Stanbic Uganda Holdings Limited

HALF YEAR RESULTS

FOR THE PERIOD ENDED 30 JUNE 2023

CUSTOMER DEPOSITS (USHS)	PROFIT AFTER TAX (USHS)	NET CUSTOMER LOANS (USHS)	TOTAL REVENUE (USHS)
6.2 trillion ↑1.1%	**200** billion ↑23.5%	**4.0** trillion ↑4.2%	**590** billion ↑24.2%

Uganda is our home. **We drive her growth.**

ANDREW MASHANDA
Chief Executive, Stanbic Uganda Holdings Limited

The first half of 2023 was characterised by evolving global and domestic macro-economic pressures, geo-political challenges, and the persistence of existing and emerging risks. The uncertain operating environment notwithstanding, our results at the half-way mark demonstrate the resilience of our business model, through the execution of our diversification strategy.

The details of our performance are provided in the commentary below by Anne Juuko, the Chief Executive of the Bank.

We continue to see growth across all our businesses, driven by our anchor subsidiary, the Bank. Our younger businesses are also on a positive upward trajectory, and we remain optimistic of the immense opportunity for them to scale, while delivering more value to our stakeholders. SBG Securities Uganda Limited, our brokerage and asset management subsidiary, has demonstrated commendable progress, attributable to the recovery of activity in the brokerage segment and the growth recorded in the asset management segment. Our real estate business, Stanbic Properties Limited, has remained profitable and continues to pursue key projects aimed at enhancing its portfolio and value proposition. Stanbic Business Incubator Limited remains our medium of supporting the growth of small and medium enterprises (SMEs) in Uganda, while FLYHUB, our technology subsidiary, is at the forefront of driving our digital transformation and innovation agenda.

We will continue to harness collaboration across all our subsidiaries and leverage the strength our ecosystems to build on our present momentum and accelerate our growth. We remain steadfastly committed to executing our strategy and delivering superior value to our clients, shareholders, and partners. We will spare no effort in continually providing innovative solutions and supporting our stakeholders realize their visions as we pursue our purpose – Uganda is our home; we drive her growth.

ANNE JUUKO
Chief Executive, Stanbic Bank Limited

Q&A: Chief Executive Anne Juuko on what drove 24% net income growth in H1/2023

The economy continues to recover from the consequences of the Covid 19 pandemic, the Russia-Ukraine war, and the tightening of global financing conditions. Economic recovery is somewhat below expectations, and this can be partially attributed to relatively high inflation that necessitated the Bank of Uganda to tighten liquidity conditions in order to curb inflation. Additionally, government has been tightening its purse to reduce the budget deficit. Against this backdrop, it has been a relatively difficult operating environment for many businesses. In an exclusive interview, Anne Juuko, the Chief Executive of Stanbic Bank, sheds light on the strategic endeavours undertaken by the leading lender to navigate this environment. The outcome of these efforts is a resilient double-digit growth in revenue, with a Profit after Tax amounting to UGX 200 billion for the first half of 2023.

Qn: How has the challenging macroeconomic environment in the first half of the year impacted your strategic approach to business in 2023?

It's important to reckon some of the challenges that characterised the macro-environment for the period under review. Externally, interest rates across the developed nations continued to increase; this has a direct impact on investment flows (short term or long term) to Uganda. Secondly, the heightened geo-political conflict in Europe continued to present significant uncertainty/ volatility on global commodity prices. On the domestic front, economic growth recovery continued to be weighed down by tightened liquidity conditions.

The above headwinds had the potential to significantly dampen what was already a fragile but rebounding investment/spending sentiment at both household and business firm level. Consequently, the bank had to innovatively recalibrate how we extend credit to our clientele with the objective of assisting them to navigate a challenging environment. We championed the extension of loan repayment periods for both our existing and potential borrowers from 60 months to a remarkable 84 months, with generous grace periods of up to 75 days prior to the first instalment. This initiative was very well received in the market as it particularly addressed our clients' pressing need for more discretionary spending whilst servicing their debt obligations.

As an organization, we continue to support SMEs and provide specialised solutions to critical sectors of the economy, among which include Agriculture and Education. For instance, we recognized the challenges faced by educational institutions at the onset of the academic year, and thereby revamped our value proposition by increasing unsecured financing up to UGX 500 million, shortening the access time to a mere 24 hours whilst allowing repayment schedules over two academic terms. The foregoing interventions are just a few examples of how we continuously tailored our responses to the arising challenges across the different client segments. This is a true demonstration of our unwavering commitment to innovatively support our clients in not just weathering the tough economic cycles but providing a platform for them to thrive in the medium and long term.

Qn: Resulting from the initiatives, how did the bank's performance unfold during the initial half of the year?

Significant progress materialized across key financial and non-financial performance indicators. From a financial perspective, Net loans and advances to customers expanded by 4.2% to UGX 4.0 trillion, while customer deposits rose by 1.1% to UGX 6.2 trillion. The bank's total assets also registered growth, surging from UGX 9.3 trillion in the previous year to UGX 9.4 trillion. Revenue experienced an impressive ascent during the initial half of the year, marking a 24.2% increment to UGX 590 billion buoyed by a 34.3% growth in net interest income of UGX 355 billion and an 11.6% growth in non-interest revenue of UGX 235 billion.

Despite inflationary pressures, the bank stayed the course with our cost optimisation agenda. Cost growth was contained within our projected range, resulting into Profit after Tax of UGX 200 billion- a 23.5% growth year-on-year. From a non-financial perspective, we continue to support the Buy Uganda, Build Uganda (BUBU) agenda, with over 85% of our procurement opportunities going to local suppliers, thus creating indirect employment. In addition to this, Stanbic being the second largest employer in the banking sector, employs close to 2000 employees, 99% of whom are Ugandan talent.

Qn: As a substantial contributor to national tax revenue, how did your commendable income growth contribute to the government's fiscal revenue objectives for the ongoing fiscal year?

The bank takes immense pride and responsibility in its role of assisting the government to achieve its revenue aspirations. During the initial half of the year, the bank paid a total of UGX 149 billion in taxes. Additionally, by continuing to partner with both our Clients and the Revenue Authority whilst investing in different banking channels, we facilitated the collection of UGX 4.1 trillion on behalf of Uganda Revenue Authority. This represents a growth of 12% compared to the previous year.

Qn: FlexiPay, powered by Stanbic Bank, is rapidly emerging as the preferred digital payment alternative for both individuals and enterprises. How did it fare during the initial half of the year?

Financial Inclusion remains one of the biggest gaps in the subsistence economy in Uganda. However, the continued growth of FlexiPay remains a source of encouragement and a validation of the need for a frictionless, affordable lifestyle/ business platform. As of June 2023, the user base of FlexiPay exceeded 700,000 individuals. Throughout the initial half of the year, the platform registered over 400% growth in transactional volumes processed, encompassing a substantial transaction value surpassing UGX 1 trillion. The bank will continue to invest in Flexipay with a key focus on affordability, security, and customer-centric design.

Qn: Beyond FlexiPay, how did you leverage digital channels to extend your services to the Ugandan populace?

The growing reliance on self-service digital channels underscores our identity as a technology-oriented financial institution. Within the initial half of the year, we oversaw the facilitation of over 10 million transactions via self-service digital platforms, complemented by an additional 8.9 million transactions facilitated through Agent banking. We invested more than Ugx 8.5bn in the different channels to improve client experience and strengthen the security protocols.

Qn: The escalating dependence on self-service digital platforms has engendered concerns regarding cybersecurity among customers. How are you fortifying these platforms against potential threats?

Our unwavering dedication to technological innovation underpinned by safety, reliability, and user-friendliness defines our commitment to customer security. We are resolute in ensuring universal access to secure financial services. However, through safe banking awareness initiatives, we are educating our customers on how to take responsibility for their financial safety. They need to stay vigilant and protect their personal financial information. We have gone a step further in dissemination of information regarding the substantial threat posed by financial fraud, by spearheading and hosting the first ever collaborative multi-sector forum that brought together financial institutions, security agencies, technology companies, media agencies, etc. The resultant initiatives will go a long way in mitigating the ever-evolving cyber security threats. Internally, our stringent zero-tolerance stance towards any fraudulent behaviour among staff underscores our commitment to secure banking services rooted in the highest ethical standards.

STANBIC UGANDA HOLDINGS LIMITED

Corporate Social Investment Report

Stanbic Uganda is committed to creating shared value for our shareholders, customers, employees, and the community in which we work. Guided by our Environmental, Social, and Governance—ESG framework, we continue to implement a robust Corporate Social Investment (CSI) strategy anchored on three pillars: Environment, Education and Health. Through the Stanbic Business Incubator, we continued to support the governance and management capacity building of local enterprises in line with our purpose of driving Uganda's growth. In this report, we are pleased to share with you the highlights of our work during the first six months of the year 2023.

Sustainability Thought Leadership: We launched our maiden Report to Society

In the first half of the year, we concluded and launched our maiden Report to Society at an event that was graced by different stakeholders including government officials, members of parliament, development partners and customer representatives.

Released under the theme—*We believe in Uganda,* the report showcases our positive impact created through CSI programmes such as the National Schools Championship that skills youth, Corporate Society for Safe motherhood in partnership with the Ministry of health, as well as tree planting initiatives aimed at conserving the environment.

Through voices of beneficiaries, the report showcases how Stanbic is improving financial inclusion, creating jobs through support to local enterprises, enabling the development of critical public infrastructure, including energy, water, transport, and telecommunications infrastructure.

Speaking on behalf of the government, the Minister for General Duties in the Office of the Prime Minister, Justine Kasule Lumumba hailed Stanbic Uganda and specifically its anchor subsidiary, Stanbic Bank, for being the first financial institution to publish a sustainability report. "This sustainability report is a form of accountability to the community in which you work and through which you have demonstrated commitment to your corporate citizenship responsibilities; on behalf of the government, I congratulate the leadership of Stanbic on this milestone," she said.

Health: Corporate Society for Safe Motherhood launched to reduce maternal mortality

In May this year, we enhanced our longstanding partnership with the Ministry of Health to support the country's health sector with the launch of the Uganda Corporate Society for Safe Motherhood (CSSM).

The CSSM is an initiative under the health pillar of our CSI strategy and is aimed at bringing together corporate organizations to mobilise resources in material or financial form towards the country's efforts to reduce maternal and infant mortality in Uganda.

During the launch of CSSM, our Bank Chief Executive Anne Juuko told stakeholders that as a responsible corporate citizen, Stanbic Uganda recognizes the importance of maternal healthcare and affirmed our commitment to supporting the country's efforts to reduce maternal mortality rates.

Ministry of Health Permanent Secretary, Dr. Diana Atwine lauded Stanbic Uganda for its leadership in mobilising other corporate entities to raise awareness and resources to address some of the prevalent challenges in the country's health sector. She noted that the number of mothers attending to health facilities or those delivering in health facilities has risen to 75 per cent.

"We know that Stanbic has had a contribution to this rise in numbers, thanks to some of your initiatives like the Mama Kit donation drives that have helped hundreds of women to undergo safe labour," she said.

Corporate entities that have signed up to the Stanbic Uganda led CSSM initiative include Uganda Registration Services Bureau, Bank of Uganda, Unilever Uganda, Movit Products Uganda Ltd, Uganda Breweries Limited, TotalEnergies Uganda and Super Loaf Uganda Ltd.

Education: 8th Edition of National Schools Championship attracts 40 new entrants

During the first quarter of the year—in the month of March, the 8th edition of the Stanbic National Schools Championship (NSC) was launched under the theme—Empowering the job creators of tomorrow' in a function graced by Sarah Mateke, Minister of State for Youth and Children Affairs in the Ministry of Gender, Labour, and Social Development.

This year's competition intends to reach 100 schools, 60,000 students and 100 teachers in the areas of personal finance, business/entrepreneurship, and life skills, towards the fulfilment of seven sustainable development goals (SDGs).

Minister Mateke said, "the Ministry believes that to utilize young people's potential as agents of change, requires involving and empowering them. From the very beginning we have been enthusiastic partners with Stanbic Bank in holding the annual National Schools Championship. By teaching our students to be job-creators and problem-solvers, this competition is helping to bridge the gap between educational institutions and the community to collaborate on finding solutions that strengthen community development."

Over **1400 enterprise**s trained by Stanbic Business Incubator in H1/2023

In our quest to drive Uganda's growth, we acknowledge the need to continuously invest in a new generation of local enterprises and contribute to the urgent need to address unemployment as well as support efforts to widen the national taxable base.

With support from Stanbic Bank, and other development partners, Stanbic Business Incubator was enabled to deliver different capacity building trainings which reached over 1400 local enterprises in the first half of the year. Many of the enterprises that have undergone our capacity building programmes are now able to use their newly acquired knowledge and capacity to access business loans from commercial banks.

For instance, during the first half of the year, Stanbic Bank credit worth over US$ 472 million was approved for enterprises that have recently attended Incubator Capacity Building programmes—this represents a growth of 23 percent from the same period last year.

During the same period, over 1,116 small business owners graduated from five capacity building programmes including the Micro Enterprise Development, Stanbic Accelerator and Supplier Development.

Environment: Stanbic efforts recognized during World Environment Day celebrations

On June 5, 2023 Stanbic joined Ugandans and the rest of the world to the mark the during the International Environment Day under the theme—Beat Plastics Pollution.

During the celebrations held at Kololo ceremonial grounds, we were honoured to receive recognition from the government of Uganda and partners for our efforts towards finding solutions to combat the challenge of plastics pollution.

The United Nations Environment Programme (UNFP) estimates that over 450 million tonnes of plastics are produced annually, 2 thirds of which are short-lived products which soon become waste with only less than 10 percent recycled or disposed of sustainably.

In order to address this clear challenge, Stanbic Bank is a member of a consortium of partners in Uganda that are currently implementing the "Taasa Obutonde/Save the Environment" campaign aimed at creating awareness among Ugandans on the dangers of plastics pollution and showcasing safe and sustainable methods of plastics disposal such as recycling.

In February 2023, Coca-Cola Beverages Uganda (CCBU) through its initiative, Plastic Recycling Industries also partnered with Stanbic Bank Uganda to reduce plastic waste in the environment. The partnership is part of CCBU's environmental sustainability programme that seeks to create a world without waste.

STANBIC UGANDA HOLDINGS LIMITED

SUMMARISED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2023

Summary consolidated income statement

	Unaudited Six month to 30 Jun 2023 Shs' 000	Unaudited Six month to 30 Jun 2022 Shs' 000	Audited year ended 31 Dec 2022 Shs' 000
Interest income	**385,453,880**	286,306,570	635,024,818
Interest expense	**(30,749,824)**	(22,257,758)	(45,612,036)
Net interest income	**354,704,056**	264,048,812	589,412,782
Fee and commission income	**102,307,867**	94,212,516	190,979,159
Fee and commission expenses	**(7,369,481)**	(6,786,700)	(14,104,774)
Net fees and commission income	**94,938,386**	87,425,816	176,874,385
Net trading income	**133,339,371**	117,214,268	261,425,547
Other operating income	**6,558,824**	5,875,134	10,186,159
Non interest revenue	**234,836,581**	210,515,218	448,486,091
Total income before credit impairment charge	**589,540,637**	474,564,030	1,037,898,873
Impairment charge for credit losses	**(39,058,952)**	(19,344,142)	(59,572,490)
Total income after credit impairment charge	**550,481,685**	455,219,888	978,326,383
Employee benefits expense	**(121,181,183)**	(95,810,953)	(212,397,514)
Depreciation and amortisation	**(23,744,287)**	(23,138,503)	(49,377,991)
Other operating expenses	**(142,150,546)**	(117,920,917)	(233,514,804)
Profit before income tax	**263,405,669**	218,349,515	483,036,074
Income tax expense	**(63,179,694)**	(56,278,199)	(125,655,166)
Profit for the period attributable to the equity holders of the Group	**200,225,975**	162,071,316	357,380,908
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	**7.82**	**6.33**	**6.98**

Summary consolidated statement of comprehensive income

	Unaudited Six month to 30 Jun 2023 Shs' 000	Unaudited Six month to 30 Jun 2022 Shs' 000	Audited year ended 31 Dec 2022 Shs' 000
Profit for the year	**200,225,975**	162,071,316	357,380,908
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)	**3,640,187**	(14,287,275)	(7,909,086)
Total comprehensive income for the period	**203,866,162**	**147,784,041**	**349,471,822**

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 2022.

The interim financial statements were approved by the Board of Directors on 17 August 2023. 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 17 August 2023, resolved to approve the payment of an interim dividend for the period ended 30 June 2023 of UShs 2.44 per share totalling to UShs 125 billion. The interim dividend will be paid upon receipt of regulatory approval.

Summary consolidated statement of financial position

	Unaudited as at 30 June 2023 Shs' 000	Unaudited as at 30 June 2022 Shs' 000	Audited as at 31 Dec 2022 Shs' 000
Assets			
Cash & balances with Bank of Uganda	**715,775,573**	1,064,044,012	1,085,102,127
Derivative assets	**115,743,151**	98,764,385	111,325,016
Trading assets	**1,924,196,143**	1,163,720,037	1,598,475,974
Pledged assets	**7,425,674**	3,614,175	5,504,897
Financial investments	**1,248,989,761**	1,017,671,397	1,255,700,950
Loans and advances to banks	**645,724,230**	552,479,975	296,044,517
Loans and advances to customers	**3,997,770,954**	3,837,976,178	4,085,001,025
Amounts due from group companies	**350,850,570**	747,305,816	228,474,116
Other assets	**208,464,185**	653,344,626	204,249,085
Deferred tax assets	**54,091,221**	38,796,609	46,097,001
Property, equipment and right of use assets	**76,590,027**	68,428,518	75,544,090
Goodwill and other intangible assets	**60,415,977**	75,009,716	67,428,584
Total assets	**9,406,037,466**	**9,321,155,444**	**9,058,947,382**
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	**13,769,315**	3,750,939	10,129,128
Retained earnings	**1,611,683,236**	1,526,147,669	1,536,457,261
Proposed dividends	**125,000,000**	-	185,000,000
Total shareholders' equity	**1,801,641,221**	1,581,087,278	1,782,775,059
Liabilities			
Derivative liabilities	**177,002,346**	100,015,044	149,082,358
Current tax liabilities	**20,636,459**	1,560,821	11,289,587
Deposits from customers	**6,247,432,425**	6,181,255,160	6,131,256,477
Deposits from banks	**56,922,012**	161,577,698	142,092,860
Amounts due to group companies	**418,687,169**	332,527,090	220,079,961
Borrowed funds	**67,159,907**	136,250,601	37,324,647
Subordinated debt	**75,185,340**	76,118,916	75,931,416
Other liabilities	**541,370,587**	750,762,836	509,115,017
Total liabilities	**7,604,396,245**	**7,740,068,166**	**7,276,172,323**
Total equity and liabilities	**9,406,037,466**	**9,321,155,444**	**9,058,947,382**

Mr. Baker Magunda
Chairman

Mr. Robert Busuulwa
Director

Mr. Andrew Mashanda
Chief Executive

Ms. Rita Kabatunzi
Company Secretary

4. Summary consolidated statement of changes in equity

Six months ended 30 June 2023	Share capital Shs' 000	Fair value through OCI reserve Shs' 000	Proposed dividends Shs' 000	Retained earnings Shs' 000	Total Shs' 000
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	-	-	-	200,225,975	200,225,975
Net change in Other Comprehensive Income	-	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**
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 income after tax for the period	-	(14,287,275)	-	-	(14,287,275)
Transactions with owners recorded directly in equity					
Dividends paid	-	-	(100,000,000)	-	(100,000,000)
Interim dividends paid	-	-	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**
Year ended 31 December 2022					
Balance at 1 January 2022	**51,188,670**	**18,038,214**	**50,000,000**	**1,414,076,353**	**1,533,303,237**
Profit for the year	-	-	-	357,380,908	357,380,908
Other comprehensive income after tax for the year	-	(7,909,086)	-	-	(7,909,086)
Transactions with owners recorded directly in equity					
Dividends paid	-	-	(50,000,000)	-	(50,000,000)
Interim dividends paid	-	-	-	(50,000,000)	(50,000,000)
Proposed dividends	-	-	185,000,000	(185,000,000)	-
Balance at 31 December 2022	**51,188,670**	**10,129,128**	**185,000,000**	**1,536,457,261**	**1,782,775,059**

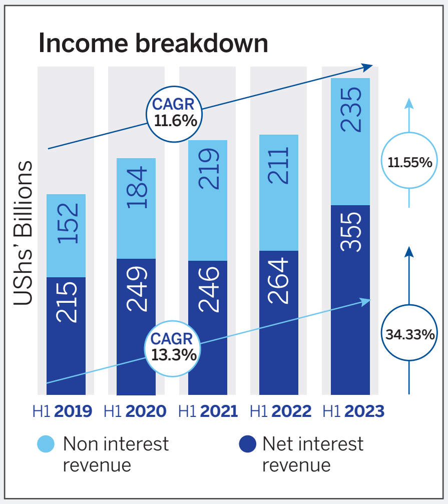
5. Summary consolidated statement of cashflows

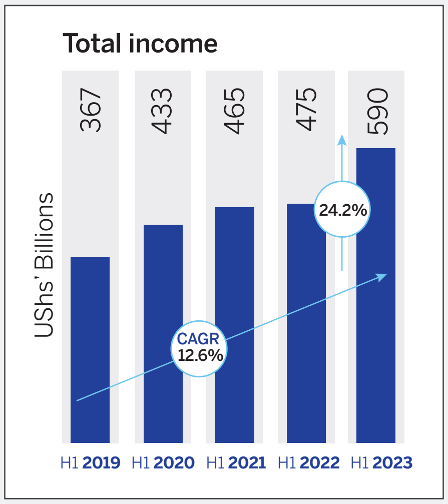
	Unaudited six months to 30 June 2023 Shs' 000	Unaudited six months to 30 June 2022 Shs' 000	Audited year ended 31 Dec 2022 Shs' 000
Cash flows from operating activities			
Interest received	**406,994,622**	304,740,922	680,931,084
Interest paid	**(36,903,744)**	(22,566,668)	(49,171,375)
Net fees and commissions received	**90,695,279**	88,043,468	182,768,651
Net trading and other Income/recoveries	**156,031,914**	131,447,374	298,672,213
Cash payment to employees and suppliers	**(421,454,525)**	(288,478,713)	(440,424,106)
Cash flows from operating activities before changes in operating assets and liabilities	**195,363,546**	**213,186,383**	**672,776,467**
Changes in operating assets and liabilities			
Income tax paid	**(63,413,818)**	(44,844,467)	(114,491,967)
(Increase)/decrease in derivative assets	**(4,418,135)**	30,399,656	17,839,025
Decrease/(increase) in financial investments	**622,851,232**	(80,030,159)	(375,206,699)
Increase in trading assets	**(327,640,946)**	(106,077,742)	(542,724,401)
Increase in cash reserve requirement	**(26,630,000)**	(166,010,000)	(117,610,000)
Decrease/(increase) in loans and advances to customers	**12,097,969**	(162,658,734)	(497,848,955)
Decrease/(increase) in other assets	**28,008**	(386,950,888)	56,868,039
Increase in customer deposits	**122,329,868**	440,520,904	393,772,650
(Decrease)/Increase in deposits and balances due to other banks	**(85,170,848)**	6,502,584	(12,982,254)
Increase/(decrease) in deposits from group companies	**198,607,208**	72,134,388	(40,312,741)
Increase/(decrease) in derivative liabilities	**27,919,988**	(105,046,460)	(55,979,146)
Increase/(decrease) in other liabilities	**3,663,470**	141,717,577	(83,985,333)
Net cash outflows from operating activities	**675,587,542**	**(147,156,958)**	**(699,885,315)**
Cash flows from investing activities			
Purchase of property and equipment	**(14,707,920)**	(7,760,793)	(17,390,752)
Purchase of computer software	**(598,448)**	(297,435)	(297,435)
Proceeds from sale of property and equipment	**55,984**	30,947	335,638
Net cash used in investing activities	**(15,250,384)**	**(8,027,281)**	**(17,352,549)**
Cash flows from financing activities			
Principal lease payments	**(2,415,265)**	(654,103)	(11,573,886)
Dividends paid to shareholders	**-**	-	(100,000,000)
Increase/(decrease) in borrowed funds	**29,835,260**	(28,945,884)	(127,871,838)
(Decrease)/increase in subordinated debt	**(746,076)**	4,365,002	4,177,502
Net cash flows used in financing activities	**26,673,919**	**(25,234,985)**	**(235,268,222)**
Net decrease in cash and cash equivalents during the period	**687,011,077**	(180,419,224)	(952,506,086)
Cash and cash equivalents at beginning of the year	**1,084,437,201**	2,036,943,287	2,036,943,287
Cash and cash equivalents at the period ended	**1,771,448,278**	**1,856,524,063**	**1,084,437,201**

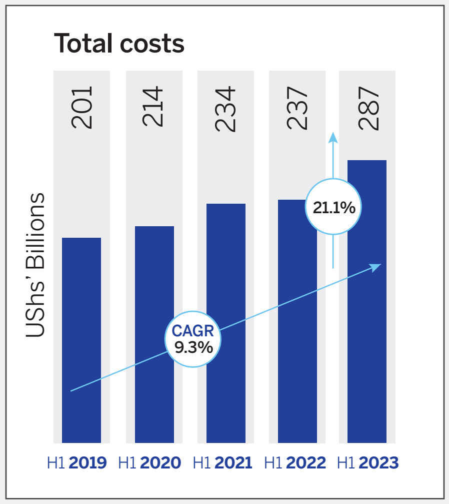
STANBIC UGANDA HOLDINGS LIMITED

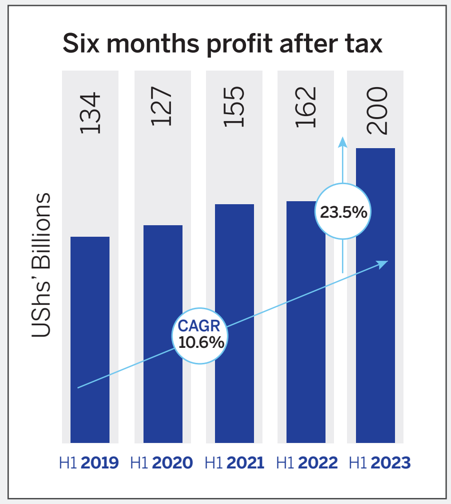
SUMMARISED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2023



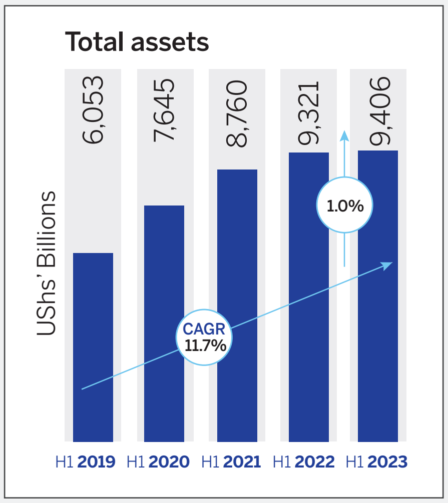


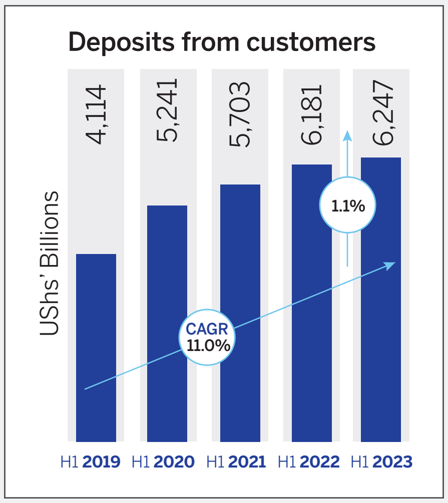


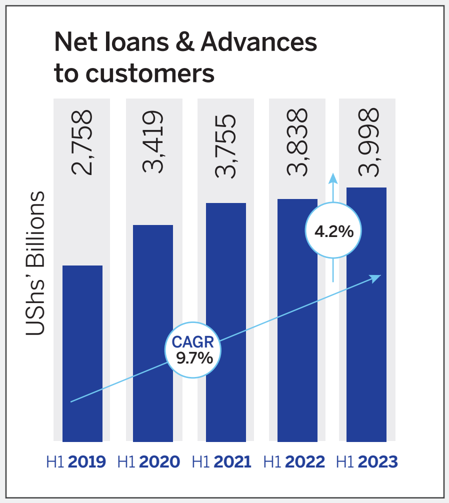


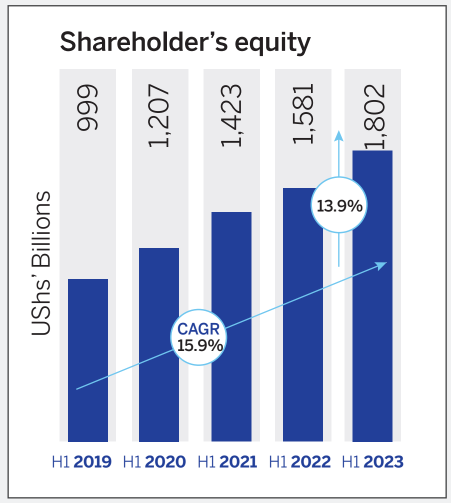
Income statement commentary

Revenue for the first half of the year was up 24.2% as compared to the same period in the previous year and costs also went up by 21.1% leading to positive Jaws of 3.1%. The Group's revenue remained well diversified with non interest revenue contributing 39.8% to the total pool of revenue. Profit after tax recorded a 23.5% growth as compared to the previous year, largely attributed to the growth in revenue with Net interest income up by 34.3% while non interest revenue was up by 11.6%









Balance sheet commentary

Stable balance sheet growth over the 5-year cumulative average growth rate (CAGR) of 11.7%. Customer deposits grew at a CAGR of 11.0% mainly on transactional accounts, as we continue to make it easy for our customers to transact and save through our digital and alternate capabilities. Loans and advances registered a CAGR of 9.7% as we deploy liquidity and capital to meet our customers financing requirements. Shareholder's wealth represented by Shareholder's equity did record a CAGR of 15.9% over the 5-year period.

Key ratios		H1 2023	H1 2022	H1 2021	H1 2020	H1 2019
PROFITABILITY	1					
Return on Average Equity (ROE)	a	23.9%	21.6%	23.2%	21.6%	27.6%
Return on Average Assets (ROA)	b	4.3%	3.6%	3.6%	3.6%	4.7%
EFFICIENCY	2					
Cost to Income (CTI)		48.7%	49.9%	50.4%	50.6%	50.5%
LIQUIDITY	3					
Loan to Deposit Ratio (LDR)		64.0%	62.1%	65.8%	65.7%	69.4%
ASSET QUALITY	4					
Credit Loss Ratio (CLR)- Customer	a	1.8%	1.0%	1.5%	2.2%	1.0%
Non- Performing loans (NPL)	b	3.7%	3.9%	3.6%	4.4%	4.9%
CAPITAL	5					
Capital Adequacy Ratio (C.A.R)						
Core (Tier 1)	a	23.9%	17.4%	19.4%	18.5%	16.8%
Total (Tier 1 + Tier 11)	b	26.0%	19.3%	21.5%	20.9%	19.4%