



## PRESS RELEASE

### TRANSFER OF KSH.5.5 BILLION FROM CBK'S GENERAL RESERVE FUND TO THE GOVERNMENT CONSOLIDATED FUND

The Central Bank of Kenya (CBK) announces that it has today transferred to the Government Consolidated Fund Ksh.5,500,000,000 as distribution from CBK's General Reserve Fund (GRF). Inclusive of the [exceptional distribution](#) of Ksh.5,000,000,000 on February 17, 2021, the total distribution from CBK's General Reserve Fund for FY2020/21 amounts to Ksh.10,500,000,000. This distribution is in accordance with Sections 9 and 51 of the CBK Act, relating to the treatment of CBK's net annual profits, and followed approval by the CBK Board. The transfer (loosely known as "remitting of dividends") was executed by crediting the Ministry of Finance's Deposit Account at CBK.

In the context of its discussion of the *Financial Statements* for 2020/2021, and having weighed the various factors as stipulated by law, the CBK Board authorized the additional transfer of Ksh.5.5 billion to the Government Consolidated Fund from the CBK's GRF. In making its determination, the CBK Board also considered CBK's financial needs with the objective of ensuring CBK is well-resourced to deliver on its mandate in the increasingly uncertain economic environment. In particular, GRF resources are needed for:

- *Modernizing CBK's facilities and infrastructure in keeping with its mandate.* The completion of the identified projects will play an important role in CBK's long-term health and viability, strengthening its operations in line with its responsibilities and changes in the financial sector.
- *Provision of new generation currency in line with the 2010 Constitution.* CBK is mandated to issue new generation currency, with an expected cost of Ksh.15 billion.
- *Strengthening CBK's financial position to make it more resilient to shocks.* To keep up with the significant growth of the financial sector and ensure that it can discharge its functions even in times of stress while sustaining its financial independence, CBK needs to increase its paid-up capital in the period ahead towards its authorized capital of Ksh.50 billion.

**CENTRAL BANK OF KENYA**

September 27, 2021