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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

OVERVIEW

During the second quarter, domestic economic developments were dominated by the spread of the Novel Coronavirus (COVID-19) and containment measures, which resulted in a contraction in economic activity. Specifically, internationally imposed travel restrictions negatively impacted tourism sector output. Both the high value-added air traffic and the sea segment remained on pause during the review quarter. However, the partial resumption of foreign investment projects, and to a lesser extent post-hurricane reconstruction works, provided some impetus to the construction sector. In price developments, domestic inflation remained relatively subdued over the review period, reflective of the decline in international oil prices.

Preliminary estimates showed that the Government's overall deficit widened sharply during the fourth quarter of FY2019/20, relative to the same period a year earlier. Underlying this outturn were revenue losses and increased spending for health and social welfare related to COVID-19, along with outlays for post-hurricane rebuilding works. Deficit financing was led by borrowings from external sources, and included a $250 million loan from the International Monetary Fund (IMF).

Monetary developments were marked by a moderation in the buildup in bank liquidity, with the growth in domestic credit, contrasting with a decline in the deposit base during the review quarter. In addition, external reserves decreased, as globally imposed travel restrictions to contain the spread of COVID-19, led to a reduction in foreign currency inflows from real sector activities. Meanwhile, banks' credit quality indicators improved during the review quarter, underpinned by the implementation of loan deferral schemes for persons and businesses impacted by the COVID-19 pandemic. However, the latest available data for the first quarter of 2020 revealed a contraction in banks' overall profitability, largely reflecting higher levels of provisioning for bad debt.

In the external side, the estimated current account deficit deteriorated sharply during the second quarter, as the services account position reversed to a deficit from a surplus in the prior year, with globally imposed travel restrictions related to the COVID-19 pandemic, eliminating net tourism receipts. In contrast, the surplus on the capital and financial account rose considerably, largely attributed to a surge in net debt inflows to the Government and a rise in domestic banks' short-term external liabilities.

REAL SECTOR

TOURISM

During the second quarter, tourism sector developments were dominated by the COVID-19 pandemic, with tourism largely offline. Specifically, globally imposed travel restrictions resulted in both the high valued-added and dominant sea component grounding to a halt during the review quarter.

Preliminary data from the Ministry of Tourism revealed that overall tourist arrivals totaled just 3,998 during the second quarter, following a 16.0% growth to 1.89 million in 2019, as the borders partially re-opened in

June to international travelers by private aircrafts and seacrafts. Underlying this outturn, sea passengers amounted to just 2,262, vis-à-vis a 16.6% increase to 1.39 million last year. Similarly, air traffic contracted to 1,736, relative to a 14.5% expansion to 0.5 million a year earlier.

An analysis by major port of entry showed that visitor arrivals to New Providence reduced to 1,095, compared to an 18.5% expansion to 1.06 million last year, with sea and air passengers amounting to 581 and 514, respectively. Similarly, foreign arrivals to the Family Islands fell to 2,359, contrasting with an 18.9% increase to 0.66 million in 2019, reflecting a falloff in both sea and air traffic to 1,211 and 1,148, respectively. Further, visitors to Grand Bahama decreased to just 544, extending the 5.0% reduction to 0.17 million in 2019, underpinned by both sea and air passengers declining to 470 and 74, respectively.

In the private vacation rental market similar trends were observed, as the most recent data provided by AirDNA showed a falloff in the demand for resort business. In particular, total room nights booked declined sharply by 65.1%, vis-à-vis the same period in 2019, owing to respective contractions of 65.9% and 57.0%, in both entire place and hotel comparable bookings. An analysis by listing category revealed that entire place listings registered a 1.2 percentage point reduction in average occupancy levels to 39.6%, but the average daily rate (ADR) rose by 3.2% to $420.42. Further, the average occupancy rate for hotel comparable listings fell by 1.4 percentage points to 43.7%, while the average daily rate edged up by 0.5% to $155.44.

With the partial re-opening of the borders in June, data provided by the Nassau Airport Development Company Limited (NAD) showed that during the second quarter, total departures—net of domestic travellers—were just 1,689, in comparison to a 17.0% increase to 0.45 million a year earlier. Underlying this development, U.S. departures contracted to 1,145, vis-à-vis a growth of 18.7% to 0.39 last year. Similarly, non-U.S. international departures reduced to a mere 544, compared to a 6.4% gain to 56,277 in 2019.

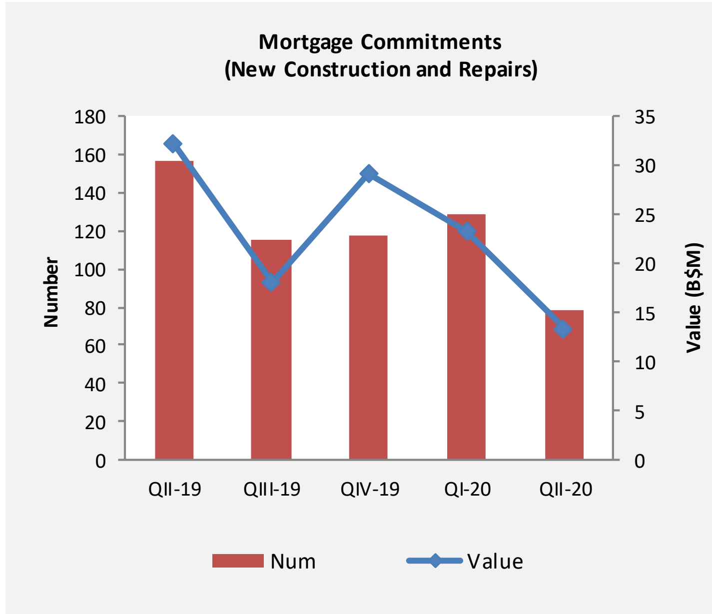
CONSTRUCTION

Construction sector activity during the second quarter remained supported by ongoing varied-scale commercial foreign investment projects. However, domestic-financed activity remained subdued.

Total mortgage disbursements for new construction and repairs—as reported by banks, insurance companies and the Bahamas Mortgage Corporation—declined further by 45.9% ($12.5 million) to $14.7 million, after a 13.1% falloff a year earlier. In particular, the residential component contracted by 45.2% ($11.8 million) to $14.4 million, following a 9.2% reduction in 2019. Further, commercial disbursements reduced by 63.5% ($0.7 million) to $0.3 million, relative to a 58.4% decrease during the prior year.

Total mortgage commitments for new buildings and repairs—a forward-looking indicator of domestic activity—lessened in number from 156 to 78, relative to the same period in 2019, while the associated value declined by 57.5% to $13.4 million. A breakdown by loan category revealed that the number of undisbursed approvals for residential commitments fell by 80 to 73, while the corresponding value contracted by 52.6% to $11.6 million. Conversely, commercial commitments grew in number by 2 to 5, but the accompanying value decreased by 74.7% ($5.3 million) to $1.8 million.

In terms of interest rates, the average financing cost for commercial mortgages rose by 1.1 percentage points to 6.37%. In contrast, the average rate for residential mortgages narrowed by 40 basis points to 6.42%.



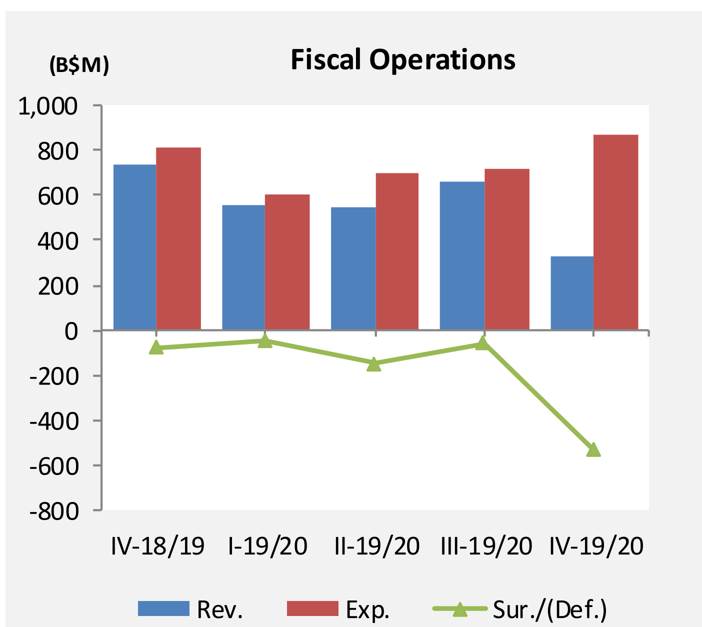
Prices

The decrease in global oil prices was also evident in average domestic fuel costs over the review quarter. Specifically, the average prices on both gasoline and diesel fell by 22.5% and 18.2%, to $3.49 and $3.55 per gallon, respectively. Similarly, on an annual basis, the respective average cost reductions for gasoline and diesel were comparatively higher at 26.5% and 19.6%. In addition, the Bahamas Power and Light (BPL) fuel charge was lowered over the quarter, by 14.5% to 13.31 cents per kilowatt hour (kWh), while below the 2019 annual average by 25.3%.

Fiscal Operations

Overview

Provisional data on the Government's budgetary operations for the fourth quarter of FY2019/20 revealed that the deficit increased to $534.0 million, from $79.3 million in the comparative FY2018/19 period. Contributing to this outturn were revenue losses and higher outlays for health and social welfare related to COVID-19, along with a rise in spending for post-hurricane reconstruction works. Specifically, total revenue reduced by $406.7 million (55.2%) to $330.5 million, while aggregate expenditure rose by $48.0 million (5.9%) to $864.4 million.



Revenue

Tax revenue—which constituted 90.0% of total receipts—contracted by $379.5 million (56.1%) to $297.4 million. Specifically, underpinned by revenue losses from hurricane Dorian and the COVID-19 pandemic, VAT collections—at a dominant 41.9% of total receipt—reduced notably by $169.2 million (55.0%) to $138.5 million, while proceeds from stamp taxes on financial and realty transactions narrowed considerably to $20.9 million from $63.8 million in the prior year.

Government Revenue By Source
April - June

	FY18/19		FY19/20	
	B$M	%	B$M	%
Property Tax	15.6	2.1	14.1	4.3
Value Added Tax	307.7	41.7	138.5	41.9
Stamp Taxes (Financial & Realty)	63.8	8.6	20.9	6.3
Excise Tax	72.0	9.8	42.7	12.9
Specific Taxes (Gaming Tax)	17.3	2.3	9.1	2.8
Motor Vehicle Taxes	9.2	1.2	9.1	2.7
Company Taxes	2.8	0.4	2.2	0.7
License to Conduct Specific Bus. Act.	50.1	6.8	12.5	3.8
Marine License Activities	1.0	0.1	0.3	0.1
Bank & Trust Companies	2.3	0.3	--	--
Customs & Other Import Duties	85.1	11.5	30.9	9.4
Taxes on Exports	3.8	0.5	0.5	0.2
Departure Taxes	43.3	5.9	15.7	4.8
Other Taxes on Transctions	--	--	0.1	0.0
General Stamp Taxes	2.9	0.4	0.8	0.2
Property Income	1.3	0.2	9.0	2.7
Sales of Goods & Services	55.4	7.5	22.0	6.7
Fines, Penalties & Forfeits	2.8	0.4	1.7	0.5
Reimbursements & Repayments	0.0	0.0	0.3	0.1
Misc. & Unidentified Revenue	0.7	0.1	0.1	--
Sales of Other Non-Financial Assets	0.1	--	--	--
Grants	--	--	--	--
Capital Revenue	--	--	--	--
Total	**737.1**	**100.0**	**330.4**	**100.0**

In other tax components, taxes on the use of goods declined by $41.4 million (63.2%) to $24.0 million, largely attributed to a falloff in collections from general business licenses fees by $37.6 million (75.1%) to $12.5 million and reclassification of bank & trust companies to the reimbursements and repayments category under non-tax revenue. Further, company taxes and marine licenses edged down by $0.7 million each, to $2.2 million and $0.3 million, respectively, while motor vehicle taxes decreased by a muted $0.1 million. In addition, excise taxes were lower by $29.3 million (40.6%) at $42.7 million, and collections from specific taxes—mainly gaming—reduced by $8.2 million (47.2%) to $9.1 million.

With regard to the remaining categories, given reduced economic activity and the border closure, taxes on international trade fell by $85.0 million (64.2%) to $47.3 million. This comprised a $54.2 million (63.6%) contraction in customs & other imports duties to $30.9 million and a $27.6 million (63.7%) falloff in departure taxes to $15.7 million. Further, export taxes decreased to $0.5 million from $3.8 million in the preceding year. General stamp taxes also declined by $2.2 million (74.3%) to $0.8 million and taxes on property fell by $1.5 million (9.6%) to $14.1 million.

Non-tax receipts—at 10.0% of total revenue—contracted by $27.3 million (45.2%) to $33.0 million. Most of this was due to a reduction in revenue from sales of goods and services by $33.4 million (60.3%) to $22.0 million, reflecting a notably falloff in collections from immigration and custom permits fees. In addition, receipts from the sale of "other" unclassified goods and services declined by $1.8 million (29.0%) to $4.5 million. Similarly, proceeds from fines, penalties and forfeitures were lower by $1.1 million (37.8%) at $1.7 million, explained by a decrease in judicial fines and forfeitures. In contrast, property income grew by $7.6 million to $9.0 million, owing mainly to a rise in revenue from Government property and interest and dividends.

EXPENDITURE

The expansion in total expenditure was due primarily to a $74.6 million (78.3%) increase in capital outlays to $169.9 million, related to unplanned spending for post-hurricane reconstruction works. In contrast, current outlays reduced by $26.6 million to $694.5 million.

By economic classification, the contraction in current spending was led by a $22.4 million (11.0%) falloff in outlays for use of goods and services to $181.6 million. Further, "other" miscellaneous payments fell by $9.9 million (16.2%) to $50.9 million, owing in large measure to a reduction in insurance premium payments. In addition, current transfers decreased by $0.7 million to $32.1 million, as outlays for households moved lower by $3.3 million (56.4%) to $2.5 million, while other "miscellaneous "current transfers declined by $2.2 million to $3.1 million. Likewise, allocations for non-profit institutions fell sharply to a mere $0.2 million from $1.6 million and financial public enterprises, to $0.9 million from $1.6 million. Providing some offset, transfers to non-financial public enterprises rose by $6.8 million (36.8%) to $25.4 million. In addition, subsidies lessened by $4.2 million (3.5%) to $116.7 million, underpinned by lower disbursements to cruise line operations and equity contribution to a major hotel. Employee compensation outlays also edged down by $0.3 million (0.2%) to $185.7 million. In a partial offset, allocations for social benefits rose by $6.3 million (11.6%) to $60.8 million. Interest payments also grew by $3.2 million (3.5%) to $96.8 million, due primarily to a rise in internal payments. In addition, grants firmed by $0.6 million (40.7%) to $1.9 million.

Growth in capital expenditure was largely associated with a significant expansion in capital transfers to $82.9 million from $10.2 million in the prior year, mainly attributed to unplanned hurricane-related spending. In addition, acquisition of non-financial assets increased by $1.9 million (2.2%) to $87.0 million, explained by higher outlays on other machinery & equipment and buildings other than dwelling, which outstripped the decline in spending on other structures and transport equipment.

FINANCING AND THE NATIONAL DEBT

Budgetary financing during the fourth quarter of FY2019/20, was dominated by external borrowings, which amounted to $300.1 million. Further, $287.2 million in financing was obtained from domestic sources in the form of net Treasury bills/notes issues ($156.1 million) and Government bonds ($131.1 million). Debt repayments for the period totaled $291.5 million, of which a dominant 97.6% went towards retiring Bahamian dollar debt.

As a consequence of these developments, the Direct Charge on the Government grew by $300.0 million (3.8%) over the previous three-month period, and by $664.2 million (8.8%), year-on-year, to $8,191.2 million. A breakdown by component showed that, Bahamian dollar debt represented 64.0% of the total, while foreign currency liabilities accounted for the remaining 36.0%.

A disaggregation by creditor revealed that banks held the largest portion of local currency debt (43.2%), followed by "other" private and institutional investors (38.7%), public corporations (11.2%) and the Central Bank (6.9%). A breakdown by instrument type showed that Government bonds comprised the largest share of domestic currency debt, at 72.5%, and featured an average maturity of 10.3 years, compared to 9.0 years in 2019. In addition, Treasury bills & notes, and loans & advances accounted for smaller shares of 18.2% and 9.3%, respectively.

The Government's contingent liabilities were lower by $3.0 million (0.4%) over the previous quarter of 2020, and by $21.6 million (3.0%), on an annual basis, to $714.8 million. As a result of these developments, the

National Debt—inclusive of contingent liabilities—grew by $296.9 million (3.4%) over the three-month period to $8,906.0 million and by $642.6 million (7.8%), relative to June 2019.

As a ratio to GDP, the Direct Charge rose by an estimated 12.7 basis points on a yearly basis, to 68.1% at end-June. In addition, the National Debt-to-GDP ratio increased to an estimated 74.0%, compared to 60.9% in the same quarter of 2019.

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

	2018P	2019P	2020P
Direct Charge	55.6	55.4	68.1
National Debt	61.0	60.9	74.0
Total Public Sector Debt	63.4	63.5	76.8

Source: The Central Bank of The Bahamas and the Department of Statistics
GDP estimates for 2019 & 2020 are derived from IMF projections.

[1] In the absence of actual quarterly GDP data, the ratios presented should be taken as broad estimates of the relevant debt ratios and are therefore subject to revision.

Public Sector Foreign Currency Debt

During the second quarter, public sector foreign currency debt rose by $288.4 million (8.2%) to $3,789.3 million, as new drawings of $300.1 million, outweighed amortization payments of $15.8 million. On an annual basis, obligations advanced by $348.7 million (10.1%). In terms of the components, the Government's outstanding liabilities—which accounted for 77.9% of the total—increased by $297.2 million (11.2%) to $2,951.3 million on a quarterly basis. In contrast, the public corporations' debt stock fell by $8.8 million (1.0%) to $838.0 million.

In comparison to the same period in 2019, total foreign currency debt service payments reduced by $13.6 million (14.7%) to $78.7 million. Underlying this outturn, public corporations' debt service payments contracted by $12.1 million (36.3%) to $21.2 million, as amortization payments declined by $8.6 million to $8.8 million, while interest charges decreased by $3.4 million (21.8%) to $12.4 million. Similarly, the Government component moved lower by $1.5 million (2.5%) to $57.4 million, with interest expenses lessening by $0.7 million (0.4%) to $50.5 million and amortization payments declining by $0.8 million (9.7%) to $7.0 million. As a result of these developments, the Government's debt service to revenue ratio stood at 57.0% at end-June, approximately 50.5 percentage points higher over the prior year (amid covid-19 related anemic exports), while the debt service ratio rose to 17.4% from 8.0% in 2019.

A disaggregation by creditor profile showed that the majority of the foreign currency debt was held by capital market investors (43.5%), followed by non-resident financial institutions (28.4%), international agencies (17.1%) and bilateral institutions (1.8%). A breakdown by currency type revealed that, the bulk of the stock was denominated in United States dollars (81.6%), with IMF SDRs, the Swiss franc, euro and the Chinese yuan, accounting for smaller portions of 6.6%, 5.5%, 4.5% and 1.8%, respectively. At end-June, the average maturity of the outstanding foreign currency debt stood at 8.4 years, declining from the 9.1 years recorded in 2019.

2020/2021 Budget Highlights

The FY2020/21 Budget was presented in Parliament in May, entitled "Resilient Bahamas: A Plan for Restoration", and approved in June, 2020. In light of the Novel Coronavirus (COVID-19) pandemic, the focus of the Budget was on maintaining economic stability and implementation of policies that will assist the recovery of the domestic economy. With regard to the fiscal outlook, the Government announced that due to the impact of the COVID-19 pandemic, a new fiscal adjustment plan will be introduced, which will be presented in the Fiscal Strategy Report 2020. Indicators forecast that the fiscal outlook for the economy will remain weak in the near-term, however in the medium-term the economy is expected to recover.

Specific to revenue, the Government announced extensive tax relief measures and limited revenue enhancements. In an effort to stimulate the economy, these measures included the reduction on duties for fishing materials, (from 45%-20%), farming equipment for backyard farming (from 25%-10%), building materials to 20%, to support the ongoing rebuilding of the Islands impacted by Hurricane Dorian, also reduced duty on Personal Protective Equipment (PPE) for healthcare workers. In addition, the Government extended the tax-free transfer of land where there is no change in beneficial ownership, and reduced the duty on items to encourage the use of green technologies, including reusable metal bottles & low-powered electric motorcycles (from 45% & 75% to 10%). Under socially targeted reliefs, the Government announced its intention to provide a back-to-school VAT holiday on school supplies, clothing and selected food items purchased domestically, in the two weeks preceding the reopening of schools.

The Government also announced the extension of previous relief measures, such as the Special Economic Recovery Zone to continue to support the ongoing restoration of the islands impacted by Hurricane Dorian. Specifically, Abaco and Grand Bahama will continue to receive VAT and duty exemptions until the end of the year, with a planned scale-back from January 1, 2021 to June 30, 2021 to just building materials. In the interim, revenue enhancement measures comprised of an increase in customs storage fees, and a fee structure to facilitate custom-ordered license plates at $200.

In terms of expenditure, Government announced a rise in public health funding, specific to COVID-19, by $20.0 million and for the Department of Social Services to over $60.0 million from $49.0 million, during FY2020/21. Further, $120.0 million was allocated to businesses to expand the Tax Credit/Tax Deferral program, which provides necessary funding for payroll expenses, while $30.0 million was allotted to the small business loan program. In addition, $48 million was assigned for unemployment assistance; $17.0 million for increased social welfare spending; and a temporary increase in old age pension by $50.0 monthly. The Government also announced an $18.0 million expansion to National Health Insurance (NHI) support, indicating that constant reforms would be applied to help mitigate ongoing challenges. The budget continued its focus on education announcing that allocations for University of Bahamas (UB) scholarships have increased by $1.5 million and the Bahamas Technical & Vocational Institute by $500,000.

Given the current economic environment, the Government's deficit for FY2020/2021 is anticipated to widen to $1,327.1 million, compared to the previous budget of $136.9 million, and the corresponding deficit-to-GDP ratio is projected to increase from the then projected 1.0% to 11.6%—the highest in history. Similarly, the National Debt is expected to rise to $9.5 billion, approximately 82.8% of GDP.

Given the announced measures, the Government anticipates a considerable reduction in revenue intake and a rise in expenditure, in comparison to the prior year's originally budgeted target. Specifically, total revenue is forecasted to decline by $865.6 million (32.9%) to $1,762.5 million, vis-à-vis the previous budget, owing to a falloff in both tax and non-tax collections.

Tax collections are projected to contract by $826.9 million (35.3%) to $1,513.4 million, compared to FY2019/20 budget. Similarly, non-tax revenue is forecasted to decline by $38.6 million (13.5%) to $247.1 million, as lower anticipated proceeds from sales of goods & services, and fines, forfeits & administrative fees, are expected to overshadow the forecasted growth in reimbursements & repayments and property income.

A disaggregation of the tax revenue components, revealed an anticipated contraction in taxes on goods & services, compared to the previous fiscal year's budget, mainly reflecting a reduction in VAT receipts of $433.8 million (39.4%) to $666.3 million, while proceeds from stamp taxes on financial and realty transactions are expected to decline by $36.3 million (35.8%) to $65.2 million. Similarly, taxes on international trade transactions are budgeted to fall by $151.8 million (31.0%) to $337.4 million, distributed over decreased receipts from departure taxes and import duties. In addition, taxes on the use of goods and services are forecasted to be lower by $52.3 million (27.7%) at $ 136.4 million, mainly reflecting a falloff in business license proceeds by $36.4 million (29.8%) to $85.5 million; company taxes, by $9.6 million (37.6%) to $15.9 million and motor vehicles, by $5.8 million (15.0%) to $33.0 million. Further, collections from specific taxes—mainly gaming—are slated to decrease by $ 2.0 million (5.5%) to $ 34.2 million.

In terms of expenditure, as a result of the mix of stabilization, social support and stimulus measures, approved expenditure allocations rose by $324.6 million (11.7%) to $ 3,089.6 million. This mainly reflected a surge in capital outlay provisions to $515.5 million, compared to the prior budgeted $235.0 million. Further, planned current outlays increased modestly by $44.1 million (1.7%) to $2,574.1 million.

By economic classification, the targeted rise in current expenditure reflected higher allocations for social assistance and benefits, by $91.2 million (48.8%) to $278.2 million. In addition, spending for public debt interest payment is predicted to grow by $25.4 million (6.8%) to $396.9 million and for subsides, by $12.9 million (3.6%) to $370.9 million. In contrast, disbursements for other "miscellaneous" payments are projected to decrease by $34.9 million (14.0%) to $214.1 million, use of goods and services, by $27.4 million (4.7%) to $557.7 million, employee compensation, by $21.4 million (2.8%) to $748.9 million and grants, by $1.7 million (18.6%) to $7.5 million vis-à-vis the prior budgeted period.

The forecasted increase in capital expenditure was led by expansion in projected capital transfers, to $203.0 million compared to the previous year's provision of $51.3 million; and in planned acquisitions for non-financial fixed assets, by $128.8 million (70.1%) to $312.5 million.

Meanwhile, unplanned expenditures and revenue disruptions related to hurricane Dorian, increased the operating shortfall for FY2019/20. The Government tabled revised projections in January 2020, with a projected rise in the deficit to $677.6 million, from the targeted estimate of $136.9 million at the start of the fiscal year. In this context, total revenue projections were revised downwards to $2,395.6 million from the original target of $2,628.1 million, largely due to the estimated falloff in tax receipts. Similarly, aggregate expenditure initially budgeted at $2,765.0 million were forecasted at a revised $3,073.1 million, attributed to estimated hikes in both recurrent and capital spending.

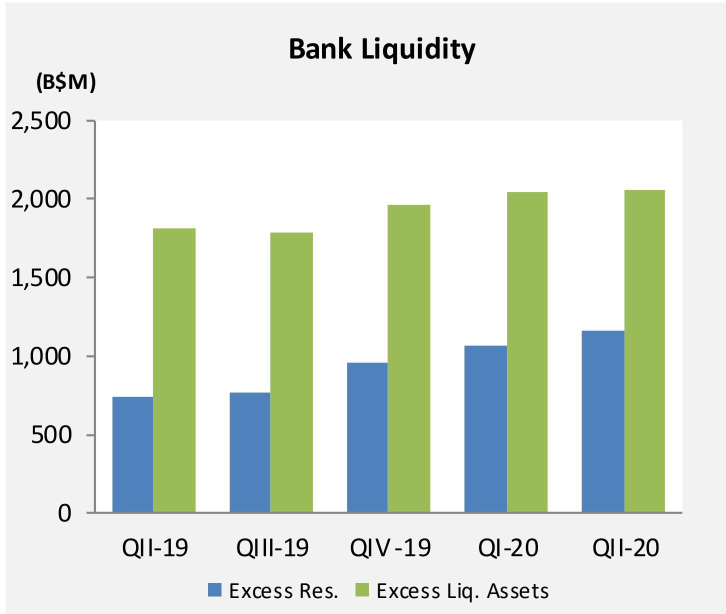
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

During the quarter, expansion in domestic credit contrasted with the decline in domestic banks' deposit base, with a decline in the system's net foreign liabilities. However liquidity improved, albeit at a tempered pace, owing to accumulated net proceeds from the Government's external borrowing. In addition, banks' credit quality indicators improved over the three month period, as the implementation of loan deferral schemes for displaced persons and businesses, has delayed the pandemic's impact on non-performing loans. Meanwhile, the most recent profitability indicators available for the first quarter of 2020, showed a decrease in banks' overall net income, as a rise in provisioning for bad debt and a reduction in other "miscellaneous" income, outstripped gains in net interest income and receipts from commissions & foreign exchange fees. In interest rate developments, the weighted average interest rate spread narrowed during the second quarter, as the fall in the average loan rate, outpaced the decrease in the corresponding average deposit rate.

LIQUIDITY

During the review quarter, net free cash reserves of the banking system rose by $101.2 million (9.5%) to $1,161.0 million, albeit a slowdown from the 15.7% growth over the same period of 2019. At end-June, the ratio of free cash reserves to Bahamian dollar deposit liabilities stood at 15.8%, exceeding the 10.8% in the preceding year. Correspondingly, amid an increase in banks' balances with the Central Bank, the broader surplus liquid assets grew by $16.8 million (0.8%) to $2,063.2 million; albeit lower than the $115.0 million (6.7%) buildup last year. At end-June, the level of surplus liquid assets exceeded the statutory minimum by approximately 158.7%, relative to 152.0% in June 2019.



DEPOSITS AND MONEY

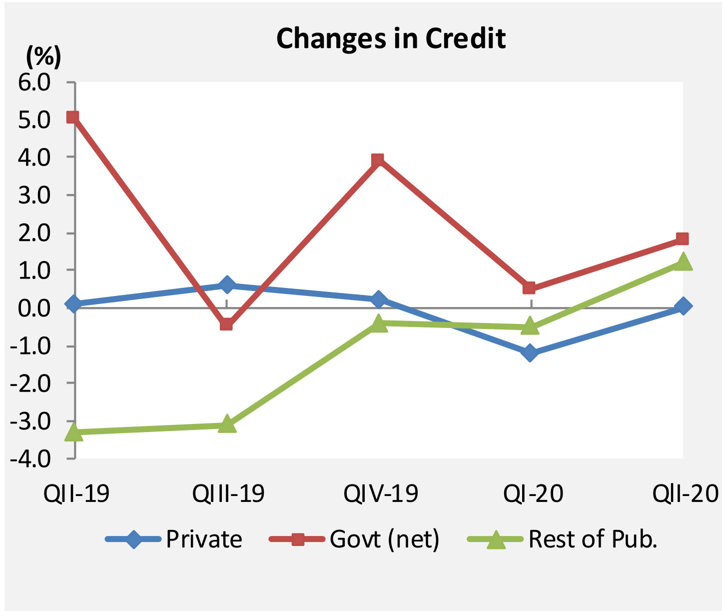
The overall money supply (M3) contracted by $57.7 million (0.7%) to $8,088.5 million, contrasting with a $213.5 million (3.0%) expansion in 2019. In terms of the components, growth in narrow money (M1) slowed markedly to $38.4 million (1.1%) from $246.5 million (8.9%) a year earlier, as the private sector-led gains in demand deposits moderated sharply to $4.2 million (0.1%) from $240.8 million (9.9%) in the prior year. In a partial offset, currency in active circulation rose by $34.1 million (9.9%), surpassing an increase of $5.7 million (1.8%) in the previous year. Further, accretions to broad money (M2) tapered to $16.8 million (0.2%) from $266.2 million (3.9%) in 2019, underpinned by a private sector-led deceleration in the growth in savings deposits to $48.2 million (2.8%) from $59.8 million (4.0%) in 2019, while the reduction in fixed balances widened to $69.7 million (3.0%) from $40.1 million (1.6%) a year earlier. In addition, the contraction in residents' foreign currency deposits quickened to $74.6 million (12.3%) from $52.7 million (11.6%) last year.

A disaggregation by category showed that Bahamian dollar demand deposits constituted the largest share of the aggregate money stock, at 38.8%, followed by fixed balances, at 27.9% and savings deposits, at 22.0%. In addition, residents' foreign currency deposits and currency in active circulation accounted for significantly smaller shares of 6.6% and 4.7%, respectively.

DOMESTIC CREDIT

During the second quarter, the growth in total domestic credit moderated to $50.9 million (0.6%), from the Government financing-led $109.0 million (1.2%) strengthening a year earlier, resulting in an average decrease of 0.7% over the past five years. Specifically, the dominant Bahamian dollar component—which comprised the majority (95.8%) of the total—grew by $22.9 million (0.3%), although a slowdown from the $127.2 million (1.5%) expansion registered in 2019. In addition, foreign currency credit advanced by $27.9 million (8.1%), a turnaround from an $18.1 million (4.7%) reduction in the prior year.

Disaggregated by sector, the growth in net credit to the Government decelerated to $46.2 million (1.8%) from $121.2 million (5.0%), contributing to an average increase of 0.9% over the past five years. Further, private sector credit declined by a muted $0.6 million, following a gain of $3.8 million (0.1%) a year earlier. In contrast, credit to the rest of the public sector grew by $5.3 million (1.2%), a reversal from a $15.9 million (3.3%) decrease in the preceding year.



A decomposition of the private sector sub-components showed that the falloff in personal loans—which dominated total credit at 72.2%—extended to $34.7 million (0.7%) from $7.1 million (0.1%) in 2019, with an average decline of 0.5% over the last five years. Underpinning this development, were broad-based reductions in consumer credit, of $24.7 million (1.1%), residential mortgages, of $6.1 million (0.2%) and overdrafts, of $2.4 million (5.6%).

Distribution of Bank Credit By Sector

(End-June)

	2020		**2019**	
	B$M	**%**	**B$M**	**%**
Agriculture	7.8	0.1	4.3	0.1
Fisheries	1.0	0.0	2.3	0.0
Mining & Quarrying	2.1	0.0	1.4	0.0
Manufacturing	46.8	0.7	40.1	0.6
Distribution	269.7	4.0	272.5	4.1
Tourism	13.9	0.2	10.0	0.1
Enter. & Catering	20.0	0.3	51.1	0.8
Transport	35.4	0.5	37.2	0.6
Construction	308.8	4.5	286.2	4.3
Government	807.8	11.9	609.7	9.2
Public Corps.	209.6	3.1	226.0	3.4
Private Financial	24.7	0.4	24.5	0.4
Prof. & Other Ser.	53.6	0.8	40.8	0.6
Personal	4,917.1	72.2	4,945.3	74.3
Miscellaneous	93.9	1.4	100.3	1.5
TOTAL	**6,812.2**	**100.0**	**6,651.7**	**100.0**

A further breakdown of consumer credit revealed net repayments for credit cards ($9.0 million), "miscellaneous" purposes ($5.0 million), private cars ($3.4 million), debt consolidation ($1.9 million), travel ($1.8 million), land purchases ($1.3 million) and home improvement ($1.2 million). More muted reductions of less than $1.0 million were registered for education, furnishings & domestic appliances, and commercial vehicles, in contrast to modest increases in net lending for taxis & rented cars and medical services.

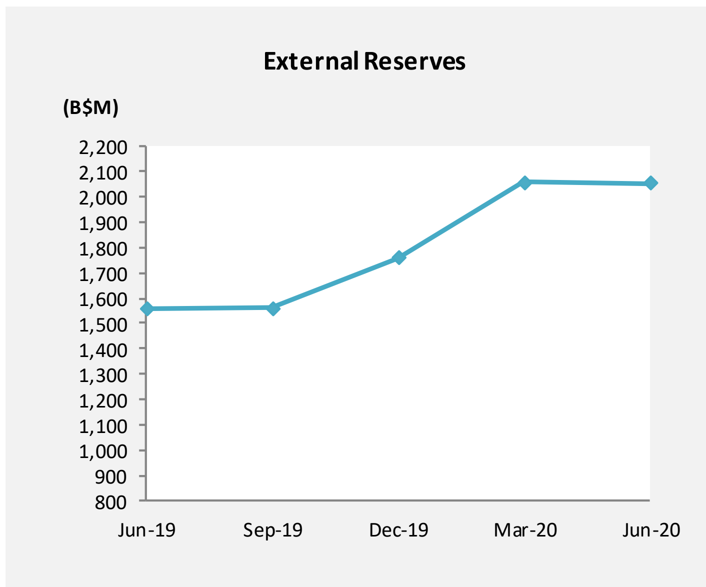
The remaining private sector loan categories featured a rise in net lending for distribution ($27.9 million), manufacturing ($9.1 million), agriculture ($2.8 million), transport ($2.4 million) and entertainment & catering ($1.0 million). Conversely, net repayments were recorded for construction ($4.1 million), "miscellaneous" purposes ($2.6 million) and professional & "other" services ($1.9 million).

Mortgages

Data obtained from banks, insurance companies and the Bahamas Mortgage Corporation, showed that the total value of outstanding mortgages reduced by $11.1 million (0.4%) to $2,990.0 million, after an uptick of $0.7 million in 2019. Underlying this outcome, the dominant residential component—which comprised 94.3% of the total—decreased by $7.8 million (0.3%), extending the $6.9 million (0.2%) falloff in the prior year, for an ending balance of $2,819.2 million. In addition, the commercial component reduced by $3.3 million (1.9%) to $170.8 million, contrasting with a gain of $7.6 million (4.3%) a year ago. At end-June, domestic banks held the majority of outstanding mortgages (87.9%), followed by insurance companies (6.5%) and the Bahamas Mortgage Corporation (5.6%).

The Central Bank

During the review quarter, the Central Bank's net claims on the Government rose by $114.7 million (52.8%) to $332.0 million, contrasting with an $11.2 million (3.5%) reduction in the corresponding period of 2019, and averaging a growth of $16.9 million (1.0%) over the last five years, largely attributed to an increase in Treasury bill holdings. In contrast, the Bank's net liabilities to the rest of the public sector contracted by $17.2 million (24.6%), relative to a growth of $9.9 million (40.3%) in 2019, reflecting a falloff in deposit balances. Meanwhile, the Bank's net liabilities to commercial banks grew by $88.8 million (6.1%), extending the $68.4 million (6.6%) expansion in the previous year, as gains in deposits outpaced the decline in notes and coins in circulation.



Amid the pandemic and ensuing globally imposed travel restrictions which adversely impacted real sector activities, external reserves decreased by $7.4 million (0.4%), to $2,051.8 million, following a $120.7 million (8.4%) accumulation in 2019. The Bank's net foreign currency transactions reversed to a net sale of $13.4 million, from a net purchase of $109.7 million a year earlier. In particular, commercial banks reported a net sale to the private sector of $217.8 million, a turnaround from a net intake of $235.3 million in the prior year. In a slight offset, the Bank recorded a net purchase of $247.4 million from the Government, contrasting with a net sale of $44.2 million in 2019. Further, the net sale to public corporations—primarily for fuel purchases—reduced to $43.0 million from $81.4 million last year.

At end-June, the stock of external reserves was equivalent to an estimated 36.7 weeks of the current year's merchandise imports (inclusive of oil purchases), vis-à-vis 23.9 weeks in the comparative 2019 period. After adjusting for the 50% statutory requirement on the Central Bank's Bahamian dollar demand liabilities, "usable" reserves rose by $243.6 million (30.7%) to $1,037.6 million, relative to the corresponding period in the prior year.

DOMESTIC BANKS

Buoyed by a build-up in non-resident deposits, domestic banks recorded total net foreign liabilities of $34.9 million at end-June, a reversal from net foreign assets of $97.4 million in the prior quarter; although lower than the $43.5 million (91.0%) build-up in net foreign liabilities, to $91.3 million, over the same period of 2019.

Domestic banks' credit decreased by $63.9 million (0.7%), contrasting with a $120.4 million (1.4%) expansion a year earlier. Net claims on the Government declined by $68.5 million (2.8%), a turnaround from a growth of $132.3 million (6.3%) in 2019, reflecting broad-based reductions in banks' holdings of Treasury bills, loans & advances and other securities. Further, private sector credit fell by a muted $0.6 million, after increasing by $3.8 million (0.1%) a year earlier. Conversely, credit to public corporations grew by $5.3 million (1.2%), vis-à-vis a $15.8 million (3.4%) falloff in the prior year.

Banks' total deposit liabilities—inclusive of Government balances—reduced by $104.0 million (1.3%) to $7,872.5 million, contrasting with 2019's $196.4 million (2.8%) accumulation. Underlying this outturn, private sector deposits decreased by $17.3 million (0.2%), a reversal from a $199.5 million (3.1%) expansion a year earlier. In addition, the decline in deposits of the rest of the public sector accelerated to $57.3 million (14.5%), from $1.6 million (0.3%) in 2019. Further, the falloff in Government deposit balances quickened to $29.4 million (11.6%), from $1.6 million (0.7%) in the prior year.

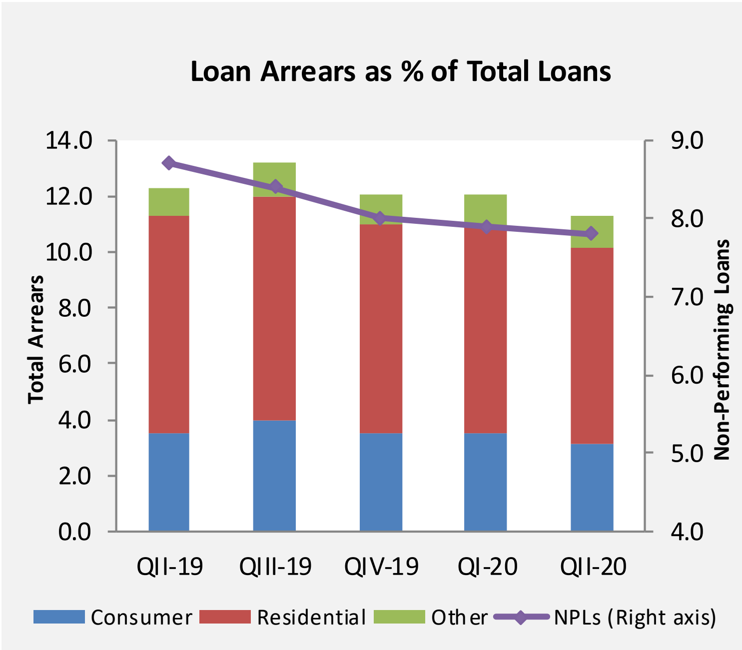
At end-June, the majority of banks' deposit liabilities were denominated in Bahamian dollars (93.2%), with the US dollars and other currencies accounting for the remaining 6.3% and 0.5%, respectively. An analysis by holder showed that private individuals held the largest share (50.8%) of total local currency accounts, followed by business firms (31.1%), the public sector (7.5%), private financial institutions (6.0%) and others (4.6%).

Disaggregated by deposit type, demand balances comprised the largest share (44.3%) of accounts, followed by fixed (31.4%) and savings (24.3%) deposits. Analyzed by range of value and number, the majority of accounts (86.7%), held Bahamian dollar balances of $10,000 or less, and constituted only 6.2% of the total value. Accounts with balances between $10,000 and $50,000 comprised 9.0% of the total number and 11.5% of the overall value, while deposits in excess of $50,000 represented 4.3% of the total, but a dominant 82.3% of the aggregate value.

CREDIT QUALITY

Banks' credit quality indicators improved during the second quarter, as the COVID-19 impact remained delayed owing to the implementation of loan deferral schemes. Specifically, total private sector loan arrears declined by $52.0 million (7.6%) over the three-month period, and by $51.2 million (6.9%) year-on-year, to $635.9 million. Correspondingly, the ratio of arrears to total private sector loans narrowed by 88 and by 92 basis points, on a quarterly and annual basis, respectively, to 11.3%.

A breakdown by age of delinquencies, revealed that short-term (31-90 day) arrears contracted, by $43.8 million (18.3%) to $196.2 million, resulting in a 78 basis points decrease in the relevant ratio to 3.5% of total private sector loans. Similarly, the non-performing segment—arrears in excess of 90 days and on which banks have ceased accruing interest—reduced by $8.2 million (1.8%) to $439.7 million, lowering the attendant ratio by 12 basis points, to 7.8% of total private sector loans.



The quarterly reduction in total private sector loan arrears was attributed to broad-based declines across all the loan categories, reflecting the deferral in loans payments for persons and businesses impacted by the COVID-19 pandemic. In particular, the consumer component fell by $22.5 million (11.3%), to $177.2 million, with the associated ratio narrowing by 91 basis points to 8.0%. Similarly, mortgage arrears reduced by $22.5 million (5.4%) to $397.4 million, with the corresponding ratio declining by 82 basis points to 15.2%. In addition, commercial delinquencies decreased by $6.9 million (10.2%), to $61.3 million, resulting in a 98 basis point softening in the relevant ratio to 7.4%.

In this environment, banks increased their total provisions for loan losses by $70.0 million (16.3%) to $498.4 million during the review quarter. Consequently, the ratio of provisions to total arrears firmed by 16.1 percentage points to 78.4%, while the ratio of provisions to non-performing loans rose by 17.7 percentage points to 113.4%. Further, banks wrote-off an estimated $31.4 million in delinquent loans and recovered approximately $3.4 million, over the three-month period.

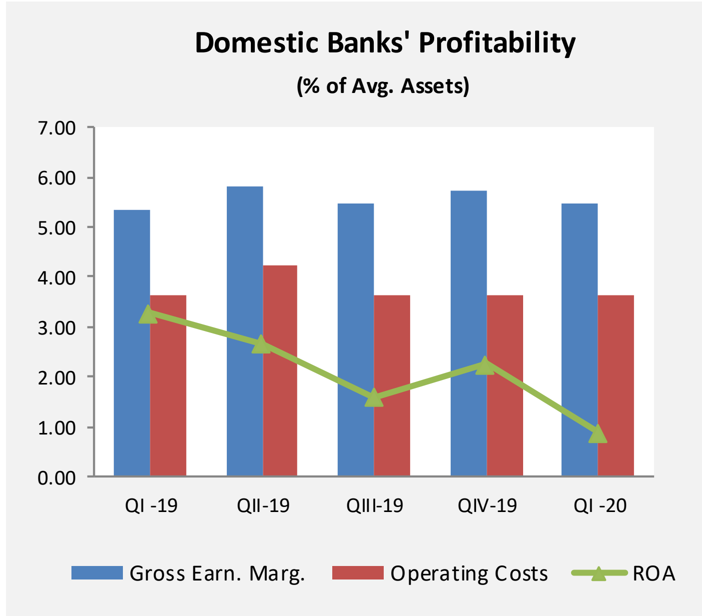
CAPITAL ADEQUACY

During the second quarter, banks registered a notable decline in the aggregate capital level. The average ratio of capital to risk-weighted assets fell by 7.2 percentage points to 21.6%. Nonetheless, the ratio remained well in excess of the Bank's regulatory prescribed target and trigger ratios of 17.0% and 14.0%, respectively.

BANK PROFITABILITY

During the first quarter of 2020—the latest available data—banks' overall profitability contracted by $59.3 million (70.7%), to $24.6 million, relative to the same quarter of 2019, led by a significant increase in provisions for bad debt in anticipation of eventual COVID-19 losses. With regard to profitability components, the net interest margin rose by $10.2 million (8.0%) to $139.1 million, reflecting a $7.4 million (5.3%) rise in interest income to $149.0 million, and a $2.8 million (22.1%) decrease in interest expense, to $9.9 million. Similarly, commission & foreign exchange income grew by $4.2 million (58.7%) to $11.4 million, contributing to a rise in the gross earnings margin, by $14.4 million (10.6%), to $150.4 million.

In terms of expenditure, banks' operating outlays expanded by 7.9% to $100.2 million, as non-staff related operating costs—inclusive of professional and rental expenses—rose by 19.4% to $55.6 million. In addition, staff-related expenses edged up by 0.1% to $40.0 million. Conversely, occupancy costs reduced by 27.6% to $4.6 million. Further, banks reported a net expense on other activities of $25.6 million, a turnaround from a net gain of $40.8 million a year earlier. This largely reflected a hike in bad debt expenses to $55.7 million from a mere $1.3 million in the prior year, as banks anticipate an eventual increase in loan delinquencies due to the COVID-19 pandemic. In addition, depreciation costs advanced by 47.2%, to $3.9 million, while other "non-interest" earnings fell by 24.0%, to $34.0 million.



Profitability relative to average assets also declined. As a percentage of average assets, the gross earnings margin strengthened by 14 basis points to 5.46%, , the commission & foreign exchange ratio rose by 13 basis points to 0.41%, while the interest margin ratio firmed by 1 basis point to 5.05%. Moreover, the operating costs ratio steadied at 3.64%, resulting in an increase in the net earnings margin ratio by 14 basis points to 1.82%. However, the net income ratio weakened by 2.4 percentage points, largely reflecting a rise in bad debt provisioning.

Interest Rates

During the review quarter, the weighted average interest rate spread at commercial banks narrowed by 1.2 percentage points, to 9.21 percentage points. The outturn was primarily attributed to a decline in the weighted mean lending rate of 1.2 percentage points to 9.58%, which outpaced the 4 basis points softening in the weighted average deposit rate to 0.37%.

Banking Sector Interest Rates

Period Average (%)

	Qtr. II 2019	**Qtr. I 2020**	**Qtr. II 2020**
Deposit Rates			
Demand Deposits	0.40	0.59	0.51
Savings Deposits	0.35	0.38	0.46
Fixed Deposits			
Up to 3 months	0.33	0.26	0.26
Up to 6 months	0.56	0.34	0.38
Up to 12 months	0.67	0.59	0.47
Over 12 months	0.89	0.83	0.76
Weighted Avg. Dep. Rate	**0.56**	**0.41**	**0.37**
Lending Rates			
Residential mortgages	4.96	5.28	5.29
Commercial mortgages	6.15	9.25	-
Consumer loans	13.03	12.94	11.94
Other Local Loans	10.08	10.52	8.84
Overdrafts	9.86	11.99	8.69
Weighted Avg. Loan Rate	**10.53**	**10.82**	**9.58**

As it relates to deposit rates, the mean rate on savings balances firmed by 8 basis points to 0.46%. Conversely, the average rate on demand deposits declined by 8 basis points to 0.51%, while the average range of interest offered on fixed balances tightened to 0.26%-0.76%, from 0.26%–0.83% in the previous quarter.

In terms of lending, average rates on overdrafts and consumer loans decreased by 3.3 and 1.0 percentage points, to 8.69% and 11.94%, respectively. In addition, the average rate on residential mortgages edged down by 1 basis point to 5.29%. Meanwhile, there was no lending for commercial mortgages during the review period.

Among other key interest rates, the average Treasury bill rate held steady at 1.73%. Further, the Central Bank's Discount rate and commercial banks' Prime rate were unchanged, at 4.00% and 4.25%, respectively.

CAPITAL MARKET DEVELOPMENTS

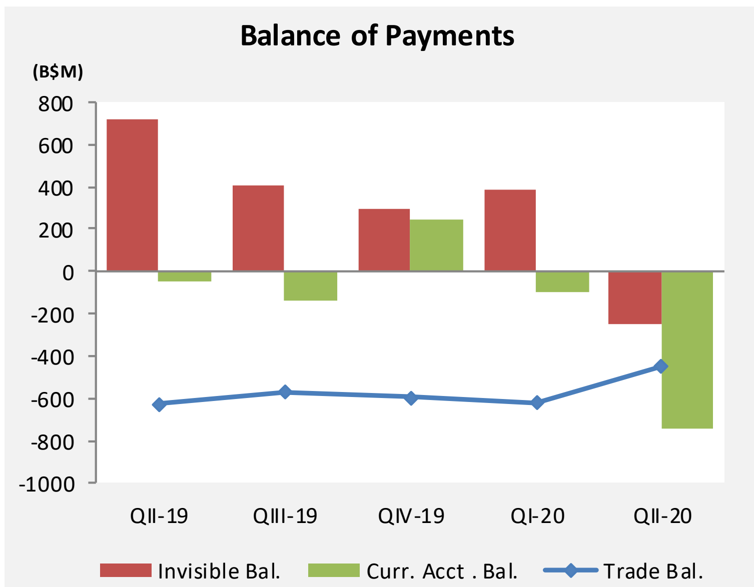
The dampening in domestic capital market performance persisted over the second quarter of the year, reflective of subdued economic activities stemming from the COVID-19 pandemic. Specifically, the volume of shares traded on the Bahamas International Securities Exchange (BISX) declined by 46.2% to 1,173,646, year-on-year, following a reduction of 55.8% in 2019. Correspondingly, the aggregate value of shares traded fell by 68.9% ($8.3 million), to $3.8 million, after contracting by 47.1% a year earlier.

During the review quarter, the BISX All Share Price Index edged up by 0.4% to 2,124.69 points, after registering a growth of 1.9% in 2019. Further, market capitalization decreased by 0.4% to $4.5 billion, relative to the 1.9% rise recorded in the preceding period.

With regard to market listings, the number of publicly traded securities on the exchange was unchanged, at 37, at the quarter's end, and comprised 19 ordinary shares, 7 preference shares and 11 debt tranches.

INTERNATIONAL TRADE AND PAYMENTS

Provisional data for the second quarter of 2020 revealed a significant widening in the current account deficit to $739.8 million, from $51.9 million in the comparative 2019 period. Underpinning this outturn was a reversal in the services account balance to a deficit from ordinarily a surplus position, largely attributed to the disruption in tourism receipts. In contrast, the capital and financial account surplus rose to $473.3 million from $167.8 million a year earlier, reflecting mainly a surge in debt-related inflows though by the public sector and a rise in domestic banks' short-term liabilities.



The estimated merchandise trade deficit narrowed by $175.6 million (28.1%) to $449.9 million, as the $391.5 million (57.7%) reduction in imports to $511.8 million, outstripped the $215.9 million falloff in exports to $61.9 million. A further breakdown of trade flows showed that net non-oil merchandise imports declined by $102.9 million (21.2%) to $382.4 million, while net payments for fuel purchases fell by $98.8 million (49.5%) to $100.9 million. An analysis of the fuel components showed that average price per barrel for aviation gas decreased by 72.8% to $45.83; motor gas, by 53.7% to $42.50; bunker-c, by 56.5% to $31.34 and propane, by 26.3% to $36.99. Conversely, kerosene (jet-fuel) and gas oil rose by 29.6% and 5.0%, respectively, to $91.54 and $74.89 per barrel.

The services account position reversed to an estimated deficit of $251.4 million from a surplus of $723.2 million in the prior year. In particularly, net travel—the largest segment of the services account—recorded a net payment of $3.5 million, vis-à-vis a net receipt of $976.5 million in 2019, primarily reflecting the pause in tourism activity due to the COVID-19 pandemic. Further, net outflows for uncategorized services increased by $40.2 million (30.6%) to $171.6 million, while net payments for Government services rose by $10.5 million (46.2%) to $33.2 million, attributed to a rise in disbursements for resident Government activities, along with a decline in inflows for foreign Government operations. In addition, net payments for insurance services grew by $5.4 million (15.4%) to $40.3 million, owing mainly to higher non-merchandise insurance outflows, while net receipts associated with offshore companies' local expenses reduced by $10.7 million (20.2%) to $42.1 million. In a partial offset, net payments for transportation services fell by $67.8 million (65.5%) to $35.8 million, as the falloff in passenger and air & sea freight services, overshadowed the rise in port & airport charges. Further, reductions were recorded in net outflows for construction services, by $3.5 million (31.7%) to $7.4 million, while royalty & license fees edged down by $0.8 million (33.4%) to $1.6 million.

During the review period, the estimated deficit on the income account decreased by $12.1 million (7.6%) to $147.2 million, with a decline in net investment income outflows by $19.4 million (13.4%) to $125.6 million. In the underlying transactions, private companies' net interest and dividend payments reduced by $16.3 million (16.6%) to $81.5 million, as remittances by non-bank entities fell by $19.4 million (26.6%) to $53.4 million, outstripping the $3.1 million (12.6%) growth in commercial banks repatriations to $28.0 million. Further, net outflows for official transactions reduced by $3.2 million (6.7%) to $44.2 million, mainly due to a falloff in Government's expenses on external debt. Conversely, net labour income remittances rose by $7.3 million (51.2%) to $21.6 million.

Net current transfer receipts surged to $108.7 million from $9.7 million, owing in large measure to re-insurance inflows from Hurricane Dorian. Underpinning this outturn, net "miscellaneous" transactions within the private sector reversed to a net receipt of $128.1 million, vis-à-vis a net outflow of $5.4 million a year earlier. Further, workers' outward net remittances decreased by $2.5 million (9.2%) to $24.4 million. In contrast, Government's net transfer receipts reduced by $37.0 million (88.1%) to $5.0 million.

The capital and financial account surplus increased considerably to $473.3 million from $167.8 million in 2019, attributed to a surge in debt-financed inflows to $438.7 million from $87.3 million in the prior year. Specifically, COVID-19 and hurricane-related Government external borrowings, including a $250.0 million Rapid Financing Instrument proceed from the IMF, contributed to net public sector receipts of $286.2 million, following a net payment of $11.0 million in the preceding year. Likewise, domestic banks' net short-term liabilities surged to $132.3 million from $43.5 million last year. In contrast, other private debt-based financing inflows reduced by more than half to $20.3 million from $54.8 million in the previous year.

Net private direct investment inflows contracted by $48.7 million to $40.3 million. In particular, net equity investment inflows declined by $17.3 million (65.3%) to $9.2 million, while net receipts from land sales fell by half to $31.0 million. However, migrants' net transfers abroad decreased by $2.8 million (41.9%) to $3.8 million, while net outward portfolio investments, related to the Bahamas Depository Receipt (BDR), stabilized at $2.0 million.

In line with these developments, and after making the relevant adjustments for net errors and omissions, the overall balance, which corresponds to the change in the Central Bank's external reserves, posted a deficit of $8.1 million, a turnaround from a surplus of $120.7 million in the comparable period of 2019.

INTERNATIONAL ECONOMIC DEVELOPMENTS

Global economic conditions deteriorated during the second quarter amid the spread of COVID-19 and the implementation of containment measures. In this environment, almost all of the major economies recorded elevate unemployment rates, while inflationary pressures remained relatively subdue, reflecting the softness in global demand. Consequently, in an attempt to stabilize the economy and encourage growth, the major economies central banks either retained or enhanced their accommodative monetary policy stance.

Economic output was broadly contracted among the leading economies during the second quarter, reflective of the severe impact of the COVID-19 pandemic. Specifically, real GDP growth in the United States declined to an annualized rate of 31.7% in the second quarter, extending the 5.0% decreased in the previous three-month-period, underpinned by reductions in personal consumption expenditure, exports, private inventory investment, non-residential fixed investment, residential fixed investment and state and local Government spending, which offset increases in Federal Government spending. Similarly trends were noted for the United Kingdom, as real output fell further by an annual rate of 20.4%, from 2.2% in the prior quarter, due largely to a falloff in the services, production and construction sectors. In addition, in the euro area, economic output contracted by a larger 12.1%—the highest decline since the start of the time series in 1965—compared to 3.6% in the prior three-month period, as Spain, Portugal and France reported significant reductions. Economic development in Asia were mixed, with the Japanese economy contracting by an annualized 27.8% in the second quarter—highest since post war period—exceeding the 3.4% falloff in the first quarter, attributed to declines in private consumption and exports. In contrast, as Beijing implemented stimulus measures to boost its economy, real GDP in China grew by 3.2% in the second quarter, a recovery from a 6.8% reduction in the previous quarter.

The economic weakness as a result of the pandemic contributed to a deterioration in labour market conditions during the review quarter. In particularly, in the United States, the average unemployment rate rose to 13.0% in the second quarter from 3.8% in the prior three-month period, due to the sharp decline in non-farm payrolls in April, which overshadowed modest gain in May and June, respectively. Similarly, the unemployment rate in the euro area advanced by 60 basis points to 7.8% over the first quarter. However, the United Kingdom's jobless rate remained unchanged at 3.9% during the second quarter, compared to the preceding quarter. In Asia, as the effects of Covid-19 lingers, the jobless rate in Japan increased by 40 basis points to 2.8%, while China's jobless rate steadied at 5.7%.

Inflationary pressures remained relatively subdued during the second quarter. In the United States, inflation for the twelve months to June quickened to 0.6%, after declining to 0.1% in the March quarter, largely attributed to gains in the gasoline, energy and food indexes. In contrast, explained by a falloff in food and housing costs, the United Kingdom's inflation rate narrowed by 70 basis points to an annualized 0.8% over the prior quarter. Similarly, in the euro area, lower energy, food, alcohol and tobacco costs, contributed to a tapering in the annual inflation rate by 40 basis points to 0.3% in the second quarter. In Asia, Japan's annual inflation rate edge-down by 30 basis points to 0.1%, reflecting lower energy prices. In addition, China's year-on-year inflation rate declined to 2.5% from 4.3% in the first quarter, amid a reduction in non-food items.

The United States dollar depreciated against most of the major currencies during the second quarter of 2020, owing in part to the COVID-19 pandemic and the resultant global slowdown. Specifically, the dollar weakened relative to the Canadian dollar, by 3.5% to CAD$1.36, the euro, by 1.8% to €0.85 and the Swiss Franc, by 1.4% to CHF0.91. Similarly, the dollar declined vis-à-vis the Chinese Yuan by 0.2% to CNY6.98. Conversely, the dollar appreciated versus the Japanese Yen, by 0.4% to ¥105.83 and British pound, by 0.2% to £0.76.

During the review quarter, the major equity markets reported broad-based gains, as countries began to relax the COVID-19 lockdown measures. Specifically, in the United States both the S&P 500 and the Dow Jones Industrial Average (DIJA) increased by 20.0% and 1.8%, respectively, buoyed by continued relief from the Federal Government. In addition, the German DAX rose by 24.0%, while Japan's Nikkie225 index improved by 17.8% and the French CAC 40, by 12.3%. Similarly, the United Kingdom's FTSE 100 moved higher by 8.8% and the Chinese's SE composite, by 8.5%.

Average crude oil prices decreased by 30.0% over the second quarter to $35.22 per barrel, as concerns about weak global demand escalated during the pandemic. In contrast, in the precious metal market, as investors invest in less risky assets, the costs for both silver and gold rose by 30.3% and 13.9%, to $24.39 and $1,975.86 per troy ounce, respectively.

Movements in the major economies' external sector balances were mixed during the review quarter, albeit reflecting significant slowing in global trade. In the United States, the deficit on goods and services widened by $25.1 billion (19.4%) to an estimated $154.7 billion over the previous quarter, as exports declined by 24.8% to $454.1 billion, outpacing the 17.0% contraction in imports to $608.7 billion. Further, the euro area trade surplus decreased by $19.0 million (36.2%) to €33.5 billion during the review period, underpinned by a 20.5% falloff in exports, which outweighed the 18.9% reduction in imports. In addition, Japan posted a trade deficit of ¥204.2 billion in the second quarter, vis-à-vis a surplus of ¥242.9 billion in the preceding quarter, reflecting a 21.3% decrease in exports, which outweighed the 11.0% decline in imports. In contrast, the United Kingdom's trade surplus rose by £8.6 billion to £8.6 billion over the prior period, as the 22.4% falloff in imports, outstripped the 16.9% decline in exports. Further, China recorded a trade surplus of US$119.6 billion, reversal from a deficit of US$337.0 billion in the prior quarter, as exports surged by 29.9%, overshadowing the 0.3% rise in imports.

Given the economic disruptions caused by the pandemic, all the major central banks affirmed their accommodative monetary policy stance, with some institutions implementing additional monetary and quantitative easing measures. Specifically, the United States' Federal reserves retained its benchmark interest rate at a range of 0.00%-0.25% range and introduced a new individual corporate bonds purchase programme for up to $750 billion in response to the pandemic. Similarly, the Bank of England kept its key interest rate at 0.1%, and expanded its asset purchase programme by £200 million, to a totaled of £745 billion, amid fallouts from the spread of the virus. Further, the European Central Bank maintained the interest rates on the main refinancing rate at 0.00%, the marginal lending facility, at 0.25% and the deposit facility, at -0.50%. The European Central Bank also extended its emergency stimulus package by €600 billion to a total of €1,350 billion and loaned out €1.31 trillion with a negative interest rate to 742 banks across the euro area. In Asia, the Bank of Japan left its policy rate at -0.1%, and extended its financing support to businesses by ¥75 trillion to ¥110 trillion, while the People's Bank of China maintained their key policy rate, the 7-day repo rate, at 2.2% and announced its commitment to purchase approximately US$56.3 billion in bank loans made to micro and small enterprises by end-2020.

STATISTICAL APPENDIX (TABLES 1-16)

TABLE 1
FINANCIAL SURVEY

Period	2016	2017	2018	2019				2020	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
				(B$ Millions)					
Net foreign assets	678.5	1,152.5	1,071.4	1,389.1	1,464.5	1,543.8	1,789.9	2,155.8	2,015.9
Central Bank	904.0	1,417.4	1,195.6	1,436.9	1,557.6	1,558.8	1,758.1	2,059.3	2,051.8
Domestic Banks	(225.4)	(265.0)	(124.2)	(47.8)	(91.3)	(12.5)	32.6	97.4	(34.9)
Net domestic assets	6,251.4	5,884.6	6,037.1	5,827.8	5,964.7	5,996.8	6,103.1	5,990.6	6,072.8
Domestic credit	9,128.4	8,838.3	8,911.2	8,734.4	8,843.5	8,850.6	8,957.1	8,894.7	8,945.5
Public sector	2,957.6	2,855.5	3,025.0	2,891.8	2,997.1	2,969.4	3,065.5	3,075.7	3,127.1
Government (net)	2,551.4	2,383.0	2,539.3	2,415.1	2,536.3	2,523.0	2,620.9	2,633.4	2,679.6
Rest of public sector	406.3	472.5	485.8	476.6	460.8	446.4	444.6	442.3	447.5
Private sector	6,170.8	5,982.9	5,886.2	5,842.7	5,846.4	5,881.2	5,891.6	5,819.0	5,818.4
Other items (net)	(2,877.0)	(2,953.7)	(2,874.1)	(2,906.6)	(2,878.8)	(2,853.8)	(2,854.0)	(2,904.1)	(2,872.7)
Monetary liabilities	6,930.1	7,037.3	7,108.8	7,215.9	7,429.4	7,540.9	7,892.8	8,146.2	8,088.6
Money	2,460.6	2,654.0	2,728.2	2,757.1	3,003.6	3,060.4	3,248.4	3,484.4	3,522.9
Currency	280.5	292.6	310.4	316.0	321.7	315.2	336.8	346.0	380.2
Demand deposits	2,180.1	2,361.5	2,417.7	2,441.1	2,681.9	2,745.3	2,911.6	3,138.4	3,142.7
Quasi-money	4,469.5	4,383.3	4,380.7	4,458.9	4,425.8	4,480.5	4,644.4	4,661.8	4,565.7
Fixed deposits	2,866.3	2,737.9	2,552.0	2,526.9	2,486.8	2,454.1	2,419.6	2,323.5	2,253.7
Savings deposits	1,295.6	1,371.2	1,427.1	1,476.6	1,536.3	1,513.6	1,637.0	1,731.3	1,779.5
Foreign currency	307.6	274.1	401.5	455.3	402.7	512.7	587.9	607.1	532.5
				(percentage changes)					
Total domestic credit	1.8	(3.2)	0.8	(2.0)	1.2	0.1	1.2	(0.7)	0.6
Public sector	10.9	(3.5)	5.9	(4.4)	3.6	(0.9)	3.2	0.3	1.7
Government (net)	16.1	(6.6)	6.6	(4.9)	5.0	(0.5)	3.9	0.5	1.8
Rest of public sector	(13.3)	16.3	2.8	(1.9)	(3.3)	(3.1)	(0.4)	(0.5)	1.2
Private sector	(2.0)	(3.0)	(1.6)	(0.7)	0.1	0.6	0.2	(1.2)	(0.0)
Monetary liabilities	8.7	1.5	1.0	1.5	3.0	1.5	4.7	3.2	(0.7)
Money	18.8	7.9	2.8	1.1	8.9	1.9	6.1	7.3	1.1
Currency	13.7	4.3	6.1	1.8	1.8	(2.0)	6.9	2.7	9.9
Demand deposits	19.5	8.3	2.4	1.0	9.9	2.4	6.1	7.8	0.1
Quasi-money	3.9	(1.9)	(0.1)	1.8	(0.7)	1.2	3.7	0.4	(2.1)

Source: Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

Period	2016	2017	2018	2019 Mar.	2019 Jun.	2019 Sept.	2019 Dec.	2020 Mar.	2020 Jun.
				(B$ Millions)					
Net foreign assets	730.5	1,218.0	1,127.5	1,465.0	1,543.8	1,615.8	1,851.4	2,240.2	2,041.7
Central Bank	904.0	1,417.4	1,195.6	1,436.9	1,557.6	1,558.8	1,758.1	2,059.3	2,051.8
Commercial banks	(173.5)	(199.5)	(68.1)	28.0	(13.8)	57.0	93.4	180.9	(10.1)
Net domestic assets	6,131.5	5,742.1	5,910.7	5,690.6	5,815.5	5,858.6	5,963.7	5,827.8	5,900.9
Domestic credit	9,097.0	8,808.7	8,866.4	8,684.1	8,785.9	8,795.5	8,898.8	8,840.1	8,892.2
Public sector	2,941.4	2,841.7	3,009.1	2,875.5	2,972.1	2,951.4	3,050.1	3,061.8	3,113.2
Government (net)	2,535.5	2,369.6	2,523.7	2,399.3	2,511.3	2,505.0	2,605.5	2,619.5	2,665.7
Rest of public sector	405.9	472.1	485.4	476.3	460.8	446.4	444.6	442.3	447.5
Private sector	6,155.6	5,967.0	5,857.2	5,808.5	5,813.9	5,844.1	5,848.6	5,778.3	5,779.0
Other items (net)	(2,965.5)	(3,066.6)	(2,955.7)	(2,993.5)	(2,970.4)	(2,936.9)	(2,935.0)	(3,012.2)	(2,991.3)
Monetary liabilities	6,862.1	6,960.3	7,038.4	7,154.5	7,357.7	7,472.2	7,814.3	8,066.9	7,941.5
Money	2,406.8	2,591.4	2,671.3	2,706.8	2,942.8	3,004.4	3,186.5	3,421.0	3,450.0
Currency	280.5	292.6	310.5	316.0	321.7	315.2	336.9	346.1	380.2
Demand deposits	2,126.4	2,298.8	2,360.8	2,390.8	2,621.1	2,689.2	2,849.6	3,074.8	3,069.8
Quasi-money	4,455.3	4,368.8	4,367.2	4,447.7	4,414.9	4,467.8	4,627.8	4,646.0	4,491.4
Savings deposits	1,295.0	1,371.2	1,427.1	1,476.6	1,536.3	1,513.6	1,637.0	1,731.3	1,779.5
Fixed deposits	2,854.8	2,725.8	2,540.6	2,516.3	2,476.4	2,442.5	2,408.3	2,312.3	2,243.0
Foreign currency deposits	305.5	271.9	399.4	454.8	402.2	511.7	582.5	602.4	468.9
				(percentage change)					
Total domestic credit	1.9	(3.2)	0.7	(2.1)	1.2	0.1	1.2	(0.7)	0.6
Public sector	10.9	(3.4)	5.9	(4.4)	3.4	(0.7)	3.3	0.4	1.7
Government (net)	15.9	(6.5)	6.5	(4.9)	4.7	(0.2)	4.0	0.5	1.8
Rest of public sector	(12.9)	16.3	2.8	(1.9)	(3.3)	(3.1)	(0.4)	(0.5)	1.2
Private sector	(1.9)	(3.1)	(1.8)	(0.8)	0.1	0.5	0.1	(1.2)	0.0
Monetary liabilities	8.6	1.4	1.1	1.6	2.8	1.6	4.6	3.2	(1.6)
Money	18.9	7.7	3.1	1.3	8.7	2.1	6.1	7.4	0.9
Currency	13.7	4.3	6.1	1.8	1.8	(2.0)	6.9	2.7	9.9
Demand deposits	19.6	8.1	2.7	1.3	9.6	2.6	6.0	7.9	(0.2)
Quasi-money	3.8	(1.9)	(0.0)	1.8	(0.7)	1.2	3.6	0.4	(3.3)

Source: Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B$ Millions)

Period	2016	2017	2018	2019				2020	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
Net foreign assets	904.0	1,417.4	1,196.3	1,436.9	1,557.6	1,558.8	1,758.1	2,059.3	2,051.8
Balances with banks abroad	254.8	698.5	375.8	612.2	722.8	688.9	794.5	838.2	721.2
Foreign securities	550.5	614.7	670.5	675.1	685.1	703.5	779.8	1,025.7	1,134.1
Reserve position in the Fund	25.9	27.5	26.8	26.8	26.8	26.3	26.7	25.9	26.5
SDR holdings	72.7	76.8	123.2	122.9	123.0	140.1	157.1	169.4	169.9
Net domestic assets	555.3	209.6	228.4	95.5	49.1	112.9	145.4	(79.0)	52.8
Net claims on Government	716.6	390.1	503.6	315.4	304.2	372.1	395.9	217.3	332.0
Claims	731.9	417.0	525.1	377.8	355.7	441.2	460.4	294.5	366.9
Treasury bills	223.9	7.2	155.7	68.3	77.5	170.3	135.3	10.0	90.7
Bahamas registered stock	372.6	274.5	249.0	239.7	263.1	255.8	249.9	269.1	260.7
Loans and advances	135.4	135.4	120.4	69.8	15.2	15.1	75.2	15.5	15.4
Deposits	(15.3)	(26.9)	(21.6)	(62.4)	(51.5)	(69.1)	(64.4)	(77.2)	(34.8)
In local currency	(15.3)	(26.9)	(21.6)	(62.4)	(51.5)	(69.1)	(64.4)	(77.2)	(34.8)
In foreign currency	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(12.6)	(17.2)	(74.6)	(31.9)	(41.7)	(48.9)	(49.6)	(76.9)	(59.7)
Credit to commercial banks	-	-	-	-	-	-	-	-	-
Official capital and surplus	(173.1)	(185.1)	(208.0)	(208.1)	(208.0)	(208.2)	(226.8)	(225.8)	(225.5)
Net unclassified assets	15.4	13.8	(0.2)	12.8	(12.5)	(9.2)	18.9	(0.6)	(1.1)
Loans to rest of public sector	3.6	2.8	2.5	2.5	2.4	2.4	2.3	2.3	2.3
Public Corp Bonds/Securities	5.3	5.2	5.2	4.7	4.8	4.7	4.8	4.8	4.8
Liabilities To Domestic Banks	(1,011.4)	(1,157.0)	(940.9)	(1,043.3)	(1,111.8)	(1,186.6)	(1,394.4)	(1,464.5)	(1,553.2)
Notes and coins	(145.1)	(145.8)	(149.3)	(101.0)	(111.1)	(114.1)	(151.5)	(128.6)	(102.1)
Deposits	(866.3)	(1,011.2)	(791.7)	(942.4)	(1,000.7)	(1,072.5)	(1,242.9)	(1,335.9)	(1,451.1)
SDR allocation	(167.3)	(177.4)	(173.3)	(173.0)	(173.3)	(169.9)	(172.3)	(169.7)	(171.2)
Currency held by the private sector	(280.5)	(292.6)	(310.4)	(316.0)	(321.7)	(315.2)	(336.8)	(346.0)	(380.2)

Source: Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(B$ Millions)

Period	2016	2017	2018	2019 Mar.	2019 Jun.	2019 Sept.	2019 Dec.	2020 Mar.	2020 Jun.
Net foreign assets	(225.4)	(265.0)	(124.2)	(47.8)	(91.3)	(12.5)	32.6	97.4	(34.9)
Net claims on Central Bank	1,012.4	1,158.0	941.9	1,044.3	1,112.7	1,187.6	1,395.3	1,465.5	1,554.2
Notes and Coins	145.1	145.8	149.3	101.0	111.1	114.1	151.5	128.6	102.1
Balances	867.3	1,012.2	792.6	943.3	1,001.6	1,073.5	1,243.8	1,336.8	1,452.0
Less Central Bank credit	-	-	-	-	-	-	-	-	-
Net domestic assets	5,483.7	5,483.6	5,482.2	5,423.0	5,597.6	5,594.3	5,672.6	5,765.8	5,792.1
Net claims on Government	1,834.8	1,992.9	2,035.7	2,099.7	2,232.1	2,150.9	2,225.0	2,416.1	2,347.5
Treasury bills	531.9	611.4	669.8	773.1	822.3	741.4	771.9	866.1	812.2
Other securities	987.1	1,137.7	990.9	988.3	1,033.1	1,012.6	985.4	962.5	951.3
Loans and advances	502.7	442.2	564.4	573.0	609.7	620.9	688.8	840.6	807.8
Less: deposits	186.9	198.5	189.4	234.6	233.0	224.0	221.1	253.2	223.8
Net claims on rest of public sector	31.0	113.6	54.2	20.8	6.6	31.9	31.7	40.6	103.2
Securities	163.9	262.6	229.5	228.0	227.6	230.9	230.9	230.9	230.9
Loans and advances	233.5	201.9	248.6	241.4	226.0	208.3	206.6	204.3	209.6
Less: deposits	366.4	350.8	423.9	448.6	447.1	407.4	405.8	394.6	337.3
Other net claims	(2.9)	(2.6)	(1.0)	1.3	(0.2)	(3.2)	18.8	0.2	(3.3)
Credit to the private sector	6,170.8	5,982.9	5,886.2	5,842.7	5,846.4	5,881.2	5,891.6	5,819.0	5,818.4
Securities	19.6	19.1	32.3	30.5	30.5	26.9	26.0	23.6	23.6
Mortgages	3,035.5	2,949.5	2,935.3	2,936.2	2,928.1	2,934.3	2,912.2	2,902.8	2,893.5
Loans and advances	3,115.7	3,014.3	2,918.5	2,875.9	2,887.9	2,920.0	2,953.4	2,892.6	2,901.3
Private capital and surplus	(2,594.4)	(2,699.3)	(2,642.6)	(2,607.6)	(2,543.3)	(2,396.8)	(2,394.7)	(2,414.9)	(2,431.0)
Net unclassified assets	44.5	96.2	149.9	66.1	56.0	(69.7)	(99.8)	(95.2)	(42.7)
Liabilities to private sector	6,270.7	6,376.6	6,299.9	6,419.5	6,619.0	6,769.4	7,100.6	7,328.7	7,311.4
Demand deposits	2,287.4	2,420.1	2,503.6	2,570.8	2,731.6	2,918.4	3,116.5	3,321.0	3,337.8
Savings deposits	1,315.0	1,390.4	1,454.3	1,506.8	1,568.3	1,544.3	1,667.3	1,765.0	1,814.9
Fixed deposits	2,668.3	2,566.1	2,342.0	2,341.8	2,319.2	2,306.8	2,316.7	2,242.7	2,158.7

Source: Central Bank of The Bahamas

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

(B$'000s)

Period	2017	2018	2019	2018				2019				2020
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
1. Interest Income	590,158	580,569	593,233	146,250	142,891	147,200	144,228	141,520	154,599	147,820	149,294	148,956
2. Interest Expense	66,322	55,517	48,618	14,159	15,693	13,537	12,128	12,698	12,549	13,229	10,142	9,892
3. **Interest Margin (1-2)**	523,836	525,052	544,615	132,091	127,198	133,663	132,100	128,822	142,050	134,591	139,152	139,064
4. Commission & Forex Income	28,537	29,445	38,127	7,192	7,499	7,193	7,561	7,160	9,221	7,682	14,064	11,363
5. **Gross Earnings Margin (3+4)**	552,373	554,497	582,742	139,283	134,697	140,856	139,661	135,982	151,271	142,273	153,216	150,427
6. Staff Costs	160,472	157,021	159,361	39,427	39,830	37,825	39,939	39,990	41,554	39,189	38,628	40,040
7. Occupancy Costs	26,068	27,725	33,932	7,174	6,810	7,146	6,595	6,365	6,711	6,670	14,186	4,607
8. Other Operating Costs	190,618	183,609	203,070	45,638	46,781	43,076	48,114	46,534	61,856	48,451	46,229	55,557
9. **Operating Costs (6+7+8)**	377,158	368,355	396,363	92,239	93,421	88,047	94,648	92,889	110,121	94,310	99,043	100,204
10. **Net Earnings Margin (5-9)**	175,215	186,142	186,379	47,044	41,276	52,809	45,013	43,093	41,150	47,963	54,173	50,223
11. Depreciation Costs	15,892	12,774	11,876	3,407	3,061	3,129	3,177	2,671	3,668	2,524	3,013	3,933
12. Provisions for Bad Debt	113,131	96,701	96,138	25,641	28,480	13,997	28,583	1,318	13,669	40,694	40,457	55,710
13. Other Income	136,036	156,965	177,136	35,567	37,566	39,555	44,277	44,785	45,153	36,312	50,886	34,027
14. **Other Income (Net) (13-11-12)**	7,013	47,490	69,122	6,519	6,025	22,429	12,517	40,796	27,816	(6,906)	7,416	(25,616)
15. **Net Income (10+14)**	182,228	233,632	255,501	53,563	47,301	75,238	57,530	83,889	68,966	41,057	61,589	24,607
16. **Effective Interest Rate Spread (%)**	7.11	7.10	7.08	7.12	7.28	7.20	6.80	6.68	7.12	6.60	7.92	8.84
(Ratios To Average Assets)												
Interest Margin	5.13	5.12	5.20	5.11	4.89	5.22	5.24	5.04	5.46	5.18	5.10	5.05
Commission & Forex Income	0.28	0.29	0.36	0.28	0.29	0.28	0.30	0.28	0.35	0.30	0.52	0.41
Gross Earnings Margin	5.41	5.40	5.56	5.39	5.18	5.50	5.54	5.32	5.82	5.47	5.62	5.46
Operating Costs	3.69	3.59	3.78	3.57	3.59	3.44	3.75	3.63	4.23	3.63	3.63	3.64
Net Earnings Margin	1.72	1.81	1.78	1.82	1.59	2.06	1.79	1.69	1.58	1.85	1.99	1.82
Net Income/Loss	1.78	2.28	2.44	2.07	1.82	2.94	2.28	3.28	2.65	1.58	2.26	0.89

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

Source: Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B$ Millions)

End of Period	2016	2017	2018	2019				2020	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
Money Supply (M1)	2,460.6	2,654.0	2,728.2	2,757.1	3,003.6	3,060.4	3,248.4	3,484.4	3,522.9
1) Currency in active circulation	280.5	292.6	310.4	316.0	321.7	315.2	336.8	346.0	380.2
2) Demand deposits	2,180.1	2,361.5	2,417.7	2,441.1	2,681.9	2,745.3	2,911.6	3,138.4	3,142.7
Central Bank	12.6	17.2	74.6	31.9	41.7	48.9	49.6	76.9	59.7
Domestic Banks	2,167.6	2,344.2	2,343.1	2,409.2	2,640.2	2,696.3	2,861.9	3,061.5	3,082.9
Factors affecting money (M1)									
1) Net credit to Government	2,551.4	2,383.0	2,539.3	2,415.1	2,536.3	2,523.0	2,620.9	2,633.4	2,679.6
Central Bank	716.6	390.1	503.6	315.4	304.2	372.1	395.9	217.3	332.0
Domestic banks	1,834.8	1,992.9	2,035.7	2,099.7	2,232.1	2,150.9	2,225.0	2,416.1	2,347.5
2) Other credit	6,577.1	6,455.3	6,371.9	6,319.3	6,307.2	6,327.6	6,336.2	6,261.3	6,265.9
Rest of public sector	406.3	472.5	485.8	476.6	460.8	446.4	444.6	442.3	447.5
Private sector	6,170.8	5,982.9	5,886.2	5,842.7	5,846.4	5,881.2	5,891.6	5,819.0	5,818.4
3) External reserves	904.0	1,417.4	1,195.6	1,435.6	1,555.7	1,556.3	1,757.3	2,058.3	2,050.8
4) Other external liabilities (net)	(225.4)	(265.0)	(124.2)	(47.8)	(91.3)	(12.5)	32.6	97.4	(34.9)
5) Quasi money	4,469.5	4,383.3	4,380.7	4,458.9	4,425.8	4,480.5	4,644.4	4,661.8	4,565.7
6) Other items (net)	(2,877.0)	(2,953.7)	(2,874.1)	(2,906.6)	(2,878.8)	(2,853.8)	(2,854.0)	(2,904.1)	(2,872.7)

Source: Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT

(B$' 000)

End of Period	2017	2018	2019	2018		2019				2020	
				Sept	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
CREDIT OUTSTANDING											
Private cars	163,974	146,286	135,786	148,441	146,286	142,918	140,123	136,824	135,786	138,711	135,294
Taxis & rented cars	796	948	1,028	897	948	1,015	1,037	1,094	1,028	1,028	1,045
Commercial vehicles	1,208	1,036	1,156	1,062	1,036	1,042	1,209	1,124	1,156	1,354	1,312
Furnishings & domestic appliances	8,493	8,205	9,246	8,346	8,205	8,321	8,619	8,999	9,246	9,539	9,338
Travel	45,457	50,872	65,037	50,530	50,872	50,660	56,648	63,167	65,037	68,914	67,108
Education	53,065	43,067	39,976	48,261	43,067	40,660	39,001	42,116	39,976	39,225	38,383
Medical	12,025	12,773	11,873	12,626	12,773	12,857	12,487	12,288	11,873	12,351	12,360
Home Improvements	113,898	102,022	101,255	103,136	102,022	99,853	98,696	98,724	101,255	104,264	103,079
Land Purchases	152,771	139,093	131,400	141,858	139,093	137,993	136,346	134,722	131,400	132,195	130,892
Consolidation of debt	951,071	922,138	908,422	939,570	922,138	914,635	918,987	917,749	908,422	910,656	908,770
Miscellaneous	564,703	541,719	530,172	538,144	541,719	533,124	532,740	533,325	530,172	548,160	543,149
Credit Cards	254,852	249,069	272,999	246,201	249,069	240,706	240,892	267,913	272,999	265,290	256,303
TOTAL	2,322,313	2,217,228	2,208,350	2,239,072	2,217,228	2,183,784	2,186,785	2,218,045	2,208,350	2,231,687	2,207,033
NET CREDIT EXTENDED											
Private cars	(12,204)	(17,688)	(10,500)	(5,267)	(2,155)	(3,368)	(2,795)	(3,299)	(1,038)	2,925	(3,417)
Taxis & rented cars	19	152	80	94	51	67	22	57	(66)	-	17
Commercial vehicles	158	(172)	120	(62)	(26)	6	167	(85)	32	198	(42)
Furnishings & domestic appliances	191	(288)	1,041	483	(141)	116	298	380	247	293	(201)
Travel	4,260	5,415	14,165	4,621	342	(212)	5,988	6,519	1,870	3,877	(1,806)
Education	820	(9,998)	(3,091)	770	(5,194)	(2,407)	(1,659)	3,115	(2,140)	(751)	(842)
Medical	(799)	748	(900)	(231)	147	84	(370)	(199)	(415)	478	9
Home Improvements	(8,061)	(11,876)	(767)	(3,945)	(1,114)	(2,169)	(1,157)	28	2,531	3,009	(1,185)
Land Purchases	(17,076)	(13,678)	(7,693)	(3,729)	(2,765)	(1,100)	(1,647)	(1,624)	(3,322)	795	(1,303)
Consolidation of debt	(33,498)	(28,933)	(13,716)	(16,172)	(17,432)	(7,503)	4,352	(1,238)	(9,327)	2,234	(1,886)
Miscellaneous	18,390	(22,984)	(11,547)	506	3,575	(8,595)	(384)	585	(3,153)	17,988	(5,011)
Credit Cards	(1,314)	(5,783)	23,930	2,584	2,868	(8,363)	186	27,021	5,086	(7,709)	(8,987)
TOTAL	(49,114)	(105,085)	(8,878)	(20,348)	(21,844)	(33,444)	3,001	31,260	(9,695)	23,337	(24,654)

Source: Central Bank of The Bahamas

TABLE 8
SELECTED AVERAGE INTEREST RATES

(%)

Period	2016	2017	2018	2019 Qtr. I	2019 Qtr. II	2019 Qtr. III	2019 Qtr. IV	2020 Qtr. I	2020 Qtr. II
DOMESTIC BANKS									
Deposit rates									
Demand deposits	0.28	0.27	0.27	0.27	0.40	0.27	0.50	0.59	0.51
Savings deposits	0.82	0.72	0.64	0.51	0.35	0.34	0.33	0.38	0.46
Fixed deposits									
Up to 3 months	0.97	0.78	0.60	0.49	0.33	0.28	0.29	0.26	0.26
Up to 6 months	0.99	0.64	0.62	0.71	0.56	0.49	0.49	0.34	0.38
Up to 12 months	1.58	1.21	0.97	0.72	0.67	0.77	0.55	0.59	0.47
Over 12 months	1.87	1.61	1.26	0.95	0.89	0.83	0.91	0.83	0.76
Weighted average rate	1.24	1.00	0.84	0.68	0.56	0.52	0.53	0.41	0.37
Lending rates									
Residential mortgages	6.22	5.76	5.41	4.90	4.96	4.94	4.82	5.28	5.29
Commercial mortgages	7.76	6.87	7.59	6.75	6.15	5.91	7.25	9.25	--
Consumer loans	14.03	13.61	13.49	12.38	13.03	13.24	12.79	12.94	11.94
Overdrafts	11.13	10.62	10.15	9.20	9.86	11.55	11.10	11.99	8.69
Weighted average rate	12.49	11.75	11.34	9.66	10.53	11.22	10.44	10.82	9.58
Other rates									
Prime rate*	4.75	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Treasury bill	1.64	1.83	1.67	1.52	1.59	1.63	1.69	1.73	1.73
Treasury bill re-discount rate	2.14	2.33	2.19	2.08	2.14	2.13	2.19	2.23	2.23
Bank rate (discount rate)*	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

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

TABLE 9

SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

(%)

Period	2016	2017	2018	2019				2020	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Loan Portfolio									
Current Loans (as a % of total loans)	**82.2**	**85.1**	**85.7**	**86.8**	**87.8**	**86.8**	**87.9**	**87.9**	**88.7**
Arrears (% by loan type)									
Consumer	4.7	4.4	4.0	3.7	3.5	4.0	3.5	3.5	3.1
Mortgage	9.0	8.8	8.8	8.0	7.8	8.0	7.5	7.4	7.0
Commercial	4.0	1.6	1.4	1.5	1.0	1.2	1.1	1.2	1.1
Total Arrears	**17.8**	**14.9**	**14.3**	**13.2**	**12.2**	**13.2**	**12.1**	**12.1**	**11.3**
Total B$ Loan Portfolio	**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)	**82.2**	**85.1**	**85.7**	**86.8**	**87.8**	**86.8**	**87.9**	**87.9**	**88.7**
Arrears (% by days outstanding)									
30 - 60 days	3.2	3.1	3.3	2.7	2.3	3.1	2.6	2.9	2.1
61 - 90 days	1.9	1.9	1.9	1.4	1.2	1.7	1.5	1.3	1.4
90 - 179 days	1.7	1.7	1.4	1.2	1.2	1.2	1.1	1.3	1.2
over 180 days	10.9	8.3	7.7	7.8	7.5	7.2	6.9	6.6	6.6
Total Arrears	**17.8**	**14.9**	**14.3**	**13.2**	**12.2**	**13.2**	**12.1**	**12.1**	**11.3**
Total B$ Loan Portfolio	**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	27.8	25.8	26.7	25.5	25.8	25.5	26.8	27.5
Mortgage	50.3	60.8	65.0	63.2	64.6	63.8	63.5	59.9	62.2
Other Private	26.1	11.4	9.2	10.2	10.0	10.4	11.0	13.3	10.3
Total Non Accrual Loans	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Provisions to Loan Portfolio									
Consumer	7.8	6.1	5.5	6.8	6.5	6.6	7.0	7.2	8.9
Mortgage	9.0	8.3	7.6	8.8	8.7	8.3	8.1	8.0	8.4
Other Private	11.7	8.0	14.4	7.2	6.5	5.3	7.1	6.9	9.9
Total Provisions to Total Private Sector Loans	8.9	7.4	7.7	7.8	7.5	7.2	7.5	7.6	8.8
Total Provisions to Total Non-performing Loans	70.6	74.7	84.8	86.4	86.5	85.6	93.8	95.7	113.3
Total Non-performing Loans to Total Private Sector Loans	12.3	9.9	9.1	9.0	8.7	8.4	8.0	7.9	7.8

Source: Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

(B$ Millions)

Period	2016	2017	2018	2019				2020	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
I. Statutory Reserves									
Required reserves	325.1	336.9	331.1	331.9	345.3	348.5	349.6	363.4	372.3
Average Till Cash	130.4	125.8	124.9	108.5	107.8	115.6	129.8	120.0	107.9
Average balance with central bank	945.1	1,030.3	808.6	863.4	978.0	1,003.5	1,181.3	1,303.2	1,425.5
Free cash reserves (period ended)	750.5	819.2	602.5	639.9	740.6	770.5	961.5	1,061.1	1,161.0
II. Liquid Assets (period)									
A. Minimum Required Liquid Assets	1,098.6	1,128.9	1,115.6	1,148.4	1,196.1	1,206.4	1,247.1	1,298.8	1,300.4
B. Net Eligible Liquid Assets	2,579.9	2,956.2	2,649.0	2,852.0	3,014.7	2,988.7	3,214.5	3,345.2	3,363.5
i) Balance with Central Bank	867.3	1,012.2	792.6	943.3	1,001.6	1,073.5	1,243.8	1,336.8	1,452.0
ii) Notes and Coins	145.6	146.3	149.8	101.5	111.6	114.6	152.0	129.1	102.6
iii) Treasury Bills	531.9	611.4	669.8	773.1	822.3	741.4	771.9	866.1	812.2
iv) Government registered stocks	987.1	1,137.7	990.9	988.3	1,033.1	1,012.6	985.4	962.5	951.3
v) Specified assets	51.0	50.8	48.4	46.9	46.6	49.8	49.7	49.8	49.7
vi) Net Inter-bank dem/call deposits	(3.0)	(2.2)	(2.5)	(1.0)	(0.5)	(3.1)	11.7	0.8	(4.4)
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	1,481.3	1,827.3	1,533.4	1,703.6	1,818.6	1,782.4	1,967.5	2,046.4	2,063.2

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

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

(B$ Millions)

Period	2018/19p	2019/20p	Budget		2018/19p		2019/20p			
			2019/20	2020/21	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
Total Revenue & Grants	2,426.3	2,089.1	2,628.1	1,762.5	677.4	737.2	554.3	547.1	657.3	330.5
Current expenditure	2,422.2	2,508.6	2,530.0	2,574.1	594.9	721.1	544.8	634.0	635.3	694.5
Capital expenditure	223.4	368.8	235.0	515.5	48.1	95.3	56.2	60.5	82.1	169.9
Overall balance	**(219.3)**	**(788.2)**	**(136.9)**	**(1,327.1)**	**34.5**	**(79.3)**	**(46.7)**	**(147.4)**	**(60.1)**	**(534.0)**
FINANCING (I+II-III+IV+V)	219.3	788.2	136.9	1,327.1	(34.5)	79.3	46.7	147.4	60.1	534.0
I. Foreign currency borrowing	**9.2**	**445.7**	**64.5**	**42.9**	**0.2**	**3.0**	**31.9**	**58.6**	**55.0**	**300.1**
External	9.2	395.7	64.5	42.9	0.2	3.0	31.9	8.6	55.0	300.1
Domestic	-	50.0	-	-	-	-	-	50.0	-	-
II. Bahamian dollar borrowing	**1,085.0**	**1,101.1**	**700.3**	**2,030.8**	**170.7**	**241.4**	**135.7**	**309.4**	**368.8**	**287.2**
i)Treasury bills	231.3	233.6	-	-	1.7	75.7	29.7	21.5	26.2	156.1
ii)Long-term securities	619.7	562.6	-	-	140.0	165.7	103.0	192.9	135.6	131.1
iii)Loans and Advances	234.0	305.0	-	-	29.0	-	3.0	95.0	207.0	-
III. Debt repayment	**801.1**	**879.0**	**628.0**	**696.6**	**190.2**	**195.0**	**98.3**	**227.4**	**261.9**	**291.5**
Domestic	717.2	835.1	539.0	501.6	156.0	187.3	83.7	219.7	247.2	284.5
Bahamian dollars	717.2	835.1	539.0	497.4	156.0	187.3	83.7	219.7	247.2	284.5
Foreign currency	-	-	-	4.2	-	-	-	-	-	-
External	83.9	43.9	88.9	195.0	34.1	7.7	14.6	7.7	14.7	7.0
IV.Net sale of shares & other equity	**(117.2)**	**(71.8)**	**(46.5)**	**(46.5)**	**(12.5)**	**(42.7)**	**(26.7)**	**(13.9)**	**(14.7)**	**(16.5)**
V.Cash balance change & other financing	**43.5**	**192.2**	**46.5**	**(3.5)**	**(2.7)**	**72.5**	**4.0**	**20.8**	**(87.2)**	**254.6**

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

TABLE 12
NATIONAL DEBT

(B$ '000s)

Period	2017	2018	2019	2019 Mar.	2019 Jun.	2019 Sept.	2019 Dec.	2020 Mar.	2020 Jun.
TOTAL EXTERNAL DEBT	2,616,225	2,593,818	2,567,662	2,557,139	2,553,188	2,559,811	2,567,662	2,604,078	2,901,322
By Instrument									
Government Securities	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Loans	966,225	943,818	917,662	907,139	903,188	909,811	917,662	954,078	1,251,322
By Holder									
Commercial Banks	-	-	-	-	-	-	-	-	-
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-
Multilateral Institutions	213,730	207,483	232,075	205,780	201,042	231,139	232,075	285,320	579,330
Bilateral Institutions	90,688	79,609	72,539	78,418	76,651	70,660	72,539	68,320	68,483
Private Capital Markets	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Other Financial Institutions	661,807	656,726	613,048	622,941	625,495	608,012	613,048	600,438	603,509
TOTAL INTERNAL DEBT	4,563,864	4,905,099	5,165,557	4,919,740	4,973,870	5,025,915	5,165,557	5,287,189	5,289,898
By Instrument									
Foreign Currency	-	-	50,000	-	-	-	50,000	50,000	50,000
Government Securities	-	-	-	-	-	-	-	-	-
Loans	-	-	50,000	-	-	-	50,000	50,000	50,000
Bahamian Dollars	4,563,864	4,905,099	5,115,557	4,919,740	4,973,870	5,025,915	5,115,557	5,237,189	5,239,898
Advances	134,657	119,657	74,900	69,657	14,957	14,900	74,900	14,900	14,900
Treasury Bills	655,749	875,746	977,104	877,429	938,156	959,858	977,104	948,344	954,702
Government Securities	3,492,283	3,536,654	3,725,354	3,601,654	3,675,354	3,725,354	3,725,354	3,780,354	3,799,312
Loans	281,175	373,042	338,199	371,000	345,403	325,803	338,199	493,591	470,984
By Holder									
Foreign Currency	-	-	50,000	-	-	-	50,000	50,000	50,000
Commercial Banks	-	-	50,000	-	-	-	50,000	50,000	50,000
Other Local Financial Institutions	-	-	-	-	-	-	-	-	-
Bahamian Dollars	4,563,864	4,905,099	5,115,557	4,919,740	4,973,870	5,025,915	5,115,557	5,237,189	5,239,898
The Central Bank	413,570	518,721	455,725	372,250	350,203	436,667	455,725	286,900	362,122
Commercial Banks	1,975,909	1,983,549	2,053,618	2,083,906	2,145,017	2,040,377	2,053,618	2,286,884	2,241,071
Other Local Financial Iinstitutions	27,162	11,085	21,671	22,638	31,850	32,230	21,671	20,508	20,429
Public Corporations	602,287	586,572	602,704	597,893	600,404	597,242	602,704	596,327	589,438
Other	1,544,936	1,805,172	1,981,839	1,843,053	1,846,396	1,919,399	1,981,839	2,046,570	2,026,838
TOTAL FOREIGN CURRENCY DEBT	2,616,225	2,593,818	2,617,662	2,557,139	2,553,188	2,559,811	2,617,662	2,654,078	2,951,322
TOTAL DIRECT CHARGE	7,180,089	7,498,917	7,733,219	7,476,879	7,527,058	7,585,726	7,733,219	7,891,267	8,191,220
TOTAL CONTINGENT LIABILITIES	704,191	752,251	723,942	738,970	736,371	726,647	723,942	717,829	714,782
TOTAL NATIONAL DEBT	7,884,280	8,251,168	8,457,161	8,215,849	8,263,429	8,312,373	8,457,161	8,609,096	8,906,002

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	2017*	2018**	2019	2019 Mar.	2019 Jun.	2019 Sept.	2019 Dec.	2020 Mar.	2020 Jun.
Outstanding Debt at Beginning of Period	2,646,751	3,484,245	3,510,146	3,510,146	3,461,968	3,440,616	3,425,622	3,475,997	3,500,917
Government	1,745,483	2,616,225	2,593,818	2,593,818	2,557,139	2,553,188	2,559,811	2,617,662	2,654,078
Public Corporations	901,268	868,020	916,328	916,328	904,829	887,428	865,811	858,335	846,839
Plus: New Drawings	1,347,128	256,635	93,739	175	3,040	31,890	58,634	55,028	300,150
Government	1,327,674	65,330	93,664	175	2,965	31,890	58,634	55,028	300,150
Public corporations	19,454	191,305	75	-	75	-	-	-	-
Less: Amortization	545,717	216,894	122,225	45,624	25,184	36,233	15,184	26,156	15,805
Government	493,003	73,906	64,153	34,121	7,708	14,616	7,708	14,660	6,958
Public corporations	52,714	142,988	58,072	11,503	17,476	21,617	7,476	11,496	8,847
Other Changes in Debt Stock	36,083	(13,840)	(5,663)	(2,729)	792	(10,651)	6,925	(3,952)	4,052
Government	36,071	(13,831)	(5,667)	(2,733)	792	(10,651)	6,925	(3,952)	4,052
Public corporations	12	(9)	4	4	-	-	-	-	-
Outstanding Debt at End of Period	3,484,245	3,510,146	3,475,997	3,461,968	3,440,616	3,425,622	3,475,997	3,500,917	3,789,314
Government	2,616,225	2,593,818	2,617,662	2,557,139	2,553,188	2,559,811	2,617,662	2,654,078	2,951,322
Public corporations	868,020	916,328	858,335	904,829	887,428	865,811	858,335	846,839	837,992
Interest Charges	152,815	220,950	203,144	37,266	67,063	34,285	64,530	32,312	62,866
Government	92,969	154,701	144,039	22,000	51,208	20,445	50,386	20,075	50,469
Public corporations	59,846	66,249	59,105	15,266	15,855	13,840	14,144	12,237	12,397
Debt Service	698,532	437,844	325,369	82,890	92,247	70,518	79,714	58,468	78,671
Government	585,972	228,607	208,192	56,121	58,916	35,061	58,094	34,735	57,427
Public corporations	112,560	209,237	117,177	26,769	33,331	35,457	21,620	23,733	21,244
Debt Service ratio	6.5	9.0	7.1	6.3	6.5	7.5	8.9	5.6	57.0
Government debt Service/ Government revenue (%)	6.5	10.5	8.3	8.3	8.0	6.3	10.6	5.3	17.4
MEMORANDUM									
Holder distribution (B$ Mil):									
Commercial banks	267.7	332.1	351.9	329.2	317.1	304.0	351.9	349.5	346.7
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-
Multilateral Institutions	285.6	284.0	304.1	282.1	275.3	305.1	304.1	357.0	649.0
Bilateral Institutions	90.7	79.6	72.5	78.4	76.7	70.7	72.5	68.3	68.5
Other	1,190.2	1,164.4	1,097.5	1,122.3	1,121.6	1,095.7	1,097.5	1,076.1	1,075.1
Private Capital Markets	1,650.0	1,650.0	1,650.0	1,650.0	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.
*The Debt Service and Government Debt Service/Revenue Ratios are presented net of a $450 million refinancing in Government's external debt.
**The Debt Service Ratio for 2018 is presented net of a $44.1 million refinancing of Public Corporations' debt.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

(B$ Millions)

Period	2017	2018	2019	2018 Qtr. III	2018 Qtr. IV	2019 Qtr. I	2019 Qtr. II	2019 Qtr. III	2019 Qtr. IV	2020 Qtr. I	2020 Qtr. II
A. Current Account Balance (I+II+III+IV)	**(1,509.1)**	**(1,487.7)**	**83.8**	**(451.7)**	**(494.4)**	**26.9**	**(51.9)**	**(134.4)**	**243.1**	**(98.7)**	**(739.8)**
I. Merchandise (Net)	**(2,538.4)**	**(2,675.1)**	**(2,312.8)**	**(632.1)**	**(636.3)**	**(523.7)**	**(625.5)**	**(569.8)**	**(593.8)**	**(618.6)**	**(449.9)**
Exports	570.6	641.7	653.7	153.3	151.3	154.3	277.8	106.5	115.0	186.5	61.9
Imports	3,109.0	3,316.8	2,966.5	785.4	787.7	678.0	903.3	676.3	708.8	805.0	511.8
II. Services (Net)	**1,445.2**	**1,938.2**	**2,097.6**	**393.8**	**309.7**	**668.9**	**723.2**	**406.6**	**298.8**	**388.1**	**(251.4)**
Transportation	(383.4)	(411.6)	(360.0)	(92.9)	(99.7)	(109.8)	(103.6)	(55.4)	(91.1)	(106.8)	(35.8)
Travel	2,625.2	3,023.4	3,244.3	653.2	676.3	1,000.5	976.5	663.1	604.2	722.5	(3.5)
Insurance Services	(114.0)	(154.0)	(143.5)	(35.2)	(44.9)	(36.8)	(34.9)	(48.6)	(23.1)	(32.3)	(40.3)
Offshore Companies Local Expenses	130.1	249.5	183.8	89.4	51.1	58.5	52.8	34.2	38.2	59.8	42.1
Other Government	(105.8)	(97.0)	(132.4)	(34.9)	(29.6)	(66.0)	(22.7)	(29.9)	(13.8)	(70.6)	(33.2)
Other Services	(706.8)	(672.1)	(694.6)	(185.7)	(243.4)	(177.4)	(144.8)	(156.8)	(215.6)	(184.4)	(180.7)
III. Income (Net)	**(360.7)**	**(682.3)**	**(547.3)**	**(192.7)**	**(146.2)**	**(115.3)**	**(159.3)**	**(108.9)**	**(163.8)**	**(122.5)**	**(147.2)**
1. Compensation of Employees	(38.7)	(28.9)	(62.8)	(7.9)	(11.7)	(11.7)	(14.3)	(16.8)	(20.0)	(26.9)	(21.6)
2. Investment Income	(321.9)	(653.3)	(484.5)	(184.8)	(134.6)	(103.5)	(145.1)	(92.1)	(143.8)	(95.6)	(125.6)
IV. Current Transfers (Net)	**(55.2)**	**(68.6)**	**846.2**	**(20.6)**	**(21.6)**	**(3.1)**	**9.7**	**137.7**	**701.9**	**254.3**	**108.7**
1. General Government	114.0	132.8	145.0	26.6	28.4	41.4	42.0	31.5	30.1	39.1	5.0
2. Private Sector	(169.2)	(201.4)	701.2	(47.2)	(50.0)	(44.4)	(32.3)	106.1	671.8	215.2	103.7
B. Capital and Financial Account (I+II) (excl. Reserves)	**1,572.0**	**609.1**	**230.8**	**1.7**	**156.2**	**(14.2)**	**167.8**	**26.0**	**51.3**	**115.9**	**473.3**
I. Capital Account (Net Transfers)	**(26.1)**	**(20.7)**	**(20.2)**	**(12.4)**	**(2.6)**	**(2.4)**	**(6.6)**	**(9.8)**	**(1.4)**	**(1.1)**	**(3.8)**
II. Financial Account (Net)	**1,598.1**	**629.7**	**250.9**	**14.2**	**158.8**	**(11.9)**	**174.4**	**35.8**	**52.7**	**117.0**	**477.1**
1. Direct Investment	304.6	491.4	264.6	86.0	45.7	46.1	89.0	77.0	52.4	64.7	40.3
2. Portfolio Investment	(16.7)	(11.7)	(10.2)	(2.3)	(4.1)	(1.8)	(2.0)	(2.3)	(4.2)	(1.8)	(2.0)
3. Other Investments	1,310.2	150.0	(3.5)	(69.6)	117.2	(56.3)	87.3	(39.0)	4.5	54.1	438.7
Central Gov't Long Term Capital	834.7	(8.2)	(22.0)	(32.9)	(2.8)	(33.9)	(4.8)	17.3	(0.6)	40.4	293.2
Other Public Sector Capital	(9.8)	(39.7)	(22.6)	18.5	(54.6)	(4.5)	(6.3)	(5.5)	(6.3)	(5.0)	(7.0)
Banks	39.5	(140.8)	(156.8)	(132.9)	97.9	(76.4)	43.5	(78.8)	(45.1)	(64.8)	132.3
Other	445.8	338.7	198.0	77.7	76.6	58.6	54.8	28.0	56.5	83.4	20.3
C. Net Errors and Omissions	**450.5**	**657.6**	**247.2**	**178.5**	**234.0**	**227.6**	**4.8**	**109.6**	**(94.9)**	**284.6**	**258.4**
D. Overall Balance (A+B+C)	**513.4**	**(221.0)**	**561.8**	**(271.4)**	**(104.2)**	**240.3**	**120.7**	**1.2**	**199.5**	**301.8**	**(8.1)**
E. Financing (Net)	**(513.4)**	**221.0**	**(561.8)**	**271.4**	**104.2**	**(240.3)**	**(120.7)**	**(1.2)**	**(199.5)**	**(301.8)**	**8.1**
Change in SDR holdings	(3.9)	(46.5)	(33.9)	(23.9)	0.2	0.6	(0.1)	(17.2)	(17.3)	(12.7)	(0.1)
Change in Reserve Position with the IMF	(1.5)	0.6	0.2	0.2	0.1	0.0	(0.0)	0.5	(0.4)	0.5	(0.4)
Change in Ext. Foreign Assets ( ) = Increase	(507.9)	266.9	(528.0)	295.1	103.9	(241.0)	(120.6)	15.5	(181.9)	(289.7)	8.6

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

TABLE 15

EXTERNAL TRADE

(B$ '000s)

Period	2017	2018	2019	2018				2019	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
I. OIL TRADE									
i) Exports	72,692	101,558	44,767	26,569	19,774	26,898	28,317	22,287	22,480
ii) Imports[R]	552,863	583,402	297,928	145,498	102,957	233,644	101,302	127,670	170,258
II. OTHER MERCHANDISE									
Domestic Exports									
Crawfish	34,435	46,025	58,684	17,502	6,922	6,254	28,006	15,984	22,008
Fish Conch & other Crustacea	33,783	2,653	2,770	367	1,435	618	350	1,045	1,437
Other cordials &Similar Materials/Sponge	884	496	450	123	9	141	177	190	271
Fruits & Vegs.	-	-	-	-	-	-	-	-	-
Aragonite	2,040	1,828	2,816	535	735	849	697	607	873
Other Natural Sands	349	460	531	47	153	260	71	77	95
Rum/Beverages/Spirits & Vinegar	-	-	-	-	-	-	-	-	-
Crude Salt	4,099	4,560	13,218	5,147	2,152	1,784	4,135	3,602	1,157
Polystrene Products	80,010	75,471	80,956	16,548	19,691	23,130	21,587	25,792	17,651
Other	46,589	36,337	78,016	7,628	24,880	24,250	21,258	10,283	24,048
i) Total Domestic Exports	202,190	224,783	237,441	47,897	55,977	57,286	76,281	57,580	67,540
ii) Re-Exports	155,016	171,827	172,859	34,664	87,606	30,263	20,326	40,906	145,357
iii) Total Exports (i+ii)	357,206	396,610	410,301	82,561	143,583	87,549	96,608	98,486	212,897
iv) Imports	2,529,125	2,874,959	2,938,015	705,378	875,255	657,741	699,641	581,257	811,272
v) Retained Imports (iv-ii)	2,374,109	2,703,132	2,765,156	670,714	787,649	627,478	679,315	540,351	665,915
vi) Trade Balance (i-v)	(2,171,919)	(2,478,349)	(2,527,715)	(622,817)	(731,672)	(570,192)	(603,034)	(482,771)	(598,375)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2017	2018	2019	2018		2019				2020	
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Visitor Arrivals	6,135,839	6,622,015	7,243,519	1,519,086	1,700,059	1,994,296	1,888,129	1,553,311	1,807,783	1,701,017	3,998
Air	1,335,613	1,558,086	1,662,410	356,427	355,314	482,626	498,300	361,194	320,290	347,450	1,736
Sea	4,800,226	5,063,929	5,581,109	1,162,659	1,344,745	1,511,670	1,389,829	1,192,117	1,487,493	1,353,567	2,262
Visitor Type											
Stopover	1,440,855	1,633,445	1,799,706	386,252	362,025	524,126	545,287	399,247	331,046	343,439	1,393
Cruise	4,626,259	4,877,596	5,429,474	1,104,573	1,316,033	1,474,573	1,330,506	1,156,420	1,467,975	1,327,084	n.a.
Day/Transit	n.a.	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)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stopover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cruise	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Day	n.a.	n.a.	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.	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.	n.a.
Average Hotel Occupancy Rates (%)											
New Providence	61	60	65	57	55	75	72	61	52	63	n.a.
Grand Bahama	n.a.	57	48	50	49	55	50	51	36	n.a.	n.a.
Other Family Islands	n.a.	45	49	38	41	54	54	43	44	n.a.	n.a.
Average Nightly Room Rates ($)											
New Providence	232.11	245.03	257.80	211.90	253.97	297.26	261.26	212.85	259.81	277.83	n.a.
Grand Bahama	n.a.	71.41	77.10	63.01	64.80	82.70	84.15	88.95	98.36	n.a.	n.a.
Other Family Islands	n.a.	241.49	251.76	240.43	214.00	239.08	257.57	221.02	211.29	n.a.	n.a.

Source: The Ministry of Tourism