

NOTICE OF ANNUAL GENERAL MEETING

SHAREHOLDER FAQs



1. How do I get my past or unpaid dividends?

Shareholders who have not yet received their past declared dividends are encouraged to claim their outstanding dividends by either sending an email to shareholder@candrgroup.co.ug or calling +256 757 072 773/ +256 0760 451 945 / 0414 237 504

2. Will dividends be paid this year?

Bank of Uganda (BOU) directed all Supervised Financial Institutions (SFIs), including Stanbic Bank, the bank subsidiary of Stanbic Uganda Holdings Limited (SUHL), to defer all discretionary payments, dividends inclusive, for capital preservation purposes. The dividends paid by Stanbic Bank to SUHL form part of the pool of the dividends that SUHL declares to its shareholders. Therefore, the Stanbic Bank must obtain explicit approval from BOU to pay a dividend to SUHL, which approval has not yet been granted by BOU. However, engagements with BOU on this matter are ongoing.

3. What is the future strategy to grow dividends?

Stanbic Uganda underwent a corporate re-organization in 2019, as part of a diversification strategy. As a result of the corporate reorganization, four new beyond-banking subsidiaries were created in 2020.

The new subsidiaries include Stanbic Properties Limited, dealing in real estate, SBG Securities Uganda Limited, dealing in securities, securities brokerage and asset management, Flyhub Uganda Limited, the Fintech and Technology solutions arm of the business and Stanbic Business Incubator Limited, a not-for-profit entity supporting Small and Medium Enterprises (SMEs) in business development.

Through the continued implementation of our diversification strategy, we believe we shall be able to create more value for our shareholders. Further details on this strategy can be found in our Annual Reports.

4. What is the reason for the stagnation of Stanbic Bank shares?

Due to the impact of the COVID-19 Pandemic, the stock exchange market was also affected and this saw reduced activity on the bourse. This was also coupled by the industry-wide directive by Bank of Uganda to Supervised Financial Institutions, to defer discretionary payments, including dividends. With the full re-opening of the economy, it is expected that the stock exchange market will also recover.

5. How can a non-national purchase shares?

A non-national can purchase shares in a company listed on the Uganda Securities Exchange (USE) through a licensed stockbroker.

6. How do I sell my shares?

A shareholder can sell their shares by instructing a licensed stockbroker to offer the shares to the market.

7. Can I use my dividends to buy more shares?

A shareholder can use their dividend payment to purchase more shares. The steps to follow are as follows:

- Appoint a licensed stockbroker;
- Deposit the dividends (funds) into the stockbroker's client collection account; and
- Instruct the broker accordingly.

8. What is the outlook of dividends over the medium term?

Dividends declared are projected to grow across the industry, as financial institutions stabilise from the effects of COVID-19 pandemic on the economy. There are also various investment opportunities attributable to the Final Investment Decision (FID) on the East African Crude Oil Pipeline (EACOP), which we expect to trickle down into our revenue thereby growing dividends in the medium term.

9. Will there be an increment in dividends by virtue of the fact of them being unpaid for long?

The deferment of dividend payment was because of a directive by Bank of Uganda to all Supervised Financial Institutions (SFIs), in light of the effects of the COVID-19 Pandemic. As such, the dividend declared will be based on receipt of approval from BOU.

10. Are there plans to roll out share trading in other stock exchanges in East African Countries?

There currently no plans to roll out share trading in other stock exchanges in East African countries.

11. Would the Board consider bonus shares to enhance the liquidity of the shares on the exchange?

It is plausible that the issuance of bonus shares can enhance liquidity considering the effect in the increase in the supply of the shares on the Exchange. However, the relatively less liquid position of the stock is attributed to the fact that most holders of the stock believe in future profitability of the entity and opt to hold on to the stock for capital appreciation in the long-term.

12. Why a virtual, not a hybrid AGM, especially because of data costs and unreliability of internet?

The virtual AGM has been organized to enable more shareholders attend the meeting and participate in the affairs of the company. This is especially so for shareholders that are ordinarily resident in various parts of the country and the East African region. To enable our shareholders attend and participate in the meeting, the company has provided data subsidization for all shareholders registered to attend the AGM.

13. Why haven't gifts been dispersed this year?

Shareholder gifts have not been disbursed this year because the AGM has been organized virtually.

14. When shall we resume physical meetings?

As the country and the region recover from the economic downturn attributable to the COVID-19 pandemic, the Board and Management will review the possibility of convening physical AGMs and notify shareholders accordingly.

15. What has been done, or is currently being done, to reduce /cap Stanbic Directors' Management team's total emoluments / remuneration "package" as an opportunity to reduce / control unnecessary costs?

The fees paid to the directors are commensurate to the duties and responsibilities of Directors and Management in keeping the company afloat. It is also important to note that the fees payable to directors are approved by shareholders at each AGM. Where the shareholders do not grant approval, no change in the fees payable to directors is made.

16. Due to the dividend payment being deferred, why is payment of NEDs remuneration fees still ongoing?

The deferment of dividend payment follows a directive of Bank of Uganda to supervised financial institutions (SFIs), including Stanbic Bank, the bank subsidiary of Stanbic Uganda Holdings Limited (SUHL), to defer all discretionary payments, dividends inclusive, for capital preservation purposes. It is important to note that once BOU gives approval, the shareholders will be paid a dividend.

This directive however did not suspend the operations of the Board of Directors, including the Executive Directors and Non-Executive Directors. The Board has continued to lead Stanbic Uganda effectively, through a challenging operating environment and ensured that the company continues to deliver excellent results. It is for this reason that remuneration of the directors has continued.

17. What steps and measures are being taken with respect to cost cutting / control so as to optimise the company's revenue earnings / profitability, and hence increase shareholders dividends / ROIs?

The company continues to ensure efficient allocation of resources to projects with the maximum return on investment and positive direct or indirect environmental impact. We also continue to invest in technology and innovation thus lowering the cost to serve, and creating incremental value for our clients and ultimately our shareholders in a manner sustainable in both the short and long run.

18. When will Stanbic make its digital currency in Africa?

We continue to monitor developments in this space, together with guidance from the various central banks in the markets in which we operate.

19. Will Stanbic Bank be financing the EACOP Project?

Standard Bank is committed to maximising opportunities for sustainable and inclusive growth across the continent, while also managing the risks posed by climate change. As such, Standard Bank's participation in the funding of the EACOP project remains subject to its credit approval process which includes consideration of the findings of the E&S due-diligence assessments and meeting the Equator Principles requirements. It is also subject to a full assessment of the EACOP sponsors' climate change strategies and targets. An update will be shared when this process is completed."