

Empowering Africa With Specialized Financial Services And Sustainable Solutions

THIERRY HEBRAUD, CHIEF EXECUTIVE OFFICER OF MAURITIUS COMMERCIAL BANK LTD (MCB), ON MAURITIUS' STRATEGIC ADVANTAGES AND THE COMPANY'S FOCUS ON SUPPORTING AFRICA'S GROWTH.

Q. How does MCB Group's strategy align with its ambitions for expansion and investment across Africa? And how is the Mauritius IFC contributing to this regional strategy?

A. Africa is at the heart of our diversification strategy. As one of the few investment-grade players in Africa's financial services sector, we are determined to act as a trusted and competitive partner to support the continent's progress.

Our focus is on being a specialist bank in niche segments such as oil and gas financing, and infrastructure and energy project financing. We are also recognized in the private equity segment in Africa. As we support large corporations across Africa, we seek to capitalize on the positioning of the Mauritius IFC to enhance cross-border flows across key trade and investment corridors and support the expansion of regional value chains.

Q. What challenges need to be addressed for Mauritius and its partners to harness the African growth potential?

A. The challenges to unlocking Africa's growth potential are well-known, but could also give rise to opportunities. The infrastructure gap requires investments of around USD 100 billion annually, creating business prospects and promoting regional integration. Non-tariff barriers like customs delays and bureaucratic inefficiencies highlight the need for streamlined trade processes, which could open the door to innovative solutions in logistics and regulatory frameworks.

Political instability and regional conflicts underscore the need for stronger regional cooperation and governance reforms. Africa's relatively low economic complexity offers the chance to focus on industrialization and regional value chains, leading to greater diversification and value-added exports. These challenges can be addressed through partnerships, political commitment, and collaboration and the Mauritius IFC is well-positioned to play a key role therein.

Q. In your view, what are African investors seeking from their financial partners and how does MCB meet these needs?

A. African investors are looking for high-value, tailored, and innovative financial solutions. They prioritize partners with a strong proximity and a deep understanding of local market dynamics, regulatory environments, and currency risks. Furthermore, cross-border banking, trade finance and investment solutions that facilitate operations across multiple African jurisdictions are essential.

MCB addresses these needs by offering bespoke financial solutions, including financing for energy, infrastructure, trade, and sustainable projects. The bank has also positioned itself as the preferred partner for private equity, capital funds, multinational corporations, and large businesses. These efforts have contributed to MCB being named The Banker's African Bank of the Year for 2024, underscoring its commitment to meeting the diverse and dynamic needs of African investors.

Q. With the African Continental Free Trade Area agreement (AfCFTA), how is MCB facilitating cross-border transactions and supporting businesses looking to capitalize on intra-Africa trade?

A. MCB is committed to supporting trade financing and assisting clients in overcoming challenges towards boosting intra trade. We seek to be a trusted trade partner with our Global Trade Portal offering clients insights on opportunities to tap into the African markets and also diversify their supplier base by purchasing within the continent.

Secondly, we are helping to bridge the trade finance gap with our global trade solutions offerings and creating awareness on the various modes of payments in trade to optimize working capital. We actively collaborate with African institutions, banks, international organizations like BAFT and ITFA to promote African trade and advocate for ESG to be redefined in the African context.





Thierry Hebraud, Chief Executive Officer of Mauritius Commercial Bank Ltd (MCB)

Q. What emerging factors are shaping how high-net-worth individuals (HNWIs) in Africa approach wealth growth, protection and legacy building, and how is MCB leveraging Mauritius' strategic advantages to align with their shifting needs?

A. HNWIs are increasingly seeking bespoke and secure financial solutions, efficient intergenerational wealth transfer mechanisms, and alternative investments such as private equity. The withdrawal of major international banks from the continent has intensified demand for regionally embedded yet globally connected wealth management services.

MCB is capitalizing on Mauritius' strategic position as a safe, trusted, and competitive financial centre to enhance its international wealth business, offering tailored banking, custodian, and execution services.

Q. Africa has significant growth opportunities within developing economies. How is MCB leveraging Mauritius' strategic position as a trusted financial hub to capitalize on those opportunities?

A. Capitalizing on its network of Investment Promotion and Protection Agreements with African economies, as well as its investor-friendly environment, Mauritius acts as a gateway for African businesses looking to access global markets and investors seeking entry points into Africa.

Through our dedicated teams and our strategically-located hubs in Johannesburg, Nairobi, Lagos, Paris and Dubai, MCB leverages its unique positioning in the Mauritius IFC to accompany our clients and partners in their activities to or from African markets with tailored solutions ranging from transactional services to structured financial expertise.

Q. How is MCB paving the way for more sustainable finance solutions that drive positive change across the continent?

A. As per the Economic Development Board, more than 450 private equity funds are domiciled in the Mauritius IFC and investing in the African continent. As of June 2021, nearly \$40 billion of investments directed to Africa were structured through Mauritius from investors across the globe.

MCB is determined to support businesses and investors seeking out sustainable projects. In October last, we launched our Sustainable Finance Framework, providing clear principles for key environmental categories such as renewable energy, energy efficiency and green buildings for us to incorporate sustainable practices into our banking products and services to clients looking to expand into and invest in Africa.

We also acted as joint mandated lead arranger on the acquisition financing to support Infinity Power, a joint venture between Egypt's Infinity and UAE's Masdar, establishing itself as the largest pure-play renewable energy company in Africa.

Q. As a business enabler to and from Africa and the rest of the world, how do you see Mauritius evolving as an international financial hub over the next decade and what role will MCB play in this evolution?

A. As Mauritius continues to strengthen its position as a key business enabler between Africa and the world, its evolution as an IFC will be focused on facilitating higher capital flows into Africa, the expansion into specialized financial services like fintech, digital assets, and sustainable finance and the adoption of advanced technologies, alongside reinforcing cybersecurity.

The jurisdiction will continue to prioritize compliance with international regulatory norms and standards. These trends will help Mauritius further establish itself as a leading hub in Africa and regional headquarters for multinational companies.

MCB will continue to support sustainable growth through infrastructure financing, explore opportunities in metals and minerals, and expand in private equity, alongside continuing to facilitate cross-border trade and investment flows.