

ISSUE NO IFB1/2020/11

YIELD (YTM)	CLEAN PRICE
9.000%	110.879
9.125%	110.113
9.250%	109.355
9.375%	108.604
9.500%	107.860
9.625%	107.124
9.750%	106.394
9.875%	105.672
10.000%	104.956
10.125%	104.247
10.250%	103.545
10.375%	102.850
10.500%	102.161
10.625%	101.478
10.750%	100.803
10.875%	100.133
10.900%	100.000
11.000%	99.470
11.125%	98.813
11.250%	98.162
11.375%	97.518
11.500%	96.879
11.625%	96.246
11.750%	95.619
11.875%	94.998
12.000%	94.383
12.125%	93.773
12.250%	93.170
12.375%	92.571
12.500%	91.978
12.625%	91.391
12.750%	90.809
12.875%	90.232
13.000%	89.661



Central Bank of Kenya

PROSPECTUS FOR GOVERNMENT OF KENYA INFRASTRUCTURE BOND OFFER

11-YEAR AMORTIZED BOND ISSUE NO IFB1/2020/11

TOTAL VALUE: KSHS 70 BILLION

AUGUST 2020

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 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

IFB1/2020/11

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 2020/21 budget estimates
Tenor	:	Eleven-Year
Coupon Rate	:	10.900%
Period of sale	:	28/07/2020 to 18/08/2020
Value Date	:	24/08/2020
Payment Date	:	24/08/2020
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 100,000.00
Interest Payment Dates	:	IFB1/2020/11 22/02/2021 19/02/2024 15/02/2027 11/02/2030 23/08/2021 19/08/2024 16/08/2027 12/08/2030 21/02/2022 17/02/2025 14/02/2028 10/02/2031 22/08/2022 18/08/2025 14/08/2028 11/08/2031 20/02/2023 16/02/2026 12/02/2029 21/08/2023 17/08/2026 13/08/2029
Redemption Date	:	11/08/2031
Taxation	:	The Bond will be tax free as is the case for infrastructure Bonds as provided for under the income Tax Act.
Redemption Structure	:	17th August, 2026-50% of unencumbered outstanding principal amount. : 11th August, 2031-100% -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 armotization will be redeemed in full except for encumbered securities.
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 • 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, 18th August, 2020.
Auction Date	:	Wednesday, 19/08/2020.
Results	:	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on 20/08/2020.
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, 25th August, 2020.
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.



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TAP SALE OF FIXED COUPON TREASURY BOND ISSUE NUMBER FXD2-2018-20 DATED 10/08/2020

Central Bank of Kenya is pleased to offer eligible investors an opportunity to participate in a Tap Sale of the above Fixed coupon Treasury Bond whose details are as in the prospectus issued value date 24/09/2018. The Tap Sale will be offered on a **first- come -first- served basis**. Other features are as summarised in the table below.

Period of Sale	Tuesday, 28th July, 2020 to Tuesday, 4th August, 2020 or upon attainment of quantum, whichever comes first.
Amount on offer	Kes 40 Billion.
Pricing	Bids shall be priced at the Average rate of the accepted bids for the Treasury Bond auction value dated 24/09/2018 and adjusted for accrued interest.
Value Date	10th August, 2020.
Closing date	Tuesday, 4th August 2020, at 2pm or upon attainment of quantum, whichever comes first.
Auction Results	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on Wednesday, 5th August, 2020.
Payment Deadline	By 2.00 pm on Monday, 10th August, 2020.
Bids Allotment	Bids will be allotted on a first-come-first-served basis.
Average Yield	12.931 % p.a
Adjusted Average Price (per Kes 100.00)	Kes 102.354
Coupon Rate (%)	13.200 % p.a

David Luusa
Director, Financial Markets
27 July 2020