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A. RESULTS OF 182 & 364 DAY TREASURY BILLS ISSUES 1940/182 & 1877/364 DATED

09/07/2012

This week the Central Bank of Kenya offered 182 and 364 Days Treasury Bills for a total of Kshs 5 Billion. The total number of bids received was 60 amounting to Kshs. 1,003 billion representing 50% subscription and 36 bids amounting to Kshs. 184 Million representing 6% subscription for 182 and 364 days respectively. Bids accepted amounted to Kshs. 994 Million for 182 days and 184 Million for 364 days Treasury Bills. The weighted average rate of accepted bids, which will be applied for non-competitive bids, was 11.415% for the 182 Day and 13% for 364 days Treasury Bills. The other auction statistics are summarised in the table below.

| | 182 DAYS | 364 DAYS | TOTAL |
|--|------------|------------|----------|
| Due Date | 07/01/2013 | 08/07/2013 | |
| Amount Offered (Kshs. M) | 2,000.00 | 3,000.00 | 5,000.00 |
| Bids Received (Kshs. M) | 1,002.99 | 183.91 | 1,186.91 |
| Performance Rate (%) | 50.15 | 6.13 | 23.74 |
| Number of Bids Received | 60 | 36 | 96 |
| Number of Accepted Bids | 59 | 36 | 95 |
| Total Amount Accepted (Kshs. M) | 993.60 | 183.91 | 1,177.52 |
| Of which: Competitive bids | 794.96 | 76.40 | 871.36 |
| : Non-competitive bids | 198.64 | 107.51 | 306.16 |
| Purpose / Application of Funds: | | | |
| Rollover / Redemptions | 1,104.56 | 1,212.88 | 2,317.44 |
| New Borrowing/Net Repayment | 110.96 | 1,028.97 | |
| Market Weighted Average Rate | 11.433% | - | |
| Weighted Average Rate of accepted bids | 11.415% | 13.000% | |
| Price per Kshs 100 at average rate | 94.615 | 88.523 | |

B. COMPARATIVE AVERAGE INTEREST RATES

| | This Auction (%) | Last Auction (%) | Variance |
|-----------|------------------|------------------|----------|
| 182 - day | 11.415 | 11.091 | 0.324 ↑ |
| 364 - day | 13.000 | 12.431 | 0.569 ↑ |

C. NEXT TREASURY BILLS AUCTION: ISSUE NOS. 1960/91 & 1941/182 DATED 16/07/2012

| TENOR | 91 DAYS | 182 DAYS | TOTAL |
|------------------------------|------------|------------|----------|
| Offer amount (Kshs. M) | 3,000.00 | 3,000.00 | 6,000.00 |
| AUCTION DATES & BIDS CLOSURE | 12/07/2012 | 11/07/2012 | |
| RESULTS ANNOUNCEMENT | 13/07/2012 | 12/07/2012 | |
| Redemptions | | | 3,144.81 |
| Net Repayment | | | 2,855.19 |

The actual amount to be realised from the auction will be subject to Treasury's immediate liquidity requirements for the week. Where several successful bidders quote a common rate, the Central Bank of Kenya reserves the right to allot bids on a pro-rata basis. The Central Bank reserves the right to accept/reject bids in part or in full without giving any reason. Individual bids must be of a minimum face value of Kshs 100,000.00. Only CDS holders with updated mandates are eligible.

Bids must be submitted using the specified format and must reach the Central Bank (HQ, Branch or Currency Centre) by 2.00 p.m. on Wednesday 11th July 2012 for 182 and Thursday 12th July 2012 for 91 Day Treasury Bills. Payments above Kshs.1 Million must be made by electronic transfer using RTGS. Payments below Kshs. 1 Million may be made by Banker's Cheque or RTGS and must reach the Central Bank not later than 2.00 p.m. on Monday 16th July 2012 for Cheques and 3.00 p.m for RTGS electronic fund transfers. Please provide the following details with each payment: Name, Reference No., Issue No., and include the Portfolio number and the Investor's virtual account number when using RTGS.

D. NON-COMPETITIVE BIDS

Non-competitive bids are subject to a maximum of Kshs. 20 Million per investor and are issued at the weighted average of accepted bids.

MWENDA K. MARETE
ASSISTANT DIRECTOR, FINANCIAL MARKETS DEPARTMENT
04/07/2012