



GOVERNMENT OF BERMUDA

The Ministry of Finance

Ministry of Finance Headquarters

Ministerial Statement

To the Senate

By

Senator, The Hon. Crystal C. Ceasar, JP

Minister of Education and Spokesperson for Finance

The Bermuda Monetary Authority Annual Report 2024

Date: 5th June, 2025

Madam President, in accordance with section 28 of the Bermuda Monetary Authority Act 1969, I am pleased to table the Bermuda Monetary Authority Annual Report 2024 (the “Report”).

Madam President, Bermuda’s financial services sector is subject to the regulation and supervision of the Bermuda Monetary Authority (the “Authority”). The Authority operates pursuant to the Bermuda Monetary Authority Act 1969 (the “Act”), which provides it with a number of principal objects, including the supervision, regulation and inspection of financial institutions operating in or from within Bermuda, together with the promotion of financial stability and soundness of financial institutions.

Madam President, the Senate would be aware that the Authority has specific licensing and supervisory responsibilities under the following regulatory statutes: the Banks and Deposit Companies Act; Corporate Service Provider Business Act, the Digital Asset Business Act; the Insurance Act; the Investment Business Act; the Investment Funds Act; Money Service Business Act, the Fund Administration Provider Business Act; the Trusts (Regulation of Trust Business) Act, together with other statutes. The Authority also regulates the Bermuda Stock Exchange.

Mission

Madam President, the Authority's mission is to contribute to Bermuda's financial stability, protect customers of financial services and protect Bermuda's currency through maintaining effective and proactive regulatory frameworks through its highly skilled and engaged workforce; delivering efficient operations and sustainable business practices; and supporting responsible innovation locally and in global markets.

International Recognition

Madam President, the Authority has received international recognition for its regulatory excellence, being one of only seven jurisdictions with US National Association of Insurance Commissioners (NAIC) "qualified jurisdiction" status, one of three jurisdictions to have received the NAIC reciprocal jurisdiction status, and one of just two jurisdictions in the world to be granted full Solvency II equivalence by the European Union.

Madam President, the Authority is an active in key international organisations, fostering strong global relationships. The Authority's Managing Director, Supervision of the Authority serves on the International Association of Insurance Supervisors (IAIS) Executive Committee with the Authority's staff leading or contributing to numerous IAIS Committees, including those on macroprudential, policy and financial crime.

Madam President, Authority also engages with the Financial Stability Board Regional Consultative Group Americas and participates in and contributes to the Bank for International Settlements and the Organisation for Economic Co-operation and Development's Insurance and Private Pensions Committee. The Authority is also a coordination group member of the Global Financial Innovation Network, a group of regulators committed to supporting financial innovation in the best interests of consumers.

Legislation

Madam President, the Authority is authorised to advise the Minister of Finance on policy matters relating to financial institutions and may propose legislation consistent with its responsibilities under the Bermuda Monetary Act 1969 (Act). Amongst the legislative proposals advanced in 2024 were those which bolstered the regime under which recognised investment exchanges and recognised clearing houses are supervised and regulated;

a Ministerial Order, for the minimum initial net assets required of Restricted Banks at the time of licensing and expanded the classes of persons to whom such banks may provide services; and measures to amend the fees payable by entities operating within the Authority's innovation hub.

Additionally, rules were passed regarding the requirements for insurers to create a recovery plan, the contents of such plans, and the matters which the Authority shall consider when determining which insurers need to prepare a recovery plan. Regulations were also issued to enable the Authority to refresh the form and design of coins to feature the image of His Majesty King Charles III.

Supervision and Licensing

Madam President Senators' attention is drawn to the following key highlights for the various sectors supervised by the Authority:

Banking Sector

With regard to the banking sector, consolidated assets of the banking sector remained unchanged at \$23.7 billion in 2024. Investments retained the largest share of total assets at 53% (49.1%:2023), followed by loans at 33% (35.6%:2023), and cash and deposits at 11% (11.3%: 2023). Net interest income continued to be the largest component of the banking sector's income at \$755 million (\$790 million: 2023).

Insurance sector

Madam President, moving to the insurance sector, 1,239 insurers were registered as of 31 December 2024 compared to 1,213 in 2023. According to 2023 year-end information, total capital and surplus was \$404 billion in 2023 an increase of \$57 billion from the \$347 billion recorded in 2022.

Gross premiums written were \$316 billion in 2023 an increase of \$39 billion from the \$277 billion recorded in 2022. The increase is attributed to the growth in business written by large, commercial, general business and long-term insurers. Total assets were \$1.87 trillion in 2023 an increase of \$217 billion from \$1.65 trillion in 2022. This increase was largely due to increased business written by a specific group of insurers.

Investment Sector

Madam President, moving to the investment sector, there were 52 licensed investment business providers an increase of 5 from 47 in 2023. and 56 registered investment business providers operating in Bermuda in 2024. The aggregate total assets under management (AUM) reported by licensed investment providers were US\$231 billion compared to US\$225 billion AUM in 2023.

Total assets under administration (**AUA**) for 2024 were US\$25.4 billion, compared to US\$28.1 billion reported for 2023.

Madam President, in 2024, there were 784 investment funds on the Investment Funds Act register, a decrease of 20 compared to 804 in 2023. Of these, 129 overseas funds being promoted in Bermuda and 655 Bermuda funds. This is contrasted against 2023, whereby 146 overseas funds were promoted in Bermuda and Bermuda funds totalled 658, with a net asset value reported in relation to Bermuda funds of \$295 billion an increase from \$281 billion in 2023. At the end of 2024, 24 fund administrator licences were in issue, unchanged from the prior year, with \$195.6 billion in assets under administration.

Digital Asset Business Sector

Madam President, 2024 was a significant year of growth for the digital asset business sector which ended the year with 36 digital asset business providers operating in Bermuda, a 50% increase from the 24 recorded in 2023. This sector is continuing to demonstrate strong growth and is expected to become the third largest revenue earner for the Authority during the upcoming year. This growth is testament to this Government's foresight in ensuring that Bermuda established a credible regime for this emerging sector, which has been in place since 2018.

Bermuda Stock Exchange

Madam President, the total equity market capitalisation of the Bermuda Stock Exchange stood at \$217.6 billion at the end of 2024 as compared with \$191.7 billion at the end of 2023. A total of 156 new insurance-linked securities were added to the BSX in 2024 a reduction from 195 new issues recorded in 2023. Domestic trading volume totalled 11.3 million shares in 2024 up significantly from 2.3 million in 2023.; with the value of shares traded totalled \$105.8 million (\$20.4 million: 2023).

BMA Financial Highlights

Madam President, Members' attention is drawn to the following highlights set out in the Statement of Accounts Report:

- Net income for the Authority was \$17.93 million up from a net loss of \$3.53 million in the previous year.
- Total revenue increased by 50% up to \$129.80 million, up from \$86.7 million. The increase is mainly due to a \$40 million increase in revenue from supervisory and licensing fees.
- Expenses increased by 24% to \$111.9 million. The increase was mainly due to the \$15.5 million in increased salaries and benefits.
- Licensing fees were \$114.5 million at year-end as compared with \$74.4 million of which \$103 million was paid by the insurance sector.
- The receipts of funds from fines and penalties increased by \$2.554 million from the previous year.

- The Authority had 302 full-time permanent employees an increase from 273 in 2023.
- Board Members are paid an annual fee of \$50,000 an increase of \$26,000 in 2023; Board Sub Committee Chairs are paid an annual fee of \$58,000 to \$63,000 up from \$33,000 in 2023. The Chairman of the Board receives an annual fee of \$125,000 an increase from \$96,000 in 2023.
- The CEO's salary is set at \$550,000 up from \$500,000 in 2023, and he is eligible for a performance-based bonus of up to 50% of base salary. The salaries of the other 20 members of the executive team range from \$275,000 to \$500,000 in 2024, with a performance-based bonus of up to 37% (2023-37%) of salary.

Madam President, upon reviewing the Authority's 2024 financial statements, the Auditor General has issued a clean opinion.

Madam President, I wish to express my sincere thanks to the Authority's Board, chaired by former Cabinet Secretary Mr. Donald Scott. I also wish to extend special thanks to the executive team and dedicated staff of the Authority, under the leadership of Chief Executive Officer Mr, Craig Swan. The Board and the executive team deserve the Senate's congratulations for their sound stewardship and the excellent financial results achieved in 2024. The Government is especially grateful for the continued partnership and collaboration with the Authority's leadership, as we remain focused on expanding and strengthening Bermuda's financial services sector in a globally competitive environment.

Thank you, Madam President.