

15th May 2020

Treasury enters into £500 million Revolving Credit Facility to support pandemic response

The Government of Jersey is continuing to provide financial support to households, government expenditure and the Island's economy during the Covid-19 pandemic.

Following changes to the Public Finances Law, recently approved by the States Assembly, the Minister for Treasury and Resources has signed a Ministerial Decision to enter into a Revolving Credit Facility ("RCF") for the maximum sum of £500 million.

The RCF is available for an initial period of two years and is being provided by a consortium of five local banks – Barclays, Butterfield, HSBC, Lloyds and RBS International.

This credit facility has been put in place to provide the Minister with the maximum amount of flexibility to allocate expenditure in support of households and the economy during the period of the pandemic and the recovery phase. There is considerable uncertainty about the future costs of the pandemic and the RCF effectively acts as an insurance policy against this, as yet, unknown expenditure.

Minister for Treasury and Resources, Deputy Susie Pinel said: "Having the RCF in place allows me to approve bold fiscal stimulus measures to support the economy in line with advice from the Fiscal Policy Panel.

"It also provides time for investment reserves to regain value and gives me the flexibility of decision making that is needed in these challenging times. Having a revolving credit facility allows us to draw on the funds as and when we need them, and I hope that we will not need to borrow the full approved amount."

The process for putting the facility in place was led by the Treasury and Exchequer department with advice provided by the UK Debt Advisory team at EY, and legal counsel provided by local firm Carey Olsen and in the UK Slaughter and May.

The Minister continued: "I would like to thank all the officers and external advisors who have worked at a tremendous pace to get the RCF completed in such a short space of time. I would also like to thank the five Jersey based banks involved for their support in ensuring that we have all the financial resources needed to help steer the Island through this difficult **period** of economic uncertainty".

Paul Savery, Managing Director, Channel Islands: "Barclays continues to invest in securing the future prosperity of our island. We are proud to be supporting the Government's efforts to protect Jersey's society and economy in the face of unprecedented health challenges and we are committed to continuing this close cooperation to achieve the best possible outcome for our island."

Noel McLaughlin, Managing Director at Butterfield Bank (Jersey) commented, "Butterfield is proud to assist the Government of Jersey in supporting the island's people and economy during these uncertain times. As Jersey's newest bank, we've been made to feel extremely welcome and it's been our pleasure to work alongside the government to arrange the loan facility. The opportunity has enabled us not only to demonstrate our banking expertise, but also to support the community we call home."

Sue Fox, CEO, HSBC in the Channel Islands and Isle of Man: "It's vital we support our island and our Government at this time, as we are supporting many island businesses and individuals."

"Lloyds Bank International is delighted to be participating in this funding line for States of Jersey. This will provide additional liquidity to the Government, supporting its response to the Covid-19 pandemic, which is helping islanders, businesses and the local economy through these unprecedented times. Alasdair Gardner, Islands Director, Lloyds Bank Corporate Markets plc"

Andrew Larose, Relationship Director at RBS International; "Jersey's recovery from the crisis requires a big role for government and the banking sector. This is one of many ways RBSI intends to support Jersey's response to COVID 19"

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Notes to Editors

1. EY, Carey Olsen and Slaughter and May are intending to publish their own media releases which should be referenced for specific information on the assistance they have provided.
2. For further information, please contact the press office on 01534 440430 or pressoffice@gov.je