Quarterly
Economic Review
MARCH 2025

CENTRAL BANK OF THE BAHAMAS

VOLUME 34 | No. 1
www.centralbankbahamas.com

The Quarterly Economic Review (QER) is a publication of the Central Bank of The Bahamas, prepared by the Research Department, for issue in March, June, September and December. All correspondence pertaining to the QER should be addressed to:

The Manager
Research Department
Central Bank of The Bahamas
P.O. Box N-4868
Nassau, Bahamas

www.centralbankbahams.com
Email address: research@centralbankbahamas.com

Contents

REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

Overview

Preliminary indications are that during the first quarter of 2025, the Bahamian economy sustained its positive expansion, but at a slower pace than in 2024, with economic indicators reverting closer to their expected medium-term potential. In particular, gains in tourism earnings though buoyed by robustness in the sea segment, were limited by constrained capacity in the high value-added air component. Nevertheless, several foreign investment projects, including developments in private cruise destinations, provided sustained stimulus to the construction sector. In price developments, domestic inflation moderated, reflecting the pass-through effects of lower global oil prices on imported oil and other goods.

Provisional data indicated that for the third quarter of FY2024/25, the Government's budgetary surplus increased considerably, vis-à-vis the comparable quarter of FY2023/24. The outturn was largely due to a VAT-led expansion in total revenue, combined with a decline in aggregate expenditure. Budgetary financing was sourced mainly from the domestic market and consisted of a mix of long and short-term debt instruments.

On the monetary front, bank liquidity contracted, despite the growth in the deposit base outpacing the rise in domestic credit. Moreover, the accumulation in the financial system's net foreign assets moderated, relative to the prior year, which had included robust foreign currency inflows from real sector activities and proceeds from Government's external borrowings. Meanwhile, buoyed by the continued improvement in economic activity, banks' credit quality indicators strengthened over the review period. In addition, banks' profitability indicators improved over the fourth quarter of 2024—the latest period for which data was available—underpinned by reduced provisions for bad debts, and higher interest income. Meanwhile, the weighted average interest rate spread narrowed during the review quarter, as the weighted average loan rate decreased, while the mean deposit rate increased.

In external sector developments, the estimated current account deficit narrowed during the review quarter, owing to an expansion in the services account surplus—which reflected healthy gains in travel receipts—and a decline in the primary income account deficit. These overshadowed the widening in the merchandise trade deficit. Similarly, the financial account inflows, excluding reserve assets, expanded, bolstered by inflows from other investments activities, combined with a rise in portfolio investment.

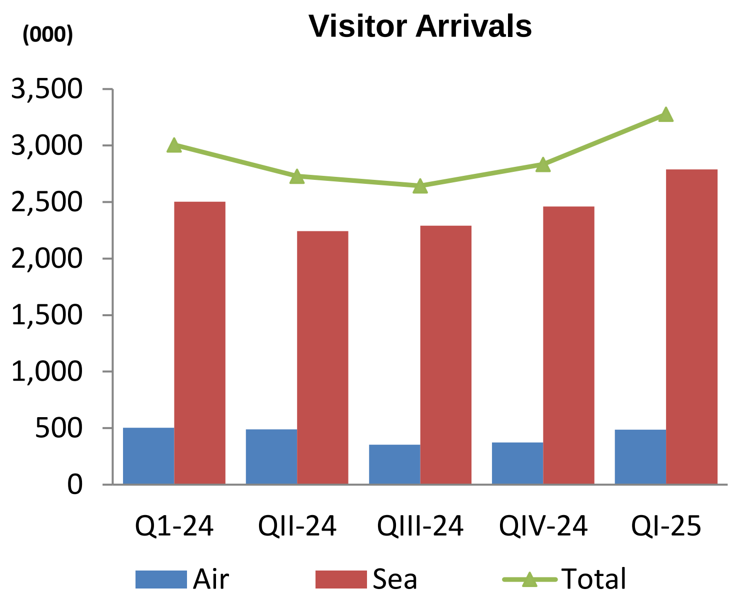
Real Sector

Tourism

Tourism output continued to register healthy gains during the first quarter of 2025, although at a moderated pace. Notable robust cruise segment expansion, contrasted with capacity constrained results in the high-valued air component, which accounted for the bulk of earnings.

Information from the Ministry of Tourism revealed that for the three-months to March, total foreign arrivals grew by 9.0% to 3.3 million, relative to the comparative period last year. Specifically, sea traffic increased by 11.4% to 2.8 million arrivals, vis-à-vis the preceding year. Conversely, the high-value added air-component declined by 3.3% to 0.5 million visitors.

A breakdown by major ports of entry showed that tourist arrivals to New Providence expanded by 7.7% to 1.5 million, on account of a 12.2% growth in sea passengers, which outstripped the 4.6% falloff in air traffic. In addition, arrivals to the Family Islands rose by 13.8% to 1.6 million visitors, owing primarily to a 14.9% gain in the sea segment, which contrasted with a 1.2% decrease in air arrivals. By contrast, in Grand Bahama, total visitors reduced by 22.8% to 0.1 million, as the 27.0% contraction in sea passengers, overshadowed the 11.6% expansion in air traffic.

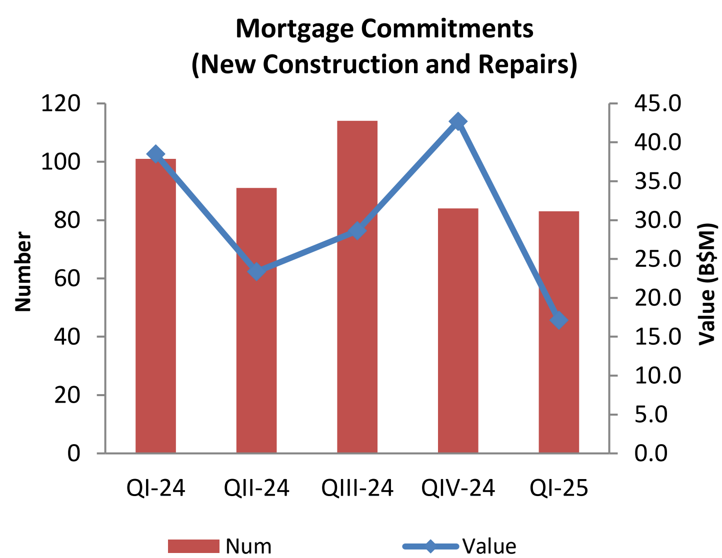


In line with onshore visitor trends, data provided by the Nassau Airport Development Company Limited (NAD) revealed that for the first quarter, total departures –net of domestic passengers–reduced by 3.6% to 0.4 million, vis-à-vis the same period in the prior year. Underlying this outturn, US departures decreased by 3.8%—constituting approximately 69.6% of all passengers—and non-US international departures, by 2.3%.

Favorable trends continued to be observed in the private vacation rental segment—a subset of the stopover market—with the rise in bookings paced by appreciated average pricing. Nevertheless, average occupancy rates lowered, owing to inventory expansion that exceeded the rate of gains in total sales. The most recent data provided by AirDNA indicated that during the first quarter, total room nights booked increased by 8.7% to 227,934, explained by a 9.7% growth in hotel comparable listings to 62,006 and an 8.3% rise in entire place listings to 165,928, relative to the corresponding period in 2024. An analysis by rental category revealed that, given inventory boost, the average occupancy levels for entire place listings fell by 5.4 percentage points to 53.0%, however, the average daily rate (ADR) increased by 7.7% to $1,650.23. Similarly, hotel comparable average rate declined by 5.4 percentage points to 49.6%, but the associated ADR appreciated by 4.6% to $569.32.

Construction

During the first quarter, construction sector activity was largely supported by varied-scaled foreign investment projects. Further, bank-financed domestic private sector activity strengthened vis-à-vis the same period last year.



In domestic financing developments, total mortgage disbursements for new constructions and repairs—as reported by banks, insurance companies and the Bahamas Mortgage Corporation—rose by 39.7% ($11.2 million) to $39.5 million, compared to the 2024 period. The outturn was largely owing to a significant rise in commercial disbursements, to $16.0 million, from just $2.3 million in the prior year. Contrastingly, residential disbursements decreased by 9.5% ($2.5 million) to $23.5 million, following a 9.5% expansion a year earlier.

Total mortgage commitments for new buildings and repairs—a forward-looking indicator of domestic activity—fell by 18 to 83, compared to 2024, with the associated value decreasing by 55.5% to $17.1 million. Categorized by loan type, the number of approvals for commercial commitments for new buildings and repairs declined by 4 to 2, while the accompanying value reduced to $0.1 million from $14.8 million a year earlier. Similarly, the number of undisbursed approvals for residential commitments decreased by 14 to 81, with the corresponding value lower by $6.6 million (27.9%), at $17.1 million.

With regard to interest rates, the average costs for commercial financing rose by 50 basis points to 6.6%, vis-à-vis the same quarter in the previous year. Likewise, the average interest rate for residential mortgages increased by a 1 basis point to 6.0%.

PRICES

Domestic consumer price inflation—as measured by changes in the average Retail Price Index for The Bahamas—continued to moderate in line with reduced prices pressures in fuel and other imports. In particular, during the twelve-months to March, the average consumer price inflation registered a flat outturn, from 2.4% in the corresponding 2024 period. Underlying this outturn, average costs declined for clothing & footwear, by 1.9%, and housing, water, gas, electricity & other fuels by 1.3%, after posting respective gains of 0.2% and 4.7% in the previous year. Similarly, average prices fell for recreation & culture, by 0.6% and for restaurant & hotels, by 0.3%, following respective increases of 1.7% and 3.3% in 2024. In addition, average inflation slowed for furnishing, household equipment & routine household maintenance (2.7%), food & non-alcoholic beverages (2.4%), miscellaneous goods & services (2.3%), alcohol beverages, tobacco & narcotics (1.8%), health (1.7%) and education (1.7%). Meanwhile, the decrease in average costs for communications moderated to 3.5% from 4.9% and for transportation, to 1.6% from 5.7% a year earlier.

Retail Price Index

(Annual % Changes;Mar)

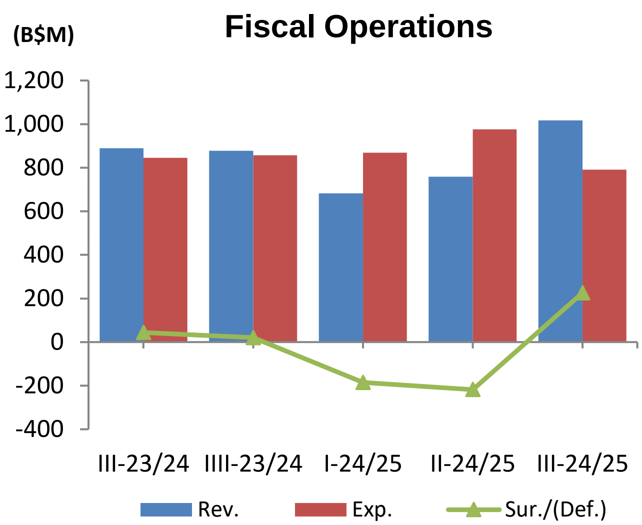
		2024		2025	
Items	Weight	Index	%	Index	%
Food & Non-Alcoholic Beverages	102.4	133.95	3.0	137.19	2.4
Alcohol, Tobacco & Narcotics	5.9	139.23	6.3	141.79	1.8
Clothing & Footwear	45.0	116.64	0.2	114.43	-1.9
Housing, Water, Gas, Electricity	321.7	116.13	4.7	114.65	-1.3
Furn. & Household, Maintenance	45.7	125.70	5.9	129.04	2.7
Health	44.0	159.24	7.5	161.90	1.7
Transportation	125.0	124.63	-5.7	122.68	-1.6
Communication	40.9	111.48	-4.9	107.57	-3.5
Rec., & Culture	24.6	130.31	1.7	129.56	-0.6
Education	42.4	107.72	3.0	109.55	1.7
Restaurant & Hotels	56.8	145.16	3.3	144.79	-0.3
Misc. Goods & Svcs.	145.6	112.08	3.8	114.70	2.3
ALL ITEMS	**1000.0**	121.77	2.4	121.75	-0.02

Reflective of the reduction in international oil prices, domestic energy costs declined during the first quarter of 2025. Specifically, the average price of diesel fell by 7.8% to $4.89 per gallon over the quarter, and moved lower by 6.7% on an annual basis. However, the average gasoline cost rose by 1.3% to $5.46 per gallon vis-à-vis the previous quarter; but declined by 2.8% in comparison to the same period in 2024. Similarly, during the first quarter, Bahamas Power and Light (BPL) fuel surcharge, average tiered prices for the generation of less than 800-kilowatt hour (kWh), decreased by 8.5% to 16.01 cents per kilowatt hour (kWh), partially reflecting the new exemption for zero to less than 200 kWh usage. However, the cost for the usage of more than 800 kWh rose by 10.2% to 20.01 cents per kWh.

FISCAL OPERATIONS

OVERVIEW

Provisional data on the Government's budgetary operations for the third quarter of FY2024/25 revealed that the overall surplus increased considerably to $237.7 million, from $44.3 million in the comparable FY2023/24 period. Underlying this development was a VAT-led rise in total revenue, by $139.9 million (15.7%) to $1,029.3 million, along with a $53.5 million (6.3%) reduction in aggregate expenditure to $791.6 million, owing primarily a decline in capital outlays.



REVENUE

Tax receipts—which comprised 88.2% of aggregate inflows—rose by $121.1 million (15.4%) to $907.8 million. Contributing, taxes on international trade increased by $46.3 million (27.4%) to $215.0 million, reflective of the ongoing strengthening in economic activities. In particular, departure taxes grew by $36.2 million (73.6%) to $85.5 million, underpinned by healthy growth in tourist arrivals. Further, export & excise duties rose by $11.0 million (19.9%) to $66.3 million, while other "miscellaneous" taxes increased by $0.1 million (52.5%) to $0.2 million. However, customs & other duties fell by $1.1 million (1.7%) to $62.9 million.

With regard to the other components, general taxes expanded by $38.2 million (10.2%) to $413.1 million, with VAT collections—at 42.0% of tax revenue—increasing by $33.6 million (9.7%) to $381.6 million. Further, proceeds from stamp taxes on financial and realty transactions grew by $4.5 million (16.7%) to $31.5 million. Similarly, income from excise taxes advanced

Government Revenue By Source (Jan-Mar)

	FY23/24p		FY24/25p	
	B$M	%	B$M	%
Property Tax	98.4	11.1	104.3	10.1
Value Added Tax	348.0	39.1	381.6	37.1
Stamp Taxes (Financial & Realty)	27.0	3.0	31.5	3.1
Excise Tax	1.3	0.1	3.8	0.4
Specific Taxes (Gaming Tax)	14.4	1.6	10.6	1.0
Motor Vehicle Taxes	11.2	1.3	12.0	1.2
Company Taxes	10.8	1.2	20.6	2.0
License to Conduct Specific Bus. Act.	101.2	11.4	125.6	12.2
Marine License Activities	2.4	0.3	2.6	0.3
Customs & Other Import Duties	64.0	7.2	62.9	6.1
Export & Excise Duties*	55.3	6.2	66.3	6.4
Departure Taxes	49.2	5.5	85.5	8.3
Other Taxes on Transctions	0.2	0.0	0.2	0.0
General Stamp Taxes	3.2	0.4	0.1	0.0
Property Income	18.1	2.0	12.6	1.2
Sales of Goods & Services	63.3	7.1	73.2	7.1
Fines, Penalties & Forfeits	1.7	0.2	2.8	0.3
Reimbursements & Repayments	19.0	2.1	30.1	2.9
Misc. & Unidentified Revenue	0.1	0.0	2.3	0.2
Sales of Other Non-Financial Assets	0.5	0.1	0.4	0.0
Grants	0.0	0.0	0.1	0.0
Capital Revenue	0.0	0.0	0.0	0.0
Total	**889.4**	**100.0**	**1,029.3**	**100.0**

* Includes excise duties, effective FY19/20

to $3.8 million from $1.3 million last year. In an offset, receipts from specific taxes—primarily gaming—fell by $3.8 million (26.2%) to $10.6 million.

In terms of the remaining categories, taxes on the use or supply of goods and services rose by $35.1 million (28.0%) to $160.8 million, bolstered by a $24.4 million (24.1%) rise in receipts from business licenses fees, to $125.6 million. In addition, company taxes almost doubled to $20.6 million from $10.8 million a year earlier, while motor vehicle and marine license taxes moved higher by $0.8 million (7.0%) and $0.1 million (5.4%) to $12.0 million and $2.6 million, respectively. In addition, revenue from property taxes grew by $6.0 million (6.1%) to $104.3 million. Meanwhile, collections from general stamp taxes reduced to negligible levels.

Non-tax receipts—at 11.8% of total revenue—rose by $18.7 million (18.2%) to $121.4 million. Leading this outturn, collections from reimbursements & repayments, mainly banks and trust companies license fees, grew by $11.0 million (58.1%) to $30.1 million. In addition, receipts from sales of goods and services (primarily customs & immigration fees) increased by $9.9 million (15.7%) to $73.2 million. Further, proceeds from "miscellaneous" & unidentified revenue advanced to $2.3 million from negligible levels the previous year, while fines, penalties and forfeitures increased by $1.1 million (64.8%) to $2.8 million. In an offset, property income declined by $5.5 million (30.6%) to $12.6 million, as a timing-related $12.6 million reduction in Government property receipts overshadowed the $7.1 million gain in interest and dividend income. Receipts from the sale of other non-financial assets also decreased to negligible levels.

EXPENDITURE

The reduction in total expenditure was largely due to a $55.6 million (55.0%) decline in capital spending to $45.4 million, which eclipsed the $2.1 million (0.3%) uptick in recurrent outlays to $746.2 million.

An analysis by economic category revealed that the rise in current spending was underpinned by higher disbursements for "miscellaneous" payments, by $8.7 million (13.0%) to $76.0 million, explained by an increase in allocations for insurance premiums, by $4.5 million (44.0%) to $14.8 million and current transfers, by $4.2 million (7.4%) to $61.2 million. Further, outlays for subsidies moved higher by $8.6 million (7.9%) to $117.6 million, primarily due to a rise in disbursements to public entities. In addition, allocations for interest payments on public debt rose by $3.9 million (3.6%) to $111.9 million, on account of an increase in both external and internal debt obligations. Similarly, personal emoluments rose by $1.7 million (0.8%) to $213.1 million. Providing some offset, disbursements for use of goods and services reduced by $13.0 million (7.2%%) to $167.1 million. Likewise, spending for grants declined by $4.9 million (68.5%) to $2.2 million. Further, spending for social benefits fell by $2.9 million (4.7%) to $58.4 million.

The contraction in capital outlays reflected a decrease in the acquisition of non-financial assets, by $39.0 million (50.0%) to $38.9 million, given reduced spending on fixed assets. Similarly, capital transfers declined by $16.6 million (71.9%) to $6.5 million.

FINANCING AND THE NATIONAL DEBT

Budgetary financing during the third quarter of FY2024/25 was predominantly from the domestic market. Specifically, internal borrowings totaled $580.9 million, consisting of local currency loans and advances ($301.0 million), net Treasury bills/notes ($213.7 million) and Government bonds ($66.2 million). Further, external drawdowns totaled a muted $0.1 million, reflecting disbursements on existing multilateral facilities. Debt repayments for the period amounted to $660.0 million, of which the largest portion (83.0%) went toward retiring Bahamian dollar obligations.

As a result of these developments, the Direct Charge on the Government declined by $48.9 million (0.4%) over the quarter ended-March 2025, to $11,708.7 million; however, on an annual basis it rose by $194.1

million (1.7%). A disaggregation by currency revealed a continued majority of the debt in Bahamian dollars (54.7%), with the balance in foreign currency (45.3%).

A further breakdown by creditor showed that Banks held the largest share of local currency debt (41.4%), followed by private (non-financial) and institutional investors (41.3%), the Central Bank (11.5%) and public corporations (5.8%). An analysis by instrument type revealed that Government bonds constituted the majority of the domestic currency debt (69.4%) and featured an average maturity of 8.8 years, compared to 9.5 years in 2024. Meanwhile, Treasury bills & notes and loans & advances, represented smaller shares of 22.5% and 8.1%, respectively.

The Government's contingent liabilities decreased by $4.6 million (1.4%) over the review quarter and by $13.1 million (4.6%) year-on-year, to $329.9 million. As a consequence, the National Debt, inclusive of contingent liabilities, declined by $53.5 million (0.4%) over the three-month period and by $181.0 million (1.5%) on an annual basis, to $12,038.6 million as at end-March 2025.

As a fraction of GDP, the Direct Charge declined by an estimated 1.4 percentage points on a yearly basis, to 74.0% at end-March. In addition, the National Debt-to-GDP decreased to an estimated 78.4%, from 80.0% in the same quarter of 2024.

Estimates of the Debt-to-GDP Ratios
March(%)[1]

	2023p	**2024p**	**2025p**
Direct Charge	79.9	75.4	74.0
National Debt	82.7	77.6	76.0
Total Public Sector Debt*	85.3	80.0	78.4

Source: Central Bank of The Bahamas and Bahamas National Statistical Institute

GDP growth estimate for 2025 is partially derived from IMF projections.

[1] *In the absence of actual quarterly GDP data for 2023-2024, the ratios presented should be taken as broad estimates of the relevant debt ratios and are therefore subject to revision.*

**Presented partially net of inter-public sector credit.*

PUBLIC SECTOR FOREIGN CURRENCY DEBT

During the review quarter, the public sector foreign currency debt decreased by $89.1 million (1.6%) to $5,642.3 million, and by $236.8 million (4.0%) vis-à-vis the same period last year. In particular, amortization payments of $119.2 million outstripped new drawings of just $0.1 million. An analysis by components showed that the Government's outstanding liabilities, at 93.9% of the total, reduced by $81.9 million (1.5%) to $5,299.4 million quarter-over-quarter. Similarly, public corporations' debt stock declined by $7.2 million (2.1%), to $342.8 million relative to the prior quarter.

Compared to the same period of 2024, foreign currency debt service payments fell by $313.3 million (65.7%) to $163.7 million, largely reflecting the Government's repayment of a $300.0 million international bond in the prior period. In terms of the components, Government's debt service payments contracted by $307.4 million (67.0%) to $151.1 million, as amortization payments decreased by $308.1 million (73.3%) to $112.0 million, while interest charges rose by $0.6 million (1.7%) to $39.1 million. Likewise, the public corporations' debt service payments declined by $5.9 million (31.7%) to $12.6 million, as amortization reduced by $3.6 million (33.1%) to $7.2 million and interest charges, by $2.3 million (29.8%) to $5.4 million. As a result of these developments, the Government's debt service to revenue ratio stood at 14.9% at end-March, an annual decline of 36.7 percentage points, while the debt service ratio, against exports of goods and services, narrowed to 9.1% at end-March, from 28.7% in 2024.

An analysis by creditor profile showed that capital market investors held the largest share of the foreign currency debt (41.5%), followed by financial institutions (30.8%), multilateral institutions (22.3%), Central Bank (4.1%), bilateral agencies (0.7%) and domestic banks (0.6%). A disaggregation by currency type revealed that, the majority of the debt stock was denominated in United States dollars (85.8%), with smaller portions in euro (8.3%), IMF SDRs (4.6%), the Chinese yuan (0.7%) and the Swiss franc (0.6%). At end-March, the average maturity of the outstanding foreign currency debt stood at 7.5 years, down from the 8.2 years in the corresponding 2024 period.

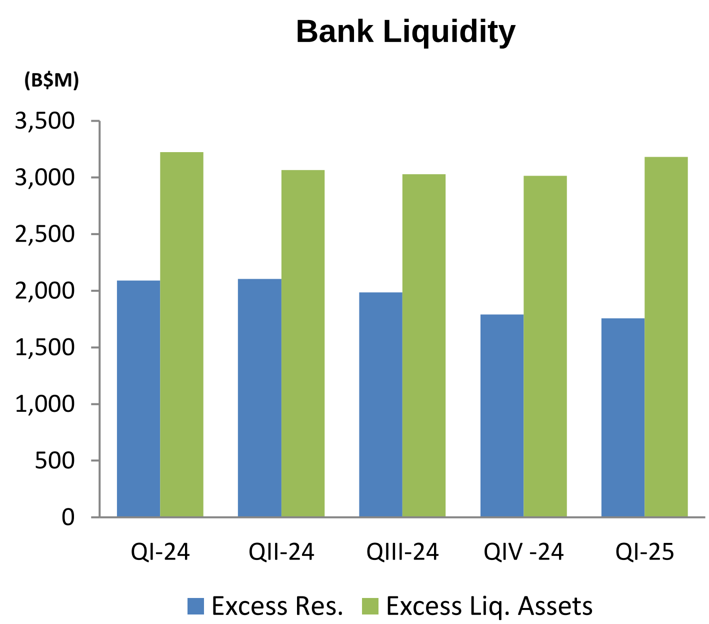
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Monetary developments during the first quarter of 2025 revealed a decline in banking sector liquidity, despite the expansion in deposits outpacing the growth in domestic credit. Further, the accumulation in the financial system's net foreign assets moderated, relative to the prior year, which had included robust foreign currency inflows from real sector activities and proceeds from Government's external borrowings. Meanwhile, in line with the continued improvement in economic activity, banks' credit quality indicators strengthened over the review period. In addition, banks' profitability indicators improved over the fourth quarter of 2024—the latest period for which data is available—underpinned by an increase in non-interest income, as provisions for bad debt reduced, along with higher interest income. Meanwhile, the weighted average interest rate spread narrowed during the review quarter, as the weighted average loan rate decreased, while the mean deposit rate increased.

LIQUIDITY

During the review quarter, net free cash reserves of the banking sector reduced by $34.7 million (1.9%), a switch from a $257.4 million (14.0%) expansion in the comparable period last year. As a result, the ratio of net free cash reserves to Bahamian dollar deposit liabilities decreased to 19.6% at end-March, from 24.1% in the corresponding quarter of the year prior. However, banks' broader surplus liquid assets grew by $167.3 million (5.6%), although a slowdown from the $328.9 million (11.4%) growth in the previous year, largely due to declines in cash holdings and the Government's long-term securities. At end-March 2025, the surplus liquid assets exceeded the statutory minimum by approximately 198.2%, compared to 210.2% in the same period in 2024.



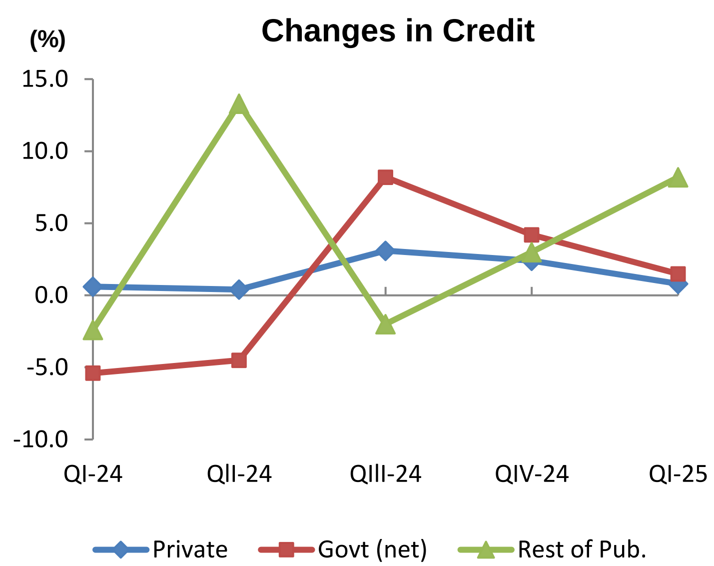
DEPOSITS AND MONEY

Overall money supply (M3) grew by $237.5 million (2.5%) in the first quarter, albeit lower than the $257.5 million (2.8%) accretion in the same period last year, placing the total stock at $9,723.0 million. In terms of the components, narrow money (M1) rose by $196.2 million (4.2%), outpacing the $155.4 million (3.6%) growth the year earlier. Contributing to this outturn, the buildup in demand deposits accelerated to $179.1 million (4.3%) from $134.2 million (3.5%), buoyed by an uptick in private placements. Meanwhile, currency in active circulation increased by $17.1 million (3.7%), just below the $21.1 million (4.9%) accumulation in the preceding year. Broad money (M2) growth also moderated to $204.9 million (2.3%) from $221.2 million (2.6%) in 2024. In particular, savings deposits gains slowed to $67.4 million (2.8%) from $105.9 million (4.7%) in the year prior; outweighing faster fixed balances expansion to $58.7 million (3.1%) from $40.0 million (2.0%) a year earlier. Meanwhile, the increase in residents' foreign currency deposits moderated to $32.6 million (6.6%) from $36.3 million (6.8%) in 2024.

A breakdown by category revealed that Bahamian dollar demand deposits constituted the bulk of the money stock (44.6%), followed by savings (25.8%) and fixed balances (19.1%). Further, residents' foreign currency deposits and currency in circulation accounted for smaller shares of 5.4% and 5.0%, respectively.

Domestic Credit

Total domestic credit rose by $14.8 million (0.1%) in the first quarter, a turnaround from the $154.4 million (1.6%) contraction in the comparative period of the previous year. This followed an average quarterly increase of 0.5% over the preceding five-year period. Specifically, the Bahamian dollar component—at 92.9% of the total—grew by $50.8 million (0.5%), a shift from a $145.5 million (1.6%) decline in the prior year. In contrast, the decrease in the foreign currency component widened to $36.0 million (4.8%) from $9.6 million (1.3%) in the comparative period of 2024.



A sectoral breakdown, showed the reduction in net credit to the Government slowing to $62.4 million (1.8%) from $183.3 million (5.4%) in the preceding year. This followed an average quarterly increase of 1.8% over the past five years. In contrast, private sector credit gains, firmed to $47.4 million (0.8%) from $36.7 million (0.6%) in 2024. Meanwhile, credit to the rest of the public sector rebounded by $29.8 million (8.2%), from the previous year's $7.8 million (2.4%) falloff.

A disaggregation of the various private sector components revealed that personal loans—which constituted the bulk of private sector credit at 72.6%—expanded by $29.8 million (0.6%), outstripping the $7.4 million (0.2%) gain a year earlier. This followed a 0.4% average quarterly increase over the past five years. In the underlying developments, overdrafts rose by $17.5 million (40.0%), as opposed to a $0.5 million (1.3%) falloff in the

Distribution of Bank Credit By Sector
(End-Mar.)

	2025		**2024**	
	B$M	%	B$M	%
Agriculture	0.6	0.0	0.7	0.0
Fisheries	1.8	0.0	1.9	0.0
Mining & Quarrying	1.5	0.0	2.0	0.0
Manufacturing	41.8	0.7	47.6	0.8
Distribution	352.6	5.6	310.3	5.2
Tourism	20.0	0.3	20.3	0.3
Enter. & Catering	22.1	0.3	24.3	0.4
Transport	148.3	2.3	6.6	0.1
Construction	237.2	3.7	198.6	3.3
Government	468.0	7.4	492.4	8.2
Public Corps.	110.6	1.7	76.5	1.3
Private Financial	42.2	0.7	44.0	0.7
Prof. & Other Ser.	96.4	1.5	80.5	1.3
Personal	4,713.1	74.5	4,530.7	75.7
Miscellaneous	73.2	1.2	93.0	1.6
TOTAL	**6,329.4**	**100.0**	**5,988.8**	**99.0**

previous year. In addition, the growth in consumer loans extended to $16.5 million (0.8%) from $10.4 million (0.5%) in the same period of the preceding year. Conversely, the decline in residential mortgages deepened to $4.2 million (0.2%) from $2.6 million (0.1%) in 2024.

A detailed decomposition of Bahamian dollar consumer credit indicated that credit balances rose for debt consolidation ($22.5 million) and private cars ($10.7 million). In contrast, net repayments were registered for "miscellaneous" purposes ($10.1 million), credit cards ($3.2 million), travel ($1.7 million) and education ($1.3 million). Smaller net repayments were recorded for land purchases ($0.5 million), home improvements ($0.5 million) and medical ($0.2 million).

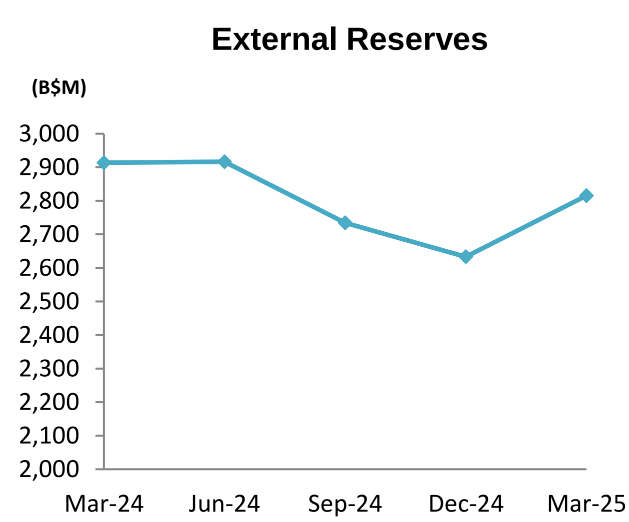
The remaining private sector loan categories showed that net lending increased for distribution ($44.8 million) and transport ($10.8 million). Contrastingly, credit balances declined for other "miscellaneous" purposes ($13.7 million), construction ($13.3 million), professional and "other" services ($9.2 million), manufacturing ($2.1 million) and entertainment and catering ($1.8 million); with smaller decreases of less than $1.0 million posted for tourism and mining and quarrying.

MORTGAGES

According to data obtained from domestic banks, insurance companies and the Bahamas Mortgage Corporation, the total value of mortgages outstanding decreased by $6.5 million (0.2%) to $2,941.7 million at end-March, extending the $1.8 million (0.1%) falloff recorded in the same period of the prior year. A breakdown by component showed that residential mortgages—accounting for 92.5% of total outstanding commitments—fell by $7.0 million (0.3%), following an $8.6 million (0.3%) reduction last year, to stand at $2,721.2 million. In contrast, commercial mortgages grew by $0.5 million (0.2%), although lower than the $6.8 million (3.9%) accretion in the previous year. At end-March, the bulk of mortgages were held by domestic banks (86.9%), followed by the Bahamas Mortgage Corporation (6.9%), and insurance companies (6.2%).

THE CENTRAL BANK

The Central Bank's net claims on the Government declined by $101.5 million (11.3%) during the first quarter, curtailing the $130.9 million (14.8%) reduction in the same period of the previous year, driven predominantly by a falloff in loans and advances. The outturn is relative to an average quarterly gain of $20.4 million (12.4%) over the last five years. Conversely, the Bank's net liabilities to commercial banks expanded by $82.4 million (3.7%), although a slowdown from the $268.8 million (12.0%) advance in the comparative period of 2024. In particular, the rise in deposits overshadowed the decline in notes and coins in circulation. Meanwhile, the Bank's net liabilities to the rest of the public sector remained unchanged at $6.5 million.



During the review quarter, external reserves rose by $182.1 million (6.9%), a marked seasonal slowdown from the $396.6 million (15.8%) accumulation registered in the same period of 2024. The latter had included significant net foreign currency inflows from real sector activities and proceeds from the Government's external borrowings. In the underlying developments, the Bank's net foreign currency purchases reduced to $158.0 million from $372.0 million in the same period of the prior year. Specifically, net purchases from commercial banks decreased to $278.9 million from $309.1 million in 2024. Further, the Bank's foreign currency transaction with the Government shifted to a net sale of $2.0 million, from a net purchase of $200.1 million in the previous year. Meanwhile, the Bank's net sales to public corporations—mainly for fuel purchases—fell to $119.0 million from $137.2 million in the comparative period of 2024.

At the end of March, the stock of external reserves stood at an estimated 29.1 weeks of the current year's total merchandise imports (including oil purchases), vis-à-vis 34.2 weeks in the same period last year. After adjusting for the 50.0% statutory requirement on the Bank's demand liabilities, "useable" reserves grew by $125.6 million (10.6%) to $1,309.9 million, relative to the same period last year.

DOMESTIC BANKS

At end-March, total net foreign liabilities of the domestic banking system stood at $183.1 million, lower than the net liability of $230.3 million in the previous quarter; but exceeded last year's net foreign liability of $100.8 million.

During the first quarter, domestic banks' credit expanded by $116.3 million (1.3%), a turnaround from a $23.9 million (0.3%) decline in the corresponding quarter in 2024. In particular, net claims on the Government advanced by $39.1 million (1.5%), a shift from the year earlier $53.2 million (2.1%) contraction. Similarly, credit to the rest of the public sector increased by $29.8 million (8.3%), as opposed to a $7.8 million (2.4%) falloff in the previous year. In addition, private sector credit growth strengthened to $47.4 million (0.8%), from $36.7 million (0.6%) a year earlier.

Growth in banks' total deposit liabilities—including Government balances—strengthened to $321.4 million, from $258.1 million (2.9%) in 2024. This extended the stock by 3.5% to $9,502.5 million. Reflective of this outturn, the accretion to total private sector deposits advanced to $233.7 million (2.7%) from $113.5 million (1.3%) in the preceding year. Similarly, the buildup in Government balances extended to $57.1 million (24.1%) from $40.3 million (17.6%) last year; and deposits of public corporations grew by $36.8 million (21.1%), following a gain of $8.7 million (4.6%) in the year prior.

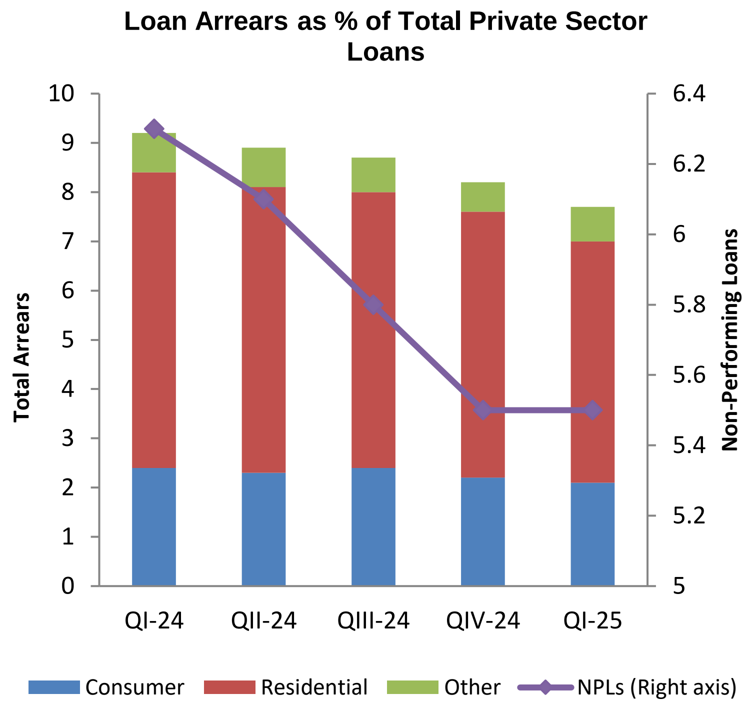
At end-March, the bulk of deposit liabilities were denominated in Bahamian dollars (94.3%), with US dollars largely constituting the remainder. A disaggregation by holder showed that private individuals held 51.8% of total local currency accounts, followed by business firms (31.7%), private financial institutions (6.9%), "other" miscellaneous entities (4.1%) and the public sector (2.2%).

A breakdown by category revealed that demand balances represented the largest share of deposits (50.6%), followed by savings (28.1%), and fixed accounts (21.4%). By range of value and number, Bahamian dollar balances of $10,000 or less comprised the bulk of accounts (87.1%), but only 5.3% of the total value. Accounts with balances between $10,000 and $50,000 accounted for 8.4% of total accounts, and 10.2% of the overall value, while accounts with balances over $50,000 represented 4.5% of total accounts, but 84.5% of the total value.

CREDIT QUALITY

During the review period, banks' credit quality indicators improved slightly, against the backdrop of the continued improvement in the domestic economy. Total private sector loan arrears declined by $17.9 million (3.8%) over the first quarter, and by $57.1 million (11.2%) year-on-year, to $451.6 million at end-March. The associated ratio of arrears to total private sector loans narrowed by 41 basis points on a quarterly basis, and 1.6 percentage points annually, to 7.7%.

A breakdown by age of delinquencies revealed that short-term arrears (31-90 days) decreased by $22.7 million (14.9%), with the attendant ratio lower by 42 basis points at 2.2%. In contrast, non-performing loans (NPLs)—arrears in excess of 90 days and on which banks have stopped accruing interest—rose by $4.8 million (1.5%) to $322.4 million, and by a 1 basis point to 5.5% of total private sector loans.



The quarterly decline in total private sector loan arrears was led by a $20.8 million (6.7%) contraction in mortgages, with the corresponding ratio narrowing by 88 basis points to 11.4%. Similarly, consumer arrears fell by $7.7 million (6.0%), contributing to a 45 basis points softening in the relevant ratio to 5.7% of total private sector loans. In contrast, commercial arrears grew by $10.5 million (32.5%), with the accompanying ratio increasing by 80 basis points to 3.6%. Meanwhile, the NPL ratio for consumer credit fell by 85 basis points to 3.8%, when compared to the same period in the previous year, while the ratio for mortgages reduced by 67 basis points to 8.0%, vis-à-vis the prior year. Likewise, the NPL ratio for commercial credit decreased by 56 basis point to 3.3% at end-March, as compared to the same period in the preceding year.

Provisions & Capital adequacy

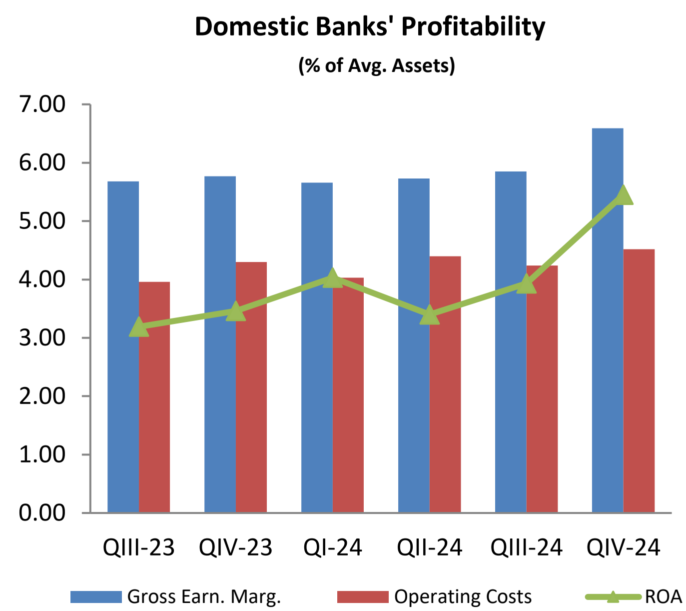
In line with the improvement in credit quality indicators, banks decreased their provisions for loan losses by $26.1 million (8.6%) during the first quarter. Correspondingly, the ratio of total provisions to arrears declined by 3.2 percentage points to 61.1%, while the ratio of total provisions to NPLs reduced by 9.5 percentage points to 85.5%. Further, banks wrote-off an estimated $2.3 million in bad loans, and recovered approximately $3.7 million during the review quarter.

Banks continued to maintain robust capital levels, with the average ratio of capital to risk-weighted assets slightly lower by 10 basis points at 33.5% at end-March, when compared to the same period a year earlier. The ratio remained well in excess of the minimum regulatory prescribed target of 17.0%.

Bank Profitability

During the fourth quarter of 2024—the latest period for which data was available—banks' net income rose by $64.0 million (62.9%) to $165.8 million, relative to the comparable quarter of 2023. In particular, fees and interest income rose, while reduced provisions for bad debt boosted other non-interest income. The net interest margin improved by $11.0 million (7.6%) to $155.4 million, owing to a $10.8 million (7.0%) rise in interest income, and a $0.2 million (2.5%) falloff in interest expenses. Further, income from commission and foreign exchange fees expanded by $19.9 million (78.8%) to $45.1 million, resulting in a $30.9 million (18.2%) growth in the gross earnings margin to $200.5 million.

As it relates to non-interest expense, banks' operating outlays rose by $11.0 million (8.7%) to $137.4 million. Leading this development, staff outlays grew by $11.5 million (29.7%) to $50.5 million, while occupancy costs moved higher by $2.4 million (78.9%) to $5.5 million. Providing an offset, non-staff related operating costs—inclusive of professional and rental fees—fell by $3.0 million (3.5%) to $81.4 million. Further, banks' other net earnings on their "non-core" activities increased by $44.1 million (75.4%) to $102.7 million, as provisions for bad debt declined by $30.0 million relative to the year prior. Meanwhile, other "non-interest" income moved higher by $13.7 million (20.6%) to $80.5 million, as depreciation costs edged down by $0.4 million (7.1%) to $5.9 million.



In this environment, banks' overall profitability ratio strengthened during the review period. As a percentage of average assets, the gross earnings margin firmed by 80 basis points to 6.59%, as the interest margin grew by 20 basis points to 5.11%. Similarly, the commission and foreign exchange income ratio rose by 60 basis points to 1.48%. Further, banks' net earnings margin ratio increased by 60 basis points to 2.07%, despite the operating costs margin rising by 20 basis points to 4.52%. In addition, supported by a gain in other income sources, along with a rise in interest income and a reduction in bad debt expenses, the net income ratio firmed by 2.0 percentage points to 5.45%,

Interest Rates

The weighted average interest rate spread at commercial banks narrowed by 8 basis points to 10.82% in the first quarter. Specifically, the weighted average lending rate moved lower by 4 basis points to 11.39%, while the weighted mean deposit rate rose by 4 basis points to 0.56%.

The decrease in the average lending rate was led by a reduction in the rates for consumer loans, by 39 basis points to 12.77% and commercial mortgages, by 37 basis points to 5.76%. Conversely, the lending rate for residential mortgages edged up by 2 basis points to 5.24%.

Banking Sector Interest Rates

Period Average (%)

	Qtr. I 2024	**Qtr. IV 2024**	**Qtr. I 2025**
Deposit Rates			
Demand Deposits	0.25	0.00	0.25
Savings Deposits	0.28	0.29	0.26
Fixed Deposits			
Up to 3 months	0.25	0.25	0.26
Up to 6 months	0.29	0.28	0.33
Up to 12 months	0.48	0.47	0.44
Over 12 months	0.92	1.58	1.34
Weighted Avg. Dep. Rate	**0.47**	**0.52**	**0.56**
Lending Rates			
Residential mortgages	5.17	5.22	5.24
Commercial mortgages	6.61	6.12	5.76
Consumer loans	12.69	13.16	12.77
Other Local Loans	5.53	6.88	7.61
Overdrafts	10.32	11.44	11.85
Weighted Avg. Loan Rate	**10.59**	**11.42**	**11.39**

As it relates to deposits, the average rate on demand deposits firmed by 25 basis points to 0.25%. In contrast, the rate for savings deposits softened by 3 basis points to 0.26%. Meanwhile, the average range of interest offered on fixed deposits shifted to 0.26% -1.34% from 0.25% - 1.58%.

In other interest rate developments, the average Treasury bill rate moved higher by 3 basis points to 2.97%. Meanwhile, the Central Bank's Discount rate and the commercial banks' Prime rate remained unchanged at 4.00% and 4.25%, respectively.

Capital Market Developments

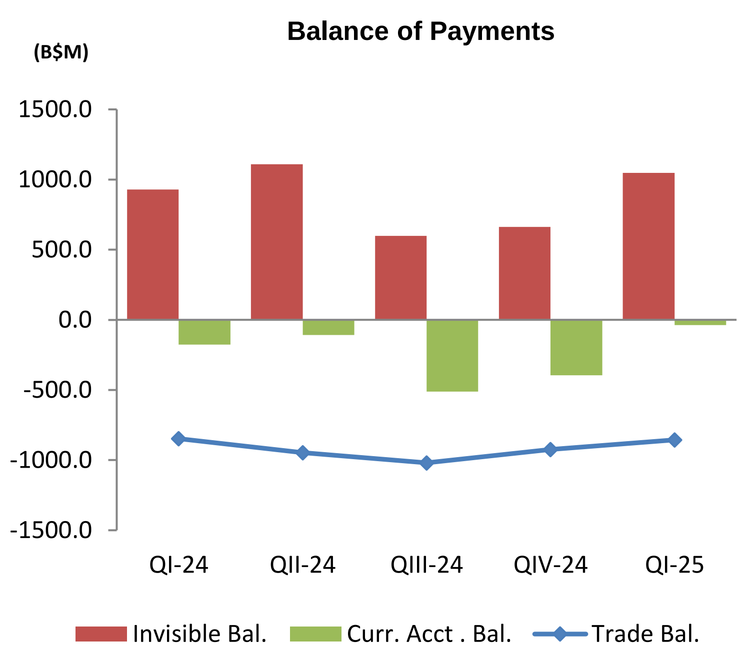
Capital market developments were relatively subdued over the review period. According to data from the Bahamas International Stock Exchange (BISX), the All Share Price Index rose marginally by 0.6% to 3,026.26 points over the quarter, and by 3.0% a year earlier. However, the volume of shares traded on the stock exchange declined to 1.4 million from 2.6 million in the previous quarter; although when compared to the same quarter of 2024, the volume of shares increased by 0.6 million. In line with this, the value of trades moderated to $11.7 million from $15.9 million in the previous quarter, but was higher than the $10.4 million recorded in March 2024.

In the Government debt securities market, the Central Bank facilitated offerings—inclusive of Treasury bills and Bahamas Registered Stock (BRS)—totaling $1.3 billion in the first quarter, which were oversubscribed by approximately 7.0%. This was marginally lower than the $1.4 billion in offerings recorded in the fourth quarter of 2024, which held an oversubscription rate of 19.0%. A breakdown by instrument revealed that there were four Treasury bill offerings over the review quarter. The average subscription rate for 91-day bills stood at 115.0%, relatively unchanged from the previous quarter, while the rate for 182-day bills steadied at 89.0%. Further, there were three bond offerings during the first quarter, with an average absorption rate of 81.0%, which was lower than the 138.0% registered in the fourth quarter of 2024.

With regard to market preference, the short-term market continued to be dominated by banks and institutional investors, while individual investors were more prominent in BRS offerings.

International Trade and Payments

Preliminary estimates for the first quarter of 2025 showed a notable narrowing in the external current account deficit to $37.0 million (79.0%) from $175.6 million in the corresponding period of 2024. The outturn was underpinned by an expansion in the services account surplus to $1,047.1 million from $929.4 million, reflective of boosted travel receipts, and a decline in the primary income account deficit, which overshadowed the widening in the merchandise trade deficit. Similarly, estimated net financial account inflows, excluding reserve assets, increased to $303.8 million from $275.0 million, bolstered by inflows from other investments activities, combined with a



rise in portfolio investment. Meanwhile, there were no estimated net capital account transfers during the first quarter, similar to the preceding year.

The estimated merchandise trade deficit increased by $8.6 million (1.0%) to $855.9 million during the review quarter, on account of a $65.7 million (7.0%) growth in imports to $1,052.6 million, which outweighed the $57.1 million (41.0%) gain in exports to $196.7 million. A breakdown of trade flows revealed that outflows for fuel imports rose by $3.9 million (2.0%) to $194.9 million. An analysis of the fuel sub-components showed that the average per barrel costs were higher for propane, by 2.9% to $58.29 and for gas oil, by 2.5% to $111.91. Providing some offset, the average per barrel prices for aviation gas reduced by 27.5% to $133.61; kerosene oil (jet-fuel), by 13.3% to $103.25; motor gas, by 6.9% to $112.08; and Bunker-C, by 6.5% to $67.66.

During the first three-months of 2025, the estimated surplus on the services account expanded by $117.7 million (12.7%) to $1,047.1 million, supported by a strengthening in net travel receipts by $71.7 million (5.0%) to $1,445.9 million, as tourism output remained buoyant. In addition, net payments reduced for telecommunications, computer and information services, by $7.4 million (35.0%) to $13.6 million; Government goods and services, by $3.5 million (5.0%) to $65.7 million; and for "other" business services, by $46.3 million (29.0%) to $111.0 million. Similarly, net outflows for construction services declined by $0.9 million (4.5%) to $18.0 million and charges for the use of intellectual property, by $0.5 million (12.0%) to $3.8 million. In a partial offset, net outflows for transportation grew by $9.5 million (8.0%) to $131.7 million, while net payments for insurance services rose by $3.1 million (6.0%) to $55.1 million.

The primary income account deficit (against wages and investment income), decreased by $54.3 million (21.6%) to $197.6 million during the review quarter. Specifically, net investment income outlays fell by $58.2 million (26.1%) to $164.5 million, as net outflows for direct investment—inclusive of dividends by banks—contracted by $78.0 million (57.6%) to $57.5 million. In contrast, 'other' net investment income outflows—inclusive of interest payments by banks, other companies and the Government—increased by $18.5 million (29.1%) to $82.2 million. In addition, remittances of employees' compensation rose by $3.9 million (13.4%) to $33.1 million and for net portfolio investment payments, by $2.1 million (5.6%) to $39.1 million.

Predominantly reflecting net transfers, the secondary income account deficit widened by $24.8 million (428.5%) to $30.6 million. Underlying this outcome, general Government transactions switched to a net outflow of $4.4 million, from a net inflow of $27.0 million in the preceding year. Likewise, net payments for workers' remittances increased by $1.6 million (7.1%) to $24.1 million. In an offset, net outflows declined for various non-financial corporations and households, by $5.0 million (16.3%) to $25.6 million and for 'other' net current private transfers' by $1.6 million (72.0%) to $0.6 million.

The net financial inflows–denoting investments—expanded to $303.8 million from $275.0 million in the comparative 2024 period. Contributing to this development, net inflows on banks' balance sheet (deposits and currency liabilities) advanced to $1,837.0 million from $1,201.9 million, predominantly net receipts from currency and deposits. Included in the estimates were reduced net loan receipts (largely to the non-bank public and private sectors) of $59.4 million compared to an estimated $161.1 million last year, given significantly reduced net loans to the government sector. These transactions were largely matched by outflows for net portfolio investment, mainly on the same balance sheet, by $523.3 million (51.2%) to $1,545.6 million. The latter also included an increase in net equities and investment funds outflows (private sector transactions) to $103.0 million from $9.0 million in 2024. Meanwhile, net inflows from direct investments declined notably to $12.4 million from $95.5 million in the preceding year, on account of lower net receipts from equity and investment fund shares, by $80.7 million (77.2%) to $23.9 million and higher debt instruments repayments, of $2.4 million (26.3%) to $11.5 million. Further, reflective of valuation changes, IMF Special Drawing Rights (SDRs) allocations shifted to a net receipt of $7.3 million from a net outflow of $5.3 million last year. Meanwhile, net inflows from loan transactions decreased by $101.7 million (63.1%) to $59.4 million, owing largely to a reduction in net receipts from the Government.

As a result of these developments, and adjusting for net errors and omissions, the surplus in reserve assets, which corresponds to the change in the Central Bank's external reserves, reduced to $182.0 million from $396.9 million in the first quarter of 2024.

INTERNATIONAL ECONOMIC DEVELOPMENTS

The global economy sustained its growth momentum during the first quarter of 2025, despite negative fallout from trade policy uncertainties and continued geopolitical tensions in Eastern Europe and the Middle East. In this environment, some of the major central banks relaxed their monetary policy stances in an effort to stimulate economic growth.

Outside of the United States and Japan, economic performance was mostly positive across the major economies during the review quarter. Real GDP in the United States fell by an annualized 0.3%, a turnaround from the 2.4% increase recorded in the previous quarter, driven by a rise in imports—reflecting the recent change in US trade policy—and a decrease in Government spending. Similarly, Japan's real GDP decreased by an annualized rate of 0.7%, following a 2.4% growth in the preceding quarter, owing to a flat outturn in private consumption and a falloff in exports. Conversely, in the United Kingdom, real GDP expanded by 0.7%, exceeding the 0.1% gain in the prior quarter, led by an increase in services and manufacturing output. Likewise, in the euro area, real output rose by 0.4%, extending the 0.2% rise in the previous quarter. Further, China's real economic growth held steady at an annualized 5.4% during the first quarter, as compared to the preceding three-month period.

During the first quarter, labour market conditions were mostly subdued for the major economies. In particular, in the United States, non-farm payroll grew by 228,000, due to job gains in health care, government, social assistance, transportation and warehousing; however, the unemployment rate firmed to 4.2% from 4.1% in the prior quarter. Further, China's jobless rate rose to 5.3%, from 5.1% in the preceding quarter. Likewise, Japan's unemployment rate increased by 10 basis points to 2.5%, relative to the previous quarter. The United Kingdom's unemployment rate also edged up to 4.5% during the first quarter, from 4.4% in the three months to December 2024. Meanwhile, the euro area's jobless rate was unchanged at 6.2% in the first quarter.

Inflationary pressures moderated for all of the major economies during the first quarter. In particular, in the United States, the annualized inflation rate decreased to 2.4% in March, from 2.9% in the prior quarter, reflecting a reduction in energy costs. The United Kingdom's annual inflation rate also softened to 3.4% in the review quarter, from 3.5% in the preceding quarter, owing to declines in the costs of recreation and culture and motor fuels. Similarly, the euro area's annualized inflation rate edged down to 2.2%, from 2.4% in the previous quarter, attributed to lower energy and services costs. In Asia, China's year-on-year inflation fell by 0.1% during the review quarter, after firming by the same magnitude in the previous quarter. Meanwhile, Japan's consumer prices stabilized at an annualized rate of 3.6% in the first quarter vis-à-vis the preceding quarter.

In foreign currency market developments, the United States' dollar depreciated against most of the major currencies during the three months to March. Specifically, the US dollar weakened against the Japanese yen by 4.6% to ¥149.96; the euro, by 4.3% to €0.92 and the British Pound, by 3.1% to £0.77. Likewise, the dollar decreased relative to the Swiss Franc, by 2.6% to CHF0.88 and the Chinese Renminbi, by 0.6% to CNY7.26. In contrast, the dollar held steady vis-à-vis the Canadian dollar, at CAD$1.44.

During the first quarter, most of the major equity markets weakened, responding to mounting trade policy uncertainties. In particular, in the United States, the S&P 500 and the Dow Jones Industrial Average (DIJA) fell by 4.6% and 1.3%, respectively. Further, in the Asian markets, Japan's Nikkei and China's SE Composite reduced by 10.7% and 0.5%, respectively. Conversely, the German Dax rose by 11.3%, France CAC 40, by 5.6%, and the United Kingdom's FTSE, by 5.0%.

In the commodities market, attributed to lower global oil costs, average crude oil prices declined by 9.7% to $75.56 per barrel during the first quarter, as average crude oil production rose by 0.7% to average 122.6 million barrels per quarter. In an offset, in the precious metals market, as investors target less risker assets, the average costs of gold increased by 39.1% to $2,926.60 per troy ounce, and silver, by 37.3% to $32.30 per troy ounce.

Movements in most of the major economies' external sector balances deteriorated during the review quarter. Specifically, in the United States, the trade deficit widened by $144.2 billion (57.6%) to $394.6 billion, as the 15.6% gain in imports, outweighed the 2.6% rise in exports. Further, Japan's trade deficit expanded notably to ¥1,596.8 billion, from ¥460.1 billion in the prior quarter, explained by a 5.9% growth in imports, which offset the 7.4% increase in exports. In addition, China's trade surplus tapered by $24.9 billion (9.1%) to $273.0 billion, relative to the previous quarter, as exports fell by 12.1%, offsetting the 13.5% falloff in imports. Conversely, the United Kingdom's trade deficit reduced by £3.6 billion to £6.6 billion, owing to a 5.0% rise in exports, which overshadowed the 3.2% growth in imports. Further, the euro area trade surplus surged to €62.0 billion, from €15.5 billion in the previous quarter, on account of a 9.7% expansion in exports, which outstripped the 9.1% increase in imports.

In an environment of easing inflationary pressures, some of the major central banks relaxed their monetary policy stances during the first quarter, in an attempt to further curb inflation and encourage economic growth. Specifically, the European Central Bank lowered its key interest rates on main refinancing operations to 2.65% from 3.15%; the marginal lending facility, to 2.90% from 3.40%; and the deposit facility, to 2.50% from 3.00%. Further, the Bank's asset purchase programme (APP) continued to decline, due to the discontinuation of reinvestments of principle payments for maturing securities. Likewise, the Bank of England reduced its main policy rate to 4.50% from 4.75%, while decreasing the Government's bond purchase programme to £623.0 billion. Meanwhile, the United States' Federal Reserve maintained its target range for the Federal funds rate at 4.25%-4.50%. The Federal Reserve also continued to decrease its holdings of Treasury securities and agency debt, as well as mortgage-backed securities. Similarly, the People's Bank of China kept its reverse repo rate at 1.5%, and conducted reverse repo operations in the first quarter, in an effort to stabilize banking system liquidity levels. Conversely, the Bank of Japan increased its policy rate to 0.50% from 0.25%.

STATISTICAL APPENDIX (TABLES 1-16)

TABLE 1
FINANCIAL SURVEY

Period	2020	2021	2022	2023		2024				2025
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
				(B$ Millions)						
Net foreign assets	2,141.9	2,337.5	2,492.0	2,399.7	2,360.5	2,813.2	2,798.6	2,545.2	2,402.8	2,632.0
Central Bank	2,382.2	2,432.8	2,611.0	2,576.8	2,517.4	2,914.0	2,916.5	2,734.4	2,633.0	2,815.1
Domestic Banks	(240.2)	(95.2)	(119.1)	(177.0)	(156.9)	(100.8)	(117.8)	(189.2)	(230.3)	(183.1)
Net domestic assets	5,722.3	5,889.5	6,516.8	6,710.3	6,780.1	6,584.9	6,493.6	6,780.9	7,089.8	7,097.8
Domestic credit	8,614.4	8,929.0	9,312.5	9,547.9	9,608.6	9,453.5	9,374.5	9,804.0	10,103.6	10,118.4
Public sector	2,848.3	3,248.3	3,557.0	3,717.3	3,749.5	3,557.7	3,454.4	3,701.2	3,853.0	3,820.5
Government (net)	2,524.4	2,933.1	3,209.6	3,381.8	3,423.4	3,239.3	3,093.7	3,347.8	3,489.2	3,426.8
Rest of public sector	323.8	315.2	347.4	335.6	326.1	318.3	360.6	353.3	363.8	393.6
Private sector	5,766.1	5,680.7	5,755.5	5,830.6	5,859.1	5,895.8	5,920.2	6,102.8	6,250.6	6,298.0
Other items (net)	(2,892.2)	(3,039.5)	(2,795.7)	(2,837.6)	(2,828.5)	(2,868.6)	(2,880.9)	(3,023.1)	(3,013.8)	(3,020.6)
Monetary liabilities	7,864.2	8,220.3	9,002.0	9,103.3	9,133.9	9,391.4	9,285.5	9,319.3	9,485.8	9,723.1
Money	3,472.1	3,715.5	4,296.8	4,290.7	4,318.7	4,474.0	4,417.9	4,452.0	4,626.5	4,822.7
Currency	373.0	385.9	422.8	428.0	430.9	452.0	455.2	457.8	466.7	483.8
Demand deposits	3,099.1	3,329.6	3,874.0	3,862.7	3,887.8	4,022.0	3,962.6	3,994.2	4,159.8	4,338.8
Quasi-money	4,392.1	4,504.8	4,705.3	4,812.6	4,815.2	4,917.4	4,867.6	4,867.4	4,859.4	4,900.4
Fixed deposits	2,245.2	2,172.2	2,073.9	2,045.0	2,022.6	1,982.6	1,952.9	1,932.0	1,917.9	1,859.2
Savings deposits	1,788.4	1,885.0	2,089.0	2,233.7	2,261.7	2,367.5	2,385.8	2,394.3	2,444.9	2,512.1
Foreign currency	358.5	447.7	542.3	533.9	531.0	567.3	529.0	541.1	496.5	529.1
				(percentage changes)						
Total domestic credit	(3.8)	3.7	4.3	1.3	0.6	(1.6)	(0.8)	4.6	3.1	0.1
Public sector	(7.1)	14.0	9.5	2.6	0.9	(5.1)	(2.9)	7.1	4.1	(0.8)
Government (net)	(3.7)	16.2	9.4	2.9	1.2	(5.4)	(4.5)	8.2	4.2	(1.8)
Rest of public sector	(27.2)	(2.7)	10.2	(1.0)	(2.8)	(2.4)	13.3	(2.0)	3.0	8.2
Private sector	(2.1)	(1.5)	1.3	0.5	0.5	0.6	0.4	3.1	2.4	0.8
Monetary liabilities	(0.4)	4.5	9.5	(1.8)	0.3	2.8	(1.1)	0.4	1.8	2.5
Money	6.9	7.0	15.6	(1.7)	0.7	3.6	(1.3)	0.8	3.9	4.2
Currency	10.8	3.5	9.5	(0.5)	0.7	4.9	0.7	0.6	1.9	3.7
Demand deposits	6.4	7.4	16.4	(1.8)	0.6	3.5	(1.5)	0.8	4.1	4.3
Quasi-money	(5.4)	2.6	4.4	(2.0)	0.1	2.1	(1.0)	(0.0)	(0.2)	0.8

Source: Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

Period	2020	2021	2022	2023		2024				2025
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
				(B$ Millions)						
Net foreign assets	2,520.0	2,680.0	2,888.1	2,809.7	2,776.6	3,062.5	3,023.4	2,797.7	2,688.4	2,904.1
Central Bank	2,382.2	2,432.8	2,611.0	2,576.8	2,517.4	2,914.0	2,916.5	2,734.4	2,633.0	2,815.1
Commercial banks	137.9	247.2	277.0	232.9	259.2	148.5	107.0	63.4	55.4	89.0
Net domestic assets	5,234.5	5,538.7	6,115.2	6,295.2	6,357.3	6,330.6	6,260.7	6,521.2	6,801.1	6,812.0
Domestic credit	8,546.6	8,884.5	9,209.0	9,431.6	9,481.4	9,331.0	9,264.2	9,660.0	9,948.2	9,973.5
Public sector	2,835.1	3,248.2	3,557.0	3,717.2	3,749.4	3,557.6	3,454.3	3,701.0	3,853.0	3,820.4
Government (net)	2,511.2	2,933.1	3,209.6	3,381.7	3,423.3	3,239.3	3,093.7	3,347.7	3,489.2	3,426.8
Rest of public sector	323.8	315.1	347.3	335.5	326.1	318.3	360.6	353.3	363.8	393.6
Private sector	5,711.6	5,636.3	5,652.0	5,714.4	5,732.0	5,773.3	5,809.8	5,959.0	6,095.2	6,153.1
Other items (net)	(3,312.1)	(3,345.8)	(3,093.8)	(3,136.4)	(3,124.1)	(3,000.3)	(3,003.5)	(3,138.8)	(3,147.1)	(3,161.5)
Monetary liabilities	7,754.6	8,212.0	8,996.6	9,098.2	9,127.2	9,386.4	9,277.4	9,312.3	9,482.8	9,709.4
Money	3,377.5	3,707.9	4,291.9	4,286.0	4,312.4	4,469.4	4,410.5	4,445.6	4,624.1	4,809.4
Currency	373.1	386.0	422.8	428.0	430.9	452.0	455.3	457.8	466.7	483.9
Demand deposits	3,004.4	3,321.9	3,869.2	3,858.0	3,881.5	4,017.4	3,955.2	3,987.8	4,157.4	4,325.6
Quasi-money	4,377.1	4,504.1	4,704.6	4,812.2	4,814.8	4,917.0	4,866.9	4,866.7	4,858.7	4,900.0
Savings deposits	1,788.4	1,885.0	2,089.0	2,233.7	2,261.7	2,367.5	2,385.8	2,394.3	2,444.9	2,512.1
Fixed deposits	2,230.8	2,172.2	2,073.9	2,045.0	2,022.6	1,982.6	1,952.9	1,932.0	1,917.9	1,859.2
Foreign currency deposits	357.9	446.9	541.7	533.5	530.5	566.9	528.2	540.5	495.8	528.6
				(percentage change)						
Total domestic credit	(4.0)	4.0	3.7	1.2	0.5	(1.6)	(0.7)	4.3	3.0	0.3
Public sector	(7.1)	14.6	9.5	2.6	0.9	(5.1)	(2.9)	7.1	4.1	(0.8)
Government (net)	(3.6)	16.8	9.4	2.9	1.2	(5.4)	(4.5)	8.2	4.2	(1.8)
Rest of public sector	(27.2)	(2.7)	10.2	(1.0)	(2.8)	(2.4)	13.3	(2.0)	3.0	8.2
Private sector	(2.3)	(1.3)	0.3	0.3	0.3	0.7	0.6	2.6	2.3	0.9
Monetary liabilities	(0.8)	5.9	9.6	(1.8)	0.3	2.8	(1.2)	0.4	1.8	2.4
Money	6.0	9.8	15.8	(1.6)	0.6	3.6	(1.3)	0.8	4.0	4.0
Currency	10.7	3.5	9.5	(0.5)	0.7	4.9	0.7	0.6	1.9	3.7
Demand deposits	5.4	10.6	16.5	(1.7)	0.6	3.5	(1.5)	0.8	4.3	4.0
Quasi-money	(5.4)	2.9	4.5	(2.0)	0.1	2.1	(1.0)	(0.0)	(0.2)	0.8

Source: Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B$ Millions)

Period	2020	2021	2022	2023		2024				2025
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Net foreign assets	2,382.2	2,432.8	2,611.0	2,576.8	2,517.4	2,914.0	2,916.5	2,734.4	2,633.0	2,815.1
Balances with banks abroad	307.6	323.8	622.8	631.2	610.2	755.2	732.7	444.4	395.8	594.3
Foreign securities	1,867.6	1,663.1	1,795.2	1,759.9	1,720.1	1,976.5	2,005.0	2,108.1	2,054.1	2,036.0
Reserve position in the Fund	27.8	27.0	25.7	25.4	25.9	25.5	25.4	26.2	25.2	25.6
SDR holdings	179.2	418.9	167.3	160.3	161.2	156.7	153.5	155.8	158.0	159.2
Net domestic assets	(85.4)	192.7	481.0	493.2	571.0	459.0	318.4	546.6	461.2	386.1
Net claims on Government	172.8	457.9	790.6	801.7	886.8	755.9	645.0	901.8	895.4	793.9
Claims	252.5	620.9	882.9	876.7	947.8	925.4	878.7	988.4	1,019.7	976.0
Treasury bills	13.8	14.0	11.7	1.7	45.8	20.0	0.7	0.3	10.2	0.2
Bahamas registered stock	232.9	340.9	301.7	303.0	476.2	479.5	482.7	433.5	444.4	450.4
Loans and advances	5.8	266.1	569.5	572.0	425.8	426.0	395.3	554.6	565.1	525.3
Deposits	(79.7)	(163.0)	(92.3)	(75.0)	(61.0)	(169.5)	(233.7)	(86.6)	(124.3)	(182.1)
In local currency	(79.7)	(163.0)	(92.3)	(75.0)	(61.0)	(169.5)	(233.7)	(86.6)	(124.3)	(182.1)
In foreign currency	-	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(52.1)	(69.4)	(94.9)	(66.9)	(20.7)	(39.3)	(29.2)	(28.1)	(75.1)	(30.9)
Credit to commercial banks	-	-	-	-	-	-	-	-	-	-
Official capital and surplus	(239.4)	(241.0)	(241.5)	(241.8)	(241.5)	(244.1)	(239.5)	(239.9)	(239.4)	(239.7)
Net unclassified assets	26.6	38.1	19.9	(6.7)	(60.4)	(20.0)	(64.4)	(93.7)	(126.2)	(143.6)
Loans to rest of public sector	2.0	1.9	1.6	1.7	1.5	1.5	1.6	1.6	1.6	1.6
Public Corp Bonds/Securities	4.7	5.2	5.3	5.3	5.3	4.9	4.9	4.9	4.9	4.9
Liabilities To Domestic Banks	(1,744.5)	(1,814.0)	(2,262.4)	(2,239.1)	(2,246.6)	(2,515.4)	(2,376.6)	(2,408.1)	(2,228.5)	(2,310.8)
Notes and coins	(173.3)	(170.9)	(177.8)	(134.0)	(177.8)	(140.2)	(135.7)	(130.2)	(178.0)	(134.4)
Deposits	(1,571.2)	(1,643.1)	(2,084.6)	(2,105.0)	(2,068.8)	(2,375.2)	(2,240.9)	(2,277.9)	(2,050.5)	(2,176.4)
SDR allocation	(179.2)	(418.9)	(400.1)	(396.2)	(404.2)	(398.9)	(396.3)	(408.4)	(392.4)	(399.9)
Currency held by the private sector	(373.0)	(385.9)	(422.8)	(428.0)	(430.9)	(452.0)	(455.2)	(457.8)	(466.7)	(483.8)

Source: Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(B$ Millions)

Period	2020	2021	2022	2023		2024				2025
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Net foreign assets	(240.2)	(95.2)	(119.1)	(177.0)	(156.9)	(100.8)	(117.8)	(189.2)	(230.3)	(183.1)
Net claims on Central Bank	1,745.5	1,815.0	2,263.3	2,228.4	2,247.5	2,516.6	2,377.5	2,409.0	2,229.4	2,316.7
Notes and Coins	173.3	170.9	177.8	134.0	177.8	140.2	135.7	130.2	178.0	134.4
Balances	1,572.1	1,644.1	2,085.5	2,094.3	2,069.7	2,376.5	2,241.8	2,278.8	2,051.4	2,182.4
Less Central Bank credit	-	-	-	-	-	-	-	-	-	-
Net domestic assets	5,689.0	5,841.0	6,114.5	6,303.4	6,369.4	6,257.4	6,339.0	6,399.6	6,743.2	6,842.3
Net claims on Government	2,351.6	2,475.2	2,419.0	2,580.1	2,536.6	2,483.4	2,448.7	2,446.1	2,593.8	2,633.0
Treasury bills	830.2	939.8	849.1	935.3	965.2	1,011.1	939.0	969.4	1,027.5	1,256.6
Other securities	907.5	926.5	1,091.4	1,180.5	1,150.7	1,186.6	1,242.2	1,136.8	1,262.4	1,181.6
Loans and advances	906.5	820.8	710.9	696.8	650.1	555.3	517.9	589.2	541.0	488.8
Less: deposits	292.5	211.9	232.3	232.5	229.4	269.6	250.5	249.4	237.1	294.1
Net claims on rest of public sector	72.2	103.8	114.8	75.0	97.0	85.0	151.8	132.8	155.5	154.7
Securities	226.1	230.6	229.8	218.7	214.2	212.8	211.7	211.9	229.0	260.0
Loans and advances	91.0	77.4	110.6	109.9	105.0	99.0	142.5	135.0	128.4	127.1
Less: deposits	244.9	204.3	225.7	253.6	222.3	226.8	202.4	214.1	201.8	232.4
Other net claims	2.7	(0.7)	(0.0)	(0.0)	1.1	20.4	1.3	2.0	0.7	0.8
Credit to the private sector	5,766.1	5,680.7	5,755.5	5,830.6	5,859.1	5,895.8	5,920.2	6,102.8	6,250.6	6,298.0
Securities	21.1	52.9	60.0	69.0	68.8	68.9	72.2	88.9	77.3	82.3
Mortgages	2,886.8	2,838.9	2,956.6	2,926.4	2,933.5	2,947.1	2,953.5	3,016.1	3,059.0	3,053.2
Loans and advances	2,858.2	2,788.9	2,738.9	2,835.1	2,856.7	2,879.8	2,894.5	2,997.8	3,114.3	3,162.4
Private capital and surplus	(2,438.5)	(2,342.1)	(2,218.7)	(2,185.7)	(2,241.3)	(2,232.0)	(2,231.5)	(2,204.5)	(2,193.6)	(2,195.2)
Net unclassified assets	(65.2)	(75.9)	43.9	3.5	117.1	4.8	48.6	(79.6)	(63.9)	(49.0)
Liabilities to private sector	7,194.2	7,560.7	8,258.7	8,354.8	8,460.0	8,673.3	8,598.6	8,619.4	8,742.3	8,976.0
Demand deposits	3,199.1	3,509.2	4,075.1	4,025.4	4,117.3	4,249.7	4,187.7	4,220.0	4,310.9	4,527.2
Savings deposits	1,822.3	1,924.2	2,126.2	2,268.3	2,294.8	2,401.9	2,422.9	2,432.6	2,479.2	2,548.7
Fixed deposits	2,172.8	2,127.3	2,057.5	2,061.1	2,047.9	2,021.6	1,988.1	1,966.9	1,952.1	1,900.1

Source: Central Bank of The Bahamas

TABLE 5
PROFIT AND LOSS ACCOUNTS OF BANKS* IN THE BAHAMAS

(B$'000s)

Period	2022	2023	2024	2023 Qtr. I	2023 Qtr. II	2023 Qtr. III	2023 Qtr. IV	2024 Qtr. I	2024 Qtr. II	2024 Qtr. III	2024 Qtr. IV
1. Interest Income	553,188	619,120	648,161	153,048	152,048	160,077	153,947	158,624	159,897	164,928	164,712
2. Interest Expense	36,870	37,156	37,635	9,121	9,143	9,377	9,515	9,554	9,388	9,416	9,277
3. **Interest Margin (1-2)**	516,318	581,964	610,526	143,927	142,905	150,700	144,432	149,070	150,509	155,512	155,435
4. Commission & Forex Income	83,554	83,490	107,374	20,152	21,292	16,821	25,225	19,779	20,925	21,573	45,097
5. **Gross Earnings Margin (3+4)**	599,872	665,454	717,900	164,079	164,197	167,521	169,657	168,849	171,434	177,085	200,532
6. Staff Costs	158,488	161,213	182,208	39,339	42,131	40,815	38,928	41,130	43,930	46,677	50,471
7. Occupancy Costs	13,138	11,271	12,364	3,419	2,402	2,380	3,070	2,037	2,387	2,448	5,492
8. Other Operating Costs	248,967	300,105	323,271	72,586	69,445	73,675	84,399	77,198	85,290	79,336	81,447
9. **Operating Costs (6+7+8)**	420,593	472,589	517,843	115,344	113,978	116,870	126,397	120,365	131,607	128,461	137,410
10. **Net Earnings Margin (5-9)**	179,279	192,865	200,057	48,735	50,219	50,651	43,260	48,484	39,827	48,624	63,122
11. Depreciation Costs	19,815	23,024	25,386	5,006	5,581	6,123	6,314	6,245	6,579	6,693	5,869
12. Provisions for Bad Debt	(15,807)	19,608	(47,680)	(3,759)	7,693	13,818	1,856	(9,341)	(510)	(9,728)	(28,101)
13. Other Income	221,701	252,142	287,507	60,194	61,967	63,254	66,727	68,861	70,783	67,413	80,450
14. **Other Income (Net) (13-11-12)**	217,693	209,510	309,801	58,947	48,693	43,313	58,557	71,957	64,714	70,448	102,682
15. **Net Income (10+14)**	396,972	402,375	509,858	107,682	98,912	93,964	101,817	120,441	104,541	119,072	165,804
16. **Effective Interest Rate Spread (%)**	6.86	7.41	7.36	7.60	7.48	7.36	7.20	7.28	7.32	7.44	7.40
(Ratios To Average Assets)											
Interest Margin	4.46	4.97	5.07	4.96	4.89	5.11	4.91	4.99	5.03	5.14	5.11
Commission & Forex Income	0.72	0.71	0.89	0.69	0.73	0.57	0.86	0.66	0.70	0.71	1.48
Gross Earnings Margin	5.18	5.68	5.96	5.65	5.62	5.68	5.77	5.66	5.73	5.85	6.59
Operating Costs	3.63	4.03	4.30	3.97	3.90	3.96	4.30	4.03	4.40	4.24	4.52
Net Earnings Margin	1.55	1.65	1.66	1.68	1.72	1.72	1.47	1.62	1.33	1.61	2.07
Net Income/Loss	3.43	3.44	4.23	3.71	3.39	3.19	3.46	4.03	3.49	3.93	5.45

***Commercial Banks and OLFIs with domestic operations**

Source: Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B$ Millions)

End of Period	2020	2021	2022	2023		2024				2025
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Money Supply (M1)	3,472.1	3,722.2	4,303.5	4,297.4	4,325.4	4,480.7	4,424.6	4,458.7	4,633.2	4,829.4
1) Currency in active circulation	373.0	392.6	429.5	428.0	430.9	452.0	455.2	457.8	466.7	483.8
2) Demand deposits	3,099.1	3,329.6	3,874.0	3,862.7	3,887.8	4,022.0	3,962.6	3,994.2	4,159.8	4,338.8
Central Bank	52.1	69.4	94.9	66.9	20.7	39.3	29.2	28.1	75.1	30.9
Domestic Banks	3,047.0	3,260.1	3,779.1	3,795.8	3,867.1	3,982.7	3,933.4	3,966.1	4,084.7	4,308.0
Factors affecting money (M1)										
1) Net credit to Government	2,524.4	2,933.1	3,209.6	3,381.8	3,423.4	3,239.3	3,093.7	3,347.8	3,489.2	3,426.8
Central Bank	172.8	457.9	790.6	801.7	886.8	755.9	645.0	901.8	895.4	793.9
Domestic banks	2,351.6	2,475.2	2,419.0	2,580.1	2,536.6	2,483.4	2,448.7	2,446.1	2,593.8	2,633.0
2) Other credit	6,090.0	5,995.9	6,102.9	6,166.1	6,185.2	6,214.1	6,280.8	6,456.1	6,614.4	6,691.6
Rest of public sector	323.8	315.2	347.4	335.6	326.1	318.3	360.6	353.3	363.8	393.6
Private sector	5,766.1	5,680.7	5,755.5	5,830.6	5,859.1	5,895.8	5,920.2	6,102.8	6,250.6	6,298.0
3) External reserves	2,382.2	2,432.8	2,611.0	2,576.8	2,517.4	2,914.0	2,916.5	2,734.4	2,633.0	2,815.1
4) Other external liabilities (net)	(240.2)	(95.2)	(119.1)	(177.0)	(156.9)	(100.8)	(117.8)	(189.2)	(230.3)	(183.1)
5) Quasi money	4,392.1	4,504.8	4,705.3	4,812.6	4,815.2	4,917.4	4,867.6	4,867.4	4,859.4	4,900.4
6) Other items (net)	(2,892.2)	(3,039.5)	(2,795.7)	(2,837.6)	(2,828.5)	(2,868.6)	(2,880.9)	(3,023.1)	(3,013.8)	(3,020.6)

Source: Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

(B$'000)

Period	2020	2021	2022	2023		2024				2025
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
CREDIT OUTSTANDING										
Private cars	129,299	118,391	120,196	142,204	153,231	161,112	173,832	182,852	197,106	207,816
Taxis & rented cars	892	660	932	1,075	855	818	781	798	879	1,065
Commercial vehicles	1,024	987	872	859	903	1,047	876	875	936	909
Furnishings & domestic appliances	8,911	9,831	12,509	13,918	14,714	15,085	15,347	16,002	16,067	16,823
Travel	63,654	57,203	52,997	48,681	48,175	46,167	45,472	44,819	43,427	41,734
Education	37,150	35,702	31,476	28,699	27,626	26,525	25,856	25,598	24,833	23,509
Medical	11,384	12,038	11,131	11,371	11,526	11,658	11,616	11,829	11,645	11,476
Home Improvements	98,358	100,202	92,212	90,743	90,023	86,952	86,027	85,130	86,002	85,539
Land Purchases	127,176	134,991	127,593	125,539	127,073	126,490	130,191	128,916	132,105	131,626
Consolidation of debt	902,968	857,664	786,721	756,164	746,805	753,950	763,953	774,708	785,347	807,873
Miscellaneous	528,391	489,727	479,450	504,498	511,140	512,852	513,997	529,375	534,051	523,918
Credit Cards	245,397	217,121	221,336	229,689	236,395	237,295	238,720	246,792	254,440	251,282
TOTAL	2,154,604	2,034,517	1,937,425	1,953,440	1,968,466	1,979,951	2,006,668	2,047,694	2,086,838	2,103,570
NET CREDIT EXTENDED										
Private cars	(6,487)	(10,908)	3,871	7,403	11,027	7,881	12,720	9,020	14,254	10,710
Taxis & rented cars	(136)	(232)	113	235	(220)	(37)	(37)	17	81	186
Commercial vehicles	(132)	(37)	58	(32)	44	144	(171)	(1)	61	(27)
Furnishings & domestic appliances	(335)	920	1,140	161	796	371	262	655	65	756
Travel	(1,383)	(6,451)	(1,617)	(880)	(506)	(2,008)	(695)	(653)	(1,392)	(1,693)
Education	(2,826)	(1,448)	(2,089)	(24)	(1,073)	(1,101)	(669)	(258)	(765)	(1,324)
Medical	(489)	654	(401)	18	155	132	(42)	213	(184)	(169)
Home Improvements	(2,897)	1,844	(224)	(1,915)	(720)	(3,071)	(925)	(897)	872	(463)
Land Purchases	(4,224)	7,815	(388)	1,133	1,534	(583)	3,701	(1,275)	3,189	(479)
Consolidation of debt	(5,454)	(45,304)	(16,615)	(11,068)	(9,359)	7,145	10,003	10,755	10,639	22,526
Miscellaneous	(1,781)	(38,664)	715	4,696	6,642	1,712	1,145	15,378	4,676	(10,133)
Credit Cards	(27,602)	(28,276)	5,783	7,181	6,706	900	1,425	8,072	7,648	(3,158)
TOTAL	(53,746)	(120,087)	(9,654)	6,908	15,026	11,485	26,717	41,026	39,144	16,732

Source: Central Bank of The Bahamas
*Includes both demand and add-on loans

TABLE 8

SELECTED AVERAGE INTEREST RATES

(%)

Period	2020	2021	2022	2023		2024				2025
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
DOMESTIC BANKS										
Deposit rates										
Demand deposits	0.59	0.66	0.44	0.50	0.25	0.25	0.25	0.25	n.a.	0.25
Savings deposits	0.44	0.40	0.40	0.28	0.28	0.28	0.26	0.26	0.29	0.26
Fixed deposits										
Up to 3 months	0.28	0.27	0.28	0.26	0.25	0.25	0.27	0.25	0.25	0.26
Up to 6 months	0.41	0.36	0.36	0.35	0.30	0.29	0.30	0.30	0.28	0.33
Up to 12 months	0.66	0.74	0.50	0.57	0.49	0.48	0.43	0.40	0.47	0.44
Over 12 months	0.86	1.21	1.00	0.91	0.96	0.92	1.58	1.72	1.58	1.34
Weighted average rate	0.45	0.52	0.50	0.52	0.51	0.47	0.61	0.57	0.52	0.56
Lending rates										
Residential mortgages	5.26	5.14	5.23	5.23	5.14	5.17	5.11	5.29	5.22	5.24
Commercial mortgages	6.96	5.99	6.76	6.17	6.67	6.61	7.01	7.78	6.12	5.76
Consumer loans	12.52	12.34	12.96	13.15	12.99	12.69	13.02	13.50	13.16	12.77
Overdrafts	9.84	10.21	10.95	10.67	10.47	10.32	9.39	11.73	11.44	11.85
Weighted average rate	10.39	10.02	11.01	11.10	11.02	10.59	10.74	12.15	11.42	11.39
Other rates										
Prime rate*	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Avg. Treasury bill	1.78	2.51	2.88	2.91	2.91	2.86	2.93	2.93	2.94	2.97
Avg. Treasury bill re-discount rate	2.26	3.14	3.38	3.41	3.41	3.36	3.43	3.43	3.44	3.47
Bank rate (discount rate)*	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

Source: Central Bank of The Bahamas

***Reflects end of period rates.**

TABLE 9

SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

(%)

Period	2022	2023	2024	2023 Qtr. III	2023 Qtr. IV	2024 Qtr. I	2024 Qtr. II	2024 Qtr. III	2024 Qtr. IV	2025 Qtr. I
Loan Portfolio										
Current Loans (as a % of total private sector loans)	**88.6**	**89.7**	**91.9**	**89.7**	**89.7**	**90.7**	**91.1**	**91.4**	**91.9**	**92.3**
Arrears (% by loan type)										
Consumer	3.2	2.7	2.2	2.9	2.7	2.4	2.3	2.4	2.2	2.1
Mortgage	7.1	6.4	5.4	6.3	6.4	6.0	5.8	5.6	5.4	4.9
Commercial	1.1	1.2	0.6	1.1	1.2	0.8	0.8	0.7	0.6	0.7
Total Arrears	**11.4**	**10.3**	**8.1**	**10.3**	**10.3**	**9.3**	**8.9**	**8.6**	**8.1**	**7.7**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Loan Portfolio										
Current Loans (as a % of total private sector loans)	**88.6**	**89.7**	**91.9**	**89.7**	**89.7**	**90.7**	**91.1**	**91.4**	**91.9**	**92.3**
Arrears (% by days outstanding)										
30 - 60 days	2.2	2.3	1.7	2.1	2.3	1.8	1.7	1.7	1.7	1.5
61 - 90 days	1.4	1.4	1.0	1.4	1.4	1.1	1.1	1.1	1.0	0.7
90 - 179 days	1.1	0.9	0.8	1.0	0.9	0.9	0.7	0.8	0.8	0.9
over 180 days	6.7	5.7	4.7	5.8	5.7	5.4	5.3	5.1	4.7	4.7
Total Arrears	**11.4**	**10.3**	**8.1**	**10.3**	**10.3**	**9.3**	**8.9**	**8.6**	**8.1**	**7.7**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Non Accrual Loans (% by loan type)										
Consumer	27.3	26.5	26.6	26.3	26.5	26.7	25.4	26.0	26.6	25.1
Mortgage	61.7	60.9	65.0	60.2	60.9	62.1	63.1	63.3	65.0	62.7
Other Private	11.0	12.7	8.4	13.5	12.7	11.2	11.5	10.7	8.4	12.2
Total Non Accrual Loans	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Provisions to Loan Portfolio										
Consumer	7.9	3.3	5.3	6.5	3.3	5.5	5.6	5.5	5.3	4.2
Mortgage	7.9	3.4	6.7	7.4	3.4	5.9	7.2	7.1	6.7	6.5
Other Private	3.8	1.3	1.6	2.2	1.3	2.9	2.0	1.8	1.6	1.7
Total Provisions to Total Private Sector Loans	7.2	6.1	5.2	6.2	6.1	5.9	5.7	5.6	5.2	4.7
Total Provisions to Non-performing Loans	93.2	91.3	95.0	90.4	91.3	92.8	93.9	95.2	95.0	85.5
Total Non-performing Loans to Total Private Sector Loans	7.7	6.6	5.5	6.8	6.6	6.3	6.1	5.8	5.5	5.5

Source: Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10

SUMMARY OF BANK LIQUIDITY

(B$ Millions)

Period	2020	2021	2022	2023		2024				2025
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
I. Statutory Reserves										
Required reserves	371.3	372.8	411.8	412.6	405.2	414.4	423.0	427.2	420.7	433.7
Average Till Cash	146.4	149.5	160.5	141.5	163.5	139.6	136.5	132.9	161.7	131.4
Average balance with central bank	1,579.0	1,683.1	2,179.8	2,139.9	2,074.3	2,364.8	2,389.9	2,279.0	2,050.5	2,059.1
Free cash reserves (period ended)	1,354.2	1,387.9	1,928.4	1,868.8	1,832.6	2,090.0	2,103.4	1,984.7	1,791.5	1,756.8
II. Liquid Assets (period)										
A. Minimum Required Liquid Assets	1,301.1	1,344.3	1,458.3	1,486.6	1,493.2	1,534.0	1,516.3	1,509.6	1,544.3	1,605.8
B. Net Eligible Liquid Assets	3,531.6	3,722.9	4,244.3	4,372.7	4,388.2	4,757.8	4,582.6	4,538.8	4,559.5	4,788.2
i) Balance with Central Bank	1,572.1	1,644.1	2,085.5	2,094.3	2,069.7	2,376.5	2,241.8	2,278.8	2,051.4	2,182.4
ii) Notes and Coins	173.8	171.4	178.3	134.5	178.3	140.7	136.2	130.7	178.0	134.4
iii) Treasury Bills	830.2	939.8	849.1	935.3	965.2	1,018.9	958.2	969.4	1,027.5	1,256.6
iv) Government registered stocks	907.5	926.5	1,091.4	1,180.5	1,150.7	1,178.8	1,223.1	1,136.8	1,262.4	1,181.6
v) Specified assets	49.6	40.5	40.3	28.0	23.5	22.8	22.3	22.4	39.5	32.4
vi) Net Inter-bank dem/call deposits	(1.5)	0.8	(0.3)	(0.0)	0.9	20.2	1.0	0.6	0.7	0.8
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	2,230.5	2,378.6	2,786.0	2,886.1	2,894.9	3,223.9	3,066.3	3,029.2	3,015.2	3,182.5

Source: Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

(B$ Millions)

Period	2021/22p	2022/23p	2023/24p	Budget		2023/24p			2024/25p		
				2023/24	2024/25	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
Total revenue & grants	2,605.7	2,855.4	3,069.1	2,804.3	3,319.0	638.6	889.4	877.6	682.6	758.5	1,029.3
Current expenditure	3,043.6	3,062.5	2,961.4	2,997.2	3,085.5	766.3	744.1	790.6	744.5	880.0	746.2
Capital expenditure	283.8	327.5	301.7	371.1	364.6	69.4	101.0	66.6	123.8	96.7	45.4
Overall balance	**(721.7)**	**(534.6)**	**(194.0)**	**(564.0)**	**(131.1)**	**(197.2)**	**44.3**	**20.4**	**(185.8)**	**(218.3)**	**237.7**
FINANCING (I+II-III+IV+V)	721.7	534.6	194.0	564.0	131.1	197.2	(44.3)	(20.4)	185.8	218.3	(237.7)
I. Foreign currency borrowing (+)	**1,020.7**	**683.4**	**1,050.7**	**124.8**	**85.9**	**496.4**	**550.0**	**4.3**	**216.2**	**566.7**	**0.1**
External	953.9	451.2	816.1	124.8	85.9	261.8	550.0	4.3	216.2	338.7	0.1
Domestic	66.8	232.3	234.6	--	--	234.6	--	--	--	228.0	--
II. Bahamian dollar borrowing (+)	**2,016.2**	**2,301.7**	**2,577.0**	**1,716.0**	**2,112.8**	**833.4**	**608.7**	**517.1**	**471.5**	**861.5**	**580.9**
i)Treasury bills	308.8	114.3	286.3	--	--	98.1	42.8	0.2	4.5	113.6	213.7
ii)Long-term securities	712.4	822.9	1,067.4	--	--	397.7	243.9	304.9	46.0	416.8	66.2
iii)Loans and advances	995.0	1,364.5	1,223.2	--	--	337.5	322.0	212.0	421.0	331.0	301.0
III. Debt repayment(-)	**2,145.0**	**2,533.2**	**3,565.9**	**1,276.7**	**2,067.6**	**1,139.1**	**1,058.5**	**716.7**	**382.4**	**1,273.6**	**660.0**
Domestic	1,854.4	2,074.8	2,815.1	790.7	1,195.0	1,049.7	641.9	628.4	264.5	918.0	548.0
Bahamian dollars	1,715.6	2,052.3	2,558.1	782.4	937.1	807.5	638.4	620.7	261.0	650.7	548.0
Foreign currency	138.8	22.4	257.0	8.3	257.9	242.2	3.5	7.7	3.5	267.3	--
External	290.7	458.5	750.8	486.0	872.6	89.4	416.6	88.3	117.9	355.6	112.0
IV. Net acquisition financial assets (-)	**(140.5)**	**(236.5)**	**(297.8)**	**(46.5)**	**(59.8)**	**(117.3)**	**(128.3)**	**(47.7)**	**(164.0)**	**(20.0)**	**(27.3)**
V. Cash balance change & other financing	**(29.7)**	**319.1**	**430.1**	**46.5**	**59.8**	**123.9**	**(16.2)**	**222.6**	**44.4**	**83.7**	**(131.5)**

Source: Treasury Monthly Reports. Data compiled according to the International Monetary Fund's Government Finance Statistics format.

TABLE 12

NATIONAL DEBT

(B$ '000s)

Period	2022	2023	2024	2023 QTR III.	2023 QTR IV.	2024 QTR I.	2024 QTR II.	2024 QTR III.	2024 QTR IV.	2025 QTR I.
TOTAL EXTERNAL DEBT	4,843,469	5,029,777	5,132,462	4,839,164	5,029,777	5,153,104	5,065,189	5,193,516	5,132,462	5,046,301
By Instrument										
Government Securities	2,860,000	2,860,000	2,341,789	2,860,000	2,860,000	2,560,000	2,560,000	2,560,000	2,341,789	2,341,789
Loans	1,983,469	2,169,777	2,790,673	1,979,164	2,169,777	2,593,104	2,505,189	2,633,516	2,790,673	2,704,512
By Holder										
Multilateral Institutions	1,124,313	1,324,066	1,245,263	1,345,762	1,324,066	1,336,361	1,300,962	1,268,605	1,245,263	1,208,562
Bilateral Institutions	54,742	47,205	40,095	45,924	47,205	43,464	43,195	41,698	40,095	37,402
Private Capital Markets	2,860,000	2,860,000	2,341,789	2,860,000	2,860,000	2,560,000	2,560,000	2,560,000	2,341,789	2,341,789
Other Financial Institutions	804,414	798,506	1,505,315	587,478	798,506	1,213,279	1,161,032	1,323,214	1,505,315	1,458,548
TOTAL INTERNAL DEBT	6,192,477	6,397,703	6,625,087	6,374,836	6,397,703	6,361,416	6,248,585	6,462,803	6,625,087	6,662,352
By Instrument										
Foreign Currency	329,934	309,408	248,825	312,430	309,408	302,813	293,611	297,269	248,825	253,119
Loans	329,934	309,408	248,825	312,430	309,408	302,813	293,611	297,269	248,825	253,119
Bahamian Dollars	5,862,543	6,088,295	6,376,262	6,062,406	6,088,295	6,058,603	5,954,974	6,165,534	6,376,262	6,409,233
Advances	335,000	192,046	331,046	337,546	192,046	192,046	162,046	321,046	331,046	291,046
Treasury Bills	1,005,480	1,200,266	1,255,388	1,130,226	1,200,266	1,212,715	1,137,499	1,141,769	1,255,388	1,440,760
Government Securities	4,169,631	4,399,684	4,513,472	4,260,838	4,399,684	4,387,638	4,421,994	4,399,141	4,513,472	4,451,631
Loans	352,432	296,299	276,356	333,796	296,299	266,204	233,435	303,578	276,356	225,796
By Holder										
Foreign Currency	329,934	309,408	248,825	312,430	309,408	302,813	293,611	297,269	248,825	253,119
Commercial Banks	97,273	74,855	20,833	82,543	74,855	71,340	63,659	60,145	20,833	20,833
Other Local Financial Institutions	-	-	-	-	-	-	-	-	-	-
Central Bank	232,661	234,553	227,992	229,887	234,553	231,473	229,952	237,124	227,992	232,286
Bahamian Dollars	5,862,543	6,088,295	6,376,260	6,062,406	6,088,295	6,058,603	5,954,975	6,165,534	6,376,260	6,409,233
Central Bank	646,161	708,377	779,817	640,021	708,377	686,869	639,268	750,677	779,817	736,630
Commercial Banks	2,283,278	2,393,510	2,566,750	2,427,336	2,393,510	2,394,548	2,324,352	2,410,822	2,566,750	2,654,502
Other Local Financial Iinstitutions	-	-	-	-	-	-	-	-	-	-
Public Corporations	507,942	505,522	370,095	498,395	505,522	449,558	411,744	403,473	370,095	373,892
Other	2,425,162	2,480,886	2,659,598	2,496,654	2,480,886	2,527,628	2,579,611	2,600,562	2,659,598	2,644,209
TOTAL FOREIGN CURRENCY DEBT	5,173,403	5,339,185	5,381,287	5,151,594	5,339,185	5,455,917	5,358,800	5,490,785	5,381,287	5,299,420
TOTAL DIRECT CHARGE	11,035,946	11,427,480	11,757,549	11,214,000	11,427,480	11,514,520	11,313,774	11,656,319	11,757,549	11,708,653
TOTAL CONTINGENT LIABILITIES	390,203	351,242	334,570	358,718	351,242	343,032	339,035	335,313	334,570	329,938
TOTAL NATIONAL DEBT	11,426,149	11,778,722	12,092,119	11,572,718	11,778,722	11,857,552	11,652,809	11,991,632	12,092,119	12,038,591

Source: Treasury Accounts & Treasury Statistical Summary Printouts

Public Corporation Reports

Creditor Statements, Central Bank of The Bahamas

TABLE 13

PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS

Period	2022p	2023p*	2024p**	2023p		2024p				2025p
				QTR III.	QTR IV.	QTR I.	QTR II.	QTR III.	QTR IV.	QTR I.
Outstanding Debt at Beginning of Period	**5,032,833**	**5,652,483**	**5,773,118**	**5,780,675**	**5,598,082**	**5,773,118**	**5,879,091**	**5,725,276**	**5,850,061**	**5,731,313**
Government	4,520,585	5,173,402	5,339,185	5,323,427	5,151,593	5,339,185	5,455,917	5,358,799	5,490,784	5,381,286
Public Corporations	512,248	479,081	433,933	457,248	446,489	433,933	423,174	366,476	359,276	350,027
Plus: New Drawings	**1,306,323**	**874,313**	**1,337,213**	**47**	**496,354**	**550,037**	**4,266**	**216,205**	**566,705**	**142**
Government	1,302,519	874,313	1,337,213	47	496,354	550,037	4,266	216,205	566,705	142
Public Corporations	3,804	-	-	-	-	-	-	-	-	-
Less: Amortization	**664,486**	**772,574**	**1,344,240**	**170,789**	**344,176**	**430,834**	**152,689**	**128,598**	**632,119**	**119,194**
Government	627,516	727,426	1,260,333	160,030	331,621	420,075	95,992	121,398	622,869	111,994
Public Corporations	36,970	45,148	83,907	10,759	12,556	10,759	56,698	7,200	9,250	7,200
Other Changes in Debt Stock	**(22,186)**	**18,895**	**(34,778)**	**(11,851)**	**22,858**	**(13,230)**	**(5,391)**	**37,178**	**(53,334)**	**29,985**
Government	(22,186)	18,895	(34,778)	(11,851)	22,858	(13,230)	(5,391)	37,178	(53,334)	29,985
Public Corporations	-	-	-	-	-	-	-	-	-	-
Outstanding Debt at End of Period	**5,652,483**	**5,773,118**	**5,731,313**	**5,598,082**	**5,773,118**	**5,879,091**	**5,725,276**	**5,850,061**	**5,731,313**	**5,642,246**
Government	5,173,402	5,339,185	5,381,286	5,151,593	5,339,185	5,455,917	5,358,799	5,490,784	5,381,286	5,299,419
Public Corporations	479,081	433,933	350,027	446,489	433,933	423,174	366,476	359,276	350,027	342,827
Interest Charges	**374,942**	**370,937**	**404,189**	**54,383**	**135,111**	**46,154**	**144,370**	**51,502**	**162,163**	**44,505**
Government	341,180	336,166	376,350	46,175	125,990	38,468	136,876	45,808	155,197	39,111
Public Corporations	33,761	34,772	27,839	8,208	9,121	7,686	7,494	5,693	6,966	5,393
Debt Service	**1,039,428**	**1,143,511**	**1,748,429**	**225,172**	**479,287**	**476,988**	**297,059**	**180,100**	**794,282**	**163,699**
Government	968,696	1,063,592	1,636,684	206,205	457,611	458,543	232,868	167,206	778,066	151,105
Public Corporations	70,732	79,919	111,746	18,967	21,676	18,445	64,192	12,893	16,215	12,593
Debt Service Ratio (%)	13.7	15.1	18.4	15.9	17.5	28.7	15.1	12.7	19.8	9.1
Government Debt Service/ Government Revenue (%)	35.5	28.6	34.5	31.1	34.9	51.6	26.3	24.5	33.0	14.9
MEMORANDUM										
Holder Distribution (B$ Mil):										
Domestic Banks	188.5	147.6	38.8	160.1	147.6	139.3	84.7	79.6	38.8	37.3
The Central Bank	232.7	234.6	228.0	229.9	234.6	231.5	230.0	237.1	228.0	232.3
Multilateral Institutions	1,182.5	1,377.6	1,294.5	1401.4	1377.6	1389.7	1352.2	1319.8	1294.5	1257.8
Bilateral Institutions	54.7	47.2	40.1	45.9	47.2	43.5	43.2	41.7	40.1	37.4
Financial Services Firms	1,134.1	1,106.1	1,788.1	900.8	1106.1	1515.2	1455.3	1611.7	1788.1	1735.7
Private Capital Markets	2860.0	2,860.0	2,341.8	2860.0	2860.0	2560.0	2560.0	2560.0	2341.8	2341.8

Source: Treasury Accounts, Treasury Statistical Printouts and Quarterly Reports from Public Corporations, Central Bank of The Bahamas.

Notes:

*The Debt Service and Government Debt Service/Revenue Ratios for 2023 are presented net of a SDR174.8 million (approximately US$234.6 million) refinancing in Government's internal foreign currency

**The Debt Service Ratio and Government Debt Service/Revenue Ratio for 2024 is presented net of a SDR174.8 million (approximately US$228.0 million) refinancing in Government's internal foreign currency debt and early repayments of $218.2 million in external bonds & an $81.3 million commercial facility. Additionally, debt servicing during the 1st quarter of 2024 includes the repayment of a $300 million Government external bond. Net of these transactions, the Debt Service Ratio for the year was 13.5% and the Government Revenue/Debt Service ratio was 24.9%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

(B$ Millions)

Period	2022	2023	2024	2023				2024				2025
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
A. Current Account Balance (I+II+III+IV)	**(1,232.6)**	**(1,069.1)**	**(1,191.3)**	**(81.8)**	**(97.5)**	**(356.5)**	**(533.4)**	**(175.6)**	**(108.5)**	**(511.0)**	**(396.2)**	**(37.0)**
I. Goods (Net)	**(3,064.8)**	**(3,212.6)**	**(3,736.8)**	**(771.1)**	**(718.7)**	**(859.5)**	**(863.2)**	**(847.3)**	**(946.7)**	**(1,019.3)**	**(923.5)**	**(855.9)**
Exports	814.4	862.2	870.6	190.1	305.4	186.6	180.0	139.6	286.7	207.5	236.8	196.7
Imports	3,879.2	4,074.8	4,607.4	961.2	1024.2	1046.2	1043.2	986.9	1233.3	1226.8	1160.3	1052.6
II. Services (Net)	**2,647.6**	**2,950.4**	**3,300.2**	**842.9**	**872.3**	**628.8**	**606.4**	**929.4**	**1,109.7**	**598.1**	**663.0**	**1,047.1**
Transportation	(329.8)	(419.3)	(453.9)	(120.4)	(95.1)	(100.6)	(103.3)	(122.1)	(103.8)	(108.8)	(119.1)	(131.7)
Travel	4,052.2	4,541.2	5,142.5	1,158.2	1,242.2	1,074.6	1,066.3	1,374.2	1,529.9	1,041.5	1,196.9	1,445.9
Construction	(116.8)	(102.7)	(70.4)	(20.6)	(17.1)	(32.2)	(32.7)	(18.9)	(17.4)	(16.2)	(17.9)	(18.0)
Insurance services	(270.3)	(269.8)	(278.8)	(47.4)	(64.1)	(80.8)	(77.5)	(52.0)	(61.8)	(77.1)	(87.9)	(55.1)
Charges for the use of intellectual property n.i.e.	(14.8)	(11.7)	(16.9)	(2.8)	(2.9)	(2.8)	(3.2)	(4.3)	(4.1)	(4.5)	(4.0)	(3.8)
Telecommunications, computer, and information services	(54.0)	(71.8)	(78.7)	(14.7)	(14.3)	(16.0)	(26.7)	(21.0)	(22.8)	(16.1)	(18.9)	(13.6)
Other business services	(424.2)	(549.5)	(730.0)	(85.7)	(146.8)	(156.5)	(160.6)	(157.4)	(184.9)	(167.5)	(220.2)	(111.0)
Government goods and services n.i.e.	(194.7)	(166.0)	(213.5)	(23.6)	(29.6)	(57.0)	(55.9)	(69.2)	(25.4)	(53.0)	(66.0)	(65.7)
III. Primary Income (Net)	**(883.2)**	**(859.2)**	**(820.2)**	**(186.8)**	**(267.5)**	**(134.2)**	**(270.6)**	**(252.0)**	**(296.3)**	**(106.2)**	**(165.7)**	**(197.6)**
Compensation of employees	(86.0)	(113.8)	(124.7)	(25.7)	(25.9)	(29.3)	(32.9)	(29.2)	(28.3)	(35.8)	(31.4)	(33.1)
Investment income	(797.2)	(745.4)	(695.6)	(161.2)	(241.5)	(105.0)	(237.7)	(222.8)	(268.1)	(70.4)	(134.3)	(164.5)
IV. Secondary Income (Net)	**67.8**	**52.3**	**65.4**	**33.3**	**16.4**	**8.5**	**(5.9)**	**(5.8)**	**24.8**	**16.4**	**30.0**	**(30.6)**
General government	132.7	189.1	226.9	54.2	46.1	45.6	43.3	27.0	67.4	55.9	76.6	(4.4)
Financial corporations, nonfinancial corporations, households, and NPISHs	(72.6)	(119.2)	(130.3)	(17.6)	(28.9)	(30.0)	(42.7)	(30.5)	(35.6)	(27.1)	(37.1)	(25.6)
of which: Workers remittances	(95.7)	(105.1)	(101.2)	*(24.1)*	*(24.9)*	*(26.1)*	*(30.0)*	*(22.5)*	*(26.8)*	*(23.1)*	*(28.9)*	*(24.1)*
Other current transfers	7.7	(17.6)	(31.2)	(3.3)	(0.8)	(7.0)	(6.5)	(2.2)	(7.0)	(12.4)	(9.5)	(0.6)
B. Capital Account	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Capital transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Financial Account (excluding Reserve Assets)	**(1,401.5)**	**(1,151.9)**	**(1,065.0)**	**(317.9)**	**(372.5)**	**(231.2)**	**(230.2)**	**(275.0)**	**(148.1)**	**(451.1)**	**(190.9)**	**(303.8)**
Direct Investment	(316.4)	(97.1)	(78.2)	(1.2)	(69.4)	(15.1)	(11.4)	(95.5)	(20.8)	73.5	(35.4)	(12.4)
Portfolio Investment	(99.8)	330.2	238.6	(170.0)	155.1	147.2	197.8	1,022.4	(445.3)	(591.2)	252.7	1,545.6
Other Investments	(985.2)	(1,385.0)	(1,225.5)	(146.8)	(458.2)	(363.3)	(416.6)	(1,201.9)	318.0	66.6	(408.2)	(1,837.0)
Currency and deposits	(595.3)	(1,136.3)	(1,628.2)	(97.7)	(232.8)	(563.3)	(242.5)	(1,240.6)	269.0	(127.5)	(529.1)	(1,761.6)
Loans	(358.7)	(148.5)	253.8	(63.6)	(193.8)	209.7	(100.7)	(161.1)	169.0	194.3	51.5	(59.4)
Other accounts receivable/payable and trade credit advances	(50.0)	(98.9)	137.7	16.9	(36.2)	(14.3)	(65.4)	194.4	(122.6)	12.1	53.8	(8.7)
Special drawing rights allocation	18.7	(1.4)	11.2	(2.4)	4.5	4.5	(8.0)	5.3	2.6	-12.3	15.6	-7.3
D. Net Acquistion of Reserve Assets	**178.3**	**(93.6)**	**114.7**	**56.4**	**29.1**	**(121.0)**	**(58.1)**	**396.6**	**1.3**	**(182.0)**	**(101.2)**	**182.0**
Special drawing rights	(251.5)	(6.1)	(4.1)	(0.6)	(3.7)	(4.0)	2.1	(4.5)	(4.4)	2.4	2.4	1.1
Reserve position in the IMF	(1.3)	0.2	(0.7)	0.3	(0.3)	(0.3)	0.5	(0.3)	(0.2)	0.8	(1.0)	0.5
Other reserve assets	431.1	(87.7)	119.5	56.7	33.1	(116.8)	(60.8)	401.4	5.9	(185.2)	(102.6)	180.5
E. Net Errors & Omissions	**9.4**	**(176.4)**	**241.0**	**(179.8)**	**(245.9)**	**4.3**	**245.1**	**297.2**	**(38.2)**	**(122.0)**	**104.0**	**(84.7)**

Source: Central Bank of The Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

(B$ '000s)

Period	2022	2023	2024	2023 Qtr. II	2023 Qtr. III	2023 Qtr. IV	2024 Qtr. I	2024 Qtr. II	2024 Qtr. III	2024 Qtr. IV
I. OIL TRADE										
i) Exports	161,073	172,604	86,879	30,765	42,906	50,016	22,705	19,341	25,533	19,300
ii) Imports	686,206	625,125	804,908	225,319	115,353	133,667	113,570	299,422	247,930	143,986
II. OTHER MERCHANDISE										
Domestic Exports										
Crawfish	79,169	93,593	85,664	16,814	19,029	31,826	21,709	16,760	12,811	34,384
Fish Conch & other Crustacea	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other cordials & Similar Materials/Sponge	579	715	n.a.	224	184	121	n.a.	n.a.	n.a.	n.a.
Fruits & Vegs.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aragonite	2,711	2,312	1,159	670	632	471	330	n.a.	462	367
Other Natural Sands	197	152	118	46	50	24	11	n.a.	71	36
Rum/Beverages/Spirits & Vinegar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Crude Salt	11,583	16,622	13,646	4,265	3,898	3,219	4,965	4,229	2,154	2,298
Polystrene Products	27,548	38,698	55,848	3,637	11,562	15,873	12,770	14,109	14,996	13,973
Other	58,213	47,556	26,021	8,698	20,234	7,574	9,364	1,593	4,702	10,362
i) Total Domestic Exports	180,000	199,536	182,454	34,344	55,489	59,108	49,148	36,691	35,196	61,419
ii) Re-Exports	245,010	363,925	400,318	190,026	57,355	45,270	23,124	165,199	96,670	115,325
iii) Total Exports (i+ii)	425,010	563,461	582,772	224,370	112,844	104,378	72,272	201,890	131,866	176,744
iv) Imports	3,153,455	3,562,394	4,139,121	868,863	905,360	911,725	913,838	1,066,523	1,086,942	1,071,818
v) Retained Imports (iv-ii)	2,908,445	3,198,469	3,738,803	678,837	848,005	866,455	890,714	901,324	990,272	956,493
vi) Trade Balance (i-v)	(2,728,445)	(2,998,933)	(3,556,349)	(644,493)	(792,516)	(807,347)	(841,566)	(864,633)	(955,076)	(895,074)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16

SELECTED TOURISM STATISTICS

Period	2022	2023	2024	2023			2024				2025
				Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
Visitor Arrivals	7,000,706	9,654,838	11,216,972	2,416,595	2,174,823	2,444,932	3,008,159	2,730,673	2,644,063	2,834,077	3,277,605
Air	1,470,244	1,719,980	1,716,815	488,217	374,547	387,228	504,075	487,981	352,502	372,257	487,226
Sea	5,530,462	7,934,858	9,500,157	1,928,378	1,800,276	2,057,704	2,504,084	2,242,692	2,291,561	2,461,820	2,790,379
Visitor Type											
Stopover	1,452,092	1,872,059	1,866,707	543,213	427,071	408,650	535,438	549,577	396,591	385,101	512,138
Cruise	5,390,016	7,773,253	9,352,783	1,872,617	1,751,820	2,033,116	2,474,557	2,190,296	2,247,885	2,440,045	2,759,187
Day/Transit	158,598	9,526	(2,518)	765	(4,068)	3,166	(1,836)	(9,200)	(413)	8,931	6,280
Tourist Expenditure (B$ 000's)	4,221,819	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stopover	3,838,087	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cruise	380,732	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Day	3,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Hotel Occupancy Rates (%)											
New Providence*	65.3	72.8%	69.6%	78.2%	65.5%	66.2%	79.3%	78.3%	60.7%	60.1%	56.7%
Grand Bahama	31.8	42.7%	n.a.	45.0%	37.3%	41.8%	43.7%	n.a.	n.a.	n.a.	n.a.
Other Family Islands	44.0	41.5%	n.a.	48.6%	36.9%	33.6%	40.3%	n.a.	n.a.	n.a.	n.a.
Average Nightly Room Rates ($)											
New Providence*	377.87	407.44	414.10	419.57	343.74	413.03	490.69	410.90	342.02	412.80	463.69
Grand Bahama	86.26	n.a.	n.a.	85.01	83.76	76.26	72.36	n.a.	n.a.	n.a.	n.a.
Other Family Islands	352.07	n.a.	n.a.	382.26	302.13	345.53	386.27	n.a.	n.a.	n.a.	n.a.

Source: The Ministry of Tourism, The Bahamas Hotel & Tourism Association

Figures may not sum due to rounding.

*Select Large Hotels Performance in New Providence (and Paradise Island) only.

GROSS ECONOMIC CONTRIBUTION OF THE FINANCIAL SECTOR IN THE BAHAMAS (2024)

INTRODUCTION

As the second largest contributor to the Bahamian economy, the financial services sector accounts for an estimated 15%-20% of the country's gross domestic product (GDP). The industry employs a significant portion of the skilled labor force, directly impacting spending, while having indirect effects on other sectors, including construction, real estate, and wholesale & retail trade. Product offerings differ based on target markets, with the domestic sector supplying more labour-intensive retail services, while the international sector employs a higher concentration of specialised skills, servicing high net worth clients.

The 2024 survey of the financial sector showed that the sector's contribution to the economy remained constrained, against the backdrop of global regulatory changes and other externalities, which restrained new licensing activities. The range of domestic intermediation, particularly among banks, credit unions and insurers, continued to increase, with both balance sheet expansion and a boost in expenditures within the economy. However, given ongoing adjustments targeting efficiency gains, employment levels were stable to slightly decreased. Indications are that the number of firms providing international products and services reduced incrementally, given further adjustments to the external regulatory environment. However, in both the banking and non-bank sectors, the vehicles or products used to support fiduciary services, securities and investment activities continued to increase. During the year, combined fiduciary and assets under management were stable to slightly increased.

Over the review year, domestic supervisory bodies and policymakers continued their focus on developing and enacting policies geared toward strengthening The Bahamas' international standing in countering money laundering and other financial crimes. In this environment, the Central Bank sustained its risk-based approach to supervision, and implemented new tools to enhance its monitoring, including the release of revised guidelines that strengthen its supervisory capacity and a new assessment that considers climate risk adaptation and resilience. The Central Bank also strengthened its crisis management architecture through the establishment of a dedicated Crisis Management and Resolution Unit. Further the Bank worked with other stakeholders to finalise the framework for a Bahamas Financial Stability Council, to provide a coordinated approach to domestic financial stability oversight.

GOVERNMENT REVENUE

Inclusive of licensing fees and levies on intermediation activities, the financial sector generates significant direct revenues to the Government. Based on fiscal estimates, total taxes and fees received by the Government increased by $19.6 million (8.5%) to $249.9 million in 2024, largely attributed to increased banks and trust companies license fees. Of receipts to the Government, license and registration fees increased by $9.4 million (9.9%) to $104.3 million, with a $8.0 million (11.4%) increase in receipts from banks and trusts companies, to $77.9 million. In addition, "other" fees received from insurance companies, brokers, and agents decreased slightly to $0.3 million from $0.4 million. However, collections from international business companies' activities increased by $1.5 million (11.6%) to $14.5 million. Also, transactional taxes on domestic intermediation activities, mainly stamp levies, rose by $10.2 million (7.5%) to $145.6 million. In addition, collections of the insurance premium tax grew by 11.0%, and for stamp tax on other banking transactions, by 2.1% to $100.3 million.

CENTRAL BANK SUPERVISED ACTIVITIES

The banking sector remained the dominant component of the financial landscape, in terms of employment and balance sheet size. Among domestic institutions, faster balance sheet expansion was recorded, linked to the healthier environment for private sector credit. In the international sector, the balance sheet was slightly expanded, with a similar trend in the fiduciary assets. Meanwhile, both intermediation and expenditure outlays of the domestic credit union expanded.

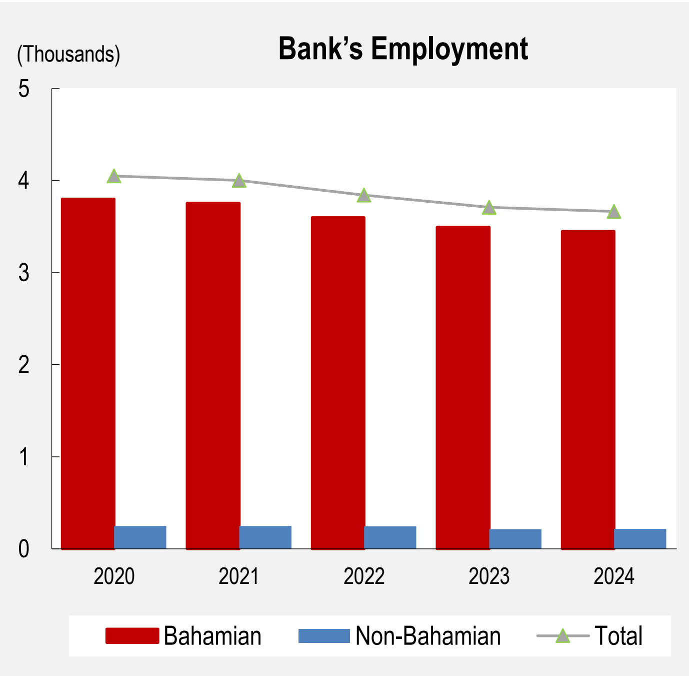
Banking Sector Profile

The total number of banks and trust companies licensed in The Bahamas declined by 5 to 192 in 2024, following a decrease of the same magnitude in 2023. Public banks and trust companies fell by 2 to 72, while restricted, non-active, & nominees reduced by 3 to 120. Regarding other public licensees, Bahamian incorporated entities narrowed by 1 to 44, while the euro-currency branches of foreign banks remained unchanged at 9. Further, there were 19 authorised dealers and agents, which comprised of 9 authorised agents (resident trust companies) and 10 authorised dealers (commercial banks)—inclusive of the 7 clearing banks. Meanwhile, private trust companies, vehicles used to support fiduciary services, increased by 11 to 180; and the number of non-bank registered representatives administering these vehicles rose by 1 to 28.

The assets base of banks and trust companies expanded across both sectors. Total domestic assets within banks rose by 3.6% to $12.1 billion in 2024, surpassing the 2.2% rise in the preceding year and the average annual growth rate of 3.4% over the past five years. Likewise, the aggregate assets of the international banking sector edged up by 0.1% to $108.0 billion in 2024, a reversal from the 8.2% falloff in 2023 and the 8.1% average annual decline over the last five years.

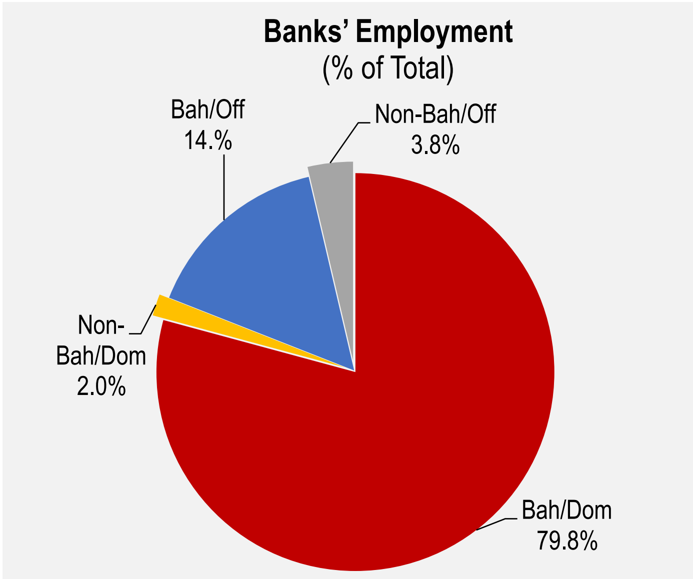
Banking Sector Employment

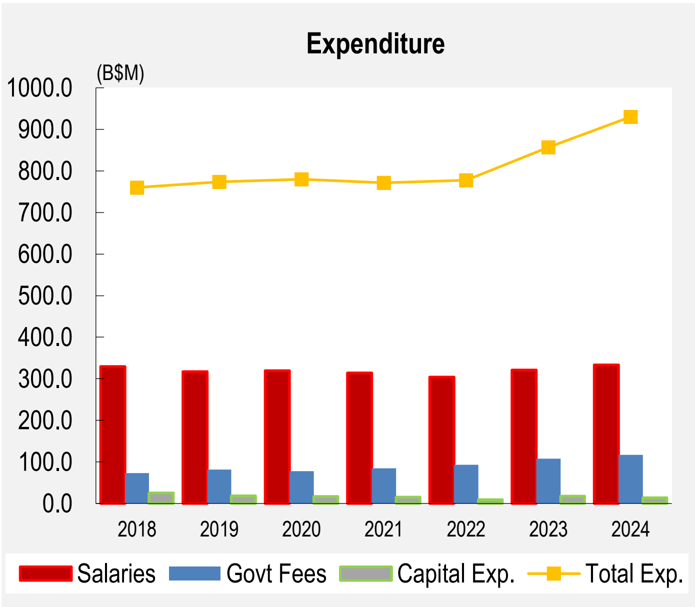
In 2024, banks and trust companies' total employment reduced by 35 (1.0%) to approximately 3,646 persons, a switch from a 0.5% uptick in the previous year. A breakdown by nationality showed that Bahamian positions declined by 39 (1.1%) to 3,448; however, non-Bahamian jobs grew by 4 (2.1%) to 198. Correspondingly, the ratio of employed Bahamians to non-Bahamians in the banking sector eased marginally to 94.6%, from 94.7% a year earlier. Disaggregated by assigned functions, the majority of Bahamians were employed in local banking sector roles (66.6%), followed by offshore banking (15.3%), trust administration (10.8%), and other wealth management related activities (7.3%).



Banking Sector Expenditures

Total expenditure in the banking sector expanded by $73.1 million (8.5%) to $930.1 million in 2024, lower than the 10.1% increase in the preceding year, but surpassing the average annual spending gain of 2.6% over the last five years. Underlying this development, total operational costs advanced by $76.7 million (9.1%) to $916.1 million, following a growth of the same magnitude in the prior year. Specifically, non-staff administrative costs expanded by $55.6 million (13.6%) to $463.6 million, exceeding last year's 10.3% growth. Further, salaries rose by $11.6 million (3.6%), although trailing the 5.6% increase in the previous year. In addition, government fees grew by $9.2 million (8.5%) to $117.1 million, owing primarily to a rise in license (11.4%) and work permit (5.9%) fees. In addition, spending on staff training improved by $0.3 million (17.4%) to $2.3 million, albeit slowed from the 22.8% expansion in the preceding year.





Banks and trust companies' capital expenditure—reflecting outlays for renovations, construction and other fixed assets—reduced by $3.6 million (20.3%) to $14.0 million, a shift from nearly doubled outlays in the previous year.

Domestic vs International Banking

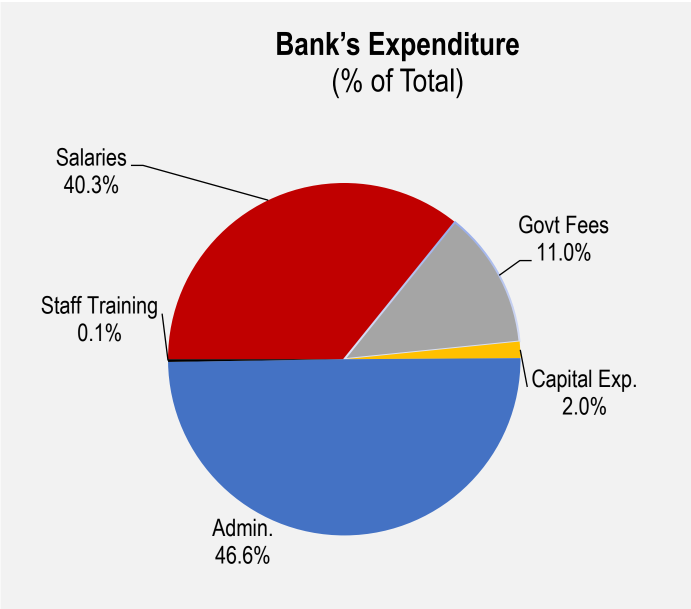
A disaggregated analysis of domestic and international banking operations allows for a more granular evaluation of the domestic sector's retail-oriented services, relative to the wealth management activities of the international banks.

During 2024, total employment in the domestic banking sector fell by 69 (2.3%) to 2,952, in contrast to the 0.4% gain a year ago, and outpacing the average yearly decrease of 1.4% over the past five years. In contrast, total international sector employees increased by 34 (5.2%) to 694, exceeding the 0.6% uptick in 2023, and contrasting with an average yearly decline of 5.0% over the preceding five-year period.

As it relates to the composition of staffing for the domestic banking sector, the total number of Bahamians decreased by 66 (2.2%) to 2,888, contrasting with the 0.8% increase in the previous year. Similarly, the total non-Bahamian employees fell by 3 (4.5%) to 64, curtailing the 13.0% falloff in 2023. However, the ratio of Bahamian to non-Bahamian workers rose to 45:1 from 44:1 in 2023.

Within the international sector, total Bahamian staff firmed by 27 (5.1%) to 560, outpacing the year earlier 2.9% growth. Meanwhile, the non-Bahamian component grew by 7 (5.5%) to 134, a turnaround from the 8.0% falloff in the prior year. As a result, the ratio of Bahamian to non-Bahamian employees held steady at 4:1.

In terms of compensation, movements in average salaries varied across the banking sectors. Specifically, the average salary for the domestic banks moved higher by $2,713 (3.5%) to $64,444 per annum. Conversely, average compensation in the international sector, excluding bonuses, reduced by $7,943.8 (6.9%) to $107,320 per annum.



Expenditure growth in the domestic banking sector moderated, while the reduction in the international sector widened. In the domestic banking sector, aggregate expenditure grew by 11.8% to $720.2 million in 2024, a slowdown from the 14.2% growth in 2023. Reflecting this outcome, total operational costs advanced by 12.5% to $708.1 million, albeit trailing the 12.9% increase in the previous year, but surpassing the 5.4% annual average gain over the previous five years. Operational costs contained a 17.2% ($53.8 million) rise in non-staff administrative costs to $366.6 million, which exceeded the prior year's 14.2% increase. In addition, salaries rose by 8.6% to $233.0 million, vis-à-vis an 8.9% growth in 2023. Government fees also grew by 6.3% to $106.5 million, although lower than the 17.8% rise in the previous year. Meanwhile, outlays for staff training advanced by 24.6% to $1.9 million, surpassing the 16.5% expansion in the preceding year. In contrast, capital expenditure declined by 18.6% to $12.1 million, a switch from a more than two-fold (124.5%) expansion in 2023, which had included a company's purchase of a new premise, along with office equipment.

In the international banking sector, total expenditure fell by 1.4% to $209.9 million, outpacing the 0.6% falloff in 2023, but lower than the 3.9% annual average decline over the preceding five-year period. Operations outlays declined by 1.0% to $208.0 million, relative to the 0.8% decrease in 2023, and the 3.9% average annual reduction over the previous five years. In the underlying developments, outlays for salaries contracted by 6.3% to $100.0 million, which outpaced the 0.4% decrease a year earlier. Providing an offset, government fee payments expanded by 38.0% to $10.5 million, compared to the 17.8% increase in the previous year. Similarly, other administrative costs moved higher by 1.9% to $97.0 million.

Meanwhile, capital expenditure reduced by 30.2% to $2.0 million, a turnaround from a 22.0% growth in 2023.

Credit Unions

Indications are that the credit union sector's economic contribution increased in 2024, with a stable base of eight regulated entities, inclusive of the Bahamas Cooperative League Limited. In particular, the sector's total assets expanded by $22.9 million (4.6%) to $517.8 million in 2024, amid increased lending activities, funded by growth in deposits. Specifically, net loans to members rose by $18.1 million (7.7%) to $253.8 million—led by a buildup in consumer loans and mortgage flows—while funding resources advanced by $16.2 million (3.9%) to $436.2 million. Further, liquid investments—mainly fixed deposits—grew by $5.2 million (15.0%), while league deposits moved higher by $4.6 million (4.3%). Meanwhile, liquid assets increased by $5.9 million (2.8%) to $216.1 million, although lower than the 4.1% growth registered in the previous year.

Credit union's total expenditure—exclusive of intermediation costs—rose by 14.6% to $30.2 million in 2024. Underpinning this outturn, operational outlays increased by $3.0 million (14.3%) to $24.1 million. Personnel expenses, the dominant category—inclusive of base salaries and other staff expenses—grew by $0.8 million (9.2%) to $9.6 million, in line with the rise in employment by 11 to 216. In addition, notable gains were registered in technology costs (31.9%), general business spending (28.1%), marketing (21.5%), members' security (14.3%), and occupancy expenses (12.5%).

INSURANCE SECTOR

Activity within the local insurance sector was relatively subdued over the review year. Specifically, the latest data from the Insurance Commission of The Bahamas (ICB), showed that the number of licensed insurers, brokers and agents fell by 10 to 147 in 2024. Domestic intermediaries and insurers were reduced by 5 to 121, while external insurers and intermediaries decreased by 5 to 26. However, total assets of domestic companies rose by $153.4 million (8.4%) to $1,970.6 million, with long-term assets at $1,387.1 million and general insurers at $283.5 million.

However, in terms of employment, the number of persons employed in the industry decreased by 14 (1.4%) to 958. In contrast, the approximated average annual salary grew by 2.5% to $39,476 in 2024. However, a comprehensive estimate was not attained, but indications are that total expenditures declined during the review year. Moreover, outlays among domestic insurers stood at $149.4 million, of which 98.2% represented operating costs.

SECURITIES INDUSTRY

The latest data published by the Securities Commission for the Bahamas (SCB), showed that activities supervised by the regulator increased through 2023. In this regard, expenditures, disclosed in fees paid to the SCB across all regulated activities increased to $12.2 million. It is projected that other direct expenses in the domestic economy would have been multiples higher than this estimate, impacting a similar range of costs as for banks and trust companies, including for staffing.

Excluding banks and trust companies, with securities related operations, also overseen by the SCB, the regulated activities included licensed broker dealers, providing services to domestic clients, by facilitating the trading of securities. Firms in the international space offers compensation, competitively comparable to banks and trust companies. Relative to the previous year, through 2023, the SCB recorded one additional firm registered under the Securities Industries Act (SIA), 2011 at 176. However, the number of funds administrators, licensed under the Investment Funds Act, 2019 decreased by 2 to 44, while the number of investment funds licensed and administered under the Act receded by 23 to 659. During 2023, the net asset value of investment funds strengthened by 19.5% to $60.6 billion. The SCB, meanwhile supervised 292 financial and corporate services providers, an increase of 21 compared to the previous 2022. Registrants under the Digital Assets and Registered Exchanges (DARE) Act also increased, to 18 in 2023 from 8 in 2022.

OTHER FINANCIAL SECTOR DEVELOPMENTS

During the year, financial sector initiatives continued to feature a pronounced emphasis on improving The Bahamas' supervisory framework, with a focus on expanding jurisdictional cooperation and transparency, strengthening crisis preparedness protocols, and advancing The Bahamas' anti-money laundering and counter financing of terrorism (AML/CFT) regime. In addition, the sector prioritized financial inclusion and literacy efforts, particularly within the context of digital financial services, in an effort to protect consumers, while simultaneously improving the suite of financial instruments available to them.

Further, the SCB's DARE Act, 2024 was passed into law in 2024, which supersedes the 2020 iteration. The Act introduces new reforms aimed at addressing new developments in the digital assets and cryptocurrency markets. In particular, the Act focuses on investor protection, while simultaneously encouraging innovation in the nascent industry, and aligning The Bahamas' regulatory space with international best practices, including recommendations from the standard setting bodies. The DARE Act, 2024, encompasses a wider range of digital asset activities, enhanced requirements for the exchange of digital assets, a more robust custody framework, and a comprehensive stablecoin framework. The Act also introduces for the first time a disclosure regime for staking digital assets that belong to clients.

In other legislative updates, the Securities Industry Act, 2024 was also passed in 2024, which seeks to provide a robust and agile framework for the securities industry, thereby aligning it with international best practices and global standards.

CENTRAL BANK INITIATIVES

In 2024, the Central Bank continued its efforts to uphold international regulatory standards—with a focus on strengthening its AML/CFT regime—increase payments efficiency, through the advancement of digital financial services, and improved financial inclusion.

With regard to digital modernization, the Bank released draft Regulatory Sandbox Guidelines for public consultation, which seek to provide a framework to support fintech innovation in the banking and payments sector. In addition, the Bank progressed work on proposed agency banking regulations, and scoping reforms to ensure universal access to basic banking and payments services. Meanwhile, the Central Bank launched a semi-annual survey to monitor the account opening processes at retail commercial banks. This augmented other initiatives sustained through the Bahamas Cheque Reduction Steering Committee, to benchmark improvements in the domestic payments system. In particular, the Bank established a technical working group, comprised of representative from the commercial banks, credit unions and the payment service providers, to work to develop a fast payment system for The Bahamas, expected to be operational by end-2026. The Bank also maintained public education and financial literacy outreach, promoting the adoption of digital financial tools, collaborating with Cheque Reduction Steering Committee stakeholders through the "Live Digital" campaign that promoted town hall style engagement with business communities in New Providence and the Family Islands; promotion of the central bank digital currency (CBDC), SandDollar, through targeted outreach and incentive programs particularly underbanked Family Island communities. The launch of Wallet 2.0, in May 2024, afforded enhanced features, such as self-onboarding for digital wallets, and deeper integration with authorized financial institutions (AFIs), to allow for richer data collection and improved customer due diligence (KYC) mechanisms.

In the supervisory space, the Central Bank further strengthened its financial sector crisis preparedness and resolution capabilities. To strengthen financial stability oversight, the Bank finished a memorandum of understanding to operationalize the Bahamas Financial Stability Council (BFSC). The BFSC convenes the heads of the Central Bank, Ministry of Finance, Insurance Commission, Securities Commission, and an independent representative of the Deposit Insurance Corporation (DIC) to promote inter-agency coordination on systemic issues related to domestic financial stability. Other noteworthy progress included the establishment of a dedicated Crisis Management and Resolution Unit within the Central Bank's supervisory operations, and progress on reforms to the crisis management legislation governing the operations of the Deposit Insurance Corporation (DIC), credit unions, and domestic banks. In terms of climate related crises, the Central Bank moved closer toward formalizing its climate-related financial risk framework by disseminating a Climate Resilience Survey to gauge SFIs' current exposure and preparedness.

Further, the Bank continued to advance a phased implementation of Basel II and III supervisory frameworks, with outputs in 2024 inclusive of Dividend Regulations, Liquidity Risk Regulations and Guidelines, and Large Exposure Regulations. To support this rollout, draft guidance notes were issued to assist institutions in preparing related reporting forms. Meanwhile, revised guidelines for assessing the fitness and propriety of applicants for regulated functions were released following industry consultation.

The Central Bank further strengthened its approach to anti-money laundering and counter-financing of terrorism (AML/CFT) oversight. Technological enhancements supported these objectives, including ongoing work to automate the analysis of AML data returns and preparations to launch tools for monitoring international SWIFT payment flows in 2025.

As it pertains to the broader financial market infrastructure pace, the Bank introduced competitive bidding for Bahamas Registered Stocks (BRS) via the Bahamas Government Securities Depository (BGSD) platform in January 2024, which laid the foundation for ongoing enhancements and a new fee structure, with implementation expected in 2025. Further, policy work on a government securities buy-back and debt exchange program, progressed in partnership with the Commonwealth Secretariat and the Ministry of Finance. In addition, the Bank commenced its first assessment under the Principles for Financial Market Infrastructure (PFMI), which is expected to conclude in 2025. Significant headway was also made on the ISO20022 project, which is aimed at aligning domestic payment messaging standards with international norms. The ISO20022-compliant Real-Time Gross Settlement (RTGS) system is on track for an April, 2025 launch.

OTHER REGULATORY ACTIVITIES

Insurance Commission Updates

In 2024, the Insurance Commission of The Bahamas (ICB) progressed its efforts to strengthen its regulatory footprint. In particular, the ICB began conducting its fourth and final Quantitative Impact Study (QIS) to support the development of a Risk Based Capital Adequacy Framework for General Insurers, and its third Quantitative Impact Study (QIS) to refine the Risk Based Capital Framework for Long-Term Life Insurers. Further, the Insurance Commission made significant progress towards amalgamating key insurance legislation into a single Insurance Act and Regulations in 2023. Specifically, the on-going exercise facilitated an amendment that transitioned the role of the Chairman of the Board of Commissioners from the Superintendent of Insurance to a Non-Executive Chairman. In addition, the Commission addressed inconsistencies within Regulation 60 of the Insurance (General) Regulations, 2010, related to share capital registration requirements.

Securities Commission Updates

During the review year, in its digital asset efforts, the SCB, in collaboration with the Government of The Bahamas, hosted the D3 Bahamas Web3 and FinTech Conference in 2023 under the theme "Building Trust in a Web3 World". The conference brought together global leaders across digital assets, FinTech, venture capital payments, regulation, and compliance. In addition, to augment their consumer protection efforts, the Commission issued a Money Lenders Survey to firms licensed under the Financial and Corporate Service Providers Act, 2020 (FCSPA). The data collected will be collated and analysed to inform efforts in the non-bank money lending sector of the Bahamian economy.

CONCLUSION AND OUTLOOK

During 2024, indications are that expenditures tracking the financial sector's contribution to the Bahamian economy rose modestly. However, the sector's overall activities remained subdued, against a continuing backdrop of global regulatory changes and other externalities, which restrained new licensing activities. At the domestic level, intermediation, particularly among banks, credit unions and insurers continued to increase. Nevertheless, ongoing efficiency pursuits continued to limit near-term employment prospects, with the international sector impacted for both efficiency reasons and ongoing adjustments to the external regulatory environment. While the number of firms providing international products and services reduced incrementally, in both the banking and non-bank sectors, the product vehicles supporting fiduciary, securities and investment services continued to expand. Banks and insurers also noted balances sheet growth, while combined fiduciary and assets under management were stable to slightly increased.

The near to medium-term outlook for financial services sector remains mixed. Although strengthened intermediation prospects are expected to expand the expenditure profile of domestic firms, operations are expected to continue to target increased efficiencies through digital innovations that limit jobs expansion. In the international sector, prospects are expected to remain more impacted by growth opportunities from new products favouring the securities industry, and niche growth markets in private banking and trust, outside of Europe. That said, further consolidation among the European clientele could continue to mute these gains in the medium-term. In the meantime, international financial services continue to be impacted by the multilateral climate which impact the jurisdiction's benchmarks for cooperation and effectiveness in AML/CFT and anti-proliferation matters, as well the evolving standards for tax transparency. Collectively, the Central Bank, other domestic regulators and law enforcement agencies continue to pursue initiatives to sustain compliance in these areas. In addition, the regulatory and supervisory framework remains fixated on initiatives to enhance and maintain the safety and soundness of the Bahamian financial sector. For Central Bank supervised financial institutions, this includes the ongoing efforts to strengthen the crisis management preparedness and financial stability frameworks. Further, in addition to promoting domestic initiatives aimed at improving financial inclusion and literacy, the Bank will continue to prioritize reforms that support domestic innovations in financial technology.

Table A: Government Revenue from Financial Sector Activities (B$ Millions)

Period	2020p	2021p	2022p	2023p	2024p
A. Taxes on Transactions	**94.0**	**110.0**	**116.1**	**135.4**	**145.6**
Gross Insurance Premium Tax 1/	26.2	26.3	29.5	31.2	34.6
Stamp Tax on Mortgages	4.6	5.5	11.1	5.4	9.6
Stamp Tax on Other Banking Transactions	62.9	77.8	75.2	98.2	100.3
Stamp Tax on Instruments & Bonds	0.3	0.4	0.3	0.65	1.08
B. Licence & Registration Fees	**70.3**	**77.2**	**79.6**	**94.9**	**104.3**
International Business Companies (IBCs)	12.2	13.5	13.0	13.0	14.5
Banks and Trust Companies 3/	50.6	52.9	55.1	69.9	77.9
Insurance Companies, Brokers & Agents	0.3	0.3	0.4	0.4	0.3
Financial & Corp. Svcs. Providers*	0.5	1.9	1.9	2.3	2.3
Investment Funds 2/*	6.7	8.6	9.2	9.3	9.3
C. Total Revenues	**164.2**	**187.2**	**195.7**	**230.3**	**249.9**

Sources: Bahamas Government's Treasury Department, Insurance Commission of The Bahamas, and Securities Commission of The Bahamas.

Notes: 1/ Premium Tax collected from Insurance Companies.
2/ Amounts collected by the Securities Commission.
3/ Amounts include other fees payable.
* Estimated for 2024

Table B. Gross Economic Contribution of Banks and Trust Companies in The Bahamas

Period	2020p	2021p	2022p	2023p	2024p
A. Total Employment	3,843	3,709	3,664	3,681	3,646
1. Non-Bahamians	244	214	215	194	198
2. Bahamians (of which)	3,599	3,495	3,449	3,487	3,448
i) Local Banking	2,398	2,306	2,272	2,274	2,296
ii) Offshore Banking	500	548	569	583	529
iii) Trust Administration	406	389	379	386	371
iv) Other	295	252	229	244	252
			(B$ Millions)		
B. Total Operational Costs (1+2+3+4)	762.7	756.3	769.1	839.3	916.1
1. Salaries[1]	319.5	314.1	304.2	321.4	333.0
i) Base Salaries	274.2	265.3	255.2	264.2	264.7
ii) Bonuses	45.3	48.8	49.0	57.2	68.3
2. Government Fees	78.0	84.7	93.2	107.9	117.1
i) License	50.6	52.9	55.1	69.9	77.9
ii) Company Registration	0.4	0.3	0.1	0.1	0.3
iii) Work Permits	2.4	2.7	2.6	2.0	2.1
iv) Other Government Fees	24.7	28.9	35.5	35.8	36.7
3. Staff Training	1.2	1.1	1.6	2.0	2.3
4. Other Administrative Costs	364.0	356.4	370.0	408.1	463.6
C. Capital Expenditure[2]	17.1	15.1	8.9	17.6	14.0
D. Total Expenditure (B+C)	779.8	771.4	778.0	856.9	930.1
E. Average Salary (B$ actuals)[3]	71,351	71,537	69,653	71,774	72,606

Source: Central Bank of The Bahamas

[1] Includes bonuses.

[2] Includes construction, renovation expenses and other fixed assets.

[3] Excludes bonuses.

Table C. Gross Economic Contribution of Banks and Trust Companies by Group

Period	2020p	2021p	2022p	2023p	2024p	2020p	2021p	2022p	2023p	2024p
			Domestic					**International**		
A. Total Employment	3,124	3,034	3,008	3,021	2,952	719	675	656	660	694
1. Non-Bahamians	73	73	77	67	64	171	141	138	127	134
2. Bahamians (of which)	3,051	2,961	2,931	2,954	2,888	548	534	518	533	560
i) Local Banking	2,398	2,306	2,272	2,274	2,296	--	--	--	--	--
ii) Offshore Banking	193	222	260	271	201	307	326	309	312	328
iii) Trust Administration	266	239	236	234	216	140	150	143	152	155
iv) Other	194	194	163	175	175	101	58	66	69	77
					(B$ Millions)					
B. Total Operational Costs (1+2+3+4)	530.0	532.5	557.3	629.3	708.1	232.7	223.8	211.8	210.1	208.0
1. Salaries[1]	203.3	201.6	197.0	214.7	233.0	116.2	112.5	107.2	106.7	100.0
i) Base Salaries	185.6	184.2	177.4	188.1	190.2	88.6	81.1	77.8	76.1	74.5
ii) Bonuses	17.7	17.3	19.6	26.5	42.8	27.6	31.4	29.4	30.7	25.5
2. Government Fees	69.7	76.2	85.1	100.3	106.5	8.3	8.5	8.2	7.6	10.5
i) License	44.4	46.9	49.2	64.2	69.9	6.1	5.9	5.9	5.7	8.0
ii) Company Registration	0.2	0.2	0.0	0.0	0.1	0.2	0.1	0.1	0.1	0.2
iii) Work Permits	0.9	0.6	0.9	0.5	0.7	1.5	2.1	1.7	1.5	1.5
iv) Other Government Fees	24.2	28.6	35.0	35.6	35.9	0.5	0.4	0.5	0.3	0.9
3. Staff Training	0.9	0.9	1.3	1.5	1.9	0.3	0.2	0.3	0.4	0.4
4. Other Administrative Costs	256.1	253.9	273.9	312.8	366.6	107.9	102.6	96.1	95.2	97.0
C. Capital Expenditure[2]	15.1	12.5	6.6	14.8	12.1	1.9	2.6	2.3	2.8	2.0
D. Total Expenditure (B+C)	545.1	545.0	563.9	644.1	720.2	234.6	226.5	214.1	212.9	209.9
E. Average Salary (B$ actuals)[3]	59,411	60,727	58,976	62,271	64,444	123,227	120,129	118,608	115,264	107,320

Source: Central Bank of The Bahamas

[1] Includes bonuses.

[2] Includes construction, renovation expenses and other fixed assets.

[3] Excludes bonuses.

Table D: Other Selected Financial Sector Statistics

	Unit	2020f	2021f	2022f	2023p	2024p
Investment Funds						
Licensed Investment Funds	Number	712	677	682	659	545
Licensed Administrators	**Number**	48	45	46	44	43
Net Asset Value	*B$ Billions*	49.7	50.9	50.7	60.6	47.5
Insurance Companies and Agents	**Number**	**159**	**152**	**158**	**157**	**147**
Domestic Companies and Agents	**Number**	**127**	**122**	**128**	**126**	**121**
Total Domestic Assets	*B$ Millions*	2,211.0	2,138.8	2,191.7	1,817.2	1,970.6
Employment	*Number*	914	931	931	972	958
Average Annual Salaries	*B$*	36,544	37,832	37,193	38,532	39,476
Operating Costs / Total Expenditure	*%*	98.7	99.1	98.7	98.1	98.2
External Insurers & Intermediaries	**Number**	**32**	**30**	**30**	**31**	**26**
Credit Unions (Active)						
Number of Unions	**Number**	**10**	**10**	**8**	**8**	**8**
Total Assets	*B$ Millions*	482.3	474.6	483.6	495.0	517.8
Employment	*Number*	190	189	192	205	216
Average Annual Salaries	*B$*	29,816	32,074	32,380	33,673	34,481
Total Expenditure	*B$ Millions*	29.0	27.3	27.8	26.3	30.2
Operating Costs / Total Expenditures	*%*	60.6	65.6	70.4	80.1	79.8
Bahamas International Securities Exchange (BISX)						
Securities Listed	**Number**	**47**	**47**	**47**	**47**	**47**
Shares Traded	*Thousands*	5,558	12,045	8,863	4,877	16,146
Market Capitalization	*B$ Billions*	8.76	9.28	10.06	10.75	11.33

Sources:

Bahamas International Securities Exchange (BISX), Credit Unions,

Securities Commission of The Bahamas and Insurance Commission of The Bahamas