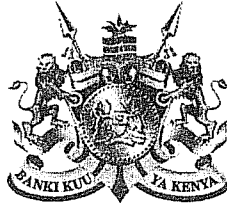


Governor

**BANKI
KUU YA
KENYA**



**CENTRAL
BANK OF
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THE CENTRAL BANK OF KENYA

PRESS RELEASE

Release Date: 5th June 2008

The Monetary Policy Committee (MPC) held its inaugural meeting today the 5th of June 2008. The MPC is an executive decision-making organ of the Central Bank of Kenya, unlike its predecessor the Monetary Policy Advisory Committee (MPAC), which was advisory.

Inflationary pressures since the beginning of the year were core to MPC discussions. Economic and financial developments since the beginning of the year led the Committee to its decision to adjust the Central Bank Rate from the current 8.75 percent to 9.00 percent with immediate effect to allow room to deal effectively with excess liquidity in the market.

The Committee noted that the Safaricom IPO has had a significant impact on the financial services sector. The full effect can only be assessed once the Safaricom IPO has been fully concluded and the distribution of liquidity in the banks has settled. The Committee will continue to monitor carefully the impact of this on the real, financial and exchange rate aspects of the economy.

A handwritten signature in black ink, appearing to read 'Njuguna Ndung'u'.

**PROF. NJUGUNA NDUNG'U
GOVERNOR, CENTRAL BANK OF KENYA AND
CHAIRMAN OF THE MPC.**