



# Gross Economic Contribution of the Financial Sector in The Bahamas (2018)

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# GROSS ECONOMIC CONTRIBUTION OF THE FINANCIAL SECTOR IN THE BAHAMAS (2018)

## INTRODUCTION

The financial services sector is the second largest contributor to the economy, accounting for approximately 15%-20% of the country's Gross Domestic Product (GDP). The industry employs a large number of highly skilled workers and has both direct impacts in terms of employment and expenditure, as well as indirect effects on other sectors, such as construction, real estate and wholesale & retail trade. There is a contrast in product offerings, as domestic-facing services tend to be more retail and labour intensive, while the international sector's products cater to high net worth clients and relies on more specialist higher priced labour. The domestic sector—which provides relevant intermediation services—is still dominated by commercial banks; with some trust company presence; and activities provided by insurance companies, credit unions and investment services providers. The operating expenses against the provision of these services is significantly larger than the outlays of the international sector, despite a collective balance sheet that is multiples lower in the low tens of billions of dollars. The product mix in the international sector, against collective activities in the hundreds of billions, is wider in some respects, but with the insurance component more dominated by captives; with pooled investment products more dominant and substantial custodial services. Financial and corporate service providers (FCSPs) are also more active in the international sector, in line with the structured wealth management needs of their clients.

In 2018, the key themes highlighted in the Central Bank's annual survey included a decline in asset holdings within the banking sector, in line with the persistent, subdued credit performance in the domestic sector, and regulatory adjustment challenges for the international operations. The securities industry and corporate and financial services activities faced similar external sector changes as banking and trust operations. However, insurance and credit union operations, with a dominant domestic bend, exhibited more stable to expansionary balance sheet trends. That said, indications are that the financial sector's expenditure in the economy expanded in 2018; although more attributed to non-staffing expenses, as further declines in employment were noted.

In the meantime, regulatory developments remained centered on improving The Bahamas' anti-money laundering, counter-financing of terrorism (AML/CFT) and anti-proliferation regime, in line with a revamped suite of legislation to counter illicit activities. The Bahamas also made further strides to increase international tax transparency and cooperation mechanisms, and to enhance overall risk-based frameworks in support of the soundness of financial sector operations.

The financial sector's outlook retained some uncertainty regarding the extent of further adjustments. However, some entities did report success in penetrating opportunities in new markets outside of the advanced economies.

## THE BANKING SECTOR

The banking sector continued to dominate the financial landscape in terms of employment and balance sheet size. On the domestic side, banks operated in an environment of weak private credit flows; although aggressive efforts towards debt collection, loan restructuring, along with ongoing sales of non-performing loans, contributed to an improvement in credit quality indicators. Further, both domestic and international banking institutions continued to face challenges to their business operations, especially with regard to their correspondent banking relationships (CBRs) with international counterparties. In this regard, efforts

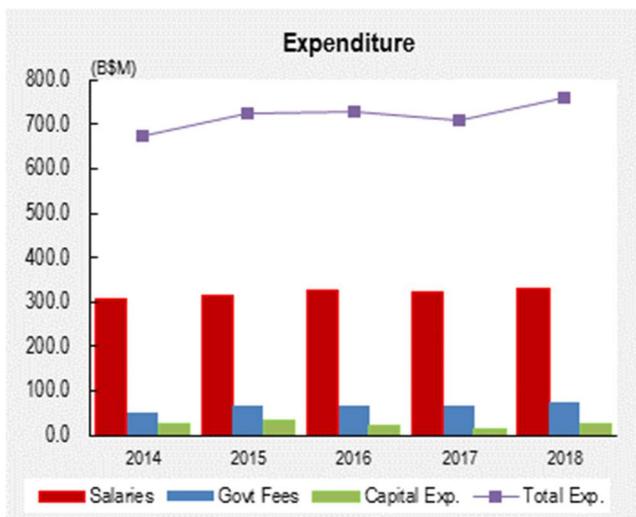
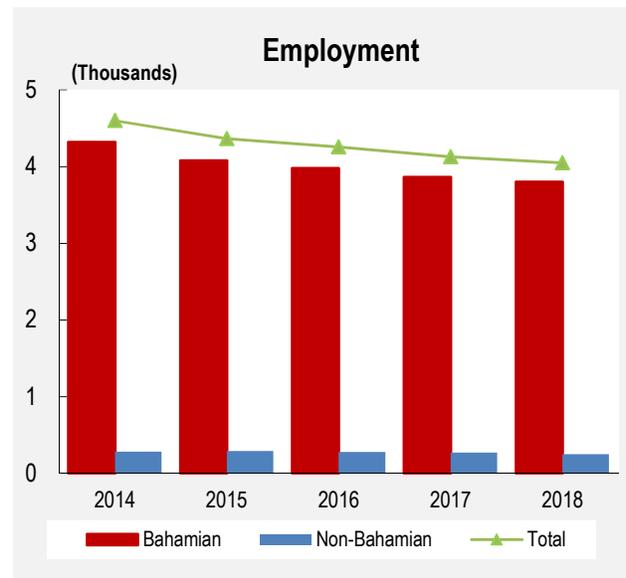
remain underway by the Central Bank to improve the underlying risk assessments of the industry, through improved, continuous supervision of AML/CFT and anti-proliferation practices.

The total number of banks and trust companies licensed in The Bahamas declined by 11 to 231 in 2018, following a decrease of 6 in the prior year. The largest reduction occurred in the restricted, non-active and nominee licensees' category, by 10 to 142, while the number of public banks and trust companies decreased by just 1 to 89. At end-December, public licensees consisted of 54 Bahamian incorporated entities, 15 euro-currency branches of foreign banks, 12 authorized agents (trust companies) and 8 authorized dealers (commercial banks).

The total domestic assets of the banking sector declined by 2.4% to \$10.0 billion in 2018, a reversal from a 2.3% expansion in the previous year—and an average 1.2% increase over the previous five years—as banks' deposits with the Central Bank and holdings of Government securities contracted by 21.7% and 5.1%, respectively. Similarly, the total assets of the international banking sector fell by 1.4% to \$166.1 billion, a turnaround from a 2.1% increase in 2017; however, over the last five years total assets contracted by 9.8%, as firms continued to consolidation their operations amid declining business prospects.

## EMPLOYMENT

Given entities' ongoing efforts to outsource operations and consolidate business lines, employment within the banking sector has been on a declining trend. Specifically, survey data showed that total employment declined by 80 (1.9%) to approximately 4,049 persons in 2018, after a 3.0% falloff a year earlier, and an average 3.6% contraction over the 2013-2017 period. In particular, the number of Bahamian employees decreased by 62 (1.6%) to 3,800, while the non-Bahamian segment fell by 18 (6.7%) to 249. As a consequence, the share of Bahamian employees in the sector edged-up by 32 basis points to 93.9% at end-December, vis-à-vis the same period in 2017, while the share of the non-Bahamian component declined to 6.1%. A breakdown by activity, showed that an estimated 63.9% of Bahamian staff were employed in the local banking sector, 16.5% in offshore banking, 12.7% in trust administration and 6.8% in other wealth management-related activities.



16.5% in offshore banking, 12.7% in trust administration and 6.8% in other wealth management-related activities.

## EXPENDITURES

During 2018, total expenditure in the banking sector rose by an estimated \$49.7 million (7.0%) to \$760.1 million, a reversal from a 2.6% reduction in the previous year; although on average, spending firmed by 2.3% over the last five years. This outturn reflected mainly increases in both operational and capital expenses. Specifically, total operational costs grew by \$39.9 million (5.7%) to \$734.8 million,

vis-à-vis a 1.9% decline in the prior period. In terms of the components, administrative costs (other than staffing and Government fees) firmed by \$28.5 million (9.5%) to \$329.1 million, vis-à-vis a reduction of 2.7% in the prior year. In addition, salary-based expenses increased by \$5.3 million (1.6%) to \$329.7 million, after edging-down by 0.8% in the prior period, reflecting gains of 2.7% and 1.4% in both bonuses and base salaries, respectively. Similarly, Government fee payments firmed by \$5.7 million (8.5%) to \$73.0 million, compared to a 2.5% contraction in the previous year, due mainly to increases in “other” Government fees— inclusive of stamp and real property taxes, and customs duties—attributed to the rise in the value added tax (VAT) rate to 12.0% from 7.5%. Further, staff training firmed by \$0.4 million (14.6%) to \$3.0 million, compared to an 11.5% reduction a year earlier.

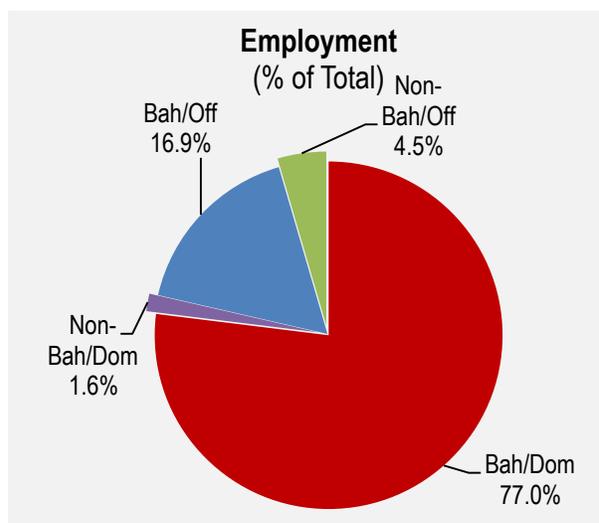
After several years of declines, as domestic entities closed branches in mainly Family Island locations, total capital expenditure—which includes outlays for renovations, construction and other fixed assets—strengthened by \$9.8 million (63.1%) to \$25.4 million in 2018, a turnaround from a 28.3% contraction a year earlier, and an average 6.1% falloff over the last five years, explained by the acquisition of land by one entity.

### DOMESTIC VERSUS INTERNATIONAL BANKING

A disaggregation of the banking sector into domestic and international operations allows for a more detailed comparison between the domestic sector’s retail-oriented services, and international banking, which focuses on wealth management-related activities.

#### EMPLOYMENT

During the year, total employment in the domestic banking sector increased by 49 (1.6%) to 3,182 persons, a turnaround from a decline of 30 (0.9%) a year earlier and an average contraction of 101 (2.9%) between 2013 and 2017. In contrast, as firms continued to reduce costs by way of outsourcing and closure, the number of employees in the international sector fell by 129 (13.0%) to 867 persons, extending the contraction of 8.9% (97 persons) in the previous year, and an average yearly reduction of 29 (2.6%) over the prior five years.



In terms of the nationality mix of staffing for the domestic sector, the total number of Bahamian employees rose by 37 (1.2%) to 3,116 persons, vis-à-vis a 1.6% decline in the previous year. Similarly, the non-Bahamian workforce grew by 12 (22.2%) to 66 persons, a slowdown from the one-off 58.8% growth recorded a year earlier, when one entity’s designation was changed for exchange control purposes. As a result, the ratio of Bahamian to non-Bahamian employees narrowed to approximately 47:2 from 57:1 in 2017. In the international sector, Bahamian employees declined by 99 (12.6%) to 684 persons, following a 7.9% reduction in the prior year, while the non-Bahamian component decreased by 30 (14.1%) to 183 persons, extending the 12.3% reduction in the previous period. Given these developments, the ratio of Bahamian to non-Bahamian workers steadied at 3.7:1.

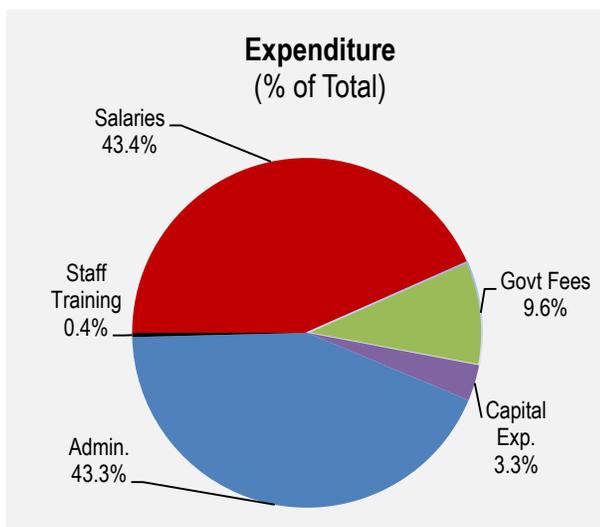
With regard to compensation, average base salaries in the international sector remained higher than those offered in the domestic sector, given the emphasis of the former on employing high-skilled workers to offer

a variety of wealth management services. Specifically, the average compensation of the international banks rose by an estimated \$5,218 (4.9%) to \$111,129 per annum in 2018, due mainly to a decline in lower paid administrative-related staff. In addition, the average salary of the domestic banks firmed by \$3,261 (6.2%) to \$56,289 per annum.

## EXPENDITURES

Domestic banks and trusts companies' total expenditure rose by 10.0% to \$511.1 million in 2018, exceeding the 1.3% uptick recorded a year earlier, and the average gain of 3.1% over the last five years. Underpinning this development, total operational costs—which accounted for 97.0% of the total—expanded by 9.7% to \$495.9 million, outstripping the 1.7% increase in the prior year. This outcome reflected an 11.5% rise in other non-staff administrative costs to \$234.1 million, following a 2.0% gain recorded in the preceding year. In addition, salary outlays advanced by 7.2% to \$196.0 million, extending the previous year's 2.3% advance, as both base salaries and bonuses registered growth of 7.8% and 0.8%, respectively. Further, Government fee payments—inclusive of license fees, work permits and “other” taxable inputs—grew by 10.9% to \$63.7 million, a reversal from a slight 0.4% falloff in 2017. Staff training expenses also expanded, by 22.1% to \$2.1 million, compared to a 14.2% decrease in the preceding year. Similarly, capital outlays rose by 20.9% to \$15.2 million, vis-à-vis a 12.4% reduction in the previous period.

Despite the closure of a few firms and the ongoing outsourcing activities, total expenditure in the international sector firmed by 1.3% to \$249.0 million, in contrast to a 9.3% decline in 2017. Underlying this



outturn was a nearly three-fold increase in capital spending to \$10.2 million from \$3.0 million, following a significant 59.3% decline a year earlier. In contrast, operational outlays—which comprised 95.9% of total expenditure—contracted by 1.6% to \$238.8 million; although lower than the 7.9% decrease in 2017. In particular, salary payments fell by 5.5% to \$133.7 million, as the 8.7% reduction in base salaries, outweighed the 3.6% uptick in bonuses. Government fee payments also decreased by 5.6% to \$9.2 million, following a 13.5% contraction recorded a year earlier. Providing some offset, other administrative costs moved higher by 4.9% to \$95.0 million, a reversal from a 12.2% reduction in 2017. In addition, outlays for staff training grew marginally by 0.4%, after a 6.0% falloff in the prior year.

## OTHER FINANCIAL SECTOR ACTIVITIES

### SECURITIES INDUSTRY

Despite holding significant levels of assets, the overall contribution of the securities industry to the domestic economy remains below that of both banking and insurance, given the lower employment levels and a product focused predominantly on high net worth international clients. While recent data on expenditure is not available, information obtained from the Securities Commission of The Bahamas (SCB) for 2018, revealed that the number of registered securities firms rose by 6 to 157, while the number of licensed investment fund administrators held steady at 62. However, the number of licensed investment funds within supervised operations declined by 35 to 748.

The SCB also supervises financial and corporate services providers (FCSPs), which are domestic professional firms that provide services to the financial sector. During the year, the number of FCSPs firmed by 12 to 353, reflecting an increase in demand for these services.

## INSURANCE SECTOR

Activity within the local insurance sector remained relatively stable over the review year, as the most recent data from the Insurance Commission of The Bahamas (ICB), showed that the number of licensed operators increased by 3 to 149. This outturn reflected solely a gain in the number of external insurers to 23, as the number of local insurance agents & brokers remained at 85. In contrast, the number of foreign-owned entities decreased by 2 to 17.

Preliminary data on the performance of the sector revealed that the total assets of domestic companies contracted by 5.9% to \$2,055.7 million in 2018, as the general insurance component declined by 21.0% to \$610.5 million, as receivables and re-insurance recoveries reverted to trend, following the one-off uptick in residual inflows related to the 2016 hurricane. In contrast, the dominant long-term insurance segment—at 70.3% of the total—rose by 2.3% to \$1,445.1 million.

In terms of spending, the domestic insurers total outlays firmed by 5.9% to \$524.2 million, reflecting mainly a 2.3% gain in net claims to \$323.9 million and an 13.6% advance in total “operational” expenditures to \$147.2 million.

## CREDIT UNIONS

Indications are that the credit union sector continued to expand at a modest rate over the review year, as the sector’s portfolio of assets grew by 7.2%, to \$451.1 million, supported largely by gains in liquid assets—mainly cash and deposits—and an increase in outstanding loans. Further, the number of registered entities—inclusive of the Credit Union League—remained at 10 in 2018.

Total expenditure within the sector firmed sharply by 53.3% to \$19.1 million, as operational outlays rose by 13.2% to \$15.6 million, with general business spending, such as utility expenses and Government fees, advancing by \$1.1 million to \$3.1 million. Similarly, personnel expenses—inclusive of salaries and bonuses—grew by 9.7% to \$7.0 million, in-line with the expansion in employment by 18 to 182 in 2018.

Meanwhile the level of profitability in the sector increased over the year, as a 5.3% expansion in interest income—mainly from loans and investments—outpaced the 2.0% growth in interest expenses. In addition, provisions for loan losses were reduced by 10.0% to \$3.5 million, in the context of the other expenditures noted above, the sector’s net income firmed by 4.8% to \$1.8 million.

## OTHER FINANCIAL SECTOR DEVELOPMENTS

During the year, initiatives in the financial sector remained focused on improving The Bahamas’ supervisory regime, to satisfy the evolving international standards geared towards strengthening the jurisdiction’s profile as a transparent, cooperative participant in the global financial system. In this context, the Central Bank updated its overall approach to supervision, which includes an increased focus on proactive intervention by utilizing its Ladder of Supervisory Intervention to address financial and other risks in supervised institutions’ operations. Regulatory engagement also remained heightened at the industry level through the consultative process of issuing guidance notes and other communications. Other initiatives undertaken by the Bank included the introduction of a streamlined, yet internationally compliant Basel III framework for banks, and revised AML/CFT and Anti-Proliferation guidance, in keeping with the

strengthened legislative framework, vis-à-vis the revamped suite of financial crimes legislation adopted in 2018.

With regard to AML/CFT, subsequent to the enactment of substantial legislation to enhance the regulatory, supervisory and enforcement regimes within the jurisdiction and to address gaps identified within the country's 2017 Mutual Evaluation Report (MER), issued by the Caribbean Financial Action Task Force (CFATF), the Bank updated its AML/CFT Supervisory Guidelines, and extended its risk-based supervisory approach to credit unions and money transmission businesses (MTBs). As a result, risk rating assessments were completed for all these supervised financial institutions (SFIs), and continuous AML/CFT supervision was implemented for the banks and trust companies. Going forward, the Bank, along with its associated regulators, the SCB and ICB, will require all SFIs to document and submit their own risk assessments on an annual basis, in order to encourage strong risk management practices and ensure that institutions demonstrate a sound understanding of their money laundering/terrorist financing (ML/TF) risks.

Further to enhancing the AML/CFT oversight, the Central Bank introduced an Administrative Monetary Penalties (AMP) regime for the AML/CFT risk management in December 2018. Moreover, in line with the revamped legal framework and to support financial inclusion initiatives, in June 2018, the Bank issued binding guidance on a simplified risk-based approach to customer due diligence (CDD) for bank account holders. While this is particularly intended to ease access to low-risk Bahamian dollar denominated services, it also provides a clarified guidance customer identification process for services provided by all central bank SFIs.

Domestic financial inclusion efforts also coalesced under acceleration of the payment systems modernisation initiative. The Central Bank outlined plans to pilot the introduction of a digital version of the Bahamian dollar by 2020, which was branded as "Project Sand Dollar". This Central Bank issued digital currency (CBDC), should also promote the interoperability of seamless connectivity between private providers of electronic payment solutions. In order to affect this change, the Bank established an E-solutions Unit in the Banking Department, to focus on executing this project. Emphasis has been placed on providing a technology solution which meets the country's needs, with more enabled access to banking services and inclusivity across more "vulnerable" population segments, while also complying with stringent international AML/CFT standards. In this regard, the Bank is continuing to engage with the Government, public corporations and key private sector stakeholders, in order to ensure that the necessary infrastructure is established and that there is widespread acceptance of the CBDC.

In terms of other initiatives, substantial progress was also made towards establishing the credit bureau. Notably, the Credit Reporting Act was passed in Parliament in 2018, allowing the Central Bank to resume the Request for Proposal (RFP) to identify an operator for the bureau. The process concluded with the identification of CRIF S.p.A<sup>5</sup> as the preferred operator. Once established, the bureau will serve as a central database, accessible to lenders, to provide more comprehensive information pertaining to the risk profile of perspective borrowers. This endeavour will also benefit potential borrowers with positive metrics, who will be able to access credit on more favourable terms. The Central Bank will supervise the operations of the credit bureau, through its Bank Supervision department; however, the bureau will be an independent privately run entity.

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<sup>5</sup> CRIF S.p.A. is based in Italy and also has a presence in more than 30 countries in the Caribbean, Europe, North America, Africa and Asia. The firm provides credit bureau services, business information systems and credit solution services. See: [www.centralbankbahamas.com](http://www.centralbankbahamas.com).

## CONCLUSION AND OUTLOOK

The 2018 survey of the financial sector continued to underscore the fact that the sector is in the midst of adjustment to economic and regulatory forces. Cost considerations and weak credit market conditions continue to contain the operating prospects for the domestic sector. For international businesses, the response to tax transparency requirements has exacerbated operating cost pressures, culminating in both the repositioning of business outside the jurisdiction and significant outsourcing of support for the remaining operations. In this regard, The Bahamas continued to experience employment retrenchment in international banking, notwithstanding an increasing expenditure footing for domestic banking. However, adjustment pressures appear less acute in the securities industry, with a more stable to expansionary trend for domestic insurance and credit union sector. The corporate and financial services is also facing adjustments, as The Bahamas transitions to enhanced international transparency around the use of international business companies (IBCs).

Near to medium-term prospects for the financial services sector's contribution to the economy remain contingent on strengthening the competitive profile of the sector. For some business models, this has meant increasing the attention on markets outside of the major industrial countries, with strengthened focus on attracting tax compliant clientele. The quality of the regulatory regime is also impacting upon the sector's prospects, with ongoing priority particularly to enhancing mechanisms for international tax transparency, and improving The Bahamas' risk rating profile for countering money laundering, terrorist financing and other illicit activities. This is an undertaking that has been embraced by the Central Bank, other financial regulators, and Bahamian law enforcement agencies. Going forward, the Bank will also increase its emphasis on initiatives to strengthen financial inclusion and improve financial literacy.

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

Period	2014p	2015p	2016p	2017p	2018p
<b>A. Stamp Taxes on Transactions</b>	<b>67.6</b>	<b>97.9</b>	<b>88.4</b>	<b>98.5</b>	<b>109.2</b>
Gross Insurance Premium Tax <sup>1/</sup>	21.9	21.9	21.7	22.1	23.2
Mortgages	8.5	9.0	15.5	15.2	18.5
Other Banking Transactions	37.1	66.7	51.0	61.0	67.3
Instruments & Bonds	0.1	0.3	0.2	0.2	0.3
<b>B. Licence &amp; Registration Fees</b>	<b>44.8</b>	<b>38.0</b>	<b>36.3</b>	<b>38.5</b>	<b>40.1</b>
International Business Companies (IBCs)	16.3	16.7	14.4	15.1	14.7
Banks and Trust Companies	23.4	15.7	16.4	18.0	18.0
Insurance Companies, Brokers & Agents	0.3	0.4	0.4	0.3	0.3
Financial & Corp. Svcs. Providers	0.5	0.5	0.5	0.6	0.6
Investment Funds <sup>2/</sup>	4.3	4.7	4.6	4.5	6.5
<b>C. Total Revenues</b>	<b>112.5</b>	<b>135.9</b>	<b>124.7</b>	<b>137.0</b>	<b>149.3</b>

Sources: Bahamas Government's Treasury Department, Securities Commission of The Bahamas.

Notes: <sup>1/</sup> Premium Tax collected from Insurance Companies.

<sup>2/</sup> Amounts collected by the Securities Commission.

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

Period	2014p	2015p	2016p	2017p	2018p
<b>A. TOTAL EMPLOYMENT</b>	4,599	4,366	4,256	4,129	4,049
1. Non-Bahamians	281	290	277	267	249
2. Bahamians (of which)	4,318	4,076	3,979	3,862	3,800
i) Local Banking	2,948	2,700	2,614	2,500	2,430
ii) Offshore Banking	642	557	552	588	627
iii) Trust Administration	526	474	450	525	483
iv) Other	202	345	363	249	260
			<b>(B\$ Millions)</b>		
<b>B. TOTAL OPERATIONAL COSTS (1+2+3+4)</b>	650.1	692.8	708.0	694.9	734.8
1. Salaries <sup>1</sup>	307.0	316.5	327.0	324.4	329.7
i) Base Salaries	264.2	270.7	278.5	271.6	275.5
ii) Bonuses	42.7	45.8	48.5	52.8	54.2
2. Government Fees	51.7	65.4	69.0	67.2	73.0
i) Licence	37.9	49.0	47.7	50.5	51.0
ii) Company Registration	1.2	1.0	0.4	0.7	0.6
iii) Work Permits	8.0	2.3	2.7	2.6	2.7
iv) Other Government Fees	4.7	13.0	18.2	13.5	18.6
3. Staff Training	2.6	2.1	2.9	2.6	3.0
4. Other Administrative Costs	288.9	308.8	309.1	300.6	329.1
<b>C. CAPITAL EXPENDITURE<sup>2</sup></b>	24.2	32.1	21.7	15.6	25.4
<b>D. TOTAL EXPENDITURE (B+C)</b>	674.3	725.0	729.7	710.4	760.1
<b>E. AVERAGE SALARY (B\$'000)<sup>3</sup></b>	57,457	61,995	65,445	65,784	68,032

Source: Central Bank of The Bahamas

<sup>1</sup> Includes bonuses.

<sup>2</sup> Includes construction, renovation expenses and other fixed assets.

<sup>3</sup> Excludes bonuses.

**TABLE C. GROSS ECONOMIC CONTRIBUTION OF BANKS AND TRUST COMPANIES**

Period	2014p	2015p	2016p	2017p	2018p	2014p	2015p	2016p	2017p	2018p
	DOMESTIC					INTERNATIONAL				
<b>A. TOTAL EMPLOYMENT</b>	3,507	3,253	3,163	3,133	3,182	1,092	1,113	1,093	996	867
1. Non-Bahamians	39	29	34	54	66	242	261	243	213	183
2. Bahamians (of which)	3,468	3,224	3,129	3,079	3,116	850	852	850	783	684
i) Local Banking	2,948	2,700	2,610	2,500	2,430	--	--	--	--	--
ii) Offshore Banking	57	13	15	97	182	585	544	541	491	445
iii) Trust Administration	336	277	263	310	317	190	197	187	215	166
iv) Other	127	234	241	172	187	75	111	122	77	73
	<b>(B\$ Millions)</b>									
<b>B. TOTAL OPERATIONAL COSTS (1+2+3+4)</b>	404.3	434.1	444.3	452.0	495.9	245.9	257.8	263.7	242.8	238.8
1. Salaries <sup>1</sup>	178.3	176.0	178.8	182.9	196.0	128.6	140.5	148.2	141.5	133.7
i) Base Salaries	163.3	159.9	162.2	166.1	179.1	101.0	110.8	116.3	105.5	96.3
ii) Bonuses	15.1	16.2	16.6	16.8	16.9	27.6	29.7	31.9	36.0	37.3
2. Government Fees	40.8	52.7	57.7	57.5	63.7	11.0	12.7	11.3	9.8	9.2
i) Licence	31.9	41.7	40.7	44.3	45.0	6.1	7.3	6.9	6.2	6.0
ii) Company Registration	0.0	0.1	0.0	0.0	0.4	1.2	1.0	0.3	0.7	0.2
iii) Work Permits	5.8	0.5	0.5	0.6	0.9	2.2	1.9	2.2	2.0	1.8
iv) Other Government Fees	3.1	10.5	16.4	12.5	17.5	1.6	2.6	1.8	0.9	1.1
3. Staff Training	1.1	1.2	2.0	1.7	2.1	1.5	0.9	1.0	0.9	0.9
4. Other Administrative Costs	184.1	204.2	205.9	210.0	234.1	104.8	103.7	103.2	90.6	95.0
<b>C. CAPITAL EXPENDITURE<sup>2</sup></b>	19.6	19.2	14.4	12.6	15.2	4.6	13.1	7.3	3.0	10.2
<b>D. TOTAL EXPENDITURE (B+C)</b>	423.9	453.2	458.7	464.6	511.1	250.4	271.0	271.0	245.8	249.0
<b>E. AVERAGE SALARY (B\$'000)<sup>3</sup></b>	46,558	49,144	51,291	53,028	56,289	92,461	99,562	106,405	105,911	111,129

**Source: The Central Bank of The Bahamas**

<sup>1</sup> Includes bonuses.

<sup>2</sup> Includes construction, renovation expenses and other fixed assets.

<sup>3</sup> Excludes bonuses.

**Table D: Other Selected Financial Sector Statistics**

	<b>Unit</b>	<b>2014r</b>	<b>2015r</b>	<b>2016r</b>	<b>2017r</b>	<b>2018p</b>
<b>Investment Funds Administrations</b>						
Licensed Investment Funds	Number	830	885	859	783	748
<b>Licensed Administrators</b>	<b>Number</b>	<b>62</b>	<b>66</b>	<b>64</b>	<b>62</b>	<b>62</b>
Net Asset Value	<i>B\$ Billions</i>	<i>134.6</i>	<i>200.2</i>	<i>136.8</i>	<i>86.3</i>	<i>n/a</i>
<b>Insurance Companies and Agents</b>						
<b>Domestic Companies and Agents</b>	<b>Number</b>	<b>143</b>	<b>148</b>	<b>142</b>	<b>146</b>	<b>149</b>
Total Domestic Assets	<i>B\$ Millions</i>	<i>1,669.5</i>	<i>1,768.1</i>	<i>2,305.0</i>	<i>2,185.3</i>	<i>2,055.7</i>
Average Annual Salaries	<i>B\$</i>	<i>49,327</i>	<i>44,250</i>	<i>44,390</i>	<i>44,746</i>	<i>n/a</i>
Operating Costs / Total Expenditures	<i>%</i>	<i>94.3</i>	<i>94.2</i>	<i>97.1</i>	<i>97.0</i>	<i>n/a</i>
<b>External Insurers &amp; Intermediaries</b>	<b>Number</b>	<b>31</b>	<b>32</b>	<b>30</b>	<b>29</b>	<b>31</b>
<b>Credit Unions (Active)</b>						
<b>Number of Unions</b>	<b>Number</b>	<b>7</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>
Total Assets	<i>B\$ Millions</i>	<i>347.7</i>	<i>370.6</i>	<i>395.5</i>	<i>420.8</i>	<i>451.1</i>
Employment	<i>Number</i>	<i>144</i>	<i>154</i>	<i>155</i>	<i>165</i>	<i>183</i>
Average Annual Salaries	<i>B\$</i>	<i>30,085</i>	<i>29,091</i>	<i>30,404</i>	<i>31,230</i>	<i>30,350</i>
Total Expenditures	<i>B\$ Millions</i>	<i>10.38</i>	<i>10.51</i>	<i>11.20</i>	<i>12.19</i>	<i>19.10</i>
Operating Costs / Total Expenditures	<i>%</i>	<i>88.6</i>	<i>92.8</i>	<i>92.8</i>	<i>97.6</i>	<i>92.4</i>
<b>Bahamas International Securities Exchange (BISX)</b>						
<b>Securities Listed</b>	<b>Number</b>	<b>28</b>	<b>45</b>	<b>53</b>	<b>53</b>	<b>49</b>
Shares Traded	<i>Thousands</i>	<i>3,979</i>	<i>3,223</i>	<i>5,553</i>	<i>5,129</i>	<i>8,520</i>
Market Capitalization	<i>B\$ Billions</i>	<i>3.54</i>	<i>3.68</i>	<i>4.44</i>	<i>3.27</i>	<i>4.48</i>

**Sources:**

The Central Bank of The Bahamas, Bahamas International Securities Exchange (BISX),  
The Securities Commission of The Bahamas and The Insurance Commission of The Bahamas.