

Choosing the trusted advisor to service the captive industry

By

Jean-Claude Emard, Country Manager, Deutsche Bank, Cayman

It is often suggested that one of the greatest strengths of today's global financial services marketplace is the choice that finance professionals and investors have.

This may include choice of jurisdiction, advisor, products and of course financial service provider. This choice, driven by the increasing competition globally for business, is evident as much, if not more, in the corporate and institutional sector as it is in the retail market.

Naturally, choice is a good thing. But when the choice becomes too great it can leave you simply overwhelmed or confused. This is certainly true of the captive management industry. The range of financial products and services now available to captive clients is almost bewildering, with the choices ranging from straightforward deposits to more complex investment solutions. The number of financial institutions that claim to offer the best products and services is also quite impressive.

We believe that the pathway through this financial maze is best negotiated working with someone that can listen/respond to your needs; in this instance a person that is committed to delivering clear and thoughtful solutions to captive managers and clients. That is the role of the dedicated relationship manager, someone to cater for your day-to-day requirements and yet someone who can also think more long term and provide those more complicated solutions tailored to meet individual needs.

Captive managers, faced with a wide ranging choice of banking providers, seek to build relationships that will make their work easier to complete efficiently and to deadline. It follows therefore that the most successful banks in this sector will be those that tailor their services to make life simpler for the client. A relationship manager should provide an invaluable service, first of all being willing and able to listen to the client's concerns and then finding ways to solve

any problems. If necessary, this may include involving further skilled staff selected from the Bank's specialist teams. But how can you be sure that you have the right relationship manager?

Your banking provider should be in the business of developing a strong one to one relationship with you. The Bank should value its relationship and seek to develop a strong working partnership. It's the Bank's role to address problems that the captive manager may face and to help find the appropriate solution. This may involve the creation of a specific structure whilst tapping into the Bank's treasury and risk management skills, for example, or it may need a more specialist facility such as derivatives trading.

Only the major global banking organisations such as Deutsche Bank will be sufficiently geared up and resourced to be able to always find the appropriate tailored solution.

However the key to a successful working partnership begins with the choice of relationship manager. In all sectors of the finance industry, there are distinct types that you may come across. We will consider three types of manager – "*the order taker*", "*the product pusher*" and "*the trusted advisor*".

For many their relationship manager is pleasant, calls as promised, delivers what is asked, doesn't ask too many questions. The execution service is adequate but no questions are asked and there is insufficient interest in developing a relationship with the client. This manager is often referred to as an "*order taker*", waiting for you to tell them what to do. Your relationship is built around a series of occasional transactions without a great deal of thought about longer term plans.

Some experience what is known as a "*product pusher*". As with the "*order taker*" they do what is asked but usually only contact you when they or their bank have something to offer – this type of manager will believe that whatever they have to offer is right for you; it might be a "special" deal, a "limited offer", a "new" product or reduced charges especially for you." Again, this type of relationship manager is not going to deliver the quality of service required in any of the specialist sectors of the finance sector and captive managers are certainly one group that deserve better.

What many financial institutions seek to offer is a "*trusted advisor*", someone who always acts in your best interests.

What is a “*trusted advisor*”? It may in many ways be similar to the relationship that you may have with your doctor. Appointments can be arranged upon request, held either at the surgery or at home. During the consultation you are invited to discuss your thoughts and concerns with someone who is listening carefully. Your doctor will ask many questions to ensure they make the right diagnosis and will check you are comfortable with what is proposed. They make and keep detailed notes. For more advanced medical needs you may be referred to a specialist, in similar fashion to the role of the relationship manager who will call upon specialists within the bank to help find solutions to more complex requirements.

Doctors explain jargon so you fully understand what is being discussed. You have regular follow-ups to check progress and each time your notes are updated. Your treatment may vary over time if required. He is not afraid to give advice if he feels you could improve more quickly by taking a certain course of action.

If you need to see another doctor while your GP is away, another equally qualified one will be available and because they work as a team, maintaining detailed records, they can help. Doctors offer confidentiality and have a passion or calling. Being passionate about what you do can set you apart from others.

This is the “*trusted advisor*” relationship you should seek from your financial institution. How do you know if you have that relationship? First impressions count, but you have to look beyond pleasant and friendly to what is actually said, the follow-up and the ongoing relationship. Ask yourself: Is the relationship based on mutual trust and understanding? Are you meeting on a regular basis with two-way communication? Has she or he made the effort to understand the long-term strategy for your captives? Does your relationship manager bring in other specialists when required? Do they have a passion to perform?

It is the role of the advisor to help you choose the right solution, to explain the product that best serves the needs in particular circumstances. In a world of many choices, picking the right advisor is perhaps the most important choice. If your financial relationship doesn't feel as good as your doctor-patient relationship, perhaps it is time to find a “*trusted advisor*”.

At Deutsche Bank, we believe we understand the role of the trusted advisor and we have the resources to deliver an effective service. Our team of experienced finance professionals in Cayman provide a fully comprehensive range of offshore services for international corporate, institutional and private clients. Increasingly we are providing these services to the captive market which remains buoyant in the jurisdiction. Recent figures indicated that some 737

captives have been established locally, a near 6 per cent increase on the previous year, an upward trend that is not reflected everywhere. In Guernsey, Luxembourg and Dublin, for example, captive numbers have declined when compared year on year. Bermuda still remains the leading domicile with 987 captives.

Banking institutions need to ensure that they have the breadth of bespoke services and specialist resources necessary to deliver solutions to the captive industry in Cayman and elsewhere. This range of products might include letters of credit and credit solutions, together with bespoke structured products that would meet specific needs including enhancing or eliminating exposure to market price movements.

With access to the breadth of skills and expertise available throughout the Deutsche Bank group, which has an impressive AA- rating*, we are able to concentrate on building a lasting relationship with our clients. Captive managers value a relationship where the emphasis is on problem solving and finding solutions. They want a finance provider that will be with them for the long term and will take the time to understand their investment priorities and the risk profile of their clients. They expect seamless and efficient execution of their requirements. It is the role of our relationship management team including Sophie Ebanks and Regina Oliver and led by Janet Hislop, to ensure that the Bank meets those expectations.

Like Henry Ford once said: “Coming together is a beginning, keeping together is progress, working together is success.”

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*Deutsche Bank AG has a AA- rating from Standard & Poors

Issued by Jean-Claude Emard, Deutsche Bank (Cayman) Limited, Tel: 914-5600

Notes to Editors:

- 1 Deutsche Bank (Cayman) Limited is part of Deutsche Bank’s offshore group and was established in Grand Cayman in 1984.
- 2 The offshore group operates a geographic franchise on behalf of its parent, Deutsche Bank AG, and maintains offices in Cayman, Delaware, Guernsey, Jersey, Ireland, Luxembourg, Mauritius, the Netherlands and Switzerland supplemented by a representative presence in Hong Kong, New York and Singapore.
- 3 With approximately €1.097 billion in assets and 67, 474 employees, Deutsche Bank AG offers a wide range of financial services from 1,600 offices around the world. Deutsche Bank competes to be the leading global provider of financial solutions for demanding clients creating exceptional value for its shareholders and people.