



Channelling success:

Jersey - a gateway to enhanced wealth management

01 December 2011

Jersey - a strong track-record in performance

- ▶ **Celebrating 50 years of offering premium financial services, Jersey is increasingly the jurisdiction of choice for the internal mobile wealthy investor**
 - **Robust regulatory frameworks**
 - **Jersey Trust Law – leading the way in international Trust Laws, robust regulation**
 - **Well-regarded and respected**
 - **at the forefront of international standards – OECD, FATF, IMF etc**
 - **Innovative and nimble**
 - **Highly experienced**
 - **Number of Jersey banks have strong international networks to leverage**
 - **Stable and safe jurisdiction**

Demand for wealth management services in Jersey continues to grow

Current Insights

- ▶ **Increased wealth - India's wealth is set to grow by 8.5 % this year, fuelled by increases in investments and consumption**
- ▶ **Entrepreneurialism is fuelling growth and the desire to become increasingly mobile**
- ▶ **Investors are largely risk adverse and make decisions grounded in cultural beliefs**
- ▶ **Success is leading to a growth rate in number of millionaires and billionaires**
 - **94% of billionaires reside in India - 4th ranked country for producing billionaires**
 - **Lakshmi Mittal & Mukesh Ambani ranked 1 and 2 (*Forbes*)**
 - **\$246.5b worth of cumulative wealth amongst Indian billionaires**
 - **Almost 90% have a second residence abroad (UK popular)**

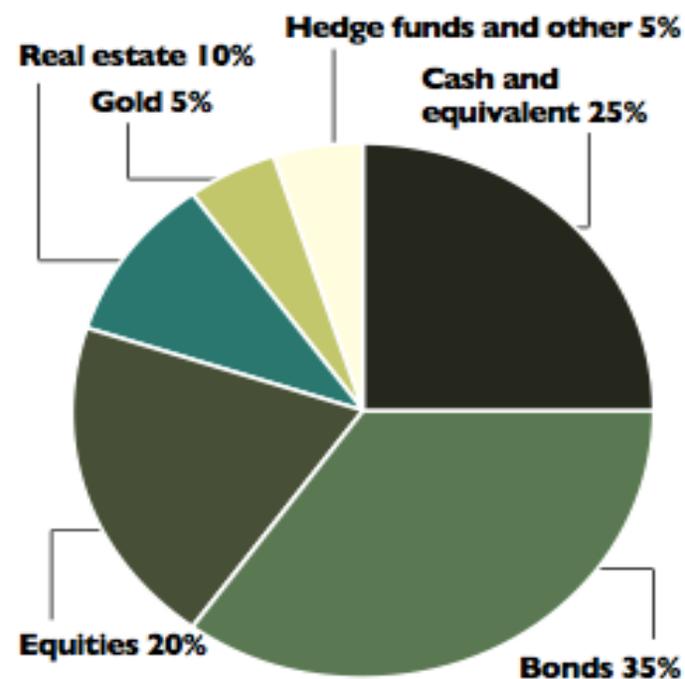
Increased exposure abroad

Indian set to invest over \$1b abroad in 2011

- ▶ Investing in equities and property grows, as well as remitting more money as gifts and for maintenance of close relatives.
 - During the first six months of the current financial year, overseas remittance by Indian resident individuals increased by over 18% to around \$565 million, compared to \$477 million during April-September 2009
 - Increased exposure to overseas debt and equity instruments by 44% to \$112.7m (April-Sep 2011)
 - Overseas investment in the real estate segment with property purchases has risen by over 47%
 - Similarly, more money was sent in the form of gifts though there has been a decline in the amount remitted on overseas education and medical treatment

The NRI

- ▶ **To qualify: currently allowed to reside in India for 180 days**
- ▶ **Currently estimated to be 13.5m NRIs globally - defining their increasing mobility**
 - **Currently 150,000 NRI millionaires with an average of \$3m wealth**
 - **Wealth of NRI millionaires expected to grow by 6.8% 2011-2012**
 - **15,000 NRIs live in the UK**
- ▶ **Typical investment portfolio of an NRI millionaire**



Source:VRL

Key investment considerations

- ▶ **In the creation of an ever expandable wealth, diversification of risk is critical to safeguard outcomes**
 - There might be a temptation to overinvest in one's own portfolio and not to diversify
 - Combining an onshore and offshore wealth management strategy and looking beyond the shores of India – mitigate against the Dubai Real Estate example
- ▶ **Liquidity becomes an increasingly important aspect**
- ▶ **Good, effective estate planning is critical to safeguard wealth for the family**
- ▶ **Choosing the right partner - the lure of a good deal should be considered carefully**

Jersey is a good base to maximise this wealth – whether property of estate planning or standard investment products

Jersey: services to build your wealth

- ▶ **Historical links with Jersey and the NRI community - Jersey is chosen to house wealth – primarily because of UK links**
 - 1972 – The majority of Ugandan Indians who came to the UK invested in Jersey
- ▶ **Jersey offers the perfect infrastructure and frameworks for RIs and NRIs to:**
 - **Diversify assets**
 - London property is one of the most obvious and popular diversification strategies given growth despite the tough economic back drop
 - Borrowing facility to mitigate tax and to leverage the borrowing benefit

Returns from Real Estate: Mumbai vs. London vs. US

Year	National Housing Bank's RESIDEX for Mumbai		S&P/Case-Shiller Home Price Indices/20 – City Composite for US		London – Land Registry's House Price Index	
	Index	Return	Index	Return	Index	Return
2008	111	11%	150.54	-19%	330.3	-13%
2009	143	29%	145.89	-3%	349.9	6%
2010	191	34%	142.34	-2%	365.1	4%
2011 (Forecast)	-	-8%	-	-3%	370.5	1%

Source National Housing Board, India; Standard and Poors; UK Land Registry

Jersey: services to build your wealth

▶ Diversify assets

- ▶ Expertise in developing successful international portfolios
- ▶ Investment advisory or discretionary services
- ▶ Treasury – yield enhancement (low interest rate environment)

▶ Safeguard wealth

- Jersey is a leading centre for trust and estate planning – i.e. trust, foundations

▶ Releasing the potential of the Liberalised Indian Liberalised Remittance Scheme – optimising investment potential

About the Liberalised Remittance Scheme for RIs

- ▶ **Sep 2007: authorised dealer category II banks in India to remit up to \$200,000 overseas per resident Indian client for any permitted current or capital transaction or a combination of both**
 - Available to all, including minors
 - Remittances can be consolidated within a family to pool a total allowance
- ▶ **RIs free to acquire and hold property or shares or debt instruments or any other asset outside India with prior approval of the Reserve Bank**
- ▶ **Examples of potential transactions:**
 - Property investment
 - Investment in mutual funds, venture capital funds etc – all out of the bank account opened abroad under the scheme
 - Receiving medical treatment abroad (additional 100,000 USD is available for this)
- ▶ **Full remittance does not necessarily need to be used**

Thank you and Q&A