

2020 HALF YEAR RESULTS



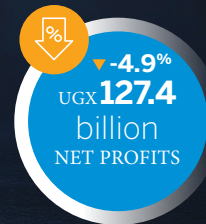
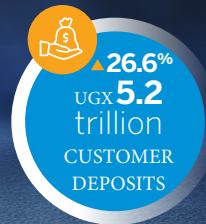
HIGHLIGHTS



EUROMONEY AWARD WINNER 2020
UGANDA'S BEST BANK



GLOBAL FINANCE AWARD WINNER 2020
UGANDA'S BEST BANK



The 2020 financial results presented in this publication detail the performance of Stanbic Uganda Holdings Limited (SUHL) to which Stanbic Bank Uganda Limited (SBU) is a subsidiary. The Q&A commentary below by Patrick Mweheire – Chief Executive, SUHL and Regional Chief Executive, Standard Bank Group and Anne Juuko - Chief Executive, SBU provide the key highlights of Stanbic's performance, business activities and key achievements in the first six months of 2020.



PATRICK MWEHEIRE
CE, SUHL and Regional CE,
Standard Bank Group

WHAT ARE THE KEY HIGHLIGHTS FOR STANBIC UGANDA HOLDINGS LTD FOR THE FIRST HALF OF 2020?

Despite a challenging first half, Stanbic Uganda has demonstrated resilience as highlighted by the first 6 months performance. Details of our performance will be shared by Anne Juuko, CE of our largest subsidiary - Stanbic Bank Uganda. We have also made significant strides towards

achieving the strategic objectives as set out in 2018 of creating the opportunity for Stanbic to venture into other non-banking services that would enhance value of products and services, provided to our different stakeholders and ultimately increased shareholder value.

Among the key achievements, SUHL successfully established two new subsidiaries: **Stanbic Properties Uganda Limited**, that will hold and manage the real estate portfolio and **Stanbic Business Incubator Limited**, that will manage

enterprise development on behalf of the holding company and its subsidiaries. That brings the total of subsidiaries under the holding company to three, in addition to the Bank which was its first subsidiary.

Looking ahead, we expect to have two other subsidiaries as the first phase of additions which will include a stock brokerage subsidiary that will increase the suite of financial services offered to Stanbic clients and a financial technology subsidiary which is expected to advance Stanbic digital agenda.



ANNE JUUKO
Chief Executive, Stanbic
Bank Uganda Limited

WITH THE CURRENT STATE OF THE ECONOMY, HEAVILY IMPACTED BY THE COVID-19 PANDEMIC, HOW HAS STANBIC BANK PERFORMED IN THE FIRST HALF OF THE YEAR?

Despite the difficult operating environment, Stanbic's performance in this first half has shown the banks resilience and

commitment to implementing a robust strategy in the current economic conditions.

Customer deposits grew by **UGX 1.1 Trillion** a **26.6%** year on year growth. This growth was enabled by our strong client ecosystem engagement and simplifying client on-boarding. Loans and advances increased by **UGX 661 billion**, **24%** year on year growth registered across our varied client segments on working capital and term financing. We reported Profit After Tax of **UGX 127.4 Billion**, **4.9%** down from **UGX 134.0 Billion** the previous year, due to the impact of Covid-19 Pandemic on client business.

HOW HAS THE BANK PROVIDED SUPPORT TO CLIENTS DURING COVID-19?

Credit Relief programmes:

We offered credit relief programmes to business and personal customers to minimise the impact the pandemic would have on their businesses. We also waived all charges on our digital banking platforms so that customers transacted free of charge.

Lowered Prime lending rate:

We lowered our PLR twice during the period to 16% which is one of the lowest PLRs of all active retail financial institutions in Uganda. Our aim is to ensure our customers can benefit from more affordable lending rates.

Corporate Social Investments:

We increased our investment in CSI and double our spend to provide the much-needed support in communities and to the Government through the provision of Protective Gear and fuel for front line workers complimented by our partnership with the Uganda Bankers Association.

Putting our People first:

Our teams remain the life line of the organisation and we prioritised putting in place every measure and initiative to support their health and well-being during this time, from provision of health care to any support needed for their safety, productivity and wellness.

LOOKING AHEAD, WHAT IS THE KEY FOCUS FOR THE BANK IN THE NEXT HALF OF THE YEAR?

The pandemic has presented an opportunity for us to reshape the way we deliver services to our clients. As we start see some economic recovery following the Government's recent measures to relax restrictions, Stanbic will focus its efforts on implementing initiatives to support the recovery of key sectors that were heavily impacted by the pandemic, especially the SME sector.

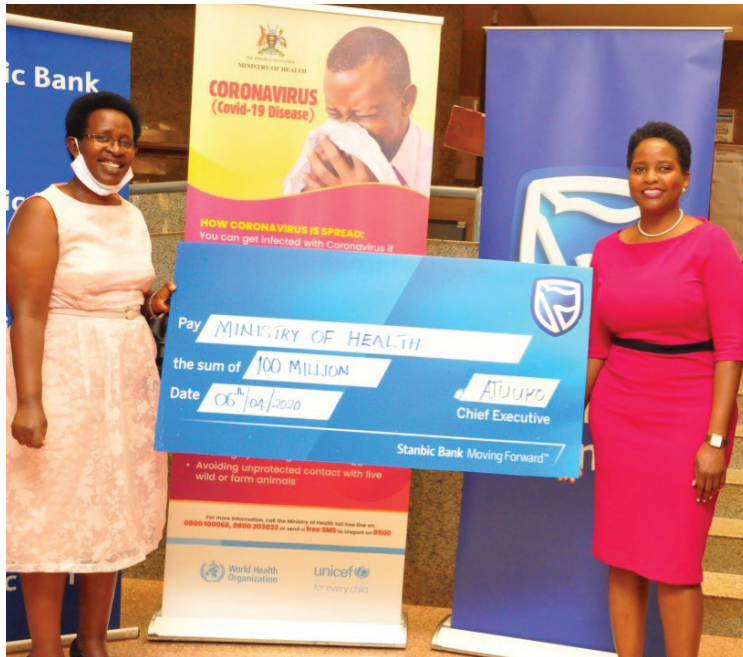
We shall continue to accelerate our digitization agenda to ensure we continue to provide more innovative and efficient banking services to our clients.

And lastly, our customers remain our core focus and our ability to reshape our strategy and continue to innovate solutions that meet their needs will be our priority.

We are committed to our purpose, to drive Uganda's growth and continue to take the necessary actions to support our clients and contribute to the growth of Uganda's economy.



STANDING TOGETHER WITH OUR CLIENTS AND COMMUNITIES DURING COVID-19.



STANBIC BANK DONATED UGX 100 MILLION IN THE FIGHT AGAINST COVID-19.

The Permanent Secretary Ministry of Health, Dr. Diana Atwine received the donation from Stanbic Bank's Chief Executive, Anne Juuko.



STANBIC STAFF CSI.

Stanbic Tororo Branch staff made a donation of food and staple supplies to Tororo Babies Home as part of our many Stanbic staff CSI initiatives during the pandemic.



HANDOVER CEREMONY OF PPE EQUIPMENT FOR HEALTH WORKERS.

Stanbic Bank's head of CSI, Barbara Kasekende receiving Procured PPE Items from Joint Medical Stores Marketing Manager, JMS Ben Asiimwe that supported front line workers.



STANBIC DONATED OF 1000 PRE-PAID CARDS TO MINISTRY OF HEALTH FRONT LINE WORKERS.

Stanbic Bank Uganda Head of Personal Markets Israel Arinaitwe and Plan International's Head of Programmes Greg Lavendar after signing an MoU during the prepaid cards Handover ceremony.

OFFERED CREDIT RELIEF PROGRAMMES TO OVER 1,600 CLIENTS.

We offered credit relief programmes to business and personal customers tailored to suit their circumstances. Our aim was to ensure that we see that their businesses are sustained and the impact on the economy is minimised.

The most impact sector has been the SME's and Stanbic has been deliberate in its efforts to provide the necessary relief support to help sustain their businesses. With a portfolio of over 40,000 SME clients, encouraged all our SME customers whose incomes have been impacted as a result of COVID19 to apply for a loan repayment holiday based on their circumstances. Over 60% of the loans restructured in the Stanbic's portfolio have been SMEs and we shall continue to create further interventions to help business recover from the impact of the pandemic.



STANBIC BANK, UBL AND TOTAL UGANDA PARTNERED TO PROVIDE FUEL FOR THE COVID RESPONSE FIELD TEAM WORTH UGX 40MILLION.

Hon. Minister, Jane Acheng received the donation from partners.

STANBIC UGANDA HOLDINGS LIMITED

SUMMARISED UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2020



1. SUMMARY INCOME STATEMENT

	Unaudited six months to 30 June 2020	Unaudited six months to 30 June 2019	Audited year ended 31 Dec 2019
	Shs' 000	Shs' 000	Shs' 000
Interest and similar income	269,542,028	232,385,116	484,410,301
Interest expense and similar Charges	(20,238,584)	(17,018,374)	(35,469,336)
Net interest income	249,303,444	215,366,742	448,940,965
Fee and Commission Income	78,266,780	82,012,731	170,766,015
Fee and Commission expenses	(4,197,774)	(4,736,621)	(9,795,567)
Net Fees and commission income	74,069,006	77,276,110	160,970,448
Net trading income	94,155,392	102,838,713	191,205,066
Other gains and losses on financial instruments	(143,995)	(523,197)	347,798
Other operating losses/ income	4,600,429	3,553,983	5,643,574
Total operating income	421,984,276	398,512,351	807,107,851
Impairment charge for credit losses	(39,081,640)	(14,396,121)	(43,522,012)
Total income after credit impairment charge	382,902,636	384,116,230	763,585,839
Employee benefit expenses	(85,711,178)	(81,286,778)	(164,999,991)
Depreciation and amortisation	(24,197,303)	(21,904,676)	(45,626,420)
Other operating expenses	(103,807,919)	(98,122,469)	(203,324,989)
Profit before income tax	169,186,236	182,802,307	349,634,439
Income tax expense	(41,741,052)	(48,774,280)	(90,540,381)
Profit after tax	127,445,184	134,028,027	259,094,058
Earnings per share			
Basic & diluted**	4.98	5.24	5.06

*Half year position has been annualised

2. SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months to 30 June 2020	Unaudited six months to 30 June 2019	Audited year ended 31 Dec 2019
	Shs' 000	Shs' 000	Shs' 000
Profit for the period:	127,445,184	134,028,027	259,094,058
Other comprehensive income for the year after tax:			
Items that may be reclassified to profit and loss			
Net change in debt financial assets measured at fair value through other comprehensive income (OCI) - IFRS	1,694,473	5,855,097	(1,079,362)
Total comprehensive income for the period	129,139,657	139,883,124	258,014,696

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 2019 with exception of new international reporting standards and amendments that are effective 1st January 2020.

The Interim financial statements were approved by the Board of Directors on 19th August 2020. A copy of the summarised unaudited Financial statements can be obtained on our web site www.stanbic.co.ug

Mr. Japheth Katto
Chairman

Mr. Patrick Mweheire
Chief Executive

Mr. Samuel Zimbe
Director

Ms. Ritah Kabatunzi
Company Secretary

4. SUMMARY STATEMENT OF CHANGES IN EQUITY

	Share capital	Fair value through OCI reserve	Statutory credit risk reserve	Proposed dividends	Retained earnings	Total
	Shs' 000	Shs' 000	Shs' 000	Shs' 000	Shs' 000	Shs' 000
Year ended 31 December 2019						
Balance as at 1 January 2019	51,188,670	3,679,191	11,073,905	97,500,000	792,909,973	956,351,739
Profit for the year	-	-	-	-	259,094,058	259,094,058
Other comprehensive (loss)/income after tax for the year	-	(1,079,362)	-	-	-	(1,079,362)
Transactions with owners recorded directly in equity						
Dividend paid	-	-	-	(97,500,000)	-	(97,500,000)
Statutory credit risk reserve	-	-	(2,607,372)	-	2,607,372	-
Proposed dividend	-	-	-	110,000,000	(110,000,000)	-
Balance at 31 December 2019	51,188,670	2,599,829	8,466,533	110,000,000	944,611,403	1,116,866,435

3. SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited six months to 30 June 2020	Unaudited six months to 30 June 2019	Audited as at 31 Dec 2019
	Shs' 000	Shs' 000	Shs' 000
Assets			
Cash & balances with Bank of Uganda	848,762,269	677,491,053	1,123,942,143
Derivative assets	152,849,924	80,505,637	69,278,229
Trading Assets	933,245,647	715,051,367	612,551,106
Financial Investments	884,364,707	512,181,693	795,815,862
Current income tax recoverable	16,327,106	5,825,076	2,038,942
Loans and advances to banks	774,330,271	1,008,230,793	825,252,492
Amounts due from group companies	223,614,700	25,813,092	102,274,643
Loans and advances to customers	3,419,447,301	2,757,985,314	2,852,647,445
Other assets	202,227,200	70,376,430	52,640,352
Property, equipment & right of use assets	90,540,512	82,746,136	86,438,365
Goodwill and other intangible assets	90,942,856	103,646,308	97,068,254
Prepaid operating leases	-	72,815	-
Deferred tax asset	23,121,945	12,932,465	30,877,380
Total assets	7,659,774,438	6,052,858,179	6,650,825,213
Shareholders' equity and liabilities			
Shareholder's equity			
Ordinary share capital	51,188,670	51,188,670	51,188,670
Fair value through OCI reserve	4,294,302	9,534,288	2,599,829
Statutory credit risk reserve	-	21,551,968	8,466,533
Retained earnings	1,080,523,120	86,580,031	944,611,403
Proposed dividend	110,000,000	-	110,000,000
Total shareholders equity	1,246,006,092	998,734,838	1,116,866,435
Liabilities			
Derivative liabilities	25,998,367	21,296,128	24,170,053
Deposits from customers	5,207,225,721	4,113,793,129	4,722,203,570
Deposits from Banks	93,290,277	75,761,850	201,699,798
Amounts due to group companies	493,652,343	132,217,596	133,726,429
Borrowed Funds	29,843,056	1,854,778	11,081,783
Subordinated bonds/debt	74,595,837	73,901,365	73,280,466
Other liabilities	489,162,745	635,298,495	367,796,679
Total liabilities	6,413,768,346	5,054,123,341	5,533,958,778
Total equity and liabilities	7,659,774,438	6,052,858,179	6,650,825,213

STANBIC UGANDA HOLDINGS LIMITED

SUMMARISED UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2020



4. SUMMARY STATEMENT OF CHANGES IN EQUITY CONT'D

	Share capital	Fair value through OCI reserve	Statutory credit risk reserve	Proposed dividends	Retained earnings	Total
	Shs' 000	Shs' 000	Shs' 000	Shs' 000	Shs' 000	Shs' 000
Six months ended 30 June 2019						
At 1 January 2019	51,188,670	3,679,191	11,073,905	97,500,000	790,761,466	956,351,713
Net change in available for sale investments	-	5,855,097	-	-	-	5,855,097
Profit for the year	-	-	-	-	134,028,027	134,028,027
Total comprehensive income for the period	-	5,855,097	-	-	134,028,027	139,883,124
Transactions with owners recorded directly in equity						
Dividend Paid	-	-	-	(97,500,000)	-	(97,500,000)
General credit risk reserve	-	-	10,478,063	-	(10,478,063)	-
Balance at 30 June 2019	51,188,670	9,534,288	21,551,968	-	914,311,430	998,734,837
Six months ended 30 June 2020						
At 1 January 2020	51,188,670	2,599,829	8,466,533	110,000,000	944,611,403	1,116,866,435
Net change in Other Comprehensive Income	-	1,694,473	-	-	-	1,694,473
Profit for the year	-	-	-	-	127,445,184	127,445,184
Total comprehensive income for the period	-	1,694,473	-	-	127,445,184	129,139,657
Transactions with owners recorded directly in equity						
Dividend Paid	-	-	-	-	-	-
Statutory credit risk reserve	-	-	(8,466,533)	-	8,466,533	-
Proposed dividend	-	-	-	-	-	-
Balance at 30 June 2020	51,188,670	4,294,302	-	110,000,000	1,080,523,120	1,246,006,092

5. SUMMARY STATEMENT OF CASHFLOWS

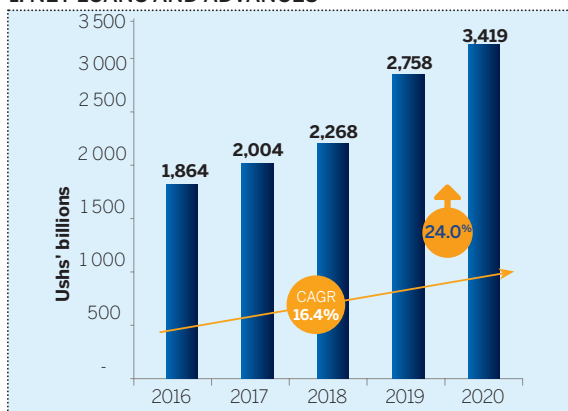
	Unaudited six months to 30 June 2020	Unaudited six months to 30 June 2019	Audited year ended 31 Dec 2019
	Shs' 000	Shs' 000	Shs' 000
Cash flows from operating activities			
Interest received	275,169,474	256,140,307	515,364,947
Interest paid	(20,663,749)	(17,477,579)	(35,488,229)
Net fees and commissions received	78,296,889	84,141,096	154,909,537
Net trading and other Income/recoveries	103,249,252	110,315,937	203,984,483
Cash payment to employees & suppliers	(199,362,004)	(171,900,288)	(402,756,475)
Cash flows from operating activities before changes in operating Assets and Liabilities	236,689,863	261,219,472	436,014,263
Changes in operating assets and liabilities			
Income tax paid	(48,991,318)	(43,478,411)	(96,426,020)
Increase in derivative assets	(83,571,695)	(64,308,626)	(53,081,218)
(Increase)/Decrease in financial investments	(108,891,817)	46,342,555	28,347,946
Increase in trading assets	(320,694,541)	(406,627,037)	(304,126,776)
Increase in cash reserve requirement	(53,040,000)	(20,900,000)	(63,890,000)
Increase in loans and advances to customers	(614,898,648)	(291,392,057)	(424,209,855)
Increase in other assets	(153,814,731)	(9,846,555)	20,883,066
Increase in customer deposits	485,447,316	221,957,685	829,927,814
Decrease in deposits and balances due to other banks	(108,409,521)	(25,622,589)	100,315,359
Increase in deposits from group companies	359,925,914	82,857,758	84,366,591
(Decrease)/Increase in derivative liabilities	1,828,314	(9,451,325)	(6,577,400)
Increase in other liabilities	129,840,404	352,395,591	81,387,659
Net cash flow (used in)/from operating activities	(278,580,461)	93,146,462	632,931,429
Cash flows from investing activities			
Purchase of property & equipment	(20,722,189)	(47,339,314)	(23,596,971)
Purchase of computer software	(1,457,693)	-	-
Proceeds from sale of property & equipment	26,331	164,627	669,188
Net cash used in investing activities	(22,153,552)	(47,174,687)	(22,927,783)
Cash flows from financing activities			
Dividends paid	-	(97,500,000)	(97,500,000)
Increase/Decrease in subordinated debt	1,315,371	(275,618)	(2,706,338)
Increase / (Decrease) in Borrowings	18,761,273	(11,933,343)	(896,517)
Net cash flows used in financing activities	20,076,644	(109,708,961)	(101,102,855)
(Decrease)/Increase in cash and cash equivalents during the year	(280,657,369)	(63,737,186)	508,900,791
Cash and cash equivalents at beginning of the year	2,071,204,497	1,562,303,706	1,562,303,706
Cash and cash equivalents at the period ended	1,790,547,128	1,498,566,520	2,071,204,497



1. NET LOANS AND ADVANCES

Loans and advances grew by 24.0% to UGX 3.4 trillion from UGX 2.7 trillion in June 2019. The CAGR over the last 5 years is 16.4%.

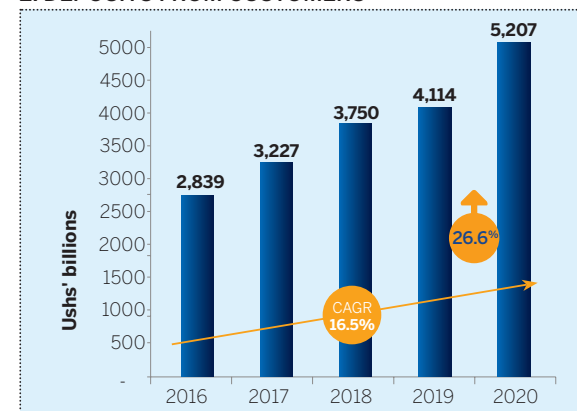
1. NET LOANS AND ADVANCES



2. DEPOSITS FROM CUSTOMERS

Customer deposits increased by 26.6% from UGX 4.1 trillion in June 2019 to UGX 5.2 trillion in June 2020. The CAGR over the last 5 years is 16.5%.

2. DEPOSITS FROM CUSTOMERS



3. TOTAL ASSETS

Total assets grew by 26.5% from UGX 6.1 trillion to UGX 7.7 trillion. The CAGR over the last 5 years is 14.2%.

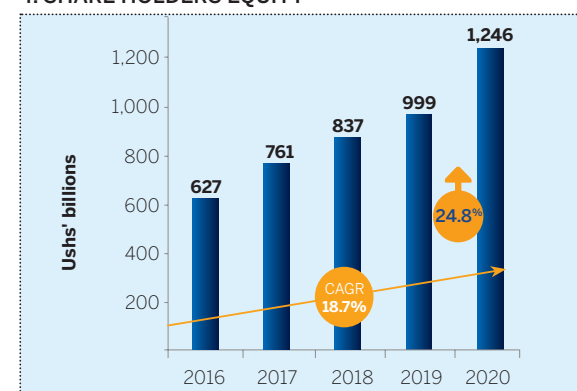
3. TOTAL ASSETS



4. SHARE HOLDERS EQUITY

Shareholders equity grew by UGX 247 billion {24.8%} compared to the same period last year. The CAGR over the last 5 years is 18.7%.

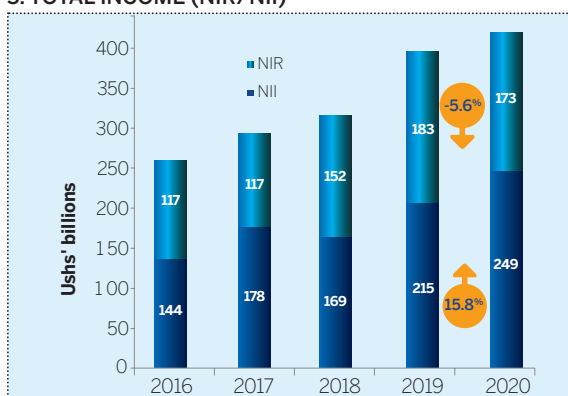
4. SHARE HOLDERS EQUITY



5. TOTAL INCOME (NIR/NII)

Total income increased by UGX 23 billion, representing a 5.6% increase over the same period in 2019. Net Interest Income (NII) registered growth off the back of larger interest earning investments, while Non Interest Revenue (NIR) dropped due to business disruptions occasioned by the Covid-19 pandemic.

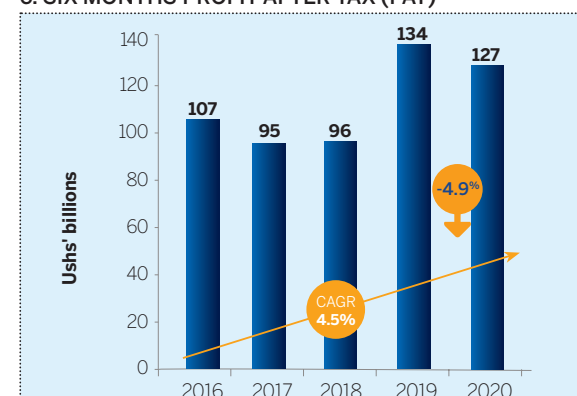
5. TOTAL INCOME (NIR/NII)



6. PROFIT AFTER TAX (PAT)

Profit after tax reduced by UGX 6.6 billion from UGX 134.0 billion as at June 2019 to UShs 127.4 bn as at June 2020. This is primarily attributed to significant increase in the credit impairment charge, and drop in transaction volumes which impacted NIR. The CAGR over the last 5 years is 4.5%.

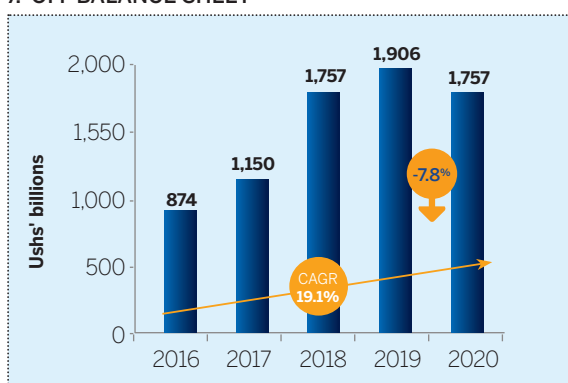
6. SIX MONTHS PROFIT AFTER TAX (PAT)



7. OFF BALANCE SHEET

Off Balance sheet (Letters of Credit, guarantees and bonds) dropped by 7.8% to UGX 1.76 billion from UGX 1.91 billion in June 2019. The CAGR over the last 5 years is 19.1%.

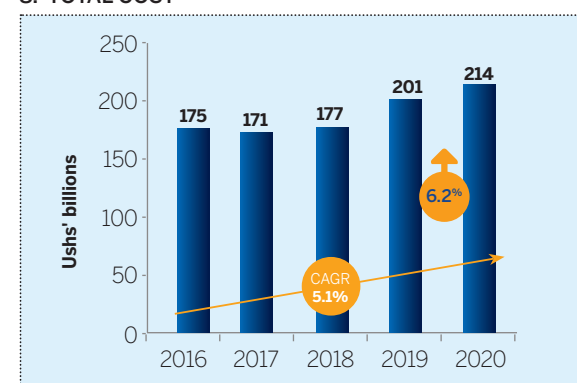
7. OFF BALANCE SHEET



8. COSTS

Costs rose by UGX 12.4 billion, 6.2% compared to last year.

8. TOTAL COST



KEY RATIOS		H12016	H12017	H12018	H12019	H12020
PROFITABILITY	1					
Return on Average Equity (ROE)	a	36.3%	27.7%	22.9%	27.6%	21.6%
Return on Average Assets (ROA)	b	5.2%	4.1%	3.9%	4.7%	3.6%
EFFICIENCY	2					
Cost To Income (CTI)		52.4%	54.5%	55.2%	50.5%	50.6%
LIQUIDITY	3					
Loan to Deposit Ratio (LDR)		65.6%	62.1%	60.5%	69.4%	65.7%
ASSET QUALITY	4					
Credit Loss Ratio (CLR) - Customer	a	1.6%	1.4%	0.9%	1.0%	2.2%
Non-Performing Loans (NPL)	b	1.9%	4.9%	5.9%	4.9%	4.4%
CAPITAL	5					
Capital Adequacy Ratio (C.A.R)						
Core (Tier I)	a	14.1%	18.8%	15.4%	16.8%	18.5%
Total (Tier I + Tier II)	b	17.1%	22.8%	18.2%	19.4%	20.9%