



**Central Bank of Kenya**

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

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**TOTAL VALUE: KSHS 50 BILLION**

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

<b>Issuer</b>	:	Republic of Kenya
<b>Amount</b>	:	Kshs. <b>50 Billion</b>
<b>Purpose</b>	:	Budgetary Support
<b>Tenor</b>	:	<b>Five year</b>
<b>Coupon Rate</b>	:	<b>Market Determined</b>
<b>Period of sale</b>	:	<b>29/04/2020 to 05/05/2020</b>
<b>Value Date</b>	:	<b>11/05/2020</b>
<b>Price Quote</b>	:	Discounted/Premium/ Par
<b>Minimum Amount</b>	:	Kshs. <b>50,000.00</b>
<b>Interest Payment Dates</b>	:	<b>FXD1/2020/5</b> 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
<b>Taxation</b>	:	Discount/Interest is subject to withholding tax at a rate of 15%.
<b>Redemption Date</b>	:	<b>05/05/2025</b>
<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>Issuance method</b>	:	Multi-Price Bid Auction.
<b>Non-Competitive Bids</b>	:	Maximum <b>Kshs. 20 Million</b> per CDS account per tenor. This does not apply to State corporations, public universities and Semi-Autonomous Government Agencies.

<b>Bids Closure</b>	:	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 <b>2.00 p.m on Tuesday, 5th May, 2020.</b>
<b>Auction Date</b>	:	<b>Wednesday, 06/05/2020.</b>
<b>Results</b>	:	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on <b>07/05/2020.</b>
<b>Defaulters</b>	:	Defaulters may be suspended from subsequent investment in Government Securities.
<b>Commission</b>	:	Licensed placing agents will be paid commission at the rate of 0.15% of actual sales (at cost) net of 5% withholding tax.
<b>Rediscounting</b>	:	The Central Bank will rediscount the bond as a last resort at 3% 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 benchmark Bond.
<b>Eligibility</b>	:	Only investors with active CDS Accounts with the Central Bank of Kenya.
<b>Re-opening</b>	:	The Bond may be re-opened at a future date.
<b>Secondary Trading</b>	:	Secondary trading in multiples of KShs 50,000.00 to commence on <b>Tuesday, 12th May, 2020.</b>
<b>Right to accept applications</b>	:	The Central Bank reserves the right to accept bids in full or part thereof or reject them in total without giving any reason.