



CENTRAL BANK OF KENYA

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

ISSUE NO. FXD 2/2015/5

TOTAL VALUE: KSHS 20 BILLION

NOVEMBER 2015

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	:	Kshs. 20 Billion
Purpose	:	Budgetary Support
Tenor	:	Five-Year
Coupon	:	Market Determined
Period of sale	:	12/11/2015 to 24/11/2015
Value Date	:	30/11/2015
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates	:	30/05/2016 26/11/2018 28/11/2016 27/05/2019 29/05/2017 25/11/2019 27/11/2017 25/05/2020 28/05/2018 23/11/2020
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 15%.
Redemption Date:	:	23/11/2020
Issuing and Paying Agent	:	Central Bank of Kenya
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, November 24th, 2015.
Auction Date	:	25/11/2015

Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 26/11/2015.
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.
Eligibility	:	Only investors with active CDS Account with Central Bank of Kenya.
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, 1st December, 2015.
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.