

FirstRand's bank purchase cancelled

Zambia's new president, Michael Sata has told finance minister Alexander Chikwanda to cancel the sale of Finance Bank to FNB Zambia for US\$5,4-million, and to hand control of the bank back to its original owner Rajan Mahtani.

Business Day says FirstRand bought the bank last month but, when Sata came to power he fired Zambia's central bank governor who was supposed to have approved the sale, and cancelled the deal.

It is the second deal that has collapsed in Africa for FirstRand. A few months back FirstRand's attempt to purchase Nigeria's Sterling Bank also collapsed.

Mahtani is a controversial figure in Zambia and was arrested last year for alleged fraud and money laundering. Sata says the sale of the bank was illegal. However, Finance Bank was put into administration by the central bank and this led to FirstRand putting in an offer to buy the bank through FNB Zambia.

Sata has said that the reason for cancelling the sale is that there "is no document of sale". Meanwhile FNB chief executive Michael Jordan has strongly denied that the purchase was irregular. He says all agreements were concluded in accordance with Zambian laws.

Read the [full article](http://www.businessday.co.za) on www.businessday.co.za.

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