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#### **A. RESULTS OF TREASURY BOND ISSUE NO. FXD 3/2010/2 YEAR VALUE DATED 27/09/2010**

This month the Central Bank of Kenya offered a 2-year Treasury Bond for a total amount of up to Kshs 13.0 Billion. The total number of bids received was 139 amounting to Kshs 13.4 Billion or 103% subscription. The market determined coupon rate was 3.814%. The number of bids accepted was 122 worth Kshs 12.8 Billion. The Weighted average rate for successful bids was 3.698% down from 6.936%, for the last 2 year Treasury bond issued in March 2010.

|                                                               |                  |
|---------------------------------------------------------------|------------------|
| <b>TENOR</b>                                                  | <b>2 YEAR</b>    |
| Due Date                                                      | 9/24/2012        |
| <b>Total Amount Offered (Kshs. M)</b>                         | <b>13,000.00</b> |
| <b>Total bids Received (Kshs. M)</b>                          | <b>13,381.89</b> |
| <b>Performance Rate (%)</b>                                   | <b>102.94</b>    |
| Total Number of Bids Received                                 | 139              |
| Number of Successful Bids                                     | 122              |
| <b>Total Amount Accepted (Kshs. M)</b>                        | <b>12,758.21</b> |
| Of which : Competitive bids                                   | 12,609.03        |
| : Non-competitive bids                                        | 149.18           |
| <b>Market Weighted Average Rate</b>                           | <b>3.814%</b>    |
| <b>Market Lowest Bid Rate</b>                                 | <b>3.000%</b>    |
| <b>Market Highest Bid Rate</b>                                | <b>12.000%</b>   |
| <b>Cut off Rate</b>                                           | <b>4.740%</b>    |
| <b>Weighted Average Rate of accepted bids</b>                 | <b>3.698%</b>    |
| Price per Kshs 100 at Weighted Average Rate for accepted bids | 100.222          |
| <b>Market Determined Coupon Rate (%)</b>                      | <b>3.814%</b>    |
| <b>Purpose/ Application of funds:</b>                         |                  |
| Redemptions                                                   | -                |
| New Borrowing                                                 | 12,758.21        |

#### **B. COMPARATIVE AVERAGE INTEREST RATES**

|                                                  | THIS AUCTION (%) | LAST AUCTION (%) 29/03/2010 | VARIANCE (%)   |
|--------------------------------------------------|------------------|-----------------------------|----------------|
| <b>WEIGHTED AVERAGE RATE FOR SUCCESSFUL BIDS</b> | <b>3.698</b>     | <b>6.936</b>                | <b>3.238 ↓</b> |
| <b>CUT-OFF INTEREST RATES</b>                    | <b>4.740</b>     | <b>6.990</b>                | <b>2.250 ↓</b> |

#### **C. FORTHCOMING TREASURY BOND ISSUE FOR THE MONTH OF OCTOBER 2010**

|                                         | Kshs (M)         |
|-----------------------------------------|------------------|
| <b>OFFER AMOUNT (at cost) of which:</b> | <b>15,000.00</b> |
| Redemptions                             | 3,094.88         |
| New Borrowing                           | 11,905.12        |

- (i) The forthcoming issue(s) will be dated 25th October 2010.  
(ii) The specific features of the Bonds, that is the Tenor, Amounts, Coupon rates and issue terms will be provided in the prospectus and in the press before the issue date.

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