



PRESS RELEASE

LIQUIDATION OF IMPERIAL BANK LIMITED (IN RECEIVERSHIP)

1. On October 13, 2015, the Central Bank of Kenya (CBK) [appointed](#) the Kenya Deposit Insurance Corporation (KDIC) as receiver for Imperial Bank Limited pursuant to the provisions of Sections 43(1), 43(2) and 53(1) of the Kenya Deposit Insurance Act, 2012.
2. The appointment of KDIC as a receiver for Imperial Bank Limited was done by CBK in the interest of the bank's depositors, creditors and members of the public.
3. On June 2, 2020, KCB Bank Kenya (KCB) [acquired](#) certain assets valued at Ksh.3.2 billion and assumed liabilities of the same value of Imperial Bank Limited (In Receivership) (IBLIR). This followed a transparent [Expression of Interest](#) process. From June 2, 2020, IBLIR depositors were to be paid a total of Ksh.3.2 billion over a period of four years. Subsequently, the depositors would have cumulatively recovered 37.3 percent of the deposits since 2015 when payments were commenced. Following four payment disbursements, 45,700 out of the 50,000 (92 percent) depositors have accessed their funds in full.
4. In September 2020, following the acquisition of certain assets and assumption of liabilities by KCB, CBK required KDIC to appoint an independent external auditor, to carry out a comprehensive audit of IBLIR, based on terms of reference approved by CBK pursuant to Section 24 of the Banking Act. The objectives of the audit were *inter-alia* to provide additional basis for further action. KDIC contracted an independent external auditor in May 2021.
5. The external auditor submitted the audit report to CBK on October 1, 2021. CBK noted a number of gaps in the report, some of which have been subsequently resolved. A number still remain pending, all related to KDIC. Accordingly, on October 13, 2021, CBK advised KDIC to resolve all the pending gaps in 45 days.
6. On December 7, 2021, KDIC submitted the Receivership Report to CBK recommending that IBLIR be liquidated. The report indicates that considering the weak status of IBLIR's financial position, liquidation is the only feasible option.
7. CBK has assessed the recommendation by KDIC, the external auditor's report, other pertinent information, and considered that liquidation would facilitate the orderly resolution of IBLIR in accordance with the Laws of Kenya, to protect the interest of IBLIR depositors, its creditors, and the wider public interest. Subsequently, on December 8, 2021, CBK appointed the KDIC as liquidator of IBLIR in terms of Sections 53(2) and 54(1)(a) of the Kenya Deposit Insurance Act, 2012.

8. KDIC will release information about the liquidation of IBLIR and payment of depositors in due course.
9. Customers or any persons with claims or questions can call the KDIC on Tel No. **+254 20 667000/+254 709 043000**. Customers can also email on customerservice@kdic.go.ke for more information.
10. For media inquiries, call **+254 20 667000/0709 043000**.

CENTRAL BANK OF KENYA

December 9, 2021