



## Bank Growth Focus ‘Not The Way To Go’

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By NEIL HARTNELL

Tribune Business Editor

[nhartnell@tribunemedia.net](mailto:nhartnell@tribunemedia.net)

The Bahamas must target wealth owners and the entities that directly service them to grow its financial services industry, with a bank-focused strategy “not the way to go”

The principals of Holdun Family Office, which can trace its roots back five generations to Canadian industrialist and financier, Sir Herbert Holt, told Tribune Business it was “niche players” such as themselves that would drive financial services growth.

Stuart Dunn, Holdun’s chairman, and Brandon Dunn, chief executive of the Albany-headquartered business, explained that it was family offices such as theirs which drove the demand for banking-related services, not the other way round.

Brandon Dunn, speaking during an exclusive interview with Tribune Business, acknowledged the ongoing uncertainty resulting from continued consolidation among Bahamas-based banks and trust companies.

Yet he emphasised that such “market turmoil” also created opportunities, such as the one Holdun had exploited, taking advantage of Royal Bank of Canada’s (RBC) retreat to acquire its Cayman-based trust portfolio.

“Once that consolidation is done, you will have a foundation of top-draw banks that are committed to this island,” Brandon Dunn told Tribune Business. “Then you will have the niche players that use their services to support their clients.

“Going back to the Bahamas as a jurisdiction, if they’re trying to convince the banks to grow their operations here, that’s not the way to go; it’s the niche players.

“The banks are here to provide the services; it’s attracting the ancillary service providers around it. Attract the owners of the wealth. You have the infrastructure and banks here to provide the service.”

Tanya McCartney, the Bahamas Financial Services Board’s (BFSB) chief executive, recently described family offices such as Holdun as “the way of the future” for the Bahamian financial services industry.

Much closer to their clients, family offices provide an almost personalised service for a high net worth family or group of families, managing their financial and everyday needs.

Founded by the heirs of Sir Herbert, who enjoyed a 33-year tenure as president and chairman of Royal Bank of Canada (RBC), multiplying its assets 15-fold despite enduring the Great Depression, Holdun Family Office has evolved from managing just their needs into a multi-family office looking after like-minded high net worth individuals and their families.

Its private wealth management business is headquartered and run from the Bahamas, after Holdun obtained all its necessary regulatory approvals in 2014-2015

“There’s turmoil in the market, but that creates opportunity,” Brandon Dunn told Tribune Business. “If there was no turmoil, we would not have had that opportunity in Cayman.

“The people that intend to stay here will be stronger at the end of the day. People committed to this island will stay. There’s a lot of wealth being created all over the world, and part of that wealth will come to the Caribbean and come here. The Bahamas is a great platform.”

Stuart Dunn added that “people are looking in the rear view mirror” when it comes to the Bahamian financial services industry and its future.

“I think that if the Government is alert and the financial services sector responsive, you’re going to get a lot of new players in here,” he told Tribune Business.

“It’s just making sure you accommodate them in a timely manner. If they get a license and office space, they will come.’

Brandon Dunn said his family’s Holdun partner, the Meier family, had spotted the potential opening for their business to grow into “a fully-fledged” multi-family office as a result of top-tier institutions electing to withdraw from the Bahamas and the Caribbean.

He disclosed that Bruno Meier had seen how Holdun could ‘fill the gap’ for clients who either lived in the Bahamas or had assets here, but now had no one to manage these.

“That’s when the need came in,” Brandon Dunn explained. “People were saying: ‘What are we going to do?’ People who had booked assets here were looking for alternatives. Bruno said: ‘Let’s see what we can do’.

“It was a perfect storm. Everyone was pulling out. Why not try to build a fully-fledged operation in the Bahamas, staff it and run it?”