



CENTRAL BANK OF KENYA

PROSPECTUS FOR FIVE YEAR (NEW)

FIXED COUPON TREASURY BOND

ISSUE NO. FXD 2/2017/5

TOTAL VALUE: KSHS 30 BILLION

OCTOBER 2017

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

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The 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	:	Up to Kshs.30 Billion
Purpose	:	Budgetary Support
Tenor	:	Five Year-New
Coupon	:	Five Year -Market Determined
Period of sale	:	06/10/2017 to 17/10/2017
Value Date	:	23/10/2017
Price Quote	:	Discounted/Premium/Par
Minimum Amount	:	Kshs.50,000.00
Interest Payment Dates:		5-year 23/04/2018 20/04/2020 18/04/2022 22/10/2018 19/10/2020 17/10/2022 22/04/2019 19/04/2021 21/10/2019 18/10/2021
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 15% for 5-year.
Redemption Dates	:	5-year - 17/10/2022
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 Advisor
Non-Competitive Bids	:	Maximum Kshs.20 Million per CDS account 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, 17th October 2017.
Issuance method	:	Multi-Price Bid Auction.
Auction Date	:	18/10/2017.
Results	:	Investors should obtain details of amounts payable

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 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	:	This bond is a benchmark Bond.
Eligibility	:	Only investors with active CDS accounts.
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, 24th October 2017.
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.