

Bank Lending Conditions Survey Report

December 2025

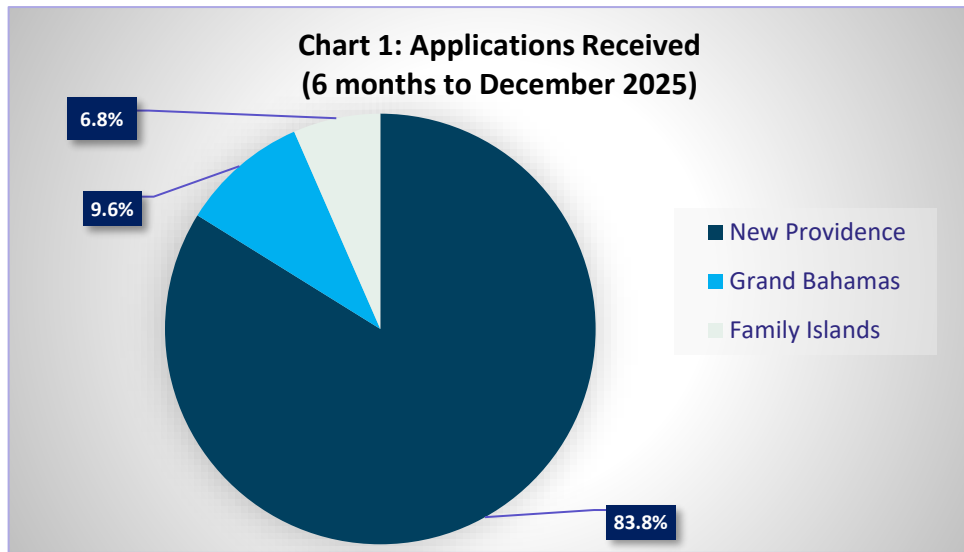
Prepared by: Research Department



The Bank Lending Conditions Survey (BLCS) - issued quarterly and results published semi-annually - contains 12 questions on private sector lending. It collects data on the number of loan applications received, approved and denied, providing insight into credit demand. In addition, banks report their views on changes in lending conditions from one quarter to the next.

I. Overall Assessment

The Central Bank’s latest survey of commercial banks indicates continued improvements in lending conditions and credit demand during the second half of 2025, largely attributed to a rise in consumer credit requests and higher approval rate for credit applications. While the latter also signals strengthened overall eligibility, for applications inevitably denied, the most commonly cited reasons for loan denials at lending institutions continued to include factors such as high debt service ratios (DSR), prior loan delinquencies, insufficient job tenure, and a range of “other” miscellaneous explanations.

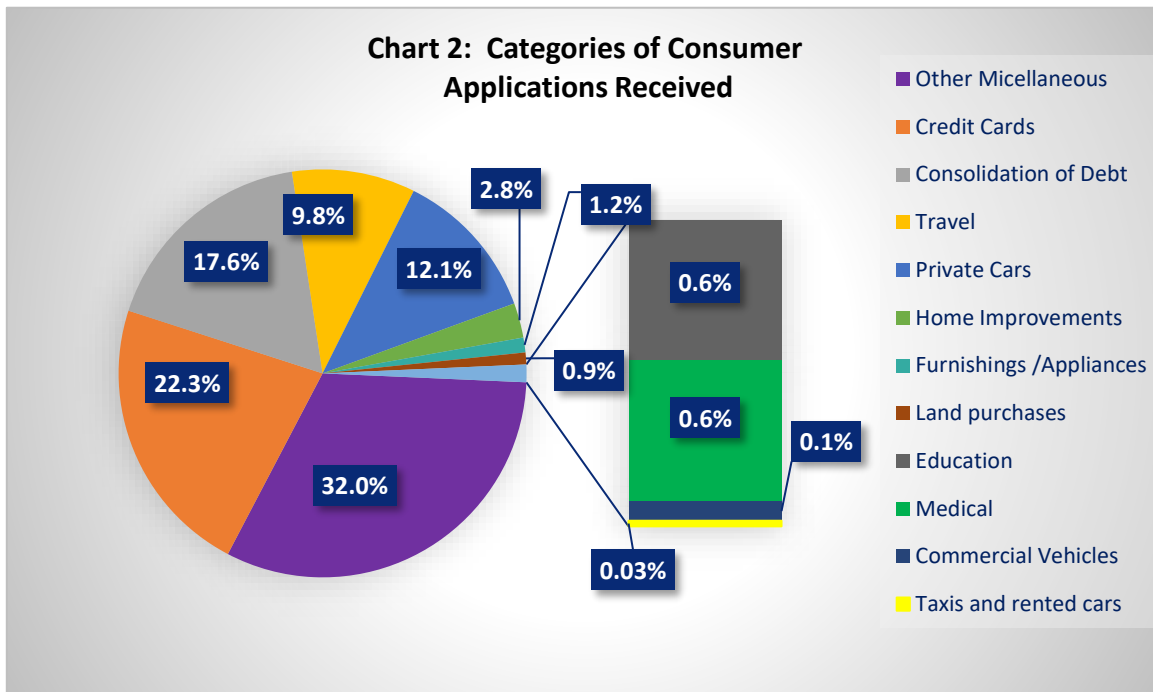


“Bank lending conditions continued to improve during the latter half of 2025, reflective of a rise in total credit applications received and approved.”

Applications Recieved	Applications Approved	Loan Denials
<ul style="list-style-type: none"> •20,376 •Up 1.1% over the six months to December 2024. 	<ul style="list-style-type: none"> •17,461 •Up 7.3% relative to December 2024. •Approval Rate: 85.7% 	<ul style="list-style-type: none"> •1,409 •Down 24.4% since December 2024. •Top 3 reasons: "other" miscellaneous factors, high DSR and prior loan delinquencies.

II. Consumer Loans

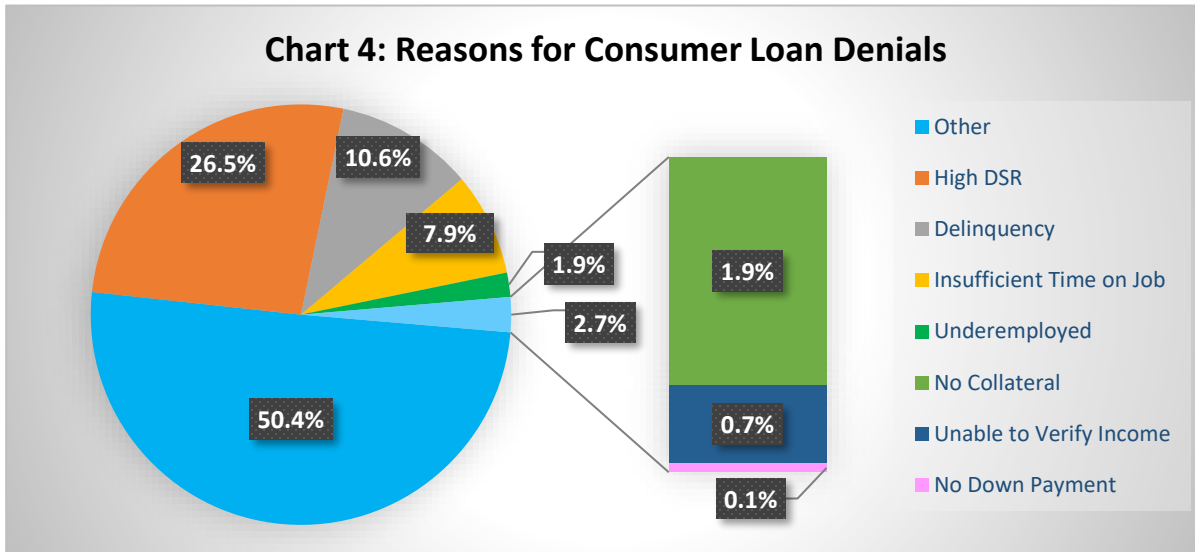
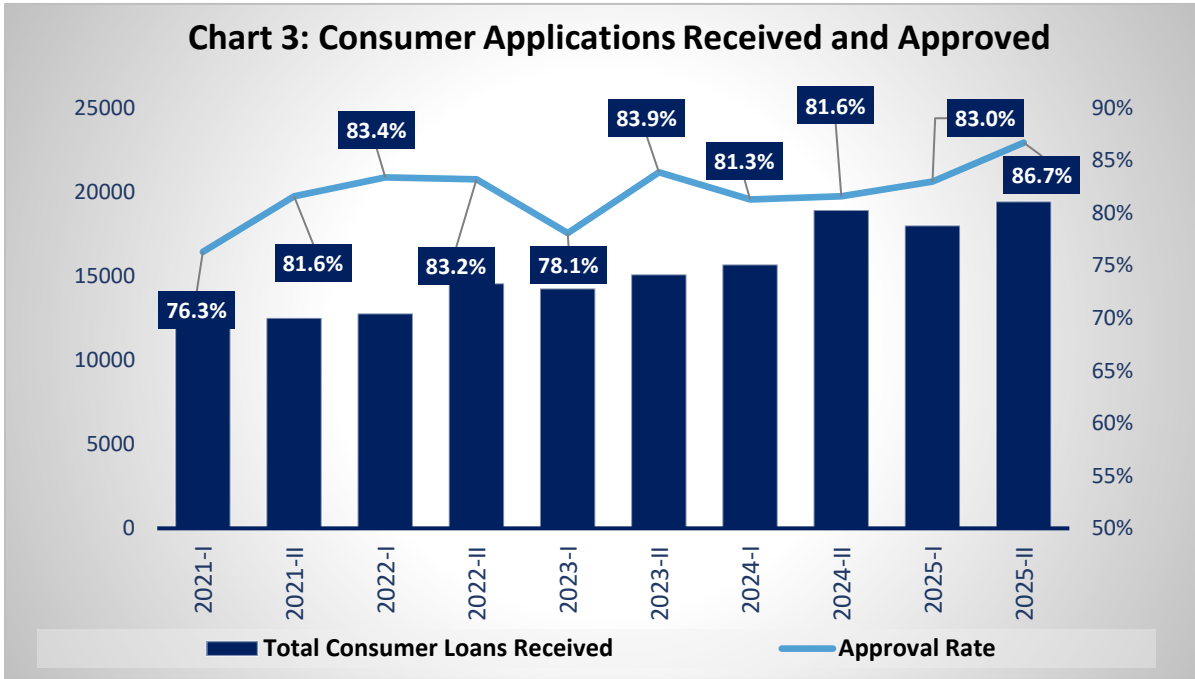
Consumer borrowing remained the dominant credit component, accounting for 95.5% of loan applications. Requests increased by 2.7% year-on-year (six-months to December 2025 vis-à-vis the same period in 2024), on account of a rise in applications received from New Providence (2.5%), Grand Bahama (2.0%), and the Family of Islands (6.2%). Of the 19,450 consumer loan applications received, requests were largely for “other” miscellaneous purposes (32.0%), credit cards (22.3%), consolidation of debt (17.6%), private cars (12.1%), and travel (9.8%) (see Chart 2).



Analysis by component revealed increases for private vehicles, by 39.3% and commercial vehicles, by 21.4%. In a similar trend, higher demand was noted for consolidation of debt (19.2%), credit cards (4.8%) and medical (0.8%). Conversely, applications reduced for education (26.6%), taxis and rented cars (16.7%), other miscellaneous (9.4%), home improvements (8.9%), travel (7.1%), furnishings/appliances (6.2%), and land (1.1%).

Rising faster than the rate of increase in requests, the number of approved consumer loan applications firmed by 9.1%, following a gain of 21.9% during the same period last year. Similarly, the average approval rate moved higher by 5.0 percentage points to 86.7%.

In terms of loan denials, only 13.3% of consumer financing requests were rejected, with lending institutions frequently citing reasons such as other “miscellaneous” factors (50.4%)—which includes low credit scores, purposes outside of banks’ policies and excessive risk—high debt service ratios (26.5%), prior loan delinquencies (10.6%) and insufficient job tenure (7.9%).



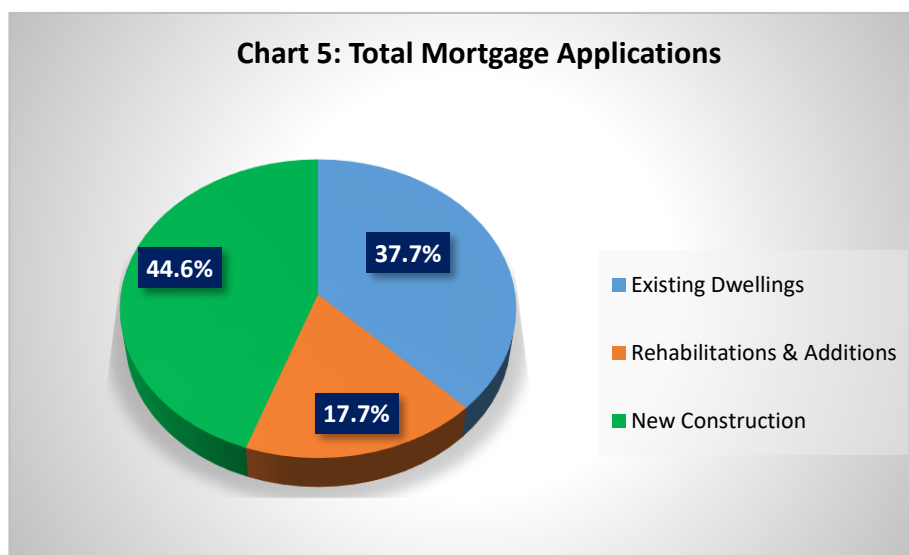
III. Mortgages

During the six-months to December 2025, lending institutions processed 547 mortgage applications, all of which were for residential properties.

Submissions for residential mortgages declined by 24.6%, year-on-year, after a 12.4% falloff in the comparative period of 2024. Underpinning this outturn, contractions were posted against existing

dwellings, by 51.5% and rehabilitations & additions, by 38.6%. Meanwhile, new construction financing requests expanded by 71.8%.

Of total mortgage financing requests, 44.6% were for new construction, while existing residential dwellings and rehabilitations & additions constituted 37.7% and 17.7% of demand, respectively. However, no commercial credit applications were received during the second half of 2025, similar to the previous year.

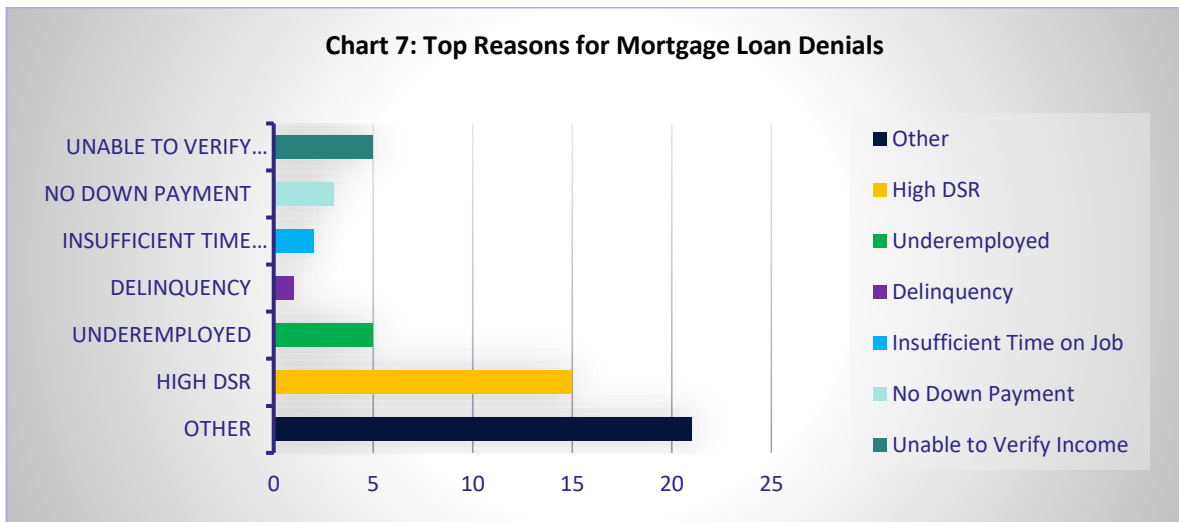
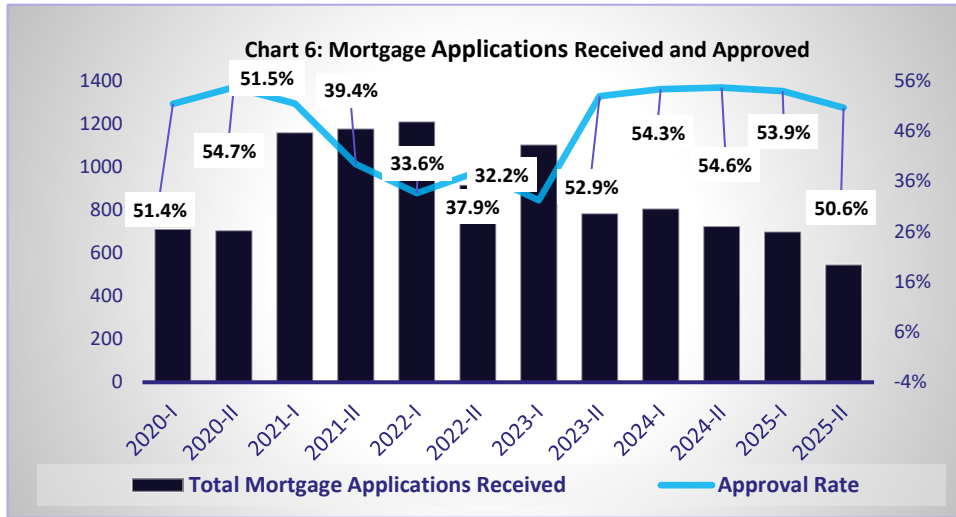


Classified by island, mortgage applications processed declined for properties in the Family Islands by 75.0%, while submissions fell in Grand Bahama, by 28.1% and in New Providence, by 21.3%.

Across all categories, the mortgage approval rate remained the lowest, at 50.6% in the second half of 2025, representing a 3.3 percentage point reduction vis-à-vis the same period in 2024. In particular, approval rates for financing against existing dwellings and new construction were 90.3% and 34.8%, respectively, while requests for renovation projects were approved at a rate of just 6.2%.

Overall, 49.4% of all mortgage applications were denied, citing other “miscellaneous” factors—these may include, but are not limited to low credit scores, lending outside of bank policy and missing information—as the main reason in 40.4% of instances. Other reasons mentioned included higher debt service ratios (28.9%)—ratios which surpassed the revised threshold of 50.0%¹—underemployment (9.6%), inability to verify income (9.6%), no down payment (5.8%), insufficient job tenure (3.9%) and prior loan delinquencies (1.9%).

¹ In August 2022, the threshold increased to 50.0% from a range of 40.0%-45.0%.



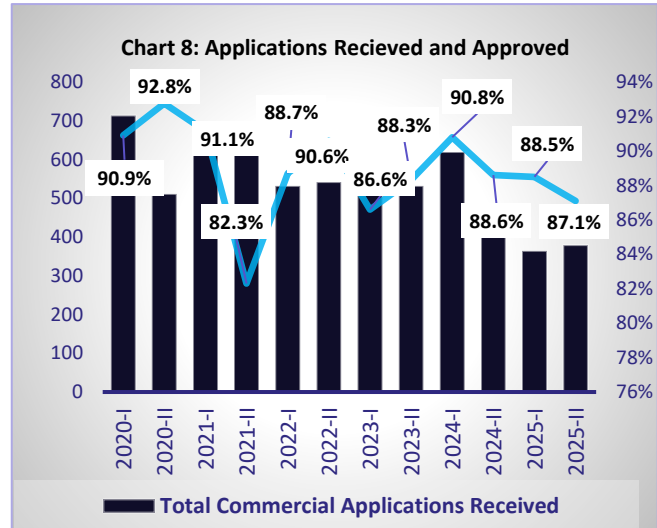
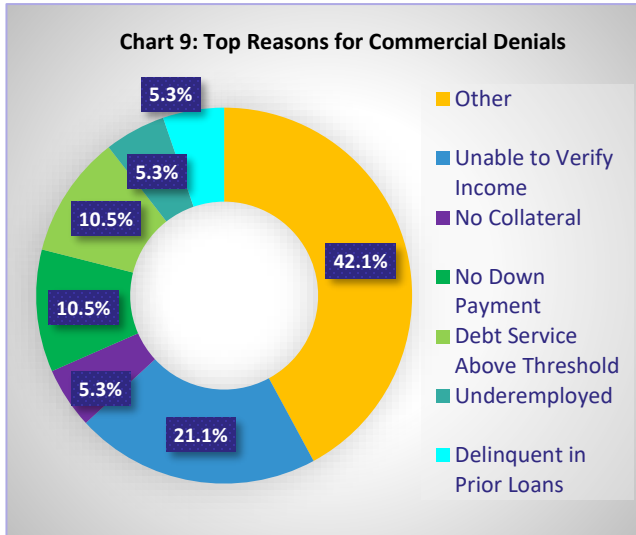
IV. Commercial Loans

Commercial requests comprised the smallest share of total loan applications (1.9%). Banks reviewed 379 applications for commercial financing over the second half of 2025, representing a 21.7% reduction, exceeding the 9.0% decline last year.

The outcome was led primarily by New Providence, which accounted for the majority of commercial requests, with an average approval rate of 88.2%, while 16.7% of commercial loan requests from Grand Bahama were approved.

The average approval rate for commercial applications decreased by 1.6 percentage points to 87.1%, relative to the six-months to December 2024.

Concerning denials, the most common causes noted were “other” unclassified (42.1%) reasons—such as excessive risk which did not meet requirements for commercial lending—the inability to verify income (21.1%), no down payment (10.5%) and high debt service ratios (10.5%). Further, lack of collateral, prior loan delinquency, and underemployment were each cited as reasons for denial in 5.3% of instances.



V. Banks' Assessment of Credit Conditions

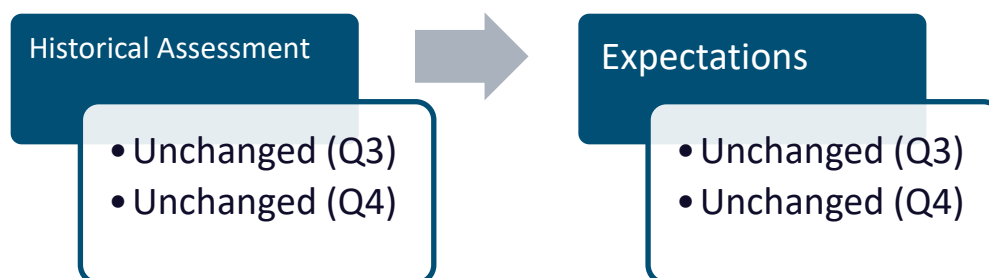
Supporting Lending Conditions

Most of the respondent institutions reduced lending rates during the six-months to December 2025. Further, at least two institutions disclosed lowered down payment requirements, while one institution extended repayment terms. Moreover, no new deferral arrangements were disclosed for monthly payments.

Table 1: Second Half of 2025 Lending Conditions				
Of 7 lenders, for:	Quarter III 2025		Quarter IV 2025	
	Mortgage	Consumer	Mortgage	Consumer
Reduced Lending Rate	4	3	4	3
Reduced Down Payment	2	1	2	1
Extended Payment Terms	0	1	0	1
Deferred Payments	0	0	0	0

Historical Assessment

In an assessment of the overall lending environment, creditors conveyed that in comparison to the previous period, conditions were largely unchanged. Similarly, borrowers' loan eligibility, quality of collateral and borrowers debt servicing capacity remained the same.



Near-Term Outlook

Most creditors indicated that near-term expectations of credit conditions would remain largely unchanged.

VI. Conclusion

- ✓ Relative to the second half of 2024, evidenced by the uptick in the number of loan applications, domestic credit demand improved during the July to December 2025 period, sustaining the trends recorded in the prior year.
- ✓ Consumer credit accounted for 95.5% of total loan applications, with the average approval rate increasing by 5.0 percentage points to 86.7%, vis-à-vis December 2024.
- ✓ Total residential mortgage applications declined by 24.6% year-on-year, with the approval rate decreasing by 4.0 percentage points, to 50.6%.
- ✓ Demand for commercial credit fell during the six-months to December 2025, with a 21.7% decrease in applications; and the approval rate fell by 1.6 percentage points to 87.1%.
- ✓ A significant number of unsuccessful credit applications were mainly due to miscellaneous reasons, such as excessive risk, low credit scores and purposes outside of banks' policies. Further reasons included high debt service ratio (DSR), delinquency in prior loans, insufficient time on the job, no collateral, and underemployment.

ANNEX

Table 1: No. of Loans Applications Received and Approved

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	2024			2025						Changes					
	Jul - Dec			Jan-Jun			Jul-Dec			Jul-Dec 25/Jan-Jun 25			Jul-Dec 2025/Jul-Dec 2024		
	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	725	396	54.6%	699	377	53.9%	547	277	50.6%	-21.7%	-26.5%	-3.3%	-24.6%	-30.1%	-4.0%
Consumer	18,936	15,455	81.6%	18,018	14,949	83.0%	19,450	16,854	86.7%	7.9%	12.7%	3.7%	2.7%	9.1%	5.0%
Commercial	484	429	88.6%	364	322	88.5%	379	330	87.1%	4.1%	2.5%	-1.4%	-21.7%	-23.1%	-1.6%
TOTAL	20,145	16,280	80.8%	19,081	15,648	82.0%	20,376	17,461	85.7%	6.8%	11.6%	3.7%	1.1%	7.3%	4.9%

Table 2: No. of Loan Applications Received and Approved By Island (July - Dec '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	492	241	49.0%	46	29	63.0%	9	7	77.8%	547	277	50.6%
Consumer	16,221	14,047	86.6%	1,904	1,614	84.8%	1,325	1,193	90.0%	19,450	16,854	86.7%
Commercial	372	328	88.2%	6	1	16.7%	1	1	100.0%	379	330	87.1%
TOTAL	17,085	14,616	85.5%	1,956	1,644	84.0%	1,335	1,201	90.0%	20,376	17,461	85.7%

**Table 3
Consumer Loans by Type (July-Dec '25)**

	Received	Approvals	
		No.	Rate
Private cars	2346	1993	85.0%
Taxis & rented cars	5	3	60.0%
Furnishings/Appliances	228	205	89.9%
Commercial vehicles	17	10	58.8%
Travel	1902	1694	89.1%
Education	124	111	89.5%
Medical	125	105	84.0%
Home improvements	535	472	88.2%
Land purchases	184	131	71.2%
Consolidation of debt	3427	3078	89.8%
Credit cards	4335	3777	87.1%
Other miscellaneous	6222	5275	84.8%