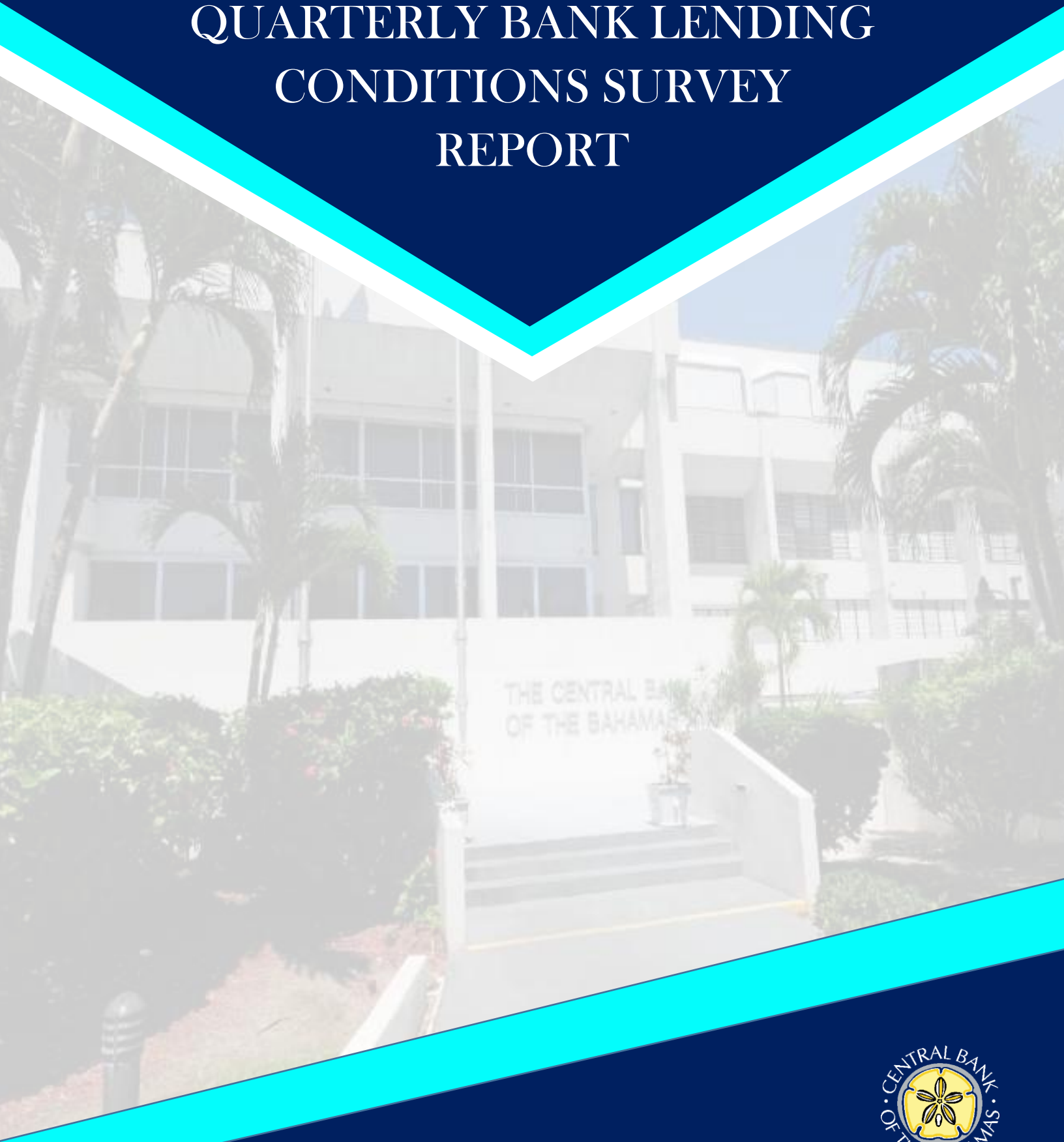


# JUNE 2025

## QUARTERLY BANK LENDING CONDITIONS SURVEY REPORT



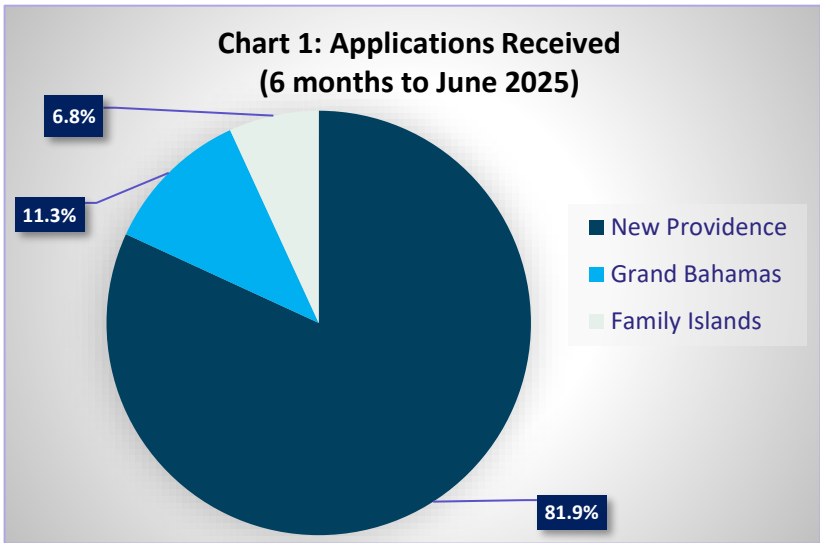
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The Bank Lending Conditions Survey (BLCS) contains 12 questions on lending to the private sector, seeking information on the number of loan applications received, approved and denied, and therefore, provides a perspective on the demand for credit. In addition, banks are asked about their views on changes in lending conditions from one quarter to the next.

Prepared by: The Research Department

# I. Overall Assessment

According to the Central Bank’s latest survey of commercial banks, over the first half of 2025 lending conditions continued to improve, underpinned by increased credit demand when compared to the same period of 2024. In particular, a rise in consumer loan requests contributed to a growth in total applications received, while the approval rates also rose in the first half of the review year. In unsuccessful applications the most frequently cited reasons for credit denials continued to be “miscellaneous” factors such as high debt service ratio (DSR), delinquency in prior loans, and insufficient time on the job.

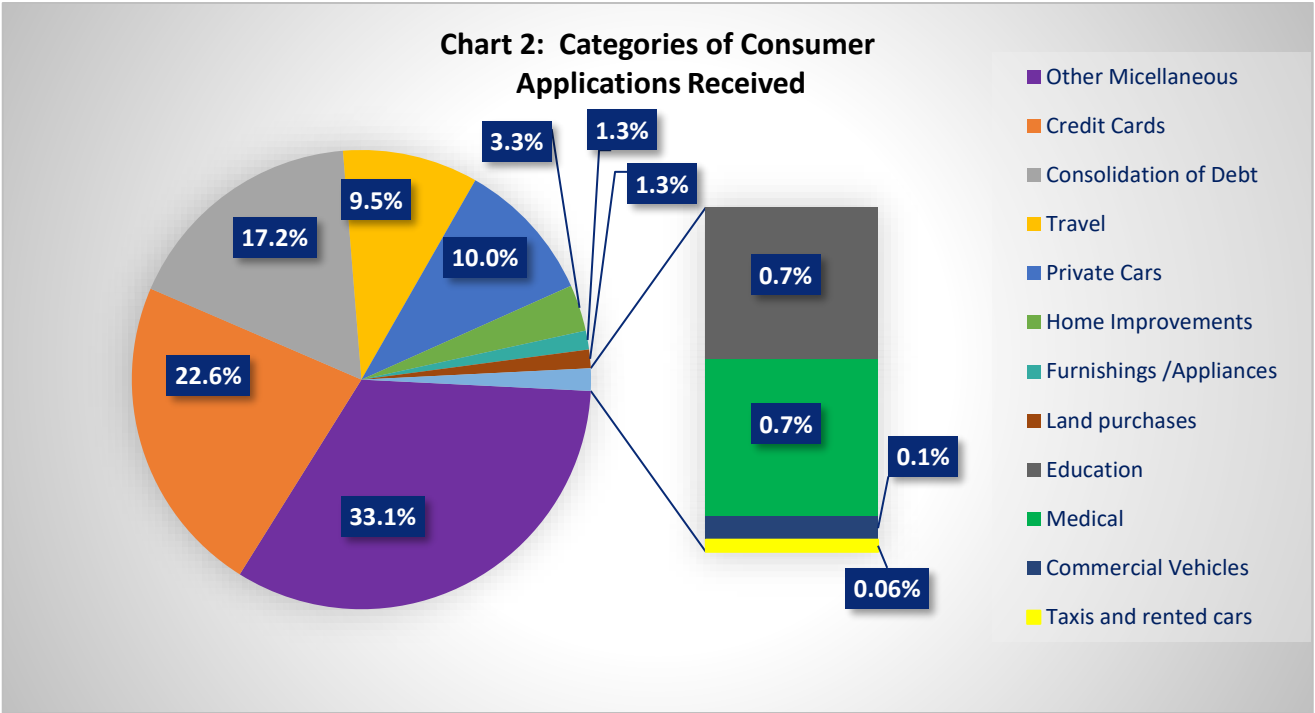


***“Bank lending conditions improved further during the first half of 2025, supported by a rise in total credit applications received and approved, vis-à-vis June 2024.”***

| Applications Recieved                                                                            | Applications Approved                                                                                                                          | Loan Denials                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>•19,081</li><li>•Up 11.5% relative to June 2024.</li></ul> | <ul style="list-style-type: none"><li>•15,648</li><li>•Up 13.7% vis-à-vis the six months to June 2024.</li><li>•Approval Rate: 82.0%</li></ul> | <ul style="list-style-type: none"><li>•1,469</li><li>•Down 4.2% since June 2024.</li><li>•Top 3 reasons: Other miscellaneous factors, high DSR and delinquency in prior loans.</li></ul> |

# II. Consumer Loans

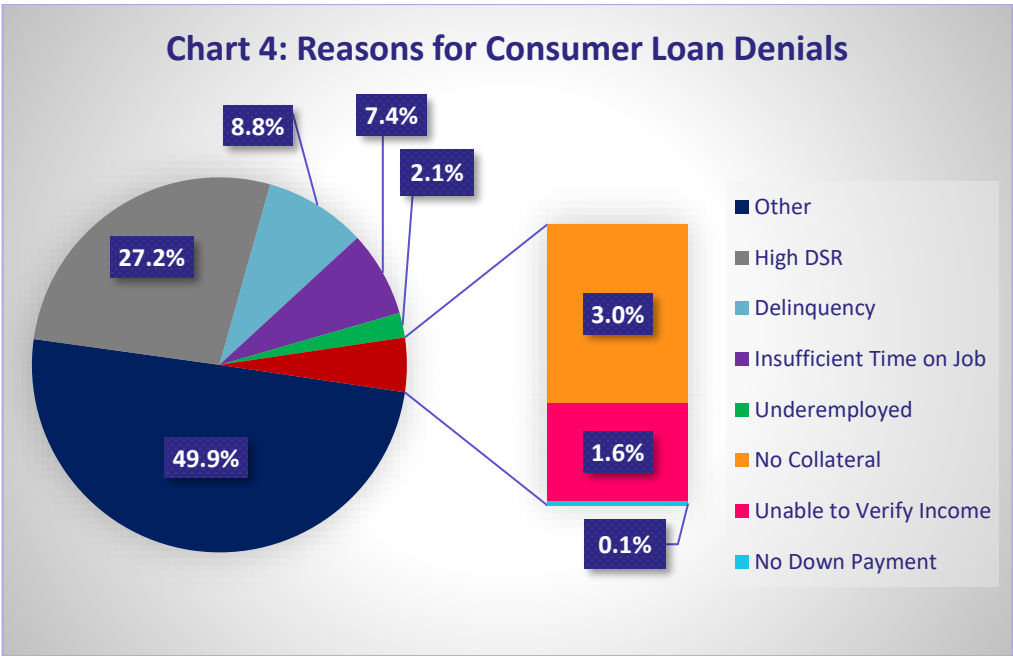
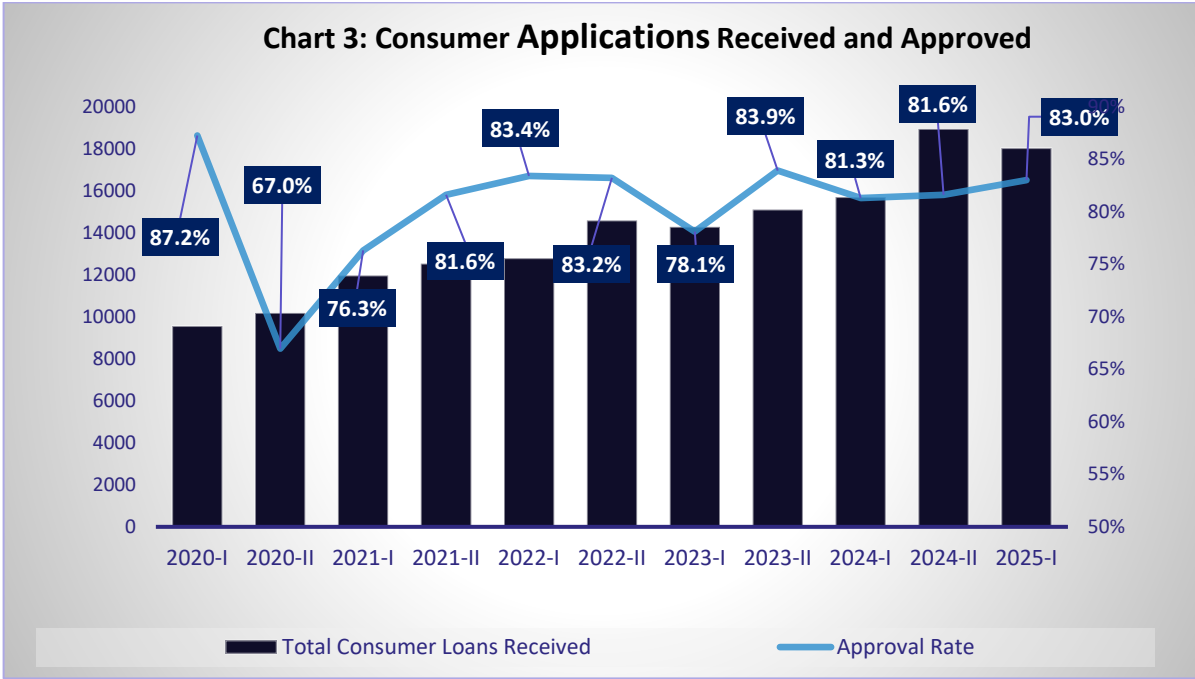
Accounting for 94.4% of total loan applications, consumer lending continued to be the most dominant flow. Requests strengthened by 14.8% year-on-year (six-months to June 2025, over the same period in 2024), owing to a rise in applications received from New Providence (12.3%), Grand Bahama (28.8%) and the Family of Islands (25.4%). Of the 18,018 consumer loan applications received, requests were mainly for “other” miscellaneous purposes (33.1%), credit cards (22.6%), consolidation of debt (17.2%), private cars (10.0%), and travel (9.5%) (see Chart 2).



Lending requests, by component, showed increases for commercial vehicles by 90.0%, and other miscellaneous purposes, by 45.6%. Similarly, demand rose for private cars (30.9%), land purchases (26.9%), medical treatment (23.8%), credit cards (19.8%), home improvements (11.7%) and furnishings/appliances (0.8%), while taxis & rented cars increased five-fold. Conversely, applications declined for consolidation of debt (17.5%), education (8.1%) and travel (6.8%).

***Year-on-year, the quantity of approved loan applications grew further by 17.1%, as compared to by 14.5% the prior period, while the average approval rate moved higher by 1.6 percentage points to 83.0%.***

Concerning loan denials, 7.8% of consumer credit requests were rejected, based on frequently cited reasons such as, other “miscellaneous” factors (49.9%)—which include low credit scores, purposes outside of banks’ policies and excessive risk—high debt service ratios (27.2%), delinquency in prior loans (8.8%) and insufficient time on job (7.4%).

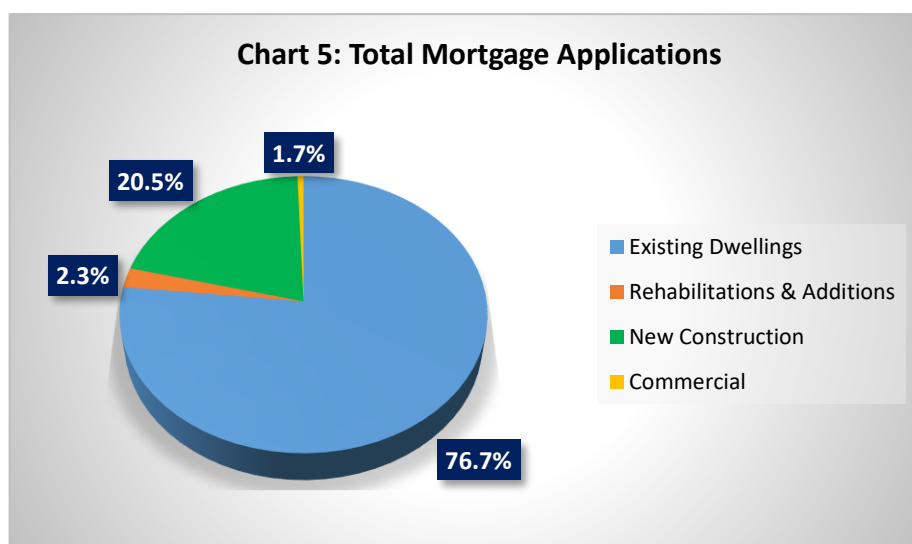


### III. Mortgages

In the first half of 2025, respondent banks received 695 residential mortgage applications, accounting for 99.4% of the total mortgage applications received.

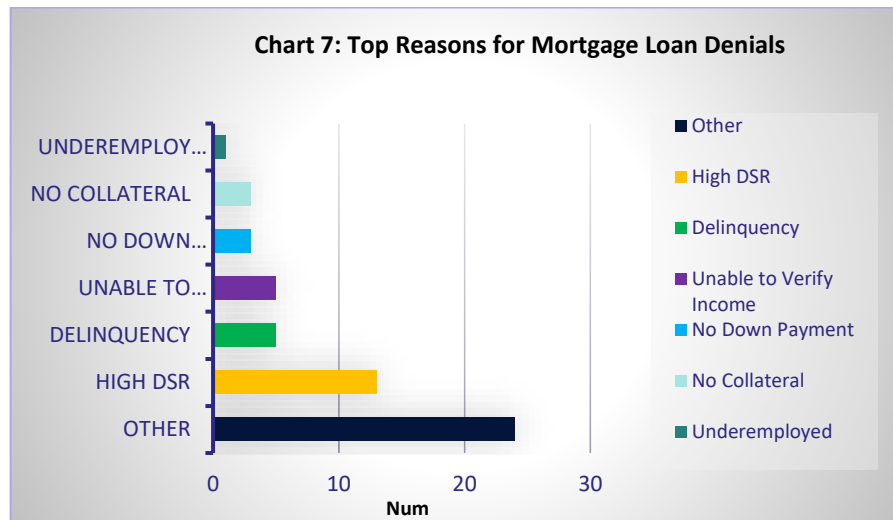
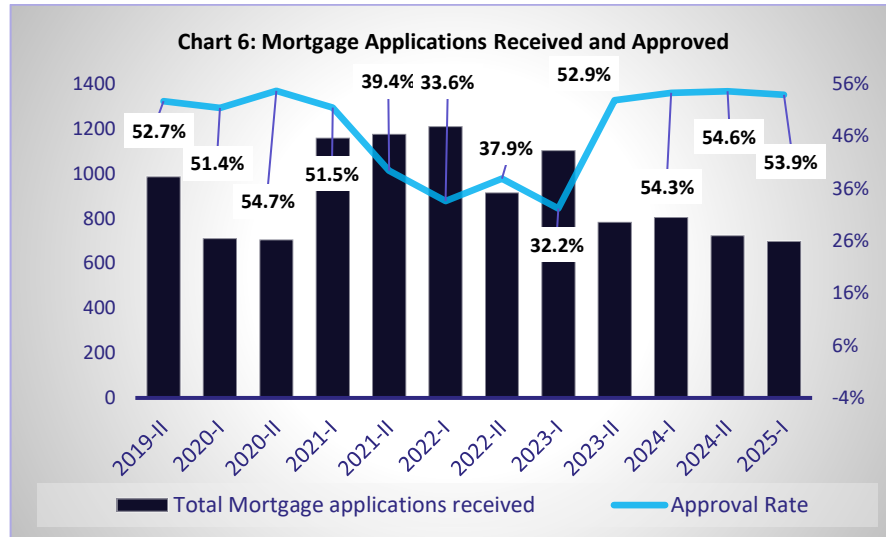
*However, the volume of residential mortgage applications declined by 12.4%, year-on-year, albeit lower than the 25.5% decrease in the previous year. Reductions were documented for two of the major categories: rehabilitations & additions (94.9%) and new construction (2.1%); while funding requests against existing dwellings increased by (60.5%).*

Of the total mortgage applications received, financing sought against existing residential dwellings represented 76.7% of mortgage demand, while demand for new construction and rehabilitations & additions loans accounted for 20.5% and 2.3%, respectively. Meanwhile, commercial financing applications constituted just 0.6% of requests.



Categorized by island, mortgage applications processed from Grand Bahama fell by 22.1%, while request originating from New Providence and the Family Islands reduced by 12.3% and 16.7%, respectively.

In the first half of 2025, total mortgage applications recorded an approval rate of 53.9%, reflective of a 0.3 percentage point decrease, relative to the comparative 2024 period. In the sub-categories, the approval rate for renovation projects was 56.3%, while support for new construction and existing dwellings were 69.9% and 49.4%, respectively. In addition, commercial mortgages registered an approval rate of 75.0%.



Of the total requests, 7.6% of mortgage applications were denied. The primary reason for mortgage denials, representing 45.3% of cases, was categorized as other “miscellaneous” factors<sup>1</sup>. Further, applications were also denied on account of higher debt service ratios, which exceeded the revised threshold of 50.0%<sup>2</sup> (24.5%), delinquency in prior loans (9.4%), inability to verify income (9.4%), inadequate collateral (5.7%), no down payment (3.8%) and underemployment (1.9%).

<sup>1</sup> These may include, but are not limited to low credit scores, lending outside of bank policy and missing information.

<sup>2</sup> In August 2022, the threshold increased to 50.0% from a range of 40.0%-45.0%.

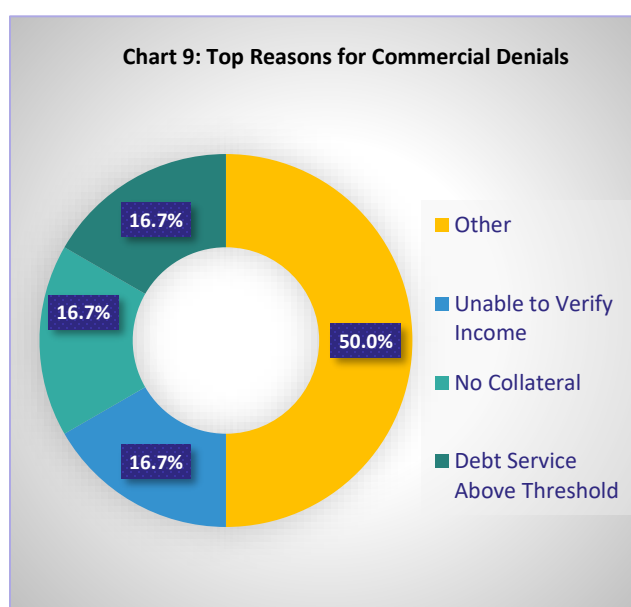
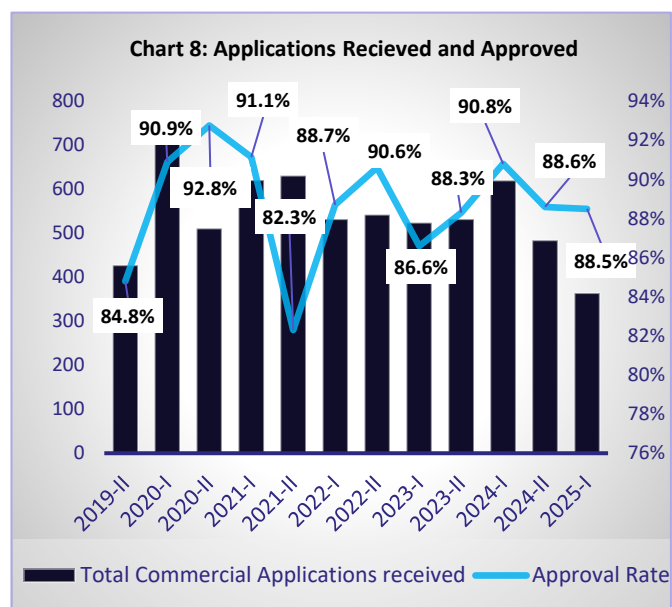
## IV. Commercial Loans

Respondent banks received 364 applications for commercial financing in the six months to June 2025, a 41.3% falloff, and a reversal from the 18.3% gain in the prior year. Notably, demand moderated in New Providence and Grand Bahama, while the Family Islands registered a flat outturn.

*In the same period, the average approval rate for commercial applications decreased by 2.3 percentage points to 88.5%, relative to the six months to June 2024.*

Applicants in New Providence accounted for the majority of commercial funding requests, with an average approval rate of 90.3%, while just 33.3% of commercial loan requests from Grand Bahama were approved.

Regarding commercial loans, the most common explanations for denial was “other” unclassified (50.0%) reasons—such as, excessive risk, which did not meet requirements for commercial lending—the inability to verify income (16.7%), lack of collateral (16.7%) and high debt service ratios (16.7%).



## V. Banks' Assessment of Credit Conditions

### Supporting Lending Conditions

On average, most of the respondent institutions reduced lending rates during the second quarter of the review year. Further, two institutions disclosed lowered down payment requirements and extended repayment terms. Moreover, no new deferral arrangements was disclosed for monthly payments.

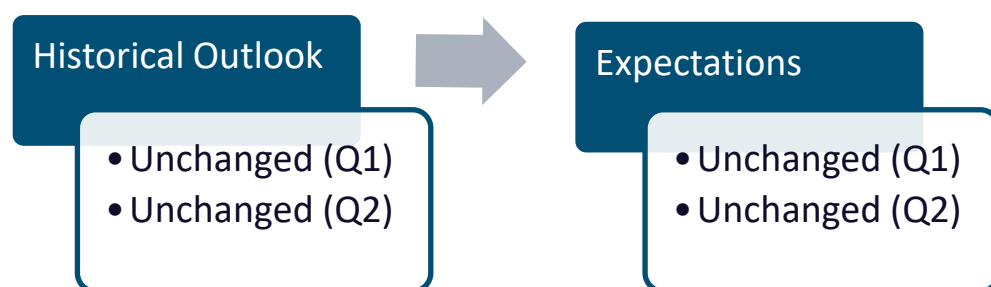
| Table 1: First Half of 2025 Lending Conditions |                 |                 |                 |                 |
|------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| <i>Of 7 lenders, for:</i>                      | Quarter I 2025  |                 | Quarter II 2025 |                 |
|                                                | <i>Mortgage</i> | <i>Consumer</i> | <i>Mortgage</i> | <i>Consumer</i> |
| Reduced Lending Rate                           | 4               | 4               | 4               | 3               |
| Reduced Down Payment                           | 2               | 2               | 2               | 1               |
| Extended Payment Terms                         | 0               | 2               | 0               | 1               |
| Deferred Payments                              | 0               | 0               | 0               | 0               |

### Historical Outlook

When asked to describe the general lending environment, creditors noted that in comparison to the prior year's period, conditions were largely unchanged in 2024. Likewise, borrowers' loan eligibility, quality of collateral and borrowers debt servicing capacity remained the same.

### Expectations in the Near-Term

The majority of creditors expected that near-term credit conditions would remain largely unchanged.



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## VI. Conclusion

- ✓ Compared to the first half of 2024 domestic credit demand, evidenced in the volume of loan applications, increased during the six-months to June in 2025, extending gains registered in the same period last year.
- ✓ Approximately 94.4% of applications were for consumer credit. For these, the average approval rate firmed by 1.6 percentage points, vis-à-vis the six-months to June 2024.
- ✓ The volume of total mortgage applications contracted by 13.4%, year-on-year, while the corresponding approval rate declined by 0.3 percentage points to 53.9%.
- ✓ Commercial credit demand decreased vis-à-vis June 2024, with 41.3% fewer applications; and the associated approval rate fell by 2.3 percentage points to 88.5%.
- ✓ The largest concentration of unsuccessful credit applications was for miscellaneous reasons: excessive risk, purposes outside of banks' policies, and low credit scores. Other reasons included high debt service ratio (DSR), delinquency in prior loans and insufficient time on the job.

## ANNEX

| Table 1: No. of Loans Applications Received and Approved |               |               |              |               |               |              |               |               |              |                       |              |             |                       |              |             |
|----------------------------------------------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|-----------------------|--------------|-------------|-----------------------|--------------|-------------|
|                                                          | 2024          |               |              |               |               |              | 2025          |               |              | Changes               |              |             |                       |              |             |
|                                                          | Jan-Jun       |               |              | Jul-Dec       |               |              | Jan-Jun       |               |              | Jan-Jun 25/Jul-Dec 24 |              |             | Jan-Jun 25/Jan-Jun 24 |              |             |
|                                                          | TOTAL         |               |              | TOTAL         |               |              | TOTAL         |               |              | TOTAL                 |              |             | TOTAL                 |              |             |
|                                                          | Received      | Approved      |              | Received      | Approved      |              | Received      | Approved      |              | Received (%)          | Approved     |             | Received (%)          | Approved     |             |
|                                                          |               | No.           | Rate         |               | No.           | Rate         |               | No.           | Rate         |                       | No. (%)      | Rate        |                       | No. (%)      | Rate        |
| Mortgage                                                 | 807           | 438           | 54.3%        | 725           | 396           | 54.6%        | 699           | 377           | 53.9%        | -3.6%                 | -4.8%        | -0.7%       | -13.4%                | -13.9%       | -0.3%       |
| Consumer                                                 | 15,691        | 12,763        | 81.3%        | 18,936        | 15,455        | 81.6%        | 18,018        | 14,949        | 83.0%        | -4.8%                 | -3.3%        | 1.4%        | 14.8%                 | 17.1%        | 1.6%        |
| Commercial                                               | 620           | 563           | 90.8%        | 484           | 429           | 88.6%        | 364           | 322           | 88.5%        | -24.8%                | -24.9%       | -0.2%       | -41.3%                | -42.8%       | -2.3%       |
| <b>TOTAL</b>                                             | <b>17,118</b> | <b>13,764</b> | <b>80.4%</b> | <b>20,145</b> | <b>16,280</b> | <b>80.8%</b> | <b>19,081</b> | <b>15,648</b> | <b>82.0%</b> | <b>-5.3%</b>          | <b>-3.9%</b> | <b>1.2%</b> | <b>11.5%</b>          | <b>13.7%</b> | <b>1.6%</b> |

| Table 2: No. of Loan Applications Received and Approved By Island (Jan - Jun '25) |                |               |              |              |              |              |                |              |              |               |               |              |
|-----------------------------------------------------------------------------------|----------------|---------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|---------------|---------------|--------------|
|                                                                                   | New Providence |               |              | Grand Bahama |              |              | Family Islands |              |              | TOTAL         |               |              |
|                                                                                   | Received       | Approved      |              | Received     | Approved     |              | Received       | Approved     |              | Received      | Approved      |              |
|                                                                                   |                | No.           | Rate         |              | No.          | Rate         |                | No.          | Rate         |               | No.           | Rate         |
| Mortgage                                                                          | 619            | 328           | 53.0%        | 60           | 38           | 63.3%        | 20             | 11           | 55.0%        | 699           | 377           | 53.9%        |
| Consumer                                                                          | 14,650         | 12,123        | 82.8%        | 2,080        | 1,633        | 78.5%        | 1,288          | 1,193        | 92.6%        | 18,018        | 14,949        | 83.0%        |
| Commercial                                                                        | 352            | 318           | 90.3%        | 12           | 4            | 33.3%        | 0              | 0            | 0%           | 364           | 322           | 88.5%        |
| <b>TOTAL</b>                                                                      | <b>15,621</b>  | <b>12,769</b> | <b>81.7%</b> | <b>2,152</b> | <b>1,675</b> | <b>77.8%</b> | <b>1,308</b>   | <b>1,204</b> | <b>92.0%</b> | <b>19,081</b> | <b>15,648</b> | <b>82.0%</b> |

| Table 3<br>Consumer Loans by Type (Jan - June '25) |          |           |       |
|----------------------------------------------------|----------|-----------|-------|
|                                                    | Received | Approvals |       |
|                                                    |          | No.       | Rate  |
| Private cars                                       | 1809     | 1500      | 82.9% |
| Taxis & rented cars                                | 10       | 4         | 40.0% |
| Furnishings/Appliances                             | 239      | 208       | 87.0% |
| Commercial vehicles                                | 19       | 6         | 31.6% |
| Travel                                             | 1720     | 1371      | 79.7% |
| Education                                          | 125      | 89        | 71.2% |
| Medical                                            | 130      | 103       | 79.2% |
| Home improvements                                  | 590      | 490       | 83.1% |
| Land purchases                                     | 236      | 149       | 63.1% |
| Consolidation of debt                              | 3105     | 2715      | 87.4% |
| Credit cards                                       | 4071     | 3492      | 85.8% |
| Other miscellaneous                                | 5964     | 4822      | 80.9% |