



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

**19-YEAR AMORTIZED BOND
ISSUE NO IFB1/2022/19**

TOTAL VALUE: KSHS 75 BILLION

FEBRUARY 2022

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

IFB1/2022/19

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. **75 Billion**
Purpose : For funding of Infrastructure projects in the FY 2021/2022 budget estimates
Tenor : **Nineteen Year**
Coupon Rate : **Market Determined**
Period of sale : **31/01/2022 to 15/02/2022**
Value Date : **21/02/2022**
Payment Date : **21/02/2022**
Price Quote : Discounted/Premium/ Par
Minimum Amount : Kshs. **100,000.00**
Interest Payment Dates :

22/08/2022	20/02/2023	21/08/2023	19/02/2024	19/08/2024
17/02/2025	18/08/2025	16/02/2026	17/08/2026	15/02/2027
16/08/2027	14/02/2028	14/08/2028	12/02/2029	13/08/2029
11/02/2030	12/08/2030	10/02/2031	11/08/2031	09/02/2032
09/08/2032	07/02/2033	08/08/2033	06/02/2034	07/08/2034
05/02/2035	06/08/2035	04/02/2036	04/08/2036	02/02/2037
03/08/2037	01/02/2038	02/08/2038	31/01/2039	01/08/2039
30/01/2040	30/07/2040	28/01/2041		

Redemption Date : **28/01/2041**
Taxation : The Bond will be tax free as is the case for infrastructure Bonds as provided for under the income Tax Act.
Redemption Structure : **9th February, 2032 - 50%** of unencumbered outstanding principal amount.
: **28th January, 2041 - 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 :

- 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, 15th February 2022.**
Auction Date : **Wednesday, 16th February 2022.**
Results : Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on **Thursday, 17th February 2022.**
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, 22nd February, 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.