



**FIVE-YEAR TREASURY BOND ISSUE NO. FXD 3/2013/5
DATED 25/11/2013**

An opportunity to invest in Government of Kenya 5-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 Five year Fixed Coupon Treasury bond whose terms and conditions are as follows:

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| 1. Issuer | : | Republic of Kenya |
| 2. Amount | : | Upto Kshs 10 Billion |
| 3. Purpose | : | Budgetary Support |
| 4. Period of Sale | : | 08/11/2013 to 19/11/2013 |
| 5. Value/Payment date | : | 25/11/2013 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 November 2013 for Cash and Cheques and 3.00 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 | : | Five |
| 9. Coupon Rate | : | Market determined |
| 10. Interest payment dates | : | 26/05/2014, 24/11/2014, 25/05/2015, 23/11/2015, 23/05/2016, 21/11/2016, 22/05/2017, 20/11/2017, 21/05/2018 and 19/11/2018. |
| 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 November 19, 2013. |
| 16. Auction Date | : | Wednesday, 20th November 2013. |
| 17. Results | : | Investors should obtain details of amounts payable for successful bids, from Central Bank on 21/11/2013. |
| 18. Redemption date | : | 19/11/2018 |
| 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 will commence on 26th November, 2013. |
| 24. Tax | : | Discount/interest is subject to withholding tax at 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. |

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