

A. RESULTS OF ONE YEAR TREASURY BOND ISSUE NO. FXD 3/2012/1 VALUE DATED 26/03/2012

This month the Central Bank of Kenya offered a 1-year Fixed Coupon Treasury Bond for a total amount of **Kshs 10 Billion**. The Bond was oversubscribed at **151%**. The total number of bids received was **328** amounting to Kshs 15.14 Billion. The number of bids accepted was **318** worth **Kshs 15.04 Billion**. The Weighted Average rate of accepted bids declined from **18.030%** to **16.432%** and the Market determined Coupon rate was **16.432%** per annum. The other auction statistics are summarised in the table below.

TENOR	1 YEAR
Due Date	25/03/2013
Total Amount Offered (Kshs. M)	10,000.00
Total bids Received (Kshs. M)	15,142.63
Performance Rate (%)	151
Number of Bids Received	328
Number of accepted Bids	318
Total Amount Accepted (Kshs. M)	15,038.39
Of which : Competitive bids	13,627.34
: Non-competitive bids	1,411.05
Market Weighted Average Rate	16.452%
Weighted Average Rate of accepted bids	16.432%
Price per Kshs 100 at Weighted Average Rate for accepted bids	100.000
Coupon Rate (%)	16.432%
Purpose/ Application of funds:	
Redemptions	6,176.75
New Borrowing	8,861.64

B. COMPARATIVE AVERAGE INTEREST RATES

	THIS AUCTION (%)	LAST AUCTION (%) 27/02/2012	VARIANCE (%)
MARKET WEIGHTED AVERAGE RATE	16.452	19.189	2.737 ↓
WEIGHTED AVERAGE RATE OF ACCEPTED BIDS	16.432	18.030	1.598 ↓

C. FORTHCOMING TREASURY BOND ISSUE FOR THE MONTH OF APRIL 2012

	Kshs (M)
OFFER AMOUNT (at cost) of which:	TO BE ADVISED
Redemptions	-
Net Repayment/New Borrowing	-

The forthcoming issue(s) will be dated 30th April 2012. The specific features of the Bond(s), that is the Tenor, Amounts, Coupon rates and issue terms will be provided in the prospectus and in the press before the issue date.

Payments of Kshs. 1 Million and above must be made by electronic transfer using RTGS, while Payments below Kshs. 1 Million may be made by Banker's Cheque, Cash or RTGS and must reach the Central Bank not later than 2.00 p.m. on **Friday 23rd March 2012** for Cheques and Cash and 3.00 p.m. for RTGS. Please provide the following details with each payment: Name, Reference Number, CDS account Number when using RTGS. The account to be credited when using RTGS is Treasury Bonds Issues, Account Number 01-053-0001.

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 Auctions for 91 and 182 Days Treasury bills value dated 26th March 2012 will be combined and be held Wednesday, 21st March, 2012. Payments for by successful bidders for all auctions value dated 26th March 2012 will be received by latest 2.00 pm Friday, 23rd March 2012.
- 4.) 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 on **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.