



**ONE YEAR FIXED COUPON TREASURY BOND  
ISSUE NO. FXD 2/2012/1 DATED FEBRUARY 27, 2012**

**An opportunity to invest in Government of Kenya 1-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 One year non benchmark Treasury bond. The terms and conditions of the bond are as follows:

- |                                  |   |   |
|----------------------------------|---|---|
| 1. Issuer                        | : | Republic of Kenya   |
| 2. Amount                        | : | Upto Kshs <b>10 Billion</b>   |
| 3. Purpose                       | : | Budgetary Support   |
| 4. Period of Sale                | : | <b>06/02/2012 to 21/02/2012</b>   |
| 5. Value /Payment date           | : | <b>27/02/2012.</b> 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 <b>Monday 27th February 2012</b> 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 Treasury Bonds Issues Account No. <b>01-053-0001</b> |
| 6. Pricing                       | : | Discounted/Par/Premium.   |
| 7. Minimum amount                | : | Kshs 50,000.00  |
| 8. Tenor                         | : | <b>1 Year</b>   |
| 9. Coupon Rate                   | : | <b>Based on Market outcome</b>  |
| 10. Interest payment dates       | : | <b>27/08/2012 &amp; 25/02/2013</b>  |
| 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 <b>Kshs. 20 Million</b> per investor.   |
| 15. Bids Closure                 | : | <b>2 p.m. on Tuesday February 21, 2012.</b>   |
| 16. Auction Date                 | : | <b>22/02/2012.</b>  |
| 17. Results                      | : | Investors should obtain details of amounts payable for successful bids, from Central Bank on <b>23/02/2012.</b>   |
| 18. Redemption date              | : | <b>25/02/2013</b>   |
| 19. Placing Agents               | : | <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>   |
| 20. Rediscounting                | : | Possible as a last resort, the bond will be rediscounted at <b>3%</b> 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 <b>Tuesday February 28, 2012..</b>  |
| 24. Tax                          | : | Discount/interest amount is subject to withholding tax at the rate of <b>15%</b> .  |
| 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](http://www.centralbank.go.ke)