



TWO-YEAR AND TEN-YEAR RE-OPENED FIXED COUPON TREASURY BONDS ISSUE NOS. FXD 3/2013/2 & FXD 1/2013/10 DATED 26TH AUGUST, 2013

An opportunity to invest in Government of Kenya Two and Ten Year Re-open 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 & Ten year Fixed Coupon Treasury bonds whose terms and conditions are as follows:

1. **Issuer** : Republic of Kenya
2. **Amount** : Up to Kshs **20 Billion**
3. **Purpose** : Budgetary Support
4. **Period of Sale** : **07/08/2013 to 20/08/2013**
5. **Value /Payment date** : **26/08/2013**. 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, 26th August, 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** : **Two Year - New**
: **Ten Year - Re-open (9.846 years)**
9. **Coupon Rates** : **2 Year - Market Determined**
: **10 Year - 12.371%**
10. **Interest payment dates** : **2 Year:**
24/02/2014, 25/08/2014, 23/02/2015 and 24/08/2015.
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 20th August, 2013.**
16. **Auction Date** : **Wednesday, 21st August, 2013.**
17. **Results** : Investors should obtain details of amounts payable for successful bids, from Central Bank on **22/08/2013.**
18. **Redemption dates** : **2 Year - 24/08/2015**
10 Year - 19/06/2023
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 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, August 27, 2013.**
24. **Tax** : Discount/interest amount is subject to withholding tax at the rate of **15%** for the 2 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 Stock Exchange and Licensed Investment Advisors, CBK Headquarters, Branches in Mombasa, Kisumu, Eldoret and the Currency Centres in Nyeri, Nakuru and Meru or visit our website at www.centralbank.go.ke.