CENTRAL BANK OF THE GAMBIA

Monetary Policy Report

August 2025

Preface

The Central Bank of The Gambia Monetary Policy Report summarizes developments and outlook for key economic sectors that informed the decision of the Monetary Policy Committee (MPC). The objective is to keep the public informed of the MPC decision as part of the accountability and transparency obligation in the conduct of monetary policy.

Monetary Policy in The Gambia

The mandate of the Central Bank of The Gambia (CBG) is to achieve and maintain price and financial sector stability as well as create an enabling environment for sustainable economic growth. The Bank continues to operate a monetary targeting framework. Targets for key monetary aggregates are set in line with the Bank's medium-term inflation objective of 5 percent. In addition, the MPC meets to set the monetary policy rate (MPR) to signal the policy stance of the Bank.

Monetary Policy Committee

The Monetary Policy Committee (MPC) was established by the CBG Act 2005 (amended 2018 Act) as the apex monetary policy decision-making body of the Bank. The membership comprises the Governor (Chairman), the two Deputy Governors, heads of Banking, Financial Supervision, and Economic Research Departments of the Bank, and three persons from outside the Bank appointed by the Minister of Finance and Economic Affairs. The MPC meets every quarter to review developments and near-term outlook in the international and domestic economy and set the monetary policy rate. This signals the policy stance of the Bank. The decision-making process is by consensus. The Chairman communicates the decision of the Committee in a press statement and a press conference. The press release and the minutes of each meeting are posted on the Bank's website for wider access by the public.

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Executive Summary

The Monetary Policy Committee (MPC) of the Central Bank of The Gambia convened on September 1–2, 2025, to assess recent economic developments and adjust its monetary policy stance accordingly. Following a comprehensive review, the Committee decided to maintain the Monetary Policy Rate (MPR) at 17.0 percent, reaffirming its commitment to anchoring inflation expectations and restoring price stability. Other policy parameters, including the required reserve ratio and standing deposit and credit facility rates, were also left unchanged, in line with the Bank's tight policy stance to support the disinflation process.

Global economic activity is expected to grow by 3.0 percent in 2025, marking a slowdown from the 3.2 percent expansion recorded in 2024 and reflecting a downward revision from previous forecasts. This moderation is driven by persistent global uncertainties, including tighter financial conditions and ongoing geopolitical tensions. Global inflation is projected to ease to 4.3 percent in 2025, down from 5.8 percent in the previous year. Advanced economies are making progress toward price stability, with average inflation expected to decline to 2.1 percent. In contrast, emerging markets and developing economies (EMDEs) continue to face elevated inflationary pressures, primarily due to currency depreciation, higher energy costs, and climate-related disruptions to food supplies. Sub-Saharan Africa, while experiencing a downward inflation trend, is projected to maintain relatively high inflation at 9.8 percent in 2025, underscoring the region's ongoing macroeconomic vulnerabilities.

The domestic economy maintained a strong growth momentum in 2024, supported by robust performance in financial services, trade, construction, and mining. Stable remittance inflows and increased public investment further bolstered domestic demand. Looking ahead, growth prospects remain positive, with real GDP projected to expand by 6.4 percent in 2025 and 5.6 percent in 2026—an upward revision relative to the previous forecast and driven by improved external conditions, fiscal adjustments, and stronger domestic activity. This outlook is underpinned by rising investment in infrastructure and social services, resilient private sector activity, and continued strength in tourism and remittance flows.

Inflation continues its downward trend, falling to 7.5 percent in July 2025, one of the lowest levels over two years, mainly due to declining food prices and improved supply conditions. Despite this progress, inflation remains above the Central Bank's medium-term target of 5 percent, with core inflation indicators still rising, reflecting persistent underlying price pressures. Additionally, administered prices linked to recent tax and tariff adjustments are keeping overall inflation elevated. For The Gambia, subdued oil prices provide some relief on import costs, but rising food and non-fuel commodity prices could reintroduce inflationary pressures. The weaker U.S. dollar and improved global financial conditions create space for selective policy easing, but frontier markets like The Gambia remain exposed to external debt vulnerabilities. While the global environment supports further disinflation, domestic risks remain. These include exchange rate pressures, climate-related agricultural challenges, and supply chain disruptions.

The Gambia's external sector showed signs of improvement in the first half of 2025, despite ongoing pressures from a persistent goods account deficit. The current account deficit narrowed to US$36.9 million (1.5 percent of GDP), down from US$74.7 million (3.3 percent of GDP) in the previous half. This was driven by a rebound in tourism, reduced construction-related imports, and steady remittance inflows. However, the financial account recorded a deficit of US$207.5 million, reflecting a recovery in non-resident investment, though down from the larger deficit of US$178.2 million in the prior half of 2024.

Preliminary estimates for the second quarter of 2025 indicate a stronger fiscal position for The Gambia, supported by improved revenue performance and effective tax administration reforms. Key initiatives—including the introduction of a single window platform, a digital weighbridge, and broader tax base coverage—have enhanced revenue collection efficiency and reduced bottlenecks in trade clearance. As a result, the overall budget deficit, including grants, narrowed significantly to D2.4 billion (1.7 percent of GDP), down from D3.9 billion (2.7 percent of GDP) in the same period in 2024. On the debt front, the total domestic debt stock rose slightly to D47.1 billion in July 2025, from D42.1 billion in 2024. This surge is driven entirely by marketable instruments, while non-marketable debt declined.

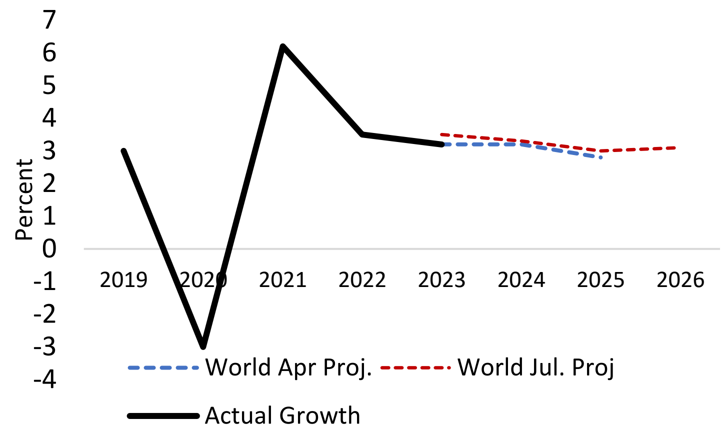
In the second quarter of 2025, the banking sector's total capital rose to D13.37 billion from D11.97 billion in March 2025, driven by retained earnings. All commercial banks met the revised minimum capital requirement. Although risk-weighted assets increased slightly, reflecting higher credit activity, the capital adequacy ratio remained above the regulatory threshold. Loan quality improved modestly, with the non-performing loan (NPL) ratio declining to 8.9 percent from 10.2 percent. However, the drop in NPL is attributable to the transfer of the bad assets to Group following the exit of one of the banks. The sector remains resilient and well-capitalized, supported by D95 million in surplus provisions.

In view of prevailing conditions, the MPC emphasized the importance of maintaining tight monetary policy to consolidate disinflation gains and prevent a resurgence in inflation. The Central Bank will continue deploying all available instruments to manage excess liquidity and ensure that inflation converges to its 5.0 percent medium-term target. The Committee also underscored the need for structural reforms to address supply-side bottlenecks, enhance food and energy security, and strengthen macroeconomic resilience.

Global Economic Developments

Global growth is projected at 3.0 percent in 2025 and 3.1 percent in 2026, a modest upward revision supported by front-loaded trade activity, improved financial conditions, and fiscal expansion in key economies. Growth remains below the pre-pandemic average, with momentum expected to ease as temporary drivers fade. Sub-Saharan Africa is projected to expand by 4.0 percent in 2025 and 4.3 percent in 2026, underpinned by macroeconomic stabilization and infrastructure investment, though risks remain elevated in conflict- and climate-affected economies. Emerging market and developing economies are projected to grow by 4.1 percent in 2025 and 4.0 percent in 2026, led by strong domestic demand in Asia and macroeconomic stabilisation, easing inflationary pressures, and infrastructure investment across parts of Africa.

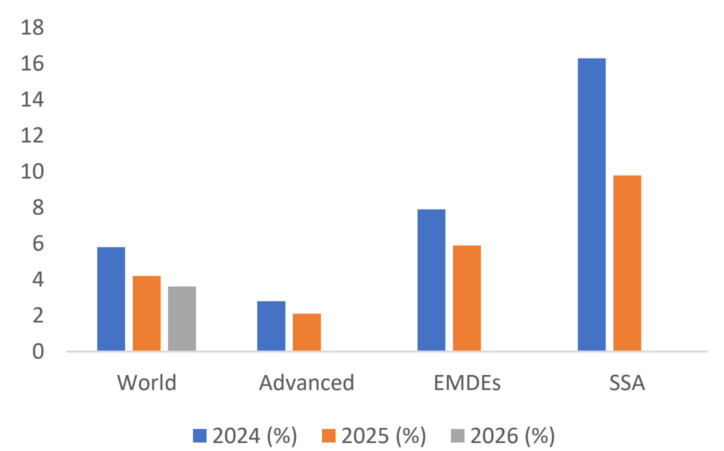
Figure 1: *Global Output Growth*



Source: April 2025 WEO Update Projections

Global inflation is projected to decline to 4.2 percent in 2025 and 3.6 percent in 2026, with divergent country paths. Advanced economies are converging toward target, while inflation in emerging and developing economies will remain higher at 5.4 percent in 2025, reflecting currency volatility and structural constraints. Commodity prices are volatile: oil is expected to

Figure 2: *Global Inflation Trends,*



Source: April 2025 WEO Update Projections average $68 per barrel in 2025 (–13.9 percent year-on-year), while non-fuel commodities are projected to rise by 7.9 percent.

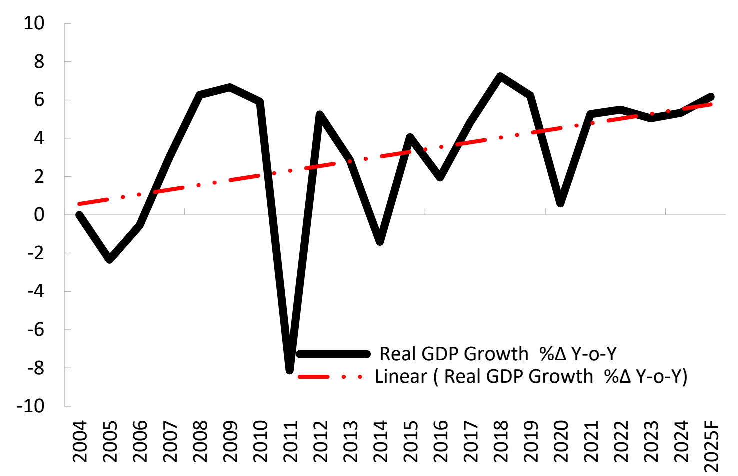
Risk to the global outlook is on the downside, notably from trade fragmentation, renewed geopolitical shocks, and fiscal instability in large economies

The Domestic Economy

Real Sector

Recent data from The Gambia Bureau of Statistics (GBoS) indicated a strong economic growth in 2024 (5.3 percent), setting a favourable trajectory for macroeconomic improvement. This strong performance was supported by solid growth in financial services, redistributive trade, private construction—financed mainly by stable remittances inflow—and mining & quarrying. In addition, strong public investment aided domestic demand.

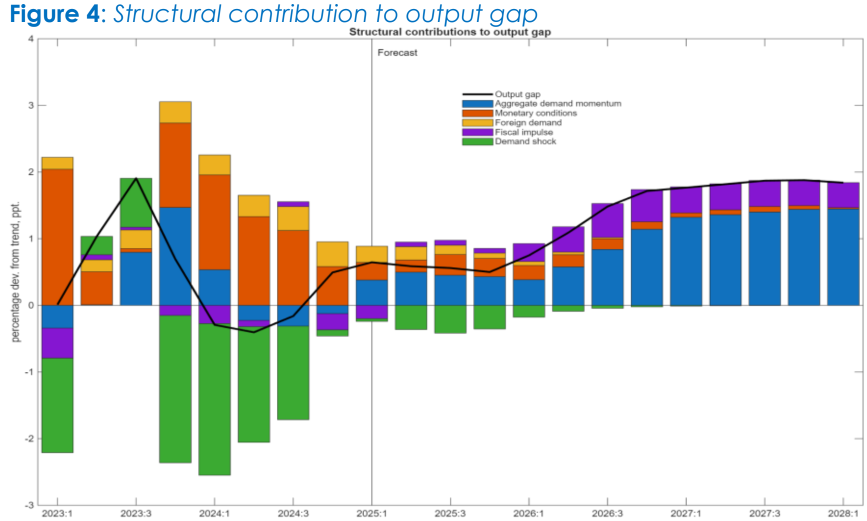
Figure 3: *Real GDP Growth*



Source: GBoS, CBG staff calculations

In 2025, economic growth is expected to further strengthen to 6.4 percent and 5.6 percent in 2026. These projections represent an upward revision of 0.1 and 0.2 percentage points respectively, compared to the May 2025 forecast. The upward revision reflects adjustments in key macroeconomic assumptions, including external conditions, fiscal policy adjustments, and domestic economic developments. The projected growth is precipitated on higher public investment in infrastructure and social services, coupled with rising private sector activity, improved external demand for Gambian services, tourism, and strong remittances inflow which goes to finance private consumption and investment (construction) demand.

Figure 4: *Structural contribution to output gap*

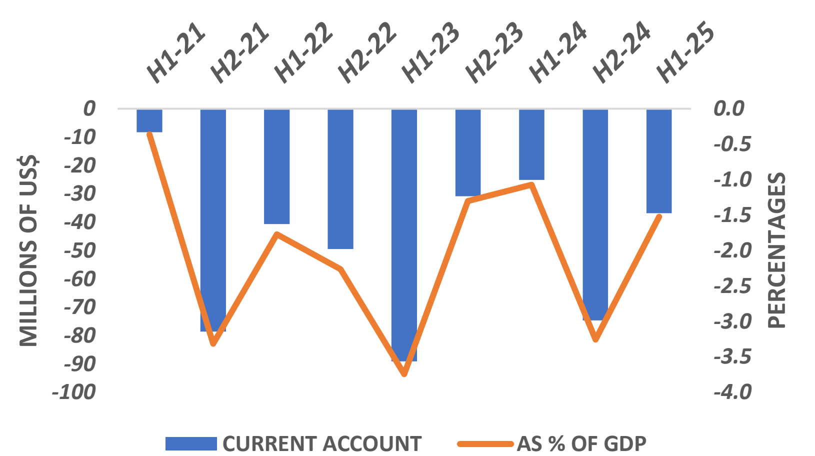


Source: CBG staff calculations

Balance of Payments

Balance of payments pressures continue to persist in the first half of 2025, due to the persistence deficit in the goods account. The current account balance widened to a deficit of US$36.9 million (1.5 percent of GDP) in the first half of 2025, compared to a deficit of US$25.1 million (1.1 percent of GDP) during the same period in 2024. However, compared to the second half of 2024, the deficit narrowed by 50.6 percent to US$74.7 million (3.3 percent of GDP). This improvement is attributed to a rebound in tourism, reduced goods account and steady growth in remittance inflows. For the goods account the deficit narrowed to US$488.0 million (20.2 percent of GDP) in the first half of 2025, from a deficit of US$550.6 million (24.0 percent of GDP) in the

Figure 5: *Current Account Balance*



Source: CBG

preceding half. This is explained by the decrease in imports (FOB), mainly resulting from the reduction in the importation of construction-related materials, fruits, vegetables and animal products. The reduction in the electricity imports from Senegal also mitigated the impact on the goods account.

Total imports (FOB) amounted to US$697.7 million (20.2 percent of GDP) in the first half of 2025, compared to US$550.6 million (24.0 percent of GDP) in the preceding half of 2024. Globally, Belgium is the main import partner while Senegal leads the regional block closely followed by Togo.

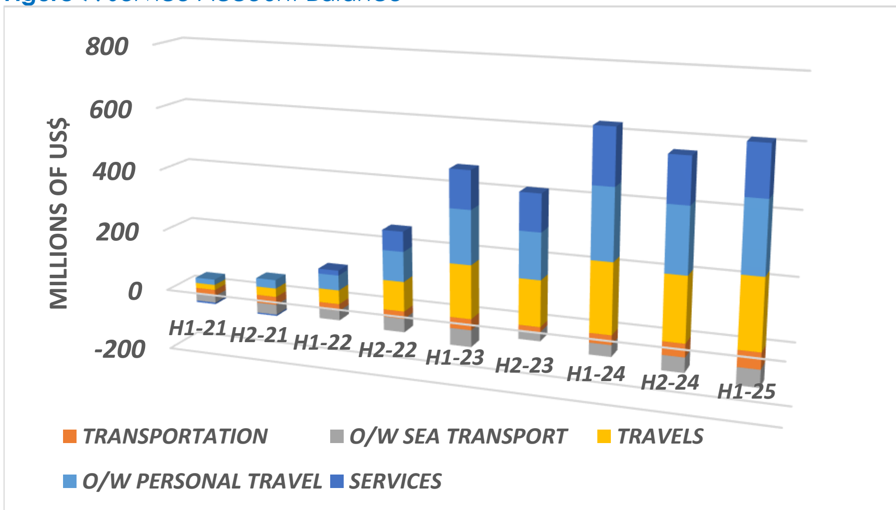
Figure 6: *Goods Account*

Source: CBG

Exports (FOB) amounted to US$209.7 million in the review period, from US$210.6 million in the final half of 2024. This is mainly due to an increase in re-exports, which amounted to US$169.7 million, 80.9 percent of total exports during the review period. In the ECOWAS region, Senegal is the main export partner while Mali and Guinea Bissau lead the re-export sector.

The services account balance gradual recovery continues following a near collapse tourism sector during the pandemic period; tourism activity is rebounding with arrival numbers approaching pre-pandemic levels. Biannually, the services account balance is estimated to have registered a surplus of US$159.4 million in the first half of 2025, from a surplus of US$146.0 million in the previous half, on the back of an increase in tourist arrivals.

Figure 7: *Service Account Balance*



Source: CBG

Secondary income account over the review period amounted to US$285.9 million, compared to a net inflow of US$297.0 million in the previous half of 2024. This is a decrease of 3.7 percent biannually is associated with the lower official inflow of program grants and an increase in the official outflow of transfers in the review period.

Personal transfers, mainly workers' remittances (net), increased to US$269.9 million in the first half of 2025, from US$250.7 million in the preceding half of 2024. The surge was partly aided by seasonality due to Ramadan, lent periods and Tobaski.

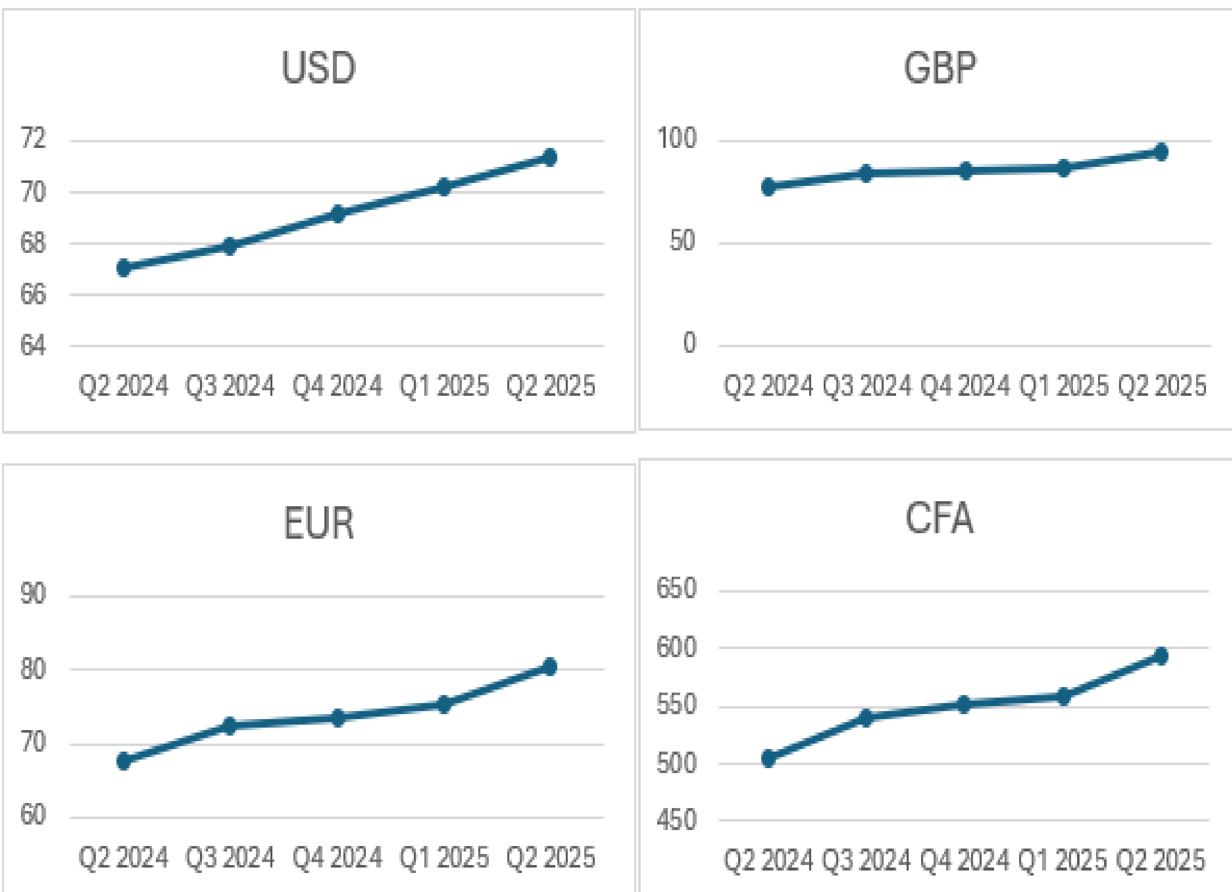
The capital accounts in the first half of 2025 moderated to a surplus of US$44.4 million, from a surplus of US$58.4 million in the preceding period. This can be attributed to a decline in the substantial amount of project funds disbursed during the review period.

Financial account balances deteriorated to a deficit of US$207.5 million in the review period, compared to a deficit of US$178.2 million in the preceding half of 2024, reflecting a growth in non-resident investment during the period under review. Of the components of financial accounts, direct investments and portfolio investment registered a positive inflow of US$133.3 million, and US$75.0 million respectively in review period. The change in reserve assets recorded an increase in assets of US$18.7 million, while other investments registered an inflow of US$17.9 million in the review half.

Exchange Rate Developments

During the second quarter of 2025, activity in the domestic foreign exchange (FX) market showed a notable increase. Total FX transactions in the interbank market for end June 2025 rose to US$2.29 billion, representing a 19.3 percent increase from US$1.92 billion recorded in the same period the previous year. This increase reflects an uptick in both demand and supply of foreign currency. On the supply side, the purchase of foreign currency increased by US$196.71 million driven by prudent Central Bank policies, continuous recovery in the tourism industry and strong remittance inflows. Similarly, FX demand (sales) increased by US$171.05 million on accounts of increased demand for imports and requirements, particularly in sectors such as food, telecommunications, construction materials, and energy.

***Figure 8**: Nominal Exchange Rates*



Source: CBG

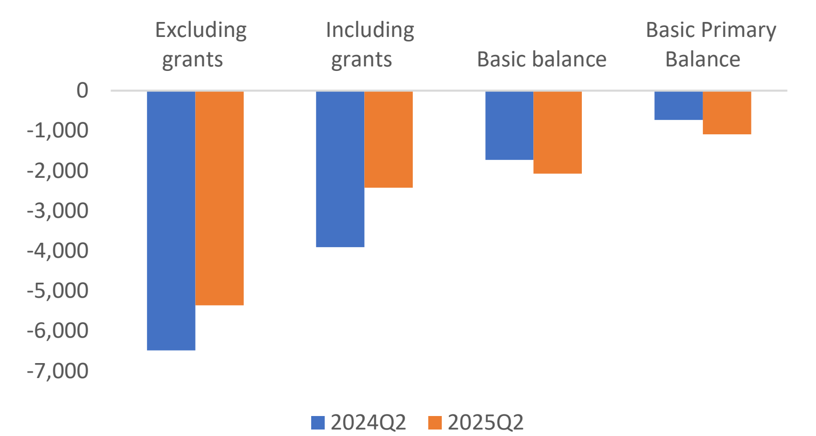
However, compared to the first quarter, FX volumes moderated by 8.3 percent, from US$670.1 million in the first quarter to US$614.2 million in the second quarter. The decline in the volumes of transactions in the second quarter relative to the first quarter mainly reflects lower supply, marking the end of the peak period of the tourist season. Overall, the Dalasi remained relatively stable in 2025Q2, depreciating marginally against major currencies, mainly attributed to demand-side pressures primarily driven by high import volumes of electronic goods, food items, and fuel. The Dalasi weakened against the US Dollar by 4.51 percent, the British Pound by 10.30 percent, Euro by 7.76 percent, and the CFA Franc by 0.45 percent in the review period.

Total remittance inflows into The Gambia from April to June 2025 amounted to US$217.99 million, reflecting an increase of US$10.09 million compared to US$207.90 million recorded during Q1 in 2025, with the United States emerged as the leading remittance corridor, contributing 25.62 percent of total inflows. This was followed by the United Kingdom, Italy, Spain, and Germany.

Government Fiscal Operations

Preliminary estimates of government operations indicated a strong revenue performance and an improved fiscal position in the second quarter of 2025 compared to the same period in 2024. The overall deficit, excluding grants, decreased from D6.5 billion (4.5 percent of GDP) in 2024Q2 to D5.4 billion (3.7 percent of GDP) in 2025. Similarly, the overall budget deficit, including grants, also narrowed to D2.4 billion (1.7 percent of GDP) in 2025, compared to D3.9 billion (2.7 percent of GDP) in 2024. Compared to the previous quarter, both overall deficits, excluding and including grants, worsened by 100 percent and 84.6 percent, respectively.

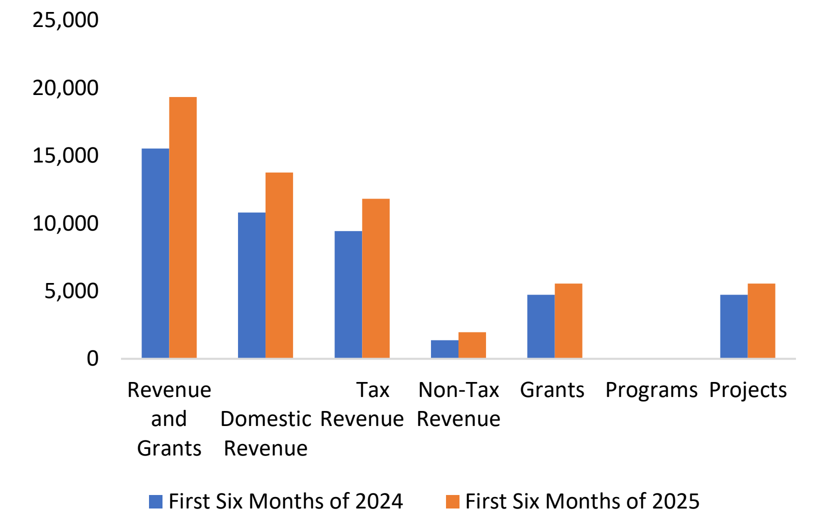
Figure 9: The Fiscal Balances (GMD' million)



Source: MOFEA & ERD Calculations

Revenue performance continues to strengthen, thanks to improvements in tax administration. Key reforms such as the introduction of a single window platform, digital weighbridge and broadening of the tax base have not only facilitated smoother revenue collection processes but have also substantially reduced obstacles in the clearance and shipment of goods. In addition, the automation of aspects of tax processes has enhanced efficiency in administration and revenue collections.

***Figure 10**: Government Receipts – GMD' billion*



Source: MOFEA CBG staff calculations

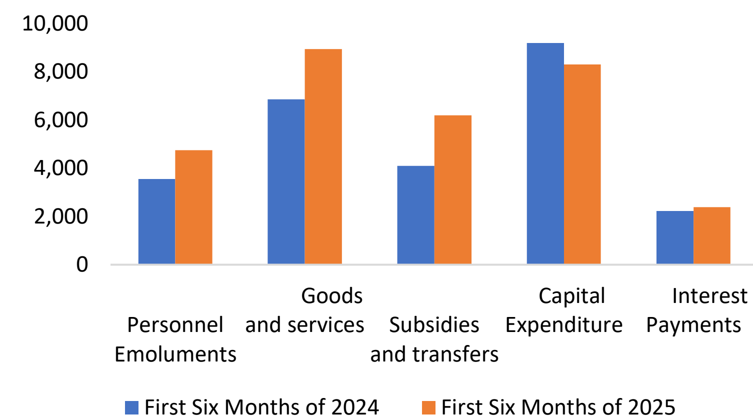
Total revenue and grants in the second quarter of 2025 surged to D9.3 billion (6.5 percent of GDP, marking a substantial 18.9 percent rise from the same period last year. The quarter-on-quarter analysis revealed an increase of 6.6 percent.

Comparing the first six months of 2025 to that of 2024, total revenue and grants mobilized in surged to D19.3 billion (13.5 percent of GDP, marking a substantial 24.5 percent rise from the same period last year. Domestic revenue, encompassing both tax and non-tax revenues, rose by 27.5 percent to D13.8 billion (9.6 percent of GDP) in the first six months of 2025 from D10.8 billion (7.5 percent of GDP) the same period last year. Similarly, tax revenue rose by 25.2 percent to D11.8 billion (8.2 percent of GDP) in the first six months of 2025, from D9.4 billion (6.6 percent of GDP) in the same period in 2024. Moreover, non-tax revenues also rose by 43.6 percent to D1.9 billion (1.4 percent of GDP) in the first six months of 2025 compared to D1.3 billion (0.9 percent of GDP) in the same period in 2024.

For the first six months of 2025, the analysis reveals that total government expenditure stood at D24.4 billion (17.0 percent of GDP) relative to D21.8 billion (15.8 percent of GDP) during the same period of 2024, this marks an increase of 11.6 percent. Similarly recurrent expenditure rose by 27.1 percent to D16.1 billion (11.2 percent of GDP) to D12.6 billion (8.8 percent of GDP). However, capital expenditure contracted by 9.8 percent in the first six months of 2025 to D8.3 billion (5.8 percent of GDP) from D9.2 billion (6.4 percent of GDP) during the same period in 2024.

Recurrent expenditure increased modestly by 26.3 percent to D8.2 billion (5.7 percent of GDP), compared to D6.5 billion (4.5 percent of GDP) the same period of 2024 and accounted for the bulk (70 percent) of total expenditure and net lending. On quarter-on-quarter basis, recurrent expenditure surged by 13.9 percent. Most of the components of recurrent expenditure increased in the second quarter of 2025. Notably, other charges, which are composed of goods and services, and subsidies and transfers increased by 28.6 percent. In the same vein, subsidies and transfers expanded by 58.7 percent, whereas goods and services declined by 16.4 percent. Spending on personal emoluments increased by 38.0 percent to D 2.4 billion (1.7 percent of GDP) from D1.7 (1.2 percent of GDP). However, current interest payments on domestic and external debt declined to 2.8 and 2.4 percent, respectively.

***Figure 11**: Expenditures in billions*



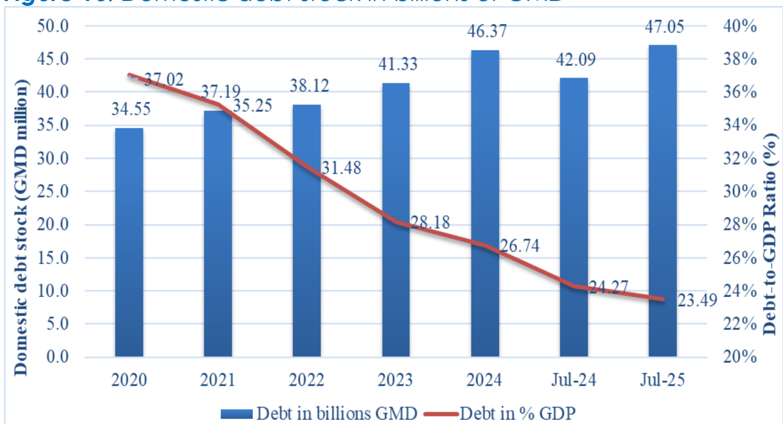
Source: MOFEA CBG staff calculations

Capital expenditure declined by 33.0 percent to 3.5 billion (2.4 percent of GDP) in the second quarter of 2025, from D5.2 billion (2.3 percent of GDP) compared to the same period in 2024. Relative to the prior quarter, this marks a surge in capital expenditure of 20.7 percent. Of the components of capital expenditure, externally financed activities declined by 30.7 percent. Similarly, GLF capital significantly declined by 56.1 percent compared to 0.14 percent of GDP. Capital expenditure financed by external loans also declined by 83.9 percent, while those financed by grants increased by 14.3 percent.

Domestic Debt

The total domestic debt stock surged slightly by 11.8 percent to reach GMD 47.05 billion in the review period year-on-year. The debt composition continued to shift towards T-Bills, Sukuk Al Salaam, and Treasury Bonds, which now make up GMD 39.33 billion of the total stock. Short-term instruments expanded significantly, reaching 49.36 percent of marketable debt. Medium-to-long-term instruments (bonds) grew to GMD 16.11 billion with the introduction of new 2-year and 3-year bonds in 2025. However, the shares of medium and long-term debt remained relatively stable. Short-term debt instruments are largely held by commercial banks. Debt servicing pressures are intensifying. Interest payments, which fell to GMD 2.01 billion in 2022, are projected to reach GMD 5.01 billion in 2025 (27.3 percent of revenue).

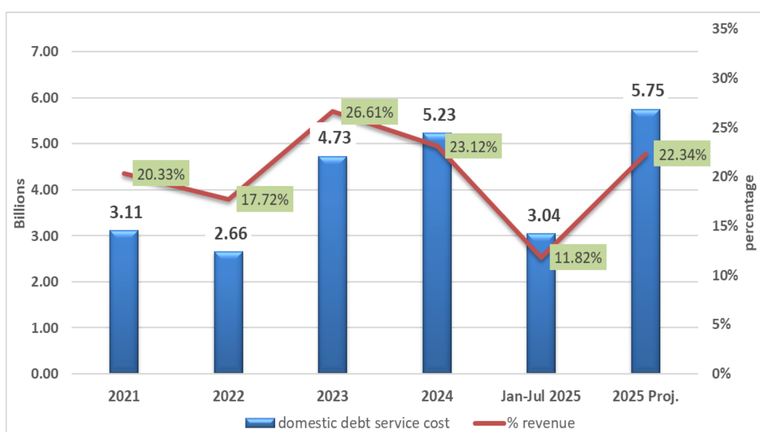
Figure 13*: Domestic debt stock in billions of GMD*



Source: MOFEA CBG staff calculations

Similarly, domestic debt service costs are expected to rise from GMD 5.23 billion in 2024 to GMD 5.75 billion in 2025. The increase reflects the XDR repayment of D381.22 million, bond coupons payments totalling D2.4 billion, interest payment and amortization on the 30 Year bond which amounted to D864.24 million. The rising debt service burden underscores the fiscal challenge of balancing interest costs with developmental spending priorities, limiting space for growth-enhancing expenditures.

Figure 12*: Domestic Debt servicing in billions GMD*

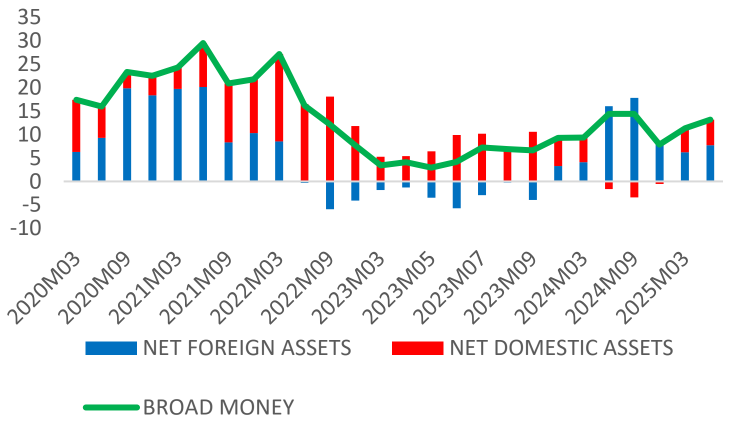


Source: MOFEA & CBG staff calculations

Monetary Aggregates

Monetary conditions in Q2 2025 were characterized by slowing broad money growth and a supportive external position, alongside continued fiscal pressures. Broad money (M2+) grew by 13.2 percent in June, down from 14.4 percent a year earlier, reflecting slower accumulation of net foreign assets (NFA).

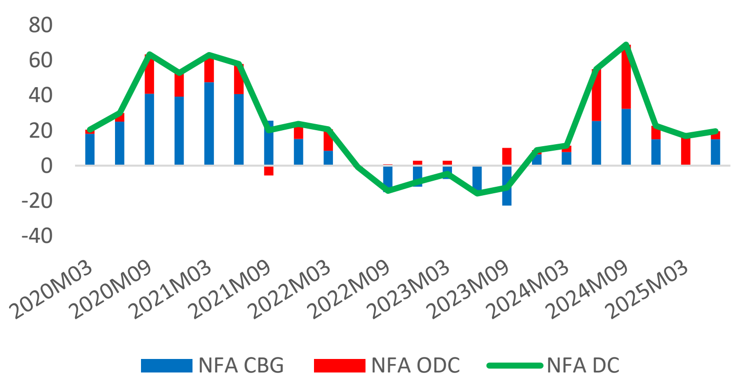
Figure 14: *Sources of M2 growth*



However, credit to the private sector accelerated by 21.6 percent year-on-year, signalling robust credit expansion that could support output if aligned with productive investment. Reserve money growth moderated to 2.0 percent, reflecting a contraction in net domestic assets (NDA) of the Central Bank.

The NFA of depository corporations continued to grow, supported by improved foreign currency inflows. Year-on-year, the NFA grew by 19.6 percent to D35.1 billion in June 2025, compared to a growth of 54.9 percent registered in the same period of 2024. However, quarter-on-quarter, NFA of depository corporations accelerated by 15.2 percent in Q2 2025, compared to a growth of 5.0 percent growth in Q1 2025. The increase is primarily attributed to an increase of 28.9 percent in the Central Bank's NFA during the quarter.

Figure 15: *Net Foreign Assets (NFA) of Depository Corporations*

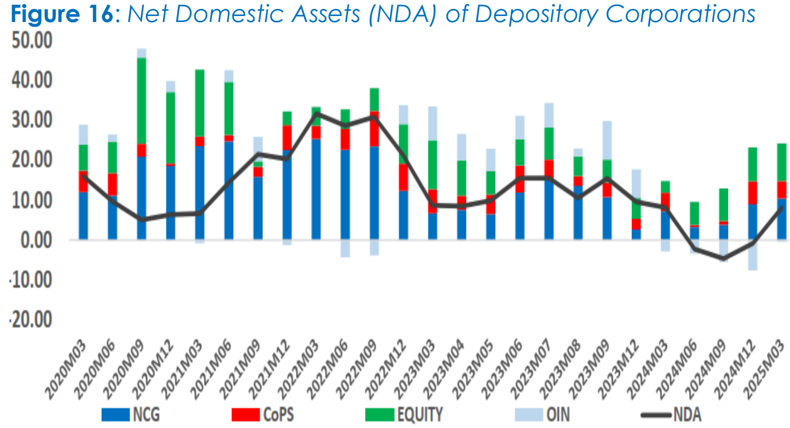


Source: CBG staff calculations

The Central Bank's NFA reached D20.8 billion in June 2025, growing by 27.0 percent, a slowdown compared to the previous year. This reflects a stable but cautious buildup in external reserves. The moderate growth is mainly driven by a 26.4 percent and 1.6 percent deceleration in claims on non-residents and other claims on non-residents, respectively. The Bank maintained a positive external position, which contributed to a stable reserve buffer and supported exchange rate stability. However, liabilities to non-residents also grew by 25.7 percent to D21.7 billion, reflecting increased disbursements from IMF programs and SDR allocations. A relatively stable growth in claims on non-residents will ease exchange rate pressure and support macroeconomic stability. The increase in external liabilities underscores the need to monitor and ensure long-term debt sustainability.

The NFA of other depository corporations rose by 10.2 percent in June 2025, marking a significant slowdown compared to 75.3 percent growth recorded in the same period last year. The deceleration reflects a moderate 10.9 percent increase in claims on non-residents, which is lower than the 53.0 percent recorded in June 2024, indicating a slowdown in holdings of foreign assets.

Figure 16: *Net Domestic Assets (NDA) of Depository Corporations*



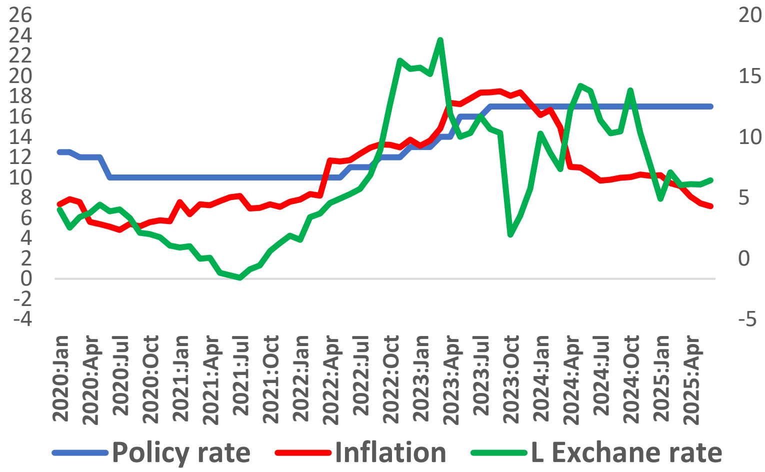
Source: CBG staff calculations

The NDA of the banking sector reversed a 2.3 percent contraction recorded a year ago, increasing to 9.0 percent (D49.0 billion) in June 2025. Furthermore, net domestic claims grew from 5.3 percent to 15.9 percent in June 2025, indicating strong domestic credit expansion and rising claims on the central government.

Net claims on the government contributed 14.9 percentage points to NDA growth, a significant increase compared to 3.3 percentage points a year ago. Similarly, claims on the private sector contributed 6.1 percentage points, up from 0.5 percentage points.

Claims on the private sector grew by 21.7 percent, contributing 6.1 percent to NDA growth. Of which, private sector credit growth increased, registering a growth of 21.6 percent in June 2025, significantly higher than the 0.7 percent growth recorded in the corresponding period a year ago. The acceleration in private sector credit growth indicates a supportive monetary and financial environment.

Figure 17: *Policy rate, Inflation & Exchange rate Movement*



Source: CBG staff calculations

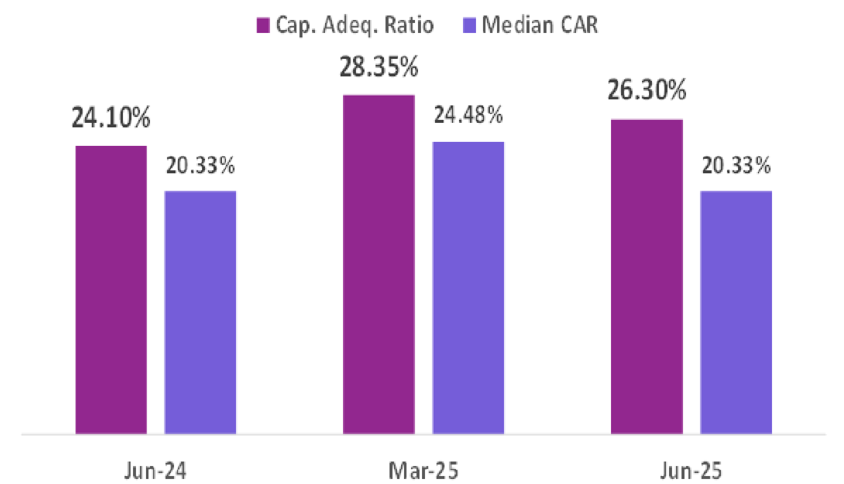
Overall, the buildup of foreign reserves and resilience in private sector credit are positive, However, strengthening policy coordination between fiscal and monetary authorities is essential to contain inflation expectations, safeguard reserves, and ensure sustainable growth financing.

Banking Sector

Deposits, credit, assets, revenue, and net income in the banking industry have all increased year-on-year. These improvements reflect growing public confidence in the banking system and continued recovery from recent inflationary shocks, reinforcing the sector's overall resilience and stability.

Total capital of the banking industry rose to D13.6 billion, up from D9.8 billion recorded in the corresponding period of 2024. The Capital Adequacy Ratio stood at 26.3 percent, a growth of 2.2 percentage points compared to the previous year, and a drop of 2.1 percentage points compared to the March quarter. As of end-June 2025, all commercial banks had successfully met the revised minimum capital requirement of D300 million. The Banking Supervision Department conducted multiple rounds of capital verification exercises to ensure full compliance with regulatory directives. Total risk-weighted assets grew to D51.8 billion from D37.5 billion in the previous year, driven by a strong increase in loans and advances, expanded credit activity, investment in fixed assets, and exposures in trade finance and contingent liabilities such as letters of credit.

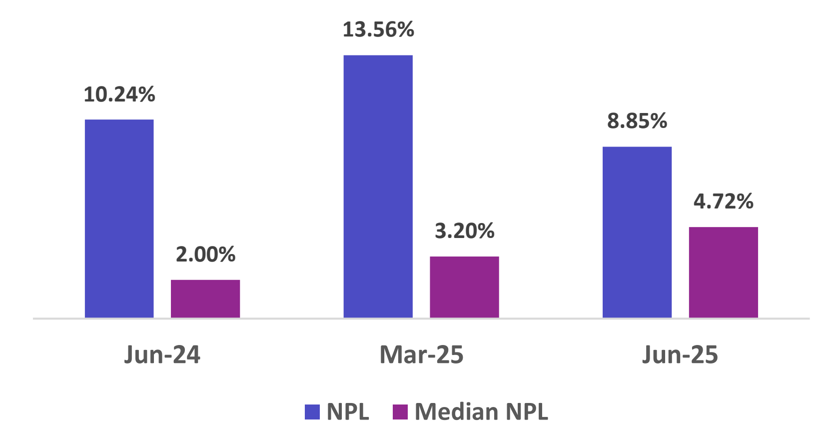
***Figure 18**: Banking sector Capital Adequacy Ratio*



Source: CBG staff calculations

The quality of the loan portfolio showed modest improvement over the quarter. The non-performing loan (NPL) ratio declined to 8.9 percent from 10.24 percent in June 2024. The drop in NPL is attributable to the transfer of the bad assets to the new owner following the exit of one of the banks. Meanwhile, the stock of NPLs has decreased to D1.663 billion from D1.675 billion last year. Despite the upper single digit NPL, provisioning in the reporting quarter was adequate standing at D26.8 million.

Figure 19: *Non-Performing Loans Ratios*

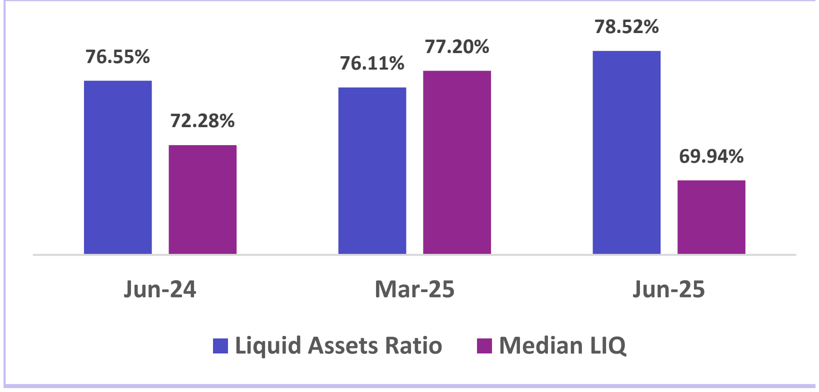


The industry loan portfolio is distributed across mainly five sectors with Agriculture recording the highest at 15.0 per cent. Household (14.2), Distributive trade (13.5), Energy (10.6), Building and Construction (10.6), and others continue to attract a small fraction of industry financing. Furthermore, the sectoral concentration of NPLs shows Distributive trade at 24.2 percent, Energy 22.2 percent, Manufacturing at 12.9 percent and

Household at 10.1 percent. The high NPLs in the distributive trade partly reflects the high turnaround time at the seaport.

The industry Liquidity Ratio stood at 78.5 percent, an increase from 76.6 percent in June 2024. Treasury Bills and Bonds (government sector investment) grew to D33.5 billion in the review quarter from D29.7 billion last year. The low loan to deposit ratio of 26.4 percent indicates a very low appetite for risky. The industry Net Open Position as of June 2025 recorded a long position of 5.91 percent overall and long 2.7 percent for USD compared to a long position of 8.0 percent overall and a short position 4.8 percent for USD during the first quarter and a long position of 2.8 per cent overall and a long position of 2.2 for USD during the same period last year. FX-related income increased to D963.9 million in the reporting quarter from D795.4 million last year. The long NOP position exposes the banking sector to valuation gains, thereby potentially enhancing earnings.

Figure 20: *Liquidity Ratios*



Source: CBG

Non-Bank Financial Sector

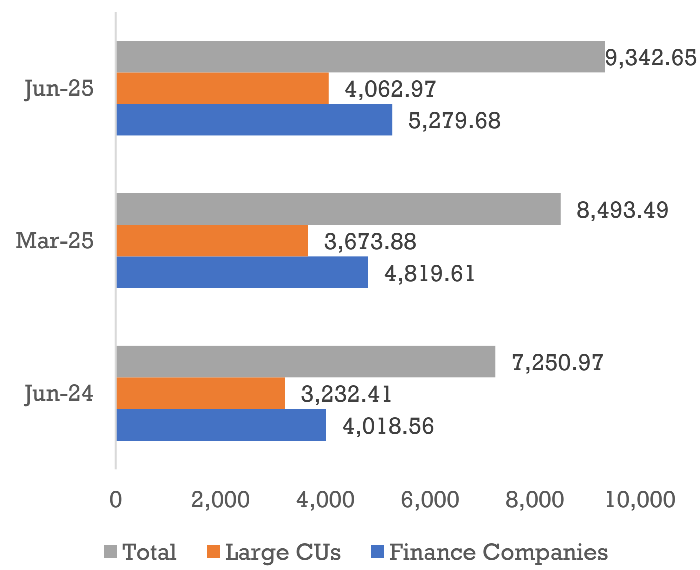
The microfinance sector recorded strong growth and resilience in the second quarter of 2025, supported by asset expansion, sound liquidity management, and continued regulatory compliance.

The combined assets of finance companies and large credit unions exhibited steady growth during the review period, with total assets rising to GMD 9.34 billion by June 2025, marking a 10 percent increase from GMD 8.49 billion in March 2025. This upward trajectory was driven by expansions in key asset categories; industry Investment by 21 percent, Cash and Bank Balances 18 percent, underscoring improved liquidity management across institutions. Compared to the corresponding quarter in the prior year, total combined assets of FCs and large CUs grew by 29 percent.

Finance companies dominated the market, accounting for 57 percent or GMD 5.28 billion of total industry assets, while large credit unions (CUs) held the remaining 43 precent or GMD 4.06 billion. This distribution underscores the competitive yet complementary roles of both segments in driving financial inclusion.

The sector deposits, grew by 15 percent to GMD 7.13 billion by end-June 2025, from GMD 6.19 billion in March 2025. On an annual basis, total deposits of FCs and large CUs surged by 32 percent.

Figure 21: *Assets Size of Non-Banks Financial Sector*



Source: CBG staff calculations

Finance Companies maintained their dominance, contributing 55 percent or GMD 3.92 billion of total deposits, driven by their extensive networks and tailored savings products. Large Credit Unions accounted for 45 percent or GMD 3.21 billion of the industry total deposits.

The credit portfolios of large credit unions and finance companies grew by 12 percent during the review period, to GMD 4.06 billion from GMD 3.63 billion in March 2025. Year-on-year, total credit expanded by 24 percent. This robust growth underscores the sector's critical role in driving financial inclusion and supporting small-to-medium enterprises. Large CUs dominated the market, accounting for 63 percent, of total industry credit or GMD 2.56 billion, while Finance Companies held 37 percent, or GMD 1.50 billion.

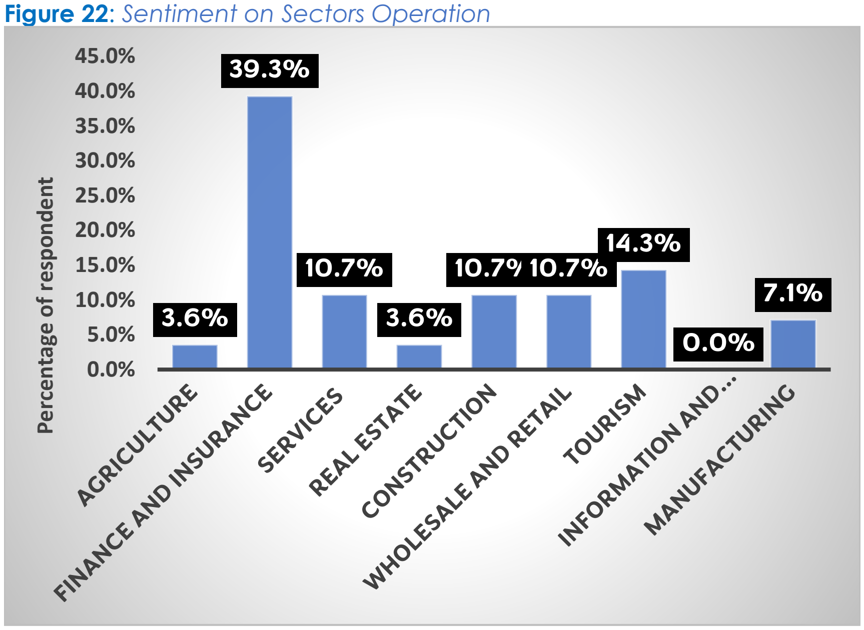
Capital adequacy in the sector remains robust. However, it declined to 33 percent in June 2025, from 37 percent during the same period in 2024, and well above the regulatory benchmark of 20 percent. All finance companies remained in compliance with the minimum capital requirement during the review period, demonstrating the sector's resilience and capacity to absorb financial shocks.

On the other hand, asset quality deteriorated, exceeding regulatory threshold of 5 percent and therefore, warrants close monitoring. Non-Performing Loan (NPL) ratio amount to 7.7 percent in June 2025 compared to 8.0 Percent in March 2025 and 15.0 percent during the same period last year. This upward trend highlights the need for strengthened credit risk management practices to ensure sustained financial stability across the sector.

Business Sentiment Survey

The 2025Q2 Private Business Sentiment Survey highlights an optimistic outlook despite persistent challenges. Businesses reported stronger production activity, modest gains in employment, and continued, though slower, investment momentum. However, sentiment around capital expenditure remained subdued, reflecting the impact of rising import costs, exchange rate pressures, and inflationary headwinds. At the same time, expectations for Q3 suggest that seasonal upturns in agriculture, trade, and tourism, alongside supportive policy measures, could provide a modest boost to overall economic performance.

Figure 22: *Sentiment on Sectors Operation*



Source: CBG

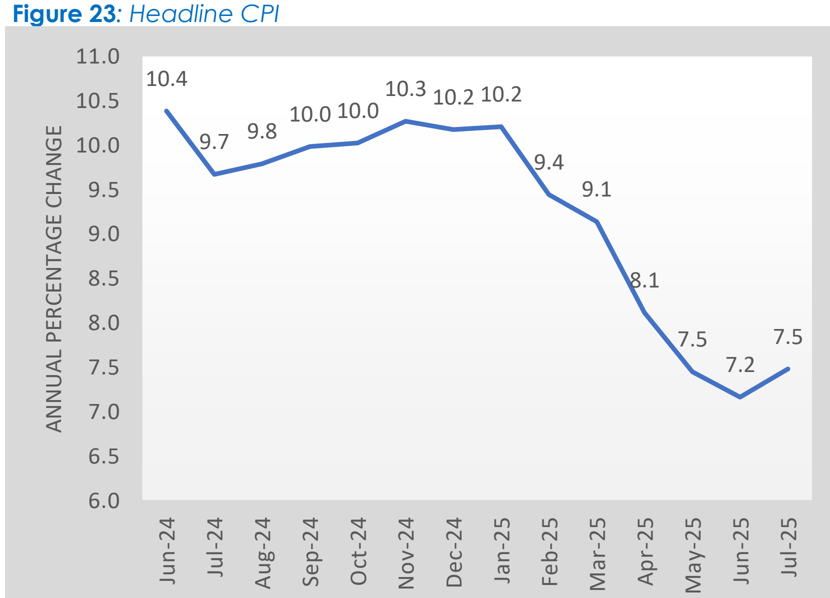
On the macroeconomic front, business perceptions of the global and domestic environment reveal gradual improvement but continued uncertainty. Firms remain concerned about exchange rate depreciation, high import dependency, and structural cost pressures, even as inflation expectations point to a gradual slowdown in price increases. Global conditions, while still viewed negatively, are expected to improve slowly, raising hopes for stronger external demand and investment inflows. These dynamics underline both the resilience and vulnerability of the Gambian economy to external shocks and domestic structural constraints.

Encouragingly, business satisfaction with the Central Bank has strengthened, reflecting confidence in its policy interventions to stabilise prices, manage liquidity, and promote financial sector stability. Moving forward, sustaining this confidence will require balancing short-term stabilisation efforts with medium-term reforms that address structural weaknesses, enhance private sector competitiveness, and support inclusive growth. Overall, the survey underscores that while risks remain, the foundations for a gradual recovery are being laid, with businesses showing measured optimism about the country's economic trajectory in the second half of 2025.

Price Developments

Inflationary pressures in The Gambia moderated in mid-2025, with headline inflation easing to 7.2 percent in June, the lowest since late 2021, before rising slightly to 7.5 percent in July. The six-month run of single-digit inflation reflects favourable harvests, stable international oil prices, and easing transport costs. However, food inflation rebounded to 8.5 percent in July on account of higher global vegetable oil and meat prices, while non-food inflation declined to 6.1 percent, its lowest in over a year. Core inflation measures also firmed, with Core-1 at 5.3 percent and Core-2 at 5.8 percent, signalling persistent underlying cost pressure.

Figure 23: *Headline CPI*



Source: CBG staff calculations

The sectoral breakdown highlights divergent trends. Food inflation remains volatile, driven by global commodity prices and domestic distribution constraints, whereas non-food inflation is anchored by stable utilities and transport but continues to reflect structural cost pressures in housing and services. The July monthly CPI increase of 0.97 percentage points, led by food and miscellaneous services, underlines the fragility of the disinflation process.

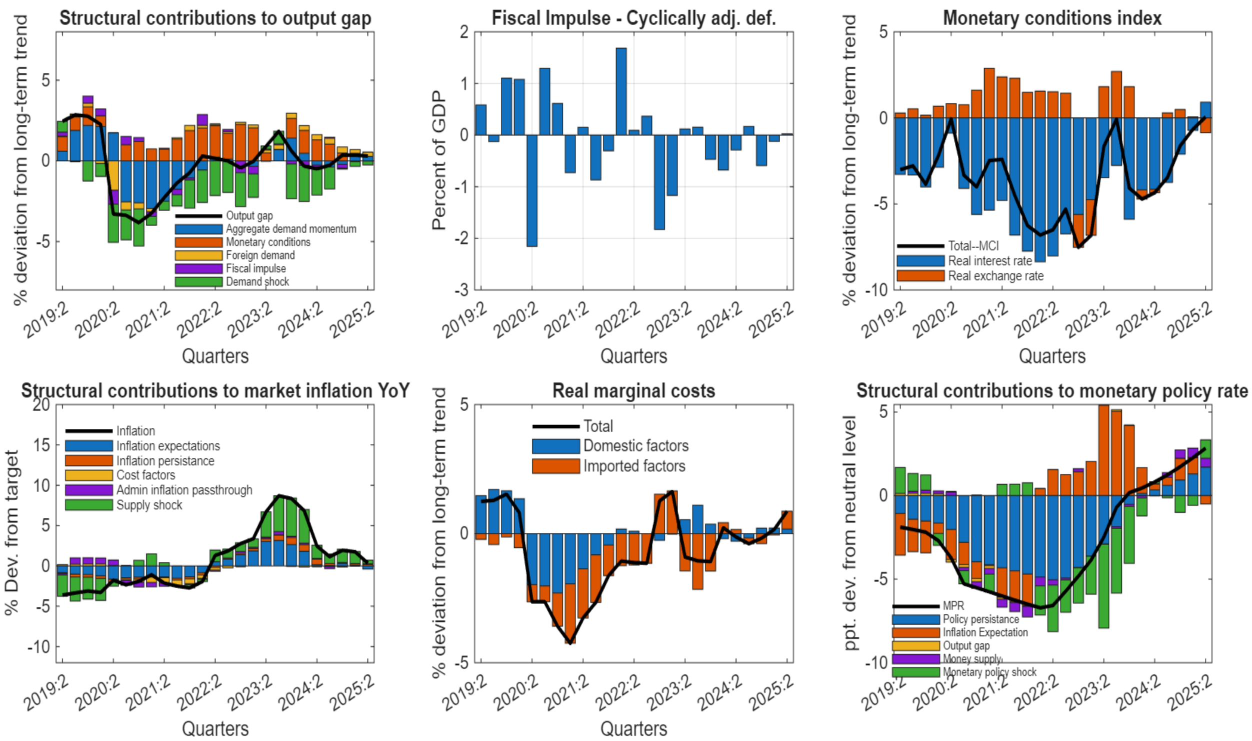
For policy, the persistence of core inflation and the risk of renewed food price shocks suggest that disinflation momentum is weakening. While market-driven prices are easing, administered components have established a floor that limits further declines. The inflation outlook remains vulnerable to second-round effects and potential tariff or utility adjustments, warranting a cautious monetary policy stance.

Assessment of the Medium-Term Economic Outlook

In the second quarter of 2025, staff assessment of current economic conditions revealed that headline inflation resumed its downward trend following a brief pause in late 2024, driven by declining food and non-food prices. Both market and non-market inflation moderated, reflecting easing price pressures and lower inflation expectations. However, underlying inflation edged up slightly, influenced by rising domestic cost factors. The positive output gap persisted due to robust demand and slightly accommodative monetary conditions, although excess liquidity kept market interest rates relatively low. The dalasi remained stable despite depreciation pressures linked to interest rate differentials and elevated inflation expectations.

Looking ahead, real GDP growth is projected at 6.4 percent in 2025 and 5.6 percent in 2026, supported by strong domestic and external demand alongside expansionary fiscal policy. Inflation is expected to converge to the 5 percent target sooner than earlier anticipated, aided by the gradual withdrawal of excess liquidity. Consequently, monetary policy is anticipated to shift gradually toward an easing stance. These growth projections reflect an upward revision of about 0.5 percentage points from earlier estimates.

Figure 24: Summary of current economic conditions



Source: CBG

Decision

Although growth and inflation outlook are favourable, the Committee assessed that significant risks remain, particularly the potential impact of trade fragmentation on domestic inflation. To this end, the Committee believed that it was necessary to keep policy tight to ensure that the disinflation process continues, and inflation gradually returns to its medium-term target. Thus, the Committee decided to maintain the monetary policy rate at 17 percent. The Committee also decided to maintain the required reserve (RR) at 13 percent, the interest rate on the standing deposit facility at 4 percent and the standing lending facility at 18.0 percent or 1 percentage point over the MPR.

Next MPC Meeting

The next Monetary Policy Committee (MPC) meeting is scheduled for Wednesday, November 26, 2025. The meeting will be followed by the announcement of the policy decision on Thursday, November 27, 2025.

APPENDIX

Table 1: Summary of current account balance

	H1-21	H2-21	H1-22	H2-22	H1-23	H2-23	H1-24	H2-24	H1-25
C/ACCOUNT	-8.25	-78.63	-40.75	-49.50	-89.17	-30.89	-25.06	-74.74	-36.87
GOODS	-260.66	-313.85	-282.61	-359.77	-455.56	-421.83	-474.43	-550.57	-487.99
SERVICES	-4.96	-4.12	15.94	64.30	122.58	119.10	177.61	146.02	159.40
PRIMARY INCOME	-6.5	-6.1	-3.9	-7.9	-12.65	-11.78	14.71	32.84	5.81
SECONDARY INCOME	125.4	131.1	116.3	167.4	256.45	283.62	257.06	296.97	285.92
CAPITAL ACCOUNT	9.6	51.8	14.2	66.8	61.46	80.96	59.48	58.40	44.37
FINANCIAL ACCOUNT	-104.7	-38.7	-10.9	-112.7	-143.41	-123.60	-136.10	-178.22	-207.51

Source: CBG

Table 2: Summary of goods account balance

	H1-21	H2-21	H1-22	H2-22	H1-23	H2-23	H1-24	H2-24	H1-25
GOODS	-260.66	-313.85	-282.61	-359.77	-455.56	-421.83	-474.43	-550.57	-487.99
EXPORTS	20.59	12.27	34.86	16.76	179.39	146.51	152.70	210.62	209.69
IMPORTS	281.25	326.11	317.46	376.53	634.95	568.33	627.13	761.19	697.68

Source: CBG

Table 3: Summary of services account balance

	H1-21	H2-21	H1-22	H2-22	H1-23	H2-23	H1-24	H2-24	H1-25
SERVICES	-4.96	-4.12	15.94	64.30	122.58	119.10	177.61	146.02	159.40
TRANSPORTATION	-19.89	-26.06	-22.01	-23.58	-35.31	-15.11	-30.37	-42.08	-52.37
O/W SEA TRANSPORT	-23.12	-33.42	-31.23	-43.79	-54.39	-29.54	-37.34	-47.96	-55.58
TRAVELS	17.08	28.07	45.26	96.03	171.96	147.25	225.52	207.05	226.27
O/W PERSONAL TRAVEL	17.93	28.08	49.03	96.66	172.96	147.84	226.31	208.22	227.37

Source: CBG

Table 4: Summary of capital and financial account balance

	H1-21	H2-21	H1-22	H2-22	H1-23	H2-23	H1-24	H2-24	H1-25
CURRENT ACCOUNT	-8.3	-78.6	-40.8	-49.5	-89.17	-30.89	-25.06	-74.74	-36.87
CAPITAL ACCOUNT	15.57	7.94	12.98	30.98	61.46	80.96	59.48	58.40	44.37
NET LENDING/BORROWING	7.32	-70.69	-27.77	-18.52	-27.71	50.07	34.42	-16.33	7.50

Source: CBG

Table 5: Inter-bank Transactions Volumes, Annual (in US 'millions

	PURCHASES	SALES	MARKET TURNOVER
Juy. 2023 — June. 2024	968.01	955.76	1,923.77
July. 2024— June. 2025	1,164.72	1,126.81	2,291.53

Source: CBG

Table 6: Inter-bank Transactions Volumes (in US 'millions)

	Purchases (m)	Sales (m)	Market turnover (m)
Q2 2024	267.09	307.69	574.78
Q3 2024	229.82	249.57	479.39
Q4 2024	265.06	262.79	527.85
Q1 2025	340.73	329.37	670.09
Q2 2025	329.07	285.09	614.16

Source: CBG

Table 7:Quarterly mid-market transaction rates

CUERENCY	Jun-25	Mar-25	Jun-24	Quarterly	Yearly
USD	71.54	70.26	67.03	1.82	6.72
EURO	81.8	75.19	74.04	8.11	10.48
GBP	95.8	89.7	85.5	6.80	12.04
CHF	82.39	77.02	74.25	6.97	10.96
CFA	601.32	571.56	554.51	5.20	8.44

Source: CBG

Table 8: The Overall Budget Balance

	GMD' Million		Percent of GDP		Y-o-Y percent
Overall balance	2024Q2	2025Q2	2024Q2	2025Q2	
Excluding grants	-6,486.47	-5,364.67	-4.52	-3.74	-17.29
Including grants	-3,913.60	-2,423.09	-2.73	-1.69	-38.09
Basic balance	-1,733.41	-2,071.30	-1.21	-1.44	19.49
Basic Primary Balance	-730.06	-1,091.94	-0.51	-0.76	49.57
CBG Financing	2,128.16	6,800.93	1.48	4.74	219.57

Source: CBG

Table 9: Revenue and Grants

Table 2: Government Receipts in GMD' Millions

Government Receipts	2024Q2 GMD' million	2025Q2 GMD' million	2024Q2 -2025Q2 Y-o-Y percent Δ
Total Revenue & Grants	7,821.47	9,301.36	18.92
Percent of GDP	5.45	6.48	
Domestic Revenue	5,248.61	6,359.36	21.17
Percent of GDP	3.66	4.43	
Tax Revenue	4,591.97	5,695.43	24.03
Percent of GDP	3.20	3.97	
Direct Tax	1,503.53	1,689.08	12.34
Personal	428.86	519.43	21.12
Corporate	1,017.44	1,086.32	6.77
Indirect Tax	3,088.44	4,006.35	29.72
Domestic Tax on goods & services	990.03	1,556.01	57.17
Tax on Int'l. Trade	320.73	704.69	119.72
Duty	440.12	823.88	87.20
Sales tax on imports	484.95	658.85	35.86
Non-tax Revenue	656.64	664.35	1.17
Percent of GDP	0.45	0.46	
Grants	2,572.86	2,941.58	14.33
Percent of GDP	1.79	2.05	
Program	-	-	-
Projects	2,572.86	2,941.58	14.33

Source: MoFEA, CBG Staff calculations

Table 10:

Table 11: Composition of Domestic Debt (in GMD millions)

Table 1: composition of domestic debt @ face value (in GMD millions)						
Instruments	2021	2022	2023	2024	Jul. 2024	Jul. 2025
Treasury Bills	19,034.39	17,262.51	20,394.92	19,890.20	18,163.29	20,137.58
Sukuk Al-Salam Bills	1,036.94	1,046.64	1,376.23	2,633.63	1,898.34	3,084.64
Treasury Bonds	7,529.75	10,825.75	11,179.00	15,941.40	13,941.40	16,107.50
Nawec Bond	602.30	361.38	120.46	-	-	-
7% -30 Year Gpv't Bond	8,982.64	8,623.33	8,264.03	7,904.72	8,084.37	7,725.07
Total	**37,186.02**	**38,119.61**	**41,334.63**	**46,369.95**	**42,087.40**	**47,054.79**
Debt growth	*7.63%*	*2.51%*	*8.43%*	*12.18%*	*-9.24%*	*11.80%*
T-Bills	51.19	45.29	49.34	42.89	43.16	42.80
Sukuk Al-Salam Bills	2.8	2.7	3.3	5.7	4.5	6.6
T-Bonds	20.2	28.4	27.0	34.4	33.1	34.2
Nawec Bond	1.6	0.9	0.3	-	-	-
7%-30 Yr Bond	24.2	22.6	20.0	17.0	19.2	16.4
T-bonds held by CBG	-	-	-			
Short-term	54.0	48.0	52.7	48.6	47.7	49.4
Medium-term	21.9	29.3	27.3	34.4	33.1	34.2
Long-term	24.2	22.6	20.0	17.0	19.2	16.4

Source: CBG

Table 12: Total New borrowing, Book value (in GMD millions)

Table 2: (in GMD millions)						
	2020	2021	2022	2023	2024	Jan-Jul 2025
Gross domestic borrowing	**26,339.07**	**25,871.72**	**22,611.45**	**25,843.61**	**29,178.74**	**13,735.42**
Treasury & Sukuk Bills	23,280.27	21,454.68	19,202.49	22,346.23	22,073.33	12,069.02
T-bonds	3,058.80	4,417.04	3,408.96	3,497.38	7,105.41	1,666.40
maturities	**24,141.53**	**21,642.70**	**21,057.68**	**23,644.23**	**23,429.39**	**13,223.81**
Treasury & Sukuk Bills	21,962.67	21,011.09	20,937.68	20,585.43	21,131.87	11,723.62
T-bonds	2,178.86	631.61	120.00	3,058.80	2,297.52	1,500.19
New borrowing	**2,197.54**	**4,229.02**	**1,553.77**	**2,199.38**	**5,749.36**	**511.61**

Source: CBG

Table 13: Summary of Monetary Developments

Depository corporations	Jun-24	Sep-24	Dec-24	Mar-25	Ju-25
Levels - in millions of GMD					
Net foreign assets	29,341.8	28,600.1	32,058.8	30,448.9	35,082.8
Gross reserves	32,101.3	31,457.4	36,676.1	34,265.8	40,941.0
Other claims on nonresidents	18,504.2	22,186.7	19,084.3	21,190.0	20,373.0
Liabilities to nonresidents	21,263.7	25,044.0	23,701.7	25,006.9	26,231.3
Net domestic assets	44,937.5	46,315.8	44,290.8	48,660.5	48,985.4
Net domestic claims	62,670.4	64,485.5	64,752.8	69,684.3	72,626.1
Net claims on central government	46,046.6	47,237.3	45,017.0	49,463.5	52,750.4
Claims on central government	50,774.1	51,901.2	56,501.1	55,102.0	56,990.1
Liabilities to central government	4,727.5	4,663.9	11,484.1	5,638.4	4,239.7
Claims on public nonfinancial corporations	4,092.9	4,228.2	4,403.7	5,216.1	4,627.9
Claims on the private sector	12,515.8	13,004.8	15,316.7	14,989.2	15,232.7
Of which: Credit to the Private Sector	12,277.0	12,766.0	15,006.4	14,679.0	14,922.4
Claims on other financial corporations	15.1	15.1	15.3	15.5	15.1
Equity	19,606.4	21,662.4	23,456.6	24,905.5	25,866.0
Other items (net)	1,873.5	3,492.8	2,994.7	3,881.6	2,225.3
Broad money	74,279.3	74,915.9	76,349.7	79,109.3	84,068.2
Narrow money	45,851.9	45,061.3	45,923.0	48,292.9	50,875.5
Currency outside banks	13,634.1	11,271.1	12,157.6	13,894.8	14,062.6
Transferable deposits	32,217.8	33,790.2	33,765.4	34,398.1	36,812.9
Other deposits	28,427.4	29,854.5	30,426.7	30,816.5	33,192.7

Central bank	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Levels - in millions of GMD					
Net foreign assets	16,357.4	14,284.1	19,302.3	16,112.3	20,773.8
Claims on nonresidents	33,637.0	32,945.4	38,181.8	35,813.9	42,501.9
Gross reserves	32,101.3	31,457.4	36,676.1	34,265.8	40,941.0
Other claims on nonresidents	1,535.7	1,488.0	1,505.7	1,548.1	1,560.9
Liabilities to nonresidents	17,279.6	18,661.3	18,879.5	19,701.6	21,728.2
Reserve-related liabilities	9,229.6	10,315.4	10,716.3	11,114.8	12,739.4
Other liabilities to nonresidents	8,050.0	8,345.9	8,163.2	8,586.8	8,988.8
Net domestic assets	7,540.4	8,218.2	3,253.4	7,845.5	3,594.1
Net domestic claims	16,297.7	16,354.7	11,325.6	16,773.2	19,003.4
Net claims on central government	15,889.6	15,948.6	10,851.8	16,304.4	18,531.0
Claims on central government	20,617.2	20,612.5	22,335.9	21,942.8	22,770.8
Government securities	12,823.8	12,644.1	12,835.7	12,530.6	12,473.8
Liabilities to central government	4,727.5	4,663.9	11,484.1	5,638.4	4,239.7
Claims on the private sector	392.9	391.0	458.5	453.3	457.3
Of which: Credit to the private sector	154.1	152.2	148.2	143.1	147.0
Claims on other financial corporations	15.1	15.1	15.3	15.5	15.1
Equity	9,776.3	10,873.7	11,492.0	11,534.3	12,250.5
Other items (net)	1,019.1	2,737.2	3,419.8	2,606.6	-3,158.8
Transferable deposits	8.0	9.0	9.8	11.2	11.1
Monetary base	23,897.8	22,502.3	22,555.8	23,957.8	24,367.9
Currency in circulation	15,034.6	12,514.1	13,723.7	15,025.2	15,504.6
Liabilities to other depository corporations	8,863.2	9,988.2	8,832.1	8,932.6	8,863.3

Other depository corporations	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Levels - in millions of GMD					
Net foreign assets	12,984.4	14,316.0	12,756.5	14,336.6	14,309.0
Claims on nonresidents	16,968.5	20,698.7	17,578.7	19,641.9	18,812.1
Liabilities to nonresidents	3,984.1	6,382.7	4,822.2	5,305.3	4,503.1
Net domestic assets	47,652.8	49,319.8	51,425.7	50,866.7	55,685.5
Net domestic claims	56,636.5	59,362.0	63,825.3	62,974.1	63,928.0
Net claims on central government	30,156.9	31,288.8	34,165.2	33,159.2	34,219.4
Claims on central government	30,156.9	31,288.8	34,165.2	33,159.2	34,219.4
Government securities	30,156.9	31,288.8	34,165.2	33,159.2	34,219.4
Claims on public nonfinancial corporations	4,092.9	4,228.2	4,403.7	5,216.1	4,627.9
Claims on the private sector	12,122.9	12,613.8	14,858.2	14,535.9	14,775.4
Of which: Credit to the private sector	12,122.9	12,613.8	14,858.2	14,535.9	14,775.4
Claims on financial corporations	10,263.7	11,231.2	10,398.1	10,063.0	10,305.3
Claims on the central bank	10,263.7	11,231.2	10,398.1	10,063.0	10,305.3
Equity	9,830.1	10,788.7	11,964.6	13,371.2	13,615.5
Other items (net)	846.4	746.5	-435.0	1,263.8	5,372.9
Net interbank assets	1,391.2	1,227.1	-434.5	-85.2	1,280.9
Net unclassified assets	-90.5	-122.4	1,478.0	1,717.1	4,413.8
Liquid liabilities	60,637.2	63,635.8	64,182.2	65,203.3	69,994.5
Transferable deposits	32,209.8	33,781.2	33,755.5	34,386.8	36,801.8
Other deposits	28,427.4	29,854.5	30,426.7	30,816.5	33,192.7
Holdings of national currency	1,400.5	1,243.0	1,566.0	1,130.4	1,442.1

Source: CBG

Table 14: Summary of Macroprudential Indicators (Banking Sector)

Indicator (%)	Jun-24	Mar-25	Jun-25	Change
Total Asset to GDP	59.9%	61.4%	64.3%	4.4%
Loan to GDP	10.2%	11.2%	11.1%	0.9%
Deposit to GDP	39.0%	39.5%	41.9%	2.9%
Private Credit to GDP	8.2%	8.8%	8.9%	0.7%

Source: CBG

Table 15: Summary of Macroprudential Indicators (Banking Sector)

Summary of Key Performance Indicators										
		Ratings	Ratio %	Jun-24	Mar-25	Jun-25	-/+	Min	Max	Prudential Limit
Risk	Credit	Satisfactory	NPL (%)	10.2%	13.6%	8.9%	-4.7%	1.2%	36.8%	Single digit
	Liquidity	Strong	Liquidity Ratio (%)	76.5%	76.1%	78.5%	2.4%	45.0%	169.9%	30
			NOP	2.7%	8.0%	5.91%	2.09%	0.19%	37.0%	+/- 25
Mitigants	Earnings	Satisfactory	ROA (%)	1.8%	3.9%	3.7%	-0.1%	-1.6%	5.9%	Positive
			ROE (%)	16.7%	23.2%	16.7%	-6.5%	-13.7%	48.5%	Positive
	Capital	Satisfactory	CAR (%)	24.1%	28.3%	26.3%	-3.2%	6.9%	59.0%	10

Source: CBG

Table 16: Key Financial Indicators for the Non-Bank financial sector

	Jun-25	Mar-25	Jun-24	Benchmark
Capital-Based				
Capital Adequacy Ratio (CAR)	33%	37%	37%	20%
Tier 1 Capital/Assets	16%	18%	17%	
Profitability				
Return on Assets (ROA)	2%	0.80%	0%	
Returns on Equity (ROE)	4%	4%	2%	
Asset Quality				
Non-Performing Loans (NPL)	7.7%	8%	15%	5%
Liquidity Indicator				
Liquidity Ratio	77%	81%	67%	30%
Loan to Deposit Ratio	39%	39%	41%	60%
Liquid Assets/Total Assets	57%	55%	40%	

Source: CBG

Table 17: Food Price Development (Annual Percentage Change)

Y-O-Y INFLATION	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Apr-25
FOOD INFLATION	**25.0**	**22.5**	**20.3**	**14.4**	**13.0**	**12.8**	**10.4**	**8.8**
BREAD CEREALS	24.5	15.3	16.8	11.4	11.9	13.4	9.8	7.4
MEAT	16.3	18.4	10.8	7.5	9.3	10.2	10.8	8.5
FISH	35.9	42.9	32.9	18.8	18.1	15.6	13.4	11.2
MILK, CHEESE AND EGGS	25.9	16.8	14.0	13.8	15.0	17.0	13.0	11.6
OILS AND FATS	9.5	6.7	5.9	0.8	0.8	4.4	5.3	4.5
FRUITS & NUTS	18.2	19.9	22.4	14.8	12.8	12.9	11.7	11.5
VEGETABLES	34.4	33.0	27.9	25.6	16.0	14.1	11.3	11.1
SUGAR, JAM, HONEY & SWEETS	19.9	19.9	21.4	17.2	17.3	8.6	5.1	4.5
NON-ALCOHOLIC BEVERAGES	13.0	12.8	8.6	5.0	4.8	4.8	4.9	3.7

Source: CBG

Table 18: Non-Food Price Development (Annual Percentage Change)

Y-O-Y NON-FOOD INFLATION	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Jul-25
NON-FOOD PRODUCTS AND SERVICES	**11.2**	**8.7**	**5.5**	**6.3**	**6.9**	**7.7**	**6.3**	**6.1**
CLOTHING & FOOTWEAR	32.3	19.6	15.9	9.9	8.3	8.7	4.7	5.3
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	29.3	19.6	5.4	14.9	18.4	21.8	16.9	13.6
HEALTH	1.9	0.9	0.4	0.6	0.6	0.6	0.4	0.4
TRANSPORT	3.6	3.3	6.3	5.2	2.9	2.0	1.0	1.1
COMMUNICATION	0.0	-0.1	0.0	0.0	0.0	0.0	0.3	0.3
RECREATION AND CULTURE	6.4	2.7	3.1	3.8	4.1	5.4	4.1	4.1
NEWSPAPERS, BOOKS AND STATIONERY	0.6	0.6	0.2	0.1	0.0	0.0	0.0	0.0
HOTELS, CAFES, AND RESTAURANTS	20.9	15.5	4.6	6.6	8.3	9.7	9.3	9.3
MISCELLANEOUS GOODS AND SERVICES	9.6	8.4	6.8	4.4	4.1	3.5	4.8	5.2

Source: CBG

Table 19: Annual Core inflation

Y-o-Y Inflation	Sept-23	Dec-23	Mar-24	Jun-24	Sept-24	Dec-24	Mar-25	Jun-25	Jul-25
Headline Inflation	18.5	17.3	14.9	10.4	10.0	10.2	9.1	7.2	7.5
Core 1 Inflation	24.2	20.8	15.4	4.5	2.2	3.5	3.4	3.8	5.3
Core 2 Inflation	22.5	19.2	15.4	5.4	3.1	5.3	5.7	5.3	5.8

Source: CBG