

**PRICE GUIDE FOR THE 10- YEAR FIXED COUPON BOND
RE-OPEN TREASURY BOND ISSUE FXD1/2014/10.**

YIELD(YTM)	CLEAN PRICE	YIELD(YTM)	CLEAN PRICE
9.000%	119.758	13.625%	92.451
9.180%	118.500	13.750%	91.839
9.250%	118.016	13.875%	91.234
9.375%	117.158	14.000%	90.633
9.500%	116.308	14.125%	90.039
9.625%	115.467	14.250%	89.450
9.750%	114.634	14.375%	88.866
9.875%	113.809	14.500%	88.288
10.000%	112.993	14.625%	87.715
10.125%	112.184	14.750%	87.148
10.250%	111.383	14.875%	86.586
10.375%	110.590	15.000%	86.029
10.500%	109.805	15.125%	85.477
10.625%	109.027	15.250%	84.930
10.750%	108.257	15.375%	84.388
10.875%	107.494	15.500%	83.852
11.000%	106.739	15.625%	83.320
11.125%	105.991	15.750%	82.793
11.250%	105.251	15.875%	82.271
11.375%	104.517	16.000%	81.754
11.500%	103.791	16.125%	81.241
11.625%	103.071	16.250%	80.733
11.750%	102.359	16.375%	80.230
11.875%	101.653	16.500%	79.731
12.000%	100.954	16.625%	79.237
12.180%	99.959	16.750%	78.747
12.250%	99.576	16.875%	78.262
12.375%	98.897	17.000%	77.781
12.500%	98.225	17.125%	77.305
12.625%	97.558	17.250%	76.832
12.750%	96.899	17.375%	76.364
12.875%	96.245	17.500%	75.901
13.000%	95.598	17.625%	75.441
13.125%	94.956	17.750%	74.985
13.250%	94.321	17.875%	74.534
13.375%	93.692	18.000%	74.086
13.500%	93.069	18.125%	73.643

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 2.108 per Ksh 100. Withholding tax is computed on clean prices. Example: If yield quoted is 12.180%, settlement price is the clean price (Ksh 99.959) plus AI (Ksh 2.108) which gives Ksh 102.067.



CENTRAL BANK OF KENYA

**PROSPECTUS FOR FIXED COUPON
RE-OPEN TEN - YEAR TREASURY BOND**

ISSUE NO. FXD 1/2014/10

TOTAL VALUE: UP TO KSHS 15 BILLION

SEPTEMBER 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 1/2014/10

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:-

Issuer	:	Republic of Kenya
Amount	:	Up to Kshs. 15 Billion
Purpose	:	Budgetary Support
Tenor	:	Ten-year (Re-open 9.33 years)
Coupon	:	12.180%
Period of sale	:	10/09/2014 to 23/09/2014
Value Date	:	29/09/2014
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates	:	26/01/2015 20/01/2020 27/07/2015 20/07/2020 25/01/2016 18/01/2021 25/07/2016 19/07/2021 23/01/2017 17/01/2022 24/07/2017 18/07/2022 22/01/2018 16/01/2023 23/07/2018 17/07/2023 21/01/2019 15/01/2024 22/07/2019
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 10% .
Redemption Date:	:	15/01/2024
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.
Bids Closure	:	Duly completed bond application forms must be submitted to any branch of the Central

Auction Date	:	Bank in the specified tender box by 2.00 p.m on Tuesday, 23rd September, 2014.
Results	:	Wednesday, 24/09/2014 Investors should obtain details of amounts payable for successful bids, from Central Bank on Thursday, 25/09/2014.
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 bond 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	:	The 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, 30th September, 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.