



## **PRESS RELEASE**

### **CHASE BANK LIMITED (IN RECEIVERSHIP)**

With the endorsement of the Central Bank of Kenya (CBK), the Kenya Deposit Insurance Corporation (KDIC) has today reached understandings with the KCB Bank Kenya Ltd (KCB) on modalities to reopen Chase Bank Ltd (In Receivership)(CBL) in the next few days and the eventual acquisition of a majority stake in the bank.

This involves KDIC as “the Receiver” appointing KCB as “the Manager” under the provisions of Sections 44(2)(b) and 44(3) of the Kenya Deposit Insurance Act, 2012 to carry out the business and manage the assets and liabilities of CBL. KCB’s credentials as a strong bank with a solid brand, adequate human resources, and wide experience in the country, will facilitate safeguarding the interests of CBL’s depositors and creditors, and the wider public interest. CBK will continue to monitor closely developments in CBL. Accordingly:

- All Chase Bank Ltd (In Receivership) branches will open by Wednesday, April 27, 2016. The online and mobile banking services will also become available. However, branches may initially offer limited banking services.
- CBL customers will have immediate access to their deposits up to a maximum of Ksh.1 million. On this basis, 167,290 accounts (equivalent to 97 percent of accounts or 6 percent of total deposits) will have their funds available in full. Any new deposits will thereafter be immediately available.
- Deposits in excess of Ksh.1 million will be made available in a structured manner, details of which will be released in the near future.
- The moratorium on payments to creditors and lenders remains in place. However, the Manager will correspond with them in the near future with details of how these would be dealt with.

- Ongoing efforts to collateralize existing loans and recover funds that were obtained irregularly or are non-performing will be stepped up. Existing borrowers are required to continue servicing their facilities.
- CBK and KCB will ensure that Chase Bank Ltd (In Receivership) will have adequate liquidity for its operations.
- KCB will make available a management team that will assist in the receivership.

KCB will undertake a detailed due diligence review of CBL. This will inform decisions relating to KCB's interest in a majority stake. Additional information about this process, including the timeline of an acquisition and the exit from receivership, will be made available in due course.

CBK and KDIC are grateful to depositors and creditors for their patience since Chase Bank Ltd was put under receivership.

We have confidence in the strength of our banking sector, and the further boosting of confidence that these steps will provide. As has also been indicated, firm action will be taken against those who have abused their fiduciary duties of managing our financial institutions.

**CENTRAL BANK OF KENYA**

April 20, 2016