

Yandraduth Googoolye: The need for banking and finance to evolve through technology and innovation

Speech by Mr Yandraduth Googoolye, Governor of the Bank of Mauritius, on the occasion of the celebration of the centenary of the presence of Barclays in Mauritius, Port Louis, 15 November 2019.

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- ♦ The Chairman and Board Members of Barclays Bank Mauritius Limited
- ♦ Mr Ravin Dajee, Managing Director
- ♦ Distinguished Guests
- ♦ Ladies and Gentlemen
- ♦ Good Evening

I wish to thank Barclays Mauritius, which is now part of Absa, for inviting me on this auspicious occasion which is the celebration of the hundred years of presence of Barclays in Mauritius. Soon to be renamed Absa, Barclays Bank Mauritius Limited has itself been through a series of changes of name such as Barclays Dominion, Colonial & Overseas, Barclays Bank International, etc.

This event underlines the rich history of our banking industry. Barclays is the second oldest bank in the country, though Mauritius has been an international trade and financial centre as far back as the 17th century. If you want to know more about our financial history, there is very interesting book entitled “From Piastre to Polymer” which was issued in 2018 in the context of the Golden Jubilee of the Bank of Mauritius. Some of the banknotes and coins used in those days are in our currency museum, which I invite you to visit.

Ladies and gentlemen, history shows how players succeed when they know how to adapt to evolution and when they respond adequately to the needs of customers and clients. Institutions also thrive in a competitive environment when they do not fear to embrace change and when they come forward with innovative products and services.

Barclays Bank has an enviable track record in Mauritius, which goes much beyond the anecdotal dimension. It is a bank that can pride itself of having narrowly missed the First World War, of having gone through the Second World War, and sailed through economic crises. Barclays is now fighting on all fronts across the global banking sector.

Ladies and gentlemen, over and above being the owner of the building with the first lift in Mauritius, Barclays has a rich history filled with many firsts. I would like to highlight some milestones:

- ♦ First foreign bank to start operations in Mauritius that is still going strong...
- ♦ First bank to employ ladies in Mauritius... with the ratio of female employees currently standing at 56 per cent
- ♦ First bank to employ people with disabilities...
- ♦ First bank to obtain an offshore banking licence...

I remember this very well as I was closely associated with the issue of the licence itself. The banking law was revised in 1988 and proclaimed in 1989. The first licence was subsequently issued to Barclays in May 1989.

Further, Barclays was the first bank to set up a branch in Rodrigues. This fact must be

underlined as it shows Barclays' willingness to be at the forefront of serving all the citizens of Mauritius, irrespective of the geographical boundaries. And, as we speak of Rodrigues, I would like to thank Barclays for having carried out operations there for and on behalf of the Bank of Mauritius until we opened our office in 1999 on the island. Were it not for this invitation, I would have been in Rodrigues tonight in the context of the Interclub Youth Championship. This is an event sponsored by banks and spearheaded by the Bank of Mauritius.

Ladies and gentlemen, it is a fitting moment to pay tribute to someone who has played a critical role in the success of Barclays in Mauritius. Mr Jacques de Navacelle, the first non-British CEO, must be thanked for having believed in the potential of Mauritius and for having persevered to grow the business instead of closing it down. Were it not for his efforts and those of the staff he led, Barclays would not be celebrating 100 years in Mauritius. My thoughts also go to some former British MDs of Barclays whom I have known personally, including Mr Ian Knapman, Mr P. H. Noble and Mr Andrew Fair. I also vividly recall Mr Dajee joining Barclays as Corporate Director and his appointment as Managing Director of Barclays Mauritius.

Barclays must be congratulated for its pioneering stance on the social front and for its contribution towards building a better, healthier and more inclusive society. Barclays has not forgotten that a bank is not only a key driver of economic growth but also an enabler of positive change in the community. This is a role that banks must always bear in mind in their business strategies so that they always put customers and citizens at the centre of everything they do.

The social mission of banks is something about which the Bank of Mauritius regularly reminds stakeholders. Since its establishment in 1967, the Bank of Mauritius has been actively working for the socio-economic development of the country. As regulator and facilitator, the Bank of Mauritius has been accompanying banks in their transformative journey. Though the oldest banks in Mauritius have had a longer journey than the other banks and even the central bank, there is still a very long way to go!

Though Barclays is licensed primarily by the Bank of Mauritius, it is also regulated by the Financial Services Commission for some of its activities. Its business is thriving and its contribution to the financial sector is expected to grow further over time. Banks should invest to tap the local as well as the regional market further to expand the contribution of the financial sector to GDP, from its current level of around 12 per cent.

Ladies and gentlemen, the Bank of Mauritius makes forecasts but it can't predict the future. Yet, the only certainty which can shape our steps is that there is an urgent need for the banking and finance industry to reinvent itself if it wants to stay relevant in an increasingly competitive global environment and with rapid digitalisation of banking business.

In this regard, the Bank of Mauritius wants to give an even greater dimension to our competitiveness and resilience through technology, discipline and innovation. Barclays, from what I understand, has been very busy lately in the area of Fintech and blockchain. Barclays has a Tech Forum consisting of leading Fintech and IT professionals. Last year, it has filed two patents on Secure Digital Data Operations and Data Validation and Storage system with the U.S. Patent and Trademark Office.

I therefore invite the Management of Barclays Mauritius to support the Bank of Mauritius' vision for the banking industry by contributing in terms of expertise and technology.

The Bank of Mauritius has focused on modernising the banking infrastructure. Just a few months ago, we launched MauCAS, our Mauritius Central Automated Switch. Barclays will be joining the Instant Payment System next month and the Card Payment System early next year. MauCAS is a game changer that will open up new possibilities for banks, businesses and entrepreneurs. The new payments ecosystem will also allow for the participation of banks and non-bank operators.

I am pleased to share that we are working on several ground-breaking projects that will propel our financial jurisdiction in a new era. I shall be sharing the details in two weeks' time at our Annual Dinner with Major Economic Stakeholders. Do bear with me as I want to keep some surprises in store for that day...

Ladies and gentlemen, the celebration of the 100 years of presence of Barclays in Mauritius is an opportunity for me to congratulate Barclays for its journey and to make the same wish for other younger banks and financial institutions.

On behalf of the Board and staff of the Bank of Mauritius and in my own name, I wish a happy centenary to Barclays and I congratulate the Board Directors, the bank's management and its employees for steering the venerable institution in a new century. I wish the very best to Barclays and Absa in their new Pan-African adventure.

Ladies and gentlemen, I thank you for your attention.