

# A BETTER TOMORROW

## BEGINS WITH INVESTING IN AGRICULTURE

For us improving lives is why we do what we do.



# STANBIC BANK UGANDA LIMITED

## SUMMARISED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

### 1. SUMMARY INCOME STATEMENT

	Unaudited six months to 30 June 2018 Shs' 000	Unaudited six months to 30 June 2017 Shs' 000	Audited year ended 31 Dec 2017 Shs' 000
Interest and similar income	188,206,204	203,435,666	403,527,401
Interest expense and similar Charges	(18,868,293)	(25,341,305)	(50,780,272)
<b>Net interest income</b>	<b>169,337,911</b>	<b>178,094,361</b>	<b>352,747,129</b>
Fee and Commission Income	75,098,912	68,789,639	135,830,032
Fee and Commission expenses	(3,349,267)	(2,382,189)	(4,583,746)
<b>Net Fees and commission income</b>	<b>71,749,645</b>	<b>66,407,450</b>	<b>131,246,286</b>
Net trading income	78,227,050	68,881,096	144,964,170
Other operating loss/ income	1,710,451	428,542	7,047,223
<b>Total operating income</b>	<b>321,025,057</b>	<b>313,811,449</b>	<b>636,004,808</b>
Impairment charge for credit losses	(10,962,730)	(14,357,588)	(28,922,014)
<b>Total income after credit impairment charge</b>	<b>310,062,327</b>	<b>299,453,861</b>	<b>607,082,794</b>
Employee compensation and related costs	(73,551,124)	(72,134,573)	(141,491,545)
Other operating expenses	(103,549,995)	(98,841,145)	(199,925,290)
<b>Profit before income tax</b>	<b>132,961,208</b>	<b>128,478,143</b>	<b>265,665,959</b>
Income tax expense	(36,904,966)	(33,058,616)	(65,198,169)
<b>Profit after tax</b>	<b>96,056,242</b>	<b>95,419,527</b>	<b>200,467,790</b>
<b>Earnings per share</b>			
Basic & diluted**	3.75	3.73	3.92
<b>Dividends</b>			
Final dividends proposed	-	-	1.76

\*Half year position has been annualised

### 2. SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months to 30 June 2018 Shs' 000	Unaudited six months to 30 June 2017 Shs' 000	Audited year ended 31 Dec 2017 Shs' 000
<b>Profit for the period:</b>	<b>96,056,242</b>	<b>95,419,527</b>	<b>200,467,790</b>
<b>Other comprehensive income:</b>			
Net (gains)/loss on financial instruments-FVOCI	(18,139,609)	10,720,820	16,717,213
IFRS 9 Adjustments -FVOCI	125,173	-	-
<b>Total comprehensive income for the period</b>	<b>78,041,806</b>	<b>106,140,347</b>	<b>217,185,003</b>

A copy of this statement can be obtained on our website at [www.stanbicbank.co.ug](http://www.stanbicbank.co.ug). The financial statements were approved by the Board of Directors on 6th August 2018.

Mr. Japheth Katto  
Chairman

Mr. Patrick Mweheire  
Chief Executive

Mr. Samuel Zimbe  
Director

Mrs. Candy Wekesa Okoboi  
Company Secretary

### 4. SUMMARY STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017	Share capital Shs' 000	Fair value reserves Shs' 000	Statutory credit risk reserve Shs' 000	Proposed dividends Shs' 000	Retained earnings Shs' 000	Total Shs' 000
<b>At 1 January 2017</b>	<b>51 188 670</b>	<b>3 071 123</b>	<b>22 893 968</b>	<b>60 000 000</b>	<b>577 788 232</b>	<b>714 941 993</b>
Net change in available for sale investments	-	16 717 213	-	-	-	16 717 213
Profit for the year	-	-	-	-	200 467 789	200 467 789
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>16 717 213</b>	<b>-</b>	<b>-</b>	<b>200 467 789</b>	<b>217 185 002</b>
<b>Transactions with owners recorded directly in equity</b>						
Dividend paid	-	-	-	(60 000 000)	-	(60 000 000)
Interim dividend paid	-	-	-	-	-	-
General credit risk reserve	-	-	(3 722 855)	-	3 722 855	-
Equity settled share based payment transactions	-	-	-	-	152 626	152 626
Proposed dividend	-	-	-	90 000 000	(90 000 000)	-
<b>Balance at 31 December 2017</b>	<b>51 188 670</b>	<b>19 788 336</b>	<b>19 171 113</b>	<b>90 000 000</b>	<b>692 131 502</b>	<b>872 279 621</b>

### 3. SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 June 2018 Shs' 000	Unaudited as at 30 June 2017 Shs' 000	Audited as at 31 Dec 2017 Shs' 000
<b>Assets</b>			
Cash & balances with Bank of Uganda	492,074,761	674,494,747	856,532,804
Derivative assets	4,292,000	23,647,091	12,117,502
Government securities -FVPL	246,100,311	426,005,670	392,911,207
Government securities - FVOCI	664,841,957	607,482,240	516,269,586
Other investment securities	74,489	67,737	71,906
Current income tax recoverable	28,349,833	13,732,313	23,748,226
Loans and advances to banks	978,366,641	751,542,515	1,100,636,288
Amounts due from group companies	202,909,768	83,208,448	177,449,478
Loans and advances to customers	2,267,615,236	2,004,163,037	2,133,986,423
Other assets	70,767,746	49,328,354	47,493,184
Property and equipment	49,091,765	67,829,152	69,292,586
Goodwill and other intangible assets	115,352,206	75,664,720	71,909,841
Prepaid operating leases	83,153	93,491	88,322
Deferred tax asset	9,894,113	-	1,651,991
<b>Total assets</b>	<b>5,129,813,979</b>	<b>4,777,259,515</b>	<b>5,404,159,344</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholder's equity</b>			
Ordinary share capital	51,188,670	51,188,670	51,188,670
Fair value reserves	1,773,900	13,791,943	19,788,336
Statutory credit risk reserve	-	22,908,518	19,171,113
Retained earnings	782,410,164	673,263,136	692,131,502
Proposed dividend	-	-	90,000,000
<b>Total shareholders equity</b>	<b>835,372,734</b>	<b>761,152,267</b>	<b>872,279,621</b>
<b>Liabilities</b>			
Derivative liabilities	36,834,280	4,600,764	4,211,626
Customer deposits	3,749,728,823	3,226,574,935	3,620,945,573
Deposits from Banks	83,232,076	232,025,493	342,769,174
Amounts due to group companies	40,799,842	265,947,154	266,614,006
Borrowed Funds	14,100,554	15,461,191	16,364,653
Other liabilities	292,157,118	198,961,009	208,173,495
Subordinated bonds/debt	77,588,552	71,918,539	72,801,196
Deferred tax liability	-	618,163	-
<b>Total liabilities</b>	<b>4,294,441,245</b>	<b>4,016,107,248</b>	<b>4,531,879,723</b>
<b>Total equity and liabilities</b>	<b>5,129,813,979</b>	<b>4,777,259,515</b>	<b>5,404,159,344</b>

#### 4. SUMMARY STATEMENT OF CHANGES IN EQUITY CONT'D

<b>Six months ended 30 June 2017</b>						
<b>At 1 January 2017</b>	<b>51 188 670</b>	<b>3 071 123</b>	<b>22 893 968</b>	<b>60 000 000</b>	<b>577 788 232</b>	<b>714 941 993</b>
Net change in available for sale investments	-	10 720 820	-	-	-	10 720 820
Profit for the year	-	-	-	-	95 419 527	95 419 527
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>10 720 820</b>	<b>-</b>	<b>-</b>	<b>95 419 527</b>	<b>106 140 347</b>
<b>Transactions with owners recorded directly in equity</b>						
Dividend paid	-	-	-	(60 000 000)	-	(60 000 000)
General credit risk reserve	-	-	14 550	-	(14 550)	-
Equity settled share based payment transactions	-	-	-	-	69 927	69 927
<b>Balance at 30 June 2017</b>	<b>51 188 670</b>	<b>13 791 943</b>	<b>22 908 518</b>	<b>-</b>	<b>673 263 136</b>	<b>761 152 267</b>
<b>Six months ended 30 June 2018</b>						
<b>At 1 January 2018</b>	<b>51 188 670</b>	<b>19 788 336</b>	<b>19 171 113</b>	<b>90 000 000</b>	<b>692 131 502</b>	<b>872 279 621</b>
Changes on initial application of IFRS9	-	-	-	-	(25 088 479)	(25 088 479)
<b>Restated Balance at 1 January 2018</b>	<b>51 188 670</b>	<b>19 788 336</b>	<b>19 171 113</b>	<b>90 000 000</b>	<b>667 043 023</b>	<b>847 191 142</b>
Net change in Other Comprehensive Income	-	(18 014 436)	-	-	-	(18 014 436)
Profit for the year	-	-	-	-	96,056,242	96,056,242
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(18 014 436)</b>	<b>-</b>	<b>-</b>	<b>96,056,242</b>	<b>78,041,806</b>
<b>Transactions with owners recorded directly in equity</b>						
Dividend Paid	-	-	-	(90 000 000)	-	(90 000 000)
General credit risk reserve	-	-	(19 171 113)	-	19 171 113	-
Equity settled share based payment transactions	-	-	-	-	139 786	139 786
<b>Balance at 30 June 2018</b>	<b>51 188 670</b>	<b>1 773 900</b>	<b>-</b>	<b>-</b>	<b>782,410,164</b>	<b>835,372,734</b>

#### 5. STATEMENT OF CASHFLOWS

	Unaudited six months to 30 June 2018 Shs' 000	Unaudited six months to 30 June 2017 Shs' 000	Audited year ended 31 Dec 2017 Shs' 000
<b>Cash flows from operating activities</b>			
Interest received	165,824,422	219,377,994	397,013,080
Interest paid	(17,590,275)	(26,574,041)	(50,366,037)
Net fees and commissions received	75,467,133	66,547,426	137,555,397
Net trading and other Income/recoveries	83,921,747	75,716,140	161,244,419
Cash payment to employees & suppliers	(168,254,276)	(155,291,053)	(345,757,785)
	<b>139,368,750</b>	<b>179,776,467</b>	<b>299,689,074</b>
<b>Changes in operating assets and liabilities</b>			
Taxes Paid	(42,028,222)	(36 963 857)	(83 959 360)
Increase/Decrease in Derivative assets	7,825,502	(13 580 474)	(2 050 885)
(Increase)/Decrease in Government securities- available for sale	(174,307,280)	(514 618 049)	81 767 514
Increase/Decrease in Government securities- Trading	146,810,896	(175 521 399)	(142 426 936)
Increase in cash reserve requirements	(9,700,000)	(8 560 000)	(42 540 000)
Increase in Loans & Advances to customers	(151,300,721)	(61 329 639)	(188 677 753)
Increase in other assets	(26,994,633)	(143 126)	(4 481 259)
Increase in Deposits from customers	127,505,232	169 302 908	562 026 574
(Decrease) /Increase in Deposits from banks	(259,537,098)	(61 701 234)	49 042 447
(Decrease) /Increase in Amounts due to group companies	(225,814,164)	23 141 908	23 808 760
Increase in Derivative liabilities	32,622,654	4 008 629	3 619 491
Increase/Decrease in Other liabilities	90,210,194	(803 830)	44 667 081
<b>Net cash outflows from operating activities</b>	<b>(345 338 889)</b>	<b>(496 991 696)</b>	<b>600 484 748</b>
<b>Cash flows from investing activities</b>			
Purchase of property & equipment	(5,067,869)	(13 786 442)	(25 130 425)
Purchase of computer software	(33,108,993)	-	-
Proceeds from sale of property & equipment	25,093	253 619	334 534
<b>Net cash used in investing activities</b>	<b>(38 151 769)</b>	<b>(13 532 823)</b>	<b>(24 795 891)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(90,000,000)	(60 000 000)	(60 000 000)
Increase/Decrease in subordinated debt	4,787,356	(218 847)	4 785 289
(Decrease) /Increase in Borrowings	(2,264,099)	3 881 827	663 810
<b>Net cash flows used in financing activities</b>	<b>(87 476 743)</b>	<b>(56 337 020)</b>	<b>(54 550 901)</b>
(Decrease)/Increase in cash and cash equivalents during the year	(470,967,402)	(566 861 539)	521 137 956
Cash and cash equivalents at beginning of the year	2,140,716,931	1 619 578 977	1 619 578 977
<b>Cash and cash equivalents at the period ended</b>	<b>1,669,749,529</b>	<b>1 052 717 438</b>	<b>2 140 716 933</b>