



press release

## **CFS Financial Center Index falls to 97.3**

**There is further need for action after G-20 meeting/  
Demand for more financial supervision/  
Good prospects for Germany as financial center**

FRANKFURT, 21st of April. The latest CFS Financial Center Index survey, which was conducted during the first and second quarter of 2009, shows a continuing negative trend.

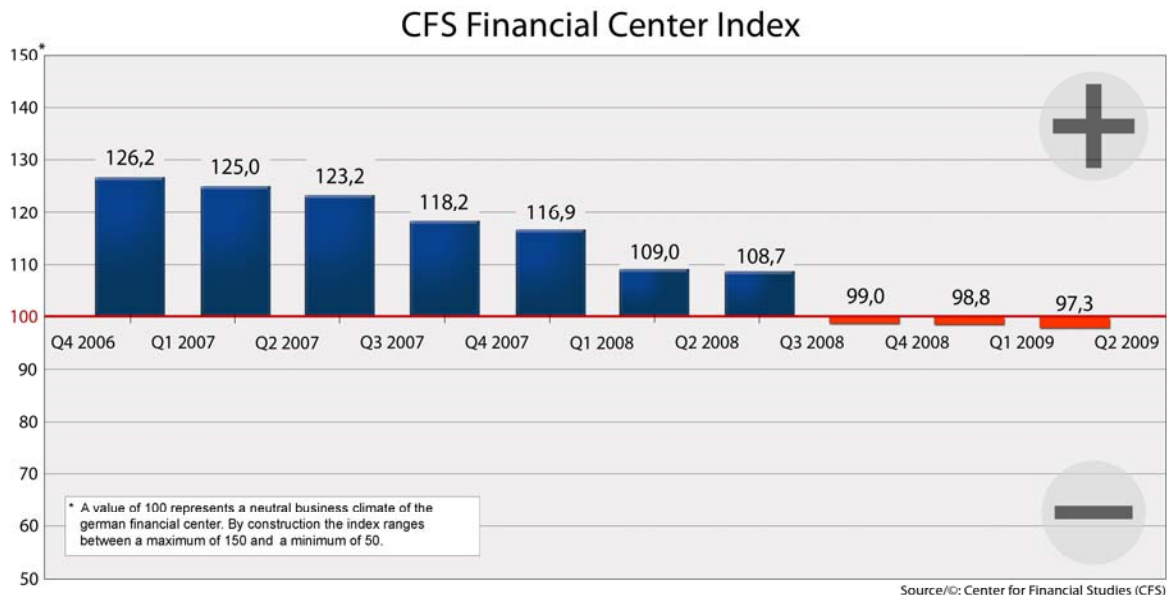
The index value currently stands at 97.3, which is 1.5 points lower than the previous index value of 98.8. This time the continuing decline reflects the negative business sentiment registered in the group of financial sector service providers, particularly in the accounting and consulting business. Their rather pessimistic view is mainly determined by negative profit expectations and planned staff reductions. The other core group of financial institutions, insurances and brokerage firms, has a cautiously more optimistic view on their profit and job situation. „While financial institutions in Germany apparently succeed in overcoming the financial crisis by means of drastic restructurings, the financial service providers are now hit by the crisis with a half year delay“, explained CFS-Director Professor Dr. Jan-Pieter Krahn.

### **Measures taken at G-20 meeting are rated positively**

The special survey conducted this time dealt with the effects of the G20 meeting in London on April, 2nd, with the German financial market authorities and the stability of the German financial system. The majority of the participants in the survey rated the measures taken at the G20 meeting as positive. However, there wasn't a clear vote whether these measures will be successful in bringing back investor confidence. Regulating rating agencies and hedge funds were seen as effective measures to prevent future crises. The respondents also endorsed a strengthening of the financial market supervision. Jan Krahn sees this as a clear need from the finance industry for more regulation, not only with measures that are directed towards the short-term managing of crises but also with preventative measures.

**Strong confidence in Germany as financial center**

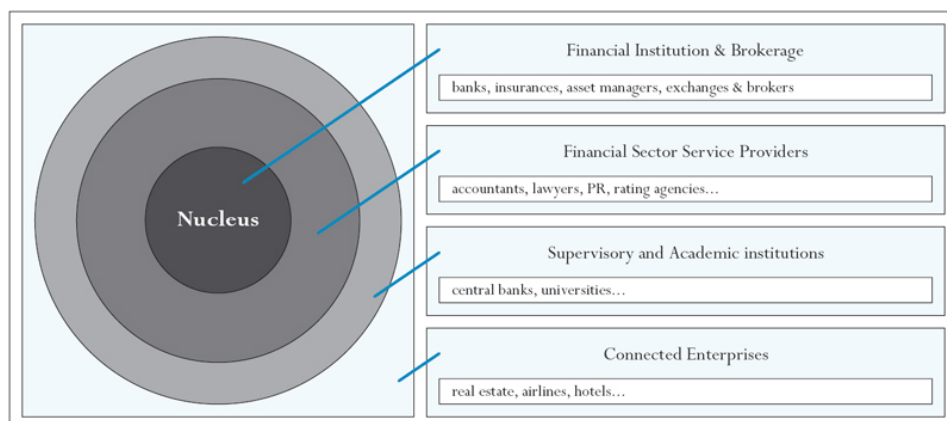
Germany as a financial center gains credence. Two thirds of the interviewees believe that the German financial system is more stable than other financial centers, thanks to its regulatory framework, the German universal banking system and its three pillars structure. The future prospects of Germany as an important financial center are growing constantly. “It is conceivable that the expected increase in regulation will have a positive effect on Germany as a financial center”, said Krahenen.



download graphic (300 dpi): [www.finanzplatzindex.com/index](http://www.finanzplatzindex.com/index)

### Index calculation of the CFS – Financial Center Index

The CFS - Financial Center Index is based on a quarterly management survey of currently 400 enterprises of the financial center of Germany. The survey contains four questions about the participant's view on different business parameters (transaction volume, profits, employment and investment in product- and process innovations). The answers to the questions may be given as "positive", "neutral", or "negative" and a response is requested for the previous and the current quarter. The index is compiled from different sub-indices, as all participants are allocated to branch-specific groups. Within each group, a balance of the share of positive and negative responses is evaluated and transformed into performance data. These performance data are then aggregated in order to constitute the CFS Financial Center Index. Due to construction, the maximum index value is 150, the minimum index value is 50; a value of 100 signalizes a neutral business sentiment. The survey-panel consists of enterprises and institutions of the financial industry and selected companies, which profit from the financial sector:



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### History and Future prospects

The CFS-Financial Center Index is part of the Hessian project "Financial Center Monitoring", which is to measure the competitiveness of the financial center of Germany in a European context. Further partners of the project are Landesbank Hessen-Thüringen (Helaba), Frankfurt Main Finance e.V. and Frankfurt School of Finance and Management. More Information about CFS-Financial Center Index, e.g. an overview of the survey and a broad definition of the German financial center can be found at: [www.financialcenterindex.com](http://www.financialcenterindex.com).

### Profile CFS

The Center for Financial Studies (CFS) is a financially independent research institute, affiliated to the University of Frankfurt (Goethe-Universität). CFS conducts independent and internationally-oriented research on financial markets, financial intermediaries and monetary economics and interacts as the German partner with other international research centres specifically on the subject of financial market architecture and the role played by banks and stock exchanges. President of CFS is Prof. Dr. Dr. h.c. mult. Otmar Issing. Chairman of the supporting association: Dr. Rolf-E. Breuer. Overall management of the institute by the directors Prof. Dr. Jan Pieter Krahen und Prof. Volker Wieland Ph.D.

### For further information, please contact:

Corinna Wolf  
 Center for Financial Studies  
 Goethe-Universität Frankfurt  
 House of Finance  
 Grüneburgplatz 1, HPF H5, 60323 Frankfurt am Main

Tel.: (069) 798-30090  
 Fax: (069) 798-30077  
 E-Mail: [wolf@ifk-cfs.de](mailto:wolf@ifk-cfs.de)  
[www.financialcenterindex.com](http://www.financialcenterindex.com)