

Good Leadership Is Fundamental To Success

An Interview with Andrew Stevens,
Group Chief Executive Officer, Commercialbank of Qatar



Andrew Stevens

EDITORS' NOTE Prior to assuming his current post, Andrew Stevens was the CEO of Commercialbank of Qatar, Chairman of Diners Club Egypt, Chairman of Diners Club Bahrain, and Chairman of Orient 1, and a member of the board of directors of National Bank of Oman and United Arab Bank. Before this, Stevens served as General Manager of Commercialbank of Qatar, a position he was promoted to following a stint as Assistant General Manager. He also held positions with Standard Chartered Bank Uganda Ltd., Standard Chartered Bank in Bahrain, Standard Chartered Bank in Hong Kong, and Standard Chartered Bank (Ireland) Ltd.

COMPANY BRIEF Commercialbank of Qatar (www.cbq.com.qa) was established in 1975 as the first private-sector bank in Qatar. With a long-term deposit rating of A1 from the international credit rating agency, Moody's, Commercialbank (CBQ) has a 30-year track record of profitable operations, supported by a diversified revenue structure, good asset quality, diversified funding sources, and a strong capital base. The full-service commercial bank offers a range of retail banking, card services, wealth management, corporate banking, investment banking, Islamic banking, trade finance, and corporate Internet banking services. Corporate finance services include IPO management, loan syndications, and business advisory services for trade and investments in

Qatar. A countrywide network of 25 branches is backed by both Internet and phone banking services. Commercialbank also operates exclusive Diners Club franchises in Qatar, Bahrain, Oman, Egypt, and other Arab countries. The bank has invested in upgrading its customer-facing technologies and enhancing its branch network. In 2005, it continued the development of its international profile with the acquisition of a 34.85 percent interest in the National Bank of Oman, and in December 2007 acquired a 40% stake in the United Arab Bank, Sharjah, in the UAE.

Will you provide our readers with an overview of CBQ's niche and role in Qatar's banking industry?

We were the very first private-sector bank established in Qatar in 1975, so we occupy quite a special position in that regard. If you look at Commercialbank today and how it would compare to banks in the West, it is a typical high-stream bank – a bank that is there to serve the purposes of a very wide array of different stakeholders in the community. We offer a full array of services – from corporate banking services to commercial banking services and retail banking services – and we offer both corporate and retail banking services to those who want them delivered in accordance with Sha'ria law. So we have an Islamic banking area as well.

Looking at the Middle East as a whole, how would you best describe CBQ's strategic role in the region?

Commercialbank is well positioned to play a growing banking role in the Gulf Cooperation Council [GCC]. In addition to our position in Qatar, where we're the second-largest lender, we have a strategic equity stake in the second-largest lender in Oman, and we have a strategic stake in a small, but potentially strong, bank in the United Arab Emirates. So we essentially straddle three out of the six GCC states. Our much-publicized strategy is to develop a leading, regional financial services enterprise. We have said publicly that we wish to be represented across the GCC, and there are not many GCC-wide banks that have not only branches but also a significant presence in each of those markets.

Is it surprising, given the tremendous economic growth underway in the Middle East, that there are not more banks that straddle the GCC countries?

By and large, banks follow their own strategies and policies. We do have situations today in which we have banks with branches in neighboring countries, but historical regulations restrict those banks to a very limited presence. We have deliberately eschewed that route because, quite frankly, setting up singular branches in neighboring countries neither delivers a competitive advantage nor provides much of an indelible imprint on that nation's economy. So we've gone the other route. We've looked to partner with existing banks, which offers us immediate critical mass and a much more extensive network presence.

With foreign investors pouring into Qatar, in what ways has the increased number of international shareholders in CBQ impacted the bank, and how does CBQ advise its international clients as to the best sectors for their investments?

In 1995, the Qatari government lifted certain restrictions on shareholders' investments and investments on the Doha Securities Market. In the case of banks, that zero limit was lifted, and today, foreign shareholders are allowed to own up to 25 percent of the stock in a listed bank. As far as the CBQ is concerned, today, we have roughly 17 percent foreign ownership. So while there is still headroom within the regulated limit, you can see already that international investors have taken a fair share of the allocation available to them. Insofar as giving advice to people coming into the country, there are a number of avenues available. The route to investment in Qatar could be either through direct investments in projects or indirectly through the market, by acquiring shares in existing companies, or through funds that are marketed by the banks that themselves invest in shares in the market. So there are a number of choices.

If you were to come in and look for direct participation, clearly you have to look at the industry type and the industry sector you'd want to invest in. As far as oil and gas are concerned, if you're talking about primary investment in that industry, then you should be talking to Qatar Petroleum. If you're talking about a secondary downstream or support level, there are a whole array of companies that are established here to service and support a very extensive and world-leading energy industry in Qatar. Of course, Commercialbank can assist with introductions, give valuable

advice as to how to interpret and comply with local laws and regulations, and seek finance arrangements with everything from ordinary banking accounts all the way up to financial facilities.

For companies looking to open subsidiary or representative offices in Qatar, what kinds of international banking products does CBQ offer?

We offer all the services any foreign company would be used to in its home market, and that includes offering typical operating account facilities, setting up accounts, providing payments mechanisms, repatriating or exporting foreign currencies, and administering payrolls. Then, when you start looking at the more sophisticated borrowing requirements, we can provide project-related finance, term-related finance, and trade finance. So we really do have a complete selection of different products that most companies would wish to have access to in any other developed market.

CBQ plays an important beneficiary role in the Doha community, doing everything from sponsoring the Qatar Masters golf tournament to being a key sponsor of the Shafallah Center. What examples can you cite that best illuminate CBQ's corporate giving and community development programs?

It's very important to recognize that, as a successful and large publicly listed private entity, we're also a company that Qataris naturally aspire to work for. We are, first and foremost, a Qatari company run by Qatari management – a company that very much seeks to attract the very best local talent now graduating in increasingly larger numbers from universities in Qatar. So we have a very important role to play, in terms of providing career opportunities for aspiring Qataris. That's a role we take very seriously, and we work very hard with the universities to ensure we can provide a pipeline to the youth of Qatar now going out into the workforce. In addition, we support a whole array of charitable causes. These range from the Qatar Diabetes Association, to the Shafallah Center, to the Hamad Medical Corporation, to special learning programs for the disadvantaged and disabled. We don't limit our giving and support to just a few; we involve a very large number of organizations. From a sports perspective, the bank is very proud to be the title sponsor of one of Qatar's flagship international sporting events – the Commercialbank Qatar Masters. We also happen to be the title sponsor for the Commercialbank Motocross Grand Prix. It was the very first motor race held under lights, at the Losail International Racetrack, in Qatar.

We would be remiss if we didn't allow you the opportunity to share your thoughts about the leadership role of Hussein Ibrahim Alfardan, Chairman of Alfardan Group and Managing Director of CQB since its inception.

He is a man with vision and determination and one who had the foresight back in 1975 to form the very first private-sector bank. He's a man who is obviously very closely associated with all of the successes we've enjoyed. But I think it would be wrong of me not to mention

that one of his greatest strengths is the way he gathers teams of people around him; he is very much the quintessential team player – very unassuming, very self-effacing – and I know he would like me to mention that Hussein Alfardan and the board of Commercialbank are the reasons for the success behind our organization. It's not just a one-man show. He's revered as a highly charismatic leader, and it's the people around him who bring the most out of him.

He's the epitome of a good leader.

As far as we're concerned, we are absolutely blessed and extremely grateful that we have a person of his ability leading our organization as our Managing Director. As an organization, we would like to be regarded as

a leader in our field and as a leader in various aspects of business development. We have always sought to stand out and differentiate ourselves and to take the lead, particularly in terms of product and innovation. On the local scene, we've achieved that in a number of ways, and now we are beginning to do so on a regional basis. I think we're also achieving that in a number of different ways. To us, good leadership is absolutely fundamental to success. Without good, visionary, strong, direct, and decisive leadership, we won't enjoy the successes that, up until now, we have been privileged to enjoy. And it ties in to the leadership we're seeing from this nation, led by His Highness The Emir. It starts from him and continues to permeate throughout the country. ●

Commercialbank of Qatar's Doha headquarters

