



Central Bank of Kenya

**PROSPECTUS FOR RE-OPENED FIFTEEN-YEAR AND
TWENTY-YEAR
FIXED COUPON TREASURY BONDS**

FXD2/2013/15 AND FXD1/2018/20

TOTAL VALUE: KSHS 40 BILLION

NOVEMBER 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 or visit the CBK website on www.centralbank.go.ke

FXD2/2013/15 & FXD1/2018/20

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:-

Issuer : Republic of Kenya
Amount : Kshs. **40 Billion**
Purpose : Budgetary Support
Tenor : **FXD2/2013/15-(7.52 years)**
: **FXD1/2018/20-(17.4 years)**
Coupon Rate : **FXD2/2013/15 -12.000% p.a.**
: **FXD1/2018/20 -13.200% p.a.**
Period of sale : **04/11/2020 to 17/11/2020**
Value Date : **23/11/2020**
Price Quote : Discounted/Premium/ Par
Minimum Amount : Kshs. **50,000.00**
Interest Payment Dates :

FXD2/2013/15
16/10/2023 13/04/2026
18/10/2021 12/10/2026
18/04/2022 12/04/2027
17/10/2022 11/10/2027
17/04/2023 10/04/2028

FXD1/2018/20
22/03/2021 11/03/2030 04/09/2034
20/09/2021 09/09/2030 05/03/2035
21/03/2022 10/03/2031 03/09/2035
19/09/2022 08/09/2031 03/03/2036
20/03/2023 08/03/2032 01/09/2036
18/09/2023 06/09/2032 02/03/2037
18/03/2024 07/03/2033 31/08/2037
16/09/2024 05/09/2033 01/03/2038
17/03/2025 06/03/2034

Taxation : Discount/Interest is subject to withholding tax at a rate of 10% for the two Bonds.

Redemption Dates : **FXD2/2013/15 -10/04/2028**
FXD1/2018/20- 01/03/2038

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 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 or via Treasury Mobile Direct (TMD) or CBK internet Banking by **2.00 p.m on Tuesday, 17th November, 2020. Wednesday, 18/11/2020.**

Auction Date Results : Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on **19/11/2020.** 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 Classification Eligibility : The bonds will be listed on the Nairobi Securities Exchange. The bonds are benchmark Bonds. Only investors with active CDS Accounts with the Central Bank of Kenya.

Re-opening Secondary Trading : The Bonds may be re-opened at a future date. Secondary trading in multiples of KShs 50,000.00 to commence on **Tuesday, 24th November, 2020.**

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.

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BANK OF
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TAP SALE OF FIXED COUPON TREASURY BOND ISSUE NUMBER FXD1/2018/25 DATED 16/11/2020

Central Bank of Kenya is pleased to offer eligible investors an opportunity to participate in a Tap Sale of the above Fixed coupon Treasury Bond whose details are as in the prospectus issued value date 19/10/2020. The Tap Sale will be offered on a **first- come -first- served basis**. Other features are as summarised in the table below.

Period of Sale	Wednesday, 4th November, 2020 to Tuesday, 10th November, 2020 or upon attainment of quantum, whichever comes first.
Amount on offer	Kes 20 Billion.
Pricing	Bids shall be priced at the Average rate of the accepted bids for the Treasury Bond auction value dated 19/10/2020 and adjusted for accrued interest.
Value Date	16th November, 2020.
Closing date	Tuesday, 10th November 2020, at 2pm or upon attainment of quantum, whichever comes first.
Auction Results	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on Thursday, 12th November, 2020.
Payment Deadline	By 2.00 pm on Monday, 16th November, 2020.
Bids Allotment	Bids will be allotted on a first-come-first-served basis.
Average Yield	13.494%
Adjusted Average Price (per Kes 100.00)	104.717
Coupon Rate (%)	13.400 % p.a

Anne Muoki (Mrs)
For: Director, Financial Markets
05 November 2020