



**Central Bank Of Kenya**

**PROSPECTUS FOR FIFTEEN-YEAR  
FIXED COUPON TREASURY BOND**

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**ISSUE NO. FXD 3/2019/15**

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**TOTAL VALUE: KSHS 40 BILLION**

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**JULY 2019**

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)

## FXD3/2019/15

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>Issue</b>	:	Republic of Kenya
<b>Amount</b>	:	Kshs. <b>40 Billion</b>
<b>Purpose</b>	:	Budgetary Support
<b>Tenor</b>	:	<b>15 year</b>
<b>Coupon Rate</b>	:	<b>Market Determined</b>
<b>Period of sale</b>	:	<b>02/07/2019 to 23/07/2019</b>
<b>Value Date</b>	:	<b>29/07/2019</b>
<b>Price Quote</b>	:	Discounted/Premium/ Par
<b>Minimum Amount</b>	:	<b>Kshs. 50,000.00</b>
<b>Interest Payment Dates</b>	:	27/01/2020    22/01/2025    14/01/2030 27/07/2020    21/07/2025    15/07/2030 25/01/2021    19/01/2026    13/01/2031 26/07/2021    20/07/2026    14/07/2031 24/01/2022    18/01/2027    12/01/2032 25/07/2022    19/07/2027    12/07/2032 23/01/2023    17/01/2028    10/01/2033 24/07/2023    17/07/2028    11/07/2033 22/01/2024    15/01/2029    09/01/2034 22/07/2024    16/07/2029    10/07/2034
<b>Taxation</b>	:	Discount/Interest is subject to withholding tax at a rate of <b>10%</b> .
<b>Redemption Dates</b>	:	<b>10/07/2034</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. 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

<b>Auction Date</b>	:	<b>Wednesday, 24/07/2019.</b>
<b>Results</b>	:	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on <b>25/07/2019.</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 <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 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, 30th July, 2019.</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.