



A. RESULTS OF TREASURY BONDS ISSUE NO. FXD 2/2011/2 AND RE-OPENING ISSUE NO. FXD 2/2010/15 VALUE DATED 25/04/2011

This month the Central Bank of Kenya issued a 2-year and re-opened a 15-year Treasury Bond for a total amount of up to Kshs 18 Billion. The total number of bids received was 872 amounting to 10.4 billion or 58% subscription. The market determined coupon rate was 7.439% for the 2-year bond. Bids accepted amounted to 6.2 billion. The weighted average rate for the accepted bids was 7.439% up from 5.284% for the 2-year Bond and 12.388% up from 10.923% for the 15-year. The rise in rates is as a result of tightening Monetary Policy which as expected has reduced liquidity in the Market in addition to the final payments of 2010 tax liabilities that has further reduced liquidity. The other auction statistics are summarised in the table below.

TENOR	2 YEAR	15 YEAR	
Due Date	22/04/2013	08/12/2025	
Total Amount Offered (Kshs. M)			18,000.00
Total bids Received (Kshs. M)	2,487.45	7,907.91	10,395.36
Performance Rate (%)			57.75
Total Number of Bids Received	122	464	586
Number of Successful Bids	99	321	420
Total Amount Accepted (Kshs. M)	1,439.02	4,787.10	6,226.13
Of which : Competitive bids	1,386.02	4,544.59	5,930.61
: Non-competitive bids	53.00	242.52	295.52
Average Redemption yield (%)	7.439	12.388	
Price per Kshs 100 at average yield	100.000	77.308	
Coupon Rate (%)	7.439	9.000	
Purpose/ Application of funds:			
Redemptions			3,991.39
Net repayment			2,234.73

B. COMPARATIVE INTEREST RATES

	THIS AUCTION (%)	LAST AUCTION (%) 28/02/11	VARIANCE (%)
2 YEAR - MARKET WEIGHTED AVERAGE RATE	8.477	5.438	3.039 ↑
- WEIGHTED AVERAGE RATE OF ACCEPTED BIDS	7.439	5.284	2.155 ↑

	THIS AUCTION (%)	LAST AUCTION (%) 27/12/10	VARIANCE (%)
15 YEAR - MARKET WEIGHTED AVERAGE RATE	12.848	11.978	0.870 ↑
- WEIGHTED AVERAGE RATE OF ACCEPTED BIDS	12.388	10.923	1.465 ↑

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

	Kshs (M)
OFFER AMOUNT (at cost) of which:	16,000.00
Redemptions	11,397.40
New Borrowing	4,602.60

(i) The forthcoming issue(s) will be dated 30th May 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.