



Central Bank of Kenya

**PROSPECTUS FOR RE-OPENED FIVE-YEAR
AND TEN -YEAR
FIXED COUPON TREASURY BONDS**

TOTAL VALUE: KSHS 40 BILLION

JUNE 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

FXD3/2019/5 & FXD4/2019/10

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:-

Issuer	:	Republic of Kenya
Amount	:	Kshs. 40 Billion
Purpose	:	Budgetary Support
Tenor	:	Five- year-Re-opened (4.48 years) Ten -year-Reopened (9.42 years)
Coupon Rate	:	Five year-11.492% Ten year-12.280%
Period of sale	:	04/6/2020 to 16/06/2020
Value Date	:	22/06/2020
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates	:	FXD3/2019/5 15/06/2020 13/12/2021 12/06/2023 09/12/2024 14/12/2020 13/06/2022 11/12/2023 14/06/2021 12/12/2022 10/06/2024
		FXD4/2019/10 23/11/2020 22/05/2023 17/11/2025 15/05/2028 24/05/2021 20/11/2023 18/05/2026 13/11/2028 22/11/2021 20/05/2024 16/11/2026 14/05/2029 23/05/2022 18/11/2024 17/05/2027 12/11/2029 21/11/2022 19/05/2025 15/11/2027
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 15% for 5 year and 10% for 10 year.
Redemption Dates	:	Five year - 09/12/2024 Ten year- 12/11/2029
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 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, 16th June, 2020.
Auction Date Results	:	Wednesday, 17/06/2020. Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on 18/06/2020.
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 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 Eligibility	:	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 23rd June, 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.