



Central Bank of Kenya

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

ISSUE NO. FXD 4/2019/10

TOTAL VALUE: KSHS 50 BILLION

NOVEMBER 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

FXD4/2019/10

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. 50 Billion
Purpose	:	Budgetary Support
Tenor	:	10 year
Coupon Rate	:	Market Determined
Period of sale	:	07/11/2019 to 19/11/2019
Value Date	:	25/11/2019
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates	:	25/05/2020 19/05/2025 23/11/2020 17/11/2025 24/05/2021 18/05/2026 22/11/2021 16/11/2026 23/05/2022 17/05/2027 21/11/2022 15/11/2027 22/05/2023 15/05/2028 20/11/2023 13/11/2028 20/05/2024 14/05/2029 18/11/2024 12/11/2029
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 10%.
Redemption Date	:	12/11/2029
Issuing and Paying Agent	:	Central Bank of Kenya.
Placing Agents	:	• 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. 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 November, 2019.
Auction Date	:	Wednesday, 20/11/2019.
Results	:	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on 21/11/2019.
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 bond 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	:	The bond is a benchmark Bond.
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, 26th November, 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.