

**CLEAN PRICES FOR THE REOPENED 10.793% TWO-YEAR BOND  
(1.82 YEARS TO MATURITY) ISSUE NO. FXD 2/2014/2.**

YIELD(YTM)	CLEAN PRICE	YIELD(YTM)	CLEAN PRICE
5.000%	109.980	9.625%	101.886
5.125%	109.751	9.750%	101.679
5.250%	109.522	9.875%	101.472
5.375%	109.293	10.000%	101.265
5.500%	109.065	10.125%	101.059
5.625%	108.838	10.250%	100.854
5.750%	108.611	10.375%	100.649
5.875%	108.385	10.500%	100.445
6.000%	108.160	10.625%	100.241
6.125%	107.935	10.750%	100.038
6.250%	107.711	10.793%	99.968
6.375%	107.488	10.875%	99.835
6.500%	107.265	11.000%	99.633
6.625%	107.043	11.125%	99.431
6.750%	106.821	11.250%	99.230
6.875%	106.600	11.375%	99.030
7.000%	106.379	11.500%	98.830
7.125%	106.160	11.625%	98.631
7.250%	105.940	11.750%	98.432
7.375%	105.722	11.875%	98.233
7.500%	105.504	12.000%	98.036
7.625%	105.286	12.125%	97.838
7.750%	105.069	12.250%	97.642
7.875%	104.853	12.375%	97.445
8.000%	104.637	12.500%	97.250
8.125%	104.422	12.625%	97.055
8.250%	104.208	12.750%	96.860
8.375%	103.994	12.875%	96.666
8.500%	103.780	13.000%	96.472
8.625%	103.568	13.125%	96.279
8.750%	103.356	13.250%	96.086
8.875%	103.144	13.375%	95.894
9.000%	102.933	13.500%	95.703
9.125%	102.722	13.625%	95.512
9.250%	102.513	13.750%	95.321
9.375%	102.303	13.875%	95.131
9.500%	102.094	14.000%	94.942

**IMPORTANT INFORMATION**

The bond attracts Accrued Interest (AI) of Ksh 1.868 per Ksh 100. Withholding tax is computed on clean prices. Example: If yield quoted is 10.793%, the settlement price is the clean price (Ksh:99.968) plus AI (Ksh 1.868) which gives Ksh 101.836.



**CENTRAL BANK OF KENYA**

**PROSPECTUS FOR TWO-YEAR RE-OPEN**

**FIXED COUPON TREASURY BOND**

**ISSUE NO. FXD2/2014/2**

**TOTAL VALUE: UP TO KSHS 10 BILLION**

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

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

<b>Issuer</b>	: Republic of Kenya
<b>Amount</b>	: <b>Up to Ksh 10 Billion</b>
<b>Purpose</b>	: Budgetary Support
<b>Tenor</b>	: <b>Two-year (Re-open 1.82 Years)</b>
<b>Coupon</b>	: <b>10.793%</b>
<b>Period of sale</b>	: <b>07/07/2014 to 22/07/2014</b>
<b>Value Date</b>	: <b>28/07/2014</b>
<b>Price Quote</b>	: Discounted/Premium/ Par
<b>Minimum Amount</b>	: <b>Kshs. 50,000.00</b>
<b>Interest Payment Dates</b>	: 24/11/2014 23/11/2015 25/05/2015 23/05/2016
<b>Taxation</b>	: Discount/Interest is subject to withholding tax at a rate of <b>15%</b> .
<b>Redemption Date</b>	: <b>23/05/2016</b>
<b>Issuing and Paying Agent</b>	: Registrar, National Debt.
<b>Placing Agents</b>	: <ul style="list-style-type: none"> <li>• Commercial Banks</li> <li>• Non-Bank Financial Institutions</li> <li>• Licensed Stock Brokers</li> <li>• Licensed Investment Advisors</li> </ul>
<b>Issuance method</b>	: Multi-Price Bid Auction.
<b>Non-Competitive Bids</b>	: Maximum <b>Kshs 20 Million</b> per investor.
<b>Bids Closure</b>	: Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box by <b>2.00 p.m on Tuesday, 22nd July, 2014.</b>
<b>Auction Date</b>	: <b>Wednesday, 23/07/2014</b>
<b>Results</b>	: Investors should obtain details of amounts payable for successful bids, from Central Bank on <b>Thursday, 24/07/2014.</b>

<b>Defaulters</b>	: Defaulters may be suspended from subsequent investment in Government Securities.
<b>Commission</b>	: Licensed placing agents will be paid commission at the rate of <b>0.15%</b> of actual sales (at cost ) net of <b>5%</b> withholding tax.
<b>Rediscounting</b>	: The Central Bank will rediscount the bond as last resort at <b>3%</b> above the prevailing market yield or coupon rate whichever is higher, <b>upon written confirmation to do so from the Nairobi Securities Exchange.</b>
<b>Liquidity</b>	: The bond qualifies 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.
<b>Listing</b>	: The bond will be listed on the Nairobi Securities Exchange.
<b>Classification</b>	: The bond is a benchmark bond.
<b>Registrar</b>	: National Debt, Central Bank of Kenya.
<b>Eligibility</b>	: Only CDS Account holders with updated mandates.
<b>Re-opening</b>	: The bond may be re-opened at a future date.
<b>Secondary Trading</b>	: Secondary trading in multiples of KShs 50,000.00 to commence on <b>Tuesday, 29th July, 2014.</b>
<b>Right to accept applications:</b>	The Central Bank reserves the right to accept bids in full or part thereof or reject them in total without giving any reason.