



MINUTES OF THE HYBRID ANNUAL GENERAL MEETING OF BANK OF BARODA UGANDA LIMITED HELD ON 4TH JULY 2023 AT 03.00PM AT KAMPALA SERENA CONFERENCE CENTRE.

Annual General Meeting Date	04.07.2023
Meeting Start Time	03.00 PM
Meeting End Time	06.30 PM

PRESENT:

Dr. Fred Kakongoro Muhumuza	Alternate Board Chairperson (Independent Non-Executive Director)
Mr. Sempijja Thadeus	Independent Non-Executive Director
Mr. Odoch Charles Langoya	Independent Non-Executive Director
Mr. Debadatta Chand	Non-Executive Director (attended online)
Mr. Shashi Dhar	Managing Director
Mr. Prithvi Singh Bhati	Executive Director
Ms. Anne Mbonye Tumwesigye	Company Secretary
Shareholders including proxies	Attended in person and online through electronic platform

Absent with apologies:

Mrs. Vastina Rukimirana Nsanze	Chairperson (Independent Non- Executive Director)
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Quorum: Present

1. The Chairperson Dr. Muhumuza took the opportunity to welcome the esteemed shareholders, stakeholders, Directors, management, and staff of the bank, to the Annual General Meeting that was being held both physically and online as permitted by Article 49 of the Bank's Articles of Association. Dr. Muhumuza informed the shareholders that the Board Chairperson Mrs. Vastina Rukimirana Nsanze was unable to be present and had conveyed her apologies to the Board members and to the shareholders.
2. After confirming through the Company Secretary that there was a quorum present, Dr. Muhumuza requested Ms. Jacqueline Kyomukama to open the meeting with a word of prayer.
3. Dr. Muhumuza then requested the Managing Director, Mr. Shashi Dhar and the Global MD & CEO Mr. Sanjiv Chadha to read their statements. As Mr. Chadha had retired on the 30th of June 2023, the Executive Director Mr. Prithvi Singh Bhati read his statement. Dr. Muhumuza also read the Chairperson, Mrs. Vastina Rukimirana Nsanze's statement.
4. At the Chairperson's request, Mr. Uday Bhalara, a Partner of M/s Grant Thornton briefed the Shareholders on the Auditor's report and the bank's consolidated financial statements for the year ended 31 December 2022.
5. Dr. Muhumuza then requested Ms. Anne Mbonye the Company Secretary, to take up the business for the day. Ms. Mbonye started by taking the shareholders who were attending online through the process of proposing, seconding, and voting online. Ms. Mbonye then presented the following Agenda items for approval by the shareholders:

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**AGENDA ITEM No. 2023/AGM/01:**

To consider and if deemed fit, confirm the minutes of the 52nd Annual General Meeting of the Company held on Friday July 22, 2022, and the minutes of the Extra Ordinary General Meeting held on Friday March 24, 2023, online through electronic platform.

Agenda item 01 was Proposed by: Mr. Praveen Joshi, SCD No. 233807 and seconded by Mr. Jockey Malinga Haumba, SCD No. 156787.

AGENDA ITEM No. 2023/AGM/02

To consider and if deemed fit receive the separate and consolidated Financial Statement for the year ended December 31, 2022, report of the Board of Directors on the state of affairs of the Bank, together with the Auditors' report thereon.

Agenda item 02 was proposed by Mr. Bakayana Daniel, SCD No. 69914 and seconded by Mr. Chimanbhai Ranchhodbhai Patel SCD No. 37532.

AGENDA ITEM No. 2023/AGM/03

To consider and if deemed fit to approve the dividend payout proposed by the Board of Directors at the rate of Uganda Shillings 2.00 per share for the Financial Year 2022 subject to the approval of the Bank of Uganda.

Agenda item 03 was proposed by Mr. Muhimbise Andrew, SCD No. 32883 and seconded by Mr. Philip Oundo Okumu SCD No. 11428.

AGENDA ITEM No. 2023/AGM/04

- a) To consider and if deemed fit ratify the appointment of Mr. Debadatta Chand as Non-Executive Director of the Bank effective 13th day of September 2022 vice Mr. Shanti Lal Jain who resigned from the Board effective 31 August 2021.
- b) To consider and if deemed fit, ratify the appointment of Mr. Shashi Dhar as the Managing Director of the Bank effective the 16th day of March 2023 in place of Mr. Raj Kumar Meena who completed his tenure on the 15th day of March 2023.

Agenda item 04 was proposed by Mr. Patel Kalpesh Dahyabhai, SCD No. 9520 and seconded by Mr. Kakumirizi Joel Kyeyune SCD No. 9792.

AGENDA ITEM No. 2023/AGM/05

To consider and if deemed fit approve the appointment of M/s Ernst and Young (EY), Certified Public Accountants as the Statutory Auditors of the Company for the period ending December 31, 2023, and their remuneration as approved by the Board Audit Committee and the Board of Directors respectively.

Agenda item 05 was proposed by Mr. Das Goutam, SCD No. 1157 and seconded by Mr. Katureebe Philip Tayebwa SCD No. 73369.

After all the agenda items had been read, proposed, and seconded, the Company Secretary invited the shareholders to vote on all the agenda items online.

After, the voting had closed, the Chairperson declared the results to all the shareholders as detailed below:

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Agenda	Details of the agenda	% votes in favour	% votes against	Abstain	Remarks
Ordinary Resolution No. 01	To consider and if deemed fit, confirm the minutes of the 52 nd Annual General Meeting of the Company held on Friday July 22, 2022, and the minutes of the Extra Ordinary General Meeting held on Friday March 24, 2023, online through electronic platform.	98.51	1.49	NIL	Passed
Ordinary Resolution No. 02	To consider and if deemed fit receive the separate and consolidated Financial Statement for the year ended December 31, 2022, report of the Board of Directors on the state of affairs of the Bank, together with the Auditors' report thereon.	95.08	4.92	NIL	Passed
Ordinary Resolution No.3	To consider and if deemed fit to approve the dividend payout proposed by the Board of Directors at the rate of Uganda Shillings 2.00 per share for the Financial Year 2022 subject to the approval of the Bank of Uganda.	87.50	7.14	5.36	Passed
Ordinary Resolution No.4	a) To consider and if deemed fit ratify the appointment of Mr. Debadatta Chand as Non-Executive Director of the Bank effective 13 th day of September 2022 vice Mr. Shanti Lal Jain who resigned from the Board effective 31 August 2021.	88.00	2.00	10.00	Passed
	b) To consider and if deemed fit, ratify the appointment of Mr. Shashi Dhar as the Managing Director of the Bank effective the 16 th day of March 2023 in place of Mr. Raj Kumar Meena who completed his tenure on the 15 th day of March 2023.	87.50	2.08	10.42	Passed

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Ordinary Resolution No. 5	To consider and if deemed fit approve the appointment of M/s Ernst and Young (EY), Certified Public Accountants as the Statutory Auditors of the Company for the period ending December 31, 2023, and their remuneration as approved by the Board Audit Committee and the Board of Directors respectively.	96.00	NIL	4.00	Passed
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6. After the declaration of the voting results, the Chairperson informed the Shareholders that all the ordinary resolutions had been passed and the resolutions adopted. The Chairperson thanked the shareholders for their participation in the voting process.
7. After the voting process, the Company Secretary took the shareholders through a Question & Answer (Q&A) session where the shareholders asked questions, made comments, or sought clarity, and the Directors responded as below;

S. N.	Shareholder's question	Bank's responses
1.	Why did the bank's NPAs substantially increase from UGX 683.00Mn as on 31.12.2021 to 14.955Mn as on 31.12.2021?	<p>Replied during Annual General Meeting.</p> <p>One of the major reasons for increase in Non-Performing Loans ending of COVID Relief allowed by the Bank of Uganda on 30.09.2021 except for Hospitality & Education Sector which was up to 30.09.2022.</p> <p>Thereafter due to lateral effect of Outbreak of COVID-19 wherein many businesses could not geared up again due to liquidity issue, supply chain interruption and also change in business model from credit to cash basis to some extent.</p> <p>Further, the Bank is in line in improving the numbers. Our first and foremost way to reduce the existing NPA and restrict the fresh NPA is to timely identify the weaknesses in the account by way of discussion with the borrowers, ascertaining their need and accordingly providing hand holding to overcome from stress situation. In case of there is no visible improvement or non-cooperation from the borrower, the focus needs to be immediately shifted from hand holding to liquidation of securities to pay off the credit facilities as per law.</p>
2.	It is reported that loans and advances under stage 2 have significantly increased from 64.568Bn to UGX 162.896Bn. What is the impact of the increase on the impairment and what is the Bank doing to avoid further deterioration of the loan book.	<p>Replied during Annual General Meeting.</p> <p>As the loans and advances in Stage 2 category increased by 152.28% consequently the impairment increased from UGX 1.012 Bn to UGX 2.278 Bn thus a 125.05% increase (or UGX 1.265 Bn increase). The significant increase in stage 2 loans and advances arose due to delayed repayments in certain accounts in the month of December 2022 however most of the major accounts were</p>

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S. N.	Shareholder's question	Bank's responses
		regularized and reclassified in stage 1 in the next month of January 2023. The Bank is having Recovery and Monitoring Department at Head Office that is scrutinizing the account health status on a daily basis and regularly following up with the clients and ensuring repayments on time.
3.	The bank has declared a dividend of UGX 2 per share. When can we expect these dividends to be credited to shareholders?	Replied during Annual General Meeting The Bank's Board has declared dividend of UGX 30 Billion for FY 2022 i.e. UGX 2 per share. However, the payment of dividend is subject to approval from the Bank of Uganda as per directives issued vide circular dated 06.06.2022 by the Regulator. The Bank vide letter no. 08.06.2023 sought approval from Bank of Uganda for payment of Dividend to shareholders and approval is awaited. The Bank shall pay the dividend upon approval from the Bank of Uganda.
4.	As per agenda no. 5, the Bank has appointed Ernest & Young as the statutory auditors for the year 2023. I wanted to know why the Bank changed the existing auditors and what fees the Bank has agreed to pay the new auditors?	Replied during Annual General Meeting. In terms of the provisions of Financial Institutions Act, an External Auditor can conduct audit of a Bank for a maximum period of 4 years. M/s Grant Thornton has been the bank's Auditor for four year i.e. FY 2019 to FY 2022. Therefore, M/s Grant Thornton was not eligible for reappointment of Bank's Statutory Auditor for FY 2023. Bank has proposed to M/s Ernst and Young (EY), Certified Public Accountants as the Statutory Auditors of the Company for the period ending December 31, 2023.
5.	What has the Bank done about URA's quest to get Bank information, how is the Bank safeguarding shareholders' information. What measures are in place to safeguard shareholders' information against cyber and fraud attacks?	Replied during Annual General Meeting. The bank has done a lot to safe guard customers' information by joining the umbrella body Uganda Bankers Association on the case where URA had requested for all bank account information for customers including customers address, phone numbers, cash deposits, withdraws and balances which had no legal mandate to do so. As you may be aware, early this year 2023, court ruled out that URA had no legal obligation to ask banks to provide customers' information as this was violating the principle of confidentiality in banking practices. The Bank believes in the best practices of banking and would like to assure all customers that their information is safe, confidential and secure. We believe in team work, consultation and seek legal opinion in matters regards the safeguard of our customer information.

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S. N.	Shareholder's question	Bank's responses
6.	What plans does the Bank have for investors who were using Baroda Capital Markets since it was closed?	Replied during Annual General Meeting. The Bank has transferred the all clients to Dyer and Blair as approved by the Capital Markets Authority. The Clients' hard and softcopies of the KYC documents were submitted to Dyer and Blair on 21 st September 2022. So all customer can do their transaction with Dyer and Blair.
7	How much was incurred in CSR activities last year and what kind of activities were done?	<ol style="list-style-type: none">1. Contribution to UBA for Funeral of Late Governor2. Contribution to FUE Reception Block3. Payment for life time membership to Rajasthani Association4. Contribution towards the uplift of underprivileged children through Rajasthan Samaj.5. Contribution towards women entrepreneurs through Indian Women Association6. Contribution towards uplifting the life of disadvantaged Children of Society through artificial limbs/heart surgeries.7. Sponsorship for the needy by Orphans & Widows of AIDS8. Sponsorship towards helping common kitchen for all at Gurudwara at Ovino9. Contribution for helping the children of ABC school by facilitating hygienic toilet and painting of the Toilet Blocks10. Donation of desks with benches and 100 bags of cement to Ananda Marga a charity organisation.11. Sponsoring Dance Station End of year cerebration.12. Sponsoring Needy families <p>Total amount incurred on CSR activities in 2022 is UGX 46,548,500.</p>
8	I request Bank of Baroda (Uganda) Limited to extend a branch in Tororo district.	Replied during Annual General Meeting.

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		Presently, the Bank is not having any plan to open branch in Tororo as the Bank has launched Agency Banking and customers can deal through agents across country.																								
9	The staff expenses went down compared to the previous year. Please explain why, what is being done for our staff?	Reduction in employee costs in the year 2022 as compared to 2021 is attributed to the following: <ul style="list-style-type: none"> • During the Financial year 2021, the bank paid arrears in salaries for expatriate officers and local staff hence the leading to higher expense on staff costs in the year 2021. • The Bank also incurred some additional costs in 2021 which included testing and treating staff with Covid-19 and also transporting staff during the lock down. 																								
10	The Bank financials represent "group" including BCM, and yet BCM was closed. Why is it the case?	Replied during Annual General Meeting. The BCM was not liquidated as on 31.12.2022. Therefore the financials represent "group" including BCM.																								
11	The bad debts figures reduced from 1Bn to 7Mn. Please explain.	Replied during Annual General Meeting. The Bank has put concerted efforts through dedicated Recovery & Monitoring Cell on recovery in NPA and written off accounts. The Bank has also make extensive recovery drives to check fresh slippages during the financial year 2022.																								
12	Other comprehensive income has 2 big figures; 13Bn and 2.7Bn. 2.7Bn has a note of "reclassified from P&L". Auditors should throw more light on that.	Replied during Annual General Meeting. The same has been classified as per IFRS 9 guidelines.																								
13	Why is loan concentration of Bank of Baroda (Uganda) Limited based in manufacturing other than agriculture and service sector?	Replied during Annual General Meeting. The Bank is loan & advances as on 31.12.2022 in following sectors: <table border="1" data-bbox="794 1778 1544 2022"> <thead> <tr> <th>S.N.</th> <th>Sector</th> <th>As on 31.12.2022</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Manufacturing</td> <td>47.26%</td> </tr> <tr> <td>2.</td> <td>Wholesale & retail</td> <td>10.01%</td> </tr> <tr> <td>3.</td> <td>Transport & Communication</td> <td>0.25%</td> </tr> <tr> <td>4.</td> <td>Building & Construction</td> <td>11.75%</td> </tr> <tr> <td>5.</td> <td>Agriculture</td> <td>25.99%</td> </tr> <tr> <td>6.</td> <td>Individual</td> <td>1.40%</td> </tr> <tr> <td>7.</td> <td>Others</td> <td>3.34%</td> </tr> </tbody> </table>	S.N.	Sector	As on 31.12.2022	1.	Manufacturing	47.26%	2.	Wholesale & retail	10.01%	3.	Transport & Communication	0.25%	4.	Building & Construction	11.75%	5.	Agriculture	25.99%	6.	Individual	1.40%	7.	Others	3.34%
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S. N.	Shareholder's question	Bank's responses
14	How is Arua branch performing and did the Bank carry out a proper survey before opening the branch?	Replied during Annual General Meeting. The Bank carry out detailed survey before opening of any branch and the same was done with Arua Branch. The Branch is picking up and we expect break even in 1-2 years.
15	Has the Bank sent any local staff in other countries for learning / exchange programs in the latest period?	Replied during Annual General Meeting. Yes, The Bank has sent local staff for learning / exchange programs during last year and Bank will continue this program.
16	How is the Bank planning for reduce high costs on deposits (FDRs)?	Replied during Annual General Meeting. The Bank is focusing on canvassing more CASA Deposits by strengthening bank's IT infrastructure and digital offerings.
17	Why doesn't the Bank publish shareholders names who have not received their dividends over the years?	Replied during Annual General Meeting. The Bank shall obtain legal opinion from Uganda Securities Exchange and Capital Markets Authorities in this aspect.
18	The Bank declared a dividend of Shs 25.00Bn for the ended 31.12.2022 but with the announcement of Shs 2.00/= per share x 15Bn shares, the Bank will pay Shs 30.00Bn dividend. Please explain.	Replied during Annual General Meeting. The Bank's Board has declared dividend of UGX 2 per share and the Bank is having 15 Bn share therefore total dividend is UGX 30 Billion for FY 2022.

The Chairperson promised the shareholders that any questions that were not responded to during the Q&A session would be responded to via email. After the announcement, Dr. Muhumuza informed the meeting that the resolutions had been adopted.

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To conclude the meeting, the Executive Director gave a vote of thanks to the Board and the Shareholders.

There being no further business, Dr Muhumuza thanked the directors, shareholders, stakeholders, management, and staff of Bank of Baroda Uganda, for attending the AGM.

The meeting was adjourned at 06.30 pm

Dr. Fred Kakongoro Muhumuza
Board Alternate Chairperson
Bank of Baroda (Uganda) Limited

Date: 4th July 2023