

PRICE GUIDE FOR THE FIFTEEN YEAR FIXED

COUPON BOND ISSUE FXD2/2018/15.

YIELD(YTM)	CLEAN PRICE
10.000%	121.137
10.125%	120.033
10.250%	118.945
10.375%	117.871
10.500%	116.812
10.625%	115.767
10.750%	114.737
10.875%	113.720
11.000%	112.717
11.125%	111.728
11.250%	110.751
11.375%	109.788
11.500%	108.838
11.625%	107.901
11.750%	106.975
11.875%	106.063
12.000%	105.162
12.125%	104.273
12.250%	103.396
12.375%	102.530
12.500%	101.676
12.625%	100.832
12.750%	100.000
12.875%	99.179
13.000%	98.368



Central Bank Of Kenya

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

ISSUE NO. FXD 2/2018/15

TOTAL VALUE: KSHS 40 BILLION

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

FXD 2/2018/15

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:-

Issuer	:	Republic of Kenya
Amount	:	Kshs. 40 Billion
Purpose	:	Budgetary Support
Tenor	:	15 years
Coupon	:	12.750%
Period of sale	:	07/10/2018 to 16/10/2018
Value Date	:	22/10/2018
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates :		22/04/2019 18/04/2022 14/04/2025 10/04/2028 07/04/2031 21/10/2019 17/10/2022 13/10/2025 09/10/2028 06/10/2031 20/04/2020 17/04/2023 13/04/2026 09/04/2029 05/04/2032 19/10/2020 16/10/2023 12/10/2026 08/10/2029 04/10/2032 19/04/2021 15/04/2024 12/04/2027 08/04/2030 04/04/2033 18/10/2021 14/10/2024 11/10/2027 07/10/2030 03/10/2033
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 10%
Redemption Dates	:	03/10/2033
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

Auction Date	:	17/10/2018
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 18/10/2018 .
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 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, 23 October 2018 .
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.