The Future of Banking Review

Banking Agenda 2025:
Stability and balanced growth
Leading centre for banking
Digitised and automated

November 2016
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Foreword
Geoff Cook, Chief Executive Officer of Jersey Finance

In 2011, Jersey celebrated the fiftieth anniversary of its financial services sector. The sector began with the establishment in 1961 of a Jersey subsidiary of M (Hill) Samuel the City banking institution. In 1962 Kleinwort Benson incorporated a Jersey subsidiary commencing the development of Jersey as a banking centre. Over the next 55 years, the Island has attracted global banks offering a broad range of services to a diverse client base.

Jersey has pursued a successful strategy that has established it as a leading international finance centre serving the global banking market. The strategy was built on several foundations: a mature and respected regulatory regime; a tax-neutral environment with compliant confidentiality for clients; a successful trust firm cluster; a conservative approach towards banking activities; and gradual diversification beyond banking into areas such as funds and capital markets.

This strategy is currently being challenged by several forces, including international regulatory changes, global competition and technological developments. The uncertainty caused by these factors means that Jersey cannot assume that its past banking strategy will propel it to continued success as an international finance centre in the new environment.

Jersey and its financial services industry needs a strong banking cluster, particularly because of the role of banks in the relationships between different sectors of the financial services industry. That is why Jersey Finance embarked on a comprehensive review of the banking sector, with the goals of assessing the current status of the Island’s banks, understanding the implications of regulatory and other changes, identifying opportunities and defining a long-term strategy for Jersey’s banking sector.

The review involved more than 50 stakeholders in Jersey and London, participating through interviews and workshops. The execution was overseen by Jersey Finance, with seconded support from EY LLP and strategic advice from Hugh J.W. Harper, an EY partner and former partner in McKinsey and Co, who is leader of the EY Europe Middle East India and Africa Financial Services Strategy and Operations practice.

The recommendations of this report were developed with the support of banking industry representatives and draw on the experience and knowledge of the industry, many professional firms and the Jersey Finance team. They provide a roadmap for the Government, the Regulator and the banking sector to work together on ensuring that Jersey’s banks maintain their competitive position for the next 50 years.
Introduction

This report sets out the conclusions of the Future of Banking Review, set up by Jersey Finance in November 2015 to analyse the challenges facing Jersey’s banks and make recommendations for maintaining their global competitiveness. We believe that the Island has a leadership position among international financial centres (IFCs), and that the banking sector makes a major contribution to the success of Jersey as a financial services centre and thus to its economy as a whole.

The report draws on a wide range of interviews, research and workshops involving senior bank representatives, regulators and industry advisors in Jersey and further afield. Our recommendations are based on a comprehensive and robust assessment of the Island’s banking sector, the major forces reshaping banks around the world and the broad strategic options available to Jersey’s banks to sustain their success.

Jersey’s leadership position as an IFC is founded on pillars of political and economic stability and a sophisticated contemporary legal and regulatory framework. The large cluster of financial services firms and advisors on the Island have access to skilled labour, transport links and a beneficial time-zone which provides a bridge between Asian markets and those of the Americas. Jersey’s banking sector plays a vital role in its success as a global financial centre and offers a significant benefit to the Jersey Government through its contribution to tax revenues and employment of 8 per cent of the total working population1.

Having weathered the impact of the 2008 financial crisis, the sector is profitable – though not fully recovered to its pre-crisis level. And it now faces three challenges from economic changes, regulatory developments, cost pressures and disruptive technologies:

1. Continuing consolidation of operations across international financial centres by international banking groups.
2. Digitisation and automation of services with associated contraction in employment, to reduce costs and meet customer demand for improved and innovative services.
3. Decline in the value added of the traditional Jersey ‘liability gathering’ business model, which is reducing the long-term profitability and growth of the sector.

1 Source: “Jersey Labour Market” December 2015; www.gov.je/statistics
The report sets out details of three strategic priorities requiring coordinated action by the Government, the Regulator, firms and advisors to address the above challenges:

- To ensure that Jersey remains one of the few preferred centres to locate and operate international banking operations;
- To enable Jersey banks to excel in world-class digital retail and corporate customer services, business system automation, applied analytics and robust cyber-security;
- To support the diversification of Jersey’s banks, through a new business mix which captures a greater share of value added from their deposit base.

A successful outcome will depend on all stakeholders working together as follows:

1. **Starting now**: achieving this vision will take time and persistence. Without rapid progress, Jersey will fall behind other IFCs and miss the opportunity to shape the decisions of major banks on their long-term business and location strategies.
2. **Engaging with strategic stakeholders**: convincing senior bankers in the UK, EU and other jurisdictions that Jersey’s long-term strategic agenda will maintain its leadership in cross-border banking and be improved continuously with their input.
3. **Focusing on results**: implementing the strategic priorities will be a long and complex process, requiring active interventions as markets change and regulation evolves. And it will need sustained strategic focus and investment in talent and digital technology, working closely with policy-makers and monitoring progress diligently.
Jersey’s Banking Sector Today

Jersey’s banking sector has been stabilising since the financial crisis. But the pace of recovery is weak and employment in the sector is falling. The number of licensed banks continues to decline, reflecting the consolidation of the sector and its growing automation.

The core banking franchise is intact with improved profitability and a stable, de-leveraged balance sheet. Deposit-gathering has been resilient through the crisis. Customer deposits, 66 per cent of total liabilities, have remained fairly stable at just over £100 billion from 2009-2014 and grew 6 per cent in 2015.

Jersey is seen as one of the foremost IFCs for banking. It is capable of winning new licences and has been a net beneficiary of the consolidation of banking group networks. In particular, the Island is regarded as a leader in regulatory and fiscal standards, especially on transparency. And Government agencies are involved with reforms and innovations, digitising government services and piloting emerging technologies such as blockchain (distributed digital ledgers), software robotics and robo-advice.

The banking sector continues to be a primary contributor of economic value to Jersey. It continues to be the largest employer on the Island with 36 per cent of the total financial services workforce\textsuperscript{2} and 41 per cent of the total financial services revenue in 2015\textsuperscript{3}. However, economic indicators show that the recovery in banking since the financial crisis has been weaker than in other sectors.

Sector size, shape and economic performance

Jersey is a substantial banking centre with 32 deposit-taking licences issued by the Jersey Financial Services Commission as at 31 December 2015. However there has been net loss of just under two licences per year since 2007. This is in part due to the lapse of surplus licences but also the contraction of overall offshore operations across the licensed banks.

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\textsuperscript{2} Source: “Jersey Labour Market” December 2015; www.gov.je/statistics
Jersey-based banks are global in origin representing most top 20 banks and many key regional institutions.

Exhibit 2: Jersey banking sector licences by origin of parent organisation

Banking models in Jersey are very diverse, with representation from global multi-discipline banking groups, global private banks, retail and commercial banks, and specialist providers offering various services. However, UK clearing banks represent over 50 per cent of sector's employment.
### Description

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<th>UK clearers</th>
<th>Est. banking sector employment</th>
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<td>• Upstream deposits to UK parents</td>
<td>c. 55%</td>
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<tr>
<td>• Retail and HNW clients from Jersey, UK, expatriate and non-domiciled communities</td>
<td></td>
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<tr>
<td>• Lending to customers typically with less than 20 per cent deposits</td>
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| Global banks                                                              | c. 35%                         |
| • Predominantly private banking to HNW clients                            |                                |
| • Large proportion of balance sheet from trust accounts                   |                                |
| • Also engaged in fiduciary and treasury/wholesale activities              |                                |
| • Often provide liquidity to Group, via UK or otherwise                   |                                |

| Niche private banks                                                      | c.10%                          |
| • Provide private banking, generally to customers concentrated in a particular region |
| • May also run a trust company in Jersey                                  |
| • Some very small operations (<5 employees), which mainly act as booking centres |

**Source:** JFL employment figures

Jersey's banks are involved in a wide range of activities, an indicator of the success of initiatives to diversify away from pure banking services – over the last decade in particular. Most banking operations on the Island are involved in one or more of three main activities:

- Retail personal banking for internationally mobile and expatriate ‘mass affluent’ customers
- Private banking and wealth management for internationally mobile and expatriate high net wealth (HNW) individuals
- Corporate banking primarily serving the needs of the island’s trust, funds and corporate services industries

However certain activities are very limited or non-existent. They include large corporate banking, asset finance and investment banking, other than specialist offshore financing structures which sometimes use Jersey vehicles and/or trustee services.

Across the three main activities, the emphasis is generally on deposit-taking and cash-management services rather than lending (although there are some notable exceptions). Recently, commercial lending has been increasing.

Overall, it is estimated that the Jersey financial centre is custodian of £1.3 trillion of wealth, of which £150 billion resides in banks. Jersey’s banks attract over £80 billion of funding from markets outside the sterling zone. Together they provide 1.5 per cent of the funding of the whole United Kingdom banking sector.

While the overall banking balance sheet has contracted by around £70 billion, core customer deposits have stayed relatively static over the last seven years and grew by around 6 per cent in 2015. Jersey attracts deposits from around the world and traditionally these deposits are up-streamed to their parent operations in the United Kingdom and other centres, such as New York, Paris and Frankfurt.

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4 Source: *Jersey’s Value to Britain*, Capital Economics Limited, 2016
Exhibit 3: Consolidated liabilities of banks incorporated in Jersey and overseas, £bn

On the asset side, there has been notable growth in liquid assets while the overall loan book has contracted, driven by overall bank deleveraging.

Exhibit 4: Consolidated Assets, banks incorporated in Jersey and overseas, £bn

Regulatory capital levels have dropped from 54 per cent to 52 per cent.
Overall profitability is much improved since 2007-09. However, this remains below pre-crisis levels, lacking consistent growth and vulnerable to continuing low interest rates and de-leveraging which has produced liquidity surpluses in the UK and European banking systems.

6 The Capital and Reserves figure (Equity) is lower than regulatory capital primarily due to the latter including Tier 2 capital, although its calculation is shown after certain deductions.
Banking's competitiveness
There is substantive evidence that Jersey is maintaining its position as a leading preferred international financial centre for banking while progressing on the five core principles for its financial services strategic framework: a stable environment, a responsible jurisdiction, a centre of excellence, an innovation centre and working together.

Although the value of Jersey's banking deposits has declined, the average value per banking licence in Jersey is consistently higher than in Guernsey and the Isle of Man since 2008-2015. Jersey has also seen less attrition in licences than the other Crown Dependencies.

Exhibit 7: Average sterling and currency deposit amount per banking licence, £bn
Exhibit 8: Number of banking licences granted in the Crown Dependencies

![Exhibit 8](image)

After the financial crash of 2008, customer deposit growth rates declined across the world with Jersey matching the market average.

Exhibit: 9 Customer deposits held in international finance centres

![Exhibit 9](image)

Jersey maintains a select number of direct tax agreements (DTAs). However a number of the largest jurisdictions do not have DTAs with Jersey, resulting in a complex and variable tax structure for interest payments to Jersey banks. Most critically, withholding tax on US and UK interest payable can reduce Jersey’s competitiveness.

Exhibit 10: Withholding tax rates on interest from select jurisdictions paid to Jersey banks, 2016

![Exhibit 10](image)
Jersey’s banking sector continues to progress on the five core principles for financial services:

- **A stable environment for banking**: Consistent and trusted progress in the regulatory, fiscal and legislative environment. A strong national economic position within the sterling zone and commitment to supporting the core deposit-gathering business model whilst enabling diversification beyond banking.

- **A responsible jurisdiction at the forefront of good practice and good citizenship internationally**: Constructive relationships with the UK, the EU and other international jurisdictions, and at the forefront of its competitors and international practices in prudential and conduct regulation, fiscal transparency and other legal reforms.

- **A centre of excellence**, underpinned by a highly skilled professional workforce offering world-class expertise, the ability to rapidly import scarce specialist expertise, regulatory excellence and a wider cluster of supporting businesses in professional services, digital solutions and services.

- **An innovative centre** which supports new customer services and business models with appropriate regulation, legislation, infrastructure and fiscal requirements. Recently this has included early steps to support bitcoin and blockchain innovation and early stage initiatives in e-government and KYC automation.

- **Working together**: the foundation of Jersey’s success is an active and constructive dialogue between industry bodies, Regulator and Government agencies.

The stakeholder interviews carried out for this review provided considerable evidence of the value to international banks of Jersey as a financial centre consistent

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7 Source: Jersey’s Financial Services policy framework
with the five core principles. Particular comments across many discussions were around themes of reputation, banking sector capability and the capability of the Jersey banking “cluster” of banks, Regulator and related service providers and advisers.

**Banking’s contribution to the Jersey economy**

The financial services industry, including Jersey’s banking sector, has played a vital part in the economic development and international standing of Jersey for a number of decades by providing employment, purchasing local services, paying direct taxation and many other contributions to the Jersey community.

**Employment**

Financial services in Jersey generates significant economic activity and supports employment across the Island. The industry employs more people than any other industry on the Island, with almost a quarter (23 per cent) of all employees employed in financial services.

The banking sector continues to be the largest sectoral employer on the Island, with nearly 4,700 individuals in various positions, or 36 per cent of all finance workers. However the number of banking employees has been steadily falling by an average of 3 per cent a year since the 2008 financial crisis. This is a direct result of firms’ contraction, automation and introduction of lean processing, and to some extent outsourcing and offshoring to off-Island centres.

**Exhibit 12: Employment in financial services (full-time equivalents)**

-measure have been taken to retain talent, expertise and experience and limit the impact on unemployment. For example, conversion courses are being offered to banking employees which help individuals make a transition into the other finance sectors should they not be able to be redeployed within the bank or banking sector. Overall, economic impact analysis performed by Oxford Economics indicates that financial services firms supported nearly 26,500 jobs in Jersey in 2014. This means

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8Source: "Jersey Labour Market" December 2015; www.gov.je/statistics
that almost half of all employment on the Island was in some way dependent on the
industry.

**Economic value-added**

The financial services industry contributes substantially to Jersey’s GDP through its
direct operations, procurement and staff spending their wages. The industry’s total
impact on the Jersey economy was worth £2.2 billion in 2014 accounting for 58 per
cent of all economic output produced on the Island.\(^9\)

In 2014, the financial services industry had generated a total net profit (on which
Jersey income tax is levied) of £1,470 million. In 2014, banking accounted for
£1,192 million, or 81 per cent of the total net profit of Jersey’s finance services.\(^10\)

**Exhibit 13: Total net profit by Financial Services sub-sector, 2014, £m**

\begin{center}
\begin{tabular}{c||c}
\hline
&  \\
\hline
Banking & 1192  \\
Trust & company administration & 81  \\
Legal & 35  \\
Fund management & 26  \\
\hline
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\end{center}

The financial services sector\(^11\) generated £12,380 million revenue in 2015, with the
banking sub-sector contributing 41 per cent of the total revenue. On this revenue,
the financial services industry is estimated to have directly generated a £1.7 billion
gross value added contribution to Jersey’s GDP in 2015 (or 42 per cent of total
economic output)\(^12\). The industry is by far the largest producer of gross value added
on the Island as shown in the chart below which compares the direct value-added
contributions of different industrial sectors to Jersey’s GDP.\(^13\)


\(^11\) ‘Financial services’ refers to the activities of banks, fund managers, trust & company administrators, legal and
accountancy firms operating in Jersey. Firms predominantly engaged in insurance and financial advisory services
are not included in the analyses covered by this report.

\(^12\) Gross Value Added is calculated as total revenue from all goods and services produced minus expenditure on
bought goods and services used up in the production process. Therefore, revenues and GVA are positively
correlated.

\(^13\) Measuring Jersey’s Economy - GVA and GDP 2015, States of Jersey.
**Fiscal contribution**

In 2014, the financial services industry was estimated to have contributed £396 million in tax to government funding through the personal income tax payments of its employees, social security contributions, corporate tax and International Service Entity (ISE) fees.

This represented 61 per cent of total tax receipts received by the States of Jersey in 2014. Of this amount, £266 million (67 percent) comprised the direct tax contribution of the finance industry itself. Indirect tax contributions, raised because of the finance industry’s procurement activity amounted to £47 million (12 percent). The remaining £83 million in taxes has been raised through the industry’s staff and those employed in its supply chain spending their wages in the Island economy.

**Exhibit 15: Financial Services industry tax contribution in 2014, £m**

These tax receipts are core to the financing of government services and welfare provision. To give a sense of scale, the £266 million directly contributed by the finance services industry was sufficient to fund the combined budget spending of the Department of Health and Social Services, the non-ministerial departments and the States Assembly, which jointly amount to £239 million liability for the Jersey government.
Exhibit 16: Financial Services industry direct tax contribution in 2014 (£m, est)

This indicates that the banking sector is making a substantial tax contribution (through income and national insurance tax) as the largest employer on the Island, of around £83.4 million.\(^\text{14}\)

The 32 banking licence holders also contributed a minimum of £1.6 million in 2015 in the form of International Service Entity (ISE) fees.\(^\text{15}\) Since many banks that hold trust company business licences would also pay ISE fees on them, the sector’s tax contribution in ISE fees will be substantially higher in practice.

**Other banking sector contributions**

In addition to formal fiscal contributions and employment, the financial services industry – and particularly the banking sector – contributes substantially to Jersey in a range of other ways. These include:

- Healthcare subsidies. Employment benefits often include extensive healthcare packages which reduce the need for public healthcare expenditure. The results of a telephone survey undertaken by Jersey Finance in January 2016 suggested that 90 per cent of financial services firms offered private health insurance to their staff and 48 per cent offered it to their spouses and children.
- Corporate social responsibility programmes. The Banking sector further contributes to the Island’s community through various CSR programmes, including volunteering. Some of these initiatives are recognised and highly commended by the Chartered Institute of Personnel and Development.

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\(^\text{14}\) Note that the personal tax and social security contributions are estimated figures, based on various assumptions, e.g. average salary of £49k, single individual with no children.

\(^\text{15}\) Any entity that is registered under the Banking Business (Jersey) Law 1991 as a deposit-taking business pays £50,000 for each such registration.
The Case for Change

We have identified three major forces reshaping banking around the world, in the context of weak global growth in the banking sector. Across the board, stakeholders saw no viable option to stand still or opt for the status quo business model for Jersey’s banks.

These three forces are:

1. **Substantial consolidation of banking operations in International Finance Centres** which is expected to continue into the medium term.
2. **Customer demand, cost pressures and technological innovations** are driving digitisation of services and operations, transforming business models and generating new business risks and opportunities.
3. **Economic developments, bank restructuring and balance sheet strategies** are reducing and modifying the value added by the core liability-gathering business model of Jersey’s banks and changing the nature of system-wide counter-party risk.

Jersey needs to ensure it is one of the leading financial centres that will win in the consolidation of cross border banking, diversify its banking business model and ensure the successful development of a digitised banking sector.

**Substantial consolidation of banking operations in IFCs**

Consolidation is driven by several factors:

1. **Efficiency and control:** our research has confirmed the continuing pressure to reduce costs by operational consolidation, as international banking sector profitability falls and regulation increases cost and risk. Firms are consolidating activities in many fewer IFCs where they can operate most productively with maximum balance sheet flexibility, efficiency, control and effective risk management.
2. **Customer demand:** Corporate and personal clients, and their advisors, have a diminishing need for multiple booking centres as most needs in terms of legislative and treaty frameworks and banking services can be met in many locations. High speed telecommunications and digitisation have further reduced the need for physical proximity to financial centres.
3. **Rising requirements for IFC competitiveness:** Major firms are continuing to demand higher economic, strategic and regulatory standards from IFCs, leading to their withdrawal from secondary and marginal centres. In particular, stakeholders highlighted the need for:

- Greater scale to achieve required efficiency and support investment in services, front-office and back-office processes, platforms and people
- Access to more highly regarded and sophisticated regulation and legislative frameworks, especially for next generation capabilities and specialist talent
- Digital infrastructure – legislation, regulation, telecommunications, data, cyber-security and related providers and skill-sets
- Robust sovereign economies with sufficiently robust and trusted system-wide deposit protection, rescue and resolution mechanisms (incorporating both institutional legal, financial and operational design and national insolvency regimes)

4. **The uncertain impact of measures against Base Erosion and Profit-Shifting (BEPS), further tax transparency requirements and Brexit:** BEPS is increasingly well understood, but the impact is unclear for others measures, such as tax transparency, developments following the Panama Papers disclosures, the indirect impact of Brexit negotiations on cross-border transactions, and treaties on banking or related offshore activities such as fund management and fiduciary services.

These factors are substantial challenges felt by all IFCs trying to maintain their competitive position and there is growing evidence of forces driving consolidation of operations and footprint in the sector. The global offshore footprints of most leading US, UK and EU institutions is being rationalised. The number of banking licences in the Crown Dependencies is declining (although some of the decline is consolidation of multiple licenses by banks). And peripheral representative offices, branches and subsidiary wealth management operations in minor jurisdictions in the Caribbean, Indian Ocean, Middle East & Asia are being sold or closed.
Digitisation of services and operations
This has multiple implications for Jersey to maintain fiscal contribution, employment and a competitive, resilient banking centre:

- The introduction of digitisation and automation is leading to declining employment (in relative terms) in many traditional roles, reducing Jersey's employment tax revenue and access to skilled expertise.

- Less numerous but probably higher paid staff with new digital business skills are needed, in application development and integration, analytics, regulation, risk, service design and cyber-security.

- Digitisation brings substantially greater individual and systemic exposure to cyber-security risks for customers, institutions and Jersey's financial system as manual processes are automated.

- Customer loyalty may decline, as digitally savvy customers can move between providers with far greater ease. It is critical that Jersey firms are able to maintain a competitive range of world-class digital customer services – especially paperless processes and advice tools – with world-class standards of response to digital attacks.

- Jersey’s regulatory framework must enable digital business models, innovation and digital approaches to prudential and conduct risk management, monitoring and compliance.

- Resilient telecoms, security, data storage and payments infrastructure for Jersey firms.
Balance sheet restructuring
De-leveraging of the global banking system and US, UK and European banks in particular, slow global growth, restructuring of bank balance sheets and legal entity structures are reducing the value and purpose of the Jersey's deposit book.

In the past, Jersey's banking system has generated value-added primarily from the liability margin on its deposit books. This is the difference between savings rates paid to depositors and the wholesale rate received by the parent group treasury or money markets for these deposits. Lending in Jersey directly to borrowers is still a relatively small amount of the Jersey sector balance sheet.

Historically this business model – collecting customer deposits and ‘upstreaming’ them to parent groups in the UK or elsewhere has served Jersey branches and subsidiaries well -- not least because there was little need to develop local treasury, lending and risk management capabilities. But the value and purpose of the Jersey deposit base is changing due to the restructuring of parent group activities, financial and legal structures. Ultimately the banking system will be left holding relatively greater liquidity with reduced demand for Jersey’s existing deposit base within group bank balance sheets, especially if constrained by fiscal or regulatory requirements.

The impact and response across firms varies according to their Jersey business, their parent group regulation and spread of activities. For some parent banks, Jersey funding is becoming a more important component of funding activities in the UK and Europe outside of ring-fenced activities. For others, Jersey funding is becoming less important due to a combination of improving liquidity levels and insufficient strategic need to fund activities outside ring-fenced balance sheets.

The restructuring of parent groups to create ring-fenced entities is leading to a substantial shift in the counter-party risk profile of the asset book of Jersey subsidiaries and branches. This is from the broad credit risk of parent groups, often their primary UK banking entity, to activities outside the UK ring-fence such as vehicles that are primarily investment banking and large corporate banking entities.
Strategic Priorities and Recommendations

Given the case for change set out in the previous chapter, the Future of Banking Review has identified three strategic priorities. These aim to ensure that Jersey emerges as a winner from the consolidation of banks, increases the value realised from its deposit book and maintains employment and competitiveness with the digitisation of banking and evolution of new business models.

This chapter also sets out detailed recommendations for implementing the three strategic priorities.

Strategic priorities

1. **Leadership of the IFC banking market:** increasing Jersey’s market share as a jurisdiction where firms prefer to establish, transfer and develop their core retail, affluent and private banking offshore activities, and increasingly the corporate, specialist and structured financing services that evolve. These are likely to be closely related to asset management flows, UK and EU corporate banking and international specialist areas such as aerospace and shipping finance.

2. **Diversify and increasing banking income:** developing lending business, continuing diversification of non-banking income (in additional segments such as corporate), and securing income from the growing alternative banking sector such as credit and debt funds, peer-to-peer lending, crowd-funding and similar business models.

3. **Excel in digital banking and innovation:** establishing Jersey as the leading jurisdiction in which to invest, innovate, design, pilot and deploy digital business models and practices. Our aspiration is that all incumbent players should see Jersey as their first choice for building and deploying new international initiatives and platforms.

Achieving these objectives is likely to be a decade-long exercise across all the strategic dimensions set out below. Work on many tasks needs to begin urgently given the lead times to fully implement them, and a regular cycle of strategic reviews targeting continuous improvement is needed to ensure Jersey remains on track.

In order to lead and drive implementation, three long-term strategic programmes should be launched as the Banking Agenda 2025, with Government sponsorship under the guidance of the Jersey Bank Association (“JBA”), Financial Services Advisory Board (“FSAB”) and Jersey Finance.

Workstreams identified as part of this review will be taken forward and will require a close cooperation and involvement of banking representatives, the Jersey Financial Services Commission, the Government and other financial services pillar.