



PRESS RELEASE

INVESTIGATIONS OF BANKS RELATED TO NATIONAL YOUTH SERVICE TRANSACTIONS

The Central Bank of Kenya (CBK) announces the completion of its review of the responses by commercial banks that it requested on September 21, 2018, in the context of the first phase of investigations of banks that were used by persons suspected of transacting illegally with the National Youth Service (NYS). The responses relate to the CBK's assessment of the associated penalties and Action Plans to address the identified lapses.

CBK welcomes the submitted Action Plans which will strengthen the banks' anti-money laundering and countering of financing of terrorism (AML/CFT) frameworks. CBK will monitor the implementation of the Action Plans and notes the strong commitment expressed by the banks to be fully compliant with all aspects of the law.

CBK has reviewed each bank's response to the penalty assessment and has concluded that the submissions were not sufficient to alter the findings of the investigations and the penalties assessed. Consequently, CBK has levied the penalties as assessed.

As was earlier [announced](#), the investigations prioritised banks that handled the largest flows, namely; Standard Chartered Bank Kenya Ltd, Equity Bank Kenya Ltd, KCB Bank Kenya Ltd, Co-operative Bank of Kenya Ltd, and Diamond Trust Bank Kenya Ltd. At that time, CBK assessed monetary penalties for each of the five banks in accordance with the extent of the violations that were identified and pursuant to CBK's powers under the Banking Act and the Central Bank of Kenya Act.

The actions taken by CBK are aimed at safeguarding stakeholders' interests and maintaining a healthy financial sector.

CENTRAL BANK OF KENYA

November 16, 2018