



EXTENSION OF TAP SALES FOR INFRASTRUCTURE BOND ISSUE NO. IFB1/2011/12

INVESTOR INFORMATION

The Central Bank of Kenya is pleased to announce extension of the tap sale offer for the 12- year **Infrastructure Bond Issue No. IFB1/2011/12** to raise up to **Kes 17.7 billion**. The bond was first issued in September 2011 and raised Kes 11.6 billion and remained on sale up to January 2012 during which an additional Kes 6.7 billion was raised resulting in total bond value of **Kes 18.3 billion** at cost. Some of the attractive features of this bond include tax exemption on discount and interest earnings and the phased redemption of principal investment in the 4th, 8th and 12th year. The latter implying that investors have twin fold opportunities to lock in high rate of return in the long run and/or receive high coupon/interest payments relative to other short term securities when market interest rates decline. Details of this Tap Sale are as follows:

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| Period of Sale: | February 06, 2012 to February 21, 2012. |
| Minimum Amount: | KES 100,000 and in multiples of KES 50,000 thereafter. |
| Maximum Amount: | No maximum amount. |
| Coupon (Interest Rate): | 12% Per annum paid semi annually on outstanding principal amount on all investors. |
| Pricing: | The Tap Bids shall be priced at the Weighted Average Rate (WAR) for successful bids for the Infrastructure Bond Auction held on Wednesday, September 28, 2011 and adjusted for time to maturity. The bids for this Tap Sale will therefore be allotted at the following fixed yield rate and price: |
| Average Yield Rate: | 16.640% |
| Adjusted Average Price: | 87.555 (Per KES 100) |
| Value /Payment date: | 27/02/2012. Payments above Kshs 1 Million must be made by RTGS and payments below Kshs 1 Million may be made by Cash, Banker's cheque or RTGS and must reach the Central Bank of Kenya not later than 2 pm on Monday 27th February 2012 for Cash and Cheques and 3.30 pm for RTGS. Please provide the following details with each payment: Investors' Name, Reference No. and CDS Account Number. The account to be credited when using RTGS is Treasury Bonds Issues Account No. 01-053-0001 |
| Closing Date: | Tuesday, February 21, 2012, 2.00pm Kenyan Time |
| How to Apply: | Use Treasury bond application form and ensure to indicate "TAP" on the field for price |
| Bids Allotment Date: | Bid allotments will be done on Wednesday, February 22, 2012 . |
| Results: | Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on the next working day after the allotment. The information may be obtained by direct contact with CBK or be sought online via email for Investors in the Diaspora. |
| Eligibility: | Open to all investors with updated CDS accounts with the Central Bank of Kenya. All the necessary documents for CDS account opening, application forms, prospectuses and others relevant information are available on the CBK Website www.centralbank.go.ke |
| Right to accept bids: | The Central Bank of Kenya reserves the right to accept bids in full or part thereof or reject them in total without giving any reason. |
| Terms and Conditions: | Other terms and conditions of the Bond remained unchanged as outlined in the prospectus for IFB1/2011/12. |

For enquiries please contact Central Bank of Kenya, Financial Markets Department on 2860000, any of our Branch in Mombasa, Kisumu and Eldoret or any of our currency centre in Meru, Nyeri, Nakuru or send an email to NDO@centralbank.go.ke or visit the CBK website on www.centralbank.go.ke

