

**REMARKS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS, DURING
THE LAUNCH OF THE REVISED DEPOSIT COVERAGE LIMIT BY THE
KENYA DEPOSIT INSURANCE CORPORATION ON THE
1ST OF OCTOBER 2019, AT THE RADDISSON BLU, NAIROBI**

The Hon. Ambassador Ukur Yatani, Acting Cabinet Secretary,
National Treasury and Planning,

CEOs and representatives of Member Institutions,

Distinguished Guests, Board Members, KDIC Management and staff

Ladies and Gentlemen.

It is my pleasure to welcome you here today, as we commemorate the journey of the Kenya Deposit Insurance Corporation, and indeed, mark an important milestone in the country's economy. We are here to celebrate the Increased Deposit Coverage Limit, a fete that is undoubtedly of great impact to individual depositors, small and micro enterprise businesses and the economy at large.

The Strategic Themes for the Corporation's 2018 – 2023 Strategic Plan dispensation are;

- Risk Management
- Deposit Insurance
- Prompt Resolution
- Stakeholder Management, and
- Organizational Capacity

KDIC has continued to devotedly execute its mandate of risk minimization and prompt resolution of problem banks, in order to minimize the adverse impact of bank failures. This has necessitated close working partnerships between the Central Bank of Kenya, member institutions and other safety-net players.

Risk Minimization is aimed at ensuring there is early detection and intervention of risk exposure, to safeguard deposits placed with banks from potential risk necessitated by weak frameworks. As part of our risk minimization role, KDIC continues to incentivize sound risk management by the member institutions. This denotes that member institutions are encouraged to take on risks only to the extent that their customers' deposits are not exposed as a result of unsafe and unsound banking practices. The corporation has developed a Risk Based Premium methodology tool to give incentives to the banks to continue investing in sound risk management. This methodology ladies and gentlemen, is set to be implemented in July 2020.

Hon. C.S, Ladies and Gentlemen.

The Risk Based Premium Model introduces fairness and equity in charging premium; a process that supports the Increased Coverage Limit that we are proudly launching today. KDIC shall continue to play its mandated role in ensuring minimal disruption of banking business and in the unlikely event of a problem, that prompt resolution is undertaken. The Corporation is also committed to safeguarding the Deposit Insurance Fund, for enhanced economic stability.

Regarding prompt resolution, I am glad to mention that the Corporation has in the last three years adopted “Purchase and Assumption” in the resolution of Chase Bank and Imperial Bank. This method ensured that depositors have access to a portion of their deposits even before the banks are placed in Liquidation. This, distinguished guests, is a milestone that we are celebrating today.

I am glad to mention that the Corporation is committed to fully engaging on the attainment of the Vision 2030 development blueprint for the country. I wish to reiterate that KDIC's strategy is designed to support the creation of a vibrant and competitive financial sector, driving high level of savings and financing the country's investment needs.

In conclusion Hon C.S, allow me to once again thank you for gracing this occasion. On behalf of the KDIC board, it is now my single honour to welcome the acting Cabinet Secretary for National Treasury and Planning Hon. Ambassador Ukur Yatani to make his remarks and officially launch the Revised Deposit Coverage Limit.

Karibu waziri.