

CLEAN PRICES FOR THE RE-OPENED FXD1/2011/5 BOND
(4.85 YRS TO MATURITY ON 28.03.11) AT 7.636% P.A. COUPON
FOR VARIOUS YIELD QUOTES

YIELD(YTM)	PRICE
5.000%	111.211
5.125%	110.645
5.250%	110.083
5.375%	109.524
5.500%	108.968
5.625%	108.416
5.750%	107.868
5.875%	107.322
6.000%	106.780
6.125%	106.242
6.250%	105.708
6.375%	105.174
6.500%	104.645
6.625%	104.120
6.750%	103.597
6.875%	103.078
7.000%	102.562
7.125%	102.049
7.250%	101.540
7.375%	101.033
7.500%	100.529
7.625%	100.029
7.636%	99.985
7.750%	99.531
7.875%	99.081
8.000%	98.545
8.125%	98.067
8.250%	97.571
8.375%	97.063
8.500%	96.603
8.625%	96.132
8.750%	95.668
8.875%	95.181
9.000%	94.719
9.125%	94.253
9.250%	93.791
9.375%	93.331

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 1.175 per Ksh 100.
Withholding Tax is computed on clean prices.

Example: If yield quoted is 7.636%, Settlement price is the clean price (Ksh 99.985) plus AI (Ksh 1.175) which gives Ksh 101.160.

CLEAN PRICES FOR THE RE-OPENED SDB1/2011/30 BOND
(29.92 YRS TO MATURITY ON 28.03.11) AT 12% P.A. COUPON FOR
VARIOUS YIELD QUOTES

YIELD(YTM)	PRICE
7.000%	152.300
7.125%	159.986
7.250%	157.723
7.375%	155.517
7.500%	153.359
7.625%	151.249
7.750%	149.188
7.875%	147.173
8.000%	145.203
8.125%	143.277
8.250%	141.398
8.375%	139.551
8.500%	137.749
8.625%	135.987
8.750%	134.262
8.875%	132.575
9.000%	130.924
9.125%	129.308
9.250%	127.726
9.375%	126.177
9.500%	124.661
9.625%	123.176
9.750%	121.722
9.875%	120.297
10.000%	118.902
10.125%	117.535
10.250%	116.196
10.375%	114.884
10.500%	113.598
10.625%	112.337
10.750%	111.101
10.875%	109.889
11.000%	108.701
11.125%	107.536
11.250%	106.393
11.375%	105.272
11.500%	104.173

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 0.923 per Ksh 100. Withholding
Tax is computed on clean prices.
Example: If yield quoted is 12.000%, Settlement price is the clean price (Ksh 99.977) plus AI (Ksh 0.923) which gives Ksh 100.900

YIELD(YTM)	PRICE
11.625%	103.094
11.750%	102.036
11.875%	100.997
12.000%	99.977
12.125%	98.977
12.250%	97.994
12.375%	97.030
12.500%	96.083
12.625%	95.153
12.750%	94.239
12.875%	93.342
13.000%	92.461
13.125%	91.595
13.250%	90.744
13.375%	89.908
13.500%	89.086
13.625%	88.279
13.750%	87.485
13.875%	86.705
14.000%	85.937
14.125%	85.183
14.250%	84.441
14.375%	83.711
14.500%	82.993
14.625%	82.287
14.750%	81.592
14.875%	80.908
15.000%	80.236
15.125%	79.574
15.250%	78.922
15.375%	78.281
15.500%	77.650
15.625%	77.028
15.750%	76.416
15.875%	75.814
16.000%	75.220
16.125%	74.636



CENTRAL BANK OF KENYA

**PROSPECTUS FOR THE
RE-OPENING OF TREASURY BONDS**

**30 YEAR
SAVINGS DEVELOPMENT FIXED COUPON BOND
ISSUE NO. SDB 1/2011/30
AND
5 YEAR FIXED COUPON BOND
ISSUE NO. FXD 1/2011/5**

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

SDB 1/2011/30 & FXD 1/2011/5

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:-

Issuer : Republic of Kenya
Amount : Up to Kshs. **18 Billion**
Purpose : Budgetary Support
Tenors : **30 Years (29.92 years to maturity)**
: **5 Years (4.85 years to maturity)**
Coupons : **30-Year - 12.00%**
: **5-Year - 7.636%**
Period of sale : **03/03/2011 to 22/03/2011**
Value Date : **28/03/2011**
Price Quote : Discounted/Premium/ Par
Minimum Amount : **Kshs. 50,000.00**

Interest Payment Dates:

30-Year

29/08/2011	16/08/2021	04/08/2031
27/02/2012	14/02/2022	02/02/2032
27/08/2012	15/08/2022	02/08/2032
25/02/2013	13/02/2023	31/01/2033
26/08/2013	14/08/2023	01/08/2033
24/02/2014	12/02/2024	30/01/2034
25/08/2014	12/08/2024	31/07/2034
23/02/2015	10/02/2025	29/01/2035
24/08/2015	11/08/2025	30/07/2035
22/02/2016	09/02/2026	28/01/2036
22/08/2016	10/08/2026	28/07/2036
20/02/2017	08/02/2027	26/01/2037
21/08/2017	09/08/2027	27/07/2037
19/02/2018	07/02/2028	25/01/2038
20/08/2018	07/08/2028	26/07/2038
18/02/2019	05/02/2029	24/01/2039
19/08/2019	06/08/2029	25/07/2039
17/02/2020	04/02/2030	23/01/2040
17/08/2020	05/08/2030	23/07/2040
15/02/2021	03/02/2031	21/01/2041

5-Year

01/08/2011	27/01/2014
30/01/2012	28/07/2014
30/07/2012	26/01/2015
28/01/2013	27/07/2015
29/07/2013	25/01/2016

Tax : Discount/interest is subject to withholding tax at rate of **15%** and **10 %** for the 5 and 30 year bonds respectively.

Redemption Dates : **5 Year - 25/01/2016**
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

Issuance method : Multi-Price Bid Auction

Non-Competitive Bids : Maximum **Kshs 20 Million** per investor per tenor.

Bids Closure : Duly completed bond application forms must be submitted to any branch or currency centre of the Central Bank in the specified tender box by **2.00 pm on Tuesday March 22, 2011.**

Auction Date : **23/03/2011**

Results : Investors should obtain details of amounts payable for successful bids, from Central Bank on **24/03/2011**

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 in multiples of KShs 50,000.00 to commence on **March 29, 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.

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.

DIRECTOR, FINANCIAL MARKETS DEPARTMENT
CENTRAL BANK OF KENYA
March 2011