

Corporate Finance

AfrAsia Bank increases South Africa investment bank stake to 50%

1 December 2011

AfrAsia Bank today announced it will increase its stake in South African associate company AfrAsia Corporate Finance (ACF) to 50%, with the option to purchase the remaining 50% over the next 4 years. The transaction has been submitted to the Bank of Mauritius for approval. This is part of its ongoing strategy to expand in the African continent led by its capabilities in the Corporate and Investment Banking space. As a result, AfrAsia has also enlarged its Representative Bank office team in South Africa and moved to new premises in Johannesburg and Cape Town.

ACF is a joint venture between AfrAsia Bank and the ACF management team since May 2010. As a niche corporate finance adviser, it provides financial advisory solutions to clients in connection with Debt & Equity arrangements, Mergers & Acquisitions, Balance Sheet restructurings and other strategic matters. Moreover, ACF manages the AfrAsia Special Opportunities Fund that invests in niche lending opportunities in the SADC region to support the strategic growth initiatives of its clients.

Based in Cape Town, ACF recently inaugurated its new office space in a building renamed as AfrAsia House. Its main clients consist of Mid-Cap South African companies, some of which are listed on the SA stock exchange, thus contributing further to AfrAsia Bank's strategy to expand in the African continent.

"AfrAsia Bank has been very satisfied with ACF's performance for the last two years. The company complements our offering through additional specialist skills as value-added services to clients in the region. This increase in stake in ACF is our vote of confidence in the future expansion and the super cycle growth opportunities in Africa that we believe exist" said James Benoit, CEO AfrAsia Bank, and Chairman of ACF, Charles Pettit, ACF founder and Managing Director, stated "With the region currently undergoing substantial transformation, this creates significant opportunities for our business. This further capitalistic relationship with AfrAsia Bank will provide us with depth and strength in maximizing on these opportunities. We do have a similar culture to AfrAsia Bank in that we are an entrepreneurial business and are highly responsive to the needs of our clients. This has allowed us to grow very quickly over the past 2 years in particular."

Apart from Mauritius, AfrAsia Corporate Finance has started to expand its reach with the execution of Advisory Mandates for clients in the SADC region including Mauritius-Kamben Padayachy, General Manager and Head of Global Banking, Treasury and Markets highlighted "Increasingly, corporate clients will require more than core banking services as they seek to raise equity capital, or expand cross-border, or restructure their balance sheets. ACF is able

to provide this specialist advice when it is required by our clients. Furthermore, as we position Mauritius as the gateway for investments into Africa, this transaction will certainly enhance the credibility of the Mauritian jurisdiction as an international financial center of substance”.

With the whole region on the verge of substantial transformation, M&A activity has taken a superior proportion too and ACF has been quick to react to these opportunities. “In this environment there is the requirement to match international capital with quality investment opportunities and we are doing this for our clients consistently, in particular with clients in the financial services and infrastructure sectors. We are also seeing lots of domestic corporates and institutions start to look at regional growth and expansion and we are able to provide strategic advice in terms of market and target identification, structuring, negotiation and fund raising to support these initiatives,” added Charles Pettit.

James Benoit concluded that together with ACF they aim to help their clients to manage all aspects of their financial restructuring process and provide ongoing support so they can focus on maximizing the performance of their business.

Going forward, AfrAsia Corporate Finance and AfrAsia Bank Limited will also be looking at establishing other corporate finance businesses in the SADC/COMESA region.

For more information, please call:

Suneeta Motala

Head of Marketing and Public Relations

AfrAsia Bank Limited

Tel: 208 5500 / 256 7545

Email: suneeta.motala@afasiabank.com

About AfrAsia Bank Limited

AfrAsia Bank is a boutique bank that offers a comprehensive range of financial solutions while ensuring that customers benefit from a dedicated, personalized and unparalleled customer service. Our partnership approach and our team of highly experienced professionals allow our clients to discover a different facet of banking with customized services focusing on:

- ✔ Corporate and Investment Banking
- ✔ Private Banking and Wealth Management
- ✔ International Banking Solutions
- ✔ Treasury

With our Foreign Institutional Investor (FII) License in India, our Corporate Finance House (AfrAsia Corporate Finance) and three representative offices in South Africa, our stake in AXYS Capital Management and our international stakeholders such as Dale Capital Group of South Africa, Intrasia Capital of Singapore and Proparco (filiale de l'Agence Française de Développement) which are facilitating our regional growth, we are delivering on our promise to be a truly one-stop boutique regional bank that links these Africa-Asia continents together seamlessly.

About AfrAsia Corporate Finance

AfrAsia Corporate Finance provides financial advisory and capital raising solutions to clients in connection with Mergers & Acquisitions, Restructurings and other strategic matters. We also manage investment funds that integrate capital with our advisory capabilities.

We advise a wide range of organisations across the SADC region, from corporates and private equity houses to financial institutions and hedge funds and have the ability to support our client relationships with short-term capital when required.

AfrAsia Corporate Finance is an associate company of AfrAsia Bank Limited, a boutique bank headquartered in the Mauritian International Financial Services Center.

Our arrangements with AfrAsia Bank ensure our independence is maintained but facilitate access, where it is in our clients' interests, to their lending, deposit-taking, investment, distribution and wealth management capabilities.

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