



BANK of ZAMBIA

PROSPECTUS FOR ISSUANCE OF GOVERNMENT BONDS BY TENDER OF ISSUE NO. 04/2014/BA

| Tenor | 2 Years | 7 Years | 15 Years |
|----------------------------|---------------|---------------|---------------|
| Coupon rate | 9% | 12% | 14% |
| Competitive Tender Amounts | K76.5 Million | K67.5 Million | K40.5 Million |
| Non- Competitive Tender | K 8.5 Million | K 7.5 Million | K 4.5 Million |
| Total Tender Amount | K85.0 Million | K75.0 Million | K45.0 Million |
| ISIN | ZM1000002536 | ZM1000002551 | ZM1000002577 |

New Benchmark Bonds

| Tenor | 3 Years | 5 Years | 10Years |
|----------------------------|-----------------|----------------|----------------|
| Coupon | 10% | 11% | 13% |
| Competitive Tender Amounts | K247.5 Million | K342.0 Million | K126.0 Million |
| Non- Competitive Tender | K 27.5 Million | K 38.0 Million | K 14.0 Million |
| Total Tender Amount | K 275.0 Million | K380.0 Million | K140.0 Million |
| ISIN | ZM1000002544 | ZM1000002569 | ZM1000002585 |

[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 1,000,000,000.00 (One Billion 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 21st November, 2014 at 10.00hours. Settlement will be on Monday 24th November, 2014.**
7. The Bank of Zambia will determine allotment of issue and the results will be announced on **Friday 21st November,, 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 Years 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 | 24 November 2016 | 24 November 2017 | 24 November 2019 | 24 November 2021 | 24 November 2024 | 24 November 2029 |

d. **NON-COMPETITIVE:**

9. 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. 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. Coupon interest will be paid every six months from date of settlement until maturity.

Checked By.....

Authorized By.....