

Stanbic Bank Uganda Limited

Summarised Unaudited Financial Statements for the period ended 30 June 2015

Summary income statement

| | Unaudited six months to 30 June 2015 Shs '000 | Unaudited six months to 30 June 2014 Shs '000 | Audited year ended 31 Dec 2014 Shs '000 |
|---|--|--|--|
| Interest and similar income | 163 097 522 | 153 966 098 | 313 566 283 |
| Interest expense and similar Charges | (18 842 668) | (18 110 937) | (33 371 594) |
| Net interest income | 144 254 854 | 135 855 161 | 280 194 689 |
| Fee and Commission Income | 55 367 223 | 57 113 724 | 110 337 906 |
| Fee and Commission expenses | (1 706 625) | (742 446) | (1 762 480) |
| Net Fees and commission income | 53 660 598 | 56 371 278 | 108 575 426 |
| Net trading income | 63 098 004 | 52 143 123 | 104 497 272 |
| Other operating income/loss | 212 790 | (62 209) | 963 740 |
| Total operating income | 261 226 246 | 244 307 353 | 494 231 127 |
| Impairment charge for credit losses | (15 784 744) | (20 892 525) | (37 384 417) |
| Employee compensation and related costs | (60 290 160) | (59 969 310) | (135 006 668) |
| Other operating expenses | (93 218 897) | (72 917 971) | (140 552 116) |
| Profit before income tax | 91 932 445 | 90 527 547 | 181 287 926 |
| Income tax expense | (23 556 575) | (22 183 323) | (46 208 544) |
| Profit for the period | 68 375 870 | 68 344 224 | 135 079 382 |
| Earnings per share | | | |
| Basic & diluted* | 2,67 | 2,67 | 2,64 |

*Current and prior period earnings have been annualised

Dividends

| | | | |
|----------------------------------|---|---|------|
| Interim/Final dividends proposed | - | - | 1,66 |
|----------------------------------|---|---|------|

Summary statement of comprehensive income

| | Unaudited six months to 30 June 2015 Shs '000 | Unaudited six months to 30 June 2014 Shs '000 | Audited year ended 31 Dec 2014 Shs '000 |
|---|--|--|--|
| Profit for the period: | 68 375 870 | 68 344 224 | 135 079 382 |
| Other comprehensive income after income tax: | | | |
| Net change in fair value of available-for-sale financial assets | (4 275 090) | 4 543 548 | (3 757 585) |
| Total Comprehensive income for the Period | 64 100 780 | 72 887 772 | 131 321 797 |

A copy of the full interim financial report can be obtained at the following addresses: Office of the Company Secretary, 11th Floor, Crested Towers, 17 Hannington Road, Kampala, Uganda or at www.stanbicbank.co.ug

The financial statements were approved by the Board of Directors on 5th August 2015.



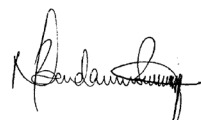
Mr. Japheth Katto
Chairman



Mr. Patrick Mweheire
Chief Executive



Dr Samuel Sejjaaka
Director



Brendah Nabatanzi Mpanga
Company Secretary

Summary statement of financial position

| | Unaudited as at 30 June 2015 Shs '000 | Unaudited as at 30 June 2014 Shs '000 | Audited as at 31 Dec 2014 Shs '000 |
|--|--|--|---|
| Assets | | | |
| Cash & balances with Bank of Uganda | 435 834 758 | 391 486 467 | 683 031 136 |
| Government securities - available for sale | 524 288 111 | 583 907 505 | 516 544 808 |
| Government securities - held for trading | 272 938 902 | 383 765 227 | 257 521 935 |
| Loans and advances to banks | 598 675 784 | 305 610 914 | 267 399 603 |
| Amounts due from group companies | 23 616 558 | 33 143 953 | 31 931 847 |
| Loans and advances to customers | 1 844 879 041 | 1 581 540 519 | 1 618 379 655 |
| Pledged assets | 1 568 376 | 4 900 674 | 1 223 458 |
| Derivative assets | 13 451 943 | 1 805 388 | 3 390 164 |
| Other investments | 1 149 848 | 1 147 346 | 1 144 379 |
| Property and equipment | 46 751 849 | 39 628 570 | 47 705 231 |
| Prepaid operating leases | 114 167 | 124 505 | 119 336 |
| Intangible assets | 3 154 266 | 3 733 853 | 3 439 930 |
| Current taxation Asset | 8 069 310 | 11 217 865 | 12 058 692 |
| Deferred Income tax asset | 13 039 914 | 6 849 830 | 9 033 065 |
| Other assets | 59 583 636 | 65 912 562 | 54 838 776 |
| Total assets | 3 847 116 463 | 3 414 775 178 | 3 507 762 015 |
| Liabilities | | | |
| Customer deposits | 2 319 073 036 | 1 972 141 604 | 2 132 356 040 |
| Amounts due to other banks | 328 119 606 | 122 339 776 | 162 603 909 |
| Amounts due to group companies | 547 908 138 | 662 892 121 | 575 847 246 |
| Derivative liabilities | 2 216 927 | 2 262 380 | 66 740 |
| Managed Funds | 6 404 682 | 14 663 289 | 14 067 737 |
| Other liabilities | 153 855 883 | 163 613 773 | 116 306 610 |
| Subordinated bonds/debt | 23 208 227 | 48 502 004 | 19 544 199 |
| Total liabilities | 3 380 786 499 | 2 986 414 947 | 3 020 792 481 |
| Shareholder's equity | | | |
| Share capital | 51 188 670 | 51 188 670 | 51 188 670 |
| Fair value reserve - available for sale securities | (11 384 049) | 1 192 174 | (7 108 959) |
| General credit risk reserve | 11 328 091 | 5 397 874 | 3 589 996 |
| Retained earnings | 415 197 253 | 370 581 513 | 354 326 635 |
| Proposed dividends | - | - | 84 973 192 |
| Total shareholders equity | 466 329 965 | 428 360 231 | 486 969 534 |
| Total equity and liabilities | 3 847 116 463 | 3 414 775 178 | 3 507 762 015 |

Highlights

Total assets 10% up to Ushs 3.8 trillion (Dec 2014: Ushs.3.5 trillion)

Loans and advances to customers 14% up to Ushs.1.8 trillion (Dec 2014: Ushs. 1.6 trillion)

Customer deposits up by 9% to Ushs 2.3 trillion (Dec 2014:Ushs.2.1 trillion)

Profit after income tax flat on prior period at Ushs.68.4 billion (June 2014: Ushs.68.3 billion)

Return on equity of 28.2% (June 2014: 32.5%)

Cost to income ratio of 58.8% (June 2014: 52.4%)

Annualised earnings per share of Ushs.2.67 (June 2014: Ushs.2.67)



Stanbic Bank

A member of Standard Bank Group

Stanbic Bank Uganda Limited

Summarised Unaudited Financial Statements for the period ended 30 June 2015

Summary statement of changes in equity

| | Share capital | Share premium | Available for sale revaluation reserve | Statutory credit risk reserve | Proposed dividends | Retained earnings | Total |
|---|-------------------|---------------|--|-------------------------------|--------------------|--------------------|--------------------|
| | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 |
| Year ended 31 December 2014 | | | | | | | |
| At 1 January 2014 | 51 188 670 | - | (3 351 374) | 8 276 510 | 50 000 000 | 299 194 691 | 405 308 497 |
| Net change in available for sale investments net of tax | - | - | (3 757 585) | - | - | - | (3 757 585) |
| Profit for the year | - | - | - | - | - | 135 079 382 | 135 079 382 |
| Dividend paid | - | - | - | - | (50 000 000) | (11 330) | (50 011 330) |
| General credit risk reserve | - | - | - | (4 686 514) | - | 4 686 514 | - |
| Equity settled share based payment transactions | - | - | - | - | - | 350 570 | 350 570 |
| Proposed dividend | - | - | - | - | 84 973 192 | (84 973 192) | - |
| Balance at 31 December 2014 | 51 188 670 | - | (7 108 959) | 3 589 996 | 84 973 192 | 354 326 635 | 486 969 534 |
| Six months ended 30 June 2014 | | | | | | | |
| At 1 January 2014 | 51 188 670 | - | (3 351 374) | 8 276 510 | 50 000 000 | 299 194 691 | 405 308 497 |
| Net change in available for sale investments net of tax | - | - | 4 543 548 | - | - | - | 4 543 548 |
| Profit for the year | - | - | - | - | - | 68 344 224 | 68 344 224 |
| Dividend paid | - | - | - | - | (50 000 000) | (11 330) | (50 011 330) |
| General credit risk reserve | - | - | - | (2 878 636) | - | 2 878 636 | - |
| Equity settled share based payment transactions | - | - | - | - | - | 175 292 | 175 292 |
| Balance at 30 June 2014 | 51 188 670 | - | 1 192 174 | 5 397 874 | - | 370 581 513 | 428 360 231 |
| Six months ended 30 June 2015 | | | | | | | |
| At 1 January 2015 | 51 188 670 | - | (7 108 959) | 3 589 996 | 84 973 192 | 354 326 635 | 486 969 534 |
| Net change in available for sale investments net of tax | - | - | (4 275 090) | - | - | - | (4 275 090) |
| Profit for the year | - | - | - | - | - | 68 375 870 | 68 375 870 |
| Dividend paid | - | - | - | - | (84 973 192) | - | (84 973 192) |
| General credit risk reserve | - | - | - | 7 738 095 | - | (7 738 095) | - |
| Equity settled share based payment transactions | - | - | - | - | - | 232 843 | 232 843 |
| Balance at 30 June 2015 | 51 188 670 | - | (11 384 049) | 11 328 091 | - | 415 197 253 | 466 329 965 |

Summary statement of Cash Flows

| | Unaudited six months to 30 June 2015 Shs '000 | Unaudited six months to 30 June 2014 Shs '000 | Audited year ended 31 Dec 2014 Shs '000 |
|--|--|--|--|
| Cash flows from operating activities | | | |
| Profit before taxation | 91 932 445 | 90 527 547 | 181 287 926 |
| Loan impairment Charges | 22 011 352 | 24 938 408 | 52 034 056 |
| Depreciation | 8 403 438 | 7 346 169 | 14 891 076 |
| Amortization of intangible assets | 285 665 | 298 052 | 591 975 |
| Amortization of prepaid operating lease | 5 169 | 5 169 | 10 338 |
| Gain or loss on disposal | (47 155) | 408 627 | 256 895 |
| Changes in provisions and accruals | (919 555) | 2 882 047 | (1 695 678) |
| Equity-settled share-based payment transactions | 232 843 | 175 292 | 350 570 |
| Changes in operating assets and liabilities | 121 904 201 | 126 581 311 | 247 727 158 |
| Taxes Paid | (24 560 601) | (20 944 689) | (47 432 090) |
| Increase in Derivative assets | (10 061 779) | (1 676 368) | (3 261 144) |
| (Decrease)/Increase in Government securities- available for sale | 64 214 497 | (1 693 101) | (18 439 750) |
| (Increase)/Decrease in Gov't securities - Trading | (15 416 967) | (43 543 933) | 82 699 359 |
| (Increase)/ Decrease in Pledged assets | (344 918) | (3 049 016) | 628 200 |
| Increase in cash reserve requirements | (12 780 000) | (18 960 000) | (26 460 000) |
| Increase in Loans&advances to customers | (290 931 246) | (187 694 324) | (247 184 666) |
| Increase in other investment securities | (5 469) | (1 148) | - |
| Increase in Other assets | (4 960 519) | (14 020 779) | (2 817 796) |
| Increase in Deposits from customers | 189 295 684 | 184 684 596 | 344 720 192 |
| (Increase)/Decrease in Deposits from banks | 165 515 697 | (116 132 589) | (75 868 456) |
| (Decrease)/Increase in Amounts due to group companies | (27 939 108) | 24 405 373 | (62 639 502) |
| (Increase)/Decrease in Derivative liabilities | 2 150 187 | 740 516 | (1 455 124) |
| (Increase)/Decrease in Other liabilities | 78 526 305 | 53 402 678 | 6 280 260 |
| Net cash outflows from operating activities | 234 605 965 | (17 901 473) | 196 496 641 |
| Purchase of property & equipment | (7 402 901) | (7 593 008) | (23 403 914) |
| Net cash used in investing activities | (7 402 901) | (7 593 008) | (23 403 914) |
| Cash flows from financing activities | | | |
| Dividends paid | (84 973 192) | (50 011 330) | (50 011 330) |
| (Increase)/Decrease in subordinated debt | 3 664 028 | 690 336 | (4 773 218) |
| Decrease in Borrowings | (7 663 055) | (4 177 666) | (28 267 469) |
| Net cash flows used in financing activities | (88 972 219) | (53 498 660) | (83 052 017) |
| (Increase)/Decrease in cash and cash equivalent during the year | 138 230 845 | (78 993 141) | 90 381 780 |
| Cash and cash equivalents at beginning of the year | 851 349 751 | 760 967 971 | 760 967 971 |
| Cash and cash equivalents at the end of period | 989 580 596 | 681 974 830 | 851 349 751 |