



## ONE YEAR FIXED COUPON TREASURY BOND ISSUE NO. FXD 3/2012/1 DATED MARCH 26, 2012

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

1. **Issuer** : Republic of Kenya
2. **Amount** : Upto Kshs **10 Billion**
3. **Purpose** : Budgetary Support
4. **Period of Sale** : **06/03/2012 to 20/03/2012**
5. **Value /Payment date** : **26/03/2012.** 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 **Friday 23rd March 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 Treasury Bonds Issues Account No. **01-053-0001**
6. **Pricing** : Discounted/Par/Premium.
7. **Minimum amount** : Kshs 50,000.00
8. **Tenor** : **One Year**
9. **Coupon Rate** : **Based on Market outcome**
10. **Interest payment dates** : 24/09/2012 and 25/03/2013
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 March 20, 2012.**
16. **Auction Date** : Tuesday, **20th March 2012.**
17. **Results** : Investors should obtain details of amounts payable for successful bids, from Central Bank on **21/03/2012.**
18. **Redemption date** : **25/03/2013**
19. **Placing Agents** :
  - 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 March 27, 2012.**
24. **Tax** : Discount/interest amount is subject to withholding tax at the rate of **15%.**
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)