



PUBLIC ANNOUNCEMENT

NIC BANK LIMITED

Company No. C.11/71

(Incorporated in Kenya under the Companies Act)

THE CAPITAL MARKETS ACT CHAPTER 485A

Regulation 19(2) of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002

THE PROPOSED REORGANISATION OF NIC BANK LIMITED (“THE REORGANISATION”)

It is announced for the benefit of shareholders of NIC Bank Limited (the “**Company**”) and the investing public that the board of directors of the Company (the “**Board**”) has resolved to reorganise the Company’s corporate structure as follows:

- (a) to cause a new, wholly-owned subsidiary of the Company to be incorporated (the “**Wholly Owned Subsidiary**”)
- (b) to transfer, pursuant to the provisions of the Banking Act (Chapter 488 of the laws of Kenya), the Kenyan banking business of the Company to the Wholly Owned Subsidiary in exchange for a combination of additional shares in the Wholly Owned Subsidiary as well as cash (the “**Transfer**”) and,
- (c) that upon completion of the Transfer, the Company will become a non-operating holding company as defined in the Banking Act, which will own the Wholly Owned Subsidiary as well as all other subsidiaries and shareholding investments of the Company.

Completion of the Reorganisation is subject to a number of authorizations and approvals, including approval by the shareholders of the Company, the Central Bank of Kenya, the Capital Markets Authority and the Competition Authority of Kenya.

As a consequence of the Reorganisation, it is proposed that the Company’s Kenya shillings eight billion (Shs. 8,000,000,000) subordinated medium term note programme (the “**Bond**”) be transferred from the Company to the Wholly Owned Subsidiary (the “**Bond Transfer**”).

Further information relating to the Reorganisation and the Bond Transfer will be provided in a circular to shareholders (the “**Circular**”) and a circular to bondholders (the “**Noteholders’ Circular**”) respectively, to be issued in connection therewith together with a notice to shareholders of an Extraordinary General Meeting (the “**EGM**”) at a date to be set out in the notice.

The shareholders of the Company and the investing public are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Livingstone Murage
Group Company Secretary
17th August, 2016

DISCLAIMER: This announcement is for information purposes only. It has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2002 (as amended). As a matter of policy, the Capital Markets Authority assume no responsibility for the correctness of the statements appearing in this announcement.