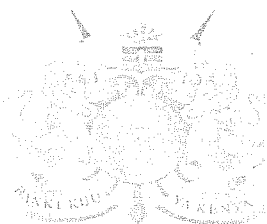


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29th April 2016

TO CHIEF EXECUTIVES OF COMMERCIAL BANKS AND MORTGAGE COMPANIES

PUBLICATION OF HIGH LEVEL DETAILS OF SHAREHOLDERS ON THE WEBSITES OF INSTITUTIONS

Banking business is by its very nature, a very sensitive business, as it involves dealing with money obtained from members of the public. As a result, banks have many stakeholders who rely on information provided by banks. These include regulators, depositors, creditors, shareholders, debtors, other stakeholders and members of the public. Banks owe these stakeholders a duty to disclose material information relating to their shareholding ownership, corporate governance, activities and risk profiles. The existing legal and regulatory framework requires banks and mortgage finance companies to make certain disclosures to its stakeholders in clear terms and appropriate detail to help achieve a satisfactory level of bank transparency.

Disclosures to stakeholders have the attendant advantage of fostering a more transparent, safe, sound and accountable banking sector. The key benefits of disclosure of the high level bank ownership structure include a positive correlation between the enhanced scope and quality of material disclosures, including major shareholding ownership disclosures, and improved credibility and confidence of the bank's financial performance and stability. Banks are encouraged to leverage upon these disclosure requirements to signal adherence to good corporate governance practices and to assure stakeholders that the business and affairs of the institution continue to be aligned to objectives that are in the interests of the institution, shareholders, depositors and other relevant stakeholders.

Principle 14 (Clause 3.14) in the *Prudential Guideline on Corporate Governance (CBK/PG/02)* requires the governance of an institution to be adequately transparent to its shareholders, depositors, other relevant stakeholders and market participants. Clause 3.14.1 requires an institution to disclose relevant and useful information that supports the key areas of corporate governance. In terms of Clause 3.14.2, the disclosure should include material information on the institution's objectives, governance structures and policies (in particular the content of any corporate governance code or policy and the process by which

it is implemented), major share ownership and voting rights and related parties transactions.

In a bid to enhance transparency in the ownership structure of institutions and to implement the above regulatory requirements, the Central Bank now requires institutions to disclose on their websites, high level details of their shareholders. Stakeholders need to know the major owners of a bank. Clause 3.14.4 of the Prudential Guideline on Corporate Governance permits disclosures on a bank's website.

Institutions are hereby directed to disclose the following information in their publicly accessible websites:

- Names and level of ownership of significant shareholders (owning 5% or more).
- Number and percentage of individual and corporate shareholders.
- Number and percentage of local and foreign ownership.
- Group shareholding structure where a bank is a member of a group.

For now, the disclosures will be limited to direct shareholding in the institutions.

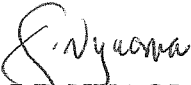
Institutions are hereby given three months to embark on such internal processes and to obtain such internal approvals (where necessary) as will enable them to seamlessly and accurately publish the information on their websites. Publications will therefore commence on 1st August 2016. Institutions are reminded to regularly update the information on high-level shareholding published on the websites so as to ensure that the disclosures are timely and accurate.

In case of any query or clarification, please contact:

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