
Banking Division

Key statistics and trends

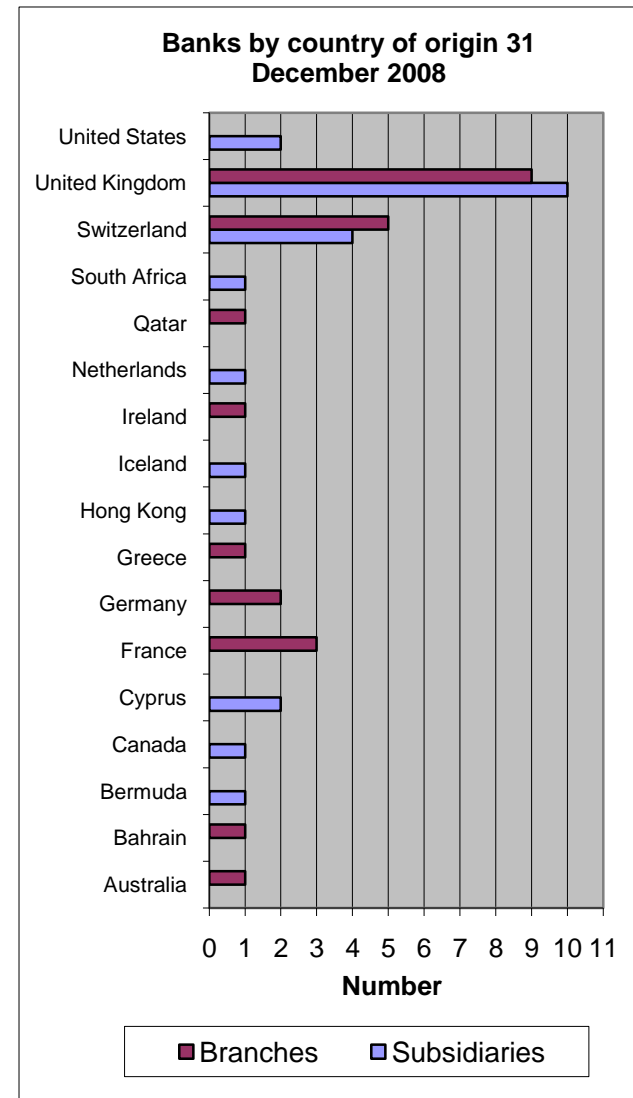
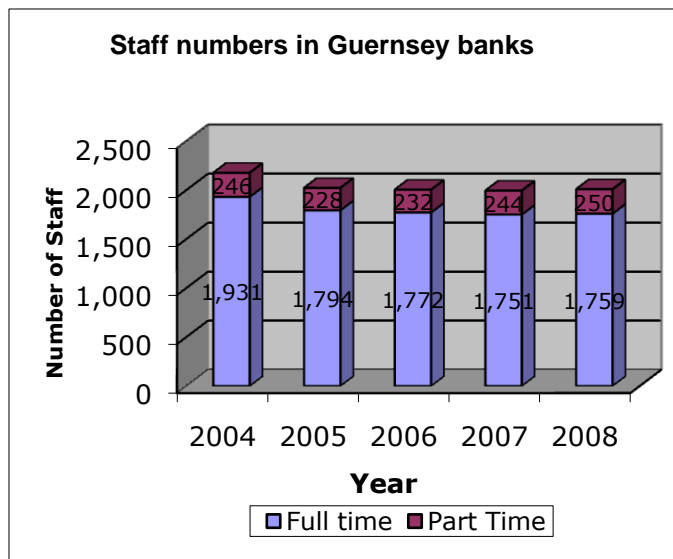
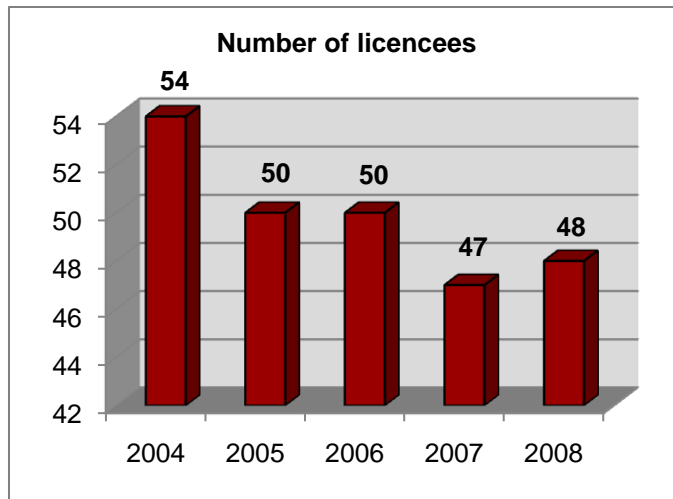


GUERNSEY
FINANCIAL
SERVICES
COMMISSION

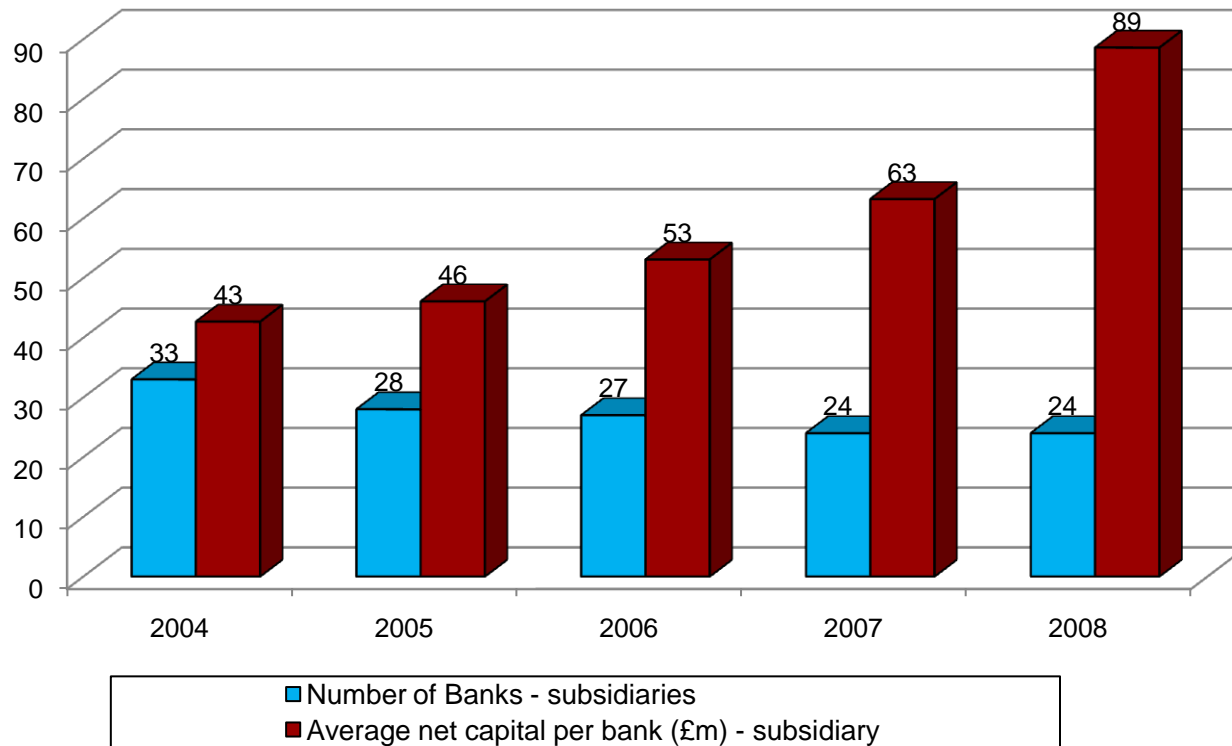
www.gfsc.gg

Licence Trends

- ✓ Downward trend in the number of bank licences
- ✓ Fewer but larger banks doing more and more business
- ✓ 40% of Guernsey banks are subsidiaries or branches of UK banks
- ✓ 19% of Guernsey banks are subsidiaries or branches of Swiss banks
- ✓ 48 licensees in Guernsey represent 17 different countries
- ✓ The number of staff employed within the Guernsey banking industry is almost constant for the last 4 years (although this does not cover outsourced and contract staff)

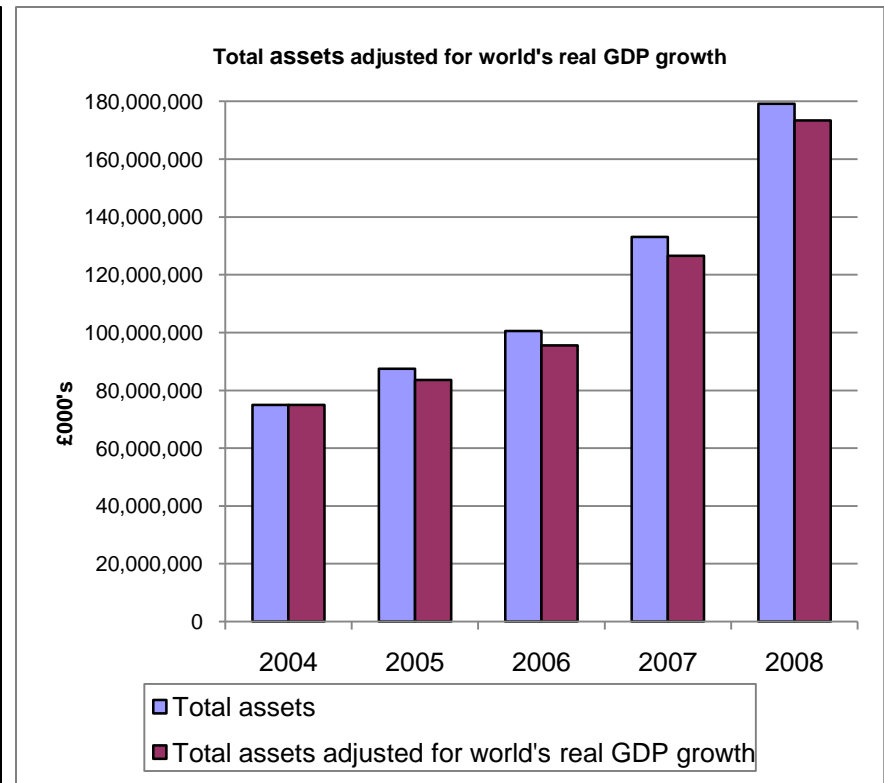
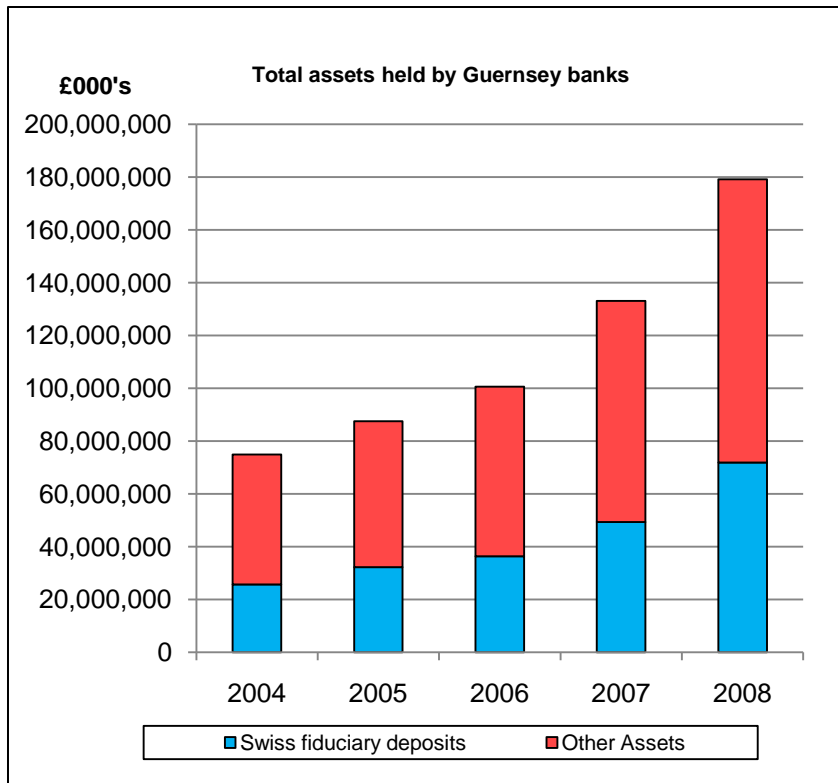


Banking Trends – Capital



Average net capital per bank increase reveals fewer banks holding more capital.

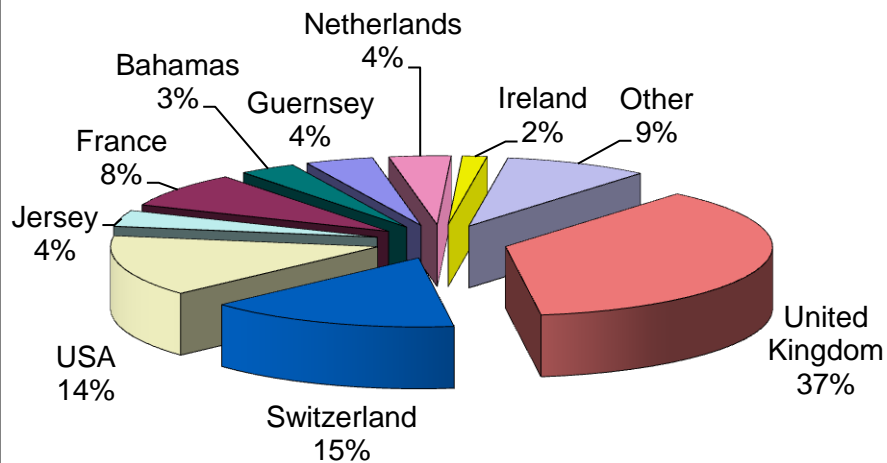
Banking Trends – Real / Nominal growth



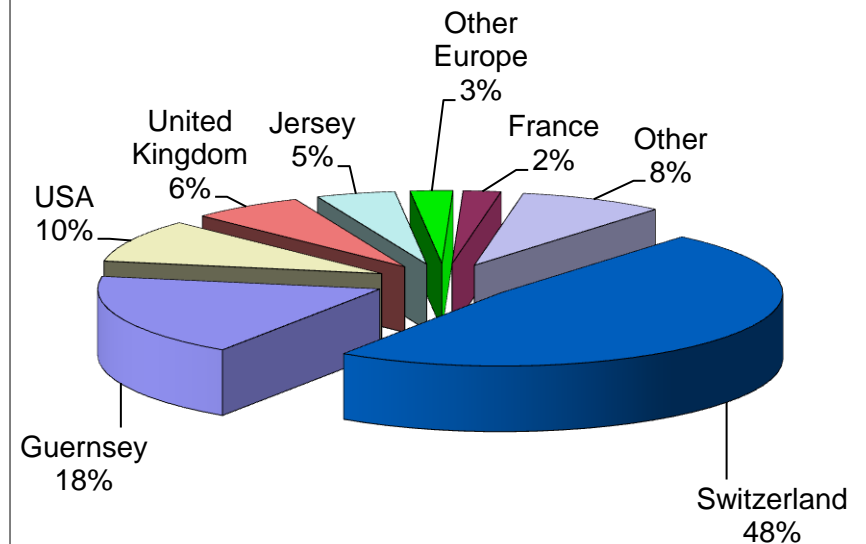
✓ The last 5 years have marked a solid growth in the total assets of the Guernsey banks. This has been well above the rate of increase in the world's real GDP as reported by the IMF, which reveals real as well as nominal growth in the sector. This has been mainly driven by growth in the deposits.

Banking Trends – Country Analysis

Geographical analysis of assets as at 31 December 2008

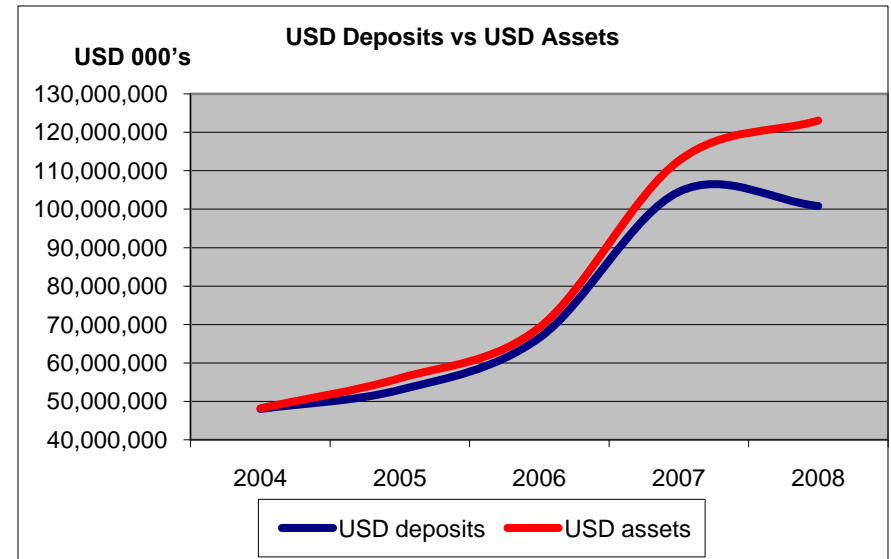
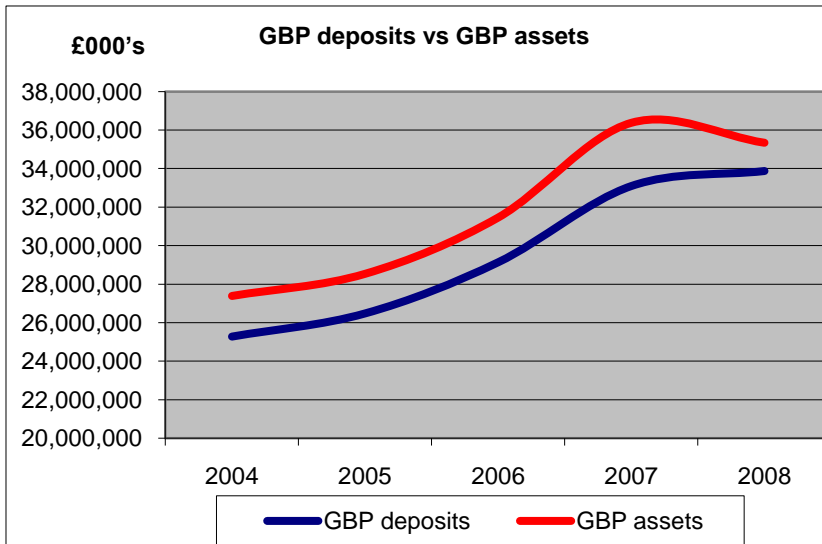


Geographical analysis of liabilities as at 31 December 2008

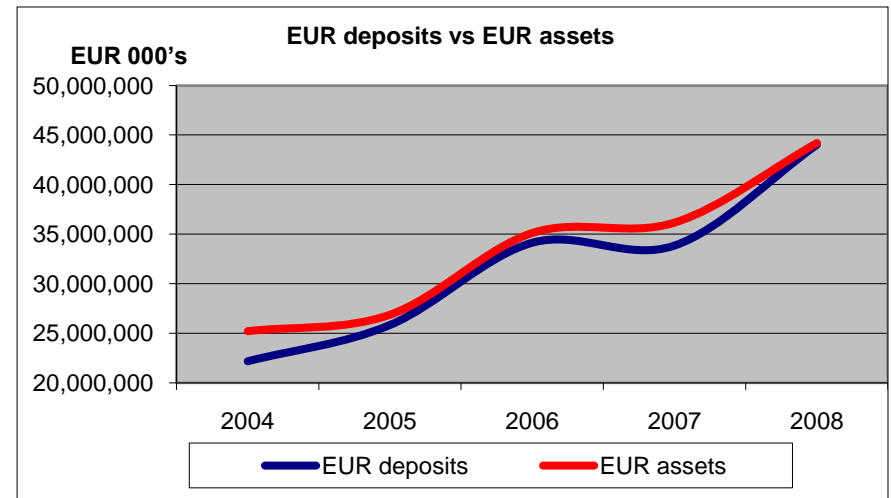


In general, deposits from Switzerland fund UK assets.

Banking Trends – Currency Analysis

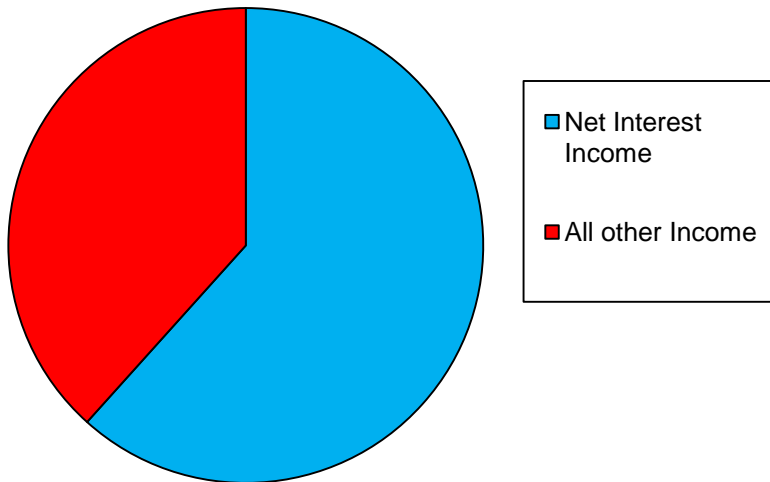


The FX mismatch between assets and liabilities per currency is minimal, although 2008 has seen a widening for net USD assets.

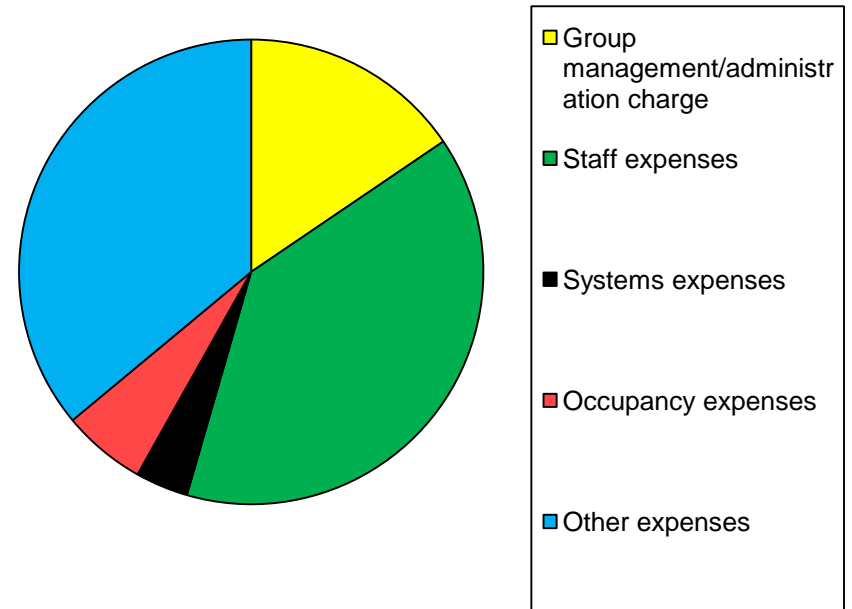


Banking Trends - Profit and Loss

Income Analysis 2008

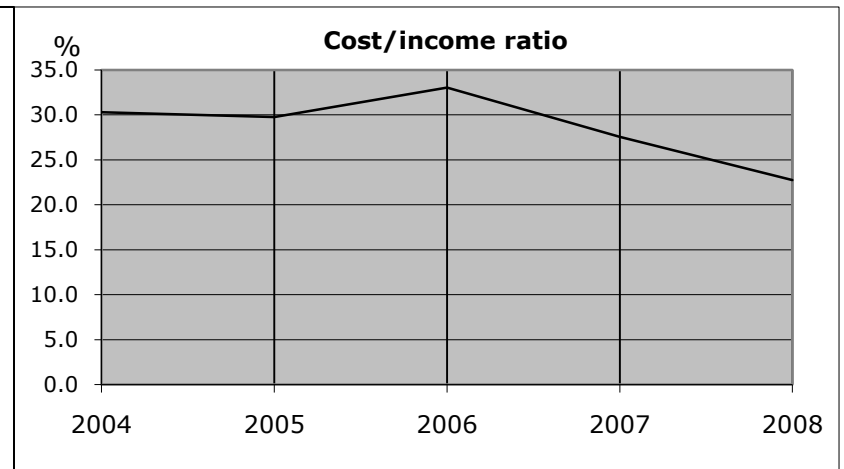
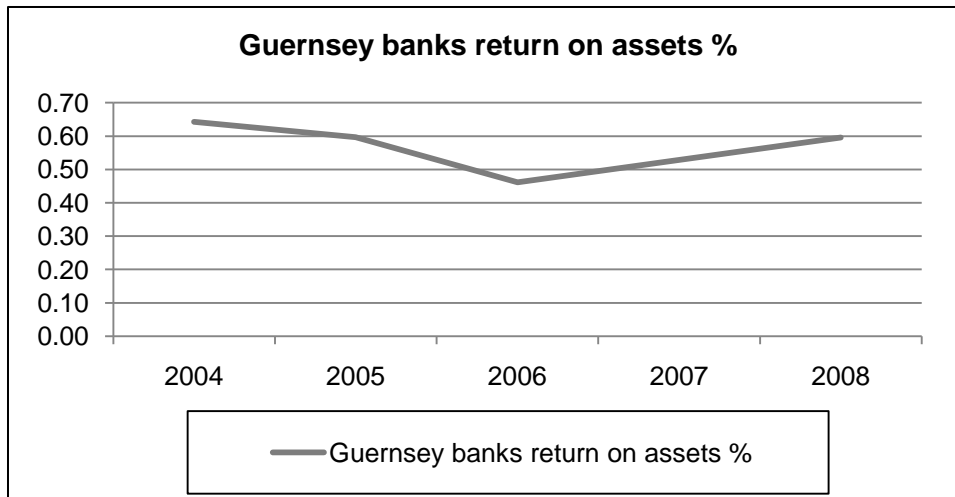
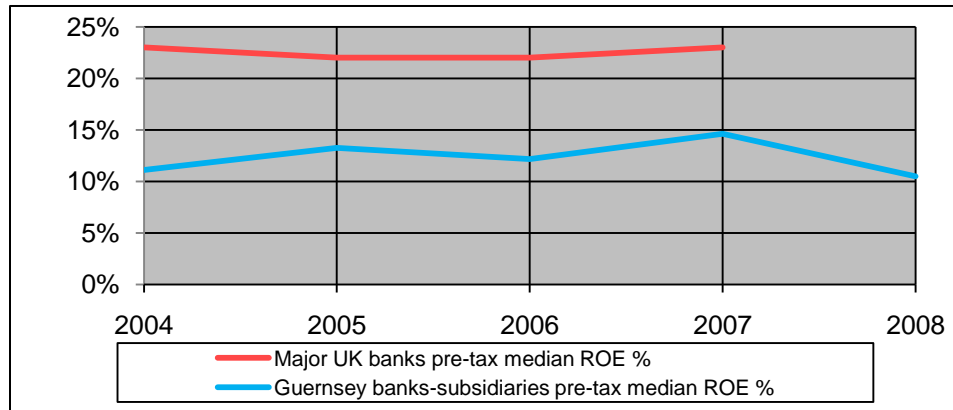


Expenses Analysis 2008



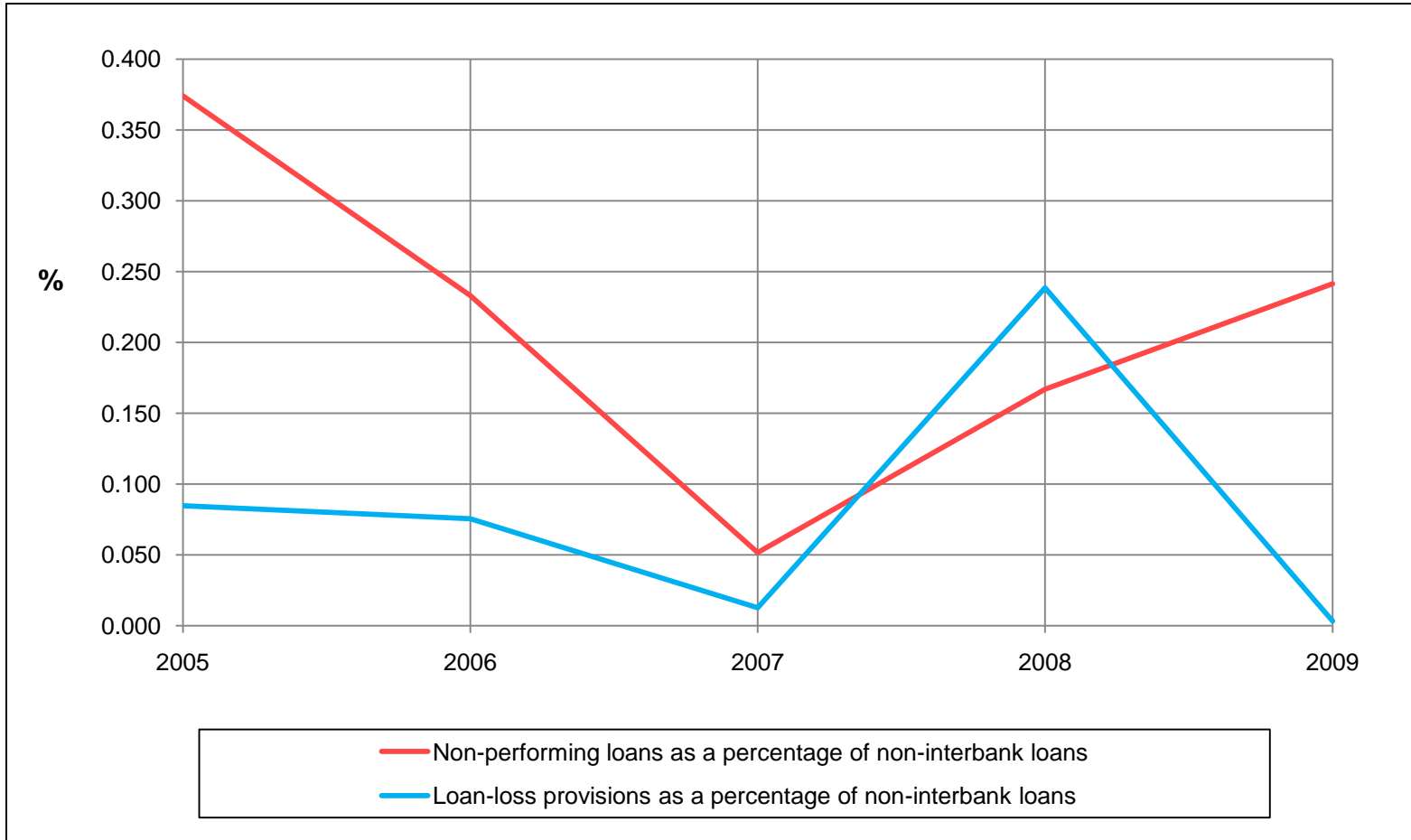
- Net Interest Income is the major profit source
- Staff expenses are the single highest cost

Banking Trends - Profit and Loss



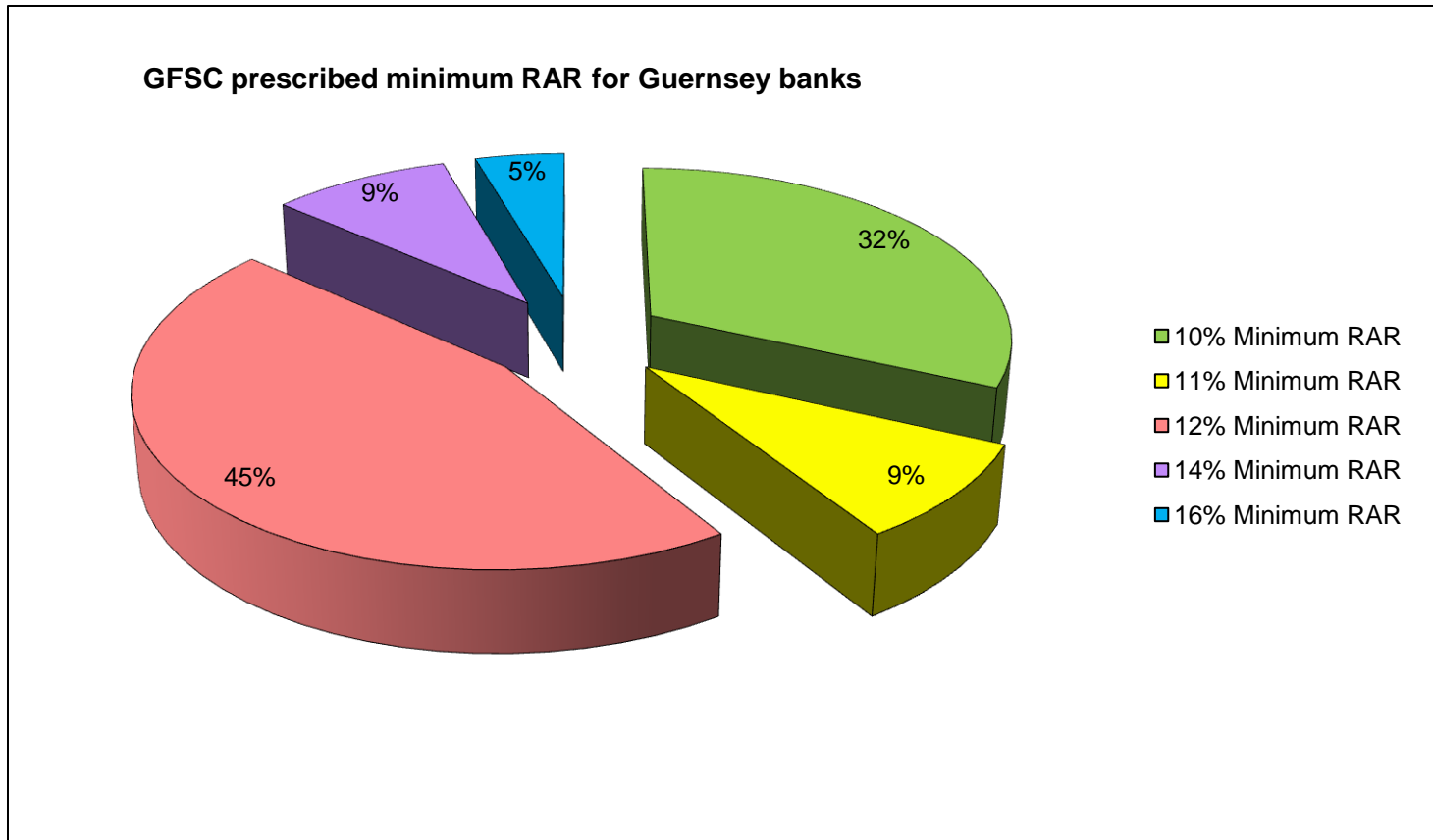
- All profit figures are difficult to interpret due to differing cost income sharing arrangements with the parent.
- Also in Guernsey there is a lot of capital and most assets are interbank.

Bank Trends - Impairment

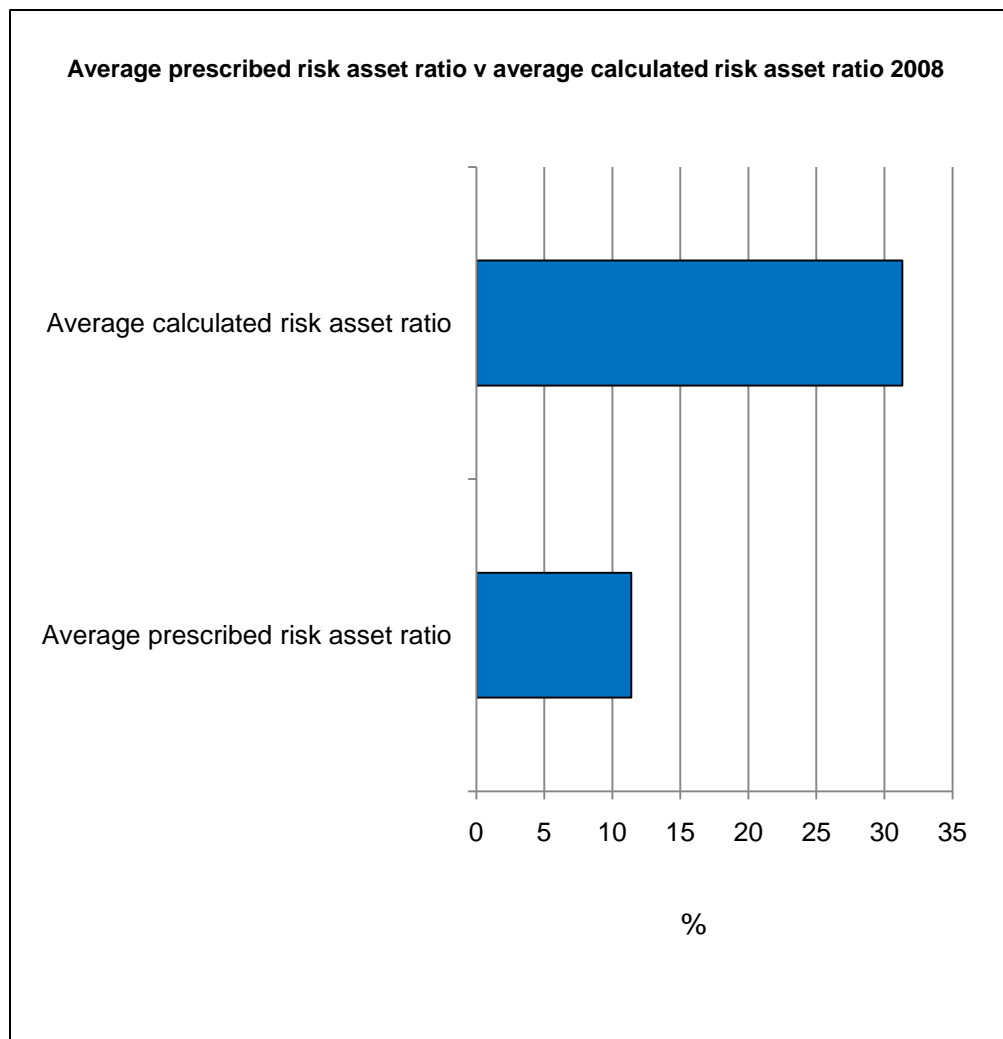


- Minimal credit risks

Regulatory statistics - RARs

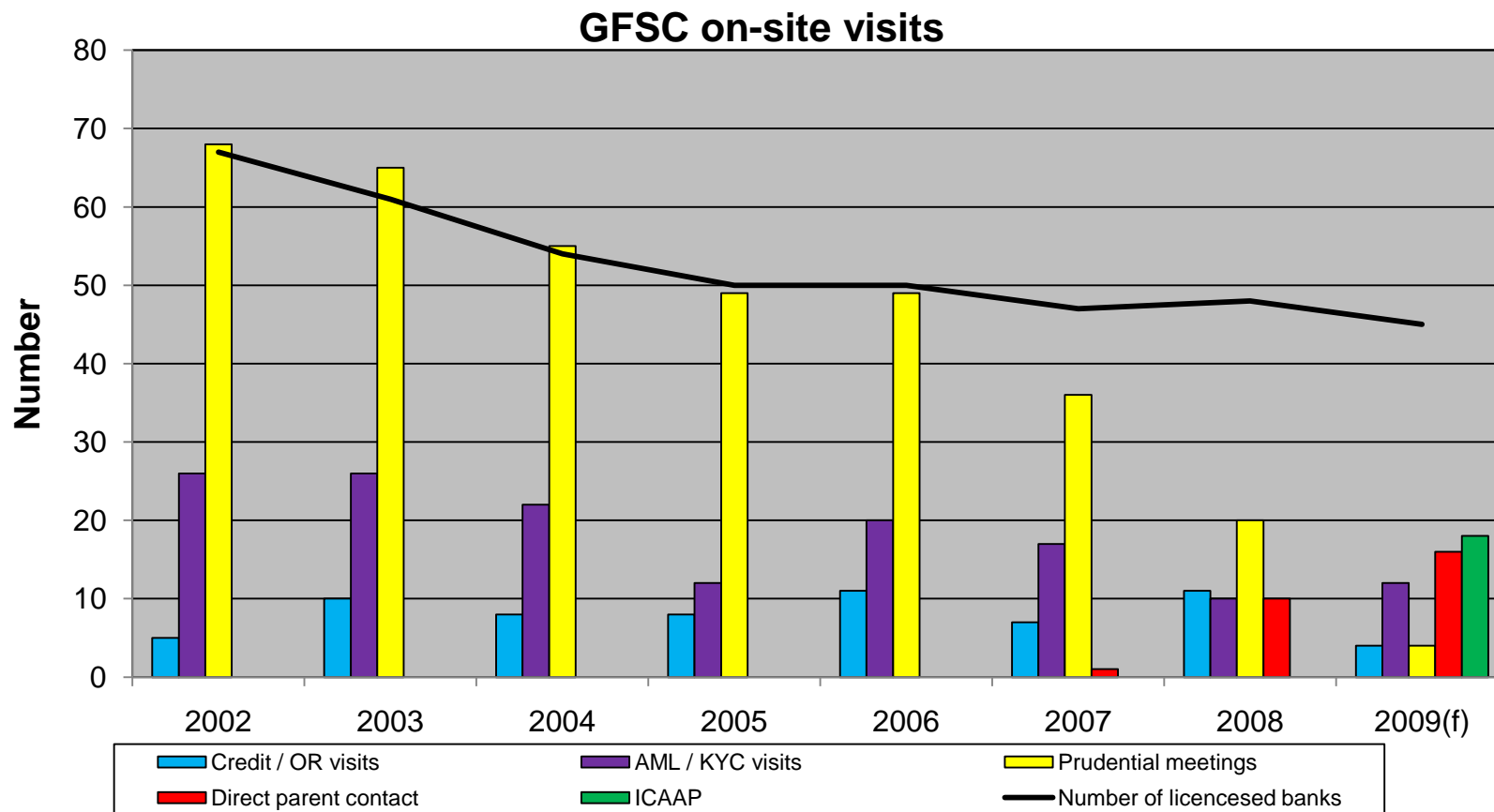


Regulatory statistics - RAR



✓ The average calculated risk asset ratio (assuming equivalent weighting per bank) as at December 2008 is 31.33% against the 11.40% average of minimum RARs as prescribed by the Commission.

Regulatory statistics



Regulatory changes from prudential meetings to more in-depth contacts