



GOVERNMENT OF BERMUDA

The Ministry of Finance

Ministry of Finance Headquarters

Ministerial Statement
To the House of Assembly

By

The Hon. E. David Burt, JP, MP
Premier and Minister of Finance

Independent Rating Agencies Confirm Bermuda's Fiscal Progress

15 May 2026

Mr Speaker, I rise today to update this Honourable House on the latest independent assessments from international credit rating agencies. These ratings confirm Bermuda's improving fiscal position and strengthening economy, boosting investor confidence, which is an important factor in continued business growth and investment.

Mr Speaker, in the space of two weeks, three leading credit rating agencies have completed their latest reviews of Bermuda's creditworthiness. On April 29th, 2026, Kroll Bond Rating Agency, KBRA, affirmed Bermuda's long-term issuer ratings at A+, our short-term ratings at K1+, and improved our long-term outlook from Stable to Positive.

Mr Speaker, KBRA said the action of revising Bermuda's outlook from Stable to Positive reflects the "constructive structural shift" of Bermuda's public finances driven by the corporate income tax. KBRA noted that higher revenues will facilitate debt reduction and create room for further payroll and other tax relief that benefits the wider economy.

The agency also pointed to Bermuda's "world-class" international business services sector, our role as a hub for emerging financial industries, and our strong institutions and regulatory environment as factors that position the island for "continued prosperity."

On May 4th, 2026, S&P Global Ratings affirmed our A+ long-term, and A-1 short-term ratings and improved Bermuda's outlook from Stable to Positive. Mr Speaker, in their report, S&P Global said it expects Bermuda's finances "to continue to strengthen," noting Bermuda's "effective and predictable" policymaking, and the stability of our key industries. They also advised that the new corporate income tax would allow the Government "to fully repay an upcoming debt maturity in January 2027," helping to return Bermuda to a net general government creditor position.

Mr Speaker, in practical terms, this places Bermuda in a stronger financial position to meet its obligations while creating greater capacity to invest in the priorities that support Bermudians and their future.

Mr Speaker, on May 5th, 2026, Moody's Ratings upgraded, Bermuda's long-term issuer rating from A2 to A1, with a Stable outlook.

Mr Speaker, Moody's decision is particularly significant. Moody's is one of the most respected names in sovereign credit analysis and is a direct upgrade of Bermuda's sovereign credit rating, which was downgraded in 2016 from A1 to A2. This places our island more firmly in the upper tier of investment-grade jurisdictions.

Moody's stated that the upgrade reflects the "improvement in fiscal strength" that is expected to continue in the coming years. The agency also noted the introduction of corporate income tax represents a "structural increase in government revenue," which it expects will lead to "a sustained track record of fiscal surpluses," "continued improvement in debt affordability," and "a faster and durable reduction" in Bermuda's debt burden.

However, Mr Speaker, there is one additional point that I believe is essential to note from page 1 of Moody's Report. The ratings agency stated, "even before the benefits of corporate income tax accrue, fiscal strength had improved steadily in recent years, supported by continued fiscal consolidation."

Mr Speaker, an independent assessment by a leading ratings agency has concluded that Bermuda's progress did not begin with corporate income tax, but before. This reflects several years of sound fiscal management and execution of Bermuda's Economic Recovery Plan after the COVID-19 Pandemic, which returned the Government's budget to surplus for the first time in over two decades, whilst still providing tax relief for workers, pension increases for our seniors and record investment affordable housing.

Mr Speaker, taken together, the message from these three independent agencies is clear and consistent. Bermuda's public finances have entered a new era. The decisions taken by this Government are producing tangible outcomes recognised by the world's leading ratings agencies.

Mr Speaker, the specific figures cited in these reports speak for themselves. Bermuda's debt burden is expected to decline to 27% of GDP in 2026/27, down from a peak of 49% in 2020. Our interest-to-revenue ratio is expected to fall below 6% in 2026/27, compared with 13% in 2020.

Moody's expects sustained fiscal surpluses of around 5% of GDP over the next two to three years. And, as this Honourable House is already aware, this Government will repay \$605 million of debt, in full, in January 2027. This is the largest single repayment of national debt in Bermuda's history.

Mr Speaker, KBRA, S&P Global and Moody's have also recognised the steps this Government is taking to safeguard these gains for the long term. Moody's noted the Government's plans to reinforce the fiscal policy framework, including formal fiscal rules, the establishment of a stabilisation fund & sovereign wealth fund, and the continued use of the sinking fund. The agency said these measures, once in place, would "support the durability of fiscal surpluses" and "a more resilient decline in the debt burden."

Mr Speaker, for Bermudians, these ratings have real and practical meaning. A stronger credit profile improves Bermuda's standing in global financial markets and supports investor confidence in our economy. Lower debt and lower interest costs for the Government can also filter across the economy, as the sovereign rating helps shape how financial institutions in Bermuda are viewed in global markets.

Mr Speaker, the three independent rating agencies also identified longer-term challenges, including the structural constraints of Bermuda's small size, our economic concentration, and demographic pressures. This Government is addressing those issues through our Economic Development Strategy, our work on healthcare reform, and our plans to build fiscal buffers.

Why does that matter, Mr Speaker? Because when you build those fiscal buffers, you give your country the ability to act when people need support. Just last month, when volatility in global oil markets threatened to push fuel prices sharply higher, this Government stepped in to hold prices steady shielding Bermudian households from higher costs at the pump. That is the difference fiscal discipline makes: without it, Governments have no room to act when people need help most.

Mr Speaker, before I close, I want to acknowledge the public officers in the Ministry of Finance and across Government whose work has made this progress possible. I also want to thank the people of Bermuda. Through a challenging global period, Bermudians have stayed the course, and these improved ratings are a reflection of that collective effort.

Mr Speaker, this Government remains focused on responsible financial management; reducing Bermuda's debt while investing in our people, upgrading our infrastructure, strengthening public education, expanding healthcare access, easing the burden on working Bermudians, and building a fairer, more stable and affordable Bermuda.

Thank you, Mr Speaker.