Quarterly Economic Review

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QUARTERLY ECONOMIC REVIEW

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Review of Economic and Financial developments

Domestic Economic Developments

Preliminary data suggests that the Bahamian economy maintained a modest growth pace during the second quarter of 2014, amid gains in tourism output and steady contributions from several foreign investment-led construction projects. As a consequence, the unemployment rate improved over the six months to May. Consumer price inflation firmed slightly, in response to higher global crude oil prices largely brought on by the geopolitical unrest in a number of oil producing states.

The fiscal situation through the eleven months of FY2013/14 improved, as broad-based increases in revenue negated a modest rise in overall expenditures to achieve a reduction in the overall deficit. Budgetary financing was obtained from a combination of domestic and external sources, including a US$300 million external bond and internal short-term foreign currency loans.

In monetary developments, both bank liquidity and external reserves benefitted from foreign currency inflows related to real sector activity and a significant one-off Government transaction. In contrast, banks continued to grapple with a deterioration in credit quality indicators, given the narrowness of the recovery and the still elevated levels of joblessness, although overall profitability indicators improved in the three months to March, as provisions for bad debt receded.

On the external side, the estimated current account deficit expanded during the second quarter, relative to the same period a year earlier, as increased payments for construction services led to a narrowing in the services account surplus. In contrast, the capital and financial account surplus widened, benefitting from a more than two-fold hike in direct foreign investments in the tourism sector.

Fiscal Operations

Overview

During the eleven months of FY2013/14, the improving trend in central Government's operations continued. The overall deficit narrowed by 14.7% ($65.4 million) to $379.0 million, on account of a 6.2% ($77.1 million) gain in aggregate revenue to $1,327.4 million, which overshadowed the 0.7% ($11.7 million) increase in spending to $1,706.4 million.

Revenue

Tax revenue, which comprised the majority (86.6%) of receipts, was higher by 2.6% ($29.1 million) at $1,150.0 million. As a result of the Government's implementation of a revised fee structure, business & professional fees surged by 54.7% ($63.6 million) to $179.9 million, primarily owing to gains in receipts from general business ($46.2 million) and banks & trust licenses ($17.7 million). Selective taxes on services rose by 1.2% ($0.6 million) to $47.5 million, as the $3.9 million (10.4%) gain in hotel occupancy taxes outpaced the $3.3 million (34.1%) decline in gaming receipts. In a significant offset, taxes on international trade—the largest category—contracted by 5.5% ($30.6 million) to $526.7 million, amid broad-based reductions in excise ($7.2 million), import ($4.0 million) and export ($3.5 million) taxes. Similarly, other miscellaneous taxes contracted by 3.0% ($12.4 million) to $402.0 million, mainly driven by a $20.3 million (15.5%) decrease in departure tax receipts and a $2.7 million (2.0%) fall in stamp taxes associated with property purchases. Meanwhile, taxes on existing property were reduced by $1.3 million (1.3%) and, in a modest offset, taxes yet to be classified firmed by $11.1 million (43.0%) to $37.7 million.

Non-tax income—at 13.3% of the total—grew by 36.8% ($47.6 million) to $176.9 million. The 40.9% ($35.5 million) expansion in fines, forfeits & administrative fees was primarily linked to the implementation of a new customs processing fee regime, while total income receipts were higher by 30.8% ($12.5 million), as increased dividend payments by a local telecommunications company buoyed the $18.5 million (59.1%) gain in collections from other "miscellaneous" sources. In contrast, revenues from public enterprises declined by $6.0 million (64.1%), due to a falloff in inflows from the aviation sector and receipts from the sale of Government property were lower by $0.4 million at $1.3 million.

Government Revenue By Source

(Apr. - May.)

	FY12/13		FY13/14	
	B$M	%	B$M	%
Property Tax	12.5	5.2	9.0	3.3
Selective Services Tax	12.1	5.0	14.1	5.1
Busines. & Prof Lic. Fees	39.1	16.1	65.2	23.7
Motor Vehicle Tax	6.0	2.5	5.5	2.0
Departure Tax	23.4	9.6	26.1	9.5
Import Duties	54.6	22.4	54.7	19.9
Stamp Tax from Imports	3.2	1.3	--	--
Excise Tax	44.2	18.2	45.8	16.7
Export Tax	1.8	0.8	0.3	0.1
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	30.8	12.7	22.6	8.2
Other Tax Revenue	5.4	2.2	2.2	0.8
Fines, Forfeits, etc.	16.3	6.7	24.5	8.9
Sales of Govt. Property	--	--	1.2	0.4
Income	4.0	1.7	3.8	1.4
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	--	--
Grants	--	--	0.3	0.1
Less:Refunds	10.2	4.2	0.6	0.2
Total	243.4	100.0	274.7	100.0

EXPENDITURE

Government's expenditure grew marginally by 0.7% ($11.7 million) to $1,706.4 million over the review period. The 2.6% ($36.5 million) broadening in current expenditure, to $1,430.5 million, negated reductions in net lending and capital spending, of 25.2% ($22.7 million) and 1.0% ($2.1 million), to $67.3 million and $208.5 million, respectively.

By economic classification, the expansion in current payments was underpinned by an increase in transfers of 9.9% ($54.2 million) to $603.7 million. Specifically, subsidies and other transfers rose strongly, by $42.0 million (11.6%), explained by hikes in healthcare-related payments ($14.8 million), transfers abroad ($15.6 million) and households ($7.9 million). In a modest offset, declines were recorded for transfers to public corporations ($7.5 million), non-profit organisations ($6.9 million) and subsidies for tertiary education ($4.8 million). Reflecting the rising level of the Government's outstanding debt stock, interest payments advanced by 6.5% ($12.3 million) to $201.4 million—almost equally absorbed by internal and external obligations. Personal emoluments also firmed by $16.4 million (3.0%) to $558.2 million. In contrast, consumption spending was lower by 2.1% ($17.7 million) at $826.8 million, occasioned by a $34.1 million (11.3%) reduction in purchases of goods & services to $268.6 million, as the reclassification of certain tourism-related expenditures to transfers contributed to a $30.1 million (16.6%) reduction in the category "other" contractual services.

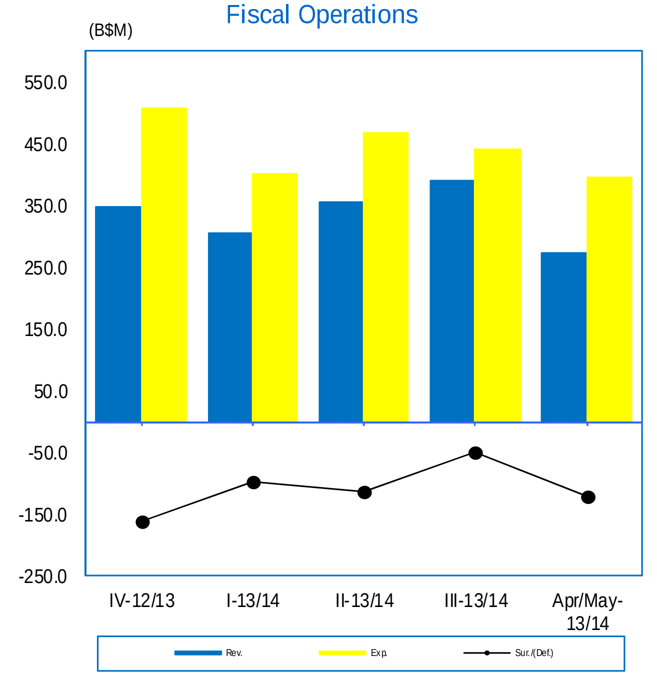
On a functional basis, the gain in recurrent payments was largely attributed to a $23.4 million (5.9%) increase in general public spending to $421.4 million, as the $29.6 million (13.0%) boost in outlays for general administration, eclipsed the $6.2 million (3.6%) reduction in spending related to public order & safety. Payments for economic services were $6.2 million (4.3%) higher at $150.8 million, inclusive of gains in outlays for tourism-related services of $6.1 million (10.2%), while spending on social benefits increased by $4.2 million (3.6%) to $121.7 million, due mainly to a $4.6 million (7.4%) rise in old age and disability services expenditure. In contrast, spending on education, other community and social services and defense was reduced by $9.7 million (4.0%) to $231.9 million, $1.7 million (10.4%) to $14.5 million and $1.2 million (2.5%) to $45.1 million, respectively.

By economic classification, the contraction in capital expenditure was mainly due to a $51.0 million (29.9%) reduction in infrastructure-related spending, to $119.8 million, as several public works & water supply and air transportation projects were concluded. Following last year's surge, explained by the acquisition of airport equipment, transfers to non-financial public enterprises fell by $12.1 million to a mere $0.8 million, and those to public corporations were halved to $1.1 million. However, with the purchase of new Defense Force vessels, asset acquisitions increased more than two-fold ($62.1 million) to $86.8 million.

Financing and the National Debt

Budgetary financing for the eleven months of FY2013/14 included internally sourced borrowings of $526.0 million, which comprised short-term Bahamian dollar loans and advances ($139.0 million), long term bonds ($115.0 million), Treasury bills ($81.0 million), and short-term foreign currency loans ($191.0 million). A further $439.4 million in financing was obtained from external sources, of which US$300.0 million was in the form of a bond and $139.4 million in project-based loans.

Fiscal Operations



In other debt activities, Government retired $503.3 million of its outstanding liabilities over the review quarter. Some $366.8 million was used to meet internal Bahamian Dollar obligations and $125.0 million to retire domestic foreign currency commitments relating to a bridging facility. Consequent on these developments, the Direct Charge on the Government grew by 2.7% ($134.5 million) to $5,155.6 million over the quarter, and by 9.9% ($466.3 million) compared to the corresponding period of 2013. Approximately 70% of the debt was in Bahamian dollars, compared with 77.4% at end-June, 2013, and the bulk was held by commercial banks (39.7%), followed by private and institutional investors (30.0%) and public corporations (18.7%). The Central Bank and other local financial institutions accounted for much smaller shares, at 11.5% and 0.2%, respectively. By instrument, some 81.2% of the debt was in the form of long-term Government securities which featured an average maturity of 10.7 years—down from 11.2 years in the prior period. Next in proportion were Treasury bills (15.2%) and loans and advances (3.6%).

Government's contingent liabilities declined by $3.3 million (0.5%) to $638.1 million, but were $33.6 million (5.6%) above the comparable period of 2013. As a result of these developments, the National debt—inclusive of contingent liabilities—advanced by $131.2 million (2.3%) over the March quarter, and by $499.9 million (9.4%) vis-à-vis the preceding year, to $5,793.7 million.

Public Sector Foreign Currency Debt

Foreign currency debt of the public sector firmed by 2.6% ($59.9 million) over the review quarter and by 24.3% ($465.4 million) year-on-year, to $2,376.9 million at end-June, as new drawings of $73.4 million outpaced amortization payments of $13.5 million. The Government's foreign currency debt—which comprised the bulk (65.2%) of the total—increased by 4.1% ($60.5 million) to $1,550.9 million, while the public corporations' portion declined slightly, by 0.1% ($0.6 million) to $826.0 million.

Foreign currency debt service payments grew by 22.6% ($10.3 million) to $55.9 million, in comparison to the same period of 2013, primarily attributed to a 39.9% ($10.6 million) hike in the Government's component, to $37.1 million, amid the rising stock of outstanding debt. In contrast, the public corporations' segment decreased marginally by 1.3% ($0.3 million), to $18.9 million, as the decline in interest payments outstripped the gain in amortization outlays. At end-June, the Government's debt service ratio firmed by a full percentage point to 5.9%.

In terms of the creditor profiles, private capital markets and non-resident investors held the largest shares of the outstanding foreign currency debt, at 37.9% and 31.6%, respectively, while commercial banks, multilateral institutions and bilateral agencies accounted for much smaller portions, at 16.1%, 11.4% and 3.0%, respectively. The average maturity of public sector foreign currency debt narrowed to 13.0 years from 14.5 years a year earlier, and the majority was denominated in US Dollars (92.7%) with smaller shares for the euro (4.3%) and Chinese Yuan (3.0%).

2014/2015 Budget Highlights

The central Government's FY2014/15 Budget outlined a series of measures aimed at enhancing revenue collection, broadening the tax base—through the introduction of a Value Added Tax (VAT)—while also limiting the growth in spending. As a result of these policies, the budget projected a decline in the deficit to 3.2% of GDP from the 5.4% forecasted outturn in FY2013/14, with a gradual tapering-off to 0.9% of GDP by FY2016/17. In addition, the debt to GDP ratio is expected to move slightly higher, to 60.9% from the 60.0% projected outturn for FY2013/14, before easing to 58.5% of GDP over the next two years.

The cornerstone of the Government's measures to improve revenue performance is the implementation of the VAT, on January 1, 2015, at a rate of 7.5%, in contrast to the original proposal of 15%. To ensure that the VAT generates revenue in line with expectations, the intent is to limit the number of exemptions and retain the current import and excise tax regimes at the established rates. However, to protect the competitiveness of the key hotel sector, the 10% hotel occupancy tax is to be eliminated following the implementation of the VAT. It is expected that the VAT will generate $150 million in additional revenue during the second half of FY2014/15, equivalent to an estimated 1.7% of GDP.

Other proposed measures to increase Government's revenue yield include plans to tax "webshop" operators in the country, after the appropriate legislation and policy framework are implemented, with taxation to be retroactive from July 1, 2014. The Budget also proposed a 16% ($4.00) increase in the air departure tax to $29.00 per person, a reduction in customs processing fees for commercial airlines from $75.00 to $2.50 per round trip, and the elimination of the $50.00 to $200.00 customs attendance fees, provided airlines meet certain criteria.

As a result of the budgetary measures, overall revenue is projected to grow by 18.1%, ($270.1 million) to $1,763.3 million, in comparison to the previous estimates for FY2013/14, with projected tax receipts higher by 19.3% ($255.4 million) at $1,581.2 million. Similarly, gains in income from other "miscellaneous" sources are intended to support a hike in non-tax revenue, of 12.2% ($19.5 million) to $178.8 million.

In addition to the new revenue streams anticipated from the implementation of the VAT, taxes on international trade & transactions are budgeted to expand by $54.0 million (8.2%) to $714.2 million, mainly reflecting increases in excise and import tax receipts, of 9.9% and 7.2%, respectively. Similarly, property tax collections are slated to rise by $36.0 million (32.5%) to $146.6 million, benefitting from Government's efforts to reform and modernize the administration process, while departure taxes are targeted to firm by $16.0 million (14.6%) to $125.3 million. Less significant gains are anticipated for all other stamp taxes (1.9%) and business and professional license fees (2.8%), to $189.9 million and $185.0 million, respectively. In a modest offset, selective taxes on services are set to decline by $13.3 million (24.4%) to $41.3 million, and motor vehicle taxes, by $0.5 million (1.7%) to $28.9 million.

Under non-tax revenues, a major growth driver is the projected increase in income receipts from Government's equity holdings, which will underpin the $14.9 million (44.9%) gain in income from other "miscellaneous" sources, while receipts from public enterprises are expected to firm by almost one-third to $2.6 million. In addition, collections of fines, forfeits & administrative fees are budgeted to grow by $3.6 million (2.9%) to $127.1 million.

The Budget projects growth in total expenditure of $117.5 million (6.1%) to $2,046.8 million, following a $153.8 million (7.4%) estimated contraction in FY2013/14. The increase in spending is mainly due to a $79.2 million (4.8%) expected rise in current outlays to $1,714.4 million and a $36.9 million (15.6%) advance in capital spending to $273.3 million. Net lending will also be incremented by $1.5 million (2.7%) to $59.1 million.

By economic classification, the projected expansion in current expenditure is driven by a $73.4 million (10.9%) boost in transfer payments to $744.5 million, mainly owing to gains in subsidies (20.6% or $51.4 million) and interest payments (13.0% or $30.0 million)—although the former is strongly influenced by the reclassification of certain expenses previously categorized under direct acquisition of goods and services. Spending on consumption is also budgeted to grow, by $5.7 million (0.6%) to $969.8 million, as the $10.3 million (3.3%) expansion in payments for goods & services eclipses the $4.6 million (0.7%) fall-off in personal emoluments.

The targeted increase in capital expenditure is led by a $32.8 million (19.9%) hike in infrastructural development spending to $197.8 million. In addition, asset acquisitions are projected to firm by $4.3 million (6.3%) to $72.3 million, on account of higher outflows for other "miscellaneous" assets ($3.7 million) and land ($2.1 million), which offset the $1.5 million reduction in equity investments. Meanwhile, transfers to public corporations are set to remain at $1.1 million and transfers to non-financial public enterprises to be lower by $0.2 million (10.2%) at $2.0 million.

In line with the reduction in the overall deficit, budgetary financing requirements are estimated to decline by $74.5 million (14.3%) to $446.7 million. Bahamian dollar borrowing should provide the bulk (76.8%) of the financing, at $343.2 million, a reduction of 26.3% ($122.6 million) from the prior year's budget; however, the external loan component is expected to rise by 86.5% ($48.0 million) to $103.5 million. Debt repayment is targeted to firm by 85.2% ($72.6 million) over FY2013/14 projections, to $157.8 million, with 53.2% of the estimated $141.0 million for domestic payments allocated for Bahamian dollar obligations. As a result of these activities, the budget forecasts a more moderated increase in the Direct Charge on the Government, of $288.9 million (5.6%) to $5,444.4 million, compared with the previous period's estimated increase of $436.1 million.

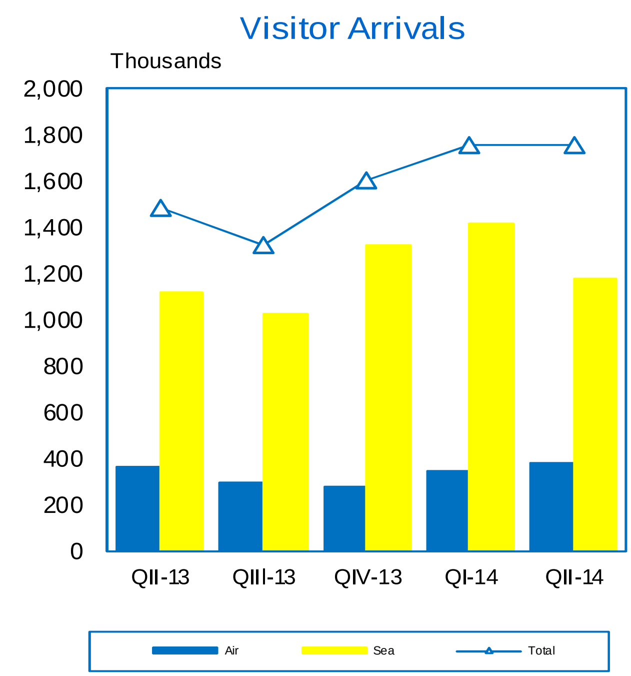
REAL SECTOR

TOURISM

Preliminary data suggest modest growth in tourism sector output during the second quarter, arising from gains in the high value-added stopover segment of the market, which benefitted from improving economic conditions in a number of key source countries and ongoing public/private sector incentive programmes.

Visitor arrivals rose by 5.2%, for a total count of 1.6 million—to reverse the corresponding period's 0.7% contraction. This outturn reflected a 4.7% recovery in the air component, to 379,667, from the prior year's 8.7% reduction, while growth in the dominant sea segment more than doubled to 5.4%, from 2.1%, for 1,176,706 passengers.

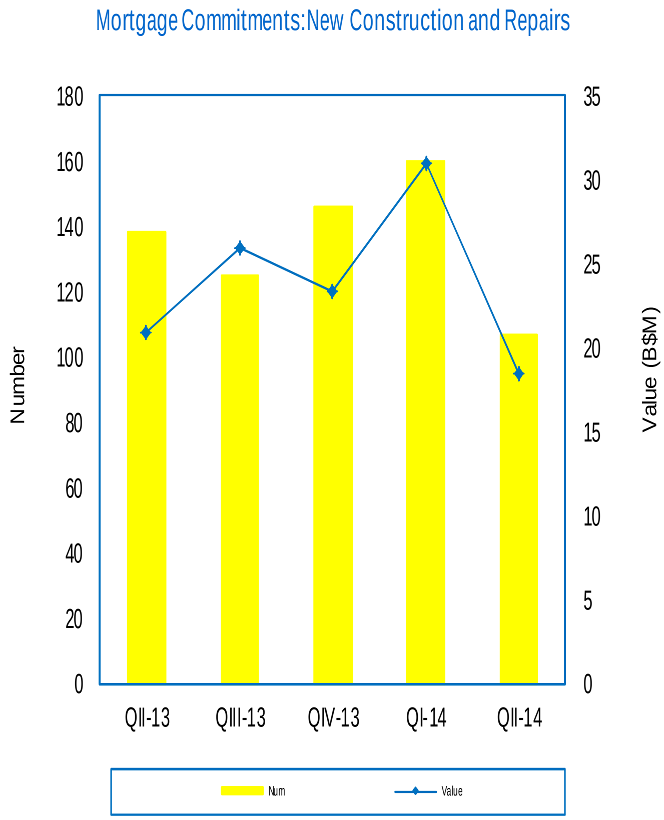
By major ports of entry, visitors to New Providence grew by 1.5% to an estimated 0.9 million, although receding from 2013's 6.9% gain, based on lower increases for both the air (2.4%) and sea (1.0%) components. Following a 3.7% decrease in 2013, the visitor count to Grand Bahama recovered modestly, by 1.2% to 0.2 million. This, however, masks the 30.8% hike in air passengers, which was supported by the introduction of a new non-stop flight service from eight (8) US cities and the launch of a mid-sized resort in April, and outstripped the 2.9% reduction in the dominant sea component. Similarly, the 15.3% hike in arrivals to the Family Islands erased last year's 12.7% contraction, on account of gains in the sea (17.5%) and air (4.3%) segments.



CONSTRUCTION

Activity in the construction sector was sustained by a number of foreign investment projects, including the multi-billion dollar Baha Mar development and smaller tourism-based initiatives on the Family Islands. In contrast, the domestic sector remained weak, as Government's infrastructure investment programme normalized, and the confluence of mild economic activity, elevated unemployment levels and loan arrears, constrained the potential for mortgage driven activity.

Reflecting these developments, mortgage disbursements for new construction and repairs—as reported by commercial banks, insurance companies and the Bahamas Mortgage Corporation—declined by 1.4% to $23.5 million, although slowing from the year earlier 15.1% contraction. The dominant residential segment weakened by 10.2% to $21.4 million; however, commercial activity restarted with $2.1 million in disbursements.



Activity in the housing markets is poised to remain constrained over the near-term, as total mortgage commitments for new buildings and repairs—a forward looking indicator—declined in number, by 22.5% (31) to 107 and by 12.2% ($2.6 million) in value to $18.4 million. The residential category fell in number by 31 to 106 and in value, by 12.9% to $18.0 million, while the commercial segment held steady in volume at one (1), with a marginal gain in value to $0.3 million.

Interest rates trended generally higher over the review period, as both the average rates on commercial and residential mortgages rose, by 70 and 10 basis points, year-on-year, to 8.8%, and 8.1%, respectively.

Employment

Buoyed by the steady—although mild—growth in economic activity, employment conditions improved over the six months ending May 2014. Information obtained from the Department of Statistics' "Labour Force Survey", showed that the jobless rate fell by 1.1 percentage points to 14.3%, a turnaround from a 2.2 percentage point increase in the comparable six-month period of 2013. The movement reflected the addition of 2,445 persons to the workforce and, as a potential sign of improving job prospects, the number of individuals categorized as discouraged workers fell by 27.9% to 4,880.

A disaggregation by major labour markets showed the jobless rate in New Providence moving lower to 15.0% from 15.6%, as the number of employed persons rose by 1,515. Similarly, in Grand Bahama, the jobless rate improved by 2.1 percentage points to 14.7%, reflecting an increase in the employment count by 110. Unemployment among young people, those in the 15 to 24 age group, and the worst affected category, narrowed by 4.3 percentage points to 28.0%.

Prices

Domestic consumer price inflation—as measured by changes in the Retail Price Index—remained low, although firming by 97 basis points to 1.16% during the second quarter. This development was due mainly to a significant rise in the rate of increase in average costs for alcoholic beverages, tobacco & narcotics, to 9.91% from 1.45% in 2013. In addition, inflation accelerated for food & non-alcoholic beverages, by 2.59 percentage points to 3.14%; health, by 1.61 percentage points to 2.47%, and miscellaneous goods & services, by 1.01 percentage points to 1.58%. Smaller average price increases were recorded for furnishings, household equipment & routine household maintenance, education, and clothing & footwear, of 40, 36 and 20 basis points, to 1.05%, 2.02% and 0.93%, respectively; whereas those for transport (4.76%) and communications (0.44%) represented a turnaround from year-earlier respective reductions of 0.86% and 4.07%. Moving from a flat position in the prior period, average prices for recreation and culture firmed by 2.97%. In a partial offset, the inflation rate for housing, water, gas, electricity & other fuels—the most heavily weighted component in the Index—contracted by 1.44%, extending the previous year's 0.06% decline, while accretions to average costs for restaurant & hotel services slowed by 1.17 percentage points to 2.65%.

Retail Price Index
(Annual % Changes)
June

Items	Weight	2013 Index	2013 %	2014 Index	2014 %
Food & Non-Alcoholic Beverages	120.4	104.6	0.2	107.8	3.0
Alcohol, Tobacco & Narcotics	6.4	105.2	1.5	115.6	9.8
Clothing & Footwear	37.76	101.4	0.8	102.3	0.9
Housing, Water, Gas, Electricity	334.83	108.1	-0.3	106.8	-1.2
Furn. & Household, Maintenance	64.26	107.2	0.0	108.8	1.5
Health	44.5	104.7	-0.4	107.4	2.5
Transportation	119.13	113.7	-0.7	119.5	5.2
Communication	41.19	96.7	-0.4	97.1	-7.3
Rec., & Culture	22.73	105.9	-0.7	106.0	-6.7
Education	30.05	107.9	-4.2	110.1	13.8
Restaurant & Hotels	38.24	107.6	2.4	110.1	3.9
Misc. Goods & Svcs.	140.52	102.1	1.7	103.6	-4.0
ALL ITEMS	1000	106.4	3.0	107.7	0.1

In line with the recent firming trend in international oil prices, domestic energy costs advanced modestly during the review quarter. The average price of gasoline moved higher by 3.9% to $5.42 per gallon and diesel costs rose by 0.2% to $5.12 per gallon. However, on an annual basis, the cost of both fuels declined by 0.7% and 0.6%, respectively. The Bahamas Electricity Corporation's fuel charge was virtually stable at $23.59 cents per kilowatt hour (kWh), although contracting by 16.8% year-on-year.

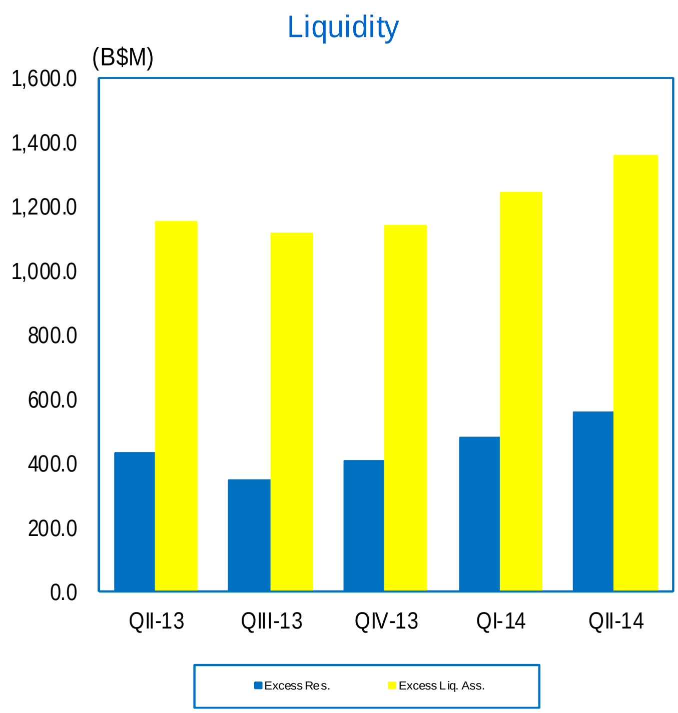
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Monetary developments during the second quarter featured a build-up in both bank liquidity and external reserves, supported by foreign currency inflows related to real sector activities and a one-time significant foreign currency transaction. With no significant change in the pace of economic activity, banks experienced a further deterioration in loan arrears over the quarter, while their latest performance indicators for the first quarter showed a slight increase in profitability, amid a falloff in bad debt provisions. The weighted average interest rate spread widened, as the rise in the average lending rate outpaced the marginal increase in the deposit rate.

LIQUIDITY

During the second quarter, banks' net free cash reserves firmed by $79.5 million (16.6%) to $557.7 million, following on 2013's gain of $100.6 million, to represent an increased 9.2% of deposit liabilities, relative to 7.1% a year ago. Similarly, growth in the broader surplus liquid assets was higher by $118.1 million (9.5%) at $1,360.1 million, from $73.1 million a year earlier, which was primarily held in the form of Treasury bills. As a result, the surplus liquid assets exceeded the statutory minimum by a larger margin of 135.4%, vis-à-vis 116.0% in 2013.



DEPOSITS & MONEY

The expansion in the overall money supply (M3) accelerated to $81.3 million (1.3%) from $27.0 million (0.4%) in the prior period, for an outstanding stock of $6,417.8 million. In terms of the components, the gain in narrow money (M1) slowed to $51.9 million (3.1%) from the preceding year's $62.6 million (3.9%) expansion, as reduced growth in demand deposits of $46.2 million

(3.2%), negated a $5.8 million (2.7%) rebound in currency in active circulation. Accretions to broad money (M2) were significantly higher at $82.2 million (1.4%) from $18.7 million (0.3%), with fixed deposits reversed to a gain of $15.7 million (0.5%) from a year-earlier $61.9 million (1.8%) contraction, although the growth in savings balances slowed to $14.6 million (1.3%). In contrast, foreign currency deposits fell marginally by $0.9 million (0.3%), vis-à-vis 2013's $8.2 million (3.3%) expansion.

Fixed deposits comprised the largest segment of the overall money supply—at 51.4% of the total—followed by demand and savings balances, at 23.2% and 17.8%, respectively. Foreign currency deposits and currency in circulation accounted for much smaller shares, at 4.2% and 3.4%, respectively.

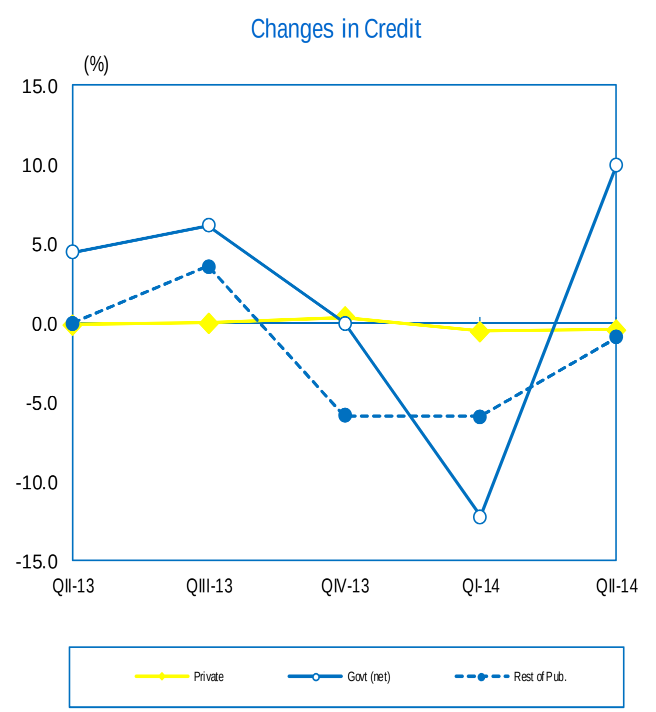
DOMESTIC CREDIT

During the second quarter, accretions to total domestic credit almost doubled, to $138.3 million (1.6%), from $70.8 million (0.8%) in 2013, primarily explained by increased lending to the Government. The dominant Bahamian dollar component—at 91.5% of the total—expanded by $96.4 million (1.2%), following the prior year's $72.6 million (0.9%) gain, and foreign currency credit, which declined marginally by $1.7 million (0.2%) a year ago, recovered by $41.9 million (6.0%), primarily on account of the Government's acquisition of a short-term bridging facility for the purchase of a number of Defence Force vessels.

Growth in net claims on the Government strengthened by $92.0 million to $170.3 million (10.0%), while credit to the rest of the public sector declined by $3.8 million (0.9%), vis-à-vis a slight $0.2 million gain in 2013. Reflecting constrained domestic demand and banks conservative lending practices, the contraction in private sector credit was extended to $28.2 million (0.4%) from $7.6 million (0.1%) a year earlier, due to reductions in both the foreign currency (5.2%) and Bahamian dollar (0.1%) components. Personal loans, at 80.9% of private sector credit, grew marginally by $6.9 million (0.1%), although a turnaround from the previous period's $9.1 million (0.2%) contraction. This outcome was explained by a $24.0 million (1.1%) rise in consumer credit, which outpaced reductions in overdraft facilities and residential mortgages, of $9.2 million (14.0%) and $7.9 million (0.3%), respectively.

The expansion in consumer credit reflected gains in loans for "miscellaneous" purposes ($15.6 million), private cars ($8.4 million), home improvement ($7.9 million) and credit cards ($1.7 million). In a partial offset, net repayments were recorded for debt consolidation ($5.0 million), land purchases ($2.4 million) and travel ($1.0 million), with declines of less than $1 million registered for education, furnishing & domestic appliances, taxis & rented cars, medical, and commercial vehicles lending.

Among the remaining private sector loan categories, net repayments were posted for construction ($13.9 million), private financial institutions ($10.0 million), tourism ($6.4 million) and distribution ($2.8 million) lending, in contrast with increased borrowings for transport ($1.3 million) activities.



MORTGAGES

Information provided by banks, insurance companies and the Bahamas Mortgage Corporation, confirmed ongoing softness in the mortgage market over the review period. The value of mortgages outstanding declined by $12.8 million (0.4%) to $3,290.9 million, a turnaround from the $13.0 million (0.4%) increase in the preceding year. By type, the dominant residential component—at 93.8% of the total—contracted by $7.4 million (0.2%) to $3,086.8 million, reversing the prior year's $4.6 million

(0.2%) expansion. Commercial mortgages also fell, by $5.4 million (2.6%) to $204.1 million, in contrast to 2013's gain of $8.4 million (4.4%). At end-June, domestic banks held the majority of outstanding mortgages (89.0%), followed by insurance companies (6.0%) and the Bahamas Mortgage Corporation (5.0%).

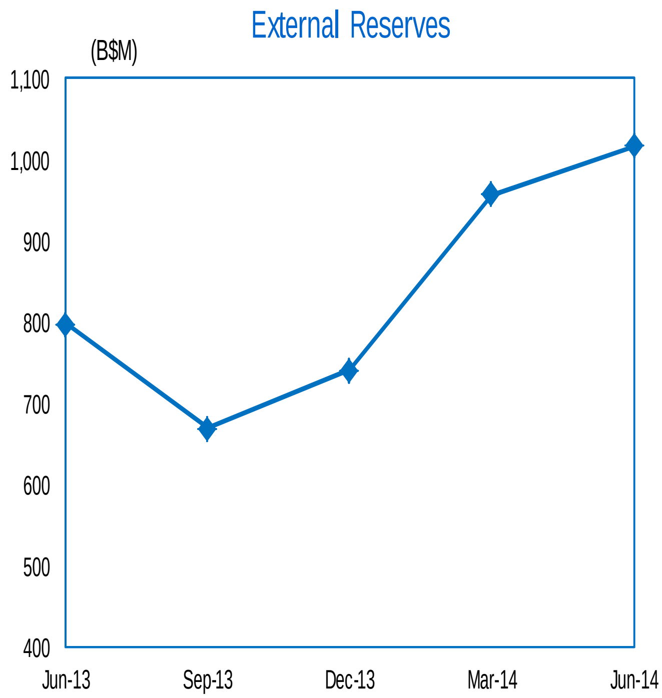
Distribution of Bank Credit By Sector
End-June

	2013		2014	
	B$M	%	B$M	%
Agriculture	15.4	0.2	11.6	0.2
Fisheries	7.3	0.1	8.0	0.1
Mining & Quarry	2.2	0.0	2.4	0.0
Manufacturing	48.6	0.7	51.8	0.7
Distribution	217.8	3.1	212.0	3.0
Tourism	55.1	0.8	41.4	0.6
Enter. & Catering	60.4	0.9	78.7	1.1
Transport	41.7	0.6	39.0	0.6
Construction	409.3	5.8	435.4	6.2
Government	164.0	2.3	230.9	3.3
Public Corps.	340.8	4.9	300.6	4.3
Private Financial	21.9	0.3	10.5	0.2
Prof. & Other Ser.	103.8	1.5	81.6	1.2
Personal	5,180.1	73.8	5,237.9	74.8
Miscellaneous	352.9	5.0	261.1	3.7
TOTAL	7,021.3	100.0	7,003.1	100.0

The Central Bank

In the three months ended-June, the Bank's net claim on the Government declined marginally, by $0.8 million (0.2%), to $369.4 million, a turnaround from the $22.1 million (5.0%) advance a year ago, as the expansion in short-term advances was offset by a reduction in Treasury bill holdings. Reflecting an almost four-fold ($10.1 million) decrease in the deposits of non-financial entities, net liabilities to the rest of the public sector fell by $9.9 million to $3.4 million, vis-à-vis 2013 when the net position more than doubled to $10.9 million. Conversely, a build-up in deposit balances underpinned a firming in net liabilities to commercial banks, by $59.8 million (7.5%) to $853.4 million—extending last year' $48.1 million (6.9%) gain.

Buoyed by net foreign currency inflows related in part to real sector activities and augmented by the Government's receipt of stamp-tax proceeds from the sale of a luxury resort, external reserves grew by $59.4 million (6.2%) to $1,016.8 million, surpassing the prior year's $13.9 million (1.8%) gain. In the underlying transactions, the Bank's net purchase from commercial banks was higher by $63.9 million at $150.6 million. However, the net sale to public corporations—primarily for fuel payments—increased by $35.9 million to $116.5 million, while the one-off tax inflows tempered the net sale to the Government, to $4.0 million, vis-à-vis a similar net purchase in 2013.



As a consequence of the growth in external reserves, the non-oil merchandise import cover ratio advanced to 20.7 weeks from 17.0 weeks in the same period a year earlier. After adjusting for the 50% statutory requirement on the Central Bank's Bahamian dollar liabilities, "useable" reserves expanded by $159.5 million (54.5%) to $452.3 million.

Domestic Banks

Buttressed by increased lending to the Government, the growth in commercial bank credit accelerated to $139.3 million (1.7%) from $49.0 million (0.6%) in 2013. Banks' net claim on the Government strengthened by $171.1 million (12.8%), up from the prior year's $56.1 million (4.3%) gain, and reflected significant growth in short-term debt. In contrast, claims on the rest of the public sector declined by $3.6 million (0.9%), to reverse the $0.5 million (0.1%) increase of 2013. Given the mildness of domestic demand, and banks' conservative lending posture, the contraction in private sector credit broadened to $28.2 million (0.4%) from $7.6 million (0.1%), as repayments eclipsed new borrowings. Additionally, banks' net foreign currency liabilities expanded by $50.1 million (8.4%), to outpace 2013's $7.1 million (1.4%) growth, behind the extension of a short-term bridging loan facility to the Government.

Growth in banks' total deposit liabilities firmed by $66.6 million (1.1%) to $6,349.5 million, from the prior year's $15.8 million (0.3%). Accretions to private sector deposits accelerated to $76.2 million (1.3%), from $19.5 million (0.3%) a year earlier, and public corporations' balances grew more strongly by $9.4 million (2.9%), compared with $2.5 million (0.6%) last year. Conversely, the drawdown in Government deposits rose three-fold to $19.0 million (10.6%).

By end-June, the bulk of deposit liabilities (95.7%) were denominated in Bahamian dollars, with the US dollar and other miscellaneous currencies accounting for the remaining 4.2% and 0.1%, respectively. By type, private individuals held 52.8% of total local currency balances, followed by business firms (30.0%), private financial institutions (5.5%), public corporations (4.4%), "other" entities (3.8%), Government (2.6%) and public financial institutions (0.9%).

Fixed balances continued to comprise the largest category of deposits, at 55.5%, followed by demand (25.7%) and savings (18.8%) balances. The majority of deposit accounts (88.3%) held amounts lower than $10,000, for a mere 6.0% of the total value. Account balances between $10,000 and $50,000 constituted 7.7% of the total number of accounts and 10.8% of the overall value, while the smallest share of deposit accounts (4.0%) held balances in excess of $50,000 but comprised a dominant 83.2% of the aggregate value.

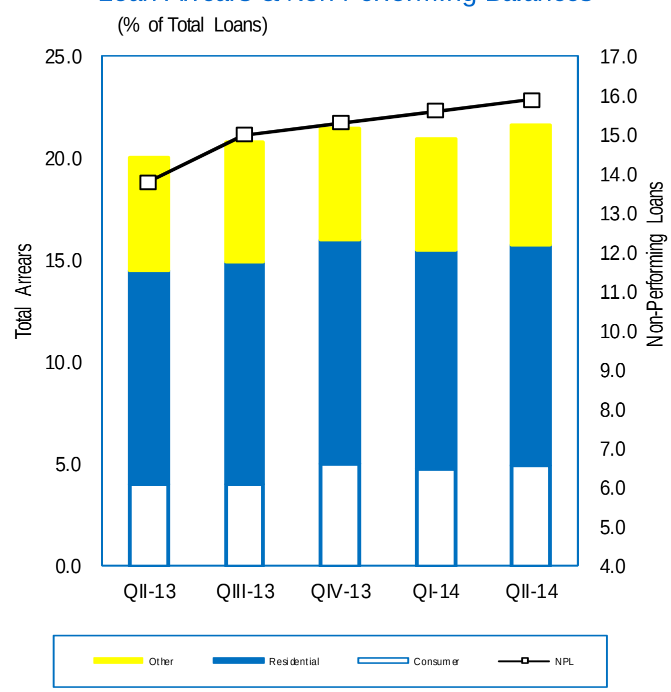
Credit Quality

Reflecting the narrowness of the economic recovery and seasonal trends, banks credit quality indicators deteriorated over the review period. Total private sector arrears grew by $43.0 million (3.3%) over the quarter and by $93.0 million (7.3%) year-on-year, to $1,359.5 million. This corresponded to a firming in total arrears as a proportion of private sector loans, over the respective three-month period and year, by 0.7 and 1.7 percentage points, to 22.2%.

The largest increase in arrears was in the commercial component, which advanced by $18.1 million (5.3%) to $362.8 million, or to 36.2% of the total portfolio. Mortgage loan arrears, at 50.5% of the total, moved higher by $16.3 million (2.4%) to $686.4 million, and to 23.8% of the total portfolio. In addition, the consumer loan segment rose by $8.5 million (2.8%) to $310.3 million, with the respective loan ratio firming to 14.0%.

An assessment of the average age of delinquencies showed short-term arrears, 31-90 days past due, growing by $19.4 million (5.7%) to $359.1 million. Similarly, non-performing loans—those exceeding 90 days and on which banks have ceased accruing interest—expanded by $23.5 million (2.4%) to $1,000.4 million, elevating the attendant ratio to 16.4%.

Loan Arrears & Non-Performing Balances



Given the growth in arrears, commercial banks boosted their total provisions against loan losses by $113.3 million to $568.8 million during the three-month period. As a result, the ratio of provisions to both arrears and non-performing loans firmed, by 7.2 and 10.2 percentage points, to 41.8% and 56.9%, respectively.

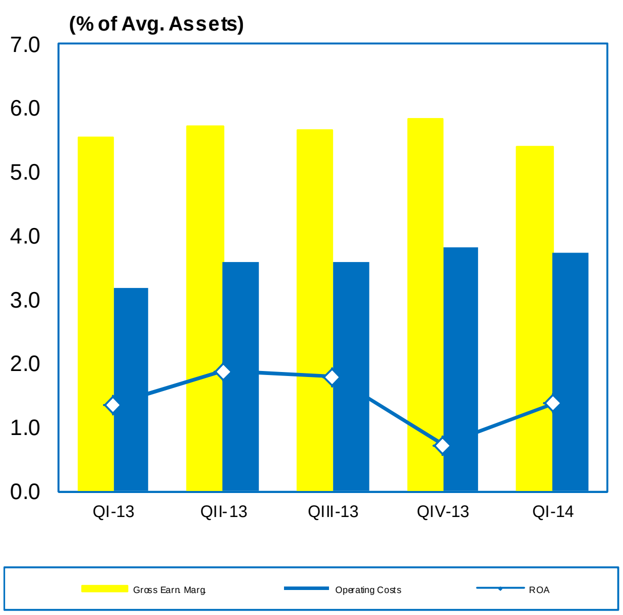
Bank Profitability

Bank profitability rose marginally by 1.9% ($0.6 million) to $33.3 million over the first quarter of 2014—the latest available data—in contrast to the preceding year's 20.2% ($8.3 million) contraction—as a reduction in bad debt provisions overshadowed the broad-based gains in other expenses.

Supporting the upturn in profitability, the net interest margin edged up by 0.3% ($0.4 million) to $128.1 million, as the 18.4% ($5.7 million) decline in interest expense surpassed the 3.3% ($5.3 million) contraction in interest income. Commission and foreign exchange income fell by over one-third to $3.4 million, causing the gross earnings margin to narrow by 1.3% ($1.7 million) to $131.6 million.

Total operating costs advanced by 17.9% ($13.8 million) to $90.8 million, underpinned by growth in other "miscellaneous" operating costs, of 34.6% ($10.6 million)—inclusive of Government fees—and a 10.2% ($4.0 million) gain in staff expenses. Occupancy outlays decreased by 11.6% ($0.8 million) to $6.3 million, and the net loss on non-core activities receded by more than two-thirds ($16.2 million) to $7.5 million. The latter was explained by a 36.1% ($15.5 million) contraction in bad debt provisions and a 4.2% ($1.0 million) uptick in non-core income—mainly fees and charges, while depreciation costs rose marginally by $0.3 million to $3.7 million.

Domestic Banks' Profitability



Despite the modest improvement in overall bank net profitability, most of the relevant profitability ratios weakened—as measured relative to average assets. The gross earnings margin ratio fell by 13 basis points to 5.39%, reflecting declines in the interest margin and commission & foreign exchange income ratios, by 5 and 9 basis points, to 5.24% and 0.14%, respectively. In contrast, the operating cost ratio rose by 53 basis points to 3.72%, which resulted in a 66 basis point narrowing in the net earnings margin ratio to 1.67%, while the net income ratio was virtually stable at 1.36%.

Interest Rates

During the second quarter, commercial banks' weighted average interest rate spread widened by 84 basis points to 10.40%. This was accounted for by an almost equivalent change in the average lending rate to 11.96%, as the average deposit rate was basically unchanged at 1.56%.

Despite the continued expansion in bank liquidity, the average interest rate range for fixed deposits moved higher to 1.22% - 2.00% from 1.19% - 1.98%. Conversely, the average rates on savings and demand deposits fell, by 18 and 2 basis points, to 0.88% and 0.29%, respectively.

Banking Sector Interest Rates

Period Average (%)

	Qtr. II 2013	Qtr. I 2014	Qtr. II 2014
Deposit Rates			
Demand Deposits	0.34	0.31	0.29
Savings Deposits	0.96	1.06	0.88
Fixed Deposits			
Up to 3 months	1.41	1.19	1.27
Up to 6 months	1.59	1.46	1.22
Up to 12 months	2.06	1.98	1.84
Over 12 months	2.29	1.84	2.00
Weighted Avg Deposit Rate	1.69	1.55	1.56
Lending Rates			
Residential mortgages	7.13	7.24	7.38
Commercial mortgages	7.57	7.93	8.26
Consumer loans	13.51	13.76	13.60
Other Local Loans	8.14	7.83	8.27
Overdrafts	9.48	9.45	9.93
Weighted Avg Loan Rate	10.85	11.11	11.96

Lending rates generally trended upwards over the review period. Average rates firmed for overdrafts, by 48 basis points to 9.93%, and for commercial and residential mortgages, by 33 and 14 basis points to 8.26% and 7.38%, respectively. However, the average consumer loan rate fell by 16 basis points to 13.60%.

For other key rates, the average 90-day Treasury bill rate rose by 15 basis points to 0.60%, while the Central Bank's Discount Rate and commercial banks' Prime Rate steadied at 4.50% and 4.75%, respectively.

Capital Markets Developments

The volume of shares traded on the Bahamas International Securities Exchange (BISX) declined by 25.8% to 0.7 million—although the corresponding value rose by 3.0% to $4.3 million. The BISX All Share Index grew by 3.0% to 1,559.9 points over the quarter, surpassing the 1.2% rise posted in the preceding year. Market capitalization increased by 3.0% to $3.33 billion, a reversal from a 10.1% contraction recorded over the previous period, while the number of securities listed on the exchange was unchanged at 27—consisting of 20 common shares, 3 preference shares and 4 debt tranches.

International Trade and Payments

Provisional estimates for the second quarter of 2014 showed a deterioration in the current account deficit, by $112.9 million (39.8%) to $396.8 million, vis-à-vis the comparative 2013 period. This development was mainly due to a construction services-led reduction in the services account surplus, along with an expansion in the deficit on the income account. In contrast, foreign investment-related inflows buoyed the surplus on the capital and financial account by $173.2 million (71.7%) to $414.8 million.

The estimated merchandise trade deficit widened, by $19.6 million (3.7%) to $556.8 million, reflecting a $10.0 million (3.7%) reduction in exports to $232.0 million alongside a $9.7 million (1.2%) gain in imports to $788.9 million. In terms of the components, oil imports moved higher by $0.9 million (0.5%) to $198.0 million, reflecting increases in both volumes and average prices. Specifically, on a per barrel basis, average price gains were posted for aviation gas, of 45.9% to $187.75; for gas oil, of 21.7% to $141.53; for propane, of 8.7% to $61.94 and motor gas, of 1.8% to $134.15. In contrast, the average cost of jet fuel decreased by 14.2% to $113.62 per barrel. Meanwhile, the estimated net non-oil merchandise import bill steadied at $422.9 million.

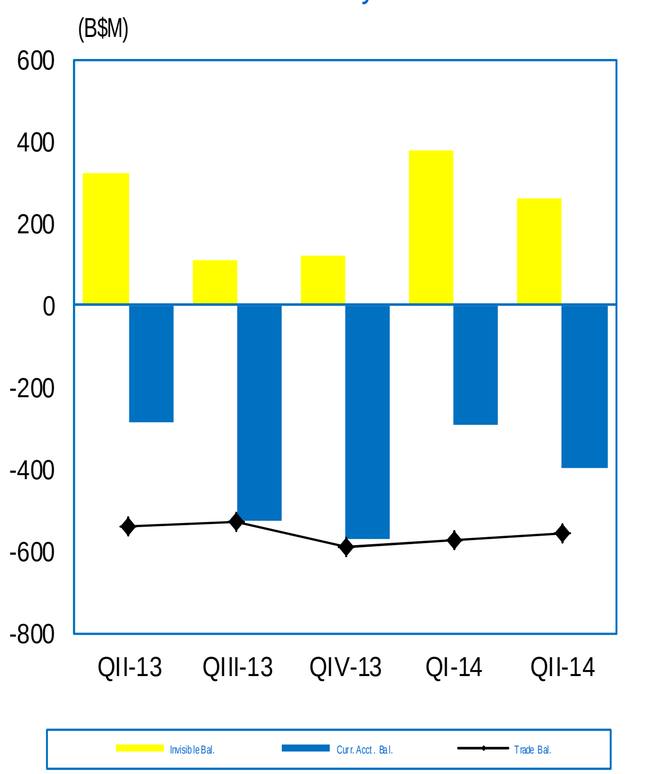
The surplus on the services account contracted by $56.7 million (17.7%) to $263.1 million, as an increase in foreign investment activity, to facilitate the completion of a major resort, resulted in an escalation of net construction service payments by one-third ($59.7 million) to $178.7 million. In addition, the net outflow related to insurance and transportation services increased by $9.0 million (26.1%) to $43.6 million and by $2.7 million (4.6%) to $61.3 million, respectively. Local expenditures by offshore companies fell by $4.9 million (10.0%) to $44.5 million. Providing some offset, net travel receipts firmed by $14.3 million (2.6%) to $557.6 million, reflecting steady growth in tourism sector activity, while net Government service inflows advanced by $1.3 million (15.1%) to $10.0 million. Net outflows for other "miscellaneous" services declined by $3.9 million (6.0%) to $60.7 million, and net remittances related to royalty & license fees were reduced by $0.3 million (5.8%) to $4.7 million.

The deficit on the income account expanded by $42.4 million (53.5%) to $121.5 million, led by a $33.6 million (48.3%) gain in net investment outflows to $103.0 million. In particular, net dividend and interest payments rose by $23.8 million (45.9%) to $75.5 million, due to a $12.0 million (21.2%) increase to $68.6 million in other private companies' remittances and a reversal in commercial banks' net transactions, to a $6.8 million net outflow from a $5.0 million net receipt. Net labour income remittances nearly doubled to $18.5 million, while net outflows for "official transactions" expanded by $9.8 million (55.2%) to $27.5 million, reflecting a similar rise in Government's interest payments to $31.5 million.

Net current transfer inflows firmed by $5.8 million (45.5%) to $18.5 million, supported by a $3.4 million (9.5%) fall in general Government net receipts to $38.8 million, and a $2.4 million (10.6%) reduction in other net payments to $20.3 million.

The significant growth in the surplus on the capital and financial account was associated with a surge in direct investment inflows, to $202.3 million from $89.1 million in 2013. Net receipts from equity investments strengthened by $147.1 million to $207.1 million, due mainly to the acquisition of a high-end resort by a foreign company. However, property-related transactions reversed to a net outflow of $4.8 million from a net receipt of $29.1 million in 2013. Growth in other "miscellaneous" net investment inflows, of $56.2 million (34.7%) to $218.4 million, was attributed to other private—mainly loan financing—inflows advancing by $45.1 million (31.4%) to $188.8 million, amid increased borrowings for a major foreign investment project. Domestic banks' net short-term inflows rose by $27.4 million to $34.4 million, explained by Government's bridging loan facility, while the public sector's transactions were reversed to a $4.9 million net repayment from an $11.3 million net inflow a year earlier. Net portfolio investment outflows moved lower to $3.1 million from $8.3 million, as no debt securities purchases were made during the review quarter, versus $6.3 million a year earlier. In addition, higher migrants' remittances led to net capital transfers rising by $1.4 million to $2.7 million.

Balance of Payments



As a result of these developments, and after adjusting for net errors and omissions, the surplus on the overall balance, which corresponds to the change in the Central Bank's external reserves, improved by $45.4 million to $59.4 million.

International Economic Developments

During the review period, the recovery in global output continued to be supported by an improving performance of the United States' economy and steady gains in Asia, while the nascent rebound in the euro zone showed signs of stalling. In this environment, unemployment rates among the major economies declined modestly, while inflation remained relatively benign. Given the improving economic conditions, investors increased their demand for "riskier" assets, which led to broad-based gains in equity markets and a decline in the value of the US dollar against most major currencies. However, with growth still below trend, the majority of the developed markets' central banks either retained or enhanced their highly accommodative monetary policy stance, in an effort to support economic growth—with the Federal Reserve being the sole exception.

The United States' economy achieved a robust expansion in real GDP of 4.6% in the second quarter, a reversal from a weather-affected 2.1% contraction in the March quarter. Notable underlying factors were gains in personal consumption expenditure, private inventory investment and exports. Buoyed by increases in the services and production sectors, economic output in the United Kingdom rose by 0.8% in the second quarter, which was in line with the prior period's expansion. In the euro zone, real GDP was flat during the three-month period, after rising by 0.2% in the March quarter, owing mainly to a downturn in Germany—the region's biggest economy. The 7.5% expansion in the Chinese economy in the second quarter was relatively on par with the previous quarter, being sustained by hikes in the services sector and heightened domestic spending, as the Government implemented a number of economic stimulus measures. In contrast, the introduction of a new sales tax in April contributed to a 1.7% fall in Japan's real GDP during the June quarter, vis-à-vis a gain of 1.5% in the first three months of the year, as household spending and residential investment slumped.

On the labour market front, the unemployment rate for the United States declined by 0.6 of a percentage point over the three-month period to 6.1% at end-June, as an additional 479,000 persons received jobs—mainly in the wholesale and retail trade, construction and professional and business services sectors. The United Kingdom's jobless rate softened, by 30 basis points to 6.5% in the second quarter, reflecting a gain in overall employment of 121,000. Modest improvements in conditions in several southern states, where unemployment remained in double digits, contributed to a subsiding in the euro area jobless rate, by 20 basis points to 11.5%. Asian economies continued to experience almost full employment over the review period, with China's unemployment rate steadying at 4.1%, and that for Japan increasing by 10 basis points to 3.7%, amid job losses in the medical care industries.

Reflecting modest gains in fuel and other commodity prices, consumer price inflation moved higher in most major economies. In the United States, consumer prices firmed by an annualized 2.1% in the second quarter, a reversal from a decline of 1.5% in the first three months of the year, amid higher prices for energy and electricity. Annual inflation in the United Kingdom increased to 1.9% at end-June from 1.6% in the prior quarter, owing to gains in clothing, food and non-alcoholic beverages and air transportation costs. In Asian markets, the growth in average consumer prices for Japan accelerated to 3.4% in June from 1.5% at end-March, reflecting elevated fuel and food prices. In contrast, China's year-on-year inflation rate was virtually stable at 2.3% in June.

In foreign currency markets, the US dollar recorded broad-based declines against several major currencies over the review period, amid increased demand for higher yielding assets. The dollar depreciated against both the Canadian dollar and British pound, by 2.65% to CAD $1.07 and 1.38% to £0.58, respectively. Similarly, the dollar moved lower vis-à-vis the Chinese Renminbi, by 0.88% to CNY6.20, and relative to the Japanese Yen, by 0.88% to ¥101. 33. However, the slowdown in Europe contributed to the dollar gaining against the euro and Swiss Franc, by 1.28% and 0.73%, to €0.73 and CHF0.89, respectively.

Commodities markets reflected the sustained pace of the global recovery, as increased demand for gasoline during the summer season, alongside rising geopolitical risks between Russia and the rest of Europe, contributed to a 1.7% uptick in crude oil prices over the quarter. In terms of other key commodities, both gold and silver prices firmed, by 10.0% to $1,327.30 and by 8.0% to $21.03 per ounce, respectively.

Reflecting central banks' sustained highly accommodative monetary policy measures and a general improvement in corporate profits, most of the major stock markets registered gains over the review period. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 indices rose by 4.38% and 1.48%, respectively. Similar firmings were noted for Japan's Nikkei 225 (6.0%), Germany's DAX (2.39%) and China's SE Composite (1.08%). In contrast, France's CAC 40 and the United Kingdom's FTSE 100 decreased by 1.44% and 0.53%, respectively.

In monetary policy developments, the Bank of England held its bank rate at a historic low of 0.5% and sustained its £375 billion asset purchase programme, while the European Central Bank reduced its main interest rates on refinancing operations and marginal lending facility, by 10 and 35 basis points, to 0.15% and 0.40%, respectively, in an effort to support the faltering recovery in the euro zone. As part of the monetary authorities' economic stimulus measures, the Peoples Bank of China lowered the reserve requirement ratio for rural deposit taking entities, by between 0.5 and 2.0 percentage points, as well as the deposit reserve ratio for commercial banks, by 0.50 of a percentage point. Similarly, the Bank of Japan announced a target for the monetary base, of ¥60 - ¥70 trillion per annum, and sustained its asset purchase programme at an annual pace of ¥50 trillion. In the United States, the Federal Reserve continued to taper its "quantitative easing" measures, by reducing the size of its asset purchase programme from $45 billion to $35 billion per month, while leaving the key policy rates within the highly accommodative 0.00%-0.25% range.

External sector developments were mixed in most major economies during the June quarter. In the United States, the trade deficit narrowed sharply, to $44.4 billion from $126.8 billion in the previous three-month period, as increases in exports supported an expansion in the services account surplus, while a rise in shipments of food & beverages, automotive vehicles and consumer goods led to a decline in the goods deficit. By contrast, the United Kingdom's trade deficit deteriorated by one quarter to £6.9 billion in the three months to June over the prior period, associated with a decrease in non-oil exports and a rise in imports of ships, cars and pharmaceutical products. The euro zone's trade surplus expanded by one-half to £47.4 billion, behind a 3.2% gain in exports to £481.6 billion and a marginal 0.3% contraction in imports to £434.2 billion. For Japan, the trade deficit was almost halved, to ¥2.6 billion, amid a marginal uptick in exports of mainly automobiles and a reduction in imports, while China's trade surplus widened by US$21.2 billion to US$86.0 billion, as higher exports surpassed the growth in imports.

STATISTICAL APPENDIX

(Tables 1-16)

STATISTICAL APPENDIX

The following symbols and conventions are used throughout this report:

1. n.a. not available
2. -- nil
3. p provisional
4. r revised
5. Due to rounding, the sum of separate items may differ from the total

TABLE 1

FINANCIAL SURVEY

End of Period	2009	2010	2011	2012				2013				2014	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec [R]	Mar.[R]	Jun.
							(B$ Millions)						
Net foreign assets	134.1	152.1	280.8	308.9	356.2	117.6	208.4	266.2	273.0	148.7	46.4	363.9	373.2
Central Bank	816.0	860.4	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2	741.6	957.4	1,016.8
Domestic Banks	(681.9)	(708.3)	(604.0)	(581.1)	(571.8)	(628.2)	(601.8)	(517.0)	(524.1)	(520.5)	(695.2)	(593.5)	(643.6)
Net domestic assets	5,898.2	6,038.9	6,029.6	6,120.9	6,149.1	6,222.5	6,095.3	6,162.5	6,182.7	6,281.2	6,270.8	5,972.6	6,044.6
Domestic credit	8,039.7	8,448.2	8,536.9	8,666.5	8,698.8	8,797.2	8,685.0	8,753.8	8,824.6	8,953.1	8,949.9	8,651.2	8,789.6
Public sector	1,443.8	1,875.5	1,889.4	1,998.8	2,042.7	2,135.4	2,055.7	2,216.8	2,295.2	2,425.8	2,398.0	2,134.8	2,301.4
Government (net)	1023.9	1,413.7	1,439.2	1,524.8	1,624.9	1,678.0	1,592.2	1,751.4	1,829.6	1,943.3	1,943.3	1,706.7	1,877.1
Rest of public sector	419.9	461.8	450.2	474.0	417.8	457.4	463.5	465.4	465.7	482.5	454.7	428.1	424.3
Private sector	6,595.9	6,572.7	6,647.5	6,667.7	6,656.1	6,661.8	6,629.3	6,537.0	6,529.4	6,527.3	6,551.9	6,516.4	6,488.2
Other items (net)	(2,141.5)	(2,409.3)	(2,507.3)	(2,545.6)	(2,549.7)	(2,574.7)	(2,589.7)	(2,591.3)	(2,641.9)	(2,671.9)	(2,679.1)	(2,678.6)	(2,745.0)
Monetary liabilities	6,032.3	6,191.1	6,310.4	6,429.8	6,505.3	6,340.1	6,303.7	6,428.7	6,455.7	6,429.9	6,317.2	6,336.5	6,417.8
Money	1,283.6	1,335.2	1,434.8	1,486.7	1,532.8	1,509.8	1,574.9	1,590.9	1,653.5	1,639.2	1,641.2	1,654.7	1,706.6
Currency	207.8	194.5	196.9	203.5	207.3	208.2	216.5	216.7	215.6	208.0	214.4	214.4	220.2
Demand deposits	1,075.8	1,140.6	1,237.9	1,283.2	1,325.5	1,301.6	1,358.4	1,374.2	1,437.9	1,431.2	1,426.8	1,440.3	1,486.4
Quasi-money	4,748.7	4,855.9	4,875.6	4,943.1	4,972.5	4,830.3	4,728.8	4,837.8	4,802.2	4,790.7	4,676.0	4,681.8	4,711.2
Fixed deposits	3,521.4	3,615.4	3,605.9	3,596.7	3,581.0	3,488.4	3,444.1	3,496.8	3,434.9	3,385.9	3,288.0	3,280.8	3,296.6
Savings deposits	995.4	1,015.8	1,063.7	1,084.8	1,144.8	1,110.2	1,069.0	1,091.7	1,109.7	1,089.5	1,114.0	1,128.6	1,143.3
Foreign currency	231.9	224.7	206.0	261.6	246.7	231.7	215.7	249.4	257.6	315.3	274.0	272.3	271.3
							(percentage changes)						
Total domestic credit	1.7	5.1	1.4	1.5	0.4	1.1	(1.3)	0.8	0.8	1.5	(0.0)	(3.3)	1.6
Public sector	5.2	29.9	4.1	5.8	2.2	4.5	(3.7)	7.8	3.5	5.7	(1.1)	(11.0)	7.8
Government (net)	10.8	38.1	2.7	5.9	6.6	3.3	(5.1)	10.0	4.5	6.2	(0.0)	(12.2)	10.0
Rest of public sector	(6.3)	10.0	8.7	5.3	(11.9)	9.5	1.3	0.4	0.0	3.6	(5.8)	(5.9)	(0.9)
Private sector	0.9	(0.4)	0.7	0.3	(0.2)	0.1	(0.5)	(1.4)	(0.1)	(0.0)	0.4	(0.5)	(0.4)
Monetary liabilities	1.8	2.6	(0.7)	1.9	1.2	(2.5)	(0.6)	2.0	0.4	(0.4)	(1.8)	0.3	1.3
Money	0.7	4.0	0.8	3.6	3.1	(1.5)	4.3	1.0	3.9	(0.9)	0.1	0.8	3.1
Currency	1.0	(6.4)	(2.6)	3.3	1.9	0.4	4.0	0.1	(0.5)	(3.5)	3.1	(0.0)	2.7
Demand deposits	0.7	6.0	1.3	3.7	3.3	(1.8)	4.4	1.2	4.6	(0.5)	(0.3)	0.9	3.2
Quasi-money	2.1	2.3	(1.1)	1.4	0.6	(2.9)	(2.1)	2.3	(0.7)	(0.2)	(2.4)	0.1	0.6

Source: The Central Bank of The Bahamas

TABLE 2

MONETARY SURVEY

End of Period	2009	2010	2011	2012				2013				2014	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec. R	Mar. R	Jun.
								(B$ Millions)					
Net foreign assets	167.3	113.9	287.5	304.3	362.6	119.4	214.2	272.6	262.9	167.5	75.6	407.7	416.5
Central Bank	816.0	860.4	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2	741.6	957.4	1,016.8
Commercial banks	(648.7)	(746.6)	(597.3)	(585.7)	(565.4)	(626.4)	(596.0)	(510.6)	(534.2)	(501.7)	(666.0)	(549.7)	(600.3)
Net domestic assets	5,832.9	6,040.6	5,978.9	6,054.3	6,086.5	6,168.5	6,034.8	6,105.6	6,107.7	6,204.7	6,190.1	5,868.8	5,951.3
Domestic credit	8,000.0	8,417.1	8,509.0	8,637.2	8,669.0	8,767.5	8,655.5	8,726.4	8,797.1	8,928.7	8,922.7	8,625.6	8,756.9
Public sector	1,428.3	1,861.0	1,879.5	1,986.7	2,030.1	2,122.5	2,042.8	2,203.9	2,282.5	2,416.4	2,388.6	2,125.6	2,292.1
Government (net)	1,008.4	1,404.6	1,429.8	1,513.2	1,612.7	1,665.7	1,579.9	1,739.0	1,817.3	1,934.4	1,934.5	1,698.0	1,868.2
Rest of public sector	419.9	456.4	449.7	473.5	417.3	456.8	462.9	464.9	465.2	482.0	454.1	427.6	423.9
Private sector	6,571.7	6,556.1	6,629.5	6,650.4	6,638.9	6,645.0	6,612.7	6,522.5	6,514.6	6,512.3	6,534.1	6,500.0	6,464.8
Other items (net)	(2,167.1)	(2,376.5)	(2,530.1)	(2,582.9)	(2,582.5)	(2,599.0)	(2,620.7)	(2,620.8)	(2,689.4)	(2,724.0)	(2,732.6)	(2,756.8)	(2,805.6)
Monetary liabilities	6,000.2	6,154.6	6,266.4	6,358.6	6,449.1	6,287.9	6,249.0	6,378.2	6,370.6	6,372.2	6,265.6	6,276.4	6,367.8
Money	1,261.9	1,314.7	1,408.2	1,448.9	1,496.8	1,485.3	1,541.9	1,562.0	1,598.3	1,601.5	1,610.9	1,616.2	1,677.1
Currency	207.8	194.5	196.9	203.5	207.3	208.2	216.5	216.7	215.6	208.0	214.4	214.4	220.2
Demand deposits	1,054.1	1,120.2	1,211.3	1,245.5	1,289.5	1,277.1	1,325.4	1,345.3	1,382.7	1,393.5	1,396.5	1,401.8	1,456.9
Quasi-money	4,738.3	4,839.8	4,858.2	4,909.7	4,952.3	4,802.6	4,707.1	4,816.3	4,772.3	4,770.7	4,654.7	4,660.2	4,690.7
Savings deposits	995.3	1,015.8	1,063.7	1,084.8	1,144.7	1,110.1	1,069.0	1,091.6	1,109.7	1,089.5	1,114.0	1,128.6	1,143.2
Fixed deposits	3,511.1	3,601.8	3,592.3	3,580.7	3,567.3	3,476.5	3,428.4	3,481.0	3,418.7	3,365.9	3,266.7	3,259.3	3,276.1
Foreign currency deposits	231.9	222.2	202.2	244.2	240.3	216.0	209.7	243.7	243.9	315.3	274.0	272.3	271.4
								(percentage change)					
Total domestic credit	1.5	5.2	1.4	1.5	0.4	1.1	(1.3)	0.8	0.8	1.5	(0.1)	(3.3)	1.5
Public sector	4.3	30.3	4.0	5.7	2.2	4.6	(3.8)	7.9	3.6	5.9	(1.2)	(11.0)	7.8
Government (net)	9.5	39.3	2.6	5.8	6.6	3.3	(5.2)	10.1	4.5	6.4	0.0	(12.2)	10.0
Rest of public sector	(6.3)	8.7	8.7	5.3	(11.9)	9.5	1.3	0.4	0.1	3.6	(5.8)	(5.8)	(0.9)
Private sector	0.9	(0.2)	0.7	0.3	(0.2)	0.1	(0.5)	(1.4)	(0.1)	(0.0)	0.3	(0.5)	(0.5)
Monetary liabilities	1.8	2.6	(0.7)	1.5	1.4	(2.5)	(0.6)	2.1	(0.1)	0.0	(1.7)	0.2	1.5
Money	0.3	4.2	0.7	2.9	3.3	(0.8)	3.8	1.3	2.3	0.2	0.6	0.3	3.8
Currency	1.0	(6.4)	(2.6)	3.3	1.9	0.4	4.0	0.1	(0.5)	(3.5)	3.1	(0.0)	2.7
Demand deposits	0.2	6.3	1.3	2.8	3.5	(1.0)	3.8	1.5	2.8	0.8	0.2	0.4	3.9
Quasi-money	2.2	2.1	(1.1)	1.1	0.9	(3.0)	(2.0)	2.3	(0.9)	(0.0)	(2.4)	0.1	0.7

Source: The Central Bank of The Bahamas

TABLE 3

CENTRAL BANK BALANCE SHEET

(B$ Millions)

End of Period	2009	2010	2011	2012				2013				2014	
				Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.
Net foreign assets	816.0	860.4	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2	741.6	957.4	1,016.8
Balances with banks abroad	270.9	175.2	115.0	124.1	164.9	5.4	216.5	200.7	209.1	80.7	122.4	328.1	363.8
Foreign securities	356.2	499.7	585.0	579.4	580.4	554.8	555.7	545.4	550.8	550.6	551.0	560.9	559.5
Reserve position in the Fund	9.8	9.6	9.6	9.7	9.5	9.6	9.6	9.4	9.4	9.6	9.6	9.7	9.7
SDR holdings	179.1	175.9	175.2	176.8	173.2	176.0	28.4	27.7	27.8	28.3	58.6	58.7	83.8
Net domestic assets	73.3	156.7	187.4	194.9	218.0	249.4	280.1	323.7	357.4	396.4	314.7	246.4	252.5
Net claims on Government	182.1	259.8	289.2	304.9	328.3	357.1	394.7	438.6	460.6	524.4	489.9	370.2	369.5
Claims	202.8	274.3	300.8	315.8	333.5	368.5	404.8	460.7	484.9	548.7	542.0	400.3	412.7
Treasury bills	--	--	26.2	20.0	21.5	63.5	129.6	187.0	209.5	200.0	186.4	88.1	34.9
Bahamas registered stock	105.8	162.3	164.0	165.2	174.3	169.4	169.5	168.0	169.7	223.0	220.9	247.5	248.1
Loans and advances	97.0	112.0	110.6	130.6	137.7	135.6	105.7	105.7	105.7	125.7	134.7	64.7	129.7
Deposits	(20.7)	(14.5)	(11.6)	(10.9)	(5.2)	(11.4)	(10.1)	(22.1)	(24.3)	(24.3)	(52.1)	(30.1)	(43.2)
In local currency	(20.7)	(14.5)	(11.6)	(10.9)	(5.2)	(11.4)	(10.1)	(22.1)	(24.3)	(24.3)	(52.1)	(30.1)	(43.2)
In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--
Deposits of rest of public sector	(15.8)	(15.4)	(7.1)	(14.8)	(12.9)	(10.6)	(14.7)	(10.3)	(16.4)	(23.5)	(11.6)	(17.9)	(8.0)
Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--
Official capital and surplus	(140.5)	(132.0)	(139.2)	(140.5)	(141.1)	(142.0)	(139.3)	(143.0)	(143.0)	(141.3)	(140.7)	(146.0)	(147.5)
Net unclassified assets	40.5	38.0	38.4	39.2	37.8	39.0	33.7	32.8	50.7	31.3	(28.5)	35.2	33.8
Loans to rest of public sector	6.2	5.6	5.2	5.2	5.0	5.0	4.8	4.8	4.6	4.6	4.6	4.4	4.2
Public Corp Bonds/Securities	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.5	0.5
Liabilities To Domestic Banks	(486.5)	(631.0)	(684.3)	(688.8)	(749.9)	(595.1)	(682.6)	(703.7)	(751.8)	(666.7)	(650.3)	(797.0)	(856.8)
Notes and coins	(111.8)	(113.2)	(126.9)	(80.6)	(83.5)	(86.7)	(127.4)	(95.6)	(93.7)	(91.9)	(138.1)	(101.0)	(100.2)
Deposits	(374.7)	(517.8)	(557.4)	(608.2)	(666.4)	(508.4)	(555.2)	(608.1)	(658.1)	(574.8)	(512.2)	(696.0)	(756.6)
SDR allocation	(195.0)	(191.6)	(191.0)	(192.7)	(188.8)	(191.9)	(191.2)	(186.5)	(187.1)	(190.9)	(191.6)	(192.3)	(192.3)
Currency held by the private sector	(207.8)	(194.5)	(196.9)	(203.5)	(207.3)	(208.2)	(216.5)	(216.7)	(215.6)	(208.0)	(214.4)	(214.4)	(220.2)

Source: The Central Bank of The Bahamas

TABLE 4

DOMESTIC BANKS BALANCE SHEET

(B$ Millions)

End of Period	2009	2010	2011	2012				2013				2014	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec. R	Mar. R	Jun.
Net foreign assets	(681.9)	(705.8)	(604.0)	(581.1)	(571.8)	(628.2)	(601.8)	(517.0)	(524.1)	(520.5)	(695.2)	(593.5)	(643.6)
Net claims on Central Bank	487.4	631.9	687.0	689.8	753.8	596.5	690.7	705.3	752.7	667.6	651.7	797.9	857.7
Notes and Coins	111.8	113.2	126.9	80.6	83.5	86.7	127.4	95.6	93.7	91.9	138.1	101.0	100.2
Balances	375.6	518.7	560.1	609.2	670.3	509.8	563.3	609.8	659.0	575.7	513.6	696.9	757.5
Less Central Bank credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Net domestic assets	5,564.4	5,567.7	5,579.5	5,675.9	5,679.5	5,748.1	5,586.9	5,610.8	5,590.0	5,648.4	5,804.0	5,569.7	5,636.2
Net claims on Government	843.0	1,152.3	1,150.0	1,219.9	1,296.6	1,320.9	1,197.5	1,312.8	1,368.9	1,418.9	1,453.5	1,336.5	1,507.6
Treasury bills	214.0	293.7	275.4	301.6	321.6	274.6	219.3	342.1	378.6	388.1	392.4	430.9	514.3
Other securities	704.6	799.6	847.6	848.7	840.7	965.5	961.1	957.2	954.3	959.1	962.2	930.7	922.3
Loans and advances	76.5	180.3	145.7	189.3	253.8	207.3	152.4	147.6	164.0	201.8	253.6	153.8	230.9
Less: deposits	152.1	121.3	118.7	119.7	119.5	126.5	135.3	134.1	128.0	130.1	154.7	178.9	159.9
Net claims on rest of public sector	(25.7)	(31.9)	0.4	41.2	(11.5)	46.6	61.2	57.1	55.1	74.1	118.6	93.3	80.3
Securities	107.0	115.6	117.4	119.4	119.4	119.4	119.4	119.4	119.4	119.4	119.4	119.2	119.1
Loans and advances	305.9	339.8	326.8	348.7	292.6	332.1	338.4	340.4	340.8	357.6	329.8	304.1	300.6
Less: deposits	438.6	487.3	443.8	426.9	423.5	404.9	396.6	402.7	405.2	402.9	330.6	330.0	339.4
Other net claims	(8.1)	(3.4)	5.5	(19.3)	(14.6)	(4.6)	(15.7)	(13.5)	(6.9)	(28.8)	(48.8)	(29.7)	(14.8)
Credit to the private sector	6,595.9	6,572.7	6,647.6	6,667.6	6,656.1	6,661.9	6,629.3	6,537.0	6,529.4	6,527.3	6,551.9	6,516.4	6,488.2
Securities	27.2	17.4	16.4	14.4	14.3	14.0	14.1	14.2	12.9	13.0	16.5	16.4	16.7
Mortgages	2,949.6	3,192.4	3,227.6	3,232.9	3,255.1	3,275.8	3,275.4	3,273.7	3,300.1	3,302.6	3,310.3	3,304.0	3,283.0
Loans and advances	3,619.1	3,363.0	3,403.6	3,420.3	3,386.7	3,372.1	3,339.8	3,249.1	3,216.3	3,211.7	3,225.1	3,196.0	3188.5
Private capital and surplus	(2,033.0)	(2,281.9)	(2,357.8)	(2,419.6)	(2,436.1)	(2,473.5)	(2,535.2)	(2,515.7)	(2,577.5)	(2,566.0)	(2,586.4)	(2,528.5)	(2,442.8)
Net unclassified assets	192.3	159.9	133.8	186.1	189.0	196.8	249.8	233.1	221.0	222.9	315.2	181.7	17.7
Liabilities to private sector	5,370.0	5,493.7	5,662.5	5,784.6	5,861.5	5,716.4	5,675.8	5,799.1	5,818.6	5,795.5	5,760.6	5,774.0	5,850.2
Demand deposits	1,204.2	1,249.6	1,325.6	1,410.6	1,442.3	1,406.7	1,442.7	1,493.9	1,552.3	1,593.4	1,593.5	1,593.0	1,643.2
Savings deposits	1,003.5	1,017.8	1,067.1	1,088.0	1,148.1	1,114.1	1,074.1	1,096.8	1,116.4	1,097.6	1,119.9	1,135.3	1,150.6
Fixed deposits	3,162.3	3,226.3	3,269.8	3,285.9	3,271.1	3,195.6	3,159.0	3,208.4	3,149.9	3,104.5	3,047.1	3,045.7	3,056.4

Source: The Central Bank of The Bahamas

TABLE 5

PROFIT AND LOSS ACCOUNTS OF BANKS IN THE BAHAMAS*

(B$'000s)

Period	2009	2010	2011	2012				2013				2014
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
1. Interest Income	728,878	742,174	702,491	168,204	165,179	163,140	170,532	158,479	163,483	160,402	163,719	153,222
2. Interest Expense	244,468	225,990	185,949	39,034	37,892	35,607	32,364	30,765	30,449	29,015	27,582	25,101
3. **Interest Margin (1-2)**	484,410	516,184	516,542	129,170	127,287	127,533	138,168	127,714	133,034	131,387	136,137	128,121
4. Commission & Forex Income	22,005	22,820	23,126	6,224	5,145	5,701	5,935	5,593	5,916	5,850	5,919	3,445
5. **Gross Earnings Margin (3+4)**	506,415	539,004	539,668	135,394	132,432	133,234	144,103	133,307	138,950	137,237	142,056	131,566
6. Staff Costs	149,222	158,233	164,959	39,136	41,456	40,230	41,526	39,139	45,831	44,602	52,338	43,140
7. Occupancy Costs	23,417	23,964	25,786	7,019	7,036	8,081	7,608	7,175	7,797	7,157	7,991	6,341
8. Other Operating Costs	87,245	107,051	107,138	28,138	27,582	26,815	29,379	30,695	33,230	35,607	32,943	41,325
9. **Operating Costs (6+7+8)**	259,884	289,248	297,883	74,293	76,074	75,126	78,513	77,009	86,858	87,366	93,272	90,806
10. **Net Earnings Margin (5-9)**	246,531	249,756	241,785	61,101	56,358	58,108	65,590	56,298	52,092	49,871	48,784	40,760
11. Depreciation Costs	14,134	15,238	12,693	3,521	3,469	3,041	3,333	3,378	3,659	4,438	5,494	3,677
12. Provisions for Bad Debt	121,092	124,686	101,503	37,789	36,123	48,570	45,616	42,894	27,716	24,998	53,506	27,392
13. Other Income	96,990	111,284	97,520	21,124	20,981	23,142	23,037	22,633	24,737	22,878	27,775	23,592
14. **Other Income (Net) (13-11-12)**	(38,236)	(28,640)	(16,676)	(20,186)	(18,611)	(28,469)	(25,912)	(23,639)	(6,638)	(6,558)	(31,225)	(7,477)
15. **Net Income (10+14)**	208,295	221,116	225,109	40,915	37,747	29,639	39,678	32,659	45,454	43,313	17,559	33,283
16. **Effective Interest Rate Spread (%)**	6.34	6.17	6.14	6.44	6.40	6.44	6.36	6.64	7.12	6.76	6.88	6.80
						(Ratios To Average Assets)						
Interest Margin	5.31	5.60	5.46	5.39	5.23	5.27	5.74	5.29	5.47	5.41	5.57	5.24
Commission & Forex Income	0.24	0.25	0.24	0.26	0.21	0.24	0.25	0.23	0.24	0.24	0.24	0.14
Gross Earnings Margin	5.55	5.84	5.71	5.65	5.45	5.51	5.99	5.52	5.71	5.65	5.82	5.39
Operating Costs	2.85	3.14	3.15	3.10	3.13	3.11	3.26	3.19	3.57	3.59	3.82	3.72
Net Earnings Margin	2.70	2.71	2.56	2.55	2.32	2.40	2.72	2.33	2.14	2.05	2.00	1.67
Net Income	2.28	2.40	2.38	1.71	1.55	1.23	1.65	1.35	1.87	1.78	0.72	1.36

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

Source: The Central Bank of The Bahamas

TABLE 6

MONEY SUPPLY

(B$ Millions)

End of Period	2009	2010	2011	2012				2013				2014	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.[R]	Mar.[R]	Jun.
Money supply (M1)	1,283.6	1,335.2	1,434.8	1,486.7	1,532.8	1,509.8	1,574.9	1,590.9	1,653.5	1,639.2	1,641.2	1,654.7	1,706.6
1) Currency in active circulation	207.8	194.5	196.9	203.5	207.3	208.2	216.5	216.7	215.6	208.0	214.4	214.4	220.2
2) Demand deposits	1,075.8	1,140.6	1,237.9	1,283.2	1,325.5	1,301.6	1,358.4	1,374.2	1,437.9	1,431.2	1,426.8	1,440.3	1,486.4
Central Bank	15.9	15.4	7.1	14.8	12.9	10.6	14.8	10.3	16.4	23.5	11.6	18.0	8.0
Domestic Banks	1,059.9	1,125.2	1,230.8	1,268.4	1,312.6	1,291.0	1,343.6	1,363.9	1,421.5	1,407.7	1,415.2	1,422.3	1,478.4
Factors affecting money (M1)													
1) Net credit to Government	1,023.9	1,413.7	1,439.2	1,524.8	1,624.9	1,678.0	1,592.2	1,751.4	1,829.6	1,943.3	1,943.3	1,706.7	1,877.1
Central Bank	180.9	261.4	289.2	304.9	328.3	357.1	394.7	438.6	460.7	524.4	489.9	370.2	369.5
Domestic Banks	843.0	1,152.3	1,150.0	1,219.9	1,296.6	1,320.9	1,197.5	1,312.8	1,368.9	1,418.9	1,453.4	1,336.5	1,507.6
2) Other credit	7,015.8	7,034.5	7,097.7	7,141.7	7,073.9	7,119.2	7,092.8	7,002.4	6,995.0	7,009.8	7,006.5	6,944.5	6,912.5
Rest of public sector	419.9	461.8	450.2	474.0	417.8	457.4	463.5	465.4	465.6	482.5	454.6	428.1	424.3
Private sector	6,595.9	6,572.7	6,647.5	6,667.7	6,656.1	6,661.8	6,629.3	6,537.0	6,529.4	6,527.3	6,551.9	6,516.4	6,488.2
3) External reserves	816.0	860.4	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2	741.6	957.4	1,016.8
4) Other external liabilities (net)	(681.9)	(708.3)	(604.0)	(581.1)	(571.8)	(628.2)	(601.8)	(517.0)	(524.1)	(520.5)	(695.2)	(593.5)	(643.6)
5) Quasi money	4,748.7	4,855.9	4,875.6	4,943.1	4,972.5	4,830.3	4,728.8	4,837.8	4,802.2	4,790.7	4,676.0	4,681.8	4,711.2
6) Other items (net)	(2,141.5)	(2,409.3)	(2,507.3)	(2,545.6)	(2,549.7)	(2,574.7)	(2,589.7)	(2,591.3)	(2,641.9)	(2,671.9)	(2,679.1)	(2,678.6)	(2,745.0)

Source: The Central Bank of The Bahamas

TABLE 7

CONSUMER INSTALMENT CREDIT*

(B$' 000)

End of Period	2009	2010	2011	2012				2013				2014	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.[R]	Mar.[R]	Jun.
CREDIT OUTSTANDING													
Private cars	206,689	185,044	171,751	169,956	174,077	176,222	177,527	176,465	184,523	182,440	175,407	175,618	184,005
Taxis & rented cars	1,832	985	910	987	974	1,055	1,081	970	1,026	1,019	1,077	1,029	948
Commercial vehicles	4,955	3,353	2,510	2,368	2,299	2,213	2,241	2,176	1,997	1,942	2,334	2,263	2,232
Furnishings & domestic appliances	19,134	15,126	11,126	10,462	10,297	11,993	12,010	11,621	10,840	13,440	7,919	7,621	7,282
Travel	36,369	26,464	25,221	23,832	24,413	27,239	29,492	27,784	29,616	36,264	33,011	30,508	29,495
Education	55,227	50,875	35,750	34,230	32,733	35,731	34,544	33,448	32,566	38,838	33,858	34,254	33,559
Medical	19,697	16,399	14,409	13,786	13,304	13,247	11,363	11,123	11,274	11,763	12,010	11,762	11,713
Home Improvements	163,991	129,860	126,543	122,885	126,732	124,114	127,537	128,389	124,738	129,073	123,943	126,057	133,933
Land Purchases	243,696	240,391	239,790	234,789	237,847	233,149	232,752	228,644	227,867	229,575	225,065	225,769	223,398
Consolidation of debt	648,024	714,616	820,135	815,617	813,370	804,306	781,518	779,541	772,843	765,465	802,727	802,659	797,630
Miscellaneous	515,002	494,961	464,052	483,468	499,683	508,667	501,225	500,285	501,268	490,275	563,322	557,983	573,570
Credit Cards	278,749	262,871	251,924	242,294	239,549	242,130	243,745	236,066	234,110	239,262	241,241	235,484	237,222
TOTAL	2,193,365	2,140,945	2,164,121	2,154,674	2,175,278	2,180,066	2,155,035	2,136,512	2,132,668	2,139,356	2,221,914	2,211,007	2,234,987
NET CREDIT EXTENDED													
Private cars	(32,086)	(21,645)	(13,293)	(1,795)	4,121	2,145	1,305	(1,062)	8,058	(2,083)	(7,033)	211	8,387
Taxis & rented cars	(77)	(847)	(75)	77	(13)	81	26	(111)	56	(7)	58	(48)	(81)
Commercial vehicles	(1,156)	(1,602)	(843)	(142)	(69)	(86)	28	(65)	(179)	(55)	392	(71)	(31)
Furnishings & domestic appliances	(2,039)	(4,008)	(4,000)	(664)	(165)	1,696	17	(389)	(781)	2,600	(5,521)	(298)	(339)
Travel	(13,233)	(9,905)	(1,243)	(1,389)	581	2,826	2,253	(1,708)	1,832	6,648	(3,253)	(2,503)	(1,013)
Education	(2,028)	(4,352)	(15,125)	(1,520)	(1,497)	2,998	(1,187)	(1,096)	(882)	6,272	(4,980)	396	(695)
Medical	(1,738)	(3,298)	(1,990)	(623)	(482)	(57)	(1,884)	(240)	151	489	247	(248)	(49)
Home Improvements	(7,463)	(34,131)	(3,317)	(3,658)	3,847	(2,618)	3,423	852	(3,651)	4,335	(5,130)	2,114	7,876
Land Purchases	(2,472)	(3,305)	(601)	(5,001)	3,058	(4,698)	(397)	(4,108)	(777)	1,708	(4,510)	704	(2,371)
Consolidation of debt	53,459	66,592	105,519	(4,518)	(2,247)	(9,064)	(22,788)	(1,977)	(6,698)	(7,378)	37,262	(68)	(5,029)
Miscellaneous	(26,583)	(20,041)	(30,909)	19,416	16,215	8,984	(7,442)	(940)	983	(10,993)	73,047	(5,339)	15,587
Credit Cards	(15,628)	(15,878)	(10,947)	(9,630)	(2,745)	2,581	1,615	(7,679)	(1,956)	5,152	1,979	(5,757)	1,738
TOTAL	(51,044)	(52,420)	23,176	(9,447)	20,604	4,788	(25,031)	(18,523)	(3,844)	6,688	82,558	(10,907)	23,980

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8

SELECTED AVERAGE INTEREST RATES

(%)

Period	2011	2012	2013	2012 Qtr. I	2012 Qtr. II	2012 Qtr. III	2012 Qtr. IV	2013 Qtr. I	2013 Qtr. II	2013 Qtr. III	2013 Qtr. IV	2014 Qtr. I	2014 Qtr. II
DOMESTIC BANKS													
Deposit rates													
Savings deposits	1.75	1.53	0.97	1.88	1.67	1.31	1.25	1.11	0.96	0.87	0.94	1.06	0.88
Fixed deposits													
Up to 3 months	2.33	1.60	1.37	1.71	1.71	1.56	1.43	1.48	1.41	1.44	1.12	1.19	1.27
Up to 6 months	2.67	1.95	1.35	2.08	2.09	1.89	1.72	1.63	1.59	1.21	0.97	1.46	1.22
Up to 12 months	3.25	2.54	2.15	2.69	2.68	2.49	2.30	2.59	2.06	2.07	1.87	1.98	1.84
Over 12 months	3.20	2.65	2.20	2.96	2.53	2.52	2.58	2.49	2.29	2.12	1.92	1.84	2.00
Weighted average rate	2.64	2.02	1.68	2.23	2.08	1.93	1.83	1.92	1.69	1.68	1.43	1.55	1.56
Lending rates													
Residential mortgages	7.77	7.51	7.27	7.58	7.61	7.43	7.40	7.51	7.13	7.16	7.26	7.24	7.38
Commercial mortgages	8.37	8.29	8.21	8.09	8.35	8.33	8.40	8.06	7.57	8.40	8.81	7.93	8.26
Consumer loans	13.35	13.43	13.65	12.82	13.41	13.84	13.66	13.55	13.51	13.90	13.63	13.76	13.60
Overdrafts	10.04	9.81	9.32	9.36	10.61	9.91	9.36	9.07	9.48	9.71	9.02	9.45	9.93
Weighted average rate	10.98	10.88	11.10	10.25	10.99	11.18	11.10	10.91	10.85	11.28	11.36	11.11	11.96
Other rates													
Prime rate	4.94	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Treasury bill (90 days)	1.25	0.20	0.30	0.10	0.32	0.10	0.28	0.17	0.29	0.27	0.46	0.45	0.60
Treasury bill re-discount rate	1.75	0.70	0.80	0.60	0.82	0.60	0.78	0.67	0.79	0.77	0.96	0.95	1.10
Bank rate (discount rate)	4.69	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50

Source: The Central Bank of The Bahamas

TABLE 9

SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

Period	2009	2010	2011	2012				2013				2014	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV[R]	Qtr. I[R]	Qtr. II
Loan Portfolio													
Current Loans (as a % of total loans)	**82.3**	**81.8**	**81.1**	**81.5**	**81.7**	**81.9**	**80.3**	**80.7**	**79.9**	**79.1**	**78.4**	**78.9**	**78.3**
Arrears (% by loan type)													
Consumer	5.2	4.3	4.2	3.9	4.0	4.0	4.4	4.0	4.0	4.0	5.0	4.8	4.9
Mortgage	8.6	9.8	10.1	9.8	10.2	10.2	11.0	10.6	10.5	10.9	11.0	10.7	10.9
Commercial	3.8	4.0	4.5	4.7	4.0	3.8	4.2	4.6	5.5	5.9	5.5	5.5	5.8
Public	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Arrears	**17.7**	**18.2**	**18.9**	**18.5**	**18.3**	**18.1**	**19.7**	**19.3**	**20.1**	**20.9**	**21.6**	**21.1**	**21.7**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Loan Portfolio													
Current Loans (as a % of total loans)	**82.3**	**81.8**	**81.1**	**81.5**	**81.7**	**81.9**	**80.3**	**80.7**	**79.9**	**79.1**	**78.4**	**78.9**	**78.3**
Arrears (% by days outstanding)													
30 - 60 days	5.6	4.0	4.1	3.6	3.3	3.1	3.7	3.7	3.2	3.6	3.7	3.2	3.1
61 - 90 days	2.7	2.3	2.05	2.2	2.1	2.0	2.3	1.7	3.0	2.3	2.5	2.2	2.6
90 - 179 days	3.0	2.6	2.3	2.1	2.3	2.3	2.5	2.2	2.0	2.7	2.1	2.0	2.3
over 180 days	6.3	9.3	10.5	10.7	10.6	10.8	11.3	11.7	11.9	12.3	13.3	13.7	13.7
Total Arrears	**17.7**	**18.2**	**18.9**	**18.5**	**18.3**	**18.1**	**19.7**	**19.3**	**20.1**	**20.9**	**21.6**	**21.1**	**21.7**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Non Accrual Loans (% by loan type)													
Consumer	29.8	21.4	20.3	19.8	20.0	19.6	20.5	19.4	19.5	17.6	21.5	21.4	20.6
Mortgage	41.4	52.1	54.8	55.4	55.0	57.1	57.0	56.8	57.7	52.6	50.7	49.9	49.6
Other Private	27.8	25.7	24.2	24.1	24.3	22.6	21.9	23.2	22.2	29.2	27.2	28.0	29.2
Public	1.0	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Total Non Accrual Loans	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Provisions to Loan Portfolio													
Consumer	4.2	5.1	4.9	5.4	5.5	5.4	5.4	5.5	7.2	7.5	7.3	8.4	9.8
Mortgage	1.8	2.4	2.7	3.2	3.6	3.7	4.3	5.6	4.8	5.1	5.6	5.3	6.4
Other Private	6.9	9.1	10.6	10.6	10.9	11.2	8.7	11.2	11.0	11.1	11.5	11.3	16.6
Public	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Provisions to Total Loans	3.4	4.3	4.7	5.1	5.3	5.3	5.9	6.3	6.5	6.6	7.0	7.3	9.1
Total Provisions to Non-performing Loans	37.1	36.6	36.8	40.0	41.3	41.2	43.0	45.6	46.7	44.4	45.8	46.6	56.9
Total Non-performing Loans to Total Loans	9.3	11.9	12.7	12.7	12.8	13.0	13.6	13.9	13.8	15.0	15.3	15.6	15.9

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10

SUMMARY OF BANK LIQUIDITY

(B$ Millions)

End of Period	2009	2010	2011	2012				2013				2014	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.[R]	Jun.
I. Statutory Reserves													
Required reserves	290.3	298.1	305.0	306.0	310.9	307.9	301.9	302.2	305.7	307.4	303.3	304.2	309.4
Average Till Cash	94.7	98.2	118.3	90.1	87.4	88.0	108.9	93.9	96.5	99.9	117.4	98.8	99.3
Average balance with central bank	425.1	530.5	557.3	592.6	669.0	540.4	515.8	539.4	640.9	552.8	593.3	683.5	767.7
Free cash reserves (period ended)	229.5	330.6	370.6	376.7	445.5	320.4	322.8	331.1	431.8	345.3	407.4	478.1	557.7
II. Liquid Assets (period)													
A. Minimum Required Liquid Assets	929.6	946.7	968.7	977.8	990.9	973.3	971.1	988.1	994.2	978.3	988.3	994.8	1004.9
B. Net Eligible Liquid Assets	1,423.7	1,755.1	1,865.1	1,909.1	1,973.2	1,893.5	1,938.2	2,068.3	2,147.5	2,091.6	2,126.1	2,236.9	2,365.0
i) Balance with Central Bank	375.6	518.7	560.1	609.1	670.3	509.8	563.3	609.8	659.0	575.7	513.6	696.9	757.5
ii) Notes and Coins	112.3	113.7	127.4	81.1	84.0	87.2	127.9	96.1	94.2	92.4	138.6	101.5	100.7
iii) Treasury Bills	214.0	293.7	275.4	301.6	321.6	274.6	219.3	342.1	378.6	388.1	392.4	430.9	514.2
iv) Government registered stocks	671.4	774.8	843.7	843.7	835.1	962.0	957.6	953.7	950.9	959.1	962.2	930.7	922.3
v) Specified assets	45.7	53.0	55.2	57.1	57.0	57.1	56.9	56.7	56.7	56.6	56.6	56.3	56.1
vi) Net Inter-bank dem/call deposits	4.7	1.2	3.3	16.5	5.2	2.8	13.2	9.9	8.1	19.7	62.7	20.6	14.2
vii) Less: borrowings from central bank	--	--	--	--	--	--	--	--	--	--	--	--	--
C. Surplus/(Deficit)	494.1	808.4	896.4	931.3	982.3	920.2	967.1	1,080.2	1,153.3	1,113.3	1,137.8	1,242.1	1,360.1

Source: The Central Bank of The Bahamas

TABLE 11

GOVERNMENT OPERATIONS AND FINANCING

(B$ Millions)

Period	2011/12p	2012/13p	Budget 2013/14	Budget 2014/15	2012/13p QTR. I	2012/13p QTR. II	2012/13p QTR. III	2012/13p QTR. IV	2013/14p QTR. I	2013/14p QTR. II	2013/14p QTR. III	2013/14p *QTR. IV
Total Revenue & Grants	1,446.7	1,354.6	1,493.2	1,763.3	296.8	368.0	342.1	347.7	305.3	356.2	391.2	274.7
Current expenditure	1,549.7	1,545.0	1,635.2	1,714.4	370.0	379.7	384.6	410.8	360.8	403.2	388.1	278.4
Capital expenditure	245.4	258.3	236.4	273.3	62.3	52.8	59.1	84.1	30.2	46.2	38.7	93.4
Net lending	102.4	96.4	57.6	59.1	9.2	60.8	12.4	14.0	11.1	19.2	13.9	23.2
Overall balance	**(450.6)**	**(545.2)**	**(436.1)**	**(283.5)**	**(144.7)**	**(125.3)**	**(114.0)**	**(161.2)**	**(96.8)**	**(112.3)**	**(49.4)**	**(120.4)**
FINANCING (I+II-III+IV+V)	**450.6**	545.2	**436.1**	**283.5**	**144.7**	**125.3**	**114.0**	**161.2**	**96.8**	**112.3**	**49.4**	**120.4**
I. Foreign currency borrowing	**80.3**	231.8	**55.5**	**103.5**	**4.6**	**210.1**	**12.9**	**4.1**	**103.7**	**145.0**	**305.6**	**66.0**
External	80.3	231.8	55.5	103.5	4.6	210.1	12.9	4.1	103.7	20.0	305.6	--
Domestic	--	--	--	--	--	--	--	--	--	125.0	--	66.0
II. Bahamian dollar borrowing	**354.9**	**792.0**	**465.8**	**343.2**	**327.9**	**105.0**	**180.0**	**179.1**	**155.0**	**70.0**	**20.0**	**90.0**
i) Treasury bills	90.6	294.1	--	--	4.9	50.0	180.0	59.1	20.0	31.0	--	30.0
Central Bank	90.6	294.1	--	--	4.9	50.0	180.0	59.1	20.0	31.0	--	30.0
Commercial banks & OLFI's	--	--	--	--	--	--	--	--	--	--	--	--
Public corporations	--	--	--	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--	--	--	--
ii) Long-term securities	**170.6**	**375.0**	--	--	**300.0**	**25.0**	--	**50.0**	**115.0**	--	--	--
Central Bank	18.0	31.5	--	--	26.5	--	--	5.0	53.0	--	--	--
Commercial banks & OLFI's	107.8	14.3	--	--	12.1	--	--	2.2	13.1	--	--	--
Public corporations	3.3	52.6	--	--	27.6	25.0	--	--	--	--	--	--
Other	41.5	276.6	--	--	233.8	--	--	42.8	48.9	--	--	--
iii) Loans and Advances	**93.7**	**123.0**	--	--	**23.0**	**30.0**	--	**70.0**	**20.0**	**39.0**	**20.0**	**60.0**
Central Bank	93.7	53.0	--	--	23.0	30.0	--	--	20.0	39.0	20.0	60.0
Commercial banks	--	--	--	--	--	--	--	70.0	--	--	--	--
III Debt repayment	**84.1**	**260.6**	**85.2**	**157.8**	**63.1**	**95.6**	**62.0**	**39.8**	**61.2**	**131.5**	**286.5**	**24.1**
Domestic	**75.0**	**247.0**	**66.8**	**141.0**	**62.0**	**90.0**	**60.0**	**35.0**	**60.0**	**125.8**	**285.0**	**21.0**
Bahamian dollars	75.0	247.0	66.8	75.0	62.0	90.0	60.0	35.0	60.0	125.8	160.0	21.0
Internal foreign currency	--	--	--	66.0	--	--	--	--	--	--	125.0	--
External	**9.1**	**13.6**	**18.4**	**16.8**	**1.1**	**5.6**	**2.0**	**4.8**	**1.2**	**5.7**	**1.5**	**3.1**
IV Net Sale of Shares & Other Equity	--	--	--	--	--	--	--	--	--	--	--	--
V. Cash balance change	**5.5**	**(27.5)**	--	--	**(13.2)**	**(7.4)**	**(10.8)**	**3.9**	**(2.0)**	**(52.5)**	**(2.2)**	--
VI Other Financing	**94.0**	**(190.5)**	--	**(5.4)**	**(111.6)**	**(86.7)**	**(6.1)**	**13.9**	**(98.7)**	**81.2**	**12.5**	**(11.4)**

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

***Qtr IV includes April & May only**

TABLE 12

NATIONAL DEBT

(B$' 000s)

End of Period	2011p	2012p	2013p	2013p Jun.	2013p Sept.	2013p Dec.	2014p Mar.	2014p Jun.
TOTAL EXTERNAL DEBT	800,235	1,042,602	1,186,305	1,057,809	1,164,989	1,186,305	1,490,432	1,484,894
By Instrument								
Government Securities	600,000	600,000	600,000	600,000	600,000	600,000	900,000	900,000
Loans	200,235	442,602	586,305	457,809	564,989	586,305	590,432	584,894
By Holder								
Commercial Banks	--	--	--	--	--	--	--	--
Offshore Financial Institutions	--	--	--	--	--	--	--	--
Multilateral Institutions	171,794	216,541	239,202	222,538	224,696	239,202	239,937	234,399
Bilateral Institutions	28,441	46,061	67,103	55,271	60,293	67,103	70,495	70,495
Private Capital Markets	600,000	600,000	600,000	600,000	600,000	600,000	900,000	900,000
Other Financial Institutions	--	180,000	280,000	180,000	280,000	280,000	280,000	280,000
TOTAL INTERNAL DEBT	3,006,080	3,357,317	3,795,658	3,631,458	3,726,457	3,795,658	3,530,658	3,670,658
By Instrument								
Foreign Currency	--	--	125,000	--	--	125,000	--	66,000
Government Securities	--	--	--	--	--	--	--	--
Loans	--	--	125,000	--	--	125,000	--	66,000
Bahamian Dollars	3,006,080	3,357,317	3,670,658	3,631,458	3,726,457	3,670,658	3,530,658	3,604,658
Advances	110,588	105,657	134,657	105,657	125,657	134,657	64,657	129,657
Treasury Bills	301,609	349,142	579,282	588,282	588,282	579,282	519,282	549,282
Government Securities	2,593,637	2,872,273	2,956,473	2,867,273	2,962,273	2,956,473	2,946,473	2,925,473
Loans	246	30,246	246	70,246	50,246	246	246	246
By Holder								
Foreign Currency	--	--	125,000	--	--	125,000	--	66,000
Commercial Banks	--	--	125,000	--	--	125,000	--	66,000
Other Local Financial Institutions	--	--	--	--	--	--	--	--
Bahamian Dollars	3,006,080	3,357,317	3,670,658	3,631,458	3,726,457	3,670,658	3,530,658	3,604,658
The Central Bank	292,802	404,992	542,419	485,076	548,860	542,419	400,533	412,729
Commercial Banks	1,118,286	1,187,797	1,345,740	1,389,354	1,388,364	1,345,740	1,352,906	1,429,607
Other Local Financial Iinstitutions	9,357	9,357	9,357	9,357	9,357	9,357	9,228	6,824
Public Corporations	684,963	730,169	684,911	700,106	687,546	684,911	679,317	673,078
Other	900,672	1,025,002	1,088,231	1,047,565	1,092,330	1,088,231	1,088,674	1,082,420
TOTAL FOREIGN CURRENCY DEBT	800,235	1,042,602	1,311,305	1,057,809	1,164,989	1,311,305	1,490,432	1,550,894
TOTAL DIRECT CHARGE	3,806,315	4,399,919	4,981,963	4,689,267	4,891,446	4,981,963	5,021,090	5,155,552
TOTAL CONTINGENT LIABILITIES	558,227	603,316	601,064	604,564	606,515	601,064	641,395	638,134
TOTAL NATIONAL DEBT	4,364,542	5,003,236	5,583,027	5,293,831	5,497,961	5,583,027	5,662,485	5,793,686

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

TABLE 13

PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS

(B$' 000s)

	2011p	2012p	2013p	2013p Jun.	2013p Sep.	2013p Dec.	2014p Mar.*	2014p Jun
Outstanding Debt at Beginning of Period	**1,374,824**	**1,461,731**	**1,893,895**	**1,902,316**	**1,911,456**	**2,022,602**	**2,137,624**	**2,316,999**
Government	798,632	800,235	1,042,602	1,052,966	1,057,809	1,164,989	1,311,305	1,490,432
Public Corporations	576,192	661,496	851,293	849,350	853,647	857,613	826,319	826,567
Plus: New Drawings	**244,312**	**537,015**	**307,173**	**18,492**	**118,111**	**153,887**	**311,585**	**73,380**
Government	79,519	253,130	280,817	9,684	108,375	150,415	305,585	66,000
Public Corporations	164,793	283,885	26,356	8,808	9,736	3,472	6,000	7,380
Less: Amortization	**174,537**	**105,439**	**65,055**	**9,352**	**6,965**	**40,476**	**132,210**	**13,512**
Government	78,861	11,351	13,725	4,841	1,195	5,710	126,458	5,538
Public Corporations	95,676	94,088	51,330	4,511	5,770	34,766	5,752	7,974
Other Changes in Debt Stock	**17,132**	**588**	**1,611**	**--**	**--**	**1,611**	**--**	**--**
Government	945	588	1,611	--	--	1,611	--	--
Public Corporations	16,187	--	--	--	--	--	--	--
Outstanding Debt at End of Period	**1,461,731**	**1,893,895**	**2,137,624**	**1,911,456**	**2,022,602**	**2,137,624**	**2,316,999**	**2,376,867**
Government	800,235	1,042,602	1,311,305	1,057,809	1,164,989	1,311,305	1,490,432	1,550,894
Public Corporations	661,496	851,293	826,319	853,647	857,613	826,319	826,567	825,973
Interest Charges	**73,657**	**98,494**	**109,938**	**36,245**	**14,659**	**40,403**	**14,284**	**42,394**
Government	48,002	51,053	57,759	21,651	2,592	26,301	5,263	31,518
Public Corporations	25,655	47,441	52,179	14,594	12,067	14,102	9,021	10,876
Debt Service	**248,194**	**203,933**	**174,993**	**45,597**	**21,624**	**80,879**	**146,494**	**55,906**
Government	126,863	62,404	71,484	26,492	3,787	32,011	131,721	37,056
Public Corporations	121,331	141,529	103,509	19,105	17,837	48,868	14,773	18,850
Debt Service Ratio (%)	7.5	5.5	5.0	4.9	2.6	10.3	15.4	5.9
Government Debt Service/ Government Revenue (%)	8.1	4.5	5.3	7.6	1.2	9.0	33.7	n.a
Commercial Banks	362.2	346.7	451.9	337.8	332.5	451.9	322.2	383.1
Multilateral Institutions	187.2	239.1	272.3	250.2	258.5	272.3	278.5	272.5
Bilateral Institutions	44.4	46.1	67.1	55.3	60.3	67.1	70.5	70.5
Other	267.9	662.1	746.3	668.1	771.3	746.3	745.8	750.8
Private Capital Markets	600.0	600.0	600.0	600.0	600.0	600.0	900.0	900.0

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

* Debt servicing for the 1st quarter of 2014 includes the refinancing of $125 million in Government debt. Net of this transaction, the Government debt service/revenue ratio was 2.3% and debt service ratio was 1.7%.

TABLE 14

BALANCE OF PAYMENTS SUMMARY*

(B$ Millions)

	2011p	2012p	2013p	2012		2013				2014	
				Qtr.IIIp	Qtr.IVp	Qtr.Ip	Qtr.IIp	Qtr.IIIp	Qtr.IVp	Qtr.Ip	Qtr.IIp
A. Current Account Balance (I+II+III+IV)	**(1,192.7)**	**(1,504.8)**	**(1,613.1)**	**(518.5)**	**(438.0)**	**(236.7)**	**(283.9)**	**(523.6)**	**(568.9)**	**(291.5)**	**(396.8)**
I. Merchandise (Net)	**(2,132.1)**	**(2,401.4)**	**(2,211.0)**	**(580.9)**	**(570.4)**	**(556.3)**	**(537.2)**	**(529.0)**	**(588.6)**	**(570.6)**	**(556.8)**
Exports	833.5	984.0	954.9	254.2	263.6	235.6	242.0	257.2	220.1	211.4	232.0
Imports	2,965.7	3,385.5	3,165.9	835.1	834.1	791.9	779.2	786.2	808.6	782.0	788.9
II. Services (Net)	**1,201.2**	**1,153.7**	**919.9**	**149.9**	**188.0**	**367.5**	**319.7**	**109.5**	**123.3**	**377.8**	**263.1**
Transportation	(195.8)	(264.6)	(244.8)	(66.0)	(54.9)	(65.6)	(58.6)	(65.2)	(55.3)	(73.7)	(61.3)
Travel	1,895.3	2,025.7	1,899.1	420.8	389.2	594.2	543.3	392.1	369.6	592.7	557.6
Insurance Services	(185.9)	(193.7)	(158.0)	(71.9)	(45.4)	(33.1)	(34.6)	(44.2)	(46.1)	(30.0)	(43.6)
Offshore Companies Local Expenses	138.9	176.4	180.3	44.4	44.1	35.1	49.4	37.4	58.4	43.0	44.5
Other Government	13.4	27.7	27.6	7.8	5.5	6.7	8.7	6.2	6.0	6.8	10.0
Other Services	(464.7)	(617.8)	(784.3)	(185.1)	(150.6)	(169.7)	(188.5)	(216.7)	(209.3)	(161.0)	(244.1)
III. Income (Net)	**(225.6)**	**(267.6)**	**(329.1)**	**(86.9)**	**(56.5)**	**(53.0)**	**(79.2)**	**(102.3)**	**(94.6)**	**(83.9)**	**(121.5)**
1. Compensation of Employees	(47.9)	(45.1)	(35.8)	(10.5)	(8.4)	(12.1)	(9.7)	(10.5)	(3.5)	(14.0)	(18.5)
2. Investment Income	(177.7)	(222.5)	(293.3)	(76.3)	(48.2)	(40.9)	(69.5)	(91.8)	(91.1)	(70.0)	(103.0)
IV. Current Transfers (Net)	**(36.2)**	**10.5**	**7.1**	**(0.7)**	**1.0**	**5.1**	**12.7**	**(1.8)**	**(9.0)**	**(14.8)**	**18.5**
1. General Government	113.4	120.7	126.4	32.2	23.2	34.8	35.4	28.9	27.3	25.2	38.8
2. Private Sector	(149.6)	(110.2)	(119.3)	(32.9)	(22.3)	(29.7)	(22.7)	(30.6)	(36.2)	(40.0)	(20.3)
B. Capital and Financial Account (I+II) (excl. Reserves)	**987.6**	**1,306.3**	**990.0**	**330.6**	**405.1**	**72.4**	**241.6**	**271.7**	**404.2**	**390.0**	**414.8**
I. Capital Account (Net Transfers)	**(5.5)**	**(7.3)**	**(9.6)**	**(2.5)**	**(1.8)**	**(4.2)**	**(1.3)**	**(2.0)**	**(2.2)**	**(1.9)**	**(2.7)**
II. Financial Account (Net)	**993.1**	**1,313.6**	**999.6**	**333.1**	**406.9**	**76.6**	**242.9**	**273.7**	**406.4**	**391.9**	**417.6**
1. Direct Investment	666.6	526.2	382.3	58.5	162.4	108.8	89.1	37.0	147.3	14.4	202.3
2. Portfolio Investment	(44.2)	(37.0)	(34.0)	(9.9)	(14.6)	(9.2)	(8.3)	(2.1)	(14.4)	(10.5)	(3.1)
3. Other Investments	370.7	824.4	651.4	284.5	259.1	(23.0)	162.2	238.8	273.5	388.0	218.4
Central Gov't Long Term Capital	70.7	238.7	133.8	3.5	204.5	15.4	5.2	98.9	14.3	304.1	(5.5)
Other Public Sector Capital	58.9	172.4	4.0	85.7	3.5	1.8	6.1	7.6	(11.5)	5.1	0.6
Banks	(101.4)	(2.3)	62.2	56.2	(26.2)	(84.8)	7.1	(24.3)	164.2	(54.9)	34.4
Other	342.6	415.6	451.4	139.1	77.4	44.6	143.7	156.6	106.5	133.7	188.8
C. Net Errors and Omissions	**229.5**	**123.8**	**554.6**	**5.8**	**97.2**	**137.3**	**56.2**	**124.0**	**237.0**	**117.3**	**41.3**
D. Overall Balance (A+B+C)	**24.4**	**(74.7)**	**(68.6)**	**(182.1)**	**64.3**	**(27.0)**	**13.9**	**(127.9)**	**72.4**	**215.8**	**59.4**
E. Financing (Net)	**(24.4)**	**74.7**	**68.6**	**182.1**	**(64.3)**	**27.0**	**(13.9)**	**127.9**	**(72.4)**	**(215.8)**	**(59.4)**
Change in SDR holdings	0.7	146.8	(30.1)	(2.8)	147.5	0.7	(0.1)	(0.5)	(30.3)	(0.2)	(25.0)
Change in Reserve Position with the IMF	0.0	(0.0)	(0.0)	(0.2)	0.0	0.2	(0.0)	(0.2)	(0.0)	(0.0)	(0.0)
Change in Ext. Foreign Assets ( ) = Increase	(25.1)	(72.1)	98.7	185.1	(211.9)	26.0	(13.8)	128.6	(42.1)	(215.6)	(34.3)

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

(B$ '000)

	2011	2012	2013	2012				2013			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
I. OIL TRADE											
i) Exports	216,129	319,713	237,809	59,996	71,162	97,536	91,019	80,629	60,271	48,176	48,733
ii) Imports[R]	930,047	874,839	726,902	233,012	215,571	211,509	214,747	211,386	139,758	209,467	166,291
II. OTHER MERCHANDISE											
Domestic Exports											
Crawfish	64,337	70,936	78,948	19,132	8,633	13,613	29,558	10,943	8,959	13,446	45,600
Fish Conch & other Crustacea	4,371	3,141	4,385	633	1,349	636	524	835	2,243	392	915
Other cordials &Similar Materials/Sp	842	488	1,034	186	143	159	--	--	157	435	442
Fruits & Vegs.	24	--	--	--	--	--	--	--	--	--	--
Aragonite	11,497	7,298	2,037	3,604	1,132	2,298	264	188	617	984	248
Other Natural Sands	2,893	3,175	204	1,352	325	773	726	35	34	45	90
Rum/Beverages/Spirits & Vinegar	--	--	--	--	--	--	--	--	--	--	--
Crude Salt	12,022	11,687	20,325	1,117	1,658	2,684	6,228	4,212	4,872	7,869	3,372
Polystrene Products	135,846	7,676	182,339	1,307	1,691	2,727	1,951	41,286	44,002	55,823	41,228
Other	94,611	86,633	74,615	20,726	26,465	20,738	18,704	7,605	25,831	24,215	16,964
i) Total Domestic Exports	326,443	336,522	363,872	84,933	78,371	79,218	94,000	65,088	86,716	103,209	108,859
ii) Re-Exports	184,371	171,449	209,478	58,476	40,841	37,424	34,708	46,555	68,906	59,515	34,502
iii) Total Exports (i+ii)	510,814	507,972	573,351	143,408	119,213	116,643	128,708	111,644	155,622	162,724	143,361
iv) Imports	2,480,809	2,772,177	2,639,002	788,696	652,039	652,799	678,643	621,868	670,844	620,024	726,266
v) Retained Imports (iv-ii)	2,296,438	2,600,728	2,429,524	730,220	611,198	615,375	643,935	575,313	601,938	560,509	691,764
vi) Trade Balance (i-v)	(1,969,995)	(2,264,206)	(2,065,652)	(645,287)	(532,827)	(536,157)	(549,935)	(510,225)	(515,222)	(457,300)	(582,905)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16

SELECTED TOURISM STATISTICS

Period	2011	2012	2013	2013 Qtr. I	2013 Qtr. II	2013 Qtr. III	2013 Qtr. IV	2014 Qtr. I	2014 Qtr. II
Visitor Arrivals	**5,587,588**	**5,940,170**	**6,150,784**	**1,745,420**	**1,479,221**	**1,325,162**	**1,600,981**	**1,758,670**	**1,556,373**
Air	1,267,542	1,357,431	1,280,736	344,494	362,465	296,503	277,274	345,338	379,667
Sea	4,320,046	4,582,739	4,870,048	1,400,926	1,116,756	1,028,659	1,323,707	1,413,332	1,176,706
Visitor Type									
Stopover	1,346,372	1,421,576	1,363,496	359,371	388,218	329,790	286,117	359,511	n.a
Cruise	4,161,269	4,434,161	4,709,236	1,368,283	1,066,465	980,081	1,294,407	1,377,043	1,119,334
Day/Transit	n.a.	n.a.	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Tourist Expenditure(B$ 000's)	2,142	2,311	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Stopover	1,792	1,897	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Cruise	347	413	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Day	3	2	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Number of Hotel Nights	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Average Length of Stay	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Average Hotel Occupancy Rates (%)[R]									
New Providence	58.8	66.0	57.8	62.6	61.1	58.3	49.0	63.0	n.a
Grand Bahama	42.3	47.1	42.7	46.4	45.4	40.9	38.0	56.3	n.a
Other Family Islands	39.0	38.3	37.0	40.4	42.2	41.4	24.0	43.4	n.a
Average Nightly Room Rates ($)[R]									
New Providence	224.8	227.2	225.2	263.6	232.4	200.5	204.4	253.5	n.a
Grand Bahama	86.8	79.7	83.8	87.3	82.0	83.9	82.1	77.2	n.a
Other Family Islands	152.2	184.9	167.3	196.4	172.7	147.6	152.4	204.6	n.a

Source: The Ministry of Tourism