



The Bank of Zambia on behalf of the Government of the Republic of Zambia invites applications for Government Bond Auction Number 02/2022/BA. All applications (Competitive and Non-competitive) should be submitted through the Central Securities Depository system by 11:30 hours on Friday, February 18, 2022. Settlement will be on Monday, February 21, 2022. The following are the amounts on offer:

### Non-Benchmark Bonds

| Tenor                      | 2 Years          | 7 Years          | 15 Years         |
|----------------------------|------------------|------------------|------------------|
| Coupon rate                | 9%               | 12%              | 14%              |
| Competitive Tender Amounts | K270.0 Million   | K315.0 Million   | K360.0 Million   |
| Non- Competitive Tender    | K30.0 Million    | K35.0 Million    | K40.0 Million    |
| Total Tender Amount        | K300.0 Million   | K350.0 Million   | K400.0 Million   |
| ISIN                       | ZM1000005141     | ZM1000005158     | ZM1000005166     |
| Maturity Dates             | 21 February 2024 | 21 February 2029 | 21 February 2037 |
| Description                | New Issue        | New Issue        | New Issue        |

### Benchmark Bonds

| Tenor                      | 3 Years          | 5 Years          | 10 Years         |
|----------------------------|------------------|------------------|------------------|
| Coupon                     | 10%              | 11%              | 13%              |
| Competitive Tender Amounts | K360.0 Million   | K585.0 Million   | K450.0 Million   |
| Non- Competitive Tender    | K40.0 Million    | K65.0 Million    | K50.0 Million    |
| Total Tender Amount        | K400.0 Million   | K650.0 Million   | K500.0 Million   |
| ISIN                       | ZM1000005067     | ZM1000005075     | ZM1000005091     |
| Maturity Dates             | 27 December 2024 | 27 December 2026 | 27 December 2031 |
| Description                | Re-Issue         | Re-Issue         | Re-Issue         |

#### A. TENDER CONDITIONS:

1. Total amount of bonds on tender is **K2,600,000,000.00 (Two Billion Six Hundred Million Kwacha)** at cost.
2. **The off tender (non-competitive) window will have 10% of the total amount on offer.**
3. The minimum value of each application will be **K1,000.00 (One Thousand Kwacha)** for Off Tender and **K500, 000.00 (Five Hundred Thousand Kwacha)** for Competitive bids.

4. All tenders must be in multiples of **K1,000.00 (One Thousand Kwacha)** for Non Competitive bids and **K5, 000.00 (Five Thousand Kwacha)** for Competitive bids.
5. All tender bids should be submitted to the Bank of Zambia electronically through the Central Securities Depository (CSD).
6. The Bank of Zambia will determine allotment of issue and the results will be announced on **Friday, February 18, 2022**. The Bank reserves the right to reject any bids not conforming to regulations as prescribed.
7. **The Bank of Zambia reserves the right to accept bids higher or lower than the tender sizes.**

**B. INTEREST PAYMENT:**

Coupon Interest shall be paid semi- annually based on Actual /365 days from the date of settlement.

**C. NON-COMPETITIVE:**

8. Non-competitive bids on this auction will be issued as per Government Securities Operating Guidelines.

**D. GENERAL CONDITIONS OF ISSUE:**

1. The Government of the Republic of Zambia reserves the right to redeem the 7, 10 and 15-year bond before maturity. This call option may be exercised after the bond has run 60 percent of its life.
2. The Bank of Zambia will not rediscount any bonds issued.
3. Coupon interest will be subject to **withholding tax (currently at 15%)**.
4. **Discount interest will not be subject to withholding tax.**
5. All investors (individuals and corporate entities alike) are allowed to participate directly on this auction.
6. Coupon interest will be paid every six months from the date of settlement until maturity.