Stanbic Uganda Holdings Limited

INTERIM RESULTS

for the period ended 30 June 2022

Uganda is our home. We drive her growth.

The outlook for Uganda at the start of the year was positive, with economic growth projected at between 4.5 percent to 5.0 percent for 2022 and 5.0 percent to 5.5 percent for 2023, following the easing of Covid-19 preventive measures. However, this positive outlook has since been repressed by emerging international geopolitical tensions and global supply chain disruptions.

ANDREW MASHANDA
CHIEF EXECUTIVE, STANBIC UGANDA HOLDINGS LIMITED

▲ 8.4%
Customer Deposits (UShs)
6.2 Trillion
2021: 5.7 trillion

▼ 2.2%
Return on Equity
21.6%
2021: 23.2%

▲ 4.7%
Profit After Tax (UShs)
162 Billion
2021: 155billion

▲ 0.3%
Non Performing Loans Ratio
3.9%
2021: 3.6%

▲ 2.2%
Net Customer Loans (UShs)
3.8 Trillion
2021: 3.7 trillion

Our performance in the first half of the year has been significantly influenced by the overall macro economic conditions in the country and globally.

The consequence impact has been the global price instability on essential commodities such as fuel which has translated into imported inflationary pressures within the domestic economy. This has had a negative impact on our local business operating environment with Uganda's inflation reaching a six-year high of 7.9% as at July 2022.

In order to mitigate the adverse impact on their respective economies, Central Banks around the world, including Uganda have been tightening monetary policies and governments have responded with appropriate fiscal measures to protect livelihoods.

Our responsibility as a leadership team is to sustain the growth of our business, and to this end we started a journey in 2019 of diversifying our business beyond banking. This has positively positioned us to orchestrate the extraction and creation of value for our customers from our corporate structure. We now have a business ecosystem which includes Stanbic Properties, SBG Securities, FlyHub and Stanbic Business Incubator, led by the anchor subsidiary, Stanbic Bank Uganda. We have achieved operational synergy, a very significant step to achieving our strategic intent of becoming a digital platform services business delivering superior value to our shareholders and customers.

As a testimony of the progress we have made with our Future-Ready Transformation journey, H1, saw us deliver Return on Equity of 21.6%.

Our performance was driven largely by our anchor subsidiary, Stanbic Bank Uganda Limited. Our new subsidiaries are continuing to deliver green shoots of hope for our strategic direction, in spite of the challenging operating environment.

SBG Securities remains a market leader and recently acquired clients of Equity Stockbrokers (Uganda) Limited following the closure of its operations in the country on June 30, 2022. Our real estate arm, Stanbic Properties continues to grow and has become a thought leader. As we continue to navigate this challenging environment, the continued growth of our anchor subsidiary Stanbic Bank, as well as good growth progress in our new subsidiaries gives us the confidence that we will deliver on our promise of continually enhancing our shareholder value.

ANNE JUUKO
CHIEF EXECUTIVE, STANBIC BANK UGANDA LIMITED

How would you describe the bank's performance in the first six months of 2022?

The first six months of 2022 presented a complex combination of "head and "tail" winds that considerably affected both the global and local economy. Effectively navigating these unprecedented times has been a challenge for various sectors in the economy, including the banking sector. In this fast evolving and unpredictable environment, we at Stanbic, resolved to focus on delivering products and solutions that are attuned to these extraordinary times, keeping the customer at the center of all we do, and being relevant in the community in which we serve. This focused mission has allowed us to genuinely partner with our customers in accelerating the recovery of the economy. Against this background, Stanbic Bank managed to deliver acceptable value for both customers and shareholders, recording 4.7% growth in Profit After Tax (from UShs 158 billion to UShs 162 billion), 8.8% growth in Customer Deposits (from UShs 5.7 trillion to UShs 6.2 trillion), and an increase from UShs 3.7 trillion to UShs 3.8 trillion in Loans and Advances to customers. Our performance reflects targeted positioning for the progressive recovery of the economy, balanced credit risk appetite, prudent cost management and substantive investment in technology for innovation (Flexipay). Our relentless focus on being relevant to our customers in the first half of the year has provided a robust platform for sustained and accelerated growth in the second half of 2022.

What does this performance mean for your customers?

I would like to first thank our customers for the trust and continued support they give us. The first six months have been challenging with the COVID pandemic still impacting society, supply chain disruptions affecting many businesses and geo-political tensions shaping global growth prospects. To our customers we provided appropriate solutions to support recovering sectors of the economy while continuing to offer accommodation to the sectors that are still grappling with the impact of COVID-19. One such example is schools which were re-opening after two years. Stanbic waived up to UShs 2b in interest for the loans taken by educational institutions. In addition, Stanbic Bank provided UShs 25b of working capital to schools to bridge the financing gap created during the pandemic. We also made good progress in driving financial inclusion in Uganda, through partnerships with Village Savings and Credit Associations as well as SACCOs, availing Ugandans affordable financial services. The Bank also launched the "Stanbic for Her" initiative, which is aimed at helping women entrepreneurs access affordable credit as well as non-financial support services such as financial literacy, bookkeeping, market linkages, marketing, and business to customer communication. It is also worth noting that our Flexipay solution has now onboarded over 275,000 customers, enabling them to enjoy a flexible and affordable digital payments solution. Overall, we are proud of the progress we have made towards enabling our customers to recover from the pandemic and pursue their ambitions. Our customers will continue to be at the center of all we do, and relevance to the community in which we serve will guide our strategic direction.

How will you sustain growth going forward?

Our customers are at the center of everything we do, when they prosper, we prosper and when they struggle, we do. We intend to lead with a superior client experience, and we will continue to invest in transforming client experiences at every touch point. To this extent we are re-imagining our points of representation, digital channels, and lending processes to serve our customers better. We also aim to continuously improve our cost to serve by driving operational efficiency. We are investing in key data capabilities for efficient decision making as we serve our clients. We are also digitizing our processes to improve our turnaround times. Lastly, I believe sustainable growth will only materialize if we bet on the sectors that will drive Uganda's growth and this is what is driving our lending choices as well as our approach to entering partnerships in delivering positive social, economic, and environmental impact.

The Central Bank has increased interest rates in response to increased inflation. How are you responding?

We are indeed in a challenging operating environment, and these are tough times for our customers. Our compliance to and alignment with regulatory actions has always been consistent as these actions often reflect the operating environment. Over the past 3 years the Central Bank has reduced the Central Bank Rate (CBR), and we have consistently passed this benefit to our customers. Consequently, Stanbic Bank currently has one of the lowest Prime Lending Rates. The CBR has now increased by 2% and accordingly, this will reflect in our Prime Lending Rate. We will continue to engage with our customers to mitigate and rationalize the impact of these developments by innovatively modifying the structure of the various credit facilities.

Digital payment solutions are increasingly eating into traditional payments through commercial banks, what is Stanbic Bank's response to this emerging trend?

Our response is FlexiPay, which we consider a world class solution that addresses the most pressing need for efficient, reliable, and scalable digital solutions in the payments arena. We are glad that more Ugandans are beginning to embrace Flexipay as part of their daily financial lifestyle, providing a cheaper and more 'flexi-ble' option to making merchant and bill payments. We are a recent recipient of the International Bankers recognition for 'Best Innovation in Retail Banking Award', thanks in part to FlexiPay which currently boasts over 275, 000 active wallets and 30, 000 merchants across the country. Flexipay brings us a step closer to attaining our medium-term goal of becoming a transactional platform business, which means creating a marketplace where buyers and sellers can meet to transact, becoming a convergence point for demand and supply. A flexible digital payment framework is critical to achieving our organisational mission.

Uganda is our home. We drive her growth.

OUR CORPORATE CITIZENSHIP REPORT

Our initiatives are helping speed up post-pandemic economic recovery and growth

In line with our purpose—driving Uganda's growth, we started the year with our focus on leading the country's economic recovery efforts —we needed to speed up the return to full productivity of our customers especially those in the sectors that were most affected by the pandemic.

Our School Boost Campaign helped return 2,000, 000 kids back to class

After two years of closure due to the pandemic, many schools did not have the resources to reopen at the start of 2022; while public schools had assured government support, their counterparts in the private sector were generally on their own and parents to the millions of students who rely on them for their education were left guessing. Our School Boost Campaign was a timely intervention that helped over 2 000, 000 students to return to class thanks to the multifaceted support we gave to our private school customers. For instance, we waived nearly Ush.2billion in unpaid accrued interest income owed to us by schools for the period up to December 2021, this on account that they had been out of work for two years. This was a major relief as it allowed schools to start the year on a new slate. We also availed Ush. 60bn in discounted short-term loans to enable schools take care of the immediate expenses to support the resumption of operations without worrying about unpaid interest on old loans. We did the same for parents—enabling them access discounted loans to pay school fees for their children. As of June 2022, our school business customers were in a strong position and firmly on the road to recovery. We also launched an insurance product for schools to safeguard them from natural calamities and accidents such as fires, that could sweep all their recovery efforts. With the emerging challenges arising from to negative developments in the global economy, we commit to stay close to the education sector and use the experience we have to support their resilience.

We are building capacity of SACCOs to become "Micro Stanbic Banks"

We successfully completed our countrywide SACCO engagements held in Eastern, Northern and Western Uganda, creating awareness on our financing and capacity building initiative to support Credit and Savings Cooperatives as well as Village Savings and Credit Lending Associations—VSLAs. Our long-term goal is to empower these groups to be managed like 'micro Stanbic banks' with operational efficiency and professionalism to financially transform the lives of their members. In the first six months of 2022, we opened over 4000 SACCOs/VSLA accounts with an estimated collective membership of 2million people.

Over 800,000 women in business trained through our Stanbic for Her Initiative

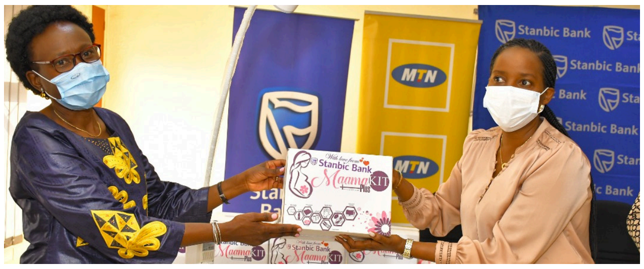
In March 2022, we launched the Stanbic For Her initiative in partnership with the International Finance Corporation (IFC) through which we are extending discounted credit facilities to women-led enterprises while providing business management capacity building and financial literacy to women through their respective savings and lending groups. In the first half of the year, we trained over 1000 women groups across the country directly reaching at least 800,000 ladies. Over Ush.6 billion in discounted business loans were extended to women-led enterprises within two months of launching. Moving forward, we shall continue supporting more women-led enterprises to achieve their commercial potential and drive financial prosperity in their respective households.

Over 400 SMEs benefited from the Stanbic Incubator capacity building trainings

The Stanbic Business Incubator continues to lead our efforts towards building the capacity of local SMEs with the objective of enhancing their competitiveness and efficiency. In the first half of the year, over 400 local SMEs in different sectors of the economy benefited from our mentorships, trainings and capacity building sessions organised by the Incubator. Our support to SMEs shall continue—focused on building their competitiveness to take advantage of emerging opportunities in growing sectors of the economy. We believe this will enable them create more jobs and play at the centre of driving Uganda's growth.

Our Corporate Social Investment still committed to health, education, and environment

As a responsible corporate citizen of Uganda—our home, Stanbic is consistently alert to the prevalent challenges facing the people including the emerging threats to our environment. Our organization continues to lend its resources and goodwill towards solutioning for some of the most critical challenges, through our three-pillar Corporate Social Investment (CSI) Strategy. We continue to dedicate our CSI resources towards supporting health, education, and environment. 'Every Mother Counts maternal health campaign' in partnership with the Ministry of Health is growing into a nationwide movement of corporate entities passionate about improving our country's maternal health. In the first half of the year, the campaign directly reached 3000 pregnant women each of whom got a Mama Kit to aid their motherhood journeys. In April, the First Lady and Minister of Education and Sports, Hon. Janet Kataaha Museveni flagged off the 7th edition of the Stanbic National Schools Entrepreneurship Challenge, commending our organisation for the sustained contribution to promotion of an entrepreneurial generation and job-creation mindset among Ugandan youth. On the environment side, we are part of several partnerships aimed at conservation and managing climate change effects. For instance, through our 'Running Out Of Trees'—ROOTS campaign being implemented in partnership with Ministry of Water and Environment, Uganda Breweries and Total Energies, we are targeting to plant at least 40 million trees over the next 5 years to replace the country's lost forest cover.



UGANDA IS OUR HOME AND WE DRIVE HER GROWTH

IMPACT OF STANBIC UGANDA TO THE ECONOMY

Stanbic plays a key role in supporting the country's national development agenda. We contribute to the realization of key Sustainable Development Goals (SDG's) in critical areas of the economy including; creation of employment opportunities for Ugandans, supporting development in key sectors, community investments, payment of taxes, Uganda Revenue Authority rather than (URA) collections, participation on the Uganda Securities Exchange and facilitating financial inclusion through our range of services to meet the needs and aspirations for all Ugandans.

MANUFACTURING

USh 857bn

Through lending to this sector, we are contributing to the government's import substitution strategy by supporting investment into domestic manufacturing of items that are currently being imported, while helping create thousands of jobs for Ugandans.

Decent work and economic growth

Industry, innovation and infrastructure

TRADE

USh 604bn

Through our partnership with Kampala City Traders Association (KACITA) we are supporting thousands of our customers involved in local, regional, and international trading with short-and medium-term credit facilities required to operate efficiently.

Industry, innovation and infrastructure

INDIVIDUALS AND COMPANIES TRAINED

413

Driving Uganda's growth means empowering our local enterprises to be competitive and efficiently managed. We are contributing to this important work through our Stanbic Business Incubator. We are also partnering with IFC to train Ugandan women in business as well as with AGRA, to train SACCOs.

Decent work and economic growth

AGRICULTURE

USh 323bn

We are the biggest lender to agriculture because we believe in the sector's potential. Through SACCOs, we are lending to farmers at 10% interest rate, annually.

Decent work and economic growth

Industry, innovation and infrastructure

ELECTRICITY, GAS AND WATER SUPPLY

USh 213bn

Uganda seeks to achieve 98% eletrification by 2030 by increasing installed capacity to 4200MW and significantly increase access to cleaner energies at household level. The government is also currently behind its ambitious target of achieving 100% access to clean and safe water by all Ugandans. We shall continue supporting efforts towards achieving these targets, through our lending.

Decent work and economic growth

Industry, innovation and infrastructure

TAXES PAID

USh 116bn

We are proud to be one of the largest taxpayer in the banking sector. This way, we are playing our part towards contributing to Uganda's fiscal independence and enabling the government to find the resources required to fund the country's development projects and deliver social services such as healthcare, education, and security to Ugandans.

Gender Equality

Decent work and economic growth

NUMBER OF EMPLOYEES

1,756

Stanbic is committed to creating employment opportunities for Ugandans and is currently the second largest employer in the banking sector.

Decent work and economic growth

Industry, innovation and infrastructure

NUMBER OF AGENTS

6,670

175 ATMs, **80** service centres/ branches

We continue to grow our network of distribution channels to ensure that we take our services closer to our customers across Uganda, through agent banking and automated teller machines. We thank our agents who, in addition to our digital channels, have enabled us to reduce the traffic into branch banking halls, affording convenience to our customers and saving them time.

No poverty

Gender equality

Good health and well-being

Climate action

Life on land

Quality education

SOCIAL INVSTMENT

USh 2.2bn

As a responsible corporate citizen of Uganda, we continue to lend our resources and goodwill towards solutioning for some of the most critical challenges, through our three-pillar Corporate Social Investment (CSI) Strategy which is underpinned to the short-, medium- and long-term business sustainability objectives.

Stanbic Uganda Holdings Limited

SUMMARISED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

for the period ended 30 June 2022

1. SUMMARY CONSOLIDATED INCOME STATEMENT

	Unaudited Six months to 30 Jun 2022 UShs' 000	Unaudited Six months to 30 Jun 2021 UShs' 000	Audited Year ended 31 Dec 2021 UShs' 000
Interest and similar income	286 306 570	269 489 776	543 994 626
Interest expense and similar charges	(22 257 758)	(23 436 142)	(45 968 548)
Net interest income	264 048 812	246 053 634	498 026 078
Fee and commission income	94 212 516	87 434 955	173 617 048
Fee and commission expenses	(6 786 700)	(4 658 686)	(8 857 656)
Net Fees and commission income	87 425 816	82 776 269	164 759 392
Net trading income	117 214 268	131 610 333	233 701 721
Other gains and losses on financial instruments	-	504 237	(3 295)
Other operating income	5 875 134	4 046 335	6 998 552
Non interest revenue	210 515 218	218 937 174	405 456 370
Total operating income	474 564 030	464 990 808	903 482 448
Impairment charge for credit losses	(19 344 142)	(27 344 854)	(70 407 666)
Total income after credit impairment charge	455 219 888	437 645 954	833 074 782
Employee benefits expense	(95 810 953)	(87 338 366)	(178 547 838)
Depreciation and amortisation	(23 138 503)	(24 282 966)	(48 059 045)
Other operating expenses	(117 920 917)	(122 871 416)	(255 257 740)
Profit before income tax	218 349 515	203 153 206	351 210 159
Income tax expense	(56 278 199)	(48 301 360)	(81 898 067)
Profit for the period attributable to the equity holders of the Group	162 071 316	154 851 846	269 312 092
Basic and diluted earnings per share			
Basic and diluted earnings per share	6.33	6.05	5.26

2. SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months to 30 Jun 2022 UShs' 000	Unaudited Six months to 30 Jun 2021 UShs' 000	Audited year ended 31 Dec 2021 UShs' 000
Profit for the year	162,071,316	154,851,846	269,312,092
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)	(14,287,275)	24,774,734	20,551,757
Total comprehensive income for the period	147,784,041	**179,626,580**	**289,863,849**

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 2021.

The interim financial statements were approved by the Board of Directors on 18th August 2022. A copy of the summarised unaudited financial statements can be obtained on our website www.stanbic.co.ug

Mr. Japheth Katto
Chairman

Mr. Andrew Mashanda
Chief Executive

Ms. Rita Kabatunzi
Company Secretary

3. SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 June 2022 UShs' 000	Unaudited as at 30 June 2021 UShs' 000	Audited as at 31 Dec 2021 UShs' 000
Assets			
Cash and balances with Bank of Uganda	1,064,044,012	748,266,906	984,530,697
Derivative assets	98,764,385	110,746,432	129,164,041
Trading assets	1,163,720,037	1,777,876,889	1,057,416,156
Pledged assets	3,614,175	3,104,889	3,840,314
Financial investments	1,017,671,397	790,574,925	844,345,030
Loans and advances to banks	552,479,975	1,093,383,418	1,106,122,016
Loans and advances to customers	3,837,976,178	3,755,053,247	3,722,073,070
Amounts due from group companies	747,305,816	35,405,642	401,399,239
Other assets	653,344,626	241,702,009	267,011,390
Property, equipment and right of use assets	68,428,518	69,764,651	75,544,628
Goodwill and other intangible assets	75,009,716	86,254,536	82,293,413
Deferred tax assets	38,796,609	48,255,872	46,355,807
Total assets	9,321,155,444	**8,760,389,416**	**8,720,095,801**
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	3,750,939	22,261,191	18,038,214
Retained earnings	1,526,147,669	1,254,616,109	1,414,076,353
Proposed dividends	-	95,000,000	50,000,000
Total shareholders' equity	1,581,087,278	1,423,065,970	1,533,303,237
Liabilities			
Derivative liabilities	100,015,044	229,223,438	205,061,504
Current tax liabilities	1,560,821	7,368,667	3,817,466
Deposits from customers	6,181,255,160	5,702,858,371	5,741,043,166
Deposits from banks	161,577,698	349,955,457	155,075,114
Amounts due to group companies	332,527,090	278,915,751	260,392,702
Borrowed funds	136,250,601	161,088,313	165,196,485
Subordinated debt	76,118,916	71,193,018	71,753,914
Other liabilities	750,762,836	536,720,431	584,452,213
Total liabilities	7,740,068,166	**7,337,323,446**	**7,186,792,564**
Total equity and liabilities	9,321,155,444	**8,760,389,416**	**8,720,095,801**

Stanbic Uganda Holdings Limited

SUMMARISED UNAUDITED FINANCIAL STATEMENTS

for the period ended 30 June 2022

4. SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital USh's' 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
Six months ended 30 June 2022						
At 1 January 2022	**51,188,670**	**18,038,214**	**-**	**50,000,000**	**1,414,076,353**	**1,533,303,237**
Profit for the period	-	-	-	-	162,071,316	162,071,316
Other comprehensive loss after tax for the period	-	(14,287,275)	-	-	-	(14,287,275)
Transactions with owners recorded directly in equity						-
Dividends payable	-	-	-	(100,000,000)	-	(100,000,000)
Proposed Interim dividends	-	-	-	50,000,000	(50,000,000)	-
Balance at 30 June 2022	**51,188,670**	**3,750,939**	**-**	**-**	**1,526,147,669**	**1,581,087,278**
Six months ended 30 June 2021						
At 1 January 2021	**51,188,670**	**(2,513,543)**	**-**	**95,000,000**	**1,099,764,263**	**1,243,439,390**
Profit for the period	-	-	-	-	154,851,846	154,851,846
Other comprehensive income after tax for the period	-	24,774,734	-	-	-	24,774,734
Balance at 30 June 2021	**51,188,670**	**22,261,191**	**-**	**95,000,000**	**1,254,616,109**	**1,423,065,970**
Year ended 31 December 2021						
Balance at 1 January 2021	**51,188,670**	**(2,513,543)**	**-**	**95,000,000**	**1,099,764,261**	**1,243,439,388**
Profit for the year					269,312,092	269,312,092
Other comprehensive income after tax for the year	-	20,551,757	-	-	-	20,551,757
Transactions with owners recorded directly in equity						
Proposed dividends transferred back to retained earnings	-	-	-	(95,000,000)	95,000,000	-
Proposed dividends	-	-	-	50,000,000	(50,000,000)	-
Balance at 31 December 2021	**51,188,670**	**18,038,214**	**-**	**50,000,000**	**1,414,076,353**	**1,533,303,237**

5. SUMMARY CONSOLIDATED STATEMENT OF CASHFLOWS

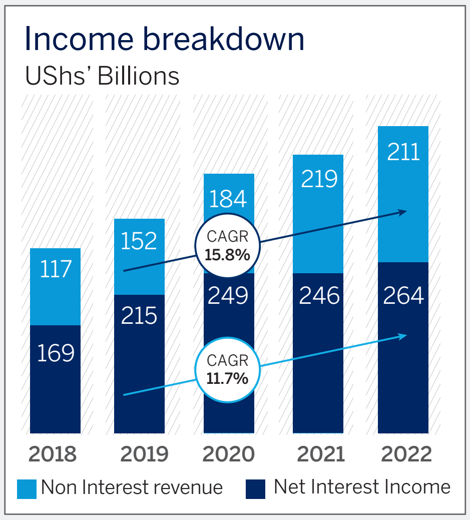
	Unaudited six months to 30 June 2022 UShs' 000	Unaudited six months to 30 June 2021 UShs' 000	Audited year ended 31 Dec 2021 UShs' 000
Cash flows from operating activities			
Interest received	**304,740,922**	282,933,745	543,521,114
Interest paid	**(22,566,668)**	(23,360,286)	(45,616,592)
Net fees and commissions received	**88,043,468**	81,056,676	160,583,904
Net trading and other income	**131,447,374**	140,940,888	248,832,500
Cash payment to employees and suppliers	**(288,478,713)**	(205,765,853)	(477,337,194)
Cash flows from operating activities before changes in operating assets and liabilities	**213,186,383**	**275,805,170**	**429,983,732**
Changes in operating assets and liabilities			
Income tax paid	**(44,844,467)**	(50,199,642)	(83,593,142)
Increase in derivative assets	**30,399,656**	50,170,694	31,753,085
Decrease/(increase) in financial investments	**(80,030,159)**	73,116,536	(744,556,343)
Decrease in trading assets	**(106,077,742)**	(218,505,498)	501,219,810
Increase in cash reserve requirement	**(166,010,000)**	15,470,000	(60,350,000)
Increase in loans and advances to customers	**(162,658,734)**	(182,535,047)	(181,875,005)
Increase in other assets	**(386,950,888)**	(143,193,686)	(166,047,172)
Increase in customer deposits	**440,520,904**	209,302,981	247,211,676
Increase/(decrease) in deposits and balances due to other banks	**6,502,584**	(329,783,156)	(630,402,329)
Increase/(decrease) in deposits from group companies	**72,134,388**	(72,691,728)	(91,214,777)
Decrease in derivative liabilities	**(105,046,460)**	(509,973)	(24,671,907)
Increase in other liabilities	**141,717,577**	173,738,311	272,258,680
Net cash outflows used in operating activities	**(147,156,958)**	**(199,815,038)**	**(500,283,692)**
Cash flows from investing activities			
Purchase of property and equipment	**(7,760,793)**	(4,749,251)	(8,952,743)
Purchase of computer software	**(297,435)**	-	(3,887,241)
Proceeds from sale of property and equipment	**30,947**	45,890	73,898
Net cash used in investing activities	**(8,027,281)**	**(4,703,361)**	**(12,766,086)**
Cash flows from financing activities			
Principal lease payments	**(654,103)**	(687,417)	(21,133,035)
(Decrease)/increase in borrowed funds	**(28,945,884)**	(1,829,507)	121,849,918
Increase/(decrease) in subordinated debt	**4,365,002**	12,002,916	(1,268,611)
Net cash flows used in/ generated from financing activities	**(25,234,985)**	**9,485,992**	**99,448,272**
Net decrease in cash and cash equivalents during the period	**(180,419,224)**	(195,032,407)	(413,601,506)
Cash and cash equivalents at beginning of the year	**2,036,943,287**	2,450,544,793	2,450,544,793
Cash and cash equivalents at the period ended	**1,856,524,063**	**2,255,512,386**	**2,036,943,287**

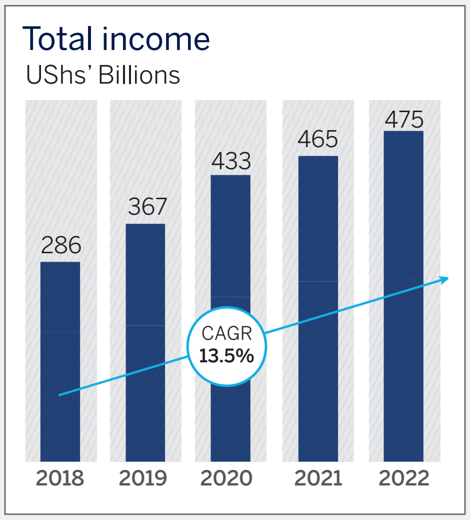
KEY TRENDS AND PERFOMANCE INDICATORS

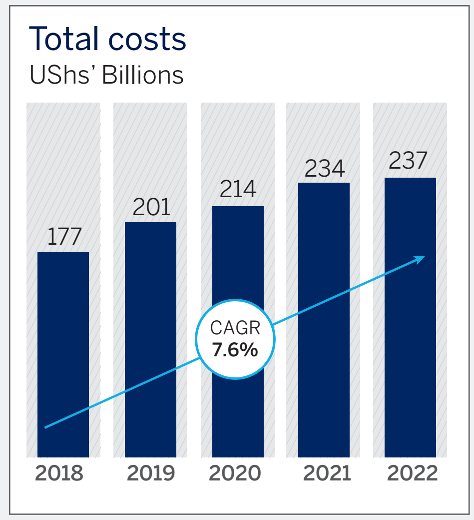
Stanbic Uganda Holdings Limited

SUMMARISED UNAUDITED FINANCIAL STATEMENTS

for the period ended 30 June 2022

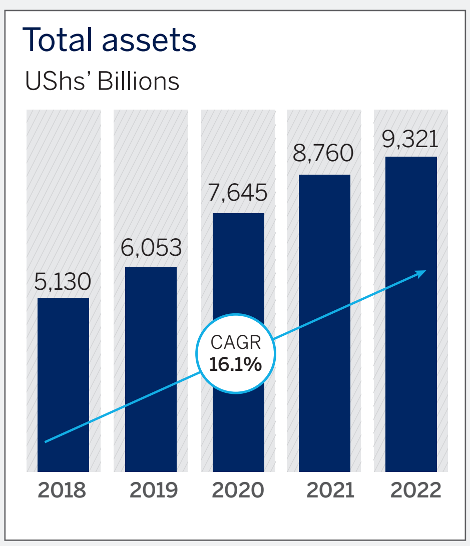


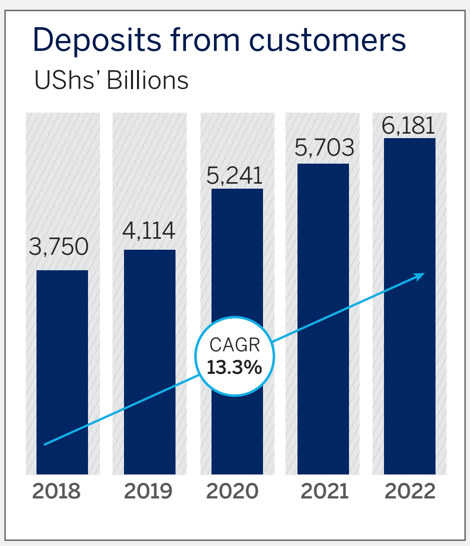


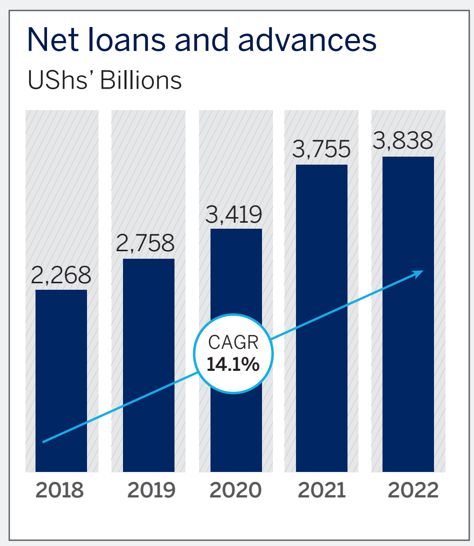


Income statement commentary

Total income has grown at a rate of 13.5% over the past 5 years while cost growth has been contained at a rate of 7.6%. We continue to drive improved client experience and operational efficiency through digitisation while investing in our journey to become a future ready organisation. Our growth remains sustainable with income growing faster than costs by a margin of 5.9%. Diversification of revenue streams shows a positive trend with non-interest revenue growing at a rate of 15.8% compared to 11.7% on Net Interest Income (NII). Non-interest revenue now accounts for 44.4% of total income.







Balance sheet commentary

Steady balance sheet growth over the 5-year period at a rate of 16.1%. Customer deposits growing at a rate of 13.3% largely on transactional accounts reflecting our ability to fulfil customers payment and collection needs through various channels. Loans and advances continue to grow at a rate of 14.1% as we deploy liquidity and capital to meet our customers financing requirements. Shareholder's wealth represented by Shareholder's equity has grown at a rate of 17.2% over the 5-year period. The Group resumed dividend payment by declaring UShs 100b in June 2022. The group has adequate capital to support its growth strategy.

Key Ratios		H1 2022	H1 2021	H1 2020	H1 2019	H1 2018
PROFITABILITY	1					
Return on Average Equity (ROE)	a	**21.6%**	23.2%	21.6%	27.6%	22.9%
Return on Average Assets (ROA)	b	**3.6%**	3.6%	3.6%	4.7%	3.9%
EFFECIENCY	2					
Cost to Income (CTI)		**49.9%**	50.4%	50.6%	50.5%	55.2%
LIQUIDITY	3					
Loan to Deposit Ratio (LDR)		**62.1%**	65.8%	65.7%	69.4%	60.5%
ASSET QUALITY	4					
Credit Loss Ratio (CLR)- Customer	a	**1.0%**	1.5%	2.2%	1.0%	0.9%
Non- Performing loans (NPL)	b	**3.9%**	3.6%	4.4%	4.9%	5.9%
CAPITAL	5					
Capital Adequacy Ratio (C.A.R)						
Core (Tier 1)	a	**17.4%**	19.4%	18.5%	16.8%	15.4%
Total (Tier 1 + Tier 11)	b	**19.3%**	21.5%	20.9%	19.4%	18.2%