



Central Bank Of Kenya

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

ISSUE NO. FXD 1/2018/10

TOTAL VALUE: KSHS 40 BILLION

AUGUST 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

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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	:	Ten Year
Coupon	:	Market Determined
Period of sale	:	10/08/2018 to 21/08/2018
Value Date	:	27/08/2018
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates :		
		10- Year
		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
		22/02/2021 19/08/2024 14/02/2028
		23/08/2021 17/02/2025 14/08/2028
		21/02/2022 18/08/2025
Taxation	:	Discount/Interest is subject to withholding tax at a rate 10%
Redemption Date	:	14/08/2028
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. This does

Bids Closure	:	not apply to State Corporations, Public universities and semi autonomous Government agencies. 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 August 21st , 2018.
Auction Date Results	:	22/08/2018 Investors should obtain details of amounts payable for successful bids, from Central Bank on 23/08/2018.
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 Eligibility	:	This bond is a benchmark Bond. Only investors with active CDS Accounts with the Central Bank of Kenya
Re-opening Secondary Trading	:	The Bond may be re-opened at a future date. Secondary trading in multiples of KShs 50,000.00 to commence on Tuesday, August 28th, 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.