



**BANK of ZAMBIA**

**PROSPECTUS FOR ISSUANCE OF GOVERNMENT BONDS BY TENDER OF ISSUE NO. 02/2014/BA**

<b>Tenor</b>	<b>2 Years</b>	<b>7 Years</b>	<b>15 Years</b>
<b>Coupon rate</b>	<b>9%</b>	<b>12%</b>	<b>14%</b>
<b>Competitive Tender Amounts</b>	<b>K72 Million</b>	<b>K63 Million</b>	<b>K36 Million</b>
<b>Non- Competitive Tender</b>	<b>K 8 Million</b>	<b>K 7 Million</b>	<b>K 4 Million</b>
<b>Total Tender Amount</b>	<b>K80 Million</b>	<b>K70 Million</b>	<b>K40 Million</b>
<b>ISIN</b>	<b>ZM1000002155</b>	<b>ZM1000002189</b>	<b>ZM1000002205</b>

**New Benchmark Bonds**

<b>Tenor</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10Years</b>
<b>Coupon</b>	<b>10%</b>	<b>11%</b>	<b>13%</b>
<b>Competitive Tender Amounts</b>	<b>K225 Million</b>	<b>K315 Million</b>	<b>K117 Million</b>
<b>Non- Competitive Tender</b>	<b>K 25 Million</b>	<b>K 35 Million</b>	<b>K 13 Million</b>
<b>Total Tender Amount</b>	<b>K250 Million</b>	<b>K350 Million</b>	<b>K130 Million</b>
<b>ISIN</b>	<b>ZM1000002163</b>	<b>ZM1000002171</b>	<b>ZM1000002197</b>

[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 23<sup>rd</sup> May, 2014 at 10.00hours. Settlement will be on Tuesday 27<sup>th</sup> May, 2014.**
7. The Bank of Zambia will determine allotment of issue and the results will be announced on **Friday 23<sup>rd</sup> May, 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.**

	<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>	Thursday 26 May 2016	Friday 26 May 2017	Monday 27 May 2019	Tuesday 25 May 2021	Friday 24 May 2024	Wednesday 23 May 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.....