

# Quarterly

## Economic Review

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## Contents

<b>REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS.....</b>	<b>4</b>
DOMESTIC ECONOMIC DEVELOPMENTS.....	4
<i>Overview.....</i>	4
<i>Real Sector.....</i>	4
Tourism.....	4
Construction.....	5
Prices.....	6
<i>Fiscal Operations.....</i>	7
Overview.....	7
Revenue.....	7
Expenditure.....	8
Financing and the National Debt.....	9
Public Sector Foreign Currency Debt.....	10
<i>Money, Credit and Interest Rates.....</i>	11
Overview.....	11
Liquidity.....	11
Deposits and Money.....	11
Domestic Credit.....	12
Mortgages.....	13
The Central Bank.....	13
Domestic Banks.....	14
Credit Quality.....	15
Capital Adequacy and Provisions.....	16
Bank Profitability.....	16
Interest Rates.....	17
<i>International Trade and Payments.....</i>	17
INTERNATIONAL ECONOMIC DEVELOPMENTS.....	19
<b>STATISTICAL APPENDIX (TABLES 1-16).....</b>	<b>22</b>

# REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

## DOMESTIC ECONOMIC DEVELOPMENTS

### OVERVIEW

Domestic economic developments continued to be driven by the Novel Coronavirus (COVID-19) pandemic, which negatively impacted economic activity during the third quarter of 2020. In particular, the global lockdown impeded tourism sector output, with both the high value-added air segment and dominant sea traffic remaining largely offline over the review quarter. Nevertheless, the restart of foreign investment projects, and to a lesser extent continued post-hurricane rebuilding works, provided some stimulus to the construction sector. In price developments, domestic inflationary pressures remained contained over the review period, underpinned by the reduction in international oil prices.

Provisional data for the first quarter of FY2020/21 revealed that the Government's overall deficit widened significantly in comparison to the year earlier period. Contributing to this outcome, was a marked decrease in revenue collections, along with a rise in outlays, primarily for social welfare related to COVID-19. Budgetary financing was led by borrowings from external sources, and included \$248 million in bridge financing and a \$200 million policy-based loan from the Inter-American Development Bank (IDB).

In monetary developments, the growth in domestic credit contrasted with the reduction in the deposit base. However, both bank liquidity and external reserves increased during the review quarter, largely on account of foreign currency inflows from Government's external borrowings. Meanwhile, banks' credit quality indicators deteriorated during the third quarter, as some banks concluded their COVID-19 related forbearance programs. Further, the latest available data for the second quarter of 2020 indicated that banks' overall profitability contracted, owing primarily to a rise in provisioning for bad debt.

On the external side, during the third quarter, the estimated current account deficit widened considerably, as the services account position shifted to a deficit from a surplus in the previous year, with the global lockdown related to the COVID-19 pandemic, resulting in negligible tourism receipts. In contrast, the surplus on the capital and financial account increased markedly, led by a notably rise in net debt inflows to the Government.

### REAL SECTOR

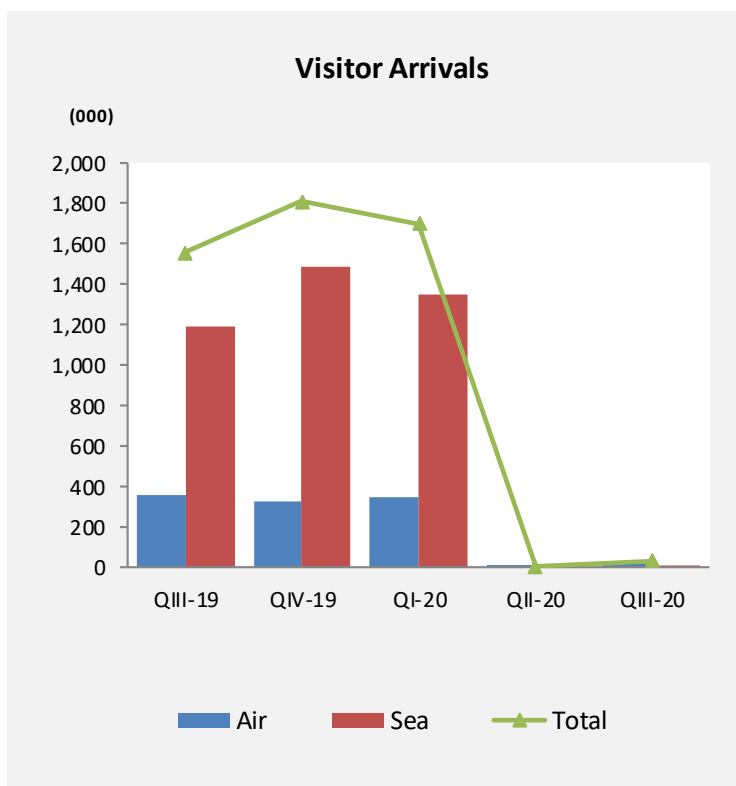
#### TOURISM

During the review quarter, tourism sector activity remained on pause, adversely impacted by the COVID-19 pandemic and measures to contain the spread.

Preliminary data from the Ministry of Tourism showed that total tourist arrivals amounted to a mere 34,068, vis-à-vis a 2.4% growth to 1.6 million in 2019, as global travel restrictions related to COVID-19 virtually eliminated air and sea visitors. An analysis by component revealed that air

traffic totalled 21,790, following a 1.3% gain to 0.4 million in the comparative period last year, while sea passengers equalled to 12,278, compared to a 2.7% increase to 1.2 million in the year prior.

A breakdown by major ports of entry showed that tourist arrivals to New Providence decreased to only 10,385, contrasting with a 2.9% growth to 0.9 million last year, as air and sea passengers amounted to just 9,238 and 1,147, respectively. Similarly, visitors to the Family Islands declined to a mere 21,545, following a 9.2% increase to 0.6 million in 2019, underpinned by reductions in both air and sea traffic to 11,848 and 9,697, respectively. In Grand Bahama, foreign arrivals contracted to 2,138, extending the 22.0% reduction to 0.1 million a year earlier, reflective of respective declines in air and sea traffic, to 704 and 1,434.



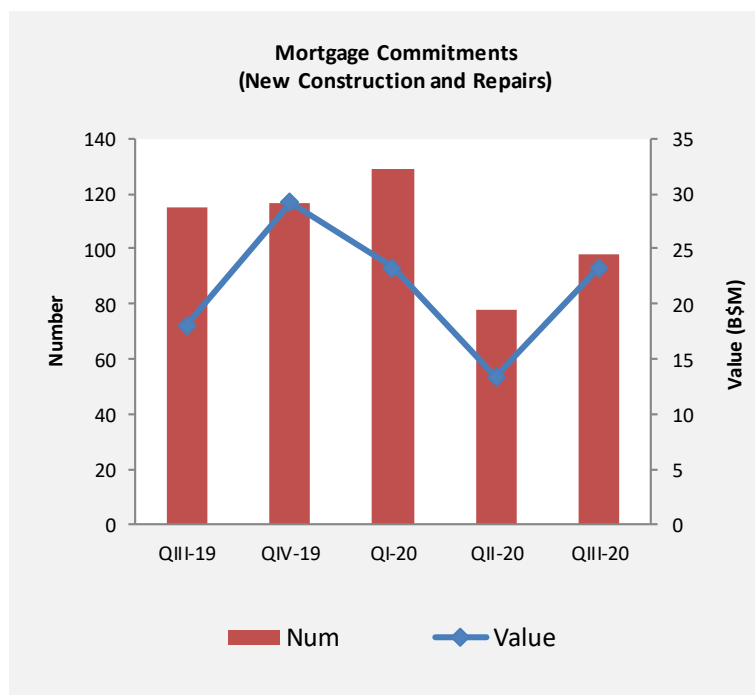
Similar trends were observed in the private vacation rental market, as most recent statistics provided by AirDNA revealed reductions in off-resort business during the review quarter. Nevertheless, domestic demand provided stronger residual activity, than the onshore hotel segment of tourism. Vacation rental room nights booked fell by 62.2%, relative to the same period in 2019, amid contractions of 62.8% and 62.0% in bookings for both entire place and hotel comparable listings, respectively. In terms of the components, occupancy levels for entire place listings rose by 13.1 percentage points to 34.4%, while the average daily rate (ADR) grew by 6.6% to \$407.00. However, indicators varied for hotel comparable listings, as the occupancy rate moved higher by 13.5 percentage points to 34.7%, but the average daily rate declined by 1.1% to \$144.14.

Reflective of the re-opening of the borders to international commercial travel, statistics provided by the Nassau Airport Development Company Limited (NAD) indicated that total departures—net of domestic passengers—amounted to 13,598 in the third quarter, following a 7.1% increase to 0.4 million in 2019. Specifically, U.S. bound departures reduced to 11,003, relative to an 8.1% gain last year to 0.4 million. Likewise, non-U.S. departures contracted to just 2,595, extending the 0.3% falloff to 46,591 last year.

## CONSTRUCTION

During the third quarter, output in the construction sector continued to be supported by ongoing varied-scale commercial ventures. However, domestic private sector activity remained subdued.

In domestic financing support, total mortgage disbursements for new construction and repairs—as reported by domestic banks, insurance companies and the Bahamas Mortgage Corporation—declined by 15.9% (\$4.2 million) to \$22.4 million, extending the 12.9% reduction recorded a year earlier. Underlying this development, the residential component contracted by 12.5% (\$3.0 million) to \$21.0 million, although below the 16.5% falloff in the prior year. Similarly, commercial disbursements reduced by 47.5% (\$1.2 million) to \$1.3 million, a reversal from the \$0.8 million uptick in the preceding year.



Compared to the same period in 2019, total mortgage commitments for new buildings and repairs—a forward looking indicator of domestic activity—decreased by 17 to 98; however, the corresponding value grew by 28.3% to \$23.3 million. In terms of loan category, the number of undisbursed approvals for residential commitments fell by 20 to 91, while the associated value remained unchanged at \$16.9 million. In addition, 7 commercial commitments were approved, valued at \$6.4 million, compared to 4, valued at an estimated \$1.2 million last year.

In terms of interest rates, the average financing costs for commercial mortgages moved lower by 90 basis points to 5.47%. Further, the average rate for residential mortgages narrowed by 15 basis points to 6.27%.

## PRICES

During the third quarter, domestic consumer price inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—moderated to 0.2%, from 0.5% in the comparative 2019 period. A breakdown of the components showed that the average costs for education reduced by 0.4%, health, by 0.2% and alcohol beverages, tobacco & narcotics, by 0.1%, after increasing by 1.0%, 9.5% and 2.2%, respectively, last year. In addition, the average price decrease for communication extended to 0.8% from 0.1% a year earlier, while the falloff in average costs for housing, water, gas, electricity & other fuels was similar to 2019, at 1.4%. Further, average inflation rates slowed for restaurants & hotels (0.2%), clothing & footwear (2.4%) and recreation & culture (2.8%); while average prices were relatively unchanged for transport, following a 0.5% decline in the prior year. Providing some offset, in contrast to the prior year's reduction of 0.4% and 0.6%, average prices rose for furnishing, household equipment & routine household maintenance, by 2.1% and food & non-alcoholic beverages, by 1.5%. Further, the inflation rate quickened for miscellaneous goods & services, to 1.7% from 0.1% in the previous year.

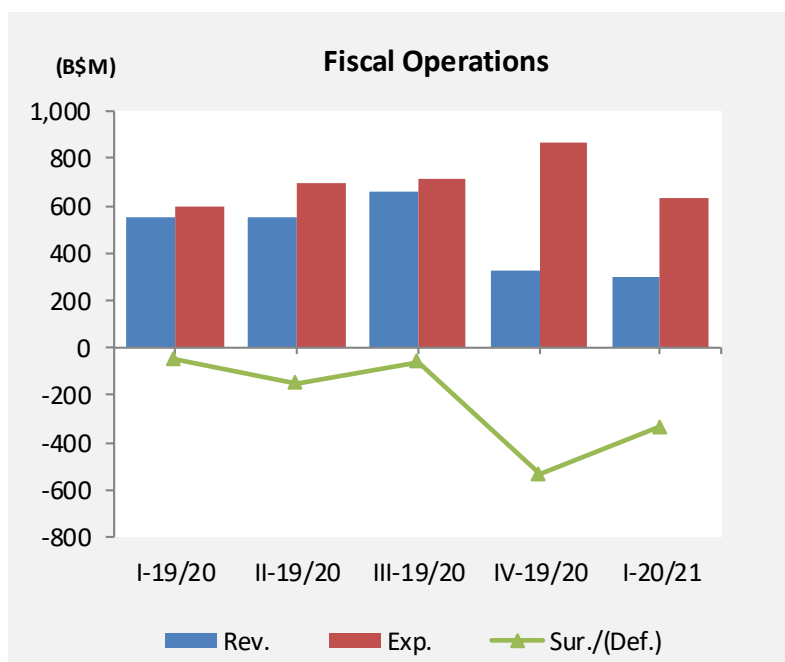
On an annual basis, inflation slowed considerably to 0.3% over the twelve months to September, from 2.8% in the previous year and an average rate of 1.3% over the five year period. Reflecting this outturn, average prices fell for housing, water, gas, electricity & other fuels—the most dominant component—and clothing & footwear, by 1.4% and 1.2%, vis-à-vis respective increases of 1.9% and 1.4% a year earlier. In addition, the average cost reduction for communication widened to 2.3% from 2.0% in the previous year. Further, the inflation rate moderated for transport (0.5%), furnishing, household equipment & routine household maintenance (1.7%), miscellaneous goods & services (0.8%) and alcohol beverages, tobacco & narcotics (3.9%). In a slight offset, inflation rates quickened for health (7.9%) and food & non-alcoholic beverages (0.7%); and for recreation & culture (0.6%), which reversed from a decline in 2019. In addition, the decrease in the average price for education slowed to 2.9% from 3.3% a year earlier.

Domestic energy costs increased during the third quarter. Specifically, during the three-month period, the average prices for gasoline rose by 16.0% to \$4.15 per gallon and diesel edged up by 1.0% to \$3.50 per gallon. In comparison to the same period of 2019, the average cost for gasoline reduced by 11.4% and for diesel, by 19.3%.

## FISCAL OPERATIONS

### OVERVIEW

Preliminary data on the Government's budgetary operations for the first quarter of FY2020/21 showed that the deficit widened to \$336.3 million, from \$48.8 million in comparative FY2019/20 period. Underlying this outturn was a considerable reduction in revenue collections and an increase in spending, largely for social welfare related the COVID-19 pandemic. Specifically, total revenue declined by \$251.2 million (45.5%) to \$300.9 million, while aggregate expenditure fell by \$36.2 million (6.0%) to \$637.2 million.



### REVENUE

Tax receipts—which comprised 89.6 % of total revenue—contracted by \$229.2 million (46.0%) to \$269.5 million. Notably, VAT collections—which represented 44.8% of total receipts—decreased sharply by \$131.5 million (49.4%) to \$134.7 million, reflecting mainly revenue losses related to COVID-19. Partially offsetting, proceeds from stamp taxes on financial and realty transactions rose by \$1.7 million (15.9%) to \$12.3 million. Meanwhile, collections from excise

taxes fell to \$13.2 million from \$72.9 million in the prior year, while receipts from specific taxes— primarily gaming— declined by \$3.0 million (35.9%) to \$5.4 million.

With regard to other components, taxes on the use of goods/authorization to perform activities reduced by \$4.8 million (24.1%) to \$15.0 million, largely associated with a falloff in collections from general business licenses fees by \$5.2 million (45.8%) to \$6.1 million and motor vehicle taxes, by \$0.1 million (1.9%) to \$6.1 million. However company taxes grew by \$0.5 million (27.3%) to \$2.5 million, while marine licenses held steady at \$0.3 million.

In terms of the remaining categories, taxes on international trade declined by \$31.2 million (28.3%) to \$79.1 million. More specifically, on account of the

Government Revenue By Source July - September				
	FY19/20		FY20/21	
	B\$M	%	B\$M	%
Property Tax	8.5	1.5	8.5	2.8
Value Added Tax	266.2	48.2	134.7	44.8
Stamp Taxes (Financial & Realty)	10.6	1.9	12.3	4.1
Excise Tax	72.9	13.2	13.2	4.4
Specific Taxes (Gaming Tax)	8.4	1.5	5.4	1.8
Motor Vehicle Taxes	6.3	1.1	6.1	2.0
Company Taxes	1.9	0.4	2.5	0.8
License to Conduct Specific Bus. Act.	11.3	2.0	6.1	2.0
Marine License Activities	0.3	0.1	0.3	0.1
Bank & Trust Companies	--	--	0.0	--
Customs & Other Import Duties	67.6	12.2	74.3	24.7
Taxes on Exports	2.9	0.5	3.2	1.1
Departure Taxes	39.8	7.2	1.6	0.5
Other Taxes on Transactions	--	--	0.0	0.0
General Stamp Taxes	2.1	0.4	1.3	0.4
Property Income	1.8	0.3	0.8	0.3
Sales of Goods & Services	39.8	7.2	29.4	9.8
Fines, Penalties & Forfeits	0.3	0.1	0.8	0.3
Reimbursements & Repayments	0.0	--	--	--
Misc. & Unidentified Revenue	11.5	2.1	0.3	0.1
Sales of Other Non-Financial Assets	--	--	0.0	--
Grants	0.1	--	0.0	--
Capital Revenue	--	--	0.0	--
<b>Total</b>	<b>552.2</b>	<b>100.0</b>	<b>300.8</b>	<b>100.0</b>

global lockdown to contain the spread of the virus and reduced economic activity, departure taxes fell to \$1.6 million from \$39.8 million in the previous year. In contrast, receipts from customs & other import duties rose by \$6.6 million (9.8%) to \$74.3 million and export taxes, by \$0.3 million (11.0%) to \$3.2 million. General stamp taxes also decreased by \$0.8 million (37.5%) to \$1.3 million, while proceeds from property taxes stabilized at \$8.5 million.

Non-tax receipts—at 10.4% of total revenue—declined by \$22.1 million (41.3%) to \$31.4 million. The outcome was primarily attributed to a reduction in revenue from sales of goods and services by \$10.3 million (26.0%) to \$29.4 million, explained by the notable reduction in collections from immigration and customs permit fees. Further, revenue from the sale of “other” unclassified goods decreased by \$1.7 million (36.0%) to \$3.0 million. Similarly, property income fell by \$1.0 million (56.5%) to \$0.8 million, owing mainly to a falloff in receipts from Government property. In contrast, proceeds from fines, penalties and forfeitures grew by \$0.5 million to \$0.8 million.

## EXPENDITURE

The growth in total expenditure was led by a \$35.1 million (6.4%) rise in current spending to \$579.8 million, along with a \$1.1 million (2.0%) uptick in capital outlays to \$57.4 million.



An analysis by economic category, revealed that given subsistence support to displaced households, the increase in current spending was underpinned by a surge in disbursements for social benefits, to \$80.5 million from \$37.9 million in the prior year. In addition, subsidies rose by \$11.0 million (12.6%) to \$98.8 million, largely owing to higher allocations to public health facilities, also amid pandemic-related responses. Interest payments on public debt also grew by \$5.0 million (6.6%) to \$80.5 million, mainly reflecting higher payments on internal debt. Further, grants increased by \$0.7 million (35.1%) to \$2.5 million. Providing some offset, spending for the use of goods and services declined by \$10.7 million (9.7%) to \$98.9 million. In addition, employee compensation outlays reduced by \$10.7 million (6.0%) to \$166.5 million. Similarly, “other” miscellaneous payments decreased by \$2.8 million (5.1%) to \$52.1 million, explained by a \$6.5 million (14.0%) falloff in current transfers to \$40.1 million, as allocations to households fell by \$3.3 million (20.7%) to \$12.7 million, while other transfers moved lower by \$4.3 million (66.2%) to \$2.2 million. In like manner, disbursements to non-profit institutions declined by \$0.5 million (15.5%) to \$2.7 million and to financial public enterprises, by \$0.2 million (27.6%) to \$0.4 million. However, allocations to non-financial public enterprises grew by \$1.8 million (8.8%) to \$22.1 million.

The rise in capital outlays was owing primarily to a \$2.8 million (7.4%) growth in acquisition of non-financial assets to \$40.7 million, mainly attributed to increased spending for other structures, other machinery & equipment, land improvements and other fixed assets, which overshadowed the decline in non-residential buildings. In contrast, capital transfers reduced by \$1.7 million (9.3%) to \$16.6 million.

#### **FINANCING AND THE NATIONAL DEBT**

Budgetary financing for the first quarter of FY2020/21, was dominated by external borrowings, which totaled \$567.8 million. In addition, \$353.2 million was obtained from internal sources, which comprised of loans & advances (\$140.0 million), foreign currency loans (\$130.0 million), Government securities (\$81.5 million) and net Treasury bill/notes issues (\$1.2 million). Debt repayments for the period amounted to \$229.0 million, with the largest portion (55.1%) being absorbed by Bahamian dollars obligations.

As a result of these developments, the Direct Charge on the Government rose by \$712.8 million (8.7%) over the quarter and by \$1,318.3 million (17.4%) on an annual basis, to \$8,904.0 million at end-September, 2020. A disaggregation by component, revealed that Bahamian dollar debt represented 59.9% of the total, while foreign currency liabilities accounted for 40.1%.

An analysis by creditor, showed that banks held the largest share of local debt (44.2%), followed by other private and institutional investors (38.5%), public corporations (10.5%) and the Central Bank (6.7%). By instrument type, Government bonds comprised the majority of the domestic debt (68.8%) and featured an average maturity of 10.3 years, compared to 9.0 years recorded in 2019. In addition, Treasury bills & notes and loans & advances represented much smaller shares of 17.1% and 14.1%, respectively

The Government’s contingent liabilities contracted by \$272.2 million (38.1%) during the third quarter of 2020, and by \$284.5 million (39.1%), year-on-year to \$442.3 million. As a consequence of these developments, the National Debt—inclusive of contingent liabilities—expanded by

\$440.6 million (4.9%) over the three-month period to \$9,346.3 million and by \$1,033.8 million (12.4%), vis-à-vis September 2019.

As a ratio to GDP, the Direct Charge increased by an estimated 21.2 percentage points on a yearly basis, to 77.0% at end-September, reflective of the estimated sharp contraction in GDP for 2020. In addition, the National Debt-to-GDP ratio rose to an estimated 80.8%, compared to 61.2% in the same quarter of 2019. However, barring the COVID-19 shock, and assuming a GDP level similar to 2019, then a National Debt-to-GDP ratio of a lower 64.2% would have been realized.

Estimates of the Debt-to-GDP Ratios				
	September (%) <sup>*</sup>			
	2018 <sub>p</sub>	2019 <sub>p</sub>	2020 <sub>p</sub> <sup>1</sup>	2020 <sub>p</sub> <sup>2</sup>
<b>Direct Charge</b>	56.7	55.9	65.6	77.0
<b>National Debt</b>	62.6	61.2	68.8	80.8
<b>Total Public Sector Debt</b>	58.1	56.5	64.2	75.4
Source: Central Bank of The Bahamas and the Department of Statistics				
<sup>1</sup> Using base of 2019 GDP				
<sup>2</sup> GDP estimate for 2020 is derived from IMF projections.				
<sup>*</sup> 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

Public sector foreign currency debt grew by \$359.0 million (9.6%) to \$4,154.1 million during the third quarter, as new drawings of \$704.1 million, outstripped amortization payments of \$360.8 million. By component, the Government's outstanding liabilities—which accounted for 86.0% of the total—increased by \$616.2 million (20.9%) to \$3,567.5 million on a quarterly basis. In contrast, the public corporations' debt stock declined by \$257.2 million (30.7%) to \$585.8 million.

Compared with the third quarter of 2019, total foreign currency debt service payments increased markedly to \$391.1 million from \$70.5 million, amid the refinancing of public corporations' obligations. Notably, public corporations' debt service payments rose to \$268.1 million from \$35.5 million in the previous year, amid a shift of \$246.0 million of a local utility's foreign guaranteed debt to the Government's books. In this regard, amortization payments grew to \$258.0 million from \$21.6 million last year, although interest charges decreased by \$3.7 million (27.1%) to \$10.1 million. Similarly, the Government's debt service payments moved higher by \$88.0 million (250.9%) to \$123.0 million, with amortization payments rising by \$88.2 million to \$102.8 million, while interest expenses edged down by \$0.3 million (1.3%) to \$20.2 million. As a consequence of these developments, the Government's debt service to revenue ratio stood at 40.9% at end-September, an estimated 34.5 percentage points higher than in 2019, given the contracted revenue base. Similarly, net of the \$246.0 million transfer, the debt service ratio expanded by 65.6 basis points to 72.1, largely attributed to subdued exports related to COVID-19.

A breakdown by creditor profile revealed that the majority of the foreign currency debt was held by capital market investors (39.8%), followed by non-resident financial institutions (30.4%), multilateral international agencies (20.8%) and domestic banks (7.5%). A disaggregation by currency type showed that, the majority of the stock was denominated in United States dollars (85.2%), with IMF SDRs, the Swiss franc, euro and the Chinese yuan, accounting for smaller portions of 6.2%, 5.0%, 1.9% and 1.7%, respectively. At end-September, the average maturity of the outstanding foreign currency debt stood at 7.8 years, a decline from the 9.3 years in 2019.

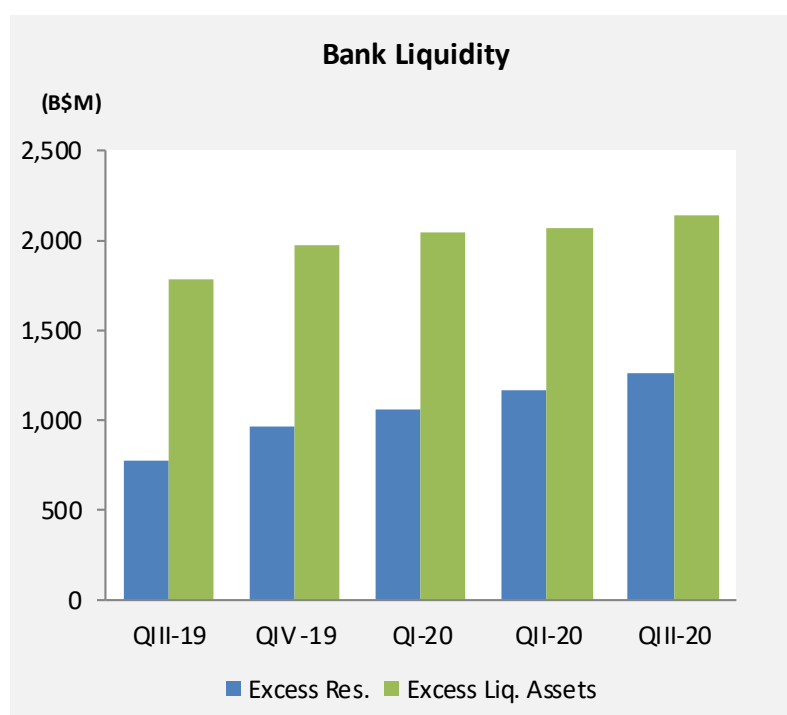
## MONEY, CREDIT AND INTEREST RATES

### OVERVIEW

Bolstered by the accumulated receipt of proceeds from Government's external foreign currency borrowing activities, both bank liquidity and external reserve balances expanded during the review quarter. However, accelerated growth in domestic credit, contrasted with the reduction in the deposit base. Meanwhile, banks' credit quality indicators weakened over the quarter, as some banks ceased their COVID-19 related forbearance programs. Further, profitability indicators for the second quarter revealed a decline in banks' overall net income, led by increased bad debt provisioning expenses. In addition, the weighted average interest rate spread widened during the third quarter, due to a rise in the average loan rate, which outweighed the increase in the corresponding average deposit rate.

### LIQUIDITY

Net free cash reserves of the banking system expanded by \$101.2 million (8.7%) to \$1,262.2 million, extending the 4.0% growth recorded in the corresponding period of 2019. At end-September, the ratio of free cash reserves to Bahamian dollar deposit liabilities stood at 17.1%, higher than the 11.2% in the prior year. Largely reflecting a rise in banks' holdings of Treasury bills, and increased claims on the Central Bank, the broader surplus liquid assets rose by \$74.9 million (3.6%) to \$2,138.0 million, a turnaround from the \$36.2 million (2.0%) decrease in the preceding year. At end-September, the surplus liquid assets exceeded the statutory minimum by approximately 163.4%, relative to 147.7% in September 2019.



### DEPOSITS AND MONEY

The overall money supply (M3) decreased by \$30.9 million (0.4%) to \$8,057.6 million, vis-à-vis an expansion of \$111.5 million (1.5%) in 2019, which was bolstered by hurricane-related insurance inflows. Growth in narrow money (M1) moderated to \$20.6 million (0.6%), from \$56.8 million (1.9%) a year earlier, as demand deposits gains slowed to \$17.7 million (0.6%) from \$63.3 million (2.4%) in the previous year, largely attributed to a decline in private sector holdings. This outweighed an uptick in currency in active circulation of \$2.9 million (0.7%), following a reduction of \$6.5 million (2.0%) in the prior period. In contrast, the rise in broad money (M2) quickened to \$31.2 million (0.4%) from \$1.5 million in 2019. Contributing to this outturn, savings

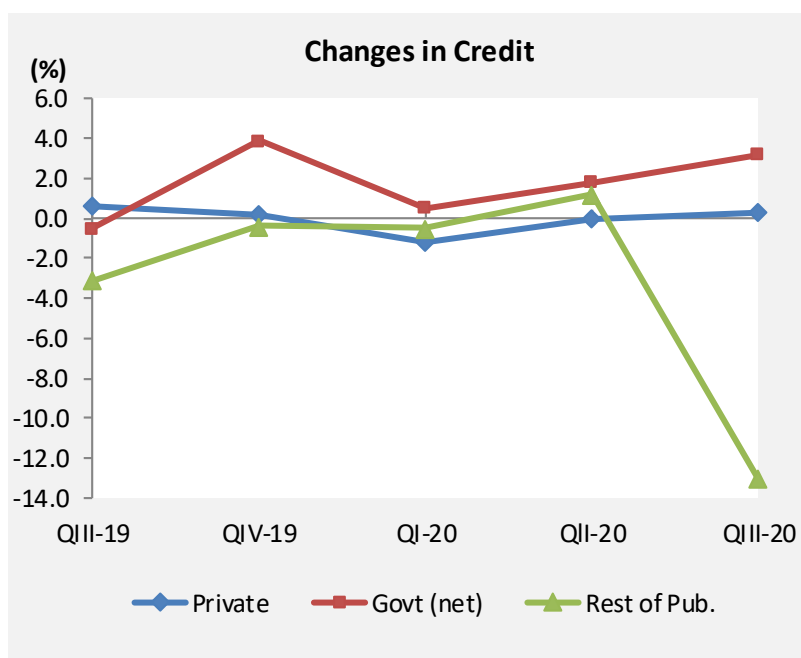
deposits recovered by \$21.4 million (1.2%), from the \$22.7 million (1.5%) falloff registered a year earlier, while the reduction in fixed balances tapered to \$9.7 million (0.4%) from \$32.7 million (1.3%) last year. However, residents' foreign currency deposits declined by \$63.1 million (11.9%), contrasting with a growth of \$110.0 million (27.3%) in 2019.

An analysis by category showed that Bahamian dollar demand deposits comprised the largest share of the aggregate money stock, at 39.2%, followed by fixed balances, at 27.8% and savings deposits, at 22.3%. The remaining components were divided between residents' foreign currency deposits (5.8%) and currency in active circulation (4.8%).

### DOMESTIC CREDIT

During the third quarter, the growth in total domestic credit accelerated to \$42.9 million (0.5%), from \$7.1 million (0.1%) in 2019, contributing to an average growth of 0.7% over the past five years. In particular, the dominant Bahamian dollar component—which comprised the majority (96.0%) of the total—rose by \$52.7 million (0.6%), exceeding the \$14.2 million (0.2%) increase in the preceding period. In contrast, foreign currency credit fell by \$9.8 million (2.6%), following a \$7.1 million (2.0%) decrease a year earlier.

A sectoral analysis revealed that net credit to the Government rebounded by \$85.9 million (3.2%) from the \$13.2 million (0.5%) reduction in the prior year, resulting in an average gain of 4.0% over the past five years. In contrast, the growth in private sector credit decelerated to \$15.3 million (0.3%), from \$34.8 million (0.6%) in 2019. Further, the decline in credit to the rest of the public sector extended to \$58.2 million (13.0%)—reflecting a transfer of funds to the Government—from \$14.4 million (3.1%) in the preceding year.



A disaggregation of the various private sector categories showed that the growth in personal loans—which accounted for the largest share (72.0%) of total credit—slowed to \$7.4 million (0.2%) from \$19.8 million (0.4%) a year earlier, with an average decline of 0.5% over the last five years. In underlying movements, overdrafts and residential mortgages increased by \$18.0 million (44.7%) and \$8.8 million (0.3%), respectively. In contrast, consumer credit reduced by \$19.5 million (0.9%).

A further breakdown of consumer credit revealed net repayments for credit cards (\$5.7 million), private cars (\$3.9 million), “miscellaneous” purposes (\$3.8 million), home improvements (\$2.0 million), land purchases (\$1.7 million) and travel (\$1.4 million). More muted reductions of less

than \$1.0 million were registered for education, medical services, furnishings & domestic appliances, commercial vehicles, and taxis & rented cars. In contrast, net lending for debt consolidation increased marginally by \$0.7 million.

The remaining private sector loan categories featured a rise in net lending for professional & other services (\$9.1 million), distribution (\$5.2 million), fisheries (\$4.0 million), private financial institutions (\$2.1 million) and entertainment & catering (\$1.4 million). Conversely, net repayments were registered for “miscellaneous” purposes (\$4.3 million), transport (\$3.7 million), tourism (\$2.9 million), construction (\$2.7 million), and manufacturing (\$2.1 million).

Distribution of Bank Credit By Sector (End-Sept.)				
	2020		2019	
	B\$M	%	B\$M	%
Agriculture	8.6	0.1	7.8	0.1
Fisheries	5.0	0.1	1.0	0.0
Mining & Quarrying	2.1	0.0	2.1	0.0
Manufacturing	44.7	0.7	46.8	0.7
Distribution	274.8	4.0	269.7	4.0
Tourism	10.9	0.2	13.9	0.2
Enter. & Catering	21.4	0.3	20.0	0.3
Transport	31.6	0.5	35.4	0.5
Construction	306.1	4.5	308.8	4.5
Government	872.2	12.8	807.8	11.9
Public Corps.	156.3	2.3	209.6	3.1
Private Financial	26.8	0.4	24.7	0.4
Prof. & Other Ser.	62.7	0.9	53.6	0.8
Personal	4,924.4	72.0	4,917.1	72.2
Miscellaneous	89.6	1.3	93.9	1.4
<b>TOTAL</b>	<b>6,837.4</b>	<b>100.0</b>	<b>6,812.2</b>	<b>100.0</b>

#### **MORTGAGES**

Data obtained from domestic banks, insurance companies and the Bahamas Mortgage Corporation, revealed that the total value of outstanding mortgages declined by \$2.9 million (0.1%) to \$2,987.1 million, contrasting with a \$5.7 million (0.2%) increase in 2019. Contributing, the dominant residential component—which comprised 94.3% of the total—reduced by \$2.1 million (0.1%) to \$2,817.1 million, following a \$1.9 million (0.1%) uptick a year earlier. Similarly, the commercial component decreased by \$0.8 million (0.5%) to \$170.0 million, a reversal from a \$3.8 million (2.1%) growth in the preceding year. At end-September, domestic banks held the majority of outstanding mortgages (87.9%), followed by insurance companies (6.5%) and the Bahamas Mortgage Corporation (5.6%).

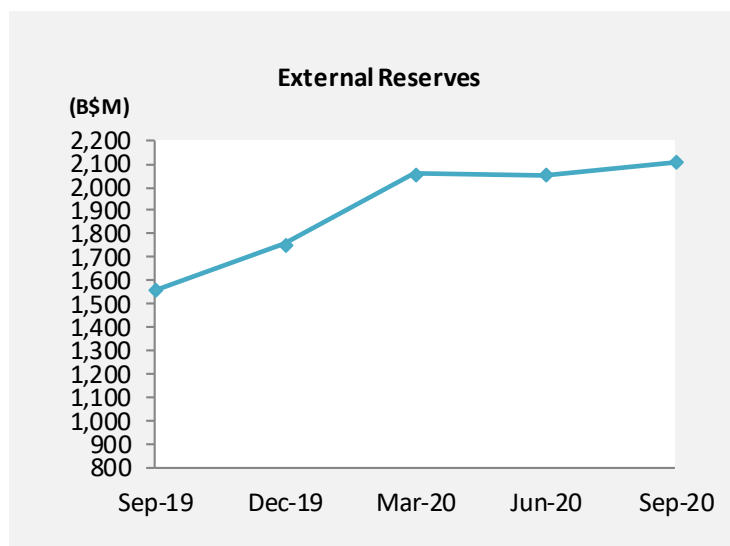
#### **THE CENTRAL BANK**

The Central Bank’s net claims on the Government grew by \$11.5 million (3.5%) to \$343.6 million during the third quarter, a slowdown from the \$67.9 million (22.3%) expansion in 2019, averaging a growth of \$41.6 million (11.8%) over the last five years. In contrast, the Bank’s net liabilities to the rest of the public sector rose further by \$11.5 million (21.8%), as compared to \$7.3 million (21.1%) in the preceding year. Meanwhile, the build-up in net liabilities to commercial banks moderated to \$46.3 million (3.0%) from \$74.8 million (6.8%) in the preceding period, as the reduction in deposit balances outpaced higher currency holdings.

Bolstered by the receipt of proceeds from the public sector’s external borrowing activities, external reserves expanded by \$54.4 million (2.7%), to \$2,106.2 million, after a modest increase of \$1.2 million (0.1%) in 2019. The Central Bank’s net foreign currency purchases stood at \$49.6 million,



vis-à-vis a net sale of \$27.5 million a year earlier. In particular, net purchases from the Government widened to \$280.7 million, from \$38.0 million a year earlier. In addition, given net debt inflows, transactions with the public corporations reversed to a net purchase of \$21.4 million, from a net sale of \$125.9 million in 2019. In contrast, the Bank reported a net sale of \$252.5 million to the commercial banks, which contrasted with a net intake of \$60.4 million in the preceding period.



At end-September, the stock of external reserves was equivalent to an estimated 38.5 weeks of the current year's merchandise imports (inclusive of oil purchases), compared with 23.9 weeks last year. After adjusting for the 50% statutory requirement on the Central Bank's Bahamian dollar demand liabilities, "usable" reserves rose by \$313.5 million (41.9%) to \$1,062.1 million, compared with the same quarter of 2019.

#### DOMESTIC BANKS

The growth in domestic banks' total net foreign liabilities accelerated to \$121.0 million at end-September, from \$34.9 million in the preceding quarter, attributed to a rise in liabilities due to financial institutions outside The Bahamas; this contrasted with a \$78.8 million (86.3%) decline in net foreign liabilities, to \$12.5 million, a year earlier.

Domestic banks' credit grew by \$31.5 million (0.4%), after a \$60.7 million (0.7%) falloff in 2019. Specifically, net claims on the Government rose by \$74.3 million (3.2%), a reversal from an \$81.2 million (3.6%) decline in the prior year. This reflected a gain in loans & advances, which outpaced reductions in holdings of Treasury bills and other securities. In contrast, the growth in private sector credit slowed to \$15.3 million (0.3%), from \$34.8 million (0.6%) in the preceding year. In addition, the falloff in credit to public corporations extended to \$58.2 million (13.2%)—due to transfers of claims to the Government—from \$14.4 million (3.2%) last year.

Banks' total deposit liabilities—inclusive of Government balances—decreased by \$17.6 million (0.2%) to \$7,854.9 million, a reversal from the \$101.7 million (1.4%) expansion in the prior year. Contributing, private sector deposits declined to \$17.1 million (0.2%), following a growth of \$150.4 million (2.3%) a year earlier. The decrease in deposits of the public corporations slowed to \$28.5 million (8.5%), from \$39.7 million (8.9%) in the prior period; however, the Government's balances rose by \$27.5 million (12.3%), contrasting with the \$9.1 million (3.9%) falloff in the preceding year.

At end-September, the majority of banks' deposit liabilities were denominated in Bahamian dollars (94.0%), with the US dollar and other currencies representing smaller proportions of 5.9% and

0.1%, respectively. A disaggregation by holder showed that private individuals held the largest share (50.5%) of total local currency accounts, followed by business firms (31.7%), the public sector (7.4%), private financial institutions (6.1%) and others (4.3%).

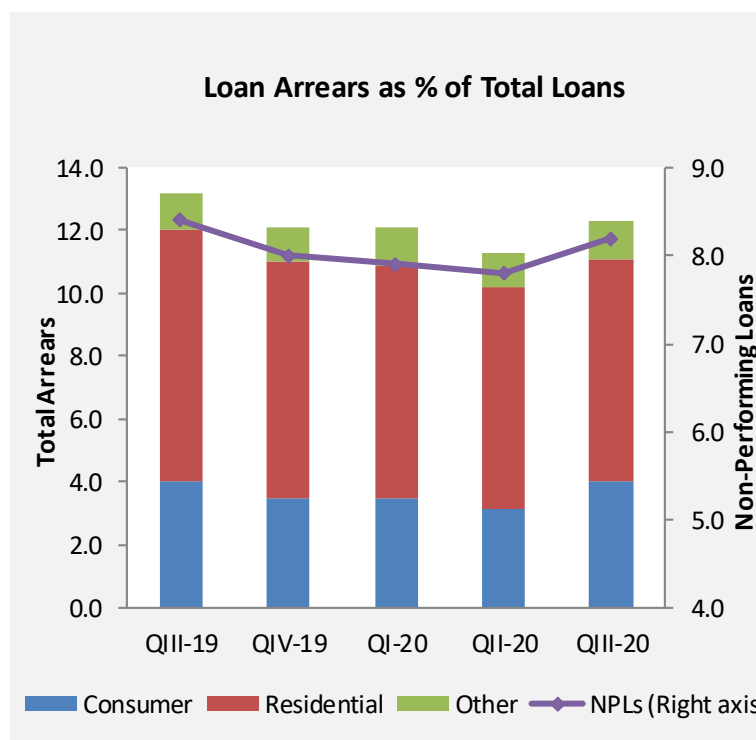
A breakdown by deposit categories revealed that, demand balances comprised the largest share (44.0%) of accounts, followed by fixed (31.6%) and savings (24.4%) deposits. Analyzed by range of value and number of accounts, the majority (86.8%) held balances of \$10,000 or less, but comprised only 6.0% of the total value. Accounts with balances between \$10,000 and \$50,000 constituted 8.9% of the total number and 11.4% of the overall value, while deposits in excess of \$50,000 represented 4.3% of the total, but 82.6% of the aggregate value.

### CREDIT QUALITY

Banks' credit quality indicators weakened during the third quarter, signalling the conclusion of some COVID-19 loan deferral programs. Specifically, total private sector loan arrears grew by \$61.4 million (9.7%) over the three-month period, but declined by \$52.4 million (7.0%) year-on-year, to \$697.3 million. As a result, the ratio of arrears to total private sector loans increased by 1.1 percentage points on a quarterly basis, but decreased by 86 basis points on an annual basis, to 12.4%.

A disaggregation by the average age of delinquencies, showed that short-term (31-90 day) arrears rose by \$36.0 million (18.3%) to \$232.1 million, with the corresponding ratio moving higher by 63 basis points to 4.1% of total private sector loans. Similarly, the non-performing segment—arrears in excess of 90 days and on which banks have ceased accruing interest—grew by \$25.4 million (5.8%) to \$465.2 million, leading to a 45 basis points rise in the relevant ratio, to 8.2% of total private sector loans.

The quarterly growth in total private sector loan arrears was owing to increases across all of the broad categories. In particular, the consumer segment expanded by \$50.7 million (28.6%) to \$227.9 million, with the attendant ratio firming by 2.4 percentage points to 10.4%. In addition, commercial arrears grew by \$8.5 million (13.9%), to \$69.8 million, with the associated ratio rising by 84 basis points, to 8.3%; and mortgage delinquencies moved higher by \$2.2 million (0.5%) to \$399.5 million, firming the corresponding ratio by 9 basis points to 15.3% of associated claims. Meanwhile, the NPL rate on consumer loans stood at 6.1% versus 5.5% a quarter earlier and commercial credit at 6.6%, as opposed to 5.5% at end-June; while mortgages remained unchanged at 10.5%.



In line with these developments, banks' increased their total provisions for loan losses by \$9.0 million (1.8%) to \$513.5 million over the three-month period. As a result, the ratios of provisions to total arrears and non-performing loans reduced by 5.7 percentage points to 73.7%, and by 4.3 percentage points to 110.4%, respectively. Further, banks wrote-off an estimated \$18.0 million in delinquent loans and recovered approximately \$5.2 million, during the review quarter.

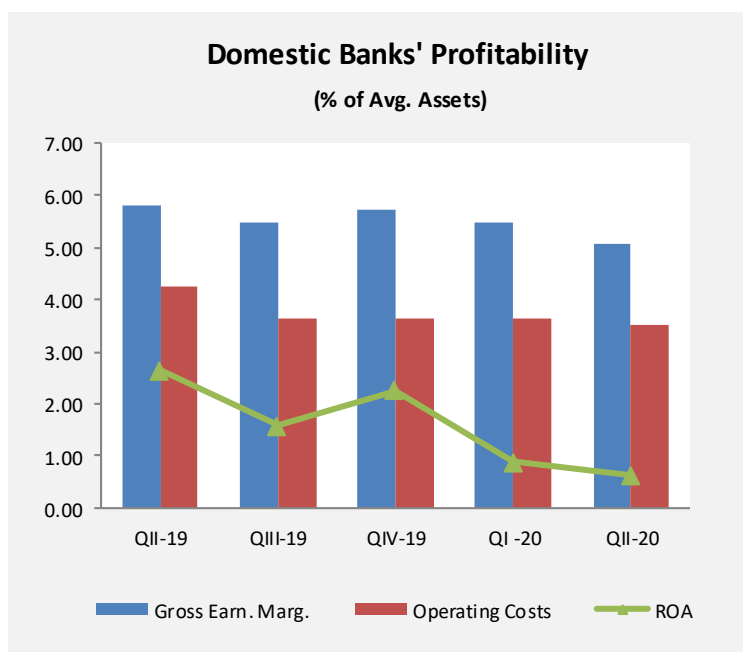
#### CAPITAL ADEQUACY AND PROVISIONS

Banks capital levels remained elevated, during the third quarter. The average ratio of capital to risk-weighted assets rose by 35 basis points to 31.0%. Consequently, 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 second quarter of 2020—the latest available data—banks' overall profitability declined by \$51.3 million (74.4%), to \$17.6 million, compared with the corresponding period of 2019, largely reflecting a rise in provisioning for bad debt, for anticipated losses related to COVID-19. As it relates to profitability components, the net interest margin reduced by \$9.6 million (6.7%) to \$132.5 million, attributed to a \$12.7 million (8.2%) falloff in interest income to \$141.9 million, which overshadowed the \$3.1 million (24.8%) reduction in interest expense, to \$9.4 million. In addition, income from commission & foreign exchange fees edged down by \$0.4 million (4.7%) to \$8.8 million, resulting in a \$10.0 million (6.6%) decline in the gross earnings margin, to \$141.3 million.

With regard non-interest expense, banks' operating outlays decreased by 11.1% to \$97.9 million. Non-staff related operating costs—inclusive of professional and rental expenses—reduced by 18.3%, to \$50.6 million and staff-related expenses fell by 6.4%, to \$38.9 million. In a partial offset, occupancy costs rose by 26.3%, to \$8.5 million. Further, banks reported a net loss of \$25.7 million on their non-core activities, in contrast to net earnings of \$27.8 million in 2019. In particular, a more than four-fold rise in bad debt, to cover the expected rise in loan delinquencies owing to the COVID-19 pandemic, outweighed reduced earnings from “other” non-interest and fee sources, while depreciation costs firmed notably.



As a result of these developments, banks' profitability ratios declined over the review quarter. As a percentage of average assets, the gross earnings margin fell by 73 basis points to 5.08%, as the



interest margin decreased by 70 basis points to 4.76% and the commission & foreign exchange ratio, by 4 basis points, to 0.32%. In addition, the operating costs ratio narrowed by 71 basis points to 3.52%, lowering the net earnings margin ratio, by 2 basis points, to 1.56%. As a consequence of the rise in bad debt provisioning, the net income ratio moved lower by 2.0 percentage points to 0.63%.

### INTEREST RATES

During the third quarter, the weighted average interest rate spread at commercial banks widened by 1.1 percentage points, to 10.29 percentage points. Underlying this outcome, the weighted mean lending rate firmed by 1.2 percentage points to 10.80%, while the weighted average deposit rate rose by 14 basis points to 0.51%.

With regard to deposits, the average rate on demand deposits increased by 10 basis points to 0.61%; while the average range of rates offered on fixed balances shifted upwards to 0.29%–0.89%, from 0.26%–0.76% in the previous quarter. In contrast, the average rate on savings deposits edged down by 1 basis point to 0.45%.

As it relates to lending, the average rate for commercial mortgages stood at 6.53%, after no associated lending in the prior quarter. Meanwhile, consumer loans and overdrafts rates rose by 79 and 46 basis points, to 12.73% and 9.15%, respectively. Conversely, the average rate on residential mortgages narrowed by 7 basis points to 5.22%.

Banking Sector Interest Rates			
Period Average (%)			
	Qtr. III <u>2019</u>	Qtr. II <u>2020</u>	Qtr. III <u>2020</u>
<b>Deposit Rates</b>			
Demand Deposits	0.27	0.51	0.61
Savings Deposits	0.34	0.46	0.45
Fixed Deposits			
Up to 3 months	0.28	0.26	0.29
Up to 6 months	0.49	0.38	0.52
Up to 12 months	0.77	0.47	0.74
Over 12 months	0.83	0.76	0.89
<b>Weighted Avg. Dep. Rate</b>	<b>0.52</b>	<b>0.37</b>	<b>0.51</b>
<b>Lending Rates</b>			
Residential mortgages	4.94	5.29	5.22
Commercial mortgages	5.91	0.00	6.53
Consumer loans	13.24	11.94	12.73
Other Local Loans	10.13	8.84	8.31
Overdrafts	11.55	8.69	9.15
<b>Weighted Avg. Loan Rate</b>	<b>11.22</b>	<b>9.58</b>	<b>10.80</b>

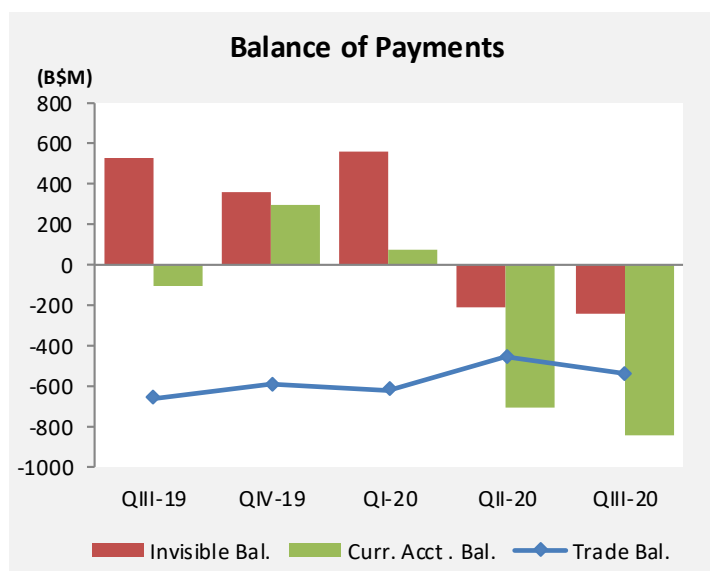
In terms of other key interest rates, the average Treasury bill rate increased by 2 basis points to 1.75%. Meanwhile, the Central Bank's Discount rate and commercial banks' Prime rate were unchanged, at 4.00% and 4.25%, respectively.

### INTERNATIONAL TRADE AND PAYMENTS

The impact of the COVID-19 pandemic was also evident in the country's external accounts, as Government's external borrowing activities contributed to a rise in inflows. However, with net export receipts sharply diminished, the estimated current account deficit widened to a preliminary \$843.2 million in the third quarter from \$107.9 million in the comparative 2019 period. Underpinning this outturn was a reversal in the services account position to a deficit from a surplus, as the COVID-19 pandemic grounded tourism activity to a halt, eliminating net travel receipts. In contrast, the capital and financial account surplus increased notably to \$726.4 million from \$26.0

million a year earlier, largely reflecting a marked increase in debt-related inflows through the public sector.

The estimated merchandise trade deficit narrowed by \$140.1 million (19.6%) to \$573.3 million, as the \$131.5 million (16.8%) reduction in imports to \$652.9 million, outstripped the \$9.6 million (7.9%) falloff in exports to \$112.4 million. A further disaggregation of trade flows showed that net non-oil merchandise imports declined by \$56.7 million (10.9%) to \$462.5 million, while net payments for fuel purchases fell by \$83.4 million (43.0%) to \$110.7 million.



An analysis of the fuel sub-components revealed that the average per barrel price for bunker c fell by 46.7% to \$35.20, kerosene (jet fuel), by 39.0% to \$54.34 and aviation gas, by 38.8% to \$88.41. Further, the average cost for gas oil declined by 17.7% to \$65.94 per barrel and motor gas, by 14.6% to \$75.33 per barrel. In contrast, the average price for propane gas increased by 35.6% to \$59.81 per barrel.

The services account position reversed to an estimated deficit of \$242.1 million from a surplus of \$525.7 million in the prior year. Underlying this outturn, net travel receipts—the largest segment of the services account—reduced to less than \$1.0 million from \$793.0 million in 2019, as tourism activity remained largely at a standstill due to the COVID-19 pandemic. Further, net outflows for Government services increased to \$59.5 million from \$29.9 million, attributed to a rise in disbursements for resident Government activities, along with a decline in inflows for foreign Government operations. Construction services net outflows also grew by \$1.7 million (13.0%) to \$14.4 million. Providing some offset, net payments for transportation services decreased by \$19.7 million (30.3%) to \$45.4 million, owing to a decline in outflows for passenger and air & sea freight services, combined with higher inflows from port & airport charges. In addition, net outflows for uncategorized services fell by \$16.6 million (11.8%) to \$124.8 million, while net payments for insurance services moved lower by \$7.2 million (14.5%) to \$42.5 million, owing mainly to a falloff in non-merchandise insurance outflows. Net receipts associated with offshore companies' local expenses rose by \$11.3 million (33.2%) to \$45.6 million, while net payments for royalty & license fees reduced by \$1.4 million (52.2%) to \$1.2 million.

The estimated net income outflows contracted by one-third to \$72.6 million, underpinned by a nearly halving in net investment income repatriation to \$48.5 million. Contributing to this outturn, private companies' net interest and dividend payments decreased to \$34.0 million (54.9%) from \$75.4 million in the prior year, as non-bank entities net profit remittances declined by \$9.6 million (20.6%) to \$37.1 million, while commercial banks recorded a net receipt of \$3.1 million, following a net outflow of \$28.7 million a year earlier. Further, net outflows for official transactions moderated by \$2.2 million (13.2%) to \$14.6 million, reflecting a rise in inflows from Central Bank's investments and a falloff in Government's expenses on external debt. Conversely, net labour income remittances rose by \$7.3 million (43.7%) to \$24.1 million.

Net current transfer receipts were markedly lower at \$12.0 million, from \$137.7 million in the corresponding period of 2019, when Hurricane Dorian re-insurance inflows led to a surge in inflows. In particular, non-income net inflows within the private sector reduced considerably to \$49.0 million from \$136.8 million in the prior year. In addition, workers' outward net remittances moved higher by \$5.2 million (16.8%) to \$35.8 million, while the Government's net transfers reversed to a net payment of \$1.2 million from a net receipt of \$31.5 million in 2019.

The estimated capital and financial account surplus increased to \$726.4 million from \$26.0 million in 2019. The outturn was largely attributed to significant debt-financed inflows of \$607.1 million, a reversal from a \$39.0 million net outflow a year earlier. Specifically, associated with COVID-19 and hurricane-related Government external borrowings, public sector net drawings rose to \$349.1 million, from \$11.8 million the preceding year. In addition, domestic banks' short-term net external liabilities advanced by \$86.2 million, following a net repayment of \$78.8 million in the previous year. Likewise, other private debt-based financing inflows increased more than five-fold to \$171.9 million from \$28.0 million in the preceding year.

In terms of other capital and financial flows, estimated net private direct investment receipts contracted by \$20.8 million (27.0%) to \$56.2 million, as net equity financed inflows declined by \$7.1 million (17.1%) to \$34.2 million and net receipts from land sales lessened by \$13.7 million (38.4%). In contrast, portfolio investments, related to the Bahamas Depository Receipt (BDR), shifted to a net inflow of \$70.1 million, following a net outflow of \$2.3 million in 2019. Further, migrants' net transfers abroad reduced by \$2.8 million (29.0%) to \$7.0 million.

In line with these developments, and after making the relevant adjustments for net errors and omissions, the surplus on the overall balance, which corresponds to the change in the Central Bank's external reserves, expanded to \$54.4 million, from \$1.2 million in the comparable period of 2019.

## **INTERNATIONAL ECONOMIC DEVELOPMENTS**

The global economy registered positive growth during the third quarter, as the gradual re-opening of economies led to a reversal in the COVID-19 related contraction in the second quarter. In this environment, employment conditions improved during the review quarter, while, inflationary pressures remained well contained, underpinned by the decline in global oil prices. Against this backdrop, all of the major central banks retained their accommodative monetary policy stance in an attempt to provide further support to their economies during the COVID-19 pandemic.

During the third quarter of 2019, most of the major economies rebounded from the previous quarters COVID-19 related downturn, underpinned by the re-opening of businesses and the resumption of economic activity. In particular, in the United States real output expanded at an annualized rate of 33.1% in the review quarter, a turnaround from a 31.4% falloff in the previous three-month period, owing to increases in personal consumption expenditure (PCE), private inventory investment, exports, non-residential fixed investment and residential fixed investment. Similarly, as lockdown measures eased, the United Kingdom's economy grew by 15.5% in the third quarter, a reversal from a 20.4% contraction in the prior quarter, attributed to gains in the services, production and construction sectors. Further, real output in the euro area increased by 12.7% in the review quarter, following an 11.8% reduction in the second quarter. In Asia, Japan's economy rebounded by 21.4% in the third quarter—estimated as the highest in Japanese history

ever recorded—following a 28.8% decline in the prior three-month period, reflective of a sharp increase in private consumption and public spending. Meanwhile, China’s quarterly GDP growth moderated to an annualized rate of 2.7% in the three-months to September, from 3.2% in the preceding quarter, reflective of ongoing measures to control the spread of COVID-19.

Reflective of positive economic developments, labour market conditions improved for some of the major economies during the review quarter. Specifically, in the United States the jobless rate narrowed by 3.2 percentage points to 7.9% during the third quarter, as total non-farm payrolls rose by 661,000, led by gains in leisure & hospitality, retail trade, health care & social assistance, and professional & business services. In contrast, in Europe, the United Kingdom’s unemployment rate increased by 70 basis points to 4.8% over the previous quarter, amid an estimate 243,000 growth in the number of unemployed persons. Further, the jobless rate in the euro area grew by 50 basis points to 8.3%. In Asia, trends varied, with the unemployment rate in Japan increasing by 20 basis points to 3.0%, while China’s jobless rate declined to 5.4% from 5.7% in the prior period.

On average, inflation in the major markets remained relatively subdued during the review quarter, reflecting the decline in international oil prices. Specifically, in the United States, average consumer prices rose to an annualized 1.4% in the third quarter, from 0.6% in the prior three-month period, underpinned by higher food and energy services costs. In contrast, owing to a moderation in furniture, household equipment & maintenance and food & non-alcoholic beverages prices, the United Kingdom’s annual inflation rate edged down to 0.7%, from 0.8% in the prior quarter. Similarly, the euro area annualized rate of inflation slowed by 60 basis points to 0.3%, attributed to lower energy prices, tobacco and non-energy industrial goods. Further, average prices in Japan stabilized at 0.1% in the third quarter, vis-à-vis the prior period, while, China’s year-on-year inflation rate fell by 80 basis points to 1.7%, amid a decrease in the cost of food.

In foreign market developments, the United States’ dollar depreciated against all major currencies over the review period. In particular, the dollar weakened vis-à-vis the euro, by 4.2% to €0.8532, the British pound, by 4.0% to £0.7740 and the Chinese Yuan, by 3.9% to CNY6.7910. Similarly, the dollar decreased against the Swiss Franc, by 2.8% to CHF0.9209 and the Japanese yen, by 2.3% to ¥105.48. Further, the dollar declined against the Canadian dollar, by 1.9% to CAD\$1.33.

The major equity markets showed mostly positive movements during the review quarter. Specifically, in the United States, the S&P 500 index rose by 8.5% and the Dow Jones Industrial Average (DIJA) increased by 7.6%. Similarly, in the European bourses, the German DAX grew by 3.7%, however, the United Kingdom’s FTSE 100, and France’s CAC 40 declined by 4.9% and 2.7%, respectively. In the Asian market, China’s SE composite moved higher by 7.8% and Japan’s Nikkei 225, by 4.0%.

Reflective of the partial resumption of economic activity following the global lockdown, average crude oil prices rose by 16.0% to \$40.96 per barrel over the three-month period. In the precious metals market, the average costs of silver grew by 27.6% to \$23.24 per troy ounce and gold, by 5.9% to \$1,885.82 per troy ounce.

Developments in the external sector varied during the third quarter. Specifically, in the United States, the deficit on goods and services widened by \$39.9 billion (25.8%) to \$194.6 billion for the review quarter, as the 16.8% increase in imports, of mainly automotive vehicles, parts and engine, outstripped the 13.8% rise in exports, of largely food & beverages and capital goods. In addition,

the United Kingdom's trade surplus reduced by £3.4 billion to an estimate £4.2 billion in the third quarter, underpinned by a £17.3 billion expansion in imports, which outpaced the £13.8 billion gain in exports. In contrast, Japan recorded a trade surplus of ¥947.3 billion in the third quarter, vis-à-vis a deficit of ¥2,039.4 billion in the second quarter, as exports increased by 16.9%, while imports fell by 3.5%. Bolstered by the re-opening of the economy, China's estimated trade surplus grew by US\$36.0 billion to US\$1,582.5 billion during the review quarter. Further, the euro area's trade surplus expanded to an estimated €65.3 billion in the third quarter from \$33.5 billion in the second quarter, owing particularly to an 18.1% growth in exports, which outweighed the 11.4% rise in imports.

In the context of the economic uncertainty related to the COVID-19 pandemic, all of the major central banks sustained their accommodative monetary policy stance during the third quarter. Specifically, during the review quarter, the Federal Reserves extended its emergence lending programs through the remainder of the year and maintained the target range for the federal funds rate at 0.00%-0.25%. Further, the Bank of England kept its key interest rate at 0.1%, and its asset purchase programme affirmed at £745 billion. The European Central Bank also retained the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively and its emergency stimulus program unchanged at €1,350 billion. Similar trends were noted in Asia, as the Bank of Japan upheld its key policy rate at -0.1%, while the People's Bank of China left its 7-day reverse repo rate at 2.20%.

## **STATISTICAL APPENDIX (TABLES I-16)**

**TABLE 1**  
**FINANCIAL SURVEY**

Period	2016	2017	2018	2019				2020		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
(B\$ Millions)										
Net foreign assets	678.5	1,152.5	1,072.1	1,389.1	1,466.3	1,546.3	1,790.7	2,156.7	2,017.0	1,985.2
Central Bank	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	2,106.2
Domestic Banks	(225.4)	(265.0)	(124.2)	(47.8)	(91.3)	(12.5)	32.6	97.4	(34.9)	(121.0)
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	6,073.0	6,073.4
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	8,939.8	8,988.3
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	3,120.8	3,154.6
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	2,678.1	2,765.3
Rest of public sector	406.3	472.5	485.8	476.6	460.8	446.4	444.6	442.3	442.7	389.3
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	5,819.0	5,833.7
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)	(2,866.8)	(2,914.9)
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	8,088.8	8,057.7
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	3,523.1	3,543.4
Currency	280.5	292.6	310.4	316.0	321.7	315.2	336.8	346.0	380.2	383.1
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	3,142.9	3,160.3
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	4,514.3
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	2,244.0
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	1,800.9
Foreign currency	307.6	274.1	401.5	455.3	402.7	512.7	587.9	607.1	532.5	469.4
(percentage changes)										
Total domestic credit	1.8	(3.2)	0.8	(2.0)	1.2	0.1	1.2	(0.7)	0.5	0.5
Public sector	10.9	(3.5)	5.9	(4.4)	3.6	(0.9)	3.2	0.3	1.5	1.1
Government (net)	16.1	(6.6)	6.6	(4.9)	5.0	(0.5)	3.9	0.5	1.7	3.3
Rest of public sector	(13.3)	16.3	2.8	(1.9)	(3.3)	(3.1)	(0.4)	(0.5)	0.1	(12.1)
Private sector	(2.0)	(3.0)	(1.6)	(0.7)	0.1	0.6	0.2	(1.2)	(0.0)	0.3
Monetary liabilities	8.7	1.5	1.0	1.5	3.0	1.5	4.7	3.2	(0.7)	(0.4)
Money	18.8	7.9	2.8	1.1	8.9	1.9	6.1	7.3	1.1	0.6
Currency	13.7	4.3	6.1	1.8	1.8	(2.0)	6.9	2.7	9.9	0.7
Demand deposits	19.5	8.3	2.4	1.0	9.9	2.4	6.1	7.8	0.1	0.6
Quasi-money	3.9	(1.9)	(0.1)	1.8	(0.7)	1.2	3.7	0.4	(2.1)	(1.1)

Source: Central Bank of The Bahamas

**TABLE 2**  
**MONETARY SURVEY**

Period	2016	2017	2018	2019				2020		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
(B\$ Millions)										
Net foreign assets	730.5	1,218.0	1,128.2	1,465.0	1,543.8	1,615.8	1,851.4	2,240.2	2,041.7	2,094.1
Central Bank	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	2,106.2
Commercial banks	(173.5)	(199.5)	(68.1)	28.0	(13.8)	57.0	93.4	180.9	(10.1)	(12.1)
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	5,901.1	5,865.9
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	8,886.5	8,908.0
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	3,106.9	3,141.2
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	2,664.2	2,751.9
Rest of public sector	405.9	472.1	485.4	476.3	460.8	446.4	444.6	442.3	442.7	389.3
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	5,779.6	5,766.8
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)	(2,985.3)	(3,042.1)
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	7,941.7	7,959.0
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	3,450.3	3,460.1
Currency	280.5	292.6	310.5	316.0	321.7	315.2	336.9	346.1	380.2	383.1
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	3,070.0	3,077.0
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	4,499.0
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	1,800.9
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	2,230.9
Foreign currency deposits	305.5	271.9	399.4	454.8	402.2	511.7	582.5	602.4	468.9	467.2
(percentage change)										
Total domestic credit	1.9	(3.2)	0.7	(2.1)	1.2	0.1	1.2	(0.7)	0.5	0.2
Public sector	10.9	(3.4)	5.9	(4.4)	3.4	(0.7)	3.3	0.4	1.5	1.1
Government (net)	15.9	(6.5)	6.5	(4.9)	4.7	(0.2)	4.0	0.5	1.7	3.3
Rest of public sector	(12.9)	16.3	2.8	(1.9)	(3.3)	(3.1)	(0.4)	(0.5)	0.1	(12.1)
Private sector	(1.9)	(3.1)	(1.8)	(0.8)	0.1	0.5	0.1	(1.2)	0.0	(0.2)
Monetary liabilities	8.6	1.4	1.1	1.6	2.8	1.6	4.6	3.2	(1.6)	0.2
Money	18.9	7.7	3.1	1.3	8.7	2.1	6.1	7.4	0.9	0.3
Currency	13.7	4.3	6.1	1.8	1.8	(2.0)	6.9	2.7	9.9	0.7
Demand deposits	19.6	8.1	2.7	1.3	9.6	2.6	6.0	7.9	(0.2)	0.2
Quasi-money	3.8	(1.9)	(0.0)	1.8	(0.7)	1.2	3.6	0.4	(3.3)	0.2

Source: Central Bank of The Bahamas



**TABLE 3**  
**CENTRAL BANK BALANCE SHEET**

Period	(B\$ Millions)									
	2016	2017	2018	2019				2020		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
<b>Net foreign assets</b>	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	2,106.2
Balances with banks abroad	254.8	698.5	375.8	612.2	722.8	688.9	794.5	838.2	721.2	465.7
Foreign securities	550.5	614.7	670.5	675.1	685.1	703.5	779.8	1,025.7	1,134.1	1,438.2
Reserve position in the Fund	25.9	27.5	26.8	26.8	26.8	26.3	26.7	25.9	26.5	27.1
SDR holdings	72.7	76.8	123.2	122.9	123.0	140.1	157.1	169.4	169.9	175.2
<b>Net domestic assets</b>	555.3	209.6	228.4	95.5	49.1	112.9	145.4	(79.0)	52.8	52.6
Net claims on Government	716.6	390.1	503.6	315.4	304.2	372.1	395.9	217.3	332.0	343.6
Claims	731.9	417.0	525.1	377.8	355.7	441.2	460.4	294.5	366.9	376.6
Treasury bills	223.9	7.2	155.7	68.3	77.5	170.3	135.3	10.0	90.7	22.0
Bahamas registered stock	372.6	274.5	249.0	239.7	263.1	255.8	249.9	269.1	260.7	228.7
Loans and advances	135.4	135.4	120.4	69.8	15.2	15.1	75.2	15.5	15.4	125.9
Deposits	(15.3)	(26.9)	(21.6)	(62.4)	(51.5)	(69.1)	(64.4)	(77.2)	(34.8)	(33.0)
In local currency	(15.3)	(26.9)	(21.6)	(62.4)	(51.5)	(69.1)	(64.4)	(77.2)	(34.8)	(33.0)
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)	(71.1)
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)	(227.3)
Net unclassified assets	15.4	13.8	(0.2)	12.8	(12.5)	(9.2)	18.9	(0.6)	(1.1)	0.5
Loans to rest of public sector	3.6	2.8	2.5	2.5	2.4	2.4	2.3	2.3	2.3	2.1
Public Corp Bonds/Securities	5.3	5.2	5.2	4.7	4.8	4.7	4.8	4.8	4.8	4.8
<b>Liabilities To Domestic Banks</b>	(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)	(1,600.6)
Notes and coins	(145.1)	(145.8)	(149.3)	(101.0)	(111.1)	(114.1)	(151.5)	(128.6)	(102.1)	(128.6)
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)	(1,471.9)
SDR allocation	(167.3)	(177.4)	(173.3)	(173.0)	(173.3)	(169.9)	(172.3)	(169.7)	(171.2)	(175.1)
Currency held by the private sector	(280.5)	(292.6)	(310.4)	(316.0)	(321.7)	(315.2)	(336.8)	(346.0)	(380.2)	(383.1)

Source: Central Bank of The Bahamas

**TABLE 4**  
**DOMESTIC BANKS BALANCE SHEET**

(B\$ Millions)

Period	2016	2017	2018	2019				2020		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
<b>Net foreign assets</b>	(225.4)	(265.0)	(124.2)	(47.8)	(91.3)	(12.5)	32.6	97.4	(34.9)	(121.0)
<b>Net claims on Central Bank</b>	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	1,601.5
Notes and Coins	145.1	145.8	149.3	101.0	111.1	114.1	151.5	128.6	102.1	128.6
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	1,472.9
Less Central Bank credit	--	--	--	--	--	--	--	--	--	--
<b>Net domestic assets</b>	5,483.7	5,483.6	5,482.2	5,423.0	5,597.6	5,594.3	5,672.6	5,765.8	5,792.3	5,814.3
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	2,346.1	2,421.8
Treasury bills	531.9	611.4	669.8	773.1	822.3	741.4	771.9	866.1	812.2	858.7
Other securities	987.1	1,137.7	990.9	988.3	1,033.1	1,012.6	985.4	962.5	949.9	942.2
Loans and advances	502.7	442.2	564.4	573.0	609.7	620.9	688.8	840.6	807.8	872.2
Less: deposits	186.9	198.5	189.4	234.6	233.0	224.0	221.1	253.2	223.8	251.4
Net claims on rest of public sector	31.0	113.6	54.2	20.8	6.6	31.9	31.7	40.6	98.4	73.6
Securities	163.9	262.6	229.5	228.0	227.6	230.9	230.9	230.9	226.1	226.1
Loans and advances	233.5	201.9	248.6	241.4	226.0	208.3	206.6	204.3	209.6	156.3
Less: deposits	366.4	350.8	423.9	448.6	447.1	407.4	405.8	394.6	337.3	308.8
Other net claims	(2.9)	(2.6)	(1.0)	1.3	(0.2)	(3.2)	18.8	0.2	(3.3)	(1.2)
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	5,819.0	5,833.7
Securities	19.6	19.1	32.3	30.5	30.5	26.9	26.0	23.6	23.6	24.8
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	2,894.0	2,897.2
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	2,901.4	2,911.7
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)	(2,424.3)	(2,466.6)
Net unclassified assets	44.5	96.2	149.9	66.1	56.0	(69.7)	(99.8)	(95.2)	(43.5)	(46.9)
<b>Liabilities to private sector</b>	6,270.7	6,376.6	6,299.9	6,419.5	6,619.0	6,769.4	7,100.6	7,328.7	7,311.6	7,294.7
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	3,338.0	3,277.9
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	1,836.2
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	2,180.6

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	Qtr. II
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	141,922
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	9,431
<b>3. Interest Margin (1-2)</b>	<b>523,836</b>	<b>525,052</b>	<b>544,615</b>	<b>132,091</b>	<b>127,198</b>	<b>133,663</b>	<b>132,100</b>	<b>128,822</b>	<b>142,050</b>	<b>134,591</b>	<b>139,152</b>	<b>139,064</b>	<b>132,491</b>
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	8,785
<b>5. Gross Earnings Margin (3+4)</b>	<b>552,373</b>	<b>554,497</b>	<b>582,742</b>	<b>139,283</b>	<b>134,697</b>	<b>140,856</b>	<b>139,661</b>	<b>135,982</b>	<b>151,271</b>	<b>142,273</b>	<b>153,216</b>	<b>150,427</b>	<b>141,276</b>
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	38,907
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	8,475
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	50,558
<b>9. Operating Costs (6+7+8)</b>	<b>377,158</b>	<b>368,355</b>	<b>396,363</b>	<b>92,239</b>	<b>93,421</b>	<b>88,047</b>	<b>94,648</b>	<b>92,889</b>	<b>110,121</b>	<b>94,310</b>	<b>99,043</b>	<b>100,204</b>	<b>97,940</b>
<b>10. Net Earnings Margin (5-9)</b>	<b>175,215</b>	<b>186,142</b>	<b>186,379</b>	<b>47,044</b>	<b>41,276</b>	<b>52,809</b>	<b>45,013</b>	<b>43,093</b>	<b>41,150</b>	<b>47,963</b>	<b>54,173</b>	<b>50,223</b>	<b>43,336</b>
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	4,636
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	57,715
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	36,654
<b>14. Other Income (Net) (13-11-12)</b>	<b>7,013</b>	<b>47,490</b>	<b>69,122</b>	<b>6,519</b>	<b>6,025</b>	<b>22,429</b>	<b>12,517</b>	<b>40,796</b>	<b>27,816</b>	<b>(6,906)</b>	<b>7,416</b>	<b>(25,616)</b>	<b>(25,697)</b>
<b>15. Net Income (10+14)</b>	<b>182,228</b>	<b>233,632</b>	<b>255,501</b>	<b>53,563</b>	<b>47,301</b>	<b>75,238</b>	<b>57,530</b>	<b>83,889</b>	<b>68,966</b>	<b>41,057</b>	<b>61,589</b>	<b>24,607</b>	<b>17,639</b>
<b>16. Effective Interest Rate Spread (%)</b>	<b>7.11</b>	<b>7.10</b>	<b>7.17</b>	<b>7.12</b>	<b>7.28</b>	<b>7.20</b>	<b>6.80</b>	<b>6.68</b>	<b>7.12</b>	<b>6.60</b>	<b>8.28</b>	<b>8.56</b>	<b>8.08</b>
<b>(Ratios To Average Assets)</b>													
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	4.76
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	0.32
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	5.08
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	3.52
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	1.56
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	0.63

\*Commercial Banks and OLFIs with domestic operations

Source: Central Bank of The Bahamas

**TABLE 6**  
**MONEY SUPPLY**

End of Period	(B\$ Millions)									
	2016	2017	2018	2019				2020		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
<b>Money Supply (M1)</b>	2,460.6	2,654.0	2,728.2	2,757.1	3,003.6	3,060.4	3,248.4	3,484.4	3,523.1	3,543.4
1) Currency in active circulation	280.5	292.6	310.4	316.0	321.7	315.2	336.8	346.0	380.2	383.1
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	3,142.9	3,160.3
Central Bank	12.6	17.2	74.6	31.9	41.7	48.9	49.6	76.9	59.7	71.1
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	3,083.2	3,089.2
<b>Factors affecting money (M1)</b>										
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	2,678.1	2,765.3
Central Bank	716.6	390.1	503.6	315.4	304.2	372.1	395.9	217.3	332.0	343.6
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	2,346.1	2,421.8
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	6,261.7	6,223.0
Rest of public sector	406.3	472.5	485.8	476.6	460.8	446.4	444.6	442.3	442.7	389.3
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	5,819.0	5,833.7
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	2,105.4
4) Other external liabilities (net)	(225.4)	(265.0)	(124.2)	(47.8)	(91.3)	(12.5)	32.6	97.4	(34.9)	(121.0)
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	4,514.3
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)	(2,866.8)	(2,914.9)

Source: Central Bank of The Bahamas

**TABLE 7**  
**CONSUMER INSTALMENT CREDIT**

(B\$' 000s)

End of Period	2017	2018	2019	2019				2020		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
CREDIT OUTSTANDING										
Private cars	163,974	146,286	135,786	142,918	140,123	136,824	135,786	138,711	135,294	131,356
Taxis & rented cars	796	948	1,028	1,015	1,037	1,094	1,028	1,028	1,045	952
Commercial vehicles	1,208	1,036	1,156	1,042	1,209	1,124	1,156	1,354	1,312	1,211
Furnishings & domestic appliances	8,493	8,205	9,246	8,321	8,619	8,999	9,246	9,539	9,338	8,990
Travel	45,457	50,872	65,037	50,660	56,648	63,167	65,037	68,914	67,108	65,688
Education	53,065	43,067	39,976	40,660	39,001	42,116	39,976	39,225	38,383	37,853
Medical	12,025	12,773	11,873	12,857	12,487	12,288	11,873	12,351	12,360	11,931
Home Improvements	113,898	102,022	101,255	99,853	98,696	98,724	101,255	104,264	103,079	101,063
Land Purchases	152,771	139,093	131,400	137,993	136,346	134,722	131,400	132,195	130,892	129,154
Consolidation of debt	951,071	922,138	908,422	914,635	918,987	917,749	908,422	910,656	908,770	909,441
Miscellaneous	564,703	541,719	530,172	533,124	532,740	533,325	530,172	548,160	543,149	539,339
Credit Cards	254,852	249,069	272,999	240,706	240,892	267,913	272,999	265,290	256,303	250,594
TOTAL	2,322,313	2,217,228	2,208,350	2,183,784	2,186,785	2,218,045	2,208,350	2,231,687	2,207,033	2,187,572
NET CREDIT EXTENDED										
Private cars	(12,204)	(17,688)	(10,500)	(3,368)	(2,795)	(3,299)	(1,038)	2,925	(3,417)	(3,938)
Taxis & rented cars	19	152	80	67	22	57	(66)	--	17	(93)
Commercial vehicles	158	(172)	120	6	167	(85)	32	198	(42)	(101)
Furnishings & domestic appliances	191	(288)	1,041	116	298	380	247	293	(201)	(348)
Travel	4,260	5,415	14,165	(212)	5,988	6,519	1,870	3,877	(1,806)	(1,420)
Education	820	(9,998)	(3,091)	(2,407)	(1,659)	3,115	(2,140)	(751)	(842)	(530)
Medical	(799)	748	(900)	84	(370)	(199)	(415)	478	9	(429)
Home Improvements	(8,061)	(11,876)	(767)	(2,169)	(1,157)	28	2,531	3,009	(1,185)	(2,016)
Land Purchases	(17,076)	(13,678)	(7,693)	(1,100)	(1,647)	(1,624)	(3,322)	795	(1,303)	(1,738)
Consolidation of debt	(33,498)	(28,933)	(13,716)	(7,503)	4,352	(1,238)	(9,327)	2,234	(1,886)	671
Miscellaneous	18,390	(22,984)	(11,547)	(8,595)	(384)	585	(3,153)	17,988	(5,011)	(3,810)
Credit Cards	(1,314)	(5,783)	23,930	(8,363)	186	27,021	5,086	(7,709)	(8,987)	(5,709)
TOTAL	(49,114)	(105,085)	(8,878)	(33,444)	3,001	31,260	(9,695)	23,337	(24,654)	(19,461)

Source: Central Bank of The Bahamas

**TABLE 8**  
**SELECTED AVERAGE INTEREST RATES**

										(%)
Period	2016	2017	2018	2019				2020		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
DOMESTIC BANKS										
Deposit rates										
Demand deposits	0.28	0.27	0.27	0.27	0.40	0.27	0.50	0.59	0.51	0.61
Savings deposits	0.82	0.72	0.64	0.51	0.35	0.34	0.33	0.38	0.46	0.45
Fixed deposits										
Up to 3 months	0.97	0.78	0.60	0.49	0.33	0.28	0.29	0.26	0.26	0.29
Up to 6 months	0.99	0.64	0.62	0.71	0.56	0.49	0.49	0.34	0.38	0.52
Up to 12 months	1.58	1.21	0.97	0.72	0.67	0.77	0.55	0.59	0.47	0.74
Over 12 months	1.87	1.61	1.26	0.95	0.89	0.83	0.91	0.83	0.76	0.89
Weighted average rate	1.24	1.00	0.84	0.68	0.56	0.52	0.53	0.41	0.37	0.51
Lending rates										
Residential mortgages	6.22	5.76	5.41	4.90	4.96	4.94	4.82	5.28	5.29	5.22
Commercial mortgages	7.76	6.87	7.59	6.75	6.15	5.91	7.25	9.25	--	6.53
Consumer loans	14.03	13.61	13.49	12.38	13.03	13.24	12.79	12.94	11.94	12.73
Overdrafts	11.13	10.62	10.15	9.20	9.86	11.55	11.10	11.99	8.69	9.15
Weighted average rate	12.49	11.75	11.34	9.66	10.53	11.22	10.44	10.82	9.58	10.80
Other rates										
Prime rate*	4.75	4.25	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	1.75
Treasury bill re-discount rate	2.14	2.33	2.19	2.08	2.14	2.13	2.19	2.23	2.23	2.25
Bank rate (discount rate)*	4.00	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	Qtr. III
<b>Loan Portfolio</b>										
Current Loans (as a % of total loans)	<b>82.2</b>	<b>85.1</b>	<b>85.7</b>	<b>86.8</b>	<b>87.8</b>	<b>86.8</b>	<b>87.9</b>	<b>87.9</b>	<b>88.7</b>	<b>87.7</b>
Arrears (% by loan type)										
Consumer	4.7	4.4	4.0	3.7	3.5	4.0	3.5	3.5	3.1	4.0
Mortgage	9.0	8.8	8.8	8.0	7.8	8.0	7.5	7.4	7.0	7.1
Commercial	4.0	1.6	1.4	1.5	1.0	1.2	1.1	1.2	1.1	1.2
Total Arrears	<b>17.8</b>	<b>14.9</b>	<b>14.3</b>	<b>13.2</b>	<b>12.2</b>	<b>13.2</b>	<b>12.1</b>	<b>12.1</b>	<b>11.3</b>	<b>12.3</b>
<b>Total B\$ Loan Portfolio</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Loan Portfolio</b>										
Current Loans (as a % of total loans)	<b>82.2</b>	<b>85.1</b>	<b>85.7</b>	<b>86.8</b>	<b>87.8</b>	<b>86.8</b>	<b>87.9</b>	<b>87.9</b>	<b>88.7</b>	<b>87.7</b>
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	2.7
61 - 90 days	1.9	1.9	1.9	1.4	1.2	1.7	1.5	1.3	1.4	1.4
90 - 179 days	1.7	1.7	1.4	1.2	1.2	1.2	1.1	1.3	1.2	1.4
over 180 days	10.9	8.3	7.7	7.8	7.5	7.2	6.9	6.6	6.6	6.8
Total Arrears	<b>17.8</b>	<b>14.9</b>	<b>14.3</b>	<b>13.2</b>	<b>12.2</b>	<b>13.2</b>	<b>12.1</b>	<b>12.1</b>	<b>11.3</b>	<b>12.3</b>
<b>Total B\$ Loan Portfolio</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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	28.9
Mortgage	50.3	60.8	65.0	63.2	64.6	63.8	63.5	59.9	62.2	59.1
Other Private	26.1	11.4	9.2	10.2	10.0	10.4	11.0	13.3	10.3	11.9
Total Non Accrual Loans	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Provisions to Loan Portfolio</b>										
Consumer	7.8	6.1	5.5	6.8	6.5	6.6	7.0	7.2	9.0	10.0
Mortgage	9.0	8.3	7.6	8.8	8.7	8.3	8.1	8.0	8.5	8.4
Other Private	11.7	8.0	14.4	7.2	6.5	5.3	7.1	6.9	9.9	8.8
Total Provisions to Total Private Sector Loans	8.9	7.4	7.7	7.8	7.5	7.2	7.5	7.6	8.9	9.1
Total Provisions to Total Non-performing Loans	70.6	74.7	84.8	86.4	86.5	85.6	93.8	95.7	114.7	110.4
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	8.2

**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.	Sept.
<b>I. Statutory Reserves</b>										
Required reserves	325.1	336.9	331.1	331.9	345.3	348.5	349.6	363.4	372.3	371.9
Average Till Cash	130.4	125.8	124.9	108.5	107.8	115.6	129.8	120.0	107.9	119.4
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	1,514.8
Free cash reserves (period ended)	750.5	819.2	602.5	639.9	740.6	770.5	961.5	1,059.8	1,161.0	1,262.2
<b>II. Liquid Assets (period)</b>										
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	1,308.4
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	3,446.4
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	1,472.9
ii) Notes and Coins	145.6	146.3	149.8	101.5	111.6	114.6	152.0	129.1	102.6	129.1
iii) Treasury Bills	531.9	611.4	669.8	773.1	822.3	741.4	771.9	866.1	812.2	858.7
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	942.2
v) Specified assets	51.0	50.8	48.4	46.9	46.6	49.8	49.7	49.8	49.7	44.6
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)	(1.1)
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	2,063.1	2,138.0

**Source: Central Bank of The Bahamas**

Figures may not sum to total due to rounding.



**TABLE 11**  
**GOVERNMENT OPERATIONS AND FINANCING**

Period	2018/19p	2019/20p	(B\$ Millions)								
			Budget		2018/19p		2019/20p				2020/21p
			2019/20	2020/21	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
Total Revenue & Grants	2,426.3	2,087.1	2,628.1	1,762.5	677.4	737.2	552.3	547.1	657.3	330.5	300.8
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	579.8
Capital expenditure	223.4	368.8	235.0	515.5	48.1	95.3	56.3	60.5	82.1	169.9	57.4
<b>Overall balance</b>	<b>(219.3)</b>	<b>(790.3)</b>	<b>(136.9)</b>	<b>(1,327.1)</b>	<b>34.5</b>	<b>(79.3)</b>	<b>(48.8)</b>	<b>(147.4)</b>	<b>(60.1)</b>	<b>(534.0)</b>	<b>(336.3)</b>
<b>FINANCING (I+II-III+IV+V)</b>	<b>219.3</b>	<b>790.3</b>	<b>136.9</b>	<b>1,327.1</b>	<b>(34.5)</b>	<b>79.3</b>	<b>48.8</b>	<b>147.4</b>	<b>60.1</b>	<b>534.0</b>	<b>336.3</b>
<b>I. Foreign currency borrowing</b>	<b>9.2</b>	<b>445.7</b>	<b>64.5</b>	<b>42.9</b>	<b>0.2</b>	<b>3.0</b>	<b>31.9</b>	<b>58.6</b>	<b>55.0</b>	<b>300.1</b>	<b>698.3</b>
External	9.2	395.7	64.5	42.9	0.2	3.0	31.9	8.6	55.0	300.1	567.8
Domestic	--	50.0	--	--	--	--	--	50.0	--	--	130.4
<b>II. Bahamian dollar borrowing</b>	<b>1,085.0</b>	<b>1,101.1</b>	<b>700.3</b>	<b>2,030.8</b>	<b>170.7</b>	<b>241.4</b>	<b>135.7</b>	<b>309.4</b>	<b>368.8</b>	<b>287.2</b>	<b>222.7</b>
i)Treasury bills	231.3	233.6	--	--	1.7	75.7	29.7	21.5	26.2	156.1	1.2
ii)Long-term securities	619.7	562.6	--	--	140.0	165.7	103.0	192.9	135.6	131.1	81.5
iii)Loans and Advances	234.0	305.0	--	--	29.0	--	3.0	95.0	207.0	--	140.0
<b>III. Debt repayment</b>	<b>801.1</b>	<b>879.0</b>	<b>628.0</b>	<b>696.6</b>	<b>190.2</b>	<b>195.0</b>	<b>98.3</b>	<b>227.4</b>	<b>261.9</b>	<b>291.5</b>	<b>229.0</b>
Domestic	717.2	835.1	539.0	501.6	156.0	187.3	83.7	219.7	247.2	284.5	126.1
Bahamian dollars	717.2	835.1	539.0	497.4	156.0	187.3	83.7	219.7	247.2	284.5	126.1
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	102.8
<b>IV.Net sale of shares &amp; other equity</b>	<b>(117.2)</b>	<b>(71.8)</b>	<b>(46.5)</b>	<b>(46.5)</b>	<b>(12.5)</b>	<b>(42.7)</b>	<b>(26.7)</b>	<b>(13.9)</b>	<b>(14.7)</b>	<b>(16.5)</b>	<b>--</b>
<b>V.Cash balance change &amp; other financing</b>	<b>43.5</b>	<b>194.3</b>	<b>46.5</b>	<b>(3.5)</b>	<b>(2.7)</b>	<b>72.5</b>	<b>6.1</b>	<b>20.8</b>	<b>(87.2)</b>	<b>254.6</b>	<b>(355.7)</b>

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

**TABLE 12**  
**NATIONAL DEBT**

Period	(B\$ '000s)									
	2017	2018	2019	2019				2020		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
<b>TOTAL EXTERNAL DEBT</b>	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	3,387,057
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	1,650,000
Loans	966,225	943,818	917,662	907,139	903,188	909,811	917,662	954,078	1,251,322	1,737,057
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	792,678
Bilateral Institutions	90,688	79,609	72,539	78,418	76,651	70,660	72,539	68,320	68,483	68,122
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	1,650,000
Other Financial Institutions	661,807	656,726	613,048	622,941	625,495	608,012	613,048	600,438	603,509	876,257
<b>TOTAL INTERNAL DEBT</b>	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	5,516,957
By Instrument										
Foreign Currency	--	--	50,000	--	--	--	50,000	50,000	50,000	180,440
Government Securities	--	--	--	--	--	--	--	--	--	--
Loans	--	--	50,000	--	--	--	50,000	50,000	50,000	180,440
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	5,336,517
Advances	134,657	119,657	74,900	69,657	14,957	14,900	74,900	14,900	14,900	124,900
Treasury Bills	655,749	875,746	977,104	877,429	938,156	959,858	977,104	948,344	954,702	944,991
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	3,795,825
Loans	281,175	373,042	338,199	371,000	345,403	325,803	338,199	493,591	470,984	470,801
By Holder										
Foreign Currency	--	--	50,000	--	--	--	50,000	50,000	50,000	180,440
Commercial Banks	--	--	50,000	--	--	--	50,000	50,000	50,000	180,440
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	5,336,517
The Central Bank	413,570	518,721	455,725	372,250	350,203	436,667	455,725	286,900	362,122	372,177
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	2,237,207
Other Local Financial Institutions	27,162	11,085	21,671	22,638	31,850	32,230	21,671	20,508	20,429	19,959
Public Corporations	602,287	586,572	602,704	597,893	600,404	597,242	602,704	596,327	589,438	582,768
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	2,124,406
<b>TOTAL FOREIGN CURRENCY DEBT</b>	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	3,567,497
<b>TOTAL DIRECT CHARGE</b>	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	8,904,014
<b>TOTAL CONTINGENT LIABILITIES</b>	704,291	752,351	724,042	739,070	736,471	726,747	724,042	717,929	714,488	442,258
<b>TOTAL NATIONAL DEBT</b>	7,884,380	8,251,268	8,457,261	8,215,949	8,263,529	8,312,473	8,457,261	8,609,196	8,905,708	9,346,272

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**

Period	(B\$ '000s)									
	2017*	2018**	2019	2019				2020		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.***
<b>Outstanding Debt at Beginning of Period</b>	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	3,789,599
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	2,951,322
Public Corporations	901,268	868,020	916,328	916,328	904,829	887,428	865,811	858,335	846,839	838,277
<b>Plus: New Drawings</b>	1,347,128	256,635	93,739	175	3,040	31,890	58,634	55,028	300,150	704,125
Government	1,327,674	65,330	93,664	175	2,965	31,890	58,634	55,028	300,150	703,298
Public corporations	19,454	191,305	75	--	75	--	--	--	--	827
<b>Less: Amortization</b>	545,717	216,894	122,225	45,624	25,184	36,233	15,184	26,156	15,520	360,837
Government	493,003	73,906	64,153	34,121	7,708	14,616	7,708	14,660	6,958	102,846
Public corporations	52,714	142,988	58,072	11,503	17,476	21,617	7,476	11,496	8,562	257,991
<b>Other Changes in Debt Stock</b>	36,083	(13,840)	(5,663)	(2,729)	792	(10,651)	6,925	(3,952)	4,052	15,723
Government	36,071	(13,831)	(5,667)	(2,733)	792	(10,651)	6,925	(3,952)	4,052	15,723
Public corporations	12	(9)	4	4	--	--	--	--	--	--
<b>Outstanding Debt at End of Period</b>	3,484,245	3,510,146	3,475,997	3,461,968	3,440,616	3,425,622	3,475,997	3,500,917	3,789,599	4,148,610
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	3,567,497
Public corporations	868,020	916,328	858,335	904,829	887,428	865,811	858,335	846,839	838,277	581,113
<b>Interest Charges</b>	152,815	220,950	203,144	37,266	67,063	34,285	64,530	32,312	62,866	30,269
Government	92,969	154,701	144,039	22,000	51,208	20,445	50,386	20,075	50,469	20,176
Public corporations	59,846	66,249	59,105	15,266	15,855	13,840	14,144	12,237	12,397	10,093
<b>Debt Service</b>	698,532	437,844	325,369	82,890	92,247	70,518	79,714	58,468	78,386	391,106
Government	585,972	228,607	208,192	56,121	58,916	35,061	58,094	34,735	57,427	123,022
Public corporations	112,560	209,237	117,177	26,769	33,331	35,457	21,620	23,733	20,959	268,084
<b>Debt Service ratio</b>	6.5	9.0	7.1	6.3	6.5	6.5	8.4	4.8	58.7	72.1
<b>Government debt Service/ Government revenue (%)</b>	6.5	10.5	8.3	8.3	8.0	6.3	10.6	5.3	17.4	40.9
<b>MEMORANDUM</b>										
Holder distribution (B\$ Mil):										
Commercial banks	267.7	332.1	351.9	329.2	317.1	304.0	351.9	349.5	346.7	312.2
Offshore Financial Institutions	--	--	--	--	--	--	--	--	--	--
Multilateral Institutions	285.6	284.0	304.1	282.1	275.3	305.1	304.1	357.0	649.0	862.1
Bilateral Institutions	90.7	79.6	72.5	78.4	76.7	70.7	72.5	68.3	68.5	68.1
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	1,256.2
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	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 for 2017 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.

\*\*\*The Debt Service Ratio for the 3rd quarter of 2020 is presented net of public sector refinancing activities (transfer of \$246 million in Government Guaranteed debt from BEC's to Government's books).

**TABLE 14**  
**BALANCE OF PAYMENTS SUMMARY\***

(B\$ Millions)

Period	2016	2017	2018	2019				2020		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
<b>A. Current Account Balance (I+II+III+IV)</b>	<b>(1,059.4)</b>	<b>(1,574.6)</b>	<b>(1,115.3)</b>	<b>250.0</b>	<b>82.4</b>	<b>(107.9)</b>	<b>301.1</b>	<b>76.2</b>	<b>(701.7)</b>	<b>(843.2)</b>
<b>I. Merchandise (Net)</b>	<b>(2,150.2)</b>	<b>(2,538.4)</b>	<b>(2,675.1)</b>	<b>(523.7)</b>	<b>(625.5)</b>	<b>(662.4)</b>	<b>(592.5)</b>	<b>(617.1)</b>	<b>(454.7)</b>	<b>(540.5)</b>
Exports	481.4	570.6	641.7	154.3	277.8	122.0	115.0	186.5	60.9	112.4
Imports	2,631.6	3,109.0	3,316.8	678.0	903.3	784.4	707.6	803.5	515.6	652.9
<b>II. Services (Net)</b>	<b>1,215.7</b>	<b>1,379.6</b>	<b>2,310.7</b>	<b>892.0</b>	<b>857.6</b>	<b>525.7</b>	<b>355.5</b>	<b>561.0</b>	<b>(214.6)</b>	<b>(242.1)</b>
Transportation	(288.7)	(383.4)	(411.6)	(109.8)	(103.6)	(65.2)	(93.2)	(96.1)	(37.1)	(45.4)
Travel	2,396.7	2,559.6	3,395.8	1,223.5	1,110.8	793.0	662.9	883.0	(2.9)	0.2
Insurance Services	(156.6)	(114.0)	(154.0)	(36.8)	(34.9)	(49.7)	(23.1)	(32.3)	(40.3)	(42.5)
Offshore Companies Local Expenses	168.8	130.1	249.5	58.5	52.8	34.2	38.2	59.6	42.1	45.7
Other Government	(208.7)	(105.8)	(97.0)	(66.0)	(22.7)	(29.9)	(13.8)	(70.6)	(31.8)	(59.5)
Other Services	(695.8)	(706.8)	(672.1)	(177.4)	(144.8)	(156.8)	(215.6)	(182.2)	(144.6)	(140.5)
<b>III. Income (Net)</b>	<b>(439.9)</b>	<b>(360.7)</b>	<b>(682.3)</b>	<b>(115.3)</b>	<b>(159.3)</b>	<b>(108.9)</b>	<b>(163.8)</b>	<b>(122.9)</b>	<b>(146.4)</b>	<b>(72.6)</b>
1. Compensation of Employees	(38.9)	(38.7)	(28.9)	(11.7)	(14.3)	(16.8)	(20.0)	(26.9)	(21.6)	(24.1)
2. Investment Income	(401.0)	(321.9)	(653.3)	(103.5)	(145.1)	(92.1)	(143.8)	(96.0)	(124.8)	(48.5)
<b>IV. Current Transfers (Net)</b>	<b>315.1</b>	<b>(55.2)</b>	<b>(68.6)</b>	<b>(3.1)</b>	<b>9.7</b>	<b>137.7</b>	<b>701.9</b>	<b>254.3</b>	<b>113.9</b>	<b>12.0</b>
1. General Government	117.4	114.0	132.8	41.4	42.0	31.5	30.1	39.1	10.2	(1.2)
2. Private Sector	197.6	(169.2)	(201.4)	(44.4)	(32.3)	106.1	671.8	215.2	103.7	13.2
<b>B. Capital and Financial Account (I+II)</b>	<b>778.0</b>	<b>1,572.0</b>	<b>609.1</b>	<b>(14.2)</b>	<b>167.8</b>	<b>26.0</b>	<b>51.3</b>	<b>115.9</b>	<b>535.6</b>	<b>726.4</b>
(excl. Reserves)										
<b>I. Capital Account (Net Transfers)</b>	<b>(13.8)</b>	<b>(26.1)</b>	<b>(20.7)</b>	<b>(2.4)</b>	<b>(6.6)</b>	<b>(9.8)</b>	<b>(1.4)</b>	<b>(1.1)</b>	<b>(3.8)</b>	<b>(7.0)</b>
<b>II. Financial Account (Net)</b>	<b>791.8</b>	<b>1,598.1</b>	<b>629.7</b>	<b>(11.9)</b>	<b>174.4</b>	<b>35.8</b>	<b>52.7</b>	<b>117.0</b>	<b>539.4</b>	<b>733.4</b>
1. Direct Investment	390.4	304.6	491.4	46.1	89.0	77.0	52.4	64.7	40.3	56.2
2. Portfolio Investment	(21.7)	(16.7)	(11.7)	(1.8)	(2.0)	(2.3)	(4.2)	(1.8)	55.5	70.1
3. Other Investments	423.1	1,310.2	150.0	(56.3)	87.3	(39.0)	4.5	54.1	443.6	607.1
Central Gov't Long Term Capital	118.5	834.7	(8.2)	(33.9)	(4.8)	17.3	(0.6)	40.4	293.2	354.5
Other Public Sector Capital	100.4	(9.8)	(39.7)	(4.5)	(6.3)	(5.5)	(6.3)	(5.0)	(7.0)	(5.4)
Banks	(306.3)	39.5	(140.8)	(76.4)	43.5	(78.8)	(45.1)	(64.8)	132.3	86.2
Other	510.5	445.8	338.7	58.6	54.8	28.0	56.5	83.4	25.1	171.9
<b>C. Net Errors and Omissions</b>	<b>373.4</b>	<b>516.1</b>	<b>285.2</b>	<b>4.6</b>	<b>(129.5)</b>	<b>83.1</b>	<b>(152.8)</b>	<b>109.8</b>	<b>158.0</b>	<b>171.2</b>
<b>D. Overall Balance (A+B+C)</b>	<b>92.0</b>	<b>513.4</b>	<b>(221.0)</b>	<b>240.3</b>	<b>120.7</b>	<b>1.2</b>	<b>199.5</b>	<b>301.8</b>	<b>(8.1)</b>	<b>54.4</b>
<b>E. Financing (Net)</b>	<b>(92.0)</b>	<b>(513.4)</b>	<b>221.0</b>	<b>(240.3)</b>	<b>(120.7)</b>	<b>(1.2)</b>	<b>(199.5)</b>	<b>(301.8)</b>	<b>8.1</b>	<b>(54.4)</b>
Change in SDR holdings	2.3	(3.9)	(46.5)	0.6	(0.1)	(17.2)	(17.3)	(12.7)	(0.1)	(5.2)
Change in Reserve Position with the IMF	(17.3)	(1.5)	0.6	0.0	(0.0)	0.5	(0.4)	0.5	(0.4)	(0.6)
Change in Ext. Foreign Assets ( ) = Increase	(77.0)	(507.9)	266.9	(241.0)	(120.6)	15.5	(181.9)	(289.7)	8.6	(48.5)

Source: Central Bank of the Bahamas

\* Figures may not sum to total due to rounding

**TABLE 15**  
**EXTERNAL TRADE**

(B\$ '000s)

Period	2016	2017	2018	2018				2019		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
I. OIL TRADE										
i) Exports	45,510	72,691	101,558	26,569	19,774	26,898	28,317	22,287	22,480	14,522
ii) Imports	402,526	552,863	583,402	145,498	102,957	233,644	101,302	127,670	170,258	256,544
II. OTHER MERCHANDISE										
Domestic Exports										
Crawfish	34,435	78,262	58,684	17,502	6,922	6,254	28,006	15,984	22,008	11,102
Fish Conch & Other Crustacea	33,783	3,239	2,770	367	1,435	618	350	1,045	1,437	1,356
Other Cordials & Similar Materials/Sponge	884	572	450	123	9	141	177	190	271	310
Fruits & Veggies.	--	--	--	--	--	--	--	--	--	--
Aragonite	2,040	2,390	2,816	535	735	849	697	607	873	474
Other Natural Sands	349	598	531	47	153	260	71	77	95	59
Rum/Beverages/Spirits & Vinegar	--	--	--	--	--	--	--	--	--	--
Crude Salt	4,099	6,155	13,218	5,147	2,152	1,784	4,135	3,602	1,157	1,750
Polystrene Products	80,010	95,068	80,956	16,548	19,691	23,130	21,587	25,792	17,651	14,562
Other	46,589	42,513	78,016	7,628	24,880	24,250	21,258	10,283	24,048	7,945
i) Total Domestic Exports	202,189	224,783	237,442	47,897	55,977	57,286	76,281	57,580	67,540	37,558
ii) Re-Exports	155,016	171,844	174,382	34,664	88,742	30,650	20,326	40,906	145,357	28,738
iii) Total Exports (i+ii)	357,205	396,627	411,823	82,561	144,719	87,936	96,607	98,486	212,897	66,296
iv) Imports	2,529,125	2,874,959	2,938,015	705,378	875,255	657,741	699,641	581,257	811,272	678,286
v) Retained Imports (iv-ii)	2,374,109	2,703,115	2,763,633	670,714	786,513	627,091	679,315	540,351	665,915	649,548
vi) Trade Balance (i-v)	(2,171,920)	(2,478,332)	(2,526,192)	(622,817)	(730,536)	(569,805)	(603,034)	(482,771)	(598,375)	(611,990)

Source: Department of Statistics Quarterly Statistical Summaries

**TABLE 16**  
**SELECTED TOURISM STATISTICS**

Period	2017	2018	2019	2019				2020		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
<b>Visitor Arrivals</b>	6,135,839	6,622,015	7,249,516	1,994,296	1,888,129	1,555,388	1,811,703	1,701,017	3,998	34,068
Air	1,335,613	1,558,086	1,662,419	482,626	498,300	361,194	320,299	347,450	1,736	21,790
Sea	4,800,226	5,063,929	5,587,097	1,511,670	1,389,829	1,194,194	1,491,404	1,353,567	2,262	12,278
<b>Visitor Type</b>										
Stopover	1,451,833	1,623,538	1,802,270	524,127	546,269	400,373	335,534	357,124	3,294	26,050
Cruise	4,626,259	4,877,596	5,433,359	1,474,573	1,330,506	1,156,420	1,471,860	1,327,084	--	58
Day/Transit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Tourist Expenditure(B\$ 000's)</b>	2,930,200	3,727,564	4,125,457	1,295,080	1,182,263	887,203	760,911	n.a.	n.a.	n.a.
Stopover	2,614,300	3,370,592	3,729,872	1,169,315	1,068,624	804,622	687,311	n.a.	n.a.	n.a.
Cruise	313,500	354,219	392,850	124,844	112,940	82,035	73,030	n.a.	n.a.	n.a.
Day	2,400	2,753	2,735	921	698	546	570	n.a.	n.a.	n.a.
<b>Number of Hotel Nights</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Average Length of Stay</b>	7.1	6.7	6.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>YTD Average Hotel Occupancy Rates (%)</b>										
New Providence	59.3	59.8	65.1	74.9	73.7	69.5	65.1	n.a.	n.a.	n.a.
Grand Bahama	54.6	55.8	49.8	58.1	54.1	53.1	49.8	n.a.	n.a.	n.a.
Other Family Islands	41.6	43.9	48.1	50.2	52.0	49.3	48.1	n.a.	n.a.	n.a.
<b>YTD Average Nightly Room Rates (\$)</b>										
New Providence	240.38	251.17	265.70	300.94	281.65	264.61	265.70	n.a.	n.a.	n.a.
Grand Bahama	68.09	69.50	84.54	76.09	79.81	82.18	84.54	n.a.	n.a.	n.a.
Other Family Islands	235.56	251.12	251.76	295.91	274.90	261.53	251.76	n.a.	n.a.	n.a.

Source: The Ministry of Tourism