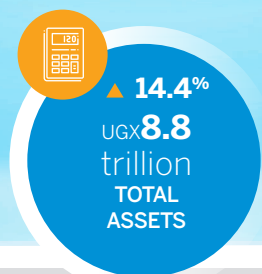




STANBIC UGANDA HOLDINGS LIMITED 2021 HALF YEAR RESULTS



The 2021 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.



ANDREW MASHANDA
CHIEF EXECUTIVE, STANBIC
UGANDA HOLDINGS LIMITED

The first six months of 2021 have been quite challenging for us as a nation with the second wave of Covid 19. Businesses and individuals have felt the impact of the pandemic and as an institution we have done everything we can to support our customers, our staff and communities through this challenging period. We continue to appreciate the great efforts and sacrifices being made by the frontline workers, who have continued to put themselves forward to save and preserve lives.

Despite the attendant challenges, Stanbic waded through and posted a resilient

performance with good growth across all key performance indicators. Our Return On Equity stood at **23.2%** up **1.6%** year on year. This strong performance was led by our anchor and largest subsidiary Stanbic Bank Uganda limited (SBUL). The detailed commentary on the performance and the drivers will be shared by Ms. Anne Juuko, CE of SBUL.

During the same period, we also celebrated the first anniversary of some of our new subsidiaries – Stanbic Properties Limited and Stanbic Business Incubator Limited.

The younger subsidiaries, FlyHUB and SBG securities were also opened, and continued to operate whilst putting in place the appropriate structure to enable them to begin delivering on their mandate. I am happy to report that despite the challenging operating environment, some of these new subsidiaries have started delivering profits in their first year of existence.

As we continue to evolve and strengthen our position, I believe we will deliver on our promise of enhancing the value of offerings to all our stakeholders.



ANNE JUUKO
CHIEF EXECUTIVE, STANBIC
BANK UGANDA LIMITED

remained resilient managing to post a good performance in this first half while implementing a robust strategy to support economic recovery.

Customer deposits increased by **9.5%** from **UGX 5.2 trillion** in June 2020 to **UGX 5.7 trillion** in June 2021. We saw significant growth in our Small and Medium Sized Enterprises (SME) segment as we continue to support small business through this challenging period. We also continued to finance the private sector through the pandemic which saw loans and advances growing by **9.8%** to **UGX 3.8 trillion** from **UGX 3.4 trillion** in June 2020.

The consolidated profit after tax during the period was **UGX 154.9 billion**, representing a **21.5%** growth above a similar period in 2020.

This increase was supported by growth in our trading revenue recorded at **UGX 37.5 billion** compared to a similar period in 2020; better management of our impairment charge for credit losses, which reduced by **UGX 11.7 billion** as compared to 2020.

We continued to provide credit relief solutions to support our clients to withstand the COVID-19 tough economic environment. Overall, the Bank remains well capitalized to continue supporting clients' needs and revive economic activity.

WHAT INTERVENTIONS HAS STANBIC EXTENDED TO SUPPORT ECONOMIC RECOVERY AND COMMUNITIES?

During the period under review, we extended a number of interventions including:

Enterprise Economic Restart fund (EERF): As a measure to also support the worst hit sectors which include; urban trading, tourism, transport, export-oriented agriculture, SME's as well as Savings and Credit Cooperative Organizations (SACCOs) and Village Savings and Loans Associations (VSLAs), Stanbic created the EERF to raise **UGX 350 billion (\$100 million)** to provide low-cost financing that will enable their recovery from the impact of the Covid-19 pandemic.

Provision of affordable financing: Stanbic also launched a new value proposition aimed at revitalizing the operations for SACCO's and VSLA's across Uganda. The bank has so far provided **UGX 5.1 billion** in financing that is reaching over **261,497 members**.

Corporate Social investments: Stanbic has invested over **UGX 2.1 billion** into CSI community initiatives. We made tangible

contributions to education through the National Schools Championship programme reaching over 60,000 students; promoted better access to Health Care through the Maternal Health drive; and Joined the fight against COVID 19 with a donation of over **UGX 200 million** to the Ministry of Health.

Caring for our people: We continued to provide necessary support to protect our staff and their wellbeing. Our people are the heart of our organisation, and our aim is to ensure that during this period they are provided the required health care support and counsel.

LOOKING AHEAD, WHAT SHOULD CUSTOMERS AND THE STAKEHOLDERS EXPECT OVER THE NEXT 6 MONTHS?

Our priority for the next half is to focus on investing in technology and digital solutions to enhance our service offerings and customer experience. We shall also focus on continuously managing our risks across all areas of operations to ensure business continuity and implement the Social, Economic and Environmental (SEE) priorities as a true testament to our purpose, Uganda is our Home and we drive her growth.

HOW HAS STANBIC PERFORMED DURING THIS PERIOD CONSIDERING THE CHALLENGING ECONOMIC ENVIRONMENT?

The first half of 2021 was rather challenging given the tough macro-economic environment especially as the nation continues to battle the impact of the COVID-19 pandemic. Despite that, Stanbic

SUPPORTING UGANDA'S ECONOMIC RECOVERY AND TRANSFORMING LIVES.

This section highlights our key initiatives in the first half of 2021:



STANBIC DONATED UGX 200 MILLION TOWARDS EFFORTS TO THE FIGHT COVID-19.

The donation comprised of PPE items that were provided to the Ministry of Health and oxygen cylinders that were distributed to hospitals around the country

PICTURE: Permanent Secretary MOH Dr. Diana Atwiine, Stanbic Bank ED Emma Mugisha and CSI Manager Barbara Kasekende.



REINVENTING EDUCATION THROUGH STANBIC NATIONAL SCHOOLS.

The National Schools programme is underway with 100 schools, 400 teachers and 60,000 students reached. The programme promotes education through creativity and business innovation. Over 1000+ business ideas generated.

PICTURE: Students from Busoga High School showcase their organic "Feed the Earth" pesticide during the regional business plan presentations.



UGX 5.1 BILLION IN AFFORDABLE FINANCE PROVIDED TO SACCO'S.

Stanbic launched a new value proposition aimed at revitalizing the operations for Savings and Credit Cooperative Organizations (SACCOs) and Village Savings and Loans Associations (VSLAs) across Uganda. Farmers can access affordable finance at subsidised rates. UGX 5.1bn has so far been provided, reaching over 261,497 members.



Stanbic Uganda plays a key role in supporting the country's national development agenda through investments in critical areas of the economy. Throughout the pandemic, Stanbic has remained committed to transforming lives in our communities through its Corporate Social Investments and implementing initiatives to drive Uganda's economic recovery.



UGX 350 BILLION FOR THE STANBIC ENTERPRISE ECONOMIC RESTART FUND (EERF).

As a measure to support the most vulnerable sectors and groups that were impacted by the pandemic, Stanbic created the EERF to raise UGX 350bn (\$ 100 million) to support SME's and impacted groups. The fund will provide *low-cost financing informal sector businesses to enable them recover from the impact of the Covid-19 pandemic.

UGX 6.2 BILLION SUPPORT TO AGRICULTURE SECTOR.

Stanbic continues to make a significant contribution to the growth Agriculture sector with a net value increment of UGX 6.2 billion. Stanbic supports the value chain from input suppliers, smallholder farmers, aggregators, and processors. We ensure that right financing solutions are provided to help them achieve their needs.



EMPLOYEE COMMUNITY INITIATIVE.

The Stanbic Digital department supported young ladies in the distributed sanitary towels from Kaleke Kasome Foundation to girls at Branch of Grace ministries.

PICTURE: Staff from the Digital team with the girls from Branch of Grace ministries.

SUPPORTING MATERNAL HEALTH.

As part of the maternal health campaign, Stanbic and the wider community donated UGX 24m worth of Mama kits to Kawempe hospital to aid the new mothers.

PICTURE: Kawempe hospital handover with CSI Project Coordinator Catherine Asayo, Kawempe Hospital Director, Dr. Nekemiah Katusiime, Stanbic ED Emma Mugisha, CSI Manager Barbara Kasekende



STANBIC UGANDA HOLDINGS LIMITED
**SUMMARISED UNAUDITED
 FINANCIAL STATEMENTS**
 FOR THE PERIOD ENDED 30 JUNE 2021



1. SUMMARY INCOME STATEMENT

	Unaudited six months to 30 June 2021	Unaudited six months to 30 June 2020	Audited year ended 31 Dec 2020
	Shs' 000	Shs' 000	Shs' 000
Interest and similar income	269,489,776	269,542,028	536,233,586
Interest expense and similar charges	(23,436,142)	(20,238,584)	(45,441,437)
Net interest income	246,053,634	249,303,444	490,792,149
Fee and commission income	87,434,955	78,266,780	165,731,160
Fee and commission expenses	(4,658,686)	(4,197,774)	(8,449,791)
Net Fees and commission income	82,776,269	74,069,006	157,281,369
Net trading income	131,610,333	94,155,392	177,344,278
Other gains and losses on financial instruments	504,237	(143,995)	(132,234)
Other operating income	4,046,335	4,600,429	6,104,594
Total operating income	464,990,808	421,984,276	831,390,156
Impairment charge for credit losses	(27,344,854)	(39,081,640)	(91,734,105)
Total income after credit impairment charge	437,645,954	382,902,636	739,656,051
Employee benefit expenses	(87,338,366)	(85,711,178)	(169,512,134)
Depreciation and amortisation	(24,282,966)	(24,197,303)	(48,424,389)
Other operating expenses	(122,871,416)	(103,807,919)	(203,106,739)
Profit before income tax	203,153,206	169,186,236	318,612,789
Income tax expense	(48,301,360)	(41,741,052)	(76,926,464)
Profit after tax	154,851,846	127,445,184	241,686,325
Earnings per share			
Basic & diluted**	6.05	4.97	4.72

*Half year position has been annualised

2. SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months to 30 June 2021	Unaudited six months to 30 June 2020	Audited year ended 31 Dec 2020
	Shs' 000	Shs' 000	Shs' 000
Profit for the period:	154,851,846	127,445,184	241,686,325
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	24,774,734	1,694,473	(5,113,372)
Total comprehensive income for the period	179,626,580	129,139,657	236,572,953

The Interim financial statements were approved by the Board of Directors on 4 August 2021. A copy of the summarised unaudited Financial statements can be obtained on our web site www.stanbic.co.ug

Japheth Katto
 Chairman

Andrew Mashanda
 Chief Executive

Samuel Zimbe
 Director

Ritah Kabatunzi
 Company Secretary

3. SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited six months as at 30 June 2021	Unaudited six months as at 30 June 2020	Audited as at 31 Dec 2020
	Shs' 000	Shs' 000	Shs' 000
Assets			
Cash & balances with Bank of Uganda	748,266,906	848,762,269	1,155,333,607
Derivative assets	110,746,432	152,849,924	160,917,126
Trading assets	1,777,876,889	933,245,647	1,101,949,038
Pledged assets	3,104,889	-	460,527,242
Financial investments	790,574,925	884,364,707	721,772,782
Current income tax recoverable	-	16,327,106	5,066,711
Loans and advances to banks	1,093,383,418	774,330,271	683,929,488
Amounts due from group companies	35,405,642	223,614,700	354,851,856
Loans and advances to customers	3,755,053,247	3,419,447,301	3,618,353,321
Other assets	241,702,009	202,227,200	96,788,730
Property, equipment & right of use assets	69,764,651	90,540,512	81,417,930
Goodwill and other intangible assets	86,254,536	90,942,856	93,447,576
Deferred tax asset	48,255,872	23,121,945	44,542,719
Total assets	8,760,389,416	7,659,774,438	8,578,898,126
Shareholders' equity and liabilities			
Shareholder's equity			
Ordinary share capital	51,188,670	51,188,670	51,188,670
Fair value through OCI reserve	22,261,191	4,294,302	(2,513,543)
Retained earnings	1,254,616,109	1,080,523,120	1,099,764,261
Proposed dividend	95,000,000	110,000,000	95,000,000
Total shareholders equity	1,423,065,970	1,246,006,092	1,243,439,388
Liabilities			
Derivative liabilities	229,223,438	25,998,367	229,733,411
Deposits from customers	5,702,858,371	5,207,225,721	5,493,479,534
Deposits from Banks	455,694,287	93,290,277	785,477,443
Amounts due to group companies	278,915,751	493,652,343	351,607,479
Borrowed funds	55,349,483	29,843,056	43,346,567
Subordinated bonds/debt	71,193,018	74,595,837	73,022,525
Other liabilities	536,720,431	489,162,745	358,791,779
Current tax liabilities	7,368,667	-	-
Total liabilities	7,337,323,446	6,413,768,346	7,335,458,738
Total equity and liabilities	8,760,389,416	7,659,774,438	8,578,898,126

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 2020						
Balance as at 1 January 2020	51,188,670	2,599,829	8,466,533	110,000,000	944,611,403	1,116,866,435
Profit for the year	-	-	-	-	241,686,325	241,686,325
Other comprehensive (loss)/income after tax for the year	-	(5,113,372)	-	-	-	(5,113,372)
Transactions with owners recorded directly in equity						
Dividends paid	-	-	-	(110,000,000)	-	(110,000,000)
Statutory credit risk reserve	-	-	(8,466,533)	-	8,466,533	-
Proposed dividends	-	-	-	95,000,000	(95,000,000)	-
Balance at 31 December 2020	51,188,670	(2,513,543)	-	95,000,000	1,099,764,261	1,243,439,388



STANBIC UGANDA HOLDINGS LIMITED
SUMMARISED UNAUDITED FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 30 JUNE 2021

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 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
Transactions with owners recorded directly in equity						
Dividends paid	-	-	-	-	-	-
Statutory credit risk reserve	-	-	(8,466,533)	-	8,466,533	-
Balance at 30 June 2020	51,188,670	4,294,302	-	110,000,000	1,080,523,120	1,246,006,092
Six months ended 30 June 2021						
At 1 January 2021	51,188,670	(2,513,543)	-	95,000,000	1,099,764,261	1,243,439,388
Net change in other comprehensive income	-	24,774,734	-	-	-	24,774,734
Profit for the year	-	-	-	-	154,851,846	154,851,846
Transactions with owners recorded directly in equity						
Dividends paid	-	-	-	-	-	-
Statutory credit risk reserve	-	-	-	-	-	-
Balance at 30 June 2021	51,188,670	22,261,191	-	95,000,000	1,254,616,107	1,423,065,968

5. SUMMARY STATEMENT OF CASHFLOWS

	Unaudited six months to 30 June 2021 Shs' 000	Unaudited six months to 30 June 2020 Shs' 000	Audited year ended 31 Dec 2020 Shs' 000
Cash flows from operating activities			
Interest received	282,933,745	275,169,474	514,409,124
Interest paid	(23,360,286)	(20,663,749)	(46,511,654)
Net fees and commissions received	81,056,676	78,296,889	162,228,254
Net trading and other Income/recoveries	140,940,888	103,249,252	192,349,594
Cash payment to employees & suppliers	(205,765,853)	(199,362,004)	(389,839,999)
Cash flows from operating activities before changes in operating assets and liabilities	275,805,170	236,689,862	432,635,319
Changes in operating assets and liabilities			
Income tax paid	(50,199,642)	(48,991,319)	(91,394,617)
Decrease/(increase) in derivative assets	50,170,694	(83,571,695)	(78,419,817)
Decrease/(increase) in financial investments	73,116,536	(108,891,817)	277,021,578
Increase in trading assets	(218,505,498)	(320,694,541)	(841,973,214)
Decrease/(increase) in cash reserve requirement	15,470,000	(53,040,000)	(81,630,000)
Increase in loans and advances to customers	(182,535,047)	(614,898,648)	(842,235,712)
Increase in other assets	(143,193,686)	(153,814,731)	(49,095,263)
Increase in customer deposits	209,302,981	485,447,316	772,346,181
(Decrease) /increase in deposits and balances due to other banks	(329,783,156)	(108,409,521)	583,777,645
(Decrease)/increase in deposits from group companies	(72,691,728)	359,925,914	319,687,129
(Decrease)/increase in derivative liabilities	(509,973)	1,828,314	103,757,279
Increase in other liabilities	173,738,311	129,840,405	5,933,466
Net cash outflows from operating activities	(199,815,038)	(278,580,461)	510,409,974
Cash flows from investing activities			
Purchase of property & equipment	(4,749,251)	(20,722,189)	(17,761,017)
Purchase of computer software	-	(1,457,693)	(11,081,968)
Proceeds from sale of property & equipment	45,890	26,331	376,858
Net cash used in investing activities	(4,703,361)	(22,153,551)	(28,466,127)
Cash flows from financing activities			
Principle lease payments	(687,417)	-	(11,391,314)
Dividends paid to shareholders	-	-	(110,000,000)
(Decrease)/increase in borrowed funds	(1,829,507)	1,315,371	32,264,784
Increase in subordinated debt	12,002,916	18,761,273	(257,941)
Net cash flows used in financing activities	9,485,992	20,076,644	(89,384,471)
(Decrease)/increase in cash and cash equivalents during the year	(195,032,407)	(280,657,368)	392,559,376
Cash and cash equivalents at beginning of the year	2,450,544,793	2,071,204,497	2,057,985,417
Cash and cash equivalents at the period ended	2,255,512,386	1,790,547,129	2,450,544,793

KEY PERFORMANCE INDICATORS

STANBIC UGANDA HOLDINGS LIMITED SUMMARISED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021



1. NET LOANS AND ADVANCES

Loans and advances grew by 9.8% to UGX 3.8 trillion from UGX 3.4 trillion in June 2020. The CAGR over the last 5 years is 17.0%.

2. DEPOSITS FROM CUSTOMERS

Customer deposits increased by 9.5% from UGX 5.2 trillion in June 2020 to UGX 5.7 trillion in June 2021. The CAGR over the last 5 years is 15.3%.

3. TOTAL ASSETS

Total assets grew by 14.4% from UGX 7.7 trillion to UGX 8.8 trillion. The CAGR over the last 5 years is 16.4%.

4. SHARE HOLDERS EQUITY

The Shareholder's equity increased by 14.2% from UGX 1.2 trillion as at June 2020 to UGX 1.4 trillion as at June 2021. the CAGR over the past 5 years is 16.9%.

5. TOTAL INCOME (NIR/NI)

Total income increased by UGX 43 billion, representing a 10.2% increase over the same period in 2020. 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.

6. PROFIT AFTER TAX (PAT)

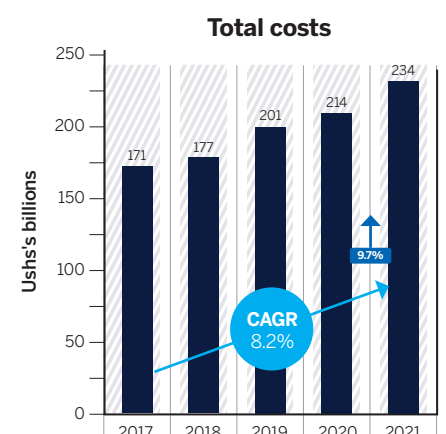
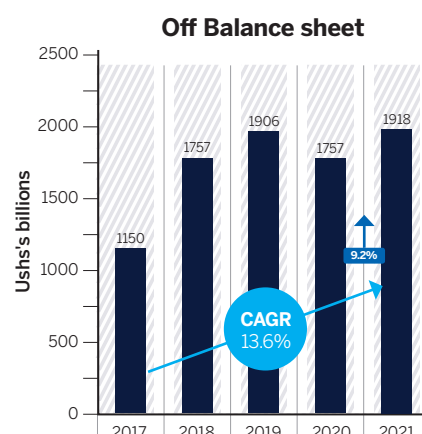
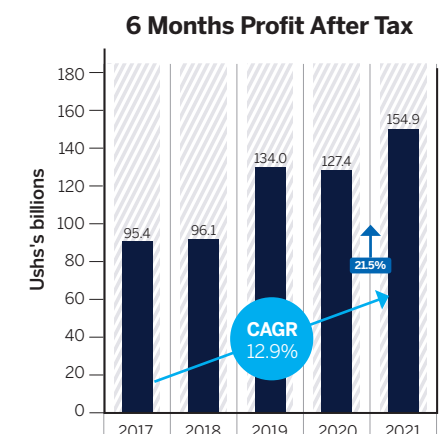
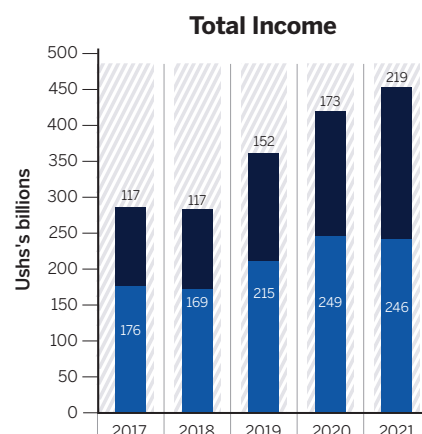
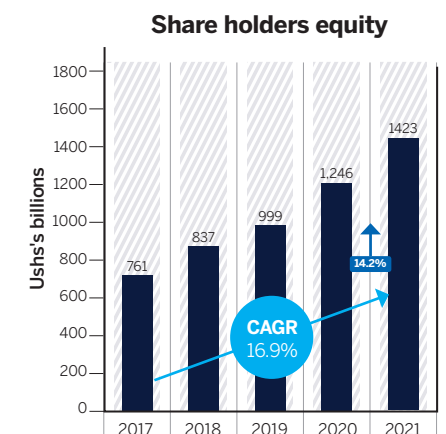
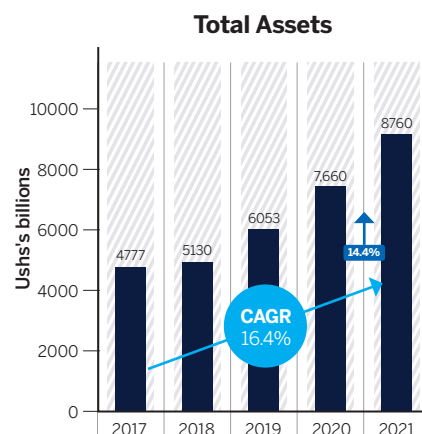
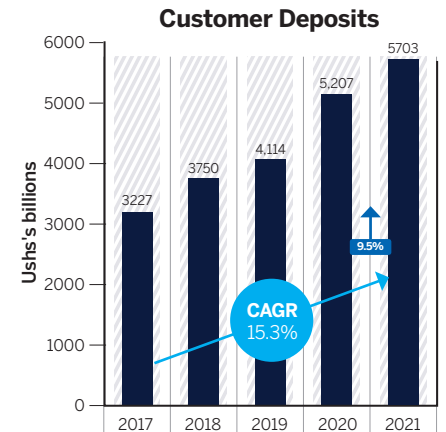
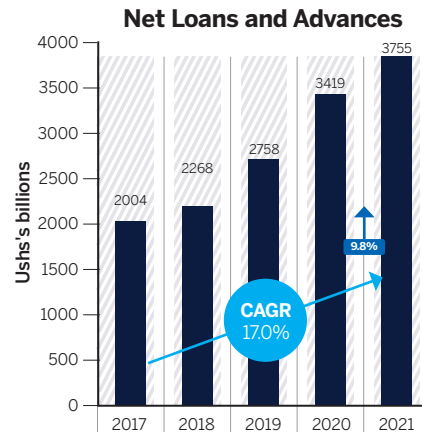
Profits were up by 21.5% to close at UGX 154.9 billion largely driven by growth in revenues, efficient cost control and credit risk. The CAGR over the last 5 years is 12.9%.

7. OFF BALANCE SHEET

Off Balance Sheet (Letters of Credit, Guarantees and Bonds) grew by 9.2% to UGX 1.92 trillion from UGX 1.76 trillion in June 2020. The CAGR over the last 5 years is 13.6%.

8. COSTS

Costs rose by 9.7% from UGX 214 billion to UGX 234 billion.



KEY RATIOS		H12021	H12020	H12019	H12018	H12017
PROFITABILITY	1					
Return on Average Equity (ROE)	a	23.2%	21.6%	27.6%	22.9%	27.7%
Return on Average Assets (ROA)	b	3.6%	3.6%	4.7%	3.9%	4.1%
EFFICIENCY	2					
Cost To Income (CTI)		50.4%	50.6%	50.5%	55.2%	54.5%
LIQUIDITY	3					
Loan to Deposit Ratio (LDR)		65.8%	65.7%	69.4%	60.5%	62.1%
ASSET QUALITY	4					
Credit Loss Ratio (CLR) - Customer	a	1.5%	2.2%	1.0%	0.9%	1.4%
Non-Performing Loans (NPL)	b	3.6%	4.4%	4.9%	5.9%	4.9%
CAPITAL	5					
Capital Adequacy Ratio (C.A.R)						
Core (Tier I)	a	19.4%	18.5%	16.8%	15.4%	18.8%
Total (Tier I + Tier II)	b	21.5%	20.9%	19.4%	18.2%	22.8%

STANBIC UGANDA HOLDINGS LIMITED

OUR PASSION FOR THE NATION

2021 SOCIAL ECONOMIC IMPACT



Stanbic plays a key role in supporting the country's national development agenda and through its sustainability strategy contributes 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, payments in taxes, URA collections, participation on the Uganda Stock Exchange and facilitating financial inclusion through our range of services to meet the needs and aspirations for all Ugandans.

UGX 3.9tn
Total Loans

LOANS

Total loans to clients spurring economic growth and activity across various sectors.



16mn
Transactions Executed

TRANSACTIONS

The bank handles a total volume of 16 million transactions to facilitate economic activity across the country.



UGX 114bn
Taxes paid by Stanbic

TAX PAID

Total taxes paid by Stanbic and its employees placing us among the top taxpayers in Uganda.



UGX 490bn
Support to Agriculture Sector

AGRICULTURE

Stanbic continues to make a significant contribution to the growth Agriculture sector.



89
Companies trained

STANBIC INCUBATOR

89 Companies trained by the Stanbic Business Incubator to promote capacity development of SMEs in Uganda.



UGX 5.1bn
Provided to SACCO's and VSLA's

SACCO's & VSLA's

Stanbic launched a new value proposition aimed at revitalizing the operations for Savings and Credit Cooperative Organizations (SACCOs) and Village Savings and Loans Associations (VSLAs) across Uganda. UGX 5.1 billion has so far been provided reaching and supporting over 261,497 members.



UGX 350bn
Funding to be lent through the Stanbic Enterprise Economic Restart Fund (EERF)

SME's

As a measure to support the most vulnerable sectors and groups that were impacted by the pandemic, Stanbic created the EERF that aims to create funding of up to UGX 350 billion (\$100 million) to SME's and impacted sectors.



1,682
Employees

EMPLOYEES

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



3,275
Total number of agents

AGENTS

As part out drive for greater financial inclusion, Stanbic has signed on 3,275 authorised agents to offer banking services to customers country wide.



22,494
ShareHolders

SHAREHOLDERS

Our participation as a listed company on the Uganda Stock Exchange is critical as it creates the opportunity for Ugandans to own and be a part of Stanbic and Uganda's growth journey.



UGX 2.1bn
CSI Investment

CSI

We continue to transform lives in communities through various interventions promoting access to quality education, health care, environmental conservation and SME capacity through the business incubator.

