EQUITY GROUP HOLDINGS PLC 16TH AGM, SHAREHOLDERS QUESTIONS AND ANSWERS

QUESTIONS FROM OUR SHAREHOLDERS	ANSWERS FROM EQUITY GROUP HOLDINGS PLC
1. Why didn't the Board consider a reduction in dividends other than just recalling the entire payment? **2. When will the dividends be paid?** **3. Is there a dividend or bonus shares?** **4. How much dividend payment rate?** **5. Other banks have paid dividends and operate in same environment why not us. Please reverse decision. Next year we will understand.** **6. Why hold dividend at this time of pandemic?** **7. Missing dividends?** **8. Dividend Payment** **9. Can shareholders disagree with the Directors on non-payment of dividends?** **10. Can we be awarded grants during this COVID period?** **11. Thank you for the presentation, however it sounds like the board had adequately considered the customers, employees and communities, how about us shareholders? How are we being taken care of now? Not just future?** **12. Is it possible for me to know how much dividends I have?**	**Dear Shareholders,** Thank you for your questions. We know it is not easy especially when every shareholder was waiting for their dividends. This was a difficult decision that the Board of Directors had to take, especially recognising that this is the first time that Equity Group Holdings Plc would not be paying dividends to our shareholders since we were listed as a public company at the Nairobi Securities Exchange in 2004. Allow us to explain how the Board arrived at this decision. First, we appreciate that our shareholders invest in the company, and entrust the Board to make prudent decisions for the long-term benefits of all our shareholders. In the current COVID-19 crisis, every business has been affected and the economy has deteriorated. In order to ensure that our business is well placed for the future, we needed to ensure the Bank was there for our customers to keep them going. Remember that it is the customers who do business with us that enable us to make profits which go to our shareholders as a return on their investments. Therefore we needed to protect our customers, so that their businesses and income generating activities can survive during this crisis, and recover and thrive after the crisis in order to ensure the long term survival of your investment in the Group. Please allow us to share with you the steps we have so far taken to protect our customers: • We are accommodating customers' loans on request, so that they can focus on the survival of their businesses. So far, a total of KShs. 100 billion in loans have been restructured based on the customers' circumstances. • We have waived all digital transactions so that our customers can use their digital channels and minimize visits to the branch or touching cash, in line with the health protocols by the Ministry of Health. • We have made arrangements for some credit lines and guarantees to ensure that the Bank has adequate liquidity to operate and support customer requirements. The Bank took these measures in the interest of our shareholders, our customers and staff, so that the Bank is well secured and assured of growth beyond the crisis. We assure you that all these measures will serve all our shareholders well in the long run as it will assure us of sustainability through the crisis period. This is a period of great uncertainty and every business requires as much as possible to conserve cash to weather the storm. As promised earlier, the Board will keep reviewing the situation and keep investors informed. We thank you for your continued confidence in Equity and we assure you of our continued commitment to serve you well.

13. Can dividends be paid through Mpesa? **14. Is it possible for me to get dividends via Mpesa? Thanks**	**Dear Shareholders,** Thank you for this question. We believe your question is referring to a means of payment that is convenient and fast. In this regard, we are happy to let you know that any payment that goes to your Equity account is accessible on your phone in several ways as follows • If you have subscribed to our mobile banking service either through the Equity App or your Equitel Sim, you can view your balance, and use your mobile phone to access your money and pay bills. • Remember that all transaction charges through your mobile phone have now been waived to enable you use your mobile banking more and avoid touching cash during the COVID-19 crisis. • In regard to Mpesa, you can also transfer your money for free from your Bank account to your Mpesa account • We have made banking very easy so that you don't have to spend time going to a branch, you can do most of your banking on the phone • You can also apply for a loan instantly using your phone, and payback through your phone These are the innovations we have made because you have supported us through your confidence and investment in Equity. We don't take this confidence for granted. The Board and management have been working tirelessly to ensure that your Bank remains the leading bank and the most preferred bank in our region. We thank you for your continued support.
15. Why declare dividends and fail to pay while other banks are paying? **16. Is it legal to un-declare dividends? Also, why aren't you paying yet? Your pay-out ratio is low.** **17. In terms of financial ratios the bank seems to be well resourced, liquidity, capital adequacy, reserves and returns. Why would the bank withhold dividend then? the board should demonstrate to us what the shareholders are meant to achieve in the current financial year. Otherwise I am opposed to this process of withholding shareholders fund.** **18. Why fail to declare the 2019 dividend for the investors yet approve the 2019 directors remunerations?** **19. The statement to protect the customers from the effects of Covid-19 thus withdrawing the dividend as explained can easily be understood, but further expansion within the great lakes countries (Congo) during the COVID-19 crisis raises queries on how the withdrawal of the dividend will protect the existing customers, or is the withdrawal of dividend intended to raise new capital for the expansion during the crisis as it seems an afterthought.**	**Dear Shareholders,** Thank you for your questions regarding the Board's proposal to withdraw the 2019 dividend pay-out to shareholders. We fully appreciate that every year, all our shareholders look forward to their dividends and as a Board, we also derive fulfilment in delivering the divided as the evidence of effective, efficient and profitable business that we do every year, since we were listed at the Nairobi Securities Exchange. The proposal to withdraw the dividend pay-out was made in the best interest of the shareholders' investment in the long term. In some markets like Europe, banks have been advised to withhold dividends during this crisis, in order to assure the long term protection of the shareholders, by assuring that banks can survive this crisis and continue to grow after the crisis. As we all appreciate, the investment by shareholders forms a big part of the capital that the bank uses to do business with customers and make profit which in turn goes back to shareholders as dividends. In the current crisis, unless we protect our customers so that after the crisis their businesses are still able to operate, then the shareholders returns in the future would not be assured. The Board assessed all the options that were possible in the current crisis. If we didn't withhold the dividends to protect our customers, the other option was to do a capital call from our shareholders. Knowing that most of our shareholders are also our customers, it would not be prudent to make a capital call at this time when every business is making all possible efforts to survive. During such a time as this, the most prudent decision is to preserve the capital at hand, to assure us survival and growth for the Bank and our customers. This is the best possible assurance we could give you as our shareholders that the future is safe, if we can all agree to sacrifice our dividends to support our customers for the sake of a more assured future of our investments. Like we said when we announced the Board's proposal to withdraw the dividends, should the current crisis not play out as envisioned, and should the economy start recovering sooner, then the Board could consider all options available

20. When is the AGM and where? **21. Kindly inform us as the attendees the exact venue of the AGM.** **22. How will you select those who will attend the AGM meeting on 30th June 2020?**	**Dear Shareholders,** Thank you for the question regarding the AGM. We would really have loved to meet again this year like we always do and discuss the performance of our business together and share a meal. However, due the COVID-19 crisis, the government and Ministry of Health have advised that movement of people be restricted, and that no meeting should exceed 15 people. In view of this, the Board has opted to hold the AGM online and this is the best we can do to interact and discuss the performance of our business for the last financial year. In this regard, the 16th AGM will be held on Tuesday, 30th June 2020 from 10.00 a.m. To attend, you need to have registered using your phone by dialling *483*807# on your Safaricom, Airtel or Telkom mobile telephone line or by dialling *482# on your Equitel mobile telephone line and following the various prompts regarding the registration process. Shareholders domiciled outside of Kenya and wishing to participate in the meeting should send an email to Image Registrars via EquityAGM@image.co.ke providing their details i.e. Name, Passport/ID Numbers, their CDSC Account Number and Mobile telephone number requesting to be registered. A notification (email and SMS) will be sent to all shareholders who will have registered for the AGM, 1 hour before the meeting notifying them about the AGM. This notification will also include the link to stream the proceedings. For voting, Shareholders will receive a verification Code via the Mobile telephone number provided. The link shared to stream the meeting will contain a voting tab. Once the shareholder selects to vote, he/she shall key in the code received via SMS and proceed to follow the prompts. We look forward to interacting with you online on Tuesday, 30th June 2020 during the AGM. As always, please feel free to get in touch with us on email in case you require any further information. Your contributions are always welcome and appreciated.
23. How was the performance?	**Dear Shareholders,** We are glad and appreciate your keen interest in the performance of the Company. In the year 2019, our performance was particularly impressive with marked growth in our customer base, revenue and balance sheet. Our loan book in Kenya had significant growth of 23% and an increase in customer deposits of 14%. Attendant to this, our asset quality with Non Performing Loans at 9% remains significantly lower than the market's double-digit average of 12%. This underscores our disciplined approach to lending coupled with proactive client relationship management practices. Our strategic focus on enhancing non-funded income to strengthen the quality of our earnings continued to display good results increasing to 40% above the banking sector's average of 37%. Overall, the Group Profit Before Tax (PBT) increased by 11% to KShs. 31.5 Billion with Return on Equity (ROE) at 22%. For detailed content on the Group's performance, please feel free to check out our financial statements in the Intergrated Annual Report for the year 2019 available on our website (link)

24. Based on the implication of COVID-19 on the financials, what is the projected revenue and profit for the next five years? **25. What is the worst case scenario should the current pandemic continue** **26. Does the Bank have strong shock absorbers to go through the rough terrain.** **27. Please advise whether you have or plan to give employees pay cuts or conduct layoffs as a direct result of the COVID-19 pandemic.** **28. Please advise what impact you expect the COVID-19 pandemic to have on EGH's revenues and profits for year 2020.** **29. Does the bank have a plan on how to reinvest in businesses in order to help them overcome the covid-19 pandemic and the economic effects?** **30. What will be the priority areas for investment after the decision to retain the dividend?** **31. What is the current state of the bank financially? Has covid19 affected its performance?** **32. Given that SMEs constitute a substantial number of borrowers, who are mostly affected by Covid, what is the impact to the bank, and especially financial position?**	**Dear Shareholders,** Thank you for this question that shows your great interest and concern for our business. You are right that the COVID-19 crisis has now become more than a health crisis. It has become a social- economic crisis. First, we all know that vibrant business is supported by availability of versatile transport systems, efficient service industry and a public sector that operates at optimal capacity to support global supply chains and ecosystems in a world that has become deeply interconnected and interdependent. With the health crisis prevailing, all these fundamentals have been seriously compromised. Health protocols such as social distancing, restricted movement of people and some goods and the fact that a vaccine for COVID-19 is not within sight in the near future, it is very hard to project the future of the economy. The COVID-19 pandemic is taking a toll on the global and Kenyan economy and has significantly reduced economic activity. The IMF revised its global growth forecast for 2020 from 3.3% growth to negative 3% in March 2020. EGH has evaluated the economic impact on its own business and the businesses of our customers during the lockdown and has adopted an offensive and defensive approach to protect and ensure the continuity of business for its customers, staff and the Bank. On the defensive it has chosen to work with its customers by restructuring their loans to help them navigate the crisis. The pandemic has created great uncertainty due to an unexpected and a very fast changing external environment and the duration of the pandemic is unknown at this time. The impact of the pandemic on our business will continue to evolve. However, our analysis shows that the Group and its subsidiaries have the capital strength, balance sheet agility and liquidity to support a long-term strategy and walk with its customers through the COVID-19 crisis. In addition, the crisis has given the Group the opportunity to fast track its digitization process and this is on course. We appeal to our customers to make use of the digital channels to conveniently access financial services.

33. I have never received my dividends how can I get them? **34. Hi, I have not been receiving my cheque. Had opened an account with Equity some years ago, am wondering if they deposit the cheque there directly given that I had. It closes it.** **35. Since I bought my shares, haven't checked my dividends**	**Dear Shareholders,** We are sorry to learn that you have never received your dividends. Our team will get in touch with you to further address this matter. In the meantime, thank you for registering for the 16th AGM and we look forward to interacting online on Tuesday 30th June 2020 at 10.00 a.m. You may also kindly get in touch with our Shares Registrar on EGHAGM2020@equitygroupholdings.com for assistance
36. Is there new Directors being appointed? Who are the directors? **37. The CVs of directors seeking re-election or election to the board need to be attached in the agenda during such electronic meetings. This will enable shareholders to assess the suitability of the proposed directors to the board.**	**Dear Shareholders,** Thank you for your question regarding appointment of New Directors. Two Directors are being appointed to the Board. The first is Mrs. Evelyn Rutagwenda who is retiring from office by rotation as per Article 100 of the Company's Articles of Association. The second Director being appointed is Mr. Christopher Newson who is proposed to fill a casual vacancy at the Board. Kindly visit the website for his complete profile.

38. My account number?	**Dear Shareholders,** We shall get in touch with you to further understand your question. Please also feel free to contact us on 0709 170000 or EGHAGM2020@equitygroupholdings.com
39. How can we access Financial Statements? **40. How can I get the booklet?**	**Dear Shareholders,** An electronic version of the financial statements may be viewed on the Company's website. Please follow the link below https://equitygroupholdings.com/investor-relations/
41. What is our Earning Per Share (EPS) for the year under review? **42. What was to be the total proposed DPS?**	**Dear Shareholders,** Our 2019 Earnings Per Share was KShs. 5.93, and the dividend per share was KShs. 2.50
43. Re-appointments of Auditors: 98	**Dear Shareholders,** Thank you for your question. PricewaterhouseCoopers (PwC) are the current auditors of the Company who were appointed in a competitive process and having been satisfied with their services and taking note that the auditors have expressed their willingness to continue in office, and in line with the relevant Laws and the Company's Articles of Association, the Board has proposed to you shareholders to approve their re-appointment at the AGM taking place on Tuesday, 30th June, 2020.
44. Share price is going down each day. What's the future? **45. Could failure of dividend payment have affected shares prices in NSE?**	**Dear Shareholders,** In the recent past, we have experienced a general drop of the performance of the share prices at the Securities Exchange. While the current situation (COVID-19 pandemic) has affected the performance at the securities exchange we are glad to note the Company share price remains resilient. Additionally, our market cap of KShs. 132.3 billion makes us the biggest bank in the NSE by market cap. Having said that, a number of factors impact our share price including the effects of COVID-19. Whilst we do not know what our share price will be in the future, management will continue to execute on its strategic initiatives of growing its quality revenue streams underpinned by non-funded income, improving efficiencies, growing a quality loan book and building a platform that will reach 100m customers over the medium-term. These initiatives we believe if executed well will be value enhancing. We want to thank our investors for the confidence they have shown in the bank stock.
46. Would like to view the financial statement. **47. How does one get statements?**	**Dear Shareholders,** Thank you for making this request. We have uploaded the financial statement on our website and you can download a copy following the link below https://equitygroupholdings.com/investor-relations/ In addition, if you can kindly share your email, we can send you a copy.

48. What measures have you taken to control the effects of COVID-19 in business? **49. The credit penetration in Kenya is rated at 10%, a figure that is low. How do you as a Group address this to raise it to a higher figure putting in mind the Kenyans capacity and level together with the current pandemic-COVID 19?**	**Dear Shareholders,** Thank you for your question and your keen interest on the measures we are taking to control the effects of COVID-19 to the business. First allow us to say how unfortunate it is that this year we were denied the opportunity to meet in person, interact and receive advice and direction from our shareholders on the best way to move our business forward. We believe that together we shall overcome COVID-19 pandemic and we shall have the opportunity to meet again in a future AGM. On your question, the Board and management has always had a Business Continuity plan in place to help the business respond to unforeseen circumstances that could threaten the wellbeing of our staff, our customers and the business. As soon as COVID-19 was declared a global pandemic, we created a response team at all levels from the Board level, the executive management and the operational team's level. We moved from BCP to business continuity management of the business, our staff and our customers. The Business continuity management is anchored on defensive and offensive approaches. On the defensive, the following protocols have been put in place including a working rotation for staff to ensure social distancing while ensuring our services are not interrupted. For both staff and customers, we have ensured that all our business units have a medial health worker at the entrance to check temperature symptoms. Anyone displaying temperature higher than normal is requested to seek medical attention immediately. At the same time, all our premises have sanitizers or soap and water for regular washing of hands. Staff, customers and visitors are required to have face masks all the time while within our premises. To discourage the use of cash which may cause transmission of the virus we have waived a number of electronic transaction fees. The Company has also considered the social crisis that is playing out in the country and as a responsible corporate citizen mobilised KShs. 1.1 Billion from Equity Bank (KShs. 300 Million), the family of Dr. James Mwangi, (KShs. 300 Million) and our long trusted partner MasterCard Foundation (KShs. 500 Million) towards the provision of Personal Protective Equipment PPEs to all healthcare workers in public hospitals dealing with COVID-19 in the country. The investment is being implemented in partnership with the Kenya COVID-19 Board and the Ministry of Health. The Equity Group Holdings Managing Director and CEO is also serving as the Chair of the Health Committee of the Kenya COVID-19 Board, having been appointed by the President as a Board member. The Company also considered the economic implications for households and businesses and has accommodated customers whose loans equate to about 25% of the Group's loan book. At the same time management has assessed the operating environment which remain highly uncertain and to ensure all our stakeholders have a "safe harbour" to shelter in during this storm, we have put in place measures to fortify our business and balance sheet including the proposed withdrawal of the 2019 dividend. Whilst we look to take control of what is an uncertain operating environment across all our markets and globally, management remains focused on the medium- to long-term objectives of supporting social and economic transformation of our people and to this end the Company remain optimistic that this crises will pass. Equity Group is well positioned to continue this journey of transformation with all our stakeholders.

50. How about our gifts and lunch? **51. I missed 2019 AGM gifts up to date I haven't been given. How will I get the last year's gift? Thank you.** **52. How and when will I get this year's gifts and voucher if they are there? Thank you**	**Dear Shareholders,** Thank you for this question regarding our gifts and lunch. We fully understand the feeling of not having to meet in our usual manner every year and share a meal and take home a gift to remind us of our bond and Company. We have faith that the situation will improve in the future and we shall get the opportunity to meet again in a future AGM, and celebrate our unity of purpose, and our common journey in Equity. Unfortunately, this year, the Government and Ministry of Health have advised all of us that the best way to protect those you care for is to stay apart in order to defeat the wrath of COVID-19 pandemic. That is why we have explored the nearest way to interact, thanks to technology, that we shall do so on Tuesday 30th online for our 16th AGM. The world has not experienced such a difficult situation as the one posed by COVID-19. It is not just a health crisis, but it is also a social and economic crisis. During this time, the best way to ensure that family incomes as well as business survival is assured post the crisis, is to prudently conserve what is at hand, and use it sparingly as we all go through this difficult phase of the crisis. As a business, we deeply value and respect the investment you have placed with us, to utilise and give you returns on your investment. As a Board and management, this year is different, as it marks our first time ever since we were listed in the Nairobi Securities Exchange, and subsequently in Rwanda and Uganda Securities Exchange) not to declare divided to our shareholders. Remember that before the crisis, the Board had already proposed a KShs. 2.50 dividend pay-out. But as a responsible corporate who values our shareholders, we knew that you have invested with us for the long term benefits, and this means that we must make prudent decisions to ensure that we remain conservative during this period, protect our customers through (loan accommodations and transaction waivers), who bring us the growth and profitability of your investment, so that tomorrow, they can be assured of recovery and growth, to support the growth of your investment. We explored the option of conserving cash and felt that it was better to conserve cash and enhance our resilience, during this time of great uncertainty. We are hopeful that this situation will improve, and we shall once again have the chance and opportunity to meet and share a meal together as Equity family. In the meantime, we urge you to stay safe and observe the Ministry of Health guidelines. If we do this, we shall defeat the pandemic and bounce back stronger than before.
53. The box I used was closed, how do I get my previous payments?	**Dear Shareholders,** We are sorry that you were not able to get your previous payments following your change of address. There is a provision for you to inform our shares registrar on change of address to ensure that you don't miss out when payments are made. In this regard, our share registrars will call you to advise on how to amend your address. Alternatively, please feel free to contact us on the below address so that we can resolve the matter. Shares Registrar: EGHAGM2020@equitygroupholdings.com

54. How many shares do I have? **55. Morning I have been trying to access my account through mobile banking and every time it shows wait, for how long am going to wait and yet I need money for my upkeep am aged and can't get off the house according to my health please confirm thank you**	**Dear Shareholders,** Thank you for your enquiry. Our share registrars will get in touch with you to advise you on how to check your share portfolio through the CDS. In case you do not have a CDS account, they will also advise you on how to open one free of charge. The beauty of the CDS account is that you can check your shares portfolio online Please also feel free to drop an email to our share registrar for advice: EGHAGM2020@equitygroupholdings.com We hope you are keeping safe and we look forward to interacting with you online on Tuesday 30th June for our 16th AGM
56. Do I register 2nd time?	**Dear Shareholders,** Thank you for your question. I trust that you already registered for the AGM. You do not need to register again. You will receive a message with a link which you will click to join the AGM online on the 30th June 2020. We look forward to seeing you then
57. I want to add my shares.	**Dear Shareholders,** Thank you for your question. We are pleased that you are looking at adding more into your shareholding. We take this as a vote of confidence in the Equity brand and we are both humbled and inspired. Thank you. Equity Bank has a custodial department that will help you to buy more shares. Please visit any branch for further information. You may also contact any stockbroker for advice on how to buy or sell shares on the stock exchange. We will advise them to call you for more advice. We look forward to seeing you online during the AGM on Tuesday 30th June 2020.
58. How do I register KCB shares?	**Dear Shareholders,** Thank you for your question. Equity Bank has a custodial department that will help you to buy the KCB shares. Please visit any branch for further information. You may also contact any stockbroker for advice on how to buy or sell shares on the stock exchange. We will advise them to call you for more advice. We look forward to seeing you during the AGM on Tuesday 30th June 2020.
59. Why has my share not been accounted?	**Dear Shareholders,** Thank you for your question. We will need to understand your question more clearly in order to help. We have asked our share registrar to contact you so that they can support you to resolve the issue. Thank you Please also feel free to reach out to our share registrar on this email: EGHAGM2020@equitygroupholdings.com for assistance

60. What of Atlas Mara. Is it a deferment or total cancellation? **61. Your decision on Atlas Mara Bank purchase is commendable. I hope the bank is looking at consolidating in key markets that have shown some success especially in these uncertain times. Can you please share with the shareholders a view of how you intend to drive further business consolidation and growth within your key profitable markets into the next 3 years?**	**Dear Shareholders,** Thank you for your question that shows your interest in the Bank's expansion strategies. As you will recall, in January 2020, the Board announced the extension of discussions with ATMA following the expiry of the transaction period before the two parties could sign a detailed transaction agreement. During the extended period, the two parties would continue further discussions to try and reach mutually acceptable commercial terms with respect to the proposed transaction or a variant of it. However, after the declaration of the COVID-19 global pandemic that has put the economy into a serious crisis, the Board had to immediately focus on Business Continuity Management that is geared to conserving cash and liquidity and deploying it to support our customers' survive during this economic crisis, to recover and thrive post the crisis. A strong capital and liquidity position gives us the strength and capacity to cushion our business, accommodate and walk with our customers during these challenging times. With this consideration, and after careful consideration, EGH and ATMA mutually agreed to discontinue discussions on the transaction for the foreseeable future. This decision is further guided by the Board's risk assessment, approach to prudent risk mitigation and management in the prevailing economic slowdown occasioned by the COVID-19 pandemic in the region and globally. So far, under our business continuity management which is focused on defensive and offensive mechanisms, we have walked with our customers through loan accommodations and rescheduling/restructuring of up to 25% of the total loan book for periods of up to 36 months. This will enable them to go through the prevailing turbulence, while at the same time preserving cash to shore up the financial revival and growth of their businesses post the COVID-19 crisis. On the offensive approach the Group is accelerating the push to digital channels and growing the various non-funded income franchises while re-evaluating the acquisition of new businesses where significant capital injection and managerial attention is required. But we would like to assure you that EGH, remains committed to its strategic objective of expanding its footprint in Africa and will continue to evaluate opportunities to achieve this and will in the usual manner ensure that it keeps shareholders and the investing public informed of any developments in this regard.