

BANKI  
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KENYA



CENTRAL  
BANK OF  
KENYA

April 8, 2025

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**Banking Circular No. 2 of 2025**

**TO: ALL CHIEF EXECUTIVES OF COMMERCIAL BANKS AND MICROFINANCE BANKS**

**CHANGES TO THE CBK DISCOUNT (OVERNIGHT) WINDOW FACILITY**

The Monetary Policy Committee (MPC) of the Central Bank of Kenya (CBK) at its meeting held on April 8, 2025, reviewed and approved changes to the CBK Discount (Overnight) Window Facility. These changes are designed to enhance monetary policy transmission and augment reforms announced on August 9, 2023, on the Monetary Policy Implementation Framework.

The CBK therefore makes the following changes.

1. The applicable interest rate on the facility has been reviewed from 300 basis points above the CBR to 75 basis points above the CBR.
2. The advances will continue to be secured by Government of Kenya securities subject to haircut as outlined in Banking Circular No 6 of 2023 dated August 29, 2023.
3. The existing terms for access to the Intra-day Liquidity Facility (ILF) remain unchanged.

This Circular supersedes all previous circulars issued on the above subject matter and the changes take effect immediately.

**MICHAEL EGANZA**  
**DIRECTOR, BANKING AND PAYMENT SERVICES DEPARTMENT**

cc: Chief Executive Officer - Kenya Bankers Association