



CENTRAL BANK OF KENYA

**PROSPECTUS FOR FIVE YEAR FIXED COUPON
TREASURY BOND**

ISSUE NO. FXD 1/2014/5

TOTAL VALUE: UP TO KSHS 15 BILLION

APRIL 2014

For enquiries please contact Central Bank of Kenya, Financial Markets Department on 2860000 or our Branches in Mombasa, Kisumu and Eldoret or Nyeri, Meru and Nakuru Currency Centres or any Commercial bank, investment bank, stock brokers or send an email to NDO@centralbank.go.ke or visit the CBK website on www.centralbank.go.ke

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The Central Bank of Kenya, acting in its capacity as fiscal agent for the Republic of Kenya, invites bids for the above bond whose terms and conditions are as follows:-

Issuer	:	Republic of Kenya
Amount	:	Up to Kshs. 15 Billion
Purpose	:	Budgetary Support
Tenor	:	Five Year
Coupon	:	Based on Market Outcome
Period of sale	:	04/04/2014 to 22/04/2014
Value Date	:	28/04/2014
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates	:	27/10/2014 24/04/2017 27/04/2015 23/10/2017 26/10/2015 23/04/2018 25/04/2016 22/10/2018 24/10/2016 22/04/2019
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 15% .
Redemption Date	:	22/04/2019
Issuing and Paying Agent	:	Registrar, National Debt.
Placing Agents	:	<ul style="list-style-type: none">• Commercial Banks• Non-Bank Financial Institutions• Licensed Stock Brokers• Licensed Investment Advisors
Issuance method	:	Multi-Price Bid Auction.
Non-Competitive Bids	:	Maximum Kshs 20 Million per investor.
Bids Closure	:	Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box by 2.00 p.m on Tuesday April 22, 2014 .
Auction Date	:	Wednesday, 23/04/2014
Results	:	Investors should obtain details of amounts

Defaulters	:	Defaulters may be suspended from subsequent investment in Government Securities.
Commission	:	Licensed placing agents will be paid commission at the rate of 0.15% of actual sales (at cost) net of 5% withholding tax.
Rediscounting	:	The Central Bank will rediscount the bond as a last resort at 3% above the prevailing market yield or coupon rate whichever is higher, upon written confirmation to do so from the Nairobi Securities Exchange .
Liquidity	:	The bond qualifies for statutory liquidity ratio requirements for Commercial Banks and Non-Bank Financial Institutions as stipulated in the Banking Act CAP 488 of the Laws of Kenya.
Listing	:	The bond will be listed on the Nairobi Securities Exchange.
Classification	:	The bond is a benchmark bond.
Registrar	:	National Debt, Central Bank of Kenya.
Eligibility	:	Only CDS Account holders with updated mandates.
Re-opening	:	The bond may be re-opened at a future date.
Secondary Trading	:	Secondary trading in multiples of KShs 50,000.00 to commence on Tuesday, April 29, 2014 .
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.