



Central Bank Of Kenya

**PROSPECTUS FOR FIVE-YEAR & FIFTEEN-YEAR
FIXED COUPON TREASURY BONDS**

ISSUE NOS. FXD 2/2019/5 & FXD 2/2019/15

TOTAL VALUE: KSHS 50 BILLION

MAY 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 or visit the CBK website on www.centralbank.go.ke

FXD2/2019/5 & FXD2/2019/15

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	:	Kshs. 50 Billion
Purpose	:	Budgetary Support
Tenor	:	Five-year(New)
	:	Fifteen-year(New)
Coupon Rates	:	Five-year-Market Determined
	:	Fifteen-year-Market Determined
Period of sale	:	17/04/2019 to 07/05/2019
Value Date	:	13/05/2019
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates :		FXD2/2019/5
		11/11/2019 08/11/2021 06/11/2023
		11/05/2020 09/05/2022 06/05/2024
		09/11/2020 07/11/2022
		10/05/2021 08/05/2023
		FXD2/2019/15
		11/11/2019 04/11/2024 29/10/2029
		11/05/2020 05/05/2025 29/04/2030
		09/11/2020 03/11/2025 28/10/2030
		10/05/2021 04/05/2026 28/04/2031
		08/11/2021 02/11/2026 27/10/2031
		09/05/2022 03/05/2027 26/04/2032
		07/11/2022 01/11/2027 25/10/2032
		08/05/2023 01/05/2028 25/04/2033
		06/11/2023 30/10/2028 24/10/2033
		06/05/2024 30/04/2029 24/04/2034
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 15% for the five-year bond and 10% for the fifteen-year bond.
Redemption Dates	:	Five-year - 06/05/2024
	:	Fifteen-year - 24/04/2034
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 by 2.00 p.m on Tuesday, 7th May, 2019.
Auction Date	:	Wednesday, 08/05/2019.
Results	:	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on 09/05/2019.
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 qualify 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 investors with active CDS Accounts with the Central Bank of Kenya.
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, 14th May, 2019.
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.