



Quarterly Economic Review

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

OVERVIEW

Preliminary indications are that domestic economic conditions remained mildly positive during the third quarter of 2016, as a number of small to medium-scale foreign investment projects provided impetus to the construction sector. In addition, tourism sector activity benefitted from the hosting of a number of international events. Domestic inflationary pressures were relatively subdued; although some firming was reported, reflecting the pass-through effects of gains in international oil prices.

The Government's overall deficit deteriorated during the first quarter of FY2016/2017, as broad-based expenditure gains outstripped the growth in total revenue. Funding for the deficit was derived predominately from domestic sources and included a combination of long and short-term debt, while additional debt creating financing was also extended to two private entities.

In the monetary sector, both bank liquidity and external reserves contracted during the review period, reflecting the seasonal increase in demand for foreign currency. Banks' credit quality indicators deteriorated over the review quarter; however, the sector's average capital ratio stayed well above regulatory requirements. In the latest available indicators for the second quarter, banks' profitability indicators improved, owing to a staff-associated reduction in operational costs and lower levels of bad debt provisioning.

Preliminary external sector estimates for the third quarter, indicated that the current account deficit widened significantly in comparison to the same period of 2015, attributed to a sharp contraction in the services account surplus, which overshadowed the slight narrowing in the merchandise trade deficit. Similarly, the estimated balance on the capital and financial account reversed to a deficit from a surplus in the prior year, owing in large measure to a significant increase in net "miscellaneous" outflows, which outpaced the modest rise in net direct investment receipts.

REAL SECTOR

TOURISM

An analysis of partial tourism data suggested that activity in the sector was mildly positive over the third quarter, as hotel properties benefitted from the hosting of a number of summer festivals in several islands and an international sporting event in the capital. In addition, the return of room capacity following a series of renovation projects, provided added support to the sector.

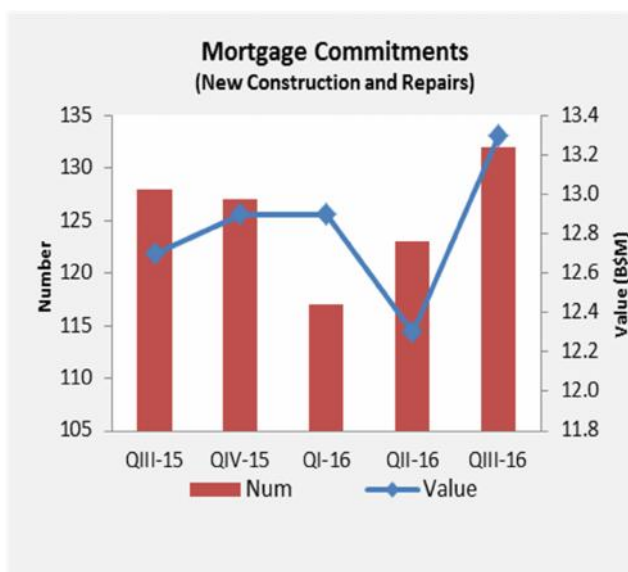
With regard to indicators of tourism activity during the review period, preliminary data from the Nassau Airport Development Company (NAD) showed that total visitor departures rose by 1.4% in the third quarter—net of the domestic segment—a reversal from a slight 0.1% falloff in the same

period a year earlier. Disaggregated by major category, the dominant United States market firmed by 1.6%, following a flat performance in 2015. Similarly, the non-US component edged-up by 0.5%, vis-à-vis a 0.7% contraction last year. In addition, commercial banks' foreign currency purchases—which include inflows from tourism and investment-related activities—grew by 7.9%, outpacing the 4.7% increase recorded in the prior period.

CONSTRUCTION

Despite signs of softness in the domestic housing market, activity in the construction sector during the third quarter was sustained by a number of varied-scale foreign investment projects. In addition, the near-term prospects for the sector have improved, as a result of the resumption of work on the multi-billion dollar Baha Mar project.

Data available on the domestic side, showed that aggregate mortgage disbursements for new construction and repairs—as reported by commercial banks, insurance companies and the Bahamas Mortgage Corporation—declined by 22.4% to \$28.5 million, a reversal from 2015's 49.2% expansion. Underpinning this outturn, residential mortgage flows contracted by 19.5% to \$27.8 million, vis-à-vis an 86.8% advance in the prior year. Similarly, the commercial component fell by two-thirds to \$0.8 million, in contrast to a 62.7% increase a year earlier.



Conditions in the domestic housing sector are expected to improve modestly over the near-term, as total mortgage commitments for new buildings and repairs—a forward looking indicator—rose in number, by 3.1% (4) to 132 and in value, by 4.3% (\$0.5 million) to \$13.3 million. The growth was due solely to gains in the residential segment, with both the number and value of commitments firming by 5 to 132 and by 4.6% to \$13.3 million, respectively. However, there were no commercial applications in the third quarter, compared to 1 in the previous year, valued at \$0.03 million.

In terms of financing, interest rates on both commercial and residential mortgages narrowed by 1.1 and 0.2 percentage points, to 8.1% and 7.8%, respectively, in comparison to the prior year.

PRICES

During the third quarter, domestic inflation—as measured by changes in the All Bahamas Retail Price Index—firmed by 0.8 percentage points to 1.2%, in comparison to the same period of 2015, reflecting the recent uptrend in global oil prices. In terms of the components, average costs for transportation accelerated by 5.8 percentage points to 8.6%. Similarly, the index for housing, water, gas, electricity and 'other' fuels—the largest segment—advanced by 1.6%, a reversal from a decline of 1.1% in the previous year, while education inflation firmed to 1.6% from 0.5%. In a modest offset, average price declines were registered for restaurant and hotels, food & non-alcoholic

beverages, recreation & culture, alcohol beverages, tobacco & narcotics, health and furnishing, household equipment & routine household maintenance, by 3.9%, 2.1%, 1.0%, 0.5%, 0.4% and 0.2%, compared to respective increases of 0.6%, 0.3%, 1.0%, 0.8%, 4.2% and 0.2% a year earlier, while the falloff in communication costs remained at 0.1%. Further, average price gains slowed for miscellaneous goods & services and clothing & footwear by 0.8 and 0.4 percentage points to 0.1% and 0.3%, respectively.

In line with the uptrend in crude oil prices, domestic energy costs rose over the third quarter. Specifically, the average cost for both diesel and gasoline increased by 7.8% and 4.7% to \$3.59 and \$4.03 per gallon during the three-month period, while on an annual basis, prices declined by 11.6% and 16.4%, respectively. Similarly, the Bahamas Power & Light's (BPL) fuel charge strengthened by 22.1% to \$11.27 per kilowatt hour (kWh) on a quarterly basis, but fell sharply by 25.8% year-on-year.

Retail Price Index					
(Annual % Changes; September)					
Items	Weight	2015		2016	
		Index	%	Index	%
Food & Non-Alcoholic Beverages	120.4	104.7	4.1	105.8	1.1
Alcohol, Tobacco & Narcotics	6.4	107.0	7.1	109.8	2.6
Clothing & Footwear	37.76	103.5	4.4	105.4	1.8
Housing, Water, Gas, Electricity	334.83	98.7	-0.2	96.4	-2.3
Furn. & Household, Maintenance	64.26	104.3	5.8	106.4	2.0
Health	44.5	110.1	11.0	118.7	7.8
Transportation	119.13	99.0	-3.7	93.6	-5.4
Communication	41.19	103.8	3.7	106.1	2.2
Rec., & Culture	22.73	106.6	8.7	111.0	4.1
Education	30.05	102.6	5.1	108.1	5.3
Restaurant & Hotels	38.24	103.7	4.5	105.4	1.6
Misc. Goods & Svcs.	140.52	101.6	0.4	103.3	1.6
ALL ITEMS	1000	101.6	1.5	101.5	-0.1

FISCAL OPERATIONS

OVERVIEW

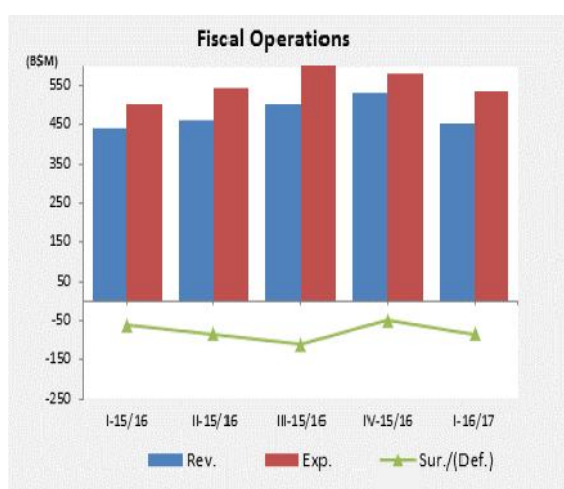
Reflecting broad-based gains in expenditure by 7.2% to \$536.4 million, which negated the 2.9% rise in revenue to \$450.4 million, the estimated fiscal deficit deteriorated by \$23.0 million (36.6%) to \$86.0 million during the first quarter of FY2016/17, relative to the comparable period of FY2015/16.

REVENUE

A breakdown of revenue showed that tax receipts—at a dominant 88.5% of the total—grew by 1.6% (\$6.3 million) to \$398.6 million. Underlying this development, taxes on international trade rose by 4.5% (\$5.8 million) to \$133.1 million, distributed across gains in excise, import and export taxes. Similarly, departure taxes expanded by 26.3% (\$7.7 million) to \$36.8 million, while non-trade related stamp taxes firmed by 19.1% (\$4.6 million) to \$28.8 million, owing mainly to a \$4.0 million (25.2%) rise

Government Revenue By Source				
(Jul. - Sep.)				
	FY15/16		FY16/17	
	B\$M	%	B\$M	%
Property Tax	12.9	3.0	11.0	2.4
Selective Services Tax	0.1	0.0	3.2	0.7
Business & Prof Lic. Fees	5.8	1.3	9.2	2.1
Motor Vehicle Tax	5.1	1.2	4.4	1.0
Departure Tax	29.1	6.7	36.8	8.2
Import Duties	65.7	15.0	67.3	14.9
Stamp Tax from Imports	—	—	—	—
Excise Tax	59.2	13.5	62.0	13.8
Export Tax	2.4	0.6	3.8	0.9
Stamp Tax from Exports	—	—	—	—
Other Stamp Tax	24.2	5.5	28.8	6.4
Value Added Tax	165.5	37.8	160.3	35.6
Other Tax Revenue	24.4	5.6	11.7	2.6
Fines, Forfeits, etc.	31.0	7.1	34.9	7.8
Sales of Govt. Property	0.4	—	0.4	0.1
Income	13.9	3.2	16.5	3.7
Other Non-Tax Rev.	—	—	—	—
Capital Revenue	—	—	—	—
Grants	—	—	—	—
Less: Refunds	2.3	0.5	0.0	0.0
Total	437.6	99.9	450.4	100.0

in financial taxes. In addition, reflecting timing-related gains in the general business category, business & professional fees expanded by 59.0% (\$3.4 million) to \$9.2 million. Further, collections from selected taxes on services firmed to \$3.2 million from a mere \$0.1 million a year earlier, solely on account of receipts from gaming taxes, compared to no collections in the comparative period of the previous fiscal year. In contrast, the robust VAT intake which occurred in the first quarter of FY2015/16, trended downwards towards more normal levels in the current period, leading to a reduction in this category by \$5.2 million (3.2%) to \$160.3 million, while receipts from other “unallocated” taxes fell by \$12.7 million (52.0%) to \$11.7 million. In addition, revenue from property taxes decreased by \$1.9 million (15.0%) to \$11.0 million.



Non-tax revenue—at 11.5% of total receipts—expanded by 14.3% (\$6.5 million) to \$51.8 million. The bulk of the increase was due to the 12.8% (\$4.0 million) gain in fines, forfeits & administrative fees, to \$34.9 million, while income from other “miscellaneous” sources increased by 18.8% (\$2.5 million) to \$15.4 million. In addition, collections from public enterprises edged-up by \$0.1 million to \$1.1 million; however, revenue from the sale of Government property declined by the same magnitude to \$0.4 million.

EXPENDITURE

The growth in total expenditure reflected increases in both current and capital outlays, of 2.2% (\$10.3 million) and 64.2% (\$25.5 million), to \$471.2 million and \$65.1 million, respectively, while net lending transactions were negligible.

By economic classification, the expansion in current spending was largely attributed to a 7.5% (\$17.1 million) rise in transfer-related payments to \$245.8 million. Specifically, subsidies & other transfers rose by 7.5% (\$12.2 million) to \$174.1 million, as transfers to public corporations more than doubled to \$31.2 million from \$15.6 million in the prior period, reflecting disbursements to a new public corporation. In addition, gains were also recorded for transfers to non-profit institutions (\$11.4 million), households (\$2.6 million), overseas entities (\$0.4 million) and non-financial public enterprises (\$0.3 million); however, subsidies fell by \$18.1 million to \$74.9 million, due mainly to timing-related factors. Amid the build-up in Government debt, interest payments firmed by 7.2% (\$4.8 million) to \$71.7 million, owing primarily to higher outlays on the external side. In contrast, consumption spending fell by 2.9% (\$6.8 million) to \$225.3 million, due to a decline in purchases of goods and services of 18.0% (\$11.5 million) to \$52.4 million, which outweighed the 2.8% (\$4.8 million) increase in personal emoluments, to \$172.9 million.

On a functional basis, the growth in current spending reflected gains in outlays for general public service, by 28.5% (\$33.1 million) to \$149.4 million, associated with increased disbursements for general administration, as well as public order & safety. In addition, payments for health, education, defense and housing grew by 8.5% (\$5.6 million), 3.7% (\$2.5 million), 5.1% (\$0.6 million) and 52.5% (\$0.5 million), to \$71.2 million, \$69.8 million, \$12.8 million and \$1.3 million, respectively. In contrast, spending for economic services—at 11.3% of current outlays—fell by 36.1% (\$30.1 million) to \$53.3 million, reflecting contractions in tourism-related services (\$25.3

million), public works & water supply (\$5.7 million) and air transportation (\$0.4 million). Further, outlays for other community & social services and social benefits & services were reduced by \$4.3 million and \$2.4 million, respectively.

In terms of capital spending, the growth was associated with an almost two-thirds (\$19.3 million) rise in infrastructure outlays to \$49.9 million, related in part to road works and coastal protection projects. Similarly, asset acquisitions expanded by \$6.1 million (67.1%) to \$15.3 million, due mainly to a rise in other “miscellaneous” expenditure, by \$8.8 million, which outstripped the \$3.2 million decline in land acquisitions.

FINANCING AND THE NATIONAL DEBT

Budgetary financing for the first quarter of FY2016/17 was secured largely from domestic sources (\$206.6 million), while external funding accounted for \$7.9 million. Most of the debt was in the form of long-term bonds (\$155.0 million), while Treasury bills and short-term advances represented the remaining \$37.6 million and \$14.0 million, respectively. There were also two significant financing transactions impacting net overdraft balances, linked to the recapitalization of the Bank of the Bahamas Ltd. (BOB) and equity obligations for the new domestic cellular company. In terms of the former, the Government utilized approximately \$40.0 million in deposits to invest in a rights issue from BOB and redirected \$62.5 million in auction proceeds secured from the cellular liberalization process.

Government’s debt repayments totaled \$146.8 million, the majority of which (92.8%) was utilized to retire Bahamian dollar obligations. As a result of these developments, the Direct Charge on the Government rose by \$77.2 million (1.3%) over the quarter and by \$261.1 million (4.5%), on an annual basis, to \$6,045.9 million at end-September 2016. Bahamian dollar denominated debt represented the largest share of the total, at 70.8%, while foreign currency liabilities accounted for the remaining 29.2%. The majority of local currency debt was held by commercial banks (35.7%), followed by “other” private and institutional investors (33.3%), the Central Bank (16.2%), public corporations (14.5%), and other local financial institutions (0.3%).

Estimates of the Debt-to-GDP Ratios *			
September (%) ¹			
	2014 _p	2015 _p	2016 _p **
Direct Charge	62.4	66.2	67.6
National Debt	70.0	74.6	75.8
Total Public Debt	78.4	83.9	85.3

Source: The Central Bank of The Bahamas and the Department of Statistics
**GDP estimates are an average of the two years, which overlap the fiscal period.*
***GDP estimate for 2016 is derived from the IMF projections.*
¹ *In the absence of actual quarterly GDP data, the ratios presented should be taken as broad estimates of the relevant debt ratios and are therefore subject to revision*

By instrument, Government bonds comprised most of the domestic currency debt, at 73.4%, bearing an average maturity of 9.3 years, with Treasury notes & bills and loans & advances accounting for smaller shares, of 20.0% and 6.6%, respectively.

Government’s contingent liabilities were reduced by \$11.7 million (1.6%) over the previous quarter, but rose by \$1.4 million (0.2%), year-on-year, to \$730.8 million. As a consequence, the National

Debt—which includes contingent liabilities—grew by \$65.5 million (1.0%) over the three-month period, and by \$262.5 million (4.0%) relative to the prior year, to \$6,776.6 million.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

Public sector foreign currency debt fell by 1.8% (\$49.5 million) to \$2,676.7 million over the prior three-month period, as amortization payments of \$69.9 million outstripped new drawings of \$10.8 million; however, it rose by \$159.0 million (6.3%) vis-à-vis the same period last year. On a quarterly basis, the public corporations' debt stock—at 34.1% of the total—declined by 5.8% (\$56.3 million) to \$912.8 million, outstripping the slight 0.4% (\$6.8 million) rise in the dominant Government component to \$1,764.0 million.

In comparison to the corresponding period of 2015, total foreign debt service payments increased to \$103.2 million from \$37.5 million. Notably, the public corporations' component firmed by more than four-fold to \$72.5 million from \$16.7 million, as one entity's repayment of an outstanding bond led to expanded amortization payments of \$59.2 million, compared to \$4.5 million last year, while interest charges grew by \$1.1 million (8.9%) to \$13.2 million. In addition, the Government's debt service payments firmed by \$9.9 million (47.8%) to \$30.7 million, with amortization payments rising by \$4.4 million (69.6%) to \$10.6 million and interest expenses firming by \$5.6 million (38.4%) to \$20.1 million. At end-September, the public sector's debt service ratio stood at 13.0%, a gain of 8.4 percentage points over 2015, while the Government's debt service ratio increased to 6.8% from 4.7% in the prior year.

A breakdown of the outstanding debt stock by holder showed that the dominant share of foreign currency debt was held by non-resident investors (40.0%), followed by private capital markets (33.6%), commercial banks (13.2%), multilateral institutions (10.6%) and bilateral companies (2.6%). Most of the stock was denominated in US dollars (84.7%), with the euro, Swiss Franc and Chinese Yuan comprising the remaining 9.0%, 3.7% and 2.6%, respectively. At end-September, the average age of the outstanding foreign currency debt stood at 12.3 years, similar to the comparative 2015 period.

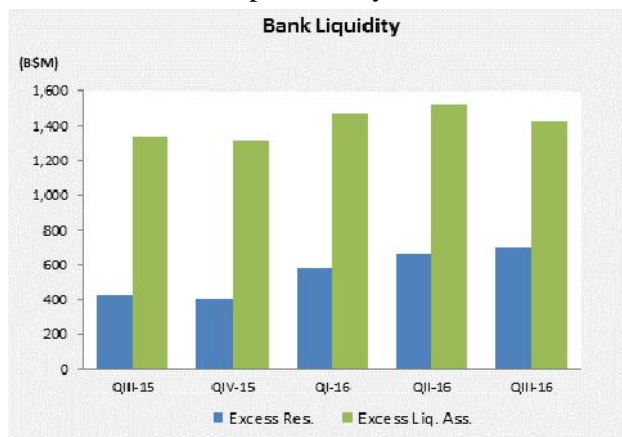
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Monetary developments during the third quarter reflected the traditional onset of increased foreign currency demand to facilitate holiday-related expenditures, which led to reductions in both bank liquidity and external reserves. In addition, the banking sector's weighted average interest rate spread widened, due to an increase in the average lending rate and a falloff in the corresponding deposit rate. While still improved against 2015, banks' credit quality indicators deteriorated over the review period, although the latest profitability measures for second quarter showed gains, reflecting lower operating costs and a reduction in bad debt provisions.

LIQUIDITY

The net free cash reserves of the banking system rose by \$29.0 million (4.3%) to \$697.1 million, a reversal from the previous year's \$59.2 million (12.1%) contraction, to represent an increased 11.0% of Bahamian dollar deposit liabilities, compared to 6.9% in 2015. In contrast, declines in holdings of Treasury bills led to the broader surplus liquid assets falling by \$92.6 million (6.1%) to \$1,425.4 million, vis-à-vis a gain of \$19.1 million (1.5%) a year earlier. At end-September, the aggregate surplus stood at 132.1% above the statutory minimum requirement, vis-à-vis a 126.6% excess in the comparative period last year.



DEPOSITS AND MONEY

The contraction in the overall money supply (M3) slowed to \$5.2 million (0.1%) from \$16.7 million (0.3%) a year earlier, for an outstanding stock of \$6,572.0 million. In terms of the components, narrow money (M1) rebounded by \$101.2 million (4.6%), in contrast to 2015's \$22.4 million decline, as gains in both private and public sector balances contributed to a rise in demand deposits by 4.8%, compared to a 0.9% decrease in the prior period. Further, currency in active circulation grew by 3.2%, a reversal from a 2.7% falloff last year. Broad money (M2) expanded by a reduced \$32.3 million (0.5%), after a \$5.3 million (0.1%) drawdown previously, as moderated gains in private sector placements led to a sharp slowdown in the growth of savings deposits to 0.1% from 1.5% in 2015. In addition, fixed deposits declined by 2.4%, following a flat position last year, while the reduction in resident foreign currency deposits broadened to \$37.5 million (16.3%), from \$11.4 million (5.1%) in 2015.

A breakdown of the components showed that fixed deposits comprised the largest share of the money stock, at 43.5%, followed by demand balances (31.1%) and savings deposits (18.6%). The remaining balances, namely currency in active circulation and residents' foreign currency deposits, accounted for much smaller shares of 3.9% and 2.9%, respectively.

DOMESTIC CREDIT

Reflecting in large measure a reduction in public corporations' outstanding liabilities, domestic credit growth during the third quarter slackened to \$145.3 million (1.6%), from \$178.7 million (2.0%) in 2015. Accretions to the dominant Bahamian dollar component (at 94.3% of the total) receded to \$140.8 million (1.7%), from \$181.0 million (2.2%) in

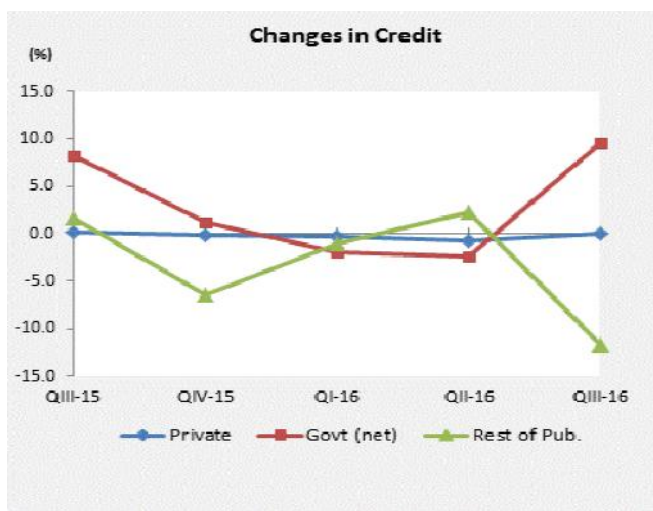
	Distribution of Bank Credit By Sector (End-September)			
	2016		2015	
	BSM	%	BSM	%
Agriculture	8.1	0.1	9.9	0.1
Fisheries	13.1	0.2	9.4	0.1
Mining & Quarrying	2.0	0.0	2.2	0.0
Manufacturing	23.9	0.3	29.1	0.4
Distribution	165.1	2.4	180.2	2.6
Tourism	15.7	0.2	21.8	0.3
Enter. & Catering	74.3	1.1	77.4	1.1
Transport	39.9	0.6	37.8	0.5
Construction	348.4	5.1	347.7	5.0
Government	389.7	5.7	371.4	5.4
Public Corps.	240.7	3.5	272.8	3.9
Private Financial	19.4	0.3	22.3	0.3
Prof. & Other Ser.	62.3	0.9	70.8	1.0
Personal	5,254.7	76.7	5,258.6	75.8
Miscellaneous	190.0	2.8	228.8	3.3
TOTAL	6,847.3	100.0	6,940.2	100.0

the previous year. In contrast, foreign currency credit grew by \$4.5 million (0.9%), compared to a \$2.3 million (0.4%) reduction in 2015.

A breakdown of the Bahamian dollar component showed that claims on public corporations contracted by \$55.4 million (11.7%), a turnaround from the prior year’s slight \$7.6 million (1.5%) gain, while private sector credit declined marginally by \$0.9 million (0.01%), vis-à-vis a \$6.1 million (0.1%) increase last year. Conversely, after a drawdown of deposits to invest in a domestic bank’s equity rights issue, net credit to the Government rose by \$201.6 million (9.6%), outpacing the \$165.0 million (8.2%) expansion in 2015.

An analysis of the various private sector credit categories showed that personal loans—which represented the largest share (81.5%)—advanced by \$32.8 million (0.6%), extending 2015’s \$28.3 million (0.5%) expansion. Underlying this development, consumer loans grew by \$36.7 million (1.6%) and residential mortgages edged up by \$0.8 million (0.03%), outstripping the \$4.7 million (8.0%) decrease in overdrafts.

A further disaggregation of consumer credit revealed gains for debt consolidation (\$183.8 million), education (\$13.5 million), credit cards (\$10.6 million) and travel (\$4.8 million), with less pronounced increases of under \$1.0 million for home improvement, medical and furnishings & domestic appliances. In a partial offset, significant net repayments were registered for “miscellaneous” purposes (\$169.7 million), which include categories such as marriage, funeral and rent related borrowings, while more muted repayments occurred for land purchases (\$3.8 million) and private cars (\$2.7 million).



With regards to the other private sector credit components, net repayments were noted for “miscellaneous” (\$18.1 million), distribution (\$10.2 million) and construction (\$4.8 million), with decreases of under \$1.0 million occurring for agriculture, transport and mining & quarrying. In contrast, modest gains in credit were recorded for fisheries, professional & other services and manufacturing by \$7.9 million, \$4.2 million and \$1.2 million, respectively, while increases of less than \$1.0 million were registered for entertainment & catering, private financial institutions and tourism.

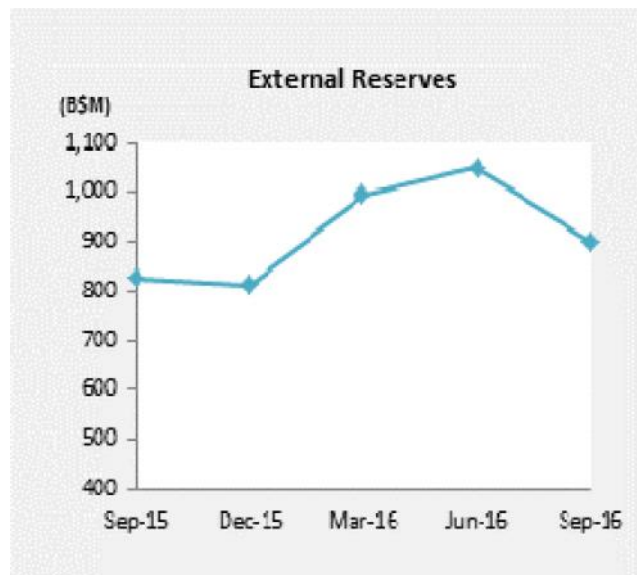
MORTGAGES

An analysis of mortgage data, as reported by banks, insurance companies and the Bahamas Mortgage Corporation, showed that the total value of mortgages outstanding expanded by \$12.0 million (0.4%) to \$3,236.6 million, vis-à-vis a \$11.1 million (0.3%) advance in 2015. The dominant residential component—which comprised 92.9% of the total—increased marginally by \$0.6 million (0.02%) to \$3,006.5 million, following a gain of \$2.3 million (0.1%) last year. Similarly, the commercial component grew by \$11.4 million (5.2%) to \$230.1 million, outpacing last year’s \$8.8

million (4.4%) growth. Domestic banks held the majority of outstanding claims (88.7%), while insurance companies and the Bahamas Mortgage Corporation accounted for the remaining 6.1% and 5.2%, respectively.

THE CENTRAL BANK

Buoyed by increased Treasury bill holdings, the Central Bank's net claims on the Government rose by \$121.3 million (22.2%) to \$667.7 million during the third quarter—up from the \$33.3 million (8.3%) gain last year. Following a reduction in deposits, the Bank's position with the rest of the public sector reversed to a net claim of \$0.2 million from a net liability of \$9.0 million in the prior period. In addition, the net liabilities to commercial banks fell by \$34.7 million (3.4%) to \$979.5 million.



Reflecting the seasonal increase in demand for foreign currency to facilitate current payments and to a lesser extent banks' profit repatriations, external reserves fell by \$152.7 million (14.5%) to \$899.4 million, exceeding the \$126.4 million (13.3%) reduction in 2015. Underpinning this outturn, the Central Bank's total net sale grew by \$25.6 million to \$156.3 million, due to a \$29.4 million expansion in net outflows via commercial banks to \$71.6 million. In addition, the net sale to the Government widened by \$5.9 million to \$22.6 million. In a partial offset, the net sale to public corporations—mainly for fuel purchases—decreased by \$9.6 million to \$62.0 million.

At end-September, the stock of external reserves was equivalent to 16.9 weeks of total merchandise imports (inclusive of oil purchases), relative to 12.6 weeks in the corresponding 2015 period. After adjusting for the 50% statutory requirement on the Central Bank's Bahamian dollar liabilities, "useable" reserves declined by \$78.5 million (23.0%) to \$262.1 million.

DOMESTIC BANKS

During the third quarter, domestic banks' credit expansion slackened to \$24.0 million (0.3%) from \$145.6 million (1.7%) a year earlier. Specifically, claims on the public corporations contracted by \$55.4 million (11.9%), a reversal from 2015's modest \$7.8 million (1.6%) growth, while a reduction in Treasury bill holdings contributed to an \$80.3 million (5.2%) slowdown in the increase in net claims on the Government from a \$131.7 million (8.2%) build-up in the previous year. Similarly, credit to the private sector fell marginally by \$0.9 million, vis-à-vis a gain of \$6.1 million in 2015. In addition, banks' net foreign liabilities contracted by \$20.6 million (5.2%), a turnaround from growth of \$54.8 million (11.6%) last year.

Banks total deposit liabilities contracted by \$168.0 million (2.5%) to \$6,511.7 million, relative to last year's \$10.4 million (0.2%) falloff. Underlying this outturn, Government's balances plunged by \$164.0 million (44.6%), after a \$3.1 million (1.2%) gain in 2015, due in part to their investments in private entities. Similarly, public corporations' deposits declined by \$6.7 million (1.8%), a reversal

from a \$0.7 million (0.2%) increase a year earlier. In a slight offset, private sector deposits firmed by \$2.7 million (0.01%), following a \$14.3 million (0.2%) decrease in 2015.

The majority of banks' deposit liabilities (97.0%) were denominated in Bahamian dollars, with the foreign currency component accounting for the remaining 3.0%. An analysis by holder, showed that private individuals held the bulk (50.6%) of total local currency accounts, followed by business firms (30.2%), private financial institutions (5.7%), non-profit organizations (4.8%), public corporations (4.5%), the Government (3.2%) and public financial institutions (1.0%).

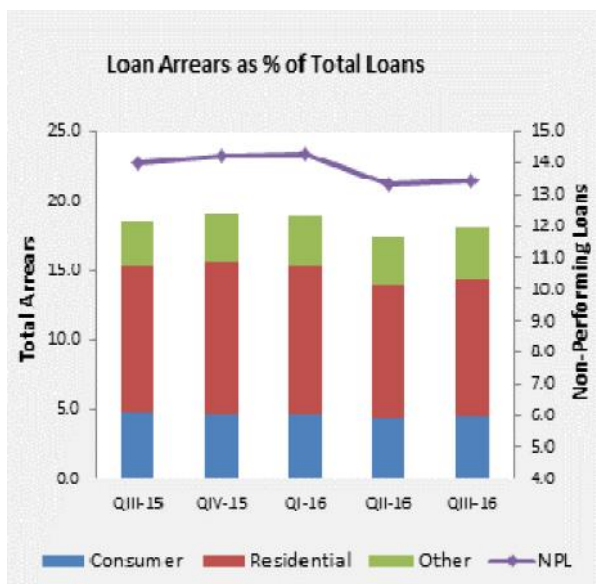
In terms of the various categories, fixed deposits represented the largest share of accounts (46.7%), followed by demand (34.0%) and savings (19.3%) balances. Disaggregated by range of value and number, the majority of accounts (87.9%), held balances of less than \$10,000, but constituted only 6.0% of the total value. Accounts with balances of between \$10,000 and \$50,000 in value comprised 8.1% of the total number and 10.9% of the overall value, while the smallest segment of accounts (4.0%), held balances in excess of \$50,000, but accounted for a dominant 83.1% of the aggregate value.

CREDIT QUALITY

Banks' credit quality indicators deteriorated during the third quarter, but still improved over the prior year. Total private sector loan arrears rose by \$44.9 million (4.1%) over the three-month period to \$1,153.0 million, but declined by \$29.1 million (2.5%) relative to September, 2015. As a consequence, the ratio of arrears to total loans firmed by 64 basis points to 19.3%, but narrowed year-on-year by 35 basis points.

A breakdown by the average age of delinquencies, showed that short-term (31-90 days) arrears advanced by \$33.1 million (12.5%) to \$297.8 million and the attendant loan ratio firmed by 53 basis points to 5.0%. In addition, non-performing loans—those exceeding 90 days and on which banks have stopped accruing interest—expanded by \$11.8 million (1.4%) to \$855.2 million, for an 11 basis point rise in the relevant loan ratio to 14.3%.

The increase in total private sector loan arrears over the three-month period, reflected a \$24.9 million (4.1%) gain in mortgage delinquencies—at a dominant 54.9% of the total—to \$633.3 million, resulting in an 88 basis point rise in the attendant ratio to 22.6%. Further, the consumer segment increased by \$12.0 million (4.4%), to \$283.8 million, while the corresponding ratio firmed by 35 basis points to 12.0%. Similarly, the commercial component grew by \$8.0 million (3.5%) to \$235.9 million, elevating the relevant ratio by 82 basis points to 28.8%.



CAPITAL ADEQUACY AND PROVISIONS

Banks sustained their conservative stance over the review period, as evidenced by the high levels of capital and bad debt provisions. The ratio of capital to total risk-weighted assets firmed by 90 basis points to 27.4% over the prior three-month period; well in excess of the Central Bank’s regulatory requirement of 17.0%. In contrast, commercial banks reduced their total provisions against loan losses by \$4.2 million (0.8%) to \$544.5 million during the review quarter. As a result, the ratio of provisions to both arrears and non-performing loans decreased by 2.3 and 1.4 percentage points, to 47.2% and 63.7%, respectively. Banks also wrote-off an estimated \$47.2 million and recovered approximately \$21.9 million.

BANK PROFITABILITY

During the second quarter of 2016—the latest data available—banks’ overall profitability strengthened by 15.3% to \$42.9 million, buoyed by non-interest earnings, combined with a decrease in operating costs.

Amid a 2.4% falloff in interest income, which overshadowed the 6.6% contraction in interest expense, the net interest margin narrowed by 1.7% to \$132.3 million. Similarly, commission & foreign exchange earnings declined sharply by 41.7% to \$6.6 million, contributing to the 4.8% decline in the gross earnings margin to \$138.9 million.

Banks’ total operating outlays contracted by 3.7% (\$3.4 million) to \$89.2 million, explained by declines in staffing and occupancy costs of 8.6% and 2.9%, respectively, which offset the 1.9% gain in “miscellaneous” operating expenses. Further, buoyed by a 33.5% fee-related hike in other non-interest income, along with an 11.5% decrease in depreciation costs and a 1.8% falloff in provisions for bad debt, domestic banks losses from non-core activities decreased by more than half to \$6.9 million from \$16.3 million a year earlier.

An analysis of performance indicators—as measured relative to average assets—showed that the gross earnings margin narrowed by 33 basis points to 5.47%, amid declines in both the interest margin and commission & foreign exchange income ratios, by 14 and 19 basis points to 5.21% and 0.26%, respectively. However, the reduction in the operating cost ratio by 17 basis points to 3.51%, slowed the decline in the net earnings ratio to 16 basis points to close at 1.96%. After accounting for reductions in depreciation costs and bad debt provisioning, the net income ratio firmed by 21 basis points to 1.69%.

INTEREST RATES

The commercial banks’ weighted average interest rate spread widened by 50 basis points to 11.79 percentage points over the

Banking Sector Interest Rates			
Period Average (%)			
	Qtr. III	Qtr. II	Qtr. III
	<u>2015</u>	<u>2016</u>	<u>2016</u>
Deposit Rates			
Demand Deposits	0.29	0.26	0.27
Savings Deposits	0.83	0.87	0.72
Fixed Deposits			
Up to 3 months	1.17	0.98	0.94
Up to 6 months	1.09	1.03	0.89
Up to 12 months	1.69	1.44	1.43
Over 12 months	1.72	1.66	2.02
Weighted Avg Deposit	1.49	1.25	1.14
Lending Rates			
Residential mortgages	6.36	6.21	6.20
Commercial mortgages	7.40	7.00	8.29
Consumer loans	14.43	14.14	14.37
Other Local Loans	7.55	8.13	8.04
Overdrafts	10.17	11.04	11.60
Weighted Avg Loan Rate	12.55	12.54	12.93

review period, owing to a 39 basis point increase in the average lending rate to 12.93%, while buoyant liquidity levels contributed to an 11 basis point narrowing in the average deposit rate to 1.14%.

With regard to deposits, the average rate on savings balances fell by 15 basis points to 0.72%; however, the average rate on demand deposits edged up by 1 basis point to 0.27%. Further, the average rates on longer-term fixed maturities widened to between 0.89% - 2.02% from 0.98% - 1.66% in the June quarter.

On the lending side, the average rate for commercial mortgages and overdrafts rose by 1.3 and 0.6 percentage points, to 8.29% and 11.60%, respectively. Similarly, consumer loan costs increased by 23 basis points to 14.37%, while the average rate for residential mortgages steadied at 6.20%.

Other key interest rates, such as the average 90-day Treasury bill rate firmed by 46 basis points to 1.94% during the review quarter, while the Central Bank’s Discount rate and the commercial banks’ Prime rate were unchanged at 4.50% and 4.75%, respectively.

CAPITAL MARKETS DEVELOPMENTS

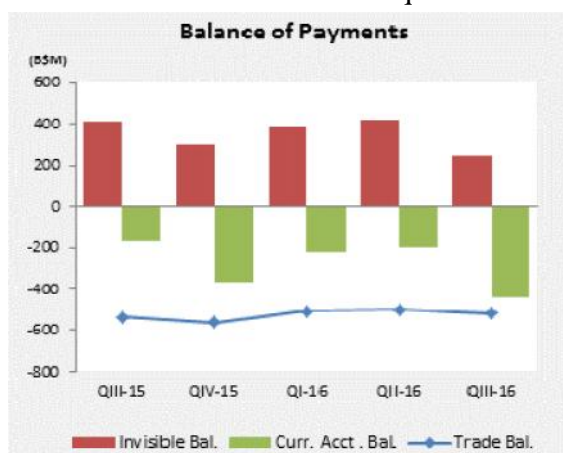
Although international indices registered gains over the three-month period, domestic capital market activity remained subdued, reflecting the modest economic conditions. The volume of shares traded on the Bahamas International Securities Exchange (BISX), fell by more than one-half to 0.8 million, a reversal from an 18.3% increase in the corresponding period of 2015. However, the relevant value of trades grew by 22.5% to \$8.6 million, a slowdown from the 41.2% advance recorded in the previous year.

As market weighted average prices decreased, the BISX All Share Index fell by 0.8% to 1,947.88 points, a reversal from the prior year’s gain of 4.2%. Similarly, market capitalization contracted by 4.1% to \$3.9 billion, extending the 1.6% reduction a year earlier.

At end-September, the number of publicly traded securities listed on BISX stood at 50, a gain of 1 over the quarter, and comprised 20 common share listings, 17 preference shares and 13 debt tranches.

INTERNATIONAL TRADE AND PAYMENTS

Partial estimates for the third quarter of 2016 suggest that the current account deficit more than



doubled to \$436.6 million from \$162.2 million in the comparative 2015 period. Underlying this outturn was a sharp reduction in the services account surplus, combined with significant increases in net income account outflows and current transfer payments. In addition, preliminary data indicated that the capital and financial account position reversed to a deficit of \$59.8 million, relative to a \$63.2 million surplus in 2015, owing in large measure to other “miscellaneous” investments outflows, which outweighed the equity-related rise in net direct investment receipts.

In terms of the components, the merchandise trade deficit narrowed by an estimated \$18.2 million (3.4%) to \$517.6 million, reflecting a \$33.7 million (5.2%) decline in imports to \$619.8 million, which outweighed the \$15.5 million (13.1%) falloff in exports to \$102.2 million. In the underlying developments, non-oil merchandise imports decreased marginally by \$1.2 million (0.3%) to \$421.1 million, while reductions in both volumes and prices led to a contraction in the oil import bill, by \$20.6 million (13.5%) to \$131.9 million. In particular, the average cost per barrel for aviation gas declined by 63.1% to \$100.68; motor gas, by 20.8% to \$69.32; jet fuel, by 11.8% to \$60.46 and gas oil, by 8.0% to \$64.40; however, the average cost of propane rose by 37.9% to \$40.20 per barrel.

The estimated surplus on the services account contracted by approximately \$173.7 million (41.9%) to \$241.0 million. The dominant net travel receipts declined by \$18.9 million (3.6%) to an estimated \$502.4 million, reflecting the softness in hotel revenues. More significant, net outflows for other “miscellaneous” services rose almost three-fold to \$143.8 million, associated with the re-categorization of public sector accounts. Meanwhile, Government services transactions reversed to a net payment of \$48.5 million from a \$9.3 million net inflow in the prior year. Similarly, net outflows for insurance services firmed by \$5.3 million (13.3%) to \$45.0 million; royalty & license fees, by \$3.2 million (69.9%) to \$7.8 million and transportation services, by \$2.6 million (4.3%) to \$62.2 million. In a slight offset, net payments for construction services fell by \$3.8 million to \$1.6 million and net receipts from offshore companies’ local expenses edged-up by \$0.7 million (1.4%) to \$47.5 million.

Net income outflows strengthened by \$88.5 million to \$142.3 million, largely as a result of a \$93.7 million expansion in net investment payments to \$132.3 million. Underlying this outturn was a four-fold increase in other private interest and dividends net payments to \$116.4 million from \$28.0 million, as commercial banks’ transactions reversed from a \$6.7 million net inflow to a \$43.2 million net outflow, while non-banks net profit repatriations more than doubled to \$73.2 million. Similarly, net outflows for official transactions rose by \$5.3 million (50.4%) to \$15.9 million, attributed to a \$5.7 million (39.4%) rise in Government’s net interest payments. Providing some offset, net employee compensation fell by \$5.2 million (34.4%) to \$10.0 million.

Net current transfers reversed from a \$12.8 million net receipt to a \$17.7 million net payment, owing to a \$26.6 million expansion in worker remittances, while “other” transfers recorded a \$2.5 million net payment, vis-à-vis a net receipt of \$5.5 million last year. In contrast, net inflows to the Government rose by \$4.2 million (14.4%) to \$33.1 million.

The capital and financial account reversed to a \$59.8 million deficit from a \$63.2 million surplus in the prior year, occasioned by a turnaround in other “miscellaneous” investment transactions to a net outflow of \$88.4 million, from a net inflow of \$59.9 million in 2015, as domestic banks repaid a net of \$20.6 million in external obligations, vis-à-vis a \$54.8 million net receipt a year earlier. In addition, the reduction in outstanding debt obligations by a tourism entity, led to net private sector loan-based repayments of \$63.3 million versus \$3.2 million last year; however, the public sector’s net external debt repayment was halved to \$4.4 million. Further, the private sector’s net outward portfolio investments rose by almost the same amount to \$7.4 million, related to the Bahamas Depository Receipt (BDR) programme. In a modest offset, net private direct investment inflows strengthened by \$28.7 million to \$38.6 million, occasioned by a \$25.3 million expansion in net equity investments and a \$3.4 million reduction in net outward real estate purchases. Similarly, migrants’ transfers abroad narrowed by \$0.9 million (25.8%) to \$2.6 million.

In line with these developments, and after making the relevant adjustments for net errors and omissions, the deficit on the overall account, which corresponds to the change in the Central Bank's external reserves, expanded by \$26.3 million (20.8%) to \$152.7 million.

INTERNATIONAL ECONOMIC DEVELOPMENTS

Despite the negative impact which the United Kingdom's vote to leave the European Union, termed "BREXIT", had on the financial markets early in the quarter, preliminary indicators suggest that the global economy sustained its mildly positive growth momentum during the review period. In this environment, labour market conditions continued to improve, while the demand driven rise in oil prices caused some firming in inflation rates. Faced with sustained "softness" in their economies, the major central banks either maintained or expanded their accommodative monetary policy stance.

During the September quarter, real GDP growth in the United States strengthened by 1.8 percentage points to 3.2% over the prior period, attributed in large measure to a rebound in private domestic investment and federal Government spending, combined with a surge in exports. In Asia, the growth in Japan's economic output accelerated to 2.2% from 0.7% in the preceding quarter, due primarily to a rise in exports. Further, benefitting from a buoyant real estate market and a rise in private consumption, China's economy expanded by 6.7% for the third consecutive quarter. Similarly, the euro area's growth steadied at 0.3%, reflecting further improvements in the southern states. In contrast, accretions to economic output in the United Kingdom slowed to 0.5%, after an increase of 0.7% in the previous three-month period, led by reductions in the construction and manufacturing sectors, which overshadowed gains in the service industries.

Given the general improvement in economic conditions, the jobless rates in the major economies continued to decline over the review period. In the United States, non-farm payroll employment increased by an estimated 575,000 persons, mainly in the professional & business services, health care & social assistance, and leisure & hospitality industries; although a comparative rise in the labour force resulted in the jobless rate remaining at 4.9%. Similarly, the United Kingdom's unemployment rate decreased by 10 basis points to 4.8%, as job gains in the retail, legal and agriculture sectors led to the number of employed persons growing by 49,000. In addition, the jobless rate in the euro area continued to trend downwards, narrowing by 10 basis points to 10.0% over the quarter—it's lowest level since July 2011. Conditions in Asia featured full employment, with the unemployment rates in both Japan and China edging downward by 10 basis points to 3.1% and 4.1%, respectively.

The upward trajectory in energy costs pushed inflation higher across almost all the major markets during the quarter. Annual inflation in the United States quickened by 50 basis points to 1.5% in the twelve months to September, vis-à-vis the previous quarter, explained by increased costs for energy and related services. Similarly, the growth in the United Kingdom's average consumer prices accelerated by 50 basis points to an annualized 1.0% over the review quarter, as clothing & footwear, accommodation services and housing costs expanded. Similarly, reflecting gains in fuel costs, the euro area's annualized inflation rate firmed by 30 basis points to 0.4%. Developments in Asia were mixed, as annual consumer prices in China firmed by 1.9% over the three months to September, in line with the prior period's rate; however, Japan's deflationary environment persisted, with average prices falling by 0.5% year-on-year, following a similar 0.4% contraction at end-June, owing to reductions in fuel & utilities and transportation & communication costs.

Given the potential negative effects of the surprise ‘BREXIT’ vote in late June, most of the major central banks either maintained or enhanced their accommodative monetary policy stance over the review quarter. As expected, significant adjustments were made by the Bank of England, which increased the size of its asset purchase programme by £60.0 billion to £435.0 billion and announced plans to purchase £10.0 billion in higher-yielding corporate bonds, while lowering its benchmark interest rate—for the first time in seven years—by 25 basis points to 0.25%. Similarly, the Bank of Japan doubled its purchases of exchange-traded funds (ETFs) to a rate of ¥6.0 trillion per year to stimulate consumer spending and the People’s Bank of China injected US\$135.8 billion into the banking system through a Standing Lending Facility (SLF) in order to support additional credit. Further, the European Central Bank maintained its €80.0 billion asset purchase programme and left its main interest rates unchanged at historical lows. In contrast, amid concerns over the extended period of low interest rates, the United States’ Federal Reserve signaled that it was prepared to raise rates over the near-term.

Currency market developments were mixed during the third quarter, as lingering concerns over the impact of the “BREXIT” vote on the UK’s economy led to the British pound falling by a further 2.6% against the US Dollar to £0.77. Similarly, the dollar appreciated vis-à-vis the Canadian dollar and the Chinese Yuan by 1.6% to CAD\$1.31 and by 0.3% to CNY6.66, respectively. In contrast, the dollar weakened relative to the Japanese Yen, by 1.8% to ¥101.33, the euro, by 1.2% to €0.89 and the Swiss Franc, by 0.5% to CHF0.97.

Positive investor sentiments regarding the near-term global economic outlook, fueled gains in all of the major equity markets during the third quarter. Specifically, European markets reported the most significant advances, with the German DAX increasing by 8.6%, while the United Kingdom’s FTSE 100 and France’s CAC 40 moved higher by 6.1% and 5.0%, respectively. In Asia, gains were recorded for Japan’s Nikkei 225 (5.6%) and China’s SE Composite (2.6%). Similarly, in the United States, both the S&P 500 and the Dow Jones Industrial Average (DIJA) indices firmed by 3.3% and 2.1%, respectively.

In the commodity markets, global oil prices contracted by 5.0% to \$47.05 per barrel, amid a short-term reduction in demand, as oil refineries made preparations for the seasonal shift to winter fuel production. Further, the cost of gold fell marginally by 0.5% to \$1,315.75 per troy ounce; however, the price of silver rose by 2.5% to \$19.18 per troy ounce.

In the external sector, the United States’ trade deficit on goods and services narrowed by approximately 7.0% to \$116.4 billion, buoyed by a 3.3% expansion in exports of mainly food & beverages and industrial supplies, which outstripped the 1.4% rise in primarily consumer goods imports. Similarly, the United Kingdom’s trade deficit declined by 12.7% to £11.0 billion, as a 6.1% expansion in exports, outweighed the 2.8% gain in imports. Bolstered by a 4.8% increase in largely machinery and electronics exports, which offset a 5.9% commodities-led accretion in imports, China’s trade surplus moved higher by 1.9% to US\$146.3 billion. In contrast, Japan’s trade surplus slumped by one-third to ¥985.1 billion, owing to a 3.2% rise in mainly chemical-related imports, as exports rose marginally by 0.1%. Similarly, the euro area’s trade surplus narrowed by 13.9% to €70.1 billion, underpinned by a 2.8% falloff in exports, which outpaced the 0.7% reduction in imports.

STATISTICAL APPENDIX (TABLES I-16)

**TABLE 1
FINANCIAL SURVEY**

Period	2012	2013	2014	2015				2016		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
(BS Millions)										
Net foreign assets	209.2	46.7	286.4	364.5	482.1	300.9	280.2	482.6	656.2	524.2
Central Bank	810.2	741.6	787.7	829.1	953.1	826.8	811.9	994.9	1,052.1	899.4
Domestic Banks	(600.9)	(694.9)	(501.2)	(464.6)	(471.1)	(525.8)	(531.7)	(512.4)	(395.9)	(375.2)
Net domestic assets	6,094.6	6,270.6	6,103.7	6,087.1	5,988.1	6,152.4	6,093.7	6,016.4	5,921.2	6,047.4
Domestic credit	8,691.3	8,957.1	8,870.5	8,840.9	8,808.9	8,987.6	8,966.2	8,903.0	8,810.8	8,957.3
Public sector	2,062.9	2,406.0	2,503.6	2,512.1	2,500.9	2,673.6	2,666.4	2,617.1	2,574.4	2,721.8
Government (net)	1,594.8	1,946.6	2,024.0	2,017.7	2,007.6	2,172.6	2,198.0	2,153.5	2,100.9	2,303.6
Rest of public sector	468.2	459.4	479.7	494.5	493.3	500.9	468.4	463.5	473.5	418.2
Private sector	6,628.4	6,551.1	6,366.9	6,328.8	6,308.0	6,314.1	6,299.7	6,285.9	6,236.4	6,235.5
Other items (net)	(2,596.7)	(2,686.5)	(2,766.8)	(2,753.9)	(2,820.8)	(2,835.2)	(2,872.4)	(2,886.6)	(2,889.6)	(2,909.9)
Monetary liabilities	6,303.7	6,317.2	6,390.0	6,451.4	6,470.0	6,453.2	6,373.8	6,498.8	6,577.2	6,570.9
Money	1,574.9	1,641.2	1,995.7	2,054.5	2,109.9	2,087.3	2,071.2	2,143.1	2,198.0	2,298.0
Currency	216.5	214.4	232.8	232.9	232.3	225.8	246.6	246.9	247.6	255.5
Demand deposits	1,358.4	1,426.8	1,762.9	1,821.5	1,877.6	1,861.5	1,824.7	1,896.1	1,950.4	2,042.5
Quasi-money	4,728.8	4,676.0	4,394.3	4,397.0	4,360.2	4,365.8	4,302.6	4,355.8	4,379.2	4,272.8
Fixed deposits	3,444.1	3,288.0	3,101.9	3,026.5	3,006.0	3,006.7	2,966.5	2,970.9	2,931.2	2,861.1
Savings deposits	1,069.0	1,114.0	1,067.5	1,099.3	1,128.4	1,144.8	1,148.3	1,178.5	1,217.3	1,218.6
Foreign currency	215.7	274.0	224.8	271.2	225.8	214.3	187.8	206.4	230.7	193.2
(percentage changes)										
Total domestic credit	1.7	3.1	(1.0)	(0.3)	(0.4)	2.0	(0.2)	(0.7)	(1.0)	1.7
Public sector	8.8	16.6	4.1	0.3	(0.4)	6.9	(0.3)	(1.9)	(1.6)	5.7
Government (net)	10.6	22.1	4.0	(0.3)	(0.5)	8.2	1.2	(2.0)	(2.4)	9.6
Rest of public sector	2.9	(1.9)	4.4	3.1	(0.2)	1.6	(6.5)	(1.0)	2.2	(11.7)
Private sector	(0.3)	(1.2)	(2.8)	(0.6)	(0.3)	0.1	(0.2)	(0.2)	(0.8)	(0.0)
Monetary liabilities	(0.1)	0.2	1.2	1.0	0.3	(0.3)	(1.2)	2.0	1.2	(0.1)
Money	9.8	4.2	21.6	2.9	2.7	(1.1)	(0.8)	3.5	2.6	4.6
Currency	9.9	(0.9)	8.6	0.0	(0.3)	(2.8)	9.2	0.1	0.3	3.2
Demand deposits	9.7	5.0	23.6	3.3	3.1	(0.9)	(2.0)	3.9	2.9	4.7
Quasi-money	(3.0)	(1.1)	(6.0)	0.1	(0.8)	0.1	(1.4)	1.2	0.5	(2.4)

Source: The Central Bank of The Bahamas

**TABLE 2
MONETARY SURVEY**

Period	2012	2013	2014	2015				2016		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
(BS Millions)										
Net foreign assets	215.1	76.4	334.2	414.6	538.3	376.7	360.1	571.6	750.1	596.2
Central Bank	810.2	741.6	787.7	829.1	953.1	826.8	811.9	994.9	1,052.1	899.4
Commercial banks	(595.1)	(665.2)	(453.5)	(414.5)	(414.9)	(450.0)	(451.8)	(423.4)	(302.0)	(303.2)
Net domestic assets	6,034.1	6,189.3	6,002.0	5,973.3	5,863.7	6,014.2	5,956.8	5,874.7	5,769.9	5,918.4
Domestic credit	8,661.9	8,929.8	8,837.0	8,795.6	8,766.4	8,954.7	8,926.2	8,858.2	8,767.1	8,927.1
Public sector	2,050.1	2,396.6	2,492.5	2,500.9	2,480.5	2,662.9	2,653.2	2,607.2	2,563.5	2,706.1
Government (net)	1,582.4	1,937.7	2,013.2	2,006.8	1,987.6	2,162.3	2,187.2	2,146.0	2,092.4	2,288.3
Rest of public sector	467.7	458.9	479.3	494.1	492.9	500.6	466.0	461.2	471.2	417.8
Private sector	6,611.8	6,533.2	6,344.5	6,294.7	6,285.9	6,291.8	6,273.0	6,251.0	6,203.5	6,221.0
Other items (net)	(2,627.8)	(2,740.5)	(2,834.9)	(2,822.3)	(2,902.7)	(2,940.5)	(2,969.4)	(2,983.5)	(2,997.2)	(3,008.7)
Monetary liabilities	6,249.0	6,265.6	6,336.1	6,387.7	6,401.9	6,390.8	6,316.8	6,446.1	6,519.9	6,513.9
Money	1,541.9	1,610.9	1,955.0	2,014.8	2,053.7	2,037.4	2,024.9	2,101.0	2,155.6	2,257.6
Currency	216.5	214.4	232.8	232.9	232.3	225.8	246.6	246.9	247.6	255.5
Demand deposits	1,325.4	1,396.5	1,722.2	1,781.8	1,821.5	1,811.6	1,778.3	1,854.0	1,908.0	2,002.1
Quasi-money	4,707.1	4,654.7	4,381.1	4,372.9	4,348.1	4,353.5	4,291.9	4,345.1	4,364.3	4,256.3
Savings deposits	1,069.0	1,114.0	1,067.5	1,099.3	1,128.4	1,144.8	1,148.3	1,178.5	1,216.5	1,218.0
Fixed deposits	3,428.4	3,266.7	3,088.8	3,013.7	2,994.0	2,994.3	2,955.9	2,960.2	2,917.1	2,849.5
Foreign currency deposits	209.7	274.0	224.8	259.9	225.8	214.3	187.8	206.4	230.7	188.8
(percentage change)										
Total domestic credit	1.7	3.1	(1.0)	(0.5)	(0.3)	2.1	(0.3)	(0.8)	(1.0)	1.8
Public sector	8.6	16.9	4.0	0.3	(0.8)	7.4	(0.4)	(1.7)	(1.7)	5.6
Government (net)	10.5	22.5	3.9	(0.3)	(1.0)	8.8	1.2	(1.9)	(2.5)	9.4
Rest of public sector	2.9	(1.9)	4.4	3.1	(0.2)	1.6	(6.9)	(1.0)	2.2	(11.3)
Private sector	(0.3)	(1.2)	(2.9)	(0.8)	(0.1)	0.1	(0.3)	(0.4)	(0.8)	0.3
Monetary liabilities	(0.3)	0.3	1.1	0.8	0.2	(0.2)	(1.2)	2.0	1.1	(0.1)
Money	9.5	4.5	21.4	3.1	1.9	(0.8)	(0.6)	3.8	2.6	4.7
Currency	9.9	(0.9)	8.6	0.0	(0.3)	(2.8)	9.2	0.1	0.3	3.2
Demand deposits	9.4	5.4	23.3	3.5	2.2	(0.5)	(1.8)	4.3	2.9	4.9
Quasi-money	(3.1)	(1.1)	(5.9)	(0.2)	(0.6)	0.1	(1.4)	1.2	0.4	(2.5)

Source: The Central Bank of The Bahamas

**TABLE 3
CENTRAL BANK BALANCE SHEET**

(BS Millions)

Period	2012	2013	2014	2015				2016		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
Net foreign assets	810.2	741.6	787.7	829.1	953.1	826.8	811.9	994.9	1,052.1	899.4
Balances with banks abroad	216.5	122.4	155.2	186.1	308.1	212.3	206.6	380.1	389.6	260.9
Foreign securities	555.6	551.0	544.9	559.6	560.1	529.7	521.7	511.5	559.9	536.0
Reserve position in the Fund	9.6	9.6	9.1	8.6	8.8	8.8	8.7	27.2	27.0	26.9
SDR holdings	28.4	58.6	78.5	74.7	76.1	76.0	75.0	76.2	75.7	75.5
Net domestic assets	280.1	374.7	375.6	304.8	245.3	277.8	340.6	333.1	387.3	512.9
Net claims on Government	397.3	493.1	523.4	458.7	402.7	436.0	493.7	490.1	546.4	668.8
Claims	407.4	545.3	571.4	485.3	429.0	457.2	523.1	511.3	568.9	696.9
Treasury bills	129.7	186.6	119.7	76.7	22.9	54.7	126.6	114.2	171.7	259.5
Bahamas registered stock	171.3	223.5	316.5	273.1	270.5	266.7	261.1	261.5	261.5	301.5
Loans and advances	106.3	135.2	135.2	135.4	135.6	135.8	135.4	135.5	135.7	135.9
Deposits	(10.1)	(52.1)	(48.0)	(26.6)	(26.3)	(21.2)	(29.4)	(21.2)	(22.5)	(28.0)
In local currency	(10.1)	(52.1)	(48.0)	(26.6)	(26.3)	(21.2)	(29.4)	(21.2)	(22.5)	(28.0)
In foreign currency	-	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(14.8)	(11.7)	(26.0)	(14.5)	(17.6)	(20.8)	(17.3)	(13.6)	(17.8)	(7.5)
Credit to commercial banks	-	-	-	-	-	-	-	-	-	-
Official capital and surplus	(135.7)	(140.0)	(152.3)	(156.7)	(155.0)	(155.4)	(163.7)	(162.4)	(162.9)	(163.1)
Net unclassified assets	23.0	23.0	21.1	7.9	5.9	8.9	19.0	10.2	12.9	5.8
Loans to rest of public sector	4.8	4.6	4.2	4.2	4.1	3.9	3.7	3.7	3.6	3.6
Public Corp Bonds/Securities	5.6	5.7	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
Liabilities To Domestic Banks	(682.6)	(710.3)	(750.2)	(729.3)	(791.2)	(704.1)	(733.5)	(905.8)	(1,017.8)	(983.1)
Notes and coins	(127.4)	(138.1)	(142.5)	(112.5)	(109.8)	(108.5)	(142.4)	(113.9)	(96.9)	(101.3)
Deposits	(555.2)	(572.2)	(607.7)	(616.9)	(681.4)	(595.6)	(591.1)	(791.9)	(920.9)	(881.8)
SDR allocation	(191.2)	(191.6)	(180.3)	(171.6)	(175.0)	(174.7)	(172.4)	(175.3)	(174.0)	(173.7)
Currency held by the private sector	(216.5)	(214.4)	(232.8)	(232.9)	(232.3)	(225.8)	(246.6)	(246.9)	(247.6)	(255.5)

Source: The Central Bank of The Bahamas

**TABLE 4
DOMESTIC BANKS BALANCE SHEET**

(B\$ Millions)

Period	2012	2013	2014	2015				2016		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
Net foreign assets	(600.9)	(694.9)	(501.2)	(464.6)	(471.1)	(525.8)	(531.7)	(512.4)	(395.9)	(375.2)
Net claims on Central Bank	690.7	651.7	749.2	729.9	792.1	704.8	730.0	906.5	1,018.7	984.0
Notes and Coins	127.4	138.1	142.5	112.5	109.8	108.5	142.4	113.9	96.9	101.3
Balances	563.3	513.6	606.7	617.4	682.3	596.2	587.5	792.6	921.8	882.8
Less Central Bank credit	-	-	-	-	-	-	-	-	-	-
Net domestic assets	5,586.1	5,803.7	5,537.6	5,564.0	5,543.1	5,670.9	5,569.8	5,499.6	5,325.1	5,341.9
Net claims on Government	1,197.5	1,453.5	1,500.5	1,559.0	1,604.9	1,736.6	1,704.4	1,663.5	1,554.5	1,634.8
Treasury bills	219.3	392.4	454.5	502.5	556.3	699.6	662.6	680.0	627.8	557.9
Other securities	961.1	962.2	907.0	923.4	940.0	922.4	895.4	892.3	889.6	891.1
Loans and advances	152.4	253.6	352.1	356.5	362.2	371.4	416.8	419.2	404.9	389.7
Less: deposits	135.3	154.7	213.1	223.5	253.6	256.7	270.5	328.1	367.8	203.8
Net claims on rest of public sector	61.2	118.6	124.6	110.3	128.0	135.1	117.6	110.1	100.9	52.1
Securities	119.4	119.4	219.0	219.0	219.0	219.0	221.0	221.2	218.9	168.6
Loans and advances	338.5	329.8	251.3	266.0	264.9	272.8	238.4	233.6	245.8	240.7
Less: deposits	396.6	330.6	345.7	374.7	356.0	356.7	341.8	344.6	363.9	357.2
Other net claims	14.7	56.4	24.8	50.7	11.0	15.8	43.9	25.7	18.6	24.3
Credit to the private sector	6,628.4	6,551.1	6,366.9	6,328.8	6,308.0	6,314.1	6,299.7	6,285.9	6,236.4	6,235.5
Securities	14.1	16.6	16.8	16.7	16.8	18.1	24.4	25.8	26.7	18.6
Mortgages	3,275.4	3,310.3	3,211.4	3,187.9	3,179.9	3,171.2	3,164.7	3,165.8	3,139.8	3,139.1
Loans and advances	3,338.9	3,224.2	3,138.7	3,124.2	3,111.3	3,124.8	3,110.7	3,094.4	3,069.9	3,077.8
Private capital and surplus	(2,523.4)	(2,586.4)	(2,499.2)	(2,509.0)	(2,551.6)	(2,556.6)	(2,651.2)	(2,600.8)	(2,601.5)	(2,638.8)
Net unclassified assets	207.7	210.6	20.0	24.1	42.8	25.9	55.5	15.2	16.3	34.0
Liabilities to private sector	5,675.8	5,760.6	5,785.5	5,829.3	5,864.2	5,849.9	5,768.1	5,893.7	5,948.0	5,950.7
Demand deposits	1,442.7	1,593.5	1,830.6	1,932.4	1,957.7	1,922.4	1,868.3	1,949.9	1,998.5	2,075.0
Savings deposits	1,074.2	1,119.9	1,074.1	1,106.2	1,136.5	1,158.5	1,162.0	1,195.6	1,234.7	1,238.8
Fixed deposits	3,159.0	3,047.1	2,880.8	2,790.6	2,770.0	2,768.9	2,737.8	2,748.3	2,714.8	2,636.9

Source: The Central Bank of The Bahamas

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

(B\$'000s)

Period	2012	2013	2014	2014				2015				2016	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
1. Interest Income	667,055	646,083	617,808	153,222	154,951	154,028	155,607	148,510	156,468	160,233	161,209	158,211	152,709
2. Interest Expense	144,897	117,811	98,321	25,101	24,729	24,845	23,646	21,307	21,850	21,273	20,984	20,807	20,410
3. Interest Margin (1-2)	522,158	528,272	519,487	128,121	130,222	129,183	131,961	127,203	134,618	138,960	140,225	137,404	132,299
4. Commission & Forex Income	23,005	23,278	22,484	3,445	6,267	6,291	6,481	5,657	11,373	5,590	6,910	5,756	6,636
5. Gross Earnings Margin (3+4)	545,163	551,550	541,971	131,566	136,489	135,474	138,442	132,860	145,991	144,550	147,135	143,160	138,935
6. Staff Costs	162,348	181,910	171,579	43,140	43,367	42,484	42,588	42,852	45,619	41,628	40,297	40,906	41,677
7. Occupancy Costs	29,744	30,120	27,797	6,341	6,836	6,714	7,906	7,043	7,235	6,944	5,796	6,883	7,025
8. Other Operating Costs	111,914	132,475	279,278	41,325	155,190	40,715	42,048	38,156	39,715	34,005	38,753	39,236	40,452
9. Operating Costs (6+7+8)	304,006	344,505	478,654	90,806	205,393	89,913	92,542	88,051	92,569	82,577	84,846	87,025	89,154
10. Net Earnings Margin (5-9)	241,157	207,045	63,317	40,760	(68,904)	45,561	45,900	44,809	53,422	61,973	62,289	56,135	49,781
11. Depreciation Costs	13,364	16,969	14,637	3,677	3,556	3,633	3,771	4,005	4,021	4,231	3,512	3,632	3,560
12. Provisions for Bad Debt	168,098	149,114	266,624	27,392	149,450	32,720	57,062	42,791	36,705	25,659	27,419	20,347	36,032
13. Other Income	88,284	98,023	103,893	23,592	25,032	27,297	27,972	27,284	24,456	27,866	31,657	32,759	32,657
14. Other Income (Net) (13-11-12)	-93,178	(68,060)	(177,368)	(7,477)	(127,974)	(9,056)	(32,861)	(19,512)	(16,270)	(2,024)	726	8,780	(6,935)
15. Net Income (10+14)	147,979	138,985	(114,051)	33,283	(196,878)	36,505	13,039	25,297	37,152	59,949	63,015	64,915	42,846
16. Effective Interest Rate Spread (%)	6.41	6.85	6.83	6.80	6.96	6.68	6.88	6.92	7.28	7.20	7.12	7.24	7.16
(Ratios To Average Assets)													
Interest Margin	5.41	5.42	5.31	5.24	5.32	5.27	5.40	5.21	5.35	5.56	5.63	5.44	5.21
Commission & Forex Income	0.24	0.22	0.23	0.14	0.26	0.26	0.27	0.23	0.45	0.22	0.28	0.23	0.26
Gross Earnings Margin	5.65	5.64	5.54	5.39	5.58	5.53	5.67	5.44	5.81	5.78	5.91	5.67	5.47
Operating Costs	3.15	3.68	4.89	3.72	8.39	3.67	3.79	3.61	3.68	3.30	3.41	3.45	3.51
Net Earnings Margin	2.50	1.96	0.65	1.67	(2.81)	1.86	1.88	1.84	2.12	2.48	2.50	2.22	1.96
Net Income/Loss	1.53	1.43	-1.16	1.36	(8.04)	1.49	0.53	1.04	1.48	2.40	2.53	2.57	1.69

*Commercial Banks and OLFIs with domestic operations

Source: The Central Bank of The Bahamas

**TABLE 6
MONEY SUPPLY**

(B\$ Millions)

End of Period	2012	2013	2014	2015				2016		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
Money Supply (M1)	1,574.9	1,641.2	1,995.7	2,054.5	2,109.9	2,087.3	2,071.2	2,143.1	2,198.0	2,298.0
1) Currency in active circulation	216.5	214.4	232.8	232.9	232.3	225.8	246.6	246.9	247.6	255.5
2) Demand deposits	1,358.4	1,426.8	1,762.9	1,821.5	1,877.6	1,861.5	1,824.7	1,896.1	1,950.4	2,042.5
Central Bank	14.8	11.7	26.0	14.5	17.6	20.8	17.3	13.6	17.8	7.5
Domestic Banks	1,343.6	1,415.1	1,736.9	1,807.0	1,860.0	1,840.8	1,807.3	1,882.6	1,932.7	2,035.1
Factors affecting money (M1)										
1) Net credit to Government	1,594.8	1,946.6	2,024.0	2,017.7	2,007.6	2,172.6	2,198.0	2,153.5	2,100.9	2,303.6
Central Bank	397.3	493.1	523.4	458.7	402.7	436.0	493.7	490.1	546.4	668.8
Domestic banks	1,197.5	1,453.5	1,500.5	1,559.0	1,604.9	1,736.6	1,704.4	1,663.5	1,554.5	1,634.8
2) Other credit	7,096.6	7,010.5	6,846.5	6,823.3	6,801.3	6,815.0	6,768.1	6,749.5	6,709.9	6,653.6
Rest of public sector	468.2	459.4	479.7	494.5	493.3	500.9	468.4	463.5	473.5	418.2
Private sector	6,628.4	6,551.1	6,366.9	6,328.8	6,308.0	6,314.1	6,299.7	6,285.9	6,236.4	6,235.5
3) External reserves	810.2	741.6	787.7	829.1	953.1	826.8	811.9	994.9	1,052.1	899.4
4) Other external liabilities (net)	(600.9)	(694.9)	(501.2)	(464.6)	(471.1)	(525.8)	(531.7)	(512.4)	(395.9)	(375.2)
5) Quasi money	4,728.8	4,676.0	4,394.3	4,397.0	4,360.2	4,365.8	4,302.6	4,355.8	4,379.2	4,272.8
6) Other items (net)	(2,596.7)	(2,686.5)	(2,766.8)	(2,753.9)	(2,820.8)	(2,835.2)	(2,872.4)	(2,886.6)	(2,889.6)	(2,909.9)

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

(B\$' 000)

End of Period	2012	2013	2014	2014				2015				2016		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
				CREDIT OUTSTANDING										
Private cars	177,527	175,407	186,731	175,618	184,005	183,693	186,731	187,847	189,599	186,637	181,447	177,367	179,811	177,103
Taxis & rented cars	1,081	1,077	853	1,029	948	871	853	987	1,057	1,028	1,026	947	879	855
Commercial vehicles	2,241	2,334	1,958	2,263	2,232	2,108	1,958	1,971	1,802	1,510	1,498	1,381	1,290	1,109
Furnishings & domestic appliances	12,010	7,919	7,911	7,621	7,282	7,585	7,911	7,370	7,371	8,013	8,081	7,833	7,994	8,015
Travel	29,492	33,011	30,033	30,508	29,495	32,239	30,033	27,644	28,771	36,466	36,836	36,170	38,928	43,721
Education	34,544	33,858	36,571	34,254	33,559	37,728	36,571	36,896	36,153	42,085	41,117	40,343	39,369	52,837
Medical	11,363	12,010	11,744	11,762	11,713	11,805	11,744	12,244	12,549	12,824	12,471	13,294	13,118	13,144
Home Improvements	127,537	123,943	131,723	126,057	133,933	131,254	131,723	132,323	131,388	125,149	114,265	111,294	108,346	108,671
Land Purchases	232,752	225,065	216,760	225,769	223,398	223,304	216,760	211,941	206,235	199,086	193,163	187,987	181,767	177,984
Consolidation of debt	781,693	802,727	777,804	802,659	797,630	782,466	777,804	861,318	842,827	834,249	802,034	805,547	795,914	979,674
Miscellaneous	501,225	563,322	625,074	557,983	573,570	602,618	625,074	539,640	575,906	610,830	640,154	649,073	685,088	515,430
Credit Cards	243,745	241,241	245,254	235,484	237,222	241,343	245,254	237,493	237,607	242,465	249,164	243,919	243,214	253,828
TOTAL	2,155,210	2,221,914	2,272,416	2,211,007	2,234,987	2,257,014	2,272,416	2,257,674	2,271,265	2,300,342	2,281,256	2,275,155	2,295,718	2,332,371
NET CREDIT EXTENDED														
Private cars	5,776	(2,120)	11,324	211	8,387	(312)	3,038	1,116	1,752	(2,962)	(5,190)	(4,080)	2,444	(2,708)
Taxis & rented cars	171	(4)	(224)	(48)	(81)	(77)	(18)	134	70	(29)	(2)	(79)	(68)	(24)
Commercial vehicles	(269)	93	(376)	(71)	(31)	(124)	(150)	13	(169)	(292)	(12)	(117)	(91)	(181)
Furnishings & domestic appliances	884	(4,091)	(8)	(298)	(339)	303	326	(541)	1	642	68	(248)	161	21
Travel	4,271	3,519	(2,978)	(2,503)	(1,013)	2,744	(2,206)	(2,389)	1,127	7,695	370	(666)	2,758	4,793
Education	(1,206)	(686)	2,713	396	(695)	4,169	(1,157)	325	(743)	5,932	(968)	(774)	(974)	13,468
Medical	(3,046)	647	(266)	(248)	(49)	92	(61)	500	305	275	(353)	823	(176)	26
Home Improvements	994	(3,594)	7,780	2,114	7,876	(2,679)	469	600	(935)	(6,239)	(10,884)	(2,971)	(2,948)	325
Land Purchases	(7,038)	(7,687)	(8,305)	704	(2,371)	(94)	(6,544)	(4,819)	(5,706)	(7,149)	(5,923)	(5,176)	(6,220)	(3,783)
Consolidation of debt	(38,442)	21,034	(24,923)	(68)	(5,029)	(15,164)	(4,662)	83,514	(18,491)	(8,578)	(32,215)	3,513	(9,633)	183,760
Miscellaneous	37,173	62,097	61,752	(5,339)	15,587	29,048	22,456	(85,434)	36,266	34,924	29,324	8,919	36,015	(169,658)
Credit Cards	(8,179)	(2,504)	4,013	(5,757)	1,738	4,121	3,911	(7,761)	114	4,858	6,699	(5,245)	(705)	10,614
TOTAL	(8,911)	66,704	50,502	(10,907)	23,980	22,027	15,402	(14,742)	13,591	29,077	(19,086)	(6,101)	20,563	36,653

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

Period	(%)													
	2013	2014	2015	2014				2015				2016		
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
DOMESTIC BANKS														
Deposit rates														
Demand deposits	0.31	0.29	0.30	0.31	0.29	0.28	0.30	0.37	0.27	0.29	0.25	0.30	0.26	0.27
Savings deposits	0.97	0.89	0.83	1.06	0.88	0.76	0.86	0.96	0.82	0.83	0.72	0.80	0.87	0.72
Fixed deposits														
Up to 3 months	1.36	1.16	1.14	1.19	1.27	1.19	0.99	1.07	1.20	1.17	1.10	1.05	0.98	0.94
Up to 6 months	1.35	1.23	1.09	1.46	1.22	1.26	0.96	1.02	1.03	1.09	1.20	1.05	1.03	0.89
Up to 12 months	2.15	1.76	1.71	1.98	1.84	1.70	1.50	1.90	1.71	1.69	1.53	1.87	1.44	1.43
Over 12 months	2.21	1.64	1.57	1.84	2.00	1.44	1.29	1.55	1.42	1.72	1.57	1.64	1.66	2.02
Weighted average rate	1.68	1.42	1.41	1.55	1.56	1.37	1.21	1.46	1.40	1.49	1.27	1.36	1.25	1.14
Lending rates														
Residential mortgages	7.27	7.16	6.48	7.24	7.38	7.07	6.94	6.89	6.45	6.36	6.20	6.32	6.21	6.20
Commercial mortgages	8.21	8.02	7.95	7.93	8.26	7.67	8.20	7.61	7.68	7.40	9.09	7.42	7.00	8.29
Consumer loans	13.65	13.90	14.26	13.76	13.60	14.22	14.03	14.05	14.08	14.43	14.49	13.65	14.14	14.37
Overdrafts	9.32	9.76	10.36	9.45	9.93	9.86	9.78	10.48	10.20	10.17	10.60	10.78	11.04	11.60
Weighted average rate	11.10	11.81	12.29	11.11	11.96	12.07	12.11	11.94	12.35	12.55	12.32	11.83	12.54	12.93
Other rates														
Prime rate	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Treasury bill (90 days)	0.30	0.53	0.68	0.45	0.60	0.49	0.59	0.58	0.69	0.68	0.76	1.03	1.48	1.94
Treasury bill re-discount rate	0.80	1.03	1.18	0.95	1.10	0.99	1.09	1.08	1.19	1.18	1.26	1.53	1.98	2.44
Bank rate (discount rate)	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50

Source: The Central Bank of The Bahamas

TABLE 9
SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

Period	2011	2012	2013	2014			2015				2016		
				Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. II
Loan Portfolio													
Current Loans (as a % of total loans)	81.1	80.3	78.4	78.3	78.5	79.7	80.9	81.2	81.5	80.9	81.1	82.6	81.9
Arrears (% by loan type)													
Consumer	4.2	4.4	5.0	4.9	4.8	5.2	4.8	4.6	4.9	4.7	4.5	4.3	4.5
Mortgage	10.1	11.0	11.0	10.9	10.9	11.0	10.3	10.4	10.4	10.9	10.8	9.5	9.9
Commercial	4.5	4.2	5.5	5.8	5.7	4.1	4.0	3.8	3.2	3.5	3.6	3.6	3.7
Public	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Arrears	<u>18.9</u>	<u>19.7</u>	<u>21.6</u>	<u>21.7</u>	<u>21.5</u>	<u>20.3</u>	<u>19.1</u>	<u>18.8</u>	<u>18.5</u>	<u>19.1</u>	<u>18.9</u>	<u>17.4</u>	<u>18.1</u>
Total BS Loan Portfolio	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Loan Portfolio													
Current Loans (as a % of total loans)	81.1	80.3	78.4	78.3	78.5	79.7	80.9	81.2	81.5	80.9	81.1	82.6	81.9
Arrears (% by days outstanding)													
30 - 60 days	4.1	3.7	3.7	3.1	2.7	2.9	2.7	2.6	2.8	3.1	3.0	2.5	2.9
61 - 90 days	2.1	2.3	2.5	2.6	2.4	2.0	1.6	1.8	1.7	1.8	1.6	1.7	1.8
90 - 179 days	2.3	2.5	2.1	2.3	2.3	2.0	1.6	1.7	1.6	1.6	1.7	1.6	1.7
over 180 days	10.5	11.3	13.3	13.7	14.1	13.4	13.2	12.7	12.4	12.6	12.6	11.6	11.7
Total Arrears	<u>18.9</u>	<u>19.7</u>	<u>21.6</u>	<u>21.7</u>	<u>21.5</u>	<u>20.3</u>	<u>19.1</u>	<u>18.8</u>	<u>18.5</u>	<u>19.1</u>	<u>18.9</u>	<u>17.4</u>	<u>18.1</u>
Total BS Loan Portfolio	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Non Accrual Loans (% by loan type)													
Consumer	20.3	20.5	21.5	20.6	21.0	23.6	23.6	22.8	23.3	22.2	21.7	22.8	22.8
Mortgage	54.8	57.0	50.7	49.6	48.8	53.8	54.0	55.6	56.0	57.4	56.3	54.0	54.5
Other Private	24.2	21.9	27.2	29.2	29.6	22.6	22.4	21.6	20.7	20.4	22.0	23.2	22.7
Public	<u>0.7</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Non Accrual Loans	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.1</u>
Provisions to Loan Portfolio													
Consumer	4.9	5.4	6.1	8.2	7.1	6.5	7.1	7.2	7.2	7.1	7.4	7.3	7.3
Mortgage	2.7	5.5	5.6	6.2	7.4	8.9	8.9	9.2	9.8	9.9	10.0	10.1	9.8
Other Private	10.6	8.3	7.9	13.1	14.3	11.4	9.8	10.0	9.8	10.2	10.6	11.9	12.2
Public	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Provisions to Total Loans	4.7	5.9	6.0	7.8	8.0	7.9	7.9	8.1	8.3	8.3	8.6	8.6	8.5
Total Provisions to Non-performing Loans	36.6	42.7	39.0	48.9	48.9	51.2	53.2	55.9	59.3	58.5	60.0	65.1	63.7
Total Non-performing Loans to Total Loans	12.7	13.6	15.3	15.9	16.3	15.3	14.8	14.4	14.0	14.2	14.3	13.3	13.4

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

**TABLE 10
SUMMARY OF BANK LIQUIDITY**

(B\$ Millions)

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

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

**TABLE 11
GOVERNMENT OPERATIONS AND FINANCING**

(B\$ Millions)

Period	2014/15p	2015/16p	Budget		2014/15p		2015/16p				2016/17p
			2015/16	2016/17	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
Total Revenue & Grants	1,701.5	1,929.6	2,039.8	2,168.8	488.5	527.1	437.6	458.6	501.2	532.1	450.4
Current expenditure	1,711.3	2,055.0	1,935.7	2,024.4	413.0	486.3	460.9	491.6	564.4	538.2	471.2
Capital expenditure	280.3	231.3	243.2	242.1	46.6	139.8	39.7	49.7	49.0	92.9	65.1
Net lending	92.0	(46.4)	(0.1)	(0.1)	20.3	31.4	(0.0)	2.4	0.8	(49.5)	0.1
Overall balance	(382.0)	(310.4)	(139.1)	(97.6)	8.6	(130.4)	(62.9)	(85.0)	(113.0)	(49.4)	(86.0)
FINANCING (I+II-III+IV+V)	382.0	310.4	139.1	97.6	(8.6)	130.4	62.9	85.0	113.0	49.4	86.0
I. Foreign currency borrowing	148.2	259.1	103.6	85.1	10.7	18.5	28.3	95.4	126.4	9.0	7.9
External	148.2	209.1	103.6	85.1	10.7	18.5	15.0	72.1	113.0	9.0	7.9
Domestic	-	50.0	-	-	-	-	13.3	23.4	13.4	-	-
II. Bahamian dollar borrowing	580.0	411.1	182.4	299.5	70.0	55.0	222.8	127.1	38.4	22.7	206.6
i) Treasury bills	30.0	301.2	-	-	-	-	212.8	47.3	28.3	12.7	37.6
ii) Long-term securities	275.0	87.3	-	-	70.0	55.0	10.0	77.3	-	-	155.0
iii) Loans and Advances	275.0	22.6	-	-	-	-	-	2.5	10.1	10.0	14.0
III. Debt repayment	221.4	322.7	145.7	287.1	82.2	16.2	104.2	76.8	34.4	107.3	146.8
Domestic	206.0	294.3	125.0	258.9	80.0	10.0	97.9	70.0	26.2	100.1	136.2
Bahamian dollars	140.0	244.3	125.0	258.9	80.0	10.0	97.9	70.0	26.2	50.1	136.2
Internal foreign currency	66.0	50.0	-	-	-	-	-	-	-	50.0	-
External	15.4	28.5	20.7	28.2	2.2	6.2	6.3	6.8	8.2	7.2	10.6
IV. Net Sale of Shares & Other Equity	-	-	-	-	-	-	-	-	-	-	(101.0)
V. Cash balance change	(76.8)	(110.4)	-	-	9.3	(29.9)	2.0	(22.0)	(49.4)	(41.1)	158.5
VI. Other Financing	(47.9)	73.3	(1.3)	-	(16.4)	103.0	(86.0)	(38.8)	32.0	166.1	(39.2)

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

**TABLE 12
NATIONAL DEBT**

(BS '000s)

Period	2013	2014	2015	2015				2016		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
TOTAL EXTERNAL DEBT	1,190,109	1,572,394	1,650,693	1,580,921	1,593,203	1,601,978	1,650,693	1,763,336	1,757,176	1,763,986
By Instrument										
Government Securities	600,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Loans	590,109	672,394	750,693	680,921	693,203	701,978	750,693	863,336	857,176	863,986
By Holder										
Commercial Banks	-	-	-	-	-	-	-	-	-	-
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-	-
Multilateral Institutions	239,927	237,002	221,349	234,323	228,162	227,875	221,349	220,287	214,910	219,436
Bilateral Institutions	67,103	70,731	72,352	70,561	70,561	70,526	72,352	72,008	69,924	69,690
Private Capital Markets	600,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Other Financial Institutions	283,079	364,661	456,992	376,037	394,480	403,577	456,992	571,041	572,342	574,860
TOTAL INTERNAL DEBT	3,795,658	4,009,658	4,263,352	3,999,658	4,044,658	4,182,841	4,263,352	4,288,905	4,211,490	4,281,896
By Instrument										
Foreign Currency	125,000	-	36,615	-	-	13,250	36,615	50,000	-	-
Government Securities	-	-	-	-	-	-	-	-	-	-
Loans	125,000	-	36,615	-	-	13,250	36,615	50,000	-	-
Bahamian Dollars	3,670,658	4,009,658	4,226,737	3,999,658	4,044,658	4,169,591	4,226,737	4,238,905	4,211,490	4,281,896
Advances	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657
Treasury Bills	579,282	579,282	816,513	579,282	579,282	769,215	816,513	843,606	856,336	857,971
Government Securities	2,956,473	3,025,473	3,072,783	3,040,473	3,085,473	3,065,473	3,072,783	3,057,783	3,047,783	3,142,783
Loans	246	270,246	202,784	245,246	245,246	200,246	202,784	202,859	172,714	146,485
By Holder										
Foreign Currency	125,000	-	36,615	-	-	13,250	36,615	50,000	-	-
Commercial Banks	125,000	-	36,615	-	-	13,250	36,615	50,000	-	-
Other Local Financial Institutions	-	-	-	-	-	-	-	-	-	-
Bahamian Dollars	3,670,658	4,009,658	4,226,737	3,999,658	4,044,658	4,169,591	4,226,737	4,238,905	4,211,490	4,281,896
The Central Bank	542,419	567,399	519,533	481,154	424,900	452,711	519,533	507,299	565,484	692,598
Commercial Banks	1,345,740	1,585,768	1,708,532	1,619,069	1,680,410	1,770,711	1,708,532	1,727,174	1,641,247	1,529,449
Other Local Financial Institutions	9,357	10,217	26,395	12,174	21,084	11,402	26,395	9,857	9,857	13,639
Public Corporations	684,911	665,267	650,289	661,167	655,034	650,269	650,289	637,789	632,020	620,523
Other	1,088,231	1,181,007	1,321,988	1,226,094	1,263,230	1,284,498	1,321,988	1,356,786	1,362,882	1,425,687
TOTAL FOREIGN CURRENCY DEBT	1,315,109	1,572,394	1,687,308	1,580,921	1,593,203	1,615,228	1,687,308	1,813,336	1,757,176	1,763,986
TOTAL DIRECT CHARGE	4,985,767	5,582,052	5,914,045	5,580,579	5,637,861	5,784,819	5,914,045	6,052,241	5,968,666	6,045,882
TOTAL CONTINGENT LIABILITIES	604,385	702,454	755,183	719,962	726,890	729,334	755,183	751,287	742,498	730,756
TOTAL NATIONAL DEBT	5,590,152	6,284,506	6,669,228	6,300,541	6,364,751	6,514,153	6,669,228	6,803,528	6,711,164	6,776,638

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	2013	2014*	2015	2015				2016		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.**	Sept.
Outstanding Debt at Beginning of Period	1,894,039	2,139,513	2,452,857	2,452,857	2,477,876	2,491,904	2,517,731	2,583,357	2,700,785	2,726,251
Government	1,042,746	1,315,109	1,572,394	1,572,394	1,580,921	1,593,203	1,615,228	1,687,308	1,813,336	1,757,176
Public Corporations	851,293	824,404	880,463	880,463	896,955	898,701	902,503	896,049	887,449	969,075
Plus: New Drawings	309,225	787,151	198,470	31,788	28,892	36,620	101,170	129,322	110,721	10,804
Government	282,868	491,378	152,860	10,698	18,463	28,280	95,419	126,406	9,035	7,881
Public corporations	26,357	295,773	45,610	21,090	10,429	8,340	5,751	2,916	101,686	2,923
Less: Amortization	66,970	444,774	51,472	6,769	14,864	10,793	19,046	19,718	77,225	69,850
Government	13,724	205,060	21,448	2,171	6,181	6,255	6,841	8,202	57,165	10,608
Public corporations	53,246	239,714	30,024	4,598	8,683	4,538	12,205	11,516	20,060	59,242
Other Changes in Debt Stock	3,219	(29,033)	(16,498)	-	-	-	(16,498)	7,824	(8,030)	9,537
Government	3,219	(29,033)	(16,498)	-	-	-	(16,498)	7,824	(8,030)	9,537
Public corporations	-	-	-	-	-	-	-	-	-	-
Outstanding Debt at End of Period	2,139,513	2,452,857	2,583,357	2,477,876	2,491,904	2,517,731	2,583,357	2,700,785	2,726,251	2,676,742
Government	1,315,109	1,572,394	1,687,308	1,580,921	1,593,203	1,615,228	1,687,308	1,813,336	1,757,176	1,763,986
Public corporations	824,404	880,463	896,049	896,955	898,701	902,503	896,049	887,449	969,075	912,756
Interest Charges	109,931	125,009	133,117	29,767	35,879	26,661	40,810	27,926	43,182	33,312
Government	57,758	75,372	79,963	17,835	21,495	14,513	26,120	15,038	28,354	20,088
Public corporations	52,173	49,637	53,154	11,932	14,384	12,148	14,690	12,888	14,828	13,224
Debt Service	176,901	569,783	184,589	36,536	50,743	37,454	59,856	47,644	120,407	103,162
Government	71,482	280,432	101,411	20,006	27,676	20,768	32,961	23,240	85,519	30,696
Public corporations	105,419	289,351	83,178	16,530	23,067	16,686	26,895	24,404	34,888	72,466
Debt Service ratio	4.9	16.0	5.7	4.2	5.3	4.6	7.9	5.4	12.6	13.2
Government debt Service/ Government revenue (%)	5.3	19.0	5.3	4.1	5.3	4.7	7.2	4.8	16.1	6.8
MEMORANDUM										
Holder distribution (B\$ Mil):										
Commercial banks	451.9	276.8	319.1	292.3	288.9	304.9	319.1	326.7	357.0	352.9
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-	-
Multilateral Institutions	273.2	288.7	281.8	285.6	286.5	286.0	281.8	280.5	278.9	283.2
Bilateral Institutions	67.1	70.7	72.4	70.6	70.6	70.5	72.4	72.0	69.9	69.7
Other	747.3	916.6	1,010.1	929.4	945.9	956.3	1,010.1	1,121.5	1,120.4	1,071.0
Private Capital Markets	600.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0

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

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

** Debt servicing for the 2nd quarter of 2016 includes the refinancing of \$50 million in Public Sector debt. Net of these transactions, the Debt Service Ratio was 7.9%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

(B\$ Millions)

	2013p	2014p	2015p	2015				2016		
				Qtr.Ip	Qtr.IIp	Qtr.IIIp	Qtr.IVp	Qtr.Ip	Qtr.IIp	Qtr.IIIp
A. Current Account Balance (I+II+III+IV)	(1,439.1)	(1,885.3)	(1,203.2)	(399.1)	(274.5)	(162.2)	(367.3)	(219.8)	(202.9)	(436.6)
I. Merchandise (Net)	(2,211.0)	(2,510.3)	(2,433.5)	(666.8)	(668.5)	(535.9)	(562.4)	(507.4)	(499.3)	(517.6)
Exports	954.9	833.9	520.5	125.9	156.1	117.7	120.9	96.1	148.8	102.2
Imports	3,165.9	3,344.2	2,954.0	792.7	824.6	653.5	683.3	603.5	648.1	619.8
II. Services (Net)	1,045.9	997.0	1,617.6	399.9	503.8	414.6	299.3	387.5	417.6	241.0
Transportation	(244.8)	(288.0)	(258.1)	(62.4)	(70.4)	(59.6)	(65.7)	(61.0)	(75.8)	(62.2)
Travel	2,025.1	2,104.8	2,299.2	645.1	658.2	521.2	474.7	652.2	649.0	502.4
Insurance Services	(158.0)	(143.8)	(141.9)	(30.8)	(37.6)	(39.7)	(33.8)	(32.4)	(45.5)	(45.0)
Offshore Companies Local Expenses	180.3	200.9	165.7	22.5	57.0	46.8	39.4	35.2	55.2	47.5
Other Government	27.6	33.1	29.8	8.6	5.9	9.3	6.1	(75.6)	(42.6)	(48.5)
Other Services	(784.3)	(910.0)	(477.1)	(183.1)	(109.1)	(63.4)	(121.5)	(131.0)	(122.7)	(153.2)
III. Income (Net)	(329.1)	(438.1)	(402.6)	(142.2)	(115.4)	(53.8)	(91.2)	(70.0)	(117.7)	(142.3)
1. Compensation of Employees	(35.8)	(64.4)	(66.5)	(20.5)	(11.9)	(15.2)	(18.9)	(11.1)	(8.2)	(10.0)
2. Investment Income	(293.3)	(373.8)	(336.1)	(121.7)	(103.5)	(38.6)	(72.3)	(58.9)	(109.5)	(132.3)
IV. Current Transfers (Net)	55.1	66.2	15.3	10.0	5.6	12.8	(13.0)	(29.9)	(3.4)	(17.7)
1. General Government	122.5	118.3	130.0	41.1	33.2	29.0	26.7	29.4	36.0	33.1
2. Private Sector	(67.4)	(52.1)	(114.7)	(31.1)	(27.7)	(16.2)	(39.8)	(59.3)	(39.4)	(50.8)
B. Capital and Financial Account (I+II) (excl. Reserves)	1,017.8	1,508.5	349.8	134.2	22.9	63.2	129.6	9.6	58.7	(59.8)
I. Capital Account (Net Transfers)	(9.6)	(8.9)	(18.9)	(7.4)	(1.6)	(3.5)	(6.4)	(4.4)	(2.9)	(2.6)
II. Financial Account (Net)	1,027.4	1,517.4	368.7	141.6	24.5	66.6	136.0	14.0	61.7	(57.2)
1. Direct Investment	382.3	251.3	76.1	9.7	43.6	9.9	13.0	(16.3)	27.4	38.6
2. Portfolio Investment	(34.0)	(26.9)	(12.4)	(4.2)	(3.4)	(3.1)	(1.8)	(4.2)	(5.2)	(7.4)
3. Other Investments	679.2	1,293.0	305.0	136.1	(15.7)	59.9	124.8	34.4	39.4	(88.4)
Central Gov't Long Term Capital	139.7	411.3	94.7	8.5	12.3	8.6	65.2	104.8	1.9	(2.7)
Other Public Sector Capital	4.1	93.8	6.5	(0.2)	5.7	(0.3)	1.3	(2.6)	96.3	(1.7)
Banks	62.2	(161.9)	29.6	(33.4)	2.4	54.8	5.9	(19.3)	(116.5)	(20.6)
Other	473.2	949.8	174.2	161.2	(36.1)	(3.2)	52.4	(48.5)	57.8	(63.3)
C. Net Errors and Omissions	352.8	422.8	877.6	306.4	375.7	(27.3)	222.9	393.3	201.3	343.6
D. Overall Balance (A+B+C)	(68.5)	46.0	24.3	41.4	124.0	(126.4)	(14.8)	183.0	57.2	(152.7)
E. Financing (Net)	68.5	(46.0)	(24.3)	(41.4)	(124.0)	126.4	14.8	(183.0)	(57.2)	152.7
Change in SDR holdings	(30.1)	(19.9)	3.5	3.8	(1.4)	0.2	1.0	(1.2)	0.6	0.2
Change in Reserve Position with the IMF	(0.0)	0.6	0.4	0.4	(0.2)	0.0	0.1	(18.5)	0.2	0.1
Change in Ext. Foreign Assets () = Increase	98.7	(26.7)	(28.1)	(45.6)	(122.4)	126.2	13.7	(163.3)	(57.9)	152.5

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

**TABLE 15
EXTERNAL TRADE**

(BS '000s)

Period	2013	2014	2015	2015				2016	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
I. OIL TRADE									
i) Exports	237,808	165,337	70,350	22,530	27,073	12,511	8,236	9,365	11,439
ii) Imports ^R	726,901	868,460	535,306	67,629	106,870	243,845	116,962	69,559	139,289
II. OTHER MERCHANDISE									
Domestic Exports									
Crawfish	19,902	-	-	-	-	-	-	-	-
Fish Conch & other Crustacea	3,079	-	-	-	-	-	-	-	-
Other cordials & Similar Materials/Sponge	157	-	-	-	-	-	-	-	-
Fruits & Veggies.	-	-	-	-	-	-	-	-	-
Aragonite	805	-	-	-	-	-	-	-	-
Other Natural Sands	70	-	-	-	-	-	-	-	-
Rum/Beverages/Spirits & Vinegar	-	-	-	-	-	-	-	-	-
Crude Salt	9,084	-	-	-	-	-	-	-	-
Polystrene Products	85,288	-	-	-	-	-	-	-	-
Other	33,436	-	-	-	-	-	-	-	-
i) Total Domestic Exports	364,424	353,216	230,074	57,503	44,702	58,931	68,938	45,878	52,339
ii) Re-Exports	209,479	170,627	148,616	27,116	68,078	24,518	28,904	23,443	66,968
iii) Total Exports (i+ii)	573,902	523,843	378,690	84,619	112,780	83,449	97,842	69,321	119,307
iv) Imports	2,639,003	2,921,525	2,626,736	674,050	694,289	575,844	682,553	571,476	640,749
v) Retained Imports (iv-ii)	2,429,524	2,750,898	2,478,120	646,934	626,211	551,326	653,649	548,033	573,781
vi) Trade Balance (i-v)	(2,065,100)	(2,397,682)	(2,248,046)	(589,431)	(581,509)	(492,395)	(584,711)	(502,155)	(521,442)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2013	2014	2015	2014		2015				2016	
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Visitor Arrivals	6,150,784	6,320,188	6,114,337	1,385,359	1,619,786	1,772,202	1,506,445	1,334,600	1,501,090	1,764,730	1,571,231
Air	1,280,736	1,343,093	1,391,782	318,083	300,005	375,962	385,016	330,722	300,082	384,324	397,446
Sea	4,870,048	4,977,095	4,722,555	1,067,276	1,319,781	1,396,240	1,121,429	1,003,878	1,201,008	1,380,406	1,173,785
Visitor Type											
Stopover	1,363,496	1,305,402	1,471,808	343,485	301,826	391,033	418,156	365,014	297,605	-	-
Cruise	4,709,236	4,804,701	4,513,456	1,014,353	1,293,971	1,358,623	1,051,437	939,688	1,163,708	1,338,961	1,112,983
Day/Transit	-	-	-	-	-	-	-	-	-	-	-
Tourist Expenditure(B\$ 000's)	2,226	2,316	2,537	497	476	696	698	592	551	-	-
Stopover	1,887	1,976	2,224	426	402	620	619	517	469	-	-
Cruise	337	337	309	71	73	76	77	75	82	-	-
Day	3	4	4	1	1	1	1	1	1	-	-
Number of Hotel Nights	-	-	-	-	-	-	-	-	-	-	-
Average Length of Stay	-	-	-	-	-	-	-	-	-	-	-
Average Hotel Occupancy Rates (%)											
New Providence	58.1	60.6	-	39.3	58.1	-	-	-	-	-	-
Grand Bahama	42.1	48.1	-	39.3	40.8	-	-	-	-	-	-
Other Family Islands	39.8	42.8	-	26.2	41.6	-	-	-	-	-	-
Average Nightly Room Rates (\$)											
New Providence	226.7	230.6	-	143.1	292.9	-	-	-	-	-	-
Grand Bahama	82.9	100.3	-	143.1	60.2	-	-	-	-	-	-
Other Family Islands	161.5	202.3	-	184.1	225.3	-	-	-	-	-	-

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