



BANK of ZAMBIA

PROSPECTUS FOR ISSUANCE OF GOVERNMENT BONDS BY TENDER OF ISSUE NO. 02/2016/BA

Tenor	2 Years	7 Years	15 Years
Coupon rate	9%	12%	14%
Competitive Tender Amounts	K63.0 Million	K54.0 Million	K27.0 Million
Non- Competitive Tender	K 7.0 Million	K 6.0 Million	K 3.0 Million
Total Tender Amount	K70.0 Million	K60.0 Million	K30.0 Million
ISIN	ZM1000002890	ZM1000002924	ZM1000002940

New Benchmark Bonds

Tenor	3 Years	5 Years	10 Years
Coupon	10%	11%	13%
Competitive Tender Amounts	K198.0 Million	K279.0 Million	K99.0 Million
Non- Competitive Tender	K 22.0 Million	K 31.0 Million	K 11.0 Million
Total Tender Amount	K220.0 Million	K310.0 Million	K110.0 Million
ISIN	ZM1000002908	ZM1000002916	ZM1000002932

[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 800,000,000.00 (Eight Hundred 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. All tender bids should be submitted to the Bank of Zambia electronically through the Central Securities Depository (CSD)
6. **Closing date will be Friday 20th May 2016 at 11.30 hours. Settlement will be on Monday 23 May 2016.**
7. The Bank of Zambia will determine allotment of issue and the results will be announced on **Friday 20th May 2016**. The Bank reserves the right to reject any bids not conforming to regulations as prescribed.
8. **Kindly note that the 3, 5 and 10 Years are Benchmark Bonds.**
9. **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.

	2-YEAR BOND	3-YEAR BOND	5-YEAR BOND	7- YEAR BOND	10- YEAR BOND	15- YEAR BOND
MATURITY DATES	23 May 2018	23 May 2019	23 May 2021	23 May 2023	23 May 2026	23 May 2031

d. NON-COMPETITIVE:

10. 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 date of settlement until maturity.

Checked By.....

Authorized By.....