



Central Bank of Kenya

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

**16-YEAR AMORTIZED BOND
ISSUE NO. IFB 1/2019/16**

TOTAL VALUE: KSHS 60 BILLION

OCTOBER 2019

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 1/2019/16

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. 60 Billion.
Purpose	:	Funding of infrastructure projects in the FY 2019/20 budget estimates
Tenor	:	Sixteen-year
Coupon	:	Market determined
Period of sale	:	02/10/2019 to 22/10/2019
Value Date	:	28/10/2019
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 100,000.00
Interest Payment Dates	:	27/04/2020 22/04/2024 17/04/2028 12/04/2032 26/10/2020 21/10/2024 16/10/2028 11/10/2032 26/04/2021 21/04/2025 16/04/2029 11/04/2033 25/10/2021 20/10/2025 15/10/2029 10/10/2033 25/04/2022 20/04/2026 15/04/2030 10/04/2034 24/10/2022 19/10/2026 14/10/2030 09/10/2034 24/04/2023 19/04/2027 14/04/2031 09/04/2035 23/10/2023 18/10/2027 13/10/2031 08/10/2035
Redemption Date	:	08/10/2035
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	:	14th October, 2030- 50.00% of unencumbered outstanding principal amount 8th October, 2035- 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.
Placing Agents	:	Commercial Banks, Non-Bank Financial institutions, Licensed Stock Brokers and Licenced Investment Advisors.
Auction Method	:	Multi-Price Bid Auction.
Issuing and Paying Agent	:	Central Bank of Kenya

Non-Competitive Bid	:	Maximum Kshs 20 Million per CDS Account. 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 by 2.00 p.m on Tuesday, 22nd October, 2019.
Auction Date	:	Wednesday, 23/10/2019
Results	:	Investors should obtain details of amounts payable for successful bids, from Central Bank on Thursday 24/10/2019.
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 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, 29th October, 2019.
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.