



PRESS RELEASE

ACQUISITION OF CERTAIN ASSETS AND ASSUMPTION OF CERTAIN LIABILITIES OF CHASE BANK (KENYA) LIMITED (IN RECEIVERSHIP) BY SBM BANK (KENYA) LIMITED

The Central Bank of Kenya (CBK) announces that SBM Bank (Kenya) Limited (SBM Kenya) has commenced the acquisition of certain assets and assumption of certain liabilities of Chase Bank (Kenya) Limited (In Receivership) (CBLR), in line with the [announcement](#) of April 17, 2018. SBM Kenya is a wholly owned subsidiary of SBM Holdings Limited of Mauritius.

This follows CBK's approval on June 13, 2018, for SBM Kenya to acquire certain assets and liabilities of CBLR as provided under Section 9 of the Banking Act and under the Central Bank Prudential Guidelines. Subsequently, approval was granted by the Cabinet Secretary, National Treasury on June 28, 2018, as provided under Section 9 of the Banking Act.

The acquisition and assumption process will be completed on August 17, 2018. SBM Kenya will assume 75 percent of the value of deposits under moratorium at CBLR, all non-moratorium deposits at CBLR, and will take-up over majority of CBLR branches and employees. The remaining 25 percent of the value of moratorium deposits along with other assets and liabilities remains in CBLR.

CBLR was issued with a banking licence in 1996. On April 7, 2016, CBK placed CBLR into receivership when it failed to meet its financial obligations, and appointed the Kenya Deposit Insurance Corporation (KDIC) as the receiver manager.

SBM Holdings Limited is the third largest listed company on the Stock Exchange of Mauritius and had an asset base of over USD.5.6 billion (Ksh.560 billion) as at December 2017. It has operations in India, Madagascar and Kenya. It owns the second largest commercial bank in Mauritius (SBM Bank Holdings Limited). With this transaction, SBM Kenya's market share increases from 0.23 percent to about 2.4 percent and it moves from being a small to a medium-sized bank.

CENTRAL BANK OF KENYA

July 06, 2018