News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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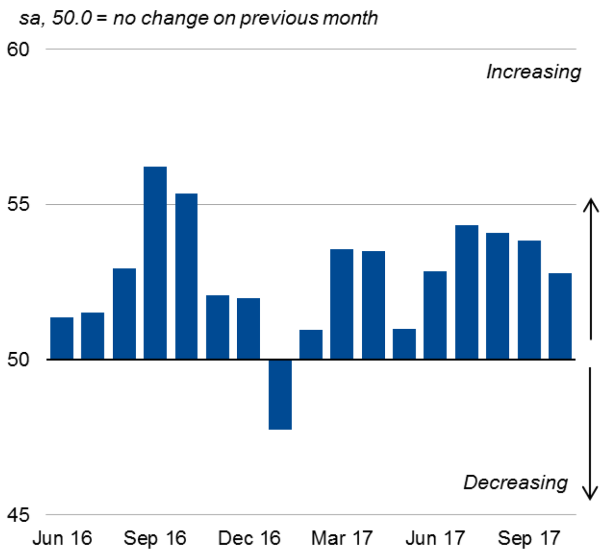
Stanbic Bank Uganda PMI™

Ugandan private sector continues to grow in October

Data collected 12-30 October

- PMI registers at 52.8 in October signalling improving business conditions
- Growth in output, total new orders and employment
- Input costs and output prices continue to rise

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, construction, industry, services and wholesale & retail 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 October's survey findings, Jibran Qureishi, Regional Economist E.A at Stanbic Bank said:

"We continue to see a gradual improvement in business conditions within the private sector in Uganda. Although, the pace of improvement has moderated somewhat since August which we would largely attribute to the enhanced and prolonged political risks in Uganda's key trading partner, Kenya. In fact, new orders slumped quite sharply during this period reflecting the sluggishness in trade between the two countries. However, as political risks subside in neighbouring Kenya over the coming months and public expenditure on infrastructure rises, growth in Uganda will probably continue to remain on an upward trajectory."

The main findings of the October survey were as follows:

The headline figure was at 52.8 in October, down from 53.8 in September. This marked an improvement in business conditions in the Ugandan private sector for the ninth successive month. Rises in output, total new orders, employment and stocks of purchases supported the overall improvement.

For the ninth consecutive month, business activity expanded at Ugandan private sector firms. Respondents frequently referred to a larger customer base and greater underlying demand as factors influencing the rise. In line with the trend in output, new orders also increased.

With regard to the five monitored sub-sectors, agriculture, services, construction and wholesale & retail registered increases in output and new business inflows in October. In contrast, the industry sub-sector observed declines.

Notably, having risen in September, new business from abroad decreased in October. This was largely due to a challenging political environment in key export destinations.

Employment expanded at businesses across all five monitored sub-sectors in October as companies attempted to increase their capacity to cope with higher demand. The increase in capacity helped companies continue to work through outstanding business amid rising new orders.

Firms further responded to the improved economic conditions by increasing their purchasing activity which rose for the fifth month in a row. This led inventories to expand as a consequence.

Meanwhile, inflationary pressures were evident again as overall input costs rose for the seventeenth consecutive month. Evidence suggested that input price inflation was driven by both higher purchase costs and rising salary payments.

Rising cost burdens caused Ugandan private sector firms to increase further the price of their products in October, in line with that seen throughout the survey so far. This was the case across the agriculture, services and wholesale & retail sub-sectors.

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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 expertise to forge 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 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

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 www.markit.com/product/pmi.