

DUBAI BANK KENYA LTD **(IN RECEIVERSHIP)**

The Kenya Deposit Insurance Corporation (KDIC), formerly Deposit Protection Fund Board was, on August 14, 2015, appointed by the Central Bank of Kenya (CBK) as receivers of Dubai Bank Kenya Limited (the Bank) for a maximum period of twelve (12) months. The Bank was placed under receivership due to, amongst other reasons, liquidity and capital deficiencies which exposed depositors, creditors and the banking sector to financial risk.

KDIC is a body corporate established under the Kenya Deposit Insurance Act, 2012. KDIC was formed with the objective of providing a deposit insurance scheme for depositors of member institutions licensed by the Central Bank of Kenya; and to receive, liquidate and wind up any institution in respect of which it is appointed receiver or liquidator, in accordance with the law. KDIC's role is to create confidence in the banking sector and to support and compliment CBK's role of fostering financial stability.

KDIC took over from the defunct Deposit Protection Fund Board with an expanded mandate of dealing with problem banks under receivership, which was previously a role undertaken by CBK and referred to, then, as statutory management.

Upon appointment as a receiver for Dubai Bank Ltd by the CBK, KDIC assumed control of the assets, liabilities, business and affairs of the Bank. KDIC has appointed a Receiver Manager of the Bank. The Receiver Manager shall carry out the business and manage the assets and liabilities of the Bank in the name of Dubai Bank Kenya Limited (In receivership). Other matters with regard to the receivership are as follows:

1. All powers of the Bank and of its directors under the constituent documents exercisable by the Bank or its directors under any law are now vested on KDIC and the Receiver Manager;
2. KDIC has declared a moratorium to business that shall apply equally and without discrimination of all stakeholders of the Bank during the receivership period. Accordingly, normal operations of the Bank are suspended except for collection of loan re-payments or any other payments into the Bank. Debtors are therefore encouraged to continue servicing their obligations. For this reason, KDIC, will during the period of receivership, endeavour to keep all or some branches of the Bank open for such transactions. Any new arrangements will be communicated in due course;
3. In the meantime, KDIC shall urgently undertake due diligence to ascertain the financial status of the Bank to determine the most appropriate method of resolving the problem;
4. In the event that the receiver fails to resolve the problem by any other means, KDIC will be appointed by CBK as the liquidator to liquidate and wind up the affairs of the Bank. At this point, KDIC will make arrangements to pay all insured deposits up to a maximum of KShs 100,000.00 per depositor. Any balances above this amount shall equitably be paid as and when the liquidator accumulates enough funds from sale of assets of the collapsed Bank and recoveries from outstanding loans and debts;
5. KDIC expects to finalise the assessment of the Bank and take a decision on the resolution method by 31st August, 2015. In this respect, KDIC will on 1st September, 2015 inform the depositors, creditors and all other stakeholders the next process regarding access to their deposits, rights and obligations;
6. KDIC wishes to assure the depositors, creditors and all other stakeholders, that it is doing everything within its powers to protect their interests and resolve the problem within the shortest time possible. The Receiver will keep depositors and stakeholders updated on the progress;
7. Stakeholders, customers or anyone with questions regarding the receivership can contact KDIC, on Monday to Friday, 8.30am to 4.30pm, on telephone number 0770-887992/2863813 or by e-mail address: customerservice@depositinsurance.go.ke

Dated: August 18, 2015

Aggrey Jonathan K. Bett
Acting Chief Executive Officer,
Kenya Deposit Insurance Corporation
(Formerly, Deposit Protection Fund Board)