

**Jersey Bankers Association**  
c/o Standard Chartered Bank  
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Channel Islands

Deputy J Le Fondré  
Chairman  
Corporate Services Scrutiny Panel  
Scrutiny Office  
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Morier House  
St Helier  
Jersey  
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9 March 2015

Dear Deputy Le Fondré

#### **Jersey International Finance Centre Review**

Further to the invitation contained in your letter dated 5 February 2014, the Jersey Bankers Association (JBA) is pleased to provide the following response regarding the development of the International Finance Centre.

The JBA is an association of licensed banks in Jersey. The membership comprises 23 banking groups that are headquartered around the globe and operate branches and/or subsidiaries from the Island. A number of banks have operations across the Crown Dependencies. Collectively our members currently hold 33 banking licences with the Jersey Financial Services Commission and maintain deposits totalling £132 billion<sup>1</sup>. The local industry employs 4,770 staff<sup>2</sup> and in 2013 produced net profit of £930 million<sup>3</sup> which accounted for almost four-fifths of the total net profit produced by Jersey's Financial Services Industry.

The Committee of the JBA considered the contents of your letter during its recent meeting. It was felt by the Committee that a number of aspects within the Terms of Reference for the Review extended beyond the remit and expertise of the Association. Therefore, I am not in a position to provide a detailed response to the specific points raised within your letter although I am pleased to provide some thoughts from the Committee in general terms.

Whilst it was noted that a number of banking groups already occupy high quality premises (or have already committed to other projects) it was the Committee's view that there is still some appetite within the banking sector for good quality commercial real estate, constructed to modern environmental standards. Such premises will provide options for existing operators in sub-optimal or multiple plots to relocate and/or consolidate operations as opportunities arise. The Committee noted that such relocations would create vacant office space elsewhere in St Helier, which if not reoccupied, will create challenges for landlords and, ultimately, town planners in due course.

The Committee also recognises the importance of the Island being seen as equipped for the continued growth and development of the financial services industry in order to ensure that new entrants have the confidence to invest in the Island. A landmark International Finance Centre consisting of high-grade office premises will help to achieve this objective.

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<sup>1</sup> Jersey Financial Services Commission – December 2014 Quarterly Banking Statistics

<sup>2</sup> States Statistics Unit – Labour Market Report for June 2014

<sup>3</sup> States Statistics Unit – Survey of Financial Institutions 2013

We appreciate that property planning needs to consider the longer term and in the current environment it is difficult to predict with any precision beyond the immediate future. As you will be aware, the Association is very supportive of initiatives to seek new banking entrants to the Island but, as you know, the JBA is predicting a subdued period of activity in the banking sector over the next 3-4 years. Whilst we would hope and expect to see new banking entrants establish a presence in Jersey in the future, at the current time our expectation is that such entrants would not amount to significant headcount growth in the sector over the shorter term.

I appreciate that this response is slightly later than the stipulated timeframe but I hope it is useful feedback nonetheless.

Yours sincerely

**Richard Ingle**  
**President – Jersey Bankers Association**