



Central Bank of Kenya

**PROSPECTUS FOR GOVERNMENT OF KENYA
INFRASTRUCTURE BOND OFFER
(SWITCH AUCTION)**

**6-YEAR AMORTIZED
BOND ISSUE NO IFB1/2022/6**

TOTAL VALUE: KSHS 87.8 BILLION

DECEMBER 2022

Eligibility: At primary issuance, only investors with minimum holdings of Kshs. 100,000 in T-Bill issue No. 2494/91,2454/182, 2380/364 and T-Bond issue FXD1/2021/2 as at November 30th 2022.

For enquiries please contact Central Bank of Kenya, Financial markets Department on 0791067364 or 0790922259, or send an email to switch@centralbank.go.ke or visit the CBK website on www.centralbank.go.ke

IFB1/2022/6

Central Bank of Kenya, acting in its capacity as fiscal agent for the Republic of Kenya, invites bids for the infrastructure bond via switch auction that is offered to investors with holdings in T-bills issue Nos. 2494/91, 2454/182, 2380/364 and T-bond issue No. FXD1/2021/2 (source instruments- refer to the table at the end of this prospectus) whose terms and conditions are as follows:-

Issuer	:	Republic of Kenya		
Purpose	:	For funding of Infrastructure projects in the FY 2022/23 budget estimates		
Amount	:	Kshs. 87.8 Billion		
Tenor	:	Six-Year		
Coupon Rate	:	Market Determined		
Period of sale	:	22/11/2022 to 30/11/2022		
Value Date	:	05/12/2022		
Price Quote	:	Discounted/Premium/Par		
Minimum Amount	:	Kshs. 100,000.00		
Interest Payment				
Dates	:	05/06/2023	04/12/2023	03/06/2024
		02/12/2024	02/06/2025	01/12/2025
		01/06/2026	30/11/2026	31/05/2027
		29/11/2027	29/05/2028	27/11/2028
Redemption Date	:	27/11/2028		
Taxation	:	The Bond will be tax free as is the case for infrastructure Bonds as provided for under the income Tax Act.		
Redemption Structure	:	1st December 2025-50% of unencumbered outstanding principal amount.		
	:	27th November 2028-100% - 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.		

- Bids Closure** : Duly completed bond application forms (available at the back of this prospectus) must be submitted to any branch of the Central Bank in the specified tender box or via email switch@centralbank.go.ke by 2.00pm on Wednesday, 30th November, 2022.
- Auction Date** : Thursday, 1st December, 2022.
- Results** : Investors should obtain details of successful bids from Central Bank of Kenya on 02/12/2022.
- 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 minimum holdings of Kshs. 100,000 in T-Bill issue No. 2494/91,2454/182, 2380/364 and T-Bond issue FXD1/2021/2 as at November 30th 2022.
- 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, 6th December, 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

Source Securities						
Type	Issue No.	Original Tenor	Time to Maturity (days) on Value Date (05-Dec-2022)	Yield (%)	Dirty Price	Maturity size (KES bn)
T-Bill	2494/091	91-days	35	8.865	99.157	10.97
T-Bill	2454/182	182-days	35	8.865	99.157	8.80
T-Bill	2380/364	364-days	35	8.865	99.157	12.19
T-Bond	FXD1/2021/002	2-year	35	8.865	103.873	55.85
Total						87.81

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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)

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