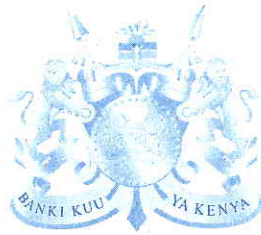


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28 July 2011

BANKING CIRCULAR NO. 7 OF 2011

TO: ALL CHIEF EXECUTIVES OF COMMERCIAL BANKS

THE CENTRAL BANK RATE (CBR) AND CASH RESERVE RATIO (CRR)

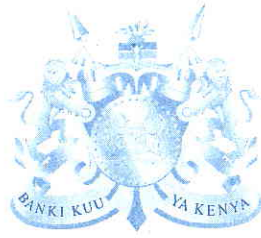
The Monetary Policy Committee (MPC) at its meeting on 27th July 2011 decided to maintain the CBR at 6.25%.

On Cash Reserve Ratio, commercial banks will now be required to maintain the same based on a weekly average (Monday to Friday) of 4.75% instead of the daily position. This means that banks are free to deviate from the 4.75% on any given day provided that the overall average for the five (5) days will be 4.75%. Failure to observe the required average will lead to penalization by the Central Bank at the current rate.

The above changes take effect immediately.


JACKSON M. KITILI
DIRECTOR, BANKING SERVICES, NATIONAL PAYMENT SYSTEMS
& RISK MANAGEMENT DEPARTMENT

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