



Quarterly Economic Review

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QUARTERLY ECONOMIC REVIEW

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

Preliminary data signalled persistent weakness in economic output during the third quarter of 2009, based on the lacklustre performance of the high value-added stopover segment of the tourism market, combined with muted foreign-investment related construction activity and generally depressed private sector demand. Under these circumstances, the Government's revenue performance remained under pressure, causing the overall deficit to deteriorate further over the first three months of FY2009/10, and increasing the reliance on domestic bank financing. Monetary conditions also featured markedly retrenched private sector credit growth, and contracted levels of liquidity and external reserves, partly owing to the seasonal pattern of net foreign currency outflows associated with inventory rebuilding activities. With no improvement in employment, banks' credit quality indicators deteriorated further, resulting in higher levels of loan loss provisions and more conservative lending conditions, as partly evidenced by the expansion in the weighted average interest rate spread. However, the pass-through effects of lower global fuel prices contributed to a softening in average consumer prices. On the external side, the estimated current account deficit narrowed, buoyed by a significant improvement in the merchandise trade deficit, while equity-related direct investment inflows supported a widening in the capital and financial account surplus.

Monetary developments featured a reduction in net free cash reserves of the banking system, of 28.3% to \$258.6 million, although the corresponding ratio to total Bahamian dollar deposits improved to 4.5% from 3.9% in the same period in 2008. As banks augmented their investments in Government bonds, the falloff in the broader surplus liquid assets was limited to 11.0%, for an ending balance of \$463.6 million, which exceeded the statutory minimum by an enlarged 50.0%. In interest rate developments, banks' weighted average interest rate spread widened by 11 basis points to 7.0 percentage points, based on a firming in the weighted average loan

rate, by 2 basis points to 10.69%, and a corresponding decline in the deposit rate, by 9 basis points to 3.70%. Conversely, the average Treasury bill rate for 90-day issues contracted by 28 basis points to 2.49%; while the benchmark Central Bank Discount Rate and commercial banks' Prime Rate were unchanged at 5.25% and 5.50%, respectively.

Reflecting the general downswing in economic conditions, gains in the overall money supply (M3) receded to 0.3% from 1.1% in the corresponding quarter of 2008, for an end-September stock of \$6,036.3 million. In a turnaround from a year earlier 1.1% gain, narrow money (M1) contracted by 0.6%, as accumulations to demand deposits tapered to 0.3% and currency in active circulation declined further by 5.2%. Similarly, broad money (M2) fell by 0.2%, reversing last year's 1.1% upturn, linked to slackened growth in fixed deposits and an extended decline in saving deposits.

Domestic credit expanded by 2.6% to \$8,174.4 million during the review quarter, after a 2.3% gain a year earlier, and continued to be reinforced by increased public sector requirements. Growth in banks' net claims on the Government accelerated to 15.7% from 4.1%, although the increase in credit to public corporations slowed to 1.5% from 8.2%. Private sector credit expansion slackened by 1.2 percentage points to 0.6%, as overdrafts and consumer indebtedness were reduced by 18.2% and 0.5% respectively, outstripping the modest 1.4% rise in residential mortgages.

Based on preliminary estimates of Government's budgetary operations for the first quarter of FY2009/10, the overall deficit widened by 67.1% to \$101.0 million. Sluggish domestic demand conditions translated into a 14.8% contraction in total revenue to \$267.8 million, led by a 15.7% reduction in tax receipts which was broad-based across the various categories. Similarly, non-tax revenues fell by 4.8%, associated with a falloff in collections from fines, forfeits and administration fees. In a slight offset, total spending was 1.6% lower at \$368.7 million, explained primarily by a 3.5% decrease in recurrent expenses which was linked to reduced outlays for

purchases of goods & services. Spending relating in part to the port dredging project, elevated capital outlays by 31.5%. Budgetary financing for the first quarter of FY2009/10 comprised a \$150.0 million domestic bond issue, combined with domestic and external loans of \$15.0 million and \$2.9 million, respectively. Debt amortization payments totaled \$16.0 million, the majority of which was utilized to reduce outstanding Bahamian dollar obligations. For the quarter, the Direct Charge on Government increased by \$151.9 million (4.9%) to \$3,236.7 million; however, the 0.3% contraction in contingent liabilities, to \$438.5 million, slowed the expansion in the National Debt to 4.3%, for an end-September stock of \$3,675.2 million.

Despite the surge in cruise arrivals, provisional data suggests an anaemic tourism sector performance during the third quarter of 2009, due to a sustained downturn in stopover visitors. Aggregate arrivals rebounded by 12.5% to 1.0 million, following a 15.1% falloff during the comparative 2008 period. The outturn was occasioned by a 23.5% boost in sea traffic—the largest segment of the market at 65.4%—a reversal from the 16.9% downturn a year earlier. In contrast, air visitors—which account for the majority of the stopover market—decreased by 8.4%, although improving on last year's 11.5% contraction.

In terms of the main ports of entry, visitors to New Providence recovered by 10.5% from the previous year's 16.7% reduction, as strong gains in the sea segment outweighed the deterioration in air visitors. A similar trend was observed in the Family Islands, where sea passengers supported a 27.7% upturn, to completely offset the year-earlier 20.8% contraction. Conversely, sustained weakness in air arrivals occasioned a 2.9% decrease in traffic to Grand Bahama, a turnaround from the 3.1% increase achieved in 2008.

Lacklustre activity in both foreign investment-led and domestic private sector projects constrained output in the construction sector during the third quarter. Data collected from the main mortgage lending institutions revealed that the contraction in the value of mortgage disbursements for new construction and building repairs deepened to 17.1% from 3.9% in the same period of 2008. The rate of decline was more than five times higher for residential mortgages at 17.8%, and up by less than three percentage points for commercial disbursements to 10.3%. Mortgage commitments for new con-

struction and repairs, a more forward looking indicator of activity, receded by 39.3% to \$34.8 million, comprising downturns in both the residential (40.9%) and commercial (4.5%) components.

In terms of mortgage financing, the average cost of a residential mortgage was relatively unchanged at 8.4%, vis-à-vis the same period of 2008, to contrast with a 1.3 percentage points firming in the commercial rate, to 8.8%.

Benefitting from the moderation in international fuel costs, inflation, as measured by average changes in the Retail Price Index eased, on a quarterly basis, to 0.4% from 1.6% in the comparative 2008 period. Price gains for the largest component of the index—housing—decelerated to 0.5% from 2.2% last year, were flat for food and beverages, following last year's 3.48% upturn, and were reversed to a decline of nearly 1.0% for recreation and entertainment services from a comparative 2.5% expansion.

Over the twelve-month period ending September, the rate of increase in average consumer prices narrowed to 3.1% from 3.9% in 2008, led by a softening in the average costs for furniture & household operations, by 2.87 percentage points to 4.12%; medical care & health, by 2.37 percentage points to 2.57% and transport & communication, by 2.20 percentage points to 1.45%. However, cost gains for food & beverages and clothing & footwear advanced by 1.84 and 0.22 percentage points, to 7.04% and 1.75%, respectively.

In the external sector, the current account deficit declined by an estimated 32.4% to \$283.9 million during the review quarter. The combination of lower payments for oil imports and non-oil imports linked to the generally recessed levels of economic activity, influenced a reduction in the merchandise trade deficit, by 29.6% to \$419.9 million; and the surplus on the services account improved by 8.3% to \$203.0 million, associated with decreased outflows for "other" services—inclusive of professional and technical fees—transportation, insurance and royalty and licence payments. Net receipts of current transfers advanced by 63.3% to \$21.7 million, owing mainly to increased inflows for the Government sector; whereas, the income account deficit rose by \$64.8 million to \$88.8 million, buoyed by a hike in private sector net interest and dividend remittances.

The surplus on the capital and financial account increased slightly to \$295.4 million from \$235.0 million in the corresponding quarter of 2008. Developments were marked by a firming in net foreign direct investment inflows, to \$214.4 million from \$160.7 million, as net equity investments expanded by 35.7% to \$171.7 million and net real estate purchases, by 25% to \$42.7 million. In a slight offset, "other investment" inflows fell by \$3.8 million to \$92.5 million, as domestic banks' short-term net external financing switched to a net repayment of \$31.7 million from a net borrowing of \$66.6 million. Other private sector net outflows related to loan financing contracted by \$92.7 million, behind a \$29.2 million net inflow in 2008. In contrast, buttressed by an expansion in the Central Bank's net foreign assets as a result of increased Special Drawing Rights (SDR) allocations under the recent IMF global initiative, public sector net inflows rose sharply to \$187.3 million, from \$0.4 million in 2008.

FISCAL OPERATIONS

OVERVIEW

Preliminary estimates of the fiscal outturn for the opening quarter of FY2009/10, showed a further deterioration in the deficit, by 67.1% to \$101.0 million, as the prolonged downturn in domestic demand conditions continued to adversely affect Government's revenues performance.

REVENUE

Tax revenue—which comprised 91.4% of total collections—declined by 15.7% to \$244.6 million. The largest decrease was posted for "miscellaneous" stamp taxes, of 47.3% (\$27.2 million) to \$30.4 million, due to a significant curtailment in revenue from property sales linked to the softness in foreign real estate transactions, which offset gains from financial transactions. Collections from business and professional licence fees contracted by 25.9% (\$2.6 million) to \$7.5 million, while taxes on international trade & transactions were reduced by 1.4% (\$2.1 million) to \$146.4 million, as the 5.8% short-fall in the more dominant import taxes eclipsed the 8.2% accretion to excise tax receipts. However, other "unclassified" taxes, which also include yet to be allocated revenue from international trade transactions—declined by 29.8% (\$9.4 million) to \$22.1 million. Reflecting the downturn in the tourism sector, taxes on selected services fell by 22.1%

(\$1.8 million) to \$6.4 million, with hotel occupancy taxes decreasing by \$2.9 million, to outstrip the \$1.1 million gain in gaming taxes. Lower receipts were also registered for property (12.0%) and motor vehicle (7.8%) taxes.

Non-tax revenues, at 8.6% of total receipts, narrowed by 4.8% (\$1.2 million) to \$23.2 million. This outturn reflected an 8.5% (\$1.9 million) falloff in fines, forfeits & administration fees, which overshadowed a combined \$0.9 million accretion in income from public enterprises and other sources. Revenue from the sale of Government property was 54% lower at \$0.1 million.

Government Revenue By Source

(Quarter I)

	FY08/09		FY09/10	
	B\$M	%	B\$M	%
Property Tax	13.1	4.2	11.6	4.3
Selective Services Tax	8.2	2.6	6.4	2.4
Busines. & Prof Lic. Fees	10.1	3.2	7.5	2.8
Motor Vehicle Tax	3.8	1.2	3.5	1.3
Departure Tax	17.4	5.5	17.0	6.3
Import Duties	96.2	30.6	90.6	33.8
Stamp Tax from Imports	3.8	1.2	3.1	1.1
Excise Tax	45.7	14.6	49.5	18.5
Export Tax	2.7	0.9	3.2	1.2
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	57.6	18.3	30.4	11.4
Other Tax Revenue	31.5	10.0	22.1	8.3
Fines, Forfeits, etc.	22.9	7.3	21.0	7.8
Sales of Govt. Property	0.3	0.1	0.1	0.1
Income	1.1	0.4	2.1	0.8
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	--	--
Grants	--	--	--	--
Less:Refunds	0.3	0.1	0.3	0.1
Total	314.3	100.0	267.7	100.0

EXPENDITURE

Total expenditure fell by 1.6% (\$6.0 million) to \$368.7 million, as current outlays trended lower by 3.5% (\$11.5 million) to \$320.0 million, and net lending narrowed by \$3.5 million (23.7%) to \$11.3 million. Conversely, spending on capital projects advanced by 31.5% (\$9.0 million) to \$37.5 million. On a proportional basis, recurrent expenses comprised the majority (86.8%) of total expend-

iture, followed by capital outlays (10.2%) and net lending to public corporations (3.0%).

By economic classification, the decline in current spending reflected a 5.2% (\$10.4 million) falloff in consumption expenditure to \$188.9 million, owing to reduced outlays for goods and services (15.9%), personal emoluments (1.0%), and transfer payments (0.9%). The latter was led by a 7.3% (\$4.0 million) decline in subsidies. Additionally, smaller decreases were recorded for transfers to non-profit institutions (\$1.9 million), nonfinancial public enterprises (\$1.5 million) and transfers abroad (\$1.4 million). Buoyed by the build-up in outstanding domestic debt, interest payments firmed by 19.9% to \$41.8 million, of which Bahamian dollar payments constituted 95.7%.

component at 19.1% of the total—fell by \$10.5 million to \$61.1 million. In contrast, expenditures on health care (19.9% of the total) increased by \$2.7 million to \$63.7 million, and outlays for social benefits and services steadied at \$23.5 million.

Capital spending firmed by 31.5% (\$9.0 million) to \$37.5 million—absorbed by several infrastructure developments—including the sea port dredging project, which outpaced the \$1.6 million falloff in asset acquisitions. Government recorded a net capital transfer (\$1.6 million) to public corporations over the review period, compared to a negligible amount a year earlier.

FINANCING AND THE NATIONAL DEBT

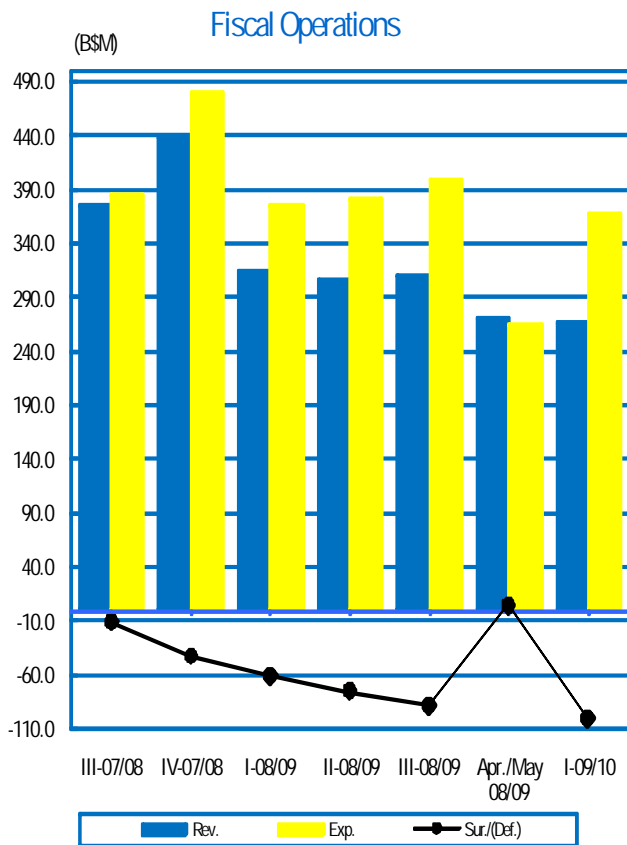
Budgetary financing for the review quarter was secured mainly through a \$150.0 million domestic bond issue, alongside a \$15.0 million local currency loan and \$2.9 million in external borrowings. Debt repayments totalled \$16.0 million, which were almost entirely utilised to reduce Bahamian dollar obligations.

As a result, the Direct Charge on Government firmed by 4.9% (\$151.9 million) over the quarter and by 17.0% (\$469.8 million) vis-à-vis the same period of 2008. Bahamian dollar obligations represented 81.9% of the Direct Charge, and were held by commercial banks (32.3%), private and institutional investors (29.8%), public corporations (27.7%) and the Central Bank (10.2%). At end-September, Government securities accounted for the largest component of the local currency debt stock, at 86.4%, with an average age to maturity of 13 years. Next were Treasury bills, at 9.2%, followed by advances (3.7%) and loans (0.8%).

Accounting for the \$1.5 million (0.3%) contraction in contingent liabilities to \$438.5 million, the National Debt advanced by 4.3% to \$3,675.2 million over the quarter, and by 14.5% in comparison to the end-September 2008 position.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

The public sector's foreign currency debt rose marginally by \$0.4 million (0.04%) to \$996.1 million during the quarter, as \$10.2 million in principal repayments offset the \$10.6 million in new drawings associated mainly with public corporations' activities. At end-September, Government accounted for the majority (58.9%) of the outstanding obligations at \$586.2 million.



On a functional basis, current expenditures on general public services (26.8% of the total), fell by \$8.9 million to \$85.6 million, occasioned by reduced payments for general administration as well as public order & safety. Similarly, spending on education—the third largest

By creditor profile, commercial banks held the largest share of the foreign currency debt (52.4%), followed by private capital market investors (30.1%), multilateral institutions (12.4%), and bilateral & other creditors (5.1%). The average maturity of the debt was approximately 11 years—denominated almost entirely in United States dollars (98.6%).

In comparison to the same period last year, debt service contracted by 10.7% to \$15.7 million, with amortisation payments declining by 23.5% to \$10.2 million, based on lower payments by public corporations. In contrast, higher obligations of the Government boosted interest charges by 28.9% to \$5.6 million. As a result of these developments, both the debt service ratio and the ratio of the Government's debt payments to revenue increased, by 0.1 and 0.5 percentage points to 2.2% and 1.0%, respectively.

REAL SECTOR

TOURISM

Indications are that weakness in tourism output persisted throughout the third quarter, as anaemic consumer demand impulses in key source markets tempered demand for long-stay vacations, although improvements were realised in the cruise visitor segment. To support activity, hoteliers continued their discounting and other incentive programmes.

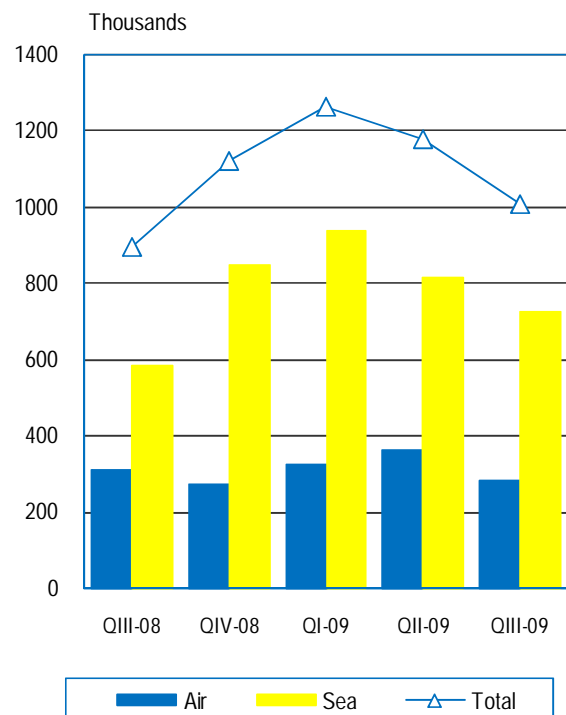
Total arrivals grew by 12.5% to 1.0 million, a turnaround from the 15.1% falloff in visitors a year earlier. This outturn was underpinned by the robust 23.5% gain in sea passengers to 0.7 million, in contrast to the previous year's 16.9% contraction, reflecting both the return and rerouting of a number of cruise ships following health concerns in other ports of call. The falloff in air tourists, which comprised the majority of the key stopover segment, abated to 8.4% from 11.5% in 2008.

By ports of entry, total visitors to New Providence rebounded by 10.5% from last year's 16.7% decline, benefitting from a significant increase in sea passengers (22.3%), which overshadowed the falloff in air traffic (4.8%). Similarly, following a decline of 20.8% in 2008, Family Island arrivals recovered by 27.7%, as sharp gains in the sea component (38.2%), offset the contraction in air tourists (14.9%). In contrast, total visitors to

Grand Bahama fell by 2.9%, reversing the 3.1% growth a year earlier, as air traffic was down by nearly one-fourth.

Hotel sector indicators pointed towards significantly retrenched earning levels, as the weakness in the stopover segment of the market translated into lower occupancy rates, and the industry's aggressive incentive programmes reduced average daily rates.

Visitor Arrivals



CONSTRUCTION

Construction output receded during the quarter, owing to the downturn in foreign investment led activity and ongoing weakness in the housing market. Total mortgage disbursements for new construction and building repairs, as reported by domestic banks, insurance companies and the Bahamas Mortgage Corporation, fell by 17.1% (\$43.5 million), compared to the same quarter of 2008. This outturn reflected declines in both residential and commercial lending, by 17.8% (\$40.8 million) and 10.3% (\$2.7 million), respectively.

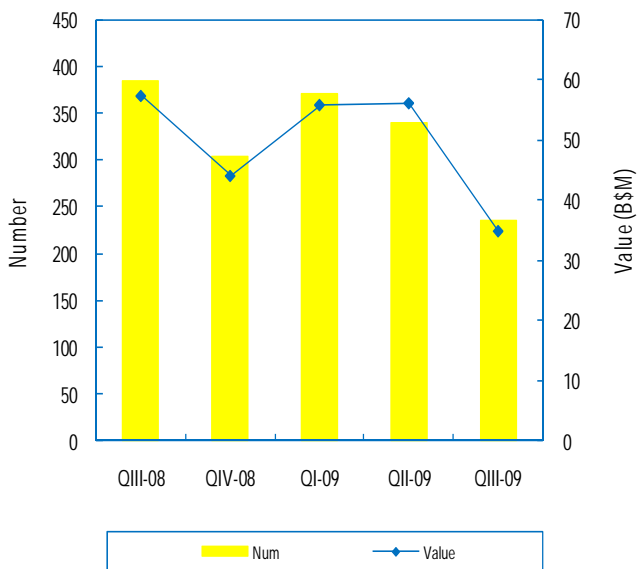
Mortgage commitments for new construction and repairs, a more forward looking indicator, contracted by 39.3% for both number and value to 235 and \$34.8

million, respectively, as the dominant residential component receded by 39.5% to number 225, valued 40.9% lower at \$32.3 million. Correspondingly, commercial mortgages fell in both number (33.3%) and value (4.5%), for 10 projects estimated at \$2.4 million.

In terms of mortgage costs, the average interest rate for residential mortgages was marginally lower at 8.4%, while the commercial rate gained 1.3 percentage points to 8.8%.

For the twelve months to September, inflation softened marginally to 3.1% from 3.9%, occasioned by a slowdown in cost accretions for furniture & household operations, by 2.87 percentage points to 4.12%; medical care & health, by 2.37 percentage points to 2.57% and transport & communication, by 2.20 percentage points to 1.45%. In contrast, average price gains firmed for food & beverages, clothing & education and footwear, by 1.84, 1.08 and 0.22 percentage points, to 7.04% and 3.61% and 1.75%, respectively.

Mortgage Commitments:
New Construction and Repairs



PRICES

The easing in global oil price pressures relative to the previous year had a favourable impact on domestic consumer price inflation, as on average consumer price gains moderated to 0.4% from 1.6% in the same period 2008. Significant slowing in cost accretions—ranging from 0.5 to 3.5 percentage points were registered for food & beverages, housing, and furniture & household operations, with more modest tapering recorded for clothing & footwear (9 basis points to 0.3%) and transport & communications (2 basis points to 1.05%). Also, recreation & entertainment costs declined by 0.96%, compared to a 2.53% gain a year earlier, while moderate price gains were posted for medical care & health and other goods & services.

Average Retail Price Index

(Annual % Changes)

September

Items	Weight	2008		2009	
		Index	%	Index	%
Food & Beverages	138.3	136.3	5.2	145.9	7.0
Clothing & Footwear	58.9	108.9	1.5	110.8	1.8
Housing	328.2	111.3	2.6	112.6	1.1
Furn. & Household	88.7	136.4	7.0	142.0	4.1
Med. Care & Health	44.1	148.3	4.9	152.1	2.6
Trans. & Comm.	148.4	115.6	3.6	117.3	1.5
Rec., Enter. & Svcs.	48.7	129.5	3.0	131.7	1.7
Education	53.1	176.9	2.5	183.2	3.6
Other Goods & Svcs.	91.6	143.8	5.3	151.3	5.2
ALL ITEMS	1000	126.5	3.9	130.4	3.1

Although average domestic fuel costs remained significantly lower than their prior year's highs, prices for diesel and gasoline increased by 22.0% and 11.4% to \$3.24 and \$4.12 per gallon for the quarter, following hikes of 8.5% and 5.7% to \$5.83 and \$5.59, respectively in 2008. In addition, the Bahamas Electricity Corporation's average energy fuel surcharge rose by 32.6% to 10.25 cents per kilowatt hour (kWh), although slightly below last year's 34.3% upturn to 23.11 cents per kWh.

MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Reflecting the seasonal elevation in demand for foreign currency, bank liquidity contracted during the review quarter and the bulk of lending continued to be directed to the public sector. With the ongoing economic recession curtailing borrowers' ability to service their outstanding debts, the credit quality of banks' loan portfolios continued to deteriorate. Consequently, banks increased their levels of provisioning against loan losses, resulting in generally reduced levels of profitability. The adoption of a more conservative lending posture by banks was evidenced in a slight increase in average lending rates which, in combination with a modest decline in the corresponding deposit rate, buoyed an expansion in the weighted average interest rate spread.

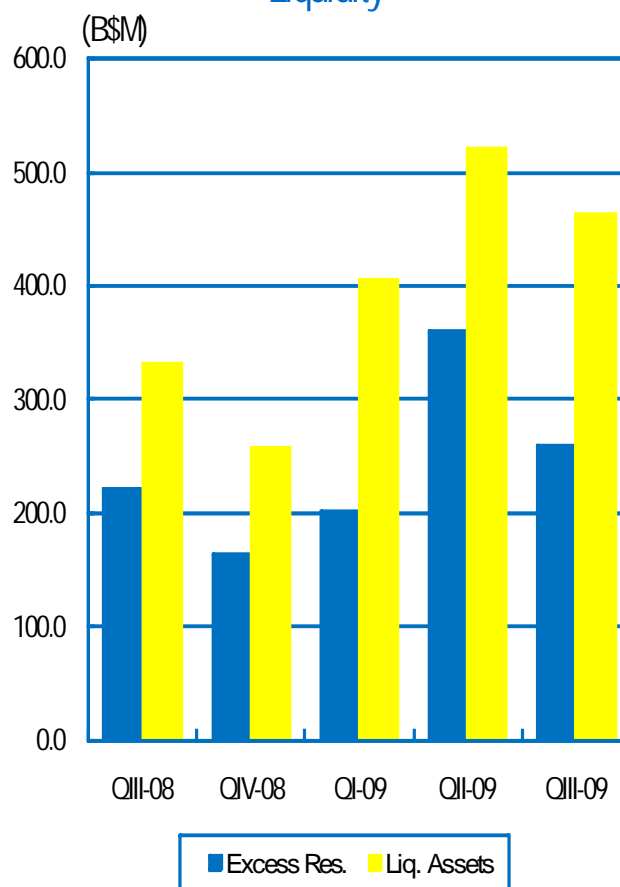
LIQUIDITY

Net free cash reserves—the narrow measure of liquidity—contracted by \$101.8 million (28.3%) to \$258.6 million, extending the 11.9% decrease recorded in 2008. At end-September, the ratio of free cash reserves to Bahamian dollar deposit liabilities stood at 4.5%, approximately 0.6 percentage points higher than the previous year's rate. Although banks increased their holdings of Government bonds, the broader surplus liquid assets declined by \$57.3 million (11.0%) to \$463.6 million, reversing the \$11.9 million (3.7%) rise in the corresponding period last year. Notwithstanding, liquid assets still exceeded the statutory minimum by 50.0%, compared with 36.5% in 2008.

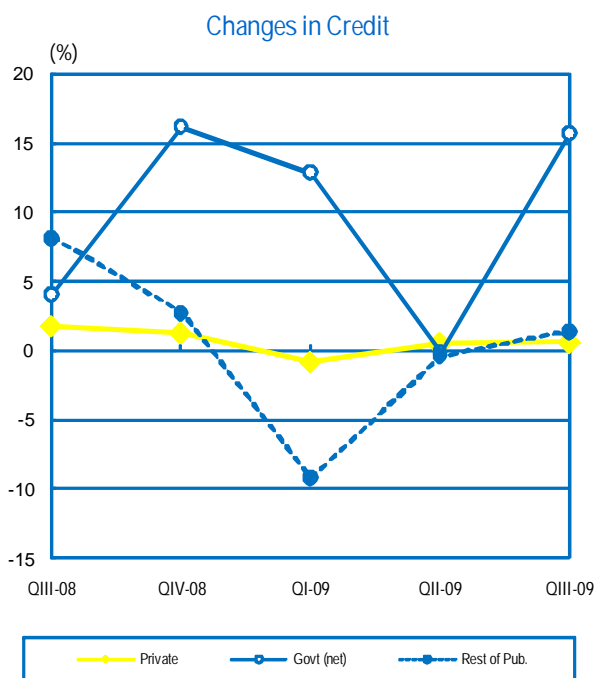
DEPOSITS & MONEY

Occasioned by reduced accretions to private sector balances and stable public sector deposits, growth in the overall money supply (M3) weakened to 0.3% from 1.1% in the corresponding quarter of 2008. Narrow money (M1) contracted by 0.6% (\$7.3 million), with the decline in the currency component extended to 5.2% from 2.3%; while demand deposit gains slowed by 1.4 percentage points to 0.3%.

Liquidity



Broad money (M2) fell modestly by 0.2% (\$14.5 million), in contrast to the year-earlier 1.1% (\$63.1 million) gain. Saving deposits were lower by 3.2%, while fixed deposit balances grew by a reduced 0.8%. Increases in business foreign currency accounts supported a 14.5% (\$30.9 million) hike in foreign currency deposits, to reverse last year's marginal 0.4% falloff. As a result of these developments, the overall money stock (M3) receded by \$16.4 million to \$6,036.3 million. Bahamian dollar fixed deposits constituted the largest share of the money supply (58.1%), followed by demand (18.1%) and savings (16.7%) deposits; while the remainder comprised residents' foreign currency deposits (4.1%) and currency in circulation (3.0%).



DOMESTIC CREDIT

Growth in domestic credit advanced to \$210.2 million (2.6%) from \$175.7 million (2.3%) in the corresponding 2008 period, with increased public sector borrowing activity prompting a more than twofold hike in the Bahamian dollar component. In contrast, net repayments by private sector firms achieved a \$15.4 million (1.8%) contraction in foreign currency credit, which expanded by \$66.4 million (9.5%) last year.

Reflecting increased holdings of securities, following Government's \$150 million bond issue, banks' net claim on the Government advanced strongly to \$163.4 million (15.7%) from \$31.2 million (4.1%) in 2008. In a slight offset, the rate of growth in credit to public corporations slackened to \$5.9 million (1.5%) from a comparative \$33.0 million (8.2%).

The combination of subdued consumer demand, in the face of weakened economic conditions and the adoption of more stringent requirements by domestic banks, continued to constrain private sector credit growth, to \$40.9 million (0.6%) from \$111.5 million (1.8%) a year earlier. For personal loans, which accounted for the bulk of outstanding claims at 77.3%, the expansion was significantly lower at \$43.9 million (0.9%), compared with

\$125.6 million (2.6%) in 2008. This included a near halving in residential mortgage gains, to 1.4%, a higher net repayment position for overdraft facilities, up 18.0 percentage points to 18.2%; and a reversal in consumer credit, to a 0.5% decline from a 2.5% upturn a year earlier.

Distribution of Bank Credit By Sector

End-Sep

	2008		2009	
	B\$M	%	B\$M	%
Agriculture	14.5	0.2	14.7	0.2
Fisheries	12.9	0.2	10.6	0.1
Mining & Quarry	2.7	0.0	0.9	0.0
Manufacturing	44.3	0.6	31.7	0.4
Distribution	186.6	2.7	154.0	2.2
Tourism	208.1	3.0	181.3	2.6
Enter. & Catering	33.3	0.5	35.2	0.5
Transport	28.5	0.4	25.7	0.4
Construction	421.9	6.2	414.4	5.9
Government	65.0	1.0	238.6	3.4
Public Corps.	339.3	5.0	305.0	4.3
Private Financial	24.9	0.4	21.6	0.3
Prof. & Other Ser.	147.6	2.2	137.9	2.0
Personal	4,880.8	71.5	5,042.9	71.3
Miscellaneous	412.7	6.0	456.6	6.5
TOTAL	6,823.1	100.0	7,071.1	100.0

A further analysis of consumer lending revealed broad-based reductions in the majority of categories. Net repayments were recorded for private cars (\$8.2 million), miscellaneous (\$6.7 million), home improvement (\$2.4 million) and credit card (\$1.1 million) loans, and less pronounced declines of under \$1.0 million, for most of the remaining components. As the economic downturn continued to affect borrowers' ability to service existing obligations, the demand for debt consolidation loans increased, resulting in this category firming by \$5.8 million, albeit, a significant slowdown from the \$32.4 million advance posted in 2008. In addition, loans for educational purposes expanded by \$4.2 million over the review quarter.

Regarding other private sector credit categories, modest strengthening was recorded for miscellaneous loans (\$43.2 million), with lower accretions for distribution (\$4.9 million), fisheries (\$3.0 million) and agriculture (\$0.3 million). Conversely, significant net repayments occurred for the construction (\$27.7 million), tourism (\$26.4 million) and professional and other services (\$1.5 million) sectors; while comparatively smaller declines, of under \$1.0 million, were noted for mining & quarrying, entertainment & catering, transport and private financial institutions.

MORTGAGES

Based on an analysis of mortgage trends, as reported by domestic banks, insurance companies and the Bahamas Mortgage Corporation, total disbursements fell by 33.0% (\$53.4 million) to \$108.6 million, reflecting declines in both the residential and commercial components, by 32.6% and 36.1%, respectively. Mortgages outstanding advanced by \$40.2 million (1.3%) to \$3,146.3 million, below the \$48.1 million (1.6%) gain in the corresponding period last year. The expansion in the residential segment—representing 93.1% of total mortgages—moderated to \$37.0 million (1.3%) from \$57.2 million (2.1%) a year earlier. However, commercial mortgages rebounded by \$3.2 million (1.5%), from last year's net reduction of \$9.1 million (4.0%). At end-September, domestic banks held the majority of outstanding mortgages (89.1%), followed by insurance companies (6.2%) and the Bahamas Mortgage Corporation (4.7%).

THE CENTRAL BANK

Rediscounting of Treasury bills by commercial banks—reflecting a shift in their investment portfolios towards long-term instruments—alongside a modest falloff in Government's deposits, led to the Central Bank's net claims on the Government expanding by \$61.2 million (33.1%) to \$245.9 million—up significantly from the \$6.8 million (3.8%) increase of last year. The Bank's net liabilities to the rest of the public sector tapered by \$6.9 million (68.1%), and those to commercial banks fell by \$119.3 million (18.9%)—in line with the decline in liquidity.

Dominated by the general weakness in the major foreign exchange earning sectors, and despite the one-time \$178.7 million boost provided by the increase in SDRs, external reserves contracted over the quarter, by \$15.5 million (2.0%) to \$754.9 million, following a 3.6%

decrease a year ago. The Central Bank's net foreign currency sale rose sharply by \$170.1 million to \$200.2 million, as the net transaction with commercial banks was reversed, to a net sale of \$117.8 million from a net receipt of \$35.1 million a year earlier. This supported banks' own sales to their customers, which more than doubled to \$169.6 million, as purchases plunged by \$59.4 million to \$51.9 million. The position with Government was reversed, to a net sale of \$21.6 million from a net purchase of \$16.5 million a year earlier; while the net sale to public corporations moderated by more than a third to \$60.8 million.

With external reserve balances still well above the comparative 2008 levels, and non-oil imports moderately lower, the benchmark ratio of external reserves to non-oil imports improved to 16.4 weeks at end-September from 15.5 weeks in 2008. Similarly, "useable" reserves were \$108.8 million higher at \$388.3 million.

DOMESTIC BANKS

Domestic banks' credit expansion slowed to 1.9% (\$149.0 million) from 2.3% (\$169.0 million) a year earlier, as the moderation in accretions to private sector and public corporations' claims, overshadowed heightened growth in net credit to Government. Banks utilised increased capital and surplus resources, as well as the build-up in deposit balances, to advance credit, while foreign currency debt repayments by private entities facilitated the reduction in their net foreign liabilities. Growth in credit to the private sector slackened to \$40.9 million (0.6%) from \$111.5 million (1.7%); and their deposit placements also registered lessened gains of \$21.3 million (0.4%) relative to \$41.2 million (0.8%). In contrast, net liabilities to public corporations expanded by \$6.4 million to \$53.6 million, as a 2.7% advance in deposits negated a 1.5% hike in claims; and net credit to Government firmed by \$102.2 million (11.9%), vis-à-vis last year's \$24.4 million (4.2%). With the sustained deterioration in credit quality and falloff in transaction volumes continuing to negatively impact profitability, banks' capital and surplus reserves grew marginally by 0.6% (\$11.0 million), significantly below the 2.3% (\$40.7 million) increase of 2008. Amid net repayments by private sector firms, banks decreased their outstanding net foreign liabilities, by 3.8% (\$31.7 million) to \$796.8 million.

Deposits denominated in Bahamian dollars—which accounted for 95.9% of total balances—stood at \$5,744.2 million at end-September. The majority of these balances were held by private individuals (58.1%), followed by business firms (24.5%), the public sector (10.3%), other entities (3.9%) and private financial institutions (3.2%). In terms of type, fixed deposits comprised the largest segment (62.5%), followed by demand (20.0%) and savings (17.5%) deposits.

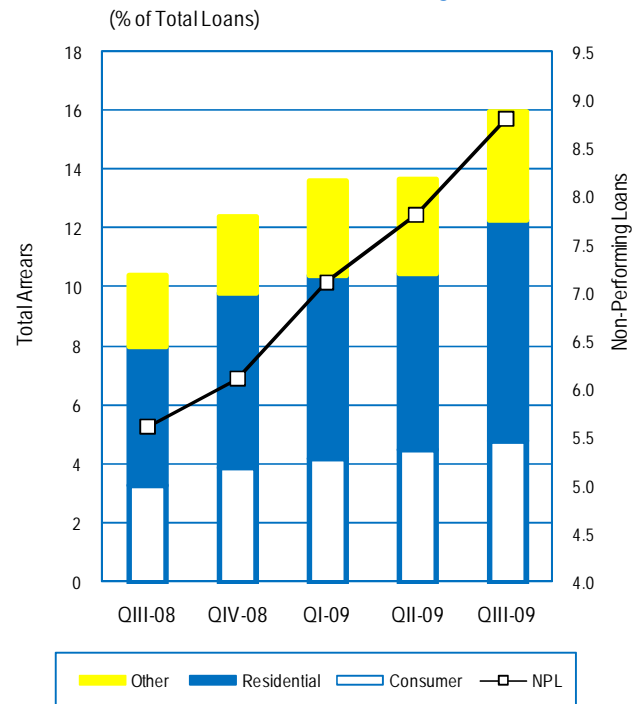
An assessment of Bahamian dollar deposits by range of value and number of accounts showed that balances of \$10,000 or less were most prevalent, at 90.5% of total accounts, but represented a modest 7.0% of overall value. Accounts with balances between \$10,000 and \$50,000 constituted 6.4% of the total and approximately 11.8% of overall value; whereas deposits greater than \$50,000 represented a mere 3.1% of accounts, but in excess of four-fifths (81.2%) of total value.

CREDIT QUALITY

As the ongoing recession continued to diminish business profits and employment prospects, curtailing borrowers' ability to meet debt service payments, further deterioration was observed in banks' credit quality indicators during the review quarter. The value of private sector loans in arrears for more than 30 days rose by \$151.4 million (18.1%) to \$989.2 million by end-September, and the corresponding ratio of arrears to total loans firmed by 2.26 percentage points to 16.0%, compared to 13.74% at end-June and 10.39% at end-September 2008.

The deterioration in credit quality reflected broad-based declines across the major categories of arrears. Most significant was the expansion in residential mortgage delinquencies, by \$98.3 million (26.9%) to \$464.4 million, to account for an increased 16.3% of total mortgages outstanding, up from 13.0% in the prior three months and 10.5% a year ago. Similarly, commercial arrears rose by \$35.4 million (18.1%) to \$231.3 million and, as a proportion to total commercial loans, expanded over the quarter and year, by 2.62 and 8.19 percentage points respectively to 22.1%. Consumer loan delinquencies advanced by \$17.7 million (6.4%) to \$293.5 million and the corresponding ratio, to 13.4% from 12.6% last quarter and 9.1% at end-September 2008.

Loan Arrears & Non-Performing Balances



As the average age of loan arrears continued to increase, non-performing loans—those in arrears for greater than 90 days and on which banks no longer accrued interest—grew by \$63.5 million (13.5%) to \$533.3 million. At end-September, non-accrual loans stood at 8.8% of total outstanding claims, an estimated 0.94 and 3.16 percentage points higher than the rates prevailing at end-June and end-September 2008. In response to these developments, banks have adopted a more conservative approach to their lending portfolios and increased provisions for bad debts by \$9.3 million (4.6%) to \$210.7 million—raising the ratio of provisions to total loans by 0.11 percentage points over the quarter and by 0.84 percentage points year-on-year, to 3.4% at end-September. Nevertheless, as the gains in non-performing loans outpaced increments to provisions, the corresponding ratio to non-performing loans was lowered to 39.5% from 42.9% last quarter and 46.7% a year earlier.

BANK PROFITABILITY

Reflecting sustained increases in non-operating costs—particularly bad debt expenses—banks' net income declined by \$32.1 million (40.9%) in the second quarter of 2009 to \$46.5 million, in comparison to the same period of 2008. Amid a 13.5% contraction in interest expense, which outpaced the 3.6% erosion in interest income, the net interest margin rose by 2.0% to \$123.6 million. The falloff in banks' foreign exchange transactions with clients, reinforced a two-thirds contraction in earnings from commission and foreign exchange services to \$3.6 million, contributing to a 2.5% narrowing in the gross earning margin to \$127.2 million. Total operating costs fell marginally by 1.8% to \$64.4 million, as modest reductions in "miscellaneous" payments—inclusive of Government and professional fees—outpaced increased staff and occupancy costs. However, occasioned by the three-fold increase in provisions for bad debts, to \$36.3 million, domestic banks recorded a loss of \$16.3 million on non-core activities, a reversal from the gain of \$13.6 million a year earlier.

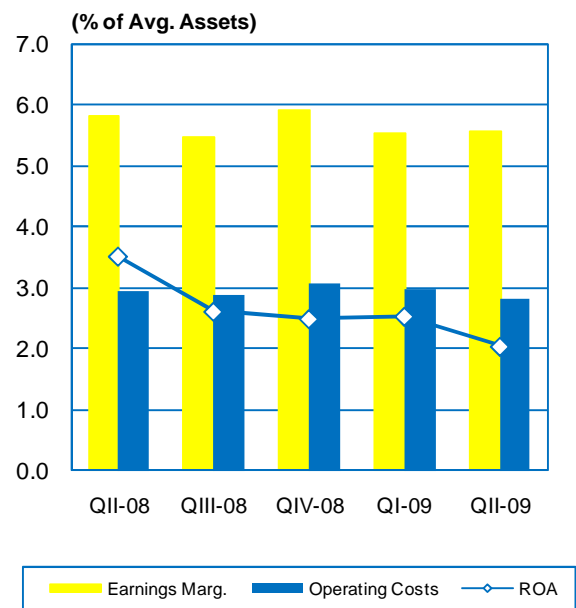
As a percentage of average domestic assets, banks' profitability ratios also deteriorated year-on-year, with the 26 basis point downturn in the commission and foreign income ratio to 0.16%, resulting in a similar tightening in the gross earnings margin, to 5.57% of average assets. A slight offset was provided by the 11 basis points reduction in the operating cost margin, which stemmed the fall in the net earnings ratio to 15 basis points, for an ending ratio of 2.75%. In contrast, the ratio of net income to average assets receded by 1.47 percentage points to 2.04%, due mainly to the surge in non-operating expenses.

INTEREST RATES

In interest rate developments, domestic banks' weighted average interest rate spread on loans and deposits widened by 11 basis points to 7.0 percentage points, owing to the combination of a 9 basis point decline in average deposit rates to 3.70% and a marginal 2 basis point rise in the average lending rate to 10.69%.

The softening in the weighted average deposit rate reflected broad-based reductions in most categories. Rates on savings balances decreased on average, by 2 basis points to 2.09%, while the spread on fixed deposits narrowed from 3.57%-4.33% to 3.54%-4.21%. Conversely, the average rate on demand deposits increased by 13 basis points to 1.56%.

Domestic Banks' Profitability



On the lending side, the average rate for consumer loans rose by 37 basis points to 13.09%, and for commercial and residential mortgages, by 26 basis points to 8.72% and by 3 basis points to 8.26%, respectively. In a slight offset, the average overdraft rate eased by 17 basis points to 11.43%.

Amid increased competition among institutions for Treasury bills, as evidenced by the high volume of bids for the various issues, the average rate charged on 90-day issues softened by 28 basis points to 2.49%. However, other key rates, the Central Bank's Discount Rate and the Commercial Banks' Prime lending rate, steadied at 5.25% and 5.50%, respectively.

INTERNATIONAL TRADE AND PAYMENTS

For the third quarter of 2009, provisional data showed the current account deficit improving by approximately \$135.9 million (32.4%) to \$283.9 million, compared to the same period in 2008, as weakened private sector demand, alongside a general decline in oil prices, led to lower merchandise imports. In addition, the capital account surplus expanded, as the increase in direct investment inflows outweighed modest declines in other “miscellaneous” investments.

The estimated merchandise trade deficit declined significantly by \$176.8 million (29.6%) to \$419.9 million. Reduced volumes combined with the impact of lower international fuel costs, resulted in a contraction in the oil import bill, by 52.2% to \$163.4 million, corresponding to per barrel price declines in jet fuel, motor gas and propane by in excess of 40%. The general weakness in economic activity occasioned a decline in non-oil imports of 10.9% to \$446.2 million; however, total exports fell by 22.9% to \$190.9 million.

The services account surplus rose by 8.3% (\$15.5 million) to \$203.0 million, and was associated with a ratcheting down of outflows related to other “miscellaneous” services—inclusive of decreased payments for professional and technical fees. Net transportation payments also fell by \$19.2 million to \$50.4 million, benefitting from higher inflows for port and airport charges; and marginal declines were recorded for net insurance service outflows and royalty payments, of \$4.1 million and \$2.5 million, respectively. Weak tourism performance translated into a contraction in net travel receipts, by an estimated \$30.6 million to \$364.2 million, while offshore companies trimmed local expenses by 33.5% to \$36.4 million. Outflows directly related to foreign investment construction projects—although well below their recent peaks—rose by 50.5% to \$4.8 million, and outflows to non-residents, related mainly to cruise and port dredging services, underpinned the \$20.6 million increase in net Government service outflows to \$38.6 million.

Banking Sector Interest Rates

	Period Average (%)		
	Qtr. III 2008	Qtr. II 2009	Qtr. III 2009
Deposit Rates			
Demand Deposits	1.42	1.43	1.56
Savings Deposits	2.17	2.11	2.09
Fixed Deposits			
Up to 3 months	3.71	3.57	3.54
Up to 6 months	4.00	3.88	3.93
Up to 12 months	4.48	4.38	3.96
Over 12 months	4.31	4.33	4.21
Weighted Avg Deposit Rate	3.90	3.79	3.70
Lending Rates			
Residential mortgages	8.25	8.23	8.26
Commercial mortgages	8.37	8.46	8.72
Consumer loans	13.07	12.72	13.09
Other Local Loans	8.83	7.76	7.57
Overdrafts	11.57	11.60	11.43
Weighted Avg Loan Rate	11.00	10.67	10.69

CAPITAL MARKETS DEVELOPMENTS

Although most international indices registered gains over the quarter, domestic market activity remained relatively subdued, as moribund economic conditions continued to negatively impact investor sentiment. Consequently, The Bahamas International Securities Exchange (BISX) Share Price Index declined by a further 4.9% to 1,501.78 points, extending the 0.7% decrease noted in the same period of 2008; while market capitalization fell by 5.8% to \$2.4 billion, a reversal from a 1.8% advance to \$2.9 billion registered a year ago. The absence of any significant transactions over the review quarter, in contrast to a foreign-based firm's purchase of 50% of the outstanding shares of a utility a year earlier, resulted in the volume of shares traded on the exchange trending lower by 5.4 million at 1.0 million, with the corresponding value contracting sharply by \$44.0 million to \$4.7 million.

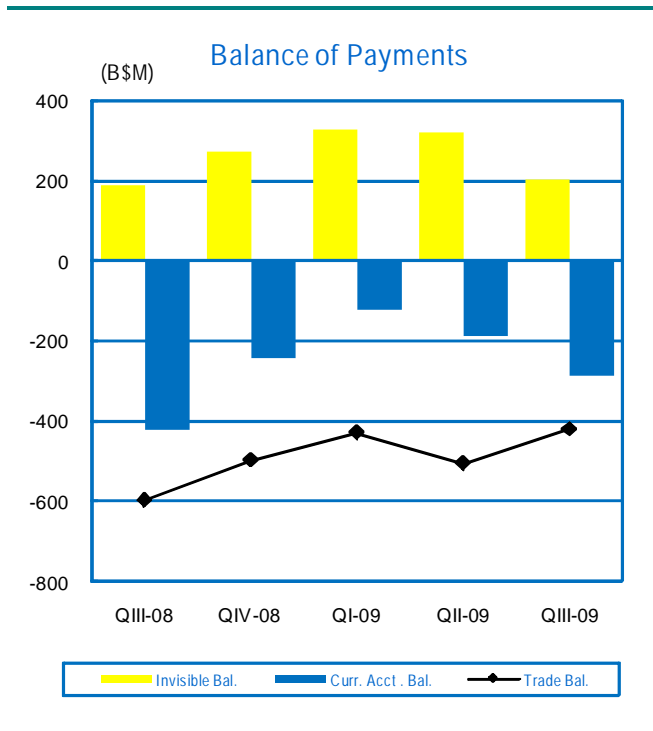
The net income outflow surged by \$64.8 million to \$88.8 million, as commercial banks' reversed the flow of their interest and profit income, from a net receipt of \$7.8 million, to a net outflow of \$61.1 million. Amid a general downturn in foreign interest rates, the Central Bank's investment income fell by \$2.2 million to \$3.9 million, with a slight offset provided by non-bank entities, which recorded a decline in net dividend remittances, of \$3.4 million to \$20.2 million.

In terms of the financial account, increases in equity financing of \$45.1 million to \$171.7 million, and land purchases of \$8.5 million to \$42.7 million, bolstered the net direct investment inflow by \$53.7 million to \$214.4 million. Other "miscellaneous" investment net inflows tapered by \$3.8 million to \$92.5 million, as both domestic banks and private entities recorded respective net repayments of \$31.7 million and \$63.5 million on their foreign liabilities, in contrast to net borrowings of \$66.6 million and \$29.2 million a year ago. However, the boost to the Central Bank's foreign assets provided by the IMF's SDR allocations, contributed significantly to the \$187.3 million increase in the net foreign liabilities of the the public sector; while domestic investors increased their external portfolio investments by an additional \$3.1 million, following a \$3.6 million net investment abroad in 2008.

As a result of these transactions and after adjusting for net errors and omissions, the deficit on the overall balance improved by \$9.2 million to \$15.5 million.

INTERNATIONAL ECONOMIC DEVELOPMENTS

The global economy showed the first tentative signs of recovery from the year-long recession during the third quarter, supported by the pass-through effects of fiscal "stimulus" programmes on consumer spending, combined with aggressive monetary policy easing measures. Consequently, several developed countries emerged from recession, while the contraction in other economies slowed significantly. Nevertheless, the anaemic pace of the rebound, combined with uncertainty regarding the sustainability of the recovery, contributed to private sector job cuts and firming unemployment rates in many countries. Inflation remained relatively subdued, as the softness in consumer demand reduced commodity price pressures. However, one notable exception was gold prices, which firmed significantly over the three-month period, as investors sought to hedge their portfolios against the sustained depreciation in the US dollar vis-à-vis other currencies. Stock market indices—which are generally forward looking indicators—continued to rally over the quarter, supported by the favourable economic outlook and prospects of higher corporate earnings.



The net inflow under current transfers advanced by \$8.4 million (63.3%) occasioned mainly by a \$7.7 million increase in net Government receipts to \$23.1 million. In addition, net private sector outflows were 33.6% lower at \$1.4 million, due solely to a contraction in workers' remittances.

The estimated surplus on the capital and financial account rose by \$60.4 million to \$295.4 million during the third quarter, led by a 19.9% (\$50.4 million) advance in net financial account receipts to \$303.8 million; while the capital account deficit narrowed by \$10.1 million, occasioned by a reduction in migrant-related outflows.

During the third quarter, the US economy experienced a rebound in real output of 2.2%, coming from a 0.7% decline in the second quarter, as the sustained effects of fiscal incentive programmes propelled gains in consumer spending. In addition, inventory investment expanded, as businesses prepared for the holiday season; while a federal tax credit programme supported the first expansion in residential fixed investment for three years. The United Kingdom's economy remained mired in recession, under the weight of declines in services, transportation and business activity—although the quarterly contraction in output slowed by 0.4 of a percentage point to 0.3%. In contrast, the euro zone emerged from recession, with gains in Germany and France—the two largest economies—underpinning the 0.4% rise in economic output in the third quarter. In Asia, fiscal infrastructure stimulus programmes restored China's economic expansion to pre-crisis levels, as output firmed by 8.9% vis-à-vis the previous three-month period. Economic growth in Japan was sustained over the review quarter, with advances in private consumption spending and exports reinforcing real GDP growth of 1.3%, following gains of 2.7% in the previous three-month period.

Amid sustained efforts to reduce costs, employment levels registered broad-based declines over the review quarter. In the United States, the unemployment rate rose to a twenty-year high of 9.6%, up from 9.2% in the June quarter; and worsening conditions in the United Kingdom led to a quarterly upturn in the rate of 0.1 of a percentage point to 7.8%. Reflecting weakness in the Spanish and French markets, the jobless rate in the euro zone rose to 9.7% at end-September from 9.4% at end-June. Improved business conditions in the Japanese market supported a modest decline in unemployment to 5.3%, while indications are that the jobless rate in China stabilised at 4.3%.

Inflation moderated across almost all of the major markets during the quarter, reflecting generally lower energy prices. In the United States, average consumer prices declined by an estimated 1.3% in the twelve-months to September, following a 1.4% contraction in the corresponding period a year earlier. Similarly, inflation in the United Kingdom slowed by 0.7 of a percentage point to 1.1%, benefitting from lower costs for electricity and food & beverages. Buoyed by decreases in transport, housing and food costs, consumer prices in the euro zone fell by an annualized 0.3% in September, extending

the marginal 0.1% decline in June. In Asia, deflationary conditions persisted in Japan, with the fall in consumer prices accelerating, on a quarterly basis, by 0.4 percentage points to 2.2% in September. In contrast, the quarterly rate of decline in China's average consumer prices slowed to 0.8% at end-September.

Buffeted by investors' increased appetite for risk and concerns over the rapid expansion in the US' fiscal deficit and corresponding debt, the dollar continued its slide against most major currencies over the review period. In Europe, the dollar depreciated against the euro and Swiss Franc by 4.29% and 4.97%, respectively, weakened by 6.95% against the yen, and fell marginally by 0.13% against the Yuan. In contrast, persistent uncertainty in the UK market led to a 2.75% appreciation in the dollar, relative to the British pound.

Investors' positive sentiments regarding the outlook for global recovery reinforced gains in most of the major equity markets during the review quarter. In the United States, the Dow Jones Industrial Average (DJIA) rose by 15.0% to 9,712.28, with a similar firming in the Standard & Poor's 500 index to 1,048.40 points. European bourses recorded comparable gains; the UK's FTSE 100 increased by 20.8% to 5,133.90 points; the German DAX, by 18.0% to 5,675.16 points and France's CAC 40 index surged by 20.9% to 3,795.41 points. The performance of the Asian markets was mixed, with the Japanese NIKKEI 225 up 1.8% to 10,133.2 points; however, China's Shanghai SE Composite index fell by 6.1% to 2,779.43 points, amid investors' reported concerns over the timing of the withdrawal of Government's stimulus measures and its impact on the domestic economy.

Reflecting a sustained moderation in global demand pressures and increased stockpiles, crude oil prices contracted by 6.7% to \$65.27 per barrel in the third quarter. In contrast, investors' concerns over the depreciation of the US dollar and heightened prospects for inflation buoyed gold prices by 8.8% to \$1,007.70 per ounce and silver, by 22.3% to \$16.65 per ounce.

As the economic recovery remained relatively fragile, the major central banks maintained their loose monetary policy stances over the review quarter. The Federal Reserve kept its key federal funds rate at a range of 0.0% to 0.25%; however, as a sign of the improving economic outlook, the authorities announced their intent to end the almost \$2.0 trillion debt purchase programme

by year-end. The Bank of England maintained its official bank rate at 0.5%, and also increased its UK Government bond purchase facility, by £50.0 billion to £175.0 billion. Faced with stable prices and modest economic growth, the European Central Bank (ECB) left its main interest rates unchanged and announced a plan to buy €60 billion worth of covered bonds. In Asia, the Bank of Japan maintained its uncollateralized overnight call rate at around 0.1% and extended the length of its corporate credit facilities to support the economic expansion. The Peoples Bank of China also retained its accommodative monetary policy stance, amid a surge in commercial bank lending and the Government's US\$586 million "stimulus" programme.

External sector developments were mixed during the third quarter. In the United States, the trade deficit widened by \$5.8 billion to \$33.1 billion over the previous three-month period, reflecting the Government's incentive programmes, which boosted demand for imported automobiles and fuel. In contrast, the deficit on trade in goods and services in the United Kingdom narrowed marginally, to £8.4 billion from £8.6 billion in the second quarter, owing to an improvement in the goods deficit, which outweighed the modest fall in the services account surplus. In the euro zone, the external trade surplus improved on a quarterly basis, by €4.5 billion to €13.8 billion in the three-months to September. Japan's export-based economy benefitted from the uptick in global demand, as evidenced by the doubling in the surplus on the goods and services account, to ¥8.9 trillion. Similarly, despite a general year-long downturn in exports, indications are that China's trade surplus remained at relatively robust levels in the third 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 total

TABLE 1
FINANCIAL SURVEY

End of Period	2004			2005			2006			2007			2008			2009		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
	(B\$ Millions)																	
Net foreign assets	104.3	(32.2)	(254.4)	(133.4)	(124.4)	(249.0)	(213.4)	(213.4)	(213.4)	(55.4)	61.9	(29.4)	(140.9)	(42.0)	(58.1)	(41.9)	(41.9)	(41.9)
Central Bank	667.8	578.8	499.7	623.5	642.9	464.7	454.2	454.2	454.2	539.6	674.8	650.2	562.9	623.8	770.4	754.9	754.9	754.9
Domestic Banks	(563.5)	(611.0)	(754.1)	(756.9)	(767.3)	(713.7)	(667.6)	(667.6)	(667.6)	(595.0)	(612.9)	(679.6)	(703.8)	(665.8)	(828.5)	(796.8)	(796.8)	(796.8)
Net domestic assets	4,317.2	4,862.4	5,399.5	5,455.3	5,657.4	5,791.7	5,850.7	5,850.7	5,850.7	5,837.9	5,797.3	5,950.8	6,064.9	6,070.7	6,078.0	6,078.2	6,078.2	6,078.2
Domestic credit	5,227.2	5,899.5	6,742.9	6,802.1	7,049.3	7,259.1	7,434.3	7,434.3	7,434.3	7,433.3	7,506.2	7,685.5	7,909.1	7,933.8	7,964.2	8,174.4	8,174.4	8,174.4
Public sector	887.8	945.8	1074.2	1044.3	1,176.2	1,191.8	1,215.9	1,215.9	1,215.9	1,180.4	1,166.7	1,230.9	1,372.3	1,450.0	1,447.4	1,616.7	1,616.7	1,616.7
Government (net)	547.1	642.5	677.0	664.2	773.7	823.6	866.8	866.8	866.8	840.1	763.8	795.0	924.0	1042.9	1041.8	1205.2	1205.2	1205.2
Rest of public sector	340.7	303.3	397.2	380.1	402.5	368.2	349.1	349.1	349.1	340.3	402.9	435.9	448.3	407.1	405.6	411.5	411.5	411.5
Private sector	4,339.4	4,953.7	5,668.7	5,757.8	5,873.1	6,067.3	6,218.4	6,218.4	6,218.4	6,252.9	6,339.5	6,454.6	6,536.8	6,483.8	6,516.8	6,557.7	6,557.7	6,557.7
Other items (net)	(910.0)	(1,037.1)	(1,343.4)	(1,346.8)	(1,391.9)	(1,467.4)	(1,583.6)	(1,583.6)	(1,583.6)	(1,595.4)	(1,708.9)	(1,734.7)	(1,844.2)	(1,863.1)	(1,886.2)	(2,096.2)	(2,096.2)	(2,096.2)
Monetary liabilities	4,421.5	4,830.2	5,145.1	5,321.9	5,533.0	5,542.7	5,637.3	5,637.3	5,637.3	5,782.5	5,859.2	5,921.4	5,924.0	6,028.7	6,019.9	6,036.3	6,036.3	6,036.3
Money	1,134.4	1,247.6	1,251.1	1,267.9	1,330.7	1,273.3	1,300.3	1,300.3	1,300.3	1,308.4	1,305.7	1,320.2	1,274.5	1,336.4	1,285.2	1,277.8	1,277.8	1,277.8
Currency	176.6	195.3	202.1	216.1	216.9	213.3	223.7	223.7	223.7	214.2	204.2	199.6	205.8	197.0	194.3	184.2	184.2	184.2
Demand deposits	957.8	1,052.3	1,049.0	1,051.8	1,113.8	1,060.0	1,076.6	1,076.6	1,076.6	1,094.2	1,101.5	1,120.6	1,068.7	1,139.4	1,090.9	1,093.6	1,093.6	1,093.6
Quasi-money	3,287.1	3,582.6	3,894.0	4,054.0	4,202.3	4,269.4	4,337.0	4,337.0	4,337.0	4,474.1	4,553.5	4,601.2	4,649.5	4,692.3	4,734.7	4,758.5	4,758.5	4,758.5
Fixed deposits	2,410.3	2,556.6	2,781.5	2,907.3	3,002.0	3,074.2	3,144.8	3,144.8	3,144.8	3,245.7	3,320.5	3,381.7	3,427.7	3,451.8	3,480.5	3,506.7	3,506.7	3,506.7
Savings deposits	779.9	881.8	953.3	986.2	1,029.9	1,012.9	992.1	992.1	992.1	1,009.3	1,018.9	1,006.3	1,020.4	1,031.4	1,040.5	1,007.1	1,007.1	1,007.1
Foreign currency	96.9	144.2	159.2	160.5	170.4	182.3	200.1	200.1	200.1	219.1	214.1	213.2	201.4	209.1	213.7	244.7	244.7	244.7
Total domestic credit	5.1	12.9	14.3	0.9	3.6	3.0	2.4	2.4	2.4	(0.0)	1.0	2.4	2.9	0.3	0.4	2.6	2.6	2.6
Public sector	1.0	6.5	13.6	(2.8)	12.6	1.3	2.0	2.0	2.0	(2.9)	(1.2)	5.5	11.5	5.7	(0.2)	11.7	11.7	11.7
Government (net)	8.0	17.4	5.4	(1.9)	16.5	6.4	5.2	5.2	5.2	(3.1)	(9.1)	4.1	16.2	12.9	(0.1)	15.7	15.7	15.7
Rest of public sector	(8.6)	(11.0)	31.0	(4.3)	5.9	(8.5)	(5.2)	(5.2)	(5.2)	(2.5)	18.4	8.2	2.8	(9.2)	(0.4)	1.5	1.5	1.5
Private sector	6.0	14.2	14.4	1.6	2.0	3.3	2.5	2.5	2.5	0.6	1.4	1.8	1.3	(0.8)	0.5	0.6	0.6	0.6
Monetary liabilities	10.4	9.2	6.5	3.4	4.0	0.2	1.7	1.7	1.7	2.6	1.3	1.1	0.0	1.8	(0.1)	0.3	0.3	0.3
Money	25.0	10.0	0.3	1.3	5.0	(4.3)	2.1	2.1	2.1	0.6	(0.2)	1.1	(3.5)	4.9	(3.8)	(0.6)	(0.6)	(0.6)
Currency	10.3	10.6	3.5	6.9	0.4	(1.7)	4.9	4.9	4.9	(4.2)	(4.7)	(2.3)	3.1	(4.3)	(1.4)	(5.2)	(5.2)	(5.2)
Demand deposits	28.2	9.9	(0.3)	0.3	5.9	(4.8)	1.6	1.6	1.6	1.6	0.7	1.7	(4.6)	6.6	(4.3)	0.2	0.2	0.2
Quasi-money	6.2	9.0	8.7	4.1	3.7	1.6	1.6	1.6	1.6	3.2	1.8	1.0	1.0	0.9	0.9	0.9	0.9	0.9

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	2004			2005			2006			2007			2008			2009		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
	(B\$ Millions)																	
Net foreign assets	70.9	4,247.2	4,786.9	(65.9)	(235.0)	(84.1)	(68.5)	(226.7)	(197.2)	(35.5)	82.5	(11.8)	(123.6)	(28.0)	(27.1)	(0.5)		
Central Bank	667.8	5,083.1	5,752.7	578.8	499.7	623.5	642.9	464.7	454.2	539.6	674.8	650.2	562.9	623.8	770.4	754.9		
Commercial banks	(596.9)	883.4	945.8	(644.7)	(734.7)	(707.6)	(711.4)	(691.4)	(651.4)	(575.1)	(592.3)	(662.0)	(686.5)	(651.8)	(797.5)	(755.4)		
Net domestic assets	4,247.2	4,786.9	5,299.4	(65.9)	(235.0)	5,327.1	5,518.8	5,709.2	5,800.3	5,785.8	5,743.2	5,906.0	6,018.5	6,028.5	6,015.5	6,010.2		
Domestic credit	5,083.1	5,083.1	6,588.8	5,752.7	6,588.8	6,650.8	6,899.5	7,120.3	7,401.4	7,413.6	7,480.2	7,659.5	7,882.7	7,908.8	7,918.9	8,126.8		
Public sector	883.4	883.4	1,068.9	945.8	1,068.9	1,039.0	1,171.0	1,186.5	1,212.8	1,177.3	1,163.7	1,227.9	1,369.3	1,445.8	1,422.7	1,588.6		
Government (net)	542.7	542.7	671.7	642.5	671.7	658.9	768.5	818.3	863.8	837.0	760.9	792.0	921.0	1,038.7	1,017.1	1,177.2		
Rest of public sector	340.7	340.7	397.2	303.3	397.2	380.0	402.5	368.2	349.0	340.3	402.8	435.9	448.3	407.1	405.6	411.4		
Private sector	4,199.7	4,199.7	5,519.9	4,806.9	5,519.9	5,611.8	5,728.5	5,933.8	6,188.6	6,236.3	6,316.5	6,431.6	6,513.4	6,463.0	6,496.2	6,538.2		
Other items (net)	(835.9)	(835.9)	(1,289.4)	(965.8)	(1,289.4)	(1,323.7)	(1,380.7)	(1,411.1)	(1,601.1)	(1,627.8)	(1,737.0)	(1,753.5)	(1,864.2)	(1,880.3)	(1,903.4)	(2,116.6)		
Monetary liabilities	4,318.1	4,318.1	5,064.4	4,716.1	5,064.4	5,243.0	5,450.3	5,482.4	5,603.1	5,750.3	5,825.7	5,894.2	5,894.9	6,000.5	5,988.4	6,009.7		
Money	1,124.7	1,124.7	1,238.1	1,223.0	1,238.1	1,254.3	1,313.0	1,256.1	1,278.9	1,290.7	1,284.8	1,305.0	1,257.6	1,319.7	1,265.0	1,261.1		
Currency	176.6	176.6	202.1	195.3	202.1	216.1	217.0	213.3	223.7	214.2	204.2	199.6	205.8	197.0	194.3	184.2		
Demand deposits	948.1	948.1	1,036.0	1,027.7	1,036.0	1,038.2	1,096.0	1,042.8	1,055.2	1,076.5	1,080.6	1,105.4	1,051.8	1,122.7	1,070.7	1,076.9		
Quasi-money	3,193.4	3,193.4	3,826.3	3,493.1	3,826.3	3,988.7	4,137.3	4,226.3	4,324.2	4,459.6	4,540.9	4,589.2	4,637.3	4,680.8	4,723.4	4,748.6		
Savings deposits	779.7	779.7	953.1	881.6	953.1	986.0	1,029.6	1,012.6	991.9	1,009.1	1,018.7	1,006.0	1,020.2	1,031.1	1,040.2	1,007.0		
Fixed deposits	2,316.8	2,316.8	2,467.4	2,467.4	2,714.1	2,842.2	2,937.3	3,031.4	3,132.2	3,231.4	3,308.1	3,370.0	3,415.8	3,440.6	3,469.5	3,497.0		
Foreign currency deposits	96.9	96.9	159.1	144.1	159.1	160.5	170.4	182.3	200.1	219.1	214.1	213.2	201.3	209.1	213.7	244.6		
	(percentage change)																	
Total domestic credit	5.4	13.2	14.5	13.2	14.5	0.9	3.7	3.2	3.9	0.2	0.9	2.4	2.9	0.3	0.1	2.6		
Public sector	1.0	7.1	13.0	7.1	13.0	(2.8)	12.7	1.3	2.2	(2.9)	(1.2)	5.5	11.5	5.6	(1.6)	11.7		
Government (net)	8.1	18.4	4.5	18.4	4.5	(1.9)	16.6	6.5	5.6	(3.1)	(9.1)	4.1	16.3	12.8	(2.1)	15.7		
Rest of public sector	(8.6)	(11.0)	31.0	(11.0)	31.0	(4.3)	5.9	(8.5)	(5.2)	(2.5)	18.4	8.2	2.8	(9.2)	(0.4)	1.4		
Private sector	6.4	14.5	14.8	14.5	14.8	1.7	2.1	3.6	4.3	0.8	1.3	1.8	1.3	(0.8)	0.5	0.6		
Monetary liabilities	10.9	9.2	7.4	9.2	7.4	3.5	4.0	0.6	2.2	2.6	1.3	1.2	0.0	1.8	(0.2)	0.4		
Money	25.6	8.7	1.2	8.7	1.2	1.3	4.7	(4.3)	1.8	0.9	(0.5)	1.6	(3.6)	4.9	(4.1)	(0.3)		
Currency	10.3	10.6	3.5	10.6	3.5	6.9	0.4	(1.7)	4.9	(4.2)	(4.7)	(2.3)	3.1	(4.3)	(1.4)	(5.2)		
Demand deposits	28.9	8.4	0.8	8.4	0.8	0.2	5.6	(4.9)	1.2	2.0	0.4	2.3	(4.8)	6.7	(4.6)	0.6		
Quasi-money	6.5	9.4	9.5	9.4	9.5	4.2	3.7	2.2	2.3	3.1	1.8	1.1	1.0	0.9	0.9	0.5		

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

End of Period	(B\$ Millions)																	
	2004			2005			2006			2007			2008			2009		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Net foreign assets	667.8	578.8	499.7	623.5	642.9	464.7	454.2	539.6	674.8	650.2	562.9	623.8	770.4	754.9				
Balances with banks abroad	311.1	145.4	90.5	226.7	246.3	69.8	59.5	149.8	285.1	261.7	205.8	268.5	354.2	177.5				
Foreign securities	347	424.4	399.8	387.3	387.0	385.1	384.7	379.4	379.4	378.7	347.4	345.9	406.5	386.6				
Reserve position in the Fund	9.7	9.0	9.4	9.5	9.5	9.7	9.9	10.3	10.2	9.7	9.6	9.4	9.7	9.9				
SDR holdings	--	--	--	--	0.1	0.1	0.1	0.1	0.1	0.1	0.1	--	--	180.9				
Net domestic assets	(13.1)	23.1	85.1	89.9	50.7	175.3	235.7	191.9	71.9	64.5	76.9	55.8	74.0	141.4				
Net claims on Government	141.9	122.0	182.5	194.2	163.1	278.7	332.3	295.0	178.5	185.3	198.8	195.3	184.7	245.9				
Claims	149.5	149.7	190.6	201.8	176.9	288.1	347.8	320.0	201.5	199.1	202.9	221.4	213.6	269.3				
Treasury bills	--	--	52.2	49.1	--	116.0	143.5	117.6	--	--	6.3	28.7	--	52.2				
Bahamas registered stock	78.5	72.7	76.4	90.6	104.9	100.1	132.4	130.4	129.5	127.1	124.6	120.7	116.6	120.1				
Loans and advances	71.0	77.0	62.0	62.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0	97.0				
Deposits	(7.6)	(27.7)	(8.1)	(7.5)	(13.8)	(9.4)	(15.6)	(25.0)	(23.0)	(13.8)	(4.1)	(26.1)	(28.9)	(23.4)				
In local currency	(7.6)	(27.7)	(8.1)	(7.5)	(13.8)	(9.4)	(15.6)	(25.0)	(23.0)	(13.8)	(4.1)	(26.1)	(28.9)	(23.4)				
In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
Deposits of rest of public sector	(87.7)	(26.1)	(18.3)	(22.8)	(29.8)	(17.4)	(10.4)	(17.6)	(17.1)	(28.2)	(10.4)	(16.3)	(17.2)	(10.2)				
Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
Official capital and surplus	(98.2)	(105.5)	(107.3)	(115.4)	(112.6)	(111.4)	(111.6)	(121.3)	(123.3)	(128.4)	(125.9)	(127.6)	(129.2)	(130.7)				
Net unclassified assets	22.3	24.4	20.1	25.8	22.1	17.5	17.9	28.3	26.4	28.4	7.1	(2.8)	28.7	29.4				
Loans to rest of public sector	7.6	7.3	7.0	7.0	6.9	6.8	6.8	6.7	6.6	6.6	6.5	6.4	6.2	6.2				
Public Corp Bonds/Securities	1.0	1.0	1.0	1.0	1.0	1.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8				
Liabilities To Domestic Banks	(462.2)	(392.0)	(367.3)	(481.7)	(461.2)	(410.8)	(450.1)	(500.5)	(525.8)	(499.2)	(439.0)	(499.9)	(634.2)	(515.0)				
Notes and coins	(78.5)	(105.8)	(116.2)	(60.3)	(72.0)	(73.5)	(110.1)	(79.7)	(81.8)	(79.1)	(117.6)	(78.2)	(85.6)	(87.3)				
Deposits	(383.7)	(286.2)	(251.1)	(421.4)	(389.2)	(337.2)	(340.0)	(420.8)	(444.0)	(420.1)	(321.4)	(421.7)	(548.6)	(427.7)				
SDR allocation	(15.9)	(14.6)	(15.4)	(15.4)	(15.5)	(15.9)	(16.2)	(16.8)	(16.7)	(15.9)	(15.8)	(15.3)	(15.9)	(197.1)				
Currency held by the private sector	(176.6)	(195.3)	(202.1)	(216.1)	(216.9)	(213.3)	(223.7)	(214.2)	(204.2)	(199.6)	(205.8)	(197.0)	(194.3)	(184.2)				

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

End of Period	(B\$ Millions)																	
	2004			2005			2006			2007			2008			2009		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	
Net foreign assets	(563.5)	(611.0)	(754.1)	(756.9)	(767.3)	(713.7)	(667.6)	(595.0)	(612.9)	(679.6)	(703.8)	(665.8)	(828.5)					
Net claims on Central Bank	461.4	389.7	366.5	479.8	460.4	412.3	448.4	499.7	525.0	498.4	439.9	500.8	635.2					
Notes and Coins	78.5	105.8	116.2	60.3	72.0	73.5	110.1	79.7	81.8	79.1	117.6	78.2	85.6					
Balances	383.7	284.7	251.1	420.4	389.2	339.6	339.1	420.8	444.0	420.1	322.3	422.6	549.6					
Less Central Bank credit	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	--	--	--					
Net domestic assets	4,018.7	4,518.2	4,935.4	5,003.4	5,190.8	5,197.3	5,199.7	5,215.9	5,271.0	5,405.5	5,534.1	5,490.6	5,555.8					
Net claims on Government	405.2	528.9	494.5	469.9	610.6	544.9	534.5	545.1	585.3	609.7	725.2	847.6	857.1					
Treasury bills	26.7	66.1	10.0	18.9	139.6	60.7	50.8	71.7	197.4	189.8	180.2	208.8	172.6					
Other securities	393.3	400.5	437.1	446.7	437.9	463.1	468.5	466.3	460.7	520.5	533.5	602.6	619.7					
Loans and advances	78.2	150.7	156.3	107.7	139.7	136.1	120.3	133.4	57.2	65.1	145.8	176.2	219.0					
Less: deposits	93	88.4	108.9	103.3	106.6	115.1	105.0	126.3	130.0	165.7	134.3	140.0	154.2					
Net claims on rest of public sector	91.5	(25.3)	12.3	15.4	(7.7)	(55.7)	(78.9)	(96.6)	(57.4)	(40.7)	3.4	(89.9)	(47.3)					
Securities	18.6	20.6	121.1	118.4	115.9	98.0	97.7	97.2	95.2	89.3	97.5	99.5	99.5					
Loans and advances	313.5	265.8	268.1	253.7	278.6	262.3	243.9	235.7	300.3	339.3	343.6	300.4	299.1					
Less: deposits	240.6	311.7	376.8	356.6	402.3	416.0	420.5	429.5	452.9	469.3	437.7	489.8	445.9					
Other net claims	(14.1)	(5.9)	(17.9)	(31.3)	(37.6)	(5.3)	(6.9)	(1.2)	(3.1)	(1.7)	(0.1)	(5.1)	(11.1)					
Credit to the private sector	4339.4	4953.7	5,668.7	5,757.8	5,873.1	6,067.3	6,218.4	6,252.9	6,343.1	6,454.6	6,536.8	6,483.8	6,516.8					
Securities	14.7	28.2	21.7	20.3	24.3	24.9	29.6	29.6	36.3	35.9	28.8	29.2	28.3					
Mortgages	1631.1	1919.1	2,258.1	2,320.7	2,390.4	2,480.1	2,580.4	2,617.4	2,702.6	2,766.3	2,819.7	2,848.4	2,881.4					
Loans and advances	2,693.6	3,006.4	3,388.9	3,416.9	3,458.4	3,562.3	3,608.4	3,605.9	3,604.2	3,652.4	3,688.3	3,606.2	3,607.1					
Private capital and surplus	(1121.4)	(1197.5)	(1,477.5)	(1,501.3)	(1,552.1)	(1,600.9)	(1,654.1)	(1,706.6)	(1,775.0)	(1,815.7)	(1,864.6)	(1,911.6)	(1,967.2)					
Net unclassified assets	318.1	264.3	255.3	292.8	304.5	247.0	186.7	222.3	178.1	199.3	133.4	165.8	207.5					
Liabilities to private sector	3,916.6	4,297.1	4,547.8	4,726.4	4,883.9	4,896.0	4,982.7	5,120.6	5,183.1	5,224.2	5,270.2	5,325.6	5,362.5					
Demand deposits	921	1,092.2	1,112.9	1,124.8	1,164.7	1,137.7	1,174.8	1,182.5	1,164.9	1,164.4	1,150.2	1,177.8	1,174.6					
Savings deposits	783.7	885.3	956.8	988.3	1,032.7	1,016.2	994.7	1,013.8	1,024.2	1,012.1	1,024.1	1,036.5	1,044.6					
Fixed deposits	2,211.9	2,319.6	2,478.1	2,613.3	2,686.5	2,742.0	2,813.2	2,924.3	2,994.0	3,047.7	3,095.9	3,111.3	3,143.3					

Source: The Central Bank of The Bahamas

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

Period	(B\$'000s)												
	2006		2007		2008		2007		2008		2009		
	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	646,269	744,537	760,159	182,718	181,288	187,091	193,440	184,145	189,882	187,818	198,314	182,363	182,990
2. Interest Expense	225,205	291,206	278,219	68,909	74,410	73,078	74,809	69,067	68,655	70,259	70,238	62,116	59,386
3. Interest Margin (1-2)	421,064	453,331	481,940	113,809	106,878	114,013	118,631	115,078	121,227	117,559	128,076	120,247	123,604
4. Commission & Forex Income	29,543	31,714	32,328	7,680	7,979	10,936	5,119	9,544	9,322	6,154	7,308	8,185	3,617
5. Gross Earnings Margin (3+4)	450,607	485,045	514,268	121,489	114,857	124,949	123,750	124,622	130,549	123,713	135,384	128,432	127,221
6. Staff Costs	138,087	133,309	148,364	26,848	34,586	36,696	35,179	35,281	36,908	37,410	38,765	36,444	37,450
7. Occupancy Costs	20,669	20,612	23,409	4,595	5,390	5,167	5,460	5,111	5,971	5,879	6,448	5,251	6,319
8. Other Operating Costs	63,002	79,480	91,867	19,773	18,603	21,972	19,132	22,073	22,710	22,033	25,051	27,460	20,671
9. Operating Costs (6+7+8)	221,758	233,401	263,640	51,216	58,579	63,835	59,771	62,465	65,589	65,322	70,264	69,155	64,440
10. Net Earnings Margin (5-9)	228,849	251,644	250,628	70,273	56,278	61,114	63,979	62,157	64,960	58,391	65,120	59,277	62,781
11. Depreciation Costs	11,088	11,673	13,412	2,935	2,986	2,967	2,785	3,101	3,347	3,363	3,601	3,377	3,233
12. Provisions for Bad Debt	43,129	39,817	82,204	5,696	12,567	8,614	12,940	16,227	11,304	23,418	31,255	22,916	36,273
13. Other Income	101,633	107,271	120,334	24,794	32,565	27,202	22,710	37,831	28,299	27,385	26,819	25,559	23,213
14. Other Income (Net) (13-11-12)	47,416	55,781	24,718	16,163	17,012	15,621	6,985	18,503	13,648	604	(8,037)	(734)	(16,293)
15. Net Income (10+14)	276,265	307,425	275,346	86,436	73,290	76,735	70,964	80,660	78,608	58,995	57,083	58,543	46,488
16. Effective Interest Rate Spread (%)	6.15	6.25	6.51	5.88	5.80	6.44	6.88	6.36	6.60	6.40	6.68	6.24	6.52
	(Ratios To Average Assets)												
Interest Margin	5.63	5.50	5.39	5.74	5.17	5.47	5.64	5.33	5.41	5.20	5.60	5.20	5.41
Commission & Forex Income	0.39	0.38	0.36	0.39	0.39	0.52	0.24	0.44	0.42	0.27	0.32	0.35	0.16
Gross Earnings Margin	6.02	5.89	5.75	6.12	5.56	5.99	5.88	5.78	5.83	5.47	5.92	5.55	5.57
Operating Costs	2.64	2.83	2.95	2.58	2.84	3.06	2.84	2.90	2.93	2.89	3.07	2.99	2.82
Net Earnings Margin	3.38	3.05	2.80	3.54	2.72	2.93	3.04	2.88	2.90	2.58	2.85	2.56	2.75
Net Income	4.02	3.73	3.09	4.36	3.55	3.68	3.37	3.74	3.51	2.61	2.49	2.53	2.04

*Commercial Banks and OLFIs with domestic operations

Source: The Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B\$ Millions)

End of Period	2004			2005			2006			2007			2008			2009			
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	
Money supply (M1)																			
1) Currency in active circulation	1,134.4	1,247.6	1,251.1	176.6	195.3	202.1	1,267.9	1,330.7	1,273.3	1,308.4	1,305.7	1,320.2	1,308.4	1,305.7	1,320.2	1,336.4	1,285.2	1,277.8	
2) Demand deposits																			
Central Bank	957.8	1,052.3	1,049.0	87.7	26.1	18.3	1,051.8	1,113.8	1,060.0	1,094.2	1,101.5	1,120.6	1,094.2	1,101.5	1,120.6	1,139.4	1,090.9	1,093.6	
Domestic Banks	870.1	1,026.2	1,030.7	870.1	1,026.2	1,030.7	1,029.0	1,084.0	1,042.6	1,076.0	1,084.4	1,092.3	1,076.0	1,084.4	1,092.3	1,123.1	1,073.7	1,083.4	
Factors affecting money (M1)																			
1) Net credit to Government	547.1	642.5	677.0	547.1	642.5	677.0	664.2	773.7	823.6	840.1	763.8	795.0	840.1	763.8	795.0	1,042.9	1,041.8	1,205.2	
Central Bank	141.9	122.0	182.5	141.9	122.0	182.5	194.2	163.1	278.7	295.0	178.5	185.3	295.0	178.5	185.3	195.3	184.7	245.9	
Domestic Banks	405.2	520.5	494.5	405.2	520.5	494.5	470.0	610.6	544.9	545.1	585.3	609.7	545.1	585.3	609.7	847.6	857.1	959.3	
2) Other credit	4,680.1	5,257.0	6,065.9	4,680.1	5,257.0	6,065.9	6,137.9	6,275.6	6,435.5	6,593.2	6,742.4	6,890.5	6,593.2	6,742.4	6,890.5	6,890.9	6,922.4	6,969.2	
Rest of public sector	340.7	303.3	397.2	340.7	303.3	397.2	380.1	402.5	368.2	340.3	402.9	435.9	340.3	402.9	435.9	407.1	405.6	411.5	
Private sector	4,339.4	4,953.7	5,668.7	4,339.4	4,953.7	5,668.7	5,757.8	5,873.1	6,067.3	6,252.9	6,339.5	6,454.6	6,252.9	6,339.5	6,454.6	6,483.8	6,516.8	6,557.7	
3) External reserves	667.8	578.8	499.7	667.8	578.8	499.7	623.5	642.9	464.7	539.6	674.8	650.2	539.6	674.8	650.2	623.8	770.4	754.9	
4) Other external liabilities (net)	(563.5)	(611.0)	(754.1)	(563.5)	(611.0)	(754.1)	(756.9)	(767.3)	(713.7)	(595.0)	(612.9)	(679.6)	(595.0)	(612.9)	(679.6)	(665.8)	(828.5)	(796.8)	
5) Quasi money	3,287.1	3,582.6	3,894.0	3,287.1	3,582.6	3,894.0	4,054.0	4,202.3	4,269.4	4,474.1	4,553.5	4,601.2	4,474.1	4,553.5	4,601.2	4,692.3	4,734.7	4,738.5	
6) Other items (net)	(910.0)	(1,037.1)	(1,343.4)	(910.0)	(1,037.1)	(1,343.4)	(1,346.8)	(1,391.9)	(1,467.4)	(1,595.4)	(1,708.9)	(1,734.7)	(1,595.4)	(1,708.9)	(1,734.7)	(1,863.1)	(1,886.2)	(2,096.2)	

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT**

End of Period	2005			2006			2007			2008			2009		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
CREDIT OUTSTANDING															
Private cars	209,879	228,421	248,152	247,418	251,167	245,023	227,757	223,349	215,164	227,757	223,349	215,164	227,757	223,349	215,164
Taxis & rented cars	2,317	2,568	1,908	1,925	2,033	2,020	1,817	1,780	1,785	1,817	1,780	1,785	1,817	1,780	1,785
Commercial vehicles	6,038	6,829	6,956	6,966	6,876	6,350	5,656	5,305	5,165	5,656	5,305	5,165	5,656	5,305	5,165
Furnishings & domestic appliances	17,309	19,658	22,394	22,435	22,818	22,043	20,284	19,632	19,759	20,284	19,632	19,759	20,284	19,632	19,759
Travel	41,435	45,944	50,970	48,520	51,036	54,412	43,966	40,488	39,702	43,966	40,488	39,702	43,966	40,488	39,702
Education	47,737	52,858	54,725	53,938	54,012	59,306	55,199	53,283	57,520	55,199	53,283	57,520	55,199	53,283	57,520
Medical	14,446	17,320	20,520	21,014	22,034	22,001	21,435	20,427	19,894	21,435	20,427	19,894	21,435	20,427	19,894
Home Improvements	134,334	152,851	163,070	164,973	167,272	171,886	170,162	166,364	163,942	170,162	166,364	163,942	170,162	166,364	163,942
Land Purchases	174,645	201,318	227,236	232,912	234,282	237,334	246,168	245,876	245,209	246,168	245,876	245,209	246,168	245,876	245,209
Consolidation of debt	413,193	459,791	496,296	505,038	531,296	563,738	594,565	632,422	638,244	605,784	632,422	638,244	605,784	632,422	638,244
Miscellaneous	412,162	489,122	559,119	562,536	556,726	552,197	541,585	529,975	523,307	529,609	529,975	523,307	529,609	529,975	523,307
Credit Cards	188,058	226,401	256,995	258,291	264,375	281,198	294,377	278,614	277,479	283,615	278,614	277,479	283,615	278,614	277,479
TOTAL	1,661,553	1,903,081	2,108,341	2,125,966	2,163,927	2,217,508	2,244,409	2,217,515	2,207,170	2,211,762	2,217,515	2,207,170	2,211,762	2,217,515	2,207,170
NET CREDIT EXTENDED															
Private cars	-2,800	18,542	19,731	-734	3,749	-6,144	-6,248	-4,408	-8,185	-11,018	-4,408	-8,185	-11,018	-4,408	-8,185
Taxis & rented cars	-32	251	-660	17	108	-13	-111	-37	5	-92	-37	5	-92	-37	5
Commercial vehicles	826	791	127	10	-90	-526	-239	-351	-140	-455	-351	-140	-455	-351	-140
Furnishings & domestic appliances	3,337	2,349	2,736	41	383	-775	-870	-652	127	-889	-652	127	-889	-652	127
Travel	621	4,509	5,026	-2,450	2,516	3,376	-4,810	-3,478	-786	-5,636	-3,478	-786	-5,636	-3,478	-786
Education	811	5,121	1,867	-787	74	5,294	-2,051	-1,916	4,237	-2,056	-1,916	4,237	-2,056	-1,916	4,237
Medical	635	2,874	3,200	494	1,020	-33	-566	-732	-533	-276	-732	-533	-276	-732	-533
Home Improvements	20,135	18,517	10,219	1,903	2,299	4,614	-432	-3,798	-2,422	-1,292	-3,798	-2,422	-1,292	-3,798	-2,422
Land Purchases	24,549	26,673	25,918	5,676	1,370	3,052	8,834	-878	-667	586	-878	-667	586	-878	-667
Consolidation of debt	66,398	46,598	36,505	8,742	26,258	32,442	30,827	26,638	5,822	11,219	26,638	5,822	11,219	26,638	5,822
Miscellaneous	38,154	76,960	69,997	3,417	-5,810	-4,529	-10,612	366	-6,668	-11,976	366	-6,668	-11,976	366	-6,668
Credit Cards	21,985	38,343	30,594	1,296	6,084	16,823	13,179	-5,001	-1,135	-10,762	-5,001	-1,135	-10,762	-5,001	-1,135
TOTAL	174,619	241,528	205,260	17,625	37,961	53,581	26,901	5,753	-10,345	-32,647	5,753	-10,345	-32,647	5,753	-10,345

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

Period	2006				2007				2008				2009			
	2006		2007		2007		2008		2008		2009		2009			
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
DOMESTIC BANKS																
Deposit rates																
Savings deposits	2.16	2.05	2.20	2.01	1.96	2.00	2.24	2.30	2.25	2.17	2.06	2.19	2.11	2.09		
Fixed deposits																
Up to 3 months	3.17	3.51	3.70	3.44	3.50	3.52	3.58	3.74	3.71	3.71	3.63	3.64	3.57	3.54		
Up to 6 months	3.63	3.89	4.08	3.88	3.86	3.85	3.98	4.18	4.09	4.00	4.04	4.23	3.88	3.93		
Up to 12 months	3.93	4.28	4.56	4.32	4.19	4.12	4.47	4.83	4.57	4.48	4.35	4.67	4.38	3.96		
Over 12 months	4.18	4.52	4.44	4.84	4.05	4.48	4.71	5.05	4.28	4.31	4.11	4.66	4.33	4.21		
Weighted average rate	3.36	3.69	3.92	3.66	3.63	3.68	3.80	4.02	3.91	3.90	3.86	4.00	3.79	3.70		
Lending rates																
Residential mortgages	7.85	8.16	8.36	7.93	8.13	8.28	8.29	8.36	8.58	8.25	8.25	8.29	8.23	8.26		
Commercial mortgages	8.37	8.75	8.72	8.56	8.26	8.93	9.23	8.62	9.24	8.37	8.64	8.58	8.46	8.72		
Consumer loans	11.96	12.70	13.03	12.15	12.82	12.76	13.05	13.00	13.49	13.07	12.55	12.49	12.72	13.09		
Overdrafts	10.56	11.44	11.45	11.47	12.39	11.04	10.87	11.34	11.79	11.57	11.10	12.84	11.60	11.43		
Weighted average rate	9.97	10.63	10.95	10.35	10.82	10.63	10.72	11.00	11.42	11.00	10.39	10.49	10.67	10.69		
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	5.50	5.50		
Treasury bill (90 days)	0.87	2.66	2.73	2.55	2.64	2.63	2.83	2.69	2.83	2.69	2.73	2.64	2.77	2.49		
Treasury bill re-discount rate	1.37	3.16	3.23	3.05	3.14	3.13	3.33	3.19	3.33	3.19	3.23	3.14	3.27	2.99		
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	5.25	5.25		

Source: The Central Bank of The Bahamas

TABLE 9
SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

Period	2004				2005				2006				2007				2008			
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
Loan Portfolio																				
Current Loans (as a % of total loans)	90.8	92.0	92.5	92.4	92.4	92.4	91.3	90.6	90.9	89.9	89.5	87.5	86.3	86.2	83.9					
Arrears (% by loan type)																				
Consumer	2.9	2.8	2.8	2.6	2.7	2.8	2.8	3.0	3.1	3.2	3.3	3.9	4.2	4.5	4.8					
Mortgage	3.8	3.6	3.1	3.1	3.3	3.9	4.6	4.6	4.4	4.5	4.7	5.9	6.2	6.0	7.5					
Commercial	2.5	1.6	1.6	1.9	1.5	1.9	1.7	1.7	1.5	2.3	2.4	2.6	3.2	3.2	3.7					
Public	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1					
Total Arrears	9.2	8.0	7.5	7.6	7.6	8.7	9.4	9.4	9.1	10.1	10.5	12.5	13.7	13.8	16.1					
Total B\$ Loan Portfolio	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0					
Loan Portfolio																				
Current Loans (as a % of total loans)	90.8	92.0	92.5	92.4	92.4	91.3	90.6	90.6	90.9	89.9	89.5	87.5	86.3	86.2	83.9					
Arrears (% by days outstanding)																				
30 - 60 days	2.9	2.7	2.5	2.7	2.6	3.1	3.6	3.6	3.2	3.4	3.3	4.5	4.3	4.1	4.9					
61 - 90 days	1.5	1.0	0.9	0.8	1.0	1.3	1.3	1.3	1.2	1.7	1.6	1.9	2.3	1.9	2.5					
90 - 179 days	0.8	0.9	0.9	0.8	0.7	0.9	1.2	1.2	1.4	1.2	1.5	1.6	2.1	1.9	2.8					
over 180 days	4.0	3.4	3.2	3.3	3.4	3.4	3.3	3.3	3.3	3.8	4.1	4.5	5.0	5.9	5.9					
Total Arrears	9.2	8.0	7.5	7.6	7.6	8.7	9.4	9.4	9.1	10.1	10.5	12.5	13.7	13.8	16.1					
Total B\$ Loan Portfolio	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0					
Non Accrual Loans (% by loan type)																				
Consumer	39.7	33.9	35.0	31.9	33.1	30.8	29.4	29.4	32.8	31.4	31.6	30.2	30.0	31.0	27.1					
Mortgage	38.8	42.9	40.9	42.7	42.1	42.7	45.6	45.6	46.4	45.3	45.2	44.4	43.4	43.0	45.4					
Other Private	21.4	23.1	24.0	25.3	22.8	24.6	23.2	23.2	19.0	21.5	22.2	23.9	25.2	24.7	26.4					
Public	0.1	0.1	0.1	0.1	2.0	1.9	1.8	1.8	1.8	1.8	1.0	1.5	1.4	1.3	1.1					
Total Non Accrual Loans	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0					
Provisions to Loan Portfolio																				
Consumer	4.0	3.0	3.4	2.8	3.0	2.7	2.8	2.8	3.0	3.1	2.2	3.3	3.6	3.8	4.2					
Mortgage	1.2	1.3	1.3	1.2	1.3	1.2	1.2	1.2	1.2	1.3	1.2	1.4	1.6	1.6	1.7					
Other Private	1.0	1.6	2.5	2.8	2.4	3.2	3.2	3.2	3.3	3.7	4.9	5.4	5.6	7.3	6.7					
Public	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0					
Total Provisions to Total Loans	2.2	2.0	2.3	2.1	2.1	2.1	2.1	2.1	2.3	2.4	2.6	2.7	3.0	3.3	3.4					
Total Provisions to Non-performing Loans	45.0	44.9	54.7	51.1	51.3	48.7	47.9	47.9	47.9	47.9	46.7	46.0	42.4	42.9	39.5					
Total Non-performing Loans to Total Loans	4.8	4.5	4.2	4.1	4.1	4.3	4.5	4.5	4.7	4.9	5.6	6.1	7.1	7.8	8.8					

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)																	
	2004			2005			2006			2007			2008			2009		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
I. Statutory Reserves																		
Required reserves	205.3	226.3	244.7	248.5	258.5	263.1	265.0	269.3	277.4	281.9	283.3	285.2	288.1	293.7				
Average Till Cash	70.2	86.5	96.9	67.9	71.4	72.5	92.8	74.9	77.2	76.1	95.4	74.0	81.4	83.7				
Average balance with central bank	407.5	332.2	265.7	379.6	421.0	340.2	363.1	419.7	453.0	428.7	352.7	413.2	567.1	468.6				
Free cash reserves (period ended)	271.6	191.5	117.2	198.3	233.1	148.9	190.1	224.5	252.0	222.1	164.0	201.2	360.4	258.6				
II. Liquid Assets (period)																		
A. Minimum required Liquid assets	677.2	752.2	802.5	813.6	851.8	858.0	860.0	883.7	894.0	909.3	911.2	930.3	925.9	927.0				
B. Net Eligible Liquid Assets	909.7	895.6	865.6	988.9	1079.5	980.5	1011.9	1075.3	1213.6	1240.7	1168.5	1334.5	1446.8	1390.6				
i) Balance with Central Bank	383.7	284.7	251.1	420.4	389.2	339.6	341.2	420.8	444.0	420.1	322.2	422.6	549.6	428.6				
ii) Notes and Coins	79.0	106.3	116.7	60.8	72.5	74.0	110.6	80.2	82.0	79.6	118.1	78.7	86.1	87.8				
iii) Treasury Bills	26.7	66.1	10.0	18.9	139.6	60.7	50.8	71.7	197.4	189.8	180.2	208.8	172.7	161.7				
iv) Government registered stocks	393.3	400.4	437.1	446.7	437.9	463.1	468.5	466.3	460.7	520.5	513.3	590.6	599.1	680.1				
v) Specified assets	24.9	26.0	39.9	39.7	39.5	37.3	36.6	36.5	34.3	26.5	36.8	38.7	38.5	38.3				
vi) Net Inter-bank dem/call deposits	2.9	12.9	11.7	3.3	1.5	6.6	5.0	0.6	(4.0)	5.0	(1.3)	(4.1)	0.8	(5.9)				
vii) Less: borrowings from central bank	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	--	--				
C. Surplus/(Deficit)	232.5	143.4	63.1	175.4	227.6	122.5	151.9	191.6	319.6	331.4	257.3	404.2	520.8	463.6				

Source: The Central Bank of The Bahamas

**TABLE 11
GOVERNMENT OPERATIONS AND FINANCING**

Period	2006/07p		2007/08p		Budget		2007/08p		2008/09p		2009/10p	
					2008/09	2009/10	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	QTR. IV*
Total Revenue & Grants	1,338.5	1,424.1	1,569.3	1,400.0	375.2	439.2	314.3	306.9	310.9	270.6	267.7	
Current expenditure	1,285.7	1,344.0	1,484.2	1,430.5	339.0	382.3	331.5	334.5	358.4	231.8	319.9	
Capital expenditure	166.3	176.7	188.7	208.9	32.8	79.9	28.5	30.5	28.9	23.0	37.5	
Net lending	69.1	54.1	62.2	49.3	13.1	18.6	14.8	16.7	11.7	10.5	11.3	
Overall balance	(182.5)	(150.8)	(165.7)	(288.6)	(9.8)	(41.6)	(60.4)	(74.8)	(88.1)	5.3	(101.0)	
FINANCING (I+II-III+IV+V)	182.5	150.8	165.7	288.6	9.8	41.6	60.4	74.8	88.1	(5.3)	101.0	
I. Foreign currency borrowing	14.5	127.8	27.9	63.8	0.3	101.9	3.6	12.6	60.7	165.1	2.9	
External	14.5	106.7	27.9	63.8	0.3	100.8	3.6	11.5	10.7	25.1	2.9	
Domestic	--	22.3	--	--	--	1.1	--	1.1	50.0	140.0	--	
II. Bahamian dollar borrowing	230.3	194.5	207.2	309.7	--	--	100.0	--	121.0	25.0	165.0	
i) Treasury bills	10.0	28.0	--	--	--	--	--	--	13.8	--	--	
Central Bank	10.0	28.0	--	--	--	--	--	--	13.8	--	--	
Commercial banks & OLFIs	--	--	--	--	--	--	--	--	--	--	--	
Public corporations	--	--	--	--	--	--	--	--	--	--	--	
Other	--	--	--	--	--	--	--	--	--	--	--	
ii) Long-term securities	195.3	166.5	--	--	--	--	100.0	--	107.2	0.0	150.0	
Central Bank	70.3	41.5	--	--	--	--	--	--	--	--	15.1	
Commercial banks & OLFIs	34.9	25.2	--	--	--	--	47.0	--	67.7	--	84.0	
Public corporations	49.1	55.8	--	--	--	--	13.7	--	8.0	--	30.0	
Other	41.0	44.0	--	--	--	--	39.3	--	31.5	--	20.9	
iii) Loans and Advances	25.0	--	--	--	--	--	--	--	--	25.0	15.0	
Central Bank	25.0	--	--	--	--	--	--	--	--	25.0	15.0	
Commercial banks	--	--	--	--	--	--	--	--	--	--	--	
III Debt repayment	122.5	83.7	60.1	80.8	11.3	47.9	15.9	12.9	1.0	77.5	16.0	
Domestic	92.8	78.4	55.0	75.0	10.5	46.0	15.0	10.9	0.0	75.0	15.0	
Bahamian dollars	91.0	56.6	55.0	75.0	10.5	25.1	15.0	10.0	--	25.0	15.0	
Internal foreign currency	1.8	21.8	--	--	--	20.9	--	0.9	--	50.0	--	
External	29.7	5.3	5.1	5.8	0.8	1.9	0.9	2.0	1.0	2.5	1.0	
IV. Cash balance change	(7.6)	(32.5)	--	--	(30.8)	(1.6)	(26.5)	41.1	(27.7)	(11.8)	11.5	
V. Other Financing	67.8	(55.4)	(9.3)	(4.1)	51.6	(10.9)	(0.7)	34.0	(65.0)	(106.1)	(62.5)	

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

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

TABLE 12
NATIONAL DEBT

(B\$' 000s)

End of Period	2006p		2007p		2008p		2009p			
					Sept.	Dec.	Mar.	Jun.	Sept.	
TOTAL EXTERNAL DEBT										
By Instrument										
Government Securities	289,186	272,972	383,593	374,074	383,593	393,334	421,600	423,524		
Loans	225,000	200,000	300,000	300,000	300,000	300,000	300,000	300,000		
By Holder										
Commercial Banks	64,186	72,972	83,593	74,074	83,593	93,334	121,600	123,524		
Offshore Financial Institutions	--	--	--	--	--	--	25,000	25,000		
Multilateral Institutions	64,186	68,788	79,409	69,890	79,409	89,150	92,416	94,340		
Bilateral Institutions	--	4,184	4,184	4,184	4,184	4,184	4,184	4,184		
Private Capital Markets	225,000	200,000	300,000	300,000	300,000	300,000	300,000	300,000		
TOTAL INTERNAL DEBT										
By Instrument										
Foreign Currency	2,097,077	2,363,056	2,383,008	2,392,782	2,383,008	2,554,074	2,663,171	2,813,171		
Government Securities	4,966	23,160	3,612	3,386	3,612	53,612	162,709	162,709		
Loans	4,966	23,160	3,612	3,386	3,612	53,612	162,709	162,709		
Bahamian Dollars	2,092,111	2,339,896	2,379,396	2,389,396	2,379,396	2,500,462	2,500,462	2,650,462		
Advances	61,988	71,988	71,988	71,988	71,988	71,988	96,988	96,988		
Treasury Bills	192,469	230,469	230,469	230,469	230,469	244,309	244,309	244,309		
Government Securities	1,829,908	2,031,693	2,071,693	2,081,693	2,071,693	2,178,919	2,153,919	2,288,919		
Loans	7,746	5,746	5,246	5,246	5,246	5,246	5,246	20,246		
By Holder										
Foreign Currency	4,966	23,160	3,612	3,386	3,612	53,612	162,709	162,709		
Commercial Banks	4,966	23,160	3,612	3,386	3,612	53,612	162,709	162,709		
Other Local Financial Institutions	--	--	--	--	--	--	--	--		
Bahamian Dollars	2,092,111	2,339,896	2,379,396	2,389,396	2,379,396	2,500,462	2,500,462	2,650,462		
The Central Bank	190,824	348,842	202,993	199,072	202,993	221,554	213,541	269,598		
Commercial Banks	450,474	520,904	691,739	701,305	691,739	782,787	768,723	854,207		
Other Local Financial Institutions	5,271	3,032	2,932	2,932	2,932	4,133	4,633	4,318		
Public Corporations	764,486	729,259	720,783	721,172	720,783	706,320	745,928	733,144		
Other	681,056	737,859	760,949	764,915	760,949	785,668	767,637	789,195		
TOTAL FOREIGN CURRENCY DEBT	294,152	296,132	387,205	377,460	387,205	446,946	584,309	586,233		
TOTAL DIRECT CHARGE	2,386,263	2,636,028	2,766,601	2,766,856	2,766,601	2,947,408	3,084,771	3,236,695		
TOTAL CONTINGENT LIABILITIES	500,885	434,507	446,492	442,389	446,492	444,573	440,013	438,486		
TOTAL NATIONAL DEBT	2,887,148	3,070,535	3,213,093	3,209,245	3,213,093	3,391,981	3,524,784	3,675,181		

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

TABLE 13

PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS¹

(B\$' 000s)

	2006p	2007p	2008p		2009p			
			Sep.	Dec.	Mar.*	Jun.*	Sep.	
Outstanding debt at beginning of period	553,442	636,225	654,368	782,874	843,193	859,878	868,179	995,657
Government	286,528	294,152	296,133	374,779	377,460	387,205	446,946	584,309
Public Corporations	266,914	342,073	358,235	408,095	465,733	472,673	421,233	411,348
Plus new drawings	132,336	194,483	273,746	73,604	27,874	107,140	190,853	10,586
Government	13,872	33,731	118,467	3,604	12,595	60,695	190,853	2,899
Public corporations	118,464	160,752	155,279	70,000	15,279	46,445	--	7,687
Less Amortization	49,553	176,340	68,236	13,285	11,189	98,839	63,375	10,159
Government	6,248	31,750	27,395	923	2,850	954	53,490	975
Public corporations	43,305	144,590	40,841	12,362	8,339	97,885	9,885	9,184
Outstanding debt at end of period	636,225	654,368	859,878	843,193	859,878	868,179	995,657	996,084
Government	294,152	296,133	387,205	377,460	387,205	446,946	584,309	586,233
Public corporations	342,073	358,235	472,673	465,733	472,673	421,233	411,348	409,851
Interest Charges	35,234	40,189	40,767	4,318	17,057	4,077	16,846	5,568
Government	18,254	18,000	20,959	617	11,444	504	12,069	1,791
Public corporations	16,980	22,189	19,808	3,701	5,613	3,573	4,777	3,777
Debt Service	84,787	216,529	109,003	17,603	28,246	102,916	80,221	15,727
Government	24,502	49,750	48,354	1,540	14,294	1,458	65,559	2,766
Public corporations	60,285	166,779	60,649	16,063	13,952	101,458	14,662	12,961
Debt Service ratio (%)	2.7	6.4	3.1	2.1	3.4	13.2	9.9	2.2
Government debt Service/ Government revenue (%)	1.9	3.7	3.4	0.5	4.7	0.5	n.a	1.0
MEMORANDUM								
Holder distribution (B\$ Mil):								
Commercial banks	296.7	312.2	411.3	843.2	859.9	868.2	995.7	996.1
Offshore Financial Institutions	--	--	--	--	--	--	--	--
Multilateral Institutions	108.7	107.5	112.3	0.0	0.0	0.0	0.0	0.0
Bilateral Institutions	0.0	19.2	19.0	104.7	112.3	121.0	122.8	124.0
Other	5.7	15.4	17.4	19.1	19.0	11.0	11.0	15.4
Private Capital Markets	225.0	200.0	300.0	13.2	17.4	38.3	36.4	35.3

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

¹ See notes to tableNote: *Debt servicing during the 1st & 2nd quarters of 2009 includes the refinancing of \$86 million & \$50 million in Public Corporations' and Government's debt. Net of these payments, the respective adjusted debt service ratios were 2.2% & 3.7%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	(B\$ Millions)											
	2006p			2007p			2008p			2009		
	Qtr.II	Qtr.IV	Qtr.II	Qtr.IV	Qtr.II	Qtr.IV	Qtr.II	Qtr.IV	Qtr.II	Qtr.IV	Qtr.II	Qtr.IV
A. Current Account Balance (I+II+III+IV)	(1,373.9)	(1,314.2)	(1,164.8)	(431.9)	(264.4)	(265.6)	(236.6)	(419.8)	(242.8)	(123.2)	(187.0)	(283.9)
I. Merchandise (Net)	(2,033.1)	(2,154.4)	(2,243.2)	(571.4)	(511.8)	(589.1)	(559.6)	(596.7)	(497.8)	(429.3)	(505.6)	(419.9)
Exports	694.2	801.8	955.8	201.1	227.1	238.8	231.6	247.5	238.0	164.7	178.2	190.9
Imports	2,727.3	2,956.2	3,199.0	772.5	739.0	827.9	791.1	844.1	735.8	594.0	683.8	610.8
II. Services (Net)	825.2	1,019.7	1,140.4	176.1	274.7	343.9	335.3	187.5	273.7	328.8	320.0	203.0
Transportation	(301.1)	(315.7)	(308.0)	(75.9)	(69.0)	(82.3)	(79.6)	(69.6)	(76.4)	(79.0)	(57.9)	(50.4)
Travel	1,671.2	1,809.7	1,848.6	379.7	389.3	520.2	528.4	394.8	405.3	485.4	482.3	364.2
Insurance Services	(120.7)	(107.0)	(106.6)	(36.0)	(21.7)	(28.7)	(26.0)	(33.0)	(18.9)	(11.0)	(34.8)	(28.9)
Offshore Companies Local Expenses	188.1	210.2	233.8	56.7	63.0	63.5	44.2	54.8	71.2	46.4	46.1	36.4
Other Government	(68.4)	(44.8)	(56.3)	(21.6)	(4.5)	(6.4)	(18.6)	(18.0)	(13.3)	(5.7)	(27.5)	(38.6)
Other Services	(543.8)	(532.7)	(471.1)	(126.7)	(82.4)	(122.4)	(113.1)	(141.5)	(94.1)	(107.3)	(88.1)	(79.7)
III. Income (Net)	(218.0)	(231.4)	(118.0)	(48.6)	(39.1)	(35.1)	(29.8)	(24.0)	(29.2)	(42.6)	(27.9)	(88.8)
1. Compensation of Employees	(92.8)	(84.7)	(58.7)	(23.8)	(24.4)	(15.4)	(16.9)	(13.6)	(12.7)	(14.3)	(14.0)	(10.6)
2. Investment Income	(125.2)	(146.7)	(59.3)	(24.9)	(14.8)	(19.7)	(12.8)	(10.4)	(16.5)	(28.3)	(13.9)	(78.2)
IV. Current Transfers (Net)	52.0	51.8	56.0	12.0	11.9	14.7	17.5	13.3	10.6	19.9	26.4	21.7
1. General Government	58.3	60.9	62.9	13.8	14.7	17.3	18.0	15.3	12.3	21.5	28.2	23.1
2. Private Sector	(6.3)	(9.1)	(6.9)	(1.8)	(2.9)	(2.6)	(0.5)	(2.1)	(1.7)	(1.6)	(1.7)	(1.4)
B. Capital and Financial Account (I+II)	1,216.7	999.5	1,132.5	157.0	231.2	229.8	360.9	235.0	306.9	184.5	376.1	295.4
(excl. Reserves)												
I. Capital Account (Net Transfers)	(63.5)	(75.7)	(76.3)	(21.5)	(16.0)	(11.6)	(10.7)	(18.4)	(35.5)	(10.4)	(7.6)	(8.4)
II. Financial Account (Net)	1,280.2	1,075.2	1,208.8	178.6	247.2	241.4	371.6	253.4	342.4	194.9	383.7	303.8
1. Direct Investment	706.4	746.2	838.9	163.0	153.7	159.0	219.4	160.7	299.7	187.3	181.3	214.4
2. Portfolio Investment	(18.8)	(8.4)	(9.2)	--	(4.1)	(2.0)	(3.6)	(3.6)	--	--	(4.5)	(3.1)
3. Other Investments	592.6	337.4	379.1	15.6	97.6	84.4	155.8	96.3	42.7	7.6	206.9	92.5
Central Gov't Long Term Capital	2.7	(15.4)	110.6	1.8	1.3	(0.5)	98.9	2.7	9.5	9.7	28.3	1.9
Other Public Sector Capital	(6.2)	21.9	(4.3)	(1.1)	23.0	(1.1)	(3.0)	(2.3)	2.1	(4.9)	(3.4)	185.8
Banks	143.1	(86.5)	36.2	(18.3)	(46.2)	(72.5)	17.9	66.6	24.2	(38.0)	162.7	(31.7)
Other	453.0	417.4	236.5	33.1	119.5	158.5	41.9	29.2	6.9	40.8	19.3	(63.5)
C. Net Errors and Omissions	78.1	268.9	141.4	96.8	22.4	121.4	10.9	160.2	(151.2)	(0.6)	(42.4)	(27.0)
D. Overall Balance (A+B+C)	(79.0)	(45.9)	109.1	(178.1)	(10.8)	85.6	135.2	(24.6)	(87.1)	60.7	146.6	(15.5)
E. Financing (Net)	79.1	45.9	(109.1)	178.1	10.8	(85.6)	(135.2)	24.6	87.1	(60.7)	(146.6)	15.5
Change in SDR holdings	0.1	0.1	--	--	--	--	--	--	--	--	--	(180.9)
Change in Reserve Position with the IMF	(0.5)	(0.5)	0.3	(0.3)	(0.1)	(0.4)	0.1	0.5	0.1	0.3	(0.4)	(0.2)
Change in Ext. Foreign Assets () = Increase	79.5	46.3	(109.4)	178.4	10.9	(85.2)	(135.3)	24.1	87.0	(61.0)	(146.3)	196.6

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

	(B\$ '000)												
	2007				2008				2008				
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	
I. OIL TRADE													
i) Exports	167,600	141,524	28,438	40,098	38,598	60,466	51,401	23,465	33,039	33,619			
ii) Imports	615,782	847,041	106,550	169,542	173,969	165,721	211,264	252,625	189,661	193,491			
II. OTHER MERCHANDISE													
Domestic Exports													
Crawfish	81,370	n.a.	16,594	9,174	20,408	35,194	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Fish & other Crustacea	1,864	n.a.	511	525	591	237	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Fruits & Vegs.	1,198	n.a.	647	78	8	465	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aragonite	35,577	n.a.	10,073	8,820	8,530	8,154	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Rum	20,282	n.a.	5,438	4,497	6,709	3,638	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.
Crude Salt	6,599	n.a.	2,179	1,364	1,655	1,401	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.
Chemicals	84,562	n.a.	15,188	19,930	30,040	19,404	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Pharmaceuticals	347	n.a.	74	94	105	74	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.
Other	147,290	n.a.	35,205	41,487	37,029	33,569	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
i) Total Domestic Exports	379,089	409,635	85,909	85,969	105,075	102,136	98,510	95,056	111,713	104,356			
ii) Re-Exports	123,398	150,373	27,865	29,322	29,888	36,323	28,310	55,578	35,608	30,877			
iii) Total Exports (i+ii)	502,487	560,008	113,774	115,291	134,963	138,459	126,820	150,634	147,321	135,233			
iv) Imports	2,488,023	2,354,064	659,118	620,817	650,398	557,690	596,808	570,663	580,752	605,841			
v) Retained Imports (iv-ii)	2,364,625	2,203,691	631,253	591,495	620,510	521,367	568,498	515,085	545,144	574,964			
vi) Trade Balance (i-v)	(1,985,536)	(1,794,056)	(545,344)	(505,526)	(515,435)	(419,231)	(469,988)	(420,029)	(433,431)	(470,608)			

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2006p			2007p			2008p			2009p		
	2006p	2007p	2008p	2007p	2008p	2009p	2008p	2009p	2009p	2009p	2009p	2009p
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
Visitor Arrivals	4,730,607	4,600,572	3,325,637	1,056,021	1,115,058	1,303,601	1,069,611	896,057	1,121,314	326,569	405,135	1,008,081
Air	1,491,633	1,485,633	1,097,185	350,293	336,299	403,333	405,135	309,873	273,943	939,543	664,476	283,998
Sea	3,238,974	3,114,939	2,228,452	705,728	778,759	900,268	664,476	586,184	847,371	900,268	664,476	724,083
Visitor Type												
Stopover	1,600,112	1,521,691	1,123,830	363,779	310,080	414,185	440,465	331,269	276,484	n.a	n.a	n.a
Cruise	3,076,397	2,970,659	2,116,202	660,787	758,700	868,745	696,715	549,047	823,347	774,837	265,661	n.a
Day/Transit	68,085	n.a.	n.a.	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Tourist Expenditure(B\$ 000's)	2,056,428											
Stopover	1,880,300	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Cruise	172,043	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Day	4,085	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Number of Hotel Nights	3,266,878	3,249,959	2,460,929	817,761	811,961	1,125,481	1,118,239	1,104,533	1,050,117	n.a	n.a	n.a
Average Length of Stay	6.4	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Average Hotel Occupancy Rates (%)												
New Providence	76.9	73.7	71.7	71.6	64.9	69.2	66.5	63.0	48.4	n.a	n.a	n.a
Grand Bahama	52.0	46.6	45.7	44.6	37.7	46.8	46.7	37.0	34.0	n.a	n.a	n.a
Other Family Islands	36.3	38.5	37.3	35.0	27.7	39.6	41.8	31.0	26.3	n.a	n.a	n.a
Average Nightly Room Rates (\$)												
New Providence	172.0	202.1	211.4	196.5	197.0	266.1	236.4	135.0	208.0	n.a	n.a	n.a
Grand Bahama	122.3	120.0	106.6	104.2	99.3	127.4	105.9	97.1	96.0	n.a	n.a	n.a
Other Family Islands	205.1	221.4	246.2	206.7	216.5	329.3	243.7	203.0	209.1	n.a	n.a	n.a

Source: The Ministry of Tourism