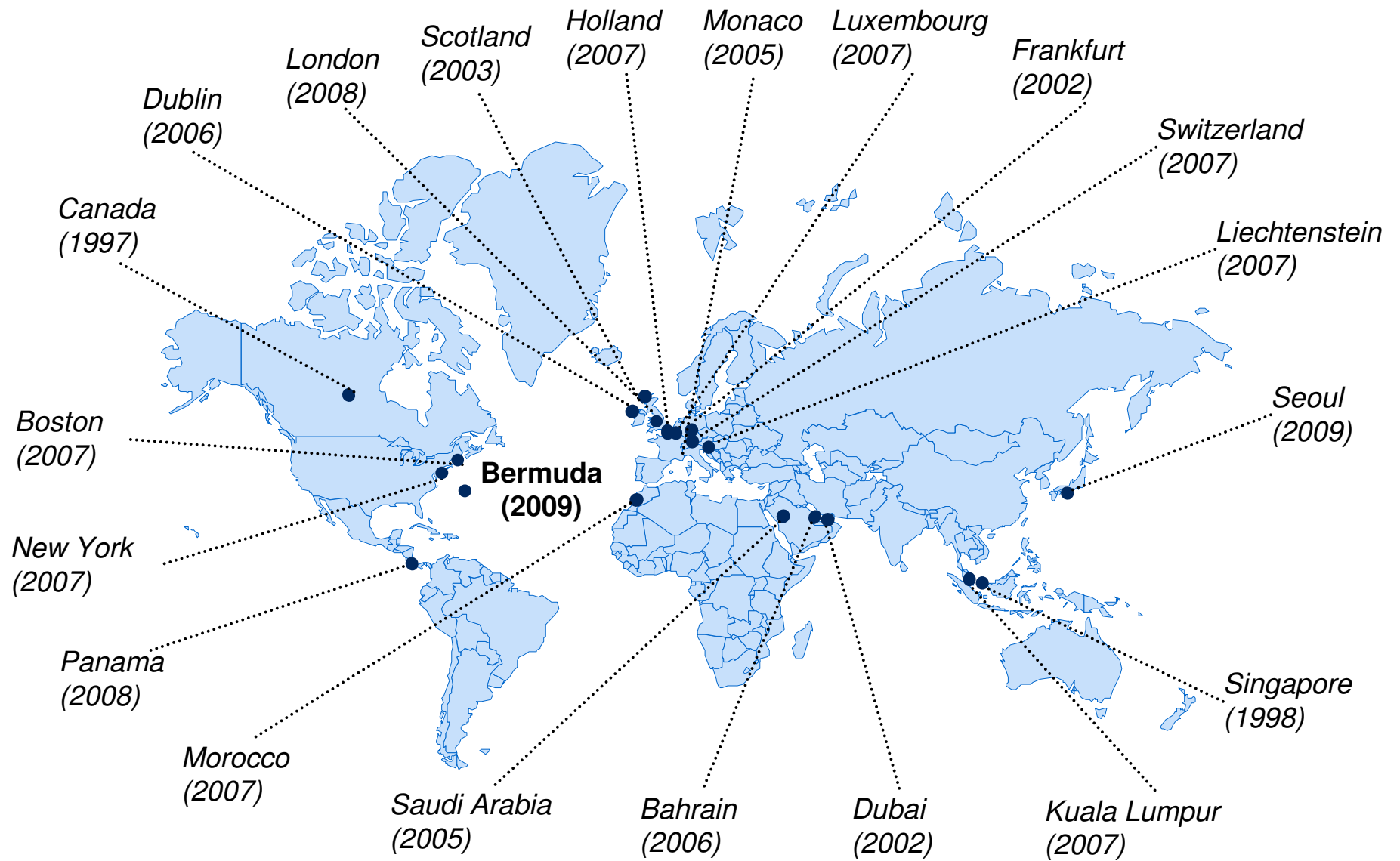




Continuing Bermuda's Economic Miracle

Bermuda**First**
One Country One Task

Exhibits



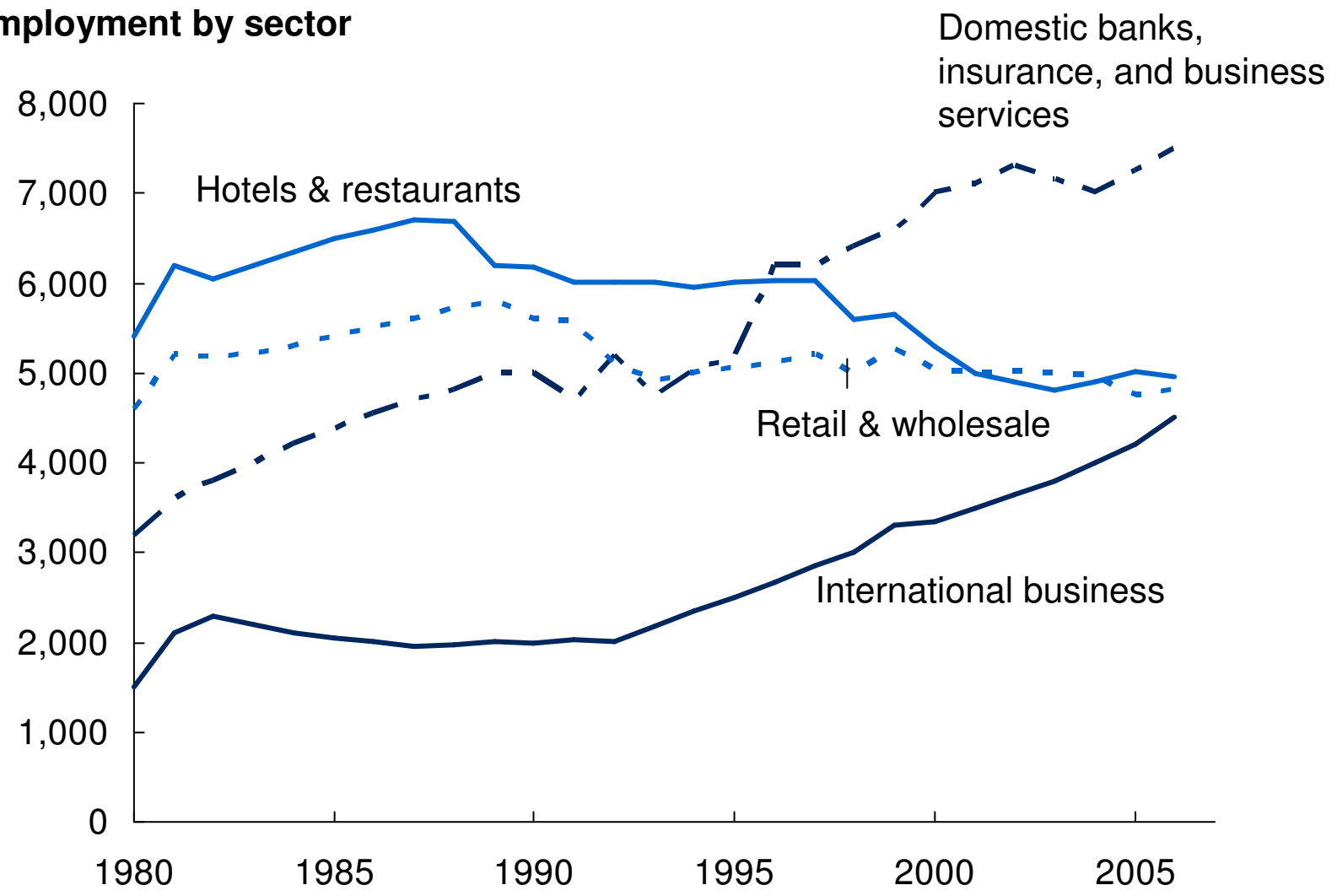
Sales	GDP in sector \$ Millions		GDP in sector Percent of total		Percent GDP growth rate in sector
	1997	2007	1997	2007	
International business activity	400	1,590	14	26	14.8
Financial intermediation	320	820	11	13	9.9
Business services ¹	240	550	8	9	8.5
Social and public services sector	430	750	15	12	5.8
Real estate	480	820	16	13	5.5
Hotels and restaurants	220	320	7	5	3.8
Other domestic private sector ²	830	1,290	28	21	4.5
Total	2,920	6,150			7.7

1 Business services include accounting, legal, and consulting services and computer / IT

2 Other domestic private sector includes government, recreational activities, social work, health care, and personal services

SOURCE: Bermuda National Economic Report 2008

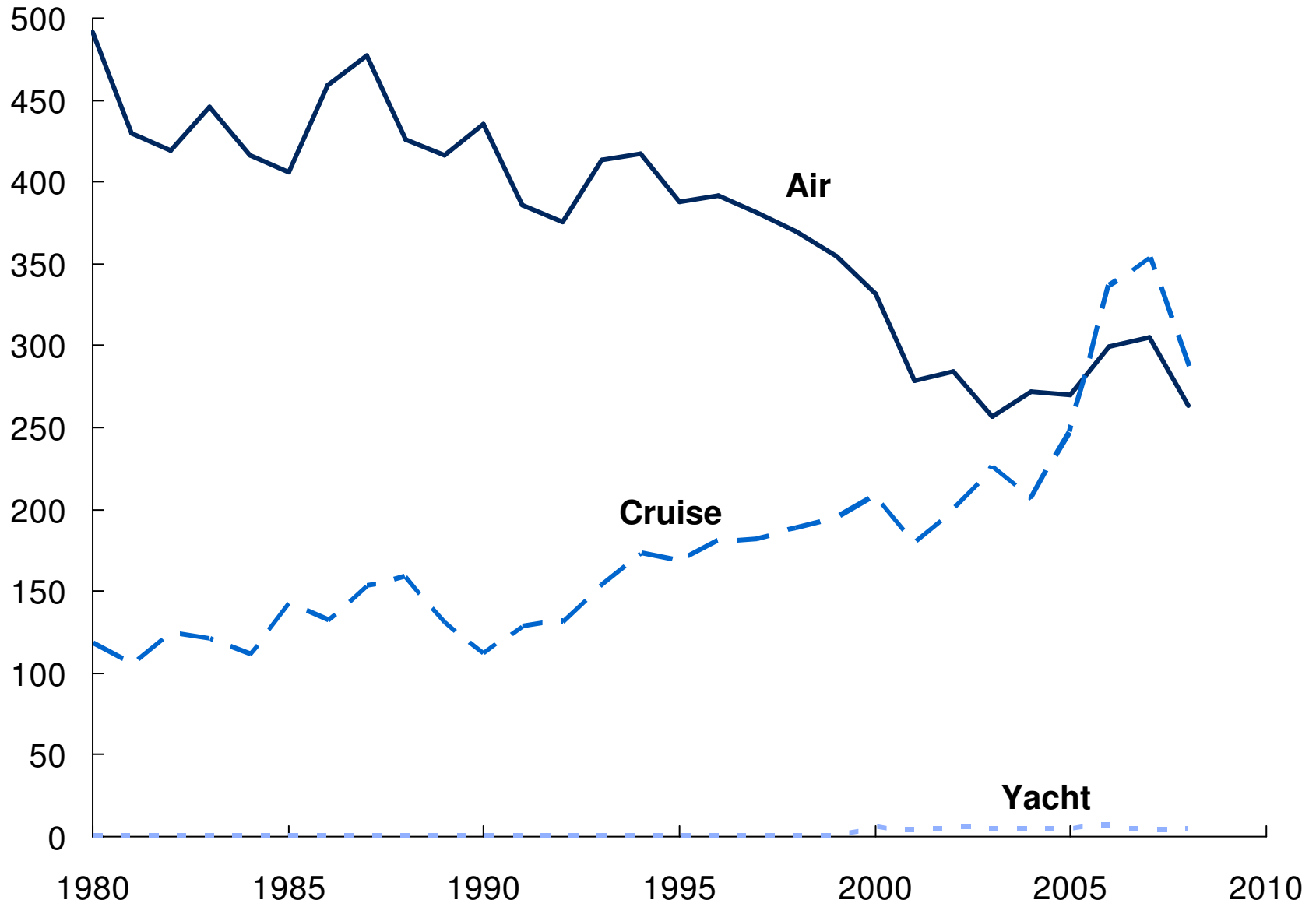
Employment by sector



SOURCE: Bermuda Employers' Council, "The Shift," June 2008

Number of arrivals

Thousands



SOURCE: Department of Tourism

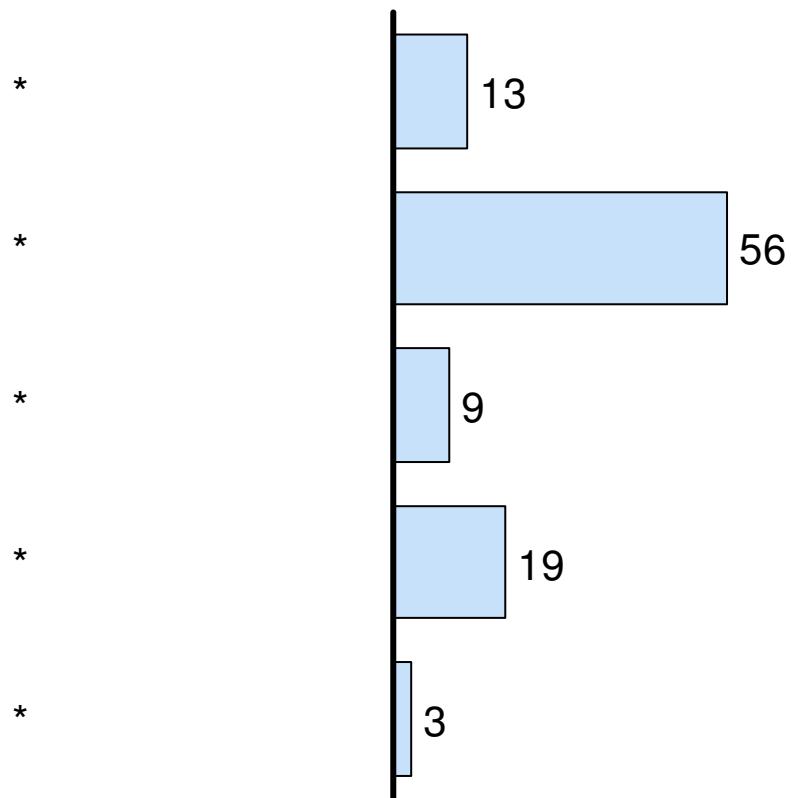
- Need significant improvement
- Need improvement
- Strengths

Relative importance to businesses	Very high	<ul style="list-style-type: none"> • Presence of skilled workforce • Government responsiveness to business needs • Government accountability • Strong educational system • Public safety and low crime 	<ul style="list-style-type: none"> • Efficiency of doing business 	<ul style="list-style-type: none"> • Fair and predictable legal environment • Attractive regulatory environment • High-quality professional services (e.g., law, accounting)
	High	<ul style="list-style-type: none"> • Easy to immigrate to and work in country 	<ul style="list-style-type: none"> • High-quality infrastructure • Affordable compensation levels for professionals • Positive world public opinion of country 	<ul style="list-style-type: none"> • Favorable tax regime • Clear accounting regime • Speed to market • Geographic proximity to other markets, and customers • Historical reputation as business center
	Medium	<ul style="list-style-type: none"> • Availability and affordability of IT and administrative personnel • Cost of living compared to other jurisdictions • Affordable real estate 	<ul style="list-style-type: none"> • Ease of raising capital • Ample accommodations for visitors • Openness of market to foreign companies • Large, growing financial services market • High quality of life 	<ul style="list-style-type: none"> • High concentration of industry players
		Weak	Moderate	Strong
Bermuda's performance				

SOURCE: Bermuda First survey of 66 leaders in Bermuda (March 2009)

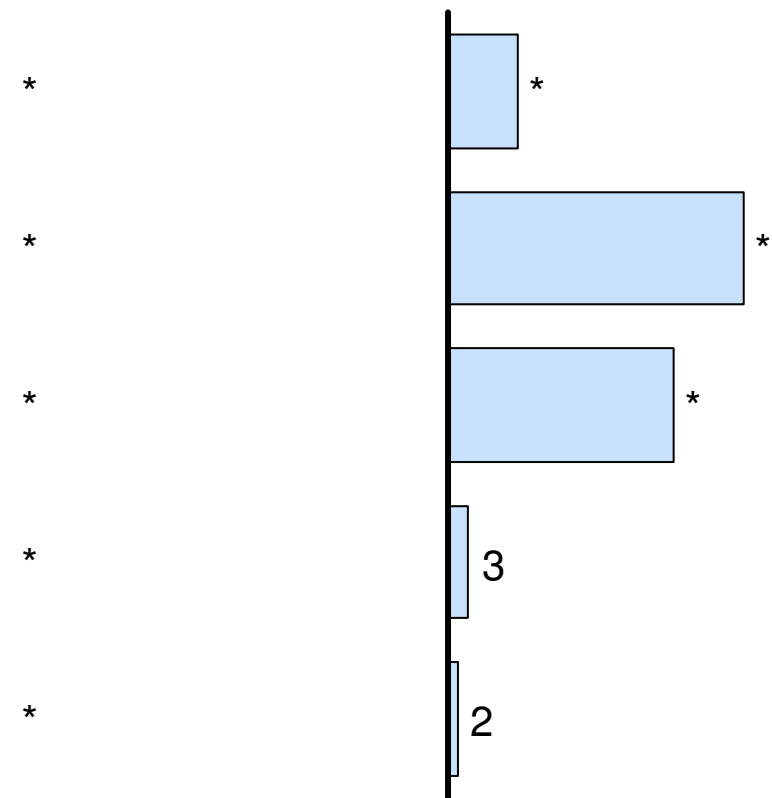
Q: In five years, how will Bermuda's economy compare with its economy today?

Percent of respondents



Q: For Bermuda's economy to thrive over the next five years, what extent of change will be necessary?

Percent of respondents



SOURCE: Bermuda First survey of 66 leaders in Bermuda (March 2009)



1 Vision for Bermuda in 2015

2 Ensuring attractiveness of Bermuda to existing international business sectors

3 Re-invigorating the tourism sector

4 Diversifying the economy (within and beyond International Business)

5 Improving the foundations for Bermuda's economic and social success (talent, infrastructure, government)

 Extensive activity
 Moderate activity

Organizations*

Type of activity		MOF	BMA	ABIC	ABIR	BEC	BIBA	BIMA	BIRBA	IAC	IDC
Improving policy and legislation in other jurisdictions	• Interface with U.S. legislative and executive officials	Extensive	Extensive		Extensive	Moderate		Moderate			
	• Interface with European legislative and executive officials		Extensive		Moderate	Moderate					
	• Interface with G20 and OECD officials	Moderate	Extensive								
	• Testify to national and international authoritative bodies		Moderate		Extensive						
	• Advocate through articles, appearances, and advertisements in print and on TV	Extensive	Moderate		Extensive	Moderate		Moderate			
Reaching out to businesses and customers abroad	• Participate in international industry conferences	Extensive	Extensive		Extensive	Moderate	Extensive	Extensive			Extensive
	• Publish articles in industry publications	Moderate	Extensive		Extensive	Moderate		Moderate			Moderate
	• Build relationships with onshore professional services firms				Moderate		Moderate	Moderate			
	• Engage in outreach to businesses and potential customers	Extensive	Moderate				Extensive	Extensive			Extensive
Improving public perceptions of Bermuda abroad	• Publish articles, pamphlets, and books promoting positive images of Bermuda generally				Extensive	Extensive					
	• Publicize positive studies of industry contributions				Extensive	Extensive	Extensive				Extensive

* MOF = Ministry of Finance; BMA = Bermuda Monetary Authority; ABIC = Association of Bermuda International Companies; ABIR = Association of Bermuda Insurers and Reinsurers; BEC = Bermuda Employers Council; BIBA = Bermuda International Business Association; BIMA = Bermuda Insurance Managers' Association; BIRBA = Bermuda Insurance and Reinsurance Brokers' Association; IAC = Insurance Advisory Committee; IDC = Insurance Development Council

SOURCE: Organization websites; interviews

\$ Millions, 2007

Sector¹	Direct spending	Indirect spending	Total spending
Manufacturing and construction	32	452	484
Legal, accounting and business services	200	94	294
Financial intermediation	256	26	282
Transport and communications	123	147	271
Real estate and renting	109	129	239
Hotels and restaurants ¹	42	57	99
Utilities	15	62	77
Wholesale and retail	0	4	4
Other sectors ³	116	225	342
Total	894	1,197	2,091

International business accounts for 20% of all the output of other sectors

1 Spending on each sector calculated through direct surveys of international business employment and spending (e.g., money spent by international business on lawyers) and estimating the indirect effect of this on employment and spending (e.g., these additional lawyers spend money in restaurants)

2 Spending on hotels and restaurants due to international business visitors was estimated by multiplying the amount of business tourism expenditures by the percentage of all exports comprised by international business

3 Other domestic private sector includes government, recreational activities, social work, health care, and personal services

SOURCE: 2007 Ministry of Finance financial model (Detailed 19-sector Use Table for Bermuda); Department of Tourism data; team analysis

Sector	Jobs in sector Number of employees		Jobs in sector due to international business¹ Number of employees		Percent of jobs in sector due to international business
	Total	Bermudian	Total	Bermudian	
International business	4,688	2,766	4,688	2,766	100
Legal, accounting and business services	2,166	1,433	1,352	895	62
Financial intermediation	2,472	2,208	926	765	37
Utilities	374	346	117	108	31
Transport and communications	2,290	2,181	628	598	27
Real estate and renting	635	574	123	111	19
Manufacturing and construction	4,405	3,215	643	468	15
Hotels and restaurants ²	4,644	2,768	369	224	8
Wholesale and retail	4,732	4,211	369	329	8
Other sectors ³	10,965	8,492	1,431	1,043	13
Total	37,371	28,193	10,512	7,229	28

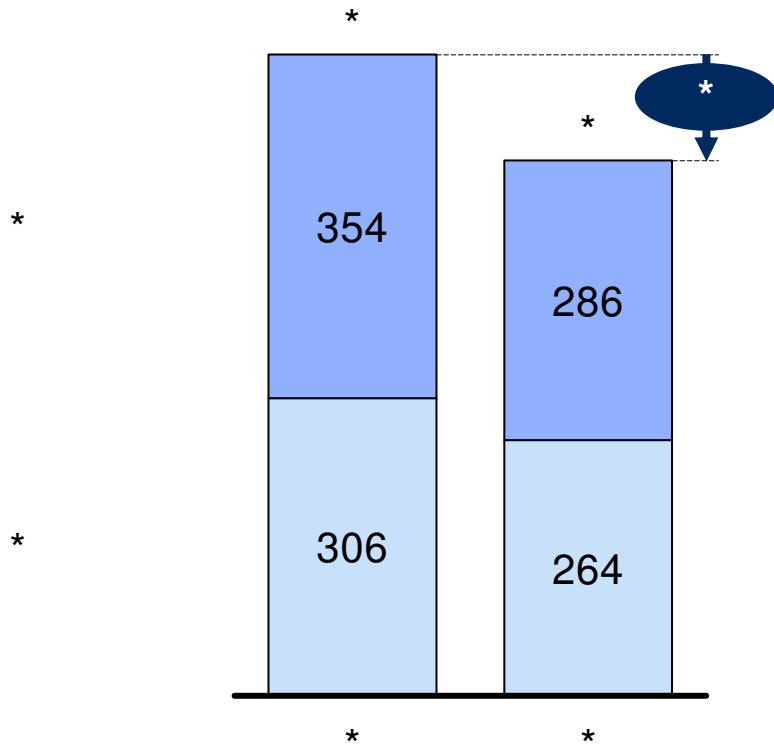
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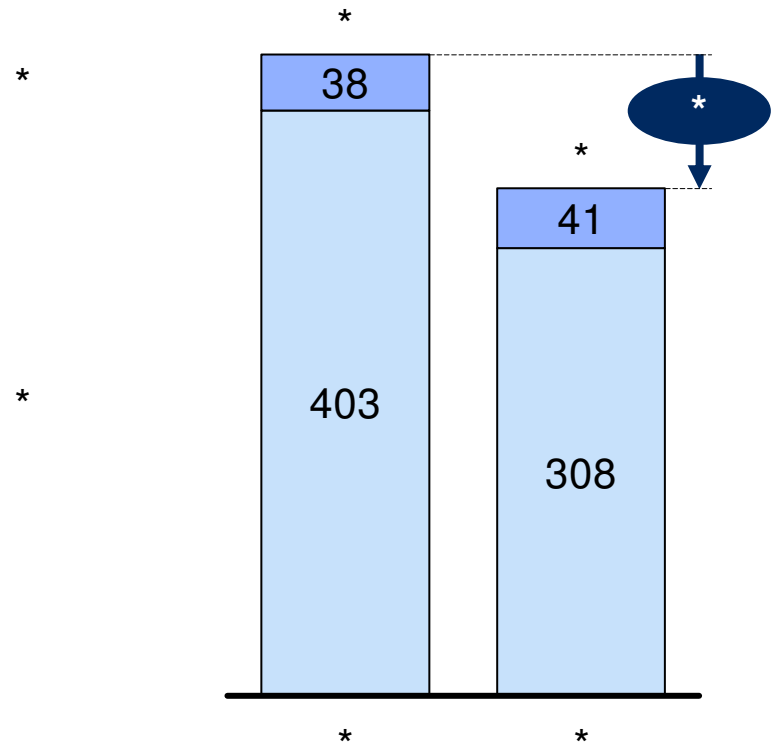
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SOURCE: 2007 Ministry of Finance financial model (Detailed 19-sector Use Table for Bermuda); Ministry of Finance and Department of Tourism data; team analysis

Number of visitor arrivals in Bermuda Thousands



Tourism revenue in Bermuda \$ Millions



SOURCE: Bermuda Visitor Profile 2008; Environment Statistics Compendium; 2007 Visitor Year End Flash Report

Target segment

Strategy

Air visitors

1
Leisure
Urbane travelers

- Attract **weekend and week-long get-aways** for relaxation and fun, including sports enthusiasts

2
Leisure
Affluent retirees

- Attract during **non-peak season** for long-term stay

3
Business
Business conference participants

- Offer top-end facilities and all-inclusive packages in **non-peak season**

4
Business
Visitors on business trips

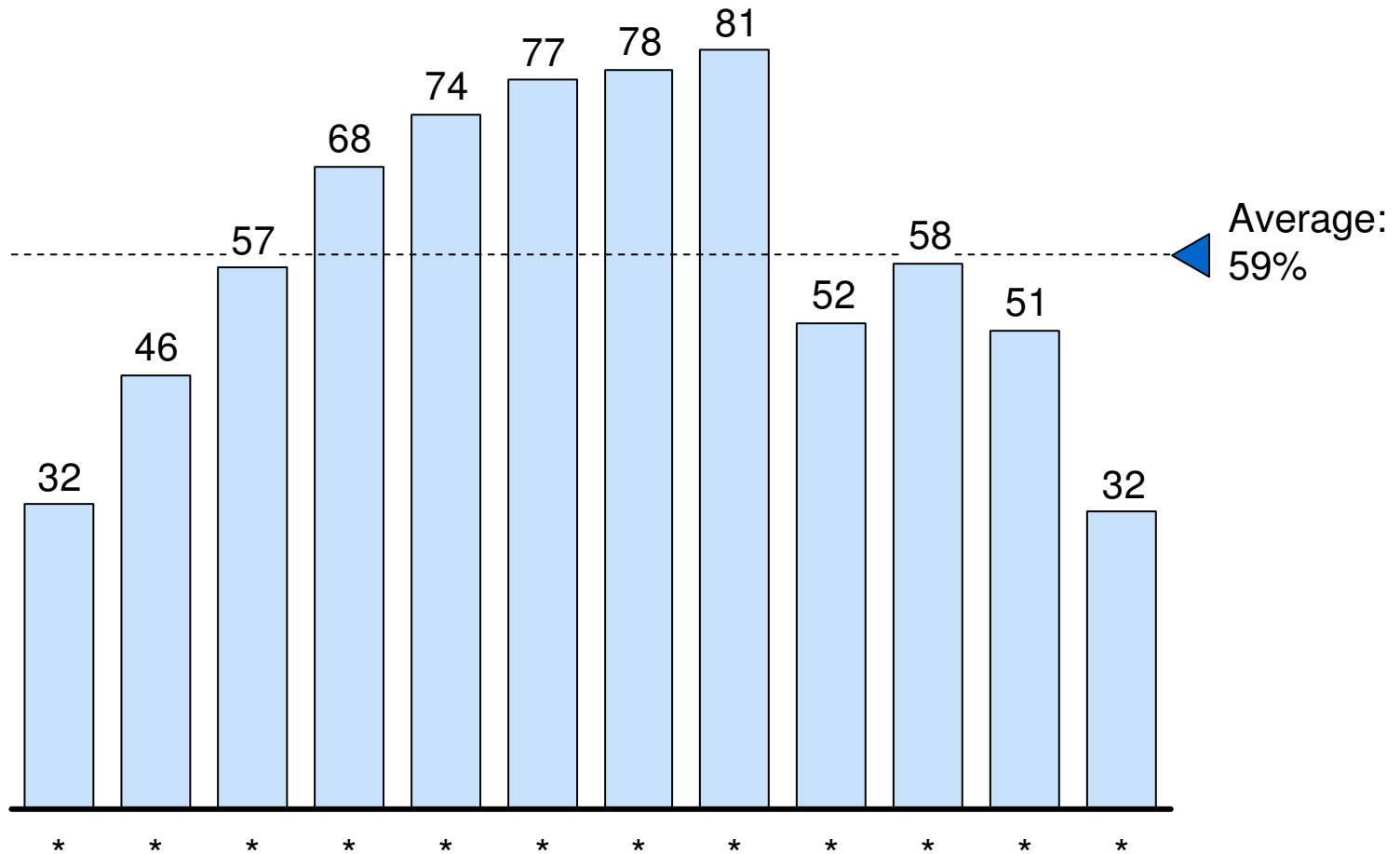
- Encourage to spend extra time for leisure and to bring family, especially in **non-peak season**

5
Cruise visitors

- **De-emphasize** and encourage higher-end cruises

Hotel occupancy level

Percent, 2008



SOURCE: Bermuda Hotel Association; Team analysis

Major division of economic activity

Proportion of Bermudians
Percent, 2007

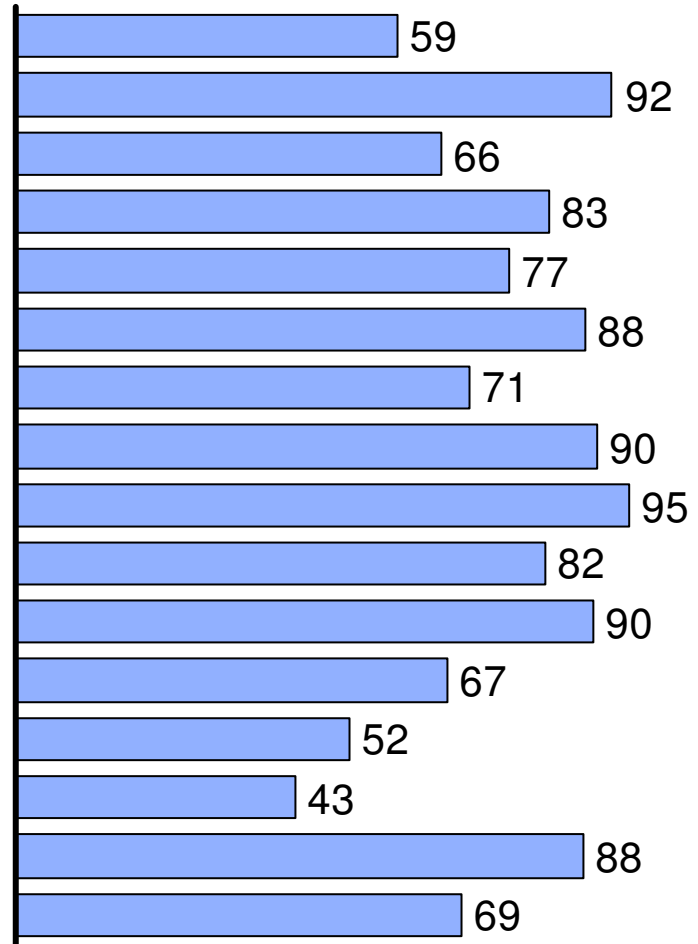
High

Median gross annual income



Low

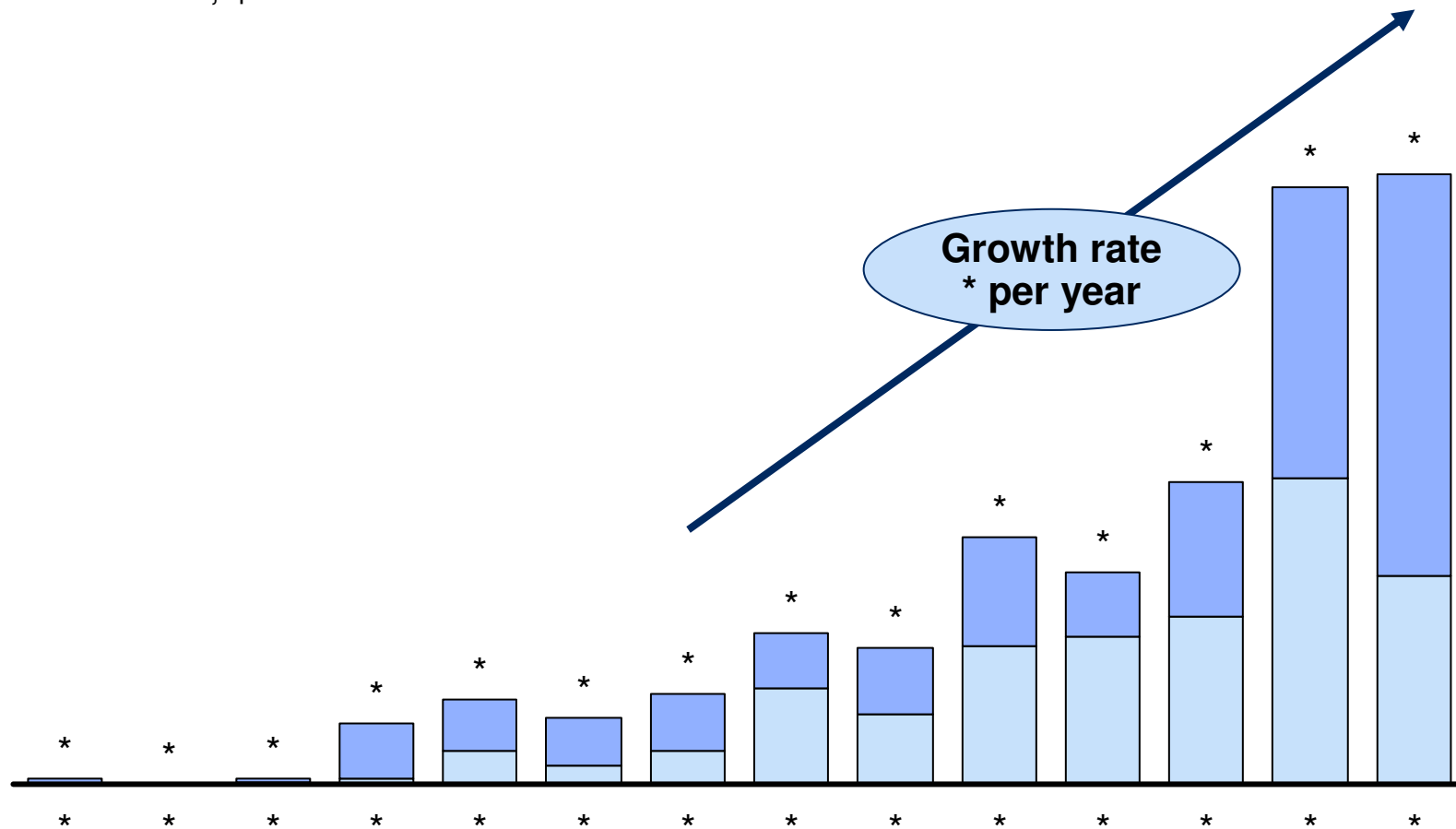
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SOURCE: The Bermuda Job Market: Department statistics, 2007

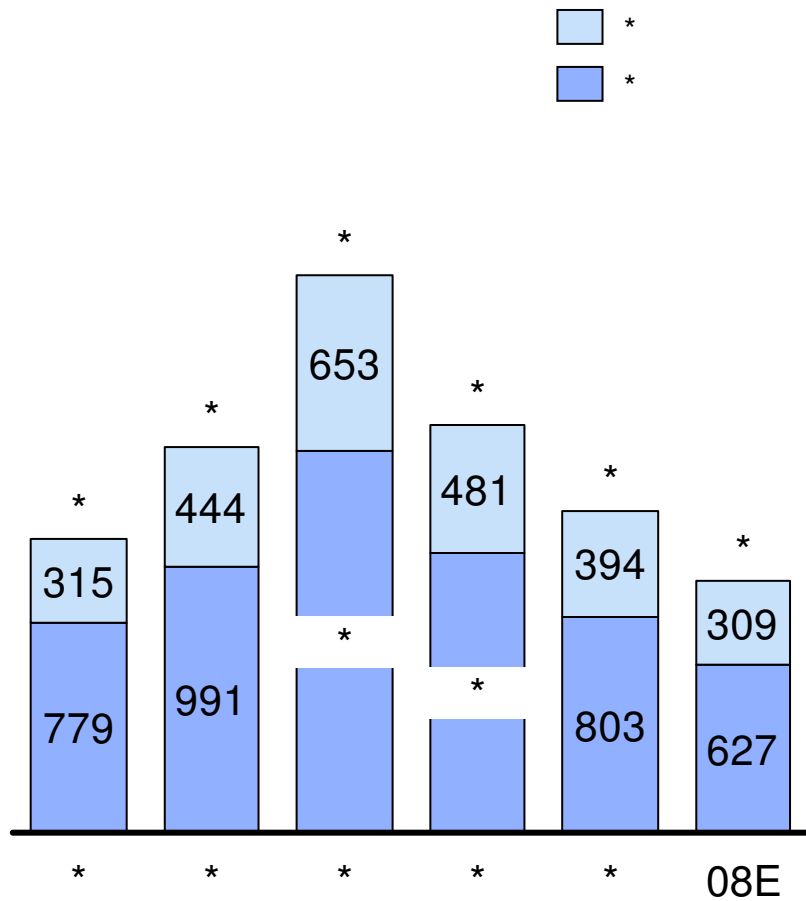
Insurance-linked securities, new issues excl. private placements 1994 - 2007, \$ billions

Life
P&C



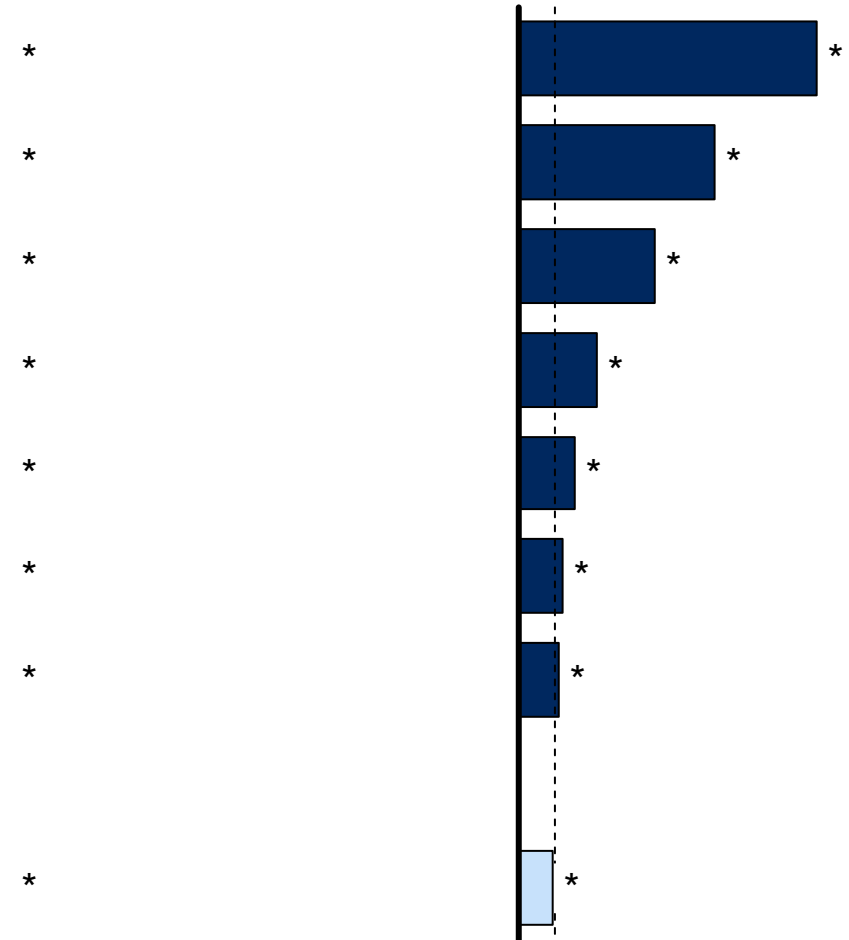
SOURCE: McKinsey financial services practice proprietary deal database

Number of hedge funds launched worldwide by year



Growth rate in assets under management for retail/DC funds

Annual growth rate percent, 2000-06

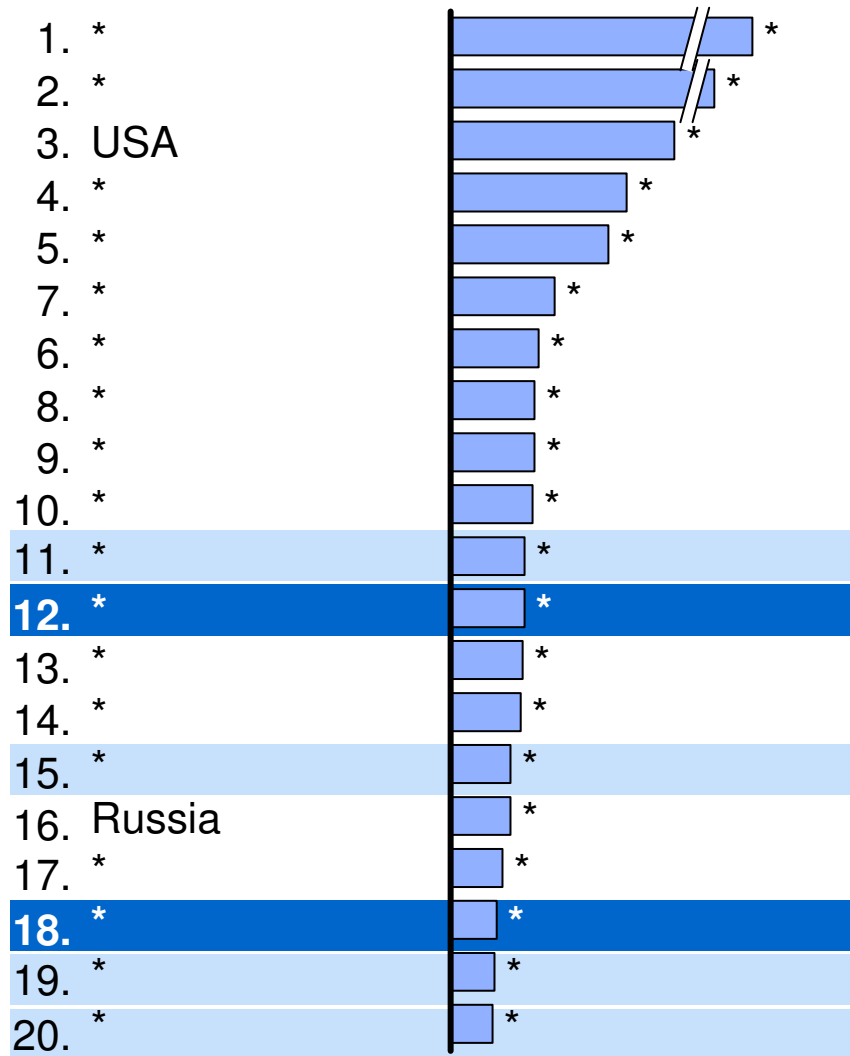


SOURCE: HFR Global Hedge Fund Industry Report – Year End 2008; team analysis

Population <5 million
Population <1 million

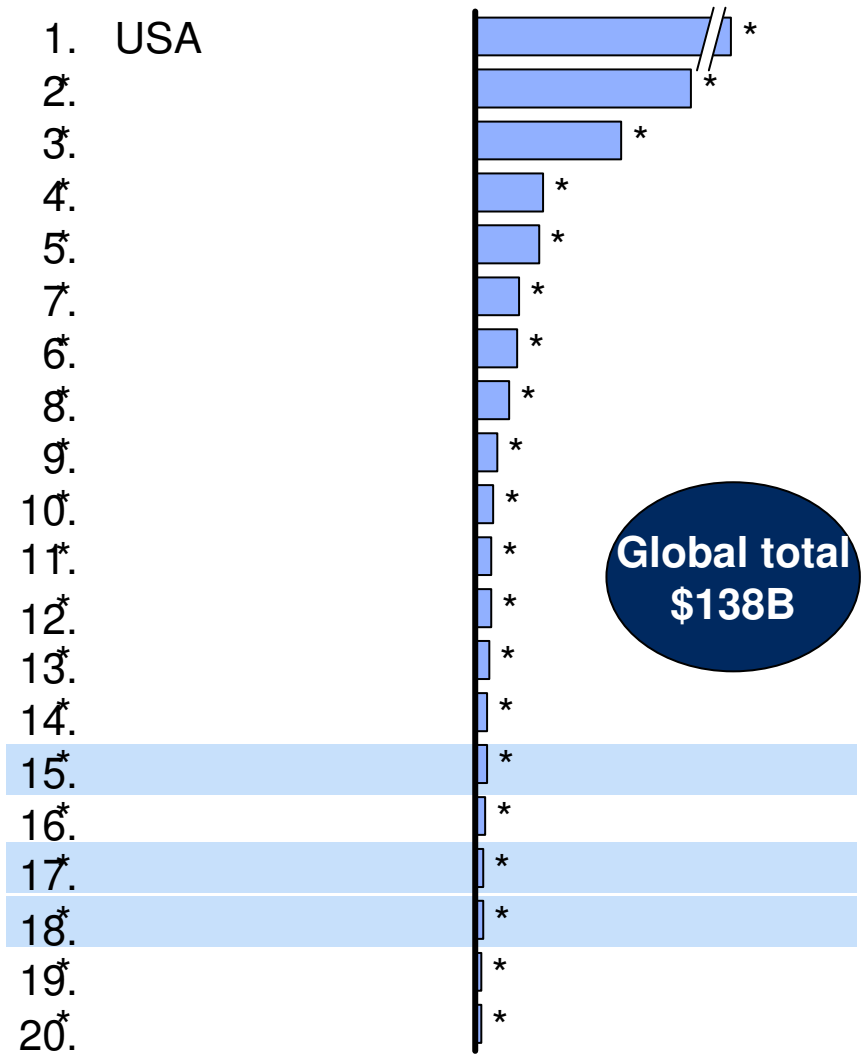
Top 20 jurisdictions by patent filings intensity

Number of resident patent filings per million population, 2006



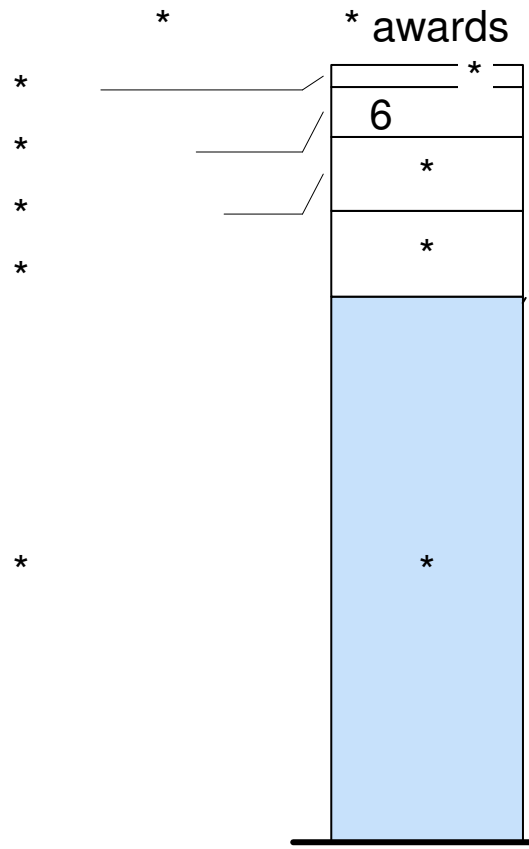
Top 20 earners of royalty and licensing fee payments

\$ Billions, 2006

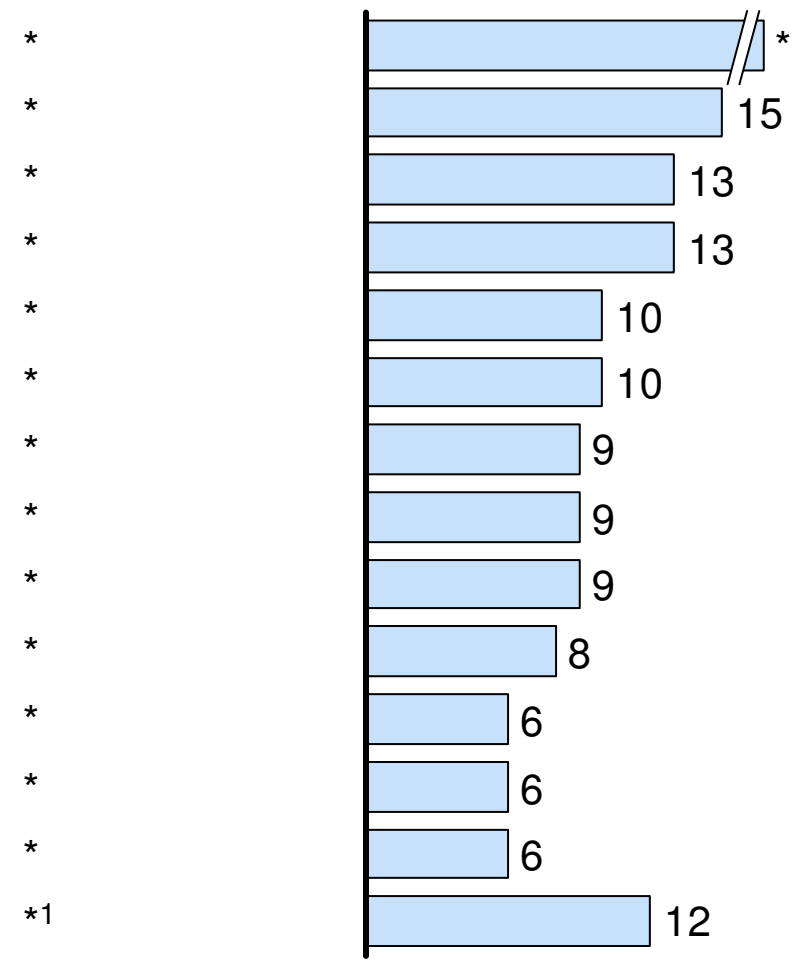


SOURCE: WIPO statistics

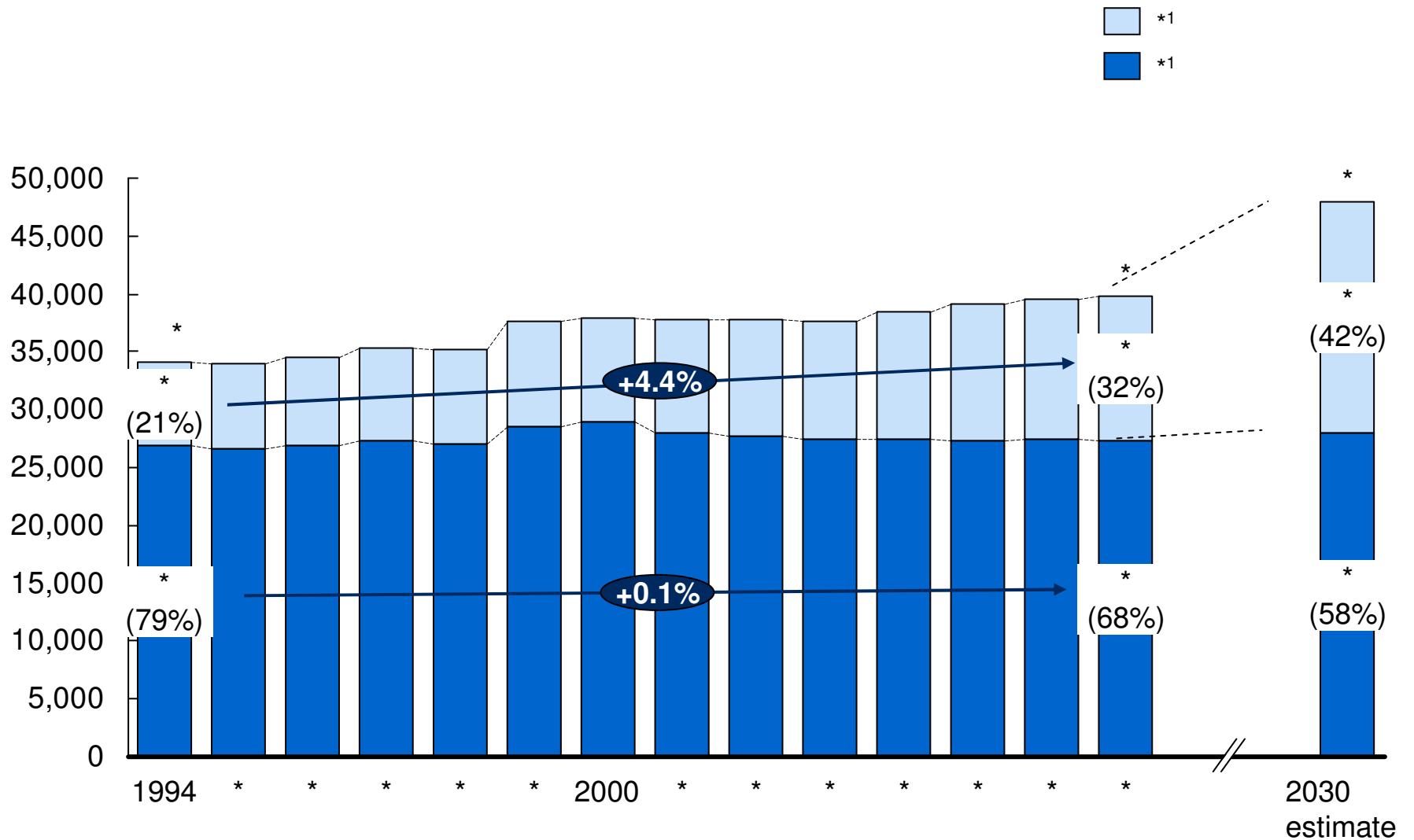
Available scholarship awards by degree level
Percent



Undergraduate scholarship awards by major
Number of awards



1 Includes engineering (3), horticulture (3), hospitality (3), architecture (1), construction (1), and performing arts (1)



1 Includes permanent residents and Spouse of Bermudian

SOURCE: Bermuda Employers' Council "The Shift" June 2008