

Quarterly

Economic Review

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

OVERVIEW

During the first quarter of 2026, preliminary indications are that the domestic economy maintained its growth momentum on pace with the same quarter of the previous year. However, economic indicators continued trending closer to their medium to long-term potential, following the accelerated recovery from the pandemic. Tourism sector sustained healthy output gains, supported by robust expansion in the sea segment, combined with more strengthened indicators for the high value-added air component, which still faced capacity constraints. Further, various small to medium-scale foreign investment projects, undergirded activity in the construction sector. In price developments, indications are that inflationary pressures increased, reflective of the pass-through effects of higher global oil prices on imported oil and other goods.

Provisional estimates for the third quarter of FY2025/26 indicated that the Government's budgetary surplus decreased, relative to the comparative quarter of FY2024/25. Contributing to this outturn was a rise in total expenditure, which outstripped growth in aggregate revenue. Budgetary financing was sourced largely from the domestic market and consisted of a mix of long and short-term debt instruments.

In monetary developments, bank liquidity expanded during the review quarter, as the buildup in the deposit base outpaced the rise in domestic credit. In addition, the accumulation in the financial system's net foreign assets widened, compared to a year earlier, bolstered by robust foreign currency inflows from real sector activities. Further, banks' credit quality indicators improved over the review period, reflective of the ongoing strengthening in economic activity. However, banks' profitability indicators abated over the fourth quarter of 2025—the latest period for which data is available—on account of a rise in operating costs and increased provisions for bad debt. Meanwhile, the weighted average interest rate spread narrowed during the first quarter, as the decline in the weighted average loan rate outpaced the decrease in the mean deposit rate.

On the external side, the estimated current account deficit widened during the review quarter, explained by a rise in the merchandise trade deficit, along with an increase in the primary income account deficit. These overshadowed the expansion in the services account surplus and the uptick in the secondary income account receipts. In contrast, the financial account inflows, excluding reserve assets, expanded, owing primarily to a sharp reduction in portfolio investment outflows and a rise in direct investments inflows. Meanwhile, the estimated capital account transfers reported nil transactions during the first quarter, similar to the preceding year.

REAL SECTOR

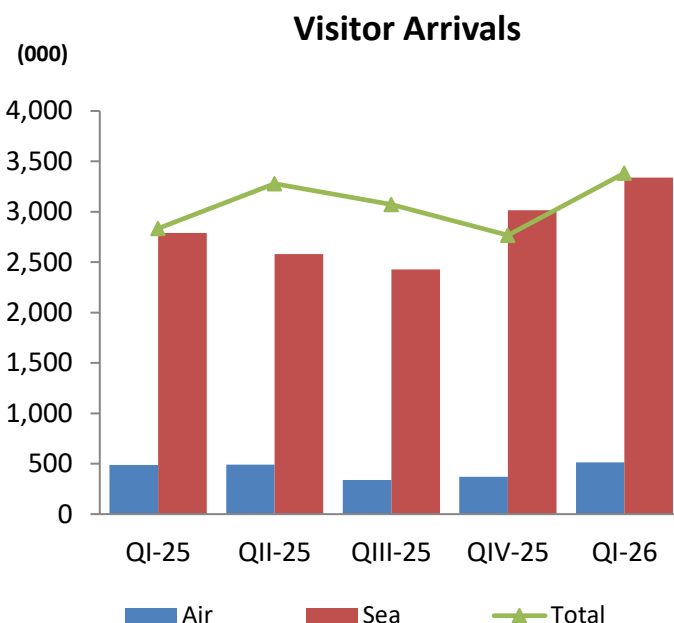
TOURISM

During the first quarter, the tourism sector continued to recorded slightly strengthened performance, supported by robust growth in sea arrivals, and firmed gains in the high value-added air segment, despite capacity constraints remaining a challenge.

Data from the Ministry of Tourism revealed that total foreign arrivals grew by 17.5% to 3.8 million visitors during the review quarter, vis-à-vis the same period a year earlier. Contributing, sea arrivals expanded by

19.6%, to 3.3 million, relative to the comparative 2025 period. Similarly, the high-value added air-component strengthened by 5.2% to 0.5 million, contrasting with a reduction of 3.3% in 2025.

An analysis by major port of entry revealed that total visitor arrivals to Grand Bahama improved to 0.4 million, from 0.1 million in the previous year, supported by a fourfold increase in sea traffic—benefitting from the offshore cruise destination facility—and a 4.8% rise in air passengers, albeit lower than the 11.6% growth in prior year. In New Providence, tourist arrivals increased by 8.3% to 1.7 million, bolstered by accelerated gains of 6.6% in air passengers and a moderated expansion of 8.9% in sea traffic. Similarly, visitors to the Family Islands grew by 8.0% to 1.8 million, reflecting an 8.5% growth in sea traffic and a 0.3% uptick in air arrivals.



The private vacation rental market also benefitted from stopover visitor gains during the first quarter, as shown in the statistics provided by AirDNA. Specifically, total room nights sold increased by 10.8% to 196,516, on account of a rise in bookings for hotel comparable listings by 11.8% to 76,184, and entire-place listings, by 10.1% to 120,332. In the previous year, total sales grew by 4.5%, with the entire place listings sales rising by 5.4% and hotel comparable sales by 3.1%. Alongside increased inventory, the average occupancy rate for hotel comparable listings rose by 3.6 percentage points to 56.9%, but fell for entire-place listings by 2.6 percentage points to 55.1%. Pricing trends were broadly appreciated, with average daily rates (ADR) for hotel comparable listing up by 6.2% to \$182.31, and for entire-place listings by 6.0% to \$700.05.

According to data from the Nassau Airport Development Company Limited (NAD), quarterly total departures—net of domestic passengers—recovered by 4.6% to 0.4 million, following a reduction of 3.6% in 2025. Underlying this outturn, non-U.S. international departures increased sharply by 44.7% in the review quarter. Conversely, U.S. departures, which continued to dominate passenger flows, accounting for 78.9% of the total, or roughly 0.3 million, declined by 2.6%.

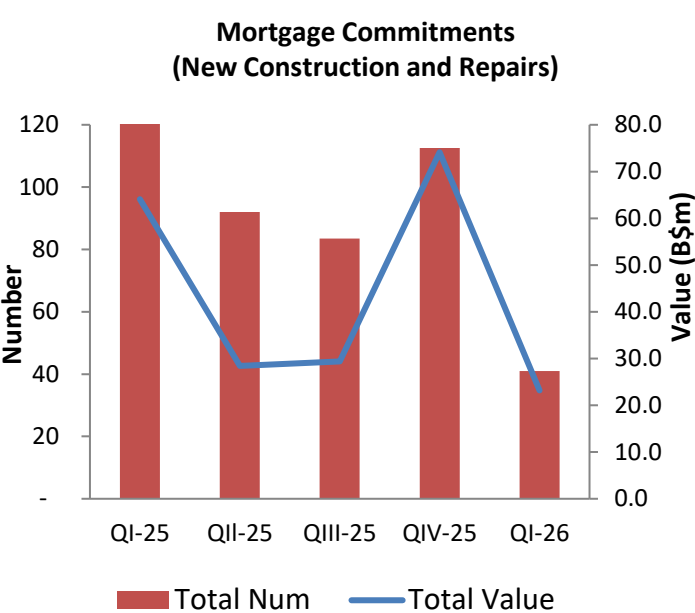
CONSTRUCTION

Construction activity during the first quarter remained supported by new and ongoing varied-scale foreign investment projects. However, bank-financed domestic private sector activity remained subdued during the review period.

In domestic financing developments, total mortgage disbursements for new construction and repairs—as reported by banks, insurance companies and the Bahamas Mortgage Corporation—contracted by 23.4% (\$9.2 million) to \$30.3 million, a switch from the 39.7% growth recorded in the previous year. Contributing to this outcome, commercial disbursements reduced by 77.4% (\$12.4 million) to \$3.6 million, following a near sixfold increase in the prior year. In contrast, residential disbursements grew by 13.4% (\$3.2 million) to \$26.6 million, a reversal from the 9.5% falloff in the preceding year.

Total mortgage commitments for new buildings and repairs—a forward-looking indicator of domestic activity—were approximately halved to 41, compared to the same period in 2025; however, the corresponding value rose by 35.4% to \$23.2 million. All transactions represented residential commitments; whereas there were no commercial commitments registered, as compared to 2 transactions valued at \$0.4 million a year earlier.

With regard to interest rates, the average financing rate for residential mortgages narrowed by 20 basis points to 5.8%, relative to the same quarter in the previous year. Similarly, the average interest rate on commercial disbursements declined by 40 basis points to 6.2%.



PRICES

Indications are that during the first quarter, domestic energy prices trended upwards, in line with the rise in international fuel costs. Specifically, the Bahamas Power and Light (BPL) fuel surcharge, average tiered prices for the generation of less than 800-kilowatt hour (kWh), increased by 2.4% to 17.24 cents per kWh during the twelve months to February. Further, the cost for usage of more than 800 kWh rose by 8.8% to 21.24 cents per kWh.

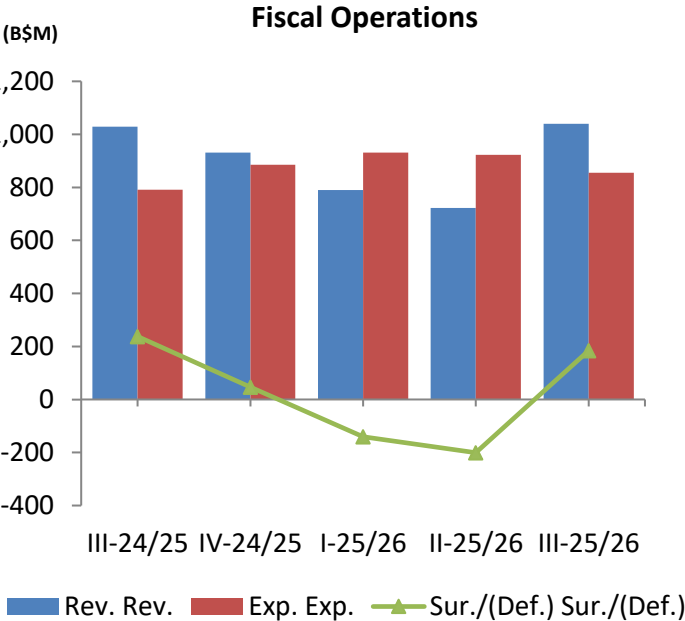
FISCAL OPERATIONS

OVERVIEW

Provisional data on the Government’s budgetary operations for the third quarter of FY2025/26 revealed that the overall surplus decreased to \$184.0 million, from \$237.7 million in the comparative FY2024/25 period. Underpinning this outcome, total expenditure rose by \$63.8 million (8.1%) to \$855.4 million, overshadowing the \$10.1 million (1.0%) gain in aggregate revenue to \$1,039.4 million.

EXPENDITURE

The rise in total expenditure reflected a \$29.3 million (3.9%) growth in current spending to \$775.5 million. Similarly, capital outlays grew by \$34.5 million (76.0%) to \$79.9 million.



By economic classification, the increase in current spending was led by a \$14.8 million (19.5%) growth in disbursements for various “miscellaneous” payments to \$90.8 million, explained by a more than two-fold rise in insurance premium outlays, to \$35.3 million from \$14.8 million a year earlier, which offset the \$5.6 million falloff in current transfers to \$55.5 million. Further, outlays for employee compensation rose by \$14.4 million (6.8%) to \$227.5 million. In addition, allocations for social benefits advanced by \$11.7 million (20.0%) to \$70.1 million. Similarly, interest payments on public debt edged up by \$0.7 million (0.6%) to \$112.6 million, owing largely to an increase in internal debt obligations. Providing some offset, disbursements for the use of goods & services declined by \$4.5 million (2.7%) to \$162.5 million. Likewise, spending for subsidies fell by \$7.9 million (6.7%) to \$109.7 million. Meanwhile, grants were relatively stable at \$2.3 million.

The expansion in capital expenditure was underpinned by a \$33.2 million (85.2%) growth in the acquisition of non-financial assets to \$72.1 million, on account of higher spending on fixed assets. Further, capital transfers edged up by \$1.4 million (20.9%) to \$7.9 million.

REVENUE

Tax receipts—at 90.7% of total revenue—rose by \$34.9 million (3.8%) to \$942.7 million. Specifically, levies on goods & services grew by \$34.4 million (5.8%) to \$622.8 million, as taxes on the use or supply of goods & services expanded by \$45.2 million (28.1%) to \$206.0 million. Reflective of this development, receipts from business license fees increased notably by \$48.7 million (38.7%) to \$174.2 million, while collections from marine licenses, more than doubled to \$5.2 million from \$2.6 million in the year prior. Further, revenue from specific taxes—mainly gaming—advanced by \$1.2 million (11.5%) to \$11.9 million. Conversely, proceeds from general taxes declined by \$11.0 million (2.7%) to \$402.2 million, as VAT collections—accounting for 39.8% of tax revenue—fell by \$6.6 million (1.7%) to \$375.0 million. In addition, stamp taxes on financial and realty transactions moved lower by \$4.3 million (13.8%) to \$27.2 million.

Government Revenue By Source (Jan - Mar)				
	FY24/25p		FY25/26p	
	B\$M	%	B\$M	%
Property Tax	104.3	10.1	92.7	8.9
Value Added Tax	381.6	37.1	375.0	36.1
Stamp Taxes (Financial & Realty)	31.5	3.1	27.2	2.6
Excise Tax	3.8	0.4	2.7	0.3
Specific Taxes (Gaming Tax)	10.6	1.0	11.9	1.1
Motor Vehicle Taxes	12.0	1.2	12.0	1.2
Company Taxes	20.6	2.0	14.5	1.4
License to Conduct Specific Bus. Act.	125.6	12.2	174.2	16.8
Marine License Activities	2.6	0.3	5.2	0.5
Customs & Other Import Duties	62.9	6.1	65.8	6.3
Export & Excise Duties*	66.3	6.4	61.7	5.9
Departure Taxes	85.5	8.3	98.4	9.5
Other Taxes on Transactions	0.2	0.0	0.2	0.0
General Stamp Taxes	0.1	0.0	1.2	0.1
Property Income	12.6	1.2	5.8	0.6
Sales of Goods & Services	73.2	7.1	74.7	7.2
Fines, Penalties & Forfeits	2.8	0.3	2.6	0.3
Reimbursements & Repayments	30.1	2.9	10.9	1.0
Misc. & Unidentified Revenue	2.3	0.2	2.3	0.2
Sales of Other Non-Financial Assets	0.4	0.0	0.3	0.0
Grants	0.1	0.0	0.0	0.0
Capital Revenue	0.0	0.0	0.0	0.0
Total	1,029.3	100.0	1,039.4	100.0

* Includes excise duties, effective FY19/20

In terms of the other components, taxes on international trade and transactions grew by \$11.1 million (5.2%) to \$226.1 million, as departure taxes increased by \$12.9 million (15.1%) to \$98.4 million. Similarly, customs & other duties, moved higher by \$2.9 million (4.5%) to \$65.8 million, outstripping the \$4.6 million (7.0%) falloff in export and excise duties to \$61.7 million. Further, collections from general stamp taxes rose to \$1.2 million, from a muted \$0.1 million in the comparable period last year. In contrast, receipts from property taxes declined by \$11.6 million (11.2%) to \$92.7 million and excises taxes, by \$1.1 million (28.3%) to \$2.7 million.

Non-tax receipts—at 9.3% of total revenue—reduced by \$24.7 million (20.3%) to \$96.7 million. Leading this outturn, receipts from reimbursements & repayments declined by \$19.2 million (63.8%) to \$10.9 million. In addition, collections from property income fell by \$6.7 million (53.7%) to \$5.8 million, as the falloff in receipts from interest & dividends, overshadowed the uptick in proceeds from government property. Further, proceeds from fines, penalties & forfeitures decreased by \$0.2 million to \$2.6 million a year earlier. Likewise, collections from the sale of other non-financial assets edged down by \$0.1 million (22.6%) to \$0.3 million. Providing some offset, proceeds from the sale of goods & services rose by \$1.5 million (2.0%) to \$74.7 million, owing primarily to customs and port & harbour fees. Meanwhile, “miscellaneous” and unidentified revenue were relatively stable at \$2.3 million.

FINANCING AND THE NATIONAL DEBT

Budgetary financing during the third quarter of FY2025/26 was sourced mainly from the domestic market. Internal borrowings totaled \$327.8 million, and comprised of government bonds (\$166.3 million), loans & advances (\$100.0 million) and net Treasury bills/notes (\$61.5 million). Debt repayments for the period amounted to \$256.7 million, the largest portion (72.0%) retiring Bahamian dollar obligations.

For the quarter ended-March 2026, the Direct Charge on the Government increased by \$66.4 million (0.5%) to \$12,473.2 million, and on an annual basis by \$754.5 million (6.4%). Disaggregated by currency, Bahamian dollar obligations constituted 54.6% of the total, with the balance in foreign currency (45.4%). A breakdown by creditor revealed that, banks held the largest share of local currency debt (42.3%), followed by private (non-financial) and institutional (42.2%), the Central Bank (10.9%) and public corporations (4.6%). By instrument type, government bonds held the majority of domestic currency (61.0%) and featured an average maturity of 9.6 years, compared to 8.8 years in 2025. Further, Treasury bills & notes and loans & advances accounted for smaller shares of 32.0% and 7.0%, respectively.

The Government’s contingent liabilities decreased by \$2.3 million (0.7%) over the review quarter, and by \$16.0 million (4.7%) year-on-year to \$323.7 million. Consequently, the National Debt, inclusive of contingent liabilities advanced by \$64.1 million (0.5%) over the three-month period and by \$738.5 million (6.1%), on an annual basis, to \$12,796.9 million, as at end-March 2026.

As a ratio to GDP, the Direct Charge decreased by an estimated 0.3 percentage points on a yearly basis, to 71.5% at end-March. Further, the National Debt-to-GDP ratio declined to an estimated 75.4% from 76.2% in the first quarter of 2025.

Estimates of the Debt-to-GDP Ratios			
	March(%)¹		
	2024P	2025P	2026P
Direct Charge	74.2	71.8	71.5
National Debt	76.4	73.9	73.3
Total Public Sector	78.7	76.2	75.4
Source: Central Bank of The Bahamas and Bahamas National Statistical Institute			
<i>GDP growth estimate for 2025 is partially derived from IMF projections.</i>			
<i>*Presented partially net of inter-public sector credit.</i>			

PUBLIC SECTOR FOREIGN CURRENCY DEBT

During the first quarter, public sector foreign currency debt reduced by \$78.0 million (1.3%) to \$6,150.2 million, and by \$330.6 million (5.7%) relative to the comparative period in 2025. Specifically, amortization payments of \$79.5 million, outweighed new drawings of \$6.8 million. By components, the Government’s outstanding liabilities, at 92.0% of the total, fell by \$76.6 million (1.4%) to \$5,660.5 million on a quarterly

basis. Likewise public corporations' debt stock declined by \$1.4 million (0.3%) to \$489.7 million, vis-à-vis the prior quarter.

Total foreign currency debt service payments decreased by \$43.6 million (26.6%) to \$120.1 million, compared to the same quarter last year. The Government's debt service fell by \$43.6 million (28.9%) to \$107.5 million, as amortization payments declined by \$40.1 million (35.8%) to \$71.9 million, and interest charges, by \$3.6 million (9.1%) to \$35.6 million. However, the public corporations' debt servicing stabilized at \$12.6 million, as amortization payments rose by \$0.4 million (5.2%) to \$7.6 million, while interest charges fell by \$0.3 million (6.5%) to \$5.0 million. As a result of these developments, the Government's debt service to revenue ratio stood at 10.3 % at end-March, a decrease of 4.3 percentage points over the previous year, while the debt service ratio fell to 6.2 % from 9.2% in 2025.

By creditor profile, capital market investors held the largest portion of foreign currency debt (47.1%), followed by multilateral institutions (23.6%), financial institutions (21.8%), Central Bank (3.9%), bilateral agencies (0.5%), domestic banks (0.4%) and the Government (2.7%). An analysis by currency type showed that the majority of debt stock was denominated in United States dollars (88.7%), with smaller portions in euro (6.9%), IMF SDRs (3.9%), and the Chinese yuan (0.5%). At end-March, the average maturity of the outstanding foreign currency debt stood at 8.2 years, up from the 7.5 years in the comparative 2025 period.

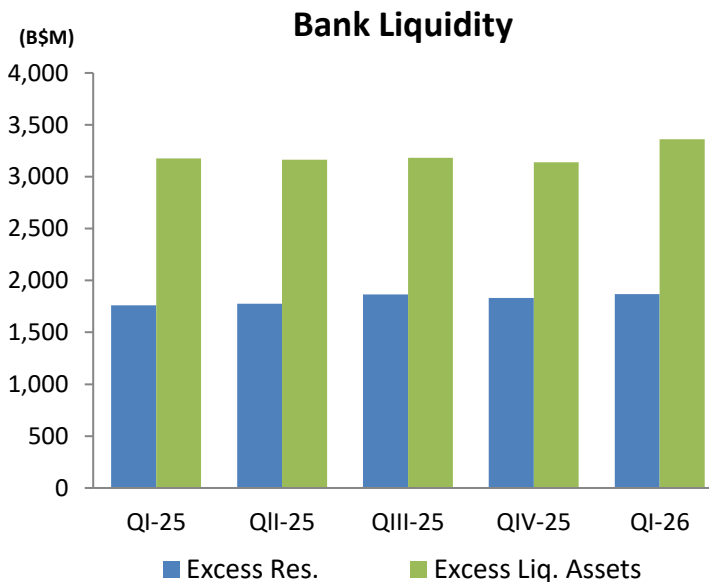
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Monetary trends during the first quarter of 2026, revealed an expansion in banking sector liquidity, supported by growth in the deposit base, which outpaced the rise in domestic credit. Similarly, the financial system's net foreign assets increased, primarily reflecting receipts from real sector activities. Further, banks' credit quality indicators improved over the review quarter, against the backdrop of ongoing improvements in economic activity and ongoing loan write-offs. In addition, according to data for the fourth quarter of 2025—the latest period for which data is available—banks' profitability weakened, reflecting higher operating costs and provisioning for bad debt. Meanwhile, the interest rate spread narrowed, as the decline in the weighted average lending rate outpaced the decrease in the weighted mean deposit rate.

LIQUIDITY

Banks' net free cash reserves increased by \$36.7 million (8.0%) to \$1,867.8 million in the first quarter, a reversal from the \$35.3 million (1.9%) contraction in the comparable period of 2025. Nonetheless, the ratio of net free cash reserves to Bahamian dollar deposit liabilities edged down to 19.3% at end-March, from 19.7% in the same period of the preceding year. Further, the growth in banks' broader surplus liquid assets widened to \$222.7 million (7.1%), from \$123.9 million (4.1%) last year, owing to expansions in balances held with the Central Bank and holdings of Treasury bills. At end-March 2026, the



level of surplus liquid assets exceeded the statutory minimum by approximately 191.1%, compared to 155.0% in the corresponding period of 2025.

DEPOSITS AND MONEY

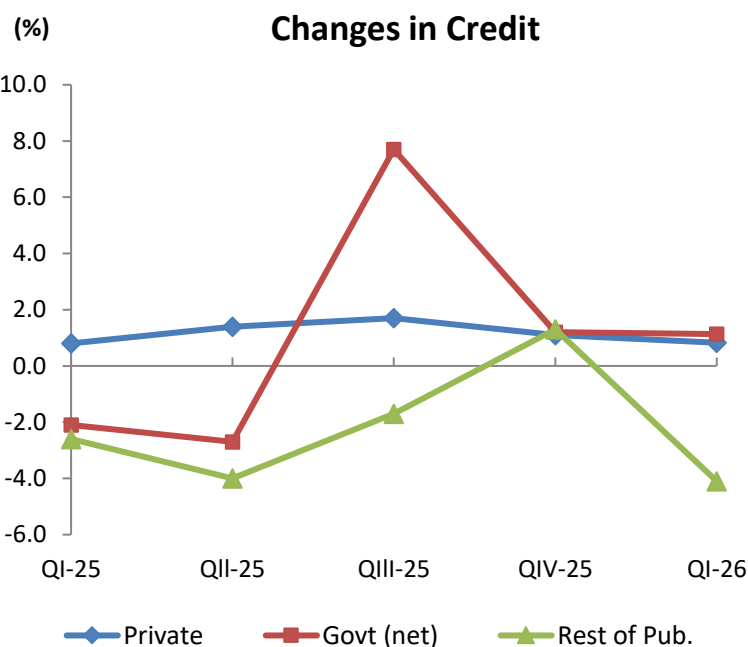
Overall money supply (M3) growth accelerated to \$326.5 million (3.1%) from \$218.8 million (2.3%) a year earlier, bringing the total stock to \$10,709.1 million. By component, narrow money (M1) gains strengthened to \$283.8 million (5.5%) from a \$188.7 million (4.1%) increase last year. In particular, demand deposits growth widened to \$266.8 million (5.7%) from \$171.5 million (4.1%), underpinned by expansions in private placements. In addition, currency in active circulation gains almost steadied at \$17.0 million (3.3%). Broad money (M2) growth extended to \$351.6 million (3.7%) from \$197.1 million (2.2%) in the same period last year, with accretion to savings deposits moderately firmed to \$77.4 million (2.9%) from \$67.2 million (2.7%) in 2025. Moreover, the reduction in fixed balances tapered to \$9.6 million (0.5%) from \$58.7 million (3.1%). Meanwhile, residents' foreign currency deposits reduced by \$25.2 million (3.2%), overturning the \$21.7 million (3.7%) buildup a year earlier.

A disaggregation by category showed that Bahamian dollar demand deposits comprised the largest share of the money stock at 45.9%, followed by savings (25.8%), and fixed deposits (16.3%). Moreover, residents' foreign currency deposits and currency in circulation accounted for significantly smaller shares of the total money stock at 7.0% and 5.0%, respectively.

DOMESTIC CREDIT

During the review quarter, total domestic credit rose by \$3.6 million, a rebound from the \$33.8 million (0.3%) reduction in 2025, but lower than the average quarterly gain of 0.6% over the preceding five-year period. Underlying this outturn, growth in Bahamian dollar claims—which comprised 92.9% of the total—firmed to \$18.4 million (0.2%) from \$0.6 million in the prior year. Further, the contraction in the foreign currency component slowed to \$14.8 million (1.9%), from \$34.5 million (4.6%) in the previous year.

By sector, private sector credit expansion firmed slightly to \$53.8 million (0.8%), following the \$47.4 million (0.8%) rise in the same period of 2025. Partly offsetting, the reduction in net credit to the government was approximately halved to \$36.7 million (1.0%), although contrasting with an average quarterly increase of 2.4% over the last five years. Meanwhile, the falloff in credit to the rest of the public sector deepened to \$13.4 million (4.1%), from \$9.5 million (2.6%) a year earlier.



Of the various private sector categories, personal loans—comprising 74.1% of the aggregate—rose at a more than doubled pace of \$84.6 million (1.8%), and contrasted with the average quarterly decline of 0.8% over the prior five-year period. Underpinning these developments, the growth in overdrafts advanced to \$45.6 million, from \$11.9 million in the preceding year. Similarly, consumer loans gain more than doubled to \$36.5

million (1.7%). However, residential mortgages expansion moderated to \$2.4 million (0.1%) from the \$10.9 million (0.4%) buildup in the same period of the previous year.

A detailed breakdown of Bahamian dollar consumer credit showed extended advances for debt consolidation (\$20.1 million), private cars (\$17.5 million) and credit cards (\$2.2 million); while more muted gains were posted for land purchases and commercial vehicles. In partial offset, credit balances declined for “miscellaneous” purposes (\$1.1 million), home improvements (\$1.1 million) and education (\$1.1 million), with smaller decreases noted for travel, furnishings and domestic appliances, taxis and rented cars, and medical.

In the outstanding private sector components, claims rose for distribution (\$39.9 million), tourism (\$2.1 million), and manufacturing (\$0.4 million). In contrast, balances declined for “miscellaneous” purposes (\$44.3 million), transport (\$44.2 million) and construction (4.4 million); with decreases of less than \$1.0 million posted for, fisheries, and entertainment and catering.

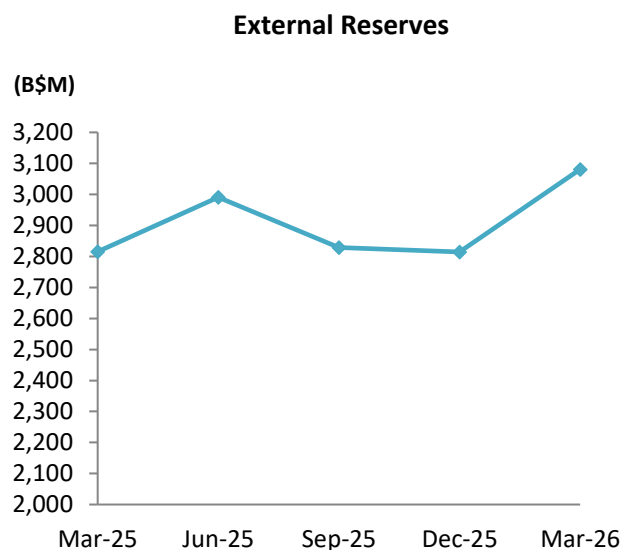
Distribution of Bank Credit By Sector (End-.Mar.)				
	2026		2025	
	B\$M	%	B\$M	%
Agriculture	0.8	0.0	0.6	0.0
Fisheries	4.9	0.1	1.8	0.0
Mining & Quarrying	1.0	0.0	1.5	0.0
Manufacturing	38.1	0.6	41.8	0.7
Distribution	414.8	6.3	352.6	5.6
Tourism	18.4	0.3	20.0	0.3
Enter. & Catering	21.7	0.3	22.1	0.3
Transport	152.6	2.3	148.3	2.3
Construction	257.9	3.9	237.1	3.7
Government	443.7	6.7	468.0	7.4
Public Corps.	97.7	1.5	110.6	1.7
Private Financial	42.0	0.6	42.2	0.7
Prof. & Other Ser.	134.6	2.0	96.4	1.5
Personal	4,871.5	74.0	4,713.4	74.5
Miscellaneous	79.1	1.2	73.0	1.2
TOTAL	6,578.7	100.0	6,329.4	100.0

MORTGAGES

Preliminary data from domestic banks, insurance companies, and the Bahamas Mortgage Corporation revealed that the total value of mortgages outstanding declined by \$2.0 million (0.1%) to \$2,991.0 million at the end of the quarter, curtailing the \$6.5 million (0.2%) reduction in the comparative period of 2025. In the underlying developments, commercial mortgages decreased by \$4.9 million (2.0%), a switch from the \$0.5 million (0.2%) uptick last year. However, residential mortgages—which constituted 91.9% of the total—increased by \$2.9 million (0.1%), vis-à-vis the \$7.0 million (0.3%) falloff in the preceding year, to \$2,748.2 million. At end-March, the majority of mortgages were held by domestic banks (86.6%), followed by the Bahamas Mortgage Corporation (7.0%), and insurance companies (6.4%).

THE CENTRAL BANK

Over the review period, the reduction in the Central Bank’s net claims on the government narrowed to \$68.6 million (8.7%) from \$110.8 million (12.4%) in the same quarter of 2025, as the rise in deposits contrasted with the falloff in



government securities holdings. This deviated from the average quarterly gain of \$33.8 million (18.9%) over the prior five-year period. Further, the Bank's net liabilities to the rest of the public sector declined by \$2.0 million (46.7%), after remaining relatively unchanged in the comparative 2025 period. In contrast, the Bank's net liabilities to commercial banks rose by \$152.2 million (6.9%), extending the \$91.3 million (4.1%) growth last year, on account of a rise in deposits.

Season buildup in external reserves strengthened to \$266.5 million (9.5%) during first quarter, from \$182.2 million (6.9%) year earlier, underpinned by net foreign currency inflows from private sector activity and the Government's external borrowings. In particular, the Bank's net foreign currency purchases increased to \$246.0 million, from \$158.0 million a year earlier. Transactions with the government switched to a net purchase of \$43.8 million, from a net sale of \$2.0 million in the comparative 2025 period. Further, the net sales to public corporations tapered to \$60.4 million from \$119.0 million. However, the Bank's net inflows from commercial banks decreased slightly to \$262.6 million from \$278.9 million in the prior year.

At end-December, the stock of external reserves stood at an estimated 30.6 weeks of the current year's total merchandise imports (including oil purchases), exceeding the 28.8 weeks in the comparative 2025 period. After adjusting for the statutory requirement on the Bank's demand liabilities, "useable" reserves rose by \$150.4 million (11.3%) to \$1,477.9 million, relative to the same period in 2025.

DOMESTIC BANKS

At end-March, total net foreign assets of the domestic banking system reduced to \$0.8 million from \$36.0 million in the previous quarter, and a shift from the \$69.6 million net liability recorded in the corresponding period the year prior.

During the first quarter, domestic banks' credit increased by \$74.3 million (0.8%), marginally lower than the \$77.0 million (0.8%) buildup in the same quarter of the previous year. Specifically, private sector credit growth firmed moderately to \$53.8 million (0.8%) from \$47.4 million (0.8%) gain last year. However, the increase net claims on the government tempered moderately to \$31.9 million (1.1%) from \$39.1 million (1.5%) in the previous year. Conversely, the decline in credit to the rest of the public sector extended to \$11.4 million (3.5%), from \$9.5 million (2.7%) in 2025.

Banks' total deposit liabilities—inclusive of government balances—rose by \$356.2 million (3.5%), outpacing the \$310.4 million (3.4%) accumulation in the prior year. Specifically, the buildup in total private sector deposits quickened to \$288.1 million (3.0%), from \$222.8 million (2.5%) last year. However, government deposits gains tapered to \$46.5 million (17.2%) from the previous year's \$57.1 million (24.1%); and accretion to deposits in the rest of the public sector tapered to \$21.7 million (8.0%) from \$30.6 million (15.2%) in 2025.

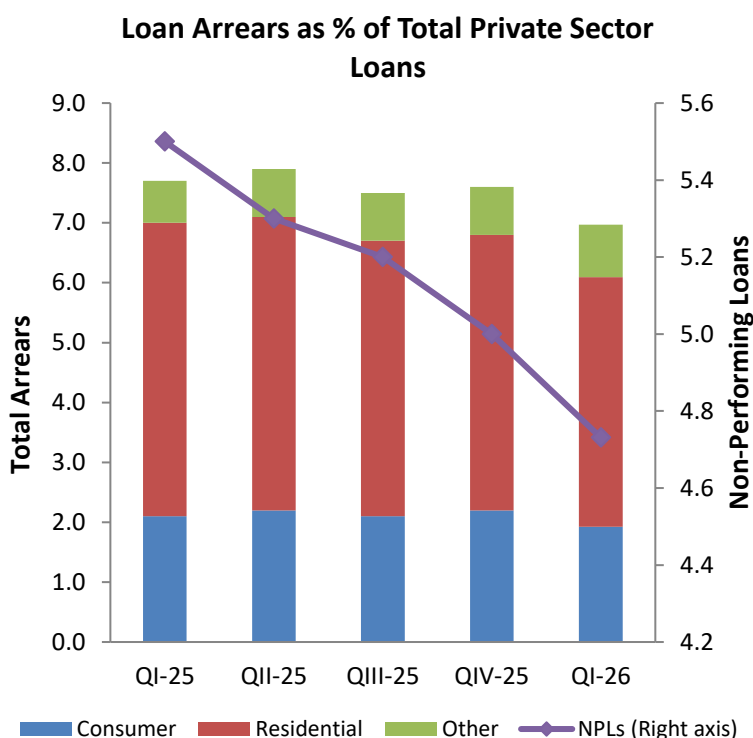
At end-March, the majority of deposit liabilities remained denominated in Bahamian dollars (92.6%), with foreign currency balances accounting for the remainder. Categorized by holder, private individuals held the largest share of total local currency accounts (49.9%), followed by business firms (32.9%), private financial institutions (7.1%), the public corporations (2.4%), and other "miscellaneous" entities (4.4%).

A disaggregation by deposit category revealed that demand balances accounted for the dominant share of accounts (53.2%), followed by savings (28.5%), and fixed (18.3%) balances. By range of value and number, Bahamian dollar balances of \$10,000 or less constituted the largest share of accounts (86.5%), but only represented 5.0% of the total value. Accounts with balances between \$10,000 and \$50,000 comprised 8.7% of total accounts and 9.9% of the total value. Meanwhile, accounts in excess of \$50,000 accounted for 4.7% of total accounts, but represented 85.1% of the overall value.

CREDIT QUALITY

During the first quarter, banks' credit quality indicators improved, against the backdrop of the continued strengthening in economic activity and ongoing loan write-offs. Specifically, total private sector loan arrears contracted by \$35.8 million (7.8%) over the quarter, and by \$25.7 million (5.7%) on an annual basis, to \$426.0 million at end-March. Correspondingly, the arrears to total private sector loans ratio fell by 67 basis points over the quarter, and 76 basis points over the year, to 7.0%.

By age of delinquency, short-term arrears (31-90 days) decreased by \$22.0 million (13.9%) to \$136.8 million, with the associated ratio to total loans lowering by 39 basis points to 2.2%. Similarly, non-performing loans (NPLs)—arrears in excess of 90 days and on which banks have ceased accruing interest—reduced by \$13.9 million (4.6%) to \$289.2 million, as the attendant ratio narrowed by 28 basis points to 4.7%.



The quarterly reduction in private sector loan arrears was led by a \$26.0 million (9.3%) contraction in mortgages, with the corresponding ratio declining by 1.0 percentage point to 10.0%. Likewise, consumer delinquencies decreased by \$13.0 million (9.9%), and the attendant ratio, by 68 basis points to 5.2%. Providing a slight offset, commercial arrears increased by \$3.1 million (6.2%), while the associated ratio rose by 16 basis points to 4.1% of total private sector loans. When compared to the same period in 2025, the NPL rate for mortgages fell by 1.4 percentage points to 6.6%; consumer loans, by 35 basis points to 3.5%; and commercial loans, by 13 basis points to 3.2%.

PROVISIONS & CAPITAL ADEQUACY

Despite the improvement in credit quality indicators, banks increased their total provisions for loan losses by \$2.3 million (0.9%) to \$263.4 million in the first quarter. Resultantly, the ratio of total provisions to total arrears moved higher by 5.3 percentage points to 61.8%. Similarly, the ratio of total provisions to NPLs increased by 4.9 percentage points to 91.1%. Further, banks wrote-off an estimated \$16.1 million in bad loans, and recovered approximately \$14.3 million.

Over the review quarter, banks continued to maintain robust capital levels, with the average ratio of capital to risk-weighted assets rising by 20 basis points to 29.3% at end-March, relative to the same period in the previous year. The ratio remained well in excess of the minimum regulatory prescribed target of 17.0%.

BANK PROFITABILITY

During the fourth quarter of 2025—the latest period for which data was available—banks' net income contracted by \$25.0 million (15.6%) to \$135.5 million, as compared to the fourth quarter of 2024, owing to a

rise in operating costs and increased provisioning for bad debt. The net interest margin widened by \$4.5 million (2.9%) to \$160.0 million, as interest income expanded by \$4.2 million (2.5%), while interest expenses declined by \$0.4 million (3.8%). Further, income from commission and foreign exchange fees grew by \$1.9 million (4.3%) to \$47.0 million, resulting in a \$6.5 million (3.2%) gain in the gross earnings margin to \$207.0 million.

With regard to non-interest expenses, banks' operating costs rose by \$3.5 million (2.4%) to \$146.2 million. Underlying this outturn, non-staff related outlays—including professional and rental fees—grew by \$3.5 million (4.1%) to \$90.3 million. Likewise, staff outlays firmed by \$1.8 million (3.5%) to \$52.3 million; however, occupancy costs fell by \$1.9 million (34.1%) to \$3.6 million. However, banks' other net earnings on their "non-core" activities declined by \$28.1 million (27.3%) to \$74.6 million. This included increased provisions for bad debt of \$8.3 million, after an \$18.0 million reduction the year prior; a boosted depreciation costs of \$1.0 million (16.4%) to \$6.8 million; partially offsetting expanded other "non-interest" income, of \$9.3 million (11.6%) to \$89.8 million.

Against this backdrop, banks' profitability ratios weakened. As a percentage of average assets, the gross earnings margin fell by 18 basis points to 6.41%, as the interest margin reduced by 16 basis points to 4.95%, while the commission and foreign exchange income margin narrowed by 3 basis points to 1.46%. Further, the net earnings margin decreased by 19 basis points to 1.88%, while the operating costs margin remained unchanged at 4.52%. Overall, the net income margin (return on assets) declined by 1.1 percentage points to 4.19%, after the contribution other "non-interest" income was tempered by elevated bad debt and depreciation costs.

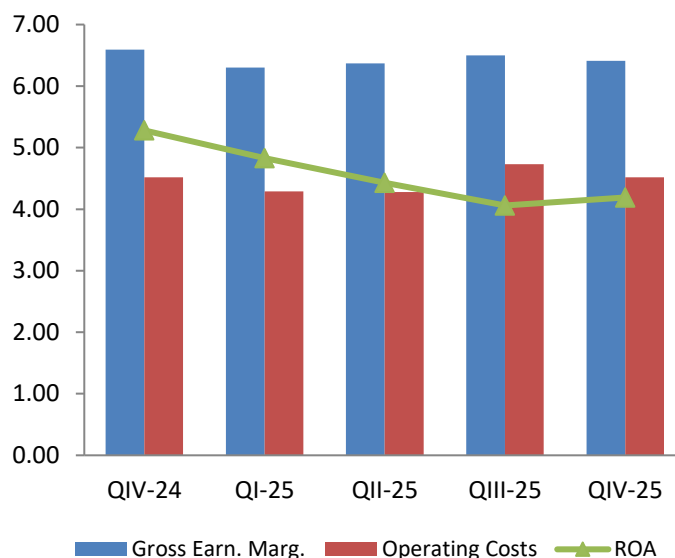
INTEREST RATES

Over the first quarter, the weighted average interest rate spread at commercial banks narrowed to 10.24% from 10.49% in the previous quarter. In particular, the weighted average lending rate fell by 33 basis points to 10.80%, outpacing the 8 basis points softening in the weighted average deposit rate to 0.56%.

The reduction in the weighted average loan rate was underpinned by a 93-basis point decline for

Domestic Banks' Profitability

(% of Avg. Assets)



Banking Sector Interest Rates			
Period Average (%)			
	Qtr. I 2025	QTR. IV 2025	Qtr. I 2026
Deposit Rates			
Demand Deposits	0.25	0.25	0.25
Savings Deposits	0.26	0.25	0.27
Fixed Deposits			
Up to 3 months	0.26	0.26	0.26
Up to 6 months	0.33	0.35	0.29
Up to 12 months	0.44	0.43	0.43
Over 12 months	1.34	1.60	1.43
Weighted Avg. Dep. Rate	0.56	0.64	0.56
Lending Rates			
Residential mortgages	5.24	5.23	5.25
Commercial mortgages	5.76	6.29	7.71
Consumer loans	12.77	12.94	12.01
Other Local Loans	7.61	6.53	8.00
Overdrafts	11.85	11.65	12.36
Weighted Avg. Loan Rate	11.39	11.13	10.80

consumer loans to 12.01%. In contrast, the lending rate rose for commercial mortgages, by 1.4 percentage points to 7.71%; overdrafts, by 71 basis points to 12.36%; and residential mortgages, by 2 basis points to 5.25%.

With regard to deposits, the mean rate offered on demand deposits remained unchanged at 0.25%, while the rate offered on savings deposits rose marginally by 2 basis points to 0.27%. However, the average range of interest offered on fixed balances fell to 0.26%-1.43% from 0.26%-1.60%.

In other interest rate developments, the average Treasury bill rate edged up by 6 basis points to 3.31%, while the Central Bank Discount rate and commercial banks' prime rate remained unchanged at 4.00% and 4.25%, respectively.

CAPITAL MARKET DEVELOPMENTS

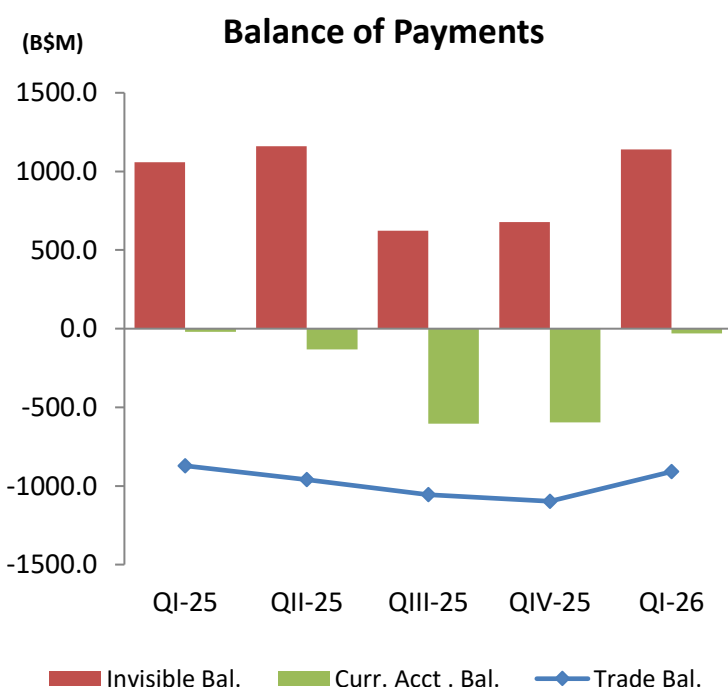
According to data from the Bahamas International Stock Exchange (BISX), the All Share Price Index rose by 0.5% over the first quarter to 3,126.27, and by 3.3% vis-à-vis the same period of last year. Further, the volume of shares traded on the exchange increased to 1.6 million from 1.3 million in the previous quarter, and 1.4 million in the comparable period of the prior year. However, the value of shares traded declined over the quarter to \$13.6 million from \$19.1 million, but rose over the year from \$11.7 million.

In the government securities market, the Central Bank facilitated offerings—including Treasury bills and Bahamas Registered Stock (BRS)—totalling \$1.4 billion in the first quarter, with an average subscription rate of 109.0%, as compared to the \$1.9 billion offered in the fourth quarter of 2025, which held an average subscription rate of 93.0%. By instrument, there were four Treasury bill offerings, with an average absorption rate of 94.0% for the 91-day bills; 166.0% for the 182-day bills; and 121.7% for the 364-day bills, vis-à-vis respective rates of 91.0%, 116.0% and 86.0%. Further, there were five BRS offerings, which recorded an average absorption rate of 154.0%, relative to 112.0% in the previous quarter.

INTERNATIONAL TRADE AND PAYMENTS

Preliminary estimates for the first quarter of 2026 revealed that the external current account deficit widened to \$29.5 million (9.0%) from \$20.5 million in 2025, largely on account of an increase in the merchandise trade deficit, alongside a rise in the primary income account deficit. These overshadowed the expansion in the services account surplus and the uptick in the secondary income account receipts. Conversely, net financial account inflows—excluding reserve assets—rose sharply to \$164.7 million from \$42.8 million, largely attributed to a significant falloff in portfolio investment outflows and a rise in direct investment inflows.

The estimated merchandise trade deficit widened by \$36.8 million (4.2%) to \$908.6 million over the review quarter, reflecting a



\$36.5 million (3.3%) increase in imports to \$1,127.4 million and a \$0.3 million (0.1%) falloff in exports to \$218.8 million. A disaggregation of trade flows showed that outflows for fuel imports rose by \$2.4 million (1.2%) to \$201.4 million. An analysis of the fuel sub-components indicated that the average per barrel costs were higher for refined kerosene oil (jet-fuel), by 11.6% to \$115.20 and for motor gas, by 0.6% to \$156.88. Conversely, average per barrel costs declined for propane, by 37.6% to \$26.24; aviation gas, by 21.6% to \$104.76; Bunker-C, by 10.5% to \$67.31 and for gas oil, by 1.3% to \$102.30.

The estimated surplus on the services account expanded by \$80.9 million (7.6%) to \$1,139.2 million, underpinned by a continued strengthening in net tourism receipts, by \$157.2 million (11.4%) to \$1,541.2 million. Further, net outlays reduced for Government goods and services, by \$20.6 million (44.6%) to \$25.5 million and for insurance services, by \$18.6 million (29.9%) to \$43.7 million. In addition, payments for telecommunications, computer and information services declined by \$3.6 million (26.4%) to \$10.0 million, and for charges for the use of intellectual property, by \$1.1 million (28.1%) to \$2.7 million. Providing some offset, net outflows increased sharply for 'other' business services, to \$149.9 million from \$62.5 million and construction services, to \$27.2 million from 3.2 million in the prior year. Further, net payments for transport rose by \$8.6 million (6.4%) to \$142.9 million.

The primary income account deficit (against wages and investment income), expanded by \$54.5 million (23.2%) to \$289.6 million during the review quarter. Underlying the transactions, net investment income outlays rose by \$50.2 million (24.9%) to \$252.1 million, owing largely to a surge in net outflows for direct investment—inclusive of dividends by banks—to \$171.9 million from \$58.1 million a year earlier, which overshadowed the decline in 'other' investment income—including interest payments by banks, other companies and the Government—by \$52.7 million (44.4%) to \$66.1 million and the decrease in net portfolio investments by \$5.2 million (13.3%) to \$34.0 million.

The secondary income account surplus grew by \$1.3 million (4.5%) to \$29.5 million, as general Government net inflows increased by \$8.9 million (16.8%) to \$62.0 million. Conversely, net payments for 'other' net current private transfers increased to \$7.1 million from \$0.7 million a year prior, while net outflows by various financial, non-financial corporations and households, rose by \$1.2 million (5.0%) to \$25.4 million, as workers' remittances extended by \$1.4 million (5.7%) to \$25.5 million.

During the first quarter, similar to the previous year, there were no estimated transfers for the capital account—which comprised financial corporations, non-financial corporations, households, and non-financial institutions serving households (NPISHs).

The net financial inflows—representing investments—expanded notably to \$164.7 million from \$42.8 million in the comparative 2025 period. Leading this outturn was a significant decline in outflows for net portfolio investments, to \$416.6 million from \$1,130.2 million (73.1%) in the previous year, due to a notable decrease in outflows of short-term external debt securities (on banking sector balance sheets) to \$444.6 million from \$1,442.6 million a year earlier. Further, equity and investment fund shares transactions reversed to a \$28.1 million net inflow from a \$104.1 million net outflow in the preceding year. Also contributing, estimated net direct investments inflows increased to \$123.5 million from \$46.1 million the year prior, occasioned by an expansion in net receipts from equity and investment fund shares, to \$165.3 million from \$47.3 million in the previous year, which offset the extension in net debt instrument repayments, to \$41.8 million from \$1.2 million last year. Providing some offset, net inflows from "other" investment transactions reduced to \$457.7 million from \$1,543.5 million, reflecting a sharp reduction in currency and deposits inflows to \$302.8 million from \$1,688.1 million in the corresponding 2025 period, owing to a significant falloff in the banking sector's net deposit liabilities. Further, "other" private sector-related accounts payable net outflows grew by \$12.8 million (52.0%) to \$37.5 million. In addition, reflective of valuation and other changes, the estimated net

inflows under IMF Special Drawing Rights (SDRs) allocations narrowed by \$3.2 million (43.7%) to \$4.1 million. Conversely, loan transactions shifted to a net inflow of \$188.3 million from a net outflow of \$127.3 million in the same period last year, mainly due to net receipts from non-bank public and private sectors.

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, increased to \$266.5 million from \$181.2 million in the first quarter of 2025.

INTERNATIONAL ECONOMIC DEVELOPMENTS

The global economy maintained a steady growth trajectory in the first quarter of 2026, although continuing to be impacted by the heightened geopolitical unrest in the Middle East and Eastern Europe, combined with trade policy uncertainty. In this environment, the major central banks held their benchmark policy rates steady, but signalled future interest rate reductions to encourage economic expansion, although near-term energy-cost inflation could stall this trend.

During the first quarter, the major economies recorded positive growth, despite trade policy uncertainties and escalated geopolitical tensions in the Middle East and Eastern Europe weighing heavily on economic developments. In the United States, real GDP grew at an annualised rate of 2.0% in the review quarter, extending the 0.5% uptick in the previous quarter, supported by a rise in investments, exports, consumer and Government spending. Further, in the United Kingdom, real economic output rose by 0.6% in the first quarter, from 0.2% in the final quarter of 2025, underpinned by growth across all sectors, with the largest contribution from services. In China, real GDP expanded to an annualised rate of 5.0% in the first quarter from 4.5% in the prior quarter. In addition, Japan's real output increased at an annualised rate of 1.3%, the same magnitude as the previous quarter. Meanwhile, the euro area's real GDP growth slowed to 0.1% in the first quarter from 0.2% in the preceding quarter.

Labour market conditions trended mostly positive during the first quarter. Specifically, in the United States, the unemployment rate decreased to 4.3% from 4.5% in the previous quarter, as non-farm payroll employment rose by 178,000, with notable job gains in health care, construction, transportation, and warehousing. Similarly, in the United Kingdom, the jobless rate fell to 4.9% in the three months to February, from 5.2% in the prior period. In the euro area, the unemployment rate also edged down by 10 basis points to 6.2% from the preceding quarter. In contrast, China's unemployment rate increased by 20 basis points to 5.3%, while in Japan, the unemployment rate rose by 10 basis points to 2.7%, relative to the previous quarter.

Inflationary pressures remained subdued in most major economies during the first quarter. In the United States, the annual inflation rate firmed to 3.3% in March from 2.7% in the previous quarter, largely reflecting higher gas prices. Similarly, in the euro area, annualised inflation increased to 2.6% from 1.9% in the prior quarter. Further, China's year-on-year inflation moved higher to 1.0% from 0.8% in the previous quarter. Conversely, Japan's inflation rate slowed to 1.5% during the review quarter, from 2.1% in the preceding quarter. Likewise, in the United Kingdom, the annual inflation rate edged down to 3.3% in March from 3.4% in the previous quarter, owing in part to decreases in clothing & footwear and furniture & household costs.

In foreign exchange market developments, the United States dollar appreciated against most major currencies during the three months to March, attributed to steady consumer confidence and an increase in competitiveness due to the use of artificial intelligence to boost productivity. Notably, the US dollar strengthened against the British pound, by 1.9% to £0.7560 and the euro, by 1.7% to €0.87. Similarly, the dollar rose vis-à-vis the Canadian dollar, by 1.4% to CAD\$1.39 and the Japanese yen, by 1.3% to ¥158.72.

Further, the dollar firmed relative to the Swiss franc, by 0.9% to CHF0.80. In contrast, the US dollar depreciated against the Chinese renminbi, by 1.3% to CNY6.89.

During the first quarter, most major equity markets recorded declines, influenced by the heightened market uncertainty in the global environment. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) decreased by 4.6% and 3.6%, respectively. Likewise, in Europe, Germany's DAX fell by 7.4% and France's CAC 40, by 4.1%. China's Shanghai SE Composite also reduced by 1.9%. In contrast, the United Kingdom's FTSE 100, increased by 2.5% and Japan's Nikkei 225, by 1.4%.

In the commodities market, average crude oil prices increased by 18.1% to \$86.58 per barrel during the first quarter, reflecting higher Brent crude oil costs. Likewise, in the precious metals market, as investors gravitated toward lower-risk assets, the average price of silver rose by 38.8% to \$81.83 per troy ounce, while the cost of gold moved higher by 33.9% to \$4,947.07 per troy ounce.

Movements in the external sector balances of most major economies varied during the review quarter. In the United States, the trade deficit widened by \$15.6 billion (9.1%) to \$172.1 billion in the first quarter relative to the previous quarter, as the 6.5% rise in imports outpaced the 6.0% growth in exports. Similarly, the United Kingdom's trade deficit in goods and services advanced to £7.0 billion in the first quarter of 2026 from £2.5 billion in the previous quarter, reflective of a 2.6% increase in imports which outweighed the 0.7% gain in exports. Further, the euro area's trade surplus decreased to €16.6 billion from €55.4 billion a year earlier, as the 6.5% reduction in exports, overshadowed the 1.5% decline in imports. Likewise, in Asia, Japan's trade surplus narrowed to ¥57.3 billion from ¥192.5 billion in the preceding quarter, on account of a 5.7% rise in imports, which offset the 10.5% expansion in exports. Further, China's trade surplus contracted by \$40.3 billion (15.2%) to \$264.6 billion, as the 45.7% expansion in imports exceeded the 12.3% growth in exports.

During the review quarter, major central banks maintained their monetary policy stances, while continuing to closely monitor inflation trends. Specifically, in the United States, the Federal Reserve retained the target range for the federal funds rate at 3.50%-3.75% during the first quarter. Further, the Bank of England kept its main policy rate unchanged at 3.75%, in an effort to achieve its 2.0% target inflation rate. Similarly, in the euro area, the European Central Bank held its key interest rates steady, with the main refinancing operations rate at 2.15%, the deposit facility rate at 2.00%, and the marginal lending facility rate at 2.40%, consistent with its commitment to achieving its medium-term inflation target. In China, the People's Bank of China also sustained its benchmark policy rate at 2.00%, while continuing open market operations to manage liquidity conditions within the banking system.

STATISTICAL APPENDIX (TABLES I-I6)

TABLE 1
FINANCIAL SURVEY

Period	2021	2022	2023	2024		2025				2026
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
(B\$ Millions)										
Net foreign assets	2,337.8	2,492.2	2,495.4	2,674.8	2,488.6	2,745.4	2,944.1	2,765.8	2,850.5	3,081.7
Central Bank	2,432.8	2,611.0	2,517.4	2,734.4	2,632.9	2,815.0	2,990.9	2,828.8	2,814.4	3,080.9
Domestic Banks	(95.0)	(118.8)	(22.0)	(59.6)	(144.3)	(69.6)	(46.8)	(63.0)	36.0	0.8
Net domestic assets	5,889.3	6,516.6	6,779.7	6,780.7	7,089.7	7,051.6	7,063.5	7,374.9	7,538.9	7,634.1
Domestic credit	8,928.9	9,312.5	9,608.5	9,803.9	10,103.3	10,069.5	10,048.4	10,406.2	10,515.6	10,519.2
Public sector	3,248.3	3,557.0	3,749.5	3,701.2	3,852.8	3,771.6	3,664.9	3,915.4	3,953.0	3,902.9
Government (net)	2,933.1	3,209.6	3,423.4	3,347.8	3,489.0	3,417.3	3,324.9	3,581.0	3,622.8	3,586.1
Rest of public sector	315.2	347.4	326.1	353.3	363.8	354.3	340.1	334.4	330.2	316.8
Private sector	5,680.7	5,755.4	5,859.0	6,102.7	6,250.5	6,298.0	6,383.5	6,490.8	6,562.6	6,616.4
Other items (net)	(3,039.7)	(2,795.9)	(2,828.8)	(3,023.2)	(3,013.6)	(3,017.9)	(2,984.9)	(3,031.3)	(2,976.7)	(2,885.1)
Monetary liabilities	8,220.3	9,002.0	9,268.4	9,448.7	9,571.6	9,790.3	10,000.9	10,134.0	10,382.6	10,709.1
Money	3,715.5	4,296.8	4,318.7	4,452.0	4,626.5	4,815.1	4,953.0	5,071.0	5,168.0	5,451.8
Currency	385.9	422.8	430.9	457.8	466.7	483.8	497.5	494.0	517.8	534.8
Demand deposits	3,329.6	3,874.0	3,887.8	3,994.2	4,159.8	4,331.2	4,455.4	4,577.0	4,650.2	4,917.0
Quasi-money	4,504.8	4,705.3	4,949.8	4,996.8	4,945.1	4,975.2	5,047.9	5,063.0	5,214.6	5,257.3
Fixed deposits	2,172.2	2,073.9	2,022.6	1,932.0	1,917.9	1,859.2	1,822.1	1,787.1	1,753.0	1,743.4
Savings deposits	1,885.0	2,089.0	2,261.7	2,394.3	2,444.9	2,512.1	2,551.7	2,590.6	2,683.7	2,761.1
Foreign currency	447.7	542.3	665.6	670.6	582.2	603.9	674.1	685.4	777.9	752.8
(percentage changes)										
Total domestic credit	3.7	4.3	3.2	4.6	3.1	(0.3)	(0.2)	3.6	1.1	0.0
Public sector	14.0	9.5	5.4	7.1	4.1	(2.1)	(2.8)	6.8	1.0	(1.3)
Government (net)	16.2	9.4	6.7	8.2	4.2	(2.1)	(2.7)	7.7	1.2	(1.0)
Rest of public sector	(2.7)	10.2	(6.1)	(2.0)	3.0	(2.6)	(4.0)	(1.7)	(1.3)	(4.1)
Private sector	(1.5)	1.3	1.8	3.1	2.4	0.8	1.4	1.7	1.1	0.8
Monetary liabilities	4.6	9.5	3.0	0.4	1.3	2.3	2.1	1.3	2.5	3.1
Money	7.2	15.6	0.5	0.8	3.9	4.1	2.9	2.4	1.9	5.5
Currency	5.3	9.4	1.9	0.5	1.9	3.6	2.8	(0.7)	4.8	3.2
Demand deposits	7.4	16.4	0.4	0.8	4.1	4.1	2.9	2.7	1.6	5.7
Quasi-money	2.6	4.4	5.2	0.1	(1.0)	0.6	1.5	0.3	3.0	0.8

Source: Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

Period	2021	2022	2023	2024		2025				2026
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
(B\$ Millions)										
Net foreign assets	2,680.0	2,888.1	2,911.2	2,927.2	2,774.1	3,018.1	3,218.8	3,028.3	3,131.9	3,365.1
Central Bank	2,432.8	2,611.0	2,517.4	2,734.4	2,632.9	2,815.0	2,990.9	2,828.8	2,814.4	3,080.9
Commercial banks	247.2	277.0	393.8	192.8	141.2	203.1	227.9	199.6	317.5	284.2
Net domestic assets	5,538.7	6,115.2	6,357.3	6,521.2	6,801.2	6,765.2	6,785.3	7,109.6	7,252.6	7,347.3
Domestic credit	8,884.5	9,209.0	9,481.4	9,660.0	9,948.0	9,924.6	9,899.3	10,265.9	10,370.2	10,376.9
Public sector	3,248.2	3,557.0	3,749.4	3,701.0	3,852.7	3,771.5	3,664.9	3,915.3	3,953.0	3,902.8
Government (net)	2,933.1	3,209.6	3,423.3	3,347.7	3,489.0	3,417.3	3,324.8	3,581.0	3,622.8	3,586.1
Rest of public sector	315.1	347.3	326.1	353.3	363.8	354.3	340.1	334.4	330.2	316.8
Private sector	5,636.3	5,652.0	5,732.0	5,959.0	6,095.2	6,153.1	6,234.4	6,350.5	6,417.3	6,474.1
Other items (net)	(3,345.8)	(3,093.8)	(3,124.1)	(3,138.8)	(3,146.8)	(3,159.5)	(3,114.0)	(3,156.2)	(3,117.6)	(3,029.6)
Monetary liabilities	8,212.0	8,996.6	9,261.8	9,441.7	9,568.6	9,776.6	9,997.3	10,131.3	10,377.7	10,705.6
Money	3,707.9	4,291.9	4,312.4	4,445.6	4,624.1	4,801.8	4,949.8	5,068.7	5,163.5	5,448.7
Currency	386.0	422.8	430.9	457.8	466.7	483.9	497.5	494.0	517.9	534.9
Demand deposits	3,321.9	3,869.2	3,881.5	3,987.8	4,157.4	4,318.0	4,452.3	4,574.7	4,645.7	4,913.9
Quasi-money	4,504.1	4,704.6	4,949.4	4,996.1	4,944.5	4,974.8	5,047.5	5,062.6	5,214.2	5,256.9
Savings deposits	1,885.0	2,089.0	2,261.7	2,394.3	2,444.9	2,512.1	2,551.7	2,590.6	2,683.7	2,761.1
Fixed deposits	2,172.2	2,073.9	2,022.6	1,932.0	1,917.9	1,859.2	1,822.1	1,787.1	1,753.0	1,743.4
Foreign currency deposits	446.9	541.7	665.1	669.9	581.6	603.4	673.7	684.9	777.6	752.4
(percentage change)										
Total domestic credit	4.0	3.7	3.0	4.3	3.0	(0.2)	(0.3)	3.7	1.0	0.1
Public sector	14.6	9.5	5.4	7.1	4.1	(2.1)	(2.8)	6.8	1.0	(1.3)
Government (net)	16.8	9.4	6.7	8.2	4.2	(2.1)	(2.7)	7.7	1.2	(1.0)
Rest of public sector	(2.7)	10.2	(6.1)	(2.0)	3.0	(2.6)	(4.0)	(1.7)	(1.2)	(4.1)
Private sector	(1.3)	0.3	1.4	2.6	2.3	0.9	1.3	1.9	1.1	0.9
Monetary liabilities	6.0	9.5	2.9	0.4	1.3	2.2	2.3	1.3	2.4	3.2
Money	10.0	15.7	0.5	0.8	4.0	3.8	3.1	2.4	1.9	5.5
Currency	5.3	9.4	1.9	0.5	1.9	3.6	2.8	(0.7)	4.8	3.2
Demand deposits	10.6	16.5	0.3	0.8	4.3	3.9	3.1	2.7	1.6	5.8
Quasi-money	2.9	4.5	5.2	0.1	(1.0)	0.6	1.5	0.3	3.0	0.8

Source: Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

Period	(B\$ Millions)									
	2021	2022	2023	2024		2025				2026
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Net foreign assets	2,432.8	2,611.0	2,517.4	2,734.4	2,632.9	2,815.0	2,990.9	2,828.8	2,814.4	3,080.9
Balances with banks abroad	323.8	622.8	610.2	444.4	395.8	594.3	801.5	579.4	555.5	886.2
Foreign securities	1,663.1	1,795.2	1,720.1	2,108.1	2,054.0	2,035.9	2,000.2	2,060.3	2,066.9	2,006.0
Reserve position in the Fund	27.0	25.7	25.9	26.2	25.2	25.6	26.5	26.7	26.4	26.2
SDR holdings	418.9	167.3	161.2	155.8	158.0	159.2	162.7	162.3	165.7	162.5
Net domestic assets	192.7	481.0	571.0	546.6	461.3	395.1	206.2	434.3	337.7	236.5
Net claims on Government	457.9	790.6	886.8	901.8	895.1	784.3	639.1	882.4	791.6	723.0
Claims	620.9	882.9	947.8	988.4	1,019.4	975.7	702.3	1,005.9	990.1	984.6
Treasury bills	14.0	11.7	45.8	0.3	10.0	-	-	-	-	-
Bahamas registered stock	340.9	301.7	476.2	433.5	444.4	450.4	432.5	445.1	426.8	423.5
Loans and advances	266.1	569.5	425.8	554.6	565.1	525.3	269.8	560.8	563.3	561.0
Deposits	(163.0)	(92.3)	(61.0)	(86.6)	(124.3)	(191.4)	(63.2)	(123.6)	(198.5)	(261.6)
In local currency	(163.0)	(92.3)	(61.0)	(86.6)	(124.3)	(191.4)	(63.2)	(123.6)	(198.5)	(261.6)
In foreign currency	-	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(69.4)	(94.9)	(20.7)	(28.1)	(75.1)	(23.3)	(54.2)	(45.0)	(31.6)	(31.3)
Credit to commercial banks	-	-	-	-	-	-	-	-	-	-
Official capital and surplus	(241.0)	(241.5)	(241.5)	(239.9)	(241.5)	(241.9)	(242.5)	(244.4)	(241.5)	(241.4)
Net unclassified assets	38.1	19.9	(60.4)	(93.7)	(123.7)	(130.5)	(142.1)	(164.1)	(185.1)	(216.1)
Loans to rest of public sector	1.9	1.6	1.5	1.6	1.6	1.6	1.6	1.3	0.0	0.0
Public Corp Bonds/Securities	5.2	5.3	5.3	4.9	4.9	4.9	4.2	4.3	4.3	2.3
Liabilities To Domestic Banks	(1,814.0)	(2,262.4)	(2,246.6)	(2,408.1)	(2,228.5)	(2,319.7)	(2,279.6)	(2,350.2)	(2,215.9)	(2,368.1)
Notes and coins	(170.9)	(177.8)	(177.8)	(130.2)	(178.0)	(134.4)	(140.4)	(150.9)	(191.5)	(145.5)
Deposits	(1,643.1)	(2,084.6)	(2,068.8)	(2,277.9)	(2,050.5)	(2,185.4)	(2,139.2)	(2,199.3)	(2,024.4)	(2,222.6)
SDR allocation	(418.9)	(400.1)	(404.2)	(408.4)	(392.4)	(399.9)	(413.2)	(412.2)	(411.6)	(407.7)
Currency held by the private sector	(385.9)	(422.8)	(430.9)	(457.8)	(466.7)	(483.8)	(497.5)	(494.0)	(517.8)	(534.8)

Source: Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

Period	(B\$ Millions)									
	2021	2022	2023	2024		2025				2026
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Net foreign assets	(95.0)	(118.8)	(22.0)	(59.6)	(144.3)	(69.6)	(46.8)	(63.0)	36.0	0.8
Net claims on Central Bank	1,815.0	2,263.3	2,247.5	2,409.0	2,229.4	2,316.7	2,280.6	2,351.2	2,216.9	2,369.1
Notes and Coins	170.9	177.8	177.8	130.2	178.0	134.4	140.4	150.9	191.5	145.5
Balances	1,644.1	2,085.5	2,069.7	2,278.8	2,051.4	2,182.4	2,140.1	2,200.3	2,025.3	2,223.5
Less Central Bank credit	-	-	-	-	-	-	-	-	-	-
Net domestic assets	5,840.7	6,114.3	6,369.1	6,399.4	6,743.0	6,803.6	6,984.4	7,024.5	7,309.8	7,480.9
Net claims on Government	2,475.2	2,419.0	2,536.6	2,446.1	2,593.8	2,633.0	2,685.8	2,698.6	2,831.2	2,863.1
Treasury bills	939.8	849.1	965.2	969.4	1,027.5	1,256.6	1,579.3	1,472.8	1,760.1	1,854.2
Other securities	926.5	1,091.4	1,150.7	1,136.8	1,262.4	1,181.6	908.7	1,001.4	835.4	869.8
Loans and advances	820.8	710.9	650.1	589.2	541.0	488.8	463.2	453.4	506.3	456.2
Less: deposits	211.9	232.3	229.4	249.4	237.1	294.1	265.5	229.0	270.6	317.1
Net claims on rest of public sector	103.8	114.8	97.0	132.8	155.5	115.4	103.3	46.6	55.4	22.3
Securities	230.6	229.8	214.2	211.9	229.0	220.7	214.4	216.4	210.9	207.8
Loans and advances	77.4	110.6	105.0	135.0	128.4	127.1	119.8	112.5	114.9	106.7
Less: deposits	204.3	225.7	222.3	214.1	201.8	232.4	231.0	282.3	270.5	292.1
Other net claims	(0.9)	(0.2)	0.8	1.9	0.6	1.5	0.9	(0.1)	(6.9)	(2.4)
Credit to the private sector	5,680.7	5,755.4	5,859.0	6,102.7	6,250.5	6,298.0	6,383.5	6,490.8	6,562.6	6,616.4
Securities	52.9	60.0	68.7	88.8	77.3	82.3	88.9	87.3	75.3	69.0
Mortgages	2,838.9	2,956.6	2,933.5	3,016.1	3,058.9	3,053.2	3,047.6	3,072.7	3,105.5	3,100.7
Loans and advances	2,788.9	2,738.9	2,856.7	2,997.8	3,114.3	3,162.4	3,247.0	3,330.9	3,381.8	3,446.7
Private capital and surplus	(2,342.1)	(2,218.7)	(2,241.3)	(2,204.5)	(2,194.4)	(2,190.0)	(2,102.8)	(2,101.6)	(2,098.9)	(2,143.3)
Net unclassified assets	(75.9)	43.9	117.1	(79.6)	(63.1)	(54.2)	(86.2)	(109.8)	(33.6)	124.8
Liabilities to private sector	7,560.7	8,258.7	8,594.6	8,748.8	8,828.0	9,050.8	9,218.2	9,312.7	9,562.7	9,850.8
Demand deposits	3,509.2	4,075.1	4,220.4	4,317.8	4,372.2	4,577.5	4,732.0	4,823.3	5,006.7	5,205.5
Savings deposits	1,924.2	2,126.2	2,326.3	2,464.2	2,503.6	2,573.2	2,612.1	2,651.9	2,749.2	2,817.7
Fixed deposits	2,127.3	2,057.5	2,047.9	1,966.9	1,952.1	1,900.1	1,874.0	1,837.4	1,806.8	1,827.6

Source: Central Bank of The Bahamas

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

Period	(B\$'000s)										
	2021	2022	2023	2024				2025			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
1. Interest Income	573,796	553,188	619,120	158,624	159,897	164,928	164,712	157,861	162,654	169,732	168,910
2. Interest Expense	38,597	36,870	37,156	9,554	9,388	9,416	9,277	9,103	9,244	9,085	8,926
3. Interest Margin (1-2)	535,199	516,318	581,964	149,070	150,509	155,512	155,435	148,758	153,410	160,647	159,984
4. Commission & Forex Income	41,088	83,554	83,490	19,779	20,925	21,573	45,097	45,647	47,401	47,019	47,023
5. Gross Earnings Margin (3+4)	576,287	599,872	665,454	168,849	171,434	177,085	200,532	194,405	200,811	207,666	207,007
6. Staff Costs	155,209	158,488	161,213	41,130	43,930	46,677	50,471	41,084	47,336	51,589	52,251
7. Occupancy Costs	15,117	13,138	11,271	2,037	2,387	2,448	5,492	2,973	3,528	3,774	3,620
8. Other Operating Costs	291,531	248,967	300,105	77,198	85,290	79,336	86,743	88,405	83,890	95,846	90,289
9. Operating Costs (6+7+8)	461,857	420,593	472,589	120,365	131,607	128,461	142,706	132,462	134,754	151,209	146,160
10. Net Earnings Margin (5-9)	114,430	179,279	192,865	48,484	39,827	48,624	57,826	61,943	66,057	56,457	60,847
11. Depreciation Costs	17,643	19,815	23,024	6,245	6,579	6,693	5,869	5,791	6,175	6,411	6,829
12. Provisions for Bad Debt	225,409	(15,807)	19,608	(9,341)	(510)	(9,728)	(28,101)	(17,996)	(3,959)	(1,536)	8,337
13. Other Income	156,350	221,701	252,142	68,861	70,783	67,413	80,450	74,738	75,782	78,075	89,781
14. Other Income (Net) (13-11-12)	(86,702)	217,693	209,510	71,957	64,714	70,448	102,682	86,943	73,566	73,200	74,615
15. Net Income (10+14)	27,728	396,972	402,375	120,441	104,541	119,072	160,508	148,886	139,623	129,657	135,462
16. Effective Interest Rate Spread (%)	6.89	6.86	7.41	7.29	7.30	7.44	7.42	7.02	7.22	7.22	7.04
(Ratios To Average Assets)											
Interest Margin	4.6	4.5	5.0	5.0	5.0	5.1	5.1	4.8	4.9	5.0	5.0
Commission & Forex Income	0.4	0.7	0.7	0.7	0.7	0.7	1.5	1.5	1.5	1.5	1.5
Gross Earnings Margin	5.0	5.2	5.7	5.7	5.7	5.8	6.6	6.3	6.4	6.5	6.4
Operating Costs	3.5	3.6	4.0	4.0	4.4	4.2	4.5	4.3	4.3	4.7	4.5
Net Earnings Margin	1.5	1.5	1.6	1.6	1.3	1.6	2.1	2.0	2.1	1.8	1.9
Net Income/Loss	2.2	3.4	3.4	4.0	3.5	3.9	5.3	4.8	4.4	4.1	4.2

* Commercial Banks and OLFIs with domestic operations

Source: Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B\$ Millions)

End of Period	2021	2022	2023	2024		2025				2026
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Money Supply (M1)	3,715.5	4,296.8	4,318.7	4,452.0	4,626.5	4,815.1	4,953.0	5,071.0	5,168.0	5,451.8
1) Currency in active circulation	385.9	422.8	430.9	457.8	466.7	483.8	497.5	494.0	517.8	534.8
2) Demand deposits	3,329.6	3,874.0	3,887.8	3,994.2	4,159.8	4,331.2	4,455.4	4,577.0	4,650.2	4,917.0
Central Bank	69.4	94.9	20.7	28.1	75.1	23.3	54.2	45.0	31.6	31.3
Domestic Banks	3,260.1	3,779.1	3,867.1	3,966.1	4,084.7	4,308.0	4,401.2	4,531.9	4,618.6	4,885.7
Factors affecting money (M1)										
1) Net credit to Government	2,933.1	3,209.6	3,423.4	3,347.8	3,489.0	3,417.3	3,324.9	3,581.0	3,622.8	3,586.1
Central Bank	457.9	790.6	886.8	901.8	895.1	784.3	639.1	882.4	791.6	723.0
Domestic banks	2,475.2	2,419.0	2,536.6	2,446.1	2,593.8	2,633.0	2,685.8	2,698.6	2,831.2	2,863.1
2) Other credit	5,995.8	6,102.8	6,185.1	6,456.0	6,614.3	6,652.2	6,723.6	6,825.2	6,892.8	6,933.1
Rest of public sector	315.2	347.4	326.1	353.3	363.8	354.3	340.1	334.4	330.2	316.8
Private sector	5,680.7	5,755.4	5,859.0	6,102.7	6,250.5	6,298.0	6,383.5	6,490.8	6,562.6	6,616.4
3) External reserves	2,432.8	2,611.0	2,517.4	2,734.4	2,632.9	2,815.0	2,990.9	2,828.8	2,814.4	3,080.9
4) Other external liabilities (net)	(95.0)	(118.8)	(22.0)	(59.6)	(144.3)	(69.6)	(46.8)	(63.0)	36.0	0.8
5) Quasi money	4,504.8	4,705.3	4,949.8	4,996.8	4,945.1	4,975.2	5,047.9	5,063.0	5,214.6	5,257.3
6) Other items (net)	(3,039.7)	(2,795.9)	(2,828.8)	(3,023.2)	(3,013.6)	(3,017.9)	(2,984.9)	(3,031.3)	(2,976.7)	(2,885.1)

Source: Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT

Period	(B\$'000)									
	2021	2022	2023	2024		2025				2026
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
CREDIT OUTSTANDING										
Private cars	118,391	120,196	152,248	182,224	195,120	205,634	218,772	232,917	254,891	272,370
Taxis & rented cars	660	932	850	790	869	1,050	1,062	1,046	1,124	1,000
Commercial vehicles	987	872	899	867	927	900	872	983	1,223	1,342
Furnishings & domestic appliances	9,831	12,509	14,647	15,934	15,965	16,708	16,912	17,348	17,486	17,300
Travel	57,203	52,997	47,848	44,321	42,935	41,246	40,654	40,876	39,959	39,489
Education	35,702	31,476	27,359	25,151	24,439	23,115	22,117	21,897	20,632	19,574
Medical	12,038	11,131	11,427	11,652	11,486	11,317	11,275	11,183	11,501	11,474
Home Improvements	100,202	92,212	89,517	76,441	77,192	76,711	75,500	75,256	74,782	73,713
Land Purchases	134,991	127,593	127,033	119,865	123,044	122,558	124,086	124,702	126,365	127,088
Consolidation of debt	857,664	786,721	743,194	750,500	758,605	780,734	795,793	803,699	806,897	826,987
Miscellaneous	489,727	479,450	511,875	527,966	532,110	521,558	519,526	516,416	514,839	513,702
Credit Cards	217,121	221,336	235,970	246,534	254,064	251,338	258,067	267,644	272,375	274,541
TOTAL	2,034,517	1,937,425	1,962,867	2,002,245	2,036,756	2,052,869	2,084,636	2,113,967	2,142,074	2,178,580
NET CREDIT EXTENDED										
Private cars	(10,907)	1,092	32,766	9,673	12,896	10,514	13,138	14,145	21,974	17,479
Taxis & rented cars	(232)	268	(78)	15	79	181	12	(16)	78	(124)
Commercial vehicles	(37)	(117)	29	(4)	60	(27)	(28)	111	240	119
Furnishings & domestic appliances	920	2,629	2,187	661	31	743	204	436	138	(186)
Travel	(6,451)	(4,506)	(4,849)	(781)	(1,386)	(1,689)	(592)	222	(917)	(470)
Education	(1,448)	(4,475)	(3,868)	(406)	(712)	(1,324)	(998)	(220)	(1,265)	(1,058)
Medical	654	(989)	378	150	(166)	(169)	(42)	(92)	318	(27)
Home Improvements	1,844	(8,405)	(2,280)	(993)	751	(481)	(1,211)	(244)	(474)	(1,069)
Land Purchases	7,815	(7,435)	(523)	(1,280)	3,179	(486)	1,528	616	1,663	723
Consolidation of debt	(45,296)	(73,718)	(40,752)	11,084	8,105	22,129	15,059	7,906	3,198	20,090
Miscellaneous	(38,664)	(11,321)	33,469	13,452	4,144	(10,552)	(2,032)	(3,110)	(1,577)	(1,137)
Credit Cards	(28,276)	4,091	14,758	8,361	7,530	(2,726)	6,729	9,577	4,731	2,166
TOTAL	(120,078)	(102,886)	31,237	39,932	34,511	16,113	31,767	29,331	28,107	36,506

Source: Central Bank of The Bahamas

TABLE 8
SELECTED AVERAGE INTEREST RATES

	(%)									
Period	2021	2022	2023	2024		2025				2026
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
DOMESTIC BANKS										
Deposit rates										
Demand deposits	0.66	0.44	0.31	0.25	0.00	0.25	0.25	0.25	0.25	0.25
Savings deposits	0.40	0.40	0.28	0.26	0.29	0.26	0.26	0.27	0.25	0.27
Fixed deposits										
Up to 3 months	0.27	0.28	0.26	0.25	0.25	0.26	0.26	0.26	0.26	0.26
Up to 6 months	0.36	0.36	0.33	0.30	0.28	0.33	0.31	0.35	0.35	0.29
Up to 12 months	0.74	0.50	0.54	0.40	0.47	0.44	0.45	0.49	0.43	0.43
Over 12 months	1.21	1.00	1.04	1.72	1.58	1.34	1.50	1.47	1.60	1.43
Weighted average rate	0.52	0.50	0.54	0.57	0.52	0.56	0.60	0.56	0.64	0.56
Lending rates										
Residential mortgages	5.14	5.23	5.18	5.29	5.22	5.24	5.20	5.17	5.23	5.25
Commercial mortgages	5.99	6.76	6.39	7.78	6.12	5.76	7.02	5.95	6.29	7.71
Consumer loans	12.34	12.96	12.90	13.50	13.16	12.77	12.68	12.95	12.94	12.01
Overdrafts	10.21	10.95	10.63	11.73	11.44	11.85	11.03	11.46	11.65	12.36
Weighted average rate	10.02	11.01	11.02	12.15	11.42	11.39	11.04	11.37	11.13	10.80
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	2.51	2.88	2.91	2.93	2.94	2.97	3.03	3.08	3.25	3.31
Avg. Treasury bill re-discount rate	3.14	3.38	3.41	3.43	3.44	3.47	3.53	3.58	3.75	3.81
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	2021	2022	2023	2024		2025				(%)
				2026		Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
				Qtr. III	Qtr. IV					
Loan Portfolio										
Current Loans (as a % of total private sector loans)	85.8	88.6	89.7	91.4	91.9	92.3	92.1	92.4	92.4	93.0
Arrears (% by loan type)										
Consumer	5.0	3.2	2.7	2.4	2.2	2.1	2.2	2.1	2.2	1.9
Mortgage	7.9	7.1	6.4	5.6	5.4	4.9	4.9	4.6	4.6	4.2
Commercial	1.3	1.1	1.2	0.7	0.6	0.7	0.8	0.8	0.8	0.9
Total Arrears	<u>14.2</u>	<u>11.4</u>	<u>10.3</u>	<u>8.6</u>	<u>8.1</u>	<u>7.7</u>	<u>7.9</u>	<u>7.6</u>	<u>7.6</u>	<u>7.0</u>
Total BS Loan Portfolio	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Loan Portfolio										
Current Loans (as a % of total private sector loans)	85.8	88.6	89.7	91.4	91.9	92.3	92.1	92.4	92.4	93.0
Arrears (% by days outstanding)										
30 - 60 days	2.7	2.2	2.3	1.7	1.7	1.5	1.6	1.5	1.7	1.7
61 - 90 days	1.9	1.4	1.4	1.1	1.0	0.7	1.0	0.8	0.9	0.5
90 - 179 days	2.8	1.1	0.9	0.8	0.8	0.9	0.7	0.8	0.7	0.5
over 180 days	6.8	6.7	5.7	5.1	4.7	4.7	4.7	4.5	4.3	4.2
Total Arrears	<u>14.2</u>	<u>11.4</u>	<u>10.3</u>	<u>8.6</u>	<u>8.1</u>	<u>7.7</u>	<u>7.9</u>	<u>7.6</u>	<u>7.6</u>	<u>7.0</u>
Total BS Loan Portfolio	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Non Accrual Loans (% by loan type)										
Consumer	38.7	27.3	26.5	26.0	26.6	25.1	26.1	27.0	27.8	27.1
Mortgage	52.1	61.7	60.9	63.3	65.0	62.7	61.7	59.7	58.9	58.6
Other Private	9.2	11.0	12.7	10.7	8.4	12.2	12.2	13.3	13.3	14.3
Total Non Accrual Loans	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Provisions to Loan Portfolio										
Consumer	10.7	7.9	3.3	5.5	5.3	4.2	4.2	5.2	4.2	4.2
Mortgage	9.2	7.9	3.4	7.1	6.7	6.5	6.2	5.0	5.5	5.5
Other Private	6.8	3.8	1.3	1.8	1.6	1.7	1.9	2.0	2.0	2.1
Total Provisions to Total Private Sector Loans	9.4	7.2	6.1	5.6	5.2	4.7	4.7	4.5	4.3	4.3
Total Provisions to Non-performing Loans	97.1	93.2	91.3	95.2	95.0	85.5	87.4	85.7	86.2	91.1
Total Non-performing Loans to Total Private Sector Loans	9.6	7.7	6.6	5.8	5.5	5.5	5.3	5.2	5.0	4.7

Source: Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

(B\$ Millions)

Period	2021	2022	2023	2024		2025				2026
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
I. Statutory Reserves										
Required reserves	372.8	411.8	405.2	427.2	420.7	433.7	445.2	454.3	456.7	471.6
Average Till Cash	149.5	160.5	163.5	132.9	162.2	131.9	134.9	149.6	167.9	146.5
Average balance with central bank	1,611.2	2,179.8	2,076.8	2,277.5	2,124.8	2,062.0	2,087.4	2,169.3	2,119.8	2,192.8
Free cash reserves (period ended)	1,387.9	1,928.4	1,835.1	1,983.2	1,866.4	1,760.2	1,777.1	1,864.6	1,831.0	1,867.8
II. Liquid Assets (period)										
A. Minimum Required Liquid Assets	1,344.3	1,458.3	1,493.2	1,509.6	1,544.3	1,605.8	1,635.7	1,676.0	1,694.6	1,759.1
B. Net Eligible Liquid Assets	3,722.9	4,244.3	4,388.2	4,539.1	4,559.9	4,780.5	4,800.2	4,858.4	4,834.1	5,121.3
i) Balance with Central Bank	1,644.1	2,085.5	2,069.7	2,278.8	2,051.4	2,182.4	2,140.1	2,200.3	2,025.3	2,223.5
ii) Notes and Coins	171.4	178.3	178.3	130.7	178.5	134.9	140.9	151.4	192.0	146.0
iii) Treasury Bills	939.8	849.1	965.2	969.4	1,027.5	1,256.6	1,579.3	1,472.8	1,760.1	1,854.2
iv) Government registered stocks	926.5	1,091.4	1,150.7	1,136.8	1,262.4	1,181.6	908.7	1,001.4	835.4	869.8
v) Specified assets	40.5	40.3	23.5	22.8	39.4	23.9	30.8	32.7	28.0	29.7
vi) Net Inter-bank dem/call deposits	0.8	(0.3)	0.9	0.6	0.7	1.1	0.3	(0.1)	(6.8)	(2.1)
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	2,378.6	2,786.0	2,894.9	3,029.6	3,015.6	3,174.8	3,164.5	3,182.4	3,139.5	3,362.2

Source: Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

Period	(B\$ Millions)									
	2022/23p	2023/24p	2024/25p	Budget		2024/25p		2025/26p		
				2024/25	2025/26	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
Total revenue & grants	2,855.4	3,069.1	3,400.5	3,543.3	3,896.3	1,029.3	931.8	790.2	722.4	1,039.4
Current expenditure	3,062.5	2,961.4	3,199.6	3,268.6	3,444.5	746.2	837.2	803.8	858.3	775.5
Capital expenditure	327.5	301.7	285.7	344.5	376.3	45.4	47.7	127.0	64.8	79.9
Overall balance	(534.6)	(194.0)	(84.8)	(69.8)	75.5	237.7	46.9	(140.6)	(200.7)	184.0
FINANCING (I+II-III+IV+V)	534.6	194.0	84.8	69.8	(75.5)	(237.7)	(46.9)	140.6	200.7	(184.0)
I. Foreign currency borrowing (+)	683.4	1,050.7	1,860.2	392.8	338.6	0.1	1,067.1	1.9	493.3	0.6
External	451.2	816.2	1,632.3	392.8	338.6	0.1	1,067.1	1.9	255.1	0.6
Domestic	232.3	234.6	228.0	--	--	--	--	--	238.1	--
II. Bahamian dollar borrowing (+)	2,301.7	2,577.0	2,786.1	1,576.0	807.3	620.9	832.2	551.0	1,130.7	327.8
i) Treasury bills	114.3	286.3	730.5	--	--	213.7	398.6	(30.7)	308.0	61.5
ii) Long-term securities	822.9	1,067.4	599.4	--	--	66.2	70.5	255.2	230.9	166.3
iii) Loans and advances	1,364.5	1,223.2	1,456.3	--	--	341.0	363.1	326.5	591.8	100.0
III. Debt repayment(-)	2,533.2	3,565.9	4,256.6	1,833.5	1,191.5	700.0	1,900.6	255.1	1,287.7	256.7
Domestic	2,074.8	2,815.1	2,796.7	1,359.8	932.9	588.0	1,026.2	212.1	1,261.6	184.8
Bahamian dollars	2,052.3	2,558.1	2,521.7	1,101.9	696.6	588.0	1,022.0	212.1	1,019.3	184.8
Foreign currency	22.4	257.0	275.0	257.9	236.3	--	4.2	--	242.3	--
External	458.5	750.8	1,459.9	473.7	258.6	112.0	874.5	43.0	26.2	71.9
IV. Net acquisition financial assets (-)	236.5	297.8	335.5	46.5	46.5	36.0	113.2	56.6	10.0	22.4
V. Cash balance change & other financing	319.1	430.0	30.4	(19.0)	16.5	(122.8)	67.6	(100.6)	(125.5)	(233.3)

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

**TABLE 12
NATIONAL DEBT**

Period	(B\$ '000s)									
	2023	2024	2025	2024		2025				2026
				QTR III.	QTR IV.	QTR I.	QTR II.	QTR III.	QTR IV.	QTR I.
TOTAL EXTERNAL DEBT	5,029,777	5,142,522	5,485,177	5,193,516	5,142,522	5,056,364	5,292,886	5,254,858	5,485,177	5,410,901
By Instrument										
Government Securities	2,860,000	2,341,789	2,641,361	2,560,000	2,341,789	2,341,789	2,641,361	2,641,361	2,641,361	2,641,361
Loans	2,169,777	2,800,733	2,843,816	2,633,516	2,800,733	2,714,575	2,651,525	2,613,497	2,843,816	2,769,540
By Holder										
Multilateral Institutions	1,324,066	1,255,323	1,412,749	1,268,604	1,255,323	1,218,625	1,179,682	1,170,374	1,412,749	1,393,776
Bilateral Institutions	47,205	40,095	35,801	41,698	40,095	37,402	37,888	35,126	35,801	33,206
Private Capital Markets	2,860,000	2,341,789	2,641,361	2,560,000	2,341,789	2,341,789	2,641,361	2,641,361	2,641,361	2,641,361
Other Financial Institutions	798,506	1,505,315	1,395,266	1,323,214	1,505,315	1,458,548	1,433,955	1,407,997	1,395,266	1,342,558
TOTAL INTERNAL DEBT	6,397,703	6,625,085	6,921,639	6,462,803	6,625,085	6,662,352	6,476,277	6,814,643	6,921,639	7,062,299
By Instrument										
Foreign Currency	309,408	248,825	251,919	297,269	248,825	253,119	256,873	256,343	251,919	249,627
Loans	309,408	248,825	251,919	297,269	248,825	253,119	256,873	256,343	251,919	249,627
Bahamian Dollars	6,088,295	6,376,260	6,669,720	6,165,534	6,376,260	6,409,233	6,219,404	6,558,300	6,669,720	6,812,672
Advances	192,046	331,046	326,514	321,046	331,046	291,046	36,244	326,514	326,514	326,514
Treasury Bills	1,200,266	1,255,386	2,116,394	1,141,769	1,255,386	1,440,760	1,839,240	1,808,359	2,116,394	2,177,912
Government Securities	4,399,684	4,513,472	4,058,866	4,399,141	4,513,472	4,451,631	4,114,337	4,238,554	4,058,866	4,154,314
Loans	296,299	276,356	167,946	303,578	276,356	225,796	229,583	184,873	167,946	153,932
By Holder										
Foreign Currency	309,408	248,825	251,919	297,269	248,825	253,119	256,873	256,343	251,919	249,627
Commercial Banks	74,855	20,833	12,500	60,145	20,833	20,833	16,667	16,667	12,500	12,500
Central Bank	234,553	227,992	239,419	237,124	227,992	232,286	240,206	239,676	239,419	237,127
Bahamian Dollars	6,088,295	6,376,260	6,669,720	6,165,534	6,376,260	6,409,233	6,219,404	6,558,300	6,669,720	6,812,672
Central Bank	708,377	779,817	746,976	750,677	779,817	736,630	463,782	765,993	746,976	744,219
Commercial Banks	2,393,510	2,566,750	2,764,103	2,410,822	2,566,750	2,654,502	2,686,878	2,659,162	2,764,103	2,878,653
Public Corporations	505,522	370,095	314,586	403,473	370,095	373,892	331,007	331,635	314,586	313,107
Other	2,480,886	2,659,598	2,844,055	2,600,562	2,659,598	2,644,209	2,737,737	2,801,510	2,844,055	2,876,693
TOTAL FOREIGN CURRENCY DEBT	5,339,185	5,391,347	5,737,096	5,490,785	5,391,347	5,309,483	5,549,759	5,511,201	5,737,096	5,660,528
TOTAL DIRECT CHARGE	11,427,480	11,767,607	12,406,816	11,656,319	11,767,607	11,718,716	11,769,163	12,069,501	12,406,816	12,473,200
TOTAL CONTINGENT LIABILITIES	360,992	344,320	324,339	345,063	344,320	339,688	329,900	333,647	326,039	323,707
TOTAL NATIONAL DEBT	11,788,472	12,111,927	12,731,155	12,001,382	12,111,927	12,058,404	12,099,063	12,403,148	12,732,855	12,796,907

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

(B\$' 000s)

Period	2023p [*]	2024p ^{**}	2025p ^{***}	2024p		2025p				2026p
				Sept.	Dec. ^{**}	Mar.	Jun. ^{***}	Sept.	Dec. ^{***}	Mar.
Outstanding Debt at Beginning of Period	5,819,771	5,940,406	5,908,661	5,892,563	6,017,348	5,908,661	5,819,596	6,050,248	6,011,714	6,228,237
Government	5,173,402	5,339,185	5,391,346	5,358,799	5,490,784	5,391,346	5,309,482	5,549,758	5,511,200	5,737,096
Public Corporations	646,369	601,221	517,314	533,764	526,564	517,314	510,114	500,490	500,514	491,141
Plus: New Drawings	874,313	1,347,277	1,570,312	216,206	576,768	142	1,067,126	9,524	493,520	6,757
Government	874,313	1,347,277	1,562,461	216,206	576,768	142	1,067,126	1,925	493,268	615
Public Corporations	--	--	7,851	--	--	--	--	7,599	252	6,142
Less: Amortization	772,574	1,344,240	1,336,178	128,598	632,119	119,194	888,267	50,604	278,113	79,492
Government	727,426	1,260,333	1,302,154	121,398	622,869	111,994	878,642	43,029	268,489	71,917
Public Corporations	45,148	83,907	34,024	7,200	9,250	7,200	9,625	7,575	9,625	7,575
Other Changes in Debt Stock	18,895	(34,782)	85,442	37,177	(53,337)	29,987	51,793	2,546	1,116	(5,266)
Government	18,895	(34,782)	85,442	37,177	(53,337)	29,987	51,793	2,546	1,116	(5,266)
Public Corporations	--	--	--	--	--	--	--	--	--	--
Outstanding Debt at End of Period	5,940,406	5,908,661	6,228,237	6,017,348	5,908,661	5,819,596	6,050,248	6,011,714	6,228,237	6,150,236
Government	5,339,185	5,391,346	5,737,096	5,490,784	5,391,346	5,309,482	5,549,758	5,511,200	5,737,096	5,660,528
Public Corporations	601,221	517,314	491,141	526,564	517,314	510,114	500,490	500,514	491,141	489,708
Interest Charges	370,937	404,788	388,778	51,506	162,753	44,508	146,636	40,718	156,916	40,599
Government	336,166	376,956	363,384	45,809	155,804	39,153	137,011	35,646	151,573	35,593
Public Corporations	34,772	27,831	25,394	5,698	6,950	5,355	9,625	5,072	5,343	5,006
Debt Service	1,143,511	1,749,028	1,724,956	180,104	794,872	163,702	1,034,903	91,322	435,029	120,092
Government	1,063,592	1,637,290	1,665,538	167,207	778,673	151,147	1,015,654	78,675	420,062	107,510
Public Corporations	79,919	111,738	59,418	12,898	16,199	12,555	19,249	12,647	14,967	12,581
Debt Service Ratio (%)	15.2	18.3	10.9	12.0	20.1	9.2	14.1	6.4	12.9	6.2
Government Debt Service/ Government Revenue (%)	28.6	34.6	19.0	24.5	33.1	14.7	26.6	10.0	24.6	10.3
MEMORANDUM										
Holder Distribution (B\$ Mil):										
Commercial Banks	147.6	38.8	23.4	79.6	38.8	37.3	31.3	29.4	23.4	21.5
The Central Bank	234.6	228.0	239.4	237.1	228.0	232.3	240.2	239.7	239.4	237.1
Multilateral Institutions	1,377.6	1,304.5	1,465.7	1,319.8	1,304.5	1,267.8	1,226.8	1,225.1	1,465.7	1,452.9
Bilateral Institutions	47.2	40.1	35.8	41.7	40.1	37.4	37.9	35.1	35.8	33.2
Financial Services Firms	798.5	1,505.3	1,395.3	1,323.2	1,505.3	1,458.5	1,434.0	1,408.0	1,395.3	1,342.6
Private Capital Markets	3,167.6	2,624.6	2,901.4	2,848.5	2,624.6	2,618.9	2,912.8	2,907.1	2,901.4	2,895.7
Government	167.3	167.3	167.3	167.3	167.3	167.3	167.3	167.3	167.3	167.3

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 debt.

**The Debt Service Ratio and Government Debt Service/Revenue Ratio for 2024 are 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 in Q4.

***The Debt Service Ratio for 2025 is presented net of an early repayment of \$767.4 million in external bonds in Q2 and SDR174.8 million (approximately US\$238.1 million) refinancing in Government's internal foreign currency debt in Q4.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

(B\$ Millions)

Period	2023	2024	2025	2024				2025				2026
				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)	(1,069.1)	(1,299.7)	(1,424.4)	(175.6)	(108.5)	(520.4)	(495.2)	(20.5)	(149.4)	(632.3)	(622.2)	(29.5)
I. Goods (Net)	(3,212.6)	(3,736.8)	(3,987.0)	(847.3)	(946.7)	(1,019.3)	(923.5)	(871.8)	(961.0)	(1,056.6)	(1,097.5)	(908.6)
Exports	862.2	870.6	817.5	139.6	286.7	207.5	236.9	219.1	211.4	168.4	218.6	218.8
Imports	4,074.8	4,607.4	4,804.5	986.9	1,233.3	1,226.8	1,160.3	1,090.9	1,172.4	1,225.0	1,316.1	1,127.4
II. Services (Net)	2,950.4	3,300.0	3,446.4	929.4	1,109.7	598.1	662.7	1,058.3	1,141.9	593.8	652.4	1,139.2
Transportation	(419.3)	(453.9)	(497.3)	(122.1)	(103.8)	(108.8)	(119.1)	(134.3)	(109.8)	(116.0)	(137.2)	(142.9)
Travel	4,541.2	5,142.5	5,130.4	1,374.2	1,529.9	1,041.5	1,196.9	1,384.0	1,520.0	1,078.3	1,148.2	1,541.2
Construction	(102.7)	(70.4)	(65.9)	(18.9)	(17.4)	(16.2)	(17.9)	(3.2)	(12.8)	(27.9)	(22.0)	(27.2)
Insurance services	(269.8)	(278.8)	(297.2)	(52.0)	(61.8)	(77.1)	(87.9)	(62.3)	(78.4)	(68.2)	(88.3)	(43.7)
Charges for the use of intellectual property n.i.e.	(11.7)	(16.9)	(12.4)	(4.3)	(4.1)	(4.5)	(4.0)	(3.8)	(2.1)	(2.5)	(4.0)	(2.7)
Telecommunications, computer, and information services	(71.8)	(78.7)	(41.3)	(21.0)	(22.8)	(16.1)	(18.9)	(13.6)	(11.5)	(8.3)	(7.9)	(10.0)
Other business services	(549.5)	(730.0)	(596.4)	(157.4)	(184.9)	(167.5)	(220.2)	(62.5)	(113.8)	(219.2)	(200.9)	(149.9)
Government goods and services n.i.e.	(166.0)	(213.8)	(173.6)	(69.2)	(25.4)	(53.0)	(66.2)	(46.1)	(49.6)	(42.4)	(35.5)	(25.5)
III. Primary Income (Net)	(859.2)	(913.9)	(933.5)	(252.0)	(296.3)	(106.2)	(259.4)	(235.1)	(345.0)	(176.4)	(177.0)	(289.6)
Compensation of employees	(113.8)	(124.7)	(144.6)	(29.2)	(28.3)	(35.8)	(31.4)	(33.2)	(32.2)	(34.9)	(44.3)	(37.5)
Investment income	(745.4)	(789.3)	(788.9)	(222.8)	(268.1)	(70.4)	(228.0)	(201.9)	(312.9)	(141.5)	(132.7)	(252.1)
IV. Secondary Income (Net)	52.3	51.0	49.7	(5.8)	24.8	7.0	25.0	28.2	14.7	6.8	(0.1)	29.5
General government	189.1	212.5	193.0	27.0	67.4	46.5	71.6	53.1	54.0	38.5	47.4	62.0
Financial corporations, nonfinancial corporations, households, and NPISHs	(119.2)	(130.3)	(103.1)	(30.5)	(35.6)	(27.1)	(37.1)	(24.2)	(23.2)	(19.8)	(35.9)	(25.4)
<i>of which: Workers remittances</i>	(105.1)	(101.2)	(97.3)	(22.5)	(26.8)	(23.1)	(28.9)	(24.2)	(23.5)	(20.7)	(28.9)	(25.5)
Other current transfers	(17.6)	(31.2)	(40.2)	(2.2)	(7.0)	(12.4)	(9.5)	(0.7)	(16.0)	(11.9)	(11.6)	(7.1)
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)	(1,151.9)	(1,069.9)	(1,159.4)	(255.0)	(178.7)	(468.3)	(167.8)	(42.8)	(353.0)	(236.1)	(527.5)	(164.7)
Direct Investment	(97.1)	(124.3)	(86.2)	(75.5)	(51.4)	56.2	(53.6)	(46.1)	(65.9)	25.6	0.1	(123.5)
Portfolio Investment	330.2	238.6	309.7	1,022.4	(445.3)	(591.2)	252.7	1,546.7	(153.5)	(618.9)	(464.7)	416.6
Other Investments	(1,385.0)	(1,184.1)	(1,383.0)	(1,201.9)	318.0	66.6	(366.9)	(1,543.5)	(133.6)	357.1	(63.0)	(457.7)
Currency and deposits	(1,136.3)	(1,585.6)	(962.6)	(1,240.6)	269.0	(127.5)	(486.4)	(1,688.1)	134.9	363.0	227.6	(302.8)
Loans	(148.5)	254.7	(152.4)	(161.1)	169.0	194.3	52.4	127.3	(209.2)	6.3	(76.8)	(188.3)
Other accounts receivable/payable and trade credit advances	(98.9)	135.5	(248.4)	194.4	(122.6)	12.1	51.5	24.6	(45.8)	(13.1)	(214.2)	37.5
Special drawing rights allocation	(1.4)	11.2	(19.6)	5.3	2.6	(12.3)	15.6	(7.3)	(13.6)	0.9	0.4	(4.1)
D. Net Acquisition of Reserve Assets	(93.6)	115.5	178.5	396.6	1.3	(182.0)	(100.4)	181.2	175.9	(164.2)	(14.4)	266.5
Special drawing rights	(6.1)	(5.0)	8.6	(4.5)	(4.4)	2.4	1.5	2.0	3.7	(2.2)	5.1	(3.1)
Reserve position in the IMF	0.2	(0.7)	1.3	(0.3)	(0.2)	0.8	(1.0)	0.5	0.9	(0.1)	(0.0)	(0.3)
Other reserve assets	(87.7)	121.3	168.6	401.4	5.9	(185.2)	(100.8)	178.7	171.4	(162.0)	(19.5)	269.9
E. Net Errors & Omissions	(176.4)	345.4	443.4	317.1	(68.8)	(129.9)	227.0	158.9	(27.7)	232.0	80.3	131.4

Source: Central Bank of The Bahamas

* Figures may not sum to total due to rounding

**TABLE 15
EXTERNAL TRADE**

(B\$ '000s)

Period	2023	2024	2025	2024				2025			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
I. OIL TRADE											
i) Exports	172,604	86,878	76,582	22,705	19,341	25,533	19,300	26,023	18,472	11,828	20,260
ii) Imports	625,125	804,908	545,117	113,570	299,422	247,930	143,986	169,686	149,474	141,620	84,336
II. OTHER MERCHANDISE											
Domestic Exports											
Crawfish	93,592	74,722	103,301	21,709	5,819	12,811	34,384	29,621	9,011	18,376	46,293
Fish Conch & other Crustacea	n.a.	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	715	n.a.	n.a.	n.a.	37	n.a.	2	--	n.a.	n.a.	n.a.
Fruits & Veggies.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aragonite	2,312	4,954	2,571	330	3,795	462	367	497	548	476	1,050
Other Natural Sands	152	1,252	1,001	11	1,135	71	36	376	613	10	2
Rum/Beverages/Spirits & Vinegar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Crude Salt	16,613	10,128	13,232	4,965	712	2,154	2,298	3,902	1,871	2,279	5,179
Polystyrene Products	38,697	46,201	45,713	12,770	4,462	14,996	13,973	13,169	9,062	18,951	4,531
Other	47,555	46,322	27,797	9,364	21,894	4,702	10,362	6,389	11,025	5,341	5,043
i) Total Domestic Exports	199,637	183,618	193,614	49,148	37,853	35,196	61,421	53,954	32,130	45,432	62,098
ii) Re-Exports	363,925	418,523	407,454	23,124	183,404	96,670	115,325	111,077	121,435	70,992	103,949
iii) Total Exports (i+ii)	563,562	602,141	601,067	72,272	221,257	131,866	176,746	165,031	153,565	116,424	166,047
iv) Imports	3,562,394	4,139,121	4,562,106	913,838	1,066,523	1,086,942	1,071,818	1,026,414	1,092,852	1,158,021	1,284,819
v) Retained Imports (iv-ii)	3,198,469	3,720,597	4,154,652	890,713	883,119	990,272	956,493	915,337	971,417	1,087,029	1,180,869
vi) Trade Balance (i-v)	(2,998,832)	(3,536,979)	(3,961,039)	(841,566)	(845,265)	(955,076)	(895,072)	(861,383)	-939,287	-1,041,597	-1,118,772

Source: Bahamas National Statistical Institute Quarterly Statistical Summaries

Figures may not sum due to rounding.

TABLE 16
SELECTED TOURISM STATISTICS

Period	2023	2024	2025	2024				2025			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
Visitor Arrivals	9,654,838	11,216,972	12,499,871	3,008,159	2,730,673	2,644,063	2,834,077	3,277,605	3,071,497	2,766,899	3,383,870
Air	1,719,980	1,716,815	1,688,794	504,075	487,981	352,502	372,257	487,226	491,544	339,944	370,080
Sea	7,934,858	9,500,157	10,811,077	2,504,084	2,242,692	2,291,561	2,461,820	2,790,379	2,579,953	2,426,955	3,013,790
Visitor Type											
Stopover	1,872,059	1,869,133	1,821,076	535,441	549,607	396,643	387,442	515,664	546,538	372,897	385,977
Cruise	7,773,253	9,352,783	10,658,661	2,474,557	2,190,296	2,247,885	2,440,045	2,759,187	2,520,824	2,387,635	2,991,015
Day/Transit	9,526	(4,944)	20,134	(1,839)	(9,230)	(465)	6,590	2,754	4,135	6,367	6,878
Tourist Expenditure (B\$ 000's)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stopover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cruise	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Day	n.a.	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*	72.2%	68.5%	68.6%	79.3%	78.3%	57.9%	58.6%	78.2%	76.2%	59.3%	60.8%
Grand Bahama	42.7%	41.4%	n.a.	43.7%	42.9%	39.2%	39.6%	n.a.	n.a.	n.a.	n.a.
Other Family Islands	40.9%	35.5%	n.a.	40.1%	42.3%	28.2%	31.3%	n.a.	n.a.	n.a.	n.a.
Average Nightly Room Rates (\$)											
New Providence*	409.05	408.73	413.22	490.69	400.58	337.29	406.35	464.09	418.07	342.38	428.33
Grand Bahama	78.62	73.27	n.a.	72.36	81.37	76.98	62.36	n.a.	n.a.	n.a.	n.a.
Other Family Islands	371.76	409.66	n.a.	473.75	447.65	354.64	362.58	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 (2025)

INTRODUCTION

The financial services sector, which is the second-largest contributor to the economy, contributes to between 15%-20% of the country's Gross Domestic Product (GDP). The industry employs a substantial number of highly skilled workers, generating wages and salaries, government fees and expenditures on varied direct and indirect sectors, such as professional services, construction, real estate, and wholesale & retail trade. There is an important distinction in product offerings within the sectors, with the domestic segment more retail and labour-intensive, whereas the international services are of a private banking and wealth management nature, tailored to high-net-worth clients.

The results from the 2025 survey underscore moderate expenditure-driven growth in the financial sector's contribution to the economy. However, overall operations continued to be impacted by global regulatory developments and other external headwinds, which have tempered new licensing activity. In particular, evolving international compliance standards and heightened supervisory requirements have contributed to further gradual consolidation within international banking and trust activities. However, at the domestic level, financial intermediation continued to strengthen, specifically among banks, credit unions and insurance companies, resulting in balance sheet growth and sustained expenditure within the economy. Employment trends recorded modest gains during the review period. While certain domestic institutions engaged in incremental hiring, overall employment growth across the sector remained constrained by institutions' focus on operational efficiency and digital transformation. In addition, the international sector remained impacted by restructuring efforts and regulatory adjustments.

During the year, regulatory initiatives across the sector focused on continued strengthening of supervisory oversight frameworks, with important emphasis on countering money laundering and other related financial crimes (AML/CFT), supporting international tax transparency, and advancing financial stability efforts. At the Central Bank, there were sustained initiatives to strengthen financial inclusion, financial literacy, and system resilience. Key efforts focused on promoting digital currency adoption, expanding agency banking networks, and improving accessibility to financial services. Guided by risk-based principles, the Bank also continued to enhance AML/CFT framework, coordinating its efforts with members of the Group of Financial Services Regulators (GFSR). The Central Bank also continued to advance the phased implementation of Basel III standards. A critical milestone achieved, was the establishment of the Bahamas Financial Stability Council, intended to enhance inter-agency coordination among the Ministry of Finance, the Central Bank, Securities Commission and the Insurance Commission, in identifying and managing domestic financial stability risks. In support of modernization within the payments ecosystem, the Central Bank also progressed work on a cheque reduction strategy and the development of a Fast Payments System (FPS). The Bank also foreshadowed reform to strengthen the regulatory oversight of credit unions and payments services providers, and to broaden the scope for the enforcement regime for administrative monetary penalties.

GOVERNMENT REVENUE

According to preliminary data, the financial sector sustained its contribution to the Government's direct revenue during the review year. Fiscal data indicated that total taxes and fees received by the Government grew by \$15.0 million (6.0%) to \$264.0 million in 2025. Underlying this outturn, collections from licence and registration fees rose by \$8.5 million (8.2%) to \$111.8 million, reflecting increased receipts from international business companies' activities, which advanced by \$11.6 million (80.1%) to \$26.1 million. In contrast, revenue from banks and trust companies decreased by \$3.1 million (4.0%) to \$74.8 million. Meanwhile, collections

from investment funds were estimated to have held steady at \$8.4 million, financial & corporate services providers, at \$2.3 million and insurance companies, brokers & agents, at \$0.3 million.

Similarly, revenues from transactional taxes on domestic intermediation activities increased by \$6.5 million (4.5%) to \$152.1 million. Specifically, receipts for insurance premium tax and stamp tax on other banking transactions grew by \$4.1 million each (11.8% and 4.1%). Additionally, stamp tax on instruments and bonds rose by \$0.7 million (60.8%). Providing some offset, taxes on mortgages fell by \$2.3 million (24.4%) to \$7.2 million.

CENTRAL BANK SUPERVISED ACTIVITIES

The banking and trust sector continued to dominate the financial landscape in terms of both balance sheet size and employment, remaining a significant driver of overall economic activity. An analysis of domestic institutions indicated that banks maintained elevated liquidity levels, supported by sustained deposit growth. Moreover, lending continued to reflect a strengthened paced relative to most of the past decade, as lending risks further subsided. In the international sector however, new growth opportunities within some business models remained overshadowed by consolidation, particularly within European markets.

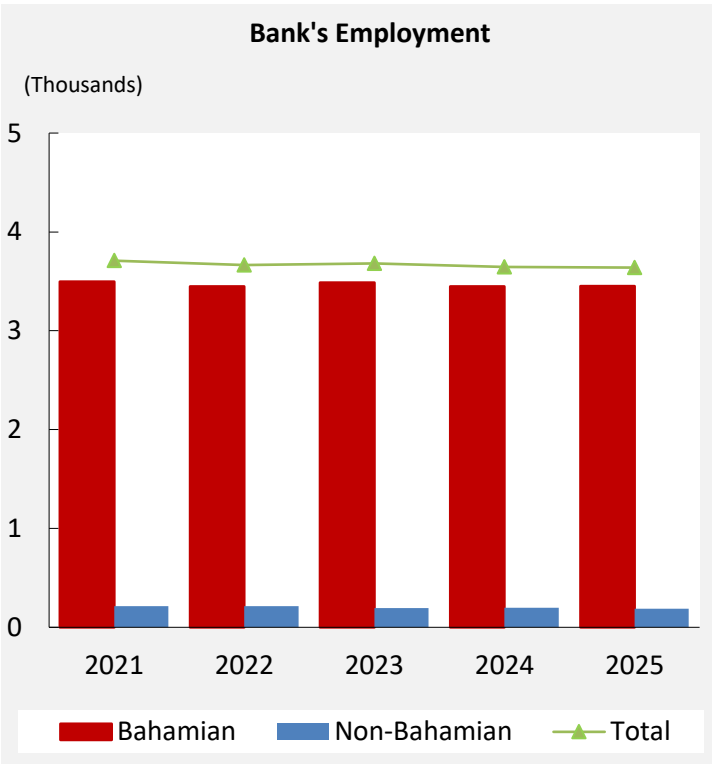
Banking Sector Profile

The total number of banks and trust companies licensed in The Bahamas declined by 8 to 184 in 2025, following a reduction of 5 (2.5%) in 2024. Public banks & trust companies decreased by 2 to 70, while restricted, non-active & nominees fell by 6 to 114. Public institutions, providing a range of domestic and international services, reduced by 4 to 40, while the euro-currency branches of foreign banks remained unchanged at 9. Among public entities were 21 domestic operations, comprising 10 authorized agents (resident trust companies) and 11 authorized dealers (commercial banks), including 7 clearing banks.

Total domestic assets within the local banking sector rose by 4.6% to \$12.7 billion in 2025, exceeding the 3.6% growth recorded in the previous year, and the average annual growth rate of 3.1% over the past five years. In contrast, total assets of the international banking sector decreased by 4.7% to \$103.0 billion in 2025, a reversal from the 0.1% uptick in 2024, but lower than the 7.5% average annual decline over the last five years.

Banking Sector Employment

During the year, banks and trust companies’ total employment fell further by 7 (0.2%) to 3,639 persons, after a 1.0% decrease in the prior year. By nationality, non-Bahamian positions fell by 11 (5.6%) to 187, while Bahamian jobs rose by 4 (0.1%) to 3,452. As a consequence, the ratio of employed Bahamians to non-Bahamians in the banking sector firmed slightly to 94.9% from 94.6% in



the previous year. Categorized by assigned functions, the majority of Bahamians were employed in local banking roles (68.1%), with the rest in offshore banking (14.5%), trust administration (12.6%), and wealth management-related activities (4.8%).

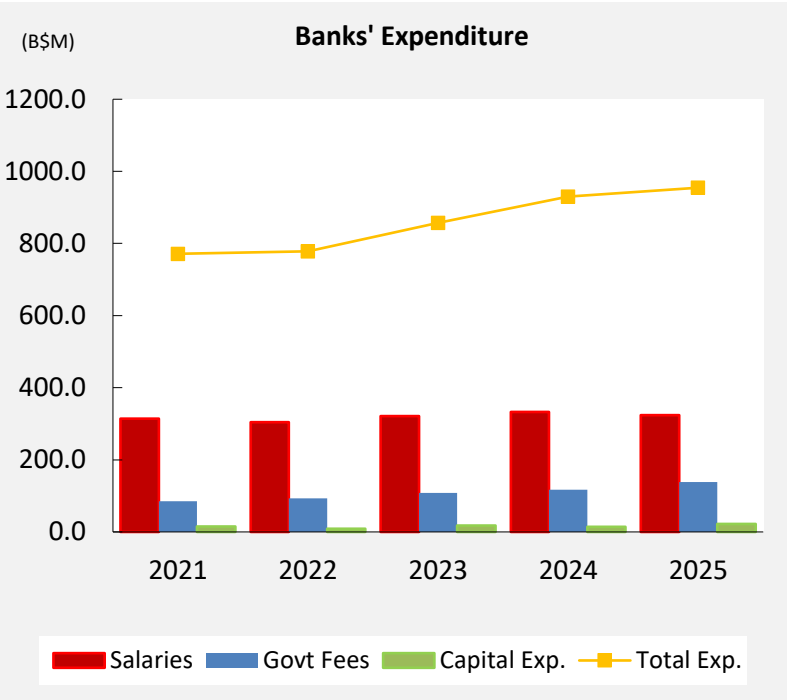
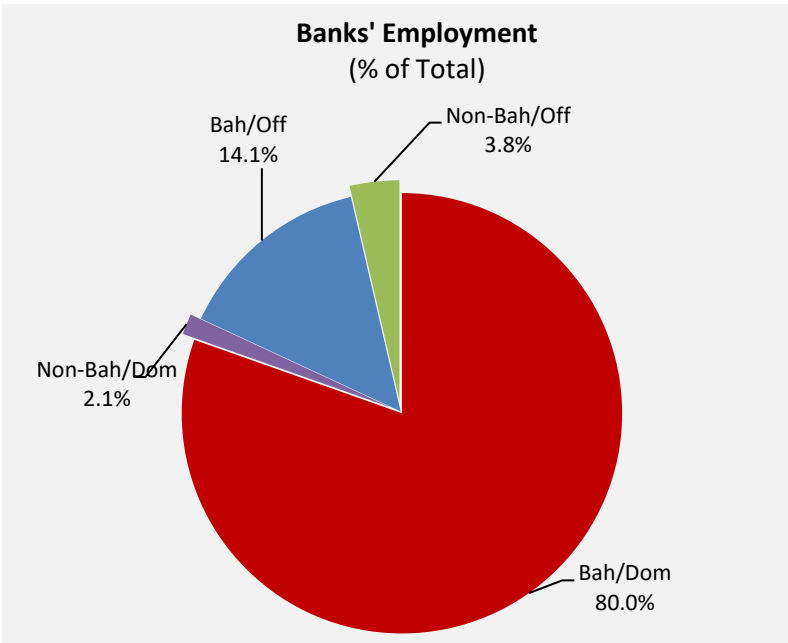
Banking Sector Expenditures

Total expenditure in the banking sector grew by \$24.6 million (2.6%) to \$954.6 million in 2025, but trailed the 8.5% growth in the prior year and the increase in the average annual outlays of 4.5%, over the previous five years. Contributing, total operational costs further increased by \$16.1 million (1.8%), vis-à-vis 9.1% a year earlier. In particular, non-staff administrative costs rose by \$3.9 million (0.8%) to \$467.5 million, after last year’s \$55.6 million expansion, which was due to a rise in domestic banks other administrative expenses, inclusive of office rent, professional fees, travel and entertainment outlays. Further, government fees grew by \$21.0 million (17.9%) to \$138.1 million, owing primarily to increases in other government fees. In addition, spending on staff training rose by \$0.2 million (7.1%) to \$2.5 million, following a \$0.3 million (17.4%) rise in the prior year. Conversely, payments for salaries declined by \$8.9 million (2.7%), a switch from an \$11.6 million expansion in the previous year.

Banks and trust companies’ capital expenditure—reflecting outlays for renovations, construction and other fixed assets—grew by \$8.5 million (60.4%) to \$22.5 million, a turnaround from the 20.3% reduction in the preceding year.

DOMESTIC VERSUS INTERNATIONAL BANKING

A detailed analysis of both domestic and international banking operations highlights structural differences between the domestic banks’ predominantly retail-oriented services and the international banks, with a focus on wealth management and private banking activities. The domestic sector, although having a smaller aggregate balance sheet, operates with a more intensive set of inputs.



During 2025, total employment in the domestic banking sector rose by 63 (2.2%) to 2,981, overturning the 2.3% decline in 2024, and contrasting with the average yearly reduction of 1.7% over the past five years. On the other hand, total international sector employees decreased by 70 (9.6%) to 658, a reversal from a 5.1% increase in 2024, and the average yearly growth of 0.3% over the previous five years.

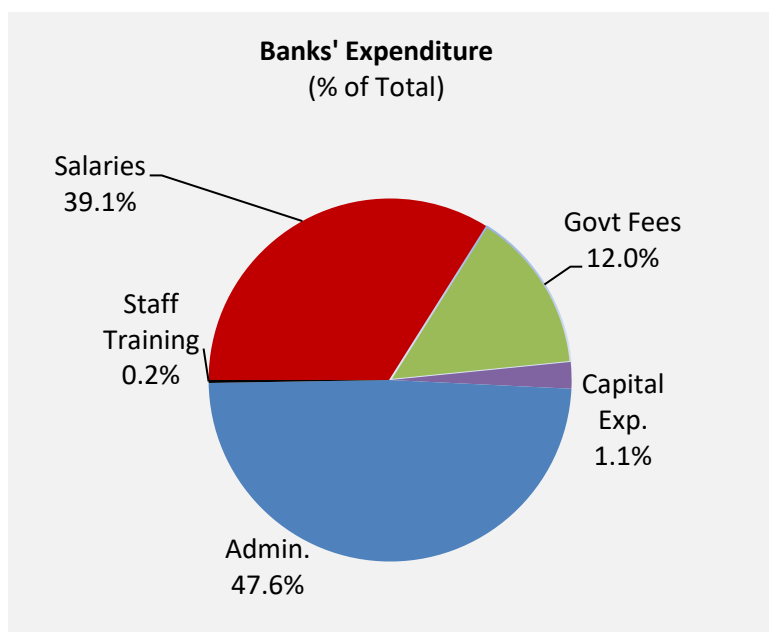
In terms of the composition of staffing for the domestic banking sector, the total number of Bahamian employees grew by 71 (2.5%) to 2,926, a turnaround from a 2.3% falloff a year earlier. In contrast, the non-Bahamian component fell by an additional 8 (12.7%) to 55, relative to the 5.0% reduction in the preceding year. Given these developments, the ratio of Bahamian to non-Bahamian employees rose to 53:1 from 45:1. Within the international sector, total Bahamian staff reduced by 67 (11.3%) to 526, a reversal from a 5.0% increase last year. Similarly, the non-Bahamian component fell by 3 (2.2%) to 132, a turnaround from the previous year's 5.5% gain. As such, the ratio of Bahamian to non-Bahamian staff was unchanged at 4:1.

With regard to compensation, movements in average base salaries varied across the banking sectors. Specifically, the average salary for the domestic banks decreased by \$2,823 (4.4%) to \$61,042 per annum. However, average compensation in international banks rose by \$7,200 (6.7%) to \$114,839 per annum.

Expenditure growth in the domestic banking sector slowed, while the falloff in the international sector deepened. In the domestic banking sector, total outlays grew by 4.3% to \$744.7 million in 2025, a tapering from the 11.6% expansion in the preceding year. Contributing, total operational costs expanded by 3.2% to \$724.8 million, a moderation from the 12.3% increase in the previous year, and below the five-year average annual of 7.3%. Reflective of this outturn, the rise in non-staff administrative expenses, by 2.3% (\$8.3 million) to \$373.6 million, was abated from the 17.2% acceleration in 2024. Further, spending on staff training fell by 4.8% to \$1.7 million, reversing a 23.1% expansion in the previous year. In addition, salary outlays declined by 3.1% to \$222.0 million, a switch from an 8.1% increase in the prior year. Meanwhile, Government fees advanced by 20.0% to \$127.5 million, exceeding the 6.1% growth in 2024.

Capital expenditure in the domestic sector rose markedly by 66.3% to \$19.9 million, a switch from a \$2.8 million (18.9%) contraction in 2024.

In the international banking sector, total expenditure fell by \$5.8 million (2.7%) to \$209.9 million in 2025, slightly ahead of the average annual decline of 2.1% over the preceding five years. Underlying these trends, operational outlays decreased by 3.0% to \$207.3 million, exceeding the 0.1% falloff in 2024, and the average annual reduction of 2.1% over the previous five years. In particular, non-staff administrative costs reduced by 4.5% to \$93.9 million, a shift from a 2.1% increase in 2024. Government fee payments also declined by 2.5% to \$10.5 million. Further, salary expenses contracted by 1.9% to \$102.1 million, but was lower than the



5.0% reduction a year earlier. Providing some offset, costs associated with staff training grew further by 48.9% to \$0.8 million, atop the 2.2% rise in the prior year.

Capital expenditure also grew by 26.2% to \$2.6 million, contrasting with a 28.3% decline in the previous year.

CREDIT UNIONS

During 2025, credit unions' economic contribution strengthened, supported by balance sheet growth and increased expenditure outlays. The number of regulated entities remained unchanged at 8, inclusive of the Bahamas Co-Operative League Limited. Total assets expanded by \$28.9 million (5.6%) to \$546.7 million, largely funded by deposit growth, which supported increased lending activities. In particular, net loans to members grew by \$20.1 million (7.9%) to \$274.0 million, explained by a rise in consumer lending and mortgage activity. Further, funding resources increased by \$20.8 million (4.8%) to \$456.9 million, while financial investments, led by Government Registered Stock, rose by \$5.2 million (13.8%) to \$43.1 million. In addition, gains were recorded for fixed assets, by 8.6% to \$18.4 million, league deposits, by 4.2% to \$115.8 million and non-financial investments, by 2.8% to \$23.9 million. Conversely, liquid investments—mainly fixed deposits—declined by \$0.9 million (2.3%) to \$39.0 million.

Credit union's total expenditure—excluding intermediation costs—rose by \$2.4 million (7.6%) to an estimated \$33.8 million in the review year. This outturn was on account of a \$0.4 million (1.7%) increase in operational outlays to \$24.4 million. Personnel expenses, the largest expenditure category—which includes base salaries and other staff expenses—also rose by \$0.4 million (4.0%) to \$10.0 million, reflecting growth in employment. Further, spending grew for investment property expenses (11.1%), general business expenses (10.6%), occupancy expenses (5.0%), and organizational expenses (3.2%).

INSURANCE SECTOR

Activity within the local insurance was slightly subdued over the review year. Data from the Insurance Commission of The Bahamas (ICB) revealed that the number of licensed insurers, brokers and agents fell by 4 to 158 in 2025, reflective of a reduction in the number of domestic intermediaries, while external insurers and intermediaries remained unchanged at 26. Nevertheless, total assets of domestic companies expanded by \$131.3 million (6.8%) to an estimated \$2,070.7 million, relative to 2024. The development was led by an increase in long-term assets by \$87.8 million (6.5%) to \$1,437.0 million, vis-à-vis the preceding year. Similarly, the assets of general insurers grew by \$43.5 million (7.4%), to \$633.7 million.

Employment within the industry also showed modest improvements, as the number of persons hired increased by 50 (5.2%) to 1,008 in 2025. The average annual salary was estimated at \$40,089.00. Although a comprehensive evaluation to total expenditure was not attained, indications are that total expenditures contracted during the review period. However, outlays among domestic insurers advanced to \$166.1 million, of which 97.0% represented operating costs.

SECURITIES INDUSTRY

The latest data published by the Securities Commission for the Bahamas (SCB), showed that activities supervised by the regulator were subdued throughout 2024, although licensing growth was evident in the digital assets space. In particular, expenditures, disclosed in fees paid to the SCB across all regulated activities, declined by 8.0% to \$11.3 million.

Excluding banks and trust companies with securities related operations, which are also overseen by the SCB, the regulated activities included licensed broker dealers that provided services to domestic clients by facilitating securities trading. The SCB, when compared to the preceding year, recorded one additional firm registered under the Securities Industries Act (SIA), 2024, at 177. However, as at 2024 the number of funds administrators, licensed under the Investment Funds Act, 2019 decreased by 1 to 43, while the number of investment funds licensed and administered under the Act contracted by 114 to 545, due to a significant number of liquidated funds. During 2024, the net asset value of investment funds reduced by 10.8% to \$47.5 billion. However, the financial and corporate services providers (FCSPs) under SCB supervision rose by 14 to 306, relative to 2023, as 16 new FCSPs were licensed, while two surrendered their licenses. Registrants under the Digital Assets and Registered Exchanges (DARE) Act also increased, to 25 in 2024 from 18 in 2023.

OTHER FINANCIAL SECTOR DEVELOPMENTS

Regulatory and legislative developments impacting the financial sector had varied emphasis during 2025, strengthening the domestic intermediation landscape, advancing international product development and enhancing cooperation and compliance with international standards on tax transparency and countering financial crimes. At the Group of Financial Services Regulators (GFSR) level, regulators collectively supported the update of the Bahamas' National Risk Assessment on money laundering and other financial crimes, which will help ground the jurisdiction's Caribbean Financial Action Task Force (CFATF) mutual evaluation process, slated to being in the fall of 2026. Financial crimes risk initiatives also resulted in issuance of joint guidance on countering proliferation financing, outlining tailored expectations for each regulated sector, including, banking, securities, insurance and gaming. Regulators also coordinated on unified guidance on sanctions screening. In addition, there was collective progress in implementing the compliance oversight regime for the Bahamas tax transparency and reporting obligations under the OECD Common Reporting Standards (CRS).

CENTRAL BANK SUPERVISED ACTIVITIES

Of importance for the domestic lending environment, Parliament enacted the Movable Property Security Interest Act, 2025, to strengthen access to domestic credit. This creates an enabling framework for the collateralised credit against moveable assets, and is expected to come into effect once the electronic registry is established and regulations issued.

A series of legislative amendments also sought to strengthen the AML/CFT framework, expanding the Central Bank's regulatory scope to executive entities that function as trustees. These included the Banks and Trust Companies Regulation (Amendment) Act, 2025, the Executive Entities (Amendment) Act, 2025, and the Bank and Trust Companies (Private Trust Companies and Qualified Executive Entities) Regulations, 2025. Further, the Banks and Trust Companies Regulation Act, 2020, was amended, alongside the Arbitration (Amendment) Act, 2025 and the Trustee (Amendment) Act, 2025, to provide greater privacy in trust proceedings.

In the meantime, the Central Bank began public consultation on draft legislative proposals to strengthen the domestic financial sector crisis management framework, broaden regulatory enforcement authority under the Administrative Monetary Penalties regime, enhance supervisory oversight of credit unions, and consolidate the supervisory oversight of money services firms (payments services institutions and money transmission business). The latter payments system reforms also proposed to broaden the regulatory scope to govern fee setting practices among Central Bank supervised financial institutions, and provide an enabling framework for fee-regulated basic transactions (deposits and payments accounts) for low-income persons.

Also of note, the Central Bank finalised and issued the Banks and Trust Companies (Payments of Dividends) Regulations 2025 to clarify regulatory expectations regarding the treatment of dividend payments. The Bank also issued a proposal on Agency Banking for a 45-day consultative period. The paper addressed financial inclusion considerations to broaden access to essential financial services, by allowing non-bank entities to deliver basic banking services as agents of licensed banks and credit unions. The proposed framework set out the eligibility criteria for agents and sub-agents, established operational and compliance requirements, and introduced robust consumer protection measures. It also emphasised the importance of interoperability, including seamless integration with the CBDC.

In the supervisory space, the Central Bank continued with implementation of the Basel III risk-based supervisory framework by releasing draft Liquidity Risk Regulations and Guidelines to the industry for a 90-day consultative period. Further, the Bank conducted a Quantitative Impact Study (QIS) with a select group of SFIs, to assess the impact of the proposed framework on SFI's liquidity position, and to ensure the reporting forms were adequately calibrated. Moreover, the Bahamas Financial Stability Council, comprised of representatives from the Central Bank, the Ministry of Finance, the Securities Commission of The Bahamas, the Insurance Commission of The Bahamas, and the Deposit Insurance Corporation, became fully operational in 2025.

In terms of digital modernisation, the Bank continued to support initiatives that strengthened the payment systems' role in expanding access to digital financial services through its partnership with the Bahamas Cheque Reduction Steering Committee. In 2025, the committee's strategy focused on advancing financial inclusion and promoting legitimate access to digital alternatives for individuals and businesses, thereby reducing the country's reliance on cash and cheques. Further, the initiative identified targeted interventions to improve the quality and efficiency of domestic payment services. Digital currency initiatives remained focused on visibility, public awareness, consumer access, and infrastructure. Moreover, work continued on developing the country's Fast Payments System (FPS), with the Central Bank issuing a Request for Proposal (RFP) for a solution provider in October 2025.

OTHER REGULATED SECTORS

In other legislative updates, the Insurance Commission of the Bahamas released a guidance note on cybersecurity risk management. Under this note, the licensees are required to establish and maintain an enterprise-wide Cyber Risk management Framework that aligned with internationally recognised standards. The framework is intended to facilitate the effective identification, assessment, treatment, and oversight of cyber risks, aligning with the licensee's business goals and fulfilling the Commission's regulatory requirements. The purpose of this note was to strengthen governance and accountability, promote proportionate, risk-based controls, enhance operational resilience, protect policyholder and confidential information and foster continuous improvement within their regulated entities. For implementation, insurers and intermediaries are allowed up to 12 months.

CONCLUSION AND OUTLOOK

In 2025, data suggest that expenditure trends in the financial sector strengthened, positively contributing to the Bahamian economy. However, overall activity remained subdued, reflecting the continued impact of international regulatory adjustments and other external factors that constrained new licensing activities. At the domestic level, financial intermediation—particularly among banks, credit unions and insurers—continued to expand. Nonetheless, ongoing efforts to improve operational efficiency have limited near-term employment gains in both the domestic and international segments. Although the number of firms offering

international financial products and services declined modestly, banks and insurers continued to record balance sheet growth.

The outlook for the financial services sector remains mixed. Continued growth in domestic financial activity and ongoing economic expansion, are expected to support increases in intermediation and expenditure. However, persistent external regulatory pressures, technological adoption, and efficiency-focused operational activities will curtail any significant employment gains and constrain new licensing activity. Nonetheless, the sector remains resilient, with stable financial sector conditions and moderate risks. The Central Bank will continue to strengthen its regulatory and supervisory framework for supervised financial institutions (SFIs) and align its approach with global best practices. Emphasis will be placed on improving crisis preparedness and resilience, which remains critical to The Bahamas' proposition to international clients. In addition, the Bank will maintain a proactive stance toward reform that supports financial technology innovations, while advancing regulatory frameworks that facilitate collaboration among regulators and other key industry stakeholders. At the domestic level, the Bank will continue to prioritize initiatives to promote financial inclusion and improve financial literacy, to broaden access to financial services.

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

Period	2021p	2022p	2023p	2024p	2025p
A. Taxes on Transactions	110.0	116.1	135.4	145.6	152.1
Gross Insurance Premium Tax 1/	26.3	29.5	31.2	34.6	38.7
Stamp Tax on Mortgages	5.5	11.1	5.4	9.6	7.2
Stamp Tax on Other Banking Transactions	77.8	75.2	98.2	100.3	104.5
Stamp Tax on Instruments & Bonds	0.4	0.3	0.65	1.08	1.74
B. Licence & Registration Fees	77.2	79.6	94.9	103.3	111.8
International Business Companies (IBCs)	13.5	13.0	13.0	14.5	26.1
Banks and Trust Companies 3/	52.9	55.1	69.9	77.9	74.8
Insurance Companies, Brokers & Agents	0.3	0.4	0.4	0.3	0.3
Financial & Corp. Svcs. Providers*	1.9	1.9	2.3	2.3	2.3
Investment Funds 2/*	8.6	9.2	9.3	8.4	8.4
C. Total Revenues	187.2	195.7	230.3	249.0	264.0

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 2025

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

Period	2021p	2022p	2023p	2024p	2025p
A. Total Employment	3,709	3,664	3,681	3,646	3,639
1. Non-Bahamians	214	215	194	198	187
2. Bahamians (of which)	3,495	3,449	3,487	3,448	3,452
i) Local Banking	2,306	2,272	2,274	2,296	2,352
ii) Offshore Banking	548	569	583	529	501
iii) Trust Administration	389	379	386	371	435
iv) Other	252	229	244	252	164
(B\$ Millions)					
B. Total Operational Costs (1+2+3+4)	756.3	769.1	839.3	916.1	932.1
1. Salaries ¹	314.1	304.2	321.4	333.0	324.1
i) Base Salaries	265.3	255.2	264.2	264.7	257.5
ii) Bonuses	48.8	49.0	57.2	68.3	66.6
2. Government Fees	84.7	93.2	107.9	117.1	138.1
i) License	52.9	55.1	69.9	77.9	74.8
ii) Company Registration	0.3	0.1	0.1	0.3	0.6
iii) Work Permits	2.7	2.6	2.0	2.1	2.3
iv) Other Government Fees	28.9	35.5	35.8	36.7	60.4
3. Staff Training	1.1	1.6	2.0	2.3	2.5
4. Other Administrative Costs	356.4	370.0	408.1	463.6	467.5
C. Capital Expenditure²	15.1	8.9	17.6	14.0	22.5
D. Total Expenditure (B+C)	771.4	778.0	856.9	930.1	954.6
E. Average Salary (B\$ actuals)³	71,537.3	69,653.4	71,774.0	72,605.6	70,769.4

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	2021p	2022p	2023p	2024p	2025p	2021p	2022p	2023p	2024p	2025p
	Domestic					International				
A. Total Employment	3,000	2,974	2,988	2,918	2,981	709	690	693	728	658
1. Non-Bahamians	72	76	66	63	55	142	139	128	135	132
2. Bahamians (of which)	2,928	2,898	2,922	2,855	2,926	567	551	565	593	526
i) Local Banking	2,306	2,272	2,274	2,296	2,352	--	--	--	--	--
ii) Offshore Banking	222	260	271	201	192	326	309	312	328	309
iii) Trust Administration	208	204	203	183	276	181	175	183	188	159
iv) Other	192	162	174	175	106	60	67	70	77	58
(B\$ Millions)										
B. Total Operational Costs (1+2+3+4)	528.6	553.5	625.3	702.4	724.8	227.8	215.6	214.0	213.7	207.3
1. Salaries ¹	198.7	194.4	211.9	229.0	222.0	115.4	109.9	109.5	104.0	102.1
i) Base Salaries	181.4	174.7	185.5	186.4	182.0	83.9	80.5	78.7	78.4	75.6
ii) Bonuses	17.3	19.6	26.5	42.7	40.1	31.4	29.4	30.7	25.7	26.5
2. Government Fees	76.1	85.0	100.2	106.3	127.5	8.6	8.3	7.7	10.8	10.5
i) License	46.9	49.1	64.1	69.6	67.3	6.0	6.0	5.8	8.2	7.5
ii) Company Registration	0.2	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.5
iii) Work Permits	0.5	0.8	0.5	0.6	0.6	2.1	1.7	1.5	1.5	1.7
iv) Other Government Fees	28.6	35.0	35.6	35.9	59.5	0.4	0.5	0.3	0.9	0.8
3. Staff Training	0.8	1.2	1.5	1.8	1.7	0.3	0.4	0.5	0.5	0.8
4. Other Administrative Costs	252.9	272.9	311.8	365.3	373.6	103.6	97.1	96.3	98.3	93.9
C. Capital Expenditure²	12.3	6.5	14.7	12.0	19.9	2.8	2.4	2.9	2.1	2.6
D. Total Expenditure (B+C)	540.9	560.0	640.1	714.3	744.7	230.6	218.0	216.8	215.7	209.9
E. Average Salary (B\$ actuals)³	60,463	58,756	62,067	63,865	61,042	118,396	116,623	113,620	107,639	114,839

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	2021f	2022f	2023p	2024p	2025p
Investment Funds						
Licensed Investment Funds	Number	677	682	659	545	517
Licensed Administrators	Number	45	46	44	43	41
Net Asset Value	<i>B\$ Billions</i>	50.9	50.7	53.2	47.5	45.6
Insurance Companies and Agents						
Domestic Companies and Agents	Number	152	158	157	162	158
Total Domestic Assets	<i>B\$ Millions</i>	2,138.8	2,191.7	1,817.2	1,939.4	2,070.7
Employment	<i>Number</i>	931	931	972	958	1,008
Average Annual Salaries	<i>B\$</i>	37,832	37,193	38,532	39,476	40,089
Operating Costs / Total Expenditure	<i>%</i>	99.1	98.7	98.1	98.2	97.0
External Insurers & Intermediaries	Number	30	30	31	26	26
Credit Unions (Active)						
Number of Unions	Number	10	8	8	8	8
Total Assets	<i>B\$ Millions</i>	474.6	483.6	495.0	517.8	546.7
Employment	<i>Number</i>	189	192	205	216	219
Average Annual Salaries	<i>B\$</i>	32,074	32,380	33,732	34,500	35,068
Total Expenditure	<i>B\$ Millions</i>	27.3	27.8	28.9	31.4	33.8
Operating Costs / Total Expenditures	<i>%</i>	65.6	70.4	72.9	76.5	72.2
Bahamas International Securities Exchange (BISX)						
Securities Listed	Number	47	47	47	47	47
Shares Traded	<i>Thousands</i>	12,045	8,863	1,561	16,146	6,116
Market Capitalization	<i>B\$ Billions</i>	9.28	10.06	10.75	11.33	11.40

Sources:

Bahamas International Securities Exchange (BISX), Credit Unions,
Securities Commission of The Bahamas and Insurance Commission of The Bahamas