



**FIVE YEAR FIXED COUPON TREASURY BOND ISSUE  
NO. FXD 1/2012/5 DATED MAY 28, 2012**

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

- |                                  |  |
|----------------------------------|--|
| 1. Issuer                        | : Republic of Kenya  |
| 2. Amount                        | : Upto Kshs <b>3 Billion</b>   |
| 3. Purpose                       | : Budgetary Support  |
| 4. Period of Sale                | : <b>09/05/2012 to 22/05/2012</b>  |
| 5. Value/Payment date            | : <b>28/05/2012.</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 28thMay 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 the investor's Virtual Account. |
| 6. Pricing                       | : Discounted/Par/Premium.  |
| 7. Minimum amount                | : Kshs 50,000.00   |
| 8. Tenor                         | : <b>Five Year</b>   |
| 9. Coupon Rate                   | : <b>Based on Market outcome</b>   |
| 10. Interest payment dates       | : 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.   |
| 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 May 22, 2012.</b>   |
| 16. Auction Date                 | : <b>Wednesday, 23<sup>rd</sup> May 2012.</b>  |
| 17. Results                      | : Investors should obtain details of amounts payable for successful bids, from Central Bank on <b>24/05/2012.</b>  |
| 18. Redemption date              | : <b>22/05/2017</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 Securities Exchange.  |
| 23. Trading                      | : Secondary trading in multiples of Ksh 50,000 to commence on <b>Tuesday May 29, 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 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](http://www.centralbank.go.ke)