

**BANKI  
KU YA  
KENYA**

**CENTRAL  
BANK OF  
KENYA**

**TWO YEAR FIXED COUPON,  
TREASURY BOND ISSUE FXD 3/2010/2  
DATED SEPTEMBER 27, 2010**

**An opportunity to invest in Government of Kenya 2-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 **13.0 Billion**
3. **Purpose** : Budgetary Support
4. **Period of Sale** : **10/09/2010 to 21/09/2010**
5. **Value /Payment date** : **27/09/2010**. 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 3/2010/2 Year**
9. **Coupon Rate** : **Based on market outcome**
10. **Interest payment dates** : 28/03/2011, 26/09/2011, 26/03/2012, 24/09/2012
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 September 21, 2010.**
16. **Auction Date** : **22/09/2010.**
17. **Results** : Investors should obtain details of amounts payable for successful bids, from Central Bank on **23/09/2010.**
18. **Redemption date** : **24/09/2012**
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 September 28, 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, Eldoret and The Currency Centre in Nyeri or visit our website at [www.centralbank.go.ke](http://www.centralbank.go.ke)