



CENTRAL BANK OF KENYA

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

ISSUE NO. FXD 1/2016/5

TOTAL VALUE: KSHS 20 BILLION

APRIL 2016

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

FXD1/2016/5

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	:	11/04/2016 to 19/04/2016
Value Date	:	25/04/2016
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates:		24/10/2016 22/04/2019 24/04/2017 21/10/2019 23/10/2017 20/04/2020 23/04/2018 19/10/2020 22/10/2018 19/04/2021
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 15% .
Redemption Date	:	19/04/2021
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 2.00p.m on Tuesday April 19th, 2016.
Auction Date	:	20/04/2016
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 21/04/2016.

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, 26th April, 2016.
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.