



**Central Bank Of Kenya**

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

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**ISSUE NO. FXD 2/2018/10**

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**TOTAL VALUE: KSHS 40 BILLION**

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**DECEMBER 2018**

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](mailto:NDO@centralbank.go.ke) or visit the CBK website on [www.centralbank.go.ke](http://www.centralbank.go.ke)

**FXD 2/2018/10**

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:-

<b>Issuer</b>	:	Republic of Kenya
<b>Amount</b>	:	Kshs. 40 Billion
<b>Purpose</b>	:	Budgetary Support
<b>Tenor</b>	:	Ten Year
<b>Coupon</b>	:	Market Determined
<b>Period of sale</b>	:	04/12/2018 to 11/12/2018
<b>Value Date</b>	:	17/12/2018
<b>Price Quote</b>	:	Discounted/Premium/ Par
<b>Minimum Amount</b>	:	Kshs. 50,000.00
<b>Interest Payment Dates</b>	:	17/06/2019 12/12/2022 08/06/2026 16/12/2019 12/06/2023 07/12/2026 15/06/2020 11/12/2023 07/06/2027 14/12/2020 10/06/2024 06/12/2027 14/06/2021 09/12/2024 05/06/2028 13/12/2021 09/06/2025 04/12/2028 13/06/2022 08/12/2025
<b>Taxation</b>	:	Discount/Interest is subject to withholding tax at a rate 10%
<b>Redemption Date</b>	:	04/12/2028
<b>Issuing and Paying Agent</b>	:	Central Bank of Kenya.
<b>Placing Agents</b>	:	<ul style="list-style-type: none"> <li>• Commercial Banks</li> <li>• Non-Bank Financial Institutions</li> <li>• Licensed Stock Brokers</li> <li>• Licensed Investment Advisors</li> </ul>
<b>Auction method</b>	:	Multi-Price Bid Auction.
<b>Non-Competitive Bids</b>	:	Maximum Kshs 20 Million per CDS Account. This does not apply to State Corporations, Public Universities and Semi-Autonomous Government Agencies.
<b>Bids Closure</b>	:	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 December 11th, 2018.

<b>Auction Date</b>	:	13/12/2018
<b>Results</b>	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 14/12/2018.
<b>Defaulters</b>	:	Defaulters may be suspended from subsequent investment in Government Securities.
<b>Commission</b>	:	Licensed placing agents will be paid commission at the rate of 0.15% of actual sales (at cost) net of 5% withholding tax.
<b>Rediscounting</b>	:	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.
<b>Liquidity</b>	:	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.
<b>Listing</b>	:	The bond will be listed on the Nairobi Securities Exchange.
<b>Classification</b>	:	This bond is a benchmark Bond.
<b>Eligibility</b>	:	Only investors with active CDS Accounts with the Central Bank of Kenya
<b>Re-opening</b>	:	The Bond may be re-opened at a future date.
<b>Secondary Tradin</b>	:	Secondary trading in multiples of KShs 50,000.00 to commence on Tuesday, December 18th, 2018.
<b>Right to accept applications</b>	:	The Central Bank reserves the right to accept bids in full or part thereof or reject them in total without giving any reason.