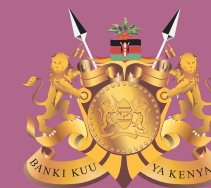


**PRICE GUIDE FOR THE 12-YEAR AMORTIZED FIXED
COUPON INFRASTRUCTURE BOND ISSUE IFB1/2017/12.**

YIELD(YTM)	CLEAN PRICE	YIELD(YTM)	CLEAN PRICE
8.000%	127.301	12.625%	99.369
8.125%	126.403	12.750%	98.744
8.250%	125.515	12.875%	98.124
8.375%	124.636	13.000%	97.510
8.500%	123.766	13.125%	96.902
8.625%	122.905	13.250%	96.300
8.750%	122.052	13.375%	95.703
8.875%	121.207	13.500%	95.112
9.000%	120.371	13.625%	94.526
9.125%	119.544	13.750%	93.945
9.250%	118.724	13.875%	93.370
9.375%	117.913	14.000%	92.800
9.500%	117.109	14.125%	92.236
9.625%	116.314	14.250%	91.676
9.750%	115.526	14.375%	91.121
9.875%	114.746	14.500%	90.572
10.000%	113.974	14.625%	90.027
10.125%	113.209	14.750%	89.488
10.250%	112.452	14.875%	88.953
10.375%	111.702	15.000%	88.423
10.500%	110.959	15.125%	87.898
10.625%	110.224	15.250%	87.378
10.750%	109.496	15.375%	86.862
10.875%	108.774	15.500%	86.350
11.000%	108.060	15.625%	85.844
11.125%	107.352	15.750%	85.342
11.250%	106.652	15.875%	84.844
11.375%	105.958	16.000%	84.350
11.500%	105.270	16.125%	83.861
11.625%	104.589	16.250%	83.377
11.750%	103.915	16.375%	82.896
11.875%	103.247	16.500%	82.420
12.000%	102.585	16.625%	81.948
12.125%	101.930	16.750%	81.480
12.250%	101.280	16.875%	81.016
12.375%	100.637	17.000%	80.556
12.500%	100.000	17.125%	77.309



CENTRAL BANK OF KENYA

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

**12-YEAR AMORTIZED BOND
ISSUE NO. IFB 1/2017/12**

TOTAL VALUE: KSHS 30 BILLION

FEBRUARY 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 1/2017/12

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 Roads, Energy and Water sectors.
Tenor	:	Twelve-year
Coupon	:	12.500%
Period of sale	:	07/02/2017 to 21/02/2017
Value Date	:	27/02/2017
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 100,000.00
Interest Payment Dates:		28/08/2017 24/08/2020 21/08/2023 17/08/2026 26/02/2018 22/02/2021 19/02/2024 15/02/2027 27/08/2018 23/08/2021 19/08/2024 16/08/2027 25/02/2019 21/02/2022 17/02/2025 14/02/2028 26/08/2019 22/08/2022 18/08/2025 14/08/2028 24/02/2020 20/02/2023 16/02/2026 12/02/2029
Redemption Date	:	12/02/2029
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 February, 2022-20.000% of unencumbered outstanding principal amount 19th February, 2024-45.000% of unencumbered outstanding principal amount 12th February, 2029 - 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 2.00 p.m on Tuesday, 21st February, 2017.
Auction Date Results	:	Wednesday, 22/02/2017 Investors should obtain details of amounts payable for successful bids, from Central Bank on Thursday 23/02/2017.
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 Eligibility	:	The bond is a non-benchmark Bond Only investors with active CDS accounts at Central Bank of Kenya
Secondary Trading	:	Secondary trading in multiples of KShs 50,000.00 to commence on Tuesday, 28th February, 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.