

PRICE GUIDE FOR THE 10-YEAR RE-OPENED FIXED COUPON BOND ISSUE FXD1/2018/10.

YIELD(YTM)	CLEAN PRICE
10.000%	116.640
10.125%	115.782
10.250%	114.931
10.375%	114.090
10.500%	113.257
10.625%	112.432
10.750%	111.616
10.875%	110.808
11.000%	110.009
11.125%	109.217
11.250%	108.434
11.375%	107.658
11.500%	106.890
11.625%	106.130
11.750%	105.377
11.875%	104.632
12.000%	103.894
12.125%	103.164
12.250%	102.441
12.375%	101.725
12.500%	101.016
12.625%	100.315
12.686%	99.975
12.750%	99.620
12.875%	98.932
13.000%	98.251
13.125%	97.577
13.250%	96.909
13.375%	96.248
13.500%	95.593
13.625%	94.945
13.750%	94.303
13.875%	93.667
14.000%	93.037
14.125%	92.414
14.250%	91.797
14.375%	91.185
14.500%	90.580

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 0.976 per Ksh 100.

Withholding Tax is computed on clean prices. Example: If quoted yield is 12.686%, settlement price is the clean price (Ksh 99.975) plus AI (Ksh 0.976) which gives Ksh.100.951.

PRICE GUIDE FOR THE 20-YEAR RE-OPENED FIXED COUPON BOND ISSUE FXD2/2018/20.

YIELD(YTM)	CLEAN PRICE
10.000%	127.352
10.125%	126.059
10.250%	124.787
10.375%	123.536
10.500%	122.305
10.625%	121.093
10.750%	119.901
10.875%	118.728
11.000%	117.574
11.125%	116.438
11.250%	115.320
11.375%	114.220
11.500%	113.136
11.625%	112.070
11.750%	111.020
11.875%	109.987
12.000%	108.969
12.125%	107.967
12.250%	106.981
12.375%	106.009
12.500%	105.053
12.625%	104.111
12.750%	103.182
12.875%	102.268
13.000%	101.368
13.125%	100.481
13.200%	99.955
13.250%	99.607
13.375%	98.746
13.500%	97.898
13.625%	97.063
13.750%	96.239
13.875%	95.428
14.000%	94.628
14.125%	93.840
14.250%	93.063
14.375%	92.297
14.500%	91.543

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 2.031 per Ksh 100.

Withholding Tax is computed on clean prices. Example: If quoted yield is 13.200%, settlement price is the clean price (Ksh 99.955) plus AI (Ksh 2.031) which gives Ksh.101.986.



Central Bank Of Kenya

**PROSPECTUS FOR REOPEN TEN AND TWENTY- YEAR
FIXED COUPON TREASURY BONDS**

ISSUE NOs. FXD 1/2018/10 & FXD 2/2018/20

TOTAL VALUE: KSHS 40 BILLION

SEPTEMBER 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 1/2018/10 & FXD 2/2018/20

The 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	:	FXD1/2018/10 (9.99 years)
	:	FXD2/2018/20 (19.92 years)
Coupon	:	FXD1/2018/10 - 12.686%
	:	FXD2/2018/20 - 13.200%
Period of sale	:	08/09/2018 to 18/09/2018
Value Date	:	24/09/2018
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates:		FXD1/2018/10
		25/02/2019 22/08/2022 16/02/2026
		26/08/2019 20/02/2023 17/08/2026
		24/02/2020 21/08/2023 15/02/2027
		24/08/2020 19/02/2024 16/08/2027
		02/02/2021 19/08/2024 14/02/2028
		23/08/2021 17/02/2025 14/08/2028
		21/02/2022 18/08/2025
		FXD2/2018/20
		28/01/2019 23/01/2023 18/01/2027 13/01/2031 08/01/2035
		29/07/2019 24/07/2023 19/07/2027 14/07/2031 09/07/2035
		27/01/2020 22/01/2024 17/01/2028 12/01/2032 07/01/2036
		27/07/2020 22/07/2024 17/07/2028 12/07/2032 07/07/2036
		25/01/2021 20/01/2025 15/01/2029 10/01/2033 05/01/2037
		26/07/2021 21/07/2025 16/07/2029 11/07/2033 06/07/2037
		24/01/2022 09/01/2026 14/01/2030 09/01/2034 04/01/2038
		25/07/2022 20/07/2026 15/07/2030 10/07/2034 05/07/2038
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 10%
Redemption Dates	:	FXD1/2018/10 - 14/08/2028
		FXD2/2018/20 - 05/07/2038
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 by 2.00 p.m on Tuesday September 18, 2018.
Auction Date	:	19/09/2018
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 20/09/2018.
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 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	:	These bonds are benchmark Bonds
Eligibility	:	Only investors with active CDS Accounts with the Central Bank of Kenya
Re-opening	:	The Bonds may be re-opened at a future date.
Secondary Trading	:	Secondary trading in multiples of KShs 50,000.00 to commence on Tuesday, 25 September 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.