

## NCBA GROUP PLC 61ST AGM - QUESTIONS AND ANSWERS

CATEGORY	QUESTION	ANSWER
Dividend	Will shareholders get dividends this year?	<p>The Directors of NCBA Group PLC while announcing the full year results for the financial period ending 31st December 2020 resolved to recommend to the shareholders for their approval at the Annual General Meeting scheduled to be held on <b>9th June 2021</b>, the payment of a final dividend for the year of <b>Shs 1.50</b> per ordinary share.</p> <p>The dividend will be payable to shareholders registered on the Company's register at the close of business on <b>20th April 2021</b>, the closing date for determination of entitlement to dividend.</p>
	What is the dividend rate?	
	How much dividend will be paid?	
	What is the rate of dividend payment for the year ending 2020?	
	What dividend per share will NCBA pay to shareholders?	
	Can all my unclaimed dividend be paid via M-PESA?	<p>Dividends that are yet to be claimed / collected may fall under 2 categories:</p> <p>a) Those that are yet to be claimed within a period of up to 3 years are still within the custody of the shares registrar and thus can be claimed directly through them; and</p> <p>b) Those for dormant accounts that have not been claimed for a period exceeding 3 years. In this case, the dividends and underlying interest in the shares are surrendered to the Unclaimed Financial Assets Authority from whom claims are to be made.</p> <p>In either case, shareholders may contact the shares registrar through <a href="mailto:info@candrgroup.co.ke">info@candrgroup.co.ke</a> or call via <b>0726971599</b> or <b>0737095124</b>. The same contacts may be</p>

		<p>used to obtain guidance on the process for opting for payment of dividends via M-PESA; or</p> <p>To claim or change payment mandate for future dividends to M-PESA, dial USSD short code <b>*483*038#</b> and follow the various prompts regarding registration of your account and opting in for M-PESA payment mode.</p>
	<p>What is your dividend policy and what has informed that policy?</p>	<p>The Group has traditionally maintained a prudent dividend policy which seeks to balance the need to provide a reasonable and sustained cash return to shareholders while retaining earnings to build and grow the business that then enhances shareholder value and multiplies their original investment.</p> <p>In the last 61 years the Company has grown from a hire purchase business into a full service banking group offering a comprehensive range of financial services and products in five countries, and much of this growth has been financed from retained earnings, and through mergers, with very few calls on additional capital from shareholders.</p> <p>In addition, the Board has from time to time capitalised some of the retained earnings through bonus issues alongside recommending dividends in a particular year.</p> <p>In making its dividend recommendations, the Board must also be cognisant of prevailing circumstances. Last year, when the COVID-19 pandemic struck, the Board took a strategic decision that even greater cash retention was necessary to secure the business and therefore reversed its initial dividend recommendation. Instead of a dividend, shareholders received bonus</p>

		<p>shares in the proportion of one new share for every ten shares then held.</p> <p>As the merger continues to settle down, the dividend policy is one of key issues that the Board is keeping in view and we assure shareholders that we are committed to providing a sustainable cash return while continuing to grow the long-term value of your investment.</p>
AGM Venue	Where will the AGM be held?	<p>NCBA Group PLC's 61st Annual General Meeting will be held virtually on <b>9th June 2021</b>. The proceedings can be followed live through electronic devices using either mobile phone USSD channel or through an Internet platform for internet enabled phones, laptops, tablets and desktop computers.</p> <p>USSD platform users should access the system through <b>*384*069#</b> from their mobile telephones and follow the various prompts to register and access the proceedings; and</p>
	What is the venue of the AGM?	<p>Internet platform users should access the system through <a href="https://digital.candrgroup.co.ke">https://digital.candrgroup.co.ke</a> to register and access the proceedings.</p> <p>Shareholders who may require assistance during the registration process can call the helpline <b>(020) 760 8216</b> or send an email to <b>digital@candrgroup.co.ke</b>. Those domiciled outside of Kenya should use the same contact details, and dial the helpline number with <b>+254</b> country code prefix.</p>

Corporate Structure	What is the vision of the NCBA Group and the meaning of the name NCBA?	<p>NCBA Group is a financial services group made up of NCBA Group PLC as the non-operating holding company and several other financial services subsidiaries and associates in Kenya, Rwanda, Tanzania, Uganda and Cote d'Ivoire.</p> <p>The Group's Vision is to be the financial services partner that inspires your growth. This vision will be achieved by delivering excellent products and services to support the growth of business and individuals.</p> <p>"NCBA" is not an acronym, but a name of the entity that was formed following the merger of NIC Group PLC and Commercial Bank of Africa Limited.</p>
Business Operations	What constituted the Group business operations in the year under review?	<p>NCBA Group PLC is a non-operating holding company with its activities spanning holding investments in subsidiaries, raising funds to invest in its own activities and those of its subsidiaries and associates, and providing administrative support for the effective and efficient running of the Group businesses among other related activities.</p> <p>The Group holds a broad suite of financial services businesses which include retail and commercial banking activities in Kenya, Rwanda, Tanzania, Uganda and Cote d'Ivoire; investment banking covering advisory, fund management and securities brokerage services; leasing operations; insurance agency services; and mobile savings and loans services.</p>
Business Challenges	What are the challenges facing the Group business?	<p>The most significant challenge that the Group faced during the course of the year was the COVID-19 pandemic, which despite starting off as a public health</p>

		<p>crisis swiftly escalated to become a global pandemic whose containment measures led to a global economic fallout. Kenya was no exception and the effects were felt by individuals and businesses where many lost employment and some businesses were either unable to survive, or suffered severe reduction in revenue due to the depressed economic activity.</p> <p>Financial institutions, NCBA Group included, experienced a rapid slow-down in new business acquisition, a significant increase in loan impairments and increased loan restructure requests. With an uncertain path of the pandemic, the Group faced the challenge of executing its long term strategy as planned.</p> <p>Despite these challenges, the Group was successful in establishing a strong foundation for the merged entity. Key milestones in 2020 included finalization of the Mergers of the Uganda and Tanzanian subsidiaries, consolidation of core banking systems to significantly stabilize and improve customer experience and definition of a new organizational structure to support execution of its strategic ambitions.</p>
Business Strategy	How does the Group intend to improve its business prospects?	<p>NCBA Group has developed a clear strategy comprising five strategic priorities which are to:</p> <ul style="list-style-type: none"> <li>- Become a distinguished brand known for customer experience;</li> <li>- Scale its retail banking primarily through expanding its branch network to enhance customer reach;</li> <li>- Deepen its leadership in Corporate Banking &amp; Asset Finance;</li> </ul>

		<ul style="list-style-type: none"> <li>- Undertake digital transformation and deliver new digital and mobile capabilities that enhance customer experience and diversify the Group's revenues; and</li> <li>- Develop a high performance employee culture that supports improved financial performance and shareholder returns.</li> </ul> <p>We are confident that the successful execution of these strategic priorities underpinned by the solid foundation that we already have will enable the NCBA Group to deliver improved financial outcomes and shareholder returns in the coming years.</p>
Business Outlook	What is the forecast for the company in view of the pandemic?	<p>Economies have begun to emerge from the pandemic-induced recession. Phased reopening and softening of COVID-19 containment measures is supporting a return of activity especially in industries. The positive progress on the medical front with the earlier than expected arrival of vaccines has also enhanced confidence in the recovery.</p> <p>However, the recovery is still fragile and uneven. In spite of the gains on the medical front, the crisis continues to hang its shadow over the global economy. Glaring vaccine deficits and protectionism in distribution could see emerging and frontier economies lag behind even as new virus variants emerge, further delaying the recovery. That said, we expect greater support from development partners as the G7 countries set out to ensure no country is left behind in the post COVID-19 recovery quest.</p>

		Overall, our outlook remains cautiously optimistic that an uptick in vaccination coupled with continued fiscal support will release pent up demand and accelerate recovery thus driving the NCBA Group's business growth.
CDSC	Why doesn't CDSC collect next of kin information?	Any account related to a deceased shareholder is subject to Kenya Law of Succession Act, No. Cap 160 where Administration Papers have to be provided to facilitate transfer of assets. It is not lawful to transfer assets for a deceased shareholder's account to a next of kin without the Administration Papers. Therefore details of next of kin are not maintained in a CDSC account profile.
Board Composition	Who are the current directors and what are their portfolios?	The details of the current directors, the Board Committees in which they serve, the applicable governance structure, mandate and activities and shareholding in the company during the year 2020 are outlined on pages 24 to 26, 59 to 77, 86 and 88 of our Integrated Report, which is accessible via our website <a href="https://ncbagroup.com/investor-relations/">https://ncbagroup.com/investor-relations/</a> .
	What are the term limits for directors?	<p>The Company's Articles of Association require that one-third of the Board retires by rotation each year and accordingly, therefore, directors have a term limit of 3 years. Those directors that are eligible are entitled to stand for re-election.</p> <p>The exceptions to this rule are either, when new directors are appointed to fill a casual vacancy and are required to retire and stand for election at the next AGM following their appointment, or, when several directors are appointed at the same time, thereby necessitating a staggered retirement cycle to ensure continuity.</p>

		<p>Our current Board illustrates this very well. Two of the directors standing for re-election today were appointed upon the merger and were substantively elected by shareholders during the last AGM. However, since almost half the current Board was appointed upon the merger, there has been a need to implement staggered retirement by rotation to enable continuity. The directors standing for re-election today will thus, if re-elected by shareholders, retire after another 3 years.</p>
	<p>Can a shareholder seek election to the Board?</p>	<p>Any shareholder can present their interest for consideration for service on the Board. Board selections are made when vacancies arise. In such circumstances, the Board, through its Governance and Nominations Committee, seeks out potential candidates for vetting prior to recommendation to the Board for approval of the appointment. Once a nominee has been recommended for appointment, the individual is then subjected to CBK regulatory approval prior to taking up their position on the Board.</p> <p>Any interested individual may formally present their interest to serve on the Board through any NCBA Board Director or the Group Company Secretary. This interest will be noted and when a vacancy arises, the individual will be considered alongside a pool of potential director candidates, with the most suitable person being selected after a rigorous vetting exercise aimed at ensuring that the most qualified candidate is nominated for appointment.</p>