

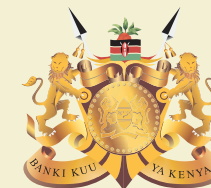
**CLEAN PRICES FOR THE RE-OPENED 15 YEAR (FXD2/2010/15) BOND (14.67 YRS TO MATURITY) AT 9% P.A. COUPON FOR VARIOUS YIELD QUOTES**

YIELD(YTM)	PRICE
7.000%	118.143
7.125%	116.877
7.250%	115.630
7.375%	114.402
7.500%	113.192
7.625%	111.999
7.750%	110.824
7.875%	109.667
8.000%	108.526
8.125%	107.402
8.250%	106.294
8.375%	105.203
8.500%	104.127
8.625%	103.067
8.750%	102.022
8.875%	100.992
<b>9.000%</b>	<b>99.978</b>
9.125%	98.977
9.250%	97.991
9.375%	97.019
9.500%	96.062
9.625%	95.117
9.750%	94.186
9.875%	93.269
10.000%	92.364
10.125%	91.472
10.250%	90.593
10.375%	89.726
10.500%	88.871
10.625%	88.028
10.750%	87.197
10.875%	86.377
11.000%	85.569
11.125%	84.772
11.250%	83.986
11.375%	83.211
11.500%	82.446

YIELD(YTM)	PRICE
11.625%	81.693
11.750%	80.949
11.875%	80.215
12.000%	79.492
12.125%	78.778
12.250%	78.075
12.375%	77.380
12.500%	76.695
12.625%	76.019
12.750%	75.353
12.875%	74.695
13.000%	74.046
13.125%	73.406
13.250%	72.774
13.375%	72.151
13.500%	71.535
13.625%	70.929
13.750%	70.330
13.875%	69.738
14.000%	69.155
14.125%	68.579
14.250%	68.011
14.375%	67.450
14.500%	66.897
14.625%	66.350
14.750%	65.811
14.875%	65.279
15.000%	64.753
15.125%	64.234
15.250%	63.722
15.375%	63.217
15.500%	62.717
15.625%	62.224
15.750%	61.738
15.875%	61.257
16.000%	60.783
16.125%	60.314

**IMPORTANT INFORMATION**

The bond attracts Accrued Interest (AI) of Ksh 2.942 per Ksh 100. Withholding Tax is computed on clean prices. Example: If yield quoted is 9.000%, Settlement price is the clean price (Ksh 99.978) plus AI (Ksh 2.942) which gives Ksh 102.920.



**CENTRAL BANK OF KENYA**

**AN OPPORTUNITY TO INVEST IN  
GOVERNMENT SECURITIES**

**PROSPECTUS FOR TREASURY BONDS**

**2 YEAR FIXED COUPON BOND**

**ISSUE NO. FXD 2/2011/2**

**AND**

**15 YEAR RE-OPENING OF FIXED COUPON BOND**

**ISSUE NO FXD 2/2010/15**

**TOTAL VALUE: UP TO KSHS 18 BILLION**

**APRIL 2011**

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](mailto:NDO@centralbank.go.ke) or visit the CBK website on [www.centralbank.go.ke](http://www.centralbank.go.ke)

**FXD 2/2011/2 & FXD 2/2010/15**

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** : **Two Years**  
: **Fifteen Years (14.67 Years to Maturity)**  
**Coupons** : **2-Year - Market Derived**  
: **15-Year - 9.000%**  
**Period of sale** : **05/04/2011 to 19/04/2011**  
**Value Date** : **25/04/2011**  
**Price Quote** : Discounted/Premium/ Par  
**Minimum Amount:** **Kshs. 50,000.00**  
**Interest Payment Dates:**

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

**Tax** : Discount/interest is subject to withholding tax at rate of **15%** and **10 %** for the 2 and 15 year bond respectively.

**Redemption Dates :** **2 Year - 22/04/2013**  
**15 Year - 08/12/2025**

**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 of the Central Bank in the specified tender box by **2.00 p.m on Tuesday April 19, 2011.**

**Auction Date** : **20/04/2011**  
**Results** : Investors should obtain details of amounts payable for successful bids, from Central Bank on **21/04/2011.**  
**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 **April 27, 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**

**April 2011**