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## What does Financial Services bring to Cayman

Grand Cayman (9 March 2009) – It is fairly obvious that financial services companies are a significant part of the local economy in Cayman. But it has always been difficult for most people, even industry executives, to explain just how large the impact is and exactly what benefits the islands receive from hosting the financial industry. That sort of information has not been readily available, until now.

Oxford Economics is a U.S. based research and analytics firm that provides economic advice, forecasts and analytical tools to international institutions, governments and blue-chip companies. They have a strong reputation for providing independent and unbiased research. Their latest project is a study that seeks to understand the complete economic contribution of the financial services industry in Cayman.

Surprisingly, this is the very first study of its kind in Cayman. Back in 2006 a banking industry study was conducted but it did not take into account any of the other sectors of the financial services industry such as insurance, legal services, estates & trusts, fund administration, accounting and other areas. Having some hard numbers to support the general feeling of the importance of the industry to Cayman will no doubt prove useful for the government and the private sector in making plans for the future.

The report has been presented by the associations to the Leader of Government Business, Hon. Kurt Tibbetts, to the Financial Secretary, Hon. Ken Jefferson and to the Hon. Alden McLaughlin, Minister of Education with responsibility for International Financial Services Policy. The Leader of Government Business commented “Government welcomes this report which reinforces the importance of the financial services sector to the Cayman Island’s economy. The report highlights the contribution the industry provides Caymanians in terms of employment, training and scholarships. The report data support those already published by the Economics & Statistics Office and moving forward this report will be used as a catalyst to further develop our relationship with industry.”

“Nine different Associations contributed towards the production of this detailed and independent study”, says Mr. David S. Walker, President of Cayman Islands Bankers Association, “which demonstrates the strong desire for reliable data about our industry, even from those who are working within it. We all believe that the general public has an even greater interest in these results and has a real need to see an independent study like this in order to have a complete picture of how interwoven the industry has become with the islands’ economy and culture.”

The study reveals that financial services generated CI$ 1.2 billion in GDP in 2007, representing 55% of the total Cayman economy. And when downstream impacts are included, financial services generated employment of 12,603 —representing 36% of all employment in the country. Nearly 60% of these employees are Caymanian.

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Many people may also be surprised to hear that Financial Services directly generated 40% of all government revenue in 2007. Indirect contributions would obviously take that figure much higher.

The Cayman Islands associations who commissioned this study include the Bankers Association, Company Managers Association, Fund Administrators Association, Law Society, Society of Professional Accountants, Insurance Managers Association, Compliance Association, Society of Trust and Estate Practitioners, and the Insurance Association.

"It was inspiring to see all of these professional associations come together to commission this important study that will benefit the public, the government, and the industry by providing reliable third-party data and analysis on our industry's impact in Cayman. Better decisions are made and more accurate opinions formed when people have good information available to them. Oxford Economics is a globally respected research firm known for the integrity of their work." said Mr. Frazer Lindsay, President of Cayman Islands Society of Professional Accountants.

If there is one thing this report makes absolutely clear it is that the health of Cayman's economy is directly linked to the health of its financial services industry and we must be ever vigilant in protecting our place as a global financial centre in the face of growing competition and challenges. The report details other indirect benefits of the industry such as training, education, and scholarships along with charitable contributions that all have a great impact on the standard of living in Cayman.

The report is based on numbers from December 2007, which are the most current and reliable figures available to the researchers at this time. The report will be posted on the websites of the commissioning associations and also at www.caymanfinances.com.

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