



Sanjiv Bhasin (CEO, AFRASIA BANK)

Africa is the hinterland for the Mauritian financial services space



From 2017 to 2018, AfrAsia Bank has increased its assets base from Rs 101 billion to Rs 122 billion. Its CEO, Sanjiv Bhasin, emphasises that the pillars of the bank's strength remain employee experience and customer service.

Roma BRIJMOHUN ✍️

Kevin Mahadoo 📷

2019 marks your third year at the helm of AfrAsia Bank. How has been the journey so far?

Yes, over these three years, it has been a very exciting journey and we have taken the bank to a reasonably strong position. We have established a trend line which has documented a very balanced growth in all aspects of our banking objectives, whether in terms of income, using the right technology, or getting the focus on customer service and employee experience. Whilst in a competitive environment, it has been challenging. Yet the results have been reasonably satisfactory.

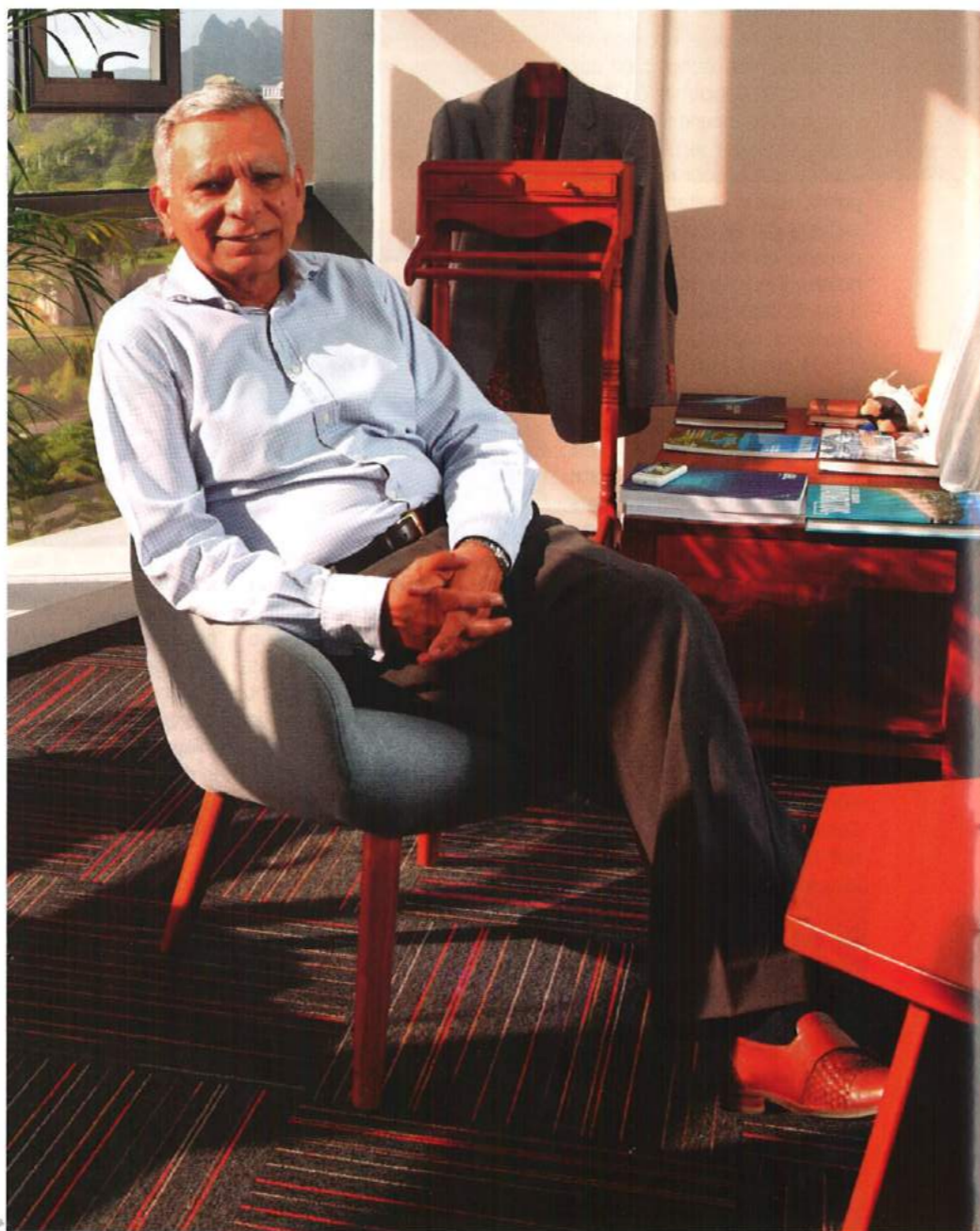
Compared to the previous year, the first nine months showed a 90% growth with a profit after tax that has already reached Rs 1.3 billion, a positive performance which is expected to reach newer heights by the end of June 2019. These results will be made public once approved by our auditors and the board towards end of September 2019.

Could AfrAsia have performed better?

There is no doubt about it and it's good to admit that. While it has been a success, I have no hesitation in saying that we could have performed better. We are not in a position to be resting on our laurels. We have to keep running and engaging in the competition. We are all geared towards ensuring that we remain abreast of all changes.

Which segments have been the most dynamic?

It would be unreasonable to differentiate between the businesses and



operations. What has been satisfying this year is that all of them have contributed very collectively. I am so happy to say that it has been a genuine team effort, whether it's Treasury, Consumer banking or Global business. We have ensured we pick up on efficiency and keep costs under control. We paid greater attention also to recovery concerning the non-performing assets. Every person in the institution has contributed effectively. That's why the results speak for themselves.

What are the drivers of AfrAsia's success?

My biggest source of happiness is that it has been a collective team effort where every member of the AfrAsia family has contributed effectively. As an institution, we believe in a strong focus on customer service and a similar kind of focus on making the employees feel valued. If this trend line continues, we should be on a sustainable growth line. These two areas are also the most challenging and need constant improvement. We cannot reach a peak and say "that's it". Even when we reach the peak, change has to happen. And we hope that is the culture we will instil over time.

Across industries worldwide, customer service is being hailed as the utmost priority for ensuring growth and lasting success...

Customer service is not new per se. And anybody who has to grow in business and make profit has to have focus on customer service all the time. Some institutions do it better than others. Some people have a larger portfolio than others. The service standard and the desire for good service are right at the forefront of almost institutions, although expressed and marketed differently, due to different constraints, such as the product, the environment, the technology, the people, and so on.

We are trying to see how we

can constantly improve and deliver and interact with customers at all touch points. Phone calls are very important, but so is the teller at the counter. The experience the customer has with the teller creates the impression that the customer will have of the whole bank. Then, what we also realise and accept is that all employees are ambassadors of the Bank on the market place. So, the manner in which they interact with customers and the public will also lead people to think on what is the type of bank from which they would require services.

Controlling all this is not an easy task. Customer service is an attitude, it's in your DNA. You get it right by continuing to try getting it right. It's a constant journey and you can't sit back and relax even on weekends. Even on a holiday, there should be connectivity for the customer, either through Internet banking or through the website for other information and services. Each touch point is being connected to. The website has to be continually improved with convenient navigation facilitated by its structure.

New and disruptive technologies are being used in the banking sector. Mauritius seems to lag behind other African countries in that area...

First, we have to try and visualise and understand through their feedback and interaction what the customer is expecting. And then, we have to propose the appropriate technology. And another major concern is how to source the technology. Fintech is mushrooming globally and the choices of sourcing have expanded exponentially, bringing great variations to the nature and size of the investment. AfrAsia is constantly evaluating the customers' needs in order to address the constantly moving desires they have in terms of customer service. AfrAsia wants to build an agile organisation, which is able to react quickly and engage in any type of investment in tech-

nology rapidly. In olden times, it took months and years to invest in technology. The customer is not going to wait and, as an organisation, you need to accept that someone will work faster than you. It is like a marathon at high speed, where the competitor is constantly running. To prepare the organisation and the people for that attitude, is the big challenge.

How is AfrAsia exactly preparing its employees to adopt this marathon-at-high-speed attitude?

Our attempt is to bring everyone on board. It's not a set of people sitting in a section of the organisation that have to be trained, taught and spoken to. AfrAsia is on a collective journey and all of us are on the road running the marathon. We are not pin-pointing people from each department. Every effort is to bring the whole organisation in this journey, which is the way to have greater confidence in adopting change. And this attitude gets our objective to attend to customers' expectations easier and better. Technology is an enabler; it's the people attitude which is of prime importance. So, the challenge is to find the right enabler and, in

"We believe in a strong focus on customer service and making the employees feel valued"

terms of attitude, to constantly evolve also and never be static. Now technology is also evolving constantly with new, faster and more secure ways of transacting. However, once our people become nimble in adapting and using new technology, we also become vulnerable at to greater cyber-security risk. This reality also comes in the equation.

Along with customer expectations and technology, the economical setting is also subject to change. How does the evolution of the tax treaty with India impact the banking sector?

The Indian tax treaty has been harmonised with those signed with all other countries. So, there is no advantage compared to Singapore, for example. The valuation and nature of the services go along with the people who want to use that treaty to invest in India. And the Indian government is doing well; therefore the investment inflows in India will continue. How much comes through Mauritius will be shaped over time. But there is no immediate concern or fear. Because Africa is developing, that means 54 countries, with DTA (Double Taxation agreements) and IPA (Investment Protection Agreements).

We can expect growth in Africa over the two or three decades. And that's a hinterland for which Mauritius is very well positioned. So, if there is short-fall of business vis-à-vis India, the opportunity that Africa has presented and will present will be enormous. The country has to understand this and be geared towards it in this changing situation. Mauritius has significant comparative advantages such as the availability of trained and talented staff, a good legal system, a stable political environment, a great place to live in and it is bilingual.

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Actually, it is amazing as with these advantages, you can reach the whole of Africa.

Does the banking sector need specialists, especially since High Net Worth Individuals (HNWI) are flocking from countries like South Africa?

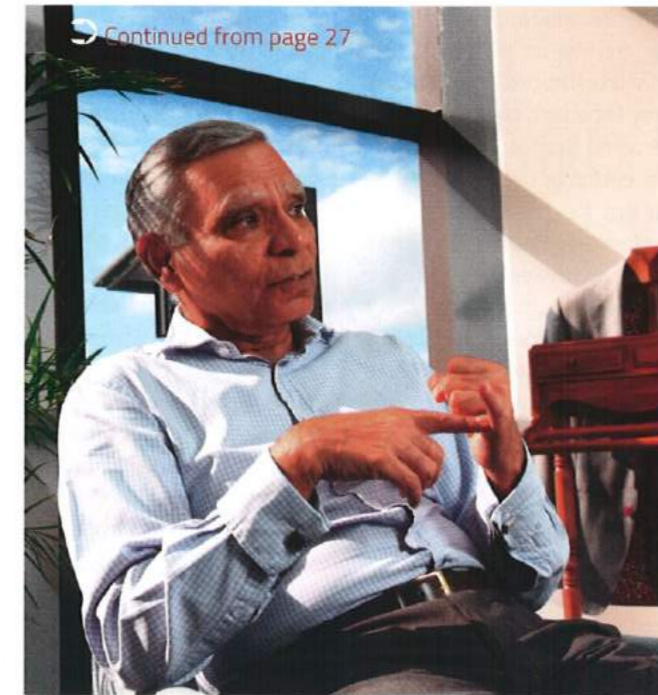
My sense tells me that there is adequate talent available. The country stands out when it requires talent and any talent would be more than willing to come here. But talent shortage is never seen as an impediment for growth in this country.

The financial services grow at around 5.6% per year. Has Mauritius reached a glass ceiling and can it go beyond?

Actually, at 5.6% growth, by money standards, is not at all a small figure. It is quite a heavily expanding base. With this rate of growth yearly, over several years, the base is doubling or tripling. And a second point to consider is that the jurisdiction is allowing for high liquidity on the stock exchange. What Mauritius can offer is commodity exchange, derivatives and settlements. So this area could be explored for higher quantum of activity in these services and which will replenish and increase the pace of growth. Meanwhile, traditional growth will continue as it is bound to end in Africa which is, in turn, bound to increase for decades.

So, the opportunities are bound to expand. Many African countries are starting to develop a trend line of stability, reforms and political steadiness. This is bound to attract investments. And I cannot think of any place better than Mauritius to root that investment in Africa. So, it has to be a real collective Africa-focused strategy because Africa should be defined as the hinterland for Mauritius's financial services space.

And then we have the recent announcement in the Budget regarding the Fintech industry, especially the Sandbox Licensing.



"Talent shortage is never seen as an impediment for growth in Mauritius"

The Mauritius Africa Fintech Hub is bound to attract investments in Fintech. The Sandbox License is a very attractive proposition; it gives an added advantage to give an environment to test a new development in a market which is small and so, the cost of commercialising a concept will be attractive. So, this opportunity to capitalize upon will kick-start investment into a new area.

Has AfrAsia engaged itself in requiring a Sandbox License?

We are not in the space of developing solutions. But we are interacting with people who will be applying and investing in it. And we should consider that in any economy, whether small or large, developed or developing; any new initiative takes time to pick up. The legislation, the complete details, the platform to po-

pularize the product globally have to be developed over time. There will be developments over the next twelve months in this area.

Can the Sandbox Licensing benefit the financial services?

The Sandbox license is interesting in many ways. Firstly, it can attract new talent and allow it to develop. Then it can give impetus to the industry on Intellectual Property and patents, which is a great thing. And it can also place Mauritius on a global map where innovation is tried, tested and valued around the globe. It is very significant and the idea is to take it forward. The benefits will percolate to through innumerable industries as Fintech reaches all citizens across the country.

The Gen Z is now reaching the age of majority. How does

AfrAsia cope with the expectations of this new generation of clients?

In the developed world, two new segments of clientele have been identified. The first segment is that of the newly born babies. The children use the iPad since early childhood. And the second segment is related to the longevity of life. There is a new segment between the age range of 72 to 100 years. So, this is a segment which is coming in, requiring a different type of technology and Fintech. The way the new generation manifests its choices to their parents is new.

What is the vision of the future for AfrAsia?

In a constantly evolving world, we have to pick up the trends. Our businesses is structured in an expanding world. We have a small share in it and we are not a huge global bank. So, we need to constantly develop our ability and the ease with which to improve our customer service and expand our client base, in a growing market. Within that, we want to use technologies and new ways of connecting to people so that we keep on to enhance our customer experience. We will keep ourselves open and whenever we see something fitting into our overall strategic direction, we will like to latch onto it.

The biggest challenge is that we have limited and well-defined talent and we need to manage where to allocate them. For the future, AfrAsia's landmark developments will always remain in two areas: one is to get the employee's experience absolutely right. And the other is to proceed in the market as an institution which continues to strive for ameliorating the services tablet. If we get these two things right, we can do anything. These two things are not easy to achieve and once reached, the efforts do not stop. So, you have to remain on the marathon platform permanently.