



PRESS RELEASE

INVITATION TO SUBMIT AN EXPRESSION OF INTEREST WITH RESPECT TO IMPERIAL BANK LIMITED (IN RECEIVERSHIP)

Overview and Background

The Central Bank of Kenya (“CBK”) is issuing this invitation for potential investors to take an equity interest in Imperial Bank Limited (In Receivership) (“IBLR” or “the Bank”) or propose other transaction structures with respect to IBLR. CBK and the Kenya Deposit Insurance Corporation (“KDIC”), the appointed Receiver, are executing their mandates in this matter in accordance with the Laws of Kenya.

The objectives of this process is to safeguard the interest of depositors, creditors, and the wider public interest, whilst being mindful of seeking to preserve a sound and innovative banking system in Kenya.

Imperial Bank Limited (“IBL”), was founded in 1992 and provided, financial and related services in Kenya across 28 branches. CBK placed IBL in receivership on October 13, 2015, pursuant to the provisions of Sections 34 (2) (b) of the Banking Act and Sections 43 and 53 (1) of the Kenya Deposit Insurance Act, 2012.

On July 31, 2017, the High Court granted a 12-month extension of the Receivership over IBLR. This was following agreement between the shareholders, KDIC, CBK, and depositors, to enable CBK and KDIC to invite Expressions of Interest (“EOI”) from potential strategic investors that would lead to a resolution of the receivership. The consent given by these parties was *without prejudice* and *unconditional*.

Consequently CBK and KDIC are initiating a formal process and issuing this invitation for EOIs to take an equity interest in IBLR or propose other transaction structures with respect to IBLR. Shareholders have been informed of this process, and depositors will be informed shortly.

CBK has appointed KPMG as its Advisors in this process.

Expression of Interest

Potential strategic investors interested in participating in the process are hereby invited to provide an EOI, **no later than 5.00 p.m. (East Africa Time) on Friday, September 29, 2017.**

Following receipt of EOIs, CBK will evaluate and shortlist qualifying investors (“Shortlisted Investors”) who will be invited to pursue a more detailed engagement and also be granted access to a comprehensive confidential “Data Room”. The Data Room will comprise financial, legal and business performance information to enable Shortlisted Investors to develop a formal offer to potential investors to take an equity interest in IBLR or propose other transaction structures with respect to IBLR (“Investor Proposal”).

EOIs should include the following key information:

1. **Interest in banking in Kenya** – the extent of interest in developing/increasing a long term banking presence in Kenya. The EOI should also provide evidence of an understanding of the Kenyan and East African Banking sector.
2. **Ownership details** – details of any (immediate and ultimate shareholding) parties that may hold beneficial ownership in IBLR directly or through the proposed acquiring entity.
3. **Skills support** – details of the nature of banking experience, management capacity, governance and oversight resources available that the strategic investor may bring to IBLR.
4. **Transaction structure** – the broad outline of the type of transaction contemplated.
5. **Financial resources** – financial resources that could be made available with respect to a potential transaction with IBLR. The EOI should include such financial information as to allow CBK to evaluate the capacity of the potential investor to support a transaction of the nature outlined in point 4 above and with reference to the regulatory capital and liquidity requirements of your proposed transaction structure.

No information beyond what is already available in the public domain will be made available to interested parties and there will be no question and answer process at this stage.

The Shortlisted Investors will be determined in a fair process using appropriate criteria based on, *inter alia*, regulatory imperatives and prudential guidelines to enhance the probability of an optimal recovery for depositors, creditors and other stakeholders of IBLR, whilst also mindful of seeking to preserve and develop a sound and innovative banking system in Kenya.

Indicative timetable

Set out below is an indicative timetable for the transaction:

Friday, September 8, 2017	Publish EOI Invitation
Friday, September 8, 2017	Press Statement issued by CBK and KDIC
Friday, September 29, 2017	Responses to EOI received
Friday, October 13, 2017	Shortlisted Investors selected for Data Room access
Monday, October 30, 2017	Data Room access opens for Shortlisted Investors
Monday, January 15, 2017	Investor Proposals expected
Friday, February 2, 2018	Engagement with single preferred bidder

Wednesday, February 28, 2018 onwards	Engagement with shareholders
Wednesday, February 28, 2018 onwards	Engagement with depositors
Wednesday, February 28, 2018 onwards	Engagement with creditors

The process and timing beyond February 2, 2018, will be informed by the structure proposed by the preferred bidder. It is expected that this process will be completed within 48 weeks from July 31, 2017, being the date of the extension of the receivership.

To qualify, EOIs should be received by **no later than 5.00 p.m. (East Africa Time) on Friday, September 29, 2017**, and should be addressed to:

KPMG

The Advisors to Central Bank of Kenya

Email address: IBLR@kpmg.com

EOIs must include the contact details should CBK, KDIC or KPMG require clarification on any matters therein. It is expected that Shortlisted Investors will be contacted on or before Friday, October 13, 2017.

A Press Statement from CBK has been issued to coincide with this invitation.

CENTRAL BANK OF KENYA

September 8, 2017