

**Chasebank In Receivership (IR):
KCB Bank Kenya Limited (KCB) to act as Kenya Deposit Insurance Corporation (KDIC) appointed
Manager of Chase Bank Limited (In Receivership)**

FAQ

1. What is receivership?

Receivership is a preservation process that is put in place to protect the assets, liabilities and business affairs of a bank with the aim of protecting the interests of its depositors, creditors and members of the public.

During this period, the Bank is managed by KDIC, or in this case KCB as its appointed Receiver Manager. The goal of receivership is to preserve the bank's liquidity, assets and to find the best way of returning it into normal business.

The main focus is to provide our customers with access to their deposits in a structured manner. Therefore, each receivership process is unique depending on the circumstances faced by the bank.

2. KCB is to act as KDIC appointed Manager of Chase Bank Limited (In receivership) – what was the basis of such an appointment?

KDIC, was on April 7, 2016, appointed by the Central Bank of Kenya (CBK) as receivers of Chase Bank Kenya Limited (In receivership) for a maximum period of twelve (12) months.

On 20 April, 2016 KDIC in turn appointed KCB Bank Kenya Limited (KCB) to act as Statutory Manager of Chase Bank Limited (In receivership) to assist in the re-opening of the bank.

KDIC assures the depositors, creditors and all other stakeholders, that it will do everything within its powers to protect their interests in Chase Bank Kenya Limited (In receivership) as it undertakes this receivership exercise and bringing the bank back on its feet.

3. What will be KCB's role as the KDIC appointed Manager for Chase Bank?

By the appointment, KCB will act as Statutory Manager of Chase Bank Limited (In receivership) to carry out the business and manage the assets and liabilities of the Bank.

KCB will keep KDIC fully informed of the activities being undertaken. All actions taken will be for the ultimate benefit of the depositors and shareholders and staff.

While Chase Bank Kenya (In receivership) is under receivership, KDIC has declared a moratorium to business that shall be undertaken for all stakeholders of the Bank. Bank services will be limited but clients shall be advised moving forward on any new services that will be offered.

4. What is a moratorium?

A moratorium is a temporary delay or suspension of an activity. This occurs when Central Bank of Kenya (CBK) and KDIC declares that a bank or financial institution, which they have licensed, is not allowed to receive deposits and/or make payments to its customers until further notice. In this case, KDIC has partially lifted this moratorium to allow customers to access their deposits during the receivership period.

5. What is 'Items in transit'?

Monies that had not been reflected in the account by the 6th of April are identified as 'items in transit'. Items on transit are transactions that were incomplete where the instruction to pay a customer account was not fully effected and was caught midstream by an unforeseen circumstance. As a result, these funds were held in a trust account of the Bank.

All incoming funds that were in transit via RTGs, TT, EFT were reversed to the senders. Outgoing funds (via RTGs, TT, EFT) from our customers' accounts were reversed back to customers Chase Bank (IR) accounts.

Customers of any unclaimed 'funds in transit' can make claims on these from our branches if these have not been claimed to date.

6. What will happen to the staff at Chase Bank (IR)?

The staff will continue in their current roles and they will assist with the recovery plan to restore the business operations of the bank.

7. Chase Bank (IR) floated a bond of Kes 10 billion in 2015, what will happen to the bondholders?

Trading of the bond was suspended by the Capital Markets Authority, until further notice. In the coming weeks we shall advise any changes and or updates on the same.

8. What happens to the shareholders of Chase Bank Limited(IR) and what are their obligations during this time?

The shareholders of the bank remain unchanged until a decision can be made by the Receiver/Manager together with CBK regarding the status of the bank and its shareholders.

9. Will Chase Bank (IR) be fully acquired by KCB Group in due course?

KDIC and the appointed Receiver Manager, KCB, are developing a feasible resolution option to enable the bank, Chase Bank (IR), resume business as soon as possible.

No decision of this nature has been made at this stage, subject to a detailed financial and legal due diligence.

Bank Operations:

1. Will I be able to access all my money in my Chase Bank (IR) account?

You can now access your deposits up to a maximum of KES. 1 Million (Kenya Shillings One Million Only); this is also applicable for foreign currency account up to a maximum of Kshs 1 million.

Access to deposits in excess of Ksh.1 Million will be made available to you in a structured manner, details of which will be released in the near future by our receiver managers and CBK. Deposit accounts are defined as Savings, Current and FDRs (Fixed Deposit Receipt) accounts.

You can also make new deposits in Kshs and foreign currency which will be available to you in full, may you need to access it. Deposits can be made in Savings, Current and FDRs (Fixed Deposit Receipt) accounts. You can also view your balance and statement through our Mfukoni mobile, Online banking, Chase Bank (IR) ATMs and branch channels.

Our Chase Popote agencies are back as well, where you can make cash deposits, withdrawals and enquire balances.

Diaspora clients can now access funds via their notarized agents up to a maximum of Kshs. 1 million (Kenya Shillings One Million Only); Any further deposit payment made after Wednesday, April 27th 2016 will be accessible in full. (confirm whether email indemnified customers can give instructions to pay choice customers via email instructions)

2. Once I access the maximum cap of Kshs 1 Million deposits, when will the rest of the monies be paid?

Deposits in excess of Kshs. 1 million (Kenya Shillings One Million) will be made available in a structured manner, details of which will be released in the near future by the receiver managers and CBK.

3. What happens to customers e.g lawyers with contractual transactions that require payments over Kshs 1M?

Deposits in excess of Kshs. 1 million (Kenya Shillings One Million) will be made available in a structured manner, details of which will be released in the near future by the receiver managers and CBK.

4. Will I be able to break my Fixed deposit to access the Kshs 1 million?

Currently this is possible with access of up to a maximum of Kshs. 1 million (Kenya Shillings One Million Only); however interest accrued will not be paid out as the fixed deposit did not reach maturity.

Any fixed deposits which have a maturity date of 27th April onwards are now accessible upto Kshs 1 million (Kenya Shillings One Million Only). Amounts in excess of Kshs 1 million are currently not accessible and will be communicated once restored through the receiver manager and CBK.

5. Is it possible to roll over the Fixed Deposit at the current interest rate?

Currently this service is not available because Chase Bank (IR) is under Receivership; however, customers shall be notified in due course once services are restored.

6. Will I continue to earn interest on my fixed deposit?

For deposits as from 6th April, interest remains suspended as long as the moratorium is in place.

7. Can I continue to deposit money to my Origins account and will I earn interest on the deposits?

Customers can continue to deposit for savings purposes however interest accruals is currently suspended until this is determined by the Receiver Manager as prescribed by the Central Bank of Kenya.

8. Can I open a new Origins account and earn interest?

Customers are welcome to open a new origins account and deposit funds to save towards their goals; the interest accrual is as per the new banking amendment Act

9. When can I access funds from my matured Origins account?

Matured Origins funds are accessible up to a statutory limit of KShs 1M per deposit account; Visit any of our Chase Bank (IR) and fill in the Origins form and you will access your funds within 48 hours. Earned interest remains suspended as long as the moratorium is in place.

10. Can an Origins account be terminated in the event a customer has a pressing need and if so what is the process and how long will it take to access funds?

Customer can choose to break their savings and access up to the statutory limit of Kshs. 1 million (Kenya Shillings One Million Only); However all interest accrued will be forfeited (as per original terms and conditions). Visit any of our Chase Bank (IR) branches and fill in the Origins form and you will access to your funds after 48 hours via branch or Mfukoni.

11. Since there was no interest being earned in the Origins plan from the 7th of April to 27th April, am I earning interest after 27th and at what rate?

For all deposits as from 6th April, interest has been suspended; however, from the 27th of April interest shall be determined by the Receiver Manager as prescribed by the Central Bank of Kenya.

12. Will I receive interest earned before 6th April 2016 in my Origins plan?

If the plan had matured prior to 6th April, all funds are accessible up to a statutory limit of KShs 1M (Kenya Shillings One Million Only); However all interest accrued is held in custody.

13. Can I still borrow up to 90% of savings through the Origins savings plan?

Currently this service has been suspended and will be advised once service is restored.

14. What happens after the Origins plan matures, and client has not collected their funds?

Funds remains in the Origins savings account until customer collects. The plan becomes a normal savings account that earns no interest.

15. I have a Chase Bank Visa \ MasterCard credit card, will I be able to use it?

Use of all Visa credit cards issued by Chase Bank (IR) is possible as cards have been fully activated

Mastercard holders can visit their nearest Chase Banki branch to apply for a Visa card.

16. How will prepaid/Debit card holders access their funds?

Holders of VISA branded prepaid/debit cards are now able to access their funds upto maximum limit of Kshs. 1 million (Kenya Shillings One Million Only) depending on their current limits. This is applicable on VISA branded ATMs worldwide, at Chase Bank (IR) Popote agents in Kenya and for online use. All transactions will be converted into Kenya Shillings based on the prevailing rate.

N.B: Holders of Mastercard prepaid cards will be informed as soon as services have been restored. However, Mastercard debit cards are in operation at Chase Bank (IR) and Kenswitch ATMs.

17. How will I be able to pay for my loan / credit card dues?

Customers are encouraged to continue meeting their obligations at any Chase Bank (IR) branch and agents who are now open to receive payments via cash and other local bank cheques.

The following modes of payments are available to remit your loan, overdraft and credit card repayments:

- 1) Direct credits to your Current or Savings accounts at our branches or Chase Bank (IR) agents via Cash and other local bank cheques

- 2) Local RTGS to Chase Bank (IR) in KES, USD, EUR and GBP transfers and EFT transfers
Customer to fill receiving bank
KCBLKENXXXX
Kenya Commercial Bank Limited

Bank where customer account is held. CHASE BANK K LIMITED
- 3) TT transfers in USD can be sent as per details below: Customer to select intermediary institution or correspondent bank

TO RECEIVE USD:
DEUTSCHE BANK NY
SWIFT CODE: BKTRUS33 ACCT NO: 04406155

TO RECEIVE GBP:
DEUTSCHE BANK LONDON
SWIFT CODE: DEUTGB2L
IBAN: GB54DEUT4050813058130584600

TO RECEIVE EUR, CAD, CHF, JPY:
DEUTSCHE BANK FRANKFURT
SWIFT CODE: DEUTDEFF
IBAN: DE31500700100954257200

- 4) Settle your Credit Card dues directly through Mfukoni the Bill payment option, at any of our Chase Bank (IR) branches - or
Mpesa Paybill Number **552883**
- 5) Customers can use their current deposits to offset existing loans upto maximum value of Kshs. 1 million (Kenya Shillings One Million Only). At this time you may feel free to accelerate loan repayments without any additional charges for early repayment.

Kindly use your Loan Account number or 16 digit credit card number as the narrative for the payment.

18. I have banked and maintained my accounts only at Chase Bank (IR) for many years, and have a pressing financial need. Please advise if I can apply for a loan.

During this phase of receivership, you may apply and get a loan at Chase Bank (IR) as per the Banking Amendment Act. Feel free to actively transact with your Chase Bank IR account as we resumed lending to customers.

19. I have a bank loan with Chase Bank, and my current account has sufficient funds. Is it possible to offset my loan immediately?

This is possible only to the extent where you have access to a maximum of Kshs. 1 million (Kenya Shillings One Million Only) in your account.

20. Is my overdraft limit still available for my business use?

The overdraft facility is currently available. Clients can make applications for the facility at your nearest Chase Bank branch

21. What will happen if I do not pay my loan in time?

Payment of your loan is your obligation, many benefits accrue directly for making payments early such as lowering cost of credit, increasing your credit score. Failure to pay in time will

result in deterioration of credit ratings, listing with CRB, appointment of external Debt Collectors to recover from you and eventually legal action.

22. Can another bank take-over my loan today to enable access more Credit?

Yes, this is possible and can be done against an appropriate financial undertaking by your bank. We however would want to maintain our relationship with you as our client.

23. I was expecting deposit by way of a TT/RTGS transaction. Would my account have been credited on the 6th of April?

All incoming funds that were in transit via RTGs, TT, EFT were reversed to the senders. Outgoing funds (via RTGs, TT, EFT) from our customers' accounts were reversed back to customers Chase Bank (IR) accounts.

Resolved items in transit are now available to a maximum of Kshs. 1 million (Kenya Shillings One Million Only) in the account. Access to monies in excess of Kes 1 million will be advised at a future date.

24. I had issued outgoing EFT/TT/RTGS instructions or funds to be transferred, what will happen?

Debited Instructions: that had not been finalized were treated as items in transit and are now accessible upto a maximum of Kshs. 1 million (Kenya Shillings One Million Only) in the account;

Non-debited instructions pending at branch: were processed subject to approval from clients to process and availability of funds.

25. Is it possible to send funds transfer via RTGS / TT / EFT?

Our RTGS, EFT and TT services have been restored and are fully operational.

26. If I had a standing order / direct debit, will the funds continue to be transferred to the recipient or do I have to set up again?

This service has been fully restored and customer does not need to set this up again for standing orders set up at our branches. Those previously set up via Mfukoni have to be set up afresh.

27. Will I incur any charges for bounced standing orders and who incurs the cost?

All standing orders due before 9th May 2016 shall not incur any charges. Those due after and are un-paid shall incur charges.

28. Will I receive amounts owed to me from deposited cheques?

All cheques that had been deposited on the 6th of April were reversed and clients can access copies of these cheques from any of our branches.

All cheques deposited from the 9th of May 2016 were cleared subject to availability of the drawers funds. Customers have full access to any funds that were cleared from these cheques.

29. What happens to cheques issued by Chase bank and Rafiki?

These cheques issued as of 27th April can be presented and are now being cleared through Chase Bank clearing.

30. I had cleared my facility and would like my securities to be returned – when can this be made available?

All requests are to be submitted at any of our branches as a formal request in writing and the matter shall be dealt with in the shortest time possible.

31. I had issued out a cheque before the bank went into receivership. What will happen to the payment?

Cheques issued prior to 07th April can be presented for clearing and will be honoured upto to maximum of Kshs. 1 million (Kenya Shillings One Million Only); this will be on condition that the cheque is still valid and there is sufficient funds in the account;

If the cheques are received for clearing from 10th May 2016, they shall be subjected to normal clearing procedures.

32. Will my bank guarantee be honoured? If not, is it possible to reapply or use KCB?

The Bank Guarantee service has been restored and applications can be made at your nearest Chase Bank (IR) branch

33. Will my Letter of credit be honoured? If not, what is the way forward?

Issuance of letters of credit service has been restored and applications can be made at your nearest Chase Bank (IR) branch

34. Am I able to pay my taxes through Chase Bank to KRA and Kentrade?

I-Tax payments service to KRA and Kentrade have been fully restored and can be made at any Chase Bank (IR) branches. KRA payments can also be paid via Mfukoni mobile and online banking service under 'bill payment.'

35. Vendor management – Who should the invoices be addressed / directed to? Chasebank (IR) or KCB?

The moratorium on payments to creditors and lenders remains in place. Invoices for ongoing services should be presented to the Receiver Manager for processing under the existing terms and conditions.

36. Is Mfukoni App now available? Can I transfer my money from saving to current via Mfukoni?

Yes, our Mfukoni App is fully operational (accessible via App store or dial *275#) and is possible to do RTGS, internal account transfer, purchase Airtime, pay bills for DSTV, GOTV, Zuku, KPLC and KRA.

37. I am a vendor and have not received my payment and have delivered the service. How soon will I receive my payment?

Invoices for ongoing services should be presented to the Receiver Manager for processing under the existing terms and conditions.

38. I am a Naivas / Airtel card holder when will we be able to use our cards?

Naivas and Airtel money cards are now in use and customers are able to withdraw money from VISA branded ATMs upto a maximum of Kshs 1 million.

39. I did an account to Mpesa / Mpesa Paybill, M2B transfer and I received a notification that my account was debited but am not in receipt of the funds.

Mpesa to account transactions were completed to the intended beneficiary accounts. Please confirm the same from your account and let us know in case of any inquiry on the same.

40. Is Rafiki Microfinance, Genghis, Chase Assurance are affiliate of Chase Bank (IR), also in trouble?

Rafiki Microfinance / Genghis / Chase Assurance are separate legal entities- the receivership order is only served on Chase Bank (IR) and does not apply to Chase Bank (IR) affiliates; hence normal business at the affiliate companies continue.

41. Is it possible to set up customers on Mobile and Online banking?

Customers who had Mfukoni and Online Banking prior to receivership continue to access the platforms.

Set up services for new accounts on Mfukoni mobile and Online banking are also available.

42. M2B: Will all Mobile to bank functions be enabled? (Paybill bill set up, receipt of payments to paybills \ till numbers)

The M2B services have fully been restored and are operational as indicated below:

- Request for new paybills and tills
- Collection via tills and paybills
- Payment to other business via Mfukoni to their tills, paybills and accounts in Chase Bank (IR) and other local banks
- Buy Mpesa Agency float via Mfukoni

43. My loan was approved – how soon can I have access the funds I had applied for?

Customers whose loans had been paid into their account can only access up to a maximum of KShs. 1 million (Kenya Shillings One Million Only) per deposit account.

44. Is it possible to apply for a loan facility with Chase Bank (IR)?

All lending services have been fully restored and applications can be made at any Chase Bank (IR) Branch

45. Can banker's cheque already issued prior to receivership be presented?

Banker's cheques issued prior to receivership can be presented either through the payees bank and/or through chase bank cheques as an item for cancellation and/or re-issue.

Note that these bankers' cheques do not count as new money therefore any cheques repurchased will be subject to upto maximum of Kshs. 1 million (Kenya Shillings One Million Only);

46. Money transfer services via business partners -

Our MTS services have been partially restored and customers can send funds through our business partners:

Western Union, Money Gram, Instant Cash: Both Send and Receive

Transfast, Mukuru: Receive

47. What is the next course of action for the Bank after phase 2?

There's a structured process that needs to be followed to determine a credible institution to take charge. We are focused on completing the next phase as soon as possible as our objective remains to remove the bank from receivership as soon as we can.

48. What is stage 3?

This stage is dependent on the offers of the individual investors.

We expect in the next few weeks that an expression of interest will be put out to those keen on investing in the bank.

All partners, CBK, KDIC and shareholders are working to ensure the most favourable outcome for all Chase customers.

49. When is the Bank expected to officially come out of receivership?

We are forecasting that by Q1 2017, we will have made significant progress in this process.

50. Is there an opportunity for depositors to be involved in the process of determining a strategic investor for the future?

The supervisory bodies involved in the process of determining the investor are committed to holding the concerns and needs of the depositors as priority in the negotiations.

51. Who will take over Chase Bank?

There are more than three institutions who have applied to come in as investors.

We are in the middle of a rigorous process to select a credible investor; an institution that is solid, has a great track record and can carry the bank forward.

That's our intention.

52. There are speculations for and against the liquidation of the bank. What is Chase Bank's stand on this?

There are no categorical reasons for the bank to undergo liquidation as the bank is currently stable and was reopened to operate for the long term. It remains a going concern,

We recovered Sh. 8 billion in two weeks since this process began and continuously pursue all efforts to recover the funds that were fraudulently acquired.

53. When is the next tranche of funds?

There is no scheduled tranche at the moment but the search for a strategic investor is in full swing to ensure they will sustain the shocks that can come and also to provide access to your resources as soon as possible.

Depositors are our main priority and we are dedicated to giving this process the support it needs.

54. Is the Bank currently using old depositors' funds to conduct new business? If that why old depositors are not earning interest unlike the new accounts that have reopened?

Though lending is currently ongoing, it is limited at this stage and the management has accelerated all debt recovery efforts.

55. What are the likely scenarios once a new investor is on board?

At this stage, we are unable to comment until the conclusion of our talks with the incoming strategic investor to make the scenarios clearer.