



A. RESULTS OF 91 DAYS TREASURY BILLS ISSUE NO. 1968 VALUE DATED 10/09/2012

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 159 amounting to **Kshs. 3.228 Billion**, representing a subscription of **81%**. Total bids accepted amounted to **Kshs 3.228Billion**. The market weighted average rate was **7.808%**, and the weighted average of accepted bids which will be applied for non-competitive bids was **7.808%** down from **8.119%** in the previous auction. The other auction statistics are summarised in the table below.

| | |
|---|---------------|
| Due Date | 10/12/2012 |
| Amount Offered (Kshs. M) | 4,000.00 |
| Bids Received (Kshs. M) | 3,228.74 |
| Performance Rate (%) | 81 |
| Number of Bids Received | 159 |
| Number of accepted Bids | 159 |
| Amount Accepted (Kshs. M) | 3,228.74 |
| Of which : Competitive bids | 2,722.79 |
| : Non-Competitive bids | 505.95 |
| Purpose / Application of Funds: | |
| Rollover / Redemptions | 832.02 |
| Total Redemptions | 832.02 |
| New Borrowing | 2,396.72 |
| Market Weighted Average Rate | 7.808% |
| Weighted Average Rate of accepted bids | 7.808% |
| Price per Kshs 100 at Weighted Average Rate for accepted bids | 98.091 |

B. COMPARATIVE INTEREST RATES

| | This Auction | Last Auction | Variance |
|-------------|--------------|--------------|----------|
| Value Dates | 10/09/2012 | 03/09/2012 | |
| | 7.808 | 8.119 | 0.311 ↓ |

C. NEXT WEEK'S TREASURY BILLS AUCTIONS: ISSUE NOS. 1969/91 & 1950/182 DATED 17/09/2012

| TENOR | 91 DAYS | 182 DAYS | TOTAL |
|------------------------------|------------|------------|----------|
| Offer Amount (Kshs. M) | 4,000.00 | 4,000.00 | 8,000.00 |
| Auction Dates & Bids Closure | 13/09/2012 | 12/09/2012 | |
| Results Announcement | 14/09/2012 | 13/09/2012 | |
| Redemptions | | | 2,973.32 |
| New Borrowing | | | 5,026.68 |

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 Wednesday 12th September 2012 for 182 day and Thursday 13th September 2012 for 91 day Treasury Bills respectively. 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 September 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.

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06/09/2012