News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
Embargoed until: 09:00 (Kampala) / 06:00 (UTC) March 5th 2019

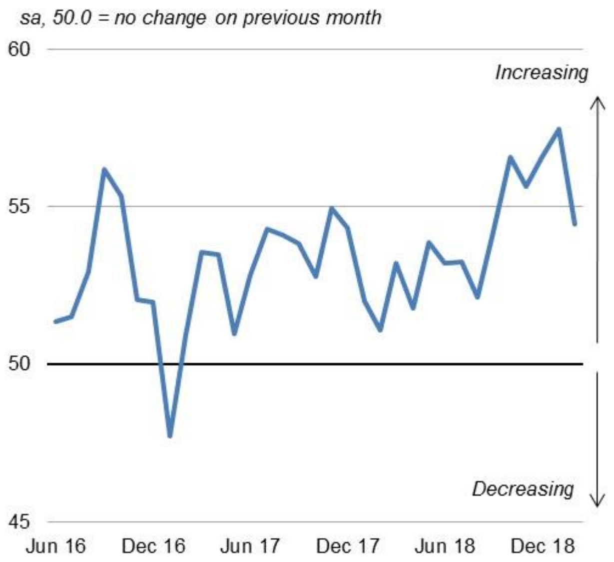
Stanbic Bank Uganda PMI™

Further improvements in demand support output growth

Data collected 12-27 February

- Output and new orders continue to increase
- Companies respond to higher workloads by taking on extra staff
- Charges raised in line with higher operating expenses

Stanbic Bank Uganda PMI



Sources: Stanbic Bank, IHS Markit

This report contains the latest analysis of data collected from the monthly survey of business conditions in the Ugandan private sector. The survey, sponsored by Stanbic Bank and produced by IHS Markit, has been conducted since June 2016 and covers the agriculture, industry, construction, wholesale & retail and services sectors. The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI™) which provides an early indication of operating conditions in Uganda.

The PMI is a composite index, calculated as a weighted average of five individual sub-components: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

Commenting on February's survey findings, Jibran Qureishi, Regional Economist E.A at Stanbic Bank said:

"Despite the PMI declining to 54.4 in February from 57.5 in January, overall activity in the private sector remains robust. Improving domestic demand hasn't been a coincidence considering that banking sector non-performing loans have eased which has in turn boosted private sector credit growth. Oil related investments later on in the year, will only add to this stronger growth."

The main findings of the February survey were as follows:

Business conditions continued to improve in the Ugandan private sector during February as stronger customer demand fed through to expansions in output and new orders. Rising workloads subsequently resulted in further job creation. Overall operating expenses continued to increase, encouraging companies to raise their selling prices.

The headline seasonally adjusted PMI posted 54.4 in February, down from 57.5 in January, but above the 50.0 no-change mark for the twenty-fifth consecutive month.

The latest reading was also still above the series average.

Stronger client demand and the securing of additional customers resulted in a further rise in new orders during February. In turn, business activity also increased, extending the current sequence of growth to 25 months. Activity and new orders rose in the construction, industry, services and wholesale & retail sectors, but fell at agriculture companies.

Although new orders continued to increase, companies were again able to deplete backlogs of work, aided by rising staffing levels. Employment has increased throughout the 33 months of the survey so far, with the latest expansion linked to higher output requirements. As was the case with business activity, only agriculture saw a reduction in staffing levels.

Overall input costs rose in February, with increasing operating expenses widespread across the five broad sectors covered by the survey. Panellists reported increases in electricity and water bills, alongside further rises in both purchase prices and staff costs. The rise in purchasing costs reflected higher prices for items including cement, food, fuel and stationery.

With input costs increasing, companies raised their output prices accordingly. Around twice as many respondents indicated an increase in selling prices as posted a decrease.

The current run of purchasing activity growth was extended to one year in February, with the latest rise linked to higher new orders. Stocks of purchases also increased as a result.

-Ends-

For further information, please contact:

Stanbic Bank:

Jibran Qureishi, Regional Economist E.A, Global Markets
Telephone +254 20 363 8138
Email jibran.qureishi@stanbic.com

Benoni Okwenje, Fixed Income Manager
Telephone +256 31 222 4991
Email SimeonBenoniO@stanbic.com

IHS Markit:

Andrew Harker, Associate Director
Telephone +44-1491-461-016
Email andrew.harker@ihsmarkit.com

Joanna Vickers, Corporate Communications
Telephone +44-207-260-2234
Email joanna.vickers@ihsmarkit.com

Note to Editors:

The Stanbic Bank Uganda Purchasing Managers' Index™ is based on data compiled from monthly replies to questionnaires sent to purchasing executives in approximately 400 private sector companies, which have been carefully selected to accurately represent the true structure of the Ugandan economy, including agriculture, construction, industry, services and wholesale & retail. The panel is stratified by GDP and company workforce size. Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the summary unadjusted and seasonally adjusted values. The unadjusted summary value is calculated as the sum of the positive responses plus a half of those responding 'the same'.

The Purchasing Managers' Index™ (PMI™) is a composite index based on five of the individual sub-components with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Suppliers' Delivery Times sub-component inverted so that it moves in a comparable direction.

The headline PMI and individual summary values for each question have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. A reading above 50 indicates an overall increase in that variable, below 50 an overall decrease. IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact economics@ihsmarkit.com.

About Stanbic Bank

Stanbic Bank Uganda is a member of the Standard Bank Group, Africa's largest bank by assets. Standard Bank Group reported total assets of R1,98 trillion (about USD128 billion) at 31 December 2015, while its market capitalisation was R184 billion (about USD11,8 billion).

The group has direct, on-the-ground representation in 20 African countries. Standard Bank Group has 1 221 branches and 8 815 ATMs in Africa, making it one of the largest banking networks on the continent. It provides global connections backed by deep insights into the countries where it operates.

Stanbic Bank Uganda provides the full spectrum of financial services. Its Corporate & Investment Banking division serves a wide range of requirements for banking, finance, trading, investment, risk management and advisory services. Corporate & Investment Banking delivers this comprehensive range of products and services relating to: investment banking; global markets; and global transactional products and services.

Stanbic Bank Uganda personal & business banking unit offers banking and other financial services to individuals and small-to-medium enterprises. This unit serves the increasing need among Africa's small business and individual customers for banking products that can meet their shifting expectations and growing wealth.

For further information go to www.stanbicbank.co.ug

About IHS Markit (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

About PMI

Purchasing Managers' Index™ (PMI™) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to https://ihsmarkit.com/products/pmi.html.