**Press Release**

# The Bahamas Financial Stability Council Convenes for the Third Quarter of 2026

The Bahamas Financial Stability Council ('the Council') held its third meeting of 2026 on 16 September 2026.

During the meeting the Council continued their work toward strengthening the analytical framework for financial stability, particularly around interconnectedness across key sectors, assessment of climate and cybersecurity related risks, and improving data coverage.

Council members furthered their discussions around identified domestic sectors and activities that have the potential to impact financial stability, and how these industries can be included in ongoing financial stability assessments. Against this backdrop, the Council continued to strengthen data collection on interconnections between the gaming sector flows and banking sector. Strategies proposed to build upon these efforts include strengthened regulatory cooperation between the Central Bank of The Bahamas and the Gaming Board for The Bahamas.

The Council also discussed the findings of the 2025 Financial Stability Report[1] which provided a holistic look at the domestic financial services sector using data from various industries. The report reflected strong resilience amongst commercial banks, supported by robust capital buffers, satisfactory provisioning, and capital ratios remaining soundly above regulatory minimums. Over 2025, the securities industry posed no material risk to domestic financial stability, supported by low interconnectedness with local banking and insurance sectors. Despite marginal declines in the assets under investment fund administration and the regulatory capital surpluses, asset quality indicators remained adequate. Further, performance indicators in the insurance sector maintained an upward trajectory, in 2025, driven by strengthened profitability across both life and non-life segments. Although registering some mixed movements in the sector's financial stability indicators, key ratios remained above international standards. The Financial Stability Report also addressed the exogenous risk factors such as geo-political tensions and global oil prices that could adversely impact macroeconomic stability through prolonged stressed conditions. Moving forward, the Council plans to maintain sectoral oversight and strengthen coordination to safeguard medium-term financial stability.

Lastly, the Council discussed the potential impact of emerging risks to financial stability, particularly underscoring the importance of maintaining robust domestic safeguards and response mechanisms against cyber security risks. Such threats have been amplified in the rapidly evolving space of artificial intelligence. The Council acknowledged that effectively managing these vulnerabilities is paramount to safeguarding consumer trust and maintaining the stability of the broader financial architecture. The Council members agreed to work to develop sector-wide preparedness plans to address this evolving landscape, collaborating closely as necessary with the national Computer Incident Response Team of The Bahamas (CIRT-BS). Interventions also centred

[1] Financial Stability Report 2025

around several key pillars including, establishing a streamlined incident reporting and management framework, and harmonising regulatory guidance across the industry.

The next meeting of the Council is scheduled for December 2026.

**17 September 2026** ■

About the BFSC: The Bahamas Financial Stability Council (BFSC) was formed through a multi-agency Memorandum of Understanding (MOU) between the Ministry of Finance, the Central Bank of The Bahamas, the Securities Commission of The Bahamas, the Insurance Commission of The Bahamas, and the Deposit Insurance Corporation in December 2024. The BFSC serves as a collaborative platform for key regulatory and oversight bodies, to comprehensively monitor, assess and respond to emerging risks and vulnerabilities within the Bahamian financial system, through strategic coordination, information sharing, and proactive risk management.