

CLEAN PRICES FOR THE RE-OPENED 2 YEAR (FXD 2/2011/2) BOND (1.30 YRS TO MATURITY) AT 7.439% P.A. COUPON FOR VARIOUS YIELD QUOTES

YIELD(YTM)	PRICE
7.000%	100.760
7.125%	100.540
7.250%	100.320
7.375%	100.101
7.439%	99.989
7.500%	99.883
7.625%	99.665
7.750%	99.448
7.875%	99.232
8.000%	99.016
8.125%	98.801
8.250%	98.586
8.375%	98.372
8.500%	98.159
8.625%	97.946
8.750%	97.734
8.875%	97.522
9.000%	97.311
9.125%	97.100
9.250%	96.881
9.375%	96.681
9.500%	96.473
9.625%	96.265
9.750%	96.057
9.875%	95.850
10.000%	95.644
10.125%	95.438
10.250%	95.233
10.375%	95.029
10.500%	94.825
10.625%	94.621
10.750%	94.418
10.875%	94.216
11.000%	94.014
11.125%	93.813
11.250%	93.612
11.375%	93.412

CLEAN PRICES FOR THE RE-OPENED 10 YEAR (FXD 1/2010/10) BOND (8.90 YRS TO MATURITY) AT 8.79% P.A. COUPON FOR VARIOUS YIELD QUOTES

YIELD(YTM)	PRICE
7.000%	111.702
7.125%	110.828
7.250%	109.963
7.375%	109.106
7.500%	108.258
7.625%	107.419
7.750%	106.588
7.875%	105.765
8.000%	104.950
8.125%	104.144
8.250%	103.345
8.375%	102.555
8.500%	101.772
8.625%	100.997
8.750%	100.229
8.790%	99.985
8.875%	99.470
9.000%	98.717
9.125%	97.972
9.250%	97.235
9.375%	96.504
9.500%	95.871
9.625%	95.065
9.750%	94.356
9.875%	93.654
10.000%	92.959
10.125%	92.270
10.250%	91.588
10.375%	90.913
10.500%	90.245
10.625%	89.582
10.750%	88.927
10.875%	88.277
11.000%	87.634
11.125%	86.997
11.250%	86.367
11.375%	85.742

PRICE GUIDE FOR 20 YEAR FIXED COUPON TREASURY BOND FOR VARIOUS YIELD QUOTES

YIELD(YTM)	PRICE
8.000%	119.793
8.125%	118.384
8.250%	117.001
8.375%	115.643
8.500%	114.308
8.625%	112.997
8.750%	111.709
9.000%	109.201
9.125%	107.979
9.250%	106.779
9.375%	105.600
9.500%	104.441
9.625%	103.302
9.750%	102.182
9.875%	101.082
10.000%	100.000
10.125%	98.937
10.250%	97.891
10.375%	96.864
10.500%	95.853
10.625%	94.860
10.750%	93.883
10.875%	92.922
11.000%	91.977
11.125%	91.048
11.250%	90.134
11.375%	89.235
11.500%	88.350
11.625%	87.480
11.750%	86.624
11.875%	85.782
12.000%	84.954
12.125%	84.138
12.250%	83.336
12.375%	82.547
12.500%	81.770

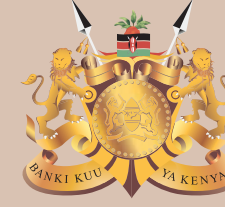
YIELD(YTM)	PRICE
12.625%	81.005
12.750%	80.252
12.875%	79.511
13.000%	78.782
13.125%	78.064
13.250%	77.357
13.375%	76.661
13.500%	75.975
13.625%	75.300
13.750%	74.636
13.875%	73.981
14.000%	73.337
14.125%	72.702
14.250%	72.076
14.375%	71.460
14.500%	70.853
14.625%	70.255
14.750%	69.666
14.875%	69.086
15.000%	68.514
15.125%	67.950
15.250%	67.395
15.375%	66.848
15.500%	66.308
15.625%	65.776
15.750%	65.252
15.875%	64.736
16.000%	64.226
16.125%	63.724
16.250%	63.229
16.375%	62.741
16.500%	62.259
16.625%	61.785
16.750%	61.318
16.875%	60.855
17.000%	60.399
17.125%	59.950

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 0.715 per Ksh 100. Withholding Tax is computed on clean prices.
Example: If yield quoted is 7.439%, Settlement price is the clean price (Ksh 99.989) plus AI (Ksh 0.715) which gives Ksh 100.705.

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 0.845 per Ksh 100. Withholding Tax is computed on clean prices.
Example: If yield quoted is 8.790%, Settlement price is the clean price (Ksh 99.985) plus AI (Ksh 0.845) which gives Ksh 100.831.



CENTRAL BANK OF KENYA

PROSPECTUS FOR
TREASURY BONDS

ISSUE NO. FXD 1/2011/20

&

RE-OPENING OF

FXD 1/2010/10 AND FXD 2/2011/2

TOTAL VALUE: UP TO KSHS 18 BILLION

For enquiries please contact Central Bank of Kenya, Financial Markets Department on 2860000 or our Branches Mombasa, Kisumu and Eldoret or Nyeri, Meru and Nakuru Currency Centres or any commercial bank, investment bank, stock brokers or send an email to NDO@centralbank.go.ke or visit the CBK website on www.centralbank.go.ke

FXD 1/2011/20, FXD 1/2010/10 & FXD 2/2011/2

The Central Bank of Kenya, acting in its capacity as fiscal agent for the Republic of Kenya, invites bids for the above Bonds whose terms and conditions are as follows:-

Issuer : Republic of Kenya
Amount : Up to Kshs. **18 Billion**
Purpose : Budgetary Support
Tenors : **20 Years - New**
: **10 Years - Reopening**
: **2 Years - Reopening**
Coupons : **20-Year - 10.000%**
: **10-Year - 8.790%**
: **2-Year - 7.439%**
Period of sale : **09/05/2011 to 24/05/2011**
Value Date : **30/05/2011**
Price Quote : Discounted/Premium/ Par
Minimum Amount : **Kshs. 50,000.00**
Interest Payment Dates:

20 - Year	10 - Year	2-Years
28/11/2011	15/11/2021	24/10/2011
28/05/2012	16/05/2022	23/04/2012
26/11/2012	14/11/2022	22/10/2012
27/05/2013	15/05/2023	22/04/2013
25/11/2013	13/11/2023	21/10/2013
26/05/2014	13/05/2024	21/04/2014
24/11/2014	11/11/2024	20/10/2014
25/05/2015	12/05/2025	20/04/2015
23/11/2015	10/11/2025	19/10/2015
23/05/2016	11/05/2026	18/04/2016
21/11/2016	09/11/2026	17/10/2016
22/05/2017	10/05/2027	17/04/2017
20/11/2017	08/11/2027	16/10/2017
21/05/2018	08/05/2028	16/04/2018
19/11/2018	06/11/2028	15/10/2018
20/05/2019	07/05/2029	15/04/2019
18/11/2019	05/11/2029	14/10/2019
18/05/2020	06/05/2030	13/04/2020
16/11/2020	04/11/2030	
17/05/2021	05/05/2031	

Tax : Discount/interest is subject to withholding tax at rate of **10%** for 20 and 10 year and **15%** for the 2 year
Redemption Dates : **20 Year - 05/05/2031**
10 Year - 13/04/2020
2 Year - 22/04/2013

Issuing and Paying Agent:Registrar, National Debt.

Placing Agents:

- Commercial Banks
- Non-Bank Financial Institutions
- Licensed Stock Brokers
- Licensed Investment Advisors

Issuance method : Multi-Price Bid Auction

Non-Competitive Bids : Maximum **Kshs 20 Million** per investor per tenor.

Bids Closure : Duly completed bond application forms must be submitted to any branch or currency centre of the Central Bank in the specified tender box by **2.00 pm on Tuesday May 24, 2011.**

Auction Date : **25/05/2011**

Results : Investors should obtain details of amounts payable for successful bids, from Central Bank on **26/05/2011**

Defaulters : Defaulters may be suspended from subsequent investment in Government Securities.

Commission : Licensed placing agents will be paid commission at the rate of **0.15%** of actual sales (at cost) net of **5%** withholding tax.

Rediscounting : The Central Bank will rediscount the bonds as a last resort at **3%** above the prevailing market yield or coupon rate whichever is higher, **upon written confirmation to do so from the Nairobi Stock Exchange.**

Liquidity : The bonds qualify for statutory liquidity ratio requirements for Commercial Banks and Non-Bank Financial Institutions as stipulated in the Banking Act CAP 488 of the Laws of Kenya.

Listing : The bonds will be listed on the Nairobi Stock Exchange.

Registrar : National Debt, Central Bank of Kenya.

Eligibility : Only CDS Account holders with updated mandates.

Re-opening : The Bonds may be re-opened at a future date.

Secondary Trading of the Bonds:

Secondary trading in multiples of KShs 50,000.00 to commence on **May 31, 2011**

Right to accept applications

: The Central Bank reserves the right to accept bids in full or part thereof or reject them in total without giving any reason.

CDS Account Opening:

The Central Bank has appointed on a pilot basis 5 banks namely: Kenya Commercial Bank, Equity Bank, National Bank, Co-operative Bank and Kenya Post Office Savings Bank to facilitate opening of CDS accounts, receiving bid application forms and payment for successful bids.

**DIRECTOR, FINANCIAL MARKETS DEPARTMENT
CENTRAL BANK OF KENYA
May 2011**