

**BANKI  
KUU YA  
KENYA**

**CENTRAL  
BANK OF  
KENYA**

**FIVE YEAR FIXED COUPON,  
DISCOUNTED TREASURY BOND ISSUE FXD 1/2010/5  
DATED MAY 24, 2010**

**An opportunity to invest in Government of Kenya 5-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 **12.0 Billion**
3. **Purpose** : Budgetary Support
4. **Period of Sale** : **06/05/2010 to 18/05/2010**
5. **Value /Payment date** : **24/05/2010**. Bankers cheques payable to CBK must bear the investors' name and CDS account number and must be received by 2p.m.
6. **Pricing** : Discounted/Par/Premium.
7. **Minimum amount** : Kshs 50,000.00
8. **Issue No./Tenor** : **FXD 1/2010/5 Year**
9. **Coupon Rate** : **Based on market outcome**
10. **Interest payment dates** : 22/11/2010, 23/05/2011, 21/11/2011, 21/05/2012, 19/11/2012, 20/05/2013, 18/11/2013, 19/05/2014, 17/11/2014 and 18/05/2015.
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 May 18, 2010.**
16. **Auction Date** : **19/05/2010.**
17. **Results** : Investors should obtain details of amounts payable for successful bids, from Central Bank on **20/05/2010.**
18. **Redemption date** : **18/05/2015**
19. **Placing Agents** :
  - Commercial Banks
  - Non-Bank Financial Institutions
  - Licensed Stock Brokers
  - Licensed Investment Advisors
20. **Rediscounting** : Possible as a last resort. The bond will be rediscounted at **3%** above the higher of prevailing market yield or coupon rate
21. **Liquidity** : The bond qualifies for statutory liquidity ratio requirements for commercial banks and non-bank financial institutions
22. **Listing** : The bond will be listed on the Nairobi Stock Exchange.
23. **Trading** : Secondary trading in multiples of Ksh 50,000 to commence on **Tuesday May 25, 2010.**
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.
26. **Re-opening** : The Bond may be re-opened at a future date.

**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)