



A. RESULTS OF FIRST SAVINGS DEVELOPMENT BOND ISSUE NO. SDB 1/2011/30 & TWO YEAR TREASURY BOND ISSUE NO. FXD 1/2011/2 VALUE DATED 28/02/2011

This month the Central Bank of Kenya offered the first Savings Development Bond and Two year Treasury Bond for a total amount of up to Kshs 18 Billion. A total of 660 new CDS Accounts were opened during the sale period, equivalent to 10% of the active CDS Accounts. The total number of bids received for the Savings Bond was 1371 amounting to Kshs 18.4 Billion and number of bids received for the 2 year was 310 amounting to Kshs 15.3 Billion. Total amount received was Kshs 33.7 Billion. The market determined coupon rate was 5.284% for the 2 year bond. Bids accepted amounted to Kshs 22.4 Billion. The Weighted average rate for successful bids was 12.959% for the 30-year Bond and 5.284% for the 2-year Bond. The other auction statistics are summarised in the table below.

TENOR	2 YEAR	30 YEAR	
Due Date	2/25/2013	1/21/2041	
Total Amount Offered (Kshs. M)			18,000.00
Total bids Received (Kshs. M)	15,295.66	18,359.51	33,655.18
Performance Rate (%)			186.97
Total Number of Bids Received	310	1,371	1,681
Number of Successful Bids	246	963	1,209
Total Amount Accepted (Kshs. M)	14,269.92	8,125.69	22,395.61
Of which : Competitive bids	14,116.77	6,545.15	20,661.92
: Non-competitive bids	153.15	1,580.54	1,733.69
Average Redemption yield (%)	5.284	12.959	
Price per Kshs 100 at average yield	100.000	92.771	
Coupon Rate (%)	5.284	12.000	
Purpose/ Application of funds:			
Redemptions			3,387.13
New Borrowing			19,008.48

B. COMPARATIVE INTEREST RATES

	THIS AUCTION (%)	LAST AUCTION (%) 27/12/10	VARIANCE (%)
2 YEAR - MARKET WEIGHTED AVERAGE RATE	5.438	5.039	0.399 ↑
- WEIGHTED AVERAGE RATE OF ACCEPTED BIDS	5.284	4.586	0.698 ↑

	THIS AUCTION (%)	LAST AUCTION (%)	VARIANCE (%)
30 YEAR - MARKET WEIGHTED AVERAGE RATE	14.145	N/A	N/A
- WEIGHTED AVERAGE RATE OF ACCEPTED BIDS	12.959	N/A	N/A

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

	Kshs (M)
OFFER AMOUNT (at cost) of which:	18,000.00
Redemptions	8,496.08
New Borrowing	9,503.92

(i) The forthcoming issue(s) will be dated 28th March 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.