CAYMAN ISLANDS MONETARY AUTHORITY

Annual Report 2025

Company Profile

The Cayman Islands Monetary Authority (CIMA) is the primary regulatory body responsible for overseeing and ensuring the stability and integrity of the financial services industry in the Cayman Islands. Established in 1997, CIMA's mission is to safeguard the financial system, protect consumers, and enhance the reputation of the Cayman Islands as a global financial centre.

Contents

Introduction

Our Mission

To protect and enhance the integrity of the financial services industry of the Cayman Islands.

Our Vision

A thriving, innovative and well-regulated Cayman Islands financial services system and currency that meets applicable international standards and provides value to stakeholders.

Principal Functions

Monetary

Issue and redeem Cayman Islands currency and manage currency reserves

Cooperative

Assist overseas regulatory authorities, including executing memoranda of understanding to assist with consolidated supervision

Regulatory

Regulate and supervise financial services businesses, through appropriate legislation and in accordance with policies and procedures, and the issuance of rules and statements of principle and guidance

Advisory

Provide advice to the Cayman Islands Government on monetary, regulatory and cooperative matters

Statement by Board Chairman

Garth MacDonald,
Chairman of the Board of Directors

On behalf of the Board of Directors, I am pleased to present CIMA's 2025 Annual Report. The past year has been one of continued progress as the Authority advanced the priorities set out in its Strategic Plan and strengthened its capacity to respond to an increasingly complex global financial environment.

Throughout 2025, CIMA remained focused on ensuring that its regulatory and supervisory framework continues to evolve alongside the financial services industry it oversees. The Authority made important strides in enhancing its technological capabilities, strengthening its financial crime prevention framework, and modernising supervisory practices across key sectors. These initiatives are essential to maintaining the Cayman Islands' reputation as a well-regulated and globally respected financial centre.

A key theme during the year was the Authority's continued focus on digital advancement. Work undertaken to assess the organisation's digital maturity is an important step toward shaping a long-term strategy that will support more efficient operations and strengthen the use of data in regulatory oversight. As financial services become increasingly technology-driven, investments in digital capability will remain central to the Authority's effectiveness.

Strengthening the jurisdiction's defences against financial crime also remained a top priority. Preparations for the Caribbean Financial Action Task Force's 5th Round of Mutual Evaluations have driven continued enhancements to the Cayman Islands' AML/CFT framework, supported by close collaboration with Government and other national stakeholders. These collective efforts are critical to ensuring that the jurisdiction continues to meet international standards while effectively identifying and mitigating emerging risks.

The Authority also continued to enhance its supervisory frameworks and regulatory architecture. Progress in areas such as crisis management planning, the development of the virtual asset supervisory regime, and ongoing engagement with international partners reflects CIMA's commitment to maintaining proactive and forward-looking regulation in a rapidly evolving financial landscape. At the same time, internal organisational enhancements have been implemented to support increasing regulatory responsibilities and to ensure the Authority is structured to deliver specialised expertise where it is most needed.

Beyond its supervisory responsibilities, the Authority continued to fulfil its mandate as the issuer of the Cayman Islands currency. Preparatory work began on updating the Cayman Islands banknotes to reflect the accession of His Majesty King Charles III. This initiative reflects both the Authority's statutory responsibilities and its commitment to maintaining the integrity and security of the national currency.

Another important milestone was the successful relocation to CIMA's new offices at Pavilion East, Cricket Square. This transition represents a significant investment in the Authority's future, providing enhanced capacity to support organisational growth, strengthen collaboration, and ensure continued operational resilience.

These achievements would not have been possible without the dedication and professionalism of the Authority's staff, whose expertise and commitment continue to underpin the organisation's success. The Board also extends its appreciation to the Government, industry stakeholders, and our international partners for their ongoing cooperation and support, which remain essential to the effective discharge of the Authority's responsibilities.

The progress made during 2025 has further strengthened the Authority's foundation for the future. Guided by its strategic priorities and supported by a strong institutional framework, CIMA is well positioned to continue upholding the stability, integrity, and international reputation of the Cayman Islands' financial system in the years ahead.

As I conclude my tenure as Chair, I would like to express my sincere appreciation to my fellow Board members, the Authority's management and staff, and all stakeholders for their commitment and support throughout my time in this role. It has been a privilege to serve the Authority, and I remain confident that CIMA will continue to build on its strong foundation as it carries forward its important mandate on behalf of the Cayman Islands.

Statement by Chief Executive Officer

Cindy Scotland, OBE
Chief Executive Officer

Looking back, the Authority has once again demonstrated its unwavering commitment to safeguarding and elevating our jurisdiction as one of the world's premier, well-regulated international financial centres. Our achievements of the past year build on the strong foundation established in 2024 and reflect the dedication and professionalism of our staff, the support of our domestic and international partners, and the constructive engagement of the industry we regulate. Through targeted policy development, enhanced supervisory practices, and strategic investment in our organisation, we have continued to position the jurisdiction to respond effectively to an increasingly complex and fast-moving global financial environment.

During 2025, our priorities centred on strengthening supervisory capability, advancing digital transformation, and deepening cooperation with local and overseas authorities. These efforts have been particularly significant as the jurisdiction prepares for the Fifth Round of Mutual Evaluations, where the focus will extend beyond technical compliance to include demonstrable effectiveness, sound risk understanding, and the long-term sustainability of the regulatory framework.

With these initiatives in place, it is equally important to consider how the jurisdiction's financial services sector performed during the year, as industry outcomes remain a key indicator of the strength and credibility of our regulatory approach.

A Resilient and Dynamic Industry Landscape

Throughout 2025, the Cayman Islands' financial services industry operated within a challenging global environment marked by geopolitical uncertainty, market volatility, and heightened regulatory expectations. Despite these conditions, the jurisdiction continued to attract business across its core sectors, supported by its reputation for stability, transparency, and adherence to international standards. Activity levels reflected steady demand for Cayman Islands structures, alongside adjustments consistent with broader developments in global financial markets.

The banking sector recorded a slight reduction in the number of licensed institutions, declining from 79 at the end of 2024 to 77 in 2025, largely reflecting consolidation and strategic restructuring at the international level. The Authority maintained close supervision of emerging risks, including cybersecurity threats, climate-related exposures, developments in sustainable finance, and wider macroeconomic pressures. Notwithstanding these factors, the sector remained financially sound, with strong capitalisation, low levels of non-performing loans, and asset quality comfortably within regulatory expectations.

The funds industry continued to expand, with the number of regulated funds increasing to 30,598, compared with 30,150 in the previous year. Market conditions remained favourable overall, with hedge funds delivering solid performance and industry assets reaching new highs. Growth in private fund structures persisted, driven by investor demand for alternative strategies, including multi-strategy, credit, and event-driven products. Innovation also continued in digital asset-related structures, including tokenised real-world asset offerings and other emerging investment vehicles.

The virtual asset sector progressed further under the Virtual Asset (Service Providers) Act, with the introduction of Phase II of the framework, which brought higher-risk activities such as custody and trading platforms within the licensing regime. Additional regulatory measures implemented during the year strengthened reporting requirements, enhanced transparency, and supported more effective supervisory oversight as the sector continues to evolve.

Licensing activity within the securities investment business, fiduciary, and director registration sectors remained consistent with prior years, reflecting steady market participation and routine business flows. The insurance sector continued to be a cornerstone of the jurisdiction's financial services industry, with 827 licensees at year end and continued growth in commercial insurance and reinsurance formations, reinforcing the Cayman Islands' position as a leading global domicile for risk-management structures.

Investing in Our People and Technology

The Authority's ability to regulate effectively depends on the strength of its people. During 2025, we continued to prioritise staff development, recruitment, and knowledge enhancement to ensure that the organisation remains equipped to supervise an increasingly sophisticated financial sector. Staff participated in specialised training programmes, international secondments, and advanced professional certifications, strengthening expertise across all regulatory divisions.

Alongside this, we made further progress in our digital transformation programme. The expanded use of data analytics, supervisory technology, and modernised internal systems is enabling a more risk-based, efficient, and forward-looking approach to regulation. These investments support earlier identification of emerging risks, more informed decision-making, and improved service delivery to industry stakeholders.

Fortifying Resilience and International Standing

Significant work was also undertaken during the year to enhance the Authority's Crisis Management Framework. This initiative involved close collaboration with the Cayman Islands Government, domestic authorities, and industry participants to strengthen preparedness for financial stress events, improve recovery and resolution planning, and ensure that clear and coordinated response mechanisms are in place to protect financial stability.

Preparation for the Fifth Round of Mutual Evaluations by the Financial Action Task Force (FATF) remained a central priority. Building on previous assessment cycles, the Authority continued refining its supervisory methodology, strengthening risk-based approaches, and improving the documentation and demonstration of effectiveness across all regulated sectors.

This process has required sustained cooperation with government, law enforcement, and other competent authorities, as well as ongoing engagement with industry to reinforce the importance of strong compliance cultures and robust risk-management practices. Our objective is not only to meet international standards, but to demonstrate that those standards are embedded in everyday supervisory practice.

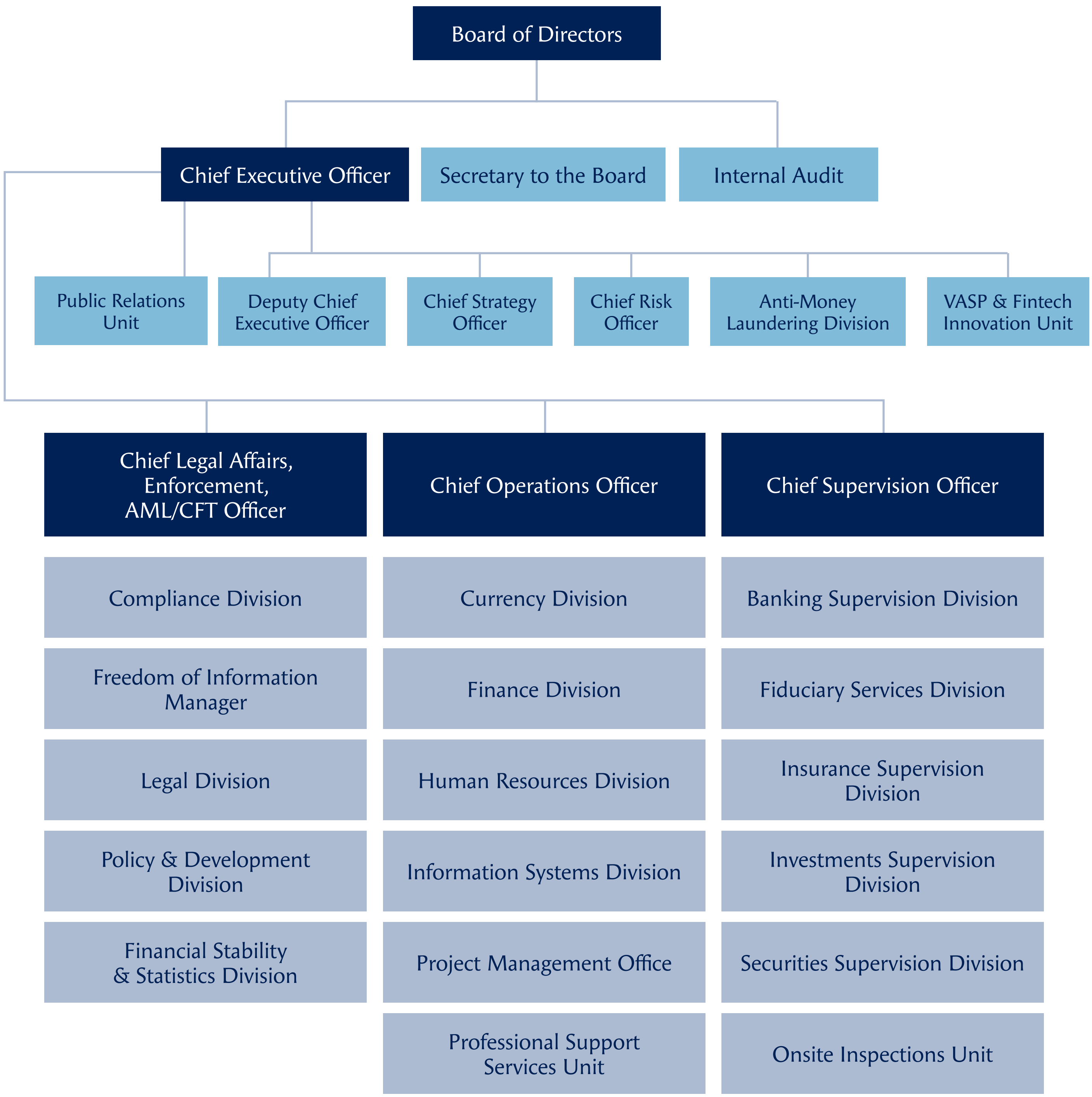
Looking Forward with Confidence

As we look ahead, the Authority remains committed to maintaining a regulatory framework that is robust, adaptive, and aligned with global best practice. The international financial landscape will continue to evolve, bringing both new risks and new opportunities, and our role is to ensure that the Cayman Islands remain well prepared to respond to both.

This will require continued cooperation, sound regulation, and a steadfast commitment to integrity, professionalism, and accountability.

I extend my sincere thanks to the staff of the Authority, our domestic partners, the Government, industry stakeholders, and the wider community for their ongoing support and dedication. Through our collective efforts, we will continue to protect the stability, reputation, and long-term success of the Cayman Islands financial services sector.

Organisational Chart



Board of Directors

Chief Executive Officer
Cindy Scotland, OBE

Chairman
Garth MacDonald

Deputy Chairman
Johann Moxam

Director
Helen Dombowsky

Director
Ormond Williams

Director
Langston Sibblies, KC

Director (Non-voting)
Dr. Dax Basdeo

Director
Anna Goubault

Director
Sabrina Foster

Director
Vaughan Carter

Management Team

Executive Management	
Cindy Scotland, OBE	Chief Executive Officer
Patrick Bodden	Chief Operations Officer
Anna McLean	Chief Supervision Officer
Supervision	
Jennifer Smith	Deputy Head, AML/CFT
Megan Powell	Deputy Head, AML/CFT
Abubakar Nyanzi	Deputy Head, AML/CFT
Gloria Glidden	Head, Banking
Shakira Cox	Deputy Head, Banking
Paul Onsakia	Deputy Head, Banking
Pranav Variava	Head, Investments
Gaone Dube	Deputy Head, Investments
Christopher Bouck	Deputy Head, Investments
Rohan Bromfield	Head, Fiduciary Services
Leticia Frederick	Deputy Head, Fiduciary Services
Reisan Moiten	Deputy Head, Fiduciary Services
Kara Ebanks	Head, Insurance
George Kamau	Deputy Head, Insurance
Gamuchirai Usai	Deputy Head, Insurance
Peter Fox	Reinsurance Specialist
Dane Doctor	Reinsurance Specialist
Jessica Ebanks	Head, Securities
Razaak Busari	Head, Onsite Inspections
Stephanie Azan	Deputy Head, Onsite Inspections
Isabel Gumeyi	Head, VASP & Fintech Innovation
Shastri Singh	Deputy Head, VASP & Fintech Innovation

Management Team cont'd

Legal	
Helen Spiegel	Acting Deputy General Counsel
Stephanie Adolphus	Senior Legal Counsel
Jodie Woodward	Senior Legal Counsel
James Elliott	Senior Legal Counsel
Renee Caudeiron	Senior Legal Counsel
Compliance	
Audrey Roe	Head, Compliance
Kara Owens	Deputy Head, Compliance
Jennifer Hydes	Deputy Head, Compliance
Financial Stability & Statistics	
Petr Jakubik	Head, Financial Stability & Statistics
Yoshneck Mutomba	Deputy Head, Financial Stability & Statistics
Michelle Majid	Deputy Head, Financial Stability & Statistics
Policy & Development	
Rayford Britton	Head, Policy & Development
Ife Adanna Romeo-Bernard	Deputy Head, Policy & Development
Kennedy Mutunga	Deputy Head, Policy & Development

Management Team cont'd

Operations	
Kioko Muasya	Head, Project Management Office
Dominique Lloyd	Deputy Head, Currency
Chad MacDonald	Head, Information Systems
Godden Ndoro	Deputy Head, Information Systems
Ronald Singh	Deputy Head, Information Systems
Eric Webster	Deputy Chief Human Resources Officer
Gilda Moxam-Murray	Chief Financial Officer
Tammy Archer	Deputy Chief Financial Officer
Tina Harris	Head, Professional Support Services
Prabha Namburi	Chief Strategy and Projects Officer
Internal Audit	
Deloris Gordon	Head, Internal Audit

Section 1

About Us

01

Nature & Scope of Activities

AML Monitoring

Monitor and ensure compliance with AML regulations

Local and International Representation

Represent the interest of the Cayman Islands at international forums and advising Government on recommendations of those organisations

ORA Assistance

Provides assistance to overseas regulatory authorities (ORA) and other competent authorities

Consumer Protection

Seek to promote and enhance market confidence and consumer protection through public education initiatives

Currency

Issue and redeem currency notes and coins and manage currency reserves

Regulation and Supervision

Regulate and supervise licensed and registered financial services businesses operating in and from the Cayman Islands

Government Advisory

Advise Government on the Authority's monetary, regulatory and cooperative functions; whether such functions are consistent with those discharged by an ORA, including the legislation and regulations of foreign jurisdictions

Structure

Banking Supervision Division

Monitors the activities of banks, money service business, building societies, and credit unions.

On-site Inspection Unit

On-site supervision involves inspections and supervisory visits at licensees' place of operation both in the Cayman Islands and overseas. These inspections can be full scope or may be limited to specific areas of the licensee/registrant's operations.

The objectives of the inspection process are to understand the licensee's business activities and operating environment, detect problems of compliance with the relevant legislations, and gather information on matters identified as requiring policy considerations.

Investments Supervision Division

Oversees the activities of funds and fund administrators.

Financial Stability & Statistics Division

Assists in the provision of responses, of both a statistical and non-statistical nature on the financial sector, to various international and domestic organisations.

Fiduciary Services Division

Ensures the enforcement of prudent practices by professionals in the trust and corporate service industries.

Securities Supervision Division

Solely focused on the regulation of activities relating to securities investment business practitioners.

Compliance Division

Investigates serious breaches of the regulatory legislation and directing and administering formal enforcement actions taken by the Authority; conducts risk weighted due diligence checks on persons who have applied to act as directors, shareholders, managers, officers and controllers of licensed entities; administers and responds to non- routine requests from overseas regulatory authorities.

Anti-Money Laundering Division

Develop and implement the Authority's AML/CFT supervisory and regulatory strategy while ensuring an efficient and effective operation that meets or exceeds international standards as well as providing timely feedback to improve industry's AML/CFT compliance thereby reducing the risk exposure of licensees.

Insurance Supervision Division

Monitors the activities of domestic and international insurance licensees through an integrated risk based supervisory approach of off-site and on-site supervision.

Currency Division

Responsible for the issue, re-issue, and withdrawal of Cayman Islands circulating currency notes and coins.
The division also administers the sale and redemption of numismatic coins to and from local and overseas collectors.

Structure cont'd

Information Systems Division

Responsible for the maintenance of the Authority's existing information and technological systems, the planning and implementation of new systems and developments relating to these.

Human Resources Division

Manages all employee matters relating to recruitment, employee training and development, as well as the administration of personnel policies, procedures and practices for the effective functioning and well-being of staff.

Finance Division

Facilitates all financial matters relating to budget, annual licence fee collection, payroll, and accounts payable. The division is also responsible for preparation of the Authority's financial statements and the Purchase & Ownership Agreements between the Cabinet of the Cayman Islands Government and the Authority.

Legal Division

Provides legal advice to the Board of Directors, the Chief Executive Officer, and all divisions within the Authority. The division has a central role in the provision of formal assistance to overseas regulatory authorities, and provides support on all aspects of the Authority's responsibilities for combatting money laundering and terrorist financing, including civil litigation and drafting legal documents such as directives, memoranda of understanding, and instructions for amendments to existing legislation.

Policy & Development Division

Focuses on research for financial sector regulation and supervision and provides support mainly to the Authority's supervisory divisions regarding advice on policy issues and legislation. Also responsible for the coordination of the development of Rules, Statements of Guidance and Statements of Principle.

VASP & Fintech Innovation Unit

Responsible for the risk-based supervision of persons licensed/registered under the Virtual Asset (Service Providers) Act, including sandbox licensees providing virtual asset services and fintech services, operating in and from the Cayman Islands.

Public Relations Unit

Responsible for creating and maintaining a positive public image for CIMA, ensuring transparent communication with stakeholders, the media, and the general public. This includes handling media inquiries, preparing press releases, coordinating publications, managing crisis communications, and organising industry outreach events.

Project Management Office

Acts as a central point in managing various projects and allocating appropriate and adequate resources as necessary for the successful completion of projects in a timely manner. Also provides support for the implementation of CIMA's strategic plan and change management initiatives.

Professional Support Services Unit

Responsible for the development and implementation of property management, business continuity, procurement, document management, reception and mailroom functions.

Governance

The Government of the Cayman Islands wholly owns the Authority. In accordance with the Monetary Authority Act, the Government appoints CIMA's Board of Directors, including its Chief Executive Officer.

In its relations with the Government, the Authority channels its communications through the Financial Secretary and the Minister of Financial Services.

CIMA is a statutory authority under the Public Management and Finance Act. As such, the Legislative Assembly must approve its two-yearly expenditure budget and funding. The Authority is subject to an annual statutory audit. The Government funds the Authority by purchasing specified services as agreed in the Authority's two-yearly purchase agreements with the Government.

The Authority's Board of Directors is responsible for the policies and general administration of the affairs and business of the Authority. The Chief Executive Officer is responsible for the day-to-day administration of the Authority.

The Authority has set out, in its Regulatory Handbook, the policies and procedures that it follows in performing its regulatory and cooperative functions.

Our People

Over the years, CIMA has consistently served as a solid foundation for responsible oversight of the financial industry in the Cayman Islands.

Our success is largely attributed to the collaborative approach we embrace daily, supported by a robust and dependable infrastructure. We prioritise investing in our people, offering a variety of personal and professional development opportunities, including career advancement, training, and staff recognition, all while fostering a family-oriented environment.

In 2025, the Authority successfully onboarded 51 new employees representing 13 nationalities, including the Cayman Islands. The Authority is dedicated to promoting a diverse, equitable, and inclusive workplace where employees, regardless of gender, race, ethnicity, national origin, or disability, feel valued, respected both intellectually and emotionally. We firmly believe that fostering such an environment is key to building a skilled and committed workforce that supports the protection and growth of the Cayman Islands' financial services industry.

Despite these efforts, the Authority experienced the departure of 32 employees, many of whom were recruited by local industry stakeholders. As of Q4 2025, the total staff of the Authority stood at 326.

Table 1: Number of staff across each division

Division/Office	Staff Total
Anti-Money Laundering	34
Banking Supervision	24
Compliance	22
Currency	5
Fiduciary Services	15
Finance	8
Financial Stability	15
Human Resources	10
Information Systems	31
Insurance Supervision	26
Investments Supervision	47
Legal	12
Office of the CEO	15
Onsite Inspection Unit	14
Policy & Development	17
Professional Support Services	9
Project Management	2
Securities Supervision	11
Virtual Assets Service Providers & Fintech	9
Total	326

Our Community Work

At CIMA, our dedication extends beyond regulatory excellence to fostering a positive and lasting impact on the community we serve. Aligned with our mission to enhance the financial sector's integrity, efficiency, and transparency, we remain steadfast in our commitment to social responsibility. Our community engagement initiatives reflect our core values of collaboration, integrity, and leadership while supporting our strategic objectives of increasing public outreach and education and being recognised as an employer of choice.

Employee-Led Charity Initiatives

A cornerstone of our community involvement is our employee-driven charity fund pool. Staff members voluntarily contribute monthly to this fund, fostering a culture of generosity and collective responsibility. Each year, our employees participate in an annual vote to select local charities or individuals in need who will benefit from these contributions.

This initiative not only strengthens community ties but also reinforces our commitment to improving lives and fostering a more resilient Cayman Islands.

Throughout the year, our divisions actively engage in charitable activities, particularly through our annual "Giving Tree" initiative in December. Each division selects a charity of their choice and organises fundraising activities, promoting collaboration and service across the organisation.

Community-Based Projects and Partnerships

We actively support and participate in a range of community initiatives that reflect our commitment to making a positive impact beyond our regulatory role. This includes hands-on projects such as community clean-ups and other environmental activities that promote sustainability and encourage collective responsibility for our natural surroundings. Our annual CIMA 5K Walk/Run also brings the community together while raising funds for local charities, reinforcing our dedication to supporting initiatives that enhance the well-being of our communities.

Our outreach and educational efforts support our strategic objective of strengthening public engagement. Through initiatives such as our annual student mixer, we connect representatives from both the public and private sectors with young people to provide insight into the financial services industry, helping to build awareness and inspire the next generation of professionals. We also collaborate with schools and community organisations through events, workshops, and exhibitions that promote financial literacy and equip individuals with practical knowledge to make informed financial decisions.

Integrating Community Engagement with Strategic Goals

Our community initiatives are closely aligned with our strategic objectives. By enhancing public education and engagement, we strengthen understanding of financial services regulation and CIMA's role in maintaining financial stability. These efforts also reflect our commitment to being an employer of choice, fostering a workplace culture that encourages community involvement.

Through partnerships and collaborative projects, we amplify our ability to deliver on our mission. Whether through charitable giving, educational programmes, or environmental stewardship, our community work enhances public engagement while reinforcing our regulatory mandate.

As we look ahead, CIMA remains committed to expanding our community partnerships and outreach efforts. By aligning these initiatives with our strategic plan, we continue to uphold our values, deliver tangible benefits to the community, and ensure a positive and lasting impact on the Cayman Islands.

Scholarship & Internship Programmes

Internship Programme

In 2025, CIMA welcomed 33 students into our two-month paid undergraduate internship programme, providing them with a unique opportunity to gain hands-on experience in the financial services sector.

Designed for Caymanian students seeking an exciting and challenging professional development experience, the programme offers exposure to a variety of areas within CIMA, allowing participants to work alongside senior leaders and industry professionals. Interns are matched with mentors in their relevant divisions, ensuring they receive guidance aligned with their career interests across both regulatory and operational fields. This includes areas such as human resources, public relations, professional support services, and facilities management -offering a comprehensive understanding of the diverse functions within the Authority.

By investing in young talent and fostering professional growth, we provide participants with practical experience and insights into potential career paths within the financial services industry. This initiative not only supports the professional development of future industry leaders but also strengthens our commitment to building a skilled and knowledgeable workforce in the Cayman Islands.

Thomas Jefferson Memorial Scholarship Programme

The Thomas Jefferson Memorial Scholarship offers a valuable pathway to a fulfilling and dynamic career at CIMA. Established in 2007 in honour of the late Honourable Thomas Jefferson, former Financial Secretary and Leader of Government Business the scholarship reflects CIMA's commitment to developing the next generation of Caymanian financial professionals by providing access to higher education and structured career opportunities.

The scholarship awards up to CI$25,000 per year to students pursuing a Bachelor's or Master's Degree in Finance, Accounting, Economics, Business- Administration, or Actuarial Science at an accredited institution, either locally or overseas. Recipients are required to work at CIMA during their academic breaks, gaining practical, hands-on experience across a range of divisions. This exposure not only enhances their technical knowledge but also helps them develop the professional skills needed to succeed in the financial services industry.

Upon completing their studies, scholars commit to up to four years of full-time employment with CIMA, providing a structured career pathway with clear opportunities for growth and advancement. Through this guaranteed employment, recipients gain access to mentorship from senior leaders, ongoing professional development, and a supportive environment that fosters both personal and professional growth.

By investing in the education and career development of young Caymanians, CIMA is committed to building a skilled, diverse workforce and shaping future leaders who will contribute to the ongoing stability and growth of the Cayman Islands' financial services industry.

Community Partnerships

February 2025

John Gray High School Career Fair
CIMA staff offered professional guidance to over 1,500 students on potential career paths and highlighting internship opportunities within CIMA.

Clifton Hunter High School Career Fair
CIMA staff offered professional guidance to over 700 students on potential career paths and highlighting internship opportunities within CIMA.

May 2025

Sponsorship of Cayman Academy Commencement Ceremony
Cayman Islands Monetary Authority proudly sponsored the 2025 Commencement Ceremony for Cayman Academy, contributing $2,000 in support of the school's commitment to academic excellence and this year's student award. This contribution reflects CIMA's ongoing dedication to empowering young minds and supporting educational initiatives that help shape the future of the Cayman Islands, while celebrating the achievements of the Class of 2025 and their bright futures ahead.

June 2025

Sponsorship of UCCI Quadrille Dance Group
Cayman Islands Monetary Authority proudly sponsored the University College of the Cayman Islands (UCCI) Quadrille Dance Group, whose vibrant cultural performance formed part of the opening ceremony for the Caribbean Group of Banking Supervisors (CGBS) Conference.

The ceremony featured a flag parade led by the Cayman Islands Cadet Corps, followed by the traditional quadrille performance, celebrating Caymanian heritage and adding a dynamic cultural element to the conference's opening proceedings.

August 2025

Student Mixer & Career Fair

CIMA welcomed over 400 students and, together with our industry partners, provided professional guidance on potential career paths within the financial services sector. The event highlighted internship and employment opportunities, featured on-site interviews, and reinforced CIMA's commitment to empowering future talent in the Cayman Islands.

Intern Cohort Jersey Day & Bake Sale Fundraiser

The 2025 summer intern cohort at the CIMA organised a Dress Down "Jersey Day" and a bake sale fundraiser in support of the YMCA of the Cayman Islands. Through their initiative and teamwork, the interns raised funds to support the YMCA's youth development programmes, demonstrating their commitment to giving back to the community while gaining valuable professional experience during their internship.

September 2025

International Literacy Day – Dress Down Day & Book Drive

In celebration of International Literacy Day on 8 September 2025, CIMA hosted a Dress Down Day and Book Drive in support of LIFE Cayman and its mission to promote literacy and lifelong learning across the Cayman Islands. Through the generosity of staff, 113 books and monetary donations were collected to help inspire a love of reading within the community.

The week-long activities also included a special staff event where colleagues shared how literacy continues to shape their personal and professional growth, reinforcing the powerful role reading plays in opening doors to opportunity.

Section 2
Industry Overview
02

Banking and Related Services

CIMA supervises all banking entities and their related trust companies, nominee (trust) companies, and trust (controlled subsidiary) companies, as well as money services businesses (the "MSBs") operating in and from within the Cayman Islands.

Cooperative societies conducting credit union business, building societies, and development banks are entities created by statute and are regulated and supervised by the Authority. As of Q4 2025, the Authority supervised two cooperative societies, one building society, and one development bank.

During the reporting period, the Authority achieved several core objectives:

Crisis Management Framework

In 2023, several bank failures in the US and Europe resulted in concerns of a potential global banking crisis. CIMA established an internal working group to assess the bank failures and to propose any required legislative and supervisory changes. Following the Board's approval of the Crisis Management Framework roadmap in September 2024, the Crisis Management working group was established. In January 2025, the Authority issued a circular on supervisory expectations and planned activities of the Crisis Management working group.

In 2025, CIMA hosted an International Monetary Fund ("IMF") Technical Assistance Mission ("Mission") on the development of a Recovery and Resolution regime for deposit-taking institutions in the Cayman Islands.

RSOG Recovery Planning

CIMA continues to collaborate with relevant stakeholders to implement the recommendations identified by the IMF and the Crisis Management Working Group.

Regulatory Framework Initiatives

CIMA continues to progress several regulatory initiatives through its Policy & Development Division ("PDD") and remains focused on enhancing the regulatory framework in line with international best practices, emerging risks, and recommendations arising from international bank failures in 2023.

The Authority supports PDD's work relating to a Basel Core Principles Self-Assessment following the release of updated principles in April 2024. This resulted, in part, in the Board approval of a Basel III Implementation roadmap that will be executed in various components over the next three to four years.

The Rule on Regulatory Measures Applicable to Non-Bank Deposit Taking Institutions and the Rule on Regulatory measures applicable to the Cayman Islands Development Bank were both issued for limited consultation on 21 November 2025, ending in early 2026.

Additionally, in January 2025, CIMA issued a combined Rule and Statement of Guidance for Recovery and Resolution Planning for public consultation.

Following the recommendations received from the International Monetary Fund, CIMA determined that it is clearer to separate the Recovery Planning measure from the Resolution Planning requirements. Accordingly, PDD drafted the Rule and Statement of Guidance on Recovery Planning which was Board approved and issued for public consultation on 21 November 2025, ending in early 2026.

AML/CFT Compliance and National Risk Assessment

AML/CFT supervisory activities continued within the banking sector, including conducting risk assessments, collecting data, and identifying licensees for potential inspection based on supervisory findings. These efforts form part of the ongoing preparations for the 5th round of the Financial Action Task Force ("FATF") assessment scheduled for 2027.

Further, the Cayman Islands officially launched its 2025/26 National Risk Assessment ("NRA"), which aims to identify, assess, and understand money laundering, terrorist financing, and proliferation financing risks within the jurisdiction.

The Authority prepared the inherent vulnerability profiles for the banking sector and MSBs (as part of the Other Financial Institutions sector) and continues to support relevant stakeholders involved in the NRA through ongoing participation in working groups.

Emerging Risks and Trends

As a global financial services centre, the Cayman Islands may be indirectly affected by international developments, including United States-led tariff disputes and geopolitical tensions, which could increase risk exposure for institutions with links to affected jurisdictions. Additionally, given the peg to the U.S. dollar and its widespread use in the economy, tariff-related changes in U.S. monetary policy or inflation could have direct implications for domestic conditions and foreign exchange dynamics. The Authority continues to closely monitor emerging risks and regulatory trends.

CIMA's working group on climate risk continues to advance the development of the supervisory framework for climate change risk.

Developments relating to digitisation and automation are also closely monitored in response to growing interest from licensees in operating as digital banks or implementing automated processes.

Information Technology and Automation

IT and automation initiatives remain critical for improving operational efficiency through optimisation of technological processes. Efforts continued to enhance the regulatory reporting portal, refine workflows, and improve data reporting and analysis. The Authority remains actively involved in plans to implement a new regulatory reporting and supervision tool.

The Sector

The Banks and Trust Companies Act (2025 Revision) (the "BTCA"), as amended, authorises the Authority to issue two main categories of banking licences, namely Category "A" and Category "B".

Category "A" banks are permitted to operate in both domestic and international markets. For the domestic market, unrestricted Category "A" licences are held by banks providing services to both retail and non-retail clients, whereas Category "A" licences with conditions provide non-retail services to resident clients not conducting business in the Cayman Islands. Category "A" non-retail banks may also provide services to employees and other licensees. Both Category "A" retail and non-retail banks may provide services to international clients without restrictions.

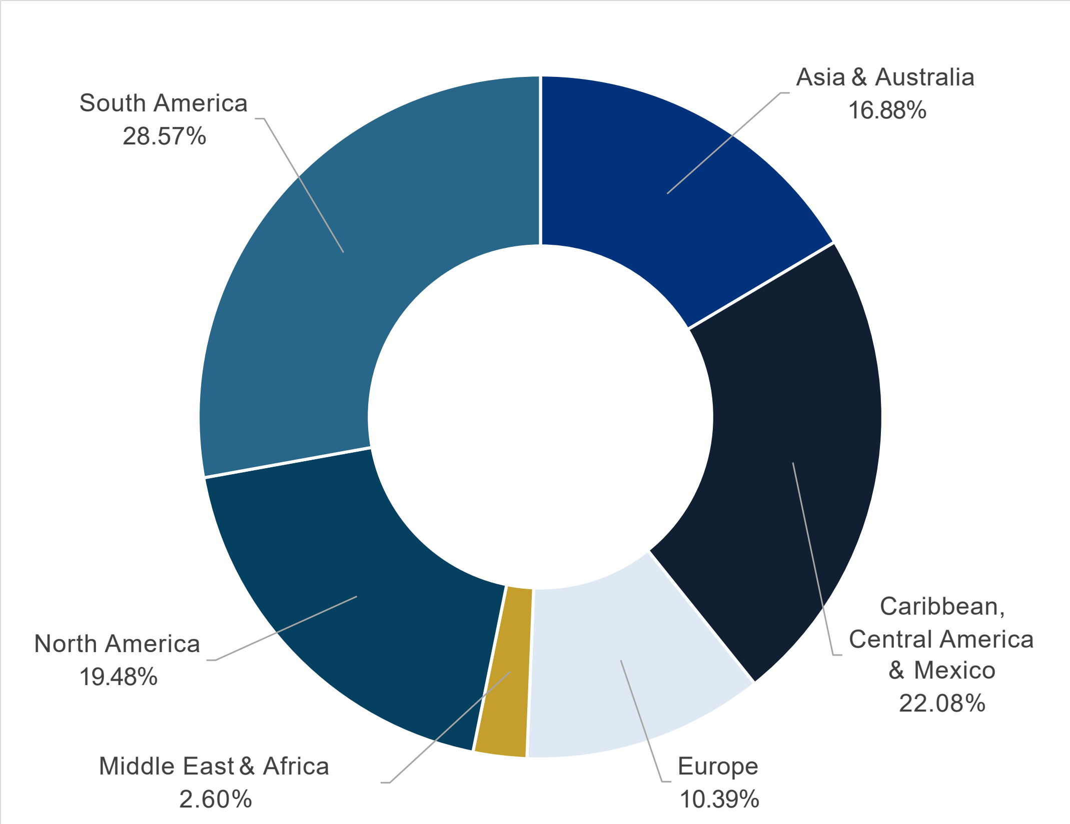
Category "A" banks may also offer principal office/authorised agent services to Category "B" banks that do not maintain a physical presence in the Cayman Islands.

Category "B" licences permit international banking business with limited domestic activity. Holders of Category "B" licences primarily function as financial intermediaries, raising funds in international markets to provide capital for parent entities and finance external/cross-border business.

Table 2: Supervised licensees

Licensees	Q2 2024	Q4 2024	Q2 2025	Q4 2025
Category "A" Bank	11	11	11	11
Category "B" Bank	76	68	68	66
Money Services Business	5	5	5	5
Trust Company	35	33	33	32
Nominee (Trust)	14	11	11	11
Trust (Controlled Subsidiary) (Registered)	7	7	7	7
Total	148	135	135	132

Figure 1: Region of origin of Cayman-licensed Category "A" and Category "B"

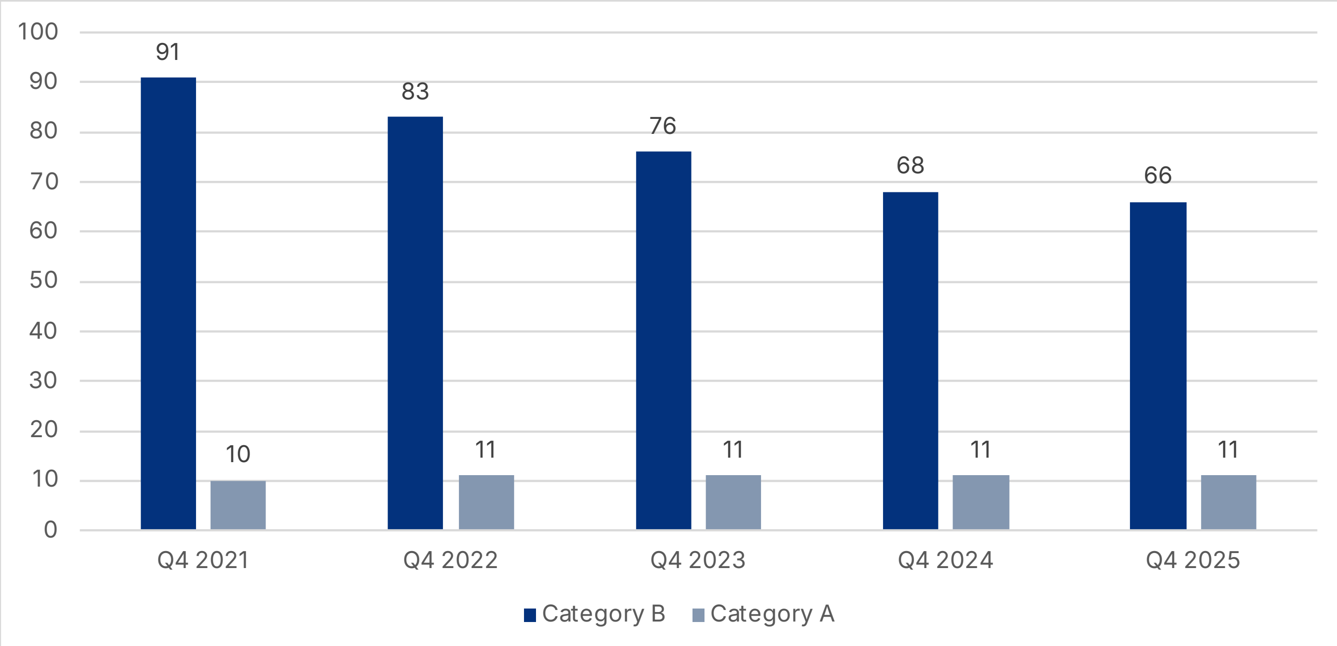


Licensing Activity

Banks continually consolidate and restructure in search of cost efficiencies, and improvements in operational risk management and governance arising from global macroeconomic changes and developments in international laws and regulations. Accordingly, there has been a steady decline in the number of banks licensed in the Cayman Islands over the last five years (Figure 2), with this year witnessing a further decline of two licences. This resulted in the overall number of banking licensees supervised in the Cayman Islands decreasing by 3% from 79 at Q4 2024 to 77 at Q4 2025.

It should, however, be noted that the Authority continues to observe interest in the establishment of Category "B" banks, with conditional approval for the issuance of one such licence granted in 2025.

Figure 2: Number of bank licences by category



Jurisdictional Comparison[1]

As illustrated in Table 3, the number of banks licensed in the listed jurisdictions declined over the past five years, with the exception of Singapore in 2024.

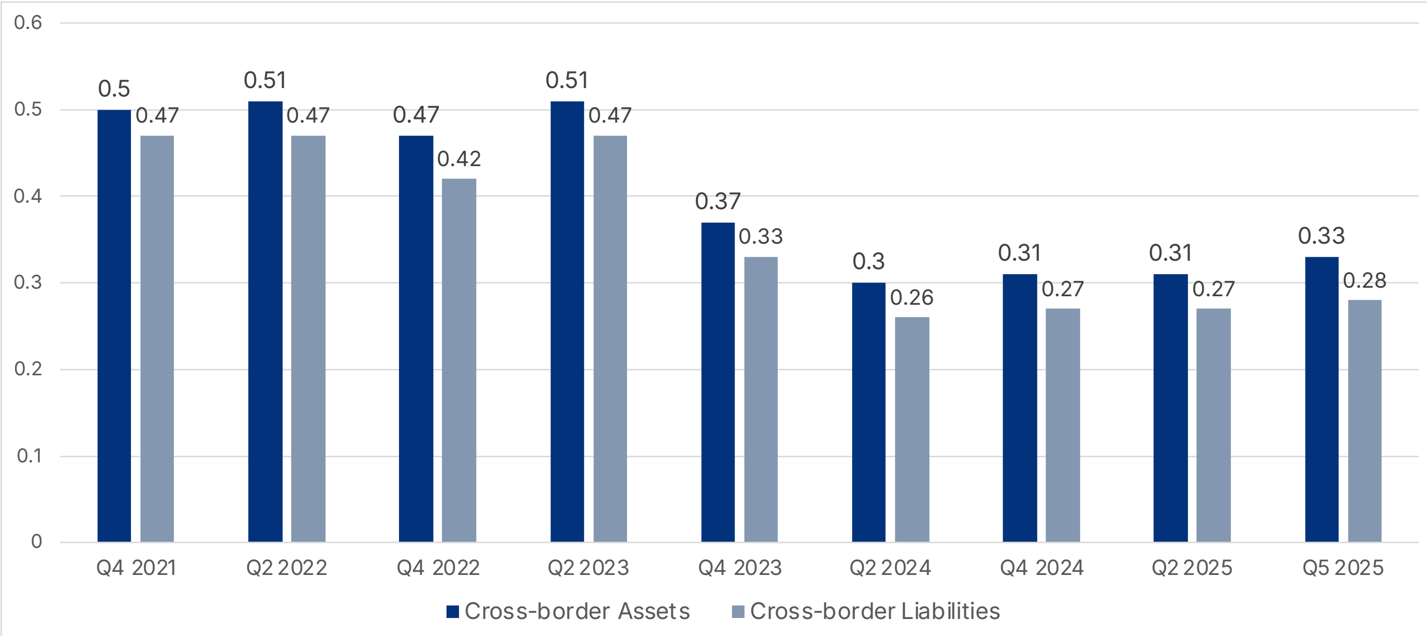
Table 3: Number of bank licences per selected jurisdictions

Jurisdiction	2020	2021	2022	2023	2024
Cayman	110	101	94	87	79
Bahamas	69	65	66	65	62
Panama	68	67	66	63	62
Jersey	24	21	20	20	19
Luxembourg	126	123	120	119	115
Switzerland	247	241	235	234	230
Hong Kong	190	183	170	179	175
Singapore	154	153	143	141	153

[1] Subject to change following final publication by each jurisdiction.

Banking Sector – Assets[2] and Liabilities[3,4]

Figure 3: Cross-Border Assets and Liabilities of Cayman Islands-licensed banks (in US$ Trillions)



As per the most recent BIS data, as of 31 December 2025, the jurisdiction ranked twenty-first internationally in terms of cross-border assets of US$325 billion, and twenty-fourth internationally by cross-border liabilities of US$276 billion booked by banks licensed in the Cayman Islands.

Figure 3 provides a comparison of the level of cross-border assets and liabilities booked by banks licensed in the Cayman Islands from Q4 2021 to Q4 2025 while Figure 4 shows the total assets and liabilities over the same period.

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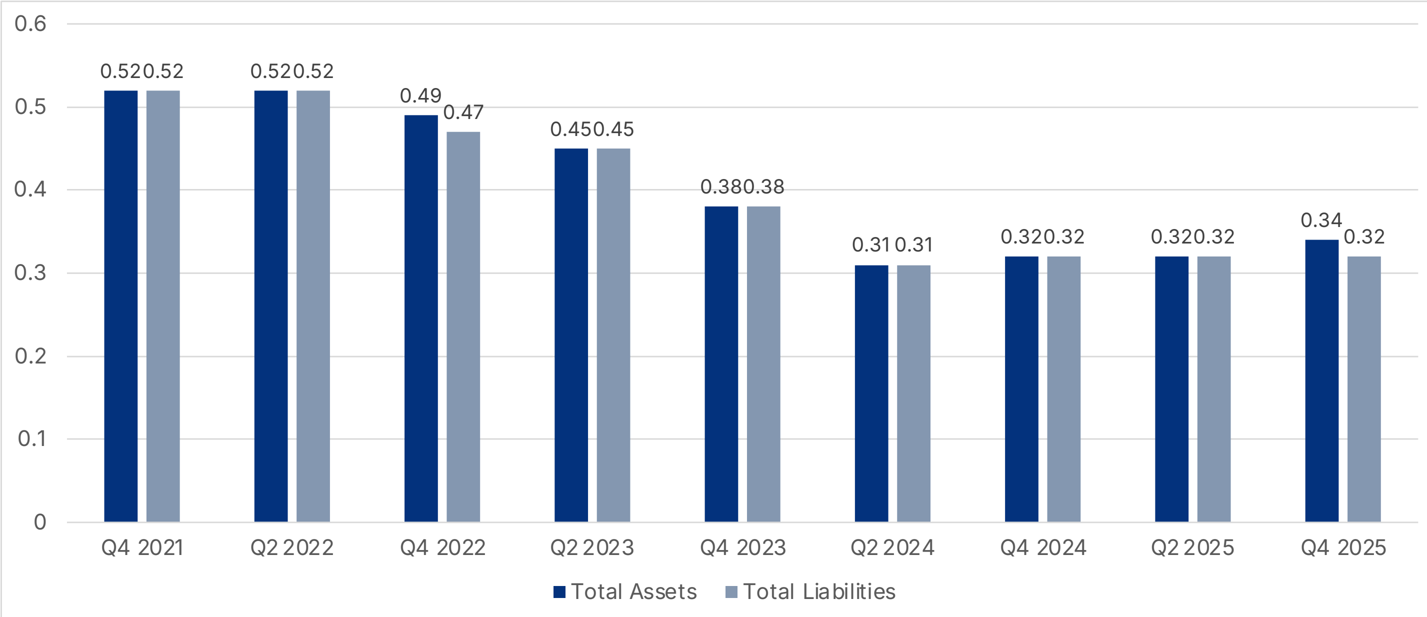
[2] Assets comprise financial assets only per the Bank for International Settlements (BIS) reporting methodology.
[3] Liabilities include Equity Capital per the BIS reporting methodology.
[4] Results projected until receipt of all Q4/2025 financial returns and BIS final published report.

Figure 4: Total Assets and Liabilities of Cayman Islands-licensed banks (in US$ Trillions)



Domestic Assets[5] and Liabilities in Foreign Currency

Domestic assets and liabilities in foreign currency positions are largely comprised of interbank exposures with Cayman Islands-licensed Category “B” banks, other financial intermediaries, and intra-bank positions. Also included are Category “A” banks’ lending to the resident domestic sector, which largely consists of residential mortgages, commercial private sector lending, and loans to other financial intermediaries, namely investment funds.

Figure 5 illustrates the assets and liabilities in foreign currencies from Q4 2021 to Q4 2025.

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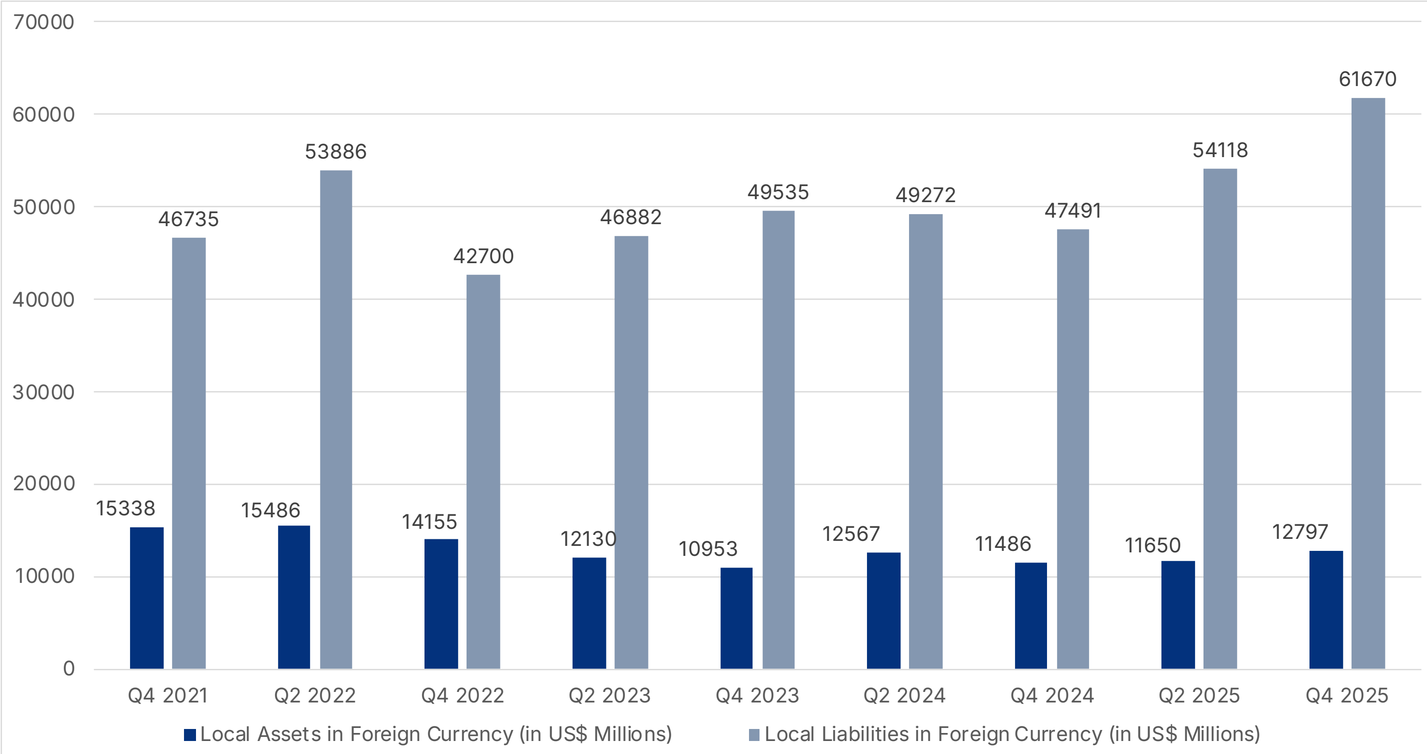
[5] Domestic Assets refers to positions booked by Category “A” and “B” banks with entities licensed in the Cayman Islands (and considered legally resident by licence) and resident households.

Figure 5: Domestic Assets and Liabilities of Cayman Islands-licensed banks in Foreign Currency



Domestic Sector – Category "A" Retail Banks

The domestic banking sector remained resilient despite the marginal decline in total assets and liabilities across the broader banking sector. Category "A" banks continued to report exposures to the resident domestic sector, largely consisting of residential mortgages, commercial private sector lending, and loans to other financial intermediaries, namely investment funds.

The sector continued to be funded primarily by retail deposits as a stable source of funding, demonstrating sustained confidence among commercial and retail customers in the soundness of the domestic banking sector.

Financial Soundness Indicators (FSIs) – Category "A" Retail Banks

As highlighted in Table 4, the FSIs indicate that Category "A" retail banks remain healthy, while also underscoring the resilience of the Cayman Islands banking sector.

Table 4: Financial Soundness Indicators

Indicator (%)[6]	2021	2022	2023	2024	2025
Capital Adequacy					
Regulatory Capital to Risk-Weighted Assets	28.2%	28.3%	31.3%	34.9%	30.9%
Regulatory Capital to Total Assets	12.1%	12.2%	14.1%	16.1%	14.7%
Asset Quality					
Nonperforming Loans to Total Gross Loans	1.8%	1.7%	1.9%	1.6%	1.6%
Specific Provisions to Impaired Loans (Coverage Ratio)	41.8%	39.7%	32.2%	30.3%	26.8%
Earnings and Profitability					
Return on Equity (annualized net income to average capital [equity])	13.8%	18.3%	25.4%	21.6%	15.2%
Return on Assets (annualized net income to average total assets)	1.7%	2.2%	3.3%	3.2%	2.4%
Interest margin to gross income	60.2%	69.9%	75.9%	81.9%	74.4%
Non-interest expenses to gross income	54.1%	46.8%	38.6%	41.0%	46.7%
Liquidity					
Liquid assets to total assets (liquid asset ratio)	28.2%	26.4%	25.7%	25.0%	22.1%

Capital Adequacy Ratios (CAR)

The CAR decreased from 34.9% as of Q4 2024 to 30.9% as of Q4 2025, alongside a decline in the ratio of regulatory capital to total assets from 18.7% to 14.7%. The reduction in capital ratios was primarily attributable to one entity that made a significant dividend payment as part of a strategic change in its business model, resulting in a reduction of regulatory capital. Notwithstanding these movements, the CAR remained above the minimum required level, indicating that the sector remains well capitalised.

Asset Quality

Nonperforming loans ("NPLs") as a percentage of total gross loans for the retail banking sector remained at 1.6% with the overall loan book quality and provisioning levels remain relatively stable due to the Cayman Islands' strong economic environment and resilience of the sector. Furthermore, the Cayman Islands NPL ratio was ranked the second lowest across the region[7] as of Q4 2024.

Earnings and Profitability

The sector reported a decline in profits, mainly driven by a fair value loss at one bank, which is considered an isolated event, and a reduction in interest income at another bank following the sale of investments to affiliates. Sectoral assets and equity also witnessed contractions, albeit to a lesser extent.

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[6] Some of the prior year amounts have been amended to reflect the most updated data.

[7] Based on published NPL ratios for Bermuda, Bahamas, Barbados, Trinidad & Tobago, British Virgin Islands and Jamaica.

As a result, the average Return on Equity ("ROE") and the Return on Assets ("ROA") were lower than the previous year.

Liquidity

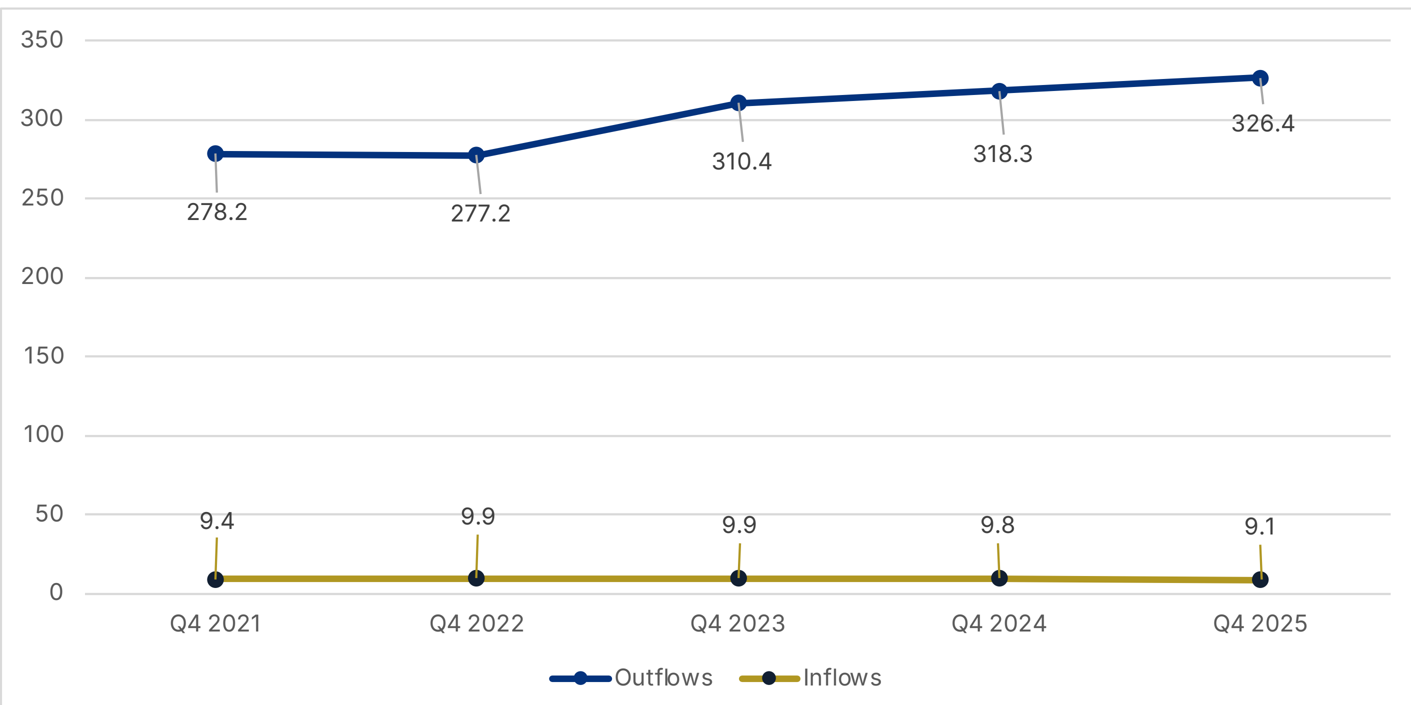
The ratio of liquid assets to total assets for Category "A" Retail banks marginally decreased to 22.1% as of Q4 2025 mainly due to reallocations to higher earning non-liquid assets.

Effective 1 June 2019, CIMA implemented a comprehensive Liquidity Risk Management framework for banks, which included the Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR"). All Category "A" Retail banks are required to maintain a minimum LCR and NSFR of 100%. As of Q4 2025, the average LCR and NSFR for Category A Retail banks were 186% and 218%, respectively, signifying the resilience in liquidity and funding profiles of retail banks in the Cayman Islands.

Money Services Businesess

CIMA supervises three active MSBs that cater primarily to the resident domestic market and are predominantly used by the expatriate community to send money to their home countries. The FATF defines the business of MSBs as "financial services that involve the acceptance of cash, cheques, other monetary instruments or other stores of value and the payment of a corresponding sum in cash or other form to a beneficiary by means of a communication, message, transfer, or through a clearing network to which the [MSB] provider belongs."

Figure 6: Total remittance outflows and inflows (US$ millions)



Total remittance outflows continued to record annualised growth, increasing by 3% in 2025 to $326.4 million from $318.3 million at Q4 2024, and by 25% relative to the $261.7 million reported in Q4 2020. In contrast, total remittance inflows declined by 7% from $9.8m reported in 2024 to $9.1m in 2025. The continued growth in remittance outflows can be associated with the gradually increasing domestic productivity and sustained increase in the expatriate population. This trend is consistent with higher household consumption and elevated levels of cross-border financial transactions.

The proportion of remittances by country is generally consistent with the demographic distribution of the expatriate community in the Cayman Islands, which reaffirms that MSBs are predominantly used by the expatriates to send money to their home countries. Figure 7 and Figure 8 present a country-level breakdown of remittance inflow and outflow activity.

Figure 7: Proportion of total remittance outflows

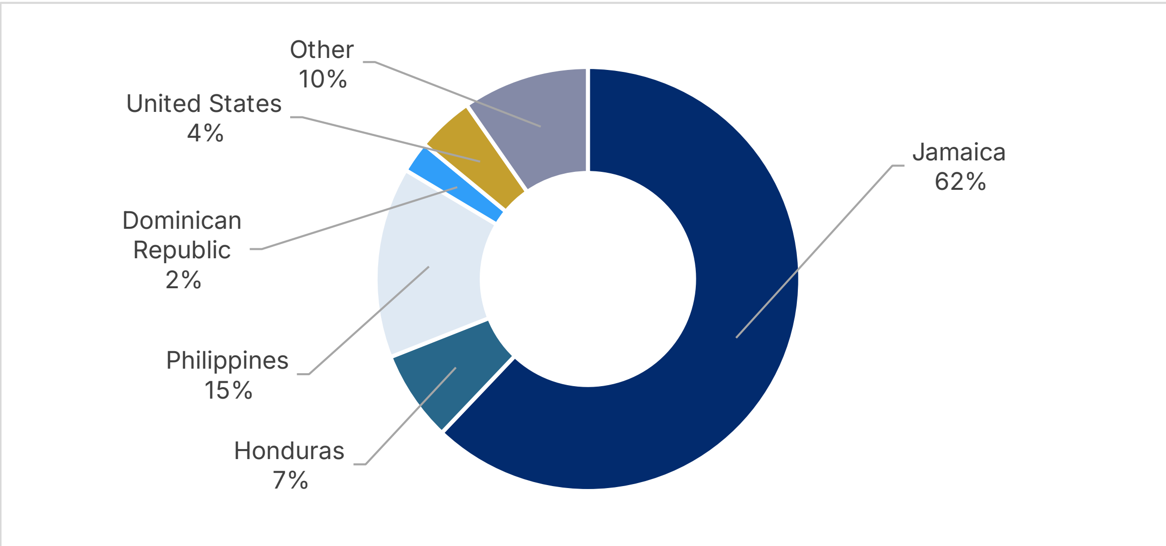
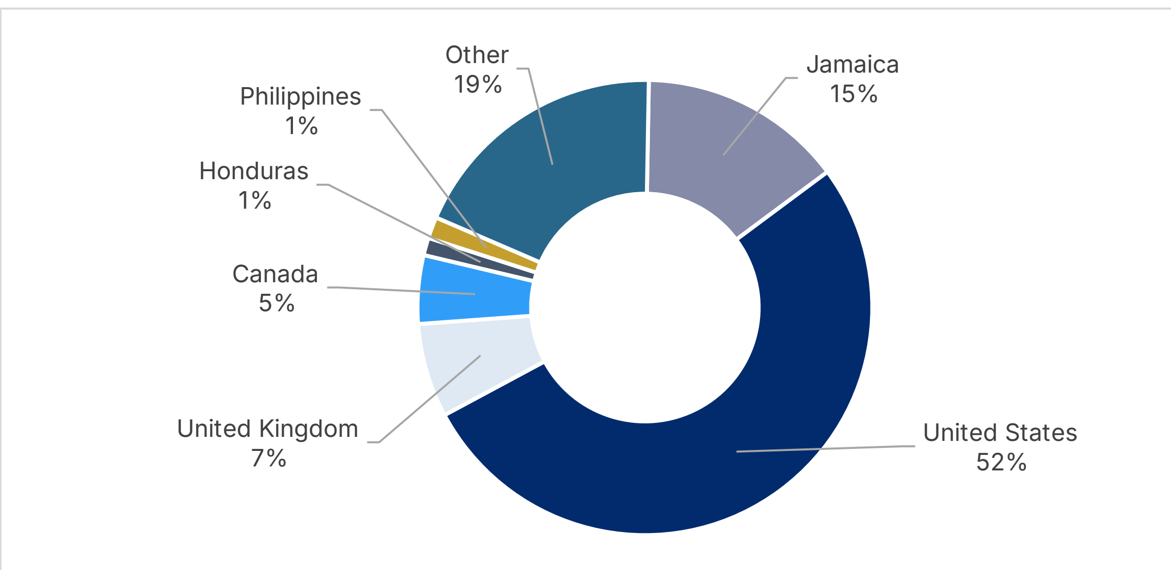


Figure 8: Proportion of total remittance inflows



Trusts

Pursuant to the Banks and Trust Companies Act (2025 Revision) and the Private Trust Companies Regulations (2020 Revision) (the "PTCR"), no company is permitted to carry out corporate trust business unless it is licensed or registered by CIMA.

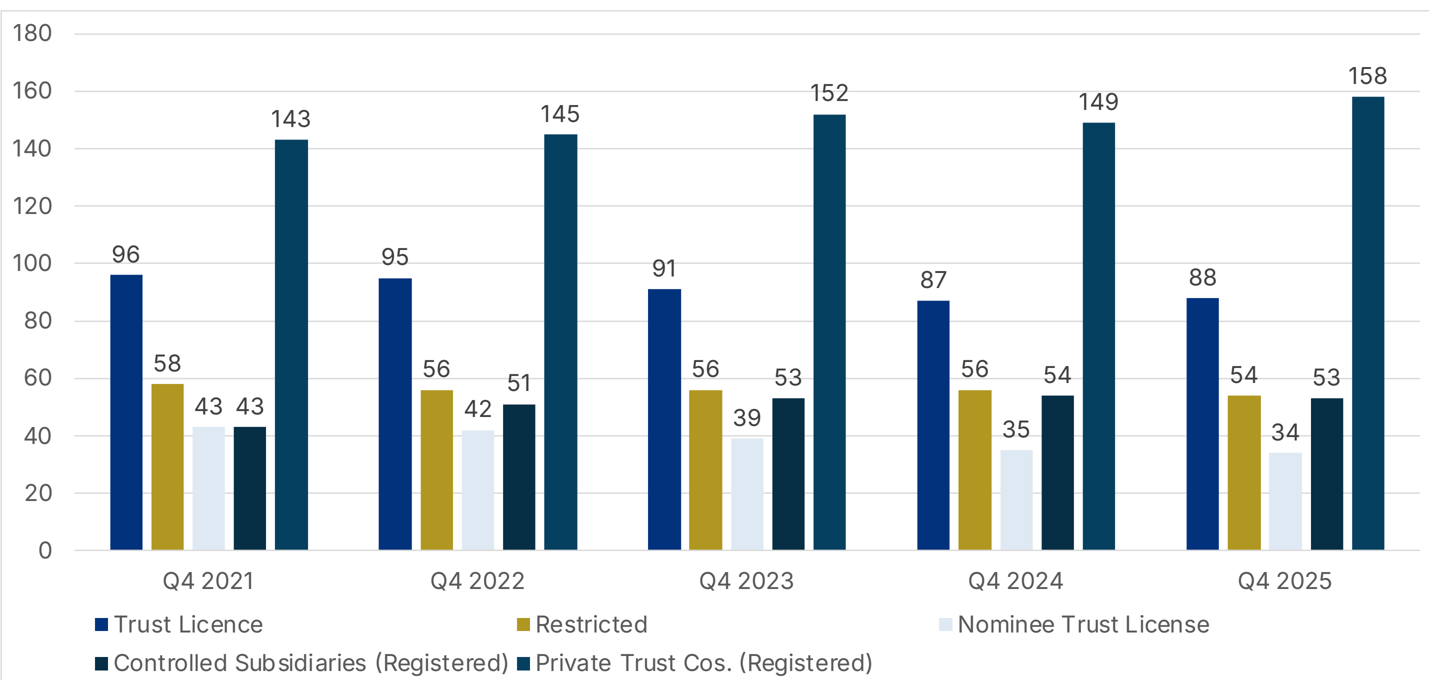
Licence categories:

- Trust – Licensee authorised to carry on the business of acting as trustee, executor or administrator
- Restricted Trust – Licensee authorised to undertake trust business only for persons listed in any undertaking accompanying the application for the licence
- Nominee (Trust) – Licensee authorised to act solely as the nominee of a trust licensee, being the wholly-owned subsidiary of that licensee

Registration categories:

- Controlled Subsidiary - Registrant authorised to provide trust services including the issuing of debt instruments or any other trust business connected with the trust business of its parent that holds a Trust Licence
- Private Trust Company - Registrant authorised to provide trust services to "connected persons" as defined in Section 2(2) of the PTCR.

Figure 9: Number of trust companies by licence or registration category



Corporate Services

The Cayman Islands holds its own among locations from which corporate/company management services are provided and the sector for the most part remained consistent over the last year. The net increase by one corporate services licence does not in itself represent an upward trend. Additionally, an analysis of the Companies Management Licences terminations yielded no reason for supervisory nor jurisdictional concern.

All providers of corporate services are required to be licensed by CIMA under the following categories:

Companies Management Licence, which allows the holder to provide company management services as listed in Section 3(1) of the Companies Management Act (2025 Revision); or

Corporate Services Licence, which allows the holder to provide only the corporate services specified in Section 3(1)(a) through (e) of the Companies Management Act (2025 Revision).

Figure 10: Number of corporate services providers by licence category

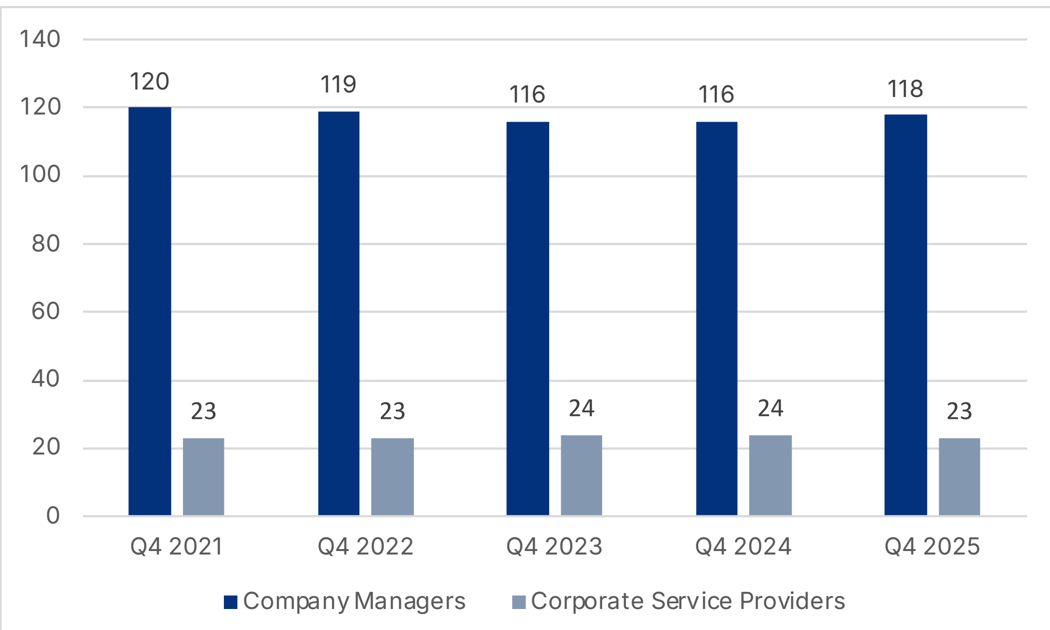


Table 5: Director authorisation activity

Authorisation Type	Q4 2021	Q4 2022	Q4 2023	Q4 2024	Q4 2025
Registration	129	132	115	118	126
Licence - Professional Director	63	61	76	84	87
Licence - Corporate Director	18	17	17	15	16

Virtual Asset Service Providers

The Cayman Islands was among the first jurisdictions to establish a comprehensive regulatory framework for Virtual Asset Service Providers ("VASPs"), regulated under the Virtual Assets (Service Providers) Act (2024 Revision) (the "VASP Act"). The Cayman Islands continued to strengthen a robust regulatory framework that promotes sector growth while providing regulatory clarity.

2025 marked a pivotal moment for the jurisdiction's VASP sector, with the Phase II licensing regime coming into effect on 1 April 2025.

Phase I established the registration regime for VASPs and implemented governance, cybersecurity, and anti-money laundering and counter-terrorist financing ("AML/CFT") requirements applicable across the sector. Phase II built on this foundation by introducing a mandatory licensing framework for VASPs conducting licensable activities, specifically the provision of virtual asset custody services and the operation of virtual asset trading platforms.

Phase II also strengthened governance expectations and expanded the Authority's statutory supervisory and enforcement powers, enhancing regulatory oversight of higher-risk activities. These reforms established a robust regulatory foundation designed to support the sustainable growth of the VASP sector while ensuring alignment with international AML/CFT standards.

Following a public consultation held in Q1 2025, the Authority finalised a new Rule and Regulatory Procedure for the Cancellation of Licences, Registrations, or Waivers for VASPs, which was gazetted on 10 September 2025. The framework establishes an orderly and transparent process for VASPs ceasing operations, discontinuing business locally, relocating operations, or voluntarily seeking cancellation of their licence, registration, or waiver.

The framework requires timely notifications, confirmation of regulatory standing, AML/CFT compliance attestations, and measures to safeguard and return client assets. To enhance transparency and strengthen ongoing supervision, the Authority introduced several initiatives, beginning with the VASP AML/CFT/CPF onboarding survey via STRIX, replacing the previous AML Inherent Risk Form. This was followed by the deployment of a revised and expanded VASP application in REEFS on 14 July 2025.Together with the updated Regulatory Policy for Registration or Licensing of VASPs issued in May 2025, these measures provide clarity regarding assessment criteria and regulatory expectations.

In Q4 2025, the Authority introduced the VASP Financial Returns ("VFR") filing requirement. Effective 1 Q4 2025, all registered and licensed VASPs were required to submit the VFR through REEFS. The VFR standardises the reporting of key financial information, enabling improved visibility of financial soundness and risk profiles.

Reporting will continue on a quarterly basis. The introduction of the VFR represents a significant step towards greater transparency, accountability, and regulatory confidence within the virtual asset sector. The Authority continued to engage with the Ministry of Financial Services ("MFS") on regulatory matters, including token issuances by entities regulated under the Mutual Funds Act and the Private Funds Act. This engagement included consideration of potential legislative refinements to ensure regulatory clarity and consistency across frameworks.

In preparation for the Financial Action Task Force ("FATF") 5th Round Mutual Evaluation, the Authority commenced various initiatives and contributed to the National Risk Assessment VASP and virtual asset working group.to the National Risk Assessment VASP and virtual asset working group.

As at Q4 2025, the Authority received 24 VASP applications, comprising eight for registration, eight for licensing, and eight from existing registrants transitioning to licensure. The table below depicts the 18 VASP registrants as at Q4 2025, classified by service category. There were two cancellations of registrations during the year. Certain VASPs operate across multiple categories.

Enforcement actions taken during the period highlighted the Authority's continued focus on regulatory compliance, governance, and risk management. Notably, on 13 June 2025, the Authority issued Decision Notices to the directors of a registered VASP, as well as to the VASP itself, following material breaches of the VASP Act and the Anti-Money Laundering Regulations.

Table 6: Composition of Registered VASPs by Service Category

	Q4 2023	Q4 2024	Q4 2025
Total VASP Entities	19	18	18
Types of Virtual Asset Services			
Trading Platforms	4	3	3
Custody Services	9	11	7
Issuance of Virtual Assets	2	1	1
Exchange of Virtual Currency to Virtual Currency/Fiat	11	10	10
Financial Services Relating to Virtual Assets	7	5	4
Transfer of Virtual Assets	0	0	2

Onsite Inspections and Offsite Monitoring

The Authority continued its programme of onsite inspections and offsite monitoring across the VASP sector in 2025. Working jointly, the Anti-Money Laundering Division ("AMLD"), the Onsite Inspection Unit ("OIU"), and relevant supervisory teams conducted full-scope inspections of five VASP registrants.

In parallel, the Authority conducted a desk-based thematic review of registered VASP providers and issued an anonymised report on 17 November 2025 outlining sound practices and observed weaknesses across governance, internal controls, cybersecurity, custody arrangements, and financial resilience

The review covered 11 VASPs performing a variety of services. The supervisory insights form an important component of the Authority's risk-based oversight approach, supporting continuous monitoring of the sector and providing guidance to VASPs as they work to strengthen operational resilience and maintain robust compliance frameworks.

During the year, the Authority conducted supervisory meetings with 16 registrants. These engagements facilitated discussions on operational developments, material changes, incidents, and control enhancements, while also providing updates on regulatory developments and supervisory priorities. In turn, the Authority briefed Registrants on key regulatory developments and supervisory priorities, with a focus on prudential oversight and AML compliance. Representatives from the Authority's AMLD also participated in these meetings, ensuring a coordinated supervisory approach.

The Authority continues to collect data on registered VASPs through the VASP Travel Rule Return and the AML Return – VASP Form on a quarterly and annual basis, respectively.

Policing the Perimeter

In line with its supervisory mandate, the Authority continued to monitor the VASP industry to ensure persons conducting virtual asset services operate in accordance with the VASP Act. The Authority collaborated with domestic authorities, including the Cayman Islands Bureau of Financial Investigations and the Financial Reporting Authority, as part of perimeter monitoring and intelligence-sharing initiatives. Throughout the year, more than 70 entities were issued requirements or directions letters to provide information, seek registration, and/or cease and desist activities. The Authority also engaged with overseas regulators on monitoring initiatives, emerging trends, and regulatory developments.

Market Trends and Consumer Protection

Global developments in 2025, including growth in stablecoin usage, expansion of tokenised financial instruments, and increased institutional adoption, continued to inform supervisory priorities.

The Authority observed an increase in retail investor enquiries and complaints, often associated with misleading representations or unregulated offerings. Consumer protection notices were issued to reinforce the importance of verifying VASP authorisation status and exercising caution when evaluating virtual asset investment opportunities.

As virtual asset markets continue to evolve, the Authority remains committed to enhancing supervisory capabilities through investment in regulatory technology, including blockchain analytics and advanced monitoring tools.

CIMA will continue strengthening the regulatory framework, building institutional capacity, and providing regulatory insights to VASPs and related service providers to assist in improving governance, internal controls, and risk management processes to support sustainable and responsible growth of the Cayman Islands’ virtual asset sector.

Insurance

Cayman Islands Insurance Industry

General Overview:

Number 1 domicile for healthcare captives worldwide.
2nd largest domicile for captive insurance in the world.
One of the leading jurisdictions for group captives and Insurance Linked Securities ("ILS").
Fast growing international commercial insurance and reinsurance industry.

Industry Segments:

The insurance industry in the Cayman Islands has two distinct sectors regulated and supervised by the Cayman Islands Monetary Authority (the "Authority"):

Domestic insurance segment, which provides insurance coverage to Cayman Islands residents and businesses through locally incorporated and licensed insurance companies or through foreign insurers licensed in the Cayman Islands as branch operations. The market also includes intermediaries who represent insurance companies in Agent/Agency capacity as well as Brokers representing consumers.

International insurance segment, which provides insurance coverage for foreign risks through insurance and reinsurance companies incorporated and licensed in the Cayman Islands but conducting business overseas. The international segment also provides intermediation through locally incorporated insurance brokers representing consumers who are located outside of the Cayman Islands.

The Authority grants the following classes of insurance licences to companies conducting insurance/reinsurance business in or from within the Cayman Islands, namely, Class 'A' licence for domestic insurers (this includes locally incorporated companies as well as foreign incorporated companies operating in Cayman Islands as branches), Insurance broker licence (authorised to arrange or procure insurance or reinsurance contracts or continuation of such contracts), Insurance agent licence (authorised to solicit domestic business on behalf of domestic insurers), Class 'B' licence for international insurers (this includes captives providing self-insurance to affiliated entities as well as commercial entities conducting business with third parties), Class 'C' licence for international insurers whose obligations are fully collateralised through funding mechanisms such as issuance of ILS e.g. Catastrophe Bonds ("Cat Bonds"), and Class 'D' licence for large open-market commercial reinsurers conducting property and casualty business and/or long term business.

In addition to insurer licences, the Authority also grants licence to insurance managers who are incorporated and based in the Cayman Islands with the responsibility of providing key services to Class 'B' and 'C' insurers, including provision of place of business and maintenance of full books and records.

Table 7: Insurance licensing activity 2024-2025

Licence Type	Q4 2024	Cancelled During 2025	Issued During 2025	Q4 2025
Class A	24	1	0	23
Class B, C, D	697	19	42	720
Insurance Managers	22	0	1	23
Brokers	23	1	0	22
Agents	38	0	1	39
Total	804	21	44	827

Statistics - Domestic Insurance Segment

Domestic insurance companies generated Gross Written Premiums of US$1.3 billion per the last quarterly filings as at 31 December 2025 (see Table 8).

Figure 11: Number of Cayman Islands domestic licences (by type of licence), 2020-2025

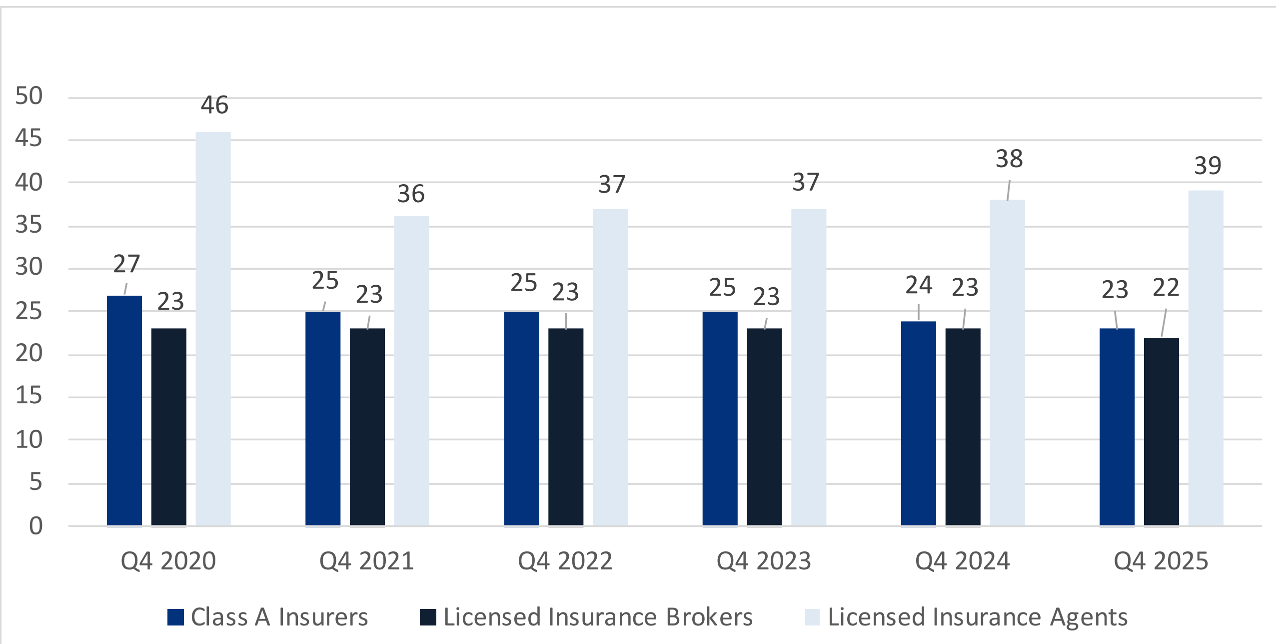


Figure 12: Lines of coverage provided by Class 'A' insurers, measured by Gross Written Premiums per the last annual filing for the year-ended 31 December 2025

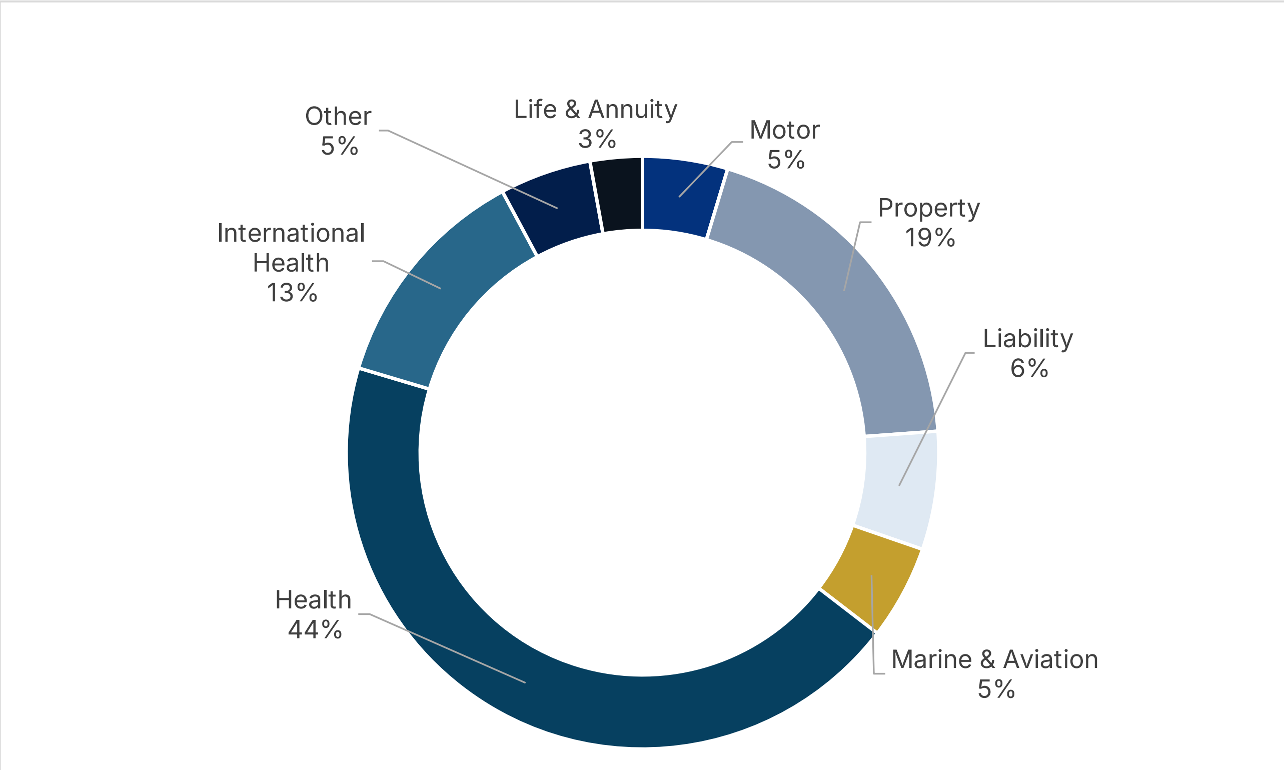


Table 8: Domestic insurance companies performance statistics by primary line of business per the last quarterly unaudited filings for the period ended 31 December 2025

Class A Insurance Companies - Unaudited statistics by primary class of business (in US$000) (updated quarterly)

	Motor	Property	Liability	Marine & Aviation	Health	Inter-national Business	Other	Life & Annuity	Grand Total
Gross Written Premiums	60,460	249,887	83,891	66,951	575,004	163,353	65,044	36,974	1,301,564
Assumed Premiums	335	25,126	143,419	15,626	-	46,627	4,926	-	236,060
Total Written Premium	$60,795	$275,014	$227,310	$82,577	$575,004	$209,980	$69,970	$36,974	$1,537,623
Reinsurance Ceded	25,608	235,812	7,873	2,774	94,641	122,940	1,177	1,922	492,748
Unearned Premium Adjustment	-3,902	-3,176	-193	13	51	-3,039	-103	-	-10,350
Net Earned Premiums	$39,089	$42,378	$219,630	$79,790	$480,312	$90,079	$68,896	$35,052	$1,055,225
Net Claims Paid	18,177	4,217	126,719	56,526	422,097	48,262	22,351		698,349
Movement in Claim Reserves	1,450	-379	37,687	-18,767	449	5	6,400	11,991	38,835
Acquisition Costs	2,128	-15,001	6,431	1,318	40,714	1,889	1,906	11,338	50,722
Other Underwriting Expenses	1,108	-340	-372	-100	3,692	80	-	2,521	6,589
Total Underwriting Expenses	$22,863	-$11,504	$170,465	$38,977	$466,951	$50,236	$30,657	$25,849	$794,494
Underwriting Profit/Loss	$16,226	$53,881	$49,165	$40,813	$13,361	$39,843	$38,239	$9,202	$260,731

General insurance which includes health insurance, continues to dominate the market in 2025. Health insurance was the largest class of business by GWP with a 44% market share followed by property insurance with 19%. The total GWP for all classes increased to US$1.3 billion as of 31 December 2025 from US$1.2 billion in December 2024.

Statistics - International Insurance Segment

The international insurance segment in the Cayman Islands began in the mid-1970s with the medical malpractice insurance crisis in the United States of America ("U.S.") and was later formalised with the introduction of the Insurance Law in 1979. Unable to obtain commercial insurance, healthcare organisations began to form captives in the Cayman Islands to provide for their self-insurance and risk management needs.

Over the years, businesses have made extensive utilisation of captives as part of their overall risk management strategy, reducing the amount of premiums they pay to commercial insurers by retaining risk internally and self-insuring it through their captive insurance companies. Further, captives provide flexibility and additional coverage capacity to owners giving them a better platform to access and negotiate with the commercial (re)insurance markets.

With a mature and stable captives' industry, Cayman Islands is now attracting major commercial operators which has seen increased licensing of commercial insurance and reinsurance companies within the Class 'B(iii)' and 'D' licence categories. As at December 31, 2025, approximately 70% of the international insurance market companies in the Cayman Islands is made up of self-insurance vehicles (captives) while 30% is made up of commercial insurance and reinsurance companies. Total written premiums are however dominated by the commercial insurance and reinsurance companies. The regulatory environment has been relatively stable and there has been a notable growth in new license formations, particularly commercial insurance and reinsurance companies transacting life and annuity insurance as well as property insurance.

The international sector continues to grow as indicated by the number of new formations over the years. As of December 31, 2025, the international sector witnessed 42 new license formations matching the 42 formations registered in 2024. The jurisdiction recorded a total of 41 new formations in 2023 and 37 in 2022. The trend in the total number of companies conducting international business is shown in Figure 13 below.

Figure 13: Number of insurance/reinsurance companies licensed in the Cayman Islands to conduct international insurance business (Class B, C, D), 2020-2025

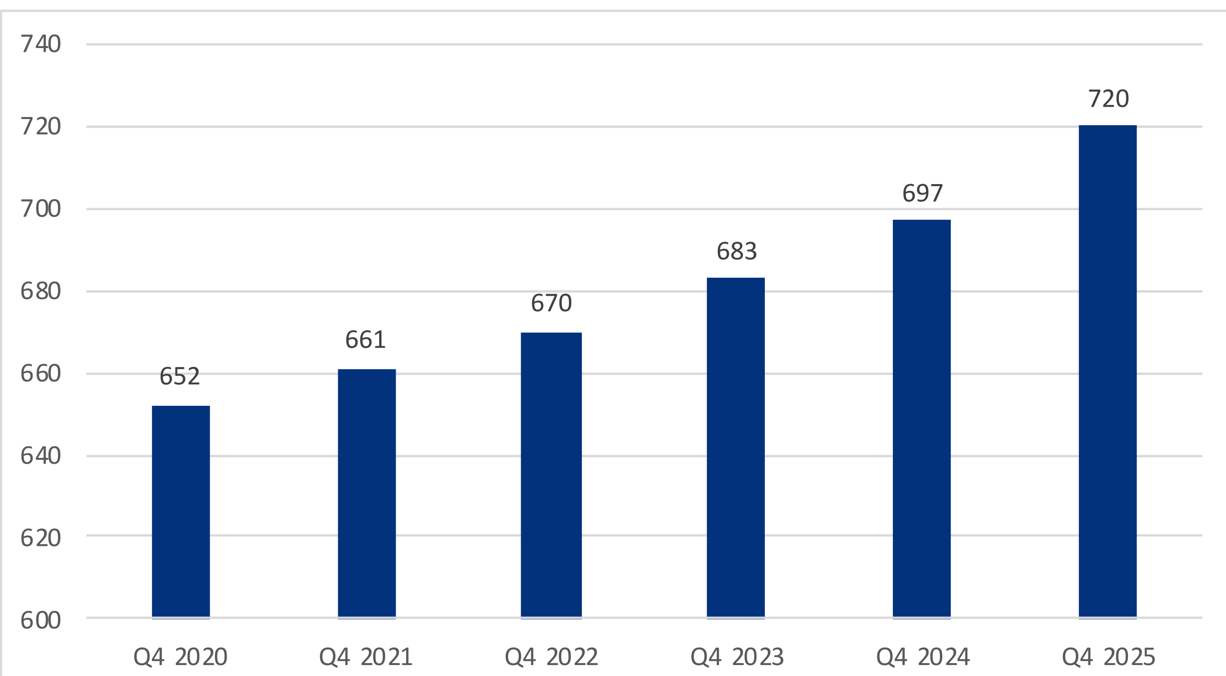
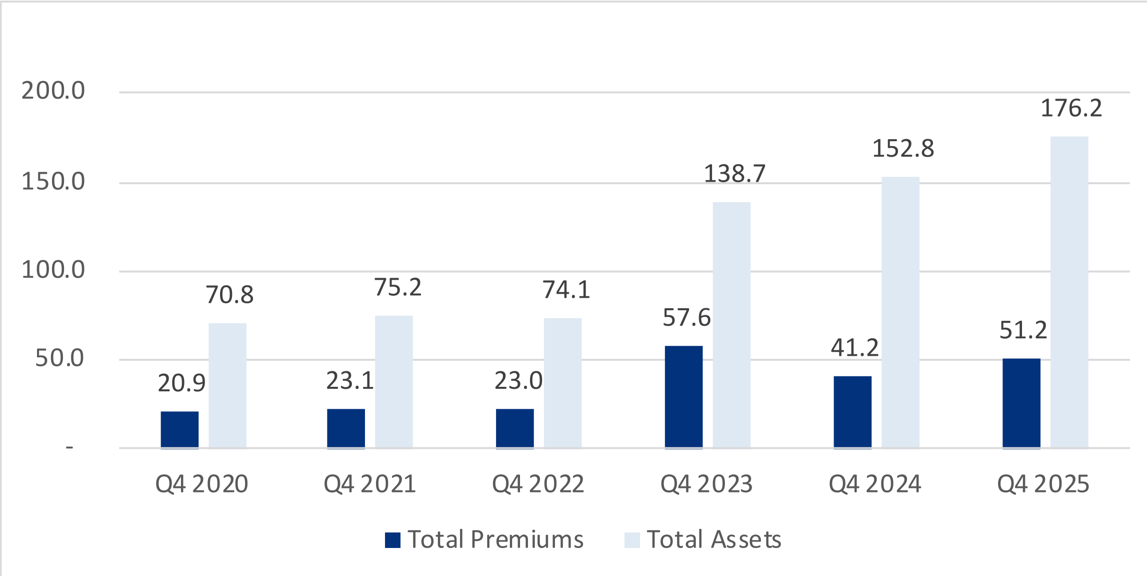


Figure 14: Total premiums & assets generated and held by international insurance and reinsurance companies licensed in the Cayman Islands (Class B, C, D), 2020-2025 (in US$ billion)



Total assets held increased in 2025 compared to the prior year.

Figure 15: Primary Class of Business conducted by Cayman Islands domiciled international insurance and reinsurance companies (by number of licensed entities), 2025

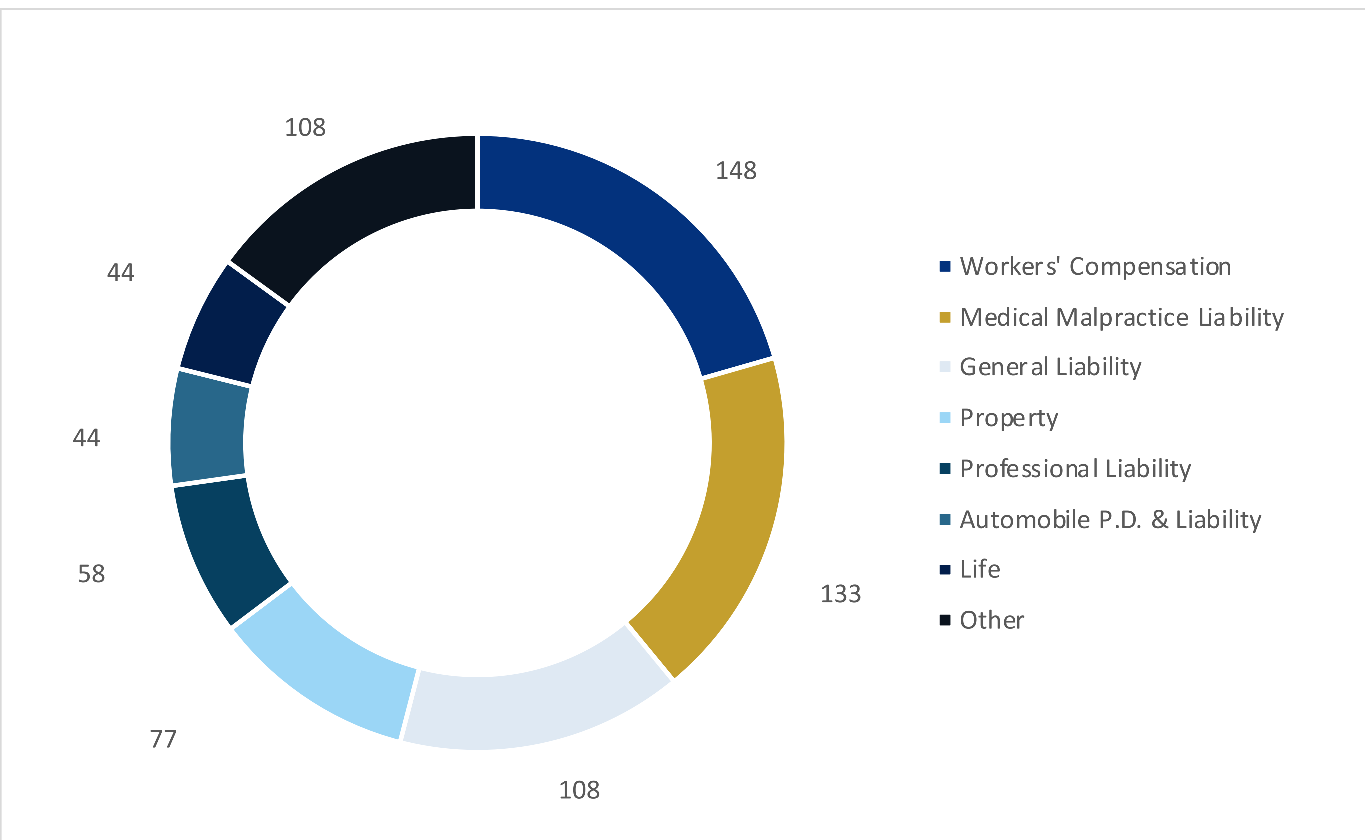
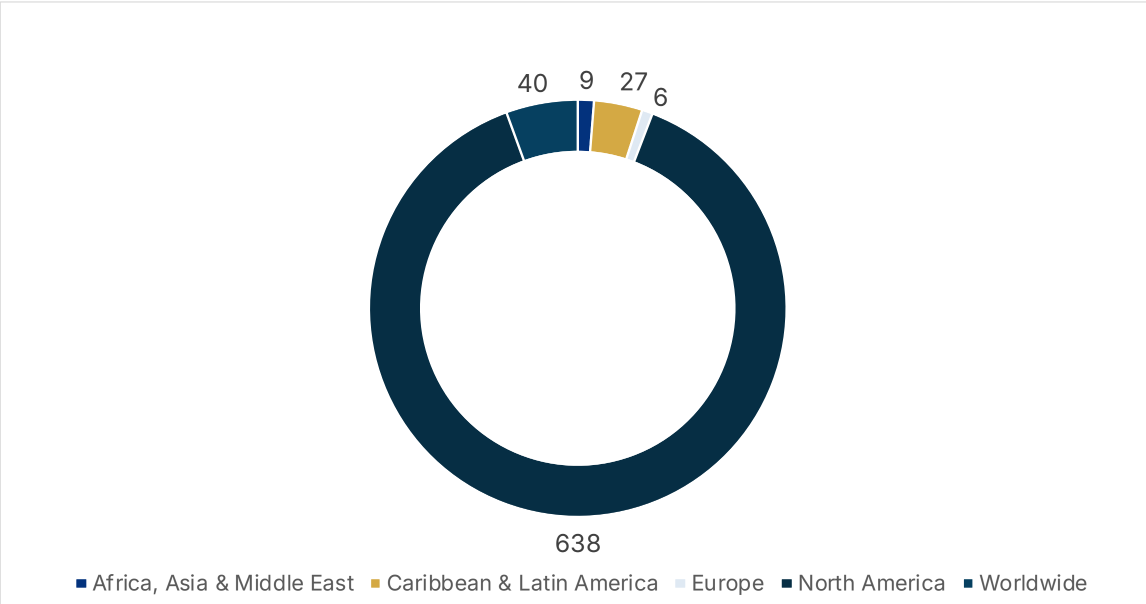


Figure 16: Original source of business (risk location) covered by Cayman Islands domiciled international insurance and reinsurance companies (by number of licensed entities), 2025



Outlook - International Insurance Segment

The global insurance market continues to be volatile with issues such as geopolitical instabilities and economic uncertainties, persistent inflation, supply chain disruptions, technology disruptions and cyber security threats are some of the key issues facing the industry. Cayman Islands' international insurance market remains predominantly driven by U. S business, and as a result, developments in the U. S market continue to have a direct and immediate influence on the Cayman Islands market. In 2025, the U.S market faced a series of structural pressures, ranging from nuclear verdicts in some liability lines of business and social inflation to emerging insuretech risks, sustained reinsurance pricing challenges, rapid adoption and use of artificial intelligence, and the increasing frequency and severity of climate related catastrophic events. These factors collectively shaped the dynamics of the insurance market and discussions among insurance stakeholders in the Cayman Islands.

Global insurance market conditions are expected to persist into the medium term, and the industry will need to continue innovating and adapting to a rapidly evolving environment. While the global market has experienced some welcome relief through the introduction of new reinsurance capacity which resulted in modest price softening after a few consecutive years of increases, the broader landscape remains complex and highly dynamic. Against this backdrop, the Cayman Islands insurance sector is positioned for continued growth, particularly the reinsurance sector of the international market, which has recorded some notable growth over the past five years and that momentum is expected to continue The captive sector is also projected to grow, particularly group captives and segregated portfolios, where the market continue to record a strong demand. In 2025, there was an increase in utilisation of captives, new lines of business were being introduced and existing programs were expanded. These trends reflect the market's confidence in the Cayman Islands as a jurisdiction and the same trajectory is expected to carry forward into 2026 and more businesses seek efficient and resilient alternative risk financing solutions.

Looking ahead, resilience remains the central focus for the Cayman Islands insurance market as the global market environment continue to evolve. The jurisdiction continues to consolidate its position as a leading domicile for captive business while also emerging as a market for commercial insurance and reinsurance companies. New formations continue to trend upward. The number of entities conducting international insurance business in the Cayman Islands has grown from 652 in 2020 to 720 by end of 2025, underscoring sustained confidence in the regulatory framework and the depth of the professional services in the jurisdiction.

There is a marked shift in the scale and sophistication of participants in the Cayman Islands insurance market. The life and annuity sector has gained momentum, with several multi-jurisdictional groups establishing operations in the jurisdiction. Diversification across the Cayman Islands international insurance market is projected to continue into 2026 driven mainly by the formation of new commercial and reinsurance companies as well as growth of existing entities. The Cayman Islands' reputation as a resilient, innovative and forward-looking domicile positions it well as a strong domicile for international insurance business. The jurisdiction is committed to ensuring that the Cayman Islands insurance market remains resilient, competitive and well positioned to respond to challenges in the global market while supporting sustainable long-term growth.

Investment Funds and Fund Administration

In 2025, the Cayman Islands continued to reaffirm its pre-eminence as a leading global domicile for investment funds, hosting over 30,000 active funds and managing more than US$9 trillion in net assets under management ("AUM"). The Cayman Islands remained the largest offshore fund domicile globally, supported by its tax-neutral environment, stability under English common law, and a robust regulatory framework.

In a year defined by global macroeconomic volatility — including persistent inflation, central bank policy adjustments, geopolitical tensions, and evolving trade dynamics — the Cayman Islands' funds sector demonstrated resilience, recording growth in both fund numbers and net assets.

Investment funds generally fall into two broad categories:

Mutual Funds are generally open-ended and have unlimited duration. There are four types of mutual funds regulated pursuant to the Mutual Funds Act (2025 Revision), as follows: Section 4(3) or registered fund; Section 4(1)(a) or licensed fund; 4(1)(b) or administered fund; 4(4) or limited investor fund.

Private Funds are generally closed-ended and tend to have limited duration. Private funds are regulated pursuant to the Private Funds Act (2025 Revision) ("PFA").

Mutual Fund Administrators must be authorised by the Authority to carry out fund administration. Fund administration is defined as the provision of services including Net Asset Value calculation, registrar and transfer agent services, provision of principal office services, or provision of operator services. The PFA provides that the administration of a Private Fund may be carried out by an Authority-licensed Mutual Fund Administrator.

A full mutual fund administrator licence allows the holder to provide administration to an unlimited number of funds, whereas a restricted mutual fund administrator licence limits administration to no more than 10 funds.

Record Registration Growth and Market Leadership

The Cayman Islands' fund population continued to expand in 2025, with total registrations reaching 30,598. Private funds remained the primary driver of growth, increasing from 17,292 in 2024 to 17,722 in 2025. This marked the fifth consecutive year of expansion following the introduction of the Private Funds Act. The cumulative growth observed since 2020 reflects sustained institutional demand for flexible and efficient fund structures.

Mutual funds, encompassing the bulk of global hedge fund strategies, remained broadly stable at 12,876. During the year, the number of Registered Mutual Funds reached an all-time high of 13,119 in Q3 2025 before moderating towards year-end.

Table 9: Regulated Mutual Funds activity

	Q4 2024	Q4 2025
Authorised	1,090	1,166
Terminated	(1,079)	(988)
Net annual change	11	178

Table 10: Regulated Private Funds activity

	Q4 2024	Q4 2025
Authorised	1,405	1,383
Terminated	(682)	(741)
Net annual change	723	642

Table 11: Number of Cayman regulated funds by category

	Q4 2021	Q4 2022	Q4 2023	Q4 2024	Q4 2025
Registered MF	8,499	8,795	8,681	8,785	8,840
Master MF	3,198	3,224	3,175	3,154	3,164
Administered MF	295	290	269	257	247
Licensed MF	55	51	50	46	42
Limited Investor MF	672	635	627	616	583
Private Funds	14,679	15,854	16,551	17,292	17,722

Figure 17: Number of Cayman regulated funds by category

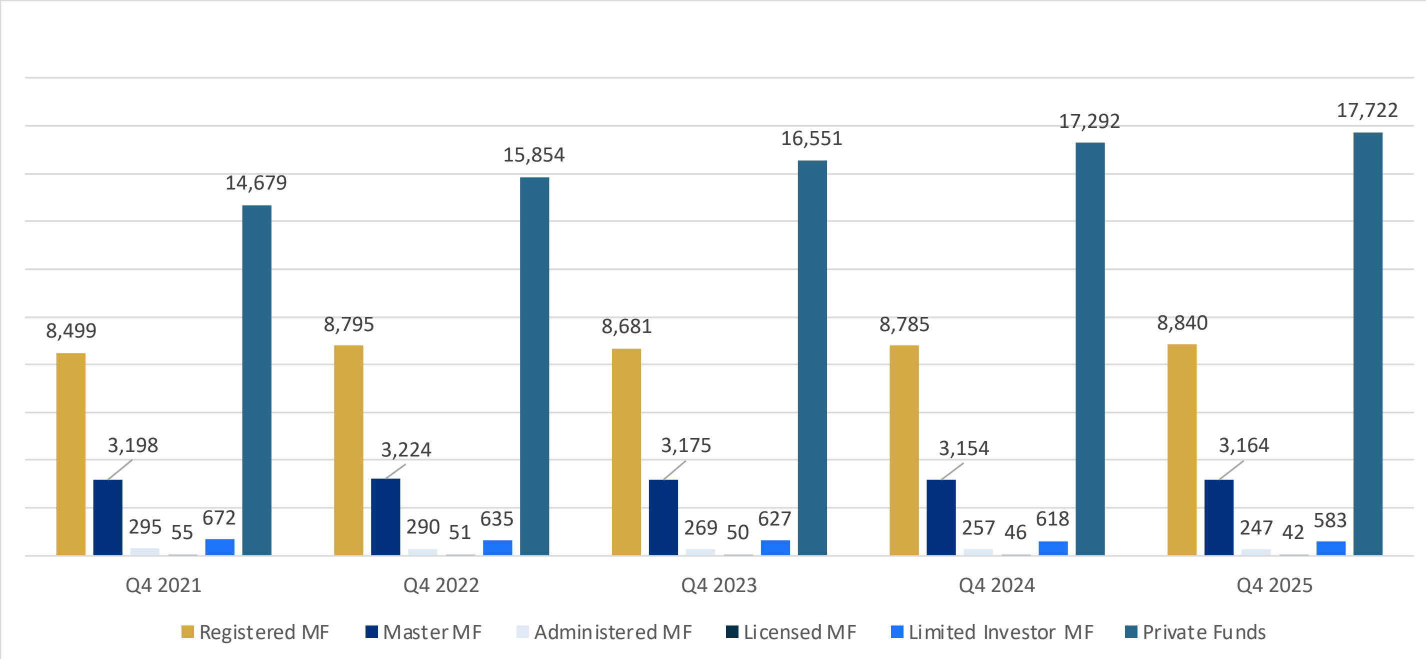
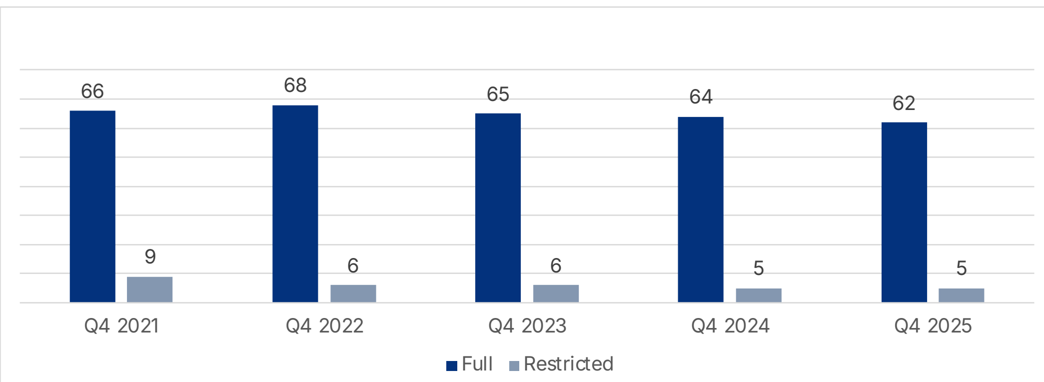


Figure 18: Number of Mutual Fund Administrators by category

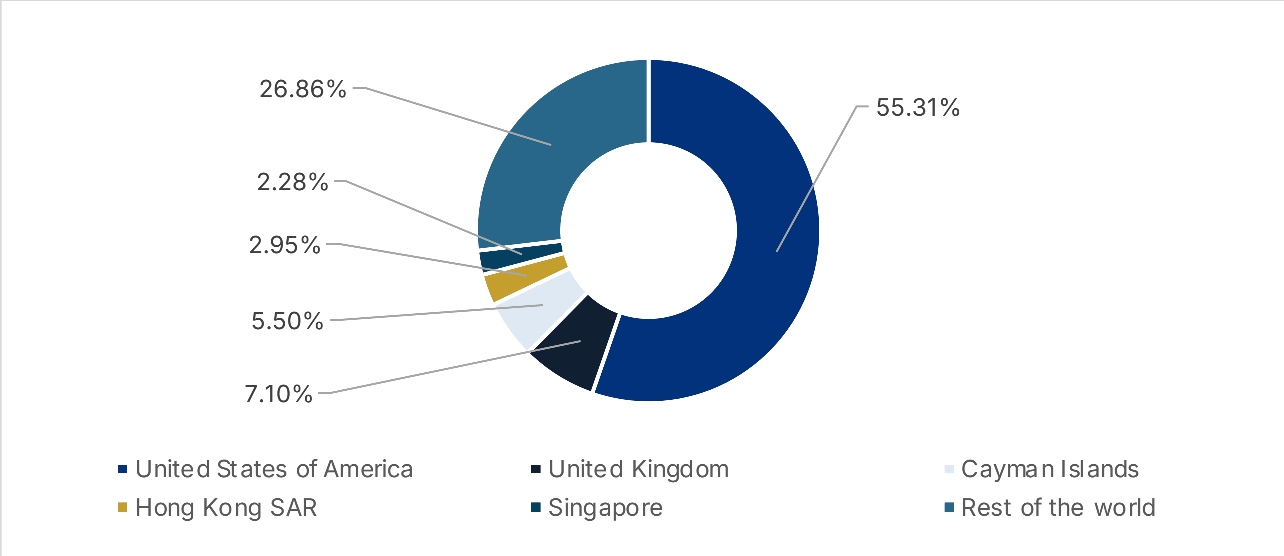


2024 Investments Statistical Digest

- Total Assets increased by 14.04% from US$14.139 trillion to US$16.124 trillion.
- Ending Net Assets increased by 9.88% from US$8.367 trillion to US$9.194 trillion.
- 2,894 regulated investment funds filed a 2024 Fund Annual Return Form ("FAR") with the Authority, representing 75.93% of all investment funds.
- Total subscriptions increased by US$595 billion YoY or by 45.49%. Total redemptions increased by US$58 billion YoY or by 4.99%.
- Net income of US$926 billion in 2024, up from US$645 billion in 2023 — a 43.57% increase.
- 'Multi-Strategy' and 'Long/Short Equity' continue to remain most widely used strategies with assets under management in each of these strategies being in excess of US$2 Tn.

See 2024 Investments Statistical Digest for full details.

Figure 19: Top 5 Investment Manager Locations (measured by net assets)



Global Hedge Fund Industry Developments

In 2025, the global hedge fund industry reached a historic milestone, with total industry capital surpassing US$5 trillion for the first time. The industry recorded its strongest annual performance since 2009.

Hedge funds returned an average of 12.6% for the year. Growth was supported by strong industry-wide performance and net asset inflows from a broad range of investors, including institutional investors, pension funds, family offices and sovereign wealth funds. According to Hedge Fund Research ("HFR")[8] , total industry capital increased by a record US$643 billion in 2025, comprising performance-based gains of US$527 billion and net asset inflows of US$116 billion. Strong results were observed across major strategies, particularly Equity Hedge and Event-Driven strategies. Certain sub-strategies, including healthcare and energy/basic materials, recorded notable performance.

Industry expansion occurred amid heightened market volatility and evolving macroeconomic and geopolitical conditions. Market dynamics during the year were influenced by factors including geopolitical uncertainty, monetary policy developments and continued structural shifts in global capital allocation.

By comparison, the S&P 500 recorded a 17.9% return for 2025.

The cryptocurrency market experienced increased volatility during the year. Total market capitalisation declined by 23.7% in Q4 2025, ending the year at approximately US$3 trillion, according to CoinGecko. This marked a year-on-year decline of 10.4%, crypto's first annual downturn since 2022.

While the fourth quarter of 2025 saw an early, brief all-time high of US$4.4 trillion, this proved short-lived as prices declined until late November before stabilising towards year-end. The decline was triggered by a historic US$19 billion liquidation event in October, following the announcement of 100% tariffs on China by the United States.

The growing trend of tokenising real-world assets ("RWAs") gained significant traction in 2025. However, most current offerings are derivatives structured for offshore markets rather than direct U.S. stock ownership. The tokenisation of RWAs has shifted from a fringe experiment to a structural theme in global markets. Excluding stablecoins, distributed RWAs now account for roughly US$18 billion in value, representing an approximately eighteen-fold increase since 2022.

[8] Global Hedge Fund Industry Capital Surges Past Historic $5 Trillion Milestone | HFR

Despite this growth, tokenised RWAs remain small relative to the broader addressable market, indicating substantial scope for further expansion and innovation. The development of new tokenised products presents opportunities to broaden financial inclusion and improve access for participants underserved by traditional financial systems.

Against this backdrop of growing innovation and expanding use cases, CIMA continues to support key legislative and regulatory enhancements across the wider financial services industry. In consultation with the Cayman Islands Government, proposed legislative amendments are being progressed to establish a dedicated framework for Tokenised Mutual Funds, Tokenised Private Funds and Mutual Fund Administrators providing services to such funds. These amendments, currently under active consideration by the Ministry of Financial Services, aim to facilitate the orderly and risk-efficient domiciliation of tokenised fund structures within the jurisdiction, while ensuring that robust disclosure standards and regulatory oversight remain uncompromised.

Jurisdictional Comparisons – Funds

Table 12: Number of active funds in the Cayman Islands and other financial jurisdictions

Jurisdiction	2020	% change ('20 v '21)	2021	% change ('21v '22)	2022	% change ('22 v '23)	2023	% change ('23 v '24)	2024	% change ('24 v '25)	*Latest available for 2025
Bahamas	726	0.0%	726	1.1%	734	5.2%	696	13.1	605	14.5%	517[1]
Bermuda	796	0.4%	799	0.6%	804	1.0%	796	1.5	784	1.3%	774[2]
BVI	1,707	9.6%	1,871	4.7%	1,959	1.0%	1,978	6.3	2,102	5.0%	2,207[3]
Ireland ∞	818	1.0%	826	5.2%	869	4.4%	907	3.7	941	0.7%	948[4]
Jersey	750	4.9%	713	10.7%	637	2.0%	624	2.6	608	-	608[5]
Guernsey	841	1.8%	856	14.4%	979	2.7%	953	2.6	928	1.9%	910[6]
Cayman Islands	24,591	11.4%	27,398	5.3%	28,849	1.7%	29,353	2.7	30,150	1.5%	30,598[7]
USA	37,224	15.4%	42,970	10.1%	47,326	6.1%	50,224	7.1%	53,802	0.8%	54,206[8]

The above table depicts the growth rate of the funds industry in key offshore jurisdictions where investment funds are predominantly domiciled. Based on the latest numbers available, the most significant changes for competing jurisdictions were reflected by Bahamas (reduction of 14.5%) and BVI (increase of 5.0%).

Note: The latest available numbers for 2025 are as at the following period: Q4 2025, Q2 2025, Sep 2025, May 2025, Q2 2025, Sep 2025, Q4 2025, Q2 2025.

∞ Active funds for Ireland comprised of AIFs (excluding sub-funds) and excludes UCITS

Securities

Securities investment business ("SIB") conducted in and from the Cayman Islands includes dealing in securities, arranging deals in securities, managing securities and advising on securities. The Securities Investment Business Act (2020 Revision) (the "SIBA") provides for the regulation of persons engaged in these activities in or from the Cayman Islands, including market makers, broker-dealers, securities arrangers, securities advisors and securities managers.

Such persons must be licensed and regulated by the Authority, unless they meet the criteria to be exempt from the licensing requirement, in which case, they are to be registered and regulated as Registered Persons as defined pursuant to schedule 4 and section 5(4) of the SIBA. Entities in these categories conduct SIB exclusively for institutions, high net worth or sophisticated investors.

The overall health of the SIB industry continues to see interest, but growth is slower than usual with applications for SIB Registered Persons ("Registered Persons", "RPs" or "Registrants") still being heavily preferred in comparison to full or restricted SIB Licensees ("Licensees"). The observed decline in RP registrations is higher than previous years and reflects a combination of structural (for funds) and regulatory factors. These include the implementation of economic substance requirements, the absence of any obligation for funds to appoint locally incorporated RPs as advisors/managers, and the continued migration of existing RPs to less costly or less regulated jurisdictions.

The increase in regulatory requirements, inspections, and supervisory activities has contributed to a moderation in registration activity over the past two years. As at Q4 2025, there were 44 [9] Licensees and 1,347 Registered Persons under the purview of the SSD, compared to 42 SIB Licensees and 1,411 Registered Persons, during the same period in 2024. While there has been a net decrease in Registrants, the SSD has received three new SIB licence applications during Q4 of 2024, for a total of seven for the year to date compared to five during the same period in 2024.

During the year, the Authority approved six additional SIB licences (2 approved and 4 conditionally approved in principle until all conditions are met) which predominantly ranged from conducting arranger, advisor or manager services with more local presence in the Islands by way of operations and/or locally based directors and/or staff. These patterns noted in 2025 differ from that in prior years in which market maker and broker-dealer combined were seen as the most sought-after licensable activities from entities based outside of the jurisdiction but wanted a SIB licence in the Islands, primarily due to the European Securities and Markets Authority, as well as the Financial Conduct Authority's, continued restrictions on the marketing, distribution and sale of contract for differences agreements to retail clients.

[9] 43 full licence holders and 1 restricted licence holder.

Table 13: Securities Investment Business Licence Applications

	Q4 2021	Q4 2022	Q4 2023	Q4 2024	Q4 2025
Licensees	46	46	45	42	44

Authorisation Activity

Figure 20: Securities Investment Business Licensees by Type

The following chart reflects the SIB activity for all SIB Licensees (grouped by activity type) as at Q4 2025. It should be noted that of the 44 SIB Licensees, 31 are authorised to carry out more than one of the five regulated categories of SIB activities.

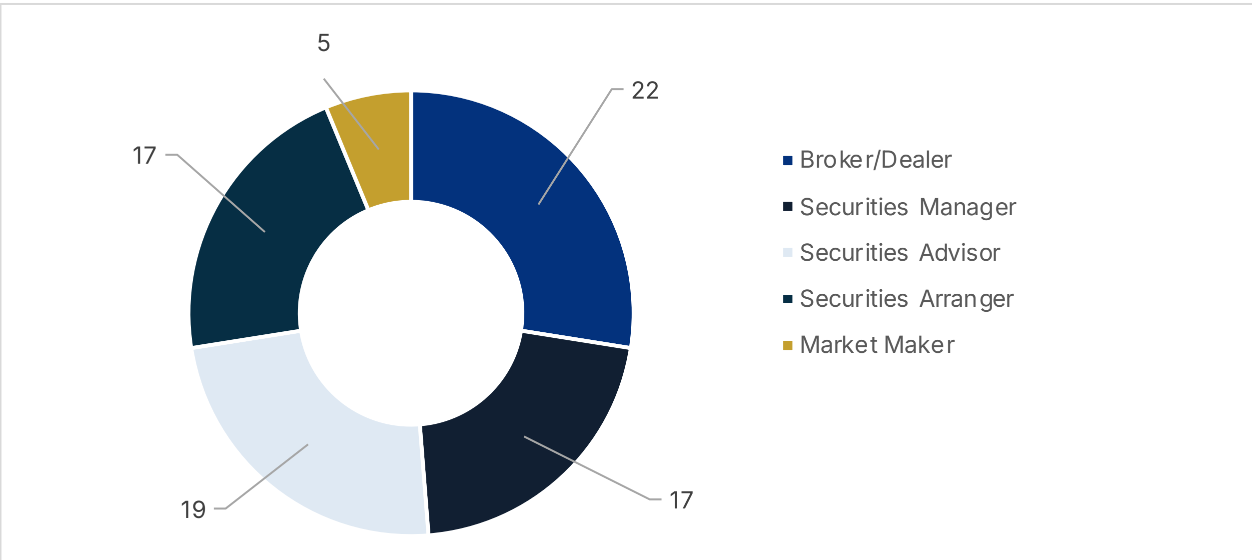


Table 14: Annual Licensing/Registration Activity Trend

Licence/ Registration Type	Q1 2021	Q4 2022	Q4 2023	Q4 2024	Q4 2025
Securities (Registered Persons)	1,632	1,571	1,527	1,411	1,3447
Securities – Restricted (Licence)	1	1	1	1	1
Securities – Full (Licence)	45	45	44	41	43

Execution of Monetary Functions

Currency Management

CIMA, through its Currency Operations Division, is the sole issuing authority for Cayman Islands (CI) currency. The division is responsible for the issue, re-issue, and withdrawal of CI currency notes and coins against the United States (US) dollar, dealing with the local retail banks: Butterfield Bank (Cayman) Limited, Cayman National Bank Ltd., CIBC FirstCaribbean International Bank (Cayman) Limited, PROVEN Bank, RBC Royal Bank (Cayman) Limited, and Scotiabank & Trust (Cayman) Ltd. The division also administers the sale and redemption of numismatic coins to and from local and overseas collectors.

Currency Reserve Management

CI currency is issued on demand only against US currency at the rate of one CI dollar per 1.20 US dollars. It is repurchased on demand with US dollars at the same rate.

The currency in circulation is backed by the currency reserve assets in accordance with Section 32 of the Monetary Authority Act (2020 Revision). As at Q4 2025, the value of the currency reserve assets was CI$236.05m representing 130.34% of total demand liabilities (i.e. currency in circulation).

Full details on the currency reserve assets, including specifics on the performance of the investments and cash and cash equivalent deposits that comprise the currency reserve assets, can be found within the Annual Financial Statements (Note 4, page 18 and following).

Table 15: Currency in circulation (in CI$ million)

	Q4 2021	Q4 2022	Q4 2023	Q4 2024	Q4 2025
Banknotes	$159.56	$156.77	$154.77	$158.59	$165.69
Coins	$13.95	$14.35	$14.74	$15.05	$15.42
Total Currency	$173.51	$171.12	$169.51	$173.64	$181.11

Table 16: Number of counterfeit banknotes withdrawn from circulation

	2021	2022	2023	2024	2025
$100	16	78	0	0	0
$50	1	1	0	0	0
$25	10	0	0	0	0
$10	0	4	0	0	0
$5	0	0	0	0	0
$1	1	0	0	0	0
Total No. of Notes	28	83	2	0	0
Total Dollar Value	$1,901	$7,890	$200	$0	$0

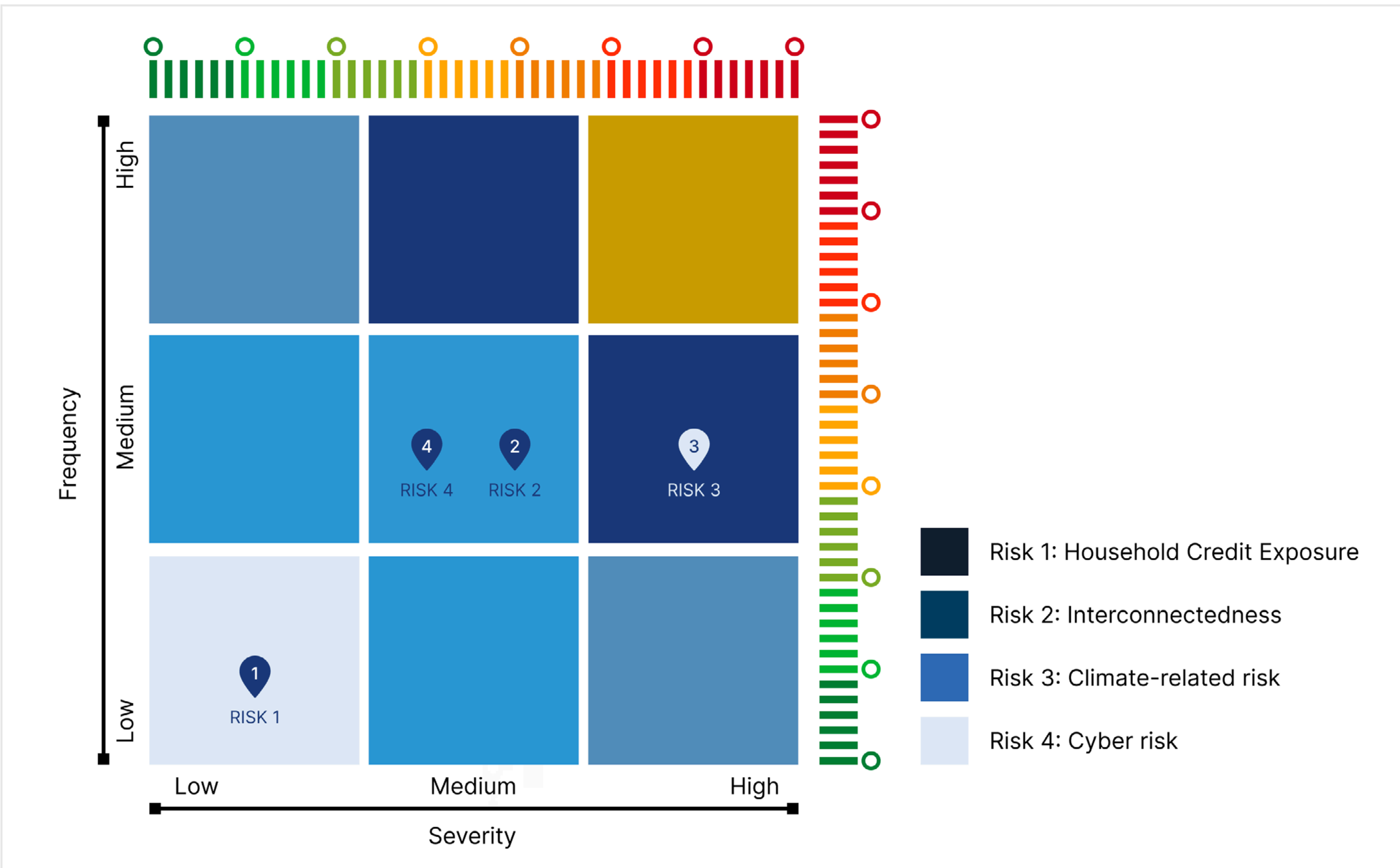
Execution of Financial Stability

In 2025, the Authority published its flagship statistical and analytical publications, conducted systemic risk assessments and macroprudential analyses, and met key reporting and engagement requirements with domestic and international stakeholders and standard-setting bodies.

Financial Stability Report and Initiatives

The Authority published the third edition of its Financial Stability Report in Q4 2025. Building on its inaugural publication in 2022, the report includes comprehensive assessments of key risks to the Cayman Islands, including cybersecurity risk, climate and environmental-related risks, interconnectedness with the global financial system, and domestic household credit exposure.

Figure 21: Key Risks to Cayman's Financial System



The Authority also introduced an internal monthly economic bulletin to provide updates on key domestic and international economic and financial developments. In addition, FSSD commenced development of a quarterly risk dashboard, which is scheduled for internal launch in 2026.

Financial Stability and Macroprudential Supervision Research

Crucial completed projects that were featured in the 2025 Financial Stability Report, included the introduction of Investment Funds financial soundness indicators and a summary of insurance stress testing results for Class A (Local) non-life insurers. These initiatives further strengthen the analytical toolkit available for monitoring emerging risks across the financial system.

As part of its proactive approach to macroprudential analysis, the Authority also conducted a comprehensive assessment of the impact of geopolitical risks on the Cayman Islands banking sector, following a framework published by the Toronto Centre in 2025. This assessment will be enhanced in 2026 as CIMA develops a deeper understanding of potential transmission channels, vulnerabilities, and spillover effects arising from global geopolitical developments. Additionally, CIMA is in the advanced stages of determining domestic systemically important insurers using both the traditional systemically important insurer framework and the IAIS Holistic Framework, supporting more risk-sensitive supervision. This work will be further advanced in 2026.

Statistical and Reporting Activities

In 2025, the Authority continued to fulfil its mandate to produce reliable, high-quality statistics that support informed decision-making and the monitoring and maintenance of financial stability.

Key statistical outputs provided to international stakeholders included:

- Quarterly Locational Banking Statistics reported to the Bank for International Settlements
- Quarterly Coordinated Portfolio Investment Survey data reported to the International Monetary Fund (“IMF”)

The Authority’s statistical publications also included:

- Annual Banking Statistical Digest
- Annual Investment Statistical Digest
- Quarterly Foreclosure Reports
- Quarterly Money Services Statistics
- Quarterly Domestic Banking Activities Reports

The Authority also made its annual contribution to the Global Monitoring Report on Non-Bank Financial Intermediation.

Through internal collaboration between the Virtual Assets and FinTech Unit and the Information Systems Division, the Authority designed and implemented VASP prudential forms and related guidance notes that came into effect in Q4 2025.

Additionally, the Authority collaborated with the Securities Supervision Division in conceptualising prudential forms and guidance notes for that sector. Implementation is expected in 2026.

In 2025, the Authority commenced work on an Insurance Sector Digest to complement existing banking and investment funds digests, further strengthening statistical coverage across sectors. Publication is anticipated in 2026.

Data Management Initiatives

During the year, the Authority enhanced data management through focused automation, reporting improvements, and analytical initiatives. Mail merge letters were developed for non-compliant funds covering fee-related and annual financial submission matters, including segregated portfolios. Automated email reminders for regulatory surveys, including pre-deadline and outstanding submission notifications, improved timeliness and compliance. Regulatory reporting was also strengthened through new identifiers, blank submission detection, license counts, and listings of submitted and outstanding licenses, as well as analytical reports highlighting top countries by sector. In addition, various dashboards were created to enhance data quality and consistency.

International Cooperation and Support

The Authority remains committed to international stakeholders such as the Financial Stability Board (FSB) through its Non-Bank Financial Intermediation submission and the completion of the FSB's semi-annual vulnerability survey as well as other ad hoc surveys throughout 2025. Additionally, CIMA has closely collaborated with other international organisations, such as the IMF where a technical assistance mission was conducted with the Authority on Crisis Management in 2025. The Authority also engaged the IMF's regional arm, the Caribbean Regional Technical Assistance Centre, to provide technical assistance on key risk areas to financial stability in the near to medium-term.

Climate Change Initiatives

As part of the internal working group focused on Climate Change and Green Finance, the Authority, through the Policy and Development Division, collaborated in the production of a Board paper aimed at obtaining approval to collect climate-related financial risk data from specific sectors. This project will continue in 2026 as the Authority advances its collection of the requisite climate-related financial data.

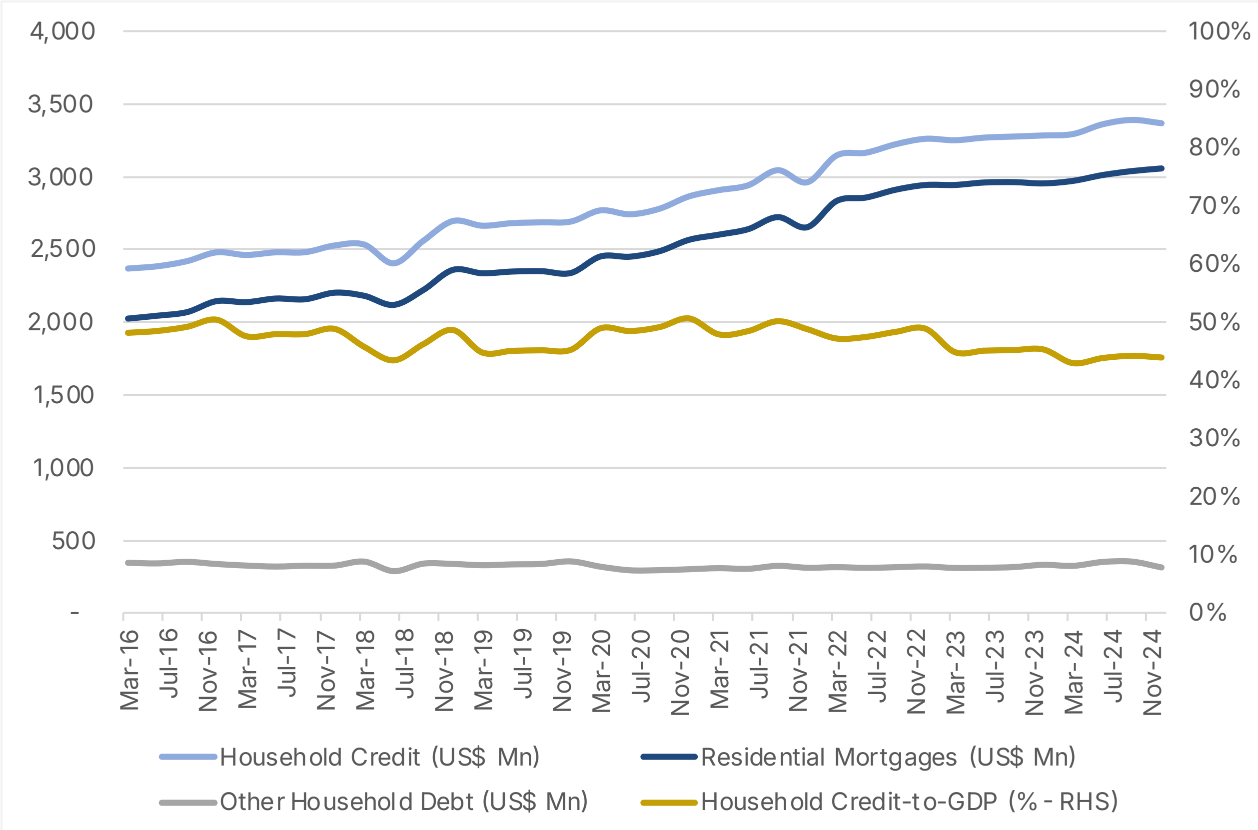
Macroprudential Monitoring

The Authority continued its critical work of monitoring key risks in line with global conditions and reflecting the Cayman Islands' jurisdictional characteristics, identifying several key vulnerabilities that have emerged within the domestic economic landscape.

At the domestic level, economic activity continues to expand at a stable rate, underpinning a stable financial environment. Household lending conditions remain sound, with credit growth broadly tracking overall economic performance. Linkages to international financial markets remain relevant, as shifts in global conditions may transmit to the domestic financial system.

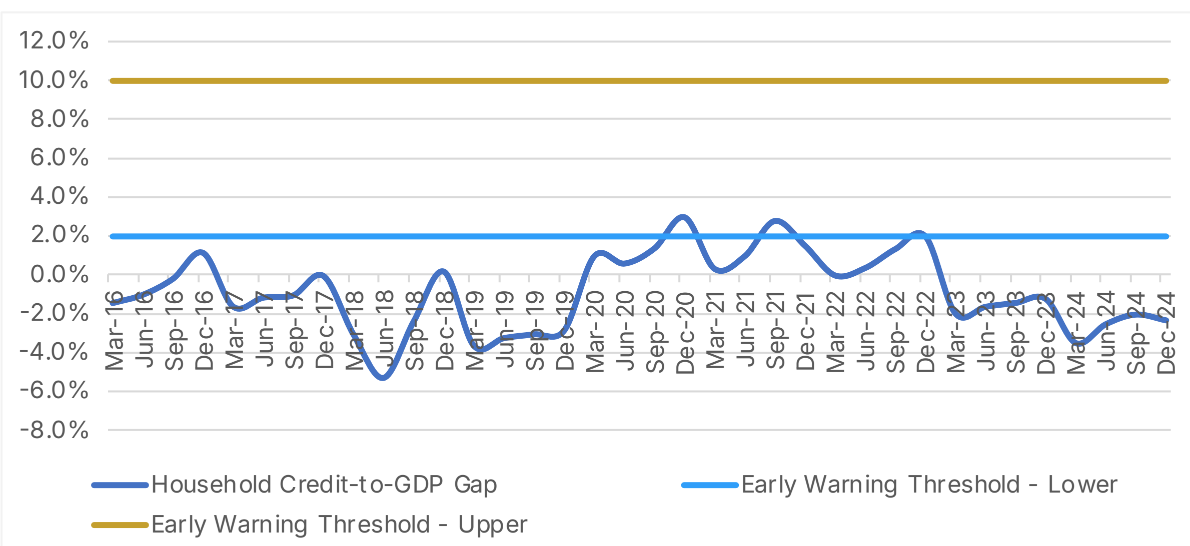
Macroprudential metrics, including the Banking Stability Index and the Credit-to-GDP gap, support financial stability in the Cayman Islands. Household credit-to-GDP has consistently maintained moderate levels, closing 2024 at approximately 44%.

Figure 22: Household Credit and Credit-to-GDP



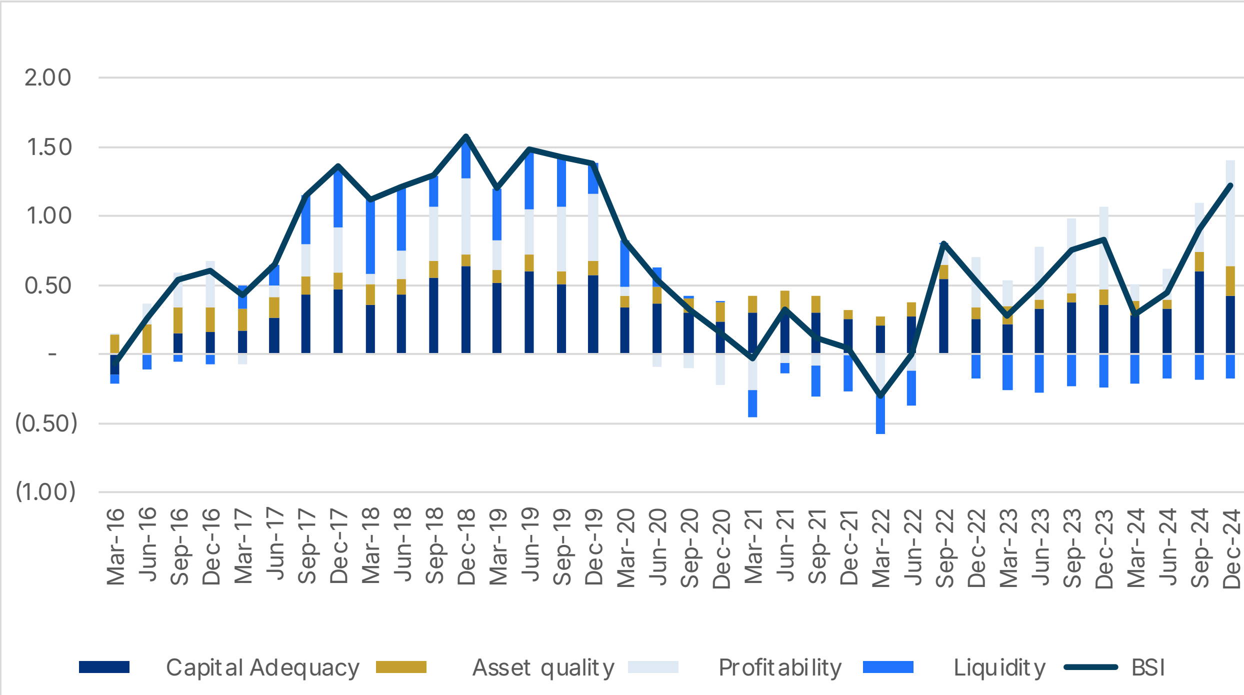
The household credit-to-GDP gap examines the difference between the current ratio and its long-term trend. Currently, the gap has not breached the Basel lower bound early warning threshold (2%) which signals a stable credit environment relative to overall economic activity and therefore does not pose an early warning of systemic risk.

Figure 23: Credit-to-GDP Gap



For the banking sector, the BSI has consecutively improved within the year and stands at 1.23 at-end Q4 2024 which is well above the last three-year average. The upward trajectory was driven by sustained high capital adequacy and improved profitability.

Figure 24: Banking Stability Index



Building Human Capacity

In 2025, CIMA continued its commitment to financial stability by recruiting a Head of Division and a Chief Statistician, as well as participating in training and workshops on crisis management, financial supervision, and financial stability. This expansion in human and technical capacity was aimed at strengthening the Authority's macroprudential monitoring and surveillance capabilities.

The Regulatory Regime

Regulatory Framework

The Authority's regulatory framework for the effective supervision of the Cayman Islands' financial services sector is grounded in legislation enacted by the Cayman Islands Government ("CIG") and supported by a comprehensive suite of regulatory measures issued by the Authority and published in the Cayman Islands Gazette and on its website.

In fulfilling its statutory mandate, the Authority continues to develop and update these measures to ensure that the regulatory regime remains robust and risk-sensitive, reflects the international character of financial services and markets, and conforms to internationally applied standards.

Further to work previously undertaken, the Authority's Strategic Plan 2024–2026 includes Strategic Objective 3, which commits to establishing "proactive, sustainable and effective financial services regulation that promotes new products and business models while enabling existing ones to thrive." This objective aligns with the priorities established by the Ministry of Financial Services and Commerce ("MFSC" or the "Ministry") and supports the broader policy direction of the Office of Strategic Affairs in Financial Services ("OSAIF"), all of which are aimed at strengthening the reputation and stability of the Cayman Islands' financial system for the benefit of its people.

Table 17: List of domestic acts and international standards

Sector	Cayman Islands Acts	International Standard	Membership
All	• Monetary Authority Act • Monetary Authority (Administrative Fines) Regulations • Proceeds of Crime Act • Anti-Money Laundering Regulations • Terrorism Act • Public Authorities Act • Public Management and Finance Act • Companies Act and respective regulations. • Proliferation Financing (Prohibition) Act • Special Economic Zones Act • Anti-corruption Act • Health Insurance Act • Standards of Public Life Act	• Financial Action Task Force 40 Recommendations on Money Laundering, Financing of Terrorism & Proliferation	Caribbean Financial Action Task Force Regional Consultative Group for the Americas (Financial Stability Board) Network for Greening the Financial System ("NGFS")
Banks, Trusts, Money Services Businesses, Credit Unions, Building Societies, Corporate Services Providers, Company Managers	• Banks and Trust Companies Act and respective regulations. • Private Trust Companies Regulations • Money Services Act and respective regulations • Cooperative Societies Act and respective regulations. • Building Societies Act • Development Bank Act • Companies Act and respective regulation • Companies Management Act and respective regulations.	• Basel Core Principles for Effective Banking Supervision • Standard on the Regulation of Trust and Corporate Service Providers	• Group of International Finance Centre Supervisors ("GIFCS") • Caribbean Group of Banking Supervisors • Association of Supervisors of Banks of the Americas • Working Group on Cross Border Banking

Sector	Cayman Islands Acts	International Standard	Membership
	• Beneficial Ownership Transparency Act and respective regulations. • Dormant Accounts Act and respective regulations.		• Irving Fisher Committee on Central Bank Statistics
Insurance companies, managers, brokers, agents	• Insurance Act and respective regulations • Dormant Accounts Act and respective regulations.	• International Association of Insurance Supervisors ("IAIS") Core Principles of Insurance Regulation	• IAIS • Group of International Insurance Centre Supervisors • Caribbean Association of Insurance Regulators
Mutual Funds, Private Funds, Fund Administrators and Securities Investment Businesses (market makers, broker-dealers, securities arrangers, securities advisors and securities managers)	• Mutual Funds Act and respective regulations • Retail Mutual Funds (Japan) Regulations • Private Funds Act and respective regulations • Securities Investment Business Act and respective regulations • Directors Registration and Licensing Act and respective regulations	• Objectives and Principles of Securities Regulation	• Caribbean Group of Securities Regulators • International Organisation of Securities Commission ("IOSCO")
Virtual Asset Service Providers	• Virtual Asset (Service Providers) Act and respective regulations • Virtual Asset (Service Providers) (Savings and Transitional) Regulations	• Financial Stability Board • Bank for International Settlements • IOSCO	

Rules, Guidelines, Policies and Procedures

The Authority's issuance of regulatory measures is subject to the approval of the Board of Directors. The Authority's policy development process supports transparency, fairness, proportionality, and risk-based decision making. The process also includes researching international developments, analysing frameworks in comparative jurisdictions, assessing their impact on the local financial services industry, formulating policy options, incorporating legal advice, and representations made after public consultation, as required under the Monetary Authority Act ("MAA").

Table 16: List of Regulatory Measures Issued by the Authority

When Issued	Regulatory Measure	Title	Description
May 2025	Regulatory Policy	Regulatory Policy for Registration or Licensing of Virtual Asset Service Providers ("VASPs")	This measure replaced the 2024 Regulatory Policy - Registration or Licensing of Virtual Asset Service Providers. In accordance with the commencement of the Virtual Asset (Service Providers) (Amendment) Act, 2024, which introduced licensing and waiver requirements for virtual asset custodians and trading platforms, this measure was updated to establish CIMA's approach to reviewing applications for the same.
May 2025	Regulatory Policy	Regulatory Policy for Domestic Systemically Important Deposit Taking Institutions ("D-SIDTIs")	This measure replaced the 2023 Regulatory Policy on Domestic Systemically Important Deposit Taking Institutions. The Policy sets out CIMA's framework for identifying D-SIDTIs in the Cayman Islands and for calibrating a Higher Loss Absorbency ("HLA") capital requirement. The Policy also prescribes the HLA bucket into which a D-SIDTI will fall, reflecting its systemic importance. The main amendment to the Policy was to create a 5th unpopulated bucket to disincentivise Deposit Taking Institutions from becoming more systemically important.
June 2025	Regulatory Policy and Procedure	Regulatory Handbook Volume 1 and its Appendices	The amendments to the Handbook modernised and clarified the previous issuance by updating and removing outdated references and aligning content with current organisational structures, policies and processes. Key revisions included replacing obsolete national committees, clarifying the functions and responsibilities of Board-delegated committees, and updating supervisory practices, such as on-site and off-site monitoring and AML/CFT/CPF/TFS inspections. Overall, the objective of the update was to enhance the accuracy and relevance of the Handbook and ensure consistency with the Authority's current regulatory and supervisory environment.
June 2025	Regulatory Policy and Procedure	The Enforcement Manual (The Regulatory Handbook, Volume 2)	The revised Enforcement Manual comprehensively collated all previous disaggregated enforcement policies and procedures into a single, consolidated issuance. The updates aimed to achieve legal harmonisation, succinctness, and alignment with actual internal enforcement procedures and practices. The revised Manual now comprises of four (4) parts: 1. Policies and Procedures for Enforcement Actions 2. Procedures for Imposing Administrative Fines 3. Publication 4. Procedure for Lost Contact
September 2025	Rule	Cancellation of Licences or Registrations for VASPs	This measure introduced obligations for VASPs under the Virtual Asset (Service Providers) (Amendment) Act, 2024, to voluntarily cease a licence, registration, or waiver. The Rule promotes compliance with relevant legal requirements to ensure adequate protection of client assets or services, support market integrity and facilitate the orderly exit of VASPs from the Cayman Islands market.
September 2025	Regulatory Procedure	Cancellation of Licences, Registrations, or Waivers for Virtual Asset Service Providers.	This measure sets out the CIMA's procedures and documentation required to confirm the cessation of business operations as a VASP; the steps taken by the Authority to cancel a licence, registration or waiver; and the evidence required by the Authority to verify that the VASP is not ceasing business in a way that is harmful to the market and stakeholders.

Regulatory Measures Under Development - Subject to Public Consultation

1. Proposed Rule and Statement of Guidance on Market Conduct for Virtual Asset Service Providers: to enhance CIMA's enforceability by establishing clear and binding VASPs market conduct and disclosure obligations, in consideration of the legislative changes brought about by the commencement of Phase 2 of the VASP Act, i.e. licensing of virtual asset trading platforms and custodians.
2. Proposed Rule and Statement of Guidance on Actuarial Valuations: to update the 2019 Rules and Statement of Guidance for Actuarial Valuations by addressing key gaps in actuarial valuation requirements in a proportionate and market-sensitive manner and deliver the following outcomes. The proposed measure also promotes market stability through enhanced rules and guidance and better aligns with international insurance principles promulgated by IAIS.
3. Proposed Rule and Statement of Guidance on Recovery Planning: to establish the key components of a Recovery Plan that will be required by deposit-taking institutions. Recovery Plans outline the strategies a Regulated Entity will implement to restore financial health and stability during periods of severe stress. It includes requirements for the triggers, steps, and resources necessary to restore viability, ensuring the entity can continue to operate and provide critical services without requiring assistance from the CIG or threatening the broader financial system or the economy.
4. Proposed Rules: Extend the Scope of Applicability for Non-Bank Deposit Taking Institutions and the Cayman Islands Development Bank: to enhance the supervision of credit unions, building societies and the CIDB by extending the scope of applicability of certain prudential and ongoing monitoring requirements, that are currently only applicable to banks, to them.

Financial Crisis Management and Resolution Framework

CIMA, in line with its legislative mandates, spearheaded efforts to establish a structured, comprehensive crisis management framework to enhance the resilience of the Cayman Islands' financial system. Such a framework is intended to be used by all stakeholders to prepare for, respond to and recover from events that threaten the stability, solvency or reputation of the financial system. The aim is to mitigate systemic risks, maintain the continuity of critical financial services, protect stakeholders, and reduce the likelihood of government-funded bailouts and/or direct government intervention in the event of a financial crisis. The framework is also intended to strengthen financial stability, investor confidence, and overall economic health by promoting resilience and the capability to manage financial crises effectively. Recovery and resolution planning are critical elements of the financial crisis management framework, as postulated by the FSB's Key Attributes of Effective Resolution Regimes for Financial Institutions.

In support of this, in March 2025, by invitation, the Authority hosted a delegation from the International Monetary Fund ("IMF") for a Technical Assistance ("TA") Mission. The IMF TA Mission consisted of in-person discussions with key CIMA staff, officials from the CIG, and select private sector association members and centered on the following topics:

- Institutional arrangements for crisis management and resolution authority and resolution function;
- Key elements of a financial safety net location;
- Early intervention and recovery planning;
- Cross-border cooperation;
- Inter-agency crisis management coordination and cooperation;
- Resolvability assessment and resolution planning; and

- Role of crisis simulation exercises in developing crisis management capacity.

In October 2025, CIMA received the final IMF Technical Assistance (TA) Mission Report, which included recommendations and a roadmap to strengthen the jurisdiction's financial crisis preparedness and supervisory resilience. Following receipt of the Report, CIMA is advancing initiatives in the immediate term to build internal knowledge and capacity and to develop and implement the recovery planning framework, in support of the long-term stability and resilience of the Cayman Islands' financial system.

Recommended Legislative Amendments

In carrying out its advisory and cooperative functions, the Authority continued to support the modernisation of the jurisdiction's legislative framework. In 2025, the Authority made recommendations to the Ministry for consideration to advance legislative amendments to the Cabinet for the following:

- Monetary Authority Act;
- Monetary Authority Administrative Fines Regulations;
- Anti Money Laundering Regulations;
- Mutual Funds Act;
- Private Funds Act;
- Virtual Service Providers Act;
- Banks and Trust Companies Act; and
- Directors Registration and Licensing Act.

To this end, CIMA has also re-committed to closer, more frequent collaboration with the Ministry to enhance the efficiency with which these and any other pending legislative recommendations are being addressed.

Environmental, Social and Governance

The Authority continued to advance its ESG agenda in 2025 through the work of its strategic Working Group on Climate Risk and ESG Initiatives, guided by the best practices of the NGFS. These efforts reflect the Authority's commitment to integrating climate-related ESG considerations into prudential supervision and financial sector oversight.

Following extensive research and approval from the Board of Directors, CIMA has initiated steps to collect Climate Related Financial Risk ("CRFR") data from the domestic banking and insurance sectors. This work includes identifying, gathering, and analysing information on vulnerabilities and exposures to physical and transition risks. This will enhance CIMA's ability to evaluate and respond to the impact of CRFR on the safety and soundness of domestic entities, as well as the stability of the Cayman Islands' financial system.

These initiatives form part of CIMA's broader objective to align supervisory practices with evolving international standards, support transparent and risk-sensitive financial markets, and contribute to the jurisdiction's long-term sustainability and competitiveness.

International Cooperation – Survey Responses

In conformity with its cooperative functions, CIMA has contributed to regulatory data and evidence on an international scale by participating in 10 surveys issued by various international standard setters, such as the FSB, IAIS, IMF, IOSCO, Caribbean Development Bank ("CDB"), and the World Bank.

Compliance and Enforcement

As part of its regulatory functions, the Authority conducts due diligence on persons/entities who have applied to act as directors, shareholders, managers, officers and controllers of licensed entities; investigates serious breaches of the regulations, and where necessary, takes enforcement action.

Due Diligence

In carrying out due diligence, the Authority follows its Regulatory Policy – Assessing Fitness and Propriety and Procedure – Assessing Fitness and Propriety.[10]

Table 18: Due Diligence Applications referred to the Compliance Division

	Q4 2021	Q4 2022	Q4 2023	Q4 2024	Q4 2025
Total applications	246	254	202	231	239

- Enforcement
- Based on the nature and seriousness of the breach, the Authority will determine whether and what enforcement action is necessary. The Authority draws its enforcement powers mainly from the Monetary Authority Act (as amended), Regulatory Acts and the Anti-Money Laundering Regulations (as amended) (the "AMLRs"), which range from:
- Suspending, revoking or cancelling licences or registrations;
- Imposing conditions;
- Requiring the substitution or removal of a director, operator, senior officer, general partner, promoter, manager or shareholder of a licensee or registrant;
- Suspending or cancelling directors registrations;
- Appointing controllers;
- Appointing advisors;
- Requiring a regulated entity to obtain an independent AML/CFT Audit;
- Imposing administrative fines;
- Applying to the Grand Court of the Cayman Islands for an order directing that a licensee or registrant be wound up;
- Requiring licensees or registrants to take such action as the Authority reasonably believes necessary; and
- Referring contraventions that result in offences and criminal penalties to the appropriate authorities.
- Additionally, the Authority also takes other supervisory actions such as issuing warning notices, breach notices and supervisory letters.
- The Authority's Enforcement Manual describes the policies, procedures and tools for the exercise of the enforcement actions available to the Authority in the event of non-compliance by Authorised Persons with the Regulatory Acts and the AMLRs. The Compliance Division and the Legal Division are responsible for the exercise of enforcement actions, under the authorisation of the Authority's Board of Directors.

[10] Also see page 31 of the Regulatory Handbook.

The Authority initiated 35 enforcement actions during the Reporting Period.

Figure 25: Enforcement Actions Initiated

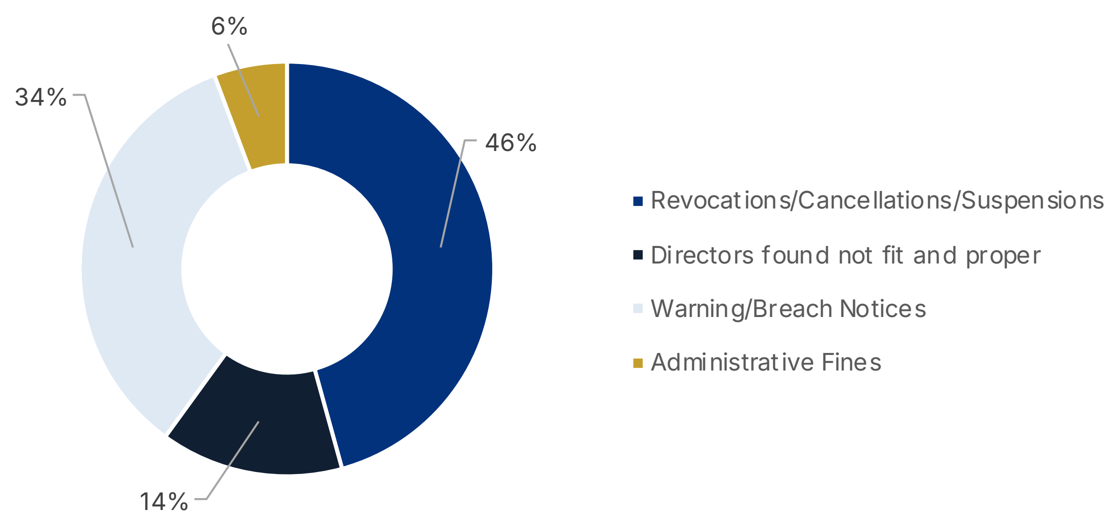


Table 19: Revocations/Cancellations and Administrative Fines

Entity	Type of Authorisation Held	Enforcement Action
Blacktower (Cayman) Ltd.	Securities - Full	Administrative Fine
Blacktower Financial Management (International) Limited	Securities - Full	Administrative Fine
AC Holding Limited (in Official Liquidation)	Virtual Asset Service Provider - registered	Cancellation
CCAM Co. Ltd.	Securities - Registered Person	Cancellation
Seneca House Fund Management	Securities - Registered Person	Cancellation
HAYVN Funds SPC	Mutual Fund - Registered	Cancellation
Delphin Caribbean Resilience Fund L.P.	Mutual Fund - Registered	Cancellation
Traded Life Policies Fund (in Official Liquidation)	Mutual Fund - Registered	Cancellation
Sovereign High Security Fund SPC	Mutual Fund - Registered	Cancellation
Alpha Property Fund	Mutual Fund - Registered	Cancellation
Augury Hedge Fund	Mutual Fund - Registered	Cancellation
British Development Land Fund	Mutual Fund - Registered	Cancellation
British Land & Property Fund	Mutual Fund - Registered	Cancellation
High Protection Fund	Mutual Fund - Registered	Cancellation
Melius Fixed Income Fund	Mutual Fund - Registered	Cancellation
Praesidium Investment Fund	Mutual Fund - Registered	Cancellation
Vita Nova Hedge Fund	Mutual Fund - Registered	Cancellation

Entity	Type of Authorisation Held	Enforcement Action
Jonathan Wood	Registered Director	Cancellation
Jeremy Leach	Registered Director	Cancellations - Directors not found fit and proper
Zhi Chen	Registered Director	Cancellations - Directors not found fit and proper
Guy Chhay	Registered Director	Cancellations - Directors not found fit and proper
Budiman Effendi	Registered Director	Cancellations - Directors not found fit and proper
Christopher Flinos	Registered Director	Cancellations - Directors not found fit and proper

Other Compliance-related Matters

Among its duties, through its Compliance Division, the Authority is also tasked with investigating persons or entities that appear to be conducting regulated business without the proper authorisation from the Authority.

In addition, in line with its mandate to safeguard the jurisdiction, the Authority actively identifies and updates its list of fraudulent websites with entities seeking to gain illegal advantage through false association with the Cayman Islands.

Local Co-operation

During the Reporting Period, the Authority filed seven Suspicious Activity Reports and three Compliance Reporting Forms with the Financial Reporting Authority of the Cayman Islands (the "FRA"). The FRA made 99 Onward Disclosures to the Authority, pursuant to the Memorandum of Understanding between the FRA and the Authority.

The Authority processed seven Inter Agency Requests received from local competent authorities and made 14 Inter Agency Requests to local competent authorities, pursuant to the Inter Agency Multilateral Memorandum of Understanding.

Additionally, the Authority referred eight matters to the Cayman Islands Bureau of Financial Investigations for criminal investigation during the Reporting Period.

Sanctions

The Authority is tasked with the oversight of targeted financial sanctions, in addition to the previously established compliance reporting to the Financial Reporting Authority. In this regard, the Compliance Division is the domestic inter-agency liaison and represents the Authority on national committees.

During 2025, two Registered Directors, who were designated under the UK's Global Human Rights Sanctions Regime, were deemed not fit and proper and their registrations were cancelled.

Execution of Cooperative Functions

Cross-Border Cooperation

The provision of assistance to overseas regulatory authorities is one of CIMA's principal functions. Such international cooperation takes place primarily through the exchange of information, facilitated through Memorandums of Understanding ("MOUs"), other agreements and through CIMA's active participation in international forums.

Memoranda of Understanding

MOUs and similar agreements establish a common framework for mutual assistance and cooperation between CIMA and other regulatory bodies. These agreements identify the type of supervisory and enforcement information that may be exchanged and the mechanism to exchange the information. In this way, they enhance the existing working relationships between the authorities. Copies of the current MOUs and cooperation agreements are available on the CIMA website.

As of 2025, the Authority had concluded an amended and updated bilateral MOU with the Central Bank of Brazil, while discussions pertaining to two other proposed bilateral MOUs were in progress.

Assistance to Overseas Regulatory Authorities

As part of its mandate, the Authority works collaboratively to ensure timely and effective responses to requests for assistance from overseas regulatory authorities ("ORAs"). The Legal Division plays a key role in advising on and coordinating these responses, working closely with other divisions, particularly Compliance, to ensure adherence to the MAA, the Regulatory Handbook, and relevant procedures.

The Compliance Division primarily supports cases where information is not readily available within the Authority's records and must be obtained from external parties. Through this coordinated effort, the Authority upholds regulatory transparency and international cooperation.

As of Q4 2025, there were 368 requests for assistance from ORAs. Out of these, 171 requests for assistance were received by the Authority from ORAs, while the Authority sent out 197 requests for assistance to ORAs.

Local Cooperation

AML/CFT Supervisors

Several organisations, including the Registrar of Companies and Non-Profit Organisations, the Cayman Islands Department of Commerce and Investment, the Cayman Islands Institute of Professional Accountants, the Legal Services Supervisory Authority and CIMA, have established the Supervisors Forum. This national platform enables AML/CFT supervisors to discuss regulatory issues, enforcement challenges, risks, trends, and other key matters while fostering a coordinated approach to compliance.

Human Resource Management & Development

The Authority is committed to attracting, developing, and retaining a high-performing and engaged workforce by collectively providing comprehensive employee support through policies, programmes, and services, while reinforcing its core values and fostering a culture of excellence and accountability.

In its ongoing efforts to strengthen human resources practices and promote work-life balance, the Authority has continued to review and enhance its policies, procedures, and service offerings. This continued assessment led to the refinement of key HR policies and the successful implementation of a modern Human Resources Information System (HRIS) and Learning Management System (LMS) in 2025.

Throughout the year, the Authority made meaningful progress across several priority areas, including recruitment, onboarding, employee development, and staff wellness. These efforts support the Authority’s long-term organisational objectives and contribute to a positive, inclusive, and high-performing work environment.

Employee Relations & Wellness

In recognition of diligence, performance, and professional growth, 22 promotions were awarded across the Authority during 2025.

The Wellness Committee delivered a comprehensive calendar of wellness initiatives and friendly competitions designed to encourage positive health behaviours and strengthen team engagement. Activities promoted physical health, educational awareness, balanced nutrition, restorative sleep, and stress-reduction practices. Staff members were encouraged to participate in these offerings to accumulate individual and team points, fostering a spirit of collaboration and healthy competition.

Through this multifaceted approach, the Wellness Committee aims to cultivate a supportive environment where staff can prioritise their overall well-being and integrate healthier habits into their daily lives.

In November 2025, the Authority hosted its 4th Annual Sports Day, bringing together employees across all departments and levels. The event featured a range of track and field activities aimed at promoting physical wellness, teamwork, and camaraderie.

In addition, 2025 marked the introduction of the inaugural CIMA Chess Tournament, expanding the Authority’s wellness focus to include cognitive engagement and strategic thinking. Together, these initiatives reflect a holistic approach to employee well-being, encompassing both physical and mental resilience.

Employee Recognition

Staff recognition programmes and employee engagement and recognition initiatives continue to be welcomed across the Authority through the Employee of the Quarter, the Chief Executive Officer’s Leadership Award and Staff Recognition Awards for excellence of service to stakeholders and fellow colleagues. Additionally, the Authority continues to recognise its annual Wellness Champion, which recognises an employee who goes above and beyond to promote and engage in health and wellness activities during the year and that employee, through these activities, accumulates the most individual wellness points.

Internships

During 2025, the Authority provided 33 young Caymanians with internship opportunities through two summer cohorts. Following a structured application and interview process, successful candidates were placed across various areas of the organisation aligned with their academic interests.

Interns participated in professional development sessions covering Financial Planning, Data Protection, Career Planning and Resume Writing, Business Etiquette, and the role and functions of the Authority.

Additionally, the interns were welcomed to initiate collective fundraising activities where the funds were donated to a local charity of their choice. After completing several fundraising activities, the beneficiary of the 2025 internship cohorts was the YMCA.

Learning & Development

In January 2025, the Authority launched its first internal ILM – Institute of Leadership and Management Programme. Designed to strengthen leadership capability, enhance decision-making, and promote strategic thinking, the programme was completed by twelve participants and received positive feedback. Its successful delivery represents an important milestone in building leadership capacity across the organisation.

A Data Protection Training Series was also introduced to reinforce awareness and compliance with the Data Protection Act and associated best practices. Approximately 300 employees, including Senior Management, participated, demonstrating organisation-wide commitment to data protection standards.

As part of preparations for the jurisdiction’s 2027 CFATF Mutual Evaluation, the Authority delivered the second iteration of the ACAMS Boot Camp Programme in Q3 2025. Nineteen participants completed the six-week programme, with seventeen successfully passing the CAMS examination. This strong outcome reflects continued investment in professional development and globally recognised AML certification.

Further advancing digital transformation in learning, the Authority launched CIMASpire, its first Learning Management System. The platform provides access to curated training resources, automated tracking of training completion, and personalised learning dashboards for employees and managers. CIMASpire will also support onboarding, compliance modules, and future e-learning pathways.

Information Systems

The Authority continues to facilitate business practices in a secure and resilient manner, leveraging advanced information and communications technology.

Disaster Recovery & Business Continuity

As part of its proactive approach, the Authority conducts annual testing ahead of the hurricane season to ensure the effectiveness of its Disaster Recovery and Business Continuity plans. During 2025, improvements identified in prior testing cycles were incorporated to further enhance resilience and operational efficiency.

Disaster Recovery and Business Continuity arrangements were rigorously tested through the Authority's remote desktop infrastructure, which supports the hybrid work model. Network redundancy is maintained through matching hardware in two separate buildings, providing failover capability. The Authority is exploring expansion to a third off-island site to further strengthen operational resilience.

Systems Security

The financial sector remains a prime target for cyber threats, and cybersecurity continues to be a key priority. The hybrid work model introduces additional threat vectors and expands the Authority's attack surface. Despite evolving threat patterns, risks were mitigated through enhanced remote desktop security measures and continuous monitoring.

The Authority continues to work closely with the RCIPS Financial Intelligence Unit and the Cayman Islands Government Financial Reporting Authority to proactively identify scammers and impersonators. These efforts reflect the Authority's commitment to cybersecurity excellence, supported by industry-standard practices and alignment with the NIST framework.

During the 2025 reporting period, the following major initiatives were accomplished:

Enhancing the Digital Filing Experience

Work continued to enhance the digital experience for regulated entities submitting regulatory filings. A key development is the introduction of a secure CIMA Public Application Programming Interface (API), which will enable firms and service providers to submit filings directly from their own systems using modern, standards-based integration.

This approach will reduce reliance on automated bots or manual interaction with the online filing interface. As adoption increases, the Authority anticipates a reduction in unnecessary system activity of more than 60%, improving overall performance, reliability, and user experience.

Implementation will be phased to ensure a smooth transition for industry participants, with further technical guidance to be provided during rollout. This initiative forms part of the Authority's broader commitment to delivering secure, resilient, and user-focused digital regulatory services.

Cloud Adoption

Following the successful migration to a new cloud tenant environment, the Authority's cloud transition programme reached a significant milestone and is now fully operational. This provides a secure, modern, and compliant foundation to support future digital enhancements and a cloud-first approach for new tools, services, and applications.

Building on this platform, the Authority is positioned to introduce enhanced collaboration and productivity tools, including Microsoft Teams, Copilot, and Planner, to strengthen cross-divisional communication, modernise the workforce, and improve overall operational efficiency.

Office Move

In Q2 2025, the Authority completed the planned relocation of its data centre and user operations to the Pavilion East building. The transition was executed while maintaining operational continuity, and all critical systems and services were successfully migrated.

Post-migration performance has remained stable, with no material issues identified. The Pavilion East facility enhances the Authority's technology infrastructure through increased capacity and improved resilience, providing a stronger platform to support current operations and future growth.

Digital Maturity Assessment

An internal Digital Maturity Assessment was completed during the year, with survey results provided by Info-Tech. Findings were shared with Senior Management, and priority recommendations are being evaluated to ensure alignment with the Authority's strategic objectives.

2026 Outlook

Looking ahead to 2026, the Authority will focus on the following key initiatives:

- Implementation of a new IT Service Desk and expansion of ticketing systems across divisions
- Artificial intelligence proof-of-concept initiatives
- Continued technology modernisation
- Workforce mobilisation initiatives
- Digital transformation projects
- Increased automation of routine processes
- Implementation of SecurePrint solutions

Internal Audit

Internal Audit supports effective governance of CIMA and reports independently to the Audit & Finance Subcommittee of the Board of Directors. The work of Internal Audit provides the Board with the assurance that CIMA's operations and activities are conducted efficiently and effectively and in compliance with relevant Acts, regulations, policies and procedures and that adequate internal controls are implemented to mitigate risks to the achievement of its objectives.

During 2025, Internal Audit continued to fulfil its critical mission of providing independent and objective assurance and advice to support the Authority in delivering its strategic objectives and priorities while mitigating relevant risks. Throughout the year, Internal Audit provided various reports to Management and the Board of Directors aimed at strengthening operational efficiency and effectiveness and enhancing compliance with relevant Acts, policies and procedures.

As part of its structured reporting line to maintain independence, Internal Audit met quarterly with the Audit & Finance Sub-Committee of the Board to review and consider audit results, along with the implementation status of agreed recommendations.

Professional Support Services

In Q2 2025, the Authority completed the relocation of its offices to Pavilion East, the newest addition to the Cricket Square campus in George Town. Developed by Orchid Development, Pavilion East is a seven-storey, Class A office building expected to achieve LEED Gold certification. The move from the Authority's former offices at SIX within Cricket Square represents an important milestone in its continued development.

The transition to Pavilion East supports the Authority's strategic objectives by providing a modern workspace aligned with its growth, operational requirements, and long-term vision. As regulatory responsibilities and workforce capacity continue to expand, the new office environment enhances organisational efficiency and collaboration while reinforcing the Authority's commitment to environmental stewardship and sustainability.

Communications & Public Relations

Through its Public Relations Unit (the "PR Unit"), the Authority provides communications support to assist in executing its regulatory mandate and strengthening relationships with internal and external stakeholders, including regulated entities, government bodies, international counterparts, the media, and the general public.

Throughout 2025, the Authority's communications efforts supported key regulatory initiatives, enforcement actions, stakeholder engagement activities, and digital transformation projects. This work included the preparation and dissemination of regulatory notices, press releases, supervisory advisories, executive speeches, publications, and digital updates. Communications were issued through the Authority's website, social media platforms, and direct industry channels to ensure messaging remained accurate, timely, and consistent with the Authority's role as a credible and transparent regulator.

Events and Stakeholder Engagement

CIMA continued to engage with local, regional, and international industry groups to monitor developments within the regulatory and economic landscape and to maintain constructive dialogue with key stakeholders. These engagements included participation in conferences, industry roundtables, and regulatory forums, providing opportunities to share supervisory perspectives, discuss emerging risks, and promote awareness of the Authority's regulatory expectations.

VASP

Throughout 2025, the Authority maintained a strong focus on industry engagement within the virtual assets sector. Prospective applicants were encouraged to engage early in the licensing and registration process, enabling the Authority to provide guidance on regulatory expectations and compliance requirements.

The VASP Unit also held regular meetings with industry representatives to foster collaboration, support knowledge-sharing, and ensure that stakeholders remained informed amid the rapid pace of developments within the virtual asset ecosystem. The Authority continued its participation in international regulatory discussions and coordinated public guidance to support industry readiness, particularly in preparation for the Caribbean Financial Action Task Force's Fifth Round Mutual Evaluation. In support of this process, specialised training was initiated for supervisory staff.

In November 2025, the Authority hosted its inaugural VASP Regulatory Forum, bringing together more than 575 stakeholders, including regulators, industry practitioners, and compliance professionals. The forum provided a platform for constructive dialogue on emerging risks, supervisory expectations, and the evolving regulatory landscape for virtual asset service providers operating in and from the Cayman Islands.

Banking

During the year, the Authority issued several circulars and supervisory communications to the banking sector, including:

- Crisis Management: A circular outlining the importance of maintaining comprehensive crisis management frameworks and reinforcing the Authority's expectations regarding preparedness and operational resilience.
- Hurricane Melissa – Impact and Business Continuity Planning: Guidance issued to support institutions in assessing operational impacts and implementing effective business continuity measures.

The Authority also hosted the Caribbean Group of Banking Supervisors (CGBS) Conference, ensuring effective coordination and stakeholder engagement. In addition, the Annual Student Mixer continued as a key community engagement initiative, connecting university students and job seekers with representatives from the Authority and the wider financial services industry.

Student Mixer & Career Fair

The Authority's Annual Student Mixer & Career Fair continued as a key community engagement initiative, connecting university students and job seekers with representatives from the Authority and the wider financial services industry.

GIFCS Plenary Meeting

The Authority hosted the Group of International Finance Centre Supervisors (GIFCS) Plenary Meeting in November 2025, bringing together 40 - 50 regulators, policymakers, and financial service professionals from across the region to discuss key issues on the evolving landscape of international finance, regulatory developments, and supervisory best practices.

Further support was provided for other executive forums, career fairs, and educational outreach initiatives throughout the year, reinforcing the Authority's commitment to stakeholder engagement, talent development, and public awareness of the financial services sector.

The Authority also continued to engage in dialogue with major correspondent banks to provide updates on regulatory developments and the strength of the Cayman Islands' regulatory framework.

External Publications & Articles

Senior staff contributed commentary and responses to international publications during the year, including participation in the North America Outlook digital report. These contributions highlighted regulatory developments, supervisory priorities, and the jurisdiction's commitment to maintaining high international standards. Such engagements supported the Authority's efforts to reinforce the Cayman Islands' position as a well-regulated and forward-looking international financial centre.

CIMA Publications

The Authority coordinated and published its key regulatory reports during the year, including blog posts on "New FATF Insights on Terrorist Financing: Trends, Red Flags, and FSP Expectations", desk-based reviews, the 2023 AML/CFT Activities Report and the 2024 Annual Report. These publications required structured collaboration across divisions to ensure accuracy, clarity, and consistency of messaging prior to release.

Internal Support

Communications support was provided across the Authority throughout the year, including content development, graphic design, photography, presentations, and executive speaking notes. This ensured consistent messaging and professional presentation across both internal and external engagements.

Support was also provided for significant internal initiatives, including the organisational restructuring programme, the Risk-Based Approach (RBA) Training Programme, the STRIX Survey, and the National Risk Assessment (NRA). An interim visual refresh was implemented across institutional materials to enhance consistency and professionalism while broader brand development continues.

Crisis Communications

The Authority maintained an active crisis communications framework during 2025 to respond effectively to emerging risks and incidents. Rapid-response protocols were activated in relation to cybersecurity incidents and impersonation attempts targeting the Authority and regulated entities. Public notices and industry advisories were issued in a timely manner to mitigate operational and reputational risk.

Communications planning also supported hurricane season preparedness, ensuring that staff, regulated entities, and the public received appropriate updates during periods of heightened environmental risk. These efforts reinforced the Authority's commitment to transparency, operational continuity, and regulatory resilience.

Section 4

Financial Control

04

Coercive Revenue Collection

The Authority collected $189.41m in coercive fees from regulated entities on behalf of the Cayman Islands Government during 2025.

Income

The Authority depends on the sale of its outputs to the Cabinet, as one of its main sources of income to meet its obligations. The outputs delivered, for a total of $25.32m were:

- The regulation of the Cayman Islands currency
- The collection of fees on behalf of the Cayman Islands Government
- The regulation of the financial services industry
- Assistance to Overseas Regulatory Authorities
- Policy advice & ministerial services
- Monitor compliance with the Anti-Money Laundering Regulations

The Authority's other sources of income are from the Directors Registration and Licensing fees, which were recorded at $11.60m, CIMA Transactional fees $10.38m, Commission Income $1.46m, and Investment Income $9.31m.

Net Income

The Authority's Total Comprehensive Income for the year was $7.78m (2024: $12.7m), of which $1.45m was allocated to CIMA's Capital Expenditures Reserve, $1.33m to CIMA's General Reserve, and $5.00m in Dividend pay-over to the Cayman Islands Government.

Details of CIMA's financial position for the year can be seen in the Audited Financial Statements that follow.

Section 5

Management Discussion and Analysis

05

Highlights of Achievements

Key initiatives conducted throughout the year in support of the Authority's Strategic Plan included:

Improve our technological and digital capability

The Authority continued to advance its digital transformation efforts during 2025. A Digital Maturity Assessment was undertaken to evaluate existing technological infrastructure, operational processes, and systems capability. The findings will inform the development of a long-term digital strategy aimed at enhancing operational efficiency, strengthening data-driven supervision, and improving service delivery.

The Authority also progressed enhancements to its digital supervisory tools and infrastructure to support regulatory effectiveness and operational resilience.

Provide support for improving effectiveness in combating financial crime

In preparation for the CFATF 5th Round Mutual Evaluation, the Authority continued strengthening its AML/CFT/CPF/Sanctions framework. Work progressed on the development of AML/CFT Rules to bridge gaps between the AML Regulations and the AML/CFT Guidance Notes, providing greater clarity to industry on compliance requirements. Sectoral risk assessments were conducted, and the Authority played an active role in the 2025/26 National Risk Assessment, participating in multiple working groups. These initiatives support enhanced risk-based supervision and improved identification of emerging risks.

Establish proactive, sustainable, and effective financial services regulation

Significant progress was made in strengthening supervisory frameworks across multiple sectors. The Authority advanced implementation of the Crisis Management Framework for systemically important deposit-taking institutions, including early intervention and recovery planning measures. An IMF Technical Assistance Mission was hosted in March 2025 to support the development of a comprehensive crisis management regime and alignment with international best practices.

The Authority also continued its coordinated efforts toward achieving NAIC Qualified Jurisdiction status, engaging with Government and industry stakeholders and participating in the NAIC Summer National Meeting. These efforts support the continued strengthening of the Cayman Islands' insurance supervisory framework.

Further progress was made in enhancing the VASP supervisory regime, including commencement of the licensing framework and issuance of regulatory measures to guide industry implementation.

To support increasing regulatory responsibilities and evolving supervisory practices, the Authority continued refining its operational structure, introducing new divisions and roles designed to streamline workflows and create centres of excellence in key supervisory areas.

Improve the integrity and quality of the Cayman Islands currency

In fulfilment of its currency issuance mandate, the Authority progressed initiatives to update the Cayman Islands' banknotes to reflect the accession of His Majesty King Charles III. Preliminary stages included design planning, coordination with specialist printers, and security reviews to ensure compliance with national and international currency standards.

Strengthen operational resilience and institutional capacity

In Q2 2025, the Authority completed the relocation of its offices to Pavilion East. The new facility provides enhanced capacity to support organisational growth, improve collaboration, and strengthen operational resilience, while reflecting the Authority's commitment to sustainability.

The Authority also continued to strengthen internal capacity through structured organisational enhancements and targeted institutional development initiatives.

Section 6

Audited Financial Statements

06

For the financial year ended 31 December 2025

Cayman Islands Monetary Authority

Statement of Responsibility For Financial Statements

For year ended 31 December 2025

These financial statements have been prepared by the Cayman Islands Monetary Authority in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Act (2020 Revision).

As Chairman and Chief Executive Officer we are responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by the Act, and properly record the financial transactions of the Cayman Islands Monetary Authority.

As Chairman and Chief Executive Officer we are responsible for the preparation of the Cayman Islands Monetary Authority financial statements and for the judgements made in them.

These financial statements fairly present the financial position, financial performance, and cash flows of the Cayman Islands Monetary Authority for the financial year ended 31 December 2025.

To the best of our knowledge we represent that these financial statements:

a. completely and reliably reflect the financial transactions of Cayman Islands Monetary Authority for the year ended 31 December 2025;
b. fairly reflect the financial position as at 31 December 2025 and performance for the financial year ended 31 December 2025;
c. comply with International Financial Reporting Standards under the responsibility of the International Accounting Standards Board.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.

AGoubault

Anna Goubault
Chairperson
Cayman Islands Monetary Authority
30 April 2026

Scotland

Cindy Scotland, OBE
Chief.Exemlive Officer
Cayman Islands Monetary Authority
30 April 2026

Phone: (345) - 244 - 3222
AuditorGeneral@oag.gov.ky
www.auditorgeneral.gov.ky

3rd Floor, Anderson Square
64 Shedden Road, George Town
P.O. Box 2583
Grand Cayman, KY1-1103, CaymanIslands

AUDITOR GENERAL'S REPORT

To the Board of Directors of the Cayman Islands Monetary Authority

Opinion

I have audited the financial statements of the Cayman Islands Monetary Authority (the "Authority"), which comprise the statement of financial position as at 31 December 2025 and the statements of comprehensive income, statement of changes in reserves and contributed capital and statement of cash flows for the year ended 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 38.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2025 and its financial performance and its cash flows for the year ended 31 December 2025 in accordance with International Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As outlined in note 16 of the financial statements, the Public Authorities Act (2020 Revision), Section 47 - Terms and conditions and remuneration of staff, came into effect on 1 June 2019 and required all Statutory Authorities and Government Companies to comply with its requirement to standardise salaries and benefits. At the date of this report, the standardisation process was still ongoing. Therefore, the potential impact of this requirement was not reflected in these financial statements. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1)(a) of the Public Management and Finance Act (2020 Revision). I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Patrick O. Smith, CPA, CFE
Auditor General
30 April 2026
Cayman Islands

Cayman Islands Monetary Authority

Statement of Financial Position

As at 31 December 2025 (in Cayman Islands Dollars)

	Note	31 December 2025 $000	31 December 2024 $000
ASSETS			
Currency Reserve Assets			
Current Assets			
Cash and Cash Equivalents	4b	146,739	135,397
Short-Term Investments	4a	2,889	2,770
Interest and Other Receivables		838	1,717
Stocks	7	5,442	2,323
Non-Current Assets			
Long-Term Investments	4a	80 139	75 818
Total Currency Reserve Assets		236,047	218.025
Operating Assets			
Current Assets			
Cash and Cash Equivalents	4b	17,551	17,280
Short-Tenn Investments	4a	10,762	18,722
Accounts Receivable	Sa	2,553	1,127
Other Receivables and Prepayments	Sb	1,551	1,132
Non-Current Assets			
Defined Benefit Pension Plan	9b	9,605	7,568
Property and Equipment	6a	16,630	12,932
Intangible Assets	6b	1,056	1,325
Right-of-use Assets	10	28,329	8,020
Total Operating Assets		88,037	68,106
TOTAL ASSETS		324,084	286,131
LIABILITIES, RESERVES AND CONTRIBUTED CAPITAL			
Liabilities			
Current Liabilities			
Demand Liabilities, Currency in Circulation	8a	181,105	173,641
Other Liabilities and Payables	8b	8,609	8,452
Lease Liability - Premises	10	2,778	1,910
Due to Cayman Islands Government	8c	5,000	
Non-Current Liabilities			
Lease Liability - Premises	10	25,922	6,372
Defined Benefit Healthcare Program	9c	10,685	8 555
Total Liabilities		234,099	198 930

	Note	31 December 2025 $000	31 December 2024 $000
LIABILITIES, RESERVES AND CONTRIBUTED CAPITAL (continued)			
Reserves			
General Reserve		63,719	57,798
Currency Issue Reserve		375	375
Capital Expenditures Reserve		17,562	20,699
Litigation Costs Reserve		6,000	6,000
Total Reserves		87,656	84,872
Contributed Capital		2,328	2,328
TOTAL LIABILITIES, RESERVES AND CONTRIBUTED CAPITAL		324,084	286,131

Approved on 30 April 2026

Cindy Scotland, OBE
Chief Executive Officer
Caymun Islands Monetary Authority

Gilda Moxam-Murray
Chief Financial Officer
Cayman Islands Monetary Authority

The accompanying notes on pages 8-38 form an integral part of these financial statements.

Cayman Islands Monetary Authority

Statement of Comprehensive Income

For the year ended 31 December 2025 (in Cayman Islands Dollars)

	Note	31 December 2025 $000	31 December 2024 $000
INCOME			
Services Provided to The Cayman Islands Government	12a	25,318	25,318
Directors Registration and Licensing Fees	2s	11,595	9,906
CIMA Transactional Fees	2s	10,377	8,092
Investment Income		9,305	11,055
Commission Income		1,464	1,550
Numismatic & Other Income		1963	363
Realised Gain on Investments		181	163
Other Income		334	-
TOTAL INCOME		60,537	56,447
EXPENSES			
Salaries and Benefits	14	37,627	33,171
Other Operational Expenses	13	5,844	5,281
Professional Fees		1,957	1,904
Depreciation and Amortisation	6	1,165	1,660
Accommodation	15	234	264
Pension Expenses	9a	1,710	1,719
Utilities		645	686
Training and Conferences		989	558
Official Travel		197	190
Realized loss on Sale of Securities		35	131
Depreciation expense - Right-of-use Asset	10	2,824	1,717
Interest expense - Lease Liability	10	1,086	592
Gain on derecognition of leases	10	(269)	-
Expected Credit Loss IFRS 9		36	1
TOTAL EXPENSES		54,080	47,874
NET INCOME FOR THE YEAR		6,457	8,573
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that may be reclassified to Profit or Loss in subsequent periods			
Net Gain on Debt Securities at Fair Value		1,170	159
Expected Credit Gain	4c	31	1
Items that will not be reclassified to Profit or Loss in subsequent periods			
Remeasurement of Defined Benefit Pension Plan	9a	1,641	2,675
Remeasurement of Defined Benefit Healthcare Program	9c,14	(1,515)	1,252
TOTAL OTHER COMPREHENSIVE INCOME		1,327	4,087
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,784	12,660

The accompanying notes on pages 8-38 form an integral part of these financial statements.

Cayman Islands Monetary Authority

Statement of Changes in Reserves and Contributed Capital

For the year ended 31 December 2025 (in Cayman Islands Dollars)

31 December 2025

	General Reserve	Currency Issue Reserve	Capital Expenditures Reserve	Litigation Costs Reserve	Contributed Capital
	$000	$000	$000	$000	$000
BALANCE AT 01 January 2025	57,798	375	20,699	6,000	2,328
Transfers in :					
From Income for the Year	7,784	-	-		-
Transfers out :					-
Contribution Payable to CI GOVT	(5,000)	-	-	-	-
To Capital Expenditures Reserve	(1,456)	-	1,456	-	-
To Litigation Costs Reserve	-	-	-	-	-
Capital Purchases	4,593	-	(4,593)	-	-
BALANCE AT 31 December 2025	63,719	375	17,562	6,000	2,328

31 December 2024

	General Reserve	Currency Issue Reserve	Capital Expenditures Reserve	Litigation Costs Reserve	Contributed Capital
	$000	$000	$000	$000	$000
BALANCE AT 01 January 2024	41,834	375	25,003	5,000	2,328
Transfers in :					
From Income for the Year	12,660	-	-	1,000	-
Transfers out :					
Contribution Payable to CI GOVT	-	-	-	-	-
To Capital Expenditures Reserve	(5,000)	-	5,000	-	-
To General Reserve					
To Litigation Costs Reserve	(1,000)	-	-	-	-
Capital Purchases	9,304	-	(9,304)	-	-
BALANCE AT 31 December 2024	57,798	375	20,699	6,000	2,328

The accompanying notes on pages 8-38 form an integral part of these financial statements.

Cayman Islands Monetary Authority

Statement of Cash Flows

For the year ended 31 December 2025 (in Cayman Islands Dollars)

	Notes	31 December 2025 $000	31 December 2024 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Comprehensive Income for the Year		7,784	12,660
Adjustments for:			
Depreciation and Amortisation	6	1165	1,660
Depreciation - Right-of-use Asset	10	2824	1,717
Interest Expense - Lease Liability	10	1086	592
Gain on derecognition of leases	10	(269)	-
Gain on Defined Pension Benefits	9b	(2,037)	(2,887)
Loss / (Gain) on Defined Health Care Benefits	9c	2130	(519)
Loss on Expected Credit Loss		6	-
Net Unrealised Loss on Fair Value of Financial Investments		(31)	(1)
Decrease / (Increase) in Interest Receivable - Currency Reserve Assets		874	(1,039)
Decrease in Interest Receivable - Operating Assets		-	22
(Increase) / Decrease in Accounts Receivable		(1,427)	2,815
(Increase) / Decrease in Other Receivables and Prepayments		(420)	311
Increase in Unearned Income - Directors Registration and Licensing Fees		138	46
Decrease in Unearned Income - CIMA Transactional Fees		(6)	(75)
Increase / (Decrease) in Other Liabilities and Payables		28	(272)
(Increase) / Decrease in Stocks		(3,120)	287
Increase in Demand Liabilities		7,465	4,126
NET CASH PROVIDED BY OPERATING ACTIVITIES		16,190	19,443
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Equipment and Intangible Assets	6	(4,593)	(9,304)
Net Purchase of Financial Investments Currency Reserve Assets		(4,444)	(3,209)
Net Loss on Fair Value of Sales and Maturities of Financial Investments		35	131
Net purchase of financial investments Operating Assets		7,959	(918)
NET CASH FROM INVESTING ACTIVITIES		(1,043)	(13,300)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Lease Liability Payments	10	(3,534)	(2,438)
Contribution Paid to CI Government		-	(3,000)
NET CASH USED IN FINANCING ACTIVITIES		(3,534)	(5,438)
INCREASE IN CASH AND CASH EQUIVALENTS		11,613	705
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR		152,677	151,972
CASH AND CASH EQUIVALENTS, END OF THE YEAR	4b	164,290	152,677

The accompanying notes on pages 8-38 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2025

1. Organisation and Objectives

The Cayman Islands Monetary Authority (the "Authority") was established under the Monetary Authority Act, 1996 on 1 January 1997. Under the Monetary Authority Act (2020 Revision) (the "Act (2020 revision)"), the primary functions of the Authority are:

- To issue and redeem Cayman Islands currency notes and coins and to manage the Currency Reserves
- To regulate and supervise the financial services business
- To provide assistance to overseas regulatory authorities, and
- To advise the Cayman Islands Government on regulatory matters.

As at 31 December 2025 the Authority has 326 employees (31 December 2024: 306). The Authority is located in Cricket Square, George Town, Grand Cayman, Cayman Islands.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of Preparation

Statement of Compliance

The financial statements of the Authority are prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the accrual basis under historical cost convention except unless otherwise stated.

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

b. Foreign Currency Translation

Functional and presentation currency

The reporting currency is Cayman Islands dollars. All financial information is rounded to the nearest thousand dollars, except as otherwise indicated. Any discrepancies between totals and sums of components are due to rounding.

Transactions and balances

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Assets and liabilities are translated at the exchange rate in effect at the date of the statement of financial position.

2. Significant Accounting Policies (continued)

c. Use of Estimates and Judgements

The preparation of financial statements, in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

d. Financial Instruments

Financial instruments – Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets - Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Authority's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. All debt instruments are classified as "Hold to collect and sell" and recognised as fair value through OCI. Accounts receivables are measured at the transaction price determined under IFRS 15.

Cash and Cash Equivalents are classified as amortised cost.

The Authority's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Authority commits to purchase or sell the asset.

Classification and measurement

Financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss.

2. Significant Accounting Policies (continued)

d. Financial Instruments (continued)

All debt instruments are subsequently measured at fair value with gains and losses arising due to change in the fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Authority has transferred substantially all the risks and rewards of the asset, or (b) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

Impairment of financial assets

The Authority recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Authority expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivables, the Authority applies a general approach in calculating ECLs.

For debt instruments at fair value through OCI, the Authority applies the low credit risk simplification. At every reporting date, the Authority evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Authority reassesses the credit rating of the debt instrument. In addition, the Authority considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Authority's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category and, therefore, are considered to be low credit risk investments. It is the Authority's policy to measure ECLs on such instruments on a 12-month basis.

2. Significant Accounting Policies (continued)

d. Financial Instruments (continued)

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities comprise other liabilities and payables, accrued expenses and notes and coins in circulation.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

e. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of current and call deposits and fixed deposits maturing within three months from the date of measurement or year-end.

f. Short-term Investments

Short-term investments represent fixed deposits with banks and other financial institutions or treasury bills with original maturities of greater than three months but less than twelve months from the date of acquisition.

g. Stock of Notes and Coins for/in Circulation

The stock of unissued currency notes is stated at cost of production. Only the cost of notes issued into circulation is expensed, on a “first in, first out” basis. All associated cost such as shipping, handling and insurance are expensed immediately.

When currency is issued, the face value of the currency is also recognised as a liability within the “Demand Liabilities, Currency in Circulation”.

h. Stocks of Numismatic Items

Stocks consist of gold and silver bullion arising from the melt-down of numismatic coins (the gold and silver bullion content of the following categories of numismatic coins: coins for resale, museum items and coins awaiting melt-down). Bullion stocks are stated at year-end market values for gold and silver bullion and unrealised gain/loss are recorded in the statement of comprehensive income.

2. Significant Accounting Policies (continued)

i. Numismatic Coins in Circulation

The total nominal value of numismatic coins outstanding as at 31 December 2025 is $14,503k (31 December 2024: $14,492k). No liability for redeeming numismatic coins is recognised in the financial statements, since the amount of redemption cannot be reasonably estimated, and the probability of material redemption is remote. Redemption costs and sales proceeds are recorded in the statement of comprehensive income as incurred.

j. Property and Equipment

Property and equipment are stated at historical cost less accumulated depreciation. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income in the financial period in which they are incurred.

Depreciation is charged to the statement of comprehensive income on the straight-line method to allocate the cost of each asset over their estimated useful lives as follows:-

- Furniture and Fixtures 5 years
- Motor Vehicle 5 years
- Office Equipment 5-7 years
- Computer Hardware 3-5 years
- Leasehold Improvements the shorter of the term of the lease and the useful life.

The assets' useful lives are reviewed and adjusted where appropriate.

Property and equipment are derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of comprehensive income in the period the asset is derecognised.

k. Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance. The Authority's intangible assets comprise externally acquired computer software. Costs associated with maintaining computer software programmes are charged to the statement of comprehensive income in the financial period in which they are incurred.

All the Authority's intangible assets have a finite life. Amortisation is calculated using the straight-line method to allocate the cost of each asset over their estimated useful lives which is estimated to be three to ten years. Useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

l. Employee Benefits

Pension Plans

The Authority makes pension contributions for its eligible employees to the Public Service Pensions Plan, which is administered by the Public Service Pensions Board. The Plan has both a defined benefit and a defined contribution element. There are a number of employees who participate in other private plans, which are all defined contribution schemes.

2. Significant Accounting Policies (continued)

l. Employee Benefits (continued)

Pension Plans (continued)

Under defined contribution plans, the Authority pays fixed contributions and has no obligation to pay further contributions if the plan does not have sufficient assets to pay employee benefits relating to employee service in the current and prior periods. The Authority recognises contributions to a defined contribution plan when an employee has rendered services in exchange for those contributions.

A defined benefit plan is one that defines an amount of benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The asset or liability in respect of defined benefit plans is the difference between the present value of the defined benefit obligation at the statement of financial position date and the fair value of plan assets, adjusted for unrecognised actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and the changes in actuarial assumptions are recognised in other comprehensive income.

Obligations for contributions to defined contribution and defined benefits pension plans are recognised as pension expense in the statement of comprehensive income as incurred.

Other Benefits

Other employee benefits include vacation days, sick leave, maternity and paternity leave, mental health days, personal days, other awards, and recognitions. Vacation days accumulate and vest and therefore a liability is accrued each year.

m. Allocation of Profits

Under Section 9 and 10 of the Act (2020 Revision), the net profits of the Authority, after provision for all expenditure and reserves, shall be allocated such that the Currency Reserve Assets represent at least 100% of Demand Liabilities and the General Reserve represents at least 15% of Demand Liabilities. Any surplus not allocated in accordance with the above shall be transferred to the General Revenue of the Cayman Islands Government.

Under Section 39(3) of the Public Authorities Act (2020 Revision), the Authority is not required to pay dividends in accordance with the formula established by the Ministry as the Authority has been granted an exemption effective 1 January 2019 which applies to dividends payable in respect of each fiscal year thereafter. (Note 16).

n. General Reserve

The Authority maintains a General Reserve in accordance with Section 8 of the Act (2020 Revision), to provide additional funding if necessary, for Demand Liabilities and obligations arising from other business of the Authority. In accordance with section 8 of the Act (2020 Revision) the General Reserve shall represent at least 15% of Demand Liabilities. As at 31 December 2025, the General Reserve was $63,719k (31 December 2024: $57,798) equating to 35.18% (31 December 2024: 33.29%) of Demand Liabilities.

o. Currency Issue Reserve

The Currency Issue Reserve was adjusted as the stock of notes printed prior to 2004 was all issued into circulation. The Currency Issue Reserve as at 31 December 2025 was $375k (31 December 2024: $375k).

2. Significant Accounting Policies (continued)

p. Capital Expenditures Reserve

Under Section 9 of the Act (2020 Revision), the net profits of the Authority for any financial year shall include, but shall not be limited to, the income from the investments of the Authority, and the profit from the sales of investments belonging to the Authority and shall be determined by the Authority after meeting or providing for all expenditure for that year and making such provisions for contingencies and the establishment of such additional reserves as it may consider desirable. The Capital Expenditures Reserve has been established for the implementation and acquisition of key capital projects. As at 31 December 2025, the Capital Expenditure Reserve was $17,562k (31 December 2024: $20,699).

q. Litigation Costs Reserve

The Litigation Costs Reserve has been established in accordance with Section 9 of the Act (2020 Revision), to provide funding for costs in relation to litigation. As at 31 December 2025, the Litigation Costs Reserve was $6,000k (31 December 2024: $6,000k)

r. Contributed Capital

The authorised capital of the Authority is $100 million; with The Cayman Islands Government being the sole subscriber. In 1998, the Government made a commitment to increase the Contributed Capital of the Authority to a minimum of $10 million by yearly transfers of approximately $0.5 million from Operating Surplus.

In December 2009, Section 7 (5) of the Monetary Authority Act (2008 Revision) was amended by the Monetary Authority (Amendment Act, 2009), to allow Cabinet to vary the amount of paid-up capital held by the Authority, and where the capital is reduced any excess shall be transferred by the Authority to the Government. In June 2010, the Cayman Islands Government withdrew $8.250 million. Contributed Capital as at 31 December 2025 was $2.328 million (31 December 2024: $2.328 million).

s. Revenue Recognition

The Authority adopted IFRS 15 (Revenue from Contracts with Customers) from 1 January 2018. This standard was applied using the modified retrospective method, with the cumulative effect recognised in general reserves on 1 January 2018. This core principle is delivered in a five-step model framework which are: (1) Identify the contract with a customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to the performance obligations in the contract; and (5) Recognise revenue when the Authority satisfies a performance obligation.

The Authority's main source of income is derived from the services it provides to the Government of the Cayman Islands. The Authority's other sources of income are generated from Directors Registration and Licensing Fees (DRL fees), CIMA transactional fees, its investments, bank balances, and other currency transactions.

To be compliant with the Directors Registration and Licensing Act, 2014, and therefore deemed to be fully registered, Directors are required to file an annual registration (prescribed form) and pay the fee by 15 January.

DRL fees received (for current and prior years) are recognised as revenue in the year that the Director has fully registered for those years.

Penalties for late registrations are recognised as revenue in the year in which they are received.

Any DRL or CIMA transactional fees received in advance of the year for which they are earned, are recorded as unearned revenue and subsequently recognised as revenue for the pertinent year.

2. Significant Accounting Policies (continued)

s. Revenue Recognition (continued)

Commission Income is recognised as earned on redemption of currency in circulation.

Rendering of Services (Services provided to the Cayman Islands Government and CIMA Transactional Fees) are recognised as revenue when the related service is rendered.

Net Loss or Gain on Numismatic Items – bullions stocks are stated at year-end market values. Numismatic coins sales and expenses are accounted for with the revaluation gain/loss.

Investment Income and other sources of income are accrued as earned.

t. IFRS 16 Leases

The objective of IFRS 16 is to report information that (i) faithfully represents lease transactions and (ii) provides a basis for users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. To meet the objective, the Authority has recognised assets and liabilities arising from its lease agreements.

u. Going concern

Management has assessed that the Authority has the ability to continue as a going concern and has accordingly prepared these financial statements on a going concern basis.

2.1. Changes in Accounting Standards

Several new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Authority has not early adopted the new and amended accounting standards in preparing these financial statements.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2025, the International Accounting Standards Board (IASB) issued Amendments to the classification and Measurement of Financial Instruments which amended IFRS 9 and IFRS 7. The requirements will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted, and are related to:

a. settling financial liabilities using electronic payments system; and
b. assessing contractual cash flow characteristics of financial assets, including those with sustainability-linked features.

The Authority is in the process of assessing the impact of the new amendments in the next financial year.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

a. Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
b. Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

2.1. Changes in Accounting Standards (continued)

IFRS 18 Presentation and Disclosures in Financial Statements (continued)

c. Enhanced guidance is provided on how to group information in the financial statements. In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Authority is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Authority's statement of comprehensive income, the statement of cash flows and the additional disclosures required for MPMs. The Authority is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Authority's financial statements:

a. Lack of Exchangeability (Amendments to IAS 21)

b. IFRS 19 Subsidiaries without Public Accountability: Disclosures.

3. Financial Risk Management

a. Financial instruments at fair value

The fair value of investments, hold to collect and sell as per Note 2 (d) is classified using a fair value hierarchy that reflects the significance of the inputs disclosed in making the measurements:

Level 1 – quoted prices in active markets
Level 2 – inputs are observable either directly or derived from quoted prices
Level 3 – no observable inputs

The fair value hierarchy requires the use of observable market inputs wherever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial instruments at fair value as at 31 December 2025				
Investments, Hold to collect and sell	93,790	-	-	93,790
Total financial instruments	93,790	-	-	93,790

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial instruments at fair value as at 31 December 2024				
Investments, Hold to collect and sell	97,309	-	-	97,309
Total financial instruments	97,309	-	-	97,309

3. Financial Risk Management (continued)

a. Financial instruments at fair value (continued)

The Authority is exposed to interest rate risk, credit risk, liquidity risk, and market risk as a result of holding financial instruments. The following is a description of those risks and how the Authority manages its exposure to them.

b. Interest Rate Risk

The Authority is subject to interest rate risk on the cash placed with local and international institutions which attracts interest. The Authority is not exposed to significant interest rate risk as the cash and cash equivalents are placed on call and available on demand. The Authority's investments are at fixed interest rates. Volatility in market interest rates not only affect the return on investments, but also the discount rate used to measure funding valuations, pension and post-retirement healthcare liabilities, and IFRS 16 Lease Assessments. Interest rate risks, in terms of investment returns, are mitigated primarily by investing in fixed income instruments that are relatively easy to divest and the avoidance of derivatives.

No interest payments are charged to customers on late payments on accounts receivable.

c. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation (IFRS 7). The Authority manages credit risk by adhering to the Authority's investment guidelines for its Currency Reserves Assets which establishes counterparty concentration limits and minimum standards that each counterparty must attain. The Authority's current, call, and fixed deposits are placed with high credit quality institutions. Credit risk with respect to long and short-term investments, accounts and interest receivable, and other receivables is limited as the Authority only transacts business with counterparties it believes to be reputable and capable of performing their contractual obligations.

	31 December 2025 $000	31 December 2024 $000
Investments, Hold to collect and sell		
AAA	-	75,762
AA	79,429	7,681
A	14,361	13,866
	93,790	97,309
Cash and cash equivalents		
Cash at bank and in-hand		
AAA	-	262
AA	3,993	3,656
A	17,162	16,601
	21,155	20,519
Overnight repurchase agreements AAA	143,167	132,167
	164,322	152,686

3. Financial Risk Management (continued)

d. Liquidity risk

Liquidity risk is the risk that an entity will have difficulties in meeting its financial obligations (IFRS 7). Liquidity risk is managed on a basis which generally requires the Authority to hold assets of appropriate quantity and quality to meet all its obligations as they fall due. The Authority's investment guidelines for its Currency Reserves Assets are, in order: security, liquidity, and income. Accordingly, the Authority believes that it is not exposed to any significant level of liquidity risk.

e. Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks (IFRS 7). The ranges of interest rates and maturity dates are presented in Note 4. The carrying amount of call accounts, fixed deposit accounts, interest receivable and other liabilities approximated their fair value due to the short-term maturities of these assets and liabilities. The fair value of investments is presented in Note 4. The fair values of other assets and liabilities are not materially different from the carrying amounts. Readily available markets enable the determination of fair values.

4. Currency Reserve and Operating Assets

Sections 32(8) of the Act (2020 Revision) mandates the preservation of Currency Reserve Assets, separately from all other assets of the Authority. These assets are to be used to fund the Authority's currency redemption obligations. (See Note 8.) They shall not be used to satisfy liabilities arising from any other business of the Authority. After all Demand Liabilities are extinguished, any surplus Currency Reserve Assets would form, in part, the assets of the General Reserve. (See Note 2 n.)

Under the Act (2020 Revision), sections 32(2) and 32(6) respectively, the Currency Reserve Assets consist of external assets (not less in value than an amount equivalent to ninety percent of Demand Liabilities) and local assets (not to exceed ten percent of Demand Liabilities). Under 32(4) local assets shall be in value not less than the difference, if any, between the amount of its total demand liabilities and the value of external assets.

As at 31 December 2025, the value of Currency Reserve Assets was $236,047k (31 December 2024: $218,025k) representing 130.34% (31 December 2024: 125.56% %) of total Demand Liabilities. The value of external assets equated to 126.37% (31 December 2024: 122.47%) while the value of local assets as at 31 December 2025 equated to 3.97% (31 December 2024: 3.09%) of Demand Liabilities.

Currency Reserve Assets comprise the following:

a. Investments

The classification of financial instruments at initial recognition depends on the purpose and management's intention for which the financial assets were acquired. The investments are actively traded, classed as 'hold to collect and sell', and meet the principal investment objectives of the Authority - security, liquidity, and income.

The investment portfolio is managed by independent fund managers in accordance with investment guidelines established by the Board of Directors of the Authority, in accordance with the Act (2020 Revision). Management fees are calculated based on the market value of the portfolio and are payable quarterly in arrears. Either party may terminate the agreement with thirty days' notice.

Long-term Investments. U.S. Treasury Notes and Bonds and Corporate Bonds stated at market value, with interest rates ranging from 1.63% to 6.50% and maturity dates between 15 January 2027 and 20 April 2055.

There are seven MBS securities with maturities over ten years (31 December 2024 – Six).

4. Currency Reserve and Operating Assets (continued)

a. Investments (continued)

The investment guidelines states that:

i. For amortizing securities (MBS) the average life shall be used in place of maturity.
ii. The average maturity for the portfolio shall not exceed 5 years.

Range of maturities	31 December 2025 $000	31 December 2024 $000
1-5 years	70,623	69,169
6-10 years	-	541
Over 10 years	9,516	6,108
	80,139	75,818

Short-term Investments – Currency Reserve Fixed Deposit maturity date 09 June 2026.

	31 December 2025 $000	31 December 2024 $000
Fixed Deposit	2,889	2,770
Total Short-term Investments	2,889	2,770

Short-term Investments – Operating AAA U.S. Treasury Bill maturity date 19 Mar 2026. Fixed Deposit maturity dates 01 Jan 2026 – 08 April 2026.

	$000	$000
U.S. Treasury Bills	5,997	14,154
Fixed Deposit	4,765	4,568
Total Short-term Investments	10,762	18,722

All investments are measured at fair value, designated as such upon initial recognition.

b. Cash and Cash Equivalents

The Authority maintains current, call and fixed term deposits with domestic and foreign banks. Under the Act (2020 Revision), domestic deposits (as part of the Currency Reserve Assets) cannot exceed 10% of Demand Liabilities. As at 31 December 2025, domestic deposits were $5,245k (31 December 2024: $4,599) representing 2.90% (31 December 2024: 2.65%) of Demand Liabilities.

Interest was earned on domestic call accounts at a rate of 0.01% during the period ended 31 December 2025 (31 December 2024: 0.01%). The domestic fixed deposits earned interest at rates ranging between 2.70% to 4.40% during the period ended 31 December 2025 (31 December 2024: 2.70% to 5.40%).

The Federal Reserve call account balance is non-interest bearing; however, the excess balances are invested daily in a repurchase agreement. Interest is calculated on the average daily balance of the foreign investment call account. During

4. Currency Reserve and Operating Assets (continued)

b. Cash and Cash Equivalents (continued)

the period ended 31 December 2025 no interest was earned (31 December 2024: None).

Overnight repurchase agreements for terms of one business day are acquired through buy back transactions with the US Federal Reserve to earn an overnight interest rate of 3.50% (31 December 2024: 4.25%).

	Holding Currency	31 December 2025	31 December 2024
i) Operating Assets			
Current	KYD	(41)	(22)
Savings	KYD	4,046	3,259
Savings & Call	USD	7,858	4,948
Fixed Deposit	USD	5,678	9,080
CI Cash on Hand		10	15
Total Current and Call Deposits		17,551	17,280
Total Cash and Cash Equivalent - Operating Assets		17,551	17,280

	Holding Currency	31 December 2025	31 December 2024
ii) Currency Reserve Assets			
Domestic Deposits			
Savings	KYD	1,593	1,561
Savings	USD	763	268
Foreign Deposits			
Federal Reserve Bank	USD	234	262
Investment Portfolio	USD	982	1,139
Federal Reserve Repurchase Agreement	USD	143,167	132,167
Total Call Deposits		146,739	135,397
Total Cash and Cash Equivalent - Currency Reserve		146,739	135,397
Total Cash and Cash Equivalent		164,290	152,677

c. Financial Instruments

The IFRS 9 significant accounting policies applied in the current period are described in Note 2.

Cash and cash equivalents

All classes of cash and cash equivalents as disclosed in Note 4b are classified as amortised cost under IFRS 9. The ECLs for cash and cash equivalents balances were insignificant.

4. Currency Reserve and Operating Assets (continued)

c. Financial Instruments (continued)

Investment securities

Debt instruments under IFRS 9, are classified as hold to collect and sell and measured at fair value through OCI and amortised cost.

The ECLs for short and long-term investments balances were insignificant.

Receivables

Receivable as disclosed in Note 5 are classified as amortised cost under IFRS 9. The ECLs for these receivables were insignificant.

5. Receivables and Prepayments

a. Aged profile of Accounts Receivable

Period Outstanding Days	31 December 2025 $000	31 December 2024 $000
1-30	2,275	1,127
31-60	278	-
	2,553	1,127

The creation and release of provision for impairment of receivables has been included in Other Operating expenses (Note 13) in the statement of comprehensive income. Receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include amongst others, the failure of a debtor to engage in a repayment plan with the Authority, and failure to make contractual payments for a period greater than 120 days past due. At 31 December 2025, there were no receivables greater than 120 days past due.

	31 December 2025 $000	31 December 2024 $000
Output Income	1,538	-
CIMA Transactional Fees	867	668
Directors Registration and Licensing Fees	148	459
Accounts Receivable, net	2,553	1,127

b. Other Receivables and Prepayments

	31 December 2025 $000	31 December 2024 $000
Prepayments	1,145	654
Other Deposits	195	232
Accrued Interest	73	70
Employee Advances	138	176
	1,551	1,132

6a. Property and Equipment

	Furniture & Fixtures	Leasehold Improvement	Computer Equipment Hardware	Office Equipment	Motor Vehicle	TOTAL TANGIBLE	Work in Progress	GRAND TOTAL
Original Cost	$000	$000	$000	$000	$000	$000	$000	$000
Balance as at 31/12/2024	1,247	4,515	2,531	461	20	8,774	12,136	20,910
Additions	11	8	189	79	-	287	4,106	4,393
Reclass	-	16,242	-	-	-	16,242	(16,242)	-
Disposals	(1,161)	(4,515)	(4)	(104)	-	(5,784)	-	(5,784)
Balance as at 31/12/2025	97	16,250	2,716	436	20	19,519	-	19,519
Accumulated Depreciation and Amortisation								
Balance as at 31/12/2024	1,126	4,514	1,906	413	20	7,979	-	7,979
Depreciation and Amortisation for the year	119	267	274	35	-	695	-	695
Relieved on disposals	(1,161)	(4,515)	(4)	(104)	-	(5,784)	-	(5,784)
Balance as at 31/12/2025	84	266	2,176	344	20	2,890	-	2,890
Net Book Value as at 31/12/2025	13	15,984	540	92	-	16,629	-	16,630
Net Book Value as at 31/12/2024	121	1	625	48	-	795	12,136	12,932

	Furniture & Fixtures	Leasehold Improvement	Computer Equipment Hardware	Office Equipment	Motor Vehicle	TOTAL TANGIBLE	Work in Progress	GRAND TOTAL
Original Cost	$000	$000	$000	$000	$000	$000	$000	$000
Balance as at 31/12/2023	1,247	4,515	2,524	446	20	8,752	3,117	11,869
Additions	-	-	77	15	-	92	9,019	9,111
Reclass	-	-	(70)	-	-	(70)	-	(70)
Balance as at 31/12/2024	1,247	4,515	2,531	461	20	8,774	12,136	20,910
Accumulated Depreciation and Amortisation								
Balance as at 31/12/2023	949	3,802	1,718	387	17	6,873		6,873
Depreciation and Amortisation for the year	177	712	258	26	3	1,176	-	1,176
Relieved on disposals	-	-	(70)	-	-	(70)	-	(70)
Balance as at 31/12/2024	1,126	4,514	1,906	413	20	7,979	-	7,979
Net Book Value as at 31/12/2024	121	1	625	48	-	795	12,136	12,932
Net Book Value as at 31/12/2023	298	713	806	81	3	1,880	3,117	4,997

6b. Intangible Assets

Original Cost	Intangible $000	TOTAL INTANGIBLE $000	Work in Progress Intangible $000	GRAND TOTAL $000
Balance as at 31/12/2024	5,895	5,895	161	6,056
Additions	96	96	105	201
Reclass/Transfers	155	155	(155)	-
Disposals	(2)	(2)	-	(2)
Balance as at 31/12/2025	6,144	6,144	111	6,255
Accumulated Depreciation and Amortisation				
Balance as at 31/12/2024	4,731	4,731	-	4,731
Depreciation and Amortisation for the year	470	470	-	470
Relieved on disposals	(2)	(2)	-	(2)
Balance as at 31/12/2025	5,199	5,199	-	5,199
Net Book Value as at 31/12/2025	945	945	111	1,056
Net Book Value as at 31/12/2024	1,164	1,164	161	1,325

Original Cost	Intangible $000	TOTAL INTANGIBLE $000	Work in Progress Intangible $000	GRAND TOTAL $000
Balance as at 31/12/2023	5,666	5,666	284	5,950
Additions	146	146	107	253
Reclass/Transfers	171	171	(171)	-
Disposals	(88)	(88)	(59)	(147)
Balance as at 31/12/2024	5,895	5,895	161	6,056
Accumulated Depreciation and Amortisation				
Balance as at 31/12/2023	4,334	4,334	-	4,334
Depreciation and Amortisation for the year	485	485	-	485
Relieved on disposals	(88)	(88)	-	(88)
Balance as at 31/12/2024	4,731	4,731	-	4,731
Net Book Value as at 31/12/2024	1,164	1,164	161	1,325
Net Book Value as at 31/12/2023	1,332	1,332	284	1,616

7. Stocks

	31 December 2025 $000	31 December 2024 $000
Bullion from the melt-down of coins	1,977	798
Coins for resale	1,237	595
Museum items	290	175
	3,504	1,568
Inventory of unissued currency notes and coins	1,938	755
Total Stocks	5,442	2,323

The amount of inventory recognised as expense during the period amounted to $496k (2024: $725k). The currency related expenses during the period amounted to $63k (2024: $15k). The Bullion stocks are stated at year-end market values for gold and silver bullion and held with a third party.

8. Liabilities

a. Demand Liabilities

Demand Liabilities represents the face value of currency notes and coins in circulation. These liabilities are fully funded by the Currency Reserve Assets.

Total Demand Liabilities comprise:

	31 December 2025 $000	31 December 2024 $000
Currency notes in circulation	165,687	158,586
Currency coins in circulation	15,418	15,055
Total Demand Liabilities	181,105	173,641

b. Other Liabilities and Payables

	31 December 2025 $000	31 December 2024 $000
Unearned income - Director Registration Fees	4,839	4,700
Unearned income - CIMA Transactional Fees	8	13
Performance Awards & Honorarium	1,302	1,840
Accounts payable	1,521	1,030
Professional Fees	180	141
Other accruals	105	189
Annual leave accrual	603	491
Other Payables	51	48
	8,609	8,452

As at 31 December 2025, Other Payables included unsettled investment management and custody fees of $8k (2024: $15k).

8. Liabilities (continued)

c. Dividend due to CI Government

In 2026 the Board approved to pay over $5,000k of the net income for the period 2025 to the General Revenue of the Cayman Islands Government in accordance with Section 9 and 10 of the Act (2020 Revision).

9. Post-Employment Benefits

a. All Pension Plans

Pension contributions for eligible employees of the Authority are paid to the Public Service Pensions Plan (the "Plan"), and other private sector pension plans.

The Plan is administered by the Public Service Pensions Board ("the Pensions Board") and is operated as a multi-employer plan. Prior to 1 January 2000, the Plan operated as a defined benefit ("DB") plan. With effect from 1 January 2000, the Plan had both a DB and a defined contribution ("DC") part, with participants joining after 1 January 2000 becoming members of the defined contribution element only.

Using the Projected Unit Credit method of measuring costs and obligations, the actuarial assessment for the Authority assessed the minimum normal annual contribution to be 13 % in the 'Actuarial Valuation as of 01 July 2005 for the purposes of establishing required contribution rates towards the Public Service Pensions Plan. This rate included a 1% for the cost of all the benefits that are provided over and above those related to the participant's total account balance. The 01 January 2020 actuarial valuation of the Public Service Pensions Plan for funding purposes has been completed and the Authority's prescribed employer contributions rates are 11.5% for DB participants and 6.4% for DC participants. The 01 January 2022 actuarial valuation of the Public Service Pensions Plan for funding purposes has been completed in 2024 and the Authority's prescribed employer contributions rates are 14.1% for DB participants and 6.4% for DC participants. For some employees in the defined benefit plan and the defined contribution plan, the Authority pays both the employer and employee contributions.

The Plans are funded at rates of: -

	31 December 2025	31 December 2024
Defined Contribution Plans	%	%
Employee	6	6
Employer	6.4	6.4
Defined Benefit Plans	%	%
Employee	6	6
Employer	14.1	14.1

The Actuary to the Pensions Board has valued the Plan as at 31 December 2025. The defined contribution part of the Plan is not subject to actuarial valuation due to the nature of the benefits provided therein.

The total amount recognised as a pension expense for the period ended 31 December 2025 was $69k (31 December 2024 ($956k). The actual amount of pension expense relating to the defined benefits for staff should also include the effect of any changes in the actuarial determined liability. Pension expense is the expense under IAS 19, inclusive of service cost, amortisations and net interest. Current service cost represents the pension cost to the Authority associated with the financial year benefit accruals and is net of any participant contributions.

9. Post-Employment Benefits (continued)

a. All Pension Plans (continued)

	31 December 2025 $000	31 December 2024 $000
Public Service Pension Plan Defined Benefit	128	134
Public Service Pension Plan Additional cost contribution DB	95	170
Public Service Pension Plan Defined Contribution	1,294	1,114
Public Service Pension Plan Additional cost contribution DC	83	71
Private Pension Plans	506	442
Defined Benefit Pension cost: IAS 19 valuation	(396)	(212)
Total Pension Expense All Plans	1,710	1,719
Remeasurement of DB Plan in OCI	(1,641)	(2,675)
Total Pension Expense	69	(956)

b. Defined Benefit Pension

The actuarial position is as follows:

	31 December 2025 $000	31 December 2024 $000	31 December 2023 $000	31 December 2022 $000
Net Present Value of Funded Obligation	(10,276)	(9,821)	(10,866)	(9,906)
Fair Value of Plan Assets	19,881	17,389	15,547	12,854
Funded Status	9,605	7,568	4,681	2,948
Net Asset/(Liability)	9,605	7,568	4,681	2,948

Components of defined benefit pension cost	31 December 2025 $000	31 December 2024 $000
Current service cost	193	273
Interest expense on DBO	535	554
Interest income on plan assets	(954)	(799)
Defined benefit cost included in P&L	(226)	28
Remeasurements (recognised in other comprehensive income)		
Effect of changes in demographic assumptions	-	-
Effect of changes in financial assumptions	327	(1,224)
Effect of experience adjustments	11	247
(Return) on plan assets (excluding interest income)	(1,979)	(1,698)
Total remeasurements included in OCI	(1,641)	(2,675)
Total defined benefit cost recognised in P&L and OCI	(1,867)	(2,647)
Employer Contributions		
Asset re-allocations true up	-	-
Total net defined benefit cost recognised in P&L and OCI	(1,867)	(2,647)

9. Post-Employment Benefits (continued)

b. Defined Benefit Pension (continued)

Reconciliation of defined benefit pension liability	31 December 2025 $000	31 December 2024 $000
Previous year net defined benefit liability	(7,568)	(4,681)
Defined benefit cost included in P&L	(226)	28
Total remeasurement included in OCI	(1,641)	(2,675)
Employer contributions	(170)	(240)
Net Transfer in (including the effect of any business combinations/divestures/transfers)	-	-
Net defined benefit (asset)/liability	(9,605)	(7,568)

Change in defined benefit pension obligation	31 December 2025 $000	31 December 2024 $000
Defined benefit obligation at end of prior year	9,821	10,866
Current service cost	193	273
Interest expense	535	554
Transfers between Other Participating employers	(150)	(971)
Benefit payments from plan asset	(532)	-
Plan participant contributions	71	76
Remeasurements:-		
Effect of changes of demographic assumptions	-	-
Effect of changes of financial assumptions	327	(1,224)
Effect of experience adjustments	11	247
Defined benefit obligation at end of year	10,276	9,821

Change in fair value of plan assets	31 December 2025 $000	31 December 2024 $000
Fair value of plan assets as at end of prior year	17,389	15,547
Interest income	954	799
Employer contributions	170	240
Plan participant contributions	71	76
Transfers between Other Participating employers	(150)	(971)
Benefit payments from plan assets	(532)	-
Other significant events:-		
Increase/(Decrease) due to effect of any business combinations/ divestitures/transfers		
Remeasurements:-	-	-
Return on assets (excluding interest income)	1,979	1,698
Fair value of plan assets at end of year	19,881	17,389

9. Post-Employment Benefits (continued)

b. Defined Benefit Pension (continued)

Composition of Plan Assets

The composition of the total plan assets managed by the PSPB, as at 31 December 2025 and 31 December 2024, was as follows:

	31 December 2025	31 December 2024
	%	%
Global equity securities	67	81
Debt securities	24	18
Real Estate	4	-
Infrastructure	4	-
Cash	1	1
Total	100	100

Actuarial Assumptions

The principal actuarial assumptions used to determine benefit obligations at 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
	%	%
Effective discount rate for defined benefit obligation	5.65	5.75
Rate of salary increase	see note below	see note below
Price inflation rate	see note below	see note below
Rate of pension increases	see note below	see note below

Rate of salary increase	3.00% in 2026, 6.50% in 2027, and 2.50% thereafter.
Price inflation rate	3.10% in 2026, 2.40% in 2027, and 2.20% thereafter.
Rate of pension increases	3.10% in 2026, 2.40% in 2027, and 2.20% thereafter.

The economic assumptions used to determine Net Periodic Benefit Cost for the period ended 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Weighted-average assumptions to determine defined benefit cost:	%	%
Effective rate for net interest cost	5.45	5.10
Effective discount rate for service cost	5.80	5.10
Effective rate for interest on service cost	5.65	5.15
Rate of salary increase	see note below	see note below
Price inflation rate	see note below	see note below
Rate of pension increases	see note below	see note below

9. Post-Employment Benefits (continued)

b. Defined Benefit Pension (continued)

Rate of salary increase	5.00% in 2025, 4.00% in 2026, and 3.00% thereafter.
Price inflation rate	2.90% in 2025, 2.50% in 2026, 2.20 in 2027, and 2.0% thereafter.
Rate of pension increases	2.90% in 2025, 2.50% in 2026, 2.20% in 2027, and 2.0% thereafter.

Other Assumptions:	
Mortality	Standard U.S. mortality rates.
Retirement Age	Attainment of age 57 and at least 10 years of service
Asset Valuation	Fair (Market) Value

	31 December 2025	31 December 2024
Sensitivity analysis on defined benefit pension obligation	$000	$000
Discount rate		
Discount rate - 25 basis points	10,700	10,239
Discount rate + 25 basis points	9,877	9,427
Inflation rate		
Inflation rate - 25 basis points	10,033	9,480
Inflation rate + 25 basis points	10,531	10,180
Mortality rates		
Mortality - 10% of current rates	10,464	9,992
Mortality + 10% of current rates	10,104	9,663
Expected cash flows for following year		
Expected employer contributions	140	158
Participant contributions	67	67
Defined benefit obligation by participant status		
Actives	6,950	6,639
Vested deferreds	3,326	3,182
Total	**10,276**	**9,821**

c. Defined Benefit Healthcare

The Authority has established a Post-retirement Healthcare program for some employees/retirees who are/were members of the PSPB Defined Benefits Pension plan. This group included some employees who were transferred to the Authority from core Cayman Island Government (CIG) upon the creation of the Authority. The intention was that the staff members transferred to the Authority will not be worse off after the transfer in terms of the employee benefits, they enjoyed as employees of the CIG.

This action (accepting responsibility to provide the same healthcare benefits enjoyed by CIG employees for the transferred employees and other long-serving employees who are members of the PSPB Defined Benefit plan) creates a valid expectation on the part of these employees and therefore results in a constructive obligation on the Authority. Consequently, for these employees, the Authority provides for a post-retirement healthcare obligation plan identical to the CIG (which is in accordance with paragraph 18(2) of Schedule 1 of the Personnel Regulations (2022 Revision)). Under this plan, the premiums for this healthcare coverage would be paid for by the Authority for all eligible employees, together with

9. Post-Employment Benefits (continued)

c. Defined Benefit Healthcare (continued)

their spouses (until the end of their lives) and dependent children (until the end of their eligibility as a dependent child). To be eligible, the Authority would have been the employee's principal employer for 10 consecutive years and also retire in service with the Authority.

This coverage falls within the definition of a defined benefit as defined by IFRS and as such represents a future liability of the Authority. The Authority is therefore required to use the actuarial valuation method to determine the present value of its healthcare benefit obligations and the related current service costs for its future (qualified) retirees. IAS 19 requires that the funded or unfunded post-employment benefits to be recognised in the statement of financial position (in the case of net defined liability or asset) and the statement of comprehensive income (for the annual expense).

The Authority obtained the services of Mercer Actuaries of Canada to provide actuarial valuation service. The report of their valuation and the details of the valuation method and assumptions used are presented hereunder in accordance with IAS 19.

The Authority has a present value net defined healthcare benefit obligation of $8,555k at the end of the financial year 31 December 2025 (31 December 2024: $8,555k).

	31 December 2025	31 December 2024
Change in defined benefit healthcare obligation	$000	$000
Defined benefit obligation at end of prior year	8,555	9,074
Current service cost	173	294
Interest expense	476	465
Cashflows - Benefits from employer	(34)	(26)
Remeasurements:-		
Effect of changes of demographic assumptions	(712)	-
Effect of changes of financial assumptions	2,274	(1,188)
Effect of experience adjustments	(47)	(64)
Defined benefit obligation at end of year	10,685	8,555

	31 December 2025	31 December 2024
Components of defined benefit healthcare cost	$000	$000
Current service cost	173	294
Interest expense on DBO	476	465
Interest income on plan assets	-	-
Defined benefit cost included in P&L	649	759
Remeasurements (recognised in other comprehensive income)		
Effect of changes in demographic assumptions	(712)	-
Effect of changes in financial assumptions	2,274	(1,188)
Effect of experience adjustments	(47)	(64)
Total remeasurements included in OCI	1,515	(1,252)
Total defined benefit cost recognised in P&L and OCI	2,164	(493)

9. Post-Employment Benefits (continued)

c. Defined Benefit Healthcare (continued)

Reconciliation of defined benefit healthcare liability	31 December 2025 $000	31 December 2024 $000
Net defined benefit liability	8,555	9,074
Defined benefit cost included in P&L	649	759
Total remeasurement included in OCI	1,515	(1,252)
Cash Flows - Employer direct benefit payments	(34)	(26)
Net defined benefit liability	**10,685**	**8,555**
Define benefit obligation by participant status		
Actives	6,336	5,597
Retirees	4,349	2,958
Defined benefit obligation total	**10,685**	**8,555**

Actuarial Assumptions

The principal actuarial assumptions used to determine benefit obligations at 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025 %	31 December 2024 %
Weighted-average assumptions to determine defined benefit obligation		
Effective discount Rate for defined benefit obligation	5.85	5.80
Healthcare cost trend rates		
Immediate trend rates	7.22	5.15
Ultimate trend rate	4.00	4.00
Weighted-average assumptions to determine defined benefit cost		
Effective Discount Rate for defined benefit obligation	5.80	5.15
Effective rate for net interest cost	5.60	5.15
Effective discount rate for service cost	5.85	5.10
Effective rate for interest on service cost	5.85	5.15
Healthcare cost trend rates		
Immediate trend rates	5.15	5.19
Ultimate trend rate	4.00	4.00

9. Post-Employment Benefits (continued)

c. Defined Benefit Healthcare (continued)

	31 December 2025	31 December 2024
	$000	$000
Sensitivity analysis		
Change in defined benefit obligation		
Effective discount rates - 25 basis points	499	401
Effective discount rates + 25 basis points	(470)	(377)
Healthcare cost trend rates - 100 basis points	(1,879)	(1,384)
Healthcare cost trend rates + 100 basis points	2,385	1,743
Mortality assumption + 10%	(349)	(274)
Expected cash flows for following year		
Expected employer contributions	147	01
Expected total benefit payments		
Year 1	147	101
Year 2	168	118
Year 3	202	137
Year 4	245	162
Year 5	279	194
Next 5 years	2,132	1,481

10. Lease of premises

Accommodation

The Authority has the following:-

i. Office Accommodation Leases with Cayman Islands Government effective 1 July 2011 on a year-to-year lease at an annual rent of CI$47k and annual Common Area Maintenance ("CAMs") of CI$205k.

ii. Office Accommodation Leases with Cricket Square Ltd. effective 16 June 2025 for ten (10) years at a current cost per square foot of US$55.00 to US$75 for rent; Enhanced fit-out Fee US$15 per square foot.

iii. Storage Agreement with Rosseau Ltd effective 1 June 2023 for five (5) years at a current annual rent of CI$115.5k and annual CAMs of CI$7k.

Business Continuity Leases

As a part of its Business Continuity Plan the Authority has the following agreements:-

i. An agreement with the DRC (Cayman Islands) Limited for dedicated seats effective 1 July 2023 for a period of three years at an annual rent of US$224.4k; and

ii. An agreement with the DRC (Cayman Islands) Limited for dedicated suite effective 1 September 2023 for a period of five years at an annual rent of US$87.12k.

10. Lease of premises (continued)

The right-of-use asset and the lease liability are reflected in the financial statements as follows:

Right-of-use asset

	2025 $000	2024 $000
Balance at 1 January	8,020	9,342
Additions	29,466	395
Terminations (June 2025)	(6,333)	-
Depreciation charge for the year	(2,824)	(1,717)
Balance at 31 December	28,329	8,020

Lease liability

	2025 $000	2024 $000
Balance at 1 January	8,282	9,735
Additions	29,466	394
Terminations (June 2025)	(6,600)	-
Interest Expense	1,086	591
Lease payments	(3,534)	(2,438)
Balance at 31 December	28,700	8,282

	Future minimum lease payments (undiscounted) $000	Interest $000	Present value of minimum lease payments $000
Less than one year	4,273	(1,495)	2,778
Between one and two years	4,056	(1,396)	2,660
More than two years	28,870	(5,609)	23,262
	37,200	(8,500)	28,700

Amounts recognised in the Statement of Comprehensive Income

Amounts recognised in the Statement of Comprehensive Income

	2025 $000	2024 $000
Depreciation of right-of-use asset	2,824	1,717
Interest on lease liabilities	1,086	591
Gain on derecognition of leases	(269)	-
	3,641	2,308

The total cash outflows for leases in 2025 was $3,534k (2024: $2,438k).

11. Commitments

Capital and operating commitments

	One year or less	One to five years	Over five years	Total
	$000	$000	$000	$000
Capital Commitments				
Leasehold Fitouts and furniture	-	-	-	-
Total Capital Commitments	-	-	-	-
Operating commitments				
Non-cancellable contracts for the supply of goods and services	4,928	24,104	17,674	46,706
Total Operating Commitments	4,928	24,104	17,674	46,706
Total Commitments	4,928	24,104	17,674	46,706

The Authority has entered various operating commitments with terms less than one year to over five years term amounting to $46,706k (2024: $52,961k). A substantial part of this amount pertains to contract with Cricket Square Four Ltd., which had a rent commencement date of 16 June 2025 and is for a period of ten (10) years.

12. Related Party Transactions

a. Services Provided to the Cayman Islands Government

The Authority acts as the Government's custodian of the Cayman Islands currency as well as collector of license and other fees (these fees do not form a part of the Authority's revenue) and the regulator and supervisor of the financial services business.

One of the Authority's main sources of revenue is from the services provided to the Cayman Islands Government, which is used to cover the Authority's recurrent expenditure. As at 31 December 2025, the services provided to the Government was $25,318k (31 December 2024: $25,318k).

Commencing in the year ended 30 June 2007 the Authority's capital expenditure was funded from the Capital Expenditures Reserve, which was created from an allocation of the surplus for the year ended 30 June 2006; previously capital expenditure was funded by means of a Government grant. At the end of each financial year, the Authority contributes to the Government's general revenue after fulfilling Reserve requirements.

b. Directors

The Board of Directors of the Authority is appointed by Cabinet and consisted of the Chief Executive Officer ("CEO") and nine directors as at 31 December 2025 (nine directors at 31 December 2024). The fees of $180k (2024: $174k) relates to payments made to the eight directors only, as there is one ex-officio director.

c. Key Management Personnel

For the purposes of IAS 24 disclosure the Chief Executive Officer is included in the number and cost of the Senior Management Team. The total number of personnel on the Senior Management Team was 23 at year-end, (2024: 21 at year end) and salaries & other benefits expensed and/or paid in 2025 was $4,818k (2024: $4,674).

12. Related Party Transactions(continued)

d. Services Provided by Government Entities

The Authority obtained various goods and services from other departments/entities of the Cayman Islands Government, at prevailing market prices on an arm's length basis, in the current period in the amount of $554k (2024: $452k).

13. Other Operating Expenses

	31 December 2025 $000	31 December 2024 $000
Maintenance and software licences	1,668	1,559
Other expenses	1,711	1,294
Currency Stock issues and related expenses	560	740
Common Area Maintenace cost (CAMS)	994	871
eMerchant Discounts	279	233
Janitorial Services	216	192
Directors Fees	180	174
Management and Custody Fees	82	81
Business Continuity	154	137
Total	5,844	5,281

14. Salaries and Benefits

	31 December 2025 $000	31 December 024 $000
Salaries and Allowances	31,344	27,135
Performance Award and honorarium	1,130	1,820
Accrued Leave Provision	112	66
Medical Expense	4,392	3,391
DB Healthcare Expense	649	759
	37,627	33,171
Remeasurement of DB Healthcare liability in OCI	1,515	(1,252)
	39,142	31,919

15. Accommodation

As at 31 December 2025, total accommodation expense including parking was $234k (2024: $264k).

16. Contingencies

Section 47 of The Public Authorities Act, (2020 Revision)

Section 47 of the Public Authorities Act, (2020 Revision), (the "PAA") came into effect on 1 June 2019. The section requires public authorities to use the same salary scale as determined by Cabinet and requires the remuneration of employees of a public authority to be adjusted to reduce any differences between the public authorities' and public service's salary grades.

16. Contingencies (continued)

The Cayman Islands Government's Portfolio of the Civil Services evaluation of the Authority's salary grade versus that of the public service is still ongoing. The Authority conducted a full-scale market survey and salary benchmarking exercise across local, overseas, and Statutory Authority/Government Company comparators to assess the impact of adopting section 47 of the PAA. The results and findings are currently being reviewed by Senior Management and the Board. As such, management could not adjust for the impact of section 47 of the PAA in these financial statements until a final decision has been made. Additionally, a concluded estimate of the potential impact of the evaluation on its financial statements is still underway, and as such, no resultant provisions have been made in these financial statements.

Liability to the Cayman Islands Government – Compliance with the Public Authorities Act, (2020 Revision)

The Authority is required to comply with the Public Authorities Act, (2020 Revision), (the "PAA"). Section 36(1) of the PAA requires public authorities to pay an annual capital charge for the use of equity invested by the Government in the Office. The capital charge is set by the Minister of Finance and Economic Development ("the Ministry") after consultation with the public authority's board. There is no capital charge payable for 2025 because the rate for the 2025 financial year was set at 0%. Going forward, the Authority may be required to pay a capital charge in accordance with the PAA for future equity investments by the Government.

Section 39(2) of the PAA requires that where a public authority has surplus cash reserves for a period of more than ninety days, the surplus shall be paid to core Government, unless directed otherwise by Cabinet, after written consultation with the Board. In prior years, Cabinet has exempted public authorities from paying over surplus cash reserves and the Authority expects that a similar exemption will be made in respect of its surplus cash reserves as at 31 December 2025

Under Section 39(3) of the Public Authorities Act (2020 Revision), the Authority is not required to pay dividends in accordance with the formula established by the Ministry as the Authority has been granted an exemption effective 1 January 2019 which applies to dividends payable in respect of each fiscal year thereafter.

The Ministry of Finance and Economic Development, Policy name: "Policy for the Payment of Annual Dividends by Statutory Authorities and Government Companies (SAGCs)," Policy Number 1 of 2019, section 5 and 5.b. states:

5. The dividend formula, as provided in paragraph 18, applies to all SAGCs except for:"

    b. "The Cayman Islands Monetary Authority, where Net Profits of the Authority will be calculated, disbursed and transferred to the General Revenue of the Islands pursuant to the provisions of the Monetary Authority Act (2018 Revision) and in particular sections 9, 10 and 32 thereof."

Legal Proceedings

There are currently two (2) ongoing judicial reviews of the Authority's regulatory decisions before various levels of the Cayman Islands courts, of which some are under seal and are therefore confidential. As the outcomes are still pending and have not been finally determined, it is not yet possible to estimate reportable costs.

6. Subsequent events

On 18 March 2026, the Cayman Islands Government Cabinet appointed/re-appointed Board members for terms to end 31 March 2028.

Section 7
Scrutiny by Parliament

07

Enactment of Legislation

CIMA plays a central role in the fight against money laundering and terrorism financing. As part of its mandate, CIMA continues to monitor issues which have an impact, or potential impact, on the jurisdiction. Amongst the measures taken are the enactment of appropriate legislation and internal regulatory reforms. During the 2025 reporting period, several legislative proposals impacting financial services were tabled in Parliament. These included amendments related to beneficial ownership transparency, the common reporting standard, virtual asset service providers and regulatory fees.
Of particular note, Phase Two of the legislative framework for Virtual Asset Service Providers commenced on 1 April 2025, bringing into force the licensing and waiver provisions under the Virtual Asset (Service Providers) Act, 2020 (as amended) (the "VASP Act"). The Virtual Asset (Service Providers) Regulations, 2020 were amended through the Virtual Asset (Service Providers) Regulations, 2025 to support these changes, and amendments to the VASP Act passed in 2024 also came into effect on 1 April 2025. These amendments included updated definitions, enhanced prudential requirements, a minimum requirement of three directors, and non-refundable fees.

The Virtual Asset (Service Providers) (Amendment) Act, 2025 was also passed in 2025 but is not yet in force, as it is pending amendments to other relevant regulatory acts. This amendment is intended to clarify the treatment of tokenised funds in the jurisdiction.

For a list of the legislation that is currently in force and relevant to CIMA's functions, please see the Acts and Regulations section of our website.

Complaints

The Authority received a total of 255 complaints in 2025. Some of these included complaints against entities that were not registered with the Authority and complaints of entities potentially conducting business without a licence or registration to do so.

Freedom of Information

- 7 total requests received and 6 processed
- 2 granted full access
- 1 granted partial access
- 2 no records found

The remaining request received, and processed during the reporting period, was for information that was either excluded from release on the basis that the Freedom of Information Act (2021 Revision) ("FOI Act") excludes access to records containing information that may not be disclosed under section 50 of the MAA or was already in the public domain.

The request for information granted in part, also contained information that was not disclosable under section 50 of the MAA or another law that restricted access to records and was therefore excluded under the FOI Act.

Of the six requests processed during the reporting period, five were responded to within 30 days, and the timeframe for responding to the other request was extended under section 7(4) of the FOI Act. The remaining requests received during the reporting period was processed at the beginning of 2026 and will be captured in the statistics for the 2026 reporting period.

Section 8

Cross Government Commitment

08

Advisory Functions

The MAA requires CIMA to advise the Government on monetary, regulatory and cooperative matters. This includes providing advice as to whether CIMA's functions are consistent with those discharged by overseas regulators; whether the regulatory legislation is consistent with those of other countries and territories; and advising on the recommendations of international organisations.

The MAA also requires CIMA to consult with the local private sector on the proposed issuance or amendment of rules or statements of principle or guidance concerning the conduct of licensees and their officers and employees; statements of guidance concerning the requirements of the money laundering regulations, and rules or statements of principle or guidance to reduce the risk of financial services business being used for money laundering or other criminal purposes.

Through its involvement with overseas regulatory authorities, participation in local and international forums, and interaction and consultation with local and overseas market participants, CIMA is able to stay abreast of developments relevant to the local financial services sector, and the concerns of the industry, and to advise the Government based on the information gathered. CIMA also carries out its own research and assessment, including cost-benefit analyses of all new regulatory measures it proposes, and makes recommendations to the Government accordingly. Advice to the Government is provided through meetings, participation in various Government groups and through written reports and submissions, including financial sector legislative proposals (draft bills and regulations) and Cabinet papers.

The measures implemented or in development are covered in the Regulatory Developments section on page XX.

Future Objectives & Outlook

In line with our 2024 – 2026 Strategic Plan, CIMA is committed to continue delivering on its six main strategic objectives. These are:

1. Improve our technological capability for enhanced productivity, and to support efficient and effective regulation of the financial services industry.
2. Provide support for improving effectiveness in combating financial crime and achieving a positive assessment on the FATF 5th Round Review of the Cayman Islands.
3. Establish proactive, sustainable, and effective financial services regulation.
4. Recognised as an employer of choice.
5. Improve the integrity and quality of the Cayman Islands currency.
6. Increase public outreach and education.

The implementation of these plans will be closely monitored and reviewed on a quarterly and annual basis to ensure the degree to which each initiative is on time, on budget and within scope. They will also seek to strike an appropriate balance between the human and financial resources directed at implementing an agenda for change, and the resources needed for ongoing successful delivery of the activities and outputs outlined in the delivery model.

Risk Management

CIMA remains committed to a dynamic risk management framework in response to the increasing volatility, complexity and ambiguity of the financial services industry. Our strategy includes the implementation of a robust and adaptable risk management framework, as a key strategic tool. This strategic approach requires maintaining operational resilience, applying risk informed decision-making, and encouraging accountability while enabling innovation and responsiveness.

Our risk management framework is designed to ensure that the Authority makes informed, deliberate choices, while taking advantage of appropriate opportunities. Through a comprehensive process of risk identification and assessment that includes communication, consultation, and collaboration with internal and external stakeholders the Authority continues to work towards building a resilient and adaptable culture to navigate uncertainty.

Key components of the Authority's risk management framework include:

1. Strong governance structure that is aligned with the 'three-lines-of-defence' model, overseen by our Board of Director and CEO, and requiring active participation from all staff.
2. Strategy integration involving risk consideration during strategic decision-making to ensure that management examine alternative strategies for best fit for the Authority's mission and strategic objectives.
3. Continuous learning and improvement through performance evaluations, staff learning and development, as well as through feedback from internal and external audits enables the Authority to enhance organisational resilience.

In 2025, the Authority continued the risk management initiative and focused on strengthening internal capacity for robust institutional risk management through a series of targeted training sessions on the risk-based supervisory framework, data protection, cybersecurity, and procurement act and regulations. These training sessions were designed to embed and equip relevant staff with the necessary skills and capacity to mitigate supervisory risks, data protection and cybersecurity risks, and procurement compliance risks.

CAYMAN ISLANDS MONETARY AUTHORITY