



**Financial Markets
Department,
Investment and
Domestic Markets
Division,
Bank of Namibia
Windhoek, Namibia**

**Tel: 264 61 283 5222
Fax: 264 61 283 5214**

**Circular No.:
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REPUBLIC OF NAMIBIA

GOVERNMENT ISSUE

GC40

**Terms of issue for Government of the
Republic of Namibia Internal Registered
Stock 9.80%, 2040 (GC40)**

TERMS AND CONDITIONS OF THE ISSUE

General

This document should be read in conjunctions with the Bank of Namibia Act no.15, 1997 under section 42 (1) and (2).

Issue

Republic of Namibia 9.80% Internal Registered Stock 15 October 2040.

The Stock will be known as GC40.

Purpose

The purpose of the issue is to raise funds for budget deficit for the Republic of Namibia Government and also to foster the growth for domestic capital market.

Interest

A coupon of 9.80% will be paid semi-annually in arrears until October 2040.

Coupon payment dated will be 15 April and 15 October of each calendar year up to 15 October 2040 and including the redemption date and the first payment will be made on 15 October 2014.

The books will be closed from 14 September to 15 October and 15 March to 15 April each year (all dates inclusive as market condition may allow to determine bondholders entitle receive interest.

Interest will cease to accrue on the bond from the maturity date.

If the coupon payment dates is not a Banking day, payment will be made on the next banking day without payment of additional interest.

Redemption of Capital

The redemption of capital will be made upon the maturity of the bond on 15 October 2040.

Redemption payment will be made in the currency of the Republic of Namibia on the redemption date by electronic transfer into the accounts of the bondholders specified in the payments instructions, unless, in respect of individual bondholders, contrary instructions are agreed with the transfer secretaries in advance.

If the payment date is not banking day payment will be made on the next succeeding banking day without payment of interest.

Bonds are not payable prior to the maturity date.

Trading

The bond will be listed on the Namibian Stock Exchange (under the sin code GC40-NA000A1ZLZN7).

Method of issue

The bond is issue through Bank of Namibia by invitations to tender at auctions.

Settlement

Bonds are negotiated on a yield to maturity basis. The amount payable is based on the clean price of the investment plus the accrued interest calculated until the agreed settlement date (dirty price). Settlement takes place electronically and via Bank of Namibia. Rolling Settlement of (T+1) has been affected by the Bank since 2007.