Quarterly
Economic Review
MARCH 2024

VOLUME 33 | No. 1

www.centralbankbahamas.com

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

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OVERVIEW

During the first quarter of 2024, preliminary indications are that the Bahamian economy maintained its growth trajectory, albeit at a more tempered pace, with economic indicators returning closer to their expected medium-term potential. Tourism output remained expanded, supported by robust gains in both the high value added air segment and sea traffic, as the demand for travel in key source markets persisted. Further, a number of small to medium-scale foreign investment-related projects undergirded activity in the construction sector. In price developments, domestic inflation moderated, reflective of the pass-through effects of lower global oil prices on imported oil and other goods.

Provisional estimates for the second quarter of FY2023/24, revealed that the Government's deficit narrowed relative to the same quarter of FY2022/23. Underlying this outcome was a VAT-led expansion in aggregate revenue, combined with a reduction in total expenditure. Budgetary financing was secured from both domestic and external sources, but was led by internal borrowings and comprised of a mix of long and short-term debt instruments.

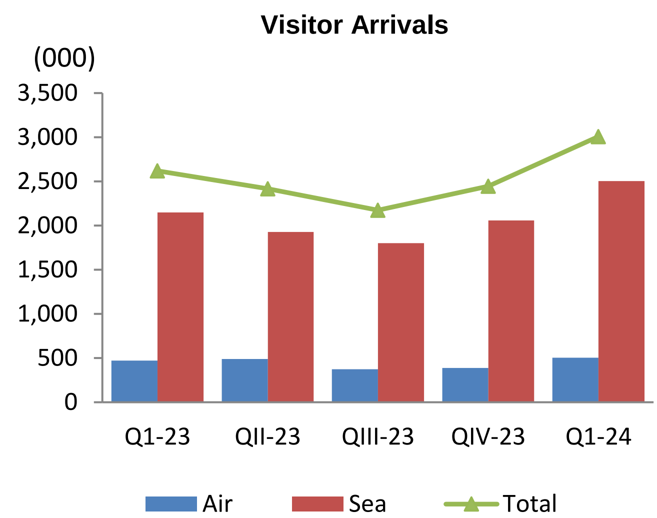
In monetary developments, bank liquidity expanded, as the buildup in the deposit base contrasted with the decline in domestic credit. In addition, the accumulation in external reserves extended, relative to the prior year, bolstered by net foreign currency inflows from real sector activities and Government's external borrowings. Meanwhile, buoyed by improving economic conditions and ongoing loan write-offs, banks' credit quality indicators improved during the review quarter. Further, the latest available data for the fourth quarter of 2023, showed that domestic banks overall profitability levels increased, underpinned by a reduction in provisions expense for bad debt, and gains in other non-interest income.

In the external sector, the estimated current account deficit widened during the review quarter. The outturn was reflective of an increase in the merchandise trade deficit, combined with a shift in the secondary income account to a deficit from a surplus, and a rise in the primary income account deficit, which overshadowed the expansion in the services account surplus. Further, the financial account inflows—excluding reserve assets—contracted, owing largely to a switch in portfolio investment transactions to a net outflow, from a net inflow a year earlier. Meanwhile, the estimated capital account transfers reported nil transactions during the first quarter, similar to the preceding year.

REAL SECTOR

TOURISM

Indications are that the tourism sector continued to register healthy performance during the first quarter of 2024, undergirded by robust gains in both the high-valued air traffic and sea arrivals, amid steady demand for travel in key source markets and marketing efforts.



Information from the Ministry of Tourism showed that quarterly visitor arrivals grew by 14.9% to 3.0 million, surpassing the 2.6 million visitors a year earlier. Underpinning this development, sea traffic expanded by 16.6% to 2.5 million arrivals, exceeding the 2.1 million visitors in the comparable period of the previous year. Likewise, the high-value added stopover segment rose by 5.9% to 0.5 million passengers, relative to 469,988 visitors in the prior year.

An analysis by major ports of entry revealed that tourist arrivals to New Providence increased by 14.1% to 1.4 million, extending the 1.2 million visitors a year earlier, as sea traffic grew by 17.0% and air passengers, by 6.8%. Likewise, arrivals to the Family Islands moved higher by 16.5% to 1.4 million, exceeding the 1.2 million passengers in 2023, on account of 17.2% expansion in sea passengers and an 8.3% gain in air tourists. Further, visitors to Grand Bahama rose by 8.5% to 158,270, surpassing the 145,866 passengers posted in the comparable period last year, underpinned by a rise in sea arrivals, by 8.2% and air traffic, by 10.9%.

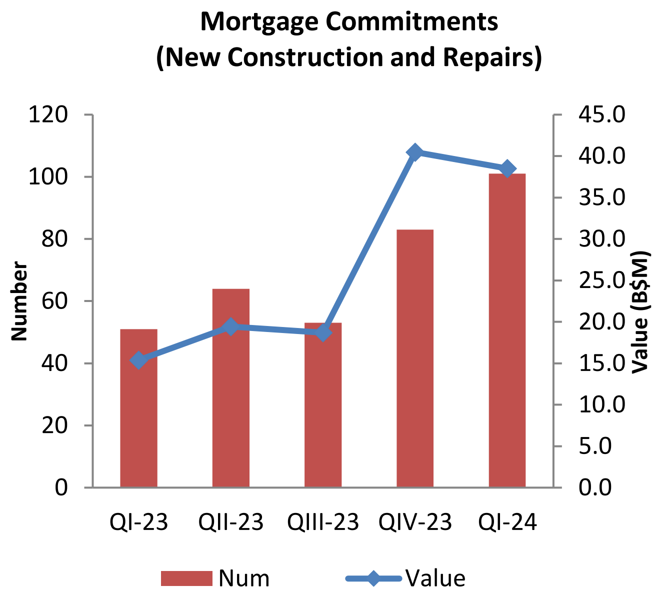
The vacation rental market also benefited from stopover visitor gains during the first quarter, as shown in the most recent data provided by AirDNA. Specifically, total room nights booked increased by 14.8% to 12,553, explained by a rise in entire place listings, by 14.6% to 8,416 and hotel comparable listings, by 15.2% to 3,592, relative to the corresponding period in 2023. For the review quarter, an analysis by rental category revealed that the occupancy levels for entire place listings firmed by 2.3 percentage points to an average 56.5%, as the average daily rate (ADR) increased by 1.5% to $692.19. In contrast, hotel comparable listings average occupancy rate decreased by 0.8 percentage points to 53.4%; however, the ADR rose by 4.4% to $194.87.

Data provided by the Nassau Airport Development Company Limited (NAD) showed that quarterly total departures—net of domestic passengers—strengthened by 11.1% to 0.4 million, over the comparable period of the previous year. Specifically, US departures grew by 12.0%—comprising approximately 85.0% of total passengers—while international departures increased by 6.3%.

CONSTRUCTION

During the review quarter, output within the construction industry was largely influenced by new and ongoing varied-scale foreign investment projects. Nonetheless, on the domestic front, residential and commercial building activity remained subdued.

In terms of the domestic component, total mortgage disbursements for new construction and repairs—as reported by banks, insurance companies and the Bahamas Mortgage Corporation—rose by 18.1% ($4.3 million) to $28.3 million, although marginally lower than last year's 18.8% growth. Contributing to this development, residential disbursements expanded by 9.5% ($2.3 million) vis-à-vis the 23.5% advancement in the prior year. Meanwhile, commercial disbursements increased to $2.1 million, from just $0.2 million a year earlier.



Total mortgage commitments for new buildings and repairs—a forward-looking indicator of domestic activity—grew by 50 to 101, relative to the same period in 2023, while the associated value advanced to $38.5 million from $15.4 million in the comparative period last year. Categorized by loan type, the number of undisbursed approvals for residential commitments moved higher by 45 to 95, with an $8.4 million (55.0%) rise in the corresponding value, to $23.7 million. Further, commercial commitments for new construction and repairs rose by 5 to 6, while the accompanying value advanced to $14.8 million from a mere $0.1 million in the preceding year.

In terms of interest rates, the average financing cost for residential mortgages narrowed by 57 basis points to 5.86%. Likewise, the average interest cost for commercial disbursements decreased by 22 basis points to 6.14% over the review period.

Prices

Reflective in part of the pass-through effects of relatively lower global oil costs, domestic consumer price inflation for the twelve months to February—as measured by changes in the average Retail Price Index for The Bahamas—moderated to 2.5%, from 5.8% in the comparative 2023 period. Contributing, average costs for transport decreased to 5.3% and for communications, to 4.1%, after recording increases of 10.2% and 5.0%, respectively, in the year prior. Further, average inflation moderated for restaurant & hotels (3.7%), recreation & culture (3.2%), food & non-alcoholic beverages (3.3%) and clothing & footwear (0.8%). Providing some offset, average prices rose for health (7.4%), alcohol beverages, tobacco, & narcotics (7.3%), furnishing, household equipment & routine household maintenance (6.7%), housing, water, gas, electricity & other fuels (4.5%), miscellaneous goods & services (3.4%), and education (2.7%).

During the first two months of 2024, domestic energy prices declined, amid the reduction in global oil prices. Specifically, average diesel price decreased by 8.5% to $5.33 per gallon during the two months to February, vis-à-vis the same period last year. Likewise, average gasoline cost, during the two-months to February, fell by 3.1% to $5.32 per gallon, relative to the corresponding period in 2023.

FISCAL OPERATIONS

OVERVIEW

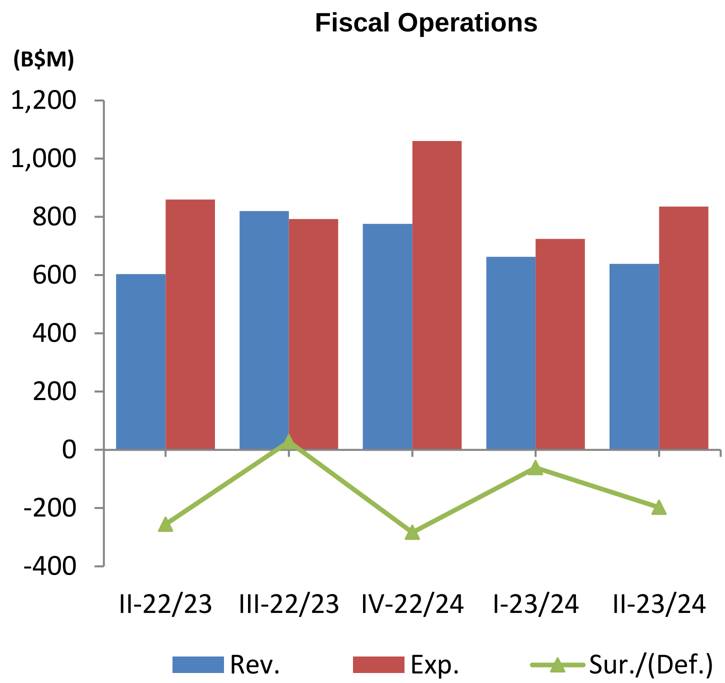
Preliminary data on the Government's budgetary operations for the second quarter of FY2023/24 revealed that the overall deficit narrowed to $197.2 million, from $255.9 million in the comparable FY2022/23 period. Contributing to this outturn was a VAT-led rise in total revenue, by $35.0 million (5.8%) to $638.6 million, combined with a $23.7 million (2.8%) reduction in aggregate expenditure to $835.7 million.

REVENUE

Tax receipts—which comprised 88.6% of aggregate inflows—grew by $43.9 million (8.4%) to $565.7 million. Notably, VAT collections—at 54.5% of tax revenue—rose by $40.3 million (15.1%) to $308.1 million, while proceeds from stamp taxes on financial and realty transactions increased by $1.8 million to $26.8 million. Likewise, proceeds from excise taxes more than doubled to $1.6 million from $0.7 million a year earlier.

With regard to the other components, taxes on the use or supply of goods and services rose by $6.5 million (29.2%) to $28.9 million, explained by a $5.1 million (45.3%) growth in receipts from business licenses fees, to $16.2 million. In addition, motor vehicle taxes grew by $0.8 million (11.7%) to $8.0 million, and marine license taxes, by $0.7 million (83.3%) to $1.6 million. Meanwhile, company taxes stabilized at $3.1 million, vis-à-vis the prior year.

In terms of the remaining categories, taxes on international trade



Government Revenue By Source
Oct-Dec)

	FY22/23		FY23/24	
	B$M	%	B$M	%
Property Tax	38.6	6.4	25.9	4.1
Value Added Tax	267.8	44.4	308.1	48.2
Stamp Taxes (Financial & Realty)	24.9	4.1	26.8	4.2
Excise Tax	0.7	0.1	1.6	0.3
Specific Taxes (Gaming Tax)	13.4	2.2	12.2	1.9
Motor Vehicle Taxes	7.2	1.2	8.0	1.3
Company Taxes	3.2	0.5	3.1	0.5
License to Conduct Specific Bus. Act.	11.2	1.9	16.2	2.5
Marine License Activities	0.9	0.1	1.6	0.2
Customs & Other Import Duties	62.2	10.3	65.3	10.2
Taxes on Exports*	53.6	8.9	60.9	9.5
Departure Taxes	34.0	5.6	35.2	5.5
Other Taxes on Transctions	0.1	0.0	0.1	0.0
General Stamp Taxes	4.0	0.7	0.6	0.1
Property Income	17.2	2.8	13.4	2.1
Sales of Goods & Services	51.6	8.5	57.9	9.1
Fines, Penalties & Forfeits	1.1	0.2	1.3	0.2
Reimbursements & Repayments	0.0	0.0	0.0	0.0
Misc. & Unidentified Revenue	10.6	1.8	0.1	0.0
Sales of Other Non-Financial Assets	0.2	0.0	0.2	0.0
Grants	1.1	0.2	0.0	0.0
Capital Revenue	0.0	0.0	0.0	0.0
Total	**603.6**	**100.0**	**638.6**	**100.0**

* Taxes on exports Includes excise duties, effective FY19/20

expanded by $11.6 million (7.7%) to $161.5 million, largely attributed to ongoing gains in economic activities. Reflective of this outturn, export duties rose by $7.3 million (13.6%) to $60.9 million, while customs & other duties and departure taxes increased by $3.1 million (5.0%) to $65.3 million and $1.2 million (3.5%) to $35.2 million, respectively. Meanwhile, other "miscellaneous" taxes held steady at $0.1 million. In an offset, revenue from property taxes declined by $12.7 million (33.0%) to $25.9 million. Similarly, receipts from specific taxes—primarily gaming—fell by $1.2 million (8.7%) to $12.2 million, while collections from general stamp taxes decreased by $3.4 million (84.1%) to $0.6 million, relative to the previous year.

Non-tax receipts—at 11.4% of total revenue—contracted by $7.8 million (9.7%) to $72.9 million. Underlying this outturn, property income reduced by $3.8 million (22.1%) to $13.4 million, owing primarily to a timing-related decline in Government property receipts, to just $0.3 million (97.8%) from $14.2 million a year earlier. Further, income from "miscellaneous" & unidentified revenue and reimbursements repayments, mostly banks and trust license fees, decreased to negligible levels. In an offset, revenue from the sale of goods and services grew by $6.4 million (12.3%) to $57.9 million, largely due to an increase in collections from customs administrative and other fees. Further, receipts from fines, penalties and forfeitures also posted an uptick of $0.1 million (12.3%) to $1.3 million, while proceeds from the sale of other non-financial assets held steady at $0.2 million.

EXPENDITURE

The reduction in total expenditure was led by a $30.6 million (3.8%) decrease in current spending to $766.3 million, which overshadowed the $6.9 million (11.0%) rise in capital outlays to $69.4 million.

Analyzed by economic categorization, the decline in current spending reflected lower disbursements for use of goods and services, by $21.1 million (13.7%) to $132.7 million. Further, outlays for "other miscellaneous" payments reduced by $16.4 million (19.9%) to $66.2 million, due to decreases in insurance premiums and current transfers. In addition, allocations for subsidies fell by $9.0 million (7.6%) to $110.0 million, explained by lower disbursements to public entities. Spending for grants also reduced to $0.2 million from $0.7 million in the prior year. In an offset, employee compensation outlays grew by $2.6 million (1.3%) to $209.2 million. Disbursements for interest payments on public debt also rose by $8.8 million (4.9%) to $187.0 million, on account of a $4.6 million (4.0%) increase in payments on external debt interest, as well as a $4.2 million (6.6%) rise in internal debt costs. Further, spending for social benefits grew by $5.1 million (9.0%) to $61.1 million.

The growth in capital outlays was largely attributed to a rise in the acquisition of non-financial assets, by $11.9 million (22.9%) to $63.9 million. This was on account of higher spending on fixed assets, by $11.5 million (22.2%) to $63.5 million and outlays for land purchases of $0.4 million, following nil transactions the previous year. In an offset, capital transfers declined by $5.0 million (47.6%) to $5.5 million.

FINANCING AND THE NATIONAL DEBT

Budgetary financing during the second quarter of FY2023/24 was obtained from a mix of domestic and external sources. Specifically, internal borrowings amounted to $1,067.9 million, and consisted of Government bonds ($397.7 million), local currency loans and advances ($337.5 million), internal foreign currency loans (234.6 million) and net Treasury bills/notes ($98.1 million). Further, external borrowings totalled $261.8 million, and comprised mainly of a commercial loan and drawdowns on multilateral facilities. Debt repayment for the period amounted to $1,139.1 million, of which the largest portion (70.9%) went towards retiring Bahamian dollar obligations.

As a result of these developments, the Direct Charge on the Government grew by $213.5 million (1.9%) over the quarter and by $391.5 million (3.5%), year-on-year, to $11,428.0 million at end December 2024. Moreover, for the quarter ended-March 2024, the Direct Charge on the Government rose by $87.0 million

(0.8%) and by $410.6 million (3.7%), year-on-year, to $11,515.0 million. A disaggregation by currency, revealed that Bahamian dollar debt represented 52.6% of the total, while foreign currency liabilities accounted for the remaining 47.4%.

A further breakdown by creditor showed that private (non-financial) and institutional investors held the largest share of local currency debt (41.7%), followed by banks (39.5%), the Central Bank (11.4%) and public corporations (7.1%). A disaggregation by instrument type, revealed that Government bonds constituted the majority of the domestic currency liabilities (72.4%) and featured an average maturity of 9.5 years, vis-à-vis 9.8 years in 2023. In addition, Treasury bills & notes and loans & advances represented smaller shares of 20.0% and 7.6%, respectively.

Estimates of the Debt-to-GDP Ratios

March (%)[1]

	2022p	**2023p**	**2024p**
Direct Charge	87.7	81.2	79.9
National Debt	91.0	84.0	82.3
Total Public Sector Debt*	94.0	86.6	84.7

Source: Central Bank of The Bahamas and Bahamas National Statistical Institute

GDP growth estimate for 2024 is partially derived from IMF projections.

[1] In the absence of actual quarterly GDP data for 2024, 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.*

The Government's contingent liabilities decreased by $16.9 million (4.8%) over the review quarter and by $56.6 million (14.5%), year-on-year, to $334.0 million. As a consequence, the National Debt, inclusive of contingent liabilities, expanded by $70.1 million (0.6%) over the three month period, and by $354.0 million (3.1%) on an annual basis, to $11,848.9 million as at end-March 2024.

As a fraction of GDP, the Direct Charge declined by an estimated 1.3 percentage points on a yearly basis, to 79.9% at end-March. In addition, the National Debt-to-GDP decreased to an estimated 82.3%, vis-à-vis 86.6% in the same quarter of 2023.

Public Sector Foreign Currency Debt

During the review quarter, the public sector foreign currency debt increased by $105.9 million (1.8%) to $5,879.0 million, and grew by $234.1 million (4.1%) compared to the same period last year. Specifically, new drawings of $550.0 million, outstripped amortization payments of $430.8 million. A breakdown by components showed that the Government's outstanding liabilities, at 92.8% of the total, rose by $116.7 million (2.2%) to $5,455.9 million on a quarterly basis, while public corporations' debt stock decreased by $10.8 million (2.5%), to $423.2 million vis-à-vis the prior quarter.

Relative to the same quarter of 2023, foreign currency debt service payments grew by $286.5 million to $476.4 million. In particular, Government's debt service payments expanded by $286.7 million to $458.5 million, as amortization payments rose by $291.6 million to $420.1 million—inclusive of the repayment of a $300.0 million external bond—while interest charges reduced by $4.9 million (11.3%) to $38.5 million. In contrast, the public corporations' debt service payments edged down by $0.2 million (1.1%) to $17.8 million, as interest charges declined by $1.4 million (17.0%) to $7.1 million, while amortization payments rose by $1.3 million (13.2%) to $10.8 million. As a result of these developments, the debt service ratio, against exports of goods and services, firmed to 27.9% at end-March, from 12.7% in 2023.

A disaggregation by creditor profile revealed that capital market investors held the largest share of the foreign currency debt (43.6%), followed by financial institutions (25.8%), multilateral institutions (23.6%), Central Bank (3.9%), domestic banks (2.4%) and bilateral agencies (0.7%). A breakdown by currency type indicated that, the majority of the debt stock was denominated in United States dollars (84.2%), with smaller portions in euro (7.3%), IMF SDRs (6.5%), the Swiss franc (1.2%), and the Chinese yuan (0.8%). At March-end, the average maturity of the outstanding foreign currency debt stood at 8.2 years, down from the 8.4 years in the corresponding 2023 period.

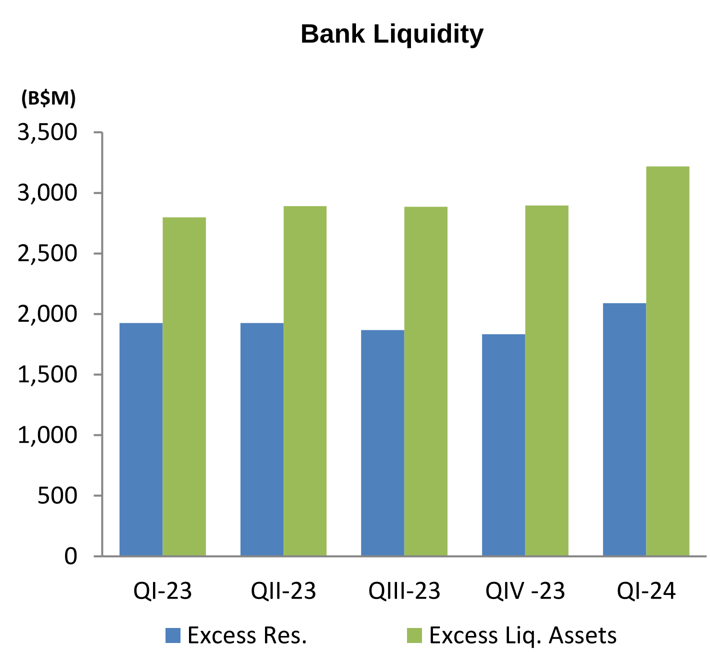
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

During the first quarter of 2024, monetary developments featured a buildup in banking sector liquidity, as the expansion in deposits contrasted with the decline in domestic credit. In addition, the accumulation in financial system's net foreign assets accelerated, as compared to the prior year, bolstered by net foreign currency inflows from real sector activities and Government's external borrowings. Against the backdrop of the strengthening in economic activity and continued loan write-offs, banks' credit quality indicators improved over the review quarter. Further, banks' profitability indicators strengthened in the fourth quarter of 2023—the latest period for which data is available—supported by a decrease in provisioning for bad debt, along with gains in other non-interest income. Meanwhile, the weighted average interest rate spread narrowed during the first quarter, on account of a decline in average lending rates, while the corresponding deposit rates fell.

LIQUIDITY

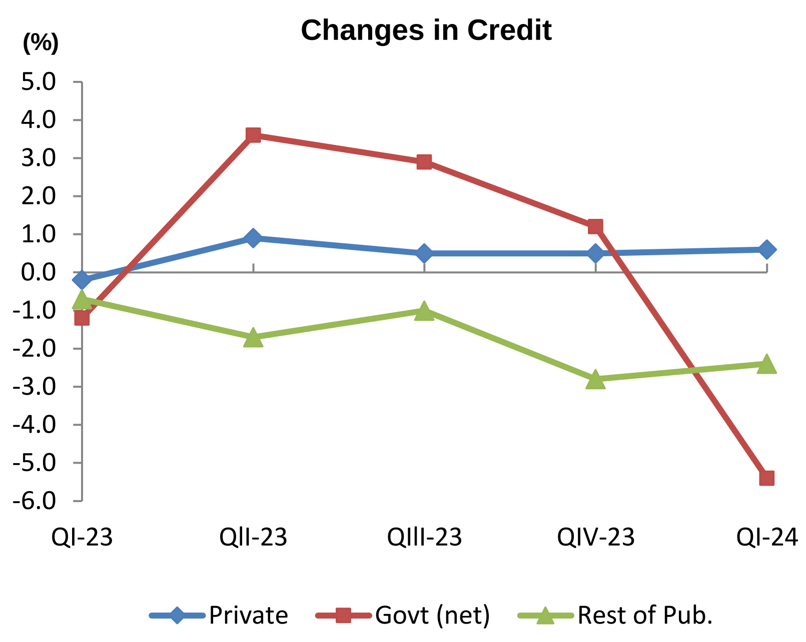
Banks' net free cash reserves of the banking sector grew by $257.4 million (14.0%) to $2,090.0 million, a reversal from a $2.7 million (0.1%) decline in the comparable period last year. Correspondingly, the ratio of net free cash reserves to Bahamian dollar deposit liabilities stood at 24.3% at end-March, up from 23.4% in the year prior. Banks' broader surplus liquid assets also rose by $323.9 million (11.2%), extending the $12.1 million (0.4%) accumulation in the previous year, underpinned by a rise in balances held with the Central Bank. At end-March 2024, the surplus liquid assets exceeded the statutory minimum by approximately 209.9%, as compared to 190.8% in the same period of 2023.



DEPOSITS AND MONEY

During the first quarter, the expansion in overall money (M3) accelerated to $258.7 million (2.8%) from $31.2 million (0.3%) in the comparative period last year, placing the total stock at $9,362.2 million. In terms of the components, narrow money (M1) advanced by $155.4 million (3.6%), a shift from the $39.5 million (0.9%) falloff in the prior year. Underlying this outcome, private placements dominated demand deposits gains of

$134.2 million (3.5%), a turnaround from a $42.4 million (1.1%) contraction last year. Further, currency in active circulation increased by $21.1 million (4.9%), surpassing the $2.9 million (0.7%) uptick in the previous year. Broad money (M2) strengthened by $221.2 million (2.6%), extending the $48.5 million (0.6%) buildup in 2023. In particular, the growth in savings deposits widened to $105.9 million (4.7%) from $83.2 million (4.0%) in the preceding year. However, fixed balances reduced by $40.0 million (2.0%), a switch from a $4.8 million (0.2%) accumulation a year earlier. Further, residents' foreign currency deposits grew by $37.4 million (7.5%), contrasting with a $17.3 million (3.3%) decrease last year.



A breakdown by category indicated that Bahamian dollar demand deposits constituted the bulk of the money stock at 43.0%, followed by savings deposits (25.3%) and fixed balances (21.2%). Further, residents' foreign currency deposits and currency in circulation accounted for smaller shares of 5.7% and 4.8%, respectively.

Domestic Credit

Total domestic credit contracted by $155.1 million (1.6%) in the first quarter, as opposed to a $45.7 million (0.5%) increase in the comparative period of the previous year. This followed an average quarterly decrease of 0.8% over the preceding five-year period. Specifically, the dominant Bahamian dollar component (92.5% of the total), decreased by $145.5 million (1.6%), a reversal from a $74.5 million (0.9%) accumulation a year earlier. Further, the falloff in foreign currency credit slowed to $10.3 million (1.4%) from $28.6 million (4.6%) in 2023.

A sectoral breakdown showed that net credit to the Government declined by $184.0 million (5.4%), extending the $39.0 million (1.2%) falloff last year, and the 1.7% average quarterly reduction over the past five years. In contrast, private sector credit grew by $36.7 million (0.6%), although a slowdown from the $87.2 million (1.5%) buildup in the preceding year. Meanwhile, the decrease in credit to the rest of the public sector extended to $7.8 million (2.4%) from $2.5 million (0.7%) a year earlier.

A disaggregation of the various private sector components revealed that personal loans—which constituted the bulk of private sector credit at 73.5%—rose by $7.4 million (0.2%), contrasting with the $14.8 million (0.3%) decline in the prior year. Leading this outturn, consumer loans advanced by $10.5 million (0.5%), a reversal from the $0.4 million falloff in the same period of the previous year. In addition, the decrease in residential mortgages tapered to $2.6 million (0.1%), from $16.0 million (0.6%) a year earlier. Conversely, overdrafts declined by $0.5 million (1.3%) vis-à-vis a $1.6 million (3.1%) uptick in 2023.

A detailed decomposition of Bahamian dollar consumer credit indicated that credit balances increased for private cars ($7.9 million), debt consolidation ($7.1 million) and "miscellaneous" purposes ($1.7 million), with gains of less than $1.0 million registered for credit cards, furnishings & domestic appliances, medical and commercial vehicles. Conversely, net repayments were recorded for home improvements ($3.1 million), travel ($2.0 million), education ($1.1 million) and land purchases ($0.6 million).

Distribution of Bank Credit By Sector (End-Mar.)				
	2024		2023	
	B$M	%	B$M	%
Agriculture	0.7	0.0	0.9	0.0
Fisheries	1.9	0.0	2.0	0.0
Mining & Quarrying	2.0	0.0	2.4	0.0
Manufacturing	47.6	0.7	39.4	0.6
Distribution	332.3	5.1	285.1	4.4
Tourism	57.0	0.9	51.0	0.8
Enter. & Catering	29.6	0.5	26.7	0.4
Transport	66.1	1.0	70.1	1.1
Construction	296.7	4.6	314.1	4.8
Government	555.3	8.6	696.3	10.7
Public Corps.	99.0	1.5	108.3	1.7
Private Financial	45.1	0.7	45.7	0.7
Prof. & Other Ser.	88.7	1.4	57.1	0.9
Personal	4,761.8	73.5	4,706.9	72.5
Miscellaneous	97.4	1.5	87.0	1.3
TOTAL	**6,481.3**	**100.0**	**6,493.2**	**100.0**

In the remaining private sector categories, credit balances rose for construction ($12.4 million), other miscellaneous purposes ($6.4 million), professional and 'other' services ($6.2 million), tourism ($3.6 million), distribution ($3.3 million), and transport ($2.1 million). Contrastingly, balances declined for fisheries ($2.4 million), manufacturing ($2.3 million), with smaller declines of less than $1.0 million posted for entertainment and catering, and mining and quarrying.

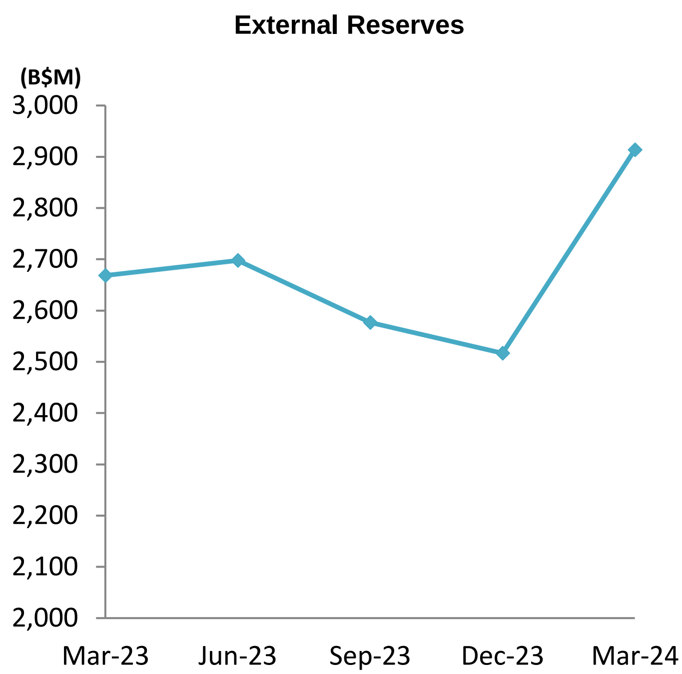
MORTGAGES

According to data obtained from domestic banks, insurance companies and the Bahamas Mortgage Corporation, the total value of mortgages outstanding reduced by $2.7 million (0.1%) to $2,865.9 million during the first quarter, a moderation from the $18.8 million (0.7%) retrenchment in the comparable period in 2023. A breakdown by component revealed that residential mortgages—comprising 93.9% of the total—decreased by $9.5 million (0.4%), as compared to the $10.2 million (0.4%) decline last year. However, the commercial component grew by $6.8 million (3.9%), a turnaround from the $8.6 million (4.1%) reduction a year earlier. At end-March, the majority of mortgages were held by domestic banks at 86.4%, followed by the Bahamas Mortgage Corporation (7.1%), and insurance companies (6.5%).

THE CENTRAL BANK

Largely attributed to a decrease in Treasury bill holdings, the Central Bank's net claims on the Government contracted by $130.9 million (14.8%) to $755.9 million during the first quarter, extending the year earlier $18.0 million (2.3%) reduction. This outturn is relative to an average quarterly decline of $98.0 million (16.3%) over the last five years. In contrast, the Bank's net liabilities to commercial banks expanded by $268.8 million (12.0%), exceeding the $30.7 million (1.4%) growth in the previous year, as the rise in deposits overshadowed the falloff in notes and coins in circulation. Meanwhile, the Bank's net liabilities to the rest of the public sector reduced to $6.5 million, from $7.0 million in the preceding year.

External reserves expanded by $396.6 million (15.8%), higher than the $57.1 million (2.2%) accumulation in the same period of last year, supported by net foreign currency inflows via real sector activities and Government's external borrowings. Contributing to this development, the Bank's net foreign currency purchases increased notably to $372.0 million from $31.4 million in the previous year. Specifically, the Bank's net purchases from commercial banks almost doubled to $309.1 million from $163.3 million last year. Further, net purchases from the Government widened to $200.1 million from $48.2 million in the comparative period of 2023. In addition, the Bank's net sales to public corporations—mainly for fuel purchases—declined to $137.2 million from $180.1 million the year prior.



At end-March, the stock of external reserves stood at $2,914.0 million, equivalent to an estimated 36.2 weeks of the current year's total merchandise imports (including oil purchases), as compared to 32.4 weeks in the comparable period last year. After adjusting for the 50.0% statutory requirement on the Bank's demand liabilities, "useable" reserves increased by $188.0 million (16.5%) to $1,324.5 million, vis-à-vis the same quarter in 2023.

DOMESTIC BANKS

At end-March, total net foreign liabilities of the domestic banking system decreased by $57.3 million (30.6%) to $130.1 million, relative to the previous quarter, notably higher than the $6.3 million (4.6%) reduction in the comparative quarter in the preceding year.

During the first quarter, domestic banks' credit contracted by $23.9 million (0.3%), a switch from a $63.6 million (0.8%) expansion a year earlier. The reduction in net claims on the Government widened to $53.2 million (2.1%) from $21.0 million (0.9%) in the prior year, owing primarily to a decrease in loans and advances. Similarly, credit to the rest of the public sector reduced by $7.4 million (2.3%), extending the $2.6 million (0.8%) falloff in 2023. Further, the growth in private sector credit moderated to $36.7 million (0.6%), from $87.2 million (1.5%) last year.

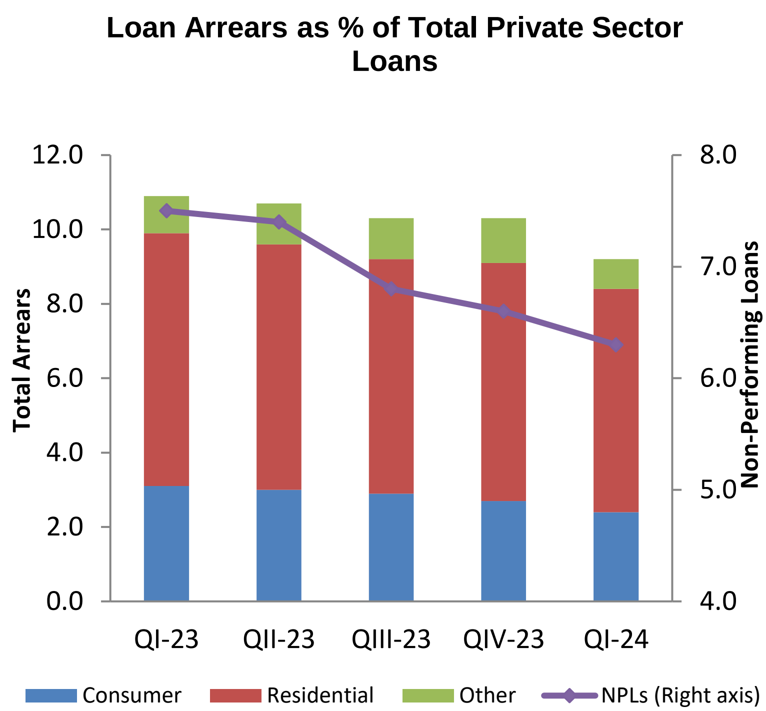
Banks' total deposit liabilities—inclusive of Government balances—rose by $259.2 million (2.9%) to $9,140.4 million, surpassing the $38.4 million (0.4%) buildup in the previous year. Underlying this outturn, total private sector deposits expanded by $214.9 million (2.5%), following an $8.1 million (0.1%) increase a year earlier. In addition, the growth in Government balances strengthened to $40.3 million (17.6%) from $7.9 million (3.4%) in the preceding year. Further, deposits held by public corporations moved higher by $4.1 million (1.8%), albeit a slowdown from the $27.1 million (12.0%) increase last year.

At end-March, the bulk of deposit liabilities were denominated in Bahamian dollars (94.0%), with US dollars largely as the remainder. A disaggregation by holder showed that private individuals held 52.9% of total local currency accounts, followed by business firms (31.1%), private financial institutions (6.5%), the public sector (5.4%), and “other” miscellaneous entities (4.1%).

A breakdown by deposit categories revealed that demand balances represented the largest share of deposit accounts, at 48.7%, followed by savings (27.6%), and fixed accounts (23.7%). By range of value and number, Bahamian dollar balances of $10,000 or less comprised the bulk of accounts (87.3%), but only 5.7% of the total value. Accounts with balances between $10,000 and $50,000 accounted for 8.3% of total accounts, and 10.5% of the overall value, while accounts with balances over $50,000 represented 4.4% of total accounts, but 83.8% of the total value.

Credit Quality

Banks’ credit quality indicators improved over the review quarter, given the continued strengthening in economic activity and ongoing loan write-offs. Total private sector loan arrears declined by $53.0 million (9.4%) during the first quarter, and by $80.2 million (13.1%) year-on-year, to $508.7 million. The attendant ratio of arrears to total private sector loans fell by 1.0 percentage point on a quarterly basis, and by 1.7 percentage points annually, to 9.3%.



By the age of delinquencies, short-term arrears (31–90 days) contracted by $38.3 million (19.1%) to $161.9 million, with the associated arrears to loans ratio lower by 72 basis points at 3.0%. Similarly, non-performing loans (NPLs)—arrears in excess of 90 days and on which banks have stopped accruing interest—decreased by $14.7 million (4.1%) to $346.8 million, and by 31 basis points to 6.3% of total private sector loans.

Contributing to the quarterly reduction in total private sector loan arrears was a $19.0 million (5.4%) decline in the mortgage component, with the associated ratio decreasing by 72 basis points to 13.3% of total private sector loans. Commercial delinquencies also fell by $18.7 million (29.9%), and the corresponding ratio of arrears to total private loans moved lower by 2.0 percentage points to 4.4%. Further, the consumer segment reduced by $15.3 million (10.3%), as the attendant ratio narrowed by 82 basis points to 6.8% of total private sector loans. Meanwhile, the NPL rate for mortgages decreased to 8.7% from 9.9% in the previous year. Further, the rate for consumer loans narrowed to 4.7% from 5.8% and for commercial credits, to 3.9% from 4.7% in 2023.

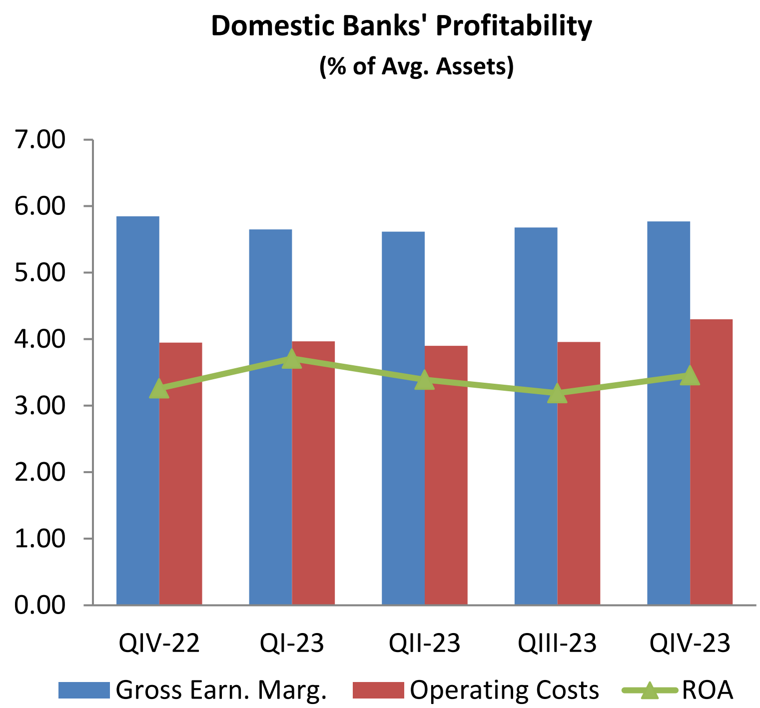
CAPITAL ADEQUACY

Against the backdrop of the improvement in credit quality indicators, banks reduced their provisions for loan losses by $8.3 million (2.5%) to $321.8 million over the first quarter. However, the ratio of total provisions to total arrears moved higher by 4.5 percentage points to 63.3%. In addition, the ratio of provisions to total NPLs rose by 1.5 percentage points to 92.8%. Meanwhile, banks wrote-off an estimated $14.0 million in bad loans, and recovered approximately $12.6 million, during the quarter.

During the first quarter, banks maintained robust capital levels, with the average ratio of capital to risk-weighted assets increased by 90 basis points to 35.9%. The ratio remained well in excess of the minimum regulatory prescribed ratio of 17.0%.

BANK PROFITABILITY

During the fourth quarter of 2023—the latest period for which data is available—banks' net income grew by $7.6 million (8.1%) to $101.8 million, as compared to the same period of 2022, owing mostly to gains in other income. The net interest margin reduced by $0.5 million (0.3%) to $153.2 million, as interest expense rose by $0.5 million (5.2%) to $9.5 million, while interest income stayed at $162.7 million. Further, interest from commission and foreign exchange fees increased by $0.8 million (5.0%), resulting in a marginal rise of $0.3 million (0.2%) in the gross earnings margin to $169.7 million.



With regard to non-interest expense, banks' aggregate operating outlays grew by $12.2 million (10.7%) to $126.4 million. Underlying this outcome, non-staff related operating costs—inclusive of professional and rental fees—moved higher by $15.4 million (22.3%) to $84.4 million. In contrast, staff costs fell by $1.9 million (4.6%) to $38.9 million, and occupancy costs, by $1.3 million (29.6%) to $3.1 million. Further, banks' other net earnings on their "non-core" activities rose by $19.6 million (50.2%) to $58.6 million, as depreciation costs increased more than two fold to $6.3 million from $2.7 million in the comparable period of 2023. In addition, other non-interest earnings advanced by $6.9 million (11.5%) to $66.7 million, while provisions expense for bad debt declined by $16.3 million (89.8%) to $1.9 million.

Given these developments, banks' overall profitability ratios firmed on balance. As a percentage of average assets, the gross earnings margin narrowed by 8 basis points to 5.77%, as the interest margin fell by 10 basis points to 5.21%, while the commission and foreign exchange income ratio edged up by 2 basis points to 0.56%. Further, banks' net earnings margin decreased by 44 basis points to 1.47%, as the operating costs ratio rose by 35 basis points to 4.30%. However, after allowing for increased contribution from other income sources net of depreciation and bad debt expenses, the net income ratio widened by 21 basis points to 3.46%.

Interest Rates

During the first quarter, the weighted average interest rate spread narrowed by 39 basis points to 10.12 percentage points. Contributing to this outcome, the weighted average lending rate declined by 43 basis points to 10.59%, while the weighted average deposit rate softened by 4 basis points to 0.47%.

The decrease in the average loan rate was attributed to reductions across the majority of categories. In particular, the lending rate for consumer loans fell by 30 basis points to 12.69%, while the rates for overdrafts and commercial mortgages decreased by 15 and by 6 basis points, respectively, to 10.32% and 6.61%. In a slight offset, the mean lending rate on residential mortgages firmed by 3 basis points to 5.17%.

As it relates to deposits, the average rate on demand deposits remained unchanged at 0.25% and savings deposits, at 0.28%. However, the average range of interest offered on fixed balances shifted to 0.26%-0.92% from 0.25%-0.96%.

In other interest rates developments, the average Treasury bill rate moved lower by 5 basis points to 2.86%. Meanwhile, the Central Bank's Discount rate and the commercial banks' Prime rate held steady at 4.00% and 4.25%, respectively.

Banking Sector Interest Rates

Period Average (%)

	Qtr. I 2023	Qtr. IV 2023	Qtr. I 2024
Deposit Rates			
Demand Deposits	0.25	0.25	0.25
Savings Deposits	0.28	0.28	0.28
Fixed Deposits			
Up to 3 months	0.27	0.25	0.26
Up to 6 months	0.33	0.30	0.29
Up to 12 months	0.55	0.49	0.48
Over 12 months	1.25	0.96	0.92
Weighted Avg. Dep. Rate	**0.63**	**0.51**	**0.47**
Lending Rates			
Residential mortgages	5.14	5.14	5.17
Commercial mortgages	6.38	6.67	6.61
Consumer loans	12.69	12.98	12.69
Other Local Loans	5.13	7.00	5.53
Overdrafts	10.77	10.47	10.32
Weighted Avg. Loan Rate	**10.88**	**11.02**	**10.60**

Capital Market Developments

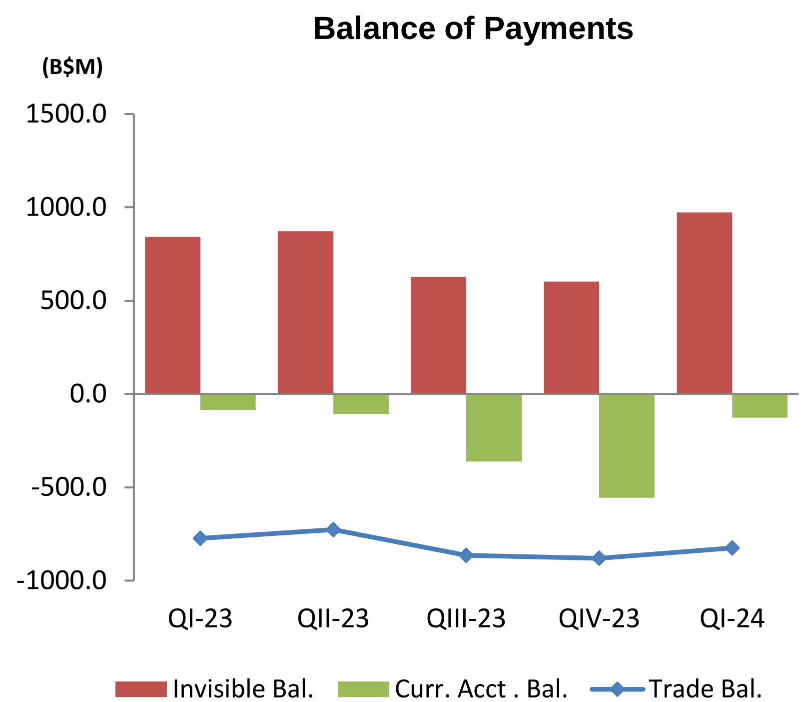
Capital market developments were relatively positive over the review quarter, but were mixed on an annualized basis. According to the Bahamas International Securities Exchange (BISX), the All Shares Price Index appreciated by 3.0% during the first quarter, and by 22.5% vis-à-vis the same period last year, to 2,937.08, at end-March 2024. Further, although the volume of shares traded on the stock exchange declined over the quarter by 24.3% to 0.8 million, the corresponding value increased by 14.7% to $10.4 million. However, on an annual basis, the volume of shares traded contracted by 50.0%, and the corresponding value by 64.5%.

International Trade and Payments

Provisional estimates for the first quarter of 2024, revealed that the external current account deficit widened to $126.5 million (48.7%) from $85.1 million in the corresponding period of 2023. Contributing to this development was a widening in the merchandise trade deficit, combined with a shift in the secondary income account to a deficit from a surplus and an increase in the primary income account deficit, which overshadowed the rise in the services account surplus during the first quarter. Further, the financial account inflows, excluding reserve assets, reduced to $237.6 million from $317.9 million in the prior year, owing largely to a switch in portfolio investment transactions to a net outflow from a net inflow a year earlier.

Meanwhile, there were no estimated net capital account transfers during the first quarter, similar to the preceding year.

During the review quarter, the estimated merchandise trade deficit rose by $50.4 million (6.5%) to $824.8 million, on account of an $8.8 million (0.9%) growth in imports to $970.1 million, along with a $41.6 million (22.3%) reduction in exports to $145.2 million. A further disaggregation of trade flows showed that payments for fuel imports grew by $11.6 million (5.9%) to $208.6 million. A breakdown of the fuel sub-categories indicated that the average per barrel costs for Bunker-C fuel rose by 18.6% to $72.38. In a partial offset, aviation gas declined by 14.7% to $202.59; refined kerosene oil (jet-fuel), by 8.0% to $129.89 and propane, by 4.6% to $56.63. In addition, the average per barrel price for motor gas fell by 3.0% to $122.73 and gas oil, by 2.5% to $111.26.



The estimated surplus on the services account expanded by $129.8 million (15.4%) to $972.7 million during the first quarter. Net travel receipts—the dominant component of the services account—grew by $248.5 million (21.5%) to $1,406.7 million, reflective of buoyant tourism output. Further, net construction services outlays contracted, by $1.8 million (8.6%) to $18.9 million, and transportation, by $1.1 million (0.9%) to $119.3 million. Providing some offset, net payments for “other” business services increased by $64.0 million (74.6%) to $149.7 million, while net outflows for Government goods and services rose by $45.6 million to $69.2 million. Similarly, net payments for telecommunications, computer and information services moved higher by $6.2 million (42.4%) to $21.0 million and net outflows for insurance services, by $4.2 million (8.9%) to $51.7 million. In addition, charges for the use of intellectual property advanced by $1.5 million (55.4%) to $4.3 million.

The primary income account deficit (against wages and investment income), widened by $66.9 million (35.8%) to $253.7 million during the first three-months of 2024. Underlying this outturn, net investment income payments expanded by $64.0 million (39.7%) to $225.2 million, as net outflows for direct investment—inclusive of dividends by banks—grew by $60.4 million (80.6%) to $135.5 million. In addition, ‘other’ net investment income outflows—including interest payments by banks, other companies and the Government—increased by $12.9 million (24.4%) to $66.0 million, while employees’ compensation rose by $2.9 million (11.3%) to $28.6 million. In contrast, net portfolio investment payments decreased by $4.6 million (11.1%) to $37.0 million.

Predominantly reflecting net transfers, the secondary income account position switched to a deficit of $20.6 million, from a surplus of $33.3 million in the preceding year. In particular, net outflows for various non-financial corporations and households approximately doubled to $35.0 million. Further, general Government net inflows reduced notably to $16.6 million from $54.2 million a year earlier. In a slight offset, 'other' net current private transfer outflows decreased by $1.1 million (32.6%) to $2.2 million.

The net financial inflows—representing investments—contracted to $237.6 million from $317.9 million in the prior year. Reflective of this development, the net portfolio investment position reversed to an outflow of $1,022.4 million from a net inflow of $170.0 million in 2023, on account of net payments related mainly to short-term external Government debt securities, of $1,013.4 million, following a modest reduction of $104.5 million in the prior year. In addition, equity and investment fund shares transactions shifted to a net outflow of $9.0 million from a net inflow of $65.5 million a year earlier. Providing some offset, "other investments" net inflows expanded considerably to $1,126.4 million from $146.8 million in 2023, led by a notably rise in net receipts from currency and deposits to $1,240.6 million from $97.7 million in the previous year. Likewise, net inflows from loan transactions grew by $22.0 million (34.6%) to $85.5 million, owing primarily to net borrowing activities of the Government. Conversely, net outflows from "other" private sector related accounts receivable/payable increased sharply to $194.4 million from $16.9 million. Further, attributed to valuation changes, IMF Special Drawing Rights (SDRs) allocations shifted to a net outflow of $5.3 million from a net inflow of $2.4 million in the previous year. Meanwhile, net direct investment inflows measured $124.0 million from a mere $1.2 million in 2023, This was due to higher net receipts from equity and investment fund shares, by $62.1 million (87%) to $133.4 million, on account of banks' accumulated net profits. In a partial offset, net outflows related to debt instruments reduced to $9.4 million from $70.2 million the year prior.

As a result of these developments, and adjusting for net errors and omissions, the surplus in reserve assets, which corresponds to the change in the Central Bank's external reserves, grew markedly to $396.6 million from $56.4 million in the first quarter of 2023.

INTERNATIONAL ECONOMIC DEVELOPMENTS

The global economy sustained its positive growth momentum during the first quarter of 2024, despite continued headwinds, amid the prolonged geopolitical tensions in Eastern Europe and the Middle East, along with elevated inflation. Against this backdrop, the major central banks upheld their monetary policy tightening stances, in an attempt to curb inflation and secure more sustainable medium-term growth prospects.

During the review quarter, almost all of the major economies maintained their growth trajectory. Specifically, in the United Kingdom, real GDP increased by 0.6%, a reversal from a 0.3% decline in the preceding quarter, underpinned by gains in the services and production sectors. In addition, euro area real output rose by 0.4%, extending the 0.1% uptick in the prior quarter. China's output also strengthened by 5.3%, marginally higher than the previous quarter's 5.2% gain. Meanwhile, in the United States, the expansion in real GDP moderated to an annualized rate of 1.6%, from the 3.4% in the previous quarter, on account of a decrease in consumer spending, exports, state and local Government spending, and federal Government outlays. In contrast, Japan's real economic output contracted by 0.5%, extending the 0.1% falloff in the previous quarter, attributed to a decrease in private consumption.

Labour market conditions improved for most of the major economies during the first quarter. In the United States, the unemployment rate was unchanged at 3.8%, vis-à-vis the previous quarter; however, non-farm payroll increased by 303,000, owing to job gains in health care, Government and construction. Likewise, in the euro area, the jobless rate stabilized at 6.5% during the review quarter. Further, China's unemployment rate reduced by 10 basis points to 5.2% in the first quarter. Conversely, Japan's unemployment rate increased to 2.6% from 2.4% in the previous quarter. The United Kingdom's unemployment rate also rose by 50 basis points to 4.3% during the review period.

Inflationary pressures eased for most of the major economies during the first quarter. In particular, in the United Kingdom, the annual inflation rate moderated to 3.8%, from 4.2% in the prior quarter, explained by a decrease in the cost for food. Similarly, the euro area's annualized inflation rate slowed to 2.4% from 2.9% in the preceding quarter, due to lower energy and food costs. Meanwhile, growth in Japan's consumer prices stabilized at 2.6% during the review quarter. In the United States, the annualized inflation rate firmed to 3.5%, from 3.4% in the previous quarter, undergirded by higher food and energy costs. Further, China's year-on-year inflation edged up to 0.1%, following an annualized decrease of 0.3% in the previous quarter.

In foreign currency market developments, the United States' dollar appreciated across all of the major currencies during the first quarter, reflective of the ongoing strengthening in the US economy relative to the other major economies. Specifically, the dollar strengthened against the Japanese yen, by 7.3% to ¥151.35 and the Swiss Franc, by 7.1% to CHF0.90. Likewise, the dollar rose vis-à-vis the euro, by 2.3% to €0.93; the Canadian dollar, by 2.2% to CAD$1.35; the Chinese Renminbi, by 1.7% to CNY7.22; and the British pound by 0.9% to £0.79.

The major equity markets showed positive developments during the three months to March. In particular, in the United States, the S&P 500 and Dow Jones Industrial Average (DIJA) moved higher by 10.2% and by 5.6%, respectively. Further, France's CAC 40 increased by 24.8%, while Japan's Nikkei grew by 20.6%. The German DAX also strengthened by 10.4%, while the United Kingdom's FTSE 100 and China's SE Composite rose by 2.8% and 2.2%, respectively.

During the first quarter of 2023, owing in part to lower global oil prices, the average crude oil price fell by 0.8% to $83.64 per barrel. In the precious metals market, the average price of gold grew by 10.3% to $2,104.56 per troy ounce, and silver, by 2.7% to $23.53 per troy ounce during the first quarter.

External sector developments in the major economies varied during the review quarter. Specifically, the euro area recorded a €57.5 billion trade surplus, a reversal from a deficit of €9.4 billion in the preceding quarter, explained by a 12.3% decline in imports, which exceeded the 3.2% reduction in exports. Further, the United Kingdom's trade deficit narrowed by £4.7 billion (37.6%) to £7.8 billion, attributed to a 5.8% decrease in imports, which overshadowed the 1.1% falloff in exports. Japan's trade deficit also reduced notably to ¥1,762.5 billion from ¥5,207.7 billion in the prior quarter, owing to an 8.8% rise in exports, combined with a 5.0% contraction in imports. In contrast, China's trade surplus contracted by $21.1 billion (10.3%) to $183.6 billion during the first quarter, on account of a 1.7% reduction in exports and a 1.1% rise in imports. In addition, in the United States, the trade deficit widened by $16.0 billion (8.4%) to $205.7 billion, vis-à-vis the previous quarter, as the 2.4% expansion in imports, outstripped the 0.9% growth in exports.

While major central banks have started to unwind aggressively tightened interest rate stances against inflation, some efforts paused during the first quarter, as the trend in inflation easing slowed. Specifically, the United States' Federal Reserve maintained its target range for the Federal funds rate at 5.25%-5.50%. However, the Federal Reserve continued to decrease its holdings of Treasury securities and agency debt, as well as mortgage-backed securities. Similarly, the Bank of England retained its main policy rate at 5.25%, while decreasing the Government's bond purchase programme to £729.8 billion. Further, the European Central Bank kept its key interest rates on main refinancing operations at 4.50%, the marginal lending facility at 4.75%, and the deposit facility at 4.00%. The Bank's asset purchase programme (APP) also continued to decline, due to the discontinuation of reinvestments of principle payments for maturing securities. In Asia, the People's Bank of China maintained its reverse repo rate at 1.8%, and conducted reverse repo operations during the quarter, in an effort to stabilize banking system liquidity. Meanwhile, the Bank of Japan raised its policy rate to 0.0% from -0.1%.

STATISTICAL APPENDIX (TABLES 1-16)

TABLE 1
FINANCIAL SURVEY

Period	2019	2020	2021	2022 Sept.	2022 Dec.	2023 Mar.	2023 Jun.	2023 Sept.	2023 Dec.	2024 Mar.
				(B$ Millions)						
Net foreign assets	1,790.7	2,141.9	2,337.5	3,258.0	2,473.2	2,536.6	2,623.8	2,373.1	2,330.1	2,783.9
Central Bank	1,758.1	2,382.2	2,432.8	3,199.7	2,611.0	2,668.2	2,697.7	2,576.8	2,517.4	2,914.0
Domestic Banks	32.6	(240.2)	(95.2)	58.4	(137.8)	(131.5)	(73.9)	(203.7)	(187.3)	(130.1)
Net domestic assets	5,497.7	5,209.0	5,641.9	5,531.5	6,501.4	6,473.8	6,626.6	6,716.5	6,789.6	6,770.6
Domestic credit	8,957.1	8,614.4	8,929.0	8,682.8	9,312.5	9,264.4	9,423.9	9,547.9	9,608.6	9,453.5
Public sector	3,065.5	2,848.3	3,248.3	3,047.8	3,557.0	3,515.6	3,624.1	3,717.3	3,749.5	3,557.7
Government (net)	2,620.9	2,524.4	2,933.1	2,695.4	3,209.6	3,170.8	3,285.2	3,381.8	3,423.4	3,239.3
Rest of public sector	444.6	323.8	315.2	352.4	347.4	344.8	339.0	335.6	326.1	318.3
Private sector	5,891.6	5,766.1	5,680.7	5,634.9	5,755.5	5,748.8	5,799.8	5,830.6	5,859.1	5,895.8
Other items (net)	(3,459.4)	(3,405.4)	(3,287.1)	(3,151.3)	(2,811.2)	(2,790.5)	(2,797.2)	(2,831.4)	(2,819.0)	(2,682.8)
Monetary liabilities	7,892.8	7,864.2	8,220.3	9,046.5	8,983.3	9,014.5	9,245.7	9,076.7	9,103.4	9,362.1
Money	3,248.4	3,472.1	3,715.5	4,274.2	4,296.8	4,257.2	4,363.4	4,290.7	4,318.7	4,474.0
Currency	336.8	373.0	385.9	405.1	422.8	425.7	430.3	428.0	430.9	452.0
Demand deposits	2,911.6	3,099.1	3,329.6	3,869.1	3,874.0	3,831.5	3,933.1	3,862.7	3,887.8	4,022.0
Quasi-money	4,644.4	4,392.1	4,504.8	4,772.3	4,686.5	4,757.2	4,882.3	4,785.9	4,784.8	4,888.1
Fixed deposits	2,419.6	2,245.2	2,172.2	2,104.7	2,073.9	2,078.7	2,055.2	2,045.0	2,022.6	1,982.6
Savings deposits	1,637.0	1,788.4	1,885.0	2,050.4	2,089.0	2,172.3	2,234.9	2,233.7	2,261.7	2,367.5
Foreign currency	587.9	358.5	447.7	617.2	523.6	506.2	592.3	507.3	500.5	538.0
				(percentage changes)						
Total domestic credit	0.5	(3.8)	3.7	0.4	7.3	(0.5)	1.7	1.3	0.6	(1.6)
Public sector	1.3	(7.1)	14.0	0.3	16.7	(1.2)	3.1	2.6	0.9	(5.1)
Government (net)	3.2	(3.7)	16.2	0.4	19.1	(1.2)	3.6	2.9	1.2	(5.4)
Rest of public sector	(8.5)	(27.2)	(2.7)	(0.0)	(1.4)	(0.7)	(1.7)	(1.0)	(2.8)	(2.4)
Private sector	0.1	(2.1)	(1.5)	0.5	2.1	(0.1)	0.9	0.5	0.5	0.6
Monetary liabilities	11.0	(0.4)	4.6	0.7	(0.7)	0.3	2.6	(1.8)	0.3	2.8
Money	19.1	6.9	7.2	(0.3)	0.5	(0.9)	2.5	(1.7)	0.6	3.6
Currency	8.5	10.8	5.3	2.9	4.3	0.7	1.1	(0.5)	0.7	4.8
Demand deposits	20.4	6.4	7.4	(0.7)	0.1	(1.1)	2.7	(1.8)	0.6	3.5
Quasi-money	6.0	(5.4)	2.6	1.7	(1.8)	1.5	2.6	(2.0)	(0.0)	2.2

Source: Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

Period	2019	2020	2021	2022		2023				2024
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
				(B$ Millions)						
Net foreign assets	2,133.1	2,520.0	2,680.0	3,649.2	2,869.3	2,919.2	3,028.8	2,783.0	2,746.2	3,033.2
Central Bank	1,758.1	2,382.2	2,432.8	3,199.7	2,611.0	2,668.2	2,697.7	2,576.8	2,517.4	2,914.0
Commercial banks	375.0	137.9	247.2	449.5	258.3	251.0	331.0	206.3	228.8	119.2
Net domestic assets	5,682.1	5,235.6	5,539.8	5,398.3	6,349.2	6,319.3	6,449.8	6,529.1	6,590.6	6,564.0
Domestic credit	8,898.8	8,546.6	8,884.5	8,600.4	9,209.0	9,173.8	9,320.9	9,431.6	9,481.4	9,331.0
Public sector	3,050.1	2,835.1	3,248.2	3,047.5	3,557.0	3,515.5	3,624.0	3,717.2	3,749.4	3,557.6
Government (net)	2,605.5	2,511.2	2,933.1	2,695.2	3,209.6	3,170.7	3,285.1	3,381.7	3,423.3	3,239.3
Rest of public sector	444.6	323.8	315.1	352.3	347.3	344.8	339.0	335.5	326.1	318.3
Private sector	5,848.6	5,711.6	5,636.3	5,552.8	5,652.0	5,658.3	5,696.9	5,714.4	5,732.0	5,773.3
Other items (net)	(3,216.7)	(3,311.0)	(3,344.7)	(3,202.1)	(2,859.9)	(2,854.5)	(2,871.1)	(2,902.5)	(2,890.8)	(2,766.9)
Monetary liabilities	7,814.3	7,754.6	8,211.9	9,040.2	8,977.8	9,007.9	9,238.0	9,071.5	9,096.8	9,357.1
Money	3,186.5	3,377.5	3,707.8	4,268.7	4,292.0	4,251.1	4,356.1	4,286.0	4,312.4	4,469.4
Currency	336.9	373.1	385.9	405.1	422.8	425.7	430.3	428.0	430.9	452.0
Demand deposits	2,849.6	3,004.4	3,321.9	3,863.6	3,869.2	3,825.4	3,925.8	3,858.0	3,881.5	4,017.4
Quasi-money	4,627.8	4,377.1	4,504.1	4,771.6	4,685.9	4,756.8	4,881.9	4,785.5	4,784.3	4,887.7
Savings deposits	1,637.0	1,788.4	1,885.0	2,050.4	2,089.0	2,172.3	2,234.9	2,233.7	2,261.7	2,367.5
Fixed deposits	2,408.3	2,230.8	2,172.2	2,104.7	2,073.9	2,078.7	2,055.2	2,045.0	2,022.6	1,982.6
Foreign currency deposits	582.5	357.9	446.9	616.5	522.9	505.8	591.8	506.9	500.1	537.6
				(percentage change)						
Total domestic credit	0.4	(4.0)	4.0	0.1	7.1	(0.4)	1.6	1.2	0.5	(1.6)
Public sector	1.4	(7.1)	14.6	0.3	16.7	(1.2)	3.1	2.6	0.9	(5.1)
Government (net)	3.2	(3.6)	16.8	0.4	19.1	(1.2)	3.6	2.9	1.2	(5.4)
Rest of public sector	(8.4)	(27.2)	(2.7)	(0.0)	(1.4)	(0.7)	(1.7)	(1.0)	(2.8)	(2.4)
Private sector	(0.1)	(2.3)	(1.3)	(0.0)	1.8	0.1	0.7	0.3	0.3	0.7
Monetary liabilities	11.0	(0.8)	6.0	0.8	(0.7)	0.3	2.6	(1.8)	0.3	2.9
Money	19.3	6.0	10.0	(0.3)	0.5	(0.9)	2.5	(1.6)	0.6	3.6
Currency	8.5	10.7	5.3	2.9	4.3	0.7	1.1	(0.5)	0.7	4.8
Demand deposits	20.7	5.4	10.6	(0.6)	0.1	(1.1)	2.6	(1.7)	0.6	3.5
Quasi-money	6.0	(5.4)	2.9	1.7	(1.8)	1.5	2.6	(2.0)	(0.0)	2.2

Source: Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B$ Millions)

Period	2019	2020	2021	2022		2023				2024
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Net foreign assets	1,758.1	2,382.2	2,432.8	3,199.7	2,611.0	2,668.2	2,697.7	2,576.8	2,517.4	2,914.0
Balances with banks abroad	794.5	307.6	323.8	693.5	622.8	715.0	747.8	631.2	610.2	755.2
Foreign securities	779.8	1,867.6	1,663.1	2,093.6	1,795.2	1,759.7	1,760.1	1,759.9	1,720.1	1,976.5
Reserve position in the Fund	26.7	27.8	27.0	27.4	25.7	25.2	25.7	25.4	25.9	25.5
SDR holdings	157.1	179.2	418.9	385.2	167.3	168.2	164.2	160.3	161.2	156.7
Net domestic assets	145.4	(85.4)	192.7	184.1	481.0	462.2	443.4	493.2	571.0	459.0
Net claims on Government	395.9	172.8	457.9	434.6	790.6	772.6	805.0	801.7	886.8	755.9
Claims	460.4	252.5	620.9	505.2	882.9	871.4	869.3	876.7	947.8	925.4
Treasury bills	135.3	13.8	14.0	0.0	11.7	1.3	16.8	1.7	45.8	20.0
Bahamas registered stock	249.9	232.9	340.9	299.3	301.7	303.1	294.9	303.0	476.2	479.5
Loans and advances	75.2	5.8	266.1	205.9	569.5	566.9	557.6	572.0	425.8	426.0
Deposits	(64.4)	(79.7)	(163.0)	(70.6)	(92.3)	(98.8)	(64.4)	(75.0)	(61.0)	(169.5)
In local currency	(64.4)	(79.7)	(163.0)	(70.6)	(92.3)	(98.8)	(64.4)	(75.0)	(61.0)	(169.5)
In foreign currency	-	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(49.6)	(52.1)	(69.4)	(43.9)	(94.9)	(88.0)	(105.2)	(66.9)	(20.7)	(39.3)
Credit to commercial banks	-	-	-	-	-	-	-	-	-	-
Official capital and surplus	(226.8)	(239.4)	(241.0)	(241.4)	(241.5)	(239.0)	(241.8)	(244.1)	(243.0)	(243.3)
Net unclassified assets	18.9	26.6	38.1	27.9	19.9	9.5	(21.3)	(4.4)	(58.9)	(20.8)
Loans to rest of public sector	2.3	2.0	1.9	1.6	1.6	1.7	1.7	1.7	1.5	1.5
Public Corp Bonds/Securities	4.8	4.7	5.2	5.2	5.3	5.3	5.2	5.3	5.3	4.9
Liabilities To Domestic Banks	(1,394.4)	(1,744.5)	(1,814.0)	(2,587.8)	(2,262.4)	(2,293.2)	(2,303.6)	(2,239.1)	(2,246.6)	(2,515.4)
Notes and coins	(151.5)	(173.3)	(170.9)	(134.0)	(177.8)	(121.2)	(121.2)	(134.0)	(177.8)	(140.2)
Deposits	(1,242.9)	(1,571.2)	(1,643.1)	(2,453.9)	(2,084.6)	(2,171.9)	(2,182.4)	(2,105.0)	(2,068.8)	(2,375.2)
SDR allocation	(172.3)	(179.2)	(418.9)	(384.1)	(400.1)	(404.8)	(400.6)	(396.2)	(404.2)	(398.9)
Currency held by the private sector	(336.8)	(373.0)	(385.9)	(405.1)	(422.8)	(425.7)	(430.3)	(428.0)	(430.9)	(452.0)

Source: Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(B$ Millions)

Period	2019	2020	2021	2022		2023				2024
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Net foreign assets	32.6	(240.2)	(95.2)	58.4	(137.8)	(131.5)	(73.9)	(203.7)	(187.3)	(130.1)
Net claims on Central Bank	1,395.3	1,745.5	1,815.0	2,571.1	2,263.3	2,286.6	2,301.6	2,228.4	2,247.5	2,516.6
Notes and Coins	151.5	173.3	170.9	134.0	177.8	121.2	121.2	134.0	177.8	140.2
Balances	1,243.8	1,572.1	1,644.1	2,437.1	2,085.5	2,165.3	2,180.4	2,094.3	2,069.7	2,376.5
Less Central Bank credit	-	-	-	-	-	-	-	-	-	-
Net domestic assets	5,672.6	5,689.0	5,841.0	5,693.8	6,114.6	6,093.2	6,245.9	6,303.9	6,370.2	6,258.6
Net claims on Government	2,225.0	2,351.6	2,475.2	2,260.9	2,419.0	2,398.2	2,480.2	2,580.1	2,536.6	2,483.4
Treasury bills	771.9	830.2	939.8	752.9	849.1	843.6	860.1	935.3	965.2	1,018.9
Other securities	985.4	907.5	926.5	1,021.2	1,091.4	1,098.6	1,171.1	1,180.5	1,150.7	1,178.8
Loans and advances	688.8	906.5	820.8	724.4	710.9	696.3	676.2	696.8	650.1	555.3
Less: deposits	221.1	292.5	211.9	237.7	232.3	240.3	227.2	232.5	229.4	269.6
Net claims on rest of public sector	31.7	72.2	103.8	71.3	114.9	85.2	95.5	75.5	97.8	86.3
Securities	230.9	226.1	230.6	229.9	229.8	229.6	229.3	218.7	214.2	212.8
Loans and advances	206.6	91.0	77.4	115.7	110.6	108.3	102.7	109.9	105.0	99.0
Less: deposits	405.8	244.9	204.3	274.2	225.6	252.6	236.6	253.1	221.5	225.6
Other net claims	18.8	2.7	(0.7)	(4.4)	(0.0)	(3.5)	0.8	(0.0)	1.1	20.4
Credit to the private sector	5,891.6	5,766.1	5,680.7	5,634.9	5,755.5	5,748.8	5,799.8	5,830.6	5,859.1	5,895.8
Securities	26.0	21.1	52.9	58.7	60.0	60.1	69.2	69.0	68.8	68.9
Mortgages	2,912.2	2,886.8	2,838.9	2,866.7	2,956.6	2,934.5	2,935.4	2,926.4	2,933.5	2,947.1
Loans and advances	2,953.4	2,858.2	2,788.9	2,709.5	2,738.9	2,754.1	2,795.2	2,835.1	2,856.7	2,879.8
Private capital and surplus	(2,394.7)	(2,438.5)	(2,342.1)	(2,324.2)	(2,218.7)	(2,162.9)	(2,187.8)	(2,185.7)	(2,241.3)	(2,232.0)
Net unclassified assets	(99.8)	(65.2)	(75.9)	55.3	43.9	27.4	57.4	3.5	117.1	4.8
Liabilities to private sector	7,100.6	7,194.2	7,560.7	8,323.3	8,240.1	8,248.2	8,473.6	8,328.7	8,430.3	8,645.2
Demand deposits	3,116.5	3,199.1	3,509.2	4,158.1	4,057.0	3,971.1	4,131.8	3,999.8	4,088.1	4,222.0
Savings deposits	1,667.3	1,822.3	1,924.2	2,092.7	2,125.6	2,211.2	2,267.9	2,267.8	2,294.4	2,401.6
Fixed deposits	2,316.7	2,172.8	2,127.3	2,072.5	2,057.5	2,065.9	2,073.9	2,061.1	2,047.9	2,021.6

Source: Central Bank of The Bahamas

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

(B$'000s)

Period	2021	2022	2023	2022				2023			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
1. Interest Income	573,084	578,588	637,320	136,517	133,923	145,369	162,779	157,648	156,848	160,077	162,747
2. Interest Expense	40,060	36,870	37,156	9,368	9,388	9,066	9,048	9,121	9,143	9,377	9,515
3. **Interest Margin (1-2)**	533,024	541,718	600,164	127,149	124,535	136,303	153,731	148,527	147,705	150,700	153,232
4. Commission & Forex Income	50,545	58,154	65,290	13,417	15,306	13,785	15,646	15,552	16,492	16,821	16,425
5. **Gross Earnings Margin (3+4)**	583,569	599,872	665,454	140,566	139,841	150,088	169,377	164,079	164,197	167,521	169,657
6. Staff Costs	164,500	158,488	161,213	38,919	37,147	41,615	40,807	39,339	42,131	40,815	38,928
7. Occupancy Costs	15,191	13,138	11,271	3,024	3,229	2,525	4,360	3,419	2,402	2,380	3,070
8. Other Operating Costs	231,605	248,967	300,105	60,932	58,581	60,470	68,984	72,586	69,445	73,675	84,399
9. **Operating Costs (6+7+8)**	411,296	420,593	472,589	102,875	98,957	104,610	114,151	115,344	113,978	116,870	126,397
10. **Net Earnings Margin (5-9)**	172,273	179,279	192,865	37,691	40,884	45,478	55,226	48,735	50,219	50,651	43,260
11. Depreciation Costs	20,776	19,815	23,024	5,321	5,835	5,954	2,705	5,006	5,581	6,123	6,314
12. Provisions for Bad Debt	92,788	(15,807)	19,608	(17,791)	4,779	(20,935)	18,140	(3,759)	7,693	13,818	1,856
13. Other Income	196,008	221,701	252,142	52,932	53,638	55,310	59,821	60,194	61,967	63,254	66,727
14. **Other Income (Net) (13-11-12)**	82,444	217,693	209,510	65,402	43,024	70,291	38,976	58,947	48,693	43,313	58,557
15. **Net Income (10+14)**	254,717	396,972	402,375	103,093	83,908	115,769	94,202	107,682	98,912	93,964	101,817
16. **Effective Interest Rate Spread (%)**	6.89	6.86	7.41	6.48	6.68	7.16	7.12	7.60	7.48	7.36	7.20
						(Ratios To Average Assets)					
Interest Margin	4.60	4.68	5.12	4.49	4.26	4.64	5.31	5.12	5.06	5.11	5.21
Commission & Forex Income	0.44	0.50	0.56	0.47	0.52	0.47	0.54	0.54	0.56	0.57	0.56
Gross Earnings Margin	5.04	5.18	5.68	4.96	4.79	5.11	5.85	5.65	5.62	5.68	5.77
Operating Costs	3.55	3.63	4.03	3.63	3.39	3.56	3.95	3.97	3.90	3.96	4.30
Net Earnings Margin	1.49	1.55	1.65	1.33	1.40	1.55	1.91	1.68	1.72	1.72	1.47
Net Income/Loss	2.20	3.43	3.66	3.64	2.87	3.94	3.26	3.71	3.74	3.72	3.46

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

Source: Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B$ Millions)

End of Period	2019	2020	2021	2022		2023				2024
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
Money Supply (M1)	3,248.4	3,472.1	3,722.2	4,280.8	4,303.5	4,263.9	4,370.1	4,297.4	4,325.4	4,474.0
1) Currency in active circulation	336.8	373.0	392.6	411.8	429.5	432.4	437.0	434.7	437.6	452.0
2) Demand deposits	2,911.6	3,099.1	3,329.6	3,869.1	3,874.0	3,831.5	3,933.1	3,862.7	3,887.8	4,022.0
Central Bank	49.6	52.1	69.4	43.9	94.9	88.0	105.2	66.9	20.7	39.3
Domestic Banks	2,861.9	3,047.0	3,260.1	3,825.2	3,779.1	3,743.6	3,827.9	3,795.8	3,867.1	3,982.7
Factors affecting money (M1)										
1) Net credit to Government	2,620.9	2,524.4	2,933.1	2,695.4	3,209.6	3,170.8	3,285.2	3,381.8	3,423.4	3,239.3
Central Bank	395.9	172.8	457.9	434.6	790.6	772.6	805.0	801.7	886.8	755.9
Domestic banks	2,225.0	2,351.6	2,475.2	2,260.9	2,419.0	2,398.2	2,480.2	2,580.1	2,536.6	2,483.4
2) Other credit	6,336.2	6,090.0	5,995.9	5,987.3	6,102.9	6,093.6	6,138.7	6,166.1	6,185.2	6,214.1
Rest of public sector	444.6	323.8	315.2	352.4	347.4	344.8	339.0	335.6	326.1	318.3
Private sector	5,891.6	5,766.1	5,680.7	5,634.9	5,755.5	5,748.8	5,799.8	5,830.6	5,859.1	5,895.8
3) External reserves	1,758.1	2,382.2	2,432.8	3,199.7	2,611.0	2,668.2	2,697.7	2,576.8	2,517.4	2,914.0
4) Other external liabilities (net)	32.6	(240.2)	(95.2)	58.4	(137.8)	(131.5)	(73.9)	(203.7)	(187.3)	(130.1)
5) Quasi money	4,644.4	4,392.1	4,504.8	4,772.3	4,686.5	4,757.2	4,882.3	4,785.9	4,784.8	4,888.1
6) Other items (net)	(3,459.4)	(3,405.4)	(3,287.1)	(3,151.3)	(2,811.2)	(2,790.5)	(2,797.2)	(2,831.4)	(2,819.0)	(2,682.8)

Source: Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT

(B$' 000)

End of Period	2019	2020	2021	2022				2023				2024
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
CREDIT OUTSTANDING												
Private cars	135,786	129,299	118,391	116,969	115,835	116,325	120,196	127,489	134,800	142,204	153,231	161,112
Taxis & rented cars	1,028	892	660	733	777	819	932	910	840	1,075	855	818
Commercial vehicles	1,156	1,024	987	1,016	932	814	872	956	891	859	903	1,047
Furnishings & domestic appliances	9,246	8,911	9,831	10,176	10,685	11,369	12,509	13,387	13,757	13,918	14,714	15,085
Travel	65,037	63,654	57,203	57,040	56,754	54,614	52,997	51,394	49,561	48,681	48,175	46,167
Education	39,976	37,150	35,702	34,775	34,556	33,565	31,476	30,504	28,723	28,699	27,626	26,525
Medical	11,873	11,384	12,038	11,963	12,222	11,532	11,131	11,526	11,353	11,371	11,526	11,658
Home Improvements	101,255	98,358	100,202	96,622	94,884	92,436	92,212	92,348	92,659	90,743	90,023	86,952
Land Purchases	131,400	127,176	134,991	131,163	130,128	127,981	127,593	124,780	124,406	125,539	127,073	126,490
Consolidation of debt	908,422	902,968	857,664	834,995	822,676	803,336	786,721	779,094	767,232	756,164	746,805	753,950
Miscellaneous	530,172	528,391	489,727	480,712	483,945	478,735	479,450	483,100	499,802	504,498	511,140	512,852
Credit Cards	272,999	245,397	217,121	215,366	217,032	215,553	221,336	221,883	222,508	229,689	236,395	237,295
TOTAL	2,208,350	2,154,604	2,034,517	1,991,530	1,980,426	1,947,079	1,937,425	1,937,371	1,946,532	1,953,440	1,968,466	1,979,951
NET CREDIT EXTENDED												
Private cars	(10,500)	(6,487)	(10,908)	(1,422)	(1,134)	490	3,871	7,293	7,311	7,404	11,027	7,881
Taxis & rented cars	80	(136)	(232)	73	44	42	113	(22)	(70)	235	(220)	(37)
Commercial vehicles	120	(132)	(37)	29	(84)	(118)	58	84	(65)	(32)	44	144
Furnishings & domestic appliances	1,041	(335)	920	345	509	684	1,140	878	370	161	796	371
Travel	14,165	(1,383)	(6,451)	(163)	(286)	(2,140)	(1,617)	(1,603)	(1,833)	(880)	(506)	(2,008)
Education	(3,091)	(2,826)	(1,448)	(927)	(219)	(991)	(2,089)	(972)	(1,781)	(24)	(1,073)	(1,101)
Medical	(900)	(489)	654	(75)	259	(690)	(401)	395	(173)	18	155	132
Home Improvements	(767)	(2,897)	1,844	(3,580)	(1,738)	(2,448)	(224)	136	311	(1,916)	(720)	(3,071)
Land Purchases	(7,693)	(4,224)	7,815	(3,828)	(1,035)	(2,147)	(388)	(2,813)	(374)	1,133	1,534	(583)
Consolidation of debt	(13,716)	(5,454)	(45,304)	(22,669)	(12,319)	(19,340)	(16,615)	(7,627)	(11,862)	(11,068)	(9,359)	7,145
Miscellaneous	(11,547)	(1,781)	(38,664)	(9,015)	3,233	(5,210)	715	3,650	16,702	4,696	6,642	1,712
Credit Cards	23,930	(27,602)	(28,276)	(1,755)	1,666	(1,479)	5,783	547	625	7,181	6,706	900
TOTAL	(8,878)	(53,746)	(120,087)	(42,987)	(11,104)	(33,347)	(9,654)	(54)	9,161	6,908	15,026	11,485

Source: Central Bank of The Bahamas

TABLE 8
SELECTED AVERAGE INTEREST RATES

(%)

Period	2019	2020	2021	2022		2023				2024
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
DOMESTIC BANKS										
Deposit rates										
Demand deposits	0.36	0.59	0.66	0.36	0.25	0.25	0.25	0.50	0.25	0.25
Savings deposits	0.38	0.44	0.40	0.33	0.29	0.28	0.29	0.28	0.28	0.28
Fixed deposits										
Up to 3 months	0.35	0.28	0.27	0.28	0.26	0.27	0.27	0.26	0.25	0.26
Up to 6 months	0.56	0.41	0.36	0.39	0.26	0.33	0.30	0.35	0.30	0.29
Up to 12 months	0.68	0.66	0.74	0.51	0.49	0.55	0.54	0.57	0.49	0.48
Over 12 months	0.89	0.86	1.21	0.72	1.18	1.25	1.06	0.91	0.96	0.92
Weighted average rate	0.57	0.45	0.52	0.47	0.52	0.63	0.49	0.52	0.51	0.47
Lending rates										
Residential mortgages	4.91	5.26	5.14	5.21	5.16	5.14	5.19	5.23	5.14	5.17
Commercial mortgages	6.38	6.96	5.99	7.08	7.08	6.38	6.32	6.17	6.67	6.61
Consumer loans	12.86	12.52	12.34	13.08	12.87	12.69	12.78	13.15	12.98	12.69
Overdrafts	10.43	9.84	10.21	10.68	11.28	10.77	10.60	10.67	10.47	10.32
Weighted average rate	10.46	10.39	10.02	11.01	11.20	10.88	11.08	11.10	11.02	10.60
Other rates										
Prime rate	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Treasury bill (90 days)	1.61	1.78	2.51	2.88	2.88	2.89	2.91	2.91	2.91	2.86
Treasury bill re-discount rate	2.13	2.26	3.14	3.38	3.38	3.39	3.41	3.41	3.41	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

Source: Central Bank of The Bahamas

TABLE 9

SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

(%)

Period	2021	2022	2023	2022				2023				2024
				Qtr. I	Qtr. II	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)	**85.8**	**88.6**	**89.7**	**86.4**	**87.3**	**88.2**	**88.6**	**89.1**	**89.3**	**89.7**	**89.7**	**90.7**
Arrears (% by loan type)												
Consumer	5.0	3.2	2.7	4.5	4.0	3.4	3.2	3.1	3.0	2.9	2.7	2.4
Mortgage	7.9	7.1	6.4	7.7	7.4	7.3	7.1	6.8	6.6	6.3	6.4	6.0
Commercial	1.3	1.1	1.2	1.4	1.3	1.1	1.1	1.0	1.1	1.1	1.2	0.8
Total Arrears	**14.2**	**11.4**	**10.3**	**13.6**	**12.7**	**11.8**	**11.4**	**10.9**	**10.7**	**10.3**	**10.3**	**9.3**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Loan Portfolio												
Current Loans (as a % of total private sector loans)	**85.8**	**88.6**	**89.7**	**86.4**	**87.3**	**88.2**	**88.6**	**89.1**	**89.3**	**89.7**	**89.7**	**90.7**
Arrears (% by days outstanding)												
30 - 60 days	2.7	2.2	2.3	2.8	2.4	2.4	2.2	2.2	2.0	2.1	2.3	1.8
61 - 90 days	1.9	1.4	1.4	1.5	1.4	1.3	1.4	1.3	1.3	1.4	1.4	1.1
90 - 179 days	2.8	1.1	0.9	1.9	1.8	1.2	1.1	0.8	1.0	1.0	0.9	0.9
over 180 days	6.8	6.7	5.7	7.4	7.2	6.9	6.7	6.6	6.4	5.8	5.7	5.4
Total Arrears	**14.2**	**11.4**	**10.3**	**13.6**	**12.8**	**11.8**	**11.4**	**10.9**	**10.7**	**10.3**	**10.3**	**9.3**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Non Accrual Loans (% by loan type)												
Consumer	38.7	27.3	26.5	36.1	33.8	30.4	27.3	28.1	27.5	26.3	26.5	26.7
Mortgage	52.1	61.7	60.9	54.6	54.7	58.6	61.7	61.2	60.1	60.2	60.9	62.1
Other Private	9.2	11.0	12.7	9.3	11.6	11.0	11.0	10.7	12.4	13.5	12.7	11.1
Total Non Accrual Loans	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Provisions to Loan Portfolio												
Consumer	10.7	7.9	3.3	9.8	9.3	8.2	7.9	6.8	6.6	6.5	3.3	5.5
Mortgage	9.2	7.9	3.4	9.2	9.0	8.5	7.9	8.0	7.9	7.4	3.4	5.9
Other Private	6.8	3.8	1.3	7.2	6.1	6.0	3.8	3.7	3.3	2.2	1.3	2.9
Total Provisions to Total Private Sector Loans	9.4	7.2	6.1	9.1	8.6	8.0	7.2	6.8	6.6	6.2	6.1	6.3
Total Provisions to Non-performing Loans	97.1	93.2	91.3	97.9	95.6	98.4	93.2	91.3	89.4	90.4	91.3	92.8
Total Non-performing Loans to Total Private Sector Loans	9.6	7.7	6.6	9.3	9.0	8.1	7.7	7.5	7.4	6.8	6.6	6.3

Source: Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

(B$ Millions)

Period	2019	2020	2021	2022		2023				2024
				Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
I. Statutory Reserves										
Required reserves	349.6	371.3	372.8	405.9	411.8	403.1	407.8	412.6	405.2	414.4
Average Till Cash	129.8	146.4	149.5	139.9	160.5	128.3	127.5	141.5	163.5	139.6
Average balance with central bank	1,181.3	1,579.0	1,683.1	2,463.1	2,179.8	2,200.6	2,205.7	2,139.9	2,074.3	2,364.8
Free cash reserves (period ended)	961.5	1,354.2	1,387.9	2,197.0	1,928.4	1,925.7	1,925.3	1,868.8	1,832.6	2,090.0
II. Liquid Assets (period)										
A. Minimum Required Liquid Assets	1,247.1	1,301.1	1,344.3	1,461.4	1,458.3	1,466.3	1,481.2	1,486.6	1,493.2	1,534.0
B. Net Eligible Liquid Assets	3,214.5	3,531.6	3,722.9	4,383.1	4,244.3	4,264.4	4,371.8	4,372.7	4,388.2	4,752.6
i) Balance with Central Bank	1,243.8	1,572.1	1,644.1	2,437.1	2,085.5	2,165.3	2,180.4	2,094.3	2,069.7	2,376.5
ii) Notes and Coins	152.0	173.8	171.4	134.5	178.3	121.7	121.7	134.5	178.3	140.7
iii) Treasury Bills	771.9	830.2	939.8	752.9	849.1	843.5	860.1	935.3	965.2	1,018.9
iv) Government registered stocks	985.4	907.5	926.5	1,021.2	1,091.4	1,098.6	1,171.1	1,180.5	1,150.7	1,178.8
v) Specified assets	49.7	49.6	40.5	40.4	40.3	39.2	38.7	28.0	23.5	17.6
vi) Net Inter-bank dem/call deposits	11.7	(1.5)	0.8	(3.1)	(0.3)	(3.9)	(0.2)	(0.0)	0.9	20.2
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	1,967.5	2,230.5	2,378.6	2,921.6	2,786.0	2,798.1	2,890.6	2,886.1	2,894.9	3,218.6

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

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

(B$ Millions)

Period	2021/22p	2022/23p	Budget		2021/22p	2022/23p				2023/24p	
			2022/23	2023/24	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Total revenue & grants	2,605.7	2,855.8	2,804.3	3,319.0	760.3	654.7	603.6	820.7	776.8	663.5	638.6
Current expenditure	3,043.6	3,061.8	2,997.2	3,085.5	1,022.1	621.3	797.0	716.5	927.0	660.4	766.3
Capital expenditure	283.8	327.4	371.1	364.6	123.7	55.3	62.5	76.1	133.5	64.7	69.4
Overall balance	**(721.7)**	**(533.4)**	**(564.0)**	**(131.1)**	**(385.5)**	**(21.9)**	**(255.9)**	**28.1**	**(283.7)**	**(61.5)**	**(197.2)**
FINANCING (I+II-III+IV+V)	721.7	533.4	564.0	131.1	385.5	21.9	255.9	(28.1)	283.7	61.5	197.2
I. Foreign currency borrowing (+)	**1,020.7**	**687.3**	**124.8**	**85.9**	**390.3**	**47.7**	**257.8**	**117.1**	**264.6**	**-**	**496.4**
External	953.9	455.0	124.8	85.9	390.3	47.7	25.5	117.1	264.6	-	261.80
Domestic	66.8	232.3	-	-	-	-	232.3	-	-	-	234.6
II. Bahamian dollar borrowing (+)	**2,016.2**	**2,301.7**	**1,716.0**	**2,112.8**	**526.5**	**353.8**	**762.8**	**611.3**	**573.9**	**617.8**	**833.4**
i)Treasury bills	308.8	114.3	-	-	35.5	30.6	41.5	32.4	9.8	145.3	98.1
ii)Long-term securities	712.4	822.9	-	-	286.0	118.2	344.2	128.8	231.6	120.9	397.7
iii)Loans and advances	995.0	1,364.5	-	-	205.0	205.0	377.0	450.0	332.5	351.5	337.5
III. Debt repayment(-)	**2,145.0**	**2,537.1**	**1,276.7**	**2,067.6**	**628.4**	**387.8**	**798.1**	**673.7**	**677.4**	**651.5**	**1,139.1**
Domestic	1,854.4	2,074.8	790.7	1,195.0	530.3	348.2	603.8	548.8	573.9	495.0	1,049.7
Bahamian dollars	1,715.6	2,052.3	782.4	937.1	526.1	344.7	596.1	545.3	566.2	491.5	807.5
Foreign currency	138.8	22.4	8.3	257.9	4.2	3.5	7.7	3.5	7.7	3.5	242.2
External	290.7	462.3	486.0	872.6	98.1	39.6	194.3	124.9	103.5	156.5	89.4
IV. Net acquisition financial assets (-)	**(140.5)**	**(226.5)**	**(46.5)**	**(59.8)**	**(100.6)**	**(10.0)**	**(40.0)**	**(90.0)**	**(86.5)**	**(4.4)**	**(113.3)**
V. Cash balance change & other financing	**(29.7)**	**308.0**	**46.5**	**59.8**	**197.7**	**18.2**	**73.4**	**7.3**	**209.1**	**99.7**	**119.9**

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

TABLE 12
NATIONAL DEBT

(B$ '000s)

Period	2021	2022	2023	2022 QTR III.	2022 QTR IV.	2023 QTR I.	2023 QTR II.	2023 QTR III.	2023 QTR IV.	2024 QTR I.
TOTAL EXTERNAL DEBT	4,344,312	4,843,469	5,029,777	4,975,350	4,843,469	4,846,426	5,004,837	4,839,164	5,029,777	5,153,039
By Instrument										
Government Securities	2,475,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,560,000
Loans	1,869,312	1,983,469	2,169,777	2,115,350	1,983,469	1,986,426	2,144,837	1,979,164	2,169,777	2,593,039
By Holder										
Commercial Banks	-	-	-	-	-	-	-	-	-	-
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-	-
Multilateral Institutions	1,121,304	1,124,313	1,324,067	1,096,264	1,124,313	1,133,607	1,383,577	1,345,762	1,324,067	1,336,361
Bilateral Institutions	66,099	54,742	47,205	53,085	54,742	51,850	49,133	45,924	47,205	43,399
Private Capital Markets	2,475,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,560,000
Other Financial Institutions	681,909	804,414	798,506	966,001	804,414	800,969	712,127	587,478	798,506	1,213,279
TOTAL INTERNAL DEBT	5,973,545	6,192,962	6,398,188	5,801,346	6,192,962	6,257,898	6,255,226	6,375,321	6,398,188	6,361,900
By Instrument										
Foreign Currency	176,273	329,934	309,408	104,961	329,934	328,928	318,590	312,430	309,408	302,813
Government Securities	-	-	-	-	-	-	-	-	-	-
Loans	176,273	329,934	309,408	104,961	329,934	328,928	318,590	312,430	309,408	302,813
Bahamian Dollars	5,797,272	5,863,028	6,088,780	5,696,385	5,863,028	5,928,970	5,936,636	6,062,891	6,088,780	6,059,087
Advances	265,000	335,000	192,046	205,000	335,000	332,500	323,146	337,546	192,046	192,046
Treasury Bills	1,122,465	1,005,965	1,200,751	964,447	1,005,965	996,542	1,006,364	1,130,710	1,200,751	1,213,199
Government Securities	3,924,682	4,169,631	4,399,684	4,137,325	4,169,631	4,198,567	4,238,503	4,260,838	4,399,684	4,387,638
Loans	485,125	352,432	296,299	389,613	352,432	401,361	368,623	333,797	296,299	266,204
By Holder										
Foreign Currency	176,273	329,934	309,409	104,961	329,934	328,928	318,590	312,430	309,409	302,813
Commercial Banks	176,273	97,273	74,855	104,961	97,273	93,752	86,064	82,543	74,855	71,340
Other Local Financial Institutions	-	-	-	-	-	-	-	-	-	-
Central Bank	-	232,661	234,554	-	232,661	235,176	232,526	229,887	234,554	231,473
Bahamian Dollars	5,797,272	5,863,028	6,088,780	5,696,385	5,863,028	5,928,970	5,936,635	6,062,890	6,088,780	6,059,087
Central Bank	617,057	646,161	708,377	502,914	646,161	635,160	615,103	640,021	708,377	686,869
Commercial Banks	2,336,603	2,283,278	2,413,188	2,150,373	2,283,278	2,336,593	2,394,635	2,427,336	2,413,188	2,393,909
Other Local Financial Iinstitutions	1,085	-	-	-	-	-	-	-	-	-
Public Corporations	518,866	507,942	505,522	588,888	507,942	513,603	469,056	498,395	505,522	449,558
Other	2,323,661	2,425,647	2,461,693	2,454,210	2,425,647	2,443,614	2,457,841	2,497,138	2,461,693	2,528,751
TOTAL FOREIGN CURRENCY DEBT	4,520,585	5,173,403	5,339,186	5,080,311	5,173,403	5,175,354	5,323,427	5,151,594	5,339,186	5,455,852
TOTAL DIRECT CHARGE	10,317,857	11,036,431	11,427,965	10,776,696	11,036,431	11,104,324	11,260,063	11,214,485	11,427,965	11,514,939
TOTAL CONTINGENT LIABILITIES	399,116	390,203	350,904	392,005	390,203	390,618	389,648	358,380	350,904	333,985
TOTAL NATIONAL DEBT	10,716,973	11,426,634	11,778,869	11,168,701	11,426,634	11,494,942	11,649,711	11,572,865	11,778,869	11,848,924

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	2021	2022	2023	2022 QTR III.	2022 QTR IV.	2023 QTR I.	2023 QTR II.	2023 QTR III.	2023 QTR IV.	2024 QTR I.
Outstanding Debt at Beginning of Period	4,784,042	5,032,833	5,652,483	5,602,735	5,569,712	5,652,483	5,644,933	5,780,675	5,598,084	5,773,118
Government	4,211,800	4,520,585	5,173,402	5,105,541	5,080,310	5,173,402	5,175,354	5,323,427	5,151,594	5,339,185
Public Corporations	572,242	512,248	479,081	497,194	489,402	479,081	469,579	457,248	446,490	433,933
Plus: New Drawings	409,730	1,306,322	878,160	48,684	258,783	117,116	264,643	47	496,354	550,037
Government	406,201	1,302,519	878,160	47,725	257,806	117,116	264,643	47	496,354	550,037
Public corporations	3,529	3,803	-	959	977	-	-	-	-	-
Less: Amortization	154,364	664,487	776,420	51,832	213,319	137,944	123,511	170,788	344,177	430,834
Government	90,841	627,516	731,273	43,080	202,021	128,442	111,180	160,030	331,621	420,075
Public corporations	63,523	36,971	45,147	8,752	11,298	9,502	12,331	10,758	12,556	10,759
Other Changes in Debt Stock	(6,575)	(22,186)	18,896	(29,877)	37,307	13,278	(5,389)	(11,851)	22,858	(13,295)
Government	(6,575)	(22,186)	18,896	(29,877)	37,307	13,278	(5,389)	(11,851)	22,858	(13,295)
Public corporations	-	-	-	-	-	-	-	-	-	-
Outstanding Debt at End of Period	5,032,833	5,652,482	5,773,119	5,569,710	5,652,483	5,644,933	5,780,676	5,598,083	5,773,119	5,879,026
Government	4,520,585	5,173,402	5,339,185	5,080,309	5,173,402	5,175,354	5,323,428	5,151,593	5,339,185	5,455,852
Public corporations	512,248	479,080	433,934	489,401	479,081	469,579	457,248	446,490	433,934	423,174
Interest Charges	271,496	374,941	370,937	45,045	127,094	51,876	129,567	54,383	135,111	45,523
Government	237,267	341,180	336,165	36,713	118,020	43,373	120,627	46,175	125,990	38,468
Public corporations	34,229	33,761	34,772	8,332	9,074	8,503	8,940	8,208	9,121	7,055
Debt Service	425,860	1,039,428	1,147,357	96,877	340,413	189,820	253,078	225,171	479,288	476,357
Government	328,108	968,696	1,067,438	79,793	320,041	171,815	231,807	206,205	457,611	458,543
Public corporations	97,752	70,732	79,919	17,084	20,372	18,005	21,271	18,966	21,677	17,814
Debt Service ratio	12.8	19.1	19.3	7.2	27.0	12.7	15.0	15.9	34.8	27.9
Government debt Service/ Government revenue (%)	13.9	35.5	36.8	12.2	53.0	20.9	29.8	31.1	71.7	n.a.
MEMORANDUM										
Holder distribution (B$ Mil):										
Commercial Banks	279.1	188.5	147.6	200.2	188.5	180.9	168.4	160.1	147.6	139.3
The Central Bank	-	232.7	234.6	-	232.7	235.2	232.5	229.9	234.6	231.5
Multilateral Institutions	1,184.1	1,182.5	1,377.6	1,156.5	1,182.5	1,191.5	1,439.4	1,401.4	1,377.6	1,389.7
Bilateral Institutions	66.1	54.7	47.2	53.1	54.7	51.9	49.1	45.9	47.2	43.4
Other	1,028.6	1,134.1	1,106.1	1,299.9	1,134.1	1,125.5	1,031.2	900.8	1,106.1	1,515.2
Private Capital Markets	2,475.0	2,860.0	2,860.0	2,860.0	2,860.0	2,860.0	2,860.0	2,860.0	2,860.0	2,560.0

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

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

(B$ Millions)

Period	2021	2022	2023	2022				2023				2024
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
A. Current Account Balance (I+II+III+IV)	**(2,434.0)**	**(1,189.0)**	**(1,107.9)**	**(200.1)**	**(54.9)**	**(280.8)**	**(653.3)**	**(85.1)**	**(105.5)**	**(362.4)**	**(555.0)**	**(126.5)**
I. Goods (Net)	**(2,625.6)**	**(3,041.5)**	**(3,246.8)**	**(678.1)**	**(705.5)**	**(814.9)**	**(843.0)**	**(774.4)**	**(726.7)**	**(865.1)**	**(880.6)**	**(824.8)**
Exports	638.6	837.7	828.0	171.6	246.6	229.4	190.2	186.8	297.5	181.1	162.6	145.2
Imports	3,264.2	3,879.2	4,074.8	849.7	952.1	1044.3	1033.2	961.2	1024.2	1046.2	1043.2	970.1
II. Services (Net)	**1,008.3**	**2,667.8**	**2,945.6**	**592.0**	**973.8**	**576.9**	**525.2**	**842.9**	**872.3**	**628.5**	**601.9**	**972.7**
Transportation	(275.9)	(309.5)	(424.1)	(76.9)	(59.4)	(83.2)	(90.0)	(120.4)	(95.1)	(100.9)	(107.8)	(119.3)
Travel	2,173.1	4,052.2	4,541.2	881.6	1,260.5	977.6	932.4	1,158.2	1,242.2	1,074.6	1,066.3	1,406.7
Construction	(103.5)	(116.8)	(102.7)	(25.6)	(26.9)	(32.2)	(32.1)	(20.6)	(17.1)	(32.2)	(32.7)	(18.9)
Insurance services	(276.5)	(270.3)	(269.8)	(56.3)	(59.7)	(80.0)	(74.3)	(47.4)	(64.1)	(80.8)	(77.5)	(51.7)
Charges for the use of intellectual property n.i.e.	(7.5)	(14.8)	(11.7)	(1.7)	(9.3)	(2.0)	(1.8)	(2.8)	(2.9)	(2.8)	(3.2)	(4.3)
Telecommunications, computer, and information services	(52.0)	(54.0)	(71.8)	(11.1)	(13.2)	(15.7)	(14.0)	(14.7)	(14.3)	(16.0)	(26.7)	(21.0)
Other business services	(372.8)	(424.2)	(549.5)	(77.9)	(80.8)	(155.0)	(110.6)	(85.7)	(146.8)	(156.5)	(160.6)	(149.7)
Government goods and services n.i.e.	(76.7)	(194.7)	(166.0)	(40.1)	(37.4)	(32.8)	(84.4)	(23.6)	(29.6)	(57.0)	(55.9)	(69.2)
III. Primary Income (Net)	**(734.2)**	**(883.2)**	**(859.1)**	**(121.1)**	**(349.3)**	**(80.8)**	**(332.0)**	**(186.8)**	**(267.5)**	**(134.2)**	**(270.5)**	**(253.7)**
Compensation of employees	(91.5)	(86.0)	(113.7)	(19.2)	(21.2)	(22.8)	(22.8)	(25.7)	(25.9)	(29.3)	(32.8)	(28.6)
Investment income	(642.7)	(797.2)	(745.4)	(101.9)	(328.1)	(58.0)	(309.1)	(161.2)	(241.5)	(105.0)	(237.7)	(225.2)
IV. Secondary Income (Net)	**(82.4)**	**67.8**	**52.4**	**7.2**	**26.2**	**38.0**	**(3.5)**	**33.3**	**16.4**	**8.5**	**(5.7)**	**(20.6)**
General government	31.5	132.7	189.1	22.9	35.0	37.6	37.3	54.2	46.1	45.6	43.3	16.6
Financial corporations, nonfinancial corporations, households, and NPISHs	(101.6)	(72.6)	(119.1)	(19.9)	(18.4)	(15.0)	(19.3)	(17.6)	(28.9)	(30.0)	(42.5)	(35.0)
of which: Workers remittances	*(111.6)*	(95.7)	(105.0)	*(24.6)*	*(23.8)*	*(23.1)*	*(24.2)*	*(24.1)*	*(24.9)*	*(26.1)*	*(29.9)*	*(22.5)*
Other current transfers	(12.3)	7.7	(17.6)	4.2	9.6	15.5	(21.6)	(3.3)	(0.8)	(7.0)	(6.5)	(2.2)
B. Capital Account	**53.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Capital transfers	53.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C. Financial Account (excluding Reserve Assets)	**(1,493.8)**	**(1,401.5)**	**(1,151.9)**	**(563.2)**	**(543.1)**	**(257.4)**	**(37.8)**	**(317.9)**	**(372.5)**	**(231.2)**	**(230.2)**	**(228.0)**
Direct Investment	(298.4)	(316.4)	(97.1)	(65.0)	(96.3)	72.2	(227.3)	(1.2)	(69.4)	(15.1)	(11.4)	(124.0)
Portfolio Investment	447.1	(99.8)	330.2	70.6	(323.9)	(35.5)	188.9	(170.0)	155.1	147.2	197.8	1,022.4
Other Investments	(1,642.5)	(985.2)	(1,385.0)	(568.8)	(122.8)	(294.1)	0.6	(146.8)	(458.2)	(363.3)	(416.6)	(1,126.4)
Currency and deposits	(624.0)	(595.3)	(1,136.3)	(106.9)	(259.5)	(212.4)	(16.5)	(97.7)	(232.8)	(563.3)	(242.5)	(1,240.6)
Loans	(762.8)	(358.7)	(148.5)	(357.2)	27.1	(90.0)	61.4	(63.6)	(193.8)	209.7	(100.7)	(85.5)
Other accounts receivable/payable and trade credit advances	(16.2)	(50.0)	(98.9)	(99.5)	82.8	(6.1)	(27.2)	16.9	(36.2)	(14.3)	(65.4)	194.4
Special drawing rights allocation	(239.6)	18.7	(1.4)	(5.3)	26.76	14.3	(17.1)	(2.4)	4.5	4.5	(8.0)	6.3
D. Net Acquistion of Reserve Assets	**50.6**	**178.3**	**(93.6)**	**568.6**	**233.9**	**(36.8)**	**(587.4)**	**56.4**	**29.1**	**(121.0)**	**(58.1)**	**396.6**
Special drawing rights	239.6	(251.5)	(6.1)	5.3	(26.8)	(13.4)	(216.6)	(0.6)	(3.7)	(4.0)	2.1	(4.5)
Reserve position in the IMF	(0.8)	(1.3)	0.2	0.3	(0.9)	0.9	(1.7)	0.3	(0.3)	(0.3)	0.5	(0.3)
Other reserve assets	(188.3)	431.1	(87.7)	563.0	261.6	(24.4)	(369.1)	56.7	33.1	(116.8)	(60.8)	401.4
E. Net Errors & Omissions	**936.8**	**(34.2)**	**(137.6)**	**205.5**	**(254.3)**	**(13.5)**	**28.0**	**(176.5)**	**(237.9)**	**10.1**	**266.7**	**295.1**

Source: Central Bank of The Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

(B$ '000s)

Period	2021	2022	2023	2022				2023			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
I. OIL TRADE											
i) Exports	184,570	161,074	172,604	43,435	35,147	37,452	45,040	48,917	30,765	42,906	50,016
ii) Imports	657,788	604,440	625,125	136,685	111,023	166,921	189,811	150,786	225,319	115,353	133,667
II. OTHER MERCHANDISE											
Domestic Exports											
Crawfish	91,056	79,169	60,590	26,993	14,166	10,529	27,481	16,496	9,440	13,717	20,937
Fish Conch & other Crustacea	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other cordials &Similar Materials/Sponge	1,408	187	n.a.	n.a.	n.a.	74	113	n.a.	n.a.	n.a.	n.a.
Fruits & Vegs.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aragonite	2,188	2,711	2,312	665	616	615	815	539	670	632	471
Other Natural Sands	221	197	152	51	48	56	42	32	46	50	24
Rum/Beverages/Spirits & Vinegar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Crude Salt	6,921	11,583	16,622	3,603	835	2,506	4,639	5,240	4,265	3,898	3,219
Polystrene Products	56,419	27,548	38,698	n.a.	5,929	17,301	4,318	7,626	3,637	11,562	15,873
Other	110,964	58,213	45,810	16,489	10,091	12,847	18,786	10,398	8,322	20,182	6,908
i) Total Domestic Exports	269,177	179,609	164,175	47,802	31,685	43,929	56,193	40,331	26,371	50,041	47,432
ii) Re-Exports	89,676	268,960	371,359	39,017	85,971	90,005	53,967	78,708	190,026	57,355	45,270
iii) Total Exports (i+ii)	358,853	448,569	535,534	86,819	117,656	133,934	110,160	119,039	216,397	107,396	92,702
iv) Imports	2,824,819	3,153,455	3,562,394	702,103	698,741	868,775	883,837	876,446	868,863	905,360	911,725
v) Retained Imports (iv-ii)	2,735,143	2,884,495	3,191,035	663,086	612,770	778,770	829,870	797,738	678,837	848,005	866,455
vi) Trade Balance (i-v)	(2,465,966)	(2,704,886)	(3,026,860)	(615,284)	(581,085)	(734,841)	(773,677)	(757,407)	(652,466)	(797,964)	(819,023)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2021	2022	2023	2022			2023				2024
				Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
Visitor Arrivals	2,100,618	7,000,706	9,654,097	1,662,722	1,770,621	2,207,255	2,618,488	2,416,595	2,174,082	2,444,932	3,008,159
Air	886,629	1,470,244	1,719,980	421,674	351,115	367,784	469,988	488,217	374,547	387,228	504,075
Sea	1,213,989	5,530,462	7,934,117	1,241,048	1,419,506	1,839,471	2,148,500	1,928,378	1,799,535	2,057,704	2,504,084
Visitor Type											
Stopover	892,442	1,452,520	1,802,039	421,413	365,412	356,325	487,440	531,951	395,898	386,750	498,171
Cruise	1,115,181	5,390,016	7,773,253	1,195,955	1,375,106	1,815,514	2,115,700	1,872,617	1,751,820	2,033,116	2,474,557
Day/Transit	92,995	158,170	78,805	45,354	30,103	35,416	15,348	12,027	26,364	25,066	n.a.
Tourist Expenditure(B$ 000's)	2,321,707	4,221,819	n.a.	1,297,487	1,027,420	983,614	n.a.	n.a.	n.a.	n.a.	n.a.
Stopover	2,266,919	3,838,087	n.a.	1,176,533	946,591	859,907	n.a.	n.a.	n.a.	n.a.	n.a.
Cruise	53,784	380,732	n.a.	120,145	80,017	123,089	n.a.	n.a.	n.a.	n.a.	n.a.
Day	1,003	3,000	n.a.	808	812	619	n.a.	n.a.	n.a.	n.a.	n.a.
Average Hotel Occupancy Rates (%)											
New Providence	40.7	65.3	74.4	79.1	63.1	62.3	81.1	80.6	67.8	68.1	80.9
Grand Bahama	22.8	31.8	n.a.	34.8	37.6	31.5	n.a.	n.a.	n.a.	n.a.	n.a.
Other Family Islands	34.7	44.0	n.a.	48.5	40.8	27.2	n.a.	n.a.	n.a.	n.a.	n.a.
Average Nightly Room Rates ($)											
New Providence	338.72	377.87	411.09	375.91	326.89	398.06	453.42	427.28	349.30	414.35	495.22
Grand Bahama	73.05	86.26	n.a.	98.03	82.22	70.59	n.a.	n.a.	n.a.	n.a.	n.a.
Other Family Islands	307.80	352.07	n.a.	368.81	324.41	248.39	n.a.	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.

* Select Large Hotels Performance for 2023

GROSS ECONOMIC CONTRIBUTION OF THE FINANCIAL SECTOR IN THE BAHAMAS (2023)

INTRODUCTION

The financial services sector in The Bahamas plays a crucial role in the economy and contributes approximately 10%-15% of the country's Gross Domestic Product (GDP), making it the second largest contributor to the economy. The industry, which employs a large number of highly skilled workers, has direct effects on both employment and spending, while indirectly impacting other sectors, such as construction, real estate, and wholesale & retail trade. With regard to the product offerings, the domestic sector is more retail and labour intensive, while the international sector products concentrate more on high net worth clients and targets more specialized higher priced labour. As a result, the sector provides employment opportunities for a skilled workforce.

Data from The Bahamas' financial services sector 2023 survey suggests an incremental gain in expenditure and employment contribution within the Bahamian economy, concentrated in domestic intermediation activities. In particular, balance sheet expenditure and employment gains for domestic banks contrasted with mixed trends for some international banking operations and local insurers, both experiencing increased expenses, but balance sheet reduction. Overall international financial services offerings continued to be impacted by the enforcement of global fiscal and regulatory pressures. Meanwhile, the near-term uncertainties in the international sector remain more concentrated in European sourced business, as opportunities continued to emerge in Latin America. While domestic growth outlook is more anchored in the expansionary outlook for the economy, further credit risk subsidence is still critical to support more confident asset gains. Otherwise, a strengthening regulatory infrastructure, is supporting upside potential for both local and international activities.

In 2023, the estimated balance sheet size of financial sector operations contracted, evidenced by a falloff in assets within the banking sector by 8.2% to approximately $127.2 billion. In particular, the reduction in international banks' balance sheet overshadowed the gains in domestic banks' assets. In contrast, fiduciary assets increased by 6.5% to $295.3 billion. Further, in the securities industry, indications are that net asset value registered healthy gains in 2023. With regard to credit unions, assets expanded, led by a rise in liquid investments, and an increase in deposits held with the Credit Union League. Meanwhile, onshore insurance operations featured constrained balance sheet trends relative to prior year.

During the year, domestic supervisory bodies and policy makers sustained their focus on strengthening The Bahamas' anti-money laundering and counter financing of terrorism (AML/CFT) regime. In this context, the Central Bank continued to tailor improvements in its guidance to the industry, including emphasis on streamlined customer due diligence that would promote domestic financial inclusion, and improvements in the Bank's analytical tool kit for AML risk assessments. In addition, new guidance highlighted the Bank's expectations around the effectiveness of supervised financial institutions' (SFIs') enterprise risk management frameworks. The Central Bank also engaged further on its approach to the supervision of exposures to digital assets, for which regulatory treatment would concentrate on the nature of the underlying purpose or use of digital assets, to ensure equivalent treatment as other financial products of similar use, risk or purpose.

GOVERNMENT REVENUES

Preliminary figures on financial sector performance revealed that total taxes and fees received by the Government grew by $11.9 million (7.2%) to $177.6 million during 2023. Underlying this development, transactional taxes on local intermediation activities rose by 9.9% to $106.9 million, on account of a 28.9% increase in the collection of insurance premium tax, and a 12.2% rise in the collection of stamp tax on other banking transactions. In an offset, taxes on mortgages contracted by $5.7 million, to $5.4 million in 2023. In addition, license and registration fees rose by $2.3 million (3.4%) to $70.7 million, owing to a 4.1% gain in collections from banks and trust companies and a 1.0% uptick in receipts from international business companies. Meanwhile, other fees received from insurance companies, brokers, and agents stabilized at $0.4 million, relative to the previous year.

THE BANKING SECTOR

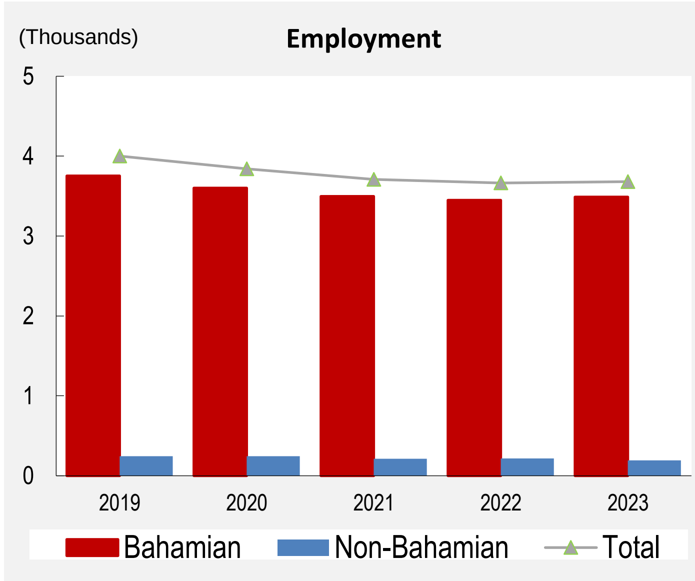
The banking sector continued to dominate the financial sector, amid the sustained growth in the economy. During 2023, monetary conditions featured a decline in banking sector liquidity and net foreign assets, as the rise in domestic credit, outweighed the build-up in the deposit base. Meanwhile, banks' credit quality indicators improved over the year, reflective of the ongoing recovery in the domestic economy and loan write-offs.

During the year, the total number of banks and trust companies licensed in The Bahamas decreased by 5 to 197, following a decline of 12 in 2022. Public banks & trust companies fell by 1 to 74; and restricted, non-active & nominees, by 4 to 123. With regard to other public licensees, the euro-currency branches of foreign banks decreased by 1 to 9, while Bahamian incorporated entities remained unchanged at 45. The licensed authorized dealers and agents remained at 20, consisting of 10 agents (resident trust companies) and 10 authorised dealers (commercial banks)—inclusive of 7 clearing banks.

Total domestic assets within the local banking sector firmed by 2.2% to $11.7 billion in 2023, albeit lower than the 4.2% expansion a year earlier and the 2.4% average annual growth rate of the last five years. Conversely, total assets of the international banking sector declined further by 8.2% to $107.9 billion, vis-à-vis the 8.9% reduction in the previous year, and the 6.7% average annual decrease over the last five years.

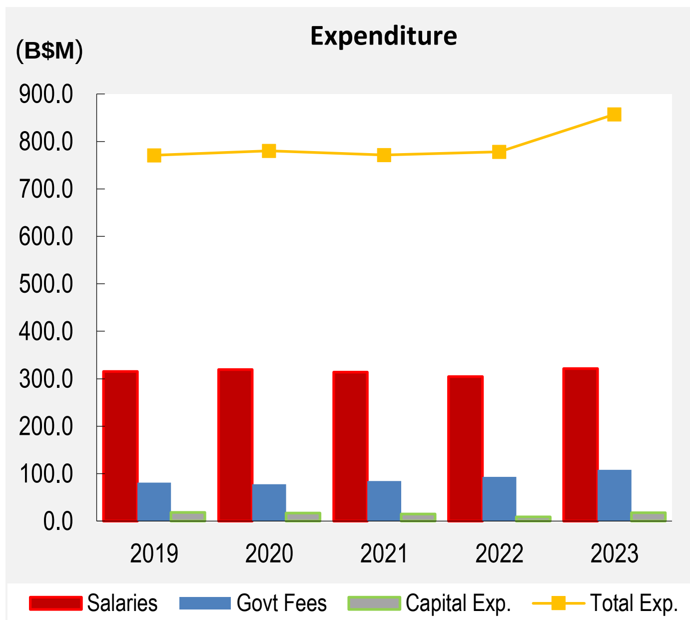
EMPLOYMENT

In 2023, total employment within banks and trust companies grew by 17 (0.5%) to approximately 3,681 persons, a turnaround from the 1.2% reduction in 2022. An analysis by nationality showed that, Bahamian positions rose by 38 (1.1%) to 3,487, contrasting with non-Bahamian positions which declined by 21 to 194. As a result, the ratio of employed Bahamians to non-Bahamians in the banking sector firmed by 6 basis points to 94.7%, from 94.1% in the previous year. A disaggregation by assigned functions revealed that the majority of nationals were engaged in the local banking sector (61.8%), followed by offshore banking (15.8%), trust administration (10.5%) and other wealth management related activities (6.6%).



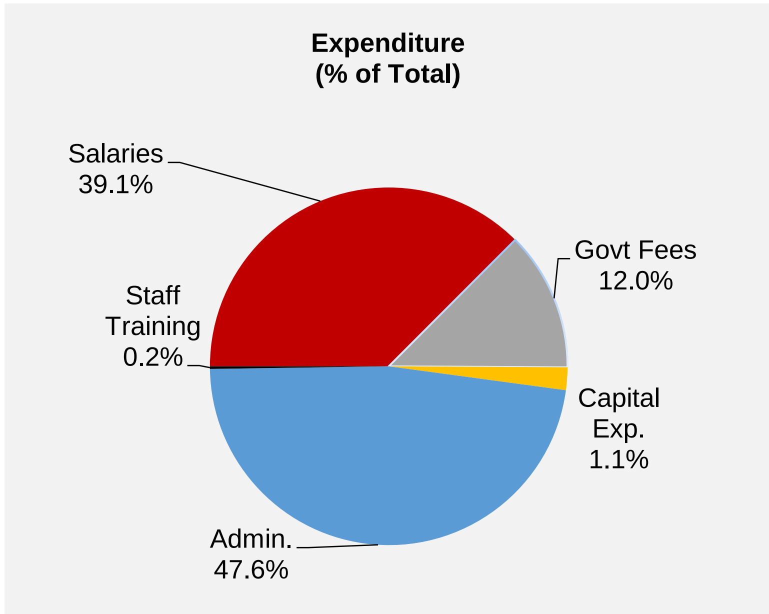
EXPENDITURES

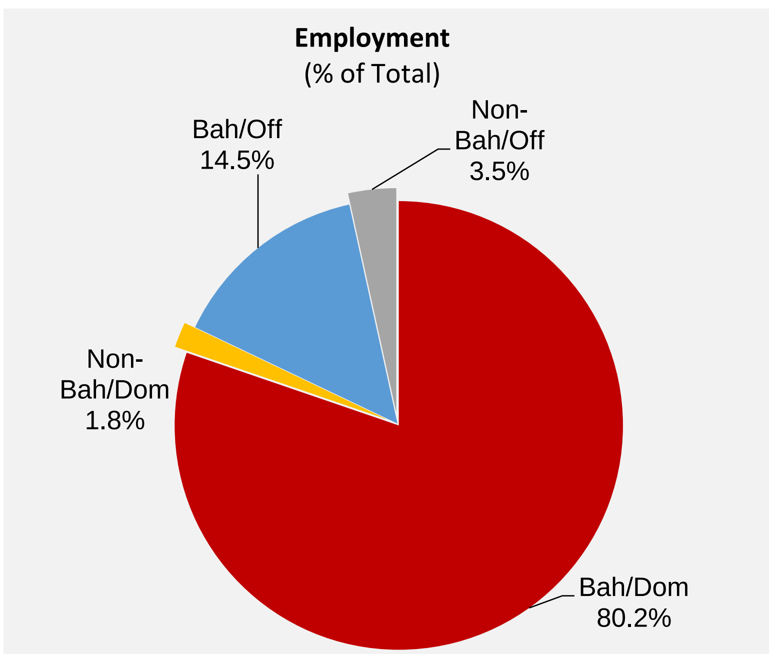
During the year, total expenditure in the banking sector increased by $78.9 million (10.1%) to $856.9 million, surpassing the 0.9% growth in the previous year; and the annual average spending gain of 0.6% over the last five years. Contributing to this outturn, total operational costs expanded by $70.3 million (9.1%) to $839.3 million, extending last year's 1.7% growth. Notably, non-staff administrative costs rose by $38.1 million (10.3%) to $408.1 million, exceeding the 3.8% gain in the prior year. In addition, salaries grew by $17.2 million (5.6%) to $321.4 million, a reversal from the 3.1% decline in 2022. Further, government fees advanced by $14.7 million (15.7%) to $107.9 million, led by gains in company registration fees of 32.7% and license fees of 26.9%. Further, expenditure on staff training firmed by $0.4 million (22.8%) to $2.0 million, albeit a sharp moderation from the 51.6% increase a year earlier.



Banks and trust companies' capital expenditure—which includes outlays for renovations, construction and other fixed assets rose by $8.7 million (97.3%), a switch from a 40.9% contraction in the previous year.

DOMESTIC VERSUS INTERNATIONAL BANKING





Separate analysis of the domestic and international banking operations allows for a more detailed contrast between the domestic sector's retail-oriented services of the domestic banks, and the wealth management activities of the international banks.

During 2023, total employment in the domestic banking sector rose by 13 (0.4%) to 3,021, a reversal from the marginal contraction of 0.9% in 2022, and larger average yearly reduction of 1.4% over the past five years. Likewise, total international sector employees increased by 4 (0.6%) to 660, a contrast from both the 2.8% falloff in the prior year, and the average yearly decline of 6.7% over the previous five years.

In terms of the composition of staffing for the domestic banking sector, the total number of Bahamian employees rose by 23 (0.8%) to 2,954, a turnaround from the 1.0% decline in the previous year. In contrast, the total number of non-Bahamian employees decreased by 10 (13.0%), relative to a 5.5% expansion in the previous year. Given these developments, the ratio of Bahamian to non-Bahamian workers expanded to 44:1, from 38:1 a year earlier. Within the international sector, total Bahamian staff rose by 15 (2.9%) to 533, a reversal from a 3.0% decrease a year earlier. In contrast, the non-Bahamian component fell by 11 (8.0%) to 127 persons, extending the 2.1% decline recorded in the preceding year. Consequently, the ratio of Bahamian to non-Bahamian employees remained at 4:1.

With regard to compensation, movements in average base salaries varied across the banking sectors. Specifically, the average salary for the domestic banks appreciated by $3,295 (5.6%) to $62,271 per annum. However, average compensation in the international sector decreased by $3,345 (2.8%) to $115,264 per annum, owing in part the closure of a public bank.

Expenditure growth in the domestic banking sector persisted, contrasting with the retrenchment in the international sector. In the domestic banking sector, aggregate expenditure grew by 14.2% to $644.1 million in 2023, after stabilizing at $563.9 million in 2022. Similarly, total operational costs increased by 12.9% to $629.3 million, outpacing the 4.7% gain in 2022. A review of operational costs revealed that this growth was mainly due to a rise in non-staff administrative costs of 14.2% to $312.8 million, exceeding the 7.9% rise in the previous year.

Government fees also grew by 17.8% to $100.3 million, surpassing the 11.7% gain in the prior year. Similarly, outlays for staff training expanded by 16.5% to $1.5 million, a notable slowdown from the 49.6% increase last year. Likewise, salaries grew by 8.9% to $214.7 million, overturning the 2.3% falloff a year earlier. Further, owing to the purchase of new premises, capital expenditure rose by 124.5% to $14.8 million, a switch from the 47.0% contraction in 2022.

In the international banking sector, total expenditure fell by 0.6% to $212.9 million, following a 5.5%% falloff in 2022 and a 3.7% annual average decline over the preceding five-year period. Operational outlays decreased by 0.8% to $210.1 million, although lower than the 5.4% decline in the preceding year and the annual average of 3.0%. The outturn was largely attributed to a contraction in the high valued salary component by 0.4% to $106.7 million, and reduction in other administrative costs by 0.9% to $95.2 million. Likewise, Government's fee payments reduced by 7.0% to $7.6 million, outpacing the 3.8% falloff in the previous year. In a partial offset, spending on staff training expanded by 49.3% to $0.4 million. Capital expenditure for the international segment also advanced by 22.0% to $2.8 million, a reversal from the 12.7% decrease a year earlier.

OTHER FINANCIAL SECTOR ACTIVITIES

CREDIT UNIONS

The credit unions contribution to the economy expanded in 2023, both in terms of balance sheet size and expenditure outlays. With the number of regulated entities holding steady at 8—inclusive of the Bahamas Co-operative League Limited, aggregate assets grew by $11.3 million (2.3%) to $495.0 million in 2023. This was explained by a $7.8 million (28.9%) rise in liquid investments, mainly fixed deposits, and a $3.5 million (3.4%) increase in league deposits. In addition, funding resources gained $5.5 million (1.3%) to $419.9 million, and net loans to members rose by $5.1 million (2.2%) to $235.7 million, led by an elevation in mortgage flows and consumer loans. Further, liquid assets increased by $8.3 million (4.1%) to $210.2 million, extending the of 2.4% growth in 2022.

Credit union’s total expenditure—exclusive of intermediation costs—rose by 4.1% to $29.0 million in 2023. Leading this outturn, operational outlays increased by $1.5 million (7.7%), as personal expenses, the dominant category—inclusive of base salaries and other staff expenses—grew by $0.7 million (9.1%) to $8.8 million, in line with the rise in employment by 13 to 205 in 2023. In addition, notable gains were registered in marketing (80.2%), organization expenses (16.6%), technology costs (9.7%), occupancy expenses (8.8%), members’ security (6.2%), and general business spending (2.5%).

SECURITIES INDUSTRY

Although comprehensive data on expenditure and employment was not available, indications are that digital asset businesses increased, due to an expansion in activity, despite a reduction in the volume of supervised entities. In particular, evidence from the Securities Commission of The Bahamas (SCB), indicated that the number of licensed investment fund administrators decreased by 2 to 44, while the number of licensed investment funds under administration reduced by 23 to 659. Nevertheless, total assets under management grew by $9.9 billion (19.5%) to an approximated $60.6 billion. The SCB supervises the financial and corporate services providers (FCSPs), which are domestic professional firms that offer services to the financial sector. In 2023, the number of FCSPs moved higher by 22 to 293, reflective of a rise in demand for these services.

INSURANCE SECTOR

Preliminary data within the local insurance sector showed that activity was relatively subdued over the review year. Specifically, the latest data from the Insurance Commission of The Bahamas (ICB), showed that the number of licensed insurers, brokers and agents fell by 3 to 155 in 2023. The number of domestic intermediaries and insurers moved lower by 2 to 126, while external insurers and intermediaries narrowed by 1 to 29 in 2023. Further, preliminary data indicated that, following a reclassification exercise, total assets of domestic companies stood at $1,932.8 million in 2023, vis-à-vis $2,191.7 million in 2022, with long-term assets at $1,240.8 million. In contrast, assets of the general insurers expanded by $86.3 million (14.2%) to $692.0 million.

In terms of employment, the number of persons employed in the industry increased to 1,171 in 2023 from 931 in 2022. Likewise, the approximated average annual salary advanced by 11.9% to $41,575 in 2023. Despite the absence of a comprehensive estimate, indications are that total expenditures rose during the review year. Specifically, outlays among domestic insurers stood at approximately $161.1 million, higher than the $116.1 million recorded a year earlier, of which 97.8% represented operating costs.

OTHER FINANCIAL SECTOR DEVELOPMENTS

During the year, financial sector initiatives remained focused on improving The Bahamas’ supervisory landscape, with sustained focus on strengthening the anti-money laundering and countering the financing of terrorism (AML/CFT) regime. In this context, the Central Bank introduced new and amended guidance on risk management practices. The Bank also finalized the new Digital Assets Guidelines that outline the expectations of SFIs that are exposed to digital asset activities, which prescribes the philosophy of "same risk, same activity, and same [regulatory] treatment."

CENTRAL BANK INITIATIVES

The Central Bank continued to promote initiatives to enhance opportunities within the sector, while also managing its risks. AML risk management practices were paramount, alongside supporting the coordinated efforts to elevate the jurisdictions' compliance and effectiveness profile in international assessments.

In line with heightened focus on institutional self-assessments, the Bank in collaboration with other domestic regulators and law enforcement, continued to strengthen the approach to the supervision of financial institutions AML/CFT management systems. In an effort to assist SFIs in building upon the current assessments, the Central Bank issued the ML/TF/PF Risk Assessments Guidance Notes in June 2023, which complemented the AML/CFT Guidelines and incorporated international best practices. This explained the Bank's expectations of how SFIs should develop, implement and maintain the Enterprise Risk Management (ERM) frameworks to align with the nature, size and complexity of their businesses and risk appetites.

Preliminary measures were also taken to procure a digital supervisory risk assessment tool, to enhance the efficiency of the process, and enable more robust analysis of both individual licensees and sub-sectors of licensees. Moreover, new Digital Asset guidelines were disseminated for SFIs exposed to digital asset activities and highlighted the philosophy of "same risk, same activity and same [regulatory] treatment", as adopted from the Basel Committee on Banking Supervision's Crypto asset Exposures Framework.

As it pertains to credit risk management and also in line with monetary policy easing, in December 2023, the Central Bank lifted the mandatory requirement for mortgage indemnity insurance, on residential mortgages secured with down payments of less than 15.0%. While other prudent credit underwriting standards continued to apply, the revision was intended to reduce the cost burden on suitably qualified borrowers, and allow some additional individuals to qualify for credit. The reform also coincides with the increasing significance of the credit bureau, as all domestic banks and most credit unions were formally reporting data as of 2023.

During the year, the Bank also initiated consultation to establish the Bahamas Financial Stability Council (BFSC), in collaboration with other key financial regulators and governmental agencies. This is expected to improve interagency coordination and information exchange on key financial sector issues. Further, resolution and crisis management capacity within the Central Bank strengthened, as a new Unit was established, to reinforce the separation between supervisory operations and resolution functions, which promote the interest of the Deposit Insurance Corporation.

In collaboration with the Group of Financial Services Regulators (GFSR), Central Bank representatives also continued to lead in the development of the second National Risk Assessment (NRA) Report on AML/CFT/PF. A presentation of the report for the Government's adoption is expected before the end of the second quarter of 2024.

In terms of the payments system and financial market infrastructure initiatives, the Bahamas Government Securities Depository (BGSD) was launched during the year, as the new electronic registry and custodial system for Government securities. The BGSD facilitates all Bahamas Registered Stock (BRS) and Treasury bill (T-Bill) operations. Further, the Bank initiated the multi-session collateral facility in the Real Time Gross Settlement (RTGS) system. This supports net processing of transactions utilizing the Bahamas Automated Clearing House (BACH), coinciding with an increase in daily clearing sessions for retail inter-bank payments from 7 to 10.

As regard the central bank digital currency, to support and accelerate further adoption, SandDollar ambassadors were recruited during the year, to provide technical and educational support to mobile wallet users. Other marketing initiatives on various media platform were also introduced. SandDollar teams visited 12 Family Islands during the year, promoting hands-on experiences with the digital wallet. Further, the Banks' Financial Literacy Fair and Digital Expo held in the spring, and other events, supported an uptick in digital wallet activations and SandDollar spending.

In keeping with heightened financial inclusion initiatives, the Central Bank also further advanced drafting of a proposed National Financial Inclusion Strategy (NFIS) to encourage access to affordable financial services from formal financial institutions to all persons—especially vulnerable groups and micro, small and medium-sized entities (MSMEs) in The Bahamas. The strategy is expected to expand to wider public consultation in 2024; and also proposed to the Government for adoption.

CONCLUSION AND OUTLOOK

The 2023 survey of financial sector activities showed incremental growth in the sector's overall contribution to the Bahamian economy, concentrated most in further expansion of domestic intermediation. International financial services remained constrained overall, due to ongoing global consolidation of operations, and domiciling, particularly of European-focused business. In particular, gains were recorded in government's tax receipts, and operations expenditures in the local economy. In domestic operations, employment also rose, contrasting with a decline in the international sector. Similarly, expansionary trends were recorded for the credit unions, as total assets grew during the review period. Likewise, the international securities business experienced a rise in the number of financial and corporate services providers, corresponding with an increase in the value of assets under management. However, the insurance sector outcomes were mixed with a falloff in balance overall assets. Meanwhile, the sound regulatory regime and pool of professionals supporting the industry, continue to promote The Bahamas as a choice jurisdiction, adding value for clients in varied dimensions.

In the outlook, medium-term growth potential continues to be more favourably defined for domestic financial services, partly anchored to the forecasted economic growth, and the enhanced confidence afforded to credit risk management practices through the credit bureau. In the external sector, the sustained quality of regulations, especially around AML/CFT practices offers steadied reputation improvement with upside potential, in additional to the defined internationally consistent regime for new activities in the securities industry space. Nevertheless, tensions remain, between new business prospects in Latin America versus continued re-domiciling of clients to Europe.

The Central Bank will continue to enhance its regulatory and supervisory framework for its SFIs in line with global best practices, as this remains an important component in The Bahamas' offering to international clients. The Bank will remain proactive to reforms that support product innovations, and strengthening the frameworks for collaboration across regulators and other stakeholders in the industry. The Bank will continue to concentrate on domestic initiatives to strengthen financial inclusion and improve financial literacy.

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

Period	2019p	2020p	2021p	2022p	2023p
A. Taxes on Transactions	**85.0**	**94.0**	**110.9**	**97.2**	**106.9**
Gross Insurance Premium Tax 1/	24.3	26.2	26.3	29.5	38.1
Stamp Tax on Mortgages	8.3	4.6	2.2	11.1	5.4
Stamp Tax on Other Banking Transactions	52.1	62.9	81.9	56.4	63.3
Stamp Tax on Instruments & Bonds	0.4	0.3	0.4	0.2	0.02
B. Licence & Registration Fees	**71.5**	**70.2**	**77.5**	**79.5**	**70.7**
International Business Companies (IBCs)	13.3	12.2	13.5	12.8	13.0
Banks and Trust Companies 3/	50.6	50.6	53.2	55.1	57.4
Insurance Companies, Brokers & Agents	0.4	0.3	0.3	0.4	0.4
Financial & Corp. Svcs. Providers	0.6	0.5	1.9	1.9	n.a.
Investment Funds 2/	6.6	6.7	8.6	9.2	n.a.
C. Total Revenues 4/	**156.4**	**164.2**	**188.4**	**176.7**	**177.6**

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.
4/ Excludes FCSPs & IFs for 2023

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

Period	2019p	2020p	2021p	2022p	2023p
A. Total Employment	4,001	3,843	3,709	3,664	3,681
1. Non-Bahamians	247	244	214	215	194
2. Bahamians (of which)	3,754	3,599	3,495	3,449	3,487
i) Local Banking	2,457	2,398	2,306	2,272	2,274
ii) Offshore Banking	590	500	548	569	583
iii) Trust Administration	447	406	389	379	386
iv) Other	260	295	252	229	244
			(B$ Millions)		
B. Total Operational Costs (1+2+3+4)	755.3	762.7	756.3	769.1	839.3
1. Salaries[1]	317.5	319.5	314.1	304.2	321.4
i) Base Salaries	270.2	274.2	265.3	255.2	264.2
ii) Bonuses	47.3	45.3	48.8	49.0	57.2
2. Government Fees	81.2	78.0	84.7	93.2	107.9
i) License	50.1	50.6	52.9	55.1	69.9
ii) Company Registration	0.4	0.4	0.3	0.1	0.1
iii) Work Permits	2.6	2.4	2.7	2.6	2.0
iv) Other Government Fees	28.1	24.7	28.9	35.5	35.8
3. Staff Training	2.6	1.2	1.1	1.6	2.0
4. Other Administrative Costs	354.1	364.0	356.4	370.0	408.1
C. Capital Expenditure[2]	18.4	17.1	15.1	8.9	17.6
D. Total Expenditure (B+C)	773.7	779.8	771.4	778.0	856.9
E. Average Salary (B$ actuals)[3]	67,531	71,351	71,537	69,653	71,774

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	2019p	2020p	2021p	2022p	2023p	2019p	2020p	2021p	2022p	2023p
			Domestic					**International**		
A. Total Employment	3,195	3,124	3,034	3,008	3,021	811	719	675	656	660
1. Non-Bahamians	79	73	73	77	67	171	171	141	138	127
2. Bahamians (of which)	3,116	3,051	2,961	2,931	2,954	640	548	534	518	533
i) Local Banking	2,457	2,398	2,306	2,272	2,274	--	--	--	--	--
ii) Offshore Banking	200	193	222	260	271	392	307	326	309	312
iii) Trust Administration	292	266	239	236	234	155	140	150	143	152
iv) Other	167	194	194	163	175	93	101	58	66	69
					(B$ Millions)					
B. Total Operational Costs (1+2+3+4)	509.1	530.0	532.5	557.3	629.3	246.7	232.7	223.8	211.8	210.1
1. Salaries[1]	195.8	203.3	201.6	197.0	214.7	121.7	116.2	112.5	107.2	106.7
i) Base Salaries	178.0	185.6	184.2	177.4	188.1	92.2	88.6	81.1	77.8	76.1
ii) Bonuses	17.8	17.7	17.3	19.6	26.5	29.5	27.6	31.4	29.4	30.7
2. Government Fees	72.8	69.7	76.2	85.1	100.3	8.9	8.3	8.5	8.2	7.6
i) License	44.5	44.4	46.9	49.2	64.2	6.1	6.1	5.9	5.9	5.7
ii) Company Registration	0.1	0.2	0.2	0.0	0.0	0.2	0.2	0.1	0.1	0.1
iii) Work Permits	0.7	0.9	0.6	0.9	0.5	1.9	1.5	2.1	1.7	1.5
iv) Other Government Fees	27.5	24.2	28.6	35.0	35.6	0.6	0.5	0.4	0.5	0.3
3. Staff Training	1.6	0.9	0.9	1.3	1.5	1.0	0.3	0.2	0.3	0.4
4. Other Administrative Costs	238.9	256.1	253.9	273.9	312.8	115.1	107.9	102.6	96.1	95.2
C. Capital Expenditure[2]	15.4	15.1	12.5	6.6	14.8	3.1	1.9	2.6	2.3	2.8
D. Total Expenditure (B+C)	524.5	545.1	545.0	563.9	644.1	249.8	234.6	226.5	214.1	212.9
E. Average Salary (B$ actuals)[3]	55,708	59,411	60,727	58,976	62,271	113,694	123,227	120,129	118,608	115,264

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	2019f	2020f	2021f	2022f	2023p
Investment Funds						
Licensed Investment Funds	Number	742	712	677	682	659
Licensed Administrators	**Number**	57	48	45	46	44
Net Asset Value	*B$ Billions*	38.4	49.7	50.9	50.7	60.6
Insurance Companies and Agents	**Number**	**160**	**159**	**152**	**158**	**155**
Domestic Companies and Agents	**Number**	**127**	**127**	**122**	**128**	**126**
Total Domestic Assets	*B$ Millions*	3,372.0	2,211.0	2,138.8	2,191.7	1,932.8
Employment*	*Number*	1027	914	931	931	1171
Average Annual Salaries*	*B$*	39,968	36,544	37,832	37,193	41,575
Operating Costs / Total Expenditure	*%*	90.4	98.7	99.1	98.7	97.8
External Insurers & Intermediaries	**Number**	**33**	**32**	**30**	**30**	**29**
Credit Unions (Active)						
Number of Unions	**Number**	**10**	**10**	**10**	**8**	**8**
Total Assets	*B$ Millions*	476.0	482.3	474.6	483.6	495.0
Employment	*Number*	183	190	189	192	205
Average Annual Salaries	*B$*	31,525	29,816	32,074	32,380	33,673
Total Expenditure	*B$ Millions*	31.6	29.0	27.3	27.8	26.3
Operating Costs / Total Expenditures	*%*	60.8	60.6	65.6	70.4	80.1
Bahamas International Securities Exchange (BISX)						
Securities Listed	**Number**	**44**	**47**	**47**	**47**	**47**
Shares Traded	*Thousands*	28,853	5,558	12,045	8,863	4,877
Market Capitalization	*B$ Billions*	5.53	8.76	9.28	10.06	10.75

Sources:

Bahamas International Securities Exchange (BISX), Credit Unions,
Securities Commission of The Bahamas and Insurance Commission of The Bahamas

Notes:

* 2023 data is based on Central Bank estimates and surveys; 2019-2022 based on survey data only.