

**PRICE GUIDE FOR THE 15- YEAR FIXED COUPON
INFRASTRUCTURE BOND ISSUE IFB1/2016/15.**

YIELD(YTM)	CLEAN PRICE	YIELD(YTM)	CLEAN PRICE
7.000%	137.071	11.625%	102.211
7.125%	135.905	11.750%	101.465
7.250%	134.753	11.875%	100.729
7.375%	133.617	12.000%	100.000
7.500%	132.494	12.125%	99.280
7.625%	131.386	12.250%	98.568
7.750%	130.291	12.375%	97.864
7.875%	129.210	12.500%	97.167
8.000%	128.143	12.625%	96.479
8.125%	127.088	12.750%	95.798
8.250%	126.047	12.875%	95.125
8.375%	125.019	13.000%	94.459
8.500%	124.003	13.125%	93.801
8.625%	122.999	13.250%	93.150
8.750%	122.008	13.375%	92.506
8.875%	121.029	13.500%	91.869
9.000%	120.062	13.625%	91.240
9.125%	119.106	13.750%	90.617
9.250%	118.163	13.875%	90.001
9.375%	117.230	14.000%	89.391
9.500%	116.309	14.125%	88.788
9.625%	115.398	14.250%	88.192
9.750%	114.499	14.375%	87.602
9.875%	113.610	14.500%	87.018
10.000%	112.732	14.625%	86.441
10.125%	111.864	14.750%	85.870
10.250%	111.007	14.875%	85.304
10.375%	110.160	15.000%	84.745
10.500%	109.322	15.125%	84.192
10.625%	108.495	15.250%	83.645
10.750%	107.677	15.375%	83.103
10.875%	106.868	15.500%	82.567
11.000%	106.069	15.625%	82.036
11.125%	105.280	15.750%	81.512
11.250%	104.499	15.875%	80.992
11.375%	103.728	16.000%	80.478
11.500%	102.965	16.125%	77.309



CENTRAL BANK OF KENYA

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

**15-YEAR AMORTIZED BOND
ISSUE NO. IFB 1/2016/15**

TOTAL VALUE: KSHS 30 BILLION

OCTOBER 2016

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 1/2016/15

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. 30 Billion
Purpose	:	For partial funding of infrastructure projects in the following sectors: Roads- Kshs 10Bn, Energy- Kshs 10Bn, Water-20Bn
Tenor	:	Fifteen-year
Coupon	:	12%
Period of sale	:	07/10/2016 to 18/10/2016
Value Date	:	24/10/2016
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 100,000.00
Interest Payment Dates	:	24/04/2017 19/04/2021 14/04/2025 09/04/2029 23/10/2017 18/10/2021 13/10/2025 08/10/2029 23/04/2018 18/04/2022 13/04/2026 08/04/2030 22/10/2018 17/10/2022 12/10/2026 07/10/2030 22/04/2019 17/04/2023 12/04/2027 07/04/2031 21/10/2019 16/10/2023 11/10/2027 06/10/2031 20/04/2020 15/04/2024 10/04/2028 19/10/2020 14/10/2024 09/10/2028
Redemption Date	:	06/10/2031
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	:	18th October, 2021- 25.000% of unencumbered outstanding principal amount 12th October, 2026-33.333% of unencumbered outstanding principal amount 6th October, 2031 - 100% - Final Redemption of all outstanding amounts
Amortization	:	<i>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.</i>

Issuing and Paying Agent	:	Central Bank of Kenya
Placing Agents	:	Commercial Banks, Non-Bank Financial institutions, Licensed Stock Brokers and Licensed 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 2.00 p.m on Tuesday, 18th October, 2016.
Auction Date	:	Wednesday, 19/10/2016
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on Friday, 21/10/2016.
Defaulters	:	Defaulters may be suspended from subsequent investment in Government Securities.
Re-opening	:	The Bond may be re-opened at a future date
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 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, 25th October, 2016.
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.