



Central Bank Of Kenya

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

ISSUE NOS. FXD 1/2019/5 & FXD 1/2019/10

TOTAL VALUE: KSHS 50 BILLION

FEBRUARY 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

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

The 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: -

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| Issuer | : | Republic of Kenya |
| Amount | : | Kshs. 50 Billion |
| Purpose | : | Budgetary Support |
| Tenor | : | Five-year(New) Ten-year(New) |
| Coupon Rates | : | Five-year-Market Determined Ten-year-Market Determined |
| Period of sale | : | 07/02/2019 to 19/02/2019 |
| Value Date | : | 25/02/2019 |
| Price Quote | : | Discounted/Premium/ Par |
| Minimum Amount | : | Kshs. 50,000.00 |
| Interest Payment Dates | : | FXD1/2019/5 26/08/2019 21/02/2022 24/02/2020 22/08/2022 24/08/2020 20/02/2023 22/02/2021 21/08/2023 23/08/2021 19/02/2024 FXD1/2019/10 26/08/2019 17/02/2025 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 |
| Taxation | : | Discount/Interest is subject to withholding tax at a rate of 15% for the five-year bond and 10% for the ten-year bond. |
| Redemption Dates | : | Five-year - 19/02/2024 Ten-year - 12/02/2029 |
| Issuing and Paying Agent | : | Central Bank of Kenya. |

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| 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, 19th February, 2019. |
| Auction Date | : | Wednesday, 20/02/2019. |
| Results | : | Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on 21/02/2019. |
| 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, 26th February, 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. |