I&M | Bank

hatua bond

Frequently Asked Questions (FAQs)

ENGLISH

SCAN TO INVEST

Approved By:

CMSA

Lead Advisor:

iTrust FINANCE

On Your Side

Frequently Asked Questions (FAQs)

This document answers the most common questions about I&M Bank's inaugural Medium-Term Note (MTN) Bond Programme. It is designed to help you understand the opportunity clearly before making any investment decision. For further information, please read the full Information Memorandum (IM).

1. Who is I&M Bank (T) LTD?

I&M Bank Tanzania Limited is a leading commercial bank in Tanzania, providing corporate, retail, and digital banking services. Established in 2010 following the acquisition of CF Union Bank, it is part of the broader I&M Group, a prominent East African financial conglomerate publicly listed on the Nairobi Securities Exchange.

2. What is a bond?

A bond is debt issued by government or corporate entity with a fixed interest payable every year up to maturity.

3. 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.

4. What is the I&M HATUA Bond?

This is the first tranche of I&M MTN program intended to raise TZS 20 Billion plus a greenshoe option of TZS 5 Billion. The interest (coupon) for this bond is 13% per annum payable on quarterly basis for 5 years.

5. What benefits do investors get from investing in the I&M HATUA Bond?

- Attractive interest income of 13% 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

6. What is the interest rate of the I&M HATUA Bond?

The interest rate is 13% per annum, paid quarterly.

7. Who can invest in the I&M HATUA 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)

8. What is the minimum investment amount?

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

9. What is the tenor of the I&M HATUA Bond?

The bond has a 5-year maturity period.

10. 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.

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11. Can an investor use someone else's bank account for payments?
No. The account must be in the investor's name.

12. Can the bond be used as collateral for a loan?
Yes. The bond can be used as collateral for a loan with Financial Institutions. Coupon payments can also support loan repayment.

13. How can one apply for the I&M HATUA Bond?
You can apply in two ways:
- **Digitally:** Apply through iTrust's digital platform (Mobile App) or I&M 's web portal. You can also open a CDS account online if you do not already have one.
- **In person:** Complete a physical Application Form at any I&M Bank office or through any Authorized Collecting Agent listed in the Information Memorandum. Provide valid identification documents (National ID, Passport, or NIDA) and bank account details.
- After completing the application, deposit your investment funds into the designated Hatua Bond Collection Account before the offer closes.

14. 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).

15. 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.

16. Is an I&M bank account required to invest?
No, you can invest using any valid bank account. I&M Bank is recommended for easier coupon and principal payment processing.

17. Can the interest rate change during the bond period?
No. The interest rate is fixed for the entire 5-year period.

18. 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.

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 bonds 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?
No physical certificate will be provided. As an investor, you will receive the DSE Holdings statement as proof of your investment.

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22. Can foreign investors participate?
Yes. Both Tanzanian and foreign investors can buy the I&M HATUA 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.

24. Can I sell my bond before the maturity date?
Yes. Once listed on the DSE, you may sell some or all of your bonds on the secondary market through a licensed stockbroker at any time before maturity. The price you receive will depend on market conditions at the time of sale and may be above or below your original investment amount.

25. What happens at maturity (on 21st September 2031)?
On the maturity date, your full principal (the original amount you invested) will be repaid directly to your nominated bank account. No further action is required from your side.

26. What if my bank account details change?
You must notify the Registrar (CSD & Registry Company Limited) or your Broker in writing before the relevant Last Day to Register (3 days before each payment date) so that your updated account details can be recorded in time for the next payment.

27. Is the I&M HATUA Bond Shariah-compliant?
No, this issuance (tranche) is not shariah compliant.

For more information:

Email: customer.care@imbank.co.tz
Phone: +255 784 107 999
Website: www.imbank.co.tz

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