



**Central Bank of Kenya**

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

**6.5 YEAR AMORTIZED BOND  
ISSUE NO IFB1/2023/6.5**

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**TOTAL VALUE: KSHS 50 BILLION**

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**NOVEMBER 2023**

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](mailto:NDO@centralbank.go.ke) or visit the CBK website on [www.centralbank.go.ke](http://www.centralbank.go.ke)

## IFB1/2023/6.5

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:-

<b>Issuer</b>	:	Republic of Kenya
<b>Amount</b>	:	Kshs. <b>50 Billion</b>
<b>Purpose</b>	:	For funding of Infrastructure projects in the FY 2023/2024 budget estimates
<b>Tenor</b>	:	<b>Six and a half Year</b>
<b>Coupon Rate</b>	:	<b>Market Determined</b>
<b>Period of sale</b>	:	<b>20/10/2023 to 08/11/2023</b>
<b>Value Date</b>	:	<b>13/11/2023</b>
<b>Payment Date</b>	:	<b>13/11/2023</b>
<b>Price Quote</b>	:	Discounted/Premium/ Par
<b>Minimum Amount</b>	:	Kshs. <b>50,000.00</b>
<b>Interest Payment Dates:</b>		

<b>13-May-2024</b>	<b>13-May-2024</b>	<b>11-Nov-2024</b>	<b>12-May-2025</b>
<b>10-Nov-2025</b>	<b>11-May-2026</b>	<b>9-Nov-2026</b>	<b>10-May-2027</b>
<b>8-Nov-2027</b>	<b>8-May-2028</b>	<b>6-Nov-2028</b>	<b>7-May-2029</b>
<b>5-Nov-2029</b>	<b>6-May-2030</b>		

<b>Redemption Date</b>	:	<b>6th May, 2030</b>
<b>Taxation</b>	:	The Bond will be tax free as is the case for Infrastructure Bonds as provided for under the income Tax Act.
<b>Redemption Structure</b>	:	<b>10 May 2027 - 50%</b> amortization outstanding principal amount. <b>07 May 2029- 30%</b> of unencumbered outstanding principal amount. : <b>06 May 2030 - 100%</b> , final redemption of all outstanding amounts.
<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.
<b>Issuing and Paying Agent:</b>		Central Bank of Kenya.
<b>Placing Agents</b>	:	<ul style="list-style-type: none"><li>• Commercial Banks</li><li>• Non-Bank Financial Institutions</li><li>• Licensed Stock Brokers</li><li>• Licensed Investment Advisors</li></ul>
<b>Issuance method</b>	:	Multi-Price Bid Auction.

<b>Non-Competitive Bids</b>	:	Maximum <b>Kshs. 50 Million</b> per CDS account per tenor. This does not apply to State corporations, public universities and Semi-Autonomous Government Agencies.
<b>Competitive Bids</b>	:	Minimum Competitive Bid Amount <b>Kshs. 2 Million</b> per CDS account per tenor.
<b>Bids Closure</b>	:	Treasury bonds bids must be submitted to the Central Bank electronically via <b>CBK DhowCSD</b> or Treasury Mobile Direct (TMD) by <b>10.00a.m on Wednesday, 08th November 2023.</b>
<b>Auction Date Results</b>	:	<b>Wednesday, 08th November 2023.</b> Investors should obtain details of amounts payable for successful bids from the DhowCSD on the <b>Friday, 10th November 2023.</b> The results will contain a trasaction reference for payment.
<b>Defaulters</b>	:	Defaulters may be suspended from subsequent investment in Government Securities.
<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.
<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, <b>upon written confirmation to do so from the Nairobi Securities Exchange.</b>
<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.
<b>Listing</b>	:	The bond will be listed on the Nairobi Securities Exchange.
<b>Classification Eligibility</b>	:	The bond is a non-benchmark Bond. Only investors with active CDS Accounts with the Central Bank of Kenya.
<b>Re-opening Secondary Trading</b>	:	The Bond may be re-opened at a future date. Secondary trading in multiples of KShs 50,000.00 to commence on <b>Monday, 13th November, 2023.</b>
<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.