

PRICE GUIDE FOR THE 7-YEAR AMORTIZED FIXED COUPON
INFRASTRUCTURE BOND ISSUE IFBI/2017/7

YIELD(YTM)	CLEAN PRICE
8.000%	121.008
8.125%	120.350
8.250%	119.696
8.375%	119.046
8.500%	118.402
8.625%	117.762
8.750%	117.126
8.875%	116.495
9.000%	115.869
9.125%	115.246
9.250%	114.629
9.375%	114.015
9.500%	113.406
9.625%	112.802
9.750%	112.201
9.875%	111.605
10.000%	111.013
10.125%	110.425
10.250%	109.841
10.375%	109.261
10.500%	108.686
10.625%	108.114
10.750%	107.546
10.875%	106.983
11.000%	106.423
11.125%	105.867
11.250%	105.315
11.375%	104.767
11.500%	104.222
11.625%	103.682
11.750%	103.145
11.875%	102.611
12.000%	102.082
12.125%	101.556
12.250%	101.034
12.375%	100.515
12.500%	100.000

YIELD(YTM)	CLEAN PRICE
12.625%	99.488
12.750%	98.980
12.875%	98.476
13.000%	97.975
13.125%	97.477
13.250%	96.983
13.375%	96.492
13.500%	96.004
13.625%	95.520
13.750%	95.039
13.875%	94.561
14.000%	94.087
14.125%	93.615
14.250%	93.147
14.375%	92.682
14.500%	92.221
14.625%	91.762
14.750%	91.306
14.875%	90.854
15.000%	90.404
15.125%	89.958
15.250%	89.514
15.375%	89.074
15.500%	88.636
15.625%	88.202
15.750%	87.770
15.875%	87.341
16.000%	86.915
16.125%	86.492
16.250%	86.071
16.375%	85.654
16.500%	85.239
16.625%	84.827
16.750%	84.418
16.875%	84.011
17.000%	83.607
17.125%	83.206



CENTRAL BANK OF KENYA

**PROSPECTUS
FOR GOVERNMENT OF KENYA
INFRASTRUCTURE BOND OFFER**

**7-YEAR AMORTIZED BOND
ISSUE NO. IFB 1/2017/7**

TOTAL VALUE: KSHS 30 BILLION

NOVEMBER 2017

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

IFB 1/2017/7

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. 30 Billion
Purpose	:	For partial funding of infrastructure projects in the following sectors: Roads- Kshs 10Bn, Energy-Kshs15Bn, Water-5Bn
Tenor	:	Seven-year
Coupon	:	12.500% p.a
Period of sale	:	14/11/2017 to 21/11/2017
Value Date	:	27/11/2017
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 100,000.00
Interest Payment Dates:		28/05/2018 22/11/2021 26/11/2018 23/05/2022 27/05/2019 21/11/2022 25/11/2019 22/05/2023 25/05/2020 20/11/2023 23/11/2020 20/05/2024 24/05/2021 18/11/2024
Redemption Date	:	18/11/2024
Taxation	:	The Bond will be tax free as is the case for all Infrastructure Bonds as provided for under the Income Tax Act.
Redemption Structure	:	21st November, 2022- 50.000% of unencumbered outstanding principal amount. 18th November, 2024 - 100% - Final Redemption of all outstanding amounts.
Amortization	:	No partial redemption will be paid on encumbered securities on amortization dates. Any amount upto Kshs. 1.0 million per CDS account at amortization will be redeemed in full except for encumbered securities.
Issuing and Paying Agent:		Central Bank of Kenya
Placing Agents	:	Commercial Banks, Non-Bank Financial institutions, Licensed Stock Brokers and Licenced Investment Advisors.

Auction Method	:	Multi-Price Bid Auction.
Non-Competitive Bids	:	Maximum Kshs 20 Million per investor.
Bids Closure	:	Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box by 2.00p.m on Tuesday, 21st November, 2017.
Auction Date Results	:	Wednesday, 22/11/2017 Investors should obtain details of amounts payable for successful bids, from Central Bank on Thursday, 23/11/2017.
Defaulters	:	Defaulters may be suspended from subsequent investment in Government Securities.
Re-opening Commission	:	The Bond may be re-opened at a future date 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 bond 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 non-benchmark Bond
Eligibility	:	Only CDS Account holders
Secondary Trading	:	Secondary trading in multiples of KShs 50,000.00 to commence on Tuesday, 28th November, 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.