



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 indicate a moderate fall-off in economic activity during the third quarter of 2008, due to weakness in the tourism and construction sectors and a tempering in credit supported consumer demand. Meanwhile, inflation accelerated on both a quarterly and annual basis, as the effects of higher international fuel and food prices continued to accumulate in domestic costs. Data for the first quarter of Fiscal Year (FY) 2008/09 showed a widening in the estimated deficit compared to the previous year, as the increase in Government expenditures outpaced the comparative recovery in revenue collections. Monetary developments featured more subdued credit expansion, in contrast to strengthened growth in the deposit base, sustaining buoyant liquidity conditions and a smaller seasonal increase in the banking system's net foreign liabilities. These conditions also supported softening in average interest rates and a reduction in the average spread between lending and deposit rates. In the external sector, the current account deficit widened moderately, due mainly to a rise in net imports and a reduction in the services account surplus. Meanwhile, the capital and financial account surplus increased moderately, largely owing to a reversal in net short-term inflows through the banking system, which funded foreign currency lending to the public sector.

Despite the seasonal accommodation of credit expansion, the drawdown in net free cash reserves of the banking system narrowed to 11.9% from 36.1% in 2007, sustaining excess balances of \$222.1 million. This represented an expanded 3.9% of total Bahamian dollar liabilities, compared to 2.8% in the comparable period of 2007. Given the flow of excess resources into Government securities, the broader surplus liquid assets advanced by 3.7% to \$331.5 million, elevating the excess over the statutory minimum to 36.5% from 14.3% in 2007. In light of the buoyant liquidity conditions, banks recorded a narrowing in the weighted average interest rate spread on loans and deposits, by 41 basis points to 7.10%, with the average loan rate softening by 42 basis points to

11.00%, and the corresponding deposit rate, by one basis point to 3.90%. Similarly, the average 90-day Treasury bill rate declined by 14 basis points to 2.69%; however, benchmark rates—the Central Bank's Discount Rate and the commercial bank's Prime Rate—remained at 5.25% and 5.50%, respectively.

Supported by steadied gains in private individuals deposits and stronger growth in public corporations' balances, the pace of expansion in the money aggregates (M3) accelerated to 1.1% from 0.2% in the corresponding quarter of the previous year, for an end-September stock of \$5,921.4 million. Notably, increased placements by public corporations underpinned a 1.7% rebound in demand deposits, relative to a 4.8% decline last year. This outweighed tempered fixed deposits gains of 1.8% vis-à-vis 2.4% in 2007; and a continued but moderated decline in saving balances of 1.2%. Also, foreign currency deposits of residents fell by 0.4%, reversing a gain of 7.0% in the same quarter of 2007.

Domestic credit growth tapered during the third quarter, to 2.3% (\$175.7 million) from 3.0% (\$209.7 million) in 2007, with abated private sector trends countering an accelerated 5.5% advance in net claims on the public sector. Dominated by the Bahamian dollar component, private sector credit expansion narrowed to 1.8% from 3.3% in the previous year, with slackened advances for both net consumer (2.5%) and residential mortgages lending (2.9%). Moreover, total credit to the business sector registered a downturn of 0.7%. In the public sector, the rise in net claims on the Government narrowed to 4.1% from 6.4%; however, foreign currency advances underpinned an 8.2% rebound in credit to public corporations, relative to the 8.5% contraction in 2007.

Preliminary estimates of the Government's budgetary operations for the first quarter of FY2008/09, indicated that, compared to the same period of FY2007/08, the estimated deficit widened by 18.2% to \$60.1 million. In particular, a moderately strengthened increase in total expenditures of 8.8% to \$374.7 million outpaced a 7.1% rebound in revenue to \$314.6 million. On the expenditure

side, current outlays—which accounted for 88.4% of the total—expanded by 9.1%, minimally influenced by increased social outlays. Capital spending (7.6% of the total) contracted by 6.7%; albeit, net lending to public enterprises rose by 42.6%. Under revenues, tax receipts recovered by 8.2%, with a sizeable share of the turnaround as yet unallocated and outweighing an estimated 5.9% reduction in trade taxes. However, non-tax flows dipped by 4.5%. Budgetary financing during the fiscal quarter included respective net Bahamian and foreign currency borrowings of \$85.0 million and \$2.7 million, which increased the Direct Charge by 3.3% to \$2,765.2 million. Moreover, the contingent liabilities of public corporations rose by 4.6%, raising the National Debt by 3.5% to \$3,207.5 million.

Weakness in tourism performance persisted during the third quarter, culminating in some employment retrenchment, amid continued projected declines in hotel occupancy levels over the remainder of the year and into early 2009. The latest official data for the first two months of the third quarter, indicated that total visitors arrivals contracted by 9.0% to 686,145, accelerating the 1.7% decline in the same period last year. Air arrivals, which include stopovers, rebounded by 3.6% from a loss of 3.4% in 2007. However, the falloff in sea passengers, mainly owing to fewer cruise line activity, deepened to 15.4% from 0.9%. On a destination basis, New Providence recorded an extended drop in visitors of 11.0%, as a downturn in sea passengers overshadowed a healthy uptick in air traffic. Family Island arrivals fell further by 8.4%, with extended declines in sea passengers and a downturn in air visitors. Following a 15.8% advance in 2007, Grand Bahama experienced a 1.5% downturn in tourists, as the tempered increase in cruise passengers was dominated by a sharp contraction in air arrivals,.

Construction activity remained weak during the third quarter. Although preliminary data revealed modestly firmed foreign investment inflows, the underlying support for building activities was reduced, outweighing rebounded growth in funding for domestic investments. Data from banks, insurance companies and the Bahamas Mortgage Corporation revealed that, in comparison to 2007, quarterly mortgage disbursements for new construction and repairs increased by 7.7% to \$105.3 million, after a slowdown of 11.1% over the corresponding quarters of 2006 and 2007. In particular, disbursements for

residential projects recovered by 19.5% to \$96.83 million, overshadowing a 47.0% downturn in commercial activity, to \$9.2 million. More forward looking indicators, total mortgage commitments for new construction and repairs, strengthened by 80.0% to \$57.3 million, reinforced by an 87.0% increase in residential approvals to \$54.7 million. In contrast, commercial commitments receded marginally by 0.4% to \$2.5 million. In terms of borrowing costs, the average interest rate for commercial mortgages declined by 1.3 percentage points to 7.50% vis-à-vis the same quarter in 2007, and the corresponding residential rate, by 10 basis points to 8.50%.

Both the quarterly and annual inflation rates remained at elevated levels, due to the pass-through effects of higher international food and fuel prices. Inflation, as measured by the changes in the average Retail Price Index, accelerated on a quarterly basis, to 1.6% from 0.6% in 2007. The largest cost increases were noted for food & beverages (3.5%), housing (2.2%) and recreation & entertainment services (2.5%). Increases of less than 2.0% were registered for all other categories. For the twelve month period ending September, inflation firmed to 3.9% from 2.4% in 2007, led by intensified increases in all categories, except for recreation & entertainment services.

In the external sector, the estimated current account deficit worsened by 12.7% to \$486.8 million during the quarter, owing to a widening merchandise trade deficit and a contraction in net services receipts, which overshadowed reduced net income outflows. In particular, the merchandise trade deficit rose by 12.2% to \$641.2 million, reflecting a 36.3% hike in the oil import bill and a 3.8% increase in the non-oil deficit. Additionally, the services surplus declined by 5.4% to \$166.6 million, as expanded net foreign payments for professional and “other services” overshadowed the modest expansion in net travel receipts of 4.0%. In contrast, the income deficit was nearly halved to \$25.8 million and net current transfer receipts firmed by 14.1% to \$13.7 million.

The estimated surplus on the capital and financial account improved to \$229.3 million from \$124.2 million in 2007. This outturn included a gain in foreign direct investments to an estimated \$157.1 million from \$130.1 million last year, albeit including a nearly one-third reduction in net real estate transactions, which more readily

stimulate construction activity. Private loan inflows contracted slightly to \$29.2 million from \$33.1 million; while domestic banks' short-term net external financing rose by \$66.6 million, strongly reversing the \$18.3 million net repayment recorded last year.

dividends and other sources was reduced by 38.5% to \$1.1 million. Although augmented, income from the sale of government property remained negligible at \$0.3 million.

FISCAL OPERATIONS

OVERVIEW

Initial estimates for the first quarter of FY2008/09 indicate that the fiscal deficit widened to \$60.1 million from \$50.8 million in the corresponding period of FY2007/08. The outcome reflected stronger expenditure growth, which outstripped recovered revenue collections.

REVENUE

Total revenue receipts expanded by 7.1% to \$314.6 million, in contrast to the 10.2% reduction registered last year. This reflected an 8.2% rebound in tax receipts (92.3% of total revenues), which outweighed a 4.5% downturn in non-tax collections (7.7% of the total).

The bulk of the tax revenue gains were captured under "other" unclassified receipts which almost doubled to \$29.4 million. In addition, stamp taxes on financial and other transactions (excluding trade) rose by 16.5% to \$57.6 million; while, amid steady gains in air arrivals, departure taxes recovered by 30.3% to \$17.9 million. Conversely, recorded taxes on international trade and transactions fell by 5.9% to \$150.2 million. The restructuring of the tariff regime shifted a sizeable portion of these receipts into the newly established excise tax category (30.7% of total), with the respective shares attributed to import duties (64.8%) and stamp taxes on imports (2.6%) correspondingly reduced. Meanwhile, taxes on selected tourism services contracted by 16.2% (\$1.6 million), as declines in gaming taxes overshadowed almost steadied hotel occupancy tax receipts. Similarly, property tax collections contracted by 27.6% to \$13.1 million, while receipts of business & professional licence fees and motor vehicle taxes were relatively unchanged, at \$10.1 million and \$3.8 million, respectively.

Non-tax revenue receded by 4.5% to \$24.4 million, as collections from fines, forfeitures and administrative fees fell by 2.4% to \$22.9 million. Also, income from

Government Revenue By Source

(Jul - Sep)

	FY07/08		FY08/09	
	B\$M	%	B\$M	%
Property Tax	18.2	6.2	13.1	4.2
Selective Services Tax	10.0	3.4	8.3	2.6
Busines. & Prof Lic. Fees	10.1	3.5	10.1	3.2
Motor Vehicle Tax	3.8	1.3	3.8	1.2
Departure Tax	13.8	4.7	17.9	5.7
Import Duties	122.2	41.6	97.3	30.9
Stamp Tax from Imports	34.0	11.6	4.0	1.3
Excise Tax	--	--	46.1	14.7
Export Tax	3.5	1.2	2.7	0.9
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	49.5	16.8	57.6	18.3
Other Tax Revenue	15.9	5.4	29.4	9.3
Fines, Forfeits, etc.	23.5	8.0	22.9	7.3
Sales of Govt. Property	0.2	0.1	0.3	0.1
Income	1.8	0.6	1.1	0.4
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	--	--
Grants	--	--	--	--
Less: Refunds	12.7	4.3	0.3	0.1
Total	293.7	100.0	314.6	100.0

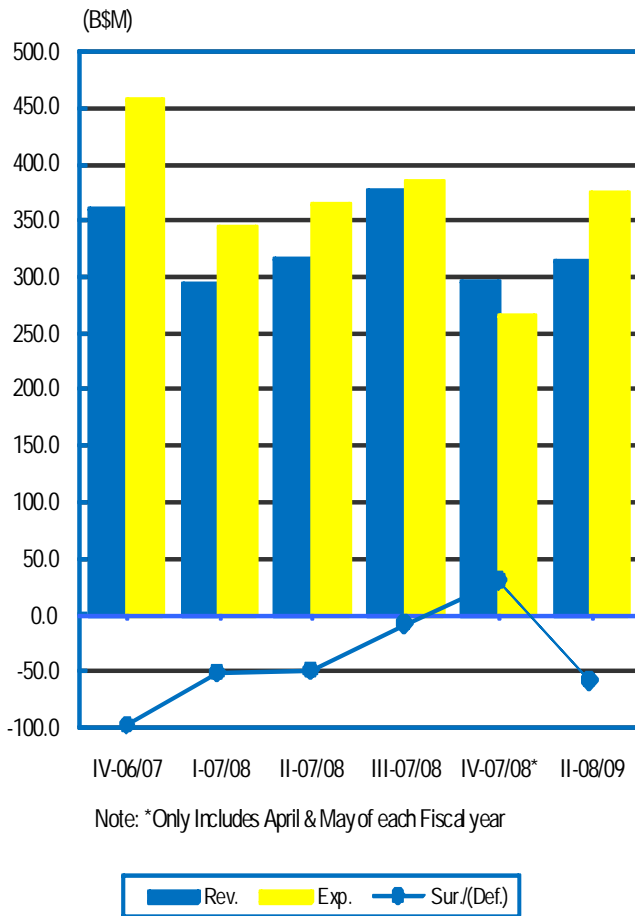
EXPENDITURE

Total expenditure advanced by 8.8% to \$374.7 million, extending the 6.6% registered growth in the same period of 2007. In particular, current outlays rose further by \$27.8 million (9.1%) to \$331.4 million, outpacing the \$2.0 million (6.7%) decline in capital expenditure to \$28.5 million. Meanwhile, net lending to public enterprises increased by \$4.4 million (42.6%) to \$14.8 million.

On an economic basis, Government consumption outlays rose by \$12.3 million (6.6%) to \$199.2 million, owing to the respective firming in purchases of goods & services and emolument payments by \$6.7 million (13.3%) and \$5.6 million (4.1%). Transfer payments advanced by \$15.5 million (13.3%) to \$132.2 million, due notably to a 16.3% hike in subsidies, which comprised

42.0% of transfers. Boosted transfers also reflected elevated payments to households of \$1.9 million (9.6%); non-profit institutions, of \$1.3 million (11.0%) and overseas entities, of \$1.7 million (a more than five-fold boost). Owing to growth in the Bahamian dollar debt, total interest payments increased by 6.4% to \$34.9 million.

Fiscal Operations



By functional classification, the recurrent spending advance included a 7.6% expansion in outlays for general public services to \$94.5 million, comprising 28.5% of the total. Similarly, expenditures were elevated for defence, by 10.4% to \$10.8 million; education, by 5.9% to \$71.6 million and health, by 5.4% to \$61.0 million. Spending on economic services rose by 1.1% to \$28.4 million, due mainly to increased expenses for public works and water supplies. However, more modest increases were noted for labour & employment services (\$0.5 million), agriculture and fisheries (\$0.3 million) and land survey & mete-

orological services (\$0.1 million). Partly reflecting increased public sector assistance amid the weak economic environment, social benefits and service outlays expanded by 15.6% to \$23.5 million, and spending on "other" community and social services, by 30.5% to \$5.8 million.

Capital expenditures fell by 6.7% to \$28.5 million, associated with a two-third decline in acquisitions of fixed assets—particularly land, to \$2.4 million. In contrast, capital formation, targeting infrastructure improvement projects, strengthened by 12.0% to \$26.1 million. On a functional basis, the only significant scaleback in investments occurred for education and health.

FINANCING AND THE NATIONAL DEBT

Budgetary financing for the review quarter was secured from the issuance of a \$100 million Bahamian dollar bond and \$3.6 million in external loans. Debt repayment totalled \$15.9 million, of which \$15.0 million reduced Bahamian dollar obligations. As a result, the Direct Charge on Government expanded by \$87.7 million (3.3%) to \$2,765 million, culminating in an 8.5% advance from the previous year. Bahamian dollar denominated debt totalled \$2,389.4 million or 86.4% of the Direct Charge. Holders of the local currency debt included private individuals and institutional investors (32.0%), public corporations (30.2%), domestic banks (29.5%) and the Central Bank (8.3%). Correspondingly, long-term securities represented 87.1% of the Bahamian dollar debt, bearing an average maturity of 12.5 years, while the remainder consisted of Treasury bills (9.6%) and bank loans & advances (3.2%).

During the third quarter, the Government's contingent liabilities grew by 4.6% to \$442.4 million, due mainly to the issuance of \$24.5 million in bonds by public corporations. Inclusive of these developments, the National debt rose by 3.5% to \$3,207.5 million over the review quarter, and by 7.2% (\$215.0 million) over the previous year.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

During the review quarter, public sector foreign currency debt expanded by 8.0% to \$833.8 million, owing to new drawings of \$73.6 million, as opposed to an estimated \$12.2 million in amortization payments. The public corporations' liabilities rose by 14.7% to \$458.0 million, accounting for 54.9% of the total, whereas the Govern-

ment's obligations increased marginally by 0.7% to \$375.8 million.

By creditor profile, commercial banks remained the largest holders of the foreign currency debt (50.4%), followed by private capital markets (36.0%), multilateral institutions (12.6%), other entities (0.7%) and bilateral institutions (0.4%). Approximately 98.5% of the debt was denominated in US dollars, and the average maturity was 13.6 years.

In comparison to the same period last year, debt servicing firmed by 15.0% to \$18.0 million, as amortization payments increased by 7.0% to \$12.2 million and interest charges, by 36.7% to \$5.8 million. While the corresponding ratio of Government debt service to revenue was relatively stable at 0.4%, aggregate debt service as a fraction of exports of goods and services rose by 0.3 percentage points to 2.3%

declines in both the air and sea segments, of 10.4% and 7.8%, respectively.

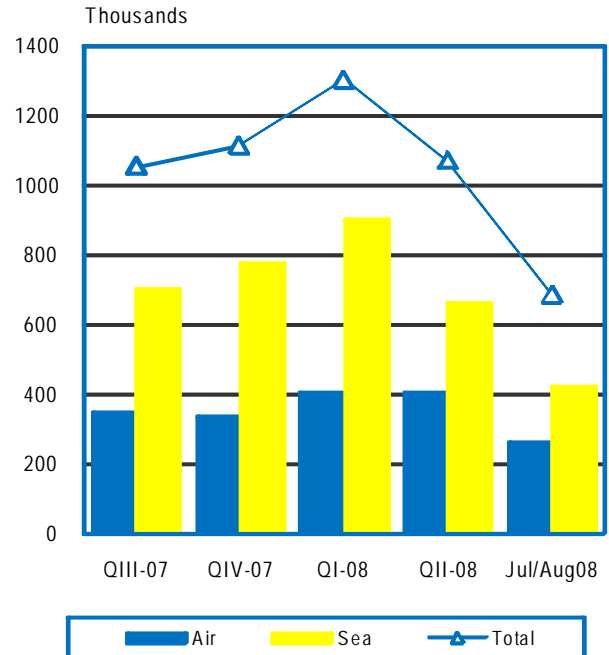
REAL SECTOR

TOURISM

The external sector weaknesses led to further softening in tourism output during the third quarter of 2008. This trend, and a projected continuation of declining occupancy levels over the next two quarters, led to some retrenchment in employment in the hotel sector. The comparative falloff in visitor arrivals, for the first two months of the review quarter, intensified to 9.0% from 1.7% in 2007, for a visitor count of 686,145. Air arrivals, which comprised 38.6% of the total, increased by 3.7%, reversing last year's 3.4% decline a year ago. However, the reduction in sea visitors was extended to 15.4% from 0.9% last year.

Disaggregated by port of entry, arrivals to New Providence declined at an accelerated pace of 11.0% compared to a 3.2% falloff last year, as the 11.7% recovery in air traffic was outweighed by a significant deepening in the losses in the sea segment to 25.4% from 0.2% last year, as cruise line activity contracted. For Grand Bahama, total arrivals fell by 1.5%, a downturn from the 15.8% gain in the same months last year, reflecting a 20.0% retrenchment in air arrivals and significantly narrowed sea visitor growth of 7.5%. Also, visitors to the Family Islands fell by 8.4%, extending the 2007 falloff of 6.6%, owing to

Visitor Arrivals



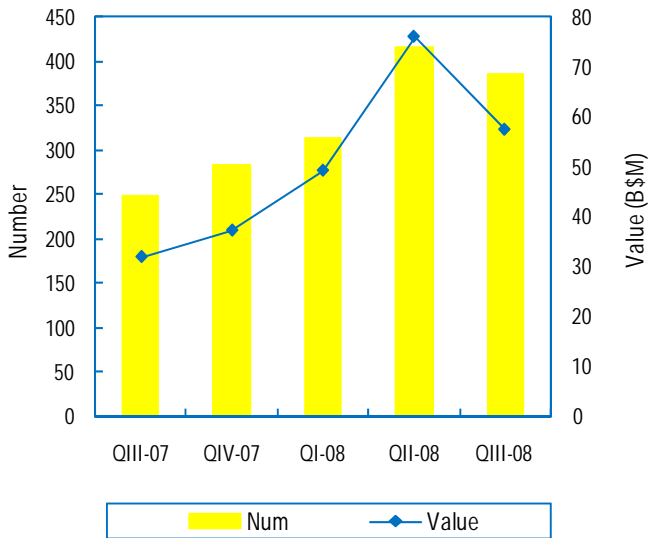
CONSTRUCTION

Construction activity remained sluggish during the third quarter, due to weakened support from foreign investment activity—notably real estate inflows—which partly offset a rebounded level of domestic residential investments. As an indicator of domestic financing for construction activity, total mortgage disbursements for new construction and repairs, as reported by banks, insurance companies and the Bahamas Mortgage Corporation, rose by 7.7% to \$105.3 million, partially recovering from the 11.1% abatement in the comparative quarter last year. For the residential segment, disbursements rebounded by 19.5% to \$96.1 million. Conversely, the commercial component contracted by 47.0% to \$9.2 million.

Local mortgage commitments for new construction and repairs—a leading indicator of future construction activity—strengthened in number by 54.6% to 385 and in value by 80.0% to \$57.3 million. This included marked

gains in the residential segment, in both number and value, by 59.0% and 87.0% to 372 and \$54.7 million, respectively. Conversely, the number of commercial commitments decreased by 13.3% to 13, with valuation marginally reduced by 0.4% to \$2.5 million.

**Mortgage Commitments:
New Construction and Repairs**



In interest rate developments, healthy liquidity conditions supported a narrowing in the average rate on residential loans by 10 basis points to 8.5% in comparison to 2007, vis-à-vis a 50 basis points firming to 8.6% between the same quarters of 2007 and 2006. Similarly, borrowing costs for commercial mortgages fell by 130 basis points to 7.5%, from a stable 8.8% in the corresponding quarter last year.

PRICES

Domestic cost pressures intensified during the third quarter of 2008, reflective of the sustained pass-through effects of earlier price increases for international crude oil, food and other commodities. Inflation, as measured by variations in the Retail Price Index, firmed during the quarter to 1.6% from 0.6% in the same period last year. Average cost increases accelerated for food & beverages, to 3.5% from 0.6%; housing—inclusive of electricity—to 2.2% from 0.5%; and for transportation & communication—which captures fuel costs—to 1.1% from 0.5%. Estimated costs for clothing & footwear also rose further

by 0.4% from 0.1% last year and for recreation & entertainment services, by 2.5%, following a comparative 0.7% deceleration last year. Otherwise, more modest cost increases were noted for furniture & household operations (1.2%), medical care & health (0.1%) and 'other' goods & services (0.3%), while educational costs were stable.

**Average Retail Price Index
(Annual % Changes)
September**

Items	Weight	2007		2008	
		Index	%	Index	%
Food & Beverages	138.3	131.1	3.4	141.6	8.1
Clothing & Footwear	58.9	107.5	0.7	109.4	1.8
Housing	328.2	108.8	0.3	114.4	5.2
Furn. & Household	88.7	132.3	7.1	140.9	6.5
Med. Care & Health	44.1	144.0	3.3	150.0	4.2
Trans. & Comm.	148.4	112.7	2.5	117.5	4.2
Rec., Enter. & Svcs.	48.7	125.0	1.2	133.2	6.6
Education	53.1	172.8	2.3	176.8	2.3
Other Goods & Svcs.	91.6	137.1	0.8	150.5	9.8
ALL ITEMS	1000	122.8	2.1	129.8	5.7

For the 12-months ending September, average consumer price inflation rose to 3.9% from 2.4% in 2007, with increases across most categories. Accelerated average cost gains were posted for housing—the most heavily weighted component of the index, to 2.6% from 0.7%; furniture & household operations, to 7.0% from 4.0%; food & beverages to 5.2% from 3.8%; transport & communication, to 3.7% from 2.7%; medical care & health, to 4.9% from 2.8%; education, to 2.5% from 1.7%; clothing & footwear, to 1.5% from 0.8% and "other" goods & services, to 5.3% from 4.6%. A more modest cost increase was recorded for recreation & entertainment services, of 3.0% vis-à-vis 3.4% last year.

As imported fuel costs were still elevated at the start of the third quarter, the Department of Statistics' survey revealed that the average retail price of gasoline and

diesel in New Providence also continued their upward trajectory, by 5.7% and 8.5% to \$5.59 and \$5.83 per gallon, respectively. In 2007, these costs increased respectively by 0.1% to \$4.44 per gallon and by 6.6% to \$3.54 per gallon. With regards to electricity costs, the Bahamas Electricity Corporation raised its fuel surcharge over the quarter, by 34.3% to 23.11¢ per kilowatt hour, more than doubled the comparative rise of 18.2% to 11.79¢ per kilowatt hour a year earlier. Meanwhile, indications are that gasoline and electricity costs have started to decrease since September, and this trend is expected to continue into the first quarter of 2009.

liquid assets exceed the statutory minimum by 36.5%, compared to a more modest 14.3% last year.

DEPOSITS AND MONEY

Buoyed by the steadied build-up in private individual's holdings and strengthened growth in public corporations' deposits, expansion in the money supply (M3) firmed to 1.1% from 0.2% in 2007. Narrow money (M1) recovered by 1.1%, after a contraction of 4.3% last year. In particular, a strong upturn in public corporations' placements supported recovered demand deposits of 1.7% (\$19.1 million), outstripping a larger decline in currency in circulation of 2.3% (\$4.6 million).

MONEY, CREDIT AND INTEREST RATES

OVERVIEW

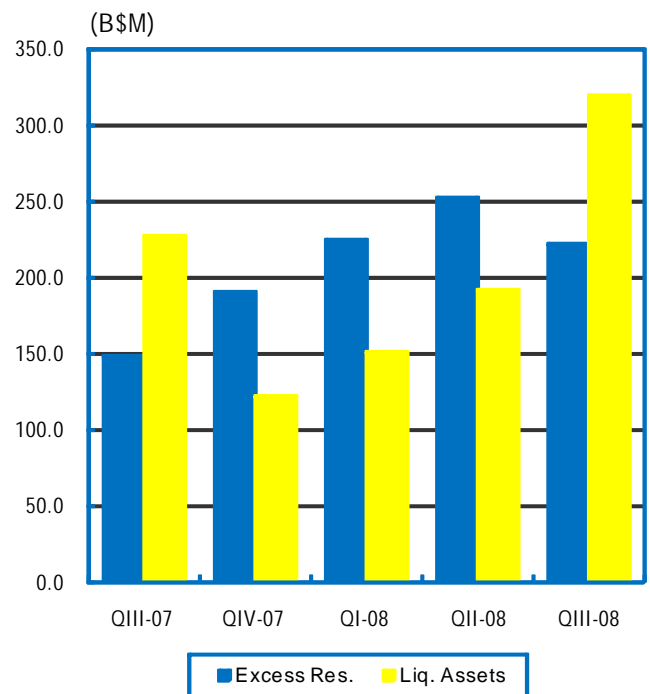
Monetary trends during the review quarter were highlighted by a slowdown in credit growth, in contrast to slightly accelerated gains in deposits. This outcome sustained more buoyant liquidity conditions and a smaller seasonal advance in the system's net foreign liabilities. There was also a modest reduction in average loan rates, and a narrowing in the weighted average interest spread, amid only slightly eased average deposit rates.

Affected by the weakness in the economy, asset quality measures for the third quarter registered further deterioration, marked by an increase in the proportion of private sector loans encountering payment arrears. Meanwhile, the most recent data for second quarter of 2008 showed that banks' average profitability rate softened, owing to higher operating cost ratios and increased depreciation and bad debt expenses.

LIQUIDITY

The third quarter seasonal drawdown in net free cash reserves moderated to 11.9% from 36.1% last year, maintaining the surplus higher at \$222.1 million vis-à-vis \$148.9 million in 2007. The liquidity position corresponded to an improved 3.9% of total Bahamian dollar deposits, compared to 2.8% in the previous year. As banks boosted their holdings of Government Registered Stocks, excess liquid assets—a broader liquidity measure—strengthened by 3.7% to \$331.5 million, in contrast to a significant tapering of 46.2% last year. As a result,

Liquidity



Gains in demand balances also led to resumed broad money (M2) growth of 1.1%, after being relatively unchanged in 2007. This occurred in spite of a narrowed fixed deposit advance of 1.8% compared to 2.4% last year; albeit, with a more moderate contraction in saving deposits of 1.2%. Although foreign currency deposits fell by 0.4%, compared to an advance of 7.0% in 2007, overall money gains strengthened to \$62.2 million (1.1%) from \$9.7 million (0.2%) last year.

At end-September, the money stock (M3) stood at \$5,921.4 million, some 6.8% higher than in 2007. Bahamian dollar fixed deposits accounted for the bulk of the total (57.1%), followed by demand deposits (18.9%) and savings balances (17.0%); with the remainder almost equally spread across residents' foreign currency deposits (3.6%) and currency in active circulation (3.4%).

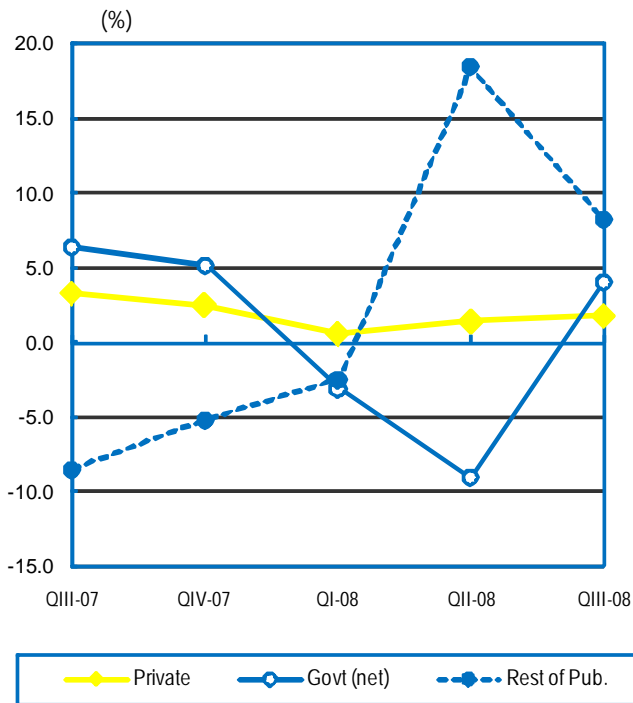
DOMESTIC CREDIT

The quarterly pace of domestic credit expansion slowed to \$175.7 million (2.3%) from \$209.7 million (3.0%) in 2007. Growth in Bahamian dollar claims, which made up 90.0% of the total, abated to \$109.3 million (1.6%) from \$194.1 million (3.1%). This overshadowed accelerated net foreign currency credit lending—mainly to public corporations—of \$66.4 million (9.5%), vis-à-vis \$15.7 million (2.1%) in the same period of last year.

loans, which comprised 76.0% of these claims, expanded at a broadly reduced pace of 2.6%, with growth in residential mortgages eased to \$71.4 million (2.9%) from \$77.5 million (3.6%), and for consumer credit, to \$53.6 million (2.5%) from \$75.5 million (3.8%).

Growth in banking sector claims on the public sector strengthened to 5.5% from 1.3% last year. While net advances to Government tapered to \$31.2 million (4.1%) from \$49.9 million (6.4%), credit to public corporations recovered by \$33.0 million (8.2%), following a net repayment of \$34.3 million (8.5%) in 2007.

Changes in Credit



Abated private sector credit expansion of \$111.5 million (1.8%), vis-à-vis \$194.2 million (3.3%) last year, corresponded to narrowed advances in the Bahamian dollar and foreign currency components of \$91.9 million (1.6%) and \$19.6 million (4.5%), respectively. Personal

	2007		2008	
	B\$M	%	B\$M	%
Agriculture	10.2	0.2	14.5	0.2
Fisheries	15.5	0.2	12.9	0.2
Mining & Quarry	8.3	0.1	2.7	0.0
Manufacturing	52.6	0.8	44.3	0.6
Distribution	201.3	3.1	186.6	2.7
Tourism	257.1	4.0	208.1	3.0
Enter. & Catering	49.3	0.8	33.3	0.5
Transport	27.1	0.4	28.5	0.4
Public Corps.	262.3	4.1	339.3	5.0
Construction	456.2	7.1	421.9	6.2
Government	136.1	2.1	65.0	1.0
Private Financial	26.3	0.4	24.9	0.4
Prof. & Other Ser.	150.6	2.3	147.6	2.2
Personal	4,462.8	69.3	4,880.8	71.5
Miscellaneous	325.2	5.0	412.7	6.0
TOTAL	6,440.9	100.0	6,823.1	100.0

A breakdown of private credit trends by sector showed increased claims for fisheries (38.0%), agriculture (16.6%), miscellaneous purposes (9.7%), entertainment & catering (2.9%) and professional & other services (1.9%). However, net repayments were recorded for mining & quarrying (36.7%), manufacturing (10.9%), construction (8.7%), distribution (2.8%) and tourism (1.4%).

A further analysis of the consumer credit categories revealed that net lending was targeted during the quarter

for debt consolidation (\$32.4 million), credit cards (\$16.8 million), education (\$5.3 million), home improvement (\$4.6 million), travel (\$3.4 million) and land purchases (\$3.1 million). In contrast, credit contracted for private cars (\$6.1 million) and miscellaneous purposes (\$4.5 million).

MORTGAGES

An analysis of data for banks, insurance companies and the Bahamas Mortgage Corporation indicated that quarterly accretions to total mortgages slowed by more than half over the previous year to \$45.7 million (1.6%), placing the end-September claims at \$2,973.8 million. Proportionally, residential mortgages, which accounted for 92.7% of the total outstanding, rose at a slightly moderated quarterly pace of \$54.8 million (2.0%); albeit, commercial mortgages recorded a downturn of \$9.1 million (4.0%). The majority of the outstanding claims was held by domestic banks (89.7%), followed by insurance companies (6.4%) and the Bahamas Mortgage Corporation (3.9%).

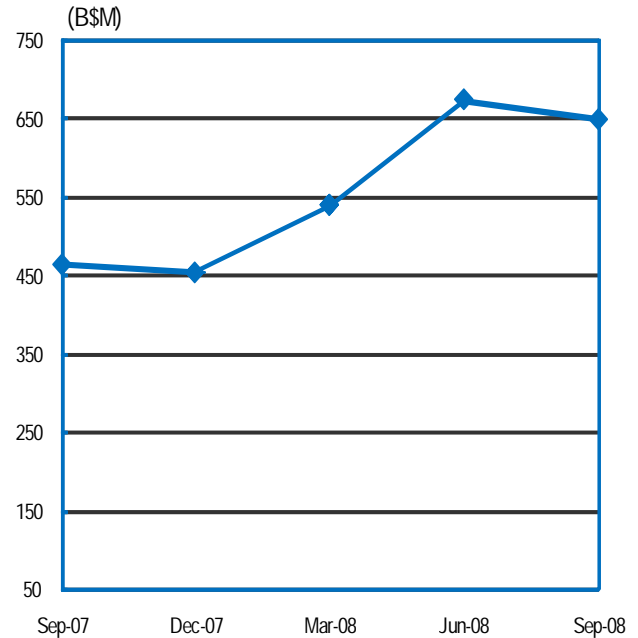
THE CENTRAL BANK

During the review period, the Central Bank's net claims on Government expanded by \$6.8 million (3.8%), a curtailment from the \$115.5 million (70.8%) increase in the same period last year. The outturn reflected a \$9.3 million reduction in Government deposits, which outstripped the \$2.5 million decline in bond holdings. The Bank's net deposit liabilities to the rest of the public sector rose by \$11.1 million, mainly owing to converted proceeds from foreign currency borrowings. In contrast, due to seasonal accommodation of credit expansion, total liabilities to domestic banks (deposits and currency) fell by \$26.7 million, and currency liabilities to the private sector was reduced by \$4.3 million.

As a result of these trends, external reserves fell by a reduced \$24.6 million (3.6%), relative to \$178.1 million (27.7%) last year. In particular, the Bank's net foreign currency sale narrowed to \$30.0 million from \$183.8 million, as transactions with the Government were reversed to a net inflow of \$16.5 million from a net sale of \$5.8 million in 2007. Moreover, commercial banks provided a net inflow of \$35.1 million, as opposed to a net sale of \$108.4 million in the same period of the previous year. In contrast, the net outflow, mainly via public

corporations, expanded to \$81.7 million from \$69.5 million, due in part to increased imports.

External Reserves



At end-September, external balances stood at \$650.2 million, the equivalent of nearly 15 weeks of non-oil merchandise imports. This compared to the previous year's lesser balance of \$464.7 million, or 12 weeks of imports. By law, the Bank is required to hold sufficient reserves to equate to 50% of its Bahamian dollar demand liabilities. After subtracting this amount, the residual balances or "useable" reserves, stood higher at \$279.6 million, compared to \$139.0 million in 2007.

DOMESTIC BANKS

During the quarter, domestic banks' credit expansion accelerated to 2.3% from 1.4% in 2007, owing to rebounded net claims on the public sector, that surpassed slowed net private sector lending. Funding resources were sourced from strengthened deposit growth, expanded net foreign liabilities and accumulated capital resources. Liquidity conditions, which remained buoyed, included a seasonal reduction in excess balances at the Central Bank that was offset by a further build up in holdings of government securities.

The growth in private sector credit receded to \$111.5 million (1.8%) from \$194.2 million (3.3%) a year earlier. However, net claims on Government increased by \$24.4 million (4.2%), reversing a \$65.6 million (10.8%) net repayment made last year and, buoyed by increased foreign currency lending, credit to the rest of the public sector rose by \$33.1 million (8.4%) reversing 2007's \$34.3 million (8.7%) decline. The increase in banks' deposits more than doubled to \$57.5 million (1.0%), while resources from capital and retained earnings rose by an additional \$43.2 million (2.6%). Similarly, net external liabilities advanced by \$66.6 million, (10.9%).

At end-September, banks' domestic deposit liabilities stood at \$5,859.3 million, of which 96.3% were denominated in Bahamian dollars. Private individuals held largest share (58.0%) of the latter accounts, followed by business firms (23.6%), the public sector (11.0%), other depositors (4.1%) and private financial institutions (3.3%). Fixed placements comprised 60.6% of the deposits, with shares for demand and savings balances at 22.1% and 17.3%, respectively.

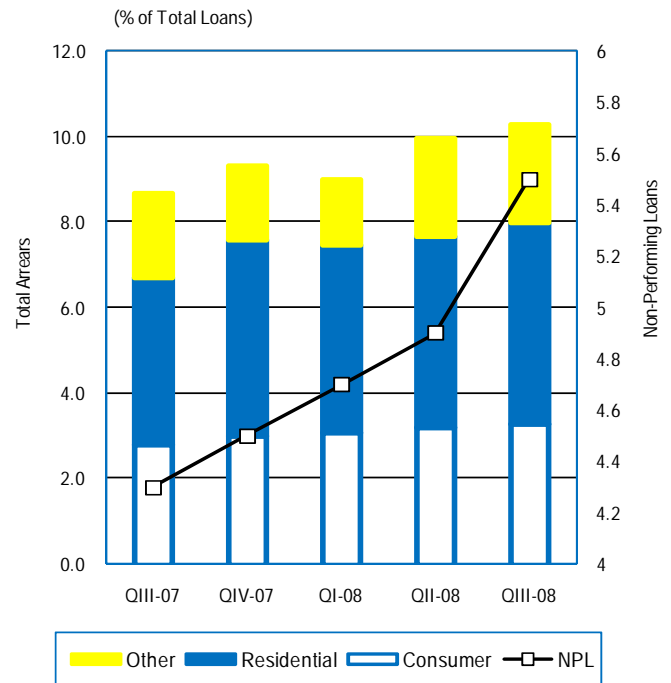
An analysis of deposits by range of value and number of accounts revealed that the majority of account holders (90.4%) had balances of \$10,000 or less, which only represented 7.3% of the overall value. Deposits ranging from \$10,000 to \$50,000 comprised 12.3% of the total funds and 6.5% of all contracts, whereas account balances over \$50,000 constituted 80.4% of the value but only 3.1% of contracts.

CREDIT QUALITY

Asset quality indicators deteriorated further over the quarter, evidenced by increased loan servicing difficulties among private sector borrowers. The value of private sector loans encountering payment arrears of at least one month, increased by \$31.8 million (5.4%) to \$622.2 million, representing 10.4% of total outstanding claims, above the respective 10.1% and 8.6% rates recorded in the previous quarter and year. The most marked deterioration continued in the commercial portfolio, where balances in arrears increased during the quarter by 1.7% to \$139.9 million, firming the arrears rate to 13.6% from 13.3% last quarter and 10.5% in September 2007. In the consumer category, loans in arrears rose over the quarter by 6.2% to \$198.4 million, with the corresponding arrears ratio firming by 0.4 percentage points to 9.1%—also

above the 2007 rate of 7.8%. For residential mortgages, delinquent loans grew by 6.6% to \$284.0 million, pushing the arrears rate to 10.5% of the respective portfolio from 10.2% at the end of the previous quarter and 8.9% in 2007.

Loan Arrears & Non-Performing Balances



Meanwhile, a larger fraction of loans also moved into the non-performing category, with payments more than 90 days past due, and on which banks stopped accruing interest. These represented an elevated 5.5% of total outstanding loans from 4.9% at end-June and 4.2% in September 2007. In line with these trends, banks' continued to increase loan loss provisions, which rose to 2.6% of total claims from 2.3% in the previous quarter and 2.1% in the previous year. However, the provisions as a share of non-performing loans, fell to 46.7% from 47.9% at end-June and 48.7% last September.

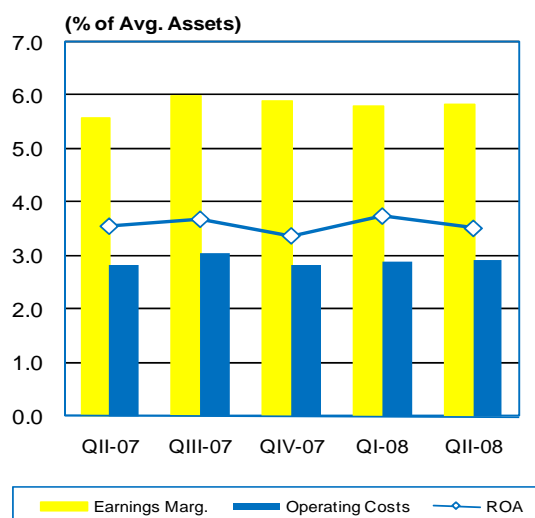
BANK PROFITABILITY

The most recent data for the second quarter of 2008, revealed that, relative to the same period a year earlier, banks' net profit increased further by 7.3% to \$78.6 million. Reflecting an improvement in interest income and a reduction in expenses, the net interest margin rose by 13.4% to \$121.2 million. Including a 16.8% gain in

commission and foreign exchange income, the gross earnings margin widened by 13.7% to \$130.5 million. Meanwhile, banks' operating expenses rose broadly by 12.0% to \$65.6 million, and "other" income net of depreciation of bad debt expenses contracted by 19.8% to \$13.6 million.

With balance sheet growth paced slightly ahead of profit gains, average profitability ratios soften marginally during the quarter. Relative to average assets, the interest margin ratio increased by 24 basis points to 5.41%, with the commission and foreign exchange income ratio higher by 3 basis points at 0.42%. However, the operating expense ratio rose by 9 basis points to 2.93%, while the ratio of earnings support from "other" income fell by 22 basis points to 0.61%. Consequently, the net income (return on assets) ratio moved lower by 4 basis points to 3.51%.

Domestic Banks' Profitability



INTEREST RATES

Domestic banks' weighted average spread between loan and deposit interest rates decreased by 41 basis points to 7.10% during the third quarter. In particular, the average loan rate narrowed by 42 basis points to 11.00%, while the corresponding deposit rate softened by a single basis point to 3.90%.

In terms of deposits, the average savings rate fell by 5 basis points to 2.20%, and rates on fixed deposits tightened, within the range of 3.71% - 4.48% from 3.71% - 4.57% in the previous period. Conversely, the average demand deposit rate firmed by 6 basis points to 1.40%.

On the lending side, softening was led by the average commercial mortgage rate, which fell by 87 basis points to 8.37%. Also, average consumer loan rates decreased by 42 basis points to 13.07%; residential mortgage rates, by 33 basis points to 8.25% and overdrafts rates, by 22 basis points to 11.57%.

Banking Sector Interest Rates

	Period Average (%)		
	Qtr. III 2007	Qtr. II 2008	Qtr. III 2008
Deposit Rates			
Demand Deposits	2.35	1.34	1.40
Savings Deposits	2.00	2.25	2.20
Fixed Deposits			
Up to 3 months	3.52	3.71	3.71
Up to 6 months	3.85	4.09	4.00
Up to 12 months	4.12	4.57	4.48
Over 12 months	4.48	4.28	4.31
Weighted Avg Deposit Rate	3.68	3.91	3.90
Lending Rates			
Residential mortgages	8.28	8.58	8.25
Commercial mortgages	8.93	9.24	8.37
Consumer loans	12.76	13.49	13.07
Other Local Loans	8.06	9.28	8.92
Overdrafts	11.04	11.79	11.57
Weighted Avg Loan Rate	10.63	11.42	11.00

Meanwhile, in line with deposit trends, the average 90 day Treasury bill rate fell by 14 basis points to 2.69%. However, the Central Bank's Discount rate and Commercial Banks' Prime lending rate, were unchanged at 5.25% and 5.50%, respectively.

CAPITAL MARKETS DEVELOPMENTS

Domestic equity prices firmed, on average, during the third quarter, amid a significant boost in trading volume. A foreign-based firm's purchase of 50% of the outstanding shares of a local utility company lifted trading volume on BISX, to 6.3 million shares from 1.0 million in the same period of 2007, with the corresponding value of shares traded surging to \$49.3 million from \$9.2 million. Led by the advance of the utility company's price, BISX's market capitalization strengthened by 2.1% to \$3.54 billion, and the BISX All Share Price Index rose marginally by 0.8% to 1,836.61 points. The BISX also attached the listing of four new tranches of debt securities of a local financial institution during the review period. Meanwhile, the FINDEX, which includes securities traded over the counter, also advanced marginally by 0.2% to 879.25 over the quarter, compared to a 6.0% increase noted a year earlier.

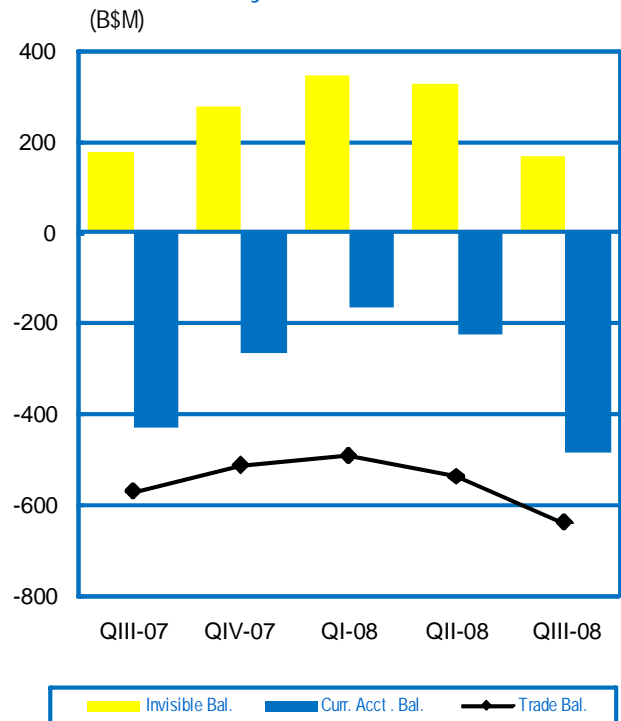
INTERNATIONAL TRADE AND PAYMENTS

Provisional data for the third quarter of 2008 indicated that the current account deficit widened by an estimated \$54.9 million (12.7%) to \$486.8 million, over the comparative 2007 period. Deterioration in the merchandise trade deficit and a narrowed surplus on the services account offset reduced net income outflows and diminished net transfers receipts. Meanwhile, the capital and financial account surplus was significantly higher during the period, mainly supported by short-term inflows through the banking sector.

The estimated merchandise trade deficit widened by 12.2% to \$641.2 million, led by an 11.7% rise in the import bill which outweighed the 10.4% improvement in export receipts. Payments for fuel imports rose by 36.3% to \$285.1 million, owing both to elevated international prices and an increased volume of consumption. With respect to average import prices, the per barrel cost of jet fuel rose by 68.0% to \$156.66; motor gas, by 72.0% to \$149.79; gas oil, by 54.3% to \$126.28; bunker 'c' fuel, by 61.3% to \$97.66 and propane, by 30.2% to \$85.36. Likewise, non-oil merchandise imports grew by an estimated 3.4% to \$441.9 million.

The surplus on the services account contracted by an estimated 5.4% to \$166.6 million. The outcome was occasioned by a 69.0% rise in net outflows for 'miscellaneous' foreign services to \$143.2 million, due to increased payments of management and professional fees. In addition, inflows from offshore companies' local expenses fell by 9.4% to \$51.3 million, while net transportation outflows firmed by 0.4% to \$76.2 million. Amid a more sizeable falloff in residents' overseas travel spending, relative to softening tourism receipts, net travel receipts strengthened by 4.0% to \$394.8 million, while the slowdown in foreign investment related construction activity significantly decreased net outflows for construction services, to \$3.2 million from \$36.4 million last year. Net outflows for Government services also narrowed by 16.7% to \$18.0 million, and net insurance payments fell by 6.2% to \$33.8 million.

Balance of Payments



Net income outflows were nearly halved to \$25.8 million, owing to a 42.8% contraction in net labour income payments to \$13.6 million, and a 50.8% reduction in net repatriation of investment income to \$12.3 million. The

latter included a narrowing in net profit remittances and interest payments of \$13.2 million to \$17.7 million while, under official transactions, earnings on foreign reserves, net of interest payment on public sector debt, decreased to \$5.5 million from \$6.0 million a year earlier.

The surplus on current transfers widened by 14.1% to \$13.7 million, as net Government inflows rose by 14.2% to \$15.7 million. Conversely, private sector net outflows increased by 4.9% to \$2.1 million, with workers' net remittances rising by the same magnitude to \$2.4 million.

The estimated surplus on the capital and financial account improved to \$229.3 million from \$124.2 million in 2007. Although migrant workers capital transfers waned by 14.3% to \$18.4 million, the financial surplus widened by nearly two-thirds to \$247.8 million. Within the financial balance, net private direct investments advanced to \$157.1 million from \$130.1 million a year earlier, with net equity inflows extended to \$122.9 million from \$80.4 million and offsetting the reduction in net real estate purchases to \$34.2 million from \$49.8 million. Net private loan financing was also reduced to \$29.2 million from \$33.1 million in 2007. Meanwhile, domestic investors' increased their external net portfolio investments further by \$6.7 million, after virtual inactivity in the comparative 2007 quarter. In the banking sector, domestic lenders recorded net short-term inflows of \$66.6 million, a turnaround from a net liabilities repayment of \$18.3 million last year. Otherwise, the public sector's net external borrowings increased to \$1.5 million from \$0.7 million a year earlier.

Consequent on these developments and after adjusting for possible net errors and omissions, the deficit on the overall payments balance—which corresponded to the decrease in the Central Bank's external reserves—narrowed to \$24.6 million from a sizeable \$178.1 million a year-earlier.

INTERNATIONAL ECONOMIC DEVELOPMENTS

The deterioration in global economic conditions accelerated during the third quarter of 2008. Despite monetary and fiscal interventions to stabilize financial markets and stimulate a turnaround in real activity, output contracted in most of the major economies, in the context of

depressed consumer confidence and rising unemployment. Given the erosion in aggregate demand, fuel prices, which surged to record highs early in the quarter, contracted sharply over the remaining months, resulting in a tempering in some countries' inflation rates. By contrast, heightened investor uncertainty over the depth and duration of the crisis, contributed to declines in major stock indices, while flight to safety concerns sustained a recovery in the value of the US dollar. In the external sector, the major economies recorded mixed movements in their respective balances.

Economic output was broadly contracted among the leading economies during the third quarter. As the effects of the first quarter economic stimulus package waned and business and consumer confidence slumped, the United States' economy contracted by 0.5%, in contrast to an annualized 2.8% expansion in the previous three-months. This outturn reflected decreased personal consumption expenditure, alongside more moderate reductions in residential fixed investments. Offsetting the downturn were higher levels of Government spending, exports, private inventory investment, non-residential structures as well as state and local spending. Similarly, real output in the United Kingdom fell by 0.5% in the third quarter, following a flat outcome in the previous period, and reflecting weakness across a broad number of sectors, including the manufacturing and service industries. As global demand for exports weakened, Japanese real GDP contracted by 0.4%, extending the 3.7% decline posted in the previous period. Euro zone economies also slipped into recession, with real output waning further by 0.2% during the third quarter, in line with the previous period's falloff. Germany, the largest economy in the area, recorded a decline of 0.5%; however, real GDP rose marginally by 0.1% in France.

Declining aggregate demand and broad-based contractions in corporate earnings led to increased unemployment among the leading economies. In the United States, the average jobless rate firmed by 0.7 percentage points to 6.0%, mainly reflecting job losses in the services, manufacturing and construction sectors. The United Kingdom's unemployment rate rose by 0.4 percentage points to 5.8% in the September quarter, as an additional 140,000 persons were added to the jobless numbers. The unemployment rate in Japan was relatively unchanged at 4.1%, and China's jobless rate also steadied

at 4.0%. In the Euro Zone, the average unemployment rate firmed by 0.1 percentage points to 7.5% of the workforce, with a deterioration of 0.2 percentage points in both France and Germany, to 7.9% and 7.1% respectively.

The major economies recorded mixed trends in inflation, amid broader signs of a projected easing in the near-term, owing to the downtrend in oil prices and falling consumer demand. For the United States, inflation for the twelve months to September, moderated slightly over the end-June period, by 0.1 percentage points to 4.9%, with the most significant cost increases still noted for food and beverages, transportation and energy. Consumer price inflation in the Euro zone also decelerated to 3.8% in the third quarter from 4.0% recorded in the previous three months. However, in the United Kingdom, average retail price inflation firmed to 5.2% from 5.0% in the previous quarter, owing primarily to advances in gas and electricity costs for households. Relative to the previous year, the rate of consumer price increases in Japan also advanced by 0.8 percentage points to 2.3%, due to higher food and energy prices.

In light of the turmoil in the international markets, investors sought the relatively safety of the US Dollar during the quarter, resulting in its gain against most major currencies. The dollar appreciated by 11.8% versus the British Pound, by 11.9% against the Euro; and by 4.2% against the Canadian dollar. In contrast, the dollar was relatively stable against the Japanese yen and moved marginally lower, relative to the Chinese Yuan by 0.12%.

Major bourses continued to be volatile and on a downward trajectory during the third quarter as investor confidence was further shaken by the accelerating weakness in the global economic outlook; and increased uncertainty over the depth and duration of a global recession. In the United States, the Dow Jones Industrial Average (DJIA) ended the quarter 4.3% lower at 10,850.7 points and the broader Standard & Poor's 500 index fell by 8.8% to 1169.0 points. European markets experienced similar trends; the United Kingdom's FTSE 100 index contracted by 13.0% to 4,902.50 points; Germany's DAX index, by 9.2% to 5,831.0 and France's CAC 40 index, by 9.1% to 4,032.1 points. On the Asian markets, the Japanese Nikkei 225 index slumped by 16.5% to

11,259.86 points and China's Shanghai SE Composite Index lost 16.2% to 2,293.8 points.

In the commodity markets, oil prices surged to a record \$145.5 per barrel in mid-July, propelled by anticipated increased demand and concerns over supply capacity. However, by the end of the quarter prices had plunged vis-à-vis end-June by 30.6% to \$97.8 per barrel, as clear signs emerged regarding the adverse impact of the global downturn on aggregate demand. Similarly, given the economic uncertainty, investors increased their holdings of "safe" assets, causing gold prices to firm by 4.8% to \$870.95 per ounce. However, the price of silver fell by 11.6% to \$12.03 per ounce.

During the quarter, major central banks took both coordinated and aggressive national steps to stabilize financial markets and to stimulate a resumption of credit flows. In the United States, although no adjustments were made to interest rates, the Federal Reserve either implemented or expanded several facilities aimed at increasing liquidity, listing a broader range of acceptable collaterals for short-term loans and significantly expanding the amount of funds circulating with the system through its Term Securities Facility (TSLF) and Term Auction Facility (TAF). Also, the Fed's US dollar funding to central banks in Canada, Europe and Asia surged by over \$300 billion. Several measures were also utilised by the European Central Bank to boost liquidity, including the introduction of special Term Auction Facilities. However, given the upside risks to prices earlier in the quarter, the Bank raised each of its main policy rates by 25 basis points. In Asia, the Chinese central bank continued to loosen monetary policy, reducing its key interest rate by 0.27 percentage points to 6.66%. The Bank of Japan, however, made only minor changes to its reserve management operations with strategic and systematic fund injections. In the United Kingdom, the Bank of England left its policy rate unchanged as the risks to further gains in inflation appeared to be balanced against the potential slowdown in economic activity.

The major economies recorded mixed trends in their external account balance during the quarter. In the United States, the goods and services deficit fell, on a quarterly basis, by \$3.9 billion to \$176.8 billion, owing to improvements in both the goods and services balances. Similarly, the United Kingdom's trade deficit narrowed to

£3.9 billion from £4.4 billion in the previous quarter. Owing to a contraction in exports and increased imports, the third quarter trade deficit in the Euro area widened by €4.3 billion to €5.9 billion. Japan's current account surplus improved by ¥1.4 trillion to ¥40.2 trillion over the

September quarter, buoyed by expansions in the services and income accounts that overshadowed the deterioration in the trade surplus. Supported by a rapid expansion in exports, China's trade surplus rose by 44% over the previous quarter to \$83.3 billion.

STATISTICAL APPENDIX
(Tables 1-16)

STATISTICAL APPENDIX

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The following symbols and conventions are used throughout this report:

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

TABLE 1
FINANCIAL SURVEY

End of Period	2003			2004			2005			2006			2007			2008		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Net foreign assets	(143.8)	104.3	(32.2)	(16.3)	(6.4)	(181.1)	(254.4)	(133.4)	(124.4)	(249.0)	(213.4)	(55.4)	61.9	(29.4)				
Central Bank	484.3	667.8	578.8	637.8	644.2	542.7	499.7	623.5	642.9	464.7	454.2	539.6	674.8	650.2				
Domestic Banks	(628.1)	(563.5)	(611.0)	(654.1)	(650.6)	(723.8)	(754.1)	(756.9)	(767.3)	(713.7)	(667.6)	(595.0)	(612.9)	(679.6)				
Net domestic assets	4,147.1	4,317.2	4,862.4	4,950.5	5,161.6	5,259.8	5,399.5	5,455.3	5,657.4	5,791.7	5,850.7	5,837.9	5,797.3	5,950.8				
Domestic credit	4,974.0	5,227.2	5,899.5	6,051.4	6,295.3	6,524.9	6,742.9	6,802.1	7,049.3	7,259.1	7,434.3	7,433.3	7,506.2	7,685.5				
Public sector	879.4	887.8	945.8	935.7	1,006.8	1,004.5	1,074.2	1,044.3	1,176.2	1,191.8	1,215.9	1,180.4	1,166.7	1,230.9				
Government (net)	506.5	547.1	642.5	621.2	642.2	636.0	677.0	664.2	773.7	823.6	866.8	840.1	763.8	795.0				
Rest of public sector	372.9	340.7	303.3	314.5	364.6	368.5	397.2	380.1	402.5	368.2	349.1	340.3	402.9	435.9				
Private sector	4,094.6	4,339.4	4,953.7	5,115.7	5,288.5	5,520.4	5,668.7	5,757.8	5,873.1	6,067.3	6,218.4	6,252.9	6,339.5	6,454.6				
Other items (net)	(826.9)	(910.0)	(1,037.1)	(1,100.9)	(1,133.7)	(1,265.1)	(1,343.4)	(1,346.8)	(1,391.9)	(1,467.4)	(1,583.6)	(1,595.4)	(1,708.9)	(1,734.7)				
Monetary liabilities	4,003.3	4,421.5	4,830.2	4,934.2	5,155.2	5,078.7	5,145.1	5,321.9	5,533.0	5,542.7	5,637.3	5,782.5	5,859.2	5,921.4				
Money	907.4	1,134.4	1,247.6	1,265.5	1,352.7	1,263.6	1,251.1	1,267.9	1,330.7	1,273.3	1,300.3	1,308.4	1,305.7	1,320.2				
Currency	160.1	176.6	195.3	198.2	198.3	199.0	202.1	216.1	216.9	213.3	223.7	214.2	204.2	199.6				
Demand deposits	747.3	957.8	1,052.3	1,067.3	1,154.4	1,064.6	1,049.0	1,051.8	1,113.8	1,060.0	1,076.6	1,094.2	1,101.5	1,120.6				
Quasi-money	3,095.9	3,287.1	3,582.6	3,668.7	3,802.5	3,815.1	3,894.0	4,054.0	4,202.3	4,269.4	4,337.0	4,474.1	4,553.5	4,601.2				
Fixed deposits	2,315.9	2,410.3	2,556.6	2,636.2	2,687.9	2,720.8	2,781.5	2,907.3	3,002.0	3,074.2	3,144.8	3,245.7	3,320.5	3,381.7				
Savings deposits	678.8	779.9	881.8	911.6	931.8	941.1	953.3	986.2	1,029.9	1,012.9	992.1	1,009.3	1,018.9	1,006.3				
Foreign currency	101.2	96.9	144.2	120.9	182.8	153.2	159.2	160.5	170.4	182.3	200.1	219.1	214.1	213.2				
Total domestic credit	0.7	5.1	12.9	2.6	4.0	3.6	3.3	0.9	3.6	3.0	2.4	(0.0)	1.0	2.4				
Public sector	1.0	1.0	6.5	(1.1)	7.6	(0.2)	6.9	(2.8)	12.6	1.3	2.0	(2.9)	(1.2)	5.5				
Government (net)	(22.2)	8.0	17.4	(3.3)	3.4	(1.0)	6.4	(1.9)	16.5	6.4	5.2	(3.1)	(9.1)	4.1				
Rest of public sector	69.9	(8.6)	(11.0)	3.7	15.9	1.1	7.8	(4.3)	5.9	(8.5)	(5.2)	(2.5)	18.4	8.2				
Private sector	0.6	6.0	14.2	3.3	3.4	4.4	2.7	1.6	2.0	3.3	2.5	0.6	1.4	1.8				
Monetary liabilities	4.4	10.4	14.0	2.2	4.5	(1.5)	1.3	3.4	4.0	0.2	1.7	2.6	1.3	1.1				
Money	11.0	25.0	9.2	1.4	6.9	(6.6)	(1.0)	1.3	5.0	(4.3)	2.1	0.6	(0.2)	1.1				
Currency	3.4	10.3	10.0	1.5	0.1	0.4	1.6	6.9	0.4	(1.7)	4.9	(4.2)	(4.7)	(2.3)				
Demand deposits	12.7	28.2	10.6	1.4	8.2	(7.8)	(1.5)	0.3	5.9	(4.8)	1.6	1.6	0.7	1.7				
Quasi-money	2.6	6.2	9.9	2.4	3.6	0.3	2.1	4.1	3.7	1.6	1.6	3.2	1.8	1.0				

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	2003			2004			2005			2006			2007			2008		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
	(B\$ Millions)																	
Net foreign assets	(130.7)	70.9	4,247.2	4,786.9	4,880.9	5,094.5	5,140.3	5,299.4	5,327.1	5,518.8	5,709.2	5,800.3	5,785.8	5,743.2	5,906.0	(35.5)	82.5	(11.8)
Central Bank	484.3	667.8	5,083.1	5,752.7	5,900.8	6,142.5	6,372.6	6,588.8	6,650.8	6,899.5	7,120.3	7,401.4	7,413.6	7,480.2	7,659.5	539.6	674.8	650.2
Commercial banks	(615.0)	(596.9)	(644.7)	(644.7)	(685.5)	(674.4)	(691.2)	(734.7)	(707.6)	(711.4)	(691.4)	(651.4)	(575.1)	(592.3)	-662.0	(575.1)	(592.3)	-662.0
Net domestic assets	4,025.1	4,247.2	4,786.9	4,786.9	4,880.9	5,094.5	5,140.3	5,299.4	5,327.1	5,518.8	5,709.2	5,800.3	5,785.8	5,743.2	5,906.0	5,785.8	5,743.2	5,906.0
Domestic credit	4,822.8	5,083.1	5,752.7	5,752.7	5,900.8	6,142.5	6,372.6	6,588.8	6,650.8	6,899.5	7,120.3	7,401.4	7,413.6	7,480.2	7,659.5	7,413.6	7,480.2	7,659.5
Public sector	874.9	883.4	945.8	945.8	930.9	1,001.6	999.0	1,068.9	1,039.0	1,171.0	1,186.5	1,212.8	1,177.3	1,163.7	1,227.9	1,177.3	1,163.7	1,227.9
Government (net)	502.1	542.7	642.5	642.5	616.4	637.0	630.5	671.7	658.9	768.5	818.3	863.8	837.0	760.9	792.0	837.0	760.9	792.0
Rest of public sector	372.8	340.7	303.3	303.3	314.5	364.6	368.5	397.2	380.0	402.5	368.2	349.0	340.3	402.8	435.9	340.3	402.8	435.9
Private sector	3,947.9	4,199.7	4,806.9	4,806.9	4,969.9	5,140.9	5,373.6	5,519.9	5,611.8	5,728.5	5,933.8	6,188.6	6,236.3	6,316.5	6,431.6	6,236.3	6,316.5	6,431.6
Other items (net)	(797.7)	(835.9)	(965.8)	(965.8)	(1,019.9)	(1,048.0)	(1,232.3)	(1,289.4)	(1,323.7)	(1,380.7)	(1,411.1)	(1,601.1)	(1,627.8)	(1,737.0)	(1,753.5)	(1,627.8)	(1,737.0)	(1,753.5)
Monetary liabilities	3,894.4	4,318.1	4,716.1	4,716.1	4,833.2	5,064.3	4,991.8	5,064.4	5,243.0	5,450.3	5,482.4	5,603.1	5,750.3	5,825.7	5,894.2	5,750.3	5,825.7	5,894.2
Money	895.8	1,124.7	1,223.0	1,223.0	1,245.5	1,338.1	1,246.3	1,238.1	1,254.3	1,313.0	1,256.1	1,278.9	1,290.7	1,284.8	1,305.0	1,290.7	1,284.8	1,305.0
Currency	160.1	176.6	195.3	195.3	198.2	198.3	199.0	202.1	216.1	217.0	213.3	223.7	214.2	204.2	199.6	214.2	204.2	199.6
Demand deposits	735.7	948.1	1,027.7	1,027.7	1,047.3	1,139.8	1,047.3	1,036.0	1,038.2	1,096.0	1,042.8	1,055.2	1,076.5	1,080.6	1,105.4	1,076.5	1,080.6	1,105.4
Quasi-money	2,998.6	3,193.4	3,493.1	3,493.1	3,587.7	3,726.2	3,745.5	3,826.3	3,988.7	4,137.3	4,226.3	4,324.2	4,459.6	4,540.9	4,589.2	4,459.6	4,540.9	4,589.2
Savings deposits	678.5	779.7	881.6	881.6	911.5	931.7	941.1	953.1	986.0	1,029.6	1,012.6	991.9	1,009.1	1,018.7	1,006.0	1,009.1	1,018.7	1,006.0
Fixed deposits	2,218.8	2,316.8	2,467.4	2,467.4	2,555.3	2,611.7	2,651.2	2,714.1	2,842.2	2,937.3	3,031.4	3,132.2	3,231.4	3,308.1	3,370.0	3,231.4	3,308.1	3,370.0
Foreign currency deposits	101.3	96.9	144.1	144.1	120.9	182.8	153.2	159.1	160.5	170.4	182.3	200.1	219.1	214.1	213.2	219.1	214.1	213.2
	(percentage change)																	
Total domestic credit	0.6	5.4	13.2	13.2	2.6	4.1	3.7	3.4	0.9	3.7	3.2	3.9	0.2	0.9	2.4	0.2	0.9	2.4
Public sector	0.8	1.0	7.1	7.1	(1.6)	7.6	(0.3)	7.0	(2.8)	12.7	1.3	2.2	(2.9)	(1.2)	5.5	(2.9)	(1.2)	5.5
Government (net)	(22.5)	8.1	18.4	18.4	(4.1)	3.3	(1.0)	6.5	(1.9)	16.6	6.5	5.6	(3.1)	(9.1)	4.1	(3.1)	(9.1)	4.1
Rest of public sector	69.9	(8.6)	(11.0)	(11.0)	3.7	15.9	1.1	7.8	(4.3)	5.9	(8.5)	(5.2)	(2.5)	18.4	8.2	(2.5)	18.4	8.2
Private sector	0.6	6.4	14.5	14.5	3.4	3.4	4.5	2.7	1.7	2.1	3.6	4.3	0.8	1.3	1.8	0.8	1.3	1.8
Monetary liabilities	4.1	10.9	9.2	9.2	2.5	4.8	(1.4)	1.5	3.5	4.0	0.6	2.2	2.6	1.3	1.2	2.6	1.3	1.2
Money	10.8	25.6	8.7	8.7	1.8	7.4	(6.9)	(0.7)	1.3	4.7	(4.3)	1.8	0.9	(0.5)	1.6	0.9	(0.5)	1.6
Currency	3.4	10.3	10.6	10.6	1.5	0.1	0.4	1.6	6.9	0.4	(1.7)	4.9	(4.2)	(4.7)	(2.3)	(4.2)	(4.7)	(2.3)
Demand deposits	12.5	28.9	8.4	8.4	1.9	8.8	(8.1)	(1.1)	0.2	5.6	(4.9)	1.2	2.0	0.4	2.3	2.0	0.4	2.3
Quasi-money	2.2	6.5	9.4	9.4	2.7	3.9	0.5	2.2	4.2	3.7	2.2	2.3	3.1	1.8	1.1	3.1	1.8	1.1

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

End of Period	(B\$ Millions)																												
	2003			2004			2005			2006			2007			2008													
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.											
Net foreign assets	484.3	667.8	578.8	637.8	644.2	542.7	499.7	623.5	642.9	464.7	454.2	539.6	674.8	650.2	183.7	311.1	145.4	210.4	212.1	116.8	90.5	226.7	246.3	69.8	149.8	285.1	261.7		
Balances with banks abroad	291.3	347	424.4	418.4	422.8	416.47	399.8	387.3	387.0	385.1	384.7	379.4	379.4	378.7	9.3	9.7	9.0	9.0	9.3	9.3	9.4	9.5	9.5	9.5	9.7	10.2	9.7		
Reserve position in the Fund	--	--	--	--	--	0.1	--	--	--	0.1	0.1	0.1	0.1	0.1	SDR holdings	--	--	--	--	--	--	--	--	--	0.1	0.1	0.1		
Net domestic assets	15.2	(13.1)	23.1	(21.0)	(25.9)	83.9	85.1	89.9	50.7	175.3	235.7	191.9	71.9	64.5	108.4	141.9	122.0	111.3	129.9	182.3	182.5	194.2	163.1	278.7	332.3	295.0	178.5	185.3	
Net claims on Government	114.8	149.5	149.7	150.7	137.4	198.0	190.6	201.8	176.9	288.1	347.8	320.0	201.5	199.1	Claims	--	--	--	--	--	--	--	--	--	--	--	--	--	
Treasury bills	43.8	78.5	72.7	73.7	75.4	77.6	76.4	90.6	104.9	100.1	132.4	130.4	129.5	127.1	Bahamas registered stock	71.0	71.0	77.0	62.0	77.0	62.0	62.0	72.0	72.0	72.0	72.0	72.0	72.0	
Loans and advances	(6.4)	(7.6)	(27.7)	(39.4)	(7.5)	(15.7)	(8.1)	(7.5)	(13.8)	(9.4)	(15.6)	(25.0)	(23.0)	(13.8)	Deposits	(6.4)	(7.6)	(27.7)	(39.4)	(7.5)	(15.7)	(8.1)	(7.5)	(13.8)	(9.4)	(15.6)	(25.0)	(23.0)	
In local currency	(6.4)	(7.6)	(27.7)	(39.4)	(7.5)	(15.7)	(8.1)	(7.5)	(13.8)	(9.4)	(15.6)	(25.0)	(23.0)	(13.8)	In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--	
In foreign currency	(21.6)	(87.7)	(26.1)	(54.1)	(77.8)	(12.4)	(18.3)	(22.8)	(29.8)	(17.4)	(10.4)	(17.6)	(17.1)	(28.2)	Deposits of rest of public sector	(21.6)	(87.7)	(26.1)	(54.1)	(77.8)	(12.4)	(18.3)	(22.8)	(29.8)	(17.4)	(10.4)	(17.6)	(17.1)	(28.2)
Deposits of rest of public sector	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--	
Credit to commercial banks	(97.3)	(98.2)	(105.5)	(114.0)	(108.5)	(107.2)	(107.3)	(115.4)	(112.6)	(111.4)	(111.6)	(121.3)	(123.3)	(128.4)	Official capital and surplus	18.4	22.3	24.4	27.6	22.3	13.1	20.1	25.8	22.1	17.5	17.9	28.3	26.4	28.4
Official capital and surplus	6.4	7.6	7.3	7.2	7.2	7.1	7.0	7.0	7.2	7.1	7.0	7.0	6.6	6.6	Net unclassified assets	6.4	7.6	7.3	7.2	7.2	7.1	7.0	7.0	6.9	6.8	6.8	6.7	6.6	6.6
Net unclassified assets	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8	0.8	Loans to rest of public sector	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	0.8	0.8	0.8	0.8
Loans to rest of public sector	(324.2)	(462.2)	(392.0)	(403.9)	(404.9)	(412.4)	(367.3)	(481.7)	(461.2)	(410.8)	(450.1)	(500.5)	(525.8)	(499.2)	Public Corp Bonds/Securities	(324.2)	(462.2)	(392.0)	(403.9)	(404.9)	(412.4)	(367.3)	(481.7)	(461.2)	(410.8)	(450.1)	(500.5)	(525.8)	(499.2)
Public Corp Bonds/Securities	(79.6)	(78.5)	(105.8)	(57.0)	(60.4)	(59.1)	(116.2)	(60.3)	(72.0)	(73.5)	(110.1)	(79.7)	(81.8)	(79.1)	Liabilities To Domestic Banks	(79.6)	(78.5)	(105.8)	(57.0)	(60.4)	(59.1)	(116.2)	(60.3)	(72.0)	(73.5)	(110.1)	(79.7)	(81.8)	(79.1)
Liabilities To Domestic Banks	(244.6)	(383.7)	(286.2)	(346.9)	(344.5)	(353.3)	(251.1)	(421.4)	(389.2)	(337.2)	(340.0)	(420.8)	(444.0)	(420.1)	Notes and coins	(244.6)	(383.7)	(286.2)	(346.9)	(344.5)	(353.3)	(251.1)	(421.4)	(389.2)	(337.2)	(340.0)	(420.8)	(444.0)	(420.1)
Notes and coins	(15.2)	(15.9)	(14.6)	(14.7)	(15.1)	(15.2)	(15.4)	(15.4)	(15.5)	(15.9)	(16.2)	(16.8)	(16.7)	(15.9)	Deposits	(15.2)	(15.9)	(14.6)	(14.7)	(15.1)	(15.2)	(15.4)	(15.4)	(15.5)	(15.9)	(16.2)	(16.8)	(16.7)	(15.9)
Deposits	(160.1)	(176.6)	(195.3)	(198.2)	(198.3)	(199.0)	(202.1)	(216.1)	(216.9)	(213.3)	(223.7)	(214.2)	(204.2)	(199.6)	SDR allocation	(160.1)	(176.6)	(195.3)	(198.2)	(198.3)	(199.0)	(202.1)	(216.1)	(216.9)	(213.3)	(223.7)	(214.2)	(204.2)	(199.6)
SDR allocation															Currency held by the private sector														
Currency held by the private sector															Source: The Central Bank of The Bahamas														

TABLE 4
DOMESTIC BANKS BALANCE SHEET

End of Period	(B\$ Millions)																	
	2003			2004			2005			2006			2007			2008		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Net foreign assets	(628.1)	(563.5)	(611.0)	(654.1)	(650.6)	(723.8)	(754.1)	(756.9)	(767.3)	(713.7)	(667.6)	(595.0)	(612.9)	(679.6)				
Net claims on Central Bank	322.4	461.4	389.7	403.2	405.1	418.1	366.5	479.8	460.4	412.3	448.4	499.7	525.0	498.4				
Notes and Coins	79.6	78.5	105.8	57.0	60.4	59.1	116.2	60.3	72.0	73.5	110.1	79.7	81.8	79.1				
Balances	243.6	383.7	284.7	347.0	345.5	359.8	251.1	420.4	389.2	339.6	339.1	420.8	444.0	420.1				
Less Central Bank credit	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8				
Net domestic assets	3,814.7	4,018.7	4,518.2	4,615.1	4,753.6	4,797.4	4,935.4	5,003.4	5,190.8	5,197.3	5,199.7	5,215.9	5,271.0	5,405.4				
Net claims on Government	398.1	405.2	528.9	510.0	512.3	453.8	494.5	469.9	610.6	544.9	534.5	545.1	585.3	609.6				
Treasury bills	47.6	26.7	66.1	78.0	125.3	34.6	10.0	18.9	139.6	60.7	50.8	71.7	197.4	189.8				
Other securities	369.6	393.3	400.5	413.9	417.8	447.5	437.1	446.7	437.9	463.1	468.5	466.3	460.7	520.5				
Loans and advances	74.5	78.2	150.7	122.6	75.7	70.9	156.3	107.7	139.7	136.1	120.3	133.4	57.2	65.0				
Less: deposits	93.6	93	88.4	104.5	106.5	99.2	108.9	103.3	106.6	115.1	105.0	126.3	130.0	165.7				
Net claims on rest of public sector	53.0	91.5	(25.3)	(11.4)	(14.0)	(15.2)	12.3	15.4	(7.7)	(55.7)	(78.9)	(96.6)	(57.4)	(40.7)				
Securities	18.6	18.6	20.6	22.6	34.3	34.3	121.1	118.4	115.9	98.0	97.7	97.2	95.2	89.3				
Loans and advances	347.0	313.5	265.8	283.6	322.2	326.1	268.1	253.7	278.6	262.3	243.9	235.7	300.3	339.3				
Less: deposits	312.6	240.6	311.7	317.6	370.5	375.6	376.8	356.6	402.3	416.0	420.5	429.5	452.9	469.3				
Other net claims	3.5	(14.1)	(5.9)	(4.2)	8.2	(42.3)	(17.9)	(31.3)	(37.6)	(5.3)	(6.9)	(1.2)	(3.1)	-1.7				
Credit to the private sector	4094.6	4339.4	4953.7	5,115.7	5,288.5	5,520.4	5,668.7	5,757.8	5,873.1	6,067.3	6,218.4	6,252.9	6,343.1	6,454.6				
Securities	20.4	14.7	28.2	27.4	28.2	29.2	21.7	20.3	24.3	24.9	29.6	29.6	36.3	35.9				
Mortgages	1438.4	1631.1	1919.1	1,996.8	2,084.2	2,182.3	2,258.1	2,320.7	2,390.4	2,480.1	2,580.4	2,617.4	2,702.6	2766.3				
Loans and advances	2,635.8	2,693.6	3006.4	3,091.5	3,176.1	3,308.9	3,388.9	3,416.9	3,458.4	3,562.3	3,608.4	3,605.9	3,604.2	3652.4				
Private capital and surplus	(1032.5)	(1121.4)	(1197.5)	(1,278.4)	(1,299.2)	(1,420.7)	(1,477.5)	(1,501.3)	(1,552.1)	(1,600.9)	(1,654.1)	(1,706.6)	(1,775.0)	(1,815.7)				
Net unclassified assets	301.5	318.1	264.3	283.4	257.8	301.4	255.3	292.8	304.5	247.0	186.7	222.3	178.1	199.3				
Liabilities to private sector	3,508.9	3,916.6	4297.1	4,364.2	4,508.1	4,491.7	4,547.8	4,726.4	4,883.9	4,896.0	4,982.7	5,120.6	5,183.1	5,224.2				
Demand deposits	766.2	921	1092.2	1,066.1	1,161.4	1,128.7	1,112.9	1,124.8	1,164.7	1,137.7	1,174.8	1,182.5	1,164.9	1164.4				
Savings deposits	682.1	783.7	885.3	915.1	937.6	949.0	956.8	988.3	1,032.7	1,016.2	994.7	1,013.8	1,024.2	1012.1				
Fixed deposits	2060.6	2211.9	2319.6	2,383.0	2,409.1	2,414.0	2,478.1	2,613.3	2,686.5	2,742.0	2,813.2	2,924.3	2,994.0	3047.7				

Source: The Central Bank of The Bahamas

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

Period	(B\$'000s)												
	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	
1. Interest Income	533,519	646,269	744,537	145,220	156,110	162,343	182,596	182,718	181,288	187,091	193,440	184,145	189,882
2. Interest Expense	178,153	225,205	291,206	47,289	53,343	57,560	67,013	68,909	74,410	73,078	74,809	69,067	68,655
3. Interest Margin (1-2)	355,366	421,064	453,331	97,931	102,767	104,783	115,583	113,809	106,878	114,013	118,631	115,078	121,227
4. Commission & Forex Income	28,665	29,543	31,714	7,134	6,973	6,648	8,788	7,680	7,979	10,936	5,119	9,544	9,322
5. Gross Earnings Margin (3+4)	384,031	450,607	485,045	105,065	109,740	111,431	124,371	121,489	114,857	124,949	123,750	124,622	130,549
6. Staff Costs	125,378	138,087	133,309	33,502	33,914	35,985	34,686	26,848	34,586	36,696	35,179	35,281	36,908
7. Occupancy Costs	18,558	20,669	20,612	4,744	5,292	5,682	4,951	4,595	5,390	5,167	5,460	5,111	5,971
8. Other Operating Costs	54,888	63,002	79,480	16,036	15,093	14,022	17,851	19,773	18,603	21,972	19,132	22,073	22,710
9. Operating Costs (6+7+8)	198,824	221,758	233,401	54,282	54,299	55,689	57,488	51,216	58,579	63,835	59,771	62,465	65,589
10. Net Earnings Margin (5-9)	185,207	228,849	251,644	50,783	55,441	55,742	66,883	70,273	56,278	61,114	63,979	62,157	64,960
11. Depreciation Costs	12,625	11,088	11,673	2,818	2,842	2,810	2,618	2,935	2,986	2,967	2,785	3,101	3,347
12. Provisions for Bad Debt	21,897	43,129	39,817	6,181	10,819	7,967	18,162	5,696	12,567	8,614	12,940	16,227	11,304
13. Other Income	76,750	101,633	107,271	26,750	23,607	26,185	25,091	24,794	32,565	27,202	22,710	37,831	28,299
14. Other Income (Net) (13-11-12)	42,228	47,416	55,781	17,751	9,946	15,408	4,311	16,163	17,012	15,621	6,985	18,503	13,648
15. Net Income (10+14)	227,435	276,265	307,425	68,534	65,387	71,150	71,194	86,436	73,290	76,735	70,964	80,660	78,608
16. Effective Interest Rate Spread (%)	6.45	6.15	6.25	6.24	6.28	6.12	5.96	5.88	5.80	6.44	6.88	6.36	6.60
	(Ratios To Average Assets)												
Interest Margin	5.42	5.62	5.51	5.49	5.54	5.49	5.97	5.74	5.17	5.47	5.64	5.33	5.41
Commission & Forex Income	0.44	0.40	0.39	0.40	0.38	0.35	0.45	0.39	0.39	0.52	0.24	0.44	0.42
Gross Earnings Margin	5.85	6.02	5.89	5.89	5.91	5.84	6.42	6.12	5.56	5.99	5.88	5.78	5.83
Operating Costs	3.02	2.97	2.83	3.04	2.93	2.92	2.97	2.58	2.84	3.06	2.84	2.90	2.93
Net Earnings Margin	2.83	3.05	3.06	2.85	2.99	2.92	3.45	3.54	2.72	2.93	3.04	2.88	2.90
Net Income	3.47	3.69	3.74	3.84	3.52	3.73	3.68	4.36	3.55	3.68	3.37	3.74	3.51

*Commercial Banks and OLFIs with domestic operations

Source: The Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B\$ Millions)

End of Period	2003			2004			2005			2006			2007			2008		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Money supply (M1)	907.4	1,134.4	1,247.6	1,265.5	1,352.7	1,263.6	1,251.1	1,267.9	1,330.7	1,273.3	1,300.3	1,308.4	1,305.7	1,320.2				
1) Currency in active circulation	160.1	176.6	195.3	198.2	198.3	199.0	202.1	216.1	216.9	213.3	223.7	214.2	204.2	199.6				
2) Demand deposits	747.3	957.8	1,052.3	1,067.3	1,154.4	1,064.6	1,049.0	1,051.8	1,113.8	1,060.0	1,076.6	1,094.2	1,101.5	1,120.6				
Central Bank	21.7	87.7	26.1	54.1	78.2	12.4	18.3	22.8	29.8	17.4	10.4	18.2	17.1	28.3				
Domestic Banks	725.6	870.1	1,026.2	1,013.2	1,076.2	1,052.2	1,030.7	1,029.0	1,084.0	1,042.6	1,066.2	1,076.0	1,084.4	1,092.3				
Factors affecting changes in money (M1)																		
1) Net credit to Government	506.5	547.1	642.5	621.2	642.2	636.0	677.0	664.2	773.7	823.6	866.8	840.1	763.8	795.0				
Central Bank	108.4	141.9	122.0	111.2	129.9	182.3	182.5	194.2	163.1	278.7	332.3	295.0	178.5	185.3				
Domestic Banks	398.1	405.2	520.5	510.0	512.3	453.7	494.5	470.0	610.6	544.9	534.5	545.1	585.3	609.7				
2) Other credit	4,467.5	4,680.1	5,257.0	5,430.2	5,653.1	5,888.9	6,065.9	6,137.9	6,275.6	6,435.5	6,567.5	6,593.2	6,742.4	6,890.5				
Rest of public sector	372.9	340.7	303.3	314.5	364.6	368.5	397.2	380.1	402.5	368.2	349.1	340.3	402.9	435.9				
Private sector	4,094.6	4,339.4	4,953.7	5,115.7	5,288.5	5,520.4	5,668.7	5,757.8	5,873.1	6,067.3	6,218.4	6,252.9	6,339.5	6,454.6				
3) External reserves	484.3	667.8	578.8	637.8	644.2	542.7	499.7	623.5	642.9	464.7	454.2	539.6	674.8	650.2				
4) Other external liabilities (net)	(628.1)	(563.5)	(611.0)	(654.1)	(650.6)	(723.8)	(754.1)	(756.9)	(767.3)	(713.7)	(667.6)	(595.0)	(612.9)	(679.6)				
5) Quasi money	3,095.9	3,287.1	3,582.6	3,668.7	3,802.5	3,815.1	3,894.0	4,054.0	4,202.3	4,269.4	4,337.0	4,474.1	4,553.5	4,601.2				
6) Other items (net)	(826.9)	(910.0)	(1,037.1)	(1,100.9)	(1,133.7)	(1,265.1)	(1,343.4)	(1,346.8)	(1,391.9)	(1,467.4)	(1,583.6)	(1,595.4)	(1,708.9)	(1,734.7)				

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

End of Period	2007				2008				(B\$' 000)	
	2004	2005	2006	2007	2008	2008	2008	2008		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
CREDIT OUTSTANDING										
Private cars	212,679	209,879	228,421	231,191	237,786	241,465	248,152	247,418	251,167	245,023
Taxis & rented cars	2,349	2,317	2,568	2,305	2,004	2,095	1,908	1,925	2,033	2,020
Commercial vehicles	5,212	6,038	6,829	7,024	6,985	6,926	6,956	6,966	6,876	6,350
Furnishings & domestic appliances	13,972	17,309	19,658	20,018	20,265	21,111	22,394	22,435	22,818	22,043
Travel	40,814	41,435	45,944	42,898	43,506	50,326	50,970	48,520	51,036	54,412
Education	46,926	47,737	52,858	52,219	52,249	58,196	54,725	53,938	54,012	59,306
Medical	13,811	14,446	17,320	18,149	18,846	20,231	20,520	21,014	22,034	22,001
Home Improvements	114,199	134,334	152,851	154,103	157,601	162,026	163,070	164,973	167,272	171,886
Land Purchases	150,096	174,645	201,318	212,473	217,701	221,946	227,236	232,912	234,282	237,334
Consolidation of debt	346,795	413,193	459,791	469,828	482,978	496,945	496,296	505,038	531,296	563,738
Miscellaneous	374,008	412,162	489,122	505,010	516,608	536,264	559,119	562,536	556,726	552,197
Credit Cards	166,073	188,058	226,401	223,774	228,627	243,125	256,995	258,291	264,375	281,198
TOTAL	1,486,934	1,661,553	1,903,081	1,938,992	1,985,156	2,060,656	2,108,341	2,125,966	2,163,927	2,217,508
NET CREDIT EXTENDED										
Private cars	-8,655	-2,800	18,542	2,770	6,595	3,679	6,687	-734	3,749	-6,144
Taxis & rented cars	295	-32	251	-263	-301	91	-187	17	108	-13
Commercial vehicles	958	826	791	195	-39	-59	30	10	-90	-526
Furnishings & domestic appliances	1,245	3,337	2,349	360	247	846	1,283	41	383	-775
Travel	-1	621	4,509	-3,046	608	6,820	644	-2,450	2,516	3,376
Education	-2,977	811	5,121	-639	30	5,947	-3,471	-787	74	5,294
Medical	149	635	2,874	829	697	1,385	289	494	1,020	-33
Home Improvements	4,903	20,135	18,517	1,252	3,498	4,425	1,044	1,903	2,299	4,614
Land Purchases	29,831	24,549	26,673	11,155	5,228	4,245	5,290	5,676	1,370	3,052
Consolidation of debt	3,135	66,398	46,598	10,037	13,150	13,967	-649	8,742	26,258	32,442
Miscellaneous	39,741	38,154	76,960	15,888	11,598	19,656	22,855	3,417	-5,810	-4,529
Credit Cards	17,808	21,985	38,343	-2,627	4,853	14,498	13,870	1,296	6,084	16,823
TOTAL	86,432	174,619	241,528	35,911	46,164	75,500	47,685	17,625	37,961	53,581

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

(%)

Period	2005				2006				2007				2008			
	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
DOMESTIC BANKS																
Deposit rates																
Savings deposits	2.26	2.16	2.05	2.16	2.19	2.13	2.16	2.14	2.01	1.96	2.00	2.24	2.30	2.25	2.20	2.20
Fixed deposits																
Up to 3 months	3.13	3.17	3.51	3.16	3.15	3.13	3.16	3.25	3.44	3.50	3.52	3.58	3.74	3.71	3.71	3.71
Up to 6 months	3.41	3.63	3.89	3.63	3.44	3.60	3.63	3.83	3.88	3.86	3.85	3.98	4.18	4.09	4.00	4.00
Up to 12 months	3.58	3.93	4.28	3.88	3.85	3.88	3.88	4.10	4.32	4.19	4.12	4.47	4.83	4.57	4.48	4.48
Over 12 months	3.62	4.18	4.52	4.15	4.13	4.10	4.15	4.32	4.84	4.05	4.48	4.71	5.05	4.28	4.31	4.31
Weighted average rate	3.22	3.36	3.69	3.31	3.31	3.30	3.31	3.51	3.66	3.63	3.68	3.80	4.02	3.91	3.90	3.90
Lending rates																
Residential mortgages	8.08	7.85	8.16	7.84	7.94	7.82	7.84	7.78	7.93	8.13	8.28	8.29	8.36	8.58	8.25	8.25
Commercial mortgages	8.10	8.37	8.75	8.30	8.12	8.42	8.30	8.65	8.56	8.26	8.93	9.23	8.62	9.24	8.37	8.37
Consumer loans	12.22	11.96	12.70	12.10	12.01	11.97	12.10	11.75	12.15	12.82	12.76	13.05	13.00	13.49	13.07	13.07
Overdrafts	10.86	10.56	11.44	10.44	11.18	10.38	10.44	10.23	11.47	12.39	11.04	10.87	11.34	11.79	11.57	11.57
Weighted average rate	10.34	9.97	10.63	9.93	10.25	9.90	9.93	9.79	10.35	10.82	10.63	10.72	11.00	11.42	11.00	11.00
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	5.50	5.50
Treasury bill (90 days)	0.14	0.87	2.66	0.69	0.36	0.69	0.69	1.74	2.55	2.64	2.63	2.83	2.69	2.83	2.69	2.69
Treasury bill re-discount rate	0.64	1.37	3.16	1.19	0.86	1.19	1.19	2.24	3.05	3.14	3.13	3.33	3.19	3.33	3.19	3.19
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	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	92.3	93.0	92.4	92.4	92.5	92.4	92.4	92.4	92.4	92.4	92.4	92.4	91.3	90.6	90.9	89.9	89.6	89.6	
Arrears (% by loan type)																					
Consumer	2.9	2.8	2.7	2.6	2.8	2.8	2.8	2.8	2.6	2.7	2.7	2.8	2.8	2.8	2.8	3.0	3.1	3.2	3.3	3.3	
Mortgage	3.8	3.6	3.2	3.2	3.4	3.4	3.1	3.1	3.1	3.3	3.3	3.9	4.6	4.4	4.5	4.5	4.4	4.5	4.7	4.7	
Commercial	2.5	1.6	1.8	1.2	1.4	1.4	1.6	1.6	1.9	1.5	1.9	1.9	1.7	1.5	1.9	1.7	1.5	2.3	2.3	2.3	
Public	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	
Total Arrears	<u>9.2</u>	<u>8.0</u>	<u>7.7</u>	<u>7.0</u>	<u>7.6</u>	<u>7.6</u>	<u>7.5</u>	<u>7.5</u>	<u>7.6</u>	<u>7.6</u>	<u>7.6</u>	<u>8.7</u>	<u>9.4</u>	<u>9.1</u>	<u>10.1</u>	<u>10.1</u>	<u>10.1</u>	<u>10.1</u>	<u>10.4</u>	<u>10.4</u>	
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	100.0	100.0	100.0	100.0	100.0	
Loan Portfolio																					
Current Loans (as a % of total loans)	90.8	92.0	92.3	93.0	92.4	92.4	92.5	92.4	92.4	92.4	92.4	92.4	92.4	92.4	91.3	90.6	90.9	89.9	89.6	89.6	
Arrears (% by days outstanding)																					
30 - 60 days	2.9	2.7	2.7	2.3	2.4	2.4	2.5	2.5	2.7	2.6	2.6	3.1	3.6	3.2	3.4	3.4	3.2	3.4	3.3	3.3	
61 - 90 days	1.5	1.0	0.7	0.7	1.2	1.2	0.9	0.9	0.8	1.0	1.0	1.3	1.3	1.2	1.3	1.3	1.2	1.7	1.6	1.6	
90 - 179 days	0.8	0.9	0.9	0.7	0.8	0.8	0.9	0.9	0.8	0.7	0.7	0.9	1.2	1.4	1.2	1.4	1.4	1.2	1.4	1.4	
over 180 days	4.0	3.4	3.4	3.3	3.2	3.2	3.2	3.2	3.3	3.4	3.4	3.4	3.3	3.3	3.4	3.3	3.3	3.8	4.1	4.1	
Total Arrears	<u>9.2</u>	<u>8.0</u>	<u>7.7</u>	<u>7.0</u>	<u>7.6</u>	<u>7.6</u>	<u>7.5</u>	<u>7.5</u>	<u>7.6</u>	<u>7.6</u>	<u>7.6</u>	<u>8.7</u>	<u>9.4</u>	<u>9.1</u>	<u>10.1</u>	<u>10.1</u>	<u>10.1</u>	<u>10.1</u>	<u>10.4</u>	<u>10.4</u>	
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	100.0	100.0	100.0	100.0	100.0	
Non Accrual Loans (% by loan type)																					
Consumer	39.7	33.9	35.1	36.5	37.0	37.0	35.0	35.0	31.9	33.1	33.1	30.8	29.4	32.8	31.4	31.4	31.4	31.4	31.6	31.6	
Mortgage	38.8	42.9	41.6	44.3	41.7	41.7	40.9	40.9	42.7	42.1	42.1	42.7	45.6	46.4	45.3	45.3	45.3	45.3	45.2	45.2	
Other Private	21.4	23.1	23.2	19.1	21.2	21.2	24.0	24.0	25.3	22.8	22.8	24.6	23.2	19.0	21.5	21.5	21.5	21.5	22.2	22.2	
Public	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0	2.0	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.0	1.0	
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	100.0	100.0	100.0	100.0	100.0	
Provisions to Loan Portfolio																					
Consumer	4.0	3.0	3.1	3.3	3.5	3.5	3.4	3.4	2.8	3.0	3.0	2.7	2.8	3.0	3.1	3.1	3.0	3.1	2.2	2.2	
Mortgage	1.2	1.3	1.5	1.5	1.3	1.3	1.3	1.3	1.2	1.3	1.3	1.2	1.2	1.2	1.3	1.2	1.2	1.3	1.2	1.2	
Other Private	1.0	1.6	2.3	2.3	2.3	2.3	2.5	2.5	2.8	2.4	2.4	3.2	3.2	3.3	3.7	3.7	3.3	3.7	4.9	4.9	
Public	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Provisions to Total Loans	2.2	2.0	2.3	2.3	2.3	2.3	2.3	2.3	2.1	2.1	2.1	2.1	2.2	2.3	2.4	2.3	2.3	2.4	2.6	2.6	
Total Provisions to Non-performing Loans	45.0	44.9	51.8	57.7	56.5	56.5	54.7	54.7	51.1	51.3	51.3	48.7	47.9	47.9	47.9	47.9	47.9	47.9	46.7	46.7	
Total Non-performing Loans to Total Loans	4.8	4.5	4.3	4.0	4.1	4.1	4.2	4.2	4.1	4.1	4.1	4.3	4.5	4.7	4.9	4.5	4.7	4.9	5.5	5.5	

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)																	
	2003			2004			2005			2006			2007			2008		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
I. Statutory Reserves																		
Required reserves	187.2	205.3	226.3	228.6	238.0	244.6	244.7	248.5	258.5	263.1	265.0	269.3	277.4	281.9				
Average Till Cash	66.7	70.2	86.5	60.8	67.8	68.2	96.9	67.9	71.4	72.5	92.8	74.9	77.2	76.1				
Average balance with central bank	250.2	407.5	332.2	357.5	355.9	348.5	265.7	379.6	421.0	340.2	363.1	419.7	453.0	428.7				
Free cash reserves (period ended)	128.9	271.6	191.5	189.0	184.9	171.2	117.2	198.3	233.1	148.9	190.1	224.5	252.0	222.1				
II. Liquid Assets (period)																		
A. Minimum required Liquid assets	615.6	677.2	752.2	768.5	797.6	800.4	802.5	813.6	851.8	858.0	860.0	883.7	894.0	909.3				
B. Net Eligible Liquid Assets	772.3	909.7	895.6	937.8	990.4	964.2	865.6	988.9	1079.5	980.5	1011.9	1075.3	1213.6	1240.7				
i) Balance with Central Bank	243.5	383.7	284.7	347.0	345.5	359.8	251.1	420.4	389.2	339.6	341.2	420.8	444.0	420.1				
ii) Notes and Coins	80.1	79.0	106.3	57.5	60.9	59.6	116.7	60.8	72.5	74.0	110.6	80.2	82.0	79.6				
iii) Treasury Bills	47.6	26.7	66.1	78.0	125.3	34.6	10.0	18.9	139.6	60.7	50.8	71.7	197.4	189.8				
iv) Government registered stocks	369.5	393.3	400.4	413.9	417.8	447.5	437.1	446.7	437.9	463.1	468.5	466.3	460.7	520.5				
v) Specified assets	26.8	24.9	26.0	28.0	39.3	39.0	39.9	39.7	39.5	37.3	36.6	36.5	34.3	26.5				
vi) Net Inter-bank dem/call deposits	5.6	2.9	12.9	14.2	2.4	24.5	11.7	3.3	1.5	6.6	5.0	0.6	(4.0)	5.0				
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)	(0.8)	(0.8)				
C. Surplus/(Deficit)	156.7	232.5	143.4	169.3	192.8	163.8	63.1	175.4	227.6	122.5	151.9	191.6	319.6	331.4				

Source: The Central Bank of The Bahamas

**TABLE 11
GOVERNMENT OPERATIONS AND FINANCING**

Period	(B\$ Millions)																
	2004/05p		2005/06p		2006/07p		Budget		2006/07p			2007/08p			2009/08p		
	2004/05p	2005/06p	2006/07p	2007/08	2008/09	2006/07p	2007/08	2008/09	QTR. I	QTR. II	QTR. III	QTR. IV*	QTR. I	QTR. II	QTR. III	QTR. IV*	QTR. I
Total Revenue & Grants	1,039.4	1,221.5	1,338.5	1484.2	1569.3	352.2	360.2	360.2	293.7	315.9	375.2	294.8	293.7	315.9	375.2	294.8	314.6
Current expenditure	1,053.1	1,149.6	1,285.7	1385.4	1484.2	334.6	368.0	368.0	303.6	319.1	339.0	231.2	303.6	319.1	339.0	231.2	331.4
Capital expenditure	90.4	123.5	166.3	189.7	188.7	36.1	64.6	64.6	30.5	33.5	32.8	22.1	30.5	33.5	32.8	22.1	28.5
Net lending	71.4	54.5	69.1	34.4	62.2	16.9	24.5	24.5	10.4	12.0	13.1	12.2	10.4	12.0	13.1	12.2	14.8
Overall balance	(175.5)	(106.1)	(182.5)	(125.4)	(165.7)	(35.3)	(96.9)	(96.9)	(50.8)	(48.7)	(9.8)	29.4	(60.1)	(50.8)	(48.7)	(9.8)	(60.1)
FINANCING (I+II-III+IV+V)	175.5	106.1	182.5	125.4	165.7	35.3	96.9	96.9	50.8	48.7	9.8	(29.4)	50.8	48.7	9.8	(29.4)	60.1
I. Foreign currency borrowing	2.9	8.7	14.5	23.0	27.9	5.0	3.8	3.8	2.6	23.0	0.3	100.8	2.6	23.0	0.3	100.8	3.6
External	2.9	5.3	14.5	23.0	27.9	5.0	3.8	3.8	2.6	3.0	0.3	100.8	2.6	3.0	0.3	100.8	3.6
Domestic	--	3.4	--	--	--	--	--	--	--	20.0	--	--	--	20.0	--	--	--
II. Bahamian dollar borrowing	325.1	201.7	230.3	166.6	207.2	50.0	65.3	65.3	128.0	66.5	--	--	128.0	66.5	--	--	100.0
i) Treasury bills	13.1	--	10.0	--	--	--	10.0	10.0	28.0	--	--	--	28.0	--	--	--	--
Central Bank	13.1	--	10.0	--	--	--	10.0	10.0	28.0	--	--	--	28.0	--	--	--	--
Commercial banks & OLFIs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Public corporations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
ii) Long-term securities	306.3	201.7	195.3	--	--	50.0	45.3	45.3	100.0	66.5	--	--	100.0	66.5	--	--	100.0
Central Bank	55.9	11.5	70.3	--	--	20.0	45.3	45.3	--	41.5	--	--	--	41.5	--	--	--
Commercial banks & OLFIs	46.3	35.2	34.9	--	--	--	--	--	25.2	--	--	--	25.2	--	--	--	47.0
Public corporations	125.6	25.3	49.1	--	--	30.0	--	--	30.8	25.0	--	--	30.8	25.0	--	--	13.7
Other	78.5	129.6	41.0	--	--	--	--	--	44.0	--	--	--	44.0	--	--	--	39.3
iii) Loans and Advances	5.7	--	25.0	--	--	--	10.0	10.0	--	--	--	--	--	--	--	--	--
Central Bank	5.7	--	25.0	--	--	--	10.0	10.0	--	--	--	--	--	--	--	--	--
Commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
III Debt repayment	98.3	62.1	122.5	63.9	60.1	11.3	58.1	58.1	21.3	3.1	11.3	47.8	21.3	3.1	11.3	47.8	15.9
Domestic	92.6	58.1	92.8	56.0	55.0	10.5	31.4	31.4	20.5	1.4	10.5	46.0	20.5	1.4	10.5	46.0	15.0
Bahamian dollars	92.6	57.2	91.0	56.0	55.0	10.5	30.5	30.5	20.5	0.5	10.5	25.1	20.5	0.5	10.5	25.1	15.0
Internal foreign currency	--	0.9	1.8	--	--	--	0.9	0.9	--	0.9	--	20.9	--	0.9	--	20.9	--
External	5.7	4.0	29.7	7.9	5.1	0.8	26.7	26.7	0.8	1.7	0.8	1.8	0.8	1.7	0.8	1.8	0.9
IV. Cash balance change	(45.8)	39.5	(7.6)	--	--	5.0	(9.7)	(9.7)	(4.0)	3.9	(30.8)	(4.3)	(4.0)	3.9	(30.8)	(4.3)	(26.5)
V. Other Financing	(8.3)	(81.6)	67.8	(0.3)	(9.3)	(13.5)	95.6	95.6	(54.5)	(41.6)	51.6	(78.2)	(54.5)	(41.6)	51.6	(78.2)	(1.1)

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

* April & May only

TABLE 12
NATIONAL DEBT

End of Period	2007p			2008p			(B\$' 000s)	
	2005p	2006p	2007p	Sept.	Dec.	Mar.		Jun.
TOTAL EXTERNAL DEBT	286,528	289,186	272,403	271,140	272,403	271,877	370,824	373,505
By Instrument								
Government Securities	225,000	225,000	200,000	200,000	200,000	200,000	300,000	300,000
Loans	61,528	64,186	72,403	71,140	72,403	71,877	70,824	73,505
Commercial banks	--	--	--	--	--	--	--	--
Offshore financial institutions	--	--	--	--	--	--	--	--
Multilateral institutions	61,528	64,186	70,168	67,525	68,788	68,262	67,209	69,890
Bilateral Institutions	--	--	3,615	3,615	3,615	3,615	3,615	3,615
Private Capital Markets	225,000	225,000	200,000	200,000	200,000	200,000	300,000	300,000
TOTAL INTERNAL DEBT	1,948,696	2,097,077	2,363,056	2,277,958	2,363,056	2,352,564	2,306,653	2,391,653
By Instrument								
Foreign Currency	--	4,966	23,160	4,063	23,160	23,160	2,257	2,257
Government securities	--	--	--	--	--	--	--	--
Loans	--	4,966	23,160	4,063	23,160	23,160	2,257	2,257
Bahamian Dollars	1,948,696	2,092,111	2,339,896	2,273,895	2,339,896	2,329,404	2,304,396	2,389,396
Advances	76,988	61,988	71,988	71,988	71,988	71,988	71,988	71,988
Treasury bills	192,469	192,469	230,469	230,469	230,469	230,469	230,469	230,469
Government securities	1,668,993	1,829,908	2,031,693	1,965,192	2,031,693	2,021,693	1,996,693	2,081,693
Loans	10,246	7,746	5,746	6,246	5,746	5,254	5,246	5,246
By Holder								
Foreign Currency	--	4,966	23,160	4,063	23,160	23,160	2,257	2,257
Commercial banks	--	4,966	23,160	4,063	23,160	23,160	2,257	2,257
Other local financial institutions	--	--	--	--	--	--	--	--
Bahamian Dollars	1,948,696	2,092,111	2,339,896	2,273,895	2,339,896	2,329,404	2,304,396	2,389,396
The Central Bank	149,682	190,824	348,842	288,568	348,842	320,819	201,548	199,072
Commercial banks	463,385	450,474	520,904	526,049	520,904	541,561	662,162	701,305
Other local financial institutions	4,811	5,271	3,032	5,171	3,032	3,032	2,932	2,932
Public corporations	763,092	764,486	729,259	722,058	729,259	729,580	713,163	721,172
Other	567,726	681,056	737,859	732,049	737,859	734,412	724,591	764,915
TOTAL FOREIGN CURRENCY DEBT	286,528	294,152	295,563	275,203	295,563	295,037	373,081	375,762
TOTAL DIRECT CHARGE	2,235,224	2,386,263	2,635,459	2,549,098	2,635,459	2,624,441	2,677,477	2,765,158
TOTAL CONTINGENT LIABILITIES	501,637	500,885	434,507	443,408	434,507	426,870	422,807	442,389
TOTAL NATIONAL DEBT	2,736,861	2,887,148	3,069,966	2,992,506	3,069,966	3,051,311	3,100,284	3,207,547

Source: Treasury Accounts & Treasury Statistical Summary Printouts

Public Corporation Reports

Creditor Statements, Central Bank of The Bahamas

TABLE 13
PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS

	2005p	2006p	2007p	2007p			2008p		
				Sep	Dec.*	Mar.	Jun.	Sep	
Outstanding debt at beginning of period	581,709	553,442	636,225	622,904	612,744	643,887	684,131	772,366	
Government	284,611	286,528	294,152	274,806	275,203	295,563	295,037	373,081	
Public Corporations	297,098	266,914	342,073	348,098	337,541	348,324	389,094	399,285	
Plus new drawings	42,862	132,336	187,002	1,229	109,971	50,309	120,830	73,604	
Government	4,974	13,872	33,161	1,229	22,971	309	100,830	3,604	
Public corporations	37,888	118,464	153,841	--	87,000	50,000	20,000	70,000	
Less Amortization	71,129	49,553	179,340	11,389	78,828	10,065	32,595	12,184	
Government	3,057	6,248	31,750	832	2,611	835	22,786	923	
Public corporations	68,072	43,305	147,590	10,557	76,217	9,230	9,809	11,261	
Outstanding debt at end of period	553,442	636,225	643,887	612,744	643,887	684,131	772,366	833,786	
Government	286,528	294,152	295,563	275,203	295,563	295,037	373,081	375,762	
Public corporations	266,914	342,073	348,324	337,541	348,324	389,094	399,285	458,024	
Interest Charges	30,937	35,234	40,418	4,250	16,487	5,049	13,036	5,808	
Government	18,141	18,254	18,000	589	7,965	891	8,008	607	
Public corporations	12,796	16,980	22,418	3,661	8,522	4,158	5,028	5,201	
Debt Service	102,066	84,787	219,758	15,639	95,315	15,114	45,631	17,992	
Government	21,198	24,502	49,750	1,421	10,576	1,726	30,794	1,530	
Public corporations	80,868	60,285	170,008	14,218	84,739	13,388	14,837	16,462	
Debt Service ratio (%)	3.4	2.7	6.5	2.0	11.1	1.6	5.2	2.3	
Government debt Service/ Government revenue (%)	1.9	1.9	3.7	0.5	3.3	0.5	10.4	0.4	
MEMORANDUM									
Holder distribution (B\$ Mil):									
Commercial banks	215.9	296.7	327.2	295.4	327.2	369.0	360.2	420.0	
Offshore Financial Institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Multilateral Institutions	112.0	108.7	107.5	108.2	107.5	106.0	103.0	104.7	
Bilateral Institutions	0.0	0.0	3.6	3.6	3.6	3.6	3.6	3.6	
Other	0.5	5.7	5.6	5.6	5.6	5.5	5.5	5.5	
Private Capital Markets	225.0	225.0	200.0	200.0	200.0	200.0	300.0	300.0	

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

Note: *Debt servicing during the 2nd & 4th quarters of 2007 includes the refinancing of \$40 million & \$65 million in Public Corporations (internal) debt. Net of these payments, the respective adjusted debt service ratios were 5.6% & 3.5%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	(B\$ Millions)														
	2005p			2006p			2007p			2007			2008		
	2005p	2006p	2007p	Qtr.II Ip	Qtr.IV Ip	Qtr.II Ip	Qtr.IV Ip	Qtr.II Ip	Qtr.IV Ip	Qtr.II Ip	Qtr.IV Ip	Qtr.II Ip	Qtr.IV Ip	Qtr.II Ip	Qtr.IV Ip
A. Current Account Balance (I+II+III+IV)	(747.0)	(1,403.2)	(1,314.8)	(427.8)	(402.2)	(362.2)	(255.9)	(432.0)	(264.7)	(165.6)	(224.3)	(486.8)			
I. Merchandise (Net)	(1,850.2)	(2,063.0)	(2,154.5)	(564.6)	(473.1)	(540.1)	(531.1)	(571.4)	(511.9)	(490.6)	(537.8)	(641.2)			
Exports	549.0	703.5	801.8	179.3	179.6	183.7	189.9	201.1	227.1	278.4	216.8	222.0			
Imports	2,399.2	2,766.5	2,956.3	743.9	652.7	723.8	721.0	772.5	739.0	769.0	754.6	863.2			
II. Services (Net)	1,221.2	825.5	1,019.5	157.4	118.1	212.7	356.1	176.1	274.7	344.4	325.2	166.6			
Transportation	(312.9)	(300.8)	(315.9)	(73.6)	(72.7)	(87.3)	(83.6)	(76.0)	(69.0)	(82.5)	(80.0)	(76.2)			
Travel	1,724.6	1,671.2	1,809.8	342.9	330.7	495.6	545.1	379.7	389.3	520.2	528.4	394.8			
Insurance Services	(97.1)	(120.7)	(107.1)	(35.2)	(30.2)	(14.7)	(34.6)	(36.0)	(21.7)	(28.7)	(26.0)	(33.8)			
Offshore Companies Local Expenses	148.2	188.1	210.2	45.6	76.0	44.2	46.4	56.7	63.0	62.2	43.1	51.3			
Other Government	(50.4)	(68.4)	(44.8)	(8.9)	(33.4)	(17.3)	(1.5)	(21.6)	(4.5)	(6.4)	(18.6)	(18.0)			
Other Services	(191.2)	(543.8)	(532.7)	(113.4)	(152.3)	(207.7)	(115.8)	(126.7)	(82.4)	(120.4)	(121.7)	(151.6)			
III. Income (Net)	(203.3)	(217.9)	(231.6)	(27.0)	(57.7)	(45.6)	(98.0)	(48.6)	(39.4)	(34.1)	(29.0)	(25.8)			
1. Compensation of Employees	(73.2)	(92.9)	(84.7)	(16.3)	(16.3)	(16.9)	(19.7)	(23.8)	(24.4)	(15.4)	(16.9)	(13.6)			
2. Investment Income	(130.1)	(125.1)	(146.9)	(10.7)	(41.5)	(28.7)	(78.4)	(24.9)	(15.0)	(18.7)	(12.1)	(12.3)			
IV. Current Transfers (Net)	85.3	52.1	51.8	6.3	10.5	10.8	17.2	12.0	11.9	14.7	17.2	13.7			
1. General Government	59.1	58.3	60.9	9.0	11.5	12.7	19.8	13.8	14.7	17.3	17.7	15.7			
2. Private Sector	26.2	(6.2)	(9.1)	(2.7)	(1.0)	(1.9)	(2.6)	(1.8)	(2.9)	(2.6)	(0.5)	(2.1)			
B. Capital and Financial Account (I+II)	890.7	1,216.6	954.9	342.9	448.6	430.3	181.9	124.3	218.3	372.8	350.6	229.3			
(excl. Reserves)															
I. Capital Account (Net Transfers)	(60.4)	(63.5)	(75.7)	(21.8)	(13.7)	(21.4)	(16.8)	(21.5)	(16.0)	(11.6)	(10.7)	(18.4)			
II. Financial Account (Net)	951.1	1,280.1	1,030.6	364.7	462.3	451.7	198.7	145.8	234.4	384.4	361.3	247.7			
1. Direct Investment	563.6	706.4	713.3	140.2	287.1	310.0	119.5	130.1	153.7	185.0	212.1	157.1			
2. Portfolio Investment	--	(18.8)	(7.2)	(6.3)	--	--	(3.1)	--	(4.1)	(5.1)	(6.7)	(6.7)			
3. Other Investments	387.5	592.5	324.4	230.8	175.2	141.8	82.3	15.6	84.8	204.5	155.9	97.3			
Central Gov't Long Term Capital	1.1	2.6	(15.4)	2.3	1.1	4.3	(22.8)	1.8	1.3	(0.5)	98.9	2.7			
Other Public Sector Capital	(9.8)	(6.2)	9.0	(1.1)	(1.9)	(1.1)	1.1	(1.1)	10.1	(1.1)	(1.9)	(1.2)			
Banks	47.6	143.0	(86.6)	73.2	30.3	(26.4)	4.3	(18.3)	(46.2)	(72.5)	17.9	66.6			
Other	348.6	453.0	417.4	156.4	145.7	165.0	99.7	33.1	119.5	278.6	41.0	29.2			
C. Net Errors and Omissions	(232.6)	107.5	314.0	(16.7)	(89.3)	55.6	93.2	129.7	35.6	(121.6)	9.0	232.9			
D. Overall Balance (A+B+C)	(88.9)	(79.1)	(45.9)	(101.6)	(42.9)	123.8	19.2	(178.1)	(10.8)	85.6	135.2	(24.6)			
E. Financing (Net)	88.9	79.1	45.9	101.6	42.9	(123.8)	(19.2)	178.1	10.8	(85.6)	(135.2)	24.6			
Change in SDR holdings	0.0	0.1	--	--	0.1	--	--	--	--	--	--	--			
Change in Reserve Position with the IMF	0.7	(0.5)	(0.4)	--	(0.2)	--	--	(0.3)	(0.1)	(0.4)	0.1	0.5			
Change in Ext. Foreign Assets () = Increase	88.2	79.6	46.3	101.6	43.1	(123.8)	(19.2)	178.4	10.9	(85.2)	(135.3)	24.1			

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

	(B\$ '000)											
	2006				2007				2008			
	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
I. OIL TRADE												
i) Exports	92,997	167,600	26,416	24,995	28,438	40,098	38,598	60,466	51,401	23,465		
ii) Imports	605,383	615,782	197,023	102,863	106,550	169,542	173,969	165,721	211,264	252,625		
II. OTHER MERCHANDISE												
Domestic Exports												
Crawfish	89,906	81,370	26,136	41,919	16,594	9,174	20,408	35,194	n.a.	n.a.		
Fish & other Crustacea	5,188	1,864	1,434	882	511	525	591	237	n.a.	n.a.		
Fruits & Veggies.	1,233	1,198	--	543	647	78	8	465	n.a.	n.a.		
Aragonite	--	35,577	--	--	10,073	8,820	8,530	8,154	n.a.	n.a.		
Rum	9,218	20,282	4,928	3,620	5,438	4,497	6,709	3,638	n.a.	n.a.		
Other Cordials & Liqueurs	--	--	--	--	--	--	--	--	n.a.	n.a.		
Crude Salt	12,016	6,599	3,688	1,440	2,179	1,364	1,655	1,401	n.a.	n.a.		
Hormones	--	--	--	--	--	--	--	--	n.a.	n.a.		
Chemicals	--	84,562	--	--	15,188	19,930	30,040	19,404	n.a.	n.a.		
Other Pharmaceuticals	--	347	--	--	74	94	105	74	n.a.	n.a.		
Fragrances	--	--	--	--	--	--	--	--	n.a.	n.a.		
Other	187,400	147,290	42,925	44,793	35,205	41,487	37,029	33,569	n.a.	n.a.		
i) Total Domestic Exports	304,961	379,089	79,111	93,197	85,909	85,969	105,075	102,136	96,330	88,411		
ii) Re-Exports	110,868	123,398	23,721	27,196	27,865	29,322	29,888	36,323	80,730	79,043		
iii) Total Exports (i+ii)	415,829	502,487	102,832	120,393	113,774	115,291	134,963	138,459	177,060	167,454		
iv) Imports	2,375,341	2,488,023	618,388	594,236	659,118	620,817	650,398	557,690	596,808	570,663		
v) Retained Imports (iv-ii)	2,264,473	2,364,625	594,667	567,040	631,253	591,495	620,510	521,367	516,078	491,620		
vi) Trade Balance (i-v)	(1,959,512)	(1,985,536)	(515,556)	(473,843)	(545,344)	(505,526)	(515,435)	(419,231)	(419,748)	(403,209)		

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2006p				2007p				2008p				
	2005p	2006p	2007p	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
Visitor Arrivals													
Air	4,779,417	4,730,607	4,595,582	1,036,799	1,097,977	1,274,045	1,152,037	1,054,442	1,115,058	1,303,601	1,069,611	1,303,601	1,069,611
Sea	1,514,532	1,491,633	1,486,301	334,010	297,471	389,597	410,372	350,033	336,299	403,333	405,135	403,333	405,135
	3,264,885	3,238,974	3,109,281	702,789	800,506	884,448	741,665	704,409	778,759	900,268	664,476	900,268	664,476
Visitor Type													
Stopover	1,608,153	1,600,112	1,521,691	357,726	323,050	397,861	449,971	363,779	310,080	n.a	n.a	n.a	n.a
Cruise	3,078,709	3,076,397	2,970,659	662,164	776,772	854,457	696,715	660,787	758,700	868,745	615,566	868,745	615,566
Day/Transit	83,619	68,085	n.a	15,165	15,112	n.a.	n.a.	n.a	n.a	n.a	n.a	n.a	n.a
Tourist Expenditure(B\$ 000's)													
Stopover	2,068,859	2,056,428	n.a	457,719	434,429	n.a.	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Cruise	1,883,863	1,880,300	n.a	420,766	391,118	n.a.	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Day	179,979	172,043	n.a	36,043	42,404	n.a.	n.a	n.a	n.a	n.a	n.a	n.a	n.a
	5,017	4,085	n.a	910	907	n.a.	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Number of Hotel Nights	3,224,892	3,266,878	3,249,959	806,698	800,308	789,030	831,207	817,761	811,961	n.a	n.a	n.a	n.a
Average Length of Stay	6.4	6.4	n.a	5.9	6.7	n.a.	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Average Hotel Occupancy Rates (%)													
New Providence	75.4	76.9	73.7	75.4	65.8	79.9	78.5	71.6	64.9	n.a	n.a	n.a	n.a
Grand Bahama	63.7	52.0	46.6	43.5	36.8	49.4	54.8	44.6	37.7	n.a	n.a	n.a	n.a
Other Family Islands	39.4	36.3	38.5	30.8	28.8	41.8	49.3	35.0	27.7	n.a	n.a	n.a	n.a
Average Nightly Room Rates (\$)													
New Providence	164.8	172.0	201.0	159.0	156.7	201.6	213.6	191.9	197.0	n.a	n.a	n.a	n.a
Grand Bahama	109.8	122.3	124.8	98.8	113.0	158.2	137.9	103.7	99.3	n.a	n.a	n.a	n.a
Other Family Islands	190.1	205.1	219.9	184.0	199.7	243.8	218.7	200.6	216.5	n.a	n.a	n.a	n.a

Source: The Ministry of Tourism