



PROSPECTUS FOR GOVERNMENT OF KENYA
INFRASTRUCTURE BOND OFFER

6-YEAR AMORTIZED
BOND ISSUE NO IFB1/2020/6

TOTAL VALUE : KSHS 25.6 BILLION

JUNE 2020

For enquiries please contact Central Bank of Kenya, Financial markets Department on 0791067364 or 0790089473, or send an email to Switch@centralbank.go.ke or visit the CBK website on www.centralbank.go.ke

IFB1/2020/6

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. 25.6 Billion
Purpose	:	For funding of Infrastructure projects in the FY 2019/20 budget estimates
Tenor	:	Six-Year
Coupon Rate	:	10.200%
Period of sale	:	14/05/2020 to 26/05/2020
Value Date	:	01/06/2020
Price Quote	:	Discounted/Premium/Par
Minimum Amount	:	Kshs. 100,000.00
Interest Payment Dates	:	IFB1/2020/6 30/11/2020 28/11/2022 25/11/2024 25/05/2026 31/05/2021 29/05/2023 26/05/2025 29/11/2021 27/11/2023 24/11/2025 30/05/2022 27/05/2024
Redemption Dates	:	25/05/2026
Taxation	:	The Bond will be tax free as is the case for infrastructure Bonds as provided for under the income Tax Act.
Redemption Structure	:	29th May, 2023-50% of unencumbered outstanding principal amount. : 25th May, 2026 -100% - Final redemption of all outstanding amounts.
Amortization	:	No partial redemption will be paid on encumbered securities on amortization dates. Any amounts upto Kshs 1.0million 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 • Licensed Investment Advisors

Issuance method	:	Multi-Price Bid Auction.
Bids Closure	:	Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box or CBK Internet Banking by 2.00pm on Tuesday, 26th May, 2020.
Auction Date	:	Wednesday, 27th May, 2020.
Results	:	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on 28/05/2020.
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	:	At primary issuance, only investors with holdings in T-Bill Issue No. 2236/364.
Re-opening	:	The Bond may be re-opened at a future date.
Secondary Trading	:	Secondary trading in multiples of KShs 50,000.00 to commence on Tuesday, 2nd June, 2020.
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.

PRICE GUIDE FOR THE 6-YEAR IFB1/2020/6

YIELD(YTM)	CLEAN PRICE
9.000%	104.283
9.250%	103.370
9.500%	102.469
9.750%	101.577
10.200%	100.000
10.500%	98.967
10.750%	98.117
11.000%	97.277
11.250%	96.447
11.500%	95.627
11.750%	94.816

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APPLICATION NO.

CENTRAL BANK OF KENYA
P.O. BOX 60000-00200

NAIROBI

GOVERNMENT SECURITIES SWITCH APPLICATION FORM

VALUE DATE:

FROM: ISSUE NUMBER

DURATION

TO: ISSUE NUMBER

DURATION

TOTAL FACE VALUE (Kshs in figures)

FACE VALUE IN WORDS

INDICATE ONLY ONE RATE BELOW:

1. INTEREST/ COMPETITIVE RATE

2. NON- COMPETITIVE/ AVERAGE RATE

(INDICATE RATE IN THREE (3) DECIMAL PLACES)

(TICK THE BOX)

Dear Sir/Madam,

In accordance with the invitation to bid for the above Treasury Bill/Bond issue, I/We hereby apply for the issue referred to and the total face value shown above.

INVESTOR DETAILS

NAME (s)

TELEPHONE

CDS PORTFOLIO NO.

VIRTUAL ACCOUNT NO.

By signing this form, I/We declare that:

- I/We fully understand the terms and conditions of the tender and undertake to abide by the same together with any rules and regulations that may be made by the Central Bank of Kenya relating to investment in Government Securities and related services.
- The funds being invested for the purchase of the above Treasury Bill/Bond are not proceeds of crime as defined by the Proceeds of Crime and Anti- Money Laundering Act (No. 9 of 2009)

NAME _____

NAME _____

SIGNATURE _____
& STAMP (Must be signatory to the CDS account)

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& STAMP (Must be signatory to the CDS account)