Quarterly Economic Review

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OVERVIEW

Preliminary data suggests that the domestic economy stabilized during the first quarter of 2017. Several varied-scale foreign investment projects, along with ongoing rebuilding work in the aftermath of Hurricane Matthew, bolstered activity in the construction sector. In contrast, indications are that output in the tourism sector was comparatively soft during the review quarter, reflecting in part weather-related factors, which reduced room inventory in Grand Bahama. Average consumer prices firmed marginally over the review quarter, owing to an uptick in international oil prices in prior periods.

Government's operations for the third quarter of FY2016/2017 featured a small surplus, vis-à-vis a deficit in the comparative quarter of FY2015/2016. Measures to improve revenue administration and recoup outstanding arrears, led to moderate rise in aggregate receipts, while total expenditure contracted. Budgetary financing was obtained mainly from domestic sources, dominated by long-term funding.

In monetary developments, the reduction in deposits, which overshadowed the slowdown in the contraction of domestic credit, contributed to a decline in bank liquidity during the review quarter, while the growth in external reserves moderated, reflecting the softness in the tourism sector. In addition, occasioned by loan write-offs and sustained debt consolidation efforts, banks' credit quality indicators improved. However, due to a rise in bad debt provisions and higher depreciation costs, banks' overall profitability levels contracted during the fourth quarter.

On the external side, the estimated current account deficit widened considerably. This outturn reflected a sharp deterioration in the merchandise trade deficit, as the growth in imports outpaced the rise in exports. In addition, the services account surplus declined, while net income payments expanded. In contrast, the surplus on the capital and financial account rose significantly, owing in large measure to a sharp increase in net "miscellaneous" investment inflows, attributed mainly to higher loan-based financing.

REAL SECTOR

TOURISM

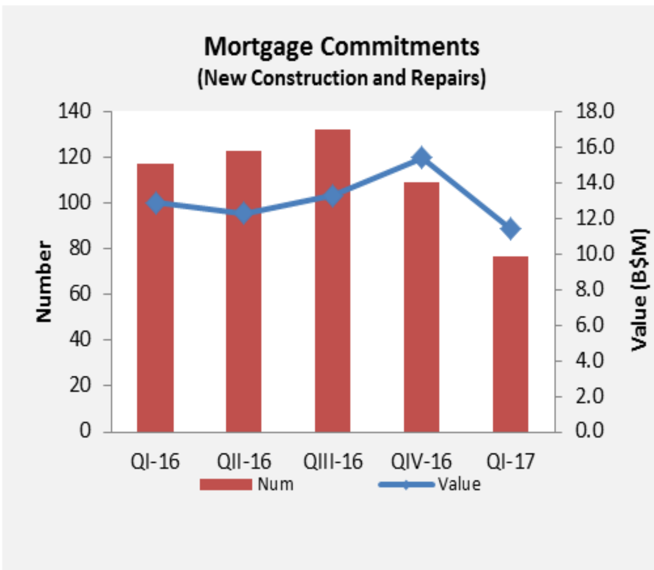
Indications are that output in the tourism sector was relatively weak during the first quarter, reflecting in part weather-related factors, which resulted in delays and the cancellation of several travel itineraries in the final month of the period. Moreover, the loss of significant hotel room capacity in Grand Bahama—the country's second largest market—in the final quarter of 2016 following the passage of Hurricane Mathew, continued to negatively impact the sector.

According to data from the Nassau Airport Development Company (NAD), total visitor departures through the country's main airport—net of the domestic segment—decreased by 6.5% in the first quarter, in contrast to a 4.0% gain a year-earlier. By category, the dominant United States visitor component (at 83.4% of the total) declined by 7.0%, vis-à-vis a 5.5% gain in the first quarter of 2016, as a number of states along the east coast were impacted by a snow storm in the final month. Similarly, the non-US visitor segment contracted by 3.9%, a reversal from a 3.4% increase a year earlier.

Construction

Construction activity during the first quarter was underpinned by several ongoing foreign investment projects in both New Providence and the Family Islands, including the continuation of work to complete the multi-billion dollar Baha Mar project; however, private sector activity remained subdued.

On the domestic side, total mortgage disbursements for new construction and repairs—as reported by commercial banks, insurance companies and the Bahamas Mortgage Corporation—fell by 16.1% ($4.9 million) to $25.4 million, in contrast to the prior year's 43.2% expansion. Underlying this outturn, the dominant residential segment contracted by 15.7% to $24.8 million, reversing 2016's 41.0% growth. Similarly, the commercial component decreased by 29.0% ($0.3 million) to $0.6 million, vis-a-vis an almost three-fold increase to $0.9 million in the previous year.



Meanwhile, total mortgage commitments for new buildings and repairs—a forward looking indicator—declined in number by almost half (40) to 77, while the corresponding value fell by 11.6% to $11.4 million. The outturn reflected solely a decrease in the residential segment, as there were no new commercial commitments during the review quarter.

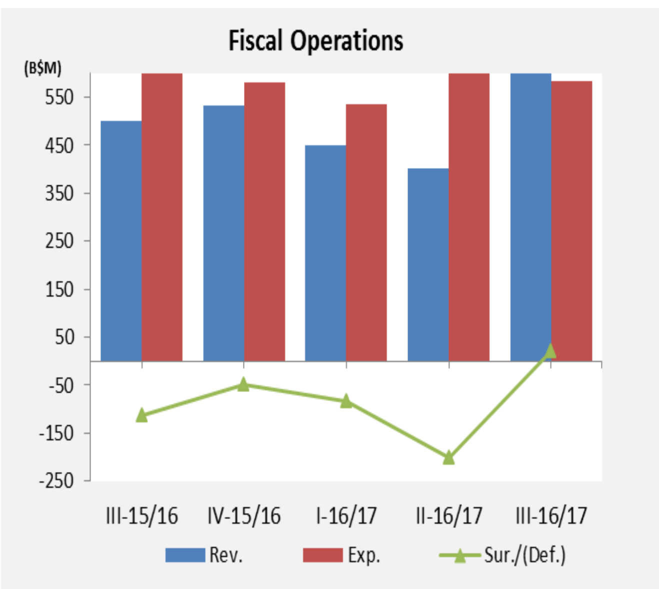
With regard to interest rates, the average financing cost of commercial mortgages rose by 2.3 percentage points to 10.8%, reflecting a rate hike by one institution, while the average rate on the residential side narrowed by 10 basis points to 7.9%.

Prices

On a point-to-point basis, domestic consumer price inflation—as measured by the changes in the Retail Price Index for The Bahamas—advanced to 2.2% at end-March, vis-à-vis the same period of 2016, a turnaround from a 1.1% decline recorded a year earlier. Reflecting the upward trajectory in global oil prices, costs for transport and housing, water, gas electricity & other fuels—which accounts for approximately one-third of the index—firmed by 6.0% and 4.1%, respectively, after registering decreases of 6.9% and 3.7%, a year earlier. Similarly, average prices for furnishing, household equipment & routine household maintenance rose by 2.4%, reversing a 0.2% decline in 2016. In addition, inflation rates quickened for communication (by 1.5 percentage points to 2.7%), alcohol beverage, tobacco & narcotics (by 1.3 percentage points to 2.0%), clothing & footwear (by 0.7 percentage points to 1.4%), while the average rise in education costs stabilised at 3.8%. In contrast, inflation rates slowed for health and miscellaneous goods & services, by 7.0 and 1.0 percentage points, to 0.1% and 0.3%, respectively. Further, average prices for recreation & culture, restaurant & hotels and food & non-alcoholic beverages, reversed from gains of 4.1%, 2.4% and 0.3%, to decreases of 0.7%, 0.6% and 2.8%, respectively.

Domestic inflation for the twelve months to March, slowed by 63 basis points to 0.5% from 1.1% in the comparative 2016 period. Reflecting these developments, average cost increases decelerated sharply for health by 13.1 percentage points and for alcohol beverages, tobacco & narcotics by 6.4 percentage points to 1.5% and 0.8%, respectively. Inflation rates also slowed for clothing & footwear and furnishing, household equipment & routine household maintenance, by 3.0 and 2.7 percentage points, to 0.8% and 1.9%, respectively, while price increases narrowed for communication and miscellaneous goods & services by 1.8 and 1.6 percentage points, to 2.1% and 0.6%, respectively. In addition, after registering gains of 9.6%, 5.8% and 4.4% a year earlier, average prices declined for recreation & culture, restaurant & hotels, and food & non-alcoholic beverages, by 0.8%, 2.1%, and 1.8%, respectively. In contrast, average costs for housing, water, gas electricity and other fuels, firmed by 0.9%, vis-à-vis the year earlier contraction of 2.6%, while the decline in transportation costs slowed by 4.8 percentage points to 0.7%.

In line with the uptrend in international oil prices, domestic energy costs increased during the first quarter. Specifically, the average prices of both diesel and gasoline rose by 6.4% and 6.3% to $3.84 and $4.23 per gallon, respectively, during the three-month period, and in comparison to the same period of 2016, prices firmed by 15.7% and 14.6%, respectively.



Fiscal Operations

Overview

Provisional data on the Government's budgetary operations for the third quarter of FY2016/17, showed a surplus of $21.0 million, in contrast to a deficit of $113.0 million in the same quarter of FY2015/16. Underpinning this outturn was a $104.7 million (20.9%) rise in aggregate revenue to $605.9 million, combined with a $29.4 million (4.8%) reduction in total expenditure to $584.9 million.

Revenue

Tax receipts—which constituted 90.2% of total collections—grew by $93.2 million (20.6%) to $546.2 million, as efforts to improve administration and reduce outstanding arrears, boosted property tax collections by $34.4 million (85.6%) to $74.6 million. Similarly, international trade and transaction taxes rose by $23.0 million (19.6%) to $140.2 million, owing primarily to gains in excise and import tax receipts, by 30.6% and 19.7%, respectively. Further, selective taxes on services expanded to $12.2 million from an estimated $0.1 million a year earlier, buoyed by a timing-related rise in gaming and hotel occupancy taxes, while business and professional licence fees rose by $7.0 million (7.8%) to $96.4 million. Similarly, value added tax (VAT) receipts—which comprised almost 30% of tax revenue—firmed by $5.9 million (3.8%) to $163.0 million, as return filings reverted to trend levels following the disruption to collections caused by Hurricane Matthew in the prior period. In a slight offset, departure taxes decreased by $3.0 million (7.5%) to $36.5 million and motor vehicle taxes, by $0.9 million (9.5%) to $8.3 million.

Government Revenue By Source (Jan. - Mar.)				
	FY15/16		FY16/17	
	B$M	%	B$M	%
Property Tax	40	8.0	75	12.3
Selective Services Tax	0	0.0	12	2.0
Business. & Prof Lic. Fees	89	17.8	96	15.9
Motor Vehicle Tax	9	1.8	8	1.4
Departure Tax	39	7.9	37	6.0
Import Duties	64	12.7	76	12.6
Stamp Tax from Imports	--	--	--	--
Excise Tax	49	9.8	64	10.6
Export Tax	5	0.9	0	0.0
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	25	5.0	28	4.6
Value Added Tax	157	31.4	163	26.9
Other Tax Revenue	(22)	(4.4)	(12)	(2.0)
Fines, Forfeits, etc.	43	8.7	38	6.3
Sales of Govt. Property	--	--	--	--
Income	5	0.9	21	3.5
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	--	--
Grants	--	--	--	--
Less: Refunds	3	0.5	0	0.1
Total	**501**	**100.0**	**606**	**100.0**

Receipts from non-tax sources—which comprised the remaining 9.8% of total revenue—rose by $11.4 million (23.8%) to $59.6 million. The outturn reflected mainly a sharp timing-related increase in income from other "miscellaneous" sources to $19.1 million from $3.2 million. Similarly, the intake from public enterprises firmed by $0.5 million (36.9%) to $2.0 million; however, proceeds from fines, forfeitures & administrative fees declined by $5.0 million (11.6%) to $38.5 million.

Expenditure

The reduction in total expenditure was due largely to a $20.5 million (3.9%) decline in current spending to $509.9 million. In addition, no net lending to public corporations was recorded over the review period, vis-à-vis the previous year's $34.8 million receipt. In contrast, capital spending expanded by $25.9 million (52.9%) to $75.0 million.

An analysis by economic classification showed that the decrease in current spending was solely attributed to a $24.8 million (9.2%) contraction in transfer payments to $245.2 million, as timing-related issues resulted in a reduction in subsidies by $29.7 million (26.9%) to $80.7 million. In addition, transfers to households decreased, by $11.1 million (26.4%) to $31.1 million, while those paid abroad fell by $9.7 million (75.5%) to $3.2 million. In contrast, transfers to public corporations & provisions for contingencies rose by over two-fold to $33.2 million, due to an increase in disbursements to Bahamasair and the Bahamas Public Parks & Beaches Authority, while those to non-profit institutions increased by $4.8 million (27.0%) to $22.8 million. In addition, interest payments grew by $4.5 million (6.8%) to $70.6 million, attributed to a 41.5% expansion in external outlays, which outstripped the 3.1% decline in internal financing costs.

On a functional basis, recurrent expenditure for economic services decreased by one-third ($27.6 million) to $54.8 million, explained mainly by sizable reductions in outlays for tourism-related services by $27.6 million and public works & water supply by $9.6 million. In addition, contractions were recorded in spending for education, by $4.5 million (6.3%) to $68.0 million, social benefits & services, by $3.7 million (9.1%) to $37.3 million, and health services by $2.3 million (3.0%) to $75.2 million. In contrast, outlays for general public service rose by $12.4 million (7.5%), as disbursements for both general administration and public order & safety gained by 9.5% and 2.6%, respectively. More muted gains were recorded for other community & social services and defense, by $0.9 million (7.3%) to $13.0 million and by $0.1 million (0.7%) to $13.2 million, respectively.

The growth in capital expenditure was led by a $14.9 million (37.9%) expansion in infrastructure outlays to $54.2 million, attributed in part to the rebuilding of key roads and buildings in the aftermath of Hurricane Matthew. Similarly, asset acquisitions increased by more than two-fold to $20.7 million, from $9.7 million a year earlier, led by an $11.2 million investment in public/private partnership-related equities, compared to no investments in the prior year, while "other" miscellaneous acquisitions edged-up by $0.5 million (6.7%) to $7.3 million.

FINANCING AND THE NATIONAL DEBT

Budgetary financing for the third quarter of FY2016/17 was dominated by internal transactions. A $75.0 million Bahamas Government Registered Stock (BGRS) issuance, retired an equivalent amount of Treasury bills. Moreover a separate additional $11.6 million in net Treasury bill financing was obtained, while external project-based loan funding amounted to $4.0 million. Debt repayments for the quarter totalled $279.1 million, the bulk of which (97.5%), went towards retiring Bahamian dollar obligations.

As a result of these developments, the Direct Charge on the Government grew slightly by $5.9 million (0.1%) over the quarter, and by $278.7 million (4.6%) on an annual basis, to $6,330.5 million at end-March 2017. The dominant Bahamian dollar component—at 72.4% of the total—was held primarily by commercial banks (39.5%), followed by "other" private institutional investors (31.7%), the Central Bank (15.2%), public corporations (13.3%) and other local financial institutions (0.3%). A breakdown by instrument type showed that Government bonds comprised the largest share of domestic currency debt (74.0%) and featured an average maturity of 8.7 years, compared to 9.3 years recorded in 2016. In addition, Treasury bills and loans & advances accounted for smaller shares of 15.9% and 10.1%, respectively.

Government's contingent liabilities decreased by $7.1 million (1.0%) over the previous quarter, and by $29.3 million (3.9%), year-on-year, to $722.1 million. The National Debt—which includes contingent liabilities—fell slightly by $1.2 million (0.02%) over the three-month period to $7,052.5 million; however, on a yearly basis, the balance rose by $249.4 million (3.7%).

As regard selected debt burden indicators, the Direct Charge was estimated at 69.9% of GDP, compared to 68.0% a year-earlier. Moreover, the National Debt-to-GDP ratio rose to an estimated 77.9% at end-March from 76.5% in the same quarter of 2016.

Estimates of the Debt-to-GDP Ratios*
March (%)[1]

	2015_P	**2016_P****	**2017_P****
Direct Charge	63.9	68.0	69.9
National Debt	72.1	76.5	77.9
Total Public Debt	81.5	85.4	87.3

Source: The Central Bank of The Bahamas and theDepartment of Statistics
**GDP estimates are an average of the two years, which overlap the fiscal period.*
***GDP estimate for 2016 & 2017 are derived from the IMF projections.*
[1] In the absence of actual quaterly GDP data, the ratios presented should be taken as broad estimates of the relevant debt ratios and are therefore subject to revision

PUBLIC SECTOR FOREIGN CURRENCY DEBT

During the first quarter, public sector foreign currency debt decreased by $13.5 million (0.5%) to $2,642.3 million, and by $58.1 million (2.2%) relative to the same period last year, as amortization payments of $24.2 million, outstripped new drawings of $7.1 million. The Government's liabilities—which accounted for 66.2% of the total—declined by $5.6 million (0.3%) to $1,748.9 million on a quarterly basis, while the public corporations' debt stock fell by $7.9 million (0.9%) to $893.4 million.

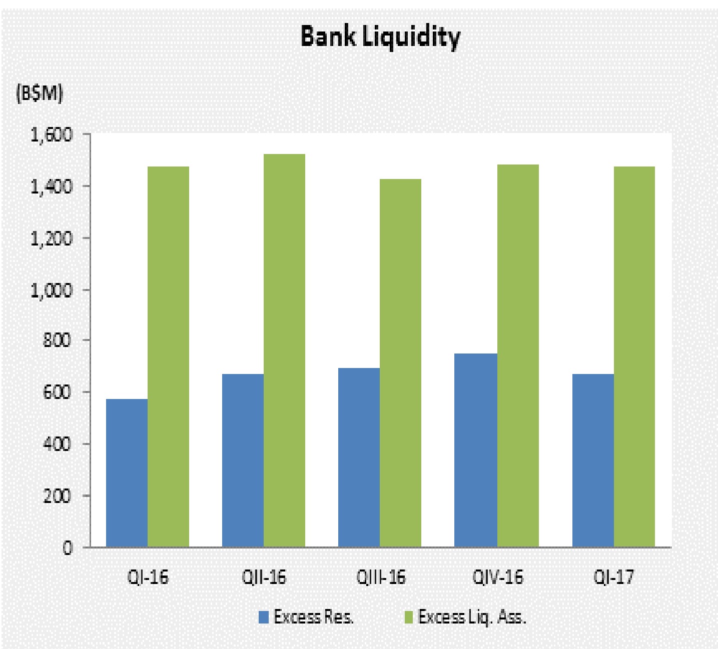
In comparison to the same period last year, total foreign currency debt service payments rose by $8.3 million (17.5%) to $56.0 million, led by a $7.1 million (30.8%) increase in the Government's segment, to $30.4 million. Specifically, amortization payments rose by $5.1 million (62.2%) to $13.3 million and interest charges firmed by $2.0 million (13.6%) to $17.1 million. In addition, the public corporations' debt service payments increased by $1.2 million (4.9%) to $25.6 million, as the $1.7 million (13.5%) rise in interest charges, offset the $0.5 million (4.8%) falloff in amortization payments. At end-March, the sector's debt service ratio expanded to 6.2% from 5.4%, year-on-year, and the Government's debt service to revenue ratio stood at 5.0%, a gain of 40 basis points over the prior year.

Disaggregated by creditor profile, non-resident investors held the largest share of foreign currency debt (41.1%), followed by private capital market investors (34.1%), domestic banks (10.9%), multilateral institutions (10.8%) and bilateral institutions (3.1%). The majority (84.9%) of the stock was denominated in United States dollars, with the euro, Swiss Franc and the Chinese Yuan accounting for smaller portions of 8.2%, 3.8% and 3.1%, respectively. At end-March, the average age of the outstanding foreign currency debt stood at 11.9 years, a decline from the 12.5 years recorded in 2016.

MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Despite a tapering in the rate of credit contraction, a falloff in deposits led to bank liquidity declining during the first quarter, a reversal from a significant external loan-related gain in the prior year. The banking system's net foreign assets also fell, although some tapered growth was recorded in external reserves. Banks' credit quality indicators improved modestly over the review period, owing to institutions' ongoing debt restructuring activities and inroads from the Government's Mortgage Relief Programme (MRP). Further, the weighted average interest rate spread narrowed during the quarter, as the decrease in the average loan rate outpaced the decline in the corresponding deposit rate. Given the rise in bad debt provisioning and higher depreciation costs, banks' overall profitability contracted during the final three months of 2016—the latest available data.



LIQUIDITY

Banks' net free cash reserves decreased by $78.1 million (10.4%) to $672.3 million during the review quarter, a reversal from the prior year's $174.3 million (43.1%) build-up, when Government received proceeds from its external foreign currency loan. At end-March, the ratio of free cash reserves to Bahamian dollar deposit liabilities stood at 10.3%, vis-à-vis 9.1% in the previous year. Amid a decrease in banks' Treasury bill holdings, the broader surplus liquid assets contracted by $9.4 million (0.6%) to $1,471.9 million, a turnaround from 2016's $152.4 million (11.6%) expansion. At the end of the quarter, the surplus exceeded the statutory minimum by approximately 131.8%, relative to 136.3% a year earlier.

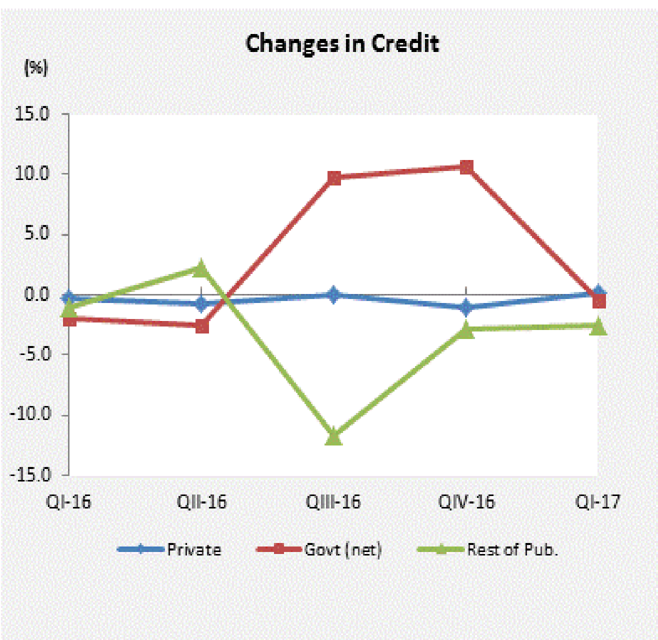
Deposits and Money

The overall money supply (M3) contracted by $44.9 million (0.7%) to $6,885.2 million, a reversal from the $125.1 million (2.0%) expansion last year. In terms of the components, narrow money (M1) decreased by $30.4 million (1.2%), vis-a-vis a $71.9 million (3.5%) rise in the previous period, as reductions in public and private sector placements, led to demand deposits falling by $31.4 million (1.4%), compared to an increase of $71.5 million (3.9%) in 2016. In a slight offset, currency in active circulation edged-up by $1.0 million (0.4%), extending the $0.4 million (0.2%) gain last year. Similarly, broad money (M2) decreased by $35.1 million (0.5%), vis-à-vis a build-up of $106.5 million (1.7%) in the prior period, reflecting in part a falloff in fixed balances by $25.8 million (0.9%), vis-à-vis the previous year's $4.4 million (0.1%) growth, while accretions to savings deposits slowed to $21.1 million (1.6%), from a $30.2 million (2.6%) gain in the previous year. Further, residents' foreign currency deposits contracted by $9.8 million (3.2%), in contrast to an $18.6 million (9.9%) increase in 2016.

A breakdown of the various categories showed that Bahamian dollar fixed deposits constituted the largest share of the money stock at 41.3%, followed by demand (31.2%) and savings deposits (19.1%). The remaining balances were divided between foreign currency deposits (4.3%) and currency in active circulation (4.1%).

Domestic Credit

The contraction in total domestic credit slowed to $12.1 million (0.1%), from $63.1 million (0.7%) in the prior year, reflecting in part a reversal in the private sector component from a falloff in 2016, to a slight gain. The decrease in the dominant Bahamian dollar segment—at 95.4% of the total—narrowed to $4.6 million (0.1%), from the year earlier $70.6 million (0.8%) reduction, while foreign currency credit fell by $7.5 million (1.7%), a turnaround from a similar $7.5 million (1.3%) gain a year earlier.



Credit to the private sector expanded by $9.3 million (0.2%), after registering a $13.9 million (0.2%) decline last year, attributed in large measure to a loan for electricity generation. In addition, the reduction in banks' net claims on the Government tapered to $11.2 million (0.4%), from 2016's $44.4 million (2.0%) contraction. However, credit to the rest of the public sector fell by $10.2 million (2.5%), extending the prior year's $4.8 million (1.0%) reduction.

A breakdown of the various private sector categories revealed that personal loans—which represented the majority (79.5%) of total Bahamian dollar claims—declined slightly by $5.1 million (0.1%), relative to last year's $5.4 million (0.1%) reduction. Underlying this development, both consumer loans and residential mortgages contracted by $10.9 million (0.5%) and $2.6 million (0.1%), respectively, while overdrafts grew by $8.4 million (13.9%).

A further disaggregation of consumer credit revealed net repayments for credit cards ($8.3 million), land purchases ($5.5 million), education ($1.7 million) and travel ($1.2 million), with more muted decreases of less than $1.0 million recorded for debt consolidation and taxis & rented cars. In contrast, respective increases of $3.6 million and $1.8 million, were noted for "miscellaneous" purposes and home improvements, while smaller gains of under $1.0 million occurred for medical loans, commercial vehicle loans, private cars, and furnishing & domestic appliances.

Significant net repayments were registered for most of the remaining private sector categories. Specifically, declines in credit were noted for: construction ($11.2 million), "miscellaneous" purposes ($8.8 million), fisheries ($4.3 million), manufacturing ($1.4 million) and professional & other services ($1.4 million), while more modest decreases of under $1.0 million occurred for private financial institutions, entertainment & catering and mining & quarrying. In a partial offset, credit for distribution firmed by $35.9 million, as a loan was extended for electricity generation, while smaller gains were recorded for transport and tourism, by $3.1 million and $2.0 million, respectively.

Distribution of Bank Credit By Sector (End-March)

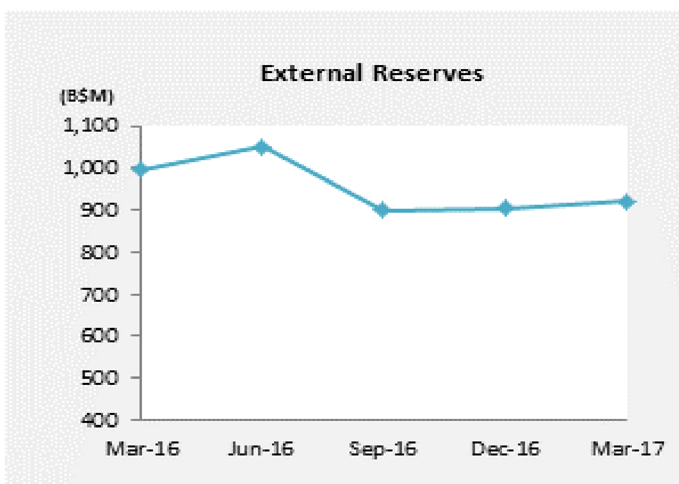
	2017		2016	
	B$M	%	B$M	%
Agriculture	7.4	0.1	8.7	0.1
Fisheries	5.8	0.1	5.4	0.1
Mining & Quarrying	1.9	0.0	2.1	0.0
Manufacturing	17.7	0.3	24.2	0.4
Distribution	203.4	3.0	170.8	2.5
Tourism	16.6	0.2	14.3	0.2
Enter. & Catering	73.4	1.1	75.8	1.1
Transport	43.3	0.6	40.4	0.6
Construction	348.7	5.1	346.9	5.0
Government	516.6	7.5	419.2	6.1
Public Corps.	223.3	3.2	233.5	3.4
Private Financial	21.5	0.3	20.4	0.3
Prof. & Other Ser.	53.7	0.8	68.7	1.0
Personal	5,178.7	75.1	5,237.5	75.8
Miscellaneous	182.1	2.6	245.0	3.5
TOTAL	**6,894.1**	**100.0**	**6,912.9**	**100.0**

Mortgages

An analysis of mortgage lending, as reported by banks, insurance companies and the Bahamas Mortgage Corporation, showed that the total value of loans outstanding contracted by $10.8 million (0.3%) to $3,123.9 million, vis-à-vis a slight $0.7 million (0.02%) uptick in 2016. The further reduction in the dominant residential component (at 92.5% of the total) measured $2.4 million (0.1%), compared to $1.1 million (0.04%) last year, for an ending balance of $2,888.5 million. Similarly, the commercial component decreased by $8.4 million (3.4%) to $235.4 million, a reversal from last year's $1.8 million (0.9%) expansion. At end-March, domestic banks held the bulk (88.4%) of outstanding mortgages, followed by insurance companies and the Bahamas Mortgage Corporation at 6.3% and 5.3%, respectively.

The Central Bank

Amid a decrease in holdings of domestic debt, the Central Bank's net claims on the Government contracted by $26.2 million (3.7%) to $690.5 million, following a $6.3 million (1.3%) decline last year. In addition, a rise in public corporations' deposits contributed to an expansion in the Bank's net liabilities to the sector by $3.1 million (85.5%) to $6.8 million. This reversed from a $3.6 million (43.4%) reduction in the corresponding 2016 period. In contrast, the Bank's net liabilities to commercial banks decreased by $20.8 million (2.1%) to $987.1 million, vis-a-vis a $172.3



million (23.6%) gain a year earlier, as the reduction in notes and coins in circulation, outpaced the increase in balances held at the Central Bank.

External reserves expanded by $16.5 million (1.8%) to $920.5 million during the quarter, a significant slowdown from last year's $183.0 million (22.5%) growth, when proceeds from the Government's US$100 million equivalent external loan were received. This development reflected a narrowing in the net foreign currency purchase by the Bank of $148.0 million to $11.9 million. In particular, the net receipt from commercial banks contracted, by $90.0 million (63.4%) to $51.9 million, and from the Government, by nearly three-fold to $26.3 million. Conversely, the Central Bank's net sale to public corporations—mainly for fuel purchases—slowed by $6.7 million to $66.3 million.

At end-March, the stock of external reserves was equivalent to an estimated 15.9 weeks of total merchandise imports, relative to 17.3 weeks in 2016. After adjusting for the 50% statutory requirement on the Central Bank's Bahamian dollar liabilities, "useable" reserves contracted by $133.6 million, to $266.0 million.

DOMESTIC BANKS

Domestic banks' net foreign liabilities expanded by $87.8 million (38.9%), vis-à-vis a $19.3 million (3.6%) decrease a year earlier, as the reduction in deposits contrasted with the growth in domestic credit.

Domestic banks' credit expanded by $14.1 million (0.2%), in contrast to a $59.4 million (0.7%) decline in the prior year. In particular, attributed to increased holdings of BGRS, net claims on the Government rose by $15.0 million (0.8%), a reversal from a $40.9 million (2.4%) contraction in 2016. Also, private sector credit firmed by $9.3 million (0.2%), contrasting with a $13.9 million (0.2%) reduction last year; however, claims on the public corporations fell by a further $10.2 million (2.6%), outpacing the previous year's $4.9 million (2.0%) falloff.

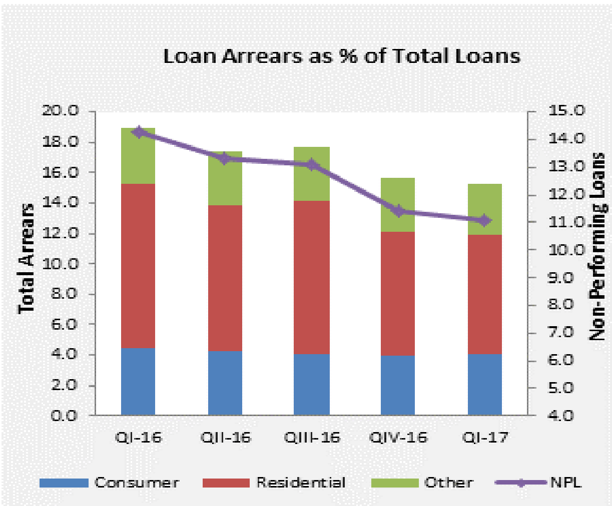
Total deposit liabilities—inclusive of Government balances—decreased by $24.2 million (0.4%) to $6,799.7 million, versus 2016's $186.0 million (2.9%) expansion. Specifically, private sector deposits fell by $28.6 million (0.5%), a turnaround from a $125.6 million (2.2%) gain in the previous year. Similarly, public corporations' balances reversed to a drawdown of $20.3 million (5.5%), from a slight gain of $2.8 million (0.8%), while the Government's deposits grew by $24.8 million (13.3%), after a $57.6 million (21.3%) increase in 2016.

The majority of the deposit liabilities remained denominated in Bahamian dollars (95.6%), with US dollars and other "miscellaneous" currencies representing smaller proportions of 4.3% and 0.1%, respectively. An analysis by holder, showed that private individuals held the bulk (51.1%) of the local currency accounts, followed by business firms (30.1%), private financial institutions (5.6%), "other" miscellaneous entities (4.9%), and the public sector (4.2%).

By account type, fixed deposits continued to represent the largest share of balances, (44.6%), followed by demand and savings, at 35.2% and 20.2%, respectively. Disaggregated by range of value and number, the bulk of accounts (87.5%) held Bahamian dollar balances of under $10,000, but comprised only 6.3% of the total value. Accounts with balances between $10,000 and $50,000 held 8.5% of the total number and 11.3% of the aggregate value, while deposits in excess of $50,000, represented a mere 4.0% of the total number, but constituted a dominant 82.4% of the total value.

CREDIT QUALITY

Banks' credit quality indicators improved during the review quarter, benefitting from ongoing debt restructuring operations and inroads from the Government's MRP. Total private sector loan arrears declined by $26.1 million (2.6%) over the three-month period, and by $213.5 million (17.8%), year-on-year, to $984.5 million. The corresponding ratio of arrears to total private sector loans decreased by 0.4 and 3.4 percentage points, respectively, on a quarterly and annual basis, to 16.6%.



An analysis by the average age of delinquencies, showed that short-term (31-90 day) arrears decreased by $13.6 million (4.8%) to $267.9 million, for a 23 basis points decline in the relevant loan ratio to 4.5%. In addition, the non-performing segment—arrears in excess of 90 days and on which banks stopped accruing interest—contracted by $12.5 million (1.7%) to $716.6 million, and the corresponding ratio narrowed by 21 basis points to 12.1% of total loans.

The reduction in total delinquencies was led by the commercial component, which fell by $14.6 million (6.3%) to $217.4 million, resulting in a 2.0 percentage point narrowing in the associated ratio to 25.6%. Further, the dominant mortgage component—at 51.6% of the total—declined by $13.1 million (2.5%) to $508.0 million, leading to a 47 basis point softening in the relevant ratio to 18.9%. In contrast, the consumer segment rose modestly, by $1.6 million (0.6%) to $259.2 million, and by 10 basis points to 10.9% of the aggregate.

CAPITAL ADEQUACY AND PROVISIONS

Capital ratios and loan loss provisioning in the banking system fell marginally during the first quarter. Specifically, the ratio of capital to risk-weighted assets narrowed by 60 basis points to 28.0% over the three-month period, but remained well in excess of the regulatory prescribed target and trigger ratios of 17.0% and 14.0%, respectively. In addition, banks lowered their total provisions for bad debts, by $36.4 million (7.1%) to $478.4 million, resulting in a consequent decline in the ratio of provisions to total loans by 58 basis points to 7.4%. Further, the ratio of provisions to both arrears and non-performing loans decreased by 2.4 and 3.9 percentage points, to 48.6% and 66.8%, respectively. Banks also wrote-off a total of $21.3 million in delinquent loans, and recovered approximately $7.0 million during the review period.

BANK PROFITABILITY

During the fourth quarter of 2016—the latest available data—banks' overall profitability fell by $7.2 million (11.4%) to $55.8 million, attributed mainly to a reduction in core earnings and a rise in operating costs. Specifically, the net interest margin decreased by 3.6% to $135.2 million, underpinned by a 4.6% falloff in interest income to $153.8 million, which outstripped the 11.6% decline in interest expense. In addition, commission & foreign exchange fees fell by 3.8% to $6.6 million, contributing to a 3.6% reduction in the gross earnings margin to $141.9 million.

Banks' total operating outlays rose by 1.7% to $86.3 million, on account of gains in occupancy and staff costs of 21.1% and 1.3%, respectively, which offset the marginal decline of 0.7% in "miscellaneous" operating expenses—inclusive of advertising and rent. In addition, owing to an 8.4% rise in depreciation costs and a 7.2% advance in provisions for bad debt, which overshadowed a 5.7% increase in other "non-interest" earnings, banks income from "non-core" activities contracted by more than half to a mere $0.2 million from $0.7 million in the previous year.

An analysis of banks' profitability ratios as a percentage of average assets, revealed that the gross earnings margin ratio narrowed by 27 basis points to 5.64%, reflecting decreases in the interest margin and commission & foreign exchange income ratios, by 25 and 1 basis point, to 5.38% and 0.26%, respectively. In addition, the increase in the operating cost ratio by 3 basis points to 3.43%, contributed to a 29 basis point falloff in the net earnings ratio to 2.21%. After accounting for the growth in depreciation costs and bad debt provisioning, the net income ratio narrowed by 31 basis points to 2.22%.

INTEREST RATES

During the review period, the commercial banks' weighted average interest rate spread declined by 58 basis points to 10.88 percentage points, as the 80 basis point reduction in the average lending rate to 11.88%, overshadowed the 22 basis point decrease in the average deposit rate to 1.00%.

Banking Sector Interest Rates

Period Average (%)

	Qtr. I 2016	Qtr. IV 2016	Qtr. I 2017
Deposit Rates			
Demand Deposits	0.30	0.29	0.26
Savings Deposits	0.80	0.87	0.77
Fixed Deposits			
Up to 3 months	1.05	0.90	0.80
Up to 6 months	1.05	1.00	0.65
Up to 12 months	1.87	1.57	1.27
Over 12 months	1.64	2.15	1.45
Weighted Avg Deposit	**1.36**	**1.22**	**1.00**
Lending Rates			
Residential mortgages	6.32	6.13	6.14
Commercial mortgages	7.42	8.33	6.38
Consumer loans	13.65	13.96	13.60
Other Local Loans	7.40	7.21	7.18
Overdrafts	10.78	11.09	10.78
Weighted Avg Loan Rate	**11.83**	**12.68**	**11.88**

In terms of deposits, the average rates on savings and demand balances fell by 10 and 3 basis points to 0.77% and 0.26%, respectively. In addition, the average range of interest earned on fixed balances narrowed to 0.80% – 1.45%, from 0.90% - 2.15% in the previous quarter.

On the lending side, the average rate for commercial mortgages declined sharply by 2.0 percentage points to 6.38%, while smaller reductions were noted for consumer loans and overdrafts by 36 and 31 basis points to 13.60%, and 10.78%, respectively. In contrast, the average rate on residential mortgages edged-up by 1 basis point to 6.14%.

With regard to other key rates, the average 90-day Treasury bill rate fell by 15 basis points to 1.96%, while the Central Bank's Discount rate remained at 4.00%; however, the commercial banks' Prime rate was lowered by 50 basis points to 4.25%, following a similar reduction of the Discount Rate in December 2016.

CAPITAL MARKETS DEVELOPMENTS

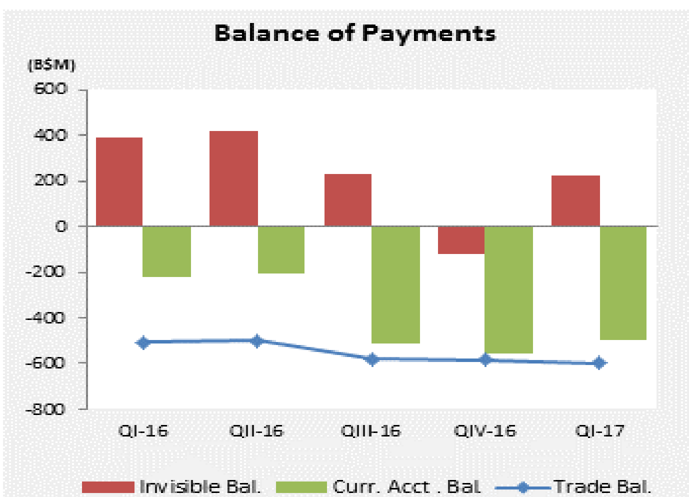
During the first quarter of 2017, domestic equity market activity was relatively subdued, as the volume of shares traded on the Bahamas International Securities Exchange (BISX) contracted by 10.0% to 989,837, following a surge of 53.8% a year earlier, when several significant trades occurred for entities in the insurance, banking and industrial sectors. Similarly, the correspondingly trading value decreased by 14.8% to $57.5 million, from the 74.1% expansion in 2016.

At end-March, total market capitalization stood at $3.9 billion, a fall of 11.9% over the three-month period, versus a 3.9% gain in the same quarter a year earlier. In particular, the BISX All Share Price Index contracted by 1.8% to 1,902.75 points, a reversal from a 2.7% gain in 2016. The number of publicly traded securities listed on the exchange steadied at 52 and consisted of 20 common shares, 13 preference shares and 19 debt tranches.

International Trade and Payments

Provisional data for the first quarter of 2017, showed a sharp increase in the current account deficit to $501.4 million, from $220.7 million in the previous year. Underlying this outturn was a notable deterioration in the merchandise trade deficit, combined with a significant reduction in the services account surplus and higher net income outflows. Supporting the financing of the current balance, the surplus on the capital and financial account rose to $208.3 million, from an estimated $9.6 million in the previous year, owing in large measure to an expansion in debt and equity investment inflows though the private sector.

The estimated merchandise trade deficit expanded by $89.4 million (17.6%) to $597.5 million, with the $127.1 million (19.4%) growth in imports to $731.4 million, outpacing the $37.7 million (32.0%) rise in exports to $133.8 million. This outturn was led by a $74.0 million (17.3%) expansion in net non-oil goods imports to $503.2 million, associated with hotel sector investments and hurricane-related purchases. In addition, reflecting in part the upward movement in global oil prices, net fuel imports advanced by $27.3 million (26.3%) to $131.2 million. In particular, average per barrel price gains were recorded for jet fuel (by 62.6% to $70.42); propane fuel (by 55.8% to $46.53); motor gas (by 36.8% to $77.77) and gas oil (by 32.4% to $64.77); however, aviation gas declined by 8.3% to $102.42 per barrel.



The estimated surplus on the services account was nearly halved to $222.0 million. Contributing to this outturn was significant growth in net outflows for other "miscellaneous" services, by $68.2 million (56.1%) to $189.8 million. In addition, outflows for construction services expanded considerably to $85.7 million from $4.0 million in 2016, related to the resumption of work on the Baha Mar development. Further, net payments for transportation services rose by $38.7 million (63.4%) to $99.7 million, owing mainly to a gain in net external payments for passenger and air & freight services. Similarly, net inflows from offshore companies' local expenses declined by $14.3 million to $20.9 million and net travel receipts—the largest component of the account—decreased by $10.9 million (1.7%) to $641.4 million. Providing some offset, net payments for Government services contracted by $32.3 million (42.8%) to $43.2 million, led by declines in disbursements for resident Government, while net outflows for insurance services fell by $14.5 million (44.8%) to $17.9 million, as non-merchandise insurance payments were reduced by more than one-half to $11.9 million. Further, net outflows for royalty & license fees decreased, by $1.5 million (28.1%) to $3.9 million.

The estimated deficit on the income account expanded by $35.6 million (50.9%) to $105.6 million, buoyed by a $36.4 million (61.8%) increase in net investment income outflows to $95.2 million. In the underlying transactions, private companies' net interest and dividend payments rose by $30.6 million (63.6%) to $78.7 million, reflecting gains in both commercial bank and non-bank entities' remittances by 22.0% and 69.7% to $7.6 million and $71.1 million, respectively. Further, net payments for official transactions rose by $5.8 million (53.8%) to an estimated $16.6 million, as the expansion in the Government's external debt servicing costs overshadowed higher net investment income receipts by the Central Bank. In a modest offset, labor income remittances fell by $0.7 million (6.5%) to $10.4 million.

Net current transfer payments declined by $9.8 million to $20.1 million, largely reflecting a reversal in "miscellaneous" transactions to a net receipt of $28.7 million, from a net outflow of $15.4 million a year earlier. In contrast, net outflows for workers' remittances rose by $28.7 million (65.3%) to $72.6 million. Providing some offset, general Government's net receipts decreased by $5.6 million (19.2%) to $23.7 million.

The significant growth in the surplus on the capital and financial account, was due mainly to a sharp rise in "other" credit-financed inflows to $175.2 million, from $34.4 million in the prior period, as an increase in tourism-related loan financing, led to a reversal in net private sector debt transactions to a $101.6 million net inflow from a $48.5 million net repayment a year earlier. Also included in this amount, domestic banks' short-term transactions shifted to net liabilities' growth of $87.8 million, from a net reduction of $19.3 million in 2016. However, the public sector recorded a net debt repayment of $14.2 million, a turnaround from a net inflow of $102.2 million in the prior year, when Government received the proceeds from its external loan.

Net private direct investment transactions reversed to a net inflow of $47.1 million, from a $16.3 million net outflow a year earlier, owing mainly to a sharp rise in net equity investment receipts to $49.6 million from $1.7 million last year. This partly captures a shift in financing preference for corporate structures for real-estate investments, with recorded direct real estate divestments of $2.5 million compared to $18.0 million in the previous period. Further, resident's net portfolio investments abroad increased by $0.2 million (5.0%) to $4.4 million. In contrast, higher migrant remittances resulted in a more than two-fold increase in outward capital transfers to $9.6 million from $4.4 million in the prior year.

As a result of these developments and after adjusting for net errors and omissions, the surplus on the overall balance, which corresponds to the change in the Central Bank's external reserves, narrowed sharply by $166.6 million to $16.5 million.

INTERNATIONAL ECONOMIC DEVELOPMENTS

Global economic trends during the first quarter of 2017 were characterized by modest, sustained growth for most of the major economies. In this environment, labour market conditions continued to improve, while inflationary pressures remained relatively mild, despite the implementation of an agreement by the largest crude oil producers to constrain supplies. In light of these developments, most of the major central banks maintained their accommodative monetary policy stance; however, the Federal Reserve sustained its efforts to normalise interest rates over the medium-term.

Reflecting in part cyclical trends, real GDP growth in the United States slowed to an estimated 1.4% in the first quarter from 2.1% in the prior three-month period, as reductions in private inventory investment and personal consumption spending, overshadowed increases in exports and non-residential fixed investments. In addition, the United Kingdom's economic expansion waned to 0.2%—its lowest level since March 2016—from 0.7% in the preceding quarter, reflecting a falloff in the retail and accommodation industries, along with a tapering in gains in the construction and manufacturing sectors. Further, output growth in the euro area increased by 10 basis points to 0.6%, as gains in the economies of a number of eastern European countries, outpaced weakness in the southern markets. The major Asian economies recorded positive performances over the review period, as Japan's economic growth accelerated by 60 basis points to 2.2% over the prior quarter, buoyed by gains in private consumption, exports and inventories. Similarly, the expansion in China's real output strengthened to 6.9% from 6.7%, attributed to elevated public infrastructure-related spending and increased activity in the housing market.

Buoyed by the sustained growth in most major economies, employment conditions continued to improve over the review period. In the United States, non-farm payrolls increased by 533,000 persons, mainly in the professional & business services, manufacturing and health care & social assistance sectors; although a corresponding rise in the labour force led to the unemployment rate remaining at 4.7%. Further, the United Kingdom's unemployment rate narrowed by 20 basis points to 4.6% in the first quarter, as the number of employed persons grew by 122,000, and the euro area's jobless rate fell by 20 basis points to 9.4%—the lowest level since April 2009—reflecting broad-based gains among member states. Similarly, the unemployment rate in China steadied at 4.0% in the March quarter, as the 3.3 million gain in employers' payrolls, was balanced by the growth in the labour force, while Japan's unemployment rate remained at 2.9% for the second consecutive quarter.

Mild gains in inflation rates were recorded over the review period. In the United States, the growth in consumer prices advanced by 30 basis points to 2.4% in the twelve months to March, vis-à-vis the preceding quarter, as energy and related services' costs expanded. Similarly, the United Kingdom's annualized rate of inflation firmed to 2.3% from 1.6% in the fourth quarter, led by increases in housing & housing services, transport, food & beverage, and restaurant & hotel costs. Further, inflation in the euro area firmed by 40 basis points to 1.5%, owing to gains in fuel and heating oil costs. In contrast, China's year-on-year inflation rate narrowed by 1.2 percentage points to 0.9% over the period, reflecting declines in the food & tobacco and miscellaneous goods & services indices, while Japan's inflation rate waned by 10 basis points to 0.2%, due mainly to a falloff in food prices.

The US dollar depreciated against all major currencies over the review quarter. The dollar weakened relative to the Japanese yen by 4.8% to ¥111.39; and moved lower vis-à-vis the Swiss Franc (by 1.7% to CHF1.00), the British pound (by 1.6% to £0.80) and the euro (by 1.3% to €0.94). The dollar recorded smaller declines of 1.0% relative to both the Chinese Yuan and the Canadian dollar to CNY6.88 and CAD$1.33, respectively.

Despite the political challenges facing the US Government's economic stimulus programme, positive global growth prospects led to the majority of the major equity markets registering gains during the first quarter. Specifically, the United States' S&P 500 and the Dow Jones Industrial Average (DIJA) indices moved higher by 5.5% and 4.6%, respectively. Similarly, in Europe, the French CAC 40, the German DAX and the United Kingdom's FTSE, firmed by 5.4%, 4.0% and 2.5%, respectively. In Asia, the China's SE Composite Index increased by 3.8%; however, Japan's Nikkei 225 index fell by 1.1%.

Buoyed by gains in US shale oil production—which negated the supply cuts agreed to in November by several major producers—international oil prices fell by 2.2% to $55.60 per barrel during the first quarter. In contrast, as investors sought to hedge their portfolios against the increasing political uncertainly in the United States, the prices of gold and silver increased by 8.4% to $1,249.35 per troy ounce and by 17.7% to $18.27 per troy ounce, respectively.

In external sector developments, all major economies registered deteriorations in their trade positions during the first quarter, underpinned by the softness in global demand. In the United States, the deficit on goods and services account widened by $3.3 million (2.5%) to a preliminary $135.6 billion, as a 2.4% ($16.1 billion) gain in imports—of mainly industrial and capital goods—outweighed a 2.3% ($12.7 million) expansion in consumer good-related exports. Similarly, the United Kingdom's trade deficit more than doubled to $10.5 million, from $4.8 million in the previous three-month period, buoyed by a machinery and transport equipment-led 3.3% increase in imports, combined with a 0.5% reduction in exports. Further, the trade surplus for the euro area contracted by $26.1 billion (35.2%) to $48.1 billion, as the 5.6% growth in imports, outpaced a 0.2% rise in estimated exports. In Asia, as Japan's trade surplus fell sharply by ¥930.3 billion (73.6%) to ¥333.3 billion, reflecting growth in imports of largely mineral fuels and electrical machinery by 8.3%, which outstripped the 2.7% gain in mechanical and electrical machinery-led exports. In addition, due to the slowdown in production, which typically occurs during the Luna New Year holidays, China's trade surplus was more than halved to US$65.6 billion from $US134.5 billion in the prior period. Reflecting this development, exports fell by 21.1%—with most offices and factories closed for at least one week—outpacing the 7.9% falloff in commodity-related imports.

In light of the mild pace of real GDP growth globally, most of the major central banks sustained their accommodative monetary policy stance in an effort to undergird the expansion in their various economies. In Europe, the Bank of England kept its benchmark interest rate at an historic low of 0.25% and maintained its £435.0 billion "quantitative easing" programme. Similarly, the European Central Bank's key interest rates were held steady at their lows; although the institution announced that it would reduce its monthly asset purchase programme by €20.0 billion to €60.0 billion in April, until the end of the year. In Asia, the Bank of Japan kept the size of its purchases of exchange-traded funds and real estate investment trusts at ¥6.0 trillion and ¥90.0 billion per year, respectively, while the People's Bank of China left its main policy rate unchanged at 4.35%. In contrast, the United States' Federal Reserve sustained its programme of gradually reducing the level of monetary accommodation, by increasing its benchmark policy rate by 25 basis points to a range of 0.75%-1.00% at the end of March.

STATISTICAL APPENDIX (TABLES 1-16)

TABLE 1
FINANCIAL SURVEY

Period	2012	2013	2014	2015 Sept.	2015 Dec.	2016 Mar.	2016 Jun.	2016 Sept.	2016 Dec.	2017 Mar.
				(B$ Millions)						
Net foreign assets	209.2	46.7	286.4	300.9	280.2	482.6	656.2	524.1	678.5	607.3
Central Bank	810.2	741.6	787.7	826.8	811.9	994.9	1,052.1	898.8	904.0	920.5
Domestic Banks	(600.9)	(694.9)	(501.2)	(525.8)	(531.7)	(512.4)	(395.9)	(374.7)	(225.4)	(313.2)
Net domestic assets	6,094.6	6,270.6	6,103.7	6,152.4	6,093.7	6,013.8	5,920.8	6,050.8	6,251.4	6,277.6
Domestic credit	8,691.3	8,957.1	8,870.5	8,987.6	8,966.2	8,900.4	8,810.5	8,961.1	9,128.4	9,116.4
Public sector	2,062.9	2,406.0	2,503.6	2,673.6	2,666.4	2,614.3	2,574.1	2,725.7	2,957.6	2,936.4
Government (net)	1,594.8	1,946.6	2,024.0	2,172.6	2,198.0	2,150.9	2,100.6	2,307.5	2,551.4	2,540.2
Rest of public sector	468.2	459.4	479.7	500.9	468.4	463.4	473.5	418.2	406.3	396.1
Private sector	6,628.4	6,551.1	6,366.9	6,314.1	6,299.7	6,286.1	6,236.4	6,235.5	6,170.8	6,180.1
Other items (net)	(2,596.7)	(2,686.5)	(2,766.8)	(2,835.2)	(2,872.4)	(2,886.6)	(2,889.6)	(2,910.3)	(2,877.0)	(2,838.8)
Monetary liabilities	6,303.7	6,317.2	6,390.0	6,453.2	6,373.8	6,498.8	6,577.2	6,575.1	6,930.1	6,885.2
Money	1,574.9	1,641.2	1,995.7	2,087.3	2,071.2	2,143.1	2,198.0	2,298.0	2,460.6	2,430.2
Currency	216.5	214.4	232.8	225.8	246.6	246.9	247.6	255.5	280.5	281.5
Demand deposits	1,358.4	1,426.8	1,762.9	1,861.5	1,824.7	1,896.1	1,950.4	2,042.5	2,180.1	2,148.7
Quasi-money	4,728.8	4,676.0	4,394.3	4,365.8	4,302.6	4,355.8	4,379.2	4,277.0	4,469.5	4,455.0
Fixed deposits	3,444.1	3,288.0	3,101.9	3,006.7	2,966.5	2,970.9	2,931.2	2,865.2	2,866.3	2,840.5
Savings deposits	1,069.0	1,114.0	1,067.5	1,144.8	1,148.3	1,178.5	1,217.3	1,218.6	1,295.6	1,316.7
Foreign currency	215.7	274.0	224.8	214.3	187.8	206.4	230.7	193.2	307.6	297.8
				(percentage changes)						
Total domestic credit	1.7	3.1	(1.0)	2.0	(0.2)	(0.7)	(1.0)	1.7	1.9	(0.1)
Public sector	8.8	16.6	4.1	6.9	(0.3)	(2.0)	(1.5)	5.9	8.5	(0.7)
Government (net)	10.6	22.1	4.0	8.2	1.2	(2.1)	(2.3)	9.8	10.6	(0.4)
Rest of public sector	2.9	(1.9)	4.4	1.6	(6.5)	(1.1)	2.2	(11.7)	(2.9)	(2.5)
Private sector	(0.3)	(1.2)	(2.8)	0.1	(0.2)	(0.2)	(0.8)	(0.0)	(1.0)	0.1
Monetary liabilities	(0.1)	0.2	1.2	(0.3)	(1.2)	2.0	1.2	(0.0)	5.4	(0.6)
Money	9.8	4.2	21.6	(1.1)	(0.8)	3.5	2.6	4.6	7.1	(1.2)
Currency	9.9	(0.9)	8.6	(2.8)	9.2	0.1	0.3	3.2	9.8	0.4
Demand deposits	9.7	5.0	23.6	(0.9)	(2.0)	3.9	2.9	4.7	6.7	(1.4)
Quasi-money	(3.0)	(1.1)	(6.0)	0.1	(1.4)	1.2	0.5	(2.3)	4.5	(0.3)

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

Period	2012	2013	2014	2015 Sept.	2015 Dec.	2016 Mar.	2016 Jun.	2016 Sept.	2016 Dec.	2017 Mar.
				(B$ Millions)						
Net foreign assets	215.1	76.4	334.2	376.7	360.1	571.6	750.1	596.1	730.5	675.8
Central Bank	810.2	741.6	787.7	826.8	811.9	994.9	1,052.1	898.8	904.0	920.5
Commercial banks	(595.1)	(665.2)	(453.5)	(450.0)	(451.8)	(423.4)	(302.0)	(302.7)	(173.5)	(244.6)
Net domestic assets	6,034.1	6,189.3	6,002.0	6,014.2	5,956.8	5,872.0	5,769.5	5,921.7	6,131.5	6,161.6
Domestic credit	8,661.9	8,929.8	8,837.0	8,954.7	8,926.2	8,855.5	8,766.7	8,930.9	9,097.0	9,074.4
Public sector	2,050.1	2,396.6	2,492.5	2,662.9	2,653.2	2,604.4	2,563.2	2,710.0	2,941.4	2,925.1
Government (net)	1,582.4	1,937.7	2,013.2	2,162.3	2,187.2	2,143.3	2,092.1	2,292.2	2,535.5	2,529.3
Rest of public sector	467.7	458.9	479.3	500.6	466.0	461.0	471.2	417.8	405.9	395.8
Private sector	6,611.8	6,533.2	6,344.5	6,291.8	6,273.0	6,251.1	6,203.5	6,221.0	6,155.6	6,149.4
Other items (net)	(2,627.8)	(2,740.5)	(2,834.9)	(2,940.5)	(2,969.4)	(2,983.5)	(2,997.2)	(3,009.2)	(2,965.5)	(2,912.9)
Monetary liabilities	6,249.0	6,265.6	6,336.1	6,390.8	6,316.8	6,446.1	6,519.9	6,518.0	6,862.1	6,837.8
Money	1,541.9	1,610.9	1,955.0	2,037.4	2,024.9	2,101.0	2,155.6	2,257.6	2,406.8	2,397.4
Currency	216.5	214.4	232.8	225.8	246.6	246.9	247.6	255.5	280.5	281.5
Demand deposits	1,325.4	1,396.5	1,722.2	1,811.6	1,778.3	1,854.0	1,908.0	2,002.1	2,126.4	2,115.9
Quasi-money	4,707.1	4,654.7	4,381.1	4,353.5	4,291.9	4,345.1	4,364.3	4,260.5	4,455.3	4,440.4
Savings deposits	1,069.0	1,114.0	1,067.5	1,144.8	1,148.3	1,178.5	1,216.5	1,218.0	1,295.0	1,316.5
Fixed deposits	3,428.4	3,266.7	3,088.8	2,994.3	2,955.9	2,960.2	2,917.1	2,853.7	2,854.8	2,828.0
Foreign currency deposits	209.7	274.0	224.8	214.3	187.8	206.4	230.7	188.8	305.5	295.9
				(percentage change)						
Total domestic credit	1.7	3.1	(1.0)	2.1	(0.3)	(0.8)	(1.0)	1.9	1.9	(0.2)
Public sector	8.6	16.9	4.0	7.4	(0.4)	(1.8)	(1.6)	5.7	8.5	(0.6)
Government (net)	10.5	22.5	3.9	8.8	1.2	(2.0)	(2.4)	9.6	10.6	(0.2)
Rest of public sector	2.9	(1.9)	4.4	1.6	(6.9)	(1.1)	2.2	(11.3)	(2.9)	(2.5)
Private sector	(0.3)	(1.2)	(2.9)	0.1	(0.3)	(0.3)	(0.8)	0.3	(1.1)	(0.1)
Monetary liabilities	(0.3)	0.3	1.1	(0.2)	(1.2)	2.0	1.1	(0.0)	5.3	(0.4)
Money	9.5	4.5	21.4	(0.8)	(0.6)	3.8	2.6	4.7	6.6	(0.4)
Currency	9.9	(0.9)	8.6	(2.8)	9.2	0.1	0.3	3.2	9.8	0.4
Demand deposits	9.4	5.4	23.3	(0.5)	(1.8)	4.3	2.9	4.9	6.2	(0.5)
Quasi-money	(3.1)	(1.1)	(5.9)	0.1	(1.4)	1.2	0.4	(2.4)	4.6	(0.3)

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B$ Millions)

Period	2012	2013	2014	2015		2016				2017
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Net foreign assets	810.2	741.6	787.7	826.8	811.9	994.9	1,052.1	898.8	904.0	920.5
Balances with banks abroad	216.5	122.4	155.2	212.3	206.6	380.1	389.6	260.3	254.8	251.6
Foreign securities	555.6	551.0	544.9	529.7	521.7	511.5	559.9	536.0	550.5	569.3
Reserve position in the Fund	9.6	9.6	9.1	8.8	8.7	27.2	27.0	26.9	25.9	26.2
SDR holdings	28.4	58.6	78.5	76.0	75.0	76.2	75.7	75.5	72.7	73.4
Net domestic assets	280.1	374.7	375.6	277.8	340.6	333.1	387.3	513.5	555.3	520.6
Net claims on Government	397.3	493.1	523.4	436.0	493.7	487.4	546.1	668.5	716.6	690.5
Claims	407.4	545.3	571.4	457.2	523.1	511.3	568.9	696.9	731.9	711.1
Treasury bills	129.7	186.6	119.7	54.7	126.6	114.2	171.7	259.5	223.9	202.1
Bahamas registered stock	171.3	223.5	316.5	266.7	261.1	261.5	261.5	301.5	372.6	373.4
Loans and advances	106.3	135.2	135.2	135.8	135.4	135.5	135.7	135.9	135.4	135.5
Deposits	(10.1)	(52.1)	(48.0)	(21.2)	(29.4)	(23.8)	(22.9)	(28.4)	(15.3)	(20.6)
In local currency	(10.1)	(52.1)	(48.0)	(21.2)	(29.4)	(23.8)	(22.9)	(28.4)	(15.3)	(20.6)
In foreign currency	-	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(14.8)	(11.7)	(26.0)	(20.8)	(17.3)	(13.6)	(17.8)	(7.5)	(12.6)	(15.7)
Credit to commercial banks	-	-	-	-	-	-	-	-	-	-
Official capital and surplus	(135.7)	(140.0)	(152.3)	(155.4)	(163.7)	(158.7)	(159.3)	(159.4)	(173.1)	(172.5)
Net unclassified assets	23.0	23.0	21.1	8.9	19.0	9.2	9.5	3.0	15.4	9.4
Loans to rest of public sector	4.8	4.6	4.2	3.9	3.7	3.7	3.6	3.6	3.6	3.7
Public Corp Bonds/Securities	5.6	5.7	5.2	5.2	5.2	5.2	5.2	5.2	5.3	5.3
Liabilities To Domestic Banks	(682.6)	(710.3)	(750.2)	(704.1)	(733.5)	(905.8)	(1,017.8)	(983.1)	(1,011.4)	(990.7)
Notes and coins	(127.4)	(138.1)	(142.5)	(108.5)	(142.4)	(113.9)	(96.9)	(101.3)	(145.1)	(97.6)
Deposits	(555.2)	(572.2)	(607.7)	(595.6)	(591.1)	(791.9)	(920.9)	(881.8)	(866.3)	(893.1)
SDR allocation	(191.2)	(191.6)	(180.3)	(174.7)	(172.4)	(175.3)	(174.0)	(173.7)	(167.3)	(168.9)
Currency held by the private sector	(216.5)	(214.4)	(232.8)	(225.8)	(246.6)	(246.9)	(247.6)	(255.5)	(280.5)	(281.5)

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(B$ Millions)

Period	2012	2013	2014	2015 Sept.	2015 Dec.	2016 Mar.	2016 Jun.	2016 Sept.	2016 Dec.	2017 Mar.
Net foreign assets	(600.9)	(694.9)	(501.2)	(525.8)	(531.7)	(512.4)	(395.9)	(374.7)	(225.4)	(313.2)
Net claims on Central Bank	690.7	651.7	749.2	704.8	730.0	906.5	1,018.7	984.0	1,012.4	991.7
Notes and Coins	127.4	138.1	142.5	108.5	142.4	113.9	96.9	101.3	145.1	97.6
Balances	563.3	513.6	606.7	596.2	587.5	792.6	921.8	882.8	867.3	894.0
Less Central Bank credit	-	-	-	-	-	-	-	-	-	-
Net domestic assets	5,586.1	5,803.7	5,537.6	5,670.9	5,569.8	5,499.6	5,325.1	5,345.6	5,483.7	5,563.5
Net claims on Government	1,197.5	1,453.5	1,500.5	1,736.6	1,704.4	1,663.5	1,554.5	1,639.0	1,834.8	1,849.8
Treasury bills	219.3	392.4	454.5	699.6	662.6	680.0	627.8	557.9	531.9	489.3
Other securities	961.1	962.2	907.0	922.4	895.4	892.3	889.6	891.1	987.1	1,055.5
Loans and advances	152.4	253.6	352.1	371.4	416.8	419.2	404.9	389.7	502.7	516.6
Less: deposits	135.3	154.7	213.1	256.7	270.5	328.1	367.8	199.6	186.9	211.7
Net claims on rest of public sector	61.2	118.6	124.6	135.1	117.6	109.9	100.9	52.1	31.0	41.2
Securities	119.4	119.4	219.0	219.0	221.0	221.0	218.9	168.6	163.9	163.9
Loans and advances	338.5	329.8	251.3	272.8	238.4	233.6	245.8	240.7	233.5	223.3
Less: deposits	396.6	330.6	345.7	356.7	341.8	344.6	363.9	357.2	366.4	346.0
Other net claims	14.7	56.4	24.8	15.8	43.9	25.7	18.6	24.3	(2.9)	1.0
Credit to the private sector	6,628.4	6,551.1	6,366.9	6,314.1	6,299.7	6,286.1	6,236.4	6,235.5	6,170.8	6,180.1
Securities	14.1	16.6	16.8	18.1	24.4	25.9	26.7	18.6	19.6	25.8
Mortgages	3,275.4	3,310.3	3,211.4	3,171.2	3,164.7	3,165.8	3,139.8	3,139.1	3,035.5	3,024.8
Loans and advances	3,338.9	3,224.2	3,138.7	3,124.8	3,110.7	3,094.4	3,069.9	3,077.8	3,115.7	3,129.4
Private capital and surplus	(2,523.4)	(2,586.4)	(2,499.2)	(2,556.6)	(2,651.2)	(2,600.8)	(2,601.5)	(2,638.8)	(2,594.4)	(2,580.9)
Net unclassified assets	207.7	210.6	20.0	25.9	55.5	15.2	16.3	33.5	44.5	72.5
Liabilities to private sector	5,675.8	5,760.6	5,785.5	5,849.9	5,768.1	5,893.7	5,948.0	5,954.9	6,270.7	6,242.0
Demand deposits	1,442.7	1,593.5	1,830.6	1,922.4	1,868.3	1,949.9	1,998.5	2,075.0	2,287.4	2,261.3
Savings deposits	1,074.2	1,119.9	1,074.1	1,158.5	1,162.0	1,195.6	1,234.7	1,238.8	1,315.0	1,335.1
Fixed deposits	3,159.0	3,047.1	2,880.8	2,768.9	2,737.8	2,748.3	2,714.8	2,641.0	2,668.3	2,645.7

Source: The Central Bank of The Bahamas

TABLE 5

PROFIT AND LOSS ACCOUNTS OF BANKS IN THE BAHAMAS*

(B$'000s)

Period	2012	2013	2014	2015 Qtr. I	2015 Qtr. II	2015 Qtr. III	2015 Qtr. IV	2016 Qtr. I	2016 Qtr. II	2016 Qtr. III	2016 Qtr. IV
1. Interest Income	667,055	646,083	617,808	148,510	156,468	160,233	161,209	158,211	152,709	150,401	153,783
2. Interest Expense	144,897	117,811	98,321	21,307	21,850	21,273	20,984	20,807	20,410	18,595	18,547
3. **Interest Margin (1-2)**	522,158	528,272	519,487	127,203	134,618	138,960	140,225	137,404	132,299	131,806	135,236
4. Commission & Forex Income	23,005	23,278	22,484	5,657	11,373	5,590	6,910	5,756	6,636	5,802	6,648
5. **Gross Earnings Margin (3+4)**	545,163	551,550	541,971	132,860	145,991	144,550	147,135	143,160	138,935	137,608	141,884
6. Staff Costs	162,348	181,910	171,579	42,852	45,619	41,628	40,297	40,906	41,677	41,468	40,840
7. Occupancy Costs	29,744	30,120	27,797	7,043	7,235	6,944	5,796	6,883	7,025	7,574	7,020
8. Other Operating Costs	111,914	132,475	279,278	38,156	39,715	34,005	38,753	39,236	40,452	47,833	38,464
9. **Operating Costs (6+7+8)**	304,006	344,505	478,654	88,051	92,569	82,577	84,846	87,025	89,154	96,875	86,324
10. **Net Earnings Margin (5-9)**	241,157	207,045	63,317	44,809	53,422	61,973	62,289	56,135	49,781	40,733	55,560
11. Depreciation Costs	13,364	16,969	14,637	4,005	4,021	4,231	3,512	3,632	3,560	4,099	3,808
12. Provisions for Bad Debt	168,098	149,114	266,624	42,791	36,705	25,659	27,419	20,347	36,032	30,344	29,405
13. Other Income	88,284	98,023	103,893	27,284	24,456	27,866	31,657	32,759	32,657	34,300	33,459
14. **Other Income (Net) (13-11-12)**	(93,178)	(68,060)	(177,368)	(19,512)	(16,270)	(2,024)	726	8,780	(6,935)	(143)	246
15. **Net Income (10+14)**	147,979	138,985	(114,051)	25,297	37,152	59,949	63,015	64,915	42,846	40,590	55,806
16. **Effective Interest Rate Spread (%)**	6.41	6.85	6.83	6.92	7.28	7.20	7.12	7.24	7.16	7.28	7.24
(Ratios To Average Assets)											
Interest Margin	5.41	5.42	5.31	5.21	5.35	5.56	5.63	5.44	5.21	5.27	5.38
Commission & Forex Income	0.24	0.22	0.23	0.23	0.45	0.22	0.28	0.23	0.26	0.23	0.26
Gross Earnings Margin	5.65	5.64	5.54	5.44	5.81	5.78	5.91	5.67	5.47	5.50	5.64
Operating Costs	3.15	3.68	4.89	3.61	3.68	3.30	3.41	3.45	3.51	3.87	3.43
Net Earnings Margin	2.50	1.96	0.65	1.84	2.12	2.48	2.50	2.22	1.96	1.63	2.21
Net Income/Loss	1.53	1.43	-1.16	1.04	1.48	2.40	2.53	2.57	1.69	1.62	2.22

***Commercial Banks and OLFIs with domestic operations**

Source: The Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B$ Millions)

End of Period	2012	2013	2014	2015		2016				2017
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Money Supply (M1)	1,574.9	1,641.2	1,995.7	2,087.3	2,071.2	2,143.1	2,198.0	2,298.0	2,460.6	2,430.2
1) Currency in active circulation	216.5	214.4	232.8	225.8	246.6	246.9	247.6	255.5	280.5	281.5
2) Demand deposits	1,358.4	1,426.8	1,762.9	1,861.5	1,824.7	1,896.1	1,950.4	2,042.5	2,180.1	2,148.7
Central Bank	14.8	11.7	26.0	20.8	17.3	13.6	17.8	7.5	12.6	15.7
Domestic Banks	1,343.6	1,415.1	1,736.9	1,840.8	1,807.3	1,882.6	1,932.7	2,035.1	2,167.6	2,133.0
Factors affecting money (M1)										
1) Net credit to Government	1,594.8	1,946.6	2,024.0	2,172.6	2,198.0	2,150.9	2,100.6	2,307.5	2,551.4	2,540.2
Central Bank	397.3	493.1	523.4	436.0	493.7	487.4	546.1	668.5	716.6	690.5
Domestic banks	1,197.5	1,453.5	1,500.5	1,736.6	1,704.4	1,663.5	1,554.5	1,639.0	1,834.8	1,849.8
2) Other credit	7,096.6	7,010.5	6,846.5	6,815.0	6,768.1	6,749.5	6,709.9	6,653.6	6,577.1	6,576.2
Rest of public sector	468.2	459.4	479.7	500.9	468.4	463.4	473.5	418.2	406.3	396.1
Private sector	6,628.4	6,551.1	6,366.9	6,314.1	6,299.7	6,286.1	6,236.4	6,235.5	6,170.8	6,180.1
3) External reserves	810.2	741.6	787.7	826.8	811.9	994.9	1,052.1	898.8	904.0	920.5
4) Other external liabilities (net)	(600.9)	(694.9)	(501.2)	(525.8)	(531.7)	(512.4)	(395.9)	(374.7)	(225.4)	(313.2)
5) Quasi money	4,728.8	4,676.0	4,394.3	4,365.8	4,302.6	4,355.8	4,379.2	4,277.0	4,469.5	4,455.0
6) Other items (net)	(2,596.7)	(2,686.5)	(2,766.8)	(2,835.2)	(2,872.4)	(2,886.6)	(2,889.6)	(2,910.3)	(2,877.0)	(2,838.8)

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

(B$' 000)

End of Period	2013	2014	2015				2016				2017
			Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
CREDIT OUTSTANDING											
Private cars	175,407	186,731	187,847	189,599	186,637	181,447	177,367	179,811	177,103	176,178	176,368
Taxis & rented cars	1,077	853	987	1,057	1,028	1,026	947	879	855	777	735
Commercial vehicles	2,334	1,958	1,971	1,802	1,510	1,498	1,381	1,290	1,109	1,050	1,274
Furnishings & domestic appliances	7,919	7,911	7,370	7,371	8,013	8,081	7,833	7,994	8,015	8,302	8,491
Travel	33,011	30,033	27,644	28,771	36,466	36,836	36,170	38,928	43,721	41,197	40,030
Education	33,858	36,571	36,896	36,153	42,085	41,117	40,343	39,369	52,837	52,245	50,540
Medical	12,010	11,744	12,244	12,549	12,824	12,471	13,294	13,118	13,144	12,824	13,140
Home Improvements	123,943	131,723	132,323	131,388	125,149	114,265	111,294	108,346	108,671	121,959	123,739
Land Purchases	225,065	216,760	211,941	206,235	199,086	193,163	187,987	181,767	177,984	169,847	164,302
Consolidation of debt	802,727	777,804	861,318	842,827	834,249	802,034	805,547	795,914	979,674	984,569	984,153
Miscellaneous	563,322	625,074	539,640	575,906	610,830	640,154	649,073	685,088	515,430	546,313	549,889
Credit Cards	241,241	245,254	237,493	237,607	242,465	249,164	243,919	243,214	253,828	256,166	247,825
TOTAL	2,221,914	2,272,416	2,257,674	2,271,265	2,300,342	2,281,256	2,275,155	2,295,718	2,332,371	2,371,427	2,360,486
NET CREDIT EXTENDED											
Private cars	(2,120)	11,324	1,116	1,752	(2,962)	(5,190)	(4,080)	2,444	(2,708)	(925)	190
Taxis & rented cars	(4)	(224)	134	70	(29)	(2)	(79)	(68)	(24)	(78)	(42)
Commercial vehicles	93	(376)	13	(169)	(292)	(12)	(117)	(91)	(181)	(59)	224
Furnishings & domestic appliances	(4,091)	(8)	(541)	1	642	68	(248)	161	21	287	189
Travel	3,519	(2,978)	(2,389)	1,127	7,695	370	(666)	2,758	4,793	(2,524)	(1,167)
Education	(686)	2,713	325	(743)	5,932	(968)	(774)	(974)	13,468	(592)	(1,705)
Medical	647	(266)	500	305	275	(353)	823	(176)	26	(320)	316
Home Improvements	(3,594)	7,780	600	(935)	(6,239)	(10,884)	(2,971)	(2,948)	325	13,288	1,780
Land Purchases	(7,687)	(8,305)	(4,819)	(5,706)	(7,149)	(5,923)	(5,176)	(6,220)	(3,783)	(8,137)	(5,545)
Consolidation of debt	21,034	(24,923)	83,514	(18,491)	(8,578)	(32,215)	3,513	(9,633)	183,760	4,895	(416)
Miscellaneous	62,097	61,752	(85,434)	36,266	34,924	29,324	8,919	36,015	(169,658)	30,883	3,576
Credit Cards	(2,504)	4,013	(7,761)	114	4,858	6,699	(5,245)	(705)	10,614	2,338	(8,341)
TOTAL	66,704	50,502	(14,742)	13,591	29,077	(19,086)	(6,101)	20,563	36,653	39,056	(10,941)

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

(%)

Period	2012	2013	2014	2015 Qtr. III	2015 Qtr. IV	2016 Qtr. I	2016 Qtr. II	2016 Qtr. III	2016 Qtr. IV	2017 Qtr. I
DOMESTIC BANKS										
Deposit rates										
Savings deposits	1.53	0.97	0.89	0.83	0.72	0.80	0.87	0.72	0.87	0.77
Fixed deposits										
Up to 3 months	1.60	1.37	1.16	1.17	1.10	1.05	0.98	0.94	0.90	0.80
Up to 6 months	1.95	1.35	1.22	1.09	1.20	1.05	1.03	0.89	1.00	0.65
Up to 12 months	2.54	2.15	1.76	1.69	1.53	1.87	1.44	1.43	1.57	1.27
Over 12 months	2.65	2.20	1.64	1.72	1.57	1.64	1.66	2.02	2.15	1.45
Weighted average rate	2.02	1.68	1.42	1.49	1.27	1.36	1.25	1.14	1.22	1.00
Lending rates										
Residential mortgages	7.50	7.27	7.16	6.36	6.20	6.32	6.21	6.20	6.13	6.14
Commercial mortgages	8.29	8.21	8.02	7.40	9.09	7.42	7.00	8.29	8.33	6.38
Consumer loans	13.43	13.65	13.91	14.43	14.49	13.65	14.14	14.37	13.96	13.60
Overdrafts	9.81	9.32	9.76	10.17	10.60	10.78	11.04	11.60	11.09	10.78
Weighted average rate	10.88	11.10	11.81	12.55	12.32	11.83	12.54	12.93	12.68	11.88
Other rates										
Prime rate	4.94	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.25
Treasury bill (90 days)	0.20	0.30	0.53	0.68	0.76	1.03	1.48	1.94	2.11	1.96
Treasury bill re-discount rate	0.70	0.80	1.03	1.18	1.26	1.53	1.98	2.44	2.61	2.46
Bank rate (discount rate)	4.81	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.33	4.00

Source: The Central Bank of The Bahamas

TABLE 9

SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

Period	2012	2013	2014	2015		2016				2017
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
Loan Portfolio										
Current Loans (as a % of total loans)	**80.3**	**78.4**	**79.7**	**81.5**	**80.9**	**81.1**	**82.6**	**82.3**	**84.3**	**84.7**
Arrears (% by loan type)										
Consumer	4.4	5.0	5.2	4.9	4.7	4.5	4.3	4.1	4.0	4.0
Mortgage	11.0	11.0	11.0	10.4	10.9	10.8	9.5	10.0	8.1	7.9
Commercial	4.2	5.5	4.1	3.2	3.5	3.6	3.6	3.6	3.6	3.4
Public	0.1	0.1	--	--	--	--	--	--	--	--
Total Arrears	**19.7**	**21.6**	**20.3**	**18.5**	**19.1**	**18.9**	**17.4**	**17.7**	**15.7**	**15.3**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Loan Portfolio										
Current Loans (as a % of total loans)	**80.3**	**78.4**	**79.7**	**81.5**	**80.9**	**81.1**	**82.6**	**82.3**	**84.3**	**84.7**
Arrears (% by days outstanding)										
30 - 60 days	3.7	3.7	2.9	2.8	3.1	3.0	2.5	2.9	2.8	2.7
61 - 90 days	2.3	2.5	2.0	1.7	1.8	1.6	1.7	1.7	1.6	1.5
90 - 179 days	2.5	2.1	2.0	1.6	1.6	1.7	1.6	1.7	1.5	1.4
over 180 days	11.3	13.3	13.4	12.4	12.6	12.6	11.6	11.4	9.8	9.8
Total Arrears	**19.7**	**21.6**	**20.3**	**18.5**	**19.1**	**18.9**	**17.4**	**17.7**	**15.7**	**15.3**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Non Accrual Loans (% by loan type)										
Consumer	20.5	21.5	23.6	23.3	22.2	21.7	22.8	20.9	23.2	23.5
Mortgage	57.0	50.7	53.8	56.0	57.4	56.3	54.0	56.1	50.7	50.3
Other Private	21.9	27.2	22.6	20.7	20.4	22.0	23.2	23.0	26.1	26.2
Public	0.6	0.6	--	--	--	--	--	--	--	--
Total Non Accrual Loans	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Provisions to Loan Portfolio										
Consumer	5.4	6.1	6.5	7.2	7.1	7.4	7.3	7.3	7.4	7.1
Mortgage	5.5	5.6	8.9	9.8	9.9	10.0	10.1	9.8	8.9	7.6
Other Private	8.3	7.9	11.4	9.8	10.2	10.6	11.9	12.2	11.6	12.3
Public	--	--	--	--	--	--	--	--	--	--
Total Provisions to Total Loans	5.9	6.0	7.9	8.3	8.3	8.6	8.6	8.5	8.0	7.4
Total Provisions to Non-performing Loans	42.7	39.0	51.2	59.3	58.5	60.0	65.1	65.4	70.6	66.8
Total Non-performing Loans to Total Loans	13.6	15.3	15.3	14.0	14.2	14.3	13.3	13.1	11.4	11.1

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

(B$ Millions)

Period	2012	2013	2014	2015		2016				2017
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
I. Statutory Reserves										
Required reserves	301.9	303.3	311.2	319.7	316.9	319.0	324.3	328.4	325.1	330.1
Average Till Cash	108.9	117.4	122.7	108.7	123.0	115.3	96.9	104.3	130.4	99.8
Average balance with central bank	515.8	593.3	676.6	639.4	598.7	782.8	895.5	921.3	945.1	902.6
Free cash reserves (period ended)	322.8	407.4	488.0	428.4	404.9	579.2	668.1	697.1	750.5	672.3
II. Liquid Assets (period)										
A. Minimum Required Liquid Assets	971.1	988.3	1,025.5	1,054.8	1,044.6	1,078.4	1,085.5	1,079.4	1,098.6	1,116.7
B. Net Eligible Liquid Assets	1,938.2	2,126.1	2,182.2	2,389.8	2,361.6	2,547.7	2,603.4	2,504.8	2,579.9	2,588.6
i) Balance with Central Bank	563.3	513.6	606.7	596.2	587.5	792.6	921.8	882.8	867.3	894.0
ii) Notes and Coins	127.9	138.6	143.0	109.0	142.9	114.4	97.4	101.8	145.6	98.1
iii) Treasury Bills	219.3	392.4	454.5	699.6	662.6	680.0	627.8	557.9	531.9	489.3
iv) Government registered stocks	957.6	962.2	907.0	922.4	895.4	892.3	889.6	891.1	987.1	1,055.5
v) Specified assets	56.9	56.6	56.0	55.7	55.6	55.6	53.5	51.0	51.0	51.0
vi) Net Inter-bank dem/call deposits	13.2	62.7	15.1	6.9	17.4	12.8	13.3	20.3	(3.0)	0.7
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	967.1	1,137.7	1,156.8	1,334.9	1,316.9	1,469.3	1,518.0	1,425.4	1,481.3	1,471.9

Source: The Central Bank of The Bahamas
Figures may not sum to total due to rounding.

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

(B$ Millions)

Period	2014/15p	2015/16p	Budget 2015/16	Budget 2016/17	2015/16p Qtr. I	2015/16p Qtr. II	2015/16p Qtr. III	2015/16p Qtr. IV	2016/17p Qtr. I	2016/17p Qtr. II	2016/17p Qtr. III
Total Revenue & Grants	1,701.5	1,929.6	2,039.8	2,168.8	437.6	458.6	501.2	532.1	450.4	401.4	605.9
Current expenditure	1,711.3	2,005.0	1,935.7	2,024.4	460.9	491.6	530.4	522.2	469.8	533.9	509.9
Capital expenditure	280.3	231.3	243.2	242.1	39.7	49.7	49.0	92.9	65.1	69.9	75.0
Net lending	92.0	3.6	(0.1)	(0.1)	(0.0)	2.4	34.8	(33.6)	0.1	(0.0)	(0.0)
Overall balance	**(382.0)**	**(310.4)**	**(139.1)**	**(97.6)**	**(62.9)**	**(85.0)**	**(113.0)**	**(49.4)**	**(84.6)**	**(202.3)**	**21.0**
FINANCING (I+II-III+IV+V)	382.0	310.4	139.1	97.6	62.9	85.0	113.0	49.4	84.6	202.3	(21.0)
I. Foreign currency borrowing	**148.1**	**264.8**	**103.6**	**85.1**	**28.3**	**95.4**	**126.4**	**14.7**	**11.7**	**14.0**	**4.0**
External	148.1	214.8	103.6	85.1	15.0	72.1	113.0	14.7	11.7	14.0	4.0
Domestic	-	50.0	-	-	13.3	23.4	13.4	-	-	-	-
II. Bahamian dollar borrowing	**580.0**	**411.1**	**182.4**	**299.5**	**222.8**	**127.1**	**38.4**	**22.7**	**206.6**	**560.2**	**86.6**
i)Treasury bills	30.0	301.2	-	-	212.8	47.3	28.3	12.7	37.6	70.7	11.6
ii)Long-term securities	275.0	87.3	-	-	10.0	77.3	-	-	155.0	240.0	75.0
iii)Loans and Advances	275.0	22.6	-	-	-	2.5	10.1	10.0	14.0	249.5	-
III. Debt repayment	**221.4**	**322.7**	**145.7**	**287.1**	**104.2**	**76.8**	**34.4**	**107.3**	**146.8**	**279.1**	**88.5**
Domestic	206.0	294.3	125.0	258.9	97.9	70.0	26.2	100.1	136.2	272.0	75.2
Bahamian dollars	140.0	244.3	125.0	258.9	97.9	70.0	26.2	50.1	136.2	272.0	75.2
Internal foreign currency	66.0	50.0	-	-	-	-	-	50.0	-	-	-
External	15.4	28.5	20.7	28.2	6.3	6.8	8.2	7.2	10.6	7.1	13.3
IV.Net Sale of Shares & Other Equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(102.5)**	**-**	**(10.0)**
V.Cash balance change	**(76.8)**	**(110.4)**	**-**	**-**	**2.0**	**(22.0)**	**(49.4)**	**(41.1)**	**162.3**	**25.8**	**22.7**
VI.Other Financing	**(47.9)**	**67.6**	**(1.3)**	**-**	**(86.0)**	**(38.8)**	**32.0**	**160.4**	**(46.7)**	**(118.6)**	**(35.9)**

Source: Treasury Monthly Printouts. Data compiled according to the International Monetary Fund's Government Finance Statistics format.

TABLE 12
NATIONAL DEBT

(B$ '000s)

Period	2014	2015	2016	2015 QTR III.	2015 QTR IV.	2016 QTR I.	2016 QTR II.	2016 QTR III.	2016 QTR IV.	2017 QTR I.
TOTAL EXTERNAL DEBT	1,572,394	1,650,210	1,754,483	1,601,502	1,650,210	1,762,830	1,762,276	1,766,003	1,754,483	1,748,915
By Instrument										
Government Securities	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Loans	672,394	750,210	854,483	701,502	750,210	862,830	862,276	866,003	854,483	848,915
By Holder										
Commercial Banks	-	-	-	-	-	-	-	-	-	-
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-	-
Multilateral Institutions	237,002	221,348	216,959	227,875	221,348	220,285	214,910	219,422	216,959	217,306
Bilateral Institutions	70,731	72,352	80,846	70,526	72,352	72,009	73,093	74,671	80,846	81,594
Private Capital Markets	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Other Financial Institutions	364,661	456,510	556,678	403,101	456,510	570,536	574,273	571,910	556,678	550,015
TOTAL INTERNAL DEBT	4,009,658	4,263,352	4,570,098	4,182,841	4,263,352	4,288,905	4,211,490	4,281,896	4,570,098	4,581,540
By Instrument										
Foreign Currency	-	36,615	-	13,250	36,615	50,000	-	-	-	-
Government Securities	-	-	-	-	-	-	-	-	-	-
Loans	-	36,615	-	13,250	36,615	50,000	-	-	-	-
Bahamian Dollars	4,009,658	4,226,737	4,570,098	4,169,591	4,226,737	4,238,905	4,211,490	4,281,896	4,570,098	4,581,540
Advances	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657
Treasury Bills	579,282	816,513	793,896	769,215	816,513	843,606	856,336	857,971	793,896	730,479
Government Securities	3,025,473	3,072,783	3,314,783	3,065,473	3,072,783	3,057,783	3,047,783	3,142,783	3,314,783	3,389,783
Loans	270,246	202,784	326,762	200,246	202,784	202,859	172,714	146,485	326,762	326,621
By Holder										
Foreign Currency	-	36,615	-	13,250	36,615	50,000	-	-	-	-
Commercial Banks	-	36,615	-	13,250	36,615	50,000	-	-	-	-
Other Local Financial Institutions	-	-	-	-	-	-	-	-	-	-
Bahamian Dollars	4,009,658	4,226,737	4,570,098	4,169,591	4,226,737	4,238,905	4,211,490	4,281,896	4,570,098	4,581,540
The Central Bank	567,399	519,533	727,531	452,711	519,533	507,299	565,484	692,598	727,531	695,408
Commercial Banks	1,585,768	1,708,532	1,778,952	1,770,711	1,708,532	1,727,174	1,641,247	1,529,449	1,778,952	1,809,508
Other Local Financial Iinstitutions	10,217	26,395	14,171	11,402	26,395	9,857	9,857	13,639	14,171	12,285
Public Corporations	665,267	650,289	600,691	650,269	650,289	637,789	632,020	620,523	600,691	610,691
Other	1,181,007	1,321,988	1,448,753	1,284,498	1,321,988	1,356,786	1,362,882	1,425,687	1,448,753	1,453,648
TOTAL FOREIGN CURRENCY DEBT	1,572,394	1,686,825	1,754,483	1,614,752	1,686,825	1,812,830	1,762,276	1,766,003	1,754,483	1,748,915
TOTAL DIRECT CHARGE	5,582,052	5,913,562	6,324,581	5,784,343	5,913,562	6,051,735	5,973,766	6,047,899	6,324,581	6,330,455
TOTAL CONTINGENT LIABILITIES	702,613	755,310	729,156	729,478	755,310	751,406	742,027	730,272	729,156	722,078
TOTAL NATIONAL DEBT	6,284,665	6,668,872	7,053,737	6,513,821	6,668,872	6,803,141	6,715,793	6,778,171	7,053,737	7,052,533

Source: Treasury Accounts & Treasury Statistical Summary Printouts
Public Corporation Reports
Creditor Statements, Central Bank of The Bahamas

TABLE 13
PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS

(B$ '000s)

Period	2014	2015	2016	2015		2016				2017
				QTR III.	QTR IV.	QTR I.	QTR II.	QTR III.	QTR IV.	QTR I.
Outstanding Debt at Beginning of Period	2,139,696	2,453,016	2,583,001	2,491,586	2,517,399	2,583,001	2,700,398	2,730,880	2,678,275	2,655,751
Government	1,315,109	1,572,394	1,686,825	1,592,727	1,614,752	1,686,825	1,812,830	1,762,276	1,766,003	1,754,483
Public Corporations	824,587	880,622	896,176	898,859	902,647	896,176	887,568	968,604	912,272	901,268
Plus: New Drawings	787,151	197,993	282,333	36,620	101,170	129,322	115,822	14,576	22,613	7,106
Government	491,378	152,384	166,786	28,280	95,419	126,406	14,723	11,653	14,004	4,037
Public corporations	295,773	45,609	115,547	8,340	5,751	2,916	101,099	2,923	8,609	3,069
Less: Amortization	444,774	51,486	193,524	10,807	19,046	19,732	77,224	69,864	26,704	24,284
Government	205,060	21,448	83,071	6,255	6,841	8,202	57,164	10,608	7,097	13,303
Public corporations	239,714	30,038	110,453	4,552	12,205	11,530	20,060	59,256	19,607	10,981
Other Changes in Debt Stock	(29,057)	(16,522)	(16,059)	-	(16,522)	7,807	(8,116)	2,683	(18,433)	3,700
Government	(29,033)	(16,505)	(16,057)	-	(16,505)	7,801	(8,113)	2,682	(18,427)	3,698
Public corporations	(24)	(17)	(2)	-	(17)	6	(3)	1	(6)	2
Outstanding Debt at End of Period	2,453,016	2,583,001	2,655,751	2,517,399	2,583,001	2,700,398	2,730,880	2,678,275	2,655,751	2,642,273
Government	1,572,394	1,686,825	1,754,483	1,614,752	1,686,825	1,812,830	1,762,276	1,766,003	1,754,483	1,748,915
Public corporations	880,622	896,176	901,268	902,647	896,176	887,568	968,604	912,272	901,268	893,358
Interest Charges	125,009	133,117	143,906	26,661	40,810	27,926	43,182	33,312	39,486	31,718
Government	75,372	79,963	87,648	14,513	26,120	15,038	28,354	20,088	24,168	17,086
Public corporations	49,637	53,154	56,258	12,148	14,690	12,888	14,828	13,224	15,318	14,632
Debt Service	569,783	184,603	337,430	37,468	59,856	47,658	120,406	103,176	66,190	56,002
Government	280,432	101,411	170,719	20,768	32,961	23,240	85,518	30,696	31,265	30,389
Public corporations	289,351	83,192	166,711	16,700	26,895	24,418	34,888	72,480	34,925	25,613
Debt Service ratio	16.0	5.4	10.0	4.6	7.9	5.4	12.6	13.0	9.0	6.2
Government debt Service/ Government revenue (%)	19.0	5.3	9.1	4.7	7.2	4.6	16.1	6.8	7.8	5.0
MEMORANDUM										
Holder distribution (B$ Mil):										
Commercial banks	276.8	319.1	297.8	304.9	319.1	329.3	359.6	304.8	297.8	289.0
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-	-
Multilateral Institutions	288.9	281.9	285.8	286.1	281.9	280.6	278.4	282.7	285.8	285.9
Bilateral Institutions	70.7	72.4	80.8	70.5	72.4	72.0	73.1	74.7	80.8	81.6
Other	916.6	1,009.6	1,091.3	956.3	1,009.6	1,118.5	1,119.8	1,116.1	1,091.3	1,085.8
Private Capital Markets	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0

Source: Treasury Accounts, Treasury Statistical Printouts and Quarterly Reports from Public Corporations, Central Bank of The Bahamas.

* Debt servicing for 2014 includes the refinancing of $191 million & $210.2 million in Government's & Public Corporations' debt. Net of these transactions, the Debt Service Ratio was 4.7% and the Government Debt Service/Revenue Ratio was 6.1%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

(B$ Millions)

Period	2014	2015	2016	2015 Qtr. III	2015 Qtr. IV	2016 Qtr. I	2016 Qtr. II	2016 Qtr. III	2016 Qtr. IV	2017 Qtr. I
A. Current Account Balance (I+II+III+IV)	**(1,885.3)**	**(1,203.2)**	**(1,494.0)**	**(162.2)**	**(367.3)**	**(219.8)**	**(203.4)**	**(511.2)**	**(559.5)**	**(501.4)**
I. Merchandise (Net)	**(2,510.3)**	**(2,433.5)**	**(2,174.4)**	**(535.9)**	**(562.4)**	**(507.4)**	**(499.3)**	**(585.6)**	**(582.0)**	**(597.5)**
Exports	833.9	520.5	476.5	117.7	120.9	96.1	148.8	99.9	131.6	133.8
Imports	3,344.2	2,954.0	2,650.9	653.5	683.3	603.5	648.1	685.6	713.6	731.4
II. Services (Net)	**997.0**	**1,617.6**	**917.8**	**414.6**	**299.3**	**387.5**	**417.6**	**234.4**	**(121.7)**	**222.0**
Transportation	(288.0)	(258.1)	(267.6)	(59.6)	(65.7)	(61.0)	(75.8)	(68.1)	(62.7)	(99.7)
Travel	2,104.8	2,299.2	2,261.3	521.2	474.7	652.2	649.0	502.4	457.7	641.4
Insurance Services	(143.8)	(141.9)	(155.1)	(39.7)	(33.8)	(32.4)	(45.5)	(45.6)	(31.6)	(17.9)
Offshore Companies Local Expenses	200.9	165.7	168.8	46.8	39.4	35.2	55.2	47.5	30.9	20.9
Other Government	33.1	29.8	(208.7)	9.3	6.1	(75.6)	(42.6)	(48.5)	(42.0)	(43.2)
Other Services	(910.0)	(477.1)	(880.8)	(63.4)	(121.5)	(131.0)	(122.7)	(153.2)	(473.9)	(279.5)
III. Income (Net)	**(438.1)**	**(402.6)**	**(473.9)**	**(53.8)**	**(91.2)**	**(70.0)**	**(117.7)**	**(142.3)**	**(143.9)**	**(105.6)**
1. Compensation of Employees	(64.4)	(66.5)	(38.9)	(15.2)	(18.9)	(11.1)	(8.2)	(10.0)	(9.6)	(10.4)
2. Investment Income	(373.8)	(336.1)	(435.0)	(38.6)	(72.3)	(58.9)	(109.5)	(132.3)	(134.3)	(95.2)
IV. Current Transfers (Net)	**66.2**	**15.3**	**236.5**	**12.8**	**(13.0)**	**(29.9)**	**(4.0)**	**(17.7)**	**288.1**	**(20.1)**
1. General Government	118.3	130.0	118.4	29.0	26.7	29.4	35.5	33.1	20.4	23.7
2. Private Sector	(52.1)	(114.7)	118.1	(16.2)	(39.8)	(59.3)	(39.4)	(50.8)	267.7	(43.9)
B. Capital and Financial Account (I+II) (excl. Reserves)	**1,508.5**	**349.8**	**461.3**	**63.2**	**129.6**	**9.6**	**63.8**	**(56.0)**	**443.9**	**208.3**
I. Capital Account (Net Transfers)	**(8.9)**	**(18.9)**	**(13.8)**	**(3.5)**	**(6.4)**	**(4.4)**	**(2.9)**	**(2.6)**	**(3.9)**	**(9.6)**
II. Financial Account (Net)	**1,517.4**	**368.7**	**475.1**	**66.6**	**136.0**	**14.0**	**66.8**	**(53.4)**	**447.8**	**217.9**
1. Direct Investment	251.3	76.1	73.7	9.9	13.0	(16.3)	27.4	38.6	23.9	47.1
2. Portfolio Investment	(26.9)	(12.4)	(21.7)	(3.1)	(1.8)	(4.2)	(5.2)	(7.4)	(4.9)	(4.4)
3. Other Investments	1,293.0	305.0	423.1	59.9	124.8	34.4	44.5	(84.6)	428.8	175.2
Central Gov't Long Term Capital	411.3	94.7	118.5	8.6	65.2	104.8	7.6	1.0	5.1	(11.6)
Other Public Sector Capital	93.8	6.5	100.4	(0.3)	1.3	(2.6)	95.7	(1.8)	9.0	(2.6)
Banks	(161.9)	29.6	(306.3)	54.8	5.9	(19.3)	(116.5)	(20.6)	(149.8)	87.8
Other	949.8	174.2	510.5	(3.2)	52.4	(48.5)	57.8	(63.3)	564.5	101.6
C. Net Errors and Omissions	**422.8**	**877.6**	**1,124.7**	**(27.4)**	**223.0**	**393.3**	**196.7**	**413.9**	**120.8**	**309.5**
D. Overall Balance (A+B+C)	**46.0**	**24.3**	**92.0**	**(126.4)**	**(14.8)**	**183.0**	**57.2**	**(153.3)**	**5.1**	**16.5**
E. Financing (Net)	**(46.0)**	**(24.3)**	**(92.0)**	**126.4**	**14.8**	**(183.0)**	**(57.2)**	**153.3**	**(5.1)**	**(16.5)**
Change in SDR holdings	(19.9)	3.5	2.3	0.2	0.9	(1.2)	0.6	0.2	2.8	(0.6)
Change in Reserve Position with the IMF	0.6	0.4	(17.3)	0.0	0.1	(18.5)	0.2	0.1	1.0	(0.2)
Change in Ext. Foreign Assets ( ) = Increase	(26.7)	(28.1)	(77.0)	126.2	13.7	(163.3)	(57.9)	153.1	(8.9)	(15.6)

Source: The Central Bank of the Bahamas
* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

(B$ '000s)

Period	2014	2015	2016	2015 Qtr. II	2015 Qtr. III	2015 Qtr. IV	2016 Qtr. I	2016 Qtr. II	2016 Qtr. III	2016 Qtr. IV
I. OIL TRADE										
i) Exports	165,337	70,350	45,510	27,073	12,511	8,236	9,365	11,439	12,320	12,386
ii) Imports	868,460	535,306	402,527	106,870	243,845	116,962	69,639	94,856	113,049	124,983
II. OTHER MERCHANDISE										
Domestic Exports										
Crawfish	-	-	-	-	-	-	-	-	-	-
Fish Conch & other Crustacea	-	-	-	-	-	-	-	-	-	-
Other cordials &Similar Materials/Sponge	-	-	-	-	-	-	-	-	-	-
Fruits & Vegs.	-	-	-	-	-	-	-	-	-	-
Aragonite	-	-	-	-	-	-	-	-	-	-
Other Natural Sands	-	-	-	-	-	-	-	-	-	-
Rum/Beverages/Spirits & Vinegar	-	-	-	-	-	-	-	-	-	-
Crude Salt	-	-	-	-	-	-	-	-	-	-
Polystrene Products	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
i) Total Domestic Exports	353,216	230,074	202,190	44,702	58,931	68,938	45,892	52,595	48,025	55,678
ii) Re-Exports	170,627	148,616	155,016	68,078	24,518	28,904	23,443	66,974	17,998	46,601
iii) Total Exports (i+ii)	523,843	378,690	357,206	112,780	83,449	97,842	69,335	119,569	66,023	102,279
iv) Imports	2,921,525	2,626,736	2,529,125	694,289	575,844	682,553	572,308	641,450	637,705	677,662
v) Retained Imports (iv-ii)	2,750,898	2,478,120	2,374,109	626,211	551,326	653,649	548,865	574,476	619,707	631,061
vi) Trade Balance (i-v)	(2,397,682)	(2,248,046)	(2,171,919)	(581,509)	(492,395)	(584,711)	(502,973)	(521,881)	(571,682)	(575,383)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2014	2015	2016	2015 Qtr. I	2015 Qtr. II	2015 Qtr. III	2015 Qtr. IV	2016 Qtr. I	2016 Qtr. II	2016 Qtr. III	2016 Qtr. IV
Visitor Arrivals	6,320,188	6,114,337	6,254,539	1,772,202	1,506,445	1,334,600	1,501,090	1,764,730	1,571,231	1,453,577	1,465,001
Air	1,343,093	1,391,782	1,389,143	375,962	385,016	330,722	300,082	384,324	397,446	344,183	263,190
Sea	4,977,095	4,722,555	4,865,396	1,396,240	1,121,429	1,003,878	1,201,008	1,380,406	1,173,785	1,109,394	1,201,811
Visitor Type											
Stopover	1,305,402	1,483,569	1,481,769	391,033	418,156	365,698	308,682	403,554	432,138	374,717	271,360
Cruise	4,804,701	4,513,456	4,690,260	1,358,623	1,051,437	939,688	1,163,708	1,338,961	1,112,983	1,051,719	1,186,597
Day/Transit	-	-	-	-	-	-	-	-	-	-	-
Tourist Expenditure(B$ 000's)	2,316,367	2,537,500	-	-	-	-	-	-	-	-	-
Stopover	1,976,100	2,224,300	-	-	-	-	-	-	-	-	-
Cruise	336,600	309,400	-	-	-	-	-	-	-	-	-
Day	3,667	3,800	-	-	-	-	-	-	-	-	-
Number of Hotel Nights	-	-	-	-	-	-	-	-	-	-	-
Average Length of Stay	-	-	-	-	-	-	-	-	-	-	-
Average Hotel Occupancy Rates (%)											
New Providence	60.6	61.5	-	81.2	66.8	29.9	59.9	-	-	-	-
Grand Bahama	48.1	56.5	-	69.8	65.8	30.9	52.9	-	-	-	-
Other Family Islands	42.8	40.8	-	54.6	42.5	23.2	31.4	-	-	-	-
Average Nightly Room Rates ($)											
New Providence	230.6	234.8	-	184.7	241.8	156.4	314.9	-	-	-	-
Grand Bahama	100.3	66.1	-	71.2	67.6	69.9	65.3	-	-	-	-
Other Family Islands	202.3	217.1	-	253.5	200.1	155.3	322.7	-	-	-	-

Source: The Ministry of Tourism: Average Hotel Occupancy and Nightly Room Rates were amended for Quarter II, 2014

GROSS ECONOMIC CONTRIBUTION OF THE FINANCIAL SECTOR IN THE BAHAMAS (2016)

INTRODUCTION

The financial sector, which is the second largest contributor to the economy—accounting for an estimated 15% of GDP—impacts income and expenditure patterns across other sectors of the economy, such as construction, tourism and professional services. The sector is dominated by the banking industry, which consists of a significant domestic segment, providing a variety of financial services to the public, while the smaller "offshore" or international sector, comprises a number of highly-skilled firms, focussed on specific wealth management products.

The Central Bank of The Bahamas assesses the economic contribution annually, through its survey of major industry participants, including the banking and insurance sectors, credit unions and investment funds. An analysis of expenditure by firms, showed that the contribution of the sector expanded further during 2016, although more incrementally, with ongoing restructuring and consolidation of operations continuing to constrain employment. For banks and trust companies', spending on general operations stabilised, but employment contracted further, as firms sustained their efforts to increase efficiencies and streamline operations. Meanwhile, activity within the insurance and securities industry sectors moderated, while credit unions provided expanded contributions.

THE BANKING SECTOR

In terms of employment and balance sheet size, the banking sector dominates the financial landscape; however, over the last decade, this segment has continued to face challenges on both the domestic and international fronts. On the domestic side, institutions continued with their attempts to address the significant non-performing loan (NPL) overhang, which has plagued the sector for almost a decade, and to seek out efficiency gains in operations at a regional level. On a balance sheet basis, banks remained focused on credit restructuring, either in house or in concert with the Government's revised Mortgage Relief Programme (MRP). Significant near-term reductions in arrears have also occurred from the sale of a sizable portion of delinquent loans. Other challenges to the sector included concerns over threats such as information and cybersecurity risk and market pressures from rapidly developing financial technology solutions (FinTech). On the efficiency front, banks continued to engage in outsourcing arrangements and staff rationalisation to centralise certain operational functions, such as customer due diligence systems and technology support—against the backdrop of compressed earnings and rising regulatory compliance costs. For domestic banks, the reduction in branch networks has also been evident, with increasing reliance on the delivery of services electronically.

Threats from declining access to correspondent banking relationships (CBRs) or "de-risking" also remained a key feature of the financial landscape in 2016, impacting both domestic and international banks. Indeed, a second sampling of these entities conducted by the Central Bank in November 2016, revealed that the total number of licenses, which had been affected to some extent by de-risking, had risen, with potentially up to one-quarter of stand-alone entities under some form of either tightened or reduced arrangements. While all entities maintained access to such services, the level of due diligence to which they have been subjected in order to preserve the relationship has increased significantly in scope and frequency.

In an effort to protect The Bahamas' position as a well-regulated financial jurisdiction, supervisory oversight and engagement with licensees continued to focus on ensuring their compliance with established prudential norms, and the adequacy of internal systems to comply with The Bahamas' tax transparency obligations.

In terms of the statistics, the number of banks and trust companies licensed to operate in The Bahamas fell by 1 to 248, after decreasing by 5 in 2015. Notably, the number of public licensees rose by 2 to 97, but restricted and non-active licensees contracted by 3, to 151. At end-December, public licensees consisted of 64 Bahamian incorporated entities, 17 euro-currency divisions of foreign banks and trust companies, 8 authorised agents, and 8 authorised dealers—of which 7 were clearing banks.

Buoyed by growth in banks' non-interest bearing deposits with the Central Bank, total assets of the domestic banking sector grew by 1.6% to $10.0 billion in 2016, a slight slowdown from the 1.8% gain in the prior period. In contrast, due mainly to capital repatriation activities, the consolidated assets of the international banking sector contracted further by 2.7% to $175.7 billion, after a 6.4% falloff in 2015.

EMPLOYMENT

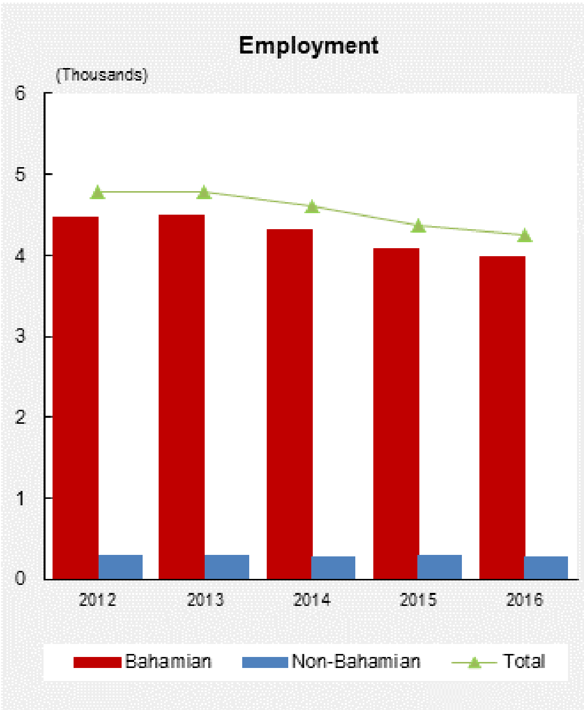
Preliminary data on banks and trust companies showed that total employment within the sector contracted by 2.5% (110) to 4,256 at end-2016, following a decline of 5.1% in the prior year. This outturn was largely due to the consolidation of operations, which resulted in redundancies—one large trust operation was also closed. As a result, the number of both Bahamian and non-Bahamian employees fell by 2.4% (97) and 4.5% (13) to 3,979 and 277, respectively; leading to a slight shift in the proportion of Bahamian to non-Bahamian employees to 93.5% and 6.5% from 93.4% and 6.6% a year earlier.

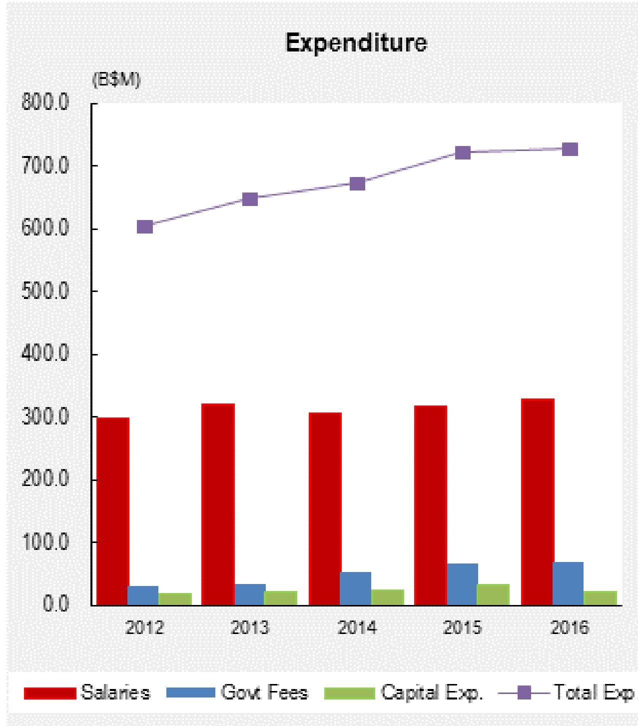
A breakdown by activity showed that 65.7% of Bahamian employees were engaged in local banking activities, while the remaining 34.3% were employed in a combination of offshore banking, trust administration and other banking-related services.

EXPENDITURES

During 2016, total expenditure in the banking sector firmed marginally by 0.7% ($4.7 million) to $729.7 million, a sharp slowdown from the 7.5% rise registered in the previous year, when license fee rates were raised and a number of entities either acquired new properties or undertook renovations to their premises. Operational outlays—which comprised 97.0% of total spending—grew by 2.2% to $708.0 million, vis-à-vis a 6.6% gain in 2015. Underlying this outturn was a 3.3% rise in salaries, which included bonuses and severance payments, extending the prior year's 3.1% growth. Payment of Government fees rose by 5.5% to $69.0 million, a slowdown from the sharp 26.4% expansion recorded in 2015, when VAT was introduced. In addition, other administrative costs firmed by a mere 0.1% ($0.3 million), after advancing by 6.9% in the preceding year.

In contrast, capital expenditure—which comprised mainly outflows for construction, renovations and "other" fixed assets—fell by 32.5% ($10.4 million) to $21.7 million, a reversal from a rise of one-third in 2015, when a few institutions upgraded and expanded their premises.



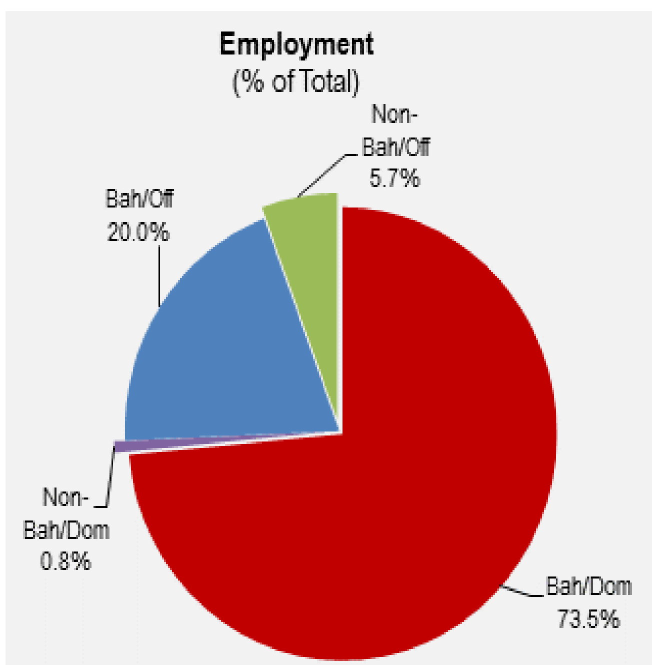


DOMESTIC VERSUS INTERNATIONAL BANKING

A breakdown of domestic and international banking operations is provided in the remaining analysis, given the focus on the more retail oriented and staff intensive services of the domestic sector, versus the wealth management related activities of the offshore sector. Even with this distinction, it should be noted that some domestic banks also provide a variety of international services.

EMPLOYMENT

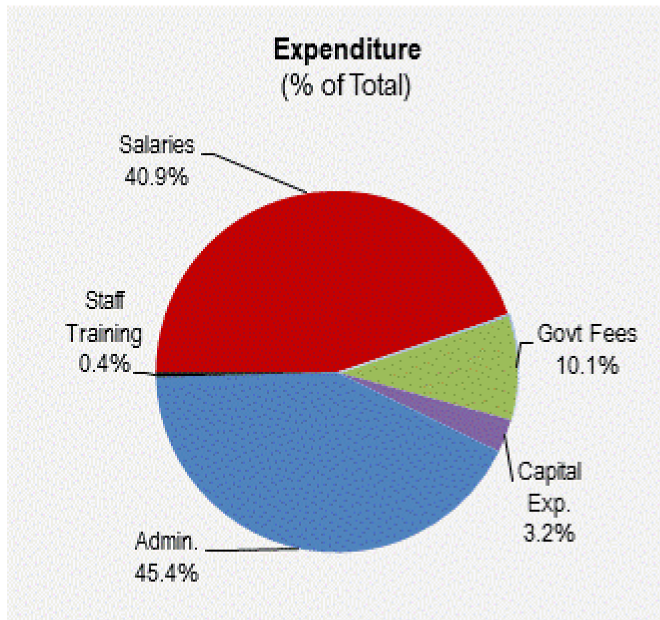
Reflecting institutions' efforts to streamline and outsource significant sections of their operations, the number of employees in the domestic banking sector declined by 2.8% (90) to 3,163 persons, although tempering from the 7.2% (254) reduction in the previous year. Similarly, the number of persons employed within the international sector fell by 1.8% (20) to 1,093, reversing the 1.9% (21) increase recorded in 2015.



A breakdown of the components showed that total Bahamian employment decreased by 2.9% to 3,129 persons, although below the 7.0% decline last year. In contrast, the number of non-Bahamian workers firmed by 5 to 34, a turnaround from a decrease of 10 persons in 2015. As a result of these developments, the ratio of Bahamian to non-Bahamian employees narrowed to approximately 92.0:1 from 111.2:1 last year.

In terms of the international sector, the total number of Bahamian employees fell marginally by 0.2% (2) to 850 persons, following an increase of equal magnitude in the prior year. Notably the non-Bahamian component decreased by 6.9% (18) to 243 persons, reversing the 7.9% gain a year earlier. Consequently, the ratio of Bahamian to non-Bahamian workers moved higher to approximately 3.5:1 from 3.3:1 in 2015.

EXPENDITURES



Total expenditure for domestic banks and trusts companies grew by 1.2% to $458.7 million, after an expansion of 6.9% in the prior year. Underpinning this development, total operational costs—accounting for 96.9% of the total—firmed by 2.4% ($10.2 million), a slowdown from the 7.4% rise in the previous year. The outcome was led by a 64.9% ($0.8 million) gain in staff training expenses to $2.0 million, which surpassed the 6.3% rise in the previous year. Further, Government fees expanded by 9.5% to $57.7 million, related to a 56.6% increase in spending on other Government fees—inclusive of VAT—which overshadowed a 2.3% turnover-related decrease in license fee payments. In addition, salary outlays grew by 1.6% ($2.8 million) to $178.8 million, a reversal from the 1.3% falloff in 2015, owing in large measure to the payment of severance packages. Moreover, gains in "other" miscellaneous expenses and management fees for outsourced work, contributed to a marginal rise in other administrative costs by 0.8% ($1.7 million) to $205.9 million, significantly lower than the 10.9% gain in 2015. Conversely, capital expenditure contracted by 25.1% ($4.8 million) to $14.4 million, extending the prior year's 2.2% reduction.

Total expenditure for the international sector steadied at $271.0 million in 2016, compared to an 8.2% rise in the previous year. In terms of the major categories, operational expenses grew further by 2.3% ($5.9 million) to $263.7 million, after a 4.9% increase in the preceding year. The payout of severance packages, coupled with allowances—inclusive of housing, transport, utilities, and other related expenses—were largely responsible for the 5.5% rise in salaries to $148.2 million, following a 9.2% expansion a year earlier. In addition, staff training costs advanced by 2.6%, a turnaround from a 35.9% contraction in 2015; however, Government fees decreased by 11.0%, reversing the 15.0% growth in the prior year, attributed mainly to an increase in outlays for license and other Government fees. Further, other administrative costs decreased by 0.5% ($0.5 million), following a 1.0% softening last year, as a decline in miscellaneous costs outweighed gains in information technology-related expenditures and higher costs associated with the purchase of a new vendor system by one bank.

OTHER FINANCIAL SECTOR ACTIVITIES

INSURANCE SECTOR

Despite the losses suffered by non-life firms following the passage of Hurricane Mathew, indications are that conditions within the local insurance sector remained relatively stable over the review year. The most recent data from the Insurance Commission of The Bahamas, revealed that the number of licensed operators decreased by 7 to 142 in 2016. Of this total, local insurance agents & brokers fell by 5 to 81; foreign-owned insurers, by 2 to 18; and external insurers, by 2 to 21. Preliminary data revealed that the total assets of domestic insurers moved lower by $4.4 million to $2,305.4 million in 2016, as the dominant life insurance component—at 59.2% of the total—grew by 4.1% to $1,365.4 million, while the non-life component increased more than two-fold to $940.0 million, benefitting from short-term re-insurance inflows following the passage of the hurricane. With regard to employment, the Bank's annual survey of insurance companies showed that the number of persons working within the sector increased by an estimated 8 persons (0.6%) to 1,391, largely attributed to gains for the Bahamian component by 9 to 1,363, while the number of non-Bahamian staff fell by 1 to 28.

Total expenditures by insurance companies decreased slightly by an estimated 0.2% ($0.2 million) to $142.4 million. A breakdown of the various segments showed that reported capital spending was more than halved to $4.1 million, as office equipment and furniture costs contracted by 42.9% ($2.4 million) to $3.2 million while investment in new premises was virtually nil, compared to $2.1 million in the previous year. In contrast, total operational outlays grew by 3.0% ($4.1 million) to $138.3 million, as Government-levied fees advanced by 17.6% to $23.1 million, owing mainly to an equivalent rise in gross premium tax receipts to $8.9 million. Similarly, reflecting the slight uptick in employment, total salaries rose by 2.1% ($0.98 million) to $48.4 million, while bonuses fell by 3.1% to $13.3 million. Further, administrative expenses—inclusive of rent, professional charges and advertising costs—public utility fees, charitable donations, and training costs, remained relatively stable at $47.2 million, $4.6 million, $0.9 million and $0.7 million, respectively.

CREDIT UNIONS

Indications are that the credit union sector continued to expand over the review year. Specifically, the number of institutions—inclusive of the Credit Union League—increased by 1 to 10 in 2016, while growth in the sector's total assets steadied at 6.7% to $395.5 million. This outturn was supported by a 21.5% gain in liquid assets—mainly cash and deposits—to $156.0 million, which surpassed a 12.9% rise in the prior period. Providing some offset, loans to members contracted by 3.1% ($7.4 million) to $227.9 million, vis-à-vis a 1.9% gain in 2015. Consumer credit comprised most of the outstanding total (74.3%), followed by mortgages (23.2%), and a residual share in revolving lines of credit, education and miscellaneous loan types. Further, members' deposits rose by 7.6% to $339.9 million; although lower than the prior year's growth of 8.3%. The majority of deposits represented members' savings (52.9%) and term deposits (40.7%).

The sector's total expenses grew by 6.6% to $11.2 million, resulting from a 6.7% expansion in operational expenditures to $10.4 million, as administrative expenses firmed by 10.4% to $4.7 million. Employment within the sector was approximately stable at 155, while salaries firmed by 5.3%, to $4.6 million. Further, capital expenditure remained relatively stable at approximately $0.8 million.

Securities Industry

Provisional information from the Securities Commission of The Bahamas indicated that the total number of investment fund administrators—which provide the majority of the employment within the sector—contracted by 2 to 64. In addition, the number of funds under management fell by 112 to 746, reflecting a 115 falloff in the number of unrestricted administrators, to 632. Further, the number of active mutual funds under management, decreased by 16 to 869, amid a reduction in recognised foreign funds, professional funds and standard funds by 9, 8, and 1 to 35, 226 and 35, respectively. In contrast, SMART funds moved higher in number by 2 to 573. As the Inspector of Financial and Corporate Service Providers, The Commission registered 97 new funds during the review year and liquidated approximately 74 non-Bahamas based funds.

OTHER FINANCIAL SECTOR DEVELOPMENTS

Efforts were sustained to strengthen The Bahamas' financial sector regulatory regime, to address ongoing convergence to international norms, ongoing international cooperation and domestic policy priorities. In particular, the Government worked on strengthening consumer financial protection through the advancement of the Homeowners Protection Bill, which was subsequently enacted in 2017. The framework provides for stronger legal recourse for mortgagors during sales of foreclosed owner/family occupied homes, including greater leniency on reaching credit restructuring arrangements through the court. In relation with the framework, as the responsible regulator, the Securities Commission also drafted disclosure and pricing rules for non-bank providers' credit (money lenders) under the Financial and Corporate Services Providers Act, 2000. The Central Bank meanwhile, concluded the public consultation process for the credit bureau legislation, with the draft bill subsequently forwarded to the Government for enactment.

The jurisdiction also remained engaged in international cooperation initiatives to strengthen tax transparency and counter the abuse of the financial system for money laundering and terrorist financing. Notably, The Bahamas enacted legislation to facilitate the implementation of a bilateral approach to the Common Reporting Standards (CRS) of the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum). Since then, the Government has signalled that the jurisdiction will instead sign onto the Global Forum's Multilateral Competent Authority framework. The CRS will impose obligations on financial institutions to provide client-level information in a similar format to those designated Global Forum participating countries, as is currently provided to the United States under the Foreign Account Tax Compliance Act (FATCA).

Separately, The Bahamas also advanced the mutual peer-evaluation on the effectiveness of its anti-money laundering/anti-terrorist financing (AML/CFT) regime through the Caribbean Financial Action Task Force (CFATF). In this regard, a draft National Risk Assessment (NRA) Report remained under development. The NRA will form the strategic basis for further strengthening of the jurisdiction's AML/CFT systems. It is particularly relevant in the context of reducing at-risk correspondent banking relationships, that place significant reliance on both the assessed and perceived AML/CFT risks of impacted jurisdictions, such as The Bahamas.

For Central Bank licensees' focus was also substantially sustained on the rollout of the risk-based regulatory framework. This included emphasis on the capital component of the Basel II framework, geared towards creating adequate buffers within the banking sector against liquidity and capital adequacy risks. Revisions were also made to the Central Bank's "Ladder of Supervisory Intervention", with training sessions being held to introduce new forms to licensees and to enhance reporting standards. In addition, the second round of the Quantitative Impact Study (QIS 2) occurred during the first quarter of the year to further assess the impact of the new requirements on licensees' capital and to ensure proper calibration of the reporting requirements. The Bank also released revised versions of its Guidelines on the Management of Capital and the Calculation of Capital Adequacy; the Guidelines for the Management of Interest Rate Risk in the Banking Book; and the final versions of the Guidelines on the Internal Capital Adequacy Assessment Process (ICAAP) and the Minimum Disclosure Guidelines.

CONCLUSION AND OUTLOOK

The 2016 survey of financial sector activities showed that despite a contraction in employment within the banking sector, and the claims shock to the domestic insurance industry, the overall financial sector remained relatively stable, with incremental gains in expenditures in the local economy. Adjustments in the sector are expected to continue in the near to medium-term as institutions adapt to both more demanding prudential and tax transparency standards. It is expected that international operations will continue to shift emphasis towards new geographic regions for business growth and focus on leaner operations, which are reliant on either outsourced or centralised functions. In the domestic sector, new impetus is also being created for regulated non-providers of credit and payments services. This has the potential to introduce additional competition, grater financial inclusion and potentially a further round of adjustments in the operations and services delivery platforms of incumbent licensees. The Bank, meanwhile, anticipates that the establishment of a domestic Credit Bureau, will have positive consequences on both the pricing and availability of credit. This development, along with increasing emphasis on financial literacy in the country, will accelerate the modernisation of the domestic financial landscape.

Table A: Government Revenue from Financial Sector Activities (B$ Millions)

Period	2012p	2013p	2014p	2015p	2016p
A. Stamp Taxes on Transactions	**60.4**	**69.6**	**51.3**	**n/a**	**n/a**
Gross Insurance Premium Tax 1/	21.0	23.1	22.1	n/a	n/a
Mortgages	14.3	8.4	8.5	9.0	15.5
Other Banking Transactions	41.9	60.5	37.1	66.7	51.0
Instruments & Bonds	0.1	0.1	0.1	0.3	0.2
B. Licence & Registration Fees	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
International Business Companies (IBCs)	17.1	17.2	16.3	16.7	14.4
Banks and Trust Companies	5.7	5.6	23.4	15.7	16.4
Insurance Companies, Brokers & Agents	0.3	0.3	0.3	0.4	n/a
Financial & Corp. Svcs. Providers	n/a	n/a	n/a	n/a	n/a
Investment Funds 2/	n/a	n/a	n/a	n/a	n/a
C. Total Revenues	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Sources: Bahamas Government's Treasury Department, Securities Commission of The Bahamas.
Notes: 1/ Premium Tax collected from Insurance Companies
2/ Amounts collected by the Securities Commission.

TABLE B. GROSS ECONOMIC CONTRIBUTION OF BANKS AND TRUST COMPANIES IN THE BAHAMAS

Period	2011	2012	2013	2014p	2015p	2016p
A. TOTAL EMPLOYMENT	4,808	4,779	4,785	4,599	4,366	4,256
1. Non-Bahamians	294	304	291	281	290	277
2. Bahamians (of which)	4,514	4,475	4,494	4,318	4,076	3,979
i) Local Banking	3,184	3,132	3,121	2,948	2,700	2,614
ii) Offshore Banking	625	637	664	642	557	552
iii) Trust Administration	504	523	514	526	474	450
iv) Other	201	183	195	202	345	363
		(B$ Millions)				
B. TOTAL OPERATIONAL COSTS (1+2+3+4)	574.4	585.8	628.4	650.1	692.8	708.0
1. Salaries[1]	290.3	296.9	319.9	307.0	316.5	327.0
i) Base Salaries	255.3	262.5	276.9	264.2	270.7	278.5
ii) Bonuses	35.1	34.4	43.0	42.7	45.8	48.5
2. Government Fees	29.3	30.5	33.0	51.7	65.4	69.0
i) Licence	20.8	20.9	21.8	37.9	49.0	47.7
ii) Company Registration	1.4	1.7	1.6	1.2	1.0	0.4
iii) Work Permits	3.5	3.8	4.9	8.0	2.3	2.7
iv) Other Government Fees	3.6	4.1	4.8	4.7	13.0	18.2
3. Staff Training	2.4	2.3	2.4	2.6	2.1	2.9
4. Other Administrative Costs	252.4	256.1	273.1	288.9	308.8	309.1
C. CAPITAL EXPENDITURE[2]	22.6	18.5	20.0	24.2	32.1	21.7
D. TOTAL EXPENDITURE (B+C)	597.0	604.3	648.4	674.3	725.0	729.7
E. AVERAGE SALARY (B$'000)[3]	53,099	54,921	57,868	57457.5	61995.0	65445.3

Source: The Central Bank of The Bahamas

[1] Includes bonuses

[2] Includes construction, renovation expenses and other fixed assets.

[3] Excludes bonuses

TABLE C. GROSS ECONOMIC CONTRIBUTION OF BANKS AND TRUST COMPANIES

Period	2011	2012	2013	2014p	2015p	2016p	2011	2012	2013	2014p	2015p	2016p
	DOMESTIC						**OFFSHORE**					
A. TOTAL EMPLOYMENT	3,673	3,639	3,667	3,507	3,253	3,163	1,135	1,140	1,118	1,092	1,113	1,093
1. Non-Bahamians	50	57	43	39	29	34	244	247	248	242	261	243
2. Bahamians (of which)	3,623	3,582	3,624	3,468	3,224	3,129	891	893	870	850	852	850
i) Local Banking	3,184	3,132	3,121	2,948	2,700	2,610	--	--	--	--	--	--
ii) Offshore Banking	28	13	48	57	13	15	597	624	616	585	544	541
iii) Trust Administration	278	317	320	336	277	263	226	206	190	190	197	187
iv) Other	133	120	135	127	234	241	68	63	64	75	111	122
	(B$ Millions)											
B. TOTAL OPERATIONAL COSTS (1+2+3+4)	338.4	353.3	394.8	404.3	434.1	444.3	236.0	232.5	233.6	245.9	257.8	263.7
1. Salaries[1]	169.2	172.8	191.7	178.3	176.0	178.8	121.2	124.1	128.2	128.6	140.5	148.2
i) Base Salaries	154.1	160.3	174.5	163.3	159.9	162.2	101.2	102.1	102.4	101.0	110.8	116.3
ii) Bonuses	15.1	12.5	17.2	15.1	16.2	16.6	20.0	21.9	25.8	27.6	29.7	31.9
2. Government Fees	20.0	20.7	22.6	40.8	52.7	57.7	9.2	9.7	10.4	11.0	12.7	11.3
i) Licence	16.5	16.6	17.4	31.9	41.7	40.7	4.3	4.3	4.3	6.1	7.3	6.9
ii) Company Registration	0.5	0.3	0.3	0.0	0.1	0.0	0.9	1.4	1.2	1.2	1.0	0.3
iii) Work Permits	0.7	1.2	2.2	5.8	0.5	0.5	2.8	2.6	2.6	2.2	1.9	2.2
iv) Other Government Fees	2.3	2.6	2.6	3.1	10.5	16.4	1.3	1.5	2.2	1.6	2.6	1.8
3. Staff Training	1.4	1.3	1.2	1.1	1.2	2.0	1.0	1.0	1.2	1.5	0.9	1.0
4. Other Administrative Costs	147.8	158.5	179.4	184.1	204.2	205.9	104.5	97.7	93.8	104.8	103.7	103.2
C. CAPITAL EXPENDITURE[2]	15.6	15.1	15.9	19.6	19.2	14.4	7.0	3.4	4.1	4.6	13.1	7.3
D. TOTAL EXPENDITURE (B+C)	354.0	368.4	410.7	423.9	453.2	458.7	242.9	235.9	237.7	250.4	271.0	271.0
E. AVERAGE SALARY (B$'000)[3]	41,950	44,057	47,577	46,558	49,144	51,291	89,178	89,600	91,623	92,461	99,562	106,405

Source: The Central Bank of The Bahamas

[1] Includes bonuses

[2] Includes construction, renovation expenses and other fixed assets.

[3] Excludes bonuses

Table D: Other Selected Financial Sector Statistics

	Unit	2012	2013r	2014p	2015p	2016p
Investment Funds Adminstrations						
Licensed Investment Funds	Number	652	753	841	885	920*
Licensed Administrators	**Number**	**63**	**62**	**62**	**66**	**64***
Asset Under Management	*B$ Billions*	*112.2*	*127.9*	*134.6*	*n/a*	*n/a*
Insurance Companies and Agents	**Number**	**139**	**147**	**143**	**149**	**142**
Domestic Companies and Agents	**Number**	**124**	**128**	**122**	**125**	**120**
Total Domestic Assets	*B$ Millions*	1,506.4	1,563.7	1,669.5	1,768.1	2,305.0
Average Annual Salaries	*B$*	42,619	44,187	49,327	44,250	44,390
Operating Costs / Total Expenditures	*%*	92.4	88.5	94.3	94.2	97.1
External Insurers & Intermediaries	**Number**	**15**	**19**	**21**	**24**	**22**
Credit Unions (Active)						
Number of Unions	**Number**	**13**	**7**	**7**	**9**	**10**
Total Assets	*B$ Million*	280.9	327.6	347.7	370.6	395.5
Employment	*Number*	139	141	144	154	155
Average Annual Salaries	*B$*	29,605	30,090	30,085	29,091	30,404
Total Expenditures	*B$ Million*	10.20	11.06	10.38	10.51	11.20
Operating Costs / Total Expenditures	*%*	89.5	82.8	88.6	92.8	92.8
Bahamas International Securities Exchange (BISX)						
Securities Listed	**Number**	**27**	**27**	**29**	**32**	**52**
Shares Traded	*Thousands*	4,080	4,084	3,979	3,223	5,553
Market Capitalization	*B$ Billion*	2.87	3.00	3.54	3.68	4.44

Sources:

The Central Bank of The Bahamas, Bahamas International Securities Exchange (BISX),
The Securities Commission of The Bahamas and The Registrar of Insurance Companies.
* As of November 2016