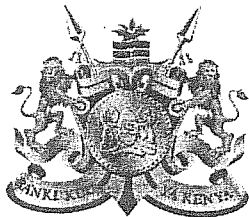


**BANKI
KUUYA
KENYA**



**CENTRAL
BANK OF
KENYA**

Haile Selassie Avenue
P.O. Box 60000 Nairobi Kenya
Telephone 226431 Telex 22324

May 22, 2009

BANKING CIRCULAR NO. 4 OF 2009

TO: ALL CHIEF EXECUTIVES OF COMMERCIAL BANKS

- REVISION OF:**
- 1. CENTRAL BANK RATE (CBR)**
 - 2. TENORS FOR REPO/REVERSE REPO, LATE REPO AND TERM AUCTION DEPOSIT FACILITY**
-

The Monetary Policy Committee met on 21st May 2009. Amongst other decisions, the committee agreed to revise the Central Bank rate from 8.25% to 8.0%. This change takes effect immediately.

In addition, the Central Bank has also reviewed the tenors of its liquidity management instruments. In this regard, with effect from 25th May 2009, the tenors for Repurchase/Reverse Repurchase Agreements (Repo/Reverse Repo), the late Repo and the Term Auction facility will be revised to a single tenor of 5 days only. The late repo will continue to be priced at 100 basis points below the latest available average rate for the early repo.

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

GERALD A. NYAOMA

DIRECTOR, BANKING SERVICES DEPARTMENT