

**PRICE GUIDE FOR THE 10-YEAR FIXED COUPON BOND
RE-OPEN TREASURY BOND ISSUE FXD1/2017/10**

YIELD(YTM)	CLEAN PRICE
8.000%	133.374
8.125%	132.355
8.250%	131.348
8.375%	130.350
8.500%	129.363
8.625%	128.386
8.750%	127.419
8.875%	126.462
9.000%	125.515
9.125%	124.578
9.250%	123.650
9.375%	122.732
9.500%	121.823
9.625%	120.923
9.750%	120.033
9.875%	119.151
10.000%	118.279
10.125%	117.415
10.250%	116.560
10.375%	115.714
10.500%	114.876
10.625%	114.047
10.750%	113.226
10.875%	112.413
11.000%	111.609
11.125%	110.812
11.250%	110.024
11.375%	109.243
11.500%	108.470
11.625%	107.705
11.750%	106.947
11.875%	106.197
12.000%	105.454
12.125%	104.719
12.250%	103.991
12.375%	103.270
12.500%	102.557

YIELD(YTM)	CLEAN PRICE
12.625%	101.850
12.750%	101.150
12.875%	100.457
13.000%	99.771
13.125%	99.091
13.250%	98.419
13.375%	97.752
13.500%	97.092
13.625%	96.439
13.750%	95.792
13.875%	95.151
14.000%	94.517
14.125%	93.888
14.250%	93.266
14.375%	92.649
14.500%	92.039
14.625%	91.434
14.750%	90.835
14.875%	90.242
15.000%	89.654
15.125%	89.072
15.250%	88.496
15.375%	87.925
15.500%	87.360
15.625%	86.799
15.750%	86.245
15.875%	85.695
16.000%	85.150
16.125%	84.611
16.250%	84.077
16.375%	83.548
16.500%	83.023
16.625%	82.504
16.750%	81.989
16.875%	81.479
17.000%	80.974
17.125%	80.474



CENTRAL BANK OF KENYA

**PROSPECTUS FOR TWO YEAR NEW & TEN YEAR
RE-OPEN**

FIXED COUPON TREASURY BONDS

ISSUE NOS. FXD 1/2017/2 & FXD 1/2017/10

TOTAL VALUE: KSHS 30 BILLION

SEPTEMBER 2017

IMPORTANT INFORMATION

The bond attracts accrued interest (AI) of Ksh 1.995 per Ksh 100. Withholding tax is computed on clean prices. Example: If yield quoted is 13.000%, the settlement price is the clean price (Ksh 99.771) plus AI (Ksh 1.995) which gives Ksh.101.766

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 1/2017/2 & FXD 1/2017/10

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. 30 Billion
Purpose	:	Budgetary Support
Tenor	:	Two Year-New
	:	Ten Year-Re-open (9.85 years)
Coupon	:	Two Year - Market Determined
	:	Ten Year - 12.966%
Period of sale	:	07/09/2017 to 19/09/2017
Value Date	:	25/09/2017
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates	:	2 - Year
		26/03/2018
		24/09/2018
		25/03/2019
		23/09/2019
		10 - Year
		29/01/2018 24/01/2022 19/01/2026
		30/07/2018 25/07/2022 20/07/2026
		28/01/2019 23/01/2023 18/01/2027
		29/07/2019 24/07/2023 19/07/2027
		27/01/2020 22/01/2024
		27/07/2020 22/07/2024
		25/01/2021 20/01/2025
		26/07/2021 21/07/2025
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 15% for 2-year and 10% for 10-year.
Redemption Dates	:	2 Year - 23/09/2019
		10 Year - 19/07/2027
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 per tenor.
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 19, 2017.
Auction Date	:	20/09/2017
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 21/09/2017.
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
Registrar	:	National Debt, Central Bank of Kenya.
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, September 26, 2017.
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.