

Price for a 20yr (19.923 years TM) 10% bond issued 30.05.11 reopening 27.06.11 at coupon

| YIELD(YTM) | PRICE   | YIELD(YTM) | PRICE  | YIELD(YTM) | PRICE   |
|------------|---------|------------|--------|------------|---------|
| 7.000%     | 131.964 | 11.625%    | 87.475 | 5.000%     | 106.552 |
| 7.125%     | 130.937 | 11.750%    | 86.619 | 5.125%     | 106.044 |
| 7.250%     | 129.910 | 11.875%    | 85.778 | 5.250%     | 105.539 |
| 7.375%     | 128.883 | 12.000%    | 84.949 | 5.375%     | 105.036 |
| 7.500%     | 127.856 | 12.125%    | 84.135 | 5.500%     | 104.537 |
| 7.625%     | 126.833 | 12.250%    | 83.333 | 5.625%     | 104.040 |
| 7.750%     | 125.812 | 12.375%    | 82.543 | 5.750%     | 103.546 |
| 7.875%     | 124.792 | 12.500%    | 81.767 | 5.875%     | 103.055 |
| 8.000%     | 119.749 | 12.625%    | 81.002 | 6.000%     | 102.567 |
| 8.125%     | 118.714 | 12.750%    | 80.250 | 6.125%     | 102.081 |
| 8.250%     | 117.683 | 12.875%    | 79.509 | 6.250%     | 101.598 |
| 8.375%     | 116.662 | 13.000%    | 78.779 | 6.375%     | 101.119 |
| 8.500%     | 115.641 | 13.125%    | 78.062 | 6.500%     | 100.641 |
| 8.625%     | 114.623 | 13.250%    | 77.355 | 6.625%     | 100.167 |
| 8.750%     | 113.608 | 13.375%    | 76.655 | 6.750%     | 99.695  |
| 8.875%     | 112.594 | 13.500%    | 75.973 | 6.875%     | 99.226  |
| 9.000%     | 109.174 | 13.625%    | 75.298 | 7.000%     | 98.759  |
| 9.125%     | 107.954 | 13.750%    | 74.634 | 7.125%     | 98.295  |
| 9.250%     | 106.755 | 13.875%    | 73.979 | 7.250%     | 97.834  |
| 9.375%     | 105.577 | 14.000%    | 73.335 | 7.375%     | 97.378  |
| 9.500%     | 104.420 | 14.125%    | 72.700 | 7.500%     | 96.920  |
| 9.625%     | 103.282 | 14.250%    | 72.074 | 7.625%     | 96.466  |
| 9.750%     | 102.164 | 14.375%    | 71.458 | 7.750%     | 96.015  |
| 9.875%     | 101.062 | 14.500%    | 70.851 | 7.875%     | 95.567  |
| 10.000%    | 99.984  | 14.625%    | 70.253 | 8.000%     | 95.121  |
| 10.125%    | 98.922  | 14.750%    | 69.664 | 8.125%     | 94.678  |
| 10.250%    | 97.878  | 14.875%    | 69.083 | 8.250%     | 94.237  |
| 10.375%    | 96.851  | 15.000%    | 68.511 | 8.375%     | 93.799  |
| 10.500%    | 95.841  | 15.125%    | 67.948 | 8.500%     | 93.363  |
| 10.625%    | 94.849  | 15.250%    | 67.392 |            |         |
| 10.750%    | 93.873  | 15.375%    | 66.844 |            |         |
| 10.875%    | 92.913  | 15.500%    | 66.305 |            |         |
| 11.000%    | 91.968  | 15.625%    | 65.773 |            |         |
| 11.125%    | 91.040  | 15.750%    | 65.248 |            |         |
| 11.250%    | 90.126  | 15.875%    | 64.732 |            |         |
| 11.375%    | 89.228  | 16.000%    | 64.222 |            |         |
| 11.500%    | 88.344  | 16.125%    | 63.719 |            |         |

**IMPORTANT INFORMATION**  
The bond attracts Accrued Interest (AI) of Ksh 0.769 per Ksh 100. Withholding Tax is computed on clean prices. Example: If yield quoted is 10.000%, Settlement price is the clean price (Ksh 99.984) plus AI (Ksh 0.769) which gives Ksh 100.753.

Price for a 5yr (4.423 years TM) 6.671% bond issued 29.11.10 reopening 27.06.11 at coupon

| YIELD(YTM) | PRICE  | YIELD(YTM) | PRICE   |
|------------|--------|------------|---------|
| 8.625%     | 92.930 | 8.625%     | 104.198 |
| 8.750%     | 92.499 | 8.750%     | 103.976 |
| 8.875%     | 92.070 | 8.875%     | 103.756 |
| 9.000%     | 91.644 | 8.999%     | 103.535 |
| 9.125%     | 91.221 | 9.125%     | 103.316 |
| 9.250%     | 90.799 | 9.250%     | 103.096 |
| 9.375%     | 90.380 | 9.375%     | 102.878 |
| 9.500%     | 89.964 | 9.500%     | 102.660 |
| 9.625%     | 89.549 | 9.625%     | 102.443 |
| 9.750%     | 89.137 | 9.750%     | 102.226 |
| 9.875%     | 88.728 | 9.875%     | 102.010 |
| 10.000%    | 88.320 | 10.000%    | 101.795 |
| 10.125%    | 87.915 | 10.125%    | 101.580 |
| 10.250%    | 87.512 | 10.250%    | 101.366 |
| 10.375%    | 87.111 | 10.375%    | 101.152 |
| 10.500%    | 86.713 | 10.500%    | 100.939 |
| 10.625%    | 86.317 | 10.625%    | 100.726 |
| 10.750%    | 85.923 | 10.750%    | 100.514 |
| 10.875%    | 85.531 | 10.875%    | 100.303 |
| 11.000%    | 85.141 | 11.000%    | 100.092 |
| 11.125%    | 84.754 | 11.125%    | 99.882  |
| 11.250%    | 84.369 | 11.250%    | 99.673  |
| 11.375%    | 83.985 | 11.375%    | 99.464  |
| 11.500%    | 83.604 | 11.500%    | 99.255  |
| 11.625%    | 83.225 | 11.625%    | 99.047  |
| 11.750%    | 82.848 | 11.750%    | 98.840  |
| 11.875%    | 82.474 | 11.875%    | 98.633  |
| 12.000%    | 82.101 | 12.000%    | 98.427  |
| 12.125%    | 81.730 | 12.125%    | 98.222  |
| 12.250%    | 81.362 | 12.250%    | 98.017  |

**IMPORTANT INFORMATION**  
The bond attracts Accrued Interest (AI) of Ksh 0.513 per Ksh 100. Withholding Tax is computed on clean prices. Example: If yield quoted is 6.671% Settlement price is the clean price (Ksh 99.993) plus AI (Ksh 0.513) which gives Ksh 100.506.

Price for a 2yr (1.827 years TM) 7.439% bond issued 25.04.11 reopening 27.06.11 at coupon

| YIELD(YTM) | PRICE   | YIELD(YTM) | PRICE  |
|------------|---------|------------|--------|
| 5.000%     | 104.198 | 8.625%     | 98.016 |
| 5.125%     | 103.976 | 8.750%     | 97.812 |
| 5.250%     | 103.756 | 8.875%     | 97.608 |
| 5.375%     | 103.535 | 9.000%     | 97.405 |
| 5.500%     | 103.316 | 9.125%     | 97.202 |
| 5.625%     | 103.096 | 9.250%     | 97.000 |
| 5.750%     | 102.878 | 9.375%     | 96.798 |
| 5.875%     | 102.660 | 9.500%     | 96.597 |
| 6.000%     | 102.443 | 9.625%     | 96.396 |
| 6.125%     | 102.226 | 9.750%     | 96.196 |
| 6.250%     | 102.010 | 9.875%     | 95.997 |
| 6.375%     | 101.795 | 10.000%    | 95.798 |
| 6.500%     | 101.580 | 10.125%    | 95.599 |
| 6.625%     | 101.366 | 10.250%    | 95.401 |
| 6.750%     | 101.152 | 10.375%    | 95.204 |
| 6.875%     | 100.939 | 10.500%    | 95.007 |
| 7.000%     | 100.726 | 10.625%    | 94.811 |
| 7.125%     | 100.514 | 10.750%    | 94.615 |
| 7.250%     | 100.303 | 10.875%    | 94.420 |
| 7.375%     | 100.092 | 11.000%    | 94.225 |
| 7.439%     | 99.985  | 11.125%    | 94.031 |
| 7.500%     | 99.882  | 11.250%    | 93.838 |
| 7.625%     | 99.673  | 11.375%    | 93.645 |
| 7.750%     | 99.464  | 11.500%    | 93.452 |
| 7.875%     | 99.255  | 11.625%    | 93.260 |
| 8.000%     | 99.047  | 11.750%    | 93.068 |
| 8.125%     | 98.840  | 11.875%    | 92.877 |
| 8.250%     | 98.633  | 12.000%    | 92.687 |
| 8.375%     | 98.427  | 12.125%    | 92.497 |
| 8.500%     | 98.222  | 12.250%    | 92.307 |

**IMPORTANT INFORMATION**  
The bond attracts Accrued Interest (AI) of Ksh 1.288 per Ksh 100. Withholding Tax is computed on clean prices. Example: If yield quoted is 7.439%, Settlement price is the clean price (Ksh 99.985) plus AI (Ksh 1.288) which gives Ksh 101.272.



CENTRAL BANK OF KENYA

## PROSPECTUS FOR THE RE-OPENING OF TREASURY BONDS

ISSUE NOS. FXD 2/2011/2, FXD 2/2010/5  
AND FXD 1/2011/20

TOTAL VALUE: UP TO KSHS 18 BILLION

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

**FXD 2/2011/2, FXD 2/2010/5 AND FXD 1/2011/20**

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:-

|                                 |            |   |
|---------------------------------|------------|---|
| <b>Issuer</b>                   | :          | Republic of Kenya   |
| <b>Amount</b>                   | :          | Up to Kshs. <b>18 Billion</b>   |
| <b>Purpose</b>                  | :          | Budgetary Support   |
| <b>Tenors</b>                   | :          | <b>Twenty Years - Reopening</b>   |
|                                 | :          | <b>Five Years - Reopening</b>   |
|                                 | :          | <b>Two Years - Reopening</b>  |
| <b>Coupons</b>                  | :          | <b>20-Year - 10.000%</b>  |
|                                 | :          | <b>5-Year - 6.671%</b>  |
|                                 | :          | <b>2- Year - 7.439%</b>   |
| <b>Period of sale</b>           | :          | <b>03/06/2011 to 21/06/2011</b>   |
| <b>Value Date</b>               | :          | <b>27/06/2011</b>   |
| <b>Price Quote</b>              | :          | Discounted/Premium/ Par   |
| <b>Minimum Amount</b>           | :          | <b>Kshs. 50,000.00</b>  |
| <b>Interest Payment Dates:</b>  |            |   |
| <b>20 - Year</b>                |            | <b>5 - Year</b>   |
| 28/11/2011                      | 15/11/2021 | 28/11/2011  |
| 28/05/2012                      | 16/05/2022 | 28/05/2012  |
| 26/11/2012                      | 14/11/2022 | 26/11/2012  |
| 27/05/2013                      | 15/05/2023 | 27/05/2013  |
| 25/11/2013                      | 13/11/2023 | 25/11/2013  |
| 26/05/2014                      | 13/05/2024 | 26/05/2014  |
| 24/11/2014                      | 11/11/2024 | 24/11/2014  |
| 25/05/2015                      | 12/05/2025 | 25/05/2015  |
| 23/11/2015                      | 10/11/2025 | 23/11/2015  |
| 23/05/2016                      | 11/05/2026 |   |
| 21/11/2016                      | 09/11/2026 |   |
| 22/05/2017                      | 10/05/2027 | <b>2- Years</b>   |
| 20/11/2017                      | 08/11/2027 | 24/10/2011  |
| 21/05/2018                      | 08/05/2028 | 23/04/2012  |
| 19/11/2018                      | 06/11/2028 | 22/10/2012  |
| 20/05/2019                      | 07/05/2029 | 22/04/2013  |
| 18/11/2019                      | 05/11/2029 |   |
| 18/05/2020                      | 06/05/2030 |   |
| 16/11/2020                      | 04/11/2030 |   |
| 17/05/2021                      | 05/05/2031 |   |
| <b>Tax</b>                      | :          | Discount/interest is subject to withholding tax at rate of <b>10 %</b> for 20 year and <b>15%</b> for the 5year and 2 year. |
| <b>Redemption Dates :</b>       |            | <b>20 Year - 05/05/2031</b>   |
|                                 |            | <b>5 Year - 23/11/2015</b>  |
|                                 |            | <b>2 Year - 22/04/2013</b>  |
| <b>Issuing and Paying Agent</b> | :          | 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**

**Bids Closure :** Maximum **Kshs 20 Million** per investor 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 June 21, 2011.**

**Auction Date :** **22/06/2011**

**Results :** Investors should obtain details of amounts payable for successful bids, from Central Bank on **23/06/2011.**

**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 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 Stock Exchange.

**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 of the Bonds**

**Secondary Trading of the Bonds :** Secondary trading in multiples of KShs 50,000.00 to commence on **June 28, 2011**

**Right to accept applications**

**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.

**CDS Account Opening:**

The Central Bank has appointed on a pilot basis 5 banks namely: Kenya Commercial Bank, Equity Bank, National Bank, Co-operative Bank and Kenya Post Office Savings Bank to facilitate opening of CDS accounts, receiving bid application forms and payment for successful bids.