

Central Bank of Bahrain Analysis Report

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Macroeconomic Analysis

- **Macroeconomic Strengths and Weaknesses of Bahrain:**
- **Strengths:**
- * **Diversified Economy***: Bahrain has a diversified economy, with the financial sector being the largest non-oil contributor to GDP, representing 17.3% of real GDP in Q2 2023.
- * **Price Stability***: The Bahraini Dinar's peg against the U.S. Dollar has provided price

Banking Sector Analysis

- ****Bahrain Banking Sector Performance (Last Fiscal Year)****
- The Bahraini banking sector demonstrated a steady growth trend in the last fiscal year. Key highlights include:
- *** **Asset Growth****: The banking sector's assets reached USD 226.0 billion as of June 2023, representing a 0.4% year-over-year

Regulatory Framework

- **Current Regulatory Framework for Financial Institutions in Bahrain:**
- The current regulatory framework for financial institutions in Bahrain is based on a "Single Regulatory Model" approach, which was introduced in 2002. Key features of this framework include:
- * **Central Bank of Bahrain (CBB)