

Stanbic Bank Uganda Limited

Summarised Financial Statements for the year ended 31 December 2012

Income Statement

	2012	2011
	UShs' 000	UShs' 000
Interest income	348,918,145	299,740,808
Interest expense	(52,225,935)	(49,923,337)
Net interest income	296,692,210	249,817,471
Fee and commission income	118,466,099	95,305,939
Fee and commission expenses	(3,308,786)	(1,060,125)
Net fees and commission income	115,157,313	94,245,814
Net trading income	95,436,048	35,928,176
Other operating income/(expense)	1,241,195	(62,380)
Total operating income	508,526,766	379,929,081
Impairment charge for credit losses	(115,932,886)	(28,929,131)
Operating income after impairment	392,593,880	350,999,950
Employee benefits expenses	(88,610,597)	(79,607,378)
Depreciation and amortisation	(12,028,012)	(11,825,514)
Other operating expenses	(114,253,940)	(97,039,603)
Operating profit	177,701,331	162,527,455
Share of profit of associate	-	1,288,438
Profit before income tax	177,701,331	163,815,893
Income tax expense	(46,967,259)	(42,114,164)
Profit for the year	130,734,072	121,701,729
Earnings per share (basic & diluted)	3.83	3.57

Statement of comprehensive income

	2012	2011
	UShs' 000	UShs' 000
Profit for the year	130,734,072	121,701,729
Net gains on available for sale financial assets	24,731,090	(21,337,443)
Total comprehensive income for the year	155,465,162	100,364,286

Statement of changes in equity

	Share capital	Share premium	Available for sale revaluation reserve	Statutory Credit Risk Reserve	Proposed dividends	Retained earnings	Total
	UShs' 000	UShs' 000	UShs' 000	UShs' 000	UShs' 000	UShs' 000	UShs' 000
At 1 January 2012	10,237,734	20,411,266	(30,131,779)	1,016,780	50,000,000	243,449,469	294,983,470
Profit for the year	-	-	-	-	-	130,734,072	130,734,072
Net change in available for sale investments	-	-	24,731,090	-	-	-	24,731,090
Total comprehensive income for the period	-	-	24,731,090	-	-	130,734,072	155,465,162
Bonus share	40,950,936	(20,411,266)	-	-	-	(20,539,670)	-
Dividend paid	-	-	-	-	(50,000,000)	-	(50,000,000)
Statutory credit risk reserve	-	-	-	14,348,476	-	(14,348,476)	-
Equity-settled-share-based payment transactions	-	-	-	-	-	590,654	590,654
Proposed dividend	-	-	-	-	70,000,000	(70,000,000)	-
Balance at 31 December 2012	51,188,670	-	(5,400,689)	15,365,256	70,000,000	269,886,050	401,039,286

	Share capital	Share premium	Available for sale revaluation reserve	Statutory Credit Risk Reserve	Proposed dividends	Retained earnings	Total
	UShs' 000	UShs' 000	UShs' 000	UShs' 000	UShs' 000	UShs' 000	UShs' 000
At 1 January 2011	5,118,867	20,411,266	(8,794,336)	5,025,829	36,000,000	172,325,160	230,086,786
Profit for the year	-	-	-	-	-	121,701,729	121,701,729
Net change in available for sale investments	-	-	(21,337,443)	-	-	-	(21,337,443)
Total comprehensive income for the period	-	-	(21,337,443)	-	-	121,701,729	100,364,286
Bonus shares issued	5,118,867	-	-	-	-	(5,118,867)	-
Dividend paid	-	-	-	-	(36,000,000)	-	(36,000,000)
Statutory credit risk reserve	-	-	-	(4,009,049)	-	4,009,049	-
Equity-settled-share-based payment transactions	-	-	-	-	-	532,399	532,399
Proposed dividend	-	-	-	-	50,000,000	(50,000,000)	-
Balance at 31 December 2011	10,237,734	20,411,266	(30,131,779)	1,016,780	50,000,000	243,449,469	294,983,470

Statement of financial position

	2012	2011
	UShs' 000	UShs' 000
Cash and balances with Bank of Uganda	507,437,302	409,323,334
Derivative financial assets	1,032,432	-
Government securities - held for trading	274,966,482	6,224,342
Government securities - available for sale	449,407,315	333,570,263
Pledged assets	2,651,551	764,878
Loans and advances to banks	223,595,642	46,516,392
Amounts due from group companies	50,548,733	251,060,604
Loans and advances to customers	1,460,277,630	1,531,858,657
Other investment securities	1,051,920	1,051,920
Interest in associate	-	2,625,516
Current income tax recoverable	7,454,070	7,460,343
Deferred income tax asset	8,871,029	18,562,030
Prepaid operating leases	140,012	150,350
Other assets	65,718,661	66,750,758
Goodwill and other intangible assets	4,494,862	1,971,788
Property and equipment	40,945,759	35,344,097
Total assets	3,098,593,400	2,713,235,272

Shareholders' equity and liabilities

Shareholders' equity		
Ordinary share capital	51,188,670	10,237,734
Share premium	-	20,411,266
Available for sale revaluation reserve	(5,400,689)	(30,131,779)
Statutory credit risk reserve	15,365,256	1,016,780
Retained earnings	269,886,050	243,449,471
Proposed dividend	70,000,000	50,000,000
Total Shareholder's equity	401,039,286	294,983,472

Liabilities

Derivative financial liabilities	-	146,470
Deposits from customers	2,099,180,118	1,902,948,506
Deposits from banks	33,957,043	206,069,403
Amounts due to group companies	344,854,604	113,314,819
Borrowed funds	24,703,479	26,631,770
Other liabilities	145,746,355	121,635,899
Subordinated debt	49,112,515	47,504,933
	2,697,554,114	2,418,251,800
Total equity and liabilities	3,098,593,400	2,713,235,272

Cash flow statement

	2012	2011
	UShs' 000	UShs' 000
Cash flows from operating activities		
Interest received	333,252,917	299,740,808
Interest paid	(50,198,765)	(49,923,337)
Net fees and commissions received	114,859,291	94,245,814
Net trading and other Income/recoveries	105,810,870	37,154,234
Cash payment to employees & suppliers	(206,960,256)	(206,161,839)
Cash flows from operating activities before changes in operating assets & liabilities	296,764,057	175,055,680
Changes in operating assets & liabilities		
Income tax paid	(47,869,023)	(46,362,439)
(Increase)/decrease in derivative assets	(1,032,432)	182,729
Increase in government securities - AFS maturing in 90 days	115,837,052	40,071,492
(Increase)/decrease in government securities - trading	(268,742,140)	35,934,014
Increase in pledged assets	(1,886,673)	(271,074)
(Increase)/decrease in cash reserve requirement	(25,660,000)	27,750,000
Decrease/(increase) in loans and advances to customers	42,988,493	(327,168,932)
Decrease/(increase) in other assets	11,631,135	(19,709,841)
Increase in customer deposits	196,231,612	62,030,095
(Decrease)/increase in deposits and balances due to other banks	(172,112,360)	52,035,373
Increase in deposits from group companies	231,539,785	92,877,930
(Decrease) / increase in derivative liabilities	(146,470)	146,470
Increase in other liabilities	18,775,023	25,024,861
Net cash from operating activities	396,318,060	117,596,358
Cash flows from investing activities		
Purchase of property & equipment	(17,558,265)	(3,774,056)
Purchase of computer software	(2,729,838)	-
Proceeds from sale of property & equipment	97,207	209,649
Sale of investment in associate	3,213,219	-
Net cash used in investing activities	(16,977,677)	(3,564,407)
Cash flows from financing activities		
Dividends paid to shareholders	(50,000,000)	(36,000,000)
Dividends received from Associate	112,941	1,084,918
Decrease in borrowed funds	(1,928,291)	(1,428,841)
Increase in subordinated debt	1,607,582	17,504,933
Net cash used financing activities	(50,207,768)	(18,838,990)
Net increase in cash and cash equivalents	329,132,615	95,192,962
Cash and cash equivalents at beginning of the year	557,393,978	462,201,016
Cash and cash equivalents at end of the year	886,526,593	557,393,978

Report of the independent auditor on the summary financial statements to the members of Stanbic Bank Uganda Limited

The accompanying summary financial statements, which comprise the summary statement of financial position at 31 December 2012, the summary income statement and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes are derived from the audited financial statements of Stanbic Bank Uganda Limited for the year ended 31 December 2012. We expressed an unmodified audit opinion on those financial statements in our report dated 15 March, 2013. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting

Standards, the Financial Institutions Act 2004 and Ugandan Companies Act. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Bank.

Directors' responsibility for the Summary Financial Statements

The directors are responsible for the preparation and fair presentation of the summary of the audited financial statements in accordance with the Financial Institutions (External Auditors) Regulations 2010 and the Financial Institutions Act 2004.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on

Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Stanbic Bank Uganda Limited for the year ended 31 December 2012 are consistent, in all material respects, with those audited financial statements in accordance with the Financial Institutions (External Auditors) Regulations 2010 and the Financial Institutions Act 2004.

*Phileas Odera*

Certified Public Accountants

Uganda

Date: 15 March 2013

Message from the directors

The above statements were audited by PricewaterhouseCoopers Certified Accountants and received an unqualified opinion. The financial statements were approved by the Board on 19th February 2013.

Dividend

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting, a final dividend for the year 2012 of UShs 1.37 per share. The Annual General Meeting, dividend qualification and payment dates will be advised in a separate future notice.

*RG*  
Mr Hannington Karuhanga, Chairman

*Philip Odera*  
Mr Philip Odera, Chief Executive

*Samuel Sejjaaka*  
Mr Samuel Sejjaaka, Director

*Gertrude Wamala*  
Gertrude Wamala, Company Secretary

 **Stanbic Bank**  
A member of Standard Bank Group