

# Stanbic Bank Uganda Limited

## Summarised Audited Financial Statements for the year ended 31 December 2014

### Summary income statement

	2014 UShs' 000	2013 UShs' 000
Interest income	313,566,283	284,985,795
Interest expense	(33,371,594)	(37,228,207)
<b>Net interest income</b>	<b>280,194,689</b>	<b>247,757,588</b>
Fee and commission income	110,337,906	101,971,172
Fee and commission expenses	(1,762,480)	(3,353,123)
<b>Net fees and commission income</b>	<b>108,575,426</b>	<b>98,618,049</b>
Net trading income	104,497,272	99,183,211
Other operating income	963,740	1,602,112
<b>Total Income before credit Impairment charge</b>	<b>494,231,127</b>	<b>447,160,960</b>
Impairment charge for credit losses	(37,384,417)	(44,932,277)
<b>Total Income after credit Impairment charge</b>	<b>456,846,710</b>	<b>402,228,683</b>
Employee benefit expenses	(119,523,617)	(104,967,207)
Depreciation and amortisation	(15,483,051)	(14,827,291)
Other operating expenses	(140,552,116)	(147,623,424)
<b>Profit before income tax</b>	<b>181,287,926</b>	<b>134,810,761</b>
Income tax expense	(46,208,544)	(32,959,234)
<b>Profit for the year</b>	<b>135,079,382</b>	<b>101,851,527</b>
Earnings per share(Basic & diluted)	2.64	1.99

### Summary statement of comprehensive income

	2014 UShs' 000	2013 UShs' 000
<b>Profit for the year</b>		
<b>Other comprehensive income for the year after tax:</b>	<b>135,079,382</b>	<b>101,851,527</b>
Net (loss)/gains on available for sale financial assets	(3,757,585)	2,049,315
<b>Total comprehensive income for the year</b>	<b>131,321,797</b>	<b>103,900,842</b>

### Summary statement of changes in equity

	Share capital	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
<b>At 1 January 2014</b>	<b>51,188,670</b>	<b>(3,351,374)</b>	<b>8,276,510</b>	<b>50,000,000</b>	<b>299,194,691</b>	<b>405,308,497</b>
Profit for the year	-	-	-	-	135,079,382	135,079,382
Net change in available for sale investments	-	(3,757,585)	-	-	-	(3,757,585)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(3,757,585)</b>	<b>-</b>	<b>-</b>	<b>135,079,382</b>	<b>131,321,797</b>
<b>Transactions with owners recorded directly in equity</b>						
Dividend paid	-	-	-	(50,000,000)	(11,330)	(50,011,330)
Statutory 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)	-
<b>Balance at 31 December 2014</b>	<b>51,188,670</b>	<b>(7,108,959)</b>	<b>3,589,996</b>	<b>84,973,192</b>	<b>354,326,635</b>	<b>486,969,534</b>
<b>At 1 January 2013</b>	51,188,670	(5,400,689)	15,365,256	70,000,000	269,886,049	401,039,286
Profit for the year	-	-	-	-	101,851,527	101,851,527
Net change in available for sale investments	-	2,049,315	-	-	-	2,049,315
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>2,049,315</b>	<b>-</b>	<b>-</b>	<b>101,851,527</b>	<b>103,900,842</b>
<b>Transactions with owners recorded directly in equity</b>						
Dividend paid	-	-	-	(70,000,000)	(30,000,000)	(100,000,000)
Statutory credit risk reserve	-	-	(7,088,746)	-	7,088,746	-
Equity-settled share-based payment transactions	-	-	-	-	368,369	368,369
Proposed dividend	-	-	-	50,000,000	(50,000,000)	-
<b>Balance at 31 December 2013</b>	<b>51,188,670</b>	<b>(3,351,374)</b>	<b>8,276,510</b>	<b>50,000,000</b>	<b>299,194,691</b>	<b>405,308,497</b>

### Summary statement of financial position

	2014 UShs' 000	2013 UShs' 000
<b>Assets</b>		
Cash and balances with Bank of Uganda	683,031,136	421,381,332
Derivative assets	3,390,164	129,020
Government securities – held for trading	257,521,935	340,221,294
Government securities – available for sale	516,544,808	618,069,090
Pledged assets	1,223,458	1,851,658
Loans and advances to banks	267,399,603	181,124,853
Amounts due from group companies	31,931,847	148,418,567
Loans and advances to customers	1,618,379,655	1,415,040,925
Other investments	1,144,379	1,146,198
Current income tax recoverable	12,058,692	10,708,472
Deferred income tax asset	9,033,065	7,549,346
Prepaid operating leases	119,336	129,674
Other assets	54,838,776	52,005,348
Goodwill and other intangible assets	3,439,930	4,031,905
Property and equipment	47,705,231	39,790,358
<b>Total assets</b>	<b>3,507,762,015</b>	<b>3,241,598,040</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>		
Ordinary share capital	51,188,670	51,188,670
Available for sale revaluation reserve	(7,108,959)	(3,351,374)
Statutory credit risk reserve	3,589,996	8,276,510
Retained earnings	354,326,635	299,194,691
Proposed dividend	84,973,192	50,000,000
	486,969,534	405,308,497
<b>Liabilities</b>		
Derivative liabilities	66,740	1,521,864
Deposits from customers	2,132,356,040	1,787,577,713
Deposits from banks	162,603,909	238,472,365
Amounts due to group companies	575,847,246	638,486,748
Borrowed funds	14,067,737	18,840,955
Other liabilities	116,306,610	103,578,230
Subordinated debt	19,544,199	47,811,668
	3,020,792,481	2,836,289,543
<b>Total equity and liabilities</b>	<b>3,507,762,015</b>	<b>3,241,598,040</b>

### Summary statement of cash flows

	2014 UShs' 000	2013 UShs' 000
<b>Cash flows from operating activities</b>		
Interest received	305,378,163	292,241,673
Interest paid	(33,313,459)	(39,568,062)
Net fees and commissions received	108,561,613	98,669,906
Net trading and other Income/recoveries	120,367,546	115,588,763
Cash payment to employees and suppliers	(253,266,705)	(248,709,669)
<b>Cash flows from operating activities before changes in operating assets &amp; Liabilities</b>	<b>247,727,158</b>	<b>218,222,611</b>
<b>Changes in operating assets and liabilities</b>		
Income tax paid	(47,432,090)	(35,770,231)
(Increase)/decrease in derivative assets	(3,261,144)	903,412
Increase in government securities – available for sale	(18,439,750)	(290,845,879)
(Decrease)/increase in government securities – trading	82,699,359	(65,254,812)
Decrease in pledged assets	628,200	799,893
(Increase)/decrease in cash reserve requirement	(26,460,000)	30,210,000
Increase in loans and advances to customers	(247,184,666)	(21,910,913)
(Increase)/decrease in other assets	(2,817,796)	13,577,516
Increase/(decrease) in customer deposits	344,720,192	(309,262,550)
(Decrease)/increase in deposits and balances due to other banks	(75,868,456)	204,515,322
(Decrease)/increase in deposits from group companies	(62,639,502)	293,632,144
(Decrease) / increase in derivative liabilities	(1,455,124)	1,521,864
Increase/(decrease) in other liabilities	6,280,260	(45,680,718)
<b>Net cash from/(used in) operating activities</b>	<b>196,496,641</b>	<b>(5,342,341)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(23,403,913)	(13,283,444)
Purchase of computer software	-	(126,807)
Proceeds from sale of property and equipment	341,070	357,340
<b>Net cash used in investing activities</b>	<b>(23,062,843)</b>	<b>(13,052,911)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(50,011,330)	(100,000,000)
Decrease in borrowed funds	(4,773,218)	(5,862,524)
Decrease in subordinated debt	(28,267,469)	(1,300,847)
<b>Net cash used financing activities</b>	<b>(83,052,017)</b>	<b>(107,163,371)</b>
Net increase/(decrease) in cash and cash equivalents	90,381,780	(125,558,623)
Cash and cash equivalents at beginning of the year	760,967,971	886,526,594
<b>Cash and cash equivalents at end of the year</b>	<b>851,349,751</b>	<b>760,967,971</b>

### Message from the Directors


The above summary financial statements were audited by PricewaterhouseCoopers Certified Public Accountants and received an unqualified opinion. The financial statements were approved by the Board of Directors and Bank of Uganda on 20 February 2015 and 20 March 2015 respectively.

### Dividend

The Directors have resolved to recommend to shareholders at the forthcoming annual general meeting, a final dividend for the year ended 31 December 2014 of UShs 1.66 per share.

  
Mr. Japheth Katto  
Chairman

  
Mr. Patrick Mweheire  
Chief Executive

  
Dr Samuel Seijaaka  
Director

  
Brendah Nabatanzi Mpanga  
Company Secretary

### Report of the independent auditor to the Members of Stanbic Bank Uganda Limited

The accompanying summary financial statements, which comprise the summary statement of financial position at 31 December 2014, the summary income statement and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended and other disclosures are derived from the audited financial statements of Stanbic Bank Uganda Limited (“the Bank”) for the year ended 31 December 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 26 March 2015.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Uganda Securities Exchange (USE) Listing Rule 2003 and USE Listing Rules Amendments 2005 (together the “USE Listing Rules”), and the 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 of the summary of the audited financial statements in accordance with the requirements of the USE Listing Rules.

### 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 2014 are consistent, in all material respects, with those audited financial statements in accordance with the USE Listing Rules.



Certified Public Accountants  
Kampala, Uganda

Date: 26 March 2015



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