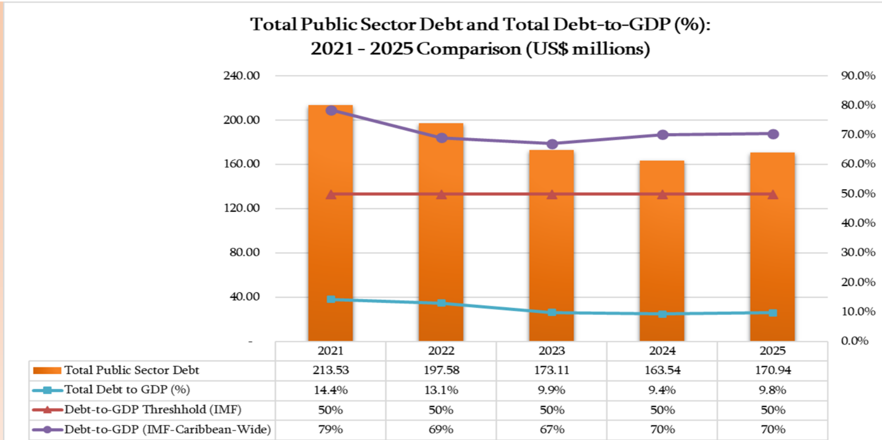
PUBLIC SECTOR DEBT AND GROSS DOMESTIC PRODUCT (GDP)

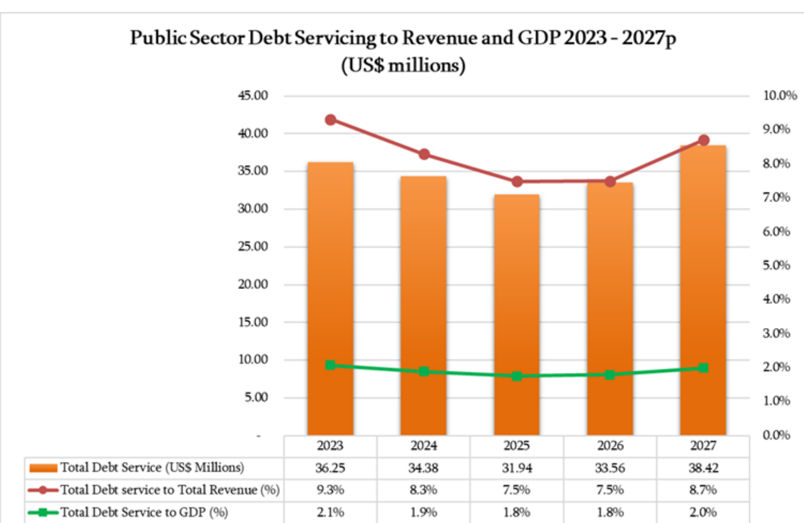
Total public sector Debt-to-GDP[1] ratio by the end of 2025 stood at 9.8%, reflecting a slight increase from 2024 (9.4%), but remaining below 2023 (9.9%), 2022 (13.1%), and 2021 (14.4%). Despite the marginal uptick in 2025 from 2024, the ratio continues to reflect a historically low level of indebtedness relative to economic output.



From 2021 to 2025, the Debt-to-GDP ratio has exhibited a clear downward trend, driven by continued servicing of public sector debt following the end of the pandemic-related moratoria period in 2021. Although disbursements occurred during this period, including in 2025, both total public sector debt and the Debt-to-GDP ratio have remained contained. The Territory's Debt-to-GDP target is less than or equal to 20%, and notwithstanding ongoing drawdowns on the $100 million Infrastructure Loan Facility through 2027, the ratio is expected to remain within this target.

There are various benchmarks for what is considered a sustainable Debt-to-GDP ratio. International Monetary Fund (IMF) studies suggest that Debt-to-GDP ratios below 50% are generally sustainable, while World Bank studies indicate that ratios at 77% and above may threaten economic growth. IMF data further indicate that the Caribbean, collectively, recorded debt-to-GDP[2] ratios ranging between 67% and 79% over the period 2021–2025[2]. This is an indication that the Caribbean Region has been susceptible to high levels of debt over the years. In contrast, the Virgin Islands' Debt-to-GDP ratio remains significantly below international benchmarks, indicating that the Territory continues to generate sufficient economic output to service its level of public sector debt.

DEBT SERVICE AND REVENUE



Debt servicing declined in 2025 relative to 2024 and 2023, reflecting lower interest rates and repayment of mature debt during the year. Total public sector debt service amounted to $31.94 million in 2025, compared to $34.38 million in 2024 and $36.25 million in 2023.

As a share of revenue, debt servicing decreased to 7.4% in 2025, down from 8.3% in 2024 and 9.1% in 2023, while debt service as a percentage of GDP declined to 1.8%, compared to 1.9% in 2024 and 2.0% in 2023. The decline in 2025 primarily reflects lower scheduled repayments across both domestic and external loan facilities due to lower interest rates, repayment of mature debt, and early repayments on loans.

Debt servicing is projected to increase moderately to $33.56 million in 2026 and $38.42 million in 2027. Correspondingly, debt service to revenue is expected to rise to 7.5% in 2026 and 8.7% in 2027 (principal repayments will have commenced on the CIBC $100 million Loan and an associated increase in interest costs with additional disbursements). While debt service to GDP is projected to remain broadly stable at 1.8% in 2026 and increase to 2.0% in 2027.

[1] GDP refers to nominal GDP (GDP at current prices). These values were updated due to revisions to historical data (2010-2021)
[2] 2025s Debt-to-GDP (IMF Caribbean-Wide) was calculated based on the average from prior years, as 2025 data is not yet available.

PUBLIC SECTOR DEBT

QUARTERLY BULLETIN

DECEMBER 2025 ISSUE 4, VOLUME 10

GOVERNMENT OF THE VIRGIN ISLANDS
Ministry of Finance

Public Sector Debt Profile

The Government of the Virgin Islands' (GoVI) public sector debt profile currently consists of fifteen (15) standard loans with four (4) creditors. GoVI's domestic creditors are CIBC—Caribbean (Cayman Limited) (CIBC), Republic Bank and the Social Security Board (SSB). GoVI's external creditor is the Caribbean Development Bank (CDB).

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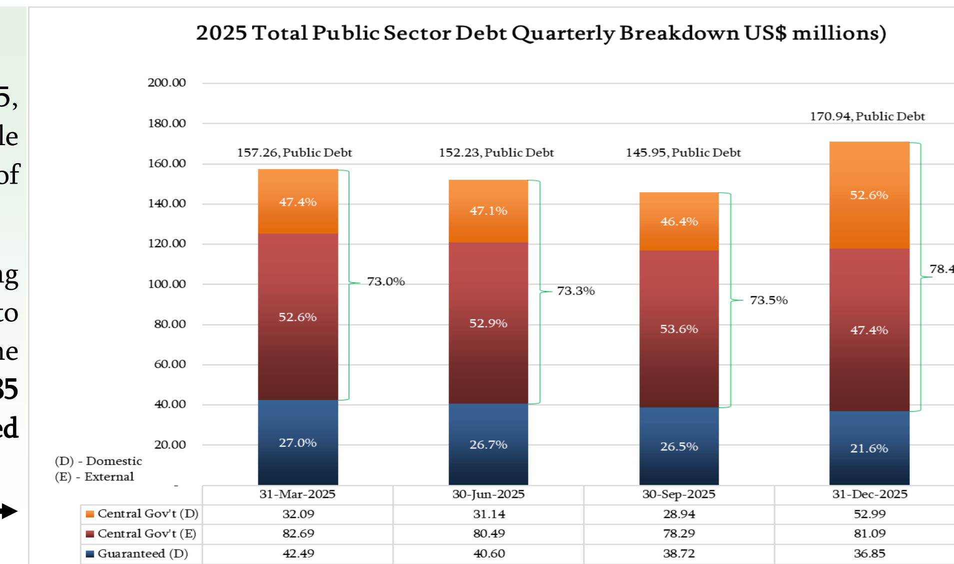
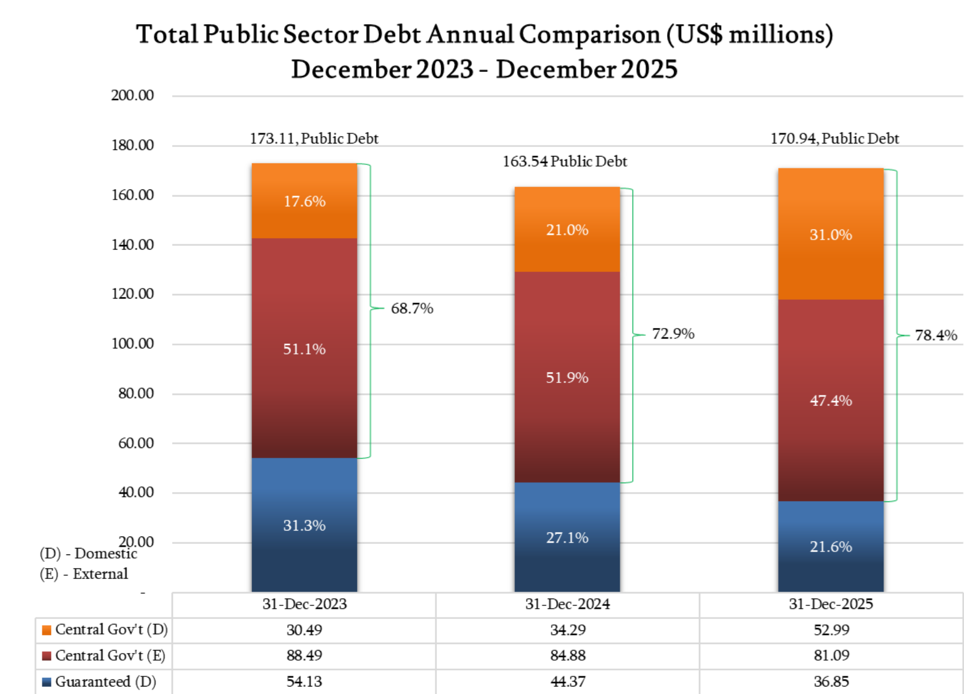
Fourth Quarter (Q4) Overview

Q4-25 Breakdown

At the end of the fourth quarter of 2025, GoVI's overall public sector debt profile totaled **$170.94 million** and comprised of fifteen (15) standard loans.

Of this total, twelve (12) loans totaling **$134.09 million (73.6%)**, were attributed to **Central Government** debt, while the remaining three (3) loans totaling **$36.85 million (26.4%)** fell under **Guaranteed** debt.





Q4 Annual Comparison 2023-2025

The outstanding balance of public sector debt at the end of 2025 increased by 4.5% from the end of December 2024 ($163.54 million), driven by Q4 disbursements totaling $30.00 million:

$25.00 million on the $100 million CIBC Loan Facility, and $5.00 million on the RRL (OCR).

There were no disbursements recorded in the first three quarters of the year.

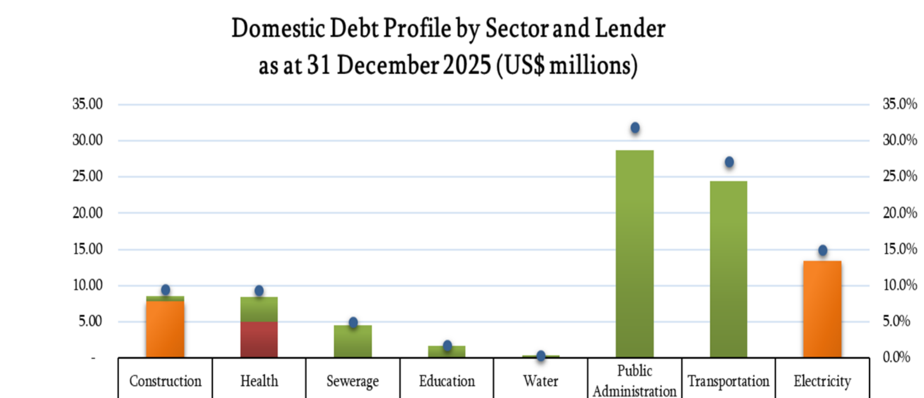
DOMESTIC AND EXTERNAL DEBT

GoVI domestic debt profile amounted to $89.85 million (52.6%) of total public sector debt, inclusive of $21.22 million with SSB, $4.99 million with Republic Bank and $63.64 million with CIBC. The external debt profile, which amounted to the remaining $81.09 million (47.4%) of total public sector debt[1], is held solely with CDB.

Domestic Debt

Domestic debt at the end of 2025 ($89.84 million) comprised both Central Government debt ($52.99 million, 59.0%) and Guaranteed debt ($36.85 million, 41.0%).

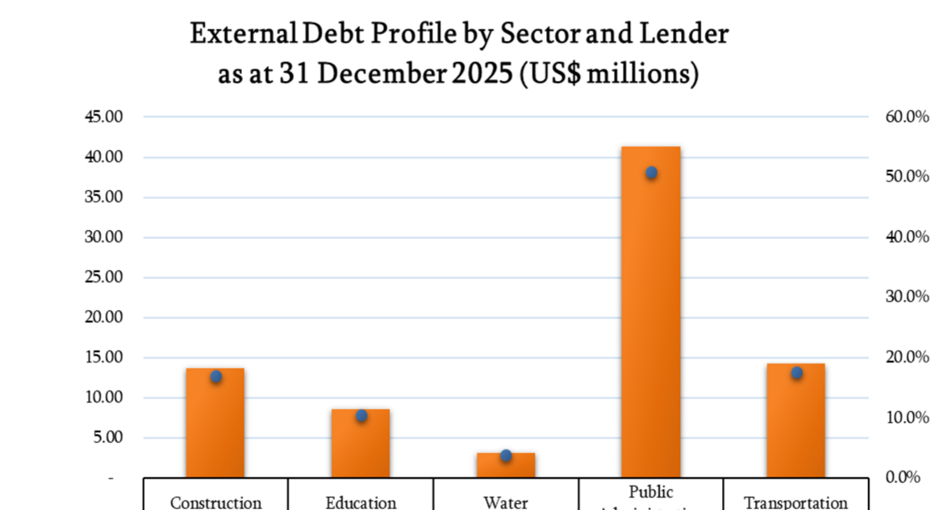
Central Government domestic debt ($52.99 million) was held primarily by CIBC ($40.20 million), Republic Bank ($4.99 million), and SSB ($7.80 million) and occupied the Construction, Health, Sewerage, Education, Water, Public Administration, Transportation and Electricity sectors. Guaranteed domestic debt ($36.86 million) continued to be concentrated in the Transportation (CIBC, $23.44 million) and Electricity (SSB, $13.42 million) sectors.



	Construction	Health	Sewerage	Education	Water	Public Administration	Transportation	Electricity
CIBC-FCIB	0.74	3.37	4.45	1.63	0.31	28.70	24.44	
Republic Bank	-	4.99	-			-	-	-
SSB	7.80	-	-			-	-	13.42
% by Sector (D)	9.5%	9.3%	5.0%	1.8%	0.3%	31.9%	27.2%	14.9%

In December 2025, an additional $25.00 million was drawn on the US$100.00 million CIBC Infrastructure Loan[2] Facility, bringing the total amount disbursed (DOD) under the facility to $35.00 million at end-2025.

External Debt



	Construction	Education	Water	Public Administration	Transportation
EIB	-	-	-	-	
CDB	13.76	8.59	3.11	41.32	14.31
% by Sector (E)	17.0%	10.6%	3.8%	51.0%	17.6%

By the end of the fourth quarter of 2025, external debt, which is held solely with the CDB[3], comprised Central Government debt totaling $81.09 million and occupied the Construction, Education[4], Water, Public Administration and Transportation sectors.

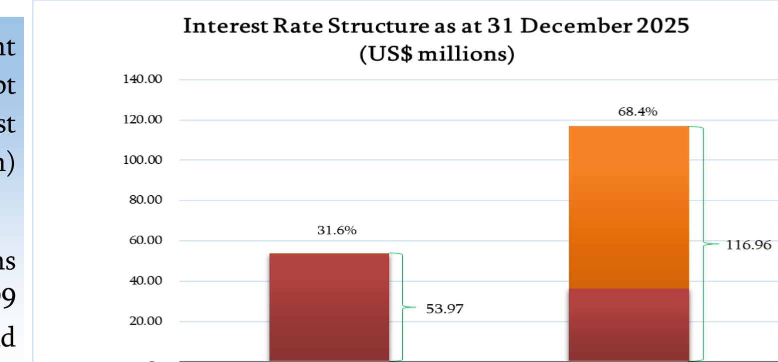
In December 2025, $5.00 million was drawn on the CDB $65.29 million RRL. The remaining $10.04 million comprising $5.04 million under the OCR and US$5.00 million under the SFR is expected to be fully drawn by October 2026.

[1]GoVI's public sector debt profile was denominated in US Dollars.
[2]$100 million loan facility is set to occupy the Education, Construction, Health, Water, Sewerage, Public Administration and Transportation sectors and is expected to be fully drawn by 2027. The main purpose of this loan (91.6%) is to finance critical infrastructure projects across the Territory.
[3]CDB's loan profile comprises of seven (7) loans covering disaster infrastructure, disaster recovery, rehabilitation and relief, education and administrative. All loans have been fully drawn except for the Rehabilitation and Reconstruction Loan ($65.29 million) (RRL).
[4]Student Loan Scheme loans are held by GoVI but are administered and managed by NBVI.

INTEREST RATE STRUCTURE

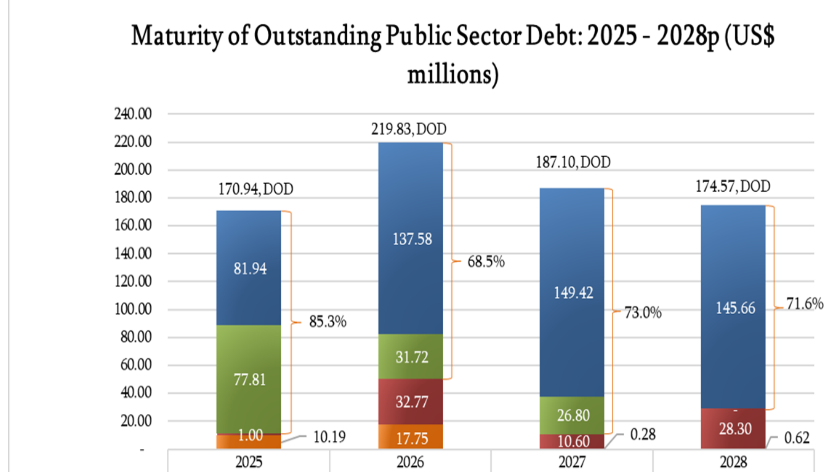
As at the end of the fourth quarter of 2025, a significant 68.4% ($116.97 million) of GoVI's public sector debt portfolio was comprised of loans with floating interest rates, held by SSB ($7.80 million), CIBC ($28.64 million) and the CDB ($80.53 million).

The remaining $53.97 million (31.6%) represented loans with fixed interest rates, held by Republic Bank ($4.99 million), CIBC ($35.00 million), SSB ($13.42 million) and CDB ($0.56 million).



	Fixed Rate	Floating Rate
External Debt	0.56	80.53
Domestic Debt	53.41	36.44

MATURITY OF PUBLIC SECTOR DEBT



	2025	2026	2027	2028
> 10 Years	81.94	137.58	149.42	145.66
> 5 Years ≤ 10 Years	77.81	31.72	26.80	-
> 1 Year ≤ 5 Years	1.00	32.77	10.60	28.30
≤ 1 Year	10.19	17.75	0.28	0.62

At the end of the fourth quarter of 2025, Central Government debt scheduled to mature within five (5) years totalled $11.19 million, representing 6.5% of total public sector debt. This amount was held by Republic Bank ($4.99 million), CIBC ($5.20 million) and the Caribbean Development Bank (CDB) ($1.00 million).

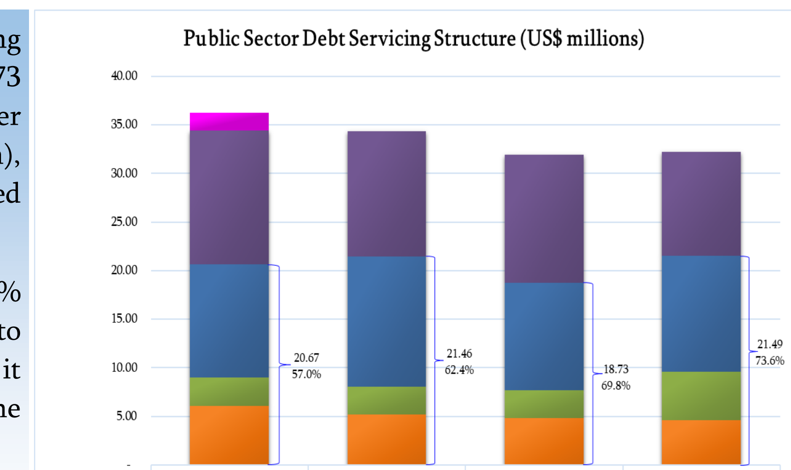
The remaining $159.75 million (93.5%) of the public sector debt portfolio was classified as long-term debt. Of this amount, $77.81 million (45.5%) was scheduled to mature within ten (10) years, while $81.94 million (47.9%) was set to mature after ten (10) years. This indicates that the majority of the debt portfolio remains long-term in nature.

PUBLIC DEBT SERVICING STRUCTURE

By December 2025, total public sector debt servicing amounted to $31.94 million, of which 58.6% ($18.73 million) was domestic. This was lower than in December 2024 ($34.38 million) and December 2023 ($36.25 million), reflecting the impact of lower interest rates and reduced repayments due to maturing loans.

External debt servicing accounted for the remaining 41.4% ($13.21 million) and consisted solely of repayments to CDB. While broadly consistent with prior years, it increased slightly due to continued disbursement of the RRL.

The CIBC Line of Credit (LoC) Facility was utilized in the fourth quarter and repaid by year-end. Therefore, only the associated interest costs are included in total debt servicing.



	31-Dec-2023	31-Dec-2024	31-Dec-2025	31-Dec-2026
EIB	1.82	-	-	-
CDB	13.76	12.92	13.21	10.71
CIBC-FCIB	11.66	13.43	11.05	11.89
Republic Bank	2.91	2.87	2.82	5.03
SSB	6.10	5.16	4.86	4.57