



**TWENTY YEAR FIXED COUPON TREASURY BOND ISSUE NO.
FXD 1/2012/20 DATED NOVEMBER 26, 2012**

An opportunity to invest in Government of Kenya Twenty Year Fixed Coupon Treasury Bond

The Central Bank of Kenya acting in its capacity as a fiscal agent for the Republic of Kenya is offering the investing public an opportunity to invest in a Twenty year Fixed Coupon Treasury bond whose terms and conditions are as follows:

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| 1. Issuer | : | Republic of Kenya |
| 2. Amount | : | Upto Kshs 12 Billion |
| 3. Purpose | : | Budgetary Support |
| 4. Period of Sale | : | 09/11/2012 to 20/11/2012 |
| 5. Value /Payment date | : | 26/11/2012. Payments above Kshs 1 Million must be made by RTGS, Payments below Kshs 1 Million may be made by Cash, Banker's cheque or RTGS and must reach the Central Bank of Kenya not later than 2 pm on Monday 26th November 2012 for Cash and Cheques and 3.30 pm for RTGS. Please provide the following details with each payment Investors' Name, Reference No. and CDS Account Number. The account to be credited when using RTGS is the Virtual Account at Central Bank of Kenya. |
| 6. Pricing | : | Discounted/Par/Premium. |
| 7. Minimum amount | : | Kshs 50,000.00 |
| 8. Tenor | : | Twenty Year |
| 9. Coupon Rate | : | 12.00% |
| 10. Interest payment dates | : | 27/05/2013, 25/11/2013, 26/05/2014, 24/11/2014, 25/05/2015, 23/11/2015, 23/05/2016, 21/11/2016, 22/05/2017, 20/11/2017, 21/05/2018, 19/11/2018, 20/05/2019, 18/11/2019, 18/05/2020, 16/11/2020, 17/05/2021, 15/11/2021, 16/05/2022, 14/11/2022, 15/05/2023, 13/11/2023, 13/05/2024, 11/11/2024, 12/05/2025, 10/11/2025, 11/05/2026, 09/11/2026, 10/05/2027, 08/11/2027, 08/05/2028, 06/11/2028, 07/05/2029, 05/11/2029, 06/05/2030, 04/11/2030, 05/05/2031, 03/11/2031, 03/05/2032 and 01/11/2032. |
| 11. Eligibility | : | Only CDS account holders with updated mandates. |
| 12. Issuance method | : | Multi-Price Bid Auction. |
| 13. Bids | : | All investors are required to complete bond application forms. |
| 14. Non- competitive bids | : | Maximum Kshs. 20 Million per investor. |
| 15. Bids Closure | : | 2 p.m. on Tuesday, 20th November, 2012. |
| 16. Auction Date | : | Wednesday, 21st November, 2012. |
| 17. Results | : | Investors should obtain details of amounts payable for successful bids, from Central Bank on 22/11/2012. |
| 18. Redemption date | : | 01/11/2032 |
| 19. Placing Agents | : | <ul style="list-style-type: none"> • Commercial Banks • Non-Bank Financial Institutions • Licensed Stock Brokers • Licensed Investment Advisors |
| 20. Rediscounting | : | Possible as a last resort, the bond will be rediscounted at 3% above the higher of prevailing market yield or coupon rate. |
| 21. Liquidity | : | The bond qualifies for statutory liquidity ratio requirements for commercial banks and non-bank financial institutions |
| 22. Listing | : | The bond will be listed on the Nairobi Stock Exchange. |
| 23. Trading | : | Secondary trading in multiples of Ksh 50,000 to commence on Tuesday, 27th November, 2012. |
| 24. Tax | : | Discount/interest amount is subject to withholding tax at the rate of 10%. |
| 25. 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. |
| 26. Re-opening | : | The Bond may be re-opened at a future date. |

For further details contact any of the following:-

- Your Bank
- Brokers of Nairobi Stock Exchange and Licensed Investment Advisors, CBK Headquarters, Branches in Mombasa, Kisumu, Eldoret and the Currency Centres in Nyeri, Nakuru & Meru or visit our website at www.centralbank.go.ke