

**BANKI
KUUYA
KENYA**

**CENTRAL
BANK OF
KENYA**

**TEN YEAR FIXED COUPON,
TREASURY BOND ISSUE FXD 2/2010/10
DATED NOVEMBER 01, 2010**

An opportunity to invest in Government of Kenya 10-Year Fixed Coupon 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 **15.0 Billion**
3. **Purpose** : Budgetary Support
4. **Period of Sale** : **18/10/2010 to 27/10/2010**
5. **Value /Payment date** : **01/11/2010.** Bankers cheques payable to CBK must bear the investors' name and CDS account number and must be received by 2p.m. through KEPSS and for amounts below 1 million Bankers cheques are acceptable. Please provide the following details with each payment: investors' name, reference no. and CDS account number and include the 'Treasury Bonds Issues account no. 01-053-0001' when using KEPSS.
6. **Pricing** : Discounted/Par/Premium.
7. **Minimum amount** : Kshs 50,000.00
8. **Issue No./Tenor** : **FXD 2/2010/10 Year**
9. **Coupon Rate** : **Based on market outcome**
10. **Interest payment dates** : 02/05/2011, 31/10/2011, 30/04/2012, 29/10/2012, 29/04/2013, 28/10/2013, 28/04/2014, 27/10/2014, 27/04/2015, 26/10/2015, 25/04/2016, 24/10/2016, 24/04/2017, 23/10/2017, 23/04/2018, 22/10/2018, 22/04/2019, 21/10/2019, 20/04/2020 & 19/10/2020
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 October 27, 2010.**
16. **Auction Date** : **28/10/2010.**
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** : **19/10/2020**
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 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 **Tuesday November 02, 2010.**
24. **Tax** : Discount/interest amount is subject to withholding tax at the rate of 10%
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, Eldoret and The Currency Centre in Nyeri or visit our website at www.centralbank.go.ke