

Bayport South Africa is coming home



Bayport South Africa Head Office in Johannesburg

Bayport Management Limited (BML) announced on 23 October that it has agreed terms to acquire Bayport South Africa from Transaction Capital. This will unite the Bayport brand and strengthen our group.

Established in 2004, Bayport South Africa was the fourth Bayport operation. In 2010, Transaction Capital, a JSE-listed financial services company, bought a 82.65% share in the business. When, three years later, Transaction Capital decided to refocus its investment portfolio by disposing of Bayport South Africa, BML jumped at the chance to unite the brand in South Africa.

“Bayport South Africa is no stranger to us,” says Grant Kurland, CEO of BML. “Stuart Stone and I founded it on the same principles and with the same goal as the seven other Bayport operations. The company shares Bayport’s name, history and business philosophy.”

While in the Transaction Capital stable, Bayport South Africa had some of the same shareholders and directors as BML. As a result, the two companies continued to develop along a common path. It therefore makes business sense and will be relatively seamless to bring Bayport South Africa back home. The combined group will have a balance sheet of more than USD 1 billion and earnings of more than USD 60 million in 2014. “BML and Bayport South Africa will learn from each other and benefit from sharing intellectual property and resources,” says Grant.

The acquisition will enable BML to offer more diverse products to a larger customer base. While supporting our business strategy, this product and geographical diversification also reduces our risk profile. The unsecured lending industry in South Africa has been dealing with reputational issues recently.

Bayport South Africa, however, has always been an ethical and responsible lender – in step with how the rest of Bayport treats customers. In fact, many of the processes and practices that BML seeks to establish and strengthen through its Smart Campaign certification drive, already exist in Bayport South Africa.

Grant says that Bayport South Africa will be a subsidiary exactly like the other in-country operations. “We don’t plan any restructuring after the acquisition, but we will make the most of any opportunities. Sharing of capacity and knowledge will be pursued wherever possible.”

Although the acquisition has been announced, the final regulatory processes still need to be concluded. “We expect Bayport South Africa to be fully incorporated in the BML stable early in 2014,” say Bayport founding partners Grant Kurland and Stuart Stone. “Uniting Bayport South Africa and BML is the start of a new chapter in the exciting and evolving Bayport story. We look forward to writing it with all of you on board while we work together to help our customers achieve financial wellness, which is our ultimate goal.”