

**PRICE GUIDE FOR THE 20- YEAR FIXED COUPON TREASURY BOND
ISSUE FXD2/2018/20.**

YIELD(YTM)	CLEAN PRICE
9.000%	138.643
9.125%	137.161
9.250%	135.704
9.375%	134.271
9.500%	132.862
9.625%	131.476
9.750%	130.113
9.875%	128.773
10.000%	127.455
10.125%	126.158
10.250%	124.882
10.375%	123.628
10.500%	122.393
10.625%	121.179
10.750%	119.984
10.875%	118.808
11.000%	117.651
11.125%	116.512
11.250%	115.391

YIELD(YTM)	CLEAN PRICE
11.375%	114.289
11.500%	113.203
11.625%	112.135
11.750%	111.083
11.875%	110.047
12.000%	109.028
12.125%	108.024
12.250%	107.036
12.375%	106.063
12.500%	105.105
12.625%	104.161
12.750%	103.231
12.875%	102.316
13.000%	101.415
13.125%	100.526
13.200%	100.000
13.250%	99.652
13.375%	98.790
13.500%	97.941

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh.0 per Ksh 100. Withholding Tax is computed on clean price. Example: If yield quoted is 13.200%, Settlement price is the clean price (Ksh.100.00) plus AI (Ksh.0) which gives Ksh.100.00



Central Bank Of Kenya

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

ISSUE NO. FXD 2/2018/20

TOTAL VALUE: KSHS 40 BILLION

JULY 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 2/2018/20

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	:	Twenty Year-New
Coupon	:	13.200%
Period of sale	:	06/07/2018 to 24/07/2018
Value Date	:	30/07/2018
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates	:	28/01/2019 22/01/2024 15/01/2029 09/01/2034 29/07/2019 22/07/2024 16/07/2029 10/07/2034 27/01/2020 20/01/2025 14/01/2030 08/01/2035 27/07/2020 21/07/2025 15/07/2030 09/07/2035 25/01/2021 09/01/2026 13/01/2031 07/01/2036 26/07/2021 20/07/2026 14/07/2031 07/07/2036 24/01/2022 18/01/2027 12/01/2032 05/01/2037 25/07/2022 19/07/2027 12/07/2032 06/07/2037 23/01/2023 17/01/2028 10/01/2033 04/01/2038 24/07/2023 17/07/2028 11/07/2033 05/07/2038
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 10% .
Redemption Date	:	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 investor .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 July 24, 2018.
Auction Date	:	25/07/2018
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 26/07/2018.
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	:	This 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, July 31, 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.