

## African Capital Markets News

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### IFC raises N\$180m bond in Namibia

April 11th, 2016 by Tom Minney



Photo credit: Namibian Sun www.namibiansun.com

The International Finance Corporation, part of the World Bank Group, has continued its programme of helping develop African debt markets by launching the first bond by a non-resident issuer in Namibia. It raised NAD 180 million (about \$12m) which it will use for private sector development in the country. The bond yield is 9.812% per annum.

The 5-year bond is named "Namib" after the world's oldest desert. The bond is part of a medium-term note programme registered with the Namibian Stock Exchange that allows IFC to issue up to NAD 10 billion (approximately \$650m) in bonds in the domestic market. Standard Bank and IJG Securities (Pty) Ltd are lead managers for the bond issuance. IJG Securities is also the sponsoring broker on the transaction, while Standard Bank and Transfer Secretaries (Pty) Ltd are fiscal agents.

The bond is issued under IFC's Pan-African Domestic Medium Term Note Programme, which was launched in May 2012 to support capital-market development in the region. The IFC has already issued local-currency bonds in Rwanda and Zambia, and 9 countries are part of the programme.

Jingdong Hua, IFC Vice President and Treasurer, said: "Deep, vibrant capital markets create access to long-term, local-currency finance for the private companies so they can get tailor-made financing for growth and expansion. The IFC Namib bond is an integral part of IFC's strategy to support Africa's capital market development and create access to finance for the region's private sector."

IFC supports local capital market development in Africa by working with governments, regulators and market authorities to put in place frameworks that encourage market entry by domestic and international issuers. IFC also supports African companies looking to access capital markets.

More recently, IFC launched a new capacity-building programme for African capital market regulators and practitioners. This is a partnership with the Milken Institute and George Washington University and will create a network of experts and advocates to support the region's capital markets.

Ipumbu Shiimi, Governor of the Bank of Namibia, said: "Developing Namibia's capital markets will be critical for long-term economic development, and especially for the expansion of the infrastructure and banking sectors. We hope that other international and domestic issuers will follow IFC and connect savings to Namibia's private sector investment needs."

IFC issues bonds denominated in local currencies in emerging markets as part of its regular programme of raising funds for private-sector development, and to support the development of domestic capital markets. In many cases IFC is the first, or among the first, non-resident issuer in a domestic market. IFC bonds are rated triple-A by Moody's Investors Service and Standard & Poor's.

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