



Jersey Financial
Services Commission

Discovery visit feedback – financial resilience and governance

Non-bank financial services sector - trust company business
and fund services business

2025 prudential discovery visit programme

Issued: June 2026

Executive summary

The themes set out in this paper are intended to help firms reflect on how their current arrangements support financial resilience, effective governance and informed decision-making.

Between November 2025 and February 2026, we carried out discovery visits to a small group of larger trust company businesses (**TCB**) and fund services businesses (**FSB**). We carried out this work to deliver on our 2025 business plan commitment to better understand how firms oversee financial resilience and the sustainability of their business models over the medium term.

We selected 11 firms based on their size, scale and impact within the sector – all of which demonstrated strong profitability and adequate liquidity levels. Of the selected firms, five held TCB licences and six held both TCB and FSB licences.

These discovery visits were delivered through a proportionate, engagement-led approach based on structured discussions with senior management. This allowed us to understand how firms manage risk in practice, identify good practices and highlight common themes for reflection. As the firms involved represent the upper tier of the sector, some of the themes may not be relevant all firms.

Given the experience, scale, and maturity of the firms we met with, the practices observed may help illustrate ‘what good looks like’ when firms reflect on their own governance, oversight and financial resilience arrangements. We recognise that firms across the sector operate different business models and vary in size, strategy and levels of resourcing. This means some firms may already have considered these practices, may be using different approaches, or may not be in a position to adopt certain practices in full. Any consideration of the themes should be risk-based and proportionate, taking into account each firm’s specific circumstances.

Snapshot of key ratios for the sample

Metric	Sector sample average
Average Cost-to-Income ratio	80%
Average ANLA ratio	185%
Return on Equity	29%

These metrics indicate that, on average, firms in the sample are profitable, have adequate liquidity, and are operationally stable, although cost efficiency varies.

Positives noted from the engagement

We observed several positive practices that support effective oversight and sound risk management, including:

- › a strong mix of skills and experience at board level, supporting informed discussion and decision-making
- › a clear understanding of business models, with boards and senior management able to explain key revenue drivers, costs and dependencies
- › strong awareness of financial and operational risks, including key threats, vulnerabilities and mitigations
- › active board engagement on liquidity and financial performance, supported by regular management information and discussion

Alongside these strengths, the visits highlighted several common themes that firms may wish to reflect on as part of their ongoing approach to governance and financial resilience.

How this links to the Codes of Practice

The themes outlined in this feedback align with and reinforce the intent of the Codes of Practice for Trust Company Businesses and Fund Services Businesses, particularly Principle 3 (Corporate Governance and Risk Management) and 5 (Adequacy of Financial Resources).

Collectively, these principles are designed to support effective board oversight, sound decision-making, and well-controlled business operations.

The feedback set out in this paper is intended to provide practical context on how the underlying principles may be applied in practice

Key themes for reflection

The section below sets out what we observed and examples of good practice. These are included to support reflection and are not new requirements for firms.

Area	Observations	Good practice
Liquidity and the Adjusted Net Liquid Assets (ANLA)	Liquidity levels were generally well above minimum requirements, with regular ANLA reporting provided to boards.	Firms regularly assess whether their arrangements for preparing, reviewing and governing the ANLA support consistent application of our existing ANLA guidance. Firms regularly assess whether their ANLA continues to reflect their current activities, asset mix and liquidity risks as their business model evolves.
Assurance and information flow to boards	Boards received regular financial and management information from senior management to support oversight and decision-making. In many cases, boards placed reliance on existing reporting processes and external assurance activities such as external audit to provide comfort over the accuracy and completeness of information presented.	Firms have clear and proportionate assurance arrangements to support the board's reliance on the financial and management information it receives. Firms consider the appropriate use of their existing controls, review processes and other monitoring activities within the firm's risk management and compliance frameworks in providing additional validation over the accuracy and quality of this information. These arrangements provide ongoing assurance throughout the year, as external audit provides assurance at a point in time and business activities and risk profiles may evolve between audit cycles.
Governance and board oversight	Boards demonstrated a strong awareness of their financial and operational risks. Many boards held active discussions on financial performance and business model risks.	Boards are structured to allow for effective and independent challenge with clear arrangements to identify and manage conflicts of interest, including where senior management also sit on the board. These arrangements support objective decision making, robust oversight and effective management of risks.
Concentration risk	Most firms monitored their reliance on major clients and income streams. They provided this information regularly to their boards.	Firms consider the wider impact of concentration risk, including how reliance on a small number of clients or structures could affect the firm's financial resilience, liquidity and longer-term business sustainability. This is particularly important in the event of a significant reduction in income or a major client structure being wound down.

Area	Observations	Good practice
Financial resilience and forward-looking analysis	<p>Firms maintained regular financial reporting to boards, and all operated stable cash-generating business models. In some cases, firms also considered group support or insurance arrangements as part of their overall approach to managing the risk of unexpected adverse events.</p>	<p>Firms look beyond current performance and may use forward-looking tools such as horizon scanning, scenario analysis and stress testing, where proportionate to their business model, scale and risk profile. These tools help firms understand how severe but plausible changes in their operating environment could affect their business model and financial position. This includes considering wider external factors, including economic uncertainty, geopolitical developments and the interconnectedness of the financial services sector.</p>

Questions to consider

Firms may find it useful to consider the following questions as part of any internal review or ongoing board discussions:

1. Do we receive the right management information, in a timely manner, to understand the financial resilience and sustainability of our business model?
2. Are our governance arrangements structured to support independent challenge, particularly where senior management sit on the board?
3. How do we gain comfort over the accuracy and completeness of financial and management information?
4. Have we considered how adverse events or changes in the economic environment could impact our business model over the medium term?
5. Do our ANLA oversight and governance arrangements enable us to ensure our ANLA is aligned with the Jersey Financial Services Commission's ANLA guidance and reflects our current activities, asset mix and risk profile?

Next steps

We encourage boards and senior management to review this feedback paper and reflect on whether the themes are relevant to their firm's own arrangements. Some firms may find it helpful to consider this feedback as part of their existing governance, risk management or board review processes. Where appropriate, this may include undertaking a proportionate gap analysis.

As part of our forward-looking supervisory engagement, firms may wish to note the following:

1. During supervisory engagement, including regular business engagement meetings with regulated non-bank financial services firms, we may discuss these themes where relevant and proportionate to the firm's business model, scale and risk profile. This will help us understand how the themes apply to individual businesses. Where firms have already identified these themes and put in place strategies or controls to manage associated risks, we welcome the opportunity to discuss how these arrangements support your firm's financial resilience and sustainability.
2. We will continue to engage with industry bodies, including the Jersey Funds Association and the Jersey Association of Trust Companies, to support shared understanding and learning across the sector.
3. We intend to return to industry with proposed updates to our ANLA guidance, to improve clarity and support consistent interpretation and application.
4. We will also engage with external auditors and professional advisers to explore how existing assurance work can better support firms' own assessment of financial resilience, without adding unnecessary cost.
5. We recognise that some firms may face capability or resourcing challenges when considering these themes or undertaking a gap analysis. We welcome your feedback and, if there is interest, we may offer targeted workshops or thematic discussions to support understanding and capacity building across the sector.

Thank you to all the firms involved in these visits for their openness and constructive engagement. We look forward to continuing to work with you.

For any questions about these visits or the feedback provided, [contact our Prudential Supervision team](#).