

A. RESULTS OF TREASURY BONDS ISSUE NOS. FXD 4/2010/2 & FXD 2/2010/15 VALUE DATED 27/12/2010

This month the Central Bank of Kenya offered 2-year and 15-year Treasury Bonds for a total amount of up to **Kshs 15 Billion**. The total number of bids received was 425 amounting to **Kshs 24.3 Billion** or 162% subscription. The market determined coupon rate was 4.586% for the 2-year bond. Bids accepted amounted to **Kshs 15.3 Billion**. The Weighted average rate for successful bids was 4.586% up from 3.698% for the 2-year Bond and 10.923% up from 9.980% for the 15-year Bond. The other auction statistics are summarised in the table below.

TENOR	2 YEAR	15 YEAR	
Due Date	24-12-12	08-12-25	
Total Amount Offered (Kshs. M)			15,000.00
Total bids Received (Kshs. M)	13,577.02	10,698.94	24,275.96
Performance Rate (%)			161.84
Total Number of Bids Received	133	292	425
Number of Successful Bids	107	234	341
Total Amount Accepted (Kshs. M)	8,947.01	6,316.19	15,263.20
Of which : Competitive bids	8,913.41	5,567.94	14,481.35
: Non-competitive bids	33.60	748.25	781.85
Average Redemption yield (%)	4.586	10.923	
Price per Kshs 100 at average yield	100.000	85.966	
Coupon Rate (%)	4.586	9.000	
Purpose/ Application of funds:			
Redemptions			3,090.57
New Borrowing			12,172.63

B. COMPARATIVE INTEREST RATES

	THIS AUCTION (%)	LAST AUCTION (%) 27/09/10	VARIANCE (%)
2 YEAR - MARKET WEIGHTED AVERAGE RATE	5.039	3.814	1.225 ↑
- WEIGHTED AVERAGE RATE OF ACCEPTED BIDS	4.586	3.698	0.888 ↑

	THIS AUCTION (%)	LAST AUCTION (%) 29/03/10	VARIANCE (%)
15 YEAR - MARKET WEIGHTED AVERAGE RATE	11.978	10.133	1.845 ↑
- WEIGHTED AVERAGE RATE OF ACCEPTED BIDS	10.923	9.980	0.943 ↑

C. FORTHCOMING TREASURY BOND(S) ISSUES FOR THE MONTH OF JANUARY 2011

	Kshs (M)
OFFER AMOUNT (at cost) of which:	13,000.00
Redemptions	3,124.58
New Borrowing	9,875.42

- (i) The forthcoming issue(s) will be dated 31st January 2011.
- (ii) 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.