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#### A. RESULTS OF RE-OPENED TREASURY BONDS ISSUE NOS. FXD 2/2011/2, FXD 2/2010/5 AND FXD 1/2011/20 DATED 27/06/2011

This month the Central Bank of Kenya re-opened 2-year, 5-year and 20-year Treasury Bonds for a total amount of up to Kshs 18 Billion. The total number of bids received was 706 amounting to 19 Billion or 105% subscription. Bids accepted amounted to 9 Billion, equivalent to about 50% of the bids received with the objective of seeking to minimise cost of contracting debt. The weighted average rate for the accepted bids was 12.442% up from 10.387% for the 2-year, 12.529% up from 6.671% for the 5-year Bond thereby re-aligning it in the yield curve and 14.822% up from 13.974% for the 20-year Bond. The other auction statistics are summarised in the table below.

TENOR	2 - YEAR	5 - YEAR	20 - YEAR	
Due Date	22/04/2013	23/11/2015	05/05/2031	
Total Amount Offered (Kshs. M)				18,000.00
Total bids Received (Kshs. M)	8,250.56	6,012.83	4,726.59	18,989.98
Performance Rate (%)				105
Total Number of Bids Received	219	221	266	706
Number of Accepted Bids	209	67	135	411
Total Amount Accepted (Kshs. M)	6,741.13	1,388.41	861.07	8,990.61
Of which : Competitive bids	6,586.91	1,275.32	659.74	8,521.97
: Non-competitive bids	154.22	113.09	201.33	468.64
Average Redemption yield (%)	12.442	12.529	14.822	
Price per Kshs 100 at average yield	92.017	80.546	69.328	
Coupon Rate (%)	7.439	6.671	10.000	
Purpose/ Application of funds:				
Redemptions				-
New Borrowing				8,990.61

#### B. COMPARATIVE INTEREST RATES

	THIS AUCTION (%)	LAST AUCTION (%) 30/05/2011	VARIANCE (%)
2 YEAR - MARKET WEIGHTED AVERAGE RATE	12.590	10.411	2.179 ↑
- WEIGHTED AVERAGE RATE OF ACCEPTED BIDS	12.442	10.387	2.055 ↑

	THIS AUCTION (%)	LAST AUCTION (%) 29/11/2010	VARIANCE (%)
5 YEAR - MARKET WEIGHTED AVERAGE RATE	13.884	7.078	6.806 ↑
- WEIGHTED AVERAGE RATE OF ACCEPTED BIDS	12.529	6.671	5.858 ↑

	THIS AUCTION (%)	LAST AUCTION (%) 30/05/2011	VARIANCE (%)
20 YEAR - MARKET WEIGHTED AVERAGE RATE	16.965	13.993	2.972 ↑
- WEIGHTED AVERAGE RATE OF ACCEPTED BIDS	14.822	13.974	0.848 ↑

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

	Kshs (M)
OFFER AMOUNT (at cost) of which:	18,000.00
Redemptions	2,640.99
New Borrowing	15,359.01

(i) The forthcoming issue(s) will be dated 25th July 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.

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