

A. RESULTS OF 91 & 182 DAY TREASURY BILLS ISSUES 1944/91 & 1925/182 DATED

26/03/2012

This week the Central Bank of Kenya offered 91 and 182 Days Treasury Bills for a total of Kshs 7 Billion. The total number of bids received was 148 amounting Kshs. 919 Million representing 23% subscription and 169 bids amounting to Kshs. 6.53 Billion representing 218% subscription for 91 and 182 days respectively. Bids accepted amounted to Kshs. 918 Million for 91 and Kshs. 3.60 Billion for the 182 day. The weighted average rate of accepted bids, which will be applied for non-competitive bids, was 17.006% and 17.726% for the 91 and 182 Day Treasury Bills respectively. The other auction statistics are summarised in the table below.

	91 DAYS	182DAYS	TOTAL
Due Date	25/06/2012	24/09/2012	
Amount Offered (Kshs. M)	4,000.00	3,000.00	7,000.00
Bids Received (Kshs. M)	918.79	6,530.93	7,449.72
Performance Rate (%)	22.97	217.70	106.42
Number of Bids Received	148	169	317
Number of Accepted Bids	147	149	296
Total Amount Accepted (Kshs. M)	917.64	3,599.86	4,517.50
Of which: Competitive bids	457.89	3,115.15	3,573.03
: Non-competitive bids	459.76	484.71	944.47
Purpose / Application of Funds:			
Rollover / Redemptions	2,093.02	531.03	2,624.05
New Borrowing/Net Repayment	1,175.38	3,068.83	
Market Weighted Average Rate	17.008%	17.953%	
Weighted Average Rate of accepted bids	17.006%	17.726%	
Price per Kshs 100 at average rate	95.933	91.879	

B. COMPARATIVE AVERAGE INTEREST RATES

	This Auction	Last Auction	Variance
	(%)	(%)	
91 - day	17.006	17.461	0.455 ↓
182 - day	17.726	18.112	0.386 ↓

NEXT WEEK'S TREASURY BILLS AUCTIONS: ISSUE NOS. 1945/91 & 1926/182 DATED 02/04/2012 (BOTH ON WEDNESDAY, 28/03/2012)

C.

TENOR	91 DAYS	182 DAYS	TOTAL
Offer amount (Kshs. M)	4,000.00	3,000.00	7,000.00
AUCTION DATES & BIDS CLOSURE	28/03/2012	28/03/2012	
RESULTS ANNOUNCEMENT	29/03/2012	29/03/2012	
Redemptions			4,768.51
New Borrowing			2,231.49

D. IMPORTANT INFORMATION TO ALL INVESTORS IN GOVERNMENT SECURITIES

The Bank is preparing to move to a new IT System effective Monday, 2nd April, 2012. Investors are therefore advised to take note of the following changes arising from the change-over preparations and implementation of the new system.

- 1.) No new applications for opening CDS Accounts will be accepted with effect from Monday, 19th March, 2012. This will resume on 10th April, 2012.
 - 2.) Effective 2nd of April 2012, the CDS Account Numbers currently in use will be replaced with new CDS Account Numbers (*Portfolio Account Numbers*) and each *Portfolio Account Number* will be allocated a new *Virtual Account Number* to be used when making payments for investments in Government Securities. All CDS Account holders will therefore be required to obtain from the Bank, their new *Portfolio* and *Virtual Account Numbers*, which will be available from Wednesday, 28th March 2012, to enable them participate in future issues of Government securities.
 - 3.) The Auction for issues value dated Monday 2nd April 2012, which will involve only 91 and 182 Days Treasury bills, will be held on Wednesday, 28th March, 2012. Payments by successful bidders for these issues will **only be accepted from Monday 2nd April 2012** and will be effected through the new *Virtual Account Numbers*.
- All other procedures and guidelines for investments in Government Securities remain unchanged.

GERALD A. NYAOMA
 DIRECTOR, FINANCIAL MARKETS DEPARTMENT
 22/03/2012