Bank South Pacific today confirmed that it had raised FJD 16.085 million (K23.5 million) from an issue of convertible notes to certain investors in Fiji. Employees of BSP in Fiji were also included in the issue.

The issue of Convertible Notes was made through the Bank’s wholly owned Fiji Subsidiary: BSP Convertible Notes Limited and was closed at 5.00pm on Friday 30 April.

The notes are being issued at FJD5.25 per note. Application has been made for the notes to be listed on the South Pacific Stock Exchange.

The notes attract a half yearly coupon of 7% and at maturity on 20 April 2013 will convert to Fiji Class Shares at the ratio of 10 shares for 1 Note. The Fiji class shares will then be listed on SPSE.

The Chairman of BSP, Mr Noreo Beangke, said that the issue was an outstanding success in the current climate and reflected the confidence that the Fiji market placed on BSP as a truly regional bank.

The issue was for a minimum subscription of FJD 5 million and the result is well in excess of that amount.

The Managing Director of BSP Mr Ian B. Clyne agreed and said this issue was important transaction for BSP and the first public cross border issue of equity in the Pacific.

Mr Clyne explained that this type of issue is reasonably common in other parts of the developed world, more notably between New Zealand and Australia. “However”, he said “it is a first for Pacific nations and is an important milestone and historic transaction in capital markets for this region.”

Mr Clyne went on to thank the authorities in Fiji and in PNG for the work that has been done to make it happen.

The Issue required close consultation by BSP with Bank of Papua New Guinea and the Reserve Bank of Fiji as well as the South Pacific Stock Exchange and POMSoX.

BSP were advised by BSP Capital, First Commercial Limited, Blake Dawson and Munro Leys. Kontiki Stockbrokers were responsible for placing the issue in Fiji.