

**CELEBRATION MARKING THE ACQUISITION BY  
BARCLAYS BANK PLC OF BNPI**

*Address by Mr R. Basant Roi, Governor of Bank of Mauritius*

Hon. Deputy Prime Minister and Minister of Finance

Mr. Dominic Bruynseels, Chief Executive of Barclays - Africa

Mr. J. de Navacelle, Managing Director Barclays Bank PLC (Mauritius)

Ladies and Gentlemen

Good evening

I am pleased to address you this evening on the occasion marking the acquisition by Barclays Bank PLC of the banking activities of Banque Nationale de Paris Intercontinentale.

Financial services sector the world over has witnessed many mergers and acquisitions in recent times. This trend is not only guided by the adage, 'If you cannot sell your goods, sell your shop' but also by such consideration as the aspiration of financial institutions to survive in an increasingly competitive world. Mergers and acquisitions have enabled financial institutions to reap the benefit of economies of scale. The financial sector across the world is no longer to be taken for granted as the safe, stable and predictable environment. For a good many years we are in an era that may appropriately be described as life in an economic fast lane. Fads and fancies must be put aside in favour of fundamentals – fundamentals including

rigorous discipline in credit decision-making process and equally rigorous discipline in the management of operating expenses. What is also needed in our financial sector is a method of conducting banking business in a manner compatible with the realities of the marketplace in Mauritius.

It is true that the 'level playing field' is certainly not in favour of the banking industry. The cost of mobilizing resources for banks is far higher than for other non-bank deposit taking institutions. Banks are required to maintain cash ratio. Other deposit taking institutions are not required to do so. We are very much conscious of this unfair situation. However, banks should strengthen their balance sheets before level playing field is established. The numerous Guidelines issued by the Bank of Mauritius and the rigorous on-site inspections being regularly carried out over the last four years have, without any iota of doubt, improved the conduct of banking business along the lines of sound Corporate Governance Principles and strengthened balance sheets of banks. Hopefully in time to come level playing field between banks and non-bank deposit taking institutions will be established.

Roughly seven years ago, Barclays Bank intended to pull out of Mauritius. Under the leadership and farsightedness of Jacques de Navacelle Barclays bank, rather than pulling out of Mauritius, has strongly re-asserted its presence in the Mauritian economy. The prudential wisdom that good banking depends much on good bankers than on good banks and good laws is very much true with Barclays bank under the leadership of Jacques de Navacelle. I understand Barclays bank does not want to stop here. Barclays bank intends to further affirm its presence in Mauritius. I seize this opportunity to invite Barclays bank to consider re-location of its back-up services for Africa to our up-coming Cybercity.

The relentless pursuit of Jacques de Navacelle to upgrade his position in our banking industry is very telling of the confidence that such a highly internationally reputed bank has in the future of the Mauritian economy. Barclays bank's confidence in the Mauritian economy is further revealed in its recent years' balance sheets. In the last four years, Barclays bank has not transferred back its profits. Rather the bank has ploughed back its profits. It is an act of faith, trust and confidence in our economy. I invite Barclays bank to obtain listing on the Port Louis Stock Exchange. I am sure, the bank will be most welcomed.

I wish Barclays Bank Mauritius the very best of success.

Thank you.

10 February 2003