



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

**8.5 YEAR AMORTIZED BOND
ISSUE NO IFB1/2024/8.5**

TOTAL VALUE: KSHS 70 BILLION

FEBRUARY 2024

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

IFB1/2024/8.5

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:-

Issuer	:	Republic of Kenya		
Amount	:	Kshs. 70 Billion		
Purpose	:	For funding of Infrastructure projects in the FY 2023/2024 budget estimates		
Tenor	:	Eight and half Year		
Coupon Rate	:	Market Determined		
Period of sale	:	24/01/2024 to 14/02/2024		
Value Date	:	19/02/2024		
Payment Date	:	19/02/2024		
Price Quote	:	Discounted/Premium/ Par		
Minimum Amount	:	Kshs. 50,000.00		
Interest Payment Dates:				
19-Aug-2024	17-Feb-2025	18-Aug-2025	16-Feb-2026	17-Aug-2026
15-Feb-2027	16-Aug-2027	14-Feb-2028	14-Aug-2028	12-Feb-2029
13-Aug-2029	11-Feb-2030	12-Aug-2030	10-Feb-2031	11-Aug-2031
9-Feb-2032	9-Aug-2032			

Redemption Date	:	9 Aug 2032
Taxation	:	The Bond will be tax free as is the case for Infrastructure Bonds as provided for under the income Tax Act.
Redemption Structure	:	15 Feb 2027 - 20% amortization of outstanding principal amount. 11 Feb 2030- 30% of unencumbered outstanding principal amount. 9 Aug 2032 - 100% , final redemption of all outstanding amounts. Any amounts up to Kshs. 1.0 million per CSD account at amortization will be redeemed in full.
Amortization	:	Pledge Contracts that have not been cancelled 5 days before the Amortization date, will be cancelled automatically at CBK. Thereafter the Pledged holdings will be transferred to the Lender and the amortization cash amount paid to the Lender.
		Issuing and Paying Agent : Central Bank of Kenya.
Placing Agents	:	<ul style="list-style-type: none">• Commercial Banks• Non-Bank Financial Institutions

Issuance method	:	<ul style="list-style-type: none">• Licensed Stock Brokers• Licensed Investment Advisors
Non-Competitive Bids	:	Multi-Price Bid Auction. Maximum Kshs. 20 Million per CSD account per tenor. This does not apply to State corporations, public universities and Semi-Autonomous Government Agencies.
Competitive Bids	:	Minimum Competitive Bid Amount Kshs. 2 Million per CSD account per tenor.
Bids Closure	:	Treasury bond bids must be submitted to the Central Bank electronically via CBK DhowCSD or Treasury Mobile Direct (TMD) by 10.00a.m on Wednesday, 14 February 2024.
Auction Date Results	:	Wednesday, 14 February 2024. Investors should obtain details of amounts payable for successful bids from the DhowCSD on the Friday, 16 February 2024. The results will contain a transaction reference for payment.
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.
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 Eligibility	:	The bond is a non-benchmark Bond. Only investors with active CSD Accounts with the Central Bank of Kenya.
Re-opening Secondary Trading	:	The Bond may be re-opened at a future date. Secondary trading in multiples of KShs 50,000.00 to commence on Monday, 19 February, 2024.
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.