



Cost Analysis on
Comparability of Bank Fees
As 31 December 2023

March 2024

1 Introduction

The Central Bank of The Bahamas' semi-annual assessment of retail bank charges for the period ending December 2023, is highlighted in this report. Contained within the report are the category of fees that commercial banks impose on various products and services delivered to domestic clients as part of their routine operations. The scenarios described include typical retail and non-commercial clients with transactional bank accounts, in addition to fees associated with defaults on credit facilities. A link in the appendix provides more detailed information on additional product charges. Fiduciary service fees are not gathered.

This exercise is designed to help users to more easily select which institution(s) best meet their financial service needs. This presentation is updated on a semi-annual basis by the Bank. As presented, this evaluation is predicated on the Central Bank's **Comparative Schedule of Basic Bank Fees and Charges as at December 2023**.

As revealed by the analysis, which identifies the commercial banks by name, deposit products offered for students and retired persons continue to assess lower transactions costs relative to other users of banking products. On a case-by-case basis, charges on most construed customer profiles were mostly stable since the December 2022 survey. For the most part, the cost ranking across financial institutions resembled the distribution witnessed in the previous six months.

That being said, while there is some benefit to customers having the ability to compare fees across financial institutions, no institution consistently attains the same ranking, as either having the lowest cost or being the most expensive for deposits or credit products. There are also other caveats to the results and thus, the presumption should not be made that consumers have unencumbered ability to hand-pick their deposit service providers, once credit commitments are factored. Further, uneven access, varying comfort and capacity all together could hamper digital services channels ease of use for some consumers.

2 Methodology

Deposit services are the key focus of most of the constructed analysis contained in this report, although a comparative summary of credit facilities is also presented. The customer profiles make use of the demographic makeup presented in the Central Bank's **Customer Satisfaction Survey 2018**¹, relative to income, and the number and types of accounts/facilities most widely utilized. What the 2018 survey revealed was that the majority (90 percent) of respondents disclosed using four or less facilities, generally including savings deposits, personal loans, mortgages and credit cards. Additionally, respondents' daily facilities involved usage of the ATM, cheque cashing, and cash and cheque deposits.

¹ A Central Bank of The Bahamas survey on commercial bank fees and customer satisfaction in relation to a select list of fees.

In terms of deposits, the selected approach taken constructs four scenario profiles among potential students, retirees and adult customers. From these imagined profiles, comparisons of the collective costs that transactional services would impose on the profiled users of banking products and services are obtained. Additionally, the extremes of optimum use of digital against the physical delivery channels for banking services are put forward in the scenarios. Further, the analysis illustrates situations where the accounts are used primarily for transactions, with insignificant or no net accumulation of savings. Consequently, the users are also influenced by charges that might apply for failure to retain account balances. From the profiles, the below scenarios are summarized and ranked across local clearing banks.

-) **Scenario 1:** A student account holder who has under \$300 in their account, who carries out two (2) transactions monthly.
-) **Scenario 2:** A senior citizen, receiving pension income, and performing two (2) transactions per month. An account balance of just below \$400 is assumed to be maintained.
-) **Scenarios 3 and 4:** These profiled individuals, respectively possess chequing and savings accounts, with minimum monthly account holdings below \$500 and slightly above \$1,000. A total of four (4) monthly transactions are assumed.

Regarding credit services, the constructed scenarios continue to take into account the cost of arrears or missed payments on a subset of loans. Specifically, they consider an individual maintaining three facilities, which incur a missed payment. To be precise, a credit card with a limit of \$1,500, a personal loan with a payment of \$800 per month and a residential mortgage with monthly payments of \$1,375.

Moreover, linked in the appendix to this report is a more comprehensive fee schedule that would allow the public to formulate other scenarios of both deposit and borrowing profiles from which further comparisons can be constructed.

3 Deposit Services Results

3.1 Lowest Cost Outcomes

Compared to June 2023, as domestic bank fee surcharges for digital services stabilized, all estimates were unchanged, although incremental firming in some range was evident against end-2022. Consequently, the average chequing account profile remains the most costly to manage, while adult savings accounts continue to rank in the middle of the cost range. In terms of deposit account maintenance, a profiled retail-banking customer employing maximum use of digital or electronic services options would face average monthly fees in the range of \$2.49 to \$15.91 per month, according to the December 2023 fee structure. Students receive the most concessions, followed by retirees, with average estimated charges also stable since 2022. However the various

categories of adult and retiree accounts using electronic channels were slightly costlier for some customers since the end of 2022, even if stable since mid-2023.

	Use of Electronic Delivery Channels		
	Average Total Monthly Charges		
	December 2022	June 2023	December 2023
Scenario 1 (Student)	\$2.49	\$2.49	\$2.49
Scenario 2 (Retiree)	\$3.56	\$4.03	\$4.03
Scenario 3 (Adult Chequing)	\$15.83	\$15.91	\$15.91
Scenario 4 (Adult Savings)	\$8.40	\$8.44	\$8.44

Customers reliant on physical channels for service used or delivered, faced higher average costs over all scenarios, in comparisons against mid-2023 and some cases against end-2022. Using less efficient paper-based routes to receive banking services as of December 2023 would have been subject to average monthly charges between \$10.35 and \$26.68, as compared to a range of \$9.69 to \$24.16 at end-2022. In comparison to the previous six-month period, fees levied rose for all constructed customer profiles. For student and retiree facilities, the average cost increase was most pronounced in the six months through end-2023, while scenarios for adult accounts (both chequing and savings) revealed cost rises in each half-year period since 2022. Retirees were subject to the lowermost profiled service charges, followed by students and adult-profiled savings and chequing accounts at the higher end of bank levies.

	Use of Physical / Paper Delivery Channels		
	Average Total Monthly Charges		
	December 2022	June 2023	December 2023
Scenario 1 (Student)	\$9.69	\$9.69	\$10.54
Scenario 2 (Retiree)	\$8.86	\$8.86	\$10.35
Scenario 3 (Adult Chequing)	\$23.85	\$24.01	\$26.68
Scenario 4 (Adult Savings)	\$24.16	\$24.20	\$25.69

3.2 Scenario Comparisons by Bank

Scenario 1: Student with Savings Account

Average balance: less than \$300

Number of monthly withdrawals: 2 per month

In terms of the profiled student, the assumption is made that the bulk or all of the funds received on their account is withdrawn each month, and a monthly balance of under \$300 is maintained.

Scenario 1	Bank of The Bahamas Ltd.	Commonwealth Bank Ltd.	Fidelity Bank (Bahamas) Ltd.	Finance Corp. of Bahamas Ltd.	FirstCaribbean Int'l Bank (Bahamas) Ltd.	RBC Royal Bank (Bahamas) Ltd.	Scotiabank (Bahamas) Ltd.
Use of Electronic Delivery Channels							
Monthly Maintenance Fee	N/C	N/A	\$3.30	\$5.50	N/C	N/C	N/C
Withdrawal Fees via ATM (2)	\$2.20	N/A	\$1.66	2 Free	4 Free	2 Free	2 Free
Electronic Bank Statements	N/C	N/C	N/C	N/C	N/C	N/C	N/C
Minimum Stamp Tax	\$0.80	N/A	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Total Monthly Charges Dec '23	\$3.00	\$0.00	\$5.76	\$6.30	\$0.80	\$0.80	\$0.80
Comparative Jun '23	\$3.00	\$0.00	\$5.76	\$6.30	\$0.80	\$0.80	\$0.80
Comparative Dec '22	\$3.00	\$0.00	\$5.84	\$6.40	\$0.80	\$0.80	\$0.80
Use of Physical / Paper Delivery Channels							
Monthly Maintenance Fee	N/C	N/A	\$3.30	\$5.50	N/C	N/C	N/C
Withdrawal Fees via in-Branch (2)	\$4.96	N/C	N/C	\$5.50	4 Free	\$5.50	\$8.80
Hard Copy Bank Statements	\$11.00	\$5.50	\$5.50	N/C	N/C	\$1.65	\$11.00
Minimum Stamp Tax	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Total Monthly Charges Dec '23	\$16.76	\$6.30	\$9.60	\$11.80	\$0.80	\$7.95	\$20.60
Comparative Jun '23	\$10.76	\$6.30	\$9.60	\$11.80	\$0.80	\$7.95	\$20.60
Comparative Dec '22	\$10.76	\$6.30	\$9.60	\$11.80	\$0.80	\$7.95	\$20.60

Notes:

(i) Finance Corp. of Bahamas Ltd. (RBC FINCO) and Fidelity Bank (Bahamas) Ltd. do not have student accounts, therefore regular fees apply.

(ii) Commonwealth Bank Ltd. does not issue ATM cards to students in an effort to encourage saving. Therefore, no additional charges (i.e. stamp tax) is applicable.

Scenario 2: Retiree/Senior Citizen with Savings Account

Average balance: less than \$400

Number of withdrawals: 2 per month

Retiree is assumed to withdraw most or all of the funds received on the account each month, and maintain a balance of less than \$400 each month. A maintenance fee is usually assessed monthly due to failure to meet minimum threshold requirements.

Scenario 2	Bank of The Bahamas Ltd.	Commonwealth Bank Ltd.	Fidelity Bank (Bahamas) Ltd.	Finance Corp. of Bahamas Ltd.	FirstCaribbean Int'l Bank (Bahamas) Ltd.	RBC Royal Bank (Bahamas) Ltd.	Scotiabank (Bahamas) Ltd.
Use of Electronic Delivery Channels							
Monthly Maintenance Fee	N/C	N/A	\$3.30	\$5.50	N/C	\$5.50	\$2.75
Withdrawal Fees via ATM (2)	\$2.24	\$1.66	\$1.66	2 Free	N/C	Free	2 Free
Electronic Bank Statements	N/C	N/C	N/C	N/C	N/C	N/C	N/C
Minimum Stamp Tax	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Total Monthly Charges Jun '23	\$3.04	\$2.46	\$5.76	\$6.30	\$0.80	\$6.30	\$3.55
Comparative Jun '22	\$3.04	\$2.46	\$2.46	\$6.30	\$0.80	\$6.30	\$3.55
Comparative Dec '22	\$3.04	\$2.46	\$2.46	\$6.30	\$0.80	\$6.30	\$3.55
Use of Physical / Paper Delivery Channels							
Monthly Maintenance Fee	N/C	N/A	\$3.30	\$5.50	N/C	\$5.50	\$2.75
Withdrawal Fees via in-Branch (2)	\$4.96	\$1.93	N/C	\$5.50	N/C	Unlimited	5 Free
Hard Copy Bank Statements	\$5.00	\$5.50	\$5.50	N/A	N/C	\$1.65	\$11.00
Minimum Stamp Tax	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Total Monthly Charges Jun '23	\$10.76	\$8.23	\$9.60	\$11.80	\$0.80	\$6.30	\$14.55
Comparative Jun '22	\$11.26	\$8.23	\$9.60	\$11.80	\$0.80	\$6.30	\$14.55
Comparative Dec '22	\$10.76	\$8.23	\$9.60	\$11.80	\$0.80	\$6.30	\$14.55

Notes:

(i) BOB, Fidelity, and RBC FINCO do not have senior citizens accounts, therefore regular fees apply.

(ii) Commonwealth Bank Ltd. offers 1 free in-branch withdrawal.

Scenario 3: Adult Individual with Chequing account

Average balance: less than \$500

Number of withdrawals: 4 per month

This account holder is assumed to take out most or all of the funds (such as wages or salaries) received on the account each month and maintains a balance below \$500. Salary is paid, via cheque, on a bi-weekly basis.

Scenario 3	Bank of The Bahamas Ltd.	Commonwealth Bank Ltd.	Fidelity Bank (Bahamas) Ltd.	Finance Corp. of Bahamas Ltd.	FirstCaribbean Int'l Bank (Bahamas) Ltd.	RBC Royal Bank (Bahamas) Ltd.	Scotiabank (Bahamas) Ltd.
Use of Electronic Delivery Channels							
Monthly Maintenance Fee	\$0.60	\$9.90	\$8.80	\$13.20	\$13.20	\$13.20	\$19.25
Cheque Deposit via ATM (2)	N/C	N/C	N/C	N/A	Free	Free	N/C
Withdrawal Fees via ATM (4)	\$4.40	\$5.52	\$3.32	\$4.40	Free	\$4.40	6 Free
Electronic Bank Statements	N/C	N/C	N/C	N/C	N/C	N/C	N/C
Minimum Stamp Tax	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60
Total Monthly Charges Dec '23	\$6.60	\$17.02	\$13.72	\$19.20	\$14.80	\$19.20	\$20.85
Comparative Jun '23	\$6.60	\$17.02	\$13.72	\$19.20	\$14.80	\$19.20	\$20.85
Comparative Dec '22	\$6.60	\$16.47	\$13.72	\$14.80	\$14.80	\$17.00	\$20.85
Use of Physical / Paper Delivery Channels							
Monthly Maintenance Fee	\$0.60	\$9.90	\$8.80	\$13.20	\$13.20	\$13.20	\$19.25
Cheque Deposit via in-branch (2)	1.00% of value + VAT for cash deposits over \$10,000	\$2.76	\$4.40	\$6.60	\$6.06	\$6.60	5 Free
Withdrawal Fees via in-Branch (4)	\$9.92	\$5.52	\$8.80	6 Free Cheques	\$12.12	6 Free Cheques	4 Free
Hard Copy Bank Statements	\$11.00	\$5.50	\$5.50	N/A	N/C	\$1.65	\$11.00
Minimum Stamp Tax	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60
Total Monthly Charges Dec '23	\$23.12	\$25.28	\$29.10	\$21.40	\$32.98	\$23.05	\$31.85
Comparative Jun '23	\$17.12	\$25.28	\$15.90	\$21.40	\$32.98	\$23.05	\$31.85
Comparative Dec '22	\$17.12	\$23.08	\$17.50	\$21.40	\$32.98	\$23.05	\$31.85

Notes:

(i) RBC and RBC Finco offer 6 free cheques.

(ii) The Maximum Monthly Maintenance Fee was used for Scotiabank (Bahamas) Ltd.

(iii) The highest number of free ATM withdrawal transactions were used for Scotiabank (Bahamas) Ltd.

Scenario 4: Adult Individual with Savings Account

Average balance: just above \$1,200

Number of withdrawals: 4 per month

Account holder receives monthly salary by direct deposit and executes two (2) additional deposits based on surplus income earned. The individual makes, on average, four (4) withdrawals per month. Each month, the ending account balance is just over \$1,200.

Scenario 4	Bank of The Bahamas Ltd.	Commonwealth Bank Ltd.	Fidelity Bank (Bahamas) Ltd.	Finance Corp. of Bahamas Ltd.	First Caribbean Int'l Bank (Bahamas) Ltd.	RBC Royal Bank (Bahamas) Ltd.	Scotiabank (Bahamas) Ltd.
Use of Electronic Delivery Channels							
Monthly Maintenance Fee	N/C	\$3.58	\$3.30	\$5.50	\$2.75	\$5.50	\$8.25
Withdrawal Fees via ATM (4)	\$4.40	\$4.14	\$3.32	\$2.20	N/C	\$2.20	\$2.76
Other Deposit Fees via ATM (2)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
Electronic Bank Statements	N/C	N/C	N/C	N/C	N/C	N/C	N/C
Minimum Stamp Tax	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60
Total Monthly Charges Dec '23	\$6.00	\$9.32	\$8.22	\$9.30	\$4.35	\$9.30	\$12.61
Comparative Jun '23	\$6.00	\$9.04	\$8.22	\$9.30	\$4.35	\$9.30	\$12.61
Comparative Dec '22	\$6.00	\$9.04	\$8.22	\$9.30	\$4.35	\$9.30	\$12.61
Use of Physical / Paper Delivery Channels							
Monthly Maintenance Fee	N/C	\$3.58	\$3.30	\$5.50	\$2.75	\$5.50	\$8.25
Withdrawal Fees via in-Branch (4)	\$9.92	\$9.90	N/C	\$11.00	\$12.12	\$13.20	\$17.60
Other Deposit Fees via in-Branch (2)	1.00% of value + VAT for cash deposits over \$10,000	N/C	\$4.40	\$5.50	\$6.06	\$6.60	\$8.80
Hard Copy Bank Statements	\$11.00	\$5.50	\$5.50	N/A	N/C	\$1.65	\$11.00
Minimum Stamp Tax	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60
Total Monthly Charges Dec '23	\$22.52	\$20.58	\$14.80	\$23.60	\$22.53	\$28.55	\$47.25
Comparative Jun '23	\$16.52	\$20.30	\$10.40	\$23.60	\$22.53	\$28.55	\$47.25
Comparative Dec '22	\$16.52	\$20.30	\$10.40	\$23.60	\$22.53	\$28.55	\$47.25

Notes:

- (i) Commonwealth Bank Ltd. offers 1 free in-branch withdrawal.*
- (ii) RBC and RBC Finco and Scotiabank (Bahamas) Ltd. offers 2 free ATM withdrawals.*
- (iii) The Maximum Monthly Maintenance Fee was used for Scotiabank (Bahamas) Ltd.*

3.3 Summary of Deposit Service Cost Rankings by Bank

In the profiled scenarios, each institution provides the most inexpensive transaction costs to clients who elect to maximize the use of digital services for deposit account transactions.

By and large, simulated student account transactions continued to be the least expensive at Commonwealth Bank Limited (CBL). This was followed by First Caribbean International Bank (Bahamas) Limited (FCIB), Royal Bank of Canada (RBC), and Scotiabank Bahamas Limited, delivering the second-lowest-cost alternative, provided that customers relied optimally on digital service channels. However, because CBL does not provide ATM cards to student account users, the cost was lower vis-à-vis the other financial institutions. FCIB's cumulative fees were lowest for supposed retiree accounts. When the same customer profile relied most heavily on physical channels for transactions, FCIB's costs were again the least expensive. They were also lowest in terms of charges for retiree accounts.

Furthermore, when non-preferential adults utilized digital channels, Bank of The Bahamas (BOB) was ranked as the least expensive in terms of adult chequing facilities, while FCIB was positioned as the least expensive for profiled adult savings. When clients used physical channels, RBC FINCO ranked lowest in cost for adult chequing accounts, while Fidelity placed as the least expensive for adult savings facilities.

Scenario Summary			
Maximum Use of Digital Services Delivery			
1: Student Savings	2: Retiree Savings	3: Adult Chequing	4: Adult Savings
1. CBL : \$0.00 (ATM cards not issued)	1. FCIB: \$0.80	1. BOB: \$6.60	1. FCIB : \$4.35
2. FCIB: \$0.80	2. CBL : \$2.46	2. Fidelity: \$13.72	2. BOB: \$6.00
3. RBC: \$0.80	3. BOB: \$3.04	3. FCIB : \$14.80	3. Fidelity: \$8.22
4. Scotiabank : \$0.80	4. Scotiabank : \$3.55	4. CBL: \$17.02	4. RBC FINCO : \$9.30
5. BOB: \$3.00	5. Fidelity : \$5.76	5. RBC: \$19.20	5. RBC: \$9.30
6. Fidelity : \$5.76	6. RBC FINCO: \$6.30	6. RBC FINCO: \$19.20	6. CBL: \$9.32
7. RBC FINCO : \$6.30	7. RBC: \$6.30	7. Scotiabank: \$20.85	7. Scotiabank: \$12.61

Scenario Summary			
Maximum Use of Physical Services Channels			
1: Student Savings	2: Retiree Savings	3: Adult Chequing	4: Adult Savings
1. FCIB: \$0.80	1. FCIB: \$0.80	1. RBC FINCO: \$21.40	1. Fidelity: \$14.80
2. CBL: \$6.30	2. RBC: \$6.30	2. RBC: \$23.05	2. CBL: \$20.58
3. RBC: \$7.95	3. CBL: \$8.23	3. BOB: \$23.12	3. BOB: \$22.52
4. Fidelity: \$9.60	4. RBC FINCO: \$11.80	4. CBL: \$25.28	4. FCIB: \$22.53
5. RBC FINCO: \$11.80	5. Fidelity: \$14.00	5. Fidelity: \$29.10	5. RBC FINCO: \$23.60
6. BOB: \$16.76	6. Scotiabank: \$14.55	6. Scotiabank : \$31.85	6. RBC: \$28.55
7. Scotiabank: \$20.60	7. BOB: \$16.76	7. FCIB: \$32.98	7. Scotiabank: \$47.25

Scotiabank ranked as the priciest option for adult chequing and savings accounts using digital channels, as well as for student and adults with savings facilities utilizing mainly physical channels. Meanwhile, RBC FINCO and RBC share the spot for the highest cost for profiled students and retirees utilizing digital services. BOB and FCIB ranked on the higher end in terms of fees levied for simulated retiree and adult chequing accounts, where physical delivery was the predominant channel used.

4 Missed or Late Payments

The scenarios for the average costs of maintaining credit facilities under debt servicing difficulties took into account customers with a mix of credit facilities and modest credit card debt, along with ongoing payments against personal loans and mortgages. These were uniformly unchanged as at December 2023 in comparison to June 2023.

Fidelity Bank’s costs remained as the lowest in all three categories, while BOB also maintains the lowest charges for late or missed credit card payments. RBC, Scotiabank, and First Caribbean all placed highest as it relates to late credit card payment fees. RBC and RBC FINCO follows, with the costliest fees in terms of mortgages. Further, CBL ranks the highest in arrears or late penalties on personal loans once the principal and interest payments exceed a specific threshold.

Missed Payments							
Credit Card Limit-\$1,000 Car Loan-\$750 monthly Mortgage-\$1490 monthly							
Payment Type	Bank of The Bahamas Ltd.	Commonwealth Bank Ltd.	Fidelity Bank (Bahamas) Ltd.	Finance Corp. of Bahamas Ltd.	FirstCaribbean Int'l Bank (Bahamas) Ltd.	RBC Royal Bank (Bahamas) Ltd.	Scotiabank (Bahamas) Ltd.
Late Credit Card Payment Fee (Monthly)	\$33.00	N/A	\$33.30	N/A	\$44.00	\$44.00	\$44.00
Late Car Loan Payment Fee	\$38.50	5.25% + VAT or Min of \$39.20	\$22.00	N/A	3.30% or Min of \$27.50	5.00% of principal and interest in arrears after 10 days	\$38.50
Late Mortgage Payment Fee	\$38.50	3.00% + VAT	\$22.00	5.00% of principal and interest in arrears after 10 days	3.30% or Min \$27.50	5.00% of principal and interest in arrears after 10 days	1% of Payment + VAT or minimum \$35+10% VAT

5 Conclusions

As of the December 2023 period, the Central Bank's commercial banking fees analysis indicates ongoing variability in costs across the various financial institutions, principally for transactions related to the operations of deposit accounts and the maintenance of credit services. Consumers' ability to effect transactions via digital modes substantially lowers such expenses when compared to any major reliance on physical or paper delivery channels. Additionally concessionary arrangements for senior citizens and underage/student customers continued to be offered by most banks. That said, the ranking of banks differs in many circumstances, dependent on the threshold volumes or the values of the relevant transactions. Further caveats around such comparisons remain, as customer flexibility in selecting between institutions is not always unrestricted. Moreover, accessibility to and knowledge around technology can often impede the quality of users' experience relative to digital channels.

From a policy perspective, the Central Bank's intervention will sustain intensified efforts around easing many of the hurdles to digital financial inclusion. The Central Bank will continue its consultation with stakeholders on best approaches for reinforcing baseline access to transactional services and transparency and disclosure norms for credit facility management.

6 Appendix of Fee Listing

Supplementary items may be included in institution schedules. Comparative prices for standard services such as credit applications, various other credit card services, checking account activities, foreign currency transactions, and mortgage satisfaction documents are presented in the schedule.

The full schedule of fees requested from commercial banks via separate documentation can be viewed at:

<https://www.centralbankbahamas.com/key-payments-statistics>