

THE MINISTRY OF FINANCE SIX MONTHS FY2025/26 FISCAL SNAPSHOT

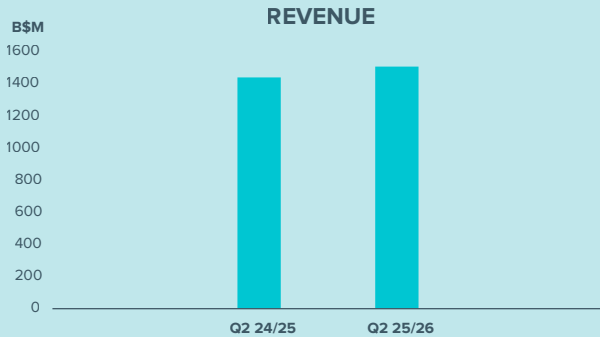
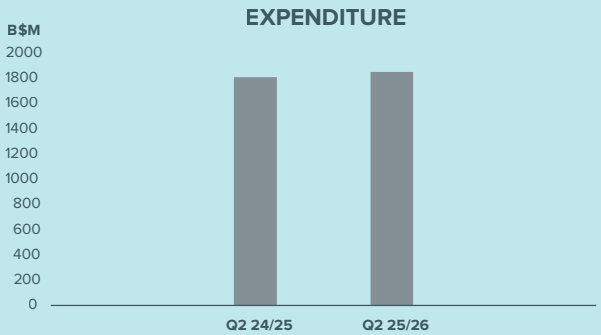
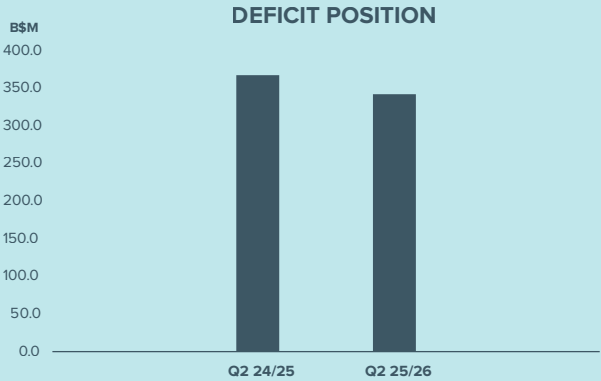
RELEASED APRIL 2026
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Economic Outlook

Provisional results for the first half of FY2025/26 demonstrate continued fiscal stabilization, with total revenue expanding by 4.6 percent year-over-year. Growth was led by VAT and other domestic tax categories, reflecting sustained economic activity and strengthened compliance efforts, even as certain trade-related revenues normalized from elevated levels in the prior year.

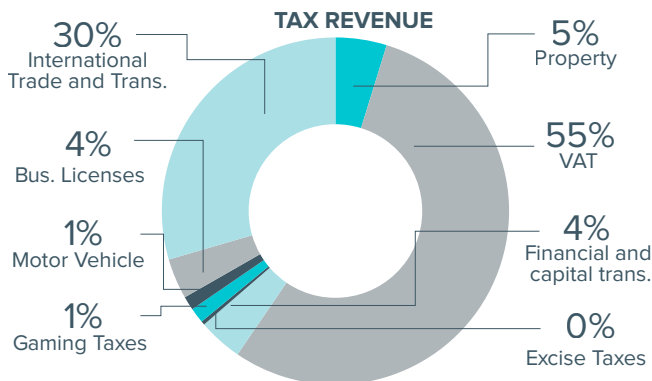
Fiscal Balance

For the first six months of FY2025/26, the central Government recorded a decrease in the fiscal deficit to \$342.4 million (2.1 percent of GDP) from \$367.7 million (2.3 percent of GDP) in the same period of the previous year. This outcome is largely due to the growth in expenditure outpacing revenue receipts.



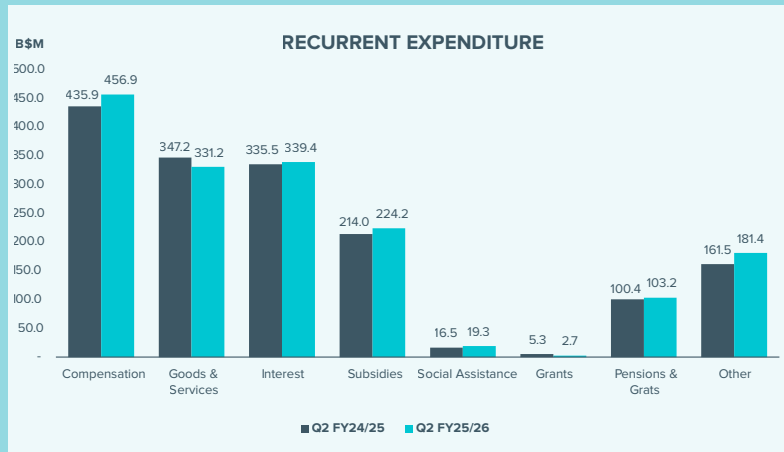
Revenue

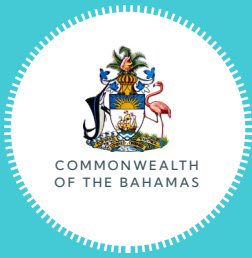
Total revenue collections for the first six months of FY2025/26 amounted to \$1,574.2 million, representing an increase of \$66.6 million (4.6 percent) compared to the same period last year. This performance was underpinned by strong VAT receipts of \$739.1 million, alongside \$393.9 million in taxes on international trade and transactions. Revenues from taxes on financial transactions totaled \$55.1 million, while property tax collections reached \$63.7 million. General stamp taxes contributed \$2.8 million, and taxes on specific services totaled \$19.0 million. Non-tax revenue accounted for approximately 10.7 percent of total collections, amounting to \$160.7 million.



Expenditure

Total expenditure for the first six months of FY2025/26 amounted to \$1,891.3 million, representing an increase of \$41.3 million (2.3 percent) compared to the same period last year. This modest expansion reflects higher recurrent outlays, particularly in personal emoluments, subsidies, social benefits, and other current transfers, while capital expenditure remained broadly stable year-over-year.





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CONT'D

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Tax Revenue Performance

Tax revenue for the first six months of FY2025/26 increased by \$54.4 million (4.2 percent) to \$1,345.9 million, representing the primary driver of overall revenue growth. The increase was largely supported by higher VAT collections, which rose by \$76.1 million (11.5 percent) year-over-year. Additional gains were recorded in taxes on goods and services more broadly, including excise taxes (40.3 percent), marine licence activity (74.1 percent), and taxes on use and permits (7.2 percent). These increases were partially offset by declines in taxes on international trade (4.5 percent), property taxes (7.2 percent), and taxes on financial transactions (12.9 percent).

Recurrent Expenditure

Total recurrent expenditure increased by \$42.2 million (2.6 percent) to \$1,658.3 million. Personal emoluments totaled \$456.9 million, rising by \$21.0 million (4.8 percent), driven primarily by growth in wages and salaries. Spending on the use of goods and services declined by \$16.0 million (4.6 percent) to \$331.2 million, reflecting notable reductions in utilities and communications (58.2 percent), rent (19.7 percent), and travel and subsistence (8.0 percent). Interest payments totaled \$339.4 million, increasing modestly by \$3.9 million (1.2 percent). Subsidies increased by \$10.2 million (4.8 percent) to \$224.2 million, largely driven by higher transfers to public non-financial enterprises (5.4 percent).

Financing Activities

For the first six months of FY2025/26, total financing activity resulted in a net increase in liabilities of \$633.9 million. Gross borrowings amounted to \$2,176.8 million, while total repayments reached \$1,542.9 million. The net financing position reflects active liability management operations across both domestic and external instruments

	GOVERNMENT DEBT		% GDP
END-DECEMBER 2024	11,767.6	million	74.3%
END-DECEMBER 2025	12,406.8	million	75.1%
MONEY BORROWED			
B\$	1,681.6	million	
NON B\$	495.2	million	
MONEY REPAID			
TOTAL (\$)	1,542.9	million	
NATIONAL DEBT			
AS OF DECEMBER 2025	12,732.5	million	

National Debt

National Debt is calculated by adding Government Debt together with Contingent Liabilities, which are monies owed by State Owned Enterprises that are guaranteed by the Government. The Central Bank of The Bahamas reports on the National Debt every calendar year.

National Debt: \$12,732.5 million (to end-December 2025)

Source: www.centralbankbahamas.com

Non-Tax Revenue Summary

Non-tax revenue increased by \$11.4 million (7.6 percent) during the six-month period. Key contributions included higher collections from the sale of goods and services (11.7 percent), customs administrative fees (38.4 percent), general service fees (19.0 percent), and fines and penalties (81.0 percent). These gains were partly offset by lower interest and dividend income (79.1 percent), reduced foreign-owned fees (96.2 percent), and lower proceeds from the sale of non-financial assets (77.4 percent). Overall, non-tax performance reflects strengthened administrative collections despite volatility in investment-related income streams.

Capital Expenditure

Total capital expenditure amounted to \$191.7 million, broadly unchanged relative to the prior year (0.5 percent). Capital transfers increased by 22.3 percent, supported by higher capital subscriptions and targeted programme support, including allocations to small and medium-sized enterprises and venture capital initiatives. However, this was offset by lower spending under public-private partnership arrangements (52.1 percent) and reduced outlays on national disaster risk projects.

Acquisition of non-financial assets declined by \$6.7 million (4.0 percent) to \$159.9 million. Within this category, spending on other structures increased by 20.4 percent, while outlays on buildings (8.2 percent), transport equipment (11.1 percent), and land improvements (18.8 percent).

Changes in Government Debt

Government debt, also referred to as the Direct Charge on Government, represents the total obligations owed directly by the central Government and is reported on a fiscal year basis. Following developments in net borrowing, the Direct Charge at the end of December 2025 stood at \$12,406.8 million, equivalent to an estimated 75.1 percent of GDP, up from 74.3 percent of GDP at end-December 2024.

Bahamian Liabilities

Net financing in Bahamian dollars totaled \$450.3 million, with gross borrowings of \$1,681.6 million and repayments of \$1,231.3 million. Treasury Bills and Notes recorded a net increase of \$277.2 million, reflecting short-term domestic market operations. Central Bank advances contributed a net increase of \$290.3 million, with borrowings of \$918.3 million partially offset by repayments of \$628.0 million. Bonds registered a net reduction of \$55.5 million, as repayments exceeded new issuances. Bank loans declined by \$61.6 million, reflecting net repayments during the period.

Foreign Currency Liabilities

Foreign currency liabilities increased by a net \$183.7 million, with borrowings of \$495.2 million and repayments of \$311.5 million. Loans from international development agencies accounted for the largest share of net external financing, increasing by \$230.0 million, reflecting project and policy-based disbursements. Foreign currency bank loans declined by \$46.3 million, as repayments outpaced new borrowing.