

**BANKI
KUU YA
KENYA**

**CENTRAL
BANK OF
KENYA**

**TEN-YEAR FIXED COUPON,
DISCOUNTED TREASURY BOND ISSUE FXD 3/2008/10
DATED SEPTEMBER 29,2008**

An opportunity to invest in Government of Kenya 10-year Fixed Coupon Discounted Treasury Bond

The Central Bank of Kenya as a fiscal agent for the Republic of Kenya invites bids for the above bond whose terms are as follows:-

1. **Issuer** : Republic of Kenya
2. **Amount** : Up to Kshs **8,000.0 M**
3. **Purpose** : (i) Maturities
(ii) New borrowing
4. **Period of Sale** : **05/09/2008 to 24/09/2008**
5. **Value /Payment date** : **29/09/2008**. Bankers cheques payable to CBK must bear the investors' name and CDS account number and must be received by 2p.m.
6. **Price** : Discounted.
7. **Minimum amount** : Kshs 50,000.
8. **Coupon** : **10.75%**
9. **Interest payment dates** : 30/03/2009, 28/09/2009, 29/03/2010, 27/09/2010, 28/03/2011, 26/09/2011, 26/03/2012, 24/09/2012, 25/03/2013, 23/09/2013, 24/03/2014, 22/09/2014, 23/03/2015, 21/09/2015, 21/03/2016, 19/09/2016, 20/03/2017, 18/09/2017, 19/03/2018 and 17/09/2018.
10. **Eligibility** : Only CDS accounts holders with updated mandates.
11. **Issuance method** : Multi-Price Bid Auction.
12. **Bids** : All investors are required to complete bond application forms.
13. **Non- competitive bids** : Maximum Kshs. 10 Million per investor.
14. **Bids Closure** : **2p.m. on Wednesday September 24th, 2008.**
15. **Auction Date** : **25/09/2008.**
16. **Results** : Investors should obtain details of amounts payable for successful bids, from Central Bank on the next working day after the auction.
17. **Redemption date** : **17/09/2018**
18. **Placing Agents** :
 - Commercial banks
 - Non-bank financial institutions
 - Licensed Stock Brokers
 - Licensed Investment Advisors
19. **Rediscounting** : Possible as a last resort. The bond will be rediscounted at 3% above the higher of prevailing market yield or coupon rate
20. **Liquidity** : The bond qualifies for statutory liquidity ratio requirements for commercial banks and non-bank financial institutions
21. **Listing** : The bond will be listed on the Nairobi Stock Exchange.
22. **Trading** : Secondary trading in multiples of Ksh 50,000 to commence on Thursday, October 2, 2008.
23. **Tax** : Discount/interest amount is subject to withholding tax at the prevailing rate
24. **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 Stock Exchange and all Investment advisors, CBK Headquarters, CBK Branches in Mombasa, Kisumu and Eldoret or visit our website at www.centralbank.go.ke