

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

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July 23, 2009

BANKING CIRCULAR NO.7 OF 2009

TO: ALL CHIEF EXECUTIVES OF COMMERCIAL BANKS

**ADJUSTMENT OF: CENTRAL BANK RATE (CBR) AND CASH
RESERVE RATIO (CRR)**

This is to inform all commercial banks that the Monetary Policy Committee (MPC) at its meeting on July 22, 2009 reviewed the CBR downwards by 25 basis points from 8.0 percent to 7.75 percent and also lowered the cash reserve ratio from 5 percent to 4.5 percent.

In addition, the tenor for repo transactions was lengthened from 5 days to 7 days. All the announced changes take effect immediately.

The Central Bank of Kenya also wishes to advise banks that whenever it announces an offer for reverse repo, its expectation is that interested banks will have exhausted their interbank and Horizontal repo opportunities first before applying for reverse repo.

A handwritten signature in black ink, appearing to read 'G. Nyoma'.

GERALD A. NYAOMA
DIRECTOR, BANKING SERVICES DEPARTMENT