

**BANKI
KUUYA
KENYA**

**CENTRAL
BANK OF
KENYA**

**RE-OPENING OF FIXED COUPON DISCOUNTED,
TREASURY BOND ISSUE FXD 2/2009/2 YEAR AND ISSUE FXD 1/2008/20 YEAR
DATED JUNE 29, 2009**

An opportunity to invest in Government of Kenya 2 and 20-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 **13 Billion**
3. **Purpose** : Budgetary Support
4. **Period of Sale** : **10/06/2009 to 23/06/2009**
5. **Value /Payment date** : **29/06/2009**. 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 2/2009/2 Year- Re-opening**
FXD 1/2008/20 Year- Re-opening
9. **Coupon** : **2 Year - 8.75%**
: **20 Year - 13.75%**
10. **Interest payment dates** : **Two Year** - 23/11/2009, 24/05/2010, 22/11/2010 and 23/05/2011.
: **Twenty Year** - 28/12/2009, 28/06/2010, 27/12/2010, 27/06/2011,
26/12/2011, 25/06/2012, 24/12/2012, 24/06/2013, 23/12/2013,
23/06/2014, 22/12/2014, 22/06/2015, 21/12/2015, 20/06/2016,
19/12/2016, 19/06/2017, 18/12/2017, 18/06/2018, 17/12/2018,
17/06/2019, 16/12/2019, 15/06/2020, 14/12/2020, 14/06/2021,
13/12/2021, 13/06/2022, 12/12/2022, 12/06/2023, 11/12/2023,
10/06/2024, 09/12/2024, 09/06/2025, 08/12/2025, 08/06/2026,
07/06/2026, 07/06/2027, 06/12/2027 and 05/06/2028.
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 Tuesday June 23, 2009.**
16. **Auction Date/Results** : **Investors to note that, this Month's auction will be held on Wednesday 24/06/2009 and the results will be available on Thursday 25/06/2009 .**
17. **Redemption date** : **2 Year - 23/05/2011**
20Year- 05/12/2028
18. **Placing Agents** : **Placing Agents will be paid a commission of 0.15% (at cost) net of withholding tax of 5%**
19. **Rediscounting** : Possible as a last resort. The bonds will be rediscounted at 3% above the higher of prevailing market yield or coupon rate
20. **Liquidity** : The bonds qualify for statutory liquidity ratio requirements for commercial banks and non-bank financial institutions
21. **Listing** : The bonds will be listed on the Nairobi Stock Exchange.
22. **Trading** : Secondary trading in multiples of Ksh 50,000 to commence on **Thursday July 02, 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