



THIRTY YEAR SAVINGS DEVELOPMENT FIXED COUPON BOND ISSUE NO. SDB 1/2011/30 AND TWO YEAR FIXED COUPON BOND ISSUE NO. FXD 1/2011/2 DATED 28/02/2011

An opportunity to invest in Government of Kenya 30-year and 2-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:-

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| 1. Issuer | : | Republic of Kenya |
| 2. Amount | : | Up to Kshs 18 Billion |
| 3. Purpose | : | Budgetary Support |
| 4. Period of Sale | : | 03/02/2011 to 22/02/2011 |
| 5. Value /Payment date | : | 28/02/2011. Payments below Kshs 1million may be made by Bankers cheques by 2p.m. Payments above Kshs 1million must be made through RTGS to be received by 3.30pm Please include the following details with all payments: investors' name, reference no. and CDS account number to be credited to the 'Treasury Bonds Issues account no. 01-053-0001' when using RTGS. |
| 6. Price Quote | : | Discounted/Premium/Par |
| 7. Minimum amount | : | Kshs 50,000.00 |
| 8. Coupons | : | 2 - Year - Market Derived
30 - Year 12% p.a. |
| 9. Interest payment dates | : | 30-Year 29/08/2011,27/02/2012, 27/08/2012, 25/02/2013, 26/08/2013, 24/02/2014, 25/08/2014, 23/02/2015, 24/08/2015, 22/02/2016, 22/08/2016, 20/02/2017, 21/08/2017,19/02/2018, 20/08/2018, 18/02/2019, 19/08/2019, 17/02/2020, 17/08/2020, 15/02/2021, 16/08/2021, 14/02/2022, 15/08/2022, 13/02/2023, 14/08/2023,12/02/2024, 12/08/2024, 10/02/2025, 11/08/2025, 09/02/2026, 10/08/2026, 08/02/2027, 09/08/2027, 07/02/2028, 07/08/2028, 05/02/2029, 06/08/2029, 04/02/2030, 05/08/2030, 03/02/2031, 04/08/2031, 02/02/2032, 02/08/2032, 31/01/2033, 01/08/2033, 30/01/2034, 31/07/2034, 29/01/2035, 30/07/2035, 28/01/2036, 28/07/2036, 26/01/2037, 27/07/2037, 25/01/2038, 26/07/2038, 24/01/2039, 25/07/2039,23/01/2040, 23/07/2040 and 21/01/2041
2 - Year 29/08/2011,27/02/2012,27/08/2012 and 25/02/2013 |
| 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 February 22nd, 2011. |
| 15. Auction Date | : | Wednesday February 23rd, 2011. |
| 16. Results | : | Investors should obtain results of their bids on 24/02/2011 |
| 17. Redemption dates | : | 30 - Year - 21/01/2041
2 - Year - 25/02/2013 |
| 18. Placing Agents | : | <ul style="list-style-type: none"> • 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, March 01, 2011. |
| 23. Tax | : | Discount/interest amount is subject to withholding tax at rate of 10% and 15% for the 30 and 2 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. |
| 25. CDS Account Opening | : | The Central Bank of Kenya has appointed on a pilot basis 5 banks namely Kenya Commercial Bank, Equity Bank, National Bank, Co-operative, Bank and Kenya Post Office Savings Bank To facilitate opening of CDS accounts |

For further enquiries please contact:-

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