



Monthly Economic and Financial Developments
December 2025

In an effort to provide the public with more frequent information on its economic surveillance activities, the Central Bank has decided to release monthly reports on economic and financial sector developments in The Bahamas. The Bank monitors these conditions as part of its monetary policy mandate, to assess whether money and credit trends are sustainable relative to levels of external reserves required to protect the value of the Bahamian dollar and, if not, the degree to which credit policies ought to be adjusted. The main data source for this surveillance is financial institutions' daily reports on foreign exchange transactions and weekly balance sheet statements. Therefore, monthly approximations may not coincide with calendar estimates reported in the Central Bank's quarterly reports. The Central Bank will release its "Monthly Economic and Financial Developments" report on the Monday following its monthly Monetary Policy Committee Meeting.

Future Release Dates:

2024: 2nd March, 30th March, 4th May, 1st June, 29th June, 3rd August, 31st August, 28th September, 2nd November, 30th November, 28th December



DECEMBER 2025 SUMMARY
MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

During the month of December, the domestic economy sustained its growth trajectory, relative to the comparative period in 2024, as key economic indicators continued to normalize closer to their medium-term potential. Tourism output gains, while healthy, slowed in comparison with the previous year, as the high value-added stopover segment remained constrained by capacity limitations and reduced demand from the United States market. Nonetheless, gains in the cruise segment remained robust.

Fiscal Sector

Preliminary data on the Government's budgetary operations for the first quarter of FY2025/26 revealed that the deficit narrowed, on account of an increase in total revenue, which outpaced the rise in aggregate expenditure.

Monetary Sector

Monetary trends during the review month showed a reduction in banking sector liquidity, as the expansion in domestic credit, contrasted with the contraction in the deposit base. Likewise, external reserves decreased, explained by net foreign currency outflows through both the public and private sectors, in line with the year-end seasonal uptick in the demand for foreign currency.

International Economies

The global economy maintained its growth momentum during the month of December, despite continuing to face headwinds such as trade policy uncertainties, and ongoing geopolitical tensions in the Middle East and Eastern Europe. Based on the current outlook, most of the major central banks lowered interest rates in an effort to reach their inflation targets and stimulate economic growth.



Monthly Economic and Financial Developments (MEFD)

December 2025

1. Domestic Economic Developments

Overview

Economic indicators suggest that during the month of December, the domestic economy sustained its growth trajectory, relative to the comparative period in 2024, as key economic indicators continued to normalize closer to their medium-term potential. Tourism output gains, while at healthy levels, slowed in comparison with the previous year, as the high value-added stopover segment remained constrained by capacity limitations and reduced demand from the United States market. Nonetheless, expansion in the cruise segment remained robust. In fiscal developments, preliminary data on the Government's budgetary operations for the first quarter of FY2025/26 revealed that the deficit narrowed, on account of an increase in total revenue, which overshadowed the rise in aggregate expenditure. Further, monetary trends during the review month showed a reduction in banking sector liquidity, as the expansion in domestic credit, contrasted with the contraction in the deposit base. Likewise, external reserves decreased, explained by net foreign currency outflows through both the public and private sectors, in line with the seasonal uptick in the demand for foreign currency in the latter half of the year.

Real Sector

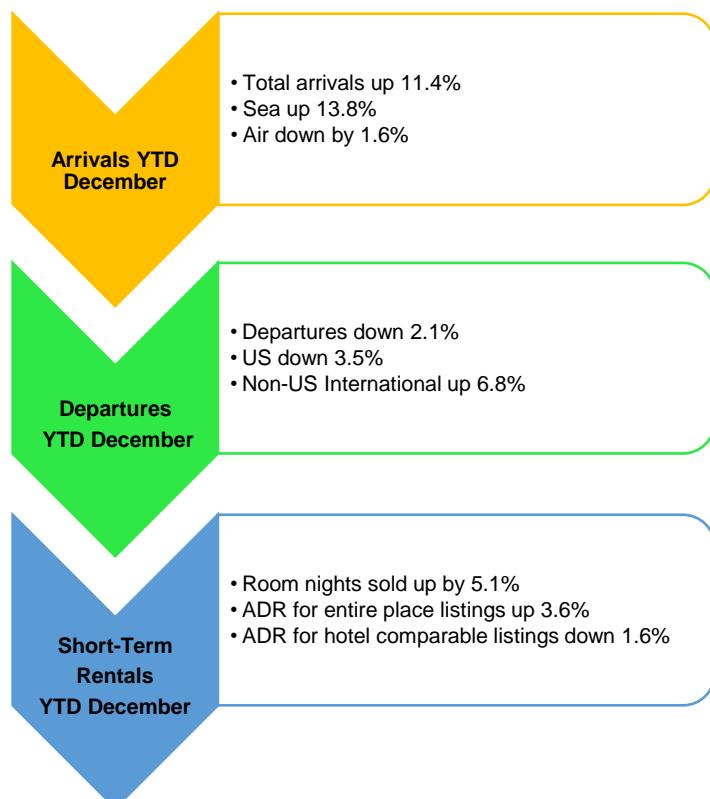
Tourism

Preliminary data showed that the growth in tourism output continued to be paced by tempered activity in the high value-added stopover segment, owing to accommodation capacity constraints. Nevertheless, performance in the cruise sector remained strong.

According to data from the Ministry of Tourism, total arrivals grew by 20.5% to 1.4 million in December 2025, compared to the same period last year. Contributing to this development, sea passengers expanded by 23.7% to 1.2 million and air traffic by 1.1% to 0.2 million.

Diagggregated by major port of entry, total arrivals to Grand Bahama accelerated to 210,303 visitors from 70,522 in the prior year, as sea traffic expanded to 203,633 passengers from 64,609 in the corresponding 2024 period, while air traffic rose by 12.8% to 6,670. Further, total arrivals to the Family Islands increased by 14.5% to 649,489 visitors, supported by a 15.8% growth in sea

Chart 1: Tourism Indicators at a Glance



Sources: Ministry of Tourism, Nassau Airport Development, and AirDNA

passengers to 617,739. However, air arrivals reduced by 6.1% to 31,750. Meanwhile, overall visitors to New Providence grew by 2.9% to 527,881 reflective of a 2.9% gain in sea arrivals to 401,658 and a 2.6% uptick in air arrivals to 126,223.

On an annual basis, total arrivals rose by 11.4% to 12.5 million visitors, vis-a-vis 2024. Leading this outcome, sea arrivals expanded by 13.8% to 10.8 million. In contrast, air arrivals fell by 1.6% to 1.7 million (see Table 1).

Data provided by the Nassau Airport Development Company Limited (NAD) revealed that total departures—net of domestic passengers—declined by 0.2% to 142,417 in December, as compared to the same period last year. Specifically, US departures reduced by 4.1% to 113,796. However, non-US international departures rose by 18.8% to 28,621.

On a yearly basis, total outbound traffic declined by 2.1% to 1.6 million, led by a 3.5% falloff in US departures to 1.4 million. Providing some offset, non-US international departures grew by 6.8% to 0.2 million.

In the short-term vacation rental market, data from AirDNA showed that total room nights sold increased by 1.1% to 58,787 in December, relative to the comparable period in 2024. However, given increased inventory, the occupancy rates for both entire place listings and hotel comparable listings narrowed to 57.3% and 60.3%, respectively, from 57.9% and 60.9% in the previous year. As depicted in graph 1, the average daily room rate (ADR) for entire place listings moved higher by 6.2% to \$722.05, compared to the preceding year. Likewise, the corresponding rate (ADR) for hotel comparable listings increased by 3.8% to \$161.25, vis-à-vis the same period last year.

On a year-to-date basis, total room nights sold expanded by 5.1%, owing to increases in both entire place listings (7.9%) and in hotel comparable bookings (4.6%). Further, the average daily room rate (ADR) for entire place listings grew by 3.6%; however, the rate for hotel comparable listings fell by 1.6%.

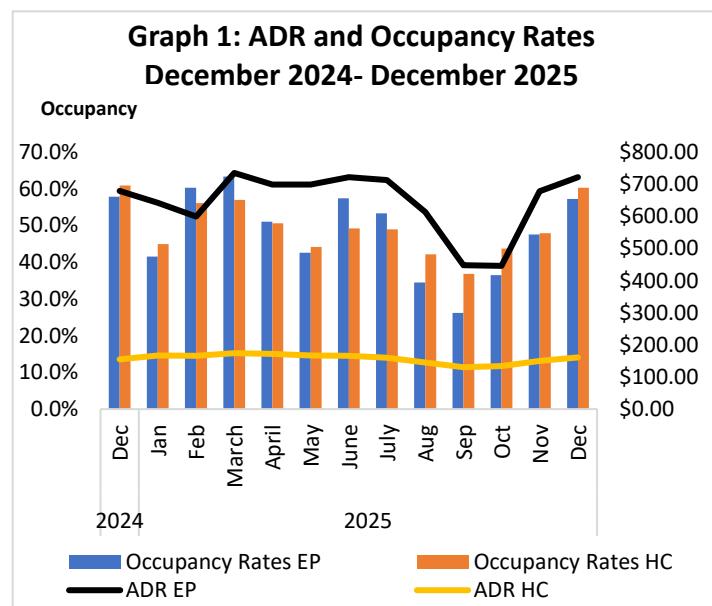
Fiscal

Provisional data on the Government's budgetary operations for the first 3 months of FY2025/26 indicated that the overall deficit decreased to \$141.1 million, from \$177.6 million in the same period of the previous fiscal year. Underpinning this development, total revenue rose by \$107.0 million (15.7%) to \$789.6 million, outstripping the \$70.6 million (8.2%) rise in aggregate expenditure to \$930.7 million.

Table 1: Total Visitor Arrivals January – December 2025

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
Arrivals	2024	2025	2024	2025	2024	2025
Air	-0.6	-2.2	8.7	19.7	0.0	-2.8
Sea	25.3	6.5	1.2	99.1	17.9	10.8
Total	17.6	4.3	1.9	91.2	16.6	10.0

Source: Ministry of Tourism



Source: AirDNA

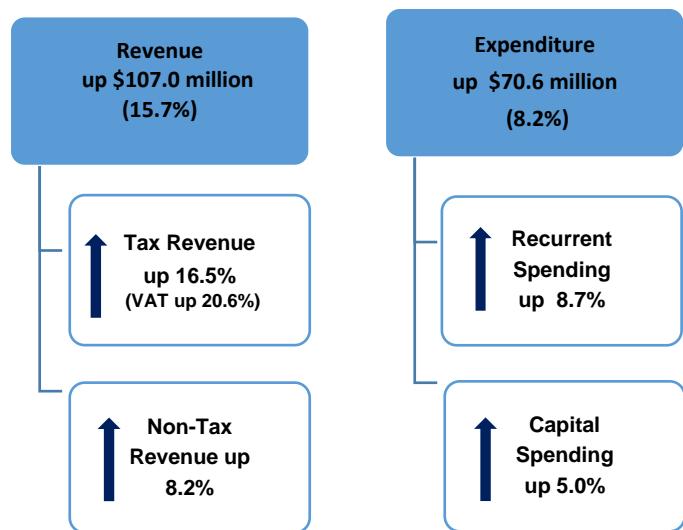
The expansion in revenue collections was led by a \$101.6 million (16.5%) rise in tax receipts. In particular, taxes on goods and services grew by \$77.9 million (19.3%) to \$481.4 million, vis-à-vis the same period in FY2024/2025. Contributing, value added tax (VAT) receipts advanced by \$70.0 million (20.6%) to \$409.4 million. Further, proceeds from gaming taxes amounted to \$7.6 million, after nil records in the same period last year, due to timing related factors. Excise tax collection also advanced to \$2.4 million from \$0.4 million a year earlier. In addition, revenue from taxes on the use or supply of goods and services rose by \$5.8 million (20.5%) to \$34.1 million, attributed to gains in licences to conduct specific business activities (30.9%), taxes on marine license activities (50.7%), and motor vehicle taxes (5.9%).

Likewise, taxes on international trade and transactions moved higher by \$15.5 million (8.3%) to \$202.7 million, largely supported by increases in export duties (20.2%) and departure taxes (11.4%). Proceeds from general stamp taxes also advanced to \$9.3 million from just \$0.2 million in the prior year. In a slight offset, property taxes decreased by \$0.9 million (3.7%) to \$24.4 million.

Non-tax revenue grew by \$5.5 million (8.2%) to \$71.8 million, owing primarily to a \$9.0 million (15.1%) rise in the sales of goods and services to \$68.3 million, on account of gains in receipts from customs and immigration fees. In addition, revenue from fines, penalties, and forfeits increased by \$0.5 million (32.1%) to \$1.9 million, while reimbursements and repayments remained unchanged, vis-à-vis the same period a year earlier. In contrast, revenue from property income reduced by \$3.5 million (70.8%) to \$1.5 million, while income from the sales of other non-financial assets declined by \$0.3 million (69.4%) to \$0.1 million and miscellaneous & unidentified revenue by \$0.2 million (65.1%) to \$0.1 million.

In terms of expenditure, recurrent spending expanded by \$64.6 million (8.7%) to \$803.8 million. In the underlying developments, various “miscellaneous” payments—including transfer payments—advanced by \$28.2 million (31.4%) to \$117.9 million, relative to the preceding year. Similarly, payments for the use of goods and services grew by \$17.9 million (11.3%) to \$176.9 million, while subsidies rose by \$13.8 million (13.7%) to \$114.2 million, owing mostly to an expansion in outlays to public corporations. Likewise, outlays for employee compensation increased by \$8.9 million (4.1%) to \$225.6 million. Further, allocations for social benefits moved higher by \$2.1 million (3.6%) to \$61.7 million, and grant payments, by \$0.9 million (63.6%) to \$2.3 million. Providing some offset, interest payments reduced by \$7.2 million (6.4%) to \$105.2 million, led by a decline in external obligations. Meanwhile, capital spending grew by \$6.0 million (5.0%) to \$127.0 million, explained by a \$7.5 million (7.4%) rise in the acquisition of non-financial assets to \$109.9 million. However, capital transfers decreased by \$1.5 million (7.8%) to \$18.0 million, vis-à-vis the previous fiscal year.

Chart 2: Budgetary Operations at a Glance
First 3 Months FY2025/2026



Source: The Ministry of Finance

2. Monetary Trends

December 2025 vs. 2024

Liquidity

In December, monetary trends were marked by a contraction in bank liquidity owing to an expansion in domestic credit, as opposed to a reduction in the deposit base. Specifically, excess reserves—a narrow measure of liquidity—decreased by \$104.0 million to \$1,845.0 million, an easing from the \$127.5 million decline in the corresponding 2024 period. Likewise, excess liquid assets—a broader measure of liquidity—fell by \$59.3 million to \$3,111.3 million, moderating from the \$128.8 million falloff in the previous year.

On a year-to-date basis, excess reserves decreased by \$40.2 million, vis-à-vis an \$18.2 million growth in the preceding year. However, excess liquid assets grew further by \$151.2 million, after the \$75.9 million accumulation a year earlier.

External Reserves

During the review month, the reduction in external reserves slowed to \$76.3 million from \$82.9 million in the preceding year, for an ending balance of \$2,790.4 million. Contributing to this outturn, the Central Bank's net foreign currency sales to commercial banks narrowed to \$34.6 million from \$57.1 million the year prior. However, commercial banks' net outflows to their customers widened to \$51.8 million from \$42.4 million in the previous year. Further, the Bank's net foreign currency sales to the public sector increased to \$49.3 million from \$29.9 million in the same period last year.

On an annual basis, external reserves grew by \$170.6 million, but narrowed compared to the \$268.7 million expansion in 2024. Underpinning this outturn, the Central Bank's net purchases from commercial banks moderated to \$115.0 million from \$143.8 million in the prior year; with commercial banks' net intake from customers reduced to \$88.2 million, from \$157.7 million in 2024. In addition, the Central Bank's net purchase from the public sector reduced to \$15.9 million from \$51.8 million in 2024.

Exchange Control Sales

Preliminary data on foreign currency sales for December showed that monthly outflows for current payments grew by \$116.1 million to \$890.1 million vis-à-vis the same 2024 period. Of note, outflows increased for factor income payments, by \$101.5 million; for “other current items”—primarily credit and debit card transactions—by \$27.3 million and for transfer payments, by \$15.9 million. Offsetting these developments, payments fell for oil imports by \$18.4 million; non-oil imports, by \$7.7 million and travel expenses, by \$2.6 million.

On a year-to-date basis, foreign currency sales for current account transactions reduced by \$269.8 million to \$7,925.6 million, compared to the year prior. In particular, decreases were posted for factor income payments (\$179.2 million); oil imports (\$174.9 million) and travel expenses (\$25.7 million). Contrastingly, outflows increased for “other” current items, inclusive of credit card transactions (\$47.1 million), transfer payments (\$30.9 million) and non-oil imports (\$31.9 million).

Domestic Credit

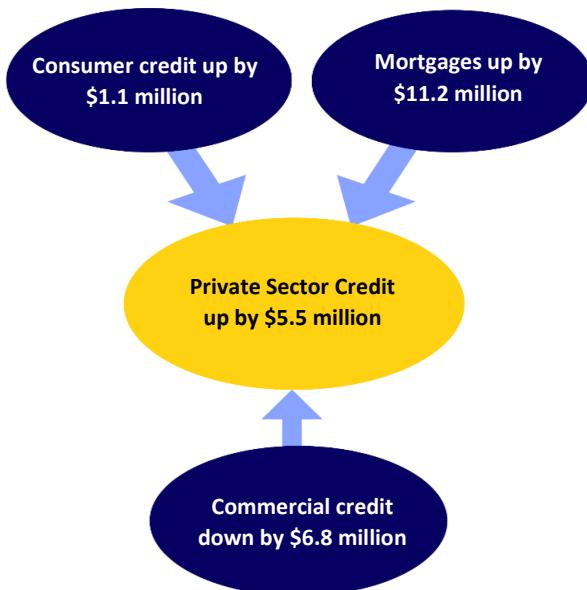
Bahamian Dollar Credit

In December, the growth in total Bahamian credit slowed to \$23.0 million from \$109.6 million a year earlier. Private sector credit gains moderated to just \$5.5 million from \$98.1 million in 2024. Contributing,

commercial loans declined by \$6.8 million, a reversal from last year's \$82.9 million expansion. In addition, consumer credit growth tapered to \$1.1 million, from \$10.5 million in the prior year. Conversely, net mortgage lending firmed to \$11.2 million from \$4.8 million the previous year. Meanwhile net claims on the Government grew further by \$17.4 million, relative to a \$16.6 million buildup in the preceding year; and credit to public corporations rose by \$0.2 million, following a \$5.2 million falloff in the preceding year.

On a yearly basis, total Bahamian dollar credit expansion was mildly moderated to \$398.1 million from \$427.9 million a year earlier. In particular, the rise in private sector credit almost steadied at \$290.8 million vis-à-vis \$296.7 million last year. Notably mortgages growth narrowed to \$48.3 million from \$67.1 million; and consumer credit gains, to \$111.8 million from \$116.8 million a year earlier. Conversely, commercial credit expansion firmed to \$130.7 million from \$112.8 million in the prior year. In addition, credit to public corporations reduced by \$13.2 million, switching from a \$14.8 million growth a year earlier. However, the increase in net claims on the Government extended to \$120.4 million, from \$116.4 million in the preceding year.

Chart 3: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

During the month of December, domestic foreign currency credit growth improved to \$10.0 million from \$4.4 million in 2024. Specifically, private sector credit gains were slightly boosted to \$11.3 million, as net commercial lending widened incrementally to \$8.0 million; with net mortgage slightly higher at \$3.3 million. In addition, net claims on the Government rose by \$0.6 million, after a \$4.3 million falloff in the prior year. However, the decline in credit to public corporations continued at \$1.9 million.

On a year-to-date basis, foreign currency credit rose by \$19.9 million, a reversal from a \$6.9 million reduction in the previous year. In this regard, private sector foreign currency credit growth moderated to \$40.6 million from \$51.1 million. Contributing, the increase in mortgages tapered to \$10.0 million from \$12.0 million, while commercial credit growth slowed to \$30.7 million from \$39.0 million in the year prior. In the meantime, the reduction in net claims on the Government narrowed to \$13.6 million, from \$51.9 million in the preceding year, outweighing a marginally firmer falloff in credit to public corporations of \$7.1 million.

Credit Quality

Although improved on an annual basis, commercial banks' credit quality indicators abated in the month of December, due to the increased short-term delinquencies. Specifically, total private sector arrears grew by \$11.4 million (2.5%) to \$461.8 million, while the accompanying ratio firmed by 18 basis points to 7.6%.

An analysis by average age of delinquency revealed that short-term arrears (31-90 days) rose by \$12.0 million (8.2%) to \$158.8 million, elevating the associated ratio by 20 basis points to 2.6%. In contrast, NPLs—arrears in excess of 90 days and on which banks have stopped accruing interest—decreased by

\$0.7 million (0.2%) to \$303.0 million, resulting in the corresponding ratio narrowing by 2 basis points to 5.0%. The NPL rate decreased for mortgages, by 6 basis points to 7.0%; and for commercial loans, by a single basis point to 3.1%. Conversely, the rate for consumer loans firmed by 3 basis points to 3.8%.

Disaggregated by loan type, mortgage arrears grew by \$7.0 million (2.6%) to \$280.8 million, largely attributed to an \$8.3 million (8.9%) rise in short-term arrears, which outstripped the \$1.3 million decline in non-accruals. Commercial delinquencies were also elevated by \$2.6 million (5.4%) to \$50.4 million, reflecting increases of \$2.2 million (28.8%) in short-term arrears and \$0.3 million (0.9%) in non-accruals. Similarly, consumer arrears rose by \$1.7 million (1.4%) to \$130.6 million, underpinned by a \$1.4 million (3.2%) rise in short-term arrears and \$0.3 million (0.4%) in non-accruals.

With regard to allowances for credit losses, banks reduced their total provisions for loan losses by \$2.2 million (0.8%) to \$261.1 million in December. As a result, the ratio of total provisions to arrears narrowed by 1.9 percentage points to 56.5%. Likewise, the ratio of total provisions to non-performing loans tapered by 51 basis points to 86.2%. During the review period, banks wrote-off an estimated \$7.6 million in overdue loans, and recovered approximately \$3.7 million.

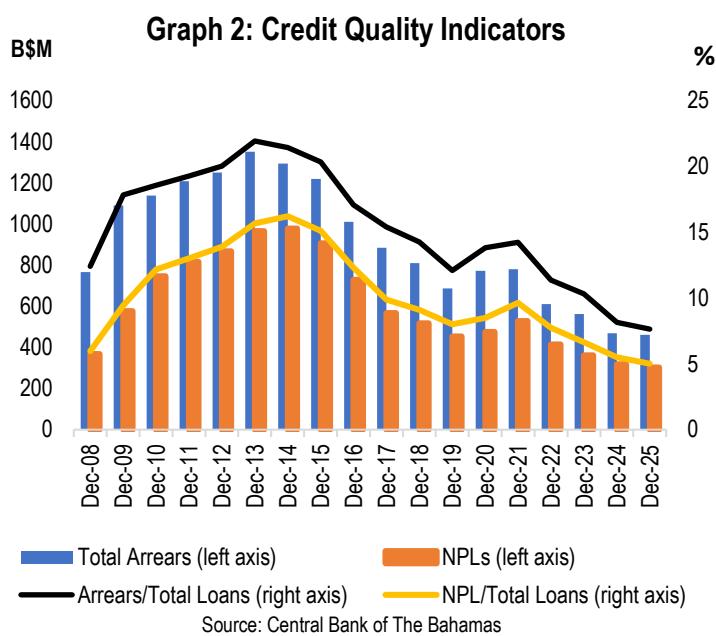
On an annual basis, total private sector arrears declined by \$7.7 million (1.7%), resulting in a 51-basis-point reduction in the associated ratio to corresponding claims. Contributing to this development, non-performing loans fell by \$14.7 million (4.6%), corresponding to a 50-basis-point decrease in the related ratio. By contrast, short-term arrears increased by \$6.9 million (4.6%), although the attendant ratio edged down by 1 basis point.

A breakdown by loan type showed that mortgage arrears declined by \$28.4 million (9.2%) owing to reductions in both long and short-term delinquencies of \$27.9 million (13.5%) and \$0.4 million (0.4%), respectively. Conversely, commercial loan arrears rose by \$18.0 million (55.4%), reflecting increases of \$13.8 million (51.7%) in non-accruals and \$4.2 million (72.5%) in short-term arrears. Meanwhile, consumer loan arrears grew by \$2.7 million (2.1%), as the \$3.1 million (7.2%) rise in short-term arrears overshadowed the \$0.5 million (0.6%) decline in long-term delinquencies.

For the year, commercial banks' total provisions for loan losses reduced by \$40.7 million (13.5%). Accordingly, the ratio of total provisions to arrears declined by 7.7 percentage points and the ratio of total provisions to NPLs by 8.9 percentage points. Over the year, banks wrote-off approximately \$62.6 million in overdue loans, and recovered an estimated \$45.6 million.

Deposits

Total Bahamian dollar deposits contracted by \$76.4 million in December, a shift from the \$67.9 million growth in the same period in 2024. Leading this outturn, demand deposits reduced by \$94.5 million,



compared to the \$67.8 million expansion a year earlier. Similarly, fixed deposits declined further to \$17.0 million from \$6.1 million last year. In contrast, savings deposits gains accelerated to \$35.0 million from \$6.2 million in the prior year. Meanwhile, residents' foreign currency deposits grew by \$123.5 million, contrasting with the \$27.9 million decrease in 2024.

On a yearly basis, expansion in Bahamian dollar deposit nearly doubled to \$572.7 million from \$299.6 million in the previous year. By category, demand deposits growth quickened to \$498.9 million from \$228.3 million in 2024; and the buildup in savings deposits extended to \$238.6 million from \$176.4 million in the preceding year. Conversely, fixed deposits reduction widened to \$164.8 million from \$105.1 million. Meanwhile, residents' foreign currency deposits recovered strongly by \$211.2 million, following the \$37.6 million decline in 2024.

Interest Rates

In interest rate developments, banks' weighted average loan rate rose by 1.3 percentage points to 11.65%. Similarly, the weighted average deposit rate firmed by 11 basis points to 0.77%. The highest deposit rate offered was 5.45%, on fixed balances over 12 months.

3. Domestic Outlook

Projections are that the domestic economy expanded at a steadied pace in 2025 vis-à-vis 2024, and could maintain this momentum into 2026, before tempering more in line with its medium-term growth potential. Key drivers for growth will continue to be closely linked to a strong performance in the real sector. Developments within the tourism sector are anticipated to remain robust, especially in the cruise segment of the market. Moreover, steadied to improved growth prospects for the United States economy are expected to bolster stopover performance. Within otherwise constrained accommodation environment, the sector's pricing could experience appreciation that support earnings gains. Meanwhile, several varied scaled foreign investment projects are anticipated to continue to provide ongoing stimulus to the construction sector. Nonetheless, downside risks to the outlook remain, against the backdrop of heightened tariffs on international trade and uncertainties surrounding major economies' trade policies, which have the potential to dampen global growth and consumer demand. Other exogenous risks to the outlook are linked to increased geopolitical tensions and elevated global oil prices.

On the labour front, employment conditions are anticipated to improve, with job gains concentrated in the tourism and construction sectors. In price developments, inflation is forecasted to remain contained in the near-term, as lower energy prices translate into reduced import costs. Nevertheless, geopolitical tensions in the Middle East and Eastern Europe pose continued upside risks to inflation.

In the fiscal sector, the Government's net financing gap is projected to continue its downward trend, bolstered by sustained revenue growth connected to tourism-driven improvements in taxable economic activities. Furthermore, the Government's net financing operations are expected to include a mix of domestic and external borrowing, with a higher proportion of total funding from domestic sources.

Monetary sector developments will continue to feature high levels of banking sector liquidity, although with reduction likely, given the upward trend in private sector credit growth. In line with this, external reserves could fluctuate within comparably stable to slightly improved levels compared to 2025; staying well above international benchmarks, and more than adequate to sustain the Bahamian dollar currency peg.

4. Monetary Policy and Financial Stability Implications

Based on the current outlook, the Central Bank will maintain its accommodative policy stance for private sector credit and continue to pursue policies that ensure a favourable outturn for external reserves and financial stability. Further, through its Monetary Policy Committee (MPC), the Bank will continue to keep abreast of developments within the foreign exchange market, and if necessary, implement appropriate measures to support a positive outcome for the foreign reserves.

APPENDIX

International Developments

The global economy maintained its growth momentum during the month of December, despite continuing to face headwinds from trade policy uncertainties, and ongoing geopolitical tensions in the Middle East and Eastern Europe. Based on the current outlook, most of the major central banks maintained a leaning to towards lower interest rates to support economic growth, as inflation rate risks subsided.

Economic developments were mostly positive in the United States during the review month. In particular, real GDP grew at an annualized rate of 4.3% in the third quarter of 2025, extending the 3.8% gain in the second quarter, underpinned by growth in consumer spending, exports, and government expenditure. In addition, industrial production rose by 0.4% in December, following an increase of the same magnitude in the previous month, supported by gains in manufacturing, mining and utilities output. Further, the consumer price index firmed by 0.3% during the review month, owing primarily to a rise in the cost of shelter. Meanwhile, the unemployment rate declined by 10 basis points to 4.4% in December, relative to November, as total non-farm payroll increased by 50,000, with job gains concentrated in food services, health care, and social assistance. In the retail sector, sales grew by 0.6% in November, a turnaround from the 0.1% decline in the previous month, buoyed by an uptick in sales from non-store retailers and food service and drinking places. On the external front, the US trade deficit contracted by \$18.8 billion (39.0%) to \$29.4 billion in October, owing to a 2.6% rise in exports, combined with a 3.2% falloff in imports. Given these developments, the Federal Reserve lowered its target range for the federal funds rate by 25 basis points to 3.50% - 3.75%, in an effort to reduce inflation and encourage further economic growth.

In the United Kingdom economic outcomes were also largely positive in the review month. Real GDP firmed by 0.3% in November, a reversal from the 0.1% contraction in October, due to an increase in services and production output. In addition, industrial production grew by 1.1% in November, following a 1.3% rise in the month prior, owing primarily to a rise in manufacturing output. Further, the falloff in retail sales slowed to 0.1% in November, from 0.9% a month earlier, as the gain in non-food stores sales offset the reduction in demand for gold jewellery items and lower supermarket sales. In price developments, the consumer price index fell by 0.2% in November, a shift from the 0.4% rise the month prior, attributed to a decline in the cost of food and non-alcoholic beverages, and alcohol and tobacco. Meanwhile, the unemployment rate remained unchanged at 5.1% in the three months to November, as compared to the previous quarter. In the external sector, the United Kingdom's trade deficit narrowed to £6.1 billion during the review month, from £6.5 billion in the previous month, on account of a 0.6% growth in exports, while imports were relatively unchanged. Against this backdrop, the Bank of England reduced its key policy rate by 25 basis points to 3.75%, in line with its objectives to achieve price stability.

For the euro area, real GDP grew by 0.3% in the third quarter, exceeding the 0.1% growth in the previous quarter, driven by an increase in household expenditure, government expenditure, and gross fixed capital formation. Industrial production rose by 0.7% in November, following a rise of the same magnitude in October, supported by increases in the production of intermediate goods and capital goods. Further, retail sales firmed by 0.2% in the review period, after rising by 0.3% the month prior, underpinned by an increase in the sales of non-food products. In addition, the unemployment rate decreased to 6.3% in December, from 6.4% in the preceding month. Meanwhile, the consumer price index grew by an annualized rate of 1.9% in December, as compared to the 2.1% in November, owing to broad-based increases across most of the categories. On the external front, the euro area's trade surplus moderated to €9.9 billion in November, from €15.4 billion a year earlier, amid a 3.4% decline in exports, which outweighed the 1.3% falloff in imports. In this environment, the European Central Bank retained its key policy rates for the deposit facility at 2.00%; the main refinancing operations rate, at 2.15%; and the marginal lending facility rate, at 2.40%.

In Asia, China's real GDP expanded by an annualized rate of 4.5% in the fourth quarter of 2025, from a 4.8% growth in the previous quarter. Industrial production also rose by 0.5% in December, outpacing the 0.4% gain in the prior month. Further, the decline in retail sales narrowed to 0.1% in the review month, from 0.4% last month. Meanwhile, the consumer price index firmed by 0.2% in December, shifting from a 0.1% decline in November. In addition, the unemployment rate remained unchanged at 5.1% in December, relative to the prior month. In external sector developments, the trade surplus widened to \$114.1 billion in December from \$105.2 billion a year earlier, as the 6.6% expansion in exports outpaced the 5.7% rise in imports. Given these developments, the People's Bank of China's left its key policy rate unchanged at 1.4%. In Japan, retail sales grew by 0.6% in November, after rising by 1.6% in October. However, industrial production decreased by 2.7% in November, a reversal of the 1.4% gain in the preceding month, due to declines in the production of electrical machinery and information and communication electronics equipment, motor vehicles, and fabricated metals. On the labour front, the unemployment rate remained unchanged at 2.6% for the fourth consecutive month. Meanwhile, the consumer price index rose to 2.9% in November, compared to the same period in 2024. In the external sector, Japan's trade position shifted to a surplus of ¥316.7 million in November, from a deficit of ¥120.8 million in the comparative 2024 period, amid a 6.1% growth in exports, which outstripped the 1.3% rise in imports. Against this backdrop, the Bank of Japan increased its key policy rate by 25 basis points to 0.75%, in an effort to achieve its target inflation rate of 2.0%.

During the month of December, most of the major indices recorded positive movements. In Europe, Germany's DAX rose by 2.7%; the United Kingdom's FTSE 100, by 2.2% and France's CAC 40, by 0.3%. Similarly, in Asia, China's SE Composite grew by 2.1%, while Japan's Nikkei firmed by 0.2%. In the United States, the Dow Jones Industrial Average (DJIA) increased by 0.7%; however, the S&P 500 edged down by 0.1%.

In the foreign exchange market, the US dollar depreciated against most of the major currencies during the review period, attributed to increase uncertainty from global trade tensions. Specifically, the US dollar weakened against the British Pound and the Canadian Dollar by 1.8% each, to £0.7421 and CAD\$1.3724, respectively. In addition, the dollar depreciated against the Swiss Franc by 1.4% to CHF 0.7926; the euro, by 1.3% to €0.8514; and Chinese Renminbi, by 1.2% to CNY 6.9880. In contrast, the US dollar rose relative to the Japanese Yen, by 0.3% to ¥156.71.

Commodity price trends varied during the review month. Notably, the price of oil decreased by 4.8% to \$61.96 in December, despite a reduction in OPEC's crude oil production by 238,000 barrels per day, to average 42.83 million barrels per day. Conversely, in the precious metal market, the price of silver rose by 26.8% to \$71.66 per troy ounce and gold, by 1.9% to \$4,319.37 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

December					
Value		Change		Change YTD	
2024	2025	2024	2025	2024	2025

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,885.27	1,845.04	-127.52	-103.98	18.19	-40.23
1.2 Excess Liquid Assets	2,960.09	3,111.32	-128.77	-59.31	75.86	151.23
1.3 External Reserves	2,619.86	2,790.44	-82.86	-76.30	268.65	170.58
1.4 Bank's Net Foreign Assets	-92.14	80.00	-18.56	130.64	-31.60	172.15
1.5 Usable Reserves	1,169.18	1,290.78	-43.67	-52.22	301.25	121.60

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,018.93	6,350.36	108.33	16.73	347.75	331.44
a. B\$ Credit	5,679.98	5,970.78	98.14	5.45	296.68	290.80
of which: Consumer Credit	2,039.50	2,151.27	10.47	1.09	116.75	111.77
Mortgages	2,729.25	2,777.59	4.79	11.18	67.12	48.34
Commercial and Other Loans B\$	911.23	1,041.92	82.87	-6.82	112.81	130.69
b. F/C Credit	338.94	379.58	10.19	11.28	51.08	40.64
of which: Mortgages	166.24	176.22	2.49	3.30	12.05	9.98
Commercial and Other Loans F/C	172.71	203.36	7.71	7.98	39.03	30.65
2.2 Central Government (net)	3,412.02	3,518.83	12.33	17.99	64.49	106.81
a. B\$ Loans & Securities	3,536.17	3,790.22	25.75	44.78	-12.15	254.04
Less Deposits	366.70	500.31	9.15	27.41	-128.57	133.61
b. F/C Loans & Securities	253.09	244.76	-3.06	0.00	-45.63	-8.33
Less Deposits	10.55	15.84	1.21	-0.62	6.30	5.29
2.3 Rest of Public Sector	348.27	327.96	-6.67	-1.66	8.77	-20.31
a. B\$ Credit	330.27	317.08	-5.17	0.22	14.77	-13.19
b. F/C Credit	18.00	10.88	-1.50	-1.88	-6.00	-7.13
2.4 Total Domestic Credit	9,779.21	10,197.15	113.99	33.07	421.01	417.94
a. B\$ Domestic Credit	9,179.72	9,577.77	109.58	23.04	427.87	398.05
b. F/C Domestic Credit	599.49	619.38	4.41	10.03	-6.86	19.89

3.0 DEPOSIT BASE

3.1 Demand Deposits	4,128.26	4,627.15	67.77	-94.49	228.29	498.89
a. Central Bank	60.72	11.85	17.71	2.73	32.73	-48.87
b. Banks	4,067.54	4,615.31	50.06	-97.21	195.56	547.76
3.2 Savings Deposits	2,444.27	2,682.87	6.18	35.00	176.42	238.60
3.3 Fixed Deposits	1,917.69	1,752.91	-6.08	-16.95	-105.10	-164.78
3.4 Total B\$ Deposits	8,490.22	9,062.94	67.87	-76.43	299.61	572.71
3.5 F/C Deposits of Residents	497.08	708.26	-27.18	123.47	-37.64	211.18
3.6 M2	8,960.98	9,579.14	82.53	-52.49	297.42	618.17
3.7 External Reserves/M2 (%)	29.24	29.13	-1.21	-0.63	2.10	-0.11
3.8 External Reserves/Base Money (%)	96.96	101.68	0.96	-0.16	8.83	4.72
3.9 External Reserves/Demand Liabilities (%)	90.30	93.04	-0.41	-1.03	11.04	2.74
	Value		Year To Date		Change	
	2024	2025	2024	2025	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-86.98	-83.87	195.63	130.93	3.12	-64.71
a. Net Purchase/(Sale) from/to Banks	-57.12	-34.59	143.82	115.02	22.54	-28.80
i. Sales to Banks	86.00	83.70	730.38	628.23	-2.30	-102.15
ii. Purchase from Banks	28.88	49.11	874.20	743.25	20.24	-130.95
b. Net Purchase/(Sale) from/to Others	-29.86	-49.28	51.81	15.91	-19.42	-35.91
i. Sales to Others	156.51	157.58	2,142.32	1,339.08	1.07	-803.24
ii. Purchase from Others	126.65	108.30	2,194.14	1,354.99	-18.35	-839.15
4.2 Banks Net Purchase/(Sale)	-42.43	-51.82	157.69	88.21	-9.39	-69.48
a. Sales to Customers	741.64	837.07	7,175.55	7,543.94	95.43	368.40
b. Purchase from Customers	699.21	785.25	7,333.24	7,632.16	86.04	298.92

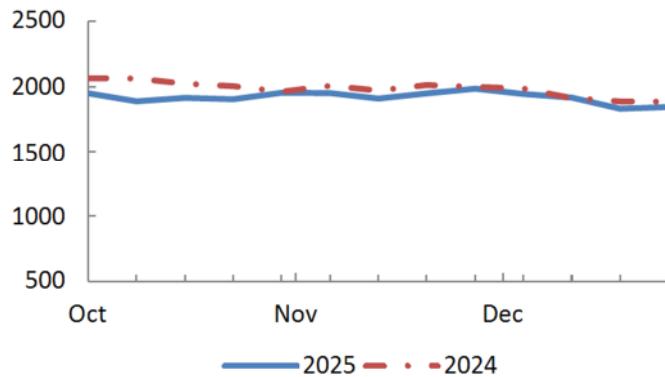
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	774.12	890.13	8,195.43	7,925.63	116.01	-269.81
of which Public Sector	125.75	152.72	1,479.95	1,140.26	26.97	-339.68
a. Nonoil Imports	203.07	195.38	2,183.69	2,215.58	-7.70	31.88
b. Oil Imports	66.86	48.51	750.85	576.00	-18.35	-174.85
c. Travel	33.57	30.99	289.69	264.05	-2.58	-25.65
d. Factor Income	40.92	142.39	901.40	722.18	101.47	-179.22
e. Transfers	25.82	41.69	228.78	259.68	15.87	30.90
f. Other Current Items	403.88	431.17	3,841.02	3,888.13	27.29	47.11
5.2 Capital Items	147.32	20.11	998.33	529.55	-127.22	-468.79
of which Public Sector	73.54	5.10	727.19	274.97	-68.44	-452.22

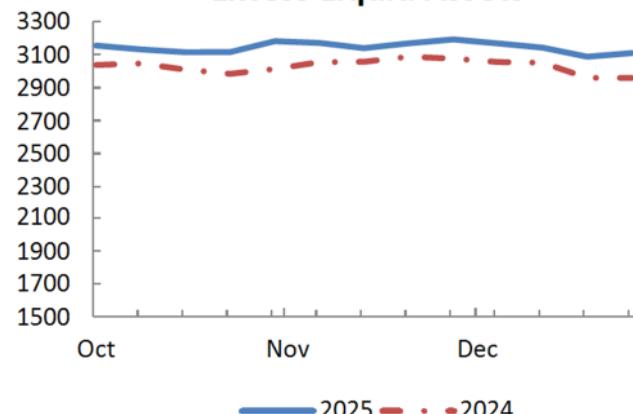
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

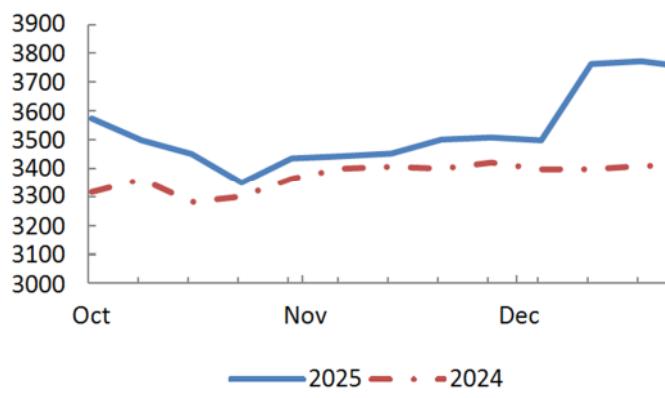
Excess Reserves



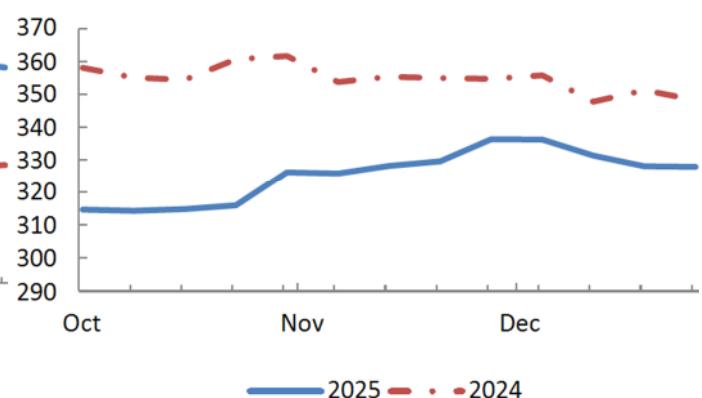
Excess Liquid Assets



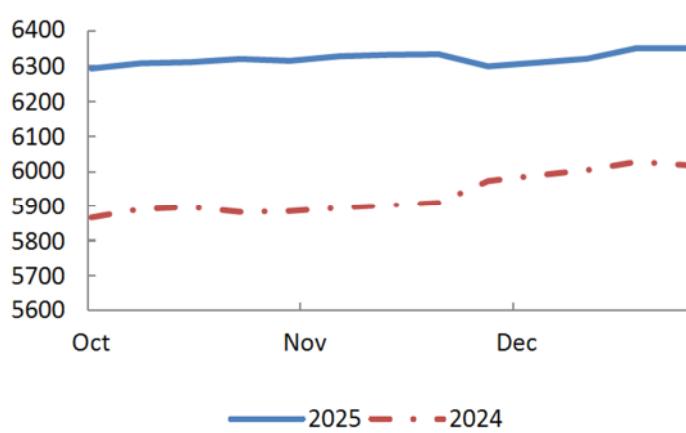
Central Govt. Credit (Net)



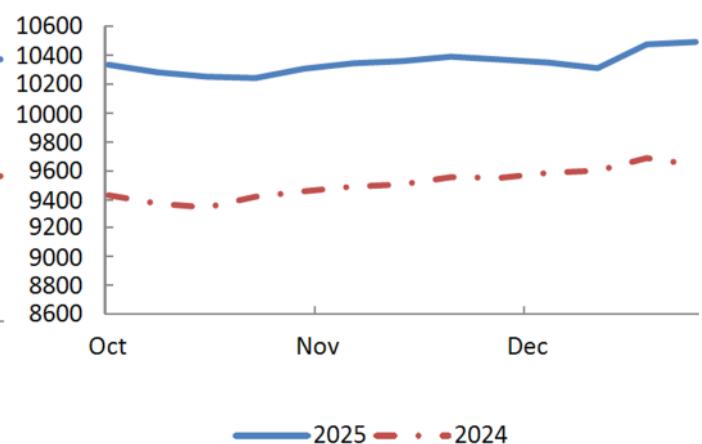
Rest of Public Sector Credit



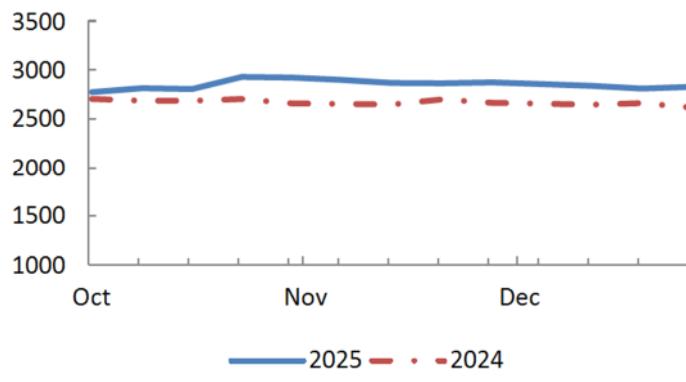
Private Sector Credit



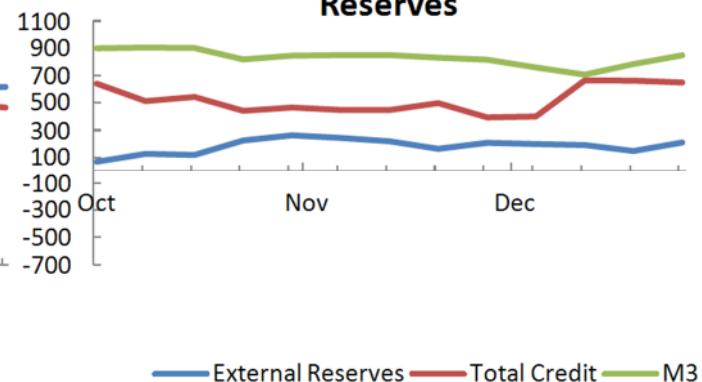
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External Reserves



Changes in Money, Credit & Ext. Reserves



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2024	2025	2024	2025	2024	2025
Bahamas	3.4	2.2	0.4	0.5	9.4	9.3
United States	2.8	2.1	3.0	2.7	4.0	4.2
Euro-Area	0.9	1.4	2.4	2.1	6.4	6.4
Germany	-0.5	0.2	2.5	2.1	3.4	3.7
Japan	-0.2	1.1	2.7	3.3	2.6	2.6
China	5.0	5.0	0.2	0.0	5.1	5.1
United Kingdom	1.1	1.4	2.5	3.4	4.3	4.7
Canada	2.0	1.6	2.4	2.0	6.4	6.6

Source: IMF World Economic Outlook January 2026

B: Official Interest Rates – Selected Countries (%)					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit	Target Funds	Repo Rate
December 2023	4.00	4.50	5.50	5.25-5.50	5.25
January 2024	4.00	4.50	5.50	5.25-5.50	5.25
February 2024	4.00	4.50	5.50	5.25-5.50	5.25`
March 2024	4.00	4.50	5.50	5.25-5.50	5.25
April 2024	4.00	4.50	5.50	5.25-5.50	5.25
May 2024	4.00	4.50	5.50	5.25-5.50	5.25
June 2024	4.00	4.25	5.50	5.25-5.50	5.25
July 2024	4.00	4.25	5.50	5.25-5.50	5.25
August 2024	4.00	3.65	5.50	5.25-5.50	5.00
September 2024	4.00	3.65	5.50	4.75-5.00	5.00
October 2024	4.00	3.40	5.00	4.75-5.00	5.00
November 2024	4.00	3.40	4.75	4.50-4.75	4.75
December 2024	4.00	3.15	4.50	4.25-4.50	4.75
January 2025	4.00	3.15	4.50	4.25-4.50	4.75
February 2025	4.00	2.90	4.50	4.25-4.50	4.50
March 2025	4.00	2.65	4.50	4.25-4.50	4.50
April 2025	4.00	2.40	4.50	4.25-4.50	4.50
May 2025	4.00	2.40	4.50	4.25-4.50	4.50
June 2025	4.00	2.15	4.50	4.25-4.50	4.50
July 2025	4.00	2.15	4.50	4.25-4.50	4.25
August 2025	4.00	2.15	4.50	4.25-4.50	4.00
September 2025	4.00	2.15	4.50	4.00-4.25	4.00
October 2025	4.00	2.15	4.50	4.00-4.25	4.00
November 2025	4.00	2.15	4.00	3.75-4.00	4.00
December 2025	4.00	2.15	3.75	3.50-3.75	3.75

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Dec-24	Nov-25	Dec-25	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9658	0.8622	0.8514	-1.26	-11.85	-11.85
Yen	157.20	156.18	156.71	0.34	-0.31	-0.31
Pound	0.7990	0.7556	0.7421	-1.78	-7.12	-7.12
Canadian \$	1.4384	1.3977	1.3724	-1.81	-4.59	-4.59
Swiss Franc	0.9074	0.8040	0.7926	-1.42	-12.65	-12.65
Renminbi	7.2993	7.0745	6.9880	-1.22	-4.26	-4.26

Source: Bloomberg as of December 31st ,2025

D. Selected Commodity Prices (\$)					
Commodity	Dec-24	Nov-25	Dec-25	Mthly % Change	YTD % Change
Gold / Ounce	2642.50	4239.43	4319.37	1.89	63.46
Silver / Ounce	28.90	56.50	71.66	26.84	147.97
Oil / Barrel	74.38	65.05	61.96	-4.75	-16.70

Source: Bloomberg as of December 31st ,2025

E: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	3.6500	3.9000	1.9799
1 Month	3.6900	3.8100	1.9850
3 Month	3.8500	3.8975	2.0900
6 Month	3.8100	3.9700	2.1450
9 Month	3.7900	3.9700	2.1705
1 year	3.7650	3.9900	2.2250

Source: Bloomberg as of December 31st ,2025

F. Equity Market Valuations December 31st, 2025 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	1.95	0.73	-0.05	2.17	0.33	2.74	0.17	2.06
3 month	1.13	0.99	0.08	2.20	0.35	6.67	-3.95	0.35
YTD	3.37	12.97	16.39	21.51	10.42	23.01	26.18	18.41
12-month	3.37	12.97	16.39	21.51	10.42	23.01	26.18	18.41

Sources: Bloomberg and BISX

Summary Accounts of the Central Bank
(B\$ Millions)

	VALUE										CHANGE									
	Nov. 05	Nov. 12	Nov. 19	Nov. 26	Dec. 03	Dec. 10	Dec. 17	Dec. 24	Dec. 31	Nov. 05	Nov. 12	Nov. 19	Nov. 26	Dec. 03	Dec. 10	Dec. 17	Dec. 24	Dec. 31		
I. External Reserves	2,925.02	2,901.15	2,870.29	2,866.74	2,875.86	2,858.44	2,840.68	2,812.82	2,830.26	(6.86)	(23.87)	(30.86)	(3.55)	9.12	(17.41)	(17.76)	(27.86)	17.44		
II. Net Domestic Assets (A + B + C + D)	(117.14)	(97.99)	(106.95)	(51.90)	(33.56)	(41.01)	(46.71)	(56.31)	(84.67)	42.91	19.15	(8.96)	55.06	18.33	(7.45)	(5.69)	(9.61)	(28.36)		
A. Net Credit to Gov't (I + ii + iii -iv)	697.54	690.74	683.19	751.76	774.96	776.69	790.40	755.26	727.21	45.62	(6.79)	(7.55)	68.57	23.20	1.73	13.71	(35.14)	(28.05)		
i) Advances	511.27	511.27	511.27	561.27	561.27	561.27	561.27	561.27	561.27	50.00	-	-	50.00	-	-	-	-	-		
ii) Registered Stock	414.88	415.22	415.71	415.62	417.29	417.54	411.63	411.36	411.36	1.53	0.34	0.49	(0.10)	1.68	0.25	(5.91)	(0.26)	-		
iii) Treasury Bills	(0.00)	-	(0.00)	-	-	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	0.00	-	(0.00)	(0.00)	0.00	-	-		
iv) Deposits	228.62	235.76	243.80	225.13	203.61	202.13	182.50	217.38	245.42	5.91	7.13	8.04	(18.67)	(21.53)	(1.48)	(19.63)	34.87	28.05		
B. Rest of Public sector (Net) (i+ii-iii)	(21.07)	9.52	3.13	(3.71)	(10.25)	(9.63)	(16.58)	(13.17)	(7.68)	0.68	30.59	(6.39)	(6.84)	(6.54)	0.62	(6.95)	3.41	5.49		
i) Loans	1.25	1.25	1.25	1.25	1.25	1.25	1.25	-	-	-	-	-	-	-	-	-	(1.25)	-		
ii) Bonds/Securities	4.14	4.14	4.16	4.16	4.16	4.16	4.16	4.16	4.16	-	-	0.02	-	-	-	-	-	-		
iii) Deposits	26.46	(4.13)	2.28	9.12	15.66	15.04	22.00	17.34	11.85	(0.68)	(30.59)	6.41	6.84	6.54	(0.62)	6.95	(4.66)	(5.49)		
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
D. Other Items (Net)*	(793.60)	(798.26)	(793.27)	(799.95)	(798.28)	(808.07)	(820.53)	(798.40)	(804.20)	(3.39)	(4.65)	4.98	(6.68)	1.67	(9.79)	(12.45)	22.13	(5.80)		
III. Monetary Base	2,807.88	2,803.15	2,763.34	2,814.85	2,842.29	2,817.43	2,793.97	2,756.51	2,745.59	36.05	(4.73)	(39.82)	51.51	27.45	(24.86)	(23.46)	(37.47)	(10.92)		
A. Currency in Circulation	648.07	644.64	637.52	652.43	654.80	656.71	664.06	707.77	707.77	11.23	(3.44)	(7.11)	14.91	2.37	1.91	7.34	43.72	0.00		
B. Bank Balances with CBOB	2,159.81	2,158.52	2,125.81	2,162.42	2,187.49	2,160.72	2,129.92	2,048.73	2,037.82	24.82	(1.29)	(32.70)	36.60	25.07	(26.77)	(30.80)	(81.18)	(10.92)		

FISCAL/REAL SECTOR INDICATORS

(BS MILLIONS)

(% change represents current period from previous period)

* Includes Net Lending to Public Corporations

** Debt figures include Central Government only, unless otherwise indicated

p - provisional