

Bayport raises ZMK171m with Barclays Africa as lead arranger

In the single largest bond issue in Zambia issued by a corporate entity, Bayport Financial Services in Zambia has successfully raised ZMK171m in floating rate notes from the domestic capital markets.



Micro-lender Bayport appointed Barclays Africa to establish a programme and issue the bonds.

The strength of investor appetite saw the value of the transaction increase by ZMK21m from the initial ZMK150m offered as new investors and Bayport's existing lenders came together under a single security structure.

Barclays Africa acted as sole lead arranger for the transaction through Barclays Bank Zambia and via its Corporate and Investment Banking division based in Johannesburg.

The transaction received anchor support from the International Finance Corporation (IFC), which committed to invest in a third of the initial transaction size before the deal was taken on the road. As a further endorsement, ALCBF, the local currency investment fund of German-government owned development finance institution KfW, committed to 13% of the transaction pursuant to the roadshow.

Diversify funding sources

"This transaction will allow us to diversify our funding sources and complement our imminent deposit taking phase," said Prisca Shimwambwa, finance director of Bayport Financial Services.

"We are delighted to have successfully taken Bayport to the capital markets in Zambia, and this transaction cements Barclays Africa's relationship with Bayport. Barclays in Zambia has been a lender to Bayport for a number of years, and this bond is a further endorsement from the rest of the investor community of Bayport as an institution," said Saviour Chibiya, MD of Barclays Bank, Zambia.

"Our ability to develop a flexible funding solution for the client by establishing a universal secured platform through which

both banks and institutional investors could extend funding to Bayport without being subordinated to one another, satisfied both the client as well as investors' requirements," said Prasanna Nana, head of Debt Capital Markets at the Corporate and Investment Banking division of Barclays Africa.

"We are proud to have been selected by Bayport to not only raise capital of this size in the Zambian bond markets, but also to play a role in enabling Bayport and their clients to realise their ambitions in the right way," added Nana.

In addition to the above deal, Barclays acted as joint lead manager in the Republic of Zambia's successful pricing of a new \$1bn ten-year debt transaction two years after the country's inaugural debt transaction in 2012, also lead managed by Barclays.

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