



**RE-OPENING OF FIVE AND TEN YEAR TREASURY BONDS ISSUE
NOS. FXD 1/2012/5 AND FXD1/2012/10 DATED 30/07/2012**

An opportunity to invest in Government of Kenya 5-year & 10-year Fixed Coupon Treasury Bonds

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 Five and Ten year Fixed Coupon Treasury bonds whose terms and conditions are as follows:

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| 1. Issuer | : | Republic of Kenya |
| 2. Amount | : | Up to Kshs 10 Billion |
| 3. Purpose | : | Budgetary Support |
| 4. Period of Sale | : | 13/07/2012 to 24/07/2012 |
| 5. Value/Payment date | : | 30/07/2012. 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 30th July 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. Tenors | : | Five and Ten Years |
| 9. Coupon Rates | : | 5 - Year - (4.88 years to maturity) - 11.855% p.a re-opening
10 - Year - (9.95 years to maturity) - 12.705% p.a re-opening |
| 10. Interest payment dates | : | 5- Year: 26/11/2012, 27/05/2013, 25/11/2013, 26/05/2014, 24/11/2014, 25/05/2015, 23/11/2015, 23/05/2016, 21/11/2016 and 22/05/2017.
10- Year: 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 per tenor. |
| 15. Bids Closure | : | 2 p.m. on Tuesday July 24, 2012. |
| 16. Auction Date | : | Wednesday, 25th July 2012. |
| 17. Results | : | Investors should obtain details of amounts payable for successful bids, from Central Bank on 26/07/2012. |
| 18. Redemption dates | : | 5 - Year - 22/05/2017
10 - Year - 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 bonds will be rediscounted at 3% above the higher of prevailing market yield or coupon rate. |
| 21. Liquidity | : | The bonds qualify for statutory liquidity ratio requirements for commercial banks and non-bank financial institutions |
| 22. Listing | : | The bonds will be listed on the Nairobi Securities Exchange. |
| 23. Trading | : | Secondary trading in multiples of Ksh 50,000 commence on July 31, 2012. |
| 24. Tax | : | Discount/interest is subject to withholding tax at rate of 15% and 10% for the 5 and 10 year bonds respectively. |
| 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. |

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