



Quarterly Economic Review

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

OVERVIEW

Preliminary indications are that the modest pace of growth in the domestic economy was maintained during the fourth quarter of 2018, supported by ongoing gains in the high value-added stopover segment of the tourism market. In addition, several varied-scale foreign investment projects provided positive impulses to the construction sector. As a consequence, labour market conditions continued to gradually improve; although the unemployment rate edged-up, as the expansion in the workforce—inclusive of previously discouraged workers—outpaced the job gains. In price developments, domestic inflationary pressures remained relatively subdued, with the average rate rising modestly over the twelve months to November, reflecting the pass-through effects of higher international oil prices in earlier periods, as well as the hike in the value added tax (VAT) rate on 1st July.

Provisional data for the second quarter of FY2018/19, showed that the Government’s overall deficit narrowed significantly in comparison to the year-earlier period, as the VAT-led increase in aggregate revenue, outstripped the rise in total expenditure. Budgetary financing was obtained primarily from domestic sources and included a combination of long and short-term debt.

Monetary developments were dominated by the contraction in liquidity and external reserves, as credit growth contrasted with the reduction in the deposit base, amid the seasonal increase in foreign currency demand during the latter half of the year. Further, banks’ credit quality indicators improved, underpinned by modest gains in economic conditions, alongside entities’ ongoing debt restructuring activities and loan write-offs. In addition, the latest available data for the third quarter revealed that banks’ overall profitability strengthened, associated largely with a decline in bad debt provisioning and lower operating outlays.

In the external sector, the estimated current account deficit widened during the final quarter of 2018. Underlying this outturn was a notable reduction in the services account surplus, combined with higher net income and current transfer outflows. In addition, the surplus on the capital and financial account contracted sharply, attributed to the net repayment of the public sector’s net external liabilities, in contrast to the prior period, when Government’s external bond issue led to a surge in the surplus.

REAL SECTOR

TOURISM

The tourism sector maintained a strengthened growth trajectory in the final quarter of 2018, reflecting the expansion in high-end hotel capacity, increased airlift and continued improvements in the key source markets.



According to data from the Ministry of Tourism, during the fourth quarter total visitor arrivals grew by 6.4%, a slowdown from the previous year's 8.4% expansion. In terms of the components, the high value-added air segment increased by 17.1% to 0.4 million, outpacing the 14.4% growth in the corresponding period last year and an average 5.6% gain over the last five years. Similarly, the dominant sea passenger component—which comprised 79.1% of the total—rose by 3.9% to 1.3 million, vis-à-vis the prior year's increase of 7.1% and the five-year average of 0.5%.

A disaggregation by major ports of call, showed that total visitors to New Providence strengthened by 15.9% during the review quarter, a turnaround from a 2.1% reduction in the preceding year, as the key air component firmed by 20.6%, the largest percentage increase since 1990; while sea passengers advanced by 14.3%. The Grand Bahama market also showed signs of improvement, as total arrivals grew by 10.3%, following a 13.6% expansion in the previous year, with the air and sea components advancing by 12.6% and 9.9%, respectively. In contrast, total visitors to the Family Islands declined by 9.7%, vis-a-vis a 29.8% increase in the comparative period of 2017, as the 11.4% decline in the dominant sea component, outstripped the 5.3% growth in air arrivals.

Buoyed by the increase in stopover visitors, information from the Bahamas Hotel Association and the Ministry of Tourism for a sample of large properties in New Providence and Paradise Island, showed that total room revenues strengthened by 40.0%, outstripping the 22.7% advance in the prior period. Reflecting in part the rise in high-end room capacity, the average daily room rate (ADR) firmed by 11.4% to \$257.59, outpacing the 5.4% gain in the previous year. In addition, the number of room nights sold firmed by 28.3%, contributing to a 4.3 percentage point rise in the average hotel occupancy rate to 56.5%.

CONSTRUCTION

Construction sector output during the fourth quarter continued to be supported by a number of small to medium sized foreign investment projects in both the capital and the Family Islands; however, domestic-financed activity remained relatively mild.

On the domestic side, total mortgage disbursements for new construction and repairs—as reported by banks, insurance companies and the Bahamas Mortgage Corporation—increased by 20.4% (\$5.9 million) to \$34.8 million, although tapering from the year earlier growth of 44.3%. Residential flows firmed by 5.6% (\$1.6 million) to \$29.4 million, a slowdown from the 38.9% expansion in 2017; however, gains in commercial disbursements quickened by \$4.3 million to \$5.4 million.

Reported mortgage commitments, which partly signal future activity, still did not establish firm growth trends, as un-disbursed approvals for new buildings and repairs declined in number by 69 to 77, while the corresponding value contracted by 41.6% (\$5.9 million) to \$8.3 million. No un-disbursed commercial approvals remained on the books, in line with the prior year's developments.

In terms of interest rates, the average financing cost for commercial mortgages declined by 1.5 percentage points to 6.26% during the review quarter. Similarly, the average rate on residential loans softened by 46 basis points to 7.04%.

EMPLOYMENT

Reflecting the improvement in economic conditions, information from the Department of Statistics' Labor Force Survey, indicated that the number of employed persons rose by 1.1% to 210,560 over the six months to November 2018 and by 3.4% relative to the prior year. The job gains occurred principally in the private

sector, attributed in part to the on-boarding of new staff at the Baha Mar resort and other smaller businesses. However, the job gains were outpaced by the general increase in the labour force—due to new entrants and the return of previously discouraged workers—leading to an uptick in the unemployment rate by 70 basis points over the six-month period to 10.7% and by 60 basis points vis-à-vis November 2017.

A disaggregation by the major markets, showed that the jobless rate in New Providence—the most heavily populated center—increased by 1.0 percentage point over May 2018 and by 40 basis points on a yearly basis, to 11.0%. In contrast, the rate in the second largest market, Grand Bahama, fell by 50 basis points over the six-month period and by 20 basis points on an annual basis, to 11.9%. Similarly, in Abaco, the unemployment rate decreased by 3.0 percentage points over May 2018 to 7.7% and was 90 basis points lower than in November, 2017.

PRICES

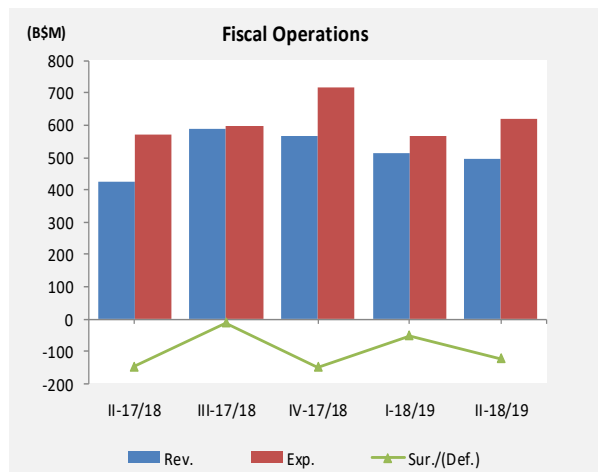
Reflecting in part the pass-through effects of the increase in the VAT rate, coupled with the rise in international oil prices in earlier periods, inflation—as measured by the Retail Price Index for The Bahamas—quickened to 2.3% over the twelve months to November 2018, from 1.4% in the previous year. Reflecting this development, average consumer prices firmed for the categories food & non-alcoholic beverages, and for furnishing, household equipment & routine household maintenance, by 2.5%, and 0.1%, in contrast to respective declines of 0.5% and 0.8% a year earlier; and for uncategorized goods and services by 1.8%, vis-à-vis a reduction of 0.6% last year. In addition, inflation quickened for transportation (by 3.5 percentage points to 5.1%), and restaurant & hotels (by 3.4 percentage points to 4.5%), with smaller gains being recorded for recreation & culture, and health. In a slight offset, inflation rates slowed for housing, water, gas, electricity & other fuels—the most heavily weighted item on the index—and alcohol, tobacco and narcotics, by 1.1 percentage points each, to 2.4% and 0.5%, respectively. In addition, average costs for communication and education reversed to declines of 0.8% and 0.7%, from respective increases of 3.5% and 0.3% in 2017. Further, the average decline in clothing & footwear costs widened to 1.5% from 0.7%.

Energy price developments were mixed during the quarter. The average cost of gasoline decreased marginally by 0.8% to \$4.88 per gallon; however, diesel costs rose slightly by 0.9% to \$4.63 per gallon. Nonetheless, as international oil prices have been on an upward trend since reaching a low of \$47.87 per gallon in July 2017, average costs for both gasoline and diesel firmed in 2018 by 11.3% and 15.5%, respectively.

FISCAL OPERATIONS

OVERVIEW

Preliminary data on the Government’s budgetary operations for the second quarter of FY2018/19, revealed a \$23.0 million (15.8%) narrowing in the overall deficit to \$122.3 million, in comparison to the same period of FY2017/18. Underpinning this outcome was a VAT-led \$69.4 million (16.2%) expansion in total revenue to \$496.4 million, which outpaced the \$46.4 million (8.1%) growth in aggregate expenditure to \$618.8 million.



Government Operations				
	FY17/18	FY17/18	FY18/19	FY18/19
	1 st Qtr.	2 nd Qtr.	1 st Qtr.	2 nd Qtr.
	BS'000	BS'000	BS'000	BS'000
A. REVENUE (a+b+c)	453,755	427,058	513,850	496,424
a. Tax Revenue	415,310	369,583	471,788	430,242
b. Non-Tax Revenue	38,445	57,475	42,062	66,182
c. Grants	0	0	0	0
B. EXPENDITURE (c+d)	562,316	572,396	565,831	618,750
c. Recurrent	487,948	515,729	527,028	570,603
d. Capital	74,368	56,667	38,803	48,147
Surplus/(Deficit) (A-B)	(108,561)	(145,338)	(51,981)	(122,326)
FINANCING ACTIVITIES	108,561	145,338	51,981	122,326
Net Acquisition of financial assets (-)	10,000	3,800	45,751	19,599
Borrowing(+)	453,075	1,187,271	302,815	374,525
Internal	97,632	232,706	301,663	371,204
External	355,443	954,565	1,152	3,321
Debt Repayment(-)	140,793	884,861	162,922	253,051
Internal	125,863	427,152	128,513	245,342
External	14,930	457,709	34,409	7,709
Change in Short-term Advances (+)	32,626	(63,099)	(26,523)	6,091
Other Financing & Change in Cash Balances [(I)=increase]	(226,347)	(90,173)	(15,639)	14,360

Note: Tables produced by the Ministry of Finance in the modified GFS 2014 Format.

REVENUE

Tax revenue—which comprised 86.7% of total receipts—grew by \$60.7 million (16.4%) to \$430.2 million, as the increase in the VAT rate by 4.5 percentage points to 12.0% on 1st July, 2018, led to collections advancing by \$50.6 million (33.9%) to \$200.1 million. Similarly, stamp taxes on financial and realty transactions more than doubled to \$53.3 million from \$21.8 million. Measures to simplify the tax regime related to real estate transactions, eliminated the VAT off transactions with a compensating restoration in the stamp schedule to rates, which predated the January 2015 introduction of VAT. In a partial offset, excise taxes fell by \$17.8 million (30.9%) to \$39.8 million.

In terms of the other components, taxes on the use of goods nearly doubled, from \$15.2 million to \$28.9 million, as timing-related factors led to receipts from business licensing fees firming by \$15.2 million to \$18.0 million, due to a rise in collections from general business license fees, while company taxes increased slightly by \$0.5 million to \$3.5 million. In contrast, motor vehicle taxes were reduced by \$1.6 million (18.1%) to \$7.2 million and marine license fees declined marginally by \$0.4 million to \$0.2 million. Further, collections from specific taxes—mainly gaming—declined by \$2.1 million (36.5%) to \$3.6 million.

With regard to the remaining categories, taxes on property expanded by \$5.5 million (27.5%) to \$25.3 million. In addition, general stamp tax revenue firmed by \$0.6 million to \$1.9 million. In contrast, taxes on international trade and transactions contracted by \$21.4 million (21.7%) to \$77.4 million, largely attributed to a \$20.2 million (28.8%) decline in customs & other import duties to \$49.9 million and export taxes also decreased by \$0.9 million (24.3%) to \$2.9 million. In addition, timing-related factors resulted in departure tax receipts falling by \$0.3 million (1.1%) to \$24.6 million.

Non-tax receipts—at 13.3% of total revenue—rose by \$8.7 million (15.1%) to \$66.2 million. Underlying this development, revenue from the sale of goods & services grew by \$5.5 million (13.7%) to \$45.3 million, reflecting an increase in immigration fee receipts, following the hike in certain categories of work permit

Government Revenue By Source				
	FY17/18	FY17/18	FY18/19	FY18/19
	1 st Qtr.	2 nd Qtr.	1 st Qtr.	2 nd Qtr.
	BS'000	BS'000	BS'000	BS'000
TAX REVENUE (a+b+c+d)	415,310	369,583	471,788	430,242
a. Taxes on Property	11,900	19,854	12,148	25,315
b. Taxes on Goods & Services (i+ii+iii)	298,420	249,685	341,827	325,626
i. General	267,320	228,804	322,341	293,108
of which: Value Added Tax	168,796	149,471	199,416	200,073
Stamp Taxes (Financial & Realty)	30,300	21,803	54,403	53,267
Excise Tax	68,224	57,530	68,523	39,768
ii. Specific (Gaming taxes)	8,900	5,663	6,171	3,597
iii. Taxes on Use of/ Permission to Use Goods	22,200	15,218	13,315	28,921
c. Taxes on Int'l Trade & Transactions	104,490	98,792	113,826	77,402
d. General Stamp Taxes	500	1,252	3,988	1,899
NON-TAX REVENUE (e+f+g+h+i+j)	38,445	57,475	42,062	66,182
e. Property Income	1,100	15,376	1,613	15,772
f. Sales of goods & services	35,144	39,856	38,876	45,330
g. Fines, Penalties & Forfeits	200	231	1,444	1,469
h. Reimbursements & Repayments	0	49	40	50
i. Misc. & Unidentified Revenue	701	1,937	55	1,347
j. Sales of other Non-Financial Assets	1,300	26	34	2,215
TOTAL TAX & NON-TAX REVENUE	453,755	427,058	513,850	496,424
l. Grants	0	0	0	0
TOTAL REVENUE & GRANTS	453,755	427,058	513,850	496,424

Note: Tables produced by the Ministry of Finance in the modified GFS 2014 Format.

fees in the prior quarter. Similarly, sales of “other” non-financial assets yielded revenue of \$2.2 million, compared to negligible levels in the preceding period. In addition, proceeds from fines, penalties and forfeits, increased by \$1.3 million to \$1.5 million, owing to higher judicial fines and forfeitures, while property income edged-up by \$0.4 million to \$15.8 million. In contrast, “miscellaneous” & unidentified revenue decreased by \$0.6 million to \$1.3 million.

EXPENDITURE

The expansion in total expenditure was due primarily to a \$54.9 million (10.6%) increase in current outlays to \$570.6 million, which overshadowed the \$8.5 million (15.0%) reduction in capital expenses to \$48.1 million.

By economic categorization, the increase in current spending was led by a \$24.5 million (38.3%) gain in public debt interest payments to \$88.5 million, largely attributed to higher payments on external debt. In addition, subsidies grew by \$17.3 million (21.5%) to \$97.6 million, associated with increased allocations to the Public Hospitals Authority (PHA).

Other “miscellaneous” payments rose by \$6.6 million (13.1%) to \$57.1 million, explained by a 42.4% gain in insurance premium payments to \$23.2 million, related to medical spending. In contrast, current transfers fell marginally by \$0.3 million (1.0%) to \$33.8 million, as outlays for households declined by \$5.7 million (38.7%) to \$9.0 million and allocations for non-profit institutions decreased by \$0.2 million to \$0.3 million. Providing some offset, transfers to non-financial public enterprises rose by \$4.8 million (28.8%) to \$21.4 million, while other “miscellaneous” current transfers grew by \$0.7 million to \$2.4 million.

Spending for the use of goods and services advanced by \$9.1 million (9.8%) to \$101.8 million, while pension & gratuity payments moved higher by \$4.2 million (14.0%) to \$33.8 million, social assistance benefits, by \$2.3 million (24.0%) to \$12.0 million and non-financial asset acquisitions increased by more than one-third (\$1.4 million) to \$5.7 million. In a modest offset, wages and salaries payments decreased by \$7.6 million (4.2%) to \$173.9 million and grants, by \$2.9 million to \$0.2 million.

The reduction in capital expenditure largely reflected a \$10.0 million (20.7%) contraction in the acquisition of non-financial assets to \$38.2 million, owing primarily to a falloff in spending for “other” structures and non-dwelling buildings. In addition, other “miscellaneous” fixed assets decreased by \$4.6 million (28.7%) to \$11.3 million, while capital transfers edged-down by \$0.1 million (1.8%) to \$5.2 million.

FINANCING AND THE NATIONAL DEBT

Budgetary financing for the second quarter of FY2018/19 was dominated by internal borrowings, which comprised \$204.0 million in longer-term securities, \$105.0 million in loans & advances and \$62.2 million in

Expenditure by Economic Classification				
	FY17/18	FY17/18	FY18/19	FY18/19
	1 st Qtr.	2 nd Qtr.	1 st Qtr.	2 nd Qtr.
	BS'000	BS'000	BS'000	BS'000
CURRENT EXPENDITURE	487,948	515,729	527,028	570,603
Compensation of Employees	191,858	181,500	171,953	173,888
Use of Goods & Services	85,022	92,730	120,379	101,816
Public Debt Interest	77,700	64,027	72,404	88,530
Subsidies	60,314	80,355	71,128	97,622
Grants	608	3,053	1,312	175
Social Assistance Benefits	7,965	9,679	10,977	12,003
Pensions & Gratuities	29,829	29,652	31,078	33,817
Other Payments	31,193	50,493	43,927	57,083
Acquisition of Non-financial Assets	3,458	4,240	3,870	5,670
CAPITAL EXPENDITURE	74,368	56,667	38,803	48,147
Use of Goods & Services	1,587	3,232	2,394	4,761
Capital Transfers	8,332	5,262	8,893	5,168
Acquisition of Non-financial Assets	64,448	48,173	27,515	38,217
TOTAL EXPENDITURE	562,315	572,396	565,831	618,749

Note: Tables produced by the Ministry of Finance in the modified GFS 2014 Format.

net Treasury bill issues, while external funding amounted to a mere \$3.3 million. Debt repayments for the period totaled \$253.1 million, of which the dominant 97.0% went towards retiring Bahamian dollar debt.

As a consequence of these developments, the Direct Charge on the Government rose by \$119.0 million (1.6%) over the previous quarter and by \$317.2 million (4.4%), year-on-year, to \$7,497.3 million at end-December 2018. A breakdown by component, showed that Bahamian dollar debt represented 65.4% of the total, while foreign currency liabilities accounted for the remaining 34.6%.

A further disaggregation by creditor, revealed that the largest share of local debt was held by financial institutions (40.6%), followed by “other” private institutional investors (36.8%), public corporations (12.0%), and the Central Bank (10.6%). By instrument type, Government bonds comprised most of the domestic currency debt, at 72.1%, and featured an average maturity of 8.7 years, compared to 8.5 years in 2017. In addition, Treasury bills and loans & advances accounted for significantly smaller shares of 17.9% and 10.0%, respectively.

Estimates of the Debt-to-GDP Ratios			
December (%)			
	2016 _p	2017 _p	2018 _p *
Direct Charge	53.3	59.0	58.9
National Debt	59.6	64.8	64.6
Total Public Sector Debt	61.6	67.5	67.7

Source: The Central Bank of The Bahamas and the Department of Statistics
**GDP estimate for 2018 is derived from IMF projections.*

The Government’s contingent liabilities decreased by \$15.4 million (2.1%) over the final quarter of 2018 to \$722.3 million, but rose by \$18.1 million (2.6%), year-on-year. As a result of these developments, the National Debt—inclusive of contingent liabilities—rose by \$103.5 million (1.3%) over the three-month period to \$8,219.6 million and by \$335.3 million (4.3%), relative to December 2017.

As a ratio to GDP, the Direct Charge edged down by 1 basis point on a yearly basis, to an estimated 58.9% at end-December. In addition, the National Debt-to-GDP ratio narrowed to an estimated 64.6% from 64.8% at end-2017.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

Public sector foreign currency debt decreased by \$82.4 million (2.3%) to \$3,473.5 million during the fourth quarter, as amortization payments of \$129.7 million, overshadowed new drawings of \$46.7 million. Similarly, the public sector’s foreign currency debt fell by \$10.7 million (0.3%), vis-à-vis the corresponding period of 2017. In terms of the components, the Government’s outstanding liabilities—which accounted for 74.6% of the total—decreased by \$6.9 million (0.3%) to \$2,592.2 million on a quarterly basis, while the public corporations’ debt stock was reduced by \$75.5 million (7.9%) to \$881.3 million.

Compared to the final quarter of 2017, total foreign currency debt service payments normalised to \$198.9 million from \$514.0 million a year earlier, when significant refinancing operations occurred. Underlying this outturn, Government’s debt service payments narrowed sharply to \$58.7 million from \$485.5 million in 2017, as amortization payments were retrenched to a mere \$7.7 million from \$457.7 million in the prior year, overshadowing the \$23.2 million (83.7%) rise in interest outlays to \$51.0 million. In contrast, public corporations’ debt service payments increased significantly to \$140.2 million from \$28.6 million, amid a refinancing shift into Bahamian dollar obligations. As a result, amortization payments expanded by \$108.7 million to \$122.0 million, while interest payments grew by \$3.0 million (19.4%) to \$18.2 million.

A breakdown by credit profile, showed that private capital market investors held the largest share of foreign currency debt (47.5%), followed by other non-resident entities (32.5%), banks (9.6%), multilateral institutions (8.1%) and bilateral companies (2.3%). A breakdown by currency type, showed that the majority of the stock was denominated in United States dollars (85.3%), while Swiss Francs, euros and the Chinese Yuans represented relatively smaller portions of 6.6%, 5.9%, and 2.3%, respectively. At end-December, the average age of the outstanding foreign currency debt stood at 9.3 years, a decline from the 11.0 years in 2017 and an average of 11.9 years over the last five years.

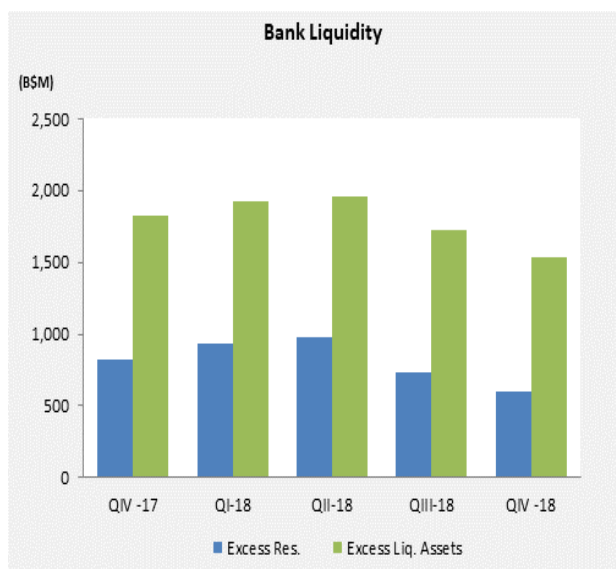
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Monetary developments during the fourth quarter were marked by declines in both bank liquidity and external reserves, a reversal from the significant increases recorded in the prior year, when Government received the net proceeds from its external bond issue. This outturn reflected the traditional increase in foreign currency demand during the latter half of the year, while the underlying balance sheet trends featured an expansion in domestic credit, which contrasted with a fall in deposits. Meanwhile, banks' credit quality indicators continued to improve over the review period, supported by the modest growth in economic activity, alongside on-going debt restructuring activities and loan write-offs. The latest performance indicators available for the third quarter of 2018, showed an improvement in overall bank profitability, attributed to reductions in provisions for bad debts and operating outlays. In addition, the weighted average interest rate spread narrowed, reflecting a decrease in the average lending rate, while the average deposit rate remained unchanged.

LIQUIDITY

Net free cash reserves of the banking system declined by \$126.1 million (17.3%) to \$602.5 million, a reversal from 2017's \$43.8 million (5.6%) growth—and represented a lower 9.3% of total Bahamian dollar deposits, vis-à-vis 12.3% in the preceding year. Largely reflecting a drawdown in banks' balances with the Central Bank, the broader surplus liquid assets contracted by \$195.8 million (11.3%) to \$1,533.2 million, a turnaround from the prior year's \$163.9 million (9.9%) expansion. At end-December, the surplus liquid assets stood at 137.4% above the statutory minimum, relative to 161.9% in the previous year.



DEPOSITS AND MONEY

The overall money supply (M3), contracted by \$116.3 million (1.6%) to \$6,981.6 million, a reversal from a \$24.9 million (0.4%) increase in the prior year. In terms of the components, growth in narrow money (M1) moderated to \$17.1 million (0.6%), from \$47.4 million (1.8%) a year earlier, as the public sector-led gains in demand deposits slowed to \$13.6 million (0.6%), from \$39.2 million (1.7%) in 2017. In addition, accretions to currency in active circulation narrowed to \$3.5 million (1.1%), from \$8.3 million (2.9%) in the prior year. Further, broad money (M2) declined by \$6.3 million (0.1%), vis-à-vis an expansion of \$32.1 million (0.5%) in the previous period, with the \$33.4 million (1.3%) private sector-led reduction in fixed deposits,

overshadowing the \$10.0 million (0.7%) increase in savings balances. Further, the contraction in foreign currency deposits broadened to \$110.0 million (28.8%), from \$7.2 million (2.5%) in the prior period, attributed to reductions in both private and public sector balances.

A breakdown by component, revealed that Bahamian dollar fixed deposits constituted the largest share of the money stock (36.6%), followed by demand balances (34.6%) and savings deposits (20.4%). In addition, currency in active circulation and residents' foreign currency deposits accounted for significantly smaller shares of 4.4% and 3.9%, respectively.

DOMESTIC CREDIT

Led by an expansion in net claims on the Government, total domestic credit grew by \$57.4 million (0.6%) during the fourth quarter, following a \$372.6 million (4.0%) contraction in 2017. The dominant Bahamian dollar component—which comprised the majority (95.5%) of the total—increased by \$51.1 million (0.6%), vis-à-vis a \$358.2 million (4.1%) reduction in the previous year, when Government utilized external debt proceeds to reduce outstanding domestic debt obligations. Similarly, foreign currency credit rose by \$6.3 million (1.6%), compared to a \$14.4 million (3.6%) decrease in the preceding year.

An analysis by sector, showed that banks' net claims on the Government firmed by \$48.3 million (1.9%), a reversal from a \$310.0 million (11.5%) contraction in 2017 when financing out of domestic debt occurred. Similarly, claims on the private sector grew by \$8.4 million (0.1%), contrasting with a \$42.9 million (0.7%) decline in the preceding year. Further, credit to the rest of the public sector edged-up by \$0.7 million (0.1%), after a reduction of \$19.6 million (4.0%) in the previous period.

A disaggregation of the various private sector categories, revealed that personal loans—which represented the largest share (79.2%) of total Bahamian dollar claims—decreased by \$17.9 million (0.4%), a slowdown from last year's \$28.2 million (0.6%) reduction and an average decline of 0.8% over the five-year period. Underlying this outturn, consumer loans decreased by \$22.1 million (1.0%), while overdrafts and residential mortgages grew by \$2.3 million (4.5%) and \$1.8 million (0.1%), respectively.

A further breakdown of consumer credit, showed that net repayments were recorded for debt consolidation (\$17.4 million), education (\$5.2 million), land purchases (\$2.8 million), private cars (\$2.1 million) and home improvement (\$1.1 million), while more muted declines of less than \$1.0 million occurred for furnishings & domestic appliances and commercial vehicles. In contrast, net lending grew for "miscellaneous" purposes (\$3.3 million) and credit cards (\$2.9 million), with smaller gains of under \$1.0 million being recorded for travel, medical and taxis & rented cars.

Distribution of Bank Credit By Sector				
(End-Dec)				
	2018		2017	
	B\$M	%	B\$M	%
Agriculture	3.5	0.1	6.5	0.1
Fisheries	3.0	0.0	2.4	0.0
Mining & Quarrying	1.7	0.0	2.0	0.0
Manufacturing	36.6	0.5	34.9	0.5
Distribution	245.1	3.7	200.5	3.0
Tourism	10.6	0.2	11.0	0.2
Enter. & Catering	48.2	0.7	48.5	0.7
Transport	44.7	0.7	33.7	0.5
Construction	290.4	4.4	275.1	4.2
Government	564.4	8.5	442.2	6.7
Public Corps.	248.6	3.7	201.9	3.1
Private Financial	23.7	0.4	18.4	0.3
Prof. & Other Ser.	42.5	0.6	36.8	0.6
Personal	4,989.7	74.8	5,120.0	77.5
Miscellaneous	121.3	1.8	174.0	2.6
TOTAL	6,674.1	100.0	6,607.9	100.0

The remaining private sector loan categories featured net lending for “miscellaneous” purposes (\$10.8 million), manufacturing (\$7.2 million), distribution (\$5.4 million), private financial institutions (\$1.7 million), construction (\$0.7 million) and entertainment & catering (\$0.4 million). Conversely, net repayments were registered for professional & other services (\$4.0 million) and fisheries (\$1.8 million). Further, smaller contractions of under \$1.0 million were noted for tourism, transport, agriculture and mining & quarrying.

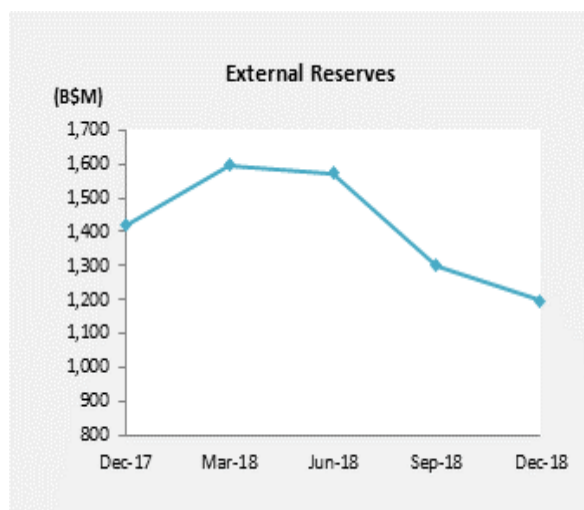
MORTGAGES

According to data provided by commercial banks, insurance companies and the Bahamas Mortgage Corporation, during the fourth quarter the total value of mortgages outstanding was relatively stable at \$3,057.3 million, following last year’s \$77.6 million (2.5%) reduction, when one bank sold a portion of its mortgage portfolio to a private firm. The decline in the dominant residential component—at 94.0% of the total—narrowed to \$7.9 million (0.3%), from \$10.3 million (0.4%) in the prior period, for an ending balance of \$2,872.7 million. In contrast, the commercial component grew by \$8.1 million (4.6%) to \$184.6 million, compared to a \$67.3 million (27.6%) contraction in 2017. At end-December, the largest proportion of outstanding mortgages continued to be held by domestic banks (87.8%), followed by insurance companies and the Bahamas Mortgage Corporation at 6.7% and 5.5%, respectively.

THE CENTRAL BANK

Reflecting mainly increased holdings of Treasury bills, the Central Bank’s net claims on the Government grew by \$67.7 million (16.8%) during the fourth quarter, relative to 2017’s \$373.0 million (48.9%) contraction, when part proceeds from the external bond issue were utilized to reduce domestic debt. Further, due to an increase in deposits by public enterprises, the Bank’s net liability to the rest of the public sector expanded by \$37.4 million (126.4%), a reversal from the prior year’s \$4.4 million (32.1%) reduction. Reflecting the decline in deposit balances, the Bank’s net liabilities to commercial banks contracted by \$60.4 million (6.1%), vis-a-vis a \$1.2 million (0.1%) uptick in the prior year.

Amid the seasonal increase in foreign currency demand in the latter half of the year to facilitate consumer-related imports, external reserves contracted by \$105.1 million (8.1%) to \$1,195.6 million, vis-à-vis a debt-supported \$383.6 million (37.1%) expansion in the prior year. In particular, the Central Bank’s foreign exchange transactions reversed to a net sale of \$112.7 million, from a net purchase of \$373.8 million in the comparative 2017 period, as the Bank recorded a net sale of \$36.3 million to the Government, following a net purchase of \$469.2 million a year earlier. Further, the public corporations’ net sale—mainly for fuel purchases—accelerated by \$35.3 million (42.1%) to \$119.3 million. In contrast, the Bank purchased a net of \$42.9 million from commercial banks, a turnaround from a net sale of \$11.3 million in the previous year.



At end-December, the stock of external reserves was equivalent to an estimated 17.7 weeks of the current year’s merchandise imports (inclusive of oil purchases), a reduction from the 21.9 weeks recorded in the corresponding period of 2017. After adjusting for the 50% statutory requirement on the Central Bank’s Bahamian dollar liabilities, “useable” reserves narrowed by \$148.0 million, year-on-year, to \$522.3 million.

DOMESTIC BANKS

Domestic banks' net foreign liabilities grew by \$95.1 million (58.6%) during the fourth quarter, extending the prior year's \$9.6 million (3.8%) uptick, amid an increase in credit and a falloff in deposits.

On the domestic side, total credit contracted by \$10.2 million (0.1%), versus a \$0.6 million increase a year earlier. Specifically, underpinned by a reduction in holdings of short and long-term debt, net claims on the Government decreased by \$19.4 million (0.9%), a reversal from a \$63.0 million (3.3%) advance in the prior year. Conversely, credit to public corporations firmed marginally by \$0.8 million (0.2%), after a \$19.4 million (4.0%) decline in 2017. Similarly, private sector credit grew by \$8.4 million (0.1%), a reversal from last year's \$42.9 million (0.7%) contraction.

Banks' total deposit liabilities—inclusive of Government balances—were reduced by \$164.4 million (2.4%) to \$6,786.0 million, after expanding by \$20.8 million (0.3%) in the prior year. In the underlying components, public corporations' balances contracted by \$54.8 million (11.5%), from \$11.4 million (3.2%) in the previous year. Similarly, Government's deposits fell by \$7.4 million (3.8%), exceeding the \$0.4 million (0.2%) decline in 2017. Further, private sector balances decreased by \$102.1 million (1.6%), to reverse the prior period's \$32.6 million (0.5%) gain.

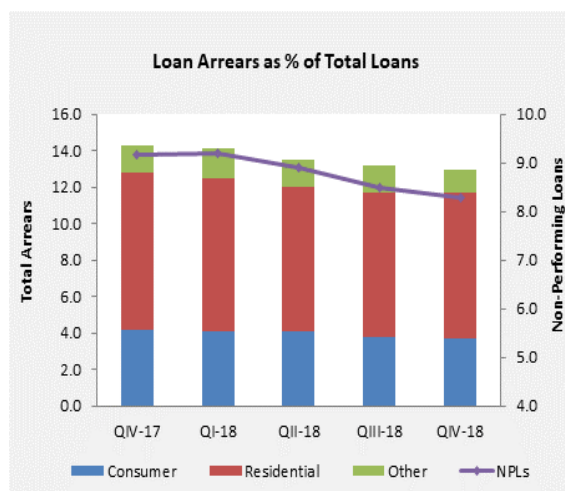
At end-December, the majority of deposit liabilities remained denominated in Bahamian dollars (95.9%), while US dollars and other foreign currency placements accounted for the remaining 4.0% and 0.1%, respectively. An analysis by holder, showed that private individuals held the bulk (50.4%) of total local currency accounts, followed by business firms (29.1%), private financial institutions (6.9%), public corporations (5.1%), non-profit organizations (4.8%), the Government (2.9%) and public financial institutions (0.9%).

Disaggregated by account type, fixed balances represented the largest share (40.0%) of deposits, followed by demand (38.1%) and savings (21.9%). By range of value and number, the majority of accounts (87.8%), held Bahamian dollar balances of less than \$10,000, but comprised a mere 5.9% of the total value. Accounts with balances between \$10,000 and \$50,000 constituted 7.9% of the total number and 10.9% of the overall value, while deposits in excess of \$50,000 represented 4.4% of the total, but a dominant 83.2% of the aggregate value.

CREDIT QUALITY

Banks' credit quality indicators have been improving over the last 5 years and further gains were noted during the fourth quarter, supported by the strengthening in economic conditions, on-going debt restructuring activities, as well as loan write-offs. Total private sector loan arrears declined by \$2.0 million (0.3%) over the three-month period, and by \$75.0 million (8.5%), year-on-year, to \$809.8 million. Consequently, the ratio of arrears to total private sector loans moved lower by 0.1 and 1.2 percentage points, on a quarterly and annual basis, respectively, to 14.3%.

A disaggregation by the average age, showed that the value of non-performing loans (NPLs)—arrears in excess



of 90 days and on which banks stopped accruing interest—contracted by \$7.5 million (1.4%) to \$517.0 million during the review quarter, with the attendant ratio declining by 14 basis points to 9.1% of total private sector loans. In contrast, the short-term (31-90 day) segment grew by \$5.4 million (1.9%) to \$292.9 million, resulting in the corresponding ratio increasing by 9 basis points to 5.2% of total private sector loans.

A breakdown of the various components showed that the reduction in total private sector loan arrears was led by an \$8.4 million (9.3%) decrease in the commercial segment to \$81.1 million, resulting in the relevant ratio contracting by 1.4 percentage points to 10.4%. Similarly, consumer arrears fell by \$3.7 million (1.6%) to \$229.3 million, as the associated ratio declined by 8 basis points to 10.2% of total private sector loans. In contrast, mortgage delinquencies—which comprised a dominant 61.7% of the total—rose by \$10.0 million (2.0%) to \$499.4 million, as the attendant ratio firmed by 37 basis points to 18.8%.

CAPITAL AND PROVISIONS

Banks' capital levels remained elevated during the fourth quarter, as the average ratio of capital to risk-weighted assets stabilized at 33.2%—well in excess of the Bank's regulatory prescribed target and trigger ratios of 17.0% and 14.0%, respectively. Banks further increased their total provisions for loan losses by \$13.9 million (3.3%) to \$438.5 million. As a result, the corresponding ratios of provisions to both NPLs and total arrears firmed by 3.9 and 1.9 percentage points, to 84.8% and 54.2%, respectively. Banks also wrote-off a total of \$30.5 million in delinquent loans and recovered approximately \$6.0 million during the review quarter.

BANK PROFITABILITY

Banks' overall profitability improved by 22.4% (\$13.0 million) to \$71.1 million during the third quarter of 2018—the latest available data—in comparison to the corresponding period of the prior year. This outturn reflected in large measure, a sharp decline in provisions for bad debts. An analysis of the components, revealed that the net interest margin decreased by 3.1% to \$133.7 million, as the 4.5% falloff in interest income to \$147.2 million, overshadowed the 16.2% reduction in interest expense to \$13.5 million. However, a 4.9% rise in commission & foreign exchange fees to \$7.2 million, slowed the reduction in the gross earnings margin to 2.7%, for an ending balance of \$140.9 million.

In terms of expenditure, banks' aggregate operating outlays decreased by 3.6% to \$88.0 million, due primarily to an 8.0% contraction in other "miscellaneous" operating costs to \$43.1 million—including professional and rental expense. In contrast, both occupancy outlays and staff expenses grew by 4.7% and 0.3% to \$7.1 million and \$37.8 million, respectively. Further, net profit from domestic banks' "non-core" operations, increased over four-fold to \$18.3 million, from \$4.6 million in the prior year, as higher fee-based income fuelled the 14.9% growth in other "non-interest" earnings, while both provisions for bad debt and depreciation costs declined by 37.1% and 20.6%, respectively.

An analysis of profitability ratios relative to average assets, showed that the gross earnings margin ratio narrowed by 10 basis points to 5.50%, as the 12 basis points decrease in the interest margin to 5.22%, outpaced the 1 basis point rise in the commission & foreign exchange ratio to 0.28%. However, the operating cost ratio declined by 10 basis points to 3.44%, almost stabilising the net earnings margin at 2.06%. After accounting for reductions in bad debt provisions and depreciation costs, the net income ratio firmed by 52 basis points to 2.77%.

INTEREST RATES

During the review quarter, the commercial banks' weighted average interest rate spread narrowed by 50 basis points to 10.29 percentage points, due solely to a decline in the weighted average lending rate to 11.11%, while the corresponding deposit rate remained unchanged at 0.82%.

In terms of deposits, the average rate on savings balances fell by 16 basis points to 0.50%, while the average range of interest earned on fixed balances moved lower to 0.58% – 1.10%, from 0.53% - 1.06% in the previous quarter. In contrast, the rate offered on demand balances firmed by 4 basis points to 0.29%.

With regard to lending, the average rate for commercial mortgages and overdrafts decreased by 1.3 and 0.8 percentage points to 7.38% and 9.65%, respectively. In addition, the respective average rates for consumer loans and residential mortgages narrowed by 18 and 2 basis points, to 13.35% and 5.33%.

With regard to other key interest rates, the average 90-day Treasury bill rate fell by 3 basis points to 1.59%, while the Central Bank's Discount rate and the commercial banks' Prime rate were unchanged at 4.00% and 4.25%, respectively.

Banking Sector Interest Rates			
Period Average (%)			
	Qtr. IV	Qtr. III	Qtr. IV
	<u>2017</u>	<u>2018</u>	<u>2018</u>
Deposit Rates			
Demand Deposits	0.25	0.25	0.29
Savings Deposits	0.72	0.66	0.50
Fixed Deposits			
Up to 3 months	0.88	0.59	0.58
Up to 6 months	0.62	0.53	0.75
Up to 12 months	1.14	1.06	0.79
Over 12 months	1.57	1.01	1.10
Weighted Avg. Dep. Rate	1.03	0.82	0.82
Lending Rates			
Residential mortgages	5.50	5.35	5.33
Commercial mortgages	7.75	8.71	7.38
Consumer loans	13.64	13.53	13.35
Other Local Loans	7.35	7.35	7.96
Overdrafts	10.94	10.42	9.65
Weighted Avg. Loan Rate	11.48	11.61	11.11

CAPITAL MARKETS DEVELOPMENTS

During the fourth quarter, activity on the domestic capital market was relatively subdued. The volume of shares traded on the exchange contracted by 23.7% to 1,308,443, extending the 1.4% decrease in 2017. Correspondingly, the aggregate value of shares traded fell by 22.1% to \$6.4 million; although a slowdown from the 44.7% decline in the previous year.

Reflecting broad-based gains in share prices, the Bahamas International Securities Exchange (BISX) Index increased by 2.2% to 2,109.45 points, although below last year's 6.5% growth. Similarly, market capitalization rose modestly by 0.9% to \$5.4 billion, compared to a gain of 6.4% a year earlier.

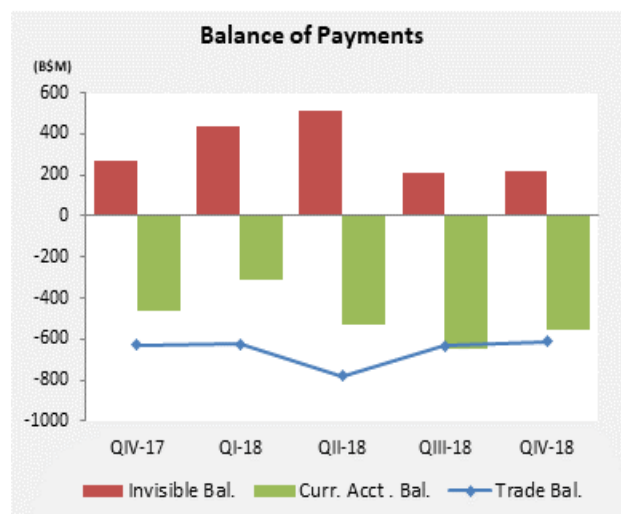
In terms of the market participants, as at end-December, the number of publicly traded securities listed on the exchange decreased by 1 to 51, and comprised 19 ordinary share listings, 13 preference shares and 19 debt tranches.

INTERNATIONAL TRADE AND PAYMENTS

Provisional estimates for the fourth quarter of 2018 showed that the current account deficit deteriorated by \$95.1 million (20.6%) to \$556.3 million, in comparison to the prior year. Underlying this outturn was a rise in net income outflows and a reduction in the services account surplus. In contrast, the surplus on the capital and financial account narrowed to \$142.1 million, from \$597.2 million in the previous year, owing in large measure to a reversal in net public sector transactions to a net outflow, vis-à-vis a net receipt in 2017.

The estimated merchandise trade deficit narrowed by \$15.4 million (2.4%) to \$613.2 million, reflecting a \$33.1 million (25.1%) growth in exports to \$164.9 million, which overshadowed a \$17.8 million (2.3%) increase in imports to \$778.0 million. In terms of the composition, net non-oil imports fell by \$46.9 million (8.7%) to \$489.7 million. Conversely, payments for fuel imports rose by \$46.8 million (37.1%) to \$173.2 million, due in large measure to a rise in volume. An analysis of the fuel component showed that the average cost for jet fuel rose by 43.1% to \$91.13 and for propane, by 2.3% to \$60.46 per barrel; however, the average cost of gas oil decreased by 13.0% to \$61.54; aviation gas, by 6.0% to \$136.31 and motor gas, by 0.8% to \$85.51 per barrel.

The estimated surplus on the services account contracted by \$46.7 million (17.5%) to \$220.7 million, as other “miscellaneous” service payments expanded by \$80.5 million (41.7%) to \$273.5 million. In addition, net outflows for Government services firmed to \$29.6 million, from \$1.5 million in the prior year, owing primarily to an increase in disbursements for resident Government operations. Further, net outflows for transportation services rose by \$10.7 million (10.9%) to \$108.9 million, due mainly to a rise in external payments for passenger services, while net outflows for insurance services advanced by \$9.7 million (27.6%) to \$44.9 million, attributed to an increase in non-merchandise insurance payments. Providing some offset, net travel receipts grew by \$81.0 million (13.9%) to \$664.9 million, reflecting ongoing gains in tourism. In addition, construction services net outflows fell by \$1.4 million (7.6%) to \$17.1 million, while net external payments for royalty & license fees, edged-down by \$0.4 million (15.4%) to \$2.0 million. Further, net receipts related to offshore companies’ local expenses stabilized at \$32.0 million.



The estimated deficit on the income account advanced by \$59.0 million (72.9%) to \$139.9 million. Underlying this outturn was a \$44.3 million (61.3%) increase in net investment income outflows to \$116.5 million, as net outflows for official transactions more than doubled to \$46.1 million from \$22.6 million a year earlier, largely due to a rise in public sector interest payments on external debt. In addition, other private interest and dividend payments rose by \$20.8 million (41.8%) to \$70.4 million, as repatriations by both banks and other private entities increased. Similarly, labour income remittances advanced to \$23.3 million from \$8.6 million in the previous year.

Current transfer payments rose by \$4.8 million (25.2%) to \$24.0 million, occasioned by an expansion in the private sector net payments by \$6.0 million (13.6%) to \$50.0 million, as other transfers reversed from a net inflow a year earlier to a net outflow, to overshadow the decline in net workers’ remittances. Conversely, Government’s net transfer receipts increased by \$1.1 million (4.6%) to \$26.0 million.

The reduction in the capital and financial account surplus was due primarily to a contraction in mainly public debt financing inflows to \$108.5 million from \$558.7 million a year earlier. In particular owing largely to the public sector’s external debt transactions switched to a net repayment of \$62.3 million, from a net receipt of \$492.3 million in the prior year, when Government issued its external bond. In contrast, domestic banks’ short-term transactions reversed to a net receipt of \$95.1 million from a net outflow of \$3.3 million

in the previous year. Further, other private sector “loan-based” financing increased by \$6.0 million (8.6%) to \$75.7 million.

Net direct investment inflows contracted by \$8.1 million (16.7%) to \$40.3 million, as equity financed activity advanced to \$17.3 million from just \$4.2 million a year ago, offsetting the \$4.9 million increase in receipts from land sales to \$57.6 million. In the meantime, residents’ net outward portfolio investments decreased by \$1.4 million (25.5%) to \$4.1 million, while migrants’ net remittance outflows declined by \$1.8 million (41.0%) to \$2.6 million.

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 Central Banks’ external reserves, registered a deficit of \$104.5 million, a turnaround from a surplus of \$380.1 million in the fourth quarter of 2017.

INTERNATIONAL ECONOMIC DEVELOPMENTS

Despite the partial Government shutdown in the United States and the ongoing US-China trade dispute, indications are that the momentum in global growth was maintained over the review period. In this environment, labour market conditions continued to improve, while inflation stayed relatively subdued, reflecting the reduction in international oil prices. Against this backdrop, most of the major central banks maintained their accommodative monetary policy stance, with the United States’ Federal Reserve among the exception, with sustained tightening.

The major economies maintained their positive growth trends during the fourth quarter. In the United States, the expansion in real GDP slowed to an annualized 2.6%, from 3.4% in the prior three-month period, as the partial closure of several major government offices following the budget impasse among policy makers, led to decreases in Federal, state and local Government spending. In addition, declines were also recorded for private inventory investment and personal consumption expenditures. Similar trends were noted for the United Kingdom, as real output growth softened to 0.2% from 0.6% in the third quarter, underpinned by declines in the production and construction sectors. In the euro area, real GDP expanded mildly by 0.2% in the fourth quarter, in line with the previous period’s advance, as growth in the dominant German economy stalled and Italy entered into a recession. In Asia, China’s quarterly GDP growth moderated to an annualized 6.4% in the final quarter of 2018, from 6.5% in the prior three-month period, due to a falloff in the service and agricultural sectors’ output, amid trade tensions with the United States and weak domestic demand. However, Japan recorded a 0.3% expansion during the review quarter, a reversal from a 0.7% contraction in the prior period, as both business investment and consumer spending recovered from the recent natural disasters.

Buoyed by sustained positive economic developments in the major economies, labour market conditions continued to improve over the review quarter. Specifically, in the United States, non-farm payrolls increased by an estimated 695,000, due mainly to gains in the hospitality, healthcare and business & professional services sectors; although corresponding gains in the labor force, led to the jobless rate remaining unchanged at 3.8% over the review quarter. Further, the United Kingdom’s unemployment rate fell by 10 basis points to 4.0% in the fourth quarter—the lowest level recorded since February 1975—as the number of employed persons rose by 167,000. The relevant rate in the euro area also narrowed by 10 basis points to 7.9% during the final quarter, over the prior three-month period. Similar trends were recorded in Asia, as the jobless rate in Japan edged-down by 10 basis points during the review period to 2.4%, reflecting in part a reduction in labor force participation, which offset the 590,000 decrease in non-farm payrolls. In addition, China’s jobless rate narrowed by 10 basis points to an annualized 4.9% in the December quarter.

Inflationary pressures remained relatively subdued during the fourth quarter, underpinned by declines in energy costs in the latter months of the year. In the United States, the annualized inflation rate moderated to 1.9% in December, from 2.3% in the September quarter, attributed to reductions in fuel and gasoline prices. Similarly, decreases in the costs for petrol and airfares led to the United Kingdom's annualized inflation rate softening by 30 basis points to 2.1% over the prior quarter. In addition, the annualized inflation rate in the euro area narrowed by 50 basis points to 1.6% in the last three months of the year, as price gains for energy and food tapered. Further, consumer price inflation in Japan slowed to 0.3% year-on-year in December, from an annualized 1.2% in September, supported in large measure by decreases in food, housing and transportation costs. In China, the growth in inflation moderated by 60 basis points over the previous quarter, to a year-on-year rate of 1.9% in December.

Foreign currency market developments relative to the US dollar were mixed during the review quarter, but with the currency's "safe haven" status evident given the volatile global financial markets, including "Brexit" uncertainties. The dollar strengthened relative to the Canadian dollar by 5.6%, to CAD\$1.36, vis-à-vis the British pound, by 2.1% to £0.7837 and the euro, by 1.2% to €0.8719. In addition, the dollar increased slightly versus the Chinese Yuan, by 0.1% to CNY6.8785. In contrast, the currency depreciated relative to the Japanese Yen, by 3.5% to ¥109.70, and against the Swiss Franc, by 1 basis point to CHF0.9816.

Global equity markets recorded broad-based losses during the fourth quarter, amid investors' concerns over several geopolitical risks. As a consequence, in the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 index fell sharply by 11.8% and 14.0%, respectively—representing one of the worst fourth quarter performances since the Great Depression. In Europe, declines were also noted for France's CAC 40 (13.9%), Germany's DAX (13.8%) and the United Kingdom's FTSE 100 (10.4%). Similarly, in Asia, Japan's Nikkei contracted by 17.0%, while China's SE Composite decreased by 11.6%.

Reflecting the softening in global demand and concerns about the build-up in inventories, the price of oil contracted by 19.8% to \$62.66 per barrel over the three-month period. In contrast, the cost of precious metals rose, as investors increased their holdings of "less risky" assets. Specifically, the price of gold grew by 7.5% to \$1,282.45 per troy ounce, while the cost of silver rose by 5.4% to \$15.50 per troy ounce.

External sector trade balances recorded mostly deterioration during the fourth quarter. The United States' trade deficit widened by \$5.2 billion (3.3%) to \$166.4 billion, over the previous three-month period, as imports rose by 0.3% to \$791.0 billion, while exports contracted by 0.4% to \$624.6 billion. Similarly, the United Kingdom's trade deficit rose by £0.9 billion to £10.4 billion, over the prior quarter, owing primarily to a £1.8 billion increase in imports of mainly machinery, transport equipment and chemicals, which outstripped the £1.0 billion rise in exports. In Japan, the trade balance reversed to a deficit of ¥56.7 billion, from a ¥126.5 billion surplus in the previous quarter, as gains in imports—of mainly fuel—contrasted with a reduction in exports. Meanwhile, amid the rise in tariffs on a number of exports to the United States and the slowdown in economic growth, China's trade surplus fell by US\$1.5 billion to \$29.9 billion in the fourth quarter. In contrast, the euro area's trade surplus expanded to €45.1 billion in the fourth quarter from €41.5 billion in the prior period, supported by a 1.1% gain in exports, which overshadowed the 0.5% increase in imports.

Amid a climate of heightened trade tensions and concerns over a slowdown in global economic growth, most of the major central banks either maintained or enhanced their accommodative monetary policy stances during the review period. Specifically, in Europe, the Bank of England retained its key policy rate at 0.75% and sustained its asset purchase programme at £435.0 billion. Similarly, the European Central Bank

left its main interest rates at historic lows, and kept its asset purchase programme at €30.0 billion per month. In Asia, the Bank of Japan maintained its Government bond purchase programme in order to retain 10-year yields at 0.0% and continued with its policy of applying a -0.1% short-term interest rate on balances in current accounts held by financial institutions at the Bank, in an effort to stimulate consumer lending. Further, the People's Bank of China maintained the reserve requirement ratio for both large and small-scale supervised financial institutions at 17.0% and 15.0%, respectively. In contrast, amid positive labor market developments and mild inflation, the Federal Reserve continued to “normalize” its policy rate by increasing the target range for the federal funds rate by 25 basis points to 2.25%-2.50% in December.

STATISTICAL APPENDIX (TABLES I-16)

**TABLE 1
FINANCIAL SURVEY**

Period	2014	2015	2016	2017				2018			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
(B\$ Millions)											
Net foreign assets	286.4	280.2	678.5	607.3	739.5	778.5	1,152.5	1,376.7	1,300.4	1,138.4	938.1
Central Bank	787.7	811.9	904.0	920.5	960.0	1,033.9	1,417.4	1,596.9	1,572.1	1,300.7	1,195.6
Domestic Banks	(501.2)	(531.7)	(225.4)	(313.2)	(220.5)	(255.3)	(265.0)	(220.2)	(271.7)	(162.4)	(257.4)
Net domestic assets	6,103.7	6,093.7	6,251.4	6,277.6	6,403.0	6,233.6	5,884.6	5,766.5	5,857.1	5,959.1	6,043.2
Domestic credit	8,870.5	8,966.2	9,128.4	9,116.4	9,285.7	9,211.0	8,838.3	8,730.9	8,808.6	8,861.1	8,918.4
Public sector	2,503.6	2,666.4	2,957.6	2,936.4	3,128.7	3,185.2	2,855.5	2,767.6	2,875.8	2,976.1	3,025.0
Government (net)	2,024.0	2,198.0	2,551.4	2,540.2	2,741.6	2,693.0	2,383.0	2,318.6	2,392.0	2,490.9	2,539.3
Rest of public sector	479.7	468.4	406.3	396.1	387.0	492.1	472.5	449.1	483.9	485.2	485.8
Private sector	6,366.9	6,299.7	6,170.8	6,180.1	6,157.0	6,025.8	5,982.9	5,963.3	5,932.7	5,885.0	5,893.4
Other items (net)	(2,766.8)	(2,872.4)	(2,877.0)	(2,838.8)	(2,882.7)	(2,977.4)	(2,953.7)	(2,964.4)	(2,951.4)	(2,902.0)	(2,875.2)
Monetary liabilities	6,390.0	6,373.8	6,930.1	6,885.2	7,142.8	7,012.4	7,037.3	7,145.4	7,159.1	7,097.9	6,981.7
Money	1,995.7	2,071.2	2,460.6	2,430.2	2,659.3	2,606.6	2,654.0	2,753.6	2,774.0	2,712.3	2,729.4
Currency	232.8	246.6	280.5	281.5	294.1	284.3	292.6	302.0	312.1	306.9	310.5
Demand deposits	1,762.9	1,824.7	2,180.1	2,148.7	2,365.2	2,322.3	2,361.5	2,451.7	2,461.9	2,405.3	2,418.9
Quasi-money	4,394.3	4,302.6	4,469.5	4,455.0	4,483.5	4,405.8	4,383.3	4,391.8	4,385.1	4,385.6	4,252.3
Fixed deposits	3,101.9	2,966.5	2,866.3	2,840.5	2,779.3	2,756.4	2,737.9	2,710.3	2,648.0	2,585.7	2,552.3
Savings deposits	1,067.5	1,148.3	1,295.6	1,316.7	1,380.9	1,368.1	1,371.2	1,395.3	1,425.3	1,417.5	1,427.5
Foreign currency	224.8	187.8	307.6	297.8	323.3	281.3	274.1	286.1	311.8	382.4	272.4
(percentage changes)											
Total domestic credit	(1.0)	1.1	1.8	(0.1)	1.9	(0.8)	(4.0)	(1.2)	0.9	0.6	0.6
Public sector	4.1	6.5	10.9	(0.7)	6.5	1.8	(10.4)	(3.1)	3.9	3.5	1.6
Government (net)	4.0	8.6	16.1	(0.4)	7.9	(1.8)	(11.5)	(2.7)	3.2	4.1	1.9
Rest of public sector	4.4	(2.4)	(13.3)	(2.5)	(2.3)	27.2	(4.0)	(4.9)	7.7	0.3	0.1
Private sector	(2.8)	(1.1)	(2.0)	0.1	(0.4)	(2.1)	(0.7)	(0.3)	(0.5)	(0.8)	0.1
Monetary liabilities	1.2	(0.3)	8.7	(0.6)	3.7	(1.8)	0.4	1.5	0.2	(0.9)	(1.6)
Money	21.6	3.8	18.8	(1.2)	9.4	(2.0)	1.8	3.8	0.7	(2.2)	0.6
Currency	8.6	5.9	13.7	0.4	4.5	(3.3)	2.9	3.2	3.3	(1.6)	1.1
Demand deposits	23.6	3.5	19.5	(1.4)	10.1	(1.8)	1.7	3.8	0.4	(2.3)	0.6
Quasi-money	(6.0)	(2.1)	3.9	(0.3)	0.6	(1.7)	(0.5)	0.2	(0.2)	0.0	(3.0)

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

Period	2014	2015	2016	2017				2018			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
(B\$ Millions)											
Net foreign assets	334.2	360.1	730.5	675.8	790.1	828.9	1,218.0	1,450.2	1,398.9	1,199.2	993.0
Central Bank	787.7	811.9	904.0	920.5	960.0	1,033.9	1,417.4	1,596.9	1,572.1	1,300.7	1,195.6
Commercial banks	(453.5)	(451.8)	(173.5)	(244.6)	(169.9)	(204.9)	(199.5)	(146.7)	(173.2)	(101.5)	(202.6)
Net domestic assets	6,002.0	5,956.8	6,131.5	6,161.6	6,279.0	6,132.6	5,742.1	5,631.7	5,665.4	5,806.2	5,917.9
Domestic credit	8,837.0	8,926.2	9,097.0	9,074.4	9,239.6	9,184.4	8,808.7	8,697.6	8,778.3	8,830.3	8,873.7
Public sector	2,492.5	2,653.2	2,941.4	2,925.1	3,101.5	3,175.1	2,841.7	2,753.0	2,863.6	2,961.4	3,009.1
Government (net)	2,013.2	2,187.2	2,535.5	2,529.3	2,714.8	2,683.3	2,369.6	2,304.3	2,380.1	2,476.5	2,523.7
Rest of public sector	479.3	466.0	405.9	395.8	386.7	491.8	472.1	448.7	483.5	484.8	485.4
Private sector	6,344.5	6,273.0	6,155.6	6,149.4	6,138.2	6,009.3	5,967.0	5,944.6	5,914.7	5,868.9	5,864.5
Other items (net)	(2,834.9)	(2,969.4)	(2,965.5)	(2,912.9)	(2,960.6)	(3,051.8)	(3,066.6)	(3,065.9)	(3,112.8)	(3,024.1)	(2,955.7)
Monetary liabilities	6,336.1	6,316.8	6,862.1	6,837.8	7,069.4	6,961.8	6,960.3	7,084.1	7,065.9	7,005.8	6,911.2
Money	1,955.0	2,024.9	2,406.8	2,397.4	2,603.7	2,568.5	2,591.4	2,705.9	2,694.5	2,633.4	2,672.5
Currency	232.8	246.6	280.5	281.5	294.1	284.3	292.6	302.0	312.1	307.0	310.5
Demand deposits	1,722.2	1,778.3	2,126.4	2,115.9	2,309.6	2,284.2	2,298.8	2,403.9	2,382.4	2,326.5	2,362.0
Quasi-money	4,381.1	4,291.9	4,455.3	4,440.4	4,465.7	4,393.4	4,368.8	4,378.3	4,371.5	4,372.4	4,238.8
Savings deposits	1,067.5	1,148.3	1,295.0	1,316.5	1,380.8	1,368.1	1,371.2	1,395.3	1,425.3	1,417.5	1,427.5
Fixed deposits	3,088.8	2,955.9	2,854.8	2,828.0	2,766.3	2,744.9	2,725.8	2,699.1	2,636.7	2,574.5	2,540.9
Foreign currency deposits	224.8	187.8	305.5	295.9	318.6	280.3	271.9	283.8	309.5	380.3	270.3
(percentage change)											
Total domestic credit	(1.0)	1.0	1.9	(0.2)	1.8	(0.6)	(4.1)	(1.3)	0.9	0.6	0.5
Public sector	4.0	6.4	10.9	(0.6)	6.0	2.4	(10.5)	(3.1)	4.0	3.4	1.6
Government (net)	3.9	8.6	15.9	(0.2)	7.3	(1.2)	(11.7)	(2.8)	3.3	4.1	1.9
Rest of public sector	4.4	(2.8)	(12.9)	(2.5)	(2.3)	27.2	(4.0)	(4.9)	7.7	0.3	0.1
Private sector	(2.9)	(1.1)	(1.9)	(0.1)	(0.2)	(2.1)	(0.7)	(0.4)	(0.5)	(0.8)	(0.1)
Monetary liabilities	1.1	(0.3)	8.6	(0.4)	3.4	(1.5)	(0.0)	1.8	(0.3)	(0.9)	(1.4)
Money	21.4	3.6	18.9	(0.4)	8.6	(1.4)	0.9	4.4	(0.4)	(2.3)	1.5
Currency	8.6	5.9	13.7	0.4	4.5	(3.3)	2.9	3.2	3.3	(1.6)	1.1
Demand deposits	23.3	3.3	19.6	(0.5)	9.2	(1.1)	0.6	4.6	(0.9)	(2.3)	1.5
Quasi-money	(5.9)	(2.0)	3.8	(0.3)	0.6	(1.6)	(0.6)	0.2	(0.2)	0.0	(3.1)

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B\$ Millions)

Period	2014	2015	2016	2017				2018			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Net foreign assets	787.7	811.9	904.0	920.5	960.0	1,033.9	1,417.4	1,596.9	1,572.1	1,300.7	1,195.6
Balances with banks abroad	155.2	206.6	254.8	251.6	286.0	340.4	698.5	783.9	740.0	422.7	375.8
Foreign securities	544.9	521.7	550.5	569.3	571.9	590.0	614.7	681.8	705.3	727.5	669.8
Reserve position in the Fund	9.1	8.7	25.9	26.2	26.8	27.3	27.5	28.0	27.1	26.9	26.8
SDR holdings	78.5	75.0	72.7	73.4	75.2	76.3	76.8	103.2	99.7	123.6	123.2
Net domestic assets	375.6	340.6	555.3	520.6	647.0	582.2	209.6	190.8	161.6	181.4	229.1
Net claims on Government	523.4	493.7	716.6	690.5	826.5	763.2	390.1	395.4	355.0	403.0	503.6
Claims	571.4	523.1	731.9	711.1	860.3	781.9	417.0	415.4	380.0	424.6	525.1
Treasury bills	119.7	126.6	223.9	202.1	357.5	317.8	7.2	-	(0.0)	54.9	155.7
Bahamas registered stock	316.5	261.1	372.6	373.4	367.1	328.3	274.5	279.8	244.3	248.7	249.0
Loans and advances	135.2	135.4	135.4	135.5	135.7	135.9	135.4	135.5	135.7	120.9	120.4
Deposits	(48.0)	(29.4)	(15.3)	(20.6)	(33.8)	(18.8)	(26.9)	(19.9)	(24.9)	(21.6)	(21.6)
In local currency	(48.0)	(29.4)	(15.3)	(20.6)	(33.8)	(18.8)	(26.9)	(19.9)	(24.9)	(21.6)	(21.6)
In foreign currency	-	-	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(26.0)	(17.3)	(12.6)	(15.7)	(19.3)	(21.8)	(17.2)	(27.5)	(25.2)	(37.4)	(74.6)
Credit to commercial banks	-	-	-	-	-	-	-	-	-	-	-
Official capital and surplus	(152.3)	(163.7)	(173.1)	(172.5)	(170.8)	(169.6)	(185.1)	(183.7)	(185.3)	(185.7)	(185.7)
Net unclassified assets	21.1	19.0	15.4	9.4	1.9	2.4	13.8	(1.5)	9.3	(6.3)	(21.8)
Loans to rest of public sector	4.2	3.7	3.6	3.7	3.4	3.0	2.8	2.8	2.6	2.6	2.5
Public Corp Bonds/Securities	5.2	5.2	5.3	5.3	5.3	5.2	5.2	5.2	5.2	5.2	5.2
Liabilities To Domestic Banks	(750.2)	(733.5)	(1,011.4)	(990.7)	(1,139.6)	(1,155.8)	(1,157.0)	(1,304.6)	(1,246.4)	(1,001.3)	(940.9)
Notes and coins	(142.5)	(142.4)	(145.1)	(97.6)	(93.7)	(94.4)	(145.8)	(101.2)	(95.7)	(99.9)	(149.2)
Deposits	(607.7)	(591.1)	(866.3)	(893.1)	(1,046.0)	(1,061.4)	(1,011.2)	(1,203.4)	(1,150.7)	(901.4)	(791.7)
SDR allocation	(180.3)	(172.4)	(167.3)	(168.9)	(173.3)	(176.0)	(177.4)	(181.1)	(175.3)	(173.9)	(173.3)
Currency held by the private sector	(232.8)	(246.6)	(280.5)	(281.5)	(294.1)	(284.3)	(292.6)	(302.0)	(312.1)	(306.9)	(310.5)

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(BS Millions)

Period	2014	2015	2016	2017				2018			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Net foreign assets	(501.2)	(531.7)	(225.4)	(313.2)	(220.5)	(255.3)	(265.0)	(220.2)	(271.7)	(162.4)	(257.4)
Net claims on Central Bank	749.2	730.0	1,012.4	991.7	1,140.6	1,156.7	1,158.0	1,305.5	1,247.3	1,002.2	941.8
Notes and Coins	142.5	142.4	145.1	97.6	93.7	94.4	145.8	101.2	95.7	99.9	149.2
Balances	606.7	587.5	867.3	894.0	1,046.9	1,062.4	1,012.2	1,204.3	1,151.6	902.3	792.6
Less Central Bank credit	-	-	-	-	-	-	-	-	-	-	-
Net domestic assets	5,537.6	5,569.8	5,483.7	5,563.5	5,567.8	5,442.6	5,483.6	5,366.3	5,451.1	5,435.0	5,488.3
Net claims on Government	1,500.5	1,704.4	1,834.8	1,849.8	1,915.2	1,929.9	1,992.9	1,923.1	2,036.9	2,088.0	2,035.7
Treasury bills	454.5	662.6	531.9	489.3	475.1	506.5	611.4	620.0	720.5	736.9	669.8
Other securities	907.0	895.4	987.1	1,055.5	1,105.9	1,094.3	1,137.7	1,105.2	1,095.9	1,058.7	990.9
Loans and advances	352.1	416.8	502.7	516.6	516.0	528.0	442.2	417.1	428.6	489.2	564.4
Less: deposits	213.1	270.5	186.9	211.7	181.8	198.9	198.5	219.1	208.1	196.8	189.4
Net claims on rest of public sector	124.6	117.6	31.0	41.2	36.7	121.7	113.6	76.9	80.9	(1.4)	54.2
Securities	219.0	221.0	163.9	163.9	163.9	275.7	262.6	243.6	231.6	229.5	229.5
Loans and advances	251.3	238.4	233.5	223.3	214.4	208.3	201.9	197.6	244.5	247.8	248.6
Less: deposits	345.7	341.8	366.4	346.0	341.6	362.3	350.8	364.3	395.1	478.7	423.9
Other net claims	24.8	43.9	(2.9)	1.0	(5.2)	(4.9)	(2.6)	(5.0)	(1.8)	5.5	(0.6)
Credit to the private sector	6,366.9	6,299.7	6,170.8	6,180.1	6,157.0	6,025.8	5,982.9	5,963.3	5,932.7	5,885.0	5,893.4
Securities	16.8	24.4	19.6	25.8	22.4	19.4	19.1	23.0	21.5	21.5	32.2
Mortgages	3,211.4	3,164.7	3,035.5	3,024.8	3,028.0	2,972.8	2,949.5	2,946.6	2,955.0	2,940.7	2,950.2
Loans and advances	3,138.7	3,110.7	3,115.7	3,129.4	3,106.6	3,033.7	3,014.3	2,993.6	2,956.2	2,922.8	2,910.9
Private capital and surplus	(2,499.2)	(2,651.2)	(2,594.4)	(2,580.9)	(2,639.7)	(2,693.6)	(2,699.3)	(2,684.1)	(2,647.5)	(2,647.4)	(2,642.6)
Net unclassified assets	20.0	55.5	44.5	72.5	103.7	63.8	96.2	92.3	49.8	105.2	148.3
Liabilities to private sector	5,785.5	5,768.1	6,270.7	6,242.0	6,487.9	6,344.0	6,376.6	6,451.7	6,426.7	6,274.8	6,172.7
Demand deposits	1,830.6	1,868.3	2,287.4	2,261.3	2,482.6	2,383.5	2,420.1	2,495.1	2,500.3	2,422.6	2,390.7
Savings deposits	1,074.1	1,162.0	1,315.0	1,335.1	1,400.9	1,386.1	1,390.4	1,416.6	1,443.9	1,435.0	1,444.0
Fixed deposits	2,880.8	2,737.8	2,668.3	2,645.7	2,604.3	2,574.3	2,566.1	2,540.0	2,482.4	2,417.3	2,338.0

Source: The Central Bank of The Bahamas

TABLE 5
PROFIT AND LOSS ACCOUNTS OF BANKS IN THE BAHAMAS*

(B\$'000s)

Period	2015	2016	2017	2017				2018		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
1. Interest Income	626,420	615,104	590,158	148,243	146,844	154,093	140,978	146,250	142,891	147,200
2. Interest Expense	85,414	78,359	66,322	18,688	16,236	16,146	15,252	14,159	15,693	13,537
3. Interest Margin (1-2)	541,006	536,745	523,836	129,555	130,608	137,947	125,726	132,091	127,198	133,663
4. Commission & Forex Income	29,530	24,842	28,537	7,417	6,993	6,854	7,273	7,192	7,499	7,193
5. Gross Earnings Margin (3+4)	570,536	561,587	552,373	136,972	137,601	144,801	132,999	139,283	134,697	140,856
6. Staff Costs	170,396	164,891	160,472	40,170	39,764	37,717	42,821	39,427	39,830	37,825
7. Occupancy Costs	27,018	28,502	26,068	6,549	6,756	6,824	5,939	7,174	6,810	7,146
8. Other Operating Costs	150,629	165,985	190,618	49,797	42,378	46,814	51,629	45,638	46,781	43,076
9. Operating Costs (6+7+8)	348,043	359,378	377,158	96,516	88,898	91,355	100,389	92,239	93,421	88,047
10. Net Earnings Margin (5-9)	222,493	202,209	175,215	40,456	48,703	53,446	32,610	47,044	41,276	52,809
11. Depreciation Costs	15,769	15,099	15,892	3,985	3,710	3,943	4,254	3,407	3,061	3,129
12. Provisions for Bad Debt	132,574	116,128	113,131	22,425	51,302	22,236	17,168	25,641	28,480	13,997
13. Other Income	111,263	133,175	136,036	30,470	37,649	30,781	37,136	35,567	37,566	35,379
14. Other Income (Net) (13-11-12)	(37,080)	1,948	7,013	4,060	(17,363)	4,602	15,714	6,519	6,025	18,253
15. Net Income (10+14)	185,413	204,157	182,228	44,516	31,340	58,048	48,324	53,563	47,301	71,062
16. Effective Interest Rate Spread (%)	7.13	7.23	7.11	6.96	7.04	7.20	7.24	7.12	7.28	7.16
(Ratios To Average Assets)										
Interest Margin	5.4	5.3	5.1	5.1	5.1	5.3	4.9	5.1	4.9	5.2
Commission & Forex Income	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Gross Earnings Margin	5.7	5.6	5.4	5.4	5.4	5.6	5.2	5.4	5.2	5.5
Operating Costs	3.5	3.6	3.7	3.8	3.8	3.5	3.9	3.6	3.6	3.4
Net Earnings Margin	2.2	2.0	1.7	1.6	1.6	2.1	1.3	1.8	1.6	2.1
Net Income/Loss	1.9	2.0	1.8	1.8	1.8	2.3	1.9	2.1	1.8	2.8

* Commercial Banks and OLFIs with domestic operations

Source: The Central Bank of The Bahamas

**TABLE 6
MONEY SUPPLY**

(B\$ Millions)

End of Period	2014	2015	2016	2017				2018			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Money Supply (M1)	1,995.7	2,071.2	2,460.6	2,430.2	2,659.3	2,606.6	2,654.0	2,753.6	2,774.0	2,712.3	2,729.4
1) Currency in active circulation	232.8	246.6	280.5	281.5	294.1	284.3	292.6	302.0	312.1	306.9	310.5
2) Demand deposits	1,762.9	1,824.7	2,180.1	2,148.7	2,365.2	2,322.3	2,361.5	2,451.7	2,461.9	2,405.3	2,418.9
Central Bank	26.0	17.3	12.6	15.7	19.3	21.8	17.2	27.5	25.2	37.4	74.6
Domestic Banks	1,736.9	1,807.3	2,167.6	2,133.0	2,346.0	2,300.4	2,344.2	2,424.2	2,436.7	2,367.9	2,344.3
Factors affecting money (M1)											
1) Net credit to Government	2,024.0	2,198.0	2,551.4	2,540.2	2,741.6	2,693.0	2,383.0	2,318.6	2,392.0	2,490.9	2,539.3
Central Bank	523.4	493.7	716.6	690.5	826.5	763.2	390.1	395.4	355.0	403.0	503.6
Domestic banks	1,500.5	1,704.4	1,834.8	1,849.8	1,915.2	1,929.9	1,992.9	1,923.1	2,036.9	2,088.0	2,035.7
2) Other credit	6,846.5	6,768.1	6,577.1	6,576.2	6,544.0	6,518.0	6,455.3	6,412.3	6,416.6	6,370.2	6,379.2
Rest of public sector	479.7	468.4	406.3	396.1	387.0	492.1	472.5	449.1	483.9	485.2	485.8
Private sector	6,366.9	6,299.7	6,170.8	6,180.1	6,157.0	6,025.8	5,982.9	5,963.3	5,932.7	5,885.0	5,893.4
3) External reserves	787.7	811.9	904.0	920.5	960.0	1,033.9	1,417.4	1,596.9	1,572.1	1,300.7	1,195.6
4) Other external liabilities	(501.2)	(531.7)	(225.4)	(313.2)	(220.5)	(255.3)	(265.0)	(220.2)	(271.7)	(162.4)	(257.4)
5) Quasi money	4,394.3	4,302.6	4,469.5	4,455.0	4,483.5	4,405.8	4,383.3	4,391.8	4,385.1	4,385.6	4,252.3
6) Other items (net)	(2,766.8)	(2,872.4)	(2,877.0)	(2,838.8)	(2,882.7)	(2,977.4)	(2,953.7)	(2,964.4)	(2,951.4)	(2,902.0)	(2,875.2)

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT

(B\$' 000)

End of Period	2014	2015	2016	2017				2018			
				Mar.	Jun.	Sept.	Dec.	Mar.	June	Sept	Dec.
CREDIT OUTSTANDING											
Private cars	186,731	181,447	176,178	176,368	174,265	169,892	163,974	159,105	153,708	148,441	146,286
Taxis & rented cars	853	1,026	777	735	770	795	796	855	803	897	948
Commercial vehicles	1,958	1,498	1,050	1,274	1,238	1,247	1,208	1,158	1,124	1,062	1,036
Furnishings & domestic appliances	7,911	8,081	8,302	8,491	9,089	9,056	8,493	8,238	7,863	8,346	8,205
Travel	30,033	36,836	41,197	40,030	42,427	47,008	45,457	43,318	45,909	50,530	50,872
Education	36,571	41,117	52,245	50,540	48,614	54,208	53,065	50,684	47,491	48,299	43,102
Medical	11,744	12,471	12,824	13,140	13,170	12,816	12,025	12,752	12,857	12,626	12,773
Home Improvements	131,723	114,265	121,959	123,739	123,237	119,768	113,898	110,992	107,081	103,146	102,029
Land Purchases	216,760	193,163	169,847	164,302	160,905	156,141	152,771	149,817	145,587	141,858	139,093
Consolidation of debt	777,804	802,034	984,569	984,153	969,146	954,528	951,071	950,187	955,742	939,570	922,138
Miscellaneous	625,074	640,154	546,313	549,889	559,433	568,221	564,703	558,803	537,745	538,305	541,640
Credit Cards	245,254	249,164	256,166	247,825	246,364	250,934	254,852	247,113	243,617	246,201	249,069
TOTAL	2,272,416	2,281,256	2,371,427	2,360,486	2,348,658	2,344,614	2,322,313	2,293,022	2,259,527	2,239,281	2,217,191
NET CREDIT EXTENDED											
Private cars	11,324	(5,284)	(5,269)	190	(2,103)	(4,373)	(5,918)	(4,869)	(5,397)	(5,267)	(2,155)
Taxis & rented cars	(224)	173	(249)	(42)	35	25	1	59	(52)	94	51
Commercial vehicles	(376)	(460)	(448)	224	(36)	9	(39)	(50)	(34)	(62)	(26)
Furnishings & domestic appliances	(8)	170	221	189	598	(33)	(563)	(255)	(375)	483	(141)
Travel	(2,978)	6,803	4,361	(1,167)	2,397	4,581	(1,551)	(2,139)	2,591	4,621	342
Education	2,713	4,546	11,128	(1,705)	(1,926)	5,594	(1,143)	(2,381)	(3,193)	808	(5,197)
Medical	(266)	727	353	316	30	(354)	(791)	727	105	(231)	147
Home Improvements	7,780	(17,458)	7,694	1,780	(502)	(3,469)	(5,870)	(2,906)	(3,911)	(3,935)	(1,117)
Land Purchases	(8,305)	(23,597)	(23,316)	(5,545)	(3,397)	(4,764)	(3,370)	(2,954)	(4,230)	(3,729)	(2,765)
Consolidation of debt	(24,923)	24,230	182,535	(416)	(15,007)	(14,618)	(3,457)	(884)	5,555	(16,172)	(17,432)
Miscellaneous	61,752	15,080	(93,841)	3,576	9,544	8,788	(3,518)	(5,900)	(21,058)	560	3,335
Credit Cards	4,013	3,910	7,002	(8,341)	(1,461)	4,570	3,918	(7,739)	(3,496)	2,584	2,868
TOTAL	50,502	8,840	90,171	(10,941)	(11,828)	(4,044)	(22,301)	(29,291)	(33,495)	(20,246)	(22,090)

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

Period	(%)										
	2014	2015	2016	2017				2018			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
DOMESTIC BANKS											
Deposit rates											
Savings deposits	0.89	0.83	0.82	0.77	0.72	0.68	0.72	0.71	0.67	0.66	0.50
Fixed deposits											
Up to 3 months	1.16	1.13	0.97	0.80	0.68	0.74	0.88	0.67	0.56	0.59	0.58
Up to 6 months	1.22	1.08	0.99	0.65	0.66	0.63	0.62	0.62	0.58	0.53	0.75
Up to 12 months	1.76	1.71	1.58	1.27	1.32	1.11	1.14	0.94	1.07	1.06	0.79
Over 12 months	1.64	1.57	1.87	1.45	1.80	1.61	1.57	1.41	1.52	1.00	1.10
Weighted average rate	1.42	1.41	1.24	1.00	0.98	0.98	1.03	0.91	0.82	0.82	0.82
Lending rates											
Residential mortgages	7.16	6.47	6.22	6.14	6.00	5.41	5.50	5.50	5.46	5.35	5.33
Commercial mortgages	8.02	7.89	7.87	6.38	6.58	6.75	7.75	7.52	6.74	8.71	7.38
Consumer loans	13.91	14.26	14.03	13.60	13.82	13.36	13.64	13.58	13.49	13.53	13.35
Overdrafts	9.76	10.36	11.13	10.78	10.65	10.12	10.94	10.47	10.04	10.42	9.65
Weighted average rate	11.81	12.29	12.49	11.88	12.02	11.64	11.48	11.40	11.25	11.61	11.11
Other rates											
Prime rate*	4.75	4.75	4.75	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Treasury bill (90 days)	0.53	0.68	1.64	1.96	1.77	1.77	1.82	1.78	1.78	1.62	1.59
Treasury bill re-discount rate	1.03	1.18	2.14	2.46	2.27	2.27	2.32	2.28	2.28	2.12	2.09
Bank rate (discount rate)*	4.50	4.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

Source: The Central Bank of The Bahamas
*Reflects end of period rates.

TABLE 9
SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

Period	(%)										
	2014	2015	2016	2017				2018			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
Loan Portfolio											
Current Loans (as a % of total loans)	79.7	80.9	84.3	84.7	84.3	85.5	85.7	85.9	86.6	86.8	87.0
Arrears (% by loan type)											
Consumer	5.2	4.7	4.0	4.0	4.1	4.2	4.2	4.1	4.1	3.8	3.7
Mortgage	11.0	10.9	8.1	7.9	8.0	8.3	8.6	8.4	7.9	7.9	8.0
Commercial	4.1	3.5	3.6	3.4	3.6	1.9	1.5	1.6	1.5	1.5	1.3
Public	0.0	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Arrears	20.3	19.1	15.7	15.3	15.7	14.5	14.3	14.1	13.4	13.2	13.0
Total B\$ Loan Portfolio	100.0	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)	79.7	80.9	84.3	84.7	84.3	85.5	85.7	85.9	86.6	86.8	87.0
Arrears (% by days outstanding)											
30 - 60 days	2.9	3.1	2.8	2.7	2.7	3.3	3.3	3.5	2.8	2.8	3.0
61 - 90 days	2.0	1.8	1.6	1.5	1.7	1.7	1.8	1.4	1.7	1.9	1.7
90 - 179 days	2.0	1.6	1.5	1.4	1.5	1.6	1.4	1.5	1.3	1.3	1.3
over 180 days	13.3	12.6	9.8	9.8	9.8	7.9	7.7	7.7	7.6	7.2	7.0
Total Arrears	20.3	19.1	15.7	15.3	15.7	14.5	14.3	14.1	13.4	13.2	13.0
Total B\$ Loan Portfolio	100.0	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	23.6	22.2	23.2	23.5	23.9	26.4	27.2	28.0	28.3	27.4	25.8
Mortgage	53.8	57.4	50.7	50.3	49.6	59.5	61.4	60.2	60.5	61.7	65.0
Other Private	22.6	20.4	26.1	26.1	26.5	14.2	11.4	11.8	11.3	10.9	9.2
Public	-	-	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Non Accrual Loans	100.0	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	6.5	7.1	7.4	7.1	7.1	6.6	6.1	6.8	7.3	6.7	5.5
Mortgage	8.9	9.9	8.9	7.6	7.8	8.0	8.3	7.8	7.5	7.9	7.6
Other Private	11.4	10.2	11.6	12.3	15.4	7.4	8.1	8.0	7.8	8.3	14.4
Public	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3
Total Provisions to Total Loans	7.9	8.3	8.0	7.4	7.9	6.7	6.8	6.9	6.9	6.9	7.0
Total Provisions to Non-performing Loans	51.2	58.5	70.6	66.8	69.8	71.1	74.6	74.9	77.6	81.0	84.8
Total Non-performing Loans to Total Loans	15.3	14.2	11.4	11.1	11.3	9.5	9.2	9.2	8.9	8.5	8.3

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	2014	2015	2016	2017				2018			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
I. Statutory Reserves											
Required reserves	311.2	316.9	325.1	330.1	333.8	335.4	336.9	338.6	342.9	340.8	331.1
Average Till Cash	122.7	123.0	130.4	99.8	101.3	104.1	125.8	106.7	97.1	102.6	125.0
Average balance with central bank	676.6	598.7	945.1	902.6	982.4	1,006.7	1,030.3	1,165.4	1,224.3	966.7	808.6
Free cash reserves (period ended)	488.0	404.9	750.5	672.3	749.9	775.4	819.2	933.5	978.5	728.6	602.5
II. Liquid Assets (period)											
A. Minimum Required Liquid Assets	1,025.5	1,044.6	1,098.6	1,116.7	1,142.2	1,140.7	1,128.9	1,143.7	1,152.2	1,122.6	1,115.6
B. Net Eligible Liquid Assets	2,182.2	2,361.6	2,579.9	2,588.6	2,768.4	2,804.0	2,956.2	3,074.9	3,112.3	2,851.6	2,648.8
i) Balance with Central Bank	606.7	587.5	867.3	894.0	1,046.9	1,062.4	1,012.2	1,204.3	1,150.7	902.3	792.6
ii) Notes and Coins	143.0	142.9	145.6	98.1	94.2	94.9	146.3	101.7	96.2	100.4	149.8
iii) Treasury Bills	454.5	662.6	531.9	489.3	475.1	506.5	611.4	620.0	720.5	736.9	669.8
iv) Government registered stocks	907.0	895.4	987.1	1,055.5	1,105.9	1,094.3	1,137.7	1,105.2	1,095.7	1,058.7	990.9
v) Specified assets	56.0	55.6	51.0	51.0	50.9	50.8	50.8	50.6	50.3	48.5	48.4
vi) Net Inter-bank dem/call deposits	15.1	17.4	(3.0)	0.7	(4.5)	(4.9)	(2.2)	(7.0)	(1.0)	4.7	(2.7)
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	1,156.8	1,316.9	1,481.3	1,471.9	1,626.2	1,663.4	1,827.3	1,931.2	1,960.1	1,729.0	1,533.2

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	2016/17p	2017/18p	Budget		2017/18p				2018/19p	
			2017/18	2018/19	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Total Revenue & Grants	2,060.5	2,034.1	2,139.0	2,637.6	453.7	426.4	587.4	567.7	513.9	496.4
Current expenditure	2,339.7	2,180.4	2,231.9	2,578.4	487.9	515.8	546.2	631.5	527.0	570.6
Capital expenditure	390.2	268.7	230.9	299.3	74.4	56.7	52.5	85.2	38.8	48.1
Net lending	0.0	(0.2)	(2.4)	(2.5)	(0.0)	(0.0)	(0.1)	(0.0)	-	0.0
Overall balance	(669.3)	(414.9)	(321.3)	(237.6)	(108.6)	(146.0)	(11.3)	(148.9)	(52.0)	(122.3)
FINANCING (I+II-III+IV+V)	669.3	414.9	321.3	237.6	108.6	146.0	11.3	148.9	52.0	122.3
I. Foreign currency borrowing	43.3	1,369.3	9.5	50.4	355.4	954.6	59.2	0.1	1.2	3.3
External	43.3	1,369.3	9.5	50.4	355.4	954.6	59.2	0.1	1.2	3.3
Domestic	-	-	-	-	-	-	-	-	-	-
II. Bahamian dollar borrowing	1,132.1	617.7	743.5	896.6	97.6	232.7	111.6	175.7	301.7	371.2
i) Treasury bills	337.7	111.7	-	-	8.6	0.7	1.6	100.7	91.7	62.2
ii) Long-term securities	545.0	492.0	-	-	75.0	232.0	110.0	75.0	110.0	204.0
iii) Loans and Advances	249.5	14.0	-	-	14.0	-	-	-	100.0	105.0
III. Debt repayment	595.1	1,302.6	426.2	709.4	140.8	884.9	155.4	121.5	162.9	253.1
Domestic	557.1	798.2	388.6	620.9	125.9	427.2	131.4	113.8	128.5	245.3
Bahamian dollars	557.1	798.2	388.6	620.9	125.9	427.2	131.4	113.8	128.5	245.3
Internal foreign currency	-	-	-	-	-	-	-	-	-	-
External	38.1	504.4	37.6	88.5	14.9	457.7	24.1	7.7	34.4	7.7
IV. Net sale of shares & other equity	(120.2)	(20.0)	-	-	(10.0)	(3.8)	(3.8)	(2.4)	(45.8)	(19.6)
V. Cash balance change & other financing	209.2	(249.5)	(5.5)	-	(193.7)	(152.6)	(0.3)	97.0	(42.2)	20.5

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

**TABLE 12
NATIONAL DEBT**

(B\$ '000s)

Period	2016	2017	2018	2017				2018			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
TOTAL EXTERNAL DEBT	1,745,483	2,616,210	2,592,201	1,739,914	1,763,572	2,113,896	2,616,210	2,661,183	2,637,093	2,599,104	2,592,201
By Instrument											
Government Securities	900,000	1,650,000	1,650,000	900,000	900,000	900,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Loans	845,483	966,210	942,201	839,914	863,572	1,213,896	966,210	1,011,183	987,093	949,104	942,201
By Holder											
Commercial Banks	-	-	-	-	-	-	-	-	-	-	-
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Multilateral Institutions	216,959	213,715	205,866	217,306	216,568	216,852	213,715	219,595	211,926	210,259	205,866
Bilateral Institutions	80,846	90,688	79,609	81,593	90,323	88,949	90,688	90,419	85,894	79,719	79,609
Private Capital Markets	900,000	1,650,000	1,650,000	900,000	900,000	900,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Other Financial Institutions	547,678	661,807	656,726	541,015	556,681	908,095	661,807	701,169	689,273	659,126	656,726
TOTAL INTERNAL DEBT	4,570,098	4,563,864	4,905,099	4,581,540	4,786,541	4,758,311	4,563,864	4,544,155	4,606,087	4,779,238	4,905,099
By Instrument											
Foreign Currency	-	-	-	-	-	-	-	-	-	-	-
Government Securities	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-
Bahamian Dollars	4,570,098	4,563,864	4,905,099	4,581,540	4,786,541	4,758,311	4,563,864	4,544,155	4,606,087	4,779,238	4,905,099
Advances	134,657	134,657	119,657	134,657	134,657	134,657	134,657	134,657	134,657	119,657	119,657
Treasury Bills	793,896	655,749	875,746	730,479	870,626	862,044	655,749	657,395	758,108	829,542	875,746
Government Securities	3,314,783	3,492,283	3,536,654	3,389,783	3,454,783	3,457,783	3,492,283	3,506,709	3,488,709	3,518,709	3,536,654
Loans	326,762	281,175	373,042	326,621	326,475	303,827	281,175	245,394	224,613	311,330	373,042
By Holder											
Foreign Currency	-	-	-	-	-	-	-	-	-	-	-
Commercial Banks	-	-	-	-	-	-	-	-	-	-	-
Other Local Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Bahamian Dollars	4,570,098	4,563,864	4,905,099	4,581,540	4,786,541	4,758,310	4,563,864	4,544,155	4,606,087	4,779,238	4,905,099
The Central Bank	727,531	413,570	518,721	695,407	856,296	774,449	413,570	408,966	374,086	417,080	518,721
Commercial Banks	1,789,051	1,975,909	1,983,549	1,819,657	1,839,738	1,854,101	1,975,909	1,915,333	1,990,281	2,055,874	1,983,549
Other Local Financial Institutions	17,208	27,162	11,085	12,285	28,157	16,364	27,162	28,037	25,461	27,984	11,085
Public Corporations	600,691	602,287	586,572	610,691	612,684	603,518	602,287	600,352	602,992	582,118	586,572
Other	1,435,617	1,544,936	1,805,172	1,443,500	1,449,666	1,509,878	1,544,936	1,591,467	1,613,267	1,696,182	1,805,172
TOTAL FOREIGN CURRENCY DEBT	1,745,483	2,616,210	2,592,201	1,739,914	1,763,572	2,113,896	2,616,210	2,661,183	2,637,093	2,599,104	2,592,201
TOTAL DIRECT CHARGE	6,315,581	7,180,074	7,497,300	6,321,454	6,550,113	6,872,207	7,180,074	7,205,338	7,243,180	7,378,342	7,497,300
TOTAL CONTINGENT LIABILITIES	734,602	704,191	722,251	727,689	726,478	712,646	704,191	703,229	700,619	737,680	722,251
TOTAL NATIONAL DEBT	7,050,183	7,884,265	8,219,551	7,049,143	7,276,591	7,584,853	7,884,265	7,908,567	7,943,799	8,116,022	8,219,551

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	2016	2017	2018	2017				2018			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Outstanding Debt at Beginning of Period	2,574,001	2,646,751	3,484,230	2,646,751	2,633,273	2,650,423	2,992,051	3,484,231	3,526,667	3,497,523	3,555,967
Government	1,677,825	1,745,483	2,616,210	1,745,483	1,739,915	1,763,572	2,113,896	2,616,211	2,661,183	2,637,093	2,599,104
Public Corporations	896,176	901,268	868,020	901,268	893,358	886,851	878,155	868,020	865,484	860,430	956,863
Plus: New Drawings	282,333	1,347,128	220,033	7,106	23,739	358,531	957,752	62,479	3,457	104,304	49,793
Government	166,786	1,327,674	63,728	4,037	13,629	355,443	954,565	59,191	64	1,152	3,321
Public corporations	115,547	19,454	156,305	3,069	10,110	3,088	3,187	3,288	3,393	103,152	46,472
Less: Amortization	193,524	545,717	216,895	24,284	23,682	26,718	471,033	29,906	16,153	41,125	129,711
Government	83,071	493,003	73,907	13,303	7,059	14,931	457,710	24,080	7,709	34,409	7,709
Public corporations	110,453	52,714	142,988	10,981	16,623	11,787	13,323	5,826	8,444	6,716	122,002
Other Changes in Debt Stock	(16,059)	36,068	(13,839)	3,700	17,093	9,815	5,460	9,864	(16,448)	(4,735)	(2,520)
Government	(16,057)	36,056	(13,830)	3,698	17,087	9,812	5,459	9,862	(16,445)	(4,732)	(2,515)
Public corporations	(2)	12	(9)	2	6	3	1	2	(3)	(3)	(5)
Outstanding Debt at End of Period	2,646,751	3,484,230	3,473,529	2,633,273	2,650,423	2,992,051	3,484,230	3,526,668	3,497,523	3,555,967	3,473,529
Government	1,745,483	2,616,210	2,592,201	1,739,915	1,763,572	2,113,896	2,616,210	2,661,184	2,637,093	2,599,104	2,592,201
Public corporations	901,268	868,020	881,328	893,358	886,851	878,155	868,020	865,484	860,430	956,863	881,328
Interest Charges	143,735	152,815	220,950	35,106	39,139	35,559	43,011	38,680	74,256	38,812	69,202
Government	87,477	92,969	154,701	20,474	23,759	20,987	27,749	23,850	57,842	22,030	50,979
Public corporations	56,258	59,846	66,249	14,632	15,380	14,572	15,262	14,830	16,414	16,782	18,223
Debt Service	337,259	698,532	437,845	59,390	62,821	62,277	514,044	68,586	90,409	79,937	198,913
Government	170,548	585,972	228,608	33,777	30,818	35,918	485,459	47,930	65,551	56,439	58,688
Public corporations	166,711	112,560	209,237	25,613	32,003	26,359	28,585	20,656	24,858	23,498	140,225
Debt Service ratio	8.7	6.5	10.2	6.0	5.7	7.1	7.4	6.2	7.7	8.1	19.7
Government Debt Service/ Government Revenue (%)	9.0	6.5	10.6	5.6	5.1	7.9	8.3	8.2	11.5	11.0	11.8
MEMORANDUM											
Holder distribution (B\$ Mil):											
Commercial banks	297.8	267.7	332.1	289.0	281.9	274.8	267.7	264.5	260.6	335.6	332.1
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Multilateral Institutions	285.8	285.6	279.1	285.9	290.5	290.5	285.6	291.2	281.7	286.4	279.1
Bilateral Institutions	80.8	90.7	79.6	81.6	90.3	88.9	90.7	90.4	85.9	79.7	79.6
Other	1,082.3	1,190.2	1,129.4	1,076.8	1,087.7	1,437.8	1,190.2	1,230.5	1,219.3	1,204.2	1,129.4
Private Capital Markets	900.0	1,650.0	1,650.0	900.0	900.0	900.0	1,650.0	1,650.0	1,650.0	1,650.0	1,650.0

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

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

(B\$ Millions)

	2016p	2017p	2018p	2017				2018			
				Qtr.Ip	Qtr.IIp	Qtr.IIIp	Qtr.IVp	Qtr.Ip	Qtr.IIp	Qtr.IIIp	Qtr.IVp
A. Current Account Balance (I+II+III+IV)	(710.8)	(1,570.0)	(2,039.7)	(384.8)	(302.6)	(421.4)	(461.2)	(311.5)	(527.1)	(644.8)	(556.3)
I. Merchandise (Net)	(2,150.2)	(2,537.9)	(2,651.9)	(618.2)	(650.7)	(640.4)	(628.5)	(624.6)	(782.0)	(632.1)	(613.2)
Exports	481.4	570.5	655.3	139.4	181.9	117.4	131.7	122.5	214.6	153.3	164.9
Imports	2,631.6	3,108.4	3,307.2	757.7	832.6	757.8	760.3	747.1	996.6	785.4	778.0
II. Services (Net)	1,564.3	1,383.8	1,376.5	336.1	462.9	317.4	267.4	436.8	510.3	208.6	220.7
Transportation	(288.7)	(383.4)	(448.4)	(96.8)	(98.5)	(90.0)	(98.1)	(117.0)	(121.4)	(101.2)	(108.9)
Travel	2,745.3	2,625.2	2,953.1	706.2	778.5	556.6	583.9	828.0	831.3	629.0	664.9
Insurance Services	(156.6)	(114.0)	(153.9)	(18.2)	(28.0)	(32.6)	(35.2)	(35.9)	(37.9)	(35.2)	(44.9)
Offshore Companies Local Expenses	168.8	130.1	134.8	30.8	17.5	49.5	32.2	29.8	22.2	51.0	31.8
Other Government	(208.7)	(105.8)	(97.0)	(43.2)	(27.3)	(33.8)	(1.5)	(30.6)	(1.8)	(34.9)	(29.6)
Other Services	(695.8)	(768.1)	(1,012.0)	(242.6)	(179.3)	(132.3)	(213.9)	(237.4)	(182.0)	(300.1)	(292.6)
III. Income (Net)	(439.9)	(360.7)	(693.2)	(101.9)	(98.2)	(79.7)	(80.9)	(105.9)	(246.7)	(200.6)	(139.9)
1. Compensation of Employees	(38.9)	(38.7)	(57.8)	(10.4)	(9.9)	(9.8)	(8.6)	(13.2)	(5.5)	(15.8)	(23.3)
2. Investment Income	(401.0)	(321.9)	(635.3)	(91.5)	(88.4)	(69.9)	(72.3)	(92.8)	(241.2)	(184.8)	(116.5)
IV. Current Transfers (Net)	315.1	(55.2)	(71.1)	(0.8)	(16.6)	(18.7)	(19.2)	(17.7)	(8.7)	(20.7)	(24.0)
1. General Government	117.4	114.0	130.4	23.2	34.9	31.1	24.8	38.1	39.7	26.6	26.0
2. Private Sector	197.6	(169.2)	(201.4)	(23.9)	(51.5)	(49.8)	(44.0)	(55.8)	(48.5)	(47.2)	(50.0)
B. Capital and Financial Account (I+II) (excl. Reserves)	778.0	1,558.8	838.2	387.0	142.9	431.8	597.2	155.4	515.4	25.3	142.1
I. Capital Account (Net Transfers)	(13.8)	(26.1)	(20.7)	(9.6)	(3.7)	(8.5)	(4.4)	(3.3)	(2.3)	(12.4)	(2.6)
II. Financial Account (Net)	791.8	1,584.9	858.9	396.5	146.6	440.3	601.5	158.7	517.7	37.7	144.7
1. Direct Investment	390.4	304.6	486.0	112.7	75.3	68.2	48.4	64.5	295.2	86.0	40.3
2. Portfolio Investment	(21.7)	(16.7)	(11.7)	(4.4)	(4.6)	(2.2)	(5.5)	(3.5)	(1.8)	(2.3)	(4.1)
3. Other Investments	423.1	1,297.0	384.6	288.2	75.8	374.3	558.7	97.8	224.3	(46.0)	108.5
Central Gov't Long Term Capital	118.5	834.7	(13.1)	(9.3)	6.6	340.5	496.9	35.1	(7.6)	(32.9)	(7.7)
Other Public Sector Capital	100.4	(9.8)	(39.7)	(3.1)	1.0	(3.1)	(4.6)	(1.0)	(2.7)	18.5	(54.6)
Banks	(306.3)	26.4	5.6	87.8	(92.7)	34.7	(3.3)	(31.6)	51.5	(109.4)	95.1
Other	510.5	445.8	431.8	212.9	161.0	2.2	69.7	95.2	183.2	77.7	75.7
C. Net Errors and Omissions	24.8	521.2	983.5	14.3	199.3	63.5	244.1	338.9	(13.3)	348.2	309.7
D. Overall Balance (A+B+C)	92.0	510.0	(217.9)	16.5	39.5	73.9	380.1	182.8	(24.9)	(271.4)	(104.5)
E. Financing (Net)	(92.0)	(510.0)	217.9	(16.5)	(39.5)	(73.9)	(380.1)	(182.8)	24.9	271.4	104.5
Change in SDR holdings	2.3	(3.9)	(46.3)	(0.6)	(1.8)	(1.1)	(0.4)	(26.3)	3.5	(23.9)	0.5
Change in Reserve Position with the IMF	(17.3)	(1.5)	0.6	(0.2)	(0.7)	(0.4)	(0.2)	(0.6)	0.9	0.2	0.1
Change in Ext. Foreign Assets () = Increase	(77.0)	(504.6)	263.6	(15.6)	(37.0)	(72.4)	(379.5)	(155.9)	20.5	295.1	103.9

Source: The Central Bank of The Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

(BS '000s)

Period	2016	2017	2018	2017				2018		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
I. OIL TRADE										
i) Exports	45,510	72,692	73,241	16,285	14,258	16,143	26,006	26,569	19,774	26,898
ii) Imports ^R	402,526	552,863	482,099	119,192	131,572	150,007	152,092	145,498	102,957	233,644
II. OTHER MERCHANDISE										
Domestic Exports										
Crawfish	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Fish Conch & other Crustacea	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other cordials & Similar Materials/Sponge	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Fruits & Veggies.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aragonite	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Natural Sands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Rum/Beverages/Spirits & Vinegar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Crude Salt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Polystrene Products	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
i) Total Domestic Exports	202,190	224,783	161,160	70,519	56,207	38,817	59,240	47,897	55,977	57,286
ii) Re-Exports	155,016	171,827	152,533	27,416	84,865	27,133	32,413	34,664	87,606	30,263
iii) Total Exports (i+ii)	357,206	396,610	313,693	97,935	141,072	65,950	91,653	82,561	143,583	87,549
iv) Imports	2,529,125	2,874,959	2,238,374	691,555	801,113	657,913	724,378	705,378	875,255	657,741
v) Retained Imports (iv-ii)	2,374,109	2,703,132	2,085,841	664,139	716,248	630,780	691,965	670,714	787,649	627,478
vi) Trade Balance (i-v)	(2,171,919)	(2,478,349)	(1,924,681)	(593,620)	(660,041)	(591,963)	(632,725)	(622,817)	(731,672)	(570,192)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2016	2017	2018	2017				2018		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
Visitor Arrivals	6,265,019	6,135,839	6,622,015	1,726,664	1,543,705	1,267,754	1,597,716	1,775,380	1,627,490	1,519,086
Air	1,391,813	1,335,613	1,558,086	348,549	386,352	297,378	303,334	411,308	435,037	356,427
Sea	4,873,206	4,800,226	5,063,929	1,378,115	1,157,353	970,376	1,294,382	1,364,072	1,192,453	1,162,659
Visitor Type										
Stopover	1,481,832	1,438,631	1,225,730	367,355	439,050	334,965	297,261	428,936	447,923	348,871
Cruise	4,690,260	4,626,259	4,877,596	1,343,940	1,095,430	918,044	1,268,845	1,326,394	1,130,596	1,104,573
Day/Transit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tourist Expenditure(B\$ 000's)	2,610	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stopover	2,312	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cruise	294	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Day	4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Number of Hotel Nights	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Length of Stay	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Hotel Occupancy Rates (%)										
New Providence	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Grand Bahama	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Family Islands	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Nightly Room Rates (\$)										
New Providence	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Grand Bahama	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Family Islands	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

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