

PRICE GUIDE FOR THE INFRASTRUCTURE BOND ISSUE NO. IFB1/2020/9

YIELD (YTM)	CLEAN PRICE
9.000%	109.284
9.125%	108.620
9.250%	107.962
9.375%	107.309
9.500%	106.661
9.625%	106.019
9.750%	105.383
9.875%	104.751
10.000%	104.125
10.125%	103.504
10.250%	102.888
10.375%	102.277
10.500%	101.671
10.625%	101.070
10.750%	100.473
10.850%	100.000
10.875%	99.882
11.000%	99.296
11.125%	98.714
11.250%	98.137
11.375%	97.564
11.500%	96.997
11.625%	96.434
11.750%	95.875
11.875%	95.321
12.000%	94.771
12.125%	94.226
12.250%	93.685
12.375%	93.148
12.500%	92.616
12.625%	92.088
12.750%	91.564
12.875%	91.044
13.000%	90.529



Central Bank of Kenya

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

**9-YEAR AMORTIZED BOND
ISSUE NO IFB1/2020/9**

TOTAL VALUE: KSHS 60 BILLION

APRIL 2020

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 or visit the CBK website on www.centralbank.go.ke

IFB1/2020/9

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	:	For funding of Infrastructure projects in the FY 2019/20 budget estimates
Tenor	:	Nine-Year
Coupon Rate	:	10.850%
Period of sale	:	26/03/2020 to 07/04/2020
Value Date	:	13/04/2020
Payment Date	:	14/04/2020
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 100,000.00
Interest Payment Dates	:	IFB1/2020/9 12/10/2020 10/04/2023 06/10/2025 03/04/2028 12/04/2021 09/10/2023 06/04/2026 02/10/2028 11/10/2021 08/04/2024 05/10/2026 02/04/2029 11/04/2022 07/10/2024 05/04/2027 10/10/2022 07/04/2025 04/10/2027
Redemption Dates	:	02/04/2029
Taxation	:	The Bond will be tax free as is the case for infrastructure Bonds as provided for under the income Tax Act.
Redemption Structure	:	7th April, 2025-50% of unencumbered outstanding principal amount. : 2nd April, 2029-100% -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 armotization 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 April, 2020.
Auction Date	:	Wednesday, 08/04/2020.
Results	:	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on 9/04/2020.
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 April, 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.