

# Capitalising on smart growth

The game for bank expansion has changed, but **AfrAsia CEO Sanjiv Bhasin** sees Mauritius as a pillar of the African growth story and AfrAsia as a key player



– Sanjiv Bhasin, CEO, AfrAsia

**Y**ou assumed your role in December 2015; what are your top priorities for AfrAsia right now?

AfrAsia is a well-recognised institution and seems to have earned a healthy respect from its customers. This is clearly demonstrated by the number of customers we bank and the size of our balance sheet given the fact that we have been in existence for under eight years.

The first priority for us is to protect that status we now enjoy. Thereafter, we have to grow faster to generate a better quality of income from diverse sources. This is a priority but requires a considerable effort and planning and that's another key area of focus. We need to ensure a robust infrastructure so that we are confident that our service standards meet or exceed customer expectations and that too on an ongoing basis. To say we are the best in service requires an ability to deliver a customer experience that becomes a talking point in the market.

Customer expectations are evolving and technology is changing the landscape on how customers access products and services. We need to be innovative in our thinking to be ahead of the market and have a competitive edge knowing full well that it cannot be for long; we need to be on an innovation tread mill all the time. Now,

to have the organisation encourage that culture is not an easy task.

**What role do you see Mauritius playing in the African banking space? Do you think the country's position makes it harder or easier to be an 'African' bank?**

The financial services sector in Mauritius is a success story from all counts and to a very large extent it is recognised as one by the other countries in the region and world. The regulations and the regulators have done a commendable job to ensure that it is perceived as an honest, modern, and stable financial platform. This obviously is an advantage for banks to be registered in this jurisdiction as they benefit from its overall reputation.

With that background, all will agree that being in this jurisdiction is an advantage for private, and corporate banking. Given the size of the economy and the total population size, retail banking is a challenge and will remain so. A technology breakthrough and adoption of digital platforms may change that too, so we have to wait and watch as we witness developments.

New efforts to energise the stock exchange, fund management industry, commodity exchange, and the derivative trading platform will ensure that this jurisdiction continues to remain a

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preferred one for the future as well. The overall stability of the political system, availability of talent and the general living environment can ensure this country to be a preferred destination for doing business in the region.

### **How do you see the Government and regulators positioning Mauritius in the global economy?**

Mauritius emerges as one of the pillars behind the African banking sector's growth owing to the provision of a properly regulated business environment and the availability of expertise required to reposition Africa as a powerhouse on the global front. Aspiring to a second economic miracle, the present Government is putting in much efforts to reinforce the position and image of Mauritius as a major financial centre in this part of the world.

In addition, with the emergence of the Good Governance and Integrity Bill, I believe the regulatory framework of the Mauritian business environment will be even more reliable and will encourage further foreign direct investment in the region. With one of the best business regulatory environments in the African region already but also in the world, I am of the opinion that Mauritius is on the way to be considered as the Switzerland of Africa

### **What do you think are the biggest challenges the Mauritian banking sector faces?**

There are clear trends around the globe that customer expectations from banks and technology will change the way in which banks exist today. Global boundaries are being dismantled. Customers will now have access to service providers to get the best product/price combination from anywhere, which was not the case until recently. Therefore, competition will not be defined by geographical presence any longer. Are the local banks gearing themselves for this change? We need to watch the trends.

On the other side, regulators have to be ahead of the game to ensure that the industry remains well regulated, safe and protective towards customers. Cyber-security will become a key challenge which regulators have to prepare themselves for. Risks have to be redefined and managed. Speed of response has to be heightened. In short, challenges also will not be traditional in nature.

### **Have factors in the last year, such as pulling out of Zimbabwe, changed your African expansion strategy? Do you have plans for more subsidiaries in the next few years?**

Our focus for business remains Africa and Asia. The target is to capture the trade and investment flows to and from these two continents supplemented by direct flows to each of the regions from elsewhere. This will remain our focus and our efforts are geared towards

developing a sizeable pool of knowledge and understanding to ensure that we master the selected markets and can be seen as an institution which can add value to customers when they move to expand in Africa.

Zimbabwe, at the time the decision was made, appeared to be an attractive development. Possibly the turn of economic events and absence of a keen and focused management oversight could be the cause of that effort not producing the desired result. This taught us to be more vigilant, understand the risks better, have adequate management bandwidth and maybe understand the markets better before we take any further investment or business decisions. It has been an expensive lesson but one that has left us with a truckload of information as to the manner we approach our African expansion. We will grow in Africa but in a cautious and conservative manner and after we are certain that we are aware of the risks and know how to manage them.

The nature and size of expansion will be determined by the opportunity, investment and business appetite and more importantly our risk appetite and capital availability. The structure of the investment/business will also be influenced by the regulations in each jurisdiction. For the immediate, we wish to concentrate in our home market, the one we understand best and maybe help the local companies expand in the region. ☞