

**A. RESULTS OF 182 & 364 DAYS TREASURY BILLS ISSUES 1897/182 & 1865/364 DATED**

**12/09/2011**

This week the Central Bank of Kenya offered 182 and 364 Days Treasury Bills for a total of Kshs 8 Billion. The total number of bids received was 88 amounting Kshs. 2.60 Billion representing 87% subscription and 43 bids amounting to Kshs. 991 Million representing a 20% subscription for 182 and 364 days respectively. Bids accepted amounted to Kshs. 2.60 Billion for 182 and 771 Million for the 364 day . The weighted average rate of accepted bids, which will be applied for non-competitive bids, was 9.285% and 12.536% for the 182 and 364 Day Treasury Bills respectively. The other auction statistics are summarised in the table below.

|  | 182 DAYS   | 364 DAYS   | TOTAL    |
|--|------------|------------|----------|
| Due Date                               | 12/03/2012 | 10/09/2012 |          |
| Amount Offered (Kshs. M)               | 3,000.00   | 5,000.00   | 8,000.00 |
| Bids Received (Kshs. M)                | 2,604.69   | 991.29     | 3,595.98 |
| Performance Rate (%)                   | 86.82      | 19.83      | 44.95    |
| Number of Bids Received                | 88         | 43         | 131      |
| Number of Accepted Bids                | 85         | 40         | 125      |
| Total Amount Accepted (Kshs. M)        | 2,603.56   | 770.79     | 3,374.34 |
| Of which: Competitive bids             | 2,262.31   | 654.74     | 2,917.05 |
| : Non-competitive bids                 | 341.25     | 116.04     | 457.29   |
| Purpose / Application of Funds:        |            |            |          |
| Rollover / Redemptions                 | 170.38     | -          | 170.38   |
| New Borrowing/Net repayment            | 2,433.18   | 770.79     |          |
| Market Weighted Average Rate           | 9.286%     | 12.779%    |          |
| Weighted Average Rate of accepted bids | 9.285%     | 12.536%    |          |
| Price per Kshs 100 at average rate     | 95.575     | 88.888     |          |

**B. COMPARATIVE AVERAGE INTEREST RATES**

|           | This Auction | Last Auction | Variance |
|-----------|--------------|--------------|----------|
|           | (%)          | (%)          |          |
| 182 - day | 9.285        | 10.356       | 1.071 ↓  |
| 364 - day | 12.536       | 11.066       | 1.470 ↑  |

**C. NEXT 182 & 364 DAYS TREASURY BILLS AUCTION: ISSUE NOS. 1898/182 & 1866/364**

| TENOR                        | 182 DAYS   | 364 DAYS   | TOTAL     |
|------------------------------|------------|------------|-----------|
| Offer amount (Kshs. M)       | 4,500.00   | 8,000.00   | 12,500.00 |
| AUCTION DATES & BIDS CLOSURE | 21/09/2011 | 05/10/2011 |           |
| RESULTS ANNOUNCEMENT         | 22/09/2011 | 06/10/2011 |           |

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 or Branch) by 2.00 p.m. on Wednesday, 21st September 2011 for 182 days and Wednesday 5th October 2011 for 364 day T/Bills. Payments above Kshs.1 Million must be transfer using RTGS. Payments below Kshs. 1 Million may be made by Banker's Cheque and must reach the Central Bank not later than 2.00 p.m. on Monday 26th September for the 182 Days and 10th October 2011 for the 364 Days . Please provide the following details with each payment: Name, Reference No., CDS account No., and include 'Government Treasury Bills Suspense A/c no. 01-070-0001' when using RTGS.

**D. NEXT 182 & 364 DAYS TREASURY BILLS AUCTION: ISSUE NOS. 1898/182 & 1866/364**

Non-competitive bids are subject to a maximum of Kshs. 20 Million per investor per tenor.

