

RATING RELEASE

October 9, 2026

CariCRIS reaffirms the credit ratings of the Government of the Anguilla; Outlook moved to Positive from Stable

***CariA-* (Regional Scale Foreign Currency)**

***CariA-* (Regional Scale Local Currency)**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the assigned ratings of *CariA-* (Foreign and Local Currency) on the regional rating scale to the notional debt of USD 25 million of the Government of Anguilla (GOA). These ratings include a 6-notch uplift for the high likelihood of support from the United Kingdom (UK). The notched-up regional scale ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean is **good**.

CariCRIS has also assigned a **positive** outlook on the ratings. The positive outlook is based on our expectation for sustained growth in tourism, supported by ongoing and imminent improvements to connectivity arrangements and airport infrastructure. Fiscal developments, such as the planned implementation of a sovereign wealth fund (SWF) and the continuation of primary surpluses, alongside reduction in debt-to-GDP to a very low level compared to regional peers, also support the positive outlook. Additionally, CariCRIS notes that fiscal support from '.ai' domain revenues over recent years has been significant and growing and we do not expect rapid diminishment of this revenue source. Nevertheless, infrastructural needs remain pressing, especially water transmission improvements and energy security. The Authorities remain committed to not inbuilding a high level of rigid recurrent expenditures, even while increasing social protections. CariCRIS' expectation is that the rules of the SWF would help manage expenditure creep and ensure savings for fiscal stabilization and heritage objectives.

The ratings are supported by the following key strengths: (1) Support from the UK Government as an Overseas Territory, (2) The rebuilding of the economy and infrastructure continues following the passage of Hurricane Irma, with continued FDIs, particularly in tourism, (3) Strong fiscal performance and a low, declining public debt burden, supported by prudent debt management and substantial government reserves

and (4) Strong and growing .ai domain revenues have materially strengthened government revenues, fiscal balances, and liquidity. The sovereign's rating strengths are tempered by the following key risks: (1) Anguilla is a small Island Developing State with significant capacity constraints and high exposure to external shocks and natural disasters, (2) Highly tourism-dependent economy, though the luxury-niche somewhat reduces volatility, and (3) The financial sector is characterized by high non-performing loans; however, capitalization levels are healthy and above the minimum.

Rating Sensitivity Factors:

Factors that could, individually or collectively, lead to an improvement in the ratings and/or Outlook include:

- Annual real GDP growth in excess of 5%.
- A fiscal surplus of more than 5% of GDP recorded for at least 2 consecutive fiscal periods, with no breaches of debt metrics.
- Meaningful diversification of the economy into sustainable productive sectors (i.e., not directly related to Tourism) that adds at least 10% to real GDP over two consecutive years.
- Full compliance with all three UKG key performance benchmarks for 2 successive years.

Factors that could lead to a lowering of the Ratings and/ or Outlook include:

- An increase in debt to GDP ratio to above 70%.
- A significant decline in .ai domain receipts without other compensating revenues.
- A change in the country's status as a British Overseas Territory or a material change in the level of support rendered to Anguilla.
- The banking sector's capitalization ratio falling below 8%.

About the Sovereign:

Anguilla is the most northerly of the Leeward Islands in the Eastern Caribbean. In addition to the main island of Anguilla, which is sixteen (16) miles long and a maximum of three (3) miles wide, the territory includes several smaller uninhabited islands and cays.

Anguilla's estimated population is 16,010¹. Its official language is English. The island is noted for its ecologically important coral reefs. Anguilla is a parliamentary representative democratic dependent Overseas Territory of the United Kingdom. The 1982 Constitution (amended in 1990) provides for a Governor, an Executive Council and a House of Assembly². The current Governor, Her Excellency, Ms. Julia Crouch, has been in office since September 2023. The Governor is responsible for external affairs, offshore finance, defence and internal security (including the police force), and the public service. General Elections were held in February 2025, where The Anguilla United (AUF) secured eight out of the eleven contested seats. Party leader, Cora Richardson-Hodge, was sworn in on February 27th, 2025, becoming Anguilla's first ever female Premier.

Construction and tourism remain among Anguilla's main real-sector economic activities. Construction activity is typically driven by private-sector investments in hotel developments and public infrastructure projects. Recently, '.ai' domain registrations have emerged as a significant source of fiscal revenue, providing an important buffer against Anguilla's traditional reliance on tourism-spurred collections. Despite this additional revenue stream, Anguilla's economy remains highly vulnerable to global macroeconomic shocks, including global economic downturns and high international oil prices. The Territory is also occasionally affected by hurricanes.

For more information on GOA's ratings, please visit www.caricris.com or contact:

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¹ Source: Anguilla Statistics Department; Total Estimate population as at December 2024.

² A Constitutional Reform Committee was appointed in September 2025 to advance the constitutional reform process, with a draft revised Constitution expected to be prepared.