
TERM SHEET “GOVERNMENT BONDS 2018 SERIE 12”

Issuer:	Republic of Mozambique
Underwriting type:	Direct
Amount:	MZN 2,500,000,000.00
	Note: The National Treasury reserves the right to increase the limit of the Issue Amount if demand exceeds MZN 2,500,000,000.00
Interest Rate:	16.00% for the first two coupons
Issuance Term:	3 years
Nominal Value:	MZN 100.00
Placement:	The bonds will be placed through the "Operators Specialized in Treasury Bonds" (Primary Dealers) pursuant to article 6 of Decree no. 05/2013, dated March 22nd.
Underwriting Date:	November 27, 2018
Issuance and settlement date:	November 28, 2018
Auction:	Competitive Interest Rate
Interest Rate:	<p>The applicable nominal interest rate will be: (i) fixed at 16.00% during the first 2 semester payments of interest and (ii) variable within the last 4 semester interest payments.</p> <p>The variable interest rate that remunerates each bond will result from adding a percentage margin to an indexer, rounded up to 1/16 of a percentage point equal to or immediately above.</p> <p>The variable interest rate that pays each bond in the last 4 semiannual payments will be determined until 8:30 am on the second business day prior to the start date of the new interest counting period.</p> <p>The indexing of the rate that remunerates each bond is determined by the maturity-weighted average rate and the amounts of the last six issues of Treasury Bills, with maturities of more than 63 days.</p>

If these securities are not issued for the periods considered, in the last 28 calendar days at the date of calculation of the index, another title that, by its nature, will replace the securities in question will be considered as an index.

The percentage margin to be added to the index is 1.5% (one point five percent) for the last 4 semester payments of interests.

Interest Calculation: The interest will be calculated daily and on a 360-day basis, corresponding to twelve months of 30 days each (i.e. the European model 30/360).

Interest Payment: The interest period of coupons will run until May 28 and November 28 of each year, and interest payment will take place on the following business day after the end of the interest calculation.

If the due date is not a business day (defined as a day on which Banks are open and operating in Maputo City), the interest payment date will be adjusted to the following business day.

Redemption Date: At the end of the issue date November 28, 2021, if this date is not a business day (defined as a day on which the Banks are open and operating in Maputo), the redemption date will be adjusted to the business day immediately after.

Early redemption at the request of the Issuer (call option): At the option of the Issuer, the loan may be fully or partially repaid, in the latter case by reducing the nominal value of the issue, starting from the 3rd coupon inclusive and on the semiannual interest payment dates, subject to prior notice minimum of 15 days.

Guarantees: These treasury bonds enjoy the recognized privileges and guarantees of public debt securities. The funds necessary for debt servicing will be entered in the State Budget.

Fiscal Regime: Under the current legislation in Mozambique.

Paying and Calculation Agent: National Treasury

Organization and Leadership: National Treasury