



BANK of ZAMBIA

PROSPECTUS FOR THE ISSUANCE OF NEW GOVERNMENT BONDS

BOND TENDER NO. 11/2020/BA

Tenor	2 Years	7 Years	15 Years
Coupon rate	9%	12%	14%
Competitive Tender Amounts	K166.5 Million	K 121.5 Million	K 81.0 Million
Non- Competitive Tender	K 18.5 Million	K 13.5 Million	K 9.0 Million
Total Tender Amount	K185.0 Million	K135.0 Million	K90.0 Million
ISIN	ZM1000004573	ZM1000004581	ZM1000004599
Description	New Issue	New Issue	New Issue

Benchmark Bonds

Tenor	3 Years	5 Years	10 Years
Coupon	10%	11%	13%
Competitive Tender Amounts	K288.0 Million	K369.0 Million	K324.0 Million
Non- Competitive Tender	K 32.0 Million	K 41.0 Million	K 36.0 Million
Total Tender Amount	K320.0 Million	K410.0 Million	K360.0 Million
ISIN	ZM1000004482	ZM1000004433	ZM1000004458
Description	Re-opened Issue	Re-opened Issue	Re-opened 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, November 27, 2020 at 11:30 hours. Settlement will be on Monday, November 30, 2020.**
7. The Bank of Zambia will determine allotment of issue and the results will be announced on **Friday, November 27, 2020**. 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:

	2-YEAR BOND	3-YEAR BOND	5-YEAR BOND	7- YEAR BOND	10- YEAR BOND	15- YEAR BOND
MATURITY DATES	30 November 2022	24 August 2023	27 July 2025	30 November 2027	27 July 2030	30 November 2035

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.