



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

**18-YEAR AMORTIZED BOND
ISSUE NO IFB1/2022/18**

TOTAL VALUE: KSHS 75 BILLION

JUNE 2022

For enquiries please contact Central Bank of Kenya, Financial Markets Department on 020 286 0000 or our Branches in Mombasa, Kisumu and Eldoret or Nyeri, Meru, Kisii 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

IFB1/2022/18

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. 75 Billion
Purpose	:	For funding of Infrastructure projects in the FY 2021/2022 budget estimates
Tenor	:	Eighteen Year
Coupon Rate	:	Market Determined
Period of sale	:	23/05/2022 to 07/06/2022
Value Date	:	13/06/2022
Payment Date	:	13/06/2022
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 100,000.00
Interest Payment Dates	:	

12/12/2022	12/06/2023	11/12/2023	10/06/2024	09/12/2024
09/06/2025	08/12/2025	08/06/2026	07/12/2026	07/06/2027
06/12/2027	05/06/2028	04/12/2028	04/06/2029	03/12/2029
03/06/2030	02/12/2030	02/06/2031	01/12/2031	31/05/2032
29/11/2032	30/05/2033	28/11/2033	29/05/2034	27/11/2034
28/05/2035	26/11/2035	26/05/2036	24/11/2036	25/05/2037
23/11/2037	24/05/2038	22/11/2038	23/05/2039	21/11/2039
21/05/2040				

Redemption Date	:	21st May, 2040
Taxation	:	The Bond will be tax free as is the case for infrastructure Bonds as provided for under the income Tax Act.
Redemption Structure	:	2nd June, 2031 - 50% of unencumbered outstanding principal amount. : 21st May, 2040 - 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	:	<ul style="list-style-type: none"> • Commercial Banks • Non-Bank Financial Institutions • Licensed Stock Brokers • Licensed Investment Advisors

Issuance method	:	Multi-Price Bid Auction.
Non-Competitive Bids	:	Maximum Kshs. 20 Million per CDS account per tenor. This does not apply to State corporations, public universities and Semi-Autonomous Government Agencies.
Bids Closure	:	Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box or via Treasury Mobile Direct (TMD) or CBK Internet Banking by 2.00 p.m on Tuesday, 7th June, 2022.
Auction Date	:	Wednesday, 8th June, 2022.
Results	:	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on Thursday, 9th June, 2022.
Defaulters	:	Defaulters may be suspended from subsequent investment in Government Securities.
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 investors with active CDS Accounts with the Central Bank of Kenya.
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, 14th June, 2022.
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.