



Stanbic Uganda Holdings Limited

Half year results

For the period ended 30 June 2024

A story of sustained growth and shared value

Francis Karuhanga,
Chief Executive, Stanbic Uganda Holdings Limited (SUHL)

CUSTOMER LOANS (UShs) **4.4tn**
↑ 9.5%

CUSTOMER DEPOSIT (UShs) **6.6tn**
↑ 4.9%

NET PROFITS (UShs) **236bn**
↑ 17.6%

RETURN ON EQUITY **25.1%**
↑ 1.2%

PROPOSED DIVIDENDS (UShs) **140bn**
↑ 12%

CORPORATE SOCIAL INVESTMENT (UShs) **1.7bn**
↑ 16%

I am pleased to share with you our performance for the first six-months of 2024. We posted strong results on both the income statement and balance sheet underpinned by our diversified business model, a strong focus on providing innovative solutions to our clients, and effective risk management. The Bank subsidiary continues to be the anchor to our performance, as our beyond-bank subsidiaries gain momentum on their growth trajectory and augment our efforts to deliver on our purpose.

We have navigated the dynamic operating environment in the first half of the year, which was characterised by an uptick in inflation to 3.9% we saw inflation in June 2024 from 2.6% in December 2023, despite below the Central Bank's forecast of 5%. We also saw the CBR rise to 10.25% as at end June 2024 from 9.5% in December 2023, resulting in a slight upward trend in lending rates. Private sector credit growth remained below 10% and stood at 6.6%, a signal that we are yet to return to pre-Covid levels of growth.

Our customer loan book grew by 9.5%, representing over 21% of market share while the off-balance sheet book grew by 17.5% to UShs 2.2 trillion representing a market share of over 40%, demonstrating our continued leadership as key enabler for growth in our economy in key sectors such as construction, energy, health, and trade. More importantly, we have been deliberately focused on supporting the growth of the SME segment of the economy, given that they generate 70% of manufacturing output and create 90% of new jobs in the economy.

Our total assets of UShs 9.7 trillion are up by 3.8% from the previous year of UShs 9.4 trillion and as such, we are in a much stronger position to support major development projects and further facilitate economic growth.

Our clients also continued to trust us with their money which resultantly saw 4.9% increase in our deposits to UShs 6.6trillion from UShs 6.2trillion representing over 19% market share.

Celebrating Shared Value and Impact



Taxes paid and collected on behalf of URA

UShs 181 billion paid in taxes while **UShs 4.9 trillion** was collected through Stanbic Channels.



Lending to farmer saccoes

UShs 127 billion advanced to SACCOs at 10% to 12.2% through our Sacco Finance and Capacity Building Programme.



Supporting women-owned enterprises

UShs 100 billion Invested in Women owned enterprises at 15.5% through Stanbic4Her



Driving financial inclusion through FlexiPay

Over 7 million transactions worth **UShs 14 trillion** processed through FlexiPay and Stanbic banking agents



Stanbic Staff donate a solar panel to Kityerere SACCO in Mayuge as part of SACCO digitalisation project in partnership with aBi Finance.

Improving our clients' experience

Central to sustaining our growth aspirations, is improving our client experience. We continued to invest in digitising our services to improve our customer's experience, improve our efficiency and reduce our costs to serve. Our low-cost payments solution, Flexipay, now has over 900,000 clients and continues to scale in terms of number of transactions and volumes. In the fullness of time, Flexipay will enable us to achieve our objective of driving financial inclusion in Uganda. In addition, our other self-service channels such as Internet, and Mobile banking, the traffic to branches has significantly reduced, as technological innovations are now enabling Ugandans to bank conveniently anywhere, anytime, with limited risks.

Looking ahead

Our priority remains ensuring our clients' needs are appropriately and effectively met. We will continue to focus on strengthening our value propositions by providing solutions that meet our clients' needs and help them achieve their aspirations.

We are optimistic that the economy will continue to grow as individual and commercial borrowers take advantage of lowering interest rates, should the cuts in the CBR continue. We have remained transparent and mindful of our customers in the way we price our products and our prime lending rate, and we will strive to remain among the lowest across the industry. We will also continue to invest in the communities where we operate in a bid to sustain our efforts to drive Uganda's growth.

I would like to extend our gratitude to our customers, whose loyalty and trust have been instrumental in our success thus far. I also thank our dedicated staff, whose tireless efforts and commitment to excellence have driven our growth. Additionally, I appreciate all our stakeholders whose collaboration and support have been invaluable. Without their collective contributions, this sustained strong performance would not have been possible.

Stanbic Community Investments benefit half a million Ugandans

Reflecting on our Corporate Social Investment (CSI) efforts for the first half of 2024, we are proud to share our progress and impact! Across our five businesses—led by our anchor subsidiary, Stanbic Bank, we continued to reinvest in Ugandan communities and making a real difference in the lives of those we serve. Through our CSI initiatives, we seek to empower future generations, save lives, and restore dignity, while promoting conservation and sustainability through partner and staff-led initiatives.



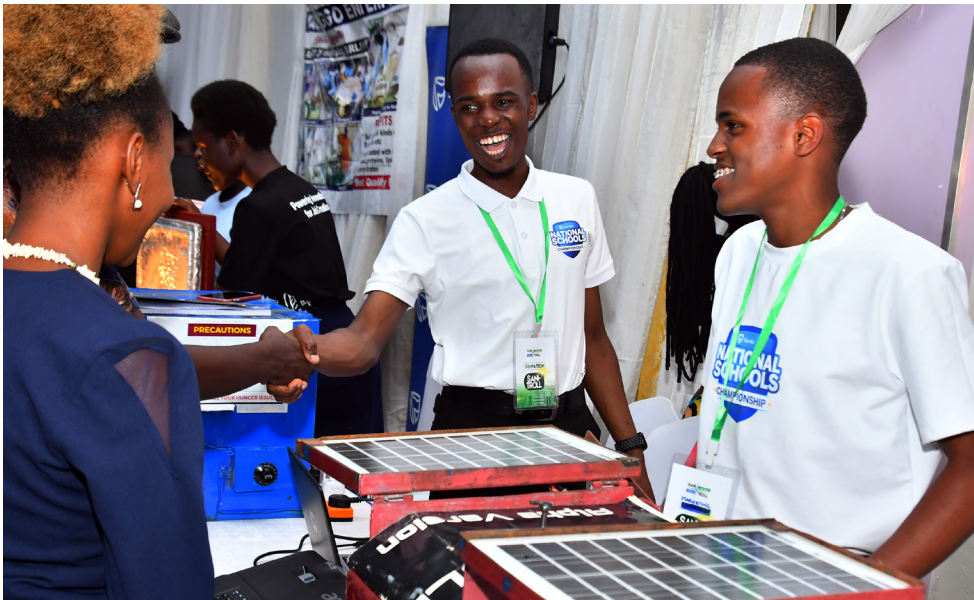
Education: Empowering Future Generations

We are thrilled to share our education highlights for the first half of 2024! The 9th edition of our National Schools Championship was flagged off with resounding success, registering a whopping 64% increase in applications from last year!

We received 258 applications from schools across the country, and our team worked tirelessly to provide hands-on learning experiences and skills training to students. We also partnered with our corporate friends—

MTN Uganda to support education in rural and remote communities through the “21 Days of Yello Care” initiative.

Our staff volunteers spent time with students in Ariwa SS in Yumbe, Ongogoja SS in Katakwi, and Ssesse SS in the West, providing financial literacy training and support. This initiative was a game-changer, equipping students with essential life skills, promoting digital inclusion, and fostering a culture of innovation!



Students display their solar power project during Stanbic National Schools Competition

Health: Saving Lives and Restoring Dignity

In health, we continued to focus on maternal and menstrual health, recognizing the critical need for attention and support in these areas. We are proud of our partnership with the Ministry of Health with whom we continue to deliver life-saving items to health facilities across the country's Health Center III facilities to support positive maternal health outcomes. Through the Stanbic Uganda-led Corporate Society for Safe Motherhood, we, together with partners, launched a campaign to raise awareness about preeclampsia, a condition affecting women during pregnancy, in partnership with the Ministry of Health.

We handed over menstrual kits worth US\$10 million to over 700 primary seven girls in underserved communities in Kampala, promoting menstrual health and hygiene. Additionally, we supported cancer treatment for children, providing much-needed care and support to families affected by this devastating disease. Our efforts were a beacon of hope, saving lives and restoring dignity to those who need it most!



Primary Seven pupils of Kiwa Primary School in Kampala display menstrual kits donated to them by Stanbic

Staff - Community Engagement

Additionally, our staff-led community initiatives touched the lives of approximately 5,000 Ugandans in the first half of 2024! We engaged in health camps, environmental initiatives, and efforts to support children with special needs. Our passion and commitment to making a difference shone through in every project we undertook. We also supported staff volunteerism, providing opportunities for our team members to give back to their communities and develop new skills. Our staff were the unsung heroes, making a real difference in the lives of those we serve!

Environment: Conservation and Sustainability

In environmental conservation, we partnered continued to cover more ground together with our partners—the Ministry of Environment and Water, NEMA, and Roofings Uganda to plant 25,250 trees across the country! We excited to share that our commitment to nurturing nature was recognised and rewarded with a sustainability award from NEMA for our contributions to environmental conservation. Our efforts under this pillar are aimed at reducing Stanbic Uganda's carbon footprint, promote sustainable practices in our operations and communities, and support Uganda's vision of becoming a green economy. We also continued to implement waste management initiatives in our offices and branches, reducing waste and promoting recycling—a breath of fresh air in efforts to promote a healthier planet for future generations!



Stanbic Staff plant trees as part of employee community engagement activities



Stanbic Uganda Holdings Limited

Summarised Consolidated Unaudited Financial Statements

For The Period Ended 30 June 2024

SUMMARY CONSOLIDATED INCOME STATEMENT

	Unaudited Six month to 30 Jun 2024 UShs' 000	Unaudited Six month to 30 Jun 2023 UShs' 000	Audited year ended 31 Dec 2023 UShs' 000
Interest income	405,558,899	385,453,880	781,926,437
Interest expense	(43,351,668)	(30,749,824)	(73,033,033)
Net interest income	362,207,231	354,704,056	708,893,404
Fee and commission income	108,328,043	102,307,867	221,166,962
Fee and commission expenses	(7,963,325)	(7,369,481)	(17,116,627)
Net fees and commission income	100,364,718	94,938,386	204,050,335
Net trading income	168,665,223	133,339,371	270,116,145
Other operating income	6,154,956	6,558,824	11,084,313
Non interest revenue	275,184,897	234,836,581	485,250,793
Total income before credit impairment charge	637,392,128	589,540,637	1,194,144,197
Impairment charge for credit losses	(14,399,431)	(39,058,952)	(69,453,662)
Total income after credit impairment charge	622,992,697	550,481,685	1,124,690,535
Employee benefits expense	(135,606,348)	(121,181,183)	(252,911,564)
Depreciation and amortisation	(23,676,235)	(23,744,287)	(47,558,676)
Other operating expenses	(145,516,854)	(142,150,546)	(283,273,568)
Profit before income tax	318,193,260	263,405,669	540,946,727
Income tax expense	(82,645,780)	(63,179,694)	(129,415,623)
Profit for the period attributable to the equity holders of the Group	235,547,480	200,225,975	411,531,104
Earnings per share for profit attributable to the equity holders of the Group during the period (expressed in UShs per share)			
Basic and diluted earnings per share	9.20	7.82	8.04

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six month to 30 Jun 2024 UShs' 000	Unaudited Six month to 30 Jun 2023 UShs' 000	Audited year ended 31 Dec 2023 UShs' 000
Profit for the year	235,547,480	200,225,975	411,531,104
Other comprehensive income for the period after tax:			
Items that may be subsequently reclassified to profit or loss			
Net change in debt financial assets measured at fair value through other comprehensive income (OCI)	(4,939,913)	3,640,187	(2,903,169)
Total comprehensive income for the period	230,607,567	203,866,162	408,627,935

The interim financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the accounting policies used are consistent with those used in the annual financial statements for the year ended 31 December 2023. The interim financial statements were approved by the Board of Directors on 15 August 2024. A copy of the summarised unaudited financial statements can be obtained on our website www.stanbic.co.ug

DIVIDENDS

The Board of Directors at a meeting held on 15 August 2024, resolved to approve the payment of an interim dividend for the period ended 30 June 2024 of UShs 2.73 per share totalling to UShs 140 billion. The interim dividend will be paid upon receipt of regulatory approval.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 June 2024 UShs' 000	Unaudited as at 30 June 2023 UShs' 000	Audited as at 31 Dec 2023 UShs' 000
Assets			
Cash and balances with Bank of Uganda	811,921,460	715,775,573	1,079,035,695
Derivative assets	126,393,403	115,743,151	99,208,570
Trading assets	1,667,218,784	1,924,196,143	1,778,937,821
Pledged assets	3,710,222	7,425,674	4,661,138
Financial investments	1,069,609,011	1,248,989,761	1,221,181,033
Loans and advances to banks	238,289,419	645,724,230	240,585,250
Loans and advances to customers	4,379,062,958	3,997,770,954	4,225,122,489
Amounts due from group companies	1,003,054,021	350,850,570	330,064,839
Other assets	278,352,534	208,464,185	128,773,542
Property, equipment and right of use assets	79,263,015	76,590,027	83,682,517
Goodwill and other intangible assets	46,430,323	60,415,977	52,775,000
Deferred tax assets	62,548,234	54,091,221	59,370,617
Total assets	9,765,853,384	9,406,037,466	9,303,398,511
Shareholders' equity and liabilities			
Shareholder's equity			
Ordinary share capital	51,188,670	51,188,670	51,188,670
Fair value through other comprehensive income reserve	2,286,046	13,769,315	7,225,959
Retained earnings	1,763,535,845	1,611,683,236	1,667,988,365
Proposed dividends	140,000,000	125,000,000	155,000,000
Total shareholders' equity	1,957,010,561	1,801,641,221	1,881,402,994
Liabilities			
Derivative liabilities	170,372,642	177,002,346	135,159,501
Current tax liabilities	30,656,362	20,636,459	21,988,995
Deposits from customers	6,551,608,258	6,247,432,425	6,332,851,589
Deposits from banks	78,192,963	56,922,012	96,704,725
Amounts due to group companies	207,478,826	418,687,169	243,593,384
Borrowed funds	87,933,777	67,159,907	16,627,259
Subordinated debt	76,012,503	75,185,340	77,641,462
Other liabilities	606,587,492	541,370,587	497,428,602
Total liabilities	7,808,842,823	7,604,396,245	7,421,995,517
Total equity and liabilities	9,765,853,384	9,406,037,466	9,303,398,511

Baker Magunda
Chairman

Francis Karuhanga
Chief Executive

Agnes A. Konde
Director

Rita Kabatunzi
Company Secretary

Stanbic Uganda Holdings Limited
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Financial Statements**
For The Period Ended 30 June 2024

Six months ended 30 June 2024	Share capital UShs' 000	Fair value through OCI reserve UShs' 000	Proposed dividends UShs' 000	Retained earnings UShs' 000	Total UShs' 000
At 1 January 2024	51,188,670	7,225,959	155,000,000	1,667,988,365	1,881,402,994
Profit for the period	-	-	-	235,547,480	235,547,480
Other comprehensive income after tax for the period	-	(4,939,913)	-	-	(4,939,913)
Transactions with owners recorded directly in equity					
Dividends paid	-	-	(155,000,000)	-	(155,000,000)
Proposed interim dividends			140,000,000	(140,000,000)	-
Balance at 30 June 2024	51,188,670	2,286,046	140,000,000	1,763,535,845	1,957,010,561
Six months ended 30 June 2023					
At 1 January 2023	51,188,670	10,129,128	185,000,000	1,536,457,261	1,782,775,059
Profit for the period	-	-	-	200,225,975	200,225,975
Other comprehensive income after tax for the period	-	3,640,187	-	-	3,640,187
Transactions with owners recorded directly in equity					-
Dividends paid	-	-	(185,000,000)	-	(185,000,000)
Proposed interim dividends	-	-	125,000,000	(125,000,000)	-
Balance at 30 June 2023	51,188,670	13,769,315	125,000,000	1,611,683,236	1,801,641,221
Year ended 31 December 2023					
Balance at 1 January 2023	51,188,670	10,129,128	185,000,000	1,536,457,261	1,782,775,059
Profit for the year	-	-	-	411,531,104	411,531,104
Other comprehensive income after tax for the year	-	(2,903,169)	-	-	(2,903,169)
Transactions with owners recorded directly in equity					-
Dividends paid	-	-	(185,000,000)	-	(185,000,000)
Interim dividends paid	-	-	-	(125,000,000)	(125,000,000)
Proposed dividends	-	-	155,000,000	(155,000,000)	-
Balance at 31 December 2023	51,188,670	7,225,959	155,000,000	1,667,988,365	1,881,402,994

SUMMARY CONSOLIDATED STATEMENT OF CASHFLOWS

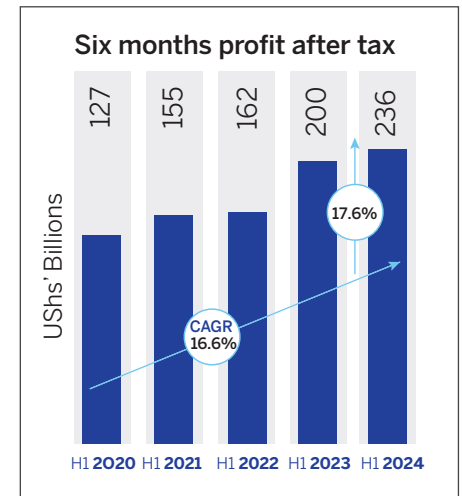
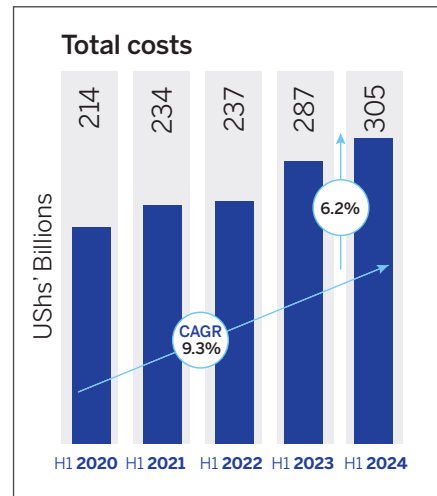
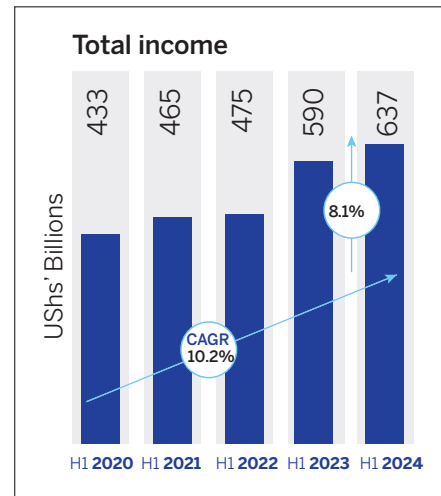
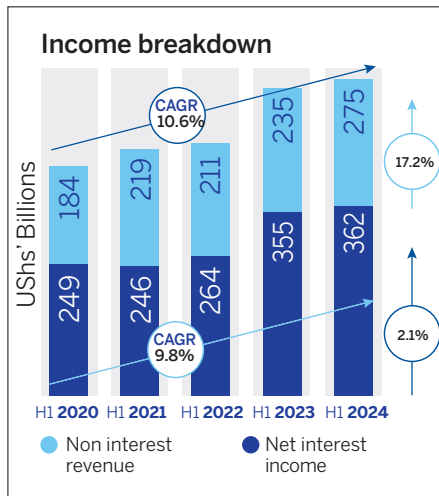
	Unaudited six months to 30 June 2024 UShs' 000	Unaudited six months to 30 June 2023 UShs' 000	Audited year ended 31 Dec 2023 UShs' 000
Cash flows from operating activities			
Interest received	401,102,923	406,994,622	793,044,452
Interest paid	(42,679,414)	(36,903,744)	(79,799,780)
Net fees and commissions received	97,792,467	90,695,279	201,479,336
Net trading and other Income/recoveries	193,812,832	156,031,914	326,216,554
Cash payment to employees and suppliers	(261,539,242)	(421,454,525)	(553,361,238)
Cash flows from operating activities before changes in operating assets and liabilities	388,489,566	195,363,546	687,579,324
Changes in operating assets and liabilities			
Income tax paid	(75,038,924)	(63,413,818)	(130,359,298)
Increase in derivative assets	(27,184,833)	(4,418,135)	12,116,446
Decrease in financial investments	560,022,212	622,851,232	492,479,618
Decrease /(increase) in trading assets	112,669,953	(327,640,946)	(189,699,874)
Increase in cash reserve requirement	(7,320,000)	(26,630,000)	(14,480,000)
(Increase) /decrease in loans and advances to customers	(179,551,716)	12,097,969	(242,358,649)
(Increase) / decrease in other assets	(147,006,741)	28,008	78,046,542
Increase in customer deposits	215,178,123	122,329,868	207,513,391
Decrease in deposits and balances due to other banks	(15,543,761)	(85,170,848)	(45,239,781)
(Decrease) / increase in deposits from group companies	(36,114,558)	198,607,208	23,513,423
Increase in derivative liabilities	35,213,141	27,919,988	(13,922,857)
(Decrease) / increase in other liabilities	(66,664,106)	3,663,470	8,062,562
Net cash outflows from operating activities	757,148,356	675,587,542	873,250,847
Cash flows from investing activities			
Purchase of property and equipment	(9,395,000)	(14,707,920)	(26,457,650)
Purchase of computer software	(1,304,009)	(598,448)	(598,448)
Proceeds from sale of property and equipment	4,517	55,984	485,373
Net cash used in investing activities	(10,694,492)	(15,250,384)	(26,570,725)
Cash flows from financing activities			
Principle lease payments	(2,213,047)	(2,415,265)	(16,286,876)
Dividends paid to shareholders	-	-	(310,000,000)
Increase in borrowed funds	71,306,518	29,835,260	(20,697,388)
Decrease in subordinated debt	(1,690,668)	(746,076)	2,088,627
Net cash flows used in financing activities	67,402,803	26,673,919	(344,895,637)
Net decrease in cash and cash equivalents during the period	813,856,667	687,011,077	501,784,485
Cash and cash equivalents at beginning of the year	1,586,221,686	1,084,437,201	1,084,437,201
Cash and cash equivalents at the period ended	2,400,078,353	1,771,448,278	1,586,221,686



Stanbic Uganda Holdings Limited

Summarised Consolidated Unaudited Financial Statements

For The Period Ended 30 June 2024

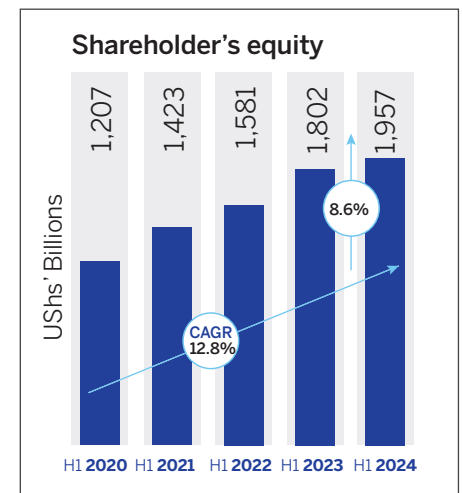
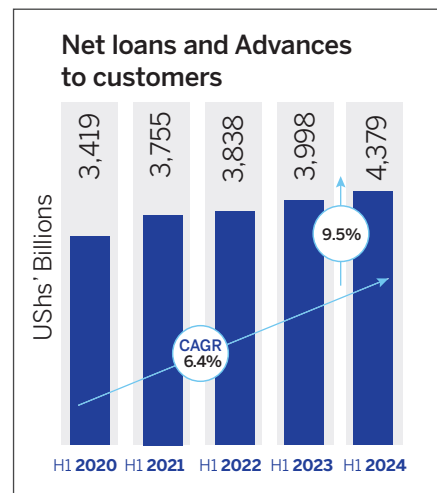
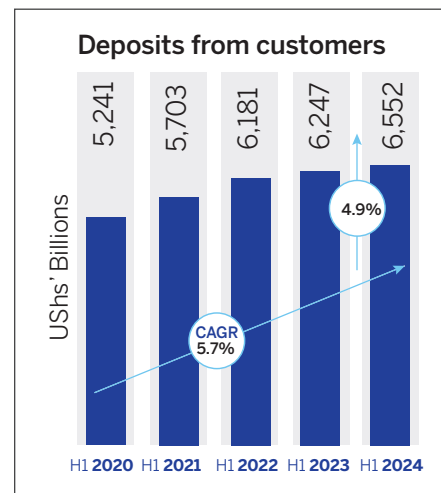
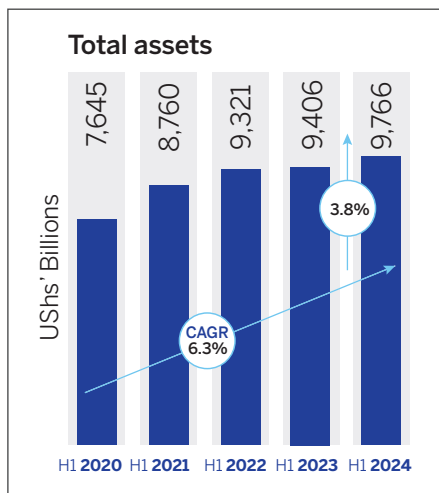


CAGR - Compound Annual Growth Rate

Income statement commentary

Growth in revenue for the first half of the year by 8.1% compared to the same period in 2023 and costs grew by 6.2% leading to positive Jaws of 1.9%. The Group's revenue remained well diversified with non interest revenue contributing 43.2% to the total pool of revenue. Profit after tax recorded a 17.6% growth compared

to the previous year, largely attributed to the growth in revenue with non interest revenue that went up by 17.2% while net interest income was up by 2.1%. This was further supported by drop in credit impairments driven by improved asset book and recoveries after write off.



Balance sheet commentary

Stable balance sheet growth of 3.8% year on year compared to June 2023. Customer deposits grew by 4.9% compared to same period last year mainly on transactional accounts, as we continue to make it easy for our customers to transact and save through our digital and alternate capabilities. Net loans and advances to

customers registered growth of 9.5% year on year as we deploy liquidity and capital to meet our customers financing requirements. Shareholder's wealth represented by Shareholder's equity did record a growth of 8.6% compared to same period in 2023.

Key Ratios		June 2024	June 2023	June 2022	June 2021	June 2020
PROFITABILITY		1				
Return on Average Equity (ROE)	a	25.1%	23.9%	21.6%	23.2%	21.6%
Return on Average Assets (ROA)	b	4.9%	4.3%	3.6%	3.6%	3.6%
EFFICIENCY		2				
Cost to Income (CTI)		47.8%	48.7%	49.9%	50.4%	50.6%
LIQUIDITY		3				
Loan to Deposit Ratio (LDR)		66.8%	64.0%	62.1%	65.8%	65.7%
ASSET QUALITY		4				
Credit Loss Ratio (CLR)- Customer	a	0.8%	1.8%	1.0%	1.5%	2.2%
Non- Performing loans (NPL)	b	1.6%	3.7%	3.9%	3.6%	4.4%
CAPITAL		5				
Capital Adequacy Ratio (C.A.R)						
Core (Tier 1)	a	21.0%	23.9%	17.4%	19.4%	18.5%
Total (Tier 1 + Tier 11)	b	22.7%	26.0%	19.3%	21.5%	20.9%





The Stanbic Economic Insights Symposium

**Theme: Global Crossroads;
Reimagining Business**

Date: Wednesday 21 August 2024

Time: 8:30am – 11am

Venue: Victoria Ballroom, Kampala Serena Hotel



KEY NOTE SPEAKER
GOOLAM BALLIM
Head, Standard Bank
Economics Research
Standard Bank Group



MODERATOR
DAISY ANTHEA NITWE
Country Lead, Derivatives &
Structured solutions
Stanbic Bank Uganda

PANELISTS



**CHRISTOPHER
LEGILISHO**
Economist
Stanbic Bank Kenya



DR. ADAM MUGUME
Director of Research & Policy
Bank of Uganda



MS. JOSELINE KATEEBA
Managing Director
Crest Foam Limited

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