

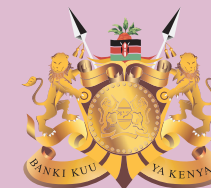
CLEAN PRICES FOR THE RE-OPENED 2 YEAR BOND (FXD3/2011/2) (1.90 YRS TO MATURITY) AT 10.500% P.A. COUPON FOR VARIOUS YIELD QUOTES

YIELD(YTM)	CLEAN PRICE
5.000%	109.861
5.125%	109.622
5.250%	109.385
5.375%	109.147
5.500%	108.911
5.625%	108.675
5.750%	108.440
5.875%	108.205
6.000%	107.972
6.125%	107.738
6.250%	107.506
6.375%	107.274
6.500%	107.043
6.625%	106.812
6.750%	106.582
6.875%	106.353
7.000%	106.125
7.125%	105.897
7.250%	105.669
7.375%	105.443
7.500%	105.217
7.625%	104.991
7.750%	104.767
7.875%	104.543
8.000%	104.319
8.125%	104.096
8.250%	103.874
8.375%	103.653
8.500%	103.432
8.625%	103.211
8.750%	102.992
8.875%	102.772
9.000%	102.554
9.125%	102.336
9.250%	102.119
9.375%	101.902
9.500%	101.686

YIELD(YTM)	CLEAN PRICE
9.625%	101.471
9.750%	101.256
9.875%	101.042
10.000%	100.828
10.125%	100.615
10.250%	100.402
10.375%	100.191
10.500%	99.979
10.625%	99.769
10.750%	99.558
10.875%	99.349
11.000%	99.140
11.125%	98.932
11.250%	98.724
11.375%	98.517
11.500%	98.310
11.625%	98.104
11.750%	97.898
11.875%	97.693
12.000%	97.489
12.125%	97.285
12.250%	97.082
12.375%	96.879
12.500%	96.677
12.625%	96.476
12.750%	96.275
12.875%	96.074
13.000%	95.874
13.125%	95.675
13.250%	95.476
13.375%	95.278
13.500%	95.080
13.625%	94.883
13.750%	94.686
13.875%	94.490
14.000%	94.295
14.125%	94.100

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 1.010 per Ksh 100. Withholding Tax is computed on clean prices.
 Example: If yield quoted is 10.500%, Settlement price is the clean price (Ksh 99.979) plus AI (Ksh 1.010) which gives Ksh 100.989.



CENTRAL BANK OF KENYA

**PROSPECTUS FOR RE-OPENING
OF TWO YEAR TREASURY BOND**

ISSUE NO. FXD 3/2011/2

TOTAL VALUE: UP TO KSHS 10 BILLION

OCTOBER 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 or visit the CBK website on www.centralbank.go.ke

RE-OPENING OF FXD 3/2011/2

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. 10 Billion
Purpose	:	Budgetary Support
Tenor	:	Two-Year (1.90yrs to maturity)
Coupon	:	10.50% p.a
Period of sale	:	05/10/2011 to 25/10/2011
Value Date	:	31/10/2011
Price Quote	:	Discounted/Premium/ Par
Minimum Amount:		Kshs. 50,000.00
Interest Payment Dates:		
		26/03/2012
		24/09/2012
		25/03/2013
		23/09/2013
Tax	:	Discount/interest is subject to withholding tax at rate of 15%.
Redemption Date	:	23/09/2013
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.
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 October 25, 2011.**

Auction Date	:	26/10/2011
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 27/10/2011.
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 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.
Listing	:	The bond will be listed on the Nairobi Stock Exchange.
Re-opening	:	The bond may be re-opened at a future date.
Registrar	:	National Debt, Central Bank of Kenya.
Eligibility	:	Only CDS Account holders with updated mandates.
Secondary Trading of the Bond	:	Secondary trading of this tranche in multiples of KShs 50,000.00 to commence on Tuesday November 1, 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.