

“THE FAMILY OF BANKNOTES”

INTRODUCTION

The Bank of Zambia is the authority in Zambia that is mandated by law to issue Zambian currency notes and coins as legal tender in terms of section number 4[2] (c) of the Bank of Zambia Act 1996. The current Zambian family of notes and coins is made up of 7 paper notes i.e. K10,000, K5,000, K1,000, K500, K100, K50 and K20 and 5 denomination of coins i.e. K10, K5, K1, 50N and 25N.

Restructuring Of Currency

In June 2000, the Bank of Zambia embarked on a program to restructure its national currency with a view to making it more responsive and efficient in meeting payment demands. In order to achieve this, the Bank has:

- Introduced two polymer banknotes, K500 and K1,000;
- Introduced two new higher value notes, K20,000 and K50,000; and
- Enhanced the security features on existing notes.

I. Introduction Of Two-Polymer Banknotes - K 1,000 And K 500 (issue Date - 26th September 2003)

An analysis of the notes in circulation over the years indicated that the K1,000 and K500 notes have the highest velocity and hence are the most frequently replaced notes in the family structure.

In order to address this and to take advantage of the advancement in technology, the Bank decided to print K1,000 and K500 on a polymer sub-strate.

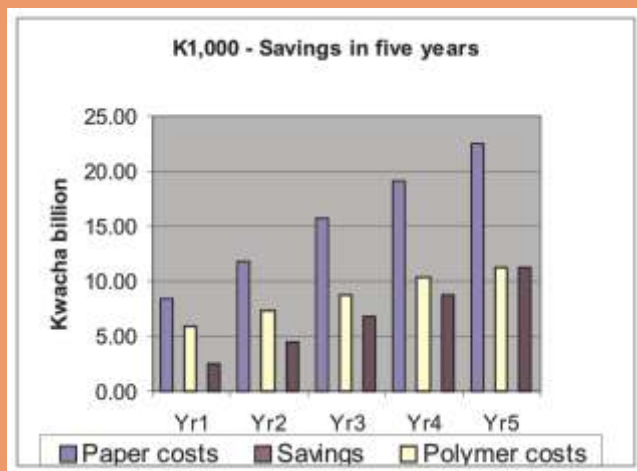
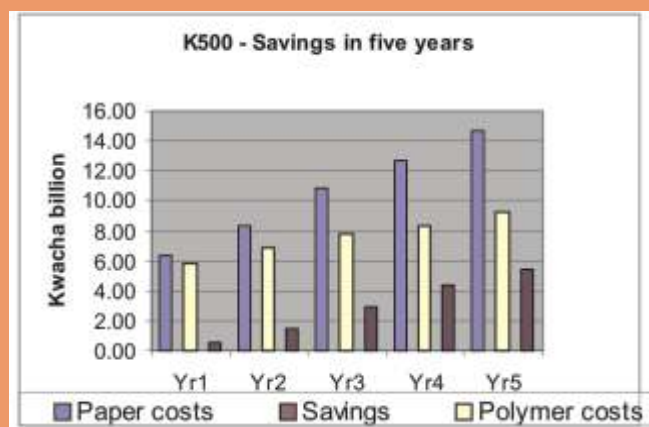
Polymer notes are notes printed on a unique polypropylene plastic. The new Zambian polymer notes have been printed on Guardian Polymer substrate, which has unique properties for the specialised requirement of banknotes.

The polymer substrates are known to last at least four times longer than paper notes though they cost about twice as much.

The introduction of the two polymer Bank notes is expected to bring about the following benefits:

Financial Benefits

- Expected savings after five years is K17 billion in re-order costs as shown in the two graphs below.
- Lower distribution costs for Bank of Zambia, commercial banks and other cash handlers.
- Reduction in labour costs as fewer notes will be returned to the Bank of Zambia for processing.



Security of Polymer notes

- Polymer notes have an effective range of easily recognized, durable security features and
- Polymer notes are more difficult, time consuming and costly to counterfeit

Clear complex window (in the form of a flying dove)

- This is a transparent window depicting the image of a flying dove which is visible from both sides.
- A unique and very effective security feature.
- Easy to recognize and verify.

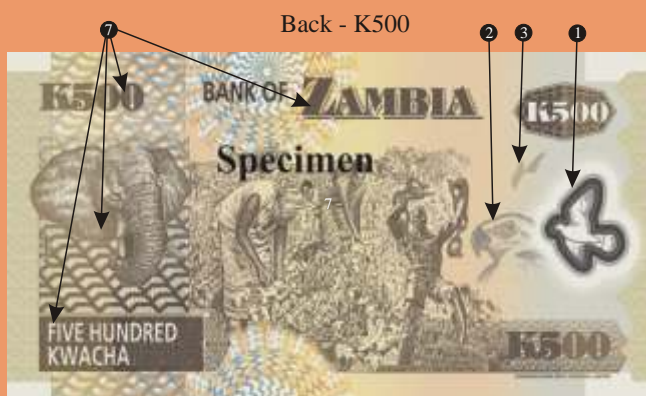
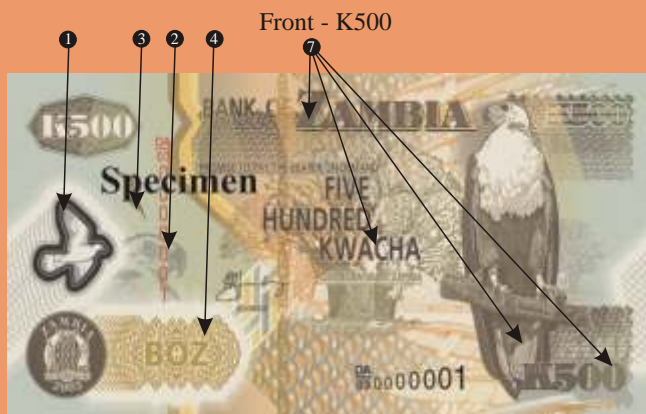
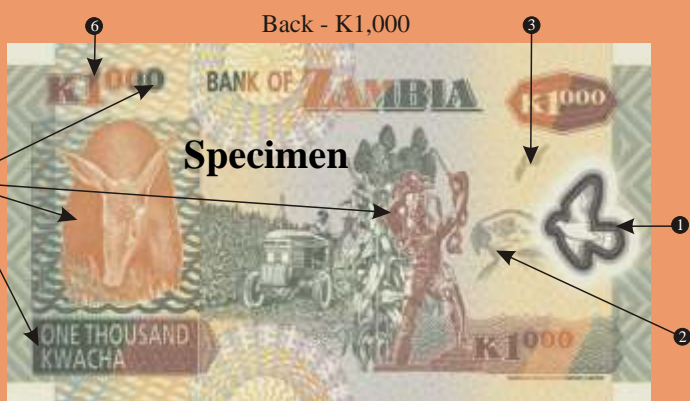
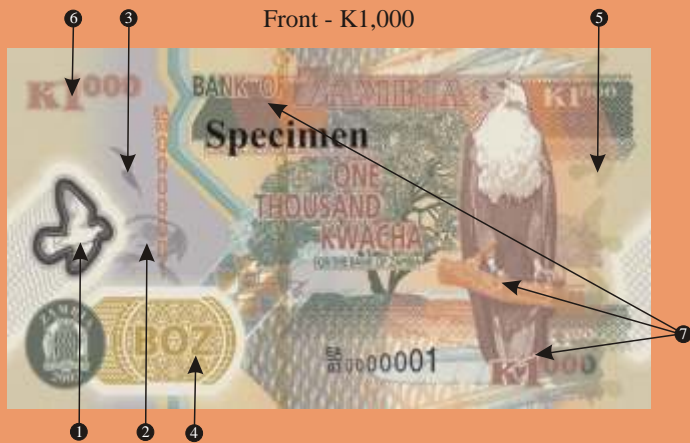
Quality of polymer notes

- High quality notes in circulation
- Exceptional toughness - difficult to tear
- Suitable to use in all climates and environments
- Notes are non fibrous and over coating protects the ink
- Significant reduction in damage (holes, tears) to notes in circulation

Public Recognition Features For K 1,000 And K500

1. Complex clear window - The clear Security Window contains the image of a flying white dove. This is a key identifying feature.
2. Shadow image - A Fish Eagle's head is visible when the note is held up to the light.
3. Perfect back to front register - When held up to the light, the elements of a feather on the front will register perfectly with elements on the back to form a complete image.
4. Gold Medallion - The 'BOZ' medallion is printed in gold ink as a counterfeit deterrent.
5. Iridescent Gold Doves - A gold iridescent band of doves runs from the top to the bottom of the note.
6. Value numerals - The size of the last three zeros in each value numeral is reduced from the K1000 up to K50,000.
7. Intaglio print - Intaglio print applies raised ink to the surfaces of both notes which can be felt by running ones finger tips across the raised Intaglio print.

- In order to harmonise the size of the polymer banknotes, the size of the K1,000 is now the same size as that of the K500 note i.e. 140mm X 70mm.



K20,000

- Theme - A Bright New Economic Future
In recent years the country undertook significant steps to restructure its economy and these steps resulted in the privatisation of State owned companies including the mines. Consequently, Zambia received substantial debt rescheduling and much private capital flowed in the mining sector. This brought about new economic

activities on the Copperbelt, a region North of Zambia, that is richly endowed with minerals.

- Black Lechwe or Kobus leche
The medium sized antelopes weighs up to 100kg and stand up to 1m at the shoulder. There are three sub-species of lechwe in Zambia: Red lechwe (which are larger than the other sub species), the Kafue Flats Lechwe (the biggest of the lechwe's) and the Black Lechwe. The later two (2) are found only in Zambia. The Black lechwe are typically coloured "black and tan" with white undersides. The Black lechwe is portrayed on the official logo of the Wildlife Conservation Society of Zambia.
- Tree - Mukwa tree
The tree is widely found in Zambia and is commercially exported. It is used in many industries including the mines.

K50,000

- Theme - playing a central role in the Economic Affairs of the Country.
The Bank of Zambia building is reflected as the main theme on this note signifying the Central Bank's role in formulating and implementing appropriate monetary and supervisory policies of the country.
- Animal - Leopard
This is a large and powerful spotted cat with males weighing up to 90kg. They have larger heads and legs than cheetahs and are more heavily built. They do not have distinctive facial tear marks of the cheetah though their spots on the legs and head are solid black while the rest of the body are rosettes of black with tawny centres. They are commonly available even in densely populated areas where suitable cover and prey are available. They are excellent climbers and prey is often stored in trees with dense canopies.
- Tree - Kabwe Fig Tree
This unusually large and magnificent fig tree, situated in the centre of Kabwe, was the meeting place of the townspeople during early days of the settlement there.

For several years the shade of the tree was used for assembling donkeys and carrier caravans for journeys to the north and north-east at the time when Broken Hill (now Kabwe) was the rail-head for most of Northwestern Rhodesia.

Nearby, on the lawns in front of the municipal offices, stands a monument commemorating the discovery in 1921 at Broken Hill mine, Kabwe, of the world famous Early Stone Age skull of 'Broken Hill Man' (Homo rhodesiensis).

Public Recognition Features Of K 20,000 And K 50,000

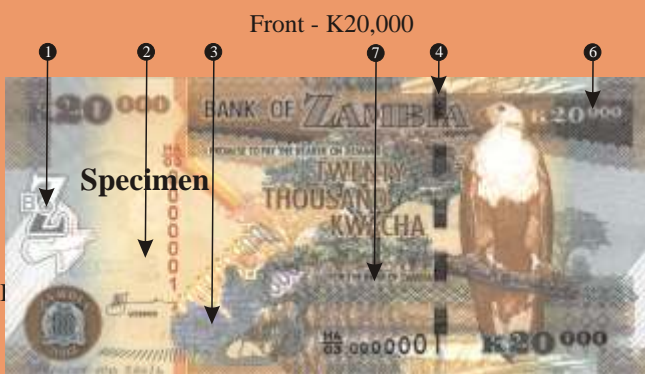
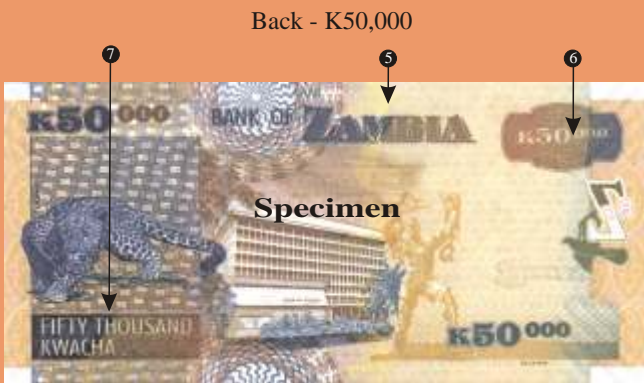
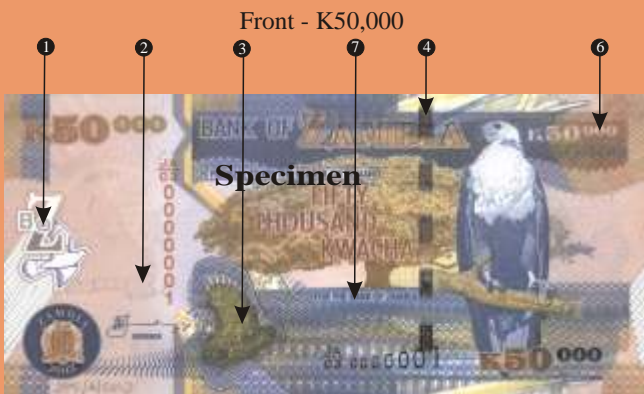
1. See through bird in flight/BOZ - When held against the light, colour patterns on the back will accurately register with blank spaces in similar patterns on the front.
2. Watermark - plus highlight feature - K20,000 Fish eagle's head. Watermark highlight: 20,000 plus Eagle's head. K50,000 Fish eagle's head. Watermark highlight: 50,000 plus Eagle's head.
3. Hologram - K20,000 a bright silver metallic patch, in the shape of the map of Zambia over printed with animals, with multiple images switching from K20,000 to a bird in flight. K50,000 a bright gold

metallic patch, over printed with an eagle in flight with multiple images switching from K50,000 to a bird in flight.

4. Security thread - The wide security thread is printed with either text "BOZ 20000" or "BOZ 50000" and appears as a series of metallic "dashes" on the front of the note. The colour of the thread changes from red to green according to the viewing angle.
5. Gold band - An "iridescent" gold band of doves appears from the top to the bottom of the note.
6. Value numerals - The size of the last three zeros in each value numeral is reduced.
7. The Microlettering - The text 'Bank of Zambia' can be read under magnification.

The Bank has enhanced the security features on the K5,000 and the K10,000 notes in order to protect the notes against possible counterfeiting actions and to enhance the durability of the notes.

1. See Through - The see through feature has the initials "BOZ" added to it. When the front of the note is held against the light, colour patterns on the back will accurately register with blank spaces in similar patterns on the front.
2. Watermark Highlight - K5,000 additional Watermark highlight reading 5000 plus Fish Eagle's head K10,000 - additional Watermark highlight reading 10,000 plus Fish Eagle's head.
3. Value Numerals - The size of the last three zeros in each value numeral is reduced.
4. Additional Tactile Printing - There is additional printing around the edges of the banknote, which has a raised feel.
5. Hologram
K10,000 - A bright silver metallic patch in the shape of a fish eagle's head now faces the centre of the note (the opposite way to the previous design). It contains multiple images, switching from "K10,000" to a bird in flight. The text "BOZ" can be read under magnification.



K50 and K100

The Bank has enhanced the two low value notes by improving the durability of the notes through a special coating. The rest of the features on the notes remain the same.

How can you check if a paper banknote is genuine?

Contrary to public belief, you do not need special machines or detectors to identify most counterfeit notes: Usually, the following simple tests will be sufficient:

- Feel the paper - the security paper and special printing process give banknotes their unique feel. If the note is in reasonable condition, it should be crisp, not limp, wax or shiny. On the top left part of the high value notes, the value is tactile i.e. the value may be felt with your fingers.
- Look at the watermark - it should be barely apparent until the note is held up to the light when a clearly defined portrait of the fish eagle is visible from both sides of the note.
- Serial numbers - all banknotes issued by the Bank of Zambia have unique serial numbers running vertically and horizontally. If you come across two notes with same number, one or both of them may be counterfeit.
- Check the quality of printing - Lines should be sharp and well defined and colours should be clear and distinct.
- The thread - genuine paper notes have a thread embedded in the paper. This "windowed" thread appears as a bold continuous line when held up to the light and as a series of dashes under normal light conditions. This is the same for all notes from the K5,000 to the K50,000. The K20, K50, and K100 have a bold continuous line.

Perform these simple tests if in doubt and remember that it is a criminal offence to try to pass a banknote that you either suspect or know to be counterfeit.



If you would like to have further details or clarifications, please contact:

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You can also access the Bank of Zambia
Website at: <http://www.boz.zm>.



“THE NEW ZAMBIAN BANKNOTES”



Bank Of Zambia