News Release

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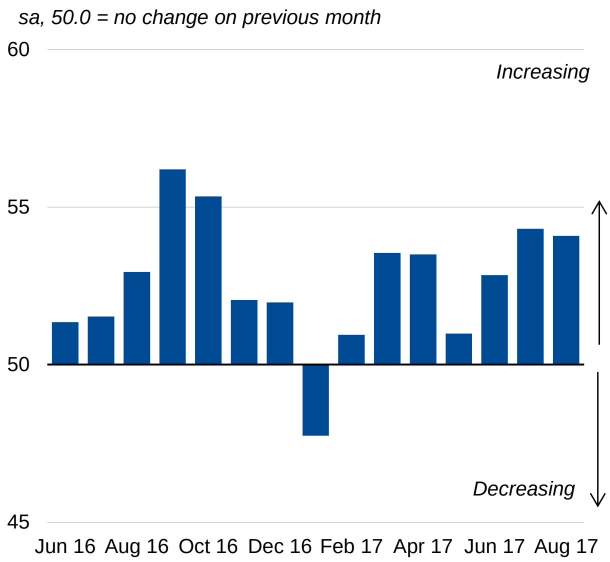
Stanbic Bank Uganda PMI™

Improvements in business conditions sustained in August

Data collected 11-29 August

- Headline PMI index remains broadly unchanged at 54.1 in August
- Increases in output and new orders
- New export orders drop amid political tension in key export markets

Stanbic Bank Uganda PMI



Sources: Stanbic Bank, IHS Markit

This report contains the latest analysis of data collected from the new 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 August's survey findings, Jibran Qureishi, Regional Economist E.A at Stanbic Bank said:

"The private sector continued to show encouraging signs of improvement in August with the PMI average recorded over the past two months of 54.2 being much higher than the 51.6 average in the first two quarters of 2017. Indeed, even though export orders were down in August, firms are likely to begin exporting much more over the remainder of the year and beyond as political risk in key trading partners could begin to subside. Moreover, the current stable macroeconomic environment is likely to bode well for the Ugandan private sector in FY2017/18 and continue to moderately get the economy back on firm growth trajectory path. "

The main findings of the August survey were as follows:

At 54.1 in August from 54.3 in July, the seasonally adjusted PMI signalled a further improvement in the health of the private sector. The PMI reading for August was above the average recorded over 15 months of data collection so far.

The headline index posted above the 50.0 no-change mark for the seventh month running, supported by improvements in new orders, output, employment and stocks of purchases.

Stanbic Bank
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PMI™
By IHS Markit

Following stability in the preceding month, the wholesale & retail sector returned to growth in August. Improvements in business conditions across the remaining sectors (agriculture, construction, industry and services) were maintained in the latest survey period.

Uganda's private sector registered increases in both output and new orders for the seventh consecutive month during August. Panellists commented on greater customer purchasing power, and further improvements in demand that were complemented by promotional activities. Meanwhile, new export orders fell during August, with panellists mentioning political instability in key export markets.

In response to greater output requirements, private sector firms raised their payroll numbers accordingly. All five monitored sub-sectors increased their staffing levels during August.

The ongoing upturn in new orders prompted firms to engage in input buying. As a result, input stocks accumulated for the fifteenth month in succession. Firms raised inventories due to forecasts of further improvements in market demand, according to anecdotal evidence.

Ugandan private sector firms faced higher cost pressures during August. Cost inflation was again recorded across all five sub-sectors monitored by the survey. According to underlying data, rising overall input prices reflected higher staff costs and purchasing prices, with some food items, taxation and fuel prices reportedly up since July. At the same time, firms passed on higher cost burdens by raising output prices.

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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 30 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.