



Quarterly Economic Review

Vol. 25, No. 4

December, 2016

The Quarterly Economic Review (QER) is a publication of the Central Bank of The Bahamas, prepared by the Research Department, for issue in March, June, September and December. All correspondence pertaining to the QER should be addressed to:

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

OVERVIEW

Domestic economic activity was relatively subdued during the fourth quarter of 2016, following the passage of hurricane Matthew in October, which disrupted tourism output and stalled fiscal consolidation efforts. The subsequent rebuilding activity, combined with the re-start of a number of varied-scale foreign investment projects, however, provided positive impulses to the construction sector. In this environment, labour market conditions remained challenging, although average unemployment declined, partly reflecting hurricane-related construction jobs boost. Further, domestic inflation remained subdued over the review quarter, owing to the pass-through effects of the sharp reduction in global oil prices in earlier periods.

Provisional data showed that the Government's overall deficit increased during the second quarter of FY2016/17 to \$228.3 million, from \$85.0 million in the same period of the previous fiscal year, attributed in part to a rise in unplanned hurricane recovery related spending and disrupted revenue collections following the storm. Deficit financing was secured primarily from domestic sources and included a special \$130.0 million syndicated hurricane relief loan. Following the hurricane, the credit rating agency Standard & Poor's downgraded The Bahamas' sovereign credit rating to BB+ from BBB- in December, citing slower fiscal consolidation pace, along with lower than anticipated economic growth, high unemployment, elevated non-performing loans and household indebtedness. However, the rating agency revised the outlook for the country to stable from negative.

In monetary developments, the deposit base expansion outpaced credit growth during the quarter. Consequently, bank liquidity rose modestly and external reserves firmed. Given the improving outlook for net foreign exchange inflows, the Central Bank reduced the official Discount rate by 50 basis points to 4.00% in December, given the corresponding softening in commentarial banks' base lending rates that has also taken effect, this relaxation is expected to stimulate increased access to credit, particularly for housing and certain types of commercial financing. Banks' asset quality indicators improved significantly during the quarter, as alongside other credit remediation activities, a further sell-off of delinquent mortgages occurred. Meanwhile, the latest available data for the third quarter of 2016, showed an overall reduction in banks' profitability, associated with reduced net interest margins, a rise in operating costs and higher levels of provisioning for bad debt.

With regard to the external sector, the estimated current account deficit narrowed sharply in the fourth quarter. This mainly reflected the influx of re-insurance funds following the hurricane to facilitate private rebuilding activities, combined with a moderate decrease in net imports. Estimated net capital and financial inflows also decreased markedly, largely as domestic banks reduced their net external liabilities. In the meantime, the public sector reverted to a net repayment of external debt, outweighing the expansion in net private direct investments.

REAL SECTOR

TOURISM

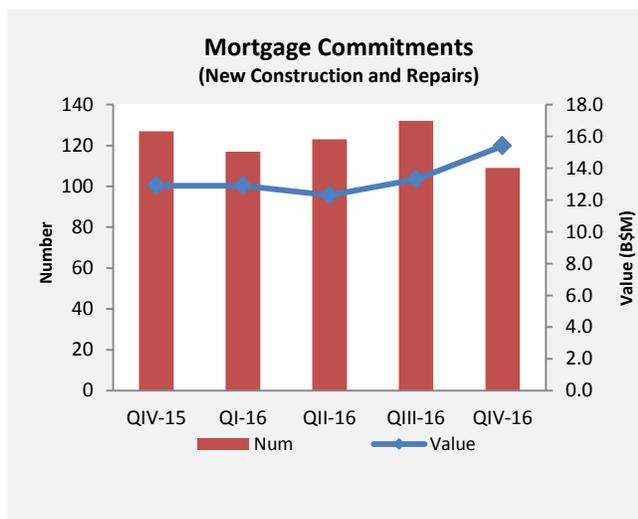
The passage of hurricane Mathew in October adversely affected tourism output during the fourth quarter. Added to the temporary closure of several major airports in the capital and surrounding islands, a number of hotels in Grand Bahama—the second largest tourist market—suffered extensive damage, with some still expected to be offline for business beyond the first quarter of 2017. However, the majority of the properties in the capital required only minor repairs and were restored to operation during the quarter.

An analysis of the data from the Nassau Airport Development company (NAD), revealed that passenger traffic through the country’s main airport—net of domestic departures—contracted by 3.4% during the fourth quarter, a reversal from a 2.3% uptick a year-earlier, as traffic in October declined considerably. By category, the dominant US component (83.9% of the total) decreased by 3.4%, following a gain of 3.8% in the same period of 2015. Similarly, departures to non-US countries decreased by 3.8%, albeit lower than the 5.0% falloff in the preceding period.

CONSTRUCTION

Activity in the construction sector continued to be underpinned by ongoing, varied-scale, foreign investment projects, while the rebuilding of public infrastructure and residences damaged by the storm, provided added stimulus to the domestic component. The near-term stimulus from re-insurance inflows is expected to significantly outpace traditional financing for domestic building activities. Preliminary indicators are that such inflows to the local insurance sector were substantial during the review period.

As for other ongoing financing, total mortgage disbursements for new construction and repairs—as reported by commercial banks, insurance companies and the Bahamas Mortgage Corporation—grew further by an estimated 4.1% to \$34.7 million, after 2015’s more robust 44.6% expansion. The dominant residential component declined by 35.5% to \$20.0 million, vis-à-vis a 37.3% increase in the prior year. However, the commercial segment rose to \$14.7 million from \$2.3 million a year earlier, reflecting an isolated public sector transaction.



Meanwhile, total mortgage commitments for new buildings and repairs—a forward looking indicator—although contracted in number, by 18 to 109, rose in corresponding value by 19.1% (\$2.5 million) to \$15.4 million. The number of residential approvals fell by 14.3% to 108, although the relevant value increased by 20.3% to \$15.1 million. However, only one commercial commitment was noted, priced 19.1% lower at \$0.3 million.

With regard to interest rates, the average cost of both commercial and residential mortgages decreased by 60 and 30 basis points to 7.8% and 7.7%, respectively.

EMPLOYMENT

Buoyed by growth in hurricane-related construction jobs, preliminary data from the Department of Statistics' Labour Force Survey, showed that the estimated unemployment rate fell by 1.1 percentage points to 11.6% at November 2016, in comparison to May 2016; and by 3.2 percentage points over the year earlier estimate. Specifically, in the latest six-month period, the number of employed persons rose by 4,025 (2.1%) to 192,385, partly influenced by construction hires. Further, as a sign of improving long-term job search expectations, the number of "discouraged" workers contracted by 15.2% over the six-month period to 2,095.

A disaggregation by major labour markets—which included for the first time Exuma and Bimini—showed that the jobless rates in Grand Bahama, Abaco and New Providence decreased by 1.4, 1.0 and 0.3 percentage points to 13.3%, 9.1% and 12.9%, respectively. With jobless rates notably below the national average, employment conditions appeared more favourable in Bimini (4.0%) and Exuma (8.0%).

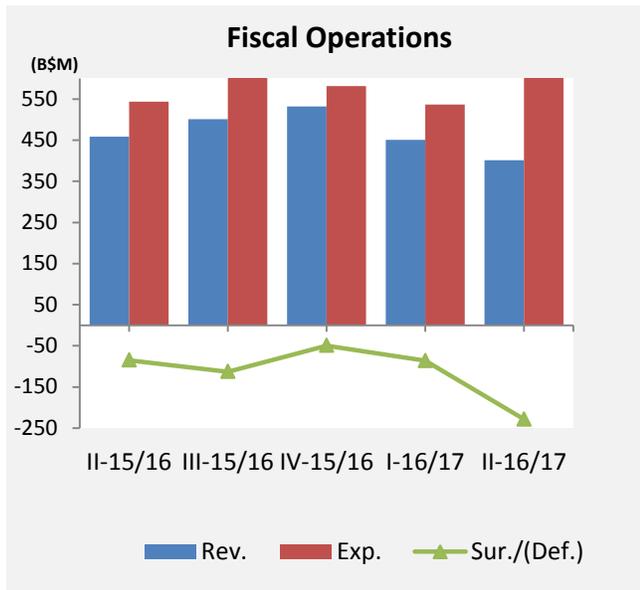
Persons entering the workforce for the first time continued to face the greatest challenges in finding jobs. The unemployment rate for young people—those 15 to 24 years of age—remained high at 25.1%; although lower than May's rate of 25.8%.

PRICES

Domestic inflation—as measured by the All Bahamas Retail Price Index—continued to reflect the pass-through effects of the sharp decline in global oil prices over the last two years. During the fourth quarter, the average consumer prices increase moderated to 0.8% from 2.0% in the same period of 2015. Average prices for restaurant & hotels, recreation & culture and food & non-alcoholic beverages, declined by 5.9%, 2.7% and 2.6%, in contrast to the year earlier gains of 6.3%, 11.9% and 8.0%, respectively. In addition, following the VAT transition inflation rates tapered significantly for health (by 17.4 percentage points to 0.6%), for alcohol beverages, tobacco & narcotics (by 8.3 percentage points to 0.8%) and clothing & footwear (by 5.0 percentage points, to 0.5%). Further, more muted reductions in average costs were registered for communication by 70 basis points to 4.3% and for furnishing, household equipment & routine household maintenance, by 10 basis points to 4.2%. In contrast, after posting reductions of 3.0% and 3.2% in the prior period, the respective average costs for housing, energy & related items—which account for one-third of the index—firmed by 2.0% and for transport by 1.5%. Similarly, average cost increases for education firmed by 2.5 percentage points to 5.0%.

On an annual basis, average consumer prices fell by 0.35% in 2016, a turnaround from the 1.78% rise in 2015, reflecting persistently low international oil prices. The decline in the inflation rate was due to marked slowdowns in average cost accretions for health, to 3.8% from 15.6%, recreation and culture, to 0.4% from 11.1%, alcohol beverages, tobacco & narcotics, to 0.5% from 8.8%, furnishing, household equipment & routine household maintenance, to 1.3% from 6.7%, and clothing & footwear, to 0.7% from 5.6%. More modest decreases in inflation rates were posted for communication, by 3.2 percentage points to 1.8%, and miscellaneous goods & services, by 0.5 of a percentage point to 0.9%. In addition, average costs for restaurants & hotels and food & non-alcoholic beverages, contracted by 1.3% and 0.9%, respectively, in contrast to gains of 6.0% and 5.8% a year earlier. Providing a slight offset, the reduction in transportation costs slowed to 4.0% from 6.3%, owing to the rise in crude oil prices in the latter half of the year. Further, the decrease in the housing, water, gas, electricity and "other" fuels component—the most heavily weighted item in the index—narrowed by 20 basis points to 1.1%, while inflation for education grew marginally by 20 basis points to 5.6%.

In line with the significant reduction in international oil prices in earlier periods, domestic fuel costs contracted during the review period. Specifically, the average price of gasoline fell marginally by 0.9% to \$3.99 per gallon during the first two months of the review period, and was 3.2% lower than the comparative 2015 period. In contrast, the average cost of diesel edged-up by 0.4% to \$3.61 per gallon, but decreased by 3.6%, year-on-year.



FISCAL OPERATIONS

OVERVIEW

Reflecting both unexpected expenditures and disrupted revenue collections in the aftermath of the hurricane, provisional data on Government's budgetary operations for the second quarter of FY2016/17, showed that the overall deficit widened to \$228.3 million from \$85.0 million in the comparable period a year earlier. Underpinning this outturn was an \$86.1 million (15.9%) expansion in total expenditure to \$629.7 million, combined with a \$57.2 million (12.5%) reduction in aggregate revenue to \$401.4 million.

EXPENDITURE

The growth in total spending was led by a \$46.2 million (93.0%) rise in capital outlays to \$95.9 million, along with a \$42.3 million (8.6%) increase in current expenditure, to \$533.9 million. Net lending to public corporations was negligible, following the prior year's receipt of \$2.4 million.

By economic categorization, the expansion in current spending was largely attributed to a \$26.9 million (11.7%) rise in transfer payments to \$257.6 million, as subsidies firmed by \$19.6 million (24.2%) to \$100.6 million—a quarter of which (\$23.0 million), related to preparations for the National Health Insurance (NHI) scheme. In addition, transfers to public corporations & provisions for contingencies, rose by \$8.7 million (25.0%) to \$43.6 million, while transfers to non-profit institutions firmed slightly by \$1.0 million (11.0%) to \$10.1 million. In addition, the Government's consumption expenditures grew by \$15.4 million (5.9%) to \$276.3 million, as personal emoluments (63.3% of consumption) and purchases of goods & services, advanced by \$9.1 million (5.5%) and \$6.4 million (6.7%), respectively.

Government Revenue By Source
(Oct. - Dec.)

	FY15/16		FY16/17	
	B\$M	%	B\$M	%
Property Tax	36.4	7.9	20.2	5.0
Selective Services Tax	10.1	2.2	6.5	1.6
Business. & Prof Lic. Fees	6.9	1.5	6.1	1.5
Motor Vehicle Tax	5.5	1.2	5.0	1.3
Departure Tax	25.8	5.6	23.1	5.8
Import Duties	69.1	15.1	69.3	17.3
Stamp Tax from Imports	--	--	--	--
Excise Tax	60.5	13.2	53.7	13.4
Export Tax	2.4	0.5	2.6	0.6
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	26.1	5.7	25.5	6.4
Value Added Tax	152.0	33.2	141.9	35.3
Other Tax Revenue	17.8	3.9	9.5	2.4
Fines, Forfeits, etc.	31.9	7.0	35.1	8.8
Sales of Govt. Property	0.2	0.0	--	--
Income	17.1	3.7	2.9	0.7
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	--	--
Grants	0.1	--	--	--
Less: Refunds	3.4	0.7	0.1	0.0
Total	458.6	100.0	401.4	100.0

On a functional basis, the growth in recurrent expenditure was driven by a \$28.7 million (19.2%) increase in outlays for general public service to \$177.8 million, as disbursements for general administration rose by \$27.3 million (26.1%) to \$132.3 million and for public order & safety, by \$1.3 million (3.0%) to \$45.5 million. Further, spending for health services advanced by \$20.2 million (27.3%) to \$94.3 million, related in part to initiatives to prepare for the launch of the NHI programme. In addition, expenditures for social benefits & services increased by \$6.6 million (16.9%) to \$45.6 million, led by a rise in outflows for general administration and research. Similarly, gains were recorded for other community & social services, and education payments, which rose by \$4.4 million (57.5%) and \$4.0 million (6.0%), to \$12.0 million and \$71.0 million, respectively. Providing some offset, disbursements for economic services declined by \$19.7 million (24.0%) to \$62.3 million, explained by lower payments for public works & water supply (\$14.6 million), tourism services (\$4.4 million) and transportation (\$2.8 million). Further, recurrent spending for housing edged-down by \$0.2 million (13.7%) to \$1.0 million, while outlays for defense stabilized at \$12.8 million.

The growth in capital expenditure was largely associated with a more than two-fold increase in infrastructure outlays to \$85.7 million from \$38.5 million in the prior year, related to coastal protection, and the rebuilding of buildings and docks in the aftermath of Hurricane Matthew. In contrast, asset acquisitions were reduced by \$1.0 million (9.3%) to \$10.1 million, as no equity investments were made in the review period, compared to \$2.9 million in the prior year, while “other” miscellaneous acquisitions firmed by \$1.1 million to \$7.6 million.

REVENUE

Tax receipts, which constituted 90.5% of total collections, decreased by \$45.9 million (11.2%) to \$363.4 million, reflecting broad-based contractions among the various sub-categories. In particular, the net intake from the value added tax (VAT)—at 39.0% of the total—declined by \$10.2 million (6.7%) to \$141.9 million, attributed to the disruption in filing returns and reduced business activity in the periods just after Hurricane Matthew. For similar reasons, other “unallocated” taxes also contracted by \$8.3 million (46.7%) to \$9.5 million and taxes on international trade decreased by \$6.5 million (4.9%) to \$125.6 million, owing primarily to an 11.2% drop in excise tax revenue, which overshadowed smaller gains in both import and export taxes. In addition, property tax receipts fell by \$16.2 million (44.4%) to \$20.2 million, while receipts from selective services taxes fell by \$3.6 million (35.5%) to \$6.5 million, as gaming taxes decreased by 35.3%. More muted declines were recorded for departure taxes, by \$2.6 million (10.2%) to \$23.1 million, business and professional licence fees, by \$0.8 million (11.2%) to \$6.1 million and motor vehicle taxes, by \$0.5 million (8.6%) to \$5.0 million.

Non-tax receipts—which comprised the remaining 9.5% of total revenue—contracted by \$11.2 million (22.8%) to \$38.0 million. This was led by a sharp timing-related reduction in income from other “miscellaneous” sources to \$1.8 million, from \$16.1 million, while the intake from public enterprises held steady at \$1.0 million. In contrast, proceeds from fines, forfeits and administration fees increased by \$3.2 million (10.0%) to \$35.1 million.

FINANCING AND THE NATIONAL DEBT

Budgetary financing for the second quarter of FY2016/17, was primarily obtained from domestic sources, reflecting a mixture of commercial banks’ loans (\$249.5 million)—including \$130.0 million issued under a special \$150.0 million hurricane relief authority—Government bonds (\$240.0 million) and a net Treasury bill issuance (\$70.7 million). In addition, external project-based loan drawdowns amounted to \$2.2 million.

Quarterly debt repayments totaled \$279.1 million, the bulk of which (97.5%), went towards retiring Bahamian dollar debt.

As a consequence of these developments, the Direct Charge on Government increased by \$264.9 million (4.4%) over quarter, and by \$399.2 million (6.8%), year-on-year, to \$6,313.3 million at end-December 2016. The national debt to GDP ratio firmed by 2.6 percentage points to 77.9% at end-2016, slightly above the 2.4 percentage points gain in 2015.

Bahamian dollar denominated debt, at 72.4% of the total, was held primarily by commercial banks (38.9%), followed by “other” private institutional investors (31.7%), the Central Bank (15.9%), public corporations (13.1%) and other local financial institutions (0.3%). A breakdown by instrument revealed that Government bonds comprised the largest share of domestic currency debt, at 72.5%, and featured an average maturity of 9.1 years, down from 9.3 years in the prior quarter. Smaller shares were noted for Treasury bills (17.4%) and loans & advances (10.1%).

Government’s contingent liabilities were lower by \$1.1 million (0.2%) over the previous quarter, and by \$26.2 million (3.5%), year-on-year, at \$729.2 million. As a result, the National Debt—which includes contingent liabilities—rose by \$263.8 million (3.9%) over the three-month period, and by \$373.1 million (5.6%) relative to end-2015, to \$7,042.4 million.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

Public sector foreign currency debt was reduced by \$34.3 million (1.3%) to \$2,644.5 million during the review quarter, and by \$61.0 million (2.4%) relative to the same period last year, as amortization payments of \$26.7 million, outpaced new drawings of \$10.8 million. The Government’s liabilities—which accounted for 65.9% of the total—declined by \$23.3 million (1.3%) to \$1,743.2 million on a quarterly basis. Similarly, the public corporations’ debt stock decreased by \$11.0 million (1.2%) to \$901.3 million.

Total foreign currency debt service payments grew by \$6.3 million (10.6%) to \$66.2 million, year-on-year, largely owing to an \$8.0 million (29.9%) rise in the public corporations’ segment to \$34.9 million, as amortization payments rose by \$7.4 million (60.6%) to \$19.6 million, and interest charges edged-up by \$0.6 million (4.3%), to \$15.3 million. In contrast, Government’s debt service payments fell by \$1.7 million (5.1%) to \$31.3 million, as interest expenses decreased by \$2.0 million (7.5%) to \$24.2 million, outweighing the slight \$0.3 million (3.7%) firming in amortization payments to \$7.1 million. At the end of December, the debt service to Government revenue ratio stood at 7.8%, for a gain of 60 basis points over 2015.

Disaggregated by creditor profile, the dominant share of foreign currency debt was held by non-resident investors (39.4%), followed by private capital markets (34.0%), commercial banks (13.2%), multilateral institutions (10.7%) and bilateral institutions (2.7%). The majority (85.1%) of the stock was denominated in United States dollars, with the euro, Swiss Franc and the Chinese Yuan accounting for smaller portions of

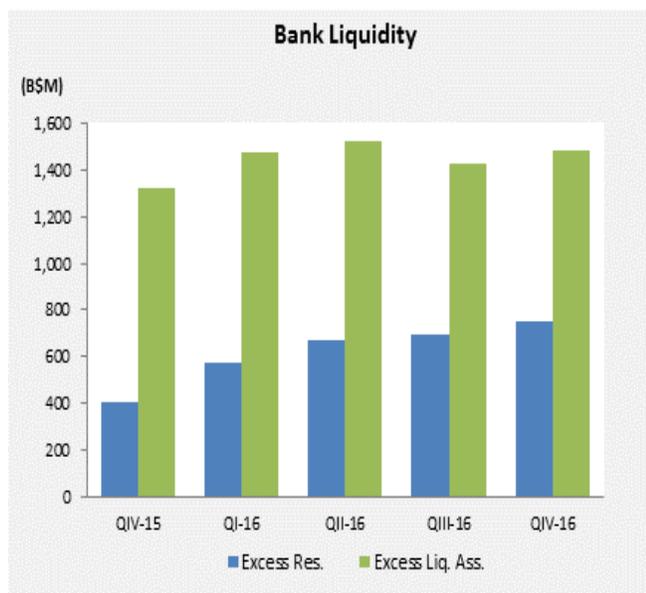
Estimates of the Debt-to-GDP Ratios			
December (%)			
	2014_p	2015_p	2016_p*
Direct Charge	64.8	66.8	69.9
National Debt	72.9	75.3	77.9
Total Public Debt	82.4	84.4	87.4
Source: The Central Bank of The Bahamas and the Department of Statistics			
<i>*GDP estimate for 2016 is derived from the IMF projections.</i>			

8.4%, 3.8% and 2.7%, respectively. At end-December, the average age of outstanding foreign currency debt decreased slightly to 12.1 years from 12.9 years in 2015.

MONEY, CREDIT AND INTEREST RATES

OVERVIEW

In monetary developments, deposit base growth outpaced domestic credit during the final quarter of 2016. This contributed to modest growth in bank liquidity and supported increased external reserves. In addition to re-insurance inflows, liquidity was also elevated following Central Bank credit to the Government. Meanwhile, the trend of credit quality improvement continued, aided by a further sale in non-performing mortgages off of commercial banks' balance sheets. Also, the weighted average interest rate spread narrowed during the period, as the decline in average lending rates contrasted with the marginal rise in deposit rates. As to the latest profitability indicators, for the third quarter of 2016, conditions remained subdued, owing to elevated bad debt provisions and higher operating outlays.



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LIQUIDITY

Banks' net free cash reserves rose by \$53.3 million (7.7%) to \$750.5 million, a turnaround from last year's \$23.6 million (5.5%) contraction, representing a higher 11.5% of Bahamian dollar deposits, vis-à-vis 6.5% a year earlier. Correspondingly, buoyed by increased holdings of Government securities, the broader surplus liquid assets grew by \$56.0 million (3.9%) to \$1,481.3 million, a reversal from the \$18.0 million (1.3%) reduction in the prior year. At end-December,

surplus liquid assets stood at 134.8% above the statutory minimum, compared to 126.1% recorded in 2015.

DEPOSITS AND MONEY

The overall money supply (M3) grew by \$355.0 million (5.4%), following last year's \$79.5 million (1.2%) contraction, for an outstanding stock of \$6,930.1 million. In terms of the components, narrow money (M1) strengthened by \$162.5 million (7.1%), opposing the prior year's \$16.3 million (0.8%) falloff. This reflected a 9.8% rise in currency in active circulation and a 6.7% increase in demand deposits, linked to gains in both public and private sector balances. Similarly, broad money (M2) advanced by \$240.6 million (3.8%), a turnaround from a \$53.0 million (0.8%) reduction a year earlier, incorporating a private sector-led accelerated growth in savings balances of \$77.0 million (6.3%) and relatively stable fixed deposit gains of \$1.1 million. The overall money aggregate, included residents' foreign currency deposit gains of \$114.4 million (59.2%), from a decline of \$26.5 million (12.4%) last year, due to re-insurance inflows related to Hurricane Matthew and resumed inflows to a major foreign investment project.

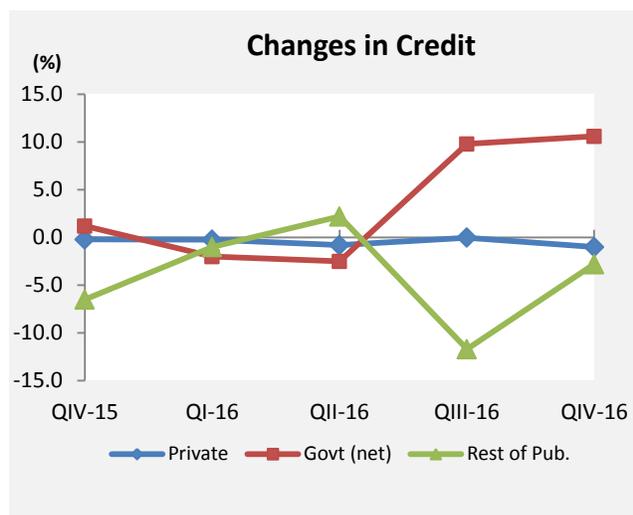
By category, Bahamian dollar fixed deposits constituted the largest share of the money stock, at 41.4%, followed by demand and savings balances at 31.5% and 18.7%, respectively. The remainder comprised residents' foreign currency deposits (4.4%) and currency in active circulation (4.0%).

DOMESTIC CREDIT

Reflecting mainly increased hurricane-rebuilding financing to the Government, total domestic credit rose by \$167.3 million (1.9%), after a \$21.5 million (0.2%) contraction in 2015. Specifically, the dominant Bahamian dollar component—at 95.3% of the total—strengthened by \$188.2 million (2.2%), in contrast to a \$10.9 million (0.1%) falloff in the previous year. Conversely, foreign currency credit decreased further by \$20.9 million (4.6%), after the \$10.6 million (1.8%) reduction in 2015.

A breakdown by sector, showed that banks' net claims on the Government increased by \$243.9 million (10.6%), outpacing the \$25.4 million (1.2%) gain in the previous period. This was led by \$130.0 million in hurricane relief financing, as well as new issues of Government securities. In contrast, credit to the rest of the public sector fell further by \$11.9 million (2.8%), tapering the prior year's \$32.6 million (6.5%) contraction. For the private sector, credit decreased by \$64.7 million (1.0%), outpacing a \$14.3 million (0.2%) decline in the corresponding 2015 period, mainly reflecting the sale of non-performing mortgages.

With regard to private sector credit, personal loans—which accounted for the majority (79.8%) of total Bahamian dollar outstanding credit—declined by \$70.3 million (1.4%), extending the \$21.4 million (0.4%) reduction a year earlier. Buoyed by \$102.4 million in non-performing asset sales, residential mortgages fell by \$115.0 million (4.1%). In a modest offset, overdrafts and consumer loans firmed by \$5.5 million (10.1%) and \$39.1 million (1.7%), respectively.



Distribution of Bank Credit By Sector
(End-December)

	2016		2015	
	B\$M	%	B\$M	%
Agriculture	7.4	0.1	9.2	0.1
Fisheries	10.0	0.1	6.1	0.1
Mining & Quarrying	1.9	0.0	2.1	0.0
Manufacturing	23.1	0.3	26.5	0.4
Distribution	167.5	2.4	165.9	2.4
Tourism	14.7	0.2	19.3	0.3
Enter. & Catering	73.5	1.1	77.8	1.1
Transport	41.1	0.6	40.8	0.6
Construction	360.3	5.2	338.5	4.9
Government	502.7	7.3	416.8	6.0
Public Corps.	233.5	3.4	238.4	3.4
Private Financial	19.5	0.3	22.4	0.3
Prof. & Other Ser.	57.7	0.8	69.4	1.0
Personal	5,183.2	75.3	5,242.3	75.6
Miscellaneous	191.2	2.8	255.1	3.7
TOTAL	6,887.3	100.0	6,930.6	100.0

A detailed breakdown of consumer credit showed that loans for “miscellaneous” purposes and home improvement firmed by \$30.9 million and \$13.3 million, respectively, while more modest gains were registered for debt consolidation (\$4.9 million), credit cards (\$2.3 million) and furnishings & domestic appliances (\$0.2 million). In contrast, net repayments were recorded for land purchases (\$8.1 million) and travel (\$2.5 million), with more muted decreases of less than \$1.0 million noted for private cars, education, medical, taxis & rented cars and commercial vehicles.

The remaining private sector categories featured expanded net lending for construction (\$12.7 million), “miscellaneous” (\$4.2 million), distribution (\$2.4 million), transport (\$1.2 million) and private financial institutions (\$0.1 million). However, net repayments were posted for

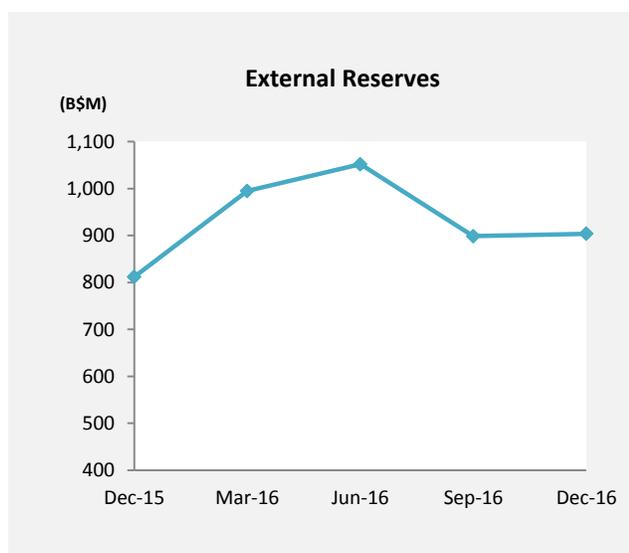
professional & other services (\$5.3 million), fisheries (\$3.0 million) and manufacturing (\$3.0 million), with declines of under \$1.0 million for tourism, agriculture, entertainment & catering, and mining & quarrying.

MORTGAGES

Data provided by banks, insurance companies and the Bahamas Mortgage Corporation, showed that the total value of mortgages outstanding decreased by \$101.9 million (3.1%) to \$3,134.7 million, surpassing the previous year’s \$4.4 million (0.1%) contraction. The dominant residential component (at 92.2% of the total) declined by \$115.6 million (3.8%) to \$2,890.9 million, vis-à-vis a \$6.4 million (0.2%) falloff last year, following the sale of a segment of one bank’s non-performing loan portfolio to non-banks. In contrast, the commercial component rose by \$13.7 million (6.0%) to \$243.8 million, after the prior year’s \$2.0 million (1.0%) expansion. At end-December, domestic banks held the bulk of outstanding mortgages (88.4%), followed by insurance companies and the Bahamas Mortgage Corporation at 6.3% and 5.3%, respectively.

THE CENTRAL BANK

Given increased bond holdings, the Central Bank’s net claims on the Government expanded by \$48.1 million (7.2%) to \$716.6 million, slightly lower than the \$57.7 million (13.2%) growth last year. In contrast, led by a rise in deposits, the Bank’s position with the rest of the public sector reversed to a net liability of \$3.6 million from a net claim of \$1.4 million in the 2015 period. Further, the growth in currency in active circulation led to net liabilities to commercial banks advancing by \$28.3 million (2.9%) to \$1,007.9 million, vis-à-vis a \$29.5 million (4.2%) gain in 2015.



External reserves grew by \$5.1 million (0.6%) to \$904.0 million, a turnaround from last year’s \$14.8 million (1.8%) reduction. In the underlying transactions, the Central Bank’s position reverted from a net sale of \$17.4 million in 2015, to a net purchase of \$3.5 million in the review period, as re-insurance inflows extended the net purchase from commercial banks by \$106.3 million to \$114.2 million. In contrast, the Government’s position reversed to a net sale of \$7.9 million, from a net intake of \$47.0 million a year earlier, and the net sale to public corporations—mainly for fuel purchases—firmed by \$30.5 million to \$102.8 million, attributed in part to the rise in international oil prices.

At end-December, the stock of external reserves was equivalent to an estimated 16.9 weeks of total merchandise imports (inclusive of oil purchases), relative to 13.3 weeks a year earlier. After adjusting for the 50% statutory requirement on the Central Bank’s Bahamian dollar liabilities, “useable” reserves declined by \$54.6 million to \$243.7 million.

DOMESTIC BANKS

With the expansion in residents’ deposits (including significant foreign currency amounts) outpacing domestic credit, domestic banks financed a reduction in their net foreign liabilities by \$149.3 million (39.8%), in contrast to an increase of \$5.9 million (1.1%) in 2015.

Banks' credit firmed by \$119.1 million (1.4%), vis-à-vis a \$79.0 million (0.9%) reduction in the prior year. Specifically, hurricane-recovery related financing, underpinned the expansion in net claims on the Government of \$195.8 million (11.9%), a reversal from the previous year's 1.9% contraction. In contrast, credit to the public corporations decreased further by \$12.0 million (2.9%), moderating 2015's \$32.4 million (6.6%) contraction. Further, buoyed by the sale of non-performing mortgages, the decline in private sector credit accelerated to \$64.7 million (1.0%), from \$14.3 million (0.2%) in the prior year.

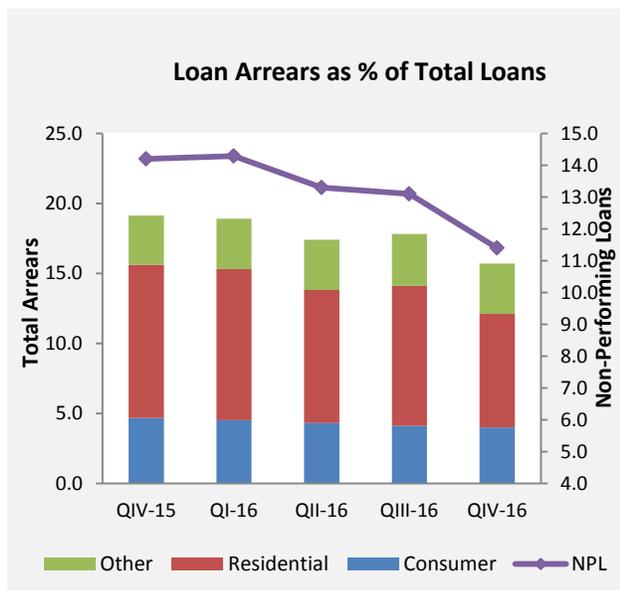
Banks' total deposit liabilities grew by \$324.9 million (5.2%) to \$6,636.9 million, relative to last year's \$96.6 million (1.6%) falloff. In the underlying components, re-insurance and investment-related inflows boosted private sector deposits by \$315.8 million (5.3%), a turnaround from an \$81.7 million (1.4%) decrease in 2015. Similarly, public corporations' balances reversed to a gain of \$9.1 million (2.6%), from a \$14.9 million (4.2%) drawdown a year earlier. For Government, deposits contracted by \$12.7 million (6.4%), compared to a \$13.7 million (5.4%) increase in the preceding year.

By end-December, the majority (95.4%) of deposit liabilities were denominated in Bahamian dollars, with foreign currency placements (largely in US dollars) representing the remainder. An analysis by holder, showed that private individuals held the bulk (50.9%) of total local currency accounts, followed by business firms (30.1%), private financial institutions (5.9%), non-profit organizations (5.0%), public corporations (4.3%), the Government (2.8%) and public financial institutions (1.0%).

Disaggregated by classification, fixed deposits represented the largest share (43.5%) of deposits, followed by demand (37.2%) and savings (19.3%) balances. Analyzed by range of value and number, the majority of accounts (86.6%), held Bahamian dollar balances of less than \$10,000, but comprised only 6.1% of the total value. Accounts with balances between \$10,000 and \$50,000 constituted 8.5% of the total number and 11.2% of the overall value, while deposits in excess of \$50,000 represented a mere 4.9% of the total, but a dominant 82.7% of the aggregate value.

CREDIT QUALITY

Although trend improvements were dominated by the sale of non-performing loans, banks' credit quality gains also continued to reflect aggressive debt restructuring operations and some modest success from the



Government's new mortgage relief programme. In this regard, private sector loan arrears contracted by \$119.8 million (10.6%) to \$1,010.6 million during the fourth quarter, and declined on an annual basis by \$209.0 million (17.1%). As a result, the corresponding ratio of arrears to total private sector loans decreased by 1.8 percentage points over the three-month period, and by 3.3 percentage points, year-on-year, to 17.1%.

An analysis by the average age of delinquencies, showed that the non-performing segment—arrears in excess of 90 days and on which banks stopped accruing interest—declined by \$103.9 million (12.5%) to \$729.1 million, and by 1.6 percentage points to 12.3% of total loans. Similarly, the short-term (31-90 days) component

decreased by \$15.9 million (5.3%) to \$281.5 million, resulting in the relevant ratio contracting by 20 basis points to 4.8%.

The reduction in total private sector loan arrears over the final quarter was led by a \$113.2 million (17.9%) contraction in mortgage delinquencies—a dominant 51.6% of the total—to \$521.1 million, resulting in a 3.2 percentage point decrease in the associated loan ratio to 19.4%. Similarly, the consumer component fell by \$5.7 million (2.2%) to \$257.7 million, reducing the attendant ratio by 40 basis points to 10.8% of total loans. The commercial segment also edged-down by \$0.9 million (0.4%) to \$231.8 million, while the relevant ratio softened by 50 basis points to 27.9%.

CAPITAL ADEQUACY AND PROVISIONS

In line with commercial banks traditional conservative stance, capital ratios and provisions remained at robust levels during the fourth quarter. The ratio of capital to risk-weighted assets firmed by 1.2 percentage points to 28.6% over the three-month period, well in excess of the regulatory prescribed target and trigger ratios of 17.0% and 14.0%, respectively. Despite credit quality improvements that contributed to a reduction in total provisions for bad debts, by \$32.4 million (6.0%) to \$512.1 million, the corresponding ratio against total arrears and non-performing loans increased by 2.5 and 4.9 percentage points, to 50.7% and 70.2%, respectively. Banks also wrote-off a total of \$117.5 million in delinquent loans and recovered approximately \$5.8 million.

BANK PROFITABILITY

During the third quarter of 2016—the latest period for which data is available—banks' overall profitability decreased by \$19.4 million (32.3%) to \$40.6 million, influenced by a reduction in the net interest margin, increased operating costs, and elevated provisions for bad debts. This reversed the \$23.4 million (64.2%) improvement in profits noted in the corresponding period of 2015.

Banks' net interest margin narrowed by \$7.2 million (5.1%) to \$131.8 million, underpinned by a \$9.8 million (6.1%) reduction in interest income, which outpaced the \$2.7 million (12.6%) falloff in interest expense. Commission & foreign exchange fee income rose slightly by \$0.2 million (3.8%) to \$5.8 million, while the gross earnings margin declined by \$6.9 million (4.8%) to \$137.6 million.

In addition, banks' total operating outlays increased by \$14.3 million (17.3%) to \$96.9 million, due primarily to a \$13.8 million (40.7%) growth in "miscellaneous" operating expenses—inclusive of advertising and rent—and a rise in occupancy outlays of \$0.6 million (9.1%). On the contrary, staffing costs fell marginally by \$0.2 million (0.4%).

Further, supported by a \$6.4 million (23.1%) expansion in other "miscellaneous" income and a \$0.1 million (3.1%) reduction in depreciation costs, losses from non-core activities were lower at a mere \$0.1 million, compared to the prior year's \$2.0 million. Conversely, provisions for bad debt increased by \$4.7 million (18.3%), a reversal from a \$7.1 million (21.6%) reduction a year earlier.

As a result of these developments, banks' profitability ratios, as a percentage of average assets, weakened during the review period. Specifically, the gross earnings margin ratio declined by 28 basis points to 5.50%, as the interest margin ratio narrowed by 29 basis points to 5.27%. This contrasted with a nearly stable ratio on commission & foreign exchange income at 0.23%; and a 57 basis point widening in the operating cost ratio to 3.87%. After accounting for the rise in bad debt provisions, the net income ratio fell by 78 basis points to 1.62%.

INTEREST RATES

During the fourth quarter, the commercial banks' weighted average interest rate spread declined by 33 basis points to 11.46%, reflecting a 25 basis point narrowing in the average lending rate to 12.68%, which eclipsed the 8 basis point rise in the average deposit rate to 1.22%.

Banking Sector Interest Rates			
Period Average (%)			
	Qtr. IV	Qtr. III	Qtr. IV
	<u>2015</u>	<u>2016</u>	<u>2016</u>
Deposit Rates			
Demand Deposits	0.26	0.27	0.29
Savings Deposits	0.72	0.72	0.87
Fixed Deposits			
Up to 3 months	1.10	0.94	0.90
Up to 6 months	1.20	0.89	1.00
Up to 12 months	1.53	1.43	1.57
Over 12 months	1.57	2.02	2.15
Weighted Avg Deposit	1.27	1.14	1.22
Lending Rates			
Residential mortgages	6.20	6.20	6.13
Commercial mortgages	9.09	8.29	8.33
Consumer loans	14.49	14.37	13.96
Other Local Loans	6.84	8.04	7.21
Overdrafts	10.60	11.60	11.09
Weighted Avg Loan Rate	12.32	12.93	12.68

In terms of deposits, the average rate on savings balances firmed by 15 basis points to 0.87%, while the average returns on fixed maturities widened to a range of 0.90%-2.15%, from 0.89% – 2.02% in the previous quarter. In addition, the rate offered on demand deposits rose slightly by 2 basis points to 0.29%.

With regard to lending, reductions in borrowing costs were broad-based, as interest rates on overdrafts, consumer loans and residential mortgages fell by 51, 41, and 7 basis points, to 11.09%, 13.96%, and 6.13%, respectively; while the market determined average rate on commercial mortgages advanced by 4 basis points to 8.33%.

Among other benchmark interest rates, on December 22, the Central Bank reduced the

Discount rate by 50 basis points to 4.00%, in an effort to facilitate further access to credit for commercial and residential projects. Commercial banks followed suit with a reduction in the Prime Rate by the same magnitude to 4.25%, with effect from January 3, 2017, Meanwhile, the average 90-day Treasury bill rate rose by 17 basis points to 2.11%, reflecting continued normalization against other short-term instrument costs experienced by the Government in 2015.

CAPITAL MARKETS DEVELOPMENTS

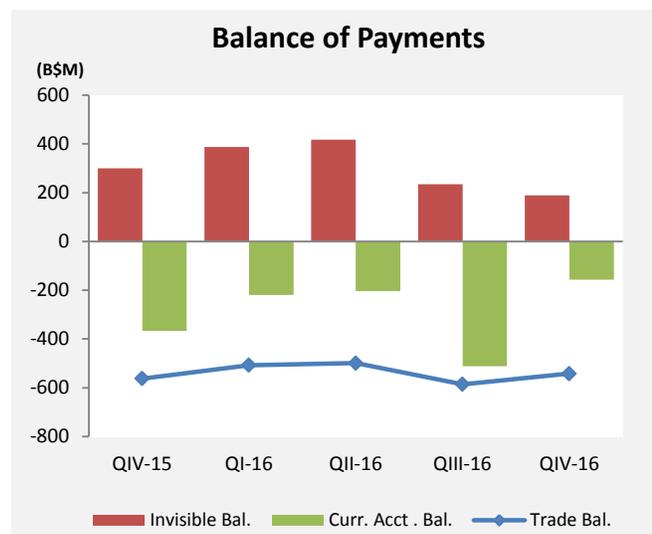
Buoyed by the listing of two new debt issues by a major telecommunications provider, trading activity on the Bahamas International Securities Exchange (BISX) rose significantly over the review period. The quarterly volume of shares traded almost doubled (90.9%) to 1,605,261, following a 17.9% gain in the same quarter a year earlier. Similarly, the corresponding trading value climbed by 54.4% to \$13.2 million, extending the 52.7% expansion in 2015.

The All BISX Share Index decreased marginally by 0.5% to 1,938.21 points, a reversal from a 1.1% gain in 2015, while market capitalization firmed by 3.3% to \$4.0 billion, exceeding the 1.3% upturn a year earlier. At end-December, the number of publicly traded securities listed on the exchange increased by 2 to 52, and consisted of 20 common share listings, 13 preference shares and 19 debt tranches.

INTERNATIONAL TRADE AND PAYMENTS

Reflecting in part the impact of the hurricane on certain key sectors, provisional estimates for the fourth quarter of 2016 featured a marked reduction in the current account deficit by \$195.5 million (53.2%) to \$171.8 million, relative to the same quarter of the previous year. In particular, current transfers reversed to

a net inflow from a net outflow, capturing the receipt of re-insurance proceeds to cover private sector rebuilding costs, while the merchandise trade deficit contracted. The surplus on the capital and financial account also declined sharply, to \$5.5 million from \$129.6 million in the previous year, due to net repayments on the public sector's net external liabilities, in contrast to significant net private debt financing which almost countered the reduction in commercial net external liabilities.



The estimated merchandise trade deficit contracted by \$1.5 million (0.3%) to \$583.8 million, as the 17.7% decrease in exports to \$99.5 million, was offset by the 3.9% falloff in imports to \$656.7 million. A further breakdown of trade flows showed that net non-oil imports fell by \$15.3 million (3.1%) to \$480.1 million, while payments for fuel rose by \$16.8 million (19.4%) to \$103.7 million. An analysis of the fuel components, indicated that the average cost for aviation gas declined by 51.0% to \$50.0 per barrel; however, the average cost of jet fuel fell by 14.1% to \$65.48; gas oil, by, 5.7% to \$62.81; propane, by 9.4% to \$36.86 and motor gas, by 1.8% to \$68.80 per barrel.

The surplus on the services account fell by \$110.7 million (37.0%) to \$188.6 million, as the passage of the hurricane disrupted tourism activity, contributing to a \$17.0 million (3.6%) decline in net travel receipts to \$457.7 million. In addition, net outflows for other “miscellaneous” services firmed by \$27.3 million (24.2%) to \$140.4 million, while Government services transactions reversed to a net external payment of \$42.0 million, from a net inflow of \$6.1 million in the previous year, partly explained by a rise in outlays associated with reclassified public sector accounts. In addition, net inflows from offshore companies’ local expenses fell by \$8.5 million (21.7%) to \$30.9 million. Providing some offset, net outflows for transportation services decreased by \$6.3 million (9.5%) to \$59.5 million, due to lower net air and sea freight service payments. In addition, the net outflow for insurance services decreased by \$2.6 million (7.6%) to \$31.2 million and royalty & license fees, by \$1.6 million (32.0%) to \$3.3 million.

The deficit on the income account held steady at \$91.3 million over the review quarter. In terms of the components, labour income remittances fell by \$9.3 million (49.2%) to \$9.6 million. In contrast, net investment income outflows rose by \$9.4 million (12.9%) to \$81.7 million, as private companies’ net outflows firmed by \$11.3 million (22.4%) to \$61.5 million. In contrast, net outflows for official transactions were reduced by \$1.9 million to \$20.2 million, reflecting a \$1.6 million (6.3%) fall in Government’s net interest payments and a slight gain of \$0.3 million (7.4%) in the Central Bank’s investment income.

Current transfers reversed to a \$288.1 million net receipt from a \$13.0 million net payment in the prior year, largely reflecting re-insurance inflows. This was mostly reflected under the net “miscellaneous” receipt of \$294.5 million, compared to a net outflow of \$6.6 million, while net outflows for workers’ remittances fell by \$6.4 million (19.4%) to \$26.8 million. In a slight offset, general Government’s net receipts declined by \$6.4 million (23.8%) to \$20.4 million.

The marked decrease in the surplus on the capital and financial account was led by the predominantly debt related (“other”) financing, which registered a net repayment of \$9.6 million, as opposed to a net inflow of

\$124.8 million in the prior year. The latter was explained by a reduction in domestic banks' net external short-term liabilities of \$149.8 million, vis-à-vis a \$5.9 million net increase in 2015. Similarly, the public sector recorded a net repayment on external debt of \$3.3 million, compared to a net borrowing of \$66.5 million in 2015, when investments flowed into the defense force. Conversely, private sector mainly loan-based financing inflows more than doubled to \$143.5 million from \$52.4 million last year.

As regards private non-debt transactions, net direct investment inflows rose by \$11.0 million (84.7%) to \$23.9 million, inclusive of an expansion in net equity inflows by \$0.6 million (1.9%) to \$32.6 million and nearly a halving in non-residents' net divestments of real estate holdings to \$8.7 million. Conversely, residents' net outward portfolio investments firmed by \$3.2 million to \$4.9 million. Meanwhile, net migrants' transfers abroad were reduced by \$2.5 million to \$3.9 million, abating the overall reduction in net capital and financial receipts.

As a result of these developments and after adjusting for net errors and omissions, the overall balance, which corresponds to the change in Central Bank's external reserves, reversed to a surplus of \$5.1 million from a deficit of \$14.8 million in the prior year.

INTERNATIONAL ECONOMIC DEVELOPMENTS

Preliminary indications are that the global economy maintained its modest growth trajectory during the fourth quarter, supported by positive developments in the United States and Asia, while Europe continued to face uncertainty following the "BREXIT" vote in the second quarter. In this environment, unemployment rates maintained their gradual downward trajectory, and inflationary pressures remained well contained; although energy costs grew modestly. Given these developments, most of the major central banks either retained or enhanced their accommodative monetary stance, with the exception of the Federal Reserve, which increased its key policy rate over the review period.

The comparative output trends were mixed in the major countries, albeit positive. Real GDP growth in the United States slowed to an estimated annualized 1.9% during the fourth quarter, after a 3.5% increase in the previous three-month period, led by declines in exports and federal government spending, a narrowing in consumer spending gains and higher imports. Further, in the United Kingdom, strong holiday-related purchases led to economic growth stabilizing at 0.6%—for the third consecutive quarter. Similarly, the euro area's expansion remained at 0.4%, supported by gains in private consumption in several member states. In Asia, economic growth in Japan eased by 40 basis points to an annualized 1.0%, owing largely to a slowdown in consumer spending that offset stronger exports. In contrast, output in China accelerated by 10 basis points to 6.8%, supported by robust property development and spending by the public.

Given the positive growth rates in the major markets, unemployment rates globally continued to edge downwards. In the United States, the jobless rate fell by 20 basis points to 4.7% over the prior three-month period, as an estimated 495,000 jobs were added primarily in professional & business services, health care, and financial activities. Similarly, the euro area's jobless rate narrowed by 30 basis points to 9.7%, while, on a quarterly basis, the unemployment rate in the United Kingdom steadied at 4.8%—the lowest level in 11 years. The two largest economies in Asia continued to show virtually full employment, as the jobless rates in both Japan and China remained at 3.1% and 4.1%, respectively.

Inflation in the major economies stayed relatively subdued during the fourth quarter, despite modest firming in energy costs. Average consumer prices in the United States increased by 10 basis points to an annualized 2.1% in December, underpinned by higher prices for energy and services. Amid higher costs for airfare, food and motor fuel, annual inflation in the United Kingdom rose over the quarter by 20 basis

points to 1.2%. In addition, the annualized rate of inflation in the euro area quickened by 70 basis points to 1.1% in December, led by an acceleration in costs for energy and food. In the Asian economies, China's inflation rate firmed by 20 basis points to 2.1% at end-December, year-on-year, reflecting a hike in food, tobacco and liquor prices, ahead of the New Year's celebrations in January. In contrast, deflation persisted in Japan, as consumer prices decreased by 0.2%, following a flat outturn in the previous quarter, due to lower prices for food, clothing and footwear.

Given the anaemic pace of global growth, most of the major central banks either maintained or strengthened their highly accommodative monetary policy stance during the final quarter of the year, in an attempt to stimulate their economies. Specifically, the Bank of England kept the size of its asset purchase programme at £435.0 billion and left its main policy rate unchanged at 0.25%. Similarly, the European Central Bank sustained its asset purchase programme at €80.0 billion, while leaving its benchmark interest rates at historical lows. In Asia, in order to support its growth and inflation objectives, the Bank of Japan indicated that it would continue with its Government bond purchase programme, in order to maintain 10-year yields at 0.0% over the long-term. The People's Bank of China also sustained its accommodative policy stance during the review quarter, by leaving its benchmark policy rate unchanged at 4.35%. In contrast, citing the positive outlook for economic growth and employment conditions, the Federal Reserve sustained its efforts to gradually raise its policy rate to more "normal" levels. The Bank therefore increased the Federal Funds rate by 25 basis points to a range of 0.50%-0.75%.

Buoyed by the expansion in the United States' economy and expectations of further interest rate increases in the near-term, the US dollar appreciated against all major currencies during the fourth quarter. Specifically, the dollar recorded its largest increases relative to the Japanese Yen, by 15.5% to ¥117.0 and the euro, by 6.8% to €0.95. Similarly, the dollar strengthened against the British pound and Swiss Franc, by 5.0% each, to £0.81 and CHF1.02, respectively, while more muted gains were registered vis-à-vis the Chinese Yuan by 4.3% to CNY6.95 and the Canadian dollar by 2.4%, to CAD\$1.34.

During the review period, major equity market developments reflected in part the positive sentiments generated by the election of the new potentially "pro-growth" administration in the United States. As a consequence, the Dow Jones Industrial Average (DIJA) and the S&P 500 indices firmed by 7.9% and 3.3%, respectively. Similarly, European bourses registered gains, with Germany's DAX firming by 12.7%, France's CAC 40, by 9.3% and the United Kingdom's FTSE 100, by 3.5%. Asian markets also moved higher, as Japan's Nikkei 225 rose by 12.7% and China's SE Composite expanded by 3.3%.

Reflecting the signing of an historic agreement between OPEC and Russia to curb oil production by a minimum of 1.5 million barrels per day by January 2017, global oil prices climbed by 20.8% over the three-month period to \$56.82 per barrel. In contrast, in the precious metals market, both the prices of silver and gold fell by 17.0% to \$15.92 and \$1,152.27 per troy ounce, respectively.

External sector developments were mixed during the fourth quarter, although most major economies registered export growth amid buoyant levels of global demand. In the United States, the trade deficit deteriorated by approximately 13.7% to \$132.4 million, reflecting a 1.3% rise in imports, along with a 1.6% falloff in exports. However, the euro area's trade surplus widened by 17.4% to €82.4 billion, owing to exports gains, which overshadowed increased imports. Further, the United Kingdom's deficit on trade in goods and services narrowed by £5.6 billion (39.3%) to £8.6 billion, underpinned by a 5.8% rise in exports of goods—mainly oil and aircraft components to predominantly non-EU countries—combined with a 1.5% decrease in imports. Bolstered by an 8.8% expansion in exports, which outstripped the 7.4% gain in

imports, Japan's trade surplus widened by 24.7% to ¥1.3 trillion. In contrast, China's trade surplus narrowed by 11.9% to US\$134.5 billion, as export gains were dwarfed by stronger import demand.

STATISTICAL APPENDIX (TABLES I-16)

**TABLE 1
FINANCIAL SURVEY**

Period	2012	2013	2014	2015				2016			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
(B\$ Millions)											
Net foreign assets	209.2	46.7	286.4	364.5	484.1	300.9	280.2	482.6	656.2	524.1	678.5
Central Bank	810.2	741.6	787.7	829.1	953.1	826.8	811.9	994.9	1,052.1	898.8	904.0
Domestic Banks	(600.9)	(694.9)	(501.2)	(464.6)	(469.1)	(525.8)	(531.7)	(512.4)	(395.9)	(374.7)	(225.4)
Net domestic assets	6,094.6	6,270.6	6,103.7	6,087.1	5,986.1	6,152.4	6,093.7	6,013.8	5,920.8	6,050.8	6,251.4
Domestic credit	8,691.3	8,957.1	8,870.5	8,840.9	8,808.9	8,987.6	8,966.2	8,900.4	8,810.5	8,961.1	9,128.4
Public sector	2,062.9	2,406.0	2,503.6	2,512.1	2,500.9	2,673.6	2,666.4	2,614.3	2,574.1	2,725.7	2,957.6
Government (net)	1,594.8	1,946.6	2,024.0	2,017.7	2,007.6	2,172.6	2,198.0	2,150.9	2,100.6	2,307.5	2,551.4
Rest of public sector	468.2	459.4	479.7	494.5	493.3	500.9	468.4	463.4	473.5	418.2	406.3
Private sector	6,628.4	6,551.1	6,366.9	6,328.8	6,308.0	6,314.1	6,299.7	6,286.1	6,236.4	6,235.5	6,170.8
Other items (net)	(2,596.7)	(2,686.5)	(2,766.8)	(2,753.9)	(2,822.8)	(2,835.2)	(2,872.4)	(2,886.6)	(2,889.6)	(2,910.3)	(2,877.0)
Monetary liabilities	6,303.7	6,317.2	6,390.0	6,451.4	6,470.0	6,453.2	6,373.8	6,498.8	6,577.2	6,575.1	6,930.1
Money	1,574.9	1,641.2	1,995.7	2,054.5	2,109.9	2,087.3	2,071.2	2,143.1	2,198.0	2,298.0	2,460.6
Currency	216.5	214.4	232.8	232.9	232.3	225.8	246.6	246.9	247.6	255.5	280.5
Demand deposits	1,358.4	1,426.8	1,762.9	1,821.5	1,877.6	1,861.5	1,824.7	1,896.1	1,950.4	2,042.5	2,180.1
Quasi-money	4,728.8	4,676.0	4,394.3	4,397.0	4,360.2	4,365.8	4,302.6	4,355.8	4,379.2	4,277.0	4,469.5
Fixed deposits	3,444.1	3,288.0	3,101.9	3,026.5	3,006.0	3,006.7	2,966.5	2,970.9	2,931.2	2,865.2	2,866.3
Savings deposits	1,069.0	1,114.0	1,067.5	1,099.3	1,128.4	1,144.8	1,148.3	1,178.5	1,217.3	1,218.6	1,295.6
Foreign currency	215.7	274.0	224.8	271.2	225.8	214.3	187.8	206.4	230.7	193.2	307.6
(percentage changes)											
Total domestic credit	1.7	3.1	(1.0)	(0.3)	(0.4)	2.0	(0.2)	(0.7)	(1.0)	1.7	1.9
Public sector	8.8	16.6	4.1	0.3	(0.4)	6.9	(0.3)	(2.0)	(1.5)	5.9	8.5
Government (net)	10.6	22.1	4.0	(0.3)	(0.5)	8.2	1.2	(2.1)	(2.3)	9.8	10.6
Rest of public sector	2.9	(1.9)	4.4	3.1	(0.2)	1.6	(6.5)	(1.1)	2.2	(11.7)	(2.9)
Private sector	(0.3)	(1.2)	(2.8)	(0.6)	(0.3)	0.1	(0.2)	(0.2)	(0.8)	(0.0)	(1.0)
Monetary liabilities	(0.1)	0.2	1.2	1.0	0.3	(0.3)	(1.2)	2.0	1.2	(0.0)	5.4
Money	9.8	4.2	21.6	2.9	2.7	(1.1)	(0.8)	3.5	2.6	4.6	7.1
Currency	9.9	(0.9)	8.6	0.0	(0.3)	(2.8)	9.2	0.1	0.3	3.2	9.8
Demand deposits	9.7	5.0	23.6	3.3	3.1	(0.9)	(2.0)	3.9	2.9	4.7	6.7
Quasi-money	(3.0)	(1.1)	(6.0)	0.1	(0.8)	0.1	(1.4)	1.2	0.5	(2.3)	4.5

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

Period	2012	2013	2014	2015				2016			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
(B\$ Millions)											
Net foreign assets	215.1	76.4	334.2	414.6	540.3	376.7	360.1	571.6	750.1	596.1	730.5
Central Bank	810.2	741.6	787.7	829.1	953.1	826.8	811.9	994.9	1,052.1	898.8	904.0
Commercial banks	(595.1)	(665.2)	(453.5)	(414.5)	(412.9)	(450.0)	(451.8)	(423.4)	(302.0)	(302.7)	(173.5)
Net domestic assets	6,034.1	6,189.3	6,002.0	5,973.3	5,861.7	6,014.2	5,956.8	5,872.0	5,769.5	5,921.7	6,131.5
Domestic credit	8,661.9	8,929.8	8,837.0	8,795.6	8,766.4	8,954.7	8,926.2	8,855.5	8,766.7	8,930.9	9,097.0
Public sector	2,050.1	2,396.6	2,492.5	2,500.9	2,480.5	2,662.9	2,653.2	2,604.4	2,563.2	2,710.0	2,941.4
Government (net)	1,582.4	1,937.7	2,013.2	2,006.8	1,987.6	2,162.3	2,187.2	2,143.3	2,092.1	2,292.2	2,535.5
Rest of public sector	467.7	458.9	479.3	494.1	492.9	500.6	466.0	461.0	471.2	417.8	405.9
Private sector	6,611.8	6,533.2	6,344.5	6,294.7	6,285.9	6,291.8	6,273.0	6,251.1	6,203.5	6,221.0	6,155.6
Other items (net)	(2,627.8)	(2,740.5)	(2,834.9)	(2,822.3)	(2,904.7)	(2,940.5)	(2,969.4)	(2,983.5)	(2,997.2)	(3,009.2)	(2,965.5)
Monetary liabilities	6,249.0	6,265.6	6,336.1	6,387.7	6,401.9	6,390.8	6,316.8	6,446.1	6,519.9	6,518.0	6,862.1
Money	1,541.9	1,610.9	1,955.0	2,014.8	2,053.7	2,037.4	2,024.9	2,101.0	2,155.6	2,257.6	2,406.8
Currency	216.5	214.4	232.8	232.9	232.3	225.8	246.6	246.9	247.6	255.5	280.5
Demand deposits	1,325.4	1,396.5	1,722.2	1,781.8	1,821.5	1,811.6	1,778.3	1,854.0	1,908.0	2,002.1	2,126.4
Quasi-money	4,707.1	4,654.7	4,381.1	4,372.9	4,348.1	4,353.5	4,291.9	4,345.1	4,364.3	4,260.5	4,455.3
Savings deposits	1,069.0	1,114.0	1,067.5	1,099.3	1,128.4	1,144.8	1,148.3	1,178.5	1,216.5	1,218.0	1,295.0
Fixed deposits	3,428.4	3,266.7	3,088.8	3,013.7	2,994.0	2,994.3	2,955.9	2,960.2	2,917.1	2,853.7	2,854.8
Foreign currency deposits	209.7	274.0	224.8	259.9	225.8	214.3	187.8	206.4	230.7	188.8	305.5
(percentage change)											
Total domestic credit	1.7	3.1	(1.0)	(0.5)	(0.3)	2.1	(0.3)	(0.8)	(1.0)	1.9	1.9
Public sector	8.6	16.9	4.0	0.3	(0.8)	7.4	(0.4)	(1.8)	(1.6)	5.7	8.5
Government (net)	10.5	22.5	3.9	(0.3)	(1.0)	8.8	1.2	(2.0)	(2.4)	9.6	10.6
Rest of public sector	2.9	(1.9)	4.4	3.1	(0.2)	1.6	(6.9)	(1.1)	2.2	(11.3)	(2.9)
Private sector	(0.3)	(1.2)	(2.9)	(0.8)	(0.1)	0.1	(0.3)	(0.3)	(0.8)	0.3	(1.1)
Monetary liabilities	(0.3)	0.3	1.1	0.8	0.2	(0.2)	(1.2)	2.0	1.1	(0.0)	5.3
Money	9.5	4.5	21.4	3.1	1.9	(0.8)	(0.6)	3.8	2.6	4.7	6.6
Currency	9.9	(0.9)	8.6	0.0	(0.3)	(2.8)	9.2	0.1	0.3	3.2	9.8
Demand deposits	9.4	5.4	23.3	3.5	2.2	(0.5)	(1.8)	4.3	2.9	4.9	6.2
Quasi-money	(3.1)	(1.1)	(5.9)	(0.2)	(0.6)	0.1	(1.4)	1.2	0.4	(2.4)	4.6

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B\$ Millions)

Period	2012	2013	2014	2015				2016			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Net foreign assets	810.2	741.6	787.7	829.1	953.1	826.8	811.9	994.9	1,052.1	898.8	904.0
Balances with banks abroad	216.5	122.4	155.2	186.1	308.1	212.3	206.6	380.1	389.6	260.3	254.8
Foreign securities	555.6	551.0	544.9	559.6	560.1	529.7	521.7	511.5	559.9	536.0	550.5
Reserve position in the Fund	9.6	9.6	9.1	8.6	8.8	8.8	8.7	27.2	27.0	26.9	25.9
SDR holdings	28.4	58.6	78.5	74.7	76.1	76.0	75.0	76.2	75.7	75.5	72.7
Net domestic assets	280.1	374.7	375.6	304.8	245.3	277.8	340.6	333.1	387.3	513.5	555.3
Net claims on Government	397.3	493.1	523.4	458.7	402.7	436.0	493.7	487.4	546.1	668.5	716.6
Claims	407.4	545.3	571.4	485.3	429.0	457.2	523.1	511.3	568.9	696.9	731.9
Treasury bills	129.7	186.6	119.7	76.7	22.9	54.7	126.6	114.2	171.7	259.5	223.9
Bahamas registered stock	171.3	223.5	316.5	273.1	270.5	266.7	261.1	261.5	261.5	301.5	372.6
Loans and advances	106.3	135.2	135.2	135.4	135.6	135.8	135.4	135.5	135.7	135.9	135.4
Deposits	(10.1)	(52.1)	(48.0)	(26.6)	(26.3)	(21.2)	(29.4)	(23.8)	(22.9)	(28.4)	(15.3)
In local currency	(10.1)	(52.1)	(48.0)	(26.6)	(26.3)	(21.2)	(29.4)	(23.8)	(22.9)	(28.4)	(15.3)
In foreign currency	-	-	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(14.8)	(11.7)	(26.0)	(14.5)	(17.6)	(20.8)	(17.3)	(13.6)	(17.8)	(7.5)	(12.6)
Credit to commercial banks	-	-	-	-	-	-	-	-	-	-	-
Official capital and surplus	(135.7)	(140.0)	(152.3)	(156.7)	(155.0)	(155.4)	(163.7)	(162.4)	(162.9)	(163.1)	(165.7)
Net unclassified assets	23.0	23.0	21.1	7.9	5.9	8.9	19.0	12.8	13.2	6.7	8.0
Loans to rest of public sector	4.8	4.6	4.2	4.2	4.1	3.9	3.7	3.7	3.6	3.6	3.6
Public Corp Bonds/Securities	5.6	5.7	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.3
Liabilities To Domestic Banks	(682.6)	(710.3)	(750.2)	(729.3)	(791.2)	(704.1)	(733.5)	(905.8)	(1,017.8)	(983.1)	(1,011.4)
Notes and coins	(127.4)	(138.1)	(142.5)	(112.5)	(109.8)	(108.5)	(142.4)	(113.9)	(96.9)	(101.3)	(145.1)
Deposits	(555.2)	(572.2)	(607.7)	(616.9)	(681.4)	(595.6)	(591.1)	(791.9)	(920.9)	(881.8)	(866.3)
SDR allocation	(191.2)	(191.6)	(180.3)	(171.6)	(175.0)	(174.7)	(172.4)	(175.3)	(174.0)	(173.7)	(167.3)
Currency held by the private sector	(216.5)	(214.4)	(232.8)	(232.9)	(232.3)	(225.8)	(246.6)	(246.9)	(247.6)	(255.5)	(280.5)

Source: The Central Bank of The Bahamas

**TABLE 4
DOMESTIC BANKS BALANCE SHEET**

(BS Millions)

Period	2012	2013	2014	2015				2016			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Net foreign assets	(600.9)	(694.9)	(501.2)	(464.6)	(469.1)	(525.8)	(531.7)	(512.4)	(395.9)	(374.7)	(225.4)
Net claims on Central Bank	690.7	651.7	749.2	729.9	792.1	704.8	730.0	906.5	1,018.7	984.0	1,012.4
Notes and Coins	127.4	138.1	142.5	112.5	109.8	108.5	142.4	113.9	96.9	101.3	145.1
Balances	563.3	513.6	606.7	617.4	682.3	596.2	587.5	792.6	921.8	882.8	867.3
Less Central Bank credit	-	-	-	-	-	-	-	-	-	-	-
Net domestic assets	5,586.1	5,803.7	5,537.6	5,564.0	5,541.1	5,670.9	5,569.8	5,499.6	5,325.1	5,345.6	5,483.7
Net claims on Government	1,197.5	1,453.5	1,500.5	1,559.0	1,604.9	1,736.6	1,704.4	1,663.5	1,554.5	1,639.0	1,834.8
Treasury bills	219.3	392.4	454.5	502.5	556.3	699.6	662.6	680.0	627.8	557.9	531.9
Other securities	961.1	962.2	907.0	923.4	940.0	922.4	895.4	892.3	889.6	891.1	987.1
Loans and advances	152.4	253.6	352.1	356.5	362.2	371.4	416.8	419.2	404.9	389.7	502.7
Less: deposits	135.3	154.7	213.1	223.5	253.6	256.7	270.5	328.1	367.8	199.6	186.9
Net claims on rest of public sector	61.2	118.6	124.6	110.3	128.0	135.1	117.6	109.9	100.9	52.1	31.0
Securities	119.4	119.4	219.0	219.0	219.0	219.0	221.0	221.0	218.9	168.6	163.9
Loans and advances	338.5	329.8	251.3	266.0	264.9	272.8	238.4	233.6	245.8	240.7	233.5
Less: deposits	396.6	330.6	345.7	374.7	356.0	356.7	341.8	344.6	363.9	357.2	366.4
Other net claims	14.7	56.4	24.8	50.7	11.0	15.8	43.9	25.7	18.6	24.3	(2.9)
Credit to the private sector	6,628.4	6,551.1	6,366.9	6,328.8	6,308.0	6,314.1	6,299.7	6,286.1	6,236.4	6,235.5	6,170.8
Securities	14.1	16.6	16.8	16.7	16.8	18.1	24.4	25.9	26.7	18.6	19.6
Mortgages	3,275.4	3,310.3	3,211.4	3,187.9	3,179.9	3,171.2	3,164.7	3,165.8	3,139.8	3,139.1	3,035.5
Loans and advances	3,338.9	3,224.2	3,138.7	3,124.2	3,111.3	3,124.8	3,110.7	3,094.4	3,069.9	3,077.8	3,115.7
Private capital and surplus	(2,523.4)	(2,586.4)	(2,499.2)	(2,509.0)	(2,551.6)	(2,556.6)	(2,651.2)	(2,600.8)	(2,601.5)	(2,638.8)	(2,594.4)
Net unclassified assets	207.7	210.6	20.0	24.1	40.8	25.9	55.5	15.2	16.3	33.5	44.5
Liabilities to private sector	5,675.8	5,760.6	5,785.5	5,829.3	5,864.2	5,849.9	5,768.1	5,893.7	5,948.0	5,954.9	6,270.7
Demand deposits	1,442.7	1,593.5	1,830.6	1,932.4	1,957.7	1,922.4	1,868.3	1,949.9	1,998.5	2,075.0	2,287.4
Savings deposits	1,074.2	1,119.9	1,074.1	1,106.2	1,136.5	1,158.5	1,162.0	1,195.6	1,234.7	1,238.8	1,315.0
Fixed deposits	3,159.0	3,047.1	2,880.8	2,790.6	2,770.0	2,768.9	2,737.8	2,748.3	2,714.8	2,641.0	2,668.3

Source: The Central Bank of The Bahamas

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

(B\$'000s)

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

*Commercial Banks and OLFs with domestic operations

Source: The Central Bank of The Bahamas

**TABLE 6
MONEY SUPPLY**

(B\$ Millions)

End of Period	2012	2013	2014	2015				2016			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Money Supply (M1)	1,574.9	1,641.2	1,995.7	2,054.5	2,109.9	2,087.3	2,071.2	2,143.1	2,198.0	2,298.0	2,460.6
1) Currency in active circulation	216.5	214.4	232.8	232.9	232.3	225.8	246.6	246.9	247.6	255.5	280.5
2) Demand deposits	1,358.4	1,426.8	1,762.9	1,821.5	1,877.6	1,861.5	1,824.7	1,896.1	1,950.4	2,042.5	2,180.1
Central Bank	14.8	11.7	26.0	14.5	17.6	20.8	17.3	13.6	17.8	7.5	12.6
Domestic Banks	1,343.6	1,415.1	1,736.9	1,807.0	1,860.0	1,840.8	1,807.3	1,882.6	1,932.7	2,035.1	2,167.6
Factors affecting money (M1)											
1) Net credit to Government	1,594.8	1,946.6	2,024.0	2,017.7	2,007.6	2,172.6	2,198.0	2,150.9	2,100.6	2,307.5	2,551.4
Central Bank	397.3	493.1	523.4	458.7	402.7	436.0	493.7	487.4	546.1	668.5	716.6
Domestic banks	1,197.5	1,453.5	1,500.5	1,559.0	1,604.9	1,736.6	1,704.4	1,663.5	1,554.5	1,639.0	1,834.8
2) Other credit	7,096.6	7,010.5	6,846.5	6,823.3	6,801.3	6,815.0	6,768.1	6,749.5	6,709.9	6,653.6	6,577.1
Rest of public sector	468.2	459.4	479.7	494.5	493.3	500.9	468.4	463.4	473.5	418.2	406.3
Private sector	6,628.4	6,551.1	6,366.9	6,328.8	6,308.0	6,314.1	6,299.7	6,286.1	6,236.4	6,235.5	6,170.8
3) External reserves	810.2	741.6	787.7	829.1	953.1	826.8	811.9	994.9	1,052.1	898.8	904.0
4) Other external liabilities	(600.9)	(694.9)	(501.2)	(464.6)	(469.1)	(525.8)	(531.7)	(512.4)	(395.9)	(374.7)	(225.4)
5) Quasi money	4,728.8	4,676.0	4,394.3	4,397.0	4,360.2	4,365.8	4,302.6	4,355.8	4,379.2	4,277.0	4,469.5
6) Other items (net)	(2,596.7)	(2,686.5)	(2,766.8)	(2,753.9)	(2,822.8)	(2,835.2)	(2,872.4)	(2,886.6)	(2,889.6)	(2,910.3)	(2,877.0)

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

(B\$' 000)

End of Period	2012	2013	2014	2015				2016			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
CREDIT OUTSTANDING											
Private cars	177,527	175,407	186,731	187,847	189,599	186,637	181,447	177,367	179,811	177,103	176,178
Taxis & rented cars	1,081	1,077	853	987	1,057	1,028	1,026	947	879	855	777
Commercial vehicles	2,241	2,334	1,958	1,971	1,802	1,510	1,498	1,381	1,290	1,109	1,050
Furnishings & domestic appliances	12,010	7,919	7,911	7,370	7,371	8,013	8,081	7,833	7,994	8,015	8,302
Travel	29,492	33,011	30,033	27,644	28,771	36,466	36,836	36,170	38,928	43,721	41,197
Education	34,544	33,858	36,571	36,896	36,153	42,085	41,117	40,343	39,369	52,837	52,245
Medical	11,363	12,010	11,744	12,244	12,549	12,824	12,471	13,294	13,118	13,144	12,824
Home Improvements	127,537	123,943	131,723	132,323	131,388	125,149	114,265	111,294	108,346	108,671	121,959
Land Purchases	232,752	225,065	216,760	211,941	206,235	199,086	193,163	187,987	181,767	177,984	169,847
Consolidation of debt	781,693	802,727	777,804	861,318	842,827	834,249	802,034	805,547	795,914	979,674	984,569
Miscellaneous	501,225	563,322	625,074	539,640	575,906	610,830	640,154	649,073	685,088	515,430	546,313
Credit Cards	243,745	241,241	245,254	237,493	237,607	242,465	249,164	243,919	243,214	253,828	256,166
TOTAL	2,155,210	2,221,914	2,272,416	2,257,674	2,271,265	2,300,342	2,281,256	2,275,155	2,295,718	2,332,371	2,371,427
NET CREDIT EXTENDED											
Private cars	5,776	(2,120)	11,324	1,116	1,752	(2,962)	(5,190)	(4,080)	2,444	(2,708)	(925)
Taxis & rented cars	171	(4)	(224)	134	70	(29)	(2)	(79)	(68)	(24)	(78)
Commercial vehicles	(269)	93	(376)	13	(169)	(292)	(12)	(117)	(91)	(181)	(59)
Furnishings & domestic appliances	884	(4,091)	(8)	(541)	1	642	68	(248)	161	21	287
Travel	4,271	3,519	(2,978)	(2,389)	1,127	7,695	370	(666)	2,758	4,793	(2,524)
Education	(1,206)	(686)	2,713	325	(743)	5,932	(968)	(774)	(974)	13,468	(592)
Medical	(3,046)	647	(266)	500	305	275	(353)	823	(176)	26	(320)
Home Improvements	994	(3,594)	7,780	600	(935)	(6,239)	(10,884)	(2,971)	(2,948)	325	13,288
Land Purchases	(7,038)	(7,687)	(8,305)	(4,819)	(5,706)	(7,149)	(5,923)	(5,176)	(6,220)	(3,783)	(8,137)
Consolidation of debt	(38,442)	21,034	(24,923)	83,514	(18,491)	(8,578)	(32,215)	3,513	(9,633)	183,760	4,895
Miscellaneous	37,173	62,097	61,752	(85,434)	36,266	34,924	29,324	8,919	36,015	(169,658)	30,883
Credit Cards	(8,179)	(2,504)	4,013	(7,761)	114	4,858	6,699	(5,245)	(705)	10,614	2,338
TOTAL	(8,911)	66,704	50,502	(14,742)	13,591	29,077	(19,086)	(6,101)	20,563	36,653	39,056

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

Period	(%)										
	2012	2013	2014	2015				2016			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
DOMESTIC BANKS											
Deposit rates											
Savings deposits	1.53	0.97	0.89	0.96	0.82	0.83	0.72	0.80	0.87	0.72	0.87
Fixed deposits											
Up to 3 months	1.60	1.37	1.16	1.07	1.20	1.17	1.10	1.05	0.98	0.94	0.90
Up to 6 months	1.95	1.35	1.22	1.02	1.03	1.09	1.20	1.05	1.03	0.89	1.00
Up to 12 months	2.54	2.15	1.76	1.90	1.71	1.69	1.53	1.87	1.44	1.43	1.57
Over 12 months	2.65	2.20	1.64	1.55	1.42	1.72	1.57	1.64	1.66	2.02	2.15
Weighted average rate	2.02	1.68	1.42	1.46	1.40	1.49	1.27	1.36	1.25	1.14	1.22
Lending rates											
Residential mortgages	7.50	7.27	7.16	6.89	6.45	6.36	6.20	6.32	6.21	6.20	6.13
Commercial mortgages	8.29	8.21	8.02	7.61	7.68	4.93	6.06	4.94	4.67	8.29	8.33
Consumer loans	13.43	13.65	13.91	14.05	14.08	14.43	14.49	13.65	14.14	14.37	13.96
Overdrafts	9.81	9.32	9.76	10.48	10.20	10.17	10.60	10.78	11.04	11.60	11.09
Weighted average rate	10.88	11.10	11.81	11.94	12.35	12.55	12.32	11.83	12.54	12.93	12.68
Other rates											
Prime rate	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Treasury bill (90 days)	0.20	0.30	0.53	0.58	0.69	0.68	0.76	1.03	1.48	1.94	2.11
Treasury bill re-discount rate	0.70	0.80	1.03	1.08	1.19	1.18	1.26	1.53	1.98	2.44	2.61
Bank rate (discount rate)	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.00

Source: The Central Bank of The Bahamas

TABLE 9
SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

Period	(%)										
	2012	2013	2014	2015				2016			
				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)	80.3	78.4	79.7	80.9	81.2	81.5	80.9	81.1	82.6	82.3	84.3
Arrears (% by loan type)											
Consumer	4.4	5.0	5.2	4.8	4.6	4.9	4.7	4.5	4.3	4.1	4.0
Mortgage	11.0	11.0	11.0	10.3	10.4	10.4	10.9	10.8	9.6	10.0	8.1
Commercial	4.3	5.5	4.1	4.0	3.8	3.2	3.5	3.6	3.6	3.7	3.6
Public	0.1	0.1	0.0	-	-	0.0	-	-	-	0.0	-
Total Arrears	19.7	21.6	20.3	19.1	18.8	18.5	19.1	18.9	17.4	17.7	15.7
Total B\$ Loan Portfolio	100.0										
Loan Portfolio											
Current Loans (as a % of total loans)	80.3	78.4	79.7	80.9	81.2	81.5	80.9	81.1	82.6	82.3	84.3
Arrears (% by days outstanding)											
30 - 60 days	3.7	3.6	2.9	2.7	2.6	2.8	3.1	3.0	2.5	2.9	2.8
61 - 90 days	2.3	2.5	2.0	1.6	1.8	1.7	1.8	1.6	1.7	1.7	1.6
90 - 179 days	2.5	2.1	2.0	1.6	1.7	1.6	1.6	1.7	1.6	1.7	1.5
over 180 days	11.3	13.3	13.3	13.2	12.7	12.4	12.6	12.6	11.7	11.4	9.8
Total Arrears	19.7	21.6	20.3	19.1	18.8	18.5	19.1	18.9	17.4	17.7	15.7
Total B\$ Loan Portfolio	100.0										
Non Accrual Loans (% by loan type)											
Consumer	20.5	21.5	23.6	23.6	22.8	23.3	22.2	21.7	22.8	20.9	23.2
Mortgage	57.0	50.7	53.8	54.0	55.7	56.0	57.4	56.3	54.0	56.1	50.7
Other Private	21.9	27.2	22.6	22.4	21.6	20.7	20.4	22.0	23.2	23.0	26.0
Public	0.6	0.6	-	-	-	0.0	-	-	-	-	-
Total Non Accrual Loans	100.0										
Provisions to Loan Portfolio											
Consumer	5.4	6.1	6.5	7.1	7.2	7.2	7.1	7.4	7.3	7.2	7.4
Mortgage	5.5	5.6	8.9	8.9	9.2	9.8	9.9	10.0	10.1	9.8	8.9
Other Private	8.3	7.9	11.4	9.8	10.0	9.8	10.2	10.6	11.9	12.2	11.7
Public	-	-	-	-	-	-	-	-	-	-	-
Total Provisions to Total Loans	5.9	6.0	7.9	7.9	8.1	8.3	8.3	8.6	8.6	8.5	8.0
Total Provisions to Non-performing Loans	42.7	39.0	51.2	53.2	55.9	59.3	58.5	60.0	65.1	65.4	70.6
Total Non-performing Loans to Total Loans	13.7	15.4	15.3	14.8	14.4	14.0	14.2	14.3	13.2	13.1	11.4

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

(B\$ Millions)

Period	2012	2013	2014	2015				2016			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
I. Statutory Reserves											
Required reserves	301.9	303.3	311.2	313.6	318.5	319.7	316.9	319.0	324.3	328.4	325.1
Average Till Cash	108.9	117.4	122.7	109.9	110.0	108.7	123.0	115.3	96.9	104.3	130.4
Average balance with central bank	515.8	593.3	676.6	688.6	696.2	639.4	598.7	782.8	895.5	921.3	945.1
Free cash reserves (period ended)	322.8	407.4	488.0	484.8	487.6	428.4	404.9	579.2	668.1	697.1	750.5
II. Liquid Assets (period)											
A. Minimum Required Liquid Assets	971.1	988.3	1,025.5	1,038.1	1,052.2	1,054.8	1,044.6	1,078.4	1,085.5	1,079.4	1,098.6
B. Net Eligible Liquid Assets	1,938.2	2,126.1	2,182.2	2,250.3	2,367.9	2,389.8	2,361.6	2,547.7	2,603.4	2,504.8	2,579.9
i) Balance with Central Bank	563.3	513.6	606.7	617.4	682.3	596.2	587.5	792.6	921.8	882.8	867.3
ii) Notes and Coins	127.9	138.6	143.0	113.0	110.3	109.0	142.9	114.4	97.4	101.8	145.6
iii) Treasury Bills	219.3	392.4	454.5	502.5	556.3	699.6	662.6	680.0	627.8	557.9	531.9
iv) Government registered stocks	957.6	962.2	907.0	923.4	940.0	922.4	895.4	892.3	889.6	891.1	987.1
v) Specified assets	56.9	56.6	56.0	55.9	55.9	55.7	55.6	55.6	53.5	51.0	51.0
vi) Net Inter-bank dem/call deposits	13.2	62.7	15.1	38.1	23.1	6.9	17.4	12.8	13.3	20.3	(3.0)
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	967.1	1,137.7	1,156.8	1,212.2	1,315.8	1,334.9	1,316.9	1,469.3	1,518.0	1,425.4	1,481.3

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

(B\$ Millions)

Period	2014/15p	2015/16p	Budget		2015/16p				2016/17p	
			2015/16	2016/17	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II
Total Revenue & Grants	1,701.5	1,929.6	2,039.8	2,168.8	437.6	458.6	501.2	532.1	450.4	401.4
Current Expenditure	1,711.3	2,055.0	1,935.7	2,024.4	460.9	491.6	564.4	538.2	471.3	533.9
Capital Expenditure	280.3	231.3	243.2	242.1	39.7	49.7	49.0	92.9	65.1	95.9
Net Lending	92.0	(46.4)	(0.1)	(0.1)	--	2.4	0.8	(49.5)	0.1	--
Overall Balance	(382.0)	(310.4)	(139.1)	(97.6)	(62.9)	(85.0)	(113.0)	(49.4)	(86.1)	(228.3)
FINANCING (I+II-III+IV+V)	382.0	310.4	139.1	97.6	62.9	85.0	113.0	49.4	288.1	228.3
I. Foreign Currency Borrowing	148.1	264.8	103.6	85.1	28.3	95.4	126.4	14.7	11.7	2.2
External	148.1	214.8	103.6	85.1	15.0	72.1	113.0	14.7	11.7	2.2
Domestic	--	50.0	--	--	13.3	23.4	13.4	--	--	--
II. Bahamian Dollar Borrowing	580.0	411.1	182.4	299.5	222.8	127.1	38.4	22.7	206.6	560.2
i) Treasury Bills/Treasury Notes	30.0	301.2	--	--	212.8	47.3	28.3	12.7	37.6	70.7
ii) Long-term Securities	275.0	87.3	--	--	10.0	77.3	--	--	155.0	240.0
iii) Loans and Advances	275.0	22.6	--	--	--	2.5	10.1	10.0	14.0	249.5
III Debt Repayment	221.4	322.7	145.7	287.1	104.2	76.8	34.4	107.3	146.8	279.1
Domestic	206.0	294.3	125.0	258.9	97.9	70.0	26.2	100.1	136.2	272.0
Bahamian Dollars	140.0	244.3	125.0	258.9	97.9	70.0	26.2	50.1	136.2	272.0
Internal Foreign Currency	66.0	50.0	--	--	--	--	--	50.0	--	--
External	15.4	28.4	20.7	28.2	6.3	6.8	8.2	7.2	10.6	7.1
IV Net Sale of Shares & Other Equity	--	--	--	--	--	--	--	--	(101.0)	--
V. Cash Balance Change	(76.8)	(110.4)	--	--	2.0	(22.0)	(49.4)	(41.1)	162.3	25.8
VI Other Financing	(47.9)	67.6	(1.3)	0.0	(86.0)	(38.8)	32.0	160.4	(46.7)	(80.7)

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

**TABLE 12
NATIONAL DEBT**

(B\$ '000s)

Period	2014	2015	2016	2015				2016			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
TOTAL EXTERNAL DEBT	1,572,394	1,650,692	1,743,187	1,580,921	1,593,203	1,601,978	1,650,692	1,763,335	1,762,768	1,766,501	1,743,187
By Instrument											
Government Securities	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Loans	672,394	750,692	843,187	680,921	693,203	701,978	750,692	863,335	862,768	866,501	843,187
By Holder											
Commercial Banks	-	-	-	-	-	-	-	-	-	-	-
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Multilateral Institutions	237,002	221,348	214,449	234,323	228,162	227,875	221,348	220,285	214,910	219,422	214,449
Bilateral Institutions	70,731	72,352	71,594	70,561	70,561	70,526	72,352	72,009	73,093	74,670	71,594
Private Capital Markets	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Other Financial Institutions	364,661	456,992	557,144	376,037	394,480	403,577	456,992	571,041	574,765	572,409	557,144
TOTAL INTERNAL DEBT	4,009,658	4,263,352	4,570,098	3,999,658	4,044,658	4,182,841	4,263,352	4,288,905	4,211,490	4,281,896	4,570,098
By Instrument											
Foreign Currency	-	36,615	-	-	-	13,250	36,615	50,000	-	-	-
Government Securities	-	-	-	-	-	-	-	-	-	-	-
Loans	-	36,615	-	-	-	13,250	36,615	50,000	-	-	-
Bahamian Dollars	4,009,658	4,226,737	4,570,098	3,999,658	4,044,658	4,169,591	4,226,737	4,238,905	4,211,490	4,281,896	4,570,098
Advances	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657
Treasury Bills	579,282	816,513	793,896	579,282	579,282	769,215	816,513	843,606	856,336	857,971	793,896
Government Securities	3,025,473	3,072,783	3,314,783	3,040,473	3,085,473	3,065,473	3,072,783	3,057,783	3,047,783	3,142,783	3,314,783
Loans	270,246	202,784	326,762	245,246	245,246	200,246	202,784	202,859	172,714	146,485	326,762
By Holder											
Foreign Currency	-	36,615	-	-	-	13,250	36,615	50,000	-	-	-
Commercial Banks	-	36,615	-	-	-	13,250	36,615	50,000	-	-	-
Other Local Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Bahamian Dollars	4,009,658	4,226,737	4,570,098	3,999,658	4,044,658	4,169,591	4,226,737	4,238,905	4,211,490	4,281,896	4,570,098
The Central Bank	567,399	519,533	727,531	481,154	424,900	452,711	519,533	507,299	565,484	692,598	727,531
Commercial Banks	1,585,768	1,708,532	1,778,952	1,619,069	1,680,410	1,770,711	1,708,532	1,727,174	1,641,247	1,529,449	1,778,952
Other Local Financial Institutions	10,217	26,395	14,171	12,174	21,084	11,402	26,395	9,857	9,857	13,639	14,171
Public Corporations	665,267	650,289	600,691	661,167	655,034	650,269	650,289	637,789	632,020	620,523	600,691
Other	1,181,007	1,321,988	1,448,753	1,226,094	1,263,230	1,284,498	1,321,988	1,356,786	1,362,882	1,425,687	1,448,753
TOTAL FOREIGN CURRENCY DEBT	1,572,394	1,687,307	1,743,187	1,580,921	1,593,203	1,615,228	1,687,307	1,813,335	1,762,768	1,766,501	1,743,187
TOTAL DIRECT CHARGE	5,582,052	5,914,044	6,313,285	5,580,579	5,637,861	5,784,819	5,914,044	6,052,240	5,974,258	6,048,397	6,313,285
TOTAL CONTINGENT LIABILITIES	702,613	755,310	729,156	720,121	727,048	729,478	755,310	751,406	742,027	730,272	729,156
TOTAL NATIONAL DEBT	6,284,665	6,669,354	7,042,441	6,300,700	6,364,909	6,514,297	6,669,354	6,803,646	6,716,285	6,778,669	7,042,441

Source: Treasury Accounts & Treasury Statistical Summary Printouts

Public Corporation Reports

Creditor Statements, Central Bank of The Bahamas

**TABLE 13
PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS**

(B\$ '000s)

Period	2014*	2015	2016	2015				2016			
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Outstanding Debt at Beginning of Period	2,139,696	2,453,016	2,583,483	2,453,016	2,478,035	2,492,062	2,517,875	2,583,483	2,700,903	2,731,372	2,678,773
Government	1,315,109	1,572,394	1,687,307	1,572,394	1,580,921	1,593,203	1,615,228	1,687,307	1,813,335	1,762,768	1,766,501
Public Corporations	824,587	880,622	896,176	880,622	897,114	898,859	902,647	896,176	887,568	968,604	912,272
Plus: New Drawings	787,151	198,469	270,485	31,788	28,891	36,620	101,170	129,322	115,822	14,576	10,765
Government	491,378	152,860	154,938	10,698	18,463	28,280	95,419	126,406	14,723	11,653	2,156
Public corporations	295,773	45,609	115,547	21,090	10,428	8,340	5,751	2,916	101,099	2,923	8,609
Less: Amortization	444,774	51,486	193,525	6,769	14,864	10,807	19,046	19,732	77,225	69,864	26,704
Government	205,060	21,448	83,072	2,171	6,181	6,255	6,841	8,202	57,165	10,608	7,097
Public corporations	239,714	30,038	110,453	4,598	8,683	4,552	12,205	11,530	20,060	59,256	19,607
Other Changes in Debt Stock	(29,057)	(16,516)	(15,988)	-	-	-	(16,516)	7,830	(8,128)	2,689	(18,379)
Government	(29,033)	(16,499)	(15,986)	-	-	-	(16,499)	7,824	(8,125)	2,688	(18,373)
Public corporations	(24)	(17)	(2)	-	-	-	(17)	6	(3)	1	(6)
Outstanding Debt at End of Period	2,453,016	2,583,483	2,644,455	2,478,035	2,492,062	2,517,875	2,583,483	2,700,903	2,731,372	2,678,773	2,644,455
Government	1,572,394	1,687,307	1,743,187	1,580,921	1,593,203	1,615,228	1,687,307	1,813,335	1,762,768	1,766,501	1,743,187
Public corporations	880,622	896,176	901,268	897,114	898,859	902,647	896,176	887,568	968,604	912,272	901,268
Interest Charges	125,009	133,117	143,906	29,767	35,879	26,661	40,810	27,926	43,182	33,312	39,486
Government	75,372	79,963	87,648	17,835	21,495	14,513	26,120	15,038	28,354	20,088	24,168
Public corporations	49,637	53,154	56,258	11,932	14,384	12,148	14,690	12,888	14,828	13,224	15,318
Debt Service	569,783	184,603	337,431	36,536	50,743	37,468	59,856	47,658	120,407	103,176	66,190
Government	280,432	101,411	170,720	20,006	27,676	20,768	32,961	23,240	85,519	30,696	31,265
Public corporations	289,351	83,192	166,711	16,530	23,067	16,700	26,895	24,418	34,888	72,480	34,925
Debt Service ratio	16.0	5.4	10.0	4.1	5.3	4.6	7.9	5.4	12.6	13.0	9.0
Government Debt Service/ Government Revenue (%)	19.0	5.3	9.1	4.1	5.3	4.7	7.2	4.6	16.1	6.8	7.8
MEMORANDUM											
Holder distribution (B\$ Mil):											
Commercial banks	276.8	319.1	348.5	292.3	288.9	304.9	319.1	329.3	359.6	355.5	348.5
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-	-	-
Multilateral Institutions	288.9	281.9	283.3	285.8	286.7	286.1	281.9	280.6	278.4	283.7	283.3
Bilateral Institutions	70.7	72.4	71.6	70.6	70.6	70.5	72.4	72.0	73.1	74.7	71.6
Other	916.6	1,010.1	1,041.1	929.4	945.9	956.3	1,010.1	1,119.0	1,120.2	1,066.0	1,041.1
Private Capital Markets	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0

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

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

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	(B\$ Millions)										
	2014p	2015p	2016p	2015				2016			
				Qtr.Ip	Qtr.IIp	Qtr.IIIp	Qtr.IVp	Qtr.Ip	Qtr.IIp	Qtr.IIIp	Qtr.IVp
A. Current Account Balance (I+II+III+IV)	(1,885.3)	(1,203.2)	(1,106.3)	(399.1)	(274.5)	(162.2)	(367.3)	(219.8)	(203.4)	(511.2)	(171.8)
I. Merchandise (Net)	(2,510.3)	(2,433.5)	(2,149.6)	(666.8)	(668.5)	(535.9)	(562.4)	(507.4)	(499.3)	(585.6)	(557.3)
Exports	833.9	520.5	444.3	125.9	156.1	117.7	120.9	96.1	148.8	99.9	99.5
Imports	3,344.2	2,954.0	2,593.9	792.7	824.6	653.5	683.3	603.5	648.1	685.6	656.7
II. Services (Net)	997.0	1,617.6	1,228.1	399.9	503.8	414.6	299.3	387.5	417.6	234.4	188.6
Transportation	(288.0)	(258.1)	(264.4)	(62.4)	(70.4)	(59.6)	(65.7)	(61.0)	(75.8)	(68.1)	(59.5)
Travel	2,104.8	2,299.2	2,261.3	645.1	658.2	521.2	474.7	652.2	649.0	502.4	457.7
Insurance Services	(143.8)	(141.9)	(154.8)	(30.8)	(37.6)	(39.7)	(33.8)	(32.4)	(45.5)	(45.6)	(31.2)
Offshore Companies Local Expenses	200.9	165.7	168.8	22.5	57.0	46.8	39.4	35.2	55.2	47.5	30.9
Other Government	33.1	29.8	(208.7)	8.6	5.9	9.3	6.1	(75.6)	(42.6)	(48.5)	(42.0)
Other Services	(910.0)	(477.1)	(574.1)	(183.1)	(109.1)	(63.4)	(121.5)	(131.0)	(122.7)	(153.2)	(167.2)
III. Income (Net)	(438.1)	(402.6)	(421.3)	(142.2)	(115.4)	(53.8)	(91.2)	(70.0)	(117.7)	(142.3)	(91.3)
1. Compensation of Employees	(64.4)	(66.5)	(38.9)	(20.5)	(11.9)	(15.2)	(18.9)	(11.1)	(8.2)	(10.0)	(9.6)
2. Investment Income	(373.8)	(336.1)	(382.4)	(121.7)	(103.5)	(38.6)	(72.3)	(58.9)	(109.5)	(132.3)	(81.7)
IV. Current Transfers (Net)	66.2	15.3	236.5	10.0	5.6	12.8	(13.0)	(29.9)	(4.0)	(17.7)	288.1
1. General Government	118.3	130.0	118.4	41.1	33.2	29.0	26.7	29.4	35.5	33.1	20.4
2. Private Sector	(52.1)	(114.7)	118.1	(31.1)	(27.7)	(16.2)	(39.8)	(59.3)	(39.4)	(50.8)	267.7
B. Capital and Financial Account (I+II) (excl. Reserves)	1,508.5	349.8	22.9	134.2	22.9	63.2	129.6	9.6	63.8	(56.0)	5.5
I. Capital Account (Net Transfers)	(8.9)	(18.9)	(13.8)	(7.4)	(1.6)	(3.5)	(6.4)	(4.4)	(2.9)	(2.6)	(3.9)
II. Financial Account (Net)	1,517.4	368.7	36.7	141.6	24.5	66.6	136.0	14.0	66.8	(53.4)	9.4
1. Direct Investment	251.3	76.1	73.7	9.7	43.6	9.9	13.0	(16.3)	27.4	38.6	23.9
2. Portfolio Investment	(26.9)	(12.4)	(21.7)	(4.2)	(3.4)	(3.1)	(1.8)	(4.2)	(5.2)	(7.4)	(4.9)
3. Other Investments	1,293.0	305.0	(15.4)	136.1	(15.7)	59.9	124.8	34.4	44.5	(84.6)	(9.6)
Central Gov't Long Term Capital	411.3	94.7	108.5	8.5	12.3	8.6	65.2	104.8	7.6	1.0	(4.9)
Other Public Sector Capital	93.8	6.5	92.9	(0.2)	5.7	(0.3)	1.3	(2.6)	95.7	(1.8)	1.6
Banks	(161.9)	29.6	(306.3)	(33.4)	2.4	54.8	5.9	(19.3)	(116.5)	(20.6)	(149.8)
Other	949.8	174.2	89.5	161.2	(36.1)	(3.2)	52.4	(48.5)	57.8	(63.3)	143.5
C. Net Errors and Omissions	422.8	877.6	1,175.4	306.4	375.7	(27.4)	223.0	393.3	196.7	413.9	171.5
D. Overall Balance (A+B+C)	46.0	24.3	92.0	41.4	124.0	(126.4)	(14.8)	183.0	57.2	(153.3)	5.1
E. Financing (Net)	(46.0)	(24.3)	(92.0)	(41.4)	(124.0)	126.4	14.8	(183.0)	(57.2)	153.3	(5.1)
Change in SDR holdings	(19.9)	3.5	2.3	3.8	(1.4)	0.2	0.9	(1.2)	0.6	0.2	2.8
Change in Reserve Position with the IMF	0.6	0.4	(17.3)	0.4	(0.2)	0.0	0.1	(18.5)	0.2	0.1	1.0
Change in Ext. Foreign Assets () = Increase	(26.7)	(28.1)	(77.0)	(45.6)	(122.4)	126.2	13.7	(163.3)	(57.9)	153.1	(8.9)

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

(BS '000s)

Period	2014	2015	2016	2015				2016		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
I. OIL TRADE										
i) Exports	165,337	70,350	33,124	22,530	27,073	12,511	8,236	9,365	11,439	12,320
ii) Imports ^R	868,460	535,306	321,897	67,629	106,870	243,845	116,962	69,559	139,289	113,049
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	353,216	230,074	141,601	57,503	44,702	58,931	68,938	45,878	52,339	43,384
ii) Re-Exports	170,627	148,616	108,409	27,116	68,078	24,518	28,904	23,443	66,968	17,998
iii) Total Exports (i+ii)	523,843	378,690	250,010	84,619	112,780	83,449	97,842	69,321	119,307	61,382
iv) Imports	2,921,525	2,626,736	1,849,925	674,050	694,289	575,844	682,553	571,476	640,749	637,700
v) Retained Imports (iv-ii)	2,750,898	2,478,120	1,741,516	646,934	626,211	551,326	653,649	548,033	573,781	619,702
vi) Trade Balance (i-v)	(2,397,682)	(2,248,046)	(1,599,915)	(589,431)	(581,509)	(492,395)	(584,711)	(502,155)	(521,442)	(576,318)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2014	2015	2016	2015				2016		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
Visitor Arrivals	6,320,188	6,114,337	5,113,815	1,772,202	1,506,445	1,334,600	1,501,090	1,764,730	1,571,231	1,453,577
Air	1,343,093	1,391,782	1,181,739	375,962	385,016	330,722	300,082	384,324	397,446	344,183
Sea	4,977,095	4,722,555	3,932,076	1,396,240	1,121,429	1,003,878	1,201,008	1,380,406	1,173,785	1,109,394
Visitor Type										
Stopover	1,305,402	1,471,808	1,006,329	391,033	418,156	365,014	297,605	403,289	431,849	171,191
Cruise	4,804,701	4,513,456	3,769,559	1,358,623	1,051,437	939,688	1,163,708	1,338,961	1,112,983	1,051,719
Day/Transit	n.a.									
Tourist Expenditure(B\$ 000's)	2,316	n.a.								
Stopover	1,976	n.a.								
Cruise	337	n.a.								
Day	4	n.a.								
Number of Hotel Nights	n.a.									
Average Length of Stay	n.a.									
Average Hotel Occupancy Rates (%)										
New Providence	60.6	n.a.								
Grand Bahama	48.1	n.a.								
Other Family Islands	42.8	n.a.								
Average Nightly Room Rates (\$)										
New Providence	230.6	n.a.								
Grand Bahama	100.3	n.a.								
Other Family Islands	202.3	n.a.								

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