



CENTRAL BANK OF KENYA

**PROSPECTUS FOR TEN YEAR
FIXED COUPON TREASURY BOND**

ISSUE NO. FXD 1/2016/10

TOTAL VALUE: KSHS 25 BILLION

AUGUST 2016

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	:	Kshs. 25 Billion
Purpose	:	Budgetary Support
Tenor	:	Ten Year
Coupon	:	Market Determined
Period of sale	:	12/08/2016 to 23/08/2016
Value Date	:	29/08/2016
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates:		
		10- Year
		27/02/2017 24/08/2020 19/02/2024
		28/08/2017 22/02/2021 19/08/2024
		26/02/2018 23/08/2021 17/02/2025
		27/08/2018 21/02/2022 18/08/2025
		25/02/2019 22/08/2022 16/02/2026
		26/08/2019 20/02/2023 17/08/2026
		24/02/2020 21/08/2023
Taxation	:	Discount/Interest is subject to withholding tax at a rate 10%
Redemption Date	:	10 Year - 17/08/2026
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 investor per tenor.
Bids Closure	:	Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box by

2.00p.m on Tuesday August 23rd, 2016.

Auction Date	:	24/08/2016
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 25/08/2016 .
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.
Registrar	:	National Debt, Central Bank of Kenya.
Eligibility	:	Only investors with active CDS Accounts with the Central Bank of Kenya
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, August 30th, 2016 .
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.