



CENTRAL BANK OF KENYA

**PROSPECTUS FOR TWO & FIVE YEAR
FIXED COUPON TREASURY BONDS**

ISSUE NOS. FXD 2/2015/2 & FXD 1/2015/5

TOTAL VALUE: UP TO KSHS 20 BILLION

JUNE 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

FXD 2/2015/2 & FXD 1/2015/5

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

Issuer	:	Republic of Kenya
Amount	:	Up to Kshs. 20 Billion
Purpose	:	Budgetary Support
Tenors	:	Two Year
	:	Five Year
Coupons	:	Market Determined
Period of sale	:	05/06/2015 to 23/06/2015
Value Date	:	29/06/2015
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates:		2 - Year
		28/12/2015 26/12/2016
		27/06/2016 26/06/2017
		5 - Year
		28/12/2015 25/12/2017 23/12/2019
		27/06/2016 25/06/2018 22/06/2020
		26/12/2016 24/12/2018
		26/06/2017 24/06/2019
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 15% .
Redemption Dates	:	2 Year - 26/06/2017
		5 Year - 22/06/2020
Issuing and Paying Agent :		Central Bank of Kenya.
Placing Agents	:	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 per tenor.
Bids Closure	:	Duly completed bond application forms must be submitted to any branch or Currency Centre of the Central Bank in the specified tender box by 2.00 p.m on Tuesday June 23rd, 2015

Auction Date	:	24/06/2015
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 25/06/2015 .
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 bonds 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 bonds 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 bonds will be listed on the Nairobi Securities Exchange.
Classification	:	These bonds are benchmark Bonds
Eligibility	:	Only CDS Account holders with updated mandates.
Re-opening	:	The Bonds may be re-opened at a future date.
Secondary Trading	:	Secondary trading in multiples of KShs 50,000.00 to commence on Tuesday, June 30th, 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.