

**PRICE GUIDE FOR THE 12 YEAR FIXED COUPON  
INFRASTRUCTURE BOND ISSUE IFB1/2014/12**

<b>YIELD(YTM)</b>	<b>PRICE</b>
7.000%	124.986
7.125%	124.074
7.250%	123.172
7.375%	122.278
7.500%	121.395
7.625%	120.520
7.750%	119.655
7.875%	118.798
8.000%	117.950
8.125%	117.111
8.250%	116.281
8.375%	115.459
8.500%	114.646
8.625%	113.841
8.750%	113.044
8.875%	112.256
9.000%	111.475
9.125%	110.702
9.250%	109.938
9.375%	109.181
9.500%	108.431
9.625%	107.689
9.750%	106.955
9.875%	106.227
10.000%	105.508
10.125%	104.795
10.250%	104.089
10.375%	103.391
10.500%	102.699
10.625%	102.014
10.750%	101.336
10.875%	100.665
<b>11.000%</b>	<b>100.000</b>
11.125%	99.342
11.250%	98.690
11.375%	98.044
11.500%	97.405

<b>YIELD(YTM)</b>	<b>PRICE</b>
11.625%	96.772
11.750%	96.145
11.875%	95.525
12.000%	94.910
12.125%	94.301
12.250%	93.698
12.375%	93.101
12.500%	92.509
12.625%	91.923
12.750%	91.343
12.875%	90.768
13.000%	90.199
13.125%	89.635
13.250%	89.077
13.375%	88.523
13.500%	87.975
13.625%	87.432
13.750%	86.894
13.875%	86.361
14.000%	85.834
14.125%	85.310
14.250%	84.792
14.375%	84.279
14.500%	83.770
14.625%	83.266
14.750%	82.767
14.875%	82.272
15.000%	81.782
15.125%	81.296
15.250%	80.815
15.375%	80.338
15.500%	79.866
15.625%	79.397
15.750%	78.933
15.875%	78.473
16.000%	78.018
16.125%	77.566



**CENTRAL BANK OF KENYA**

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## Prospectus for Government of Kenya Infrastructure Bond Offer

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**ISSUE NO. IFB 1/2014/12  
12-YEAR AMORTIZED BOND  
TOTAL VALUE: UP TO KSHS 15 BILLION  
VALUE DATE: 27TH OCTOBER 2014**

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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](mailto:NDO@centralbank.go.ke) or visit the CBK website on [www.centralbank.go.ke](http://www.centralbank.go.ke)

## IFB 1/2014/12

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:-

<b>Issuer</b>	:	Republic of Kenya																								
<b>Amount</b>	:	Up to <b>Kshs. 15 Billion (1st Tranche)</b>																								
<b>Purpose</b>	:	For partial funding of infrastructure projects in the following sectors: transport (Kshs. 20,211.3mn), Energy (Kshs. 3,876.5mn) and Water (Kshs. 10,912.1mn)																								
<b>Tenor</b>	:	<b>Twelve-year</b>																								
<b>Coupon</b>	:	<b>11% p.a</b>																								
<b>Period of sale</b>	:	<b>08/10/2014 to 21/10/2014</b>																								
<b>Value Date</b>	:	<b>27/10/2014</b>																								
<b>Price Quote</b>	:	Discounted/Premium/ Par																								
<b>Minimum Amount</b>	:	<b>Kshs. 100,000.00</b>																								
<b>Interest Payment Dates</b>	:	<table border="0" style="width: 100%;"> <tr> <td>27/04/2015</td> <td>22/04/2019</td> <td>17/04/2023</td> </tr> <tr> <td>26/10/2015</td> <td>21/10/2019</td> <td>16/10/2023</td> </tr> <tr> <td>25/04/2016</td> <td>20/04/2020</td> <td>15/04/2024</td> </tr> <tr> <td>24/10/2016</td> <td>19/10/2020</td> <td>14/10/2024</td> </tr> <tr> <td>24/04/2017</td> <td>19/04/2021</td> <td>14/04/2025</td> </tr> <tr> <td>23/10/2017</td> <td>18/10/2021</td> <td>13/10/2025</td> </tr> <tr> <td>23/04/2018</td> <td>18/04/2022</td> <td>13/04/2026</td> </tr> <tr> <td>22/10/2018</td> <td>17/10/2022</td> <td>12/10/2026</td> </tr> </table>	27/04/2015	22/04/2019	17/04/2023	26/10/2015	21/10/2019	16/10/2023	25/04/2016	20/04/2020	15/04/2024	24/10/2016	19/10/2020	14/10/2024	24/04/2017	19/04/2021	14/04/2025	23/10/2017	18/10/2021	13/10/2025	23/04/2018	18/04/2022	13/04/2026	22/10/2018	17/10/2022	12/10/2026
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<b>Redemption Date:</b>	:	<b>12/10/2026</b>																								
<b>Taxation</b>	:	The Bond will be tax free as is the case for all Infrastructure Bonds as provided for under the Income Tax Act.																								
<b>Redemption Structure</b>	:	<p>22nd October, 2018 - 25.361% of outstanding principal amount</p> <p>17th October, 2022 - 41.771% of outstanding principal amount</p> <p>12th October, 2026 - 100% - Final Redemption of all outstanding amounts</p>																								
<b>Amortization Amount</b>	:	Any outstanding amount up to Kshs. 1.0 million per CDS account at the time of amortization will be redeemed in full.																								
<b>Issuing and Paying Agent</b>	:	Registrar, National Debt.																								
<b>Placing Agents</b>	:	Commercial Banks, Non-Bank Financial Institutions,																								

<b>Issuance method</b>	:	Licensed Stock Brokers, Licensed Investment Advisors Multi-Price Bid Auction.
<b>Non-Competitive Bids</b>	:	Maximum <b>Kshs. 20 Million</b> per investor per CDS a/c
<b>Bids Closure</b>	:	Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box by <b>2.00 p.m on Tuesday, 21st October, 2014.</b>
<b>Auction Date</b>	:	<b>Wednesday, 22/10/2014</b>
<b>Results</b>	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on <b>Thursday, 23/10/2014.</b>
<b>Defaulters</b>	:	Defaulters may be suspended from subsequent investment in Government Securities.
<b>Re-opening</b>	:	The Bond may be re-opened at a future date
<b>Commission</b>	:	Licensed placing agents will be paid commission at the rate of <b>0.15%</b> of actual sales (at cost ) net of <b>5%</b> withholding tax.
<b>Rediscounting</b>	:	The Central Bank will rediscount the bond as a last resort at <b>3%</b> above the prevailing market yield or coupon rate whichever is higher, <b>upon written confirmation to do so from the Nairobi Securities Exchange.</b>
<b>Liquidity</b>	:	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.
<b>Listing</b>	:	The bond will be listed on the Nairobi Securities Exchange.
<b>Classification</b>	:	The bond is a non-benchmark bond.
<b>Registrar</b>	:	National Debt, Central Bank of Kenya.
<b>Eligibility</b>	:	Only CDS Account holders with updated mandates.
<b>Secondary Trading</b>	:	Secondary trading in multiples of KShs 50,000.00 to commence on <b>Tuesday, 28th October, 2014.</b>
<b>Right to accept applications:</b>	:	The Central Bank reserves the right to accept bids in full or part thereof or reject them in total without giving any reason.