

Brian Stuart-Young: Global Banker of the Year

Brian Stuart-Young was recently awarded the title of 'Global Banker of the Year' by World Finance. Following the announcement we spoke to him and asked him about modernisation, private banking and what's next for the bank after its 25th anniversary.

As a leading Caribbean banker based in Antigua, what do you think accounts for the increasing popularity of Antigua as a financial jurisdiction?

Tourism has had a major influence on building the jurisdiction. For more than 50 years Antigua has been established as an up-market tourism destination, known to the rich and famous as a discrete location for rest and relaxation. Also, as an ex-British colony, the fact that political stability and democracy are greatly valued has enhanced the safety of the destination. It achieved independence from the United Kingdom in 1981, but still recognises the Queen as its monarch and maintains a British styled parliamentary system. While tourism has remained its strongest economic sector, our government took the decision in 1982 to establish the jurisdiction as a financial centre and approved legislation for the provision of international financial services. Several Caribbean islands have turned to financial services as a viable alternative economic sector. The sister islands of Anguilla, Barbados, the British Virgin Islands, the Cayman Islands and the Turks and Caicos Islands have all built successful financial

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centres which compete with Antigua for a share of the world's demand for international banking and investment services. The key factors for success include a strong regulatory environment for fiduciary services; the provision of secure online access to accounts; and experienced bankers and service providers to provide personal management for clients. Antigua has worked diligently to excel in these areas.

What are some of the strategic imperatives that you face as the Chairman and CEO of Global Bank of Commerce?

The business design for international banking is constantly evolving; it is not business as usual. Clearly, innovation is reshaping the industry and causing banks to respond by differentiating their offering of products and services. The Caribbean financial centres are highly competitive, and the Caribbean region has emerged as the single most prestigious hedge fund market in the world, surpassing the US, UK and Switzerland, and is home to 80 percent of hedge fund assets - more than US\$1trn. My bank understands that growth is dependent on our ability to innovate and lead new business opportunities. While we are still a relatively small institution, we recognise that technology can level the playing field regardless of size. We have invested in a strong core banking infrastructure and internet banking platform, which provide a flexible environment and secure multi-channel access for clients to interact with their accounts and enhance the manner in which they conduct their business. We try to optimise the potential of each customer relationship, and work to ensure that our clients consider our services to be a satisfying experience.

How has the modernisation of financial services changed the service you offer?

Banking, like any other business sector, has seen modern technology make significant changes to its operations and delivery systems. The advent of secure internet banking has moved us beyond the teller, the branch and even the country. Today, providing all aspects of due diligence and compliance requirements are met, our clients have 24/7 access to their accounts regardless of their geographic location.

Clients may also access their funds via our Visa branded credit and prepaid cards at merchants and ATMs worldwide. Business customers can establish merchant accounts and conduct global ecommerce services, with online review of customer transactions. Our modern payment services will support e-government initiatives for payroll and commerce, and we have an attractive pre-paid card product that is convenient for employment benefits to crews on yachts, cruise ships and other international work forces. Our bank has also been a leader in the use of Visa branded cards for remittances and has more than two years experience in remitting funds via card-to-card transactions in over 100 countries. The potential for pre-paid card usage is wide-ranging, including gift, employee benefits, business T&E, travel, and government disbursements - and they address consumer, government, and corporate needs.

Do you offer private banking and wealth management services?

The bank has a wholly owned subsidiary, GBC Wealth Management Ltd, which has a talented team of financial service professionals that can tailor portfolios to meet the requirements of clients. The bank also has a private banking division that caters to higher net-worth clients and assists in the formation of corporate and trust structures to support the wealth management strategies employed by clients. In some cases we have developed proprietary banking products to meet the financial expectation of customers.

A product innovated by the bank is a principal protected note tied to a hedge fund index. GBC's clients have always appreciated the bank's certificate of deposit (CD), providing a fixed income over a fixed-term, but have more recently shown a growing appetite for alternative investments and wished assistance to invest in hedge funds. We recognise that the hedge fund market is complex, and complexity can translate into risk. GBC developed a proprietary investment product termed the indexed deposit account (IDA). The IDA has the core of a traditional bank issued certificate of deposit. However, GBC has added an innovation to this well-known financial instrument by providing a hedge fund index feature incorporated into the CD. Rather than a fixed interest rate, the IDA pays a variable interest rate tied to an identified index known as the EQUITIES Hedge Fund Index, a composite of 25 leading hedge funds across six or more investment styles. The index, published by EQUITIES Magazine was carefully reviewed by GBC for its portfolio construction and for its track record through good and bad investment cycles.

What is the biggest challenge you face in the work place?

To ensure that my bank keeps ahead of the curve in respect of all the regulatory and compliance issues related to a financial institution. In this jurisdiction we have a very comprehensive money laundering prevention act and the prevention of terrorism act, but we must also certify under the USA PATRIOT act for our US correspondent relations and are examined to verify we meet the Basle banking standards. Balancing an effective risk-management structure with superior customer service is always a challenge, but we have achieved a strong compliance culture without sacrificing service to and for our customers. Our investment in anti-money laundering software also assists to monitor our on-going client relationships. As a bank chairman and CEO, I try to take a top-down approach to demonstrate the importance of compliance training and controls, and was certified under the Association of Certified Anti-Money Laundering Specialists (ACAMS) in 2003.

This year represents the 25th anniversary of your bank, what does the future hold for you as a person and for GBC as a company?

I expect to be further involved in the growth of some related companies involved in the payments sector. One company provides core-banking and technology support to banks, and is working with partners to establish a network of regional ATMs and terminals to be processed in Antigua. I am also an investor in a relatively new financial institution, Caribbean Union Bank, and was its first Chairman. In this respect, I am involved with the leaders of other Eastern Caribbean indigenous banks to promote the growth of syndicated banking opportunities, products and services that enhance the Caribbean financial sector. With respect to Global Bank of Commerce, we intend to expand its wealth management services in Latin America, China and India, and will continue to be innovative in investment products and relationships that will benefit our customers. We also expect to grow our technology platform and further modernise the payments industry, including the use of the cell phone as a virtual wallet to support remittances and bill payments. It is a challenging future, and one that will require strong strategic partnerships that are equally committed to global ecommerce and wealth management services. The bank is fortunate to have these relationships and is well positioned to harness new financial business opportunities. ■

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