



SEMI ANNUAL BANK ACCOUNT OPENING SURVEY REPORT (January – June 2024)

Understanding trends and developments in the account opening process is crucial to fostering transparency and efficiency within the financial sector. To this end, the Central Bank of The Bahamas launched the inaugural Bank Account Opening Survey (BAOS) in November 2024, to track key indicators related to the process of opening deposit accounts at commercial banks. In particular, the survey collects metrics on processing times, and tracks changes in selected factors and processes that influence application outcomes, such as customer systems, training, and staffing. The survey will be conducted semiannually, with the inaugural survey covering the six-month period of January – June 2024.

The BAOS contains 16 questions on the account opening process at commercial banks (see Annex A), including the requirements for beginning the application process; the number of deposit (operating) account applications received, processed, approved, denied, pending, or considered incomplete; the average age of incomplete applications; the estimated time it takes the institution to reach a decision on the application; the number of applications processed at the branch, country or enterprise level; and which factors affect processing speed, and compliance standards.

Six commercial banks participated in the inaugural BAOS. As this is the first iteration of the survey, the results offer a baseline assessment, given that there is no comparable period. All of the responses have been aggregated to maintain confidentiality.

I. Overview

The Central Bank of The Bahamas' Payment System Modernization Initiative (PSMI) prioritizes increased access to financial services as one of its key pillars. Based on past surveys, the average consumer's primary point of access to financial services is through a deposit account, and more specifically, a savings or checking facility. While the demand for deposit accounts is high, there are lags on the supply side, which have been highlighted in previous surveys of users of the financial system. In particular, the Central Bank's 2022 survey of experiences faced by businesses identifies these as including the average amount of time taken to complete the account opening process, insufficient up-front clarity on customer due diligence documentation requirements, and queuing before initial applications could be submitted.¹

This survey obtains direct data from commercial banks in The Bahamas on the account opening process for both businesses and individuals. It is expected to identify operational and regulatory factors that can be targeted to increase the transparency and efficiency of the experience. From a financial inclusion perspective, such insights could also improve the ease of access to transactional services.

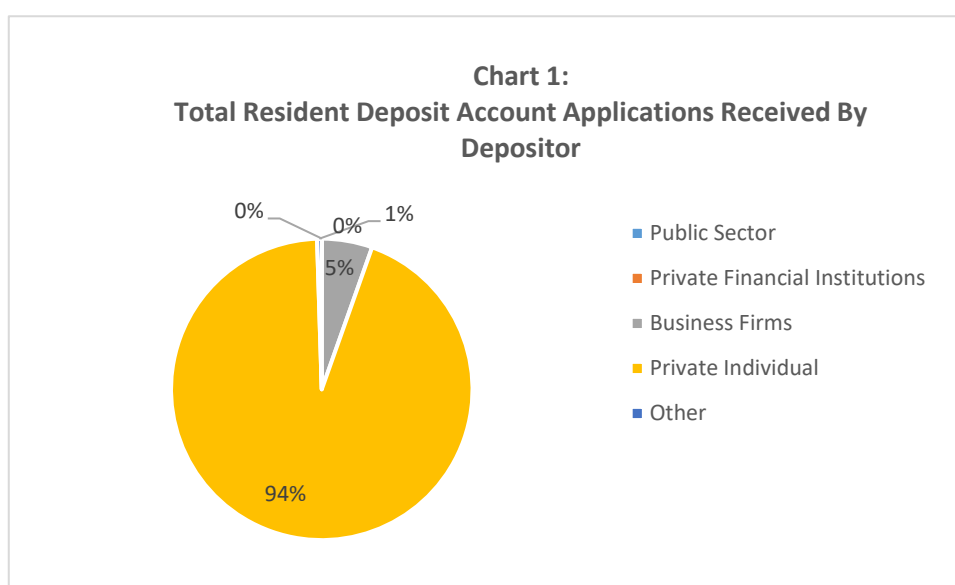
While the survey's reported average incidence of unsatisfied applications was low, interventions to reduce such experiences by the public could still have meaningful, positive impact on customer services and the ease of banking in The Bahamas. Additionally, there is scope within some financial institutions to improve the monitoring of customer services, by aligning the institutions' estimate of the full duration of application processing timelines, with the estimates tracked by the public. In particular, some banks do not yet monitor the delays at the onset of applications, during which due diligence documentation might be incomplete.

II. Profile of Applications

The data reveals that over the survey period, compared to businesses, individuals experience a more expedited encounter with opening accounts. Further, while nearly all the applications were processed within the review period, outcomes were still impacted by incomplete applications, which were either missing information or required additional documentation. These applications were on average 1 – 2 weeks old, adding to the time it took to conclude the process. Further, some applications were ultimately withdrawn, though the reasons for which was not asked of respondents.

During the first half of 2024, commercial banks reported that a total of 28,153 deposit applications were received, including those that deemed to be incomplete. Of this total, approximately 99.1% were processed during the review period. The vast majority were classified as resident applications (27,347), with the remaining 806 submitted by non-residents. By account type, most requests were for savings accounts (72.6%), followed by demand deposits (15.1%) and fixed placements (9.4%).

¹ Central Bank of The Bahamas (June 2023). "Summary Analysis of Account Opening for Businesses at Commercial Banks Survey 2022", *Central Bank of The Bahamas*.
<https://www.centralbankbahamas.com/viewPDF/documents/2024-02-02-15-29-47-Business-Account-Open-Survey-Report-July-2023Final-website.pdf>



Source: Central Bank of The Bahamas

By type of depositor, resident private individuals submitted the majority (94.0%) of applications, at 25,699 (see Chart 1). Business firms represented the second largest share of such applications (1,502, or 5.5%). A negligent number of such applications were received from the public sector (5) and private financial institutions (3). Over the six-month period, 99.2% of total resident applications were processed, with private individuals experiencing a processing rate of 99.2%, and business firms, a rate of 98.1%.

On outcomes, 98.7% of total resident applications were approved and 0.4% were denied (see Table 1). A remaining 0.2% of applications were still pending review at the end of June 2024, and 0.7% of requests were still considered incomplete.

All financial institutions disclosed that once all supporting documentation were received, decisions were made on applications in less than a week. The final decision-making authority on most applications rested at the branch level, although three banks concluded a portion (5%-20%) of their requests at an enterprise level, outside of the jurisdiction.

Table 1: Resident Application Outcomes				
	Approved	Denied	Pending Review	Incomplete
Residents (of which)	98.7%	0.4%	0.2%	0.7%
Business Firms	96.9%	1.2%	1.9%	0.0%
Private Individuals	99.2%	0.1%	0.1%	0.6%

Source: The Central Bank of The Bahamas

With regard to the less than 1.0% of incomplete resident applications for local currency accounts, the average age of these requests varied between institutions. Two institutions—representing nearly 40.0% of the application base—noted that they did not track this data. Of the banks that did track this data, the average timeline was reported as between 1-2 weeks (by nearly one third of the application base), while

one bank (representing nearly 20.0% of the applications) noted average pauses for these, in some cases, of more than one month.

Lastly, as it relates to policy, banks were asked to indicate how certain factors impacted the speed of processing over the six months to June 2024, when compared to the same period in 2023. While most institutions noted no change for the majority of the listed factors, four indicated that the volume of applications had negatively impacted the speed of processing, while two entities noted that information technology platforms and access to know your customer (KYC) documentation had favorably impacted processing times. Further, four of the six banks reported placing more emphasis on strategies to improve the speed of account opening such as process automation, staff training, electronic monitoring of application status and customer queries, and tracking key performance indicators (KPIs).

III. Account Opening Applications Received

During January - June 2024, the surveyed banks received 28,153 account applications. Of this total, 27,347 or 97.1% were submitted by individuals or entities treated as residents for Exchange Control purposes, while the remaining 806 (2.9%) were submitted by non-residents. By currency, approximately 27,244 (96.8%) of applications were for accounts denominated in Bahamian dollars (B\$), while the balance (909, or 3.2%) were for accounts denominated in foreign currency. An analysis by account type showed that the bulk of resident applications received were for savings accounts, at 20,443 (74.8%), followed by demand deposit accounts, at 4,244 (15.5%) and fixed accounts, at 2,660 (9.7%).

Table 2: No. of Deposit account applications received			
	B\$	F/C	Total
Residents	26,984	363	27,347
Demand Deposits	4,109	135	4,244
Savings	20,289	154	20,443
Fixed	2,586	74	2,660
Non-Residents	260	546	806
Total Resident & Non-Resident	27,244	909	28,153

Source: The Central Bank of The Bahamas

When broken down by type of depositor, most resident account applications were from individuals, at 25,699 (94.0%) and nearly all (98.8%) for B\$ accounts. Business firms were the next concentrated group of resident applications (5.5%) with most being for B\$ accounts. The ‘other’ private category, represented 0.5% (138) of total resident applications, also predominantly for B\$ accounts. Meanwhile, public sector entities, and private financial institutions represented a very sparse number of the applications.

Table 3: Applications Received by Type of Depositor			
	B\$	F/C	Total
Resident (of which)	26,984	363	27,347
Private Individual	25,385	314	25,699
Business Firms	1,457	45	1,502
Private Financial Institution	2	1	3
Public Sector	5	0	5
Other	135	3	138

SOURCE: The Central Bank of The Bahamas

IV. Applications Processing

Queuing also affected applications. Three out of the six banks surveyed (receiving 46.7% of applications) required an appointment—regardless of the entity, account type, and residency class. The other banks did not schedule appointments.

Nevertheless, banks successfully concluded the vast majority of the applications received during the survey period, though business requests were more delayed than those for individuals. In addition, non-resident transactions took more time than for residents; and foreign currency applications were processed slower than local currency accounts. In particular, financial institutions finalized nearly 100.0% of the account applications received, with a residual number (0.8%) of resident requests still unprocessed at the end of the period, compared to 4.5% of non-resident applications. By account type, 1.2% of the resident applications for demand deposits remained unprocessed during the six-month period, compared to just 0.9% of comparable savings requests. All fixed accounts applications were however, processed.

By currency, some 0.8% of the local currency account applications were still awaiting decisions. However, a more significant 5.2% of foreign currency facility requests were still undecided, as such applications typically required more supporting documents, compared to B\$ accounts.

Table 4: Processing Rates by Account Type (unprocessed share in brackets)			
	B\$	F/C	Total
Residents (of which)	99.2% (0.8%)	94.8% (5.2%)	99.2% (0.8%)
Demand Deposits	99.0%	93.3%	98.8% (1.2%)
Savings	99.1%	93.5%	99.1% (0.9%)
Fixed	100.0%	100.0%	100.0% (0.0%)
Non-Resident	100.0% (0.0%)	94.9% (5.1%)	96.5% (3.5%)
Total Resident & Non- Resident	99.2% (0.8%)	94.8% (5.2%)	99.1% (0.9%)

SOURCE: The Central Bank of The Bahamas

Examining the major depositor categories, business applications, although processed at a high rate overall, still retained a larger residual amount of un-concluded requests at the end of the survey period. However, banks made faster decisions on foreign currency applications for resident businesses than for individuals. In particular, while 0.8% of individual account applications were still waiting to be processed at the end of the period, only 0.7% of the local currency requests were so impacted versus 6.1% of foreign currency account applications. For resident businesses, given 1.9% of overall applications were unprocessed, approximately all of the foreign currency requests were concluded, though an equivalent 1.9% of the B\$ facility requests were still held up.

Table 5: Processing Rates by Type of Depositor (unprocessed in brackets)			
	B\$	F/C	Total
Resident (of which)	99.2%	94.8%	99.2%
Private Individual	99.3% (0.7%)	93.9% (6.1%)	99.2% (0.8%)
Business Firms	98.1% (1.9%)	100.0% (0.0%)	98.1% (1.9%)
Private Financial Institution	100.0%	100.0%	100.0%
Public Sector	100.0%	0.0%	100.0%
Other	100.0%	100.0%	100.0%

SOURCE: The Central Bank of The Bahamas

V. Application Outcomes

All of the surveyed institutions indicated that once full documentation was received, it took less than one week to reach a final decision on applications. Further, banks made the majority of their decisions at the branch level (72.0%), followed by country level adjudication (23.0%), and subsequently the regional, enterprise level (6.0%).

Most processed applications were approved, with the outcome highest for individuals as compared to businesses, and relatively more favorable for local currency facilities than for foreign currency accounts. In particular, during the first half of 2024, approximately 98.6% of the resident applications were approved, amounting to 98.7% of the B\$ facilities and a lesser 92.6% of foreign currency requests. Only 0.4% of the total resident account applications were denied by banks, while 0.2% were still pending review at the end of the reporting period. Banks estimated that 0.6% of the resident requests were incomplete, awaiting further information from applicants.

Disaggregated by type of depositor, 96.9% of the business firms' requests were approved, while 1.3% were denied. By currency, 97.3% of B\$ resident applications for businesses were accepted, while 84.8% of the corresponding foreign currency account applications were approved. This was likely due to foreign currency accounts requiring more supporting documentation than B\$ facilities. Roughly another 1.9% of business

applications were still said to be pending review, with 0.2% of the applications submitted having been withdrawn.

Table 6: Resident B\$ Application Outcomes					
	Approved	Denied	Pending Review	Incomplete	Withdrawn
Residents (of which)	98.7%	0.4%	0.2%	0.6%	0.0%
Business Firms	97.3%	0.8%	1.9%	0.0%	0.0%
Private Individuals	99.3%	0.1%	0.1%	0.6%	0.0%

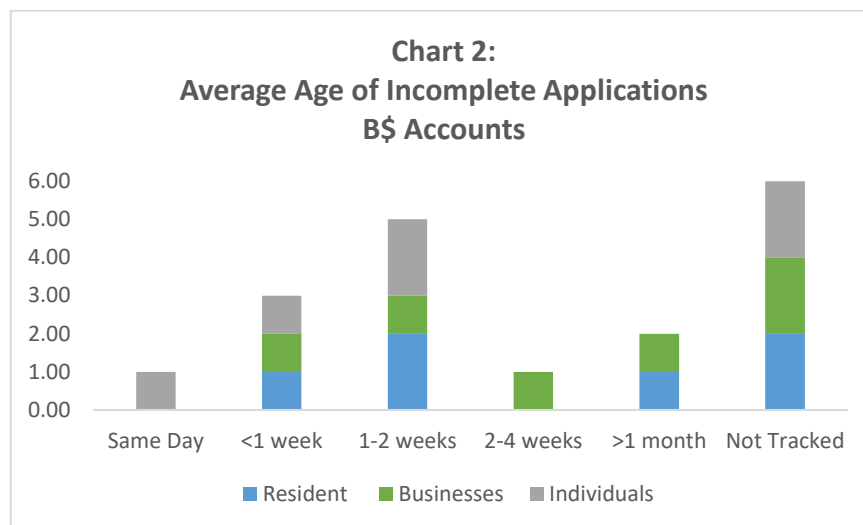
Source: The Central Bank of The Bahamas

As for private individuals, 99.2% of the resident applications received were approved, while only 0.1% were denied. There were no incomplete or withdrawn applications for this category. By currency, some 99.3% of the B\$ resident applications for individuals were approved, compared to 93.9% of the foreign currency requests.

Table 7: Resident F/C Application Outcomes					
	Approved	Denied	Pending Review	Incomplete	Withdrawn
Residents (of which)	92.8%	1.9%	0.0%	5.2%	0.1%
Business Firms	84.8%	15.2%	0.0%	0.0%	0.0%
Private Individuals	93.9%	0.0%	0.0%	6.1%	0.0%

Source: The Central Bank of The Bahamas

Banks were asked to estimate the average age (including weekends and holidays) of incomplete applications, not yet under review and still awaiting additional documentation. While two banks indicated that this data was not exclusively tracked, the average time over the remaining banks (accounting for 60.3% of such impacted applications) was two weeks. Most of these entities indicated an average delay during this phase of between 1-2 weeks, while others reported an average pause of less than one (1) week for both individual and business applications. The breakdown was more or less the same for foreign currency accounts.



SOURCE: The Central Bank of The Bahamas

VI. Assessment of Account Opening Policies and Procedures

The survey also requested feedback on commercial banks' operational policies and procedures that affect the processing speed of account applications, whether either favorably, unfavorably, or not at all, compared to the same six-month period in 2023. The applicable factors were: the volume of applications received, the available staffing resources, the use of performance of outsourcing arrangements, IT platforms, access to KYC documentation, AML compliance standards, and other regulatory standards.

Of the six banks surveyed, four (representing 68.7% of application processed) reported that the volume of applications had unfavorably affected processing speed and efficiency, while two institutions indicated experiencing no impact from business volumes. Concerning staffing resources, all but one of the banks (covering 83.6% of applications) noted no change. Meanwhile, four respondents (which processed 58.2% of the applications) indicated that outsourcing arrangements did not apply to their operations, while two banks experienced no reported change from such arrangements. Information technology platforms had a disclosed favorable impact on the performance of two respondents (26.1% of applications volume); while variations in KYC documentation, AML compliance standards, and other regulatory standards had little to no change on the majority of survey respondents.

When asked what strategies had been deployed to increase the speed of account processing during the review period as compared to a year ago, most of the banks reported that they had since placed more emphasis on automating the account opening process, tracking key performance indicators (KPIs),

publishing their KYC documentation requirements, and monitoring account application status and customer queries electronically.

Finally, when asked whether account opening procedures and KYC documentation strategies had been adjusted to impact compliance standards during the review period as compared to a year earlier, only two banks indicated that they had relaxed their KYC documentation requirements to help make the process more efficient. The others noted no change in either policy.

Banks monitored their operations performance at varying levels within their respective organizations. Most indicated that the responsibility for monitoring performance metrics for the account opening process rested with the account opening managers, executive management or their head offices. One entity also cited some monitoring by their board of directors, and another indicated involvement of their compliance officer.

VII. Conclusion

While this reporting period only covers the first six months of 2024, the results revealed that banks processed nearly 100.0% of the applications received for new deposit accounts during the period reviewed. On average, only a low fraction of applications remained unprocessed over the half-year period. Banks still noted that delays in processing were impacted by incomplete applications, relative to the required due diligence documentation, which added an average of 1-2 weeks to the wait period from the account request. Nevertheless, some gaps remain given that some banks still do not comprehensively track the average age of incomplete applications. In addition, the survey documents incidences when banks decline to open requested facilities, which impact business applications to a greater extent and attempts to open foreign currency facilities. Further, financial institutions do observe a small number of incidences in which deposit facility requests are withdrawn. Given processing challenges, financial institutions also indicated a range of interventions made to reduce the processing delays experienced by the public.

This survey provides a starting baseline to target and track improved efficiency and ease of account opening. One of these is harmonization of the estimate duration of the account opening process from the unified perspective of banks and customers. This would entail more universal tracking of the starting point for applications. This will improve potential intervention to provide up front clarity of due diligence requirements, and further ease the regulatory drag on low-risk clients. In addition to the extent that some applications are either declined or withdrawn by potential, opportunities exist to improve the customer experience, and the ease of banking.

Over time, the Central Bank expects that the data gathered will provide greater insights into key trends in deposit bank account opening processes and correspondingly, enhance the Central Bank's effectiveness in promoting transparency and efficiency in the financial services sector, and ultimately advancing financial inclusion through increased access to financial services.

ANNEX A

Bank Account Opening Survey



Purpose:

This semi-annual survey tracks key indicators around the process of opening deposit accounts at commercial banks. In addition to metrics on the speed of the process, the survey is also designed to track changes in selected factors and processes that influence the outcome of the application, including customer systems, training and staffing. Standard definition of account types apply, based on the account and depositor or classifications used on the monthly reporting of Assets Liabilities on Form III (Analysis of Deposits by Depositors).

Your ongoing participation in this survey will assist the Central Bank in assessing trends and progress in the account opening process for the business community.

You are kindly asked to submit your responses for the January - June 2024 reporting period. All responses should be submitted by **11 November 2024**.

Should you have any queries, please contact amloutreach@centralbankbahamas.com.

Contact Information

Name of Institution:

Name of Person Completing this Form:

Position:

Email:

Telephone:

Due Diligence

1. Please state the number of deposit (operating) account applications received during the period (including incomplete applications) by type of account:

	B\$	F/C	Total (B\$+F/C)
Type of Account			
a. Residents (of Which) (i+ii+iii)			
i. Demand Deposits			
ii. Savings			
iii. Fixed			
b. Non-Resident			
c. Total Resident + Non-Residents (a+b)			

2. For resident accounts only, please state the number of deposit (operating) account applications received during the period (including incomplete applications) by type of depositor:

[Note: Total in line Q2(a) should agree with total in line Q1(a).]

	B\$	F/C	Total (B\$+F/C)
Type of Depositor			
a. Residents (of Which) (i thru vi)			
i. Government			
ii. Public Financial Institutions			
iii. Private Financial Institutions			
iv. Business Firms			
v. Private Individuals			
vi. Other			

3. For resident accounts only, please state the number of applications processed during the period by account type:

	B\$	F/C	Total
Type of Account			
a. Residents (of which) (i+ii+iii)			
i. Demand Deposit	_____	_____	_____
ii. Savings	_____	_____	_____
iii. Fixed	_____	_____	_____
b. Non-Residents	_____	_____	_____
c. Total Residents + Non-Residents (a+b)	_____	_____	_____

4. For resident accounts only, please state the number of applications processed during the period by type of depositor:

	B\$	F/C	Total (B\$+F/C)
Type of Depositor			
a. Residents (of Which) (i thru vi)	_____	_____	_____
i. Government	_____	_____	_____
ii. Public Financial Institutions	_____	_____	_____
iii. Private Financial Institutions	_____	_____	_____
iv. Business Firms	_____	_____	_____
v. Private Individuals	_____	_____	_____
vi. Other	_____	_____	_____

5. Please state the outcome of the applications processed during the period, i.e., the number of approved applications, the number of denied applications, the number of applications pending review, etc.

B\$	F/C	Total
b. Applications Approved - All Accounts		
(Of which) Residents	_____	_____ -
1. Business Firms	_____	_____ -
2. Private Individuals	_____	_____ -
c. Applications Denied/ Not-approved		
i. (Of which) Residents	_____	_____ -
1. Business Firms	_____	_____ -
2. Private Individuals	_____	_____ -
d. Applications Still Pending Review (All) Residents + Non-residents		
i. (Of which) Residents	_____	_____ -
1. Business Firms	_____	_____ -
2. Private Individuals	_____	_____ -
e. Incomplete Applications Pending Receipt of Additional Documentation	_____	_____ -
i. (Of which) Residents	_____	_____ -
f. Applications withdrawn	_____	_____ -
i (Of which) Residents	_____	_____ -

Processing Times

Appointment Scheduling

6. For all account types and residency, please state whether an appointment must be scheduled to initiate the account opening application, or if the applicant can present themselves for this service without an appointment:

☐ Appointment Required

☐ No Appointment Required

7. If an appointment is required, please estimate the average required wait time before a customer can initiate the account opening application (all account types and residency).

	Less than a week wait	1-2 weeks	2-4 weeks	Over 1 month	1-3 months	Over 3 months	Over 6 months	Not Tracked
a. All Resident B\$ Applications (of which)	☐	☐	☒	☐	☐	☐	☐	☐
i. Businesses	☐	☐	☒	☐	☐	☐	☐	☐
ii. Individuals	☐	☐	☒	☐	☐	☐	☐	☐

Resident B\$ Account Applications

8. For resident B\$ applications, please estimate the average age (including weekends and holidays) of incomplete applications, not yet under review, and still awaiting additional documentation, by type:

	Less than a week wait	1-2 weeks	2-4 weeks	Over 1 month	1-3 months	Over 3 months	Over 6 months	Not Tracked
a. All Resident B\$ Applications (of which)	☐	☐	☒	☐	☐	☐	☐	☐
i. Businesses	☐	☐	☒	☐	☐	☐	☐	☐
ii. Individuals	☐	☐	☒	☐	☐	☐	☐	☐

9. For resident B\$ applications, please estimate the average time (including weekends and holidays) it takes to reach a decision on applications (whether approved / or not approved) after all documentation is received. (For applications treated as having all submission requirements, please estimate the amount of time it takes for a decision to be reached on the application):

	Less than a week wait	1-2 weeks	2-4 weeks	Over 1 month	1-3 months	Over 3 months	Over 6 months	Not Tracked
a. All Resident B\$ Applications (of which)	☐	☐	☒	☐	☐	☐	☐	☐
i. Businesses	☐	☐	☒	☐	☐	☐	☐	☐
ii. Individuals	☐	☐	☒	☐	☐	☐	☐	☐

Resident F/C Account Applications

10. For resident F/C applications, please estimate the average age (including weekends and holidays) of incomplete applications, not yet under review, and still awaiting additional documentation, by type. (Give an estimate of the average amount of time taken for all documentation to be provided before processing could begin on applications):

	Less than a week wait	1-2 weeks	2-4 weeks	Over 1 month	1-3 months	Over 3 months	Over 6 months	Not Tracked
a. All Resident B\$ Applications (of which)	☐	☐	☒	☐	☐	☐	☐	☐
i. Businesses	☐	☐	☒	☐	☐	☐	☐	☐
ii. Individuals	☐	☐	☒	☐	☐	☐	☐	☐

11. For resident F/C applications, please estimate the average time (including weekends and holidays) it takes to reach a decision on applications (whether approved / or not approved) after all documentation is received. (For applications treated as having all submission requirements, please estimate the amount of time it takes for a decision to be reached on the application):

	Less than a week wait	1-2 weeks	2-4 weeks	Over 1 month	1-3 months	Over 3 months	Over 6 months	Not Tracked
a. All Resident B\$ Applications (of which)	☐	☐	☒	☐	☐	☐	☐	☐
i. Businesses	☐	☐	☒	☐	☐	☐	☐	☐
ii. Individuals	☐	☐	☒	☐	☐	☐	☐	☐

12. For applications processed to a decision, please state the approximate percentage range, for where the final authority on the application was exercised (in all currencies). Please select from the percentage ranges below.

[Note: Totals in the 'Branch-Level' + 'Country Level [In The Bahamas] + Enterprise Level [Outside of Country]' categories should calculate to 100% in the 'All Levels' category.]

	All Levels	Branch-Level	Country Level [In The Bahamas]	Enterprise Level [Outside of Country]
a. All Resident Approved Applications	_____	_____	_____	_____
i. (of which) Residents	_____	_____	_____	_____
b. All Denied Applications	_____	_____	_____	_____
i. (of which) Residents	_____	_____	_____	_____

13. Compared to the same 6 months last year, please state how, whether favorable or unfavorable, the following factors affected the processing speed/efficiency of applications.

	N/A	Favorably	No Change	Unfavorably
Volume of applications received				
Available staffing resource				
Use of performance of outsourcing arrangements				
Information technology platforms				
Access to KYC documentation (of which)				
Corporate documents				
Business license documents				
Corporate documents				
Individual financial disclosures				
Personal identity documentation				
AML compliance standards				
Other regulatory standards				
Other (please specify)				

14. Compared to the same period a year ago, please indicate how, if any, the following strategies have deployed to affect the speed of the account opening process (select all that apply):

	Not Used	More Emphasis	Less Emphasis	No Change
Electronic monitoring of customer-initiated queries				
Electronic monitoring of application status				
Publication of KYC and documentation requirements				
Use of key performance indicators (KPI) tracking				
Process automation				
Staff training				
Staffing levels				
Other (please specify)				

15. Compared to a year ago, please indicate how the following strategies have been used to impact compliance standards for account opening. Note: a “tightening” would mean that the requirements have become more stringent, strict or demanding, while “relaxation” would imply the opposite:

	Not Used	Tightening	No Change	Relaxation
Account opening procedures and policies process				
KYC documentation				
Other (please specify)				

16. Who has responsibility for monitoring the performance metrics of opening accounts within an

	Select
(a) Account Opening Manager	☐
(b) Compliance Officer	☐
(c) Executive Management	☐
(d) Board of Directors	☐
(e) Head Office	☐
(f) Other	☒
(g) None of the above	☐

established timeline? Please select all that are applicable.