

States of Guernsey

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Chief Minister Statement on Landsbanki



Landsbanki Guernsey was placed into administration by its directors as a result of the unprecedented economic crisis that has engulfed Iceland and its banking system.

That decision was fully supported by the Guernsey Financial Services Commission. The decision to do so was made before Landsbanki Guernsey's parent company was nationalised by the Icelandic government.

It was also made in order to protect depositors in the local bank which in hindsight was no doubt the correct decision.

Depositors in Landsbanki Guernsey have **not** lost all their savings. I anticipate that there will be substantial recoveries from the bank, which will be passed on to customers.

The Guernsey Financial Services Commission prudently regulates all banks in Guernsey.

With the support of the Commission the directors of Landsbanki Guernsey took appropriate steps by putting the bank into administration to preserve the assets of the bank and maximise the possible return to depositors.

As an important financial centre, Guernsey has clearly not been immune from the effects of the wider global turmoil, of which the collapse of the Icelandic financial system is part.

However, I am aware that deposit levels in Guernsey's banking sector remain strong and indeed some individual Guernsey banks have received hundreds of millions of pounds of new deposits.

It is obviously in everybody's interests that stability is brought to the global markets as soon as possible. In this context, I very much welcome yesterday's announcement of a comprehensive rescue plan for UK banks by the UK government. This has given a positive lead to other countries.

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