



TWO AND FIFTEEN YEAR FIXED COUPON TREASURY BONDS ISSUE NOS. FXD 1/2013/2 & FXD 1/2013/15 DATED FEBRUARY 25, 2013

An opportunity to invest in Government of Kenya Two and Fifteen 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 Two & Fifteen year Fixed Coupon Treasury bonds whose terms and conditions are as follows:

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|----------------------------------|---|--|
| 1. Issuer | : | Republic of Kenya |
| 2. Amount | : | Upto Kshs 15 Billion |
| 3. Purpose | : | Budgetary Support |
| 4. Period of Sale | : | 06/02/2013 to 19/02/2013 |
| 5. Value /Payment date | : | 25/02/2013. 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 February 2013 for Cash and Cheques and 3.30 pm for RTGS. Please provide the following details with each payment: Investors' Name, Reference No. and Portfolio Account Number. The account to be credited when using RTGS is the Virtual Account at Central Bank of Kenya. |
| 6. Pricing | : | Discounted/Par/Premium. |
| 7. Minimum amount | : | Kshs 50,000.00 |
| 8. Tenors | : | Two Year
Fifteen Year |
| 9. Coupon Rates | : | 2 Year – Market Determined
15 Year – 11.250% |
| 10. Interest payment dates | : | 2 Year: 26/08/2013, 24/02/2014, 25/08/2014 and 23/02/2015
15 Year: 26/08/2013, 24/02/2014, 25/08/2014, 23/02/2015, 24/08/2015, 22/02/2016, 22/08/2016, 20/02/2017, 21/08/2017, 19/02/2018, 20/08/2018, 18/02/2019, 19/08/2019, 17/02/2020, 17/08/2020, 15/02/2021, 16/08/2021, 14/02/2022, 15/08/2022, 13/02/2023, 14/08/2023, 12/02/2024, 12/08/2024, 10/02/2025, 11/08/2025, 09/02/2026, 10/08/2026, 08/02/2027, 09/08/2027 and 07/02/2028. |
| 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 tenor per investor. |
| 15. Bids Closure | : | 2 p.m. on Tuesday February 19, 2013. |
| 16. Auction Date | : | Wednesday, 20th February, 2013. |
| 17. Results | : | Investors should obtain details of amounts payable for successful bids, from Central Bank on 21/02/2013. |
| 18. Redemption dates | : | 2 Year – 23/02/2015
15 Year – 07/02/2028 |
| 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 February 26, 2013. |
| 24. Tax | : | Discount/interest amount is subject to withholding tax at the rate of 15% for the 2 year and 10% for the 15 year bond. |
| 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