

REAL PEOPLE KENYA LIMITED

Incorporated in Kenya under the Companies Act Chapter 486, Laws of Kenya)
(Registration Number C3/2015)

PUBLIC ANNOUNCEMENT

**under paragraphs G.05(1)(b) and A.01(b)
of the Capital Markets (Securities) (Public Offers Listings and Disclosures) Regulations 2002 in
relation to the Medium Term Note Programme established by Real People Kenya Limited
via an Information Memorandum dated 25 June 2015 ("Bond Programme")**

Real People Kenya Limited ("RPKL") hereby makes the following announcements:

1. Notification of Change of Directors (paragraph G.05(1)(b))

The following changes have been made to the board of directors of the Issuer:

Resigning Directors

Albert J.K. Ruturi (resigned w.f.e.f. 28/7/2017)

Nthenya Mule (resigned w.f.e.f. 2/8/2017)

New Appointments

Arumugam Padachie (appointed w.e.f. 2/8/2017) – as Director

Charl H. Kocks (existing director) now elected on 20/7/2017 to be Executive Chairman

Ben (Bernardus) H. Pieters (appointed w.e.f. 2/8/2017) - as Director and Chairman of the Audit & Risk Committee

("w.f.e.f." = with final effect from)

Arumugam Padachie is a businessman with 23 years' experience, a Chartered Accountant (SA) and has been a director of a public company since 2015. He has experience of microfinance as a chief financial officer and director.

Charl Kocks is a businessman with 46 years' experience, a Chartered Accountant (SA) who specialises in gauging the soundness of governance, and has been a director of listed and private companies. He has been a director of Real People Kenya Limited since 2015 and was previously the chairman of the Audit and Risk Committee. He has experience of microfinance elsewhere both as a former director and deputy chairman, as well as in a previous role as head of a credit ratings agency that rated such institutions.

Ben Pieters is a businessman with 49 years' experience, specialises in risk management analyses and solutions, and has been a director of private companies. He is new to Real People Kenya Limited, but has experience of microfinance elsewhere as a former chief executive and director of a co-operative in that field. He also is involved in corporate governance work related to listed companies.

RPKL appreciates that having an executive chairman even for a short time is not sound governance, and it is pursuing the appointment of a permanent chief executive officer in the short term as a matter of great importance.

2 Notification of performance of financial covenants under the Bond Programme (paragraph A.01(b))

Under clause 6.1 of the terms and conditions of the Bond Programme, the Issuer made the following covenants for so long as any notes issued under the Bond Programme were outstanding: (i) to maintain a gearing ratio of the total indebtedness to qualifying capital (the ordinary shares, preference shares and subordinated debt issued by RPKL) at 4:1; (ii) at all times as Senior Notes are issued, maintain its unencumbered assets at a level of 1.25 times of the value of the Senior Notes outstanding.

It has now come to the attention of the board of directors of the Issuer that (i) the gearing ratio under clause 6.1(c) is currently above the required ratio of 4:1, and (ii) the encumbrance ratio in clause 6.1(d) is below the required level of 1.25 times. RPKL is able to meet its debt service obligations under the terms and conditions of the Bond Programme. The breach of the two ratios has primarily occurred because of weaker than anticipated business activity, and losses as a result of such activity, exacerbated by a change in the accounting treatment of certain assets due to appropriate application of the International Financial Reporting Standards. RPKL is taking urgent remedial action to ensure, improve and restructure its balance sheet, and in this regard it has already made key management changes and appointed an external adviser to assist in a balance sheet restructuring exercise. In due course, RPKL will contact Bondholders to discuss the recommendations that the external advisor makes.

**By order of the Board
Charl Kocks Chairman
7 August 2017**