

**BANKI
KUU YA
KENYA**

**CENTRAL
BANK OF
KENYA**

**FIVE AND TEN-YEAR FIXED COUPON TREASURY BONDS ISSUE NOS. FXD 1/2011/5
& RE-OPENING OF ISSUE NO. FXD 2/2010/10 DATED 31/01/2011**

An opportunity to invest in Government of Kenya 5-year & 10-year Fixed Coupon 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 : Up to Kshs **16 Billion**
3. Purpose : Budgetary Support
4. Period of Sale : **10/01/2011 to 25/01/2011**
5. Value /Payment date : **31/01/2011**. 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 Kshs 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. Price Quote : Discounted/Premium/Par
7. Minimum amount : Kshs 50,000.00
8. Coupons : 5 - Year - **Based on Market outcome**
10 - Year (9 Years 9 Months to maturity)- **9.307% re-opening**
9. Interest payment dates : **5 - Year**
01/08/2011, 30/01/2012, 30/07/2012, 28/01/2013, 29/07/2013, 27/01/2014, 28/07/2014, 26/01/2015, 27/07/2015 & 25/01/2016
10 - Year
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.
10. Eligibility : Only CDS accounts holders with updated mandates.
11. Issuance method : Multi-Price Bid Auction.
12. Bids : All investors are required to complete bond application forms.
13. Non- competitive bids : Maximum **Kshs. 20 Million** per investor per tenor.
14. Bids Closure : **2 p.m. on Tuesday January 25th, 2011.**
15. Auction Date : **Wednesday January 26th, 2011.**
16. Results : Investors should obtain details of amounts payable for successful bids, from Central Bank on the next working day after the auction.
17. Redemption dates : 5 - Year - **25/01/2016**
10 - Year - **19/10/2020**
18. Placing Agents :
 - Commercial banks
 - Non-bank financial institutions
 - Licensed Stock Brokers
 - Licensed Investment Advisors
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 **Kshs 50,000.00** to commence on **Tuesday, February 01, 2011.**
23. Tax : Discount/interest amount is subject to withholding tax at rate of **15%** and **10%** for the 5 and 10 year bonds respectively.
24. 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 all Investment advisors , CBK Headquarter, CBK Branches in Mombasa, Kisumu and Eldoret and Currency Centres or visit our website at www.centralbank.go.ke