

[OUR GUESTS]

MARK WATKINSON (CEO OF BANK ONE) AND **KIHARA MAINA**, (CEO OF I&M GROUP)

"AFRICA OFFERS MAURITIUS SUCH AN INTERESTING PLATFORM FOR THE NEXT COMING DECADES"

LEADING FIGURES IN THE MAURITIAN AND AFRICAN BANKING LANDSCAPE, MARK WATKINSON, CEO OF BANK ONE, AND KIHARA MAINA, CEO OF I&M GROUP, SHARE THEIR STRATEGIC VISION FOR A STRENGTHENED COLLABORATION BETWEEN THEIR TWO INSTITUTIONS, SERVING ECONOMIC DEVELOPMENT AND DIGITAL TRANSFORMATION IN AFRICA. AS I&M GROUP CELEBRATES ITS 50TH ANNIVERSARY, THIS MAURITIAN ALLIANCE IS PART OF A DRIVE TOWARDS INTEGRATION AND SUSTAINABLE FINANCING OF AFRICAN ECONOMIES, AGAINST THE BACKDROP OF A TECHNOLOGICAL AND CREATIVE REVOLUTION. LET'S DIVE INTO THE CHALLENGES AND PROSPECTS FROM THESE TWO ARCHITECTS OF AN UNPRECEDENTED REGIONAL BANKING PARTNERSHIP.

GUILLAUME GOUGES

Can you provide us with a brief overview of I&M Group as it celebrates its 50th anniversary this year?

Kihara Maina: 50 years is quite a journey. It started off with somewhat humble origins as a finance house, serving as a community financial institution, but expanded into becoming a bank that has now grown to be one of the tiers one banks in Kenya. We have over 39 branches now, and we are serving customers now across the five different regions that we have.

We've got, obviously, Mauritius here, but getting out of our home market in Kenya, we've been into Tanzania, Uganda and Rwanda as well. So, a big Eastern Africa focus. We have had steady

growth over the years, and have expanded our business lines.

We had our origins primarily in the corporate sector, and have extended that over time to include the customers that our corporates serve. So, we've also expanded in the retail space to now include personal customers. We are very strong in the premium banking space. So, it's been a very powerful journey. We've been part of the transformation of the country in Kenya and, of course, around the region as we expanded.

Are you planning to expand to other African countries this year?

Kihara Maina: We remain open in terms of our focus. It is Eastern Africa initially, but of course, we always look out for opportunities. We appreciate that our customers like to do business around Africa. So, we then look at how we can make sure we are available for them. Initially, it might be operating in a non-presence fashion, but once we understand that landscape and we get an

opportunity to get into that market, we would get in. It is always, however, customer-led and opportunity-led. So, we're very clear about how we go about the regional expansion.

Mark Watkinson: And that's increasingly the model. So, our customers in Mauritius are increasingly doing business with the I&M countries. Opportunities come up in Rwanda, Uganda. We do a lot of business in Kenya. So, it really works well as a group.



Kihara Maina: Yes, it's a great opportunity to provide synergies that come from within the group to our customers. So, they're able to seamlessly move their money, get new customers in the market that we have. So, I think

where we're providing hard currency financing, trade services, business to other banks across sub-Saharan Africa. And very often we partner with I&M. And so, we'll jointly do the syndication, we'll jointly do

are able to effectively partner with Bank One and make sure that we actually grow that offering for our clients who are increasingly looking at wealth management solutions outside Kenya.

Now, what we often find is if we're going to be successful in a market, it really pays to find somebody, to hire somebody to join our business from that market. So, for example, we have people from Kenya in our business, from South Africa, from Zimbabwe, etc. who bring Africa experience and that's been a big contributor to our understanding and our ability to work in Africa. On the technology side, we've really spent a lot of time and really thought through what we're going to do on the internet banking, mobile banking, and really cross-border payments piece.

Internally, for our own efficiency, we've been looking at things like workflow, which helps us turn around and speed up the onboarding service that we provide to new clients. So, those are the sort of two areas.

What are the growth opportunities that Bank One has identified and how does these strategies fit your global strategy in Africa?

Mark Watkinson: From where we sit in Mauritius, we think sub-Saharan Africa is one of the most exciting business opportunities available in the world today. Huge growth in population, significant actual growth in technology capabilities, people capabilities, and we see real opportunities over the coming years to work in sub-Saharan Africa.

Kihara Maina: Absolutely. I think Africa has often been described as the continent on the move. If you think about the demographics of the world, Africa pretty much represents the only continent that's seen growth in population. We'll probably have 10% of the world's population by the time we get to 2060, which is amazing. If you look at the demographics, the average age of our population across Africa is still under 20.



the partnership that we have with Bank One is perfect. Actually, Bank One was the first foray that we had outside Kenya, and it has only grown from strength to strength. We've now celebrated 15 years in Mauritius.

How has Bank One contributed to the expansion of the I&M group outside of Kenya?

Mark Watkinson: Outside of Kenya, we do a reasonable amount of syndication work, mainly focused on other banks

the trade transaction together, and jointly serve the client. So, that's how collectively we are expanding the footprint of the overall group.

Kihara Maina: And indeed, actually, it's been a very useful partnership. And Mark likes to call this the Mauritian advantage, which is something that is actually very strong because we have customers who are looking at wealth management solutions. So, we

Bank One has experienced positive financial indicators despite the economic challenges. Can you discuss the strategic investments that have contributed to this success?

Mark Watkinson: Certainly. I would put them in two buckets: people and technology. So, a key part of the strategy that we've agreed with the I&M group, with our board, with our CL shareholders is to grow our footprint in sub-Saharan Africa. When I say footprint, that's the business that we do.

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Most of these people are living in what would be called a digital age. They've been born into a digital age. So, if you look at the march of technology across Africa, a lot of people are actually getting their lives enabled by mobile technology.

The internet is getting even more and more penetrated across the population. So, it offers an opportunity then to leverage all of the investments that we are making as a group into serving all of these clients. We've spent somewhere in the region of about \$200 million actually over the last four years just building our technology platforms to enable that.

We understand that we have to be digital first in everything that we do. So, all of the customers that we are now bringing on board, we are looking at how we can actually bring them on board digitally. We're looking at servicing them digitally as well. And the solutions that we are offering are also being delivered digitally as well, whether it is lending solutions, moving investing money. And that extends

to the partnership that we have with Bank One as well. But we are saying if, for example, we are accessing wealth management solutions, it's being done off the digital apps that our clients are using.

So, I think the opportunities are immense. Of course, this has to be backed by the commercial side. You've got a lot of interest, of course, in investing in Africa whether it is to extract minerals or to provide services.

There's a lot of interest in investing in the continent. Very few markets around the world are giving you over 5% GDP growth. Most of it is going to be found in Africa. So, there's a lot of interest. We want to be able to enable that. And I think our unique offering is Bank One and I&M Group really gives us that opportunity.

Mark Watkinson: And Africa, as we said, it's from a technology, you've really got Silicon Nairobi, you've got Lagos. If you're doing the circuit of what's happening globally digitally, you've got to come

to Africa. Africa has really got some amazing capabilities. But it's not only banking and digital; it's also music. Afrobeats, Burna Boy, these are things that are changing the world. And I genuinely feel Africa is going to change the world.

Kihara Maina: I think what it speaks to is that actually you also have a very big opportunity in the creative economy. And actually, I&M Group, Bank One, we're all known to support the arts as well. And this is something that we have to be deliberate about as we go forward. Because the creation of values isn't going to come from just simply what was your traditional sort of industries. It also has to come from the creative economy.

And we have to see how to enable that as well. It also really gives us an opportunity to segue into the sustainability space. We understand, for example, that with the kind of population demographics that we talked about, it's going to be difficult to get jobs for all of these people. So it means we have to enable as facilitators of growth as banks are, we have to enable people to get into the creative economy and really produce for themselves. We can't employ everybody. So let's get people to employ themselves.

That means from a sustainability perspective, we have to be thinking really about how we impact lives. We've set out as I&M Group a goal to impact 50 million lives by 2030. That's on a cumulative basis.

We are starting by 2026, we are on our third iteration of our strategy. But we've set out by 2026, we'll have impacted across our group, 15 million lives. That means giving people opportunities to start jobs, giving people opportunities to change their own lives, educate themselves and so on. So we're looking at a wide range of impact, including, of course, on the climate side and being part of the

solution rather than the problem.

Mark Watkinson: The numbers are staggering and it's absolutely the case that I&M is really focused on making a difference, particularly in East Africa. Obviously, scale in Mauritius is much smaller, but we're focused on the case of education that is very important to us and we have some strong education initiatives going on. But we also have reforestation as an initiative for our team and the bank. But the numbers coming out of I&M's initiatives are amazing. I mean, really amazing.

Kihara Maina: Yes, I think it is something that people have a lot of passion for, actually. We have what we call our cultural strategy. We call it PAMOJA or ANSAM. Both words just mean together. It means that all of us together are actually looking at how we can solve the world's problems, starting with how do we solve problems for our business, for our customers. And all of this is getting ready application across our different footprint. We've got serious enthusiasm across all our geographies.

We're looking at how something that Mark is a great champion of, how we can actually move our talent across the different markets. I think as we speak, Mark is hosting two management trainees from Kenya. I just came from Rwanda. We've got, I think it was three or four management trainees that are coming in from Kenya. Also, people moving around the business.

Mark talked about it earlier. We want to be able to widen people's perspectives when they can see the power really of the I&M group when it comes to forging their own careers and how they can actually help customers.

Mark Watkinson: It's so important because Africa remains a mystery to a lot of people, particularly in Mauritius. And yet Africa offers



Mauritius such an interesting platform for the next coming decades. So we are very focused in giving our team and our staff an opportunity to work alongside, get some work experience, do some secondments into Africa, into the businesses, Tanzania, Rwanda, Uganda, and Kenya itself. Because people, you see when people come back after spending a few weeks in Nairobi, it really changes perspective.

Your group, you said earlier, has been around for the last 50 years. How has the market evolved in terms of clients' needs?

Kihara Maina: Yes, so I think you have seen quite an evolution over time. I think when we started out, the concept of jobs for life was still very prevalent in all of the different markets that we are now present in. That has changed over time.

You've seen people moving away from predominantly government as employer to people now working in an enabled private sector. So the entrepreneurial spirit has really thrived in different markets. You've seen markets in which we are presently operating open up, move from a socialist kind of setting to really capitalist economies.

And that has meant that they also needed support to be able to actually open up and thrive. We've seen that there's been an explosion of education over time, and education is a great enabler. This is why we also very strongly support the education space, because we know what kind of power it has to transform lives. What has that meant then for us? We started out, as I said, as a community financial institution. A lot of the customers that we were serving went on to become industry titans.

The large industries that we see today have gone around the region. We've followed them, and we are continuing to serve them. That has meant that we have to also build our capabilities to really

be able to serve them effectively, whether it is to put in the platforms that we have, build the correspondent banking network that is going to support that. So we've truly become an international bank that has really held true to really fostering respect with our clients, being fair to them, making sure that we are growing as they grow.

So that transformation has happened over time. We've become more sophisticated. We've understood the power of partnership. We've worked with development finance institutions to help us with strengthening everything from our capital base or funding base to our governance, and that has held us in good stead even through the tough times. We're still coming out of, I guess, the COVID era, but we've seen transformations even then as ways of working started changing, and which means that people are working from home. We are looking at how we can enable people to work from home in the organization.

We already have policies that facilitate that, but we have to still think about productivity, make sure that people are producing optimally and feeling comfortable doing so from home, as will most of our customers. And we have to say, actually, how do we also support things like the gig economy? And this means that we have to really think about the solutions quite creatively to make sure that we are delivering them.

Mark Watkinson: It's all about being creative, but one massive change that's taking place is the Africa Free Trade Agreement. I think that has the potential, again, it's not going to be overnight, but has the potential to really move the whole continent in the right direction, because there tends to be a lot of trade in and out of Africa, but not as much trade as potentially as there could be intra-Africa. And,

you know, the growth of intra-Africa trade will add enormously to wealth and opportunities.

Kihara Maina: Precisely, and I think we are set up for that, because if we look at, so our origins are in Kenya, and of course there's the East African community that has gone through two cycles of existence. The most recent one has looked at how we can foster really close economic union within a wider East Africa, and we've seen even areas like DRC getting into this, Somalia wants to join, and so on. Well, that really gives us an opportunity to say, as part of a wider economic block, right, like the Africa Free Trade Area, what that means is that we have to look at our presence and how we can facilitate all of this trade. Already in our domestic markets, we're very strong in terms of trade.

I&M, for example, in Kenya, opens 30% of all the LCs that are done in that country. That's great, but we want to say, okay, how do we actually use our capabilities

within the group to foster trade in between the nations? We have to move money, right, it's easy to do that if you have common platforms, which we have, and we put in the solutions that actually drive that kind of movement of money.

In what ways do I&M Group and Bank One envision collaborating in Mauritius to explore sustainable finance solutions?

Mark Watkinson: I would say there are multiple. I'll let perhaps Kihara talk about inward investment and some of the technology side that Africa can bring to Mauritius. But on the ground, for us, it's about setting the right policies, the right framework, promoting within our business opportunities for green investments, green loan products.

These are the sort of key ways that we can sort of, move the dial. But there are some very potentially very big inward investments that can take place. There are some huge investments taking place in Africa, and we can take a leaf out of Africa's book.



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Kihara Maina: I think a leaf is the appropriate word, given how much focus there is on green when you talk about sustainability. But I mentioned earlier that it's actually ultimately about impacting lives, right? We have to borrow frameworks that already exist and have been carefully thought about. So we have signed up, for example, as the I&M Group to the UN Global Compact.

That allows us access into a community of people who are really working in a structured fashion to ensure sustainable outcomes in everything that we do. We know that we have in the UN SDGs that are already defined in particular areas. So what we've done is said, okay, how can we look at our sustainability from a lens that already aligns to the UN structure? We have then said, okay, let's study this and understand what this journey looks like.

We spent two years in a consultancy just helping us map what that kind of journey is going to look like, including saying, what are your scope one, scope two, scope three kind of risks? What kind of footprint, carbon footprint do we have as an organization? How do we make sure that we are doing something within the organization? And you will see as you go around,

even Bank One and I&M, how we make sure that we are separating things like our rubbish, just to make sure that it is processed effectively. You look at some of our iconic buildings that we have in our network. Rwanda has one of the best buildings that you will see across Africa. Very beautiful. Solar powered, also energy efficient, has just got its green certification. At the headquarters in Nairobi, we also have perhaps one of the best green buildings in Eastern Central Africa.

And also, you know, covered by a solar roof and we generate roughly 100 megawatts of power every year. Now, those are things that we can do. But then there's also the things that we can do with our customers. And a lot of it is going to be around facilitating green financing. That means working with partners who understand what that is. And there's a lot of development finance institutions that are already working with us to support us on schemes like this.

Make it affordable, make it easier, longer term funding to be able to provide solutions, for example, around, you know, reconfiguring your factory so that it is green or providing solar power as your primary energy for your business. So there's quite a

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lot. And we also have to work in partnership with government. A lot of the different regulators we work with have already given us guidelines on climate finance or climate risk management. And we want to be at the forefront of really implementing those guidelines. So we want to do it in a structured fashion, make sure that it doesn't impact our customers adversely as we do so. But also raise awareness so that everybody understands that actually we must focus on people, planet and profits.

Mark Watkinson: And I think: what's taking place? We have a huge advantage that we can learn from what's happening in I&M and bring that to Mauritius. But I think what the Bank of Mauritius is also doing around climate change and, you know, helping manage risk around climate change will benefit Mauritius and will benefit ultimately investment in Mauritius.

How do you see the relationship between your two organizations evolving in the next five years?

Mark Watkinson: Well, based on the model that we've put in place, certainly from my side, I think the partnership will just get stronger and stronger. I mean, we in Mauritius, are an IFC, an International Financial Centre. We have access to dollar flows. And part of our mission is to work with I&M to

utilize those dollar flows to make a difference in Africa. And I genuinely feel we can do that.

Kihara Maina: I think we have a very great partner in Bank One. I think the future is bright. We have an opportunity because we're really thinking about how we can seize the opportunity in a transforming Africa. So our sub-Saharan Africa focus make sure that we also leverage the strong focus we have on compliance to make sure that people can trust us as we really serve customers across the continent. I think this partnership is just going to grow.

It's going to really unlock the creative power that we have within our two organizations. And I think that we will eventually strengthen our position as a leading banking group. We've had 50 years, a great run. We want another 50. We know that ultimately we want to be a name that lasts hundreds of years. And that starts with these humble origins that we have, forging a partnership.

Mark Watkinson: And we were so fortunate that we're part of the African story. And that African story is seeing some very significant growth. So our ability to latch on to that growth, work well together, develop our businesses together for a positive outcome looks very good.

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