



PROSPECTUS FOR GOVERNMENT OF KENYA  
INFRASTRUCTURE BOND OFFER

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18-YEAR AMORTIZED BOND  
ISSUE NO IFB1/2021/18

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TOTAL VALUE: KSHS 60 BILLION

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APRIL 2021

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 and Nakuru Currency Centres or any Commercial Bank, Investment Bank, Stock Brokers or send an email to [NDO@centralbank.go.ke](mailto:NDO@centralbank.go.ke) or visit the CBK website on [www.centralbank.go.ke](http://www.centralbank.go.ke)

## IFB1/2021/18

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:-

<p><b>Issuer</b> : Republic of Kenya</p> <p><b>Amount</b> : Kshs. 60 Billion</p> <p><b>Purpose</b> : For funding of Infrastructure projects in the FY 2020/21 budget estimates</p> <p><b>Tenor</b> : Eighteen-year</p> <p><b>Coupon Rate</b> : Market Determined</p> <p><b>Period of sale</b> : 26/03/2021 to 06/04/2021</p> <p><b>Value Date</b> : 12/04/2021</p> <p><b>Payment Date</b> : 12/04/2021</p> <p><b>Price Quote</b> : Discounted/Premium/ Par</p> <p><b>Minimum Amount</b> : Kshs. 100,000.00</p> <p><b>Interest Payment Dates</b> : IFB1/2021/18</p> <p>11/10/2021 06-10-2025 02-04-2029 27-09-2032 24-03-2036</p> <p>11/04/2022 06-04-2026 01-10-2029 28-03-2033 22-09-2036</p> <p>10/10/2022 05-10-2026 01-04-2030 26-09-2033 23-03-2037</p> <p>10/04/2023 05-04-2027 30-09-2030 27-03-2034 21-09-2037</p> <p>09/10/2023 04-10-2027 31-03-2031 25-09-2034 22-03-2038</p> <p>08/04/2024 03-04-2028 29-09-2031 26-03-2035 20-09-2038</p> <p>07/10/2024 02-10-2028 29-03-2032 24-09-2035 21-03-2039</p> <p>07/04/2025</p> <p><b>Redemption Dates</b> : 21/03/2039</p> <p><b>Taxation</b> : The Bond will be tax free as is the case for infrastructure Bonds as provided for under the income Tax Act.</p> <p><b>Redemption Structure</b> : 1st April, 2030-50% of unencumbered outstanding principal amount.</p> <p>: 21st March, 2039-100% -Final redemption of all outstanding amounts.</p> <p><b>Amortization</b> : No partial redemption will be paid on encumbered securities on amortization dates. Any amounts upto Kshs 1.0million per CDS account at armotization will be redeemed in full except for encumbered securities.</p> <p><b>Issuing and Paying Agent</b> : Central Bank of Kenya.</p> <p><b>Placing Agents</b> : • Commercial Banks</p>	<p><b>Issuance method</b> : Multi-Price Bid Auction.</p> <p><b>Non-Competitive Bids</b> : Maximum Kshs. 20 Million per CDS account per tenor. This does not apply to State corporations, public universities and Semi-Autonomous Government Agencies.</p> <p><b>Bids Closure</b> : 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, 6th April, 2021.</p> <p><b>Auction Date</b> : Wednesday, 07/04/2021.</p> <p><b>Results</b> : Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on 8/04/2021.</p> <p><b>Defaulters</b> : Defaulters may be suspended from subsequent investment in Government Securities.</p> <p><b>Commission</b> : Licensed placing agents will be paid commission at the rate of 0.15% of actual sales (at cost) net of 5% withholding tax.</p> <p><b>Rediscounting</b> : 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.</p> <p><b>Liquidity</b> : 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.</p> <p><b>Listing</b> : The bond will be listed on the Nairobi Securities Exchange.</p> <p><b>Classification</b> : The bond is a non-benchmark Bond.</p> <p><b>Eligibility</b> : Only investors with active CDS Accounts with the Central Bank of Kenya.</p> <p><b>Re-opening</b> : The Bond may be re-opened at a future date.</p> <p><b>Secondary Trading</b> : Secondary trading in multiples of KShs 50,000.00 to commence on Tuesday, 13th April, 2021.</p> <p><b>Right to accept applications</b> : The Central Bank reserves the right to accept bids in full or part thereof or reject them in total without giving any reason.</p>
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• Non-Bank Financial Institutions

• Licensed Stock Brokers

• Licensed Investment Advisors