



**TWO-YEAR TREASURY BOND ISSUE NO.FXD 1/2014/2  
DATED 24/03/2014**

**An opportunity to invest in Government of Kenya 2-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 two year Fixed Coupon Treasury bond whose terms and conditions are as follows:

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|---|---|---|
| <b>1. Issuer</b>                        | : | Republic of Kenya   |
| <b>2. Amount</b>                        | : | Up to Kshs <b>15 Billion</b>  |
| <b>3. Purpose</b>                       | : | Budgetary Support   |
| <b>4. Period of Sale</b>                | : | <b>04/03/2014 to 18/03/2014</b>   |
| <b>5. Value/Payment date</b>            | : | <b>24/03/2013</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 24<sup>th</sup> March 2014</b> 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 <b>Virtual Account</b> . |
| <b>6. Pricing</b>                       | : | Discounted/Par/Premium.   |
| <b>7. Minimum amount</b>                | : | Kshs. 50,000.00   |
| <b>8. Tenor</b>                         | : | <b>Two Year</b>   |
| <b>9. Coupon Rate</b>                   | : | <b>Market determined</b>  |
| <b>10. Interest payment dates</b>       | : | 22/09/2014, 23/03/2015, 21/09/2015 and 21/03/2016   |
| <b>11. Eligibility</b>                  | : | Only CDS account holders with updated mandates.   |
| <b>12. Issuance method</b>              | : | Multi-Price Bid Auction.  |
| <b>13. Bids</b>                         | : | All investors are required to complete bond application forms.  |
| <b>14. Non- competitive bids</b>        | : | Maximum <b>Kshs. 20 Million</b> per investor.   |
| <b>15. Bids Closure</b>                 | : | <b>2 p.m. on Tuesday March 18, 2014.</b>  |
| <b>16. Auction Date</b>                 | : | <b>Wednesday, 19<sup>th</sup> March 2014.</b>   |
| <b>17. Results</b>                      | : | Investors should obtain details of amounts payable for successful bids, from Central Bank on <b>20/03/2014.</b>   |
| <b>18. Redemption dates</b>             | : | <b>21/03/2016</b>   |
| <b>19. Placing Agents</b>               | : | <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>   |
| <b>20. Rediscounting</b>                | : | Possible as a last resort, the bond will be rediscounted at <b>3%</b> above the higher of prevailing market yield or coupon rate.   |
| <b>21. Liquidity</b>                    | : | The bond qualifies for statutory liquidity ratio requirements for commercial banks and non-bank financial institutions  |
| <b>22. Listing</b>                      | : | The bond will be listed on the Nairobi Securities Exchange.   |
| <b>23. Trading</b>                      | : | Secondary trading in multiples of Ksh 50,000 will commence on <b>25<sup>th</sup> March, 2014.</b>   |
| <b>24. Tax</b>                          | : | Discount/interest is subject to withholding tax at rate of <b>15%.</b>  |
| <b>25. Right to accept applications</b> | : | 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 and Meru or visit our website at [www.centralbank.go.ke](http://www.centralbank.go.ke)