



PRESS RELEASE

CHASE BANK (KENYA) LIMITED (IN RECEIVERSHIP)

Central Bank of Kenya (CBK) and Kenya Deposit Insurance Corporation (KDIC) announce the signing of an agreement between SBM Bank (Kenya) Limited (SBM Kenya), and KDIC for the acquisition by SBM Kenya of certain assets and assumption of certain deposits with respect to Chase Bank (Kenya) Limited (In Receivership) (CBLR). This concludes the discussions between SBM, KDIC and CBK on the CBLR transaction that was [announced](#) on January 5, 2018.

The agreement provides that there will be a transfer of 75 percent of the value of deposits currently under moratorium at CBLR, and the transfer of the majority of staff and branches of the existing CBLR operations. 25 percent of the value of moratorium deposits will remain in CBLR.

For the 75 percent of moratorium deposits to be transferred to SBM, the terms of these transferred deposits are to be as follows:

- a) 25 percent of each transferred deposit is to be held in a current account with SBM Kenya, with unrestricted usage and without interest being payable thereon; and
- b) a further 25 percent of each transferred deposit will be held in a savings account with SBM Kenya at an interest rate of 6.65 percent per annum, with unrestricted usage; and
- c) the remainder of each transferred deposit will be held on fixed term deposit with SBM Kenya at an interest rate of 6.65 percent per annum, such deposits (together with the interest thereon) to mature, as to one-third of such remainder, on the first, second and third anniversaries of the transfer respectively.

The customary conditions that apply to current and savings accounts, and term deposits, respectively, will apply to these deposits. The interest rates in (b) and (c) above will be aligned to the interest rates as prescribed by law.

Non-moratorium depositors will also be transferred and will continue to have full unrestricted access to their funds.

The date these deposits will be available, and the details under which the customer accounts will be managed, will be announced shortly.

Through this acquisition, and combined with its other operations in Kenya, SBM will bring its experience and expertise from Mauritius and other markets, to further enhance the competitiveness and resilience of Kenya's banking sector.

SBM Holdings Ltd (SBMH), together with its subsidiaries, is a leading financial services group in Mauritius, with a growing international presence currently extending to Madagascar, India and more recently in Kenya, where the SBM Group acquired Fidelity Bank in May 2017, thereafter renaming it SBM Kenya. SBMH is the third largest company listed on the Stock Exchange of Mauritius with a market capitalisation of approximately USD 680 million, with the Government of Mauritius as a significant shareholder, and total assets of USD 5.8 billion as at December 31, 2017. SBM provides all services of a universal bank within a diversified business model. Lines of business include, *inter alia*: Retail, SME and Corporate Banking, Wealth Management and Investment Banking.

CBK and KDIC assess that the transaction represents the substantial resolution of CBLR, for the benefit of depositors and the strengthening of the Kenyan financial sector.

CBK and KDIC reiterate their commitment in keeping with their respective mandates and in accordance with the Laws of Kenya, to protect the interest of depositors, creditors, and the wider public interest.

CENTRAL BANK OF KENYA KENYA DEPOSIT INSURANCE CORPORATION

April 17, 2018