

# Quarterly

## Economic Review

### JUNE 2025



VOLUME 34 | No. 2

[www.centralbankbahamas.com](http://www.centralbankbahamas.com)

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

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# REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

## DOMESTIC ECONOMIC DEVELOPMENTS

### OVERVIEW

Indications are that the domestic economy sustained its tempered pace of growth during the second quarter of 2025, as economic indicators continued to normalize, trending towards their expected medium-term potential. Tourism momentum slowed, although staying healthy, as the high value-added stopover segment of the market remained constrained by accommodation capacity. However, the cruise component recorded robust gains. In addition, various small to medium-scale foreign investment projects provided ongoing support to the construction sector. In price developments, inflationary pressures decreased, underpinned by reduced cost pressures from imported fuel and other goods and services.

Preliminary estimates for the first eleven months of FY2024/2025 showed that the Government's overall deficit narrowed, compared to the corresponding period for FY2023/2024. Underlying this development, the increase in total revenue, outpaced the growth in aggregate expenditure. Budgetary financing was dominated by borrowings from internal sources, and comprised of a combination of long and short-term debt instruments.

Monetary developments were marked by a buildup in bank liquidity during the second quarter, undergirded by an expansion in the deposit base, which contrasted with the decline in domestic credit. Similarly, the financial system's net foreign assets recorded a notable accumulation, relative to the year earlier, bolstered by proceeds from the Government's external borrowing, along with foreign currency inflows from real sector activities. Meanwhile, banks' credit quality indicators registered mixed trends over the second quarter, as the rise in short-term arrears, overshadowed the falloff in non-performing loans, but improved on an annual basis, underpinned by the ongoing, albeit moderated, pace of economic growth. In addition, the latest available data for the first quarter of 2025, revealed that domestic banks' overall profitability levels increased, largely attributed to a rise in income from commission and foreign exchange fees.

On the external side, the estimated current account deficit widened during the review quarter, explained by an increase in the primary income account deficit, along with a reduction in the services surplus, reflecting the tapering in net travel receipts, and a rise in the merchandise trade deficit. Also noteworthy, the financial account inflows grew, owing primarily to an expansion in direct investment inflows and a notable decrease in "other" investment outflows, attributed to higher external loan exposures.

### REAL SECTOR

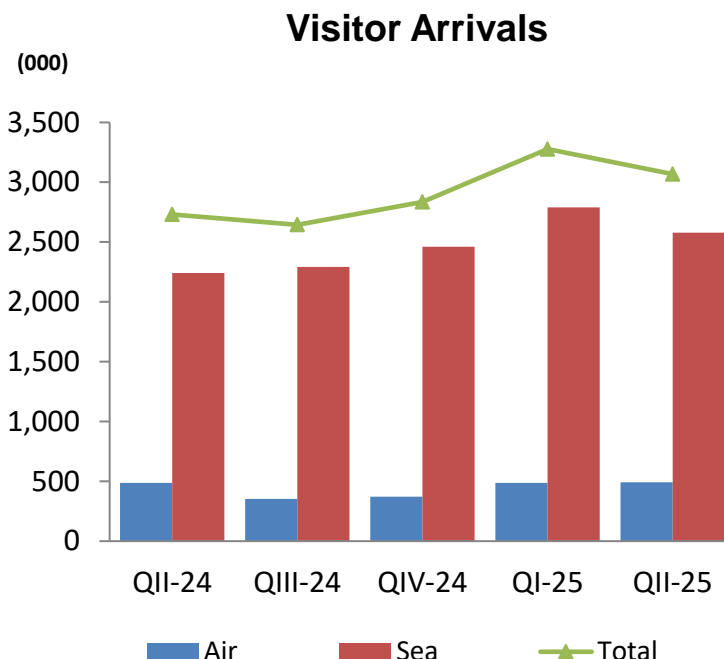
#### TOURISM

Indications are that the tourism sector continued to register healthy, but moderated, performance during the second quarter of 2025, with the high value-added air component constrained by limited hotel accommodations capacity. However, robust gains continued in sea traffic, the less dominant component of earnings.

According to data from the Ministry of Tourism, total foreign arrivals grew by 12.4% to 3.1 million visitors during the second quarter, relative to the corresponding quarter in the year prior. In particular, sea traffic

expanded by 14.9% to 2.6 million arrivals, vis-à-vis the same period last year. Further, the high-value added air component increased by 0.7% to 0.5 million visitors.

A disaggregation by major port of entry revealed that tourist arrivals to New Providence rose by 15.6% to 1.5 million, underpinned by a 21.9% growth in sea passengers, which overshadowed the 0.7% decline in air traffic. Further, arrivals to the Family Islands rose by 13.7% to 1.5 million visitors, supported by a 14.7% rise in the sea segment, combined with a 2.3% increase in air arrivals. Conversely, visitors to Grand Bahama contracted by 29.9% to 0.1 million, as the 36.3% reduction in sea arrivals, outstripped the 25.3% expansion in air passengers.



According to the Nassau Airport Development Company Limited (NAD), quarterly total departures—net of domestic passengers—decreased by 1.1% to 0.4 million, relative to the same period in 2024. Reflective of this outturn, the volume of US departures, which comprised approximately 69.6% of total passengers, reduced by 2.1%, offsetting the 6.0% gain in other international departures.

The private vacation rental market, a segment of stopover output, registered continued positive momentum, relative to the expected subdued results for hotels. The most recent data provided by AirDNA indicated that during the second quarter, total room nights booked rose by 11.0% to 224,859, bolstered by a 14.0% growth in entire place listing to 411,332 and a 9.3% gain in hotel comparable listings to 57,184. As inventory growth outpaced sales, the average occupancy levels for hotel comparable listings decreased by 1.9 percentage points to 46.1%. Conversely, for entire place listings, the average occupancy rate firmed by 1.2 percentage points to 49.8%. Pricing was broadly appreciated, with the average daily rate (ADR) up by 9.2% to \$580.71 for entire place listings; and by 1.4% to \$188.99 for hotel comparable listings.

## CONSTRUCTION

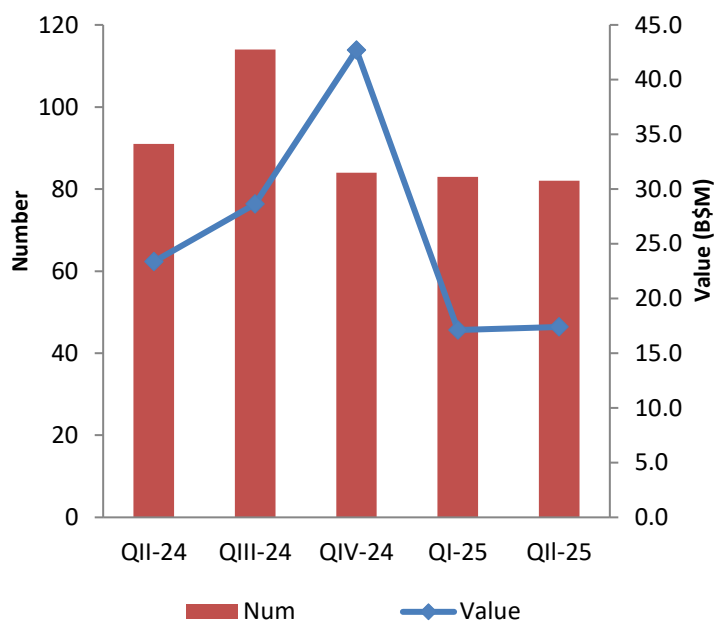
Construction sector activity during the second quarter remained undergirded by a number of new and ongoing varied-scale foreign investment projects. However, impetus from the domestic private sector stayed subdued over the three-month period.

On the domestic side, total mortgage disbursements for new constructions and repairs—as reported by banks, insurance companies and the Bahamas Mortgage Corporation—decreased by 19.7% (\$6.0 million) to \$24.6 million, a reversal from a 51.2% growth in the comparative 2024 period. Underlying this outturn, residential disbursements fell by 7.7% (\$1.7 million) to \$20.4 million, a switch from a 9.0% gain a year earlier. Likewise, commercial disbursements reduced by 50.6% to \$4.3 million, a shift from a considerable increase in the year prior.

Total mortgage commitments for new buildings and repairs—a forward-looking indicator of domestic activity—declined by 9 to 82, vis-à-vis the same period in 2024, with the accompanying value reducing by 25.5% to \$17.4 million. Disaggregated by loan type, the number of approvals for commercial commitments for new buildings and repairs fell to 1 from 3, with the corresponding value decreasing to \$0.1 million from \$2.9 million a year earlier. Similarly, the number of undisbursed approvals for residential commitments contracted by 7 to 81, with the associated value lower by \$3.0 million (14.6%) at \$17.4 million.

With regard to interest rates, the average financing costs for residential mortgages firmed by 10 basis points to 6.0%, vis-à-vis the same quarter in the previous year. In contrast, the average interest costs for commercial disbursements narrowed by 34 basis points to 6.4%.

**Mortgage Commitments  
(New Construction and Repairs)**



## PRICES

Domestic consumer price inflation—as measured by changes in the average Retail Price Index for The Bahamas—continued to trend downwards, attributed to reduced cost pressures from imported fuel and other goods and services. Specifically, during the twelve-months to May, the average consumer price decreased by 0.2%, after a 2.0% increase in the corresponding 2024 period. Reflective of this development, average costs declined for housing, water, gas, electricity & other fuels, by 1.9%; recreation & culture, by 1.1%; and restaurant & hotels, by 0.3%, following respective gains of 4.2%, 0.1% and 2.5% in the year prior. Further, average inflation slowed for miscellaneous goods & services (2.1%), alcohol beverages, tobacco & narcotics (1.7%), food & non-alcoholic beverages (1.5%), health (1.1%), and education (1.0%). Providing some offset, average inflation quickened for furnishing, household equipment & routine household

Retail Price Index (Annual % Changes; May)						
Items	Weight	2024		2025		
		Index	%	Index	%	
Food & Non-Alcoholic	102.4	134.81	3.0	136.84	1.5	
Alcohol, Tobacco &	5.9	139.45	4.7	141.87	1.7	
Clothing & Footwear	45.0	115.81	-0.9	114.89	-0.8	
Housing, Water, Gas,	321.7	116.42	4.2	114.27	-1.9	
Furn. & Household,	45.7	125.24	4.2	132.44	5.7	
Health	44.0	160.34	7.0	162.02	1.1	
Transportation	125.0	124.56	-5.8	122.11	-2.0	
Communication	40.9	109.96	-6.0	107.96	-1.8	
Rec., & Culture	24.6	130.35	0.1	128.96	-1.1	
Education	42.4	108.45	3.5	109.49	1.0	
Restaurant & Hotels	56.8	145.58	2.5	145.16	-0.3	
Misc. Goods & Svcs.	145.6	112.59	3.9	114.98	2.1	
<b>ALL ITEMS</b>	<b>1000.0</b>	<b>121.98</b>	<b>2.0</b>	<b>121.75</b>	<b>-0.19</b>	

maintenance (5.8%), while the decrease in average costs slowed for transport (2.0%), communication (1.8%) and clothing & footwear (0.8%).

In line with the reduction in global oil prices, domestic energy prices fell during the second quarter. Specifically, the average price of gasoline decreased by 6.3% to \$5.48 per gallon during first two months of the review quarter, relative to the same period in 2024. Similarly, over the two months to May, the average cost of diesel reduced by 6.4% to \$4.90 per gallon. Likewise, Bahamas Power and Light (BPL) fuel surcharge, average tiered prices for the generation of less than 800-kilowatt hour (kWh), declined by 12.4% to 17.36 cents per kWh during the second quarter, vis-à-vis the prior year. However, the cost for the usage of more than 800 kWh rose by 7.8% to 21.36 cents per kWh.

## FISCAL OPERATIONS

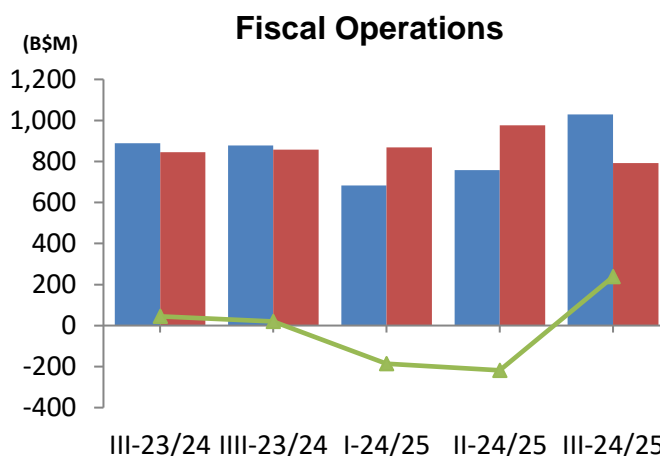
### OVERVIEW

Provisional data on the Government's budgetary operations for the first eleven months of FY2024/25 revealed that the overall deficit reduced by \$9.6 million (6.4%) to \$141.5 million, relative to the comparative FY2023/24 period. Total revenue grew by \$245.5 million (8.6%) to \$3,086.1 million, outstripping the \$235.9 million (7.9%) growth in aggregate expenditure to \$3,227.6 million.

### REVENUE

Tax receipts, at 89.5% of total revenue, increased by \$224.4 million (8.8%) to \$2,763.1 million. Leading this outturn, taxes on international trade expanded by \$116.6 million (17.8%) to \$772.2 million, buoyed by continued gains in economic activity. Specifically, paced by growth in tourist arrivals, and the increase in tax for departing sea passengers, departure taxes grew by \$123.9 million (63.9%) to \$317.8 million. Further, customs & other duties rose by \$1.0 million (0.4%) to \$238.0 million, while other "miscellaneous" taxes increased marginally by \$0.1 million (12.3%) to \$0.8 million. However, export & excise duties fell by \$8.4 million (3.7%) to \$215.6 million.

In terms of the other components, general taxes advanced by \$88.0 million (6.5%) to \$1,440.1 million, as VAT collections—which represented 48.0% of tax revenue—increased by \$70.8 million (5.6%) to \$1,325.0 million.



Government Revenue By Source (YTD May)				
	FY23/24p		FY24/25p	
	B\$M	%	B\$M	%
Property Tax	196.2	6.9	199.4	6.5
Value Added Tax	1,254.2	44.2	1,325.0	42.9
Stamp Taxes (Financial & Realty)	97.9	3.4	115.1	3.7
Excise Tax	18.5	0.7	9.4	0.3
Specific Taxes (Gaming Tax)	43.8	1.5	43.4	1.4
Motor Vehicle Taxes	32.4	1.1	36.6	1.2
Company Taxes	19.0	0.7	30.8	1.0
License to Conduct Specific Bus. Act.	207.4	7.3	222.9	7.2
Marine License Activities	6.7	0.2	7.5	0.2
Customs & Other Import Duties	237.1	8.3	238.0	7.7
Export & Excise Duties*	223.9	7.9	215.6	7.0
Departure Taxes	193.9	6.8	317.8	10.3
Other Taxes on Transactions	0.7	0.0	0.8	0.0
General Stamp Taxes	7.0	0.2	0.7	0.0
Property Income	46.8	1.6	35.4	1.1
Sales of Goods & Services	218.6	7.7	242.8	7.9
Fines, Penalties & Forfeits	5.5	0.2	7.4	0.2
Reimbursements & Repayments	25.4	0.9	30.1	1.0
Misc. & Unidentified Revenue	4.2	0.1	5.7	0.2
Sales of Other Non-Financial Assets	1.4	0.0	1.3	0.0
Grants	0.0	0.0	0.4	0.0
Capital Revenue	0.0	0.0	0.1	0.0
<b>Total</b>	<b>2,840.6</b>	<b>100.0</b>	<b>3,086.1</b>	<b>100.0</b>

\* Includes excise duties, effective FY19/20

Further, stamp taxes on financial and realty transactions rose by \$17.2 million (17.6%) to \$115.1 million. In an offset, excise taxes decreased by \$9.2 million (49.5%) to \$9.4 million and collections from specific taxes—mainly gaming—by \$0.3 million (0.7%) to \$43.4 million.

With regard to the remaining categories, taxes on the use & supply of goods rose by \$32.4 million (12.2%) to \$297.9 million. Receipts from business license fees increased by \$15.5 million (7.5%) to \$222.9 million; company taxes, by \$11.8 million (62.1%) to \$30.8 million; motor vehicle taxes, by \$4.3 million (13.2%) to \$36.6 million; and marine licenses, by \$0.8 million (11.4%) to \$7.5 million. Further, revenue from property taxes advanced by \$3.2 million (1.6%) to \$199.4 million. In contrast, collections from general stamp taxes declined by \$6.3 million (90.1%) to \$0.7 million.

Non-tax receipts—at 10.5% of total revenue—expanded by \$20.7 million (6.9%) to \$322.6 million. Contributing, proceeds from the sale of goods & services (mainly customs & immigration fees) rose by \$24.2 million (11.1%) to \$242.8 million. Further, revenue from reimbursements & repayments grew by \$4.7 million (18.3%) to \$30.1 million. In addition, proceeds from fines, penalties & forfeitures increased by \$1.9 million (34.4%) to \$7.4 million, while revenue from “miscellaneous” and unidentified sources moved higher by \$1.6 million (37.2%) to \$5.7 million. In contrast, collections from property income reduced by \$11.5 million (24.5%) to \$35.4 million, as the decline in receipts from interest & dividends (37.3%), overshadowed the rise in revenue from Government property (3.1%). Likewise, proceeds from the sale of other non-financial assets fell by \$0.2 million (10.8%) to \$1.3 million.

#### **EXPENDITURE**

The growth in total expenditure reflected a \$213.8 million (7.9%) rise in recurrent outlays to \$2,928.9 million. Further, capital spending rose by \$22.2 million (8.0%) to \$298.7 million.

By economic category, the expansion in recurrent spending was led by a \$102.7 million (19.5%) increase in disbursements for the use of goods & services to \$629.6 million. Further, allocations for interest payments on public debt advanced by \$40.6 million (7.3%) to \$597.9 million, owing to higher internal and external debt obligations. In addition, spending for “miscellaneous” payments grew by \$39.6 million (15.6%) to \$293.8 million, on account of increases in current transfers, by \$40.2 million (21.9%) to \$223.3 million, which outstripped the \$0.6 million (0.8%) decline in insurance premiums outlays to \$70.5 million. Disbursements for subsidies rose by \$23.8 million (6.4%) to \$394.4 million, led by a surge in allocations to public entities. Similarly, payments for employee compensation expanded by \$21.0 million (2.7%) to \$789.3 million. Providing some offset, spending for social benefits decreased by \$13.3 million (5.8%) to \$215.4 million. Further, outlays for grants fell by \$0.6 million (6.3%) to \$8.5 million.

The \$22.2 million (8.0%) expansion in capital expenditure was led by a \$13.2 million (28.9%) rise in capital transfers to \$58.6 million. Similarly, the acquisition of non-financial assets increased by \$9.0 million (3.9%) to \$240.1 million, on account of higher spending on fixed assets.

#### **FINANCING AND THE NATIONAL DEBT**

Budgetary financing for the first eleven months of FY2024/25 was dominated by internal borrowings of \$2,674.7 million, and comprised of local loans & advances (\$1,401.3 million), bonds (\$576.0 million), net Treasury bills/notes (\$469.5 million) and internal foreign currency loans (\$228.0 million). External borrowings totaled \$565.3 million, and consisted largely of commercial loans. Debt repayments for the period amounted to \$2,769.9 million, of which the largest portion (68.7%) went toward retiring Bahamian dollar obligations.

As a consequence of these developments and net borrowing activity in June 2025, the Direct Charge on the Government increased by \$50.4 million (0.4%) over the quarter to \$11,769.2 million; while on an annual basis, it grew by \$455.4 million (4.0%). Disaggregated by currency, Bahamian dollar debt represented 52.8% of the total, with the balance in foreign currency (47.2%).

An analysis by creditor revealed that private (non-financial) and institutional investors held the largest share of local currency debt (44.0%), followed by banks (43.2%), the Central Bank (7.5%) and public corporations (5.3%). An analysis by instrument type showed that Government bonds constituted the majority of domestic currency liabilities (66.1%) and featured an average maturity of 9.4 years, vis-à-vis 9.1 years in 2024. In addition, Treasury bills & notes and loans & advances represented smaller shares of 29.6% and 4.3%, respectively.

The Government's contingent liabilities reduced by \$19.8 million (6.0%) over the quarter, and by \$29.2 million (8.6%) year-on-year to \$309.8 million. As a result, the National Debt, inclusive of contingent liabilities, rose by \$30.7 million (0.3%) over the three-month period and by \$426.2 million (3.7%) on an annual basis, to \$12,079.0 million as at end-June 2025.

As a ratio to GDP, the Direct Charge firmed by an estimated 0.8 percentage points on a yearly basis, to 73.4% at end-June. Further, the National Debt-to-GDP ratio increased to an estimated 75.4%, from 74.9% in the second quarter of 2024.

Estimates of the Debt-to-GDP Ratios			
June(%) <sup>1</sup>			
	2023 <sub>p</sub>	2024 <sub>p</sub>	2025 <sub>p</sub>
<b>Direct Charge</b>	75.7	72.7	73.4
<b>National Debt</b>	78.3	74.9	75.4
<b>Total Public Sector</b>	74.0	70.6	81.4
<b>Source: Central Bank of The Bahamas and Bahamas National Statistical Institute</b>			
<i>GDP growth estimate for 2025 is partially derived from IMF projections.</i>			
<i><sup>1</sup> In the absence of actual quarterly GDP data for 2023-2024, the ratios presented should be taken as broad estimates of the relevant debt ratios and are therefore subject to revision.</i>			

#### **PUBLIC SECTOR FOREIGN CURRENCY DEBT**

The public sector foreign currency debt grew by \$230.7 million (4.1%) to \$5,883.0 million during the review quarter, and by \$157.7 million (2.8%) relative to the same period last year. Specifically, new drawings of \$1,067.1 million, reflective of the Government's external bond issue, outweighed amortization payments of \$888.3 million, which was largely due to the Government's \$767.4 external bond buyback. In terms of the components, the Government's outstanding liabilities—which represented 94.3% of the total—increased by \$240.3 million (4.5%) to \$5,549.8 million on a quarterly basis. In contrast, public corporations' debt stock fell by \$ 9.6 million (2.8%), to \$333.2 million, vis-à-vis the previous quarter.

Total foreign currency debt service payments rose by \$733.9 million to \$1,031.0 million, in comparison to the same quarter of 2024. Leading this outturn, the Government's debt service payments increased by \$782.8 million to \$1,015.7 million, as amortization payments grew by \$782.7 million to \$878.6 million, and interest charges by \$0.1 million (0.1%) to \$137.0 million. Conversely, the public corporations' debt service payments reduced by \$48.9 million (76.2%) to \$15.3 million, as amortization payments fell by \$47.1 million (83.0%) to \$9.6 million and interest charges, by \$1.8 million (24.3%) to \$5.7 million. As a result of these developments, net of liability management activities, the Government's debt service ratio, against exports of goods and services, decreased to 13.9% at end-June, from 15.1% in 2024.

A breakdown by creditor profile indicated that capital market investors held the largest share of foreign currency debt (44.9%), followed by financial institutions (29.0%), multilateral institutions (20.9%), the Central Bank (4.1%), bilateral agencies (0.6%) and domestic banks (0.5%). An analysis by currency type showed that the majority of the debt stock was denominated in United States dollars (87.2%), with smaller portions in euro (7.6%), IMF SDRs (4.1%), the Chinese yuan (0.6%) and the Swiss franc (0.5%). At end-June, the average maturity of the outstanding foreign currency debt stood at 8.6 years, up from the 8.0 years in recorded in 2024.

### **2025/2026 BUDGET HIGHLIGHTS**

The Government's Budget for FY2025/2026 was presented to Parliament on May 28, 2025, and approved in June. The Budget, under the theme "Expanding Opportunities, Island by Island", focused on offsetting the rising cost of living, upgrading public infrastructure and enhancing food and national security. Other priorities included protecting the marine environment and advancing education and employment.

Specific to revenue strategies, to counter rising living costs, tax relief measures included a reduction in the VAT rate to 5.0% on several essential items, VAT relief on building materials for religious institutions, and the decrease or removal of customs and excise duties on various products. However, the Government expected to boost revenue by improving collection efficiency, and strengthening tax compliance from cruise liners. Targeted fees were also introduced to protect the marine environment.

Given the series of announced measures and the ongoing strengthening in the domestic economy, the Government forecasted a rise in total revenue to \$3.9 billion for FY2025/26 from the budgeted \$3.5 billion in FY2024/25, on account of an increase in both tax and non-tax collections.

A breakdown of revenue categories showed that tax receipts, which comprised 88.3% of the forecast, are expected to expand by \$296.6 million (9.4%) to \$3,439.2 million, as compared to the FY2024/2025 Budget. Similarly, non-tax revenue is estimated to firm by \$53.5 million (13.6%) to \$447.9 million, largely due to a predicted increase in fees & service charges—mainly immigration and customs fees.

A disaggregation of the tax revenue components revealed that the proceeds from the recently introduced Domestic Minimum Top-Up Tax (DMTT), under 'taxes on income, profits & capital gains' are anticipated to generate \$130.1 million in FY2025/26. In addition, taxes on goods & services are projected to rise by \$15.4 million (0.7%) to \$2,081.5 million. Contributing, receipts from stamp taxes on financial and realty transactions are predicted to grow by \$10.2 million (7.2%) to \$152.2 million. Likewise, collections from the dominant VAT component are forecasted to firm by \$9.3 million (0.6%) to \$1,524.9 million and excise taxes by \$7.1 million to \$11.0 million, vis-à-vis the FY2024/25 budgeted amount. However, taxes on specific services—mostly gaming—are projected to reduce by \$5.3 million (8.6%) to \$57.0 million.

Further, receipts from taxes on the use & supply of goods are forecasted to decline by \$6.0 million (1.7%) to \$336.4 million. This comprised projected decreases in proceeds from company taxes, by \$6.6 million (21.9%) to \$23.6 million and business licenses, by \$2.0 million (0.8%) to \$240.1 million. Meanwhile, the yield from motor vehicle taxes are expected to remain at \$51.2 million, matching the FY2024/25 budgeted amount. Providing some offset, proceeds from marine license activities are targeted to rise by \$2.7 million (14.3%) to \$21.5 million.

As it relates to the other categories, taxes on international trade & transactions are slated to expand by \$141.5 million (17.0%) to \$972.0 million in FY2025/26, explained by an anticipated gain in departure taxes by \$156.5 million (64.8%) to \$397.7 million. The projected outturn reflected higher forecasted collections from

new and expanded charges on pleasure vessels and charter departures, and other tourism-related levies. Forecasted proceeds for customs & other import duties also increased by \$12.0 million (4.1%) to \$307.3 million. In contrast, anticipated taxes on exports and excise duties declined by \$26.8 million (9.2%) to \$266.1 million.

In the meantime, property tax levies are targeted to increase by \$24.6 million (10.7%) to \$254.6 million. Conversely, receipts from general stamp taxes are estimated to contract by \$15.0 million (93.6%) to \$1.0 million.

Budgeted expenditures advanced by \$207.7 million (5.7%) to \$3,820.8 million vis-à-vis the preceding year's budget, underpinned by growth in current allocations by \$175.9 million (5.4%) to \$3,444.5 million, and in capital provisions, by \$31.8 million (9.2%) to \$376.3 million.

By economic categorization, current expenditure included a \$49.1 million (5.5%) rise in the budget for employee compensation to \$938.0 million. In addition, allocations for the use of goods and services increased by \$48.1 million (7.0%) to \$735.3 million, and for subsidies, by \$38.9 million (9.4%) to \$450.6 million.

Further, budgeted social assistance benefits increased by \$15.9 million (6.3%) to \$268.1 million, and other "miscellaneous" outlays, by \$12.1 million (3.3%) to \$373.2 million. Similarly, interest payments are planned to rise by \$11.3 million (1.7%) to \$668.0 million, due to higher payments on external debt obligations. In addition, grants are slated to edge up by \$0.6 million (6.0%) to \$11.3 million, relative to the previous year's budget.

The increase in capital expenditure allocations, extended planned capital transfers by \$19.5 million (19.2%) to \$120.7 million and acquisition of non-financial assets, by \$12.3 million (5.1%) to \$255.6 million.

Given the current outlook, the Government's fiscal position is projected to reverse to a surplus of \$75.5 million (0.5% of GDP) in FY2025/26, from a budgeted deficit of \$69.8 million (0.4% of GDP) in FY2024/25. Correspondingly, the ratio of the National Debt to GDP is forecasted to lower to 68.9% for FY2025/26, from the budgeted 71.4% for FY2024/25.

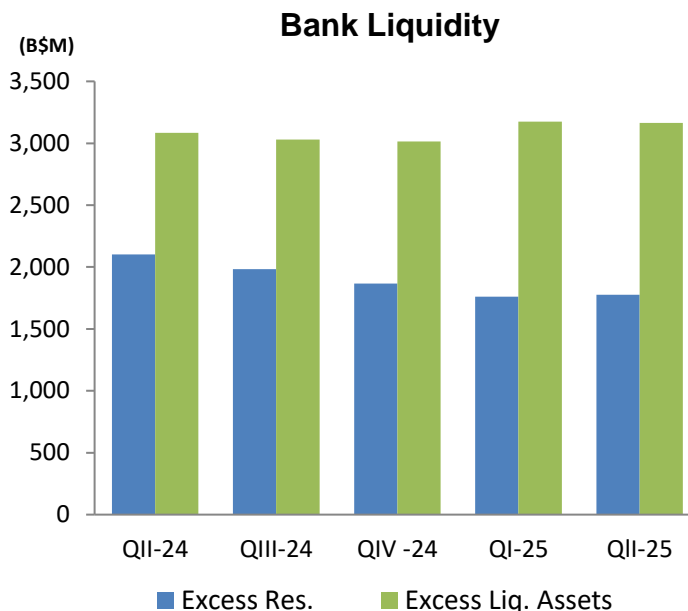
## **MONEY, CREDIT AND INTEREST RATES**

### **OVERVIEW**

During the second quarter, monetary trends revealed an expansion in banking sector liquidity, underpinned by a growth in the deposit base, which contrasted with the decline in domestic credit. Likewise, the financial system's net foreign assets recorded a notable accumulation, vis-à-vis the year earlier, buoyed by proceeds from the Government's external borrowing, along with foreign currency inflows from real sector activity. Meanwhile, banks' credit quality indicators registered mixed trends over the second quarter, as the rise in short-term arrears, overshadowed the falloff in non-performing loans, but improved on an annual basis, reflecting the sustained tempered pace of economic growth. Moreover, for the first quarter of 2025—the latest period for which data is available—banks recorded increased profits, largely reflecting a rise in income from commission and foreign exchange fees. As it relates, to interest rates, the weighted average interest rate spread narrowed, as the decline in the average lending rate outpaced the uptick in the average deposit rate.

## LIQUIDITY

Banks' net free cash reserves rose by \$16.9 million (1.0%) to \$1,777.1 million during the second quarter, following a \$12.8 million (0.6%) growth in the comparative 2024 period. Nevertheless, the ratio of net free cash reserves to Bahamian dollar deposit liabilities moved lower to 19.7% at end-June, from 24.7% in the corresponding quarter of the prior year. Further, the reduction in banks' broader surplus liquid assets slowed sharply to \$10.2 million (0.3%) from \$138.4 million (4.3%) a year earlier, when balances with the central bank contracted. At end-June 2025, the surplus liquid assets exceeded the statutory minimum by approximately 193.5%, relative to 203.5% in the same quarter of 2024.



## DEPOSITS AND MONEY

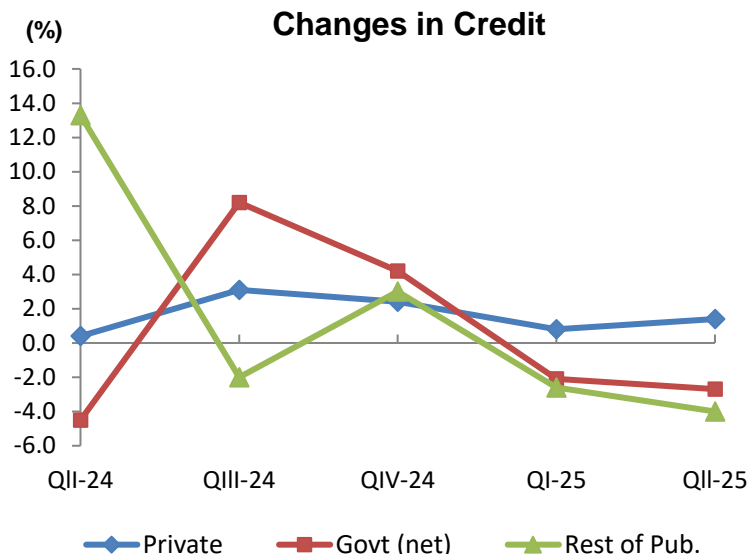
During the second quarter, overall money supply (M3) expanded by \$208.9 million (2.2%), contrasting with the year earlier \$106.0 million (1.1%) contraction, placing the total stock at \$9,924.4 million. A breakdown by components showed that narrow money (M1) rebounded by \$137.9 million (2.9%), from the \$56.3 million (1.3%) decline the year prior. In the underlying developments, demand deposits recovered by \$124.2 million (2.9%), relative to a \$59.5 million (1.5%) reduction in the previous year, due to a rise in both private and public sector placements. In addition, currency in active circulation rose by \$13.7 million (2.8%), exceeding last year's \$3.2 million (0.7%) increase. Broad money (M2) grew by \$140.3 million (1.5%), as opposed to a \$67.7 million (0.8%) falloff in the preceding year. This encompassed, an extended buildup in savings deposits, to \$39.6 million (1.6%) from \$18.3 million (0.8%) a year earlier. In contrast, the decline in fixed deposits deepened to \$37.2 million (2.0%), from \$29.7 million (1.5%) in 2024. Further, residents' foreign currency deposit balances grew by \$68.6 million (13.0%), a turnaround from a \$38.3 million (6.8%) contraction in the corresponding quarter of the preceding year.

An analysis by category showed that Bahamian dollar demand deposits constituted the largest share of the money stock at 44.9%, followed by savings (25.7%), and fixed deposits (18.4%). Residents' foreign currency deposits and currency in active circulation accounted for smaller shares of 6.0% and 5.0%, respectively.

## DOMESTIC CREDIT

The reduction in total domestic credit tapered to \$21.1 million (0.2%), from \$79.7 million (0.8%) in 2024, but was slightly higher than the 0.1% average quarterly decline over the past five years. In particular, Bahamian dollar credit—which comprised 92.7% of the total—decreased by \$35.3 million (0.4%), approximately halving the year earlier contraction. Meanwhile, foreign currency credit rose by \$14.8 million (2.1%), a turnaround from the \$9.7 million (1.4%) falloff in the same period last year.

A disaggregation by sector showed that the contraction in net claims on the Government abated to by \$92.4 million (2.7%) from \$146.3 million (4.5%) in the previous year. This follows an average quarterly reduction of 0.9% over the preceding five-year period. In addition, credit to the rest of the public sector fell by \$14.2 million (4.0%), a switch from a \$42.3 million (13.3%) accumulation in the prior year. Partially offsetting, private sector credit gains accelerated to \$85.6 million (1.4%) from \$24.3 million (0.4%) in the same period of 2024.



A decomposition of the various private sector components revealed that personal loans—at 72.5% of the total—rose further by \$27.3 million (0.6%) vis-à-vis \$26.5 million (0.6%) in the same period last year. Moreover, this contrasted with the 2.1% average quarterly decline over the past five years. Contributing, residential mortgages increased by \$5.7 million (0.2%), following a \$11.3 million (0.4%) reduction last year. Further, consumer loans growth was almost steady at \$31.6 million (1.5%); albeit, overdrafts contracted by \$10.0 million (13.3%), switching from a \$5.5 million (12.4%) gain the year prior.

A detailed breakdown of Bahamian dollar consumer credit showed that balances increased for debt consolidation (\$15.1 million), private cars (\$13.1 million), ‘miscellaneous’ purposes (\$6.7 million) and land purchases (\$1.5 million). Conversely, net repayments occurred for credit cards (\$2.0 million), home improvements (\$1.2 million), education (\$1.0 million) and travel (\$0.6 million). A more muted decline of less than \$1.0 million was registered for commercial vehicles.

Distribution of Bank Credit By Sector (End-Jun.)				
	2025		2024	
	B\$M	%	B\$M	%
Agriculture	0.7	0.0	0.7	0.0
Fisheries	2.2	0.0	1.9	0.0
Mining & Quarrying	1.4	0.0	1.9	0.0
Manufacturing	42.5	0.7	50.5	0.8
Distribution	344.3	5.4	295.3	4.9
Tourism	19.6	0.3	20.4	0.3
Enter. & Catering	23.0	0.4	23.2	0.4
Transport	148.2	2.3	67.4	1.1
Construction	243.0	3.8	205.5	3.4
Government	446.5	7.0	461.9	7.7
Public Corps.	105.2	1.7	121.5	2.0
Private Financial	41.8	0.7	44.4	0.7
Prof. & Other Ser.	116.8	1.8	79.8	1.3
Personal	4,733.8	74.6	4,562.1	75.7
Miscellaneous	80.3	1.3	87.0	1.4
<b>TOTAL</b>	<b>6,349.4</b>	<b>100.0</b>	<b>6,023.7</b>	<b>100.0</b>

The remaining private sector loan categories revealed that net lending rose for professional and “other” services (\$20.4 million), tourism (\$19.9 million), entertainment & catering (\$15.7 million), and “other” miscellaneous purposes (\$7.3 million). In contrast, balances fell for distribution (\$8.3 million) and construction (\$4.0 million).

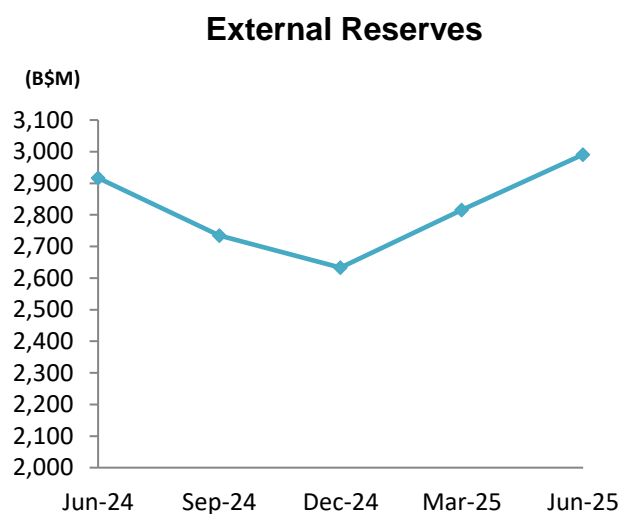
## MORTGAGES

Data from domestic banks, insurance companies and the Bahamas Mortgage Corporation indicated that the total value of outstanding mortgages grew by \$3.3 million (0.1%) to \$2,945.0 million during the second quarter, trailing the \$11.2 million (0.4%) gain in the previous year. In particular, residential mortgages—which constituted 92.6% of total mortgages—rose by \$5.1 million (0.2%), outpacing the \$1.9 million (0.1%) uptick the year prior, to stand at a total of \$2,726.3 million. In contrast, commercial loans decreased by \$1.8 million (0.8%), a shift from a \$9.3 million (5.0%) buildup registered in the prior year. Domestic banks remained the largest source of outstanding mortgages (86.8%), followed by the Bahamas Mortgage Corporation (7.0%) and insurance companies (6.1%).

## THE CENTRAL BANK

Largely reflecting a reduction in loans and advances, and Government bond holdings, the Central Bank's net claims on the Government fell further by \$145.2 million (18.5%), relative to the year earlier \$111.6 million (14.8%) decline. The outturn contrasted with average quarterly gains of 5.5% over the preceding five-year period. In addition, the contraction in net liabilities to commercial banks tapered to \$40.1 million (1.7%), from \$138.8 million (5.5%) a year earlier, on account of a falloff in deposits. Likewise, net liabilities to the rest of the public sector decreased slightly to \$5.8 million from \$6.4 million last year.

Over the review period, external reserves expanded by \$175.9 million (6.3%), considerably higher than the \$2.5 million (0.1%) gain in the same period of the previous year, bolstered by the receipt of proceeds from the Government's external borrowings and foreign currency inflows from real sector activities. In the underlying transactions, the Bank recorded a net foreign currency purchase of \$149.7 million, more than reversing the net sale of \$15.4 million in the comparable period last year. In particular, the net purchase from the Government increased to \$183.4 million from \$48.8 million, while the sale to public corporations—mainly for fuel purchases—reduced to \$99.7 million from \$131.6 million in 2024. Meanwhile, the net intake from commercial banks was almost unchanged at \$66.0 million.



At end-June, the stock of external reserves was equivalent to approximately 31.0 weeks of the current year's total merchandise imports (including oil purchases), as compared to 32.5 weeks in the same period of 2024. After adjusting for the 50.0% statutory requirement on the Bank's demand liabilities, "useable" reserves grew by \$238.0 million (18.2%) to \$1,542.4 million, relative to the comparable period of the previous year.

## DOMESTIC BANKS

At end-June, total net foreign liabilities of the banking system fell to \$123.4 million from \$144.6 million in the previous quarter, but was higher than the \$117.8 million in the comparable quarter in 2024.

During the second quarter, growth in domestic banks' credit extended to \$124.8 million (1.3%) from \$32.0 million (0.4%) in the same period of the prior year. Specifically, net claims on the Government grew by \$52.8 million (2.0%), shifting from a \$34.7 million (1.4%) reduction a year earlier, led by increased Treasury bill holdings. Similarly, the accretion in private sector credit advanced to \$85.6 million (1.4%) from \$24.3 million (0.4%) in the previous year. In an offset, credit to the rest of the public sector declined by \$13.6 million (3.9%), a turnaround from a \$42.4 million (13.6%) buildup in the year prior.

Banks' total deposit liabilities—including Government balances—increased by \$135.7 million (1.4%) to \$9,638.2 million, contrasting with the \$118.2 million (1.3%) reduction in the previous year. In the underlying transactions, total private sector deposits grew by \$165.8 million (1.8%), a shift from a \$74.7 million (0.9%) decline last year. Further, the contraction in public sector deposits moderated sharply to \$1.1 million (0.5%), from \$22.8 million (11.4%) in the preceding year. Meanwhile, the falloff in Government deposits extended to \$28.7 million (9.7%) from \$19.2 million (7.1%) in the prior year.

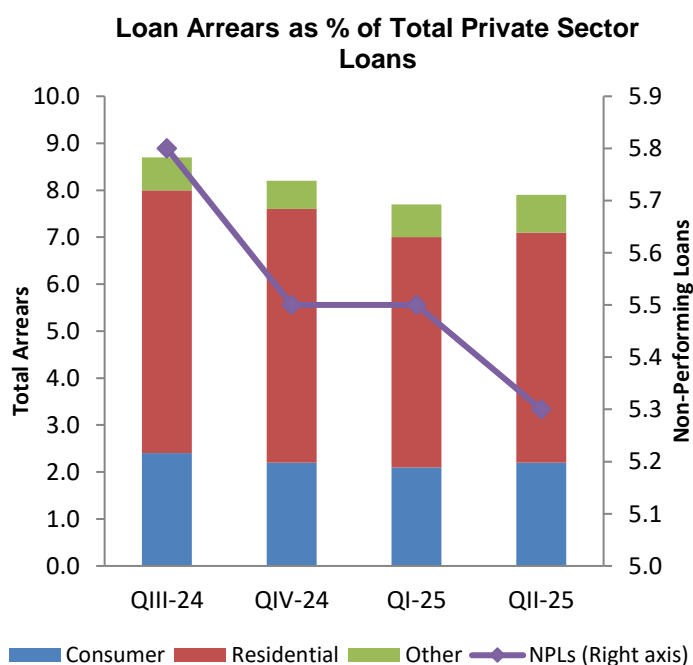
At end-June, the bulk of banks' deposit liabilities were denominated in Bahamian dollars (93.5%), with foreign currency deposits representing the majority of the remainder. A breakdown by holder indicated that private individuals held the largest share of total local currency accounts at 52.0%, followed by business firms (32.0%), private financial institutions (7.0%), the public sector (2.1%) and other "miscellaneous" entities (4.1%).

A disaggregation by deposit category showed that demand balances comprised the largest share of deposit accounts at 51.0%, followed by savings (28.3%), and fixed deposits (20.7%). By range of value and number, Bahamian dollar balances of \$10,000 or less represented the majority of accounts (87.2%), but only 5.3% of the total value. Balances between \$10,000 and \$50,000 constituted 8.3% of total accounts, and 10.3% of the overall value, while deposit accounts in excess of \$50,000 represented 4.4% of total accounts, but 84.4% of the aggregate value.

## CREDIT QUALITY

Banks' credit quality indicators reported mixed trends during the second quarter, but remained improved on an annual basis, amid the ongoing strengthening in the domestic economy. Total private sector loan arrears increased by \$13.7 million (3.0%) over the quarter, but reduced on an annual basis by \$26.6 million (5.4%), to \$465.3 million at end-June. Correspondingly, the ratio of arrears to total private sector loans rose on a quarterly basis by 18 basis points, but narrowed on a yearly basis by 97 basis points, to 7.9% of total private sector loans.

A disaggregation by age of delinquency indicated that short-term (31-90 days) arrears moved higher by \$23.1 million (17.8%) to \$152.2 million over the quarter, resulting in a 38-basis point rise in the accompanying ratio to



2.6%. In contrast, non-performing loans (NPLs)—arrears in excess of 90 days and on which banks have stopped accruing interest—decreased by \$9.4 million (2.9%) during the quarter to \$313.0 million, with the corresponding ratio narrowing by 20 basis points to 5.3%.

The quarterly increase in total private sector loans arrears was led by a \$7.3 million (6.1%) rise in consumer delinquencies, as the attendant ratio rose by 30 basis points to 6.0% of total private sector loans. Similarly, the commercial component grew by \$5.6 million (13.0%), elevating the associated ratio by 40 basis points to 4.0%. In addition, mortgage arrears increased marginally by \$0.7 million (0.3%), leading to a 1-basis point uptick in the corresponding ratio to 11.4%.

Meanwhile, the NPL rate for consumer loans fell to 3.8% from 4.3% in the year prior; for mortgages, to 7.6% from 8.5% and for commercial credit, to 3.2% from 3.7%.

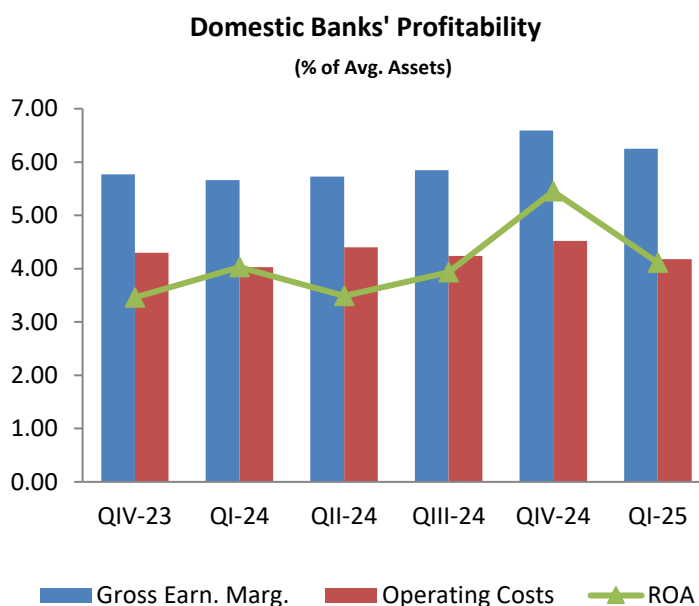
### PROVISIONS AND CAPITAL ADEQUACY

Banks reduced their total provisions for loan losses by \$2.2 million (0.8%) to \$273.6 million during the second quarter. Correspondingly, the ratio of total provisions to total arrears declined by 2.3 percentage points to 58.8%. However, the ratio of total provisions to total NPLs firmed by 1.9 percentage points to 87.4%. Further, banks wrote-off approximately \$15.9 million in bad loans, and recovered an estimated \$12.5 million during the second quarter.

During the review quarter, banks continued to maintain robust capital levels, although the average ratio of capital to risk-weighted assets declined by 4.1 percentage points to 30.3% at end-June, vis-à-vis the corresponding period the year prior. Nevertheless, the ratio remained well in excess of the minimum regulatory prescribed target of 17.0%.

### BANK PROFITABILITY

During the first quarter of 2025—the latest period for which data is available—banks' net income increased by \$6.4 million (5.3%) to \$126.8 million, as compared to the same period of 2024, largely attributed to a strengthening in commission and foreign exchange income. The net interest margin reduced by \$1.9 million (1.3%) to \$147.2 million, given the \$2.4 million (1.5%) falloff in interest income, as opposed to the \$0.5 million (5.1%) decline in interest expense. However, commission and foreign exchange fees more than doubled to \$45.6 million from \$19.8 million in the comparable period last year, contributing to a \$24.0 million (14.2%) rise in the gross earnings margin to \$192.8 million.



With regard to non-interest expense, banks' operating outlays grew by \$8.5 million (7.0%) to \$128.8 million. In particular, non-staff related operating costs—including professional and rental expenses—rose by \$8.1

million (10.5%) to \$85.3 million. In addition, occupancy costs increased marginally by \$0.4 million (18.5%) to \$2.4 million, while staff costs remained relatively unchanged at \$41.1 million. Further, banks' other net earnings on their "non-core" activities declined by \$9.1 million (12.7%) to \$62.8 million, explained by a \$6.2 million provisioning for bad debt. However, other "non-interest" income rose by \$6.1 million (8.8%), while depreciation costs fell by \$0.4 million (5.8%).

Against this backdrop, banks' profitability ratios improved overall. As a percentage of average assets, the gross earnings margin rose by 59 basis points to 6.25%, as the commission and foreign exchange income ratio grew by 82 basis points to 1.48%, while the interest margin fell by 22 basis points to 4.77%. However, the net earnings margin firmed by 45 basis points to 2.07%, outpacing the 14 basis points increase in the operating costs margin to 4.18%. Overall, the net income margin rose by 8 basis points to 4.11%, buoyed by slightly firmer contributions from other income sources, net of depreciation and bad debts.

### INTEREST RATES

During the second quarter, the weighted average interest rate spread at commercial banks decreased by 39 basis points to 10.44%. Contributing to this outturn, the weighted mean lending rate declined by 35 basis points to 11.04%, which overshadowed the 4-basis point uptick in the weighted average deposit rate to 0.60%.

The reduction in the average lending rate was led by an 82 basis points decline in the rate for overdrafts to 11.03%. In addition, the average lending rates decreased for consumer loans by 9 basis points to 12.68% and for residential mortgages by 4 basis points to 5.20%. In contrast, the average rate for commercial mortgages increased by 1.3 percentage points to 7.02%.

In terms of deposits, the average rate on demand deposits and savings balances remained unchanged at 0.25% and 0.26%, respectively. Meanwhile, the average range of interest offered on fixed balances shifted to 0.26%-1.50% from 0.26%-1.34%.

Banking Sector Interest Rates			
Period Average (%)			
	Qtr. IV 2024	Qtr. I 2025	Qtr. II 2025
<b>Deposit Rates</b>			
Demand Deposits	0.00	0.25	0.25
Savings Deposits	0.29	0.26	0.26
Fixed Deposits			
Up to 3 months	0.25	0.26	0.26
Up to 6 months	0.28	0.33	0.31
Up to 12 months	0.47	0.44	0.45
Over 12 months	1.58	1.34	1.50
<b>Weighted Avg. Dep. Rate</b>	<b>0.52</b>	<b>0.56</b>	<b>0.60</b>
<b>Lending Rates</b>			
Residential mortgages	5.22	5.24	5.20
Commercial mortgages	6.12	5.76	7.02
Consumer loans	13.16	12.77	12.68
Other Local Loans	6.88	7.61	8.75
Overdrafts	11.44	11.85	11.03
<b>Weighted Avg. Loan Rate</b>	<b>11.42</b>	<b>11.39</b>	<b>11.04</b>

In other interest rate developments, the average Treasury bill rate moved higher by 6 basis points to 3.03%. Moreover, the Central Bank's Discount rate and the commercial banks' Prime rate held steady at 4.00% and 4.25%, respectively.

### CAPITAL MARKET DEVELOPMENTS

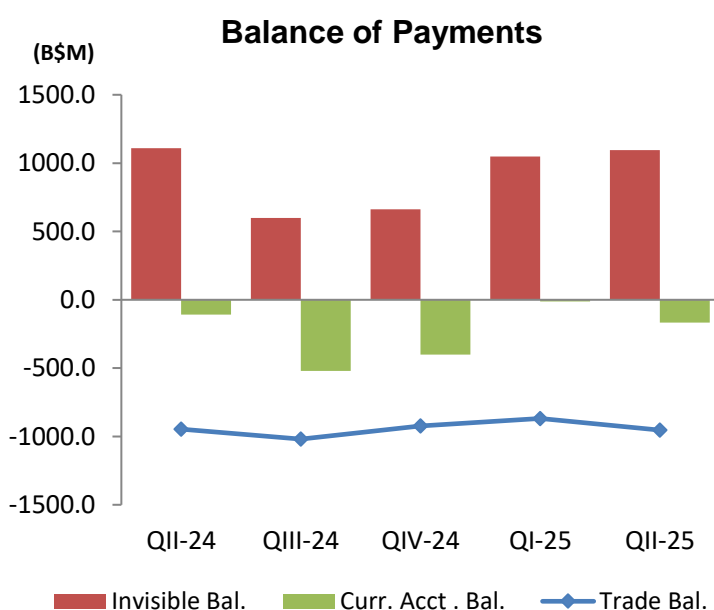
According to data from the Bahamas International Stock Exchange (BISX), the All Share Price Index firmed by 0.4% in the second quarter to 3,039.04 and by 3.2% relative to the same period a year earlier. Similarly, the

volume of shares traded on the stock exchange rose by 0.5 million over the review quarter to 1.9 million, but declined by 9.1 million when compared to the second quarter of 2024. Correspondingly, the value of trades grew by \$5.5 million to \$17.2 million, but contracted by \$49.8 million from the previous year.

In the Government debt securities market, the Central Bank facilitated offerings—including Treasury bills and Bahamas Registered Stock (BRS) or bond issues—totaled \$1.6 billion in the second quarter, with a subscription rate of 103.0%, as compared to the \$1.3 billion offered in the first quarter, which was oversubscribed by 7.0%. With regard to market preference, institutional investors continued to dominate the short-term market, while individual investors were more prevalent in bond offerings. An analysis by instrument showed that there were six Treasury bill offerings, with an average absorption rate of 72.0% for the 182-day bills, and 120.0% for the 91-day bills, vis-à-vis respective rates of 89.0% and 115.0% in the previous quarter. The 364-day bills, which were issued for the first time in the first quarter of 2025, to replace the now discontinued one-year note, held an average absorption rate of 77.0% in the second quarter. Meanwhile, the three BRS issuances recorded an average absorption rate of 79.0%, which was lower than the 81.0% registered in the first quarter.

## INTERNATIONAL TRADE AND PAYMENTS

According to provisional estimates for the second quarter of 2025, the external current account deficit expanded to \$165.7 million (52.7%), from \$108.5 million in the comparative 2024 period. Underlying this outturn, the services account surplus tapered to \$1,095.7 million from \$1,109.7 million, reflective of the falloff in travel receipts. In addition, the primary income account and merchandise trade deficits widened in the review quarter. Meanwhile, estimated net financial inflows—excluding reserve assets—increased to \$196.4 million from \$148.1 million last year, underpinned by a rise in net private direct investments inflows and a notable decrease in “other” investment outflows, attributed a rise in external loan exposures.



The estimated merchandise trade deficit rose incrementally by \$6.0 million (0.6%) to \$952.7 million in the second quarter, as the \$65.0 million (22.7%) reduction in exports to \$221.6 million, was accompanied by a \$59.1 million (4.8%) decrease in imports to \$1,174.3 million. In this regard, the fuel imports bill fell by \$37.4 million (12.0%) to \$274.9 million. An analysis of the fuel sub-component showed that the average per barrel cost reduced for aviation gas, by 27.2% to \$182.60 and for refined kerosene oil (jet-fuel) by 16.4% to \$96.67. Likewise, average per barrel prices declined for motor gas by 11.1% to \$115.40; gas oil, by 4.1% to \$104.19; and Bunker-C fuel, by 1.4% to \$78.59. Conversely, the average costs of propane increased by 0.9% to \$51.86 per barrel.

The estimated surplus on the services account decreased by \$14.0 million (1.3%) to \$1,095.7 million, on account of a moderation in net travel receipts by \$19.4 million (1.3%) to \$1,510.5 million, given the tempered

tourism momentum. Further, net outflows rose for Government goods and services, by \$38.2 million (150.5%) to \$63.6 million; insurance services, by \$16.1 million (26.1%) to \$77.9 million; and transportation, by \$3.0 million (2.9%) to \$106.8 million. Providing some offset, net payments declined for 'other' business services, by \$47.9 million (25.9%) to \$137.1 million and telecommunications, computer and information services, by \$11.3 million (49.5%) to \$11.5 million. In addition, net outflows for the use of intellectual property, fell by \$2.0 million (48.6%) to \$2.1 million and construction services, by \$1.6 million (9.0%) to \$15.8 million.

The primary income account deficit—dominated by investment income flows—rose by \$47.8 million (16.1%) to \$344.2 million. In the underlying transactions, net investment income outflows grew by \$44.2 million (16.5%) to \$312.3 million, on account of a rise in net outflows for direct investment—inclusive of dividends by banks—by \$8.9 million (8.8%) to \$110.7 million and for 'other' net investment income—inclusive of interest payments by banks, other companies and the Government—by \$39.9 million (88.1%) to \$85.2 million. In addition, employees' compensation advanced by \$3.6 million (12.8%) to \$31.9 million. Conversely, outlays for net portfolio investments declined by \$2.2 million (1.6%) to \$132.5 million.

The secondary income account surplus, which primarily reflects net transfers, grew by \$10.7 million (43.0%) to \$35.4 million, supported by an increase in general Government inflows, by \$7.1 million (10.5%) to \$74.5 million. In addition, net outflows reduced for various non-financial corporations and households, by \$12.6 million (35.3%) to \$23.1 million, and workers' remittances, by \$3.4 million (12.7%) to \$23.4 million. In an offset, 'other' net current private transfers' outflows rose by \$9.0 million (127.6%) to \$16.0 million.

During the second quarter of 2025, net financial inflows—indicating investments—increased to \$196.4 million, from \$148.1 million in the comparable period of 2024. Leading this outcome, net private direct investments inflows expanded by \$54.5 million to \$75.2 million, attributed to a rise in net receipts from equity and investment fund shares, by \$43.0 million (82.4%) to \$95.1 million, while net portfolios inflows narrowed to \$152.4 million from \$445.3 million. Further, "other investments" net outflows decreased sharply to \$31.3 million from \$318.0 million, vis-à-vis the same period of 2024, corresponding to a moderated reduction in the banking sector's net deposit liabilities and a net incurrence of debt in the public sector (given the Government debt refinancing operations). However, inflows represented by net payables on banks' balance sheet were lower in comparison to 2024. Similarly, reflective of valuation and other changes, IMF Special Drawing Rights (SDRs) net outflow rose to \$4.0 million from \$2.6 million in the previous year.

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 significantly to \$175.9 million from just \$1.3 million, in the second quarter of 2024.

## **INTERNATIONAL ECONOMIC DEVELOPMENTS**

Global economic performance remained moderated during the second quarter of 2025, owing to heightened trade policy uncertainties among the countries and persistent geopolitical tensions in Eastern Europe and the Middle East. In this environment, the outlook for major central banks' interest rate policies remained tilted towards easing, but with concerns about an expected increase in near-term inflation, partially constraining the pace of interventions to stimulate growth.

Real economic growth remained positive for major economies during the second quarter, albeit at a moderated pace for some countries. In the United States, real GDP expanded by an annualized rate of 3.0%, a reversal from a 0.5% decline in the previous quarter, supported by a falloff in imports and higher consumer and Government spending. Further, Japan's real GDP rose by an annualized rate of 0.4%, a switch from a

0.2% decrease in the first quarter, owing to a rise in private consumption and exports. However, in the United Kingdom, real GDP growth slowed to 0.3% from 0.7% in the prior quarter, reflective of a contraction in production output. In addition, the euro area's real output gains moderated to a projected 0.1%, from 0.6% in the preceding quarter, attributed in part to reductions in investment and net exports. Moreover, China's real economic growth tapered to 5.2% from 5.4% in the prior quarter, due to a falloff in domestic demand and a decline in exports.

Labour market conditions continued to improve for the major economies during the second quarter. In China, the jobless rate declined to 5.2% from 5.3% in the preceding quarter. Further, Japan's jobless rate steadied at 2.5%. Likewise, the euro area's unemployment rate was unchanged at 6.2% during the second quarter. Conversely, the United States unemployment rate rose by 10 basis points to an average of 4.2% over the quarter, despite non-farm payroll increasing by 147,000, due to job gains in Government and healthcare. Similarly, the United Kingdom's jobless rate increased by 20 basis points to 4.7% during the review quarter.

Inflationary pressures, although strengthening for some of the major economies, remained contained during the review quarter. Specifically, in the United States, the annualized inflation rate increased to 2.7% in June from 2.4% in the prior quarter, led by a rise in food, housing, and energy costs. The United Kingdom's annual inflation rate also rose to 4.1% in the review quarter, from 3.4% in the preceding quarter. Likewise, China's year-on-year inflation rate firmed to 0.1%, a reversal from a decline of the same magnitude in the previous quarter. In contrast, the euro area's annualized inflation rate moderated to 2.0% from 2.2% in the preceding quarter, attributed to lower energy costs. Further, Japan's consumer prices moderated to 3.3% in the second quarter, from 3.6% in the prior quarter.

In foreign currency market developments, the United States' dollar depreciated against all major currencies, underpinned by trade and inflationary uncertainty. Specifically, the dollar decreased vis-à-vis the Swiss Franc, by 10.3% to CHF0.79; the euro, by 8.2% to €0.85; and the British Pound, by 5.9% to £0.73. Further, the dollar weakened against the Canadian dollar, by 5.4% to CAD\$1.36; the Japanese yen, by 4.0% to ¥144.03 and the Chinese Renminbi, by 1.3% to CNY7.16.

During the second quarter, most of the major equity markets reported positive movements, owing to the postponement of measures related to tariffs. In the United States, the S&P 500 and the Dow Jones Industrial Average (DIJA) rose by 10.6% and 5.0%, respectively. Likewise, in the Asian markets, respective Japan's Nikkei and China's SE Composite increased by 13.7% and 3.3%. In Europe, the German DAX and the United Kingdom's FTSE grew by 7.9% and 2.1%, respectively; however, France's CAC 40 fell by 1.6%.

In the commodities market, due to lower global oil prices, average crude oil costs fell by 21.5% to \$67.26 per barrel during the second quarter. Providing some offset, in the precious metals market, as investors target less riskier assets, the average price of gold rose by 42.4% to \$3,293.70 per troy ounce, and silver, by 18.5% to \$33.90 per troy ounce.

Developments in the major economies' external sector were mostly positive during the second quarter. In the United States, the trade deficit reduced by \$201.3 billion (51.0%) to \$193.3 billion, explained by a 14.9% decline in imports, combined with a 2.3% rise in exports. Likewise, Japan's trade deficit decreased to ¥618.7 billion, from ¥1,602.0 billion in the previous quarter, as imports fell by 3.2%, while exports registered a flat outturn. Further, China's trade surplus expanded by \$41.2 billion (13.1%) to \$314.2 billion, on account of a 10.8% growth in exports, which overshadowed the 9.7% rise in imports. In contrast, the United Kingdom's trade deficit widened by £1.7 billion (22.7%) to £9.2 billion, attributed to a 0.9% increase in imports, which

outstripped the 0.2% gain in exports. Further, the euro area trade surplus contracted by €31.5 billion (53.05%) to €27.4 billion, vis-à-vis the prior quarter, as the 5.1% falloff in exports outpaced the 2.0% decline in imports.

During the review quarter, the major central banks either reduced or retained their interest rate reductions, amid trade policy uncertainties, and heightened geopolitical tensions in the Middle East and Eastern Europe. Specifically, the European Central Bank lowered its key interest rates on the main refinancing operations to 2.15% from 2.65%, the marginal lending facility to 2.40% from 2.90% and the deposit facility to 2.00% from 2.50%. However, the Bank's asset purchase programme (APP) continued to unwind, due to the discontinuation of reinvestments of principle payments for maturing securities. Similarly, the Bank of England's main policy rate declined to 4.25% from 4.50%, although the central bank decreased the Government's bond purchase programme to £590 billion, as the withdrawal of quantitative easing measures persisted. Likewise, the People's Bank of China decreased its reverse repo rate to 1.4% from 1.5%, and conducted reverse repo operations in the second quarter to stabilize banking system liquidity. Conversely, the United States' Federal Reserve maintained its target range for the Federal funds rate at 4.25%-4.50%, while the authorities awaited clearer indications of the impact of tariffs on inflation trends. The Federal Reserve also continued to reduce its holdings of Treasury securities and agency debt, as well as mortgage-backed securities. Correspondingly, the Bank of Japan sustained its policy rate at 0.50% for the review quarter, citing high uncertainty with respect to global trade policies.

## **STATISTICAL APPENDIX (TABLES I-I6)**

**TABLE 1**  
**FINANCIAL SURVEY**

Period	2021	2022	2023	2024				2025	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
(B\$ Millions)									
Net foreign assets	2,337.5	2,492.0	2,360.5	2,813.2	2,798.6	2,545.2	2,402.7	2,670.4	2,867.5
Central Bank	2,432.8	2,611.0	2,517.4	2,914.0	2,916.5	2,734.4	2,632.9	2,815.0	2,990.9
Domestic Banks	(95.2)	(119.1)	(156.9)	(100.8)	(117.8)	(189.2)	(230.3)	(144.6)	(123.4)
Net domestic assets	5,889.5	6,516.8	6,780.1	6,584.9	6,493.6	6,780.9	7,089.9	7,051.8	7,063.6
Domestic credit	8,929.0	9,312.5	9,608.6	9,453.5	9,374.5	9,804.0	10,103.4	10,069.5	10,048.4
Public sector	3,248.3	3,557.0	3,749.5	3,557.7	3,454.4	3,701.2	3,852.8	3,771.6	3,664.9
Government (net)	2,933.1	3,209.6	3,423.4	3,239.3	3,093.7	3,347.8	3,489.0	3,417.3	3,324.9
Rest of public sec	315.2	347.4	326.1	318.3	360.6	353.3	363.8	354.3	340.1
Private sector	5,680.7	5,755.5	5,859.1	5,895.8	5,920.2	6,102.8	6,250.6	6,298.0	6,383.5
Other items (net)	(3,039.5)	(2,795.7)	(2,828.5)	(2,868.6)	(2,880.9)	(3,023.1)	(3,013.5)	(3,017.7)	(2,984.8)
Monetary liabilities	8,220.3	9,002.0	9,133.9	9,391.4	9,285.5	9,319.3	9,485.8	9,715.5	9,924.4
Money	3,715.5	4,296.8	4,318.7	4,474.0	4,417.9	4,452.0	4,626.5	4,815.1	4,953.0
Currency	385.9	422.8	430.9	452.0	455.2	457.8	466.7	483.8	497.5
Demand deposits	3,329.6	3,874.0	3,887.8	4,022.0	3,962.6	3,994.2	4,159.8	4,331.2	4,455.4
Quasi-money	4,504.8	4,705.3	4,815.2	4,917.4	4,867.6	4,867.4	4,859.4	4,900.4	4,971.5
Fixed deposits	2,172.2	2,073.9	2,022.6	1,982.6	1,952.9	1,932.0	1,917.9	1,859.2	1,822.1
Savings deposits	1,885.0	2,089.0	2,261.7	2,367.5	2,385.8	2,394.3	2,444.9	2,512.1	2,551.7
Foreign currency	447.7	542.3	531.0	567.3	529.0	541.1	496.5	529.1	597.7
(percentage changes)									
Total domestic credit	3.7	4.3	3.2	(1.6)	(0.8)	4.6	3.1	(0.3)	(0.2)
Public sector	14.0	9.5	5.4	(5.1)	(2.9)	7.1	4.1	(2.1)	(2.8)
Government (net)	16.2	9.4	6.7	(5.4)	(4.5)	8.2	4.2	(2.1)	(2.7)
Rest of public sector	(2.7)	10.2	(6.1)	(2.4)	13.3	(2.0)	3.0	(2.6)	(4.0)
Private sector	(1.5)	1.3	1.8	0.6	0.4	3.1	2.4	0.8	1.4
Monetary liabilities	4.5	9.5	1.5	2.8	(1.1)	0.4	1.8	2.4	2.2
Money	7.0	15.6	0.5	3.6	(1.3)	0.8	3.9	4.1	2.9
Currency	3.5	9.5	1.9	4.9	0.7	0.6	1.9	3.7	2.8
Demand deposits	7.4	16.4	0.4	3.5	(1.5)	0.8	4.1	4.1	2.9
Quasi-money	2.6	4.4	2.3	2.1	(1.0)	(0.0)	(0.2)	0.8	1.4

Source: Central Bank of The Bahamas

**TABLE 2**  
**MONETARY SURVEY**

Period	2021	2022	2023	2024				2025	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
(B\$ Millions)									
Net foreign assets	2,680.0	2,888.1	2,776.6	3,062.5	3,023.4	2,797.7	2,688.4	2,943.3	3,142.3
Central Bank	2,432.8	2,611.0	2,517.4	2,914.0	2,916.5	2,734.4	2,632.9	2,815.0	2,990.9
Commercial banks	247.2	277.0	259.2	148.5	107.0	63.4	55.4	128.3	151.4
Net domestic assets	5,538.7	6,115.2	6,357.3	6,330.6	6,260.7	6,521.2	6,801.2	6,765.2	6,785.3
Domestic credit	8,884.5	9,209.0	9,481.4	9,331.0	9,264.2	9,660.0	9,948.0	9,924.6	9,899.3
Public sector	3,248.2	3,557.0	3,749.4	3,557.6	3,454.3	3,701.0	3,852.7	3,771.5	3,664.9
Government (net)	2,933.1	3,209.6	3,423.3	3,239.3	3,093.7	3,347.7	3,489.0	3,417.3	3,324.8
Rest of public sector	315.1	347.3	326.1	318.3	360.6	353.3	363.8	354.3	340.1
Private sector	5,636.3	5,652.0	5,732.0	5,773.3	5,809.8	5,959.0	6,095.2	6,153.1	6,234.4
Other items (net)	(3,345.8)	(3,093.8)	(3,124.1)	(3,000.3)	(3,003.5)	(3,138.8)	(3,146.8)	(3,159.5)	(3,114.0)
Monetary liabilities	8,212.0	8,996.6	9,127.2	9,386.4	9,277.4	9,312.3	9,482.8	9,701.8	9,920.8
Money	3,707.9	4,291.9	4,312.4	4,476.1	4,417.2	4,452.3	4,630.8	4,808.6	4,956.5
Currency	386.0	422.8	430.9	452.0	455.3	457.8	466.7	483.9	497.5
Demand deposits	3,321.9	3,869.2	3,881.5	4,017.4	3,955.2	3,987.8	4,157.4	4,318.0	4,452.3
Quasi-money	4,504.1	4,704.6	4,814.8	4,917.0	4,866.9	4,866.7	4,858.7	4,900.0	4,971.0
Savings deposits	1,885.0	2,089.0	2,261.7	2,367.5	2,385.8	2,394.3	2,444.9	2,512.1	2,551.7
Fixed deposits	2,172.2	2,073.9	2,022.6	1,982.6	1,952.9	1,932.0	1,917.9	1,859.2	1,822.1
Foreign currency deposits	446.9	541.7	530.5	566.9	528.2	540.5	495.8	528.6	597.2
(percentage change)									
Total domestic credit	4.0	3.7	3.0	(1.6)	(0.7)	4.3	3.0	(0.2)	(0.3)
Public sector	14.6	9.5	5.4	(5.1)	(2.9)	7.1	4.1	(2.1)	(2.8)
Government (net)	16.8	9.4	6.7	(5.4)	(4.5)	8.2	4.2	(2.1)	(2.7)
Rest of public sector	(2.7)	10.2	(6.1)	(2.4)	13.3	(2.0)	3.0	(2.6)	(4.0)
Private sector	(1.3)	0.3	1.4	0.7	0.6	2.6	2.3	0.9	1.3
Monetary liabilities	5.9	9.6	1.5	2.9	(1.2)	0.4	1.8	2.3	2.3
Money	9.8	15.8	0.5	3.8	(1.3)	0.8	4.0	3.8	3.1
Currency	3.5	9.5	1.9	6.5	0.7	0.5	1.9	3.6	2.8
Demand deposits	10.6	16.5	0.3	3.5	(1.5)	0.8	4.3	3.9	3.1
Quasi-money	2.9	4.5	2.3	2.1	(1.0)	(0.0)	(0.2)	0.8	1.5

**Source: Central Bank of The Bahamas**

**TABLE 3**  
**CENTRAL BANK BALANCE SHEET**

Period	(B\$ Millions)								
	2021	2022	2023	2024				2025	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>Net foreign assets</b>	2,432.8	2,611.0	2,517.4	2,914.0	2,916.5	2,734.4	2,632.9	2,815.0	2,990.9
Balances with banks abroad	323.8	622.8	610.2	755.2	732.7	444.4	395.8	594.3	801.5
Foreign securities	1,663.1	1,795.2	1,720.1	1,976.5	2,005.0	2,108.1	2,054.0	2,035.9	2,000.2
Reserve position in the Fund	27.0	25.7	25.9	25.5	25.4	26.2	25.2	25.6	26.5
SDR holdings	418.9	167.3	161.2	156.7	153.5	155.8	158.0	159.2	162.7
<b>Net domestic assets</b>	192.7	481.0	571.0	459.0	318.4	546.6	461.3	395.1	206.2
Net claims on Government	457.9	790.6	886.8	755.9	645.0	901.8	895.1	784.3	639.1
Claims	620.9	882.9	947.8	925.4	878.7	988.4	1,019.4	975.7	702.3
Treasury bills	14.0	11.7	45.8	20.0	0.7	0.3	10.0	-	-
Bahamas registered stock	340.9	301.7	476.2	479.5	482.7	433.5	444.4	450.4	432.5
Loans and advances	266.1	569.5	425.8	426.0	395.3	554.6	565.1	525.3	269.8
Deposits	(163.0)	(92.3)	(61.0)	(169.5)	(233.7)	(86.6)	(124.3)	(191.4)	(63.2)
In local currency	(163.0)	(92.3)	(61.0)	(169.5)	(233.7)	(86.6)	(124.3)	(191.4)	(63.2)
In foreign currency	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(69.4)	(94.9)	(20.7)	(39.3)	(29.2)	(28.1)	(75.1)	(23.3)	(54.2)
Credit to commercial banks	-	-	-	-	-	-	-	-	-
Official capital and surplus	(241.0)	(241.5)	(241.5)	(244.1)	(239.5)	(239.9)	(241.5)	(241.9)	(242.5)
Net unclassified assets	38.1	19.9	(60.4)	(20.0)	(64.4)	(93.7)	(123.7)	(130.5)	(142.1)
Loans to rest of public sector	1.9	1.6	1.5	1.5	1.6	1.6	1.6	1.6	1.6
Public Corp Bonds/Securities	5.2	5.3	5.3	4.9	4.9	4.9	4.9	4.9	4.2
<b>Liabilities To Domestic Banks</b>	(1,814.0)	(2,262.4)	(2,246.6)	(2,515.4)	(2,376.6)	(2,408.1)	(2,228.5)	(2,319.7)	(2,279.6)
Notes and coins	(170.9)	(177.8)	(177.8)	(140.2)	(135.7)	(130.2)	(178.0)	(134.4)	(140.4)
Deposits	(1,643.1)	(2,084.6)	(2,068.8)	(2,375.2)	(2,240.9)	(2,277.9)	(2,050.5)	(2,185.4)	(2,139.2)
SDR allocation	(418.9)	(400.1)	(404.2)	(398.9)	(396.3)	(408.4)	(392.4)	(399.9)	(413.2)
Currency held by the private sector	(385.9)	(422.8)	(430.9)	(452.0)	(455.2)	(457.8)	(466.7)	(483.8)	(497.5)

Source: Central Bank of The Bahamas

**TABLE 4**  
**DOMESTIC BANKS BALANCE SHEET**

Period	(B\$ Millions)								
	2021	2022	2023	2024				2025	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>Net foreign assets</b>	(95.2)	(119.1)	(156.9)	(100.8)	(117.8)	(189.2)	(230.3)	(144.6)	(123.4)
<b>Net claims on Central Bank</b>	1,815.0	2,263.3	2,247.5	2,516.6	2,377.5	2,409.0	2,229.4	2,316.7	2,280.6
Notes and Coins	170.9	177.8	177.8	140.2	135.7	130.2	178.0	134.4	140.4
Balances	1,644.1	2,085.5	2,069.7	2,376.5	2,241.8	2,278.8	2,051.4	2,182.4	2,140.1
Less Central Bank credit	-	-	-	-	-	-	-	-	-
<b>Net domestic assets</b>	5,841.0	6,114.5	6,369.4	6,257.4	6,339.0	6,399.6	6,743.2	6,803.8	6,984.5
Net claims on Government	2,475.2	2,419.0	2,536.6	2,483.4	2,448.7	2,446.1	2,593.8	2,633.0	2,685.8
Treasury bills	939.8	849.1	965.2	1,011.1	939.0	969.4	1,027.5	1,256.6	1,579.3
Other securities	926.5	1,091.4	1,150.7	1,186.6	1,242.2	1,136.8	1,262.4	1,181.6	908.7
Loans and advances	820.8	710.9	650.1	555.3	517.9	589.2	541.0	488.8	463.2
Less: deposits	211.9	232.3	229.4	269.6	250.5	249.4	237.1	294.1	265.5
Net claims on rest of public sector	103.8	114.8	97.0	85.0	151.8	132.8	155.5	115.4	103.3
Securities	230.6	229.8	214.2	212.8	211.7	211.9	229.0	220.7	214.4
Loans and advances	77.4	110.6	105.0	99.0	142.5	135.0	128.4	127.1	119.8
Less: deposits	204.3	225.7	222.3	226.8	202.4	214.1	201.8	232.4	231.0
Other net claims	(0.7)	(0.0)	1.1	20.4	1.3	2.0	0.7	1.7	1.0
Credit to the private sector	5,680.7	5,755.5	5,859.1	5,895.8	5,920.2	6,102.8	6,250.6	6,298.0	6,383.5
Securities	52.9	60.0	68.8	68.9	72.2	88.9	77.3	82.3	88.9
Mortgages	2,838.9	2,956.6	2,933.5	2,947.1	2,953.5	3,016.1	3,058.9	3,053.2	3,047.6
Loans and advances	2,788.9	2,738.9	2,856.7	2,879.8	2,894.5	2,997.8	3,114.3	3,162.4	3,247.0
Private capital and surplus	(2,342.1)	(2,218.7)	(2,241.3)	(2,232.0)	(2,231.5)	(2,204.5)	(2,194.4)	(2,195.9)	(2,102.8)
Net unclassified assets	(75.9)	43.9	117.1	4.8	48.6	(79.6)	(63.1)	(48.3)	(86.2)
<b>Liabilities to private sector</b>	7,560.7	8,258.7	8,460.0	8,673.3	8,598.6	8,619.4	8,742.3	8,976.0	9,141.7
Demand deposits	3,509.2	4,075.1	4,117.3	4,249.7	4,187.7	4,220.0	4,310.9	4,527.2	4,677.9
Savings deposits	1,924.2	2,126.2	2,294.8	2,401.9	2,422.9	2,432.6	2,479.2	2,548.7	2,589.8
Fixed deposits	2,127.3	2,057.5	2,047.9	2,021.6	1,988.1	1,966.9	1,952.1	1,900.1	1,874.0

Source: Central Bank of The Bahamas

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

(B\$'000s)

Period	2022	2023	2024	2023			2024				2025
				Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
1. Interest Income	553,188	619,120	648,161	152,048	160,077	153,947	158,624	159,897	164,928	164,712	156,253
2. Interest Expense	36,870	37,156	37,635	9,143	9,377	9,515	9,554	9,388	9,416	9,277	9,063
3. <b>Interest Margin (1-2)</b>	516,318	581,964	610,526	142,905	150,700	144,432	149,070	150,509	155,512	155,435	147,190
4. Commission & Forex Income	83,554	83,490	107,374	21,292	16,821	25,225	19,779	20,925	21,573	45,097	45,647
5. <b>Gross Earnings Margin (3+4)</b>	599,872	665,454	717,900	164,197	167,521	169,657	168,849	171,434	177,085	200,532	192,837
6. Staff Costs	158,488	161,213	182,208	42,131	40,815	38,928	41,130	43,930	46,677	50,471	41,084
7. Occupancy Costs	13,138	11,271	12,364	2,402	2,380	3,070	2,037	2,387	2,448	5,492	2,414
8. Other Operating Costs	248,967	300,105	323,271	69,445	73,675	84,399	77,198	85,290	79,336	81,447	85,327
9. <b>Operating Costs (6+7+8)</b>	420,593	472,589	517,843	113,978	116,870	126,397	120,365	131,607	128,461	137,410	128,825
10. <b>Net Earnings Margin (5-9)</b>	179,279	192,865	200,057	50,219	50,651	43,260	48,484	39,827	48,624	63,122	64,012
11. Depreciation Costs	19,815	23,024	25,386	5,581	6,123	6,314	6,245	6,579	6,693	5,869	5,881
12. Provisions for Bad Debt	(15,807)	19,608	(47,680)	7,693	13,818	1,856	(9,341)	(510)	(9,728)	(28,101)	6,224
13. Other Income	221,701	252,142	287,507	61,967	63,254	66,727	68,861	70,783	67,413	80,450	74,918
14. <b>Other Income (Net) (13-11-12)</b>	217,693	209,510	309,801	48,693	43,313	58,557	71,957	64,714	70,448	102,682	62,813
15. <b>Net Income (10+14)</b>	396,972	402,375	509,858	98,912	93,964	101,817	120,441	104,541	119,072	165,804	126,825
16. <b>Effective Interest Rate Spread (%)</b>	6.86	7.41	7.36	7.48	7.36	7.20	7.28	7.32	7.44	7.40	7.24
<b>(Ratios To Average Assets)</b>											
Interest Margin	4.46	4.97	5.07	4.89	5.11	4.91	4.99	5.03	5.14	5.11	4.77
Commission & Forex Income	0.72	0.71	0.89	0.73	0.57	0.86	0.66	0.70	0.71	1.48	1.48
Gross Earnings Margin	5.18	5.68	5.96	5.62	5.68	5.77	5.66	5.73	5.85	6.59	6.25
Operating Costs	3.63	4.03	4.30	3.90	3.96	4.30	4.03	4.40	4.24	4.52	4.18
Net Earnings Margin	1.55	1.65	1.66	1.72	1.72	1.47	1.62	1.33	1.61	2.07	2.07
Net Income/Loss	3.43	3.44	4.23	3.39	3.19	3.46	4.03	3.49	3.93	5.45	4.11

\*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	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>Money Supply (M1)</b>	3,722.2	4,303.5	4,325.4	4,480.7	4,424.6	4,458.7	4,633.2	4,821.8	4,959.7
1) Currency in active circulation	385.9	422.8	430.9	452.0	455.2	457.8	466.7	483.8	497.5
2) Demand deposits	3,329.6	3,874.0	3,887.8	4,022.0	3,962.6	3,994.2	4,159.8	4,331.2	4,455.4
Central Bank	69.4	94.9	20.7	39.3	29.2	28.1	75.1	23.3	54.2
Domestic Banks	3,260.1	3,779.1	3,867.1	3,982.7	3,933.4	3,966.1	4,084.7	4,308.0	4,401.2
<b>Factors affecting money (M1)</b>									
1) Net credit to Government	2,933.1	3,209.6	3,423.4	3,239.3	3,093.7	3,347.8	3,489.0	3,417.3	3,324.9
Central Bank	457.9	790.6	886.8	755.9	645.0	901.8	895.1	784.3	639.1
Domestic banks	2,475.2	2,419.0	2,536.6	2,483.4	2,448.7	2,446.1	2,593.8	2,633.0	2,685.8
2) Other credit	5,995.9	6,102.9	6,185.2	6,214.1	6,280.8	6,456.1	6,614.4	6,652.2	6,723.6
Rest of public sector	315.2	347.4	326.1	318.3	360.6	353.3	363.8	354.3	340.1
Private sector	5,680.7	5,755.5	5,859.1	5,895.8	5,920.2	6,102.8	6,250.6	6,298.0	6,383.5
3) External reserves	2,432.8	2,611.0	2,517.4	2,914.0	2,916.5	2,734.4	2,632.9	2,815.0	2,990.9
4) Other external liabilities (net)	(95.2)	(119.1)	(156.9)	(100.8)	(117.8)	(189.2)	(230.3)	(144.6)	(123.4)
5) Quasi money	4,504.8	4,705.3	4,815.2	4,917.4	4,867.6	4,867.4	4,859.4	4,900.4	4,971.5
6) Other items (net)	(3,039.5)	(2,795.7)	(2,828.5)	(2,868.6)	(2,880.9)	(3,023.1)	(3,013.5)	(3,017.7)	(2,984.8)

**Source: Central Bank of The Bahamas**

**TABLE 7**  
**CONSUMER INSTALMENT CREDIT\***

**(B\$'000)**

Period	2021	2022	2023	2024				2025	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
CREDIT OUTSTANDING									
Private cars	118,391	119,482	152,248	159,968	172,551	182,224	195,120	205,634	218,772
Taxis & rented cars	660	928	850	812	775	790	869	1,050	1,062
Commercial vehicles	987	870	899	1,042	871	867	927	900	872
Furnishings & domestic appliances	9,831	12,460	14,647	15,009	15,273	15,934	15,965	16,708	16,912
Travel	57,203	52,697	47,848	45,817	45,102	44,321	42,935	41,246	40,654
Education	35,702	31,227	27,359	26,238	25,557	25,151	24,439	23,115	22,117
Medical	12,038	11,049	11,427	11,548	11,502	11,652	11,486	11,317	11,275
Home Improvements	100,202	91,797	89,517	86,397	85,434	84,441	85,192	84,711	83,500
Land Purchases	134,991	127,556	127,033	126,446	130,145	128,865	132,044	131,558	133,086
Consolidation of debt	857,664	783,946	743,194	749,828	759,416	770,500	778,605	800,734	815,793
Miscellaneous	489,727	221,212	235,970	236,568	238,173	246,534	254,064	251,338	258,067
Credit Cards	217,121	478,406	511,875	513,751	514,514	527,966	532,110	521,558	519,526
TOTAL	2,034,517	1,931,630	1,962,867	1,973,424	1,999,313	2,039,245	2,073,756	2,089,869	2,121,636
NET CREDIT EXTENDED									
Private cars	(2,981)	3,787	10,862	7,720	12,583	9,673	12,896	10,514	13,138
Taxis & rented cars	(102)	112	(218)	(38)	(37)	15	79	181	12
Commercial vehicles	(27)	58	44	143	(171)	(4)	60	(27)	(28)
Furnishings & domestic appliances	699	1,130	787	362	264	661	31	743	204
Travel	(2,607)	(1,631)	(539)	(2,031)	(715)	(781)	(1,386)	(1,689)	(592)
Education	(1,416)	(2,094)	(1,100)	(1,121)	(681)	(406)	(712)	(1,324)	(998)
Medical	54	(405)	140	121	(46)	150	(166)	(169)	(42)
Home Improvements	(1,807)	(266)	(781)	(3,120)	(963)	(993)	751	(481)	(1,211)
Land Purchases	20	(391)	1,531	(587)	3,699	(1,280)	3,179	(486)	1,528
Consolidation of debt	(20,804)	(16,940)	(9,855)	6,634	9,588	11,084	8,105	22,129	15,059
Miscellaneous	(23,159)	3,672	6,543	598	1,605	8,361	7,530	(2,726)	6,729
Credit Cards	(4,746)	417	6,082	1,876	763	13,452	4,144	(10,552)	(2,032)
TOTAL	(56,876)	(12,551)	13,496	10,557	25,889	39,932	34,511	16,113	31,767

**Source: Central Bank of The Bahamas**

\*Includes both demand and add-on loans

**TABLE 8**  
**SELECTED AVERAGE INTEREST RATES**

	(%)								
Period	2021	2022	2023	2024				2025	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
DOMESTIC BANKS									
Deposit rates									
Demand deposits	0.66	0.44	0.31	0.25	0.25	0.25	0.00	0.25	0.25
Savings deposits	0.40	0.40	0.28	0.28	0.26	0.26	0.29	0.26	0.26
Fixed deposits									
Up to 3 months	0.27	0.28	0.26	0.25	0.27	0.25	0.25	0.26	0.26
Up to 6 months	0.36	0.36	0.33	0.29	0.30	0.30	0.28	0.33	0.31
Up to 12 months	0.74	0.50	0.54	0.48	0.43	0.40	0.47	0.44	0.45
Over 12 months	1.21	1.00	1.04	0.92	1.58	1.72	1.58	1.34	1.50
Weighted average rate	0.52	0.50	0.54	0.47	0.61	0.57	0.52	0.56	0.60
Lending rates									
Residential mortgages	5.14	5.23	5.18	5.17	5.11	5.29	5.22	5.24	5.20
Commercial mortgages	5.99	6.76	6.39	6.61	7.01	7.78	6.12	5.76	7.02
Consumer loans	12.34	12.96	12.90	12.69	13.02	13.50	13.16	12.77	12.68
Overdrafts	10.21	10.95	10.63	10.32	9.39	11.73	11.44	11.85	11.03
Weighted average rate	10.02	11.01	11.02	10.59	10.74	12.15	11.42	11.39	11.04
Other rates									
Prime rate*	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	2.86	2.93	2.93	2.94	2.97	3.03
Avg. Treasury bill re-discount rate	3.14	3.38	3.41	3.36	3.43	3.43	3.44	3.47	3.53
Bank rate (discount rate)*	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	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Loan Portfolio									
Current Loans (as a % of total private sector loans)	85.8	88.6	89.7	90.7	91.1	91.4	91.9	92.3	92.1
Arrears (% by loan type)									
Consumer	5.0	3.2	2.7	2.4	2.3	2.4	2.2	2.1	2.2
Mortgage	7.9	7.1	6.4	6.0	5.8	5.6	5.4	4.9	4.9
Commercial	1.3	1.1	1.2	0.8	0.8	0.7	0.6	0.7	0.8
Total Arrears	14.2	11.4	10.3	9.3	8.9	8.6	8.1	7.7	7.9
Total B\$ Loan Portfolio	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Loan Portfolio									
Current Loans (as a % of total private sector loans)	85.8	88.6	89.7	90.7	91.1	91.4	91.9	92.3	92.1
Arrears (% by days outstanding)									
30 - 60 days	2.7	2.2	2.3	1.8	1.7	1.7	1.7	1.5	1.6
61 - 90 days	1.9	1.4	1.4	1.1	1.1	1.1	1.0	0.7	1.0
90 - 179 days	2.8	1.1	0.9	0.9	0.7	0.8	0.8	0.9	0.7
over 180 days	6.8	6.7	5.7	5.4	5.3	5.1	4.7	4.7	4.7
Total Arrears	14.2	11.4	10.3	9.3	8.9	8.6	8.1	7.7	7.9
Total B\$ Loan Portfolio	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Non Accrual Loans (% by loan type)									
Consumer	38.7	27.3	26.5	26.7	25.4	26.0	26.6	25.1	26.1
Mortgage	52.1	61.7	60.9	62.1	63.1	63.3	65.0	62.7	61.7
Other Private	9.2	11.0	12.7	11.2	11.5	10.7	8.4	12.2	12.2
Total Non Accrual Loans	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Provisions to Loan Portfolio									
Consumer	10.7	7.9	3.3	5.5	5.6	5.5	5.3	4.2	4.2
Mortgage	9.2	7.9	3.4	5.9	7.2	7.1	6.7	6.5	6.2
Other Private	6.8	3.8	1.3	2.9	2.0	1.8	1.6	1.7	1.9
Total Provisions to Total Private Sector Loans	9.4	7.2	6.1	5.9	5.7	5.6	5.2	4.7	4.7
Total Provisions to Non-performing Loans	97.1	93.2	91.3	92.8	93.9	95.2	95.0	85.5	87.4
Total Non-performing Loans to Total Private Sector Loans	9.6	7.7	6.6	6.3	6.1	5.8	5.5	5.5	5.3

**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	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
I. Statutory Reserves									
Required reserves	372.8	411.8	405.2	414.4	423.0	427.2	420.7	433.7	445.2
Average Till Cash	149.5	160.5	163.5	139.6	136.5	132.9	162.2	131.9	134.9
Average balance with central bank	1,683.1	2,179.8	2,076.8	2,364.8	2,389.3	2,277.5	2,124.8	2,062.0	2,087.4
Free cash reserves (period ended)	1,387.9	1,928.4	1,832.6	2,090.0	2,103.4	1,984.7	1,792.0	1,760.2	1,777.1
II. Liquid Assets (period)									
A. Minimum Required Liquid Assets	1,344.3	1,458.3	1,493.2	1,534.0	1,516.3	1,509.6	1,544.3	1,605.8	1,635.7
B. Net Eligible Liquid Assets	3,722.9	4,244.3	4,388.2	4,757.8	4,582.6	4,539.2	4,559.4	4,780.0	4,800.2
i) Balance with Central Bank	1,644.1	2,085.5	2,069.7	2,376.5	2,241.8	2,278.8	2,051.4	2,182.4	2,140.1
ii) Notes and Coins	171.4	178.3	178.3	140.7	136.2	130.7	178.0	134.4	140.9
iii) Treasury Bills	939.8	849.1	965.2	1,018.9	958.2	969.4	1,027.5	1,256.6	1,579.3
iv) Government registered stocks	926.5	1,091.4	1,150.7	1,178.8	1,242.2	1,136.8	1,262.4	1,181.6	908.7
v) Specified assets	40.5	40.3	23.5	22.8	22.3	22.8	39.4	23.9	30.8
vi) Net Inter-bank dem/call deposits	0.8	(0.3)	0.9	20.2	1.0	0.6	0.7	0.6	0.3
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	2,378.6	2,786.0	2,894.9	3,223.9	3,085.5	3,029.6	3,015.1	3,174.3	3,164.5

**Source: Central Bank of The Bahamas**

Figures may not sum to total due to rounding.

**TABLE 11  
GOVERNMENT OPERATIONS AND FINANCING**

(B\$ Millions)													
Period	2022/23p	2023/24p	2023/24p	2024/25p	Budget		2023/24p				2024/25p		
			YTD MAY	YTD MAY	2024/25	2025/26	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
Total revenue & grants	2,855.4	3,069.1	2,840.6	3,086.1	3,543.3	3,896.3	663.5	638.6	889.4	877.6	682.6	758.5	1,029.3
Current expenditure	3,062.5	2,961.4	2,715.1	2,928.9	3,268.6	3,444.5	660.4	766.3	744.1	790.6	744.5	880.0	746.2
Capital expenditure	327.5	301.7	276.5	298.7	344.5	376.3	64.7	69.4	101.0	66.6	123.8	96.7	45.4
Overall balance	(534.6)	(194.0)	(151.1)	(141.5)	(69.8)	75.5	(61.5)	(197.2)	44.3	20.4	(185.8)	(218.3)	237.7
FINANCING (I+II-III+IV+V)	534.6	194.0	151.1	141.5	69.8	(75.5)	61.5	197.2	(44.3)	(20.4)	185.8	218.3	(237.7)
I. Foreign currency borrowing (+)	683.4	1,050.7	1,049.0	793.2	392.8	338.6	0.0	496.4	550.0	4.3	216.2	576.8	0.1
External	451.2	816.1	814.4	565.3	392.8	338.6	0.0	261.8	550.0	4.3	216.2	348.8	0.1
Domestic	232.3	234.6	234.6	228.0	--	--	--	235	--	--	--	228	--
II. Bahamian dollar borrowing (+)	2,301.7	2,577.0	2,380.5	2,446.7	1,576.0	807.3	617.8	833.4	608.7	517.1	471.5	861.5	620.9
i)Treasury bills	114.3	286.3	286.2	469.5	--	--	145	98	43		5	114	214
ii)Long-term securities	822.9	1,067.4	891.1	576.0	--	--	121	398	244	305	46	417	66
iii)Loans and advances	1,364.5	1,223.2	1,203.2	1,401.3	--	--	352	338	322	212	421	331	341
III. Debt repayment(-)	2,533.2	3,565.9	3,205.2	2,769.9	1,833.5	1,191.5	651.5	1,139.1	1,058.5	716.7	382.4	1,273.6	700.0
Domestic	2,074.8	2,815.1	2,529.6	2,394.8	1,359.8	932.9	495.0	1,049.7	641.9	628.4	264.5	918.0	588.0
Bahamian dollars	2,052.3	2,558.1	2,272.6	1,901.6	1,101.9	696.6	491.5	807.5	638.4	620.7	261.0	650.7	588.0
Foreign currency	22.4	257.0	257.0	493.2	257.9	236.3	3.5	242.2	3.5	7.7	3.5	267.3	0.0
External	458.5	750.8	675.7	375.1	473.7	258.6	156.5	89.4	416.6	88.3	117.9	355.6	112.0
IV. Net acquisition financial assets (-)	(236.5)	(297.8)	(267.5)	(233.9)	(46.5)	(46.5)	(4.4)	(117.3)	(128.3)	(47.7)	(165.2)	(21.0)	(36.0)
V. Cash balance change & other financing	319.1	430.1	194.3	(94.7)	(19.0)	16.5	99.7	123.9	(16.2)	222.6	45.6	74.6	(122.8)

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

**TABLE 12  
NATIONAL DEBT**

**(B\$ '000s)**

Period	2022	2023	2024	2024				2025	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>TOTAL EXTERNAL DEBT</b>	4,843,469	5,029,777	5,142,522	5,153,104	5,065,189	5,193,516	5,142,522	5,056,364	5,292,886
By Instrument									
Government Securities	2,860,000	2,860,000	2,341,789	2,560,000	2,560,000	2,560,000	2,341,789	2,341,789	2,641,361
Loans	1,983,469	2,169,777	2,800,733	2,593,104	2,505,189	2,633,516	2,800,733	2,714,575	2,651,525
By Holder									
Multilateral Institutions	1,124,313	1,324,066	1,255,323	1,336,361	1,300,962	1,268,605	1,255,323	1,218,625	1,179,682
Bilateral Institutions	54,742	47,205	40,095	43,464	43,195	41,698	40,095	37,402	37,888
Private Capital Markets	2,860,000	2,860,000	2,341,789	2,560,000	2,560,000	2,560,000	2,341,789	2,341,789	2,641,361
Other Financial Institutions	804,414	798,506	1,505,315	1,213,279	1,161,032	1,323,213	1,505,315	1,458,548	1,433,955
<b>TOTAL INTERNAL DEBT</b>	6,192,477	6,397,703	6,625,085	6,361,416	6,248,585	6,462,803	6,625,085	6,662,352	6,476,277
By Instrument									
Foreign Currency	329,934	309,408	248,825	302,813	293,611	297,269	248,825	253,119	256,873
Loans	329,934	309,408	248,825	302,813	293,611	297,269	248,825	253,119	256,873
Bahamian Dollars	5,862,543	6,088,295	6,376,260	6,058,603	5,954,974	6,165,534	6,376,260	6,409,233	6,219,404
Advances	335,000	192,046	331,046	192,046	162,046	321,046	331,046	291,046	36,244
Treasury Bills	1,005,480	1,200,266	1,255,386	1,212,715	1,137,499	1,141,769	1,255,386	1,440,760	1,839,240
Government Securities	4,169,631	4,399,684	4,513,472	4,387,638	4,421,994	4,399,141	4,513,472	4,451,631	4,114,337
Loans	352,432	296,299	276,356	266,204	233,435	303,578	276,356	225,796	229,583
By Holder									
Foreign Currency	329,934	309,408	248,825	302,813	293,611	297,269	248,825	253,119	256,873
Commercial Banks	97,273	74,855	20,833	71,340	63,659	60,145	20,833	20,833	16,667
Central Bank	232,661	234,553	227,992	231,473	229,952	237,124	227,992	232,286	240,206
Bahamian Dollars	5,862,543	6,088,295	6,376,260	6,058,603	5,954,974	6,165,534	6,376,260	6,409,233	6,219,404
Central Bank	646,161	708,377	779,817	686,869	639,267	750,677	779,817	736,630	463,782
Commercial Banks	2,283,278	2,393,510	2,566,750	2,394,548	2,324,352	2,410,822	2,566,750	2,654,502	2,686,878
Public Corporations	507,942	505,522	370,096	449,558	411,744	403,473	370,096	373,892	331,007
Other	2,425,162	2,480,886	2,659,597	2,527,628	2,579,611	2,600,562	2,659,597	2,644,209	2,737,737
<b>TOTAL FOREIGN CURRENCY DEBT</b>	5,173,403	5,339,185	5,391,347	5,455,917	5,358,800	5,490,785	5,391,347	5,309,483	5,549,759
<b>TOTAL DIRECT CHARGE</b>	11,035,946	11,427,480	11,767,607	11,514,520	11,313,774	11,656,319	11,767,607	11,718,716	11,769,163
<b>TOTAL CONTINGENT LIABILITIES</b>	390,203	351,242	334,570	343,032	339,035	335,313	334,570	329,580	309,792
<b>TOTAL NATIONAL DEBT</b>	11,426,149	11,778,722	12,102,177	11,857,552	11,652,809	11,991,632	12,102,177	12,048,296	12,078,955

Source: Treasury Accounts & Treasury Statistical Summary Printouts  
Public Corporation Reports  
Creditor Statements, Central Bank of The Bahamas

**TABLE 13**  
**PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS**

Period	(B\$ '000s)								
	2022	2023p1	2024p2	2024				2025	
				Mar. <sup>3</sup>	Jun.	Sept.	Dec. <sup>4</sup>	Mar.	Jun. <sup>5</sup>
<b>Outstanding Debt at Beginning of Period</b>	5,032,833	5,652,483	5,773,118	5,773,118	5,879,091	5,725,276	5,850,061	5,741,373	5,652,308
Government	4,520,585	5,173,402	5,339,185	5,339,185	5,455,917	5,358,799	5,490,784	5,391,346	5,309,482
Public Corporations	512,248	479,081	433,933	433,933	423,174	366,476	359,276	350,027	342,827
<b>Plus: New Drawings</b>	1,306,323	874,313	1,347,277	550,037	4,266	216,206	576,768	142	1,067,126
Government	1,302,519	874,313	1,347,277	550,037	4,266	216,206	576,768	142	1,067,126
Public corporations	3,804	-	-	-	-	-	-	-	-
<b>Less: Amortization</b>	664,486	772,574	1,344,240	430,834	152,689	128,598	632,119	119,194	888,267
Government	627,516	727,426	1,260,333	420,075	95,992	121,398	622,869	111,994	878,642
Public corporations	36,970	45,148	83,907	10,759	56,698	7,200	9,250	7,200	9,625
<b>Other Changes in Debt Stock</b>	(22,186)	18,895	(34,782)	(13,230)	(5,391)	37,177	(53,337)	29,987	51,793
Government	(22,186)	18,895	(34,782)	(13,230)	(5,391)	37,177	(53,337)	29,987	51,793
Public corporations	-	-	-	-	-	-	-	-	-
<b>Outstanding Debt at End of Period</b>	5,652,483	5,773,118	5,741,373	5,879,091	5,725,276	5,850,061	5,741,373	5,652,308	5,882,960
Government	5,173,402	5,339,185	5,391,346	5,455,917	5,358,799	5,490,784	5,391,346	5,309,482	5,549,758
Public corporations	479,081	433,933	350,027	423,174	366,476	359,276	350,027	342,827	333,202
<b>Interest Charges</b>	374,942	370,937	404,198	46,154	144,370	51,502	162,172	44,505	142,683
Government	341,180	336,166	376,359	38,468	136,876	45,809	155,207	39,111	137,011
Public corporations	33,761	34,772	27,839	7,686	7,494	5,693	6,966	5,393	5,672
<b>Debt Service</b>	1,039,428	1,143,511	1,748,438	476,988	297,059	180,100	794,291	163,699	1,030,950
Government	968,696	1,063,592	1,636,693	458,543	232,868	167,207	778,075	151,105	1,015,654
Public corporations	70,732	79,919	111,746	18,445	64,192	12,893	16,215	12,593	15,297
<b>Debt Service ratio</b>	13.7	15.1	18.4	28.7	15.1	12.7	19.8	9.0	13.9
<b>Government debt Service/ Government revenue (%)</b>	35.5	28.6	34.5	51.6	26.5	24.5	33.0	14.7	n.a.
<b>MEMORANDUM</b>									
Holder distribution (B\$ Mil):									
Commercial Banks	188.5	147.6	38.8	139.3	84.7	79.6	38.8	37.3	31.3
The Central Bank	232.7	234.6	228.0	231.5	230.0	237.1	228.0	232.3	240.2
Multilateral Institutions	1,182.5	1,377.6	1,304.5	1,389.7	1,352.2	1,319.8	1,304.5	1,267.8	1,226.8
Bilateral Institutions	54.7	47.2	40.1	43.5	43.2	41.7	40.1	37.4	37.9
Other	1,134.1	1,106.1	1,788.1	1,515.2	1,455.3	1,611.7	1,788.1	1,735.7	1,705.4
Private Capital Markets	2,860.0	2,860.0	2,341.8	2,560.0	2,560.0	2,560.0	2,341.8	2,341.8	2,641.4

**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 is presented net of a SDR174.8 million (approximately US\$228.0 million) refinancing in Government's internal foreign currency debt and early repayments of \$218.2 million in external bonds & an \$81.3 million commercial facility. Additionally, debt servicing during the 1st quarter of 2024 includes the repayment of a \$300 million Government external bond. Net of these transactions, the Debt Service Ratio for the year was 13.5% and the Government Revenue/Debt Service ratio was 24.9%.
- Debt servicing during the 1st quarter of 2024 includes the repayment of a \$300 million Government's external bond. Net of this transaction, the Debt Service Ratio was 10.6 and the Government debt service/Revenue ratio was 17.8%.
- The Debt Service & Government Debt Service/Revenue Ratios for Q4 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.
- The Debt Service Ratio for Q2 2025 is presented net of an early repayment of \$767.4 million in external bonds.

**TABLE 14**  
**BALANCE OF PAYMENTS SUMMARY\***

Period	(B\$ Millions)										
	2022	2023	2024	2023		2024				2025	
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
<b>A. Current Account Balance (I+II+III+IV)</b>	<b>(1,232.6)</b>	<b>(1,069.1)</b>	<b>(1,206.0)</b>	<b>(356.5)</b>	<b>(533.4)</b>	<b>(175.6)</b>	<b>(108.5)</b>	<b>(520.4)</b>	<b>(401.5)</b>	<b>(13.2)</b>	<b>(165.7)</b>
<b>I. Goods (Net)</b>	<b>(3,064.8)</b>	<b>(3,212.6)</b>	<b>(3,736.8)</b>	<b>(859.5)</b>	<b>(863.2)</b>	<b>(847.3)</b>	<b>(946.7)</b>	<b>(1,019.3)</b>	<b>(923.5)</b>	<b>(868.3)</b>	<b>(952.7)</b>
Exports	814.4	862.2	870.6	186.6	180.0	139.6	286.7	207.5	236.8	218.6	221.6
Imports	3,879.2	4,074.8	4,607.4	1046.2	1043.2	986.9	1233.3	1226.8	1160.3	1086.9	1174.3
<b>II. Services (Net)</b>	<b>2,647.6</b>	<b>2,950.4</b>	<b>3,300.0</b>	<b>628.8</b>	<b>606.4</b>	<b>929.4</b>	<b>1,109.7</b>	<b>598.1</b>	<b>662.7</b>	<b>1,048.7</b>	<b>1,095.7</b>
Transportation	(329.8)	(419.3)	(453.9)	(100.6)	(103.3)	(122.1)	(103.8)	(108.8)	(119.1)	(134.3)	(106.8)
Travel	4,052.2	4,541.2	5,142.5	1,074.6	1,066.3	1,374.2	1,529.9	1,041.5	1,196.9	1,452.5	1,510.5
Construction	(116.8)	(102.7)	(70.4)	(32.2)	(32.7)	(18.9)	(17.4)	(16.2)	(17.9)	(3.2)	(15.8)
Insurance services	(270.3)	(269.8)	(278.8)	(80.8)	(77.5)	(52.0)	(61.8)	(77.1)	(87.9)	(62.3)	(77.9)
Charges for the use of intellectual property n.i.e.	(14.8)	(11.7)	(16.9)	(2.8)	(3.2)	(4.3)	(4.1)	(4.5)	(4.0)	(3.8)	(2.1)
Telecommunications, computer, and information services	(54.0)	(71.8)	(78.7)	(16.0)	(26.7)	(21.0)	(22.8)	(16.1)	(18.9)	(13.6)	(11.5)
Other business services	(424.2)	(549.5)	(730.0)	(156.5)	(160.6)	(157.4)	(184.9)	(167.5)	(220.2)	(125.5)	(137.1)
Government goods and services n.i.e.	(194.7)	(166.0)	(213.8)	(57.0)	(55.9)	(69.2)	(25.4)	(53.0)	(66.2)	(61.2)	(63.6)
<b>III. Primary Income (Net)</b>	<b>(883.2)</b>	<b>(859.2)</b>	<b>(820.2)</b>	<b>(134.2)</b>	<b>(270.6)</b>	<b>(252.0)</b>	<b>(296.3)</b>	<b>(106.2)</b>	<b>(165.7)</b>	<b>(235.0)</b>	<b>(344.2)</b>
Compensation of employees	(86.0)	(113.8)	(124.7)	(29.3)	(32.9)	(29.2)	(28.3)	(35.8)	(31.4)	(33.1)	(31.9)
Investment income	(797.2)	(745.4)	(695.6)	(105.0)	(237.7)	(222.8)	(268.1)	(70.4)	(134.3)	(201.9)	(312.3)
<b>IV. Secondary Income (Net)</b>	<b>67.8</b>	<b>52.3</b>	<b>51.0</b>	<b>8.5</b>	<b>(5.9)</b>	<b>(5.8)</b>	<b>24.8</b>	<b>7.0</b>	<b>25.0</b>	<b>41.3</b>	<b>35.4</b>
General government	132.7	189.1	212.5	45.6	43.3	27.0	67.4	46.5	71.6	66.0	74.5
Financial corporations, nonfinancial corporations, households, and NPISHs	(72.6)	(119.2)	(130.3)	(30.0)	(42.7)	(30.5)	(35.6)	(27.1)	(37.1)	(24.0)	(23.1)
<i>of which: Workers remittances</i>	(95.7)	(105.1)	(101.2)	(26.1)	(30.0)	(22.5)	(26.8)	(23.1)	(28.9)	(24.1)	(23.4)
Other current transfers	7.7	(17.6)	(31.2)	(7.0)	(6.5)	(2.2)	(7.0)	(12.4)	(9.5)	(0.6)	(16.0)
<b>B. Capital Account</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Capital transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>C. Financial Account (excluding Reserve Assets)</b>	<b>(1,401.5)</b>	<b>(1,151.9)</b>	<b>(1,056.3)</b>	<b>(231.2)</b>	<b>(230.2)</b>	<b>(275.0)</b>	<b>(148.1)</b>	<b>(451.1)</b>	<b>(182.2)</b>	<b>(124.8)</b>	<b>(196.4)</b>
Direct Investment	(316.4)	(97.1)	(77.1)	(15.1)	(11.4)	(95.5)	(20.8)	73.5	(34.3)	(25.3)	(75.2)
Portfolio Investment	(99.8)	330.2	238.6	147.2	197.8	1,022.4	(445.3)	(591.2)	252.7	1,545.6	(152.4)
Other Investments	(985.2)	(1,385.0)	(1,217.8)	(363.3)	(416.6)	(1,201.9)	318.0	66.6	(400.6)	(1,645.1)	31.3
Currency and deposits	(595.3)	(1,136.3)	(1,620.6)	(563.3)	(242.5)	(1,240.6)	269.0	(127.5)	(521.5)	(1,758.1)	291.7
Loans	(358.7)	(148.5)	253.8	209.7	(100.7)	(161.1)	169.0	194.3	51.5	127.3	(218.2)
Other accounts receivable/payable and trade credit advances	(50.0)	(98.9)	137.7	(14.3)	(65.4)	194.4	(122.6)	12.1	53.8	(7.0)	(46.2)
Special drawing rights allocation	18.7	(1.4)	11.2	4.5	(8.0)	5.3	2.6	-12.3	15.6	-7.3	4.0
<b>D. Net Acquisition of Reserve Assets</b>	<b>178.3</b>	<b>(93.6)</b>	<b>114.7</b>	<b>(121.0)</b>	<b>(58.1)</b>	<b>396.6</b>	<b>1.3</b>	<b>(182.0)</b>	<b>(101.2)</b>	<b>182.0</b>	<b>175.9</b>
Special drawing rights	(251.5)	(6.1)	(4.1)	(4.0)	2.1	(4.5)	(4.4)	2.4	2.4	1.1	3.7
Reserve position in the IMF	(1.3)	0.2	(0.7)	(0.3)	0.5	(0.3)	(0.2)	0.8	(1.0)	0.5	0.9
Other reserve assets	431.1	(87.7)	119.5	(116.8)	(60.8)	401.4	5.9	(185.2)	(102.6)	180.5	171.4
<b>E. Net Errors &amp; Omissions</b>	<b>9.4</b>	<b>(176.4)</b>	<b>264.4</b>	<b>4.3</b>	<b>245.1</b>	<b>297.2</b>	<b>(38.2)</b>	<b>(112.6)</b>	<b>118.1</b>	<b>70.5</b>	<b>145.3</b>

Source: Central Bank of The Bahamas

\* Figures may not sum to total due to rounding

**TABLE 15**  
**EXTERNAL TRADE**

										(B\$ '000s)
Period	2022	2023	2024	2023		2024				2025
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
I. OIL TRADE										
i) Exports	161,073	172,604	86,878	42,906	50,016	22,705	19,341	25,533	19,300	26,023
ii) Imports	686,205	625,125	804,908	115,353	133,667	113,570	299,422	247,930	143,986	169,686
II. OTHER MERCHANDISE										
Domestic Exports										
Crawfish	79,169	93,592	74,722	19,029	31,826	21,709	5,819	12,811	34,384	29,621
Fish Conch & other Crustacea	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other cordials & Similar Materials/Sponge	579	715	n.a.	184	121	n.a.	37	n.a.	2	0
Fruits & Veggies.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aragonite	2,712	2,312	4,954	632	471	330	3,795	462	367	497
Other Natural Sands	197	152	1,252	50	24	11	1,135	71	36	376
Rum/Beverages/Spirits & Vinegar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Crude Salt	11,583	16,613	10,128	3,898	3,219	4,965	712	2,154	2,298	3,902
Polystyrene Products	27,548	38,697	46,201	11,562	15,873	12,770	4,462	14,996	13,973	13,169
Other	58,213	47,555	46,322	20,234	7,574	9,364	21,894	4,702	10,362	6,389
i) Total Domestic Exports	180,001	199,637	183,618	55,589	59,108	49,148	37,854	35,196	61,421	53,954
ii) Re-Exports	244,830	363,925	418,523	57,355	45,270	23,124	183,404	96,670	115,325	111,077
iii) Total Exports (i+ii)	424,831	563,562	602,141	112,944	104,379	72,272	221,258	131,866	176,746	165,031
iv) Imports	3,153,455	3,562,394	4,139,121	905,360	911,725	913,838	1,066,523	1,086,942	1,071,818	1,026,414
v) Retained Imports (iv-ii)	2,908,625	3,198,469	3,720,597	848,005	866,454	890,713	883,119	990,272	956,493	915,337
vi) Trade Balance (i-v)	(2,728,624)	(2,998,832)	(3,536,979)	(792,416)	(807,346)	(841,566)	(845,265)	(955,076)	(895,072)	(861,383)

Source: Bahamas National Statistical Institute Quarterly Statistical Summaries

Figures may not sum due to rounding.

**TABLE 16**  
**SELECTED TOURISM STATISTICS**

Period	2022	2023	2024	2023			2024				2025	
				Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
<b>Visitor Arrivals</b>	7,000,706	9,654,838	11,216,972	2,416,595	2,174,823	2,444,932	3,008,159	2,730,673	2,644,063	2,834,077	3,277,605	3,069,125
Air	1,470,244	1,719,980	1,716,815	488,217	374,547	387,228	504,075	487,981	352,502	372,257	487,226	491,544
Sea	5,530,462	7,934,858	9,500,157	1,928,378	1,800,276	2,057,704	2,504,084	2,242,692	2,291,561	2,461,820	2,790,379	2,577,581
<b>Visitor Type</b>												
Stopover	1,452,092	1,872,059	1,866,740	543,213	427,071	408,650	535,441	549,607	396,591	385,101	513,507	542,712
Cruise	5,390,016	7,773,253	9,352,783	1,872,617	1,751,820	2,033,116	2,474,557	2,190,296	2,247,885	2,440,045	2,759,187	2,518,452
Day/Transit	158,598	9,526	(2,551)	765	(4,068)	3,166	(1,839)	(9,230)	(413)	8,931	4,911	7,961
<b>Tourist Expenditure (B\$ 000's)</b>	4,221,819	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stopover	3,838,087	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cruise	380,732	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Day	3,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Average Hotel Occupancy Rates (%)</b>												
New Providence*	65.3	72.2%	68.5%	78.2%	65.5%	66.2%	79.3%	78.3%	57.9%	58.6%	56.6%	52.5%
Grand Bahama	31.8	42.7%	n.a.	45.0%	37.3%	41.8%	43.7%	42.9%	39.2%	39.6%	n.a.	n.a.
Other Family Islands	44.0	40.9%	n.a.	47.8%	36.3%	33.3%	40.1%	42.3%	28.2%	31.3%	n.a.	n.a.
<b>Average Nightly Room Rates (\$)</b>												
New Providence*	377.87	409.05	408.73	419.57	343.74	413.03	490.69	400.58	337.29	406.35	464.09	418.07
Grand Bahama	86.26	78.62	73.27	85.01	83.76	76.26	72.36	81.37	76.98	62.36	n.a.	n.a.
Other Family Islands	352.07	371.76	409.66	396.24	314.57	350.01	473.75	447.65	354.64	362.58	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.