%	24.3%	22.5%	>20%
		Cost to Income Ratio (CTI)	47.1%	47.2%	47.7%	<50%	
		Dividend pay-out ratio	61%	63%	68%	40-50%	
		Total Dividend per share (DPS)	7.03	5.86	5.47	Growth	
	Value driver 6: Positive impact	WHAT WE MEASURE					
		Delivering shared value	Social: Corporate Social Investment (CSI) (US\$ bn)	4.9	4.9	4.2	1% of PAT
			Economic: Loans disbursed (US\$ tn)	5	4.1	4.7	Growth
			Percentage of procurement spend on local suppliers	81.4%	84%	88%	>75%
			Environmental: Water consumed (kilolitres)	22,984	23,045	23,872	Reduction in consumption
Fuel consumed (litres)	464,032		439,624	444,411			
Paper consumed (tonnes)	54	33	18				



Our business model

Our business model enables us to manage our resources and relationships responsibly to deliver the best outcomes for all

Our inputs:

Our capital inputs and the investments we make in our business enable us to create value for our stakeholders.

FINANCIAL



Our large, well-balanced portfolio, appropriate risk appetite mandate and robust capital structure provide the resilience and flexibility to deliver growth.

INTELLECTUAL



Our recognised brand strength and legitimacy supports our value proposition by offering relevant, competitive and innovative solutions through our omni-channel platforms.

HUMAN



Our strong executive and leadership teams, deeply skilled and experienced people, and high-performance, client centric and ethical culture are rooted in our purpose and we invest in equipping our people with the mindset and skills needed to execute our strategic priorities.

MANUFACTURED



Our physical branch network and access points are complemented by our modernised digital backbone and increasingly simplified systems architecture, allowing us to deliver better client and employee experiences and higher levels of efficiency.

SOCIAL AND RELATIONSHIP



Our trust-based relationships with all our stakeholders underpin our ability to deliver our purpose and strategy. Our social and economic impacts are embedded into our business strategy and decision-making processes, enabling us to deliver positive impacts in the communities in which we operate.

NATURAL



We are driving sustainable investment by embedding SEE as a commercial strategy, aligned to Uganda's wellbeing. We partner with clients and other stakeholders to create and implement climate smart solutions.



Our business activities:

Our business activities contribute to economic and financial stability and enable us to provide financial services to clients. Our business units own the client relationship and create multi-solution client experiences.

OFFERINGS	Home Loans	Vehicle and Asset Financing	Lending	Card and Payments	Transactional	Global Markets	Investment Banking	Insurance
		Tailored home financing solutions for home buyers and existing homeowners, across our retail market.	Comprehensive finance solutions in instalment credit, fleet management and related services across our retail, corporate and business markets.	Extensive suite of lending products provided to individuals and small- and medium-sized businesses (SMEs).	Credit card facilities to individuals and businesses. Merchant acquiring services. Enablement of digital payment capabilities through various products and platforms. Mobile money and cross-border businesses.	Comprehensive suite of cash management, international trade finance, working capital and investor services solutions.	Trading and risk management solutions across financial markets, including foreign exchange (forex), money markets, interest rates, equities, credit and commodities.	Full suite of advisory and financing solutions, from term lending to structured and specialised products across equity and debt capital markets.
CIB								
BCB								
PPB								
IAM								
OFFERINGS	Asset Management	Securities Brokerage	SME Capacity Building	Digitisation and Automation Solutions	Real Estate Ecosystem Solutions			
	Expert investment management solutions that grow and preserve wealth through diversified portfolios and rigorous risk management	Efficient execution and advisory solutions for securities trading, enabling market access and informed investment decisions	Builds SME capacity and supports formalisation while enabling access to finance and markets, with a focus on women, youth, and farmer-led enterprises.	Innovative digital solutions that deliver exceptional client experience and superior value.	Delivers integrated real estate solutions across property and facilities management, alongside research and advisory services including due diligence, market analysis, and transaction support.			
SBGs								
SBIL								
FLYHUB								
SPL								

3

LEADERSHIP INSIGHTS

Our leaders discuss how the Group manages the dynamics in the market we operate and the progress we make while achieving them.

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Board Chairman's Statement

I am pleased to note that our performance is reflective of the strategy execution outcomes the Board set for the organisation, as reflected in the detailed financial and impact performance reports. Through the year, we remained the leading Corporate & Investment Bank; and we are well on course to deliver on our No.1 Private and Business Bank ambitions.



Baker Magunda
Board Chairman, SUHL

Dear Shareholders,

In a year marked by uncertainty, Stanbic Uganda delivered strong performance across all our businesses as we continued to execute on our refreshed medium-term strategy. I am proud of the progress we have made towards achieving our 2028 ambitions, which is testament to our disciplined approach to strategy execution and prudent risk management. It is against this backdrop that I would like to share with you some of the key highlights in 2025.

Strategy and Risk

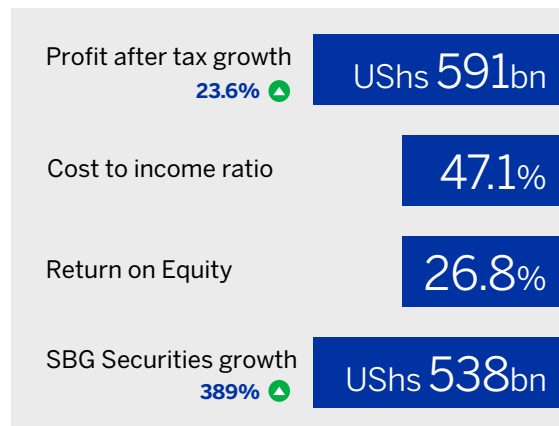
Last year, the Board had the opportunity to review and approve the organisation's medium-term strategy (2025 – 2028). We set ambitious growth targets across key matrices and set out to enhance our positive impact to our society with a focus on women, youth, and farmers.

I am pleased to note that our performance is reflective of the strategy execution outcomes the Board set for the organisation, as reflected in the detailed financial and impact performance reports. Through the year, we remained the leading Corporate & Investment Bank; and we are well on course to deliver on our No.1 Private and Business Bank ambitions. We also registered significant progress on our ambition to scale our Insurance & Asset Management business.

The Board will continue to provide oversight to Management to ensure sustained strategy execution momentum. The Board will also maintain a keen oversight on our risk management rails, especially in the face of a quickly evolving operating environment. Suffice to say that in 2025, we effectively managed risk across all key matrices, and the details of our risk management framework can be found on [page 53](#).



I extend my sincere gratitude to our management teams and all our staff for their relentless commitment in executing our strategy, the result of which is this excellent set of results.



Performance

Our financial performance in 2025 was robust; marked by a double-digit Profit After Tax growth of 23.6% to UShs 591 billion, a cost to income ratio of 47.1%, and a Return on Equity of 26.8%. Our investments subsidiary – SBG Securities, recorded a 389% growth in Assets Under Management to UShs 538 billion, becoming the third largest Collective Investments Schemes Manager in Uganda and remained the largest stockbroker with a market share of 39%. Our share price has also grown 53.7%, reflective of our strong performance track record and enhanced value for our shareholders.

I extend my sincere gratitude to our Management teams and all our staff for their relentless commitment in executing our strategy, the result of which is this excellent set of results. I must also thank all our customers, shareholders, regulators and stakeholders who continue to support us in the execution of our strategy. The details of our financial performance can be found on [pages 87 to 193](#).

Operating Environment

Overall, the operating environment in which we operated was relatively stable, marked by easing global inflation. However, global growth remained modest while geopolitical tensions and trade frictions intensified. Across East Africa, economic growth remained relatively robust as currency pressures eased.

We are alive to the various external and internal factors that may have implications for our business such as the imminent first oil, debt vulnerabilities, political and security developments that continue to influence trade among others. In the face of these uncertainties, we



remain well-positioned to continue serving our clients, leveraging our robust controls and strong balance sheet.

Corporate Governance

During the year, we continued to reinforce the depth and capacity of our boards. In this vein, the Board wishes to congratulate Mr. Geoffrey Ndugwa – Non-Executive Director, Stanbic Bank Uganda Limited, and Mr. Paul Muganwa – Executive Director, Stanbic Bank Uganda Limited on their respective appointments and wish them successful tenures of service.

At the same time, Ms. Eva G Kavuma concluded her tenure of service on the Board of Stanbic Bank Uganda Limited, after nine years of distinguished service. While on the Board, Ms. Kavuma served as the Chairperson of the Board People & Culture Committee of the Bank, as a member of the Board Audit Committee of the Bank and as a member of the Board Audit & Risk Committee of the Holding Company. Stanbic Uganda greatly benefited from Ms. Kavuma's wealth of experience and deep expertise over the years, and the Board is grateful to her for her dedicated service to our organisation.

At a regional level, our Holding Company Chief Executive, Mr. Francis Karuhanga, was appointed Regional Chief Executive, South & Central Africa within the Standard Bank Group, while Dr. Joshua Oigara was appointed Regional Chief Executive, East Africa following the end of Mr. Patrick Mweheire's tenure of service. The Board congratulates Mr. Karuhanga and Dr. Oigara on their respective appointments, both of which are testament to the depth of talent within the East African region and the Group's commitment to growing local expertise.

The Board also expresses its deep appreciation to Mr. Mweheire for his exceptional and exemplary leadership during his tenure as Regional Chief Executive, East Africa. Patrick has been instrumental in growing the Group's franchise into the second most profitable bank in the region. He has championed several critical initiatives such as Borderless Banking and positioned East Africa as a key growth vector for the Group. The region will feel Patrick's absence, but we are confident that Dr. Oigara will continue to guide the franchise on a strong path forward.

Our organisation remains under capable leadership, and our governance controls remain robust. I thank all the Boards for their steadfast leadership in guiding the organisation through the year. We will continue to deliver on our mandate as a Board, and ensure the organisation sustainably delivers value to all our stakeholders.

Please refer to the Corporate Governance Report on [Page 56](#) for details.

Dividend

The Board will recommend a final dividend of US\$ 4.30 per share, amounting to US\$ 220 billion for the year ended 31 December 2025, subject to regulatory approval. This recommendation will be presented to you shareholders for consideration at the forthcoming Annual General Meeting on June 5th, 2026.

You will be pleased to note that our Earnings Per Share have grown by 23.6% while our total dividend for the year has grown by 20% year-on-year, reflecting the consistent upward trajectory of the returns we deliver to you.

Impact to Society

We continue to pursue our intent to positively impact our society across key intervention levers which include financial inclusion, enterprise growth and job creation, climate resilience, energy & infrastructure and CSI initiatives, with a focus on women, youth, and farmers.

The underlying intent of this strategic objective is to pursue profit with purpose and to remain responsive to the needs of our communities. Accordingly, our intent is to mobilise US\$ 1 trillion through partnerships, towards our selected intervention levers. We look forward to partnering with various stakeholders as we seek to realize this target. Please refer to our [Report to Society](#) for more details on how we are fulfilling our commitments to create positive impact across the economy and society.



We continue to pursue our intent to positively impact our society in which we operate, across key intervention levers



Awards

We received several awards including Bank of the Year, Best Bank: Client, and Best Bank: ESG Excellence at the Annual Bankers Awards organized by the Uganda Bankers Association. These awards are a validation of the strategic choices that we have made and that we continue to execute against. We are deeply motivated by the continued trust that our peers and stakeholders demonstrate in our brand time and again.

Appreciation

I wish to reiterate my deep appreciation to all the Chief Executives, Management teams, and our staff, the result of whose enduring commitment and dedication is this strong performance. I also thank our regulators, customers, partners, the Standard Bank Group, and other stakeholders for their continued support to our businesses.

In a special way, on behalf of the Board, I would like to extend my sincere gratitude to Mr. Karuhanga, who will transition to his new role at the Group this year, for his contribution to the success of our organisation. Mr. Karuhanga has led the organisation with distinction and utmost dedication, especially through the period of critical leadership transitions. He has been very pivotal to our strategy refresh process and has ably positioned the organisation for a period of accelerated growth. We wish Francis the very best in his next assignment, and we are confident he will continue to represent Uganda exceptionally, as he has always done.

Finally, I wish to thank you, our shareholders, for your continued support, as we steer your organisation to the future. Our resolve to pursue our purpose - **Uganda is our home, we drive her growth**, remains strong as ever.



SUHL Chief Executive's Statement

I am pleased to report that the outcomes of our strategy execution initiatives were strong across all key matrices. We recorded a strong improvement in our customer experience, marked by a higher Customer Net Promoter Score across all our client segments.

Francis Karuhanga
Chief Executive,
Stanbic Uganda Holdings Limited



Dear Shareholders,

This year, I will conclude my tour of duty as Chief Executive of this great organisation, following my assignment to the role of Regional Chief Executive, South and Central Africa within Standard Bank Group. Over the course of my tenure, together with the Board and the leadership team, we had the opportunity to recalibrate our medium-term (2025 to 2028) strategy to future-proof our business and position ourselves to accelerate the delivery of superior value for all our stakeholders. 2025 was the first year of the refreshed strategy and I am pleased to share the progress we have made to date.



I am pleased to report that the outcomes of our **strategy execution initiatives** were strong across all key matrices.

Strong Liability uplift

16.0%

Private Banking growth

19.0%

Total assets under management (growth)

389%

Risk posture improved

Credit loss ratio
0.4%

Operating Environment

The macro-economic environment was largely stable through the year – underpinned by well controlled inflation and a stable currency. The economy grew 22 basis points higher than prior year, on account of an expansionary fiscal policy, increased investment in infrastructure and improving private consumption.

The growth outlook for 2026 is constructive, with GDP forecast to average between 6.8% - 7.1% during the financial year. This growth is expected to be anchored by continued investments in infrastructure, easing monetary policy and improving credit appetite. We will leverage our fortress balance sheet and deep skills to support our clients across the different sectors of the economy as they pursue their growth ambitions.

As we had anticipated in the prior year, the velocity of the changes in our regulatory landscape continued. Of note were the Bank of Uganda Financial Holding Company Guidelines and the Capital Markets Authority (Corporate Governance) Regulations which directly impact how financial holding company structures, like ours, operate. Our approach to the evolving regulatory environment will remain proactive in line with our enduring principle to do the right business, the right way.

Overall, the operating environment was favourable and our strong performance is a testament of this. We will continue to respond proactively to our operating environment as it evolves – with a keen focus on ensuring that we remain able to always serve our clients brilliantly.

Strategy Execution

I am pleased to report that the outcomes of our strategy execution initiatives were strong across all key matrices. We recorded a strong improvement in our customer experience, marked by a higher Customer Net Promoter Score across all our client segments. Our focus on leveraging value chain banking opportunities resulted in a strong liabilities uplift of 16% against a target of 10% in the targeted ecosystems. Additionally, our private banking assets grew 19% year-on-year while our total assets under management in SBGs grew 389% year-on-year – indicative of the immense potential for growth in our identified growth levers. Our CIB business remains a dominant market leader across all key metrics.

Our risk posture improved significantly during the year, marked by a credit loss ratio of 0.4% against a target of 1.2% and an operational loss ratio of -0.1%, 110 basis points below target. As such, it is worth reiterating that our organisation remains solid, with robust internal controls and risk practices.

This strong performance is reflective of the responsiveness of our strategy to our clients' needs, our dogged focus on steadily improving our client experience and the commitment of our staff in executing our strategy.

Details on our strategy execution outcomes can be found on [Page 16](#).

2026 Outlook and Priorities

Our focus areas for 2026 remain unchanged. We will continue to execute against our three defined strategic priorities: defending and growing our core business; winning in our identified growth levers; and enhancing our positive impact.

We will continue to pursue our ambition to remain the No.1 Corporate & Investment Bank, sustaining the momentum we have gained in supporting the energy sector especially as Uganda approaches 1st oil, among others. We will also sustain our efforts to deliver on our No. 1 Private Bank and No. 1 Business Bank ambitions, leveraging transformational growth opportunities across various value chains. Additionally, our investments subsidiary – SBG Securities – will continue its trajectory to become the wealth creation partner of choice for Ugandans, providing safe and innovative investment solutions to our clients.

A detailed review of our strategy can be found on [Page 16](#).

Appreciation

Our organisation operates in an environment that is uncertain, volatile and rapidly evolving – and yet, our commitment to deliver on our strategy remains unwavering. I would therefore like to extend my sincere gratitude, firstly to all customers for their continued support to all our business, and without whom this success would not be possible. I also thank the Board for their steady support as we steered the organisation through the year.

I thank all our staff both in Uganda and across the Standard Bank Group for their consistent dedication in delivering value to our stakeholders. I must also thank our regulators, with whom we have worked closely through periods of change in the organisation over the past two years. Their support has been invaluable, and I have relied on it greatly while leading this organisation. Finally, I thank you, our shareholders, for entrusting us with the immense responsibility of leading your organisation.

As I proceed to my next assignment, it would be remiss for me not to express my sincere gratitude for the rare opportunity I have had to lead this great organisation. It has been the most singular honour of my life to contribute to the socio-economic transformation of Uganda. Much has been achieved, and much more remains to be achieved. I have no iota of doubt that our organisation will remain on course to deliver on our purpose – **Uganda is our home, we drive her growth.**



I thank all our staff both in Uganda and across the Standard Bank Group for their consistent dedication in delivering value to our stakeholders. I must also thank our regulators, with whom we have worked closely through periods of change in the organisation over the past two years. Their support has been invaluable, and I have relied on it greatly while leading this organisation.





SBUL Chief Executive's Statement

While our financial results are robust, marked by profit growth and high returns, the true measure of our success lies in the impact we create in the real economy and the opportunities we help unlock for Ugandans.



Mumba Kalifungwa
Chief Executive,
Stanbic Bank Uganda Limited

I wish to echo the remarks of our Board Chairman and SUHL Chief Executive, Francis Karuhanga, in commending the strong financial performance delivered in 2025. This achievement reflects the enduring confidence our stakeholders—most notably our customers—place in us as we execute our refreshed 2025–2028 medium-term strategy.

While our financial results are robust, marked by profit growth and high returns, the true measure of our success lies in the impact we create in the real economy and the opportunities we help unlock for Ugandans. Our purpose, **Uganda is our home; we drive her growth**, continues to guide every decision we make and every partnership we pursue.

The Positive Impact Agenda

2025 was a landmark year as we formally adopted our **Positive Impact Agenda**, a strategic framework that directs how we deploy capital to support women, youth, and farmers—the backbone of Uganda's economy.

Anchored on five pillars—financial inclusion, enterprise development, integrated infrastructure, climate resilience, and corporate social investment—the agenda ensures our balance sheet translates into tangible economic opportunity, advancing Uganda's aspiration to achieve higher middle-income status.

Through this agenda, we have pledged to mobilise up to **US\$ 1 trillion by 2028** via strategic partnerships, investing in initiatives that create sustainable livelihoods. This bold commitment is not merely aspirational; it is the practical expression of our purpose. By channeling resources into sectors that empower communities, we are building resilience, fostering innovation, and enabling inclusive growth.





Supporting the Real Economy

The strength of our franchise is rooted in the trust of our stakeholders—our shareholders whose investment enables us to pursue our purpose while returning value, and our customers whose loyalty drives our growth.

In 2025, customer savings surpassed **US\$ 8 trillion**, while our loan book reached **US\$ 5.1 trillion**, channelled into households, farmers, and local enterprises. These figures are more than financial milestones; they represent real investments in families, businesses, and communities across Uganda.

Operational Excellence and 2026 Outlook

Our focus for 2026 remains steadfast. We will continue to:

 DEFEND AND GROW	Sustain momentum in the energy sector as Uganda approaches its "first oil" milestone.
 LEVERAGE GROWTH LEVERS	Deliver on our ambition to be Uganda's No. 1 Private and Business Bank
 MAINTAIN DISCIPLINE	Uphold our strong risk posture, evidenced by a credit loss ratio of 0.4% in 2025.
 ENHANCE SERVICE EXPERIENCE	Further improve customer experience, building on the significant gains in Net Promoter Scores achieved last year.

Operational excellence remains the bedrock of our strategy. By combining disciplined risk management with customer-centric innovation, we are positioning Stanbic Bank Uganda to thrive in a dynamic environment while delivering consistent value to all stakeholders.

We refined our approach to value-chain banking, ensuring that financing anchor clients in Corporate and Investment Banking cascaded benefits to local enterprises in Business and Commercial Banking, and retail clients employed across the divide.

This integrated approach amplified production, spurred innovation, and created jobs—demonstrating how our financial solutions can ripple across the economy.

Moreover, our impact agenda aligns closely with Uganda's national development priorities, particularly the government's strategy to expand the economy through agro-industrialisation, tourism, mineral-based industrialisation, and science and technology. By aligning our efforts with these priorities, we ensure that our growth is not only sustainable but also nationally relevant.

Acknowledgements

I extend my gratitude to colleagues, customers, shareholders, and regulators whose collaboration made our progress possible. A special thanks goes to Francis Karuhanga for his exceptional leadership and role in refreshing our strategy.

As he transitions to his new assignment, Regional Chief Executive South and Central Africa, Standard Bank Group, we are confident that the foundation he helped build has positioned us for accelerated growth.

Together, we remain resolute in our commitment to driving Uganda's growth—empowering communities, supporting enterprises, and contributing meaningfully to the nation's development journey.

4

BUSINESS REVIEW

An assessment of our progress for the year and prospects for delivering our strategic commitments in relation to our strategic priorities.

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2025 at a glance

PROFIT AFTER TAX

UShs 591 billion

2024: 478 billion

▲ 23.6%

RETURN ON EQUITY

26.8%

2024: 24.3%

▲ 2.5%

EARNINGS PER SHARE

UShs 11.54

2024: 9.34

▲ 23.6%

TOTAL CAPITAL ADEQUACY

23.0%

2024: 21.4%

▲ 1.6% BOU buffered limit: 15.5%

NON-PERFORMING LOAN RATIO

1.7%

2024: 1.5%

▲ 0.2%

COST TO INCOME RATIO

47.1%

2024: 47.2%

▼ 0.1%

CUSTOMER DEPOSITS

UShs 8.0 trillion

2024: 7.1 trillion

▲ 13.0%

NET CUSTOMER LOANS

UShs 5.1 trillion

2024: 4.4 trillion

▲ 16.4%

OFF BALANCE SHEET

UShs 2.0 trillion

2024: 2.1 trillion

▼ 3.1%

STANBIC SHARE PRICE

UShs 60.32

2024: 39.25

▲ 53.7%

TOTAL ASSETS

UShs 11.5 trillion

2024: 10.4 trillion

▲ 10.9%

TOTAL SHAREHOLDERS EQUITY

UShs 2.4 trillion

2024: 2.1 trillion

▲ 14.7%

Awards



Bank of the year, Annual Bankers Awards by Uganda Bankers Association



Best Bank: Client Experience, Annual Bankers Awards by Uganda Bankers Association



Best Bank: ESG, Annual Bankers Awards by Uganda Bankers Association



Most Innovative Bancassurer, Insurance and Asset Management, at Insurance Innovation Awards



Collective Investment Scheme Manager of the Year, SBG Securities at 2025 Capital Market Authority awards

Operating environment and financial review

The Uganda shilling performed exceptionally well, reversing previous depreciation trends to appreciate against the US Dollar. The shilling strengthened from an average mid-rate of 3,757 in 2024 to approximately 3,602 in 2025.



Ronald Makata
Chief Finance and Value Management Officer

We continuously monitor our operating landscape for emerging trends that could potentially lead to a shift within our industry. During the year we identified areas of focus that impact our strategy.

The Group's strategy and operating model are continuously updated to reflect the evolving environment, ensuring we respond appropriately to any potential risks and that we continue to meet the needs of our customers, regulators and other key stakeholders.



GEOPOLITICAL

- Geopolitical tensions in the Middle East and Russia's war against Ukraine
- Uncertainty from trade policy shifts, particularly U.S. tariffs and withdrawal of funding



MACROECONOMIC

- Resilient economic growth amid elevated trade tensions
- Controlled inflationary pressures and currency resilience
- Increase in foreign reserves and elevated domestic funding pressures



REGULATORY

- New Guidelines on Financial Holding Companies (Effective Nov 1, 2025)
- Enhanced Cybersecurity and Technology Risk Guidelines
- Adoption of an Environmental, Social, and Governance (ESG) framework
- IFRS S1 and S2 implementation road map

Operating environment

The year was characterised by geopolitical tensions, heightened armed conflict and instability in Ukraine, the Middle East and Sudan. The United States' shift to revisit trade tariffs, coupled with its withdrawal of key funding, led to uncertainty in global trade and threatened critical social financing in the developing world. These developments heightened the potential risk of economic downturns and persistent inflation, while undermining the stability of funding for essential sectors such as health, education, and governance in developing economies.

Despite these challenges, the global economy remained on a steady path toward normalisation in 2025. Global economic activity remained resilient. Headline inflation largely stabilised near Central Bank's targets in major economies, though core inflation remained elevated than anticipated in some regions. This prompted a cautious final leg of monetary easing.

The pivot toward lower interest rates, which began in mid-2024, continued throughout 2025. In the US, the Federal Reserve held rates steady during the first half of the year before delivering three consecutive cuts beginning in September 2025.



By December 2025, the target range was lowered to 3.50%–3.75%, down from 4.25%–4.50% at the end of 2024, this action was as a result of a cooling labour market and inflation settling near the 2% goal. The European Central Bank (ECB) took an early easing approach to its monetary policy rate reducing this from 3% at the start of 2025 to 2% by June 2025 and maintained this position until the end of the year to support industrial output.

The Ugandan economy saw accelerated growth, benefiting from increased momentum in the oil and gas sector and resilient domestic demand. Real Gross Domestic Product (GDP) growth for FY 2024/25 reached 6.3%, up from 6.0% the previous year. This performance was bolstered by a surge in Foreign Direct Investment (FDI), which climbed to USD 3.57 billion, and a significant recovery in the services and construction sectors, with particular focus on projects linked to the East African Crude Oil Pipeline (EACOP).

Inflation remained well-anchored within the Central Bank's medium-term target of 5%. Headline and core inflation averaged 3.6% and 3.8% respectively in 2025, a slight uptick from 2024 levels, this position remained within the target range reflecting a disciplined monetary environment. This stability was supported by a favourable food supply, lower global oil prices in the latter half of the year, and a notably stronger currency.

In response to the balanced inflation outlook, the Monetary Policy Committee (MPC) maintained a cautious but supportive stance. After the cuts in late 2024, the Central Bank Rate (CBR) was held steady at 9.75% in 2025. This "wait-and-see" approach was designed to support a higher than 6% GDP growth target while guarding against potential currency volatility and the fiscal pressures associated with the 2026 general elections.

The Uganda shilling performed exceptionally well, reversing previous depreciation trends to appreciate against the US Dollar. The shilling strengthened from an average mid-rate of 3,757 in 2024 to approximately 3,508 by September 2025, as a result of robust coffee export receipts, surging remittances, and renewed offshore interest in government securities, before depreciating to approximately 3,620 by December 2025.

The yield curve remained elevated and steepened during 2025. While short-term treasury bill rates saw some moderation due to stable inflation, long-term bond yields rose, with the 15-year and 20-year bonds reaching 15.8% and 17.9% respectively. This was influenced by increased domestic borrowing requirements to fund the national budget and investors demanding a higher risk premium ahead of the 2026 election cycle.

The Stanbic Purchasing Managers' Index (PMI), a monthly economic indicator measuring the health of the private sector, fluctuated across the year, but stayed above the 50 neutral mark, ending the year at 53.7 in December 2025.

Regulatory changes during the year:

To enhance the resilience, stability and digitisation of commercial banks, the Bank of Uganda implemented key regulations to address the oversight over holding companies that have a banking subsidiary, advanced cybersecurity compliance, and ongoing capital and liquidity requirements that have reshaped the sector.

Guidelines on Financial Holding Companies

The desire to align the Ugandan financial sector with international standards for safety and transparency; the Central Bank issued new guidelines for Financial Holding Companies (FHC) that were effective November 1, 2025, bringing these companies under consolidated oversight of the regulator. The FHC guidelines place capital requirements on holding companies and in addition require these companies to put in place effective mechanisms to manage subsidiaries. Financial holding companies are required to meet minimum paid-up capital requirements, ensuring risks across the financial services groups are monitored, the full compliance with the guidelines is expected by November 2026.

Enhanced Cybersecurity and Technology Risk Guidelines

The Central Bank mandated all supervised Financial Institutions to adopt robust cybersecurity and technology risk management practices during the year. These guidelines address escalating digital threats, focusing on operational resilience, third-party risk management, incident response to ensure financial stability.

Adoption of an Environmental, Social and Governance (ESG) framework

In a bid to ensure full adoption and understand the impact of Environmental, Social, and Governance (ESG) framework, Bank of Uganda embarked on integrating climate-related risks into Stress Testing and Internal Capital Adequacy Assessment Processes (ICAAP) in line with its Guidelines for the Management of Climate-Related Financial Risks, that were effective from 31st December 2025. The Banking subsidiary has complied and proactively integrated the ESG framework into the Internal Capital Adequacy Assessment Processes (ICAAP), as part of a wider effort to adopt this framework.



Minimum Disclosure Requirements under IFRS S1 and S2 Sustainability and Climate-Related Financial Risks

The Bank of Uganda harmonised the adoption of International Financial Reporting Standards (IFRS) Sustainability Standards (S1 and S2) with the roadmap issued by the Institute of Certified Public Accountants of Uganda (ICPAU).

S1: The objective of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

S2: The objective of IFRS S2 Climate-related Disclosures is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

The Bank of Uganda required supervised financial institutions to carry out a gap analysis and periodically share progress on the implementation of the standard to ensure the institutions' preparedness to adopt this standard for accounting periods beginning on 1 January 2028.

Following this requirement the banking subsidiary has since complied and submitted to Bank of Uganda a preliminary gap analysis of the IFRS S1 and S2 standards for H2 2025.

Outlook for the year 2026

Uganda's economy is projected to enter a high-growth phase in FY 2025/26, with GDP growth expected to reach 7.0%. This optimism is pinned on the final stages of oil infrastructure development and the anticipated start of commercial oil production by late 2026, which is forecasted to eventually push growth into double digits.

The current account deficit is projected to remain elevated in the short term, owing to high import bills and capital-intensive expenditures related to oil infrastructure. This deficit is expected to narrow significantly following the commencement of commercial oil exports, currently slated for late 2026 (FY2026/27), which will provide a boost to Uganda's external balance. External financing prospects have strengthened as the government continues active engagement with the IMF, and the World Bank, which two entities have resumed funding for several critical development projects. As of December 2025, Uganda's foreign exchange reserves stood at approximately USD 5.99bn, providing 4.2 months of import cover,

slightly above the target of 4 months import cover. This was attributed to robust U.S. Dollar inflows, enabling Bank of Uganda to buy dollars and grow its reserve base.

Movements in the Ugandan Shilling during 2026 are likely to remain sensitive to shifts in global risk sentiment. Periods of global risk aversion could trigger portfolio outflows as investors unwind positions in frontier market debt, leading to episodes of exchange rate volatility.

These have already been observed in the aftermath of the recent geopolitical tensions involving Iran, which prompted some portfolio investors to reduce exposure to emerging and frontier markets. The resulting capital outflows placed depreciation pressure on the Shilling and heightened concerns around imported inflation. To address the potential impact of inflation, the Bank of Uganda increased the Cash reserve requirement ratio for financial institutions from 9.5% to 11%, to reinforce its commitment to maintaining macroeconomic stability.

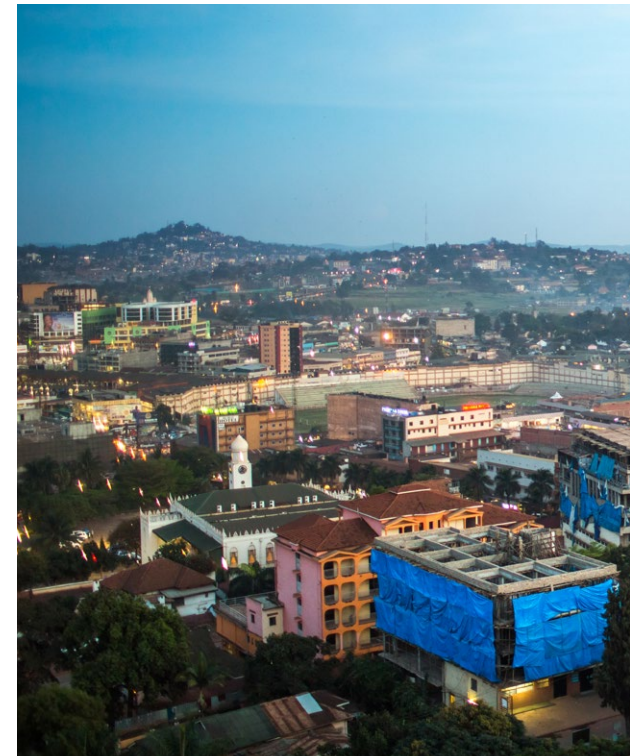
BOU expects inflation to remain within a range of 3.8% to 4.3% for the duration of 2026. This range is slightly higher than current prints; however, it reflects a "subdued" environment. Over the medium-to-long-term (2027 and beyond), inflation is forecast to stabilise around the 5% target, while the baseline remains stable. There are several "upside risks" identified that could potentially push inflation higher than the 4.3% ceiling. The noted upside risks include ongoing instability in the Middle East that could disrupt supply chains and spike energy costs. Stronger-than-expected household and government consumption could create demand-pull pressures, and any adverse weather conditions that might impact food crop prices.

The Middle East conflict has disrupted regional shipping and supply chains. If the conflict is prolonged, it could drive up domestic pump prices and heighten inflationary pressures, given the global dependence on the region's oil. The Uganda Shilling could face significant depreciation due to increased USD demand from importers and safe-haven investors.

The conflict poses significant risks to Uganda's economy, particularly the export and supply chains for gold and coffee, over 42% of whose export earnings are linked to Middle Eastern trade corridors. The disruptions could elevate freight costs, delay shipments, and weaken export performance. Instability may also impact remittance inflows from Ugandans employed in the Middle East, adversely constraining foreign exchange liquidity. More broadly, heightened uncertainty around oil prices and inflation could compel global Central Banks, including the Bank of Uganda, to slow or reverse monetary easing, raising borrowing costs for businesses and tightening liquidity conditions.



BOU expects inflation to remain within a range of 3.8% to 4.3% for the duration of 2026. This range is slightly higher than current prints however, it reflects a "subdued" environment. Over the medium-to-long-term (2027 and beyond), inflation is forecast to stabilise around the 5% target, while the baseline remains stable.





Financial Review

The Group's performance for 2025 demonstrated resilience and efficiency, delivering a consolidated profit after tax of US\$ 591 billion, representing a 23.6% increase over its prior year outcome. These results were delivered amidst a challenging environment marked by geopolitical tensions, trade volatility stemming from U.S. tariffs, financial aid and funding reductions for health, refugee, and civil society programs, and a prolonged low-interest-rate environment stemming from U.S. Federal Reserve cuts.

In contrast, the Ugandan shilling performed strongly, appreciating against the U.S. dollar. At the same time, the Bank of Uganda maintained price stability, keeping inflation below its 5% target through a cautious and disciplined monetary policy stance throughout the year.

The Group continued to focus on key strategic priorities that include transforming client experience, executing with excellence, and driving sustainable value. This focus led to an uplift in its performance as it aimed to effectively defend and grow the Uganda franchise; this was reflected in a 13.0% growth in customer deposits, which in turn led to growth in total assets by 10.9%, from US\$ 10.4 trillion to US\$ 11.5 trillion, closing the year with a total capital to risk-weighted assets (tier 1 and tier 2) ratio of 23.0% (2024: 21.4%). The Return on Equity (ROE) improved to 26.8% (2024: 24.3%), supported by growth in Net Interest Income

(3.7%) attributable to an increase in average loans to customers, in addition to the benefit from an uptick in interest rates on government securities. This performance was further supported by growth in net fees and commission income by 11.8% and other gains/losses on financial instruments by 114%, resulting from increased business activity and credit default swap transactions. Trading revenue went up 24.9% following increased foreign currency activity, structured products uptake, and market positioning opportunities.

The operating costs of the Group increased by 10.7% owing to continued investment in the business with a focus on its human resources and technology to deliver a seamless experience to customers. Despite the increase, the Group remained efficient with a Cost to income ratio of 47.1%, reflecting a slight improvement from the prior year of 47.2%



The Group continued to focus on key strategic priorities that include **transforming client experience, executing with excellence** and **driving sustainable value**.

This led to a **13.0%** growth in customer deposits, which in turn led to an uplift in total assets by **10.9%**, from **US\$ 10.4 trillion** to **US\$ 11.5 trillion**



Our Performance

Our income statement

The income statement reflects the revenue generated and costs incurred by our business activities, with material income statement line items explained.

	For the year ended 31 December 2025	2025 US\$ Mn	2024 US\$ Mn	Change %
A	Net Interest Income	788,276	759,803	3.7%
B	Non-Interest Revenue	651,245	537,556	21.1%
	Total income	1,439,521	1,297,360	11.0%
C	Credit impairment charge	(18,642)	(34,013)	-45.2%
	Total income after credit impairment charge	1,420,880	1,263,347	12.5%
D	Operating expenses	(677,536)	(612,277)	10.7%
	Profit before direct taxation	743,344	651,070	14.2%
E	Direct taxation	(152,532)	(172,972)	-11.8%
	Profit for the period	590,813	478,097	23.6%
	Cost to Income ratio	47.1%	47.2%	-0.1%
	Credit loss ratio	0.4%	0.8%	-0.4%
	Return on Equity	26.8%	24.3%	2.5%
	Return on Assets	5.4%	4.9%	0.5%

A Net Interest Income

What it is: the interest received on lending products that we offer to our clients and investment in debt instruments, less the interest paid on the deposits that our clients place with us and debt funding sourced from other lenders.

Drivers: the number of clients, product offerings and pricing, economic and client activity levels, foreign exchange rates, competition, and market volatility.

B Non-Interest Revenue

What it is: comprises net fee and commission revenue, trading revenue, and other revenue.

Drivers: number of clients, transactional banking volumes and pricing, capital markets activity, trading volumes and market volatility, property-related revenue, and income from bancassurance and unlisted investments.

C Credit impairments

What it is: this represents provisions and losses incurred due to the inability of customers and clients to repay debt obligations to

the Group. The credit loss ratio expresses these charges as a percentage of average loans and advances, indicating the average amount of each Shilling lent that results in impairment.

Drivers: Outstanding exposures, probability of default, loss given default, and a variety of macroeconomic considerations, such as economic growth and interest rates.

D Operating expenses

What it is: Operating expenses represent the costs incurred to support current and future revenues.

Drivers: inflation, headcount, investments in branch and IT infrastructure which result in amortisation, general costs to operate (including those related to innovation and work efficiency programs), and operational losses.

E Direct taxation

What it is: Both direct income taxes and related deferred tax in terms of IFRS.

Drivers: corporate tax rate, level of profitability of our operations, interest income from treasury bills and treasury bonds, and costs that are not tax deductible.



Measuring our financial outcome

Headline earnings

The Group's earnings is one of the components used in the determination of the Group's ROE and represents the major lever in lifting the Group's ROE.





1 Net Interest Income

Net interest income went up by 3.7%, rising to US\$ 788 billion from US\$ 760 billion in 2024. This uplift was driven by increased investment in interest earning assets that include customer loans and advances, placements with banks and group companies, and investment in government securities held under the categorisation of fair value through other comprehensive income and amortised cost. The performance was partly offset by the increase in cost of funds, owing to increase in interest bearing customer deposits.

2 Non-Interest Revenue

Non interest revenue delivered a strong performance, growing by 21.1% to US\$ 651.2 billion, up from US\$ 537.6 billion in 2024. This growth was seen across different fees and commissions, trading income, and other gains on financial instruments as highlighted below:

Net Fees and Commission

Net fees and commission income increased by US\$ 25.6 billion (11.8%), closing at US\$ 241.9 billion, compared to US\$ 216.3 billion in 2024. This was driven by increase in customer transactional activity across all major fee categories supported by continued growth in the active customer base and increased utilisation of digital and physical channels.

Trading Revenue

Trading revenue rose sharply by US\$ 75.5 billion (24.9%), reaching US\$ 380 billion from US\$ 304.3 billion in 2024. This growth was supported by increased trading activity, benefits from a well-positioned trading book leading to market gains, strong client demand for structured products, and higher forex revenue owing to increased foreign exchange transaction volumes.

Other gains on financial instruments

Other gains totalled US\$ 13.5 billion, arising from premiums, coupons, and mark to market gains from credit default swap transactions, executed alongside a cross currency repo arrangement with the Government of Uganda. This represents a year-on-year increase of US\$ 7.2 billion (114%).

3 Credit impairment charges

Credit impairment charge reduced significantly, falling by US\$ 15.4 billion (45.2%) to US\$ 18.6 billion, down from US\$ 34 billion in 2024. The credit loss ratio improved to 0.4% in 2025, compared with 0.8% in 2024 — highlighting the stability of the loans and advances across all business segments. This improvement reflects the Group's prudent approach to credit management and underwriting.

4 Operating expenses

Operating expenses represent the costs incurred to support both current operations and future revenue growth. These costs are influenced by external factors such as inflationary pressures and foreign exchange movements, as well as internal drivers including staff complement and continued investment in technology infrastructure.

Total operating costs increased by (10.7%) closing the year at US\$ 677.5 billion compared to US\$ 612.3 billion in 2024.

Staff costs rose by 16.8%, increasing from US\$ 281.1 billion in 2024 to US\$ 328.2 billion. This growth reflects the Group's continued focus on human resources that drive our strategy and long-term growth.

Other operating costs increased by 5.5% to US\$ 349.3 billion, compared to US\$ 331.2 billion in 2024. This increase was attributed to investment in value-add services largely focused on technology improvement, in addition to the annual inflationary impact on operational spend.

Further detail on the operational expenses on various line items is included under note 13 to the financial statements.

5. Profit After Tax

The Group's Profit After Tax was up 23.6%, from US\$ 478 billion to US\$ 591 billion. This performance was supported by growth on the balance sheet, disciplined risk management, and improved operational efficiency. Below are other factors that contributed to the performance of the Group.

Brief reviews of other key factors impacting the performance of the Group are reflected below: Margins

The Net Interest Margin (NIM) represents the spread between the interest earned on interest bearing assets and the interest paid on deposits and other funding sources. Key drivers of this ratio include the Central Bank Rate (CBR), the composition of interest earning assets within the balance sheet, the funding mix, asset tenure and currency profile, as well as the overall credit quality of the loan book.

In 2025, net interest margins remained subdued year-on-year, primarily due to intensified competition for deposits, which increased the cost of interest bearing liabilities and weighed on overall margins. Interest income also declined, influenced by the easing of policy rates by the U.S. Federal Reserve, which lowered yields on foreign currency denominated loans and the full year effect of reduced local currency rates following the Bank of Uganda's monetary easing cycle in the second half of 2024. These downward

pressures were partially offset by rising yields on government securities, driven by elevated domestic funding needs, which supported returns on the investment portfolio. Overall, NIM performance reflected the broader interest rate environment and competitive market dynamics, even as the Group continued to optimise balance sheet composition and diversify sources of interest income.

Credit Loss

The Credit Loss Ratio (CLR) represents impairment charges as a percentage of closing loans and advances and reflects losses arising from customer delinquencies as well as general provisioning for unidentified credit risks.

The CLR improved significantly across all segments of the banking subsidiary. The Corporate and Investment Banking (CIB) portfolio maintained a low risk profile, supported by the continued stability and quality of its loan book. The Personal and Private Banking (PPB) segment also recorded reduced credit risk, reflecting improved customer repayment behaviour and stronger portfolio underpinned by prudent underwriting to new facilities. The Business and Commercial Banking (BCB) business continued to show notable recovery, owing to post write-off recoveries, enhanced portfolio stability, and proactive management interventions on existing exposures.

Across all segments, impairments were well contained, supported by strengthened credit oversight, a reduction in high value watchlisted accounts, and increased business activity amidst a boost in the economy.

The well managed credit risk was seen in the overall credit loss ratio that improved from 0.8% in 2024 to 0.4% in 2025, reflecting stability across all business segments and the success of the banking subsidiary's disciplined credit risk management approach.

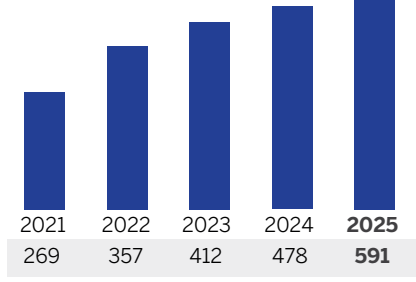


Return on Equity

Our ROE is the most relevant measure of our financial performance over time as it combines all of our critical drivers, including earnings growth and capital utilisation, into a single metric.

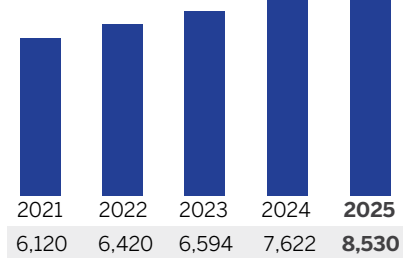
Our **Group average RWA** increased by **11.9 %** to **US\$ 8.5 trillion**, supported by growth in the balance sheet.

Profit After Tax US\$ Billion

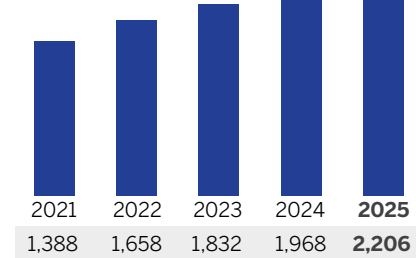


The **Group's average shareholders' equity** increased by **12.1%**, supported by strong profit growth.

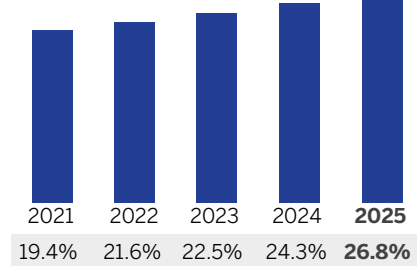
Group Average RWA US\$ Billion



Average Shareholders' Equity US\$ Billion



Return on Equity US\$ Billion



In 2025, the **Group's ROE** increased to **26.8%**, above our target of 20%.

Our resilient balance sheet

Our balance sheet as at 31 December 2025		2025 US\$ Mn	2024 US\$ Mn	Change (%)
A	Cash and balances with Bank of Uganda	1,472,031	1,211,168	21.5%
B	Derivative assets	71,427	99,818	-28.4%
B	Trading assets	1,546,866	1,411,507	9.6%
B	Pledged assets	9,378	55,380	-83.1%
B	Financial investments	1,543,405	1,119,894	37.8%
C	Loans and advances to banks	599,498	376,592	59.2%
C	Net Loans and advances to customers	5,091,312	4,373,754	16.4%
	Amounts due from group companies	745,562	1,173,661	-36.5%
	Other assets	229,876	376,974	-39.0%
	Non-current assets held-for-sale	930	-	100%
	Deferred tax assets	83,682	69,731	20.0%
	Property, equipment and right of use assets	96,827	82,434	17.5%
	Goodwill and other intangible assets	33,852	42,888	-21.1%
	Total assets	11,524,646	10,393,801	10.9%
Shareholders' equity and liabilities				
Shareholders' equity				
	Ordinary share capital	51,189	51,189	0.0%
	Fair value through other comprehensive income reserve	8,185	(2,282)	-458.7%
	Retained earnings	2,076,898	1,846,086	12.5%
	Proposed dividends	220,000	160,000	37.5%
	Total shareholders' equity	2,356,272	2,054,992	14.7%
Liabilities				
	Derivative liabilities	123,348	132,890	-7.2%
	Current tax liability	10,741	12,763	-15.8%
	Deposits from customers	8,027,470	7,106,872	13.0%
	Deposits from banks	104,510	263,641	-60.4%
	Amounts due to group companies	205,040	230,417	-11.0%
	Borrowed funds	110,630	61,882	78.8%
	Subordinated debt	74,048	75,433	-1.8%
	Other liabilities	512,587	454,911	12.7%
	Total liabilities	9,168,374	8,338,809	9.9%
	Total equity and liabilities	11,524,646	10,393,801	10.9%

A Cash and balances with banks and group companies

These are made up mainly of the cash we hold in our network, statutory cash reserves with Bank of Uganda, balances with other commercial banks, and placements with local and foreign banks for short periods awaiting suitable investment opportunities.

Cash and balances with Bank of Uganda

Cash and balances with the Bank of Uganda increased by 21.5% year-on-year, supported by the 13.0% growth in customer deposits. The improved deposit base provided additional liquidity. The bank's cash reserve requirement with the Bank of Uganda also rose in line with the growth in customer deposits.

Loans and advances to banks

Loans and advances to banks increased by US\$ 223 billion (59.2%), this was driven by a US\$ 315 billion rise in placements and nostro balances with banks. The growth was on the back of optimized liquidity management, fueled by a US\$ 45 billion increase in local bank placements and higher foreign currency nostro balances resulting from increased foreign currency deposits.

Amounts due from group companies

During 2025, amounts due from group companies declined significantly by US\$ 428 billion (36.5%), this was attributed to maturity of prior-year investments. The released liquidity was redeployed in supporting growth on other asset lines that include customer loan and advances and placements with other banks.

B Securities investments

Government securities held under trading assets increased by US\$ 135 billion (9.6%), while financial investments grew by US\$ 378 billion (24.3%) year-on-year. This was due to deliberate efforts to expand the balance sheet supported by strong deposit growth, which provided the liquidity required to take up attractive investment opportunities at favourable entry-level yields, enhancing performance for the year. These securities are actively traded in the secondary market, and maturing positions are reinvested periodically to optimize yield and maintain a well-positioned investment book.

C Net loans and advances to customers

Net loans and advances to customers include lending to the bank subsidiary's clients under Corporate and Investment Banking (CIB), Business and Commercial Banking (BCB), and Personal and Private Banking (PPB) net of provisions for expected losses.

Loans and advances to customers grew by 16.4% (US\$ 718 billion) in 2025, a significant leap from 3.5% in 2024, supported by our commitment to financing households and businesses. This growth momentum was underpinned by innovative offerings, improved service offering and a positive business environment, in addition to our focus on key growth sectors of the economy that led to this reward. This growth was seen across all segments, with Corporate and Investment Banking (CIB) leading with a 20% uplift through sector-specific solutions. Business and Commercial Banking (BCB) achieved 16% growth underpinned by value chain financing, and PPB saw a 12% rise driven by strategic asset campaigns.

Customer deposits provide the liquidity to lend or reinvest, fulfilling the Group's role in connecting providers of capital with those that require additional capital and thereby contributing to the functioning of the broader financial system.

Customer deposits rose by 13.0% (US\$ 921 billion) in 2025, which is higher than the 2024 growth of 12.2% (US\$ 774 billion) this was on the back of deeper customer engagement and trust in the brand supported by continued improvement in client experience. The expansion in deposits not only enhanced liquidity buffers but also improved the bank's capacity to fund strategic lending opportunities sustainably.

Our cash flow statement

The cash flow statement shows the Group's cash inflows and outflows from operating, investing, and financing activities and indicates its ability to generate cash and cash equivalents to fund operations, meet obligations, and provide returns to investors.

The Group closed the financial year ended 31 December 2025 with a positive net cash flow, despite a marginal net decrease of US\$1.2 billion in cash and cash equivalents, compared to a significant net increase of US\$810 billion recorded in the prior year. The year's performance reflects a more balanced deployment of liquidity across lending, investments, and regulatory requirements. A detailed breakdown of the Group's cash flow is presented below.

Cash flows from operating activities

Cash flows from operating activities arise from the Group's core revenue-generating operations and include both cash inflows from income-earning activities and outflows related to operating expenses. In 2025, the Group generated positive operating cash flow of US\$287.6 billion, demonstrating strong underlying business performance and the Group's continued ability to maintain solvency, fund day-to-day operations, and support business growth. The strong operating cash position underscores the resilience of the Group's core activities and its capacity to generate sustainable cash earnings.

Cash flows from investing activities

Cash flows from investing activities reflect the Group's capital expenditure and the acquisition or disposal of long-term assets such as property, plant, and equipment.

In 2025, the Group continued to invest strategically in property and equipment to support operational capacity and maintain competitiveness. Expenditure on these assets declined by 17.5% (US\$3.7 billion), driven by deliberate cost-efficiency measures and more streamlined capital deployment in line with the Group's investment cycles.

Cash flows from financing activities

Cash flows from financing activities relate to the Group's debt and equity transactions. For the year, these activities primarily comprised dividend payments, operating lease rental obligations, and the repayment of long-term subordinated debt owed to Standard Bank Group.

Net cash outflows from financing activities decreased slightly by 1.9% (US\$5.2 billion). This improvement was mainly driven by a reduction in principal lease rental payments, following prepayments made in the prior year (US\$6.1 billion). In addition, the Group secured increased external funding under managed (administered) funds, rising by US\$3.5 billion to support lending to SACCOs and farmers through the Bank of Uganda Agriculture Credit Fund. These favourable movements were partially offset by higher dividend distributions to shareholders, which increased by US\$5 billion.

5 year performance

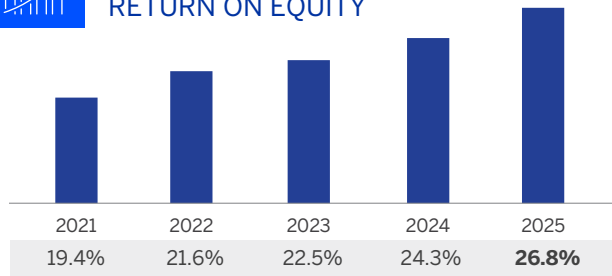
	2025	2024	2023	2022	2021
INCOME STATEMENT (US\$'M)					
Profit before income tax	743 344	651,070	540,947	483,036	351,210
Profit after tax	590 813	478,097	411,531	357,381	269,312
FINANCIAL POSITION (US\$'M)					
Shareholder's equity	2 356 272	2,054,992	1,881,403	1,782,775	1,533,303
Total assets	11 524 646	10,393,801	9,303,399	9,058,947	8,720,096
Loans and advances to customers	5 091 312	4,373,754	4,225,122	4,085,001	3,722,073
Property and equipment	96 827	82,434	83,683	75,544	75,545
Customer deposits	8 027 470	7,106,872	6,332,852	6,131,256	5,741,043
RETURNS AND RATIOS					
Return on average equity	26.8%	24.3%	22.5%	21.6%	19.4%
Return on average assets	5.4%	4.9%	4.5%	4.0%	3.1%
Loan to deposit ratio	65.2%	63.4%	69.0%	66.6%	64.8%
Cost to income	47.1%	47.2%	48.9%	47.7%	53.3%
CAPITAL ADEQUACY					
Tier 1 capital ratio	21.3%	19.7%	22.6%	21.3%	19.9%
Tier 1 + Tier 2 capital ratio	23.0%	21.4%	24.7%	23.4%	21.9%
Risk weighted assets (US\$'m)	8 579 063	8,480,510	6,763,186	6,425,004	6,415,439
SHARE STATISTICS					
Closing number of shares in issue (in millions)	51 189	51,189	51,189	51,189	51,189
Earnings per share - basic and diluted	11.54	9.34	8.04	6.98	5.26
Dividends per share - proposed and/or paid	4.30	3.13	3.03	3.61	0.98
OTHER INFORMATION					
Number of employees	2,043	2,035	1,973	1,907	1,756

Key performance indicators



Profitability

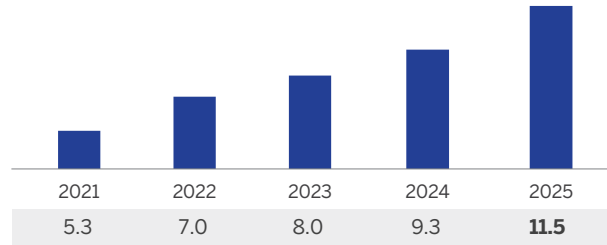
RETURN ON EQUITY



Objective: To deliver consistent returns (ROE) with a target minimum threshold set at >20%.

Result: ROE increased to 26.8% from 24.3% in 2024, exceeding the 2025 target. This growth was supported by the effective deployment of capital into higher-yielding assets, alongside well-managed credit and operational risks, which led to strong growth in PAT. Furthermore, a large dividend payment reduced equity, resulting in a higher reported ROE.

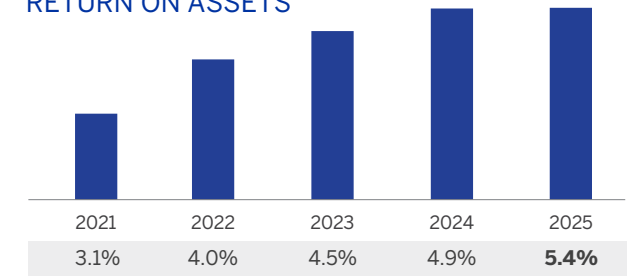
EARNINGS PER SHARE



Objective: To deliver consistent earnings per share (EPS) growth with a minimum threshold set at GDP growth plus inflation.

Result: EPS increased by US\$ 2.2 to 11.5 (from 9.3 the previous year), in line with a 23.6% growth in profits.

RETURN ON ASSETS



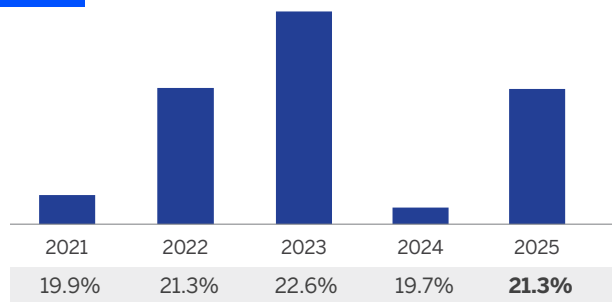
Objective: To effectively deploy the Group's liquidity into the optimal balance of assets generating consistent returns above the internal benchmark of 4%.

Result: 2025 ROA closed at 5.4%, up by 0.5% from prior year and above target. This growth was attributed to a high contribution of earning assets to the total asset base, in addition to driving non-asset-based revenues such as trading revenue and, fees and commission income.



Capital Adequacy

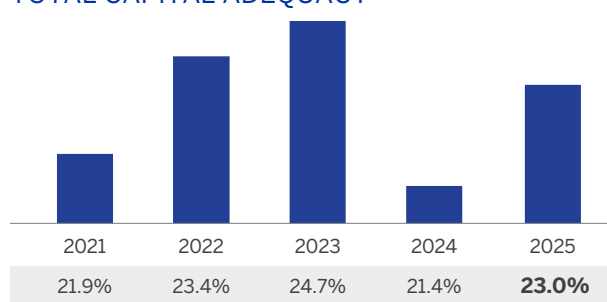
CORE CAPITAL ADEQUACY



Objective: To maintain adequate capital levels to meet regulatory requirements, business growth, and investment prospects.

Result: Core capital closed at 21.3%, comfortably exceeding the minimum regulatory requirement of 10% and the 13.5% buffered requirement (including a 2.5% DSIB buffer and a 1% countercyclical buffer). The increase is driven by strong year-on-year PAT growth.

TOTAL CAPITAL ADEQUACY



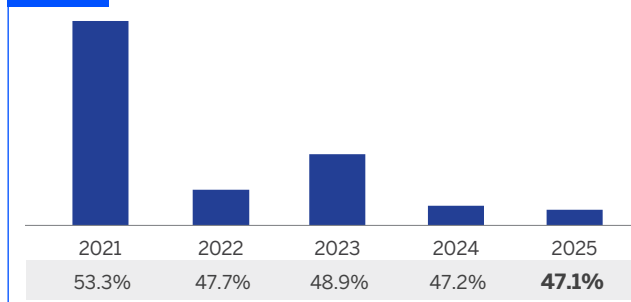
Objective: To maintain adequate capital levels to meet regulatory requirements, business growth, and investment prospects.

Result: Total capital closed at 23.0% against a 12% minimum regulatory requirement and above the 15.5% buffer-inclusive requirement (including 2.5% DSIB and 1% countercyclical buffer). Capital position remains strong and sufficient to support growth aspirations.



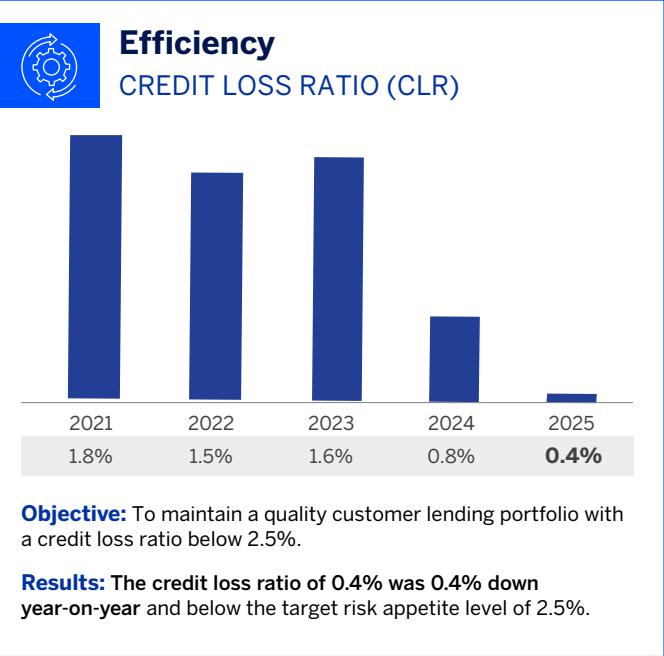
Efficiency

COST TO INCOME RATIO



Objective: To achieve a target cost to income ratio of less than 50% in 2025.

Result: The cost to income ratio dropped 0.1% to 47.1%, remaining below the set target of 50%. This was mainly on account of continued cost discipline while investing in key areas to support revenue growth. The year 2025 was characterized by significant investment in staff.



KIKOLE^{ku} SPEED III

with Stanbic Digital

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- Internet Banking (IB)

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 Available on the Google Play

Corporate and Investment Banking

Beyond energy, we continued to support progress across healthcare, industrialisation, and financial inclusion, while client engagement deepened materially.



Paul Muganwa
Head Corporate and Investment Banking

Defending leadership, Accelerating value and Shaping the Future

The year 2025 marked a defining chapter in the evolution of our Corporate and Investment Banking (CIB) franchise. It brought into sharper focus the value of deliberate choices made over several years—choices anchored in a more focused sector strategy, disciplined execution, and an enduring commitment to serving clients with depth, relevance, and insight. The outcome was not only a year of strong performance, but also a growing conviction that the business is advancing from a position of genuine strength.

Against a backdrop of intensifying competition, margin compression, and continuing disruption across financial services, CIB Uganda demonstrated the value of consistency and strategic clarity. The business responded with discipline and purpose, translating strategic intent into measurable outcomes and reinforcing confidence in the durability of the franchise.

A Year of Strong, Resilient and Sustainable Growth

This discipline translated into the strongest financial outcome in our history. Profit After Tax exceeded US\$ 300 billion, revenues recorded robust growth, and market share strengthened further—underscoring both the scale of the opportunity before us and the quality of execution across the franchise. Client revenues expanded ahead of GDP and inflation, while positive jaws reflected an operating model that is becoming increasingly scalable as it grows. The result is not simply stronger earnings, but a more favourable balance between growth, efficiency, and long-term sustainability.

Advancing Growth Sectors and Deepening Client Relevance

The year also illustrated the intentional manner in which we are deploying capital towards sectors of greatest significance to Uganda's long-term development. In Energy and Infrastructure, approved exposures exceeded US\$ 650 billion, supported by lead roles in nationally significant transactions such as the USD 118 million Umeme buy-out financing and the USD 5 billion East African Crude Oil Pipeline (EACOP).

Beyond energy, we continued to support progress across healthcare, industrialisation, and financial inclusion, while client engagement deepened materially. More than half of our revenues were derived from new or current-year client activity, providing clear evidence that our origination efforts are translating into stronger relationships, greater relevance, and sustained commercial momentum.

Differentiation, People and Capabilities

Our competitive advantage is increasingly shaped by the way we combine deep sector expertise with advisory-led engagement and a broader banking ecosystem. This enables us to move beyond discrete transactions and engage more meaningfully with our clients' strategic priorities, thereby strengthening both relevance and share of wallet over time.

This progress is underpinned by continued investment in leadership, specialist capability, and digital enablement. As we broaden the application of automation and artificial intelligence, our focus is not solely on efficiency, but equally on equipping our teams to devote more time to higher-value work that enhances client outcomes and reinforces organisational resilience.



Looking Ahead

Our priorities for 2026 are clear: to defend and grow the core franchise, win selectively in energy and infrastructure, deepen Local Corporate penetration, and strengthen priority client ecosystems through value-chain and digital platforms. We will pursue these opportunities with the same emphasis on risk discipline, cost efficiency, and thoughtful capital allocation that has characterised our progress to date.

Our longer-term ambition remains to build a US\$ 1 trillion revenue CIB business by 2029, while continuing to contribute meaningfully to Uganda's economic transformation and deepen the value we create for the institutions and enterprises we serve. The path ahead will require discipline, adaptability, and sustained execution, yet we believe the foundations now in place position us well to realise that ambition.

We deployed capital towards **sectors of greatest significance** to Uganda's long-term development.

UMEME buyout

USD 118m

Energy and Infrastructure

US\$ 650bn

Personal and Private Banking

With a strong and growing client base of over 500,000 customers across Uganda, we remain committed to delivering innovative, customer-focused solutions that enable individuals to build, manage, and preserve their wealth.



Samuel F. Mwogeza
Head Personal and Private Banking

Our Client

We provide bespoke financial solutions designed to meet the distinct needs of our clients, with a strong emphasis on Private and Personal Banking (PPB). Our offering spans a broad spectrum of individuals, covering wealth and investment management, private banking, and personal banking services.

With a strong and growing client base of over 500,000 customers across Uganda, we remain committed to delivering innovative, customer-focused solutions that enable individuals to build, manage, and preserve their wealth—underpinned by the personalised service that defines our PPB proposition.

Our Solution

At Stanbic Uganda, we provide a comprehensive suite of financial solutions designed to meet the varied needs of our clients. Our offerings include home loans, vehicle and asset finance, personal loans, credit cards, transactional banking, and foreign exchange services, alongside insurance and investment products.

We continue to broaden our portfolio with non-banking, value-added services that enhance the overall client experience—delivering personalised solutions, expert investment guidance, and access to distinctive investment opportunities that integrate seamlessly into our clients' lifestyles.

Our wide service network spans physical branches, ATMs, agent banking, a dedicated virtual branch, and retail partners. In addition, clients can conveniently access and manage their finances anytime, anywhere through our mobile banking app, USSD (*290#), and internet banking platforms.

Our Competitive Advantage

We are focused on building strong, lasting relationships with our clients by delivering tailored and relevant value propositions that evolve with their needs. By gaining a deep understanding of each client's financial goals, we provide personalised solutions that create meaningful, positive outcomes.

Our competitive edge lies in our deep insight into the Ugandan market supported by a solid Pan-African footprint that enables us to offer a comprehensive range of financial solutions—from everyday banking to more specialised services including insurance and wealth management. Supported by a strong network of relationship and wealth managers, we deliver not just banking products, but holistic, tailored financial advice.

Our Competitive Positioning

We have built a strong competitive position in Uganda, holding a top-tier market share across personal lending, retail current and savings accounts, and bancassurance, while consistently ranking among the leading providers in card services. Our digital-based lending remains a key growth driver, with a clear ambition to become the market leader by 2027.

We benefit from a robust distribution network, including the widest physical branch coverage, an extensive agent banking footprint, 24/7 digital banking capabilities, and a team of experienced relationship and wealth managers. This strong presence allows us to deliver holistic financial solutions and advisory services that extend beyond traditional banking. With deep local market insight and a continued focus on client-centricity, we are well-positioned to sustain growth and further strengthen our competitive advantage.

In 2025, PPB delivered **strong strategic execution**, reinforcing our position as a leading retail franchise

Diversified private sector portfolio



40

new employer-based schemes

Informal customer base grew by



60,000

new clients ▲ 29%

We drove active digital usage



48%

2024: 39%

Under our Youth proposition



Over **28,000** new youth benefited from UShs **82bn** in loans



Our Strategic Execution

In 2025, PPB delivered strong strategic execution, reinforcing our position as a leading retail franchise while laying a solid foundation for accelerated growth in 2026. Our performance was anchored on clear strategic priorities—Building Uganda's best Private Bank, Growing in Personal Banking, and delivering exceptional Client Experience.

Guided by these priorities, we maintained disciplined execution across four core focus areas: Defending and growing our government client portfolio, accelerating diversification into the private sector, deepening our penetration in solving for the informal economy, and expanding our reach among the economically active youth.

We focused on deepening our solutions for all our clients supported by key product interventions like lending risk appetite enhancements and improving the client experience of our digital capabilities. Off the back of this we improved our digital usage uptake from 39% to 48% YoY. We on-boarded 40 new Private sector employer-based schemes, enabling the acquisition of approximately 20,000 new clients and improving overall entrenchment with these clients. Our efforts in the informal sector delivered strong momentum, with scaled value chain financing across key sectors including coffee, palm oil, cocoa, sugar cane, and dairy. Customer numbers grew by over 60,000 new clients, while the self-employed balance sheet grew by 35%. We also strengthened our Youth proposition through partnerships, notably in education and payments, driving 28,000 new youth clients and growing the youth loan book to US\$82 billion. This segment remains central to our long-term growth ambitions, and in 2026 we will scale further through tailored propositions targeting key youth personas and expanding acquisition. Overall, our 2025 achievements demonstrate consistent execution against strategic priorities that we expect will enable more sustained growth ahead.



Our Deep Focus on Clients

We will continue to protect and grow our core franchise by deepening relationships with our existing clients. Our focus is on gaining a stronger understanding of their needs and delivering holistic, context-driven solutions that go beyond traditional banking. By leveraging our data-driven capabilities, we aim to offer more personalised propositions that enhance client retention and increase product penetration.

We recognise the need to deliver a consistent and superior client experience to remain relevant and attract new customers. Our efforts are centred on building richer client insights, enabling us to provide a broader suite of relevant, on-demand solutions across multiple channels. A key priority is the continued advancement of our personalisation and data science capabilities. Over the past year, we have made strong progress in this space, particularly in enhancing client engagement through greater utilisation of the "Next Best Action" (NBA) platform introduced in late 2023. Integrated with Salesforce and our Customer Relationship Management (CRM) platform, NBA delivers deeper client insights, contextually relevant recommendations, and enables real-time, personalised interactions between our teams and clients. The initial rollout within Private Banking has already driven measurable improvements in client experience, product uptake, and transaction volumes.

We have since expanded the NBA platform to serve a broader client base. This forms part of our ongoing commitment to delivering greater value and strengthening client relationships, ensuring we remain ahead in meeting client needs. Looking ahead, we will continue to enhance our capabilities by incorporating more advanced Artificial Intelligence (AI) solutions to further elevate personalised engagement and optimise our distribution channels.



Engaged and Empowered People

Our ability to deliver exceptional client service is underpinned by the unwavering commitment of our teams, who consistently go above and beyond to meet client needs. We remain focused on investing in the growth and development of our people, strengthening their capabilities across key areas of expertise. Over the past year, we have significantly increased our training initiatives, with a deliberate emphasis on building skills in data and behavioural science, while further enhancing our strengths in relationship and risk management.

We also recognise that a diverse workforce is critical to better decision-making and sustainable performance. Advancing "Women in Leadership" remains a key priority, as diverse perspectives drive stronger outcomes. We have made consistent progress in this area, particularly within PPB leadership, and are encouraged that women represented 48% of our leadership team at year-end. In addition, employee engagement within PPB remains strong, with the employee net promoter score increasing from +72 to +83, reflecting positive sentiment across age groups, genders, and job levels.



Optimising our Business

We remain focused on simplifying and strengthening our client value propositions, while accelerating adoption of digital channels and optimising our infrastructure to deliver a seamless client experience with improved cost efficiency. Our save-to-invest philosophy continues to guide disciplined resource allocation in support of our strategic priorities.

Our robust core banking platform is supported by a highly skilled technology capability, both locally and at Group level, enabling sustained progress in our digital transformation journey. A significant and growing share of client interactions is conducted through our digital channels — including *290# USSD mobile banking, Internet Banking, the Stanbic App and Flexi-Pay. Consequently, system stability and security remain critical priorities. We continue to achieve strong performance in this area, with system uptime exceeding 99%, reflecting the resilience and reliability of our digital infrastructure.



Sustainable Enterprise

We remain steadfast in our commitment to sustainable enterprise, underpinned by a robust and continually evolving risk appetite framework that remains aligned to changing market conditions. Our role as a growth partner to our clients continues to sit at the core of our strategy, supported by solid progress in embedding sustainable business practices and strong governance, reinforced by enhanced risk management capabilities.

As cyber threats and fraud risks persist both locally and globally, we have continued to invest significantly in strengthening our fraud risk management capabilities. Alongside enhancements to our Internal Control function to drive greater oversight and discipline across operations, we have established a dedicated front-line fraud risk capability to further improve prevention and detection. These initiatives, coupled with ongoing investment in data driven fraud detection tools, are key to enhancing our resilience and enabling a more proactive response to the evolving threat landscape. We also continue to prioritise staff training and customer awareness campaigns, reinforcing the importance of vigilance in safeguarding both our customers and the bank.



Our Performance in 2025

Our business registered a resilient performance for the year supported by strong growth in Non-Interest Revenues, strong balance sheet growth and very well managed credit impairment. Our earnings reached US\$144bn and with a strong ROE at 50.6%. Our performance was anchored by a clear focus on our client centered strategy and improved productivity from our channels and frontline and support teams. Enabling our clients through varied flexible low-cost financing solutions was a key driver for our growth and supported a 13% growth in our personal lending portfolio. It continues to be a priority for us to empower our customers to access required financing at the lowest rates possible and we conducted a series of impactful campaigns under a new tagline "Supa Dupa" to enable this. We also continued to win customers' trust with their deposits with a good growth of 15.4%. Notably our Savings product grew by 19%. This solid growth was off the back of improved value proposition for our Private Bank and employee scheme clients, improved account opening experience supported by self-assisted on-boarding and continued strong collaboration with the CIB and BCB business units to solve for the individual clients in our chosen ecosystems. Supported by this strong balance sheet growth, our operating revenues increased by 8% with stronger growth under non-interest revenues at 17% that compensated for the margin compression faced under our Net Interest Income that grew by a more muted 4% despite our strong balance sheet growth.

Our Non-Interest Revenues growth was supported by continued focus on enabling improved convenience for our customers through our digital platforms and leveraging client data insights to extend investment, insurance, currency, short term financing and other transactional solutions.



Our earnings came through at US\$144bn and with a strong ROE at 50.6%. Our performance was anchored by a clear focus on our client centered strategy and improved productivity from our channels and frontline and support teams.

Our credit impairment registered very strong YoY improvement despite strong loan growth supported by sound credit decisioning with a strong focus on de-risking through lending through formal and informal value chains where we have deep understanding of the client financial flows. Our collections strategy and execution were also a key factor, and we noted strong recoveries from previously written off loans off the back of this.

We continued to focus on delivering a more efficient operation and made significant investments in accelerating improvements in our digital capabilities. Notably our cost to income (CTI) came through at 47%. We will continue to focus on improving the productivity and efficiency of our physical channels through leveraging our digital acceleration and personalisation journey and improving our frontline teams' sale effectiveness.



Looking Ahead

Looking ahead, Uganda's strong economic fundamentals—supported by progress towards first Oil, improving agro-productivity and higher financial inclusion are supporting rising income levels across the population that will underpin consumption and economic activity.

We are well positioned to solve for this opportunity by integrating low cost scalable/digital financial solutions with more complex solutions under Wealth management, long-term asset financing and protection. We remain committed to advancing financial inclusion in the informal sector, with a focus on women and youth—through robust financial literacy programmes, affordable banking and wealth management solutions. This will enable more resilient and diversified earnings profile and support our agenda for sustainable growth.

We will continue to focus on deepening our client relationships by strengthening our client experience across all touch points, leveraging our enhanced personalization capabilities to more meaningfully solve for our customers and investing in our people to improve our ability to strengthen our customers wealth journeys. We believe this will enable our aspiration to support our customers live better lives and set-up the next generation of Ugandans to have a better start to build from.

Business and Commercial Banking

With more than 1.1 million MSMEs contributing meaningfully to national GDP and job creation, our commitment to transforming possibility into opportunity for these businesses remains steadfast.



Tunde Thorpe
Acting Head, Business and Commercial Banking

2025 marked a pivotal reset for our business — a year dedicated to strengthening our foundation and positioning ourselves for sustained growth. With renewed strategic clarity over the medium-term (2025-28) and a thorough sanitisation of our credit book, we delivered a remarkable turnaround: an 80% reduction in credit impairments and a 24.7% rise in Profit After Tax, signaling the strength of the choices we made and the resilience of our business.

During the same period, we disbursed over 8,200 loans worth US\$ 2.4 trillion to more than 1,200 customers, including facilities extended through our SACCO Value Proposition. Since 2021, this proposition alone has touched the lives of more than 923,000 individuals, directly and indirectly supporting families, small businesses and community livelihoods across the country. Additionally, we disbursed over US\$ 70bn through our renewable energy proposition, underpinning our focus on leading Africa's energy transition.

All this progress was achieved while maintaining strong cost discipline, keeping our operational expenditure 4% below budget — a testament to our commitment to efficiency, stewardship and responsible growth.

Our Clients

Business and Commercial Banking (BCB) serves a diversified portfolio of over 60,000 clients, the majority being indigenous Ugandan businesses. Our Commercial segment caters to established and mostly indigenous Commercial businesses, while our Enterprise segment serves Micro, Small and Medium Enterprises (MSMEs) that form the lifeblood of Uganda's economy.

With more than 1.1 million MSMEs contributing meaningfully to national GDP and job creation, our commitment to transforming possibility into opportunity for these businesses remains steadfast.

Our Solutions

We offer a comprehensive suite of solutions designed to support our clients at every stage of their financial journey — from current, savings and investment accounts to seamless payment and collections solutions; from short- and long-term financing to trade instruments that protect working capital; from vehicle and asset finance to a range of value-adding services delivered through both modern digital channels and physical touchpoints.

Guided by constant feedback and deep client insights, we continue to refine and evolve these offerings to ensure they remain relevant, intuitive and fully aligned to the needs of the businesses that place their trust in us.

Our focus on social, economic and environmental impact is deeply embedded within our offerings:

In line with our sustainability and ESG obligations, our renewable energy proposition saw up to US\$ 70 billion injected into the renewable energy supply chain, providing the much-needed financing for working capital solutions and renewable energy asset acquisition across diverse sectors from agricultural value addition, manufacturing, trade, telecommunications, and transportation.

Our journey to deepen financial inclusion continues through our SACCO Value proposition, which saw us extend over US\$ 123Bn in credit facilities to more than 184 SACCOs in 2025. Since 2021, US\$ 288Bn in financing has been accessed by 923,000 SACCO members, supporting their families and businesses, with a ripple effect across the broader Ugandan economy.

Our Competitive Position

Our broad and well-diversified client base representing key sectors across Uganda's economy gives us a unique depth of insight and the opportunity to support businesses with a holistic understanding of their realities. Through a sector-based approach, we focus on the industries shaping national growth: Agribusiness, Consumer and Manufacturing, Energy and Infrastructure, Education, Health, Public Sector, Not-for-Profit Organisations as well as Non-Banking Financial Institutions.

Working in close alignment with our Corporate & Investment Banking franchise, we connect the dots across entire value chains. This coordinated approach ensures we understand our clients' needs end-to-end and can deliver integrated solutions that create meaningful, shared value.

FlexiPay, our homegrown mobile wallet solution, continues to cement its position as the engine of value-chain digitisation across BCB, driving deeper customer engagement and accelerating payment flows for SMEs and traders. As the first bank-led wallet in Uganda to enable fully interoperable merchant acceptance, FlexiPay allows businesses to receive payments seamlessly from any channel and settle funds instantly into Stanbic accounts for real-time access.

This capability is now scaling across BCB value chains: active customers have surged, transaction volume and value have more than doubled year-on-year, and BCB's value-chain penetration continues to rise with ambition rise sharply from 181 active anchors to 606, delivering a 180% growth in transaction value and a growing share of digitally-embedded financial flows. When combined with new onboarding of energy sector distributors, merchant tiered pricing, and targeted ATL campaigns, FlexiPay is rapidly becoming the digital backbone powering BCB's ecosystem strategy.



Our People

Our people remain the beating heart of our strategy. Over 200 colleagues show up every day with dedication and care, relentlessly supporting our clients and lifting the standard of service we provide. To honor their contribution, we continue to invest in their growth — building skills, strengthening competence and empowering them to thrive in a rapidly evolving world. With targeted development in relationship management, risk, and future-fit skills like data and analytics, we are equipping our teams not just to adapt, but to lead with confidence. The impact is clear: in 2025, our Employee Net Promoter Score soared to +77 from +69, with strong gains in areas our people said matter most — psychological safety and recognition.



Our Performance in 2025

In 2025, our business demonstrated resilience, delivering strong, double-digit growth year-on-year across our key fundamentals i.e. 24.7% on Profit After Tax, 15% on loans and 16% on deposits.

Our client-centric value propositions, intentionality towards client experience and above all, our clients' confidence in us to be their preferred partner for growth saw us not only retaining our deposits but significantly growing them. Deposit growth was commendable at 16% YoY.

Having focused on deliberate portfolio cleanup over the past 2 years we achieved a pleasing 15% year-on-year growth in the loan book, rising from US\$ 910.7bn in December 2024 to US\$ 1.05tn in December 2025, marking the first time we crossed the US\$ 1 trillion threshold in three years. This growth is a testament to the success of our revamped customer value propositions and mining value from the ecosystems of our focus sectors.

Hinged on our focus to drive convenience for our clients and enabling transactability, we registered growth in client activity across our digital and alternate channels, supporting the payments and collections journeys for our clients. Our efforts delivered a 12% uplift in non-interest revenue after 3 years of stagnancy on this revenue line. This reflects that our clients are doing more with us — relying on our platforms for their payments, their trade needs and their foreign-exchange transactions, evidenced by the impressive growth noted in transactional fees, trade commissions and foreign exchange fees.

We also registered an 80% decline in loan impairment provisions, illustrative of our efforts to drive quality credit risk origination and effective portfolio management. This was complemented by a strong recovery strategy on delinquent loans, culminating in a 21% growth in our headline earnings.

We continue to strive to be the preferred partner of choice for clients, and this is evidenced by the growth in our customer base from ~55,000 to over 60,000. The strong collaboration with our CIB franchise was largely instrumental in driving acquisition of new clients and growth of the existing ones, within the key value chains.

Looking ahead

Everything we do begins with our clients. Their progress fuels our purpose, and it is why we continually refine how we operate to better support their growth.

As we execute in 2026, we stand on a stable foundation deliberately built over the past two years through revitalized customer value propositions, ecosystem-focused growth, refined credit processes, and a redesigned operating model. With these fundamentals now firmly embedded, 2026 will focus on accelerated impact and scale.

We will leverage nascent customer value propositions to deliver bespoke solutions and service standards to both new and existing customers. We are deepening our presence in the sectors that matter most to Uganda's economic progress, i.e., manufacturing, education, agribusiness, energy & infrastructure, and consumer ecosystems. Our approach to business will continue to be grounded in understanding value chains end-to-end, partnering more closely with enterprises, and providing ecosystem solutions that accelerate commerce, unlock working capital, and strengthen business resilience.

In 2026, digital-first delivery remains a priority in order to make our customer journeys even more seamless — from online account opening to semi-automated loan origination, to smooth transactability via our self-service channels. FlexiPay will continue to anchor last mile capability, solving for speed, convenience, and cash management needs across communities and enterprises. The goal is simple: make doing business easier, faster, and more connected.

Having seen remarkable success from our enhanced frontline presence in up-country regions, we will focus on scaling our regional presence, while leveraging technology to augment the quality and consistency of service delivery.

Our progress will continue to be rooted in positive impact. We took bold steps this year to uplift Uganda's entrepreneurial base—renewable energy projects, SACCOs, women-led businesses, youth enterprises, and agricultural value chains. Some of these were achieved through key strategic partnerships, such as one with the Buganda Cultural and Development Foundation (BUCADEF), with whom we launched the Ssemaduuka initiative. Ssemaduuka is essentially a one-stop agricultural centre that expands access to structured, collateral-free financing, strengthens SACCO governance, formalises the coffee value chain, and links farmers to digital payments and export markets. This ecosystem-driven model deepens financial inclusion and enhances rural livelihoods, reinforcing our role in driving inclusive and sustainable economic growth.

2026 is about executing boldly and scaling what works - with discipline, digital intensity, and a deeper commitment to the businesses and communities we serve.

Together with our clients and partners, we are unlocking possibility, accelerating economic momentum, and building a stronger, more dynamic financial ecosystem for Uganda's future.

Our progress will continue to be rooted in positive impact. We took bold steps this year to uplift **Uganda's entrepreneurial base—renewable energy projects, SACCOs, women-led businesses, youth enterprises, and agricultural value chains.**



Insurance and Asset Management

We facilitated the payment of 905 claims valued at US\$ 5.6 billion, representing 15% growth in the number of claims settled. Each claim paid underscores the real impact our work has on safeguarding livelihoods.



Tich Makonese
Insurance and Asset Management

How we performed in 2025

In 2025, we remained focused on strengthening the foundations for sustainable growth and deepening the value we deliver to our customers and the Group. This strategic intent guided our efforts across the business and is reflected in the breadth of progress achieved during the year.

Customer protection and resilience remained central to our purpose. During the year, we facilitated the payment of 905 claims valued at US\$ 5.6 billion, representing 15% growth in the number of claims settled. Each claim paid underscores the real impact our work has on safeguarding businesses, livelihoods, and long-term financial stability.

We were honoured to be recognised by the Insurance Regulatory Authority (IRA) as the “Most Innovative Bancassurer” for the second consecutive year at the Insurance Innovation Awards: a reflection of a deep understanding of our customer’s demographic realities, and a testament of our dedication to pioneering customer-centric product design.

Beyond commercial and product performance, we continued to drive societal value by advancing the bank’s financial literacy agenda. Through the Financial Fitness Academy, we empowered over 19,000 individuals with knowledge and practical tools to strengthen their financial wellbeing. This remains one of the most meaningful avenues through which we contribute to financial resilience and inclusion.

Our financial performance demonstrated the strength and resilience of our model and reflects the outcomes of these customer focused efforts. Headline Earnings grew by 44% year-on-year, underpinned by 22% revenue growth from a more diversified product suite that now extends beyond our traditional retail base to include solutions led propositions for business and corporate customers. Operational efficiency also strengthened, with a double digit reduction in the cost to income ratio signalling disciplined cost management alongside strong topline momentum.

The Uganda Bancassurance Landscape

Bancassurance continues to play an increasingly important role in Uganda’s insurance ecosystem. The channel recorded 34% year-on-year growth in gross written premiums, with a five-year CAGR of 24%, significantly outperforming all other distribution channels.

Bancassurance now commands 15% of total market distribution, up from 13% in the prior year and nearly double the 8% recorded five years ago—a signal of both customer preference and banks’ effectiveness in delivering insurance solutions.

The landscape is also experiencing new entrants, two in 2025, underscoring the growing strategic relevance of bancassurance in deepening market penetration and broadening access to insurance protection.

We anticipate continued expansion of the channel, driven by banks’ deep customer insights, the ubiquity of branch and digital distribution networks, and the blending of traditional banking with innovative insurance offerings.



The Global Context

The global insurance industry continues to navigate an environment marked by economic uncertainty, technological acceleration, and evolving customer expectations.

Key trends from global market analyses include:

Persistent economic and geopolitical volatility, coupled with increasing frequency of catastrophic events, which is reshaping risk dynamics globally. Insurers are entering an era of uncertainty where traditional models face pressure.

The industry is experiencing heightened emphasis on technology modernisation, with AI scaling becoming a strategic priority across underwriting, distribution, and customer engagement.

Advanced data capabilities and generative AI are emerging as differentiators, enabling improved pricing, risk prevention, and product relevance.

Taken together, these dynamics signal an industry in transition—one where relevance, innovation, and agility will distinguish the next generation of market leaders.

SBG Securities Limited

We closed the year with total Assets Under Management (AUM) at US\$ 538 billion and added over 4,000 new clients. Our market share also grew to over 9% - making us the 3rd largest CIS Manager in Uganda.



Grace Semakula
Chief Executive, SBG Securities

Overview

2025 was a very strong year for SBG Securities. We registered strong performance across all our business segments, and I am pleased to share the highlights of this performance.

Our asset management business continued to build on the strong growth momentum we registered in 2024, following the official launch of the Stanbic Unit Trust. We closed the year with total Assets Under Management (AUM) at US\$ 538 billion and added over 4,000 new clients. Our market share also grew to over 9% - making us the 3rd largest CIS Manager in Uganda. On the back of this growth – SBG Securities was recognised as the CIS Manager of the Year at the Capital Markets Authority CIS Awards 2025.

Our brokerage business also posted strong performance during the year, marked by a strong above-budget revenue performance and an industry-leading market share of 39% by year end. This growth was anchored by strong trading relationships, especially with our institutional clients.

Operating Environment

Uganda's economy remained resilient in 2025 marked by a GDP growth of 6.3%, modest inflation of 3.1%, below the Bank of Uganda target of 5.0% and a largely stable currency. Fixed income and money market yields were attractive during the year resulting in strong real returns for investors. Additionally, the equities market also posted strong performance, with the Local Company Index (LCI) appreciating by 26.2%, resulting in an uplift in investor wealth.

The Collective Investment Schemes (CIS) sector continued to grow in 2025, crossing the Uganda Shillings Five Trillion (US\$ 5 trillion) mark in total AUM while the total number of funds CIS accounts closed the year at slightly over two hundred thousand (200,000). We are well positioned to leverage the exponential growth in the sector in line with our strategy and growth ambitions.

It is also worth noting that the Retirement Benefits (RB) sector grew 21% crossing the Uganda Shillings Thirty Trillion (US\$ 30 trillion) mark in 2025. During the year, we obtained our Pensions Fund Management license, and we look forward to making a meaningful contribution to the sector and the continued enhancement of social security protection for Ugandans in the formal and informal sectors.

Assets Under Management

US\$ 538bn

389% ↑



Strategy and Outlook

Our ambition is to become the wealth creation partner of choice for Ugandans. Accordingly, our strategy – premised on three pillars: Transforming Client Experience, Product-Led Differentiation, and Scaling Distribution – is aligned to this ambition.

As we look ahead, we would like to renew our commitment to continue serving our clients exceptionally. Our pledge to our clients this year is three-fold: we will deliver a **superior client experience** underpinned by a reliable and stable digital experience; we will deliver a **diverse and differentiated suite of products** to serve our clients' different investment needs; and we will enhance our capability to serve our clients better and faster by **growing our distribution footprint** and empowering them to make investment decisions easier and faster.

Additionally, we intend to execute a sustained financial literacy program to empower and equip Ugandans with the right investment knowledge. Finally, we will enter key partnerships to scale our ability to deliver our services to the last-mile and ultimately drive financial inclusion.

Appreciation

I am proud of the progress we have made in the execution of our strategy. This progress would, however, not have been possible without the immense support of all our stakeholders.

Accordingly, I would like to extend my sincere appreciation to the Board, our staff and the wider Stanbic Uganda community for their strong contribution towards the success we registered last year. I would also like to extend my gratitude to our regulators, partners and the Standard Bank Group for their continued support.

In a special way, I thank all our clients for their continued trust and confidence in us throughout the year. We reiterate our firm commitment to continue being your trusted wealth creation partner and supporting you to achieve your dreams, in line with our purpose - **Uganda is our home; we drive her growth.**

What this means for our business

For us, the global and regional trends reinforce the urgency to differentiate through customer-centric innovation, leverage data more intelligently, and relentlessly enhance the value we deliver.

The evolving global landscape underscores the importance of solutions that go beyond traditional protection, especially in markets with unique demographic and socioeconomic structures like Uganda.

Increased competitive intensity—both locally and globally—will require us to accelerate our digital transformation, ensuring that our customer journeys remain seamless, intuitive, and responsive.

Growing protection gaps globally highlight the opportunity for us to continue designing relevant, accessible, and affordable solutions, tailored to both emerging and affluent customer segments.

As AI and advanced analytics reshape global insurance models, we are well-positioned to integrate these capabilities into our distribution, and customer engagement processes.



Looking Forward

In the year ahead, our focus remains on strengthening customer trust and ensuring our solutions stay relevant to their evolving needs. We will continue to advance our digital agenda, simplifying how customers access, manage, and benefit from our insurance offerings, with particular emphasis on seamless servicing and claims experiences.

At the same time, we will drive purposeful innovation across the market, developing solutions that deliver tangible impact and reinforce our leadership position. To support this ambition, we will continue investing in our people—building the capability and agility required to sustain our momentum and confidently lead the business into its next phase of growth.



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down on
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UGX Unit Trust	USD Unit Trust
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Sbg Securities is regulated by the **Capital Markets Authority** of Uganda and the **Uganda Retirement Benefits Regulatory Authority**.
The **Stanbic Unit Trust** is a product of **Sbg Securities Uganda Limited**

Stanbic Business Incubator Limited

In 2025 alone, the incubator facilitated US\$ 40 billion in funding and strengthened bankability for 3,396 entrepreneurs, helping many access loans for the first time.



Catherine Poran
Chief Executive, SBIL

Empowering Ugandan Enterprises

In 2025, Stanbic Business Incubator Limited (SBIL) reaffirmed its commitment to the Ugandan entrepreneurial spirit. As an integral part of Stanbic Uganda, our mission is built on a foundational promise: Uganda is our home; we drive her growth.

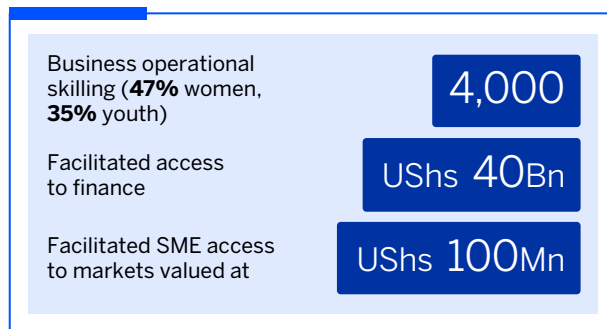
We believe that the strength of our nation lies in the resilience of its Small and Medium Enterprises (SMEs). Throughout the past year, SBIL has focused on transforming high-potential ideas into structured, formal, and sustainable businesses. By prioritising Women, Youth, and Farmers (the WYF Agenda), we are ensuring that economic opportunity is inclusive and far-reaching.

Our work in 2025 was defined by a transition from basic training to comprehensive business maturity. We have empowered thousands of entrepreneurs with the tools, networks, and confidence needed to participate in major value chains, ensuring that local businesses remain the heartbeat of Uganda's economy.



Three Core Strategic Pillars

Our interventions are designed to provide a holistic support system for Ugandan entrepreneurs. We focus on **capacity building** by providing specialised coaching that covers corporate governance, financial management, and operational efficiency to ensure business longevity. We expand **access to markets** by opening doors for local SMEs to supply large-scale corporate entities and participate in national infrastructure projects. In addition, we drive **digital adoption** by equipping businesses with the technology needed to streamline operations, reach new customers, and maintain transparent records.



Sectoral Achievements

In agribusiness, through our Agribusiness Development Programme (ADP), we continued to support farmers in transitioning from subsistence to commercial success. **A notable export success was achieved** by Solomon Barikurungi from Kikuube District, who met international quality standards and successfully exported 124kg of hot pepper to London. At the same time, we strengthened local supply chains by integrating farmers into the Albertine region's growing energy and hospitality sectors.

In digital transformation, SBIL, through the 10X Digital Boost Programme, is equipping young women and youth-led enterprises with the skills and tools needed to thrive in an increasingly digital economy. The programme has trained 3,047 young women entrepreneurs, reached 96 refugees, and included 271 persons with disabilities. It has also supported 906 MSMEs to increase their incomes, onboarded over 300 businesses onto Flexipay, enabled 624 businesses to adopt digital transaction solutions, and helped more than 500 enterprises leverage digital marketing platforms.

In innovation and sustainability, through the Uganda Climate Innovation Fund (UCIF), we supported the development of eco-friendly business solutions. At the Kulika Training Centre, supported innovators developed a low-cost organic solution to control Bacterial Wilt, significantly protecting crop yields for Solanaceae farmers.

Geographic Reach: Impact by District

SBIL operates a decentralised model to ensure that progress is distributed across the regions of Uganda.

Strategic Partners Acknowledgement

Our impact is magnified through collaboration with partners who share our dedication to Uganda's prosperity. Key development and technical partners include the Mastercard Foundation, Outbox Uganda, NSSF, GIZ, UNCDF, the French Embassy, and aBi Development. We also continue to work with corporate and government partners such as UNOC, PAU, MTN Uganda, Movit Products, Unilever, KK Foods, and MSL Uganda Limited. This is further supported by institutions including URA, URSB, and the Uganda Bankers Association.

Conclusion

The 2025 Annual Impact Report reflects a year of resilience and growth. By focusing on formalisation, market access, and digital literacy, SBIL is ensuring that Ugandan SMEs are built on a foundation that lasts. As we move forward, we remain dedicated to our core purpose of empowering the people who build our nation.

Stanbic Properties Limited

Property redevelopments undertaken and completed over the last three years, notably Mbarara and Gulu, have now stabilised and are fully operational contributing to growth in SPL's annual rental revenue by 94%.



Spencer Sabiiti
Chief Executive, SPL

Overview

Stanbic Properties Limited reported a 28% year-on-year growth in revenue, reaching US\$ 4.1 Bn, and a 240% year-on-year increase in Profit After Tax, amounting to US\$ 944Mn, alongside a positive trajectory in the cost to income ratio in 2025. This growth continues to be driven by an effective revenue enhancement strategy premised on space optimisation initiatives through property redevelopment projects, improved operational efficiencies, and overall cost management.

Property redevelopments undertaken and completed over the last three years, notably in Mbarara and Gulu, have now stabilised and are fully operational, contributing to growth in SPL's annual rental revenue by 94%, from US\$ 1.7 Bn at inception in 2020 to US\$ 3.3 Bn in 2025. SPL also diversified its revenue streams through project management services, with a key highlight in 2025 being the provision of technical support on a high-profile USD 150 Mn project funded by Stanbic Bank.



Strategy

SPL's operating mandate is primarily focused on ongoing value realisation initiatives for the Group's ecosystem through branch revamps, office upgrades, and the Arua redevelopment project. Key considerations include the availability of funding and the suitability of existing locations given evolving economic centres.

Significant progress was made, with over ten Stanbic Bank branches revamped and relocations delivered as planned, alongside routine maintenance of branch properties countrywide. Additionally, substantial progress has been achieved on the Arua redevelopment project, which is currently at 55% completion. The electioneering period in the last quarter of 2025 impacted progress on the Arua redevelopment project.



2026 Outlook

The key focus for 2026 is to continue bank branch revamps, primarily to enhance the structural integrity and functionality of properties earmarked by the Bank, meet client expectations, provide conducive work environments, and ensure regulatory compliance. It is projected that the Arua redevelopment project will be completed in 2026.

Key dependencies will include the availability of funding for revamps, the identification of new sites, and the relocation of existing branches where necessary.



Stanbic Properties Limited reported a **28% year-on-year growth** in revenue

Revenue

US\$ 4.1Bn

Profit After Tax

US\$ 944Mn



FLYHUB

By moving from relying on imported technology to locally built cloud and automation solutions, and by opening investment access through phone, agent, or branch on the SBGS platform, Flyhub helped Uganda grow by expanding financial inclusion and building a more equitable digital economy.



Joel Muhumuza
Chief Executive, FlyHub

We have delivered more than 15 applications and platforms across the Stanbic ecosystem, unlocking over US\$ 3 billion in cost avoidance and efficiency gains, while continuing to expand our contribution to Group value and shareholder returns.

These automated platforms power critical processes including bill payments, insurance premium collections, and legal workflows—processing thousands of transactions monthly and enabling our people to focus more of their time on client service and relationship building.

In 2025, our focus sharpened on SBG Securities, where we are laying the digital foundation to position it as the country's largest asset manager. This continues to evolve into a platform that enables clients to invest seamlessly via mobile, agents, or bank branches—delivering a truly multichannel experience that removes paper-based friction and broadens access to wealth creation for more Ugandans.

Our core capabilities—cloud management, UX design, automation, and platform support—are now embedded within the Group, ensuring that this expertise is sustained, scaled, and continuously refined for the future.

Looking ahead, Flyhub's role continues to evolve as a dedicated unit enabling cross-group platforms while actively exploring emerging technologies that will shape the next phase of growth. We remain focused on demonstrating how a lean, locally grounded team can deliver outsized impact—building and strengthening the digital rails that will support a more inclusive financial future for Uganda.



Chief Risk Officer's Review

We continued to assess the impact of evolving geopolitical developments on our business portfolio through rigorous stress-testing and targeted mitigation measures, while maintaining robust oversight of our core risk profile



Martin Sekaziga
Chief Risk Officer

In 2025, the Franchise demonstrated resilience and maintained disciplined risk management practices amid a volatile environment shaped by global economic uncertainty—including global tariff pressures, heightened geopolitical tensions such as conflicts in the Middle East, the Russia–Ukraine war, instability in the DRC and Sudan, and major election cycles in Tanzania and Uganda.

The risk management framework absorbed these shocks, keeping the enterprise within risk appetite and aligned to strategic objectives.

The Ugandan macroeconomic landscape demonstrated resilience, characterised by low volatility in key market indicators and consistent monetary policy, enabling the franchise to maintain strong asset quality and proactively manage emerging risk exposures

Our credit portfolio remained resilient and well-diversified, supported by strong risk-management practices, prudent underwriting, and effective early-warning systems, all of which helped preserve asset quality in a shifting operating environment

We continued to assess the impact of evolving geopolitical developments on our business portfolio through rigorous stress-testing and targeted mitigation measures, while maintaining robust oversight of our core risk profile—including compliance and

regulatory, fraud, third-party, and cyber risks—by closely monitoring Board-approved risk-appetite metrics and updating our risk-appetite statement to ensure our risk-management framework remains responsive to changing market, regulatory, and strategic conditions.

Climate risk remains a material element of our Enterprise Risk Management framework, and in 2025 we strengthened our readiness by enhancing governance structures, aligning our operating models with international and local regulatory expectations such as IFRS S1 and S2, and building deeper internal capabilities through climate scenario analysis and stress-testing advances that reinforce our commitment to responsible and sustainable banking that positions the franchise to better anticipate and respond to the long-term impacts of climate change on our customers, communities, and the wider economy.



Looking ahead (2026 and beyond)

In 2026, we will redefine resilience by elevating our risk management capabilities and modernizing our frameworks.

Our enterprise will be anchored in rigorous controls, resilient infrastructure, and strengthened crisis management and third-party oversight. **We will be prepared for cyber and geopolitical disruptions, while harnessing advanced risk data, analytics, and AI** to build a future-ready organisation that thrives amid uncertainty.

Risk Culture

Our continued emphasis on responsible banking, regulatory alignment, and enterprise resilience positions us strongly to support our strategic ambitions in 2026 and beyond.



Climate risk remains a material element of our Enterprise Risk Management framework, and in 2025 we strengthened our readiness by enhancing governance structures.



Our approach to Risk Management

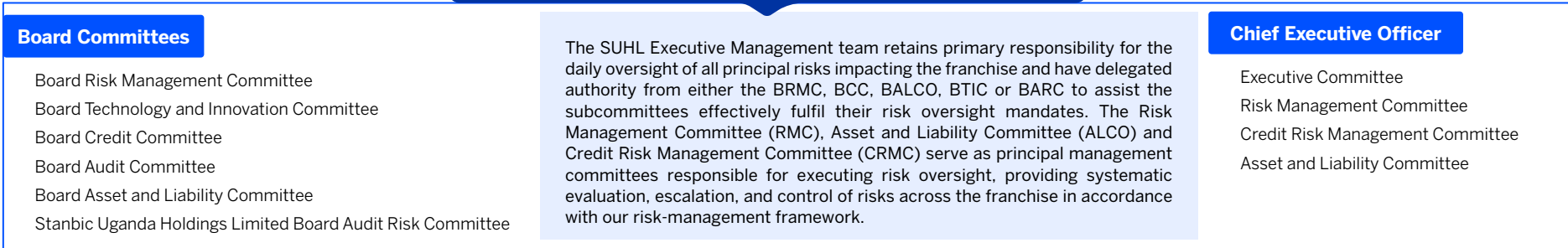
We adopt a broad, forward-looking perspective in recognising risks, analysing environmental shifts, and balancing challenges with potential opportunities, supported by consistent risk and capital-management practices founded on a mature framework.

This enterprise-wide approach to risk management is essential to driving and sustaining the execution of our long-term strategy.

1. **Risk ownership**
(Business unit and legal entity management) The first line of defence proactively identifies, assesses and measures applicable risk scenarios in order to arrive at decisions within our risk appetite.
2. **Direct, control and oversight**
(Risk management and compliance functions) The second line of defence directs the definition of the enterprise-wide risk management programme
3. **Risk Advisory**
(Group Internal Audit) The third line of defence provides independent and objective assurance to the board and senior management on the adequacy and effectiveness of the control environment and the risk management programme.



RISK MANAGEMENT PROGRAMME





Our Risk Universe

Our risk universe comprises the core risk types of our business, grouped into **strategic, financial and non-financial categories**. We routinely scan our operating environment for changes to ensure we respond appropriately to risk and opportunity.

Strategic Risks

The risk that future business plans and strategies may be inadequate to prevent financial loss or protect the Group's competitive position and shareholder value. These include the following as per our taxonomy:



Strategy position risks



Strategy execution risks



Reputation risks

Financial Risks

The risks associated with unexpected changes in external markets, price, rates and liquidity supply and demand. These include:



Credit risks



Market risks



Climate risks



Insurance risks



Country risks



Funding and liquidity risks

Non-Financial Risks

Operational risks arising from inadequate or failed processes, people and systems as a result of internal or external factors. There are 17 non-financial risk types included in our risk management framework. They are managed separately from financial risks and exclude strategic risks. **The following are our NFR Risk Types.**



Business disruption risks



ESG risks



Legal risks



Tax risks



Compliance risks



Financial accounting risks



Model risks



Technology risks



Conduct risks



Financial Crime Compliance risks



People risks



Third party risks



Cyber risks



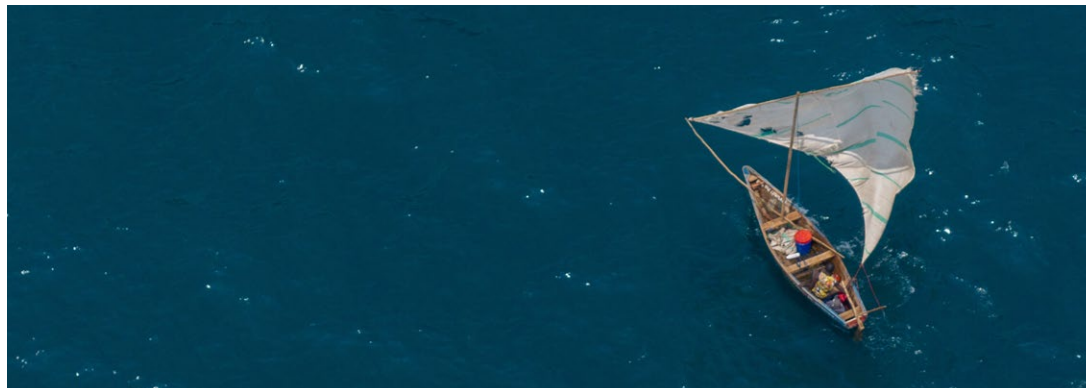
Information risks



Physical assets, safety and security risks



Transactional processing risks





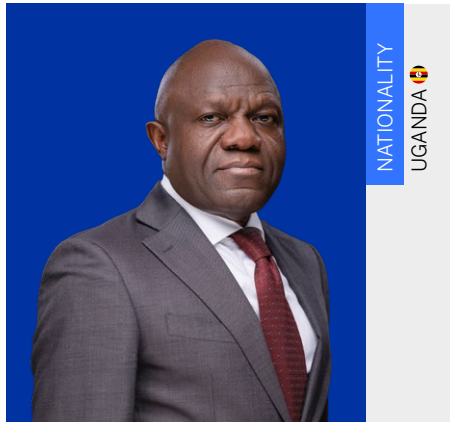
5

CORPORATE GOVERNANCE

Our leadership and how we approach value creation in relation to good governance practices.

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Board of Directors



Baker Magunda⁶⁰

Board Chairman SUHL

Academic Qualifications

- Diploma In Advanced Management -IESE Business School-Spain
- BSc-Economics-Makerere University-Uganda

Primary Strengths and Skills

- Seasoned Business and Executive Leader
- Strategy Advisory
- Corporate Governance and Culture
- Brand, Marketing and Communication

Year of Appointment

- 2023

Board Committee

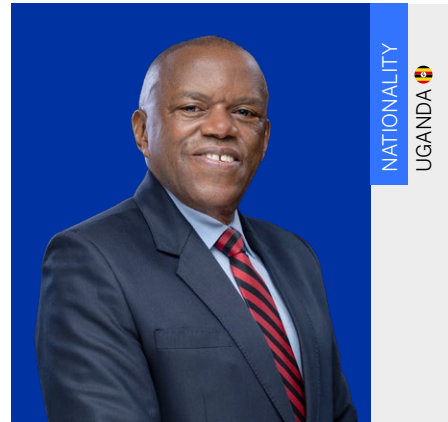
- Nomination and Remuneration (Chair)

Previous Roles

- Managing Director-Guinness Nigeria PLC
- Managing Director-Diageo Ethiopia Hub and Indian Ocean Markets

External Directorships

- Director, Manati Africa International Limited
- Chairman-Namasagali College



Damoni Kitabire⁶⁷

Board Chairman SBUL

Academic Qualifications

- MSc-Finance-Strathclyde University-Glasgow-United Kingdom
- Diploma-National Economic Planning-Central School of Planning Warsaw-Poland
- BA-Economics- Makerere University-Uganda

Primary Strengths and Skills

- Macroeconomics, Finance and Accounting
- Regional and Continental Trade Development
- Public Policy

Year of Appointment

- 2022

Board Committee

- None

Previous Roles

- Country Manager-African Development Bank-Zimbabwe



Yinka Sanni⁵⁹

NED, SUHL

Academic Qualifications

- Executives Program-MIT-Massachusetts
- Global CEO Program-CEIBS-Wharton-IESE Business School-Spain
- Advanced Management Program - Harvard Business School-Boston
- MBA-Obafemi Awolowo University-ILE-IFE-Nigeria

Primary Strengths and Skills

- Corporate and Investment Banking
- Asset and Pension Management
- Stock Brokerage

Year of Appointment

- 2023

Board Committee

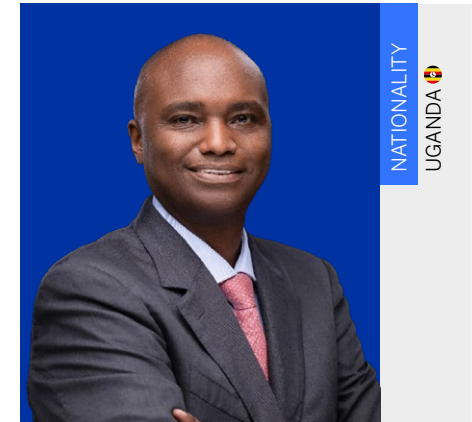
- Nomination and Remuneration

Current Employment

- Group Executive-Standard Bank Group

External Directorships

- NED on Various Boards within Standard Bank Group
- Advisory Board Member-ANAP Foundation
- Member of the Board of Trustees- Redeemer's University Ede Osun State



Patrick Mweheire⁵⁵

NED, SBUL

Academic Qualifications

- MBA-Harvard University- Massachusetts
- BSc in Economics-Daemen College-New York

Primary Strengths and Skills

- Corporate and Investment Banking
- Global Financial markets
- Strategy Development and Execution

Year of Appointment

- 2021

Ceased to serve on the board

- 2026

Board Committee

- Credit · Risk · People and Culture

Previous roles

- Regional Chief Executive - East Africa Region, Standard Bank Group

External Directorships

- NED on various Boards within Standard Bank Group
- Member of Board of Trustees- Uganda Chamber of Mines and Petroleum



UGANDA 🇺🇬

Agnes A. Konde⁵³

INED, SUHL & SBGS

Academic Qualifications

- Fellow of the Chartered Institute of Marketing
- Global CEO Program-Strathmore Business School-Kenya
- MBA-University of Liverpool-England
- Bachelor of Social Science-Makerere University-Uganda

Primary Strengths and Skills

- Strategy Planning and Execution
- Brand, Marketing and Communication
- Stakeholder Management

Year of Appointment

- 2020

Board Committee

- Audit and Risk-SUHL
- Nomination and Remuneration-SUHL

Current Employment

- Director Communications, Innovation, External Engagement and Advocacy- Alliance for Green Revolution in Africa

External Directorships

- INED-Doctors' Choice Limited
- INED-Medassi Investment Limited



NATIONALITY
UGANDA 🇺🇬

Mona M. Ssebuliba⁴⁴

INED, SUHL SBGS & SPL

Academic Qualifications

- MBA-Edinburgh Business School-Heriot-Watt University-Scotland
- BBA-Finance-Makerere University-Uganda

Primary Strengths and Skills

- Financial and Capital Markets
- Investment Banking and Analysis
- Agribusiness Financing

Year of Appointment

- 2023

Board Committee

- Audit and Risk-SUHL

Current Employment

- Chief Executive-aBi Finance Limited

External Directorships

- Board Chair-Renewable Energy Business Incubator
- Board Member-Women's Leadership Development
- Board Member-CEO Summit Uganda



NATIONALITY
UGANDA 🇺🇬

Norbert Kagoro⁵²

NED, SUHL

Academic Qualifications

- MBA-Leadership and Sustainability-University of Cumbria-England
- Member of the Institute of Certified Public Accountants Uganda (ICPAU)
- Fellow of the Institute of Certified Public Accountants of Rwanda
- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Diploma in Business Studies and Administration-Makerere University Business School-Uganda

Primary Strengths and Skills

- Audit, Accounting and Finance
- Risk Management and Control

Year of Appointment

- 2024

Board Committee

- Audit and Risk (Chair)

Current Employment

- Managing Director-Imbogo Safari Lodge

Previous Roles

- Audit Partner-Deloitte & Touche Uganda
- Partner -Whiteknights Partners

External Directorship

- Director-Homeofmel Residences Limited
- Director-Grant Thornton Uganda



NATIONALITY
UGANDA 🇺🇬

Josepha T. Ndamira⁴⁵

INED, SBUL

Academic Qualifications

- MBA- Edinburgh Business School- Heriot-Watt University-Scotland
- Fellow of the Association of Chartered Certified Accountants, FCCA
- BCom in Accounting-Makerere University-Uganda

Primary Strengths and Skills

- Audit, Accounting and Finance
- Risk Management and Controls
- Corporate Governance and Regulatory Compliance

Year of Appointment

- 2019

Board Committee

- Audit (Chair)
- Risk
- People and Culture

Current Employment

- Senior Director-Corporate Resources, TradeMark Africa



NATIONALITY
UGANDA 🇺🇬

Kim Kamarebe⁴¹

INED, SBUL

Academic Qualifications

- MBA-Harvard Business School- Massachusetts
- BSc-Financial Engineering-Princeton University-New Jersey

Primary Strengths and Skills

- Business Transformation, Innovation and Advisory
- Financial and Global Markets
- Capital and Asset Management

Year of Appointment

- 2022

Board Committee

- Credit (Chair)
- Asset and Liability (Chair)
- Technology and Innovation

Current Employment

- Chief Executive & Founder INUA Capital Limited

External Directorships

- Director-Damascus Capital Limited
- INED-aBi Finance Limited



NATIONALITY
UGANDA 🇺🇬

Kenneth Patrick Ogwang⁴⁵

INED, SBUL

Academic Qualifications

- MBA-Strategic Management -United States of International University-Kenya
- BSc (Stat)-Computing -Makerere University-Uganda

Primary Strengths and Skills

- Digital Transformation and Innovation
- Risk and Compliance
- Project Management

Year of Appointment

- 2023

Board Committee

- Technology and Innovation (Chair)
- Risk (Chair)
- Audit

Current Employment

- Head, Digital and Technology-East and South Africa-Diageo (Manufacturing)



NATIONALITY
SWITZERLAND 🇨🇭

Guido Andre Haller⁶⁰

INED, SBUL

Academic Qualifications

- MSc-Technological Economics- University of Stirling-Scotland
- BA- Biology - University of Stirling-Scotland

Primary Strengths and Skills

- Global Financial Markets
- Corporate and Investment Banking
- Capital and Asset Management

Year of Appointment

- 2024

Board Committee

- Credit
- Asset and Liability

Current Employment

- Head CIB International-Standard Bank Group



NATIONALITY
UGANDA 🇺🇬

Geoffrey Ndugwa⁵²

INED, SBUL

Academic Qualifications

- MBA- Edinburgh Business School (Heriot-Watt University)
- B.Eng. (Hons) in Civil Engineering - University of East London
- Postgraduate Diploma in Marketing-UK Chartered Institute of Marketing

Primary Strengths and Skills

- Seasoned Business and Executive Leader
- Governance, Risk and Compliance
- Strategy Development and Execution

Year of Appointment

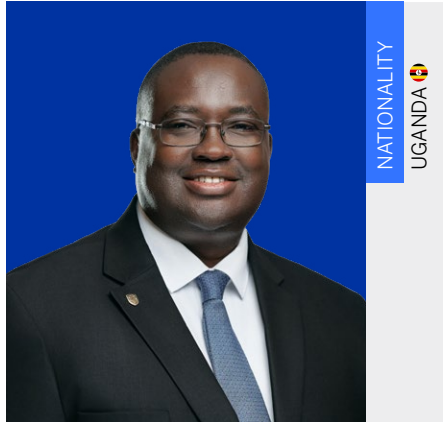
- 2025

Board Committee

- People and Culture (Chair)
- Audit

Previous Roles

- Chief Executive, Lafarge Cement Zimbabwe
- Chief Executive, Lafarge - South Africa



NATIONALITY
UGANDA

John Muhumuza Kakitahi⁵³

INED, SPL

Academic Qualifications

- PhD-Construction Management-Lund University-Sweden
- MEng-Civil Engineering-Makerere University-Uganda
- BSc. (Honours)-Quantity Surveying-University of Witwatersrand-South Africa

Primary Strengths and Skills

- Civil Engineering
- Real Estate Planning
- Project Management

Year of Appointment

- 2024

Board Committee

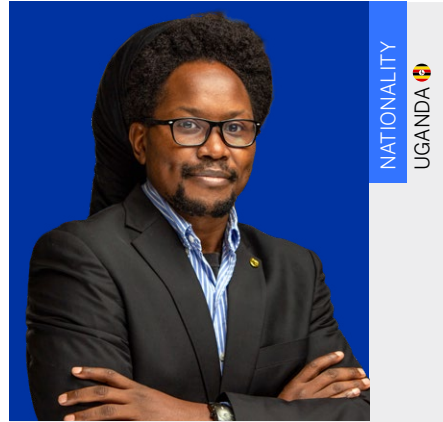
- None

Current Employment

- Partner at CCELAM NK and Associates-Kampala

External Leaderships

- Director-Y-Save Real Estate Sector
- Board Member-Education, Training and Research African Association of Quantity Surveyors
- Director-Kaktus Limited



NATIONALITY
UGANDA

Haruna Mawanda Juuko⁵⁰

NED, FLYHUB

Academic Qualifications

- PhD - IT and Computer Science-Capella University-Minneapolis-USA
- MSc- Information Science-Capella University- Minneapolis-USA
- Member of the Certified Information Systems Auditor

Primary Strengths and Skills

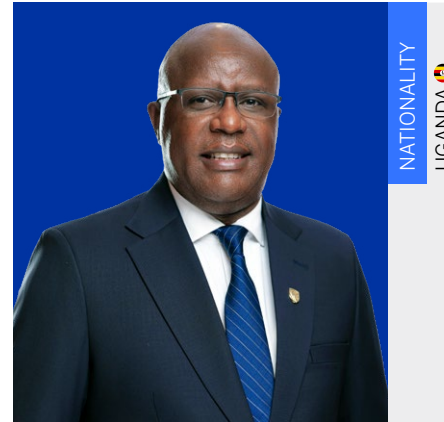
- Software Development and Programming
- Digital Strategy, Innovation and Information Technology
- Project Management

Year of Appointment

- 2020

Board Committee

- None



NATIONALITY
UGANDA

Francis Karuhanga⁵¹

CHIEF EXECUTIVE, SUHL & NED (SPL, SBGS, SBIL, FLYHUB)

Academic Qualifications

- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Certified Financial Services Auditor (CFSA)
- MSc-Accounting and Finance-Makerere University-Uganda
- BCom in Accounting-Makerere University-Uganda

Primary Strengths and Skills

- Audit, Accounting and Finance
- Strategy Development and Execution
- Risk Management and Controls

Year of Appointment

- 2024

Board Committee

- None

Current Employment

- Chief Executive-Stanbic Uganda Holdings Limited



NATIONALITY
ZAMBIA

Mumba Kenneth Kalifungwa⁵²

CHIEF EXECUTIVE SBUL

Academic Qualifications

- MBA- Heriot-Watt University, Scotland
- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Fellow of the Chartered Institute of Management Accountants (CIMA), United Kingdom
- Association of Accounting Technicians (AAT), United Kingdom

Primary Strengths and Skills

- Leadership and people management skills
- Audit, Accounting and Finance- Strategy Development and Execution
- Risk Management and Controls

Year of Appointment

- 2025

Board Committee

- Credit
- Asset and Liability

Current Employment

- Chief Executive-Stanbic Bank Uganda Limited



NATIONALITY
UGANDA 🇺🇬

Samuel Fredrick Mwogeza⁴⁴

ED, SBUL

Academic Qualifications

- MBA- Herriot Watt University, Scotland
- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Member of the Institute of Certified Public Accountants of Uganda (ICPAU)
- BCom in Accounting-Makerere University-Uganda

Primary Strengths and Skills

- Audit, Accounting and Finance
- Retail Banking
- Strategy Development and Execution

Year of Appointment

- 2024

Board Committee

- Technology and Innovation
- Asset and Liability

Current Employment

- Head Personal and Private Banking- Stanbic Bank Uganda Limited

External Directorships

- NED-Uganda Securities Exchange



NATIONALITY
UGANDA 🇺🇬

Paul Muganwa⁴²

ED, SBUL

Academic Qualifications

- MSc in Econometrics-University of Manchester (Ongoing)-England
- BCom in Economics, Finance and Accounting-University of Kwa-Zulu Natal-Durban-South Africa

Primary Strengths and Skills

- Corporate and Investment Banking
- Global Financial Markets
- Accounting and Finance

Year of Appointment

- 2025

Board Committee

- Technology and Innovation

Current Employment

- Head Corporate Investment Banking- Stanbic Bank Uganda Limited



NATIONALITY
UGANDA 🇺🇬

Spencer Sabiiti⁴¹

CHIEF EXECUTIVE, SPL

Academic Qualifications

- MBA-Edinburgh Business School-Scotland
- Professional Member of the International Organisation of Health and Safety-United Kingdom
- PGD-Construction Project Management -Makerere University-Uganda
- BSc-Quantity Survey-Makerere University-Uganda

Primary Strengths and Skills

- Valuation and Surveying
- Real Estate Management
- Project Management and Development

Year of Appointment

- 2020

Current Employment

- Chief Executive-Stanbic Properties Limited



NATIONALITY
UGANDA 🇺🇬

Grace Semakula⁴³

CHIEF EXECUTIVE, SBGS

Academic Qualifications

- MBA-University of Warwick-United Kingdom
- Corporate Finance and Strategy-The London School of Economics and Political Science-England
- Chartered Financial Analyst
- BSc-Statistics, Mathematics-Makerere University-Uganda

Primary Strengths and Skills

- Financial Analyst
- Capital and Asset Management
- Stakeholder Relations

Year of Appointment

- 2024

Current Employment

- Chief Executive-SBG Securities Uganda Limited



NATIONALITY
UGANDA 🇺🇬

Catherine Poran⁵⁵
CHIEF EXECUTIVE, SBIL

Academic Qualifications

- MBA-Heriot-Watt University Edinburgh-Scotland
- PGD-Business Management- Makerere University Business School-Uganda
- Master of Laws (LL.M.)-Buckingham University-England

Primary Strengths and Skills

- Corporate and Investment Banking
- Strategy Development and Execution
- Legal

Year of Appointment

- 2024

Current Employment

- Chief Executive-Stanbic Business Incubator Limited



NATIONALITY
UGANDA 🇺🇬

Joel Muhumuza⁴⁰
CHIEF EXECUTIVE, FLYHUB

Academic Qualifications

- MBA-Southern University and A&M College- Louisiana
- BCOM-Finance General-Makerere University-Uganda

Primary Strengths and Skills

- Digital Transformation, Strategy and Innovation
- Digital Financial Services
- Project Management Development

Year of Appointment

- 2021

Current Employment

- Chief Executive-FlyHub Uganda Limited





SUHL Executive Committee



Francis Karuhanga
Chief Executive SUHL

JOINED:
SUHL: 2024
EXCO: 2024



Lilian Atwine
Head Finance & Value
Management

JOINED:
SUHL: 2023
EXCO: 2023



Joel Muhumuza
Chief Executive, FLYHUB

JOINED:
FLYHUB: 2021
EXCO: 2021



Rita Kabatunzi
Company Secretary

JOINED:
SUHL: 2020
EXCO: 2020



Judith Kibuuka
Head Shared Services

JOINED:
SUHL: 2024
EXCO: 2024



Spencer Sabiiti
Chief Executive Stanbic
Properties Limited

JOINED:
SPL: 2020
EXCO: 2020



Grace Semakula
Chief Executive SBG
Securities Limited

JOINED:
SUHL: 2024
EXCO: 2024



Catherine Poran
Chief Executive Stanbic
Business Incubator

JOINED:
SBIL: 2024
EXCO: 2024



Elijah Kitaka
Head Strategy

JOINED:
SUHL: 2024
EXCO: 2024



SBUL Executive Committee



Mumba Kenneth Kalifungwa
Chief Executive

JOINED:
The Bank: 2025
EXCO: 2025



Barbara Dokoria
Head, Compliance

JOINED:
The Bank: 2003
EXCO: 2018



Candy Wekesa Okoboi
Head, Legal

JOINED:
The Bank: 2016
EXCO: 2016



Tunde Thorpe
Head BCB

JOINED:
The Bank: 2017
EXCO: 2025



Samuel Fredrick Mwogeza
Head Personal & Private Banking (PPB)

JOINED:
The Bank: 2010
EXCO: 2015



Ronald Makata
Chief Finance & Value Management Officer

JOINED:
The Bank: 2013
EXCO: 2023



Martin Sekaziga
Chief Risk Officer

JOINED:
The Bank: 2019
EXCO: 2019



Sylvia Mulomi
Head, People and Culture (P&C)

JOINED:
The Bank: 2024
EXCO: 2024



Kenneth Kamurasi
Head Internal Audit

JOINED:
The Bank: 2022
EXCO: 2022



Miriam Naigembe
Head Operations

JOINED:
The Bank: 2013
EXCO: 2014



Rita Apell Akot
Chief Information Officer

JOINED:
The Bank: 2024
EXCO: 2024



Barend Johannes Janse Van Rensburg
Country Head, Credit

JOINED:
The Bank: 2022
EXCO: 2025



Paul Muganwa
Head Corporate and Investment Banking (CIB)

JOINED:
The Bank: 2013
EXCO: 2022



Rita Kabatunzi
Company Secretary

JOINED:
The Bank: 2018
EXCO: 2018

Corporate governance statement

The corporate governance landscape in 2025 underwent significant reform, particularly within the financial services sector, following the introduction of the Capital Markets Authority (Corporate Governance) Regulations, 2025, the Bank of Uganda Guidelines on Financial Holding Companies, 2025, and the Financial Institutions (Corporate Governance) (Amendment) Regulations, 2025. These developments marked a shift towards more prescriptive requirements on board composition, independence, risk oversight, and accountability.

Within this evolving regulatory context, our governance practices continued to ensure alignment between the organisation's objectives and stakeholder interests, while supporting effective

risk management, reinforcing accountability, and enhancing sustainable long-term value creation.

The Corporate governance statement outlines the governance framework adopted by Stanbic Uganda Holdings Limited, encompassing Stanbic Bank Uganda Limited, its largest subsidiary and other beyond-banking subsidiaries, collectively referred to as Stanbic Uganda. Details of the organisational structure are shown on [page 5](#). The Framework ensures that Stanbic Uganda operates sustainably, in line with our purpose, vision, and values, to the benefit of all stakeholders (see [page 11 to 12](#)). The statement also illustrates how the key principles of good governance were applied throughout the 2025 financial year.

Evolving Regulatory Landscape

The corporate governance landscape in 2025 underwent significant reform, particularly within the financial services sector, following the introduction of the Capital Markets Authority (CMA) Corporate Governance Regulations, 2025, the Bank of Uganda (BOU) Guidelines on Financial Holding Companies, 2025, and the Financial Institutions (Corporate Governance) (Amendment) Regulations, 2025. These developments marked a shift towards more prescriptive requirements on board composition, independence, risk oversight, and accountability.

As required under Regulation 4(1) of the Capital Markets Authority Corporate Governance Regulations, the Board confirms that the Company has substantially complied with the Regulations, save for certain aspects of Board composition-related provisions. In particular, the role of the Board Chair as Chair of the Board Nomination and Remuneration Committee reflects the Company's governance framework as adopted under Table F of the Companies Act, which permits such an arrangement and has informed the Company's governance practices since inception.

Other aspects of Board composition are being reviewed in the context of ongoing leadership structural reviews undertaken to achieve alignment across overlapping regulatory frameworks applicable to the Franchise. To preserve continuity and the effectiveness of governance structures during this

period, the Board is adopting a phased and carefully sequenced approach to alignment.

Additional key regulatory developments during the year included the Capital Markets Authority (Licensing and Approval) Regulations 2025 and the Competition Regulations, 2025, which aim to mitigate anti-competitive practices. The Mortgage Refinancing Institutions Act, 2025, introduced a new regulatory framework to deepen the mortgage market. In addition, the BOU issued Guidelines for the Management of Climate-Related Financial Risks, 2025, to establish a baseline for the sound Management of climate-related financial risks and strengthen the resilience of the banking sector.

Summary of Stanbic Uganda's primary regulatory bodies.



Corporate Governance Approach

Stanbic Uganda has adopted a robust, integrated, and value-driven approach to corporate governance, underpinned by strong regulatory compliance, alignment with Standard Bank Group governance standards, and adherence to international best practice. This approach promotes a consistent, high-quality governance culture while preserving the Board's ultimate responsibility and accountability for the Bank's strategy, performance, and risk oversight.

Governance is anchored in a unitary Board structure supported by specialised committees that collectively provide independent oversight, promote accountability, and ensure effective stewardship of stakeholder interests. The Board retains oversight of key areas, including strategy execution, risk management, internal controls, financial integrity, and regulatory compliance, ensuring that decision-making remains both prudent and forward-looking.

Our governance philosophy

Executing strategy and managing risks

- Values-based strategic and ethical leadership
- Stakeholder engagement

Ensuring compliance with corporate policies, standards and procedures

- Board and board committee oversight
- Compliance with legal and regulatory requirements
- Policies and procedures

Establishing strategic direction

- Ongoing performance evaluation
- Transparency and accountability

During the year, the Board remained firmly committed to its oversight role, working collaboratively with Management to ensure that appropriate systems, processes, and controls were implemented in full compliance with applicable legal and regulatory requirements. This proactive approach underscored the agility and robustness of the Bank's governance framework in anticipating and responding effectively to regulatory developments.

Subsidiary Governance and Policy Framework

The Standard Bank Group (SBG/Group) implements a Subsidiary Governance Framework ("the Framework") to enable a consistent and integrated approach to governance across all subsidiaries. The Framework is derived from the King IV™ Code on Corporate Governance and informed by applicable corporate governance standards across the jurisdictions in which the Group operates. It aligns with the broader regulatory environment and adopts a principles-based approach by prescribing governance practices that support effective and consistent embedment across entities.

The Framework guides the development of subsidiary specific Board mandates, tailored to industry dynamics, organisational maturity, and minimum regulatory compliance requirements. It also informs

the Delegation of Authority framework for Chief Executives. In defining appropriate levels of oversight and control, the Board remains mindful of balancing effective monitoring with business agility, while clearly delineating the roles and responsibilities of governance and Management.

The governance framework is supported by a policy architecture comprising Group and subsidiary level policies, adopted as applicable and applied in accordance with the articles of association of each subsidiary. To promote consistent governance practices, a governance health dashboard is utilised to assess Board and corporate governance metrics across subsidiaries, with outcomes feeding into the overall country risk rating.

During the year under review, the Board continued to prioritise the embedment and maturation of the Framework, with particular emphasis on strengthening shareholder oversight and engagement with subsidiary Boards. This was achieved through structured shareholder-Board interactions, including the Standard Bank Group Board Chairpersons' Roundtable and the Board Audit and Risk Chairpersons' joint workshop, which enabled alignment on strategic priorities, the sharing of emerging governance practices, and reinforcement of a common governance culture across the Group.

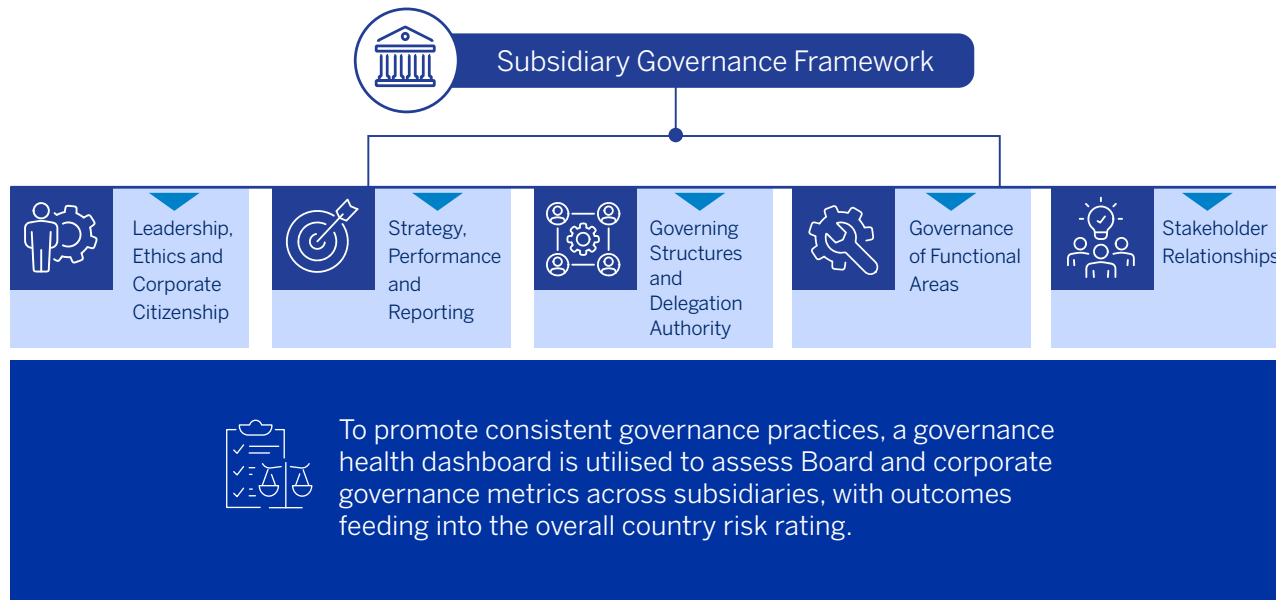
The Board's Role in an Evolving Governance Landscape

The Board serves as the focal point and custodian of corporate governance in the organisation.

In an increasingly complex and regulated environment, the role of the Board has evolved from traditional oversight to a more forward-looking, integrated, and stewardship-driven mandate. This evolution reflects heightened expectations under applicable regulatory frameworks and broader global governance trends.

The Board retains overall responsibility for governance across the organisation and exercises effective control through a comprehensive governance framework. This Framework comprises the corporate governance structure, Board and Board Committee mandates, the Subsidiary Governance Framework, and other applicable standards, frameworks, and policies. Through this Framework, the Board sets and oversees the organisation's strategic direction, financial objectives, resource allocation, and risk appetite, while holding executive Management accountable for effective execution.

In addition, the Board ensures that executive Management establishes and maintains a strong tone at the top, grounded in the organisation's values, Code of Ethics, and standards of conduct. It further oversees the embedment of these principles across all levels of the organisation to promote a culture of integrity, accountability, and sound governance.





Key Board Considerations During 2025

Strategy Oversight



During the year under review, the Board enhanced its oversight of strategy delivery through a more structured and focused approach. The Board approved the 2025 Strategy Scorecard, setting clear strategic priorities and performance measures.

It reviewed Board and Committee mandates to ensure alignment with strategic oversight responsibilities and intensified focus on selected critical business areas to deepen engagement with Management. The Board also assessed performance against the 2025–2028 strategy, identifying key areas for management action.

Through these measures, the Board reinforced accountability for execution and alignment with the Group’s long-term objectives.

Board and Executive Management Succession Planning



During the year, the Board strengthened leadership capacity and succession resilience through key appointments at both Board and Executive Management levels. This included the appointment of a substantive Chief Executive, an additional Executive Director, and an Independent Non-Executive Director.

Executive Management capability was further enhanced through the appointment of the Head of Credit and the Head of BCB.

In addition, the Board reviewed and approved the Management succession plan to ensure leadership continuity and depth.

Risk Oversight



The Board exercised strategic oversight of risk management during the year, including the review and approval of the Bank’s risk appetite aligned to strategic priorities.

The Board also considered the impact of ongoing geopolitical and trade tensions on the organisation’s risk profile, particularly in the context of the Franchise’s strategic focus areas and growth ambitions.

Targeted Board development sessions, joint engagements between the Group and subsidiary Board risk and audit Chairperson, and external expert-led discussions which enhanced the Board’s understanding of the evolving risk landscape, supporting a proactive risk culture and a positive country risk profile.

Board Effectiveness



The Board conducted an internal evaluation of its board effectiveness in 2025. The results of the effectiveness review indicate that the overall board performance and that of its committees were considered effective. The Board is satisfied that the insights gained from the evaluation process continue to reflect a maturing trajectory in the Board’s performance and effectiveness.

A summary of the findings from the review can be found on [page 71](#).

Sustainability Oversight



Sustainability remained a key focus at the Board level in 2025. The Board exercised oversight of sustainability KPIs across the business units, reviewed the IFRS S1 and S2 gap analysis, and oversaw the roadmap for implementing the new standards.

In addition, the Board reviewed the progress on the Group’s sustainability finance frameworks and climate risk strategy, with plans for localisation and adoption underway.

To enable effective oversight, the Board continued to strengthen its sustainability governance capabilities through targeted skills development, ensuring it remains well-positioned to guide the Bank’s sustainability agenda.

Read more on our sustainability approach on [page 10](#).

Stakeholder Management and Engagement



During the year, the Board strengthened oversight of stakeholder management by engaging in deliberate, structured dialogue with key stakeholders to align expectations and reinforce the Bank’s market standing.

Board level engagements included investor briefings following the release of financial results, shareholder interactions at the Annual General Meeting, participation in the Stanbic Consumer Thought Leadership Conference attended by senior government officials and regulators, and outreach initiatives such as the National Schools Championship Grand Finale and engagement with SMEs at the Stanbic Business Incubator graduation.

These interactions supported transparency, trust, and constructive stakeholder relationships.

The Board, in performing its role, was guided by and reviewed Management’s performance against the agreed strategic value drivers and key performance indicators highlighted on [page 17](#). These ensured adequate tracking and corrective action. The strategic focus for the year is outlined in the Chief Executive’s statement on [page 23](#).



DIRECTOR'S RESPONSIBILITIES

The traditional vital responsibilities of the Board remained as follows:

1. Setting the strategic direction and providing entrepreneurial leadership.
2. Approving budgets and financial statements, ensuring integrity and accuracy in line with best practices.
3. Setting organisational values to drive culture and ethics, and overseeing the implementation of the Company’s vision, mission, strategic objectives, and corporate values.
4. Reviewing and approving policies to ensure their appropriateness to the business.
5. Appointing and determining the remuneration of executive management.
6. Ensuring the effectiveness of the risk management system and the robustness of the internal control environment.
7. Ensuring that adequate financial and human resources are in place for the Company to meet its obligations.
8. Making recommendations to shareholders on director appointments and remuneration.
9. Monitoring the implementation of strategy and tracking performance against agreed strategic value drivers.

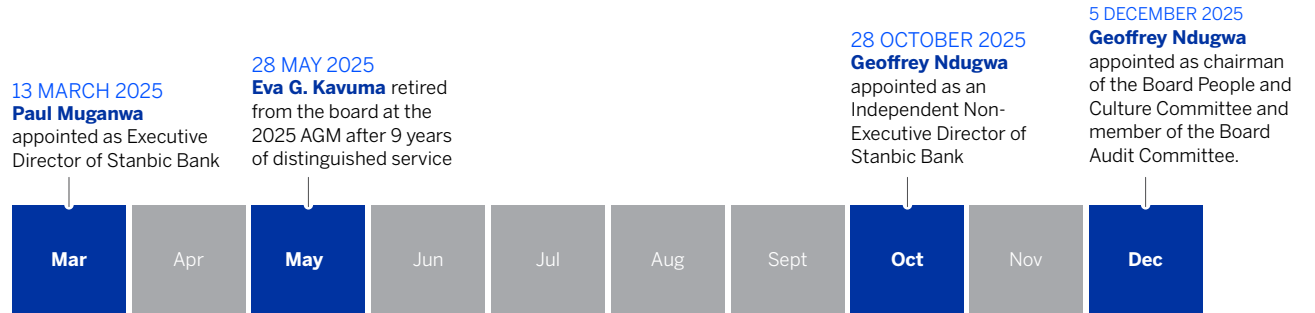
Board Changes

In accordance with the Board mandate, the Board places significant value on maintaining a strong and balanced composition, recognising that this is essential to effective oversight and sound decision-making. Board appointments are guided by the Director Recruitment Policy, with candidate identification informed by the Board skills matrix to ensure alignment with current and future Board requirements. Shortlisted candidates are interviewed and recommended by the Board Nomination Committee for Board approval, with final appointments confirmed at the Annual General Meeting.

In line with the Financial Institutions Act, all Board nominees are subject to regulatory fit-and-proper assessments to confirm their competence, integrity, and capacity to discharge their responsibilities. In accordance with the Articles of Association, the Board has

implemented a staggered rotation approach which promotes Board effectiveness by introducing fresh perspectives and expertise while preserving institutional knowledge, experience, and continuity. Each year, one-third of the non-executive directors are subject to retirement by rotation and may offer themselves for re-election by shareholders.

During the year, the Board appointed Mr Mumba Kalifungwa as Chief Executive and Mr Paul Muganwa as Executive Director of the Bank. In addition, Mr Geoffrey Ndugwa was appointed as an Independent Non-Executive Director of the Bank. These appointments followed the retirement of Ms Eva G. Kavuma, who served for 9 years with distinction. The Board extends its sincere appreciation to Ms Kavuma for her dedicated service, exemplary leadership, and significant contribution during her tenure. On a sad note, we mourned the passing of Ms Pauline Mbayah, Chairperson of the Stanbic Business Incubator, following a long illness. May her soul rest in eternal peace.



There were no changes to the Board of Stanbic Uganda Holdings during the year under review. However, the Holding Company Board continues to actively oversee succession planning across the organisation, making appropriate recommendations for appointments to subsidiary boards to the extent applicable. The Board remains committed to promoting diversity and inclusion within its succession strategy. This includes initiatives to develop and support emerging women leaders, attract directors from younger demographics, and strengthen the executive talent pipeline. Ongoing development efforts aim to enhance leadership quality and prepare the next generation of leaders across the Group.



The Board of Stanbic Uganda honoured Ms Eva Grace Kavuma (sixth from left) at a farewell dinner held in December 2025, following her retirement from Stanbic Bank Uganda Limited in May 2025, in recognition of her distinguished nine-year tenure and significant contribution to the Bank’s growth. The event also marked the recognition of the newly appointed director, Mr .Geoffrey Ndugwa (second from left).



Board Composition

With collective experience spanning diverse sectors and disciplines, our board members bring invaluable insights, robust analytical capability and forward-looking perspectives to the organisation.

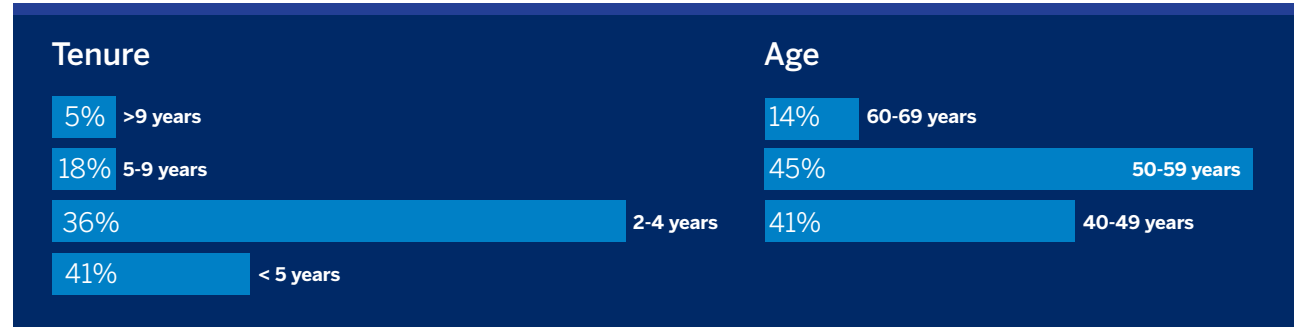
The board structure is designed to ensure rigorous and effective oversight across key areas of the organisation. Drawing on the collective experience and expertise of its members, as shown on page 57 to 62, the boards of the respective entities within the Stanbic Uganda franchise are well-positioned to anticipate potential challenges, identify strategic opportunities, and guide the organisation toward sustainable growth and long-term competitiveness.

To further strengthen oversight of strategic execution, the organisation, with the support of an external recruitment firm, prioritised identifying directors whose skills and experience enhance its ability to oversee the delivery of its strategic priorities. This process resulted in the identification and subsequent appointment of Mr Geoffrey Ndugwa to the Bank Board. The Board continues to progress similar appointments for the holding Company and other subsidiaries.

The board composition is reviewed annually to assess the appropriateness of members' skills, experience, tenure, independence, and diversity. This ensures that each Board within Stanbic Uganda functions effectively. A majority of directors are independent, and all subsidiaries comply with the requirement for boards to be predominantly composed of non-executive directors.

Gender diversity remains a key consideration, with female representation at 33.3% on the Holding Company Board and 20% on the Bank Board. The Board's size and composition, encompassing an appropriate mix of skills, experience, demographics, gender, nationality, and tenure, enable it to discharge its governance responsibilities effectively and with objectivity. The Board considers its size appropriate, taking into account succession planning, anticipated retirements, and the strategic renewal of skills.

Tenure and Age of Directors of Stanbic Uganda



Continuous Board Development and Director Induction

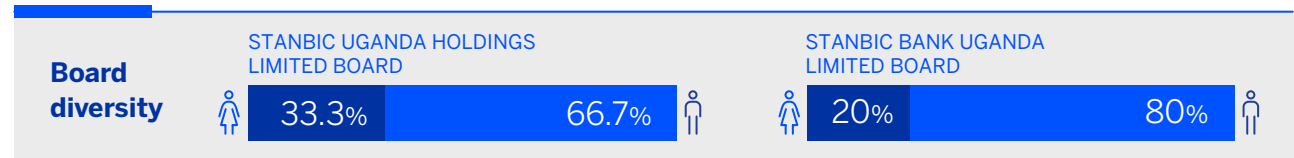
The Board remains committed to being a learning-oriented body, continuously enriching its perspectives and decision-making through knowledge gained from both internal and external sources. This commitment to ongoing learning ensures that the Board stays well-informed and responsive to the evolving business environment.

At Stanbic, board development is viewed as a strategic enabler to achieving our goals, rather than a compliance-driven exercise. A blended approach has been adopted, combining learning from both local and international experts to enhance effective oversight within board committees aligned to specific mandates and emerging areas such as artificial intelligence, sustainability, climate risk, and the geopolitical and economic outlook.

A practical, hands-on learning approach that draws on insights from external and internal subject-matter experts has proven particularly valuable. This direct engagement enriches boardroom discussions by incorporating the perspectives of key stakeholders, including customers and regulators. As a result, board conversations have become more insightful, debates more robust, and decision-making more informed and impactful.

While formal Board meetings remain central to governance, the Board also recognises the value of engagement beyond the boardroom. Informal sessions and focused deep dives into specific issues are leveraged to foster collaboration between Board members and Management. These sessions enable the Board to apply its collective expertise to address emerging risks, build capabilities in core areas, and support organisational growth. Throughout, the Board maintains a clear understanding of its oversight role and adheres to the "eyes-in, fingers-out" governance principle.

Ongoing development initiatives have been instrumental in enhancing board awareness of key trends, sharpening relevant skills, and providing insight necessary for effective oversight. The 2025 development program was informed by director feedback during the board evaluation exercise, input shared in board discussions, and individual director development needs.





Topics covered during the year included, among others:

21 MARCH 2025 Institute of Directors Governance Masterclass on Director Roles, Responsibilities & Liabilities	15 MARCH 2025 Session on Emerging Technologies, Data Privacy & Cyber Security	10 APRIL 2025 Director Ethics and Conduct Refresher
16 APRIL 2025 Standard Bank Group Chairpersons Roundtable for Board Chairperson as well as Board Audit and Risk Chairpersons	20 MAY 2025 Institute of Internal Auditors Annual Board Audit Committee Workshop	20 JUNE 2025 Crisis Management Simulation Exercise
11 JULY 2025 Deep dive into Climate Risk and Sustainability	05 AUG 2025 Financial Intelligence Authority AML/CFT Annual Refresher	08 AUG 2025 Strathmore University Business
15 SEPT 2025 Board Credit Committee Chairpersons Development Session	02 OCT 2025 Standard Bank Group Board Audit and Risk Chairpersons Development Session	27 NOV 2025 BOU workshop on Cyber Security, Corporate Governance, AML/CFT, ESG & Climate financial risks



Members of the Board of Stanbic Uganda joined other directors from the East Africa Region for the Corporate Governance training held in Nairobi, Kenya, facilitated by Dr Martin Odour-Otieno from the Leader Group. Mr Damoni Kitabire (seated 3rd on the right), Mr Geoffrey Ndugwa (seated 2nd on the left), Mrs Josepha T. Ndamira (seated 5th on the left), Mrs Mona M. Ssebuliba (standing 5th on the left) and the Regional Chief Executive, Dr Joshua Oigara (seated 4th on the left).

The Board also continued to engage in joint regional development sessions alongside directors from Stanbic Kenya, Tanzania, and Malawi. These collaborative sessions enabled peer-to-peer learning and the exchange of insights, enhancing the Board's understanding of cross-border governance matters and deepening regional perspectives on emerging trends and shared challenges.

Newly appointed directors participated in a comprehensive induction programme to familiarise them with the organisation's operations and governance. The programme included stakeholder engagements with customers, shareholders, employees, and regulators, as well as

one-on-one meetings with fellow Board members and executive Management.

Each new director also received a detailed induction pack containing key governance materials, including the memorandum and articles of association, the governance framework, Board and Committee charters, the organisational structure, significant reports, and relevant legislation and policies. The remaining components of the induction programme were tailored to each director's specific needs, ensuring a well-rounded, relevant onboarding experience.

Board Evaluation

The Board ensures that the evaluation of its own performance, along with that of its committees, the Chair, and individual members, serves as a tool for continuous improvement, strengthening overall effectiveness and governance outcomes.

The annual Board evaluation exercise is an important mechanism for fostering accountability and transparency within the Board. It provides a structured opportunity to assess the Board's effectiveness in fulfilling its governance responsibilities. In line with its mandate, the Board is required to undertake an external evaluation at least once every three years to ensure objectivity and independence in the review of its performance, covering the Board as a whole, its committees, and individual directors. Accordingly, the 2025 Board evaluation was internally facilitated, with the 2026 evaluation scheduled to be external.

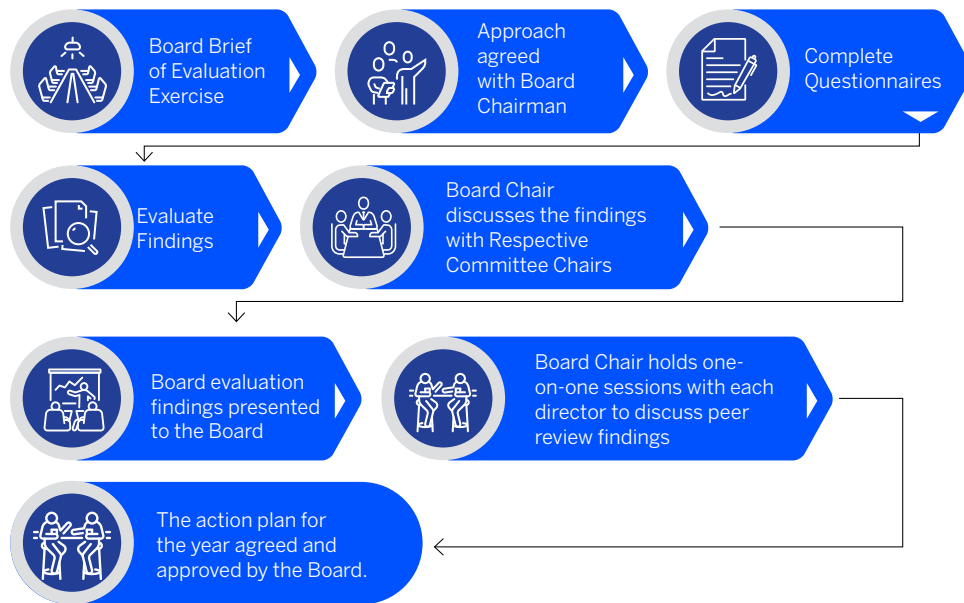
Key Outcomes from the 2025 review included:

1. Enhanced focus on oversight of Strategy delivery.
2. Focus on Director recruitment and tailored sessions on topical issues.
3. Strengthening relations with key stakeholders and aligning expectations.
4. Continued focus on Management Succession Planning.
5. Enhanced focus on emerging risks and proactive risk culture.

The results of the 2025 Board evaluation showed that the Board and its committees performed effectively. The Board demonstrated a strong understanding of its governance responsibilities and clarity about the key issues that may impact its effectiveness. The findings and recommendations from the evaluation have informed the 2026 board evaluation action plan, which is reviewed quarterly to monitor progress and ensure the timely resolution of identified areas for improvement.

Notably, several key areas identified in the previous evaluation were effectively addressed during 2025. These included strengthening succession planning for both the Board and executive Management, deepening engagement with key stakeholders, enhancing strategic oversight, and delivering more targeted Board development sessions, as outlined in this governance statement. These focus areas will continue to receive attention in 2026.

Summary of the Board and Committee Evaluation



The Board leverages its meetings as a key mechanism to fulfil its governance mandate and drive long-term value creation. In line with the board mandate, meetings are structured to promote forward-looking, strategic engagement, ensuring that deliberations extend beyond performance monitoring to anticipate risks, opportunities, and the evolving operating environment.

Board agendas and reports are designed to provide clear, decision-useful insights on strategy execution, performance, and the organisation's ability to create sustainable value over time. Discussions integrate financial and non-financial considerations, including risk, sustainability, and stakeholder impacts, enabling a holistic assessment of performance in line with integrated reporting principles.

The Board exercises independent judgment in decision-making, with resolutions reached by consensus following robust and constructive debate. Where appropriate, matters are deferred to allow for further analysis or stakeholder engagement. The implementation of Board decisions is tracked through a formal action log, which is reviewed at each meeting to reinforce accountability and ensure effective execution.

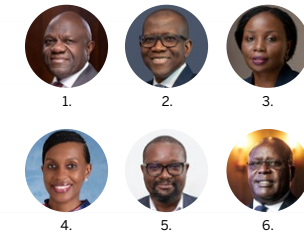
In discharging its oversight responsibilities, the Board maintains a clear distinction between governance and Management, focusing on strategic direction, oversight, and control, while enabling Management to execute within an established framework of authority.

Standing agenda items reflect the Board's focus on value creation and include strategy execution, financial and operational performance, succession planning and talent management, regulatory developments, sustainability, risk oversight, and macroeconomic, geopolitical, and emerging trends.

The board meeting agenda also includes closed-door sessions for Non-Executive Directors, led by the Board Chairman. These sessions offer a confidential forum for peer-to-peer dialogue and an opportunity to raise sensitive matters not suitable for discussion in the presence of executive Management. Feedback from these sessions is shared with the Chief Executive by the Board Chairman, helping to ensure alignment and continued improvement in governance practices.

Table 1:
Stanbic Uganda Holdings Limited Board and Committee Meetings and Attendance in 2025

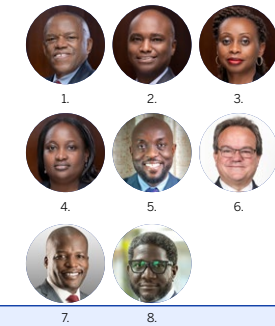
Name Of Director	Q1			Q2			Q3			Q4			Strategy Retreat
	February 28 th & 29 th			May 29 th & 30 th			August 14 th & 15 th			October 30 th & 31 st			7 December
	BARC	BNRC	Board	BARC	BNRC	Board	BARC	BNRC	Board	BARC	BNRC	Board	Board
1.Baker Magunda	NA	✓	✓	NA	✓	✓	NA	✓	✓	NA	✓	✓	✓
2.Yinka Sanni	NA	✓	✓	NA	✓	✓	NA	✓	✓	NA	✓	✓	✓
3.Agnes Asiimwe Konde	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓
4.Mona Muguma Ssebuliba	✓	NA	✓	✓	NA	✓	✓	NA	✓	✓	NA	✓	✓
5. Norbert Kagoro	✓	NA	✓	✓	NA	✓	✓	NA	✓	✓	NA	✓	✓
6.Francis Karuhanga	NA	NA	✓	NA	NA	✓	NA	NA	✓	NA	NA	✓	✓



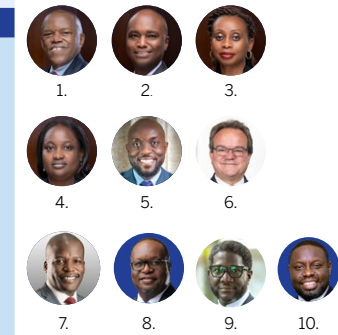
✓=Attendance **A**=Absent with Apology **NA**=Not Applicable **BARC**-Board Audit and Risk Committee, **BNRC**-Board Nomination and Remuneration Committee

Table 2:
Stanbic Bank Uganda Limited Board and Committee Meetings and Attendance in 2025

Name of Director	Q1							Q2						
	February 26 th & 28 th							May 15 th & 29 th						
	BPCC	BAC	BCC	BRMC	BALCO	BTIC	BOARD	BPCC	BAC	BCC	BRMC	BALCO	BEIC	BOARD
1.Damoni Kitabire	NA	NA	NA	NA	NA	NA	✓	NA	NA	NA	NA	NA	NA	✓
2. Patrick Mweheire	✓	NA	✓	✓	NA	NA	✓	A	NA	A	A	NA	NA	A
3. Josepha T. Ndamira	✓	✓	NA	✓	NA	NA	✓	✓	✓	NA	✓	NA	NA	✓
4.Kim O. Kamarebe	NA	NA	✓	NA	✓	✓	✓	NA	NA	✓	NA	✓	✓	✓
5. Kenneth P. Ogwang	NA	✓	NA	✓	NA	✓	✓	NA	✓	NA	✓	NA	✓	✓
6.Guido Haller	NA	NA	✓	✓	✓	NA	✓	NA	NA	✓	✓	✓	NA	✓
7.Geoffrey Ndugwa	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	✓
8.Mumba K. Kalifungwa	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	✓



Name of Director	Q3							Q4							Strategy Retreat
	August 12 th & 14 th							October 27 th & 30 th							7 December
	BPCC	BAC	BCC	BRMC	BALCO	BTIC	BOARD	BPCC	BAC	BCC	BRMC	BALCO	BTIC	BOARD	BOARD
1.Damoni Kitabire	NA	NA	NA	NA	NA	NA	✓	NA	NA	NA	NA	NA	NA	✓	✓
2. Patrick Mweheire	✓	NA	✓	✓	NA	NA	✓	✓	NA	✓	✓	NA	NA	✓	✓
3. Josepha T. Ndamira	✓	✓	NA	✓	NA	NA	✓	✓	✓	NA	✓	NA	NA	✓	✓
4.Kim O. Kamarebe	NA	NA	✓	NA	✓	✓	✓	NA	NA	✓	NA	✓	A	✓	✓
5. Kenneth P. Ogwang	✓	✓	NA	✓	NA	✓	✓	✓	✓	NA	✓	NA	✓	✓	✓
6.Guido Haller	NA	NA	✓	✓	✓	NA	✓	NA	NA	✓	✓	✓	NA	✓	✓
7.Geoffrey Ndugwa	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	✓	✓
8.Mumba K. Kalifungwa	NA	NA	NA	NA	NA	NA	✓	NA	NA	NA	NA	NA	NA	✓	✓
9.Samuel F. Mwogeza	NA	NA	NA	NA	✓	✓	✓	NA	NA	NA	NA	✓	✓	✓	✓
10.Paul Muganwa	NA	NA	NA	NA	NA	NA	✓	NA	NA	NA	NA	NA	NA	✓	✓



✓=Attendance **A**=Apology **NA**=Not Applicable **BAC**-Board Audit Committee **BRMC**-Board Risk Management Committee **BPCC**-Board People and Culture **BCC**-Board Credit Committee **BALCO**-Board Asset and Liability Management Committee **BTIC**-Board Technology and Innovation Committee



Stakeholder centricity

Our stakeholders play a pivotal role in enabling us to deliver on our strategy and purpose by providing the resources and capital essential for creating shared value. They shape the environment in which we operate and lend legitimacy to our actions.

The Board has embraced a long-term view of the business, acknowledging that while profitability remains important, the ultimate objective is sustainable and inclusive success. This perspective underpins our stakeholder priorities and our responses to them, as elaborated on [pages 11 to 12](#).

During the year, the Board remained actively engaged with stakeholders, reinforcing its commitment to shared value creation and inclusive development. Key initiatives included participation in the flagship Corporate Social Investment programme -the Stanbic National Schools Championship, which equips young people with essential life and business skills; participation in the Stanbic Business Incubator business development program; support for safe motherhood initiatives in collaboration with the Ministry of Health; and engagement at the Stanbic Consumer Thought Leadership Conference, among others.

Below are pictorial highlights of some of the stakeholder engagements attended by Board members during the year:





8.



9.



10.



11.



12.



13.

- The Board of Directors of Stanbic Uganda, together with Management, pose for a photograph during the 2025 Stanbic Uganda Strategy Session, aligning on strategic priorities for 2026.
- Directors Dr John Kakitahi (third from left), Mr Paul Muganwa (fourth from left), and Mr Kenneth Patrick Ogwang (fifth from left) represented Stanbic Uganda at the donation of medical equipment to Kawempe Hospital to support and strengthen maternal health services. The donation forms part of the Bank's annual L.O.V.E. Month initiative, which focuses on community support and social impact.
- The Chairman of Stanbic Uganda Holdings Limited, Mr Baker Magunda, shares a light moment with Prof George Kirya during the farewell dinner held in honour of Ms Eva Grace Kavuma.
- The Chairman of Stanbic Bank Uganda Limited, Mr Damoni Kitabire, and the Chief Executive, Mr Mumba K. Kalifungwa, together with the Guest of Honour, the State Minister for Gender, Labour and Social Development (Children and Youth Affairs), Hon. Balaam Barugahara, engaged participants at the 10th National Schools Championship Grand Finale, inspiring youth and supporting the development of future leaders.
- Directors Dr John Kakitahi (third from left), Mr Paul Muganwa (fourth from left), and Mr Kenneth Patrick Ogwang (fifth from left) represented Stanbic Uganda at the donation of medical equipment to Kawempe Hospital to support and strengthen maternal health services. The donation forms part of the Bank's annual L.O.V.E. Month initiative, which focuses on community support and social impact.
- The Chief Executive of Stanbic Bank Uganda Limited, Mr Mumba K. Kalifungwa (left), and the Director, Research and Policy at the Bank of Uganda, Mr Adam Mugume (right), share a moment during the 2025 Stanbic Uganda Strategy Session, where Mr. Mugume provided insights on Uganda's macroeconomic outlook and emerging financial sector trends from a regulatory perspective.
- Mr Mumba K. Kalifungwa, joined the winning teams of the 10th National Schools Championship in celebrating excellence and recognising the achievements of emerging young talent.
- Members of Management, led by the Chief Executive of Stanbic Uganda Holdings Limited, Mr Francis Karuhanga (first row, fifth from right), and accompanied by Director Norbert Kagoro (first row, fourth from right), pose for a photograph at the 2025 financial results release.
- Members of the Board, represented by Mr Damoni Kitabire, Mr Kenneth Patrick Ogwang and Mrs Josepha T. Ndamira, pose for a photograph with staff of the Fort Portal Branch following a courtesy visit.
- Director Geoffrey Ndugwya presents an award to one of the winning teams at the 2025 Beyond Excellence Awards, recognising outstanding performance and reinforcing Stanbic's commitment to continuously raising the bar.
- The Chairman of Stanbic Bank Uganda Limited, Mr Damoni Kitabire (second from left), and the Chief Executive, Mr Mumba K. Kalifungwa (first from right), together with the Deputy Governor of the Bank of Uganda, Prof Augustus Nuwagaba (second from right), and members of staff, pose for a photograph during the 2026 Stanbic Uganda Economic Forum.
- Members of the Board of Directors of Stanbic Uganda join the winners of the 2025 Beyond Excellence Awards in a celebratory photograph, recognising excellence and fostering a high-performance culture.
- The Board Chairmen of Stanbic Uganda Holdings Limited, Mr Baker Magunda (standing second from right), and Stanbic Bank Uganda Limited, Mr Damoni Kitabire (standing third from right), pose for a photograph with current and former Board Chairpersons from across the financial services industry during an informal Chairpersons' Roundtable Dinner facilitated by Dr Peter Crow, a globally recognised corporate governance expert. The session focused on knowledge sharing from a corporate governance perspective and strengthening partnership opportunities.

Relationship with shareholders

The Board of Directors oversees the business on behalf of shareholders and remains ultimately accountable to them. Accordingly, fostering meaningful and transparent shareholder engagement remains a key priority.

The Board recognises that effective governance extends beyond oversight to include active and constructive engagement with shareholders, ensuring that their views are heard, considered, and appropriately reflected in decision-making. Such engagement not only strengthens trust and confidence in the Board's stewardship but also reinforces the organisation's reputation for sound governance.

The Annual General Meeting (AGM) continues to serve as a principal platform for direct engagement between the Board, Management, and shareholders. The 2025 AGM was conducted in a hybrid format, with over 400 shareholders attending in person, an increase from 300 in the prior year and more than 1,000 participants joining virtually. This broad participation underscores the effectiveness of the Bank's inclusive approach to shareholder engagement.

The hybrid format enabled shareholders to participate fully in the proceedings, including viewing presentations, asking questions, and voting in real time. The Chairman, members of the Board, the Chief Executive, the Chief Finance and Value Management Officer, and senior management were present to respond to shareholder queries, ensuring open dialogue and accountability. In addition to the formal proceedings, informal interactions following the meeting further strengthened transparency and stakeholder relationships.

In preparation for the AGM, the Company undertook a proactive shareholder register validation and clean-up exercise to enhance participation and improve the overall shareholder experience. This included updating shareholder records, resolving outstanding dividend claims, and promoting the immobilisation of shares.

Beyond the AGM, the Company continues to deepen engagement through targeted investor briefings following the release of audited financial results. These sessions, led by the Chief Executive and senior Management, provide shareholders and other stakeholders with insights into the Group's financial performance, strategic priorities, and outlook.

Collectively, these initiatives reflect the Board's ongoing commitment to transparency, accountability, and inclusive communication, ensuring that shareholders remain well-informed and actively engaged in the Company's governance and long-term success.



The Stanbic Uganda Board of Directors at the 2025 Annual General Meeting (AGM) marked by high Shareholder participation, demonstrating our commitment to inclusive engagement and transparent governance.



The broad participation underscores the effectiveness of the **Bank's inclusive approach** to shareholder engagement.

The 2025 AGM was conducted in a hybrid format, with over **400 shareholders** attending in person, an increase from 300 in the prior year and more than **1,000 participants** joining virtually.



The Chairman of Stanbic Uganda Holdings Limited, Mr Baker Magunda (left), and Mrs Agnes A. Konde (right) engage with a shareholder during the 2025 Annual General Meeting.

Dividends

In recognition of the commendable performance in 2025—and aligned with our commitment to creating value and delivering sustainable, superior returns- Stanbic Uganda Holdings Limited declared a 20% increase in dividends, amounting to UShs **360 billion** for the fiscal year. This included an interim dividend of **UShs 140 billion**, paid to shareholders earlier in the year.



FINAL DIVIDEND

4.30
per share
amounting to
UShs 220BN

As a final dividend, the Board has recommended the payment of UShs 4.30 per share, amounting to UShs 220 billion, for the financial year ended 31 December 2025.

This recommendation will be presented to shareholders for approval at the Annual General Meeting (AGM) scheduled for June 5th 2025. Subject to shareholder approval, the final dividend will be paid in accordance with the Company's communicated timelines.

Further details on our financial performance and the upcoming AGM are on [pages 87 to 100](#) and [Page 198](#), respectively.

Shareholders with unclaimed dividends are encouraged to contact the Company's share registrars, C&R Group, by email or telephone. Contact details are available in the Company Information section on [page 201](#). In addition, shareholders who still hold shares in physical certificate form are urged to migrate to the electronic system managed by the Uganda Securities Exchange (USE). To do so, they may contact a licensed stockbroker or C&R Group for guidance and support with the dematerialisation process.

Oversight of organisational culture and conduct remains a shared responsibility between the Board and Management, with implementation led by the Chief Executive. Through these measures, the Group continues to reinforce a culture that supports ethical behaviour, effective risk management, and sustainable value creation.

Conflict of interest

The subsidiary governance framework and Board mandate provide clear and detailed procedures for managing directors' conflicts of interest. These include a standing agenda item at all Board and committee meetings for the disclosure of any actual or potential conflicts, mandatory declarations before appointment, ongoing disclosures as conflicts arise, and an annual declaration of interests.

All declared interests are recorded in a register maintained by the Company Secretary. Directors are expected to avoid situations that could compromise their objectivity or hinder them from acting in the best interests of Stanbic Uganda. Where a conflict exists, directors are recused from participating in related discussions or decisions.

In exceptional cases where a conflicted director possesses unique expertise relevant to the matter under consideration, the Board may permit them to provide input solely for informational purposes. However, they will not take part in the deliberation or decision-making process.

Conflicts of interest may include both direct and indirect interests, such as external directorships, fiduciary roles, or shareholdings in other entities. If a conflict is deemed to significantly impair a director's ability to fulfil their fiduciary duties or risks reputational harm to Stanbic Uganda, the director may be required to step down from their role.

Dealing in Securities

The Personal Account Trading Policy and Insider Trading Policy are regularly reviewed to ensure robust controls are in place to prevent improper trading activity. These policies strictly prohibit employees and directors from trading in company securities during designated closed periods, specifically from June 1st until the publication of interim results, and from December 1st until the publication of full-year results.

Additional closed periods may be imposed at any time when employees or directors have price-sensitive information. Ongoing compliance with these policies is actively monitored to uphold market integrity and protect stakeholder trust.

Ethics and Organisational Integrity

The Board acknowledges the central role of ethics and integrity in shaping a resilient and responsible organisation and has, accordingly, strengthened its focus on organisational culture oversight. This has become particularly pertinent in light of the rising incidences of fraud and misconduct within the financial services industry, underscoring the need for proactive, data-informed and multi-dimensional approaches to monitoring and influencing culture.

Together with executive Management, the Board sets the tone from the top, fostering a culture grounded in ethical conduct, accountability, and responsible decision-making. This includes a commitment to treating customers fairly, delivering positive client outcomes, and consistently doing business the right way. Robust governance structures and reporting mechanisms are in place to support effective oversight of organisational conduct and culture.

The Code of Ethics serves as a foundational instrument in embedding these principles across the organisation. It empowers employees at all levels to make sound, values-based decisions, and provides clear guidance on expected standards of behaviour. The Code is aligned with the Standard Bank Group values, internal policies, and

applicable legal and regulatory frameworks, and informs how the organisation engages with clients, partners, regulators, and the broader community.

To reinforce ethical behaviour, the Code clearly defines acceptable and unacceptable conduct, promotes awareness of ethical risks, and outlines each employee's responsibility to uphold a strong ethical culture. This includes the obligation to report misconduct, supported by confidential reporting channels and whistleblower protections, which are actively communicated across the organisation.

Ethics and conduct training is embedded within both induction programmes and ongoing learning initiatives. Employees are periodically assessed on their understanding of ethical standards, and targeted interventions are implemented when gaps are identified to ensure consistent alignment with expected behaviours.

Multiple reporting channels are available to facilitate the escalation of ethical concerns, including dedicated ethics and fraud hotlines, line management, the People and Culture function, and the Risk and Compliance teams. Incidents relating to misconduct are managed within the broader risk management framework.

Going Concern

The Directors have sufficient reason to believe that the Company has adequate resources to continue operating as a going concern.

Company Secretary

The Governance function, led by the Company Secretary, operates as a shared service for the holding Company and all its subsidiaries. This structure is designed to strengthen information flow, harmonise corporate governance practices, and streamline processes in alignment with the subsidiary governance framework.

The Company Secretary plays a pivotal role in supporting the Boards, ensuring they remain fully aware of their fiduciary duties and responsibilities. Beyond guiding the Board in fulfilling its mandate, the Company Secretary keeps directors informed of developments in governance best practices and relevant legislative changes. All directors have unrestricted access to the Company Secretary's services and support, ensuring they receive timely, accurate information for effective decision-making.

Delegation of Authority (DOA)

The Board of Directors acts as the custodian of shareholder interests, ensuring that the Group is managed in a manner that delivers sustainable, long-term value. In discharging this responsibility, the Board operates within a well-defined Delegation of Authority (DOA) Framework, which enables the structured delegation of responsibilities to Management while preserving appropriate oversight and accountability.

This Framework is underpinned by clearly articulated terms of reference and robust reporting mechanisms, including quarterly performance reporting and continuous engagement through established digital channels between meetings. These arrangements ensure that the Board remains appropriately informed and able to exercise effective oversight.

In recognition of the varying maturity and risk profiles across the Group, the Holding Company Board retains authority over critical matters relating to the "beyond banking" subsidiaries. This includes oversight of executive appointments, strategic direction, and approval of significant capital investments.

Consistent with holding company governance practices, the Board allocates its focus proportionately, taking into account each subsidiary's relative contribution and risk profile. The Bank subsidiary operates within a ring-fenced governance framework, is fully

compliant with Bank of Uganda regulatory requirements, and has decision-making authority vested in its dedicated Board.

The day-to-day Management of the Group is delegated to the Chief Executive, who further cascades authority across management structures to ensure an appropriate balance between strong internal controls and organisational agility. The DOA Framework provides clearly defined decision-making thresholds across all levels, promoting consistency, accountability, and efficient execution. The Framework is reviewed annually to ensure continued relevance and alignment with the Group's strategic priorities.

An Executive Committee mandate supports adherence to the DOA, reinforcing disciplined decision-making within defined authority limits. Oversight of compliance with delegated authorities is jointly

exercised by the Chief Financial Officer and the Company Secretary, with the Chief Executive retaining ultimate accountability to the Board for its effective implementation.

Through this structured approach, delegation of authority at both Board Committee and management levels facilitates the optimal deployment of expertise across the organisation. This not only ensures that appropriately skilled professionals lead critical functions but also enables the Board to concentrate on matters reserved for its consideration. In addition, the Framework supports leadership development and succession planning by providing Management with opportunities to build capability and experience within clearly defined governance boundaries.



Board Committees

In alignment with regulatory requirements and corporate governance best practices, the Board operates through a structured system of committees. This Framework enhances the Board's overall effectiveness by enabling a deeper, more focused approach to key technical and strategic areas of the business.



The committee structure allows the full Board to prioritise high-level oversight and strategic decision-making, while ensuring that directors thoroughly consider complex, technical matters with the appropriate expertise and experience. Each Board committee convenes at least once every quarter to review, discuss, and evaluate management reports and other key matters within its remit. Following these meetings, committee chairpersons present comprehensive reports to the full Board, highlighting significant deliberations and submitting recommendations for Board consideration and approval, as appropriate.

A.Stanbic Uganda Holdings Limited

In accordance with the Capital Markets Authority Corporate Governance Guidelines, and recognising the non-operational nature of the holding Company, the Board has established. It maintains two key committees: the Board Audit and Risk Committee and the Board Nomination and Remuneration Committee.

Board Audit & Risk Committee	<p>Committee Purpose</p> <p>Ensures that Management has established appropriate, robust internal control and risk management systems, processes and procedures.</p>
Board Nomination & Remuneration Committee	<p>Committee Purpose</p> <p>Responsible for proposing new nominees to the Board, reviewing the board composition and recommending to the Board for approval the remuneration of non-executive directors and executive/ senior management</p>

Board Audit and Risk Committee

 <p>Committee Composition</p>	<ul style="list-style-type: none"> • Chaired by an independent non-executive director • Comprised of only independent non-executive directors • Chief Executive and Members of Management are invitees 	<p>The Committee is composed exclusively of Independent Non-Executive Directors. To preserve independence, the Audit Committee Chairperson does not chair any other board committee. However, she serves as a member of both the Board Risk Management Committee and the Board People and Culture Committee to gain a comprehensive understanding of the various risks faced by the Bank—an essential aspect in ensuring effective oversight of the control environment.</p>
 <p>Skills & Experience</p>	<ul style="list-style-type: none"> • Audit and Accounting • Financial analysis and reporting • Risk Management and Controls • Corporate Governance and Regulation 	<p>The Committee assists the Board in fulfilling its responsibility to establish and maintain effective internal control systems, safeguard the Bank's assets, and ensure the maintenance of adequate accounting records. It reviews the Bank's financial position and provides recommendations to the Board on financial matters, internal financial controls, fraud, and IT risks related to financial reporting. This includes assessing the integrity and effectiveness of the Bank's accounting practices, financial compliance, and control systems.</p>

The BARC convened quarterly to oversee audit and risk-related matters across Stanbic Uganda Holdings Limited and its beyond-banking subsidiaries. As part of its mandate, the Committee reviewed internal audit findings and risk management reports, with particular focus on the effectiveness of mitigation measures and the resilience of the internal financial control environment.

As part of its oversight role, the BARC recommended that the Board approve the Risk Appetite Statement. This ensured that the risks the organisation is willing to undertake are clearly defined, aligned with strategic objectives, and consistent with the Board's fiduciary responsibilities to all stakeholders, promoting transparency and consistency in risk governance.

From a financial reporting perspective, the Committee reviewed quarterly reports highlighting key financial accounting and external reporting matters that could significantly impact the organisation. It assessed their implications on financial statements and disclosures. The Committee additionally received periodic updates on developments in International Financial Reporting Standards (IFRS), particularly IFRS S1 and S2, as well as IFRS 18 and 19, to ensure compliance.


The Committee also reviewed the quality and integrity of the interim and annual financial statements. It was satisfied that the appropriate accounting principles had been applied in accordance with International Financial Reporting Standards (IFRS) and that the

disclosures were clear, comprehensive, and well-contextualised, in compliance with the Financial Institutions Act and the requirements of the Uganda Securities Exchange Limited. Following this review, the Committee recommended the financial results to the Board for approval, including proposals for the payment of the 2025 interim and final dividends.

In addition, the Committee oversees the relationship between the external auditor and the Company. Its responsibilities include making recommendations on the appointment or reappointment of external auditors, and annually assessing and reporting to the Board on the auditors' qualifications, expertise, and independence. The Committee also evaluates the effectiveness of the external audit process and advises the Board on whether to propose the reappointment of the external auditors to the shareholders.

Development sessions completed in 2025 to enhance the Committee's effectiveness included externally facilitated governance training by the IoD (UK) on directors' roles, responsibilities, liabilities, ethics, culture and risk governance; a joint Standard Bank Group Board Audit & Risk Chairpersons session on emerging Group-wide trends; the National Annual Board Audit Committee workshop facilitated by ICPAU; an expert-led session on cyber risk oversight; and the annual AML/CFT/CPF refresher facilitated by the Financial Intelligence Authority.

Nomination and Remuneration Committee



Committee Composition

- Chaired by an independent non-executive director
- Comprised of only independent non-executive directors
- Chief Executive & Members of Management are invitees



Skills & Experience

- Audit and Accounting
- Financial analysis and reporting
- Risk Management and Controls
- Corporate Governance and Regulation

This Committee is composed primarily of independent Non-Executive Directors and is chaired by the Board Chairperson. It is responsible for proposing new Board nominees, reviewing Board composition, and recommending the remuneration of Non-Executive Directors and executive and senior management for Board approval. Its mandate extends to Stanbic Uganda Holdings Limited and all its subsidiaries, subject to alignment with any subsidiary-specific regulatory or statutory requirements.

In discharging its responsibilities, the Committee focused on several key areas during the year under review. These included interviewing and recommending to the Board for approval the appointment of the Chief Executives for SBG Securities and Stanbic Business Incubator,

as well as the nomination of Independent Non-Executive Directors to the Boards of Stanbic Uganda Holdings Limited and Stanbic Properties. Additionally, the Committee reviewed the revised operating model, the Board and management remuneration proposals, performance evaluations, and succession plans.

B. Stanbic Bank Uganda Limited

During the reporting year, the Bank operated with six standing committees: Audit, Risk Management, Credit, People and Culture, Asset and Liability, and Technology and Innovation. Following board changes during the year, the composition of these committees was reviewed to ensure alignment with the skills and expertise of the respective directors. The information presented on each Committee reflects its composition and activities during the year under review.

Board committees

BOARD AUDIT COMMITTEE

Ensures that Management has created and maintained an effective control environment in the organisation that demonstrates and stimulates the necessary structure amongst all parties.

BOARD RISK MANAGEMENT COMMITTEE

Reviews and assesses the integrity of the risk control systems and ensures that risk policies and strategies are effectively identified, managed and monitored in order to contribute to a climate of discipline and control.

BOARD CREDIT COMMITTEE

Ensures that effective credit governance is in place to provide for the adequate management, measurement, monitoring and control of credit risk.

BOARD ASSET and LIABILITY COMMITTEE

Oversees all matters relating to liquidity and capital management of the Bank including establishing guidelines on the Banks tolerance for risk and investment expectations.

BOARD TECHNOLOGY AND INNOVATION COMMITTEE

Oversees all matters relating to the Bank's technology function which is comprised of Information and Technology, Innovation, Operations, and the Enterprise Data Office.

BOARD PEOPLE and CULTURE COMMITTEE

Reviews and provides oversight on the implementation of effective and efficient People and Culture matters, including but not limited to: Employee talent acquisition and management, succession planning, reward management, performance management, learning and talent development, employee engagement and employee wellness and Well-being.

Board Audit Committee



- Chaired by an independent non-executive director
- Comprised of only independent non-executive directors
- Chief Executive & Members of Management are invitees



- Audit and Accounting
- Financial analysis and reporting
- Risk Management and Controls
- Corporate Governance and Regulation

The Committee is composed exclusively of Independent Non-Executive Directors. To preserve independence, the Audit Committee Chairperson does not chair any other board committee. However, she serves on both the Board Risk Management Committee and the Board People and Culture Committee to gain a comprehensive understanding of the risks faced by the Bank, an essential aspect in ensuring effective oversight of the control environment.

The Committee assists the Board in fulfilling its responsibility to establish and maintain effective internal control systems, safeguard the Bank's assets, and maintain adequate accounting records. It reviews the Bank's financial position and provides recommendations to the Board on financial matters, internal financial controls, fraud, and IT risks related to financial reporting. This includes assessing the integrity and effectiveness of the Bank's accounting practices, financial compliance, and control systems.

In discharging its responsibilities as outlined in the Committee's terms of reference, the Committee's activities in 2025 extended beyond its core areas of oversight to include a continued emphasis on the timely resolution of overdue audit findings. Where necessary, the respective department heads were invited to attend meetings and provide updates on the status and closure of these outstanding issues.

The Committee reviewed and approved the internal audit plan and assessed the adequacy of measures implemented to ensure the resilience of the internal financial control environment. Combined assurance reports were presented quarterly to enhance oversight of business-process risks and controls. Additionally, the Committee reviewed internal audit reports covering both satisfactory and unsatisfactory outcomes, along with management responses from the respective business units outlining the remedial actions to be undertaken.

The Committee facilitates effective communication and coordination between the Board, internal and external auditors, Management, and regulators. It maintains a constructive relationship with the Head of Internal Audit, who reports directly to the Committee, thereby preserving the Internal Audit function's independence. The Head of Internal Audit submits quarterly reports highlighting control gaps and weaknesses, including those related to financial controls.

In accordance with the Financial Institutions Act, the Committee recommends the appointment of external auditors to the Board, taking into consideration the audit firm's profile and the depth of its expertise in the organisation's core business areas. It also oversees the external auditors' engagement with shareholders, particularly regarding annual financial reporting.

The Committee is tasked with evaluating the robustness of the Bank's internal financial and operational controls, including controls over financial reporting, to ensure the integrity of both qualitative and quantitative financial information. The Chief Finance and Value Management Officer is ultimately responsible for implementing and maintaining these controls. The Board relies on the Committee to confirm the accuracy and reliability of financial information, including the annual and half-year unaudited financial accounts.

Development sessions completed in 2025 to enhance the Committee's effectiveness included externally facilitated governance training by the IoD (UK) on directors' roles, responsibilities, liabilities, ethics, culture and risk governance; a joint Standard Bank Group Board Audit & Risk Chairpersons session on emerging Group-wide trends; the National Annual Board Audit Committee workshop facilitated by ICPAU; an expert-led session on cyber risk oversight; and the annual AML/CFT/CPF refresher facilitated by the Financial Intelligence Authority.

The Head of Internal Audit, the Chief Finance and Value Management Officer, the Chief Executive, and the External Auditors regularly attend the Audit Committee meetings. Other Executive and Non-Executive Directors, as well as members of executive Management, attend by invitation as needed.

During the year under review, the Audit Committee complied with its mandate and met all its legal and regulatory obligations. Key responsibilities fulfilled included assessing and recommending to the Board the appointment of Ernst & Young as External Auditors, as well as negotiating audit fees. The Committee also reviewed and recommended to the Board for approval the interim unaudited and final audited financial statements, in line with the requirements of the Financial Institutions Act. The Committee additionally received periodic updates on developments in International Financial Reporting Standards (IFRS), particularly IFRS S1 and S2, as well as IFRS 18 and 19, to ensure compliance.



The board oversees the external auditors' engagement with shareholders, particularly regarding annual financial reporting.

The Committee is tasked with **evaluating the robustness of the Bank's internal financial and operational controls**, including controls over financial reporting, to ensure the integrity of both qualitative and quantitative financial information.

Board Risk and Management Committee

 <p>Committee Composition</p>	<ul style="list-style-type: none"> • Chaired by a non-executive director • Comprised of majority non-executive directors with at least 2 INEDs. • At least 1 member is a NED sitting on the Board Audit Committee
 <p>Skills & Experience</p>	<ul style="list-style-type: none"> • Risk Management and Controls • Business strategy and management • Banking/Financial services

The Board retains ultimate responsibility for risk management. To support this, the Board Risk Management Committee (BRMC) assists the Board in discharging its duties by ensuring that the Bank's risk management framework remains robust, reliable, and responsive to emerging and principal risks.

The BRMC provides independent and objective oversight of risk management and submits relevant recommendations to the Board for continuous improvement. The Committee regularly reviews and evaluates the integrity of the Bank's risk control systems and ensures that risk policies and strategies are effectively identified, implemented, and monitored. In doing so, it fosters a culture of discipline and control, reducing exposure to risks across all areas of the Bank's operations.

In line with these principles, the Committee played a critical role in assessing the impact of both existing and emerging local and global risks on the Bank's financial and non-financial risk profile. The Committee considered a broad range of key risk categories, including strategic, operational, credit, liquidity, cybersecurity, and reputational risks. An integrated approach to risk reporting was consistently applied, enabling the Committee to assess the adequacy, robustness, and resilience of the Bank's risk management frameworks and business continuity plans.

The Committee continued to oversee the identification, assessment, and Management of risks arising from an evolving operating environment, including strategic, operational, financial, regulatory, reputational and ESG risks, as well as a review of the Bank's risk appetite. It ensured that the Bank's risk management processes remained robust and responsive to emerging threats and opportunities. More information on the risk management and control initiatives can be found on [page 52 to 54](#).

In discharging its responsibilities as outlined in its terms of reference, the Committee's 2025 activities extended beyond traditional areas of focus to include emerging risks associated with artificial intelligence, ESG, geopolitical developments, and macroeconomic trends.

From a climate risk and sustainability perspective, the Committee reviewed the IFRS S1 and S2 gap analysis outcomes; sustainability KPIs across business units; the Group climate strategy; the Group sustainable finance framework and progress towards local adoption; and environmental and social risk assessment findings, among others. More information on our ESG Risk Management framework can be found in [Our Report to Society](#).

In 2025, the Board undertook several development sessions to strengthen its governance, strategic oversight, and risk management capabilities in line with evolving regulatory expectations and emerging risks. These included an externally facilitated IoD (UK) governance session on directors' roles, responsibilities, liabilities, ethics, culture and risk governance; Group-facilitated sessions on emerging technologies, data privacy and cyber security; expert-led discussions on cyber risk oversight; an externally facilitated masterclass on climate risk and sustainability; the annual AML/CFT/CPF refresher by the Financial Intelligence Authority; a joint Standard Bank Group subsidiaries Board Audit & Risk Chairpersons' session; and Bank of Uganda workshops covering cyber security, corporate governance, AML/CFT, ESG and climate-related financial risks.

The Board Risk Management and Audit Committees work in close coordination, with clearly defined but occasionally overlapping mandates. To ensure efficiency, the respective Chairpersons

collaborate to avoid duplication. Both Committees apply the three-lines-of-defence model, under which frontline functions manage and assess risks, risk and compliance functions set and oversee controls and regulatory compliance, and internal and external audit provide independent assurance on the effectiveness of these controls.

The Committee discharged its mandate during the year under review in compliance with its legal and regulatory obligations.

Board Credit Committee

 <p>Committee Composition</p>	<ul style="list-style-type: none"> • Chaired by a non-executive director • Comprised of majority non-executive directors. • Chief Executive is a member
 <p>Skills & Experience</p>	<ul style="list-style-type: none"> • Credit Risk Management • Financial Services /Banking • Business Strategy

The Credit Committee plays a critical role in ensuring that effective frameworks for credit governance are established and maintained to support the comprehensive Management, measurement, monitoring, and control of credit risk, including country risk.

Acting on behalf of the Board, the Committee oversees all matters related to the Bank's credit and loan approvals, applications, and advances. It holds the authority to approve all credit applications involving directors, senior Management, and commercial loans within the Bank's approved lending limits. For credit applications exceeding the stipulated limits, the Committee presents them to the full Board for approval.

Additionally, the Committee is responsible for reviewing the strategies developed to achieve the Bank's credit and lending objectives and for approving credit policies, with due consideration of relevant regulatory changes and evolving economic or banking conditions.

In line with its terms of reference, the Committee's activities in 2025 focused primarily on close monitoring of credit portfolio performance against the Board-approved credit risk appetite. This enabled early identification of emerging stress and timely implementation of appropriate mitigation measures. The Committee also undertook forward-looking assessments of the global and domestic macroeconomic environment, evaluating potential implications for credit quality and portfolio resilience. In addition, the Committee oversaw the transition of the Head of Credit role, which was concluded without disruption to business operations.

Credit related development sessions held in 2025 included the EA Regional Board Credit Committee Chairpersons' development programme; the Stanbic Bank Economic Symposium, which focused on global and macroeconomic trends and their implications for the country and the industry; and an externally facilitated governance session on directors' roles, responsibilities and liabilities, ethics, corporate culture and risk governance. These sessions were instrumental in enhancing the Committee's understanding and oversight of credit risk in a dynamic environment. Further details on the Management of credit risk are set out in the comprehensive risk management report on [page 52 to 54](#).

The Committee discharged its mandate during the year under review in compliance with its legal and regulatory obligations.

Board People and Culture Committee



- Chaired by an independent non-executive directors
- Comprised of only non-executive directors
- Chief Executive & Members of Management are invitees



- Human Capital Management/Strategy
- Culture/Conduct/Ethics
- Remuneration/Reward

The Committee is responsible for overseeing the people and culture function, including related policies, to ensure alignment with the Company's overall strategy. This includes ensuring that talent management and succession planning strategies remain robust, relevant, and forward-looking. It also provides oversight of the recruitment and compensation of executive and senior Management, as well as other key personnel, to ensure that remuneration structures are consistent with the Company's culture, strategic objectives, and control environment.

Additionally, the Committee ensures the development and maintenance of compensation policies to attract and retain high-quality executives and senior managers, while rewarding performance that contributes to sustainable value creation and enhances shareholder interests.

The People and Culture Committee has adopted an employee-centric approach in discharging its mandate, with a key focus on talent management, executive management succession planning, and oversight of change management initiatives arising from the leadership and organisational changes aligned to the new operating model.

The Committee remained cognisant of the critical role a highly engaged and motivated workforce plays in delivering customer satisfaction and creating shareholder value. As such, it proactively reviewed talent acquisition and retention strategies to ensure alignment with the organisation's evolving needs.

Management provided regular updates on measures undertaken to balance reward and discipline and promote a sound risk culture across all levels of the business. The Board's committee structure further enhanced this oversight, with shared membership between the People and Culture Committee and the Board Risk Management Committee facilitating seamless information flow and improved alignment on people-related risks.

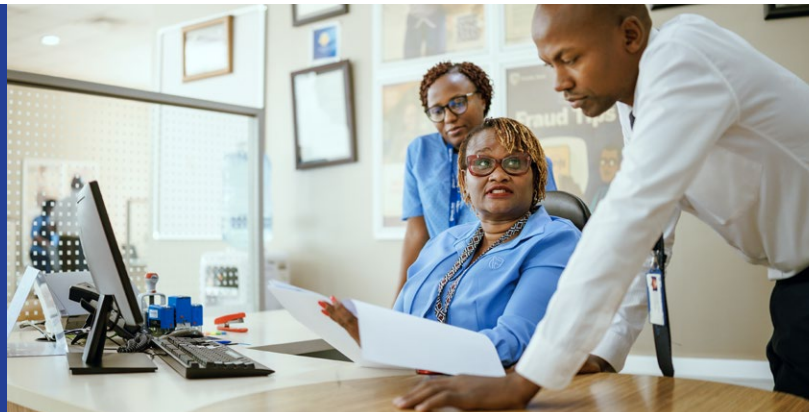
During the year, Committee members undertook development sessions focused on areas critical to their oversight responsibilities. These included a Standard Bank Group-facilitated masterclass on ethics and conduct and the role of the Board; a crisis simulation exercise assessing leadership continuity, succession planning and the Board's role; a joint regional refresher on reward and remuneration philosophy facilitated by the Group People & Culture team; and the Strathmore "Leading the Board" programme attended by the Committee Chair, with emphasis on the Board's strategic oversight role.

Key activities during the year included oversight of a culture of growth; enhancement of employee productivity and capability; filling of critical vacancies, notably the appointment of the Head of Business and Commercial Banking and the Head of Credit; oversight of Executive Committee succession planning and talent management; and continued focus on risk and conduct.

The Committee discharged its mandate during the year under review in compliance with its legal and regulatory obligations.



Key activities during the year included oversight of a culture of growth; enhancement of employee productivity and capability; filling of critical vacancies,



Board Asset Liability Management Committee

 <p>Committee Composition</p>	<ul style="list-style-type: none"> • Chaired by a non-executive director • Comprised of at least 2 non-executive directors • Chief Executive & Executive Director are members
 <p>Skills & Experience</p>	<ul style="list-style-type: none"> • Capital, Asset and liquidity Management • Risk Management & Controls • Financial services/banking

The Asset and Liability Committee (ALCO) is responsible for overseeing all matters related to the Bank's asset and liability management. The Committee establishes key guidelines for the Bank's risk tolerance and investment expectations, including setting limits on the loan-to-deposit ratio, capital adequacy ratio, and the permissible range of maturities for both newly acquired and existing asset categories. It also reviews and approves the Bank's policies, procedures, and portfolio composition to ensure alignment with strategic goals for diversification, credit quality, profitability, liquidity, community investment, pledging obligations, and regulatory compliance.

Furthermore, the Committee is tasked with setting guidelines on the Bank's capital position and evaluating capital management plans to ensure that capital levels are adequate in line with the approved risk appetite, business strategy, and applicable regulatory requirements.

In 2025, the Asset and Liability Committee (ALCO) focused on ensuring compliance with liquidity and capital-related regulatory requirements, overseeing strategies to grow customer assets, and assessing the potential impact of geopolitical and macroeconomic trends. The Committee met quarterly to monitor and evaluate the Bank's liquidity and capital adequacy positions using scenario-based forecasting. This proactive approach enabled the Committee to assess the Bank's resilience under varying market conditions and ensure continued compliance with both internal benchmarks and

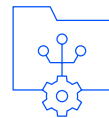
regulatory thresholds. Where necessary, the Committee made appropriate recommendations to the Board to support sound financial positioning and strategic decision-making.

The Committee also reviewed and recommended to the Board for approval the payment of the 2025 interim and final dividend.

Development sessions undertaken by Committee members during the year included the Committee Chair's participation in the East Africa Credit Chairpersons' Conference in South Africa, facilitating peer learning and knowledge sharing; targeted engagements between the Committee Chair and the Head of Treasury and Capital Management for the Africa regions on the East African economic outlook, including debt levels and emerging risks; attendance at the Stanbic Bank Economic Symposium on global geopolitical and macroeconomic trends and their industry impact; and an externally facilitated IoD (UK) governance session on directors' roles, responsibilities and liabilities, ethics, culture and risk governance.

These sessions were instrumental in enhancing the members' knowledge and oversight capabilities in alignment with evolving regulatory expectations and the dynamic economic environment.

The Committee discharged its mandate during the year under review in compliance with its legal and regulatory obligations.



The Asset and Liability Committee (ALCO) is responsible for overseeing all matters related to the **Bank's asset and liability management.**

In 2025, the Asset and Liability Committee (ALCO) focused on ensuring compliance with **liquidity and capital-related regulatory requirements, overseeing strategies to grow customer assets.**

Board Technology and Innovation Committee

 <p>Committee Composition</p>	<ul style="list-style-type: none"> • Chaired by an independent non-executive director • Comprised of only non-executive directors
 <p>Skills & Experience</p>	<ul style="list-style-type: none"> • Digital/technology innovation • Business and risk management skills

The Board Technology and Innovation Committee continued to support the Board in providing strategic oversight of the Bank's digital innovation agenda and future-ready transformation strategy. In line with its mandate, the Committee oversaw the approval and implementation of the Bank's technology strategy, including its artificial intelligence and data strategy; monitored Management's response to emerging technology trends; and provided oversight over the value being realised from technology and innovation investments.

The Committee's oversight ensured that technology and innovation initiatives remained aligned with the Bank's strategic objectives and positioned the Bank to navigate an increasingly dynamic technological landscape. To support effective oversight, Committee members participated in development sessions including a Board session on emerging technologies, data privacy, cyber security and the role of the Board (facilitated internally with support from Standard Bank Group); an external expert-led discussion on cyber risk monitoring and oversight through the Audit and Risk Committees; and a Bank of Uganda workshop covering cyber security, corporate governance, AML/CFT, ESG and climate-related financial risks.

These sessions were designed to deepen the Committee's understanding of emerging technologies and their associated risks and opportunities, thereby enhancing the quality of its oversight and strategic guidance in support of the Bank's future-ready transformation agenda.

The Committee discharged its mandate during the year under review in compliance with its legal and regulatory obligations.



Remuneration report

Stanbic Uganda Holdings Limited and its subsidiaries are dedicated to attracting and retaining top-tier talent. We are committed to cultivating a highly skilled and resilient workforce with the depth, agility, and expertise required to drive sustainable growth.

Remuneration Philosophy and Policy

Stanbic Uganda Holdings Limited and its subsidiaries are committed to fostering an inclusive and empowering environment, equipping individuals at all levels with the tools and opportunities to become the best version of themselves. We recognise that specific critical skills and capabilities are essential to transitioning into a future-ready organisation. These capabilities are closely tracked, and deliberate, targeted actions are implemented to ensure we maintain a strong pipeline of talent equipped with these competencies.

At the core of our purpose—to drive Uganda’s growth—is our belief in the value of our people. As such, the effective management and fair remuneration of talent remain a key organisational strength. To this end, the Board consistently reviews remuneration philosophies, structures, and practices to ensure they support the attraction, motivation, and retention of top-tier talent.

In determining employee remuneration, the Board considers market benchmarks, competitiveness, company performance against financial objectives, and individual contributions. A significant advancement during the year was the collaboration between the Committee and Management to obtain benchmarking insights from the Group and Global Remuneration Services. Additionally, functional support from specialist departments, such as People and Culture and Finance, plays a vital role in informing Board decisions on remuneration and talent matters.

Components	Application
<p>Structure of Remuneration for Executives and General Employees</p> <p>Terms of Service</p>	The terms and conditions of employment of all managers and general employees are guided by local legislation and are aligned to Standard Bank Group practices. Notice periods are stipulated by legislation.
<p>Structure of the Remuneration</p> <p>Fixed pay</p>	Fixed pay is intended to attract and retain employees by ensuring competitive positioning in the local market and in some instances, globally. Fixed pay is normally reviewed annually taking into account inflation and affordability considerations. These factors guide the overall approach to fixed pay adjustments.
<p>Benefits</p> <p>Annual Incentive</p>	Benefits are provided in line with market practice and regulatory requirements. The company provides medical cover and death benefits for staff and dependents. In addition, retirement benefits are provided on a deferred contribution basis linked to fixed pay.
<p>Deferral Schemes</p> <p>Deferred Bonus Scheme (DBS)</p>	The company has implemented a DBS to compulsorily defer a portion of incentives over a minimum threshold for some senior managers and executives. This improves the alignment of shareholder and management interests and enables clawback under certain conditions, supporting risk management. All employees who are awarded an incentive over a certain threshold are subject to a mandatory deferral of a certain percentage of their bonus into the DBS for up to 42 months. To enhance the retention component of the scheme, additional increments of the deferred bonus become payable at vesting and one year thereafter.
<p>Long-term Incentives</p> <p>Share Incentive Schemes</p>	The Standard Bank Group (parent company) runs a Standard Bank Equity Growth Scheme (EGS) and Group Share Incentive Scheme (GSIS) to which certain employees are eligible to participate. Participation rights under the EGS and share options under the GSIS are granted to qualifying employees. Grants of rights or options are typically made annually as part of the annual reward.
<p>Retention agreements</p>	Retention agreements are only entered into in exceptional circumstances, and retention payments have to be repaid should the individual concerned leave within a stipulated period.

Terms of Employment

Retention agreements	Retention agreements are only entered into in exceptional circumstances, and retention payments have to be repaid should the individual concerned leave within a stipulated period.
Severance payments	Severance payments are determined by legislation, market practice and, where applicable, agreement with recognised trade unions to employee forums. It is not our practice to make substantial severance awards.
Restrictive Covenants	Some executive employment contracts include restrictive covenants on the poaching of employees or customers. No other restrictions are included in contracts at present.
Sign on Payments	In attracting key employees, it may be necessary to compensate for the loss of unvested awards with their prior employer. In such cases, we would consider compensating such new employees in the appropriate share incentive scheme or in certain situations; a cash sign-on payment may be made on joining, subject to repayment should the employee leave the company within a certain period.
Executive Directors' Remuneration	The remuneration packages and long-term incentives for Executive Directors are determined along with other employees on the same basis and using the same qualifying criteria. The compensation of the Chief Executive is subject to an annual review process that includes the Board.
Non-Executive Directors Remuneration	<p>Non-Executive Directors receive a retainer fee for their service on the Board and a meeting attendance fee for Board committee meetings. Fees are paid quarterly in arrears. There are no contractual arrangements for compensation for loss of office. Non- Executive Directors do not receive shortterm incentives, nor do they participate in any long-term incentive schemes.</p> <p>The Board Nomination and Remuneration Committee reviews the fees paid to Non-Executive Directors annually and makes recommendations to the Board for consideration. In determining the remuneration of the Non- Executive Directors, the Board considers the extent and nature of their responsibilities and reviews of comparative remuneration offered by other similar companies in Uganda.</p>

DIRECTORS EMOLUMENT 2025

Category	Services as Directors UShs,'000	Board committee fees UShs,'000	Cash portion of package UShs,'000	Performance incentives UShs,'000	Other benefits UShs,'000	Pension contributions UShs,'000	Total UShs,'000
Non-executive directors	-	-	7,649,558	7,035,251	201,121	1,660,901	16,546,831
Non-executive directors	695,418	309,771	-	-	-	-	1,005,189
Former non-executive directors	26,277	20,677	-	-	-	-	46,954
Total	721,695	330,448	7,649,558	7,035,251	201,121	1,660,901	17,598,974

DIRECTORS EMOLUMENT 2024

Category	Services as Directors UShs,'000	Board committee fees UShs,'000	Cash portion of package UShs,'000	Performance incentives UShs,'000	Other benefits UShs,'000	Pension contributions UShs,'000	Total UShs,'000
Non-executive directors	-	-	4,802,973	1,467,523	94,082	1,096,104	7,460,683
Non-executive directors	701,676	429,124	-	-	-	-	1,130,799
Former non-executive directors	56,346	47,058	-	-	-	-	103,405
Total	758,022	476,182	4,802,973	1,467,523	94,082	1,096,104	8,694,887

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Directors' Report

The Directors submit their report together with the audited consolidated and separate financial statements ("financial statements") for the year ended 31 December 2025, which disclose the state of affairs of Stanbic Uganda Holdings Limited ("the Company" or "SUHL") and its subsidiaries (together "the Group").

Principal Activities

SUHL is a non-operating holding company that wholly owns 5 (five) subsidiaries, which include, Stanbic Bank Uganda Limited (the Bank/SBU), Stanbic Properties Limited (SPL), Stanbic Business Incubator Limited (SBIL), Flyhub Uganda Limited (Flyhub) and SBG Securities Uganda Limited (SBGS).

SBU is a financial institution regulated by the Bank of Uganda (BOU) and licensed under the Financial Institutions Act, Cap 57, laws of Uganda to conduct commercial banking business. SPL primarily holds and manages the real estate portfolio of the Group and offers other services such as facilities management, property consultancy and execution of real estate projects. SBIL is a licensed Non-Governmental Organisation (NGO) under the NGO Act, set up to support the sustainability of Small and Medium Enterprises in Uganda through capacity building and development programs. Flyhub is a software development company that provides digital integration and innovative services as part of the Group's digital transformation journey. SBGS is an investment company licensed by the Capital Markets Authority to provide stock brokerage and asset management services. SBGS is also a member of the Uganda Securities Exchange.

On 30 October 2025, the FLYHUB shareholder, Stanbic Uganda Holdings Limited ("the shareholder"), resolved to approve the directional decision to wind up FLYHUB in line with the requisite regulatory processes. As a result of this event, FLYHUB is no longer a going concern.

Results

The Group's consolidated profit for the year of US\$ 591 billion (2024: US\$ 478 billion) has been added to retained earnings.

Dividends

During the year, an interim dividend of US\$ 140 billion was paid (2024: US\$ 140 billion). The directors recommend the approval of a final dividend for the year ended 31 December 2025 of US\$ 220 billion (2024: US\$ 160 billion). The total dividend for the year, therefore, is US\$ 360 billion (2024: US\$ 300 billion).

Share Capital

The total number of issued ordinary shares as at 31 December 2025 was 51,188,669,700 ordinary shares of US\$ 1 each (2024: 51,188,669,700 shares of US\$ 1 each).

Directors and Company Secretary

The Directors and Company Secretary who held office during the year and to the date of this report are as shown under Corporate Information.

Directors' Interest in Shares

As of 31 December 2025, the below director of the Bank subsidiary held direct interest in SUHL's ordinary issued share capital as reflected below:

Director Number of Shares
Joseph T. Ndamira 30,000 shares

Auditor

The Group's auditor, Ernst & Young Certified Public Accountants, was reappointed during the financial year ended 31 December 2025 and has expressed willingness to continue in office in accordance with Section 167(2) of the Companies Act of Uganda.

Insurance

Directors' and Officers' liability insurance was maintained during the year.

Management by Third Parties

None of the Group's business was managed by a third person or an entity in which a director had any interest during the year.

By Order of the Board



Rita Kabatunzi
Company Secretary
19 March 2026

Statement of Directors' Responsibilities

The Companies Act of Uganda requires the Directors to prepare consolidated and separate financial statements for each financial year that give a true and fair view of the state of the financial affairs of the Group and Company as at the end of the financial year and of their profit or loss. It also requires the Directors to ensure that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group. They are also responsible for safeguarding the assets of the Group.

The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act of Uganda.

The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and Company and of its profit in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and have been prepared in the manner required by the Companies Act of Uganda.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated and separate financial statements and for such internal control as they determine are necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors have assessed the Group's and Company's ability to continue as going concerns. The Directors hereby report that nothing has come to their attention to indicate that the Group or the Company will not remain a going concern for the foreseeable future from the date of this statement.

Approval of the consolidated and separate financial statements

The consolidated and separate financial statements of Stanbic Uganda Holdings Limited were approved by the Board of Directors on 19 March 2026 and were signed on its behalf by:



Baker Magunda
Board Chairman



Francis Karuhanga
Chief Executive

Preparation of the consolidated and separate financial statements

The consolidated and separate financial statements for Stanbic Uganda Holdings Limited for the year ended 31 December 2025 have been prepared by CPA Ronald Makata (FM Number 2257).



CPA Ronald Makata
Chief Finance and Value Management Officer

19 March 2026

Report of the Board Audit and Risk Committee

This report is provided by the Board Audit and Risk Committee (the "Committee") in respect of the 2025 financial year of the Group. The Committee's operation is guided by a Board Committee Mandate (the "mandate"), which is informed by the Companies Act and Financial Institutions Act, Cap 57, laws of Uganda, impacting the banking subsidiary, the Uganda Securities Exchange (USE) Listing Rules 2021 and is approved by the Board. The Committee's composition is annually reviewed by the Board.

Execution of Functions

The Committee has executed its duties and responsibilities during the financial year in accordance with its mandate as it relates to the Group's accounting, internal auditing, internal control and financial reporting practices. During the year under review, the Committee, among other matters, considered the following:

In respect of the external auditor and the external audit:

- Considered and recommended to the Board for the reappointment of Ernst & Young Certified Public Accountants (EY) as external auditor for the financial year ended 31 December 2025, in accordance with the applicable legal requirements.
- Approved the external auditor's terms of engagement, the audit plan and budgeted audit fees.
- Assessed and obtained assurance from the external auditor that their independence was not impaired.
- Approved proposed contracts with the external auditor for the provision of non-audit services and pre-approved proposed contracts with the external auditor for the provision of non-audit services above an agreed threshold amount.
- Considered the nature and extent of all non-audit services provided by the external auditor.
- Confirmed that no reportable irregularities were identified and reported by the external auditor.

In respect of internal control and internal audit:

- Reviewed and approved the internal audit charter and audit plan and evaluated the independence, effectiveness and performance of the internal audit department and compliance with its charter.
- Considered reports of the internal and external auditors on the Group's systems of internal control, including internal financial controls, and maintenance of effective internal control systems.
- Reviewed significant issues raised by the internal audit processes and the adequacy of corrective action taken in response to such findings.
- Assessed whether there were any significant differences of opinion between the internal audit function and management and found none.
- Assessed the independence and effectiveness of the Group Chief Audit Officer, the internal audit function and adequacy of the available internal audit resources and found them to be satisfactory.
- Considered the outcome of the Group's external auditor's annual assessment of internal audit against the requirements of International Standards on Auditing (ISA) 601, which confirmed that the external auditors could place reliance on internal audit's work for the purpose of external audit engagements.
- Reviewed the internal audit annual report which summarised the results and themes observed as part of internal audit's activities for the prior year as well as internal audit's assurance statement that the control environment was effective to ensure that the degree of risk taken by the Group was at an acceptable level and that internal financial controls were adequate and effective in ensuring the integrity of material financial information.
- Based on the above, the committee formed the opinion that, at the date of this report, there were no material breakdowns in internal control, including internal financial controls, resulting in any material loss to the Group.
- Considered quarterly reports from the Group's Internal Financial Control Committee.

In respect of the consolidated and separate financial statements:

- Confirmed applicability of the going concern principle as the basis of preparation of the annual financial statements.
- Examined and reviewed the interim and annual financial statements prior to submission and approval by the Board.
- Reviewed reports on the adequacy of the provisions for loans and advances and other financial assets, and the methodology applied by the Group in determining charges for and levels of impairment thereof.
- Ensured that the annual financial statements fairly present the financial position of the Group, as at the end of the financial year and the results of its operations and its cash flows for the financial year.
- Ensured that the annual financial statements are prepared in accordance with IFRS and in the manner required by the Companies Act of Uganda.
- Considered accounting treatments, significant unusual transactions, and accounting judgements.
- Considered the appropriateness of the accounting policies adopted.
- Reviewed any significant legal and tax matters that could have a material impact on the financial statements.
- Reviewed and discussed the external auditor's report.
- Noted that there were no material reports or complaints received concerning accounting practices, internal audit, internal financial controls, the content of the financial statements, internal controls and related matters.

In respect of risk management and information technology:

- Considered risks as they pertained to the control environment, financial reporting and the going concern assessment.
- Considered updates on key internal and external audit findings in relation to the Information Technology (IT) control environment, significant IT programmes and IT intangible assets.
- In respect of financial accounting and reporting developments, reviewed management's process and progress with respect to new financial accounting and reporting developments.

In respect of the coordination of assurance activities, the committee:

- Reviewed the plans and work outputs of the external and internal auditor as well as compliance and financial crime control and concluded that these were adequate to address all significant financial risks facing the business of the Group, and
- Considered the expertise, resources and experience of the finance function and the senior members of management responsible for this function and concluded that these were appropriate.

In respect of the Annual Report:

- Evaluated management's judgments and reporting decisions in relation to the annual report and ensured that all material disclosures are included.
- Reviewed forward-looking statements, financial and sustainability information in respect of internal control, internal audit and financial crime control.
- Reviewed and approved the annual internal audit charter and audit plan and evaluated the independence, effectiveness and performance of the Internal Audit department and compliance with its charter.
- Considered reports of the internal and external auditors on the Group's internal control systems, including internal financial controls and maintenance of effective internal control systems.
- Reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to such findings.

- Noted that there were no significant differences of opinion between the internal audit function and management.
- Assessed the adequacy of the performance of the internal audit function and adequacy of the available internal audit resources and found them to be satisfactory.
- Received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or disposal.
- Based on the above, the Committee formed the opinion that there were no material breakdowns in internal control at the date of this report, including internal financial controls, resulting in any material loss to the Group.
- Considered quarterly reports from the Group's internal financial controls committee.
- Considered the independent assessment of the effectiveness of the internal audit function.

In respect of legal, regulatory and compliance requirements:

- Reviewed, with management, matters that could have a material impact on the Group.
- Monitored compliance with the Companies Act, Financial Institutions Act and the Financial Institutions Regulations of Uganda, all other applicable legislation and governance codes and reviewed reports from internal audit, external audit, and compliance relevant to their monitoring.
- Noted that no complaints were received through the Group's ethics and fraud hotline concerning accounting matters, internal audit, internal financial controls, contents of financial statements, potential violations of the law and questionable accounting or auditing matters.
- Reviewed and approved the annual compliance mandate and compliance plan. In respect of risk management, it considered and reviewed reports from management on risk management, including fraud and its risks pertaining to financial reporting and the going concern assessment.
- In respect of the coordination of assurance activities, the committee reviewed the plans and work outputs of the external and internal auditors as well as compliance and financial crime control and concluded that these were adequate to address all significant financial risks facing the business.

- Considered the expertise, resources and experience of the finance function and the senior members of management responsible for this function and concluded that these were appropriate.

Independence of the External Auditor

The Committee is satisfied that EY is independent of the Group. This conclusion was arrived at, inter alia, after taking into account the following factors:

- The representations made by EY to the Committee in relation to their independence as external auditor.
- The auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefits from the Group.
- The auditor's independence was not impaired by any consultancy, advisory or other work undertaken by them.
- The auditor's independence was not prejudiced as a result of any previous appointment as auditor.

In conclusion, the Board Audit and Risk Committee has complied with its legal, regulatory and governance responsibilities as set out in its mandate.

On behalf of the Board Audit and Risk Committee



Chairman

Board Audit and Risk Committee

March 2026



Independent Auditor's Report

TO THE SHAREHOLDERS OF STANBIC UGANDA HOLDINGS LIMITED REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS



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Certified Public Accountants
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Opinion

We have audited the consolidated and separate financial statements of Stanbic Uganda Holdings Limited ("the Company") and its subsidiaries ("the Group") and Company set out on [pages 94 to 193](#), which comprise of the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate income statements, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of Uganda.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Uganda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Uganda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matter only applies to the audit of the consolidated financial statements.

No.	Key Audit Matter	How the matter was addressed in the audit
1.	Determination of expected credit losses on loans and advances	
	<p>As disclosed in Note 21 to the consolidated and separate financial statements, as at 31 December 2025, the Group had an allowance for expected credit losses of US\$ 142 billion (2024: US\$ 131 billion) charged on gross loans and advances to customers of US\$ 5,233 billion (2024: US\$ 4,505 billion). The related charge for the year to the income statement was US\$ 42.5 billion (2024: US\$ 61.6 billion) as disclosed in Note 11 to the consolidated and separate financial statements. The expected credit losses are based on a forward-looking approach that recognises impairment loss allowances in accordance with IFRS 9 Financial Instruments. The estimation of expected credit losses requires the Group to make significant judgements in the consideration of the following variables:</p> <ul style="list-style-type: none"> Allocation of loans to stages 1, 2 and 3 in accordance with IFRS 9 based on: <ul style="list-style-type: none"> Credit exposures for which there has been a significant increase in credit risk since initial recognition, and for which a loss allowance is recognised over the remaining life of the exposure (lifetime ECL); and Credit exposures for which there has been no significant increase in credit risk, and for which a loss allowance is recognised for default events that are possible within the next 12-months (12-month ECL). 	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Obtaining an understanding of management's process and controls over credit origination, credit monitoring, credit remediation and expected credit loss modelling. This included understanding the governance over the credit models and related management overlay adjustments and evaluating that the ECL models were in accordance with the IFRS 9 principles. For non-performing loans (NPLs or stage 3) ECL models: <ul style="list-style-type: none"> We tested the completeness of the NPLs identified by management by inspecting the loan register that all loans meeting the NPL criteria are included in the schedule of NPLs. For credit classifications based on subjective criteria, we evaluated the appropriateness of the factors considered by management. We understood the ECL models and the key inputs and selected a sample for testing, taking into consideration both quantitative and qualitative factors. The quantitative factors were primarily based on our performance materiality while the qualitative factors considered aspects such as facilities watch-listed by management and the regulator, nonperforming borrowers known from publicly available information and borrowers in sectors that are not performing as expected.

No.	Key Audit Matter	How the matter was addressed in the audit
1.	<p>Determination of expected credit losses on loans and advances</p> <ul style="list-style-type: none"> Stratification of the loans and advances to customers under different credit portfolios on the basis of the associated credit risk. Assessment of the Probability of Default (PD) and the Loss Given Default (LGD). The application of historical and forward-looking information, including macro-economic factors in the assessment of the PD. Assessment and forecasting of expected future cash flows from impaired (stage 3) loans and advances to customers including assessing the financial condition of the counterparty, estimating recoverability of the cash flows and collateral realisation. Consideration of the impact on default rates of correlated forward-looking macroeconomic factors. Expected utilisation of overdraft and other lending commitments over the lifetime of the commitments. Application of additional overlay adjustments to reflect factors that are not considered in the applied expected credit loss model. <p>Due to the significance of the amounts, and the significant judgements and related estimation uncertainty involved, the assessment of ECLs on loans and advances to customers has been considered a key audit matter. The complexity of these estimates requires management to prepare financial statement disclosures explaining the key judgments and the key inputs into the ECL computations.</p> <p>The disclosures in Notes 2.3, 2.4(b) and 3(c) to the consolidated and separate financial statements provide further information about the Group's ECL models and the related accounting policies, key assumptions and judgements.</p>	<ul style="list-style-type: none"> For the selected sample of NPLs, we inspected the related loan files and evaluated that the inputs in the ECL models agreed to the supporting documentation in the files. Inputs considered included interest rates which are used as the discount factors, outstanding loan balances which are the basis for determining the LGD, value of the collateral held which is the basis for expected cash flows from loans to be recovered through foreclosure. We evaluated whether the basis for determining the expected net cash flows from the loans was reasonable in the circumstances. This included evaluating that expected cash flows based on foreclosure are based on the collateral Forced Sale Values as determined by the external valuer and as adjusted by appropriate haircuts, or as otherwise justified by management, including reflecting available supportable information which reflects borrower specific and/or current market conditions. For cash flows expected from repayments by the borrowers, we evaluated that they were supported by enforceable commitments and evidence of source of cash to be used by the borrower to repay the loans. We evaluated whether the expected timing of the cash flows was reasonably supported considering the information available to the Group without undue cost and effort. This included considering past experience of the time it takes to complete a foreclosure including factors such as the time required to complete relevant legal processes as adjusted for changes in the business environment. We evaluated whether necessary adjustments to the expected cash flows were considered including a reasonable estimate of the costs expected to be incurred to recover the expected cash flows. For Stage 1 and 2 ECL models, the ECL balances determined by management were evaluated by assessing whether they were within the range of estimates recomputed using available inputs and validated information produced by the Group. This included evaluating that inputs into the ECL models like the loan balances used agreed to the general ledger and that there were no duplicated or omitted loan facilities and management overlay adjustments like technical arrears were in line with the Group's policy. Assessed whether disclosures made in the consolidated and separate financial statements agreed to the audited balances and information, and whether they were in accordance with IFRS 9.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the

other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of Uganda, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

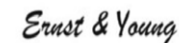
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act of Uganda, we report to you, based on our audit, that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit;
- In our opinion, proper books of account have been kept by the Group and Company, so far as appears from our examination of those books; and
- The consolidated and separate statements of financial position, consolidated and separate income statements and consolidated and separate statements of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Julius Rwajekare – P0307.



Ernst & Young
Certified Public Accountants
Kampala, Uganda
20 March 2026



CPA Julius Rwajekare
Partner



Consolidated and separate income statement

For the year ended 31 December 2025

	Notes	GROUP		COMPANY	
		2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Interest revenue calculated using the effective interest method	5	907,644,966	847,956,737	20,425,874	6,540,394
Interest expense calculated using the effective interest method	6	(116,822,656)	(86,106,828)	-	-
Other interest and similar expense	6	(2,546,103)	(2,046,683)	(53,528)	(62,400)
Net interest income		788,276,207	759,803,226	20,372,346	6,477,994
Fee and commission income	7	264,477,948	235,708,359	-	-
Fee and commission expenses	7	(22,552,069)	(19,378,419)	-	-
Net fees and commission income		241,925,879	216,329,940	-	-
Net trading income	8	380,032,570	304,287,307	-	-
Other gains on financial instruments	9	13,496,935	6,306,324	-	-
Other operating income	10	15,789,860	10,632,833	350,000,000	520,000,000
Non interest revenue		651,245,244	537,556,404	350,000,000	520,000,000
Total income before credit impairment charge		1,439,521,451	1,297,359,630	370,372,346	526,477,994
Impairment charge for credit losses	11	(18,641,554)	(34,012,819)	-	-
Total income after credit impairment charge		1,420,879,897	1,263,346,811	370,372,346	526,477,994
Employee benefits expense	12	(328,232,252)	(281,114,461)	(10,651,077)	(7,659,545)
Amortisation	24	(13,811,160)	(15,549,440)	-	-
Depreciation	25	(32,283,132)	(31,487,431)	(881,100)	(858,911)
Other operating expenses	13	(303,208,986)	(284,125,867)	(12,910,434)	(4,088,613)
Profit before income tax		743,344,367	651,069,612	345,929,735	513,870,925
Income tax expense	14	(152,531,742)	(172,972,168)	(1,717,756)	(4,869,063)
Profit for the year attributable to the equity holders of the Group		590,812,625	478,097,444	344,211,979	509,001,862
Earnings per share for profit attributable to the equity holders of the Group during the year (expressed in UShs per share):					
Basic and diluted	15	11.54	9.34	6.72	9.94

The notes set out on [pages 100 to 193](#) form an integral part of these financial statements.



Consolidated and separate statement of comprehensive income

For the year ended 31 December 2025

	Notes	GROUP		COMPANY	
		2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Profit for the year		590,812,625	478,097,444	344,211,979	509,001,862
Other comprehensive income for the year after tax:					
Items that may be subsequently reclassified to profit and loss					
Net change in fair value reserve on financial investments measured at fair value through other comprehensive income (OCI), net of tax	27	10,467,096	(9,508,424)	-	-
Total comprehensive income for the year, net of tax		601,279,721	468,589,020	344,211,979	509,001,862

Income tax relating to other comprehensive income is disclosed in Note 27. The notes set out on [pages 100 to 193](#) form an integral part of these financial statements.



Consolidated and separate statement of financial position

As at 31 December 2025

	Notes	GROUP		COMPANY	
		2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Assets					
Cash and balances with Bank of Uganda	16	1,472,030,836	1,211,168,332	-	-
Derivative assets	29	71,427,252	99,818,442	-	-
Trading assets	18	1,546,866,457	1,411,507,272	-	-
Pledged assets	19	9,377,661	55,380,467	-	-
Financial investments	17	1,543,404,964	1,119,893,564	130,185,093	22,386,226
Current income tax recoverable	14	-	-	6,422,631	6,222,267
Loans and advances to banks	20	599,497,552	376,592,468	-	-
Loans and advances to customers	21	5,091,311,611	4,373,754,036	-	-
Amounts due from group companies	38	745,561,805	1,173,660,878	165,631,311	245,538,652
Investment in subsidiaries	40	-	-	894,127,489	904,127,489
Other assets	23	229,877,149	376,973,573	29,562,225	99,890
Property, equipment and right of use assets	25	96,827,043	82,433,590	914,168	1,721,930
Non-current assets held-for-sale	25	930,871	-	-	-
Deferred tax assets	22	83,681,516	69,730,655	3,240,507	4,586,214
Goodwill and other intangible assets	24	33,851,658	42,887,563	-	-
Total assets		11,524,646,375	10,393,800,840	1,230,083,424	1,184,682,668
Shareholders' equity and liabilities					
Shareholders' equity					
Ordinary share capital	26	51,188,670	51,188,670	51,188,670	51,188,670
Fair value reserve on financial investments FVOCI	27	8,184,631	(2,282,465)	-	-
Retained earnings	43	2,076,898,434	1,846,085,809	923,192,426	938,980,447
Proposed dividends	35	220,000,000	160,000,000	220,000,000	160,000,000
Total shareholders' equity		2,356,271,735	2,054,992,014	1,194,381,096	1,150,169,117
Liabilities					
Derivative liabilities	29	123,347,934	132,889,663	-	-
Current income tax payable	14	10,741,105	12,763,014	-	-
Deposits from customers	30	8,027,470,064	7,106,871,603	-	-
Deposits from banks	31	104,509,791	263,640,570	-	-
Amounts due to group companies	38	205,040,442	230,416,933	112,930	200,591
Borrowed funds	32	110,629,753	61,882,497	-	-
Subordinated debt	34	74,048,077	75,433,169	-	-
Provisions and other liabilities	33	512,587,474	454,911,377	35,589,398	34,312,960
Total liabilities		9,168,374,640	8,338,808,826	35,702,328	34,513,551
Total equity and liabilities		11,524,646,375	10,393,800,840	1,230,083,424	1,184,682,668

The financial statements on pages 94 to 193 were approved for issue by the Board of Directors on 19 March 2026 and signed on its behalf by:

			
.....
Chairman	Chief Executive	Director	Company Secretary

The notes set out on pages 100 to 193 form an integral part of these financial statements.



Consolidated and separate statement of changes in equity

For the year ended 31 December 2025

GROUP	Notes	Share capital UShs' 000	Fair value through OCI reserve UShs' 000	Statutory credit risk reserve UShs' 000	Proposed dividends UShs' 000	Retained earnings UShs' 000	Total UShs' 000
Balance at 1 January 2025		51,188,670	(2,282,465)	-	160,000,000	1,846,085,809	2,054,992,014
Profit for the year		-	-	-	-	590,812,625	590,812,625
Other comprehensive loss for the year, net of tax	27	-	10,467,096	-	-	-	10,467,096
Total comprehensive income, net of tax		-	10,467,096	-	-	590,812,625	601,279,721
Transactions with owners recorded directly in equity							
Final dividends paid	35	-	-	-	(160,000,000)	-	(160,000,000)
Interim dividends paid	35	-	-	-	-	(140,000,000)	(140,000,000)
Transfer from statutory credit risk reserve	28	-	-	-	-	-	-
Proposed dividends	35	-	-	-	220,000,000	(220,000,000)	-
Balance at 31 December 2025		51,188,670	8,184,631	-	220,000,000	2,076,898,434	2,356,271,735

GROUP	Notes	Share capital UShs' 000	Fair value through OCI reserve UShs' 000	Statutory credit risk reserve UShs' 000	Proposed dividends UShs' 000	Retained earnings UShs' 000	Total UShs' 000
Balance at 1 January 2024		51,188,670	7,225,959	-	155,000,000	1,667,988,365	1,881,402,994
Profit for the year		-	-	-	-	478,097,444	478,097,444
Other comprehensive loss for the year, net of tax	27	-	(9,508,424)	-	-	-	(9,508,424)
Total comprehensive income, net of tax		-	(9,508,424)	-	-	478,097,444	468,589,020
Transactions with owners recorded directly in equity							
Final dividends paid	35	-	-	-	(155,000,000)	-	(155,000,000)
Interim dividends paid	35	-	-	-	-	(140,000,000)	(140,000,000)
Transfer from statutory credit risk reserve	28	-	-	-	-	-	-
Proposed dividends	35	-	-	-	160,000,000	(160,000,000)	-
Balance at 31 December 2024		51,188,670	(2,282,465)	-	160,000,000	1,846,085,809	2,054,992,014

The notes set out on pages [pages 100 to 193](#) form an integral part of these consolidated and separate financial statements.

Consolidated and separate statement of changes in equity (continued)

For the year ended 31 December 2025

COMPANY	Notes	Share capital UShs' 000	Fair value through OCI reserve UShs' 000	Statutory credit risk reserve UShs' 000	Proposed dividends UShs' 000	Retained earnings UShs' 000	Total UShs' 000
Balance at 1 January 2025		51,188,670	-	-	160,000,000	938,980,447	1,150,169,117
Profit for the year		-	-	-	-	344,211,979	344,211,979
Other comprehensive loss for the year, net of tax		-	-	-	-	-	-
Total comprehensive income, net of tax		-	-	-	-	344,211,979	344,211,979
Transactions with owners recorded directly in equity							
Final dividends paid	35	-	-	-	(160,000,000)	-	(160,000,000)
Interim dividends paid	35	-	-	-	-	(140,000,000)	(140,000,000)
Transfer from statutory credit risk reserve	28	-	-	-	-	-	-
Proposed dividends	35	-	-	-	220,000,000	(220,000,000)	-
Balance at 31 December 2025		51,188,670	-	-	220,000,000	923,192,426	1,194,381,096

COMPANY	Notes	Share capital UShs' 000	Fair value through OCI reserve UShs' 000	Statutory credit risk reserve UShs' 000	Proposed dividends UShs' 000	Retained earnings UShs' 000	Total UShs' 000
Balance at 1 January 2024		51,188,670	-	-	155,000,000	729,978,585	936,167,255
Profit for the year		-	-	-	-	509,001,862	509,001,862
Other comprehensive loss for the year, net of tax		-	-	-	-	-	-
Total comprehensive income, net of tax		-	-	-	-	509,001,862	509,001,862
Transactions with owners recorded directly in equity							
Final dividends paid	35	-	-	-	(155,000,000)	-	(155,000,000)
Interim dividends paid	35	-	-	-	-	(140,000,000)	(140,000,000)
Transfer from statutory credit risk reserve	28	-	-	-	-	-	-
Proposed dividends	35	-	-	-	160,000,000	(160,000,000)	-
Balance at 31 December 2024		51,188,670	-	-	160,000,000	938,980,447	1,150,169,117

The notes set out on [pages 100 to 193](#) form an integral part of these consolidated and separate financial statements.



Consolidated and separate statement of cash flows

For the year ended 31 December 2025

	Notes	GROUP		COMPANY	
		2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Cash flows related to operating activities					
Interest received		980,136,322	860,936,697	15,632,710	6,614,176
Interest paid		(122,732,113)	(85,558,964)	17,333	(666,407)
Net fees and commissions received		254,296,165	217,133,023	350,000,000	520,000,000
Net trading and other Income/recoveries		436,688,587	348,931,734	-	-
Cash payment to employees and suppliers		(637,816,300)	(529,118,159)	(22,983,764)	(12,026,251)
Cash flows from operating activities before changes in operating assets and Liabilities					
Changes in operating assets and liabilities					
Income tax paid	14	(169,973,510)	(188,577,225)	(572,413)	(371,751)
Decrease/(increase) in derivative assets		28,391,190	(609,872)	-	-
Increase in financial investments		(416,606,651)	(184,058,047)	(103,005,703)	(2,153,369)
(Increase)/decrease in trading assets		(143,121,800)	368,449,114	-	-
Increase in cash reserve requirement	37	(71,330,000)	(92,990,000)	-	-
Increase in loans and advances to customers and banks		(764,351,668)	(211,047,865)	-	-
Decrease/(increase) in other assets		134,726,138	(249,003,114)	(29,462,335)	(6,332)
Increase in customer deposits		915,939,299	776,819,185	-	-
(Decrease)/increase in deposits and balances due to other banks		(167,156,828)	171,244,803	-	-
Decrease in amounts to group companies		(25,376,491)	(13,176,451)	(87,661)	(877,544)
Decrease in derivative liabilities		(9,541,729)	(2,269,838)	-	-
Increase/(decrease) in other liabilities		65,445,319	(78,060,280)	698,691	6,910,833
Net cash flows from operating activities					
Cash flows related to investing activities					
Purchase of property and equipment	25	(17,453,353)	(21,155,741)	(73,338)	(213,361)
Purchase of computer software	24	(4,775,255)	(5,662,003)	-	-
Proceeds from sale of property and equipment		270,127	181,857	-	-
Net cash flows used in investing activities					
Cash flows related to financing activities					
Principal lease payments		(14,068,446)	(20,156,479)	(70,861)	(1,028,089)
Dividends paid to shareholders	35	(300,000,000)	(295,000,000)	(300,000,000)	(295,000,000)
Investment in subsidiaries	40	-	-	10,000,000	(1,000,000)
Increase in borrowed funds	32	48,747,256	45,255,238	-	-
Decrease in subordinated debt		(1,598,290)	(2,250,394)	-	-
Net cash flows used in financing activities					
Net (decrease)/increase in cash and cash equivalents					
		(1,262,031)	810,257,219	(79,907,341)	220,181,905
Cash and cash equivalents at beginning of the year					
	37	2,396,478,905	1,586,221,686	245,538,652	25,356,747
Cash and cash equivalents at end of the year					
	37	2,395,216,874	2,396,478,905	165,631,311	245,538,652

The notes set out on [pages 100 to 193](#) form an integral part of these consolidated and separate financial statements.

Notes to the consolidated and separate financial statements

1. General information

Stanbic Uganda Holdings Limited (the “Company”) is a limited liability company, incorporated and domiciled in Uganda. The address of its registered office is Plot 17 Hannington Road 11th floor Short Tower - Crested Towers, P. O. Box 7395, Kampala, Uganda.

The Company’s shares are listed on the Uganda Securities Exchange (USE) and the Company has five subsidiaries which are: Stanbic Bank Uganda Limited, FLYHUB Uganda Limited, Stanbic Properties Limited, Stanbic Business Incubator Limited and SBG Securities Uganda Limited.

For purposes of reporting under the Companies Act of Uganda, the balance sheet is represented by the statement of financial position, and the profit or loss account is represented by the income statement in these financial statements.

2.0 Accounting policy elections

2.1 Basis of preparation

The annual financial statements are prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”) and in the manner required by the Companies Act of Uganda. The financial statements are presented in the functional currency, Uganda Shillings (UShs), rounded to the nearest thousand (UShs’000), and prepared under the historical cost convention except where otherwise stated below:

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The following principal accounting policy elections in terms of IFRS have been made, with reference to the indicated material accounting policies:

- Intangible assets, property, equipment and right-of-use assets are accounted for at cost less accumulated amortisation/depreciation and impairment (accounting policy 2.4d).
- Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected (note 2.3).

- Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 2.3.
- Purchases and sales of financial assets under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned are recognised and derecognised using trade date accounting (accounting policy 2.4a).
- Intangible assets, property, equipment and right-of-use assets are accounted for at cost less accumulated amortisation/depreciation and impairment (accounting policy 2.4d).
- The portfolio exception is applied to measure the fair value of certain groups of financial assets and financial liabilities on a net basis (accounting policy 2.4b).

2.2 Changes in accounting policies

The accounting applied policies are consistent with those of the prior year. The new and amended standards and interpretations which were effective during the year did not have a significant impact on the Group’s financial statements and the Group did not early adopt any new and amended standards and interpretations issued but not yet effective during the current reporting period.

New and amended standards and interpretations effective during the reporting period

IAS 21 Exchange Rates (amendments) The International Accounting Standards Board (IASB) issued ‘Lack of Exchangeability’ to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. These amendments will assist companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. The amendments were effective from 1 January 2025 and were to be applied retrospectively. The amendments did not have an impact on the Group and separate financial statements.

New and amended standards and interpretations not yet effective.

The following new and amendment pronouncements are not yet effective for the current year and have not been applied in preparing these annual financial statements.

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)

Effective date: In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be applied prospectively and are not expected to have a material impact on the consolidated and separate financial statements.

IFRS 9 Financial Instruments (IFRS 9) and IFRS 7 Financial Instruments: Disclosure (amendments)

Effective date: 1 January 2026

The IASB issued amendments to the classification and measurement requirements of financial instruments in response to feedback received as part of the post implementation review of IFRS 9. The amendments include a new requirement to permit an entity to deem a financial liability that is settled using an electronic payment system to be discharged before the settlement date if specified criteria are met; and provide clarifications regarding assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features, financial assets with non-recourse features and investments in contractually linked instruments. The IASB also amended the disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be applied prospectively.

In December 2024, the IASB issued Contracts Referencing Nature-dependent Electricity. The amendments include clarifying the application of the ‘own use’ requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a Company’s financial performance and cash flows. The clarifications regarding the ‘own use’ requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The impact of the above amendments on the annual financial statements is currently being assessed but is not expected to have a material impact on the consolidated and separate financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11

Effective date: 1 January 2026

The IASB has issued various amendments and clarifications to existing IFRS, none of which is expected to have a material impact on the consolidated and separate financial statements.

IFRS 18 Presentation and Disclosures in Financial Statements (IFRS 18)

Effective date: 1 January 2027

In April 2024, the IASB issued a new IFRS Accounting Standard to improve reporting of financial performance by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information. IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 is effective from 1 January 2027 with earlier application permitted. IFRS 18 will be retrospectively applied. The Group is in the planning phase of determining the impact on the consolidated and separate financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosure (IFRS 19)

Effective date: 1 January 2027

In May 2024, the IASB issued IFRS 19 that permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. When a parent company prepares consolidated financial statements that comply with IFRS Accounting Standards, its subsidiaries are required to report to the parent using IFRS Accounting Standards. However, for their own financial statements, subsidiaries are permitted to use IFRS Accounting Standards, the IFRS for SMEs Accounting Standard or national accounting standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets

in a fiduciary capacity for a broad group of outsiders. The standards will not be applicable to the consolidated and separate annual financial statements.

Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21

Effective date: 1 January 2027

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position. An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements. These amendments will not be applicable to the Group and separate annual financial statements.

Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37

Effective date: The examples do not have an effective date or transition requirements. Entities are entitled to sufficient time to implement any changes as a result of illustrative examples.

In November 2025 the Board issued Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 -Disclosures about Uncertainties in the Financial Statements ("the examples"), which added illustrative examples to several IFRS accounting standards. The examples are intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements. The examples illustrate existing requirements in IFRS accounting standards. They do not add to, or change, existing requirements. The topics addressed in the examples include the following: Materiality judgements; Assumptions

about specific requirements about impairment testing and general requirements; Credit risk; Decommissioning and site restoration provisions; and Disclosure of disaggregated information in the notes. The Group's management and directors are in the planning phase of determining the impact on the Group and separate annual financial statements.

2.3 Key management judgements and assumptions

In preparing the financial statements, estimates and assumptions are made that could materially affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on factors such as historical experience and current best estimates of future events. While models have been enhanced, no material changes to assumptions have occurred during current or prior reporting periods apart from those mentioned below. The following represents the most material key management assumptions applied in preparing these financial statements.

Expected credit losses (ECL)

During the current reporting period, models for measurement of ECL, have been enhanced but no material changes to assumptions have occurred. As such the below significant increase in credit risk (SICR) and default assumptions, thresholds and/or triggers were not amended.

ECL on financial assets – drivers

For purposes of determining the ECL:

- The mortgage lending, vehicle and asset finance (VAF), card, personal, business lending and other products portfolios are based on the product categories or subsets of the product categories, with tailored ECL models per portfolio. The impairment provision calculation excludes post write-off recoveries (PWOR) from the loss given default (LGD). These LGD parameters are aligned to market practice.
- Corporate, sovereign and bank exposures are calculated separately based on rating models for each of the asset classes.

ECL measurement period

- The ECL measurement period for stage 1 exposures is 12 months (or the remaining tenor of the financial asset relating to corporate, sovereign and bank exposures, including certain mortgage lending, VAF, card, personal, business lending and other product exposures, if the remaining lifetime is less than 12 months).

- A loss allowance over the full lifetime of the financial asset is required if the credit risk of that financial instrument or financial asset has increased significantly since initial recognition (stage 2).
- A lifetime measurement period is applied to all credit impaired (stage 3) exposures.
- Lifetime includes consideration for multiple default events, i.e., where defaulted exposures cure and then subsequently re-default. Financial assets must be assessed for significant increase in credit risk (SICR) compared to when the loan was first originated, prior to the loan reaching 30 days past due arrear status. This consideration increases the lifetime and potential ECL.
- The measurement period for unutilised loan commitments utilises the same approach as on-balance sheet exposures.

Significant increase in credit risk and low credit risk (SICR)

Mortgage lending, vehicle and asset finance, card, personal, business and other lending products

All exposures are assessed to determine whether there has been SICR at the reporting date, in which case an impairment provision equivalent to the lifetime expected loss is recognised. SICR thresholds, which are behaviour score based, are derived for each portfolio vintage of exposures with similar credit risk and are calibrated over time to determine which exposures reflect deterioration relative to the originated population and consequently reflect an increase in credit risk.

Behaviour scorecards are based on a combination of factors which include the information relating to customers, transactions and delinquency behaviour (including the backstop when contractual payments are more than 30 days past due) to provide a quantitative assessment (score), and more specifically, a ranking of customer creditworthiness. The creditworthiness of a customer is summarised by a score, with high scores corresponding to low-risk customers, and conversely, low scores corresponding to high-risk customers. These scores are often considered in determining the probability of default (PD) including relative changes in PD. Credit risk has increased since initial recognition when these criteria are met.

The Group applied the 30-day period for identifying the significant increase in credit risk, except for corporate customers and Business Banking customers above USD 2 million in exposure. In addition, the Group applies override to the 30-day rule presumed higher for significant increase in credit risk on the personal banking government portfolio based on the fact that arrears position at a point in time are

only technical in nature and not a reflection of actual account performance.

The Group determines the SICR threshold by utilising an appropriate transfer rate of exposures that are less than 30 days past due (DPD) to stage 2. This transfer rate is such that the proportion of the 0-29 DPD book transferred into stage 2 is no less than the observed 12-month roll rate of 0-29 days accounts into 30 or more days in arrears. The SICR thresholds are reviewed regularly to ensure that they are appropriately calibrated to identify SICR by portfolio vintage and to consequently facilitate appropriate impairment coverage.

Where behaviour scores are not available, historical levels of delinquency are applied in determining whether there has been SICR. For all exposures, the rebuttable presumption of 30 days past due as well as exposures classified as either debt review or as 'watch-list' are used to classify exposures within stage 2.

Corporate, sovereign and bank lending products (including certain business banking exposures)

The Group uses a 25-point master rating scale to quantify the credit risk for each exposure. On origination, each client is assigned a credit risk grade within the group's 25-point master rating scale. Ratings are mapped to PDs by means of calibration formulae that use historical default rates and other data for the applicable portfolio. These credit ratings are evaluated at least annually or more frequently as appropriate.

Corporate exposures are evaluated for SICR by comparing the credit risk grade at the reporting date to the origination credit risk grade. Where the relative change in the credit risk grade exceeds certain pre-defined ratings' migration thresholds or, when a contractual payment becomes more than 30 days overdue (IFRS 9's rebuttable presumption), the exposure is classified within stage 2. These pre-defined ratings' migration thresholds have been determined based on historic default experience which indicate that higher rated risk exposures are more sensitive to SICR than lower risk exposures. Based on an analysis of historic default experience, exposures that are classified by the Group's master rating scale as investment grade are assessed for SICR at each reporting date but are considered to be of a low credit risk. To determine whether a client's credit risk has increased significantly since origination, the Group determines the extent of the change in credit risk using the table below.

Master rating scale band (from origination)	SICR trigger
SB 1 - 12	Low credit risk
SB 13 - 20	Change of 3 rating or more
SB 21 - 25	Change of 1 rating or more

Incorporation of forward-looking information (FLI) in ECL measurement

The Group determines the macroeconomic outlook, over a planning horizon of at least three years, based on the Group's global outlook and its global view of commodities.

For mortgage lending, VAF, card, personal, business lending and other products these forward-looking economic expectations are included in the ECL where adjustments are made based on the Group's macro-economic outlook, using models that correlate these parameters with macro-economic variables. Where modelled correlations are not viable or predictive, adjustments are based on expert judgement to predict the outcomes based on the Group's macro-economic outlook expectations. In addition to forward-looking macroeconomic information, other types of FLI such as specific event risk, have been taken into account in ECL estimates when required, through the application of out-of-model adjustment. These out-of-model adjustments are subject to Country Credit Risk Management Committee oversight.

The Group's macroeconomic outlooks are incorporated in corporate, sovereign and bank products' clients rating and include specific forward-looking economic considerations for the individual client. The client rating thus reflects the expected client risk for the Group's expectation of future economic and business conditions. Further adjustments, based on point-in-time market data, are made to the PDs assigned to each risk grade to produce PDs and ECL representative of existing market conditions.

Default

The definition of default, which triggers the credit impaired classification (stage 3), is based on the Group's internal credit risk management approach and definitions. While the specific determination of default varies according to the nature of the product, it is compliant to the IFRS definition of default, and generally determined as occurring at the earlier of:

- where, in the Group's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security, this includes the classification of distressed restructures (including debt review exposure accounts) as default for a minimum of 6 months, while observing payment behaviour; or
- when the counterparty is past due for more than 90 days (or, in the case of overdraft facilities in excess of the current limit).

The Group has not rebutted the 90 days past due rebuttable presumption.

Write-off policy

An impaired loan is written off once all reasonable attempts at collection have been made and there is no material economic benefit expected from attempting to recover the balance outstanding (i.e., no reasonable expectation of recovery). This assessment considers both qualitative and quantitative information, such as past performance, behaviour and recoveries.

- The financial asset has been in default for the period defined for the specific product (i.e., vehicle and asset finance, mortgage lending, etc.) which is deemed sufficient to determine whether the Group is able to receive any further economic benefit from the impaired loan. The period defined for unsecured mortgage lending, VAF, card, personal, business lending and other products are determined with reference to post-default payment behaviour such as cumulative delinquency, as well as an analysis of post write-off recoveries. Factors that are within the Group's control are assessed and considered in the determination of the period defined for each product. The post-default payment period is generally once the rehabilitation probability (repayment of arrear instalments) is considered low to zero, and the period between 180 to 360 days in arrears:
- And at the point of write-off, the financial asset is fully impaired (i.e., 100% ECL allowance) with no reasonable expectation of recovery of the asset, or a portion thereof.
- As per the BOU guidelines, a financial asset will be written off 90 days after being identified as loss.

As an exception to the above requirements:

- For corporate, sovereign and bank products, write-offs are assessed on a case-by-case basis and approved by the CIB credit governance committee based on the individual facts and circumstances.
- For unsecured exposures, post write-off collection and enforcement activities include outsourcing to external debt collection agents as well as, collection/settlement arrangements to assist clients to settle their outstanding debt. The Group continuously monitors and reviews when exposures are written off, the levels of post write-off recoveries as well as the key factors influencing post write-off recoveries, which ensure that the Group's point of write-off remains appropriate and that post write-off recoveries are within expectable levels over time.

Curing

Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e., stage 3) still exist. Distressed restructured financial

assets (including debt review exposures) that no longer qualify as credit impaired remain within stage 3 for a minimum period of six months (i.e., an average of six full consecutive monthly payments per the terms and conditions). In addition, distressed restructured financial assets that no longer qualify as credit impaired remain under observation within stage 3 for a minimum of 12 months to comply with FIA.

In the case of financial assets with quarterly or longer dated repayment terms, the classification of a financial asset out of stage 3 may be made subsequent to an evaluation by the Group's corporate and investment banking or mortgage lending, VAF, card, personal, business lending and other products credit governance committees (as appropriate), such evaluation will take into account qualitative factors in addition to compliance with payment terms and conditions of the agreement. Qualitative factors include compliance with covenants and with existing financial asset terms and conditions.

Where it has been determined that a financial asset no longer meets the criteria for significant increase in credit risk, the financial asset will be moved from stage 2 (lifetime expected credit loss model) back to stage 1 (12-month expected credit loss model) prospectively.

Stanbic Uganda Holdings Limited forward-looking economic expectations applied in the determination of the ECL at the reporting date

A range of base, bullish and bearish forward-looking economic expectations are determined at year-end for inclusion in the Group's forward-looking process and ECL calculation.

Ugandan economic expectations

The base case scenario

The base case, which is the most likely scenario, is assigned a 60% probability. In this scenario inflation remains well anchored, with annual headline averaging 4.7% in 2026 within the Bank of Uganda medium term target of 5%. The price stability is supported by prudent monetary policy, a stable exchange rate, favourable food supply, and contained domestic demand pressures. Risks to inflation and growth remain balanced, with the Bank of Uganda cutting the Central Bank Rate (CBR) by 75 basis points in 2026 after maintaining the rate at 9.75% in 2025.

Domestic demand remains steady, supported by low inflation and stable financial conditions. Business and consumer confidence remain positive, with indicators like Business Tendency Indicator (BTI), Purchasing Managers' Index (PMI), and Consumer Confidence Index (CCI) above the 50-mark threshold. Private sector credit growth strengthens, supported by stable macroeconomic conditions

and financial inclusion initiatives. Economic activity remains robust, with real GDP growth projected at 6.8% in financial year 2026/2027, from 6.4% in financial year 2025/2026 underpinned by private investment, extractive sector development, infrastructure spending, agriculture, industry, and government programs.

Financial conditions remain stable, with private sector credit growing moderately and the Uganda Shilling appreciating against major currencies. Government spending on infrastructure and social services supports economic growth. Global financial conditions remain stable, supporting capital inflows and reducing exchange rate volatility. The extractive sector continues to attract investment, boosting economic activity and employment. Fiscal deficit narrows to 6.4% of GDP in financial year 2026/2027 from 7.6% of GDP in financial year 2025/2026 due to improved tax revenue collection and fiscal consolidation efforts.

Government initiatives such as "Emyooga" and the Parish Development Model (PDM) continue to support rural development and household incomes. Agricultural output improves due to favourable weather conditions and government programs supporting farmers, though the looming La Niña weather pattern is a downward risk. The "Emyooga" program is a Ugandan government initiative that provides affordable financing, skilling, and market support to specialised enterprise groups (such as carpenters, "boda boda" riders, and women entrepreneurs) organised into SACCOs (Savings and Credit Cooperative Organisations). Launched in 2019, its goal is to boost job creation, increase household incomes, and foster financial inclusion by helping members grow their businesses, purchase equipment, and transition from subsistence livelihoods into the formal money economy.

Though likely to be volatile in the short-term following the January 2026 elections, the Uganda shilling remains stable, supported by strong inflows from exports, remittances, and offshore investments. Export performance remains strong, driven by coffee, gold, and cocoa. Gold will remain strong only if access to the sources of gold remain open to Uganda resulting in inflows. However, there is a risk of a reversal in the prices of gold impacting exports. The balance of payments registers a surplus, supported by robust Foreign Direct Investment (FDI) inflows and export growth. Remittances remain resilient, providing a stable source of foreign currency inflows. Projected growth in private sector credit supported by improved liquidity and robust growth in the economy. The current cash reserve requirement remains stable supporting liquidity in the banking sector.

The banking sector has exhibited exceptionally strong liquidity buffers, far exceeding regulatory minimums, which supports overall stability. The industry NPL ratio is expected to remain manageable with current NPLs at around 3.7% (2024: 5.4%).

The bull case scenario

The bull case shows an optimistic trend and is assigned a 10% probability. In this scenario, annual headline and core inflation remain meaningfully below the 5% target due to stronger exchange rate appreciation and declining global oil prices. Global commodity prices stabilise, supporting export earnings and moderating inflation. The Bank of Uganda adopt an accommodative monetary policy stance, supporting growth while keeping inflation under control. Real GDP growth exceeds projections, reaching 7.5% in financial year 2026/2027 due to increased investment, oil production and improved agricultural productivity. Stronger-than-expected domestic demand drives higher private sector credit growth and investment.

Effective implementation of government programs like “Emyooga” and Parish Development Model (PDM) further stimulate economic activity and household incomes. Increased government spending on infrastructure accelerates economic activity and job creation. Tourism receipts rise due to improved regional integration and marketing efforts. Higher export volumes, particularly in coffee and gold, drive stronger external demand and improve the trade balance. Balance of payments surplus increases due to higher FDI inflows and robust remittance growth. The Uganda shilling appreciates further due to strong external inflows and stable macroeconomic conditions. Non-performing loans (NPLs) decline, improving credit supply and financial sector stability.

Eased geopolitical tensions and successful trade agreements boost global growth and external demand for Ugandan exports. Stronger global growth boosts demand for Ugandan exports, particularly in emerging markets and Sub-Saharan Africa. Oil production begins earlier than expected, boosting export revenues and reducing the trade deficit. Remittances remain resilient, providing a stable source of foreign currency inflows. Favourable weather conditions lead to increased agricultural output, supporting rural livelihoods and food security. The extractive sector continues to attract investment, boosting economic activity and employment.

The bear case scenario

In the bear case scenario, which shows the pessimistic view and is assigned a 30% probability, headline and core inflation rise above the target of 5% due to exchange rate depreciation, adverse weather conditions, and global commodity price volatility. The Bank of Uganda is forced to raise the Central Bank Rate (CBR) above 9.75% to contain inflation, potentially slowing economic growth further. Real GDP growth falls to 5.4% in 2026 due to tight domestic financing conditions, reduced external support, and election-related disruptions.

Poor weather conditions negatively impact agricultural output, leading to higher food prices and reduced rural incomes. Election-related disruptions slow economic activity as businesses and

consumers adopt a wait-and-see approach. Tight domestic financing conditions deepened by reduced external support constrain investment by both the public and private sectors.

The Uganda shilling faces depreciation pressures due to reduced foreign aid inflows, falling coffee prices, and geopolitical tensions. The trade deficit widens due to lower export revenues and higher import costs, negatively impacting the current account. Falling global coffee prices and lower agricultural export proceeds reduce foreign exchange earnings.

Reduced foreign aid inflows and Non-Government Organisation (NGO) funding weaken market liquidity and exert depreciation

pressure on the Uganda Shilling. Fiscal deficit widens due to underperformance in grants and non-tax revenue, coupled with increased domestic borrowing. Credit growth slows due to higher lending rates and increased government borrowing crowding out private sector credit. Increased government borrowing leads to higher interest rates, further constraining private sector credit. Tightened global financial conditions lead to capital outflows and increased market volatility in Uganda. Rising geopolitical tensions disrupt global supply chains, increasing import costs and reducing export competitiveness. Reduced remittance inflows due to stricter immigration policies in host countries. Delays in oil production and infrastructure projects reduce anticipated economic benefits.

Main macroeconomic factors

The following table shows the main macroeconomic factors used to estimate the forward-looking impact on the ECL provision of financial assets. Each scenario, namely base, bear and bull, is presented for each identified time period.

	Base scenario		Bearish scenario		Bullish scenario	
	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period
2026						
Uganda						
Inflation (%)	4.7	4.8	5.5	5.6	3.8	4.0
Real GDP1 (%)	6.8	6.7	5.4	5.4	8.1	8.0
Policy Rate (%)	9.1	8.6	10.4	9.6	8.1	7.6
91-Day T-Bill (%)	10.3	9.8	11.1	10.4	9.6	9.3
Exchange rate USD/US\$	3,515	3,362	3,697	3,476	3,470	3,304
Prime lending rate (%)	18.8	18.3	19.0	18.5	18.5	18.0
2025						
Uganda						
Inflation (%)	3.8	3.2	5.3	4.8	1.9	1.9
Real GDP1 (%)	6.2	6.6	3.4	4.6	8.0	8.7
Policy Rate (%)	9.5	9.9	10.0	10.4	9.0	9.4
91-Day T-Bill (%)	10.3	10.9	13.7	15.2	8.9	7.9
Exchange rate USD/US\$	3,689	3,790	3,780	4,177	3,631	3,631
Prime lending rate (%)	19.3	19.3	20.8	20.8	17.0	17.0
	2 Gross domestic product		4 2026 - The scenario weighted average is: Base at 60%, Bear at 30%, Bull at 10%			
	3 The remaining forecast period is 2027 to 2028				5 2025 - The scenario weighted average is: Base at 50%, Bear at 35%, Bull at 15%	
	3 Next 12 months following 31 December 2025 is 1 January 2026 to 31 December 2026					

Sensitivity analysis of the forward-looking impact on the total ECL provision on all financial instruments relating to corporate, sovereign and bank products

The expected credit loss methodology for corporate, sovereign and bank products is based primarily on client specific risk metrics, as such the forward-looking macroeconomic information is one of the components and/or driver of the total reported expected credit loss. Rating reviews of each client are performed at least annually and entails credit analysts completing a credit scorecard and incorporating forward-looking information at a client level. The weighting is reflected in both the determination of significant

increase in credit risk as well as the measurement of the resulting expected credit loss for the individual client.

Therefore, the impact of forward-looking economic conditions is embedded into the total expected credit loss for each client and cannot be stressed or separated out of the overall expected credit loss provision.

Sensitivity analysis of the forward-looking impact on the total ECL provision

During 2025, lower forward-looking ECL provisioning were raised as compared to 2024 reflecting expectations of stable global financial conditions and the domestic GDP projected to grow at 6.8% in 2026 from 6.4% in 2025 supported by strong export of

Macro-economic factors

	2025		2024	
	Forward looking component of ECL provision US\$' 000	Income statement (release)/charge US\$' 000	Forward looking component of ECL provision US\$' 000	Income statement (release)/charge US\$' 000
Allowances for credit losses				
Actual excluding overlays	790,628	786,898	3,730	1,682,685
Scenarios				
100% Base	31,559,858	7,450,298	24,109,560	22,062,554
100% Bear	34,195,285	10,073,293	24,121,992	22,074,986
100% Bull	31,559,858	7,450,298	24,109,560	22,062,554

Refer to note 20 loans and advances for the carrying amounts of the loans and advances and note 3(c) for additional disclosures in relation to the Group's credit risk.

BCB and PPB IFRS 9 Impairment Model Overlays:

The portfolio model and the corporate model

During the year, the Group assessed the need for model overlays in the Portfolio and Corporate Models in line with IFRS 9 requirements and the Group's credit risk governance framework. Unlike the prior year, no overlays were applied in 2025. This decision reflects the following:

Improved credit risk performance across all portfolios, with stable or reduced levels of delinquency, fewer indicators of significant increase in credit risk, and stronger borrower repayment behavior.

No identified model limitations or emerging risks that required management judgment beyond the standard Expected Credit Loss (ECL) model outputs and ongoing governance oversight from the Credit Risk Management Committee.

Accordingly, no additional provisions were recognised in respect of overlays for the year ended 31 December 2025 (2024: US\$ 6.1 billion under the portfolio model and US\$ 7.4 billion under the corporate model).

coffee and gold. Additionally, the balance of payments is expected register a surplus, supported by robust FDI inflows.

The following table shows a comparison of the forward-looking impact on the provision as at 31 December 2025, based on the probability weightings of the above three scenarios resulting from recalculating each of the scenarios using a 100% weighting of the above scenarios.

The forward-looking model

The forward-looking model is based on statistical measurements to determine the impact of macro-economic factors on the loan portfolio and as a result a forward-looking impairment is calculated.

The statistical model build-up and application was based on macroeconomic forecasts, base ECL model drivers and scalar starting points. Scalars were calculated from August 2024 as a base reference and then 3-years forecast. This was done in line with the updated drivers to the August 2025 runs.

As at 31 December 2025, the forward-looking result based on the statistical model was a raise of US\$ 791 million (2024: US\$ 3.7 million) However, an override of US\$ 31.6 billion (2024 US\$ 24.1billion) was recommended given the anticipated volatility of

both the model output, industry and sector specific emerging risk and macro-economic outlook. This will be reviewed in the next model driver update in 2026.

Approach to stage 3 impairment

Overlay applied on inputs to the provisions of loans under stage 3 counterparties in terms of the timing of the cashflows expected to be realised from the recovery and rehabilitation.

Fair value

Financial instruments

In terms of IFRS, the Group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value, being the price that would be received to sell an asset or paid to transfer a liability, respectively, in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities. Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value, it is presumed that the Group is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. Information obtained from the valuation of financial instruments is used to assess the performance of the Group and, in particular, provides assurance that the risk and return measures that the Group has taken are accurate and complete.

Fair valuation process

The Group's valuation control framework governs internal control standards, methodologies and procedures over its valuation processes, which include::

Prices quoted in an active market: The existence of quoted prices in an active market represents the best evidence of fair value. Where such prices exist, they are used in determining the fair value of financial assets and financial liabilities.

Valuation techniques: Where quoted market prices are unavailable, the Group establishes fair value using valuation techniques that incorporate observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices, for such assets and liabilities. Parameter inputs are obtained directly from the market, consensus pricing services or recent transactions in active markets, whenever possible. Where such inputs are not available, the Group makes use of theoretical inputs in establishing fair value (unobservable inputs). Such inputs are based on other relevant input sources of information and incorporate assumptions that include prices for similar transactions, historic data, economic fundamentals, and research information, with appropriate adjustments to reflect the terms of the actual instrument being valued and current market conditions.

Changes in these assumptions may affect the reported fair values of these financial instruments. Valuation techniques used for financial instruments include the use of financial models that are populated using market parameters that are corroborated by reference to independent market data, where possible, or alternative sources, such as, third-party quotes, recent transaction prices or suitable proxies. The fair value of certain financial instruments is determined using industry standard models such as, discounted cash flow analysis and standard option pricing models. These models are generally used to estimate future cash flows and discount these back to the valuation date. For complex or unique instruments, more sophisticated modelling techniques may be required, which require assumptions or more complex parameters such as correlations, prepayment spreads, default rates and loss severity.

Valuation adjustments: Valuation adjustments are an integral part of the valuation process. Adjustments include, but are not limited to:

- implied volatilities on thinly traded instruments
- correlation between risk factors

In making appropriate valuation adjustments, the Group applies methodologies that consider factors such as bid-offer spreads, liquidity, counterparty and own credit risk. Exposure to such illiquid risk drivers is typically managed by:

- using bid-offer spreads that are reflective of the relatively low liquidity of the underlying risk driver
- raising day one profit or loss provisions in accordance with IFRS
- quantifying and reporting the sensitivity to each risk driver
- limiting exposure to such risk drivers and analysing exposure on a regular basis.

Validation and control: All financial instruments carried at fair value, regardless of classification, and for which there are no quoted market prices for that instrument, are fair valued using models that conform to international best practice and established financial theory. These models are validated independently by the Group's model validation unit. This control applies to both off-the-shelf models, as well as those developed internally by the Group. Further, all inputs into the valuation models are subject to independent price validation procedures carried out by the Group's market risk unit. Such price validation is performed on at least a monthly basis, but daily where possible given the availability of the underlying price inputs. Valuation comparisons are also performed, and any significant variances noted are appropriately investigated.

Portfolio exception: The Group, has on meeting certain qualifying criteria, elected the portfolio exception which allows an entity to measure the fair value of certain groups of financial liabilities on a net basis similar to how market participants would price the net risk exposure at the measurement date..



Refer to note 3 (h) for assets and liabilities at fair value disclosures.

Computer software intangible assets

The Group reviews its assets under construction and assets brought into use for impairment at each reporting date and tests the carrying value for impairment whenever events or changes in circumstances indicate that the carrying amount (or components of the carrying amount) may not be recoverable. These circumstances include, but are not limited to, new technological developments, obsolescence, changes in the manner in which the software is used or is expected to be used, changes in discount rates, significant changes in macroeconomic circumstances or changes in estimates of related future cash benefits. The impairment tests are performed by comparing an asset's recoverable amount to its carrying amount. The review and testing of assets for impairment inherently requires significant management judgement as it requires management to derive the estimates of the identified assets' future cash flows in order to derive the asset's recoverable amount.

As at 31 December 2025, there were no indicators that the Group's computer software assets' recoverable values could be lower than their carrying values and therefore the assets were not impaired (2024: No impairment indicators).



Refer to note 24 for goodwill and intangibles disclosures

Current and deferred income tax

The Group is subject to direct and indirect taxation requirements which are determined with reference to transactions and calculations for which the ultimate tax determination has an element of uncertainty in the ordinary course of business. The Group recognises provisions for tax based on objective estimates of the amount of taxes that may be due. Where the final tax determination is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax positions and related contingencies, disclosed in note 14, note 21 and note 35, respectively, in the period in which such determination is made. Uncertain tax positions are provided for in accordance with the criteria defined within IAS 12 Income Taxes

(IAS 12) and IFRIC 23 Uncertainty over Income Tax treatments (IFRIC 23).

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The most significant management assumption is the forecasts that are used to support the probability assessment that sufficient taxable profits will be generated by the Group in order to utilise the deferred tax assets.

The Group is subject to direct and indirect taxation requirements which are determined with reference to transactions and calculations for which the ultimate tax determination has an element of uncertainty in the ordinary course of business. The Group recognises provisions for tax based on reasonable judgement of the amount of taxes that may be due.



Refer to note 14, note 22 and note 36 for disclosures on current tax, deferred tax and related contingent liabilities

Provisions

The principal assumptions taken into account in determining the value at which provisions are recorded, include determining whether there is an obligation, as well as assumptions about the probability of the outflow of resources and the estimate of the amount and timing for the settlement of the obligation. For legal provisions, management assesses the probability of the outflow of resources by taking into account historical data and the status of the claim in consultation with the Group's legal counsel.

In determining the amount and timing of the obligation once it has been assessed to exist, management exercises its judgement by taking into account all available information, including that arising after the reporting date up to the date of the approval of the financial results.



Refer to note 36 for off-balance sheet financial instruments, contingent liabilities and commitments disclosures, note 33 for other liabilities, and notes 33.4 and 33.5 for obligations and provisions.

IFRS 16 leases

Determination of lease term for lease contracts with the renewal and termination options

The Group leases various buildings for offices, branches and ATMs. Rental contracts are typically made for fixed average periods of between three to ten years but may have extension

options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are considered in the lease term when there is reasonable certainty that those options will be exercised. The assessment of reasonable certainty is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Estimation of the incremental borrowing rate for a leases

The interest rate implicit in the lease is defined as the rate of interest that causes the present value of:

- (a) the lease payments and
- (b) the unguaranteed residual value to equal:

The sum of the fair value of the underlying asset and any initial direct costs of the lessor.

The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

To determine the interest rate implicit in a lease, the fair value of the ROU assets needs to be readily determinable, in order to calculate the minimum return that the lessor expects to earn on the lease. However, based on the nature and type of leases (offices, branches and ATM space leases) the Group enters into, the fair value is not readily available. Therefore, the incremental borrowing rate of the lessee should be used.

Based on the nature of the Group’s business, the Group has an internal funds transfer pricing (“FTP”) policy. The primary objective of the FTP policy is to ensure that, the Group quantifies and allocates liquidity costs, benefits and risks consistently and accurately, thus ensuring appropriate and comparable measurement of product profitability and driving appropriate business incentives (in asset origination and liability generation).

Based on the analysis for leases of branch, ATM and building space, the standardised FTP rate is representative of the incremental borrowing rate.



Refer to note 33.3 and 33.7 for further disclosures on lease liabilities.

2.4 Material accounting policy information

The following accounting policies were applied in the preparation of the Group’s financial statements.

(a) Basis of consolidation

Subsidiaries

Separate financial statements

Investments in subsidiaries are accounted for at cost less accumulated impairment losses (where applicable) in the separate financial statements. The carrying amounts of these investments are reviewed annually for impairment indicators and, where an indicator of impairment exists, are impaired to the higher of the investment’s fair value less costs to sell or value in use.

Consolidated financial statements.

The accounting policies of subsidiaries that are consolidated by the Group conform to the Group’s accounting policies. Intragroup transactions, balances, and unrealised gains/ (losses) are eliminated on consolidation. Unrealised losses are eliminated in the

same manner as unrealised gains, but only to the extent that there is no evidence of impairment. The proportion of comprehensive income and changes in equity allocated to the Group and non-controlling interest are determined on the basis of the Group’s present ownership interest in the subsidiary. Subsidiaries are consolidated from the date on which the Group obtains control up to the date that control is lost. Control is assessed on a continuous basis. The acquisition method of accounting is used to account for business combinations by the Group.

Changes in ownership interests

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss.

Common control transactions

Common control transactions, in which the company is the ultimate parent entity both before and after the transaction, are accounted for at book value

(b) Financial instruments

Financial assets	Financial liabilities	Financial guarantee contracts and loan commitments below market interest rate	Derivatives and embedded derivatives	Hedge accounting	Other
Amortised cost	Held-for-trading			Fair value hedges	Sale and repurchase agreements and lending of securities (including commodities)
Fair value through OCI	Designated at fair value through profit or loss			Cash flow hedges	
Held-for-trading	Amortised cost				Offsetting
Designated at fair value through profit or loss					Statutory credit risk reserve
Fair value through profit or loss - default					

Initial measurement - financial instruments

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss for which such transaction costs and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the Group commits to purchase (sell) the instruments (trade date accounting).

Financial assets Nature

Amortised cost	<p>A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):</p> <ul style="list-style-type: none"> Held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. <p>This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered the minimal and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default.</p>
Fair value through OCI	<p>Includes:</p> <ul style="list-style-type: none"> A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): Held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered the minimal and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default. Equity financial assets which are not held-for-trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.
Held-for-trading	<p>Those financial assets acquired principally for the purpose of selling in the near term (Including all derivative financial assets) and those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.</p>
Designated at fair value through profit or loss	<p>Financial assets are designated to be measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch that would otherwise arise.</p>
Fair value through profit or loss – default	<p>Financial assets that are not classified into one of the abovementioned financial asset categories.</p>

Subsequent measurement

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

Amortised cost	<p>Amortised cost using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges.</p> <p>Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.</p>
Fair value through OCI	<p>Debt instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue. Expected credit impairments losses are recognised as part of credit impairment charges. However, for these FVOCI debt instruments the expected credit loss is recognised in OCI and does not reduce the carrying amount of the financial asset in the statement of financial position. Interest income on a debt financial asset is recognised in interest income in terms of the effective interest rate method. Dividends received are recognised in interest income within profit or loss.</p> <p>Equity instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income. Dividends received on equity instruments are recognised in other revenue within non-interest revenue.</p>
Held-for-trading	<p>Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.</p>
Designated at fair value through profit or loss	<p>Fair value gains and losses (including interest and dividends) on the financial asset recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.</p>
Fair value through profit or loss – default	<p>Debt instruments: Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.</p> <p>Equity instruments: Fair value gains and losses on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments. Dividends received on equity instruments are recognised in other revenue within non-interest revenue.</p>

Impairment

ECL is recognised on debt financial assets classified as at either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss as well as loan commitments that are not measured at fair value through profit or loss nor are used to provide loans at a below market interest rate.

The measurement basis of the ECL of a financial asset includes assessing whether there has been a SICR at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL, which is set out in the table that follows, is measured as the unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward-looking information

Stage 1	A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR.
Stage 2	A lifetime ECL is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.
Stage 3 (credit impaired assets)	<p>A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired:</p> <ul style="list-style-type: none"> • default • significant financial difficulty of borrower and/or modification • probability of bankruptcy or financial reorganisation • disappearance of an active market due to financial difficulties.

The key components of the impairment methodology are described as follows:

Significant increase in credit risk (SICR)	<p>At each reporting date the Group assesses whether the credit risk of its exposures has increased significantly since initial recognition by considering the change in the risk of default occurring over the expected life of the financial asset.</p> <p>Credit risk of exposures which are overdue for more than 30 days are also considered to have increased significantly.</p>
Low credit risk	Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions may not necessarily reduce the exposure's ability to fulfil its contractual obligations.
Default	<p>The Group's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or group of financial assets:</p> <ul style="list-style-type: none"> • significant financial difficulty of borrower and/or modification (i.e., known cash flow difficulties experienced by the borrower). • a breach of contract, such as default or delinquency in interest and/or principal payments. • disappearance of active market due to financial difficulties. • it becomes probable that the borrower will enter bankruptcy or other financial reorganisation. • where the Group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the Group would not otherwise consider. • exposures which are overdue for more than 90 days are also considered to be in default.
Forward-looking information	Forward-looking information is incorporated into the Group's impairment methodology calculations and in the Group's assessment of SICR. The Group includes all forward-looking information which is reasonable and available without undue cost or effort. The information will typically include expected macro-economic conditions and factors that are expected to impact portfolios or individual counterparty exposures.
Write-off	Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to enforcement activities.

ECLs are recognised within the statement of financial position as follows:

Financial assets measured at amortised cost (including loan commitments)	Recognised as a deduction from the gross carrying amount of the asset (group of assets). Where the impairment allowance exceeds the gross carrying amount of the asset (group of assets), the excess is recognised as a provision within other liabilities.
Off-balance sheet exposures (excluding loan commitments)	Recognised as a provision within other liabilities.
Financial assets measured at fair value through OCI	Recognised in the fair value reserve within equity. The carrying value of the financial asset is recognised in the statement of financial position at fair value.

Cash and balances with the Central Bank.

Cash and balances with the Central Bank comprise coins and bank notes and balances with the Central Bank (BOU). Included in balances with Central Bank are balances that primarily comprise of reserving requirements held with the Central Bank which are available for use by the Group, subject to certain restrictions and limitations levied by the Central Bank but are subject to an insignificant risk of changes in value.

Coins and bank notes and balances with Central Banks comprising reserving requirements are measured at fair value through profit or loss – default.

Cash and cash equivalents.

Cash and cash equivalents, for the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and nonrestricted balances with the Central Bank treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and government securities.

Reclassification

Reclassifications of debt financial assets are permitted when, and only when, the bank changes its business model for managing its financial assets, in which case all affected financial assets are reclassified. Reclassifications are accounted for prospectively from the date of reclassification as follows:

- Financial assets that are reclassified from amortised cost to fair value are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in other gains and losses on financial instruments.
- The fair value of a financial asset that is reclassified from fair value to amortised cost becomes the financial asset's new carrying value.
- Financial assets that are reclassified from amortised cost to fair value through OCI are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in OCI.

- The fair value of a financial asset that is reclassified from fair value through OCI to amortised cost becomes the financial asset's new carrying value with the cumulative fair value adjustment recognised in OCI being recognised against the new carrying value.
- The carrying value of financial assets that are reclassified from fair value through profit or loss to fair value through OCI remains at fair value.
- The carrying value of financial assets that are reclassified from fair value through OCI to fair value through profit or loss remains at fair value, with the cumulative fair value adjustment in OCI being recognised in the income statement at the date of reclassification.

Financial liabilities
Nature

Held-for-trading	Those financial liabilities incurred principally for the purpose of repurchasing in the near term (including all derivative financial liabilities) and those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial liabilities are designated to be measured at fair value in the following instances: <ul style="list-style-type: none"> to eliminate or significantly reduce an accounting mismatch that would otherwise arise where the financial liabilities are managed, and their performance evaluated and reported on a fair value basis. where the financial liability contains one or more embedded derivatives that significantly modify the financial liability's cash flows.
Amortised cost	All other financial liabilities not included in the above categories.

Subsequent measurement

Subsequent to initial measurement, financial liabilities are classified in their respective categories and measured at either amortised cost or fair value as follows:

Held-for-trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.
Designated at fair value through profit or loss	Fair value, with gains and losses arising from changes in fair value (including interest and dividends but excluding fair value gains and losses attributable to own credit risk) are recognised in the other gains and losses on financial instruments as part of non-interest revenue. Fair value gains and losses attributable to changes in own credit risk are recognised within OCI, unless this would create or enlarge an accounting mismatch in which case the own credit risk changes are recognised within trading revenue.
Amortised cost	Amortised cost using the effective interest method recognised in interest expense.

Derecognition and modification of financial assets and liabilities

Amortised cost using the effective interest method recognised in interest expense.

	Derecognition	Modification
Financial asset	<p>Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in the transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.</p> <p>The Group enters into transactions whereby it transfers assets, recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements.</p> <p>When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction, similar to repurchase transactions. In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate.</p> <p>In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.</p>	<p>In determining whether a modification is substantial, for financial asset qualitative factors are considered and for a financial liability, both qualitative and quantitative factors are considered.</p> <p>Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes.</p> <p>If the terms are not substantially different for financial assets or financial liabilities, the Group recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or in other gains and losses on financial instruments within non-interest revenue (for all other modifications).</p>
Financial liabilities	<p>Financial liabilities are derecognised when the financial liabilities' obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.</p>	

Financial guarantee contracts or loan commitment below market rate

A financial guarantee contract is a contract that requires the Bank(issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A loan commitment is a firm commitment to provide credit under specified terms and conditions. It is a binding promise from a lender that a specified amount of loan or line of credit will be made available to the named borrower at a certain interest rate, during a certain period and, usually, for a certain purpose.

Financial guarantee contracts and loan commitments at a below market interest rate are initially recognised when the Group becomes party to the irrevocable commitment at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee contract/loan commitment. Financial guarantee contracts (that are not designated at fair value through profit or loss) and loan commitments at a below market interest rate, are subsequently measured at the higher of the:

- ECL calculated for the financial guarantee/loan commitment; or
- unamortised premium.

Derivatives and embedded derivatives

In the normal course of business, the Group enters into a variety of derivative transactions for both trading and economic hedging purposes. Derivative financial instruments are entered into for benefit of the Group and its customers and for hedging foreign exchange, interest rate, inflation, credit, commodity and equity exposures. Derivative instruments used by the Group in both trading and hedging activities include swaps, options, forwards, futures and other similar types of instruments based on foreign exchange rates, credit risk, inflation risk, interest rates and the prices of commodities and equities.

Derivatives are initially recognised at fair value. Derivatives that are not designated in a qualifying hedge accounting relationship are classified as held-for-trading with all changes in fair value being recognised within trading revenue. These include forward contracts to purchase or sell commodities, where net settlement occurs or where physical delivery occurs, and the commodities are held to settle another derivative contract. All derivative instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Embedded derivatives included in hybrid instruments, where the host is a financial asset, is assessed in terms of the accounting policy on financial assets. In all other instances (being non-financial host contracts and financial liabilities), the embedded derivatives are treated and disclosed as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, the terms of the embedded derivative are the same as those of a stand-alone derivative and the combined contract is not measured at fair value through profit or loss. The host contract is accounted for and measured applying the relevant Group accounting policy.

The method of recognising fair value gains and losses on derivatives designated as a hedging instrument depends on the nature of the hedge relationship.

Hedge accounting

The Group continues to apply IAS 39 to its portfolio interest rate risk fair value hedges and applies IFRS 9 to all its other hedges.

Derivatives, whether accounted for under IAS 39 or IFRS 9, are designated by the Group into the following relationships:

Type of hedge	Nature	Treatment
Fair value hedges	Hedges of the fair value of recognised financial assets, liabilities, or firm commitments.	<p>Where a hedging relationship is designated as a fair value hedge, the hedged item is adjusted for the change in fair value in respect of the risk being hedged. Gains or losses on the remeasurement of both the derivative and the hedged item are recognised in profit or loss. Fair value adjustments relating to the hedging instrument are allocated to the same line item in profit or loss as the related hedged item. Any hedge ineffectiveness is recognised in profit or loss.</p> <p>If the derivative expires, is sold, terminated, exercised, no longer meets the criteria for fair value hedge accounting, or the designation is revoked, then hedge accounting is discontinued. The adjustment to the carrying amount of a hedged item measured at amortised cost, for which the effective interest method is used, is amortised to profit or loss as part of the hedged item's recalculated effective interest rate over the period to maturity.</p>
Cash flow hedges	Hedges of highly probable future cash flows attributable to a recognised asset or liability, a forecasted transaction, or a highly probable forecast intragroup transaction.	<p>The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedging reserve. The ineffective part of any changes in fair value is recognised in profit or loss.</p> <p>Amounts recognised in OCI are transferred to profit or loss in the periods in which the hedged forecast cash flows affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the cumulative gains or losses recognised previously in OCI are transferred and included in the initial measurement of the cost of the asset or liability.</p> <p>If the derivative expires, is sold, terminated, exercised, no longer meets the criteria for cash flow hedge accounting, or the designation is revoked, then hedge accounting is discontinued. The cumulative gains or losses recognised in OCI remain in OCI until the forecast transaction is recognised in the case of a non-financial asset or a non-financial liability, or until the forecast transaction affects profit or loss in the case of a financial asset or a financial liability. If the forecast transaction is no longer expected to occur, the cumulative gains and losses recognised in OCI are immediately reclassified to profit or loss.</p>

Hedge accounting risk management strategy

Hedge accounting is applied when the hedging relationship meets the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument.
- the effect of credit risk does not dominate the value changes that result from that economic relationship and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

Where the above criteria are met, derivatives are classified as derivatives held-for-hedging and hedge accounting is applied to remove the accounting mismatch between the derivative (hedging instrument) and the underlying instruments (hedged item). All qualifying hedging relationships are designated as either fair value or cash flow hedges for recognised financial assets or liabilities, and highly probable forecast transactions. For hedge relationships, where the critical terms of the hedged item and hedging instrument match, a qualitative method is considered appropriate for hedge effectiveness testing. Where the characteristics between the hedged item and hedging instrument are insufficiently correlated, judgement is applied and if required a qualitative and quantitative method is used for hedge effectiveness testing.

The Group applies hedge accounting in respect of the following risk categories.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk and translation risk. Foreign exchange risk arises from recognised assets and liabilities and future highly probable forecast commercial transactions denominated in a currency that is not the functional currency of the Group. The risk is evaluated by measuring and monitoring the net foreign monetary asset value and the forecast highly probable foreign currency income and expenditures of the Group for each respective currency. Foreign currency risk is hedged with the objective of minimising the earnings volatility associated with assets, liabilities, income and expenditure denominated in a foreign currency.

Translation risk arises on consolidation from recognised assets and liabilities denominated in a currency that is not the reporting currency of the Group. The risk is evaluated by measuring and

monitoring the net foreign non-monetary asset value of the Group for each respective currency.

The Group uses a combination of currency forwards, swaps and foreign denominated cash balances to mitigate the risk of changes in the future cash flows and functional currency value on its foreign-denominated exposures. Under the Group's policy, the critical terms of these instruments must align with the foreign currency risk of the hedged item and is hedged on a 1:1 hedge ratio or where currency is managed on a portfolio basis the weighted expected foreign cash flows are aligned.

The Group elects for each foreign currency hedging relationship, using either foreign currency forwards and swaps, to either include or exclude the currency forward points (basis) contained in the derivative instrument from the hedging relationship. This election is based on the currency pair involved, the shape of the yield-curve and the direction of the foreign currency hedged risk. Basis is determined using the differential between the contracted forward rate and the spot market exchange rate and is discounted, where material. Where the basis is excluded in the hedging relationship this is recognised as a cost of the hedge and deferred in other comprehensive income (as a separate reserve).

Where the hedged item subsequently results in the recognition of a non-financial asset or liability, or a firm commitment for a non-financial asset or liability the Group removes the amount from equity and includes it directly in the initial cost or other carrying amount of the asset or the liability and amortises it to profit or loss on a systematic basis (where applicable). In all other cases, the amount is reclassified to profit or loss.

Hedge effectiveness between the hedging instrument and the hedged item is determined at the inception of the hedge relationship and through periodic effectiveness assessments to ensure that an economic relationship exists. For hedges of foreign currency risk, the Group enters hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. In hedges of foreign currency risk of highly probable forecast commercial transactions, ineffectiveness may arise if the amount of the forecast transaction changes from what was originally estimated.

Where the basis is included in the hedging relationship this exposes the hedge relationship to hedge ineffectiveness.

Interest rate risk

Banking book-related market risk exposure principally involves managing the potential adverse effect of IRRBB (net interest income and banking book mark-to-market profit or loss) and the economic value of equity. The Group's approach to managing IRRBB is governed by applicable regulations and is influenced by the competitive environment in which the Group operates. The Group's treasury and capital management team monitors banking book interest rate risk on a monthly basis operating under the oversight of Group ALCO. The Group's interest rate risk management is predominantly controlled by a central treasury department under approved policies. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

In adherence to policies regarding interest rate risk management the Group applies fair value hedge accounting in respect of the interest rate risk element only, present within the following exposures:

- Specifically identified long-term fixed interest rate Loans and advances and Deposits and debt funding. To manage the risk associated with such risk exposures the Group uses one or more cash collateralised fixed for floating interest rate swaps that matches the critical terms or that exhibits the same duration as the underlying risk exposure.
- Specifically identified long-term interest rate basis risk (CPI vs. JIBAR) inherent in loans and advances. To manage the basis risk associated with such risk exposures the Group uses one or more cash collateralised floating for floating basis interest rate swaps that matches the critical terms or that exhibits the same duration as the of the underlying risk exposure; and
- Portfolio interest rate risk present within a designated portfolio of loans and advances and deposits and debt funding. Portfolio interest rate risk hedging is conducted on an aggregate asset and liability portfolio basis. The hedge ratio and rebalancing frequency of portfolio hedges is determined using a dynamic approach reflecting the duration of portfolio exposure in accordance with an exposure bucketing approach. The hedge ratio is monitored daily and where necessary the portfolio is rebalanced using a dynamic approach.

The Group also applies cash flow hedge accounting in respect of the interest rate risk element only, present within the following exposures:

- The Group manages interest rate volatility borne from rate insensitive liabilities and equity through a managed interest rate hedge. The hedge is accounted for on a cash flow basis using identified term floating interest rate loans and advances. To manage the risk associated with such risk exposures the Group uses one or more cash collateralised floating for fixed interest rate swaps that aligns to the Group governed risk appetite tenors.
- The Group observes interest rate risk in respect of these exposures using an unfunded cash collateralised interest rate derivatives discount curve. Hedge effectiveness between the hedging instrument and the hedged item is determined at the inception of the hedge relationship and through periodic effectiveness assessments to ensure that an economic relationship exists using regression analysis between the hedged items and the hedging instruments for sensitivity of changes to changes in interest rate risk only. The Group and company use a combination of interest rate swaps and interest rate basis swaps to mitigate against the risk of changes in market value of hedged items for changes in interest rates. The Group elects for each fair value interest rate risk hedging relationship, using swaps, to include forward points (basis) contained in the derivative instrument in the hedging relationship. Where the basis is included in the hedging relationship this exposes the hedge relationship to hedge ineffectiveness. The extent of hedge ineffectiveness as a result of fair value interest rate risk hedges is disclosed in note 28.4.

Others

Sale and repurchase agreements and lending of securities.

Securities sold subject to linked repurchase agreements (repurchase agreements) are reclassified in the statement of financial position as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The liability to the counterparty is included under deposits and current accounts or trading liabilities, as appropriate.

Securities purchased under agreements to resell (reverse repurchase agreements), at either a fixed price or the purchase price plus a lender's rate of return, are recorded as loans and included under trading assets or loans and advances, as appropriate.

For repurchase and reverse repurchase agreements measured at amortised cost, the difference between the purchase and sales price is treated as interest and amortised over the expected life using the effective interest method.

Securities lent to counterparties are retained in the annual financial statements. Securities borrowed are not recognised in the annual financial statements unless sold to third parties. In these cases, the obligation to return the securities borrowed is recorded at fair value as a trading liability. Income and expenses arising from the securities borrowing and lending business are recognised over the period of the transactions.

Offsetting

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparties to the transaction. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

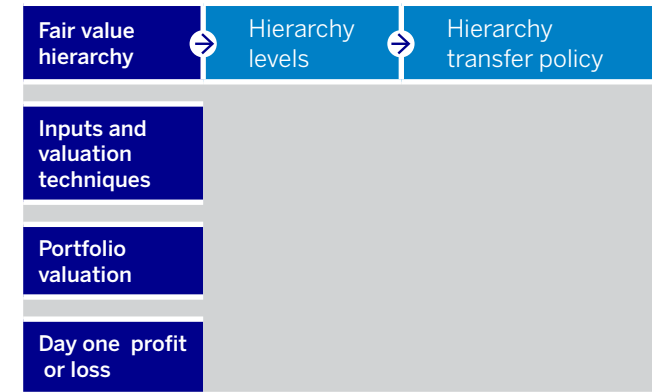
Statutory credit risk reserve

In addition to the measurement of impairment losses on loans and advances in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS) as set out above, the Group is required by the Financial Institutions Act (FIA) Cap 57, laws of Uganda to establish minimum provisions for losses on loans and advances as follows:

- A specific provision for those loans and advances considered to be non-performing based on criteria and classification of such loans and advances established by Bank of Uganda, as:
 - Substandard assets being facilities in arrears between 90 and 179 days – 20%.
 - Doubtful assets being facilities in arrears between 180 days and 364 days – 50%.
 - Loss assets being facilities in arrears between over 364 days – 100%.
- A general provision of at least 1% of their total outstanding credit facilities net of specific provisions and interest in suspense.

Where provisions for impairment of loans and advances determined in accordance with the Financial Institutions Act Cap 57, laws of Uganda exceed amounts determined in accordance with International Financial Reporting Standards, the excess is taken to the statutory credit risk reserve as an appropriation of retained earnings. Otherwise, no further accounting entries are made.

(c) Fair Value



In terms of IFRS Accounting Standards, the Group is either required to or elects to measure a number of its financial assets and financial liabilities at fair value. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions. Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value, it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Fair value hierarchy

The Group's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by the level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Hierarchy levels

The levels have been defined as follows:

Level 1

Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3

Fair value is determined through valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

Hierarchy transfer policy

Transfers of financial assets and financial liabilities between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

Inputs and valuation techniques

Fair value is measured based on quoted market prices or dealer price quotations for identical assets and liabilities that are traded in active markets, which can be accessed at the measurement date, and where those quoted prices represent fair value. If the market for an asset or liability is not active or the instrument is not quoted in an active market, the fair value is determined using other applicable valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants.

Fair value measurements are categorised into level 1, 2 or 3 within the fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and a market-related discount rate at the reporting date for an asset or liability with similar terms and conditions.

If an asset or a liability measured at fair value has both a bid and an ask price, the price within the bid-ask spread that is most representative of fair value is used to measure fair value.

The fair value of items included in cash and cash equivalents is the same as the amortised cost value, as amortised cost items are initially measured at fair value. The fair value of cash and cash equivalents does not change, as there are no adjustments made to these items subsequent to initial recognition. These items are included in level 1 of the fair value hierarchy.

The Group's valuation control framework governs internal control standards, methodologies, and procedures over its valuation processes, which include the following valuation techniques and main inputs and assumptions per type of instrument.

Item and description	Valuation technique	Main inputs and assumptions
Derivative financial instruments Derivative financial instruments comprise foreign exchange, interest rate, commodity, credit and equity derivatives that are either held-for-trading or designated as hedging instruments in hedge relationships.	Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include: <ul style="list-style-type: none"> discounted cash flow model Black-Scholes model combination technique models. 	For level 2 and 3 fair value hierarchy items: <ul style="list-style-type: none"> discount rate* spot prices of the underlying correlation factors volatilities dividend yields earnings yield valuation multiples.
Trading assets and trading liabilities Trading assets and liabilities comprise instruments which are part of the Group's underlying trading activities. These instruments primarily include sovereign and corporate debt, commodities, collateral, collateralised lending agreements and equity securities.	Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date.	
Pledged assets Pledged assets comprise instruments that may be sold or repurchased by the Group's counterparty in the absence of default by the Group. Pledged assets include sovereign and corporate debt, equities, commodities pledged in terms of repurchase agreements and commodities that have been leased to third parties.	Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial asset being fair valued.	
Financial investments Financial investments are non-trading financial assets and primarily comprise of sovereign and corporate debt, listed and unlisted equity instruments, investments in debentures issued by the Bank of Uganda, investments in mutual fund investments and unit-linked investments.	Where proxies are not available, the fair value is estimated using more complex modelling techniques. These techniques include discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility and other risks. Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.	

Item and description	Valuation technique	Main inputs and assumptions
<p>Loans and advances to banks and customers</p> <p>Loans and advances comprise:</p> <ul style="list-style-type: none"> • Mortgage lending • Vehicle and asset finance • Card and payments • Personal unsecured lending • Business lending and other • Corporate and sovereign • Bank 	<p>For certain loans fair value may be determined from the market price of a recently occurring transaction adjusted for changes in risks and information between the transaction and valuation dates. Loans and advances are reviewed for observed and verified changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for interest rate risk, foreign exchange risk, liquidity and credit risk, as appropriate. For credit risk, probability of default and loss given default parameters are determined using credit default swaps (CDS) markets, where available and appropriate, as well as the relevant terms of the loan and loan counterparty such as the industry classification and subordination of the loan.</p>	<p>For level 2 and 3 fair value hierarchy items:</p> <p>discount rate*</p>
<p>Deposits and debt funding</p> <p>Deposits from banks and customers comprise amounts owed to banks and customers, deposits under repurchase agreements, negotiable certificates of deposit, credit-linked deposits and other deposits.</p>	<p>For certain deposits, fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information between the transaction and valuation dates. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value based on the contractual cash flows related to the instrument. The fair value measurement incorporates all market risk factors, including a measure of the Group's credit risk relevant to that financial liability. The market risk parameters are valued consistently to similar instruments held as assets stated in the section above. The credit risk of the reference asset in the embedded CDS in credit-linked deposits is incorporated into the fair value of all credit-linked deposits that are designated to be measured at fair value through profit or loss. For collateralised deposits that are designated to be measured at fair value through profit or loss, such as securities repurchase agreements, the credit enhancement is incorporated into the fair valuation of the liability.</p>	<p>For level 2 and 3 fair value hierarchy items:</p> <p>discount rate*</p>

* Discount rates, where applicable, include the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty as appropriate), timing of settlement, storage/ service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.

Portfolio valuations

The Group has elected the portfolio exception to measure the fair value of certain groups of financial assets and financial liabilities. This exception permits the group of financial assets and financial liabilities to be measured at fair value on a net basis, with the net fair value being allocated to the financial assets and financial liabilities.

Day one profit or loss

For financial instruments, where the fair value of the financial instrument differs from the transaction price, the difference is commonly referred to as day one profit or loss. Day one profit or loss is recognised in profit or loss immediately where the fair value of the financial instrument is either evidenced by comparison with other observable current market transactions in the same instrument or is determined using valuation models with only observable market data as inputs.

Day one profit or loss is deferred (and recognised together with the instrument it relates to) where the fair value of the financial instrument is not able to be evidenced by comparison with other observable current market transactions in the same instrument or is determined using valuation models that utilise non-observable market data as inputs.

The timing of the recognition of deferred day one profit or loss is determined individually depending on the nature of the instrument and availability of market observable inputs. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs or realised through settlement.

(d) Employee benefits

(i) Retirement benefit obligations

The Group operates a defined contribution pension scheme for its employees. The defined contribution plan is a pension plan under which the Group pays fixed contributions into a fund managed by a board of trustees and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

In addition, all employees are obliged to be members of the National Social Security Fund, a state managed defined contribution pension scheme. The Group contributes to the scheme in line with the requirements of the National Social Security Fund Act. The regular contributions by the Group and employees constitute net periodic costs for the year in which they are due and as such are included in employee benefit expenses.

The Group's contributions to the defined contribution schemes are charged to the income statement in the year to which they relate.

(ii) Short-term benefits

Short-term benefits consist of salaries, accumulated leave payments, bonuses and any non-monetary benefits such as medical aid contributions. Short-term employee benefit obligations are measured on an undiscounted basis and are expenses as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus plans or accumulated leave if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

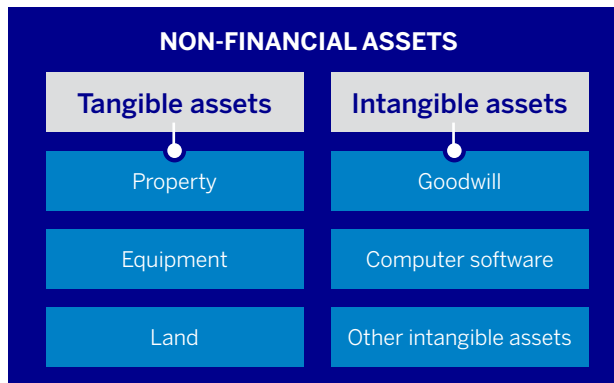
(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is committed without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be reliably estimated. A liability is recognised to the best estimate of the amount to settle the obligation.

(iv) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

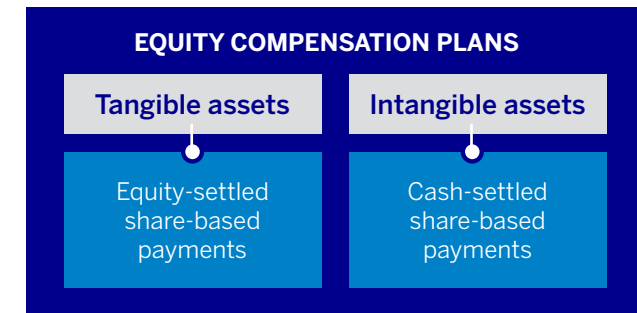
(e) Non- financial assets



Type, initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment
<p>Tangible assets (property, equipment and land)</p> <p>Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.</p> <p>Items of property and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and are recognised net within other income in profit or loss.</p> <p>Subsequent costs</p> <p>The cost of replacing a part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.</p> <p>The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.</p>	<p>Depreciation is recognised in profit or loss on straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.</p> <p>The estimated useful lives for the current and comparative periods are as follows:</p> <p>The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial year end.</p>	<p>These assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes.</p> <p>in circumstances indicate that the carrying amount may not be recoverable.</p> <p>An impairment loss is recognised in non-trading and capital related items for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use.</p> <p>Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset.</p> <p>In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets that cannot be tested individually are grouped at the lowest cash generating units (CGUs).</p> <p>Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.</p> <p>The carrying amount of these other assets may, however, not be reduced below the higher of the CGU's fair value less costs to sell and its value in use.</p> <p>Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed through non-trading and capital related items only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.</p>

Useful lives, depreciation/ Type and initial and subsequent measurement	amortisation method or fair value basis	Impairment
<p>Goodwill</p> <p>Goodwill arises on business combinations and represents the excess of the consideration transferred over the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.</p> <p>Goodwill on acquisitions is reported in the statement of financial position as an intangible asset</p>	Not applicable	<p>The accounting treatment is generally the same as that for tangible assets except as noted below.</p> <ul style="list-style-type: none"> • Goodwill is tested annually for impairment and additionally when an indicator of impairment exists. • An impairment loss in respect of goodwill • is not reversed.
<p>Computer software</p> <p>Costs associated with developing or maintaining computer software programmes are generally recognised as an expense as incurred.</p> <p>However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the Group and have a probable future economic benefit beyond one year, are recognised as intangible assets.</p> <p>Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use.</p> <p>Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.</p>	<p>Amortisation is recognised in operating expenses on a straight-line basis at rates appropriate to the expected lives of the assets (2 to 15 years) from the date that the asset is available for use.</p>	<p>Intangible assets that have an indefinite useful life are tested annually for impairment and additionally when an indicator of impairment exists.</p> <p>The accounting treatment for computer software and other intangible assets is otherwise the same as for tangible assets</p>
<p>Derecognition</p> <p>Non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.</p>		

(f) Equity-linked transactions



Equity-settled share-based payments

The fair value of the equity-settled share-based payments are determined on grant date and accounted for within operating expenses (staff costs) over the vesting period with a corresponding increase in the Group's share-based payment reserve. Non-market vesting conditions, such as the resignation of employees and retrenchment of staff, are not considered in the valuation but are included in the estimate of the number of options expected to vest. At each reporting date, the estimate of the number of options expected to vest is reassessed and adjusted against operating expenses and share-based payment reserve over the remaining vesting period.

On vesting of the equity-settled share-based payments, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer. On exercise of the equity-settled share-based payment, any proceeds received are credited to share capital and premium.

Cash-settled share-based payments.

Cash-settled share-based payments are accounted for as liabilities at fair value until the date of settlement. The liability is recognised over the vesting period and is revalued at every reporting date up to and including the date of settlement. All changes in the fair value of the liability is recognised in operating expenses (staff costs). The awards vest over the specified period of service and/or once the performance conditions are met.



Further details of the bank equity compensation plans are disclosed in note 38.

(g) Accounting for leases

Type and description	Statement of financial position	Income statement
Lessee Accounting policies		
<p>Single lessee accounting model</p> <p>All leases are accounted for by recognising a right-of use asset and a lease liability except for leases of low value assets; and leases with a duration of twelve months or less.</p>	<p>Lease liabilities:</p> <p>Initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case for the Group) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. The Group's standardised funding transfer pricing rate is the base on which the incremental borrowing rate is calculated. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes</p> <ul style="list-style-type: none"> • Amounts expected to be payable under any residual value guarantee. • The exercise price of any purchase option granted in favor of the Group, should it be reasonably certain that this option will be exercised. • Any penalties payable for terminating the lease, should the term of the lease be estimated on the basis of this termination option being exercised. 	<p>Interest expense on lease liabilities:</p> <p>A lease finance cost, determined with reference to the interest rate implicit in the lease or the Group's incremental borrowing rate, is recognised within interest expense over the lease period.</p>
	<p>Right-of-use assets:</p> <p>Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:</p> <ul style="list-style-type: none"> • lease payments made at or before commencement of the lease; • initial direct costs incurred; and • the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset. <p>The Group applies the cost model subsequent to the initial measurement of the right-of-use assets.</p> 	<p>Depreciation on right-of-use assets:</p> <p>Subsequent to initial measurement, the right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term unless ownership of the underlying asset transfers to the Group at the end of the lease term, whereby the right-of-use assets are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of depreciation and amortisation.</p>
	<p>Termination of leases:</p> <p>When the Group or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised.</p>	<p>Termination of leases:</p> <p>On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss together with termination or cancellation costs in profit or loss</p>

(g) Accounting for leases (continued)

Type and description	Statement of financial position	Income statement
Lessee Accounting policies continued		
All leases that meet the criteria as either a lease of a low value asset or a short-term lease are accounted for on a straight-line basis over the lease term.	Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised.	Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.
Reassessment and modification of leases	<p>Reassessment of lease terms and lease modifications that are not accounted for as a separate lease:</p> <p>When the Group reassesses the terms of any lease (i.e., it re-assesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised.</p> <p>For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero any further reduction in the measurement of the lease liability, is recognised in profit or loss.</p> <p>For lease modifications that are not accounted for as a separate lease, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, for lease modifications that decrease the scope of the lease the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, with any resulting difference being recognised in profit or loss as a gain or loss relating to the partial or full termination of the lease.</p> <p>Lease modifications that are accounted for as a separate lease:</p> <p>When the Group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the Group accounts for this modification as a separate new lease. This accounting treatment equally applies to leases which the Group elected the short-term lease exemption and the lease term is subsequently modified.</p>	
Separating components of a lease contract	The Group has elected to apply the practical expedient to not separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component. The practical expedient is applied to each class of underlying asset.	

Type and description	Statement of financial position	Income statement
Lessor Accounting policies		
Finance leases Leases, where the Group transfers substantially all the risks and rewards incidental to ownership, are classified as finance leases.	Finance lease receivable, including initial direct costs and fees, are primarily accounted for as financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges.	Finance charges earned within interest income are computed using the effective interest method, which reflects a constant periodic rate of return on the investment in the finance lease. The tax benefits arising from investment allowances on assets leased to clients are accounted for within direct taxation.
Operating leases All leases that do not meet the criteria of a financial lease are classified as operating leases.	The asset underlying the lease continues to be recognised and accounted for in terms of the relevant Group accounting policies. Accruals for outstanding lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease income are recognised. At the end of the lease term, these assets are reclassified from tangible assets to other assets and measured at the lower of cost and net realisable value.	Operating lease income net of any incentives given to lessees, is recognised on the straight-line basis, or a more representative basis where applicable, over the lease term and is recognised in operating income. When an operating lease is terminated before the lease period has expired, any payment received/(paid) by the Group by way of a penalty is recognised as income/(expense) in the period in which termination takes place.
Lessor lease modifications		
Finance leases	When the Group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the Group accounts for these modifications as a separate new lease. All other lease modifications that are not accounted for as a separate lease are accounted for in terms of IFRS 9, unless the classification of the lease would have been accounted for as an operating lease had the modification been in effect at inception of the lease. These lease modifications are accounted for as a separate new lease from the effective date of the modification and the net investment in the lease becomes the carrying amount of the underlying asset.	
Operating leases	Modifications are accounted for as a new lease from the effective date of the modification.	

(h) Equity

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Ordinary shares are classified as equity.

Share issue costs

Incremental external costs directly attributable to a transaction that increases or decreases equity are deducted from equity, net of related tax. All other share issue costs are expensed.

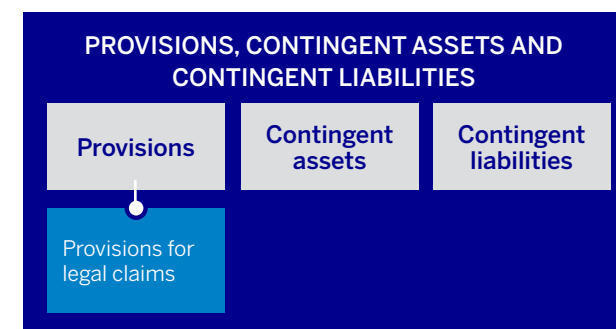
Dividends on ordinary shares

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are reported as a component of equity at the year end.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares

(i) Provisions, contingent assets and contingent liabilities



Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions for legal claims

Provisions for legal claims are recognised on a prudent basis for the estimated cost for all legal claims that have not been settled or reached conclusion at the reporting date. In determining the provision management considers the probability and likely settlement (if any). Reimbursements of expenditure to settle the provision are recognised when and only when it is virtually certain that the reimbursement will be received.

Contingent assets

Contingent assets are not recognised in the annual financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the Group, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the Group's control.

Contingent liabilities

Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the annual financial statements but are disclosed in the notes to the annual financial statements unless they are considered remote.

(j) Income tax

Income tax expense is the aggregate of the charge to the income statement in respect of current income tax and deferred income tax. Current tax is determined for current period transactions and events and deferred tax is determined for future tax consequences.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Ugandan Income Tax Act. The rates used are based on laws enacted or substantially enacted at the reporting date.

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects

neither accounting nor taxable profit nor loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised or for items recognised in OCI and Equity.

Deferred tax is recognised in direct taxation except to the extent that it relates to a business combination (relating to a measurement period adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly in equity or in OCI. Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of goodwill
- the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses.
- investments in subsidiaries, associates and jointly controlled arrangements (excluding mutual funds) where the Group controls the timing of the reversal of temporary differences, and it is probable that these differences will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates

and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates unless there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred income taxes are calculated on all temporary differences under the balance sheet liability method using tax rates currently enacted.

(k) Interest income and expense

Interest income and expense are recognised in the profit or loss using the effective interest method for all interest-bearing financial instruments, except for those classified at fair value through profit or loss.

The 'Effective interest rate' is the rate that exactly discounts estimated future payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument but not ECL. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received between parties of the contract that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the income statement relates to interest on financial assets and financial liabilities measured at amortised cost and financial assets at FVOCI.

When loans and advances become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the original effective interest rate that is used to discount future cash flows for the purpose of measuring the recoverable amount.

Fair value gains and losses on realised debt financial instruments, including amounts reclassified from OCI in respect of financial investments financial assets, and excluding those classified as trading assets, are included in net interest income.

(l) Net fees and commission

Fee and commission revenue, including transactional fees, account servicing fees, investment management fees, sales commissions and placement fees are recognised as the related services are performed. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment period.

Loan syndication fees, where the Group does not participate in the syndication or participates at the same effective interest rate for comparable risk as other participants, are recognised as revenue when the syndication has been completed. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised to the income statement as interest income. The fair value of issued financial guarantee contracts on initial recognition is amortised as income over the term of the contract.

Fee and commission expenses, included in net fee and commission revenue, are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received. Expenditure is recognised as fee and commission

expenses where the expenditure is linked to the production of fee and commission revenue.

Performance obligation and revenue recognition policies

TYPE OF SERVICE	DESCRIPTION OF THE SERVICE	REVENUE RECOGNITION
Transactional and service related	These are service and transactional fee-based revenue that mainly comprise of but are not limited to commissions on cheques cashed, bank statement charges, auxiliary charges, management fees, advisory fees, payments and collection related fees.	Revenue from account service fees is recognised over time as the services are provided. Revenue related to transactions is recognised at the point in time when the transaction takes place.
Trade related	These are origination and processing fees relating to issuance of guarantees, performance bonds and letters of credit.	Revenue related to trade fees is recognised at the point in time when the transaction takes place.
Credit related	These fees include mainly loan arrangement fees, loan processing fees on short-term facilities, commitment fees which are amortised over the period of the loan using the EIR model.	Revenue from credit related fees is recognised over time as the services are provided. Gains and losses arising from the derecognition of financial assets and financial liabilities classified as at amortised cost.

(m) Net trading revenue

Net trading revenue comprises gains or losses related to trading assets and liabilities, and include all realised and unrealised fair value changes, interest and foreign exchange differences.

(n) Dividend income

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Dividends are reflected as a component of other operating income based on the underlying classification of the equity investment.

(o) Other gains/losses on financial instruments

Includes:

- Fair value gains and losses on financial assets that are classified at fair value through profit or loss (designated and default)
- The gain or loss on the derecognition of a debt financial asset classified as at fair value through OCI.

- Gains and losses arising from the reclassification of a financial asset from amortised cost to fair value.
- Gains and losses arising from the modification of a financial asset (which is not distressed) and financial liability as at amortised cost.
- Fair value gains and losses on designated financial liabilities
- Fair value gains and losses on private equity or venture capital investment designated at fair value through profit or loss.

(p) Other revenue

Other revenue comprises revenue that is not included in any of the categories mentioned above. This could include dividends on equity financial assets, underwriting profit from the Group's short-term insurance operations and related insurance activities and remeasurement gains and losses from contingent consideration on disposals and purchases.

(q) Segment reporting

An operating segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments and whose operating results are reviewed to assess its

performance and for which discrete financial information is available. The Group's primary business segmentation is based on the Group's internal reporting about components of the Group as regularly reviewed by the Board and executive management committees. Segments results include items directly attributable to a segment as well as those that are allocated on a reasonable basis. Business segments are the only segments presented since the Group operates in a single geographical segment, Uganda.

(r) Non-trading and capital related items

Non-trading and capital related items primarily include the following:

- Gains and losses on disposal of subsidiaries, joint ventures and associates (including foreign exchange translation gains and losses)
- Gains and losses on the disposal of property and equipment and intangible assets
- Impairment and reversals of impairments of joint ventures and associates
- Impairment of investments in subsidiaries, property and equipment, and intangible assets
- Other items of a capital related nature.

(s) Foreign Currency translation

Functional and presentation currency

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the Group operates, Uganda Shillings; US\$ ("the functional currency"). The financial statements are presented in US\$ and figures are stated in thousands of US\$ (US\$'000) unless otherwise stated.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition: non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Changes in the fair value of monetary assets denominated in foreign currency classified as fair value through OCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, are recognised in other comprehensive income.

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as fair value through other comprehensive income are included in other comprehensive income.

3.0 Financial Risk Management

(a) Strategy in using financial instruments.

By their nature, the Group's activities are principally related to the use of financial instruments including derivatives. The Group accepts deposits from customers at both fixed and floating rates, and for various periods, and seeks to earn above-average interest margins by investing these funds in high-quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried out centrally under policies approved by the Board of Directors. The Global Markets team identifies, evaluates, and hedges financial risks in close co-operation with the Group's operating units.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, internal audit is responsible for the independent review of risk management and the control environment. The most

important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

The Group also seeks to raise its interest margins by obtaining above-average margins, net of allowances, through lending to commercial and retail borrowers with a range of credit standing. Such exposures involve not just on-statement of financial position loans and advances, the Group also enters into guarantees and other commitments such as letters of credit and performance, and other bonds. The Group also trades in financial instruments where it takes positions in traded and over-the-counter instruments to take advantage of short-term market movements in bonds, currency, and interest rate. The Board places trading limits on the level of exposure that can be taken in relation to both overnight and intra-day market positions.

Foreign exchange and interest rate exposures associated derivatives are normally offset by entering into counterbalancing positions, thereby controlling the variability in the net cash amounts required to liquidate market positions.

(b) Capital management

The Group's objectives when managing capital, which is a broader concept than the equity on the face of the statement of financial position, are:

- In the context of Stanbic Bank Uganda Limited, to comply with the capital requirements of the regulator, Bank of Uganda, that are enshrined in the Financial Institutions Act and related Financial Institutions (Capital Adequacy Requirements) Regulations.
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Group's banking business subsidiary, Stanbic Bank Uganda Limited ("the Bank"), monitors the adequacy of its capital using capital adequacy ratios established under the Financial Institutions Act, as amended, which ratios are broadly in line with those for the Bank for International Settlements (BIS).

These ratios measure capital adequacy by comparing the Bank's eligible capital with its statement of financial position assets, off-balance sheet commitments at weighted amounts to reflect their relative risk. The Bank's eligible capital consists of Core capital

(Tier 1) and Tier 2 capital. Tier 1 capital is shareholders' equity comprising of paid-up share capital, share premium and retained earnings less intangible assets, deferred tax asset and investments in financial companies, not consolidated. Tier 2 capital includes the Bank's eligible long-term loans, and general provisions. Tier 2 capital is limited to 50% of Tier 1 capital.

In the computation of the total risk adjusted assets, statement of financial position assets are weighted according to the Standardised Approach supported by external credit risk ratings. In this approach, the Bank applies prescribed risk weights to both on-balance sheet and off-balance sheet exposures. Loans and advances to customers are stated net of provisions as determined in accordance with the Financial Institutions Act, Cap 57, laws of Uganda and related regulations. These are risk weighted at 100% except for sovereign loan and advances which are risk weighted at zero and loans with cash collateral which are risk weighted at zero.

Off-balance sheet credit related commitments and forwards are considered by applying different categories of credit conversion factors, designed to convert these items into statement of financial position equivalents.

The Bank is required at all times to maintain Core capital (Tier 1) of not less than 10% of total risk adjusted assets plus risk adjusted off the statement of financial position items and Total capital (Tier 1 + Tier 2) of not less than 12% of the total risk adjusted assets plus risk adjusted off the statement of financial position items.

The Financial Institutions (Capital Buffers and Leverage Ratio) Regulations, 2020 introduced a Capital Conservation buffer of 2.5%, a Systemic Risk Buffer for Domestic Systemically Important Banks ranging from 0% to 3.5% and a Countercyclical Buffer ranging from 0% to 2.5%. The buffers are calculated as a percentage of total risk adjusted assets plus risk adjusted off balance sheet items. The buffers are added to the Tier 1 capital and Total capital ratios.

The regulations also introduced a minimum Leverage Ratio of 6%. This is calculated as the Core capital divided by the total on balance sheet plus off-balance sheet exposure.

Stanbic Bank Uganda Limited is required to maintain Core capital of not less than 10%, Total capital of not less than 12%, a Capital Conservation buffer of 2.5% and a prescribed Systemic Risk Buffer for Domestic Systemically Important Banks of 1%. As of 31 December 2025, the Bank's capital adequacy ratio of 21.3% and 23.0% for Core capital and Total capital, respectively, and the Leverage Ratio of 12.1% were above the regulatory requirements.

As of 31 December 2025, the Bank was compliant with the minimum paid-up cash capital requirement of not less than US\$ 150 billion with minimum paid-up capital funds unimpaired by losses of US\$ 154 billion.

(i) The table below summarises a composition of regulatory capital

	2025 US\$' 000	2024 US\$' 000
Core capital (Tier 1)		
Shareholders' equity	153,566,009	153,566,009
Share premium	725,964,739	725,964,739
Retained earnings	1,064,774,374	908,527,702
Less: deductions determined by Bank of Uganda	(120,754,866)	(116,433,949)
Total core capital	1,823,550,256	1,671,624,501
Supplementary capital (Tier 2)		
Unencumbered general provisions for losses	72,609,233	66,279,649
Subordinated term debt	74,048,077	75,433,169
Total supplementary capital	146,657,310	141,712,818
Total capital (core and supplementary)	1,970,207,566	1,813,337,319

(ii) Breakdown of deductions determined by the Financial Institutions Act Cap 57, laws of Uganda

	2025 US\$' 000	2024 US\$' 000
Goodwill and other intangible assets	33,713,395	42,620,077
Unrealised gains on government securities and derivatives	6,988,705	6,396,288
Deferred tax asset	80,052,766	65,135,119
Fair value through OCI reserve (loss)	-	2,282,465
	120,754,866	116,433,949

(iii) The table below summarises the risk weighted asset.

	Notes	Risk Weight	Financial position nominal balance		Risk weighted balance	
			2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Statement of financial position						
Cash and balances with Bank of Uganda	16	0%	1,470,063,031	1,209,350,188	-	-
Financial investments*1	17	0%	1,404,140,920	1,086,698,537	-	-
Other financial investments	17	100%	517,687	467,476	517,687	467,476
Trading assets	18	0%	1,546,866,457	1,411,507,272	-	-
Pledged assets	19	0%	9,377,661	55,380,467	-	-
Placements with local banks*2	20	20%	56,370,139	48,517,722	11,274,028	9,703,544
Placements with foreign banks*2	20	Note b(iv)	540,402,647	324,462,119	224,576,318	168,429,217
Amounts due from group companies	38	100%	743,270,366	1,170,928,557	743,270,366	1,170,928,557
Loans and advances to customers-regulatory basis	Note b(vii)	Note b(vii)	5,261,860,080	4,523,516,664	4,930,915,263	4,224,833,721
Other assets*3	23	100%	144,495,182	333,059,170	99,350,062	333,059,168
Derivative assets	29	100%	71,427,252	99,818,442	71,427,252	99,818,442
Deferred tax asset	22	0%	80,052,766	65,135,119	-	-
Goodwill	24	0%	1,901,592	1,901,592	-	-
Other intangible assets	24	0%	31,811,803	40,718,485	-	-
Property, equipment and right of use asset	25	100%	91,984,758	76,774,057	91,984,758	76,774,057
			11,454,542,341	10,448,235,867	6,173,315,734	6,084,014,182
Off-balance sheet items						
Contingencies secured by cash collateral		0%	41,134,302	24,712,877	-	-
Guarantees and acceptances		100%	40,395,807	27,308,087	40,395,807	27,308,087
Performance bonds		50%	1,771,267,565	1,956,199,767	885,633,783	978,099,884
Trade related and self-liquidating credits		20%	186,549,544	96,227,550	37,309,909	19,245,510
Total contingent assets	36		2,039,347,218	2,104,448,281		
Other commitments	36	50%	1,655,858,419	1,725,657,428	827,929,210	862,828,714
			3,695,205,637	3,830,105,709	1,791,268,709	1,887,482,195
Counterparty risk					82,102,439	21,487,735
Market risk					532,375,976	487,525,689
Total risk weighted assets					8,579,062,858	8,480,509,801

1 Includes only the Bank's financial investments and as per the regulatory requirements, IFRS expected credit loss (ECL) provision of UShs 63 million (2024: UShs 71 million) as reported in Note 17 are not considered.

2 Placements with local banks and placements with foreign banks are split to align to the regulatory requirements regarding the different risk weights for local and foreign banks and exclude Visa and Mastercard electronic balances at the reporting date of UShs 2.9 billion (2024: UShs 3.8 billion). The amounts considered do not include the IFRS ECL in line with regulatory requirements.

3 Other assets are exclusive of staff loans fair value day 1 adjustments, UShs 54.9 billion (2024: UShs 45.7 billion) and include Visa and Mastercard electronic balances, UShs 2.9 billion (2024: UShs 3.8 billion) reported as loans to banks in the financial statements, net impact UShs 52.0 billion (2022: UShs 41.9 billion).

4 Includes only the Bank's assets.

Category	Risk Weight
Rated AAA to AA (-)	20%
Rated A (+) to A (-)	50%
Rated A (-) to non-rated	100%

(iii) Risk weights applied to placements with foreign banks.

Category	Risk Weight	Financial position nominal balance		Risk weighted balance	
		2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Rated AAA to AA (-)	20%	292,984,847	-	58,596,969	-
Rated A (+) to A (-)	50%	162,876,902	312,065,866	81,438,451	156,032,933
Rated A (-) to non-rated	100%	84,540,898	12,396,253	84,540,898	12,396,284
		540,402,647	324,462,119	224,576,318	168,429,217

(iii) Tier 1 and Tier 2 capital

	Capital		Bank ratio		FIA minimum ratio		Minimum buffered capital ratio	
	2025 UShs' 000	2024 UShs' 000	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
Tier 1 capital	1,823,550,256	1,671,624,501	21.3%	19.7%	10%	10%	13.5%	13.5%
Tier 1 + Tier 2 capital	1,970,207,566	1,813,337,319	23.0%	21.4%	12%	12%	15.5%	15.5%

(vi) Leverage Ratio

	2025 UShs' 000	2024 UShs' 000
Total core capital (a)	1,823,550,256	1,671,624,501
Total assets (b)	11,454,542,341	10,448,235,867
Acceptances and letters of credit (note 35)	210,522,016	98,648,670
Guarantees and performance bonds (note 35)	1,828,825,202	2,005,799,611
Commitments to extend credit (note 35)	1,655,858,419	1,725,657,428
Total off balance sheet items (c)	3,695,205,637	3,830,105,709
Total assets plus off-balance sheet items [d = (b)+(c)]	15,149,747,978	14,278,341,576
Leverage Ratio [(a)/(d)*100]	12.0%	11.7%

(vii) Loans and advances to customers for regulatory capital purposes

	2025			2024		
	Loans UShs'000	Risk weighting %	Risk weighted balance UShs'000	Loans UShs'000	Risk weighting %	Risk weighted balance UShs'000
Gross Loan and advances to customers	4,979,424,609			4,265,330,232		
Specific provisions (regulatory)	(36,741,272)			(35,560,025)		
Interest in suspense(regulatory)	(6,104,147)			(5,126,002)		
Net loans and advances to customers	4,936,579,190	100%	4,936,579,190	4,224,644,205	100%	4,224,644,205
Loans and advances to Government of Uganda	325,280,890	0%	-	295,228,604	0%	-
Loans and advances to other financial institutions	-	100%	-	3,643,855	100%	3,643,855
	5,261,860,080		4,936,579,190	4,523,516,664		4,228,288,060
Less: Loans secured by cash cover	-		(5,663,927)	-		(3,454,339)
	5,261,860,080		4,930,915,263	4,523,516,664		4,224,833,721

(viii) Reconciliation of loans and advances to customers between IFRS and FIA

	2025 US\$' 000	2024 US\$' 000
Gross Loans and advances (IFRS)	5,233,402,595	4,505,039,782
Written off Facilities according to FIA	(37,662)	(578,025)
NSSF Balance, reallocation	-	(3,643,855)
Staff Fair valuation	54,932,329	45,720,934
Modification	1,155,355	1,758,149
Effective interest Rate adjustment	15,252,882	12,261,851
Gross loans and advances for regulatory purposes	5,304,705,499	4,560,558,836
Less: Loans and advances to Government of Uganda	(325,280,890)	(295,228,604)
Gross loans and advances to customers regulatory	4,979,424,609	4,265,330,232

The Group holds loans and advances for which it is required to write-off in accordance with the Financial Institutions Act Cap 57, laws of Uganda. However, these loans are not yet due for write-off in accordance with IFRS. These facilities are adjusted out of the loan book when preparing capital ratios.

Adjustments are made for other IFRS requirements to arrive at the loans and advances amount required by the Financial Institutions Act Cap 57, laws of Uganda.

Loans and advances to customers include loans to Government of Uganda totalling to US\$ 325,281 million (2024: US\$ 295,229 million) risk weighted at zero.

(c) Credit risk

Definition

Credit risk is the risk of loss arising out of the failure of obligors to meet their financial or contractual obligations when due. It is composed of obligor risk (including borrowers and trading counterparties), concentration risk and country risk.

Approach to managing and measuring credit risk

The Group's credit risk is a function of its business model and arises from wholesale and retail loans and advances, underwriting and guarantee commitments, as well as from the counterparty credit risk arising from derivative and securities financing contracts entered into with our customers and trading counterparties. The management of credit risk is aligned to the Group's three lines of defence framework. The business functions own the credit risk assumed by the Group and as the first line of defence they are primarily responsible for its management, control and optimisation in the course of business generation.

The credit function acts as the second line of defence and is responsible for providing independent and objective approval and oversight for the credit risk-taking activities of business, to ensure the process of procuring revenue, while assuming optimal risk, is undertaken with integrity. Further second line oversight is provided by the Group risk function through independent credit risk assurance.

The third line of defence is provided by the Group's internal audit, under its mandate from the Group audit committee.

Credit risk is managed through:

- maintaining a culture of responsible lending and a robust risk policy and control framework
- identifying, assessing and measuring credit risk across the Group, from an individual facility level through to an aggregate portfolio level
- defining, implementing and continually re- evaluating risk appetite under actual and stressed conditions
- monitoring the Group's credit risk exposure relative to approved limits
- ensuring that there is expert scrutiny and approval of credit risk and its mitigation independently of the business functions.

A credit portfolio limit framework has been defined to monitor and control the credit risk profile within the Group's approved risk appetite. All primary lending credit limits are set and exposures measured on the basis of risk weighting in order to best estimate exposure at default (EAD). Pre-settlement counterparty credit risk counterparty credit risk (CCR) inherent in trading book exposures is measured on a potential future exposure (PFE) basis, modelled at a defined level of confidence, using approved

methodologies and models, and controlled within explicit approved limits for the counterparties concerned.

Credit risk mitigation

Wherever warranted, the Group will attempt to mitigate credit risk, including counterparty credit risk (CCR) to any counterparty, transaction, sector, or geographic region, so as to achieve the optimal balance between risk, cost, capital utilisation and reward. Risk mitigation may include the use of collateral, the imposition of financial or behavioural covenants, the acceptance of guarantees from parents or third parties, the recognition of parental support, and the distribution of risk.

Collateral, parental guarantees, credit derivatives and on- and off- balance sheet netting are widely used to mitigate credit risk. Credit risk mitigation policies and procedures ensure that risk mitigation techniques are acceptable, used consistently, valued appropriately and regularly, and meet the risk requirements of operational management for legal, practical and timely enforcement. Detailed processes and procedures are in place to guide each type of mitigation used. In the case of collateral where the Group has an unassailable legal title, the Group's policy is such that collateral is required to meet certain criteria for recognition in loss given default (LGD) modelling, including:

- is readily marketable and liquid,
- is legally perfected and enforceable,
- has a low valuation volatility,
- is readily realisable at minimum expense,
- has no material correlation to the obligor credit quality,
- has an active secondary market for resale.

The main types of collateral obtained by the Group for its banking book exposures include:

- mortgage bonds over residential, commercial and industrial properties
- cession of book debts
- bonds over plant and equipment
- the underlying movable assets financed under leases and
- instalment sales.

Reverse repurchase agreements and commodity leases to customers are collateralised by the underlying assets.

Guarantees and related legal contracts are often required, particularly in support of credit extension to groups of companies and weaker obligors. Guarantors include banks, parent companies,

shareholders and associated obligors. Creditworthiness is established for the guarantor as for other obligor credit approvals.

For trading and derivatives transactions where collateral support is considered necessary, the Group typically uses internationally recognised and enforceable International Swaps and Derivatives Association (ISDA) agreements, with a credit support annexure (CSA). Netting agreements, such as collateral under the CSA of an ISDA agreement, are only obtained where the Group firstly, has a legally enforceable right to offset credit risk by way of such an agreement, and secondly, where the Group has the intention of utilising such agreement to settle on a net basis.

Other credit protection terms may be stipulated, such as limitations on the amount of unsecured credit exposure acceptable, collateralisation if the mark-to-market credit exposure exceeds acceptable limits, and termination of the contract if certain credit events occur, for example, downgrade of the counterparty's public credit rating.

ECL is provided even if the exposure is fully covered by collateral.

Wrong-way risk arises in transactions where the likelihood of default (i.e., the probability of default (PD) by a counterparty and the size of credit exposure (as measured by EAD) to that counterparty tend to increase at the same time. This risk is managed both at an individual counterparty level and at an aggregate portfolio level by limiting exposure to such transactions, taking adverse correlation into account in the measurement and mitigation of credit exposure and increasing oversight and approval levels.

The Group has no appetite for wrong-way risk arising where the correlation between EAD and PD is due to a legal, economic, strategic or similar relationship (i.e., specific wrong-way risk). General wrong-way risk, which arises when the correlation between EAD and PD for the counterparty, due mainly to macro factors, is closely managed within existing risk frameworks.

To manage actual or potential portfolio risk concentrations in areas of higher credit risk and credit portfolio growth, the Group implements hedging and other strategies from time-to-time. This is done at individual counterparty, sub-portfolio and portfolio levels through the use of syndication, distribution and sale of assets,

asset and portfolio limit management, credit derivatives and credit protection.

Credit portfolio characteristics and metrics

Maximum exposure to credit risk

Debt financial assets at amortised cost and FVOCI as well as off-balance sheet exposure subject to an ECL are analysed and categorised based on credit quality using the Group's master rating scale. Exposures within Stage 1 and 2 are rated between 1 to 25 in terms of the Group's master rating scale. Exposures that are not within 1 to 25 are considered to be in default.

Default

The Group's definition of default has been aligned to its internal credit risk management definitions and approaches. Whilst the specific determination of default varies according to the nature of the product, it is generally determined (aligned to the BASEL definition) as occurring at the earlier of:

- where, in the Group's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security; or
- when the counterparty is past due for more than 90 days (or, in the case of overdraft facilities in excess of the current limit).

The Group has not rebutted IFRS 9's 90 days past due rebuttable presumption. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:

- significant financial difficulty of borrower and/or modification (i.e., known cash flow difficulties experienced by the borrower)
- a breach of contract, such as default or delinquency in interest and/or principal payments
- disappearance of active market due to financial difficulties
- it becomes probable that the borrower will enter bankruptcy or another financial reorganisation.
- where the Group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the Group would not otherwise consider.

Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Group implements guidelines on the acceptability of specific classes of

collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties
- Charges over business assets such as premises, inventory and accounts receivable
- Charges over financial instruments such as debt securities and equities

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit losses, the Group may seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Derivatives

The Group maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (i.e., assets where their fair value is positive), which in relation to derivatives is a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Group's market transactions on any single day.

Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot

meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments.

However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

ECL coverage

The table below shows composition of loans between stage 1, 2 and 3 and the percentage of provisions under each stage.

	2025		2024	
	Loans & advances %	Coverage ratio	Loans & advances %	Coverage ratio
Stage 1	92.4	0.6	92.4	0.8
Stage 2	6.0	17.7	6.2	20.0
Stage 3	1.5	57.1	1.4	26.8
	100.0		100.0	

The following table provides information regarding credit risk exposures relating to assets included on the statement of financial position:

	GROUP		COMPANY	
	2025 US\$' 000	2024 US\$' 000	2025 US\$' 000	2024 US\$' 000
Bank of Uganda	999,455,651	781,038,338	-	-
Loans and advances to banks	1,329,853,700	1,542,364,011	162,956,033	242,228,576
Investment securities				
Treasury bonds -FVOCI	843,137,306	586,048,224	-	-
Treasury bonds -amortised cost	41,610,095	51,158,732	-	-
Treasury bills - FVOCI	519,830,483	449,946,416	-	-
Treasury bills - amortised cost	138,309,393	32,272,716	130,185,093	22,386,226
Pledged assets	9,377,661	3,099,477	-	-
Loans and advances to customers				
Mortgage loans	191,687,611	363,580,522	-	-
Vehicle and asset finance	120,880,443	115,226,587	-	-
Card and Payments	5,028,731	4,590,717	-	-
Personal unsecured lending	1,417,608,527	1,259,778,554	-	-
Business and other lending	933,052,322	604,550,510	-	-
Corporate lending	2,099,751,025	1,732,599,316	-	-
Sovereign lending	323,302,952	293,427,830	-	-
Trading assets				
Treasury bonds	1,108,920,565	939,175,018	-	-
Treasury bills	437,945,892	472,332,254	-	-
Pledged assets	-	52,280,990	-	-
Derivative assets	71,427,252	99,818,442	-	-
Other	116,840,296	322,810,671	32,094,636	3,317,914
	10,708,019,905	9,706,099,325	325,235,762	267,932,716

Credit risk exposures relating to assets not on the statement of financial position are as follows

	2025		2024	
	US\$' 000	US\$' 000	US\$' 000	US\$' 000
Acceptances and letters of credit	210,398,427	98,574,949	-	-
Financial guarantees	1,826,806,926	2,002,477,684	-	-
Loan commitments and other credit related liabilities	1,655,858,419	1,725,657,428	-	-
	3,693,063,772	3,826,710,061	-	-
	14,401,083,677	13,532,809,386	325,235,762	267,932,716

*Prepayments are excluded as they are not financial assets.

The above table represents a worst-case scenario of credit risk exposure to the Group at 31 December 2025 and 2024, without taking into account of any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

The table below shows the collateral for the secured loans and unsecured loans as at 31 December 2025

As at 31 December 2025				Stage 3 Credit Impaired Advances			
GROUP	Customer loans US\$' 000	Cash secured loans and advances US\$' 000	Secured exposure after cash secured loans US\$' 000	Maximum exposure to credit risk US\$' 000	Fair value of collateral held US\$' 000	Net exposure US\$' 000	ECL allowance raised US\$' 000
Secured loans	1,574,502,380	5,374,629	1,569,127,751	88,988,209	8,381,732	-	50,841,117
Unsecured loans	3,658,900,215	-	3,658,900,215	-	-	-	-
	5,233,402,595	5,374,629	5,228,027,966	88,988,209	8,381,732	-	50,841,117

As at 31 December 2024				Stage 3 Credit Impaired Advances			
GROUP	Customer loans US\$' 000	Cash secured loans and advances US\$' 000	Secured exposure after cash secured loans US\$' 000	Maximum exposure to credit risk US\$' 000	Fair value of collateral held US\$' 000	Net exposure US\$' 000	ECL allowance raised US\$' 000
Secured loans	1,534,359,114	3,454,339	1,420,405,978	69,782,423	14,580,698	-	50,602,973
Unsecured loans	2,970,680,668	-	2,949,893,719	-	-	-	-
	4,505,039,782	3,454,339	4,370,299,697	69,782,423	14,580,698	-	50,602,973

Management remains confident in its ability to continue to control the exposure of credit risk to the Group resulting from both its loan and advances portfolio and debt securities based on the following:

- 92.4% and 6.0% of the loans and advances portfolio is categorised in stage 1 and stage 2 respectively (2024: 92.4% stage 1 and 6.2% stage 2)
- Mortgage loans are backed by collateral.
- All debt securities held by the Group are issued by the Bank of Uganda on behalf of the Government of Uganda

Collateral

The table below shows the financial effect that collateral has on the Group's maximum exposure to credit risk. The table is presented according to Basel asset categories and includes collateral that may not be eligible for recognition under Basel, but that management takes into consideration in the management of the Group's exposures to credit risk. All on- and off-balance sheet exposures that are exposed to credit risk, including NPL, have been included.

Collateral includes:

- securities that have a tradable market, such as shares and other securities
- physical items, such as property, plant and equipment
- financial guarantees, suretyships and intangible assets.

Netting agreements, which do not qualify for offset under IFRS, but which are nevertheless enforceable, are included as part of the Group's collateral for risk management purposes.

The table below shows the financial effect that collateral has on the Group's maximum exposure to credit risk

GROUP For the year ended 31 December 2025	Stage 3 Credit Impaired Advances								
	Total exposure US\$' 000	Unsecured US\$' 000	Secured US\$' 000	Cash secured loans and advances US\$' 000	Secured exposure after cash secured loans US\$' 000	Maximum exposure to credit risk US\$' 000	Fair value of collateral held US\$' 000	Net exposure US\$' 000	ECL allowance raised US\$' 000
Loans and advances at amortised cost									
Mortgage	161,566,054	-	161,566,054	-	161,566,054	5,944,239	3,989,867	-	2,902,992
Vehicle and asset finance	118,739,228	-	118,739,228	-	118,739,228	1,997,950	412,156	-	1,493,353
Card payments	5,028,731	5,028,731	-	-	-	330,666	-	-	330,666
Personal unsecured lending	1,430,281,914	1,430,281,914	-	-	-	40,128,334	-	-	28,924,607
Business lending and Other	952,641,704	218,797,470	733,844,234	5,374,629	728,469,605	16,802,954	3,979,709	-	12,494,858
Corporate and Sovereign	2,423,053,980	1,947,864,585	475,189,395	-	475,189,395	23,784,066	19,089,425	-	4,694,641
Bank	599,497,552	599,497,552	-	-	-	-	-	-	-
Total loans and advances held at amortised cost	5,690,809,163								
Other financial assets									
Cash and balances with Central Banks	1,472,030,836	1,472,030,836	-	-	-	-	-	-	-
Derivative assets	71,427,252	71,427,252	-	-	-	-	-	-	-
Trading assets	1,546,866,457	1,546,866,457	-	-	-	-	-	-	-
Pledged assets	9,377,661	9,377,661	-	-	-	-	-	-	-
Financial investments	1,543,404,964	1,543,404,964	-	-	-	-	-	-	-
Amounts due from group companies	745,561,805	745,561,805	-	-	-	-	-	-	-
Other financial assets	101,634,639	101,634,639	-	-	-	-	-	-	-
Total other financial assets	5,490,303,614								
Off-balance sheet exposures									
Letters of credit	210,522,016	83,967,560	126,554,456	-	126,554,456	-	-	-	-
Guarantees	1,828,825,202	1,745,492,995	83,332,207	-	83,332,207	-	-	-	-
Unutilised Facilities	1,655,858,419	1,655,858,419	-	-	-	-	-	-	-
Total off balance sheet exposures	3,695,205,637								
Total exposure	14,876,318,414								

The table below shows the financial effect that collateral has on the Group's maximum exposure to credit risk

GROUP For the year ended 31 December 2024					Stage 3 Credit Impaired Advances				
	Total exposure UShs' 000	Unsecured UShs' 000	Secured UShs' 000	Cash secured loans and advances UShs' 000	Secured exposure after cash secured loans UShs' 000	Maximum exposure to credit risk UShs' 000	Fair value of collateral held UShs' 000	Net exposure UShs' 000	ECL allowance raised UShs' 000
Loans and advances at amortised cost									
Mortgage	363,580,522	-	363,580,522	-	363,580,522	6,405,804	3,253,474	-	3,775,588
Vehicle and asset finance	115,226,587	-	115,226,587	-	115,226,587	7,172,722	2,786,384	-	4,404,797
Card payments	4,590,717	4,590,717	-	-	-	275,221	-	-	275,221
Personal unsecured lending	1,259,778,554	1,259,778,554	-	-	-	25,543,850	-	-	21,582,978
Business lending and Other	604,550,507	170,012,193	434,538,314	3,454,339	431,083,975	30,384,826	8,540,840	-	20,564,389
Corporate and Sovereign	2,026,027,149	1,460,400,555	565,626,594	-	565,626,594	-	-	-	-
Bank	376,592,468	376,592,468	-	-	-	-	-	-	-
Total loans and advances at amortised cost	4,750,346,504								
Other financial assets									
Cash and balances with Central Banks	1,211,168,332	1,211,168,332	-	-	-	-	-	-	-
Derivative assets	99,818,442	99,818,442	-	-	-	-	-	-	-
Trading assets	1,411,507,272	1,411,507,272	-	-	-	-	-	-	-
Pledged assets	55,380,467	55,380,467	-	-	-	-	-	-	-
Financial investments	1,119,893,564	1,119,893,564	-	-	-	-	-	-	-
Amounts due from group companies	1,173,660,878	1,173,660,878	-	-	-	-	-	-	-
Other financial assets	314,921,336	314,921,336	-	-	-	-	-	-	-
Total other financial assets	5,386,350,291								
Off-balance sheet exposures									
Letters of credit	98,648,670	11,266,432	87,382,238	-	87,382,238	-	-	-	-
Guarantees	2,005,799,611	1,849,188,650	156,610,961	-	156,610,961	-	-	-	-
Unutilised Facilities	1,725,657,428	1,725,657,428	-	-	-	-	-	-	-
Total off balance sheet exposures	3,830,105,709								
Total exposure	13,966,802,504								

Loans and advances are summarised as follows:

GROUP	2025		Loans and advances to customers UShs' 000	2024 Loans and advances to banks UShs' 000
	Loans and advances to customers UShs' 000	Loans and advances to banks UShs' 000		
Stage 1	4,792,534,128	599,698,611	4,132,735,813	376,777,407
stage 2	351,880,258	-	302,521,546	-
Stage 3	88,988,209	-	69,782,423	-
Gross loans and advances	5,233,402,595	599,698,611	4,505,039,782	376,777,407
Allowances for impairment (Note 21)	(142,090,984)	(201,059)	(131,285,746)	(184,939)
	5,091,311,611	599,497,552	4,373,754,036	376,592,468

The allowance for impairment is summarised per segment as follows:

GROUP	2025		Loans and advances to customers UShs' 000	2024 Loans and advances to banks UShs' 000
	Loans and advances to customers UShs' 000	Loans and advances to banks UShs' 000		
Mortgage lending	7,653,245	-	10,519,453	-
Instalment sales and finance Leases	4,826,955	-	6,525,719	-
Card debtors	1,390,174	-	784,678	-
Other loans and advances	115,327,365	-	101,809,747	-
Corporate and Investment Banking Corporate lending	12,893,245	201,059	11,646,149	184,939
	142,090,984	201,059	131,285,746	184,939

The total impairment provision for loans and advances is UShs 142,091 million (2024: UShs 131,286 million) of which UShs 50,841 million is stage 3 impairment (2024: UShs 50,602 million). Further information on the impairment allowance for loans and advances to banks and to customers is provided in Notes 20 and 21.

The table below illustrates the credit risk for debt financial assets at amortised cost and FVOCI as well as off-balance sheet exposure as per the Group's master rating scale

GROUP	Total Gross Carrying Amounts USHs'000	SB 1-12		SB 13 - 20		SB 21- 25		Default		Total gross carrying amount of default exposures USHs'000	Securities and expected recoveries on default exposures USHs'000	Interest in suspense on default exposures USHs'000	Balance sheet impairments for non-performing specifically impaired loans (Stage 3 and purchased or originated credit impaired) USHs'000	Gross specific impairment coverage %	Non-performing exposures (%)
		Stage 1 USHs'000	Stage 2 USHs'000	Stage 1 USHs'000	Stage 2 USHs'000	Stage 1 USHs'000	Stage 2 USHs'000	Stage 3 USHs'000	Stage 2 USHs'000						
Loans and advances at amortised cost															
PBB															
Mortgage loans	195,174,098	-	-	175,670,051	-	-	13,559,808	5,944,239	5,944,239	3,041,246	40,685	2,862,307	49%	3%	
Vehicle and asset finance	123,258,184	111,933,164	-	3,755,249	-	-	5,571,821	1,997,950	1,997,950	504,597	104,984	1,388,369	75%	2%	
Card debtors	6,418,906	-	-	4,192,705	-	-	1,895,535	330,666	330,666	-	-	330,666	100%	5%	
Other loans and advances	2,472,604,184	28,935,036	-	2,061,856,089	-	-	324,881,771	56,931,288	56,931,288	15,511,823	1,910,564	39,508,901	73%	2%	
Personal unsecured lending	1,477,648,082	-	-	1,357,303,592	-	-	80,216,156	40,128,334	40,128,334	11,203,727	179,878	28,744,729	72%	3%	
Business lending and other	994,956,102	28,935,036	-	704,552,497	-	-	244,665,615	16,802,954	16,802,954	4,308,096	1,730,686	10,764,172	74%	2%	
CIB															
Corporate	2,110,666,333	815,037,686	5,470,252	1,263,258,804	501,071	2,614,454	-	23,784,066	23,784,066	19,089,425	-	4,694,641	20%	1%	
Sovereign	325,280,890	-	-	325,280,890	-	-	-	-	-	-	-	-	-	-	
Bank	599,698,611	599,698,611	-	-	-	-	-	-	-	-	-	-	-	-	
Gross carrying amount	5,833,101,206	1,555,604,497	5,470,252	3,834,013,788	501,071	2,614,454	345,908,935	88,988,209	88,988,209	38,147,092	2,056,233	48,784,884	57%	2%	
Less: Total expected credit losses for loans and advances	(142,292,043)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net carrying amount of loans and advances measured at amortised cost	5,690,809,163	1,555,604,497	5,470,252	3,834,013,788	501,071	2,614,454	345,908,935	88,988,209	88,988,209	38,147,092	2,056,233	48,784,884	57%	2%	
Financial investments at amortised cost															
Sovereign	179,982,523	179,982,523	-	-	-	-	-	-	-	-	-	-	-	-	
Gross carrying amount	179,982,523	179,982,523	-	-	-	-	-	-	-	-	-	-	-	-	
Less: ECL for financial investments measured at amortised cost	(63,035)	(63,035)	-	-	-	-	-	-	-	-	-	-	-	-	
Net carrying amount of financial investments measured at amortised cost	179,919,488	179,919,488	-	-	-	-	-	-	-	-	-	-	-	-	
Debt financial investments at fair value through OCI															
Sovereign	1,369,822,046	1,369,822,046	-	-	-	-	-	-	-	-	-	-	-	-	
Gross carrying amount	1,369,822,046	1,369,822,046	-	-	-	-	-	-	-	-	-	-	-	-	
Add: Fair value reserve relating to fair value adjustments (before the ECL balance)	(6,854,257)	(6,854,257)	-	-	-	-	-	-	-	-	-	-	-	-	
Total financial investment at fair value through OCI	1,362,967,789	1,362,967,789	-	-	-	-	-	-	-	-	-	-	-	-	
Off-balance sheet exposures															
Letters of credit and banker's acceptances	210,522,016	27,882,299	-	182,329,877	-	309,840	-	-	-	-	-	-	-	-	
Guarantees	1,828,825,202	1,258,115,671	-	570,709,531	-	-	-	-	-	-	-	-	-	-	
Irrevocable unutilised facilities	1,655,858,419	868,386,675	-	780,436,202	5,975,504	1,060,038	-	-	-	-	-	-	-	-	
Total exposure to off-balance sheet credit risk	3,695,205,637	2,154,384,645	-	1,533,475,610	5,975,504	1,369,878	-	-	-	-	-	-	-	-	
Expected credit losses for off-balance sheet exposures	(2,141,865)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net carrying amount of off-balance sheet exposures	3,693,063,772	2,154,384,645	-	1,533,475,610	5,975,504	1,369,878	-	-	-	-	-	-	-	-	
Total exposure to credit risk on financial assets subject to an expected credit loss															
Add the following other banking activities exposures:															
Cash and balances with the Central Bank	999,455,651	999,455,651	-	-	-	-	-	-	-	-	-	-	-	-	
Derivative assets	71,427,252	71,427,252	-	-	-	-	-	-	-	-	-	-	-	-	
Trading assets	1,546,866,457	1,546,866,457	-	-	-	-	-	-	-	-	-	-	-	-	
Pledged assets	9,377,661	9,377,661	-	-	-	-	-	-	-	-	-	-	-	-	
Due from group companies	745,561,805	745,561,805	-	-	-	-	-	-	-	-	-	-	-	-	
Other financial assets	101,634,639	101,634,639	-	-	-	-	-	-	-	-	-	-	-	-	
Total exposure to credit risk	14,401,083,677	8,717,822,223	5,470,252	5,367,489,398	6,476,575	3,984,332	345,908,935	88,988,209	88,988,209	38,147,092	2,056,233	48,784,884	57%	1%	



The table below illustrates the credit risk for debt financial assets at amortised cost and FVOCI as well as off-balance sheet exposure as per the Group's master rating scale

GROUP	SB 1-12		SB 13 - 20		SB 21- 25		Default		Total gross carrying amount of default exposures USHs'000	Securities and expected recoveries on default exposures USHs'000	Interest in suspense on default exposures USHs'000	Balance sheet impairments for non performing specifically impaired loans (Stage 3 and purchased or originated credit impaired) USHs'000	Gross specific impairment coverage %	Non-performing exposures (%)
	Total Gross Carrying Amounts USHs'000	Stage 1 USHs'000	Stage 1 USHs'000	Stage 2 USHs'000	Stage 1 USHs'000	Stage 2 USHs'000	Stage 3 USHs'000	Stage 3 USHs'000						
For the year ended 31 December 2024														
Loans and advances at amortised cost														
PBB														
Mortgage loans	389,121,058	-	222,425,022	-	-	160,299,249	6,396,787	6,396,787	2,621,201	244,778	3,530,808	55%	2%	
Vehicle and asset finance	121,752,306	-	111,283,165	-	-	3,383,977	7,085,164	7,085,164	2,680,367	199,266	4,205,531	82%	10%	
Card debtors	5,375,396	-	3,422,806	-	-	1,677,369	275,221	275,221	-	-	275,221	100%	4%	
Other loans and advances	1,951,117,727	-	1,809,762,880	-	-	85,329,596	56,025,251	56,025,251	13,877,885	1,653,061	40,494,305	75%	3%	
Personal unsecured lending	1,297,815,535	-	1,213,867,902	-	-	53,848,217	30,099,416	30,099,416	9,658,041	297,517	20,143,858	8%	2%	
Business lending and other	653,302,192	-	595,894,978	-	-	31,481,379	25,925,835	25,925,835	4,219,844	1,355,544	20,350,447	88%	12%	
CIB														
Corporate	1,742,444,691	567,995,477	1,122,617,859	51,831,355	-	-	-	-	-	-	-	0%	0%	
Sovereign	295,228,604	-	295,228,604	-	-	-	-	-	-	-	-	-	-	
Bank	376,777,407	-	376,777,407	-	-	-	-	-	-	-	-	-	-	
Other service														
Gross carrying amount	4,881,817,189	567,995,477	3,941,517,743	51,831,355	-	250,690,191	69,782,423	69,782,423	19,179,453	2,097,105	48,505,865	73%	1%	
Less: Total expected credit losses for loans and advances	(131,470,685)													
Net carrying amount of loans and advances measured at amortised cost	4,750,346,504	567,995,477	3,941,517,743	51,831,355	-	250,690,191	69,782,423	69,782,423	19,179,453	2,097,105	48,505,865	73%	1%	
Financial investments at amortised cost														
Sovereign	83,502,498	83,502,498												
Gross carrying amount	83,502,498	83,502,498												
Less: ECL for financial investments measured at amortised cost	(71,050)	(71,050)												
Net carrying amount of financial investments measured at amortised cost	83,431,448	83,431,448												
Debt financial investments at fair value through OCI														
Sovereign	1,032,566,980	1,032,566,980												
Gross carrying amount	1,032,566,980	1,032,566,980												
Add: Fair value reserve relating to fair value adjustments (before the ECL balance)	3,427,660	3,427,660												
Total financial investment at fair value through OCI	1,035,994,640	1,035,994,640												
Off-balance sheet exposures														
Letters of credit and banker's acceptances	98,648,670	6,179,777	92,468,893	-	-	-	-	-	-	-	-	-	-	
Guarantees	2,005,799,611	1,313,292,283	687,217,074	3,234,957	2,055,297	-	-	-	-	-	-	-	-	
Irrevocable unutilised facilities	1,725,657,428	1,725,657,428	-	-	-	-	-	-	-	-	-	-	-	
Total exposure to off-balance sheet credit risk	3,830,105,709	3,045,129,488	779,685,967	3,234,957	2,055,297	-	-	-	-	-	-	-	-	
Expected credit losses for off-balance sheet exposures	(3,395,648)													
Net carrying amount of off-balance sheet exposures	3,826,710,061	3,045,129,488	779,685,967	3,234,957	2,055,297	-	-	-	-	-	-	-	-	
Total exposure to credit risk on financial assets subject to an expected credit loss	9,696,482,653	4,732,551,053	4,721,203,710	55,066,312	2,055,297	250,690,191	69,782,423	69,782,423	19,179,453	2,097,105	48,505,865	73%	1%	
Add the following other banking activities exposures:														
Cash and balances with the Central Bank	781,038,338	781,038,338												
Derivative assets	99,818,442	99,818,442												
Trading assets	1,411,507,272	1,411,507,272												
Pledged assets	55,380,467	55,380,467												
Due from group companies	1,173,660,878	1,173,660,878												
Other financial assets	314,921,336	314,921,336												
Total exposure to credit risk	13,532,809,386	8,568,877,786	4,721,203,710	55,066,312	2,055,297	250,690,191	69,782,423	69,782,423	19,179,453	2,097,105	48,505,865	73%	1%	

- The ECL on unutilised facilities is included in the ECL for loans and advances.
- Balances with the Central Bank are classified as FVTPL. These balances are subject to the rigorous regulatory requirements of these transactions and its link to the underlying entity's ability to operate as a bank.
- Due to the short-term nature of these assets and historical experience, debtors are regarded as having a low probability of default. Therefore, the ECL has been assessed to be insignificant.

Loans and advances to banks

The total gross amount of stage 3 loans and advances to banks as at 31 December 2025 was Nil (2024: nil). No collateral is held by the Group against loans and advances to banks.

Other financial assets

There are no other financial assets in stage 3 (2024: nil). No collateral is held by the Group against other financial assets.

Concentrations of risk of financial assets with credit risk exposure

As at 31 December 2025	Sovereign UShs' 000	Financial institutions UShs' 000	Manufacturing UShs' 000	Agriculture UShs' 000	Transport UShs' 000	Individuals UShs' 000	Others UShs' 000	Total UShs' 000
Financial investments - FVOCI (note 17)	1,362,967,789	-	-	-	-	-	-	1,362,967,789
Financial investments - amortised cost (note 17)	179,919,488	-	-	-	-	-	-	179,919,488
Pledged assets (note 17)	9,377,661	-	-	-	-	-	-	9,377,661
Loans and advances to banks (note 19)	-	599,497,552	-	-	-	-	-	599,497,552
Loans and advances to customers (note 20)	323,302,952	1,046,825,812	720,522,041	462,095,299	81,475,222	1,417,573,694	1,039,516,591	5,091,311,611
Related party transactions (note 38)	-	730,356,148	-	-	-	-	-	730,356,148
	1,875,567,890	2,376,679,512	720,522,041	462,095,299	81,475,222	1,417,573,694	1,039,516,591	7,973,430,249

As at 31 December 2024	Sovereign UShs' 000	Financial institutions UShs' 000	Manufacturing UShs' 000	Agriculture UShs' 000	Transport UShs' 000	Individuals UShs' 000	Others UShs' 000	Total UShs' 000
Financial investments - FVOCI (note 17)	1,035,994,640	-	-	-	-	-	-	1,035,994,640
Financial investments - amortised cost (note 17)	83,431,448	-	-	-	-	-	-	83,431,448
Pledged assets (note 17)	55,380,467	-	-	-	-	-	-	55,380,467
Loans and advances to banks (note 19)	-	376,592,468	-	-	-	-	-	376,592,468
Loans and advances to customers (note 20)	293,427,830	922,669,401	371,450,860	385,503,036	78,186,940	1,256,521,001	1,065,994,968	4,373,754,036
Related party transactions (note 38)	-	1,165,771,543	-	-	-	-	-	1,165,771,543
	1,468,234,385	2,465,033,412	371,450,860	385,503,036	78,186,940	1,256,521,001	1,065,994,968	7,090,924,602

(d) Market risk

Definition

Market risk is the risk of a change in the market value, actual or effective earnings, or future cash flows of a portfolio of financial instruments, including commodities, caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange and interest rates, credit spreads, recovery rates, correlations, and implied volatilities in all these variables.

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency, and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

Concentrations of risk of financial assets with credit risk exposure

Concentration risk is the risk of loss arising from an excessive concentration of exposure to a single counterparty, an industry, a product, ageography, maturity, or collateral. The Group's credit risk portfolio is well-diversified. The Group's management approach relies on the reporting of concentration risk along key dimensions, the setting of portfolio limits and stress testing. The Group's credit risk portfolio is concentrated within Uganda.

The Group's credit concentration

As at 31 December 2025 the Group had no customer with an aggregate amount exceeding twenty five percent of the Group's core capital extended to a single person or group of related persons on balance sheet exposures (2024: nil).

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by the industry sectors of our counterparties.

Market risk measurement techniques:

Trading book market risk

Definition

Trading book market risk is represented by financial instruments held in the trading book, arising out of normal Global Markets' activities.

Approach to managing market risk in the trading book.

The Group's policy is that all trading activities are undertaken within the Group's Global Markets operations. The market risk functions are independent of the Group's trading operations and are accountable to the Asset-Liability Committee (ALCO). All VaR and sVaR limits require prior approval from the respective entity

ALCOs. The Market Risk function has the authority to set these limits at a lower level. Market Risk teams are responsible for identifying, measuring, managing, monitoring and reporting market risk as outlined in the market risk governance standard. Exposures and excesses are monitored and reported daily.

Where breaches in limits and triggers occur, actions are taken by Market Risk functions to bring exposures back in line with approved market risk appetite, with such breaches being reported to management and ALCO.

As part of the management of market risk, the Group's major measurement techniques used to measure and control market risk is Value at Risk (VaR) and PVO1 (present value of one basis point move). The Group applies a VaR methodology to its trading portfolio, to estimate the market risk of foreign exchange positions

held and the maximum losses expected. Management applies a PV01 methodology to its trading and non-trading portfolios to estimate the interest rate risk of positions held and the maximum losses that could arise.

The estimates are based upon a number of assumptions for various changes in market conditions. The ALCO sets limits on both the VaR and PV01 that may be acceptable for the Group. These are monitored on a daily basis by the Market Risk function.

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Group might lose, but only to a lower level of confidence (95%). There is therefore a specified statistical probability (5%) that actual loss could be greater than the VaR estimate. PV01 is the present value impact of a one basis point move in an interest rate.

The use of these approaches does not prevent losses outside of these limits in the event of more significant market movements. As VaR and PV01 constitute an integral part of the Group's market risk control regime, limits are reviewed and established annually for all trading and non-trading portfolios. Actual exposure against limits, together with a consolidated Groupwide VaR, is reviewed daily by the Group's risk unit.

The quality of the VaR model is continuously monitored by back testing the VaR results for trading books. All back-testing exceptions and any exceptional revenues on the profit side of the VaR distribution are investigated.

Market risk measurement techniques

	Average UShs' 000	Maximum UShs' 000	Minimum UShs' 000	31 December 2025 UShs' 000
12 months to 31 December 2025				
Interest rate book - Trading	1,263,640	1,544,041	1,034,805	1,049,085
Interest rate book - FVOCI	638,687	742,109	454,818	702,957
Foreign exchange trading book VAR	816,371	1,363,635	137,305	573,724

	Average UShs' 000	Maximum UShs' 000	Minimum UShs' 000	31 December 2025 UShs' 000
12 months to 31 December 2024				
Interest rate book - Trading	1,194,737	2,076,599	902,626	902,626
Interest rate book - FVOCI	630,018	740,132	452,440	740,132
Foreign exchange trading book VAR	744,715	1,479,583	286,134	1,136,519

The Ugandan shilling traded stable against the US dollar for most of 2025, touching its strongest level since 2022 at 3,430. This was largely due to sustained inflows from coffee exports, remittances and portfolio investor inflows which subdued demand for foreign currency and consequently capped pressures on the exchange rate. While BOU remained a frequent buyer of dollars for reserve build up, the currency closed the year stable at 3,620 levels, despite pickup in dollar demand from oil marketing, telecommunication and manufacturing companies ahead of the new year.

In the interest rate risk environment, BOU maintained the Central Bank Rate (CBR) at 9.75% in its four Monetary Policy Committee (MPC) meetings of the year. The MPC maintained this policy stance citing a balance between domestic price stability (inflation below 5%) and persistent global risks and uncertainties. Inflationary pressures in the year softened, aided by a more robust currency, lower energy costs, and stable supply of food.

Interbank money market rates were fairly stable with a drop in the utilisation of BOU's Standing Lending Facility (SLF) for most of

the year, reflecting favourable liquidity conditions in the market. In addition, the Central Bank's notable increase in Open Market operations-maintained funding rates in a 7-10% range. On the longer end of the yield curve, interest rates were elevated for long-term securities, with the 20Y and 25Y yields closing at 17.7% levels to reflect sustained interest from both local and offshore investors in Uganda's bond market.

Average normal VaR for the year on the Interest Rate Trading book was UShs 1.3 billion, an increase from 2024 (UShs 1.2 billion) due to increase in government securities investments. On the Forex Trading book, average normal VaR was UShs 816 million (2024: UShs 745 million) due to a rise in foreign exchange flow transactions in the year.

Foreign exchange risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The ALCO sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The Group has the following significant foreign currency exposure positions (all amounts in millions of Uganda Shillings)

Group	USD US\$'m	Euro US\$'m	Other US\$'m	Total US\$'m
As at 31 December 2025				
Assets				
Cash and balances with Bank of Uganda	219,032	13,294	15,175	247,501
Loans and advances to banks	506,441	78,726	11,534	596,701
Amounts due from group companies	493,049	214,104	23,249	730,402
Loans and advances to customers	1,133,678	295,429	15,097	1,444,204
Derivative assets	23,665	-	-	23,665
Other assets	16,172	2,367	2,257	20,796
Total assets	2,392,037	603,920	67,312	3,063,269
Liabilities:				
Customer deposits	3,037,967	15,531	32,045	3,085,543
Amounts due to banks	73,778	32	1,524	75,334
Amounts due to group companies	61,489	5	12,462	73,956
Derivative liabilities	48,053	-	-	48,053
Subordinated bonds/debt	74,048	-	-	74,048
Other liabilities	223,672	58,543	3,878	286,093
Total liabilities	3,519,007	74,111	49,909	3,643,027
Net statement of financial position	(1,126,970)	529,809	17,403	(579,758)
Net currency forwards and other derivatives	(78,487)	-	-	(78,487)
Options, swaps/swap options, securitisations and other derivatives	(716,943)	-	-	(716,943)
Commitments to extend credit	(891,790)	-	-	(891,790)
Net mismatch	(2,814,190)	529,809	17,403	(2,266,978)
As at 31 December 2024				
Assets				
Cash and balances with Bank of Uganda	174,387	13,607	7,398	195,392
Loans and advances to banks	285,232	45,825	19,493	350,550
Amounts due from group companies	949,038	192,622	25,707	1,167,367
Loans and advances to customers	841,812	270,141	3,293	1,115,246
Derivative assets	50,835	-	-	50,835
Other assets	2,473	545	29	3,047
Total assets	2,303,777	522,740	55,920	2,882,437
Liabilities:				
Customer deposits	2,548,962	129,240	27,067	2,705,269
Amounts due to banks	145,464	12,541	3,789	161,794
Amounts due to group companies	92,112	96,391	23,741	212,244
Derivative liabilities	101,523	-	-	101,523
Subordinated bonds/debt	75,433	-	-	75,433
Other liabilities	81,778	1,789	3,606	87,173
Total liabilities	3,045,272	239,961	58,203	3,343,436
Net statement of financial position	(741,495)	282,779	(2,283)	(460,999)
Net currency forwards and other derivatives	(272,993)	-	-	(272,993)
Options, swaps/swap options, securitisations and other derivatives	(399,562)	-	-	(399,562)
Commitments to extend credit	(1,069,434)	-	-	(1,069,434)
Net mismatch	(2,483,484)	282,779	(2,283)	(2,202,988)

Foreign currency risk sensitivity in US\$ equivalents

		USD 2025	USD 2024	EUR 2025	EUR 2024
Total net long/ (short) position	millions	(2,814,190)	(2,483,484)	529,809	282,779
Sensitivity (US\$) change	%	10	3	3	3
Impact on OCI	millions	-	-	-	-
Impact on profit or loss	millions	22,241	14,229	4,747	1,696
Impact on equity	millions	15,569	9,960	3,323	1,187

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities. Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies.

Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The ALCO sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored daily.

The table that follows summarises the Group's exposure to interest rate risk. Included in the table are the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Group does not bear interest rate risk on items not on the statement of financial position.

Interest rate risk

GROUP	Up to 1 month	2 - 6 months	7 - 12 months	Over 1 year	Non-interest bearing	Total
At 31 December 2025	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Financial assets						
Cash and balances with Bank of Uganda	-	-	-	-	1,472,031	1,472,031
Financial investments - FVOCI	47,084	386,785	438,626	490,473	-	1,362,968
Financial investments - amortised cost	86,949	51,860	-	41,110	-	179,919
Other financial investments	-	-	-	-	518	518
Pledged assets	-	9,378	-	-	-	9,378
Trading assets	84,171	211,109	953,670	297,916	-	1,546,866
Deposits and balances due from other banks	599,498	-	-	-	-	599,498
Amounts due from group companies	516,253	214,103	-	-	15,206	745,562
Loans and advances to customers	797,606	830,078	209,842	3,253,786	-	5,091,312
Derivative assets	-	-	-	-	71,427	71,427
Other financial assets	-	-	-	-	101,635	101,635
Total financial assets	2,131,561	1,703,313	1,602,138	4,083,285	1,660,817	11,181,114
Financial liabilities						
Customer deposits	108,177	146,120	84,866	7,735	7,680,572	8,027,470
Deposits due to other banks	104,510	-	-	-	-	104,510
Borrowed funds	1,222	33,989	-	75,419	-	110,630
Amounts due to group companies	140,242	-	-	-	64,798	205,040
Derivative liabilities	-	-	-	-	123,348	123,348
Other financial liabilities	-	-	-	-	364,422	364,422
Subordinated bonds / debts	-	-	-	74,048	-	74,048
Total financial liabilities	354,151	180,109	84,866	157,202	8,233,140	9,009,468
Shareholders' equity					2,356,272	2,356,272
Total interest repricing gap	1,777,410	1,523,204	1,517,272	3,926,083		

Included in other assets and liabilities are non-interest-bearing assets and liabilities coupled with government securities measured at amortised cost that do not bear interest rate risk.

GROUP	Up to 1 month	2 - 6 months	7 - 12 months	Over 1 year	Non-interest bearing	Total
At 31 December 2025	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Financial assets						
Cash and balances with Bank of Uganda	-	-	-	-	1,211,168	1,211,168
Financial investments - FVOCI	97,143	270,817	255,180	412,856	-	1,035,996
Financial investments - amortised cost	32,273	10,028	-	41,130	-	83,431
Other financial investments	-	-	-	-	467	467
Pledged assets	-	3,099	52,281	-	-	55,380
Trading assets	84,420	673,335	318,934	334,818	-	1,411,507
Deposits and balances due from other banks	376,592	-	-	-	-	376,592
Amounts due from group companies	419,420	588,220	-	158,132	7,889	1,173,661
Loans and advances to customers	727,588	791,412	657,892	2,196,862	-	4,373,754
Derivative assets	-	-	-	-	99,819	99,819
Other financial assets	-	-	-	-	314,785	314,785
Total financial assets	1,737,436	2,336,911	1,284,287	3,143,798	1,634,128	10,136,560
Financial liabilities						
Customer deposits	336,442	434,556	115,625	5,989	6,214,260	7,106,872
Deposits due to other banks	211,360	-	52,281	-	-	263,641
Borrowed funds	1,096	1,014	986	58,786	-	61,882
Amounts due to group companies	183,783	-	-	-	46,634	230,417
Derivative liabilities	-	-	-	-	132,890	132,890
Other financial liabilities	-	-	-	-	362,653	362,653
Subordinated bonds / debts	-	-	-	75,433	-	75,433
Total financial liabilities	732,681	435,570	168,892	140,208	6,756,437	8,233,788
Shareholders' equity					2,054,992	2,054,992
Total interest repricing gap	1,004,755	1,901,341	1,115,395	3,003,590		

The Group's ALCO monitors the sensitivity of net interest income to changes in interest rates.

The sensitivity of net interest income to changes in interest rates for LCY (UShs) is as follows:

	31 December 2025			31 December 2024		
	Change in net interest Income UShs'000	% of net interest income	Impact on Equity UShs'000	Change in net interest Income UShs'm	% of net interest income	Impact on Equity UShs'000
100bps Increase in interest rates	22,940,521	3.1%	16,058,364	22,291,147	3.3%	15,603,803
100bps decrease in interest rates	(27,720,251)	-3.7%	(19,404,176)	(28,516,193)	-4.2%	(19,961,335)

	31 December 2025			31 December 2024		
	Change in net interest Income UShs'000	% of net interest income	Impact on Equity UShs'000	Change in net interest Income UShs'm	% of net interest income	Impact on Equity UShs'000
100bps Increase in interest rates	5,404,169	17.9%	3,782,919	4,706,395	13.5%	3,294,477
100bps decrease in interest rates	(3,082,571)	-10.2%	(2,157,800)	(4,876,820)	-14.0%	(3,413,774)

COMPANY					Other assets and liabilities	Total
	Up to 1 month UShs'm	2 - 6 months UShs'm	7 - 12 months UShs'm	Over 1 year UShs'm	UShs'm	UShs'm
At 31 December 2025						
Financial assets						
Financial investments - amortised cost	78,325	51,860	-	-	-	130,185
Amounts due from group companies	65,545	100,086	-	-	-	165,631
Other financial assets	-	-	-	-	29,419	29,419
Total financial assets	143,870	151,946	-	-	29,419	325,235
Financial liabilities						
Amounts due to group companies	113	-	-	-	-	113
Other financial liabilities	-	-	-	-	31,227	31,227
Total financial liabilities	113	-	-	-	31,227	31,340
Shareholders' equity					1,194,381	1,194,381
Total interest repricing gap	143,757	151,946	-	-		

COMPANY					Other assets and liabilities	Total
	Up to 1 month UShs'm	2 - 6 months UShs'm	7 - 12 months UShs'm	Over 1 year UShs'm	UShs'm	UShs'm
At 31 December 2024						
Financial assets						
Financial investments - amortised cost	22,386	-	-	-	-	22,386
Amounts due from group companies	143,497	102,042	-	-	-	245,539
Other financial assets	-	-	-	-	8	8
Total financial assets	165,883	102,042	-	-	8	267,933
Financial liabilities						
Amounts due to group companies	201	-	-	-	-	201
Other financial liabilities	-	-	-	-	30,577	30,577
Total financial liabilities	201	-	-	-	30,577	30,778
Shareholders' equity					1,150,169	1,150,169
Total interest repricing gap	165,682	102,042	-	-		

(e) Liquidity risk

Definition

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are overdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

Approach to managing liquidity risk

The Group is exposed to daily call on its available cash resources from overnight deposits, current accounts, maturing deposits, and calls on cash settled contingencies. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

The Asset and Liability Committee (ALCO) team sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The Group's liquidity management process, as carried out within the Group and monitored by the Treasury and Capital Management (TCM) team includes:

- Day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. These include replenishment of funds as they mature or are borrowed by customers.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements; and managing the concentration and profile of debt maturities.
- Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.
- The ALM team within TCM also monitors unmatched medium-term assets, the level and type of un-drawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

The Group's regulatory liquidity ratio was as indicated below:

	2025 UShs' 000	2024 UShs' 000
Total deposits	7,813,940,304	7,529,820,569
Total liquid assets	5,034,876,113	5,236,101,519
Liquidity ratio	64.4%	69.5%
Regulatory requirement	20.0%	20.0%

Internal Liquidity Adequacy Assessment Process, Net Stable Funding Ratio and Liquidity Coverage Ratio.

The Group implemented the new guidelines for Internal Liquidity Adequacy Assessment Process (ILAAP) and the Net Stable Funding Ratio (NSFR), as well as the revised Guidelines for the Liquidity Coverage Ratio (LCR), that were passed by Bank of Uganda in the final months of 2024 under the Financial (Liquidity) Regulations 2023. In addition, the Group implemented the Basel III rules on liquidity risk measurement, standards, and monitoring that were issued on December 16, 2010, which included the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR), the maturity mismatch gap and concentration analysis. These liquidity risk measurement tools further strengthened liquidity risk management of the Group, aligning with international best practices and ensuring the Group has adequate liquidity to always meet the payment obligations even in periods of liquidity stress.

In addition, the Group completed the Internal Liquidity Adequacy Assessment Process (ILAAP) within the regulatory timelines. The assessment provided a clear analysis of liquidity risks, governance, and escalation processes, demonstrating how a thorough risk strategy was translated into an effective risk limit system.

The Group's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) were as follows:

	2025 UShs' 000	2024 UShs' 000
Liquidity coverage ratio		
Local currency	312%	176%
Foreign currency	302%	309%
Total currency	354%	193%
Regulatory requirement	100%	100%
NSFR		
Total currency	176%	160%
Regulatory requirement	100%	100%

The Group is compliant with the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and maintains sufficient high quality liquid assets to meet its obligations as they fall due. The Group also maintains sufficient stable funding for its investments.

(i) The table that follows presents the undiscounted cash flows payable by the Group under financial liabilities by remaining contractual maturities at the balance sheet date and from financial assets by expected maturity dates. All figures are in millions of Uganda Shillings.

GROUP At 31 December 2025	Carrying Amount UShs' m	Gross nominal In/ out flow UShs' m	Up to 1 month UShs' m	2-6 Months UShs' m	7-12 Months UShs' m	Over 1 year - 5 years UShs' m	Over 5 Years UShs' m
Liabilities							
Deposits from customers	(8,027,470)	(8,038,019)	(7,789,002)	(148,327)	(90,443)	(10,247)	-
Deposits from other banks	(104,510)	(104,637)	(104,637)	-	-	-	-
Borrowed funds	(110,630)	(131,225)	(1,222)	(33,989)	-	(96,014)	-
Amounts due to group companies	(205,040)	(209,273)	(141,306)	-	-	(67,967)	-
Derivative liabilities	(123,348)	(123,348)	(798)	(369)	(12,201)	(85,803)	(24,177)
Other financial liabilities	(364,422)	(374,811)	(278,094)	(43,947)	(51,164)	(1,606)	-
Subordinated debt	(74,048)	(106,593)	-	(3,100)	(3,100)	(24,799)	(75,594)
Total financial liabilities (contractual maturity dates)	(9,009,468)	(9,087,906)	(8,315,059)	(229,732)	(156,908)	(286,436)	(99,771)
Assets							
Cash and bank balances with Bank of Uganda	1,472,031	1,472,031	1,472,031	-	-	-	-
Financial investments - FVOCI	1,362,968	1,593,982	50,000	405,000	455,359	683,623	-
Financial investments - amortised cost	179,919	197,184	93,823	51,860	-	51,501	-
Other financial investments	518	518	-	-	-	-	518
Pledged assets	9,378	9,736	-	9,736	-	-	-
Trading assets	1,546,866	1,773,909	90,745	221,342	965,974	316,057	179,791
Loans and advances to banks	599,498	599,737	599,737	-	-	-	-
Amounts due from group companies	745,562	747,766	531,703	216,063	-	-	-
Loans and advances to customers	5,091,312	7,766,159	798,993	855,385	245,982	3,118,413	2,747,386
Derivative Assets	71,427	71,427	310	37	7,096	41,265	22,719
Other financial assets	101,635	101,635	101,635	-	-	-	-
Total financial assets (expected maturity dates)	11,181,114	14,334,084	3,738,977	1,759,423	1,674,411	4,210,859	2,950,414
Liquidity gap	2,171,646	5,246,178	(4,576,082)	1,529,691	1,517,503	3,924,423	2,850,643
Cumulative Liquidity Gap	2,171,646	5,246,178	(4,576,082)	(3,046,391)	(1,528,888)	2,395,535	5,246,178
Off-Balance Sheet							
Guarantees	(1,828,825)	(1,828,825)	(96,300)	(451,731)	(642,793)	(638,001)	-
Letters of credit	(210,522)	(210,522)	(79,386)	(72,270)	(56,507)	(2,359)	-
Commitments to extend credit	(1,655,858)	(1,655,858)	(1,655,858)	-	-	-	-
Currency forwards, options and swaps	(795,431)	(795,431)	(192,785)	(330,954)	(81,634)	(190,058)	-
Total Off-Balance Sheet	(4,490,636)	(4,490,636)	(2,024,329)	(854,955)	(780,934)	(830,418)	-
Liquidity gap	(2,318,990)	755,542	(6,600,411)	674,736	736,569	3,094,005	2,850,643
Cumulative Liquidity Gap		755,542	(6,600,411)	(5,925,675)	(5,189,106)	(2,095,101)	755,542

The table that follows presents the undiscounted cash flows payable by the Group under financial liabilities by remaining contractual maturities at the balance sheet date and from financial assets by expected maturity dates. All figures are in millions of Uganda Shillings.

GROUP At 31 December 2024	Carrying Amount UShs' m	Gross nominal In/ out flow					
		Up to 1 month UShs' m	2-6 Months UShs' m	7-12 Months UShs' m	Over 1 year - 5 years UShs' m	Over 5 Years UShs' m	
Liabilities							
Deposits from customers	(7,106,872)	(7,136,822)	(6,552,802)	(450,060)	(124,808)	(9,152)	-
Deposits from other banks	(263,641)	(267,812)	(211,509)	-	(56,303)	-	-
Borrowed Funds	(61,882)	(63,239)	(1,096)	(1,014)	(986)	(60,143)	-
Amounts due to group companies	(230,417)	(250,290)	(92,258)	-	-	(157,918)	(114)
Derivative liabilities	(132,890)	(132,890)	(479)	(1,318)	(4,433)	(77,536)	(49,124)
Other financial liabilities	(362,888)	(369,614)	(303,650)	(23,769)	(8,729)	(31,700)	(1,766)
Subordinated debt	(75,433)	(119,169)	-	(3,499)	(3,499)	(27,994)	(84,177)
Total financial liabilities (contractual maturity dates)	(8,234,023)	(8,339,836)	(7,161,794)	(479,660)	(198,758)	(364,443)	(135,181)
Assets							
Cash and bank balances with Bank of Uganda	1,211,168	1,211,168	1,211,168	-	-	-	-
Financial investments - FVOCI	1,035,996	1,168,830	100,000	279,716	280,000	509,114	-
Financial investments - amortised cost	83,431	89,000	32,273	10,572	-	46,155	-
Other financial investments	467	467	-	-	-	-	467
Pledged assets	55,380	60,160	-	3,160	57,000	-	-
Trading assets	1,411,507	1,718,588	86,093	710,282	390,366	390,614	141,233
Loans and advances to banks	376,592	388,824	388,824	-	-	-	-
Amounts due from group companies	1,173,661	1,189,709	427,396	592,634	-	169,679	-
Loans and advances to customers	4,373,754	7,944,132	769,856	899,210	939,457	1,677,322	3,658,287
Derivative Assets	99,818	99,818	205	15,524	3,772	31,454	48,863
Other financial assets	314,921	314,921	314,921	-	-	-	-
Total financial assets (expected maturity dates)	10,136,695	14,185,617	3,330,736	2,511,098	1,670,595	2,824,338	3,848,850
Liquidity gap	1,902,672	5,845,781	(3,831,058)	2,031,438	1,471,837	2,459,895	3,713,669
Cumulative Liquidity Gap	1,902,672	5,845,781	(3,831,058)	(1,799,620)	(327,783)	2,132,112	5,845,781
Off-Balance Sheet							
Guarantees	(2,005,800)	(2,005,800)	(114,649)	(396,797)	(478,507)	(1,015,847)	-
LCs	(98,649)	(98,649)	(20,133)	(78,516)	-	-	-
Commitments to extend credit	(1,725,657)	(1,725,657)	(1,725,657)	-	-	-	-
Currency forwards, options and swaps	(672,555)	(672,555)	(341,429)	(138,424)	(206,917)	14,215	-
Total Off-Balance Sheet	(4,502,661)	(4,502,661)	(2,201,868)	(613,737)	(685,424)	(1,001,632)	-
Liquidity gap	(2,599,989)	1,343,120	(6,032,926)	1,417,701	786,413	1,458,263	3,713,669
Cumulative Liquidity Gap		1,343,120	(6,032,926)	(4,615,225)	(3,828,812)	(2,370,549)	1,343,120

Assets available to meet the liabilities and to cover outstanding loan commitments include cash, balances with Bank of Uganda, items in the course of collection, loans and advances to banks, and loans and advances to customers. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

The table below analyses the Company's non-derivative financial assets and liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

COMPANY	Carrying Amount US\$' m	Gross nominal In/ out flow US\$' m	Up to 1 month US\$' m	2-6 Months US\$' m	7-12 Months US\$' m	Over 1 year - 5 years US\$' m	Over 5 Years US\$' m
At 31 December 2025							
Liabilities							
Amounts due to group companies	(113)	(113)	(113)	-	-	-	-
Other financial liabilities	(31,227)	(31,239)	(30,700)	-	-	(539)	-
Total financial liabilities (contractual maturity dates)	(31,340)	(31,352)	(30,813)	-	-	(539)	-
Assets							
Financial investments - amortised cost	130,185	132,889	78,325	54,564	-	-	-
Amounts due from group companies	165,631	170,670	65,545	105,125	-	-	-
Other financial assets	29,419	29,419	29,419	-	-	-	-
Total financial assets (expected maturity dates)	325,235	332,978	173,289	159,689	-	-	-
Liquidity gap	293,895	301,626	142,476	159,689	-	(539)	-
Cumulative Liquidity Gap	293,895	301,626	142,476	302,165	302,165	301,626	301,626
COMPANY	Carrying Amount US\$' m	Gross nominal In/ out flow US\$' m	Up to 1 month US\$' m	2-6 Months US\$' m	7-12 Months US\$' m	Over 1 year - 5 years US\$' m	Over 5 Years US\$' m
At 31 December 2024							
Liabilities							
Amounts due to group companies	(201)	(201)	(201)	-	-	-	-
Other liabilities	(30,577)	(30,643)	(29,979)	-	-	(664)	-
Total financial liabilities (contractual maturity dates)	(30,778)	(30,844)	(30,180)	-	-	(664)	-
Assets							
Financial investments - amortised cost	22,386	22,386	22,386	-	-	-	-
Amounts due from group companies	245,539	252,558	145,539	107,019	-	-	-
Other Assets	8	8	8	-	-	-	-
Total financial assets (expected maturity dates)	267,933	274,952	167,933	107,019	-	-	-
Liquidity gap	237,155	244,108	137,753	107,019	-	(664)	-
Cumulative Liquidity Gap	237,155	244,108	137,753	244,772	244,772	244,108	244,108

The Group assesses the maturity of assets and liabilities which provides an indication of the remaining contractual life of these assets at that point in time. The following is the maturity analysis for the Group's assets and liabilities as at year-end:

(ii) Maturity analysis

GROUP	Up to 1 month US\$'m	2 - 6 months US\$'m	7 - 12 months US\$'m	Over 1 year US\$'m	Total US\$'m
At 31 December 2025					
Asset:					
Cash and balances with Bank of Uganda	1,472,031	-	-	-	1,472,031
Financial investments - FVOCI	47,084	386,785	438,626	490,473	1,362,968
Financial investments - amortised cost	86,949	51,860	-	41,110	179,919
Other financial investments	-	-	-	518	518
Pledged assets	-	9,378	-	-	9,378
Trading assets	84,171	211,109	953,670	297,916	1,546,866
Deposits and balances due from other banks	599,498	-	-	-	599,498
Amounts due from group companies	531,459	214,103	-	-	745,562
Loans and advances to customers	797,606	830,078	209,842	3,253,786	5,091,312
Derivative assets	310	37	7,096	63,984	71,427
Deferred tax asset	-	-	-	83,682	83,682
Other assets	229,875	-	-	-	229,875
Good will and intangible asset	-	-	-	33,852	33,852
Non-current assets held-for-sale	931	-	-	-	931
Property, equipment, and right-of-use assets	-	-	-	96,827	96,827
Total assets	3,849,914	1,703,350	1,609,234	4,362,148	11,524,646
Liabilities:					
Customer deposits	7,788,749	146,120	84,866	7,735	8,027,470
Deposits due to other banks	104,510	-	-	-	104,510
Borrowed funds	1,222	33,989	-	75,419	110,630
Amounts due to group companies	141,306	-	-	63,734	205,040
Derivative liabilities	798	369	12,201	109,980	123,348
Other liabilities	426,452	39,669	6,027	40,440	512,588
Subordinated bonds / debt	-	-	-	74,048	74,048
Current tax liabilities	10,741	-	-	-	10,741
Total liabilities	8,473,778	220,147	103,094	371,356	9,168,375
Net liquidity gap	(4,623,864)	1,483,203	1,506,140	3,990,792	2,356,271
Cumulative liquidity gap	(4,623,864)	(3,140,661)	(1,634,521)	2,356,271	-
Off-Balance Sheet					
Guarantees	96,300	451,731	642,793	638,001	1,828,825
LCs	79,386	72,270	56,507	2,359	210,522
Commitments to extend credit	1,655,858	-	-	-	1,655,858
Currency forwards, options and swaps	192,785	330,954	81,634	190,058	795,431
Total Off balance sheet	2,024,329	854,955	780,934	830,418	4,490,636
Net Liquidity gap	(6,648,193)	(3,995,616)	(2,415,455)	1,525,853	(11,533,411)
Net Cumulative liquidity gap	(6,648,193)	(10,643,809)	(13,059,264)	(11,533,411)	-

The following is the maturity analysis for the Group's assets and liabilities as at year-end:

At 31 December 2024	Up to 1 month US\$'m	2 - 6 months US\$'m	7 - 12 months US\$'m	Over 1 year US\$'m	Total US\$'m
Asset:					
Cash and balances with Bank of Uganda	1,211,168	-	-	-	1,211,168
Financial investments - FVOCI	97,143	270,817	255,180	412,856	1,035,996
Financial investments - amortised cost	32,273	10,028	-	41,130	83,431
Other financial investments	-	-	-	467	467
Pledged assets	-	3,099	52,281	-	55,380
Trading assets	84,420	673,335	318,934	334,818	1,411,507
Deposits and balances due from other banks	376,592	-	-	-	376,592
Amounts due from group companies	427,309	588,220	-	158,132	1,173,661
Loans and advances to customers	727,588	791,412	657,892	2,196,862	4,373,754
Derivative assets	205	15,524	3,772	80,317	99,818
Deferred income tax assets	-	-	-	69,731	69,731
Other assets	376,974	-	-	-	376,974
Intangible asset	-	-	-	42,888	42,888
Property and equipment	-	-	-	82,434	82,434
Total assets	3,333,672	2,352,435	1,288,059	3,419,635	10,393,801
Liabilities:					
Customer deposits	6,550,702	434,556	115,625	5,989	7,106,872
Deposits due to other banks	211,360	-	52,281	-	263,641
Borrowed funds	1,096	1,014	986	58,786	61,882
Amounts due to group companies	92,258	-	-	138,159	230,417
Derivative liabilities	479	1,318	4,433	126,660	132,890
Other liabilities	320,560	23,899	9,186	101,266	454,911
Subordinated bonds / debt	-	-	-	75,433	75,433
Current Tax Liabilities	12,763	-	-	-	12,763
Total liabilities	7,189,218	460,787	182,511	506,293	8,338,809
Net liquidity gap	(3,855,546)	1,891,648	1,105,548	2,913,342	2,054,992
Cumulative liquidity gap	(3,855,546)	(1,963,898)	(858,350)	2,054,992	-
Off-Balance Sheet					
Guarantees	114,649	396,797	478,507	1,015,847	2,005,800
LCs	20,133	78,516	-	-	98,649
Commitments to extend credit	1,725,657	-	-	-	1,725,657
Currency forwards, options and swaps	341,429	138,424	206,917	(14,215)	672,555
Total Off balance sheet	2,201,868	613,737	685,424	1,001,632	4,502,661
Net Liquidity gap	(6,057,414)	(2,577,635)	(1,543,774)	1,053,360	(9,125,463)
Net Cumulative liquidity gap	(6,057,414)	(8,635,049)	(10,178,823)	(9,125,463)	-

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for Groups ever to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potential enhances profitability but can also increase the risk of losses. The maturities of

assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

(ii) Maturity analysis continued

COMPANY	Up to 1-month UShs'm	2 - 6 months UShs'm	7 - 12 months UShs'm	Over 1-year UShs'm	Total UShs'm
At 31 December 2025					
Asset:					
Financial investments - amortised cost	78,325	51,860	-	-	130,185
Amounts due from group companies	65,545	100,086	-	-	165,631
Investment in subsidiaries	-	-	-	894,127	894,127
Other assets	29,562	-	-	-	29,562
Current income tax recoverable	6,423	-	-	-	6,423
Deferred tax assets	-	-	-	3,241	3,241
Property and equipment	-	-	-	914	914
Total assets	179,855	151,946	-	898,282	1,230,083
Liabilities:					
Amounts due to group companies	113	-	-	-	113
Other liabilities	30,620	-	4,442	527	35,589
Total liabilities	30,733	-	4,442	527	35,702
Net liquidity gap	149,122	151,946	(4,442)	897,755	1,194,381
Cumulative liquidity gap	149,122	301,068	296,626	1,194,381	-
COMPANY					
At 31 December 2024					
Asset:					
Financial investments - amortised cost	22,386	-	-	-	22,386
Amounts due from group companies	143,497	102,042	-	-	245,539
Investment in subsidiaries	-	-	-	904,127	904,127
Other assets	100	-	-	-	100
Current income tax recoverable	6,222	-	-	-	6,222
Deferred tax assets	-	-	-	4,586	4,586
Property and equipment	-	-	-	1,722	1,722
Total assets	172,205	102,042	-	910,435	1,184,682
Liabilities:					
Amounts due to group companies	201	-	-	-	201
Other liabilities	29,874	-	3,841	598	34,313
Total liabilities	30,075	-	3,841	598	34,514
Net liquidity gap	142,130	102,042	(3,841)	909,837	1,150,168
Cumulative liquidity gap	142,130	244,172	240,331	1,150,168	-

(f) Off balance sheet

(i) Loan commitments

The maturity of the Group's off-balance sheet items that commit it to extend credit to customers and other facilities (Note 36), are summarised in the table below.

(ii) Other financial facilities

Other commitments (Note 36) are also included below based on the earliest contractual maturity timing.

As at 31 December 2025			
	Not later than 1 year	1 to 5 years	Total
GROUP	UShs'000	UShs'000	UShs'000
Letters of credit	208,162,872	2,359,144	210,522,016
Guarantees	1,190,823,461	638,001,741	1,828,825,202
Commitments to extend credit	1,655,858,419	-	1,655,858,419
Currency forwards, options and swaps	795,430,920	-	795,430,920
	3,850,275,672	640,360,885	4,490,636,557

As at 31 December 2024			
	Not later than 1 year	1 to 5 years	Total
GROUP	UShs'000	UShs'000	UShs'000
Letters of credit	98,648,670	-	98,648,670
Guarantees	989,952,998	1,015,846,613	2,005,799,611
Commitments to extend credit	1,725,657,428	-	1,725,657,428
Currency forwards, options and swaps	672,554,770	-	672,554,770
	3,486,813,866	1,015,846,613	4,502,660,479

(g) Fair value of financial assets and liabilities

The table below summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Group's statement of financial position at their fair value.

	Carrying Value		Fair Value	
	2025	2024	2025	2024
GROUP	UShs'000	UShs'000	UShs'000	UShs'000
Financial assets				
Cash and Balances with Bank of Uganda	1,472,030,836	1,211,168,332	1,472,030,836	1,211,168,332
Derivative assets	71,427,252	99,818,442	71,427,252	99,818,442
Trading assets	1,546,866,457	1,411,507,272	1,546,866,457	1,411,507,272
Pledged assets	9,377,661	55,380,467	9,377,661	55,380,467
Financial investments - FVOCI	1,363,485,476	1,036,462,116	1,363,485,476	1,036,462,116
Financial investments - amortised cost	179,919,488	83,431,448	179,919,488	83,431,448
Loans and advances to banks	599,497,552	376,592,468	599,497,552	376,592,468
Amounts due from group companies	745,561,805	1,173,660,878	745,561,805	1,173,660,878
Loans and advances to customers	5,091,311,611	4,373,754,036	5,091,311,611	4,373,754,036
Other financial assets	101,634,639	314,921,336	101,634,639	314,921,336
Financial liabilities				
Customer deposits	8,027,470,064	7,106,871,603	8,027,470,064	7,106,871,603
Amounts due to other banks	104,509,791	263,640,570	104,509,791	263,640,570
Borrowed funds	110,629,753	61,882,497	110,629,753	61,882,497
Amounts due to group companies	205,040,442	230,416,933	205,040,442	230,416,933
Subordinated Debt	74,048,077	75,433,169	74,048,077	75,433,169
Derivative liabilities	123,347,934	132,889,663	123,347,934	132,889,663
Other financial liabilities	364,421,642	362,887,637	364,421,642	362,887,637

(h) Fair value hierarchy

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below shows the classification of financial instruments held at fair value into the valuation hierarchy:

GROUP 31 December 2025W	Level 1 US\$' 000	Level 2 US\$' 000	Level 3 US\$' 000	Total US\$' 000
Financial assets				
Coin and bank notes	472,575,185	-	-	472,575,185
Bank of Uganda cash reserving requirement	999,455,651	-	-	999,455,651
Derivative assets	-	71,427,252	-	71,427,252
Government securities - FVTPL	-	1,546,866,457	-	1,546,866,457
Pledged assets	-	9,377,661	-	9,377,661
Government securities - FVOCI	-	1,362,967,790	-	1,362,967,790
other financial investments	-	-	517,686	517,686
Total assets	1,472,030,836	2,990,639,160	517,686	4,463,187,682
Financial liabilities				
Derivative liabilities	-	123,347,934	-	123,347,934
Total liabilities	-	123,347,934	-	123,347,934

GROUP 31 December 2024	Level 1 US\$' 000	Level 2 US\$' 000	Level 3 US\$' 000	Total US\$' 000
Financial assets				
Coin and bank notes	430,129,994	-	-	430,129,994
Bank of Uganda cash reserving requirement	781,038,338	-	-	781,038,338
Derivative assets	-	99,818,442	-	99,818,442
Government securities - FVTPL	-	1,044,076,723	-	1,044,076,723
Pledged assets	-	55,380,467	-	55,380,467
Government securities - FVOCI	-	993,198,755	-	993,198,755
other financial investments	-	-	467,476	467,476
Total assets	1,211,168,332	2,192,474,387	467,476	3,404,110,195
Financial liabilities				
Derivative liabilities	-	132,889,663	-	132,889,663
Total liabilities	-	132,889,663	-	132,889,663

The balances with Bank of Uganda excluding the cash reserve requirement are classified as financial assets at amortised cost. Coins and bank notes have been classified at fair value through profit or loss - default as the contractual terms do not give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

Sensitivity and interrelationships of inputs

The behaviour of the unobservable parameters used to fair value level 3 assets and liabilities is not necessarily independent and may often hold a relationship with other observable and unobservable market parameters. Where material and possible, such relationships are captured in the valuation by way of correlation factors, though these factors are, themselves, frequently unobservable. In such instances, the range of possible and reasonable fair value estimates is taken into account when determining appropriate model adjustments.

Other financial investments fair valued through profit or loss.

GROUP	2025	2024
	US\$'000	US\$'000
Opening balance	467,476	187,053
New Share allocation	-	297,825
Gains and losses recognised in profit or loss	50,211	(17,402)
Closing balance	517,687	467,476
Total gains or losses for the period included in profit or loss under other gains/(losses)	50,211	(17,402)

The table below shows items not measured at fair value for which fair value is disclosed.

31 December 2025 GROUP	Level 1 US\$' 000	Level 2 US\$' 000	Level 3 US\$' 000	Total US\$' 000
Financial assets				
Government securities - amortised cost	-	179,919,488	-	179,919,488
Loans and advances to banks	-	-	599,497,552	599,497,552
Amounts due from group companies	-	-	745,561,805	745,561,805
Loans and advances to customers	-	-	5,091,311,611	5,091,311,611
Other financial assets	-	-	101,634,639	101,634,639
Total assets	-	179,919,488	6,538,005,607	6,717,925,095
Financial liabilities				
Customer deposits	-	-	8,027,470,064	8,027,470,064
Amounts due to other banks	-	-	104,509,791	104,509,791
Borrowed funds	-	-	110,629,753	110,629,753
Subordinated debt	-	-	74,048,077	74,048,077
Amounts due to group companies	-	-	205,040,442	205,040,442
Other financial liabilities	-	-	364,421,642	364,421,642
Total liabilities	-	-	8,886,119,769	8,886,119,769

31 December 2024 GROUP	Level 1 US\$' 000	Level 2 US\$' 000	Level 3 US\$' 000	Total US\$' 000
Financial assets				
Government securities - amortised cost	-	83,431,448	-	83,431,448
Loans and advances to banks	-	-	376,592,468	376,592,468
Amounts due from group companies	-	-	1,173,660,878	1,173,660,878
Loans and advances to customers	-	-	4,373,754,036	4,373,754,036
Other financial assets	-	-	314,785,291	314,785,291
Total assets	-	83,431,448	6,238,792,673	6,322,224,121
Financial liabilities				
Customer deposits	-	-	7,106,871,603	7,106,871,603
Amounts due to other banks	-	-	263,640,570	263,640,570
Borrowed funds	-	-	61,882,497	61,882,497
Subordinated debt	-	-	75,433,169	75,433,169
Amounts due to group companies	-	-	230,416,933	230,416,933
Other financial liabilities	-	-	362,652,647	362,652,647
Total liabilities	-	-	8,100,897,419	8,100,897,419

The table below shows items not measured at fair value for which fair value is disclosed.

31 December 2025 COMPANY	Level 1 UShs' 000	Level 2 UShs' 000	Level 3 UShs' 000	Total UShs' 000
Financial assets				
Government securities - amortised cost	-	130,185,093	-	130,185,093
Amounts due from group companies	-	-	165,631,311	165,631,311
Other financial assets	-	-	29,419,358	29,419,358
Total assets	-	130,185,093	195,050,669	325,235,762
Financial liabilities				
Amounts due to group companies	-	-	112,930	112,930
Other financial liabilities	-	-	31,226,727	31,226,727
Total liabilities	-	-	31,339,657	31,339,657
31 December 2024 COMPANY	Level 1 UShs' 000	Level 2 UShs' 000	Level 3 UShs' 000	Total UShs' 000
Financial assets				
Government securities - amortised cost	-	24,465,813	-	24,465,813
Loans and advances to banks	-	-	-	-
Amounts due from group companies	-	-	245,538,652	245,538,652
Other financial assets	-	-	7,838	7,838
Total assets	-	24,465,813	245,546,490	270,012,303
Financial liabilities				
Amounts due to group companies	-	-	200,591	200,591
Other financial liabilities	-	-	30,576,910	30,576,910
Total liabilities	-	-	30,777,501	30,777,501

3(i) Classification of assets and liabilities

The table below sets out the classification of the Group's assets and liabilities:

At 31 December 2025 GROUP	FVTPL			FVOCI		Other assets/ liabilities/ US\$' m	Total carrying amount US\$' m
	Held-for-trading US\$' m	Default US\$' m	Debt instruments US\$' m	Equity instruments US\$' m	Amortised cost US\$' m		
Assets							
Cash and balances with Central Banks	-	1,286,325	-	-	185,706	-	1,472,031
Derivative assets	71,427	-	-	-	-	-	71,427
Financial investments	-	518	1,362,968	-	179,919	-	1,543,405
Trading assets	1,546,866	-	-	-	-	-	1,546,866
Pledged assets	-	-	9,378	-	-	-	9,378
Loans and advances to banks	-	-	-	-	599,498	-	599,498
Loans and advances to customers	-	-	-	-	5,091,312	-	5,091,312
Amounts due from group companies	-	-	-	-	745,562	-	745,562
Other financial assets	-	-	-	-	101,635	-	101,635
Other non-financial assets	-	-	-	-	-	343,532	343,532
	1,618,293	1,286,843	1,372,346	-	6,903,632	343,532	11,524,646
Liabilities							
Derivative liabilities	123,348	-	-	-	-	-	123,348
Deposits from banks	-	-	-	-	104,510	-	104,510
Deposits from customers	-	-	-	-	8,027,470	-	8,027,470
Subordinated debt	-	-	-	-	74,048	-	74,048
Amounts due to group companies	-	-	-	-	205,040	-	205,040
Borrowed funds	-	-	-	-	110,630	-	110,630
Other financial liabilities	-	-	-	-	364,422	-	364,422
Other non financial liabilities	-	-	-	-	-	158,907	158,907
	123,348	-	-	-	8,886,120	158,907	9,168,375



The table below sets out the classification of the Group's assets and liabilities:

At 31 December 2024 GROUP	FVTPL			FVOCI	Amortised cost US\$' m	Other assets/ liabilities US\$' m	Total carrying amount US\$' m
	Held-for-trading US\$' m	Default US\$' m	Debt instruments US\$' m	Equity instruments US\$' m			
Assets							
Cash and balances with Central Banks	-	1,172,550	-	-	38,618	-	1,211,168
Derivative assets	99,818	-	-	-	-	-	99,818
Financial investments	-	467	1,035,996	-	83,431	-	1,119,894
Trading assets	1,411,507	-	-	-	-	-	1,411,507
Pledged assets	-	-	55,380	-	-	-	55,380
Loans and advances to banks	-	-	-	-	376,592	-	376,592
Loans and advances to customers	-	-	-	-	4,373,754	-	4,373,754
Amounts due from group companies	-	-	-	-	1,173,661	-	1,173,661
Other financial assets	-	-	-	-	314,785	-	314,785
Other non-financial assets	-	-	-	-	-	257,242	257,242
	1,511,325	1,173,017	1,091,376	-	6,360,841	257,242	10,393,801
Liabilities							
Derivative liabilities	132,890	-	-	-	-	-	132,890
Deposits from banks	-	-	-	-	263,641	-	263,641
Deposits from customers	-	-	-	-	7,106,872	-	7,106,872
Subordinated debt	-	-	-	-	75,433	-	75,433
Amounts due to group companies	-	-	-	-	230,417	-	230,417
Borrowed funds	-	-	-	-	61,882	-	61,882
Other financial liabilities	-	-	-	-	362,653	-	362,653
Other non-financial liabilities	-	-	-	-	-	105,021	105,021
	132,890	-	-	-	8,100,898	105,021	8,338,809

(i) Classification of financial assets and liabilities

The table below sets out the classification of the Company's assets and liabilities:

COMPANY	Held-for-trading UShs' m	FVTPL		FVOCI		Amortised cost UShs' m	Other assets/ liabilities UShs' m	Total carrying amount UShs' m
		Default UShs' m	Debt instruments UShs' m	Equity instruments UShs' m				
2025								
Assets								
Financial investments	-	-	-	-	130,185	-	-	130,185
Amounts due from group companies	-	-	-	-	165,631	-	-	165,631
Other financial assets	-	-	-	-	29,419	-	-	29,419
Other non-financial assets	-	-	-	-	-	904,848	-	904,848
	-	-	-	-	325,235	904,848	-	1,230,083
Liabilities								
Amounts due to group companies	-	-	-	-	113	-	-	113
Other financial liabilities	-	-	-	-	31,227	-	-	31,227
Other non-financial liabilities	-	-	-	-	-	4,362	-	4,362
	-	-	-	-	31,340	4,362	-	35,702
2024								
Assets								
Financial investments	-	-	-	-	22,386	-	-	22,386
Amounts due from group companies	-	-	-	-	245,539	-	-	245,539
Other financial assets	-	-	-	-	8	-	-	8
Other non-financial assets	-	-	-	-	-	916,750	-	916,750
	-	-	-	-	267,933	916,750	-	1,184,683
Liabilities								
Amounts due to group companies	-	-	-	-	201	-	-	201
Other financial liabilities	-	-	-	-	30,577	-	-	30,577
Other non-financial liabilities	-	-	-	-	-	3,736	-	3,736
	-	-	-	-	30,778	3,736	-	34,514

4. Segment information

The chief operating decision maker for purposes of segment reporting is the Chief Executive of the Group.

The Group's operating model is client led and structured around business units, namely: Personal and Private Banking (PPB), Business and Commercial Banking (BCB) and Corporate and Investment Banking (CIB).

The business units are responsible for designing and executing the client value proposition. Business units own the client relationship and create multi-product client experiences distributed through the Group's client engagement platforms. Business unit reporting reflects the reporting responsibility for individual cost centres and divisions across the Bank.

Treasury and Capital Management (TCM) houses unallocated capital, liquidity earnings and central costs and handles the Group's liquidity management.

Included in others is the Insurance and Asset Management (IAM). IAM offers partnerships for the sale of the insurance offerings within the Stanbic banking sales channels. Our clients, who range from individual customers to corporate and institutional clients, can leverage Stanbic's extensive market leading range of propositions and services to help build and protect their wealth and lifestyle.

Personal and Private Banking (PPB)

The PPB business unit offers tailored and comprehensive banking and beyond financial services solutions. The unit serves individual clients across Uganda ranging from wealth and investment to private and personal banking markets by enabling their daily lives throughout their life journeys.

Business and Commercial Banking (BCB)

The BCB segment provides broad based client solutions for a wide spectrum of small- and medium- sized businesses as well as large commercial enterprises. The BCB client coverage support extends across a wide range of industries, sectors and solutions that deliver the necessary advisory, networking and sustainability support required by clients to enable their growth.

Corporate and Investment Banking (CIB)

The CIB business unit serves large companies (multinational, regional and domestic), governments, parastatals, and institutional clients across Africa and internationally. The CIB clients leverage the Group's in-depth sector and regional expertise, specialist capabilities, and access to global capital markets for advisory, transactional, trading and funding support.

Income Statement

	Business and Commercial Banking US\$' 000	Personal and Private Banking US\$' 000	Corporate and Investment Banking US\$' 000	Treasury and Capital Management US\$' 000	Other Subsidiaries US\$' 000	Total US\$' 000
Year ended 31 December 2025						
Net Interest income	229,730,267	267,296,161	350,722,944	39,181,206	21,777,856	908,708,434
Fee and commission income	62,100,987	107,349,440	52,197,294	7,235,605	5,931,160	234,814,486
Net trading income	36,018,813	18,556,219	219,065,757	(306,322)	-	273,334,467
Other income	(8,465)	16,889,199	427,797	701,034	2,938,487	20,948,052
Total operating income	327,841,602	410,091,019	622,413,792	46,811,523	30,647,503	1,437,805,439
Impairment losses	(5,338,953)	(13,980,796)	606,226	71,969	-	(18,641,554)
Other operating expenses	(214,090,754)	(213,587,888)	(219,032,328)	(5,804,717)	(23,303,831)	(675,819,518)
Profit before tax	108,411,895	182,522,335	403,987,690	41,078,775	7,343,672	743,344,367
Income tax expense	(24,727,108)	(38,882,336)	(77,457,320)	(8,687,259)	(2,777,719)	(152,531,742)
Profit after tax	83,684,787	143,639,999	326,530,370	32,391,516	4,565,953	590,812,625
Year ended 31 December 2024						
Net Interest income	225,521,116	257,587,439	317,983,142	46,384,921	7,403,186	854,879,804
Fee and commission income	55,885,348	95,952,352	42,447,945	6,217,026	7,549,767	208,052,438
Net trading income	31,110,157	14,271,110	170,135,845	(59)	-	215,517,053
Other income	602,083	11,547,761	-	802,744	2,782,986	15,735,574
Total operating income	313,118,704	379,358,662	530,566,932	53,404,632	17,735,939	1,294,184,869
Impairment losses	(26,780,692)	(9,276,072)	1,979,008	64,937	-	(34,012,819)
Other operating expenses	(188,913,009)	(173,903,859)	(191,157,041)	(1,608,939)	(19,917,495)	(575,500,343)
Profit before tax	97,425,003	196,178,731	341,388,899	51,860,630	(2,181,556)	684,671,707
Income tax expense	(30,333,896)	(61,259,767)	(90,476,393)	(17,956,971)	(6,547,236)	(206,574,263)
Profit after tax	67,091,107	134,918,964	250,912,506	33,903,659	(8,728,792)	478,097,444

The segmental information in the table above includes transactions made between different segments within the Group that give rise to a cost in one segment and income to another segment. These transactions have no net impact to the Group as a whole. In 2025 these transactions had a net interest income of US\$ 120.43 billion (2024: US\$ 95.08 billion) and net trading cost of US\$ 120.43 billion (2024: US\$ 95.08 billion).

Other segment items included in the income statement.

Year ended 31 December 2025	Business and Commercial Banking US\$' 000	Personal and Private Banking US\$' 000	Corporate and Investment Banking US\$' 000	Treasury and Capital Management US\$' 000	Other Subsidiaries US\$' 000	Total US\$' 000
Income statement						
Other segment items included in the income statement						
Depreciation	(1,582,759)	(22,980,485)	(1,369,611)	(4,798,042)	(1,552,235)	(32,283,132)
Amortisation of intangible assets	-	(10,232,774)	(3,310,899)	-	(267,487)	(13,811,160)
Other segment items included in the income statement.						
Year ended 31 December 2024						
Depreciation	(1,483,282)	(22,559,285)	(1,209,434)	(6,084,180)	(151,250)	(31,487,431)
Amortisation of intangible assets	-	(11,971,055)	(3,310,899)	-	(267,486)	(15,549,440)

Statement of financial position

Statement of financial position	Business and Commercial Banking US\$' 000	Personal and Private Banking US\$' 000	Corporate and Investment Banking US\$' 000	Treasury and Capital Management US\$' 000	Other Subsidiaries US\$' 000	Total US\$' 000
As at 31 December 2025						
Net Loans and advances to banks	1,702,939	2,002,558	774,822,869	523,623,973	-	1,302,152,339
Net loans and advances to customers	1,049,267,472	1,618,928,984	2,422,921,852	193,303	-	5,091,311,611
Other assets	284,139,464	393,885,235	4,174,398,345	90,718,840	188,040,541	5,131,182,425
Total assets	1,335,109,875	2,014,816,777	7,372,143,066	614,536,116	188,040,541	11,524,646,375
Deposits from banks	113,818,599	-	302,251,096	-	-	416,069,695
Deposits and current accounts from customers	2,350,301,147	2,165,389,869	3,711,837,767	-	-	8,227,528,783
Elimination of inter division funding/lending	(1,541,445,295)	(670,599,629)	2,235,160,975	(23,116,051)	-	-
Other liabilities	114,181,615	208,171,078	335,934,105	4,287,082	(137,797,718)	524,776,162
Total liabilities	1,036,856,066	1,702,961,318	6,585,183,943	(18,828,969)	(137,797,718)	9,168,374,640
Equity	298,253,809	311,855,459	786,959,123	633,365,085	325,838,259	2,356,271,735
Total equity and liabilities	1,335,109,875	2,014,816,777	7,372,143,066	614,536,116	188,040,541	11,524,646,375
As at 31 December 2024						
Net Loans and advances to banks	2,654,503	4,795,226	1,140,280,924	189,549,078	-	1,337,279,731
Net loans and advances to customers	908,090,474	1,439,587,331	2,026,027,146	49,085	-	4,373,754,036
Other assets	25,499,778	565,592,165	3,744,197,565	297,614,913	49,862,652	4,682,767,073
Total assets	936,244,755	2,009,974,722	6,910,505,635	487,213,076	49,862,652	10,393,800,840
Deposits from banks	56,885,231	-	497,704,634	(122,272,252)	-	432,317,613
Deposits and current accounts from customers	2,029,586,485	1,876,297,118	3,472,102,635	(358,649,938)	-	7,019,336,300
Elimination of inter division funding/lending	(1,469,438,736)	(339,224,604)	1,795,938,160	12,725,180	-	-
Other liabilities	111,547,046	183,333,214	319,983,487	491,644,543	(219,353,377)	887,154,913
Total liabilities	728,580,026	1,720,405,728	6,085,728,916	23,447,533	(219,353,377)	8,338,808,826
Equity	207,664,729	289,568,994	824,776,719	463,765,543	269,216,029	2,054,992,014
Total equity and liabilities	936,244,755	2,009,974,722	6,910,505,635	487,213,076	49,862,652	10,393,800,840

5. Interest income

	GROUP		COMPANY	
	2025	2024	2025	2024
	UShs' 000	UShs' 000	UShs' 000	UShs' 000
Financial Investments -FVOCI	163,375,591	138,161,773	-	-
Financial Investments -Amortised cost	13,652,926	16,151,619	5,798,779	6,540,394
Loans and advances to customers-amortised cost	687,203,399	642,605,293	-	-
Loans and advances to banks- amortised cost	27,491,250	12,728,790	-	-
Placements with group companies- amortised cost	14,650,875	36,325,897	14,627,095	-
Interest income on credit impaired financial assets	1,270,925	1,983,365	-	-
Interest revenue calculated using the effective interest method	907,644,966	847,956,737	20,425,874	6,540,394

Interest on financial instruments measured at amortised costs reported above comprise interest income calculated using the effective interest method. Interest income is recognised over a period of time.

6 Interest expense

	GROUP		COMPANY	
	2025	2024	2025	2024
	UShs' 000	UShs' 000	UShs' 000	UShs' 000
Current accounts	63,047,841	38,038,495	-	-
Savings and deposit accounts	40,886,133	28,083,428	-	-
Subordinated debt	6,613,542	7,837,724	-	-
Deposits and borrowings from banks	274,297	85,430	-	-
Amounts due to group companies	4,618,953	10,343,256	-	-
Interest paid on other money market borrowings	1,381,890	1,718,495	-	-
Interest expense calculated using the effective interest method	116,822,656	86,106,828	-	-
Interest expense on lease liabilities	2,546,103	2,046,683	53,528	62,400
	119,368,759	88,153,511	53,528	62,400

All interest expense relates to financial liabilities at amortised cost and calculated using the effective interest method except for interest expense on lease liabilities.

7 Net fee and commission income

Fee and commission income from contracts with customers is disaggregated by major type of services as follows.

GROUP	2025	2024
	UShs' 000	UShs' 000
Fee and commission income		
Transactional fees and commission income	238,700,069	214,543,588
Trade fees and commission income	4,091,693	2,707,942
Others	21,686,186	18,456,829
	264,477,948	235,708,359
Fee and commission expense		
Transactional fees and commission expenses	(22,552,069)	(19,378,419)
Net fee and commission income	241,925,879	216,329,940

Others primarily comprise of fee and commission revenue earned on sundry services such as arrangement, agency and asset management fees as well as guarantee and commitment commissions. All fee and commission revenue reported above relates to financial assets or liabilities not carried at FVTPL.

8. Net trading income

GROUP	2025	2024
	UShs' 000	UShs' 000
Foreign exchange trading gains - realised	79,027,055	101,008,579
Foreign exchange trading gains - unrealised gains	6,988,705	6,396,288
Trading gains on financial instruments	288,135,331	194,244,878
Unrealised losses on financial instruments	(2,169,234)	(1,515,255)
Trading income / (losses) - other	8,050,713	4,152,817
	380,032,570	304,287,307

Included in trading gains on financial instruments are realised gains and losses from buying and selling debt securities coupled with the impact of changes in the fair value of government securities. Included in foreign exchange gains are realised and unrealised gains and losses from spot and forward contracts and other currency derivatives. Trading income other relates to income earned on credit default swaps.

9. Other gains and losses on financial instruments

GROUP	2025	2024
	UShs' 000	UShs' 000
Foreign exchange trading gains - realised	13,496,935	6,306,324
	13,496,935	6,306,324

10. Other income

(a) Dividend income

	COMPANY	
	2025	2024
	UShs' 000	UShs' 000
Dividend income	350,000,000	520,000,000
	350,000,000	520,000,000

(b) Other operating income

Other Operating Income:	GROUP		COMPANY	
	2025	2024	2025	2024
	UShs' 000	UShs' 000	UShs' 000	UShs' 000
Gains on disposal of property and equipment	237,201	165,608	-	-
Other income	14,506,400	9,794,785	-	-
Rental income	1,046,259	672,440	-	-
	15,789,860	10,632,833	-	-

Other income includes profit share in relation to bancassurance fees of UShs 9.9 billion (2024: UShs 7.4 billion) resulting from joint arrangement with Liberty General Insurance Uganda Limited and Liberty Life Assurance Uganda Limited

11. Impairment charge for credit losses

GROUP	2025	2024
	UShs' 000	UShs' 000
Net expected credit losses raised and released		
Loans and advances to customers (note 21)	(42,523,468)	(61,550,491)
Loans and advances to banks (note 20)	1,825,253	(2,122,351)
Financial investments - FVOCI (note 17e)	(185,179)	219,511
Financial investments - amortised cost (note 17d)	8,015	131,182
Off-balance sheet items (note 33.1)	1,250,980	(817,777)
Net increase in expected credit losses	(39,624,399)	(64,139,926)
Recoveries on loans and advances previously written off	19,843,808	28,889,443
Interest in suspense released on cured loans and advances	1,139,037	1,237,664
	(18,641,554)	(34,012,819)

The expected credit losses on loans and advances to banks is all stage 1



12. Employee benefits expense

	GROUP		COMPANY	
	2025 US\$' 000	2024 US\$' 000	2025 US\$' 000	2024 US\$' 000
Salaries and wages	179,335,558	163,213,443	5,200,533	5,191,820
Contributions to statutory and other defined contribution plans	38,189,874	32,250,940	1,312,108	1,232,976
Other employee benefits	110,706,820	85,650,078	4,138,436	1,234,749
	328,232,252	281,114,461	10,651,077	7,659,545

Included in other employee benefits are the staff bonus costs, staff insurance costs and other staff sundry expenses.

13. Other operating expenses

	GROUP		COMPANY	
	2025 US\$' 000	2024 US\$' 000	2025 US\$' 000	2024 US\$' 000
Premises costs	11,125,063	11,837,296	302,852	678,040
Office expenses	3,103,898	3,112,467	-	-
Auditors' remuneration	1,377,172	1,314,741	49,298	47,711
Professional fees	11,155,748	8,958,283	338,801	834,358
IT expenses	71,811,348	78,509,914	73,817	89,060
Travel and entertainment	12,227,931	13,327,046	443,027	383,113
Marketing and advertising	14,864,029	13,866,661	422,665	529,163
Insurance	4,971,306	4,083,258	53,056	-
Deposit Protection Scheme Contribution	13,380,663	14,218,957	-	-
Security expenses	10,559,980	8,775,135	22,505	41,387
Franchise fees	42,207,622	38,288,500	-	-
Directors' fees and expenses	1,052,702	1,461,634	412,626	508,186
Training costs	3,528,794	4,621,653	77,434	119,712
Net operational (losses recoveries)/losses	(1,628,119)	(1,371,470)	-	81,783
Indirect taxes (VAT)	39,254,895	33,602,095	-	-
Bank charges	3,110,308	2,844,254	172,226	250,264
Commission paid	27,358,494	25,674,188	-	-
Communication	10,939,940	11,851,546	30,781	-
Credit bureau expenses	1,716,000	3,174,762	-	-
Impairment of investment in subsidiary	-	-	10,000,000	-
Other operating expenses	21,091,212	5,974,947	511,346	525,836
	303,208,986	284,125,867	12,910,434	4,088,613

Other operating expenses (note 13 above) is comprised of the following items;

GROUP	2025	2024
	US\$' 000	US\$' 000
Administration and membership fees	1,210,947	1,512,019
Donations: nontax allowable	2,754,801	3,185,680
Conference expenses (non-training)	685,407	744,807
Currency differences	2,230,106	(1,497,073)
Refreshments: tea and coffee	2,233,469	2,114,286
Other operating costs	11,976,482	(84,772)
	21,091,212	5,974,947

Included in the IT costs are costs relating to Salesforce and Flexipay (support costs and annual licenses) and other peripheral systems that support the day-to-day operations of the Group. The commission costs include commissions due to bank agents. The growth in other operating costs is driven by increase in expenses to cover operational risks relating to transactions executed on VISA and MASTERCARD.

The VAT exclusive fees for the 2025 audit services are US\$ 1.062 million (2024: US\$ 1.019 million) while the VAT exclusive fees for audit related services provided by the statutory external auditor included in professional fees are US\$ 44 million (2024: US\$ 90 million).

14. Income tax expense

	GROUP		COMPANY	
	2025 US\$' 000	2024 US\$' 000	2025 US\$' 000	2024 US\$' 000
Current income tax	169,681,020	177,880,121	372,049	-
Prior year current income tax (over)/under provision	(1,729,419)	1,471,123	-	-
Deferred income tax (see note 22)	(15,419,859)	(6,379,076)	1,345,707	4,869,063
	152,531,742	172,972,168	1,717,756	4,869,063

The tax on the Group and Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$' 000	US\$' 000	US\$' 000	US\$' 000
Profit before income tax	743,344,367	651,069,612	345,929,735	513,870,925
Tax calculated at statutory tax rate of 30% (2024: 30%)	223,003,310	195,320,884	103,778,921	154,161,278
Tax effects of:				
Income not subject to tax	(51,787,359)	-	(105,000,000)	(156,000,000)
Income subject to tax at 20%	(26,955,079)	(35,319,065)	(186,024)	-
Income subject to tax at 10%	(1,104,474)	-	-	-
Expenses not deductible for tax purposes	11,104,763	4,481,215	3,124,859	328,803
Deferred tax credit not recognised	-	2,100,565	-	1,461,536
Derecognition of deferred tax asset	-	4,917,446	-	4,917,446
Current income tax - prior year adjustment	(1,729,419)	1,471,123	-	-
Income tax expense recognised in profit or loss	152,531,742	172,972,168	1,717,756	4,869,063

The movement in the current income tax liability/ (recoverable) was as follows:

	2025	2024	2025	2024
	US\$' 000	US\$' 000	US\$' 000	US\$' 000
At start of year	12,763,014	21,988,995	(6,222,267)	(5,850,516)
Prior year current income tax (over)/under provision	(1,729,419)	1,471,123	-	-
Charge for the year	169,681,020	177,880,121	372,049	-
Income tax paid	(169,973,510)	(188,577,225)	(572,413)	(371,751)
At end of year	10,741,105	12,763,014	(6,422,631)	(6,222,267)

The Income Tax Act, Cap 338 requires that where tax has been withheld on a payment of interest on government securities, the withholding tax is final; the income is not aggregated with the other income of the taxpayer for the purpose of ascertaining chargeable income; and no deduction is allowed for any expenditure or losses incurred in deriving the income. The Group has historically applied the admirative guidance issued by URA to the banking sector on 27 February 2007 to allocate, and disallow, the expenses relating to income from government securities.

URA withdrew this administrative guidance effective immediately on 30 September 2025 and communicated its position that, beyond the 2007 formula, banks should also disallow overhead expenses allocated to income from government securities. Furthermore, URA communicated that it will conduct reviews on individual banks with focus on re-determining disallowable interest expenses and the administrative overheads for the last five years and that each individual bank should perform a self-review for the last five years and share its findings with URA. In response, Uganda Bankers'

Association (UBA), representing the affected banks, initiated both written engagements and consultative discussions, urging URA to address the matter at the banking sector level, involve Ministry of Finance and Economic Development and Bank of Uganda, and hold any assessment of individual banks until a unified position is reached. In December 2025, URA requested UBA to propose the cost allocation methodology. UBA submitted its proposal on 20 January 2026, but URA rejected it on 28 January 2026 and suggested its cost allocation methodology. URA also communicated its preliminary computations of the additional income tax for the years 2020 to 2024 resulting from overhead apportionment. The matter remains under active industry and regulator dialogue as UBA continues engaging URA and individual financial institutions with the objective of agreeing a cost allocation methodology for the entire sector.

The Group's management and directors have considered that this matter entails uncertainty with respect to the interpretation and application of the related judgmental tax legislation, administrative

guidance, and changes thereof. The effect of the uncertainty has been reflected in determining the taxable profit for the year using the most likely amount as this is considered to be the method which better predicts the resolution of the uncertainty.

In the process of applying the Group's accounting policies regarding uncertain tax positions, management has made the following judgements that could significantly affect the recognised income tax amounts:

URA's withdrawal on 30 September 2025 of its 2007 administrative guidance will not require retrospective application in terms of reassessment of the methodology applied by the Group to allocate to, and disallow, costs to income from government securities.

The cost allocation methodology applied by the Group subsequent to URA's withdrawal of its 2007 administrative guidance will probably be accepted by URA.

15. Earnings per share and dividends per share

	GROUP		COMPANY	
	2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Earnings Per Share				
Profit attributable to ordinary shareholders (UShs'000)	590,812,625	478,097,444	344,211,979	509,001,862
Weighted average number of ordinary shares in issue (thousands)	51,188,670	51,188,670	51,188,670	51,188,670
Basic earnings per share (expressed in UShs per share)	11.54	9.34	6.72	9.94
Dividends per share				
Final dividends proposed	220,000,000	160,000,000	220,000,000	160,000,000
Interim dividends paid	140,000,000	140,000,000	140,000,000	140,000,000
Total dividends for the year	360,000,000	300,000,000	360,000,000	300,000,000
Weighted average number of ordinary shares in issue (thousands)	51,188,670	51,188,670	51,188,670	51,188,670
Dividends per share	7.03	5.86	7.03	5.86

There were no potentially dilutive shares as at 31 December 2025 or 31 December 2024. Therefore, diluted earnings per share is the same as basic earnings per share.

16. Cash and balances with Bank of Uganda

	GROUP		COMPANY	
	2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Coins and bank notes	472,575,185	430,129,994	-	-
Balances with Bank of Uganda	999,455,651	781,038,338	-	-
	1,472,030,836	1,211,168,332	-	-

The Group under its Banking subsidiary is required to maintain a prescribed minimum cash balance with Bank of Uganda. The amount is determined by Bank of Uganda on a pre-set formula on a rolling fortnightly basis, that is, 9.5% in 2025 (2024: 10%). The cash reserve as at 31 December 2025 was UShs 813,750 million (2024: UShs 742,420 million). Included in coins and notes are cash balances relating to

Flexipay electronic money of UShs 5.7 billion as at 31 December 2025 in compliance with Section 51 of the NPS Act (2024: UShs 5.2 billion). The cash reserves are available for use in the Group's day to day activities and may fall below the requirement up to 50% on a given day. The Group complied with the cash reserve requirement as at year end.

17. Financial investments

	GROUP		COMPANY	
	2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
a) Government securities at FVOCI				
Treasury bills				
At start of the year	449,946,416	414,305,699	-	-
Additions	482,633,600	422,393,700	-	-
Interest income accrued	74,065,249	57,448,999	-	-
Disposals	(480,442,741)	(440,380,405)	-	-
Fair value adjustments	3,005,620	(722,100)	-	-
Transfer (to) and from pledged assets	(9,377,661)	(3,099,477)	-	-
At end of the year	519,830,483	449,946,416	-	-
Treasury bonds				
At start of the year	586,048,224	664,484,826	-	-
Additions	389,491,712	278,240,343	-	-
Interest income accrued	89,911,923	86,368,139	-	-
Disposals	(231,059,848)	(430,497,310)	-	-
Fair value adjustments	8,745,295	(12,547,774)	-	-
At end of the year	843,137,306	586,048,224	-	-
Total at end of year	1,362,967,789	1,035,994,640	-	-
b) Financial investments-Amortised Cost				
Treasury bills				
At start of the year	32,272,716	29,006,725	22,386,226	20,306,639
Additions	105,943,219	66,604,469	105,787,590	60,104,276
Interest income accrued	5,916,446	2,869,863	5,011,277	2,019,587
Disposals	(5,822,988)	(66,208,341)	(3,000,000)	(60,044,276)
At end of the year	138,309,393	32,272,716	130,185,093	22,386,226
Treasury bonds				
At start of the year	51,158,732	113,196,730	-	-
Additions	-	5,655,365	-	-
Interest income accrued	6,819,234	7,626,390	-	-
Disposals	(16,375,886)	(75,450,935)	-	-
ECL for financial investments measured at amortised cost	8,015	131,182	-	-
At end of the year	41,610,095	51,158,732	-	-
Total at end of year	179,919,488	83,431,448	130,185,093	22,386,226
c) Other equity investments				
S.W.I.F.T. SCRL	517,687	467,476	-	-
Total other equity investments	517,687	467,476	-	-
Total financial investments	1,543,404,964	1,119,893,564	130,185,093	22,386,226

(d) The table below shows the reconciliation of net carrying amount of financial investments at amortised cost

GROUP	2025	2024
	UShs' 000	UShs' 000
Gross financial investments measured at amortised cost	179,982,523	83,502,498
ECL for financial investments measured at amortised cost (Note 17 f)	(63,035)	(71,050)
Net financial investments measured at amortised cost	179,919,488	83,431,448

COMPANY	2025	2024
	UShs' 000	UShs' 000
Gross financial investments measured at amortised cost	130,185,093	22,386,226
ECL for financial investments measured at amortised cost (Note 17 f)	-	-
Net financial investments measured at amortised cost	130,185,093	22,386,226

(e) Reconciliation of expected credit losses for debt financial investments measured at FVOCI

GROUP Year ended 31 December 2025	At start of Year		Income statement movements				Closing ECL at 31 Dec 2024 UShs'000
	UShs'000	UShs'000	ECL on new	Subsequent	Change in ECL due to	Net impairments	
			exposures raised	changes in ECL	derecognition	raised/(released)	
Stage1	(1,145,198)	(589,242)	275,997	128,066	(185,179)	(1,330,377)	
Stage2	-	-	-	-	-	-	
Stage3	-	-	-	-	-	-	
Total	(1,145,198)	(589,242)	275,997	128,066	(185,179)	(1,330,377)	

GROUP Year ended 31 December 2024	At start of Year		Income statement movements				Closing ECL at 31 Dec 2024 UShs'000
	UShs'000	UShs'000	ECL on new	Subsequent	Change in ECL due to	Net impairments	
			exposures raised	changes in ECL	derecognition	raised/(released)	
Stage1	(1,364,709)	(855,184)	204,768	869,927	219,511	(1,145,198)	
Stage2	-	-	-	-	-	-	
Stage3	-	-	-	-	-	-	
Total	(1,364,709)	(855,184)	204,768	869,927	219,511	(1,145,198)	

(f) Reconciliation of expected credit losses for debt financial investments measured at amortised cost.

GROUP Year ended 31 December 2025	At start of Year		ECL on new	Subsequent	Change in ECL due to	Net impairments	At end of Year UShs'000
	UShs'000	UShs'000	exposures raised	changes in ECL	derecognition	raised/(released)	
			UShs'000	UShs'000	UShs'000	UShs'000	
Stage 1	(71,050)	(837,639)	553,950	291,704	8,015	(63,035)	
Stage 2	-	-	-	-	-	-	
Stage 3	-	-	-	-	-	-	
Total	(71,050)	(837,639)	553,950	291,704	8,015	(63,035)	

GROUP Year ended 31 December 2024	At start of Year		ECL on new	Subsequent	Change in ECL due to	Net impairments	At end of Year UShs'000
	UShs'000	UShs'000	exposures raised	changes in ECL	derecognition	raised/(released)	
			UShs'000	UShs'000	UShs'000	UShs'000	
Stage 1	(202,232)	-	36,931	94,251	131,182	(71,050)	
Stage 2	-	-	-	-	-	-	
Stage 3	-	-	-	-	-	-	
Total	(202,232)	-	36,931	94,251	131,182	(71,050)	

Government securities comprise government treasury bills and government treasury bonds. Government treasury bills are debt securities issued by Bank of Uganda for a term of three months, six months or one year. Government treasury bonds are debt instruments issued by Bank of Uganda for a term of more than two years.

Government securities are categorised as fair value through other comprehensive income which are fair valued through reserves, amortised cost and trading assets, which are fair valued through the income statement.

Included in financial investments are placements of Flexipay electronic money in government treasury bills at FVOCI totalling to US\$ 4,633 billion representing 80% of the FlexiPay electronic liabilities as at 31 December 2025 in compliance with Section 51 of the NPS Act (2024: US\$ 4,155 million).

Other equity investments relate to investment in the Society for Worldwide Interbank Financial Telecommunication (SWIFT) shares, an entity that provides a network that enables financial institutions to send and receive information about financial transactions in a secure, standardised and reliable environment.

18. Trading assets

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$' 000	US\$' 000	US\$' 000	US\$' 000
Treasury bills				
At start of the year	472,332,254	964,007,606	-	-
Additions	794,523,560	770,722,579	-	-
Disposals	(822,643,225)	(1,260,699,756)	-	-
Fair value adjustments	(6,266,697)	(1,698,175)	-	-
At end of the year	437,945,892	472,332,254	-	-
Treasury bonds				
At start of the year	939,175,018	814,930,215	-	-
Additions	1,836,071,015	1,511,925,635	-	-
Disposals	(1,664,829,550)	(1,338,116,582)	-	-
Fair value (losses)/gains	(1,495,918)	2,716,740	-	-
Transfer to pledged assets	-	(52,280,990)	-	-
At end of the year	1,108,920,565	939,175,018	-	-
Total trading assets	1,546,866,457	1,411,507,272	-	-

19. Pledged assets

The following table presents details of financial assets which have been provided as collateral to the counterparty. To the extent that the counterparty is permitted to sell the financial asset where the Group defaults on the obligation, they are classified in the statement of financial position as pledged assets

	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities ¹	Net fair value ¹
2025					
Securities pledged under clearing house values	9,377,661	-	9,377,661	-	9,377,661
Pledged assets (as recognised on the statement of financial position)	9,377,661	-	9,377,661	-	9,377,661
Total assets pledged	9,377,661	-	9,377,661	-	9,377,661
2024					
Securities pledged under clearing house values	3,099,477	-	3,099,477	-	3,099,477
Securities pledged under repurchase agreements	52,280,990	(52,280,990)	52,280,990	(52,280,990)	-
Pledged assets (as recognised on the statement of financial position)	55,380,467	(52,280,990)	55,380,467	(52,280,990)	3,099,477
Total assets pledged	55,380,467	(52,280,990)	55,380,467	(52,280,990)	3,099,477

As at 31 December 2025, the Group had pledged government securities totaling US\$ 9.4 billion to Bank of Uganda under the automated clearing house rules (2024: US\$ 3.1 billion). These assets are reclassified from financial investments measured at fair value through OCI to pledged assets. Bank of Uganda has the right to transfer or sell these instruments. Accordingly, these have been presented separately on the face of the statement of financial position.

20. Loans and advances to banks

GROUP	2025	2024
	US\$' 000	US\$' 000
Items in course of collection - foreign banks	2,925,825	3,797,566
Placements with local banks	56,370,139	48,517,722
Placements with foreign banks	540,402,647	324,462,119
Gross loans and advances	599,698,611	376,777,407
Less: Provision for impairment	(201,059)	(184,939)
	599,497,552	376,592,468

The weighted average effective interest rate on loans and advances to banks was 4.0% (2024: 4.1%).

Reconciliation of expected credit losses for loans and advances to banks measured at amortised cost as at 31 December 2025 and 31 December 2024

Year ended 31 December 2025	Income statement movements						Exchange and other movements	At end of Year
	US\$'000	ECL on new exposures raised	Subsequent changes in ECL	Change in ECL due to derecognition	Net impairments raised/(released)	US\$'000		
		US\$'000	US\$'000	US\$'000	US\$'000			
Stage 1	(184,862)	(198,745)	1,849,363	174,661	1,825,279	(1,841,442)	(201,025)	
Stage 2	(77)	-	(26)	-	(26)	69	(34)	
Stage 3	-	-	-	-	-	-	-	
Total	(184,939)	(198,745)	1,849,337	174,661	1,825,253	(1,841,373)	(201,059)	
Year ended 31 December 2024								
Stage 1	(211,757)	(1,985,521)	(136,855)	-	(2,122,376)	2,149,271	(184,862)	
Stage 2	(34)	-	25	-	25	(68)	(77)	
Stage 3	-	-	-	-	-	-	-	
Total	(211,791)	(1,985,521)	(136,830)	-	(2,122,351)	2,149,203	(184,939)	

21. Loans and advances to customers

GROUP	2025	2024
	US\$' 000	US\$' 000
Personal and business banking		
Mortgage lending	195,174,098	389,121,058
Vehicle and asset finance	123,258,184	121,752,306
Card and payments	6,418,906	5,375,396
Personal unsecured lending	1,477,648,082	1,297,815,535
Business and other lending	994,956,102	653,302,192
Corporate lending	2,110,666,333	1,742,444,691
Sovereign lending	325,280,890	295,228,604
Gross loans and advances	5,233,402,595	4,505,039,782
Less: Expected credit loss	(142,090,984)	(131,285,746)
Net loans and advances	5,091,311,611	4,373,754,036

Included in personal unsecured lending is the day 1 fair value adjustment of loans advanced to staff at off market rates of US\$ 36,422 million (2024: US\$ 26,088 million) and mortgage lending day 1 fair value adjustment of mortgage loans advanced to staff at off market rates of US\$ 18,403 million (2024: US\$ 19,633 million).

21.1 Reconciliation of expected credit losses for loans and advances to customers measured at amortised cost as at 31 December 2025

GROUP Year Ended 31 December 2025	At start of year US\$' 000	Total transfers between stages US\$' 000	Ecl on new exposures raised US\$' 000	Subsequent changes in ecl US\$' 000	Change in ECL due to derecognition US\$' 000	Net impairments raised/ (released) US\$' 000	TVM unwinding and iis movement US\$' 000	Impaired accounts written-off US\$' 000	Exchange and other movements US\$' 000	At end of year US\$' 000
Personal And Business Banking										
Mortgage lending loans										
Stage 1	(5,215,684)	(764,842)	(39,387)	918,315	-	114,086	-	-	755,337	(4,346,261)
Stage 2	(1,528,181)	922,269	(81,969)	252,910	-	1,093,210	-	-	30,979	(403,992)
Stage 3 (including IIS)	(3,775,588)	(157,427)	-	(912,136)	-	(1,069,563)	(510,412)	2,452,571	-	(2,902,992)
Vehicle and asset finance										
Stage 1	(1,683,166)	(597,334)	(464,200)	1,729,064	-	667,530	-	-	4,296	(1,011,340)
Stage 2	(4,377,56)	638,699	(426,960)	(2,096,729)	-	(1,884,990)	-	-	484	(2,322,262)
Stage 3 (including IIS)	(4,404,797)	(41,365)	(80)	307,621	-	266,176	87,669	2,557,599	-	(1,493,353)
Card debtors										
Stage 1	(68,200)	(100,613)	(11,359)	(254,411)	-	(366,383)	-	-	-	(434,583)
Stage 2	(441,257)	110,738	(83,297)	(211,109)	-	(183,668)	-	-	-	(624,925)
Stage 3 (including IIS)	(275,221)	(10,125)	(5,278)	(395,862)	-	(411,265)	-	355,820	-	(330,666)
Personal and business unsecured lending										
Stage 1	(17,320,246)	(10,647,021)	(2,085,337)	14,661,845	-	1,929,487	-	-	(757,725)	(16,148,484)
Stage 2	(42,342,136)	11,352,111	-	(26,769,391)	-	(15,417,280)	-	-	-	(57,759,416)
Stage 3 (including IIS)	(42,147,365)	(705,090)	(1,991,291)	(21,506,134)	-	(24,202,515)	(400,981)	25,331,396	-	(41,419,465)
Total BCB and PPB	(119,639,597)	-	(5,189,158)	(34,276,017)	-	(39,465,175)	(823,724)	30,697,386	33,371	(129,197,739)
Corporate and Investment Banking (CIB)										
Stage 1	(10,755,086)	-	(147,631)	(1,269,179)	2,240,256	823,446	-	-	1,782,387	(8,149,253)
Stage 2	(891,061)	-	(17)	812,896	21	812,900	-	-	28,810	(49,351)
Stage 3 (including IIS)	(2)	-	-	(4,694,639)	-	(4,694,639)	-	-	-	(4,694,641)
Total CIB	(11,646,149)	-	(147,648)	(5,150,922)	2,240,277	(3,058,293)	-	-	1,811,197	(12,893,245)
Total	(131,285,746)	-	(5,336,806)	(39,426,939)	2,240,277	(42,523,468)	(823,724)	30,697,386	1,844,568	(142,090,984)

21.1 Reconciliation of expected credit losses for loans and advances to customers measured at amortised cost as at 31 December 2024

GROUP									
Year Ended 31 December 2024	At start of year	Total transfers between stages	Ecl on new exposures raised	Subsequent changes in ecl	Net impairments raised/ (released)	TVM unwinding and iis movement	Impaired accounts written-off	Exchange and other movements	At end of year
	US\$' 000	US\$' 000	US\$' 000	US\$' 000	US\$' 000	US\$' 000	US\$' 000	US\$' 000	US\$' 000
Personal And Business Banking									
Mortgage lending loans									
Stage 1	(5,355,286)	(267,455)	(88,974)	463,131	374,157	-	-	32,900	(5,215,684)
Stage 2	(2,817,882)	375,294	(34,195)	933,570	899,375	-	-	15,032	(1,528,181)
Stage 3 (including IIS)	(2,660,243)	(107,839)	-	(2,500,386)	(2,500,386)	(832,746)	419,871	1,905,755	(3,775,588)
Vehicle and asset finance									
Stage 1	(1,331,838)	(521,012)	6,109	146,392	152,501	-	-	17,183	(1,683,166)
Stage 2	(2,547,840)	529,872	(17,657)	1,600,115	1,582,458	-	-	(2,246)	(437,756)
Stage 3 (including IIS)	(9,725,329)	(8,860)	(208,436)	(1,100,530)	(1,308,966)	(236,849)	6,344,719	530,488	(4,404,797)
Card debtors									
Stage 1	(89,863)	(227,726)	(6,525)	255,914	249,389	-	-	-	(68,200)
Stage 2	(1,192,026)	278,008	(3,920)	476,681	472,761	-	-	-	(441,257)
Stage 3 (including IIS)	(232,930)	(50,282)	(34,657)	(254,891)	(289,548)	-	297,539	-	(275,221)
Personal and business unsecured lending									
Stage 1	(14,720,145)	(7,960,442)	(7,954,169)	13,257,630	5,303,461	-	-	56,880	(17,320,246)
Stage 2	(24,149,542)	6,415,148	(7,090,506)	(17,577,738)	(24,668,244)	-	-	60,502	(42,342,136)
Stage 3 (including IIS)	(69,865,686)	1,545,294	(6,757,886)	(36,135,612)	(42,893,498)	111,257	66,518,090	2,437,178	(42,147,365)
Total BCB and PPB	(134,688,610)	-	(22,190,816)	(40,435,724)	(62,626,540)	(958,338)	73,580,219	5,053,672	(119,639,597)
Corporate and Investment Banking (CIB)									
Stage 1	(10,762,799)	-	(2,905,916)	4,832,198	1,926,282	-	-	(1,918,569)	(10,755,086)
Stage 2	(43,736)	-	(31,271)	(818,962)	(850,233)	-	-	2,908	(891,061)
Stage 3 (including IIS)	(2)	-	-	-	-	-	-	-	(2)
Total CIB	(10,806,537)	-	(2,937,187)	4,013,236	1,076,049	-	-	(1,915,661)	(11,646,149)
Total	(145,495,147)	-	(25,128,003)	(36,422,488)	(61,550,491)	(958,338)	73,580,219	3,138,011	(131,285,746)

1. The Group's policy is to transfer opening balances based on the ECL stage at the end of the reporting period. Therefore, exposures can appear to be transferred directly from stage 3 to stage 1 as the curing requirements would have been satisfied during the reporting period. Furthermore, the ECL recognised on new

exposures originated during the reporting period (which are not included in opening balances) are included within the column 'ECL on new exposure raised' based on the exposures' ECL stage as at the end of the reporting period. It is therefore possible to disclose new/originated exposures in stage 2 and 3.

2. The contractual amount outstanding on secured loans and advances that were written off during the year are still subject to enforceability activities.

3. Exchange and other movements include the net interest in suspense (IIS) and time value of money (TVM) unwinding, raised or released during the year.

21.2 Changes in gross exposures relating to changes in ECL

The significant changes in the gross carrying amount of loans and advances to customers which impact the changes in ECL include:

The ECL on new exposures relates to the gross carrying amount of new exposures originated of:

- Mortgage lending of US\$ 42.6 billion (2024: US\$ 55.8 billion)
- Vehicle and asset finance of US\$ 65.9 billion (2024: US\$ 70.7 billion)
- Personal unsecured lending and business and other lending of US\$ 849.5 billion (2024: US\$ 682.1 billion)
- Corporate lending of US\$ 891.0 billion (2024: US\$ 716.3 billion).

The ECL charge for the year is offset by recoveries of impaired loans previously written off of US\$ 19.8 billion (2024: US\$ 28.9 billion) as indicated in note 11.

The related gross carrying amount of the significant transfers primarily relate to the continued impact of economic environment together with positive collection trends, and are shown in the table below:

GROUP	Gross carrying amounts of transfers between stages				
	Gross carrying amounts of ECL movements For the year ended 31 December 2025	Transfer Stage 1 to/(from) US\$'000	Transfer Stage 2 to/(from) US\$'000	Transfer Stage 3 to/(from) US\$'000	Total US\$'000
Stage 1					
Mortgage lending	-	(14,732,933)	(991,191)	(15,724,124)	
Vehicle and asset finance	-	(5,882,025)	(396,834)	(6,278,859)	
Card and Payments	-	(673,321)	(85,591)	(758,912)	
Personal unsecured lending	-	(78,069,653)	(23,054,696)	(101,124,349)	
Business and other lending	-	(17,379,836)	(2,844,335)	(20,224,171)	
Corporate lending	-	-	(23,787,768)	(23,787,768)	
Sub total	-	(116,737,768)	(51,160,415)	(167,898,183)	
Stage 2					
Mortgage lending	14,732,933	-	(4,299,840)	10,433,093	
Vehicle and asset finance	5,882,025	-	(889,726)	4,992,299	
Card and Payments	673,321	-	(94,086)	579,235	
Personal unsecured lending	78,069,653	-	(12,199,205)	65,870,448	
Business and other lending	17,379,836	-	(1,854,107)	15,525,729	
Sub total	116,737,768	-	(19,336,964)	97,400,804	
Stage 3 (excluding IIS)					
Mortgage lending	991,191	4,299,840	-	5,291,031	
Vehicle and asset finance	396,834	889,726	-	1,286,560	
Card and Payments	85,591	94,086	-	179,677	
Personal unsecured lending	23,054,696	12,199,205	-	35,253,901	
Business and other lending	2,844,335	1,854,107	-	4,698,442	
Corporate lending	23,787,768	-	-	23,787,768	
Sub total	51,160,415	19,336,964	-	70,497,379	
Total	167,898,183	(97,400,804)	(70,497,379)	-	

For the year ended 31 December 2024

Stage 1				
Mortgage lending	-	(96,377,359)	(252,799)	(96,630,158)
Vehicle and asset finance	-	(4,678,242)	-	(4,678,242)
Personal unsecured lending	-	(61,642,542)	(18,562,385)	(80,204,927)
Business and other lending	-	(52,759,380)	(12,690,460)	(65,449,840)
Sub total	-	(215,457,523)	(31,505,644)	(246,963,167)
Stage 2				
Mortgage lending	96,377,359	-	(1,095,788)	95,281,571
Vehicle and asset finance	4,678,242	-	(3,825,658)	852,584
Personal unsecured lending	61,642,542	-	(6,853,388)	54,789,154
Business and other lending	52,759,380	-	(3,848,568)	48,910,812
Sub total	215,457,523	-	(15,623,402)	199,834,121
Stage 3 (excluding IIS)				
Mortgage lending	252,799	1,095,788	-	1,348,587
Vehicle and asset finance	-	3,825,658	-	3,825,658
Personal unsecured lending	18,562,385	6,853,388	-	25,415,773
Business and other lending	12,690,460	3,848,568	-	16,539,028
Sub total	31,505,644	15,623,402	-	47,129,046
Total	246,963,167	(199,834,121)	(47,129,046)	-

21.3 Modifications on loans and advances measured at amortised cost

There were no modifications of gross carrying amounts that resulted in modification gains/(losses) during the year ended 31 December 2025.

The gross carrying amount for modifications during the reporting year that resulted in no economic gain or loss (i.e., no net modification gain or loss) is US\$ 1.3 billion (2024: US\$ 12.2 billion).

21.4 The loans and advances to customers include finance lease receivables for BCB, PPB and CIB as follows:

GROUP	2025 US\$' 000	2024 US\$' 000
Gross investment in finance leases		
No later than 1 year	64,513,317	65,424,665
Later than 1 year but no later than 5 years	72,147,081	65,755,510
Later than 5 years	2,063,398	7,172,563
	138,723,796	138,352,738

22. Deferred tax asset

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax relates to the same fiscal authority. Deferred tax is calculated on all the temporary differences under the balance sheet liability method using tax rates currently enacted. The movement in the deferred tax account is as follows:

	GROUP		COMPANY	
	2025 US\$' 000	2024 US\$' 000	2025 US\$' 000	2024 US\$' 000
Balance as at 1 January	69,730,655	59,370,617	4,586,214	9,455,277
Credit/(charge) to profit or loss	15,445,637	11,296,522	(1,345,707)	48,383
Derecognition of deferred tax asset	-	(4,917,446)	-	(4,917,446)
Prior year tax (over) / under statement	(25,778)	-	-	-
Net credit/(charge) to profit or loss	15,419,859	6,379,076	(1,345,707)	(4,869,063)
Financial Investments	(1,468,998)	3,980,962	-	-
As at 31 December	83,681,516	69,730,655	3,240,507	4,586,214
The net deferred income tax asset and the related movements are attributable to the following items:				
Deferred tax assets				
Provisions for loans and advances	28,096,748	25,300,324	-	-
Financial Investments	-	1,471,233	-	-
Property and equipment	(7,484,367)	(10,381,783)	68,229	24,968
Accumulated tax losses	8,464,677	12,083,158	8,212,826	9,831,700
Other deductible temporary differences	60,983,439	48,275,734	1,338,433	1,108,528
Net deferred tax asset	90,060,497	76,748,666	9,619,488	10,965,196
Deferred tax asset derecognised	(4,917,446)	(4,917,446)	(4,917,446)	(4,917,446)
Deferred tax credit not recognised	(1,461,535)	(2,100,565)	(1,461,535)	(1,461,536)
Net deferred tax asset recognised	83,681,516	69,730,655	3,240,507	4,586,214
Credit/(charge) to profit or loss				
Accelerated depreciation	2,873,096	3,433,048	43,261	24,864
Provisions for loans and advances	2,796,424	5,494,296	-	-
Accumulated tax losses	(1,618,874)	-	(1,618,874)	-
Derecognition of deferred tax asset	-	(4,917,446)	-	(4,917,446)
Other deductible temporary differences	11,369,213	2,369,178	229,906	23,519
	15,419,859	6,379,076	(1,345,707)	(4,869,063)

The Company's deferred tax position is further analysed as follows:

	2025 US\$'000	2024 US\$'000	2023 US\$'000
At the start of the year	(4,586,214)	(9,455,277)	(6,428,580)
Derecognition of deferred tax asset	-	4,917,446	-
Charge/(credit) to profit or loss	1,345,707	(48,383)	(3,026,697)
Net charge(credit)to profit or loss	1,345,707	4,869,063	(3,026,697)
At the end of the year	(3,240,507)	(4,586,214)	(9,455,277)

The net deferred income tax liability and the related movements are attributable to the following items:

	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000
Deferred tax assets:				
Accumulated tax losses	(8,212,826)	(9,831,700)	(8,370,164)	(5,592,175)
Other deductible temporary differences	(1,338,433)	(1,108,528)	(1,085,009)	(861,850)
Property and equipment	(68,229)	(24,968)	(104)	25,445
Net deferred tax asset	(9,619,488)	(10,965,196)	(9,455,277)	(6,428,580)
Derecognition of deferred tax asset	4,917,446	4,917,446	-	-
Deferred tax credit not recognised	1,461,535	1,461,536	-	-
Net deferred tax asset recognised	(3,240,507)	(4,586,214)	(9,455,277)	(6,428,580)
Charge/(credit) to profit or loss				
Accelerated depreciation	(43,261)	(24,864)	(25,549)	(5,298)
Accumulated tax losses	1,618,874	-	(2,777,829)	(2,458,671)
Other deductible temporary differences	(229,906)	(23,519)	(223,319)	(191,400)
Derecognition of deferred tax asset	-	4,917,446	-	-
Deferred tax credit not recognised	-	-	-	-
	1,345,707	4,869,063	(3,026,697)	(2,655,369)

Other deductible temporary differences include movements in deferred tax on: deferred income of US\$1.2 billion (2024: US\$0.2 billion), bonus and other provisions of US\$3.9 billion (2024: US\$13.6 billion), fair value on derivatives and trading assets of US\$6.0 billion (2024: US\$-3.9 billion) and lease liabilities of US\$-0.3 billion (2024: US\$-1.0 billion).

No portion of the Company's deferred tax asset relating to accumulated tax losses has been derecognised in the financial statements following an assessment which indicated that given the Company's performance in 2025 and expected performance going forward, it is probable that there will be taxable profits in the future against which the recognised deferred tax asset can be utilised (2024: US\$4.9 billion was derecognised). The Company's

deferred tax charge for the year of US\$1.35 billion has been recognised (2024: Deferred tax credit of US\$1.46 billion was not recognised). Consequently, the Company's total deferred tax asset not recognised as of 31 December 2025 is US\$6.38 billion (2024: US\$6.38 billion) and this relates to accumulated tax losses amounting to US\$21.26 billion (2024: US\$21.26 billion). Per the Income Tax Act of Uganda, a portion of these tax losses amounting to US\$13.69 billion (2024: US\$16.39 billion) could expire if not utilised within 7 years after the year in which the losses were incurred as follows: US\$6.62 billion by 31 December 2029, US\$4.63 billion by 31 December 2030 and US\$2.44 billion by 31 December 2031 (2024: US\$9.32 billion by 31 December 2029, US\$4.63 billion by 31 December 2030 and US\$2.44 billion by 31 December 2031).

The Flyhub deferred tax asset as at 31st December 2025 amounting to US\$2.9 billion (2024: US\$2.3 billion) has not been recognised in the consolidated financial statements due to uncertainty regarding the availability of taxable profits in the future against which it will be utilised. The deferred tax asset largely arises from income tax losses. Per the Income Tax amendment of 2022, 50% of the tax losses expire if not utilised within 7 years. As such, Flyhub tax losses amounting to US\$4.85 billion (2024: US\$3.76 billion) are expected to expire, if not utilised within 7 years when they were incurred as follows: US\$1.44 billion by 31 December 2029, US\$1.25 billion by 31 December 2030, US\$1.07 billion by 31 December 2031 and US\$1.09 billion by 31 December 2032 (2024: US\$1.44 billion by 31 December 2029, US\$1.25 billion by 31 December 2030 and US\$1.07 billion by 31 December 2031).

23. Other assets

	GROUP		COMPANY	
	2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Clearances in transit	5,721,691	1,145,608	-	-
Prepayments	65,388,153	53,035,519	38,585	-
Fees receivable	23,081,751	10,711,465	-	-
Mobile wallet balances	57,379,121	77,691,137	-	-
Other accounts receivable	78,306,433	234,389,844	29,523,640	99,890
	229,877,149	376,973,573	29,562,225	99,890

Due to the short-term nature of these assets and historical experience, other financial assets are regarded as having a low probability of default. Therefore, the ECL has been assessed to be insignificant.

The fees receivable includes bancassurance fees of UShs 8.5 billion (2024: UShs 9.1 billion). There were no spot transactions from counter parties included in other accounts receivable for 2025 (2024: UShs 212 billion). Also included in other accounts receivable is the 30% deposit with Tax Appeals Tribunal (TAT) regarding the outstanding tax cases of UShs 49.3 billion (2024: UShs 3.0 billion).

24 Goodwill and other intangible assets

GROUP	Computer software	Goodwill	Work in progress	Total
	UShs' 000	UShs' 000	UShs' 000	UShs' 000
Cost				
At 1 January 2025	156,259,874	1,901,592	-	158,161,466
Additions	4,775,255	-	-	4,775,255
At 31 December 2025	161,035,129	1,901,592	-	162,936,721
Amortisation				
At 1 January 2025	115,273,903	-	-	115,273,903
Charge for the year	13,811,160	-	-	13,811,160
At 31 December 2025	129,085,063	-	-	129,085,063
Net book value				
At 31 December 2025	31,950,066	1,901,592	-	33,851,658
Cost				
At 1 January 2024	150,597,871	1,901,592	-	152,499,463
Additions	5,662,003	-	-	5,662,003
At 31 December 2024	156,259,874	1,901,592	-	158,161,466
Amortisation				
At 1 January 2024	99,724,463	-	-	99,724,463
Charge for the year	15,549,440	-	-	15,549,440
At 31 December 2024	115,273,903	-	-	115,273,903
Net book value				
At 31 December 2024	40,985,971	1,901,592	-	42,887,563

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment of goodwill identified in 2025 (2024: nil).

Intangible assets relate to the Finacle Core Banking System, New Business Online (BOL) and records management software developed to digitise the customer (KYC) records for the Group.

25.1 Non-current assets held-for-sale

	Land and buildings	
	2025 UShs' 000	2024 UShs' 000
Cost		
At 1 January	-	-
Transfer from property and equipment	1,807,366	-
At 31 December	1,807,366	-
Depreciation		
At 1 January	-	-
Transfer from property and equipment	(876,495)	-
At 31 December	(876,495)	-
Net book value		
At 31 December	930,871	-

26. Ordinary share capital

GROUP	Number of ordinary shares (thousands)	Ordinary share capital UShs' 000	Total UShs' 000
Issued and fully paid			
At 1 January 2025	51,188,670	51,188,670	51,188,670
At 31 December 2025	51,188,670	51,188,670	51,188,670
Issued and fully paid			
At 1 January 2024	51,188,670	51,188,670	51,188,670
At 31 December 2024	51,188,670	51,188,670	51,188,670

The par value of ordinary shares is UShs 1 per share. The holders of the ordinary shares are entitled to one vote per share at the annual or special general meeting of the Company. They are also entitled to dividends when declared.

27. Fair value reserve on financial investments FVOCI

GROUP	2025 UShs' 000	2024 UShs' 000
At 1 January	(2,282,465)	7,225,959
Net fair value gains/(losses) (note 17)	11,750,915	(13,269,874)
Deferred tax (charge)/credit on fair value losses (Note 22)	-	3,980,962
Derecognition of deferred tax asset due to change in law	(1,468,998)	-
Net change in expected credit losses (Note 17d)	185,179	(219,512)
Net movement for the year	10,467,096	(9,508,424)
At 31 December	8,184,631	(2,282,465)

28. Statutory credit risk reserve

The statutory credit risk reserve represents amounts by which provisions for impairment of loans and advances, determined in accordance with the Financial Institutions Act of Uganda exceed those determined in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

GROUP	2025 UShs' 000	2024 UShs' 000
Regulatory provisions		
Specific provisions (regulatory)	36,741,272	35,560,025
General provisions (regulatory)	72,609,233	66,279,649
Written off facilities according to Cap 57, laws of Uganda but not written off as per IFRS	37,662	578,025
	109,388,167	102,417,699
Less: IFRS provisions		
Identified impairment (in accordance with IFRS)	48,784,884	48,505,865
Unidentified impairment (in accordance with IFRS)	94,986,202	85,479,610
	143,771,086	133,985,475
Difference	(34,382,919)	(31,567,776)
Statutory credit risk reserves	-	-

Where provisions for impairment of loans and advances determined in accordance with the Financial Institutions Act, Cap 57, laws of Uganda exceed amounts determined in accordance with International Financial Reporting Standards, the excess is taken to the statutory credit risk reserve as an appropriation of retained earnings, otherwise, no further accounting entries are made.

As the Group's IFRS provisions exceeded the regulatory provisions as of 31 December 2025 and 2024, there was no statutory credit risk reserve as of these dates.

29. Derivatives

The Group uses currency forward derivative instruments and interest rate derivatives for trading and economic hedge purposes. Currency forwards represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market foreign exchange rates on hand relative to their terms. The aggregate contractual or notional amount of derivative financial instruments, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time. The notional amount is the sum of the absolute value of all bought and sold contracts for both derivative assets and liabilities.

The amount cannot be used to assess the market risk associated with the positions held and should be used only as a means of assessing the Group's participation in derivative contracts.

Derivatives continued

GROUP	Fair value of assets		Fair value of liabilities		Notional amount	
	2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Interest Rate Swaps	23,576,154	50,834,985	(24,564,717)	(50,952,521)	1,009,448,943	889,799,609
Currency Options	35,244,673	20,031,196	(36,377,547)	(18,987,696)	1,466,235,579	991,171,818
Currency forwards	3,411,629	9,439,726	(12,362,527)	(31,957,910)	414,247,703	848,315,625
Currency Swap	9,194,796	19,512,535	(50,043,143)	(30,991,536)	2,013,045,038	1,366,111,711
	71,427,252	99,818,442	(123,347,934)	(132,889,663)	4,902,977,263	4,095,398,763

The maturity analysis of the fair values of derivative instruments held is set out below.

GROUP	Less than 1 year UShs' 000	1-5 years UShs' 000	Over 5 years UShs' 000	Total UShs' 000
As at 31 December 2025				
Assets				
Interest Rate Swaps	-	1,612,477	21,963,677	23,576,154
Currency Options	2,048,389	33,196,284	-	35,244,673
Currency forwards	2,533,519	878,110	-	3,411,629
Currency Swap	3,037,272	6,157,524	-	9,194,796
Fair value of assets	7,619,180	41,844,395	21,963,677	71,427,252
Liabilities				
Interest Rate Swaps	(78,404)	(491,723)	(23,994,590)	(24,564,717)
Currency Options	(2,842,267)	(33,535,280)	-	(36,377,547)
Currency forwards	(3,248,727)	(9,113,800)	-	(12,362,527)
Currency Swap	(7,384,124)	(42,659,019)	-	(50,043,143)
Fair value of liabilities	(13,553,522)	(85,799,822)	(23,994,590)	(123,347,934)
Net fair value	(5,934,342)	(43,955,427)	(2,030,913)	(51,920,682)

GROUP	Less than 1 year UShs' 000	1-5 years UShs' 000	Over 5 years UShs' 000	Total UShs' 000
As at 31 December 2024				
Assets				
Interest Rate Swaps	38,184	1,945,060	48,851,741	50,834,985
Currency Options	1,381,662	18,649,534	-	20,031,196
Currency forwards	3,850,958	5,588,768	-	9,439,726
Currency Swap	14,242,343	5,270,192	-	19,512,535
Fair value of assets	19,513,147	31,453,554	48,851,741	99,818,442
Liabilities				
Interest Rate Swaps	(257,593)	(1,578,344)	(49,116,584)	(50,952,521)
Currency Options	(2,106,450)	(16,881,246)	-	(18,987,696)
Currency forwards	(2,995,879)	(28,962,031)	-	(31,957,910)
Currency Swap	(876,849)	(30,114,687)	-	(30,991,536)
Fair value of liabilities	(6,236,771)	(77,536,308)	(49,116,584)	(132,889,663)
Net fair value	13,276,376	(46,082,754)	(264,843)	(33,071,221)

29.1 Derivatives and other financial instruments held-for-hedging

Where all relevant criteria are met, derivatives are classified as derivatives held-for-hedging and hedge accounting is applied to remove the accounting mismatch between the derivative (hedging instrument) and the underlying instruments (hedged item). All

qualifying hedging relationships are designated as either fair value or cash flow hedges for recognised assets or liabilities and highly probable forecast transactions. The Group applies hedge accounting in respect of foreign currency risk, and interest rate risk. Refer to note 2.4 (b) for the accounting policies which provide more information on these hedging strategies.

29.2 Derivatives designated as hedging instruments in fair value hedging relationships

	Fair value of assets US\$'000	Fair value of liabilities US\$'000	Fair Value gain/(loss) US\$'000	Contract/ notional amount US\$'000	Maturity analysis of net fair value (Term to maturity - within:)			Net fair value gain/(loss) US\$'000
					< 1 year	1 - 5 years	over 5 years	
For the year ended 31 December 2025								
Interest rate risk fair value hedging relationships	-	(997,966)	(904,503)	98,248,305	(25,692)	(972,274)	-	(997,966)
Cross currency interest rate swaps	-	-	-	-	-	-	-	-
Total	-	(997,966)	(904,503)	98,248,305	(25,692)	(972,274)	-	(997,966)
For the year ended 31 December 2024								
Interest rate risk fair value hedging relationships	-	(93,463)	114,037	36,757,190	-	(93,463)	-	(93,463)
Cross currency interest rate swaps	-	-	-	-	-	-	-	-
Total	-	(93,463)	114,037	36,757,190	-	(93,463)	-	(93,463)

29.3 Hedged items classified as fair value hedges

	Fair value of assets US\$'000	Fair value of liabilities US\$'000	Fair Value gain/(loss) US\$'000	Fair Value gain/(loss) used to test hedge ineffectiveness US\$'000	Accumulated fair value hedge adjustments US\$'000	Accumulated fair value hedge adjustments for which hedge accounting stopped
Interest rate risk fair value hedging relationships	-	-	-	-	-	-
Loans and advances to customers	40,781,695	-	788,799	788,799	996,314	-
Total items classified as fair value hedges	40,781,695	-	788,799	788,799	996,314	-
For the period ended 31 December 2024						
Interest rate risk fair value hedging relationships	-	-	-	-	-	-
Loans and advances to customers	15,531,896	-	(65,670)	96,483	207,515	-
Total items classified as fair value hedges	15,531,896	-	(65,670)	96,483	207,515	-

29.4 Hedge ineffectiveness recognised in profit or loss

For the period ended 31 December 2025	Other operating expenses gain/(loss) UShs'000	Trading revenue gain/(loss) UShs'000	Net interest income gain/(loss) UShs'000	Total UShs'000
Interest rate risk fair value hedging relationships	-	-	(115,704)	(115,704)
Loans and advances to customers	-	-	-	-
Total items classified as fair value hedges	-	-	(115,704)	(115,704)

For the period ended 31 December 2024	Other operating expenses gain/(loss) UShs'000	Trading revenue gain/(loss) UShs'000	Net interest income gain/(loss) UShs'000	Total UShs'000
Interest rate risk fair value hedging relationships	-	-	252,917	252,917
Loans and advances to customers	-	-	-	-
Total items classified as fair value hedges	-	-	252,917	252,917

30. Deposits from customers

GROUP	2025 UShs' 000	2024 UShs' 000
Current and demand deposits	6,650,056,542	5,434,168,989
Savings accounts	980,621,460	821,798,575
Fixed and call deposit accounts	391,000,910	845,710,100
Flexipay special account balances	5,668,590	5,193,939
Flexipay wallet - savings accounts	122,562	-
	8,027,470,064	7,106,871,603

The weighted average effective interest rate on customer deposits was 3.1% (2024: 3.8%). Included in customer deposits are electronic wallet deposits relating to Flexipay customers amounting to UShs 5.8 billion (2024: UShs 5.2 billion).

30.1 Analysis of current and demand deposits

	2025 UShs' 000	2024 UShs' 000
Other current and demand deposits	6,481,058,260	5,325,224,469
Trust account balances	168,998,282	108,944,520
	6,650,056,542	5,434,168,989

30.2 Trust account balances (note 29.1 above) is comprised of the following:

	2025 UShs' 000	2024 UShs' 000
Airtel Mobile Commerce Uganda Limited	105,174,946	79,425,842
Hamilton Mobile Commerce (U) Ltd	174,961	-
InterSwitch East Africa Uganda Limited	1,367,694	476,941
IOTEC Limited	109,847	92,318
Mcash Uganda Limited	317,816	378,793
MTN Mobile Money Uganda Limited	60,471,431	27,457,680
Pivot Payments Limited	9,349	21,256
Wave Transfer Limited	1,372,238	1,091,690
	168,998,282	108,944,520

31. Deposits from banks

GROUP	2025 UShs' 000	2024 UShs' 000
Balances due to other banks - local currency	82,400,348	216,864,739
Balances due to other banks - foreign currency	22,109,443	46,775,831
	104,509,791	263,640,570

32. Borrowed funds

GROUP	2025 UShs' 000	2024 UShs' 000
Bank of Uganda: Agricultural Credit Facility	80,323,512	37,595,236
aBi 2020 Limited	2,475,700	5,789,547
International Fund for Agriculture Development (IFAD)	18,234,978	18,497,714
The Uganda Energy Credit Capitalisation Company	4,999,759	-
Private Sector Foundation Uganda	4,595,804	-
	110,629,753	61,882,497

Movement Analysis

	2025 UShs' 000	2024 UShs' 000
As at 1 January	61,882,497	16,627,259
New disbursements - BOU	45,005,463	34,238,889
New disbursements - Others	10,553,858	19,920,196
Payments to BOU	(2,277,187)	(1,434,672)
Payments -Others	(4,534,878)	(7,469,175)
Net movement	48,747,256	45,255,238
As at 31 December	110,629,753	61,882,497

The Government of Uganda, through Bank of Uganda (BOU), set up an Agricultural Credit Facility scheme for the purpose of supporting agricultural expansion and modernisation in partnership with commercial banks. All eligible Stanbic Bank Uganda Limited customers receive 50% financing from the Government of Uganda through the Bank of Uganda administered credit facility while the remaining 50% is provided by the Group. The outstanding balance as at 31 December 2025 was US\$ 80,323 million (2024: US\$ 37,595 million). The Group does not pay any interest to the Government of Uganda. Refunds to the government are made half yearly and as at 31 December 2025; the last payable instalment is due on 17 October 2030. The Group complied with all the terms and conditions of the agreements during the year.

As part of efforts to support the recovery of the economy following the effects of COVID-19, the Group partnered with several entities that include aBi 2020 Limited to support the lower echelons of the economy which has Village Savings and Lending Associations (VSLA), Savings and Credit Cooperative Organisations (SACCO), Cooperatives and Microfinance institutions.

aBi 2020 Limited: In 2021, the Group and aBi 2020 Limited signed an agreement for a concessional funding of US\$ 20 billion at the interest rate of 5% to support on lending to the qualifying entities operating in the agricultural sector. As at 31 December 2025, the outstanding borrowed funds amounted to US\$ 2.5 billion (2024: US\$ 5.8 billion). The funds are being utilised.

International Fund for Agriculture Development (IFAD): In 2023, the Group and IFAD signed an agreement for a concessional funding of USD 5 million at the interest rate of 2% to support on lending to the listed entities operating in the agricultural sector especially in the rural areas. As at 31 December 2025 the outstanding borrowed funds amounted to US\$ 18.2 billion (2024: US\$ 18.5 billion) which is now being utilised as per the agreement.

As part of efforts to increase access to energy, the Bank, in partnership with the Uganda Energy Credit Capitalisation Company (UECCC) signed a Financing Agreement, dated 11 November 2024, where Stanbic Bank, as a participating financial institution received concessional funding of US\$ 20bn at 4% interest rate. This funding is targeted for onward lending and to provide sub-loans, capped at 15% to renewable energy clients, under the Electricity Access Scale-up Project. As at 31 December 2025 the outstanding borrowed funds amounted to US\$ 5.0 billion (2024: nil billion) which is now being utilised as per the agreement.

PSFU/World Bank: In 2024, the bank signed a concessional agreement with PSFU (with funding from the World Bank) of US\$ 25 billion as a revolving line of credit at an interest rate of 2% p.a. to support women entrepreneurs and businesses who are at the bottom of the pyramid. PSFU disbursed US\$ 5 billion and the funding is part of the USD 70m allocated as a line of credit to 6 financial institutions of which SBU is among. As at 31 December 2025, the line of credit had been fully disbursed to customers.

All the borrowing facilities are not secured, and their applicable rates are in line with those charged by lenders to other similar borrowers.

Included in other liabilities is the provisions for equity linked incentives of US\$ 8.1 billion (2024: US\$ 6.7 billion) and other sundry provisions of US\$ 4.2 billion (2024: US\$ 5.7 billion). Bills payable include country driven change the Bank projects of US\$ 22.2 billion (2024: US\$ 26.3 billion), clearance items in transit of US\$ 25.1 billion (2024: US\$ 39.5 billion), US\$ 2.6 billion digital financial inclusion contribution (2024: US\$ 2.6 billion) and grant funds from aBi 2020 Limited, Opportunity International (OI), International Fund for Agriculture Development (IFAD) and Gates Foundation.

Opportunity International (OI) – The partnership between OI and SBU targets VSLAs, SACCOs, MSMEs and small holder farmers in Uganda who are involved in the agriculture value chain. The intervention from OI is to support the Group impact 90,000 farmers through capacity building, financing and digitalisation. The specific grant received last year was USD 100,000 to train leaders in 400 SACCOs/VSLAs in areas of increase in productivity, post-harvest handling, credit management, leadership and governance. The outstanding balance as at 31 December 2025 was US\$ 5.7 million (2024: US\$ 3.4 million)

International Fund for Agriculture Development (IFAD) is partnering with SBU to increase international payments for SACCOs in the agriculture sector. The total grant is Eur 335,090 of which Eur 100,000 was disbursed in 2024 and is supporting the building of capability for 10 SACCOs through technical assistance and training to enable them to improve their ability to process cross border payments. The project also seeks to improve linkages between SACCOs and international off takers who are the buyers of their produce. Flexipay has partnered with 11 international remittance companies to provide a service to the targeted SACCOs. The outstanding balance as at 31 December 2025 was US\$ 0.678 million (2024: US\$ 231.6 million).

Gates Foundation: In 2025, the Group and the Gates Foundation signed a technical assistance agreement of USD 5m to impact 1.5m vulnerable women over a 5-year period. The grant is to support women SACCOs and VSLAs in the areas of digitalisation and capacity building. The first tranche of USD 500,000 was received in August and as at December 2025, the grant disbursement account stood at USD 399,310.16. The outstanding balance as at 31 December 2025 was US\$ 1.4 billion.

Stanbic Bank Uganda and AGRA signed a cooperation agreement in 2023 to support farmers in Eastern Uganda. In 2025, AGRA provided 2 grants under the EAMIAT (Enhancing Access to Markets for an Inclusive Agricultural Transformation) and REGAIN (Enhancing resilient food systems for 76,400 smallholder farmers households with climate adaptive and inclusive food loss reduction solutions) projects for the next 3 years to the tune of USD 381,644. As at December 2025, the grant account stood at USD 43,594.00 for REGAIN and USD 14,496.25 for EAMIAT. The outstanding balance as at 31 December 2025 was US\$ 210 million.

33. Provisions and other liabilities

	GROUP		COMPANY	
	2025 US\$' 000	2024 US\$' 000	2025 US\$' 000	2024 US\$' 000
Uganda Revenue Authority - Tax revenue collections	14,920,213	16,745,642	218,372	239,974
Bills payable	116,064,751	132,405,144	402,795	423,274
Unclaimed balances	95,264,799	75,857,815	-	-
Sundry creditors	54,175,651	28,337,845	362,955	417,393
Unearned fees and commission income	2,758,184	998,807	-	-
Dividends payable	30,540,620	29,740,314	30,540,620	29,740,314
Expected credit loss for off-balance sheet exposures	2,141,865	3,395,648	-	-
Lease liabilities	44,080,485	27,970,411	526,868	597,729
Accepted letters of credit	54,077,785	57,241,753	-	-
Staff provisions	67,233,759	55,203,041	2,269,194	1,692,505
Litigation provisions	13,908,601	14,550,067	-	-
Other liabilities	17,420,761	12,464,890	1,268,594	1,201,771
	512,587,474	454,911,377	35,589,398	34,312,960

33.1 Reconciliation of expected credit losses for off-balance sheet exposure

For the year ended 31 December 2024	At start of Year	Total transfers between stages	Income statement movements							At end of Year US\$'000
	US\$'000	US\$'000	ECL on new exposures raised US\$'000	Change in ECL due to modifications US\$'000	Subsequent changes in ECL US\$'000	Change in ECL due to derecognition US\$'000	Net impairments raised/(released) ¹ US\$'000	Exchange and other movements US\$'000		
Letters of credit and bank acceptances	(73,721)	-	(25,546)	12,891	23,558	-	10,903	(60,771)	(123,589)	
Stage 1	-	-	-	-	-	-	-	-	-	
Stage 2	-	-	-	-	-	-	-	-	-	
Stage 3	-	-	-	-	-	-	-	-	-	
Guarantees	(3,306,017)	15,910	(31,379)	668,804	570,987	-	1,224,322	63,566	(2,018,129)	
Stage 1	(15,910)	(15,910)	(117)	-	31,782	-	15,755	8	(147)	
Stage 2	-	-	-	-	-	-	-	-	-	
Stage 3	-	-	-	-	-	-	-	-	-	
Total	(3,395,648)	-	(57,042)	681,695	626,327	-	1,250,980	2,803	(2,141,865)	

For the year ended 31 December 2024	At start of Year	Total transfers between stages	Income statement movements							At end of Year US\$'000
	US\$'000	US\$'000	ECL on new exposures raised US\$'000	Change in ECL due to modifications US\$'000	Subsequent changes in ECL US\$'000	Change in ECL due to derecognition US\$'000	Net impairments raised/(released) ¹ US\$'000	Exchange and other movements US\$'000		
Letters of credit and bank acceptances	(247,278)	-	-	-	195,077	(23,148)	171,929	1,628	(73,721)	
Stage 1	(247,278)	-	-	-	195,077	(23,148)	171,929	1,628	(73,721)	
Stage 2	-	-	-	-	5	-	5	(5)	-	
Stage 3	-	-	-	-	-	-	-	-	-	
Guarantees	(2,158,564)	(188,789)	(517,334)	-	(343,255)	(113,424)	(974,013)	15,349	(3,306,017)	
Stage 1	(2,158,564)	(188,789)	(517,334)	-	(343,255)	(113,424)	(974,013)	15,349	(3,306,017)	
Stage 2	(189,269)	188,789	(15,909)	-	691	(480)	(15,698)	268	(15,910)	
Stage 3	-	-	-	-	-	-	-	-	-	
Total	(2,595,111)	-	(533,243)	-	(147,482)	(137,052)	(817,777)	17,240	(3,395,648)	

**33.2 Changes in gross exposures relating to changes in ECL for off balance sheet exposures.**

For the year ended 31 December 2025	Total transfers between stages	Movement in gross carrying amounts			Net movement in gross carrying amounts
	US\$'000	Gross amounts on new exposures US\$'000	Change in gross amounts due to derecognition US\$'000	Change in Gross amounts due to derecognition US\$'000	US\$'000
Letters of credit and bank acceptances					
Stage 1	-	199,456,202	(9,454,424)	(78,128,428)	111,873,350
Stage 2	-	-	-	-	-
Stage 3	-	-	-	-	-
Guarantees					
Stage 1	(6,418,846)	572,995,938	(77,060,015)	(672,969,805)	(183,452,728)
Stage 2	6,418,846	94,363	-	(32,888)	6,480,321
Stage 3	-	-	-	-	-
Total	-	772,546,503	(86,514,439)	(751,131,121)	(65,099,057)
For the year ended 31 December 2024					
Letters of credit and bank acceptances					
Stage 1	-	73,686,848	(59,382,383)	(168,815,140)	(154,510,675)
Stage 2	-	-	-	-	-
Stage 3	-	-	-	-	-
Guarantees					
Stage 1	(42,438,274)	805,711,175	(62,458,200)	(554,680,034)	146,134,667
Stage 2	42,438,274	2,368,491	(293,412)	(32,412,969)	12,100,384
Stage 3	-	-	-	-	-
Total	-	881,766,514	(122,133,995)	(755,908,143)	3,724,376

33.3 Reconciliation of lease liabilities

	Balance at 01 January 2025	Additions/ modification	Terminations/modifications and or Cancellations	Interest Expense	Payments	Exchange and other movements	Balance at 31 December 2025
GROUP	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Buildings	(11,078,383)	(10,201,143)	(55,829)	(1,074,261)	6,864,042	(180,199)	(15,725,773)
Branches	(10,457,059)	(8,046,145)	397,074	(817,921)	6,172,617	-	(12,751,434)
ATM Spaces & others	(6,434,969)	(11,894,213)	(198,065)	(653,921)	3,577,890	-	(15,603,278)
Total	(27,970,411)	(30,141,501)	143,180	(2,546,103)	16,614,549	(180,199)	(44,080,485)
	Balance at 01 January 2024	Additions/ modification	Terminations/modifications and or Cancellations	Interest Expense	Payments	Exchange and other movements	Balance at 31 December 2024
GROUP	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Buildings	(17,445,984)	(3,556,914)	3,270,173	(1,012,898)	7,763,286	(96,046)	(11,078,383)
Branches	(12,570,293)	(3,833,991)	(2,752,321)	(717,836)	9,534,069	(116,687)	(10,457,059)
ATM Spaces & others	(3,716,638)	(3,058,059)	(4,180,361)	(336,350)	4,926,208	(69,769)	(6,434,969)
Total	(33,732,915)	(10,448,964)	(3,662,509)	(2,067,084)	22,223,563	(282,502)	(27,970,411)
	Balance at 01 January 2025	Additions/ modification	Terminations/modifications and or Cancellations	Interest Expense	Payments	Exchange and other movements	Balance at 31 December 2025
COMPANY	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Buildings	(597,729)	-	-	(53,528)	124,389	-	(526,868)
Total	(597,729)	-	-	(53,528)	124,389	-	(526,868)
	Balance at 01 January 2024	Additions/ modification	Terminations/modifications and or Cancellations	Interest Expense	Payments	Exchange and other movements	Balance at 31 December 2024
COMPANY	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Buildings	-	(1,632,096)	-	(62,400)	1,090,489	6,278	(597,729)
Total	-	(1,632,096)	-	(62,400)	1,090,489	6,278	(597,729)

The Group leases various office, branch and ATM spaces. Rental contracts are typically made for fixed average periods of between three to ten years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a

termination option. Extension options (or periods after termination options) are considered in the lease term when there is reasonable certainty that those options will be exercised. The assessment of reasonable certainty is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

33.4 Maturity of discounted contractual cash flows for lease liabilities

GROUP At 31 December 2025	Within 1 year UShs'000	From 1 to 5 years UShs'000	More than 5 years UShs'000	Over 1-year UShs'000
Buildings	1,463,796	12,926,812	1,426,230	15,816,838
Branches	74,842	11,037,617	1,771,523	12,883,982
ATM Spaces and others	1,608,319	13,751,850	19,496	15,379,665
Total	3,146,957	37,716,279	3,217,249	44,080,485

GROUP At 31 December 2024	Up to 1-month UShs'000	1 - 6 months UShs'000	6 - 12 months UShs'000	Over 1-year UShs'000
Buildings	529,825	9,999,845	548,714	11,078,384
Branches	321,100	10,135,957	-	10,457,057
ATM Spaces and others	833,540	5,583,133	18,297	6,434,970
Total	1,684,465	25,718,935	567,011	27,970,411

COMPANY At 31 December 2025	Within 1 year UShs'000	From 1 to 5 years UShs'000	More than 5 years UShs'000	Over 1-year UShs'000
Buildings	-	526,868	-	526,868
Total	-	526,868	-	526,868

COMPANY At 31 December 2024	Up to 1-month UShs'000	1 - 6 months UShs'000	6 - 12 months UShs'000	Over 1-year UShs'000
Buildings	-	597,729	-	597,729
Total	-	597,729	-	597,729

33.5 Maturity of undiscounted contractual cash flows for lease liabilities

GROUP For the year ended 31 December 2025	Within 1 year UShs'000	From 1 to 5 years UShs'000	More than 5 years UShs'000	Total UShs'000
Buildings	1,530,439	16,366,707	2,859,399	20,756,545
Branches	1,742,600	15,804,329	2,548,305	20,095,234
ATM Spaces and others	1,935,505	17,937,114	90,093	19,962,712
Total	5,208,544	50,108,150	5,497,797	60,814,491

For the year ended 31 December 2024	Within 1 year UShs'000	From 1 to 5 years UShs'000	More than 5 years UShs'000	Total UShs'000
Buildings	645,534	12,966,634	1,676,104	15,288,272
Branches	342,052	17,769,953	-	18,112,005
ATM Spaces and others	870,211	6,279,522	90,100	7,239,833
Total	1,857,797	37,016,109	1,766,204	40,640,110

COMPANY At 31 December 2025	Within 1 year UShs'000	From 1 to 5 years UShs'000	More than 5 years UShs'000	Total UShs'000
Buildings	-	539,479	-	539,479
Total	-	539,479	-	539,479

COMPANY At 31 December 2024	Within 1 year UShs'000	From 1 to 5 years UShs'000	More than 5 years UShs'000	Total UShs'000
Buildings	-	663,507	-	663,507
Total	-	663,507	-	663,507

35. Dividends

GROUP and COMPANY	2025 UShs' 000	2024 UShs' 000
(i) Dividends paid		
Final dividend for the year ended 31 December 2024 and 31 December 2023	160,000,000	155,000,000
Interim dividend for the year ended 31 December 2025 and 31 December 2024	140,000,000	140,000,000
	300,000,000	295,000,000
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of UShs 220 billion per fully paid ordinary share (2024: UShs 160 billion).	220,000,000	160,000,000

The Directors recommend payment of dividends per share of UShs 4.3 totalling UShs 220 billion for the year ended 31 December 2025 (2024: UShs 160 billion or UShs 3.13 per share). In the 2024 annual general meeting held in June 2025, dividends of UShs 3.13 per share totalling UShs 160 billion were declared and subsequently paid.

In addition, during the year ended 31 December 2025, the Directors declared interim dividends of UShs 2.73 per share totalling UShs 140 billion which were paid during the year (2024: UShs 140 billion or UShs 2.73 per share).

Payment of the dividends is subject to withholding tax as per the provisions of the Uganda Income Tax Act depending on the residence of the shareholders.

36. Off-balance sheet financial instruments, contingent liabilities and commitments

In common with other banks, SBU conducts business involving acceptances, letters of credit, guarantees, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. In addition, there are other off-balance sheet financial instruments including forward contracts for the purchase and sale of foreign currencies, the nominal amounts for which are not reflected in the statement of financial position.

GROUP	2025 UShs' 000	2024 UShs' 000
Contingent liabilities		
Acceptances and letters of credit	210,522,016	98,648,670
Guarantees and performance bonds	1,828,825,202	2,005,799,611
	2,039,347,218	2,104,448,281
Commitments		
Commitments to extend credit	1,655,858,419	1,725,657,428
Currency forwards, options and swaps	795,430,920	672,554,770
	2,451,289,339	2,398,212,198
	4,490,636,557	4,502,660,479

Nature of contingent liabilities

An acceptance is an undertaking by a Group to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, and reimbursement by the customer is normally immediate. Letters of credit commit the Group to make payments to third parties, on production of documents, which are subsequently reimbursed by customers. Guarantees are generally written by a Group to support performance by a customer to third parties. The Group will only be required to meet these obligations in the event of the customer's default. Commitments to lend are agreements to lend to a customer in future subject to certain conditions. Such commitments are normally made for a fixed period. The Group may withdraw from its contractual obligation for the undrawn portion of agreed overdraft limits by giving reasonable notice to the customer.

Pending litigation

The Group is a litigant in several other cases which arise in the normal course of business. The directors and management believe the Group has strong grounds for success in a majority of the cases and are confident that they should get a ruling in their favour and none of the cases individually or in aggregate would have a significant impact on the Group's operations. The directors have carried out an assessment of all the case outstanding as at 31 December 2025 and where considered necessary based on the merits of each case, a provision has been raised. In aggregate the total provisions raised amount to UShs 13.9 billion (2024: UShs 14.6 billion) which are reported under other liabilities (note 33).

Other matters

Stamp duty

Following the 2016 amendment to the Stamp Duty Act, the Uganda Revenue Authority (URA) sought to levy stamp duty of 1% of the value of the performance bonds and guarantees instead of the fixed rate of UShs 10,000. Through the Uganda Bankers Association (UBA), an appeal was made to the Tax Appeals Tribunal (TAT) to interpret the question of the tax applicable. The TAT declined to entertain the appeal on the grounds that it was filed after the statutory 6 months within which a decision of the URA must be appealed against. The UBA challenged this position in the High Court on the grounds that URA and UBA continued to discuss the matter and appealed to TAT only after negotiations failed. URA on 25 March 2019, prior to the High Court hearing, issued a demand letter for UShs 9.95 billion in connection with the above treatment. UBA and the Group immediately sought an interim order of injunction from the High Court restraining URA's enforcement of the tax liability.

The main application was heard in the High Court, on 30 May 2019 and an order dated 27 June 2019, staying the execution was granted on condition that the applicants deposit 30% of US\$ 9.95 billion with the High Court. URA sent its objection decision on 13 June 2019 reconfirming its earlier decision. The Group made its appeal to the TAT on 24 June 2019 and paid the mandatory 30% of the original assessment, amounting to US\$ 2.9 billion and filed its defence at the TAT on 24 June 2019.

On 21 March 2022, TAT ruled that Performance Bonds, Advance Payment Bonds, and Guarantees are "Indemnity Bonds" but Bid Bonds are not "Indemnity Bonds". The Group was therefore held liable for stamp duty of US\$ 6,364,195,812. The Group appealed the ruling and applied to the High Court for a stay of execution on 31 March 2022 and the High Court granted an order restraining URA from enforcing the orders of the Tax Appeals Tribunal in TAT Application 56 of 2019 including collection of the tax of US\$ 6,364,195,812 until the hearing of the appeal. The hearing was scheduled for 9 March 2023 and ruling expected on 19 June 2023 but this did not materialise. In the event of an unsuccessful appeal process, a review of the stamp duty returns for the period 1 January 2017 to 1 October 2018 shows additional stamp duty payable of US\$ 12,523,697,907. The Group continues to await the High Court ruling on the matter.

Transfer pricing

The Uganda Revenue Authority (URA) initiated a Transfer Pricing (TP) audit in August 2017, covering the period 2012 to 2016. In November 2024, after a 7 year period, URA issued a preliminary report which indicated a tax liability of US\$ 118.73 billion, which was fully disputed on 29 November 2024. By February 2025, URA formally released assessments of a total of US\$ 133.69 billion, for which a comprehensive objection was submitted in April 2025, disputing the entire amount. In May 2025, URA issued its objection decision, reducing the assessed liability to total tax of US\$ 117.795 billion, a figure excluding interest and penalties which would apply, unless waived, if the tax liability crystallised.

As part of the appeal process, the Group applied to the Tax Appeals Tribunal (No. 170) and made a 30% down payment in June 2025. In May 2025, URA further raised additional assessments on franchise fees (US\$ 36.45 billion) as part of a post-audit impact review for 2020 – 2023, contending that franchise arrangement for the 2020 to 2023 period was based on similar terms, conditions, facts and evidence obtained during the audit, to which the Group objected. As with the initial assessments, URA maintained the assessments and an additional appeal was made with the Tax Appeals Tribunal (No. 280). The appeal is ongoing at the TAT, with the proceedings on going and scheduled for March 2026.

The Group continues to rely on the opinion of tax advisors and legal counsel which indicates that the Group has strong grounds to successfully appeal the assessment. As a result, the Group's management, is of the view that no liability should be recognised in these financial statements. The Group's management has also assessed that in the unlikely event that any liability accrues from this matter, the Group's capital position would remain robust to support the business.

Management has reviewed the impact of this assessment on the Group's capital taking the worst-case scenario of the total principal tax amount (US\$ 58.8 billion) and found that this would have a 0.7% drop on its capital by reducing the core capital ratio from 21.3% to 20.6% and the total capital ratio from 23.0% to 22.3%.

The following key assumptions and judgments have been made concerning this matter:

The Tax Appeals Tribunal, when presented with the full facts, documentation and necessary information will agree with the Group's arm's length pricing.

The decision of the TAT will provide a fair assessment and will be based on applicable laws and regulations.

Summary of the matter on government securities disallowable costs

During the 2025 tax audits of some Supervised Financial Institutions (SFIs), the Uganda Revenue Authority (URA) proposed to disallow both direct and indirect costs associated with interest income earned from government securities. URA relied on section 139,

which provides that income subject to final tax must be excluded from other income, and no deduction is allowed for expenditure or losses incurred in deriving such income. URA's earlier 2007 guidance had acknowledged the practical difficulty of isolating overhead and administrative expenses but reaffirmed that interest expenses should be apportioned using the 2001 formula previously agreed among UBA, PwC, and URA for treasury bills.

Beginning July 2025, the UBA engaged URA through extensive correspondence and meetings, which culminated in a request by URA for UBA to propose a methodology for apportioning indirect costs. In January 2026, URA rejected UBA's proposed methodology, citing its inclusion of a capital usage factor that URA did not accept. Instead, URA introduced its own alternative approaches, primarily based on an income allocation model. While discussions remain ongoing, UBA intends to engage the Bank of Uganda and the Ministry of Finance, Planning and Economic Development as part of the broader review of an appropriate allocation methodology.

At the Group level, in February 2026, a tentative computation was shared using the URA's income-based allocation approach. This preliminary computation reflects a total exposure of US\$ 208.57 billion. As part of its risk assessment and management process, the Group has sought external legal counsel on the implications of retrospective application and URA's withdrawal of its prior guidance. Preparations are also underway for a potential objection and litigation process. Concurrently, efforts continue to pursue an amicable resolution, particularly regarding the proposed retrospective application of URA's methodology..

37. Analysis of cash and cash equivalents as shown in the cash flow statement

	GROUP		COMPANY	
	2025	2024	2025	2024
	US\$' 000	US\$' 000	US\$' 000	US\$' 000
Cash and balances with Bank of Uganda	1,472,030,836	1,211,168,332	-	-
Cash reserve requirement	(813,750,000)	(742,420,000)	-	-
Government securities maturing within 90 days	391,675,622	377,292,288	-	-
Placements with other banks	599,698,611	376,777,407	-	-
Amounts due from group companies	745,561,805	1,173,660,878	165,631,311	245,538,652
	2,395,216,874	2,396,478,905	165,631,311	245,538,652

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances maturing in 90 days or less from the date of acquisition including: cash and balances with Bank of Uganda, treasury bills and other eligible bills, amounts due from

group companies and amounts due from other banks. Cash and cash equivalents exclude the cash reserve requirement held with Bank of Uganda (See Note 16).

38. Related party transactions

Stanbic Uganda Holdings Limited is 80% owned by Stanbic Africa Holdings Limited, which is incorporated in the United Kingdom. The ultimate parent and controlling party of the Group is Standard Bank Group Limited, incorporated in South Africa. The Company owns and/or controls Stanbic Properties Limited, SBG Securities Uganda Limited, Flyhub Uganda Limited, Stanbic Business Incubator Limited and Stanbic Bank Uganda Limited. There are other companies which are related to the Company through common shareholdings or common directorships. These include Standard Bank Isle of Man Limited, Standard Bank of South Africa, Cfc Stanbic Bank Kenya Limited, Stanbic Bank Tanzania Limited, Stanbic Bank Botswana, Liberty Life Assurance Uganda Limited and Liberty General Insurance Uganda Limited. In the normal course of business, current accounts are operated, and placings of foreign currencies are made with the parent company and other group companies at interest rates in line with the market.

Key management personnel has been defined as the Bank's Board of Directors and prescribed officers effective. Non-executive directors are included in the definition of key management personnel in line with IFRS. The definition of key management includes the close family members of key management personnel and any entity over which key management exercises control or joint control. Close family members are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Group. They may include the person's domestic partner and children, the children of the person's domestic partner, and dependants of the person or the person's domestic partner.

Related party transactions further breakdown

	GROUP						COMPANY	
	2025 UShs' 000			2024 UShs' 000			2025 UShs' 000	2024 UShs' 000
	Parent	Other	Total	Parent	Other	Total		
Amounts due from group companies								
Placements and borrowings	445,757,315	284,598,833	730,356,148	771,685,698	394,085,845	1,165,771,543	162,956,033	242,228,576
Other assets	13,796,214	1,409,443	15,205,657	6,917,731	971,604	7,889,335	2,675,278	3,310,076
	459,553,529	286,008,276	745,561,805	778,603,429	395,057,449	1,173,660,878	165,631,311	245,538,652
Amounts due to group companies								
Deposits and current accounts	32,643,514	107,598,963	140,242,477	6,868,355	176,914,934	183,783,289	-	-
Other liabilities	64,290,458	507,507	64,797,965	45,349,524	1,284,120	46,633,644	112,930	200,591
	96,933,972	108,106,470	205,040,442	52,217,879	178,199,054	230,416,933	112,930	200,591
Subordinated debt due to group companies								
Subordinated loans (see note 34)	74,048,077	-	74,048,077	75,433,169	-	75,433,169	-	-
Derivatives due from group companies (note 29)	33,855,998	6,790	33,862,788	83,911,482	-	83,911,482	-	-
Derivatives due to group companies (note 29)	46,447,695	88	46,447,783	37,038,918	18	37,038,936	-	-
Income and expenses								
Interest income earned	5,163,660	9,487,215	14,650,875	7,019,849	29,306,048	36,325,897	-	-
Interest expense paid	7,008,721	4,223,773	11,232,494	9,256,044	8,924,936	18,180,980	-	-
Trading Revenue	14,778,709	13,980,072	28,758,781	(59,843,738)	(1,123)	(59,844,861)	-	-
Commission income	-	7,408,314	7,408,314	76,053	7,408,314	7,484,367	-	-
Commission expense	34,435	-	34,435	24,367	-	24,367	-	-
Operating expenses incurred	67,357,125	836,644	68,193,769	72,633,508	4,606,112	77,239,620	-	-

Included in operating expenses incurred is franchise fees of UShs 42 billion (2024: UShs 38 billion), (note 13).

Reconciliation of expected credit losses for placements with group companies measured at amortised cost

For the year ended	Income statement movements								Closing ECL
	Opening ECL	Total transfers between stages	ECL on new exposures raised UShs'000	Change in ECL due to modifications UShs'000	Subsequent changes in ECL UShs'000	Change in ECL due to derecognition UShs'000	Net impairments raised/ (released) ¹ UShs'000	Exchange and other movements UShs'000	
31 December 2025									
Stage 1	(174,043)	-	(104,828)	-	80,833	-	(23,995)	-	(198,038)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
Total	(174,043)	-	(104,828)	-	80,833	-	(23,995)	-	(198,038)
For the year ended 31 December 2024									
Stage 1	(1,155)	-	(171,608)	-	(1,280)	-	(172,888)	-	(174,043)
Stage 2	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
Total	(1,155)	-	(171,608)	-	(1,280)	-	(172,888)	-	(174,043)

Stanbic Bank Uganda Limited has a joint business agreement with Liberty Life Assurance Uganda Limited, Stanlib Uganda Limited and Liberty General Insurance Uganda Limited for which it receives a share of the profits derived from the Bancassurance business. The Group also acts as an agent and receives commission.

Included in other assets is commission earned but not yet received from the Bancassurance business and joint venture profit share of US\$ 8.4 billion (2024: US\$ 7.4 billion).

The Group has lease agreements with Stanbic Properties Uganda Limited. As at 31 December 2025, the Group had right-of-use assets of US\$ 4.2 billion and lease liabilities of US\$ 4.0 billion (2024: US\$ 4.3 billion and US\$ 4.5 billion respectively) arising from arrangements with Stanbic Properties Limited.

The Group has committed funding to one of its subsidiaries Stanbic Business Incubator Limited, in form of annual donations of US\$ 1,942 million up to 2028.

Nature of the transactions with related parties

The Group has transfer pricing agreements with related parties which include the franchise arrangement with the parent entity. These agreements are in accordance with the Organisation for Economic Co-operation and Development Guidelines (OECD) pricing principles and applicable local legislation. The franchise arrangement charge is determined through an independently assessed benchmark, arrived at by comparing with franchise charges levied against comparable unrelated financial institutions for the package of benefits which includes using the parent entity brand, know-how and show how.

In the normal course of business, the Group has the following transactions with its related parties:

- Current accounts operation and placement of foreign currencies
- IT services including procurement and maintenance of various banking systems like Business Online (BOL)
- Payment of franchise and management fees to the parent company
- Money market borrowing and lending
- Economic hedge transactions like interest rate swaps with various clients
- Loans or borrowings

Loans to key management and related parties for the year ended 31 December 2025

As at 31 December 2025				Status	
Names of Insider borrowers including related interests	Aggregate amount outstanding'000	Interest Rate	Performing or Non-performing	Facility	
Directors	860,504	7.5%-38%	Performing	Loans and advances	
Non-Executive Officers	3,496,131	7.5%-38%	Performing	Loans and advances	
Executive Officers	5,133,855	7.5%-38%	Performing	Loans and advances	
Credit extensions to individual affiliates	810,853	18%-19.5%	Performing	Loans and advances	
Total	10,301,343				

As at 31 December 2024				Status	
Names of Insider borrowers including related interests	Aggregate amount outstanding'000	Interest Rate	Performing or Non-performing	Facility	
Directors	2,446,349	7.5%-38%	Performing	Loans and advances	
Non-Executive Officers	1,029,449	7.5%-38%	Performing	Loans and advances	
Executive Officers	4,105,678	7.5%-38%	Performing	Loans and advances	
Credit extensions to individual affiliates	72,811	18%-19.5%	Performing	Loans and advances	
Total	7,654,287				

Loans granted to non-executive directors and their affiliates are granted at commercial rates while those granted to executive directors and executives are at: Mortgage – 50% of prime rate, staff miscellaneous and car loans – 75% of prime rate, study loans – 0%. No specific impairment has been recognised in respect of loans advanced to related parties (2024: Nil) as the probability of default is insignificant.

Deposits with key management and related parties for the year ended 31 December 2025

Names of related Party	2025	
	Aggregate amount outstanding'000	Facility
Directors	1,800,741	Deposit
Executive Officers	870,411	Deposit
	2,671,152	

Deposits with Key Management and related parties		2024	
Names of related Party	Aggregate amount outstanding'000	Facility	
Directors	217,745	Deposit	
Executive Officers	1,072,973	Deposit	
	1,290,718		

Interest Income	2025 UShs' 000	2024 UShs' 000
Interest income from key management loans	674,474	719,450
	674,474	719,450

Key management compensation	2025 UShs' 000	2024 UShs' 000
Key management compensation		
Salaries and other short term employment benefits	15,763,236	20,138,390
post-employment benefits	2,053,320	2,637,359
Post Employment Benefits	17,816,556	22,775,749
Directors' remuneration		
Directors' fees	1,052,143	1,290,798
Other emoluments included in management compensation	16,546,831	7,460,683
	17,598,974	8,751,481

39. Equity linked transactions

GROUP	2025 UShs' 000	2024 UShs' 000
Expenses recognised in staff costs		
Share appreciation rights scheme (SARP)	122,757	36,746
Deferred bonus scheme (DBS)	538,137	82,788
Performance reward plan (PRP)	747,971	1,912,339
Cash-settled deferred bonus scheme (CSDBS)	7,393,635	6,887,118
Total expenses recognised in staff costs	8,802,500	8,918,991
Summary of liabilities recognised in other liabilities		
Share appreciation rights scheme (SARP)	265,910	166,077
Deferred bonus scheme (DBS)	565,963	45,725
Performance reward plan (PRP)	1,187,152	2,667,503
Cash-settled deferred bonus scheme (CSDBS)	6,082,170	3,784,895
Total liability recognised in other liabilities	8,101,195	6,664,200

Shares Appreciation Right Scheme (SARP)

The SARP is a long-term incentive which was introduced in 2021 and represents appreciation rights allocated to employees. The converted value of the rights is effectively settled by issue of shares equivalent to the value of the rights. Vesting and expiry of the rights are indicated below:

Awards are issued to individuals in employment of a group entity domiciled in South Africa are classified as equity-settled and awards made to individuals of a group entity outside of South Africa are classified as cash-settled.

A reconciliation of the movement of share options is detailed below:

GROUP	Number of rights 2025	2024
SARP		
Units outstanding at beginning of the year	22,774	38,031
Transfers	-	-
Granted	(4,118)	-
Exercised	(7,253)	(5,486)
Forfeited	-	(9,771)
Rights outstanding at the end of the year	11,403	22,774
Average price range (rand)	45.21	46.96
Expected life (years)	2.51	2.51

The following rights granted to employees, including executive directors, had not been exercised as at 31 December 2025

Number of rights	Option price range (rand)	Weighted average price (rand)	Option expiry period
11,403	38.15 - 40.21	39.65	Year to 31 December 2026
11,403			

Number of rights	Option price range (rand)	Weighted average price (rand)	Option expiry period
22,774	44.21	44.21	Year to 31 December 2025
22,774			

Cash Settled Deferred Bonus Scheme (CSDBS)

All employees granted an annual performance award over a threshold and who are in employment in a group entity outside of South Africa have part of their award deferred. In addition, the group makes special awards to qualifying employees in employment of a group entity. The awards are classified as cash-settled awards.

The award units are denominated in employee's host country local currency, the value of which moves parallel to the changes in the price of the SBG shares listed on the Johannesburg Stock Exchange (JSE) and accrue notional dividends over the vesting period which are payable on vesting.

Awards vest in three equal tranches at 18 months, 30 months and 42 months from the date of award. The final pay-out is determined with reference to the SBG share price on the vesting date.

The following table shows the cash settled deferred bonus scheme:

GROUP		2025						
Currency	Weighted average fair value at grant date	Expected life at grant date (years)	Opening balance	Granted	Exercised	Transferred between group companies	Forfeited	Outstanding
			US\$	US\$	US\$	US\$	US\$	US\$
GHS	-	2.51	-	-	-	-	-	-
GBP	-	2.51	-	-	-	-	-	-
KES	230.51	2.51	14,239	38,003	-	-	246	52,488
NAD	-	2.51	-	-	-	-	-	-
US\$	206.47	2.51	28,359,781	28,591,138	(11,608,103)	-	(6,585,066)	38,757,750
NGN	212.56	2.51	485,221	414,362	(220,611)	-	-	678,972
ZAR	197.96	2.51	25,095	8,796	(10,893)	-	-	22,998
Total			28,884,336	29,052,299	(11,839,607)	-	(6,584,820)	39,512,208

GROUP		2024						
Currency	Weighted average fair value at grant date	Expected life at grant date (years)	Opening balance	Granted	Exercised	Transferred between group companies	Forfeited	Outstanding
			US\$	US\$	US\$	US\$	US\$	US\$
GHS	-	2.51	-	-	-	-	-	-
GBP	-	2.51	-	-	-	-	-	-
KES	186.11	2.51	-	14,239	-	-	-	14,239
NAD	-	2.51	-	-	-	-	-	-
US\$	186.27	2.51	23,943,744	17,054,176	(11,918,136)	2,363,316	(3,083,319)	28,359,781
NGN	181.46	2.51	358,021	292,296	(165,096)	-	-	485,221
ZAR	180.26	2.51	23,087	13,629	(11,621)	-	-	25,095
Total			24,324,852	17,374,340	(12,094,853)	2,363,316	(3,083,319)	28,884,336

Deferred bonus scheme (DBS)

In 2012, changes were made to the existing DBS to provide for a single global incentive deferral scheme across the SBG entities. The purpose of the DBS is to encourage a longer-term outlook in business decision-making and closer alignment of performance with long-term value creation. All employees granted an annual

performance award over a threshold have part of their award deferred. The award is indexed to the SBG share price and accrues notional dividends during the vesting period, which are payable on vesting. The awards vest in three equal amounts at 18 months, 30 months and 42 months from the date of award. The final payout is determined with reference to the SBG share price on the vesting date.

The movement in the deferred bonus scheme is as follows:

GROUP	Units	
	Dec-25	Dec-24
Reconciliation		
Units outstanding at beginning of the year	4,224	1,541
Granted	16,620	4,127
Exercised	(829)	(1,444)
Lapsed	-	-
Transfers	10,926	-
Units outstanding at end of the year	30,941	4,224
Average price range (rand)	214.01	240.48
Expected life (years)	2.51	2.51

Performance reward plan (PRP)

A new long-term performance driven share plan commenced in March 2014 which rewards value delivered against specific targets. The PRP incentivises a group of senior executives to meet the strategic long-term objectives that deliver value to shareholders, to align the interests of those executives with those of shareholders and to act as an attraction and retention mechanism in a highly competitive marketplace for skills. The PRP operates alongside the existing conditional, equity-settled long-term plans, namely the EGS, the group share incentive scheme (GSIS) and DBS post 2011.

The PRP is settled in SBG shares to the employee on the applicable vesting dates together with notional dividends that are settled in cash. The shares that vest (if any) and that are delivered to the employee are conditional on the pre-specified performance metrics.

A reconciliation of the movement of the performance reward plan was as follows:

GROUP	Units	
	Dec-25	Dec-24
Reconciliation		
Units outstanding at beginning of the year	47,400	79,200
Granted	12,840	2,120
Exercised	(41,000)	(33,920)
Lapsed	11,705	-
Transfers	4,800	-
Units outstanding at end of the year	35,745	47,400
Average price range (rand)	200.00	169.54
Expected life (years)	2.51	2.51

40. Investment in subsidiaries

COMPANY	Beneficial owner ship	Country of Incorporation	2025	2024
			US\$' 000	US\$' 000
Stanbic Bank Uganda Limited	100%	Uganda	881,068,551	881,068,551
FLYHUB Uganda Limited	100%	Uganda	-	10,000,000
Stanbic Properties Limited	100%	Uganda	8,958,938	8,958,938
Stanbic Business Incubator Limited	100%	Uganda	100,000	100,000
SBG Securities Uganda Limited	100%	Uganda	4,000,000	4,000,000
			894,127,489	904,127,489

Stanbic Bank Uganda Limited

Stanbic Bank Uganda Limited (SBU) is a licensed financial institution under the Financial Institutions Act, Cap 57, laws of Uganda and is a member of the Uganda Bankers Association. The Bank is engaged in the business of commercial banking and the provision of related banking services. The principal place of business for SBU is Plot 17 Hannington Road, Short Tower - Crested Towers, P. O. Box 7131, Kampala, Uganda.

Stanbic Properties Limited

Stanbic Properties Limited ("SPL") was incorporated on 5 February 2020 and started business operations on 1 May 2020. SPL holds and manages the real estate portfolio of the Group. Other services offered to clients include site acquisition, property consultancy and execution of real estate projects. The principal place of business for SPL is Plot 17 Hannington Road, Tall Tower – Crested Towers, Mezzanine Floor, P. O. Box 7395, Kampala, Uganda.

FLYHUB Uganda Limited

FLYHUB Uganda Limited ("FLYHUB") was incorporated on 8 October 2020. FLYHUB is a fintech company that provides financial technology and innovative services as part of the Group's digital transformation journey. The principal place of business for FLYHUB is Plot 5, Lower Kololo Terrace, P. O. Box 7131, Kampala, Uganda. On 30 October 2025, FLYHUBS's shareholders, Stanbic Uganda Holdings Limited ("the shareholder"), resolved to approve the directional decision to wind up the Company in line with the requisite regulatory processes. As a result of this event, FLYHUB is no longer a going concern.

Stanbic Business Incubator Limited

Stanbic Business Incubator Limited ("SBIL") is a company limited by guarantee, incorporated on 18 May 2020 and commenced its activities as a separate entity on 1 June 2020. SBIL was set up as part of the reorganisation process to continue training SMEs in Uganda by equipping them with best business practices in management, record keeping, marketing and finance in order to address the challenges of short lifespan of SMEs in the economy. Stanbic Bank Uganda Limited started this initiative in 2018 before the reorganisation with the business incubator operating as a unit under Business Banking. The principal place of business for SBIL is Plot 5, Lower Kololo Terrace, P. O. Box 7395, Kampala, Uganda.

SBG Securities Uganda Limited

SBG Securities Uganda Limited (SBGs) was incorporated and registered by the Registrar of Companies in Uganda as a private limited liability company on 6 November 2020. SBGS was established to acquire the business of SBG Securities Limited (Uganda Branch) and carry out other securities business in Uganda.

41. Interest rate benchmarks and reference interest rate reform

The Group had no LIBOR linked contracts that extend beyond 2024. The Group ceased booking new LIBOR linked exposures from 1 October 2021, apart from very limited circumstances to align with industry guidance and best practice. The new exposures are booked using the Alternative Reference Rates (ARRs) being SOFR, SONIA, and ESTR. In certain instances, other suitable rates may be used, such as the Central Bank Policy Rate.

42. Statement of cash flows notes

The table below discloses the indirect method of analysing changes in cash and cash equivalents during a period.

	GROUP		COMPANY	
	2025 UShs' 000	2024 UShs' 000	2025 UShs' 000	2024 UShs' 000
Reconciliation of net income before taxation to cash flows from operating activities				
Profit before income tax	743,344,367	651,069,612	345,929,735	513,870,925
Adjusted for:				
- Depreciation - property & equipment	32,283,132	31,487,431	881,100	858,911
- Amortisation of intangible assets	13,811,160	15,549,440	-	-
- Loss on disposal of fixed assets	(237,201)	(165,608)	-	-
- Fair value adjustment in trading assets	7,762,615	(1,018,565)	-	-
- Loan impairment Charges	39,624,399	64,139,926	-	-
Interest in suspense released on cured loans and advances	(1,139,037)	(1,237,664)	-	-
- Changes in provisions and accruals	75,123,226	52,499,759	(4,144,556)	(808,318)
Cash flows from operating activities	910,572,661	812,324,331	342,666,279	513,921,518
Income tax paid	(169,973,510)	(188,577,225)	(572,413)	(371,751)
(Increase)/decrease in operating assets				
Decrease/(increase) in derivative assets	28,391,190	(609,872)	-	-
Increase in financial investments	(416,606,651)	(184,058,047)	(103,005,703)	(2,153,369)
(Increase)/decrease in trading assets	(143,121,800)	368,449,114	-	-
Increase in cash reserve requirement	(71,330,000)	(92,990,000)	-	-
Increase in loans and advances to customers and banks	(764,351,668)	(211,047,865)	-	-
Decrease/(increase) in other assets	134,726,138	(249,003,114)	(29,462,335)	(6,332)
	(1,232,292,791)	(369,259,784)	(132,468,038)	(2,159,701)
(Increase)/decrease in operating liabilities				
Increase in customer deposits	915,939,299	776,819,185	-	-
(Decrease)/increase in deposits and balances due to other banks	(167,156,828)	171,244,803	-	-
Decrease in deposits from group companies	(25,376,491)	(13,176,451)	(87,661)	(877,544)
Decrease in derivative liabilities	(9,541,729)	(2,269,838)	-	-
Increase/(decrease) in other liabilities	65,445,319	(78,060,280)	698,691	6,910,833
	779,309,570	854,557,419	611,030	6,033,289
Net cash from operating activities	287,615,930	1,109,044,741	210,236,858	517,423,355
Cash flows from investing activities				
Purchase of property and equipment	(17,453,353)	(21,155,741)	(73,338)	(213,361)
Purchase of computer software	(4,775,255)	(5,662,003)	-	-
Proceeds from sale of property and equipment	270,127	181,857	-	-
Net cash used in investing activities	(21,958,481)	(26,635,887)	(73,338)	(213,361)
Cash flows from financing activities				
Principal lease payments	(14,068,446)	(20,156,479)	(70,861)	(1,028,089)
Dividends paid to shareholders	(300,000,000)	(295,000,000)	(300,000,000)	(295,000,000)
investment in Subsidiary	-	-	10,000,000	(1,000,000)
Increase in borrowed funds	48,747,256	45,255,238	-	-
Decrease in subordinated debt	(1,598,290)	(2,250,394)	-	-
Net cash used financing activities	(266,919,480)	(272,151,635)	(290,070,861)	(297,028,089)



43. Retained earnings

This comprises prior period retained profits, plus profit for the year (less)/plus appropriation of statutory risk reserve less proposed dividends and interim dividends paid.

44. Events after the reporting period

As disclosed in note 36, in February 2026, the URA issued to the Bank a tentative computation using the URA's income-based allocation approach. There were no other events after the reporting period which require adjustment to or disclosure in the financial statements.

7

SUPPLEMENTARY INFORMATION

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Credit ratings

Stanbic Bank Uganda Limited credit ratings as 17 April 2026

	Short-term	Long-term	Outlook
Fitch Ratings			
Foreign currency issuer default rating	B	B+	Stable
Local currency issuer default rating		B	Stable
National rating	F1+(uga)	AAA(uga)	Stable
Moody's			
Long-term FC deposit		B1	Stable

Key frameworks

To satisfy various compliance reporting requirements, the following corporate reporting and regulatory frameworks and guides are considered when preparing our reports:

- International Financial Reporting Standards
- Integrated Reporting Framework
- Uganda Securities Exchange Listing Rules 2025
- CMA Corporate Governance Regulations, 2025
- The Companies Act of Uganda
- Companies Act 2012 (as amended)
- King IV reporting on Corporate Governance

Definitions

A summary of key definitions used in this report has been included for reference purposes.

Compound annual growth rate	The average year-on-year growth rate of an investment over several years.
Core capital	Permanent shareholder's equity in the form of issued and fully paid-up shares plus all disclosed reserves, less goodwill or any intangible assets.
Cost to income	Total operating expenses as a percentage of total income before deducting the provision for credit losses.
Credit impairment charge	The amount by which the period profits are reduced to cater for the effect of credit impairment.
Credit loss ratio	Provision for credit losses per the Statement of Comprehensive Income as a percentage of gross loans and advances.
Dividend per share	Total ordinary dividends declared per share with respect to the year.
Earnings per share	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue stated in Uganda Shillings.
Effective tax rate	The income tax charge as a percentage of income before tax, excluding income from associates.
Jaws	Measure of the extent to which total income growth rate exceeds the operating expense growth rate.
Net interest margin	Net interest income as a percentage of average total assets.
Return on assets	Earnings as a percentage of average total assets.
Return on equity	Earnings as a percentage of average ordinary shareholders' funds.
Supplementary capital	General provisions which are held against future and current unidentified losses that are freely available to meet losses which subsequently materialize, and revaluation reserves on banking premises, and any other form of capital as may be determined from time to time, by the Central Bank.
Total capital	The sum of core capital and supplementary capital.
Total capital adequacy	Total capital divided by the sum of total risk weighted assets and total risk weighted contingent claims.



List of acronyms

ACCA	Association of Certified Chartered Accountants
AFS	Annual Financial Statements
AGM	Annual General Meeting
ALCO	Asset and Liability Committee
AML/CFT	Anti Money Laundering /Combatting the Financing of Terrorism
ATM	Automated Teller Machines
BAC	Board Audit Committee
BALCO	Board Asset and Liability Committee
BCC	Board Credit Committee
Bn	billion
BOD	Board of Directors
BOU	Bank of Uganda
BRMC	Board Risk Management Committee
BUBU	Buy Uganda Build Uganda
C&R	Custody and Registry
CAR	Capital Adequacy Ratio
CAGR	Compound Annual Growth Rate
CBR	Central Bank Rate
CBS	Core Banking System
CCC	Customer Care Centre
CDM	Cash Deposit Machine
CIB	Corporate and Investment Banking
CLR	Credit Loss Ratio
CMA	Capital Markets Authority
CRMC	Credit Risk Management Committee
CSI	Corporate Social Investment
CSI	Client Satisfaction Index
CSP	Customer Service Point
CSR	Corporate Social Responsibility
CTI	Cost to Income Ratio
DBS	Deferred Bonus Scheme
EACOP	East Africa Crude Oil Pipeline
EAD	Exposure at Default
ECL	Expected Credit Loss
EIR	Effective Interest Rate

EPS	Earnings per Share
ERM	Enterprise Risk Management
ESG	Environment Social and Governance
FDI	Foreign Direct Investments
FIA	Financial Institutions Act
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
GDP	Gross Domestic Product
GoU	Government of Uganda
GRI	Global Reporting Initiative
GRS	Global Remuneration Services
GSIS	Group Share Incentive Scheme
HC	Human Capital
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IC	Intellectual Capital
ICAAP	Internal Capital Adequacy Assessment Process
ICPAU	Institute of Certified Public Accountants of Uganda
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
IIS	Interest in Suspense
IMF	International Monetary Fund
IoD	Institute of Directors
ISAs	International Standards on Auditing
JSE	Johannesburg Stock Exchange
KYC	Know Your Customer
LGD	Loss Given Default
MFC	Manufactured Capital
MSME	Micro, Small and Medium Enterprises
NBI	National Bank of India
NC	Natural Capital
NED	Non-Executive Director
NIM	Net Interest Margin
NPS	Net Promoter Score
OCI	Other Comprehensive Income

PAT	Profit After Tax
PAYE	Pay as You Earn
PBT	Profit Before Income Tax
PD	Probability of Default
PFI	Participating Financial Institutions
PMI	Purchase Manager's Index
PPE	Personal Protective Equipment
PSC	Private Sector Credit
PWC	PricewaterhouseCoopers
RAS	Risk Appetite Statement
REPO	Repurchase Loan Agreement
ROA	Return on Assets
ROE	Return on Equity
SACCOs	Savings and Credit Cooperatives
SAHL	Stanbic Africa Holdings Limited
SBGS	Standard Bank Group
SBGs	SBG Securities Limited
SBIL	Stanbic Business Incubator Limited
SBUL	Stanbic Bank Uganda Limited
SEE	Social Economic and Environment
SFIs	Supervised Financial Institutions
SME	Small and Medium Enterprises
SOFP	Statement of Financial Position
SPL	Stanbic Properties Limited
SRC	Social and Relational Capital
SUHL	Stanbic Uganda Holdings Limited
UCBL	Uganda Commercial Bank Limited
UNBS	Uganda National Bureau of Standards
UNDP	United Nations Development Programme
URA	Uganda Revenue Authority
USE	Uganda Securities Exchange
VAF	Vehicle and Asset Finance
VSLA	Village Savings and Credit Associations
WYF	Women, Youth and Farmers

Shareholder Analysis As At 31 December 2025

Top Ten Shareholders

Rank	Name	Number of Shares	% Shareholding
1	STANBIC AFRICA HOLDINGS LIMITED	40,950,935,760	80%
2	NATIONAL SOCIAL SECURITY FUNDS	2,315,281,232	4.52%
3	BNYMSANV RE BNYMSANVFFT RE ODDO BHF ASSET MANAGEMENT GMBH WEGEN KILIMANJARO FRONTIER AFRICA FUND	594,771,916	1.16%
4	KIMBERLITE FRONTIER AFRICA MASTER FUND,L.P.-RCKM KIMBERLITE FRONTIER AFRICA MASTER FUND,L.P.-RCKM	583,021,697	1.13%
5	DUET AFRICA OPPORTUNITIES MASTER FUND IC DUET AFRICA OPPORTUNITIES MASTER FUND IC	557,768,915	1.08%
6	SUDHIR RUPARELIA	330,723,247	0.64%
7	BNYM RE FRONTAURA GLOBAL FRONTIER FUND LLC	290,000,000	0.56%
8	BANK OF UGANDA DEFINED BENEFITS SCHEME- GENEAFRICA	212,696,994	0.41%
9	SSBT-CHANGE GLOBAL FRONTIER MARKETS, LP-CGPA	166,777,604	0.32%
10	BNYM RE VANDERBILT UNIVERSITY	142,171,425	0.27%

Key Shareholder Information

Stanbic Uganda is majority-owned by Stanbic Africa Holdings Limited (SAHL), which is a private limited liability company incorporated in the United Kingdom. SAHL is, in turn, wholly owned by Standard Bank Group and is the vehicle through which Standard Bank Group hold its interests in several banks in African countries. Standard Bank Group is a Limited Liability Company incorporated in South Africa and is listed on the Johannesburg Stock Exchange (JSE), Standard Bank Group as at 31st December 2024 had total assets of ZAR 3.6 trillion, market capitalisation of ZAR 478 billion (USD 27 billion) and employees more than 54,000 people worldwide. Standard Bank Group, whose year of funding traces back to 1862 in South Africa, trades started as Standard Bank in South Africa, Namibia, Mauritius, Mozambique and Swaziland and as Stanbic Bank throughout the remainder of the African continent. It has a wide representation, which spans 20 sub-Saharan African countries, 4 global centres in Beijing, Dubai, London and New York, 2 offshore hubs in Isle of Man and Jersey and owns a controlling stake in South African listed insurance company: Liberty Holdings Limited. While its principal activities are banking and related financial services, Standard Bank Group has delivered its operators to meet the demands of the fast changing and demanding business world, with investments in insurance, wealth management and investment. It provides a wide range of banking and related financial services.

Analysis by size of Holding

	Number of Shares	%	Holders
1 – 1 000	192 565	0.00%	400
1 001 – 5 000	2 603 922	0.01%	892
5 001- 10 000	40 150 132	0.08%	4 121
10 001 – 100 000	608 741 671	1.19%	11 625
100 001 – 500 000	976 660 078	1.91%	3 886
500 001 – 1 000 000	581 777 724	1.14%	711
1 000 001 – 5 000 000	938 450 670	1.83%	582
> 5 000 001	48 040 092 938	93.85%	95
Register Totals	51 188 669 700	100.00%	22 312



Stanbic Uganda Holdings Limited

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **ANNUAL GENERAL MEETING** (AGM) of Stanbic Uganda Holdings Limited (the “Company”) for the year ended 31st December 2025 will be held as a hybrid meeting, comprising a physical meeting at the Victoria 2 Hall, Kampala Serena Hotel and participation by electronic means, on **Friday, 5 June 2026 at 11:00 a.m.**, to transact the following business:



Agenda

Ordinary business

1. To consider and, if deemed fit, pass an ordinary resolution to receive and adopt the audited financial statements of the Company for the year ended 31st December 2025, together with the reports of the Directors and the External Auditors.
2. To consider and if deemed fit pass an ordinary resolution to receive and adopt the recommendation of the Directors on the declaration of a final dividend of UShs 4.30 per share for the year 2025 to be paid on or about Thursday 30th July 2026, to shareholders whose names appear on the share register at the close of business on 6th July 2026.
3. To consider and, if deemed fit, pass an ordinary resolution to re-elect the following Non-Executive Directors retiring by rotation, but being eligible, offer themselves up for re-election:
 - a. Mr Yinka Sanni
 - b. Mrs Mona Muguma Ssebuliba
4. To consider and, if deemed fit, pass an ordinary resolution to approve the appointment of Ernst and Young as the External Auditors of the Company for the financial year 2026, and to authorise the Directors to negotiate and fix their remuneration.
5. To consider and, if deemed fit, pass an ordinary resolution to approve the fees payable to the Non-Executive Directors for the year 2026.

By Order of the Board

Rita Kabatunzi
Company Secretary

Notes

AGM registration

1. Shareholders can participate in the AGM either physically or electronically. Physical attendance will be on a first-come, first-in basis.
2. Registration for **both** physical and electronic attendance shall **only** be done electronically from **Thursday 14th May, 2026, at 8:00 a.m. and will close on Thursday 4th June, 2026, at 5:00 p.m**
3. To facilitate verification and registration, shareholders will be required to submit a valid national identification card or SCD account number and, in the case of non-Ugandans, a valid passport.
4. Shareholders unable to attend the AGM are encouraged to fill in and return a proxy form nominating a person of their choosing to attend and vote on their behalf. The proxy form can be found in the Annual Report or downloaded from the Company website www.stanbic.co.ug
5. Shareholders are advised to use any of the options below to register for the AGM:
 - i. Dial ***284*701#** (Uganda mobile networks) or ***483*250#** (Kenya mobile networks) and follow the prompts or



- ii. Send an email request to be registered to **suhlagm@image.co.ke** or,
 - iii. The registration link circulated to shareholders whose valid email addresses we possess.
6. Shareholders and proxies who have successfully registered to attend the AGM will be able to follow the AGM proceedings, participate and ask questions in person or using the livestream platform.
 7. Registered shareholders and proxies will receive reminders and a link to attend the AGM through SMS/USSD prompts on their registered mobile numbers 24 hours and 1 hour before the AGM.
 8. By registering to attend the AGM, shareholders consent to the collection, use, and processing of their personal information for purposes related to the convening, administration, and conduct of the AGM, including the distribution of all AGM-related communications.
 9. For support during registration, please call **+526 762 260 804 (MTN)** or **+526 758 336 660 (Airtel)** or email **suhlagm@image.co.ke**.
 10. Shareholders are encouraged to update their contact details on the register by contacting the share registrar, Custody & Registrars Services Uganda, at **shareholder@candr.africa** or call **+256 757 072 773 / +256 760 451 945 / +256 414 237 504**.

Proxies

11. To ensure that all votes on the proposed resolutions are considered, shareholders who cannot attend the AGM are encouraged to fill out and return a proxy form.
12. Duly completed proxy forms should be delivered to the Company Secretary at the address below or emailed to **suhlagm@image.co.ke** at least 48 hours before the scheduled time for the meeting. In default of this, it shall be treated as invalid.

Voting

13. During the meeting, shareholders will receive an SMS prompt with instructions on their registered mobile phone number, alerting them to propose and second the resolutions in the Notice.
14. Voting by physical and electronic attendees shall be done **electronically** using the VOTE tab on the live stream link and via USSD on a shareholder's registered mobile number. All registered shareholders and proxies may vote (when prompted) using the live stream link or the USSD prompts.

Shareholders' right to ask questions

15. Shareholders are encouraged to ask questions or seek clarification regarding the AGM by:
 - i. Sending their written questions by email to **suhlagm@image.co.ke** or **shareholder@candr.africa**
 - ii. Via SMS by dialling the USSD code ***284*701#** (Uganda network) or ***483*250#** (Kenya Network) and selecting the option (Ask Question) on the prompts or,
 - iii. Via the Question Tab or dial-in options on the live stream link during the AGM or,
 - iv. To the extent possible by physically delivering their written questions with a physical return address or email address.
16. Although a few questions will be answered during the AGM, all will be answered to. Following the conclusion of the AGM, a complete list of all questions received with responses will be published on the Company's website.

AGM Information

17. The Notice of the AGM, annual report, audited financial statements, and proxy form will be uploaded onto the Company website, **www.stanbic.co.ug**. The reports will also be accessible via the live stream link or the USSD codes in clause 5 (i) under the Reports option.

Dividends

18. In recognition of the Company's strong performance in 2025, the Board has declared a 20% increase in dividends, amounting to a total of US\$ 360 billion for the fiscal year. This comprises an interim dividend of US\$ 140 billion, which was paid in November 2025, and a recommended final dividend of US\$ 4.30 per ordinary share (US\$ 220 billion) for the year ended 31 December 2025, subject to applicable withholding tax deductions.
19. The dividend, if approved at the AGM, will be paid on or about Thursday 30th July 2026, to shareholders whose names appear on the share register at the close of business on Monday 6th July 2026.
20. Shareholders with unpaid dividends are encouraged to engage Custody & Registrars Services Uganda, at **shareholder@candr.africa** or call **+256 757 072 773 / +256 760 451 945 / +256 414 237 504**.
21. To update payment details to receive dividends through mobile money, Flexipay, or Bank accounts, shareholders are encouraged to visit the Company's Share Registrar, Custody & Registrars Services Uganda Ltd, on 4th Floor, Rm 403, Diamond Trust Building, Kampala Road or contact them through email **shareholder@candr.africa** or call **+256 757 072 773 / +256 760 451 945 / +256 414 237 504**.
22. Shareholders who have yet to receive past declared dividends are also requested to contact the share registrar using the address and contacts above for assistance.

Immobilization

23. Shareholders are encouraged to immobilise their shares as directed by the Uganda Securities Exchange. Immobilisation allows shareholders to transition their physical certificates into Digital form to ease trading in shares. To do so, please contact any registered Securities Central Depository Agents listed on the USE website at **https://www.use.or.ug** to open an SCD account.



PROXY FORM

STANBIC UGANDA HOLDINGS LIMITED

(Registration number **80020001344445**) ("the Company")

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company.

I/We.....
(Name in block letters)

of
...

(Address in block letters), being a shareholder(s) and the holder(s) of
ordinary shares of UShs. 1 each and entitled to vote, hereby appoint:

1.....

Contact:.....
or, failing him/her

2.....

Contact:.....

or, failing him/her the Chairman of the Annual General Meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday June 5th 2026 at 11:00am, and at any adjournment thereof as follows;

AGENDA	For	Against	Abstain
Ordinary resolution to:			
1. Receive and adopt the annual audited financial statements for the year ended December 31 st , 2025, including the reports of the Directors and External Auditors			
2. Receive and adopt the recommendation of the Directors on the declaration of a final dividend of 4.30 per share for the year ended December 31 st , 2025 which will be paid to shareholders on the register at the close of business July 6 th , 2026.			
3. Re-elect the following Independent Non-Executive directors who are retiring by rotation in accordance with the provisions of the Company articles of association and being eligible, offer themselves up for re-election. a. Mr Yinka Sanni b. Mrs Mona Muguma Ssebuliba			
4. Appoint Ernst and Young Uganda (EY) as the External Auditors of the Company for the year 2026 and authorise the directors to negotiate and fix their remuneration.			
5. Receive and approve the fees payable to the Non-Executive Directors for the year 2026.			

Please indicate a cross or tick for each resolution above how you wish your votes to be cast. The 'abstain' option above is provided to enable you to withhold your vote on any resolution. However, it should be noted that a vote abstained is not a vote and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution. If no options are marked, the proxy can vote as he/she deems fit.

Signature:

Dated this day of, 2026

Notes:

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. To be effective, completed proxy forms must be lodged with the registered office at Crested Towers, Short Tower 17 Hannington Road, or emailed to suhlagm@image.co.ke at least 48 hours before the scheduled time for the meeting.
3. The Chairman of the Annual General Meeting may accept or reject any proxy form which is completed or received other than in compliance with these notes.
4. The signatories must initial any alteration to this proxy form, other than the deletion of alternatives.



COMPANY INFORMATION

Registered office

Crested Towers, Short Tower
17 Hannington Road
Kampala Uganda
P.O BOX 7395 & 7131 Kampala, Uganda
Fax: +256414230608

Company Secretary

Rita Kabatunzi
11th Floor Crested Towers, Short Tower
17 Hannington Road Kampala Uganda
P.O BOX 7395 & 7131 Kampala, Uganda
Tel: +256312224338

Share Registrars

Custody and Registrar Services
(Uganda) Limited
4th Floor Diamond Trust Centre
17/19 Kampala Road, Kampala Uganda

Auditors

Ernst & Young
Certified Public Accountants
EY House
Plot 18, Clement Hill Road
Shimoni Office Village
P.O. Box 7215, Kampala, Uganda

For copies of our Annual reports, please refer to: <https://www.stanbic.co.ug/ugandaholdings/stanbic-uganda-holdings-limited/investor-relations>

CONTACT DETAILS

Chief Financial Officer

Ronald Makata
Tel: +256 312 224 312

Company Secretary

Rita Kabatunzi
Tel: +256 417 154 388

Investor Relations

Dale Sendagire
Tel: +256 417 154 310

Share Registrars

Custody and Registrar Services
(Uganda) Limited
4th Floor Diamond Trust Centre
17/19 Kampala Road, Kampala
Uganda
Tel: +256 414 237504

Our Branch and ATM locations.
For Stanbic Bank branches and ATM
locations, please refer to:
[https://www.stanbicbank.co.ug/
uganda/personal/contact-us/
branch-and-atms](https://www.stanbicbank.co.ug/uganda/personal/contact-us/branch-and-atms)

**PLEASE DIRECT ALL CUSTOMER
QUERIES AND COMMENTS TO:**

Tel: 0800 250250
Email: cccug@stanbic.com

Stanbic Bank Uganda Limited

Crested Towers (Short Tower)
Plot 17 Hannington Road
P.O BOX 7131 Kampala

SBG Securities Limited

5th Floor Crested Towers, Tall Tower
Plot 17 Hannington Road
P.O BOX 7395 Kampala

Stanbic Business Incubator Limited

Plot 5 Lower Kololo Terrace
P.O BOX 7395 Kampala

Stanbic Properties Limited

1st Floor Crested Towers (Tall Tower)
Plot 17 Hannington Road
P.O BOX 7395 Kampala

FLYHUB Uganda Limited

Plot 5 Lower Kololo Terrace
P.O BOX 7395 Kampala



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