

Yetu goes for second IPO, needs 2bn/-

By **ABDUEL ELINAZA**

THE second Yetu Micro-finance Bank initial public offer (IPO) kicks off today target to raise 2bn/- for expansion purpose.

Yetu, the only listed microfinance institutions in Africa, raised 3.1bn/- in 2015 and listed its share on Dar es Salaam Stock Exchange (DSE) second market—Enterprise Growth Market (EGM).

Yetu Managing Direc-

tor Altemius Millinga said in pre-IPO conference over the weekend that they want to expand their outreach to Njombe, Iringa and Mbeya regions before venturing to Lake Zone.

“We are anticipating the IPO will be oversubscribed based on our past sold profitability performance.

“During first IPO, Yetu was not known and we had to change name from Yosefo [Youth Self Employment

Foundation] to Yetu. This affects our subscription level,” Mr Millinga said.

The bank puts on offer 3,636,364 shares at a discount price of 550/- in the next two month to mid-April. Yetu trades at 600/- yesterday.

The bank has been issuing dividends since listed on DSE. In 2016 it was 14/- a share, 2017 64/- and 37/- in 2018.

“This year (2019), though accountants are working on

the numbers, I am sure it will be over 45/-...this is a bank with highest dividend yield of all listed banks on DSE,” Mr Millinga said.

The bank oversubscription optimism based on the fact its compound annual growth by 23 per cent from 376m/- in 2015 to 708m/- in 2018.

Since listed on the DSE’s EGM, Yetu assets almost triple to 19bn/- in 2019 from 7.0bn/- in 2014, while net

loans and advances stood at 12.6bn/- at the end of 2018. The lender return on equity (RoE) stood at 8.8 per cent in 2018. The IPO also is in line with the regulator requirement of maximum 20 per cent holding per shareholder.

Currently Yosefo stake is 31 per cent and after it will be reduced to 20 per cent.

The bank boost a core capital of 9bn/- against a regulator requirement of 5bn/- and after IPO the capital will

shoot to 10bn/-.

“The bank is well capitalised and well positioned to execute identified as well as emerging opportunities,” Mr Millinga said.

He said the regulators, Capital Market and Securities Authority (CMSA) has allowed the green shoe option of 100 per cent in case of oversubscription. This will be the first IPO in this year to end a year drought of new listing on DSE.