



To: All Chief Executives of Commercial and Micro Finance Banks

**ADDITIONAL INFORMATION ON IMPERIAL BANK LIMITED
(IN RECEIVERSHIP)**

Further to yesterday's communication on the appointment of the Kenya Deposit Insurance Corporation (KDIC) to assume the management and control of Imperial Bank Limited pursuant to the provisions of Sections 34 (2) (b) of the Banking Act and Sections 43 and 53(1) of the Kenya Deposit Insurance Act, 2012, the Central Bank of Kenya (CBK) wishes to provide additional information on this matter.

As was communicated, the board of directors of Imperial Bank Limited brought to the attention of the CBK inappropriate banking practices that warranted immediate remedial action. CBK responded, also liaising with the Capital Markets Authority and the Bank of Uganda, and containing any adverse impact on the financial sector. CBK welcomed the self-disclosure by the board of Imperial Bank Limited which facilitated the prompt response.

In taking this action, CBK exercised its statutory mandate and discharged its responsibility of protecting the public good in order to safeguard the interest of both depositors and creditors of Imperial Bank Limited. CBK stands ready to use all instruments at its disposal to provide adequate liquidity support to the banking system to ensure its stability and robustness at this time.

CBK continues to assure members of the public that Kenya's banking sector remains safe and robust. CBK will continue to oversee the banking sector and work with the Kenya Bankers Association (KBA) to ensure that it provides appropriate support and information to avert any speculation that may undermine market confidence.

Imperial Bank Limited represents 1.8 percent of the banking sector, and this incident does not present a systemic concern for the sector. The appointment of KDIC to take control of the management of the bank is intended to provide a platform for KDIC to execute its statutory mandate with the support of the board of directors of Imperial Bank Limited towards restoring the safety and soundness of the bank. KDIC will issue progress reports on a timely basis.

It has, however, come to the attention of the CBK that there is erroneous information circulating in the social media purporting to identify banks that have failed to meet “certain thresholds”. CBK wishes to assure the financial markets and members of the public that this information and the allegations therein are false.

CEOs of commercial and microfinance banks may contact Mr. Mark Lesiit on telephone number 2861504/2 for any further clarifications in this respect.

Dr. Patrick Njoroge
GOVERNOR
CENTRAL BANK OF KENYA

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