



PRESS RELEASE

ACQUISITION OF KEY MICROFINANCE BANK PLC BY LOLC MAURITIUS HOLDINGS LIMITED

The Central Bank of Kenya (CBK) announces the acquisition of 73 percent shareholding of Key Microfinance Bank PLC (Key MFB) by LOLC Mauritius Holdings Limited (LOLC Mauritius) effective January 01, 2022. This follows CBK's approval on December 22, 2021, under Section 19 (4) of the Microfinance Act and approval by the Cabinet Secretary for the National Treasury and Planning on January 7, 2022, pursuant to Section 19(3)(b) of the Microfinance Act.

LOLC Mauritius is a private company incorporated in Mauritius that is wholly owned by LOLC Holdings PLC. LOLC Mauritius holds investments in financial entities in Africa and is licensed by the Financial Services Commission of Mauritius. LOLC Holdings PLC is a Sri Lankan conglomerate holding investments in financial and non-financial entities and is listed on the Colombo Stock Exchange, Sri Lanka. The group had total assets of USD 4.4 billion as at March 31, 2021. LOLC Holdings PLC operates several microfinance businesses in Asia and is currently expanding in Africa. It acquired a majority stake in a microfinance bank in Nigeria in 2019, and was granted a licence to establish a microfinance bank in Zambia in 2020.

Key MFB was granted a licence by CBK on December 31, 2010, to carry out nationwide deposit taking microfinance business. The MFB has three branches and one deposit taking marketing unit located in Nairobi and Meru counties. The institution's primary market is provision of financial services to Small and Medium Enterprises. It is categorised as a small microfinance bank with a market share of below 1 percent of the microfinance banking sector as at December 31, 2021.

LOLC is a successful microfinance operator and its investment in Key MFB will reinvigorate the institution's business by recapitalizing the institution, transfer of best business practices and upgrading of the core banking system and digital banking channels. The investment will transform Key MFB business model in line with CBK's vision for the microfinance banking sector.

CBK welcomes this transaction that will strengthen Key MFB and enhance the resilience of Kenya's microfinance banking sector.

CENTRAL BANK OF KENYA

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