



## Press Release

### **The Guidelines for the Management of Credit Risk, 2022**

The Central Bank of The Bahamas is pleased to announce the release of ***The Guidelines for the Management of Credit Risk, 2022***, with an effective date of 6 December, 2022.

The amended Guidelines represent the culmination of various updates which include the shift from an incurred loss provisioning framework to an expected credit loss framework, as well as guidance on asset classifications and further clarifications on the Total Debt Service Ratio (“TDSR”). The Guidelines provide the industry with guidance which aims to strengthen macro-prudential efforts and bring greater clarity to the credit risk management policy framework. Impaired assets, which are a subset of overall credit risk management was streamlined into the updated Guidelines which replaces the current ***Guidelines for the Management of Credit Risk (2003)*** and ***The Impaired Assets and Provisioning Guidelines (2005)***.

The Guidelines and the Central Bank’s response to comments/questions received from the industry during the consultation period are now all accessible on the Central Bank’s website at [www.centralbankbahamas.com](http://www.centralbankbahamas.com) using the path: Latest News → Press Release.

The Guidelines are also accessible via the paths below:

#### ***Guidelines for the Management of Credit Risk***

Core Functions → Bank Supervision Department → Guidelines → Prudential Limits and Restrictions.

**INSPECTOR OF BANKS & TRUST COMPANIES**

**6 December, 2022**