



**CENTRAL BANK OF KENYA**

**REVISED PROSPECTUS  
FOR GOVERNMENT OF KENYA  
ONE YEAR AMORTIZED TREASURY BOND**

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**ISSUE NO FXD2/2015/1**

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**TOTAL VALUE: KSHS 20 BILLION**

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**OCTOBER 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](mailto:NDO@centralbank.go.ke) or [PrimaryIssues@centralbank.go.ke](mailto:PrimaryIssues@centralbank.go.ke) or visit the CBK website on [www.centralbank.go.ke](http://www.centralbank.go.ke)

**FXD2/2015/1**

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

|                                 |  |
|---------------------------------|--|
| <b>Issuer</b>                   | : Republic of Kenya  |
| <b>Amount</b>                   | : Kshs. <b>20 Billion</b>  |
| <b>Purpose</b>                  | : Budgetary Support  |
| <b>Tenor</b>                    | : <b>One -year</b>   |
| <b>Coupon</b>                   | : <b>Market Determined</b>   |
| <b>Period of sale</b>           | : <b>12/10/2015 to 19/10/2015</b>  |
| <b>Value Date</b>               | : <b>26/10/2015</b>  |
| <b>Price Quote</b>              | : Discounted/Premium/ Par  |
| <b>Minimum Amount</b>           | : <b>Kshs. 50,000.00</b>   |
| <b>Interest Payment Dates</b>   | : 25/04/2016      24/10/2016   |
| <b>Redemption Date</b>          | : <b>24/10/2016</b>  |
| <b>Taxation</b>                 | : The discount /interest is subject to withholding tax at the rate of 15%.   |
| <b>Redemption Structure</b>     | : <b>25th April, 2016 - 50% of unencumbered outstanding principal amount.</b><br><b>24th October 2016-100%</b> - Final Redemption of all outstanding amounts.                          |
| <b>Amortization Amount</b>      | : Any <b>unencumbered</b> outstanding amount up to Kshs 1.0 million per CDS account at the time of amortization will be redeemed in full   |
| <b>Issuing and Paying Agent</b> | : Central Bank of Kenya  |
| <b>Placing Agents</b>           | : <ul style="list-style-type: none"><li>• Commercial Banks</li><li>• Non-Bank Financial Institutions</li><li>• Licensed Stock Brokers</li><li>• Licensed Investment Advisors</li></ul> |
| <b>Auction Method</b>           | : Multi-Price Bid Auction.   |
| <b>Non-Competitive Bids</b>     | : Maximum <b>Kshs 20 Million</b> per investor.   |
| <b>Bids Closure</b>             | : Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box by <b>2.00 p.m</b> on <b>Monday, 19th October 2015.</b>        |

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| <b>Auction Date</b>                  | : <b>Wednesday, 21/10/2015</b>  |
| <b>Results</b>                       | : Investors should obtain details of amounts payable for successful bids, from Central Bank on <b>Thursday, 22/10/2015.</b>   |
| <b>Defaulters</b>                    | : Defaulters may be suspended from subsequent investment in Government Securities.  |
| <b>Re-opening</b>                    | : The Bond may be re-opened at a future date  |
| <b>Commission</b>                    | : Licensed placing agents will be paid commission at the rate of <b>0.15%</b> of actual sales (at cost ) net of <b>5%</b> withholding tax.  |
| <b>Rediscounting</b>                 | : The Central Bank will rediscount the bond as a last resort at <b>3%</b> above the prevailing market yield or coupon rate whichever is higher, <b>upon written confirmation to do so from the Nairobi Securities Exchange.</b> |
| <b>Liquidity</b>                     | : 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.   |
| <b>Listing</b>                       | : The bond will be listed on the Nairobi Securities Exchange.   |
| <b>Classification</b>                | : The bond is a non-benchmark Bond  |
| <b>Eligibility</b>                   | : Only investors with active CDS accounts.  |
| <b>Secondary Trading</b>             | : Secondary trading in multiples of Kshs <b>50,000.00</b> to commence on <b>Tuesday, 27th October 2015.</b>   |
| <b>Right to accept applications:</b> | Central Bank of Kenya reserves the right to accept bids in full or part thereof or reject them in total without giving any reason.  |