



BWP 2,000,000,000 NOTE PROGRAMME

PRESS ANNOUNCEMENT IN RESPECT OF THE INTEREST RATE TO APPLY AS AT THE NEXT INTEREST DETERMINATION DATES IN RESPECT OF

SBBL 068 – BWP 212,000,000 SUBORDINATED UNSECURED TIER 2 FLOATING RATE NOTES – ISIN CODE: BW 000 000 2393

SBBL 071 – BWP 118,200,000 SENIOR UNSECURED FLOATING RATE NOTES – ISIN CODE: BW 000 000 2492

- All defined terms in this Press Announcement are as defined in the Programme Memorandum dated 26 May 2008 (**Programme Memorandum**) which contains the Terms and Conditions in relation to the SBBL Notes (**Terms and Conditions**), unless separately defined herein.
- The Bank of Botswana in its Monetary Policy Statement dated 23 February 2022 announced inter alia, the adoption of the yield on the main monetary policy instrument (currently the 7-day BoBc) as the anchor policy rate in place of the Bank Rate. This new rate will be called the Monetary Policy Rate (MoPR). This change came into effect as at the 28th of April 2022.
- The discontinuance of the Bank Rate affects the following SBBL Floating Rate Notes, which have the Bank Rate as the Reference Rate: SBBL 068 and SBBL 071.
- SBBL 066 Notes are due to be redeemed as at 16th June 2022 and so are unaffected by the change in Reference Rate, as the Bank Rate was available as at the Last Interest Determination Date.
- The intention of the Issuer is to restate the interest rate provisions in relation to each of the SBBL 068 and SBBL 071 Notes by way of the issue of Amended and Restated Pricing Supplements that will reference the new Reference Rate, being MoPR and an adjusted margin so as to ensure that the all-in rate remains effectively the same on the date the Amended and Restated Pricing supplements will be issued, as at the original issue date.
- The Terms of Conditions of the Notes at Condition 16.1 provide that any amendment to vary the basis of calculating the Interest due on Notes, shall be subject to an Extraordinary Resolution of Noteholders.
- The procedure of calling a Noteholder meeting to receive formal sanction of Noteholders to the Amended and Restated Pricing Supplements will not be able to be implemented prior to the next Interest Determination Date, as this will require 21 days' notice following BSEL approval of the Notice to Noteholders calling the meeting.
- In light of the above, the provisions of the Terms and Conditions as at Condition 8.8.3 would have ordinarily applied where the Relevant Screen Rate is not available, or if the Rate of Interest cannot be determined by requesting quotations from the Reference Banks to provide the rate at which would have been used for the Reference Rate in the Gaborone inter-bank market apply, as follows: "... **except that, if fewer than two banks are so quoting to leading banks in Gaborone, Botswana, the Interest Rate shall be the Interest Rate determined on the previous Interest Determination Date ...**" (Fall-Back Provisions). However, following consultation with Noteholders the Issuer has determined that the Fall- Back Provisions will not be relied on as at the next Interest Determination Date.
- Instead the Issuer will convene the Noteholder Meetings where the Amended and Restated Pricing Supplements will be issued and will reference MoPR with an adjusted margin so that the all-in rate shall remain effectively the same in the Amended and Restated Pricing Supplements, as at the last Interest Determination Date before the Bank Rate was discontinued. The date that the Interest Rates will be reset is the 28 of April 2022 in respect of SBBL 068 and the 9th of July 2022 in respect of SBBL 071 (Reset Dates). The Noteholders will be requested to approve this amendment retrospectively as from the Reset Dates.
- Therefore, the interest rate to apply as at the next Interest Determination Dates will be as follows:

NOTE	Basis Points (Spread) on Issue	Bank Rate on Issue	Total Rate on Issue	Preceding Interest Determination Date when the Bank Rate was known	Bank Rate as at the last Interest Determination Date	MoPR plus adjusted Margin to be effective as from Reset Date	Next Interest Determination Date (and Reset Date)	Rate to apply as at Next Interest Determination Date
SBBL 068	2.50%	4.75%	7.25%	28th February 2022	3.75%	Reference Rate: MoPR (1.65% as at Reset Date of 27 April 2022) Margin: 2.50% Structural Margin: 2.61% All-in-Rate: 6.76% (Please note that the All-in-Rate will vary going forward depending on movements in the new Reference Rate)	28th May 2022 (or one Business Day prior)	MoPR with adjusted Margin so that the all-in rate will be similar to that on Issue
SBBL 071	2.00%	4.25%	6.25%	9th April 2022	3.75%	Reference Rate: MoPR [1.65%] (to be stated as at Reset Date of 9th July 2022) Margin: 2.00% Structural Margin: [2.61%]* All-in-Rate: [6.26%]* (Please note that the All-in-Rate will vary going forward depending on movements in the new Reference Rate)	9th July 2022	MoPR with adjusted Margin so that the all-in rate will be similar to that on Issue *PLEASE NOTE THAT IN RELATION TO SBBL 071 THE STRUCTURAL MARGIN AND ALL-IN- RATE PROVIDED HERE ARE INDICATIVE AND THESE RATES WILL BE ADJUSTED DEPENDING ON THE MoPR AS AT THE 9th OF JULY AND THE AMENDED AND RESTATED PRICING SUPPLEMENT WILL BE SIGNED ON THE 9th OF JULY 2022 AND A FURTHER NOTICE SENT OUT TO NOTEHOLDERS FOLLOWING THE INTEREST DETERMINATION DATE.

- The Issuer expects to be able to convene the meetings of Noteholders to approve the Amended and Restated Pricing Supplements in July 2022, and the Interest Rates on the Notes will be as per the revised provisions in the issued Amended and Restated Pricing Supplements as at the Reset Date indicated above, i.e. MoPR and with an adjusted Margin as shown in the draft Amended and Restated Pricing Supplement to be annexed to the Notice to Noteholders.
- A full Notice to Noteholders requisitioning the Noteholder meetings and including the draft Amended and Restated Pricing Supplements will be published on x-news, in one national newspaper and sent directly to Noteholders in relation to the above Notes that appear on the register on the date of publication.

This press announcement is published in compliance with the Programme Memorandum dated 26 May 2008 as supplemented by the Supplementary Programme Memoranda dated 20 May 2011, 25 September 2015, 29 May 2017 and 14 November 2019 and has been approved by the Botswana Stock Exchange.



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