



**TEN YEAR FIXED COUPON TREASURY BOND ISSUE NO.
FXD 1/2012/10 DATED JUNE 25, 2012**

An opportunity to invest in Government of Kenya Ten 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 Ten year Fixed Coupon Treasury bond whose terms and conditions are as follows:

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| 1. Issuer | : Republic of Kenya |
| 2. Amount | : Up to Kshs 5 Billion |
| 3. Purpose | : Budgetary Support |
| 4. Period of Sale | : 13/06/2012 to 19/06/2012 |
| 5. Value/Payment date | : 25/06/2012 . 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 25th June 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 investor's Virtual Account. |
| 6. Pricing | : Discounted/Par/Premium. |
| 7. Minimum amount | : Kshs 50,000.00 |
| 8. Tenor | : Ten Year |
| 9. Coupon Rate | : Based on Market outcome |
| 10. Interest payment dates | : 24/12/2012, 24/06/2013, 23/12/2013, 23/06/2014, 22/12/2014, 22/06/2015, 21/12/2015, 20/06/2016, 19/12/2016, 19/06/2017, 18/12/2017, 18/06/2018, 17/12/2018, 17/06/2019, 16/12/2019, 15/06/2020, 14/12/2020, 14/06/2021, 13/12/2021 and 13/06/2022. |
| 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 June 19, 2012. |
| 16. Auction Date | : Wednesday, 20th June 2012. |
| 17. Results | : Investors should obtain details of amounts payable for successful bids, from Central Bank on 21/06/2012. |
| 18. Redemption date | : 13/06/2022 |
| 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 Securities Exchange. |
| 23. Trading | : Secondary trading in multiples of Ksh 50,000 to commence on Tuesday June 26, 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 Securities 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