



BANK of ZAMBIA

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

**BOND TENDER NO. 01/2018/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>	K135.0 Million	K180.0 Million	K180.0 Million
<b>Non- Competitive Tender</b>	K 15.0 Million	K 20.0 Million	K 20.0 Million
<b>Total Tender Amount</b>	K150.0 Million	K200.0 Million	K200.0 Million
<b>ISIN</b>	ZM1000003807	ZM1000003831	ZM1000003849

**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>	K270.0 Million	K450.0 Million	K270.0 Million
<b>Non- Competitive Tender</b>	K 30.0 Million	K 50.0 Million	K 30.0 Million
<b>Total Tender Amount</b>	K300.0 Million	K500.0 Million	K300.0 Million
<b>ISIN</b>	ZM1000003815	ZM1000003823	ZM1000003351
<b>Description</b>	New-Issue	New-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 ZM1000003815** of issue number **01/2018/BA** will be a new issue.
2. The 5- year benchmark bond **ISIN ZM1000003823** of issue number **01/2018/BA** will be a new issue.
3. The 10- year benchmark bond **ISIN ZM1000003351** of issue number **06/2017/BA** will be reopened.
4. Amount of bonds on tender is **K1,650,000,000.00 (One Billion Six Hundred and Fifty 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 Friday 23<sup>rd</sup> February 2018 at 11.30 hours. Settlement will be on Monday 26<sup>th</sup> February 2018.**
10. The Bank of Zambia will determine allotment of issue and the results will be announced on **Friday 23<sup>rd</sup> February 2018**. 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>	26 February 2020	26 February 2021	26 February 2023	26 February 2025	18 December 2027	26 February 2033

**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 Stock 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.....