

Bayport Ghana issues largest corporate bond to date on the Ghana Stock Exchange

Bayport Management Ltd is proud to announce that on 8 January 2016, its subsidiary in Ghana, Bayport Financial Services Ghana successfully listed its debut bond of GHS78.5 million Fixed and Floating Rate Notes under its planned GHS200 million medium-term Note Programme. The programme is listed on the Ghana Alternative Market (“GAX”).

Commenting on the listing ceremony that took place on Tuesday, 19 January 2016, Bayport Management Ltd’s co-founders and joint CEOs, Stuart Stone and Grant Kurland, noted that this maiden offer under the Note Programme constituted a landmark transaction: “Significantly oversubscribed, the transaction represents the single largest corporate bond listed on the Ghana Stock Exchange. The fact that this listing is more than double the size of the previous largest transaction in Ghana, shows the market’s respect for Bayport and the value of the Bayport brand.”

Kofi Adu-Mensah, MD Bayport Ghana, said that the listing came at an opportune time to fund the company’s expansion programs, diversify its domestic funding sources and reduce its dependence on foreign-denominated funding.

The board chairman of Bayport Ghana, Mr Kwame Pianim, commenting on this groundbreaking transaction expressed the hope that “the seminal move by BFS will help open the domestic capital market as “the go to” source of funding for Ghanaian entrepreneurs who face daunting challenges in raising capital for the expansion and modernization of their businesses.”

The issuance was around 1.6 times the initial size indication received from the market prior to deal execution. Seventeen institutional investors, both foreign and local, subscribed for the Notes.

The African Local Currency Bond Fund (ALCB), which was set up by KfW to promote the development of regional capital markets, invested into the Programme as a cornerstone investor. According to James Doree, from Lion's Head Global Partners, manager of ALCB,: “The success of BFS Ghana’s debut bond, particularly the level of local investor participation, is exactly the sort of impact the ALCB through its investments wants to promote. This Ghana Cedi funding will reduce foreign exchange exposure in the financial sector and provide longer term funding for Bayport Ghana’s financial inclusion products.”

Stanbic Bank (Ghana) Limited acted as lead arranger for the transaction with Databank Brokerage Limited and Temple Investments Limited acting as sponsoring brokers. Bentsi-Enchill Letsa & Ankomah and ENS Africa were the legal advisors on the transaction. Fidelity Bank is the Note Trustee, and Ernst and Young is the Reporting Accountant.

Bayport Ghana is one of ten subsidiaries of Mauritius-based Bayport Management Ltd. The Group's other subsidiaries in Africa and South America operate in Zambia, Uganda, Tanzania, South Africa Botswana, Mozambique, Colombia and Mexico. The Bayport Group provides financial solutions to individuals working in both the formal and informal sectors in emerging markets. Customers generally find themselves at the lower end of the earning spectrum and typically have limited access to traditional banking services.

Bayport Ghana was established in 2003. It operates 32 branches, employs over 360 full-time staff and provides employment opportunities and livelihood to a dedicated sales force of more than 930. The company has over 100 000 customers on its books. Bayport Ghana is licensed and regulated by the Bank of Ghana as a finance house under the Non-Bank Financial Institutions' Act.