



Central Bank of Kenya

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

**17-YEAR AMORTIZED BOND
ISSUE NO IFB1/2023/17**

TOTAL VALUE: KSHS 50 BILLION

MARCH 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

IFB1/2023/17

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. **50 Billion**
Purpose : For funding of Infrastructure projects in the FY 2022/2023 budget estimates
Tenor : **Seventeen Year**
Coupon Rate : **Market Determined**
Period of sale : **15/02/2023 to 07/03/2023**
Value Date : **13/03/2023**
Payment Date : **13/03/2023**
Price Quote : Discounted/Premium/ Par
Minimum Amount : Kshs. **100,000.00**
Interest Payment Dates:

11/09/2023	11/03/2024	09/09/2024	10/03/2025	08/09/2025
09/03/2026	07/09/2026	08/03/2027	06/09/2027	06/03/2028
04/09/2028	05/03/2029	03/09/2029	04/03/2030	02/09/2030
03/03/2031	01/09/2031	01/03/2032	30/08/2032	28/02/2033
29/08/2033	27/02/2034	28/08/2034	26/02/2035	27/08/2035
25/02/2036	25/08/2036	23/02/2037	24/08/2037	22/02/2038
23/08/2038	21/02/2039	22/08/2039	20/02/2040	

Redemption Date : **20th February, 2040**
Taxation : The Bond will be tax free as is the case for Infrastructure Bonds as provided for under the income Tax Act.

Redemption Structure : **28th February, 2033 - 50%** of unencumbered outstanding principal amount.
: **20th February, 2040 - 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, 7th March, 2023.**
Auction Date : **Wednesday, 8th March 2023.**
Results : Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on **Thursday, 9th March, 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, 14th March, 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.