



Press Release

Proposed Amendments to the Large Exposures Framework

The Central Bank of The Bahamas (the Central Bank) issued, for a 60-day industry consultation, the ***Draft Banks and Trust Companies (Large Exposures) Regulations*** and ***Draft Large Exposures Guidelines***.

The proposed framework provides Supervised Financial Institutions (SFIs) with enhanced prudential standards that seek to limit the maximum loss a SFI could incur in the event of a sudden counterparty default. The standards aim to ensure that such failures remain within levels that would not compromise a SFI's solvency, thereby strengthening the resilience of individual institutions and supporting the broader Capital Framework.

The proposed amendments form part of the Central Bank's ongoing commitment to aligning domestic regulatory requirements with international best practices. The intention is to advance prudential policies and regulations that balance safety, efficiency and competitiveness in the Bahamian banking system, while promoting overall financial stability.

As part of the consultation process, selected SFIs will be invited to participate in a focus group to review and complete a Large Exposures Quantitative Impact Study Template, and consult with the Central Bank on any material large exposures concerns. The SFIs selected will be notified directly. The draft legislative documents are available on the Central Bank's website at www.centralbankbahamas.com via the following path: Core Functions → Bank Supervision Department → Consultation Documents.

The consultation period will end on 14 March 2026. Feedback regarding the proposals should be directed to:

Policy Unit
Bank Supervision Department
E-mail: policy@centralbankbahamas.com

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