



PUBLIC NOTICE

SECTION 14 (4) BANKING ACT [*CHAPTER 24:20*]

CAPITAL BANK CORPORATION LIMITED

CANCELLATION OF BANKING LICENCE

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- 1) Take notice that the Registrar of Banking Institutions (Registrar) has cancelled the registration of Capital Bank Corporation Limited as a banking institution with effect from 4 June 2014.
 - 2) This follows Capital Bank Corporation Limited's voluntary surrender of its licence and request for its cancellation in terms of section 14 (4) of the Banking Act [*Chapter 24:20*].
 - 3) The institution has given the reasons for the voluntary surrender and request for cancellation of licence of the banking institution as follows:
 - a. While the institution is undercapitalized, the major shareholder, National Social Security Authority, is no longer willing to inject additional capital into the bank; and
 - b. In the absence of capital injection, the financial condition of the banking institution dictates that the banking institution be wound up.
 - 4) The Registrar is satisfied with the reasons for the request and that the cancellation will be in the best interests of the Capital Bank's creditors, depositors and members.
 - 5) The bank has been operating in an unsafe and unsound financial condition characterised by critical under capitalisation, persistent losses, chronic liquidity challenges and inordinately high levels of non-performing loans.
 - 6) In the circumstances, the maintenance of registration of Capital Bank Corporation Limited as a banking institution is undesirable and is not in the interests of its

members, depositors and creditors. Accordingly, the Registrar has cancelled the bank's licence in terms of section 14 (4) of the Banking Act.

- 7) As a consequence of the said cancellation, Capital Bank Corporation Limited is no longer a banking institution as defined in the Banking Act, and therefore its status is that of a company registered in terms of the Companies Act [*Chapter 24:03*]. Members of the public are accordingly advised not to undertake any banking transactions with the institution.
- 8) Appropriate public notices shall be issued in due course concerning payments to depositors and other creditors.

Registrar of Banking Institutions

4 June 2014