

Stawi Bond

FREQUENTLY ASKED QUESTIONS (FAQS)

1. What is a bond?

A bond is a type of investment where an investor lends money to an institution (such as a bank, corporation, or government) for a fixed period in exchange for periodic interest payments.

2. What is the difference between investing in a bond and keeping money in a fixed deposit?

With a bond, you lend money to the issuing institution and receive periodic interest (coupon) payments. Bonds can also be sold on the Dar es Salaam Stock Exchange (DSE) before maturity. In contrast, a fixed deposit keeps your money locked in an account until maturity and usually pays interest only once.

3. What is the TCB Stawi Bond?

The TCB Stawi Bond is a long-term investment opportunity issued by Tanzania Commercial Bank (TCB) to raise funds for lending to SMEs and supporting Tanzania's broader development agenda.

4. What benefits do investors get from investing in the TCB Stawi Bond?

- Attractive interest income of 13.5% per annum
- Interest (coupon) paid quarterly
- No withholding tax on interest income
- Security of invested funds
- Opportunity to sell the bond on the DSE before maturity
- Use of the bond as collateral for loans
- Supporting national development and financial inclusion
- Continuous income through quarterly coupon payments

5. What is the interest rate of the TCB Stawi Bond?

The interest rate is 13.5% per annum, paid quarterly.

6. Who can invest in the TCB Stawi Bond?

- Individuals aged 18 and above
- Children (through a parent or guardian)
- Groups and associations
- Corporations and institutions
- Tanzanian citizens and non-citizens
- Joint investors (e.g., spouses)

7. What is the minimum investment amount?

The minimum investment amount is TZS 500,000. There is no maximum limit.

8. What is the tenure of the TCB Stawi Bond?

The bond has a 5-year maturity period.

9. How and when will investors receive their coupon payments and principal?

All payments will be deposited directly into the bank account provided during application, on a quarterly basis.

10. Can an investor use someone else's bank account for payments?

No. The account must be in the investor's name.

11. Can the bond be used as collateral for a loan?

Yes. The bond can be used as collateral for a loan. Coupon payments can also support loan repayment.

12. How can one apply for the TCB Stawi Bond?

- i. Complete the application form at any TCB branch or licensed placing agent.
- ii. Provide valid KYC documentation (e.g., ID, TIN).
- iii. Include a valid bank account and CDS account (Or fill details if you don't have one).
- iv. Deposit your investment into the designated Stawi bond collection account.

13. What is a CDS account?

A CDS (Central Depository System) account electronically records ownership and enables trading of bonds. It is managed by the Dar es Salaam Stock Exchange (DSE).

14. How do I open a CDS account?

If you don't have one, it will be opened using the information you provide in your bond application.

15. Is a TCB bank account required to invest?

No, you can invest using any valid bank account. TCB Bank is recommended for easier coupon and principal payment processing.

16. Can the interest rate change during the bond period?

No. The interest rate is fixed for the entire 5-year period.

17. Can I invest in foreign currency?

No. The bond is denominated in Tanzanian Shillings (TZS). Investors with foreign currency must convert it to TZS first.

18. Can I exit the investment before maturity?

While the bond matures in 5 years, you may sell part or all of your holdings on the DSE.

19. Can I invest more than once?

Yes. You may invest multiple times during the offer period. All investments will be consolidated under one bondholder name. You may also purchase more units later on the secondary market (DSE).

20. What happens in the event of the bondholder's death?

Ownership will be transferred to the legally recognized beneficiary.

21. Will I receive a certificate of ownership?

Yes. A bond ownership certificate will be issued to confirm your investment.

22. Can foreign investors participate?

Yes. Both Tanzanian and foreign investors can buy the TCB Stawi Bond.

23. Can investors choose how often to receive coupon payments?

No. Coupon payments are fixed quarterly. However, other bank products may help with liquidity needs.

Approved by

