



Responses to the Q and A Session from Extraordinary Meeting Held on 27th October 2025

BONUS SHARES

Question 1: Will there be any rights issue, bonus issue or issuance of new shares in the near term?

Question 2: The company should issue bonus shares to the shareholder that have stood with it before this listing. The recent rights issues and now this listing will result in major dilution of local minority shareholders that have been the bulwark of this institution. Is it fair to the minority shareholders to list in NSE without share split or bonus shares after all this years?

Response:

The Board considered issue of bonus shares about three years ago and this did not succeed since shareholders did not vote for it. Bonus shares are issued as a form of dividends. At the same time, bonus shares could restrict dividend payment. As you may recall, the company paid dividends earlier this year amounting to Kes. 1.1 billion. The Board intends to continue declaring dividends per the company's policy which to pay out 30% of its profits every year. The Board shall however take into consideration this request at the appropriate time and in line with the company's capital requirements.

LISTING BY INTRODUCTION VS IPO

Question: Why did you opt for enlisting by introduction instead of going the IPO way?

Response:

As we have presented, the Board is proposing that the company's shares be listed at the Nairobi Securities Exchange by introduction. This will enhance the liquidity/tradability of the shares. The Bank is sufficiently capitalized following our successful rights issue/private placement and is not going to the NSE to raise additional capital through the sale of new shares, the process known as IPO. The Board has chosen this option for our initial listing mainly due to its simplicity as well as the need to minimize the risk of erosion of share value.

LISTING

Question 1: Is there any prospect of listing on the NSE in the near future?

Question 2: When will family bank become part of the Nairobi Securities Exchange? So that shares can be traded publicly through there?

Response:

The resolution that is being voted on today is to enable Family Bank shares to be listed at the NSE. Once the resolution is passed, we will seek regulatory approvals to proceed with the listing. We anticipate that the entire listing process will be completed by mid-next year.

LISTING BENEFITS

Question 1: What are benefits to the shareholders when the company is introduced to the stock market

Question 2: How will listing benefit us as shareholders?

Response:

There are many benefits of listing as explained earlier in the Chairman's statement. I'll however repeat them for emphasis. Listing enhances the tradability/liquidity of shares, making it easy for our shareholders and potential investors to buy and sell shares. With our continued good performance, we expect that the share price will go up, as listing tends to respond more to performance of the company more directly. Listing will also invite more regulatory scrutiny, improve transparency, and enhance good corporate governance. Listing also comes with more publicity, which is good marketing for the company.

SHARES SPLIT/VALUE PRESERVATION

Question 1: Will the share be split before listing?

Question 2: How will the board of Directors ensure that, shareholders do not suffer share dilution due to splits.

Question 3: What dynamics are in place to ensure that shareholders DO NOT suffer prices erosion on shares due to volatile NSE market?

Question 4: Usually, when companies are being listed, there is usually a possibility of a share split. This also makes the trading of the shares more affordable and thus easily tradeable in the bourse. Is Family Bank considering such a split?

Question 5: We have waited patiently for years since buying Family bank shares at a higher price. How are we going to be compensated?

Question 6: How do you intend to cushion shareholders from the possibility of decrease in price when the shares get listed on the NSE?

Response:

Share splits are usually done when the price of a share is too high which limits its tradability. The Board considers that the Family Bank share is not too high to warrant a share split, and therefore is not considering a share split at this time. The Board will however consider a share split at the right time. The Bank's performance has been rising consistently and the Board is focused to maintain this trend, which will ensure that the value of your shares keep rising.

STRATEGY

Question: Please walk the shareholders the new projects/ development you are working on following the 2023 rights issue. Additionally, kind expound on the Net Present Value (NPV) and Net Asset Value (NAV) for us to understand the 5-10-year vision for FAMILY Bank.

Response:

This has been adequately dealt with in the presentation by the CEO

TIMING

Question: Mr. Chairman While the mission to list is noble and was always in the plan following the public offer, I am concerned about the timing. The current socio economic environment in Kenya is quite depressed and may erode significant value from the shareholders. I have noted that overall Financial Services / Banking Counter at NSE is doing well but i am not quite sure about a new listing.

Response:

The Board has considered the various requests by shareholders over the years to list the bank's shares. Our stock market performance has significantly improved and we believe that this is a good time to list. The shares of listed banks have been trading at good price to book ratios and we believe that with our continued good financial performance, the value and the price of Family Bank shares will continue to rise, subject to other market dynamics.