



Quarterly Economic Review

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QUARTERLY ECONOMIC REVIEW

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

The recovery in the Bahamian economy was sustained at a modest pace during the second quarter of 2011, despite growing signs of economic and fiscal challenges in the key United States market. Indications are that tourism output was supported by steady, although moderate, gains in hotel earnings, in the context of an improvement of the group business segment—and continued strengthening in cruise arrivals. The firming in construction output benefitted from a combination of foreign investment led activity and the public sector's ongoing infrastructure programmes. However, the economic challenges posed by the narrowness of the recovery continued to be evidenced in high unemployment—although the rate has declined over the last two years, to 13.7% in May 2011—and borrowers' difficulty in meeting debt servicing obligations. On the prices front, domestic inflationary pressures stayed relatively benign over the twelve-months to May, but with some firming in fuel costs, amid elevated international oil prices.

Fiscal sector developments registered a narrowing in the overall deficit for the eleven months of FY2010/11, when compared to the same period a year earlier, supported by several significant one-off revenue transactions, which boosted total receipts and mitigated a modest growth in aggregate expenditure. Budgetary financing was sourced mainly through domestic borrowings, and was augmented by privatization proceeds from Government's sale of 51% of its shares in the Bahamas Telecommunications Company Ltd. (BTC).

Monetary sector activity featured expansions in both liquidity and external reserves, associated mainly with the receipt of foreign currency inflows from the BTC privatization exercise, ongoing foreign investment inflows and, to a lesser extent, tourism activities. Meanwhile, private sector credit remained anemic, reflecting continued softness in domestic demand. With borrowers' capacity constrained by the ongoing challenging economic environment, banks' asset quality indicators remained elevated over the review quarter, necessitating

increases in loan loss provisions. In interest rate developments, the lowering of the Central Bank's Discount Rate and commercial banks' Prime rate, by 0.75 percentage points each in early June, contributed to the widening in the interest rate spread, as the reduction in the weighted average deposit rate outpaced the falloff in the corresponding lending rate.

In the external sector, indications are that the current account deficit widened, owing to an expansion of the merchandise trade deficit, partly associated with outward payments linked to foreign investment activity, which offset a modest rise in the surplus on the services account. In addition, the capital account surplus narrowed, as the expansion in other "miscellaneous" net outflows, led by public sector repayments of short-term foreign currency borrowings, outpaced the slight increase in net inward direct investments.

FISCAL OPERATIONS

OVERVIEW

During the eleven months of FY2010/11, the overall fiscal deficit contracted by 27.5% to \$237.0 million, as several significant one-time transactions led to revenues firming by 9.8% to \$1,268.0 million, which outstripped a 1.6% increase in expenditure to \$1,505.0 million.

REVENUE

The growth in revenue was led by an 18.9% (\$183.5 million) boost in tax receipts—which comprised 91.2% of total collections—to \$1,155.9 million. Underpinning this outturn was an 82.0% (\$104.2 million) surge in the "non-trade" stamp tax segment, to \$231.2 million, which benefited from tax-related receipts associated with the sale of a local oil refinery. The \$30.6 million (50.3%) gain in departure taxes, to \$91.5 million, was primarily due to timing-related factors. In particular, selected taxes on services rose by 66.8% (\$21.6 million) to \$54.0 million, as arrears payments boosted gaming taxes by 84.7% (\$8.2 million), while hotel occupancy taxes firmed by 59.1% (\$13.4 million). Despite relatively mild consumer demand

impulses, taxes on international trade transactions—which accounted for the majority of receipts—rose by 5.6% (\$28.3 million) to \$531.8 million; as gains in import taxes (2.9%), stamp taxes from imports (9.9%) and excise taxes (11.0%) outpaced the 4.5% contraction in export taxes. More modest increases were recorded for business and professional license fees (\$10.2 million) and motor vehicles (\$6.2 million). However, miscellaneous revenue, as captured in the ‘other’ category and property taxes declined by \$9.7 million and \$0.9 million, to \$38.3 million and \$86.1 million, respectively.

Non-tax inflows were lower by 38.6% (\$70.4 million) at \$112.1 million over the period, as income receipts returned to trend levels, following a 36.0% surge in the prior year that was related to the sale of a local oil facility. Consequently, revenues from this category receded by 73.0% (\$76.6 million) to \$28.4 million, given the 75.2% (\$77.6 million) contraction in receipts from other sources. However, income from public enterprises advanced by 54.8% (\$1.0 million), and collections of fines, forfeits & administration fees were higher by \$5.7 million at \$82.9 million.

	FY09/10		FY10/11	
	B\$M	%	B\$M	%
Property Tax	8.0	3.9	11.8	4.9
Selective Services Tax	10.9	5.4	13.9	5.8
Busines. & Prof Lic. Fees	30.9	15.2	43.0	17.9
Motor Vehicle Tax	3.8	1.9	5.8	2.4
Departure Tax	17.2	8.4	21.9	9.1
Import Duties	53.2	26.1	58.8	24.5
Stamp Tax from Imports	2.7	1.3	3.3	1.4
Excise Tax	31.6	15.5	37.4	15.6
Export Tax	1.4	0.7	2.3	0.9
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	22.7	11.1	28.8	12.0
Other Tax Revenue	2.7	1.3	0.0	0.0
Fines, Forfeits, etc.	14.3	7.0	16.0	6.7
Sales of Govt. Property	0.1	0.0	0.1	0.0
Income	4.7	2.3	4.3	1.8
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	--	--
Grants	--	--	--	--
Less:Refunds	0.3	0.1	7.3	3.0
Total	204.1	100.0	239.9	100.0

EXPENDITURE

On the spending side, both current and capital outlays advanced, by 2.7% (\$34.4 million) and 22.7% (\$29.1 million), to \$1,301.9 million and \$157.4 million, respectively. In contrast, net lending to public enterprises contracted by almost 50% (\$40.4 million) to \$45.7 million.

The expansion in current outlays was primarily explained by higher transfer payments, which advanced by \$35.6 million (7.0%) to \$542.6 million and overshadowed the \$1.2 million (0.2%) softening in consumption expenses to \$759.3 million. Within the transfers category, interest payments on debt obligations firmed by \$18.7 million (10.9%) to \$189.9 million, reflecting the growing debt levels, while subsidies and other transfers rose by \$16.9 million (5.0%), buoyed by increased outlays to households (\$15.1 million), non-financial public enterprises (\$2.1 million), transfers abroad (\$1.4 million) and nonprofit institutions (\$0.8 million). Conversely, reductions were registered for subsidies (\$1.5 million) and allocations to public corporations (\$1.1 million).

By functional classification, recurrent outlays for general public services, which accounted for 27.1% of current spending, advanced by 5.0% (\$16.8 million) to \$352.8 million, with those earmarked for general administration higher by 8.6% (\$15.9 million). Spending for economic services was augmented by \$9.2 million (7.2%) to \$136.1 million, distributed among public works & water supply (\$9.5 million), tourism (\$3.3 million) and post office operations (\$1.2 million), which outweighed contractions in transportation (\$4.4 million) and agriculture & fisheries (\$0.5 million). Disbursements for education (\$9.7 million), health (\$4.5 million) and other community & social services (\$1.6 million) were reduced, while payments for un-allocable expenses and social benefits grew by \$18.7 million and \$5.2 million, respectively.

Capital spending rose by 22.7% to \$157.4 million, reflecting a \$12.2 million (10.5%) increase in infrastructure outlays to \$128.9 million. In addition, expenditures for asset acquisitions surged more than two-fold (\$18.1 million) to \$25.8 million, owing mainly to higher purchases of land (\$7.7 million), equity investments in small and medium sized businesses (\$7.7 million), and other ‘miscellaneous’ assets (\$2.6 million). In contrast, capital transfers to public corporations fell by one-third to \$2.2

million; and those to non-financial public enterprises were marginally reduced to \$0.5 million.

On a functional basis, growth in capital spending reflected a more than two-fold expansion in general public service outlays to \$29.6 million, as property purchases from an oil company, combined with equity investments, led to general administration costs increasing more than three-fold to \$28.4 million. Similarly, disbursements for economic services grew by \$17.1 million (18.0%) to \$112.5 million, owing mainly to an \$18.8 million hike in public works and water supply expenditures.

mitments and \$70.9 million in mainly short-term foreign currency loan repayments. An additional \$8.7 million in external obligations were also repaid.

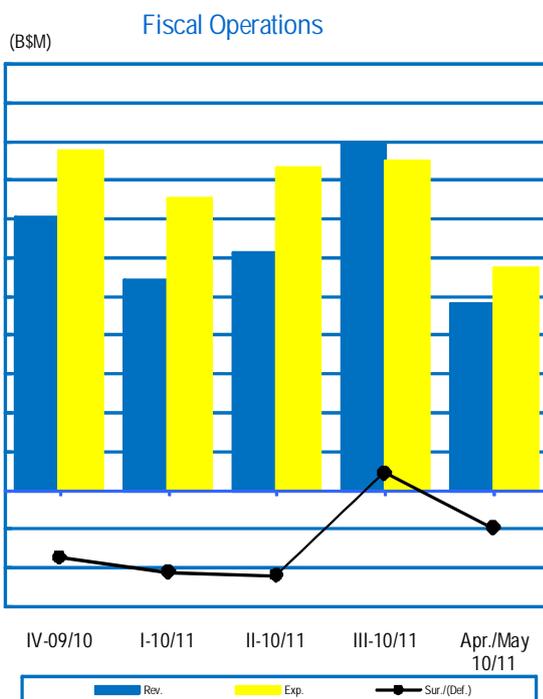
At end-June 2011, the Direct Charge on Government was reduced by \$199.2 million (5.3%) to \$3,541.5 million from the previous three-month period, but was \$140.6 million (4.1%) above the year earlier level. In terms of the components, Bahamian dollar debt accounted for 79.0% of the Direct Charge and foreign currency obligations, the remaining 21.0%. The largest portion of the debt was held by commercial banks (36.2%), followed by private and institutional investors (31.0%), public corporations (24.6%), the Central Bank (7.9%) and other local financial institutions (0.3%). By instrument, long-term Government bonds made up the majority of debt (88.3%), and the balance by Treasury bills (9.1%), and loans & advances (2.6%).

The National Debt, which includes contingent liabilities, was lower by \$206.6 million (4.8%) during the quarter, due mainly to a decline in the outstanding liabilities of the Bahamas Electricity Corporation and the Bahamas Mortgage Corporation. However, the debt stock firmed, on a yearly basis, by 2.8% to \$4,074.7 million at end-June, 2011.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

Public sector foreign currency debt fell by 7.3% (\$100.1 million) to \$1,268.1 million in the June quarter, compared to last year, as amortization payments of \$80.0 million overshadowed new drawings of \$12.0 million, and the sale of Government's controlling interest in BTC led to its debt (\$32.1 million) being reclassified as liabilities of the private sector. Accounting for the bulk (58.8%) of the total, Government's foreign currency obligations fell by 9.0% to \$745.1 million, while the public corporations' segment decreased by 4.9% to \$523.0 million.

Over the one year period, debt service payments advanced by \$70.2 million to \$110.1 million. The Government's component increased by \$70.0 million to \$96.2 million, as part proceeds from BTC's privatization were utilized to repay an outstanding commercial bank loan, while interest payments totaled \$22.9 million. Public corporations' debt servicing firmed marginally to \$13.9 million, with amortization and interest payments of \$6.8 million and \$7.1 million, respectively. As a result of these



FINANCING AND THE NATIONAL DEBT

During the eleven months through May 2011, budgetary financing was dominated by Bahamian dollar borrowings of \$283.6 million and the net receipt of \$210 million in proceeds from the sale of Government's 51% interest in BTC. In terms of the former, the bulk of the funding comprised Government bonds (\$235.0 million), while loans & advances accounted for the remaining \$48.6 million. Also, internal foreign currency financing was sourced from commercial banks, via a \$70.0 million short-term loan, and external borrowing amounted to \$46.2 million. Debt repayments totaled \$254.2 million, made up of \$174.6 million in Bahamian dollar denominated com-

developments, debt service (inclusive of a lump sum repayment of \$70 million in short-term funding) as a proportion of estimated goods and non-factor services grew by 7.6 percentage points to an estimated 12.3%.

By creditor profile, the largest holders of foreign currency debt were private capital markets (47.3%), followed by commercial banks (24.3%), other institutions (15.2%) and multilateral institutions (11.3%), with the smallest proportion being held by bilateral companies (1.9%). On average, the stock of outstanding debt matures in 14.9 years and the majority (98.0%) was denominated in US Dollars, with the Chinese Yuan and other “miscellaneous” currencies accounting for much smaller shares of 1.5% and 0.5%, respectively.

2011/2012 BUDGET HIGHLIGHTS

The Government’s budget for FY2011/12, which was presented to Parliament on 25th May 2011 and approved in June, shifted its focus from the prior year’s fiscal austerity to one of promoting job creation and the return to more normal conditions for public sector workers in terms of compensation. The most significant revenue measure related to the establishment of a Tax Administration Division, with the objective of modernizing and improving the efficiency of revenue collection. As a result of these measures, the Government estimates that the fiscal deficit will widen as a percentage of GDP, to 3.0% in FY2011/2012 from the 1.7% forecasted outturn in FY2010/11—which includes the receipt of proceeds from the sale of BTC. Similarly, the debt-to-GDP ratio is projected to firm to 46.2% at end-FY2011/12, relative to the 44.9% projected outturn a year earlier.

Headlining the authorities’ revenue measures is the proposed creation of a Tax Administration Division, under the Ministry of Finance, with the mandate of collecting business license, real property, stamp, as well as casino & hotel occupancy taxes in an efficient and cost effective manner. A number of measures were also devised to further rationalize tariff and excise tax rates, promote the use of energy efficient products and offer relief to certain categories of consumers. In this vein, customs duties on several food and household items were reduced and in some instances, removed. Other measures included the amendment of the Stamp Act to provide tax exemption for all mortgage transfers between banks for all homeown-

ers—to increase competition among institutions; a 100% waiver of the commercial property tax surcharge on arrears payments for 6 months and a one year exemption on the payment of business license fees for small and medium sized businesses. In combination, these measures are poised to raise tax revenue by 2.1% to \$1,385.2 million. However, with non-tax receipts budgeted to contract by 10.5% to \$110.5 million, overall collections are set to rise by a mere 1.9% to \$1,520.2 million.

In terms of a breakdown of tax revenues, receipts from international trade & transactions are projected slightly higher by 0.8% (\$5.6 million) at \$717.9 million, occasioned by gains in import taxes (\$11.7 million) and excise taxes (\$2.0 million); however, stamp taxes from imports as well as export taxes are projected to decline by \$1.5 million and \$8.2 million, respectively. Income from business and professional licenses fees are forecast to grow by \$7.7 million to \$125.2 million, receipts from departure taxes, by \$18.3 million to \$110.6 million and property taxes, by \$10.8 million to \$116.8 million. With no proposed changes to the motor vehicle tax schedule, receipts in this segment are projected to be flat at \$32.9 million.

The weakening in projected non-tax revenues is primarily due to an anticipated \$15.8 million contraction in income from public enterprises, mainly dividends, and other sources, to \$21.3 million, following the Government’s divestment of a major stake in BTC. Further, in the absence of large-scale property sales, income from such transactions is expected to stabilize at \$0.7 million, while fines, forfeits & administrative fees are budgeted to grow by \$3.0 million to \$88.4 million.

Total expenditure is budgeted to expand by \$146.2 million (8.4%) to \$1,879.6 million, led by gains in recurrent outlays, by \$130.8 million (8.9%) to \$1,598.0 million, and with smaller accretions to capital spending, of \$9.7 million (4.3%) to \$237.3 million. Net provisions for budgetary support to the public corporations were raised by \$5.6 million (14.6%) to \$44.4 million.

By economic classification, current spending on Government consumption is placed \$91.5 million higher at \$971.3 million, reflecting projected increases in outlays for goods & services (\$54.8 million) and personal emoluments (\$36.8 million)—with the latter reflecting, in part, the removal of restrictions on the payment of increments, allowances and promotions for public servants. Further,

transfer payments are anticipated to firm by \$39.2 million (6.7%) to \$626.6 million, as the rising stock of debt is projected to lead to a \$10.4 million expansion in interest payments—although the recent 75 basis point cut in the Prime rate will reduce the level of Government’s interest costs. With the readjustment of several categories of subsidies back to FY2010/11 levels, aggregate outlays are expected to grow by \$28.9 million.

On a functional basis, broad-based expansions are anticipated for all major categories. In particular, payments for general public services, education, economic services, health and un-allocable expenses are projected to increase by \$73.1 million, \$16.0 million, \$11.3 million, \$10.7 million and \$10.4 million, respectively. Less significant gains, of under \$5.0 million, are budgeted for the remaining categories.

Capital expenditure is budgeted to grow by 4.3% to \$237.3 million, fuelled by a \$5.9 million advance in infrastructure spending to \$189.9 million, alongside a \$2.4 million hike in outlays for the acquisition of assets to \$43.1 million, mainly for land purchases. Similarly, transfers to public corporations and non-financial public enterprises are set to increase by \$1.1 million and \$0.3 million, respectively.

Budgetary financing is expected to be primarily sourced from the domestic market, with Bahamian dollar borrowings estimated at \$220.6 million, slightly below the \$235.0 million recorded a year earlier. External loans are projected higher at \$94.0 million, relative to \$55.0 million in FY2010/11. Additional funding is to be secured from Government’s planned divestment of 9.0% of its remaining interest in BTC, 10% of the Arawak Cay Port and part of its debt holdings in the Airport Development Company. Debt repayments are budgeted at \$58.7 million, the bulk of which (\$48.9 million) is allotted for Bahamian dollar commitments.

At end-FY2011/12, both the Direct Charge on Government and the National Debt are poised to expand, by \$256.0 million, to \$3.8 billion and \$4.3 billion, respectively.

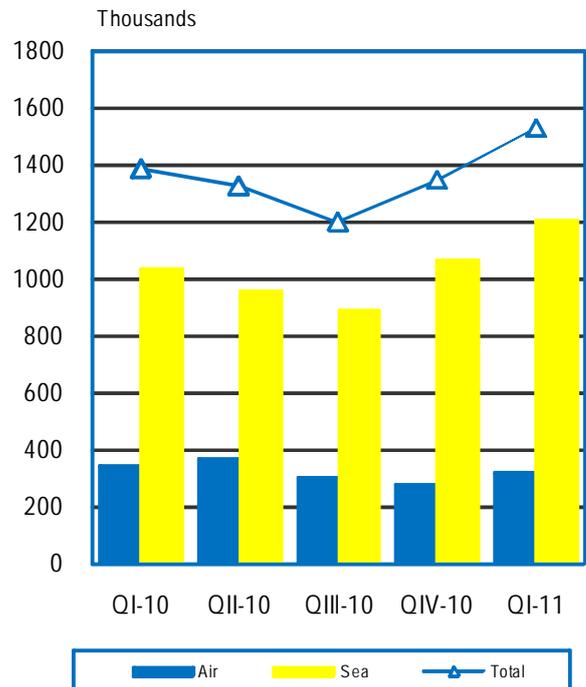
REAL SECTOR

TOURISM

Preliminary indications are that output in the tourism sector maintained a positive path during the second quarter of 2011, supported by steady gains in hotel earnings and, to a lesser extent, robust growth in the cruise component.

Initial hotel sector data for a sample of major properties on New Providence and Paradise Island, for the first two months of the quarter, showed that room revenues expanded by 8.1% when compared to the same period a year earlier. This outturn reflected a 6.5% improvement in the average daily room rate to \$256.02 and a 0.7 percentage point increase in hotel occupancy rates to 67.6%, buoyed in part by an improvement in the high value-added group segment of the market.

Visitor Arrivals



EMPLOYMENT

Reflecting the ongoing challenging economic environment, excess capacity persisted in the labour market, although the most recent labour force survey conducted by the Department of Statistics for the period ending May 2011, revealed a modest 0.5 of a percentage point reduction in the unemployment rate, from 14.2% in 2009 to 13.7%. However, underlying this outcome was a 34.8% surge in the number of discouraged workers to 11,900 and a 32.0% increase in persons engaged in informal sector activities, such as small businesses, to 17,995. In terms of the main labour markets, the unemployment rate in New Providence fell to 13.2% from 14.0%, and for Grand Bahama, to 15.4% from 17.4%.

CONSTRUCTION

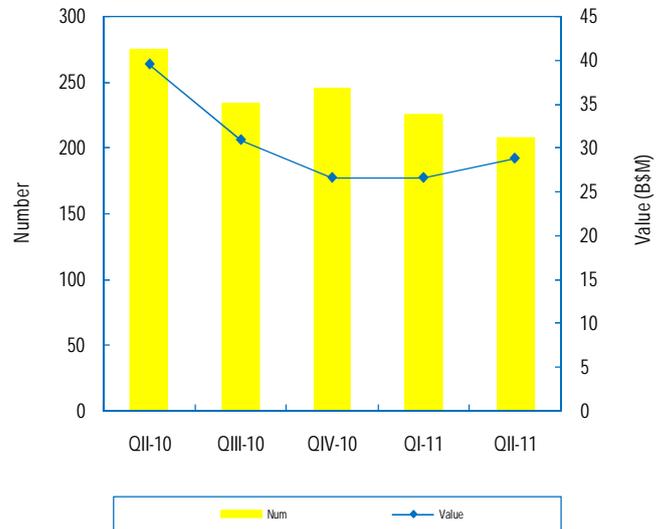
Provisional estimates are that construction sector output strengthened modestly over the review period, supported by foreign investment-related activity and sustained public sector infrastructure projects. Domestic private sector activity, which has been anemic for an extended period, showed marginal gains, with financial sector mortgage disbursements for new construction and repairs, advancing by 7.6% to \$37.4 million, in contrast to a 47.8% contraction in 2010. The improvement was entirely in the residential component, with disbursements up 9.8% to \$34.6 million, a turnaround from the year-earlier 47.1% decrease; whereas the contraction in commercial developments was extended by 14.1%, following the previous year's 54.0% falloff. Notwithstanding, the short-term outlook is for more tempered activity; mortgage commitments for new buildings and repairs—a more forward looking indicator—fell by 24.4% in number to 208, with a corresponding reduction in value of 27.1% to \$28.8 million.

Reflecting the effects of the recent reduction in the Prime rate, the average interest rate on both residential and commercial loans declined year-on-year, by 20 and 70 basis points, respectively, to 8.2%—the lowest quarterly rate since September 2008.

PRICES

Based on data for the twelve months to May, average consumer prices firmed marginally by 1.96% from a 1.25% gain in the corresponding period of 2010, owing mainly to the pass-through effects of elevated international crude oil prices.

Mortgage Commitments:
New Construction and Repairs



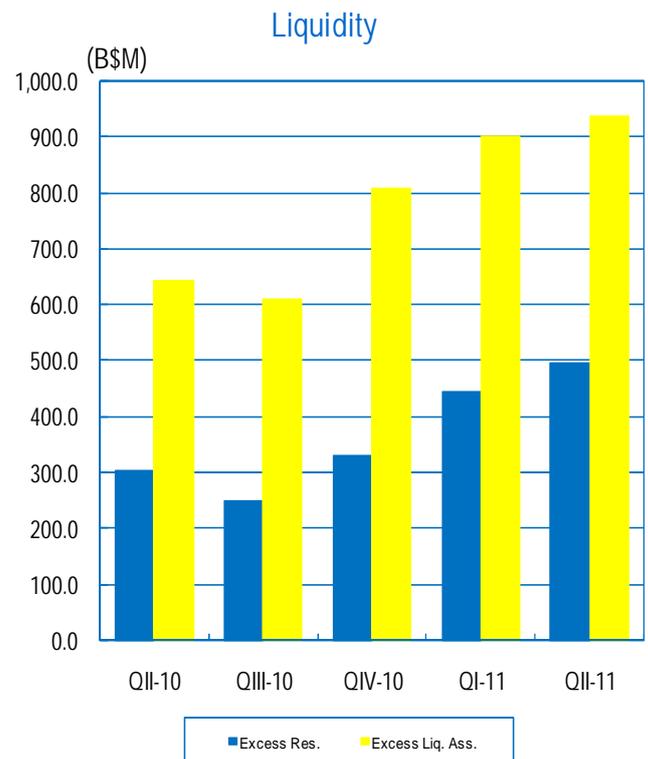
Average cost accelerations were registered for transport, as well as housing, water, gas, electricity & other fuels, of 3.7 and 2.0 percentage points to 5.45% and 2.90%, respectively. More moderated cost increases were noted for education (65 basis points to 2.66%); restaurant & hotels (42 basis points to 1.87%), and for alcohol, tobacco & narcotics (32 basis points to 2.37%). Further, previous average price reductions for recreation & culture (0.27%) and communication (1.60%) were reversed to gains of 1.12% and 0.65%, respectively. In contrast, accretions to average prices slowed for miscellaneous goods & services, furnishing, household equipment & routine maintenance and medical care & health, by 1.02, 0.66 and 0.54 percentage points, to 1.12%, 1.17% and 2.46%, respectively. Average prices for clothing & footwear and food & non-alcoholic beverages were lower by 0.55% and 0.18%, relative to respective year-earlier gains of 1.27% and 0.84%.

Elevated international oil prices were evident in a quarterly firming of the average price of gasoline and diesel, by 14.2% and 16.2% to \$5.46 and \$5.10 per gallon, respectively. On an annual basis, both the average price of gasoline and diesel advanced by 22.1% and 34.9%, respectively. Similarly, the Bahamas Electricity Corporation's fuel charge increased by \$2.61 cents

(13.1%) for the quarter, and by 33.3% over the year, to \$22.60 per kilowatt hour (kWh).

Retail Price Index					
(Annual % Changes)					
June					
Items	Weight	2010		2011	
		Index	%	Index	%
Food & Non-Alcoholic Beverages	120.4	100.5	0.6	100.4	-0.1
Alcohol, Tobacco & Narcotics	6.4	99.8	2.0	102.1	2.3
Clothing & Footwear	37.76	99.8	1.3	99.2	-0.6
Housing, Water, Gas, Electricity	334.83	99.8	1.0	102.8	3.0
Furn. & Household, Maintenance	64.26	100.1	1.7	101.5	1.4
Health	44.5	99.3	3.0	101.7	2.4
Transportation	119.13	100.5	1.8	106.6	6.0
Communication	41.19	100.0	-1.5	100.9	0.9
Rec., & Culture	22.73	101.2	-0.2	102.3	1.1
Education	30.05	99.8	1.9	102.5	2.7
Restaurant & Hotels	38.24	99.9	1.4	101.8	1.9
Misc. Goods & Svcs.	140.52	99.6	2.2	100.7	1.1
ALL ITEMS	1000	100.0	1.2	102.2	2.1

Similarly, growth in the broader surplus liquid assets slackened from 2010's \$121.5 million to \$84.2 million (4.1%). The end-June surplus, at \$937.2 million, stood 96.7% above the statutory minimum, compared to 67.2% in the previous period.



MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Foreign currency proceeds from the Government's divestment and real sector activities, combined with weak consumer demand conditions, supported growth in both bank liquidity and external reserves during the second quarter of 2011. However, lingering softness in the job market, amid a challenging economic environment, kept banks' credit quality indicators at elevated levels, necessitating increased provisioning for bad debt and lowering profitability. Lending conditions featured a widening in the weighted average interest rate spread, as the decline in the deposit rate exceeded the softening in the lending rate.

LIQUIDITY

Net free cash reserves of the banking system increased by \$51.6 million (11.6%) to \$496.2 million over the quarter, moderating from growth of \$70.6 million a year earlier, although constituting a 3.1 percentage point gain in the percentage share of deposit liabilities to 8.2%.

DEPOSITS AND MONEY

Accretions to narrow money (M1) slowed to \$85.7 million (6.4%) from \$99.9 million (7.8%) in the same period last year. This outturn reflected a more muted increase in demand deposits, of \$85.9 million, while currency in circulation fell by \$0.2 million. Broad money (M2) growth at \$101.7 million (1.7%), was also below 2010's \$138.6 million (2.4%) expansion. Underlying this development was relatively stable levels of savings deposits, in contrast to a \$7.8 million gain a year earlier, and a slackening in fixed deposits gains by almost 50% to \$15.9 million, due to moderated growth in private sector balances and a larger contraction in public sector deposits. Following a decline of \$8.8 million (3.7%) last year, foreign currency deposits were boosted by \$21.6 million (10.8%). As a result of these developments, overall money (M3) grew by \$123.3 million (2.0%) to \$6,351.4

million over the review quarter, almost on par with the year-earlier \$129.8 million (2.1%) expansion.

As a percentage of the overall money stock, fixed deposits comprised the largest share (57.7%), followed by demand balances (19.4%), then savings deposits (16.4%), with foreign currency balances and currency in circulation representing much smaller shares, of 3.5% and 3.0%, respectively.

DOMESTIC CREDIT

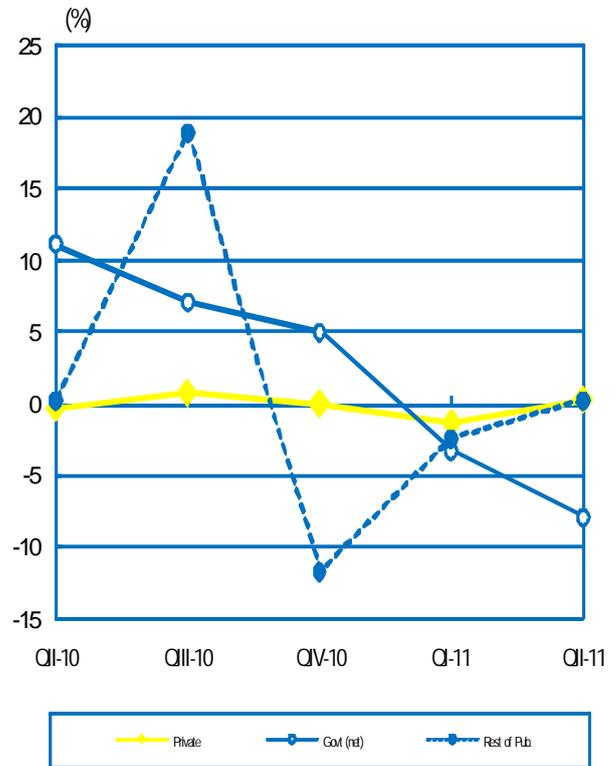
During the second quarter, total domestic credit contracted by \$88.9 million (1.1%), reversing the previous year's \$104.7 million (1.3%) expansion. This shift was dominated by the decline in the banking sector's net claims on the Government, by \$107.6 million (7.9%), following last year's gain of \$125.8 million (11.1%), as the authorities utilized proceeds from the sale of BTC to reduce both foreign and local currency short-term liabilities. Credit to the rest of the public sector was marginally higher by \$0.9 million (0.2%), to extend the \$1.2 million (0.3%) advance for 2010. Bank claims on the private sector strengthened by \$17.8 million (0.3%), a reversal from last year's \$22.3 million (0.3%) falloff, and with domestic currency loans (at 95.4% of the total) rebounding by \$32.7 million (0.5%), to outpace the \$14.9 million (4.7%) decline in the foreign currency component. The growth in the dominant domestic personal loans (79.5% of the total) was higher at \$34.9 million (0.7%) from \$23.4 million (0.5%) in 2010, with gains in consumer credit (\$18.0 million or 0.9%), residential mortgages (\$9.0 million or 0.3%), and overdrafts (\$7.9 million or 8.9%).

Within consumer credit, the expansion was led by a \$31.3 million gain in debt consolidation loans, followed by much smaller increases for travel (\$1.3 million) and private cars (\$0.3 million). Conversely, declines in credit were registered for home improvement (\$4.1 million), miscellaneous (\$3.4 million), credit card (\$3.0 million), education (\$2.1 million) and land purchase loans (\$1.3 million), and contractions of less than \$1.0 million for furnishing & domestic appliances, taxis or rented cars and medical loans.

In terms of the non-installment categories of private sector credit, significant decreases were posted for tourism (\$23.8 million), construction (\$6.4 million) and professional & other services (\$4.6 million). However, notable increases were recorded for miscellaneous,

manufacturing and entertainment & catering lending, of \$13.7 million, \$4.5 million and \$2.7 million, respectively.

Changes in Credit



MORTGAGES

Confirming softness in the mortgage market, information provided by banks, insurance companies and The Bahamas Mortgage Corporation showed total mortgages outstanding contracting by \$2.3 million (0.07%) to \$3,224.5 million, in contrast to a \$15.2 million expansion in the corresponding period a year ago. Residential mortgages, which comprised 93.6% of the total, increased by \$9.7 million (0.3%) to \$3,019.6 million—although moderating from 2010's \$24.1 million gain. Weakness in the business environment was evident in an extended decline in the commercial component, by \$12.0 million (5.5%) to \$204.9 million, following the \$8.9 million (4.1%) decline of a year earlier. At end-June, the largest share of outstanding mortgages was held by domestic banks (89.1%), followed by insurance companies (6.1%) and the Bahamas Mortgage Corporation (4.8%).

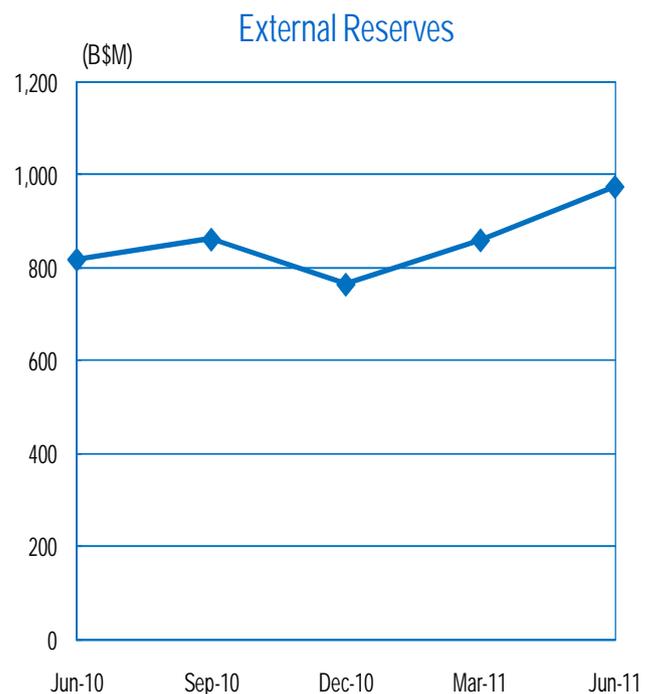
THE CENTRAL BANK

Following last year's \$7.0 million advance, the Central Bank's net claim on the Government declined in the three months ended June, by \$30.8 million (12.6%) to \$213.8 million, reflecting lower holdings of Government bonds and a decrease in advances to Government. Higher balances, which surpassed a marginal contraction in currency in circulation, elevated liabilities to commercial banks by \$62.9 million and the net liability to public corporations firmed by \$1.9 million to \$3.0 million.

Distribution of Bank Credit By Sector				
End-June				
	2010		2011	
	B\$M	%	B\$M	%
Agriculture	15.6	0.2	12.7	0.2
Fisheries	7.4	0.1	5.3	0.1
Mining & Quarry	1.3	0.0	2.5	0.0
Manufacturing	28.4	0.4	39.2	0.6
Distribution	157.2	2.2	162.6	2.3
Tourism	173.3	2.5	33.2	0.5
Enter. & Catering	61.5	0.9	69.4	1.0
Transport	29.2	0.4	35.4	0.5
Construction	405.2	5.8	434.9	6.2
Government	205.3	2.9	141.0	2.0
Public Corps.	325.9	4.6	330.1	4.7
Private Financial	13.2	0.2	16.9	0.2
Prof. & Other Ser.	123.7	1.8	132.8	1.9
Personal	5,014.2	71.3	5,158.5	74.1
Miscellaneous	473.9	6.7	386.6	5.6
TOTAL	7,035.3	100.0	6,961.1	100.0

Bolstered by Government-related foreign currency inflows, combined with tourism and foreign-investment receipts, external reserve growth was higher at \$101.0 million from \$43.1 million a year earlier. The Bank's foreign exchange transactions showed a doubling in the net purchase from Government, to \$144.3 million, while the net receipt from commercial banks fell by 60.9% to \$50.0 million, partly due to a foreign-owned company's repatriation of proceeds from an initial public offering. Some offset was provided by an increase in the net sale to public corporations, by \$10.3 million to \$99.3 million, most of which was earmarked for fuel purchases.

The stock of external reserves grew by \$214.0 million year-on-year, to stand at \$1,076.1 million by end-June, resulting in an improvement in the non-oil merchandise import cover, to 16.6 weeks from 14.4 weeks in 2010. Excluding the 50% statutory required adjustment on the Central Bank's demand liabilities, "useable" reserves were \$104.0 million higher than the previous year at \$572.5 million.



DOMESTIC BANKS

Credit to the private sector registered a gain of \$17.6 million (0.3%), recovering from a similar 0.3% falloff in 2010. Banks' deposit liabilities—inclusive of Government balances—expanded by 2.0% from the previous three-month period to \$6,269.8 million, and were primarily denominated in local currency (96.4%). Private sector deposits increased by \$101.7 million (1.8%) to \$5,637.0 million, although slowing from a quarterly advance of 2.4% a year earlier. Growth in Government balances with domestic banks abated to \$1.8 million (1.5%) from \$4.6 million (3.3%); however, deposit liabilities of the rest of the public sector rose by an accelerated \$19.9 million (4.1%) relative to \$0.8 million (0.2%) in 2010.

By holder type, private individuals held 54.6% of total placements, followed by business firms (26.5%), public corporations (7.3%), other (4.6%), private financial institutions (4.3%), Government (1.9%) and public financial institutions (0.8%). The majority (59.7%) of deposits were held as fixed balances, with demand and saving deposits accounting for the remaining 23.6% and 16.7%, respectively.

Disaggregated by range of value and number of accounts, the bulk of resident Bahamian dollar accounts (90.1%) held balances below \$10,000 and represented 6.2% of the total value of outstanding liabilities. Balances ranging between \$10,000 and \$50,000 totaled 6.6% of deposit accounts and 10.9% of the aggregate value. Accounts in excess of \$50,000 comprised a mere 3.3% of the total number of accounts, but a dominant 82.9% of the total value of deposits.

CREDIT QUALITY

Amid the continuation of a high jobless rate and still weak economic fundamentals, commercial banks' credit quality indicators remained elevated over the quarter, although receding from the year-earlier levels. Private sector loan arrears stayed within the range of \$1.1 billion to \$1.2 billion and contracted marginally over the quarter and year, by \$2.2 million (0.2%) and \$3.5 million (0.3%), respectively, to \$1,137.7 million by end-June. Consequently, the ratio of private sector arrears to total loans narrowed on a quarterly basis, by 16 basis points, and fell by 41 basis points year-on-year to 18.4%.

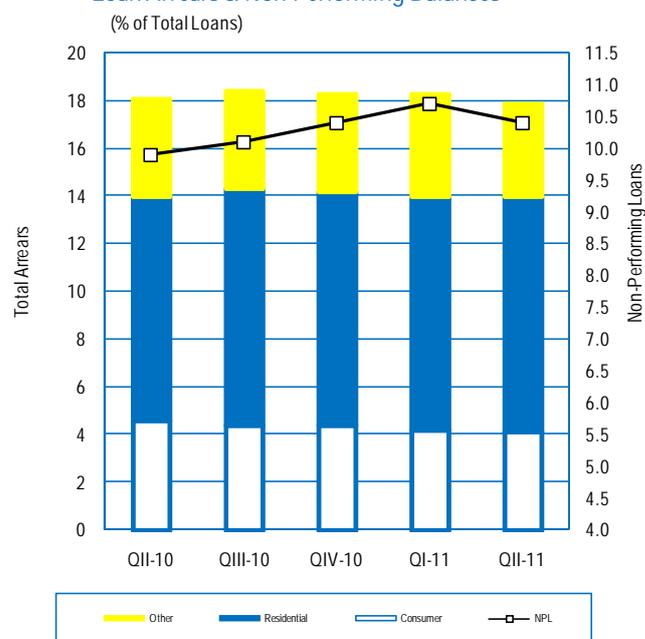
Underpinning the marginal reduction in total private sector arrears, commercial loan delinquencies fell by \$18.4 million (6.9%) to \$247.1 million, resulting in a 1.8% quarterly decline and a 2.1% yearly fall-off in the corresponding arrears ratio to 24.0%. However, the mortgage segment firmed by an additional \$14.5 million (2.4%) to \$628.9 million, with the quarterly and yearly arrears ratios advancing by 37 and 64 basis points, respectively, to 20.9%. Consumer delinquencies grew by \$1.8 million (0.7%) to \$261.7 million, although the attendant ratio softened by 5 basis points from the preceding quarter and by 1.2 percentage points from end-June 2010 to 12.3%.

Total nonperforming loans—loans in arrears for more than 90 days and on which interest is no longer accrued—contracted by \$5.5 million (0.8%) to \$661.5 million in the three-month period ended June. Conse-

quently, the ratio of nonperforming loans to the aggregate narrowed by 16 basis points over the quarter, but firmed by 47 basis points year-on-year, to 10.7%. The slight decline in nonaccrual loans was linked to reductions in both consumer and commercial arrears, by \$4.8 million (3.1%) and \$3.5 million (1.8%), respectively; however, mortgage loan arrears expanded by \$2.8 million (0.9%).

Against this experience, commercial banks boosted provisions for bad debts by \$9.1 million (3.3%) over the quarter to \$282.6 million, which represented a higher 4.43% of total loans—up from 4.38% at end-March. As a ratio of arrears and non-performing loans, total provisions also firmed by 0.65 and 1.60 percentage points, to 24.6% and 42.6%, respectively.

Loan Arrears & Non-Performing Balances



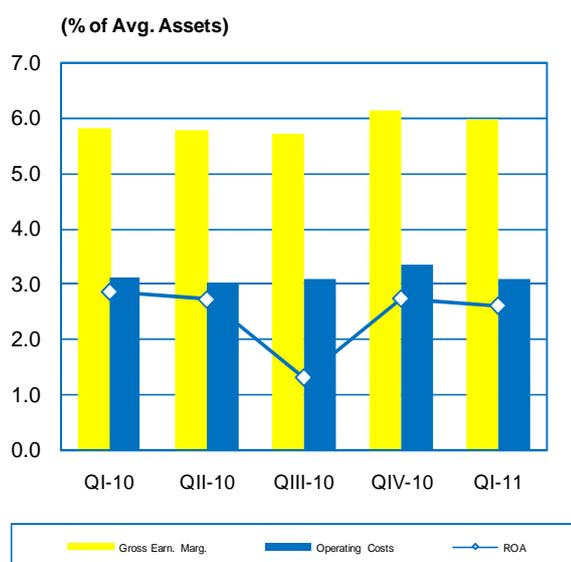
BANK PROFITABILITY

Reflecting a net loss from non-core operating activities, banks' overall profitability contracted by 4.6% (\$3.0 million) to \$61.4 million in the first three months of 2011—the latest quarter available—in contrast to the 10.0% (\$5.9 million) expansion over the corresponding period a year earlier. Banks' net interest earnings rose by 7.4% (\$9.3 million) to \$134.9 million, owing to a combination of higher interest revenues and reduced expenditure. Similarly, commission and foreign exchange income firmed by a more muted 7.6% (\$0.4 million), contributing

to an overall 7.4% (\$9.7 million) rise in the gross earnings margin to \$140.8 million. Total operating expenses expanded by 3.6% (\$2.5 million) to \$72.8 million, due to modest accretions to staff and other “miscellaneous” operating outlays. Banks incurred losses on their non-core activities of \$6.6 million, a reversal from a profit of \$3.6 million in 2010, as provisions for bad debt grew by 35.6% (\$7.3 million) to \$28.0 million and “other” mainly fee-based revenues fell by 10.1% (\$2.8 million).

As a percentage of total assets, the interest margin firmed by 23 basis points to 5.78%, while the ratio of commission and foreign exchange income increased marginally to 0.25%. In terms of expenditure, the operating cost ratio also registered a marginal gain to 3.12%; however, a contraction in “miscellaneous” earnings caused the net income ratio to weaken by 22 basis points to 2.63%.

Domestic Banks' Profitability



INTEREST RATES

Quarterly interest rate developments were influenced by the Central Bank's reduction in its Discount rate, by 75 basis points to 4.50%, effective the 6th June 2011, in an effort to support the ongoing economic recovery, given the favourable outlook for external reserves and the expectation of tempered credit growth. Following on the Bank's move, commercial banks' reduced their Prime lending rate, by the same magnitude, to 4.75%.

Buoyant liquidity conditions also served to lower the average 90-day Treasury bill rate, by 28 basis points to 1.52%.

In this context, the weighted average interest rate spread widened by 19 basis points to 8.19 percentage points, as the 28 basis points reduction in the weighted average deposit rate outstripped the 10 basis point falloff in the corresponding lending rate.

On the deposit side, average interest rates on demand balances fell by 33 basis points to 1.43%, but for fixed maturity balances, the rates narrowed to a range of 2.64%-3.55% from 2.82%- 3.92% in the preceding three-month period. In contrast, the average savings rate increased slightly, by 3 basis points to 1.89%.

Broad-based reductions were recorded for average lending rates. For commercial and residential mortgages, the average rates contracted by 18 and 13 basis points, to 8.57% and 7.94%, respectively, but decreased for consumer loans (by 22 basis points to 13.29%) and for overdrafts (by 6 basis points to 10.15%).

Banking Sector Interest Rates

	Period Average (%)		
	Qtr. II 2010	Qtr. I 2011	Qtr. II 2011
Deposit Rates			
Demand Deposits	1.33	1.76	1.43
Savings Deposits	2.03	1.85	1.89
Fixed Deposits			
Up to 3 months	3.23	2.82	2.64
Up to 6 months	3.51	3.31	2.79
Up to 12 months	4.01	3.92	3.54
Over 12 months	3.83	3.89	3.55
Weighted Avg Deposit Rate	3.46	3.18	2.90
Lending Rates			
Residential mortgages	8.25	8.07	7.94
Commercial mortgages	8.71	8.75	8.57
Consumer loans	12.74	13.51	13.29
Other Local Loans	8.07	7.98	8.06
Overdrafts	10.79	10.21	10.15
Weighted Avg Loan Rate	10.73	11.18	11.08

CAPITAL MARKETS DEVELOPMENTS

Against the backdrop of subdued economic activity, equity market conditions remained anemic over the review quarter. The Bahamas International Securities Exchange (BISX) All Share Index declined by 4.3% to 1,410.58 points, with the volume of shares traded more than halved to 0.6 million and the corresponding value lower by over 50% at \$3.6 million by end-June, 2011. Benefitting from the initial public offering of 30,000,000 shares by a local company in May, 2011, the number of securities listed on BISX increased by 1 to 24 over the three-month period, with market capitalization growing by 8.4% from March, 2011 and 6.2% year-on-year to \$3.1 billion.

INTERNATIONAL TRADE AND PAYMENTS

Provisional data for the second quarter of 2011 indicated that the current account deficit widened by an estimated \$18.7 million (17.4%) to \$126.1 million, compared with the same quarter of 2010. This outturn reflected a deterioration in the merchandise trade deficit, which outpaced the modest improvement in the surplus on the services account. In contrast, the surplus on the capital and financial account contracted by 49.6% to \$164.8 million, as a significant increase in bank related net investment outflows offset a notable rebound in net foreign investment inflows.

The estimated merchandise trade deficit rose by 14.3% (\$64.8 million) to \$519.5 million year-on-year, occasioned by a 9.4% (\$61.8 million) increase in the import bill, combined with a 1.5% (\$3.0 million) reduction in export receipts. Non-oil merchandise imports advanced by 22.2% to \$394.4 million, vis-à-vis the comparable period of 2010, whereas a significant reduction in import volumes lowered the net outflow for fuel imports, by 4.8% to \$196.2 million. However, average gains were recorded for almost all oil product categories. The average per barrel cost of motor gas increased by 45.9% to \$138.96; jet fuel, by 32.9% to \$128.33; gas oil, by 4.8% to \$122.03 and propane, by 29.5% to \$74.73. In contrast, the average per barrel price for aviation gas declined by 13.6% to \$132.43.

The services account surplus rose by 4.4% (\$17.8 million) to \$420.7 million year-on-year, including an expansion in net travel receipts by 3.3% to \$541.4 million—reflecting the ongoing recovery in the tourism sector. However, net external payments for transportation and insurance services decreased by 22.2% and 13.0% to \$47.0 million and \$39.8 million, respectively. In addition, royalty and license fee net payments were halved to \$1.7 million and the net other ‘miscellaneous’ services declined by 4.1% to \$59.6 million. Offshore companies’ net local expenditures firmed by 7.8% to \$46.0 million, to contrast with increased outflows for net construction services, by \$25.5 million to \$26.7 million, associated mainly with heightened foreign investment activity. In addition, the net inflow for Government services weakened by 12.8% to \$8.1 million.

The deficit on the income account contracted by \$21.8 million (33.1%) to \$44.0 million, owing mainly to a significant reduction in the net investment outflow to \$32.9 million from \$57.5 million in 2010. This outturn reflected a more than two-fold decline in private enterprises’ interest and dividend payments to \$14.3 million, as commercial banks’ transactions reversed to a net inflow of \$6.7 million from a net outflow of \$25.8 million in the prior year, which was associated with one entity’s profit repatriation. In addition, the net outflow from official transactions softened by \$0.8 million to \$18.6 million; however, net labour income remittances rose by \$2.9 million to \$11.1 million.

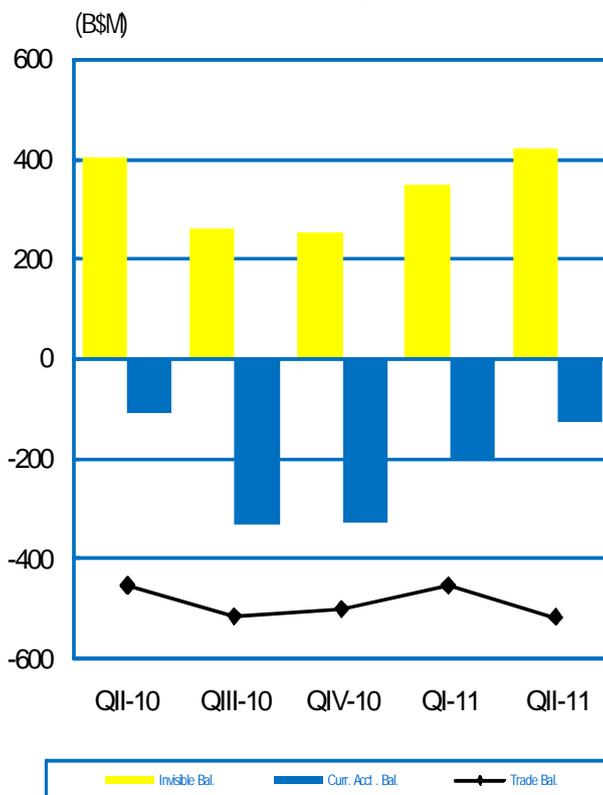
Net current transfer receipts advanced by \$6.6 million (65.6%) to \$16.7 million, as private sector net outflows lessened by \$7.1 million to \$12.2 million, due to lower workers’ remittance outflows and other “miscellaneous” transfers, by 37.6% and 34.7% to \$8.5 million and \$3.6 million, respectively. In contrast, net outflows associated with the Government moved slightly lower to \$28.9 million.

The narrowing of the surplus on the capital and financial account was explained by a boost in other “miscellaneous” net investment outflows, to \$67.3 million from \$14.0 million, as the Government’s loan repayment contributed to an increase in domestic banks’ net short-term outflows, by \$127.2 million to \$155.3 million. However, a significant offset was provided by the surge in “other” net private investment inflows, to \$87.4 million from \$12.5 million, underpinned by loan inflows for a

major foreign investment project. Net foreign direct investment inflows increased by 3.8% to an estimated \$242.8 million, as the \$27.1 million contraction in net receipts from real estate purchases to \$8.7 million, was outweighed by the \$36.0 million gain in net equity inflows to \$234.0 million—inclusive of proceeds from the sale of BTC. In addition, net portfolio investment outflows more than doubled to \$9.4 million, buoyed by gains in net outward investments in equity and debt securities, by \$1.9 million and \$3.1 million, respectively. Net capital account outflows rose marginally by \$0.2 million to \$1.3 million, due solely to a rise in net outflows for migrant workers.

As a result of these developments, and after adjusting for possible net errors and omissions, the surplus on the overall payments balance, which corresponded significantly to the change in the Central Bank's external reserves, expanded by \$57.9 million to \$101.0 million.

Balance of Payments



Indications are that the momentum of the global recovery slowed during the second quarter, amid concerns over the sustainability of the fiscal deficits and associated debt levels in Europe and to a lesser extent, the United States, while supply disruptions resulting from the devastating triple disasters in Japan affected production in several major industries. As a consequence of the subdued economic environment, labor market conditions remained depressed in most large economies, while elevated transportation, food and energy costs resulted in a general firming in inflation rates. Developments were mixed in equity markets, as concerns lingered over the slow pace of the global recovery, and protracted debates over measures to raise the United States' debt ceiling contributed to the US Dollar weakening against all of its major counterparts. In light of these developments, most major central banks maintained their accommodative monetary policy stance.

Growth in real output was relatively benign for most of the major global economies during the second quarter, traced back to relatively anemic levels of consumer demand. Real GDP in the United States advanced by 1.3% in the second quarter, following a revised 0.4% expansion in the March period. This outturn reflected gains in exports, nonresidential fixed investment and federal Government spending, alongside a deceleration in import growth. In contrast, the economic expansion in the United Kingdom softened by 0.3 of a percentage point to 0.2%, as a reduction in industrial production negated gains in the services sector. Preliminary estimates for the euro zone show real output growth moderated by 0.6 of a percentage point in the second quarter to 0.2%, as the expansion in the region's two largest economies, Germany and France, stalled. Featuring substantial gains in industrial output, economic activity in China strengthened by 9.5% year-on-year, which was in line with the previous quarter's 9.7% upturn. The contraction in the Japanese economy slowed to an annualized 1.3% in the second quarter, from 3.6% in the prior three-month period, reflecting a moderation in the rate of decline of private consumption, by 2.3 percentage points to 0.2%, as well as a reversal in public investment—from a contraction of 4.0% to an increase of 12.5% in the review period.

Excess capacity in labour markets persisted for the majority of the key global economies. In the United States, the downturn in Government payrolls and anemic private sector hiring was reflected in the number of unemployed persons rising by 545,000, and the unemployment rate moving up by 40 basis points to 9.2%. Similarly, the jobless rate in the United Kingdom firmed by 10 basis points over the previous period to 7.9% in the three-months to June, as an estimated 38,000 workers were made redundant. The remaining major economies recorded unchanged employment conditions, with the rates in the euro zone, China and Japan stabilizing at 9.9%, 4.0% and 4.1%, respectively.

Increased commodity and fuel costs underpinned a firming in inflation rates among the major economies. Average consumer price inflation advanced to an annualized rate of 3.6% in the United States in June, from 2.7% in the March quarter, and for the United Kingdom, by 4.2% on an annual basis, up slightly from 4.0% in March. While inflation in the euro zone held steady at 2.7% in June, annual inflation in China rose by 1.0 percentage point from the previous quarter to 6.4%, explained, in large part, by an acceleration in food costs, which climbed by 14.4% year-on-year. In contrast, average consumer prices in Japan fell by 0.2% on an annual basis, a reversal from a 0.3% increase in March.

Concerns over the possibility that lawmakers in the United States would not reach a decision regarding the debt ceiling, combined with the sluggish pace of the economic recovery, resulted in the US Dollar declining against other major currencies during the review period. The Dollar retreated against the Canadian dollar, by 0.7% to CND\$0.96, depreciated relative to the euro, by 2.4% to €0.69 and vis-à-vis the British pound, by 0.2% to £0.62. Similarly, the Swiss Franc continued to strengthen for the second consecutive quarter, gaining 8.6% relative to the Dollar to CHF0.84. In Asian markets, the Dollar declined vis-à-vis the Japanese Yen and Chinese Yuan, by 3.1% and 1.3%, to ¥80.56 and CNY6.46, respectively.

Developments in the equity markets were mixed over the review period, reflecting ongoing uncertainty over the pace and stability of the global recovery. In the United States, the Dow Jones Industrial Average (DJIA) rose marginally by 0.8%, while the S&P 500 fell by a similar magnitude. Buoyed in part, by the passage of Greece's five-year austerity bill, several European

bourses registered gains, including Germany's DAX and the United Kingdom's FTSE 100, which firmed by 4.8% and 0.6%, respectively. In contrast, France's CAC 40 registered a slight decline of 0.2%. In Asia, signs of economic recovery in Japan contributed to a 0.6% rebound in the Nikkei 225 index, following a significant 4.6% falloff in the previous quarter, while the negative effects of the monetary policy tightening measures on investor sentiment influenced a sharp 5.7% retreat in China's SE Composite index.

Reflective of ongoing political unrest in the Middle East and concerns over the pace of global growth, significant price volatility was observed in the global crude oil market during the second quarter. By end-June, average prices had fallen by 3.8% to \$110.82 per gallon in comparison to end-March. In contrast, the cost of gold advanced by 4.8% to \$1,500.35 per ounce, as heightened uncertainty and inflationary concerns fuelled demand for the metal as a "safe" investment. The average price of silver; however, contracted by 7.9% to \$34.69 per ounce.

Given the lackluster global economic conditions, most major central banks maintained their accommodative monetary policy stance over the review quarter, in an attempt to support the nascent recovery in their various economies. In the United States, the Federal Reserve kept the federal funds rate at 0.00%-0.25% and maintained its \$600 billion Treasury bond purchase programme. Similarly, in the United Kingdom, the Bank of England left its main bank rate unchanged at 0.5% and retained the size of its asset purchase programme at £200 billion. However, amid concerns over inflation, the European Central Bank raised the rate on its main financing operations and marginal lending facility, by 0.25 percentage points, to 1.25% and 2.00%, respectively, during the second quarter. Following a similar increase in the first three months of the year, the People's Bank of China hiked its reserve requirement ratio for depository financial institutions, by 50 basis points, as part of its ongoing efforts to reign in consumer demand and inflationary pressures. In contrast, the Bank of Japan kept its uncollateralized call rate at 0.0%-0.1% and its asset purchase programme unchanged, and introduced a US\$6.0 billion asset based lending scheme.

External sector developments were mixed among most of the major economies over the review period, when compared to the previous quarter. In the United

States, the quarterly goods and services deficit widened by 3.6% to \$145.0 billion from \$140.0 billion, as the growth in imports outpaced a falloff in exports. Reflective of a 10.6.% expansion in the goods deficit, which overshadowed a 3.1% growth in the services surplus, the trade deficit in the United Kingdom rose by £2.0 billion to £11.3 billion in the three-months to June. In the euro area, the trade deficit narrowed by €13.5 billion to €3.9 billion, attributed solely to a 3.2% increase in exports. In Asia, China's trade balance rebounded from a US\$1.0 billion deficit in the March period to a surplus of US\$46.7 billion in the second quarter, owing mainly to a falloff in imported crude oil. For Japan, higher net imports resulted in a trade deficit of ¥1.3 billion, compared to a surplus of ¥357.3 million in the previous quarter.

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	2006			2007			2008			2009			2010			2011		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.										
Net foreign assets	(254.4)	(213.4)	(140.9)	(42.0)	(58.1)	(41.9)	134.1	178.8	250.0	(28.0)	152.1	312.0	571.5					
Central Bank	499.7	454.2	562.9	623.8	770.4	754.9	816.0	819.0	862.1	765.4	860.4	975.1	1076.1					
Domestic Banks	(754.1)	(667.6)	(703.8)	(665.8)	(828.5)	(796.8)	(681.9)	(640.2)	(612.1)	(793.4)	(708.3)	(663.1)	(504.6)					
Net domestic assets	5,399.5	5,850.7	6,064.9	6,070.7	6,078.0	6,078.2	5,898.2	5,948.6	6,007.3	6,261.9	6,038.9	5,916.0	5,779.9					
Domestic credit	6,742.9	7,434.3	7,909.1	7,933.8	7,964.2	8,174.4	8,039.7	8,118.4	8,223.1	8,444.5	8,448.2	8,302.3	8,213.2					
Public sector	1074.2	1,215.9	1,372.3	1,450.0	1,447.4	1,616.7	1,443.8	1,569.7	1,696.7	1,869.1	1,875.5	1,817.0	1,710.3					
Government (net)	677.0	866.8	924.0	1042.9	1041.8	1205.2	1023.9	1,131.3	1,257.1	1,346.3	1,413.7	1,366.8	1,259.2					
Rest of public sector	397.2	349.1	448.3	407.1	405.6	411.5	419.9	438.4	439.6	522.8	461.8	450.2	451.1					
Private sector	5,668.7	6,218.4	6,536.8	6,483.8	6,516.8	6,557.7	6,595.9	6,548.7	6,526.4	6,575.4	6,572.7	6,485.3	6,502.9					
Other items (net)	(1,343.4)	(1,583.6)	(1,844.2)	(1,863.1)	(1,886.2)	(2,096.2)	(2,141.5)	(2,169.8)	(2,215.8)	(2,182.6)	(2,409.3)	(2,386.3)	(2,433.3)					
Monetary liabilities	5,145.1	5,637.3	5,924.0	6,028.7	6,019.9	6,036.3	6,032.3	6,127.4	6,257.3	6,233.9	6,191.1	6,228.0	6,351.4					
Money	1,251.1	1,300.3	1,274.5	1,336.4	1,285.2	1,277.8	1,283.6	1,274.8	1,374.7	1,365.8	1,335.2	1,340.0	1,425.7					
Currency	202.1	223.7	205.8	197.0	194.3	184.2	207.8	186.9	186.7	188.7	194.5	194.3	194.1					
Demand deposits	1,049.0	1,076.6	1,068.7	1,139.4	1,090.9	1,093.6	1,075.8	1,087.9	1,188.0	1,177.1	1,140.6	1,145.7	1,231.6					
Quasi-money	3,894.0	4,337.0	4,649.5	4,692.3	4,734.7	4,758.5	4,748.7	4,852.6	4,882.6	4,868.1	4,855.9	4,888.0	4,925.7					
Fixed deposits	2,781.5	3,144.8	3,427.7	3,451.8	3,480.5	3,506.7	3,521.4	3,610.6	3,641.5	3,653.5	3,615.4	3,647.3	3,663.3					
Savings deposits	953.3	992.1	1,020.4	1,031.4	1,040.5	1,007.1	995.4	1,004.6	1,012.4	1,006.0	1,015.8	1,039.9	1,040.0					
Foreign currency	159.2	200.1	201.4	209.1	213.7	244.7	231.9	237.4	228.7	208.6	224.7	200.8	222.4					
Total domestic credit	14.3	10.3	6.4	0.3	0.4	2.6	(1.6)	1.0	1.3	2.7	0.0	(1.7)	(1.1)					
Public sector	13.6	13.2	12.9	5.7	(0.2)	11.7	(10.7)	8.7	8.1	10.2	0.3	(3.1)	(5.9)					
Government (net)	5.4	28.0	6.6	12.9	(0.1)	15.7	(15.0)	10.5	11.1	7.1	5.0	(3.3)	(7.9)					
Rest of public sector	31.0	(12.1)	28.4	(9.2)	(0.4)	1.5	2.0	4.4	0.3	18.9	(11.7)	(2.5)	0.2					
Private sector	14.4	9.7	5.1	(0.8)	0.5	0.6	0.6	(0.7)	(0.3)	0.8	(0.0)	(1.3)	0.3					
Monetary liabilities	6.5	9.6	5.1	1.8	(0.1)	0.3	(0.1)	1.6	2.1	(0.4)	(0.7)	0.6	2.0					
Money	0.3	3.9	(2.0)	4.9	(3.8)	(0.6)	0.5	(0.7)	7.8	(0.6)	(2.2)	0.4	6.4					
Currency	3.5	10.7	(8.0)	(4.3)	(1.4)	(5.2)	12.8	(10.1)	(0.1)	1.1	3.1	(0.1)	(0.1)					
Demand deposits	(0.3)	2.6	(0.7)	6.6	(4.3)	0.2	(1.6)	1.1	9.2	(0.9)	(3.1)	0.4	7.5					
Quasi-money	8.7	11.4	7.2	0.9	0.9	0.5	(0.2)	2.2	0.6	(0.3)	(0.3)	0.7	0.8					

(percentage changes)

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	2006			2007			2008			2009			2010			2011		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	
	(B\$ Millions)																	
Net foreign assets	(235.0)	(197.2)	(123.6)	(28.0)	(27.1)	(0.5)	167.3	203.8	269.0	(19.2)	113.9	266.4	516.9					
Central Bank	499.7	454.2	562.9	623.8	770.4	754.9	816.0	819.0	862.1	765.4	860.4	975.1	1076.1					
Commercial banks	(734.7)	(651.4)	(686.5)	(651.8)	(797.5)	(755.4)	(648.7)	(615.2)	(593.1)	(784.6)	(746.6)	(708.7)	(559.2)					
Net domestic assets	5,299.4	5,800.3	6,018.5	6,028.5	6,015.5	6,010.2	5,832.9	5,889.6	5,947.4	6,216.5	6,040.6	5,919.4	5,792.7					
Domestic credit	6,588.8	7,401.4	7,882.7	7,908.8	7,918.9	8,126.8	8,000.0	8,080.6	8,191.8	8,414.9	8,417.1	8,273.2	8,187.5					
Public sector	1,068.9	1,212.8	1,369.3	1,445.8	1,422.7	1,588.6	1,428.3	1,552.5	1,683.0	1,854.9	1,861.0	1,802.2	1,702.3					
Government (net)	671.7	863.8	921.0	1,038.7	1,017.1	1,177.2	1,008.4	1,114.2	1,243.3	1,332.2	1,404.6	1,357.4	1,251.2					
Rest of public sector	397.2	349.0	448.3	407.1	405.6	411.4	419.9	438.3	439.6	522.7	456.4	444.8	451.1					
Private sector	5,519.9	6,188.6	6,513.4	6,463.0	6,496.2	6,538.2	6,571.7	6,528.1	6,508.9	6,559.9	6,556.1	6,470.9	6,485.2					
Other items (net)	(1,289.4)	(1,601.1)	(1,864.2)	(1,880.3)	(1,903.4)	(2,116.6)	(2,167.1)	(2,191.0)	(2,244.4)	(2,198.4)	(2,376.5)	(2,353.8)	(2,394.8)					
Monetary liabilities	5,064.4	5,603.1	5,894.9	6,000.5	5,988.4	6,009.7	6,000.2	6,093.3	6,216.4	6,197.3	6,154.6	6,185.8	6,309.6					
Money	1,238.1	1,278.9	1,257.6	1,319.7	1,265.0	1,261.1	1,261.9	1,253.2	1,345.1	1,342.6	1,314.7	1,316.4	1,401.5					
Currency	202.1	223.7	205.8	197.0	194.3	184.2	207.8	186.9	186.6	188.7	194.5	194.3	194.1					
Demand deposits	1,036.0	1,055.2	1,051.8	1,122.7	1,070.7	1,076.9	1,054.1	1,066.3	1,158.4	1,153.9	1,120.2	1,122.1	1,207.4					
Quasi-money	3,826.3	4,324.2	4,637.3	4,680.8	4,723.4	4,748.6	4,738.3	4,840.1	4,871.4	4,854.8	4,839.8	4,869.4	4,908.1					
Savings deposits	953.1	991.9	1,020.2	1,031.1	1,040.2	1,007.0	995.3	1,004.4	1,012.4	1,005.9	1,015.8	1,039.9	1,040.0					
Fixed deposits	2,714.1	3,132.2	3,415.8	3,440.6	3,469.5	3,497.0	3,511.1	3,598.3	3,630.4	3,640.2	3,601.8	3,632.1	3,648.9					
Foreign currency deposits	159.1	200.1	201.3	209.1	213.7	244.6	231.9	237.4	228.6	208.6	222.2	197.4	219.2					
	(percentage change)																	
Total domestic credit	14.5	12.3	6.5	0.3	0.1	2.6	(1.6)	1.0	1.4	2.7	0.0	(1.7)	(1.0)					
Public sector	13.0	13.5	12.9	5.6	(1.6)	11.7	(10.1)	8.7	8.4	10.2	0.3	(3.2)	(5.5)					
Government (net)	4.5	28.6	6.6	12.8	(2.1)	15.7	(14.3)	10.5	11.6	7.1	5.4	(3.4)	(7.8)					
Rest of public sector	31.0	(12.1)	28.4	(9.2)	(0.4)	1.4	2.1	4.4	0.3	18.9	(12.7)	(2.5)	1.4					
Private sector	14.8	12.1	5.2	(0.8)	0.5	0.6	0.5	(0.7)	(0.3)	0.8	(0.1)	(1.3)	0.2					
Monetary liabilities	7.4	10.6	5.2	1.8	(0.2)	0.4	(0.2)	1.6	2.0	(0.3)	(0.7)	0.5	2.0					
Money	1.2	3.3	(1.7)	4.9	(4.1)	(0.3)	0.1	(0.7)	7.3	(0.2)	(2.1)	0.1	6.5					
Currency	3.5	10.7	(8.0)	(4.3)	(1.4)	(5.2)	12.8	(10.1)	(0.1)	1.1	3.1	(0.1)	(0.1)					
Demand deposits	0.8	1.9	(0.3)	6.7	(4.6)	0.6	(2.1)	1.2	8.6	(0.4)	(2.9)	0.2	7.6					
Quasi-money	9.5	13.0	7.2	0.9	0.9	0.5	(0.2)	2.1	0.6	(0.3)	(0.3)	0.6	0.8					

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

End of Period	2006				2007				2008				2009				2010				2011			
	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec. ^R	Mar.	Jun.	Sept.	Dec. ^R	Mar.	Jun.		
Net foreign assets	499.7	454.2	454.2	562.9	623.8	770.4	754.9	816.0	819.0	862.1	862.1	765.4	860.4	819.0	862.1	860.4	975.1	1,076.1	975.1	860.4	975.1	1,076.1		
Balances with banks abroad	90.5	59.5	59.5	205.8	268.5	354.2	177.5	270.9	270.5	317.7	317.7	157.3	175.2	270.5	317.7	175.2	265.7	298.5	265.7	175.2	265.7	298.5		
Foreign securities	399.8	384.7	384.7	347.4	345.9	406.5	386.6	356.2	365.6	366.2	366.2	420.7	499.7	365.6	366.2	499.7	518.5	584.9	518.5	499.7	518.5	584.9		
Reserve position in the Fund	9.4	9.9	9.9	9.6	9.4	9.7	9.9	9.8	9.5	9.3	9.3	9.7	9.6	9.5	9.3	9.6	9.9	10.0	9.9	9.6	9.9	10.0		
SDR holdings	--	0.1	0.1	0.1	--	--	180.9	179.1	173.4	168.9	168.9	177.7	175.9	173.4	168.9	175.9	181.0	182.7	181.0	175.9	181.0	182.7		
Net domestic assets	85.1	235.7	235.7	76.9	55.8	74.0	141.4	73.3	77.0	80.6	80.6	144.2	156.7	77.0	80.6	156.7	148.4	111.9	148.4	156.7	148.4	111.9		
Net claims on Government	182.5	332.3	332.3	198.8	195.3	184.7	245.9	182.1	179.3	186.3	186.3	244.1	259.8	179.3	186.3	259.8	244.6	213.8	244.6	259.8	244.6	213.8		
Claims	190.6	347.8	347.8	202.9	221.4	213.6	269.3	202.8	189.7	200.4	200.4	259.3	274.3	189.7	200.4	274.3	261.7	222.2	261.7	274.3	261.7	222.2		
Treasury bills	52.2	143.5	143.5	6.3	28.7	--	52.2	--	--	7.2	7.2	22.2	--	--	7.2	--	--	--	--	--	--	--		
Bahamas registered stock	76.4	132.4	132.4	124.6	120.7	116.6	120.1	105.8	92.7	96.2	96.2	125.1	162.3	92.7	96.2	162.3	149.7	148.2	149.7	162.3	149.7	148.2		
Loans and advances	62.0	72.0	72.0	72.0	72.0	97.0	97.0	97.0	97.0	97.0	97.0	112.0	112.0	97.0	97.0	112.0	112.0	74.0	112.0	112.0	112.0	74.0		
Deposits	(8.1)	(15.6)	(15.6)	(4.1)	(26.1)	(28.9)	(23.4)	(20.7)	(10.4)	(14.1)	(14.1)	(15.2)	(14.5)	(10.4)	(14.1)	(14.5)	(17.0)	(8.4)	(17.0)	(14.5)	(17.0)	(8.4)		
In local currency	(8.1)	(15.6)	(15.6)	(4.1)	(26.1)	(28.9)	(23.4)	(20.7)	(10.4)	(14.1)	(14.1)	(15.2)	(14.5)	(10.4)	(14.1)	(14.5)	(17.0)	(8.4)	(17.0)	(14.5)	(17.0)	(8.4)		
In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		
Deposits of rest of public sector	(18.3)	(10.4)	(10.4)	(10.4)	(16.3)	(17.2)	(10.2)	(15.8)	(12.6)	(13.9)	(13.9)	(13.4)	(15.4)	(12.6)	(13.9)	(15.4)	(7.5)	(9.4)	(7.5)	(15.4)	(7.5)	(9.4)		
Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		
Official capital and surplus	(107.3)	(111.6)	(111.6)	(125.9)	(127.6)	(129.2)	(130.7)	(140.5)	(137.4)	(137.6)	(137.6)	(132.1)	(132.0)	(137.4)	(137.6)	(132.0)	(133.6)	(134.9)	(133.6)	(132.0)	(133.6)	(134.9)		
Net unclassified assets	20.1	17.9	17.9	7.1	(2.8)	28.7	29.4	40.5	40.9	39.0	39.0	39.0	38.0	40.9	39.0	38.0	38.5	36.0	38.5	38.0	38.5	36.0		
Loans to rest of public sector	7.0	6.8	6.8	6.5	6.4	6.2	6.2	6.2	6.0	6.0	6.0	5.8	5.6	6.0	6.0	5.6	5.6	5.6	5.6	5.6	5.6	5.6		
Public Corp Bonds/Securities	1.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8		
Liabilities To Domestic Banks	(367.3)	(450.1)	(450.1)	(439.0)	(499.9)	(634.2)	(515.0)	(486.5)	(520.2)	(572.0)	(572.0)	(527.3)	(631.0)	(520.2)	(572.0)	(631.0)	(731.9)	(794.8)	(731.9)	(631.0)	(731.9)	(794.8)		
Notes and coins	(116.2)	(110.1)	(110.1)	(117.6)	(78.2)	(85.6)	(87.3)	(111.8)	(86.2)	(89.1)	(89.1)	(83.8)	(113.2)	(86.2)	(89.1)	(113.2)	(84.5)	(85.7)	(84.5)	(113.2)	(84.5)	(85.7)		
Deposits	(251.1)	(340.0)	(340.0)	(321.4)	(421.7)	(548.6)	(427.7)	(374.7)	(434.0)	(482.9)	(482.9)	(443.5)	(517.8)	(434.0)	(482.9)	(517.8)	(647.4)	(709.1)	(647.4)	(517.8)	(647.4)	(709.1)		
SDR allocation	(15.4)	(16.2)	(16.2)	(15.8)	(15.3)	(15.9)	(197.1)	(195.0)	(188.9)	(184.0)	(184.0)	(193.6)	(191.6)	(188.9)	(184.0)	(191.6)	(197.3)	(199.1)	(197.3)	(191.6)	(197.3)	(199.1)		
Currency held by the private sector	(202.1)	(223.7)	(223.7)	(205.8)	(197.0)	(194.3)	(184.2)	(207.8)	(186.9)	(186.7)	(186.7)	(188.7)	(194.5)	(186.9)	(186.7)	(194.5)	(194.3)	(194.1)	(194.3)	(194.5)	(194.3)	(194.1)		

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

End of Period	(B\$ Millions)																	
	2006			2007			2008			2009			2010			2011		
	Mar.	Jun.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec. ^R	Mar.	Jun.	Sept.	Dec. ^R	Mar.	Jun.	
Net foreign assets	(754.1)	(667.6)	(703.8)	(665.8)	(828.5)	(796.8)	(681.9)	(640.2)	(612.1)	(793.4)	(705.8)	(663.1)	(504.6)					
Net claims on Central Bank	366.5	448.4	439.9	500.8	635.2	515.9	487.4	521.3	572.5	528.4	631.9	733.1	795.7					
Notes and Coins	116.2	110.1	117.6	78.2	85.6	87.3	111.8	86.2	89.1	83.8	113.2	84.5	85.7					
Balances	251.1	339.1	322.3	422.6	549.6	428.6	375.6	435.1	483.4	444.6	518.7	648.6	710.0					
Less Central Bank credit	0.8	0.8	--	--	--	--	--	--	--	--	--	--	--					
Net domestic assets	4,935.4	5,199.7	5,534.1	5,490.6	5,555.8	5,664.7	5,564.4	5,565.7	5,614.4	5,811.9	5,567.7	5,465.3	5,345.9					
Net claims on Government	494.5	534.5	725.2	847.6	857.1	959.3	843.0	952.0	1,070.8	1,102.2	1,152.3	1,122.2	1,045.4					
Treasury bills	10.0	50.8	180.2	208.8	172.6	161.7	214.0	218.3	267.6	264.1	293.7	294.8	253.3					
Other securities	437.1	468.5	533.5	602.6	619.7	707.3	704.6	705.4	740.4	752.8	799.6	799.4	772.9					
Loans and advances	156.3	120.3	145.8	176.2	219.0	238.6	76.5	166.3	205.3	212.6	180.3	148.0	141.0					
Less: deposits	108.9	105.0	134.3	140.0	154.2	148.3	152.1	138.0	142.5	127.3	121.3	120.1	121.8					
Net claims on rest of public sect	12.3	(78.9)	3.4	(89.9)	(47.3)	(53.6)	(25.7)	(49.5)	(49.0)	31.4	(31.9)	(47.2)	(66.2)					
Securities	121.1	97.7	97.5	99.5	99.5	99.5	107.0	107.0	107.0	107.0	115.6	115.6	114.6					
Loans and advances	268.1	243.9	343.6	300.4	299.1	305.0	305.9	324.6	325.9	409.1	339.8	328.2	330.1					
Less: deposits	376.8	420.5	437.7	489.8	445.9	458.1	438.6	481.1	481.9	484.7	487.3	491.0	510.9					
Other net claims	(17.9)	(6.9)	(0.1)	(5.1)	(11.1)	(18.9)	(8.1)	(7.2)	(1.9)	(2.7)	(3.4)	(10.1)	(37.7)					
Credit to the private sector	5,668.7	6,218.4	6,536.8	6,483.8	6,516.8	6,557.7	6,595.9	6,548.7	6,526.4	6,575.5	6,572.7	6,485.3	6,502.9					
Securities	21.7	29.6	28.8	29.2	28.3	30.2	27.2	25.9	22.3	21.4	17.4	16.0	12.8					
Mortgages	2,258.1	2,580.4	2,819.7	2,848.4	2,881.4	2,918.3	2,949.6	2,950.0	2,968.8	3,078.4	3,192.4	3,218.6	3,218.9					
Loans and advances	3,388.9	3,608.4	3,688.3	3,606.2	3,607.1	3,609.2	3,619.1	3,572.8	3,535.3	3,475.7	3,363.0	3,250.7	3,271.2					
Private capital and surplus	(1,477.5)	(1,654.1)	(1,864.6)	(1,911.6)	(1,967.2)	(1,978.2)	(2,033.0)	(2,062.1)	(2,061.8)	(2,034.4)	(2,281.9)	(2,254.5)	(2,295.3)					
Net unclassified assets	255.3	186.7	133.4	165.8	207.5	198.4	192.3	183.8	129.9	139.9	159.9	169.7	196.8					
Liabilities to private sector	4,547.8	4,982.7	5,270.2	5,325.6	5,362.5	5,383.8	5,370.0	5,446.8	5,574.8	5,547.0	5,493.7	5,535.3	5,637.0					
Demand deposits	1,112.9	1,174.8	1,150.2	1,177.8	1,174.6	1,196.6	1,204.2	1,184.4	1,296.3	1,271.3	1,249.6	1,237.1	1,307.2					
Savings deposits	956.8	994.7	1,024.1	1,036.5	1,044.6	1,014.2	1,003.5	1,007.3	1,014.1	1,008.0	1,017.8	1,042.7	1,043.5					
Fixed deposits	2,478.1	2,813.2	3,095.9	3,111.3	3,143.3	3,173.0	3,162.3	3,255.1	3,264.4	3,267.7	3,226.3	3,255.5	3,286.3					

Source: The Central Bank of The Bahamas

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

Period	2007				2008				2009				2010				Qtr. I
	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	
1. Interest Income	744,537	760,159	728,878	182,363	182,990	180,720	182,805	183,559	183,176	182,764	192,675	188,149					
2. Interest Expense	291,206	278,219	244,468	62,116	59,386	63,023	59,943	57,990	56,879	56,503	54,618	53,296					
3. Interest Margin (1-2)	453,331	481,940	484,410	120,247	123,604	117,697	122,862	125,569	126,297	126,261	138,057	134,853					
4. Commission & Forex Income	31,714	32,328	22,005	8,185	3,617	5,300	4,903	5,495	5,889	5,651	5,785	5,915					
5. Gross Earnings Margin (3+4)	485,045	514,268	506,415	128,432	127,221	122,997	127,765	131,064	132,186	131,912	143,842	140,768					
6. Staff Costs	133,309	148,364	149,222	36,444	37,450	38,016	37,312	38,400	40,032	38,808	40,993	39,608					
7. Occupancy Costs	20,612	23,409	23,417	5,251	6,319	5,727	6,120	5,978	5,621	6,422	5,943	5,719					
8. Other Operating Costs	79,480	91,867	87,245	27,460	20,671	20,559	18,555	25,864	23,609	25,875	31,703	27,464					
9. Operating Costs (6+7+8)	233,401	263,640	259,884	69,155	64,440	64,302	61,987	70,242	69,262	71,105	78,639	72,791					
10. Net Earnings Margin (5-9)	251,644	250,628	246,531	59,277	62,781	58,695	65,778	60,822	62,924	60,807	65,203	67,977					
11. Depreciation Costs	11,673	13,412	14,134	3,377	3,233	3,320	4,204	3,601	4,185	4,080	3,372	3,579					
12. Provisions for Bad Debt	39,817	82,204	121,092	22,916	36,273	27,680	34,223	20,616	26,549	52,123	25,398	27,959					
13. Other Income	107,271	120,334	96,990	25,559	23,213	23,763	24,455	27,806	30,093	25,517	27,868	24,986					
14. Other Income (Net) (13-11-12)	55,781	24,718	(38,236)	(734)	(16,293)	(7,237)	(13,972)	3,589	(641)	(30,686)	(902)	(6,552)					
15. Net Income (10+14)	307,425	275,346	208,295	58,543	46,488	51,458	51,806	64,411	62,283	30,121	64,301	61,425					
16. Effective Interest Rate Spread (%)	6.25	6.51	6.34	6.24	6.52	6.20	6.40	6.20	6.24	6.04	6.20	5.92					
	(Ratios To Average Assets)																
Interest Margin	5.50	5.39	5.31	5.20	5.41	5.17	5.46	5.55	5.50	5.47	5.86	5.70					
Commission & Forex Income	0.38	0.36	0.24	0.35	0.16	0.23	0.22	0.24	0.26	0.24	0.25	0.25					
Gross Earnings Margin	5.89	5.75	5.55	5.55	5.57	5.40	5.68	5.80	5.76	5.71	6.11	5.95					
Operating Costs	2.83	2.95	2.85	2.99	2.82	2.82	2.75	3.11	3.02	3.08	3.34	3.08					
Net Earnings Margin	3.05	2.80	2.70	2.56	2.75	2.58	2.92	2.69	2.74	2.63	2.77	2.87					
Net Income	3.73	3.09	2.28	2.53	2.04	2.26	2.30	2.85	2.71	1.30	2.73	2.60					

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

TABLE 6
MONEY SUPPLY

End of Period	2006			2007			2008			(B\$ Millions)			
	2006	2007	2008	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec. ^R	Mar.	Jun.
Money supply (M1)	1,251.1	1,300.3	1,274.5	1,336.4	1,285.2	1,277.8	1,283.6	1,274.8	1,374.7	1,365.8	1,335.2	1,340.0	1,425.7
1) Currency in active circulation	202.1	223.7	205.8	197.0	194.3	184.2	207.8	186.9	186.7	188.7	194.5	194.3	194.1
2) Demand deposits	1,049.0	1,076.6	1,068.7	1,139.4	1,090.9	1,093.6	1,075.8	1,087.9	1,188.0	1,177.1	1,140.6	1,145.7	1,231.6
Central Bank	18.3	10.4	10.4	16.3	17.2	10.2	15.9	12.6	13.9	13.4	15.4	7.5	9.4
Domestic Banks	1,030.7	1,066.2	1,058.3	1,123.1	1,073.7	1,083.4	1,059.9	1,075.3	1,174.1	1,163.7	1,125.2	1,138.2	1,222.2
Factors affecting money (M1)													
1) Net credit to Government	677.0	866.8	924.0	1,042.9	1,041.8	1,205.2	1,023.9	1,131.3	1,257.1	1,346.3	1,413.7	1,366.8	1,259.2
Central Bank	182.5	332.3	198.8	195.3	184.7	245.9	180.9	179.3	186.3	244.1	261.4	244.6	213.8
Domestic Banks	494.5	534.5	725.2	847.6	857.1	959.3	843.0	952.0	1,070.8	1,102.2	1,152.3	1,122.2	1,045.4
2) Other credit	6,065.9	6,567.5	6,985.1	6,890.9	6,922.4	6,969.2	7,015.8	6,987.1	6,966.0	7,098.2	7,034.5	6,935.5	6,954.0
Rest of public sector	397.2	349.1	448.3	407.1	405.6	411.5	419.9	438.4	439.6	522.7	461.8	450.2	451.1
Private sector	5,668.7	6,218.4	6,536.8	6,483.8	6,516.8	6,557.7	6,595.9	6,548.7	6,526.4	6,575.5	6,572.7	6,485.3	6,502.9
3) External reserves	499.7	454.2	562.9	623.8	770.4	754.9	816.0	819.0	862.1	765.4	860.4	975.1	1,076.1
4) Other external liabilities (net)	(754.1)	(667.6)	(703.8)	(665.8)	(828.5)	796.8	(681.9)	(640.2)	(612.1)	(793.4)	(708.3)	(663.1)	(504.6)
5) Quasi money	3,894.0	4,337.0	4,649.5	4,692.3	4,734.7	4,758.5	4,748.7	4,852.6	4,882.6	4,868.1	4,855.9	4,888.0	4,925.7
6) Other items (net)	(1,343.4)	(1,583.6)	(1,844.2)	(1,863.1)	(1,886.2)	(2,096.2)	(2,141.5)	(2,169.8)	(2,215.8)	(2,182.6)	(2,409.3)	(2,386.3)	(2,433.3)

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

End of Period	2007			2008			2009			2010			2011		
	Mar	Jun.	Sept.	Mar	Jun.	Sept.	Dec.	Mar	Jun.	Sept.	Dec.	Mar	Jun.		
CREDIT OUTSTANDING															
Private cars	248,152	238,775	227,757	223,349	215,164	206,689	199,228	197,138	188,509	185,044	181,837	182,112			
Taxis & rented cars	1,908	1,909	1,817	1,780	1,785	1,832	1,552	1,296	1,046	985	889	794			
Commercial vehicles	6,956	6,111	5,656	5,305	5,165	4,955	4,761	3,966	3,682	3,353	3,214	3,274			
Furnishings & domestic appliances	22,394	21,173	20,284	19,632	19,759	19,134	18,164	17,244	15,257	15,126	14,072	13,131			
Travel	50,970	49,602	43,966	40,488	39,702	36,369	32,345	29,425	28,587	26,464	24,291	25,543			
Education	54,725	57,255	55,199	53,283	57,520	55,227	53,037	50,529	52,604	50,875	49,148	47,050			
Medical	20,520	21,435	21,159	20,427	19,894	19,697	19,075	18,422	17,303	16,399	15,773	15,731			
Home Improvements	163,070	171,454	170,162	166,364	163,942	163,991	166,094	163,512	131,455	129,860	125,429	121,350			
Land Purchases	227,236	246,168	246,754	245,876	245,209	243,696	240,898	244,594	242,369	240,391	240,987	239,710			
Consolidation of debt	496,296	594,565	605,784	632,422	638,244	648,024	661,379	665,886	683,852	714,616	734,975	766,315			
Miscellaneous	559,119	541,585	529,609	529,975	523,307	515,002	498,410	494,605	504,394	494,961	479,768	476,373			
Credit Cards	256,995	294,377	283,615	278,614	277,479	278,749	265,044	261,017	261,531	262,871	253,023	250,021			
TOTAL	2,108,341	2,244,409	2,211,762	2,217,515	2,207,170	2,193,365	2,159,987	2,147,634	2,130,589	2,140,945	2,123,406	2,141,404			
NET CREDIT EXTENDED															
Private cars	19,731	(9,377)	(11,018)	(4,408)	(8,185)	(8,475)	(7,461)	(2,090)	(8,629)	(3,465)	(3,207)	275			
Taxis & rented cars	(660)	1	(92)	(37)	5	47	(280)	(256)	(250)	(61)	(96)	(95)			
Commercial vehicles	127	(845)	(455)	(351)	(140)	(210)	(194)	(795)	(284)	(329)	(139)	60			
Furnishings & domestic appliances	2,736	(1,221)	(889)	(652)	127	(625)	(970)	(920)	(1,987)	(131)	(1,054)	(941)			
Travel	5,026	(1,368)	(5,636)	(3,478)	(786)	(3,333)	(4,024)	(2,920)	(838)	(2,123)	(2,173)	1,252			
Education	1,867	2,530	(2,056)	(1,916)	4,237	(2,293)	(2,190)	(2,508)	2,075	(1,729)	(1,727)	(2,098)			
Medical	3,200	915	(276)	(732)	(533)	(197)	(622)	(653)	(1,119)	(904)	(626)	(42)			
Home Improvements	10,219	8,384	(1,292)	(3,798)	(2,422)	49	2,103	(2,582)	(32,057)	(1,595)	(4,431)	(4,079)			
Land Purchases	25,918	18,932	586	(878)	(667)	(1,513)	(2,798)	3,696	(2,225)	(1,978)	596	(1,277)			
Consolidation of debt	36,505	98,269	11,219	26,638	5,822	9,780	13,355	4,507	17,966	30,764	20,359	31,340			
Miscellaneous	69,997	(17,534)	(11,976)	366	(6,668)	(8,305)	(16,592)	(3,805)	9,789	(9,433)	(15,193)	(3,395)			
Credit Cards	30,594	37,382	(10,762)	(5,001)	(1,135)	1,270	(13,705)	(4,027)	514	1,340	(9,848)	(3,002)			
TOTAL	205,260	136,068	(32,647)	5,753	(10,345)	(13,805)	(33,378)	(12,553)	(17,045)	10,356	(17,539)	17,998			

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

Period	2008				2009				2010				2011	
	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
DOMESTIC BANKS														
Deposit rates														
Savings deposits	2.20	2.15	1.94	2.19	2.11	2.09	2.19	2.06	2.03	1.84	1.83	1.85	1.89	
Fixed deposits														
Up to 3 months	3.70	3.55	3.19	3.64	3.57	3.54	3.46	3.45	3.23	3.09	3.01	2.82	2.64	
Up to 6 months	4.08	3.94	3.56	4.23	3.88	3.93	3.72	3.73	3.51	3.62	3.38	3.31	2.79	
Up to 12 months	4.56	4.26	3.99	4.67	4.38	3.96	4.02	4.22	4.01	3.86	3.88	3.92	3.54	
Over 12 months	4.44	4.37	4.04	4.66	4.33	4.21	4.27	4.31	3.83	4.00	4.00	3.89	3.55	
Weighted average rate	3.92	3.79	3.44	4.00	3.79	3.70	3.67	3.73	3.46	3.33	3.25	3.18	2.90	
Lending rates														
Residential mortgages	8.36	8.25	8.15	8.29	8.23	8.26	8.21	8.22	8.25	8.10	8.01	8.07	7.94	
Commercial mortgages	8.72	8.60	8.79	8.58	8.46	8.72	8.65	8.60	8.71	9.20	8.63	8.75	8.57	
Consumer loans	13.03	12.69	13.21	12.49	12.72	13.09	12.46	12.90	12.74	13.51	13.69	13.51	13.29	
Overdrafts	11.45	11.67	10.87	12.84	11.60	11.43	10.80	11.91	10.79	10.40	10.38	10.21	10.15	
Weighted average rate	10.95	10.58	11.05	10.49	10.67	10.69	10.45	10.63	10.73	11.41	11.43	11.18	11.08	
Other rates														
Prime rate	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	4.75	
Treasury bill (90 days)	2.73	2.62	2.28	2.64	2.77	2.49	2.56	2.39	2.48	2.14	2.09	1.80	1.52	
Treasury bill re-discount rate	3.23	3.12	2.78	3.14	3.27	2.99	3.06	2.89	2.98	2.64	2.59	2.30	2.02	
Bank rate (discount rate)	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	4.50	

Source: The Central Bank of The Bahamas

TABLE 9
SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

Period	2008			2009			2010			2011			
	2007	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II		
Loan Portfolio													
Current Loans (as a % of total loans)	92.5	90.6	87.5	86.3	86.2	83.9	82.3	82.3	81.8	81.5	81.6	81.7	82.0
Arrears (% by loan type)													
Consumer	2.8	3.0	3.9	4.2	4.5	4.8	5.2	4.8	4.6	4.4	4.4	4.2	4.1
Mortgage	3.1	4.6	5.9	6.2	6.0	7.5	8.6	9.0	9.4	9.9	9.8	9.8	9.9
Commercial	1.6	1.7	2.6	3.2	3.2	3.7	3.8	3.8	4.1	4.1	4.1	4.3	3.9
Public	0.0	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	7.5	9.4	12.5	13.7	13.8	16.1	17.7	17.7	18.2	18.5	18.4	18.3	18.0
Total B\$ Loan Portfolio	100.0												
Loan Portfolio													
Current Loans (as a % of total loans)	92.5	90.6	87.5	86.3	86.2	83.9	82.3	82.3	81.8	81.5	81.6	81.7	82.0
Arrears (% by days outstanding)													
30 - 60 days	2.5	3.6	4.5	4.3	4.1	4.9	5.6	6.1	5.9	6.0	5.6	5.5	5.5
61 - 90 days	0.9	1.3	1.9	2.3	1.9	2.5	2.7	2.1	2.4	2.3	2.3	2.1	2.0
90 - 179 days	0.9	1.2	1.6	2.1	1.9	2.8	3.0	2.4	2.4	2.3	2.2	2.1	2.0
over 180 days	3.2	3.3	4.5	5.0	5.9	5.9	6.3	7.1	7.5	7.9	8.3	8.6	8.5
Total Arrears	7.5	9.4	12.5	13.7	13.8	16.1	17.7	17.7	18.2	18.5	18.4	18.3	18.0
Total B\$ Loan Portfolio	100.0												
Non Accrual Loans (% by loan type)													
Consumer	35.0	29.4	30.2	30.0	31.0	27.1	29.8	27.8	26.6	24.3	23.4	22.9	22.4
Mortgage	40.9	45.6	44.4	43.4	43.0	45.4	41.4	43.7	42.7	45.1	46.4	47.1	47.9
Other Private	24.0	23.2	23.9	25.2	24.7	26.4	27.8	27.4	29.7	29.6	29.3	29.1	28.8
Public	0.1	1.8	1.5	1.4	1.3	1.1	1.0	1.1	1.0	1.0	0.9	0.9	0.9
Total Non Accrual Loans	100.0												
Provisions to Loan Portfolio													
Consumer	3.4	2.8	3.3	3.6	3.8	4.2	4.2	4.4	4.4	4.5	5.1	4.9	4.7
Mortgage	1.3	1.2	1.4	1.6	1.6	1.7	1.8	1.9	1.9	2.1	2.4	2.4	2.5
Other Private	2.5	3.2	5.4	5.6	7.3	6.7	6.9	7.5	8.2	8.7	9.1	9.6	10.2
Public	0.0	0.0	0.1	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	7.2	7.2	14.2	14.8	16.8	16.6	16.9	17.8	18.5	19.3	21.0	21.0	21.4
Total Provisions to Non-performing Loans	54.7	47.9	46.0	42.4	42.9	39.5	37.1	38.3	37.5	39.0	41.9	41.0	42.6
Total Non-performing Loans to Total Loans	4.2	4.5	6.1	7.1	7.8	8.6	9.3	9.4	9.9	10.1	10.4	10.7	10.4

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)																	
	2006			2007			2008			2009			2010			2011		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	
I. Statutory Reserves																		
Required reserves	244.7	265.0	283.3	285.2	288.1	293.7	290.3	285.3	296.6	299.1	298.1	298.1	298.1	298.1	298.1	298.1	303.3	
Average Till Cash	96.9	92.8	95.4	74.0	81.4	83.7	94.7	79.7	83.7	83.3	98.2	79.0	83.9	83.9	83.9	83.9	83.9	
Average balance with central bank	265.7	363.1	352.7	413.2	567.1	468.6	425.1	438.7	516.6	464.6	530.5	663.7	715.6	715.6	715.6	715.6	715.6	
Free cash reserves (period ended)	117.2	190.1	164.0	202.0	360.4	258.6	229.5	233.1	303.7	248.8	330.6	444.6	496.2	496.2	496.2	496.2	496.2	
II. Liquid Assets (period)																		
A. Minimum Required Liquid Assets	802.5	860.0	911.2	930.3	925.9	927.0	929.6	938.5	958.0	958.1	946.7	959.1	969.5	969.5	969.5	969.5	969.5	
B. Net Eligible Liquid Assets	865.6	1,011.9	1,168.5	1,334.5	1,446.8	1,390.6	1,423.7	1,460.9	1,601.9	1,567.5	1,755.1	1,859.0	1,906.7	1,906.7	1,906.7	1,906.7	1,906.7	
i) Balance with Central Bank	251.1	341.2	322.2	422.6	549.6	428.6	375.6	435.1	483.4	444.6	518.7	648.6	709.9	709.9	709.9	709.9	709.9	
ii) Notes and Coins	116.7	110.6	118.1	78.7	86.1	87.8	112.3	86.7	89.6	84.3	113.7	85.0	86.2	86.2	86.2	86.2	86.2	
iii) Treasury Bills	10.0	50.8	180.2	208.8	172.7	161.7	214.0	218.3	267.6	264.1	293.7	294.8	253.3	253.3	253.3	253.3	253.3	
iv) Government registered stocks	437.1	468.5	513.3	590.6	599.1	680.1	671.4	672.4	711.0	721.8	774.8	775.1	767.6	767.6	767.6	767.6	767.6	
v) Specified assets	39.9	36.6	36.8	38.7	38.5	38.3	45.7	45.8	45.6	45.6	53.0	52.9	52.8	52.8	52.8	52.8	52.8	
vi) Net Inter-bank dem/call deposits	11.7	5.0	(1.3)	(4.1)	0.8	(5.9)	4.7	2.6	4.7	7.1	1.2	2.6	36.9	36.9	36.9	36.9	36.9	
vii) Less: borrowings from central bank	(0.8)	(0.8)	(0.8)	(0.8)	--	--	--	--	--	--	--	--	--	--	--	--	--	
C. Surplus/(Deficit)	63.1	151.9	257.3	404.2	520.8	463.6	494.1	522.4	643.9	609.4	808.4	899.9	937.2	937.2	937.2	937.2	937.2	

Source: The Central Bank of The Bahamas

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

Period	(B\$ Millions)											
	2008/09p		2009/10p		Budget		2009/10p			2010/11p		
	2008/09p	2009/10p	2010/11	2011/12	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	*QTR. IV
Total Revenue & Grants	1,324.2	1,302.5	1,492.2	1,520.2	267.8	361.1	322.0	351.7	271.2	307.3	449.6	239.9
Current expenditure	1,422.7	1,395.9	1,467.2	1,598.0	319.8	346.1	350.8	379.2	330.8	356.2	363.8	251.1
Capital expenditure	139.8	156.8	227.6	237.3	37.5	42.9	33.2	43.1	36.9	46.3	46.7	27.5
Net lending	123.1	89.4	38.7	44.4	11.3	48.3	14.9	15.0	8.1	14.4	14.7	8.5
Overall balance	(361.4)	(339.5)	(241.3)	(359.4)	(100.8)	(76.2)	(76.8)	(85.7)	(104.6)	(109.6)	24.4	(47.2)
FINANCING (I+II-III+IV+V)	361.4	339.5	241.3	359.4	100.8	76.2	76.8	85.7	104.6	109.6	(24.4)	47.2
I. Foreign currency borrowing	267.8	318.3	55.0	94.0	5.8	304.4	0.1	8.0	77.9	16.7	21.6	--
External	56.7	318.3	55.0	94.0	5.8	304.4	0.1	8.0	7.9	16.7	21.6	--
Domestic	211.1	--	--	--	--	--	--	--	70.0	--	--	--
II. Bahamian dollar borrowing	246.1	282.0	235.0	220.6	165.0	--	--	117.0	140.0	143.6	--	--
i) Treasury bills	13.8	57.3	--	--	--	--	--	57.3	--	--	--	--
Central Bank	13.8	57.3	--	--	--	--	--	57.3	--	--	--	--
Commercial banks & OLF's	--	--	--	--	--	--	--	--	--	--	--	--
Public corporations	--	--	--	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--	--	--	--
ii) Long-term securities	207.3	209.7	--	--	150.0	--	--	59.7	100.0	135.0	--	--
Central Bank	--	15.1	--	--	15.1	--	--	--	30.0	35.0	--	--
Commercial banks & OLF's	114.7	99.0	--	--	84.0	--	--	15.0	15.0	1.8	--	--
Public corporations	21.7	45.7	--	--	30.0	--	--	15.7	15.0	11.3	--	--
Other	70.9	49.9	--	--	20.9	--	--	29.0	40.0	86.9	--	--
iii) Loans and Advances	25.0	15.0	--	--	15.0	--	--	--	40.0	8.6	--	--
Central Bank	25.0	--	--	--	--	--	--	--	--	--	--	--
Commercial banks	--	15.0	--	--	15.0	--	--	--	40.0	8.6	--	--
III Debt repayment	108.3	284.2	70.0	58.7	16.0	223.6	17.0	27.6	36.1	22.7	1.2	194.3
Domestic	101.8	251.8	58.9	48.9	15.0	195.9	16.0	24.9	35.0	19.5	--	191.0
Bahamian dollars	50.0	90.0	58.9	48.9	15.0	35.0	16.0	24.0	35.0	18.6	--	121.0
Internal foreign currency	51.8	161.8	--	--	--	160.9	--	0.9	--	0.9	--	70.0
External	6.5	32.4	11.0	9.8	1.0	27.7	1.0	2.7	1.1	3.2	1.2	3.3
IV Net Sale of Shares & Other Equity	--	--	--	--	--	--	--	--	--	--	--	210.0
V. Cash balance change	(30.2)	26.5	--	--	11.5	(1.1)	24.4	(8.3)	14.2	8.2	(2.8)	(3.2)
VI Other Financing	(14.1)	(3.0)	21.3	103.5	(65.6)	(3.4)	69.3	(3.4)	(91.3)	(36.2)	(42.0)	454.6

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

* Qtr IV includes April & May only.

TABLE 12
NATIONAL DEBT

End of Period	(B\$' 000s)											
	2008p			2009p			2010p			2011p		
	Jun.	Sept.	Dec.	Jun.	Sept.	Dec.	Jun.	Sept.	Dec.	Mar.	Jun.	
TOTAL EXTERNAL DEBT	383,593	703,138	727,882	707,525	714,262	727,882	748,302	745,053				
By Instrument												
Government Securities	300,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000				
Loans	83,593	103,138	127,882	107,525	114,262	127,882	148,302	145,053				
By Holder												
Commercial Banks	--	--	--	--	--	--	--	--				
Offshore Financial Institutions	--	--	--	--	--	--	--	--				
Multilateral Institutions	79,409	98,954	123,698	103,341	110,078	123,698	128,430	125,181				
Bilateral Institutions	4,184	4,184	4,184	4,184	4,184	4,184	19,872	19,872				
Private Capital Markets	300,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000				
TOTAL INTERNAL DEBT	2,383,008	2,617,268	2,992,480	2,693,389	2,868,390	2,992,480	2,992,480	2,796,480				
By Instrument												
Foreign Currency	3,612	1,806	70,000	903	70,903	70,000	70,000	70,000				
Government Securities	--	--	--	--	--	--	--	--				
Loans	3,612	1,806	70,000	903	70,903	70,000	70,000	70,000				
Bahamian Dollars	2,379,396	2,615,462	2,922,480	2,692,486	2,797,487	2,922,480	2,922,480	2,796,480				
Advances	71,988	96,988	111,988	96,988	111,988	111,988	111,988	73,988				
Treasury Bills	230,469	244,309	301,609	301,609	301,609	301,609	301,609	253,609				
Government Securities	2,071,693	2,268,919	2,503,637	2,288,644	2,378,644	2,503,637	2,503,637	2,468,637				
Loans	5,246	5,246	5,246	5,246	5,246	5,246	5,246	246				
By Holder												
Foreign Currency	3,612	1,806	70,000	903	70,903	70,000	70,000	70,000				
Commercial Banks	3,612	1,806	70,000	903	70,903	70,000	70,000	70,000				
Other Local Financial Institutions	--	--	--	--	--	--	--	--				
Bahamian Dollars	2,379,396	2,615,462	2,922,480	2,692,486	2,797,487	2,922,480	2,922,480	2,796,480				
The Central Bank	202,993	201,509	274,275	200,459	259,442	274,275	261,669	222,165				
Commercial Banks	691,739	886,358	1,066,784	978,313	984,931	1,066,784	1,067,815	1,013,264				
Other Local Financial Institutions	2,932	4,167	6,997	5,782	6,097	6,997	6,996	6,986				
Public Corporations	720,783	722,999	702,541	703,968	704,043	702,541	707,590	687,778				
Other	760,949	800,429	871,883	803,964	842,974	871,883	878,410	866,287				
TOTAL FOREIGN CURRENCY DEBT	387,205	704,944	797,882	708,428	785,165	797,882	818,302	745,053				
TOTAL DIRECT CHARGE	2,766,601	3,320,406	3,720,362	3,400,914	3,582,652	3,720,362	3,740,782	3,541,533				
TOTAL CONTINGENT LIABILITIES	446,492	580,997	548,129	564,465	556,394	548,129	540,489	533,186				
TOTAL NATIONAL DEBT	3,213,093	3,901,403	4,268,491	3,965,379	4,139,046	4,268,491	4,281,271	4,074,719				

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

	2008p	2009p*	2010p			2011p		
			Jun.	Sep.	Dec.**	Mar.	Jun.***	
Outstanding Debt at Beginning of Period	654,368	859,878	1,139,567	1,158,410	1,154,732	1,321,864	1,357,660	1,368,167
Government	296,133	387,205	704,944	704,024	708,428	785,165	797,882	818,302
Public Corporations	358,235	472,673	434,623	454,386	446,304	536,699	559,778	549,865
Plus: New Drawings	273,746	856,717	388,807	8,010	173,382	181,817	21,582	12,000
Government	118,467	561,772	102,807	8,010	77,882	16,817	21,582	--
Public Corporations	155,279	294,945	286,000	--	95,500	165,000	--	12,000
Less: Amortization	68,236	577,028	170,714	11,688	6,250	146,021	11,075	80,037
Government	27,395	244,033	9,869	3,606	1,145	4,100	1,162	73,249
Public Corporations	40,841	332,995	160,845	8,082	5,105	141,921	9,913	6,788
Other Changes in Debt Stock	--	--	--	--	--	--	--	(32,063)
Government	--	--	--	--	--	--	--	--
Public Corporations	--	--	--	--	--	--	--	(32,063)
Outstanding Debt at End of Period	859,878	1,139,567	1,357,660	1,154,732	1,321,864	1,357,660	1,368,167	1,268,067
Government	387,205	704,944	797,882	708,428	785,165	797,882	818,302	745,053
Public Corporations	472,673	434,623	559,778	446,304	536,699	559,778	549,865	523,014
Interest Charges	39,867	41,356	66,884	28,213	4,245	30,459	6,586	30,070
Government	20,959	27,581	47,055	22,584	573	23,315	752	22,936
Public Corporations	18,908	13,775	19,829	5,629	3,672	7,144	5,834	7,134
Debt Service	108,103	618,384	237,598	39,901	10,495	176,480	17,661	110,107
Government	48,354	271,614	56,924	26,190	1,718	27,415	1,914	96,185
Public Corporations	59,749	346,770	180,674	13,711	8,777	149,065	15,747	13,922
Debt Service Ratio (%)	3.1	20.8	7.4	4.7	1.4	22.8	2.1	12.3
Government Debt Service/ Government Revenue (%)	3.4	20.4	4.5	7.4	0.6	8.9	0.6	n.a
MEMORANDUM								
Holder Distribution (B\$ Mil):								
Commercial Banks	411.3	358.2	414.1	367.3	518.4	414.1	404.9	308.6
Multilateral Institutions	112.3	126.4	145.1	127.8	134.1	145.1	149.1	143.7
Bilateral Institutions	19.0	21.4	4.2	28.6	39.2	4.2	19.9	23.3
Other	17.4	33.6	194.3	31.0	30.2	194.3	194.3	192.5
Private Capital Markets	300.0	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%.

** Debt servicing for the 4th quarter of 2010 includes the refinancing of \$131 million in Public Corporations' debt. Net of this transaction, the debt service ratio was 6.3%.

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

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	2008p				2010p				2011			
	2009p		2010p		2009p		2010p		2011		2011	
	Qtr.Ip	Qtr.IIip	Qtr.IVp	Qtr.IVp	Qtr.Ip	Qtr.IIip	Qtr.IVp	Qtr.IVp	Qtr.Ip	Qtr.IIip	Qtr.IVp	Qtr.Ip
A. Current Account Balance (I+II+III+IV)	(871.7)	(808.5)	(812.0)	(173.8)	(193.9)	(314.4)	(173.8)	(107.4)	(329.5)	(328.0)	(198.2)	(126.1)
I. Merchandise (Net)	(2,243.2)	(1,824.7)	(1,888.2)	(440.2)	(508.0)	(447.2)	(440.2)	(454.7)	(516.4)	(501.8)	(456.4)	(519.5)
Exports	955.8	710.7	702.4	198.0	178.1	169.9	198.0	199.9	173.4	168.0	192.4	196.9
Imports	3,199.0	2,535.3	2,590.6	638.1	686.1	617.1	638.1	654.6	689.9	669.8	648.9	716.4
II. Services (Net)	1,488.3	1,154.8	1,312.5	310.7	320.1	193.1	310.7	402.9	259.6	253.7	349.4	420.7
Transportation	(308.0)	(267.6)	(223.8)	(71.2)	(59.8)	(57.5)	(71.2)	(60.4)	(61.1)	(60.3)	(33.5)	(47.0)
Travel	2,196.5	1,773.7	1,919.2	436.3	484.2	365.8	436.3	523.9	416.1	429.2	515.9	541.4
Insurance Services	(106.6)	(92.5)	(165.2)	(17.8)	(34.8)	(29.0)	(17.8)	(45.8)	(39.4)	(55.0)	(21.5)	(39.8)
Offshore Companies	233.8	182.0	157.8	41.5	46.1	48.0	41.5	42.7	38.1	44.4	38.0	46.0
Local Expenses	(56.3)	(87.0)	(43.1)	(15.2)	(27.5)	(38.6)	(15.2)	9.3	(11.8)	(7.7)	(4.7)	8.1
Other Government	(471.1)	(353.8)	(332.4)	(62.9)	(88.0)	(95.6)	(62.9)	(66.8)	(82.2)	(97.0)	(144.9)	(88.0)
Other Services	(77.8)	(152.2)	(233.8)	(35.1)	(17.0)	(67.4)	(35.1)	(65.7)	(66.1)	(65.8)	(63.4)	(44.0)
III. Income (Net)	(18.5)	(11.8)	(27.4)	(2.3)	(3.1)	(2.0)	(2.3)	(8.2)	(7.1)	(9.7)	(9.5)	(11.1)
1. Compensation of Employees	(59.3)	(140.3)	(206.4)	(32.8)	(13.9)	(65.3)	(32.8)	(57.5)	(59.1)	(56.1)	(53.9)	(32.9)
2. Investment Income	(38.9)	13.5	(2.6)	(9.2)	11.0	7.0	(9.2)	8.1	(6.6)	(14.2)	(27.7)	16.7
IV. Current Transfers (Net)	62.9	86.8	87.4	15.5	29.0	20.8	15.5	29.3	22.1	18.2	33.3	28.9
1. General Government	(101.8)	(73.3)	(89.9)	(24.8)	(18.0)	(13.8)	(24.8)	(19.2)	(28.8)	(32.4)	(61.1)	(12.2)
2. Private Sector	1,212.2	1,114.6	1,129.2	226.9	384.2	311.7	226.9	214.4	407.8	360.6	327.1	164.8
B. Capital and Financial Account (I+II) (excl. Reserves)	(8.1)	(7.2)	(3.6)	(1.5)	(2.0)	(1.7)	(1.5)	(1.1)	(0.9)	(1.1)	(0.4)	(1.3)
I. Capital Account (Net Transfers)	1,220.3	1,121.8	1,132.8	228.4	386.3	313.4	228.4	215.5	408.7	361.7	327.6	166.1
II. Financial Account (Net)	860.2	664.0	861.5	73.1	182.6	219.6	73.1	233.9	159.3	318.1	238.7	242.8
1. Direct Investment	(25.0)	(16.7)	(25.4)	(6.6)	(3.9)	(3.1)	(6.6)	(4.4)	(4.1)	(9.4)	(5.8)	(9.4)
2. Portfolio Investment	385.1	474.5	296.7	161.8	207.5	96.9	161.8	(14.0)	253.5	53.0	94.6	(67.3)
3. Other Investments	110.6	319.5	24.7	276.6	28.3	4.9	276.6	5.3	6.7	13.5	20.1	(3.3)
Central Gov't Long Term Capital	(4.3)	184.0	123.7	6.5	(3.4)	185.8	6.5	(3.7)	17.1	99.5	(0.8)	3.8
Other Public Sector Capital	36.2	(21.9)	23.6	(114.9)	162.7	(31.7)	(114.9)	(28.1)	181.3	(87.9)	(42.4)	(155.3)
Banks	242.6	(7.2)	124.8	(6.5)	19.9	(62.1)	(6.5)	12.5	48.4	27.9	117.7	87.4
Other	(231.8)	(53.1)	(272.7)	8.0	(43.7)	(12.7)	8.0	(63.9)	(174.9)	62.3	(14.3)	62.2
C. Net Errors and Omissions	108.7	253.0	44.5	61.0	146.6	(15.5)	61.0	43.1	(96.7)	95.0	114.7	101.0
D. Overall Balance (A+B+C)	(108.7)	(253.0)	(44.5)	(61.0)	(146.6)	15.5	(61.0)	(43.1)	96.7	(95.0)	(114.7)	(101.0)
E. Financing (Net)	--	(178.9)	3.1	1.9	0.0	(180.9)	1.9	4.5	(8.8)	1.8	(5.1)	(1.7)
Change in SDR holdings	0.3	(0.2)	0.2	0.1	(0.4)	(0.2)	0.1	0.2	(0.5)	0.1	(0.3)	(0.1)
Change in Reserve Position with the IMF	(109.0)	(73.9)	(47.8)	(63.0)	(146.3)	196.6	(63.0)	(47.9)	106.0	(96.9)	(109.3)	(99.2)
Change in Ext. Foreign Assets () = Increase												

Source: The Central Bank of The Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

	(B\$ '000)											
	2008			2009			2010			2011		
	2008	2009	2010	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	
I. OIL TRADE												
i) Exports	141,524	112,077	159,706	20,200	33,722	32,426	45,718	39,746	30,702	43,540	61,039	
ii) Imports	847,041	557,132	687,073	124,873	169,336	165,422	144,343	195,178	191,175	156,377	206,992	
II. OTHER MERCHANDISE												
Domestic Exports												
Crawfish	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Fish & other Crustacea	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Fruits & Veggies.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Aragonite	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Rum	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Other Cordials & Liqueurs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Crude Salt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Hormones	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Chemicals	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Other Pharmaceuticals	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Fragrances	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
i) Total Domestic Exports	409,635	333,707	303,594	76,962	72,435	112,285	52,909	77,277	75,926	97,482	70,448	
ii) Re-Exports	150,373	164,824	156,969	31,534	39,027	34,387	37,419	45,317	30,450	43,783	34,715	
iii) Total Exports (i+ii)	560,008	498,531	460,563	108,496	111,462	146,672	90,328	122,594	106,376	141,265	105,163	
iv) Imports	2,354,064	2,239,333	2,175,688	532,342	520,925	572,986	470,455	517,967	567,005	620,261	519,926	
v) Retained Imports (iv-ii)	2,203,691	2,074,509	2,018,719	500,808	481,898	538,599	433,036	472,650	536,555	576,478	485,211	
vi) Trade Balance (i-v)	-1,794,056	-1,740,801	-1,715,124	(423,845)	(409,463)	(426,314)	(380,127)	(395,372)	(460,629)	-478,996	-414,763	

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2008p				2009p				2010p				2011p				Qtr. I
	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	4,390,583	6,028,676	5,248,121	1,178,396	1,008,081	1,192,528	1,383,561	1,324,445	1,196,170	1,343,945	1,527,601						
Air	1,392,284	1,597,316	1,294,804	364,613	283,998	277,213	344,923	368,304	304,067	277,510	320,680						
Sea	2,998,299	4,431,360	3,953,317	813,783	724,083	915,315	1,038,638	956,141	892,103	1,066,435	1,206,921						
Visitor Type																	
Stopover	1,462,403	660,633	988,924	99,879	67,463	64,458	354,036	403,088	333,937	276,992	n.a						
Cruise	2,937,854	4,272,074	3,803,122	773,041	685,430	893,031	1,016,294	902,780	842,128	1,041,920	1,172,006						
Day/Transit	n.a.																
Tourist Expenditure(B\$ 000's)																	
Stopover	n.a																
Cruise	n.a																
Day	n.a																
Number of Hotel Nights	4,398,370	n.a															
Average Length of Stay	6.6	6.6	n.a														
Average Hotel Occupancy Rates (%)																	
New Providence	60.7	57.4	58.0	61.5	55.6	49.3	62.0	63.2	57.7	48.9	n.a						
Grand Bahama	41.0	36.5	36.2	40.6	28.7	37.9	35.0	37.0	36.7	35.9	n.a						
Other Family Islands	35.1	28.8	36.9	30.7	24.6	24.2	36.0	42.9	36.7	31.8	n.a						
Average Nightly Room Rates (\$)																	
New Providence	230.7	209.3	203.6	220.6	185.2	204.6	189.2	224.7	200.2	200.5	n.a						
Grand Bahama	103.4	101.2	97.8	92.8	78.2	82.1	143.7	94.0	73.8	79.5	n.a						
Other Family Islands	245.4	200.1	171.8	201.3	145.7	153.1	223.8	168.0	153.1	142.4	n.a						

Source: The Ministry of Tourism