

Customer-centricity to drive **AfrAsia Bank** forward



Transforming
potential into stellar
performance

AFRASIA 
bank different



Wealth comes in many forms but certainly not the easy way. With a distinctive flair for unrealised potential, AfrAsia has insightfully understood the intricacies of unmissable opportunities, commitment and trust.

Our team of seasoned professionals offers you an array of innovative, tailor-made banking solutions to propel your ambitions to its fullest potential in Mauritius, Africa and the region.

Corporate & Investment Banking • Global Business Banking • Private Banking & Personal Banking • Treasury & Markets

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SANJIV BHASIN Chief Executive Officer

WINNING THE BATTLE OF BANKING DIFFERENTIATION

After its 10 years of operations, AfrAsia Bank is redefining its market dynamics to leverage the trade and investment corridor between Africa, Asia and the rest of the world. Another growth story is therefore unfolding.

The bank is well positioned to take full advantage of new growth opportunities in its core business segments: Consumer Banking, Corporate Banking, Treasury and Global Business Banking, where there is a great potential for growth and sustainability. Our wholesale & consumer banking verticals have shown encouraging growth and are being prepared to improving performance in a challenging environment.

Customer Experience, Teamwork and Innovation are the three pillars that AfrAsia is focusing on to ensure a healthy & sustainable growth for the future. This, we believe will generate superior value for our customers, employees & shareholders.

Sanjiv explains that the bank's success has been driven by keeping focus on customers, designing a solution to their requirements, ensuring that they have a service oriented team and a robust operating platform to ensure that service delivery meets customer expectations. "We are yet to perfect this art of service but have built a passion to continuously attempt improvement. The business model of the bank is customer-centric, and we must equip ourselves and remain relevant so that we are able to perfect the art of service excellence towards our client base," says Sanjiv.

Sustaining profit levels at AfrAsia also means to continue to grow its quality assets

within its overall risk appetite, while being steered by its key shareholders – IBL, National Bank of Canada and Intrasia Capital.

"The diversity of our shareholders has helped us in our 'Bank Different' journey, whether in terms of guiding us in business growth, quality asset selection or making



CUSTOMER EXPERIENCE, TEAMWORK AND INNOVATION ARE THE THREE UNDERLYING PILLARS THAT WE ARE FOCUSING ON REINVENTING OURSELVES TO GENERATE GREATER VALUE FOR OUR SHAREHOLDERS, CUSTOMERS AND EMPLOYEES



certain that our investments are valuable be it in systems or human capital."

A SUSTAINABLE GROWTH PATTERN

For the 2017 financial year, AfrAsia grew profits by 86 % while deposits were 13 % greater, with a return on average equity of 19 %, which confirmed the benefits of its diverse portfolio of operations in Mauritius and South Africa.

"Our capital position remains strong, with a total capital adequacy ratio of 12.7 % at Group level. We envisage prudent growth, preserving liquidity and ensuring a better use of capital."

Sanjiv says the bank's business verticals have grown well and offer them the opportunity to diversify their risk and move towards not only improving the total quantum of income, but the quality of the income as well.

As AfrAsia expands its client base, the bank continues to research client behaviour, decision-making process, and the nature of their clients' needs. Grouping the customers in each business along those lines enables the bank to design tailor-made service standards and delivery platforms to ensure customer service excellence.

The bank's three-year plan ensures that business levels are commensurate with its strategic priorities, operational excellence and complements the prevailing and foreseen economic conditions.



SHAREHOLDERS



- IBL Ltd is the largest business group in Mauritius in terms of revenue.
- Operating in sectors such as: Manufacturing and Processing, Financial Services, Building and Engineering, Property, Commercial, Life (Research and Innovation), Agro, Hospitality and Logistics.



- Sixth largest bank in Canada and leading bank in Quebec.
- Listed on the Toronto Stock Exchange.
- Rated 'A+' by Fitch and 'A' by S&P.



- Singapore based boutique impact investor and family office with investments in energy resources, agriculture, financial services and unique properties.



OUR REACH



Headquartered in Mauritius with offices in Johannesburg and Cape Town



+130 Countries where we have clients



+50 Countries covered by our Global Custody services, including 21 African countries

CUSTOMER FOCUS : WIN ON CUSTOMER EXPERIENCE AS OUR COMPETITIVE ADVANTAGE.

TEAMWORK : COLLABORATE AS ONE AGILE TEAM WITH ONE PURPOSE TO SERVE CLIENTS EFFICIENTLY.

INNOVATION : LEVERAGE TECHNOLOGY TO DRIVE SUSTAINABLE BANKING AND OPERATIONAL EXCELLENCE.

GIVING BACK TO SOCIETY

As financiers doing serious business, AfrAsia has an important role to play in driving sustainable banking. The bank has selected meaningful areas of support and is ensuring that their efforts to sustainability remains constant over time. Sanjiv says it is important for the bank to mobilise their clients' capital for good causes.

"As a responsible institution in a society, the drive towards CSR and Sustainability cannot be underestimated."

CONNECTING THE TEAM WITH A PURPOSE

Building on the principles of Customer Focus, Teamwork and Innovation, AfrAsia has embarked on a change in corporate culture and realigned their brand values to 'DARE' – Disruptive, Action, Rocking, Everything Everyday Everywhere Fun. "We embarked on a detailed exercise in this regard spearheaded by the younger team members to design, launch and sustain the effort in creating the correct environment to sustain and grow our com-

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AFRASIA'S CUSTOMER-CENTRIC BUSINESS MODEL IS AIMED AT DELIVERING A RELATIONSHIP-DRIVEN BANKING EXPERIENCE

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Addressing current global issues and decreasing the stress on natural resources through innovation are also on the 2020 roadmap.

"Our social objectives commit us to provide responsible financial solutions, considering the needs of society, our customers, employees, shareholders, the environment and future generations."

DIGITAL TRANSFORMATION FOR EXCELLENCE IN CUSTOMER EXPERIENCE

Innovation and relevant technology is becoming the new battleground of banking. To achieve its ambitions, the bank is investing in technology to be relevant in servicing clients' needs efficiently and responsibly. AfrAsia has embarked on a digital transformation journey, to facilitate seamless customer service, enhance quality of its delivery channels and protect their customers in view of the increasing levels of cybercrimes. It is a long hard continuing journey towards perfection. Slippages will occur but we are prepared to learn from such mishaps re-design and move forward. Learning from our errors, valuing feedback is a vital ingredient being woven in our corporate culture

"We are constantly attempting to get better at understanding this dynamic environment by experimenting and creating focus groups. This helps us to learn and establish a customer connect and hopefully develop the customer bank bond which we believe will be the backbone to sustainable success."

"Customers nowadays look for an experience similar to what they can obtain from digital native companies such as Uber or Amazon. We need to reinvent ourselves constantly."

mitment to the principles and the values we wish to encourage."

Continuous training, onboarding of passionate people with a blend of analytical interrogation, creative intuition and incisive thinking, developing them to be promising bankers of the future with an entrepreneurial approach and a rewards policy ensure that AfrAsia will be one of the favoured employers in the market.

"Sustaining a culture is very hard, particularly if you are growing. We are focused on creating an employee experience that is a mirror for the customer experience; the team must feel that there is a vision and we have to connect them to a purpose."

"With these processes in place, I am confident that AfrAsia will continue to have sustained growth and profitability levels in the years to come, and be recognised as a superior service provider and an employer of choice."



VIJIT YADAV Chief Operating Officer

PURSUING SOLUTIONS THROUGH THE DIGITAL TRANSFORMATION ROADMAP



At the heart of any business is the customer. At AfrAsia, we subscribe to the concept of the “The customer is King” and all our efforts and investments go into easing the process of “Jobs to be Done” by the customer. This being the overarching mantra, technology is but an enabler.

As customers become accustomed to digitally interacting with their eco-systems, the need to embed banking solutions into their digital journeys is becoming a priority.

Technology is undoubtedly a key factor that is being used to drive standardisation, efficiency and automation, the “holy grail” that is yet to be delivered in the banking industry in Mauritius.

We have identified three basic areas of focus leading to seamless sustainable solutions:

- Seamless core API (Application Programming Interface) enabled infrastructure allowing us to integrate and collaborate with FinTech partners
- Collaboration to ease “Jobs to be done” through Ecommerce business, amongst others
- Agile enabled customer experience digital culture

“These will enable us to adopt a more proactive approach to drive innovation anchored on customer centricity,” says Vijit.

The ‘Jobs-To-Be-Done’ framework is an integral part of the innovation process that the bank is focusing on to deliver outcome-driven innovation. Becoming a job-focused organisation involves understanding the ‘jobs’ customers are trying to get done in their lives.

This also entails that all employees of the bank are pulling together by implementing a series of enablers across strategy, culture and processes, from making autonomous decisions to fulfilling a customer-centric mission.

“It is important that we use data and artificial intelligence to provide our clients with what they want and, more importantly, with what they actually need,” says Vijit.

At the moment, AfrAsia Bank is fixing the intra-organisational processes by upgrading back office systems to drive

efficiency. The bank is currently on the journey of implementing changes in its Information Technology systems to be compatible with analytics and mobility tools, revamping the data centres, improving the usability of application interface (API), and developing a suitable enterprise architecture framework.

"The digital leap for AfrAsia Bank actually represents the move to an enhanced architecture that will enable us to increase value for our customer, decrease operational costs, while leveraging the scale and agility from Cloud infrastructures," says Vijit. "We need to fundamentally rethink the way customers expect everyday banking and make it simpler. The idea is to create innovative business models and ecosystems and make use of new approaches and methods to ensure a data-driven and service oriented architecture is embedded within our core system," he adds.

At the end of the day, everything in an organisation, including its leadership, culture, teamwork and how skills are acquired, developed and shared should be focused on ensuring maximum efficiency. Besides looking for talented and passionate people, the bank is focusing on developing and leveraging skills and digital tools such as live dashboards and algorithms

to increase productivity and be nimbler in its approach.

"We look out for people who have an innovative mindset and can adopt a more agile and digital approach when coming up with solutions. At the same time, we are equipping them with the tools and methodologies that will allow everyone to collaborate in a more efficient manner," says Vijit.

ing in cybersecurity to protect our customers' hard earned money and finances. A customer will trust us only if we are really good at this."

"By putting ourselves in our clients' shoes, we are able to focus on the end-to-end life cycles of a customer and deliver seamless digital customer journeys, all in a secured environment. As we digitise, we are also very



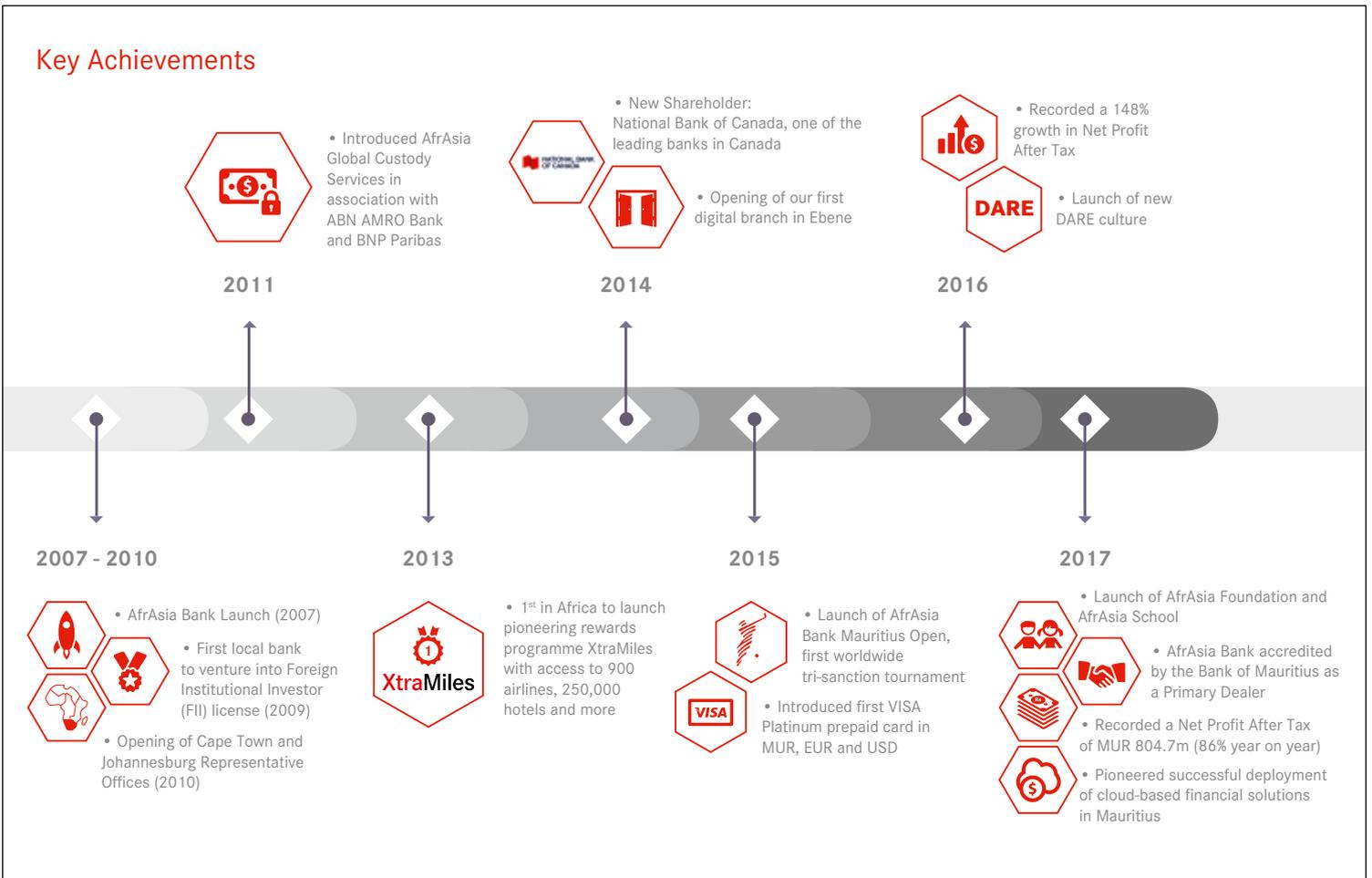
WE NEED TO FUNDAMENTALLY RETHINK THE WAY CUSTOMERS EXPECT EVERYDAY BANKING AND MAKE IT SIMPLER



Focusing on protecting customers is fundamental, particularly at a time when increasing digitalisation and connectivity have increased cyber risks. Cybersecurity is a challenge that needs to be understood, respected and kept up-to-date at all times. Awareness and proactive cybersecurity management are a priority. Vijit says, "It is of utmost importance that we also think of buttressing our security systems and invest-

conscious of the need to retain the human touch in our engagement model. The Relationship Manager will play a key role in helping the customer reach important decisions central to their lives. We will drive experiences that allow our customers to easily move between digital and human interactions so that they get the experience and service they want – it's all about them now ... the "I" factor is dead," concludes Vijit.

Key Achievements



ROBIN SMITHER *Senior Executive - Head Corporate & Personal Banking*

CRAFTING A UNIQUE VALUE PROPOSITION WITH AN 'ENTREPRENEURIAL' MINDSET

In view of building a client-centric business where the bank continues to be seen as a leader in the market, the Corporate Banking business division has readjusted its business model in line with the Bank's broader strategy to optimise on cross-sell and create more synergies among all the business verticals.

The bank has undergone a review of its strategic business lines to enhance revenue streams through the diverse range of financial products. The model is a cornerstone of the bank's strategy and defines how it creates synergy within one team, sharing knowledge and expertise, while ensuring the quality and efficiency of its customer service and providing tailor-made solutions.

"This will strengthen our focus on clients, whose business strategies align with ours. By coordinating how we engage with our clients and promoting a deeper understanding of their needs and objectives, we are able to provide them with the solutions they require," says Robin.

Corporate Banking at AfrAsia Bank is exclusively centered around its clients and their businesses. Robin says, "We strive to build privileged relationships by understanding customer journeys resulting in their trust in the bank."

He continues, "We promote "entrepreneurial thinking" so that we can develop solutions that respond to our clients' financial needs and aspirations. Client Relationship Managers are motivated to think along these lines and are encouraged to challenge the status quo. This promotes improvement and develops new ways of operating, behaving and thinking according to client needs. Robin says, "Part of our DNA is constant change for consistent improvement with the understanding that improvement is invention and reinvention, time and time again."

Going about business cautiously and choosing where to operate is fundamental in this area. "A detailed understanding of the "where, what, why, when and who" is part of our risk management process. Once we have investigated and obtained comfort on these elements, we move and commit 100%," says Robin.

Part of the challenge is to consistently



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UNDERSTANDING CUSTOMERS AND THEIR NEEDS IS FUNDAMENTAL FOR AFRASIA TO BE THEIR CHOSEN BUSINESS PARTNER FOR GROWTH
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monitor and adapt to the ever-changing markets. The bank has various risk processes that assess the landscapes in which it operates while always being on the lookout for new and emerging markets.

To meet evolving customer expectations, understanding the client journey, investing in client-centric innovation and modernising its business processes and

data models are fundamental. The bank is investing in technological platforms that will lead to potentially competitive advantages.

"This will allow us to analyse market data to enhance our products, services and processes while delivering a consistent customer experience across platforms. At the same time, we will be able to more effectively shape our commercial tactics within geographies and demographics areas to strengthen customer engagement. All this should help us to understand the complexity of the dynamic markets in which we operate, in a more intelligent and superior manner," explains Robin.

"Part of the challenge is to consistently monitor and adapt to the ever-changing markets. The bank has various risk processes that assess the landscapes in which it operates while always being on the lookout for new and emerging markets."

PARIKSHAT TULSIDAS *Senior Executive - Head Treasury & Markets*

MARKET MAKERS WITH A BESPOKE APPROACH

The business line comprises three main clusters, namely Treasury, Financial Institutions and Debt Capital Markets. Their objective: Provide clients with tailored solutions by reinforcing the bank's position as the market maker for foreign exchange, interest rate, debt and other structured derivatives.

The bank is focusing on consolidating its stance as an innovative Financial Markets service provider, catering not only to Mauritian demands but also the regional sphere. "It is our solution-driven approach and nimbleness that make the difference. Our goal is to ensure that our client facing divisions and support functions are aligned to consistently provide our clients with best class services," Parikshat explains.

With the level of sophistication the bank is bringing in, AfrAsia aims at becoming the centre of excellence in terms of Treasury and Markets solutions for the African continent.

The bank's Treasury unit serves a wide customer base including large domestic and international corporates, Trading companies, International Management Companies, Banks & Financial Institutions, Asset Management Companies and family offices, Fund Managers, Investment Funds, Financial Intermediaries, SMEs, Local and International HNWIs and External Asset Managers as well as government and parastatal institutions.

"Whether the execution needs are driven by a transactional, hedging or investment strategy, our Treasury unit offers a full range of solutions, to help clients navigate the various challenges of continuously changing financial markets," says Parikshat.

The banking sector is becoming increasingly competitive, and AfrAsia has the intention to remain ahead of the curve, by reaching out to regional and international markets through its Financial Institutions (FI) and Debt Capital units.

The FI unit's key roles involve broadening relationships with banks in targeted strategic markets, notably Africa, India, South East Asia and the Middle East.

Enhancing participation in trade-flows between Asia and Africa, acting as Lead Arrangers for Financial Institutions by building and leveraging on the bank's relationship network remain AfrAsia's key priorities. This unit also acts as a gateway for the bank to gain key insights into their main target markets, enabling in turn AfrAsia to access African and Asian Tier 1 Corporates.

"Our Financial Institutions team also acts



as a facilitator by actively engaging in the cross-selling of Treasury products to our partner banks. Furthermore, we are enhancing our product offering and customer-centric approach and bringing a consummate level of sophistication to our services," says Parikshat.

Over the recent years, the excess local currency and foreign currency liquidity prevailing in Mauritius, coupled with enhanced client sophistication, has created the right environment for both local and regional players to tap the local market for Bonds/CP issuances.

Parikshat explains, "This is where our Debt

Capital Markets desk can help. We advise both local and international clients on structures to raise debt for acquisitions, refinancing of existing debt or restructuring of their borrowings."

"Our points of differentiation are our client service philosophy and the agility of our solutions. As the bank continues to grow, the integration of the different clusters will continue to generate more synergies within the bank, translating into an enhanced customer experience and a more focused approach to developing customised solutions for clients," Parikshat concludes.

YOGESH GOKOOL Senior Executive - Head Global Business

THE CHALLENGES AND OPPORTUNITIES OF THE GLOBAL BUSINESS SECTOR

Back in May 2016, Moody's issued a report confirming the resilience of Mauritius but highlighting our vulnerability to the risks posed by the large Global Business Segment. Has this come true?

"The global landscape affecting International Financial Centres is no doubt changing rapidly, with a stronger focus on transparency and a fair taxation system and Mauritius is no exception," says Yogesh.

The island has been in a state of 'agitation' recently, facing a few challenges:

- Initiatives like the US FATCA have already been implemented worldwide and Mauritius was amongst the first adopters.

- More than 100 countries have agreed publicly to implement the automatic exchange of information under the Common Reporting Standard, starting as from the year 2017 for the early adopters. Mauritius starts exchanging, retrospectively, in September 2018.

- Two of the country's important Double Taxation Agreements (DTAs) – with South Africa and India, respectively – were renegotiated following pressure from the OECD to tackle tax avoidance/ evasion through the Base Erosion Profits Shifting programme, some 70 countries including Mauritius signed the Multi Lateral Instrument (MLI) in July 2017, in Paris. The MLI covers 23 DTAs which Mauritius has signed but excludes 19.

However, there are various opportunities that Mauritius can benefit from. By laying more emphasis on the quality of product and service offerings (as opposed to non-sustainable fiscal benefits), the current challenges could lead to a whole re-engineering of the current business model and offer certain opportunities to Mauritius resulting in the Country's benefit at large:

- The promotion of Mauritius as a jurisdiction of choice will attract international investors to create more substance in the Country, for example, by way of listing on Stock Exchange of Mauritius (SEM), physical offices and direct employment of people

- Some of the international initiatives will prompt the industry to broaden their product and service offerings by, for instance, diversifying into asset protection/ fiduciary services, wealth and asset management and regional trading and treasury services

"The future of the Global Business Sector



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MAURITIUS HAS ALL THE RIGHT INGREDIENTS TO MAKE IT AN INTERNATIONAL FINANCIAL CENTRE OF SUBSTANCE

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remains promising. The Government and the private sector need to continue working together to develop a clear vision for our industry, tackling the challenges and paving the way for further opportunities," says Yogesh.

A few avenues for the future of the sector are:

- Mauritius will uphold its reputation as a transparent and fully compliant IFC. The OECD has already upgraded Mauritius to a 'Compliant' status. The Island may eventually be excluded from the blacklist of some EU countries.

- A new trend from 'Offshore' to 'Midshore' jurisdiction with greater emphasis on tangible and concrete activities out of Mauritius

- Physical offices
- Regional Treasury Companies – including cash & payroll management

- More insourcing by international groups (availability of talent, bilingual pool of qualified and experienced professionals)

- Emergence of a new niche market – mid-sized African groups doing intra African invest-

ments setting up their holding companies in Mauritius, bank debt raising and eventual SEM listing

- International investors will establish more domestic Mauritian companies, which is a powerful investment vehicle and taxable at 15% corporate tax

- African Private Equity will continue to set up in Mauritius. Where will they be better accommodated and which jurisdiction has all the legal framework and fund legislation to cater for different investment vehicles?

- Africa will remain the hinterland for Mauritius, increasingly for Private Clients work

- Consolidation of some Management Companies for better synergies and economies of scale

Africa remains the next big thing, and Mauritius is well poised to be the financial gateway. "It is important for AfrAsia Bank to take the lead to truly establish a diverse and long-term service in line with pursuing an 'audacious' strategy to tap into the growing trade, investment and capital flows between Africa, Asia and the rest of the world. As a strong domestic player, AfrAsia can bring its own unique perspectives and commitment to the market," says Yogesh.

"Mauritius boasts a compliant, transparent and cooperative environment. We have what it takes to be a jurisdiction of choice, and anyone wishing to do business with the Island will benefit from the plethora of advantages that will facilitate any transaction worldwide."

Transforming potential into performance



We are underpinned by our ambition to transform your business to its fullest potential in Mauritius, Africa and the region. Offering tailor-made corporate and investment banking solutions, our difference lies in our focus and commitment to our clients' needs.

Lending • Forex • Advisory • Transactional • Trade Finance

Treasury & Markets | Global Business Banking
Corporate & Investment Banking | Private Banking & Personal Banking

MAUREEN TREANOR

Head of Human Resources and Change Management

PEOPLE FIRST

With over 300 people in the bank and another 30 in AfrAsia Capital, as an AfrAsian, I can say I'm proud to be part of and work with such a high performing team. Ten years on and our "People First" culture continues to prove it's the cornerstone of our success. Our people use the tools they have to provide their very best. Every day, they go out of their way in terms of customer service and constantly look for ways to innovate and improve on what is already an award winning performance.

Our employer brand has a strong positive vibe. It's important that we sustain it; we're constantly on the lookout for talented individuals to join our team. We've adapted our recruitment process to help us select people that will thrive in our corporate culture. New colleagues 'feel' the vibes as soon as they enter the building. We've installed a huge bell that is rung every time there's something to celebrate and the whole floor erupts into cheers and clapping, creating a fun environment with instant recognition for a job well done.

Engagement is driven by many factors: We embrace an inclusive, supportive, merit-based culture that celebrates diversity. Our regular engagement survey collects feedback and helps us understand what we can do to improve, we are committed to making it serve as a catalyst for change, creating an environment in which everyone has a voice. Our AfrAsia Achiever Awards programme rewards employees who deliver to the highest standards and our DARE culture continues to encourage fresh thinking through the recent launch of the "Dragons Den" where entrepreneurial ideas to improve our business are shared and the best are implemented.

We are investing in technology to help remove some of the challenges we have around HR processes; this tool will allow our people to take a more proactive approach to their career progression and personal development. High levels of empowerment are part of our employee value proposition. We all know that happy people make happy customers; which is a major factor in the long-term sustainability of any business.

As leaders, we must keep on listening and working towards making AfrAsia the best employer on the market.



AfrAsia Health Awareness



AfrAsia Think Green



AfrAsia School



Shaping a World of Difference

AfrAsia Foundation has a key focus of funding sustainable projects that support the society and environment to help build thriving communities. Our purpose is to be a catalyst of social and environment change in the communities AfrAsia group operates in, live up to our values and create sustainable long-term value.

AfrAsia Foundation has adopted the integrated approach of the Sustainable Development Goals of the United Nations and we invite you to join us in our initiative in making a visible difference.

To donate to the Foundation or sponsor a child, please visit www.afrasiabank.com or email us at foundation@afasiabank.com

JENNIFER JEAN-LOUIS Chief Financial Officer

POSITIONED FOR SUSTAINABLE GROWTH

1 0 years of operations under its belt and ideally positioned for sustainable growth in terms of market penetration, balance sheet size, stakeholders confidence well summarise AfrAsia Bank today.

After a decade, we are proud of what we have achieved – a commendable net profit after tax and other comprehensive income of MUR 804,7m for the year ended 30 June 2017 reflects the fact that the Bank has been steadfast in its approach and overall strategy of sustainable growth for all its stakeholders. A capital base of MUR 440m in its first year of operation rising to MUR 6,0bn by the end of June 2017 and a capital adequacy ratio of 13% is tantamount of the level of confidence of its shareholders. Our investors-list includes various institutional and private investors, including IBL Ltd which remains as of date our anchor shareholder at 30.1% stake and some other renowned investors like National Bank of Canada and Intrasia Capital Pte Ltd. The AfrAsia shares have been actively traded over the counter, a reflection of the marketability of our shares and of its attractiveness to investors. For instance, Proparco which invested in the early years, has been able to realise a smooth exit as a true private equity investor.

Customer confidence is translated into a remarkable deposit base of MUR 91,1bn split between its different market segments as we continue to put customer experience at the forefront of our strategy continuously investing in keeping abreast of technological changes for better clients' satisfaction. We are today well positioned in both market segments, with a noticeable presence on Segment B at USD 2bn of customer deposits. On the lending side, the Bank's approach has remained conservative both on the local and international scene and achieved a well-balanced customer loans and advances portfolio of MUR 27,5bn across different segments and markets.



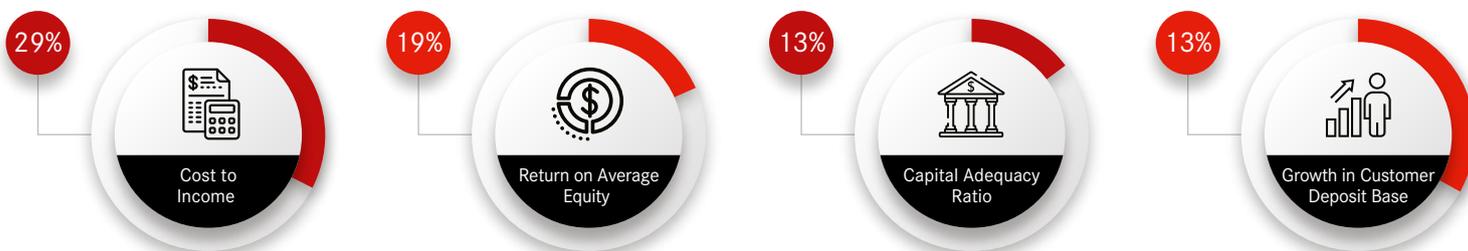
We have today achieved a well diversified revenue base both in terms of net interest income, net fee income and net trading income with a total of MUR 2,5bn for the year ended 30 June 2017. The bank's fee income is well represented in terms of credit related income of MUR 385m and global custody income of MUR 200m amongst others while the net trading income reflects our strong market positioning in terms of being the preferred provider of treasury instruments as well as structured and tailor-made solutions to our clients in Mauritius and across the region.

In line with its strategic plan to maintain sustainable growth, the Bank closed on a cost to income ratio of 29%, while investing

in its human resources with a growth in staff to 314 by the end of the financial year 2017 and in IT infrastructure to take the Bank to its next phase of IT innovation and digitalisation. Last but not least we remain a strong believer of building a sustainability strategy in line with the Sustainable Development Goals of the United Nations to work towards four pillars namely Marketplace, Workplace, Social and Environmental responsibilities.

Overall with the confidence of its stakeholders, the right level of IT/human infrastructure, and controls and processes in place, the Bank is today well poised to approach its next decade of growth with certainty and confidence.

AfrAsia Bank's Key Indicators as at June 2017



“We are implementing new initiatives to optimise agility in the end-to-end credit process, making way for optimal turnover response, as we continue to develop our credit risk expertise in the primary sectors of our domestic market while solidifying our leading position in niche markets.”

LYNN DALLAIRE *Chief Credit Officer*

RISK MANAGEMENT IS THE GUARDIAN OF OUR CUSTOMER ASSETS

AfrAsia Bank wants to be known as a bank with a robust emphasis on culture, ethics and fairness.

The professional bank maintains a rigorous and effective integrated risk management framework based on international best practices.

Risk management policies and the processes that accompany them are essential elements of this risk management framework. “At AfrAsia, we control some of our specific risks by targeting an optimal diversification of our credit portfolio and by setting exposure limits such as credit concentration limits per counterparty, industry sector and by country,” says Lynn.

Lynn adds, “The Risk Management unit is somehow the ‘guardian’ of all customers assets held in the bank and this unit has the responsibility to independently identify, measure and oversee the various risks facing by the bank to protect their customers and stakeholders.”

Risk management must be considered as an essential partner for all business lines.

TARGETING BOTTLENECKS

Continuous improvement of risk tools also plays an important role in maintaining the risk appetite level approved by the Board. Targeting an adequate risk and return pricing will also add value to our shareholders.

Various risk mitigation techniques are used to monitor credit risks at the bank such as the usual practice of claiming collateral to secure repayment of credit and also monitor annually every borrower’s risk rating.

Lynn explains that a division specialised in managing deterioration accounts intervenes and uses a number of methodologies to monitor high-risk cases of default.

“This group is responsible for restructuring problematic accounts and adapting strategies to maximising recovery of stress assets. We are continuously improving our measurement tools in our credit process to better target



bottlenecks and enhance the satisfaction of our customers,” says Lynn. “The bank continues to develop its credit risk expertise in the primary sectors of its domestic market while solidifying its leading position

in niche markets,” she adds.

As the bank expands on an international scale, we will focus on developing new business opportunity as a serious partner in the syndicated loan segment.

THIERRY VALLET *General Manager*

CREATING DIFFERENTIATED VALUE PROPOSITIONS

By combining its areas of expertise and business verticals, AfrAsia Bank offers customers a spectrum of solutions adapted to the diversity of their requirements.

The bank has grown significantly since inception, having developed long-term relationships with domestic and international clients in more than 130 countries.

As the bank continues to grow, the long-term view for AfrAsia is to cement ties with clients and act as a one-stop shop to cater for all their requirements, on both the commercial and affluent banking relationships.

“AfrAsia is focusing on generating synergies between its business lines and our business model is well placed to support our clients and promote growth,” says Thierry Vallet. “We see the opportunity for Private Banking, Global Business Banking, Corporate Banking and SME business lines to work together as ‘one’ with the intention to tap into new businesses from each other’s customer base. At the same time, this allows us to proactively nurture our long-lasting relationships with our customers,” explains Thierry.

Mauritius is seeing a surge in the SME (Small and Medium Enterprise) sector, which is also being encouraged by the Government to help build an entrepreneurial economy.

Thierry says “Entrepreneurs are an important source of business for both the HNW and Corporate Banking business lines. The SME segment represents an attractive sector for the bank to identify opportunities between their business and personal wealth.”

Having a team with a well-developed vision about how diversification should be managed in order to achieve synergies is fundamental for AfrAsia Bank.

“We are cultivating a dedicated team who ensures proximity with entrepreneurs and the ability to offer holistic advice and have a comprehensive view of the client’s needs and long-term goals. Our Relationship Managers are continuously trained to be able to define a customised solution for our clients, as each of them are unique,” he says.

To focus on cross-collaboration between the business units, AfrAsia is enhancing its Customer Relationship Management (CRM) functionalities. This



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**GENERATING SYNERGIES
BETWEEN THE BANK'S
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enables the bank to have a 360-degree view of their Corporate/SME and HNW customers.

“Data and insights are key to informing us about our customers’ relationships within other various segments of the bank. This will enable us to improve our client-centricity and, while developing those insights, to explore further our customer relationship profitability for both their personal and business banking portfolios,” says Thierry.

As AfrAsia unfolds its 10-year success story, the bank is positioning itself for further growth and is set to provide clients with a continuum of seamless banking services by capitalising on the synergy between its business verticals and client bases, as well as enhancing customer experience and service efficiency.



BILAL ADAM CEO, AfrAsia Capital Management

BOLSTERING THE ASSET MANAGEMENT BUSINESS

With over 24 years of solid experience, AfrAsia Capital Management (ACM) continues to expand its capabilities, utilising risk mitigation based investment strategies and delivering bespoke investment solutions. Bilal Adam explains how the investment manager is providing increased customer service.

ACM's customer-centric approach is based on gaining a deep understanding of their clients' aspirations. They have thus developed tailor-made investment solutions to meet their clients' specific needs in a cost efficient and regulatory compliant manner with a sustainable long-term performance. "Our objective is to protect our clients' hard earned wealth with sound financial advice and constant monitoring of their portfolio," Bilal says.

ACM leverages on the synergy between the bank's business verticals to advise and pass benefits to investors. "We facilitate a diversified allocation to the world's top performing funds,

equities, bonds, structured products, Real Estate Investment Trusts (REITs) and niche opportunities, in advisory or discretionary management mandates," he continues.

AfrAsia provides international advice by nurturing privileged relationships with its renowned global investment houses and fund management specialists through its open architecture platform. "We have access to 544 investment houses, with which we have formed 20 valuable and long term partnerships with leading fund managers such as Robeco AM, Jupiter AM, and Arche Wealth Management," Bilal adds.

"For the Mauritian market, we have over 20 years' experience on local stock picking for our pension funds clients, as well as our High Net Worth clients," Bilal states. "For international markets, we have joined forces with our trusted global partners. For example, through collaboration with our exclusive Indian investment advisor, Motilal Oswal, we have generated an absolute return of 116% in USD over five years for investors in our SEM listed ACM India Focus Fund."

AfrAsia often brings these global investment partners to meet clients in Mauritius and it has recently hosted expert investment advisors from the Motilal Oswal Group, who shared

their insights on the Indian capital markets. Additionally, AfrAsia shared the views of Krishen Rangasamy, Senior Economist at National Bank of Canada, at a pragmatic conference on the global macroeconomics and its effects on markets.

ACM is widely supported by its established local and foreign shareholders, who use their expertise to contribute to its development. As part of its commitment to good corporate governance, AfrAsia has welcomed Luc Paiement to the Board. Luc brings his wealth of 35 years of experience in a variety of strategic positions in wealth management and investment banking. During his time at the National Bank of Canada, he looked after USD400billion of investment assets and has been ranked among the *Top 25 of Quebec's financial industry* five times.

ACM enhanced net profit to 27% for 2017 compared to -11% loss in 2016, resulting in an ROE of 43%. The cost to income ratio also improved from 103% to 66%.

Bilal was pleased to report that performance has been driven by reducing costs while attracting additional assets under management and delivering performance to investors which ultimately improve our revenue base and satisfy our valued investors.

Relationships matter



Close customer relations and broad international insights allow our clients to experience a different facet of banking.

AfrAsia offers innovative niche expertise for sourcing the tailor made investment opportunities worldwide. Our experienced team and regional foundations give you the reliability and trust of a global banking network. Your dedicated advisor will provide you with a full suite of tailor-made services to structure your financial requirements.

More than just bankers, we are partners.

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SUNEETA MOTALA *Head of Marketing and Public Relations*

BUILDING EMOTIONAL BRAND EXPERIENCES IN THE SIMPLEST WAYS

Since inception, the AfrAsia brand has carved a strong position in niche markets and built lasting relationships with its customers, with focus on service efficiency and innovative solutions that respond to clients' demands.

The bank has been driving experiential events that matter and brand activities that resonate with its clients, while establishing a monolithic brand identity.

"Word of mouth has been a fundamental source of customer acquisition since inception, wherein our client service excellence, innovative products, thought leadership and meaningful partnerships have defined our strategic positioning to build a regional bank of local relevance and international standing," says Suneeta.

The bank continues to create a differentiated brand experience, offline and online, ensuring the AfrAsia brand lives in every day-to-day interaction it has with its customers.

Suneeta explains, "Today, it's the entire experience that creates a brand. You need to be a good listener, finding what our customers need, always with a client-centric empathetic approach. That is what makes AfrAsia a meaningfully differentiated brand and this is what we are building on today at every touch point with the customer."

The bank's aim is to establish a brand that is driven by purpose, champion their employees to understand the DNA of the business, listen to their customers, give back to the community and ultimately have a great story to tell.

Becoming a storytelling-driven brand is fundamental for AfrAsia to build a human-to-human connection. "We have always invested in thought leadership content that relates to us as trusted experts in the industry, and our objective is also to provide meaningful content that impacts our customers' lives to generate social and emotional engagement that relate people to the AfrAsia brand."

To achieve its ambitions, the bank has been transforming the customer experience journey while creating an employee experience that embodies the brand's purpose in how the experience is delivered. This con-



day, all in a fun environment. We continue to instill a brand culture that has been cultivated, ensuring our employees become passionate advocates of the Bank and recognise that they, as 'AfrAsians', also have a responsibility towards the brand, that they are actually the brand."

Digital is transforming the industry and a core priority for the bank is to focus on Artificial Intelligence to identify patterns and connections, which will consequently drive custom marketing and personalised communication to enhance the overall brand experience.



BUILDING A POWERFUL EMOTIONAL CONNECTION WITH OUR AUDIENCE IS THE KEY FOR THEM TO EVANGELISE THE AFRASIA BRAND



"We're clear on where we sit in the marketplace and we're rapidly developing our digital offerings and the customer experience journey. We don't play the "mass message to everybody" game. We are going to leverage the digital approach and target our segmented audience effectively," she says.

The bank's priority is to deliver that marketing and brand strategy from the inside out, borne out of customer insights. "We are working towards building an authentic brand and I very much like this quote as it relates to our every day-to-day effort in doing so – 'People will forget what you said, what you did, but they will never forget how you made them feel,'" concludes Suneeta.

"Our vision is to build an authentic brand that is driven by purpose, create and sustain a customer-centric culture, champion our employees, give back to the community and become a storytelling-driven brand."

stitutes the very foundation for the bank to connect with its clients.

"How customers connect with us is fundamental; how our employees live our brand values and how their behaviour is reinforced to leverage 'brand immersion' and consistently fulfill the brand promise are crucial," says Suneeta. "This is why we have redefined our organisational culture in line with the 'DARE' values, encouraging all employees to Disrupt, Act and Rock Every-

And this year's Best
Client Award goes
to you.



AfrAsia might have won several international awards for the year 2016-2017 but the achievement of such feats would have been impossible without the faith, the trust and active participation of clients like you at every step of the way. As a token of our gratitude, we created this award just for you! Thank you for inspiring us daily, for pushing us towards excellence and for instilling the essence of innovation within our teams since 2007.

2017:

Best Banking Brand Mauritius 2017 (Global Brands Magazine)
Best Corporate Bank Mauritius 2017 (The Banker Africa East Africa Awards)
Best Risk Management Disclosures – Financial Institutions 2017 (PwC)

2016:

AfrAsia Bank Mauritius Open 2015 awarded first prize in the Sports and Lifestyle category (African Excellence Awards)
Most Innovative Treasury Services, Best Financial and Investment Solutions Provider and Best Credit Card Rewards Program 2016 (Global Brands Magazines)

AFRASIA BANK
MAURITIUS OPEN
AT HERITAGE RESORTS



30th November to
3rd December 2017



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