

# 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 corporation or government) for a specific period in exchange for interest.

## 2) What is the difference between investing in a bond and a fixed deposit account?

- III When you invest in a bond, you are lending your money to the issuing bank or institution. Therefore, your money is not held in a customer deposit account.
- III CRDB bonds can be sold on the Dar es Salaam Stock Exchange (DSE) before maturity, and the bondholder/investor will receive the original amount and any interest (coupons) paid until that time. This is different from a fixed deposit account.
- III CRDB bonds pay interest (coupons) two to four times a year, unlike a fixed deposit account, which pays at maturity

## 3) What is the Samia Infrastructure Bond?

The Samia Infrastructure Bond is a type of bond investment where funds are collected to finance infrastructure projects and ensure contractors are paid on time.

## 4) What benefits does a customer get by investing in the Samia Infrastructure Bond?

By investing in the Samia Infrastructure Bond, an investor will receive:

- III Security of funds for the entire investment period.
- III Secure investment, as it guarantees attractive returns throughout the bond's term.
- III Attractive interest rate of 12% per annum
- III Coupons are paid quarterly (4 times per year) giving an investor opportunity to realise funds to support day to day operations.
- III Tax relief since there is no withholding tax like other financial investment products.
- III An opportunity to contribute to strategic government initiatives that bring impact to the society.
- III The ability to sell your bond on the stock exchange (DSE) if you need your money before maturity.
- III Continued interest (coupons) on the bond until you sell it or it matures.

## 5) What is the interest rate of Samia Infrastructure Bond?

The Samia Infrastructure Bond offers an 12% annual return, paid every three months (quarterly).

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## 6) Who can invest in Samia Infrastructure Bond?

- ||| Individuals (18 years and older)
- ||| Children (through a parent or guardian)
- ||| Groups
- ||| Corporations/institutions
- ||| Both Tanzanian citizens and non-citizens
- ||| Joint investments, such as spouses

## 7) What is the minimum amount required to invest in Samia Infrastructure Bond?

The minimum investment is TZS 500,000 with no maximum limit. However, investors can continue adding to their Samia Infrastructure Bond investment through secondary market as the bond shall be listed in the Dar es Salaam Stock Exchange (DSE).

## 8) What is the tenure of Samia Infrastructure Bond?

The Samia Infrastructure Bond tenure is 5 years.

## 9) How will the investor receive their coupons and principal investment?

All payments will be made directly to the investor's account provided on Samia Infrastructure Bond application form.

## 10) Can an investor use an account not in their name to receive coupon payments?

No, the investor must provide an account in their own name for receiving payments.

## 11) Can the customer use his bond as a collateral to get loan?

Yes, customer can use his/her Samia Infrastructure Bond as collateral of loan to the value of up to 80% of his/her bond and can further use coupon payments to repay the loan

## 12) How does an investor apply for the Samia Infrastructure Bond?

To invest in the Samia Infrastructure Bond:

- ||| Fill out the Samia Infrastructure Bond application form available at any CRDB branch or stockbroker. Required information includes:
  - ||| Investor's details and a valid address
  - ||| Bank account details for receiving coupons and the principal amount.
  - ||| CDS account details (a CDS account will be opened if you don't have one)
- ||| Provide relevant valid KYC documentation.
- ||| Deposit the investment fund into the CRDB account provided on the application form.

## 13) What is a CDS account?

A CDS (Central Depository System) account is an electronic record-keeping system that tracks the ownership of bonds and facilitates their transfer. It is managed by the Dar Es Salaam Stock Exchange (DSE).

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**14) How does an investor open a CDS account?**

If an investor doesn't have a CDS account, it will be opened using the information provided on the Samia Infrastructure Bond application form.

**15) Do investors need to have a CRDB bank account to invest?**

It is recommended that investors open a CRDB account for easier coupon payment processing.

**16) Can the interest rate on the bond change?**

No, the coupon rate (12% per year) will remain fixed throughout the investment period.

**17) How can an investor calculate the coupon payments?**

A calculator is available on <https://crdbbank-samiabond.mypagecloud.com/> Below are some examples of profits that customers can make when they investment different amounts.

**PROFIT CALCULATOR**

Annual Interest		12%			
Withholding Tax		0%			
Amount	Cumulative Profit				
	Quarterly	Semi Annually	Annually	After Maturity (5 Years)	
5,000,000	150,000	300,000	600,000	3,000,000	
10,000,000	300,000	600,000	1,200,000	6,000,000	
20,000,000	600,000	1,200,000	2,400,000	12,000,000	
50,000,000	1,500,000	3,000,000	6,000,000	30,000,000	
100,000,000	3,000,000	6,000,000	12,000,000	60,000,000	
500,000,000	15,000,000	30,000,000	60,000,000	300,000,000	
1,000,000,000	30,000,000	60,000,000	120,000,000	600,000,000	
5,000,000,000	150,000,000	300,000,000	600,000,000	3,000,000,000	
10,000,000,000	300,000,000	600,000,000	1,200,000,000	6,000,000,000	
100,000,000,000	3,000,000,000	6,000,000,000	12,000,000,000	60,000,000,000	

**18) Is Samia Infrastructure Bond available in foreign currencies?**

Samia Infrastructure Bond is only available in Tanzanian Shillings. If an investor has foreign currency, they are advised to exchange it to Tanzanian Shillings first so as to invest.

**19) Can Samia Infrastructure Bond investment be terminated before maturity?**

No, the investment term is 5 years. However, an investor can sell part or all of their bond in the secondary market as the bond shall be listed in the Dar es Salaam Stock Exchange (DSE).

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**20) Can an investor hold more than one Samia Infrastructure Bond?**

An investor can only hold one Samia Infrastructure bond. However, during the offer period, the investor can purchase the bond as many times as possible which will be consolidated. After the offer period, they can increase their investment through secondary market as the bond shall be listed in the Dar es Salaam Stock Exchange (DSE).

**21) What happens if the bondholder passes away?**

The ownership of the Samia Infrastructure Bond will be transferred to the legally authorized beneficiary of the deceased.

**22) Will the investor receive a certificate of ownership?**

Yes, the investor will receive a bond ownership certificate.

**23) Can a foreign citizen invest in Samia Infrastructure Bond?**

Yes, a foreign citizen can invest in Samia Infrastructure Bond.

**24) Can a client choose different intervals for receiving their coupon?**

No, the coupon payment schedule will be every three months as approved by the Capital Market and Securities Authority (CMSA). However, investor can be supported by another bank product available at CRDB to meet his profit realization needs.

**25) How can a customer subscribe to Samia Infrastructure Bond?**

A customer can join a bond through two main methods:

- ||| Through CRDB branches
- ≡ Using the SimBanking service

**26) When can I start investing in Samia Infrastructure Bond?**

Below are key issuance dates of Samia Infrastructure Bond:

EVENT	DATE
Offer Opens	29th November 2024
Offer Closes	17th January 2025
Listing Date	10th February 2025
Maturity Date	10th February 2030

**For more information or additional questions, please contact us at:**

**Email:** [info@crdbbank.co.tz](mailto:info@crdbbank.co.tz)

**Phone:** +255(22)2197700 | +255(0)714197700 | +255(0)755197700 | 0800008000