

# Quarterly

## Economic Review

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# REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

## DOMESTIC ECONOMIC DEVELOPMENTS

### OVERVIEW

Although at a more tempered pace, with economic indicators reverting closer to the expected medium-term potential, indications are that the domestic economy continued to expand during the second quarter of 2024. Tourism output registered further gains, undergirded by sustained performance in the high value-added air traffic and robust increases in sea passengers, given the persistent demand for travel in major source markets. In addition, various foreign investment projects provided steadied impetus to the construction sector. In price developments, inflationary pressures moderated, attributed to the pass-through effects of the slowdown in the rise in global oil prices, as well as other reduced pressures on imported goods and services.

Preliminary estimates revealed that for the first ten months of FY2023/2024, the Government's overall deficit reduced, relative to the same period for FY2022/2023. Reflective of this outturn, the growth in total revenue, outstripped the rise in aggregate expenditure. Budgetary financing was led by borrowings from internal sources, and included a combination of long and short-term debt instruments.

On the monetary front, bank liquidity expanded during the second quarter, as the reduction in domestic credit outpaced the decline in the deposit base. Correspondingly, the buildup in the financial system's net foreign assets moderated, relative to the prior year, largely reflecting the seasonal fluctuations in net foreign currency inflows from real sector activity. Meanwhile, banks' credit quality indicators improved in the second quarter, underpinned by the sustained improvement in economic conditions and ongoing loan write-offs. In addition, the latest available data for the first quarter of 2024, revealed a rise in banks' overall net income, owing in part to a decrease in bad debt provisioning.

In external sector developments, the estimated current account position reversed to a surplus during the review quarter. There was a notable expansion in the services account surplus, bolstered by continued gains in travel receipts. Meanwhile, the financial account inflows reduced, on account of a reversal in "other investment" transactions to a net outflow, from a net inflow a year earlier.

### REAL SECTOR

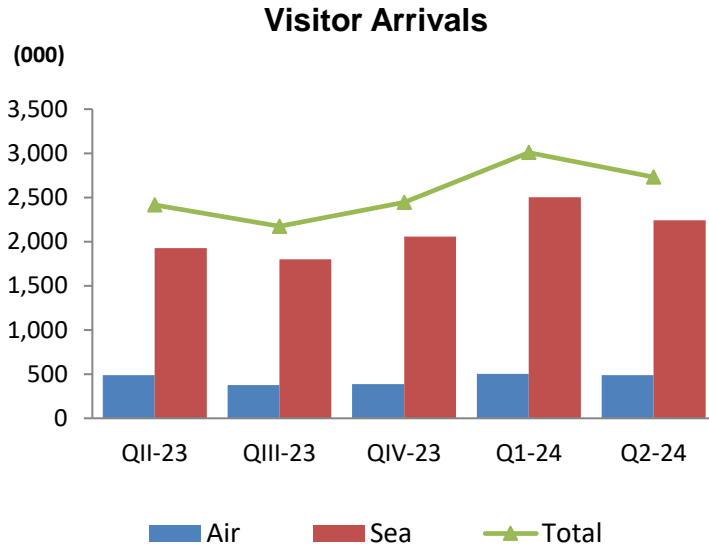
#### TOURISM

Tourism's growth momentum during the second quarter of 2024, while more tempered than in 2023, captured earnings based expansion in the high-valued air component and increased visitor volumes for sea traffic. The industry continued to benefit from persistent demand for travel in key source markets and promotional initiatives.

According to data from the Ministry of Tourism, total foreign arrivals increased by 13.0% to 2.7 million in the review quarter, exceeding the 2.4 million arrivals in the comparative period last year. In particular, sea traffic grew by 16.3% to 2.2 million arrivals, albeit air traffic, indicative of stopover volumes, was relatively

unchanged at 0.4 million passengers. Incremental onshore visitor volume gains for New Providence and Grand Bahamas contrasted with a headcount reduction for the Family Islands.

A disaggregation by major ports of entry revealed that, arrivals to New Providence expanded by 20.3% to 1.3 million in the second quarter, on account of a rise in sea traffic, by 30.5% and air passengers, by 0.2%. Likewise, in the Family Islands, total visitor arrivals moved higher by 7.3% to 1.3 million, exceeding the 1.2 million tourists in 2023, underpinned by an 8.2% growth in sea traffic, which contrasted with the 1.2% decrease in air passengers. Further, foreign arrivals to Grand Bahama rose by 4.0% to 138,027, owing to gains in both sea and air arrivals, of 4.1% and 3.1%, respectively.



The private vacation rental market registered increased earnings flows, although the rise in inventory of properties experienced lower average occupancy rates. The most recent data provided by AirDNA showed that, total room nights booked increased by 7.7% to 61,133, explained by a 6.0% growth in entire place listings, to 42,614 and hotel comparable listings, by 12.0% to 18,519, relative to the corresponding period in 2023. This occurred alongside more robust increase in rental listing. Consequently, the average occupancy levels for entire place listings declined by 2.4 percentage points to 56.8%. Nevertheless, the associated average daily rate (ADR) rose by 4.6% to \$711.58. Similarly, hotel comparable listings occupancy rate fell by a 1.0 percentage point to 47.5%; but the ADR firm by 1.2% to \$188.72.

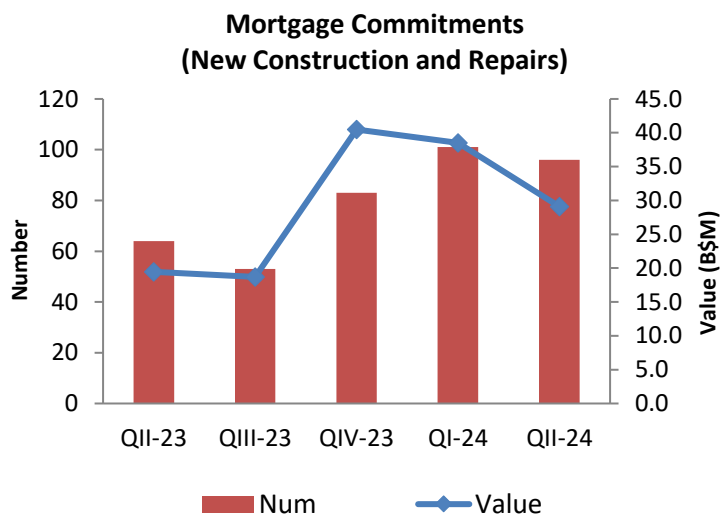
Data provided by the Nassau Airport Development Company Limited (NAD) showed that quarterly total departures—net of domestic passengers—increased by 3.3% to 0.4 million, over the comparable period last year. Specifically, US departures expanded by 3.5%—comprising approximately 87.3% of total passengers—while other international departures rose by 2.1%.

**CONSTRUCTION**

Construction sector activity during the second quarter continued to be dominated by ongoing varied-scale foreign investment projects. Meanwhile, bank-financed domestic private sector activity also strengthened in comparison to same period last year.

In domestic financing developments, total mortgage disbursements for new construction and repairs—as reported by banks, insurance companies and the Bahamas Mortgage Corporation—expanded by 51.2% (\$10.4 million) to \$30.7 million, extending the 19.1% growth a year earlier. Underlying this outturn, residential disbursements moved higher by 9.0% (\$1.8 million) to \$22.1 million, following the 26.9% advancement in the prior year. Similarly, the commercial segment increased sharply to \$8.6 million, from a muted \$0.04 million in 2023.

Total mortgage commitments for new buildings and repairs—a forward looking indicator of domestic activity—grew by 32 to 96, compared to the same period last year, while the relevant value expanded by 49.8% to \$29.1 million. Categorized by loan type, the number of undisbursed residential commitments increased by 24 to 88, as the associated value advanced by \$1.0 million (4.9%) to \$20.4 million. Further, commercial commitments for new construction and repairs totalled 8, with an accompanying value of \$8.7 million, following no commitments in the same 2023 period.



With regard to interest rates, the average financing costs for residential mortgages narrowed by 0.4 percentage points to 5.94%, vis-à-vis the same period in the previous year. Conversely, the average interest costs for commercial disbursements firmed by 1.5 percentage points to 6.73% over the review period.

#### EMPLOYMENT

Supported by the recovery in the domestic economy, the latest quarterly estimates compiled by the Bahamas National Statistical Institute’s Labour Force Survey, underscore improving labour market trends. During the fourth quarter of 2023, the All Bahamas unemployment rate measured 9.9%, vis-à-vis the 10.4% recorded in the previous quarter. Further, the number of employed persons rose to 214,170 in the fourth quarter, from 212,285 in the third quarter. In the meantime, the labour force participation, indicative of employment headcount trends, was estimated at 76.9% compared to 75.9% in the previous quarter.

As a result of the new methodology, direct comparisons with prior year data was not feasible. Nevertheless, by major markets, at end-2023 the jobless rate in New Providence was 9.5%; Grand Bahama, averaged 10.4% and Abaco, 8.0%.

#### PRICES

Domestic consumer price inflation—as measured by changes in the average Retail Price Index for The Bahamas—moderated to 2.0% during the twelve months to May 2024, from 5.4% in the corresponding 2023 period. This reflected a slowdown in the rise in international oil prices, as well as other reduced pressures on imported goods and services. In particular, average costs for communications declined by 6.0%; for transport, by 5.8%; and for clothing & footwear, by 0.9%, after posting respective gains of 2.5%, 8.3% and 3.3%, a year earlier. In addition, average inflation decreased for housing, water, gas, electricity and other fuels (4.2%); food and non-alcoholic beverages (3.0%); restaurants and hotels (2.5%); and recreation & culture (0.1%). In an offset, average inflation quickened for health (7.0%); alcohol beverages, tobacco, & narcotics (4.7%); furnishing, household equipment, & routine household maintenance (4.2%); miscellaneous goods & services (3.9%); and education (3.5%).

Domestic energy prices trends were mixed during the first two months of the second quarter of 2024. Specifically, the average price of gasoline rose by 1.7% to \$5.85 per gallon during the two-months to May,

relative to the same period in 2023. In contrast, the average cost of diesel contracted by 4.5% to \$5.24 per gallon over the two-month period, vis-à-vis the comparative period a year earlier.

## FISCAL OPERATIONS

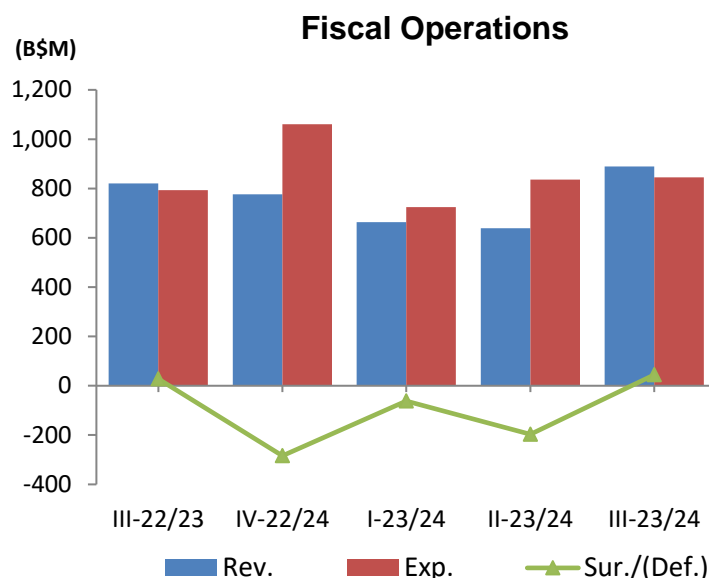
### OVERVIEW

Provisional data on the Government’s budgetary operations for the first ten months of FY2023/24 showed that the overall deficit reduced by \$68.8 million (27.9%) to \$177.9 million, relative to the comparative FY2022/23 period. The outturn was on account of a \$195.9 million (8.3%) expansion in total revenue to \$2,550.9 million, which outpaced the \$127.1 million (4.9%) growth in aggregate expenditure to \$2,728.8 million.

### REVENUE

Tax receipts, at 90.0% of total revenue, rose by \$216.1 million (10.4%) to \$2,294.9 million. Specifically, VAT collections—representing 50.0% of tax revenue—grew by \$85.6 million (8.1%) to \$1,148.3 million. In addition, proceeds from stamp taxes on financial and realty transactions increased by \$2.8 million (3.2%) to \$90.9 million, vis-à-vis the preceding year. Further, receipts from excise taxes moved higher to \$17.0 million from a mere \$2.0 million in the previous year.

In terms of the other components, taxes on the use or supply of goods expanded by \$76.8 million (47.0%) to \$240.1 million. Underlying this outturn, receipts from business license fees grew by \$74.9 million (66.3%) to \$188.0 million and taxes from marine licenses, by \$2.7 million (83.7%) to \$5.9 million. In addition, collections from motor vehicle taxes rose by \$0.5 million (1.7%) to \$28.8 million. Conversely, company



Government Revenue By Source (YTD April)				
	FY22/23p		FY23/24p	
	B\$M	%	B\$M	%
Property Tax	146.2	6.2	174.3	6.8
Value Added Tax	1,062.7	45.1	1,148.3	45.0
Stamp Taxes (Financial & Realty)	88.1	3.7	90.9	3.6
Excise Tax	2.0	0.1	17.0	0.7
Specific Taxes (Gaming Tax)	48.5	2.1	40.3	1.6
Motor Vehicle Taxes	28.4	1.2	28.8	1.1
Company Taxes	18.7	0.8	17.3	0.7
License to Conduct Specific Bus. Act.	113.1	4.8	188.0	7.4
Marine License Activities	3.2	0.1	5.9	0.2
Customs & Other Import Duties	204.8	8.7	213.5	8.4
Taxes on Exports*	213.4	9.1	205.9	8.1
Departure Taxes	142.4	6.0	158.0	6.2
Other Taxes on Transactions	0.6	0.0	0.6	0.0
General Stamp Taxes	6.8	0.3	6.0	0.2
Property Income	39.3	1.7	33.1	1.3
Sales of Goods & Services	172.1	7.3	195.9	7.7
Fines, Penalties & Forfeits	4.1	0.2	5.0	0.2
Reimbursements & Repayments	33.6	1.4	19.7	0.8
Misc. & Unidentified Revenue	26.7	1.1	1.1	0.0
Sales of Other Non-Financial Assets	0.5	0.0	1.3	0.1
Grants	0.0	0.0	0.0	0.0
Capital Revenue	0.0	0.0	0.0	0.0
<b>Total</b>	<b>2,355.0</b>	<b>100.0</b>	<b>2,550.9</b>	<b>100.0</b>

\* Taxes on exports Includes excise duties, effective FY 19/20



taxes declined by \$1.3 million (7.1%) to \$17.3 million. Similarly, collections from specific taxes—mainly gaming—decreased by \$8.2 million (16.9%) to \$40.3 million compared to the prior year.

With regard to the remaining categories, proceeds from property taxes moved higher by \$28.1 million (19.2%) to \$174.3 million. Further, revenue from taxes on international trade expanded by \$16.8 million (3.0%) to \$578.0 million, reflective of the ongoing strengthening in economic activities. In particular, departure taxes increased by \$15.6 million (11.0%) to \$158.0 million, reflective of healthy gains in travel activities. Further, receipts from customs & other import taxes rose by \$8.7 million (4.2%) to \$213.5 million; however, taxes on exports fell by \$7.5 million (3.5%) to \$205.9 million, while other “miscellaneous” taxes stabilized at \$0.6 million, relative to the preceding year. In an offset, collections from general stamp taxes reduced by \$0.8 million (11.5%) to \$6.0 million from the previous year.

Non-tax receipts, at 10.0% of total revenue, decreased by \$20.2 million (7.3%) to \$256.0 million. Contributing to this development, property income declined by \$6.2 million (15.7%) to \$33.1 million, explained by a falloff in collections of interest & dividends (18.6%) and Government property (11.8%) receipts. Similarly, revenue from reimbursements & repayments fell by \$13.9 million (41.5%) to \$19.7 million, while revenue from “miscellaneous” and unidentified sources reduced to \$1.1 million, from \$26.7 million in the prior year. In contrast, revenue from the sale of goods and services rose by \$23.8 million (13.8%) to \$195.9 million, largely attributed to a rise in collections from fees and service charges (11.3%) and other miscellaneous sales (44.9%). Further, proceeds from fines, penalties and forfeitures grew by \$0.9 million (21.4%) to \$5.0 million, while receipts from sales of other non-financial assets increased more than three-fold to \$1.3 million from \$0.5 million a year earlier.

#### **EXPENDITURE**

The expansion in total expenditure reflected an \$85.0 million (3.6%) rise in current spending to \$2,472.1 million. Further, capital outlays grew by \$42.2 million (19.7%) to \$256.8 million.

By economic classification, the growth in current outlays was led by a \$39.6 million (6.0%) increase in payments for employee compensation, to \$699.7 million. Likewise, disbursements for the use of goods & services rose by \$12.5 million (2.7%) to \$480.2 million, while, interest payments on public debt grew by \$32.2 million (7.0%) to \$494.5 million, largely attributed to higher internal debt obligations. In addition, allocations for social benefits advanced by \$20.7 million (11.0%) to \$209.2 million, and grants by \$2.7 million (44.6%) to \$8.8 million. Conversely, outlays for subsidies decreased by \$17.8 million (4.8%) to \$350.7 million, largely on account of a falloff in disbursements to public entities. Similarly, spending for “other miscellaneous” payments reduced by \$4.9 million (2.1%) to \$229.0 million, owing primarily to a decline in outlays for other current transfers, by \$10.0 million (5.6%), which overshadowed the \$5.2 million (9.7%) rise in insurance premiums.

The growth in capital expenditure reflected in large measure a \$33.8 million (18.9%) increase in the acquisition of non-financial assets to \$213.2 million, explained by a rise in spending on other assets and on roads, airports and other structures. In addition, capital transfers rose by \$8.4 million (23.8%) to \$43.6 million.

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

Budgetary financing for the first ten months of FY2023/24 was predominantly from domestic sources. Specifically, internal borrowings amounted to \$2,510.2 million, and comprised of local loans & advances (\$1,203.2 million), Government bonds (\$786.2 million), net Treasury bills/notes (\$286.2 million) and internal



foreign currency loans (\$234.6 million). External borrowings totaled \$811.9 million, also with significant refinancing components, consisted largely of two commercial loans (US\$500.0 million & eur226.0 million), a new (\$50.0 million) multilateral facility and drawdowns on other existing facilities. Debt repayment for the period totaled \$3,753.6 million, with the largest portion (58.2%) retiring Bahamian dollar obligations.

As a result of these developments, during the second quarter, the Direct Charge on the Government decreased by \$200.7 million (1.7%) over the quarter, but grew by \$54.2 million (0.5%), year-on-year, to \$11,313.8 million. Disaggregated by currency, Bahamian dollar debt represented 52.6% of the total, while foreign currency liabilities accounted for the remaining 47.4%.

A further breakdown by creditor revealed that private (non-financial) and institutional investors held the largest share of local currency debt (42.3%), followed by banks (40.1%), the Central Bank (10.7%) and public corporations (6.9%). A disaggregation by instrument type, showed that Government bonds constituted the majority of the domestic currency liabilities (74.3%) and featured an average maturity of 9.1 years, vis-à-vis 9.6 years in 2023. In addition, Treasury bills & notes and loans & advances represented smaller shares of 19.1% and 6.6%, respectively.

The Government’s contingent liabilities declined by \$3.7 million (1.1%) over the review quarter and by \$50.6 million (13.0%), on an annual basis, to \$339.0 million. As a consequence, the National Debt, inclusive of contingent liabilities, contracted by \$204.4 million (1.7%) over the three-month period, but rose by a muted \$3.6 million (0.03%) on an annual basis, to \$11,652.8 million as at end-June, 2024.

As a ratio to GDP, the Direct Charge decreased by an estimated 2.7 percentage points on a yearly basis, to 77.6% at end-June. In addition, the National Debt-to-GDP ratio declined to an estimated 79.9%, compared to 83.0% in the second quarter of 2023.

Estimates of the Debt-to-GDP Ratios			
	June (%) <sup>1</sup>		
	2022 <sub>p</sub>	2023 <sub>p</sub>	2024 <sub>p</sub>
<b>Direct Charge</b>	87.0	80.3	77.6
<b>National Debt</b>	90.2	83.0	79.9
<b>Total Public Sector Debt*</b>	92.6	85.7	82.4

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

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

<sup>1</sup> *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*

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

### **PUBLIC SECTOR FOREIGN CURRENCY DEBT**

The public sector foreign currency debt reduced by \$153.8 million (2.6%) to \$5,725.3 million during the review quarter, and by \$55.4 million (1.0%) vis-à-vis the same period last year. Specifically, amortization payments of \$152.7 million, overshadowed new drawings of \$4.3 million. A disaggregation by components revealed that the Government’s outstanding liabilities, at 93.6% of the total, decreased by \$97.1 million (1.8%) to \$5,358.8 million on a quarterly basis. Reflecting the assumption and a conversion to local currency of a US\$45.5 million external facility by a resident financial institution, public corporations’ debt stock also fell by \$56.7 million (13.4%), to \$366.5 million vis-à-vis the prior quarter.

In comparison to the same quarter of 2023, total foreign currency debt service payments expanded by \$44.0 million (17.4%) to \$297.1 million. Leading this outturn, the public corporations' debt service payments grew by \$42.9 million to \$64.2 million, as amortization payments rose by \$44.4 million to \$56.7 million, while interest charges decreased by \$1.4 million to \$7.5 million. In addition, Government's debt service payments increased by \$1.1 million to \$232.9 million, as interest charges advanced by \$16.2 million to \$136.9 million; however, amortization payments fell by \$15.2 million to \$96.0 million. As a result of these developments alongside improved exports, the debt service ratio firmed to 15.8% at end-June, from 14.9% in 2023.

A breakdown by creditor profile indicated that capital market investors held the largest share of the foreign currency debt (44.7%), followed by financial institutions (25.4%), multilateral institutions (23.6%), Central Bank (4.0%), domestic banks (1.5%) and bilateral agencies (0.8%). A disaggregation by currency type showed that, the majority of the debt stock was denominated in United States dollars (84.1%), with smaller portions in euro (7.2%), IMF SDRs (6.5%), the Swiss franc (1.3%), and the Chinese yuan (0.8%). At June-end, the average maturity of the outstanding foreign currency debt stood at 8.0 years, unchanged from the 8.0 years in the comparative 2023 period.

### **2024/2025 BUDGET HIGHLIGHTS**

The Government's Budget for FY2024/2025 themed "Changing the Status Quo" was presented in Parliament on May 29, 2024, and approved in June. The Budget focuses on encouraging economic activity, offsetting rising living costs, and supporting national security interests. Other goals included healthcare initiatives, housing and infrastructural developments and investment.

In terms of revenue measures, general tax rates were maintained to counter the rising cost of living. Similarly, custom duty concessions were also introduced for fishing, manufacturing, and the creative arts. However, some Government service fees were expected to adjust higher. The Government expects to generate more revenue from interventions to sustain strengthening economic activity and improved revenue administration efforts.

Based on the various announced measures and the ongoing improvements in the domestic economy, total revenue is forecasted to increase by 6.7% to \$3.5 billion in FY2024/25, higher than the estimated \$3.3 billion for FY2023/24, largely attributed to a rise in proposed tax collections.

A disaggregation of revenue categories revealed that, tax receipts, which constituted 88.7% of the forecast, are projected to expand by \$223.9 million (7.7%) to 3,142.6 million, vis-à-vis the FY2023/24 Budget. In contrast, non-tax revenue is forecasted to decline to \$394.4 (0.8%) from \$397.5 million, owing to predicted reductions in other "miscellaneous" sources and dividend income.

A breakdown of the tax revenue components showed that, taxes on goods & services are projected to increase by \$59.3 million (3.0%) to \$2,066.1 million. Underlying this outturn, taxes on use & permission of use goods are targeted to move higher by \$107.5 million (45.8%) to \$342.3 million. This category comprised forecasted rise in proceeds from business license, by \$84.4 million (53.5%) to \$242.1 million, motor vehicle, by \$8.8 million (20.8%) to \$51.2 million, marine license, by \$8.1 million (76.3%) to \$18.8 million and company taxes, by \$6.1 million (25.3%) to \$30.2 million. Further, receipts from stamp taxes on financial and realty transactions are anticipated to grow by \$27.1 million (23.6%) to \$141.9 million and excise taxes by \$1.4 million (59.1%) to \$3.8 million. In an offset, collections from the dominant VAT component are expected to

be lower by \$75.8 million (4.8%) at \$1,515.6 million, vis-à-vis the FY2023/24 budgeted amount, and taxes on specific services—mostly gaming—by \$0.9 million (1.5%) at \$62.3 million.

With regard to the other categories, taxes on international trade & transactions are slated to expand by \$122.0 million (17.2%) to \$830.5 million, owing largely to anticipated gains in customs & other import duties, by \$44.8 million (17.9%) to \$295.3 million, departure taxes, by \$41.9 million (21.0%) to \$241.3 million, and taxes on exports, by \$35.1 million (13.6%) to \$293.0 million.

Likewise, revenue from taxes on property are targeted to advance by \$34.7 million (17.8%) to \$230.0 million, primarily driven by expansion in foreign owned undeveloped land (38.2%) and owner-occupied property taxes (16.7%). In addition receipts from general stamp taxes are estimated to increase almost twofold to \$16.1 million from \$8.1 million in the prior year's budgeted amount.

Approved expenditure allocations grew by \$163.0 million (4.7%) to \$3,613.1 million, relative to the previous year's budget. It comprised a forecasted \$183.1 million (5.9%) growth in current outlays to \$3,268.6 million. In contrast, planned capital spending reduced by \$20.1 million (5.5%) to \$344.5 million, compared to the preceding year's budgeted amount.

By economic categorization, the slated growth in current expenditure included a budgeted \$58.6 million (9.3%) rise in allocations for use of goods and services. In addition, disbursements for interest payments are projected to increase by \$44.0 million (7.2%) to \$656.7 million, occasioned by higher interest payments on external debt obligations. Further, outlays for other "miscellaneous" payments are predicted to move higher by \$27.4 million (8.2%) to \$361.1 million, social assistance benefits, by \$15.7 million (6.6%) to \$252.2 million, subsidies, by \$3.7 million (0.9%) to \$411.8 million and grants, by \$1.1 million (11.7%) to \$10.7 million.

The budgeted decrease in capital expenditure reflected a targeted reduction in allocations for capital transfers, by \$12.0 million (10.6%) to \$101.2 million. In addition, a planned decline in disbursements for the acquisition of non-financial assets are expected to move lower, by \$8.1 million (3.2%) to \$243.3 million.

Against this backdrop, the fiscal deficit is projected to reduce to \$69.8 million for FY2024/25, relative to FY2023/24 budgeted \$131.1 million. This represented an estimated lower budgeted deficit to GDP ratio of 0.5% for FY2024/25 from the planned 0.9% of GDP for FY2023/24. Correspondingly, the National Debt to GDP ratio is forecasted to be lower at 75.3% for FY2024/25 from the budgeted 80.6% for FY2023/24.

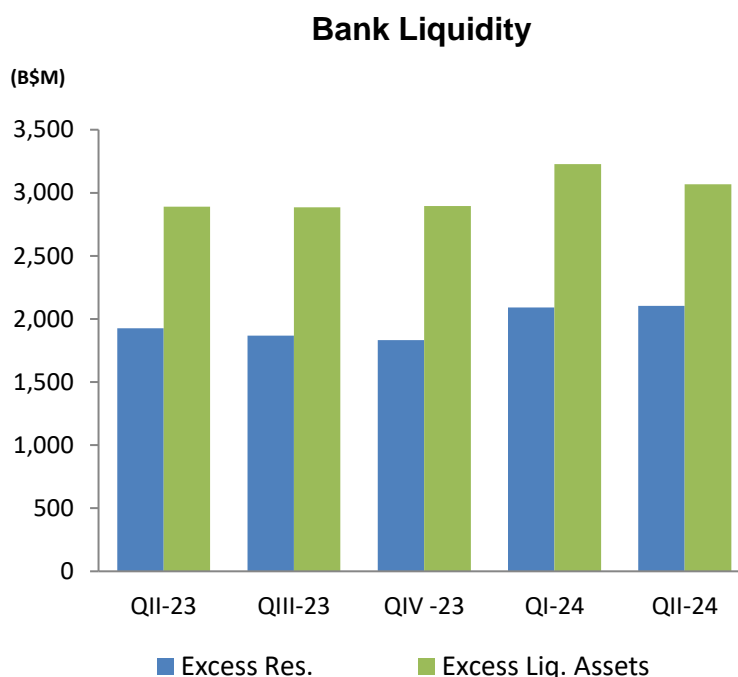
## **MONEY, CREDIT AND INTEREST RATES**

### **OVERVIEW**

Monetary developments during the second quarter of 2024 were underpinned by an expansion in banking sector liquidity, as the reduction in domestic credit outpaced the falloff in the local currency deposit base. Meanwhile, the buildup in the financial system's net foreign assets slowed, vis-à-vis the prior year, largely reflecting the seasonal fluctuations in net foreign currency inflows from real sector activity. In this environment, banks' credit quality indicators improved during the review quarter, buoyed by the sustained strengthening in the domestic economy and ongoing loan write-offs. Further, banks profitability indicators for the first quarter of 2024—the latest period for which data is available—revealed a rise in banks' overall net income, owing in part to a decrease in bad debt provisioning. Meanwhile, the weighted average interest rate spread remained relatively unchanged, as both the mean lending and deposit rates grew.

## LIQUIDITY

During the second quarter, net free cash reserves of the banking sector grew by \$13.4 million (0.6%) to \$2,103.4 million, contrasting with a \$0.4 million decline in the same period last year. Correspondingly, the ratio of net free cash reserves to Bahamian dollar deposit liabilities firmed to 24.7% at end-June, from 23.1% in the prior year. Largely reflective of a falloff in banks' deposit balances held with the Central Bank, broader surplus liquid assets fell by \$160.2 million (5.0%), a switch from a \$92.5 million (3.3%) accumulation the year earlier. At end-June 2024, the surplus liquid assets exceeded the statutory minimum by approximately 202.2%, as compared to 195.2% in the corresponding period of 2023.



## DEPOSITS AND MONEY

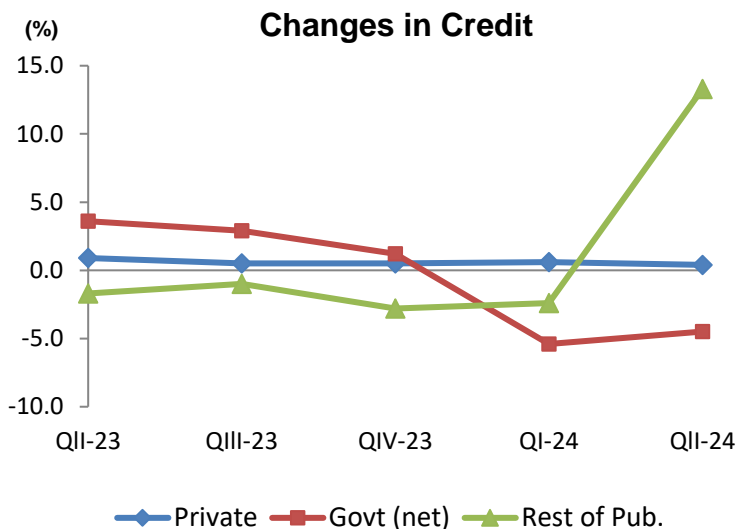
Overall money supply (M3) contracted by \$107.8 million (1.2%) in the second quarter, a switch from the year earlier \$231.3 million (2.6%) accumulation, placing the total stock at \$9,254.4 million. A breakdown by component showed that narrow money (M1) reduced by \$56.3 million (1.3%), a reversal from the \$106.2 million (2.5%) gain in the previous year. Leading this outturn, demand deposits decreased by \$59.5 million (1.5%), a shift from a \$101.6 million (2.7%) buildup last year, mainly on account of a falloff in non-private placements. Further, the growth in currency in active circulation slowed to \$3.2 million (0.7%), from \$4.6 million (1.1%) a year earlier. In addition, broad money (M2) declined by \$67.7 million (0.8%), a turnaround from a \$145.2 million (1.7%) expansion in the prior year. In particular, fixed deposits decreased by \$29.7 million (1.5%), extending the year earlier \$23.6 million (1.1%) reduction. The accumulation in savings balances also moderated to \$18.3 million (0.8%) from \$62.6 million (2.9%) in the preceding year. Further, residents' foreign currency deposit balances reduced by \$40.1 million (7.5%), as opposed to an \$86.0 million (17.0%) accretion in the comparable period of 2023.

An analysis by category showed that Bahamian dollar demand deposits constituted the largest share of the money stock at 42.8%, followed by savings (25.8%), and fixed deposits (21.1%). Residents' foreign currency deposits and currency in active circulation.

## DOMESTIC CREDIT

During the second quarter, total domestic credit contracted by \$78.9 million (0.8%), a reversal from a \$159.6 million (1.7%) growth in the same period last year, and an average quarterly gain of 0.5% in the preceding five-year period. Specifically, outstanding Bahamian dollar credit, at 92.5% of the total, decreased by \$69.3 million (0.8%), a switch from a \$163.3 million (1.9%) buildup in the prior year. Further, the falloff in foreign currency credit extended to \$9.7 million (1.4%) from \$3.8 million (0.6%) in 2023.

A disaggregation by sector revealed that net claims on the Government reduced by \$145.6 million (4.5%), a shift from a \$114.5 million (3.6%) expansion in the year prior. This follows an average quarterly increase of 1.7% over the last five years. In contrast, credit to the rest of the public sector grew by \$42.3 million (13.3%), a reversal from a \$5.8 million (1.7%) moderation in the previous year. Further, private sector credit grew by \$24.3 million (0.4%), although a slowdown from the \$50.9 million (0.9%) growth last year.



A decomposition of the various private sector components showed that personal loans—which comprised the bulk of private sector credit at 73.6%—rose by \$28.0 million (0.6%), a turnaround from a \$1.2 million falloff in the prior year, and a 0.3% average quarterly decline over the past five years. In the underlying transactions, consumer loans advanced by \$33.0 million (1.7%), exceeding the \$7.8 million (0.4%) gain in the preceding year. In addition, overdrafts grew by \$6.2 million (16.6%), contrasting with a \$19.9 million (40.3%) reduction a year earlier. However, residential mortgages fell by \$11.3 million (0.4%), overturning the \$10.9 million (0.4%) growth last year.

A detailed breakdown of Bahamian dollar consumer credit revealed net repayments for home improvements (\$0.9 million), travel (\$0.7 million), education (\$0.7 million) and commercial vehicles (\$0.2 million). More muted declines of less than \$0.1 million were recorded for medical and taxis & rented cars. Conversely, credit balances rose for private cars (\$12.7 million), debt consolidation (\$10.0 million), land purchases (\$3.7 million), credit cards (\$1.4 million), and “miscellaneous” purposes (\$1.1 million).

Distribution of Bank Credit By Sector (End-Jun.)				
	2024		2023	
	B\$M	%	B\$M	%
Agriculture	0.7	0.0	1.3	0.0
Fisheries	1.9	0.0	1.9	0.0
Mining & Quarrying	1.9	0.0	2.3	0.0
Manufacturing	50.5	0.8	47.7	0.7
Distribution	317.3	5.0	327.1	5.0
Tourism	59.4	0.9	53.0	0.8
Enter. & Catering	28.5	0.4	25.9	0.4
Transport	67.4	1.1	65.3	1.0
Construction	311.9	4.9	307.5	4.7
Government	517.9	8.1	678.2	10.4
Public Corps.	142.5	2.2	102.7	1.6
Private Financial	45.5	0.7	45.1	0.7
Prof. & Other Ser.	85.4	1.3	59.5	0.9
Personal	468.0	7.3	4,705.8	72.3
Miscellaneous	90.7	1.4	88.3	1.4
<b>TOTAL</b>	<b>6,397.5</b>	<b>34.2</b>	<b>6,511.5</b>	<b>100.0</b>

The remaining private sector credit trends showed that net lending increased for construction (\$15.2 million), manufacturing (\$2.9 million), and transport (\$1.3 million). In contrast, credit balances declined for distribution (\$15.0 million), miscellaneous purposes (\$6.8 million), professional & other services (\$3.3 million), entertainment & catering (\$1.1 million), and tourism (\$0.6 million).

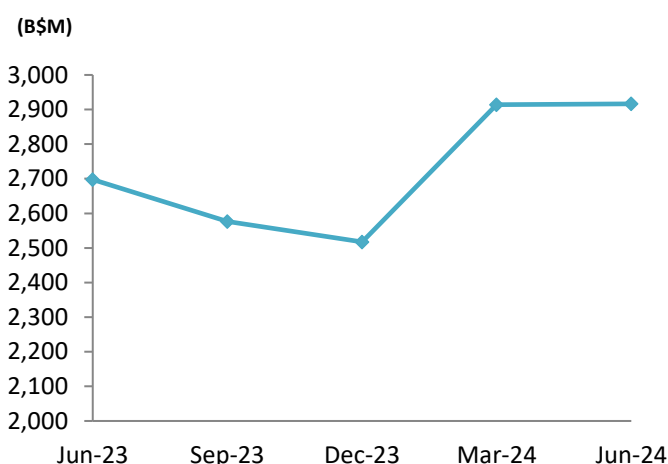
### MORTGAGES

Data obtained from domestic banks, insurance companies, and the Bahamas Mortgage Corporation showed that the total value of outstanding mortgages rose by \$11.2 million (0.4%) to \$2,877.1 million during the second quarter, a shift from an \$8.4 million (0.3%) falloff in the same period of 2023. The residential component—which comprised 93.3% of total mortgages—grew marginally by \$1.9 million (0.1%), a reversal from a \$2.5 million (0.1%) falloff a year earlier, registering an end-balance of \$2,684.4 million. Similarly, the commercial component moved higher by \$9.3 million (5.0%), a turnaround from a \$5.9 million (2.9%) reduction in the previous year. At end-June, domestic banks held the largest share of outstanding mortgages (86.5%), followed by the Bahamas Mortgage Corporation (7.1%), and insurance companies (6.4%).

### THE CENTRAL BANK

During the second quarter, underpinned by a decrease in loans and advances and Treasury bill holdings, the Central Bank’s net claims on the Government contracted by \$110.9 million (14.7%) to \$645.0 million, contrasting with a \$32.4 million (4.2%) growth in the prior year. This compares with an average quarterly increase of \$38.2 million (14.3%) over the past five years. Similarly, the Bank’s net liabilities to commercial banks declined by \$138.8 million (5.5%), a turnaround from a \$10.4 million (0.5%) expansion in the previous year, mainly reflecting a reduction in deposits. Further, the Bank’s net liabilities to the rest of the public sector held steady at \$6.4 million.

**External Reserves**



The growth in external reserves tapered to \$2.5 million (0.1%) from \$29.6 million (1.1%) in the same period last year, bringing the total stock to \$2,916.5 million. In the underlying transactions, the Central Bank recorded a net foreign currency sale of \$15.4 million, a switch from net purchases of \$19.8 million in the comparable period of the previous year. Contributing to this outturn, the Bank’s net purchase from commercial banks reduced to \$67.3 million from \$118.6 million in the prior year. Further, the Bank’s net outflows to public corporations—mainly for fuel purchases—advanced to \$131.6 million from \$109.3 million during the same period last year. Conversely, net inflows from the Government expanded to \$48.8 million from \$10.5 million a year earlier.

At end-June, the stock of external reserves stood at 34.6 weeks of the current year’s total merchandise imports (including oil purchases), relative to 32.1 weeks in the comparative 2023 period. After adjusting for the 50.0% statutory requirement on the Bank’s demand liabilities, “useable” reserves strengthened by \$43.2 million (3.3%) to \$1,367.7 million, vis-à-vis the same period last year.



## DOMESTIC BANKS

Total net foreign liabilities of the domestic banking system expanded to \$148.9 million at end-June, from \$130.1 million in the previous quarter, and \$73.9 million in the comparable period last year.

During the second quarter, the growth in domestic banks' credit slowed notably to \$32.0 million (0.4%) from \$127.3 million (1.5%) a year earlier. Specifically, net claims on the Government fell by \$34.7 million (1.4%), a reversal from an \$82.1 million (3.4%) buildup in the prior year, amid declines in Treasury bills and loans and advances. In addition, gains in private sector credit moderated to \$24.3 million (0.4%), from \$50.9 million (0.9%) in the prior year. In contrast, credit to the rest of the public sector grew by \$42.4 million (13.6%), a shift from last year's \$5.8 million (1.7%) falloff.

Banks' total resident deposit liabilities—including Government balances—contracted by \$120.0 million (1.3%) to \$9,020.5 million, a turnaround from a \$193.7 million (2.2%) accumulation in the previous year. Contributing to this outturn, total private sector deposits reduced by \$75.9 million (0.9%), a switch from a \$225.4 million (2.7%) expansion in the preceding year. In addition, deposits for the public sector declined by \$24.8 million (11.0%), a reversal from an \$89.2 million (35.3%) increase in the comparable 2023 period. Similarly, the reduction in Government balances extended to \$19.2 million (7.1%), from \$13.1 million (5.4%) a year earlier.

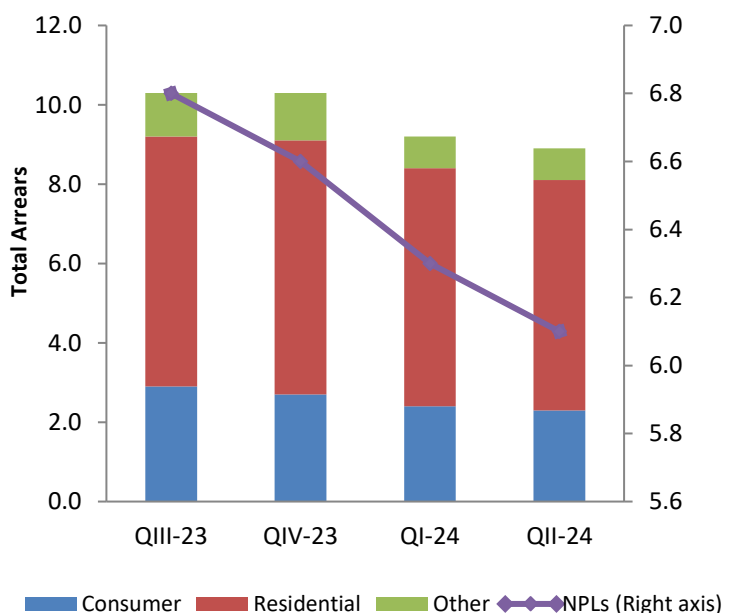
At end-June, the majority of banks' deposit liabilities were denominated in Bahamian dollars (94.3%), with foreign currency deposits representing the bulk of the remainder. A disaggregation by holder showed that private individuals held the largest share of total local currency accounts at 52.7%, followed by business firms (31.7%), private financial institutions (6.2%), the public sector (4.9%), and other "miscellaneous" entities (4.5%).

A breakdown by deposit category revealed that demand balances represented the largest share of deposit accounts, at 48.4%, followed by savings (28.0%), and fixed (23.6%) deposits. Analyzed by range of value and number, Bahamian dollar balances of \$10,000 or less constituted the bulk of accounts (87.3%), but comprised only 5.7% of the total value. Accounts with balances between \$10,000 and \$50,000 represented 8.3% of the facilities and 10.6% of the overall value, while deposits in excess of \$50,000 accounted for 4.4% of the accounts, but 83.7% of the aggregate value.

## CREDIT QUALITY

Banks' credit quality indicators improved over the review quarter, reflecting the sustained gains in economic activity. Total private sector loan arrears decreased by \$16.9 million (3.3%) over the quarter, and by \$87.3 million (15.1%) on an annual basis, to

**Loan Arrears as % of Total Private Sector Loans**





\$491.8 million. Correspondingly, the ratio of arrears to total private sector loans narrowed on a quarterly basis, by a 0.4 percentage point, and year-on-year, by 1.9 percentage points, to 8.9% of total private sector loans.

A disaggregation by age of delinquency indicated that non-performing loans (NPLs)—arrears in excess of 90 days and on which banks have stopped accruing interest—declined by \$11.1 million (3.2%) to \$335.7 million over the quarter, with the associated arrears to loans ratio lower by 27 basis points at 6.1% of total private sector loans. Similarly, short-term (31-90 days) delinquencies fell by \$5.8 million (3.6%) to \$156.1 million over the quarter, resulting in a 14 basis point softening in the attendant ratio to 2.8%.

The quarterly reduction in total private sector loans arrears was led by a \$12.5 million (3.8%) decline in the mortgage component, as the corresponding ratio fell by 51 basis points to 12.8% of total private sector loans. Similarly, consumer delinquencies reduced by \$4.2 million (3.1%), with the relevant ratio tapering by 31 basis points to 6.5% of total private sector loans. In addition, commercial arrears edged down by \$0.2 million (0.5%), lowering the attendant ratio by 17 basis points to 4.2% of total private sector loans. Meanwhile, the NPL rate for mortgages fell to 8.5% from 9.6% in the preceding year. Further, the rate for consumer loans decreased to 4.3% from 5.7% in 2023 and for commercial credits, to 3.7% from 5.2% in the previous year.

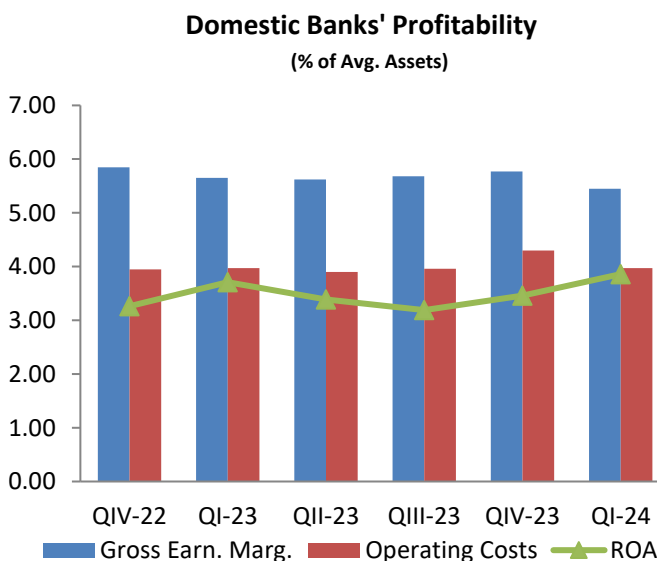
### PROVISIONS AND CAPITAL ADEQUACY

In line with the improvement in banks’ credit quality indicators, banks reduced their provisions for loan losses by \$6.7 million (2.1%) to \$315.1 million over the second quarter. However, the ratio of total provisions to total arrears rose by 82 basis points to 64.1%. In addition, the ratio of total provisions to total NPLs increased by 1.1 percentage points to 93.9%. Meanwhile, banks wrote-off an approximately \$18.1 million in bad loans, and recovered an estimated \$13.9 million, during the review quarter.

During the second quarter, banks maintained robust capital levels, although the average ratio of capital to risk-weighted assets decreased by 20 basis points to 34.4%. The ratio remained well in excess of the minimum regulatory prescribed target of 17.0%.

### BANK PROFITABILITY

During the first quarter of 2024—the latest period for which data is available—banks’ net income rose by \$9.2 million (8.5%) to \$116.8 million, vis-à-vis the same period of 2023, due largely to gains in non-interest income and lessened bad debt expenses. The net interest margin edged up by \$0.5 million (0.4%) to \$149.1 million, attributed to a \$1.0 million (0.6%) increase in interest income, which outweighed the \$0.4 million (4.7%) rise in interest expense. Further, interest from commission and foreign exchange fees grew by \$0.6 million (4.0%), contributing to a \$1.2 million (0.7%) growth in the gross earnings margin, to \$165.2 million.



As it pertains to non-interest expense, banks' operating outlays moved higher by \$5.0 million (4.4%) to \$120.4 million. Specifically, non-staff related operating costs—including professional and rental expenses—rose by \$4.6 million (6.4%) to \$77.2 million. Similarly, staff costs increased by \$1.8 million (4.6%) to \$41.1 million. However, occupancy costs fell by \$1.4 million (40.4%) to \$2.0 million. Further, banks' other net earnings on their "non-core" activities moved higher by \$13.0 million (22.1%) to \$72.0 million, as provisions for bad debt fell by \$5.6 million to \$9.3 million. Meanwhile, non-interest earnings grew by \$8.7 million (14.4%) to \$68.9 million, and depreciation costs, by \$1.2 million (24.8%) to \$6.2 million.

An analysis of profitability ratios, also showed overall gains. As a percentage of average assets, the gross earnings margin narrowed by 20 basis points to 5.45%, as the interest margin fell by the same magnitude to 4.92%, while the commission and foreign exchange income ratio moved lower by 1 basis point to 0.53%. Further, banks' net earnings margin decreased by 20 basis points to 1.48%, although the operating costs ratio stabilized at 3.97%. However, after allowing decreased contribution from other income sources, net of depreciation and bad debt expenses, the net income ratio widened by 14 basis points to 3.86%.

### INTEREST RATES

During the second quarter, the weighted average interest rate spread edged up by a 1 basis point to 10.13%. Contributing to this outturn, the weighted mean lending rate firmed by 15 basis points to 10.74% and the weighted average deposit, by 14 basis points to 0.61%.

The increase in the average loan rate was led by the 40 basis points rise in the lending rate for commercial mortgages, to 7.01%. In addition, the rate for consumer loans rose by 33 basis points to 13.02%. In contrast, the rates for overdrafts fell by 93 basis points to 9.39% and residential mortgages, by 6 basis points, to 5.11%.

With regard to deposits, the average rate on demand deposits remained unchanged at 0.25%. Conversely, the rate on savings deposits declined by 2 basis points to 0.26%. Meanwhile, the average range of interest offered on fixed balances shifted to 0.28%-1.58% from 0.26%-0.92%.

Banking Sector Interest Rates			
Period Average (%)			
	Qtr. IV 2023	Qtr. I 2024	Qtr. II 2024
<b>Deposit Rates</b>			
Demand Deposits	0.25	0.25	0.25
Savings Deposits	0.28	0.28	0.26
Fixed Deposits			
Up to 3 months	0.25	0.26	0.28
Up to 6 months	0.30	0.29	0.30
Up to 12 months	0.49	0.48	0.43
Over 12 months	0.96	0.92	1.58
<b>Weighted Avg. Dep. Rate</b>	<b>0.51</b>	<b>0.47</b>	<b>0.61</b>
<b>Lending Rates</b>			
Residential mortgages	5.14	5.17	5.11
Commercial mortgages	6.67	6.61	7.01
Consumer loans	12.98	12.69	13.02
Other Local Loans	7.00	5.53	6.60
Overdrafts	10.47	10.32	9.39
<b>Weighted Avg. Loan Rate</b>	<b>11.02</b>	<b>10.60</b>	<b>10.74</b>

In other interest rates developments, the average Treasury bill rate moved lower by 5 basis points to 2.93%. Moreover, the Central Bank's Discount rate and the commercial banks' Prime rate held steady at 4.00% and 4.25%, respectively.

### CAPITAL MARKET DEVELOPMENTS

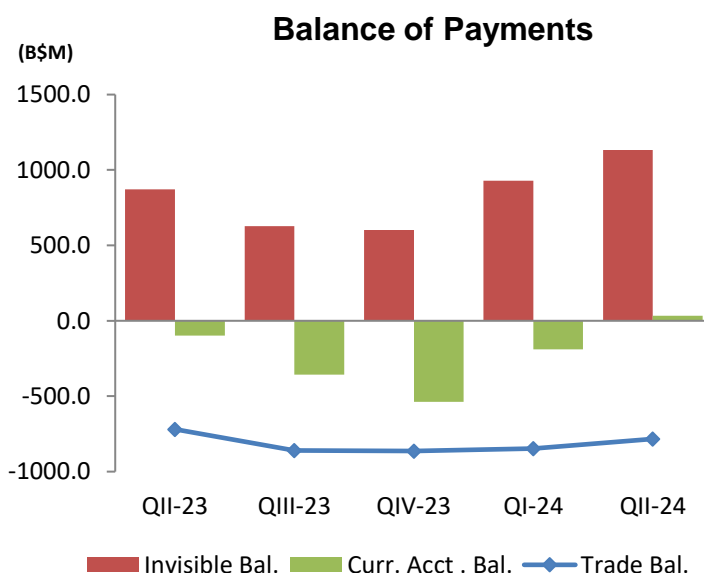
According to data from the Bahamas International Securities Exchange (BISX), capital market developments were positive over the review quarter. Specifically, the BISX All Shares Price Index appreciated by 0.2% during the second quarter, and by 15.1% relative to the same period last year to 2,943.54 points, at end-June.

Market capitalisation on the exchange, as at end-June increased by 0.2% to \$11.3 billion, vis-à-vis the previous quarter.

The volume of shares traded on the stock exchange increased sharply to 11.0 million from a mere 0.8 million in the previous quarter, and from 1.0 million in the comparable period of 2023. Correspondingly, the value of shares expanded by \$56.6 million on a quarterly basis, and by \$52.0 million on an annual basis, to \$67.0 million.

## INTERNATIONAL TRADE AND PAYMENTS

According to preliminary estimates for the second quarter of 2024, the current account position reversed to a surplus of \$33.4 million from a deficit of \$97.7 million in the comparative 2023 period. Underlying this outturn was a notable expansion in the services account surplus to \$1,132.2 million from \$872.3 million a year earlier, largely attributed to continued gains in net tourism receipts. Meanwhile, net financial account inflows, excluding reserve assets, declined to \$159.8 million from \$372.5 million in the preceding year, on account of a shift in “other investment” transactions to a net outflow from a net inflow in the comparative period last year.



The estimated merchandise trade deficit expanded by \$64.2 million (8.9%) to \$783.1 million during the review quarter, as the \$106.4 million (34.9%) contraction in exports to \$198.8 million, overshadowed the \$42.2 million (4.1%) reduction in imports to \$982.0 million. A breakdown of trade flows indicated that payments for fuel imports rose by \$36.9 million (13.5%) to \$309.0 million. An analysis of the fuel components revealed that the average per barrel price for gas oil grew by 17.5% to \$113.14; refined kerosene oil (jet-fuel), by 7.9% to \$147.30; and aviation gas, by 1.1% to \$264.63. Further, average costs increased for motor gas, by 0.9% to \$140.19 and for propane, by 0.6% to \$54.64. However, the average price per barrel for Bunker-C fuel fell by 53.3% to \$79.67.

During the second quarter, the estimated surplus on the services account widened by \$259.9 million (29.8%) to \$1,132.2 million. Contributing to this outturn, net travel receipts increased sharply by \$287.7 million (23.2%) to \$1,529.9 million, supported by robust tourism inflows. In addition, net payments for transportation services declined by \$11.7 million (12.3%) to \$83.3 million, reflective of decreases in both air and sea transport. In addition, net outflows reduced for insurance services, by \$4.8 million (7.5%) to \$59.3 million. Providing some offset, net payments grew for “other” business services, by \$39.1 million (26.6%) to \$185.8 million, and for telecommunications, computer and information services, by \$8.5 million (59.6%) to \$22.8 million. Net payments for construction services also edged up by \$0.2 million (1.2%) to \$17.3 million. Further, charges for the use of intellectual property rose by \$1.1 million (38.8%) to \$4.1 million. However, net outflows for Government goods and services decreased by \$4.6 million (15.6%) to \$25.0 million.

The primary income account deficit (dominated by investment income flows), grew by \$30.1 million (11.3%) to \$297.6 million. Underpinning this development, net investment income outflows moved higher by \$27.8 million (11.5%) to \$269.3 million. In particular, net outflows for direct investment—inclusive of dividends by banks—rose by \$17.5 million (20.8%) to \$101.8 million. In addition, net portfolio investment payments grew by \$16.8 million (14.2%) to \$134.7 million, while employees’ compensation advanced by \$2.3 million (9.0%) to \$28.3 million. In contrast, ‘other’ net investment income outflows—inclusive of interest and dividend payments by banks, other companies and the Government—declined by \$2.0 million (4.1%) to \$46.5 million.

The secondary income account position, which predominantly reflects net transfers, reversed to a deficit of \$18.1 million, from a surplus of \$16.4 million in the previous year. In particular, net payments for various non-financial corporations and households increased by \$8.2 million (28.4%) to \$37.1 million. Further, ‘other’ net current private transfer outflows rose to \$7.0 million from just \$0.8 million last year. In addition, general Government inflows were almost halved to \$26.1 million.

During the second quarter, similar to the preceding year, there were no estimated transfers to the capital account—which comprised financial corporations, non-financial corporations, households and non-financial institutions serving households (NPISHs).

During the second quarter of 2024, net financial inflows—indicating investments—decreased considerably to \$154.2 million from \$372.5 million in the previous year. Leading this outturn, “other investment” transactions reversed to a net outflow of \$308.2 million from a net inflow of \$458.2 million in the comparative 2023 period, as the net currency and deposits position shifted to a net outflow of \$269.0 million from a net receipt of \$232.8 million in the year prior. Likewise, the net acquisition of loans switched to a net repayment of \$159.3 million from a net inflow of \$193.8 million in 2023, owing mainly to net repayments by the Government and the private sector. However, net inflows from domestic banks’ related accounts receivable/payable expanded to \$122.6 million from \$36.2 million in the previous year. Meanwhile, net private direct investment inflows reduced to \$22.7 million, from \$69.4 million a year earlier, as receipts from net equity and investment fund shares fell to \$26.7 million from \$77.5 million last year, overshadowing the moderation in debt instruments net outflows to \$3.9 million from \$8.0 million the year prior. Providing some offset, the net portfolio investment position shifted to a net inflow of \$445.3 million from a net outflow of \$155.1 million in 2023, reflective of domestic banks’ net reduction in holdings of other Governments foreign debt securities, of \$491.2 million, following a net payment of \$135.0 million in the previous year. Meanwhile, net outflows of equity and investment fund share transactions more than doubled to \$45.9 million from \$20.2 million in the preceding year. Further, due to valuation changes in the IMF Special Drawing Rights (SDRs) allocations, a lower net outflow of \$2.6 million was reported for the review quarter, from \$4.5 million in the prior year.

In line with these developments, and after adjusting for net errors and omissions, the surplus in reserve assets, which corresponds to the change in the Central Bank’s external reserves, decreased considerably to a mere \$1.3 million from \$29.1 million in the second quarter of 2023.

## **INTERNATIONAL ECONOMIC DEVELOPMENTS**

During the second quarter of 2024, the global economy sustained its positive growth trajectory, albeit amid outlook assessments that constrained from geopolitical tensions in Eastern Europe and the Middle East. While major central banks maintained some tightened monetary stances, the shift towards expected interest rate easing continued, as forecasts of inflation moderated.

During the second quarter, all of the major economies registered positive growth, despite continuing to face headwinds. In particular, in the United States, GDP grew by an annualized rate of 2.8%, extending the 1.4% growth in the prior quarter, attributed to a rise in consumer spending, private inventory investment and non-residential fixed investment. Similarly, Japan's real GDP expanded by 3.1%, a turnaround from a 0.5% contraction in the previous quarter, on account of an increase in private consumption. Meanwhile, in the United Kingdom, real output growth slowed to 0.6%, marginally lower than the previous quarter's 0.7% gain. Further, China's real output expansion moderated to an annualized rate of 4.7% from 5.3% in the first quarter. In addition, in the euro area, real output stabilized at 0.3% in the second quarter, vis-à-vis the prior quarter.

Labour market conditions continued to improve for the major economies during the second quarter. Specifically, the United Kingdom's unemployment rate declined by 10 basis points to 4.2%, relative to the prior quarter. Likewise, in the Asian countries, China and Japan's jobless rates reduced by 10 basis points each to 5.1% and 2.5%, respectively, from the previous quarter. Further, in the United States, non-farm payroll increased by 206,000, owing to job gains in Government, health care, social assistance and construction; while the unemployment rate stabilized at an average 4.1% during the review quarter. Similarly, in the euro area, the jobless rate held steady at 6.5% in the second quarter.

Inflationary pressures slowed for some of the major economies during the review quarter. Specifically, in the United States, the annualized inflation rate moderated to 3.0% in June, from 3.5% in the preceding quarter, largely attributed to a decrease in food and energy costs. In the United Kingdom, the annual inflation rate also declined to 2.8% in the review quarter, from 3.8% in the first quarter. In contrast, the euro area's annualized inflation rate edged up to 2.5% from 2.4% in the prior quarter, due to a rise in prices for food and services. In Asia, China's year-on-year inflation rate firmed to 0.2%, extending the 0.1% annualized increase in the preceding quarter. Meanwhile, Japan's consumer prices steadied at 2.6% during the second quarter.

In foreign currency market developments, the United States' dollar appreciated across most of the major currencies during the second quarter, buoyed by the continued strengthening in the US economy. Specifically, the dollar increased relative to the Japanese yen, by 6.3% to ¥160.88 and the Canadian dollar, by 1.0% to CAD\$1.37. Likewise, the dollar rose vis-à-vis the euro, by 0.7% to €0.93 and the Chinese Renminbi, by 0.6% to CNY7.27. In contrast, the dollar depreciated against the Swiss Franc, by 0.3% to CHF0.90 and the British pound, by 0.2% to £0.79.

Most of the major equity markets recorded losses during the review quarter. In particular, France's CAC 40 decreased by 8.9% and the German DAX, by 1.4%. Further, China's SE Composite and Japan's Nikkei declined by 2.4% and 1.9%, respectively. In the United States, the Dow Jones Industrial Average (DIJA) also fell by 1.7%. In an offset, the S&P 500 grew by 3.9% and the United Kingdom's FTSE 100 by 2.7%.

In the commodities market, reflective of the ongoing geopolitical tension in Eastern Europe and the Middle East, average crude oil prices increased by 10.8% to \$85.64 per barrel during the second quarter. In the precious metals market, the average price of gold grew by 18.2% to \$2,313.44 per troy ounce, and silver, by 20.4% to \$28.62 per troy ounce, during the review quarter.

Developments in the major economies' external sector were mixed during the second quarter. Specifically, in the United States, the trade deficit expanded by \$17.1 billion (8.3%) to \$222.8 billion, relative to the prior quarter, on account of a 3.1% growth in imports, which overshadowed the 1.7% rise in exports. Similarly, the United Kingdom's trade deficit increased more than two-fold to £13.3 billion in the second quarter from £6.2 billion in the first quarter, explained by an 11.6% expansion in imports, which outpaced the 4.5% gain in exports. Further, the euro area trade surplus moderated to €48.2 billion, from €57.5 billion in the preceding

quarter, as the 2.2% rise in imports, outstripped the 0.2% uptick in exports. Conversely, China's trade surplus grew by \$27.5 billion (10.8%) to \$254.1 billion during the second quarter, attributed to a 4.3% gain in exports, which outweighed the 1.7% growth in imports. Further, Japan's trade deficit reduced to ¥1,470.4 billion from ¥1,767.1 billion in the previous quarter, as the 8.8% expansion in exports exceeded the 7.0% increase in imports.

Amid slowly subsiding inflation and in an effort to further stimulate economic growth, most of the major central banks retained a posture towards interest rate reductions, although less changes occurred during the quarter, as policy makers closely monitored shorter fluctuations in price indicators. Specifically, the United States' Federal Reserve retained its target range for the Federal funds rate at 5.25%-5.50%. The Federal Reserve also continued to reduce its holdings of Treasury securities and agency debt, as well as mortgage-backed securities. Similarly, the Bank of England kept its main policy rate at 5.25%, while decreasing the Government's bond purchase programme to £696.0 billion. In Asia, the Bank of Japan maintained its policy rate at 0.0%, while the People's Bank of China kept its reverse repo rate at 1.8%, and conducted reverse repo operations during the quarter, in an attempt to stabilize banking system liquidity levels. Meanwhile, the European Central Bank lowered its key interest rates on main refinancing operations to 4.25% from 4.50%; the marginal lending facility, to 4.50% from 4.75%; and the deposit facility to 3.75% from 4.00%. Further, the Bank's asset purchase programme (APP) continued to decline, due to the discontinuation of reinvestments of principle payments for maturing securities.

## **STATISTICAL APPENDIX (TABLES I-I6)**



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

Period	2020	2021	2022	2023				2024	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>(B\$ Millions)</b>									
<b>Net foreign assets</b>	2,141.9	2,337.5	2,473.2	2,536.6	2,623.8	2,373.1	2,330.1	2,783.9	2,767.6
Central Bank	2,382.2	2,432.8	2,611.0	2,668.2	2,697.7	2,576.8	2,517.4	2,914.0	2,916.5
Domestic Banks	(240.2)	(95.2)	(137.8)	(131.5)	(73.9)	(203.7)	(187.3)	(130.1)	(148.9)
<b>Net domestic assets</b>	5,209.0	5,641.9	6,501.4	6,473.8	6,626.6	6,716.5	6,789.6	6,770.6	6,675.3
Domestic credit	8,614.4	8,929.0	9,312.5	9,264.4	9,423.9	9,547.9	9,608.6	9,453.5	9,374.5
Public sector	2,848.3	3,248.3	3,557.0	3,515.6	3,624.1	3,717.3	3,749.5	3,557.7	3,454.4
Government (net)	2,524.4	2,933.1	3,209.6	3,170.8	3,285.2	3,381.8	3,423.4	3,239.3	3,093.7
Rest of public sector	323.8	315.2	347.4	344.8	339.0	335.6	326.1	318.3	360.6
Private sector	5,766.1	5,680.7	5,755.5	5,748.8	5,799.8	5,830.6	5,859.1	5,895.8	5,920.2
Other items (net)	(3,405.4)	(3,287.1)	(2,811.2)	(2,790.5)	(2,797.2)	(2,831.4)	(2,819.0)	(2,682.8)	(2,699.2)
<b>Monetary liabilities</b>	7,864.2	8,227.1	8,990.0	9,021.2	9,252.4	9,083.4	9,110.1	9,368.8	9,261.2
Money	3,472.1	3,715.5	4,296.8	4,257.2	4,363.4	4,290.7	4,318.7	4,474.0	4,411.9
Currency	373.0	385.9	422.8	425.7	430.3	428.0	430.9	452.0	449.2
Demand deposits	3,099.1	3,329.6	3,874.0	3,831.5	3,933.1	3,862.7	3,887.8	4,022.0	3,962.6
Quasi-money	4,392.1	4,504.8	4,686.5	4,757.2	4,882.3	4,785.9	4,784.8	4,888.1	4,836.6
Fixed deposits	2,245.2	2,172.2	2,073.9	2,078.7	2,055.2	2,045.0	2,022.6	1,982.6	1,952.9
Savings deposits	1,788.4	1,885.0	2,089.0	2,172.3	2,234.9	2,233.7	2,261.7	2,367.5	2,385.8
Foreign currency	358.5	447.7	523.6	506.2	592.3	507.3	500.5	538.0	497.9
<b>(percentage changes)</b>									
<b>Total domestic credit</b>	(3.8)	3.7	4.3	(0.5)	1.7	1.3	0.6	(1.6)	(0.8)
Public sector	(7.1)	14.0	9.5	(1.2)	3.1	2.6	0.9	(5.1)	(2.9)
Government (net)	(3.7)	16.2	9.4	(1.2)	3.6	2.9	1.2	(5.4)	(4.5)
Rest of public sector	(27.2)	(2.7)	10.2	(0.7)	(1.7)	(1.0)	(2.8)	(2.4)	13.3
Private sector	(2.1)	(1.5)	1.3	(0.1)	0.9	0.5	0.5	0.6	0.4
<b>Monetary liabilities</b>	(0.4)	4.6	9.3	0.3	2.6	(1.8)	0.3	2.8	(1.1)
Money	6.9	7.2	15.6	(0.9)	2.5	(1.7)	0.6	3.6	(1.3)
Currency	10.7	5.3	9.4	0.7	1.1	(0.5)	0.7	4.8	0.7
Demand deposits	6.4	7.4	16.4	(1.1)	2.7	(1.8)	0.6	3.5	(1.5)
Quasi-money	(5.4)	2.6	4.0	1.5	2.6	(2.0)	(0.0)	2.2	(1.1)

**Source: Central Bank of The Bahamas**

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

Period	2020	2021	2022	2023				2024	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>(B\$ Millions)</b>									
<b>Net foreign assets</b>	2,520.0	2,680.0	2,869.3	2,919.2	3,028.8	2,783.0	2,746.2	3,033.2	2,992.3
Central Bank	2,382.2	2,432.8	2,611.0	2,668.2	2,697.7	2,576.8	2,517.4	2,914.0	2,916.5
Commercial banks	137.9	247.2	258.3	251.0	331.0	206.3	228.8	119.2	75.9
<b>Net domestic assets</b>	5,235.6	5,539.8	6,349.2	6,319.3	6,449.8	6,529.1	6,590.6	6,564.0	6,494.2
Domestic credit	8,546.6	8,884.5	9,209.0	9,173.8	9,320.9	9,431.6	9,481.4	9,331.0	9,264.2
Public sector	2,835.1	3,248.2	3,557.0	3,515.5	3,624.0	3,717.2	3,749.4	3,557.6	3,454.3
Government (net)	2,511.2	2,933.1	3,209.6	3,170.7	3,285.1	3,381.7	3,423.3	3,239.3	3,093.7
Rest of public sector	323.8	315.1	347.3	344.8	339.0	335.5	326.1	318.3	360.6
Private sector	5,711.6	5,636.3	5,652.0	5,658.3	5,696.9	5,714.4	5,732.0	5,773.3	5,809.8
Other items (net)	(3,311.0)	(3,344.7)	(2,859.9)	(2,854.5)	(2,871.1)	(2,902.5)	(2,890.8)	(2,766.9)	(2,770.0)
<b>Monetary liabilities</b>	7,754.6	8,211.9	8,977.8	9,007.9	9,238.0	9,071.5	9,096.8	9,357.1	9,240.3
Money	3,377.5	3,707.8	4,292.0	4,251.1	4,356.1	4,286.0	4,312.4	4,469.4	4,404.5
Currency	373.1	385.9	422.8	425.7	430.3	428.0	430.9	452.0	449.2
Demand deposits	3,004.4	3,321.9	3,869.2	3,825.4	3,925.8	3,858.0	3,881.5	4,017.4	3,955.2
Quasi-money	4,377.1	4,504.1	4,685.9	4,756.8	4,881.9	4,785.5	4,784.3	4,887.7	4,835.8
Savings deposits	1,788.4	1,885.0	2,089.0	2,172.3	2,234.9	2,233.7	2,261.7	2,367.5	2,385.8
Fixed deposits	2,230.8	2,172.2	2,073.9	2,078.7	2,055.2	2,045.0	2,022.6	1,982.6	1,952.9
Foreign currency deposits	357.9	446.9	522.9	505.8	591.8	506.9	500.1	537.6	497.2
<b>(percentage change)</b>									
<b>Total domestic credit</b>	(4.0)	4.0	3.7	(0.4)	1.6	1.2	0.5	(1.6)	(0.7)
Public sector	(7.1)	14.6	9.5	(1.2)	3.1	2.6	0.9	(5.1)	(2.9)
Government (net)	(3.6)	16.8	9.4	(1.2)	3.6	2.9	1.2	(5.4)	(4.5)
Rest of public sector	(27.2)	(2.7)	10.2	(0.7)	(1.7)	(1.0)	(2.8)	(2.4)	13.3
Private sector	(2.3)	(1.3)	0.3	0.1	0.7	0.3	0.3	0.7	0.6
<b>Monetary liabilities</b>	(0.8)	6.0	9.3	0.3	2.6	(1.8)	0.3	2.9	(1.2)
Money	6.0	10.0	15.7	(0.9)	2.5	(1.6)	0.6	3.6	(1.3)
Currency	10.7	5.3	9.4	0.7	1.1	(0.5)	0.7	4.8	0.7
Demand deposits	5.4	10.6	16.5	(1.1)	2.6	(1.7)	0.6	3.5	(1.5)
Quasi-money	(5.4)	2.9	4.0	1.5	2.6	(2.0)	(0.0)	2.2	(1.1)

Source: Central Bank of The Bahamas

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

Period	(B\$ Millions)								
	2020	2021	2022	2023				2024	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>Net foreign assets</b>	2,382.2	2,432.8	2,611.0	2,668.2	2,697.7	2,576.8	2,517.4	2,914.0	2,916.5
Balances with banks abroad	307.6	323.8	622.8	715.0	747.8	631.2	610.2	755.2	732.7
Foreign securities	1,867.6	1,663.1	1,795.2	1,759.7	1,760.1	1,759.9	1,720.1	1,976.5	2,005.0
Reserve position in the Fund	27.8	27.0	25.7	25.2	25.7	25.4	25.9	25.5	25.4
SDR holdings	179.2	418.9	167.3	168.2	164.2	160.3	161.2	156.7	153.5
<b>Net domestic assets</b>	(85.4)	192.7	481.0	462.2	443.4	493.2	571.0	459.0	318.4
Net claims on Government	172.8	457.9	790.6	772.6	805.0	801.7	886.8	755.9	645.0
Claims	252.5	620.9	882.9	871.4	869.3	876.7	947.8	925.4	878.7
Treasury bills	13.8	14.0	11.7	1.3	16.8	1.7	45.8	20.0	0.7
Bahamas registered stock	232.9	340.9	301.7	303.1	294.9	303.0	476.2	479.5	482.7
Loans and advances	5.8	266.1	569.5	566.9	557.6	572.0	425.8	426.0	395.3
Deposits	(79.7)	(163.0)	(92.3)	(98.8)	(64.4)	(75.0)	(61.0)	(169.5)	(233.7)
In local currency	(79.7)	(163.0)	(92.3)	(98.8)	(64.4)	(75.0)	(61.0)	(169.5)	(233.7)
In foreign currency	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(52.1)	(69.4)	(94.9)	(88.0)	(105.2)	(66.9)	(20.7)	(39.3)	(29.2)
Credit to commercial banks	-	-	-	-	-	-	-	-	-
Official capital and surplus	(239.4)	(241.0)	(241.5)	(239.0)	(241.8)	(244.1)	(243.0)	(243.3)	(238.7)
Net unclassified assets	26.6	38.1	19.9	9.5	(21.3)	(4.4)	(58.9)	(20.8)	(65.2)
Loans to rest of public sector	2.0	1.9	1.6	1.7	1.7	1.7	1.5	1.5	1.6
Public Corp Bonds/Securities	4.7	5.2	5.3	5.3	5.2	5.3	5.3	4.9	4.9
<b>Liabilities To Domestic Banks</b>	(1,744.5)	(1,814.0)	(2,262.4)	(2,293.2)	(2,303.6)	(2,239.1)	(2,246.6)	(2,515.4)	(2,376.6)
Notes and coins	(173.3)	(170.9)	(177.8)	(121.2)	(121.2)	(134.0)	(177.8)	(140.2)	(135.7)
Deposits	(1,571.2)	(1,643.1)	(2,084.6)	(2,171.9)	(2,182.4)	(2,105.0)	(2,068.8)	(2,375.2)	(2,240.9)
SDR allocation	(179.2)	(418.9)	(400.1)	(404.8)	(400.6)	(396.2)	(404.2)	(398.9)	(396.3)
Currency held by the private sector	(373.0)	(385.9)	(422.8)	(425.7)	(430.3)	(428.0)	(430.9)	(452.0)	(449.2)

Source: Central Bank of The Bahamas

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

Period	(BS Millions)								
	2020	2021	2022	2023				2024	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>Net foreign assets</b>	(240.2)	(95.2)	(137.8)	(131.5)	(73.9)	(203.7)	(187.3)	(130.1)	(148.9)
<b>Net claims on Central Bank</b>	1,745.5	1,815.0	2,263.3	2,286.6	2,301.6	2,228.4	2,247.5	2,516.6	2,377.5
Notes and Coins	173.3	170.9	177.8	121.2	121.2	134.0	177.8	140.2	135.7
Balances	1,572.1	1,644.1	2,085.5	2,165.3	2,180.4	2,094.3	2,069.7	2,376.5	2,241.8
Less Central Bank credit	-	-	-	-	-	-	-	-	-
<b>Net domestic assets</b>	5,689.0	5,841.0	6,114.6	6,093.2	6,245.9	6,303.9	6,370.2	6,258.6	6,340.7
Net claims on Government	2,351.6	2,475.2	2,419.0	2,398.2	2,480.2	2,580.1	2,536.6	2,483.4	2,448.7
Treasury bills	830.2	939.8	849.1	843.6	860.1	935.3	965.2	1,011.1	939.0
Other securities	907.5	926.5	1,091.4	1,098.6	1,171.1	1,180.5	1,150.7	1,186.6	1,242.2
Loans and advances	906.5	820.8	710.9	696.3	676.2	696.8	650.1	555.3	517.9
Less: deposits	292.5	211.9	232.3	240.3	227.2	232.5	229.4	269.6	250.5
Net claims on rest of public sector	72.2	103.8	114.9	85.2	95.5	75.5	97.8	86.3	153.5
Securities	226.1	230.6	229.8	229.6	229.3	218.7	214.2	212.8	211.7
Loans and advances	91.0	77.4	110.6	108.3	102.7	109.9	105.0	99.0	142.5
Less: deposits	244.9	204.3	225.6	252.6	236.6	253.1	221.5	225.6	200.7
Other net claims	2.7	(0.7)	(0.0)	(3.5)	0.8	(0.0)	1.1	20.4	1.3
Credit to the private sector	5,766.1	5,680.7	5,755.5	5,748.8	5,799.8	5,830.6	5,859.1	5,895.8	5,920.2
Securities	21.1	52.9	60.0	60.1	69.2	69.0	68.8	68.9	72.2
Mortgages	2,886.8	2,838.9	2,956.6	2,934.5	2,935.4	2,926.4	2,933.5	2,947.1	2,953.5
Loans and advances	2,858.2	2,788.9	2,738.9	2,754.1	2,795.2	2,835.1	2,856.7	2,879.8	2,894.5
Private capital and surplus	(2,438.5)	(2,342.1)	(2,218.7)	(2,162.9)	(2,187.8)	(2,185.7)	(2,241.3)	(2,232.0)	(2,231.5)
Net unclassified assets	(65.2)	(75.9)	43.9	27.4	57.4	3.5	117.1	4.8	48.6
<b>Liabilities to private sector</b>	7,194.2	7,560.7	8,240.1	8,248.2	8,473.6	8,328.7	8,430.3	8,645.2	8,569.3
Demand deposits	3,199.1	3,509.2	4,057.0	3,971.1	4,131.8	3,999.8	4,088.1	4,222.0	4,158.6
Savings deposits	1,822.3	1,924.2	2,125.6	2,211.2	2,267.9	2,267.8	2,294.4	2,401.6	2,422.6
Fixed deposits	2,172.8	2,127.3	2,057.5	2,065.9	2,073.9	2,061.1	2,047.9	2,021.6	1,988.1

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				2024
				Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
1. Interest Income	573,084	578,588	637,320	133,923	145,369	162,779	157,648	156,848	160,077	162,747	158,624
2. Interest Expense	40,060	36,870	37,156	9,388	9,066	9,048	9,121	9,143	9,377	9,515	9,554
<b>3. Interest Margin (1-2)</b>	<b>533,024</b>	<b>541,718</b>	<b>600,164</b>	<b>124,535</b>	<b>136,303</b>	<b>153,731</b>	<b>148,527</b>	<b>147,705</b>	<b>150,700</b>	<b>153,232</b>	<b>149,070</b>
4. Commission & Forex Income	50,545	58,154	65,290	15,306	13,785	15,646	15,552	16,492	16,821	16,425	16,178
<b>5. Gross Earnings Margin (3+4)</b>	<b>583,569</b>	<b>599,872</b>	<b>665,454</b>	<b>139,841</b>	<b>150,088</b>	<b>169,377</b>	<b>164,079</b>	<b>164,197</b>	<b>167,521</b>	<b>169,657</b>	<b>165,248</b>
6. Staff Costs	164,500	158,488	161,213	37,147	41,615	40,807	39,339	42,131	40,815	38,928	41,130
7. Occupancy Costs	15,191	13,138	11,271	3,229	2,525	4,360	3,419	2,402	2,380	3,070	2,037
8. Other Operating Costs	231,605	248,967	300,105	58,581	60,470	68,984	72,586	69,445	73,675	84,399	77,198
<b>9. Operating Costs (6+7+8)</b>	<b>411,296</b>	<b>420,593</b>	<b>472,589</b>	<b>98,957</b>	<b>104,610</b>	<b>114,151</b>	<b>115,344</b>	<b>113,978</b>	<b>116,870</b>	<b>126,397</b>	<b>120,365</b>
<b>10. Net Earnings Margin (5-9)</b>	<b>172,273</b>	<b>179,279</b>	<b>192,865</b>	<b>40,884</b>	<b>45,478</b>	<b>55,226</b>	<b>48,735</b>	<b>50,219</b>	<b>50,651</b>	<b>43,260</b>	<b>44,883</b>
11. Depreciation Costs	20,776	19,815	23,024	5,835	5,954	2,705	5,006	5,581	6,123	6,314	6,245
12. Provisions for Bad Debt	92,788	(15,807)	19,608	4,779	(20,935)	18,140	(3,759)	7,693	13,818	1,856	-9,341
13. Other Income	196,008	221,701	252,142	53,638	55,310	59,821	60,194	61,967	63,254	66,727	68,861
<b>14. Other Income (Net) (13-11-12)</b>	<b>82,444</b>	<b>217,693</b>	<b>209,510</b>	<b>43,024</b>	<b>70,291</b>	<b>38,976</b>	<b>58,947</b>	<b>48,693</b>	<b>43,313</b>	<b>58,557</b>	<b>71,957</b>
<b>15. Net Income (10+14)</b>	<b>254,717</b>	<b>396,972</b>	<b>402,375</b>	<b>83,908</b>	<b>115,769</b>	<b>94,202</b>	<b>107,682</b>	<b>98,912</b>	<b>93,964</b>	<b>101,817</b>	<b>116,840</b>
<b>16. Effective Interest Rate Spread (%)</b>	<b>6.89</b>	<b>6.86</b>	<b>7.41</b>	<b>6.68</b>	<b>7.16</b>	<b>7.12</b>	<b>7.60</b>	<b>7.48</b>	<b>7.36</b>	<b>7.20</b>	<b>7.28</b>
<b>(Ratios To Average Assets)</b>											
Interest Margin	4.60	4.68	5.12	4.26	4.64	5.31	5.12	5.06	5.11	5.21	4.92
Commission & Forex Income	0.44	0.50	0.56	0.52	0.47	0.54	0.54	0.56	0.57	0.56	0.53
Gross Earnings Margin	5.04	5.18	5.68	4.79	5.11	5.85	5.65	5.62	5.68	5.77	5.45
Operating Costs	3.55	3.63	4.03	3.39	3.56	3.95	3.97	3.90	3.96	4.30	3.97
Net Earnings Margin	1.49	1.55	1.65	1.40	1.55	1.91	1.68	1.72	1.72	1.47	1.48
Net Income/Loss	2.20	3.43	3.66	2.87	3.94	3.26	3.71	3.74	3.72	3.46	3.86

\*Commercial Banks and OLFIs with domestic operations

Source: Central Bank of The Bahamas

**TABLE 6  
MONEY SUPPLY**

(B\$ Millions)

End of Period	2020	2021	2022	2023				2024	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>Money Supply (M1)</b>	3,472.1	3,715.5	4,296.8	4,257.2	4,363.4	4,290.7	4,318.7	4,474.0	4,411.9
1) Currency in active circulation	373.0	385.9	422.8	425.7	430.3	428.0	430.9	452.0	449.2
2) Demand deposits	3,099.1	3,329.6	3,874.0	3,831.5	3,933.1	3,862.7	3,887.8	4,022.0	3,962.6
Central Bank	52.1	69.4	94.9	88.0	105.2	66.9	20.7	39.3	29.2
Domestic Banks	3,047.0	3,260.1	3,779.1	3,743.6	3,827.9	3,795.8	3,867.1	3,982.7	3,933.4
<b>Factors affecting money (M1)</b>									
1) Net credit to Government	2,524.4	2,933.1	3,209.6	3,170.8	3,285.2	3,381.8	3,423.4	3,239.3	3,093.7
Central Bank	172.8	457.9	790.6	772.6	805.0	801.7	886.8	755.9	645.0
Domestic banks	2,351.6	2,475.2	2,419.0	2,398.2	2,480.2	2,580.1	2,536.6	2,483.4	2,448.7
2) Other credit	6,090.0	5,995.9	6,102.9	6,093.6	6,138.7	6,166.1	6,185.2	6,214.1	6,280.8
Rest of public sector	323.8	315.2	347.4	344.8	339.0	335.6	326.1	318.3	360.6
Private sector	5,766.1	5,680.7	5,755.5	5,748.8	5,799.8	5,830.6	5,859.1	5,895.8	5,920.2
3) External reserves	2,382.2	2,432.8	2,611.0	2,668.2	2,697.7	2,576.8	2,517.4	2,914.0	2,916.5
4) Other external liabilities (net)	(240.2)	(95.2)	(137.8)	(131.5)	(73.9)	(203.7)	(187.3)	(130.1)	(148.9)
5) Quasi money	4,392.1	4,504.8	4,686.5	4,757.2	4,882.3	4,785.9	4,784.8	4,888.1	4,836.6
6) Other items (net)	(2,892.1)	(3,046.2)	(2,802.4)	(2,786.5)	(2,802.0)	(2,844.3)	(2,835.2)	(2,875.3)	(2,893.6)

Source: Central Bank of The Bahamas

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

(B\$' 000)

End of Period	2020	2021	2022	2023				2024	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>CREDIT OUTSTANDING</b>									
Private cars	129,299	118,391	120,196	127,489	134,800	142,204	153,231	161,112	173,832
Taxis & rented cars	892	660	932	910	840	1,075	855	818	781
Commercial vehicles	1,024	987	872	956	891	859	903	1,047	876
Furnishings & domestic appliances	8,911	9,831	12,509	13,387	13,757	13,918	14,714	15,085	15,347
Travel	63,654	57,203	52,997	51,394	49,561	48,681	48,175	46,167	45,472
Education	37,150	35,702	31,476	30,504	28,723	28,699	27,626	26,525	25,856
Medical	11,384	12,038	11,131	11,526	11,353	11,371	11,526	11,658	11,616
Home Improvements	98,358	100,202	92,212	92,348	92,659	90,743	90,023	86,952	86,027
Land Purchases	127,176	134,991	127,593	124,780	124,406	125,539	127,073	126,490	130,191
Consolidation of debt	902,968	857,664	786,721	779,094	767,232	756,164	746,805	753,950	763,953
Miscellaneous	528,391	489,727	479,450	483,100	499,802	504,498	511,140	512,852	513,997
Credit Cards	245,397	217,121	221,336	221,883	222,508	229,689	236,395	237,295	238,720
<b>TOTAL</b>	<b>2,154,604</b>	<b>2,034,517</b>	<b>1,937,425</b>	<b>1,937,371</b>	<b>1,946,532</b>	<b>1,953,440</b>	<b>1,968,466</b>	<b>1,979,951</b>	<b>2,006,668</b>
<b>NET CREDIT EXTENDED</b>									
Private cars	(6,487)	(10,908)	1,805	7,293	7,311	7,404	11,027	7,881	12,720
Taxis & rented cars	(136)	(232)	272	(22)	(70)	235	(220)	(37)	(37)
Commercial vehicles	(132)	(37)	(115)	84	(65)	(32)	44	144	(171)
Furnishings & domestic appliances	(335)	920	2,678	878	370	161	796	371	262
Travel	(1,383)	(6,451)	(4,206)	(1,603)	(1,833)	(880)	(506)	(2,008)	(695)
Education	(2,826)	(1,448)	(4,226)	(972)	(1,781)	(24)	(1,073)	(1,101)	(669)
Medical	(489)	654	(907)	395	(173)	18	155	132	(42)
Home Improvements	(2,897)	1,844	(7,990)	136	311	(1,916)	(720)	(3,071)	(925)
Land Purchases	(4,224)	7,815	(7,398)	(2,813)	(374)	1,133	1,534	(583)	3,701
Consolidation of debt	(5,454)	(45,304)	(70,943)	(7,627)	(11,862)	(11,068)	(9,359)	7,145	10,003
Miscellaneous	(1,781)	(38,664)	(10,277)	3,650	16,702	4,696	6,642	1,712	1,145
Credit Cards	(27,602)	(28,276)	4,215	547	625	7,181	6,706	900	1,425
<b>TOTAL</b>	<b>(53,746)</b>	<b>(120,087)</b>	<b>(97,092)</b>	<b>(54)</b>	<b>9,161</b>	<b>6,908</b>	<b>15,026</b>	<b>11,485</b>	<b>26,717</b>

Source: Central Bank of The Bahamas



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

Period	(%)								
	2020	2021	2022	2023				2024	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
<b>DOMESTIC BANKS</b>									
<b>Deposit rates</b>									
Demand deposits	0.59	0.66	0.44	0.25	0.25	0.50	0.25	0.25	0.25
Savings deposits	0.44	0.40	0.40	0.28	0.29	0.28	0.28	0.28	0.26
Fixed deposits									
Up to 3 months	0.28	0.27	0.28	0.27	0.27	0.26	0.25	0.26	0.28
Up to 6 months	0.41	0.36	0.36	0.33	0.30	0.35	0.30	0.29	0.30
Up to 12 months	0.66	0.74	0.50	0.55	0.54	0.57	0.49	0.48	0.43
Over 12 months	0.86	1.21	1.00	1.25	1.06	0.91	0.96	0.92	1.59
Weighted average rate	0.45	0.52	0.50	0.63	0.49	0.52	0.51	0.47	0.61
<b>Lending rates</b>									
Residential mortgages	5.26	5.14	5.23	5.14	5.19	5.23	5.14	5.17	5.11
Commercial mortgages	6.96	5.99	6.76	6.38	6.32	6.17	6.67	6.61	7.01
Consumer loans	12.52	12.34	12.96	12.69	12.78	13.15	12.98	12.69	13.02
Overdrafts	9.84	10.21	10.95	10.77	10.60	10.67	10.47	10.32	9.39
Weighted average rate	10.39	10.02	11.01	10.88	11.08	11.10	11.02	10.60	10.74
<b>Other rates</b>									
Prime rate*	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Avg. Treasury bill	1.78	2.51	2.88	2.89	2.91	2.91	2.91	2.86	2.93
Avg. Treasury bill re-discount rate	2.26	3.14	3.38	3.39	3.41	3.41	3.41	3.36	3.43
Bank rate (discount rate)*	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

Source: Central Bank of The Bahamas

\*Reflects end of period rates.

**TABLE 9**  
**SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS**

Period	(%)								
	2020	2021	2022	2023				2024	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
<b>Loan Portfolio</b>									
Current Loans (as a % of total private sector loans)	86.2	85.8	88.6	89.1	89.3	89.7	89.7	90.7	91.1
Arrears (% by loan type)									
Consumer	4.1	5.0	3.2	3.1	3.0	2.9	2.7	2.4	2.3
Mortgage	8.7	7.9	7.1	6.8	6.6	6.3	6.4	6.0	5.8
Commercial	1.0	1.3	1.1	1.0	1.1	1.1	1.2	0.8	0.8
Total Arrears	<u>13.8</u>	<u>14.2</u>	<u>11.4</u>	<u>10.9</u>	<u>10.7</u>	<u>10.3</u>	<u>10.3</u>	<u>9.3</u>	<u>8.9</u>
<b>Total BS Loan Portfolio</b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>
<b>Loan Portfolio</b>									
Current Loans (as a % of total private sector loans)	86.2	85.8	88.6	89.1	89.3	89.7	89.7	90.7	91.1
Arrears (% by days outstanding)									
30 - 60 days	2.9	2.7	2.2	2.2	2.0	2.1	2.3	1.8	1.7
61 - 90 days	2.4	1.9	1.4	1.3	1.3	1.4	1.4	1.1	1.1
90 - 179 days	1.9	2.8	1.1	0.8	1.0	1.0	0.9	0.9	0.7
over 180 days	6.6	6.8	6.7	6.6	6.4	5.8	5.7	5.4	5.3
Total Arrears	<u>13.8</u>	<u>14.2</u>	<u>11.4</u>	<u>10.9</u>	<u>10.7</u>	<u>10.3</u>	<u>10.3</u>	<u>9.3</u>	<u>8.9</u>
<b>Total BS Loan Portfolio</b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>
Non Accrual Loans (% by loan type)									
Consumer	30.7	38.7	27.3	28.1	27.5	26.3	26.5	26.7	25.4
Mortgage	60.7	52.1	61.7	61.2	60.1	60.2	60.9	62.1	63.1
Other Private	8.6	9.2	11.0	10.7	12.4	13.5	12.7	11.1	11.5
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>
<b>Provisions to Loan Portfolio</b>									
Consumer	10.5	10.7	7.9	6.8	6.6	6.5	3.3	5.5	5.6
Mortgage	10.0	9.2	7.9	8.0	7.9	7.4	3.4	5.9	7.2
Other Private	10.5	6.8	3.8	3.7	3.3	2.2	1.3	2.9	2.0
Total Provisions to Total Private Sector Loans	10.3	9.4	7.2	6.8	6.6	6.2	6.1	5.9	5.7
Total Provisions to Non-performing Loans	121.2	97.1	93.2	91.3	89.4	90.4	91.3	92.8	93.9
Total Non-performing Loans to Total Private Sector Loans	8.5	9.6	7.7	7.5	7.4	6.8	6.6	6.3	6.1

**Source: Central Bank of The Bahamas**

Figures may not sum to total due to rounding.

**TABLE 10**  
**SUMMARY OF BANK LIQUIDITY**

(B\$ Millions)

Period	2020	2021	2022	2023				2024	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>I. Statutory Reserves</b>									
Required reserves	371.3	372.8	411.8	403.1	407.8	412.6	405.2	414.4	423.0
Average Till Cash	146.4	149.5	160.5	128.3	127.5	141.5	163.5	139.6	136.0
Average balance with central bank	1,579.0	1,683.1	2,179.8	2,200.6	2,205.7	2,139.9	2,074.3	2,364.8	2,389.9
Free cash reserves (period ended)	1,354.2	1,387.9	1,928.4	1,925.7	1,925.3	1,868.8	1,832.6	2,090.0	2,103.4
<b>II. Liquid Assets (period)</b>									
A. Minimum Required Liquid Assets	1,301.1	1,344.3	1,458.3	1,466.3	1,481.2	1,486.6	1,493.2	1,534.0	1,516.3
B. Net Eligible Liquid Assets	3,531.6	3,722.9	4,244.3	4,264.4	4,371.8	4,372.7	4,388.2	4,757.8	4,582.6
i) Balance with Central Bank	1,572.1	1,644.1	2,085.5	2,165.3	2,180.4	2,094.3	2,069.7	2,376.5	2,241.8
ii) Notes and Coins	173.8	171.4	178.3	121.7	121.7	134.5	178.3	140.7	136.2
iii) Treasury Bills	830.2	939.8	849.1	843.5	860.1	935.3	965.2	1,018.9	958.2
iv) Government registered stocks	907.5	926.5	1,091.4	1,098.6	1,171.1	1,180.5	1,150.7	1,178.8	1,223.1
v) Specified assets	49.6	40.5	40.3	39.2	38.7	28.0	23.5	22.8	22.3
vi) Net Inter-bank dem/call deposits	(1.5)	0.8	(0.3)	(3.9)	(0.2)	(0.0)	0.9	20.2	1.0
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	2,230.5	2,378.6	2,786.0	2,798.1	2,890.6	2,886.1	2,894.9	3,223.9	3,066.3

**Source: Central Bank of The Bahamas**

Figures may not sum to total due to rounding.

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

Period	(B\$ Millions)												
	2021/22p	2022/23p	2022/23p	2023/24p	Budget		2022/23p				2023/24p		
			YTD APR	YTD APR	2023/24	2024/25	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
Total revenue & grants	2,605.7	2,855.4	2,355.0	2,550.9	3,319.0	3,543.3	654.7	603.6	820.7	776.4	663.5	638.6	889.4
Current expenditure	3,043.6	3,061.8	2,387.1	2,472.1	3,085.5	3,268.6	621.3	797.0	716.5	927.0	660.4	766.3	743.9
Capital expenditure	283.8	327.4	214.6	256.8	364.6	344.5	55.3	62.5	76.1	133.5	64.7	69.4	100.9
<b>Overall balance</b>	<b>(721.7)</b>	<b>(533.8)</b>	<b>(246.7)</b>	<b>(177.9)</b>	<b>(131.1)</b>	<b>(69.8)</b>	<b>(21.9)</b>	<b>(255.9)</b>	<b>28.1</b>	<b>(284.0)</b>	<b>(61.5)</b>	<b>(197.2)</b>	<b>44.5</b>
<b>FINANCING (I+II-III+IV+V)</b>	721.7	533.8	246.7	177.9	131.1	69.8	21.9	255.9	(28.1)	284.0	61.5	197.2	(44.5)
<b>I. Foreign currency borrowing (+)</b>	<b>1,020.7</b>	<b>683.4</b>	<b>422.7</b>	<b>1,046.5</b>	<b>85.9</b>	<b>392.8</b>	<b>47.7</b>	<b>257.8</b>	<b>117.1</b>	<b>260.8</b>	--	<b>496.4</b>	<b>550.0</b>
External	953.9	451.2	190.44	811.90	85.9	392.8	47.7	25.5	117.1	260.8	--	261.80	550.04
Domestic	66.8	232.3	232.3	234.6	--	--	--	232.3	--	--	--	234.6	--
<b>II. Bahamian dollar borrowing (+)</b>	<b>2,016.2</b>	<b>2,301.7</b>	<b>1,948.9</b>	<b>2,275.6</b>	<b>2,112.8</b>	<b>1,576.0</b>	<b>353.8</b>	<b>762.8</b>	<b>611.3</b>	<b>573.9</b>	<b>617.8</b>	<b>833.4</b>	<b>608.7</b>
i) Treasury bills	308.8	114.3	104.7	286.2	--	--	30.6	41.5	32.4	9.8	145.3	98.1	42.8
ii) Long-term securities	712.4	822.9	609.7	786.2	--	--	118.2	344.2	128.8	231.6	120.9	397.7	243.9
iii) Loans and advances	995.0	1,364.5	1,234.5	1,203.2	--	--	205.0	377.0	450.0	332.5	351.5	337.5	322.0
<b>III. Debt repayment(-)</b>	<b>2,145.0</b>	<b>2,533.2</b>	<b>2,137.9</b>	<b>3,753.6</b>	<b>2,067.6</b>	<b>1,833.5</b>	<b>387.8</b>	<b>798.1</b>	<b>673.7</b>	<b>673.6</b>	<b>651.5</b>	<b>1,139.1</b>	<b>1,696.9</b>
Domestic	1,854.4	2,074.8	1,766.5	3,078.5	1,195.0	1,359.8	348.2	603.8	548.8	573.9	495.0	1,049.7	1,280.3
Bahamian dollars	1,715.6	2,052.3	1,744.1	2,183.2	937.1	1,101.9	344.7	596.1	545.3	566.2	491.5	807.5	638.4
Foreign currency	138.8	22.4	22.4	895.4	257.9	257.9	3.5	7.7	3.5	7.7	3.5	242.2	641.9
External	290.7	458.5	371.4	675.1	872.6	473.7	39.6	194.3	124.9	99.6	156.5	89.4	416.6
<b>IV. Net acquisition financial assets (-)</b>	<b>(140.5)</b>	<b>(226.5)</b>	<b>(145.0)</b>	<b>(250.5)</b>	<b>(59.8)</b>	<b>(46.5)</b>	<b>(10.0)</b>	<b>(40.0)</b>	<b>(90.0)</b>	<b>(86.5)</b>	<b>(4.4)</b>	<b>(113.3)</b>	<b>(128.1)</b>
<b>V. Cash balance change &amp; other financing</b>	<b>(29.7)</b>	<b>308.3</b>	<b>158.0</b>	<b>859.9</b>	<b>59.8</b>	<b>(19.0)</b>	<b>18.2</b>	<b>73.4</b>	<b>7.3</b>	<b>209.4</b>	<b>99.7</b>	<b>119.9</b>	<b>621.7</b>

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

**TABLE 12  
NATIONAL DEBT**

**(BS '000s)**

Period	2021	2022	2023	2023				2024	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>TOTAL EXTERNAL DEBT</b>	4,344,312	4,843,469	5,029,777	4,846,426	5,004,837	4,839,164	5,029,777	5,153,104	5,065,189
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	2,560,000	2,560,000
Loans	1,869,312	1,983,469	2,169,777	1,986,426	2,144,837	1,979,164	2,169,777	2,593,104	2,505,189
By Holder									
Commercial Banks	-	-	-	-	-	-	-	-	-
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-
Multilateral Institutions	1,121,304	1,124,313	1,324,067	1,133,607	1,383,577	1,345,762	1,324,067	1,336,361	1,300,962
Bilateral Institutions	66,099	54,742	47,205	51,850	49,133	45,924	47,205	43,464	43,195
Private Capital Markets	2,475,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,560,000	2,560,000
Other Financial Institutions	681,909	804,414	798,506	800,969	712,127	587,478	798,506	1,213,279	1,161,033
<b>TOTAL INTERNAL DEBT</b>	5,973,060	6,192,477	6,397,703	6,257,413	6,254,741	6,374,837	6,397,703	6,361,416	6,248,585
By Instrument									
Foreign Currency	176,273	329,934	309,408	328,928	318,590	312,430	309,408	302,813	293,611
Government Securities	-	-	-	-	-	-	-	-	-
Loans	176,273	329,934	309,408	328,928	318,590	312,430	309,408	302,813	293,611
Bahamian Dollars	5,796,787	5,862,543	6,088,295	5,928,485	5,936,151	6,062,407	6,088,295	6,058,603	5,954,974
Advances	265,000	335,000	192,046	332,500	323,146	337,546	192,046	192,046	162,046
Treasury Bills	1,121,980	1,005,480	1,200,266	996,057	1,005,879	1,130,226	1,200,266	1,212,715	1,137,499
Government Securities	3,924,682	4,169,631	4,399,684	4,198,567	4,238,503	4,260,838	4,399,684	4,387,638	4,421,994
Loans	485,125	352,432	296,299	401,361	368,623	333,797	296,299	266,204	233,435
By Holder									
Foreign Currency	176,273	329,934	309,409	328,928	318,590	312,430	309,409	302,813	293,610
Commercial Banks	176,273	97,273	74,855	93,752	86,064	82,543	74,855	71,340	63,659
Other Local Financial Institutions	-	-	-	-	-	-	-	-	-
Central Bank	-	232,661	234,554	235,176	232,526	229,887	234,554	231,473	229,951
Bahamian Dollars	5,796,787	5,862,543	6,088,295	5,928,485	5,936,150	6,062,405	6,088,295	6,058,603	5,954,974
Central Bank	617,057	646,161	708,377	635,160	615,103	640,021	708,377	686,869	639,268
Commercial Banks	2,336,603	2,283,278	2,393,510	2,336,593	2,394,635	2,427,336	2,393,510	2,363,323	2,385,247
Other Local Financial Institutions	1,085	-	-	-	-	-	-	-	-
Public Corporations	518,866	507,942	505,522	513,603	469,056	498,395	505,522	449,558	411,744
Other	2,323,176	2,425,162	2,480,886	2,443,129	2,457,356	2,496,653	2,480,886	2,558,853	2,518,715
<b>TOTAL FOREIGN CURRENCY DEBT</b>	4,520,585	5,173,403	5,339,186	5,175,354	5,323,427	5,151,594	5,339,186	5,455,917	5,358,799
<b>TOTAL DIRECT CHARGE</b>	10,317,372	11,035,946	11,427,480	11,103,839	11,259,578	11,214,001	11,427,480	11,514,520	11,313,774
<b>TOTAL CONTINGENT LIABILITIES</b>	399,116	390,203	351,242	390,618	389,648	358,718	351,242	342,688	339,028
<b>TOTAL NATIONAL DEBT</b>	10,716,488	11,426,149	11,778,722	11,494,457	11,649,226	11,572,719	11,778,722	11,857,208	11,652,802

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

**TABLE 13**  
**PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS**

Period	(B\$ '000s)								
	2021	2022	2023	2023				2024	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
<b>Outstanding Debt at Beginning of Period</b>	4,784,042	5,032,833	5,652,483	5,652,483	5,644,933	5,780,675	5,598,084	5,773,118	5,879,091
Government	4,211,800	4,520,585	5,173,402	5,173,402	5,175,354	5,323,427	5,151,594	5,339,185	5,455,917
Public Corporations	572,242	512,248	479,081	479,081	469,579	457,248	446,490	433,933	423,174
<b>Plus: New Drawings</b>	409,730	1,306,322	878,160	117,116	264,643	47	496,354	550,037	4,266
Government	406,201	1,302,519	878,160	117,116	264,643	47	496,354	550,037	4,266
Public corporations	3,529	3,803	-	-	-	-	-	-	-
<b>Less: Amortization</b>	154,364	664,487	776,420	137,944	123,511	170,788	344,177	430,834	152,690
Government	90,841	627,516	731,273	128,442	111,180	160,030	331,621	420,075	95,992
Public corporations	63,523	36,971	45,147	9,502	12,331	10,758	12,556	10,759	56,698
<b>Other Changes in Debt Stock</b>	(6,575)	(22,186)	18,896	13,278	(5,389)	(11,851)	22,858	(13,230)	(5,391)
Government	(6,575)	(22,186)	18,896	13,278	(5,389)	(11,851)	22,858	(13,230)	(5,391)
Public corporations	-	-	-	-	-	-	-	-	-
<b>Outstanding Debt at End of Period</b>	5,032,833	5,652,482	5,773,119	5,644,933	5,780,676	5,598,083	5,773,119	5,879,091	5,725,276
Government	4,520,585	5,173,402	5,339,185	5,175,354	5,323,428	5,151,593	5,339,185	5,455,917	5,358,800
Public corporations	512,248	479,080	433,934	469,579	457,248	446,490	433,934	423,174	366,476
<b>Interest Charges</b>	271,496	374,941	370,937	51,876	129,567	54,383	135,111	46,154	144,370
Government	237,267	341,180	336,165	43,373	120,627	46,175	125,990	38,468	136,876
Public corporations	34,229	33,761	34,772	8,503	8,940	8,208	9,121	7,686	7,494
<b>Debt Service</b>	425,860	1,039,428	1,147,357	189,820	253,078	225,171	479,288	476,988	297,060
Government	328,108	968,696	1,067,438	171,815	231,807	206,205	457,611	458,543	232,868
Public corporations	97,752	70,732	79,919	18,005	21,271	18,966	21,677	18,445	64,192
<b>Debt Service ratio</b>	12.8	19.2	19.1	12.7	14.9	15.9	34.3	28.7	15.8
<b>Government debt Service/ Government revenue (%)</b>	13.9	35.5	36.8	20.9	29.8	31.1	71.7	51.6	n.a.
<b>MEMORANDUM</b>									
Holder distribution (B\$ Mil):									
Commercial Banks	279.1	188.5	147.6	180.9	168.4	160.1	147.6	139.3	84.7
The Central Bank	-	232.7	234.6	235.2	232.5	229.9	234.6	231.5	230.0
Multilateral Institutions	1,184.1	1,182.5	1,377.6	1,191.5	1,439.4	1,401.4	1,377.6	1,389.7	1,389.7
Bilateral Institutions	66.1	54.7	47.2	51.9	49.1	45.9	47.2	43.5	43.5
Other	1,028.6	1,134.1	1,106.1	1,125.5	1,031.2	900.8	1,106.1	1,515.2	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	2,560.0	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	2023				2024	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
<b>A. Current Account Balance (I+II+III+IV)</b>	<b>(2,434.0)</b>	<b>(1,232.6)</b>	<b>(1,074.6)</b>	<b>(81.9)</b>	<b>(97.7)</b>	<b>(357.0)</b>	<b>(537.9)</b>	<b>(190.3)</b>	<b>33.4</b>
<b>I. Goods (Net)</b>	<b>(2,625.6)</b>	<b>(3,064.8)</b>	<b>(3,213.3)</b>	<b>(771.3)</b>	<b>(719.0)</b>	<b>(859.7)</b>	<b>(863.3)</b>	<b>(847.7)</b>	<b>(783.1)</b>
Exports	638.6	814.4	861.5	189.9	305.2	186.5	179.9	139.2	198.8
Imports	3,264.2	3,879.2	4,074.8	961.2	1024.2	1046.2	1043.2	986.9	982.0
<b>II. Services (Net)</b>	<b>1,008.3</b>	<b>2,647.6</b>	<b>2,945.6</b>	<b>842.9</b>	<b>872.3</b>	<b>628.5</b>	<b>601.9</b>	<b>929.4</b>	<b>1,132.2</b>
Transportation	(275.9)	(329.8)	(424.1)	(120.4)	(95.1)	(100.9)	(107.8)	(122.1)	(83.3)
Travel	2,173.1	4,052.2	4,541.2	1,158.2	1,242.2	1,074.6	1,066.3	1,374.2	1,529.9
Construction	(103.5)	(116.8)	(102.7)	(20.6)	(17.1)	(32.2)	(32.7)	(18.9)	(17.3)
Insurance services	(276.5)	(270.3)	(269.8)	(47.4)	(64.1)	(80.8)	(77.5)	(52.0)	(59.3)
Charges for the use of intellectual property n.i.e.	(7.5)	(14.8)	(11.7)	(2.8)	(2.9)	(2.8)	(3.2)	(4.3)	(4.1)
Telecommunications, computer, and information services	(52.0)	(54.0)	(71.8)	(14.7)	(14.3)	(16.0)	(26.7)	(21.0)	(22.8)
Other business services	(372.8)	(424.2)	(549.5)	(85.7)	(146.8)	(156.5)	(160.6)	(157.4)	(185.8)
Government goods and services n.i.e.	(76.7)	(194.7)	(166.0)	(23.6)	(29.6)	(57.0)	(55.9)	(69.2)	(25.0)
<b>III. Primary Income (Net)</b>	<b>(734.2)</b>	<b>(883.2)</b>	<b>(859.2)</b>	<b>(186.8)</b>	<b>(267.5)</b>	<b>(134.2)</b>	<b>(270.6)</b>	<b>(251.3)</b>	<b>(297.6)</b>
Compensation of employees	(91.5)	(86.0)	(113.8)	(25.7)	(25.9)	(29.3)	(32.9)	(29.2)	(28.3)
Investment income	(642.7)	(797.2)	(745.4)	(161.2)	(241.5)	(105.0)	(237.7)	(222.2)	(269.3)
<b>IV. Secondary Income (Net)</b>	<b>(82.4)</b>	<b>67.8</b>	<b>52.3</b>	<b>33.3</b>	<b>16.4</b>	<b>8.5</b>	<b>(5.9)</b>	<b>(20.6)</b>	<b>(18.1)</b>
General government	31.5	132.7	189.1	54.2	46.1	45.6	43.3	16.6	26.1
Financial corporations, nonfinancial corporations, households, and NPISHs	(101.6)	(72.6)	(119.2)	(17.6)	(28.9)	(30.0)	(42.7)	(35.0)	(37.1)
<i>of which: Workers remittances</i>	<i>(111.6)</i>	<i>(95.7)</i>	<i>(105.1)</i>	<i>(24.1)</i>	<i>(24.9)</i>	<i>(26.1)</i>	<i>(30.0)</i>	<i>(22.5)</i>	<i>(26.8)</i>
Other current transfers	(12.3)	7.7	(17.6)	(3.3)	(0.8)	(7.0)	(6.5)	(2.2)	(7.0)
<b>B. Capital Account</b>	<b>53.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Capital transfers	53.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>C. Financial Account (excluding Reserve Assets)</b>	<b>(1,493.8)</b>	<b>(1,401.5)</b>	<b>(1,151.9)</b>	<b>(317.9)</b>	<b>(372.5)</b>	<b>(231.2)</b>	<b>(230.2)</b>	<b>(300.5)</b>	<b>(159.8)</b>
Direct Investment	(298.4)	(316.4)	(97.1)	(1.2)	(69.4)	(15.1)	(11.4)	(120.9)	(22.7)
Portfolio Investment	447.1	(99.8)	330.2	(170.0)	155.1	147.2	197.8	1,022.4	(445.3)
Other Investments	(1,642.5)	(985.2)	(1,385.0)	(146.8)	(458.2)	(363.3)	(416.6)	(1,201.9)	308.2
Currency and deposits	(624.0)	(595.3)	(1,136.3)	(97.7)	(232.8)	(563.3)	(242.5)	(1,240.6)	269.0
Loans	(762.8)	(358.7)	(148.5)	(63.6)	(193.8)	209.7	(100.7)	(161.1)	159.3
Other accounts receivable/payable and trade credit advance	(16.2)	(50.0)	(98.9)	16.9	(36.2)	(14.3)	(65.4)	194.4	(122.6)
Special drawing rights allocation	(239.6)	18.7	(1.4)	(2.4)	4.5	4.5	(8.0)	5.3	2.6
<b>D. Net Acquisition of Reserve Assets</b>	<b>50.6</b>	<b>178.3</b>	<b>(93.6)</b>	<b>56.4</b>	<b>29.1</b>	<b>(121.0)</b>	<b>(58.1)</b>	<b>396.6</b>	<b>1.3</b>
Special drawing rights	239.6	(251.5)	(6.1)	(0.6)	(3.7)	(4.0)	2.1	(4.5)	(4.4)
Reserve position in the IMF	(0.8)	(1.3)	0.2	0.3	(0.3)	(0.3)	0.5	(0.3)	(0.2)
Other reserve assets	(188.3)	431.1	(87.7)	56.7	33.1	(116.8)	(60.8)	401.4	5.9
<b>E. Net Errors &amp; Omissions</b>	<b>936.8</b>	<b>9.4</b>	<b>(170.9)</b>	<b>(179.6)</b>	<b>(245.7)</b>	<b>4.8</b>	<b>249.6</b>	<b>286.4</b>	<b>(191.9)</b>

Source: Central Bank of The Bahamas

\* Figures may not sum to total due to rounding



**TABLE 15  
EXTERNAL TRADE**

Period	(BS '000s)									
	2021	2022	2023	2022		2023				2024
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
<b>I. OIL TRADE</b>										
i) Exports	184,570	161,075	172,604	37,452	45,040	48,917	30,765	42,906	50,016	22,705
ii) Imports	657,788	604,439	625,125	166,921	189,811	150,786	225,319	115,353	133,667	113,570
<b>II. OTHER MERCHANDISE</b>										
<b>Domestic Exports</b>										
Crawfish	91,055	79,169	93,592	10,529	27,481	25,924	16,814	19,029	31,826	21,709
Fish Conch & other Crustacea	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	1,409	579	715	74	113	186	224	184	121	n.a.
Fruits & Veggies.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aragonite	2,188	2,712	2,312	615	815	539	670	632	471	330
Other Natural Sands	221	197	152	56	42	32	46	50	24	11
Rum/Beverages/Spirits & Vinegar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Crude Salt	6,922	11,583	16,613	2,506	4,639	5,240	4,256	3,898	3,219	4,965
Polystyrene Products	56,419	27,548	38,697	17,301	4,318	7,626	3,637	11,562	15,873	12,770
Other	110,964	58,213	47,555	12,847	18,786	11,050	8,698	20,234	7,574	9,364
<b>i) Total Domestic Exports</b>	<b>269,177</b>	<b>180,001</b>	<b>199,637</b>	<b>43,929</b>	<b>56,194</b>	<b>50,596</b>	<b>34,345</b>	<b>55,589</b>	<b>59,108</b>	<b>49,148</b>
<b>ii) Re-Exports</b>	<b>89,676</b>	<b>244,830</b>	<b>363,925</b>	<b>72,138</b>	<b>53,967</b>	<b>71,274</b>	<b>190,026</b>	<b>57,355</b>	<b>45,270</b>	<b>23,124</b>
<b>iii) Total Exports (i+ii)</b>	<b>358,854</b>	<b>424,831</b>	<b>563,562</b>	<b>116,067</b>	<b>110,161</b>	<b>121,869</b>	<b>224,370</b>	<b>112,944</b>	<b>104,379</b>	<b>72,272</b>
<b>iv) Imports</b>	<b>2,824,819</b>	<b>3,153,455</b>	<b>3,562,394</b>	<b>868,775</b>	<b>883,837</b>	<b>876,446</b>	<b>868,863</b>	<b>905,360</b>	<b>911,725</b>	<b>913,838</b>
<b>v) Retained Imports (iv-ii)</b>	<b>2,735,143</b>	<b>2,908,625</b>	<b>3,198,469</b>	<b>796,637</b>	<b>829,870</b>	<b>805,172</b>	<b>678,838</b>	<b>848,005</b>	<b>866,454</b>	<b>890,713</b>
<b>vi) Trade Balance (i-v)</b>	<b>(2,465,965)</b>	<b>(2,728,624)</b>	<b>(2,998,832)</b>	<b>(752,708)</b>	<b>(773,676)</b>	<b>(754,577)</b>	<b>(644,493)</b>	<b>(792,416)</b>	<b>(807,346)</b>	<b>(841,566)</b>

Source: Bahamas National Statistical Institute Quarterly Statistical Summaries

Figures may not sum due to rounding.

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

Period	2021	2022	2023	2023				2024	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
<b>Visitor Arrivals</b>	2,100,618	7,000,706	9,654,097	2,618,488	2,416,595	2,174,082	2,444,932	3,008,159	2,730,673
Air	886,629	1,470,244	1,719,980	469,988	488,217	374,547	387,228	504,075	487,981
Sea	1,213,989	5,530,462	7,934,117	2,148,500	1,928,378	1,799,535	2,057,704	2,504,084	2,242,692
<b>Visitor Type</b>									
Stopover	892,442	1,452,520	1,802,039	487,440	531,951	395,898	386,750	491,633	497,619
Cruise	1,115,181	5,390,016	7,773,253	2,115,700	1,872,617	1,751,820	2,033,116	2,474,557	2,190,296
Day/Transit	92,995	158,170	78,805	15,348	12,027	26,364	25,066	41,969	42,758
<b>Tourist Expenditure (B\$ 000's)</b>	2,321,707	4,221,819	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stopover	2,266,919	3,838,087	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cruise	53,784	380,732	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Day	1,003	3,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Average Hotel Occupancy Rates (%)</b>									
New Providence*	40.7	65.3	74.4	81.1	80.6	67.8	68.1	80.9	78.3
Grand Bahama	22.8	31.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Family Islands	34.7	44.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Average Nightly Room Rates (\$)</b>									
New Providence*	338.72	377.87	411.09	453.42	427.28	349.30	414.35	495.22	410.90
Grand Bahama	73.05	86.26	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Family Islands	307.80	352.07	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

**Source: The Ministry of Tourism, The Bahamas Hotel & Tourism Association**

Figures may not sum due to rounding.

\*Select Large Hotels Performance in New Providence (and Paradise Island) only.