

PRICE GUIDE FOR THE 5-YEAR RE-OPEN FIXED COUPON BOND ISSUE FXD1/2019/5.

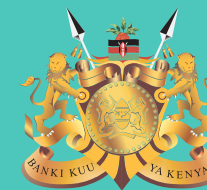
YIELD(YTM)	CLEAN PRICE
10.000%	104.262
10.125%	103.842
10.250%	103.423
10.375%	103.007
10.500%	102.593
10.625%	102.181
10.750%	101.771
10.875%	101.364
11.000%	100.958
11.125%	100.554
11.250%	100.153
<b>11.304%</b>	<b>99.980</b>
11.375%	99.753
11.500%	99.355
11.625%	98.960
11.750%	98.566
11.875%	98.175
12.000%	97.785
12.125%	97.397
12.250%	97.012

PRICE GUIDE FOR THE 10-YEAR RE-OPEN FIXED COUPON BOND ISSUE FXD1/2019/10.

YIELD(YTM)	CLEAN PRICE
10.000%	114.306
10.125%	113.504
10.250%	112.711
10.375%	111.925
10.500%	111.146
10.625%	110.375
10.750%	109.611
10.875%	108.854
11.000%	108.105
11.125%	107.363
11.250%	106.627
11.375%	105.899
11.500%	105.178
11.625%	104.463
11.750%	103.755
11.875%	103.054
12.000%	102.359
12.125%	101.671
12.250%	100.989
12.375%	100.313
<b>12.438%</b>	<b>99.975</b>
12.500%	99.644

**IMPORTANT INFORMATION**

The five-year bond attracts accrued interest (AI) of Ksh.4.782 per Ksh 100. Withholding tax is computed on clean prices. Example: If yield quoted is 11.304%, the settlement price is the clean price (Ksh.99.980) plus AI (Ksh.4.782) which gives Ksh.104.762. The ten-year bond attracts accrued interest (AI) of Ksh.5.262 per Ksh. 100. Withholding tax is computed on clean prices. Example: If yield quoted is 12.438%, the settlement price is the clean price (Ksh.99.975) plus AI (Ksh.5.262) which gives Ksh.105.237.



**CENTRAL BANK OF KENYA**

**PROSPECTUS FOR FIVE-YEAR & TEN-YEAR RE-OPENED**

**FIXED COUPON TREASURY BONDS**

**ISSUE NOs. FXD 1/2019/5 & FXD 1/2019/10**

**TOTAL VALUE: KSHS 50 BILLION**

**JANUARY 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)

**FXD 1/2019/5 & FXD 1/2019/10**

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:-

<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(4.13 years)</b> <b>Ten-year(9.13 years)</b>
<b>Coupon Rates</b>	:	<b>Five-year-11.304%</b> <b>Ten-year-12.438%</b>
<b>Period of sale</b>	:	<b>15/01/2020 to 21/01/2020</b>
<b>Value Date</b>	:	<b>27/01/2020</b>
<b>Price Quote</b>	:	Discounted/Premium/ Par
<b>Minimum Amount</b>	:	<b>Kshs. 50,000.00</b>
<b>Interest Payment Dates</b>	:	<b>FXD1/2019/5</b> 24/02/2020      22/08/2022 24/08/2020      20/02/2023 22/02/2021      21/08/2023 23/08/2021      19/02/2024  21/02/2022 <b>FXD1/2019/10</b> 24/02/2020      18/08/2025 24/08/2020      16/02/2026 22/02/2021      17/08/2026 23/08/2021      15/02/2027 21/02/2022      16/08/2027 22/08/2022      14/02/2028 20/02/2023      14/08/2028 21/08/2023      12/02/2029 19/02/2024 19/08/2024 17/02/2025
<b>Taxation</b>	:	Discount/Interest is subject to withholding tax at a rate of <b>15%</b> for the five-year bond and <b>10%</b> for the ten-year bond.
<b>Redemption Dates</b>	:	<b>Five-year - 19/02/2024</b> <b>Ten-year - 12/02/2029</b>
<b>Issuing and Paying Agent</b>	:	Central Bank of Kenya.
<b>Placing Agents</b>	:	• Commercial Banks • Non-Bank Financial Institutions • Licensed Stock Brokers • Licensed Investment Advisors
<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 by <b>2.00 p.m on Tuesday, 21st January, 2020</b>
<b>Auction Date Results</b>	:	<b>Wednesday, 22/01/2020.</b> Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on <b>23/01/2020.</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 <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 bonds 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 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.
<b>Listing</b>	:	The bonds will be listed on the Nairobi Securities Exchange.
<b>Classification Eligibility</b>	:	These bonds are benchmark Bonds. Only investors with active CDS Accounts with the Central Bank of Kenya.
<b>Re-opening</b>	:	The Bonds 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, 28th January, 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.