

**BANKI
KUU YA
KENYA**

**CENTRAL
BANK OF
KENYA**

**ISSUANCE OF TEN YEAR FIXED COUPON,
DISCOUNTED TREASURY BONDS ISSUE FXD 1/2009/10 AND THE RE-OPENING OF
ISSUE NO. FXD 4/2008/5 YEAR**

An opportunity to invest in Government of Kenya 5-Year and 10-Year Fixed Coupon Discounted Treasury Bonds

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

1. **Issuer** : Republic of Kenya
2. **Amount** : Upto Kshs **10 Billion**
3. **Purpose** : Budgetary Support
4. **Period of Sale** : **08/04/2009 to 22/04/2009**
5. **Value /Payment date** : **27/04/2009**. 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. **Issue No./Tenor** : **FXD 4/2008/5 Year - Re-opening**
FXD 1/2009/10 Year- New Issue
9. **Coupon** : **5 Year - 9.50%**
: **10 Year - 10.75%**
10. **Interest payment dates** : **FiveYear** - 26/10/2009,26/04/2010,25/10/2010, 25/04/2011, 24/10/2011, 23/04/2012,22/10/2012,22/04/2013 and 21/10/2013
: **Ten Year** - 26/10/2009, 26/04/2010, 25/10/2010, 25/04/2011, 24/10/2011, 23/04/2012, 22/10/2012, 22/04/2013, 21/10/2013, 21/04/2014, 20/10/2014, 20/04/2015, 19/10/2015, 18/04/2016, 17/10/2016, 17/04/2017, 16/10/2017, 16/04/2018, 15/10/2018 and 15/04/2019
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. 10 Million per investor per tenor.
15. **Bids Closure** : **2 p.m. on Wednesday April 22, 2009.**
16. **Auction Date** : **23/04/2009.**
17. **Results** : Investors should obtain details of amounts payable for successful bids, from Central Bank on the next working day after the auction.
18. **Redemption date** : **5 Year - 21/10/2013**
10 Year- 15/04/2019
19. **Placing Agents** :
 - Commercial Banks
 - Non-Bank Financial Institutions
 - Licensed Stock Brokers
 - Licensed Investment Advisors
20. **Rediscounting** : Possible as a last resort. The bonds 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 Stock Exchange.
23. **Trading** : Secondary trading in multiples of Ksh 50,000 to commence on **Thursday April 30, 2009.**
24. **Re-opening** : The Bonds may be re-opened at a future date
25. **Tax** : Discount/interest amount is subject to withholding tax at the rate of 15%
26. **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 Licensed Investment Advisors , CBK Headquarters, CBK Branches in Mombasa, Kisumu and Eldoret or visit our website at www.centralbank.go.ke