



FIVE-YEAR AND TEN-YEAR FIXED COUPON TREASURY BONDS ISSUE NOS. FXD 2/2013/5 & FXD 1/2013/10 DATED JULY 01, 2013

An opportunity to invest in Government of Kenya Five and Ten 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 & Ten 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 20 Billion |
| 3. Purpose | : | Budgetary Support |
| 4. Period of Sale | : | 12/06/2013 to 25/06/2013 |
| 5. Value /Payment date | : | 01/07/2013. 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 transfer and must reach the Central Bank of Kenya not later than 2 pm on Monday, 1st July, 2013 for Cash and Cheques and 3.00 pm for RTGS. Please provide the following details with each payment: Investor's Name, Reference No. , Portfolio Account Number and the Virtual Account number to be credited. |
| 6. Pricing | : | Discounted/Par/Premium. |
| 7. Minimum amount | : | Kshs. 50,000.00 |
| 8. Tenors | : | Five Year - New
Ten Year – New |
| 9. Coupon Rates | : | 5 Year – Market Determined
10 Year – Market Determined |
| 10. Interest payment dates | : | 5 Year:
30/12/2013, 30/06/2014, 29/12/2014, 29/06/2015, 28/12/2015, 27/06/2016, 26/12/2016, 26/06/2017, 25/12/2017 and 25/06/2018.
10 Year: 30/12/2013, 30/06/2014, 29/12/2014, 29/06/2015, 28/12/2015, 27/06/2016, 26/12/2016, 26/06/2017, 25/12/2017, 25/06/2018, 24/12/2018, 24/06/2019, 23/12/2019, 22/06/2020, 21/12/2020, 21/06/2021, 20/12/2021, 20/06/2022, 19/12/2022 and 19/06/2023 |
| 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 June 25, 2013. |
| 16. Auction Date | : | Wednesday, 26th June, 2013. |
| 17. Results | : | Investors should obtain details of amounts payable for successful bids, from Central Bank on 27/06/2013. |
| 18. Redemption dates | : | 5 Year – 25/06/2018
10 Year – 19/06/2023 |
| 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 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 to commence on Tuesday, July 02, 2013. |
| 24. Tax | : | Discount/interest amount is subject to withholding tax at the rate of 15% for the 5 year and 10% for the 10 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 Bonds 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