

INTERVIEW TRANSCRIPT

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UNIVERSAL NEWS (UN): *Since 1979, under President Obiang, Equatorial Guinea has progressed and has started implementing measures to promote and develop good governance and transparency in the country. Equatorial Guinea has contributed by helping the Central African Economic and Monetary Community (CEMAC) and by sending peace forces to countries such as the Republic of Central Africa. More so, the African Union Summit will be held in the country. In your opinion, what image does Equatorial Guinea project internationally and how does that image contrast with the reality of the nation?*

CORNELIS VERHEEZEN (CV): If I can speak for the western European part of the world, I would say that a need for an image exists. Many people do not know where the country is located, and they cannot point it out on a map.

UN: *In recent years, Equatorial Guinea has seen an incredible GDP (gross domestic product) growth thanks to the diversification of profits from the energy sector which are used to develop national infrastructure as well as promote the educational and health sectors. What would you say is the success of the country's economic expansion?*

CV: The Plan 2020 is a roadmap for the future and we, as a bank have aligned ourselves with the Government and the development plan. We are the only Guinean bank to look closely to where the government is heading. We focus on how they invest the oil and gas sector's revenue and redevelop our business in order to meet this plan. Much is still needed to be done, but you can clearly see considerable progress. Before you can revive the agribusiness which is part of the plan, you need to have the infrastructure in place. I think that constructing roads and bridges on the continental side to connect countries is crucial in the further development of Equatorial Guinea.

UN: *The Horizon 2020 development plan's goal is to distribute food and water to everyone while promoting infrastructure and development in the country, crucial at this point. Whilst doing this, all sectors in the Guinean economy will grow, the objective is to make Equatorial Guinea an emerging market by the year 2020. Apart from financing many projects, how would you say the Bank is contributing to this plan?*

CV: In June last year a German group came on board, represented by the African organization ADC (African Development Corporation), they undertook management control which is the reason for my being here. Since then we have developed a special SME (small and medium enterprises) department. The experience is not available so we are training locals. We foresee that a specialized SME department in the bank is a requirement for the future, which is why we are implementing it. We are working jointly with the Deputy Ministry of Economic Affairs to support the Government. With this SME business, the

Government wants to make funds available, we are talking about 7 billion Cefa, which is about €10-11 million to support SME business in the country, thus making money accessible to people who would not normally be able to obtain a bank loan.

UN: Education is a fundamental pillar of any society and a lack of knowledge exists in many countries in the region. You are working to improve local knowledge and transmit the expertise. Comment on the current level of local capability.

CV: Education is crucial anywhere in the world. Much stress and attention is focused on the level of education, although I do think there is still room for improvement, the level can still go up. But we are talking about one generation at least before we see results. In that sense, we are looking at local staff educated abroad at the moment.

UN: What percentage of local staff is currently working in the Bank?

CV: The majority. We have a six people from the Bank of Commerce of Manila, who have been here from the very beginning, then you have two Dutchmen, my colleague and myself. Out of 140 people, 132 are locals.

UN: What other sectors do you think will lead and implement this new Horizon 2020 plan?

CV: Looking at the plan, they are focusing on reviving the cocoa industry – the plantations are a bit neglected at the moment. The coffee and fishing industries are still an issue, although from what I understand, tropical wood exports are increasing and they do not just cut the trees down, they do it in a sustainable way, replanting, which is a big issue. This is done on a long-term view, so things are starting to move.

UN: The recent economic crisis is global; many developed countries are still trying to recover from this economic downturn. The financial sector has experienced tremendous losses; in what way has this crisis affected the National Bank?

CV: It has not affected our bank. This country is looking to export in a near future but apart from the energy sector, which has not been affected by the crisis; currently lives on imports. If you have a huge export market and the economy collapses, your export market will go down the drain. But if you are living on imports, you will not have a problem.

UN: The National Bank opened its doors with a paid up capital of 2 billion Cefa in September 2006 and in just four years has modernized the banking sector in the country. What were the bank's beginnings and the major milestones and challenges you experienced?

CV: We took over last year and at that time the bank was still in its infancy. We are now trying to push it to the next level, not only in terms of services to the public, but also in product innovation. We recently launched 20 year mortgages in the market to allow more people to gain access to decent housing which is next to the SME business, another pillar on which we want to build the bank's future. We see a social responsibility without a doubt as we are the only true Guinean bank. We are not here for a 'quick buck', we are here to stay and we are focusing on servicing the corporate sector and the public sector as well as private individuals.

UN: Your institution is modernizing the banking industry incredibly. You are the first local bank to issue electronic cards and ATM machines have started to appear in key commercial centers in the country. What other services and technologies do you plan to offer in a near future?

CV: At the moment we only offer our own cards and the ATMs cannot be used with international cards. We are focusing on providing this kind of service before the end of the year. We are also looking into partnerships. From my experience in Afghanistan, the difficulties in this type of market are the hardships that exist when trying to get principal membership with MasterCard or Visa due to the risk they think exists in these countries. Resulting from this, one has to find partners when possible. We are starting negotiations with a company who can provide us with MasterCard, Visa, JCB and AMEX. With those four brands you cover around 90% of the world. Hopefully we will have this before the end of the year. We intend to work with a company based in Lebanon. The company itself has a banking license therefore they can get membership of these card companies and they provide services to the Middle East including Afghanistan. I have worked with them before so I know how they operate. We are looking to see what can be done together in Equatorial Guinea.

UN: What differentiates your Bank from others that operate in the country?

CV: The main difference is that we are local, and as such we do not have any country risk. The other banks are holding back a little in certain developments. I think that the most important bank at the moment is CCEI Bank – they have been here for quite some time and have a significant portfolio. Société Générale is a little more cautious, we see how these banks operate in the market, which gives us a certain impression, and they are not as aggressive as we want to be. We are here to capture the market.

UN: And how are you planning to do this?

CV: By innovating. In addition to the cards, we are thinking about implementing electronic banking. This is not something for the general public, but all corporations have internet connections. Why go to the bank and collect statements when you can do it from your office with the internet service that we offer. I do my own banking from my laptop. This has been successfully implemented in other countries which is why it has become one of our projects in the pipeline.

UN: International investment is increasing in Equatorial Guinea. The United States are major investors in the country and other companies are starting to open offices here. What does Equatorial Guinea offer to foreign investors looking to partner with local companies?

CV: Regarding business implementation and the future development of the country, a need for foreign partnerships in terms of experience and knowledge exists. I see the market as being reasonably open for foreign investors, and many opportunities exist.

UN: What interests exist when attracting foreign partnerships for future projects and how can companies benefit from this?

CV: Benefits exist when a company establishes offices in the country and takes advantage of the opportunities the 2020 plan offers, not only in terms of consumption but also helping develop the tourism sector. The country has in the continental parts some beautiful beaches and mountains. I recently did a 10 day tour around the country with my son and three friends who wanted to see the country for themselves. We visited the Monte Alen National Park and I can tell you great potential exists, they just need development, and I think foreign expertise can contribute here. The crisis might have hit the tourism industry worldwide, but it will recover and there is definitely a market for countries like Equatorial Guinea. There are plenty of people in the world who are tired of the usual tourism spots and want to see something special, original and charming, and this country is very unique.

UN: The important and distinctive thing about tourism is that one can see the progress of your trust in the country, because you can see the development that is taking place.

CV: Absolutely. My group of friends and my son have travelled the world and they have been looking for a special country to see, a new type of tourism, not just the Coast of France or the Spanish beaches. A number of people visited me in Afghanistan because they thought it was interesting. There is a lot of potential, but again, tourism is an industry which requires much knowledge. It's not just about building a hotel and waiting for the tourists to come; you have to promote your country. A good example is the National Park, where nature should remain untouched; but basic things should exist, like overnight accommodation and more

opportunities to discover the wildlife. They had some wooden lodges but they were not maintained and had collapsed and rotted away. They have to be revived! I am convinced a unique type of tourism exists for this kind of market.

UN: Is the government interested in banks promoting and financing sectors like tourism and Do they seek your aid on projects regarding tourism development and improvement?

CV: Not at the moment. They are completely focused on infrastructure at this time. As I mentioned, we work in line with the development plan and we work together with the government. One of our clients is an electricity company and they want to bring electricity to all rural villages. It is an ongoing project and we as a bank are assisting with financing these types of projects. However this is not on the Minister's request, although we are involved because we feel it is the right way to go.

UN: Taking the interview to a more personal level, you have been working all over the world – Afghanistan, the Middle East, South America and Eastern Europe. How has your previous experience helped you lead the National Bank here in Equatorial Guinea?

CV: Banking is the same worldwide. Not many differences exist, it is the culture and the level of experience that you find in a country that differentiates it and makes the job easier or more difficult. From my experience, people are the same all over the world, and if they do not know something, one can teach them. That goes for all countries. I am an optimist, and we are going to do it here too. We have the materials and good, willing people. They just need practice and experience, and this is why we are here. I have always been working in greenfield operations starting new banks, I have always been the first employee to go with my suitcase and a bag of money to start a new bank for ING Group, for whom I worked 36 years. In my opinion, it is logical to take people by the hand and teach them, because one day I will leave. I am never in a country to stay, my aim is to bring the banking level up to global standards and then local people take over.

UN: There is saying that states “without good leadership, there can be no success”. What is your leadership philosophy in the Bank and how do you infuse those values in this business?

CV: At the beginning one just examines the material he has. Good material exists in this bank and my ways are very simple – if I have to do a dull job, I get bored. If you give me a task without telling me what framework it fits in, I will not be interested. I believe that giving people a broader picture and understanding of what they are doing, their motivation will increase. Also, when I work with people I do not just delegate tasks, but delegate responsibilities. I am an optimist and I strongly believe that if you give people responsibility

the majority will accept it, work better, harder and live up to the moment. But if you make people do simple things and do not give them direct responsibility, the work will be done, but motivation is inexistent. I believe one can motivate people by delegating part of the responsibility. This process will take longer of course, but by doing this you discover the capable ones and the ones that do the job but do not have the potential to grow.

UN: Readership of Foreign Policy is composed of major decision makers, such as businessmen and politicians throughout the United States. If you had one message to convey to the international community about Guinea as a country and the National Bank as an institution, what would that message be?

CV American companies do all their banking business from home, and I would wish for them to come to the local banks. Big companies like L&G (Legal & General) for instance live in their compounds and hardly come out, all their financial work is done from their home banks. I think that when you establish yourself in a country, you are not only there to cherry pick the good things, you must also be a part of the society, one must know and experience the country.

END OF INTERVIEW