



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

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

TOTAL VALUE: KSHS 50 BILLION

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 or visit the CBK website on 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:-

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

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

Redemption Date	:	6th May, 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	:	10 May 2027 - 50% amortization outstanding principal amount. 07 May 2029- 30% of unencumbered outstanding principal amount. : 06 May 2030 - 100% , final redemption of all outstanding amounts.
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. Any amounts up to Kshs. 1.0 million per CSD account at amortization will be redeemed in full.
Issuing and Paying Agent:		Central Bank of Kenya.
Placing Agents	:	<ul style="list-style-type: none">• Commercial Banks• Non-Bank Financial Institutions• Licensed Stock Brokers

Issuance method	:	• 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 bonds bids must be submitted to the Central Bank electronically via CBK DhowCSD or Treasury Mobile Direct (TMD) by 10.00a.m on Wednesday, 08th November 2023.
Auction Date	:	Wednesday, 08th November 2023.
Results	:	Investors should obtain details of amounts payable for successful bids from the DhowCSD on the Friday, 10th November 2023. 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	:	The bond is a non-benchmark Bond.
Eligibility	:	Only investors with active CSD 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 Monday, 13th November, 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.