

**BANKI
KUU YA
KENYA**

**CENTRAL
BANK OF
KENYA**

**FIXED COUPON DISCOUNTED
TREASURY BOND ISSUE NO. FXD 1/2009/15**

An opportunity to invest in Government of Kenya 15-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 **12Billion**
3. **Purpose** : Budgetary Support
4. **Period of Sale** : **13/10/2009 to 19/10/2009**
5. **Value /Payment date** : **26/10/2009**. Bankers cheques payable to CBK must bear the investors' name and CDS account number and must be received by 2p.m. Please note that payments of Kshs. 1 Million and above will be made by direct transfer from the bank (KEPSS)
6. **Price Quote** : Discount/Premium/Par
7. **Minimum amount** : Kshs 50,000.
8. **Tenor** : **15 Year**
9. **Coupon** : **12.50%**
10. **Interest payment dates** : 26/04/2010, 25/10/2010, 25/04/2011, 24/10/2011, 23/04/2012, 22/10/2012, 22/04/2013, 21/10/2013, 21/04/2014, 20/10/2014, 20/04/2015, 19/10/2015, 18/04/2016, 17/10/2016, 17/04/2017, 16/10/2017, 16/04/2018, 15/10/2018, 15/04/2019, 14/10/2019, 13/04/2020, 12/10/2020, 12/04/2021, 11/10/2021, 11/04/2022, 10/10/2022, 10/04/2023, 09/10/2023, 08/04/2024 and 07/10/2024.
11. **Eligibility** : Only CDS account holders with updated mandates.
12. **Issuance method** : Multi-Price Bid Auction.
13. **Bids** : Investors to submit duly completed bond application forms.
14. **Non- competitive bids** : Maximum Kshs. 10 Million per investor.
15. **Bids Closure** : **2 p.m. on Monday October 19, 2009.**
16. **Auction Date/Results** : **The auction will be held on Wednesday 21/10/2009 and the results will be available on Thursday 22/10/2009 .**
17. **Redemption date** : **07/10/2024**
18. **Placing Agents** : **To be paid a commission of 0.15% of actual sales (at cost) net of withholding tax of 5%**
19. **Rediscounting** : Possible as a last resort. The bond will be rediscounted at 3% above the higher of prevailing market yield or coupon rate
20. **Liquidity** : The bond qualifies for statutory liquidity ratio requirements for commercial banks and non-bank financial institutions
21. **Listing** : The bond will be listed on the Nairobi Stock Exchange.
22. **Trading** : Secondary trading in multiples of Ksh 50,000 to commence on **Thursday October 29, 2009.**
23. **Re-opening** : The Bond is subject to future re-opening
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 and Eldoret or visit our website at www.centralbank.go.ke