

**A. RESULTS OF 182 DAYS TREASURY BILLS ISSUE NO. 1856 VALUE DATED 08/02/2010**

This week the Central Bank of Kenya offered 182 day Treasury Bills for a total of Kshs 7 Billion. The total number of bids received was 180 amounting to Kshs 7.6 Billion, representing a 108% subscription rate. Bids accepted amounted to Kshs 7.6 Billion. The auction registered a decline in the cut off rate from the previous auction's 7.000% to 6.700%.

Due Date	09/08/2010
Amount Offered (Kshs. M)	7,000.00
Bids Received (Kshs. M)	7,569.72
Performance Rate (%)	108
Number of Bids Received	180
Number of Successful Bids	180
Amount Accepted (Kshs. M)	7,571.31
Of which : Competitive bids	7,133.34
: Non-Competitive bids	437.97
Purpose / Application of Funds:	
Rollover / Redemptions-91 days	2,909.44
Rollover / Redemptions-182 days	6,964.93
Total Redemptions	9,874.37
Net Repayment	2,303.06
Cut-off Interest Rate	6.700%
Price per Kshs 100 at Cut-off Rate	96.767

B. COMPARATIVE INTEREST RATES

	This Auction	Last Auction	Variance
Value Dates	08/02/2010	25/01/2010	
Cut-off Interest Rates (%)	6.700	7.000	0.300 ↓

C. NEXT WEEK'S TREASURY BILLS AUCTION : ISSUE NO.1857/91 VALUE DATED 15/02/2010

OFFER AMOUNT (Kshs M) of which:	4,000.00
Redemptions	-
New Borrowing	4,000.00

The actual amount to be realised from the auction will be subject to Treasury's immediate liquidity requirements for the week. Competitive bids above cut-off may be accepted and allocated on a pro-rata basis at a price equivalent to cut-off rate. 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 or Branch) by 2.00 p.m. on Thursday, 11th February 2010. Payments of Kshs.1 Million and above must be made by electronic transfer using KEPSS and by Banker's Cheque for amounts below Kshs.1.Million and must reach the Central Bank on Monday 15th February 2010 not later than 2.00 p.m. for Cheques and 3.00p.m. for KEPSS transfers. Please provide the following details with each payment: Name, Reference No., CDS account No., and include 'Government Treasury Bills account No. 01-070-0001' when using KEPSS.

D. NON-COMPETITIVE BIDS

Non-competitive bids are subject to a maximum of Kshs. 10 Million per investor and are issued at the cut off rate.

E. ROLLOVERS

Investors wishing to rollover maturing Treasury Bills can do so by submitting rollover instructions to the Central Bank of Kenya by 2.00 p.m. on Wednesday 10th February 2010.

JACKSON M. KITILI
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Thursday, February 04, 2010