GOVERNMENT OF BERMUDA
Department of Statistics

BALANCE OF PAYMENTS & INTERNATIONAL INVESTMENT POSITION

QUARTER 1/2026

BALANCE OF PAYMENTS

Current Account Surplus = $562 million

The Bermuda current account recorded a surplus of $562 million in the first quarter of 2026 (Figure 1; Table 1). This represented a $105 million increase year-over-year. The increase in the surplus reflected an increase in receipts from non-residents that are larger than the increase in payments to non-residents. The rise in receipts was largely driven by business services and employee compensation (Figure 2; Table 1).

Contributing factors include:

- The deficit on the goods account widened by $3 million to $291 million.
- Service transactions realised a surplus of $95 million, up $13 million from a year ago.
- Bermuda's primary income account surplus expanded by $92 million year-over-year, climbing to $800 million in the first quarter of 2026.

Figure 1

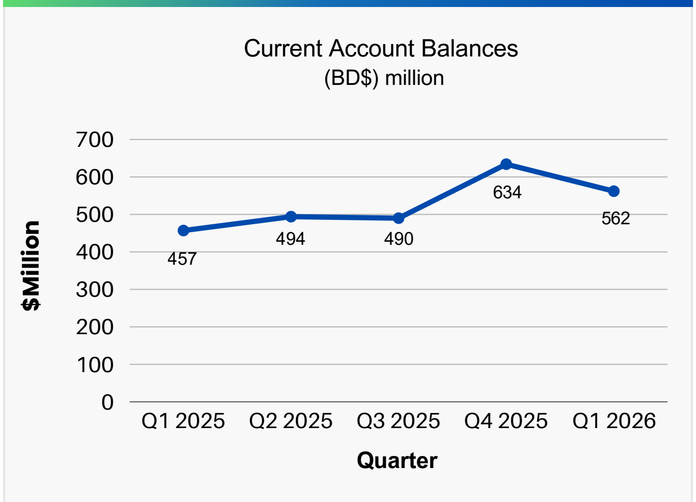
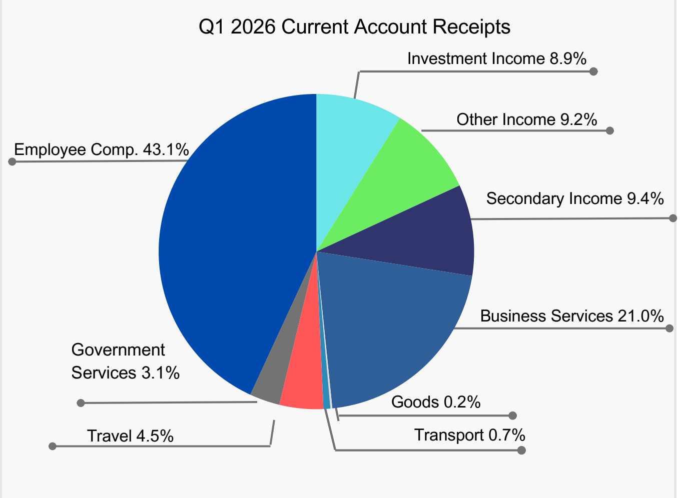


Figure 2



Goods Account Deficit = $291 million

The goods account deficit widened by $3 million year-over-year during the first quarter of 2026 (Table 1). The value of imported goods increased to $293 million, reflected in a rise in imported goods from two out of five country groups. The leading contributors were the United Kingdom and Canada, increasing by $5.3 million, and $160 thousand, respectively. By contrast, imports from all other countries and the United States decreased by $2.1 million and $1.8 million, respectively.

Among the commodity groups, the increase in imports was reflected mainly in three commodity groups. The increase in imports was driven by machinery, basic materials and semi-manufacturing goods, and food beverages and tobacco, which increased by $2.8 million, $2.5 million, and $2.0 million, respectively. Of the remaining six commodity groups, two recorded decreases. The import of fuels decreased $7.7 million, while finished equipment decreased by $1.4 million

Revenue earned from the exports of goods remained steady at $3 million.

Services Account Surplus = $95 million

The surplus on the services account increased by $13 million from a year ago. The increase in the surplus balance reflected an increase in the export of services that was larger than the increase in imports of services.

The surplus balance on business services grew by $20 million due primarily to the increase in receipts for other services and financial services received from non-residents.

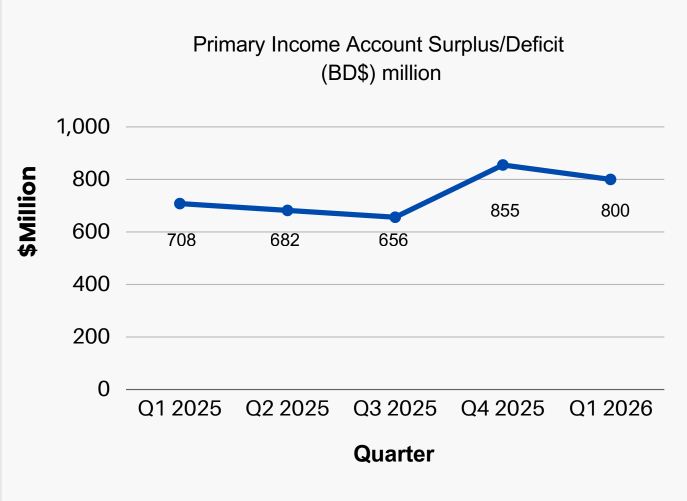
Travel services increased by $1 million due to a increase in receipts for business travel services, offset by an increase in payments for travel services. The deficit for transportation services widened by $2 million as payments for transportation services increased by $2 million and receipts remained unchanged.

Primary Income Account Surplus = $800 million

The primary income account reflects balances on compensation earned/paid to non-residents, and income from investments and payroll tax paid by non-resident companies to the Government.

Year-over-year, the surplus on the primary income account increased by $92 million during the first quarter of 2026 (Figure 3; Table 1). This rise reflected increases in investment income and employee compensation of $59 million and $30 million, respectively. Other income recorded a year-over-year increase of $3 million.

Figure 3



Secondary Income Account Deficit = $42 million

The secondary income account reflects the balances on donations, insurance claims and other transfers between residents and non-residents. The deficit balance on the secondary income account narrowed by $3 million from a year ago due primarily to increased nonlife insurance premiums received from non-residents.

Financial, Capital, and Reserve Assets Accounts

In the first quarter of 2026, transactions within Bermuda's assets accounts resulted in a net lending position of $630 million (Table 1). They were influenced by:

- Bermuda's net acquisition of financial assets resulted in an increase of $194 million this quarter compared to an increase of $476 million in 2025.

- Bermuda decreased its net incurrence of financial liabilities by $436 million this quarter compared to an increase of $18 million in 2025.

Table 1 : BALANCE OF PAYMENTS (BD$) MILLIONS

Section	Components	2025 YTD Q1	2026 YTD Q1	2025[R] Q1	2025[R] Q2	2025[R] Q3	2025[R] Q4	2026[P] Q1
CURRENT ACCOUNT PAYMENTS	**GOODS IMPORTS**	**291**	**293**	**291**	**323**	**336**	**334**	**293**
	SERVICES	**309**	**323**	**309**	**321**	**348**	**328**	**323**
	Transportation	65	67	65	71	76	69	67
	Travel	74	79	74	75	85	79	79
	Business Services:	170	177	170	175	187	180	177
	Insurance Services	21	37	21	25	41	39	37
	Financial Services	33	29	33	38	29	30	29
	ICT Services	27	28	27	23	27	29	28
	Other Services	89	83	89	89	90	82	83
	Government Services	-	-	-	-	-	-	-
	PRIMARY INCOME	**86**	**77**	**86**	**122**	**108**	**-59**	**77**
	Employee Compensation	10	11	10	8	10	9	11
	Investment Income	76	66	76	113	98	-68	66
	Other Income	-	-	-	-	-	-	-
	SECONDARY INCOME	**128**	**176**	**128**	**142**	**184**	**191**	**176**
	TOTAL PAYMENTS	**814**	**869**	**814**	**908**	**975**	**793**	**869**
CURRENT ACCOUNT RECEIPTS	**GOOD EXPORTS**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
	SERVICES	**392**	**418**	**392**	**514**	**556**	**499**	**418**
	Transportation	10	10	10	16	16	13	10
	Travel	58	64	58	183	211	94	64
	Business Services:	272	300	272	313	326	385	300
	Insurance Services	29	31	29	30	38	33	31
	Financial Services	52	60	52	85	115	149	60
	ICT Services	8	8	8	8	8	9	8
	Other Services	184	201	184	190	166	194	201
	Government Services	52	45	52	1	2	7	45
	PRIMARY INCOME	**794**	**876**	**794**	**804**	**764**	**796**	**876**
	Employee Compensation	585	616	585	603	572	591	616
	Investment Income	79	128	79	121	131	139	128
	Other Income	129	132	129	80	61	66	132
	SECONDARY INCOME	**83**	**134**	**83**	**82**	**142**	**129**	**134**
	TOTAL RECEIPTS	**1,271**	**1,431**	**1,271**	**1,402**	**1,465**	**1,427**	**1,431**
CURRENT ACCOUNT BALANCES	**GOODS**	**-288**	**-291**	**-288**	**-320**	**-333**	**-331**	**-291**
	SERVICES	**82**	**95**	**82**	**192**	**208**	**171**	**95**
	Transportation	-55	-57	-55	-56	-59	-56	-57
	Travel	-16	-15	-16	108	126	15	-15
	Business Services:	102	122	102	138	139	206	122
	Insurance Services	7	-6	7	5	-3	-6	-6
	Financial Services	19	31	19	47	86	119	31
	ICT Services	-19	-20	-19	-15	-19	-20	-20
	Other Services	95	118	95	101	76	112	118
	Government Services	52	44	52	1	2	7	44
	PRIMARY INCOME	**708**	**800**	**708**	**682**	**656**	**855**	**800**
	Employee Compensation	575	605	575	594	562	582	605
	Investment Income	4	62	4	8	33	207	62
	Other Income	129	132	129	80	61	66	132
	SECONDARY INCOME	**-45**	**-42**	**-45**	**-61**	**-42**	**-61**	**-42**
	CURRENT ACCOUNT BALANCE	**457**	**562**	**457**	**494**	**490**	**634**	**562**
FINANCIAL ACCOUNT	Direct Investment	42	845	42	-112	-29	45	845
	Portfolio Investment	254	-481	254	346	250	307	-481
	Financial Derivatives	24	195	24	66	35	56	195
	Other Investments	71	-427	71	44	359	31	-427
	Reserve Assets	85	62	85	-30	-22	-31	62
	NET ACQUISITION OF FIN. ASSETS	**476**	**194**	**476**	**313**	**593**	**408**	**194**
	Direct Investment	-155	-2	-155	30	79	-74	-2
	Portfolio Investment	10	-85	10	-114	-48	9	-85
	Financial Derivatives	-18	-12	-18	18	-11	4	-12
	Other Investments	182	-337	182	-142	16	-83	-337
	NET INCURRENCE OF FIN. LIABILITIES	**18**	**-436**	**18**	**-208**	**36**	**-143**	**-436**
	TOTAL NET CAPITAL ACCOUNT	**0**	**0**	**-**	**-**	**-**	**-**	**-**
	NET LENDING(+)/NET BORROWING(-)	**457**	**630**	**457**	**521**	**557**	**551**	**630**
	BALANCING ITEM	**1**	**68**	**1**	**27**	**67**	**-82**	**68**

INTERNATIONAL INVESTMENT POSITION (IIP)

Bermuda's Net IIP Increased to $8.5 billion

At the end of the first quarter 2026, the stock of foreign assets held by Bermuda residents registered above its stock of foreign liabilities by an estimated $8.5 billion (Tables 2 and 3). The net IIP increased by $1.1 billion over the fourth quarter of 2025.

Foreign Assets rise to $19.2 billion

Between the fourth quarter of 2025 and first quarter of 2026, Bermuda residents' stock of foreign financial assets increased by $518 million.

Bermuda's Net Liability Position falls to $10.6 billion

Bermuda residents' stock of foreign liabilities decreased by $588 million from the fourth quarter of 2025.

IIP by Resident Institutional Sector

The non-financial corporations held a net liability position of $2.15 billion with the rest of the world at the end of the first quarter 2026 (Table 2). The General government sector's external liabilities exceeded its external assets by $279 million, influenced primarily by changes in portfolio investment asset positions. Government's liability position remained unchanged from the previous quarter. Financial corporations held a net asset position of $10.9 billion due mostly to holdings of direct investments in the form of equity capital and loans within other investments. Non-profit institutions serving households recorded a net asset position of $109 million at the end of the first quarter.

Table 2 : IIP BY RESIDENT INSTITUTIONAL SECTOR — (BD$) MILLIONS [1]

2026 Q1	Households and NPISHs [2,3]	General government	Financial corporations	Non-financial corporations	Total economy
ASSETS	**109**	**3,015**	**15,837**	**216**	**19,176**
Direct investment	44		936	-21	959
Portfolio investment	63	2,878	10,606	42	13,588
Financial derivatives (other than reserves) and ESOs	n.a	136	24	-	160
Other investment	2	-	3,978	195	4,175
Reserve assets		-	294		294
LIABILITIES	**-**	**3,294**	**4,982**	**2,365**	**10,641**
Direct investment			586	1,977	2,563
Portfolio investment	-	3,294	789	291	4,374
Financial derivatives (other than reserves) and ESOs	-	-	20	1	21
Other investment	-	-	3,587	96	3,684
NET IIP	**109**	**-279**	**10,855**	**-2,150**	**8,535**

1 Data are estimates only and subject to revision

2 Series does not include stock of household foreign assets and liabilities

3 NPISH: Non-profit institutions serving households

Table 3 : INTERNATIONAL INVESTMENT POSITION [1,2] (BD$) MILLIONS

Components	2025 R Q1	2025 R Q2	2025 R Q3	2025 R Q4	2026 P Q1
ASSETS					
BY FUNCTIONAL CATEGORY					
Direct investment	249	138	107	151	959
Portfolio investment	12,693	13,365	13,633	13,769	13,588
Financial derivatives (other than reserves) and ESOs	17	24	12	14	160
Other investment	3,307	2,685	3,405	4,515	4,175
Reserve assets	292	262	240	209	294
BY INSTRUMENT					
Equity and investment fund share/units	3,393	3,517	3,599	3,650	4,540
Debt instruments:	13,148	12,934	13,787	14,994	14,477
Special drawing rights	n.a.	n.a.	n.a.	n.a.	n.a.
Currency and deposits	1,126	1,072	1,245	1,418	1,240
Debt securities	9,841	10,248	10,381	10,479	10,301
Loans	1,848	1,337	1,903	2,787	2,628
Insurance, pension, standardized guarantee schemes	2	1	1	1	1
Other accounts receivable/payable	331	275	256	309	306
Other financial assets and liabilities	17	24	12	14	160
TOTAL ASSETS	**16,558**	**16,474**	**17,398**	**18,659**	**19,176**
LIABILITIES					
BY FUNCTIONAL CATEGORY					
Direct investment	2,835	2,862	2,933	2,857	2,563
Portfolio investment	4,513	4,394	4,355	4,376	4,374
Financial derivatives (other than reserves) and ESOs	22	34	27	28	21
Other investment	4,267	4,065	4,063	3,968	3,684
BY INSTRUMENT					
Equity and investment fund share/units	3,536	3,565	3,574	3,496	3,152
Debt instruments:	8,078	7,756	7,776	7,705	7,469
Special drawing rights	n.a.	n.a.	n.a.	n.a.	n.a.
Currency and deposits	3,805	3,693	3,786	3,609	3,314
Debt securities	3,811	3,691	3,713	3,736	3,785
Loans	233	172	106	195	158
Insurance, pension, standardized guarantee schemes	39	39	38	43	41
Other accounts receivable/payable	190	160	133	122	171
Other financial assets and liabilities	22	34	27	28	21
TOTAL LIABILITIES	**11,637**	**11,355**	**11,377**	**11,229**	**10,641**
NET IIP	**4,922**	**5,120**	**6,021**	**7,429**	**8,535**

Table 4 : INTEGRATED INTERNATIONAL INVESTMENT POSITION, 2026 (BD$) MILLIONS [1]

Components	First quarter 2026			
	Opening Position [R]	Financial Transactions [2]	Other Changes in Position [3]	Closing Position [P]
ASSETS				
BY FUNCTIONAL CATEGORY				
Direct investment	151	848	-40	959
Portfolio investment	13,769	-461	280	13,588
Financial Derivatives (other than reserves) and ESOs	14	141	4	160
Other investment	4,515	-344	5	4,175
Reserve Assets	209	85	0	294
BY INSTRUMENT				
Equity and investment fund share/units	3,650	678	212	4,540
Debt instruments:	14,994	-550	33	14,477
Special drawing rights	0	0	0	0
Currency and deposits	1,418	-176	-1	1,240
Debt securities	10,479	-205	28	10,301
Loans	2,787	-162	3	2,628
Insurance, pension, standardized guarantee schemes	1	0	0	1
Other accounts receivable/payable	309	-6	3	306
Other financial assets and liabilities	14	140	5	160
TOTAL ASSETS	**18,658**	**268**	**250**	**19,176**
LIABILITIES				
BY FUNCTIONAL CATEGORY				
Direct investment	2,857	-298	5	2,563
Portfolio investment	4,376	0	-2	4,374
Financial Derivatives (other than reserves) and ESOs	28	-12	4	21
Other investment	3,968	-288	4	3,684
BY INSTRUMENT				
Equity and investment fund share/units	3,496	-348	4	3,152
Debt instruments:	7,705	-238	2	7,469
Special drawing rights	n.a.	n.a.	n.a.	n.a.
Currency and deposits	3,609	-301	5	3,314
Debt securities	3,736	50	-1	3,785
Loans	195	-35	-1	158
Insurance, pension, standardized guarantee schemes	43	-1	-1	41
Other accounts receivable/payable	122	49	0	171
Other financial assets and liabilities	28	-12	4	21
TOTAL LIABILITIES	**11,229**	**-598**	**11**	**10,641**
NET IIP	**7,429**	**867**	**239**	**8,535**

1 Data displayed represents the changes between the previous and current quarters.

2 Transactions refer to any business dealings that occurred during the quarter that lead to an increase or decrease (shown as a negative) in the investment position.

3 Other changes include price changes, exchange rate changes, and any other adjustments to the investment position, not otherwise reflected in transactions.

WHAT IS THE BALANCE OF PAYMENTS?

The balance of payments (BOP) is a statistical statement that systematically summarizes, for a specific time period, the economic transactions of an economy (resident) with the rest of the world (non-resident). Quite simply, the balance of payments covers all economic transactions between Bermuda and the rest of the world. It includes the **current account, the capital account and financial account.**

In principle, the current account, capital account and financial account should balance each other. If Bermuda sells more goods and services than it buys (i.e., if it has a current account surplus), it has to lend money abroad to finance its exports (i.e., run a capital and financial account deficit). In theory, therefore, the balance of payments is always zero.

Example: Every dollar spent by a tourist in Bermuda earns the economy $1 in foreign currency which can be used to purchase goods and services from overseas.

BOP DEFINITIONS AND NOTES

Balancing Item (Net Errors & Omissions)

A current account surplus or deficit should correspond to an equivalent outflow or inflow in the capital and financial account. In other words, the two accounts should add to zero. In fact, as data are compiled from multiple sources, the two balance of payments accounts rarely equate. As a result, the balancing item is the net unobserved inflow or outflow needed to balance the accounts.

Capital Account

The capital account details transactions that involve the receipt or payment of capital transfers and acquisitions and disposal of non-produced, non-financial assets.

Current Account

Transactions on goods, services, income, and current transfers are allocated to the current account. Transactions in exports and interest income are examples of receipts, while imports and interest expenses are payments. The difference between payments and receipts determines if Bermuda's current account is in surplus or deficit.

Financial Account

All transactions associated with changes of ownership in foreign financial assets and liabilities of the economy are included in the financial account. Such changes include the creation and liquidation of claims on, or by, the rest of the world.

Payments

All monies that are paid by residents to non-residents are considered payments.

Receipts

All monies that are received by residents from nonresidents are considered receipts.

Reserve Assets

Reserve Assets are those external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and for other related purposes (such as maintaining confidence in the currency and the economy, and serving as a basis for foreign borrowing).

Resident

The concept of residency is very important in the BOP because the BOP is in fact a statement of transactions between residents and non-residents. A unit must have a centre of predominant economic interest within an economic territory for at least one year or more to be considered resident of that territory.

Seasonal Workers

Workers from overseas who come to Bermuda to work for a few months in the year or every year are considered seasonal workers. Their expenditure on living expenses in Bermuda is included as travel receipts. Similarly, their income received from employers in Bermuda is a BOP outflow under compensation of employees.

Notes

n.a. – Not Available

Numbers may not add due to rounding

P – Provisional

R – Revised

Source: IMF Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)

WHAT IS THE INTERNATIONAL INVESTMENT POSITION?

The international investment position (IIP) is a record of Bermuda residents' investment abroad and nonresidents' investment in Bermuda. The IIP shows the balance sheet position of financial claims on nonresidents as assets and non-residents' claims on Bermuda as liabilities. The balance between these two positions represents the IIP; that is, an excess of assets over liabilities indicates a positive contribution to the nation's net wealth and the reverse signifies a negative contribution.

WHY IS THE IIP IMPORTANT TO MEASURE?

The composition of the IIP allows financial analysts to assess the vulnerability of the economy to changes in external market conditions. Details from the IIP can highlight mismatches in maturity of instruments and currency that can affect an economy's ability to service debt in the face of shock; financial structure problems; solvency problems and dependency problems where overreliance on another economy can present contagion concerns. Therefore, the IIP allows for a more in depth analysis behind balance sheet weaknesses that can lead to a modern-day financial crisis.

IIP DEFINITIONS

Currency and Deposits

Currency consists of notes and coins that are of fixed nominal values and are issued or authorized by central banks, monetary authorities such as the Bermuda Monetary Authority or governments.

Deposits include all claims that are (a) on the central bank and other deposit-taking corporations; and (b) represented by evidence of deposit.

Debt Securities

Debt securities are negotiable instruments serving as evidence of a debt.

Direct Investment

Direct investment represents the value of long-term capital owned in subsidiaries, affiliates and branches by investors in a position to exercise control or a significant degree of influence on the management of the enterprise. A measure of total investment controlled in Bermuda by foreign direct investors, or abroad by Bermudian direct investors, indicates the leverage type impact of ownership.

Financial Derivatives

A financial derivative contract is a financial instrument whose value is based on the value of an underlying security such as a stock or bond, commodity or other financial instrument.

Insurance, Pension, Standardized Guarantee Schemes

Insurance, pension, and standardized guarantee schemes all function as a form of redistribution of income and wealth mediated by financial institutions.

Loans

Loans represent the extension of money from Bermuda residents to non-residents and vice versa, with an agreement that the money will be repaid.

Other Accounts Receivable/Payable

Other accounts receivable/payable consists of trade credit and advances between Bermuda and non-residents and, other miscellaneous receivables/payables.

Other Investment

Other investment is a residual category that includes positions and transactions other than those included in direct investment, portfolio investment, financial derivatives and employee stock options (ESO), and reserve assets.

Portfolio Investment

Portfolio investment abroad by Bermuda residents and in Bermuda by non-residents is defined as the holding of debt or equity securities other than those included in direct investment or reserve assets.

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