

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

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A. RESULTS OF 91 DAYS TREASURY BILLS ISSUE NO. 1983 VALUE DATED 24/12/2012

This week the Central Bank of Kenya offered 91-day Treasury Bills for a total of Kshs 4 Billion. The total number of bids received was 161 amounting to Kshs. 5.07 Billion, representing a subscription of 127%. Total bids accepted amounted to Kshs 4.29 Billion. The market weighted average rate was 8.392%, and the weighted average of accepted bids which will be applied for non-competitive bids was 8.142% down from 8.174% in the previous auction. The other auction statistics are summarised in the table below.

| | |
|---|------------|
| Due Date | 25/03/2013 |
| Amount Offered (Kshs. M) | 4,000.00 |
| Bids Received (Kshs. M) | 5,070.88 |
| Performance Rate (%) | 127 |
| Number of Bids Received | 161 |
| Number of accepted Bids | 153 |
| Amount Accepted (Kshs. M) | 4,292.71 |
| Of which : Competitive bids | 3,782.32 |
| : Non-Competitive bids | 510.39 |
| Purpose / Application of Funds: | |
| Rollover / Redemptions | 1,923.34 |
| Net Repayment/Borrowing | 2,369.37 |
| Market Weighted Average Rate | 8.392% |
| Weighted Average Rate of accepted bids | 8.142% |
| Price per Kshs 100 at Weighted Average Rate for accepted bids | 98.010 |

B. COMPARATIVE INTEREST RATES

| | This Auction | Last Auction | Variance |
|--|--------------|--------------|----------|
| Value Dates | 24/12/2012 | 17/12/2012 | |
| Weighted Average Rate of Accepted bids (%) | 8.142 | 8.174 | 0.032 ↓ |

C. NEXT WEEK'S TREASURY BILLS AUCTIONS: ISSUE NOS. 1984/91 & 1965/182 DATED 31/12/2012

| TENOR | 91 DAYS | 182 DAYS | TOTAL |
|------------------------------|------------|------------|----------|
| Offer Amount (Kshs. M) | 4,000.00 | 3,000.00 | 7,000.00 |
| Auction Dates & Bids Closure | 27/12/2012 | 27/12/2012 | |
| Results Announcement | 28/12/2012 | 28/12/2012 | |
| Redemptions | | | 1,355.51 |
| New Borrowing | | | 5,644.49 |

The actual amount to be realised from the auction will be subject to Treasury's immediate liquidity requirements for the week. Where several successful bidders quote a common rate, the Central Bank of Kenya reserves the right to allot bids on a pro-rata basis. The Central Bank reserves the right to accept/reject bids in part or in full without giving any reason. Individual bids must be of a minimum face value of Kshs 100,000.00. Only CDS holders with updated mandates are eligible.

Bids must be submitted using the specified format and must reach the Central Bank (HQ, Branch or Currency Centre) by 2.00 p.m. on Thursday 27th December 2012 for 182 and 91 day Treasury Bills. Payments above Kshs.1 Million must be made by electronic transfer using RTGS. Payments below Kshs. 1 Million may be made by Banker's Cheque or RTGS and must reach the Central Bank not later than 2.00 p.m. on Monday 17th December 2012 for Cheques and 3.00 p.m for RTGS electronic fund transfers. Please provide the following details with each payment: Name, Reference No., the New CDS Portfolio and the customer's Virtual account No.

D. NON-COMPETITIVE BIDS

Non-competitive bids are subject to a maximum of Kshs. 20 Million per investor and are issued at the weighted average of accepted bids.

E. COMPETITIVE BIDS

Competitive Bidders must quote their desired Interest Rate(%) and not Price per Kes 100. New application forms are available on the CBK website.

GERALD A. NYAOMA
DIRECTOR, FINANCIAL MARKETS DEPARTMENT
20 December 2012