



PRESS STATEMENT

The Central Bank of Kenya (CBK) notes with concern the erroneous article and reckless banner headline “**CBK pays its chair sh6m retainer in year of no meeting**” in the “*Business Daily*” of December 8, 2016. The article levels several misguided charges against the CBK, the CBK Board Chairman, and the CBK Governor. These accusations include: that the Chairman was paid Ksh.6 million in FY15/16 as a retainer (which was flagged as equivalent to Ksh.500,000 a month), and CBK’s purported failure to exercise prudence in the management of its resources. These allegations are repeated by Business Daily of December 9, 2016, page 2 and Editorial, page 14.

CBK wishes to clarify the following:

1. The financial accounts for FY15/16 were audited and published as required by law, and the auditor’s opinion was unqualified.
2. Explanatory Note 28(ii) to the audited accounts discloses the item “Fees to non-executive directors” of Ksh.6 million. These payments were made in line with policy guidelines issued in 2014.
3. The reporting of Explanatory Note 28(ii) is in keeping with the requirements of International Accounts Standards IAS24 and the figure is broken down as follows:

NON-EXECUTIVE DIRECTORS’ FEES, ALLOWANCES AND OTHER EXPENSES, FY2015/16 (KSH.)

PARTICULARS*	NET PAY	TAX (30%)	GROSS PAY
Retainer Fees - Chairman			
FY2015/16 (12 months)	2,100,000	900,000	3,000,000
FY2014/15 (12 days)	70,000	30,000	100,000
Sub-Total	2,170,000	930,000	3,100,000
Retainer Fees - Principal Secretary, National Treasury**			
FY2015/16 (12 months)	1,260,000	540,000	1,800,000
FY2014/15 (arrears for June 2015)	105,000	45,000	150,000
Sub-Total	1,365,000	585,000	1,950,000
TOTAL NON-EXECUTIVE DIRECTORS’ RETAINER FEES	3,535,000	1,515,000	5,050,000
Directors’ Travel Expenses			
Financial Sector Regulators’ Meeting, Mombasa	44,965	-	44,965
African Central Banks Meeting, Turkey	293,570	-	293,470
Central Banking Governance Course, UK	499,280	-	499,280
Total Travel Expenses	837,815	-	837,815
GRAND TOTAL			5,887,815

Source: CBK FY2015/16 Audited Accounts

*No mileage expenses or sitting allowances were paid during this period

** These payments were made to the National Treasury and not the Principal Secretary as an individual

The allegations that CBK failed to exercise prudence in the management of its resources have no basis and are erroneous.