



Central Bank of Kenya

**PROSPECTUS FOR RE-OPENED FIVE- YEAR
FIXED COUPON TREASURY BOND
ISSUE NO. FXD1/2020/5**

TOTAL VALUE: KSHS 30 BILLION

MAY 2020

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

FXD1/2020/5

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. 30 Billion
Purpose	:	Budgetary Support
Tenor	:	Five year
Coupon Rate	:	11.667%
Period of sale	:	11/05/2020 to 19/05/2020
Value Date	:	25/05/2020
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates	:	FXD1/2020/5 09/11/2020 07/11/2022 04/11/2024 10/05/2021 08/05/2023 05/05/2025 08/11/2021 06/11/2023 09/05/2022 06/05/2024
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 15%.
Redemption Date	:	05/05/2025
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 CDS account per tenor. This does not apply to State corporations, public universities and Semi-Autonomous Government Agencies.
Bids Closure	:	Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box or via Treasury Mobile Direct (TMD) or CBK Internet Banking by 2.00 p.m on Tuesday, 19th May, 2020.

Auction Date	:	Wednesday, 20/05/2020.
Results	:	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on 21/05/2020.
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 Accounts with the 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 May, 2020.
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.

PRICE GUIDE

YIELD(YTM)	CLEAN PRICE
10.000%	106.388
10.125%	105.890
10.250%	105.395
10.375%	104.903
10.500%	104.415
10.625%	103.929
10.750%	103.446
10.875%	102.965
11.000%	102.488
11.125%	102.014
11.250%	101.542
11.375%	101.073
11.500%	100.607
11.667%	99.988
11.750%	99.683
11.875%	99.225
12.000%	98.770
12.125%	98.317
12.250%	97.867
12.375%	97.420
12.500%	96.975
12.625%	96.533
12.750%	96.094
12.875%	95.657
13.000%	95.222

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 0.449 per Ksh 100. Withholding Tax is computed on clean prices.

Example: If quoted yield is 11.667 %, settlement price is the clean price (Ksh 99.988) plus AI (Ksh0.449) which gives Ksh.100.437