



16th February 2009

Latest figures confirm that whilst business has slowed Jersey is well placed to respond to market conditions

Although the downturn is having some effect on business levels in Jersey, the Island's diversification is placing the Island in a much stronger position to meet the challenges ahead, according to Geoff Cook, chief executive of Jersey Finance Limited.

The latest statistics published on behalf of the Finance Industry in Jersey show a small decrease of 3% in the size of the Island's banking deposits and a 2% decrease in the net asset value of funds when December 2008 is compared with a year ago. In fact, bank deposits and the net asset value of funds actually increased during the final quarter of 2008, although Jersey Finance point out that this rise was related to the weakness of sterling against all major currencies and the fact that Jersey has considerable assets in foreign currencies. Geoff Cook explained:

'These factors substantially mask the downturn during the final quarter and we firmly believe that there will have been falls in real asset values in line with prevailing market conditions. Nevertheless, when we compare the figures for December 2007 with those collated for December 2008, we can take some comfort from the small decrease in business levels overall.'

The headline figures from the statistics compiled by the Jersey Financial Services Commission are as follows:

EXECUTIVE SUMMARY

- Banking deposits decreased by £6.2bn during the year 2008 from £212.3bn to £206bn.
- The Net Asset Value (NAV) of funds under administration decreased by £5bn during the last twelve months from £246.2bn to £241.2bn. The total number of funds increased by 161 from 1,311 to 1,472.
- The value of funds under investment management decreased by £0.5bn from £19.3bn to £18.8bn during 2008.

- Company formations for Q4 2008 were down 32% compared to Q4 2007. The total number of live companies on the register decreased by 288 during the last 12 months from 33,683 to 33,395 companies.

Geoff Cook further commented:

‘The last quarter of 2008 has been particularly difficult for financial services businesses globally. Whilst there is little doubt that 2009 and much of 2010 is likely to be challenging and we will see further volatility in business numbers, there are some inherent features of our offering from which we can take some comfort.

‘We are a well diversified centre placing Jersey in a much stronger position to meet the challenges of the global downturn. Our Private Banking business, Trust and Fund administration sectors are all annuity businesses and they will continue to perform, albeit at lower levels, in the face of challenging economic conditions. Add to this the support of a pro-business oriented Government and the drive by a highly respected regulator to find the right balance between market-orientated development and high supervisory standards and you have an attractive proposition for clients in unstable times.’

(Ends)

For further information, please contact Geoff Cook, Chief Executive, Jersey Finance Limited, on tel. +44 (0) 1534 836000 or e-mail geoff.cook@jerseyfinance.je

Or

Adam Riddell at Crystal Public Relations on tel. +44 (0) 1534 639505 or e-mail adam@crystalpr.co.uk