

PRICE GUIDE FOR THE 30 YEAR SAVINGS DEVELOPMENT BOND ISSUE SDB1/2011/30

| YIELD(YTM) | CLEAN PRICE | YIELD(YTM) | CLEAN PRICE |
|------------|-------------|------------|-------------|
| 8.000% | 143.986 | 12.625% | 95.231 |
| 8.125% | 142.138 | 12.750% | 94.327 |
| 8.250% | 140.331 | 12.875% | 93.438 |
| 8.375% | 138.560 | 13.000% | 92.564 |
| 8.500% | 136.828 | 13.125% | 91.706 |
| 8.625% | 135.128 | 13.250% | 90.861 |
| 8.750% | 133.464 | 13.375% | 90.031 |
| 8.875% | 131.835 | 13.500% | 89.215 |
| 9.000% | 130.238 | 13.625% | 88.413 |
| 9.125% | 128.676 | 13.750% | 87.624 |
| 9.250% | 127.142 | 13.875% | 86.848 |
| 9.375% | 125.640 | 14.000% | 86.084 |
| 9.500% | 124.168 | 14.125% | 85.315 |
| 9.625% | 122.726 | 14.250% | 84.552 |
| 9.750% | 121.311 | 14.375% | 83.795 |
| 9.875% | 119.925 | 14.500% | 83.044 |
| 10.000% | 118.565 | 14.625% | 82.297 |
| 10.125% | 117.233 | 14.750% | 81.554 |
| 10.250% | 115.929 | 14.875% | 80.814 |
| 10.375% | 114.642 | 15.000% | 80.078 |
| 10.500% | 113.384 | 15.125% | 79.347 |
| 10.625% | 112.150 | 15.250% | 78.620 |
| 10.750% | 110.940 | 15.375% | 77.898 |
| 10.875% | 109.752 | 15.500% | 77.181 |
| 11.000% | 108.586 | 15.625% | 76.469 |
| 11.125% | 107.442 | 15.750% | 75.761 |
| 11.250% | 106.320 | 15.875% | 75.058 |
| 11.375% | 105.217 | 16.000% | 74.360 |
| 11.500% | 104.133 | 16.125% | 73.667 |
| 11.625% | 103.073 | 16.250% | 72.979 |
| 11.750% | 102.038 | 16.375% | 72.296 |
| 11.875% | 101.028 | 16.500% | 71.618 |
| 12.000% | 100.000 | 16.625% | 70.945 |
| 12.125% | 99.012 | 16.750% | 70.276 |
| 12.250% | 98.042 | 16.875% | 69.612 |
| 12.375% | 97.088 | 17.000% | 68.953 |
| 12.500% | 96.151 | 17.125% | 68.300 |

PRICE GUIDE FOR THE 5 YEAR FIXED COUPON BOND ISSUE FXD2/2013/5.

| YIELD(YTM) | CLEAN PRICE | YIELD(YTM) | CLEAN PRICE |
|------------|-------------|------------|-------------|
| 7.305% | 113.183 | 11.930% | 98.081 |
| 7.430% | 112.738 | 12.055% | 97.710 |
| 7.555% | 112.295 | 12.180% | 97.340 |
| 7.680% | 111.854 | 12.305% | 96.971 |
| 7.805% | 111.416 | 12.430% | 96.605 |
| 7.930% | 110.979 | 12.555% | 96.240 |
| 8.055% | 110.545 | 12.680% | 95.877 |
| 8.180% | 110.113 | 12.805% | 95.516 |
| 8.305% | 109.683 | 12.930% | 95.157 |
| 8.430% | 109.255 | 13.055% | 94.799 |
| 8.555% | 108.829 | 13.180% | 94.443 |
| 8.680% | 108.405 | 13.305% | 94.089 |
| 8.805% | 107.984 | 13.430% | 93.736 |
| 8.930% | 107.564 | 13.555% | 93.385 |
| 9.055% | 107.146 | 13.680% | 93.036 |
| 9.180% | 106.721 | 13.805% | 92.688 |
| 9.305% | 106.317 | 13.930% | 92.342 |
| 9.430% | 105.906 | 14.055% | 91.997 |
| 9.555% | 105.498 | 14.180% | 91.655 |
| 9.680% | 105.093 | 14.305% | 91.314 |
| 9.805% | 104.683 | 14.430% | 90.974 |
| 9.930% | 104.280 | 14.555% | 90.636 |
| 10.055% | 103.878 | 14.680% | 90.300 |
| 10.180% | 103.479 | 14.805% | 89.965 |
| 10.305% | 103.080 | 14.930% | 89.632 |
| 10.430% | 102.685 | 15.055% | 89.300 |
| 10.555% | 102.281 | 15.180% | 88.970 |
| 10.680% | 101.899 | 15.305% | 88.642 |
| 10.805% | 101.509 | 15.430% | 88.315 |
| 10.930% | 101.120 | 15.555% | 87.990 |
| 11.055% | 100.734 | 15.680% | 87.666 |
| 11.180% | 100.350 | 15.805% | 87.343 |
| 11.305% | 99.967 | 15.930% | 87.023 |
| 11.430% | 99.589 | 16.055% | 86.703 |
| 11.555% | 99.207 | 16.180% | 86.385 |
| 11.680% | 98.830 | 16.305% | 86.069 |
| 11.805% | 98.455 | 16.430% | 85.754 |

IMPORTANT INFORMATION

The Savings Development Bond does not attract any Accrued Interest. The 5 year fixed coupon bond attracts Accrued Interest (AI) of Ksh 1.739 per Ksh 100. Withholding tax is computed on clean prices. Example: If yield quoted is 11.305%, the clean price (Ksh 99.967) plus AI (Ksh 1.739) which gives Ksh.101.706.



CENTRAL BANK OF KENYA

PROSPECTUS FOR FIXED COUPON RE-OPEN BONDS

5 YEAR ISSUE NO. FXD2/2013/5 AND 30 YEAR SAVINGS DEVELOPMENT BOND ISSUE NO. SDB1/2011/30

TOTAL VALUE: UP TO KSHS 15 BILLION

AUGUST 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 2/2013/5 & SDB1/2011/30

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:-

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|---------------------------------|---|
| Issuer | : Republic of Kenya |
| Amount | : Up to Kshs.15 Billion |
| Purpose | : Budgetary Support |
| Tenor | : Five Year Re-open (3.85 yrs remaining) : Thirty Year Re-open (26.57 yrs remaining) |
| Coupon | : Five-Year- 11.305% : Thirty -Year - 12.000% |
| Period of sale | : 06/08/2014 to 19/08/2014 |
| Value Date | : 25/08/2014 |
| Price Quote | : Discounted/Premium/ Par |
| Minimum Amount | : Kshs.50,000.00 |
| Interest Payment Dates | : 5 - Year 29/12/2014 27/06/2016 25/12/2017 29/06/2015 26/12//2016 25/06/2018 28/12/2015 26/06/2017 30 - Year 25/08/2014 14/08/2023 02/08/2032 23/02/2015 12/02/2024 31/01/2033 24/08/2015 12/08/2024 01/08/2033 22/02/2016 10/02/2025 30/01/2034 22/08/2016 11/08/2025 31/07/2034 20/02/2017 09/02/2026 29/01/2035 21/08/2017 10/08/2026 30/07/2035 19/02/2018 08/02/2027 28/01/2036 20/08/2018 09/08/2027 28/07/2036 18/02/2019 07/02/2028 26/01/2037 19/08/2019 07/08/2028 27/07/2037 17/02/2020 05/02/2029 25/01/2038 17/08/2020 06/08/2029 26/07/2038 15/02/2021 04/02/2030 24/01/2039 16/08/2021 05/08/2030 25/07/2039 14/02/2022 03/02/2031 23/01/2040 15/08/2022 04/08/2031 23/07/2040 13/02/2023 02/02/2032 21/01/2041 |
| Redemption Dates | : 5-Year -25/06/2018 & 30 Year- 21/01/2041 |
| Issuing and Paying Agent | : Registrar, National Debt. |

| | |
|-------------------------------------|---|
| Placing Agents | : • Commercial Banks • Non-Bank Financial Institutions • Licensed Stock Brokers • Licensed Investment Advisors |
| Taxation | : Discount/Interest is subject to withholding tax at a rate of 15% for 5-yr and 10% for 30-yr |
| 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,19th August,2014. |
| Auction Date | : 20/08/2014 |
| Results | : Investors should obtain details of amounts payable for successful bids, from Central Bank on 21/08/2014. |
| 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, 26th August,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. |