



BANK of ZAMBIA

**PROSPECTUS FOR THE ISSUANCE OF NEW GOVERNMENT BONDS AND THE RE-OPENING OF THE 3-YEAR, 5-YEAR AND 10-YEAR BENCHMARK BONDS**

**BOND TENDER NO. 05/2019/BA**

<b>Tenor</b>	<b>2 Years</b>	<b>7 Years</b>	<b>15 Years</b>
<b>Coupon rate</b>	9%	12%	14%
<b>Competitive Tender Amounts</b>	K121.5 Million	K 90.0 Million	K 58.5 Million
<b>Non- Competitive Tender</b>	K 13.5 Million	K 10.0 Million	K 6.5 Million
<b>Total Tender Amount</b>	K135.0 Million	K100.0 Million	K65.0 Million
<b>ISIN</b>	ZM1000004151	ZM1000004169	ZM1000004177

**Benchmark Bonds**

<b>Tenor</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
<b>Coupon</b>	10%	11%	13%
<b>Competitive Tender Amounts</b>	K211.5 Million	K270.0 Million	K238.5 Million
<b>Non- Competitive Tender</b>	K 23.5 Million	K 30.0 Million	K 26.5 Million
<b>Total Tender Amount</b>	K235.0 Million	K300.0 Million	K265.0 Million
<b>ISIN</b>	ZM1000004086	ZM1000004094	ZM1000003997
<b>Description</b>	Re-opened Issue	Re-opened Issue	Re-opened Issue

[Loans and Guarantees (Authorisation) Act, Cap 366 of the Laws of Zambia]

The Bank of Zambia invites applications for issue of bonds on behalf of the Government of the Republic of Zambia.

**A. TENDER CONDITIONS:**

1. The 3 - year benchmark bond **ISIN ZM1000004086** of issue number **03/2019/BA** will be reopened.
2. The 5 - year benchmark bond **ISIN ZM1000004094** of issue number **03/2019/BA** will be reopened.
3. The 10 - year benchmark bond **ISIN ZM1000003997** of issue number **06/2018/BA** will be reopened.
4. Amount of bonds on tender is **K1,100,000,000.00 (One Billion One Hundred Thousand Kwacha)** at cost.
5. **The off tender (non-competitive) window will have 10% of the total amount on offer.**

6. The minimum value of each application will be **K1,000.00 (One Thousand Kwacha)** for Off Tender and **K30, 000.00 (Thirty Thousand Kwacha)** for Competitive bids.
7. 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.
8. All tender bids should be submitted to the Bank of Zambia electronically through the Central Securities Depository (CSD).
9. **Closing date will be Thursday, October 17, 2019 at 11.30 hours. Settlement will be on Monday, October 21, 2019.**
10. The Bank of Zambia will determine allotment of issue and the results will be announced on **Thursday, October 17, 2019**. The Bank reserves the right to reject any bids not conforming to regulations as prescribed.
11. **The Bank of Zambia reserves the right to accept bids up to 20 percent above the tender sizes.**

**B. INTEREST PAYMENT:**

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

**C. MATURITY DATES.**

	<b>2-YEAR BOND</b>	<b>3-YEAR BOND</b>	<b>5-YEAR BOND</b>	<b>7- YEAR BOND</b>	<b>10- YEAR BOND</b>	<b>15- YEAR BOND</b>
<b>MATURITY DATES</b>	21 October 2021	17 June 2022	17 June 2024	21 October 2026	17 December 2028	21 October 2034

**D. NON-COMPETITIVE:**

12. Non-competitive bids on this auction will be issued as per current Central Securities Depository (CSD) Government Securities Operating guidelines.

**E. 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. Secondary Trading of this stock will be through the Lusaka Securities Exchange (LuSE).
3. The Bank of Zambia will not rediscount any bonds issued.
4. Coupon interest will be subject to **withholding tax (currently at 15%)**.
5. **Discount interest will not be subject to withholding tax.**
6. All investors (individuals and corporate entities alike) are allowed to participate directly on this auction.
7. Coupon interest will be paid every six months from the date of settlement until maturity.

Checked By.....

Authorized By.....