

PRESS RELEASE - 06 APRIL 2023
BAYPORT SAVINGS AND LOANS (GHANA) PLC
ISSUE OF GHS 50 MILLION FLOATING RATE NOTES UNDER NEW GHS 500 MILLION DEBT ISSUANCE
PROGRAMME

On 28th March 2023, Bayport Savings and Loans (Ghana) Plc (“Bayport Ghana” or the “Issuer”) successfully closed its GHS 50 million 2-year Senior Unsecured Floating Rate Notes issuance in Accra, Ghana, being the first series and tranche of Notes under its newly established GHS 500 million Medium Term Notes and Bond Programme (the “Programme”). The Notes were subsequently admitted to listing on the Ghana Fixed Income Market segment of the Ghana Stock Exchange, effective 4th April 2023.

The issuance follows a series of robust investor engagements (including a physical roadshow) during which Bayport provided comprehensive updates to its stakeholders in the investor community on the Issuer’s trading performance and business strategy that enabled Bayport Ghana to thrive yet again in the midst of an increasingly challenging macroeconomic environment. The investor engagements were very well received and set the scene for a successful and competitively priced bond issuance under ordinarily difficult and uncertain market circumstances.

The orderbook peaked at almost GHS 70 million, allowing the Issuer to close books at a 1.37x subscription rate, and price the transaction at a spread of 145bps to the 182-day Treasury bill benchmark rate, representing the most competitively priced issuance by Bayport Ghana in its 8-year history of accessing the domestic capital markets.

In spite of the gloomy market backdrop at the time of issuance, occasioned by the effects of the recently concluded Domestic Debt Exchange Program, participation was impressive with orders seen from a diverse pool of investors that had earlier expressed interest and also confirmed their continued confidence in the Bayport credit story given its two decades operating history in Ghana. A significant portion of the bond proceeds will be used to support payroll lending efforts to low-income public sector workers, majority of whom would have been unable to access traditional banking products and services in Ghana, especially under the current economic environment. Consequentially, this transaction goes a long way to boost and further consolidate the implementation of Bayport Ghana’s financial inclusion agenda.

The transaction outcome is also reflective of the Issuer’s robust credit profile and resilience to continue providing quality financial services to the Ghanaian market, while navigating challenges associated with increasing inflation, limited funding, and increasing cost of funds, amidst a torrid market environment. Prior to the conclusion of this transaction, primary issuance activity in the local market was muted to allow for the completion of the Republic of Ghana’s Domestic Debt Exchange



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Programme. The local market was also grappling with broader market challenges, a dearth of activity in both the debt and equity capital markets, and more recently also the impact of sovereign debt restructuring and associated fears around stability of the financial sector. This transaction therefore is considered a landmark deal, and its successful outcome also marks the reopening of the Ghanaian primary bond market and sets the tone for other corporate institutions to access funding to optimize their capital structures and support their growth strategies.

Stanbic Bank Ghana LTD acted as the Lead Arranger for the transaction, with Databank Brokerage LTD acting as Sponsoring Broker, and as Joint Arrangers with Absa Bank Ghana Limited.

Speaking at the listing ceremony for the Notes at the Ghana Stock Exchange, Mr. Akwasi Aboagye, Managing Director of Bayport Ghana remarked, *"Many thanks to our Arrangers for the successful issuance and very excited to have Bayport be the first corporate bond issuer after a long break. This is an indication of strong investor confidence in a business that has demonstrated resilience in a challenging macro environment, and I will encourage every institution to consider issuing listed corporate bonds to raise the needed funding to support their businesses"*.

Dzifa Cofie, the Chief Finance Officer also commented, *"We are thankful to all our stakeholders for an exciting 8-year journey issuing listed bonds to our reliable and engaging investor community. We look forward to many more years with innovative collaborations to raise the needed funding for our business"*.

For further information on the issued Notes and the Note Programme, contact:

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About Bayport Savings and Loans (Ghana) PLC

Bayport Ghana, established in 2003, is a non-bank financial institution, registered with the Bank of Ghana under the PNDC law 328 and is a market leader in payroll lending solutions to the formal sector and a deposit taking institution. Bayport Ghana is a subsidiary of Bayport Management Limited which owns 99% of the business and is a leading provider of credit to primarily government employees in emerging markets. The remaining 1% is owned by SSNIT. The Group's other subsidiaries in Africa and South America are located in Zambia, Uganda, Tanzania, South Africa, Botswana, Mozambique, Colombia and Mexico.



Directors