2025 Annual Report

& Financial Statements for the Year Ending December 31, 2025

DEPOSIT INSURANCE CORPORATION
BAHAMAS

DEPOSIT INSURANCE CORPORATION
BAHAMAS

SAFEGUARDING YOUR FUNDS

The Deposit Insurance Corporation (Corporation) provides deposit insurance protection and support for Bahamian dollar deposits, thus minimizing risk to depositors and contributing to the stability of the Bahamian financial sector.

DEPOSIT INSURANCE CORPORATION
BAHAMAS

DEPOSIT INSURANCE CORPORATION
BAHAMAS

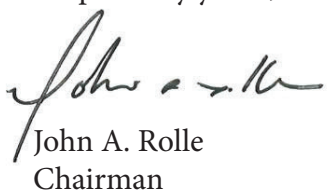
August 14, 2026

The Hon. Michael B. Halkitis
Minister of Finance
Ministry of Finance
Cecil Wallace-Whitfield Centre
West Bay Street
Nassau, N.P., Bahamas

Dear Minister:

In accordance with Section 19 of the Protection of Depositors (Amendment) Act, 2020, I have the honor of forwarding to you, on behalf of the Board of Directors, the Annual Report of the Deposit Insurance Corporation for the financial year ended December 31, 2025. Included with this Report is the Annual Statement of Accounts of the Corporation duly certified by its Auditors for the year.

Respectfully yours,



John A. Rolle
Chairman

Our Mission

To provide deposit insurance protection and support for Bahamian dollar depositors, and thereby contribute to the stability of the domestic financial sector by minimizing the risk of loss to depositors.

DEPOSIT INSURANCE CORPORATION
BAHAMAS

Our Vision

We strive to be an effective and prudent deposit insurer, achieving full compliance with international best practices for effective deposit insurance systems.

Our corporate values

Excellence
We aim to achieve the highest standards of quality and service in the execution of our duties.

Integrity
We honor our commitments and accept responsibility for our actions.

Reliability
We commit to meeting our obligations in a timely and efficient manner.

Communication
Our communications with stakeholders will be effective and transparent.

Acronyms

BFSC	Bahamas Financial Stability Council
BTCRA	Banks and Trust Companies Regulations Act
BCBS	Basel Committee on Banking Supervision
CBBA	Central Bank of The Bahamas Act
CBTC	IADI's Capacity Building Technical Committee
CRC	Caribbean Regional Committee of Deposit Insurers
DIC	Deposit Insurance Corporation (or Corporation)
D-SIB	Domestic Systemically Important Bank
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
GDP	Gross Domestic Product
IADI	International Association of Deposit Insurers
IMF	International Monetary Fund
MOU	Memorandum of Understanding
NPL	Non-Performing Loan
PDA	Protection of Depositors Act
RCMU	Resolution and Crisis Management Unit
SFI	Supervised Financial Institution

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Message from the Chairman

The Bahamian economy continued to expand at a healthy pace in 2025. Despite deceleration from the strong post pandemic rebound, output growth remained above its medium-term potential, driven by moderately expanded stopover earnings, and robust strengthening in cruise output. Sustained foreign investment inflows, including on tourism-related projects, helped boost construction sector activity and employment. The economy also supported further revenue-led improvement in fiscal indicators. Meanwhile, inflation firmed slightly amid elevated global energy prices and imported cost pass through tariff increases impacting consumer prices in the United Stated.

Amid continued growth in private sector lending, further improved credit quality and elevated profitability, the domestic banking system remained well-capitalized and liquid, reflecting the strengthening domestic economic conditions. External reserves also remained at healthy levels, supported by tourism receipts and foreign exchange inflows.

In this environment, the DIC continued to effectively discharge its mandate, protecting insured depositors and contributing to public confidence in the Bahamian financial system. The Corporation remained focused on maintaining operational readiness, strengthening its governance framework, and enhancing its ability to respond effectively in the event of financial sector stress.

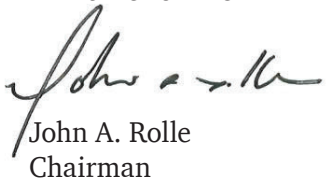
During the year, the Corporation continued to work closely with the Central Bank of The Bahamas and other members of the financial safety net system to support financial system stability and depositor protection. Particular emphasis remained on strengthening the Corporation's reimbursement capacity and enhancing its preparedness to support resolution activities in the event of member institution distress. The Corporation also advanced initiatives aimed at strengthening public awareness of deposit insurance.

The Deposit Insurance Fund increased by 13.8% during the year to $116.6 million, supported by premium contributions from member institutions and earned income on the invested Fund. Membership in the deposit insurance scheme remained at nineteen institutions, comprising commercial banks, credit unions and banks and trust companies holding Bahamian dollar deposits.

At the Board level, Directors remained committed to ensuring that the Corporation operated in accordance with international best practices while maintaining prudent oversight of its resources and responsibilities. Directors also continued to monitor developments in the domestic financial system and the economy, to assess their ongoing impact on the safety and soundness of member institutions.

Over the medium-term, indicators of financial soundness and safety are expected to continue to strengthen, in line with improvement in the economy and enhanced frameworks such as the credit bureau, which support improved credit risk management practices. Continued strengthening of The Bahamas' financial stability oversight and crisis management frameworks should keep pace with these developments, with the DIC's strategic efforts contributing significantly. It is a process of maturity to which the Central Bank is also committed as the principal sponsor of the DIC.

On behalf of the Board of Directors, I extend sincere appreciation to the Corporation's management and staff, for their professionalism and dedication throughout the year. I also thank our stakeholders, member institutions, regulatory partners, and the other staff of the Central Bank of The Bahamas for their continued cooperation and support. With this underpinning, the DIC remain well-positioned to continue to fulfilling its important safety net mandate for the Bahamian financial system.



John A. Rolle
Chairman
Deposit Insurance Corporation

Corporate Profile

BOARD OF DIRECTORS

John Rolle	Chairman of the Board of Directors, Governor, Central Bank of The Bahamas
Simon Wilson	Financial Secretary, Ministry of Finance
James Carey	Senior Consultant, Independent Solutions Ltd.
Khrystle Rutherford-Ferguson	Immediate Past Chairman, The Bahamas Chamber of Commerce and Employers' Confederation
Donald Demeritte	Former Principal, EPS Consultancy
Marion Bethel	Counsel & Attorney-At-Law, Sears & Co.
Karen Rolle	Inspector of Bank and Trust Companies, Central Bank of The Bahamas
Stacey Benjamin	Legal Counsel, Central Bank of The Bahamas

MANAGEMENT & OPERATIONS TEAM
BANK SUPERVISION DEPARTMENT, CENTRAL BANK OF THE BAHAMAS

Sherrece Saunders	Deputy Inspector
Cindy Thompson	Deputy Manager
Charles Greenslade	Senior Analyst
Anika Cooper	Analyst II
Raquel Sands	Analyst II

AUDITOR

Baker Tilly
Paje House
17 Marlborough Street
P. O. Box N-8285, Nassau, Bahamas

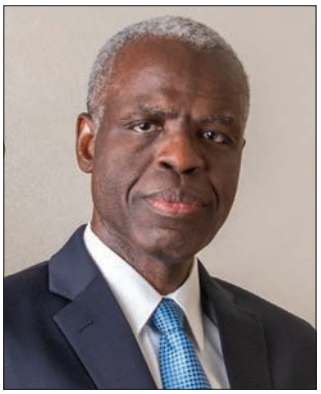
BANKER

Central Bank of The Bahamas
Frederick Street
P. O. Box N-4868, Nassau, Bahamas
Telephone: (242) 302-2600

OFFICE

Deposit Insurance Corporation
Bahamas Financial Centre, 3rd Floor
Charlotte Street
P. O. Box N 4868, Nassau, Bahamas
Website: www.dic.bs
Email: info@dic.bs
Telephone: (242) 302-2652 / 302-2650
302-9820 / 302-9825

Board of Directors



MR. JOHN ROLLE, CHAIRMAN

Appointed: January 2016

Mr. Rolle has worked at the Central Bank in various capacities from 1990 to 2012. He was appointed Governor in January 2016. Prior to this, he served as the Financial Secretary in the Ministry of Finance for three years, and from 2009 to 2012, as a Senior Advisor to the Executive Director for Canada, Ireland and the Caribbean Constituency while seconded to the Executive Board of the International Monetary Fund.

MR. SIMON WILSON

Appointed: September 2021

Mr. Wilson resumed his role of Financial Secretary in September 2021, having been appointed January 2016. Mr. Wilson has over 30 years of experience in the Bahamas Ministry of Finance, having served in various capacities including Deputy Financial Secretary and Head of the Economics Unit.

MRS. KHRYSTLE RUTHERFORD-FERGUSON

Appointed: July 2023

Mrs. Ferguson is an experienced attorney-at-law, grounded in the banking industry. In 2015, she became active in the Bahamas Chamber of Commerce and Employers' Confederation (BCCEC), the premier voice of the business community in The Bahamas, serving in various capacities including Director and Vice Chairman, and served as Chairman of the BCCEC from 2019 to 2023.

MR. DONALD DEMERITTE

Appointed: June 2022

Mr. Demeritte is a former banker with over 25 years of multi-jurisdictional financial services experience. His exposure included assignments in Jersey C.I., Isle of Man, London, Gibraltar, and Guernsey. He served as Immediate Past President of the Caribbean Institute of Management Consultants, a Caribbean organization which provides professional development support to consultants. Mr. Demeritte also is the former principal of EPS Consultancy.

MS. MARION BETHEL

Appointed: June 2022

Ms. Bethel began her career at the Office of the Attorney General, in The Bahamas, in the areas of criminal and civil law. She later served as Senior Crown Counsel exclusively in the Civil Department of the Office. She is currently a partner at Sears & Co., practising in the areas of conveyances and mortgages, companies and probate. Ms. Bethel is an international speaker and advocate on topics ranging from human rights and social justice to gender equality and women's empowerment and leadership.

MR. JAMES CAREY

Appointed: September 2019

Mr. Carey joined Insurance Management in March of 1980 and progressed from a branch manager to a director. He served as a bridge builder for the Insurance Management brand, particularly in Grand Bahama and the Northern Bahamas. He retired from the company in 2021, after 41 years of service, and now serves as Senior Consultant of Independent Solutions, Ltd.

MS. STACY BENJAMIN

Appointed: November 2024

Ms. Benjamin is an attorney and notary public, who joined the Legal Unit of the Central Bank in 2003, serving as Deputy Legal Counsel until her appointment to Legal Counsel in 2024. She was admitted to the Bahamas Bar in October 1996, and is a member of the Bahamas Bar Association and a professional member of the International Compliance Association (MICA).

MS. KAREN ROLLE

Appointed: July 2014

Ms. Rolle joined the Central Bank of The Bahamas in 1994, serving in various capacities in the Bank Supervision Department, including Deputy Inspector of Banks and Trust Companies and the Acting Inspector of Banks and Trust Companies. In July 2022, she assumed the position of Inspector of Banks and Trust Companies.

Management & Operations Team
Bank Supervision Department

SHERRECE SAUNDERS
Deputy Inspector Banks and Trust Companies

CINDY THOMPSON
Deputy Manager

CHARLES GREENSLADE
Senior Analyst

ANIKA COOPER
Analyst II

RAQUEL SANDS
Analyst II

About the Deposit Insurance System in The Bahamas

The Deposit Insurance Corporation ("DIC") was established under the Protection of Depositors Act 1999 ("the Act") following the closure of Gulf Union Bank (Bahamas) Limited, which was placed into liquidation on 12 December 1997. The DIC was established to administer and manage the Deposit Insurance Fund ('the Fund'), which serves to protect Bahamian dollar depositors from losses in the event of the failure of a deposit taking institution (bank or credit union).

The Act was approved in Parliament on 30 September 1999 and came into full effect on 10 November 1999. The Act made membership in the Fund compulsory for every licensed banking institution carrying on banking business wholly or partly in Bahamian currency and enabled insurance coverage to be made retrospectively to depositors of Gulf Union. The insurance coverage of Bahamian dollar deposits up to a maximum of $50,000, protected almost 90% of the respective deposits of Gulf Union.

The DIC was funded by a compulsory initial contribution of $1 million, divided equally between the Central Bank member institutions. The initial contribution by each member institution was based on the pro-rata percentage share of all insured deposits on the last day of the month in which the Act came into effect. However, members do not hold an equity position in the corporation.

Upon establishment, the corporation floated a B$6.75 million, 5-year bond (with an annual interest rate of 6.25%), guaranteed by The Bahamas Government. The proceeds were used to reimburse the depositors of Gulf Union.

In September 2020, the Protection of Depositors (Amendment) Act, extended compulsory membership to credit unions, further enhancing the depositor safety net, and strengthening the financial stability framework for credit unions.

BOX: 1

DIC FACTS: The Bahamas' Deposit Insurance Corporation was established on 30 September 1999, by the Protection of Depositors Act, to administer and manage the Deposit Insurance Fund.

1 Only banks and credit unions licensed and supervised by the Central Bank, that hold Bahamian dollar deposits are members of the DIC. This membership is compulsory.

2 The Central Bank is responsible for the daily operations of the DIC and provides staff and administrative services to the corporation.

3 The DIC covers Bahamian dollar deposits in checking, savings, demand and time or fixed accounts held in member institutions.

4 Eligible deposits in a member institution, inclusive of principal and interest, are insured up to a maximum of B$50,000 per depositor, based on the nature and ownership of deposits.

5 Deposit accounts held in different ownership categories are covered separately, each up to the B$50,000 limit. The ownership categories include: individual accounts (single owner or nominee), joint, company and trust or client asset accounts.

6 Deposit accounts denominated in foreign currencies are not insured by the DIC.

7 Deposits held at different member institutions are separately insured. However, opening several accounts at different branches of the same member institution or at the same branch, will not increase the insurance coverage at such member.

8 Place of residence or nationality does not affect deposit insurance protection.

9 The DIC does not cover credit unions' stabilization funds, liquidity deposits, qualifying shares or equity shares.

10 The DIC does not cover deposits of government and statutory corporations or public financial institutions or any arm of the Central Government.

11 The DIC does not cover inter-bank or member institutions' affiliate deposits.

12 A deposit insurance payout will be made where the Central Bank has determined that a DIC member institution is insolvent, or unable or likely to become unable to meet its obligations or is about to suspend payments.

About the DEPOSIT INSURANCE CORPORATION

The Deposit Insurance Corporation is a statutory body, established on 30 September, 1999, under the provisions of the Protection of the Depositors Act.

The DIC uses an ex-ante funding model, in which premiums are levied on member institutions, each year, at a rate of one-tenth of one percent (0.1%) of the average sum of deposits insured by the DIC and deposited with member institutions as of 31 March and 30 September of the previous year.

The DIC does not have direct employees. Through a service level agreement, the Central Bank is responsible for the daily operations of the DIC, and as such, provides the DIC with the necessary human resources and administrative services.

Deposit Insurance Coverage

The DIC insures only the Bahamian dollar denominated deposits placed with a member institution in any of its branches within The Bahamas, up to a maximum of $50,000 for any single depositor depending on the nature of the ownership of the deposit. Deposit insurance payouts are made to insured depositors only when a member institution's business has been wound up by an action taken by the Central Bank.

What is covered?

The accounts and products insured by the DIC include:

- Checking accounts
- Savings accounts
- Demand and time or fixed accounts

Other accounts payable, for which a certificate, receipt, cheque, money order, draft or other payment instrument has been issued by the member institutions and for which the member is primarily liable.

What is not covered?

The types of products that are not covered by the DIC include:

- Letters of credit
- Standby letters of credit or instruments of a similar nature
- Subordinated debts
- Preference shares
- Inter-bank deposits
- Foreign currency deposits
- Deposits of Government and statutory corporations
- Deposits of foreign governments
- Deposits in any financial institution wholly owned by the Government
- Deposits from affiliates i.e., a member of the same group of companies.
- Co-operative credit unions stabilization funds
- Liquidity deposits of co-operative credit unions
- Capital of co-operative credit unions (i.e., statutory reserves, retained earnings, qualifying shares and equity shares)
- Deposits of any depositor who is shown to have been a party to or profited from the circumstances giving rise to a member institution's failure.

BOX: 2

Recovery and Resolution Planning

During 2025, The Bahamas continued to strengthen its legal and regulatory framework and to enhance key tools for effective recovery, resolution, and crisis management. This also entailed reinforcing the deposit insurance system, building on the foundational work undertaken in the previous year.

On 2 October 2025, the Central Bank launched a public consultation on a compendium of proposed legislative reforms aimed at strengthening the financial regulatory framework, enhancing depositor protection, and improving the overall resilience of the financial system. Key legislative amendments under review include:

- The Central Bank of The Bahamas Act, 2020
- The Banks and Trust Companies Regulation Act, 2020
- The Protection of Depositors (Amendment) Act, 2020
- The Payment Systems Act, 2012

In addition, two new regulatory frameworks were proposed:

- Protection of Depositors (Administrative Monetary Penalties) Regulations, 2025
- Central Bank of The Bahamas (Administrative Monetary Penalties) Regulations, 2025

These reforms aim to:

- Strengthen the resolution framework for systemically important financial institutions
- Transition money transmission providers into a broader payments' framework
- Expand oversight and consumer protection within payment systems
- Enhance depositor protection through backup funding mechanisms
- Support governance and digital currency-related reforms

Additionally, amendments to the Bahamas Co-operative Credit Unions Act and Regulations were proposed to strengthen corporate governance, capital adequacy, and reserve requirements for Credit Unions. These reforms align with recommendations from the International Monetary Fund (IMF) and support convergence with international standards.

The Deposit Insurance Corporation (DIC) continued to work closely with financial regulators through the Bahamas Financial Stability Council to coordinate efforts to strengthen the relevant oversight framework. This work placed heavy initial emphasis on improving data coverage of financial intermediation activities and interconnectedness among banks and non-banks.

Noteworthy in public awareness outreach, the DIC hosted a series of information and learning sessions during May 2025, on topics related to the International Association of Deposit Insurers (IADI) Core Principles for Effective Deposit Insurance, crisis management policies and practices, and recovery and resolution planning. The sessions, led by an IMF technical consultant, engaged staff of the Central Bank, the DIC Board of Directors, and representatives from member institutions.

In 2026, the Central Bank and DIC will prioritize implementation of additional recommendations from the IMF technical assistance mission, including the development of a resolution manual and a corresponding resolution toolkit outlining available resolution options, criteria for selecting appropriate measures, and the implementation approach. In addition, to strengthening operational readiness, the Central Bank will continue its capacity-building efforts, including industry engagement, training exercises, and preliminary crisis response preparedness. These initiatives are intended to test coordination arrangements, identify potential gaps, and further strengthen preparedness across the financial safety net.

STRATEGIC DIRECTION

The Deposit Insurance Corporation (DIC) continues to align its strategic direction with evolving international standards. The International Association of Deposit Insurers (IADI) revision of the Core Principles for Effective Deposit Insurance Systems was finalized in 2025. These updated Core Principles place greater emphasis on the integrated functioning of financial safety-net participants, the expanded role of deposit insurers in resolution processes, and strengthened expectations for governance, transparency, operational resilience, and public awareness.

Accordingly, the DIC's strategic direction will prioritize closer integration within the domestic financial safety net mechanisms, particularly through enhanced collaboration with the Central Bank and other regulatory authorities in resolution planning and crisis management. This includes the Corporation's active engagement in the refinement of The Bahamas' resolution framework as well as the development of the resolution toolkit. The toolkit, scheduled for completion in 2026, will support more structured and effective resolution outcomes.

Consistent with the revised principles, the Corporation will also place increased focus on strengthening operational readiness and resilience. This will be achieved through continued capacity-building initiatives, enhanced coordination arrangements, and the implementation of training and crisis simulation exercises to test preparedness and identify potential gaps in existing frameworks.

In addition, the DIC will further advance its commitment to transparency and public awareness, building on recent improvements in stakeholder engagement, industry information sessions, and digital communications. These efforts are intended to strengthen public understanding of deposit insurance coverage and reinforce confidence in the financial system.

Overall, the DIC's strategic direction reflects a clear commitment to aligning with the revised IADI Core Principles and progressively enhancing the effectiveness, credibility, and resilience of the deposit insurance framework in The Bahamas.

BOX: 3 DIC FAQs

1. What is Deposit Insurance?
Deposit insurance is an arrangement designed to minimize or eliminate the risk of loss of deposits, in the event that an insured institution is unable to meet its obligations.

2. What is the Deposit Insurance Corporation?
The Deposit Insurance Corporation (DIC) is a body corporate that was established in September, 1999 and came into force in November, 1999. It is responsible for providing deposit insurance protection arrangements. The DIC is responsible for the administration and management of the Deposit Insurance Fund.

3. What is the Deposit Insurance Fund?
The Deposit Insurance Fund is an accumulated pool of funds, comprising premium contributions of member institutions and interest income earned on the investment of those funds. This fund is structured to operate as an ex-ante or pre-funded mechanism.

4. Are all banks and credit unions members of the Deposit Insurance Fund?
No. Membership in the Fund is mandatory only for Bahamian dollar deposit-taking banks and credit unions that are licensed under the Banks and Trust Companies Regulation Act, 2020, or registered under the Bahamas Co-operative Credit Unions Act, 2015 (No.9 of 2015). A list of member institutions of the DIC may be obtained by accessing the DIC's website at www.dic.bs.

5. Must I apply or register for deposit insurance protection?
No. You do not need to apply or register for protection. Deposit insurance is provided automatically and free of charge for eligible Bahamian dollar (B$) denominated deposit accounts held at member institutions.

6. What are eligible deposits?
Eligible deposits are certain types of accounts as specified in the Act, and held at member institutions in Bahamian dollar denomination. Foreign currency deposit accounts are not eligible deposits for insurance coverage.

7. What types of deposits are insured?
Bahamian dollar deposits in checking, savings, demand and time accounts held in member institutions are insurable by the DIC.

8. What is the maximum deposit amount insured by the DIC?
Eligible deposits in member institutions are insured up to a maximum of $50,000 per depositor, based on the rights and capacity of depositors.

9. What is an ex-ante funding system?
An ex-ante fund involves the advance accumulation and maintenance of a fund to cover deposit insurance claims. The fund consists primarily of premiums collected from the members of the deposit insurance system.

10. What is the meaning of the term "same right and capacity"?
The term refers to the nature of the ownership of deposits with member institutions such as individual (single owner), joint, company and trust or client asset accounts.

11. Is interest owing on a deposit included in the insurable amount?
Yes. The DIC insures both principal and interest for eligible deposits at each member institution, up to a maximum of B$50,000. For example, if an individual has a savings account with a principal balance of $8,000 and accrued interest of $160, the total $8,160 would be insured by the DIC. If, however, a time account principal balance was $49,000 and accrued interest $1,470, the total balance would be B$50,470. In this case, the DIC would insure B$50,000 while the remaining $470 would exceed the insurance limit and therefore would not covered.

FAQs

12. I am a non-resident of The Bahamas. Are my deposits protected?

Yes. Your place of residence or nationality does not affect deposit insurance protection. Bahamian dollar denominated deposits placed with a member institution of the DIC is protected up to B$50,000 per depositor per member institution based on rights and capacity.

13. Are there any instruments that are not covered by deposit insurance?

Yes. Excluded from covered deposits are letters of credit, stand-by letters of credit or instruments of a similar nature, subordinated debts, preference shares, interbank deposits, foreign currency deposits, deposits of Government and statutory corporations, deposits of foreign Governments, deposits in any financial institution wholly owned by the Government and deposits from affiliates, i.e., a member of the same group of companies. Additionally, co-operative credit unions stabilization funds, liquidity deposits of co-operative credit unions, capital of co-operative credit unions (i.e., statutory reserves, retained earnings, qualifying shares and equity shares) and deposits of any depositor who is shown to have been a party to or profited from the circumstances giving rise to a member institution's failure are also not covered.

14. If I have deposits in several banks, will they be aggregated for deposit insurance protection purposes?

No. Your deposits in different member institutions are protected separately. The B$50,000 deposit insurance limit is applicable to each depositor in respect of deposits held in each member institution.

15. Can deposit insurance protection be increased by depositing funds into several branches of the same bank?

No. In the case of a member institution having more than one branch, the main office and all branch offices are considered as one institution. So, if a single depositor opens one or more savings/fixed deposit accounts in one or more branches of a member institution, all of these accounts are added together, and the maximum insurance cover is available up to B$50,000.

16. How are joint accounts insured?

The DIC will deem the interest of co-owners in joint accounts to be equal, unless there are records of the member institution to show otherwise. Joint accounts are insured separately from individually owned deposit accounts. For example, if a husband and wife are co-owners of a savings account, and each owns a savings account, the joint account and each of their savings accounts are separately insured, up to the maximum insurable amount. However, if for example, the husband is also a co-owner in other accounts involving different joint account owners, his interest in all joint accounts is added together and the aggregate amount is insured up to the maximum value of $50,000.

17. Would the borrower's obligations to the institution continue after the institution is closed?

Yes. Persons who have borrowed money from institutions that have been closed must continue to make payments, on the same terms and conditions attached to their loan contracts with the closed institutions.

18. When would a deposit insurance payout be made?

A deposit insurance payout will be made where the Central Bank has determined that a DIC member institution is insolvent, or unable or likely to become unable to meet its obligations or, is about to suspend payments.

19. What is the role of the Central Bank in deposit insurance?

The Central Bank is responsible for the daily operations of the DIC and provides staff and administrative support to the DIC. This arrangement is governed by a formal Service Level Agreement.

Total B$ Deposits by DIC Member Institutions
(Millions)

Commercial Banks	2021	2022	2023	2024	2025
Bank of the Bahamas Ltd. **Licensed:** 28th July, 1970	$680.6	$730.8	$666.8	$721.3	$816.2
Citibank N.A. **Licensed:** 17th January ,1966	$69.7	$76.3	$89.8	$64.6	$89.0
Commonwealth Bank Ltd. **Licensed:** 10th October, 1966	$1,426.0	$1,487.4	$1,508.6	$1,505.8	$1,559.4
Equity Bank Bahamas Ltd.* **Licensed:** 27th August, 1985	-	$0.9	$0.5	$0.6	$0.7
Fidelity Bank (Bahamas) Ltd. **Licensed:** 11th July, 1978	$552.3	$588.1	$618.2	$642.3	$663.4
Finance Corporation of Bahamas Ltd. **Licensed:** 23rd May, 1966	$318.1	$277.4	$271.5	$251.7	$242.2
CIBC Caribbean Bank (Bahamas) Ltd. **Licensed:** 7th December,1995	$1,518.4	$1,633.2	$1,723.6	$1,847.1	$2,011.0
RBC Royal Bank (Bahamas) Ltd. **Licensed:** 26th October, 2010	$1,747.7	$2,017.6	$2,083.5	$2,277.6	$2,480.0
RF Bank & Trust (Bahamas) Ltd. **Licensed:** 15th September, 1998	$238.0	$240.8	$255.2	$206.7	$194.7
Scotiabank (Bahamas) Ltd. **Licensed:** 26th March, 1998	$1,070.5	$1,230.3	$1,262.6	$1,287.2	$1,379.2
Total: Commercial Banks	**$7,621.4**	**$8,283.0**	**$8,480.1**	**$8,804.9**	**$9,435.8**

*Equity Bank Bahamas Limited became a member of the DIC in 2022, after it started accepting B$ Deposits. The bank was re-designated to resident from non-resident in 2019 and from Authorised Agent to Authorised Dealer in 2022.

Total B$ Deposits by DIC Member Institutions (Continued)

(Millions)

Other Member Banks	2021	2022	2023	2024	2025
Ansbacher (Bahamas) Ltd.** **Licensed:** 17th January, 1966	$6.4	-	-	-	-
Deltec Bank & Trust Ltd.** **Licensed:** 27th October, 1978	-	$4.3	$5.8	$1.5	$3.4
The Bank of Nova Scotia Trust Company (Bahamas) Ltd. **Licensed:** 1st April, 1966	$1.9	$1.6	$1.5	$1.8	$2.0
Total: Other Member Banks	**$8.3**	**$5.9**	**$7.3**	**$3.3**	**$5.4**
Total: Member Banks	**$7,629.7**	**$8,288.9**	**$8,487.4**	**$8,808.2**	**$9,441.2**

**Acquisition of Ansbacher was completed by Deltec Bank & Trust Limited in 2022 resulting in Deltec Bank & Trust Limited acquiring the DIC membership status. The Licence held by Ansbacher is consequently being unwounded.

Credit Unions	2021	2022	2023	2024	2025
Bahama Islands Co-operative Credit Union Limited **Registered:** 28th May, 1986	$45.9	$49.5	$53.6	$57.0	$61.4
Bahamas Law Enforcement Co-operative Credit Union Limited **Registered:** 1st January, 2001	$56.4	$60.3	$64.3	$69.9	$77.0
National Workers Cooperative Credit Union Limited **Registered:** 17th November, 1976	$60.4	$62.8	$62.9	$63.8	$65.5
One Eleuthera Cooperative Credit Union Limited*** **Registered:** 9th February, 2016	$1.5	$1.1	-	-	-
Public Workers' Co-operative Credit Union Limited **Registered:** 28th December, 1979	$36.2	$34.5	$34.7	$36.9	$41.1
Teachers & Salaried Workers Co-operative Credit Union Limited **Registered:** 14th February, 1977	$189.2	$186.4	$183.6	$186.0	$188.4
The Grand Bahama Co-operative Credit Union Limited **Registered:** 17th September, 1980	$19.5	$19.9	$20.8	$22.6	$23.6
Total: Credit Unions	**$409.1**	**$414.4**	**$419.9**	**$436.2**	**$456.9**
Total: All Members	**$8,038.8**	**$8,703.3**	**$8,907.3**	**$9,244.4**	**$9,898.1**

*** One Eleuthera Cooperative Credit Union Limited is in voluntary liquidation and the requirement to submit financial returns ended December 2022.

Total B$ Deposits by Deposit Type
(Millions)

Member Banks	2021	2022	2023	2024	2025
Demand Deposits	$3,489.8	$4,032.5	$4,111.7	$4,344.8	$4,923.6
Number of Accounts*	116,334	118,725	118,393	120,020	122,296
Savings Deposits	$1,896.7	$2,108.1	$2,281.0	$2,468.3	$2,709.5
Number of Accounts*	304,791	321,210	332,083	343,554	366,203
Fixed Deposits	$2,243.2	$2,148.2	$2,094.8	$1,995.1	$1,808.0
Number of Accounts*	23,119	22,108	21,315	20,588	19,810
Total Deposits	**$7,629.7**	**$8,288.9**	**$8,487.4**	**$8,808.2**	**$9,441.1**
Number of Accounts*	**444,244**	**462,043**	**471,791**	**484,162**	**508,309**

Credit Unions	2021	2022	2023	2024	2025
Member Deposits	$398.0	$404.6	$410.4	$426.2	$447.6
Number of Accounts*	92,719	110,948	113,830	117,562	108,167
Non- Member Deposits	$11.1	$9.8	$9.5	$10.0	$9.3
Number of Accounts*	3,014	1,884	1,813	1,850	1,717
Total Deposits	**$409.1**	**$414.4**	**$419.9**	**$436.2**	**$456.9**
Number of Accounts*	**95,733**	**112,832**	**115,643**	**119,412**	**109,884**

Total: All Member Deposits	**$8,038.8**	**$8,703.3**	**$8,907.3**	**9,244.4**	**$9,898.1**
Total: All Member No. of Accounts*	**539,977**	**574,875**	**587,434**	**603,574**	**618,193**

*Number of Accounts are stated in actual figures

Financial Highlights (2021-2025)
(B$000)

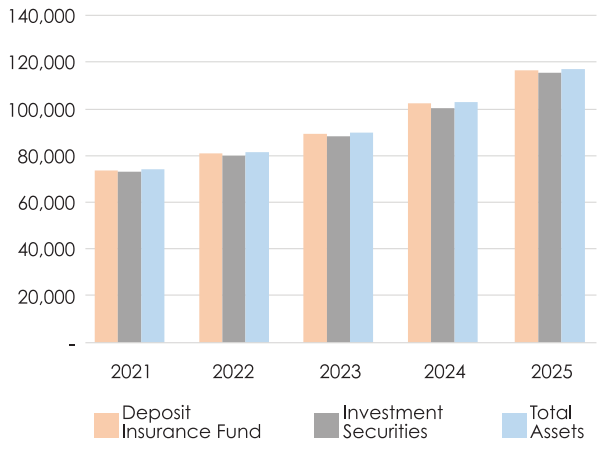
	2021	2022	2023	2024	2025
Members' Premiums	$3,742	$4,097	$4,458	$9,328	$9,755
Interest & Other Income	$3,307	$3,468	$3,835	$4,204	$4,689
Total Revenue	$7,049	$7,564	$8,293	$13,531	$14,444
Total Expenses	$160	$137	$188	$240	$337
Comprehensive Income	$6,889	$7,428	$8,105	$13,291	$14,107
Deposit Insurance Fund	$73,644	$81,072	$89,177	$102,468	$116,575
Investment Securities	$73,072	$79,855	$88,486	$100,210	$115,292
Total Assets	$74,205	$81,633	$89,816	$103,030	$117,133
Return on Assets (%)	9%	9%	9%	13%	12%
Member Institutions (#)	18	19	19	19	19

2025 Financial Highlights

The DIC financial statements for year ended 31 December 2025, along with comparable figures for 2024, are presented on pages 38 to 62 of this report.

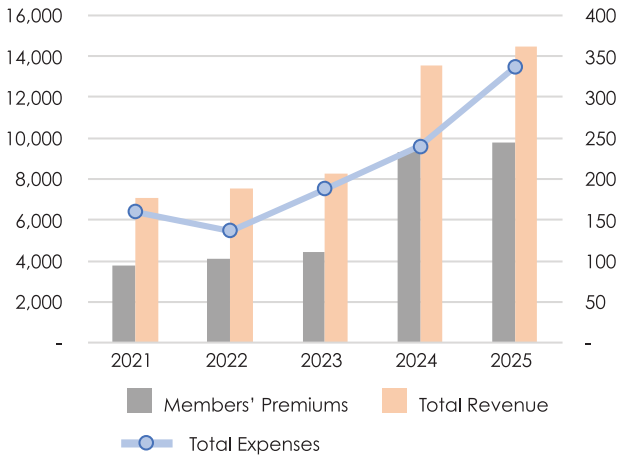
Total assets rose by 13.7% to $117.1 million at the end of December 2025, with Bahamas Registered Stock (BRS) accounting for 98.4% of assets. Consistent with investment of annual premium receipts in Bahamas Registered Stock (BRS), along with the compounding effects of re-invested interest income, the DIC's investment portfolio increased by $15.1 million (15.1%) to $115.3 million at December 2025.

Financial Position Analysis (B$ '000)



The Deposit Insurance Fund (DIF) grew by $14.1 million (13.8%) to $116.6 million, largely attributable to premium receipts and investment returns. Total liabilities decreased from $62,086 to $57,286, mainly due to a reduction in accounts payable and accrued expenses, as provisions for unpaid claims remained at $52,644.

Comprehensive Income Analysis (B$'000)



In 2025, total revenue grew by 6.7% to $14.4 million. The majority (67.5%) of the income was generated from premiums growth of $0.4 million (4.6%) to $9.8 million. This represented assessments of $9.4 million from member banks and $0.4 million from member credit unions. Meanwhile, interest income (32.5 % of total revenue) increased by $0.5 million (11.5%) to $4.7 million.

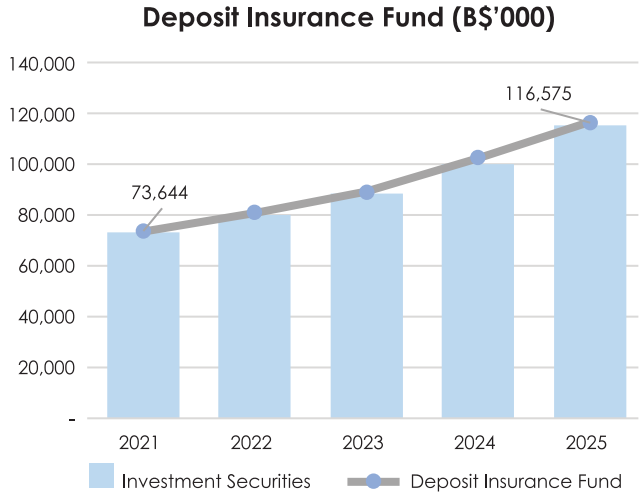
The DIC's total operating expenses rose by $0.1 million (40.2%) to $0.3 million, mainly due to increased focus on public awareness and elevated training outlays. Nonetheless, the administrative fee paid to the Central Bank remained as the largest cost, at approximately $0.08 million.

Fund Management

At end-2025, the Deposit Insurance Fund reached $116.6 million, representing an average annual increase of 12.2% over the last five years.

Member institutions collectively recorded insurable and insured deposits of $9.9 billion and $2.9 billion, respectively as at year-end 2025. Accordingly, at year's end, the Fund was equivalent to 1.2% of insurable deposits, satisfying the benchmark of 4.0% of insured deposits compared to 1.1% of members' insurable deposits and 3.6% of insured deposits in the previous year.

The next strategic target is to increase the Fund to 4.67% of insured deposits, with an additional buffer of 1.0% of insured deposits targeted after the minimum threshold has been achieved. This would further strengthen financial resilience and depositor protection.



Target Size of the Fund (B$ Millions)	
Fund based on 4% of insured deposits:	**$ 115.6**
Fund based on 4.67% of insured deposits:	**$ 135.0**
Fund based on 5.67% of insured deposits:	**$ 163.9**

Fund Level as at 31 December 2025	$ 116.6
Percentage of Insurable Deposits at December 2025	**1.2%**
Percentage of Insured Deposits at December 2025	**4.0%**

Governance and Operations

BOARD OF DIRECTORS

The DIC's Board of Directors is responsible for establishing the corporation's policies, ensuring the effective implementation of such policies, and exercising oversight of the operations and internal controls of the Corporation.

The Board has a complement of eight persons. It comprises four ex-officio members, inclusive of the Governor of the Central Bank, who serves as Chairman, the Financial Secretary of the Ministry of Finance, the Inspector of Bank & Trust Companies (BSD) of the Central Bank and another senior manager of the Central Bank. The Board also has four external directors, with varied experience and capacity in financial matters, industry, law and administration.

External directors are appointed for a minimum term of three years, and are eligible for reappointment to serve an additional term. Once appointed, the directors sign a code of conduct, subscribing to the ethical standards of the Board in the execution of their duties. For any meeting, four directors form a quorum. Decisions of the Board are taken by majority vote, with the Chairperson exercising a casting vote in the case of a tie. Directors are paid an honorarium of $300 per board meeting.

INTERNATIONAL ASSOCIATIONS

In May 2002, the DIC became one of 25 founding members of the International Association of Deposit Insurers (IADI). IADI currently has 108 members, 11 associates (mainly central banks and banking supervisors) and 17 partners (other interested institutions). IADI's objectives are to contribute to the stability of financial systems, by enhancing the effectiveness of deposit insurance and promoting international cooperation on deposit insurance and bank resolution arrangements, in active partnerships with other international organizations. The association provides guidance on the establishment and enhancement of effective deposit insurance systems as well as technical assistance outreach, educational programs and research. Through IADI, the DIC holds memberships within the IADI Caribbean Regional Committee (CRC), Capacity Building Technical Committee (CBTC), Resolution Working Group (RWG) and Reimbursement Technical Committee (RTC). In addition, managers of the Central Bank serve as observers on the Financial Cooperative Technical Committee and the Implementation Council Committee. These memberships provide both capacity building and knowledge exchange forums for the DIC.

CARIBBEAN REGIONAL COMMITTEE (CRC)

The members of the IADI CRC deposit insurers include The Bahamas, Barbados, Jamaica, British Virgin Islands, Caribbean Netherlands, Curaçao & Sint Maarten and Trinidad & Tobago. Through a Memorandum of Understanding (MOU), these jurisdictions cooperate on the development of deposit insurance systems, crisis management, resolution management of financial institutions and the general promotion of financial stability frameworks in the CARICOM region.

In accordance the CRC Terms of Reference (TOR) —which provides for rotational leadership among members —the Bahamas has been selected to serve as the next CRC Chairperson and as the region's representative on the IADI EXCO for a three-year term. This decision reflects prior discussions among CRC members and aligns with the IADI Statutes, which reserve Council positions for each Regional Committee to ensure balanced representation. This appointment demonstrates the region's confidence in the Bahamas' leadership and commitment to advancing Caribbean interests within IADI.

Bahamas Financial Stability Council

In 2024, the Central Bank of The Bahamas, spearheaded the execution of a multi-agency MOU to establish the Bahamas Financial Stability Council (BFSC). The Council comprises the respective heads of the agencies, including the Central Bank, the Ministry of Finance, the Securities Commission

of The Bahamas and the Insurance Commission of The Bahamas with the DIC represented, by one of its external directors.

The BFSC represents a collective effort to strengthen the domestic financial stability framework of The Bahamas, promoting strategic coordination, information exchange, and proactive risk management. The council provides a cooperative platform for regulatory oversight, facilitating a more comprehensive approach to evaluating and addressing emerging risks and vulnerabilities within the Bahamian financial system. The Council commenced meetings in 2025, giving initial emphasis to strengthening data coverage on financial stability indicators across the domestic sector, and improving the understanding of the interconnectedness of financial flows and exposures among bank and non-bank financial institutions.

STAFF DEVELOPMENT

During 2025, DIC staff participated in a range of virtual and in-person training programmes and conferences covering topics such as the role of deposit insurance in safety net arrangements, the Fund's target size, public relations, communication, crisis management and resolution.

PUBLIC AWARENESS ACTIVITIES

The International Association of Deposit Insurers' (IADI) Core Principle 10 (Public Awareness) states: "In order to protect depositors and contribute to financial stability, the public is informed about the benefits and limitations of deposit insurance on an ongoing basis and in the event of a failure of an insured deposit-taking institution."

To preserve depositor confidence, a key objective of the DIC is to raise public awareness of the deposit protection scheme, particularly ahead of any stress that may affect member institutions. In 2025, the DIC continued to strengthen its public awareness efforts, with a strategic focus on increasing visibility, enhancing financial literacy, and reinforcing public confidence in the financial system. These initiatives were supported through targeted events, digital engagement, and collaborative activities with financial safety-net partners.

As part of its ongoing public awareness campaign, the Corporation undertook a comprehensive review of its printed and digital promotional materials. The revised materials are designed to reinforce depositor confidence by clearly communicating the benefits and protection of deposit insurance, while supporting broader efforts to promote trust and stability within the financial system.

Throughout the year, the DIC maintained a strong media presence across multiple platforms including social media, newspaper, radio and television advertisements, and radio and television interviews. This multi-pronged approach was strategically designed to broaden the DIC's reach and effectively engage a wider audience.

Additionally, the Corporation actively supported the Central Bank's outreach agenda by participating in key initiatives to promote financial awareness and education, including the 2025 Get Money Smart Financial Literacy Fair and Expo. On 19 February 2025, members of the DIC team participated in a Ministry of Education teachers' workshop in collaboration with other departments across the Central Bank, underscoring a shared commitment to impactful community engagement and the advancement of financial education. The workshop was designed to strengthen the financial literacy of business studies teachers through engaging, interactive, and immersive learning experiences.

In May 2025, the DIC hosted a series of information and learning sessions covering topics related to the Core Principles for Effective Deposit Insurance issued by the IADI, as well as crisis management policies and practices, and recovery and resolution planning. Throughout the week-long session, participants engaged in insightful discussions and hands-on activities to build capacity and

crisis preparedness among the Central Bank's staff, DIC Directors, and member institutions. Among other emphasis, the training addressed the role of board members, the mandate and operations of deposit insurance schemes, and public awareness strategies.

October 2025 marked the DIC's 26th anniversary, which was celebrated through two key outreach initiatives. The first was an educational seminar for Central Bank staff. The second, a Financial Literacy Family Fun Day held under the theme "Trust: The DIC Experience," engaged members of the public and promoted greater understanding of the deposit protection scheme and its role in protecting depositors in the event of institutional failure. The winners of the DIC's second annual video essay competition were also presented with their awards during the public event.

MEDIA PRESENCE AND DIGITAL OUTREACH

DIC Website: www.dic.bs

The website provides current information about the DIC and receives approximately 544 visits per month.

For diversification and outreach, the DIC maintains an active presence across three social media platforms, supported the Corporation's campaign:

- **Facebook (@depositinsurancecorporation):** Serves as the Corporations primary awareness driver, demonstrating strong growth in reach and engagement. Performance on this platform has been supported by positive audience response to educational content, campaigns, and event coverage.
- **Instagram (@dicbahamas):** Focuses on visually stimulating content including Reels and Stories, as well as strategic creator collaborations to effectively connect with younger digitally engaged audiences.
- **LinkedIn (@BahamasDepositInsuranceCorporation):** Enhances institutional credibility while strengthening the Corporation's professional presence within the financial service industry, among other industry practitioners and key stakeholders.

In 2025, the DIC expanded its media inventory with the addition of radio and television advertisements to promote the Corporation's anniversary event. The enhanced suite of promotional media content is rotated regularly across broadcast channels, ensuring consistent wide-reaching dissemination of key information on deposit insurance coverage pertaining to member banks and credit unions.

Capturing Creativity

DIC Video Essay & Jingle Competitions Winners!

Pictured from left: Board Member, Khrystle Rutherford-Ferguson; Waynisha Saunders, Social Media Award winner of the Video Essay Competition and Deputy Manager, Cindy Thompson.

Creativity Award Winner- Abigail Moss with presenters Khrystel Rutherford-Ferguson and Cindy Thompson.

Video Chairman's Award winner Jerlea Adderley receives her prize from DIC Chairman, John Rolle at left with Deputy Manager, Cindy Thompson.

Honourable Mentions: Elizabeth Gibson, left; Bernise Ulysse, right with Khrystle Rutherford-Ferguson and Cindy Thompson.

Jingle Competition First Place Winner - Shavago Godet.

Jingle Competition Second Place Winner - Jade Hepburn, who accepted on behalf of Alexander Hepburn.

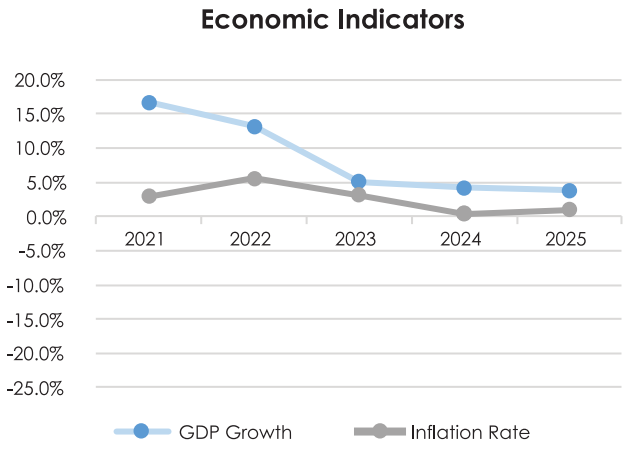
Jingle Competition Third Place Winner - Raymond Forbes.

Jingle Competition Honourable Mention - Cameron Dean (Caspa).

Management Discussion and Analysis

Overview of the Domestic Macroeconomic Environment

The Bahamian economy maintained steady growth in 2025, underpinned by robust tourism activity and sustained foreign direct investment into the sector. This continued economic momentum has influenced the operating conditions, strategic focus, and financial performance of Deposit Insurance Corporation member institutions.



Source: Bahamas National Statistical Institute (BNSI).

The economy is estimated to have expanded at a rate of 3.8%, following an estimated 4.2% rise in 2024. Growth therefore remained above the economy's medium-term potential, which is assessed at just under 2.0% per annum, reflecting continued but gradually normalizing post-pandemic momentum. At the same time, inflation firmed modestly to approximately 1.1%, reflecting increased cost pressures from the import of fuel and other goods and services.

Tourism output continued to expand in 2025, albeit at a more moderate pace compared to the prior year. In particular, capacity constrained stopover earnings growth was bolstered by strong gains in the cruise segment. Official data from the Ministry of Tourism indicate that total visitor arrivals increased by 11.4% to $12.5 million in 2025, relative to 2024. The cruise visitor volumes rose by 13.8% to $10.8 million arrivals, while air arrivals, typically associated with higher-spending stopover visitors, declined by 1.6% to $1.7 million, reflecting continued structural and demand-side constraints in that segment. Nevertheless, the stopover market benefited from further appreciation in average prices.

Labour market conditions improved in 2025, fuelled by continued foreign investment stimulus to construction, increased hiring for tourism sector activities. The number of employed persons increased by 2.5% to 218,620, with the unemployment rate declined slightly to 9.3% from 9.4% in the same period of 2024.

Regarding the fiscal sector, during the first half of FY2025/26, the deficit narrowed moderately to $342.4 million from $367.7 million in the previous fiscal year. This improvement was driven by growth in total revenue, which outpaced the increase in aggregate expenditure. This followed an estimated 59.3% reduction in the deficit over the entire fiscal year ended June 2025, and further expected narrowing in the shortfall over the remainder of FY2025/26.

Developments in the monetary sector during 2025 reflected a reduction in bank liquidity, as expansion in domestic credit outpaced growth in the deposit base. Net free cash reserves, the narrow measure of liquidity, declined by 1.9% to $1.8 billion, while surplus liquid assets, which encompass this measure, increased by 4.1% to $3.1 billion, supported by higher investments in Government securities.

The financial system's net foreign assets strengthened during the year, reflecting growth in external reserves and an improvement in commercial banks' net foreign asset position. External reserves rose by $170.6 million (6.5%) to $2.8 billion in 2025, supported by net foreign currency inflows from real sector activities and proceeds from Government external borrowings. Meanwhile, domestic banks' balance sheets switched to a net foreign asset position of $80.0 million, compared with a net foreign liability of $92.1 million in 2024.

Consolidated Membership

The Fund's developments remained aligned with ongoing economic expansion, in both the number and value of fully insured accounts held with member institutions up by 2.4% and 2.6% respectively. DIC's coverage by number of accounts remained stable at 96.1%, consistent with the IADI Core Principles' objective of protecting the large majority of depositors. The insurable deposit base grew by 7.1% during the year, driven primarily by the expansion in accounts at commercial banks.

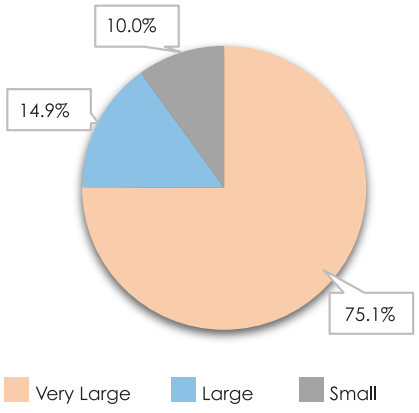
By institutional concentration, four international commercial banks accounted for the majority of insurable deposits, holding 75.1% ($7.4 billion) of the total. Two large domestic banks represented 14.9% ($1.5 billion), while no member institutions were classified as medium-sized. Small member institutions accounted for the remaining 10.0% ($988.9 million) of aggregate insurable deposits.

Institutions were classified by size based on the level of insurable deposits held, as follows:

- Very Large: Over $1.0 billion
- Large: $0.5 billion to $1.0 billion
- Medium: $0.25 billion to $0.5 billion
- Small: Under $0.25 billion

Size is one of the key indicators used to assess the potential risk an institution may pose to the Fund and the broader financial system. Other risk key indicators considered include complexity, interconnectedness, and substitutability.

Insured Deposit by Size of Members

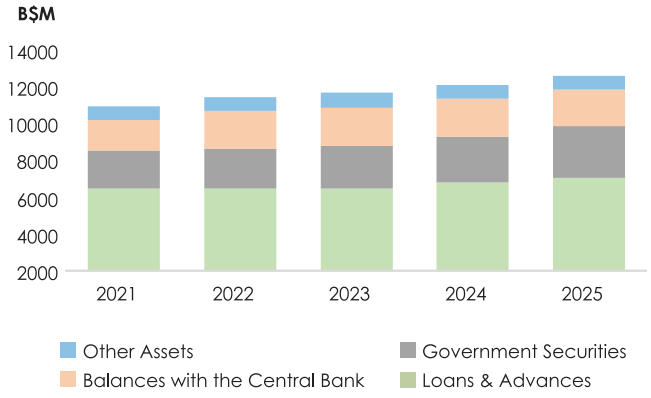


Banking Sector Assets

The domestic assets of local banks and trust companies increased 4.6% to $12.7 billion during 2025. Of these, balances with the Central Bank tapered by $26.0 million (1.3%), while claims on the Government increased by $120.4 million during the current year, compared with an increase of $116.4 million in the previous year. Credit to public corporations decreased by $13.2 million, marking a reversal from the $14.8 million gain recorded in the preceding year. Meanwhile, the rise in private sector credit was almost unchanged at $290.8 million in 2025, relative to $296.7 million in the previous year, reflecting a modest 2.0% decline in the annual expansion.

Loan exposures represented the largest share of the domestic assets (56.0%) with the remainder comprised of government securities (22.1%), claims on the Central Bank (15.9%) and other assets (6.0%).

Banks' Total Assets

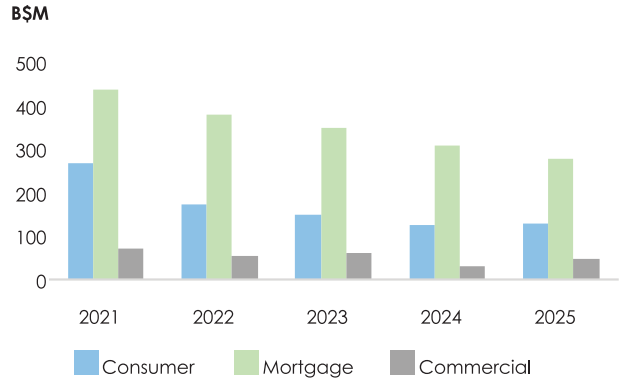


Private Sector Credit and Asset Quality

In Bank's total claims on the private sector stood at $6.0 billion. Consumer credit represented 36.5% of the total claims, with accelerated growth of 5.7% in 2025. Likewise commercial credit (21.3% of claims) expanded at a firmed pace of 10.9%; albeit the balance in residential mortgages (42.2%) rose at a tapered pace of 1.4%.

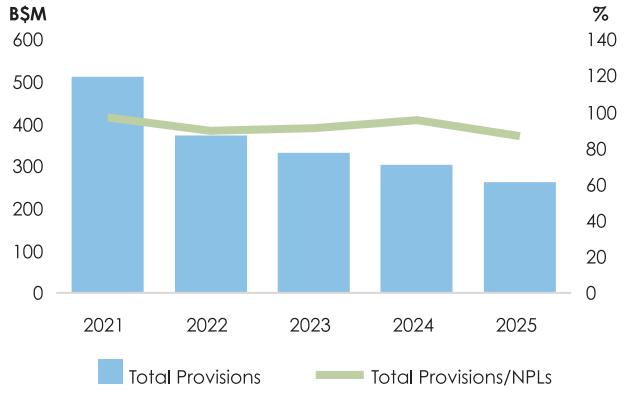
Private sector asset quality continued to improve, with total loan arrears declining by 1.6% to $461.8 million in 2025, largely driven by a 9.2% reduction in mortgage arrears. Correspondingly, the ratio of arrears to total private sector loans moderated to 7.6% at end-2025, down from 8.2% in 2024.

Private Sector Loan Arrears



Non-performing loans (NPLs)—arrears exceeding 90 days—fell by 4.6% to $303.0 million, representing 5.0% of respective total loan balances. Conversely, shorter-term arrears (31–90 days past due) increased by 4.6% to $158.8 million. Meanwhile, banks' provisions for credit losses declined by 13.5% to $261.1 million at end-2025, equivalent to 4.3% of total private sector loans, 56.5% of total arrears and 86.2% of NPLs.

Total Provisions on NPLs

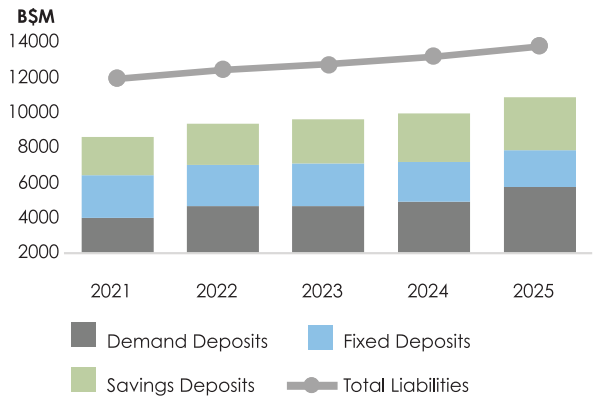


Deposit Base and Liquidity

Banks' total resident deposits increased by 9.3% to $10.0 billion in 2025, representing 79.0% of corresponding domestic liabilities. In particular, Bahamian dollar obligations grew by 7.3% to $9.3 billion. The largest share of deposits was held by private individuals (48.6%), followed by business firms (35.4%), private financial institutions (6.6%), the public sector (5.4%), and other depositors (4.0%).

By deposit type, 54.2% of resident deposits were held in demand accounts, 27.2% in savings deposits, and 18.7% in fixed-term accounts.

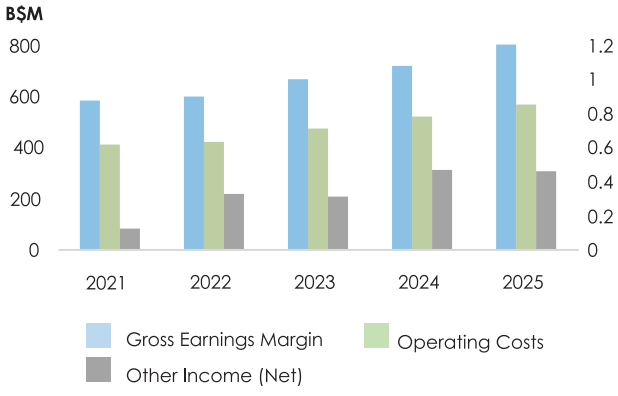
Banks' Liabilities



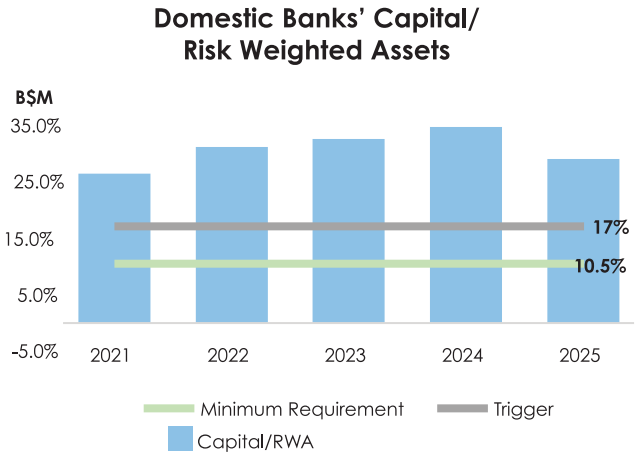
Bank Profitability and Capital Adequacy

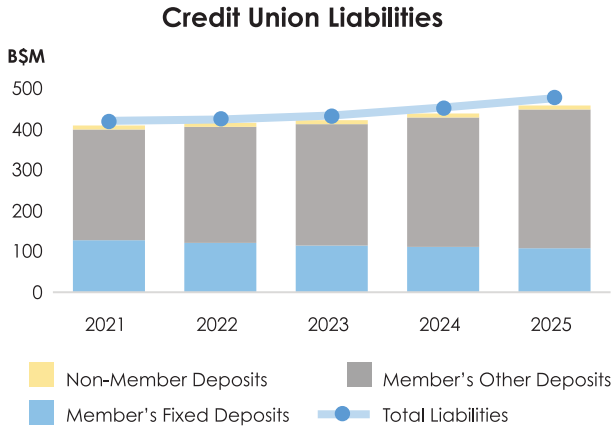
Domestic banks' net profits rose by 9.7% to $553.6 million in 2025. In particular, the net interest margin widened by $12.3 million (2.0%) to $622.8 million, driven by an improvement in interest income of $11.0 million (1.7%) to $659.2 million. Taking operating costs, net commission and Forex income into account, the net earnings margin widened by $50.5 million (26.0%) to $245.3 million. Consequently, banks' return ratio rose to 4.38% in 2025.

Banks' Profitability Indicators



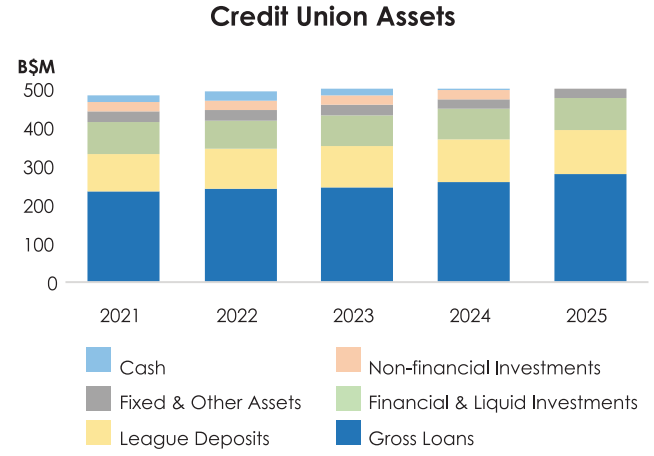
Domestic banks maintained robust capital levels during 2025, ending the period at a slightly reduced 29.1% of estimated risk-weighted assets, well in excess of the minimum regulatory ratio of 10.5% and the prescribed target of 17.0%.





Credit Union Trends

During 2025, credit unions' total assets grew by $28.9 million (5.6%) to $546.7 million. Total assets comprised of approximately $280.1 million in gross loans, primarily comprising consumer credit (55.4%) and mortgages/land (44.1%). Significant assets also included, $115.8 million in deposits with the Bahamas Co-operative League Limited ("the Apex Body") and $106.1 million in cash and liquid and financial investments.



Over the year, total NPLs in the sector declined by 5.6% to $18.6 million, with a corresponding reduced ratio of NPLS to total loans of 6.6%. Meanwhile, credit unions' provisions for loan losses remained stable at $5.4 million. As such, the provisioning rate relative to NPLs stood at 29.1% compared to 27.6% in 2024.

Total deposits at credit unions grew by 4.8% ($20.8 million) to $456.9 million as at December 2025. Approximately $108.0 million (23.6%) were in fixed deposits due to members; with regular member deposits totaling $339.6 million (74.3%) and the remaining $9.3 million (2.0%) from non-members' deposits.

Credit unions' total members' equity rose by 6.6% ($4.4 million) to $70.7 million in 2025. It comprised members' capital of $12.1 million, institutional capital of $8.6 million and reserve funds of $50.0 million. Relative to the minimum capital ratio against the PEARL standards, of 10.0%, the average capital ratio stood almost stable at 12.9%.

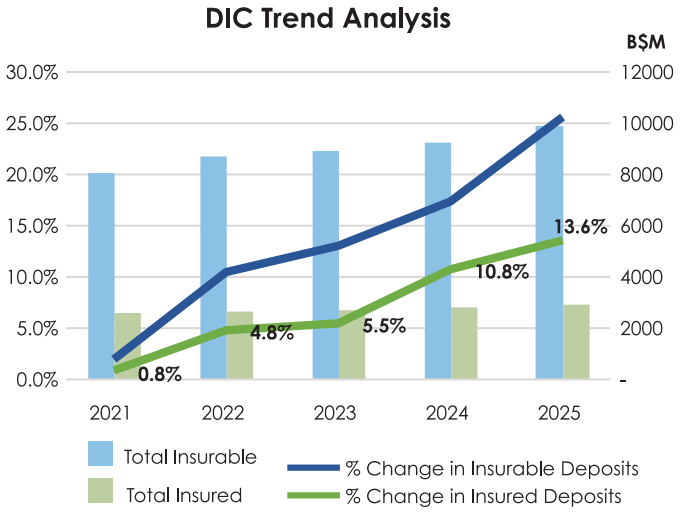
Other DIC Member Highlights

At year-end 2025, DIC member institutions remained at 19 inclusive of ten domestic systemically important banks (D-SIBS), two other deposit-taking institutions, and seven credit unions. The Central Bank continued to maintain effective oversight of these institutions, through offsite surveillance and on-site examinations.

During the period, there were no material prudential risk trends observed relative to the domestic banks' credit, capital and liquidity positions, which could pose any near-to-medium term risk to their financial stability. With smaller balance sheet buffers, the supervision of credit unions remained focused on key inherent risk areas and practices in the sector, particularly credit risks. Emphasis also continued to be placed on strengthening AML/CTF risk management capacity, and promoting enhanced corporate governance.

Recent trends indicate continued expansion in both insured and insurable deposits, which increased by 2.6% and 7.1%, respectively. These results are broadly consistent with longer-term performance, with average annual growth since 2020 of 2.6% for insured deposits and 4.7% for insurable deposits.

During 2025, the number of Bahamian dollar deposit accounts within DIC member institutions rose by 2.4% to 618,193. Of these, 593,796 accounts were fully insured with 82.6% holding balances of less than $5,000; 5.4% with balances ranging between $5,000 and $10,000; 5.3% with balances ranging between $10,000 and $25,000; 2.6% with balances ranging between $25,000 and $50,000, and 3.9% with balances above $50,000. Correspondingly, both the fully insured and insurable accounts increased during the year by approximately 2.4%, after average annual growth of approximately 3.2% since 2020.



IADI Core Principles for Effective Deposit Insurance Systems

The 2024 revision of the Core Principles for Effective Deposit Insurance Systems, issued by the Basel Committee on Banking Supervision and the International Association of Deposit Insurers, updates global standards first introduced in 2009 and revised in 2014. The new version responds to structural changes in the financial sector, including digital innovations and the increasingly important role of deposit insurers in bank resolution processes. It also incorporates lessons from the 2023 banking turmoil, highlighting the need for rapid response mechanisms, strong depositor confidence, and close coordination among financial safety-net authorities. The principles continue to promote a comprehensive approach to financial stability by integrating deposit insurance with supervision and resolution frameworks, while remaining adaptable to different national contexts. They serve as an internationally recognized benchmark, used by jurisdictions for self-assessment and by institutions such as the International Monetary Fund and the Financial Stability Board in evaluating the soundness of financial systems.

Principle 1 – PUBLIC POLICY OBJECTIVES:
The principal public policy objectives for deposit insurance systems are to protect depositors and to contribute to financial stability. These objectives are formally specified and publicly disclosed. The design of the deposit insurance system reflects the system's public policy objectives.

Principle 2 – MANDATE AND POWERS:
The mandate and powers of the deposit insurer support the public policy objectives of the deposit insurance system and are formally specified in law and publicly disclosed.

Principle 3 – GOVERNANCE:
The deposit insurer is operationally independent, well-governed, transparent, accountable, and insulated from undue external interference.

Principle 4 – BUSINESS CONTINUITY MANAGEMENT:
The deposit insurer has in place an effective business continuity management framework to withstand, adapt to, and recover from severe operational risk-related disruptions. It has business continuity plans in place that ensure that disruptions in its capability to perform its critical operations are minimised. The framework includes periodic reviews, testing, training, coordination, and communication.

Principle 5 – LEGAL PROTECTION:
The deposit insurer and individuals who are currently working or have formerly worked for the deposit insurer in discharging the deposit insurer's mandate are protected by law from liability for decisions, actions taken or omissions made while discharging their duties in good faith.

Principle 6 – RECOVERIES:
The deposit insurer has, by law, the right to recover its claims in accordance with the statutory creditor hierarchy.

Principle 7 – MEMBERSHIP:
Membership in a deposit insurer is compulsory for all insured deposit-taking institutions.

Principle 8 – COVERAGE: The level and scope of deposit insurance coverage is clearly defined. Coverage is limited, credible and covers the large majority of depositors but leaves a substantial proportion of the value of deposits exposed to market discipline. Deposit insurance coverage is consistent with the deposit insurance system's public policy objectives and related design features.

Principle 9 – FUNDING FOR THE DEPOSIT INSURER:
The deposit insurer has readily available funds and funding mechanisms, including assured liquidity funding arrangements, in place as necessary to meet its mandate. Responsibility for paying the

cost of deposit insurance is borne by the member institutions of the deposit insurer.

Principle 10 – PUBLIC AWARENESS:

In order to protect depositors and contribute to financial stability, the public is informed about the benefits and limitations of deposit insurance on an ongoing basis and in the event of a failure of an insured deposit-taking institution.

Principle 11 – CRISIS PREPAREDNESS AND MANAGEMENT:

The deposit insurer has in place an effective framework to ensure it is at all times prepared to respond to the potential and actual failure of insured deposit-taking institutions and has in place an effective framework with other financial safety net participants to ensure communication and coordination.

Principle 12 – DEALING WITH PARTIES AT FAULT IN A BANK FAILURE:

The individuals that may be responsible for, or may have contributed to, a failure of an insured deposit-taking institution are held accountable for their actions or omissions. The deposit insurer, or other relevant authority, is provided with the power to seek legal redress against those parties at fault in the failure of an insured deposit-taking institution.

Principle 13 – EARLY DETECTION AND TIMELY INTERVENTION:

The deposit insurer is part of an effective framework within the financial safety net that provides for the early detection of, and timely intervention in, troubled insured deposit-taking institutions before they become non-viable.

Principle 14 – FAILURE RESOLUTION:

A resolution regime ensures the effective resolution of an insured deposit-taking institution that is no longer viable, or likely to be no longer viable, in a manner that protects insured depositors against losses, minimises disruptions in their access to insured deposits, and contributes to financial stability.

Principle 15 – REIMBURSEMENT:

The deposit insurer reimburses insured depositors as soon as possible in the event of the liquidation of the insured deposit-taking institution. Most insured depositors are reimbursed within seven working days. There is a clear and unequivocal trigger for the reimbursement of the depositors' insured deposits.

Principle 16 – USE OF THE DEPOSIT INSURANCE FUND IN RESOLUTION:

The conditions for the use of the deposit insurance fund to manage the resolution of failed insured deposit-taking institutions are clearly set out in law and publicly disclosed.

Principle 17 – FINANCIAL SAFETY NET COOPERATION, COORDINATION AND INFORMATION SHARING:

The deposit insurer is part of a formal framework within the financial safety net for cooperation, coordination, and information sharing. The framework sets the individual and joint responsibilities of the financial safety net participants and how these participants discharge these responsibilities in a coordinated and cooperative manner.

Principle 18 – CROSS-BORDER COOPERATION, COORDINATION AND INFORMATION SHARING:

Where there is a material presence of foreign insured deposit-taking institutions in a jurisdiction, formal cooperation coordination and information sharing arrangements are in place between deposit insurers and, where necessary, with other financial safety net participants of the institutions' home and host jurisdictions, as needed to ensure that they are at all times prepared to respond to the potential and actual failure of insured deposit-taking institutions in a cooperative and coordinated manner.

Glossary of Terms

Account Balance – The dollar amount including principal and interest for a specific account.

Assessment Base – The base on which the deposit insurer charges the premium or calculates the levy needed to compensate the insured depositors.

Bank Draft – A cashable instrument, similar to a certified cheque or money order that is drawn by a bank against its own funds and payable to the person named in the draft.

Bank Run – A rapid loss of deposits precipitated by fear on the part of the public, during which a bank may fail and depositors may suffer losses. It could spread across the banking system.

Beneficiary – A person or entity named or identified in either the bank account records or in a written trust that would have an interest in the account or trust upon the account owner's death.

Bond – A debt instrument issued by a borrowing entity, normally paying a specified periodic rate of interest, either redeemable on demand or at the end of a fixed term.

Bye-Law – A rule put in place by a corporation or organization under authority granted to it by a higher law.

Certificate of Deposit (CD) - A savings instrument, also called a time or fixed deposit, that pays interest for a specific period of time (term), at either a set or variable interest rate, and which is redeemable upon maturity. A CD is a deposit type, not an account ownership category. The amount of coverage available to the owner of a CD depends on the ownership category (single, joint, trust, individual retirement arrangement (IRA)) in which the CD is held and what other deposit accounts the owner holds in that same category at the same bank.

Cashier's Check – A check drawn on a bank. It is considered a deposit and eligible for deposit insurance coverage.

Checking Account – A deposit account that allows the depositor to write cheques, instructing the member institution to withdraw funds from the account and pay them to the persons named on the cheques.

Claim – An assertion of indebtedness of a failed institution to a depositor, general creditor, subordinated debt holder, or shareholder.

Closed Institution – An institution: (a) which has been ordered by the Central Bank to suspend business as a result of financial difficulties; (b) which has been the subject of a winding-up order issued by the court; and (c) the failure of which the Central Bank has advised the DIC.

Corporate Governance – The system by which an organization is directed, administered or controlled, including the relationships among stakeholders and the goals for which the organization is governed.

Corporation - An incorporated legal entity, operating either for-profit or not-for-profit. Corporation accounts, together with partnership and unincorporated association accounts, are a separate ownership category for the purposes of calculating deposit insurance.

Debenture - A debt investment issued by a bank or other corporation. Debentures may pay interest at a fixed rate or a floating (variable) rate and may be redeemable on demand or at the end of a fixed term.

Demand Deposit Account (DDA) - A checking account. DDA is a deposit type, not an account ownership category. The amount of coverage available to the owner of a DDA would depend on the ownership category (single, joint, trust, IRA) in which the account is held and what other deposit accounts the owner holds in that same category at the same bank.

Deposit – Funds placed with a DIC member institution and eligible for insurance coverage.

Deposit Account Records – Deposit account records include signature cards, certificates of deposits (CDs), passbooks, account ledgers and computer records that relate to the bank's deposit-taking function.

Deposit Insurance – Deposit Insurance is a system established to protect depositors against the loss of their deposits in the event that an insured institution is unable to meet its obligations to depositors.

Deposit Insurance Corporation (DIC) - The agency created

in 1999, under the Protection of Depositors Act, to provide for the insurance of Bahamian dollar deposits, so as to promote the stability and public confidence in the Bahamian financial system.

Deposit Insurance Fund – The fund maintained by the DIC to insure deposits of member institutions.

Deposit Type – The type of transaction account or savings instrument into which funds are deposited. This includes checking accounts, savings accounts and CDs.

Depositor – A person or entity (such as a corporation) who deposits funds at a DIC member institution.

DIC Member Institution or Member Institution - Banks and credit unions in The Bahamas that accept wholly or in part Bahamian Dollar Deposits.

Eligible Deposits – Deposits that are eligible for insurance under the Protection of Depositors Act (PDA). To be eligible, a deposit must be in a certain type of account or product (including but not limited to a savings, checking account or fixed deposit account), held at a DIC member institution and in Bahamian dollars.

Ex-ante (before) Funding – The prior accumulation of a fund to cover deposit insurance claims, in case of the failure of a DIC member institution.

Ex Officio – Holding a second position or office by virtue of being appointed to a first.

Ex-post (after) Funding – An assessment levied after the failure of a DIC member institution to provide funds to cover eligible claims.

Failure - A failure occurs when an institution's business becomes insolvent or is in immediate danger of insolvency.

Financial Safety Net – A financial stability mechanism that usually comprises the deposit insurance function, prudential regulation and supervision, and the lender-of-last-resort function.

Flat Rate Premium - A premium assessed at a uniformed rate across all DIC member institutions.

Individual Account – An account held in the name of one person that does not name beneficiaries.

Insolvency or Insolvent – State or condition in which a bank can no longer pay any financial obligation when due, or the value of assets is less than the total of its debts.

Insurance Amount - The basic DIC insurance amount: B$50,000 per depositor, per bank, per ownership category. Deposits held in different ownership capacities and rights, such as single, joint, and trust, are separately insured, when the requirements for each ownership category are met, even if held at the same bank.

Insured Deposits – Types of deposits that are covered by a deposit insurance system.

Inter-bank Deposits – Deposits held in a bank for another bank.

Joint Account – A deposit account owned by two or more people, with equal withdrawal rights, that is not a trust account. Joint accounts are a separate account ownership category and can qualify for separate DIC insurance coverage.

Lender-of-Last-Resort Function – The provision of liquidity to the financial system by a central bank.

Letters of Credit – Credit instruments issued by a bank, guaranteeing payments on behalf of its customers to a third party, for a stated period of time, when certain conditions are met.

Liquidation – The winding down of the business affairs and operations of a failed DIC member institution through the orderly disposition of its assets after it has been placed in receivership.

Liquidator - Person authorized, normally appointed by the courts, to represent the bank in liquidation, to manage its affairs and to conduct activities for collecting its claims, discharging its debts to the creditors of collected funds, allocating the remainder of its assets among the shareholders and winding up its activities.

Maturity Date - The date at which a term deposit becomes due.

Maximum Coverage – The amount a depositor can claim from the deposit insurer in the event of bank failures.

Money Order – A cashable instrument, similar to a certified cheque or a bank draft, issued by a member institution or a postal authority and payable to the person named in the order.

Partnership – An association of two or more persons or entities formed to carry on as co-owners of an unincorporated business. Partnership accounts, together with corporation and unincorporated association accounts, are a separate account ownership category.

Payout – The process undertaken by the DIC to make insurance payments to the insured depositors of a failed DIC member institution. The DIC may make payments in one of two ways: (1) by issuing cheques to insured depositors; or (2) by providing insured depositors with new demand deposits at another DIC member institution.

Protection of Depositors Act – The statute passed by The Bahamas' Parliament, creating the Deposit Insurance Corporation, detailing its powers and defining its corporate mission.

Recovery Plan – A plan that identifies triggers and options/ strategies for responding to a wide range of internal and external stress scenarios to restore an institution to financial strength and viability in a timely manner.

Resolution Authority – a public authority that, either alone or together with other authorities, is responsible for the resolution of firms established in its jurisdiction.

Resolution & Crisis Management Unit (RCMU) – the unit in the Bank Supervision Department of the Central Bank of The Bahamas that houses the DIC and has responsibility for its daily operations.

Resolution Plan - The plan for liquidating, reorganizing, recapitalizing, or resolving a financial institution that has failed, is non-viable, or insolvent.

Right and Capacity – The terms "right" and "capacity" refer to the nature of the ownership of deposits, such as jointly owned funds, trust deposits, deposit held in individual names, etc.

Subrogation – The process where the DIC is substituted as the claimant for the insured deposits paid by it.

Target Fund Size – the size of the ex-ante deposit insurance fund, typically measured as a proportion of the assessment base (e.g., percentage of insured deposits), sufficient to meet the expected future obligations and cover the operational and related costs of the deposit insurer.

Uninsured Deposit – The part of an eligible deposit that exceeds the B$50,000 insurance limit. Depositors may be able to recoup part of this amount upon the liquidation of the member's assets.

Financial Statements of the Deposit Insurance Corporation

For the year ended December 31, 2025

Paje House
#17 Marlborough Street
P.O. Box N-8285
Nassau, The Bahamas

T: +1 (242) 322-7516
F: +1 (242) 322-7517

info@bakertilly.bs
www.bakertilly.bs

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
DEPOSIT INSURANCE CORPORATION

Opinion

We have audited the financial statements of Deposit Insurance Corporation ("the Corporation"), which comprise the statement of financial position as at 31 December 2025, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2025, and its financial performance and its cash flows for the year then ended, in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Commonwealth of The Bahamas. We have fulfilled our other responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments, at amortized cost - $115,291,600	
The risk	***Our response***
As at 31 December 2025, the Corporation had investments with a carrying value of $115,291,600, which consisted of Bahamas Government Registered Stock ("BGRS"), representing 98.43% of the total assets. Investments are considered a key audit area due to their materiality in the context of the financial statements as a whole.	In this area, our audit procedures included obtaining custody confirmation from the Central Bank of The Bahamas ("the Central Bank"), custodian for the BGRS investments, to verify the existence, and comparing the annual coupon rate available from the Central Bank's website. We also considered the adequacy of the Corporation's recognition and measurement policies in accordance with IFRS 9, *Financial Instruments,* and its related disclosure requirements in accordance with IFRS 7, *Financial Instruments, Disclosures* in Notes 4, 6, and 14.

Baker Tilly Gomez trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Key Audit Matters (continued)

Premiums and interest income - $14,443,841	
The risk	***Our response***
During the year, the Corporation earned and received premiums income from member-institutions and interest income from investments totaling $14,443,841. Revenues earned on premiums from member-institutions and interest earned from investments are a key driver on the operations of the Corporation. Also, revenue is considered a key audit area due to its materiality in the context of the financial statements as a whole.	As part of our procedures, we: • tested the completeness of premium income by obtaining confirmation from member institutions of their total insured deposits during the year. • tested the reasonableness of the premium income based on the average insured deposits of the member institutions. • tested the reasonableness of interest income earned on investments and verified the existence and completeness of the investments by obtaining the custody confirmation from the Central Bank as at year-end.

Other Information

Management is responsible for other information. Other information obtained at the date of this auditors' report is information included in the Corporation's Annual Report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover other information, and we do not express any form of assurance or conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

To the Board of Directors of
DEPOSIT INSURANCE CORPORATION

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Baker Tilly
CHARTERED ACCOUNTANTS

Nassau, The Bahamas

6 May 2026

DEPOSIT INSURANCE CORPORATION

Statement of Financial Position
(Expressed in Bahamian dollars)

31 December 2025

	Notes	2025 $	2024 $
ASSETS			
Cash at bank	**5, 13, 14**	415,068	1,690,699
Investments, at amortized cost	**6, 13, 14**	115,291,600	100,209,800
Interest receivable	**6, 13, 14**	1,425,877	1,129,576
TOTAL ASSETS		117,132,545	103,030,075
LIABILITIES AND EQUITY			
LIABILITIES			
Unpaid claims	**7, 14**	52,644	52,644
		4,642	9,442
		7,286	62,086
EQUITY			
Capital	**8, 13**	500,000	500,000
Deposit insurance fund	**15**	116,575,259	102,467,989
	16	117,075,259	102,967,989
TOTAL LIABILITIES AND EQUITY		117,132,545	103,030,075
CONTINGENT LIABILITIES	**15**		

See accompanying notes. Independent Auditors' Report pages 38 through 40

These financial statements were approved on behalf of the Board of Directors on 6 May 2026 by the following:

Director

Director

See accompanying notes. Independent Auditors' Report pages 39 through 41

DEPOSIT INSURANCE CORPORATION

Statement of Comprehensive Income
(Expressed in Bahamian dollars)

Year ended 31 December 2025

	Notes	2025 $	2024 $
INCOME			
Premiums	**9**	9,755,250	9,327,580
Interest	**6, 13**	4,688,591	4,203,744
		14,443,841	13,531,324
EXPENSES			
Public awareness campaign	**12**	150,757	89,811
Administration fees	**10, 13**	79,093	79,093
Membership fees	**11**	28,491	28,281
Training workshop		21,100	8,301
Resolution and crisis management expense		19,365	-
Professional fees		13,514	8,500
Printing		12,073	10,472
Board honorarium	**13**	9,600	9,600
Other		1,796	-
Website development		782	609
Conference		-	5,469
		336,571	240,136
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		14,107,270	13,291,188

See accompanying notes. Independent Auditors' Report pages 39 through 41

DEPOSIT INSURANCE CORPORATION

Statement of Changes in Equity
(Expressed in Bahamian dollars)

Year ended 31 December 2025

	Notes	Capital	Deposit Insurance Fund	Total
		$	$	$
Balances at 1 January 2024		500,000	89,176,801	89,676,801
Total comprehensive income for the year		-	13,291,188	13,291,188
Balances at 31 December 2024	**8, 13, 15, 16**	500,000	102,467,989	102,967,989
Total comprehensive income for the year		-	14,107,270	14,107,270
Balances at 31 December 2025	**8, 13, 15, 16**	500,000	116,575,259	117,075,259

See accompanying notes. Independent Auditors' Report pages 39 through 41

DEPOSIT INSURANCE CORPORATION

Statement of Cash Flows
(Expressed in Bahamian dollars)

Year ended 31 December 2025

	Notes	2025 $	2024 $
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Total comprehensive income for the year		14,107,270	13,291,188
Adjustment for non-cash item:			
Interest income	**6, 13**	(4,688,591)	(4,203,744)
Changes in operating assets and liabilities:			
Decrease in prepaid expense		-	7,233
Decrease in accounts payable and accrued expenses		(4,800)	(76,848)
Net cash provided by operating activities		9,413,879	9,017,829
INVESTING ACTIVITIES			
Purchases of investments, at amortized cost	**6**	(32,545,200)	(20,360,100)
Proceeds from maturity of investments, at amortized cost	**6**	17,463,400	8,635,900
Interest received		4,392,290	4,174,761
Net cash used in investing activities		(10,689,510)	(7,549,439)
NET (DECREASE) INCREASE IN CASH AT BANK		(1,275,631)	1,468,390
Cash at bank, beginning of the year		1,690,699	222,309
CASH AT BANK, END OF THE YEAR	**5, 13, 14**	415,068	1,690,699

See accompanying notes. Independent Auditors' Report pages 39 through 41

1. GENERAL INFORMATION AND NATURE OF OPERATIONS

The Deposit Insurance Corporation ("the Corporation"), was established by the Protection of Depositors Act ("the Act") on 30 September 1999, to manage the Deposit Insurance Fund ("the Fund"). The Fund was established under the Act for the protection of depositors at member institutions. The Corporation insures Bahamian dollar deposits held at member institutions up to a maximum of $50,000, for any single depositor, or such greater amount as the Minister of Finance ("the Minister"), may prescribe on the advice of the Central Bank of The Bahamas ("the Central Bank").

The depositors of a member institution must submit a claim for deposit insurance up to one year after the date on which a notice of closure of a member institution is published by the Corporation. Before payment of any insured sums to depositors, the Corporation offsets any monies owed to the member institution by such depositors, for which payments are due or past due.

Notwithstanding that the Corporation's capital contribution was paid by the Central Bank in accordance with the Act, it does not have the power to govern the financial and operating policies of the Corporation so as to obtain benefits from its activities. Accordingly, the Corporation is not considered a subsidiary of the Central Bank. Certain members of the Board of Directors of the Corporation are also executive management of the Central Bank.

The Corporation, on the advice of the Central Bank, has the authority to:

(i) levy authorized contributions and premia on member institutions;
(ii) accumulate, manage, and invest the surplus funds of the Corporation; and
(iii) provide capital for a bridge institution and provide financing in the amount of insured deposits to an entity that acquires the business or all or part of the assets and liabilities of a member institution which has been placed under statutory administration by the Central Bank.

Additionally, the Corporation is exempt from the provisions of the Insurance Act and the Stamp Act.

In May 2002, the Corporation became a founding member of the International Association of Deposit Insurers ("IADI"), an association established in Basel, Switzerland. IADI's primary mission is the enhancement of deposit insurance effectiveness by developing guidance and promoting international cooperation.

On 24 July 2020, an amendment to the Protection of Depositors Act was enacted by the Parliament of The Bahamas, to provide for enhanced protections for depositors and for connected purposes thereto. The amendment also included compulsory membership for every co-operative credit union registered under the Bahamas Co-operative Credit Unions Act, 2015.

The registered office of the Corporation is located on the 3rd Floor of the Bahamas Financial Center, Charlotte Street, Nassau, The Bahamas.

2. STATEMENT OF COMPLIANCE WITH IFRS ACCOUNTING STANDARDS AND GOING CONCERN ASSUMPTION

The Corporation's financial statements are prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB"), and are presented in Bahamian dollars ("$"), the Corporation's functional currency.

The Corporation has prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements for the year ended 31 December 2025 (including comparatives) were approved and authorized for issue by the Board of Directors effective 6 May 2026.

3. NEW OR REVISED STANDARDS OR INTERPRETATIONS

New Standards adopted as at 1 January 2025

The Corporation has adopted the following new interpretations, revisions, and amendments to IFRS issued by the IASB, which are relevant to and effective for the Corporation's financial statements for the annual period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21)

This amendment does not have a significant impact on these financial statements, and therefore, the disclosures have not been made.

Standards, amendments, and interpretations to existing standards that are not yet effective and have not been adopted early by the Corporation

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards has been adopted early by the Corporation.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes;
- the classification of all income and expenses within the statement of profit or loss in one of five categories;
- a new requirement to disclose performance measures defined by management; and
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

3. NEW OR REVISED STANDARDS OR INTERPRETATIONS (continued)

Standards, amendments, and interpretations to existing standards that are not yet effective and have not been adopted early by the Corporation (continued)

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors,* without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed "*Basis of Preparation of Financial Statements*".

The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7, *Statement of Cash Flows*.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.

The Corporation is currently working to identify all of the impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

Other new Standards, amendments, and Interpretations not adopted in the current year and have not been disclosed as they are not expected to have a material impact on the Corporation's financial statements include:

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- Annual Improvements to IFRS Accounting Standards-Volume 11;
- IFRS 19, *Subsidiaries without Public Accountability: Disclosures*; and
- Amendments to IFRS 19, *Subsidiaries without Public Accountability: Disclosures*.

4. MATERIAL ACCOUNTING POLICIES

Overall considerations

The financial statements have been prepared using the material accounting policies and measurement bases summarized below.

Presentation of financial statements

The financial statements are presented in accordance with IAS 1, *Presentation of Financial Statements* (Revised 2007). The Corporation has elected to present the "Statement of Comprehensive Income" in one statement.

Management's use of judgments and estimates

The Corporation uses accounting estimates and assumptions in the preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and transactions, actual results may ultimately differ from those estimates. The effect of any changes in estimates will be recorded in the Corporation's financial statements when determinable.

4. MATERIAL ACCOUNTING POLICIES (continued)

Management's use of judgments and estimates (continued)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Cash at bank

Cash at bank is comprised of deposits held at the Central Bank, which are subject to an insignificant risk of change in value.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

In the periods presented, the Corporation does not have any financial assets categorized as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognized in the statement of comprehensive income are presented within "income".

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as fair value through profit or loss ("FVTPL"):

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Subsequent measurement of financial assets (continued)

***Financial assets at amortized cost* (continued)**

- they are held within a business model whose objective is to hold financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

As at 31 December 2025, the Corporation's cash at bank, investments, at amortized cost, and interest receivable fall into this category.

Classification and subsequent measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Corporation designates a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method, except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of comprehensive income are included within expenses.

The Corporation's financial liabilities include unpaid claims, accounts payable and accrued expenses, which are measured at amortized cost using the effective interest rate method. Discounting, however, is omitted where the effect of discounting is immaterial.

Impairment of financial assets

The Corporation recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost. The Corporation measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk has not increased significantly since initial recognition.

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and informed credit assessment, and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instruments is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Corporation is exposed to credit risk.

At each reporting date, the Corporation assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or past due event; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

Offsetting of financial instruments

Financial assets are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Income and expense will not be offset in the statement of comprehensive income unless required, or permitted by any accounting standard, or interpretation as specifically disclosed in the accounting policies of the Corporation.

Fair value measurement hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Fair value measurement hierarchy (continued)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the overall fair value measurement. Assessing the significance of a particular input to the value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

As at 31 December 2025, the Corporation had no financial assets at FVTPL.

Capital

Capital comprises the contribution paid by the Central Bank in accordance with section 13(2) of the Act. The Act does not provide for member institutions to be shareholders of the Corporation, and accordingly, these institutions do not hold equity in the Corporation.

Deposit insurance fund

The deposit insurance fund of the Corporation is managed by the Board of Directors of the Corporation. Membership in the deposit insurance fund is compulsory for every institution carrying on banking business wholly or partly in Bahamian dollars and licensed under the Banks and Trust Companies Regulation Act, and every co-operative credit union registered under the Bahamas Co-operative Credit Union Act. The deposit insurance fund comprises accumulated net earnings of the Corporation.

Income and expenses

Premiums

Premiums are recognized on an accrual basis when the Corporation's right to receive the premium is established.

Interest income

Interest income is recognized on the accrual basis using the effective interest rate method.

Expenses

Expenses are recognized in the statement of comprehensive income upon utilization of the service or at the date they are incurred.

4. MATERIAL ACCOUNTING POLICIES (continued)

Taxation

On 1 January 2015, the Government of The Bahamas implemented the value added tax ("VAT") regime, with three (3) categories for goods and services, which include two rates of VAT of 7.5% and 0%, and a third category classified as Exempt. Effective 1 July 2018, the VAT Bill and Regulations was amended, changing the standard rate from 7.5% to 12%. Effective 1 January 2022, the VAT Bill and Regulations was again amended, changing the standard rate from 12% to 10%. Effective 1 April 2025, the VAT Bill and Regulations was amended, changing the VAT rate for unprepared food from 10% to 5%. Premiums are a statutory requirement and therefore not subject to VAT. The Corporation is exempt from VAT and business licence tax. Input VAT from the purchase of goods or services is recorded as part of the expense.

Related party transactions

Transactions between related parties are based on terms similar to those offered to non-related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities. The Central Bank and certain of its directors and officers are considered to be related parties of the Corporation.

Events after the reporting date

The Corporation identifies subsequent events as events that occurred after the reporting period but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Corporation's position at the reporting period, adjusting events, are reflected in the financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to financial statements when material.

5. CASH AT BANK

As at 31 December 2025, the Corporation's cash held at the Central Bank amounted to $415,068 (2024: $1,690,699).

Cash held at the Central Bank is non-interest bearing.

6. INVESTMENTS, AT AMORTIZED COST

Investments, at amortized cost, as at 31 December 2025 consist of the following:

Date of purchase	Maturity date	2025		2024	
		Interest rate %	Amortized cost $	Interest rate %	Amortized cost $
18 January 2006	18 January 2026	4.56	1,050,000	4.56	1,050,000
25 May 2007	22 September 2025	-	-	4.53	1,400,000
22 January 2008	22 September 2025	-	-	4.53	1,250,000
02 February 2010	27 August 2029	4.39	1,750,000	4.39	1,750,000
26 July 2010	26 July 2034	4.40	1,528,500	4.40	1,528,500

Cont'd

6. INVESTMENTS, AT AMORTIZED COST (continued)

Date of purchase	Maturity date	2025		2024	
		Interest rate %	Amortized cost $	Interest rate %	Amortized cost $
26 July 2010	26 July 2037	4.43	121,500	4.43	121,500
15 February 2011	26 July 2028	4.33	1,900,000	4.33	1,900,000
10 November 2011	10 November 2028	4.34	1,057,500	4.34	1,057,500
16 July 2012	16 July 2029	4.30	1,100,000	4.30	1,100,000
16 July 2012	16 July 2030	4.32	1,150,000	4.32	1,150,000
16 July 2012	16 July 2031	4.35	1,150,000	4.35	1,150,000
25 September 2012	25 September 2030	4.30	117,300	4.30	117,300
25 September 2012	25 September 2032	4.31	150,000	4.31	150,000
17 April 2013	17 April 2032	4.31	1,500,000	4.31	1,500,000
17 April 2013	17 April 2033	4.31	1,500,000	4.31	1,500,000
26 July 2013	26 July 2033	4.31	700,000	4.31	700,000
26 July 2013	26 July 2034	4.32	1,000,000	4.32	1,000,000
23 October 2013	17 April 2031	4.30	800,000	4.30	800,000
03 February 2014	23 September 2032	4.31	1,870,000	4.31	1,870,000
27 June 2014	23 September 2032	4.31	1,850,000	4.31	1,850,000
02 September 2014	23 September 2031	4.30	330,000	4.30	330,000
14 April 2015	16 July 2031	4.35	300,000	4.35	300,000
19 May 2015	23 September 2031	4.30	200,000	4.30	200,000
28 July 2015	25 September 2032	4.31	95,800	4.31	95,800
28 July 2015	17 April 2032	4.31	485,100	4.31	485,100
28 July 2015	26 July 2033	4.31	909,100	4.31	909,100
02 September 2015	26 July 2033	4.31	300,000	4.31	300,000
20 October 2015	26 July 2033	4.31	44,100	4.31	44,100
18 November 2015	26 July 2033	4.31	190,000	4.31	190,000
22 December 2015	26 July 2033	4.31	1,460,000	4.31	1,460,000
26 August 2016	26 August 2036	5.40	188,800	5.40	188,800
13 September 2016	26 July 2037	4.88	33,000	4.88	33,000
15 September 2016	26 July 2037	4.43	15,200	4.43	15,200
15 September 2016	26 July 2037	4.43	20,000	4.43	20,000
03 October 2016	03 October 2036	5.40	2,590,000	5.40	2,590,000
24 April 2017	13 October 2036	5.40	1,400,000	5.40	1,400,000
14 July 2017	14 July 2037	5.20	1,550,000	5.20	1,550,000
13 October 2017	13 October 2037	5.22	380,000	5.22	380,000
15 December 2017	15 December 2037	5.22	1,395,000	5.22	1,395,000
11 May 2018	10 December 2028	4.39	557,000	4.39	557,000
13 July 2018	13 July 2038	5.06	1,700,000	5.06	1,700,000
15 August 2018	13 July 2038	5.06	274,700	5.06	274,700
14 September 2018	13 July 2038	5.06	81,600	5.06	81,600
15 October 2018	15 October 2038	5.00	410,000	5.00	410,000
16 November 2018	15 October 2048	5.50	36,400	5.50	36,400
14 December 2018	15 October 2048	5.50	847,300	5.50	847,300
15 January 2019	15 January 2049	5.50	843,000	5.50	843,000
15 February 2019	03 October 2036	5.40	2,160,000	5.40	2,160,000
15 March 2019	15 January 2049	5.50	45,300	5.50	45,300
15 April 2019	15 April 2049	5.55	797,100	5.55	797,100
15 May 2019	15 April 2039	5.04	692,600	5.04	692,600
17 June 2019	15 April 2039	5.04	519,100	5.04	519,100
15 July 2019	15 July 2039	5.14	289,100	5.14	289,100

Cont'd

6. INVESTMENTS, AT AMORTIZED COST (continued)

Date of purchase	Maturity date	2025		2024	
		Interest rate %	Amortized cost $	Interest rate %	Amortized cost $
19 July 2019	15 December 2027	4.82	1,298,000	4.82	1,298,000
16 August 2019	15 July 2049	5.60	404,600	5.60	404,600
26 August 2019	03 October 2036	5.40	212,500	5.40	212,500
17 September 2019	15 July 2049	5.60	54,600	5.60	54,600
15 October 2019	15 October 2039	5.29	330,000	5.29	330,000
15 November 2019	15 October 2039	5.29	330,000	5.29	330,000
17 January 2020	17 January 2040	5.35	1,500,000	5.35	1,500,000
14 February 2020	23 September 2033	4.31	552,800	4.31	552,800
20 March 2020	15 April 2049	5.55	101,500	5.55	101,500
27 March 2020	15 October 2049	5.65	158,000	5.65	158,000
21 April 2020	21 April 2040	5.30	120,000	5.30	120,000
15 May 2020	21 April 2040	5.30	315,000	5.30	315,000
15 June 2020	15 June 2040	5.60	88,800	5.60	88,800
16 July 2020	15 June 2040	5.60	1,645,000	5.60	1,645,000
14 August 2020	15 June 2040	5.60	460,000	5.60	460,000
15 September 2020	15 September 2040	5.60	450,000	5.60	450,000
15 October 2020	15 September 2040	5.60	350,000	5.60	350,000
17 November 2020	17 November 2040	5.90	1,140,000	5.90	1,140,000
15 December 2020	17 November 2040	5.90	1,920,000	5.90	1,920,000
18 January 2021	17 November 2040	5.90	1,320,000	5.90	1,320,000
15 February 2021	15 February 2041	5.95	490,000	5.95	490,000
15 March 2021	15 February 2041	5.95	155,000	5.95	155,000
16 April 2021	15 February 2028	4.65	146,000	4.65	146,000
17 May 2021	17 May 2028	4.70	655,000	4.70	655,000
15 June 2021	17 May 2028	4.70	120,000	4.70	120,000
16 July 2021	17 May 2028	4.70	135,000	4.70	135,000
17 August 2021	17 August 2028	4.70	510,000	4.70	510,000
14 September 2021	17 August 2026	4.05	380,000	4.05	380,000
16 November 2021	16 November 2026	4.05	1,338,000	4.05	1,338,000
14 December 2021	16 November 2026	4.05	70,000	4.05	70,000
15 March 2022	15 March 2025	-	-	3.60	170,000
14 April 2022	15 March 2025	-	-	3.60	276,900
15 July 2022	15 June 2025	-	-	3.60	566,200
17 August 2022	15 June 2025	-	-	3.60	636,100
17 August 2022	15 June 2027	4.05	168,600	4.05	168,600
14 September 2022	14 September 2025	-	-	3.58	637,000
17 October 2022	14 September 2025	-	-	3.58	2,500,000
21 November 2022	14 September 2025	-	-	3.58	2,247,000
18 January 2023	14 December 2025	-	-	3.58	828,000
22 March 2023	05 April 2026	4.56	1,390,000	4.56	1,390,000
21 April 2023	21 April 2026	3.60	3,000,000	3.60	3,000,000
21 July 2023	21 July 2026	3.63	2,480,000	3.63	2,480,000
13 September 2023	21 July 2026	3.63	1,516,000	3.63	1,516,000
16 October 2023	16 October 2026	3.63	2,600,000	3.63	2,600,000
15 February 2024	15 February 2027	3.64	2,214,400	3.64	2,214,400
27 March 2024	27 March 2025	-	-	3.25	2,661,500
16 April 2024	16 April 2027	3.64	2,238,500	3.64	2,238,500
03 May 2024	03 May 2025	-	-	3.25	1,510,700
31 May 2024	31 May 2027	3.64	675,000	3.64	675,000

Cont'd

6. INVESTMENTS, AT AMORTIZED COST (continued)

Date of purchase	Maturity date	2025		2024	
		Interest rate %	Amortized cost $	Interest rate %	Amortized cost $
28 June 2024	28 June 2025	-	-	3.25	230,000
16 August 2024	16 August 2027	3.67	580,000	3.67	580,000
16 September 2024	16 September 2027	3.67	2,400,000	3.67	2,400,000
22 October 2024	22 October 2027	3.70	5,300,000	3.70	5,300,000
16 December 2024	16 December 2025	-	-	3.31	2,550,000
16 January 2025	22 October 2027	3.70	1,500,000	-	-
14 February 2025	22 October 2027	3.70	900,000	-	-
15 April 2025	16 September 2027	3.67	9,600,000	-	-
16 May 2025	15 September 2027	4.25	2,340,000	-	-
16 June 2025	16 October 2028	4.09	220,000	-	-
15 August 2025	18 January 2029	4.10	2,050,000	-	-
15 September 2025	15 February 2029	4.10	1,335,200	-	-
15 October 2025	16 July 2031	4.35	2,000,000	-	-
15 October 2025	15 February 2029	4.10	8,000,000	-	-
16 December 2025	16 September 2029	4.13	4,600,000	-	-
Total investments			**115,291,600**		**100,209,800**

Investments are comprised solely of Bahamas Government Registered Stocks (“BGRS”), which are held at the Central Bank.

Movements in investments, at amortized cost during the year are as follows:

	2025 $	2024 $
Balance, beginning of the year	100,209,800	88,485,600
Purchases of investments	32,545,200	20,360,100
Proceeds from maturity of investments	(17,463,400)	(8,635,900)
Balance, end of the year	115,291,600	100,209,800

During the year, the Corporation earned interest amounting to $4,688,591 (2024: $4,203,744), of which $1,425,877 was receivable as of 31 December 2025 (2024: $1,129,576).

There was no indication of impairment noted on investments, hence no allowance for impairment and provision for expected credit losses were recognized during 2025 and 2024.

7. UNPAID CLAIMS

The Corporation recognized a provision in respect of unpaid claims from certain claimants arising from the liquidation of Gulf Union Bank (Bahamas) Limited. The claim is currently subject to investigation by the appointed liquidators, who are assessing the validity, extent, and potential settlement of the matter.

The provision represents management’s best estimate, based on information presently available, of the potential obligation that may arise from this claim. However, the ultimate outcome remains uncertain and may differ from the amount provided, depending on the findings of the liquidators and any subsequent legal or regulatory determinations.

7. UNPAID CLAIMS (continued)

The Corporation continues to monitor the matter closely and will revise the provision, or recognize any additional liability or reversal, as appropriate, when further information becomes available.

As at 31 December 2025, the Corporation's unpaid claims amounted to $52,644 (2024: $52,644).

8. CAPITAL

The authorized capital of the Corporation is $1,000,000. The initial contribution to the Corporation was $1,000,000, of which $500,000 was paid by the Central Bank in accordance with Section 13(2) of the Act and recognized as capital in the statement of financial position.

The remaining contribution of $500,000 was levied on member institutions in accordance with Section 5(1) of the Act, and was recognized as premiums income in the statement of comprehensive income in the prior years, which is part of the Corporation's deposit insurance fund account as at year-end.

The Act does not provide for member institutions to be shareholders of the Corporation, and accordingly, these institutions do not hold equity in the Corporation.

9. PREMIUMS INCOME

Every member institution pays an annual premium equal to a percentage to be determined from time to time by the Corporation, by Notice of the average of the sum of those deposits insured by the Corporation and deposited with the member institutions, as of 31 March and 30 September, in the immediately preceding premium year.

During the year, the premium percentage was 0.10% (2024: 0.10%) of the average sum of deposits insured with the member institutions.

During the year, the Corporation earned and received premiums from member institutions amounting to $9,755,250 (2024: $9,327,580).

10. ADMINISTRATION FEES

On 1 January 2014, the Corporation entered into a Service Level Agreement with the Central Bank to provide administrative services for the day-to-day operations of the Corporation. The services provided include investment, banking and accounting services, administration services, monitoring and reporting on member institutions, conducting annual assessments of premium rates, assessing the adequacy of the deposit insurance fund to absorb losses, conducting Public Awareness Campaign inclusive of annual surveys, providing administrative support for the Corporation's website, conducting the annual budget exercise, producing a comprehensive annual financial report, conducting periodic crisis stimulations and testing, reviewing and amending legislation as required, to support the functions of the Corporation, preparing and maintaining operational procedures covering the various functions of the Corporation, managing the Corporation's pay-out/settlement process, and undertake any other services deemed necessary for the continued functioning of the Corporation.

10. ADMINISTRATION FEES (continued)

Effective 1 January 2019, the Board of Directors of the Corporation approved the increase of administration fees to $71,903 per annum, exclusive of Value Added Tax ("VAT").

Administration fees, VAT inclusive, incurred and paid by the Corporation during the year amounted to $79,093 (2024: $79,093).

11. MEMBERSHIP FEES

As a member of IADI, the Corporation incurred and paid an annual membership fee during the year amounting to $28,491 (2024: $28,281).

12. PUBLIC AWARENESS CAMPAIGN

Public awareness campaign is one of the core principles of IADI. In order to protect depositors and contribute to financial stability, it is essential that the public be informed on an ongoing basis about the benefits and limitations of the deposit insurance system.

As at 31 December 2025, the Corporation incurred and paid expenses of $150,757 in relation to public awareness campaigns (2024: $89,811).

13. RELATED PARTY BALANCES AND TRANSACTIONS

The Corporation's related party balances and transactions are comprised of the following:

	Related Party	2025 $	2024 $
Balances:			
Cash at bank	Administrator	415,068	1,690,699
Investments, at amortized cost	Government of The Bahamas	115,291,600	100,209,800
Interest receivable	Government of The Bahamas	1,425,877	1,129,576
Capital	Administrator	500,000	500,000
Transactions:			
Interest income	Government of The Bahamas	4,688,591	4,203,744
Administration fees	Administrator	79,093	79,093

Members of the Board of Directors are also classified as related parties. Board honorarium incurred by the Corporation during the year amounted to $9,600 (2024: $9,600), of which Nil was still outstanding as of 31 December 2025 (2024: $4,800), and was included as part of accounts payable and accrued expenses in the statement of financial position.

14. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Corporation's financial instruments include non-derivative instruments such as cash, interest receivable, investments, at amortized cost, unpaid claims, accounts payable, and accrued expenses, which arise directly from its operations. The risks arising from the use of financial instruments are liquidity risk, credit risk, and market risk.

14. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

Liquidity risk is the possibility that the Corporation will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Corporation. The Corporation's objective is to ensure sufficient liquidity to meet its obligations when due. The Corporation's financial assets consist primarily of investments in the Bahamas government debt, which are considered to be readily realizable. Ultimate responsibility for the management of liquidity risk rests with the Board of Directors. The Board of Directors manages liquidity risk by monitoring expected cash flows from premiums and investments.

The following tables summarize the maturity profile of the Corporation's financial assets and liabilities based on contractual maturities as at 31 December:

	2025				
	Due on demand $	Less than 1 year $	1-5 years $	Over 5 years $	Total $
Financial assets					
Cash at bank	415,068	-	-	-	415,068
Investments, at amortized cost	-	13,824,000	54,617,500	46,850,100	115,291,600
Interest receivable	-	1,425,877	-	-	1,425,877
	415,068	15,249,877	54,617,500	46,850,100	117,132,545
Financial liabilities					
Unpaid claims	52,644	-	-	-	52,644
Accounts payable and accrued expenses	-	4,642	-	-	4,642
	52,644	4,642	-	-	57,286
Liquidity gap	362,424	15,245,235	54,617,500	46,850,100	117,075,259

	2024				
	Due on demand $	Less than 1 year $	1-5 years $	Over 5 years $	Total $
Financial assets					
Cash at bank	1,690,699	-	-	-	1,690,699
Investments, at amortized cost	-	17,463,400	36,629,000	46,117,400	100,209,800
Interest receivable	-	1,129,576	-	-	1,129,576
	1,690,699	18,592,976	36,629,000	46,117,400	103,030,075
Financial liabilities					
Unpaid claims	52,644	-	-	-	52,644
Accounts payable and accrued expenses	-	9,442	-	-	9,442
	52,644	9,442	-	-	62,086
Liquidity gap	1,638,055	18,583,534	36,329,000	46,117,400	102,967,989

14. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Corporation by failing to discharge an obligation.

The Corporation's financial assets are generally held with the Bahamas Government and the Central Bank, and management has no current reason to expect that any counterparty will fail to meet its obligations. The Corporation is exposed to credit-related losses to the extent that these counterparties may be unable to repay the amounts owed.

Financial assets consist principally of cash, investments, at amortized cost, and interest receivable. The Corporation manages its credit risk by evaluating the creditworthiness of entities with which the Corporation has a credit risk exposure.

The amount of credit exposure is represented by the carrying amount of the assets in the statement of financial position. The Corporation's credit risk is limited to the carrying amount of financial assets recognized at the financial position date as summarized below:

	2025 $	2024 $
Cash at bank	415,068	1,690,699
Investments, at amortized cost	115,291,600	100,209,800
Interest receivable	1,425,877	1,129,576
	117,132,545	103,030,075

None of the Corporation's financial assets were considered to be past due or impaired as at 31 December 2025 and 2024, respectively.

Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations indicate the relative sensitivity of the Corporation's performance to developments affecting a particular industry.

As of 31 December 2025, the Corporation had a significant concentration of credit risk with the Central Bank of the Bahamas.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation does not engage in transactions in currencies other than the Bahamian dollar. Accordingly, the Corporation has no exposure to foreign currency risk.

14. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument may fluctuate significantly as a result of changes in market interest rates. The Corporation is exposed to changes in market interest rates through its investments.

An increase in interest rates by 1% at 31 December 2025 would have increased the net income by approximately $1,152,916 (2024: $1,002,098). A decrease in interest rates by 1% would have an equal but opposite effect.

15. CONTINGENT LIABILITIES

Estimated Insured Deposits (EID)

As at 31 December 2025, member institutions collectively recorded insurable and insured deposits of $9.9 billion and $2.9 billion, respectively (2024: $9.2 billion and $2.8 billion, respectively). Accordingly, as at 31 December 2025, the Corporation's Deposit Insurance Fund amounted to $116,575,259 (2024: $102,467,989), representing 1.2% of insurable deposits (2024: 1.1%) and 4.0% of insured deposits (2024: 3.6%).

16. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Corporation manages its capital to ensure that it will be able to continue as a going concern while meeting its obligations. The capital of the Corporation is represented by its capital and deposit insurance fund totalling $117,075,259 as at 31 December 2025 (2024: $102,967,989). The Corporation is not subject to externally imposed capital requirements, and there were no changes in the management of capital during the year.

The key mechanism used to manage the level of capital is premium assessments. Premiums are levied at an annual rate determined from time to time by the Corporation. During the year, the Corporation levied an annual rate of one tenth of one percent, or 0.10% (2024: 0.10%) of the average insured deposits as at 31 March and 30 September in the immediately preceding premium year. The adequacy of net assets will be based primarily on the assessed risk posed by member institutions.

In relation to its insurance obligations, the Corporation's main exposure is from any unexpected loss from the insolvency of a member institution, which is not readily estimated due to the unavailability of data on specific loss experience.

In accordance with the Act, where the Corporation had made or is likely to make claim payments to depositors which have exhausted or are likely to exhaust the Fund, the Corporation shall furnish the Minister with an estimate of the amount necessary to meet the obligations of the Fund in the next succeeding year, and the Minister, on the advice of the Central Bank, after consultation with the member-institutions, may by order require that special contributions be levied on them.

17. EVENTS AFTER THE REPORTING DATE

The Corporation evaluated the report of all post-reporting date events through 6 May 2026, which is the date the financial statements are available to be issued.

There were no adjusting or non-adjusting events that need to be disclosed or reflected in the financial statements.

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DEPOSIT INSURANCE CORPORATION
BAHAMAS

Deposit Insurance Corporation
Third Floor
Bahamas Financial Center,
Charlotte Street
P.O. Box N-4868, Nassau, Bahamas
Website: www.dic.bs
Email: info@dic.bs
Tel: (242) 302-2652 / 302-2650
302-9820 / 302-9825