



## **PRESS RELEASE**

### **IMPERIAL BANK LIMITED (IN RECEIVERSHIP) ACCEPTANCE OF FINAL OFFER FROM KCB BANK KENYA LIMITED (KCB)**

Central Bank of Kenya (CBK) and Kenya Deposit Insurance Corporation (KDIC) announce the acceptance of the Final Offer from KCB, which further enhances recovery for depositors. This follows the [announcement](#) of the acceptance of the binding offer on December 11, 2018.

In letters dated March 29 and April 2, 2019, KCB communicated to CBK and KDIC a modification of the terms of the Binding Offer with respect to the completion of the verification of loan process.

CBK and KDIC, in the December 2018 announcement, had announced a release of funds increasing total recovery to approximately 35 percent of original eligible deposits held at the date of receivership. Funds were previously made available in three tranches, and approximately 92 percent of eligible depositors had been granted full access to their balances.

The accepted Final Offer includes a further recovery of 19.7 percent of eligible depositor balances remaining at IBLR.

CBK and KDIC assess that KCB's Binding Offer represents a viable proposal for the further resolution of IBLR, for the benefit of depositors and the strengthening of the Kenyan financial sector. It is expected that the transaction will be concluded expeditiously.

The remaining balances due to eligible depositors in terms of the Final Offer will be released as follows:

- a) 12.5 percent on completion of signing of the agreement;
- b) 12.5 percent on the first anniversary of the signing; and
- c) 25 percent each on the second, third and fourth anniversaries respectively.

Interest rates payable on deposit balances will be in line with existing deposit products.

The acceptance of this Final Offer increases total recovery for eligible deposits held at the date of receivership to 47 percent to date.

This recovery does not include the realisation of approximately KES 36 billion of loans, translating to 50 percent of the current loan balances, linked to ongoing litigation, and which CBK and KDIC continue to pursue for the benefit of depositors and creditors. CBK and KDIC will be working closely with other banks to verify and consider uptake of the remaining loan assets to enhance further recovery.

KCB has confirmed that it will take over five branches of IBLR, and CBK and KDIC continue to explore options for the remaining staff and branches.

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

**CENTRAL BANK OF KENYA**

**KENYA DEPOSIT INSURANCE CORPORATION**

April 5, 2019