



Quarterly Economic Review

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QUARTERLY ECONOMIC REVIEW

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

Preliminary evidence suggests that the Bahamian economy maintained its mildly positive growth momentum during the third quarter of 2012, benefitting from stable gains in tourism output and foreign investment-led construction activity. However, the narrow scope of the recovery limited improvements in employment conditions and private sector demand, and kept banks' credit quality indicators at elevated levels. Consumer price inflation firmed modestly over the review quarter, reflecting the pass-through effects of higher global food prices.

In the fiscal sector, the overall deficit deteriorated during the first quarter of FY2012/13, as the capital-led expansion in expenditure, eclipsed the rise in revenue. To meet its budgetary requirements, the Government floated two domestic bond issues, in July and September, totalling \$300 million, and also had recourse to short-term domestic advances.

Monetary developments featured contractions in both liquidity and external reserves, reflecting a combination of some seasonal, although muted, firming in domestic demand, banks' profit repatriation activity and trend oil payments. With the persistence of the consumer debt overhang and high unemployment, private sector credit was relatively flat; however, banks' claims on the public sector expanded, reflecting their increased holdings of Government paper. Banks' loan arrears remained high, although slightly improved, and profitability levels contracted, as firms increased loan loss provisions.

In the external sector, the estimated current account deficit widened over the third quarter, as increased payments for construction services, associated with foreign investment projects, underpinned a reduction in the services account surplus, and offset an improvement in the merchandise trade deficit. The capital and financial account surplus narrowed, owing primarily to a significant reduction in foreign direct investment inflows, which outweighed higher loan receipts.

FISCAL OPERATIONS

OVERVIEW

Provisional estimates of Government's budgetary operations for the first quarter of FY2012/13 showed a worsening in the overall deficit, by 52.0% (\$49.4 million) to \$144.3 million, as the 16.2% (\$61.6 million) growth in aggregate spending to \$441.1 million, outstripped the 4.3% (\$12.3 million) gain in total revenues to \$296.8 million.

REVENUE

Tax revenues—at 91.9% of total collections—increased by 5.2% (\$13.4 million) to \$272.7 million. This mainly reflected a timing-related 39.8% (\$9.5 million) expansion in departure taxes and gains of 34.2% (\$4.1 million) in unallocated taxes, which were dominated by trade-related transactions. Revenues from international trade taxes rose by 2.2% (\$3.3 million), benefitting from growth in import (\$4.0 million), export (\$0.4 million) and stamp taxes on imports (\$0.2 million), which overshadowed a fall in excise taxes (\$1.3 million). Less significant increases were registered for property taxes, of 19.4% (\$2.1 million) and selective taxes on services, of 10.5% (\$1.0 million)—the latter buoyed by a stopover-led improvement in hotel occupancy taxes, of 23.9% (\$1.8 million), with a minor offset by the \$0.8 million decline in gaming taxes. In contrast, receipts from non-trade stamp taxes decreased by 15.4% (\$6.0 million), linked to reductions in property-related taxes and receipts from financial transactions.

Non-tax collections—at 8.1% of total revenue—contracted by 4.4% (\$1.1 million) to \$24.1 million, explained primarily by a 14.0% (\$3.3 million) fall-off in proceeds from fines, forfeits and administration fees. In a modest offset, increased rental collections resulted in a doubling in income related receipts to \$2.9 million, and more modest accretions were noted for income from the sale of Government property (\$0.7 million) and public enterprises (\$0.4million).

Government Revenue By Source

(July - Sept.)

	FY11/12		FY12/13	
	B\$M	%	B\$M	%
Property Tax	10.9	3.8	13.0	4.4
Selective Services Tax	9.1	3.2	10.1	3.4
Busines. & Prof Lic. Fees	10.7	3.8	10.6	3.6
Motor Vehicle Tax	5.2	1.8	5.3	1.8
Departure Tax	23.0	8.1	32.2	10.8
Import Duties	80.1	28.2	84.1	28.3
Stamp Tax from Imports	3.4	1.2	3.5	1.2
Excise Tax	63.5	22.3	62.2	21.0
Export Tax	3.3	1.2	3.7	1.2
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	38.7	13.6	32.7	11.0
Other Tax Revenue	11.9	4.2	16.0	5.4
Fines, Forfeits, etc.	23.7	8.3	20.4	6.9
Sales of Govt. Property	0.2	0.1	0.9	0.3
Income	1.4	0.5	2.9	1.0
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	--	--
Grants	--	--	--	--
Less: Refunds	0.5	0.2	0.7	0.2
Total	284.6	100.0	296.8	100.0

EXPENDITURE

Growth in total spending was led by a more than two-fold expansion in capital expenditure, to \$62.3 million, for 14.1% of total spending. Lesser increases were registered for current outlays, of 7.0% (\$24.0 million) to \$369.6 million, which accounted for 83.8% of total spending, and net lending to public corporations firmed by 11.8% (\$1.0 million) to \$9.2 million.

By economic classification, the expansion in current expenditure was mainly attributed to a \$15.7 million (7.3%) hike in consumption spending, to \$232.4 million, based on respective gains in both personal emoluments and purchases of goods & services, of \$11.8 million (8.4%) and \$3.9 million (5.2%). Transfer payments were also higher by \$8.3 million (6.5%) at \$137.1 million, as increased subsidies (\$7.7 million) and transfers to households (\$3.4 million) and non-financial enterprises (\$0.9 million) offset declines of \$0.2 million each for both transfers abroad and to public corporations. Despite the rising debt stock, interest payments fell by \$3.4 million (7.7%) to \$40.8 million, as average borrowing costs contracted.

On a functional basis, growth in current outlays included a 24.2% (\$7.3 million) expansion in disbursements for economic services, to \$37.2 million, which was due to higher transportation, public works & water supply, and tourism-related expenditures. Similarly, spending firmed for health (\$6.8 million), general public services (\$6.5 million) and education (\$4.9 million), with more muted increases for social benefits & services (\$2.5 million) and defense (\$0.8 million). In contrast, declines were registered for non-allocated expenses (\$3.3 million) and other community & social services (\$1.3 million).

The advance in capital spending was mainly linked to disbursements for infrastructure development projects, which more than doubled to \$48.2 million. Outlays for asset acquisitions also rose more than two-fold, to \$5.3 million, inclusive of increases for other 'miscellaneous' assets (\$1.7 million) and seed capital for new enterprises (\$1.1 million). Transfers to non-financial enterprises were higher by \$8.2 million, representing payments to facilitate the purchase of aviation equipment, and capital transfers to public corporations held steady at \$0.6 million.

By functional classification, the increase in capital spending was concentrated in a \$44.8 million hike in the economic services category, in line with the elevated outlays for public works & water supply and transportation projects, by \$19.5 million and \$8.2 million, respectively. In addition, allocations for general public services grew by \$5.0 million to \$8.3 million, with almost 95% of the increase attributed to higher administration costs. Payments for education and health also rose by \$2.7 million and \$1.2 million, respectively; however, housing expenditures fell modestly by \$0.3 million.

FINANCING AND THE NATIONAL DEBT

Budgetary financing for the first quarter of FY2012/13 was primarily obtained from domestic sources, through two (2) Bahamas Government Registered Stock (BGRS) issues, of \$200 million and \$100.0 million, respectively. An additional \$1.5 million was sourced from external project-based loans. Debt repayment totaled \$63.3 million, of which 98% was for Bahamian Dollar obligations.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

During the third quarter, public sector foreign currency debt firmed by 8.0% (\$121.8 million) to \$1,636.5 million, as new drawings of \$129.0 million outpaced amortization payments of \$7.2 million. Government's debt, at a dominant 50.7% of the total, rose slightly by 0.1% (\$1.2 million) to \$830.4 million, while the public corporations' component firmed by 17.6% (\$120.6 million) to \$806.0 million, linked to activity of a public airport operator.

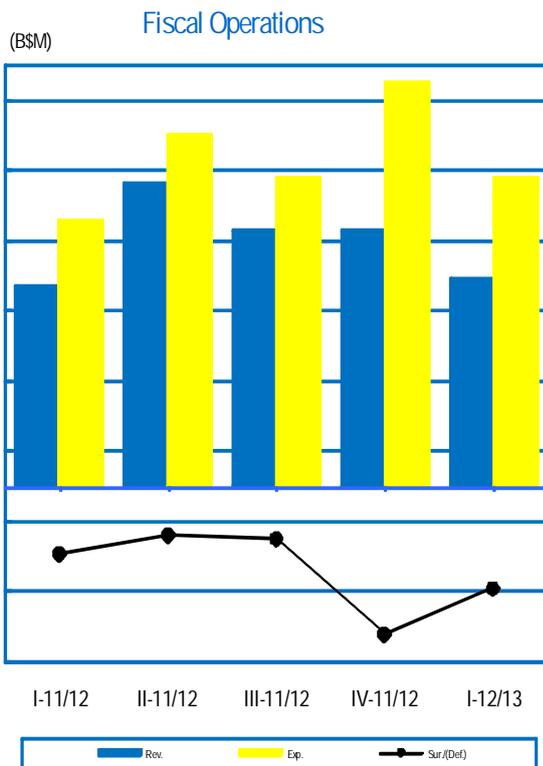
Compared with the same period in 2011, total debt service payments increased by \$7.6 million (76.0%) to \$17.7 million. This reflected an \$8.7 million expansion in public corporations' payments, to \$16.2 million, with amortization and interest charges totaling \$6.1 million and \$10.1 million, respectively. In contrast, the Government's component fell by almost half, to \$1.5 million, and comprised amortization and interest payments of \$1.1 million and \$0.4 million, respectively. As a consequence, the Government's debt service to revenue ratio contracted by 0.4 of a percentage point to 0.5% and aggregate debt service as a portion of exports of goods and services rose by 70 basis points to 1.9%.

Disaggregated by creditor profile, the largest holders of foreign currency debt were private capital markets (36.7%), followed by other "miscellaneous" institutions (27.2%), commercial banks (20.9%), multilateral institutions (12.8%) and bilateral companies (2.5%). The average maturity of the outstanding debt was 15.7 years, with a dominant 97.2% in US Dollars, while Chinese Yuan and Euros accounted for the remaining 2.5% and 0.3%, respectively.

REAL SECTOR

TOURISM

Preliminary indicators suggest steady gains in tourism output during the third quarter, benefitting from the sustained growth in the key source markets and joint public/private sector incentives, such as the "Companion Fly Free" programme and airfare credit advertising campaigns.



As a consequence of these developments, the Direct Charge on the Government expanded by \$267.1 million (6.8%) over the quarter and by \$458.7 million (12.3%) year-on-year, to \$4,172.8 million at end-September. The bulk (80.1%) of the Direct Charge was dominated in Bahamian dollars, and was held mainly by commercial banks (36.4%), "other" private and institutional investors (30.8%), public corporations (21.4%), the Central Bank (11.0%) and other local financial institutions (0.3%). By type of instrument, Government securities represented the largest portion of domestic currency debt, at 85.8%, bearing an average maturity of 11.7 years, followed by Treasury bills (10.1%) and loans & advances (4.1%).

Reflecting increased borrowings by the electrical utility company, Government's contingent liabilities rose by \$33.0 million (5.9%) to \$588.9 million at end-September. This, combined with the Direct Charge, elevated the National Debt by 6.3% (\$300.1 million), on a quarterly basis, and by 11.5% (\$490.8 million) over the year, to stand at \$4,761.6 million.

Total visitor count firmed by 5.5% to 1.3 million, with air arrivals higher by 7.4% at 0.3 million, in contrast to a 2.3% contraction last year, when the passage of Hurricane Irene negatively impacted travel itineraries. Growth in the sea component, of 4.9% to 0.9 million, also improved on the 1.2% upturn posted in 2011.

In terms of the major ports of entry, visitor arrivals to New Providence gained 6.0% to 0.7 million, a reversal from a 1.4% decline a year ago, supported by increases in both air and sea passengers, of 9.6% and 3.9%, respectively. The 7.4% expansion in sea visitors was almost entirely responsible for the 6.6% hike in total arrivals to the Family Islands, to 0.4 million, although below last year's overall gain of 9.7%. In Grand Bahama, arrivals rebounded by 2.3% to 0.2 million, from last year's 8.5% contraction, led by a 2.9% advance in the dominant sea passenger segment, which outstripped the 3.0% reduction in air arrivals.

Initial data from a sample of major hotel properties on New Providence and Paradise Island for the third quarter showed a 1.6% improvement in room revenues over 2011, benefitting from increased wedding and group business. The average hotel occupancy rate rose to 68.9% from 63.9% in 2011; however, with several properties offering room discounts and other reduced cost packages during the summer season, the average daily room rate fell by 6.3% to \$205.55.

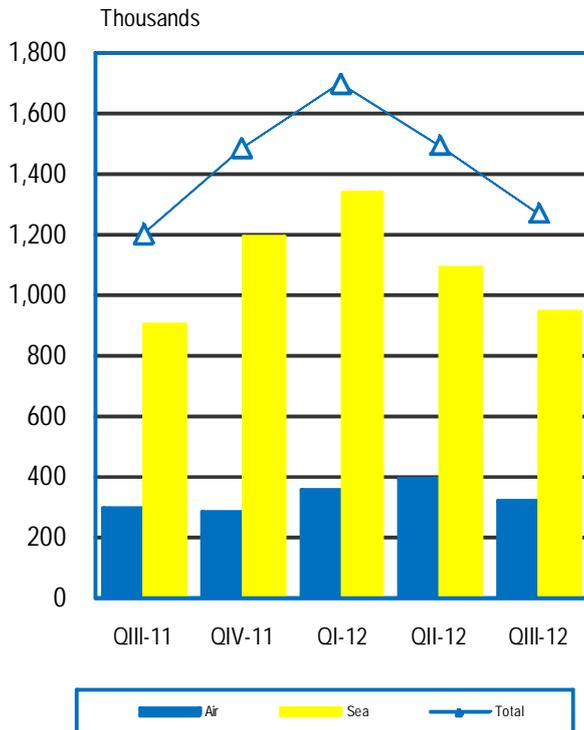
CONSTRUCTION

Construction sector activity during the third quarter continued to be dominated by the multi-billion dollar Baha Mar Hotel project, other varied-scale foreign investments and public sector infrastructure developments. Domestic private sector activity remained lackluster, reflecting the high level of mortgage arrears in the banking system and the general weakness in domestic demand. Mortgage disbursements for new construction and repairs—as reported by commercial banks, insurance companies and the Bahamas Mortgage Corporation—declined further, by 6.6% to \$26.9 million, following 2011's 45.6% contraction. After a 37.8% (\$16.9 million) fall-off in 2011, the decline in residential disbursements, which totaled \$26.2 million, was lower at 6.4% (\$1.8 million). A similar outcome was observed for commercial disbursements, which slackened by 15.4% (\$0.1 million) to \$0.7 million, after the previous year's 89.2% (\$7.2 million) contraction.

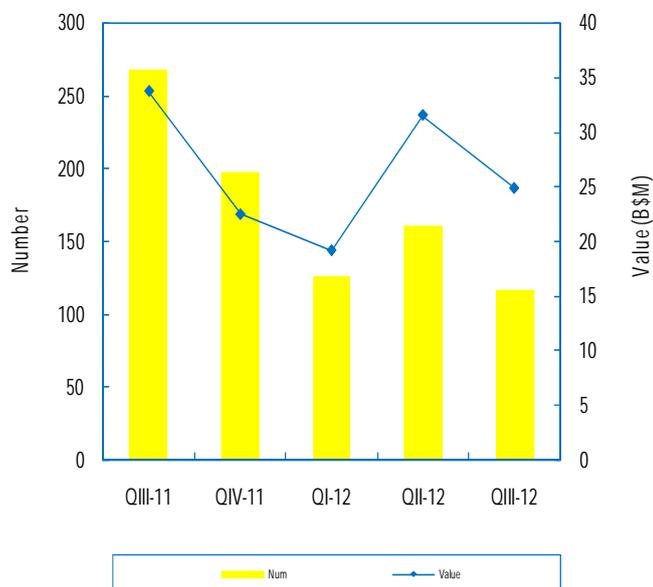
Trends in mortgage commitments for new buildings and repairs—a forward looking indicator—suggest that construction activity is likely to remain subdued over the near-term. Total commitments fell in number, by 56.7% (152) to 116, with a corresponding drop in value of 26.2% (\$8.8 million) to \$24.8 million. The residential segment—at 99.1% of the total—receded by 56.9% in number to 115 and by 27.8% in value to \$24.1 million, while commercial loan commitments stayed at 1, but rose in value by \$0.5 million to \$0.7 million.

With respect to financing conditions, the average interest rate on both residential and commercial mortgages steadied at 8.2% and 8.4%, respectively over the prior year, compared to reductions of 0.3 and 0.6 percentage points in 2011, which followed on the lowering of the Prime Rate.

Visitor Arrivals



Mortgage Commitments: New Construction and Repairs



PRICES

Domestic price developments reflected the ongoing challenges facing food producers globally, due to the adverse weather conditions. Data for the twelve months to August showed a moderate increase in consumer price inflation, by 8 basis points to 2.63%, over the year earlier period. The largest gain in average costs was noted for food & non-alcoholic beverages, which rose by 2.67 percentage points to 3.17%. Average price increases for clothing & footwear firmed by 1.16%, in contrast to a 0.55% decline in the prior 12-month period, while more muted increases were evidenced for furnishing, household equipment & maintenance, of 1.2 percentage points to 3.54%; miscellaneous goods & services, of 11 basis points to 0.78%, restaurant & hotels, 5 basis points to 2.42% and housing, water, gas, electricity & other fuels—the largest component in the Index, by 2 basis points to 3.23%. Given the lower volatility in oil prices, transportation costs slowed to 3.87%, on average, from 7.60% a year earlier, and the respective average rate of price increases weakened for recreation & culture, education and alcohol, tobacco & related products, to 0.12%, 2.51% and 1.55%, from corresponding rates of 1.62%, 3.20% and 1.90% in the prior period. Communication costs fell by 0.18%, reversing the previous year's 1.08% growth.

Retail Price Index

(Annual % Changes)
August

Items	Weight	2011		2012	
		Index	%	Index	%
Food & Non-Alcoholic Beverages	120.4	101.9	2.2	105.4	3.4
Alcohol, Tobacco & Narcotics	6.4	103.4	0.6	104.7	1.3
Clothing & Footwear	37.76	100.3	1.0	100.6	0.3
Housing, Water, Gas, Electricity	334.83	104.6	2.5	108.2	3.4
Furn. & Household, Maintenance	64.26	104.4	5.6	107.2	2.7
Health	44.5	102.9	1.9	105.1	2.1
Transportation	119.13	114.0	12.1	112.7	-1.1
Communication	41.19	101.7	0.9	100.9	-0.7
Rec., & Culture	22.73	103.4	3.8	103.6	0.1
Education	30.05	103.5	3.5	106.1	2.5
Restaurant & Hotels	38.24	105.4	3.9	105.7	0.3
Misc. Goods & Svcs.	140.52	101.2	-0.1	102.0	0.8
ALL ITEMS	1000	104.5	3.6	106.4	1.8

Despite the uptrend in international crude oil prices during the third quarter, the average costs for gasoline and diesel declined for the period, by 6.1% and 7.5% to \$5.34 and \$4.95 per gallon, and on a yearly basis, by 0.4% and 1.2%, respectively. In contrast, the Bahamas Electricity Corporation's fuel charge advanced by 0.9% (\$0.24) on a quarterly basis, and by 9.6% (\$2.40) year-on-year, to \$27.32 per kilowatt hour (kWh).

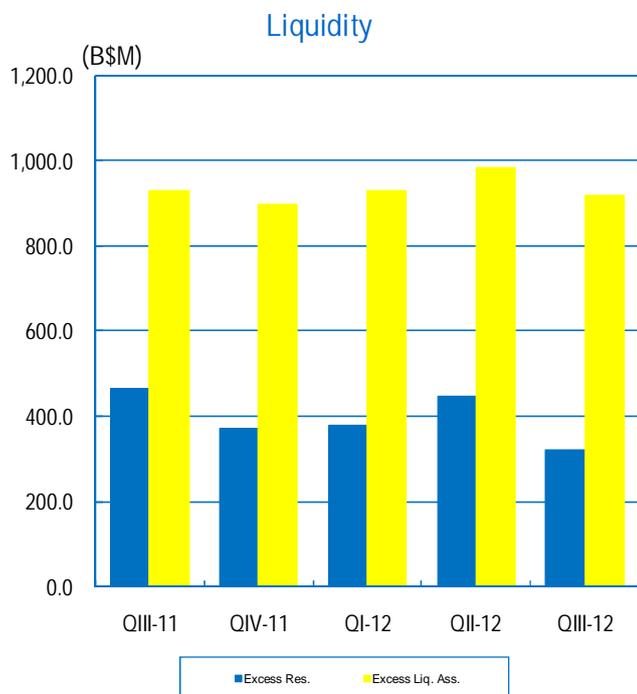
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Over the review period, both bank liquidity and external reserves contracted, due mainly to increased demand for foreign currency to facilitate import payments and banks' profit repatriations. Government's financing requirements continued to dominate commercial bank lending, as the debt overhang, combined with sustained high unemployment levels, resulted in a relatively flat private sector credit outcome. Banks' credit quality indicators improved modestly, although the decline in arrears was not broad-based. As institutions maintained a conservative posture, by boosting provisions for bad debt, overall bank profitability fell sharply.

LIQUIDITY

Reflecting increased holdings of Government securities, banks' net cash reserves contracted by \$125.1 million (28.1%) to \$320.4 million, although below the \$32.7 million (6.6%) reduction registered in 2011, and represented a lower 5.3% of deposit liabilities compared with 7.7% a year earlier. Amid significant payment outflows to meet current obligations, the broader surplus liquid assets also decreased, by \$62.1 million (6.3%) to \$920.2 million, exceeding the \$7.6 million (0.8%) fall-off registered in 2011, and was in excess of the statutory requirement by 94.5%, vis-à-vis last year's 95.7%.



DEPOSITS AND MONEY

Overall money supply declined marginally during the review quarter, from a relatively stable position in 2011. The contraction in narrow money (M1) of \$23.0 million (1.5%), exceeded the prior period's \$1.9 million (0.1%) drop, as a \$23.9 million (1.8%) reduction in demand deposits, outweighed the \$0.9 million (0.4%) gain in currency in circulation.

Broad money (M2) also fell by \$150.2 million (2.4%), to reverse the year-earlier growth of \$9.9 million (0.2%). Fixed balances were lower by \$92.6 million (2.6%),

compared to an expansion of \$14.3 million (0.4%) in 2011, and the contraction in savings deposits was extended to \$34.6 million (3.0%) from \$2.5 million (0.2%). As the drawdown in foreign currency deposits was also higher, at \$15.0 million (6.1%) from \$8.1 million (3.7%), overall money supply (M3) decreased by \$165.2 million (2.5%), after registering marginal growth of \$1.8 million last year.

By composition, fixed deposits accounted for the largest portion of the money supply (55.0%). Next were demand and savings balances, at 20.5% and 17.5% respectively, with much smaller shares held in foreign currency (3.7%) and currency in active circulation (3.3%).

DOMESTIC CREDIT

Domestic credit growth slackened to \$98.4 million (1.1%) during the third quarter from \$160.1 million (1.9%) last year, as accretions to the dominant Bahamian dollar component (91.4% of the total) tapered by over 50% to \$50.8 million (0.6%). In contrast, increased borrowing by a public corporation buoyed the \$47.6 million (6.7%) hike in foreign currency credit, after a \$0.1 million decline in 2011.

Banks' net claims on the Government firmed by \$53.1 million (3.3%), although below the \$141.9 million (11.3%) surge of last year, as the Government utilized the more widely held bonds rather than short-term credit to finance its operations. With consumers continuing to face challenges in servicing their debt obligations, accretions to private sector credit were sharply lower by \$49.3 million at \$5.7 million (0.1%). Claims on the rest of the public sector, however, rose by \$39.6 million (9.5%), reversing 2011's decrease of \$36.8 million (8.2%), which was linked to debt repayments by an educational institution.

On a disaggregated basis, personal loans accounted for the majority (78.5%) of private sector credit, with the \$11.4 million (0.2%) quarterly gain, in line with the last year's expansion. The expansion in residential mortgages was higher at \$15.2 million (0.5%), vis-à-vis 2011's \$4.0 million (0.1%), while consumer credit advanced by \$4.8 million (0.2%), following an increase of \$8.6 million (0.4%) a year earlier. In contrast, overdrafts declined further by \$12.4 million (12.0%), compared to a \$6.5 million (6.7%) contraction in 2011.

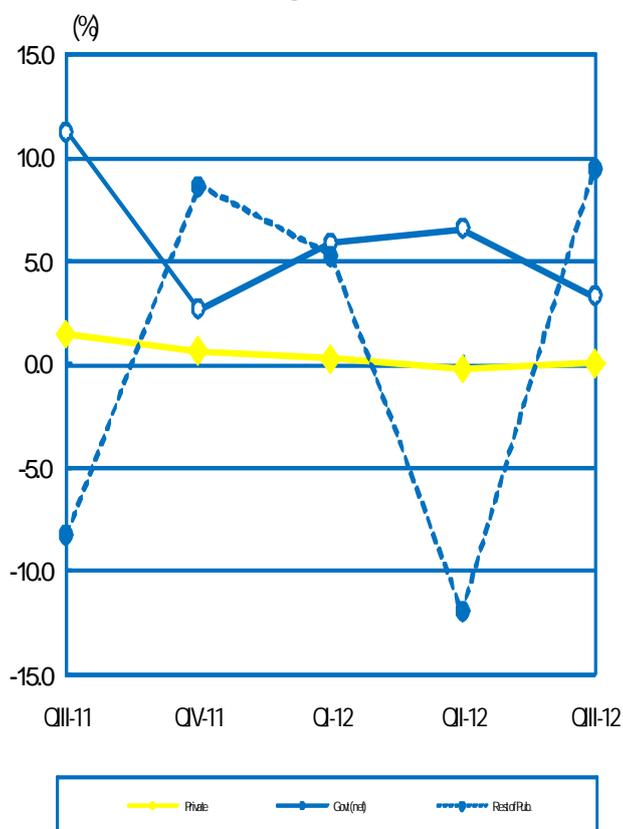
A further breakdown of consumer installment credit—which represents 41.8% of personal loans—showed modest gains for miscellaneous (\$9.0 million), education (\$3.0 million), travel (\$2.8 million), credit cards (\$2.6 million), private cars (\$2.1 million) and furnishing & domestic appliances (\$1.7 million) loans. However, net repayments were registered for debt consolidation (\$9.1 million), land purchase (\$4.7 million) and home improvement (\$2.6 million) lending.

The remaining private sector credit categories also recorded broad-based gains, with the most significant being registered for distribution, fisheries, and entertainment & catering, of \$4.6 million, \$4.3 million and \$3.0 million, respectively, while more modest increases were posted for construction (\$2.4 million) and transportation (\$1.7 million). In contrast, net repayments were noted for the “miscellaneous” and tourism segments, of \$21.5 million and \$1.3 million, respectively.

MORTGAGES

Mortgage lending activity by banks, insurance companies and the Bahamas Mortgage Corporation remained subdued over the quarter, amid the high level of mortgage arrears and consumer debt overhang. Based on preliminary data, total mortgages outstanding rose by \$15.5 million (0.5%) to \$3,275.2 million, following the prior year’s \$9.9 million (0.3%) gain. Residential mortgages—which comprised 93.7% of the total—advanced by \$14.0 million (0.5%) to \$3,067.5 million, after a comparable upturn in 2011, and the commercial component rose slightly, by \$1.5 million (0.7%), a turnaround from a \$6.2 million (3.0%) reduction in 2011. At end-September, the largest percentage of the mortgage stock was held by domestic banks (89.0%), followed by insurance companies (5.9%) and the Bahamas Mortgage Corporation (5.1%).

Changes in Credit



Distribution of Bank Credit By Sector

End-September

	2011		2012	
	B\$M	%	B\$M	%
Agriculture	13.3	0.2	14.5	0.2
Fisheries	11.5	0.2	10.8	0.2
Mining & Quarry	2.8	0.0	2.5	0.0
Manufacturing	33.4	0.5	41.6	0.6
Distribution	168.9	2.4	178.0	2.5
Tourism	71.9	1.0	65.5	0.9
Enter. & Catering	71.4	1.0	68.8	1.0
Transport	35.7	0.5	38.3	0.5
Construction	422.1	6.0	433.0	6.0
Government	143.4	2.0	207.3	2.9
Public Corps.	293.0	4.2	332.2	4.6
Private Financial	18.9	0.3	17.0	0.2
Prof. & Other Ser.	123.0	1.8	115.4	1.6
Personal	5,170.3	73.6	5,218.5	72.6
Miscellaneous	441.5	6.3	444.0	6.2
TOTAL	7,021.1	100.0	7,187.4	100.0

THE CENTRAL BANK

Reflecting commercial banks’ re-discounting of Treasury Bills in the latter part of the quarter, the Central Bank’s net claims on the Government grew by \$28.8 million (8.8%) to \$357.1 million, a slowdown from the \$69.0 million (32.3%) expansion registered a year ago. The Bank’s net liabilities to the rest of the public sector

fell by \$2.2 million (31.8%) to \$4.8 million, reversing the \$1.1 million (37.4%) rise in 2011; and the liability to commercial banks settled lower by \$241.5 million (32.3%) at \$505.4 million, after the prior year's \$55.6 million (7.0%) reduction.

As the demand for foreign currency to meet external payments exceeded the inflow from productive sector activities, external reserves fell sharply by \$182.1 million (19.6%) to \$745.9 million over the quarter, surpassing the \$120.5 million (11.2%) drop recorded in 2011. Underlying this outturn, the Bank's net sale to commercial banks increased by \$45.7 million to \$63.6 million, to fund the shortfall in their clients' demand for foreign currency. The net sale to public corporations, driven primarily by fuel purchases, expanded by \$14.3 million to \$124.2 million, while transactions with the Government were reversed to a net sale of \$1.2 million from a net intake of \$7.9 million in 2011.

At end-September, 2012, the stock of external reserves stood at \$745.9 million, compared to \$955.6 million in 2011 and, when adjusted for the statutory 50% of the Central Bank's demand liabilities, the resultant "useable reserves" declined by \$142.4 million to \$332.9 million.

DOMESTIC BANKS

Growth in credit to the private sector moderated to \$5.7 million (0.1%) in the third quarter, from \$55.0 million (0.8%) in the corresponding period of 2011. A build-up in bond holdings elevated the net claim on the Government by \$24.3 million (1.9%) relative to the prior year's \$72.9 million (7.0%) gain; whereas credit extended to the rest of the public sector was completely reversed to a \$39.5 million (9.6%) upturn. Reflecting increased foreign currency borrowings by the electrical utility operator, commercial banks' net foreign liabilities advanced by \$56.3 million (9.9%), although slowing from last year's \$68.9 million (13.8%) growth.

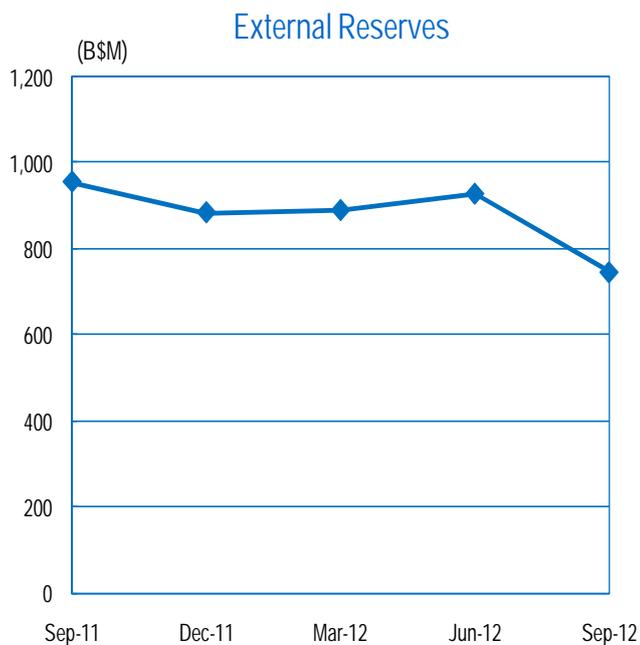
During the quarter, banks' deposit liabilities contracted sharply by \$163.8 million (2.6%) to \$6,121.2 million, after a modest \$8.7 million (0.1%) decrease a year earlier. Led by declines in the deposits of individuals, and to a lesser extent business firms, private sector balances fell by \$145.2 million (2.5%), to reverse the \$39.6 million (0.7%) gain a year earlier. Conversely, the decline in public sector's deposits narrowed to \$18.6 million (4.4%) from \$48.4 million (9.5%) in 2011.

Bahamian dollars, at \$6,015.1 million, comprised the dominant (96.3%) share of deposit liabilities. Broken down by depositor types, private individuals accounted for just over half of these liabilities, at 52.3%, followed by business firms with 31.5%. Much smaller shares were held by public corporations (5.6%), private financial institutions (4.4%), other entities (3.3%), the Government (2.0%) and public financial institutions (0.9%).

The majority of commercial banks' Bahamian dollar liabilities were held in fixed deposits (58.8%), followed by demand (22.7%) and savings (18.5%) balances. The largest number of deposits were held within the under \$10,000 category (89.4%); however, these balances comprised the smallest proportion of the total value, at 6.2%. Accounts with deposits between \$10,000 and \$50,000 represented 7.0% of the number and 10.9% of the value, while those in excess of \$50,000 were the least in number (3.6%) but held the highest value (82.9%).

CREDIT QUALITY

Reflecting the weakness in domestic business activity and high unemployment levels, banks' credit quality indicators remained elevated over the review quarter,



although slightly improved in a few institutions' portfolios. Total private sector arrears contracted, on a quarterly basis, by \$21.6 million (1.8%) to \$1,162.8 million, and by \$50.7 million (4.2%) over the year. The corresponding ratio of arrears to total loans softened by 35 basis points over the quarter, and by 91 basis points year-on-year to 18.6%.

With regard to the components, the largest reduction occurred in the commercial category, which fell by \$16.8 million (6.4%) to \$245.8 million over the quarter, and the relevant loan ratio decreased by 1.35 and 3.98 percentage points, on a quarterly and yearly basis, respectively, to 23.0%. In addition, consumer arrears contracted by \$4.0 million (1.5%) to \$257.1 million, and by 16 basis points from end-June and 81 basis points over the end-September 2011 level to 12.3% of total loans. Mortgages, which accounted for over half of the arrears, registered the smallest decline, of \$0.9 million (0.1%) to \$659.9 million or 21.3% of mortgage loans—a drop of 14 basis points from the previous quarter and 8 basis points relative to the corresponding 2011 period.

In terms of the average length of delinquencies, the short-term (31-90 day) category fell by \$26.5 million (7.5%) to \$325.8 million over the quarter and, relative to total loans, by 43 basis points on a quarterly basis and one percentage point year-on-year to 5.2%. In contrast, non-performing loans—which are over 90 days past due and on which banks have ceased accruing interest—firmed by \$5.0 million (0.6%) to \$837.0 million, for a relatively stable 13.4% of total loans, and mainly reflected the further deterioration in mortgage delinquencies.

Banks increased provisions against loan losses marginally, by \$0.9 million (0.3%) to \$344.6 million, which corresponded to an uptick in the ratio of provisions to loans and arrears, of 5 basis points and 62 basis points, to 5.3% and 29.6%, respectively. However, total provisions as a percentage of non-performing loans softened by 13 basis points to 41.2%.

BANK PROFITABILITY

During the second quarter of 2012—the latest bank performance indicators available—higher provisions for bad debt, alongside a reduction in revenue, led to a sharp contraction in banks' profitability, to \$37.7 million, in contrast to last year's 4.3% (\$2.7 million) improvement to \$65.0 million.

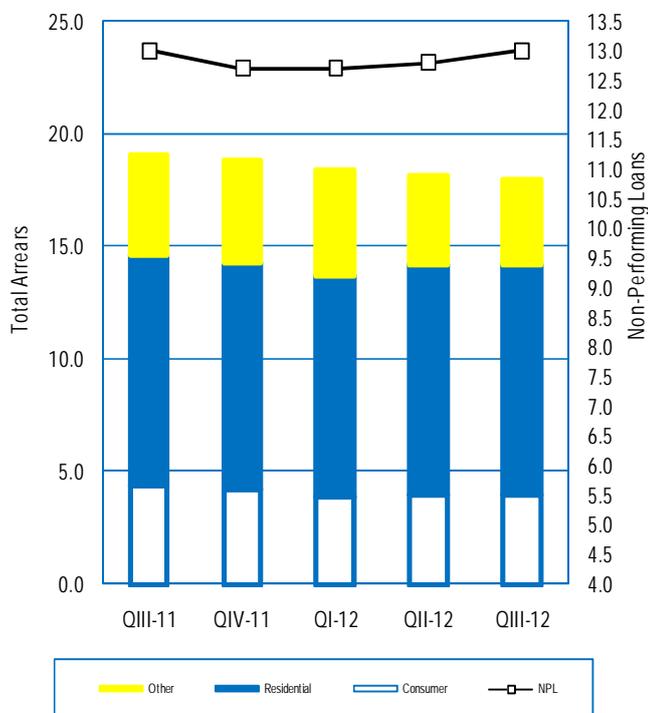
The interest margin narrowed by \$5.7 million (4.3%) to \$127.3 million, as lower rates contributed to a 9.4% (\$17.1 million) reduction in interest income, which outstripped the 23.1% (\$11.4 million) falloff in interest expenses. Similarly, commission & forex income narrowed by \$0.5 million to \$5.1 million, contributing to the \$6.3 million decline in the gross earnings margin to \$132.4 million.

Operating outlays firmed by \$1.1 million (1.5%) to \$76.1 million, reflecting higher occupancy (12.0%) and other operating "miscellaneous" (5.7%) expenses, which overshadowed declines in staffing costs by 2.7%. In addition, banks recorded a net loss of \$18.6 million on their non-core operations, vis-a-vis a profit of \$1.3 million last year, due to a \$15.1 million rise in bad debt provisions, alongside a \$4.9 million decline in other income, while depreciation costs steadied at \$3.5 million.

As a result of these developments, banks' profitability ratios—which are measured relative to average assets—registered broad-based contractions. The interest margin ratio fell by 41 basis points to 5.23% and with the

Loan Arrears & Non-Performing Balances

(% of Total Loans)

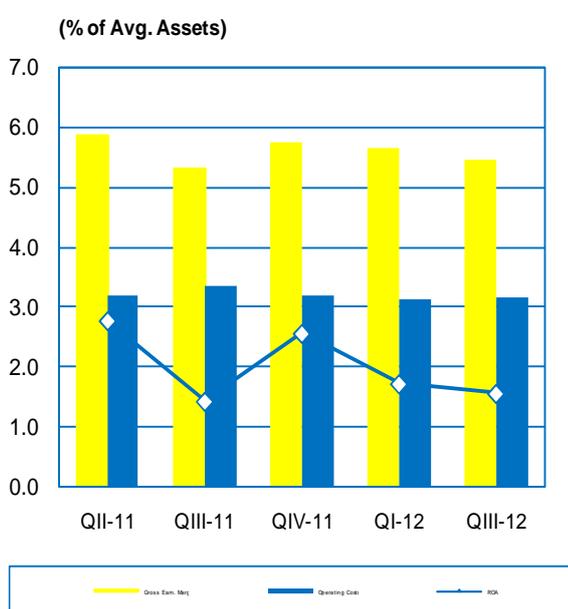


commission & forex income ratio decreasing by 3 basis points to 0.21%, the gross earning margin ratio declined by 43 basis points to 5.45%. Despite the softening in the operating costs ratio, by 5 basis points to 3.13%, the reduction in revenues led to the net earnings margin ratio moving 38 basis points lower to 2.32%. Similarly, the net income ratio narrowed by 1.2 percentage points to 1.55%, on account of increased provisioning.

other rates trending lower. Average rate reductions were posted for "miscellaneous" loans, by 32 basis points to 7.87%; for residential and commercial mortgage rates, by 18 and 2 basis points to 7.43% and 8.33%, respectively; and for overdraft facilities, by 70 basis points to 9.91%.

Among other key interest rates, the average Treasury bill rate moved lower by 22 basis points to 0.10%, while the Central Bank's Discount and the commercial banks' Prime rates were unchanged, at 4.50%, and 4.75%, respectively.

Domestic Banks' Profitability



INTEREST RATES

During the third quarter, commercial banks' weighted average interest rate spread widened by 33 basis points to 9.24 percentage points, as the average deposit rate decreased by 14 basis points to 1.94%, and the average loan rate moved upwards by 19 basis points to 11.18%.

Amid the persistently high levels of liquidity in the banking system, all deposit rates contracted. The average interest rate on demand and savings deposits fell by 14 and 36 basis points, to 0.33% and 1.31%, respectively. Similarly, average interest rates on fixed balances moved broadly lower, although the range widened to 1.56% - 2.52% from 1.71% - 2.53%

On the lending side, average interest rates on consumer loans firmed by 43 basis points to 13.84%, with all

Banking Sector Interest Rates

	Period Average (%)		
	Qtr. III <u>2011</u>	Qtr. II <u>2012</u>	Qtr. III <u>2012</u>
Deposit Rates			
Demand Deposits	1.16	0.47	0.33
Savings Deposits	1.63	1.67	1.31
Fixed Deposits			
Up to 3 months	1.97	1.71	1.56
Up to 6 months	2.56	2.09	1.89
Up to 12 months	2.77	2.68	2.49
Over 12 months	2.75	2.53	2.52
Weighted Avg Deposit Rate	2.27	2.08	1.93
Lending Rates			
Residential mortgages	7.57	7.61	7.43
Commercial mortgages	8.04	8.35	8.33
Consumer loans	13.29	13.41	13.84
Other Local Loans	7.61	8.19	7.87
Overdrafts	9.94	10.61	9.91
Weighted Avg Loan Rate	11.01	10.99	11.18

CAPITAL MARKETS DEVELOPMENTS

As investors remained relatively cautious, given the slow pace of the recovery, the volume of shares traded on the Bahamas International Securities Exchange (BISX) declined by 28.3% to 0.6 million, relative to last year. However, the corresponding value firmed by 6.6% to \$3.0 million. The Exchange's All Share Index fell by 0.3% over the three-month period to 1,308.01, extending

the 2.4% reduction registered last year. With the price of several securities declining over the three-months, market capitalization was reduced by 0.2% (\$5.7 million) to \$2.8 billion, following last year's 6.4% contraction. By end-September, the total number of securities listed on the Exchange rose by 3 to 27.

INTERNATIONAL TRADE AND PAYMENTS

Initial data for the third quarter of 2012 signalled a deterioration in the external current account deficit, by an estimated \$68.4 million (20.4%), to \$403.1 million, vis-à-vis the same period in 2011, due mainly to a narrowing of the services account surplus, which overshadowed an improvement in the merchandise trade deficit. The estimated capital and financial account surplus fell marginally by \$3.6 million (1.1%) to \$308.4 million, mainly on account of lower direct investment inflows, which eclipsed increased loan financing by both public and private entities.

The estimated merchandise trade deficit improved by \$62.8 million (11.0%) to \$506.9 million, buoyed by a 29.1% gain in exports to \$278.8 million, as imports steadied at \$785.7 million. Net non-oil imports contracted by \$58.5 million (13.8%) to \$364.0 million, while higher import volumes negated declines in average costs, and led to a \$52.7 million (23.8%) rise in fuel imports to \$274.4 million. Average fuel costs contracted for most of the oil categories, with the most significant recorded for propane (23.8% to \$59.56 per barrel) and jet fuel (6.2% to \$133.78 per barrel). Motor gas and gas oil also fell, by 4.3% and 2.5% to average \$124.91 and \$124.76 per barrel, respectively, whereas the cost of aviation gas advanced by 12.8% to \$176.75 per barrel.

The services account surplus narrowed by \$105.5 million (36.4%) to \$184.1 million, paced by an almost eight-fold rise in outlays for construction services to \$88.3 million, related to a major foreign investment project. In addition, net insurance service outlays and net payments for other "miscellaneous" services rose, by \$26.9 million and \$15.3 million, to \$71.1 million and \$68.6 million, respectively. Despite increases in the number of tourists, net travel receipts fell by an estimated \$10.8 million (2.4%) to \$438.5 million and net outflows for transportation services decreased by \$3.9 million (6.9%) to \$60.1

million. Offshore companies net local expenses, however, advanced by \$17.2 million to \$45.2 million; net inflows for Government services firmed by \$7.5 million to \$7.8 million, and royalty and license fees grew marginally by \$0.2 million to \$4.2 million.

The income account deficit widened by \$34.7 million (66.8%) to \$86.7 million, explained by a two-fold increase in net investment income outflows to \$76.5 million. This outcome was attributed to a \$38.1 million expansion in net interest and dividend payments by private companies, to \$79.6 million, as both commercial bank and non-bank entities' profit repatriations increased, by \$18.8 million and \$19.3 million, to \$28.5 million and \$51.1 million, respectively. In addition, net outflows from official transactions ebbed by \$0.4 million to \$3.1 million, while net labour income remittances decreased by \$3.8 million to \$10.2 million.

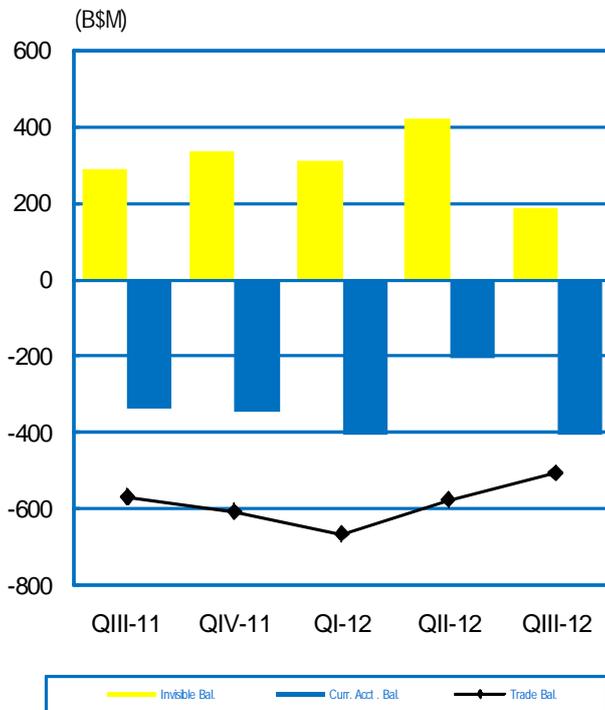
Net current transfer transactions were reversed to a \$4.6 million net inflow from a \$2.6 million net payment a year ago, due primarily to a \$10.0 million (44.4%) expansion in net Government receipts to \$32.6 million. In a modest offset, net "miscellaneous" outflows also increased by \$2.8 million (11.1%) to \$28.0 million, as worker remittances grew by \$4.5 million to \$24.1 million, outpacing the \$1.7 million falloff in other "miscellaneous" net transfers to \$3.9 million.

The reduction in the capital and financial account surplus was primarily linked to a \$79.7 million decrease in net direct investment inflows, to \$43.9 million, as the equity component was halved to \$51.5 million; and the \$7.7 million net outflow under real estate transactions contrasted with a net purchase of \$14.5 million in 2011. In a modest offset, other "miscellaneous" investments firmed by \$76.4 million to \$276.9 million, underpinned by a surge in other public sector capital, to \$85.7 million from \$8.9 million in 2011, as an aviation entity secured external financing for its ongoing expansion programme. Net borrowings by the private sector, associated with project financing, advanced by \$21.1 million (18.7%) to \$133.8 million. However, commercial banks' net short-term financing inflows narrowed by \$12.8 million to \$56.2 million, while net portfolio investment outflows steadied at \$9.9 million.

As a result of these developments, and after making the relevant adjustments for net errors and omissions, the

deficit on the overall balance, which corresponds to the change in the Central Bank's external reserves, increased by \$61.6 million over last year to \$182.1 million.

Balance of Payments



INTERNATIONAL ECONOMIC DEVELOPMENTS

Global economic developments were dominated by the ongoing euro-zone debt crisis, the subdued recovery in the United States economy and a slowdown in real GDP growth in several Asian markets. In this environment, high unemployment rates persisted in most developed markets, and faced with slow growth and weak job conditions, most major central banks expanded their "quantitative easing" programmes in the latter half of the quarter. This policy posture boosted both investors' confidence and their risk appetite, and led to higher equity prices and the appreciation of most major currencies against the US Dollar.

In the United States, real GDP growth advanced at an annual rate of 3.1%, following a revised 1.3% in the preceding quarter, attributed to gains in consumer and Government spending, as well as improvements in the housing market. Buoyed by increased spending for the

2012 Olympics, the United Kingdom emerged from recession during the third quarter, with increased output achieved in the production and services industries. In contrast, the euro area reverted into recession, as austerity-induced weakness in several member states led to real GDP contracting by 0.1% for the region. The expansion in China's economy continued to slow, with output growth lowered to 7.4% year-on-year, following gains of 7.6% and 8.1% in the previous quarters. In Japan, weakened domestic demand and a slowdown in export growth, mainly to Europe and China, contributed to a 0.9% contraction in real GDP in the third quarter, following an unchanged level in the prior period.

Amid the softness in the global economic recovery, employment conditions in most of the major economies remained relatively lackluster. In particular, the United States' unemployment rate narrowed marginally, by 0.4 of a percentage point over the second quarter, to 7.8%, reflecting gains in non-farm payrolls of 373,000 persons. Similarly, the jobless rate in the United Kingdom improved slightly by 0.2 of a percentage point to 7.8%, as hirings for the Olympics contributed to the number of unemployed persons declining by 49,000. In contrast, the unemployment rate in the euro area moved higher by 0.2 of a percentage point in the third quarter to 11.5%—its highest level since the formation of the currency union—as several southern economies recorded double digit rates. Asian economies continued to experience almost full employment, with the rate for China steady at 4.1%, while Japan's rate fell marginally by 0.1 of a percentage point to 4.3%.

Increased fuel and commodity costs led to heightened inflationary pressures among the major economies. In the United States, consumer price inflation firmed by 0.6 of a percentage point to an annualized 2.0%, owing to gains in energy-related costs; however, annual inflation in the United Kingdom softened by 0.2 of a percentage point to 2.2%, due principally to a technical adjustment in the components of the housing price index. Euro area inflation posted a slight uptick of 0.1 of a percentage point from the second quarter to 2.6%, owing mainly to higher transportation and housing costs. Deflation trends persisted in Japan, where average prices fell by 0.3% in September, following on a 0.2% contraction in June; and China's inflation rate slowed by 0.3 of a percentage point to 1.9% in September, year-on-year, reflecting contractions in transportation and communication costs.

The US dollar recorded broad-based declines against several major currencies over the review period, as the major central banks' moves to further loosen monetary policy, heightened investors' demand for more risky assets. Consequently, the dollar depreciated against the Canadian dollar and British pound, by 3.26% to CAD\$0.98 and 2.85% to £0.62, respectively. More muted decreases were recorded against the euro, by 1.5% to €0.78 and the Swiss Franc, by 0.94% to CHF0.91. For the Asian currencies, the dollar weakened against the Japanese Yen, by 2.32% to ¥77.94 and vis-à-vis the Chinese Yuan, by 1.09% to CNY6.29.

Central banks' stimulus measures also supported broad-based gains in major stock markets. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) rose by 5.8% and 4.3%, respectively. European exchanges posted similar gains, with German's DAX, France's CAC 40, and the United Kingdom's FTSE 100 advancing by 12.5%, 4.9%, and 3.1%, respectively. Among the major Asian bourses, the slowdown in China's economic growth contributed to the SE Composite weakening by 6.3%, while Japan's Nikkei 225 fell by 1.5%, amid concerns over the ongoing territorial disputes with other Asian countries.

Reflecting an increase in fuel demand during the summer months, combined with a modest reduction in OPEC's oil production, crude oil prices surged by 20.5% to \$111.53 per barrel over the quarter. Similarly, as investors increased their demand for relatively "safe assets" the average costs of silver and gold rose by 25.6% and 10.9% to \$34.54 and \$1,772.10 per troy ounce, respectively.

September marked a critical period for global central banks, as most major institutions increased the level of monetary accommodation, in an effort to spur economic activity and reduce uncertainty in the markets. The Federal Reserve in the United States implemented its third round of "quantitative easing", by purchasing additional mortgage-backed securities worth \$40.0 billion per month and signaling that additional purchases may be conducted in the coming months. Similarly, the Bank of England expanded its Government bond purchase programme, by £50 billion to £375 billion. Amid the deteriorating fiscal situation in several euro area countries and increasing debt service costs, the European Central Bank (ECB) introduced its "Outright Monetary Transactions"

programme, in an effort to lower interest rates. Under the plan, the ECB pledged to purchase an unlimited amount of Government bonds on the secondary sovereign bond market, from euro area economies which have undertaken structural adjustment programmes. The Bank also lowered its main interest rates, by 25 basis points each. Policy measures in Asia mirrored those implemented in other countries, as the Bank of Japan increased the size of its Asset Purchase Programme by ¥10 trillion to ¥80 trillion. The People's Bank of China also lowered both its benchmark lending and deposit rates, by 31 basis points and 25 basis points, to 6.0% and 3.0%, respectively.

External sector developments were mixed in most major economies during the third quarter. In the United States, the trade deficit narrowed to \$127.8 million from \$139.3 million in the previous quarter, as growth in capital goods and food exports outpaced imports. Similarly, the United Kingdom's trade deficit improved, quarter-on-quarter, by 16.3% to £8.5 billion, buoyed by a 1.0% increase in exports which outpaced a 0.4% decrease in imports, while robust growth in the exports of Germany and France supported an expansion in the euro area's trade surplus, by €4.5 billion to €29.4 billion. Japan's trade balance deteriorated by ¥0.35 billion to ¥1.85 billion, as geopolitical tensions with its neighbours and weak demand from Europe occasioned a 4.4% decrease in exports, which overshadowed the 1.4% falloff in imports. In contrast, China's trade surplus firmed by US\$10.62 billion to US\$79.52 billion, buttressed by a 3.2% increase in exports, which outpaced a 1.3% advance in imports.

STATISTICAL APPENDIX
(Tables 1-16)

STATISTICAL APPENDIX

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The following symbols and conventions are used throughout this report:

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

TABLE 1
FINANCIAL SURVEY

End of Period	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
	(B\$ Millions)																	
Net foreign assets	(213.4)	(140.9)	134.1	178.8	250.0	(28.0)	152.1	312.0	571.5	382.1	280.8	308.9	356.2	117.8				
Central Bank	454.2	562.9	816.0	819.0	862.1	765.4	860.4	975.1	1076.1	955.6	884.8	890.0	928.0	745.8				
Domestic Banks	(667.6)	(703.8)	(681.9)	(640.2)	(612.1)	(793.4)	(708.3)	(663.1)	(504.6)	(573.5)	(604.0)	(581.1)	(571.8)	(628.0)				
Net domestic assets	5,850.7	6,064.9	5,898.2	5,948.6	6,007.3	6,261.9	6,038.9	5,916.0	5,779.9	5,969.9	6,029.6	6,120.9	6,149.1	6,222.3				
Domestic credit	7,434.3	7,909.1	8,039.7	8,118.4	8,223.1	8,444.5	8,448.2	8,302.3	8,213.2	8,415.2	8,536.9	8,666.5	8,698.8	8,797.2				
Public sector	1,215.9	1,372.3	1,443.8	1,569.7	1,696.7	1,869.1	1,875.5	1,817.0	1,710.3	1,815.7	1,889.4	1,998.8	2,042.7	2,135.4				
Government (net)	866.8	924.0	1,023.9	1,131.3	1,257.1	1,346.3	1,413.7	1,366.8	1,259.2	1,401.4	1,439.2	1,524.8	1,624.9	1,678.0				
Rest of public sector	349.1	448.3	419.9	438.4	439.6	522.8	461.8	450.2	451.1	414.3	450.2	474.0	417.8	457.4				
Private sector	6,218.4	6,536.8	6,595.9	6,548.7	6,526.4	6,575.4	6,572.7	6,485.3	6,502.9	6,599.5	6,647.5	6,667.7	6,656.1	6,661.8				
Other items (net)	(1,583.6)	(1,844.2)	(2,141.5)	(2,169.8)	(2,215.8)	(2,182.6)	(2,409.3)	(2,386.3)	(2,433.3)	(2,445.3)	(2,507.3)	(2,545.6)	(2,549.7)	(2,575.0)				
Monetary liabilities	5,637.3	5,924.0	6,032.3	6,127.4	6,257.3	6,233.9	6,191.1	6,228.0	6,351.4	6,352.0	6,310.4	6,429.8	6,505.3	6,340.1				
Money	1,300.3	1,274.5	1,283.6	1,274.8	1,374.7	1,365.8	1,335.2	1,340.0	1,425.7	1,423.9	1,434.8	1,486.7	1,532.8	1,509.8				
Currency	223.7	205.8	207.8	186.9	186.7	188.7	194.5	194.3	194.1	202.1	196.9	203.5	207.3	208.2				
Demand deposits	1,076.6	1,068.7	1,075.8	1,087.9	1,188.0	1,177.1	1,140.6	1,145.7	1,231.6	1,221.8	1,237.9	1,283.2	1,325.5	1,301.6				
Quasi-money	4,337.0	4,649.5	4,748.7	4,852.6	4,882.6	4,868.1	4,855.9	4,888.0	4,925.7	4,928.1	4,875.6	4,943.1	4,972.5	4,830.3				
Fixed deposits	3,144.8	3,427.7	3,521.4	3,610.6	3,641.5	3,653.5	3,615.4	3,647.3	3,663.3	3,676.3	3,605.9	3,596.7	3,581.0	3,488.4				
Savings deposits	992.1	1,020.4	995.4	1,004.6	1,012.4	1,006.0	1,015.8	1,039.9	1,040.0	1,037.5	1,063.7	1,084.8	1,144.8	1,110.2				
Foreign currency	200.1	201.4	231.9	237.4	228.7	208.6	224.7	200.8	222.4	214.3	206.0	261.6	246.7	231.7				
	(percentage changes)																	
Total domestic credit	10.3	6.4	1.7	1.0	1.3	2.7	0.0	(1.7)	(1.1)	2.5	1.4	1.5	0.4	1.1				
Public sector	13.2	12.9	5.2	8.7	8.1	10.2	0.3	(3.1)	(5.9)	6.2	4.1	5.8	2.2	4.5				
Government (net)	28.0	6.6	10.8	10.5	11.1	7.1	5.0	(3.3)	(7.9)	11.3	2.7	5.9	6.6	3.3				
Rest of public sector	(12.1)	28.4	(6.3)	4.4	0.3	18.9	(11.7)	(2.5)	0.2	(8.2)	8.7	5.3	(11.9)	9.5				
Private sector	9.7	5.1	0.9	(0.7)	(0.3)	0.8	(0.0)	(1.3)	0.3	1.5	0.7	0.3	(0.2)	0.1				
Monetary liabilities	9.6	5.1	1.8	1.6	2.1	(0.4)	(0.7)	0.6	2.0	0.0	(0.7)	1.9	1.2	(2.5)				
Money	3.9	(2.0)	0.7	(0.7)	7.8	(0.6)	(2.2)	0.4	6.4	(0.1)	0.8	3.6	3.1	(1.5)				
Currency	10.7	(8.0)	1.0	(10.1)	(0.1)	1.1	3.1	(0.1)	(0.1)	4.1	(2.6)	3.3	1.9	0.4				
Demand deposits	2.6	(0.7)	0.7	1.1	9.2	(0.9)	(3.1)	0.4	7.5	(0.8)	1.3	3.7	3.3	(1.8)				
Quasi-money	11.4	7.2	2.1	2.2	0.6	(0.3)	(0.3)	0.7	0.8	0.0	(1.1)	1.4	0.6	(2.9)				

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
	(B\$ Millions)																	
Net foreign assets	(197.2)	(123.6)	167.3	203.8	269.0	(19.2)	113.9	266.4	516.9	385.2	287.5	304.3	362.6	119.6				
Central Bank	454.2	562.9	816.0	819.0	862.1	765.4	860.4	975.1	1076.1	955.6	884.8	890.0	928.0	745.8				
Commercial banks	(651.4)	(686.5)	(648.7)	(615.2)	(593.1)	(784.6)	(746.6)	(708.7)	(559.2)	(570.4)	(597.3)	(585.7)	(565.4)	(626.2)				
Net domestic assets	5,800.3	6,018.5	5,832.9	5,889.6	5,947.4	6,216.5	6,040.6	5,919.4	5,793.2	5,924.9	5,978.9	6,054.3	6,086.5	6,168.3				
Domestic credit	7,401.4	7,882.7	8,000.0	8,080.6	8,191.8	8,414.9	8,417.1	8,273.2	8,187.4	8,389.4	8,509.0	8,637.2	8,669.0	8,767.5				
Public sector	1,212.8	1,369.3	1,428.3	1,552.5	1,683.0	1,854.9	1,861.0	1,802.2	1,702.2	1,806.7	1,879.5	1,986.7	2,030.1	2,122.5				
Government (net)	863.8	921.0	1,008.4	1,114.2	1,243.3	1,332.2	1,404.6	1,357.4	1,251.2	1,392.9	1,429.8	1,513.2	1,612.7	1,665.7				
Rest of public sector	349.0	448.3	419.9	438.3	439.6	522.7	456.4	444.8	451.0	413.8	449.7	473.5	417.3	456.8				
Private sector	6,188.6	6,513.4	6,571.7	6,528.1	6,508.9	6,559.9	6,556.1	6,470.9	6,485.2	6,582.6	6,629.5	6,650.4	6,638.9	6,645.0				
Other items (net)	(1,601.1)	(1,864.2)	(2,167.1)	(2,191.0)	(2,244.4)	(2,198.4)	(2,376.5)	(2,353.8)	(2,394.2)	(2,464.5)	(2,530.1)	(2,582.9)	(2,582.5)	(2,599.2)				
Monetary liabilities	5,603.1	5,894.9	6,000.2	6,093.3	6,216.4	6,197.3	6,154.6	6,185.8	6,310.1	6,308.6	6,266.4	6,358.6	6,449.1	6,287.9				
Money	1,278.9	1,257.6	1,261.9	1,253.2	1,345.1	1,342.6	1,314.7	1,316.4	1,401.5	1,398.4	1,408.2	1,448.9	1,496.8	1,485.3				
Currency	223.7	205.8	207.8	186.9	186.6	188.7	194.5	194.3	194.1	202.1	196.9	203.5	207.3	208.2				
Demand deposits	1,055.2	1,051.8	1,054.1	1,066.3	1,158.4	1,153.9	1,120.2	1,122.1	1,207.4	1,196.3	1,211.3	1,245.5	1,289.5	1,277.1				
Quasi-money	4,324.2	4,637.3	4,738.3	4,840.1	4,871.4	4,854.8	4,839.8	4,869.4	4,908.6	4,910.2	4,858.2	4,909.7	4,952.3	4,802.6				
Savings deposits	991.9	1,020.2	995.3	1,004.4	1,012.4	1,005.9	1,015.8	1,039.9	1,040.0	1,037.5	1,063.7	1,084.8	1,144.7	1,110.1				
Fixed deposits	3,132.2	3,415.8	3,511.1	3,598.3	3,630.4	3,640.2	3,601.8	3,632.1	3,649.4	3,660.6	3,592.3	3,580.7	3,567.3	3,476.5				
Foreign currency deposits	200.1	201.3	231.9	237.4	228.6	208.6	222.2	197.4	219.2	212.1	202.2	244.2	240.3	216.0				
	(percentage change)																	
Total domestic credit	12.3	6.5	1.5	1.0	1.4	2.7	0.0	(1.7)	(1.0)	2.5	1.4	1.5	0.4	1.1				
Public sector	13.5	12.9	4.3	8.7	8.4	10.2	0.3	(3.2)	(5.6)	6.1	4.0	5.7	2.2	4.6				
Government (net)	28.6	6.6	9.5	10.5	11.6	7.1	5.4	(3.4)	(7.8)	11.3	2.6	5.8	6.6	3.3				
Rest of public sector	(12.1)	28.4	(6.3)	4.4	0.3	18.9	(12.7)	(2.5)	1.4	(8.2)	8.7	5.3	(11.9)	9.5				
Private sector	12.1	5.2	0.9	(0.7)	(0.3)	0.8	(0.1)	(1.3)	0.2	1.5	0.7	0.3	(0.2)	0.1				
Monetary liabilities	10.6	5.2	1.8	1.6	2.0	(0.3)	(0.7)	0.5	2.0	(0.0)	(0.7)	1.5	1.4	(2.5)				
Money	3.3	(1.7)	0.3	(0.7)	7.3	(0.2)	(2.1)	0.1	6.5	(0.2)	0.7	2.9	3.3	(0.8)				
Currency	10.7	(8.0)	1.0	(10.1)	(0.1)	1.1	3.1	(0.1)	(0.1)	4.1	(2.6)	3.3	1.9	0.4				
Demand deposits	1.9	(0.3)	0.2	1.2	8.6	(0.4)	(2.9)	0.2	7.6	(0.9)	1.3	2.8	3.5	(1.0)				
Quasi-money	13.0	7.2	2.2	2.1	0.6	(0.3)	(0.3)	0.6	0.8	0.0	(1.1)	1.1	0.9	(3.0)				

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B\$ Millions)

End of Period	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.												
Net foreign assets	454.2	562.9	816.0	819.0	862.1	765.4	860.4	860.4	975.1	1,076.1	955.6	884.8	890.0	928.0	745.8			
Balances with banks abroad	59.5	205.8	270.9	270.5	317.7	157.3	175.2	175.2	265.7	298.5	183.2	115.0	124.1	164.9	5.4			
Foreign securities	384.7	347.4	356.2	365.6	366.2	420.7	499.7	499.7	518.5	584.9	584.4	585.0	579.4	580.4	554.8			
Reserve position in the Fund	9.9	9.6	9.8	9.5	9.3	9.7	9.6	9.6	9.9	10.0	9.8	9.6	9.7	9.5	9.6			
SDR holdings	0.1	0.1	179.1	173.4	168.9	177.7	175.9	175.9	181.0	182.7	178.2	175.2	176.8	173.2	176.0			
Net domestic assets	235.7	76.9	73.3	77.0	80.6	144.2	156.7	156.7	148.4	111.9	179.9	187.4	194.9	218.0	249.4			
Net claims on Government	332.3	198.8	182.1	179.3	186.3	244.1	259.8	259.8	244.6	213.8	282.7	289.2	304.9	328.3	357.1			
Claims	347.8	202.9	202.8	189.7	200.4	259.3	274.3	274.3	261.7	222.2	291.3	300.8	315.8	333.5	368.5			
Treasury bills	143.5	6.3	--	--	7.2	22.2	--	--	--	--	19.9	26.2	20.0	21.5	63.5			
Bahamas registered stock	132.4	124.6	105.8	92.7	96.2	125.1	162.3	162.3	149.7	148.2	160.9	164.0	165.2	174.3	169.4			
Loans and advances	72.0	72.0	97.0	97.0	97.0	112.0	112.0	112.0	112.0	74.0	110.6	110.6	130.6	137.7	135.6			
Deposits	(15.6)	(4.1)	(20.7)	(10.4)	(14.1)	(15.2)	(14.5)	(14.5)	(17.0)	(8.4)	(8.6)	(11.6)	(10.9)	(5.2)	(11.4)			
In local currency	(15.6)	(4.1)	(20.7)	(10.4)	(14.1)	(15.2)	(14.5)	(14.5)	(17.0)	(8.4)	(8.6)	(11.6)	(10.9)	(5.2)	(11.4)			
In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
Deposits of rest of public sector	(10.4)	(10.4)	(15.8)	(12.6)	(13.9)	(13.4)	(15.4)	(15.4)	(7.5)	(9.4)	(10.4)	(7.1)	(14.8)	(12.9)	(10.6)			
Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
Official capital and surplus	(111.6)	(125.9)	(140.5)	(137.4)	(137.6)	(132.1)	(132.0)	(132.0)	(133.6)	(134.9)	(136.6)	(139.2)	(140.5)	(141.1)	(142.0)			
Net unclassified assets	17.9	7.1	40.5	40.9	39.0	39.0	38.0	38.0	38.5	36.0	37.9	38.4	39.2	37.8	39.0			
Loans to rest of public sector	6.8	6.5	6.2	6.0	6.0	5.8	5.6	5.6	5.6	5.6	5.4	5.2	5.2	5.0	5.0			
Public Corp Bonds/Securities	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9			
Liabilities To Domestic Banks	(450.1)	(439.0)	(486.5)	(520.2)	(572.0)	(527.3)	(631.0)	(631.0)	(731.9)	(794.8)	(739.1)	(684.3)	(688.8)	(749.9)	(595.1)			
Notes and coins	(110.1)	(117.6)	(111.8)	(86.2)	(89.1)	(83.8)	(113.2)	(113.2)	(84.5)	(85.7)	(79.7)	(126.9)	(80.6)	(83.5)	(86.7)			
Deposits	(340.0)	(321.4)	(374.7)	(434.0)	(482.9)	(443.5)	(517.8)	(517.8)	(647.4)	(709.1)	(659.4)	(557.4)	(608.2)	(666.4)	(508.4)			
SDR allocation	(16.2)	(15.8)	(195.0)	(188.9)	(184.0)	(193.6)	(191.6)	(191.6)	(197.3)	(199.1)	(194.3)	(191.0)	(192.7)	(188.8)	(191.9)			
Currency held by the private sector	(223.7)	(205.8)	(207.8)	(186.9)	(186.7)	(188.7)	(194.5)	(194.5)	(194.3)	(194.1)	(202.1)	(196.9)	(203.5)	(207.3)	(208.2)			

Source: The Central Bank of The Bahamas

TABLE 4

DOMESTIC BANKS BALANCE SHEET

End of Period	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.									
Net foreign assets	(667.6)	(703.8)	(681.9)	(640.2)	(612.1)	(793.4)	(705.8)	(663.1)	(504.6)	(573.5)	(604.0)	(581.1)	(571.8)	(628.0)				
Net claims on Central Bank	448.4	439.9	487.4	521.3	572.5	528.4	631.9	733.1	795.7	739.9	687.0	689.8	753.8	596.5				
Notes and Coins	110.1	117.6	111.8	86.2	89.1	83.8	113.2	84.5	85.7	79.7	126.9	80.6	83.5	86.7				
Balances	339.1	322.3	375.6	435.1	483.4	444.6	518.7	648.6	710.0	660.2	560.1	609.2	670.3	509.8				
Less Central Bank credit	0.8	--	--	--	--	--	--	--	--	--	--	--	--	--				
Net domestic assets	5,199.7	5,534.1	5,564.4	5,565.7	5,614.4	5,811.9	5,567.7	5,465.3	5,346.5	5,510.7	5,579.5	5,675.9	5,679.5	5,731.3				
Net claims on Government	534.5	725.2	843.0	952.0	1,070.8	1,102.2	1,152.3	1,122.2	1,045.4	1,118.6	1,150.0	1,219.9	1,296.6	1,320.9				
Treasury bills	50.8	180.2	214.0	218.3	267.6	264.1	293.7	294.8	253.3	281.6	275.4	301.6	321.6	274.6				
Other securities	468.5	533.5	704.6	705.4	740.4	752.8	799.6	799.4	772.9	811.1	847.6	848.7	840.7	965.5				
Loans and advances	120.3	145.8	76.5	166.3	205.3	212.6	180.3	148.0	141.0	143.4	145.7	189.3	253.8	207.3				
Less: deposits	105.0	134.3	152.1	138.0	142.5	127.3	121.3	120.1	121.8	117.5	118.7	119.7	119.5	126.5				
Net claims on rest of public sector	(78.9)	3.4	(25.7)	(49.5)	(49.0)	31.4	(31.9)	(47.2)	(66.2)	(54.4)	0.4	41.2	(11.5)	46.7				
Securities	97.7	97.5	107.0	107.0	107.0	107.0	115.6	115.6	114.6	115.1	117.4	119.4	119.4	119.4				
Loans and advances	243.9	343.6	305.9	324.6	325.9	409.1	339.8	328.2	330.1	293.0	326.8	348.7	292.6	332.2				
Less: deposits	420.5	437.7	438.6	481.1	481.9	484.7	487.3	491.0	510.9	462.5	443.8	426.9	423.5	404.9				
Other net claims	(6.9)	(0.1)	(8.1)	(7.2)	(1.9)	(2.7)	(3.4)	(10.1)	(38.2)	(21.2)	5.5	(19.3)	(14.6)	(4.6)				
Credit to the private sector	6,218.4	6,536.8	6,595.9	6,548.7	6,526.4	6,575.5	6,572.7	6,485.3	6,502.9	6,599.5	6,647.6	6,667.6	6,656.1	6,661.9				
Securities	29.6	28.8	27.2	25.9	22.3	21.4	17.4	16.0	12.8	14.8	16.4	14.4	14.3	14.0				
Mortgages	2,580.4	2,819.7	2,949.6	2,950.0	2,968.8	3,078.4	3,192.4	3,218.6	3,218.9	3,226.1	3,227.6	3,232.9	3,255.1	3,275.8				
Loans and advances	3,608.4	3,688.3	3,619.1	3,572.8	3,535.3	3,475.7	3,363.0	3,250.7	3,271.2	3,358.6	3,403.6	3,420.3	3,386.7	3,372.1				
Private capital and surplus	(1,654.1)	(1,864.6)	(2,033.0)	(2,062.1)	(2,061.8)	(2,034.4)	(2,281.9)	(2,254.5)	(2,295.3)	(2,305.7)	(2,357.8)	(2,419.6)	(2,436.1)	(2,473.5)				
Net unclassified assets	186.7	133.4	192.3	183.8	129.9	139.9	159.9	169.7	197.9	173.9	133.8	186.1	189.0	179.9				
Liabilities to private sector	4,982.7	5,270.2	5,370.0	5,446.8	5,574.8	5,547.0	5,493.7	5,535.3	5,637.5	5,677.1	5,662.5	5,784.6	5,861.5	5,716.4				
Demand deposits	1,174.8	1,150.2	1,204.2	1,184.4	1,296.3	1,271.3	1,249.6	1,237.1	1,307.2	1,302.4	1,325.6	1,410.6	1,442.3	1,406.7				
Savings deposits	994.7	1,024.1	1,003.5	1,007.3	1,014.1	1,008.0	1,017.8	1,042.7	1,043.5	1,040.5	1,067.1	1,088.0	1,148.1	1,114.1				
Fixed deposits	2,813.2	3,095.9	3,162.3	3,255.1	3,264.4	3,267.7	3,226.3	3,255.5	3,286.8	3,334.2	3,269.8	3,285.9	3,271.1	3,195.6				

Source: The Central Bank of The Bahamas

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

(B\$'000s)

Period	2010				2011				2012					
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV		
1. Interest Income	744,537	760,159	728,878	744,537	183,559	183,176	182,764	192,675	186,517	182,266	164,729	168,979	168,204	165,179
2. Interest Expense	291,206	278,219	244,468	291,206	57,990	56,879	56,503	54,618	51,951	49,265	45,075	39,658	39,034	37,892
3. Interest Margin (1-2)	453,331	481,940	484,410	453,331	125,569	126,297	126,261	138,057	134,566	133,001	119,654	129,321	129,170	127,287
4. Commission & Forex Income	31,714	32,328	22,005	31,714	5,495	5,889	5,651	5,785	5,822	5,685	5,567	6,052	6,224	5,145
5. Gross Earnings Margin (3+4)	485,045	514,268	506,415	485,045	131,064	132,186	131,912	143,842	140,388	138,686	125,221	135,373	135,394	132,432
6. Staff Costs	133,309	148,364	149,222	133,309	38,400	40,032	38,808	40,993	39,277	42,611	41,395	41,676	39,136	41,456
7. Occupancy Costs	20,612	23,409	23,417	20,612	5,978	5,621	6,422	5,943	5,743	6,283	7,048	6,712	7,019	7,036
8. Other Operating Costs	79,480	91,867	87,245	79,480	25,864	23,609	25,875	31,703	23,872	26,089	30,424	26,753	28,138	27,582
9. Operating Costs (6+7+8)	233,401	263,640	259,884	233,401	70,242	69,262	71,105	78,639	68,892	74,983	78,867	75,141	74,293	76,074
10. Net Earnings Margin (5-9)	251,644	250,628	246,531	251,644	60,822	62,924	60,807	65,203	71,496	63,703	46,354	60,232	61,101	56,358
11. Depreciation Costs	11,673	13,412	14,134	11,673	3,601	4,185	4,080	3,372	3,587	3,519	3,777	1,810	3,521	3,469
12. Provisions for Bad Debt	39,817	82,204	121,092	39,817	20,616	26,549	52,123	25,398	23,937	21,056	31,799	24,711	37,789	36,123
13. Other Income	107,271	120,334	96,990	107,271	27,806	30,093	25,517	27,868	22,516	25,854	22,721	26,429	21,124	20,981
14. Other Income (Net) (13-11-12)	55,781	24,718	(38,236)	55,781	3,589	(641)	(30,686)	(902)	(5,008)	1,279	(12,855)	(92)	(20,186)	(18,611)
15. Net Income (10+14)	307,425	275,346	208,295	307,425	64,411	62,283	30,121	64,301	66,488	64,982	33,499	60,140	40,915	37,747
16. Effective Interest Rate Spread (%)	6.25	6.51	6.34	6.25	6.20	6.24	6.04	6.20	5.88	6.24	6.16	6.28	6.44	6.40
(Ratios To Average Assets)														
Interest Margin	5.50	5.39	5.31	5.50	5.55	5.50	5.47	5.86	5.69	5.64	5.07	5.47	5.39	5.23
Commission & Forex Income	0.38	0.36	0.24	0.38	0.24	0.26	0.24	0.25	0.25	0.24	0.24	0.26	0.26	0.21
Gross Earnings Margin	5.89	5.75	5.55	5.89	5.80	5.76	5.71	6.11	5.93	5.88	5.30	5.72	5.65	5.45
Operating Costs	2.83	2.95	2.85	2.83	3.11	3.02	3.08	3.34	2.91	3.18	3.34	3.18	3.10	3.13
Net Earnings Margin	3.05	2.80	2.70	3.05	2.69	2.74	2.63	2.77	3.02	2.70	1.96	2.55	2.55	2.32
Net Income	3.73	3.09	2.28	3.73	2.85	2.71	1.30	2.73	2.81	2.75	1.42	2.54	1.71	1.55

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

TABLE 6
MONEY SUPPLY

(B\$ Millions)

End of Period	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.									
Money supply (M1)	1,300.3	1,274.5	1,283.6	1,274.8	1,374.7	1,365.8	1,335.2	1,340.0	1,425.7	1,423.9	1,434.8	1,486.7	1,532.8	1,509.8				
1) Currency in active circulation	223.7	205.8	207.8	186.9	186.7	188.7	194.5	194.3	194.1	202.1	196.9	203.5	207.3	208.2				
2) Demand deposits	1,076.6	1,068.7	1,075.8	1,087.9	1,188.0	1,177.1	1,140.6	1,145.7	1,231.6	1,221.8	1,237.9	1,283.2	1,325.5	1,301.6				
Central Bank	10.4	10.4	15.9	12.6	13.9	13.4	15.4	7.5	9.4	10.4	7.1	14.8	12.9	10.6				
Domestic Banks	1,066.2	1,058.3	1,059.9	1,075.3	1,174.1	1,163.7	1,125.2	1,138.2	1,222.2	1,211.4	1,230.8	1,268.4	1,312.6	1,291.0				
Factors affecting money (M1)																		
1) Net credit to Government	866.8	924.0	1,023.9	1,131.3	1,257.1	1,346.3	1,413.7	1,366.8	1,259.2	1,401.4	1,439.2	1,524.8	1,624.9	1,678.0				
Central Bank	332.3	198.8	180.9	179.3	186.3	244.1	261.4	244.6	213.8	282.8	289.2	304.9	328.3	357.1				
Domestic Banks	534.5	725.2	843.0	952.0	1,070.8	1,102.2	1,152.3	1,122.2	1,045.4	1,118.6	1,150.0	1,219.9	1,296.6	1,320.9				
2) Other credit	6,567.5	6,985.1	7,015.8	6,987.1	6,966.0	7,098.2	7,034.5	6,935.5	6,954.0	7,013.8	7,097.7	7,141.7	7,073.9	7,119.2				
Rest of public sector	349.1	448.3	419.9	438.4	439.6	522.7	461.8	450.2	451.1	414.3	450.2	474.0	417.8	457.4				
Private sector	6,218.4	6,536.8	6,595.9	6,548.7	6,526.4	6,575.5	6,572.7	6,485.3	6,502.9	6,599.5	6,647.5	6,667.7	6,656.1	6,661.8				
3) External reserves	454.2	562.9	816.0	819.0	862.1	765.4	860.4	975.1	1,076.1	955.6	884.8	890.0	928.0	745.8				
4) Other external liabilities (net)	(667.6)	(703.8)	(681.9)	(640.2)	(612.1)	(793.4)	(708.3)	(663.1)	(504.6)	(573.5)	(604.0)	(581.1)	(571.8)	(628.0)				
5) Quasi money	4,337.0	4,649.5	4,748.7	4,852.6	4,882.6	4,868.1	4,855.9	4,888.0	4,925.7	4,928.1	4,875.6	4,943.1	4,972.5	4,830.3				
6) Other items (net)	(1,583.6)	(1,844.2)	(2,141.5)	(2,169.8)	(2,215.8)	(2,182.6)	(2,409.3)	(2,386.3)	(2,433.4)	(2,445.3)	(2,507.3)	(2,545.6)	(2,549.7)	(2,575.0)				

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

(B\$' 000)

End of Period	2009			2010			2011			2012		
	Mar.	Jun.	Sept.									
CREDIT OUTSTANDING												
Private cars	238,775	206,689	199,228	197,138	188,509	185,044	181,837	182,112	174,192	171,751	169,956	174,077
Taxis & rented cars	1,909	1,832	1,552	1,296	1,046	985	889	794	1,138	910	987	974
Commercial vehicles	6,111	4,955	4,761	3,966	3,682	3,353	3,214	3,274	3,027	2,510	2,368	2,299
Furnishings & domestic appliances	21,173	19,134	18,164	17,244	15,257	15,126	14,072	13,131	11,610	11,126	10,462	10,297
Travel	49,602	36,369	32,345	29,425	28,587	26,464	24,291	25,543	26,261	25,221	23,832	24,413
Education	57,255	55,227	53,037	50,529	52,604	50,875	49,148	47,050	37,647	35,750	34,230	32,733
Medical	21,435	19,697	19,075	18,422	17,303	16,399	15,773	15,731	15,011	14,409	13,786	13,304
Home Improvements	171,454	163,991	166,094	163,512	131,455	129,860	125,429	121,350	126,413	126,543	122,885	126,732
Land Purchases	246,168	243,696	240,898	244,594	242,369	240,391	240,987	239,710	242,256	239,790	234,789	237,847
Consolidation of debt	594,565	648,024	661,379	665,886	683,852	714,616	734,975	766,315	797,592	820,135	815,617	813,370
Miscellaneous	541,585	515,002	498,410	494,605	504,394	494,961	479,768	476,373	461,332	464,052	483,468	499,683
Credit Cards	294,377	278,749	265,044	261,017	261,531	262,871	253,023	250,021	253,505	251,924	242,294	239,549
TOTAL	2,244,409	2,193,365	2,159,987	2,147,634	2,130,589	2,140,945	2,123,406	2,141,404	2,149,984	2,164,121	2,154,674	2,175,278
	(9,377)	(8,475)	(7,461)	(2,090)	(8,629)	(3,465)	(3,207)	275	(7,920)	(2,441)	(1,795)	4,121
Private cars	1	47	(280)	(256)	(250)	(61)	(96)	(95)	344	(228)	77	(13)
Taxis & rented cars	(845)	(210)	(194)	(795)	(284)	(329)	(139)	60	(247)	(517)	(142)	(69)
Commercial vehicles	(1,221)	(625)	(970)	(920)	(1,987)	(131)	(1,054)	(941)	(1,521)	(484)	(664)	(165)
Furnishings & domestic appliances	(1,368)	(3,333)	(4,024)	(2,920)	(838)	(2,123)	(2,173)	1,252	718	(1,040)	(1,389)	581
Travel	2,530	(2,293)	(2,190)	(2,508)	2,075	(1,729)	(1,727)	(2,098)	(9,403)	(1,897)	(1,520)	(1,497)
Education	915	(197)	(622)	(653)	(1,119)	(904)	(626)	(42)	(720)	(602)	(623)	(482)
Medical	8,384	49	2,103	(2,582)	(32,057)	(1,595)	(4,431)	(4,079)	5,063	130	(3,658)	3,847
Home Improvements	18,932	(1,513)	(2,798)	3,696	(2,225)	(1,978)	596	(1,277)	2,546	(2,466)	(5,001)	3,058
Land Purchases	98,269	9,780	13,355	4,507	17,966	30,764	20,359	31,340	31,277	22,543	(4,518)	(2,247)
Consolidation of debt	(17,534)	(8,305)	(16,592)	(3,805)	9,789	(9,433)	(15,193)	(3,395)	(15,041)	2,720	19,416	16,215
Miscellaneous	37,382	1,270	(13,705)	(4,027)	514	1,340	(9,848)	(3,002)	3,484	(1,581)	(9,630)	(2,745)
Credit Cards	136,068	(13,805)	(33,378)	(12,353)	(17,045)	10,356	(17,539)	17,998	8,580	14,137	(9,447)	20,604
TOTAL	136,068	(13,805)	(33,378)	(12,353)	(17,045)	10,356	(17,539)	17,998	8,580	14,137	(9,447)	20,604

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

Period	2009				2010				2011				2012			
	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
DOMESTIC BANKS																
Deposit rates																
Savings deposits	2.15	1.94	1.75	2.06	2.03	1.84	1.83	1.85	1.89	1.63	1.61	1.88	1.67	1.31		
Fixed deposits																
Up to 3 months	3.55	3.19	2.33	3.45	3.23	3.09	3.01	2.82	2.64	1.97	1.89	1.71	1.71	1.56		
Up to 6 months	3.94	3.56	2.67	3.73	3.51	3.62	3.38	3.31	2.79	2.56	2.01	2.08	2.09	1.89		
Up to 12 months	4.26	3.99	3.24	4.22	4.01	3.86	3.88	3.92	3.54	2.77	2.75	2.69	2.68	2.49		
Over 12 months	4.37	4.04	3.19	4.31	3.83	4.00	4.00	3.89	3.55	2.75	2.59	2.96	2.53	2.52		
Weighted average rate	3.79	3.44	2.64	3.73	3.46	3.33	3.25	3.18	2.90	2.27	2.19	2.23	2.08	1.93		
Lending rates																
Residential mortgages	8.25	8.15	7.77	8.22	8.25	8.10	8.01	8.07	7.94	7.57	7.50	7.58	7.61	7.43		
Commercial mortgages	8.60	8.79	8.37	8.60	8.71	9.20	8.63	8.75	8.57	8.04	8.12	8.09	8.35	8.33		
Consumer loans	12.69	13.21	13.35	12.90	12.74	13.51	13.69	13.51	13.29	13.29	13.32	12.82	13.41	13.84		
Overdrafts	11.67	10.87	10.03	11.91	10.79	10.40	10.38	10.21	10.15	9.94	9.84	9.36	10.61	9.91		
Weighted average rate	10.58	11.05	10.98	10.63	10.73	11.41	11.43	11.18	11.08	11.01	10.64	10.25	10.99	11.18		
Other rates																
Prime rate	5.50	5.50	4.94	5.50	5.50	5.50	5.50	5.50	4.75	4.75	4.75	4.75	4.75	4.75		
Treasury bill (90 days)	2.62	2.28	1.25	2.39	2.48	2.14	2.09	1.80	1.52	0.96	0.71	0.10	0.32	0.10		
Treasury bill re-discount rate	3.12	2.78	1.75	2.89	2.98	2.64	2.59	2.30	2.02	1.46	1.21	0.60	0.82	0.60		
Bank rate (discount rate)	5.25	5.25	4.69	5.25	5.25	5.25	5.25	5.25	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	2007				2008				2009				2010				2011				2012				
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	
Loan Portfolio																									
Current Loans (as a % of total loans)	90.6	87.5	82.3	82.3	81.8	81.8	81.5	81.8	81.7	82.1	80.8	81.1	81.7	82.1	80.8	81.1	81.5	81.7	81.5	81.7	81.5	81.7	81.9	81.9	
Arrears (% by loan type)																									
Consumer	3.0	3.9	5.2	4.8	4.6	4.4	4.4	4.3	4.2	4.1	4.4	4.2	4.2	4.1	4.4	4.2	3.9	3.9	3.9	4.0	3.9	4.0	4.0	4.0	
Mortgage	4.6	5.9	8.6	9.0	9.4	9.9	9.9	9.8	9.8	9.8	10.2	10.1	10.1	9.8	10.2	10.1	9.8	9.8	9.8	10.2	9.8	10.2	10.2	10.2	
Commercial	1.7	2.6	3.8	3.8	4.1	4.1	4.1	4.0	4.2	3.9	4.5	4.5	4.2	3.9	4.5	4.5	4.7	4.7	4.7	4.0	4.7	4.0	3.8		
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	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		
Total Arrears	9.4	12.5	17.7	17.7	18.2	18.5	18.5	18.2	18.3	17.9	19.2	18.9	18.3	17.9	19.2	18.9	18.5	18.5	18.5	18.3	18.5	18.3	18.1		
Total B\$ Loan Portfolio	100.0																								
Loan Portfolio																									
Current Loans (as a % of total loans)	90.6	87.5	82.3	82.3	81.8	81.8	81.5	81.8	81.7	82.1	80.8	81.1	81.7	82.1	80.8	81.1	81.5	81.7	81.5	81.7	81.5	81.7	81.9		
Arrears (% by days outstanding)																									
30 - 60 days	3.6	4.5	5.6	6.1	5.9	6.0	6.0	4.0	5.5	3.6	3.9	4.1	4.1	3.6	3.9	4.1	3.6	3.6	3.6	3.3	3.6	3.3	3.1		
61 - 90 days	1.3	1.9	2.7	2.1	2.4	2.3	2.3	2.3	2.1	2.0	2.2	2.1	2.1	2.0	2.2	2.1	2.2	2.2	2.2	2.1	2.2	2.1	2.0		
90 - 179 days	1.2	1.6	3.0	2.4	2.4	2.3	2.6	2.6	2.1	2.3	2.7	2.3	2.1	2.3	2.7	2.3	2.1	2.1	2.1	2.3	2.1	2.3	2.3		
over 180 days	3.3	4.5	6.3	7.1	7.5	7.9	9.3	9.3	8.6	9.9	10.4	10.5	10.7	9.9	10.4	10.5	10.7	10.7	10.7	10.6	10.7	10.6	10.8		
Total Arrears	9.4	12.5	17.7	17.7	18.2	18.5	18.2	18.2	18.3	17.9	19.2	18.9	18.3	17.9	19.2	18.9	18.5	18.5	18.5	18.3	18.5	18.3	18.1		
Total B\$ Loan Portfolio	100.0																								
Non Accrual Loans (% by loan type)																									
Consumer	29.4	30.2	29.8	27.8	26.6	24.3	21.4	21.4	22.9	20.0	20.7	20.3	20.3	20.0	20.7	20.3	19.8	19.8	20.0	20.0	19.8	20.0	19.6		
Mortgage	45.6	44.4	41.4	43.7	42.7	45.1	52.1	52.1	47.1	53.9	53.0	54.8	54.8	47.1	53.9	54.8	55.4	55.4	55.0	55.0	55.4	57.2	57.2		
Other Private	23.2	23.9	27.8	27.4	29.7	29.6	25.7	25.7	29.1	25.4	25.7	24.2	24.2	29.1	25.4	24.2	24.1	24.1	24.3	24.1	24.3	22.6	22.6		
Public	1.8	1.5	1.0	1.1	1.0	1.0	0.8	0.8	0.9	0.7	0.7	0.7	0.7	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7		
Total Non Accrual Loans	100.0																								
Provisions to Loan Portfolio																									
Consumer	2.8	3.3	4.2	4.4	4.4	4.5	5.1	5.1	4.9	4.7	4.9	4.9	4.9	4.7	4.9	4.9	5.4	5.4	5.5	5.5	5.4	5.5	5.4		
Mortgage	1.2	1.4	1.8	1.9	1.9	2.1	2.4	2.4	2.4	2.5	2.7	2.7	2.7	2.4	2.5	2.7	3.2	3.2	3.6	3.6	3.2	3.6	3.7		
Other Private	3.2	5.4	6.9	7.5	8.2	8.7	9.1	9.1	9.6	10.2	10.6	10.6	10.6	9.6	10.2	10.6	10.6	10.6	10.9	10.9	10.6	10.9	11.2		
Public	0.0	0.1	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total Provisions to Total Loans	2.1	2.7	3.4	3.6	3.7	3.9	4.3	4.3	4.4	4.4	4.4	4.7	4.7	4.4	4.4	4.7	5.1	5.1	5.3	5.3	5.1	5.3	5.3		
Total Provisions to Non-performing Loans	47.9	46.0	37.1	38.3	37.5	38.8	36.6	36.6	41.0	36.5	36.1	36.8	36.8	41.0	36.5	36.1	40.0	40.0	41.3	41.3	40.0	41.3	41.2		
Total Non-performing Loans to Total Loans	4.5	6.1	9.3	9.4	9.9	10.1	11.9	11.9	10.7	12.2	13.0	12.7	12.7	10.7	12.2	13.0	12.7	12.7	12.8	12.8	12.7	12.8	13.0		

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

End of Period	(B\$ Millions)																	
	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
I. Statutory Reserves																		
Required reserves	265.0	283.3	290.3	285.3	296.6	299.1	298.1	303.3	306.8	305.0	306.0	310.9	307.9					
Average Till Cash	92.8	95.4	94.7	79.7	83.7	83.3	98.2	79.0	86.5	118.3	90.1	87.4	88.0					
Average balance with central bank	363.1	352.7	425.1	438.7	516.6	464.6	530.5	663.7	683.8	557.3	592.6	669.0	540.4					
Free cash reserves (period ended)	190.1	164.8	229.5	233.1	303.7	248.8	330.6	444.6	463.5	370.6	376.7	445.5	320.4					
II. Liquid Assets (period)																		
A. Minimum Required Liquid Assets	860.0	911.2	929.6	938.5	958.0	958.1	946.7	959.1	969.5	971.1	968.7	977.8	990.9	973.3				
B. Net Eligible Liquid Assets	1,011.9	1,169.3	1,423.7	1,460.9	1,601.9	1,567.5	1,755.1	1,859.0	1,906.7	1,900.7	1,865.1	1,909.1	1,973.2	1,893.5				
i) Balance with Central Bank	341.2	322.2	375.6	435.1	483.4	444.6	518.7	648.6	709.9	660.2	560.1	609.1	670.3	509.8				
ii) Notes and Coins	110.6	118.1	112.3	86.7	89.6	84.3	113.7	85.0	86.2	80.2	127.4	81.1	84.0	87.2				
iii) Treasury Bills	50.8	180.2	214.0	218.3	267.6	264.1	293.7	294.8	253.3	281.6	275.4	301.6	321.6	274.6				
iv) Government registered stocks	468.5	513.3	671.4	672.4	711.0	721.8	774.8	775.1	767.6	805.7	843.7	843.7	835.1	962.0				
v) Specified assets	36.6	36.8	45.7	45.8	45.6	45.6	53.0	52.9	52.8	53.0	55.2	57.1	57.0	57.1				
vi) Net Inter-bank dem/call deposits	5.0	(1.3)	4.7	2.6	4.7	7.1	1.2	2.6	36.9	20.0	3.3	16.5	5.2	2.8				
vii) Less: borrowings from central bank (0.8)	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
C. Surplus/(Deficit)	151.9	258.1	494.1	522.4	643.9	609.4	808.4	899.9	937.2	929.6	896.4	931.3	982.3	920.2				

Source: The Central Bank of The Bahamas

**TABLE 11
GOVERNMENT OPERATIONS AND FINANCING**

(B\$ Millions)

Period	2009/10p	2010/11p	Budget				2011/12p				2011/13p				2012/13p	
			2011/12	2012/13	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II
Total Revenue & Grants	1,302.5	1,433.0	1,520.8	1,536.1	449.6	404.9	284.6	432.1	364.3	365.8	296.8					
Current expenditure	1,395.9	1,524.5	1,598.0	1,679.0	364.3	473.2	345.5	366.1	374.9	460.5	369.6					
Capital expenditure	156.8	206.3	236.3	358.2	46.7	76.4	25.7	74.2	53.5	92.0	62.3					
Net lending	89.4	72.9	45.4	45.8	14.7	35.6	8.3	60.0	10.5	23.6	9.2					
Overall balance	(339.5)	(370.7)	(358.9)	(546.9)	23.9	(180.3)	(94.9)	(68.1)	(74.6)	(210.3)	(144.3)					
FINANCING (I+II-III+IV+V)	339.5	370.7	358.9	546.9	(23.9)	180.3	94.9	68.1	74.6	210.3	144.3					
I. Foreign currency borrowing	318.3	127.6	94.0	157.0	21.6	11.4	11.8	33.1	10.6	11.9	1.5					
External	318.3	57.6	94.0	157.0	21.6	11.4	11.8	33.1	10.6	11.9	1.5					
Domestic	--	70.0	--	--	--	--	--	--	--	--	--					
II. Bahamian dollar borrowing	282.0	293.6	220.6	512.2	--	10.0	214.6	60.0	40.0	40.3	300.0					
i) Treasury bills	57.3	--	--	--	--	--	48.0	--	20.0	22.6	--					
Central Bank	57.3	--	--	--	--	--	48.0	--	20.0	22.6	--					
Commercial banks & OLF's	--	--	--	--	--	--	--	--	--	--	--					
Public corporations	--	--	--	--	--	--	--	--	--	--	--					
Other	--	--	--	--	--	--	--	--	--	--	--					
ii) Long-term securities	209.7	235.0	--	--	--	--	100.0	60.0	--	10.6	300.0					
Central Bank	15.1	65.0	--	--	--	--	15.0	3.0	--	--	26.5					
Commercial banks & OLF's	99.0	16.8	--	--	--	--	60.3	36.9	--	10.6	12.1					
Public corporations	45.7	26.3	--	--	--	--	2.1	1.2	--	--	27.6					
Other	49.9	126.9	--	--	--	--	22.5	18.9	--	--	233.8					
iii) Loans and Advances	15.0	58.6	--	--	--	10.0	66.6	--	20.0	7.1	--					
Central Bank	--	58.6	--	--	--	10.0	66.6	--	20.0	7.1	--					
Commercial banks	15.0	--	--	--	--	--	--	--	--	--	--					
III Debt repayment	284.2	269.3	58.7	114.8	1.2	209.3	66.8	2.6	1.4	13.3	63.3					
Domestic	251.8	260.5	48.9	103.1	--	206.0	65.0	--	--	10.0	62.0					
Bahamian dollars	90.0	189.6	48.9	103.1	--	136.0	65.0	--	--	10.0	62.0					
Internal foreign currency	161.8	70.9	--	--	--	70.0	--	--	--	--	--					
External	32.4	8.8	9.8	11.7	1.2	3.3	1.8	2.6	1.4	3.3	1.3					
IV Net Sale of Shares & Other Equity	--	203.7	--	--	--	203.7	--	--	--	--	--					
V. Cash balance change	26.5	26.4	--	--	(3.0)	6.9	4.1	(4.2)	(0.3)	5.8	13.2					
VI Other Financing	(3.0)	192.3	102.9	(7.4)	(41.4)	361.3	(68.8)	(18.2)	25.7	165.5	(107.2)					

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

TABLE 12
NATIONAL DEBT

End of Period	(B\$' 000s)											
	2009p	2010p	2011p	2011p			2012p					
				Sept.	Dec.		Mar.	Jun.	Sept.			
TOTAL EXTERNAL DEBT	703,138	727,882	798,540	714,262	798,540	807,797	829,244	830,432				
By Instrument												
Government Securities	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000				
Loans	103,138	127,882	198,540	114,262	198,540	207,797	229,244	230,432				
By Holder												
Commercial Banks	--	--	--	--	--	--	--	--				
Offshore Financial Institutions	--	--	--	--	--	--	--	--				
Multilateral Institutions	98,954	123,698	171,793	110,078	171,793	181,219	189,909	190,316				
Bilateral Institutions	4,184	4,184	26,747	4,184	26,747	26,578	39,335	40,116				
Private Capital Markets	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000				
TOTAL INTERNAL DEBT	2,617,268	2,992,479	3,006,080	2,868,389	3,006,080	3,046,079	3,076,423	3,342,318				
By Instrument												
Foreign Currency	1,806	70,000	--	70,903	--	--	--	--				
Government Securities	--	--	--	--	--	--	--	--				
Loans	1,806	70,000	--	70,903	--	--	--	--				
Bahamian Dollars	2,615,462	2,922,479	3,006,080	2,797,486	3,006,080	3,046,079	3,076,423	3,342,318				
Advances	96,988	111,988	110,588	111,988	110,588	130,588	137,687	135,657				
Treasury Bills	244,309	301,609	301,609	301,609	301,609	321,609	344,218	339,142				
Government Securities	2,268,919	2,503,637	2,593,637	2,378,644	2,593,637	2,593,637	2,594,273	2,867,273				
Loans	5,246	5,246	246	5,246	246	246	246	246				
By Holder												
Foreign Currency	1,806	70,000	--	70,903	--	--	--	--				
Commercial Banks	1,806	70,000	--	70,903	--	--	--	--				
Other Local Financial Institutions	--	--	--	--	--	--	--	--				
Bahamian Dollars	2,615,462	2,922,479	3,006,080	2,797,486	3,006,080	3,046,079	3,076,423	3,342,318				
The Central Bank	201,509	274,275	292,802	259,442	292,802	315,756	333,626	368,584				
Commercial Banks	886,358	1,066,784	1,118,286	984,931	1,118,286	1,136,470	1,147,842	1,217,529				
Other Local Financial Institutions	4,167	6,996	9,357	6,096	9,357	9,357	9,455	11,041				
Public Corporations	722,999	702,541	684,963	704,043	684,963	685,007	686,007	714,098				
Other	800,429	871,883	900,672	842,974	900,672	899,489	899,492	1,031,066				
TOTAL FOREIGN CURRENCY DEBT	704,944	797,882	798,540	785,165	798,540	807,797	829,244	830,432				
TOTAL DIRECT CHARGE	3,320,406	3,720,361	3,804,620	3,582,651	3,804,620	3,853,876	3,905,667	4,172,750				
TOTAL CONTINGENT LIABILITIES	588,997	564,629	550,727	564,394	550,727	560,211	555,896	588,893				
TOTAL NATIONAL DEBT	3,909,403	4,284,990	4,355,347	4,147,045	4,355,347	4,414,087	4,461,563	4,761,643				

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

	2009p*	2011p			2012p			(B\$' 000s)	
		Jun.**	Jul.**	Aug.**	Mar.	Jun.	Sep.		
Outstanding Debt at Beginning of Period	859,878	1,139,567	1,357,660	1,371,537	1,281,096	1,306,110	1,434,197	1,454,835	1,514,644
Government	387,205	704,944	797,882	819,922	758,082	768,020	798,540	807,797	829,244
Public Corporations	472,673	434,623	559,778	551,615	523,014	538,090	635,657	647,038	685,400
Plus: New Drawings	856,717	388,807	165,519	23,420	31,265	87,632	28,125	137,721	129,030
Government	561,772	102,807	79,519	11,420	11,765	33,132	10,625	24,706	2,280
Public Corporations	294,945	286,000	86,000	12,000	19,500	54,500	17,500	113,015	126,750
Less: Amortization	577,028	170,714	105,169	80,048	6,251	9,545	7,487	77,912	7,210
Government	244,033	9,869	78,861	73,260	1,827	2,612	1,368	3,259	1,092
Public Corporations	332,995	160,845	26,308	6,788	4,424	6,933	6,119	74,653	6,118
Other Changes in Debt Stock	--	--	16,187	(33,813)	--	50,000	--	--	--
Government	--	--	--	--	--	--	--	--	--
Public Corporations	--	--	16,187	(33,813)	--	50,000	--	--	--
Outstanding Debt at End of Period	1,139,567	1,357,660	1,434,197	1,281,096	1,306,110	1,434,197	1,454,835	1,514,644	1,636,464
Government	704,944	797,882	798,540	758,082	768,020	798,540	807,797	829,244	830,432
Public Corporations	434,623	559,778	635,657	523,014	538,090	635,657	647,038	685,400	806,032
Interest Charges	41,356	67,022	63,846	27,713	3,806	28,022	7,403	30,573	10,488
Government	27,581	47,055	48,002	22,937	798	22,991	896	21,891	434
Public Corporations	13,775	19,967	15,844	4,776	3,008	5,031	6,507	8,682	10,054
Debt Service	618,384	237,736	169,015	107,761	10,057	37,567	14,890	108,485	17,698
Government	271,614	56,924	126,863	96,197	2,625	25,603	2,264	25,150	1,526
Public Corporations	346,770	180,812	42,152	11,564	7,432	11,964	12,626	83,335	16,172
Debt Service Ratio (%)	20.2	7.4	4.9	11.7	1.2	4.3	1.6	11.3	1.9
Government Debt Service/ Government Revenue (%)	20.4	4.5	8.1	23.8	0.9	5.9	0.6	6.9	0.5
MEMORANDUM									
Holder Distribution (B\$ Mil):									
Commercial Banks	358.2	414.1	361.8	308.6	318.9	361.8	365.7	311.6	341.6
Multilateral Institutions	126.4	145.1	187.2	155.1	164.2	187.2	200.6	208.3	209.4
Bilateral Institutions	21.4	4.2	42.7	24.9	30.5	42.7	46.1	39.3	40.1
Other	33.6	194.3	242.5	192.5	192.5	242.5	242.4	355.4	445.4
Private Capital Markets	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0

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

*Debt servicing for 2009 includes the refinancing of \$297 million and \$235 million in Public Corporations' and Government's debt, respectively. Net of these transactions, the Government's debt service/revenue ratio was 2.7%.

** Outstanding debt at end-June 2011 excludes \$32.063 million in outstanding debt of The Bahamas Telecommunications Company, which was privatized in April 2011.

*** Outstanding debt at end-Dec 2011 includes \$50.0 million in outstanding debt of The Nassau Airport Development Company, previously held by the Government.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	(B\$ Millions)									
	2009p	2010p	2011p	2010		2011		2012		
				Qtr.IVp	Qtr.IIp	Qtr.IIp	Qtr.IVp	Qtr.IIp	Qtr.IIp	
A. Current Account Balance (I+II+III+IV)	(808.5)	(813.1)	(1,089.8)	(329.1)	(283.3)	(125.9)	(334.7)	(403.0)	(205.1)	(403.1)
I. Merchandise (Net)	(1,824.7)	(1,888.2)	(2,131.3)	(501.8)	(456.4)	(496.9)	(569.7)	(666.4)	(577.7)	(506.9)
Exports	710.7	702.4	833.5	168.0	192.4	213.8	216.0	236.1	230.1	278.8
Imports	2,535.3	2,590.6	2,964.8	669.8	648.9	710.8	785.7	902.5	807.8	785.7
II. Services (Net)	1,154.8	1,312.5	1,313.7	253.7	277.1	409.6	289.6	308.5	421.7	185.9
Transportation	(267.6)	(223.8)	(195.8)	(60.3)	(33.5)	(46.3)	(56.2)	(75.8)	(68.2)	(58.7)
Travel	1,773.7	1,919.2	2,007.9	429.2	501.0	542.6	449.3	547.3	565.9	438.5
Insurance Services	(92.5)	(43.1)	(185.9)	(55.0)	(64.7)	(44.0)	(44.3)	(42.5)	(31.3)	(71.1)
Offshore Companies Local Expenses	182.0	157.8	138.9	44.4	38.0	46.0	28.0	26.8	48.1	45.7
Other Government	(87.0)	(43.1)	13.4	(7.7)	(4.7)	8.6	0.3	9.1	5.1	7.8
Other Services	(353.8)	(332.4)	(464.7)	(97.0)	(159.0)	(97.4)	(87.7)	(120.7)	(98.0)	(176.3)
III. Income (Net)	(152.2)	(234.9)	(236.0)	(66.9)	(63.0)	(46.8)	(52.0)	(53.3)	(64.1)	(86.7)
1. Compensation of Employees	(11.8)	(27.4)	(47.9)	(9.7)	(9.5)	(12.9)	(13.9)	(11.6)	(13.0)	(10.2)
2. Investment Income	(140.3)	(207.5)	(188.1)	(57.2)	(53.4)	(33.9)	(38.1)	(62.7)	(41.5)	(76.5)
IV. Current Transfers (Net)	13.5	(2.6)	(36.2)	(14.2)	(41.0)	8.2	(2.6)	(0.8)	8.3	4.6
1. General Government	86.8	87.4	113.4	18.2	33.3	34.4	22.6	23.1	32.0	32.6
2. Private Sector	(73.3)	(89.9)	(149.6)	(32.4)	(74.3)	(26.2)	(25.2)	(23.9)	(18.5)	(28.0)
B. Capital and Financial Account (I+II)	1,114.6	1,141.4	950.6	363.5	354.3	162.0	312.0	165.4	389.2	308.4
(excl. Reserves)										
I. Capital Account (Net Transfers)	(7.2)	(3.6)	(5.5)	(1.1)	(0.6)	(1.4)	(2.2)	(1.6)	(1.2)	(2.5)
II. Financial Account (Net)	1,121.8	1,144.9	956.1	364.5	354.9	163.3	314.2	167.1	390.4	310.9
1. Direct Investment	664.0	872.0	666.6	320.5	259.8	229.7	123.6	49.6	256.2	43.9
2. Portfolio Investment	(16.7)	(25.4)	(44.2)	(9.4)	(5.8)	(9.4)	(9.9)	(6.3)	(12.5)	(9.9)
3. Other Investments	474.5	298.3	333.7	53.4	100.8	(57.0)	200.5	123.7	146.7	276.9
Central Gov't Long Term Capital	319.5	24.7	70.7	13.5	22.0	8.2	9.9	30.5	21.4	1.2
Other Public Sector Capital	184.0	123.7	21.9	99.5	(0.8)	3.8	8.9	10.0	73.0	85.7
Banks	(21.9)	23.6	(101.4)	(87.9)	(42.4)	(158.6)	69.0	30.5	(23.0)	56.2
Other	(7.2)	126.4	342.6	28.3	121.9	89.6	112.7	18.4	61.6	133.8
C. Net Errors and Omissions	(53.1)	(283.7)	163.6	60.7	43.7	64.9	(97.8)	242.1	(145.6)	(87.4)
D. Overall Balance (A+B+C)	253.0	44.5	24.5	95.0	114.7	101.0	(120.5)	4.6	38.5	(182.1)
E. Financing (Net)	(253.0)	(44.5)	(24.5)	(95.0)	(114.7)	(101.0)	120.5	(4.6)	(38.5)	182.1
Change in SDR holdings	(178.9)	3.1	0.7	1.8	(5.1)	(1.7)	4.5	3.0	3.0	(2.8)
Change in Reserve Position with the IMF	(0.2)	0.2	0.0	0.1	(0.3)	(0.1)	0.2	(0.1)	0.2	(0.2)
Change in Ext. Foreign Assets () = Increase	(73.9)	(47.8)	(25.1)	(96.9)	(109.3)	(99.2)	115.7	(3.5)	(41.8)	185.1

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

(B\$ '000)

	2009	2010	2011	2010			2011			2012	
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I ^R	Qtr. II
I. OIL TRADE											
i) Exports	112,077	159,706	216,129	30,702	43,540	61,039	64,338	42,222	48,530	59,996	71,162
ii) Imports	557,132	687,073	930,047	191,175	156,377	206,992	267,666	251,101	204,288	233,012	215,571
II. OTHER MERCHANDISE											
Domestic Exports											
Crawfish	57,668	68,371	64,337	14,818	37,223	16,262	8,129	10,387	29,559	18,812	8,598
Fish Conch & other Crustacea	3,566	4,013	4,371	1,281	123	772	2,885	548	166	669	936
Other cordials & Similar Materials/Sponge	784	546	842	68	130	168	522	--	152	186	115
Fruits & Veggies.	525	195	24	15	45	24	--	--	--	--	--
Aragonite	12,973	11,688	11,497	2,648	4,048	774	6,587	1,248	2,889	3,604	1,132
Other Natural Sands	3,309	2,931	2,893	921	545	529	350	1,232	783	1,352	325
Rum/Beverages/Spirits & Vinegar	--	--	--	--	--	--	--	--	--	--	--
Crude Salt	11,154	16,429	12,022	3,172	3,656	4,846	4,133	1,577	1,465	1,117	1,658
Polystrene Products	122,429	104,076	135,846	24,868	29,021	30,431	34,070	35,826	35,519	38,467	39,281
Other	121,300	96,570	94,611	27,171	22,692	16,642	27,537	32,280	18,151	20,726	26,325
i) Total Domestic Exports	333,707	304,819	326,443	74,962	97,482	70,448	84,213	83,098	88,684	84,933	78,371
ii) Re-Exports	164,824	156,969	184,371	30,450	43,783	34,715	55,328	52,302	42,026	58,476	40,841
iii) Total Exports (i+ii)	498,531	461,788	510,814	105,412	141,265	105,163	139,541	135,400	130,710	143,408	119,213
iv) Imports	2,239,333	2,175,688	2,480,809	567,005	620,261	519,926	594,742	645,961	720,180	788,696	652,039
v) Retained Imports (iv-ii)	2,074,509	2,018,719	2,296,438	536,555	576,478	485,211	539,414	593,659	678,154	730,220	611,198
vi) Trade Balance (i-v)	(1,740,802)	(1,713,900)	(1,969,995)	(461,593)	(478,996)	(414,763)	(455,201)	(510,561)	(589,470)	(645,287)	(532,827)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2009				2010				2011				2012			
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
Visitor Arrivals	4,645,115	5,248,121	5,585,994	1,196,170	1,343,945	1,527,601	1,376,089	1,200,286	1,482,018	1,692,978	1,490,310					
Air	1,252,393	1,294,804	1,267,540	304,067	277,510	320,680	363,202	297,199	286,459	356,531	396,901					
Sea	3,392,722	3,953,317	4,318,454	892,103	1,066,435	1,206,921	1,012,887	903,087	1,195,559	1,336,447	1,093,409					
Visitor Type																
Stopover	1,327,006	1,368,053	1,343,293	333,937	276,992	342,597	397,982	323,576	279,138	n.a	n.a					
Cruise	3,255,780	3,803,122	4,161,556	842,128	1,041,920	1,172,006	956,900	857,345	1,175,305	1,302,956	4,040,255					
Day/Transit	n.a															
Tourist Expenditure(B\$ 000's)																
Stopover	2,014	n.a														
Cruise	1,812	n.a														
Day	200	n.a														
Day	3	n.a														
Number of Hotel Nights	n.a															
Average Length of Stay	n.a															
Average Hotel Occupancy Rates (%)																
New Providence	56.3	58.0	58.9	57.7	48.9	62.3	62.8	57.9	52.6	n.a	n.a					
Grand Bahama	36.9	36.2	41.6	36.7	35.9	45.3	47.2	39.4	34.4	n.a	n.a					
Other Family Islands	27.0	36.4	39.0	34.7	31.9	37.9	46.9	36.3	34.7	n.a	n.a					
Average Nightly Room Rates (\$)																
New Providence	214.4	219.7	225.0	200.2	200.5	242.2	241.2	209.4	207.2	n.a	n.a					
Grand Bahama	90.6	86.1	90.5	73.8	79.5	91.4	87.9	90.9	91.7	n.a	n.a					
Other Family Islands	194.1	156.2	152.2	153.1	141.2	179.2	161.5	128.2	140.0	n.a	n.a					

Source: The Ministry of Tourism