

**PRICE GUIDE FOR 15-YEAR RE-OPEN FIXED COUPON
BOND ISSUE FXD2/2018/15**

YIELD(YTM)	CLEAN PRICE
10.000%	121.102
10.125%	120.000
10.250%	118.913
10.375%	117.840
10.500%	116.782
10.625%	115.739
10.750%	114.709
10.875%	113.694
11.000%	112.692
11.125%	111.703
11.250%	110.728
11.375%	109.766
11.500%	108.817
11.625%	107.880
11.750%	106.956
11.875%	106.044
12.000%	105.144
12.125%	104.256
12.250%	103.379
12.375%	102.514
12.500%	101.660
12.625%	100.818
12.750%	99.986
12.875%	99.165
13.000%	98.355

IMPORTANT INFORMATION

The bond attracts Accrued Interest (AI) of Ksh 0.490 per Ksh 100. Withholding Tax is computed on clean prices.

Example: If quoted yield is 12.750 %, settlement price is the clean price (Ksh 99.986) plus AI (Ksh0.490) which gives Ksh.100.477



Central Bank Of Kenya

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

ISSUE NO. FXD2/2018/15

TOTAL VALUE: KSHS 32 BILLION

NOVEMBER 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

FXD2/2018/15

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. 32 Billion
Purpose	:	Budgetary Support
Tenor	:	Fifteen Year Re-opened
Coupon	:	12.750%
Period of sale	:	24/10/2018 to 30/10/2018
Value Date	:	05/11/2018
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	:	31/10/2018
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on 01/11/2018 .
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, 6 November 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.