



PRESS RELEASE

CHASE BANK LIMITED

1. The Central Bank of Kenya (CBK) has today, Thursday April 7, 2016, appointed the Kenya Deposit Insurance Corporation (KDIC) as a receiver for Chase Bank Limited for a period of twelve months, pursuant to the provisions of Sections 43(1), 43(2) and 53(1) of the Kenya Deposit Insurance Act, 2012. Chase Bank Limited was issued with a banking licence in 1996.
2. The appointment of KDIC as a receiver for Chase Bank Limited has been carried out in the interest of its depositors, creditors and members of the public.
3. Section 43(2) of the Kenya Deposit Insurance Act, 2012 requires CBK to appoint the KDIC as a receiver of a bank, if, among others, an unsafe or unsound condition to transact exists; a bank is likely to fail to meet its financial obligations; a bank has substantially insufficient capital or if there is a violation of any law or regulation.
4. One of CBK's primary role as a regulator is to foster the liquidity, solvency and proper functioning of a stable market-based financial system. Chase Bank Limited experienced liquidity difficulties, following inaccurate social media reports and the stepping aside of two of its directors. Consequently, it was not able to meet its financial obligations on April 6, 2016.
5. In light of the above, CBK has appointed the Kenya Deposit Insurance Corporation (KDIC) to assume the management, control and conduct of the affairs and business of the institution and to exercise all the powers of the institution to the exclusion of its Board of Directors and advise CBK of an appropriate resolution strategy as soon as is practicable and not later than twelve months from date of appointment. KDIC will release information on the progress in due course.
6. Customers with questions can call the KDIC on **Tel. No. 0770 887992**. Customers can also contact KDIC on email: kdiccommunications@depositinsurance.go.ke for more information.
7. For media inquiries, call **0770 887992**.
8. The Central Bank of Kenya remains committed to fostering banking system stability and will exercise its supervisory mandate in a fair and even-handed manner.

CENTRAL BANK OF KENYA

April 7, 2016