



# SHAREHOLDER QUESTIONS AND ANSWERS

## 1. How do I get my past dividend?

Shareholders who have not received their past dividends are encouraged to claim the outstanding dividends by either calling +256 757 072 773 or sending an email to [shareholder@candrgroup.co.ug](mailto:shareholder@candrgroup.co.ug).

## 2. Can I re-invest my dividends in the Company to get more money in future?

Currently shareholders can not automatically re-invest their dividends, however a shareholder can contact their stockbroker to buy more available shares on the market. Please visit the Uganda Securities Exchange website for more information on how you can buy more shares. <https://www.use.or.ug/>

## 3. Do unclaimed dividends expire? And after how long?

No, there is no time limit within which a shareholder can claim their outstanding dividends however shareholders are encouraged to claim outstanding dividends once they realise, they have not been paid.

## 4. What is management's plan to reduce its overall exposure to its non-performing loans?

Stanbic Bank applies a conservative approach with regards to classification of non-performing loans, the effects of lock down & Covid 19 adversely impacted some sectors more than others. In instances where management took a view that sustainability of a business was at risk these accounts were classified during the year. That said the bank continues to apply the following disciplines to manage nonperforming exposures

- i. Use of our robust internal risk rating model to ensure under writing of transactions is against sustainable repayment sources both for individuals and companies
- ii. Using internal and external data to generate forward looking models to facilitate identification of early warning signals.
- iii. Robust risk appetite and well-balanced sector concentrations.
- iv. The bank also continues to implement the Central Bank approved credit relief program to support customers impacted by COVID-19.
- v. Through our Business Support and Resolution team, the bank is aggressively pursuing recoveries against bad loans.

## 5. Given that Stanbic bank has one of the lowest interest rates charged on borrowers, is management looking at engaging its borrowers in subprime lending?

Stanbic's lending rate is aligned to the Central Bank Rate and fluctuates along with this as a benchmark rate. The bank's offer rates take into consideration various factors including funding

costs incurred and risk considerations. Our low prices are currently structured to optimally balance risk and reward.

## 6. NPL coverage ratio is going up to 93%. what is the interpretation of this trend in 2020 and the implications of this?

The coverage ratio is a proxy of the bank's ability to absorb future losses by raising adequate impairments on non-performing loans. In light of the downturn in the economy as a result of COVID-19 pandemic, the bank is cognizant of the heightened likelihood of default and therefore as we take appropriate measures to ensure we duly support our clients to minimize the risk of default, we also are prudently protecting customer funds by ensuring we maintain an optimal capital structure.

## 7. How should I open up a bank loan?

Stanbic Bank offers various loans ranging from Salary Loans, Unsecured Personal Overdrafts, Construction Loans, Land Purchase Loans, Business and Corporate Loans among others. Loans can be accessed digitally via our various channels including:

- i) Online Platform on [www.ibanking.stanbicbank.co.ug](http://www.ibanking.stanbicbank.co.ug)
- ii) USSD Platform by dialing \*290#
- iii) On WhatsApp Number 0770 588 623

You can also visit any of our branches countrywide for guidance or contact your Relationship Manager or Customer Care on 0800 250 250 or 0312 224 900 for support.

## 8. If you want to boost up your share what do you do to achieve it?

Open an SCD account if you don't have one already, deposit money on our account below and Place a buy order for more shares from the market.

## 9. Any plans to cross-list at the Nairobi Securities Exchange to help unlock shareholder value?

Apparently, no plans to cross list on NSE.

## 10. Is there any arrangement of converting the dividends directly into more shares?

Yes, you have to cash the dividend into either your bank account or via mobile money first. Then you can deposit or transfer funds to the SBGS client collection account above and then give us buying instructions.