



**HM GOVERNMENT OF GIBRALTAR
PRESS OFFICE
No.6 Convent Place
Gibraltar
Tel:20070071; Fax: 20043057**

PRESS RELEASE

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A New Retail Bank for Gibraltar : Gibraltar International Bank

Her Majesty's Government of Gibraltar has, for some time, been considering the benefits to our Community of a locally owned bank, providing banking facilities for our businesses and people. Indeed the GSLP Manifesto of 1996 called for the establishment of a Bank of Gibraltar and the Party has continued to do so in successive manifestos since that time.

The announcement by Barclays Bank Plc of its intention to reduce its retail and corporate services in its Gibraltar Branch has led to a need to accelerate this process to ensure that the needs of our community are fully catered for and alternative banking services readily available.

Since the announcement of the review by Barclays Bank, Government has been considering a series of options in seeking to service the needs of the Community. This work is ongoing. The review touches on all aspects of its structure, banking and payment services, and extends to better use of resources across Government and its related entities.

At this morning's meeting, the Cabinet has approved, as one of the measures to be undertaken, the establishment of a new credit institution to be known as the Gibraltar International Bank (GIB). A professional team has been engaged and detailed discussions have already been held with the Financial Services Commission (FSC).

An application to the FSC will be filed this week on behalf of GIB. The Bank will be subject to the licensing and regulation of the Financial Services Commission and will be independently managed by professionals with appropriate banking experience.

GIB intends to offer a full range of Banking services including the opening of current and deposit accounts, loans and overdrafts, the issue of debit and prepaid cards. Online banking will also be made available. In addition GIB will offer itself as a Depository to the funds industry in order to ensure the sector is able to meet the requirements of the Alternative Investment Fund Managers Directive (also known as the "AIFM" Directive).

Government is working towards having the Bank fully operational by the third Quarter of 2014, and will continue to consult and engage with the Gibraltar Bankers Association, and other representative organisations to ensure their needs and concerns are addressed as the project evolves. Government is in the process of identifying suitable premises to house the Bank and further information will be provided early in the New Year.

As a result of this initiative the Government has engaged directly with Barclays management to consider how best to co-ordinate relevant aspects of the launch of GIB with their reduction in service. Barclays has, as a result, agreed that it will delay the issue of notices to clients of Barclays closing their accounts in order to give them the opportunity to take advantage of the banking facilities at GIB, assuming the timing of the third quarter of 2014 is achieved for commencement of operations by GIB.

The Government continues to work closely with Barclays on all operational matters and is grateful for their agreement to postpone the closure of accounts and for their ongoing cooperation.

The news of the Barclays review has also led to other Banks in Gibraltar having stretched their resources to accommodate these clients where possible and Government is grateful to those Banks for having striven to meet the needs of those customers.

In addition, much work has already been done in expanding the services offered by the Gibraltar Savings Bank to deal more efficiently with the needs of its customers and the Community generally. Further services will be offered by the Savings Bank in the coming months, catering not just for its deposit holders, but also for managing payments made by Government. GIB will work closely with the Savings Bank where appropriate to deliver services in the most cost efficient manner.

In announcing the launch of the new Bank Chief Minister Fabian Picardo said: "I am delighted that today we have taken an enormous step forward in delivering what different administrations have sought to achieve for many years. I am excited that GIB will be a modern, innovative institution designed to meet the needs of our Community, licensed and regulated by our Financial Services Commission and independently managed by banking professionals providing an excellent service to its customers. We will work hard to deliver this project in a short timescale, and continue to engage with the banking community who have been calling for the establishment of a new Bank in Gibraltar."

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