

Top five largest loss events: April 2016

1 Zhongjin Capital Management – USD 5.25 billion
 Zhongjin Capital Management’s owner and at least 20 other people have been arrested following allegations that they illegally raised around CNY 34 billion in a Ponzi-like scheme between July 2012 and January 2016.

Business line: **BL0703 – Fund Management**
 Event type: **EL0102 – Internal Theft & Fraud**

2 Chase Bank Kenya – USD 161 million
 Chase Bank Kenya employees have been accused of granting KES 16.6 billion in irregular loans, of which KES 6.9 billion is believed to have been granted to entities owned by the bank’s directors.

Business line: **BL1001 – Corporate Items**
 Event type: **EL0102 – Internal Theft & Fraud**

3 Bank of Tianjin – USD 121.5 million
 On 8 April 2016, Bank of Tianjin reported a ‘risk incident’ at its Shanghai branch, in which the bank lost bills of exchange worth a total of CNY 786 million.

Business line: **BL0401 – Commercial Banking**
 Event type: **EL0102 – Internal Theft & Fraud**

4 Freedom Mortgage Corporation – USD 113 million
 Freedom Mortgage Corporation has agreed to pay USD 113 million to settle allegations that it underwrote and originated mortgages insured by the US Department of Housing and Urban Development’s (HUD) Federal Housing Administration (FHA) that the firm knew did not meet HUD’s requirements.

Business line: **BL0301 – Retail Banking**
 Event type: **EL0404 – Selection Sponsorship & Exposure**

5 Caixa Economica Federal – USD 62.3 million
 Brazilian federal police have arrested 20 people suspected of being involved in a fraudulent mortgage scheme which is thought to have caused losses of BRL 220 million to Caixa Economica Federal.

Business line: **BL0301 – Retail Banking**
 Event type: **EL0102 – Internal Theft & Fraud**

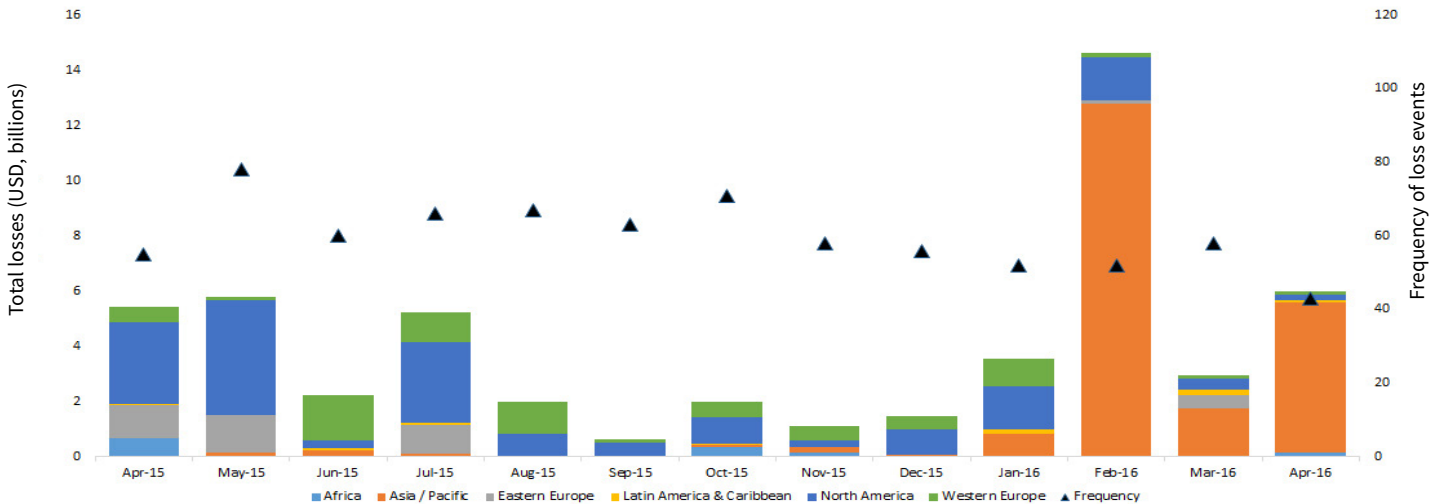
For more information about subscribing to ORX News or to arrange a free trial, contact Roland Kennett:

+44 (0)1225 430392 | roland.kennett@orx.org



The operational risk year to date

Summary of distribution, frequency and severity of ORX News event digests



Disclaimer: ORX has prepared this document with care and attention. ORX does not accept responsibility for any error or omissions. ORX does not warrant the accuracy of the advice, statement or recommendations in this document. ORX shall not be liable for any loss, expense, damage or claim arising from this document. The content of this document does not itself constitute a contractual agreement, and ORX accepts no obligation associated with this document except as expressly agreed in writing.

www.orx.org
 +44 (0)1225 430 390

© Operational Riskdata eXchange (ORX) 2016