



JUDE SCOTT

Cayman Finance CEO

Presentation to:

Cayman Islands Chamber of Commerce
Economic Forum

May 24, 2018

Cayman Finance.



Remit:

To protect, promote, develop and grow the Cayman Islands Financial Services Industry.

The Cayman Islands Financial Services Industry.

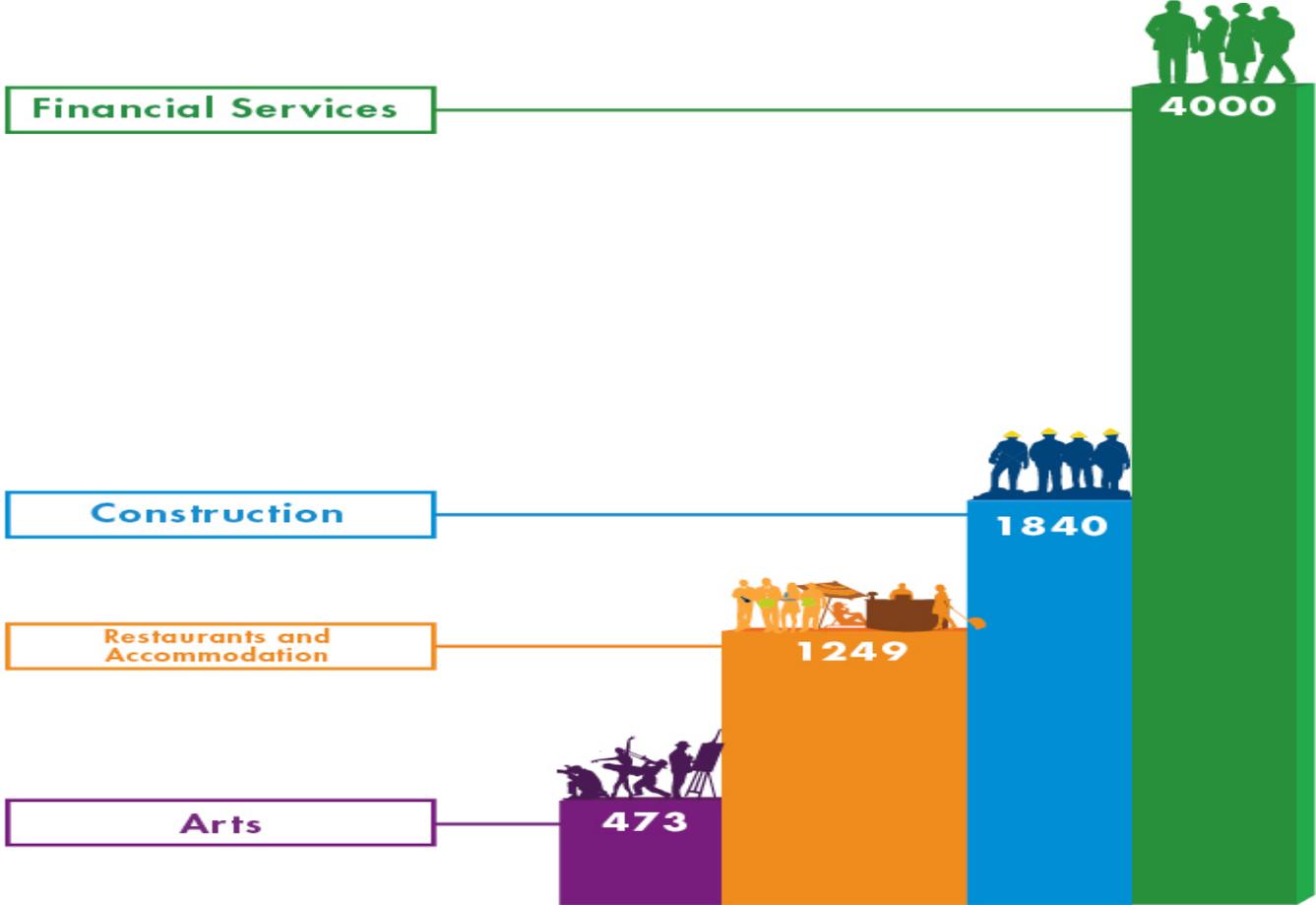
The CIFS is a revenue generator for the country. It is the engine that drives the CI economy.

- 4,000 Caymanian jobs in the FSI
- over CI\$300 million (>50%) in CIG revenue
- over US\$1.5 billion (>50%) contribution to GDP
- millions invested by member firms to promote the jurisdiction
- major business driver for other key Cayman industries

Over **\$1.8 million** per year
towards scholarships, internships and
training for Caymanians

Over **\$2.2 million** per year
to charities in our community

Providing employment to Caymanians



Source: ESO (2015)

The Cayman Islands Financial Services Industry.



Excellence. Innovation. Balance.

caymanfinance.ky

Cayman's sustainable competitive advantages:

- Quality and professional experience
- Legislative and regulatory balance
- Commitment to our industry
- A strong diverse industry
- Innovative approach affecting the global market

State of the industry



INVESTMENT FUNDS

- Cayman continues to be a top jurisdiction for formation of Alternative Investment fund products.

BANKING

- Well-established, robust, regime supported by world class AML regulation and appropriate and effective cross border cooperation.

State of the industry



INSURANCE

- We are the leading jurisdiction for healthcare and group captives.

REINSURANCE

- While this sector is still in its growth period, reinsurance entities established to date have already become a significant portion of all insurance related assets under management in the jurisdiction.

State of the industry



CAPITAL MARKETS

- We are a preferred jurisdiction for issuers and borrowers in the capital markets.

TRUSTS

- We continue to reinvest in new products, growth and innovations to efficiently meet the needs of global clients and increasing global regulatory requirements.

Financial Services Opportunities for growth:



- China
- US infrastructure investing
- Brexit
- Reinsurance
- Physical presence
- FinTech

International challenges



- Public beneficial ownership registers
- EU blacklist
- Brexit
- CFATF Review
- NGOs and international media
- Increased competition
- Other

Domestic challenges



1. Insufficient funding for CIMA, Ministry of Financial Services and Cayman Finance in the current global climate.
2. Underutilizing expertise within Cayman Finance as a primary industry advisor.
3. Restrictions on Cayman Finance's ability to **protect, promote, develop** and **grow** the industry.

Domestic challenges



The need for additional funding in the global current climate to assist with:

- Regulation – CIMA
- Policy making and legislation – Ministry of Financial Services
- Advocacy, marketing, business development, reputational protection, etc – Cayman Finance

Government funding comparison of industry bodies similar to Cayman Finance



	Industry	Government	Ratio Industry/Gov
Jersey Finance	0	US\$8 million	Gov. 100%
BVI Finance	US\$500k	US\$2.5 million	1:5
Bermuda BDA	US\$500k	US\$4 million	1:8
Cayman Finance	US\$900k*	US\$900k	1:1
Cayman Finance	US\$6 million**	US\$900k	1:0.15

*Direct funding

** Including volunteer hours

2018

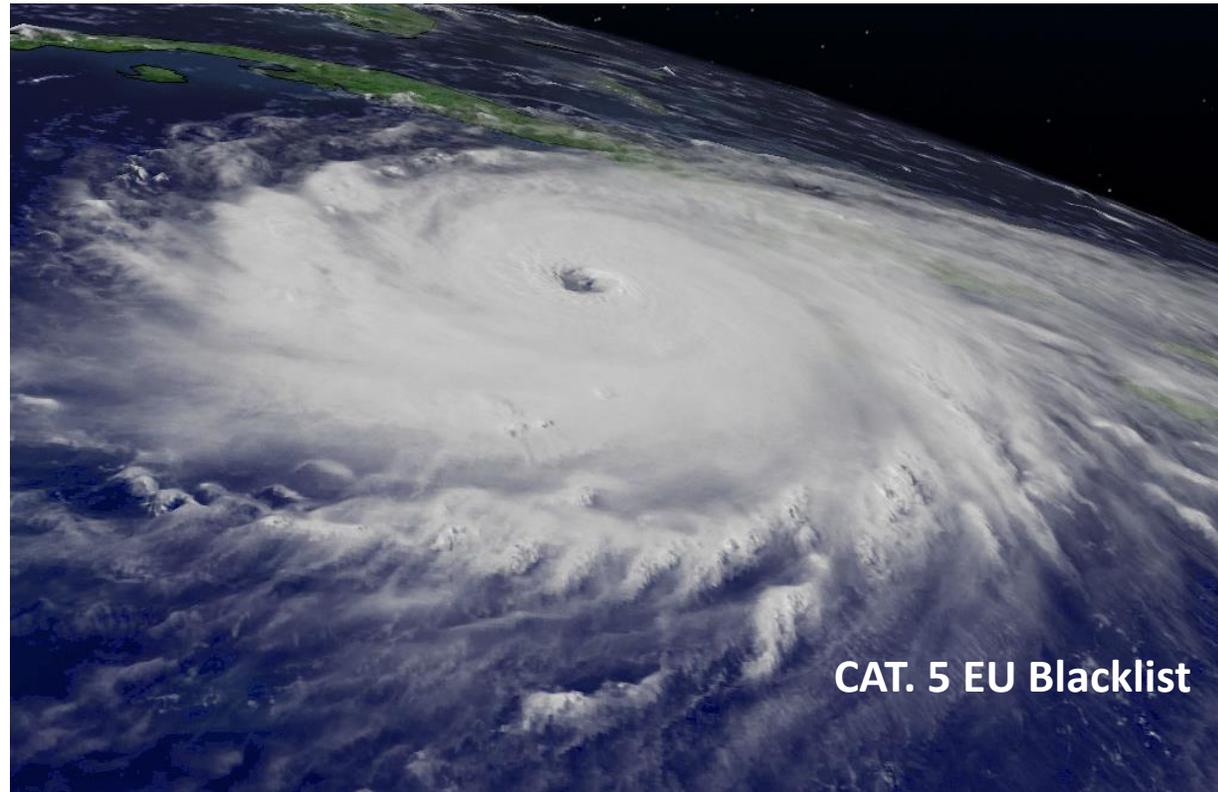
Government funding comparison by Cayman industries



	Cayman Finance	Tourism*	Proposed Cruise Port*
CIG Funding	CI\$750k	CI\$20 million	CI\$300 million
Caymanians Employed (FTE)	4,000	2,000	500
Per Head Spend	CI\$190	CI\$10,000	CI\$600,000

*Estimated

Our jurisdiction faces **turbulent times**
in the current global climate which call
for significantly increased support



Storms are brewing



If we don't properly invest and prepare for just a **small economic storm** we risk losing part of the industry, for example **a mere 10% reduction** in the industry would result in:

- **loss of 400 Caymanian jobs**
- **loss of over CI\$30 million in CIG revenue**
- **loss of over US\$150 million GDP**

With the prevailing conditions, we're heading into an extremely busy economic hurricane season.

Is the risk real?



Yes, we have seen the negative effects of a lack of Governments' focus and investment in financial services industries and the resulting significant loss of business to those jurisdictions:

Bahamas – loss of banking industry

Bermuda – loss of Funds industry

Cayman – loss of Fund Administration

Preventing catastrophe



We can properly prepare by doing the following:

1. Proper funding of CIMA, Ministry of Financial Services and Cayman Finance.
2. Fully utilizing Cayman Finance as CIG's and CIMA's primary industry advisor.
3. Remove Ministry restrictions that inhibit Cayman Finance's ability to protect, promote, develop and grow the jurisdiction.

US\$1.5 billion+
over 50% of total GDP

US\$300 million
50% of CIG revenue

4,000 Caymanians
employed

CIG Revenue of
\$18 for every
\$1 spent