



## **PRESS RELEASE**

### **ACQUISITION OF CERTAIN ASSETS AND LIABILITIES OF IMPERIAL BANK LIMITED (IN RECEIVERSHIP) BY KCB BANK KENYA LIMITED**

The Central Bank of Kenya (CBK) announces the acquisition of assets valued at Ksh.3.2 billion and assumption of liabilities of the same value of Imperial Bank (Kenya) Limited (In Receivership) (IBLIR) by KCB Bank Kenya Limited (KCB Bank) effective June 2, 2020. This follows approval by CBK on May 4 and the Cabinet Secretary for the National Treasury and Planning on May 14, 2020 pursuant to Section 9 of the Banking Act.

From June 2, 2020, IBLIR depositors will be paid a total of Ksh.3.2 billion over a period of four years. Subsequently, the depositors will have cumulatively recovered 37.3 percent of the deposits since 2015 when payments were commenced.

IBLIR is a privately owned commercial bank, currently under receivership. Founded in 1992 as a finance and securities company, IBLIR converted into a fully-fledged commercial bank in January 1996. It was placed under receivership on October 13, 2015 due to inappropriate banking practices and the Kenya Deposit Insurance Corporation (KDIC) appointed by CBK as the receiver.

KCB Bank is a wholly owned subsidiary of KCB Group Plc which is a Kenyan non-operating holding company that owns banking subsidiaries in the East African region; Uganda, Tanzania, Rwanda, Burundi, Ethiopia (representative office) and South Sudan. It is the largest bank in Kenya with a market share of 14.5 percent as at end March 2020.

Further details on the payment process to IBLIR depositors will be provided by KDIC and KCB Bank.

CBK welcomes this transaction that marks a significant milestone in the resolution of IBLIR and enhances banking sector stability.

**CENTRAL BANK OF KENYA**

May 22, 2020