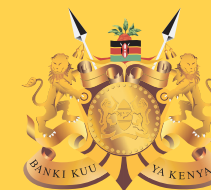


| YIELD(YTM) | CLEAN PRICE |
|----------------|---------------|
| 8.000% | 126.145 |
| 8.125% | 124.965 |
| 8.250% | 123.802 |
| 8.375% | 122.653 |
| 8.500% | 121.520 |
| 8.625% | 120.401 |
| 8.750% | 119.297 |
| 8.875% | 118.208 |
| 9.000% | 117.132 |
| 9.125% | 116.071 |
| 9.250% | 115.023 |
| 9.375% | 113.988 |
| 9.500% | 112.967 |
| 9.625% | 111.959 |
| 9.750% | 110.964 |
| 9.875% | 109.982 |
| 10.000% | 109.012 |
| 10.125% | 108.055 |
| 10.250% | 107.110 |
| 10.375% | 106.176 |
| 10.500% | 105.255 |
| 10.625% | 104.345 |
| 10.750% | 103.447 |
| 10.875% | 102.560 |
| 11.000% | 101.684 |
| 11.125% | 100.819 |
| 11.250% | 99.965 |
| 11.375% | 99.122 |
| 11.500% | 98.289 |
| 11.625% | 97.466 |
| 11.750% | 96.654 |
| 11.875% | 95.852 |
| 12.000% | 95.059 |
| 12.125% | 94.277 |
| 12.250% | 93.504 |
| 12.375% | 92.740 |
| 12.500% | 91.986 |

| YIELD(YTM) | CLEAN PRICE |
|------------|-------------|
| 12.625% | 91.241 |
| 12.750% | 90.505 |
| 12.875% | 89.778 |
| 13.000% | 89.060 |
| 13.125% | 88.351 |
| 13.250% | 87.650 |
| 13.375% | 86.957 |
| 13.500% | 86.273 |
| 13.625% | 85.597 |
| 13.750% | 84.930 |
| 13.875% | 84.270 |
| 14.000% | 83.618 |
| 14.125% | 82.974 |
| 14.250% | 82.337 |
| 14.375% | 81.708 |
| 14.500% | 81.087 |
| 14.625% | 80.473 |
| 14.750% | 79.866 |
| 14.875% | 79.266 |
| 15.000% | 78.673 |
| 15.125% | 78.087 |
| 15.250% | 77.508 |
| 15.375% | 76.936 |
| 15.500% | 76.370 |
| 15.625% | 75.811 |
| 15.750% | 75.258 |
| 15.875% | 74.712 |
| 16.000% | 74.172 |
| 16.125% | 73.638 |
| 16.250% | 73.110 |
| 16.375% | 72.588 |
| 16.500% | 72.072 |
| 16.625% | 71.562 |
| 16.750% | 71.058 |
| 16.875% | 70.560 |
| 17.000% | 70.067 |
| 17.125% | 69.580 |

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 3.678 per Ksh 100. Withholding Tax is computed on clean prices.



CENTRAL BANK OF KENYA

PROSPECTUS FOR TWO-YEAR & FIFTEEN-YEAR (RE-OPEN)

FIXED COUPON TREASURY BONDS

ISSUE NOs. FXD 3/2014/2 & FXD 1/2013/15

TOTAL VALUE: KSHS 20 BILLION

DECEMBER 2014

For enquiries please contact Central Bank of Kenya, Financial Markets Department on 2860000 or our Branches in 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 3/2014/2 & FXD 1/2013/15

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 | : Kshs.20 Billion |
| Purpose | : Budgetary Support |
| Tenor | : Two Year-New |
| | : Fifteen-Year-Re-open (13.173 years) |
| Coupon | : Two-Year-Market Determined |
| | : Fifteen-Year - 11.250% |
| Period of sale | : 05/12/2014 to 16/12/2014 |
| Value Date | : 22/12/2014 |
| Price Quote | : Discounted/Premium/ Par |
| Minimum Amount | : Kshs.50,000.00 |
| Interest Payment Dates | : 2 - Year |
| | 22/06/2015 20/06/2016 |
| | 21/12/2015 19/12/2016 |
| | 15 - Year |
| | 23/02/2015 19/08/2019 12/02/2024 |
| | 24/08/2015 17/02/2020 12/08/2024 |
| | 22/02/2016 17/08/2020 10/02/2025 |
| | 22/08/2016 15/02/2021 11/08/2025 |
| | 20/02/2017 16/08/2021 09/02/2026 |
| | 21/08/2017 14/02/2022 10/08/2026 |
| | 19/02/2018 15/08/2022 08/02/2027 |
| | 20/08/2018 13/02/2023 09/08/2027 |
| | 18/02/2019 14/08/2023 07/02/2028 |
| Taxation | : Discount/Interest is subject to withholding tax at a rate of 15% for 2-year and 10% for 15-year. |
| Redemption Dates | : 2- Year -19/12/2016; 15-Year - 07/02/2028 |
| Issuing and Paying Agent | : Registrar, National Debt. |
| Placing Agents | : <ul style="list-style-type: none">• 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 account 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,16th December, 2014. |
| Auction Date Results | : 17/12/2014 |
| | : Investors should obtain details of amounts payable for successful bids, from Central Bank on 18/12/2014. |
| 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 Securities 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 Securities Exchange. |
| Classification | : These bonds are benchmark bonds. |
| 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 | : Secondary trading in multiples of Kshs. 50,000.00 to commence on Tuesday, 23rd December, 2014. |
| 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. |