



**BANK of ZAMBIA**

**PROSPECTUS FOR THE ISSUANCE OF NEW GOVERNMENT BONDS**

**BOND TENDER NO. 01/2021/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>	K166.5 Million	K 121.5 Million	K 81.0 Million
<b>Non- Competitive Tender</b>	K 18.5 Million	K 13.5 Million	K 9.0 Million
<b>Total Tender Amount</b>	K185.0 Million	K135.0 Million	K90.0 Million
<b>ISIN</b>	ZM1000004631	ZM1000004664	ZM1000004680
<b>Description</b>	New Issue	New Issue	New Issue

**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>	K288.0 Million	K369.0 Million	K324.0 Million
<b>Non- Competitive Tender</b>	K 32.0 Million	K 41.0 Million	K 36.0 Million
<b>Total Tender Amount</b>	K320.0 Million	K410.0 Million	K360.0 Million
<b>ISIN</b>	ZM1000004649	ZM1000004656	ZM1000004672
<b>Description</b>	New Issue	New Issue	New 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. Amount of bonds on tender is **K1,500, 000,000.00 (One Billion Five Hundred Million Kwacha) at cost.**
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 **K1,000.00 (One Thousand Kwacha)** for Off Tender and **K30, 000.00 (Thirty Thousand Kwacha)** for Competitive bids.
4. 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.
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 January 22, 2021 at 11:30 hours. Settlement will be on Monday, January 25, 2021.**
7. The Bank of Zambia will determine allotment of issue and the results will be announced on **Friday, January 22, 2021**. The Bank reserves the right to reject any bids not conforming to regulations as prescribed.
8. **The Bank of Zambia reserves the right to accept bids higher or lower than 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>	25 January 2023	25 January 2024	25 January 2026	25 January 2028	25 January 2031	25 January 2036

**D. NON-COMPETITIVE:**

9. Non-competitive bids on this auction will be issued as per 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 Securities 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.