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Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 24 of 2018

Notice of Inquiry into the Proposed Merger involving involving SBM Holdings Limited and Chase Bank Kenya Limited (In Receivership)

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed acquisition by SBM Bank (Kenya) Limited (“**SBM Kenya**”) of certain assets and assume certain liabilities of Chase Bank (Kenya) Limited (In Receivership) (“**CBKL**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that SBM Kenya, previously known as Fidelity Commercial Bank Limited, is a commercial bank registered in Kenya and licensed by the Central Bank of Kenya to carry on banking business in accordance with the Banking Act (chapter 488 of the Laws of Kenya). It is a subsidiary of SBM Africa Holdings Ltd, which is ultimately held by SBM Holdings Ltd, a company listed on the Mauritius Securities Exchange. The SBM Group has operations in three Member States, namely Kenya, Mauritius, and Madagascar.

The parties have submitted that the target firm. CBKL is a commercial bank registered in Kenya and licensed by the Central Bank of Kenya to carry on banking business in accordance with the Banking Act (chapter 488 of the Laws of Kenya). CBKL was placed under receivership on 7th April 2016 by the Central Bank of Kenya and the Kenya Deposit Insurance Corporations (“**KDIC**”) was appointed as the official receiver of CBKL. KDIC is a state corporation and acts pursuant to powers conferred upon it by the Kenya Deposit Insurance Act, 2012. CBKL has operations in Kenya only.

The proposed transaction envisages the transfer of assets and assumption of liabilities of CBK by SBM Kenya, pursuant to the provisions of the Banking Act (chapter 488 of the Laws of Kenya). The parties have submitted that this transaction presents the SBM Group an opportunity to expand its foothold in Kenya and the East African region.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether or not the merger is likely to substantially prevent or lessen competition within the Common Market and whether the merger is or would be contrary to the public interest as provided for under Article 26 of the Regulations. In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors,

suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbooluck@comesa.int. All written representations should be sent to the Commission not later than **30th August 2018**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Ms. Sandya Booluck, Economist, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or sbooluck@comesa.int.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.