Bank One breeds investor confidence and fuels growth in Africa with open architecture approach

In pursuing its growth strategy in sub-Saharan Africa (SSA), Bank One has pioneered an open architecture approach to offer solutions to an array of investors, per Guillaume Passebecq, Head of Private Banking & Wealth Management. The platform's success in a turbulent year also earned it 'Best Private Bank in Mauritius' by *Global Finance* magazine.

Global Finance: How did you help clients manage their portfolios and protect their assets during the challenges of 2022?

Guillaume Passebecq: Even if market volatility has impacted the performance of equity and bond portfolios for all institutional, wholesale, and individual investors, we have seen strong growth in volume through our investment platform.

Across SSA, the impact of rising inflation has dampened appetite for local currency products. There is more interest than ever in US dollar (USD) instruments, such as US Treasuries, Corporate Bonds, and Eurobonds. We have seen much greater demand for USD solutions on our custody platform, which offers access to global markets via best-in-class strategies.

GF: Can you explain how this platform works?

GP: Open architecture is a relatively new concept in the African private wealth landscape and Bank One is one of the first banks in Mauritius to operate in this way.

In developing this strategy over the past five years, we have created a network of asset managers to enable clients to delegate the management of portfolios to select professionals who provide a range of bespoke, innovative solutions with the highest levels of execution.

We make this approach available in a B2B context across SSA, not only to private clients, but also to asset managers, financial intermediaries, banks, brokers, investment funds, and pension funds. We also offer a white labelling option.

Additionally, we have a full-fledged Trading Desk that facilitates trading on all asset classes including equities, sovereign and corporate bonds, ETFs, and other funds. We have access to around 60+ markets globally and more than 10,000 fund houses.

GF: Why does this approach give investors confidence?

GP: We offer custody services across major European, Asian, US, Middle Eastern, and African markets through one of our global custodians, Euroclear (rated AA+), and where the assets are recorded off balance sheet of the Bank.

Client can choose to have their portfolio managed by our external asset managers, and there is no conflict of interest because Bank One does not hold any in-house products. For example, Ecobank recently onboarded a fund dedicated to African Eurobonds in USD on our custody platform.

We are well-placed to offer such an investment platform for the SSA region given our in-depth understanding of the market needs. The African presence of our shareholders, CIEL Finance and I&M Group, helps us leverage sizeable operations in Madagascar, Kenya, Tanzania, Rwanda, and Uganda to position ourselves as an ideal investment solution provider for local clients.

GF: How has your strategy impacted your business?

GP: It differentiates us from most competitors in the SSA region. We saw 20% growth in clients from cross border markets in 2022, and this momentum should continue over the next 12 months.

Launched in 2017, our B2B platform's success is seen through the rapid growth of assets under management, which now total over US$1 billion.

In 2023, we expect more institutional and individual investors to increase their USD exposure based on anticipation of further depreciation of local currencies given the economic outlook.

GF: What is the outlook for the regional private banking sector?

GP: The latest 2022 Africa Wealth Report by Henley & Partners, in partnership with New World Wealth, revealed US$2.1 trillion in total private wealth on the continent, and forecasts it will rise by 38% over the next 10 years. Notably, the report named Mauritius as the fastest growing wealth market in Africa, with projected growth of 80% over the next decade.

This reflects efforts in Mauritius to appeal to foreign investors. The country is already well known for its social and political stability and stable banking system. New initiatives, such as reducing the eligibility threshold for residence permits, are expected to have further positive impact. In addition, Mauritius is now rated largely compliant, demonstrating our capability as an International Financial Centre of repute.

GF: Which other solutions will likely be popular with clients in 2023?

GP: We continually look to widen the range of services via our platform. These include Lombard Loans as a flexible financing solution that secures additional liquidity by pledging a client's portfolio as collateral up to a fixed percentage of its market value.

Further, our real estate financing team works in partnership with major players in the industry to facilitate the acquisition of residential property by non-citizens in Mauritius.

We place high importance on our experienced team and strong partnership with cross border market leaders. We are also gearing towards digital innovation, and our custody portal is one example as it provides instant reporting with real-time pricing through Bloomberg.

BANK ONE

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