



BANK OF ZAMBIA
**PROSPECTUS FOR THE ISSUANCE OF NEW GOVERNMENT BONDS AND THE RE-OPENING OF THE 3-, 5- AND 10-
 YEAR BENCHMARK BONDS**

BOND TENDER NO. 02/2017/BA

Tenor	2 Years	7 Years	15 Years
Coupon rate	9%	12%	14%
Competitive Tender Amounts	K45.0 Million	K 90.0 Million	K135.0 Million
Non-Competitive Tender	K 5.0 Million	K 10.0 Million	K 15.0 Million
Total Tender Amount	K50.0 Million	K 100.0 Million	K150.0 Million
ISIN	ZM1000003195	ZM1000003203	ZM1000003211

Benchmark Bonds

Tenor	3 Years	5 Years	10 Years
Coupon	10%	11%	13%
Competitive Tender Amounts	K180.0 Million	K 270.0 Million	K180.0 Million
Non-Competitive Tender	K 20.0 Million	K 30.0 Million	K 20.0 Million
Total Tender Amount	K200.0 Million	K300.0 Million	K200.0 Million
ISIN	ZM1000003088	ZM1000003153	ZM1000002999
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. The 3- year benchmark bond ISIN ZM1000003088 of issue number 05/2016/BA will be reopened.
2. The 5- year benchmark bond ISIN ZM1000003153 of issue number 01/2017/BA will be reopened.
3. The 10- year benchmark bond ISIN ZM1000002999 of issue number 03/2016/BA will be reopened.
4. Amount of bonds on tender is K1,000,000,000.00 (One Billion Kwacha) at cost.
5. The off tender (non-competitive) window will have 10% of the total amount on offer.

6. The minimum value of each application will be **K30, 000.00 (Thirty Thousand Kwacha)**.
7. All tenders must be in multiples of **K5, 000.00 (Five Thousand Kwacha)**.
8. All tender bids should be submitted to the Bank of Zambia electronically through the Central Securities Depository (CSD)
9. **Closing date will be Friday 21st April 2017 at 11.30 hours. Settlement will be on Monday 24th April 2017.**
10. The Bank of Zambia will determine allotment of issue and the results will be announced on **Friday 21st April 2017**. The Bank reserves the right to reject any bids not conforming to regulations as prescribed.
11. **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	24 April 2019	05 December 2019	27 February 2022	24 April 2024	29 August 2026	24 April 2032

d. NON-COMPETITIVE:

12. 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 rediscout 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.

Checked By.....

Authorized By.....