

**BANKI  
KUU YA  
KENYA**

**CENTRAL  
BANK OF  
KENYA**

**RE-OPENING OF TREASURY BOND,  
ISSUE NO. FXD 2/2008/10  
DATED JULY 27, 2009**

**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** : Upto Kshs **12 Billion**
3. **Purpose** : Budgetary Support
4. **Period of Sale** : **07/07/2009 to 21/07/2009**
5. **Value /Payment date** : **27/07/2009**. Bankers cheques payable to CBK must bear the investors' name and CDS account number and must be received by 2p.m.
6. **Pricing** : Discounted/Premium/Par
7. **Minimum amount** : Kshs 50,000.
8. **Issue No./Tenor** : **FXD 2/2008/10 Year- Originally issued on 28/07/2008**
9. **Coupon** : **10.75%**
10. **Interest payment dates** : 25/01/2010, 26/07/2010, 24/01/2011, 25/07/2011, 23/01/2012, 23/07/2012, 21/01/2013, 22/07/2013, 20/01/2014, 21/07/2014, 19/01/2015, 20/07/2015, 18/01/2016, 18/07/2016, 16/01/2017, 17/07/2017, 15/01/2018 and 16/07/2018.
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. 10 Million per investor.
15. **Bids Closure** : **2 p.m. on Tuesday July 21, 2009.**
16. **Auction Date/Results** : **Investors to note that, this Month's auction will be held on Wednesday 22/07/2009 and the results will be available on Thursday 23/07/2009 .**
17. **Redemption date** : **16/07/2018**
18. **Placing Agents** : **Placing Agents will be paid a commission of 0.15% of actual sales ( at cost) net of withholding tax of 5%**
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 July 30, 2009.**
23. **Re-opening** : The Bonds may be re-opened at a future date
24. **Tax** : Discount/interest amount is subject to withholding tax at the 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 Stock Exchange and Licensed Investment Advisors , CBK Headquarters, CBK Branches in Mombasa, Kisumu and Eldoret or visit our website at [www.centralbank.go.ke](http://www.centralbank.go.ke)