



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

**7-YEAR AMORTIZED BOND
ISSUE NO IFB1/2023/007**

TOTAL VALUE: KSHS 60 BILLION

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

IFB1/2023/007

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 2022/2023 budget estimates
Tenor : **Seven Year**
Coupon Rate : **Market Determined**
Period of sale : **26/05/2023 to 13/06/2023**
Value Date : **19/06/2023**
Payment Date : **19/06/2023**
Price Quote : Discounted/Premium/ Par
Minimum Amount : Kshs. **100,000.00**
Interest Payment Dates:

18/12/2023	17/06/2024	16/12/2024	16/06/2025	15/12/2025
15/06/2026	14/12/2026	14/06/2027	13/12/2027	12/06/2028
11/12/2028	11/06/2029	10/12/2029	10/06/2030	

Redemption Date : **10th June, 2030**
Taxation : The Bond will be tax free as is the case for Infrastructure Bonds as provided for under the income Tax Act.
Redemption Structure : **15th June, 2026 - 20%** of unencumbered outstanding principal amount.
: **13th December, 2027 - 30%** of unencumbered outstanding principal amount.
: **10th June, 2030 - 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, 13th June, 2023.**
Auction Date : **Wednesday, 14th June 2023.**
Results : Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on **Thursday, 15th June, 2023.**
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, 20th June, 2023.**
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.