

AfrAsia sees big opportunity in African continent: Benoit

*Pravind Rughoo
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AfrAsia announced the acquisition of 30 per cent of Trinity Corporate Finance (TCF) from South Africa (SA) via a new share issue on Monday. TCF is an independent Cape Town based corporate finance adviser providing mergers and acquisitions, debt advisory, restructuring, equity advisory and BEE advisory services. The company will be re-named AfrAsia Corporate Finance following the conclusion of the deal with AfrAsia Bank. In an interview the chief executive officer of AfrAsia bank, James Benoit, spoke about the acquisition and the vision of the corporate bank which was to be an investment facilitator across Africa.

Why did you acquire the bank and what really motivated AfrAsia in that acquisition?

We wanted to have a bigger presence in Africa as a lot of transactions go on across borders. Despite this, the continent still relies a lot on expertise from South Africa. A lot of companies which have operations in other countries such as Zambia and Kenya quite often have their regional headquarters in SA. So by having a very strong corporate financing team in SA we will be able to participate in regional corporate banking as they expand fast, especially when they use Mauritius as a regional holding company for their treasury operations. A lot of the business from Asia will come to South Africa and Mauritius and we would be part of that. Mauritius could also become like South Africa as a lot of corporations still use SA for some aspects of their business. Also a lot of business in SA comes out of SA such as large mining companies and manufacturers. So for us Mauritius and SA have a big role to play.

Are you planning to buy more shares to become co-owners?



I do not know yet at the moment. We made a certain investment and the tie-up to make sure that we are all comfortable working with each other. We have already put our brand name under license so it still looks like its AfrAsia Corporate Finance. In due course we may increase our 30 per cent stake.

What has been the impact of the depreciation of the euro on your bank?

Nothing. All we do is help our clients and manage exchange fluctuations, although have received more inquiries and questions from clients.

What is currently the state of the banking sector in Mauritius?

Good. Obviously the euro and Europe as a market in the economy is struggling and there are a lot of questions for Mauritius sector by sector, but I do not think it directly affects us.

What are your upcoming projects on the international market?

To continue to expand our private bank offering by AXYS Capital, taking on new people and doing road shows to share knowledge about Mauritius, private banking sector and AfrAsia. We also want to expand our FII (Foreign Institutional Investor) license with ICICI (Industrial Credit and Investment Corporation of India) bank

from India. We just need to develop the knowledge part of our FII license as we already have a partnership with ICICI bank. We have a shareholder in Singapore and we hope to increase our presence there through some sort of office. We just started thinking about that now. When we finish with India and SA then we can think of Singapore.

Besides acquisitions what are the other means for a bank to prosper?

With AfrAsia being a regional bank in private banking we have an excellent relationship as managers with clients. We also travel a lot looking for large corporate private accounts.

What are the impacts and risks of such a business venture?

The impact should be that we would become known as one of the leading corporate financial banking in Africa. Also we are one of the first banks from Mauritius which is active in South Africa and this is a great opportunity for Mauritius as a regional financial hub. The risks would be that people did not manage the business well and it could collapse due to a lack of demand. However there is immense opportunity in South Africa.

In five years from now where would you predict AfrAsia's position?

In five years from now I believe we can become more recognised and gain more respect as well as pose a major challenge in the private corporate banking field. Market is huge in SA what challenges bankers in SA and Mauritius are to understand that Africa will grow just like the rise of Asia 20 years ago. The market in Africa is rocked by the Chinese and now the Indians. Mauritius could act as an investment facilitator for Africa. This is like Hong Kong which is the facilitator for China and Singapore for Asia, very much like Mauritius is for Africa.