

**STANBIC HOLDINGS PLC**  
**ANNUAL GENERAL MEETING – 18<sup>TH</sup> MAY 2023**  
**QUESTIONS RECEIVED AND RESPONSES PROVIDED**



Question	Response
<p><u>TOPIC: Dividend payment</u></p> <ol style="list-style-type: none"> <li>1. How much are you paying dividend?</li> <li>2. When will you be paying the dividend?</li> <li>3. How will we receive dividend?</li> <li>4. Thank you for the generous dividend, should we expect such dividend payout going forward?</li> </ol>	<p>The Board of Directors are recommending payment of a final dividend of KSh.12.60 per ordinary share for the year ended 31st December 2022, book closure date is 19th May 2023.</p> <p>Dividend will be paid out on or about 6th June 2023 as per the AGM Notice, subject to shareholder approval at the AGM to pay the recommended dividend.</p> <p>Shareholders will receive dividends as per shareholder instructions provided earlier i.e., through RTGS, M-pesa or cheque.</p> <p>We have been consistent in delivering increasing shareholder value sustainably and we will continue to do so. We however must also consider business needs, growth plans and regulatory requirements.</p>
<p><u>TOPIC: Bonus shares</u></p> <p>When will the Company consider declaring bonus Shares to Shareholders?</p>	<p>We have taken note of this. We will evaluate your proposal among other options with the aim of improving shareholder value. We are committed to enhancing and protecting shareholder value.</p>
<p><u>TOPIC: Venue of Meeting</u></p> <p>When are you intending to hold physical meetings for AGM, Special and Extra Ordinary meetings.</p>	<p>Covid-19 necessitated most companies to move from having physical meetings to digital platforms. This has become the new norm.</p> <p>Key to us is creating convenience and inclusivity for our stakeholders while at the same time considering market dynamics. In addition, virtual meetings enable stakeholders within different geographies to participate in various forums without feeling left out.</p> <p>That said, we do not want to lose contact with you. As such, we will be disbursing 2GB data bundles to each of the shareholders logged into the AGM.</p>
<p><u>TOPIC: Financial Statements</u></p> <ol style="list-style-type: none"> <li>1. Why has Directors' emoluments gone up?</li> <li>2. What interventions have been put in place to maintain Stanbic Directors' / Management team's total emoluments / remuneration "package" as an opportunity to reduce / control costs?</li> </ol>	<p>The increase is largely due to;</p> <ul style="list-style-type: none"> <li>• Timing difference of two directors. In 2021, they only earned fees for quarter 4 while in 2022 they earned fees for all the meetings (four quarters).</li> <li>• Inflationary increase of Kes 7%</li> <li>• Increase in the number of attendees and meetings YoY for some of the committees e.g. Nominations Committee.</li> </ul>

<p><u>TOPIC: Business Growth</u></p> <ol style="list-style-type: none"> <li>1. How can you improve the Group business now and the next level of business to become bigger and stronger?</li> <li>2. How is Stanbic intending to partner with Government?</li> <li>3. Stanbic should consider opening new branches across the country, for example, in Kitui and Machakos</li> </ol>	<p>Our goal is to be a significant player in the market i.e. top 3 bank in the next 3 years. In order to achieve this we are focusing on key initiatives in which we must win. These include;</p> <ul style="list-style-type: none"> <li>▪ Driving growth and scale to gain market share and sustain returns from all our businesses and products.</li> <li>▪ Culture transformation entailing ambitious drive to win in the market, working as an integrated financial services organization (IFSO).</li> <li>▪ Control environment: constantly improving our risk management practices and controls to achieve and sustain a stable control environment.</li> <li>▪ Monetizing our digital investments and building new capabilities.</li> </ul> <p>These initiatives will ensure that we are positioned to grow and compete in the foreseeable future. The results seen last year and Q1 2023 demonstrates our commitment to growth.</p> <p>On branches, we opened 3 new branches in 2022, making the total number of branches to be 29. We enhanced access to financial services through expanding our touchpoints by adding 685 new agent outlets and three new branches in 2022. Our banking applications, ATMs and POS machines are leveraged to efficiently deliver our products and services to clients. We continue to assess the need for branches in different parts of the country, while upscaling our technology for mor efficiency and accessibility.</p> <p>Stanbic continues to partner with the Government, noting that Stanbic had a critical role in providing solutions and supporting Government agenda. For instance;</p> <ul style="list-style-type: none"> <li>• Stanbic supported the Government through efficient collection of taxes – KShs 3.1 billion remitted to government in 2022.</li> <li>• Provided funding to contractors linked to the development of road projects across Kenya - Value of loans issued under infrastructure to the tune of KShs 15 billion.</li> <li>• Stanbic partnered with Moja Expressway to facilitate toll collections on the Nairobi Expressway.</li> <li>• Contributed to the Big 4 Agenda through provision of loans to the manufacturing and agricultural sector to boost economic growth to the value of KShs 34.5billion and KShs 20 billion respectively. KShs 267 million in loans were issued under affordable housing.</li> <li>• Stanbic signed several partnership agreements with the Government and County Governments centered around the socio-economic development in the country.</li> </ul>
<p><u>TOPIC: Board &amp; Management recruitment</u></p> <p>I would like to congratulate the board for the good Performance. What criteria is used</p>	<p>The Board Mandate (available on the company’s website) provides the criteria for the appointment of board members. The appointment takes into account diversity, experience, competence, among other considerations. For senior</p>

<p>when appointing directors of the company and senior management?</p>	<p>management, the appointment is done through a competitive process.</p>
<p><u>TOPIC: Financial Statements</u></p> <p>The borrowings are high, while the assets are yet to get to KES 1 trillion. The total operating expenses are also high. What is the relationship between d the earning per share? What are you doing about this?</p>	<p>Operating expenses went by 18% last year due to enhancement of skills and staff count (increase of staff by 70) and digital investments in our channels. On the other hand, revenue increased by 28% showing that we were able to extract more efficiency and productivity. We will continue to focus on cost management to extract more efficiencies and drive productivity from existing and future staff and technology investments.</p> <p>On borrowings and finance costs, we continue to increase our capital base by balancing retained earnings and borrowed funds. This is important as we continue to drive business growth and work towards becoming a more significant player in the market.</p>
<p><u>TOPIC: Financial Statements</u></p> <p>What is the bank's ambitions to provide wealth management services to its clients as a shareholder of Stanbic Bank Kenya. You may be aware that banking consumers seeking specialized financial solutions to increase and safeguard their assets are becoming more and more interested in wealth management services.</p>	<p>We continue to develop innovative products based on our client needs and are focused on enhancing value to our clients. We do have some wealth management solutions and are working on enhancing these further.</p> <p>Currently, we are offering wealth management services through banking, lending, insurance and investments (both onshore and offshore).</p>

**COMPANY SECRETARY**