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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

OVERVIEW

Preliminary indications are that the Bahamian economy maintained its healthy recovery momentum during the first quarter of 2022, amid ongoing adjustment to the Novel Coronavirus (COVID-19). Tourism output continued to strengthen, buoyed by seasonal gains in both the high value-added stopover segment and the rebound in sea traffic, albeit remaining below pre-pandemic levels. Further, a number of small to medium-scale foreign investment-related projects, as well as ongoing post-hurricane rebuilding works, undergirded activity in the construction sector. In price developments, domestic inflation increased, reflective of the pass-through effects of higher international goods and oil prices.

Preliminary data for the third quarter of FY2021/22, showed that the Government's overall deficit narrowed considerably, compared to the same quarter for FY2020/21. Underlying this outturn was a VAT-led increase in total revenue, which outweighed the growth in aggregate expenditure. Budgetary financing was secured from both external and domestic sources, including a mix of long and short-term debt instruments.

In monetary developments, bank liquidity expanded, as the growth in the deposit base, contrasted with the reduction in domestic credit. Similarly, the accumulation in external reserves was attributed to net foreign currency inflows from real sector activities, and the further receipt of proceeds from Government's external borrowings. In addition, supported by loan write-offs and improving economic conditions, banks' credit quality indicators improved during the review quarter. Further, the latest available data for the fourth quarter of 2021, revealed that domestic banks overall profitability levels increased, underpinned by a decline in operating costs and provisions for bad debt.

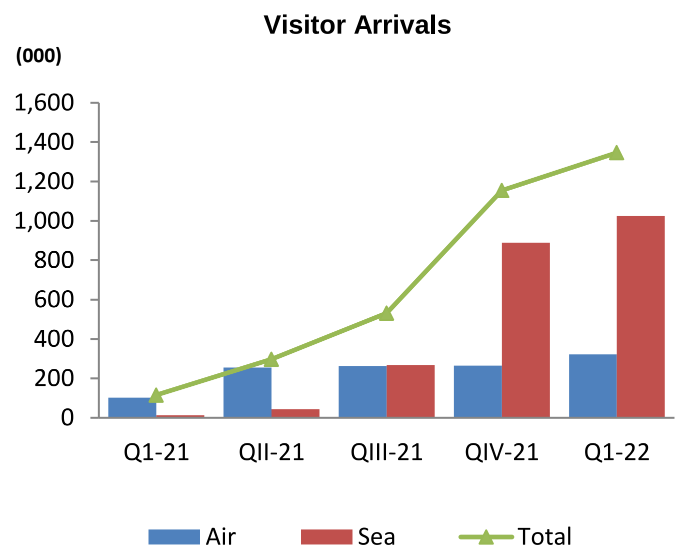
In the external sector, the estimated current account deficit narrowed markedly during the review quarter, owing to a considerably increase in the service account surplus, largely attributed to a recovery in tourism. Similarly, the financial account inflows expanded, bolstered by debt financed inflows to the Government. Meanwhile, the capital account transfers recorded nil transactions, vis-à-vis net receipts the previous year, which had included residual hurricane re-insurance inflows.

REAL SECTOR

TOURISM

Tourism output continued to strengthen during the first quarter of 2022, although remaining below pre-COVID levels. Despite the ongoing, although subsided, presence of COVID-19 and the emergence of new strains of the virus, the high valued air segment registered healthy seasonal gains and sea traffic a notable rise, as vaccination efforts progressed and the pandemic-related restrictions eased in some of the major source markets.

Information from the Ministry of Tourism revealed that for the three-months to March, total visitor arrivals advanced to 1.3 million from just 115,894 visitors in the comparative period last year. Contributing to this outturn, the high value-added stop over component more than tripled to 321,328 arrivals, vis-à-vis 102,882 in the previous year. Likewise, sea arrivals increased to 1.0 million from just 13,012 a year earlier, when the voyage of cruise vessels was prohibited.



A breakdown by major ports of entry showed that total visitor arrivals to New Providence measured 667,724 visitors, from 68,237 in the corresponding period last year. Underlying this outturn, air passengers strengthened to 243,647 from 65,074 a year earlier and sea arrivals restored to 424,077 from just 3,163 in the prior year. Further, visitor traffic to the Family Islands grew to 628,157 compared with 43,219 arrivals in 2021, attributed to notable gains in both sea and air travellers to 557,752 and 70,405, respectively, from 7,882 and 35,337 in the preceding year. Likewise, visitors to Grand Bahama advanced to 50,743 from only 4,438 in the previous year, as the dominant sea segment registered 43,467 passengers from 1,967 in the preceding year, while the air component amounted to 7,276 from 2,471 in 2021.

Similar trends were observed in the private vacation rental market, as the demand for off-resort business persisted during the review quarter. Specifically, total room nights sold more than doubled to 354,237 from 175,845 in the first quarter of 2021. An analysis by rental category revealed that bookings for entire place listings almost doubled to 314,908, from 156,771 in the comparative period last year and for hotel comparable listings to 39,329, from 19,074. Moreover, average occupancy levels for entire place listings increased by 15.3 percentage points to 55.7%, while the corresponding average daily rate (ADR) rose by 9.4% to $499.51. Likewise, the hotel comparable listings registered a 14.0 percentage point rise in the average occupancy rate to 51.3%, and the associated ADR rose by 15.7% to $184.64.

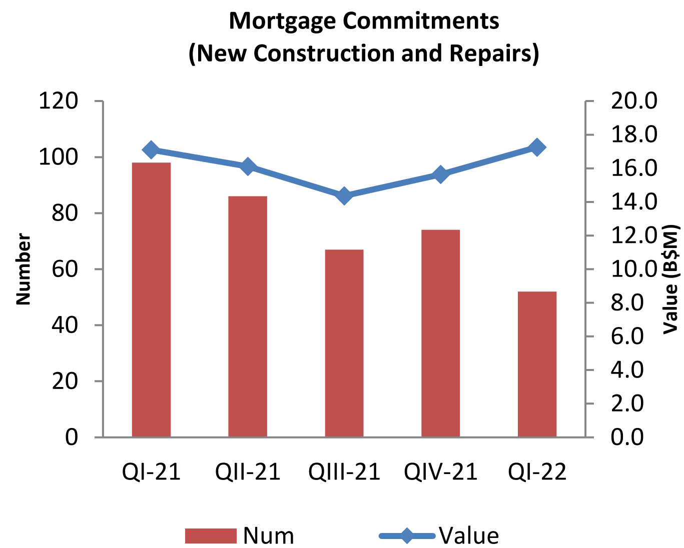
Data provided by the Nassau Airport Development Company Limited (NAD) showed that quarterly departures—net of domestic passengers—more than tripled to 275,086 from 71,686 passengers. Underlying this outturn, U.S. departures restored to 235,432 visitors, a reversal from the 78.6% reduction in the comparative 2021 period, while non-U.S. international departures recovered to 39,654 from just 5,215 in the preceding year.

CONSTRUCTION

During the first quarter, construction sector activity continued to be supported by varied-scale foreign investment projects; albeit bank-financed domestic private sector activity remained subdued.

In domestic financing developments, total mortgage disbursements for new construction and repairs—as reported by banks, insurance companies and the Bahamas Mortgage Corporation—reduced by 33.8% ($8.2 million) to $16.1 million, extending the 6.4% falloff last year. Contributing to this outturn, residential mortgage disbursements decreased by 37.3% ($9.0 million) to $15.1 million, from a 7.1% decline last year. In contrast, the commercial segment increased to $0.8 million from just $0.2 million in the preceding year.

Total mortgage commitments for new buildings and repairs—a forward-looking indicator of domestic activity—fell by 36 to 52, compared to the same period in 2021. However, the associated value grew by $2.1 million (13.8%) to $17.3 million. Disaggregated by loan category, the number of residential undisbursed approvals declined by 37 to 48, with the corresponding value lower by $2.8 million (19.5%) at $11.5 million. Further, commercial commitments edged up by 1 to 4, while the corresponding value strengthened to $5.8 million from just $0.9 million in the previous year.



In terms of interest rates, average loan financing for commercial mortgages widened by 57 basis points to 7.08%. Conversely, the average rate for residential mortgages narrowed by 15 basis points to 6.38%.

PRICES

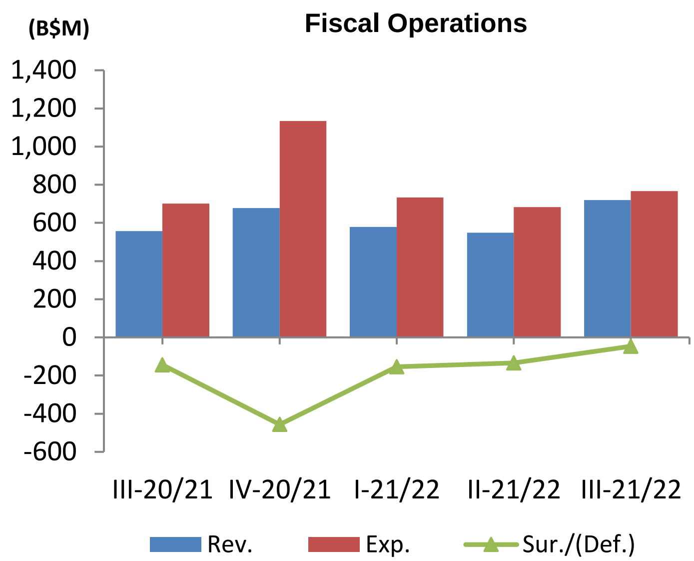
In the latest available estimates, domestic consumer price inflation—as measured by changes in the average Retail Price Index for The Bahamas—continued to reflect the pass-through effects of the rise in imported goods and oil costs. Specifically, for the twelve months to February, average consumer prices rose by 3.4%, outpacing the muted 0.04% increase in the comparative period of 2021. Contributing to this development, average costs for transport grew by 12.5% and for communication, by 11.4%, after posting respective reductions in the prior year. Similarly, in contrast to the previous year's decreases, average prices firmed for housing, water, gas, electricity & other fuels—the most heavily weighted component—by 2.5% and for education, by 2.1%. In addition, average inflation quickened for clothing & footwear (5.8%), alcohol beverages, tobacco & narcotics (5.1%), health (4.0%), food & non-alcoholic beverages (3.3%), restaurant & hotels (2.9%) and furnishing, household equipment & routine household maintenance (2.6%). In a modest offset, average costs for miscellaneous goods and services reversed to a decline of 1.8%, from an increase of 3.3% in the prior year. Further, the average reduction in recreation & culture costs extended to 4.4% from 1.5% a year earlier.

Domestic energy cost developments were mixed during the first quarter of 2022, despite the uptrend in international oil prices. Specifically, the average price of gasoline rose by 10.5% to $5.27 per gallon over the three-month period, and by 35.5% in comparison to the same period of 2021. However, diesel costs decreased by 7.6% to $4.83 per gallon over the three month period; but on an annual basis, the average price was higher by 10.6%. Further, as a result of the hedging arrangement secured by Bahamas Power and Light's (BPL), the average fuel charge held steady at 10.50 cents per kilowatt hour (kWh) during the first quarter of 2022 and year-over-year.

Fiscal Operations

Overview

Provisional data on the Government's budgetary operations for the third quarter of FY2021/22 revealed that the overall deficit declined notably to $46.4 million from $144.5 million in the comparable period of FY2020/21. Higher VAT receipts led to a $163.6 million (29.4%) growth in total revenue, to $720.2 million, which outstripped the $65.5 million (9.3%) rise in aggregate expenditure to $766.6 million.



Revenue

Tax receipts—which constituted 83.5% of aggregate inflows—recovered by $136.6 million (29.4%) to $601.2 million. Specifically, VAT collections—at a dominant 49.7% of tax revenue—grew by $115.6 million (63.1%) to $299.0 million. Partially offsetting, proceeds from stamp taxes on financial and realty transactions fell to $3.9 million from $20.1 million in the preceding year. Meanwhile, receipts from specific taxes—primarily gaming—rose more than three-fold to $19.7 million from $5.4 million in the prior year. In contrast, revenue from excise taxes declined sharply to $5.9 million from $40.1 million a year earlier.

Government Revenue By Source
January - March

	FY20/21		FY21/22	
	B$M	%	B$M	%
Property Tax	71.5	12.9	69.6	9.7
Value Added Tax	183.4	32.9	299.0	41.5
Stamp Taxes (Financial & Realty)	20.1	3.6	3.9	0.5
Excise Tax	40.1	7.2	5.9	0.8
Specific Taxes (Gaming Tax)	5.4	1.0	19.7	2.7
Motor Vehicle Taxes	10.6	1.9	10.5	1.5
Company Taxes	11.2	2.0	11.7	1.6
License to Conduct Specific Bus. Act.	61.6	11.1	53.8	7.5
Marine License Activities	0.6	0.1	1.5	0.2
Customs & Other Import Duties	48.5	8.7	63.5	8.8
Taxes on Exports	8.4	1.5	35.0	4.9
Departure Taxes	2.9	0.5	22.2	3.1
Other Taxes on Transctions	0.1	0.0	0.1	0.0
General Stamp Taxes	0.3	0.0	4.8	0.7
Property Income	1.6	0.3	15.4	2.1
Sales of Goods & Services	45.9	8.2	56.2	7.8
Fines, Penalties & Forfeits	1.6	0.3	1.3	0.2
Reimbursements & Repayments	42.4	7.6	42.5	5.9
Misc. & Unidentified Revenue	0.4	0.1	3.5	0.5
Total	**556.7**	**100.0**	**720.2**	**100.0**

With regard to the other components, taxes on the use or supply of goods decreased by $6.6 million (7.9%) to $77.4 million, explained by a $7.9 million (12.8%) reduction in revenue from business licenses fees, to $53.8 million. In addition, motor vehicle taxes fell slightly by $0.1 million (1.1%) to $10.5 million. In a modest offset, company taxes edged up to $11.7 million from $11.2 million and marine license taxes to $1.5 million from $0.6 million in the prior year.

In terms of the remaining categories, underpinned by the further strengthening in economic activity, taxes on international trade increased more than two-fold to $120.8 million from $59.9 million in the previous year.

In particular, proceeds from export taxes advanced to $35.0 million from $8.4 million, while buoyed by the recovery in travel, departure taxes moved higher to $22.2 million from just $2.9 million a year earlier, while customs & other import taxes increased by $15.0 million (30.9%) to $63.5 million. In contrast, collections from property taxes declined by $1.9 million (2.7%) to $69.6 million.

Non-tax receipts—at 16.5% of total revenue—grew by $27.0 million (29.3%) to $119.0 million. Underlying this outturn, property income advanced to $15.4 million from $1.6 million in the prior year, led by a timing-related rise in Government property receipts. Similarly, revenue from the sale of goods and services rose by $10.4 million (22.7%) to $56.2 million, attributed to notable gains in collections from immigration, customs administrative fees and general services. In addition, income from other "miscellaneous" sources increased by $3.1 million to $3.5 million, compared to the year earlier. However, proceeds from fines, penalties and forfeitures fell by $0.3 million (19.4%) to $1.3 million.

Expenditure

The growth in total expenditure was due primarily to a $67.6 million (10.5%) expansion in the current portion to $710.2 million, which outstripped the $2.2 million (3.7%) falloff in capital outlays to $56.4 million.

By economic categorization, the rise in current spending largely reflected higher disbursements for use of goods and services, by $38.6 million (33.9%) to $152.6 million. In addition, other miscellaneous payments rose by $20.7 million (30.0%) to $90.0 million, owing to a rise in insurance premium outlays by $20.1 million to $38.7 million and current transfers, by $0.6 million to $51.3 million. Similarly, subsidies expanded by $15.6 million (14.1%) to $126.3 million, explained by increased allocations to public health facilities. Interest payments on public debt also grew by $13.0 million (16.1%) to $94.0 million, on account of higher payments on both internal and external debt. In addition, employee compensation outlays moved higher by $9.3 million (5.4%) to $181.1 million. Conversely, disbursements for social benefits contracted by $30.1 million (32.0%) to $64.0 million.

The decline in capital outlays was largely attributed to a $6.2 million (33.6%) reduction in capital transfers to $12.3 million. In contrast, payments for acquisition of non-financial assets rose by $4.1 million (10.2%) to $44.1 million, owing to an increase in spending on fixed assets and land purchases.

Financing and the National Debt

Budgetary financing during the third quarter of FY2021/22, was obtained from both external and domestic sources. Specifically, external borrowings amounted to $539.8 million, and comprised of mostly commercial loans. Further, domestic funding totalled $482.0 million and consisted of loans & advances ($265.0 million), Government bonds ($149.6 million) and net Treasury bills/notes ($0.6 million). Debt repayment for the period totalled $805.7 million, of which the largest share (65.2%) went towards retiring Bahamian dollar debt.

As a result of these developments, the Direct Charge on the Government rose by $214.5 million (2.1%) over the quarter and by $1,005.8 million (10.6%) on an annual basis, to $10,532.4 million at end-March 2022. A disaggregation by component, showed that Bahamian dollar debt represented 54.0% of the total, while foreign currency liabilities accounted for the remaining 46.0%.

A further disaggregation by creditor revealed that banks held the largest share of internal debt (42.3%), followed by "other" private and institutional investors (39.6%), Central Bank (9.1%) and public corporations (9.0%). By instrument type, Government bonds comprised the majority of the domestic debt (67.9%) and featured an average maturity of 10.2 years, marginally lower than 10.3 years in 2021. In addition, Treasury bills & notes and loans & advances represented smaller shares of 18.7% and 13.3%, respectively.

The Government's contingent liabilities contracted by $1.7 million (0.4%) over the previous quarter and by $25.1 million (5.9%), year-on-year, to $397.4 million. As a consequence, the National Debt—inclusive of contingent liabilities—expanded by $212.8 million (2.0%) over the three-month period and by $980.7 million (9.9%), on an annual basis, to $10,929.8 million. However, given the rebound in the GDP estimates, the ratio of the Direct Charge to GDP decreased by an estimated 15.9 percentage points on a yearly basis, to 87.5% at end-March. In addition, the National Debt-to-GDP declined to an estimated 90.8%, compared to 108.0% in the same quarter of 2021.

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

	2020p	**2021p**	**2022p**
Direct Charge	62.0	103.4	87.5
National Debt	67.6	108.0	90.8
Total Public Sector Debt*	70.3	111.7	93.7

Source: Central Bank of The Bahamas and the Department of Statistics

GDP growth estimate for 2022 is derived from IMF projections.
[1] In the absence of actual quarterly GDP data for 2022, the ratios presented should be taken as broad estimates of the relevant debt ratios and are therefore subject to revision.

**Presented partially net of inter-public sector credit.*

PUBLIC SECTOR FOREIGN CURRENCY DEBT

Public sector foreign currency debt rose by $318.3 million (6.3%) to $5,351.1 million during the first quarter, and increased by $613.0 million relative to the same period in the previous year. In particular, new drawings of $607.6 million outstripped amortization payments of $287.7 million—both were inclusive of $171.8 million in Government's refinancing activities. By component, the Government's outstanding liabilities—which accounted for 90.6% of the total—expanded by $324.9 million (7.2%) to $4,845.5 million on a quarterly basis. In contrast, the public corporations' debt stock declined by $6.6 million (1.3%) to $505.6 million.

In comparison to the same quarter of 2021, total foreign currency debt service payments grew by $227.5 million to $321.7 million. In particular, Government's debt service payments moved higher by $244.0 million to $306.3 million, as amortization payments rose by $242.6 million to $280.1 million, while interest charges increased by $1.3 million (5.4%) to $26.2 million. In contrast, the public corporations' debt service payments reduced by $16.4 million (51.7%) to $15.3 million, as amortization payments declined by $15.7 million to $7.6 million and interest charges by $0.7 million (8.6%) to $7.8 million. As a result, net of refinancing, the Government's debt service to revenue ratio stood at 18.7%, an increase of 7.5 percentage points over the prior year, while the debt service ratio, against exports of goods and services, firmed to 14.2% at end-March from 19.6% in 2021.

A breakdown by creditor profile showed that the majority of the foreign currency debt was held by capital market investors (46.2%), followed by financial institutions (26.6%), multilateral institutions (22.0%), domestic banks (4.0%) and bilateral agencies (1.2%). A disaggregation by currency type revealed that, the majority of the stock was denominated in United States dollars (86.1%), with smaller portions in euro (5.2), IMF SDRs (4.7%), the Swiss franc (2.8%), and the Chinese yuan (1.2%). At end-March, the average maturity of the outstanding foreign currency debt stood at 8.6 years, slightly lower than the 8.7 years in 2021.

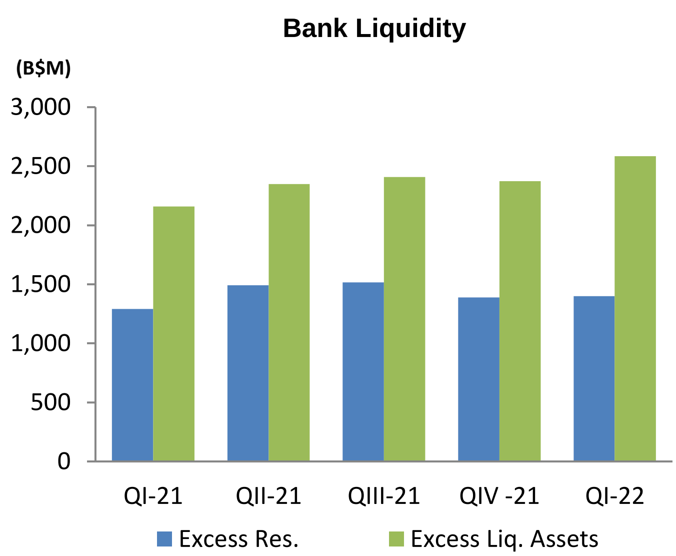
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

During the first quarter of 2022, monetary developments featured a buildup in banking sector liquidity, underpinned by an expansion in deposit balances, which contrasted with the decrease in domestic credit. External reserves recorded a notable accumulation, led by gains in net foreign currency inflows via real sector activity, and the further receipt of proceeds from Government's external borrowings. Meanwhile, banks' credit quality indicators improved over the review period, reflecting ongoing loan write-offs and improving economic conditions. In addition, fourth quarter profitability indicators—the latest period for which data is available—revealed that banks' overall net position continued to recover, attributed to contractions in non-staff related operating costs and bad debt provisioning. The weighted average interest rate spread widened during the first three months of 2022, as the average lending rate rose, while the corresponding deposit rate remained unchanged.

LIQUIDITY

Banks' net free cash reserves increased by $264.9 million (19.1%) to $1,652.8 million, contrasting with a $62.2 million (4.6%) contraction in the comparative 2021 period. At end-March, the ratio of free cash reserves to Bahamian dollar deposit liabilities stood at 21.1%, up from 17.6%, a year earlier. In addition, largely attributed to a rise in balances held with the Central Bank, the broader surplus liquid assets expanded by $327.4 million (13.8%) to $2,701.0 million, a reversal from a $71.6 million (3.2%) reduction in the prior year. At end-March, the surplus liquid assets exceeded the statutory minimum by approximately 192.6%, compared with 164.8% in the corresponding period of 2021.



DEPOSITS AND MONEY

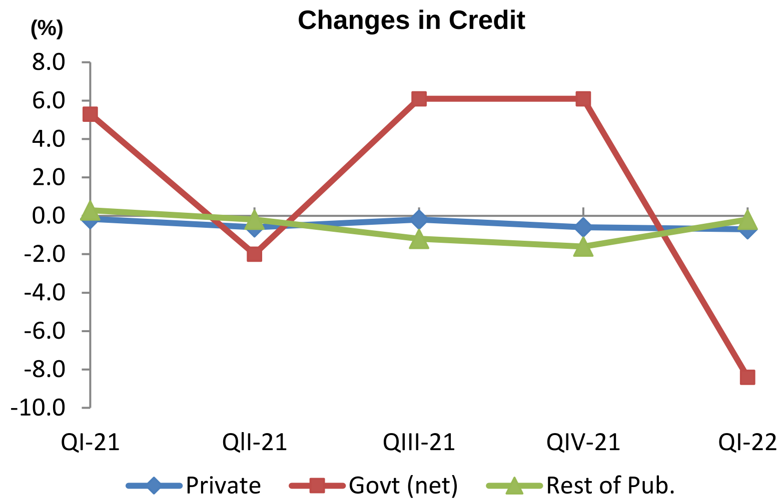
During the first quarter, the growth in overall money supply (M3) accelerated to $365.7 million (4.4%), from $104.7 million (1.3%) in the preceding year, placing the stock at $8,586.4 million. With regard to the components, the buildup in narrow money (M1) quickened to $302.3 million (8.1%), from $69.3 million (2.0%) in the previous year. Leading this outturn, demand deposits rose by $305.7 million (9.2%), exceeding the $68.7 million (2.2%) accumulation a year earlier, supported by gains in both private and public sector placements. Providing some offset, currency in active circulation declined by $3.3 million (0.9%), vis-à-vis an uptick of $0.7 million (0.2%) in the prior year. Further, broad money (M2) grew by $352.9 million (4.5%), extending the $67.5 million (0.9%) expansion in 2021. Specifically, the addition to savings balances strengthened to $62.4 million (3.3%) from $5.6 million (0.3%) last year. However, the falloff in fixed deposits deepened to $11.8 million (0.5%) from $7.5 million (0.3%) a year earlier. Further, residents' foreign currency deposits rose by $12.7 million (2.8%), albeit a slowdown from the $37.2 million (10.4%) growth recorded in 2021.

A disaggregation by category showed that Bahamian dollar demand deposits constituted the largest share of the aggregate money stock, at 42.3%, followed by fixed balances, at 25.2% and savings deposits, at 22.7%.

In addition, residents' foreign currency deposits and currency in active circulation accounted for significantly smaller shares of 5.4% and 4.4%, respectively.

DOMESTIC CREDIT

Led by a contraction in net credit to the Government, total domestic credit decreased by $288.6 million (3.2%) during the review quarter, a switch from a growth of $126.0 million (1.5%) a year earlier. This followed an average reduction of 0.5% over the preceding five-year period. In particular, the dominant Bahamian dollar segment—which constituted 97.1% of the total—reduced by $218.9 million (2.5%), vis-à-vis a $140.7 million (1.7%) increase in 2021. In addition, foreign currency credit declined by $69.7 million (22.0%), extending the $14.7 million (4.0%) falloff in the previous year.



By sector, net credit to the Government contracted by $246.9 million (8.4%) a turnaround from a $134.2 million (5.3%) buildup in the prior period, after external borrowing proceeds augmented local currency balances. The outcome extended the average moderation of 0.4% over the past five years. In addition, credit to the rest of the public sector declined by $0.5 million (0.2%), a reversal from an accretion of $0.9 million (0.3%) in 2021. Further, the reduction in private sector credit accelerated to $41.2 million (0.7%) from $9.1 million (0.2%) in the previous year.

Distribution of Bank Credit By Sector (End-Mar.)

	2022		2021	
	B$M	%	B$M	%
Agriculture	0.9	0.0	0.8	0.0
Fisheries	1.9	0.0	1.6	0.0
Mining & Quarrying	1.7	0.0	2.0	0.0
Manufacturing	36.7	0.6	45.3	0.7
Distribution	293.8	4.6	273.7	4.1
Tourism	15.9	0.2	15.2	0.2
Enter. & Catering	24.8	0.4	21.5	0.3
Transport	42.2	0.7	38.7	0.6
Construction	312.9	4.9	314.3	4.7
Government	734.3	11.5	911.0	13.5
Public Corps.	76.9	1.2	91.7	1.4
Private Financial	21.6	0.3	19.7	0.3
Prof. & Other Ser.	54.1	0.8	50.4	0.7
Personal	4,669.6	73.0	4,855.7	72.1
Miscellaneous	110.4	1.7	95.4	1.4
TOTAL	**6,397.7**	**100.0**	**6,737.0**	**100.0**

A decomposition of the various private sector categories showed that the falloff in personal loans—the largest component (73.0%)—deepened to $40.1 million (0.9%), from $18.4 million (0.4%) in 2021; extending an average decrease of 0.3% over the preceding five years. In the underlying transactions, consumer credit, contracted by $24.8 million (1.2%); residential mortgages, by $9.0 million (0.4%) and overdrafts, by $6.4 million (12.8%).

A detailed breakdown of Bahamian dollar consumer credit revealed that significant net repayments occurred for debt consolidation ($11.0 million) and "miscellaneous" purposes ($7.2 million). Outstanding balances also decreased for credit cards ($1.8 million), land purchases ($1.8 million) and private cars ($1.2 million); while more modest reductions of less than $1.0 million were registered for education, travel and medical services.

In contrast, net lending edged up for furnishings & domestic appliances ($0.4 million) and taxis & rented cars ($0.1 million).

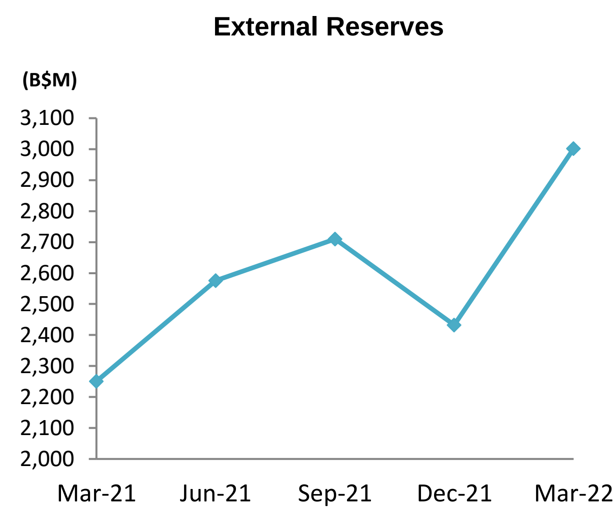
The remaining private sector loan categories featured net repayments for construction ($13.9 million), distribution ($2.8 million) and fisheries ($2.0 million). Conversely, lending rose for “miscellaneous” purposes ($6.4 million), entertainment & catering ($3.6 million), manufacturing ($3.2 million), private financial institutions ($2.7 million), transport ($1.3 million) and professional & “other” services ($0.4 million).

MORTGAGES

Data from domestic banks, insurance companies and the Bahamas Mortgage Corporation indicated that the total value of outstanding mortgages fell by $54.9 million (1.8%) to $2,922.4 million, extending the previous year’s reduction of $2.9 million (0.1%). Specifically, the dominant residential component—which comprised 93.1% of the total—reduced by $50.0 million (1.8%) to $2,719.5 million, marginally lower than the $51.8 million (1.9%) decline in the preceding period. Further, the commercial component moved lower by $4.9 million (2.4%) to $202.9 million, contrasting with a buildup of $48.9 million (29.2%) in 2021. At end-March, the majority of outstanding mortgages were held by domestic banks (87.0%), followed by insurance companies (6.6%) and the Bahamas Mortgage Corporation (6.4%).

THE CENTRAL BANK

During the first quarter, the Central Bank’s net claims on the Government contracted by $177.8 million (38.8%) to $280.1 million, underpinned by reductions in outstanding loans and advances, the holdings of debt securities and a rise in Government’s deposits. This outturn followed a growth of $72.8 million (42.1%) in the prior year, and an average decrease of $63.0 million (8.5%) over the preceding five-year period. In addition, the Bank’s net liabilities to commercial banks rose by $337.9 million (18.6%), to $2,150.9 million, a switch from a $64.5 million (3.7%) decline in 2021, as the accumulation of deposits overshadowed the falloff in notes and coins in circulation. Further, the Bank’s net liabilities to the rest of the public sector remained relatively unchanged, at $7.1 million.



External reserves grew by $568.8 million (23.4%), to $3,001.6 million, a reversal from a decrease of $131.4 million (5.5%) in 2021, buoyed by net foreign currency inflows via real sector activity, and the further receipt of proceeds from Government’s external borrowings. Contributing to this development, the Central Bank’s transactions reversed to a net foreign currency purchase of $566.8 million, vis-à-vis a net sale of $128.4 million in the prior year. Specifically, net purchases from the Government amounted to $382.9 million, contrasting with net outflows of $17.9 million a year earlier. Similarly, the Bank’s position with commercial banks shifted to a net purchase of $263.9 million, after a net sale of $50.9 million in the preceding year. In a modest offset, net foreign currency sales to the public corporations—mainly for fuel purchases—increased by $20.4 million, to $80.0 million.

At end-March, the stock of external reserves stood at an estimated 44.0 weeks of the current year's total merchandise imports (inclusive of oil purchases), a reduction from the 50.4 weeks in 2021. After adjusting for the 50.0% statutory requirement on the Bank's demand liabilities, "useable" reserves rose by $332.9 million (27.4%) to $1,549.2 million, relative to the same quarter of 2021.

DOMESTIC BANKS

Total net foreign liabilities of the domestic banks declined by $78.4 million (82.6%) to $16.5 million during the review quarter, extending the $45.9 million (19.1%) falloff registered a year earlier, attributed mainly to an uptick in net foreign assets due from bank entities outside of The Bahamas.

Domestic banks' credit decreased by $110.8 million (1.3%), contrasting with a growth of $52.9 million (0.6%) in 2021. In particular, net claims on the Government reduced by $69.1 million (2.8%), a reversal from an increase of $61.4 million (2.6%) in the prior year, owing primarily to a contraction in loans & advances. Further, the reduction in private sector credit deepened to $41.2 million (0.7%), from $9.1 million (0.2%) in the previous year. In addition, credit to public corporations edged down by $0.5 million (0.2%), following a gain of $0.6 million (0.2%) in 2021.

Banks' total deposit liabilities—inclusive of Government balances—rose by $330.1 million (4.1%), to $8,307.3 million, significantly higher than the $14.1 million (0.2%) accumulation in the previous year. The increase in private sector deposits accelerated to $304.1 million (4.0%) from $38.4 million (0.5%) in the preceding year, for an ending balance of $7,865.2 million. Deposit gains for public corporations were almost steadied at $17.1 million (8.4%); while Government balances rebounded by $8.8 million (4.2%) from a falloff of $44.0 million (15.0%) the previous year.

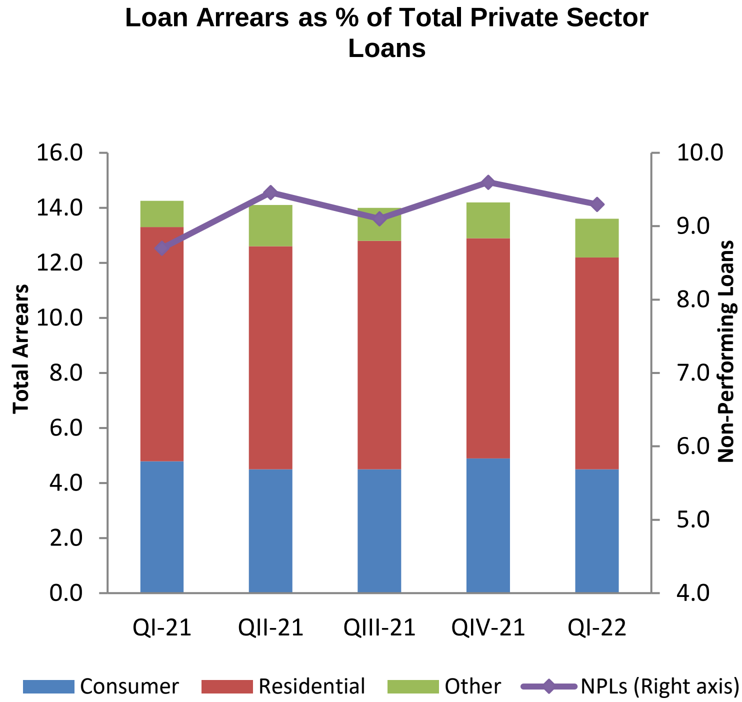
At end-March, the majority of banks' deposit liabilities were denominated in Bahamian dollars (94.4%), with mostly US dollar foreign currency denominations comprising the remaining 5.6%. An analysis by holder showed that private individuals held the largest share (52.5%) of total local currency accounts, followed by business firms (31.5%), private financial institutions (6.7%), the public sector (5.5%) and "other" miscellaneous entities (3.8%).

A breakdown by deposit categories showed that, demand balances represented the largest share (47.0%) of accounts, followed by fixed (28.2%) and savings (24.8%) deposits. Analyzed by range of value and number, the majority of accounts (87.1%), comprised Bahamian dollar balances of $10,000 or less, but constituted only 5.5% of the total value. Accounts with balances between $10,000 and $50,000 accounted for 8.5% of the facilities and 10.8% of the overall value, while deposits in excess of $50,000 represented 4.4% of the accounts, but 83.7% of the aggregate value.

CREDIT QUALITY

Banks' credit quality indicators improved during the review quarter, benefitting from the growth in the economy and sustained loan write-offs. Total private sector loan arrears decreased by $38.9 million (5.0%) over the quarter, and by $55.1 million (6.9%) on an annual basis, to $740.9 million. As a result, the ratio of arrears to total private sector loans narrowed on both a quarterly and year-on-year basis, by 61 and 63 basis points, respectively, to 13.6%.

Disaggregated by the age of delinquencies, the non-performing loans (NPLs) segment—arrears in excess of 90 days and on which banks have ceased accruing interest—reduced by $22.4 million (4.3%) to $505.5 million. The corresponding ratio declined by 34 basis points to 9.3% of total private sector loans. Similarly, the short-term (31-90 day) component fell by $16.5 million (6.6%) to $235.3 million, lowering the relevant ratio by 27 basis points, to 4.3% of total private sector loans.



Contributing to the quarterly decline in total private sector loan arrears was a $27.0 million (10.0%) falloff in consumer delinquencies to $243.0 million, while the attendant ratio moved lower by 1.2 percentage points to 12.1%. In addition, the mortgage component—at 56.9% of the total—decreased by $17.1 million (3.9%) to $421.3 million, with the associated ratio narrowing by 61 basis points to 16.6%. In contrast, commercial arrears rose by $5.2 million (7.3%) to $76.6 million, with a 62 basis points rise in the related ratio to 8.6%. Meanwhile, the NPL rate for mortgages moderated to 10.9% from 11.6% a year earlier; however, the rates for the consumer loans and commercial credit firmed to 9.1% and 5.2%, respectively, from 7.0% and 4.7% in 2021.

Capital Adequacy & Provisions

In line with the improvement in credit quality indicators, banks reduced their total provisions for loan losses by $17.7 million (3.5%) to $495.0 million during the first quarter. Nonetheless, the ratio of total provisions to total arrears rose by 1.1 percentage points to 66.8% and the ratio of total provisions to non-performing loans, by 0.8 percentage points, to 97.9%. Further, the coverage ratio of specific provisions to non-performing loans increased by 15 basis points to 75.6%. Moreover, banks wrote-off an estimated $21.5 million in delinquent balances and recovered approximately $12.8 million, during the first quarter.

Banks' capital levels remained elevated during the review quarter, as the average ratio of capital to risk-weighted assets firmed by 1.3 percentage points to 27.7%. The ratio also stayed well in excess of the regulatory prescribed target and trigger ratios of 17.0% and 14.0%, respectively.

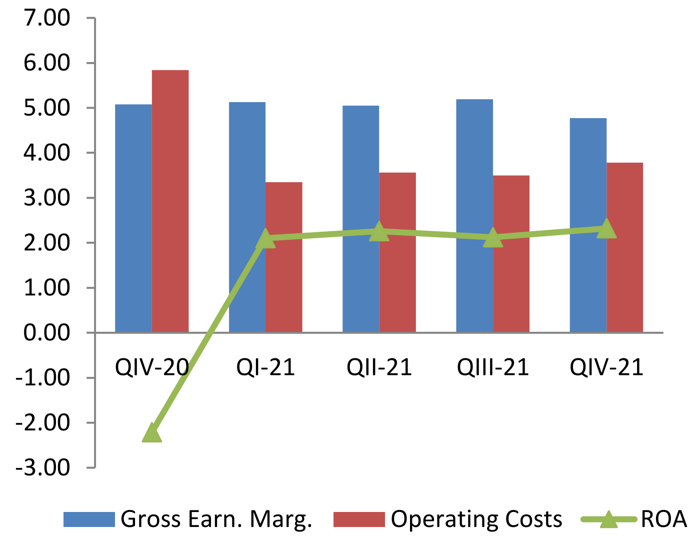
Bank Profitability

During the fourth quarter of 2021—the latest period for which data is available—banks reported a net income of $67.1 million, a switch from a net loss of $62.6 million in the same period of 2020. The outturn largely reflected reductions in non-staff related operating costs and bad debt expenses, along with a rise in non-interest earnings. Notwithstanding, the net interest margin decreased by $8.1 million (6.1%) to $123.9 million, as interest income fell by $8.0 million (5.6%) to $133.9 million, while interest expense edged up by $0.1 million (1.2%), to $10.1 million. Meanwhile, a $2.3 million (19.5%) rise in commission & foreign exchange fees to $14.3 million, slowed the $5.7 million (4.0%) reduction in the gross earnings margin, to $138.2 million.

As it relates to non-interest expense, banks' operating outlays fell by 33.7% to $109.6 million. Leading this outcome, non-staff related operating costs—inclusive of professional and rental expenses—contracted by 50.7%, to $61.3 million. In a partial offset, occupancy and staff-related costs both increased, by 19.3% and by 18.4%, to $3.9 million and $44.4 million, respectively. Further, banks recorded a net profit of $38.5 million on their "non-core" activities, a reversal from the preceding year's net loss of $41.3 million, as provisions for bad debt reduced by $54.1 million (73.7%), to $19.3 million, while other "non-interest" earnings grew by $26.3 million (71.8%), to $62.9 million. Meanwhile, depreciation costs moved higher by $0.7 million (14.4%), to $5.2 million.

Domestic Banks' Profitability

(% of Avg. Assets)



In line with these developments, movements in banks' profitability ratios varied over the quarter. As a percentage of average assets, the gross earnings margin decreased by 31 basis points to 4.77%, as a 38 basis point decline in the interest margin ratio, to 4.28%, outpaced a gain of 7 basis points in the commission & foreign exchange ratio, to 0.50%. In contrast, banks recorded a net earnings margin ratio of 0.99%, following the prior year's ratio of -0.75%, as the operating costs ratio narrowed by 2.1 percentage points, to 3.78%. Further, the net income ratio stood at 2.32%, compared with a net loss ratio of 2.21% in 2020, owing largely to a contraction in bad debt provisioning, and increased income from other "non-interest" earnings.

Banking Sector Interest Rates

Period Average (%)

	Qtr. I 2021	Qtr. IV 2021	Qtr. I 2022
Deposit Rates			
Demand Deposits	0.58	0.72	0.46
Savings Deposits	0.38	0.42	0.47
Fixed Deposits			
Up to 3 months	0.27	0.26	0.26
Up to 6 months	0.37	0.34	0.42
Up to 12 months	0.79	0.70	0.56
Over 12 months	1.22	1.12	1.05
Weighted Avg. Dep. Rate	**0.58**	**0.52**	**0.52**
Lending Rates			
Residential mortgages	5.18	5.08	5.24
Commercial mortgages	6.38	6.20	7.33
Consumer loans	12.18	12.65	12.94
Other Local Loans	8.11	6.95	6.35
Overdrafts	11.18	10.23	11.07
Weighted Avg. Loan Rate	**10.18**	**10.31**	**10.63**

Interest Rates

During the first quarter, the weighted average interest rate spread at commercial banks widened by 32 basis points to 10.11 percentage points. Underlying this outturn, the weighted mean lending rate rose by 32 basis points to 10.63%, while the weighted average deposit rate was unchanged, at 0.52%.

With regard to loans, increases were recorded across all categories. Specifically, the average rate on commercial mortgages rose by 1.1 percentage points to 7.33%. Similarly, mean rates moved higher on overdrafts by 84 basis points to 11.07%; consumer loans, by 29 basis points to 12.94%; and residential mortgages, by 16 basis points to 5.24%.

As it relates to deposits, the average rate on savings balances grew by 5 basis points, to 0.47%. Conversely, the mean rate on demand deposits fell by 26 basis points, to 0.46%. Meanwhile, the average range of interest offered on fixed balances tapered to 0.26%-1.05%, relative to 0.26%-1.12% in the prior quarter.

Among other interest rates, the average Treasury bill rate increased by 6 basis points to 2.87%. Meanwhile, the Central Bank's Discount rate and commercial banks' Prime rate were unchanged, at 4.00% and 4.25%, respectively.

Capital Market Developments

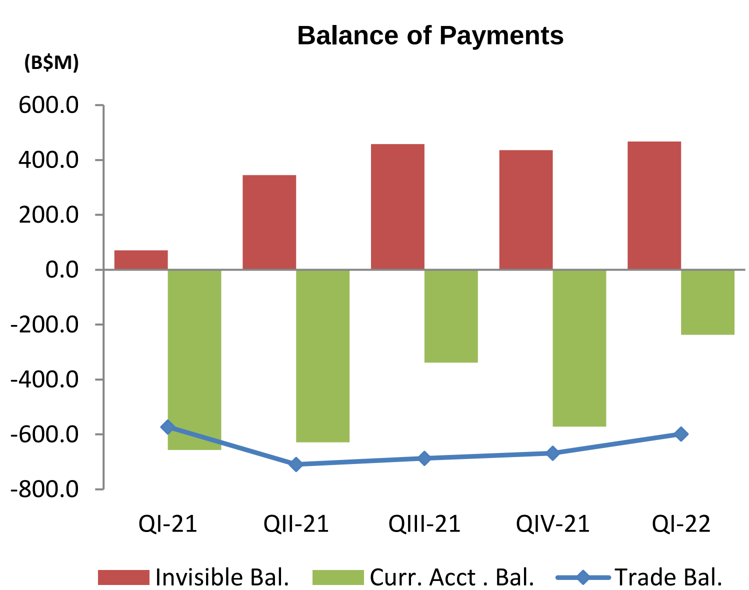
During the review quarter, the domestic capital market performance was mixed. The Bahamas International Securities Exchange (BISX) All Share Price Index registered a slight increase of 0.1% to 2,230.09 points, following a decline of 6.2% a year earlier. However, market capitalization reduced by 1.4% to $9.2 billion, albeit a moderation from a decrease of 5.7% in 2021.

The volume of trades on BISX rose by 16.4% to 2.3 million shares, although notably lower than the preceding year's almost three-fold increase to 5.2 million shares. Meanwhile, the corresponding value declined by $23.8 million (52.3%), to $21.7 million, contrasting with last year's more than two-fold expansion to $25.0 million.

As it relates to market listings, the number of publicly traded securities on the exchange reduced by 7 to 261, and comprised 20 ordinary shares, 8 preference shares and 233 debt tranches (of which Government & corporate bonds stood at 224 and 9, respectively).

International Trade and Payments

Preliminary estimates for the first quarter of 2022, revealed a significant narrowing in the external current account deficit to $236.4 million (64.0%), from $657.0 million in the corresponding period of 2021. Contributing to this development was a marked increase in the services account surplus, as the relaxation of globally imposed travel restrictions resulted in a rebound in travel receipts. Similarly, the financial account inflows, excluding reserve assets, expanded to $481.3 million from $305.5 million in the prior year, bolstered by debt financed inflows to the Government and net inward private investments. Meanwhile, the capital account transfers recorded nil transactions in the review quarter, vis-à-vis net receipts the previous year, which had included residual hurricane re-insurance inflows.



The estimated merchandise trade deficit grew by $25.5 million (4.5%) to $597.9 million in the review quarter, as imports rose by $102.2 million (15.3%) to $771.8 million, outweighing the $76.7 million (78.9%) rise in exports to $173.9 million. A further breakdown of trade flows showed that fuel payments increased by 30.3% to $218.7 million, on account of the uptrend in international oil prices. In terms of fuel types, average per barrel cost surged for aviation gas oil to $176.72. Likewise, average per barrel price gains were recorded for gas oil, by 43.2% to $94.04; kerosene jet-fuel, by 40.1% to $102.84; propane, 11.6% to $70.79 and motor gas, by 20.4% to $104.30. However, the cost for bunker-c fuel remained unchanged at $57.45 per barrel relative to 2021.

The surplus on the services account expanded to $467.6 million in the first quarter of 2022, from $71.4 million in the comparative 2021 period. Underlying this outturn, net travel receipts—the dominant segment of the services account—increased considerably to $787.1 million from $299.1 million a year earlier, as tourism activities rebounded with the relaxation of COVID-19 related travel restrictions. Providing some offset, net payments for Government goods and services surged to $40.1 million, from $9.3 million in the previous year. Likewise, net payments for transportation services advanced by $29.9 million (55.4%) to $83.8 million, on account of a rise in both air (27.2%) and sea (2.6%) transport. Further, net outflows for "other business" services, rose by $13.9 million (15.9%) to $101.5 million and for insurance services, by $11.2 million (25.1%) to $55.8 million. In addition, net payments for construction services moved higher by $3.1 million (13.7%) to $25.6 million, while net outflows for telecommunications, computer and information services increased by $2.8 million (33.6%) to $11.1 million, and charges for the use of intellectual property, by $0.3 million (18.9%) to $1.7 million.

During the review quarter, the primary income account deficit (against wages and investment income) narrowed by $11.2 million (10.34%) to $97.8 million. In the underlying transactions, net investment income outflows moderated to $78.7 million, from $93.2 million in the previous year. In particular, "other" net investments income outflows—inclusive of interest and dividends by banks, other companies and the Government—decreased by $34.7 million (70.6%) to $14.5 million. In contrast, net remittances against portfolio investments outflows advanced to $23.3 million from $8.6 million a year earlier, while net outflows for direct investments rose by $5.4 million (13.2%) to $46.4 million. Further, net outflows for employee's compensation grew by $3.4 million (21.4%) to $19.2 million.

Predominantly reflecting net transfers, the secondary income account deficit reduced to $8.1 million from $47.0 million in the comparative 2021 period, as general Government net inflows increased to $23.0 million, from a $0.3 million in the previous year. Similarly, other net private current transfers reversed to an inflow of $2.5 million, from an outflow of $12.6 million a year earlier. Further, various private financial and non-financial net outflows edged down by $1.1 million to $33.6 million, inclusive of a slightly lower workers' remittances portion.

During the first quarter, there were no estimated, primarily capital transfers, for the capital account—which comprised financial corporations, non-financial corporations, households and non-financial institutions serving households (NPISHs). Hurricane Dorian residual re-insurance inflows of $53.9 million were recorded in the prior year.

The net financial inflows—representing net investment inflows—expanded to $481.3 million from $305.5 million in the comparative period last year, largely reflective of increased debt-financed inflows to the Government. Contributing to this outturn, net portfolio investment outflows reduced considerably to $63.6 million from $671.1 million in the preceding year, as net acquisition of debt securities liabilities (largely on bank balance sheets) fell sharply to $41.9 million from $629.7 million a year earlier; while equity and investment fund shares net outflows declined by $19.6 million (47.4%) to $21.7 million. In terms of 'other investment', net inflows decreased to \$555.5 million from \$847.1 million in 2021. This was mainly owing to a notable reduction in net currency and deposits inflows of banks to \$106.9 million from \$781.0 million in the preceding year. However, the net incurrence of loan liabilities increased to \$343.8 million, from \$108.6 million in the prior year, amid net borrowing activities of the public sector. In addition, "other" accounts receivable/payable on domestic banks' balance sheets switched to a net inflow of \$99.5 million from a net outflow of \$39.7 million in the previous year. Associated with valuation changes, IMF Special Drawing Rights allocations also recorded a net inflow of \$5.3 million, a reversal from a net outflow of \$2.9 million in 2021.

As a result of these developments, and after adjusting for net errors and omissions, the net movement in reserve assets, which corresponds to the change in the Central Bank's external reserves, reversed to a surplus of \$568.6 million, from a deficit of \$131.4 million in the first quarter of 2021.

INTERNATIONAL ECONOMIC DEVELOPMENTS

Indications are that growth in the global economy moderated, amid ongoing challenges with new strains of COVID-19. In addition, geopolitical tensions in Eastern Europe and supply shocks resulted in upward inflationary pressures. However, labour market conditions continued to improve in the review quarter. In this environment, some of the major central banks tightened their monetary policy stances in an effort to curtail rising inflation.

During the first quarter of 2022, most of the major economies sustained their positive growth trajectories, albeit at a reduced pace. In particular, in the United Kingdom, real GDP grew by 0.8% during the three months to March, a moderation from the 1.3% growth in the prior quarter, underpinned by a falloff in wholesale and retail services. Similarly, in the euro area, the gain in real economic output slowed to 0.2%, from 0.3% in the previous quarter. In Asia, China quarterly GDP expansion also tapered to 1.3%, from the 4.0% in the prior quarter. Further, Japan's economy declined by an annualized rate of 0.2%, contrasting with the 0.9% expansion in the prior quarter, owing to reductions in public investment and private residential investment. Meanwhile, in the United States, real Gross Domestic Product (GDP) contracted by an annualized rate of 1.5% in the review quarter, a reversal from growth of 6.9% in the previous quarter, due primarily to decreases in private inventory investment, exports, federal, state and local Government spending.

Labour market conditions improved despite lackluster economic performance. In the United States, the jobless rate narrowed by 40 basis points to an average rate of 3.8% in the first quarter, with non-farm payrolls increasing by 431,000, bolstered by notable gains in leisure and hospitality, professional and business services, retail trade and manufacturing. Similarly, in the euro area, the jobless rate declined by 20 basis points to 6.8%, with the number of unemployed persons reducing by 76,000. In contrast, in the Asian economies, the first quarter unemployment rate for Japan rose by 10 basis points to 2.7%, compared to the preceding quarter, while China's jobless rate firmed by 70 basis points to 5.8%.

Global inflationary pressures remained elevated, attributed to supply shortages and a rise in international energy prices, related to the geopolitical tensions in Eastern Europe. Specifically, in the United States, the annualized inflation rate increased to 8.5% in March, from 7.0% in the prior quarter, underpinned by higher prices for gasoline, shelter and food. Likewise, consumer prices in the United Kingdom continued its upward trend to an annualized rate of 6.2% from 4.8% the preceding quarter, owing to gains in the costs of housing & household services and transportation. Further, consumer prices in the euro area rose by 2.5 percentage points over the prior quarter, to an annualized rate of 7.5%, reflective of higher energy, services, food, alcohol & tobacco, non-energy industrial goods, and services costs. In Asia, China's year-on-year inflation rate firmed to an annualized 1.5% in the three-months to March, a similar magnitude as the previous quarter, while Japan's annualized inflation rate advanced to 1.2% in March, from 0.8% in the prior quarter.

In the foreign currency market, developments varied in the first quarter of 2022. In particular, the dollar appreciated vis-à-vis the Japanese yen, by 5.8% to ¥121.7, the British pound, by 3.0% to £0.76, the euro, by 2.7% to €0.90, and Swiss Franc, by 1.1% to CHF0.92. Conversely, the dollar weakened relative to the Canadian dollar, by 1.0% to CAD$1.25 and the Chinese Renminbi, by 0.3% to CNY 6.34.

During the first quarter, most of the major global stock indices recorded losses, due in part the ongoing geopolitical tensions in Eastern Europe. In the United States, the S&P 500 index and the Dow Jones Industrial Average (DIJA) declined by 5.0% and 4.6%, respectively. Similar outturns were registered for the European bourses, as Germany's DAX contracted by 9.3% and France's CAC 40, by 6.9%; however, the United Kingdom's FTSE 100 moved higher by 1.8%. For the Asian market, China's SE Composite decreased by 10.7% and Japan's Nikkei 225, by 3.4%.

Reflective of the political unrest between Ukraine and Russia, average crude oil prices grew by 27.3% to $100.85 per barrel during the first quarter of 2022. In the precious metals market, the average prices of silver increased by 6.4% to $24.79 per troy ounce and gold, by 5.9% to $1,937.44 per troy ounce.

Developments in the major economies' external sector were mixed during the review quarter. In the United States, the first quarter trade deficit widened by $75.0 billion (35.1%) to $288.7 billion, vis-à-vis the same period of the previous year, explained by a 24.0% rise in imports, primarily industrial supplies and materials, and consumer goods, to $983.4 billion, which outweighed the 20.1% growth in exports, to $694.7 billion. Similarly, in the United Kingdom, the trade deficit grew by £19.6 billion to £62.2 billion, compared to the previous quarter, owing to a 15.2% increase in imports, combined with a 0.3% decline in exports. In the euro area, the trade balance reversed to a €51.2 billion deficit, from a surplus of €39.8 billion during the same period last year, on account of a 39.4% increase in imports, which overshadowed the 20.2% expansion in exports. In Asia, during the first quarter, Japan's trade deficit extended to ¥3,290.7 billion from ¥1,620.8 billion in the preceding quarter, attributed to a 34.6% expansion in imports, which outstripped the 14.5% rise in exports. Meanwhile, China's trade surplus grew by $46.6 billion (40.0%) to US$162.9 billion during the three-month period to March, as exports expanded by 15.6%, exceeding the 10.8% gain in imports.

Amid rising inflation related to geopolitical tensions in the Black Sea region, some of the major central banks tightened their monetary policy stances. Specifically, the United States' Federal Reserve raised its benchmark interest rate to a range of 0.25%-0.50% from 0.00%-0.25% in the preceding quarter, citing the adverse near-term impact of the Ukraine invasion and related events on inflation and overall economic activity. Similarly, the Bank of England increased its main policy rate to 0.75% from 0.25% in the prior quarter. Meanwhile, the European Central Bank re-affirmed its key interest rates on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively. The European Central Bank also decided to reinvest principal payments from maturing securities purchased under pandemic emergency purchase programme (PEPP), valued at €1,850.00, while the asset purchase programme (APP) is set to conclude in the third quarter of 2022. In Asia, the People's Bank of China lowered its 7- day reverse repo rate by 10 basis points to 2.1%, while the Bank of Japan left its policy rate at -0.1%.

STATISTICAL APPENDIX (TABLES 1-16)

TABLE 1
FINANCIAL SURVEY

Period	2017	2018	2019	2020		2021				2022
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
				(B$ Millions)						
Net foreign assets	1,152.5	1,072.1	1,790.7	1,985.2	2,141.9	2,056.3	2,466.7	2,569.2	2,337.9	2,985.0
Central Bank	1,417.4	1,196.3	1,758.1	2,106.2	2,382.2	2,250.7	2,576.1	2,709.9	2,432.8	3,001.6
Domestic Banks	(265.0)	(124.2)	32.6	(121.0)	(240.2)	(194.4)	(109.4)	(140.7)	(94.9)	(16.5)
Net domestic assets	5,336.2	5,486.4	5,497.7	5,551.2	5,209.0	5,330.7	5,236.4	5,176.8	5,641.9	5,353.2
Domestic credit	8,838.3	8,911.2	8,957.1	8,988.3	8,614.4	8,740.4	8,654.0	8,800.0	8,929.0	8,640.4
Public sector	2,855.5	3,025.0	3,065.5	3,154.6	2,848.3	2,983.4	2,930.2	3,085.0	3,248.3	3,000.9
Government (net)	2,383.0	2,539.3	2,620.9	2,765.3	2,524.4	2,658.6	2,606.0	2,764.6	2,933.1	2,686.2
Rest of public sector	472.5	485.8	444.6	389.3	323.8	324.8	324.1	320.4	315.2	314.7
Private sector	5,982.9	5,886.2	5,891.6	5,833.7	5,766.1	5,757.0	5,723.8	5,715.0	5,680.7	5,639.5
Other items (net)	(3,502.1)	(3,424.8)	(3,459.4)	(3,437.1)	(3,405.4)	(3,409.7)	(3,417.6)	(3,623.2)	(3,287.1)	(3,287.2)
Monetary liabilities	7,037.3	7,108.8	7,892.8	8,057.7	7,864.2	7,909.5	8,227.7	8,223.8	8,227.4	8,593.1
Money	2,654.0	2,728.2	3,248.4	3,543.4	3,472.1	3,499.4	3,727.8	3,706.4	3,722.2	4,024.5
Currency	292.6	310.4	336.8	383.1	373.0	368.1	372.2	381.5	392.6	389.3
Demand deposits	2,361.5	2,417.7	2,911.6	3,160.3	3,099.1	3,131.3	3,355.7	3,324.9	3,329.6	3,635.2
Quasi-money	4,383.3	4,380.7	4,644.4	4,514.3	4,392.1	4,410.2	4,499.9	4,517.4	4,505.2	4,568.5
Fixed deposits	2,737.9	2,552.0	2,419.6	2,244.0	2,245.2	2,244.0	2,218.0	2,221.8	2,172.6	2,160.8
Savings deposits	1,371.2	1,427.1	1,637.0	1,800.9	1,788.4	1,785.5	1,827.5	1,880.9	1,885.0	1,947.4
Foreign currency	274.1	401.5	587.9	469.4	358.5	380.6	454.4	414.7	447.7	460.4
				(percentage changes)						
Total domestic credit	(3.2)	0.8	0.5	0.5	(4.2)	1.5	(1.0)	1.7	1.5	(3.2)
Public sector	(3.5)	5.9	1.3	1.1	(9.7)	4.7	(1.8)	5.3	5.3	(7.6)
Government (net)	(6.6)	6.6	3.2	3.3	(8.7)	5.3	(2.0)	6.1	6.1	(8.4)
Rest of public sector	16.3	2.8	(8.5)	(12.1)	(16.8)	0.3	(0.2)	(1.2)	(1.6)	(0.2)
Private sector	(3.0)	(1.6)	0.1	0.3	(1.2)	(0.2)	(0.6)	(0.2)	(0.6)	(0.7)
Monetary liabilities	1.5	1.0	11.0	(0.4)	(2.4)	0.6	4.0	(0.0)	0.0	4.4
Money	7.9	2.8	19.1	0.6	(2.0)	0.8	6.5	(0.6)	0.4	8.1
Currency	4.3	6.1	8.5	0.7	(2.6)	(1.3)	1.1	2.5	2.9	(0.8)
Demand deposits	8.3	2.4	20.4	0.6	(1.9)	1.0	7.2	(0.9)	0.1	9.2
Quasi-money	(1.9)	(0.1)	6.0	(1.1)	(2.7)	0.4	2.0	0.4	(0.3)	1.4

Source: Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

Period	2017	2018	2019	2020		2021				2022
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
				(B$ Millions)						
Net foreign assets	1,482.6	1,394.7	2,133.1	2,361.6	2,520.0	2,439.9	2,859.7	2,907.3	2,680.4	3,341.1
Central Bank	1,417.4	1,196.3	1,758.1	2,106.2	2,382.2	2,250.7	2,576.1	2,709.9	2,432.8	3,001.6
Commercial banks	65.1	198.4	375.0	255.4	137.9	189.2	283.6	197.4	247.6	339.5
Net domestic assets	5,477.5	5,644.2	5,682.1	5,598.4	5,235.6	5,466.0	5,364.9	5,309.8	5,539.8	5,247.5
Domestic credit	8,808.7	8,866.4	8,898.8	8,908.0	8,546.6	8,710.6	8,610.7	8,760.8	8,884.5	8,597.9
Public sector	2,841.7	3,009.1	3,050.1	3,141.2	2,835.1	2,983.4	2,930.1	3,084.9	3,248.2	3,000.7
Government (net)	2,369.6	2,523.7	2,605.5	2,751.9	2,511.2	2,658.6	2,606.0	2,764.6	2,933.1	2,686.2
Rest of public sector	472.1	485.4	444.6	389.3	323.8	324.8	324.1	320.4	315.1	314.5
Private sector	5,967.0	5,857.2	5,848.6	5,766.8	5,711.6	5,727.2	5,680.6	5,675.9	5,636.3	5,597.1
Other items (net)	(3,331.2)	(3,222.2)	(3,216.7)	(3,309.6)	(3,311.0)	(3,244.5)	(3,245.9)	(3,451.0)	(3,344.7)	(3,350.3)
Monetary liabilities	6,960.3	7,038.4	7,814.3	7,959.0	7,754.6	7,905.0	8,223.5	8,216.3	8,219.1	8,587.8
Money	2,591.4	2,671.3	3,186.5	3,460.1	3,377.5	3,495.7	3,724.3	3,699.3	3,714.6	4,019.8
Currency	292.6	310.5	336.9	383.1	373.1	368.1	372.2	381.5	392.7	389.3
Demand deposits	2,298.8	2,360.8	2,849.6	3,077.0	3,004.4	3,127.6	3,352.1	3,317.8	3,321.9	3,630.4
Quasi-money	4,368.8	4,367.2	4,627.8	4,499.0	4,377.1	4,409.3	4,499.2	4,516.9	4,504.5	4,568.0
Savings deposits	1,371.2	1,427.1	1,637.0	1,800.9	1,788.4	1,785.5	1,827.5	1,880.9	1,885.0	1,947.4
Fixed deposits	2,725.8	2,540.6	2,408.3	2,230.9	2,230.8	2,244.0	2,218.0	2,221.8	2,172.6	2,160.8
Foreign currency deposits	271.9	399.4	582.5	467.2	357.9	379.8	453.7	414.3	446.9	459.9
				(percentage change)						
Total domestic credit	(3.2)	0.7	0.4	0.2	(4.1)	1.9	(1.1)	1.7	1.4	(3.2)
Public sector	(3.4)	5.9	1.4	1.1	(9.7)	5.2	(1.8)	5.3	5.3	(7.6)
Government (net)	(6.5)	6.5	3.2	3.3	(8.7)	5.9	(2.0)	6.1	6.1	(8.4)
Rest of public sector	16.3	2.8	(8.4)	(12.1)	(16.8)	0.3	(0.2)	(1.2)	(1.6)	(0.2)
Private sector	(3.1)	(1.8)	(0.1)	(0.2)	(1.0)	0.3	(0.8)	(0.1)	(0.7)	(0.7)
Monetary liabilities	1.4	1.1	11.0	0.2	(2.6)	1.9	4.0	(0.1)	0.0	4.5
Money	7.7	3.1	19.3	0.3	(2.4)	3.5	6.5	(0.7)	0.4	8.2
Currency	4.3	6.1	8.5	0.7	(2.6)	(1.3)	1.1	2.5	2.9	(0.9)
Demand deposits	8.1	2.7	20.7	0.2	(2.4)	4.1	7.2	(1.0)	0.1	9.3
Quasi-money	(1.9)	(0.0)	6.0	0.2	(2.7)	0.7	2.0	0.4	(0.3)	1.4

Source: Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B$ Millions)

Period	2017	2018	2019	2020		2021				2022
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Net foreign assets	1,417.4	1,196.3	1,758.1	2,106.2	2,382.2	2,250.7	2,576.1	2,709.9	2,432.8	3,001.6
Balances with banks abroad	698.5	375.8	794.5	465.7	307.6	273.1	666.2	511.8	323.8	662.7
Foreign securities	614.7	670.5	779.8	1,438.2	1,867.6	1,773.9	1,703.8	1,749.3	1,663.1	1,887.2
Reserve position in the Fund	27.5	26.8	26.7	27.1	27.8	27.3	27.5	27.2	27.0	27.3
SDR holdings	76.8	123.2	157.1	175.2	179.2	176.4	178.6	421.6	418.9	424.3
Net domestic assets	209.6	228.4	145.4	52.6	(85.4)	(25.7)	(76.1)	(62.4)	192.7	(36.1)
Net claims on Government	390.1	503.6	395.9	343.6	172.8	245.6	214.7	235.8	457.9	280.1
Claims	417.0	525.1	460.4	376.6	252.5	356.1	413.0	423.9	620.9	532.7
Treasury bills	7.2	155.7	135.3	22.0	13.8	0.0	0.0	31.2	14.0	0.0
Bahamas registered stock	274.5	249.0	249.9	228.7	232.9	254.9	252.5	232.2	340.9	326.6
Loans and advances	135.4	120.4	75.2	125.9	5.8	101.2	160.6	160.6	266.1	206.0
Deposits	(26.9)	(21.6)	(64.4)	(33.0)	(79.7)	(110.5)	(198.4)	(188.1)	(163.0)	(252.5)
In local currency	(26.9)	(21.6)	(64.4)	(33.0)	(79.7)	(110.5)	(198.4)	(188.1)	(163.0)	(252.5)
In foreign currency	-	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(17.2)	(74.6)	(49.6)	(71.1)	(52.1)	(44.3)	(81.0)	(47.3)	(69.4)	(117.2)
Credit to commercial banks	-	-	-	-	-	-	-	-	-	-
Official capital and surplus	(185.1)	(208.0)	(226.8)	(227.3)	(239.4)	(239.0)	(240.2)	(238.8)	(241.0)	(241.3)
Net unclassified assets	13.8	(0.2)	18.9	0.5	26.6	5.0	23.4	(19.3)	38.1	35.2
Loans to rest of public sector	2.8	2.5	2.3	2.1	2.0	1.9	1.9	1.9	1.9	1.9
Public Corp Bonds/Securities	5.2	5.2	4.8	4.8	4.7	5.2	5.2	5.3	5.2	5.2
Liabilities To Domestic Banks	(1,157.0)	(940.9)	(1,394.4)	(1,600.6)	(1,744.5)	(1,680.6)	(1,950.3)	(1,844.3)	(1,814.0)	(2,151.9)
Notes and coins	(145.8)	(149.3)	(151.5)	(128.6)	(173.3)	(132.2)	(120.7)	(137.8)	(170.9)	(138.2)
Deposits	(1,011.2)	(791.7)	(1,242.9)	(1,471.9)	(1,571.2)	(1,548.4)	(1,829.6)	(1,706.6)	(1,643.1)	(2,013.7)
SDR allocation	(177.4)	(173.3)	(172.3)	(175.1)	(179.2)	(176.3)	(177.5)	(421.6)	(418.9)	(424.3)
Currency held by the private sector	(292.6)	(310.4)	(336.8)	(383.1)	(373.0)	(368.1)	(372.2)	(381.5)	(392.6)	(389.3)

Source: Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(B$ Millions)

Period	2017	2018	2019	2020 Sept.	2020 Dec.	2021 Mar.	2021 Jun.	2021 Sept.	2021 Dec.	2022 Mar.
Net foreign assets	(265.0)	(124.2)	32.6	(121.0)	(240.2)	(194.4)	(109.4)	(140.7)	(94.9)	(16.5)
Net claims on Central Bank	1,158.0	941.9	1,395.3	1,601.5	1,745.5	1,681.5	1,951.2	1,845.2	1,815.0	2,152.8
Notes and Coins	145.8	149.3	151.5	128.6	173.3	132.2	120.7	137.8	170.9	138.2
Balances	1,012.2	792.6	1,243.8	1,472.9	1,572.1	1,549.3	1,830.4	1,707.5	1,644.1	2,014.6
Less Central Bank credit	-	-	-	-	-	-	-	-	-	-
Net domestic assets	5,483.6	5,482.2	5,672.6	5,814.3	5,689.0	5,745.6	5,696.9	5,853.9	5,841.0	5,728.9
Net claims on Government	1,992.9	2,035.7	2,225.0	2,421.8	2,351.6	2,413.0	2,391.4	2,528.8	2,475.2	2,406.1
Treasury bills	611.4	669.8	771.9	858.7	830.2	819.8	773.8	965.2	939.8	956.8
Other securities	1,137.7	990.9	985.4	942.2	907.5	930.7	926.1	910.0	926.5	935.7
Loans and advances	442.2	564.4	688.8	872.2	906.5	911.0	911.5	860.2	820.8	734.3
Less: deposits	198.5	189.4	221.1	251.4	292.5	248.5	220.1	206.6	211.9	220.7
Net claims on rest of public sector	113.6	54.2	31.7	73.6	72.2	53.3	81.2	76.6	103.8	86.2
Securities	262.6	229.5	230.9	226.1	226.1	226.1	226.1	230.4	230.6	230.7
Loans and advances	201.9	248.6	206.6	156.3	91.0	91.7	90.9	82.8	77.4	76.9
Less: deposits	350.8	423.9	405.8	308.8	244.9	264.5	235.8	236.7	204.3	221.4
Other net claims	(2.6)	(1.0)	18.8	(1.2)	2.7	(5.8)	0.1	(0.4)	(0.7)	16.9
Credit to the private sector	5,982.9	5,886.2	5,891.6	5,833.7	5,766.1	5,757.0	5,723.8	5,715.0	5,680.7	5,639.5
Securities	19.1	32.3	26.0	24.8	21.1	22.7	24.1	24.2	52.9	53.0
Mortgages	2,949.5	2,935.3	2,912.2	2,897.2	2,886.8	2,887.8	2,887.3	2,877.5	2,861.5	2,839.7
Loans and advances	3,014.3	2,918.5	2,953.4	2,911.7	2,858.2	2,846.5	2,812.4	2,813.3	2,766.3	2,746.8
Private capital and surplus	(2,699.3)	(2,642.6)	(2,394.7)	(2,461.6)	(2,438.5)	(2,450.1)	(2,453.2)	(2,391.6)	(2,342.1)	(2,399.3)
Net unclassified assets	96.2	149.9	(99.8)	(51.9)	(65.2)	(21.8)	(46.4)	(74.5)	(75.9)	(20.5)
Liabilities to private sector	6,376.6	6,299.9	7,100.6	7,294.7	7,194.2	7,232.7	7,538.7	7,558.4	7,561.1	7,865.2
Demand deposits	2,420.1	2,503.6	3,116.5	3,277.9	3,199.1	3,227.1	3,512.2	3,483.9	3,509.2	3,760.4
Savings deposits	1,390.4	1,454.3	1,667.3	1,836.2	1,822.3	1,822.3	1,863.4	1,920.2	1,924.2	1,987.2
Fixed deposits	2,566.1	2,342.0	2,316.7	2,180.6	2,172.8	2,183.2	2,163.1	2,154.2	2,127.6	2,117.6

Source: Central Bank of The Bahamas

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

(B$'000s)

Period	2019	2020	2021	2020				2021			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
1. Interest Income	593,233	577,338	573,084	148,956	141,906	144,605	141,871	145,414	144,159	149,591	133,920
2. Interest Expense	48,618	38,512	40,060	9,892	9,431	9,242	9,947	9,977	9,958	10,063	10,062
3. **Interest Margin (1-2)**	544,615	538,826	533,024	139,064	132,475	135,363	131,924	135,437	134,201	139,528	123,858
4. Commission & Forex Income	38,127	41,209	50,545	11,363	8,785	9,062	11,999	11,242	12,673	12,292	14,338
5. **Gross Earnings Margin (3+4)**	582,742	580,035	583,569	150,427	141,260	144,425	143,923	146,679	146,874	151,820	138,196
6. Staff Costs	159,361	158,064	164,500	40,040	38,908	41,645	37,471	37,185	40,534	42,404	44,377
7. Occupancy Costs	33,932	15,834	15,191	4,607	8,814	-854	3,267	3,890	4,312	3,092	3,897
8. Other Operating Costs	203,070	292,272	231,605	55,557	51,253	60,965	124,497	54,816	58,727	56,740	61,322
9. **Operating Costs (6+7+8)**	396,363	465,135	411,296	100,204	97,940	101,756	165,235	95,891	103,573	102,236	109,596
10. **Net Earnings Margin (5-9)**	186,379	114,900	172,273	50,223	43,320	42,669	(21,312)	50,788	43,301	49,584	28,600
11. Depreciation Costs	11,876	17,223	20,776	3,933	4,701	4,065	4,524	4,353	5,908	5,339	5,176
12. Provisions for Bad Debt	96,138	254,847	92,788	55,710	70,748	55,033	73,356	26,272	17,547	29,677	19,292
13. Other Income	177,136	150,436	196,008	34,027	37,423	42,359	36,627	39,941	45,858	47,271	62,938
14. **Other Income (Net) (13-11-12)**	69,122	(121,634)	82,444	(25,616)	(38,026)	(16,739)	(41,253)	9,316	22,403	12,255	38,470
15. **Net Income (10+14)**	255,501	(6,734)	254,717	24,607	5,294	25,930	(62,565)	60,104	65,704	61,839	67,070
16. **Effective Interest Rate Spread (%)**	7.17	8.37	8.43	8.56	8.28	8.48	8.16	8.40	8.60	8.80	7.92
				(Ratios To Average Assets)							
Interest Margin	5.20	4.78	4.60	5.05	4.67	4.76	4.66	4.73	4.61	4.77	4.28
Commission & Forex Income	0.36	0.37	0.44	0.41	0.31	0.32	0.42	0.39	0.44	0.42	0.50
Gross Earnings Margin	5.56	5.15	5.04	5.46	4.98	5.08	5.08	5.13	5.05	5.19	4.77
Operating Costs	3.78	4.13	3.55	3.64	3.45	3.58	5.84	3.35	3.56	3.50	3.78
Net Earnings Margin	1.78	1.02	1.49	1.82	1.53	1.50	(0.75)	1.78	1.49	1.70	0.99
Net Income/Loss	2.44	(0.05)	2.20	0.89	0.19	0.91	(2.21)	2.10	2.26	2.12	2.32

***Commercial Banks and OLFIs with domestic operations**
Source: Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B$ Millions)

End of Period	2017	2018	2019	2020		2021				2022
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Money Supply (M1)	2,654.0	2,728.2	3,248.4	3,543.4	3,472.1	3,499.4	3,727.8	3,706.4	3,722.2	4,024.5
1) Currency in active circulation	292.6	310.4	336.8	383.1	373.0	368.1	372.2	381.5	392.6	389.3
2) Demand deposits	2,361.5	2,417.7	2,911.6	3,160.3	3,099.1	3,131.3	3,355.7	3,324.9	3,329.6	3,635.2
Central Bank	17.2	74.6	49.6	71.1	52.1	44.3	81.0	47.3	69.4	117.2
Domestic Banks	2,344.2	2,343.1	2,861.9	3,089.2	3,047.0	3,087.0	3,274.6	3,277.6	3,260.1	3,518.0
Factors affecting money (M1)										
1) Net credit to Government	2,383.0	2,539.3	2,620.9	2,765.3	2,524.4	2,658.6	2,606.0	2,764.6	2,933.1	2,686.2
Central Bank	390.1	503.6	395.9	343.6	172.8	245.6	214.7	235.8	457.9	280.1
Domestic banks	1,992.9	2,035.7	2,225.0	2,421.8	2,351.6	2,413.0	2,391.4	2,528.8	2,475.2	2,406.1
2) Other credit	6,455.3	6,371.9	6,336.2	6,223.0	6,090.0	6,081.8	6,048.0	6,035.4	5,995.9	5,954.2
Rest of public sector	472.5	485.8	444.6	389.3	323.8	324.8	324.1	320.4	315.2	314.7
Private sector	5,982.9	5,886.2	5,891.6	5,833.7	5,766.1	5,757.0	5,723.8	5,715.0	5,680.7	5,639.5
3) External reserves	1,417.4	1,196.3	1,758.1	2,106.2	2,382.2	2,250.7	2,576.1	2,709.9	2,432.8	3,001.6
4) Other external liabilities (net)	(265.0)	(124.2)	32.6	(121.0)	(240.2)	(194.4)	(109.4)	(140.7)	(94.9)	(16.5)
5) Quasi money	4,383.3	4,380.7	4,644.4	4,514.3	4,392.1	4,410.2	4,499.9	4,517.4	4,505.2	4,568.5
6) Other items (net)	(3,502.1)	(3,424.8)	(3,459.4)	(3,437.1)	(3,405.4)	(3,409.7)	(3,417.6)	(3,623.2)	(3,287.1)	(3,287.2)

Source: Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT

(B$' 000)

End of Period	2017	2018	2019	2020		2021				2022
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
CREDIT OUTSTANDING										
Private cars	163,974	146,286	135,786	131,356	129,299	128,053	124,951	120,904	117,873	116,680
Taxis & rented cars	796	948	1,028	952	892	813	744	762	660	733
Commercial vehicles	1,208	1,036	1,156	1,211	1,024	1,113	1,079	1,014	987	1,016
Furnishings & domestic appliances	8,493	8,205	9,246	8,990	8,911	9,072	9,295	9,110	9,810	10,176
Travel	45,457	50,872	65,037	65,688	63,654	63,000	62,044	59,810	57,203	57,040
Education	53,065	43,067	39,976	37,853	37,150	36,992	36,370	36,844	35,192	34,684
Medical	12,025	12,773	11,873	11,931	11,384	11,359	11,942	11,984	12,000	11,928
Home Improvements	113,898	102,022	101,255	101,063	98,358	98,170	99,002	96,496	95,363	95,364
Land Purchases	152,771	139,093	131,400	129,154	127,176	128,945	129,961	131,601	131,811	130,016
Consolidation of debt	951,071	922,138	908,422	909,441	902,968	898,845	888,914	865,290	843,292	832,335
Miscellaneous	564,703	541,719	530,172	539,339	528,391	531,532	524,529	518,456	495,332	488,128
Credit Cards	254,852	249,069	272,999	250,594	245,397	231,310	225,412	221,867	217,121	215,366
TOTAL	2,322,313	2,217,228	2,208,350	2,187,572	2,154,604	2,139,204	2,114,243	2,074,138	2,016,644	1,993,466
NET CREDIT EXTENDED										
Private cars	(12,204)	(17,688)	(10,500)	(3,938)	(2,057)	(1,246)	(3,102)	(4,047)	(3,031)	(1,193)
Taxis & rented cars	19	152	80	(93)	(60)	(79)	(69)	18	(102)	73
Commercial vehicles	158	(172)	120	(101)	(187)	89	(34)	(65)	(27)	29
Furnishings & domestic appliances	191	(288)	1,041	(348)	(79)	161	223	(185)	700	366
Travel	4,260	5,415	14,165	(1,420)	(2,034)	(654)	(956)	(2,234)	(2,607)	(163)
Education	820	(9,998)	(3,091)	(530)	(703)	(158)	(622)	474	(1,652)	(508)
Medical	(799)	748	(900)	(429)	(547)	(25)	583	42	16	(72)
Home Improvements	(8,061)	(11,876)	(767)	(2,016)	(2,705)	(188)	832	(2,506)	(1,133)	1
Land Purchases	(17,076)	(13,678)	(7,693)	(1,738)	(1,978)	1,769	1,016	1,640	210	(1,795)
Consolidation of debt	(33,498)	(28,933)	(13,716)	671	(6,473)	(4,123)	(9,931)	(23,624)	(21,998)	(10,957)
Miscellaneous	18,390	(22,984)	(11,547)	(3,810)	(10,948)	3,141	(7,003)	(6,073)	(23,124)	(7,204)
Credit Cards	(1,314)	(5,783)	23,930	(5,709)	(5,197)	(14,087)	(5,898)	(3,545)	(4,746)	(1,755)
TOTAL	(49,114)	(105,085)	(8,878)	(19,461)	(32,968)	(15,400)	(24,961)	(40,105)	(57,494)	(23,178)

Source: Central Bank of The Bahamas

TABLE 8
SELECTED AVERAGE INTEREST RATES

(%)

Period	2018	2019	2020				2021				2022
			Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
DOMESTIC BANKS											
Deposit rates											
Demand deposits	0.27	0.36	0.59	0.51	0.61	0.65	0.58	0.67	0.67	0.72	0.46
Savings deposits	0.64	0.38	0.38	0.46	0.45	0.48	0.38	0.38	0.43	0.42	0.47
Fixed deposits											
Up to 3 months	0.60	0.35	0.26	0.26	0.29	0.30	0.27	0.28	0.27	0.26	0.26
Up to 6 months	0.62	0.56	0.34	0.38	0.52	0.40	0.37	0.34	0.41	0.34	0.42
Up to 12 months	0.97	0.68	0.59	0.47	0.74	0.82	0.79	0.73	0.76	0.70	0.56
Over 12 months	1.26	0.90	0.83	0.76	0.89	0.95	1.22	1.17	1.34	1.12	1.05
Weighted average rate	0.84	0.57	0.41	0.37	0.51	0.52	0.55	0.48	0.53	0.52	0.52
Lending rates											
Residential mortgages	5.41	4.91	5.28	5.29	5.22	5.24	5.18	5.08	5.21	5.08	5.24
Commercial mortgages	7.59	6.52	9.25	--	6.53	5.87	6.38	6.33	5.19	6.20	7.33
Consumer loans	13.49	12.86	12.94	11.94	12.73	12.48	12.18	12.25	12.28	12.65	12.94
Overdrafts	10.15	10.43	11.99	8.69	9.15	9.52	11.18	9.59	9.83	10.23	11.07
Weighted average rate	11.34	10.46	10.82	9.58	10.80	10.37	10.18	9.49	10.08	10.31	10.63
Other rates											
Prime rate*	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Avg. Treasury bill	1.67	1.61	1.73	1.73	1.75	1.92	2.04	2.47	2.70	2.81	2.87
Avg. Treasury bill re-discount rate	2.19	2.14	2.23	2.23	2.25	2.33	2.92	3.11	3.20	3.32	3.36
Bank rate (discount rate)*	4.00	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	2017	2018	2019	2020		2021				2022
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
Loan Portfolio										
Current Loans (as a % of total private sector loans)	**85.1**	**85.7**	**87.9**	**87.7**	**86.2**	**85.7**	**85.9**	**86.0**	**85.8**	**86.4**
Arrears (% by loan type)										
Consumer	4.4	4.0	3.5	4.0	4.1	4.8	4.5	4.5	4.9	4.5
Mortgage	8.8	8.8	7.5	7.1	8.7	8.5	8.1	8.3	8.0	7.7
Commercial	1.6	1.4	1.1	1.2	1.0	1.0	1.5	1.2	1.3	1.4
Total Arrears	**14.9**	**14.3**	**12.1**	**12.3**	**13.8**	**14.3**	**14.1**	**14.0**	**14.2**	**13.6**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Loan Portfolio										
Current Loans (as a % of total private sector loans)	**85.1**	**85.7**	**87.9**	**87.7**	**86.2**	**85.7**	**85.9**	**86.0**	**85.8**	**86.4**
Arrears (% by days outstanding)										
30 - 60 days	3.1	3.3	2.6	2.7	2.9	3.9	2.8	2.9	2.7	2.8
61 - 90 days	1.9	1.9	1.5	1.4	2.4	1.7	1.8	2.0	1.9	1.5
90 - 179 days	1.7	1.4	1.1	1.4	1.9	1.7	2.3	2.0	2.8	1.9
over 180 days	8.3	7.7	6.9	6.8	6.6	7.0	7.2	7.1	6.8	7.4
Total Arrears	**14.9**	**14.3**	**12.1**	**12.3**	**13.8**	**14.3**	**14.1**	**14.0**	**14.2**	**13.6**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Non Accrual Loans (% by loan type)										
Consumer	27.8	25.8	25.5	28.9	30.7	30.6	33.5	32.7	38.1	36.3
Mortgage	60.8	65.0	63.5	59.1	60.7	61.2	57.0	58.0	52.9	54.6
Other Private	11.4	9.2	11.0	11.9	8.6	8.1	9.5	9.3	9.0	9.1
Total Non Accrual Loans	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Provisions to Loan Portfolio										
Consumer	6.1	5.5	7.0	10.0	10.5	10.0	11.7	11.9	10.8	9.8
Mortgage	8.3	7.6	8.1	8.4	9.9	10.6	9.8	9.8	9.1	9.2
Other Private	8.0	14.4	7.1	8.8	10.1	9.8	9.9	7.3	6.9	7.3
Total Provisions to Total Private Sector Loans	7.4	7.7	7.5	9.1	10.2	10.3	10.6	10.2	9.4	9.1
Total Provisions to Total Non-performing Loans	74.7	84.8	93.8	110.4	120.0	117.4	112.0	111.7	97.1	97.9
Total Non-performing Loans to Total Private Sector Loans	9.9	9.1	8.0	8.2	8.5	8.7	9.5	9.1	9.6	9.3

Source: Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

(B$ Millions)

Period	2017	2018	2019	2020		2021				2022
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
I. Statutory Reserves										
Required reserves	336.9	331.1	349.6	371.9	371.3	373.9	374.9	377.1	372.8	378.2
Average Till Cash	125.8	124.9	129.8	119.4	146.4	128.5	116.3	132.3	149.5	132.3
Average balance with central bank	1,030.3	808.6	1,181.3	1,514.8	1,579.0	1,537.4	1,749.2	1,761.9	1,611.2	1,646.8
Free cash reserves (period ended)	819.2	602.5	961.5	1,262.2	1,354.2	1,292.0	1,490.6	1,517.1	1,387.9	140.6
II. Liquid Assets (period)										
A. Minimum Required Liquid Assets	1,128.9	1,115.6	1,247.1	1,308.4	1,301.1	1,309.7	1,343.9	1,352.9	1,349.4	1,402.5
B. Net Eligible Liquid Assets	2,956.2	2,649.0	3,214.5	3,451.4	3,531.6	3,468.5	3,691.9	3,761.0	3,722.9	3,987.7
i) Balance with Central Bank	1,012.2	792.6	1,243.8	1,472.9	1,572.1	1,549.3	1,830.4	1,707.5	1,644.1	1,898.8
ii) Notes and Coins	146.3	149.8	152.0	129.1	173.8	132.7	121.2	138.3	171.4	138.7
iii) Treasury Bills	611.4	669.8	771.9	858.7	830.2	819.8	773.8	965.2	939.8	956.8
iv) Government registered stocks	1,137.7	990.9	985.4	942.2	907.5	930.7	926.1	910.0	926.5	935.7
v) Specified assets	50.8	48.4	49.7	49.6	49.6	40.5	40.5	40.5	40.5	40.6
vi) Net Inter-bank dem/call deposits	(2.2)	(2.5)	11.7	(1.1)	(1.5)	(4.5)	(0.3)	(0.4)	0.8	17.1
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	1,827.3	1,533.4	1,967.5	2,143.0	2,230.5	2,158.9	2,348.0	2,408.2	2,373.5	2,585.2

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

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

(B$ Millions)

Period	2018/19p	2019/20p	2020/21p	Budget 2020/21	Budget 2021/22	2020/21p Qtr. I	2020/21p Qtr. II	2020/21p Qtr. III	2020/21p Qtr. IV	2021/22p Qtr. I	2021/22p Qtr. II	2021/22p Qtr. III
Total Revenue & Grants	2,426.3	2,094.8	1,908.0	1,762.5	2,246.5	300.8	372.4	556.6	678.2	578.3	548.8	720.2
Current expenditure	2,422.2	2,533.3	2,872.6	2,574.1	2,825.9	585.6	712.7	642.6	931.7	668.5	642.9	710.2
Capital expenditure	223.4	387.2	371.1	515.5	372.4	60.4	49.0	58.6	203.1	64.3	39.4	56.4
Overall balance	**(219.3)**	**(825.7)**	**(1,335.7)**	**(1,327.1)**	**(951.9)**	**(345.2)**	**(389.3)**	**(144.5)**	**(456.6)**	**(154.5)**	**(133.4)**	**(46.4)**
FINANCING (I+II-III+IV+V)	219.3	825.7	1,335.7	1,327.1	951.9	345.2	389.3	144.5	456.6	154.5	133.4	46.4
I. Foreign currency borrowing (+)	**9.2**	**445.7**	**1,972.3**	**42.9**	**80.2**	**703.3**	**886.5**	**19.2**	**363.3**	**23.7**	**0.0**	**606.7**
External	9.2	395.7	1,841.9	42.9	80.2	572.9	886.5	19.2	363.3	23.7	0.03	539.85
Domestic	-	50.0	130.4	-	-	130.4	-	-	-	-	-	66.8
II. Bahamian dollar borrowing (+)	**1,085.0**	**1,101.1**	**1,103.5**	**2,030.8**	**1,771.3**	**222.7**	**307.6**	**253.1**	**320.0**	**473.8**	**600.8**	**415.2**
i)Treasury bills	231.3	233.6	49.1	-	-	1.2	21.3	1.0	25.5	265.0	7.8	0.6
ii)Long-term securities	619.7	562.6	559.5	-	-	81.5	191.4	152.1	134.5	48.8	228.0	149.6
iii)Loans and Advances	234.0	305.0	494.9	-	-	140.0	94.9	100.0	160.0	160.0	365.0	265.0
III. Debt repayment(-)	**801.1**	**879.0**	**1,357.8**	**696.6**	**899.7**	**229.0**	**692.3**	**158.5**	**278.0**	**342.9**	**368.1**	**805.7**
Domestic	717.2	835.1	956.8	501.6	767.1	126.1	438.0	121.0	271.7	306.3	361.8	656.0
Bahamian dollars	717.2	835.1	956.8	497.4	762.9	126.1	438.0	121.0	271.7	306.3	357.6	525.6
Foreign currency	-	-	-	4.2	4.2	-	-	-	-	-	4.2	130.4
External	83.9	43.9	401.0	195.0	132.6	102.8	254.3	37.5	6.3	36.5	6.3	149.7
IV. Net acquisition financial assets (-)	**(117.2)**	**(71.8)**	**(31.7)**	**(46.5)**	**(59.8)**	**(13.3)**	**-**	**-**	**(18.4)**	**(13.6)**	**-**	**(26.4)**
V.Cash balance change & other financing	**43.5**	**229.7**	**(350.7)**	**(3.5)**	**59.8**	**(338.6)**	**(112.5)**	**30.7**	**69.7**	**13.6**	**(99.4)**	**(143.4)**

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

TABLE 12
NATIONAL DEBT

(B$ '000s)

Period	2019	2020	2021	2020 QTR III.	2020 QTR IV.	2021 QTR I.	2021 QTR II.	2021 QTR III.	2021 QTR IV.	2022 QTR I.
TOTAL EXTERNAL DEBT	2,567,662	4,031,360	4,344,312	3,387,057	4,031,360	4,007,845	4,368,247	4,352,433	4,344,312	4,732,828
By Instrument										
Government Securities	1,650,000	2,475,000	2,475,000	1,650,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000
Loans	917,662	1,556,360	1,869,312	1,737,057	1,556,360	1,532,845	1,893,247	1,877,433	1,869,312	2,257,828
By Holder										
Multilateral Institutions	232,075	853,864	1,121,304	792,678	853,864	867,095	1,110,496	1,129,279	1,121,304	1,115,982
Bilateral Institutions	72,539	70,875	66,099	68,122	70,875	67,355	68,353	65,189	66,099	62,916
Private Capital Markets	1,650,000	2,475,000	2,475,000	1,650,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000
Other Financial Institutions	613,048	631,621	681,909	876,257	631,621	598,395	714,398	682,965	681,909	1,078,930
TOTAL INTERNAL DEBT	5,165,557	5,386,577	5,973,545	5,516,957	5,386,577	5,518,718	5,567,072	5,734,519	5,973,545	5,799,571
By Instrument										
Foreign Currency	50,000	180,440	176,273	180,440	180,440	180,440	180,440	180,440	176,273	112,648
Government Securities	-	-	-	-	-	-	-	-	-	-
Loans	50,000	180,440	176,273	180,440	180,440	180,440	180,440	180,440	176,273	112,648
Bahamian Dollars	5,115,557	5,206,137	5,797,272	5,336,517	5,206,137	5,338,278	5,386,632	5,554,079	5,797,272	5,686,923
Advances	74,900	4,900	265,000	124,900	4,900	100,000	160,000	160,000	265,000	205,000
Treasury Bills	977,104	922,417	1,122,465	944,991	922,417	893,806	866,879	1,124,028	1,122,465	1,086,405
Government Securities	3,725,354	3,808,204	3,924,682	3,795,825	3,808,204	3,874,295	3,896,331	3,852,818	3,924,682	3,939,588
Loans	338,199	470,616	485,125	470,801	470,616	470,177	463,422	417,233	485,125	455,930
By Holder										
Foreign Currency	50,000	180,440	176,273	180,440	180,440	180,440	180,440	180,440	176,273	112,648
Commercial Banks	50,000	180,440	176,273	180,440	180,440	180,440	180,440	180,440	176,273	112,648
Bahamian Dollars	5,115,557	5,206,137	5,797,272	5,336,517	5,206,137	5,338,278	5,386,632	5,554,079	5,797,272	5,686,923
The Central Bank	455,725	253,375	617,057	372,177	253,375	353,723	410,111	422,625	617,057	529,683
Commercial Banks	2,053,618	2,174,010	2,336,603	2,237,207	2,174,010	2,231,125	2,077,667	2,272,483	2,336,603	2,336,643
Other Local Financial Iinstitutions	21,671	34,723	1,085	19,959	34,723	1,085	66,585	1,085	1,085	1,085
Public Corporations	602,704	576,975	518,866	582,768	576,975	577,257	571,926	578,623	518,866	521,664
Other	1,981,839	2,167,054	2,323,661	2,124,406	2,167,054	2,175,088	2,260,343	2,279,263	2,323,661	2,297,848
TOTAL FOREIGN CURRENCY DEBT	2,617,662	4,211,800	4,520,585	3,567,497	4,211,800	4,188,285	4,548,687	4,532,873	4,520,585	4,845,476
TOTAL DIRECT CHARGE	7,733,219	9,417,937	10,317,857	8,904,014	9,417,937	9,526,563	9,935,319	10,086,952	10,317,857	10,532,399
TOTAL CONTINGENT LIABILITIES	724,042	439,980	399,116	443,258	439,980	422,506	420,687	401,287	399,116	397,384
TOTAL NATIONAL DEBT	8,457,261	9,857,917	10,716,973	9,347,272	9,857,917	9,949,069	10,356,006	10,488,239	10,716,973	10,929,783

Source: Treasury Accounts & Treasury Statistical Summary Printouts
Public Corporation Reports
Creditor Statements, Central Bank of The Bahamas

TABLE 13
PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS

(B$ '000s)

Period	2019*	2020	2021	2020		2021				2022
				QTR III.*	QTR IV.**	QTR I.	QTR II.	QTR III.	QTR IV.	QTR I.***
Outstanding Debt at Beginning of Period	3,510,146	3,475,997	4,784,042	3,789,599	4,148,610	4,784,042	4,738,123	5,090,681	5,053,157	5,032,833
Government	2,593,818	2,617,662	4,211,800	2,951,322	3,567,497	4,211,800	4,188,285	4,548,687	4,532,873	4,520,585
Public Corporations	916,328	858,335	572,242	838,277	581,113	572,242	549,838	541,994	520,284	512,248
Plus: New Drawings	93,739	1,946,664	409,730	704,125	887,361	20,087	364,150	24,553	940	607,588
Government	93,664	1,944,995	406,201	703,298	886,519	19,229	363,276	23,663	33	606,663
Public corporations	75	1,669	3,529	827	842	858	874	890	907	925
Less: Amortization	122,225	666,537	154,364	360,837	264,024	60,767	15,029	59,148	19,420	287,705
Government	64,153	378,775	90,841	102,846	254,311	37,505	6,311	36,548	10,477	280,145
Public corporations	58,072	287,762	63,523	257,991	9,713	23,262	8,718	22,600	8,943	7,560
Other Changes in Debt Stock	(5,663)	27,918	(6,575)	15,723	12,095	(5,239)	3,437	(2,929)	(1,844)	(1,627)
Government	(5,667)	27,918	(6,575)	15,723	12,095	(5,239)	3,437	(2,929)	(1,844)	(1,627)
Public corporations	4	-	-	-	-	-	-	-	-	-
Outstanding Debt at End of Period	3,475,997	4,784,042	5,032,833	4,148,610	4,784,042	4,738,123	5,090,681	5,053,157	5,032,833	5,351,089
Government	2,617,662	4,211,800	4,520,585	3,567,497	4,211,800	4,188,285	4,548,687	4,532,873	4,520,585	4,845,476
Public corporations	858,335	572,242	512,248	581,113	572,242	549,838	541,994	520,284	512,248	505,613
Interest Charges	203,448	202,024	272,074	30,045	76,394	33,352	102,147	32,926	103,649	33,955
Government	144,039	157,895	237,845	20,179	67,172	24,840	93,257	24,692	95,056	26,177
Public corporations	59,409	44,129	34,229	9,866	9,222	8,512	8,890	8,234	8,593	7,778
Debt Service	325,673	868,561	426,438	390,882	340,418	94,119	117,176	92,074	123,069	321,660
Government	208,192	536,670	328,686	123,025	321,483	62,345	99,568	61,240	105,533	306,322
Public corporations	117,481	331,891	97,752	267,857	18,935	31,774	17,608	30,834	17,536	15,338
Debt Service ratio	6.3	22.7	12.0	70.3	35.5	19.6	12.8	8.5	11.4	14.2
Government debt Service/ Government revenue (%)	8.3	17.3	13.9	40.9	19.7	11.2	14.7	10.6	19.2	18.7
MEMORANDUM										
Holder distribution (B$ Mil):										
Banks	351.9	308.8	279.1	312.2	308.8	305.1	302.9	285.4	279.1	213.4
Multilateral Institutions	304.1	921.2	1,184.1	862.1	921.2	934.2	1,175.6	1,194.1	1,184.1	1,178.5
Bilateral Institutions	72.5	70.9	66.1	68.1	70.9	67.4	68.4	65.2	66.1	62.9
Other	1,097.5	1,008.1	1,028.6	1,256.2	1,008.1	956.5	1,068.8	1,033.5	1,028.6	1,421.3
Private Capital Markets	1,650.0	2,475.0	2,475.0	1,650.0	2,475.0	2,475.0	2,475.0	2,475.0	2,475.0	2,475.0

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

*The Debt Service Ratio for the 3rd quarter of 2020 is presented net of public sector refinancing activities (transfer of $246.0 million in Government Guaranteed debt from BEC's to Government's books).

**Debt servicing during the 4th quarter of 2020 includes the refinancing of $248.0 million in Government's external debt. The Debt Service and Government Debt Service/Revenue Ratios are presented net of this transaction.

***Debt servicing during the 1st quarter of 2022 includes the refinacing of $171.8 million in Government's foreign currency debt ($171.8M of a $246.0M facility refinanced). The Debt Service and Government Debt Service/Revenue Ratios are presented net of this transaction.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

(B$ Millions)

Period	2019	2020	2021	2020 Qtr. III	2020 Qtr. IV	2021 Qtr. I	2021 Qtr. II	2021 Qtr. III	2021 Qtr. IV	2022 Qtr. I
A. Current Account Balance (I+II+III+IV)	**(345.5)**	**(2,373.4)**	**(2,196.2)**	**(737.6)**	**(920.2)**	**(657.0)**	**(628.6)**	**(338.8)**	**(571.7)**	**(236.4)**
I. Goods (Net)	**(2,313.9)**	**(1,630.7)**	**(2,636.7)**	**(419.8)**	**(467.4)**	**(572.4)**	**(709.1)**	**(687.3)**	**(667.9)**	**(597.9)**
Exports	695.3	393.3	564.6	76.7	134.2	97.2	144.0	157.6	165.7	173.9
Imports	3,009.2	2,024.0	3,201.3	496.5	601.6	669.6	853.1	844.9	833.6	771.8
II. Services (Net)	**2,638.1**	**(129.8)**	**1,310.5**	**(188.5)**	**(230.7)**	**71.4**	**344.7**	**458.2**	**436.2**	**467.6**
Transportation	(366.0)	(172.4)	(272.4)	(33.4)	(41.0)	(53.9)	(74.6)	(63.4)	(80.5)	(83.8)
Travel	3,790.2	857.0	2,570.3	46.5	26.9	299.1	671.0	799.4	800.9	787.1
Construction	(58.4)	(59.0)	(103.5)	(14.4)	(32.1)	(22.5)	(26.9)	(21.9)	(32.1)	(25.6)
Insurance services	(143.9)	(153.5)	(276.1)	(41.1)	(43.7)	(44.6)	(71.1)	(76.7)	(83.8)	(55.8)
Charges for the use of intellectual property n.i.e.	(10.3)	(6.4)	(7.5)	(1.2)	(1.3)	(1.4)	(2.2)	(1.6)	(2.3)	(1.7)
Telecommunications, computer, and information services	(26.7)	(50.8)	(52.0)	(14.6)	(10.6)	(8.3)	(14.6)	(18.5)	(10.5)	(11.1)
Other business services	(414.5)	(361.7)	(471.7)	(70.7)	(107.9)	(87.7)	(109.4)	(132.4)	(142.2)	(101.5)
Government goods and services n.i.e.	(132.4)	(182.9)	(76.7)	(59.5)	(21.0)	(9.3)	(27.4)	(26.6)	(13.3)	(40.1)
III. Primary Income (Net)	**(603.1)**	**(439.5)**	**(734.2)**	**(73.2)**	**(141.4)**	**(109.1)**	**(237.2)**	**(81.4)**	**(306.6)**	**(97.8)**
Compensation of employees	(64.8)	(95.8)	(91.5)	(24.1)	(23.0)	(15.8)	(24.7)	(27.1)	(24.0)	(19.2)
Investment income	(538.3)	(343.7)	(642.7)	(49.2)	(118.4)	(93.2)	(212.5)	(54.3)	(282.6)	(78.7)
IV. Secondary Income (Net)	**(66.6)**	**(173.4)**	**(135.8)**	**(56.1)**	**(80.7)**	**(47.0)**	**(27.1)**	**(28.3)**	**(33.4)**	**(8.1)**
General government	145.0	46.4	31.1	(2.1)	(0.8)	0.3	8.1	10.7	12.0	23.0
Financial corporations, nonfinancial corporations, households, and NPISHs	(142.1)	(139.6)	(154.6)	(35.8)	(39.5)	(34.7)	(35.3)	(40.2)	(44.3)	(33.6)
of which: Workers remittances	*(123.5)*	*(99.9)*	*(111.6)*	*(26.3)*	*(29.1)*	*(24.7)*	*(25.8)*	*(29.4)*	*(31.8)*	*(24.6)*
Other current transfers	(69.5)	(80.1)	(12.3)	(18.1)	(40.4)	(12.6)	0.1	1.2	(1.1)	2.5
B. Capital Account	**907.8**	**546.8**	**53.9**	**87.0**	**65.0**	**53.9**	**0.0**	**0.0**	**0.0**	**0.0**
Capital transfers	907.8	546.8	53.9	87.0	65.0	53.9	0.0	0.0	0.0	0.0
C. Financial Account (excluding Reserve Assets)	**(187.2)**	**(2,316.3)**	**(1,495.5)**	**(692.9)**	**(1,034.1)**	**(305.5)**	**(535.3)**	**(508.3)**	**(146.4)**	**(481.3)**
Direct Investment	(369.2)	(374.8)	(253.3)	(57.4)	(210.5)	(129.5)	(116.3)	9.9	(17.5)	10.5
Portfolio Investment	269.9	(656.8)	447.1	319.0	(997.8)	671.1	(292.8)	36.1	32.7	63.6
Other Investments	(87.8)	(1,284.8)	(1,689.4)	(954.5)	174.2	(847.1)	(126.3)	(554.3)	(161.6)	(555.5)
Currency and deposits	(381.7)	(475.2)	(624.0)	(639.0)	168.5	(781.0)	370.7	(293.1)	79.4	(106.9)
Loans	127.8	(742.4)	(809.6)	(284.4)	95.5	(108.6)	(418.0)	(40.1)	(242.9)	(343.8)
Other accounts receivable/payable and trade credit advances	171.8	(60.1)	(16.2)	(27.2)	(85.8)	39.7	(77.8)	22.9	(0.9)	(99.5)
Special drawing rights allocation	(5.7)	(7.1)	(239.6)	(4.0)	(4.1)	2.9	(1.15)	(244.1)	2.8	(5.3)
D. Net Acquistion of Reserve Assets	**561.8**	**624.1**	**50.6**	**54.4**	**276.0**	**(131.4)**	**325.4**	**133.8**	**(277.1)**	**568.6**
Special drawing rights	33.9	22.1	239.6	5.2	4.1	(2.9)	2.2	243.1	(2.8)	5.3
Reserve position in the IMF	(0.2)	1.1	(0.8)	0.6	0.6	(0.4)	0.2	(0.3)	(0.2)	0.3
Other reserve assets	528.0	600.9	(188.3)	48.5	271.3	(128.1)	323.0	(108.9)	(274.2)	563.0
E. Net Errors & Omissions	**187.7**	**(134.3)**	**(697.4)**	**(12.0)**	**(97.0)**	**(166.1)**	**(418.7)**	**35.7**	**(148.2)**	**(323.7)**

Note: Effective March 31, 2021, data is published according to the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6).

Source: Central Bank of The Bahamas

* Figures may not sum to total due to rounding

TABLE 15

EXTERNAL TRADE

(B$ '000s)

Period	2018	2019	2020	2020				2021		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
I. OIL TRADE										
i) Exports	101,558	79,403	96,324	20,213	25,110	22,337	28,664	48,678	48,558	53,457
ii) Imports	583,402	716,906	386,714	127,372	97,308	78,073	83,961	119,642	152,018	186,106
II. OTHER MERCHANDISE										
Domestic Exports										
Crawfish	58,684	72,655	16,830	323	-	576	15,931	132	8,616	11,994
Fish Conch & other Crustacea	2,770	3,942	-	-	-	-	-	-	-	-
Other Corals & Similar Materials & Sponges	450	1,179	3	-	-	3	-	-	-	1
Fruits & Vegetables	-	-	-	-	-	-	-	-	-	-
Aragonite	2,816	2,569	2,986	468	1,081	617	820	692	560	425.0
Other Natural Sands	531	347	357	9	259	57	32	61	113	12.0
Rum/Beverages/Spirits & Vinegar	-	-	-	-	-	-	-	-	-	-
Crude Salt	13,218	9,997	7,758	2,005	1,300	2,893	1,560	1,995	1,726	1,061.0
Polystrene Products	80,956	68,916	54,956	12,882	13,592	12,009	16,473	15,657	20,029	16,099.0
Other	78,016	43,010	33,922	2,052	6,950	4,566	20,354	2,233	26,812	56,113.0
i) Total Domestic Exports	237,441	202,615	116,812	17,739	23,182	20,721	55,170	20,770	57,856	85,705
ii) Re-Exports	174,382	255,252	121,373	51,810	7,141	26,281	36,141	11,536	9,240	10,369
iii) Total Exports (i+ii)	411,823	457,867	238,185	69,549	30,323	47,002	91,311	32,306	67,096	96,074
iv) Imports	2,938,015	2,551,720	1,818,573	459,351	330,803	467,741	560,678	579,765	751,567	768,611
v) Retained Imports (iv-ii)	2,763,633	2,296,468	1,697,200	407,541	323,662	441,460	524,537	568,229	742,327	758,242
vi) Trade Balance (i-v)	(2,526,192)	(2,093,853)	(1,580,388)	(389,802)	(300,480)	(420,739)	(469,367)	(547,459)	(684,471)	(672,537)

Source: Department of Statistics Quarterly Statistical Summaries
Figures may not sum due to rounding.

TABLE 16
SELECTED TOURISM STATISTICS

Period	2019	2020	2021	2020			2021				2022
				Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
Visitor Arrivals	7,249,529	1,794,522	2,100,618	3,998	34,221	54,728	115,894	297,759	532,206	1,154,759	1,346,624
Air	1,662,419	418,329	886,629	1,736	21,802	46,783	102,882	254,662	263,462	265,623	321,328
Sea	5,587,110	1,376,193	1,213,989	2,262	12,419	7,945	13,012	43,097	268,744	889,136	1,025,296
Visitor Type											
Stopover	1,806,952	452,678	882,151	4,047	34,435	31,444	134,478	276,531	277,702	193,440	241,312
Cruise	5,433,359	1,327,142	1,115,181	n.a.	58	n.a.	45	5,899	239,779	869,458	1,003,441
Day/Transit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tourist Expenditure(B$ 000's)	4,125,400	967,400	n.a.	7,655	65,753	59,972	327,438	n.a.	n.a.	n.a.	n.a.
Stopover	3,729,900	888,300	n.a.	7,640	65,679	59,845	327,233	n.a.	n.a.	n.a.	n.a.
Cruise	392,800	78,300	n.a.	-	3	-	1	n.a.	n.a.	n.a.	n.a.
Day	2,700	800	n.a.	16	71	71	204	n.a.	n.a.	n.a.	n.a.
Average Hotel Occupancy Rates (%)											
New Providence	65.10	25.69	n.a.	20.67	12.47	10.30	18.57	n.a.	n.a.	n.a.	n.a.
Grand Bahama	48.80	22.16	n.a.	78.70	11.27	28.37	16.83	n.a.	n.a.	n.a.	n.a.
Other Family Islands	46.88	19.79	n.a.	84.00	13.47	18.13	19.30	n.a.	n.a.	n.a.	n.a.
Average Nightly Room Rates ($)											
New Providence	257.74	347.97	n.a.	355.42	359.74	404.09	429.48	n.a.	n.a.	n.a.	n.a.
Grand Bahama	89.03	94.07	n.a.	102.79	129.53	74.51	93.66	n.a.	n.a.	n.a.	n.a.
Other Family Islands	239.69	405.38	n.a.	373.36	507.35	424.70	428.84	n.a.	n.a.	n.a.	n.a.

Source: The Ministry of Tourism, The Bahamas Hotel & Tourism Industry

Figures may not sum due to rounding.

GROSS ECONOMIC CONTRIBUTION OF THE FINANCIAL SECTOR IN THE BAHAMAS (2021)

INTRODUCTION

The financial services sector, accounts for approximately 10%-15% of the country's Gross Domestic Product (GDP), the second largest contributor to the economy. The sector employs a substantial number of highly skilled workers and has direct effect on both employment and spending, while indirectly impacting other sectors, such as construction, real estate and wholesale & retail trade. However, there is a contrast in product offerings, as the domestic sector is more retail and labour intensive, while the international sector products focus on more high net worth clients and targets more specialist higher priced labour.

Data from The Bahamas' financial services sector 2021 survey suggests that the sector continued to face headwinds, with global regulatory standards and efficiency pressures impacting balance sheet and operations consolidation. Specifically, the international sector continues to adjust to heightened standards for tax cooperation, anti-money laundering (AML), counter financing of terrorism (CFT) and anti-proliferation. Further, amid reducing levels of employment, the international sector has settled towards re-domiciling clients and operations to emerging lucrative opportunities outside of North America and Europe.

During 2021, the estimated balance sheet size of financial sector operations decreased, shown by a falloff in assets holdings within the banking sector. In particular, on balance sheet assets contracted by approximately $23.0 billion (13.3%) to $149.8 billion, as the reduction in international banks assets, outweighed the gains in domestic banks assets. Further, fiduciary assets fell by $69.4 billion (31.1%) to $153.8 billion. Assets under management also reduced, but marginally for the securities industry. Among credit unions, contributions were constrained, evidenced by declines in balance sheet assets. Meanwhile, onshore insurance operations featured stable balance sheet trends vis-à-vis 2020, following a significant expansion in 2019, which was due to undisbursed claims settlements related to the major hurricane.

During the year, the Central Bank continued to monitor supervised financial institutions' (SFIs) approach to adapting their operations under the restrained conditions of the COVID-19 pandemic, and the identified risk management challenges of the environment. Further, the pandemic continued to pose heightened cybersecurity and fraud risk, for which awareness and education campaigns persisted, particularly to mitigate these risks for clients of domestic SFIs. In addition, supervision of credit unions remained focused on multiple risk-based outcomes around AML/Know Your Customer (KYC), corporate governance and credit risk management frameworks.

GOVERNMENT REVENUES

An analysis of the financial sector performance showed that total taxes and fees collected by the Government increased by 15.1% to $189.2 million in 2021. Underlying this development, transactional taxes on domestic intermediation activities rose by 19.2% to $112.0 million, largely attributed to the growth in taxes on banking transactions (30.2%) and insurance premium taxes (5.0%). Further, license and registration fees rose by 9.6% to $77.2 million, underpinned by a 25.7% rise in collections from investment funds (11.2% of the total) and 10.6% from international business companies (17.4% of the total). In addition, receivables from banks and trust companies (68.5% of the total) grew by 4.6%, while collections from financial and corporate service providers surged to $1.9 million from $0.5 million in 2021.

THE BANKING SECTOR

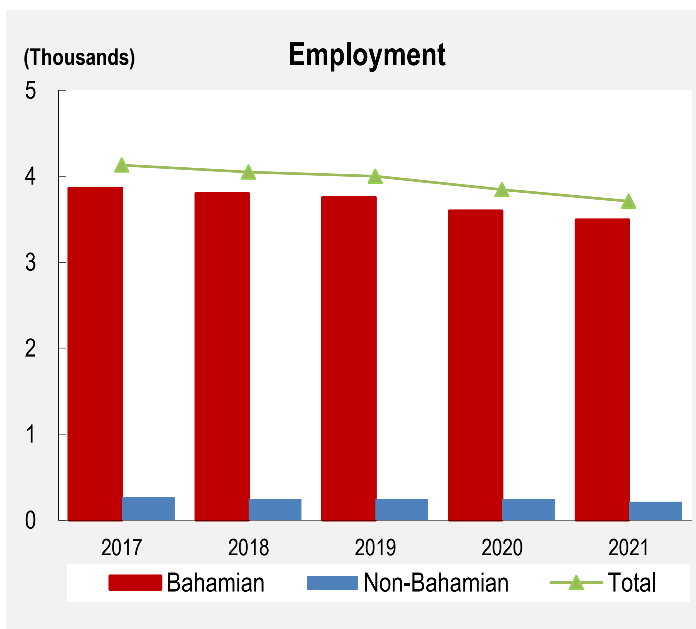
The banking sector continued to dominate the financial landscape, notwithstanding operating within a COVID-19 pandemic environment. On the domestic side, local banks maintained high liquidity levels, due primarily to subdued private sector credit demand and banks' conservative lending posture. Meanwhile, for these SFIs, credit quality indicators weakened, owing to the conclusion of loan deferral schemes implemented to support persons and businesses impacted by the COVID-19 pandemic.

The total number of banks and trust companies licensed in The Bahamas decreased by 3 to 214 in 2021, following a reduction of 4 in 2020. Public banks and trust companies reduced by 4 to 80, while restricted, non-active & nominees increased by 1 to 134. Public institutions providing an arrangement of domestic and international services included 48 Bahamian incorporated entities and 12 euro-currency branches of foreign banks operating inside The Bahamas. Further, there were 20 authorized dealers & agents, which comprised of 11 authorised agents (resident trust companies) and 9 authorised dealers (commercial banks)—inclusive of 7 clearing banks.

In 2021, total domestic assets within the banking sector grew by 1.1% to $11.0 billion, trailing a gain of 2.0% in the preceding year, and average annual increase of 2.2% over the past five years. Growth was underpinned by a rise in Government bond holdings and surplus liquid balances with the Central Bank. Conversely, total assets of the international banking sector reduced by 15.8% to $129.0 billion. This extended the 8.7% falloff from the prior year and the average annual decline of 7.2% over the last five years.

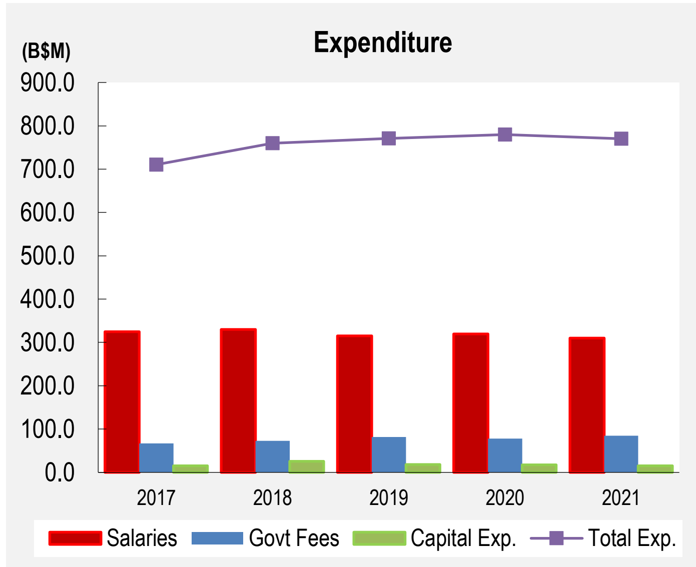
EMPLOYMENT

During the year, given ongoing consolidation of business operations, total employment within the banking sector decreased by 134 (3.5%) to approximately 3,709 persons, the same magnitude as the year earlier contraction, and continuing the average yearly decline of 2.7% experienced during 2017 to 2021. Disaggregated by nationality, both Bahamian and non-Bahamian positions fell, by 104 (2.9%) to 3,495 and by 30 (12.3%) to 214, respectively. However, the ratio of nationals to non-nationals in the banking sector firmed slightly to 94.2%, relative to the same period in 2020. Based on assigned functions, a majority of nationals were employed in local banking sector roles (62.2%), followed by offshore banking (14.8%), trust administration (10.5%) and other wealth management-related activities (6.8%).



EXPENDITURES

Estimated expenditures in the banking sector decreased by $5.9 million (0.8%) to $773.9 million in 2021, a reversal from the 1.2% increase in the previous year; and the average annual spending gain of 1.7% over the last five years. In particular, total operational costs—which accounted for 98.1% of expenditure—reduced by $3.9 million (0.5%) to $758.8 million, a turnaround from the 1.4% uptick in 2020. By component, estimated salary outlays contracted by $5.4 million (1.7%) to $314.1 million, vis-à-vis the 1.4% gain registered last year. Notably, base salaries declined by 8.9%, while bonuses grew by 3.5%. Further, non-staff administrative costs fell by $5.1 million (1.4%) to $358.9 million, compared to a 3.1% growth in the prior year. In addition, estimated spending on staff training decreased by $0.1 million (12.1%) to $1.1 million, following a 53.2% contraction a year earlier. Conversely, Government fees rose by $6.7 million (8.6%) to $84.7 million, a reversal from a 4.6% falloff in 2020, largely attributed to a rise in outlays for stamp duty, work permits and licence fees.



Banks and trust companies' capital expenditure—reflecting outlays for renovations, construction and other fixed assets—declined by $2.0 million (11.6%) to $15.1 million, extending the 7.5% reduction in 2020.

DOMESTIC VERSUS INTERNATIONAL BANKING

A disaggregation of the banking sector into domestic and international operations allows for a comprehensive evaluation of the domestic retail-oriented services, compared to international banking, which focuses on wealth management-related activities.

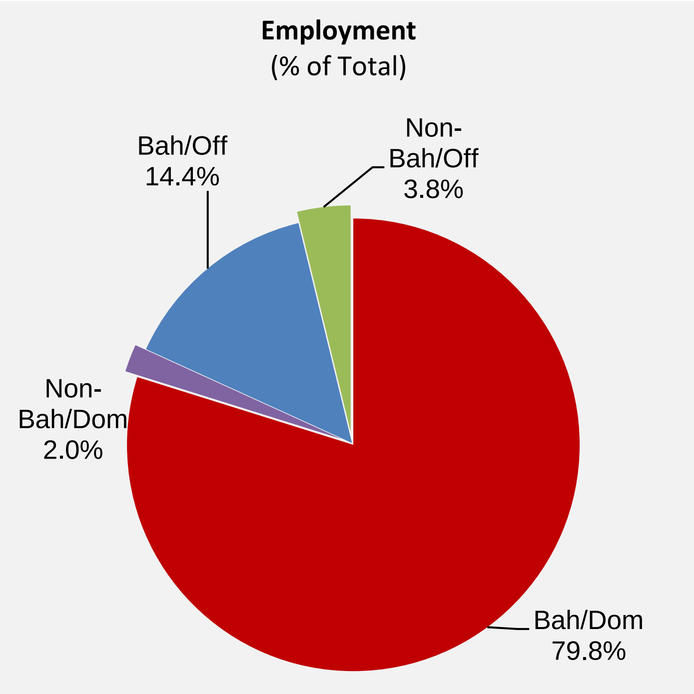
During 2021, total employment in the domestic banking sector fell further by 90 (2.9%) to 3,034, after a 2.2% reduction in 2020 and an average yearly loss of 0.8% over the previous five years. Likewise, total international sector staffing decreased again, by 44 (6.1%) to 675, vis-à-vis the 10.8% retrenchment in the year prior and average yearly contraction of 9.9% over the past five years.

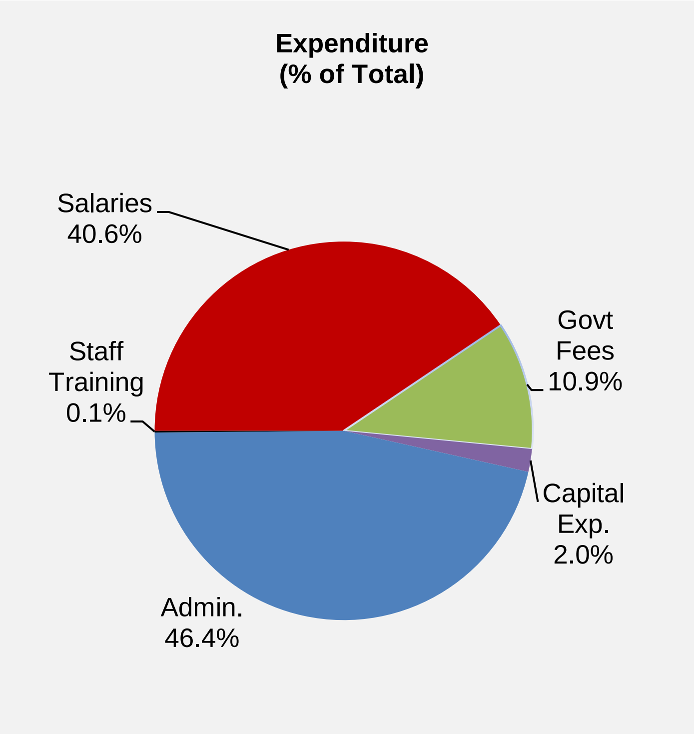
In terms of the components, the total number of Bahamians within the domestic banking sector moved lower by 90 (2.9%) to 2,961, extending the 2.1% falloff in the prior year. Meanwhile, the number of total non-Bahamian employees remained unchanged at 73 vis-à-vis the previous year. Consequently, the ratio of Bahamian to non-Bahamian employees edged down to 41:1 from 42:1 in 2020.

In the international sector, total Bahamian staff reduced by 14 (2.6%) to 534, following a 14.1% decrease in the preceding year. Similarly, the number of non-Bahamians declined by 30 (17.5%) to 141, contrasting with a 1.8% growth in the previous year. As a result, the ratio of Bahamian to non-Bahamian employees firmed to 3.8:1 from 3.2:1 a year earlier.

Regarding compensation, movements in earnings varied between the international and domestic sectors. Specifically, average compensation in the international sector fell by $3,098 (2.5%) to $120,129 per annum, owing to average reductions in base pay, as a result of layoffs. In contrast, the average salary for the domestic banks rose by $1,316 (2.2%) to $60,727 per annum.

With downsizing of operations, the international sector experienced continued reductions in expenses, while, outlays within the domestic banking sector were approximately stable. Specifically, in the international banking sector, total expenditure contracted by 2.4% to $228.9 million, owing to reductions across major expense categories. This moderated the 2020 decline of 4.8%, and was lower than the 3.5% annual average falloff over the preceding five year period. In particular, salaries fell by 3.2% to $112.5 million, compared to the 2.6% decrease last year. Further, other administrative costs declined by 2.6% to $105.1 million, vis-à-vis the 5.4% retrenchment in the previous year, while spending on staff training fell by 38.0% to $0.2 million, lower than the 69.9% reduction in 2020. Meanwhile, government fees grew by 2.8% to $8.5 million, after a 6.8% falloff a year earlier. In addition, capital expenditure grew by 36.3% to $2.6 million, a turnaround from the 37.5% decline last year.





In the domestic banking sector, total expenditure stabilized at $545.0 million, following a 3.9% growth in 2020 and average annual gains of 3.9% between 2017 and 2021. Contributing, operational costs—representing 97.7% of the total—rose by 0.5% to $532.5 million, albeit lower than the 4.1% expansion in the prior year. In particular, government fees advanced by 9.3% to $76.2 million, more than erasing last year's 4.3% reduction. However, salary expenses fell by 0.8% to $201.6 million, relative to a 3.8% increase in the preceding year; and non-staff administrative costs reduced by 0.9% to $253.9 million, following a 7.2% advance in 2020. Further, outlays for staff training contracted by 3.4% to $0.9 million, a moderation from the 42.5% decline in the prior year. Capital expenditure—comprised mainly of office equipment and furniture—also declined by 17.7% to $12.5 million, extending the 1.5% decrease in 2020.

OTHER FINANCIAL SECTOR ACTIVITIES

CREDIT UNIONS

Indications are that the credit union sector's economic value-added was subdued in 2021, on a stable base of 10 regulated entities—inclusive of the Bahamas Co-operative League Limited. Specifically, the sector's total assets fell by 1.6% to $474.6 million in 2021, attributed to a 33.2% falloff in liquid investments—primarily fixed deposits—and a 10.8% decline in cash balances. In addition, funding resources primarily from members' deposits, decreased by 1.9% to $409.1 million. However, net loans to members rose by 4.3% to $225.7 million, mainly on account of mortgage flows.

Credit unions' total expenditure reduced by 5.9% to $27.3 million in 2021. In particular, capital outlays (investment property expenses) contracted by 9.2% to $1.4 million, while the remaining non-capital costs fell by 3.5% to $5.7 million. In contrast, operational costs grew by 2.0% to $17.9 million, owing to increases in general business (5.6%) and personnel (7.5%) expenses—inclusive of base salaries, bonuses and training. As to employment, credit unions' total staffing was approximately stable at 189.

SECURITIES INDUSTRY

Although comprehensive data on expenditure and employment was not available for the securities sector, contractions in the volume of supervised entities and vehicles indicated reduced activity. In particular, evidence from the Securities Commission of The Bahamas (SCB), revealed that the number of licensed investment fund administrators decreased by 3 to 45, while the number of licensed investment funds under administration declined by 30 to 682. However, total assets under management increased marginally by 0.6% to an estimated $50.0 billion.

The SCB also supervises the financial and corporate services providers (FCSPs), which are professional firms that offer services to the financial sector. In 2021, the number of FCSPs fell by 94 to 246, owing to a falloff in demand for these services. It should be noted that, these registrants provide other business services, hence, relinquishing of FCSPs permits do not amount materially to private sector exit or closure of such operations.

INSURANCE SECTOR

During 2021, the local insurance sector remained relatively stable, despite the ongoing challenges presented by the COVID-19 pandemic. Official data provided by the Insurance Commission of The Bahamas (ICB), disclosed that the number of licensed insurers, brokers and agents edged down by 1 to 158 during the review year. Specifically, the number of external insurers and intermediaries lessened by 1 to 31, while domestic intermediaries and insurers steadied at 127 in 2021. Further, total assets of domestic companies grew by 2.1% to $2,152.9 million in 2021, as the asset base of the long-term insurance segment moved higher by 2.2% to $1,562.7 million. However, assets of the general insurers reduced by 13.5% to $590.2 million.

As it relates to employment, the number of persons employed in the industry increased by 17 to 931 in 2021, as the estimated average annual salary moved closer to $40,000. Although a comprehensive estimate was not attained, indications are that aggregate expenditures in the economy grew. In particular, outlays among domestic long-term insurers were estimated at $135.1 million, higher than the $104.3 million registered in the previous year—representing 97.7% of operating cost recorded in 2021.

OTHER FINANCIAL SECTOR DEVELOPMENTS

During the year, financial sector initiatives remained targeted on improving The Bahamas' supervisory regime, with sustained focus on satisfying international regulatory standards, jurisdictional cooperation and transparency, financial crimes risk reduction and prudential regulation. As the fallout from the COVID-19 pandemic extended into 2021, the Central Bank continued to monitor SFIs' approach to adapting their operations under the restrained conditions of the pandemic, and the identified risk management challenges of the environment. In this context, the Bank's policies were directed towards mitigating financial sector disruptions and solidifying resilience.

The Bank also noted the growing interest of businesses in the digital assets space. With the passage of the Digital Assets and Registered Exchanges Act 2020, it is anticipated that SFIs will seek to expand their reach in this market. As such, the Central Bank is developing supervisory guidance for the industry, in line with the evolving global benchmarks for digital assets, and with a view to promote robust standards for the financial integrity of transactions and prudential outcomes for the safety and soundness of SFIs operations.

CENTRAL BANK INITIATIVES

The Central Bank continued to supervise AML risk management practices among its licensed entities, and to support coordinated efforts to elevate the jurisdictions' compliance and effectiveness profile in international assessments. These efforts resulted in a peer Caribbean Financial Action Task Force (CFAF) re-rating in 2021, which judged The Bahamas compliant or largely compliant with 38 out of the 40 Financial Action Task Force (FATF) recommendations for strengthening the country's AML/CFT technical compliance. This followed the December 2020 delisting of The Bahamas from the FATF's list of Jurisdictions under Increased Monitoring.

Regulatory attention also sharpened around SFIs preparedness to address operations risks posed by severe hurricanes. Specifically, following the 2020 Hurricane Preparedness Survey, the Central Bank engaged with the Association of International Banks & Trusts ("AIBT") and the Clearing Banks Association ("CBA") to release, in July 2021, two industry-developed codes of practice around practical guidance for dealing with such disruptions. One addressed Maintenance of Effective Communication with Clients and the other Managing Catastrophe-Related Staff Issues before, after and during a catastrophic storm. In particular, the codes of practice offer practical industry guidance on how to effectively manage staff and communications with customers before, during and after a catastrophic event.

Developments include an action plan to operationalize the recovery and resolution framework that became effective under the new Banks and Trust Companies Regulation Act 2020. The Central Bank received significant support through an IMF technical assistance mission, in October, 2021 and from which a follow-up engagement is scheduled for mid-2022. Two substantive deliverables in 2021, were the release of a draft Recovery Planning Guidelines for public licensees and the commencement of a pilot for six supervised financial institutions—three commercial banks and three international banks to produce their recovery plans by 31st May, 2022.

In the payments system, the Central Bank continued to develop the digital currency infrastructure around the Sand Dollar. In 2021, the Bahamian Dollar Digital Currency Regulations, 2021 were issued. These define the operations and governance framework for the digital currency. For participating financial institutions, they include minimum technical requirements around cyber security, AML/CFT risk management, financial inclusion and interoperability. During the year, three additional authorized financial institutions (AFIs) were approved to disseminate Sand Dollars. Moreover, the wallets of all nine AFIs became fully interoperable with the digital currency platform. A number of Government agencies were also integrated into the Sand Dollar ecosystem via the Government's DigiPay platform; while efforts progressed to integrate the platform to the commercial bank operated, Bahamas Automated Clearing House (the ACH).

Also noteworthy, the credit bureau transitioned into operations, going live on 30th April 2021, with CRIF Bahamas, the credit bureau operator, working closely with 38 credit information providers, to build the credit reporting system. Other than licenses of the Central Bank, Insurance Commission and Securities Commission that were already mandated to report information to the bureau, during the year, the Central Bank also formally designated the operating utility companies as credit information providers.[1]

CONCLUSION AND OUTLOOK

The 2021 survey of financial sector activities continues to underscore adjustment to challenges for the industry which predate the COVID-19 pandemic, and are most concentrated in banking and trust activities. Aside from the response to evolving global regulatory compliance standards, the sector also continues to consolidate along efficiency lines. These have been further summarised, in downward adjustments in staffing levels in both international and domestic banking. The international securities business also experienced recent retrenchment, though mostly in terms of registrants rather than the volume of assets under management. That said, the business model of international firms is showing growth potential in markets outside of Europe and North America and in the expanded regulated focus of the jurisdiction on digital assets. Adjustment pressures appear less acute for domestic insurance, with expansionary to stable trends. Meanwhile, credit unions' prospects reflected ongoing adjustment to more concentrated credit exposures to COVID-19 tourism, than the rest of domestic banking sector and smaller capital and liquidity surpluses in such regards.

The jurisdiction's prospects for expanded economic returns in international services remains favourably linked to ongoing strengthening of the regulatory landscape, including increasing effectiveness in delivering upon obligations for financial integrity and tax transparency. Going forward, the Central Bank will sustain its efforts to strengthen the regulatory framework for its SFIs. Equally, the collaborative stance across all regulators will continue to be strengthened, so as to support the growth and resilience of the financial sector. The Bank will also remained focused on initiatives to strengthen financial inclusion and deepen financial literacy.

[1] These are the licensees of the Utilities Competitions and Regulations Authority (URCA).

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

Period	2017p	2018p	2019p	2020p	2021p
A. Taxes on Transactions	**98.5**	**109.2**	**86.0**	**94.0**	**112.0**
Gross Insurance Premium Tax 1/	22.1	23.2	24.3	26.2	27.5
Stamp Tax on Mortgages	15.2	18.5	8.3	4.6	2.2
Stamp Tax on Other Banking Transactions	61.0	67.3	53.2	62.9	81.9
Stamp Tax on Instruments & Bonds	0.2	0.3	0.4	0.3	0.4
B. Licence & Registration Fees	**71.0**	**73.1**	**71.5**	**70.4**	**77.2**
International Business Companies (IBCs)	15.1	14.7	13.3	12.2	13.5
Banks and Trust Companies 3/	50.5	51.0	50.6	50.6	52.9
Insurance Companies, Brokers & Agents	0.3	0.3	0.4	0.3	0.3
Financial & Corp. Svcs. Providers	0.6	0.6	0.6	0.5	1.9
Investment Funds 2/	4.5	6.5	6.6	6.9	8.7
C. Total Revenues	**169.5**	**182.3**	**157.5**	**164.4**	**189.2**

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

Notes: 1/ Premium Tax collected from Insurance Companies.
2/ Amounts collected by the Securities Commission.
3/ Amounts include other fees payable.

Table B. Gross Economic Contribution of Banks and Trust Companies in The Bahamas

Period	2017p	2018p	2019p	2020p	2021p
A. Total Employment	4,129	4,049	4,001	3,843	3,709
1. Non-Bahamians	267	249	247	244	214
2. Bahamians (of which)	3,862	3,800	3,754	3,599	3,495
i) Local Banking	2,500	2,430	2,457	2,398	2,306
ii) Offshore Banking	588	627	590	500	548
iii) Trust Administration	525	483	447	406	389
iv) Other	249	260	260	295	252
			(B$ Millions)		
B. Total Operational Costs (1+2+3+4)	694.9	734.8	752.3	762.7	758.8
1. Salaries[1]	324.4	329.7	315.1	319.5	314.1
i) Base Salaries	271.6	275.5	268.6	274.2	265.3
ii) Bonuses	52.8	54.2	46.5	45.3	48.8
2. Government Fees	67.2	73.0	81.7	78.0	84.7
i) Licence	50.5	51.0	50.6	50.6	52.9
ii) Company Registration	0.7	0.6	0.4	0.4	0.3
iii) Work Permits	2.6	2.7	2.6	2.4	2.7
iv) Other Government Fees	13.5	18.6	28.1	24.7	28.9
3. Staff Training	2.6	3.0	2.6	1.2	1.1
4. Other Administrative Costs	300.6	329.1	352.9	364.0	358.9
C. Capital Expenditure[2]	15.6	25.4	18.4	17.1	15.1
D. Total Expenditure (B+C)	710.4	760.1	770.8	779.8	773.9
E. Average Salary (B$)[3]	65,784	68,032	67,132	71,351	71,537

Source: Central Bank of The Bahamas

[1] Includes bonuses.

[2] Includes construction, renovation expenses and other fixed assets.

[3] Excludes bonuses.

Table C. Gross Economic Contribution of Banks and Trust Companies by Group

Period	2017p	2018p	2019p	2020p	2021p	2017p	2018p	2019p	2020p	2021p
			Domestic					**International**		
A. Total Employment	3,133	3,182	3,195	3,124	3,034	996	867	806	719	675
1. Non-Bahamians	54	66	79	73	73	213	183	168	171	141
2. Bahamians (of which)	3,079	3,116	3,116	3,051	2,961	783	684	638	548	534
i) Local Banking	2,500	2,430	2,457	2,398	2,306	--	--	--	--	--
ii) Offshore Banking	97	182	200	193	222	491	445	390	307	326
iii) Trust Administration	310	317	292	266	239	215	166	155	140	150
iv) Other	172	187	167	194	194	77	73	93	101	58
					(B$ Millions)					
B. Total Operational Costs (1+2+3+4)	452.0	495.8	509.1	530.0	532.5	242.8	239.0	243.2	232.7	226.3
1. Salaries[1]	182.9	196.0	195.8	203.3	201.6	141.5	133.7	119.3	116.2	112.5
i) Base Salaries	166.1	179.1	178.0	185.6	184.2	105.5	96.3	90.6	88.6	81.1
ii) Bonuses	16.8	16.9	17.8	17.7	17.3	36.0	37.3	28.7	27.6	31.4
2. Government Fees	57.5	63.7	72.8	69.7	76.2	9.8	9.4	8.9	8.3	8.5
i) Licence	44.3	44.9	44.5	44.4	46.9	6.2	6.2	6.1	6.1	5.9
ii) Company Registration	0.0	0.4	0.1	0.2	0.2	0.7	0.2	0.2	0.2	0.1
iii) Work Permits	0.6	0.9	0.7	0.9	0.6	2.0	1.8	1.9	1.5	2.1
iv) Other Government Fees	12.5	17.5	27.5	24.2	28.6	0.9	1.1	0.6	0.5	0.4
3. Staff Training	1.7	2.1	1.6	0.9	0.9	0.9	0.9	1.0	0.3	0.2
4. Other Administrative Costs	210.0	234.1	238.9	256.1	253.9	90.6	95.0	114.0	107.9	105.1
C. Capital Expenditure[2]	12.6	15.2	15.4	15.1	12.5	3.0	10.2	3.1	1.9	2.6
D. Total Expenditure (B+C)	464.6	511.0	524.5	545.1	545.0	245.8	249.2	246.3	234.6	228.9
E. Average Salary (B$)[3]	53,028	56,289	55,708	59,411	60,727	105,911	111,129	112,419	123,227	120,129

Source: Central Bank of The Bahamas

[1] Includes bonuses.

[2] Includes construction, renovation expenses and other fixed assets.

[3] Excludes bonuses.

Table D: Other Selected Financial Sector Statistics

	Unit	2017r	2018r	2019r	2020p	2021p
Investment Funds						
Licensed Investment Funds	Number	783	748	742	712	682
Licensed Administrators	**Number**	**62**	**62**	57	48	45
Net Asset Value	*B$ Billions*	*86.3*	*n/a*	38.4	49.7	50.0
Insurance Companies and Agents	**Number**	**144**	**151**	**160**	**159**	**158**
Domestic Companies and Agents	**Number**	**115**	**118**	**127**	**127**	**127**
Total Domestic Assets	*B$ Millions*	2,185.3	2,055.5	3,372.0	2,211.0	2,152.9
Employment*	*Number*	1,393	1,389	1027	914	931
Average Annual Salaries*	*B$*	44,746	43,514	39,968	36,544	37,832
Operating Costs / Total Expenditure	*%*	97.0	97.0	90.4	98.7	97.7
External Insurers & Intermediaries	**Number**	**29**	**33**	**33**	**32**	**31**
Credit Unions (Active)						
Number of Unions	**Number**	**10**	**10**	**10**	**10**	**10**
Total Assets	*B$ Millions*	420.8	450.9	476.0	482.3	474.6
Employment	*Number*	165	182	183	190	189
Average Annual Salaries	*B$*	33,352	30,473	31,525	29,816	32,074
Total Expenditure	*B$ Millions*	29.25	31.04	31.58	29.00	27.30
Operating Costs / Total Expenditures	*%*	53.1	56.7	60.8	60.6	65.6
Bahamas International Securities Exchange (BISX)						
Securities Listed	**Number**	**53**	**49**	**44**	**47**	**47**
Shares Traded	*Thousands*	5,132	8,520	28,853	5,558	12,045
Market Capitalization	*B$ Billions*	3.27	5.40	5.53	8.76	9.28

Sources:

Bahamas International Securities Exchange (BISX), Credit Unions,

Securities Commission of The Bahamas and Insurance Commission of The Bahamas

Notes:

*2017-2018 data is based on Central Bank estimates and surveys; 2019-2021 based on survey data only.