

Appendix VII(a)

Circulars sent to Financial Institutions during the year 2000.

Office of
The Director
Commercial Banking Department



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30th November 2000

Chief Executives of
Commercial Banks
Dear Sirs

REVISION OF MINIMUM CASH RESERVES

In line with the tight monetary stance taken by BOU, the minimum cash reserve requirements for commercial banks have been revised upwards with effect from 18th December 2000 as follows:

<u>Type of Deposit</u>	<u>Old Ratio</u>	<u>New Ratio</u>
Demand deposits	9%	10%
Time and Savings deposits	8%	9%

This applies to both local and foreign currency deposits.

Yours faithfully

M. Matovu (Mrs.)
DIRECTOR, COMMERCIAL BANKING