



**CENTRAL BANK OF KENYA**

**PROSPECTUS FOR TWO YEAR FIXED COUPON  
TREASURY BOND**

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**ISSUE NO. FXD 4/2012/2**

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**TOTAL VALUE: UP TO KSHS 15 BILLION**

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**DECEMBER 2012**

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

**FXD 4/2012/2**

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:-

<b>Issuer</b>	:	Republic of Kenya
<b>Amount</b>	:	Up to Kshs. <b>15 Billion</b>
<b>Purpose</b>	:	Budgetary Support
<b>Tenor</b>	:	<b>Two Year</b>
<b>Coupon</b>	:	<b>Market Derived</b>
<b>Period of sale</b>	:	<b>05/12/2012 to 18/12/2012</b>
<b>Value Date</b>	:	<b>24/12/2012</b>
<b>Price Quote</b>	:	Discounted/Premium/ Par
<b>Minimum Amount</b>	:	<b>Kshs. 50,000.00</b>
<b>Interest Payment Dates:</b>		24/06/2013    23/12/2013 23/06/2014    22/12/2014
<b>Taxation</b>	:	Discount/Interest is subject to withholding tax at a rate of <b>15%</b>
<b>Redemption Date</b>	:	<b>22/12/2014</b>
<b>Issuing and Paying Agent</b>	:	Registrar, National Debt.
<b>Placing Agents</b>	:	<ul style="list-style-type: none"><li>• Commercial Banks</li><li>• Non-Bank Financial Institutions</li><li>• Licensed Stock Brokers</li><li>• Licensed Investment Advisors</li></ul>
<b>Issuance method</b>	:	Multi-Price Bid Auction.
<b>Non-Competitive Bids</b>	:	Maximum <b>Kshs 20 Million</b> per investor.
<b>Bids Closure</b>	:	Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box by <b>2.00 p.m on Tuesday December 18, 2012.</b>

<b>Auction Date</b>	:	<b>19/12/2012</b>
<b>Results</b>	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on <b>20/12/2012.</b>
<b>Defaulters</b>	:	Defaulters may be suspended from subsequent investment in Government Securities.
<b>Commission</b>	:	Licensed placing agents will be paid commission at the rate of <b>0.15%</b> of actual sales (at cost ) net of <b>5%</b> withholding tax.
<b>Rediscounting</b>	:	The Central Bank will rediscount the bond as a last resort at <b>3%</b> above the prevailing market yield or coupon rate whichever is higher, <b>upon written confirmation to do so from the Nairobi Securities Exchange.</b>
<b>Liquidity</b>	:	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.
<b>Listing</b>	:	The bond will be listed on the Nairobi Securities Exchange.
<b>Classification</b>	:	The bond is a non benchmark Bond
<b>Registrar</b>	:	National Debt, Central Bank of Kenya.
<b>Eligibility</b>	:	Only CDS Account holders with updated mandates.
<b>Re-opening</b>	:	The Bond may be re-opened at a future date.
<b>Secondary Trading</b>	:	Secondary trading in multiples of KShs 50,000.00 to commence on <b>Thursday, December 27 , 2012</b>
<b>Right to accept applications:</b>	:	The Central Bank reserves the right to accept bids in full or part thereof or reject them in total without giving any reason.