



BANK of ZAMBIA

PROSPECTUS FOR ISSUANCE OF GOVERNMENT BONDS BY TENDER OF ISSUE NO. 01/2014/BA

Tenor	2 Years	7 Years	15 Years
Coupon rate	9%	12%	14%
Competitive Tender Amounts	K72 Million	K63 Million	K36 Million
Non- Competitive Tender	K 8 Million	K 7 Million	K 4 Million
Total Tender Amount	K80 Million	K70 Million	K40 Million
ISIN	ZM1000002098	ZM1000002122	ZM1000002148

New Benchmark Bonds

Tenor	01/2014/BA 3 Years	01/2014/BA 5 Years	01/2014/BA 10Years
Coupon	10%	11%	13%
Competitive Tender Amounts	K225 Million	K315 Million	K117 Million
Non- Competitive Tender	K 25 Million	K 35 Million	K 13 Million
Total Tender Amount	K250 Million	K350 Million	K130 Million
ISIN	ZM1000002106	ZM1000002114	ZM1000002130

[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. Amount of bonds on tender is **K 920,000,000.00 (Nine hundred and Twenty Million Kwacha)**.
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 **K30, 000.00 (Thirty Thousand Kwacha)**.
4. All tenders must be in multiples of **K5, 000.00 (Five Thousand Kwacha)**.
5. Tenders in sealed envelopes marked “Bond Tender” must be lodged using the prescribed tender form and deposited in the tender boxes in The Financial Markets Department on the 5th floor of the Executive Building of the Bank of Zambia and all applications must be addressed to:

The Assistant Director – Domestic Markets
Financial Markets Department
Bank of Zambia
P O Box 30080
LUSAKA

The Assistant Director - Operations
Regional Office
Bank of Zambia
P O Box 71511
NDOLA

Applications may also be lodged by way of Fax numbers **222932/226707/221189**

6. **Closing date will be Friday 14th February, 2014 at 10.00hours. Settlement will be on Monday 17th February, 2014.**
7. The Bank of Zambia will determine allotment of issue and the results will be announced on **Friday 14th February, 2014**. The Bank reserves the right to reject any bids not conforming to regulations as prescribed.
8. **Kindly note that the 3, 5, and 10 Year are Benchmark Bonds.**

B. INTEREST PAYMENT:

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

C. MATURITY DATES.

	2-YEAR BOND	3-YEAR BOND	5-YEAR BOND	7- YEAR BOND	10- YEAR BOND	15- YEAR BOND
MATURITY DATES	Wednesday 17 February 2016	Thursday 16 February 2017	Monday 18 February 2019	Monday 15 February 2021	Thursday 15 February 2024	Tuesday 13 February 2029

d. NON-COMPETITIVE:

Non-competitive bids on this auction will be issued as per Bank of Zambia Off-Tender 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. Interest earnings will be subject to **withholding tax** (currently **15%**).
5. All investors (individuals and corporate entities alike) are allowed to participate directly on this auction.
6. **Non-Competitive Bids Will Be Sold Through Bank Of Zambia Appointed Agents**
7. Coupon interest will be paid every six months from date of settlement until maturity.

Checked By.....

Authorized By.....