

SANJIV BHASIN, CHIEF EXECUTIVE OFFICER OF AFRASIA BANK:

« We want to grow with clients who are expanding in/out of Africa »

Joining AfrAsia Bank in December 2015, Sanjiv Bhasin says the Bank doesn't need to be physically present in Africa to serve the people there. The target "are those potential clients who are trying to expand their presence in the home country and abroad", says Sanjiv Bhasin.



Sanjiv Bhasin how would you present the AfrAsia Bank?

We are privileged to have a universal banking license, which allows us to offer all banking services to our clients. However, our business focus in terms of product offerings is directed towards Treasury & Markets, Corporate & Investment Banking, Global Business Banking and Private Banking & Wealth Management. The above, as you can see describes, truly speaking, the customer segment we service. We also have a wholly-owned subsidiary which conducts Asset Management business, designing products which meet the investor's requirements in this challenging economic environment.

This brings me to the key focus in our business. Banking is a competitive landscape and Mauritius where we are headquartered and South Africa, where we have 2 representative offices, is no different. Our focus, therefore, is to carve a unique space for ourselves. We are attempting to do this by distinguishing ourselves through a serious commitment to Customer Experience and an approach to be seen as finding solutions for our clients and not be product salesperson. We are focussing on constantly improving our technology platforms and procedures such that they enable us to offer a customer experience which our clients remember. This is necessary as our customer base spans across more than 120 countries and therefore

our competition for business is global. We have the benefit of having the IBL Group as one of our major shareholders alongside the National Bank of Canada (NBC). IBL Ltd is one of the largest conglomerates in Mauritius whilst NBC is the 6th biggest bank in Canada. Besides, we have as our shareholders Intrasia Capital and Proparco. Intrasia Capital is a fund based in Singapore with some very large investments in Africa. Similarly, Proparco is a DFI (Development Finance Institution) based in France with an equally large portfolio of African investments. Their investment and guidance at the board is very valuable for us.

AfrAsia has positioned itself as the platform to capture cross-border trade and investment

flows routed via Mauritius to Africa. How are things going? Why is Mauritius, according to you the legitimate gateway to Africa?

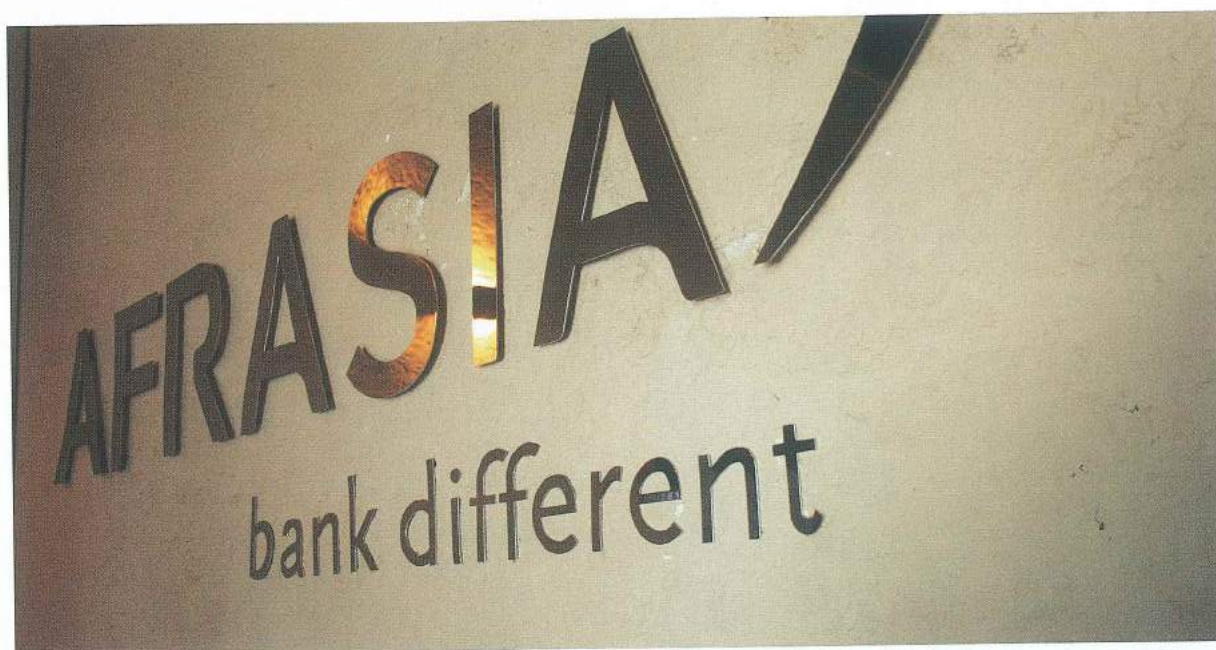
We are a small bank and have identified our growth to be available by associating ourselves with clients who generate investments and trade flows within Africa, between Africa and the rest of the world and Mauritius is the gateway. Mauritius has been and remains a preferred investment platform for transacting funds in the Africa-Asia corridor for multiple reasons: a politically stable economy and sustainable growth for the past 3 decades now, a well-regulated banking system and robust legal framework which prompts Mauritius to be often referred to as the Switzerland of Africa. Additionally, Mauritius has one of the lowest tax rates globally, is ranked 1st in the region for Ease of Doing Business 2016 and 32nd worldwide and 17 DTAA's and 19 Investment Promotion and Protection Agreements (IPPAs) with multiple African countries. With this background, being in this jurisdiction will surely be an advantage for private individuals and corporates.

After the Zimbabwean mishap, does AfrAsia still contemplating Africa to expand its operations?

We will grow in Africa but after an improved research of challenges. At present, we wish not to invest or establish more presence. We want to grow with clients who are expanding in/out of Africa.

What are the key risks and opportunities to consider when investing in Africa?

Africa is a continent with 54 economies, all of different sizes and, I shall say, with varied political and economic issues. The first challenge is to be in a position to research and understand the manner in which each economy prospers. The next step is to be able to identify an investment/ trade opportunity which meets our clients' business objectives. Thereafter, we must be in a position to analyze



all risks associated with that business to price the same appropriately. In short, there are opportunities and the challenge is to identify, analyze and price them correctly – that is both an art and science.

Tell us more about AfrAsia's expansion plans?

Expansion plans for medium and long term will focus on consolidating our foothold in the local market. With 2 representative offices already in Cape Town and Johannesburg, I am not of the opinion that we need to be physically present in multiple countries to serve the people there. What's key is the ability to identify those geographies with clients which offer us the opportunity to grow. Our African target market are those potential clients who are trying to expand their presence in the home country and abroad and we shall tap into this opportunity. Technology will be a key component of our strategy to make our banking services not requiring any brick and motor presence.

What is the outlook for earnings/turnover for 2016/17?

The financial year ending June 2016 recorded an encouraging performance. Our

Net Profit after Tax increased from MUR 175m to MUR 433m. More importantly, we had robust growth in all business lines improving the quality of income and the results are after taking appropriate provisions for our impaired asset book. The bank has continued to be a key player in the treasury markets, with a net trading income of MUR 594.6m, which reflects an 11% increase in income compared to the previous year. Our deposit base has grown by 20% over the year and that leads us to believe that our clients have a growing confidence in our business model.

Our Board of Directors has approved a three-year strategic plan, which focuses on an ambitious growth path with the right support for a capital increase and ongoing investment in technology and human capital. Customer focus, innovation and teamwork are and remain part of our DNA for our future growth strategies.