



Quarterly Economic Review

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QUARTERLY ECONOMIC REVIEW

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

Preliminary indications suggest that the expansion in the Bahamian economy was sustained during the second quarter of 2005, benefiting from steady tourism and foreign investment inflows, and robust domestic housing activity. Although revenue performance was positive over the first eleven months of FY2004/05, fiscal operations resulted in a widened deficit due to growth in both recurrent and capital outlays. Monetary conditions supported moderately strong growth in the monetary aggregates and intensified expansion in domestic credit with the ongoing buoyancy in liquidity driving average interest rates broadly lower. On the external side, the hike in global oil prices contributed to a deterioration in the current account deficit which was mitigated by a widening surplus on capital and financial transactions, partly due to significant net short-term inflows through the banking sector and other private inflows.

Foreign currency inflows from the sale of properties connected with the Cable Beach redevelopment project contributed to a 25.8% expansion in net free cash balances of the banking system to \$291.2 million, which constituted a larger 6.6% share of Bahamian dollar deposit liabilities compared to 4.7% last year. The broader surplus liquid assets increased by 15.3% to \$303.7 million, with the excess over the statutory minimum advancing to 42.3% from 34.5%. Reflecting these developments, the weighted average interest rate softened for both loans and deposits, by 61 and 35 basis points, to 10.03% and 3.09%, respectively, for a 26 basis points reduction in the average spread to 6.94%. The average 90-day Treasury bill rate also narrowed by 3 basis points to 0.15%, while benchmark interest rates—Central Bank's Discount Rate and commercial banks' Prime—remained unchanged at 5.25% and 5.50%, respectively.

Growth in the monetary aggregates, although slowed from the comparative year-earlier period, continued to be underpinned by healthy foreign currency inflows, and an upsurge in residents' foreign currency

deposits. The overall money supply (M3) expanded by 3.4% relative to 4.1% last year, placing the stock at \$4.77 billion. Similarly, the expansion in broad money (M2) abated to 2.7% from 4.0%, amid more modest gains in savings and fixed deposits. A decline in currency in active circulation alongside slowed accretions to demand deposits caused narrow money (M1) to post lower growth of 3.8% compared to 10.3% a year earlier.

Domestic credit expanded by \$221.6 million (4.1%), up strongly from \$99.8 million (2.0%) the previous year, for outstanding claims of \$5.58 billion. Underlying this development was a \$248.8 million (5.7%) hike in credit to the private sector, as borrowings to support tourism sector developments boosted the foreign currency component. Residential mortgages and consumer credit also registered steady gains, and the increase for personal overdrafts more than doubled. Meanwhile, claims on the public corporations contracted by 2.3%, extending the 5.1% decline of 2004.

On the fiscal front, preliminary estimates indicated that the deficit on the Government's operations rose to \$137.2 million for the first eleven months of FY2004/05 from \$85.9 million in FY2003/04. Improved revenue collection measures and favourable economic conditions supported total revenue growth of 4.9% to \$910.4 million, reflecting an 8.2% hike in tax receipts to \$840.2 million. On the other hand, total expenditure increased by 9.9% to \$1,047.6 million, inclusive of a 6.8% boost in current outlays to \$927.3 million. Dominated by outlays for land acquisition, capital expenditure also rose by 38.0% to \$77.1 million, while net lending to the public corporations was enlarged by 45.5% to \$43.2 million. Budgetary financing for the first eleven months through May 2005 was entirely from domestic sources, comprising bonds (\$200 million), Treasury bills (\$13.1 million) and advances from Central Bank (\$5.7 million). Consequently, the Direct Charge on Government increased by 3.4% to \$2,173.1 million and the National Debt was also 3.4% higher at \$2,662.2 million at end-June 2005.

Despite ongoing weakness in Grand Bahama, linked to hurricane-related disruptions in supply, indications are that tourism output stabilized relative to the previous

quarter but remained below the pre-hurricane levels of 2004. Healthy gains in occupancy and average room rates in New Providence/Paradise Island sustained expenditure growth and helped offset an 8.3% reduction in overall visitor arrivals to 1,290,189. Both air and sea arrivals contracted by 0.9% and 11.6%, from year-earlier respective advances of 9.8% and 23.2%. Weakness was mainly concentrated in Grand Bahama, where arrivals fell by 20.0%—although visitors to New Providence and the Family Islands also declined by 8.1% and 2.0%, respectively. The Ministry of Tourism's survey of large hotel properties indicated that average nightly room rate gains of 0.3% to \$181.33 for the six months to June was augmented by a 7.3% increase in nightly room sales, to secure estimated room revenue growth of 7.6% to \$171.4 million.

Construction sector output gained further momentum during the second quarter, as hurricane rebuilding efforts reinforced the ongoing rally in residential investments. Industry data confirmed the buoyancy in housing market activity as the number of residential mortgage commitments for new construction and repairs more than doubled, to 459 from 213, with the corresponding value also higher by \$37.8 million at \$56.8 million.

During the review quarter, consumer price inflation, measured by changes in the average Retail Price Index, firmed to 1.68% from 0.88% in the comparable 2004 period. Partly reflecting the pass through effects of higher oil prices, increases were recorded in average costs for food and beverages, housing, transport & communication, as well as in education and 'other' goods & services. For the 12 months through June 2005 however, average inflation narrowed to 1.03% from 1.84% in 2004, paced by decelerations in clothing & footwear, furniture & household operation and recreation & entertainment services.

In the external sector, preliminary estimates for the June 2005 quarter indicate a significant widening of the current account deficit to \$124.1 million from \$14.4 million a year earlier. An appreciation in the oil import bill reinforced an increase in the merchandise trade deficit of 19.3% to \$402.8 million. Meanwhile, the services account surplus fell by 6.0% to \$309.4 million, partly due to a decline in net travel receipts of \$50.8 million (10.0%) to \$457.4 million. Net foreign income outflows rose to \$43.6

million from \$32.2 million in the year-earlier period, mainly on account of stronger investment income outflows. Net current transfer receipts slackened to \$12.8 million from \$26.1 million last year, which was attributed to general government activity.

Developments on the capital and financial account more than compensated for the growing current account deficit, as the surplus strengthened to \$123.3 million from \$24.2 million in 2004. Other investments switched from a net outflow of \$28.5 million in the year-earlier period to a net inflow of \$90.3 million. In particular, net short-term inflows through the banking system at \$68.5 million, contrasted with a net outflow of \$40.0 million last year, and captured funding associated with the Cable Beach redevelopment project. Other private loan net inflows also increased, to \$24.0 million from \$13.0 million, and there was a modest rise in the public sector's net external debt repayment to \$2.2 million.

FISCAL OPERATIONS

OVERVIEW

Provisional estimates on the Government's budgetary operations for the first eleven months of FY2004/05 indicate an expansion in the overall deficit to \$137.2 million from \$85.9 million in the year-earlier period. Strengthened revenue growth of 4.9% to \$910.4 million was outpaced by a 9.9% hike in expenditures to \$1,047.6 million, which featured a significant upturn in capital outlays and net lending.

REVENUE

Revenue collection for the first 11 months of FY2004/05 advanced by \$42.8 million (4.9%), following a \$44.1 million (5.4%) rise the previous year. The tax component increased by \$63.6 million (8.2%) to \$840.2 million, and accounted for 92.3% of total receipts, while non-tax revenue, with a share of 6.6%, fell by \$16.0 million (21.0%) to \$60.0 million. Capital revenue, representing the remaining 1.1%, was reduced by one-third to \$10.2 million and was generated largely from the sale of a hotel property.

**Government Revenue By Source
YTD May**

	FY03/04		FY04/05	
	B\$M	%	B\$M	%
Property Tax	36.0	4.1	52.3	5.7
Selective Services Tax	27.5	3.2	42.7	4.7
Busines. & Prof Lic. Fees	50.6	5.8	55.7	6.1
Motor Vehicle Tax	10.7	1.2	15.2	1.7
Departure Tax	56.0	6.5	58.1	6.4
Import Duties	327.1	37.7	360.0	39.5
Stamp Tax from Imports	80.7	9.3	97.7	10.7
Export Tax	12	1.4	11.5	1.3
Stamp Tax from Exports	0.1	--	--	--
Other Stamp Tax	77.9	9.0	117.1	12.9
Other Tax Revenue	104.0	12.0	44.5	4.9
Fines, Forfeits, etc.	51.6	5.9	47.6	5.2
Sales of Govt. Property	0.5	0.1	1.8	0.2
Income	23.9	2.8	10.6	1.2
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	15.0	1.7	10.2	1.1
Grants	--	--	--	--
Less:Refunds	6.0	0.7	14.6	1.6
Total	867.6	100.0	910.4	100.0

the current period. Meanwhile, a moderate contraction (3.4%) was registered for export taxes, to \$11.5 million.

EXPENDITURE

Of the 9.9% increase in total expenditure, recurrent spending rose by \$59.3 million (6.8%) to \$927.3 million for the first 11 months of FY2004/05 vis-à-vis \$58.2 million (7.2%) a year earlier. Capital outlays were elevated by \$21.3 million (38.0%) to \$77.1 million, and net lending to support the budgetary operations of the public corporations was some 45.5% higher at \$43.2 million. On a proportional basis, recurrent expenditures accounted for 88.5% of total expenditure, capital outlays 7.4% and net lending, 4.1%.

Under non-tax collections, the significant reduction in income from other sources of \$12.8 million (58.7%) to \$9.0 million reflected a timing difference in the receipt of annual rental income for seabed leases rather than an actual decline. Less significant reductions were posted for fines, forfeitures and administrative fees, of \$3.9 million (7.6%) to \$47.6 million, and income from public enterprises, of \$0.4 million (21.9%) to \$1.6 million, whereas revenue from the sale of government property increased more than threefold to \$1.7 million.

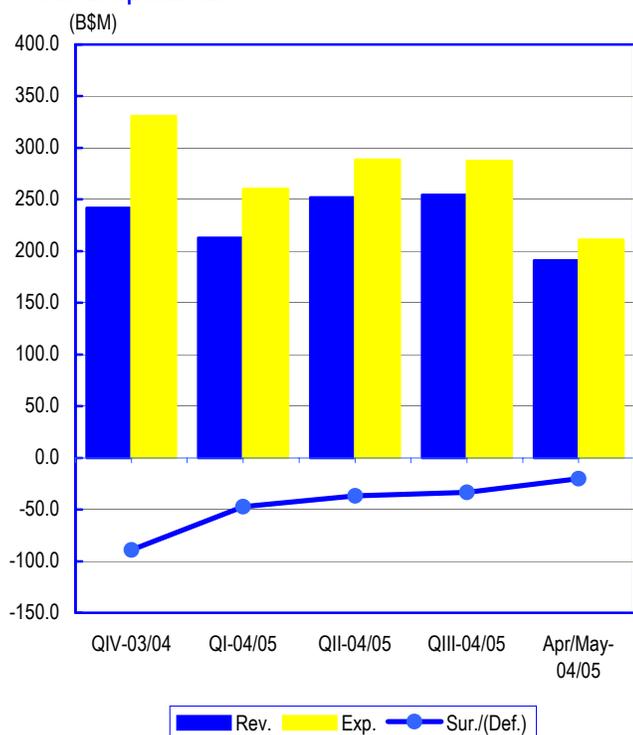
An analysis of current spending by economic classification indicated a \$32.6 million (5.9%) upswing in government consumption to \$585.8 million. Purchases of goods and services were higher by \$9.2 million (5.5%) at \$175.9 million, and personal emoluments, which constituted almost 70% of the total at \$410.0 million, rose strongly by \$23.4 million (6.1%)—being explained primarily by salary increases for the uniformed branch of Government and outlays for new recruits. The \$26.6 million (8.5%) hike in transfer payments was entirely attributed to growth in subsidies and other transfer payments. Of the \$27.4 million (13.1%) increase to \$236.4 million, nearly 60% went to households in the form of various hurricane disaster relief assistance. Transfers to non-profit institutions also rose by \$3.7 million (16.2%), while interest payments declined by less than 1% to \$105.0 million.

From a functional perspective, expenditures on general public services rose by \$29.3 million (12.2%) to \$268.8 million, accounting for the largest share (29.0%) of recurrent spending. Spending on housing, was up by 32.3% to \$4.8 million; social benefits & services, by 5.3%

Tax revenue performance included gains in tourism tax receipts of \$15.2 million (55.4%) to \$42.7 million, boosted by the settlement of gaming tax arrears. New commercial assessments, combined with payments of arrears, largely explained the \$16.3 million (45.2%) hike in property taxes to \$52.3 million. Departure taxes also increased by \$2.0 million (3.6%) to \$58.1 million. International trade taxes grew by \$49.4 million (11.8%) to \$469.3 million, comprising a boost in import duties of \$32.9 million (10.1%) to \$360.0 million, and in associated stamp taxes of \$16.9 million (21.0%) to \$97.7 million. Gains were also posted for business and professional license taxes, of \$5.0 million (10.0%) to \$55.7 million, motor vehicle taxes, \$4.5 million (41.9%) to \$15.2 million, and other stamp taxes, \$39.2 million (50.4%) to \$117.1 million. These increases, however, should be considered within the context of a 57.2% drop in undistributed taxes to \$44.5 million which suggests that a more timely recording of revenue to respective categories occurred in

to \$57.3 million; health, by 8.3% to \$157.3 million; education, by 3.1% to \$176.6 million; economic services, by 4.4% to \$121.1 million and defence, by 15.5% to \$29.0 million.

Fiscal Operations



Growth in capital outlays was mainly due to the Government's acquisition of the Clifton Cay property as reflected in the \$18.8 million rise in outlays for land purchases to \$22.1 million, and the corresponding boost in general administration expenditures from \$4.7 million to \$26.0 million. However, the effect of this transaction was dampened by comparatively lower spending on economic services, air transportation, and general transportation.

FINANCING AND NATIONAL DEBT

Budgetary financing for the first eleven months of the year featured a \$13.1 million increase in treasury bills outstanding, \$5.7 million in advances from the Central Bank and \$200 million in domestic bonds. Debt amortization comprised \$67.6 million in Bahamian dollars and \$5.6 million in foreign currency.

Based on net financing activities, the Direct Charge on government rose by \$71.4 million (3.4%) to \$2,173.1 million. Bahamian dollar debt accounted for 86.7% of the total, with the majority held by public corporations (36.1%), followed by other institutions (26.6%), commercial banks (25.6%), the Central Bank (11.5%) and other local financial institutions (0.2%). Bonds continued to be the largest component of the Bahamian dollar debt (85.2%), with an average maturity of 10.3 years. Next were Treasury bills (10.2%) and loans and advances from the Central Bank (4.6%). Contingent liabilities grew by \$15.6 million (3.3%) to \$489.1 million during the quarter to culminate in an \$87.0 million (3.4%) increase in National Debt to \$2,662.2 million, which contrasted with a decline of \$14.8 million (0.6%) to \$2,386.7 million in the comparative year-earlier period.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

During the June quarter, public sector foreign currency debt fell by \$4.0 million (0.7%) to \$554.9 million. Government's drawings of \$1.1 million netted out against amortizations, while public corporations had a net repayment of \$4.0 million. Government's obligations were therefore unchanged at \$289.4 million, accounting for (51.8%) of the stock, with the public corporation's balance declining to \$269.5 million, for the remaining 48.2%.

By creditor profile, the largest share of foreign currency debt was held by private capital markets (40.6%), followed by commercial banks (38.8%), multilateral institutions (20.2%) and others (0.4%). Outstanding debt was denominated in United States Dollars, and the average term to maturity was approximately twenty-two (22) years.

Debt service for the quarter was approximately halved to \$9.9 million, and constituted an estimated 1.4% of exports of goods and non-factor services—a decline from 3.9% a year ago.

2005/2006 BUDGET HIGHLIGHTS

The budget for FY2005/06 was presented to Parliament on May 25, 2005 and approved in June 2005. The budget signalled greater efforts towards fiscal consolidation, targeting a reduction in the GFS deficit to 2.8% of GDP from 2.9%, and seeking an improvement in the debt to GDP ratio which currently stands at 38.0%.

Budget projections envisaged an overall deficit for FY2005/06 of \$177.4 million, which represented 2.8% of GDP, and was \$14.0 million (8.6%) above FY2004/05 projections. The Budget did not include any new revenue measures but provided for ongoing review and upgrade of revenue administration systems, with such improvements expected to produce an additional \$28.4 million in collections for the fiscal year. This, combined with a more favourable economic climate, is expected to secure growth in revenue collections of \$81.2 million (7.7%) to \$1,132.8 million. Budgetary outlays were placed at \$1,310.2 million, a gain of \$95.1 million (7.8%) over FY2004/05.

Tourism taxes are anticipated to increase by 8.0% to \$48.0 million, and property and motor vehicle taxes, by 2.8% to \$64.6 million and 4.0% to \$22.8 million, respectively. The yield from taxes on international trade and transactions are also expected to grow by \$48.0 million (8.3%) to \$627.5 million, with some 78.0% representing import related taxes. Stamp taxes on financial and other transactions and business and professional license fees are expected to increase by 18.8% to \$99.0 million and 1.8% to \$70.7 million, respectively.

Non-tax revenue is projected to rise by \$6.6 million (6.8%) to \$104.2 million, supported by an anticipated \$7.5 million (11.6%) hike in fee and service charges. The yield from other sources, which incorporates property income, is expected to decline by \$0.9 million (2.7%) to \$30.8 million.

On the expenditure side, recurrent allocations were higher by \$78.4 million (7.3%) at \$1,145.7 million. Provisions for net lending to public corporations rose by \$1.1 million (3.6%) to \$31.6 million. The capital budget at \$132.9 million represented an addition allocation of \$15.6 million (13.3%), earmarked mainly for the acquisition, construction and maintenance of assets.

By economic classification, the budget allotment for consumption rose by 7.7%, with an equivalent increase in both personal emoluments and purchases of goods and services to \$505.5 million and \$243.8 million, respectively.

Transfer payments are budgeted 6.8% higher at \$396.4 million, comprising an increase of 8.2% in interest payments and 6.1% in subsidies and other transfer payments. Included in the latter, were higher allotments

for subsidies to the Public Hospitals Authority and transfers to non-profit institutions.

According to the functional breakdown of recurrent expenditures, the budget for general public services enlarged by 15.1% to \$353.5 million, accounting for 27.0% of total expenditure. Higher allocations were also posted for education, up 2.6% to \$213.5 million; health, by 5.5% to \$184.6 million; economic services, by 3.4% to \$144.1 million; housing, by 27.5% to \$7.0 million; social benefits & services, by 1.4% to \$66.5 million and defense, by 3.4% to \$34.2 million. A 14.1% decline to \$8.8 million was recorded for other community & social services.

On the capital side, allocations for public works and water supply increased by 7.9% to total \$55.7 million, as was the case with education, up 11.5% to \$19.5 million; health, up by 11.4% to \$13.2 million, and general public services, up by 26.5% to \$22.6 million.

REAL SECTOR

TOURISM

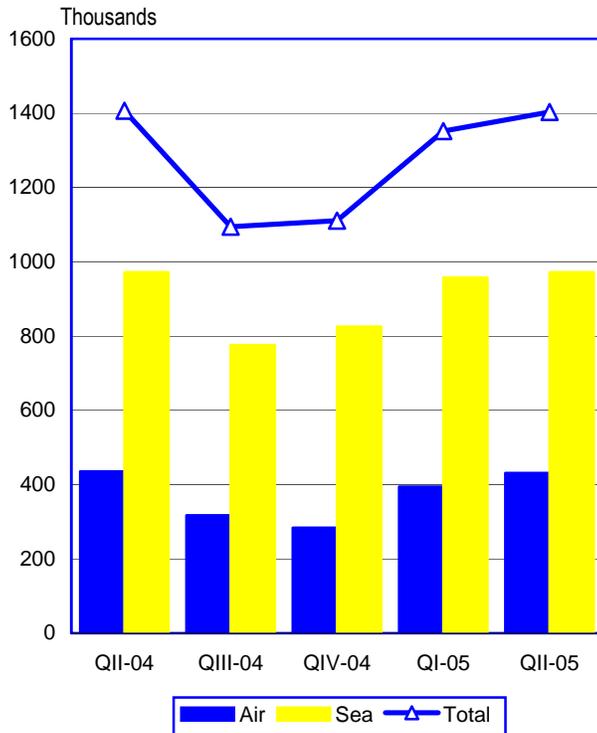
Preliminary estimates of tourism performance for the June quarter indicate continued recovery in tourism output from the fall-off experienced after last year's hurricanes, supported by increased occupancy levels and gains in room rates, which have combined to mitigate declines in overall arrivals. Activity remained favourable, supported by traffic from US markets, where consumer confidence and household spending held steady, despite higher energy prices.

Second quarter visitor arrivals declined by 8.3% to 1.3 million compared to an 18.7% increase to 1.4 million in 2004. Air passengers, which accounted for 33.5% of arrivals, declined by 0.9%, following a 9.8% gain last year. Sea arrivals, at 66.5% of the total, contracted by 11.6%, relative to the 23.2% hike in the corresponding quarter of 2004.

Port of entry data revealed that arrivals to New Providence fell by 8.1% in contrast to the cruise-led boost of 21.5% for 2004. Arrivals to Grand Bahama contracted by 20.0% from a similar increase in the corresponding

quarter of 2004, while arrivals to the Family Island eased by 2.0% behind a 10.0% growth last year.

Visitor Arrivals



Preliminary tourism expenditure figures for the largest New Providence properties indicate continued growth in room revenues, occupancy rates, as well as average daily rates. The total number of available rooms sold in the six months to June rose by 1.3%, with occupancy rates increasing to 80.6% from 76.1%. Average daily room rates were relatively stable at \$181.33, and the revenue per available room improved to \$146.2 from \$137.59. Consequently, total room revenues advanced by 7.6% to \$171.4 million.

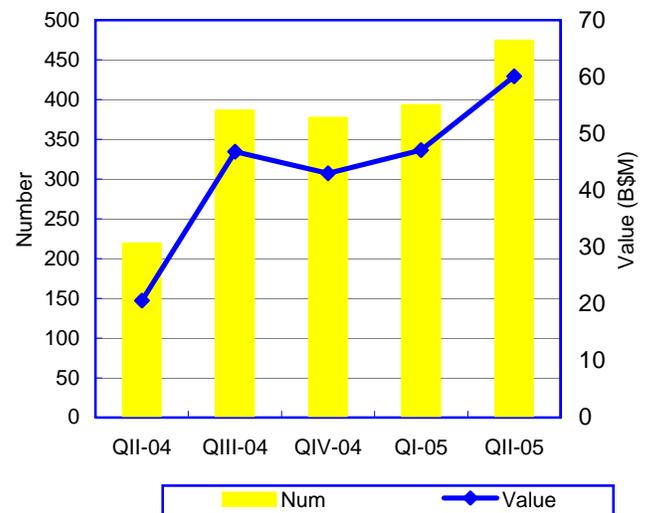
CONSTRUCTION

Construction activity continued to be reinforced by large scale foreign investment projects combined with strong support from residential investments.

An analysis of second quarter data from banks, insurance companies and the Bahamas Mortgage Corporation indicated a doubling in the number of residential

mortgage commitments for new construction and building repairs, to 459, with a similar hike in value to \$56.8 million. Commercial mortgage commitments totaled 15 at a value of \$3.3 million compared to 6 projects valued at \$1.5 million for the corresponding period of 2004. Actual residential disbursements against approved financing strengthened to \$106.2 million, from a 10.7% fall-off to \$61.5 million in 2004. However, commercial drawdowns were reduced by nearly 60% to \$5.7 million.

Mortgage Comittments: New Construction and Repairs



Residential mortgages registered a quarterly increase of \$214.0 million (13.4%) to \$1,811.7 million at end-June compared to commercial loans which grew by \$20.1 million (12.5%) to \$181.5 million. Of the total mortgage loan market, the largest share was accounted for by banks (86.4%), followed by insurance companies (9.0%), and the Bahamas Mortgage Corporation (4.6%). The average interest rate was unchanged for commercial mortgages at 9.4%, but softened by 4 basis points for residential mortgages to 8.4%.

PRICES

Consumer price inflation, as measured by the average retail price index, firmed to 1.7% from 0.9% in the corresponding quarter of 2004, mainly on account of the hike in global oil prices. The most heavily weighted

MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Growth in the monetary aggregates was dampened somewhat, amid a slowdown in the net foreign assets of the banking system, and a strong pickup in domestic credit fuelled by private sector foreign currency borrowing and buoyant activity in the housing market. Interest rate conditions remained supportive of the expansion as the loan-to-deposit rate spread narrowed further.

As regards profit and balance sheet developments of domestic banks, data for the first quarter of 2005 suggested some upturn in earnings indicators, owing to a combination of efficiency gains, reduced provisions for bad debt and depreciation costs. The previous quarter's improvement in asset quality indicators was extended as the proportion of loan arrears in the aggregate loan portfolio was reduced.

LIQUIDITY

During the review quarter, net free cash reserves of the banking system rose by \$59.8 million (25.8%) to \$291.2 million—equivalent to an enlarged 6.6% of banks' Bahamian dollar deposit liabilities, relative to 4.7% in the comparable period last year. The broader surplus liquid assets rose by 15.3% to \$303.7 million at end-June, which exceeded the minimum requirement by 42.3% vis-à-vis a lesser 34.5% for June 2004.

DEPOSITS AND MONEY

Monetary growth slowed during the quarter, with overall money (M3) expanding by 3.4% to \$4,774.6 million compared with 4.1% in the comparative year-earlier period. Portfolio shifts into alternative assets such as Government bonds, which lessened accretions to public corporations' balances, contributed to a slowdown in demand deposit growth to 4.9% from 11.3% and a corresponding deceleration in narrow money (M1) advance to 3.8% from 10.3%. Another key factor was the 3.3% reduction in currency in active circulation which contrasted with the 4.8% upturn recorded a year earlier.

housing component advanced by 2.3% from an unchanged level during the corresponding quarter of 2004. Average cost increases were also recorded for transportation & communications (3.7%), medical care and health (2.7%), food & beverages (2.6%), education (2.1%), and other goods & services (1.3%). Significant offsets were provided by average declines in clothing & footwear (2.6%), recreation and entertainment services (1.5%), and household (0.7%) costs.

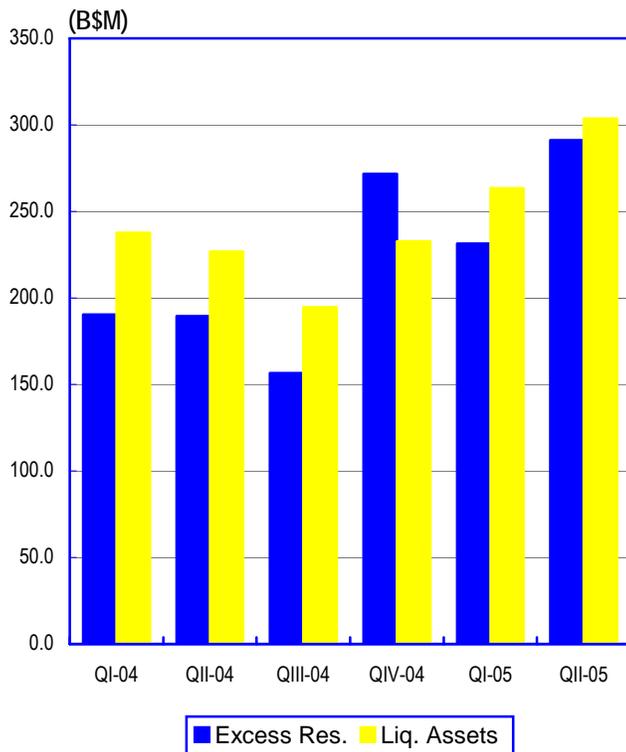
Average Retail Price Index

(Annual % Changes)
June

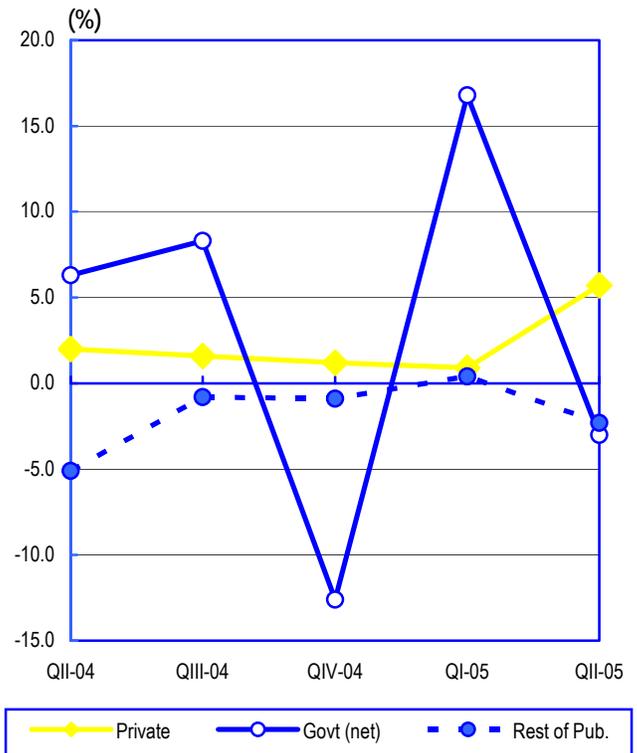
Items	Weight	2004		2005	
		Index	%	Index	%
Food & Beverages	138.3	116.2	3%	119.5	3%
Clothing & Footwear	58.9	107.7	0%	105.2	-2%
Housing	328.2	103.8	0%	106.5	3%
Furn. & Household	88.7	119.3	0%	118.6	-1%
Med. Care & Health	44.1	131.1	10%	135.1	3%
Trans. & Comm.	148.4	107.9	2%	112.1	4%
Rec., Enter. & Svcs.	48.7	121.2	-5%	119.3	-2%
Education	53.1	164.8	2%	168.3	2%
Other Goods & Svcs.	91.6	122.3	-1%	124.0	1%
ALL ITEMS	1000	114.7	1%	116.8	2%

The impact of the oil price increases was less evident in price development for the twelve months ending June 2005. Average inflation slackened to 1.0% from 1.8% in the corresponding period, with reductions recorded in the recreation entertainment & services (1.8%), clothing & footwear (1.2%), and the furniture & household operation (0.2%) indices. However, more significant price increases were posted for medical care & health (3.7%), food & beverage (2.7%), transportation & communication (2.6%) and education (1.5%) costs.

Liquidity



Changes in Credit



Amid fairly stable savings deposit growth of 4.6%, and a marginally higher rise in fixed deposits of 1.5%, broad money (M2) expansion slackened to 2.7% from 4.0%. Residents' foreign currency deposits were boosted by 28.6%, surpassing last year's growth of 5.7%.

Bahamian dollar deposits constituted 96.5% of money, with fixed balances accounting for the largest share (51.6%), followed by demand (23.5%) and savings deposits (17.8%), and lesser shares in currency in active circulation (3.6%) and residents' foreign currency deposits (3.5%).

DOMESTIC CREDIT

Favourable economic conditions, together with a lower interest rate environment, reinforced growth in domestic credit by \$221.6 million or 4.1% in the second quarter of 2005 compared with \$99.8 million (2.0%) in 2004. Growth in the foreign currency component advanced strongly by 17.8% relative to a 2.4% rise in the more dominant Bahamian dollar claims.

Claims on the public sector declined by 2.8%, reversing a 1.7% expansion in 2004. This was led by a 3.0% decrease in net credit to Government of \$19.4 million vis-à-vis a \$34.3 million (6.3%) gain last year; and the contraction in claims on the public corporations moderated to 2.3% from 5.1%.

Private sector credit growth firmed by 5.7% to \$248.8 million, with the Bahamian dollar component expanding by \$121.1 million (3.0%), although the foreign currency portion rose more strongly by \$127.7 million (34.3%), largely on account of funding associated with the Cable Beach Redevelopment project.

The bulk of private sector lending was concentrated in personal loans (70.4%), which grew by 4.2% from 2.6% last year. Growth in residential mortgages was higher at 4.2%, more than doubled for overdrafts to \$54.3 million, and was a modest 1.8% for consumer credit.

Increases under consumer credit were distributed among debt consolidation (\$10.7 million), home improvement (\$7.2 million), land purchases (\$5.9 million), miscellaneous purposes (\$1.7 million), credit cards (\$0.8

million) and loans for furnishings & domestic appliances (\$0.7 million). By contrast, a net repayment was posted for education loans (\$0.7 million).

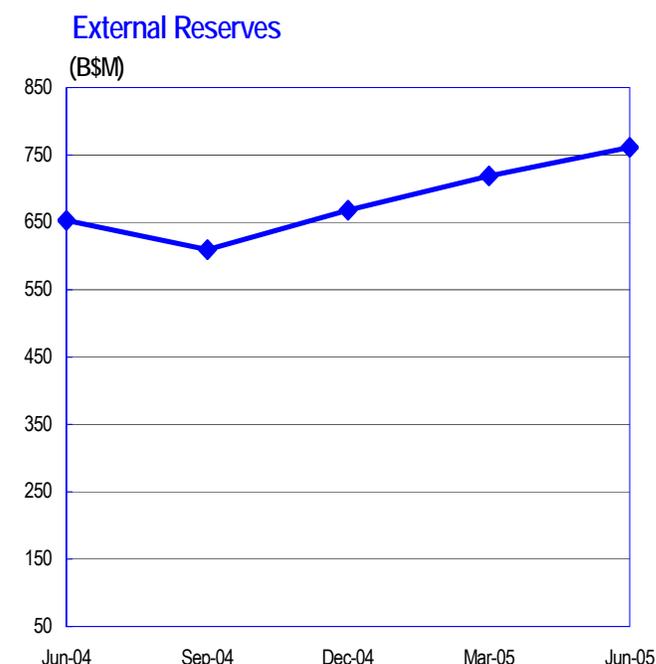
bearing investments. Amid stronger domestic demand, seasonal growth in external reserves slackened to \$42.5 million (5.9%) from \$59.3 million (10.0%) in 2004, for an end-June stock of \$761.1 million vis-à-vis \$652.5 million in 2004.

Distribution of Bank Credit By Sector				
End-June				
	2004		2005	
	B\$M	%	B\$M	%
Agriculture	9.5	0.2	10.1	0.2
Fisheries	10.2	0.2	13.6	0.3
Mining & Quarry	19.4	0.4	17.4	0.3
Manufacturing	75.9	1.6	54.5	1.1
Distribution	208.2	4.5	202.1	4.1
Tourism	172.4	3.7	268.1	5.4
Enter. & Catering	33.4	0.7	61.2	1.2
Transport	45.8	1.0	26.0	0.5
Public Corps.	317.9	6.9	302.0	6.1
Construction	245.6	5.3	290.7	5.8
Government	111.2	2.4	80.5	1.6
Private Financial	29.3	0.6	20.8	0.4
Prof. & Other Ser.	123.2	2.7	120.8	2.4
Personal	2949.9	63.7	3239.0	65.0
Miscellaneous	280.6	6.1	275.5	5.5
TOTAL	4632.5	100.0	4982.3	100.0

Among the remaining private sector credit components, net gains were recorded for tourism (\$90.0 million), entertainment & catering (\$15.7 million), construction (\$14.3 million), distribution, and professional & other services (\$4.7 million each), agriculture & fisheries (\$0.3 million) and mining & quarrying (\$0.1 million). Significant offsets however, were provided by net repayments for miscellaneous (\$17.7 million), manufacturing (\$2.1 million) and for transport (\$5.4 million) activities.

THE CENTRAL BANK

The Central Bank's net claim on Government rose by \$26.1 million (18.5%) to \$167.5 million during the first quarter, based on higher holdings of bonds. Net liabilities to the rest of the public sector declined by \$10.7 million (6.9%) to \$144.9 million, as balances shifted into interest



Underlying the slowdown in reserves growth was a reduction in net foreign currency purchases to \$32.1 million from \$54.6 million last year. The net intake from commercial banks fell to \$62.0 million from \$79.5 million, while the net outflow via the public sector was \$5.0 million higher at \$29.9 million. Total purchases advanced by \$19.6 million (10.0%) to \$215.2 million as compared to a \$42.0 million (29.8%) hike in total sales to \$183.1 million.

At end-June 2005, the stock of reserves was equivalent to an estimated 25 weeks of non-oil merchandise imports, which was substantially unchanged from the 2004 period. Adjusted for the statutory foreign balances requirement—equivalent to at least 50% of the Bank's Bahamian dollar liabilities—useable reserves, or the Central Bank's liquidity, stood higher at \$315.7 million compared to \$308.7 million in 2004.

DOMESTIC BANKS

During the review quarter, absolute growth in domestic banks' deposit liabilities to the private sector advanced to \$145.3 million (3.6%) from \$136.6 million (3.7%) in 2004, which trailed the \$248.8 million (5.7%) upswing in total credit to the private sector. By contrast, net claims on Government fell by 9.1%, amid declines in overdrafts and stable bond holdings. Public corporations had a lower net repayment, while their deposit liabilities firmed by 12.1% and banks recorded a steady 1.0% net accumulation of capital resources from profits, retained earnings and loan loss reserves.

Banks' total deposit liabilities, including balances owed to Government, amounted to \$4,556.6 million, with the majority (96.3%) in Bahamian dollars. Private individuals made up the largest concentration of depositors (55.5%), followed by business firms (28.6%), public sector (8.4%), institutional & other investors (3.8%) and private financial companies (3.7%).

A breakdown of Bahamian dollar deposits by range of value and number of accounts indicated that the majority of accounts (89.9%) were under \$10,000, but constituted only 8.5% of the aggregate value. In contrast, individual deposits over \$50,000 comprised fewer accounts (3.1%), albeit 77.6% of the total value. In addition, some 7.0% of accounts, between \$10,000 to \$50,000, represented 13.9% of the total value.

Adjusted for goodwill, banks' Bahamian dollar capital and surplus position rose at a reduced quarterly pace of 1.4% to \$970.4 million, relative to a 4.0% rise in 2004 occasioned by healthy profitability gains. Nevertheless, profit and retained earnings represented a higher 47.6% of capital and surplus relative to 45.4% last year, as general and specific reserves against loan losses were reduced to 11.9% of the total from 12.4% the previous year. Correspondingly, total reserves and provisions, as a percentage of the private sector loan portfolio, stood at 2.8% at end-June compared to 2.9% in 2004.

The Central Bank's latest survey signalled improvements in asset quality during the second quarter of 2005. The arrears rate for loans with payments 30 days past due further softened to 8.0% of outstanding private balances, from 8.5% at end-March and 8.7% at end-June 2004. The residential mortgage portfolio featured a further decline in the arrears rate to 8.9% from 9.4% at

end-March 2005 and 9.9% from a year earlier. Conversely, the arrears rate on commercial loans firmed marginally to 8.2%, but was below the 9.3% registered 12-months earlier. With the negative effects of the hurricanes stabilizing, especially in the Northern Bahamas, the arrears rate on consumer loans declined to 7.3% from 8.7% at end-March 2005 and 7.9% last year. Non-performing loans, identified as loan balances with past due payments of at least 3 months and on which banks have stopped accruing interest, were lower at 4.6% of outstanding claims, compared to 4.9% in the previous quarter and a year earlier.

Compared to the previous quarter, banks' average provisioning levels for losses against Bahamian dollar loans was stable at 2.2%. Provisions corresponded to 47.0% of total non-performing loans, increasing progressively from the 45.1% registered in March 2005, and 40.5% at end-June 2004.

BANK PROFITABILITY

For the March 2005 quarter, the latest period for which data is available, domestic banks' net income grew by \$11.3 million (29.1%) to \$50.0 million, relative to the same period in 2004. In particular, the gross earnings margin rose by 4.9% to \$82.4 million, reflecting a 7.7% increase in net interest income, only partly offset by a 22.0% fall in commission and foreign exchange income. Despite a 9.8% rise in staff costs, total operating cost registered a 2.6% decline to \$44.0 million, benefiting from a softening in depreciation and bad debt expenses which resulted in a more than doubling of other net income to \$11.6 million.

These developments were also reflected in elevated profitability ratios relative to average domestic assets. The ratio for the net interest margin rose marginally by 2 basis points to 4.73% and commissions and foreign exchange income were lower by 13 basis points at 0.36% of average assets. The operating costs ratio was also reduced by 27 basis points to 2.72%. Within this context, the net income (return on assets) ratio rose to 3.08% from 2.56% in the corresponding 2004 period.

INTEREST RATES

Generally buoyant liquidity conditions exerted a downward influence on interest rates in general. The 26

basis points drop in the weighted average spread to 6.94% was led by a 61 basis points drop in the weighted average loan rate, and reinforced by the 35 basis points decline in the weighted average deposit rate to 3.09%.

Bank's Discount Rate and commercial banks' Prime, were unchanged at 5.25% and 5.50%.

CAPTIAL MARKETS DEVELOPMENTS

During the second quarter of 2005, there were no new listings on the Bahamas International Securities Exchange (BISX), where equity valuations, dominated by strong profit growth in the banking sector, held steady. Regarding fixed income issues, the newly established Clifton Heritage Authority, floated a \$24 million Government guaranteed bond comprised of three tranches ranging from 20 to 30 years with interest rates at 1/2% to 3/4% above Prime. The issue was fully subscribed, with the Central Bank of The Bahamas appointed as the Registrar and Transfer Agent.

BISX All Share Price Index rallied by 76.93 points (7.0%) to 1,174.01 in the second quarter, closing the half year 13.0% above its December 2004 value. Despite a 38% increase in the volume of shares traded in the second quarter of 2005 to 797,048, the value of such shares was 12.8% lower at \$2.3 million.

INTERNATIONAL TRADE AND PAYMENTS

Provisional estimates for the second quarter of 2005 suggested a significant widening in the current account deficit, to \$124.1 million from \$14.4 million last year. This reflected a combination of a larger merchandise trade gap, higher net income outflows and a contraction in net travel receipts.

The merchandise trade deficit broadened to an estimated \$402.8 million from \$337.5 million in 2004. Increased domestic demand pushed non-oil merchandise imports higher by 14.9% to \$397.4 million, surpassing estimated exports growth of 6.8% to \$73.7 million, and rising oil prices was a key factor behind the 31.5% hike in the oil bill firming to \$113.5 million. The average per barrel cost of gas oil rose by 60.4% to \$64.51; jet fuel, by 42.5% to \$64.62; motor gas, by 17.1% to \$67.31; aviation-gas, by 27.7% to \$126.0 and propane, by 128.9% to \$42.06. In contrast, the price of bunker 'C' fuel was marginally lower by 0.2% at \$23.23 per barrel.

Banking Sector Interest Rates

Period Average (%)

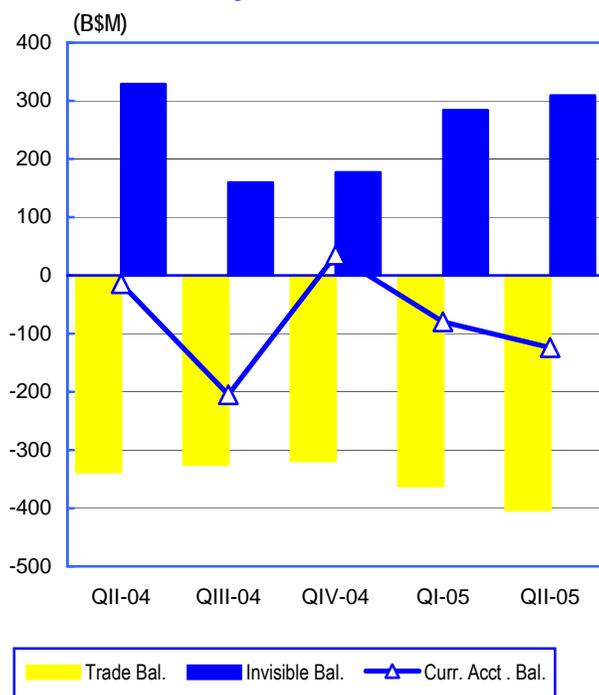
	Qtr. II <u>2004</u>	Qtr. I <u>2005</u>	Qtr. II <u>2005</u>
Deposit rates			
Demand Deposits	2.54	2.12	2.10
Savings Deposits	2.55	2.59	2.26
Fixed Deposits			
Up to 3 months	3.73	3.39	3.06
Up to 6 months	4.94	3.62	3.19
Up to 12 months	4.21	3.70	3.25
Over 12 months	4.14	3.71	3.47
Weighted Avg Deposit Rate	3.85	3.44	3.09
Lending rates			
Residential mortgages	8.84	8.50	8.02
Commercial mortgages	8.86	8.18	8.13
Consumer loans	13.08	12.42	11.81
Overdrafts	11.40	11.00	11.14
Weighted Avg Loan Rate	11.28	10.64	10.03

On the deposit side, rate easing was broadly based across all fixed maturities, with the average band decreasing to 3.06%-3.47% from 3.39%-3.71%. Average rates offered on demand and savings deposits were also lower, by 2 and 33 basis points to 2.10% and 2.26%, respectively.

Movements in average loan rates included a softening in commercial and residential loan rates, by 48 and 5 basis points to 8.02% and 8.13%, respectively. The average rate on consumer loans and other local loans also fell by 61 and 70 basis points to 11.81% and 7.41%, respectively. In contrast, the average rate on overdrafts firmed by 14 basis points to 11.14%.

While the average 90-day Treasury bill rate fell by 3 basis points to 0.15%, benchmark rates, the Central

Balance of Payments



of the Cable Beach Redevelopment project, relative to a \$40.0 million outflow in 2004. While net outflows due to migrant workers remittances rose by 40.2% to \$13.6 million, the financial account registered a more than three-fold increase in net outflows to \$137.0 million. In contrast, net private sector direct investment inflows nearly doubled to \$24.0 million, while the net equity surplus contracted by 17.3% to \$47.4 million and real estate transactions resulted in a \$0.8 million outflow, reversing a \$5.1 million inflow registered in 2004.

After adjusting for possible errors and omissions, the overall payments surplus narrowed to \$42.6 million from \$59.2 million in the year-earlier period.

INTERNATIONAL ECONOMIC DEVELOPMENTS

The world economy continued to expand at a healthy pace during the second quarter of 2005, due to buoyant business investment and accommodative monetary policy. The momentum was stronger in the United States and developing Asia in contrast with ongoing weakness in Europe. Although oil prices remained elevated, so far the impact on consumer price inflation has been relatively moderate. Consistent with the overall pattern of economic expansion, global current account imbalances diverged for most major industrial economies.

Real output growth remained strong in the United States, although slowing to an annualized rate of 3.3% in the June quarter, compared with 3.8% in the first quarter of 2004. The outcome reflected robust contributions from consumer spending, business investments and net exports, partly offset by a rundown in business inventories. The pace of growth for the United Kingdom weakened to an annualized 1.7% from 3.6%, as services growth abated and the manufacturing sector fell into recession. In Japan, higher levels of consumer and business investments, combined with improvements in the labour market and the healthier state of corporate balance sheets, suggested a more durable upswing in economic output to 1.5% from 1.2% in the March quarter. After increasing by 0.5% the first quarter, euro zone growth moderated to 0.3% as domestic demand failed to compensate for the weakening external impetus. German

The estimated surplus on services trade narrowed by \$19.8 million (6.0%) to \$309.4 million, led by a 10.0% fall in net travel receipts to \$457.4 million. Also significant was the net increase in transportation outflows of 10.4% to \$79.3 million and government services more than doubled to \$23.2 million. These were mitigated by a halving in net outflows under other services to \$49.8 million.

Under the income account, net external remittances increased to \$43.6 million from \$32.2 million in 2004. This was primarily explained by a 76.5% upturn in net private profit remittances to \$30.0 million. Also, net official interest receipts grew to \$5.3 million; reversing a \$3.4 million net outflow recorded last year and net current transfer receipts were halved to \$12.8 million, as general government net inflows decreased to \$14.9 million from \$27.0 million.

Compared to the June quarter of 2004, the surplus on the capital and financial account rose substantially to \$123.3 million from \$24.2 million. Developments were driven by the \$68.5 million in short-term capital inflow through the banking system associated with the financing

GDP expansion was estimated to have more or less matched the 1.0% registered in the first quarter.

Labour market conditions in the major industrialized countries were generally favourable during the second quarter. In the United States, the average unemployment rate fell from 5.2% in the previous quarter to 5.0%—the lowest rate since September 2001. Employment continued to expand at a moderate pace in Japan, with the jobless rate reduced to 4.2% from an estimated 4.5% in the preceding quarter and growth concentrated in full time positions for the first time in about ten years. Amid depressed business confidence, the euro zone average unemployment rate remained high at 8.7% vis-à-vis 8.8% in the March quarter, although Germany's unemployment rate improved to 11.7% from 12.0%. Unemployment was comparatively lower in the United Kingdom, where the jobless rate edged up to 2.7% from 2.6% last quarter.

Average consumer price inflation among major industrial countries remained relatively contained, despite a rebound in oil prices. In the United States, annualized inflation softened to 2.5% from 3.1% in the previous quarter, as consumer spending, which posted strong gains during the first quarter of 2005, flattened out in the second quarter. Annualized inflation in the euro area was stable at 2.0%, with the rate unchanged at 1.8% for Germany but declining to 1.8% from 2.1% for France. In the United Kingdom, average consumer prices trended upwards to 2.0% from 1.7% in the previous quarter, largely reflecting a strong contribution from increased petrol prices. Japan's consumer price deflation narrowed to 0.1% from 0.2%, as the impact of crude oil price gains fed into domestic corporate goods prices.

Global foreign exchange markets were relatively quiet over the quarter. The United States dollar continued the appreciation that had commenced since the beginning of the year, reflecting the ongoing tightening of monetary policy and strong economic performance. The dollar strengthened by 7.1% against the euro to €0.83, by 3.5% relative to the Japanese yen to ¥110.92, by 5.5% vis-à-vis the British pound to £0.56, by 1.2% against the Canadian dollar to C\$1.23, and by 7.1% against the Swiss franc to CHF1.28.

Equity markets turned out a relatively lackluster performance during the second quarter of 2005. In the

United States, the Dow Jones Industrial Index (DJIA) decreased by 2.2% to 10,275 points, while the broader Standard and Poor's 500 Index gained 1.0% to 1,195.5 points. Positive results among the European bourses included the United Kingdom's FTSE 100 Index 4.5% rise to 5,113.2 points; Germany's DAX Index 5.5% appreciation to 4,586.3 points and France's CAC 40 Index 4.0% gain to 4,229.4 points. Conversely, the Japanese Nikkei 225 Index fell by 0.7% to 11,584.0 points.

In commodities market, OPEC increased its daily production ceiling by 0.5 million (1.8%) to 28.0 million barrels per day during the quarter. Nevertheless, the price per barrel of Brent North Sea crude oil advanced by 7.2% to \$56.52, reaching a new historical high at end-June, as an abrupt and active start to the hurricane season disrupted oil operations in the Gulf of Mexico and compounded fears of a shortfall in product and crude supplies. Meanwhile, precious metal prices trended upwards with the price for gold higher by 10.5% at \$435.50 per troy ounce, and silver price by 22.2% at \$7.05 per troy ounce.

On the monetary policy front, the stance remained accommodative during the second quarter, providing ongoing support to the economic expansion. The Bank of England held the repo unchanged at 4.75% since August 2004, as inflation remained broadly contained around the 2.0% target, and the European Central Bank kept its refinancing rate steady at 2.00% because of much weaker economic performance. The United States Federal Reserve continued to use 'a measured pace' of interest rate tightening to support growth and price stability, lifting the primary credit and target funds interest rates by 25 basis points each, to 4.25% and 3.25%, respectively in the second quarter—the ninth such increase since June 2004. Japan's zero rate interest policy was maintained, as improved conditions in the financial sector have eased concerns about a deflationary spiral. Authorities sought instead to boost the liquidity of the banking system by supplying excess reserves to the banks.

In external sector developments, indications are that global current account imbalances diverged during the second quarter, due to uneven growth, shifting terms of trade and exchange rate differences. For the second quarter, the United States current account deficit narrowed by 1.5% to \$195.7 billion from \$198.7 billion during

the first quarter. The United Kingdom's current account deficit improved as the trade deficit declined in the second quarter, to £9.7 billion from £10.4 billion in the first quarter. Further, the euro area recorded a decline in the current account surplus to €15.5 billion cumulative for the

12-month to June 2005, compared with €34.3 billion for the 12-month to March 2005, as the income and current transfer deficits exceeded the surplus in goods and services.

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	2000		2001		2002		2003		2004			2005							
							Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.			
Net foreign assets							(B\$ Millions)												
Central Bank	(86.6)	3,951.6	(234.5)	3,717.1	3,836.2	3,946.6	3,940.9	3,955.9	4,003.3	4,185.6	4,355.6	4,398.3	4,421.5	4,615.8	4,774.5				
Commercial banks	342.6	4,677.3	312.4	776.7	817.7	866.4	865.0	881.9	907.4	1,006.1	1,109.4	1,125.9	1,134.4	1,244.3	1,291.0				
Other local fin. institutions	(449.5)	20.3	(548.4)	1.5	(7.6)	(209.9)	(123.1)	14.4	(143.8)	(34.0)	65.4	41.2	104.3	180.4	154.4				
Net domestic assets																			
Domestic credit	3,645.6	4,278.6	3,951.6	4,677.3	4,940.4	4,156.5	4,064.0	3,941.5	4,147.1	4,219.6	4,290.2	4,357.1	4,317.2	4,435.4	4,620.1				
Public sector	649.8	775.2	775.2	870.8	870.8	921.5	893.9	712.8	879.4	908.9	924.6	969.7	887.8	981.0	953.8				
Government (net)	508.5	626.0	626.0	651.3	651.3	696.8	671.6	487.2	506.5	543.9	578.2	626.0	547.1	639.1	619.7				
Rest of public sector	141.3	149.2	149.2	219.5	219.5	224.7	222.3	225.6	372.9	365.0	346.4	343.7	340.7	341.9	334.1				
Private sector	3,628.8	3,902.1	3,902.1	4,069.6	4,069.6	4,030.9	3,989.3	4,045.6	4,094.6	4,135.9	4,220.0	4,287.2	4,339.4	4,378.8	4,627.6				
Other items (net)	(633.0)	(725.7)	(725.7)	(746.9)	(746.9)	(795.9)	(819.2)	(816.9)	(826.9)	(825.2)	(854.4)	(899.8)	(910.0)	(924.4)	(961.3)				
Monetary liabilities																			
Money	3,559.0	807.8	3,717.1	776.7	817.7	3,946.6	3,940.9	3,955.9	4,003.3	4,185.6	4,355.6	4,398.3	4,421.5	4,615.8	4,774.5				
Currency	151.4	151.4	153.5	153.5	154.8	148.6	155.4	150.7	160.1	153.4	160.8	165.2	176.6	175.6	169.8				
Demand deposits	656.4	623.2	623.2	662.9	662.9	717.8	709.6	731.2	747.3	852.7	948.6	960.7	957.8	1068.7	1121.2				
Quasi-money	2,751.2	2,940.4	2,940.4	3,018.5	3,018.5	3,080.2	3,075.9	3,074.0	3,095.9	3,179.5	3,246.2	3,272.4	3,287.1	3,371.5	3,483.5				
Fixed deposits	2,068.8	2,244.0	2,244.0	2,296.2	2,296.2	2,307.2	2,301.4	2,298.9	2,315.9	2,366.9	2,397.2	2,381.6	2,410.3	2,426.4	2,463.3				
Savings deposits	596.1	604.6	604.6	630.7	630.7	647.5	670.8	674.0	678.8	710.6	741.2	754.3	779.9	814.6	852.4				
Foreign currency	86.3	91.8	91.8	91.6	91.6	125.5	103.7	101.1	101.2	102.0	107.8	136.5	96.9	130.5	167.8				
										(percentage changes)									
Total domestic credit																			
Public sector	11.9	(2.9)	9.3	19.3	12.3	0.2	(1.4)	(2.6)	4.5	1.4	2.0	2.2	(0.6)	2.5	4.1				
Government (net)	2.6	(18.8)	23.1	5.6	4.0	5.8	(3.0)	(20.3)	23.4	3.4	1.7	4.9	(8.4)	10.5	(2.8)				
Rest of public sector	15.0	15.0	7.5	4.3	4.3	7.0	(3.6)	(27.5)	4.0	7.4	6.3	8.3	(12.6)	16.8	(3.0)				
Private sector	9.6	6.5	4.4	(3.8)	5.3	2.4	(1.1)	1.5	65.3	(2.1)	(5.1)	(0.8)	(0.9)	0.4	(2.3)				
						(1.0)	(1.0)	1.4	1.2	1.0	2.0	1.6	1.2	0.9	5.7				
Monetary liabilities																			
Money	9.6	6.5	4.4	(3.8)	5.3	2.9	(0.1)	0.4	1.2	4.6	3.5	5.3	1.1	1.6	4.0				
Currency	2.0	2.0	1.4	(5.1)	0.8	6.0	(0.2)	2.0	2.9	10.9	4.1	1.0	0.5	4.4	3.4				
Demand deposits	7.6	7.6	5.1	(5.1)	6.4	(4.0)	4.6	(3.0)	6.2	(4.2)	10.3	1.5	0.8	9.7	3.8				
Quasi-money	10.5	10.5	6.9	6.9	2.7	8.3	(1.1)	3.0	2.2	14.1	4.8	2.7	6.9	(0.6)	(3.3)				
						2.0	(0.1)	(0.1)	0.7	2.7	11.2	1.3	(0.3)	11.6	4.9				

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	2000			2001			2002			2003			2004			2005		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
	(B\$ Millions)																	
Net foreign assets	(106.9)	342.6	(236.0)	(349.7)	(200.6)	(105.2)	32.3	(130.7)	(17.4)	80.5	10.9	70.9	161.4	121.6				
Central Bank	(449.5)	312.4	(548.4)	373.2	444.5	472.5	522.9	484.3	593.2	652.5	609.1	667.8	718.6	761.1				
Commercial banks				(722.9)	(645.1)	(577.7)	(490.6)	(615.0)	(610.6)	(572.0)	(598.2)	(596.9)	(557.2)	(639.5)				
Net domestic assets	3,572.2	3,874.7	4,092.4	4,092.4	4,045.0	3,939.8	3,814.1	4,025.1	4,092.9	4,173.8	4,285.1	4,247.2	4,348.0	4,546.6				
Domestic credit	4,158.4	4,553.8	4,793.2	4,793.2	4,800.3	4,731.4	4,607.0	4,822.8	4,896.8	5,001.6	5,114.5	5,083.1	5,218.9	5,438.3				
Public sector	645.3	771.9	867.6	867.6	918.4	890.7	708.7	874.9	904.5	920.2	965.4	883.4	976.7	949.0				
Government (net)	504.1	622.8	648.2	648.2	693.7	668.4	483.1	502.1	539.5	573.8	621.7	542.7	634.8	614.9				
Rest of public sector	141.2	149.1	219.4	219.4	224.7	222.3	225.6	372.8	365.0	346.4	343.7	340.7	341.9	334.1				
Private sector	3,513.1	3,781.9	3,925.6	3,925.6	3,881.9	3,840.7	3,898.3	3,947.9	3,992.3	4,081.4	4,149.1	4,199.7	4,242.2	4,489.3				
Other items (net)	(586.2)	(679.1)	(700.8)	(700.8)	(755.3)	(791.6)	(792.9)	(797.7)	(803.9)	(827.8)	(829.4)	(835.9)	(870.9)	(891.7)				
Monetary liabilities	3,465.3	3,638.7	3,742.7	3,742.7	3,844.4	3,834.6	3,846.4	3,894.4	4,075.5	4,254.3	4,296.0	4,318.1	4,509.4	4,668.2				
Money	796.6	769.2	808.5	808.5	856.4	855.7	870.2	895.8	994.1	1,096.6	1,114.7	1,124.7	1,231.2	1,275.1				
Currency	151.9	153.5	154.8	154.8	148.6	155.4	150.7	160.1	153.4	160.8	165.2	176.6	175.6	169.8				
Demand deposits	644.7	615.7	653.7	653.7	707.8	700.3	719.5	735.7	840.7	935.8	949.5	948.1	1,055.6	1,105.3				
Quasi-money	2,668.7	2,869.5	2,934.2	2,934.2	2,988.0	2,978.9	2,976.2	2,998.6	3,081.4	3,157.7	3,181.3	3,193.4	3,278.2	3,393.1				
Savings deposits	593.4	604.3	630.4	630.4	647.2	670.5	673.7	678.5	710.3	741.0	754.1	779.7	814.3	852.2				
Fixed deposits	1,989.0	2,173.4	2,212.2	2,212.2	2,215.3	2,204.7	2,201.4	2,218.8	2,269.1	2,308.9	2,290.7	2,316.8	2,333.4	2,373.1				
Foreign currency deposits	86.3	91.8	91.6	91.6	125.5	103.7	101.1	101.3	102.0	107.8	136.5	96.9	130.5	167.8				
	(percentage change)																	
Total domestic credit	11.3	9.5	5.3	5.3	0.1	(1.4)	(2.6)	4.7	1.5	2.1	2.3	(0.6)	2.7	4.2				
Public sector	(3.0)	19.6	12.4	12.4	5.9	(3.0)	(20.4)	23.5	3.4	1.7	4.9	(8.5)	10.6	(2.8)				
Government (net)	2.6	23.5	4.1	4.1	7.0	(3.6)	(27.7)	3.9	7.4	6.4	8.3	(12.7)	17.0	(3.1)				
Rest of public sector	(18.8)	5.6	47.1	47.1	2.4	(1.1)	1.5	65.2	(2.1)	(5.1)	(0.8)	(0.9)	0.4	(2.3)				
Private sector	14.4	7.7	3.8	3.8	(1.1)	(1.1)	1.5	1.3	1.1	2.2	1.7	1.2	1.0	5.8				
Monetary liabilities	9.1	5.0	2.9	2.9	2.7	(0.3)	0.3	1.2	4.7	3.0	0.2	0.8	4.4	2.4				
Money	5.6	(3.4)	5.1	5.1	5.9	(0.1)	1.7	2.9	11.0	4.4	1.0	0.5	9.5	3.5				
Currency	2.0	1.1	0.8	0.8	(4.0)	4.6	(3.0)	6.2	(4.2)	10.3	1.6	0.9	(0.6)	3.6				
Demand deposits	6.5	(4.5)	6.2	6.2	8.3	(1.1)	2.7	2.3	14.3	4.8	2.7	6.9	11.3	(3.3)				
Quasi-money	10.1	7.5	2.3	2.3	1.8	(0.3)	(0.1)	0.8	2.8	11.3	1.5	(0.2)	2.7	4.7				

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

End of Period	(B\$ Millions)																								
	2000			2001			2002			2003			2004			2005									
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.								
Net foreign assets	342.6	312.4	373.2	444.5	472.5	522.9	484.3	593.2	652.5	609.1	667.8	718.6	761.1	119.3	44.5	126.3	177.3	195.3	221.1	183.7	311.1	344.9	309.3		
Balances with banks abroad	215.1	260.0	238.3	258.6	268.3	292.8	291.3	304.3	324.6	346.6	347.0	364.2	442.7	8.1	7.8	8.5	8.6	8.8	8.9	9.3	9.2	9.7	9.5	9.1	
Reserve position in the Fund	0.1	0.1	0.1	--	0.1	0.1	--	--	--	--	--	--	--	0.1	0.1	0.1	--	--	--	--	--	--	--	--	
SDR holdings	31.4	107.5	92.0	43.3	11.2	(51.1)	15.2	(24.1)	(90.4)	(101.6)	(13.1)	(90.8)	(62.4)	120.7	187.4	172.9	158.7	109.6	77.9	108.4	141.9	141.4	167.5		
Net domestic assets	128.5	189.7	182.4	167.6	117.4	85.6	114.8	122.1	116.6	131.0	149.5	153.4	215.9	66.2	98.8	72.0	62.9	7.0	--	--	--	--	--	--	
Net claims on government	8.8	34.0	38.6	37.9	44.6	48.6	43.8	51.1	45.6	60.0	78.5	76.4	138.9	53.5	56.9	71.8	66.8	65.8	37.0	71.0	71.0	77.0	77.0	77.0	
Claims	(7.8)	(2.3)	(9.5)	(8.9)	(7.8)	(7.7)	(6.4)	(4.1)	(10.6)	(7.7)	(7.6)	(12.0)	(48.4)	(7.8)	(2.3)	(9.5)	(8.9)	(7.8)	(7.8)	(6.4)	(7.6)	(12.0)	(48.4)	(48.4)	
Treasury bills	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Bahamas registered stock	(14.8)	(10.3)	(10.1)	(45.7)	(30.0)	(59.4)	(21.6)	(73.9)	(128.9)	(154.4)	(87.7)	(164.1)	(153.3)	15.1	16.8	19.9	22.4	21.4	20.5	18.4	22.3	23.4	23.4	17.7	
Loans and advances	(98.0)	(94.3)	(98.3)	(99.7)	(97.3)	(97.5)	(97.3)	(98.8)	(97.2)	(97.5)	(98.2)	(100.0)	(102.7)	7.6	7.1	6.7	6.7	6.6	6.5	6.4	7.6	7.5	7.4	7.4	
Deposits	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	0.8	0.8	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	
In local currency	(209.3)	(253.6)	(296.5)	(325.1)	(314.0)	(306.5)	(324.2)	(400.6)	(386.2)	(327.3)	(462.2)	(436.7)	(514.0)	7.6	7.1	6.7	6.7	6.6	6.5	6.4	7.6	7.5	7.4	7.4	
In foreign currency	(14.8)	(10.3)	(10.1)	(45.7)	(30.0)	(59.4)	(21.6)	(73.9)	(128.9)	(154.4)	(87.7)	(164.1)	(153.3)	0.8	0.8	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	
Deposits of rest of public sector	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Credit to commercial banks	(98.0)	(94.3)	(98.3)	(99.7)	(97.3)	(97.5)	(97.3)	(98.8)	(97.2)	(97.5)	(98.2)	(100.0)	(102.7)	15.1	16.8	19.9	22.4	21.4	20.5	18.4	22.3	23.4	23.4	17.7	
Official capital and surplus	7.6	7.1	6.7	6.7	6.6	6.5	6.4	6.3	6.2	6.2	7.6	7.5	7.4	0.8	0.8	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	
Net unclassified assets	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	0.8	0.8	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	
Loans to rest of public sector	(209.3)	(253.6)	(296.5)	(325.1)	(314.0)	(306.5)	(324.2)	(400.6)	(386.2)	(327.3)	(462.2)	(436.7)	(514.0)	7.6	7.1	6.7	6.7	6.6	6.5	6.4	7.6	7.5	7.4	7.4	
Public Corp Bonds/Securities	(64.4)	(64.9)	(66.3)	(43.8)	(42.9)	(51.0)	(79.6)	(62.5)	(63.2)	(60.3)	(78.5)	(62.1)	(69.5)	(144.9)	(188.7)	(230.2)	(281.3)	(271.1)	(255.5)	(244.6)	(383.7)	(374.6)	(444.5)	(444.5)	
Liabs. to Commercial Banks & OLFIs	(13.3)	(12.8)	(13.9)	(14.1)	(14.3)	(14.6)	(15.2)	(15.1)	(15.1)	(15.0)	(15.9)	(15.5)	(14.9)	(13.3)	(12.8)	(13.9)	(14.1)	(14.3)	(14.6)	(15.2)	(15.9)	(15.5)	(14.9)	(14.9)	
Notes and coins	(151.4)	(153.5)	(154.8)	(148.6)	(155.4)	(150.7)	(160.1)	(153.4)	(160.8)	(165.2)	(176.6)	(175.6)	(169.8)	(151.4)	(153.5)	(154.8)	(148.6)	(155.4)	(150.7)	(160.1)	(176.6)	(175.6)	(169.8)	(169.8)	
Deposits	(144.9)	(188.7)	(230.2)	(281.3)	(271.1)	(255.5)	(244.6)	(338.1)	(323.0)	(267.0)	(383.7)	(374.6)	(444.5)	(144.9)	(188.7)	(230.2)	(281.3)	(271.1)	(255.5)	(244.6)	(383.7)	(374.6)	(444.5)	(444.5)	
SDR allocation	(13.3)	(12.8)	(13.9)	(14.1)	(14.3)	(14.6)	(15.2)	(15.1)	(15.1)	(15.0)	(15.9)	(15.5)	(14.9)	(13.3)	(12.8)	(13.9)	(14.1)	(14.3)	(14.6)	(15.2)	(15.9)	(15.5)	(14.9)	(14.9)	
Currency held by the private sector	(151.4)	(153.5)	(154.8)	(148.6)	(155.4)	(150.7)	(160.1)	(153.4)	(160.8)	(165.2)	(176.6)	(175.6)	(169.8)	(151.4)	(153.5)	(154.8)	(148.6)	(155.4)	(150.7)	(160.1)	(176.6)	(175.6)	(169.8)	(169.8)	

Source: The Central Bank of The Bahamas

TABLE 4
COMMERCIAL BANKS BALANCE SHEET

End of Period	(B\$ Millions)																	
	2000			2001			2002			2003			2004			2005		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	
Net foreign assets	(449.5)	(548.4)	(722.9)	(645.1)	(577.7)	(490.6)	(615.0)	(610.6)	(572.0)	(598.2)	(596.9)	(557.2)	(639.5)					
Net claims on Central Bank	207.1	248.7	291.2	317.9	308.0	300.1	316.8	394.0	379.3	321.2	455.7	429.7	507.7					
Notes and Coins	63.9	64.9	66.3	43.9	42.9	51.0	79.6	62.5	63.2	60.3	78.5	62.1	69.5					
Balances	144.0	184.6	225.7	274.8	265.9	249.9	238.0	332.3	316.9	261.7	378.0	368.4	439.0					
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					
Net domestic assets	3,244.3	3,421.3	3,653.8	3,632.9	3,599.6	3,542.6	3,698.2	3,758.7	3,880.3	3,977.0	3,955.5	4,049.1	4,198.7					
Net claims on government	383.4	435.4	475.3	535.0	558.8	405.2	393.7	421.5	467.8	498.5	400.9	493.4	447.4					
Treasury bills	49.9	63.5	38.8	45.0	69.5	71.9	47.6	73.0	88.8	96.2	26.7	85.4	86.5					
Other securities	315.3	314.2	338.1	338.3	350.0	369.2	365.2	364.2	364.9	392.4	389.0	398.0	385.6					
Loans and advances	89.0	115.4	170.0	219.6	214.1	45.6	74.5	81.3	111.2	115.6	78.2	111.2	80.5					
Less: deposits	70.8	57.7	71.6	67.9	74.8	81.5	93.6	97.0	97.1	105.7	93.0	101.2	105.2					
Net claims on rest of public sector	(163.8)	(212.1)	(143.9)	(127.2)	(104.5)	(65.9)	53.0	51.6	62.2	60.0	92.6	85.3	47.4					
Securities	6.9	8.0	9.3	8.2	8.6	19.7	18.6	21.3	21.3	21.3	18.6	21.6	23.6					
Loans and advances	125.9	133.2	202.5	208.9	206.2	198.5	347.0	336.4	317.9	315.2	313.5	311.8	302.0					
Less: deposits	296.6	353.3	355.7	344.3	319.3	284.1	312.6	306.1	277.0	276.5	239.5	248.1	278.2					
Net claims on OLFIs.	(10.1)	(0.8)	16.4	11.8	6.2	--	1.2	(8.3)	(5.8)	40.0	33.6	18.9	40.3					
Credit to the private sector	3,513.1	3,781.9	3,925.6	3,881.9	3,840.7	3,898.3	3,947.9	3,992.3	4,081.4	4,149.1	4,199.7	4,242.2	4,489.3					
Securities	6.9	6.3	7.4	7.4	7.3	9.7	16.3	12.9	12.9	14.3	11.3	11.3	22.2					
Loans and advances	3,506.2	3,775.6	3,918.2	3,874.5	3,833.4	3,888.6	3,931.6	3,979.4	4,068.5	4,134.8	4,188.4	4,230.9	4,467.1					
Private capital and surplus	(509.9)	(592.8)	(660.4)	(692.0)	(695.0)	(907.9)	(974.5)	(982.0)	(1,014.5)	(1,025.0)	(1,060.7)	(1,069.8)	(1,085.0)					
Net unclassified assets	31.6	9.7	40.8	23.4	(6.6)	212.9	276.9	283.6	289.2	254.4	289.4	279.1	259.3					
Liabilities to private sector	3,001.9	3,121.6	3,222.1	3,305.7	3,329.9	3,352.1	3,400.0	3,542.1	3,687.6	3,700.0	3,814.3	3,921.6	4,066.9					
Demand deposits	669.6	661.9	681.3	717.9	717.1	711.9	754.6	809.2	858.9	867.1	911.3	961.7	1,028.7					
Savings deposits	596.9	606.2	634.3	651.0	674.4	676.4	681.9	713.8	745.4	761.6	783.5	818.2	856.7					
Fixed deposits	1,735.4	1,853.5	1,906.5	1,936.8	1,938.4	1,963.8	1,963.5	2,019.1	2,083.3	2,071.3	2,119.5	2,141.7	2,181.5					

Source: The Central Bank of The Bahamas

TABLE 5
OTHER LOCAL FINANCIAL INSTITUTIONS BALANCE SHEET

End of Period	(B\$ Millions)														
	2000		2001		2002		2003			2004			2005		
							Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
Net foreign assets	20.3	1.5	(7.6)	(9.3)	(17.9)	(17.9)	(13.1)	(17.9)	(13.1)	(16.6)	(15.1)	30.3	33.4	19.0	32.8
Net claims on Central Bank	(4.8)	4.0	4.6	4.9	5.3	5.5	5.6	5.5	5.6	5.7	5.8	5.2	5.7	6.1	5.5
Notes and Coins	0.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Balances	4.7	4.0	4.6	4.9	5.3	5.5	5.6	5.5	5.6	5.7	5.8	5.2	5.7	6.1	5.5
Less Central Bank credit	10.0	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Net domestic assets	77.7	72.8	96.5	106.6	118.9	121.8	116.4	121.8	116.4	120.9	110.7	66.7	63.3	80.2	67.0
Net claims on government	4.4	3.2	3.1	3.1	3.2	4.1	4.4	4.1	4.4	4.4	4.4	4.3	4.3	4.3	4.8
Treasury bills	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other securities	4.4	3.2	3.1	3.1	3.2	4.1	4.4	4.1	4.4	4.4	4.4	4.3	4.3	4.3	4.8
Loans and advances	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Less: deposits	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Net claims on rest of public sector	(0.9)	0.1	0.1	--	--	--	--	--	--	--	--	--	(1.0)	(1.0)	(1.0)
Securities	0.1	0.1	0.1	--	--	--	--	--	--	--	--	--	--	--	--
Loans and advances	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Less: deposits	1.0	--	--	--	--	--	--	--	--	--	--	--	--	1.0	1.0
Net claims on commercial banks	12.4	1.6	(12.9)	(13.8)	(4.1)	(3.0)	(3.1)	(3.0)	(3.1)	4.4	(9.4)	(49.9)	(47.7)	(27.6)	(47.7)
Credit to the private sector	115.7	120.2	144.0	149.0	148.6	147.2	146.7	147.2	146.7	143.6	138.6	138.1	139.7	136.5	138.3
Securities	4.2	2.7	2.7	2.1	2.0	3.0	4.1	3.0	4.1	4.4	4.2	4.5	3.4	4.2	6.3
Mortgages	90.5	110.4	134.4	139.9	139.9	137.6	136.3	137.6	136.3	130.7	125.1	124.5	126.8	125.6	125.0
Loans and advances	21.0	7.1	6.9	7.0	6.7	6.6	6.3	6.6	6.3	8.5	9.3	9.1	9.5	6.7	7.0
Private capital and surplus	(66.9)	(68.4)	(62.5)	(62.3)	(52.0)	(50.1)	(58.1)	(50.1)	(58.1)	(56.4)	(55.5)	(58.2)	(60.7)	(61.0)	(56.8)
Net unclassified assets	13.0	16.1	24.7	30.6	23.2	23.6	26.5	23.6	26.5	24.9	32.6	32.4	28.7	29.0	29.4
Liabilities to private sector	93.2	78.3	93.5	102.2	106.3	109.5	108.9	109.5	108.9	110.0	101.3	102.3	102.4	105.3	105.3
Demand deposits	11.7	7.5	9.2	10.0	9.3	11.8	11.6	11.8	11.6	12.0	12.8	11.2	9.8	13.1	15.9
Savings deposits	2.7	0.2	0.3	0.3	0.3	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.2
Fixed deposits	78.8	70.6	84.0	91.9	96.7	97.4	97.1	97.4	97.1	97.8	88.3	90.9	92.4	91.9	89.2

Source: The Central Bank of The Bahamas

TABLE 6
PROFIT AND LOSS ACCOUNTS OF BANKS IN THE BAHAMAS*

Period	(B\$'000s)												
	2001			2002			2003			2004			2005
	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
1. Interest Income	447,572	431,664	435,099	474,049	105,343	110,339	110,420	108,997	112,236	116,611	120,303	124,899	120,307
2. Interest Expense	146,688	159,892	164,071	168,412 ^u	38,825	42,002	42,257	40,987	41,140	43,376	41,885	42,011	43,723
3. Interest Margin (1-2)	300,884	271,772	271,028	305,637 ^v	66,518	68,337	68,163	68,010	71,096	73,235	78,418	82,888	76,584
4. Commission & Forex Income	24,401	23,368	23,451	26,425 ^u	5,995	6,109	6,466	4,881	7,417	6,463	6,151	6,394	5,787
5. Gross Earnings Margin (3+4)	325,285	295,140	294,479	332,062 ^u	72,513	74,446	74,629	72,891	78,513	79,698	84,569	89,282	82,371
6. Staff Costs	105,518	111,068	114,818	116,033	31,003	27,084	29,128	27,603	27,251	27,796	30,494	30,492	29,918
7. Occupancy Costs	18,412	16,049	18,585	16,284	4,543	4,734	4,545	4,763	5,025	3,918	3,969	3,372	3,623
8. Other Operating Costs	51,792	48,370	52,182	60,051	10,759	11,138	12,145	18,140	12,888	13,107	16,520	17,536	10,443
9. Operating Costs (6+7+8)	175,722	175,487	185,585	192,368 ^u	46,305	42,956	45,818	50,506	45,164	44,821	50,983	51,400	43,984
10. Net Earnings Margin (5-9)	149,563	119,653	108,894	139,694 ^u	26,208	31,490	28,811	22,385	33,349	34,877	33,586	37,882	38,387
11. Depreciation Costs	10,848	10,460	22,803	9,739	2,516	2,684	12,433	5,170	5,286	5,180	-3,704	2,977	3,119
12. Provisions for Bad Debt	33,096	29,557	38,562	35,806	8,774	6,405	12,641	10,742	7,323	10,270	10,740	7,473	5,015
13. Other Income	58,421	63,855	75,069	74,197	18,716	17,828	18,533	20,592	17,960	19,047	17,343	19,847	19,701
14. Other Income (Net) (13-11-12)	14,477	23,838	14,304	28,652	7,426	8,739	-6,541	4,680	5,351	3,597	10,307	9,397	11,567
15. Net Income (10+14)	164,040	143,491	123,198	168,346	33,634	40,229	22,270	27,065	38,700	38,474	43,893	47,279	49,954
16. Effective Interest Rate Spread (%)	6.31	6.12	5.99	6.48	5.92	5.96	6.04	6.04	6.20	6.64	6.40	6.68	6.12
	(Ratios To Average Assets)												
Interest Margin	6.07	4.99	4.71	4.91	4.70	4.81	4.69	4.62	4.71	4.73	4.99	5.21	4.73
Commission & Forex Income	0.50	0.43	0.41	0.43	0.42	0.43	0.44	0.33	0.49	0.42	0.39	0.40	0.36
Gross Earnings Margin	6.56	5.42	5.11	5.34	5.12	5.24	5.13	4.95	5.20	5.15	5.38	5.61	5.08
Operating Costs	3.55	3.22	3.22	3.09	3.27	3.03	3.15	3.43	2.99	2.90	3.25	3.23	2.71
Net Earnings Margin	3.02	2.20	1.89	2.25	1.85	2.22	1.98	1.52	2.21	2.25	2.14	2.38	2.37
Net Income	3.31	2.64	2.14	2.70	2.37	2.83	1.53	1.84	2.56	2.49	2.79	2.97	3.08

*Commercial Banks and OLFIs with domestic operations

Source: The Central Bank of The Bahamas

TABLE 7
MONEY SUPPLY

End of Period	(B\$ Millions)													
	2000		2001		2002		2003			2004			2005	
	Mar.	Jun.	Mar.	Jun.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
Money supply (M1)	807.8	776.7	817.7	866.4	865.0	881.9	907.4	1,006.1	1,109.4	1,125.9	1,134.4	1,244.3	1,291.0	
1) Currency in active circulation	151.4	153.5	154.8	148.6	155.4	150.7	160.1	153.4	160.8	165.2	176.6	175.6	169.8	
2) Demand deposits	656.4	623.2	662.9	717.8	709.6	731.2	747.3	852.7	948.6	960.7	957.8	1068.7	1121.2	
Central Bank	14.8	10.3	10.1	45.7	30.0	59.5	21.7	73.9	128.9	154.4	87.7	164.1	153.3	
Commercial banks	629.9	605.3	643.6	662.1	670.3	660.0	714.0	766.8	806.9	795.1	860.3	891.5	952.0	
OLFIs	11.7	7.6	9.2	10.0	9.3	11.7	11.6	12.0	12.8	11.2	9.8	13.1	15.9	
Factors affecting changes in money (M1)														
1) Net credit to government	508.5	626.0	651.3	696.8	671.6	487.2	506.5	543.9	578.2	626.0	547.1	639.1	619.7	
Central Bank	120.7	187.4	172.9	158.7	109.6	77.9	108.4	118.0	106.0	123.2	141.9	141.4	167.5	
Commercial banks	383.4	435.4	475.3	535.0	558.8	405.2	393.7	421.5	467.8	498.5	400.9	493.4	447.4	
OLFIs	4.4	3.2	3.1	3.1	3.2	4.1	4.4	4.4	4.4	4.3	4.3	4.3	4.8	
2) Other credit	3,770.1	4,051.3	4,289.1	4,255.6	4,211.6	4,271.1	4,467.5	4,500.9	4,566.4	4,630.9	4,680.1	4,720.7	4,961.7	
Rest of public sector	141.3	149.2	219.5	224.7	222.3	225.6	372.9	365.0	346.4	343.7	340.7	341.9	334.1	
Private sector	3,628.8	3,902.1	4,069.6	4,030.9	3,989.3	4,045.5	4,094.6	4,135.9	4,220.0	4,287.2	4,339.4	4,378.8	4,627.6	
3) External reserves	342.6	312.4	373.2	444.5	472.5	522.9	484.3	593.2	652.5	609.1	667.8	718.6	761.1	
4) Other external liabilities (net)	(429.2)	(546.9)	(730.5)	(654.4)	(595.6)	(508.5)	(628.1)	(627.2)	(587.1)	(567.8)	(563.5)	(538.2)	(606.7)	
5) Quasi money	2,751.2	2,940.4	3,018.5	3,080.2	3,075.9	3,074.0	3,095.9	3,179.5	3,246.2	3,272.4	3,287.1	3,371.5	3,483.5	
6) Other items (net)	(633.0)	(725.7)	(746.9)	(795.9)	(819.2)	(816.9)	(826.9)	(825.2)	(854.4)	(899.8)	(910.0)	(924.4)	(961.3)	

Source: The Central Bank of The Bahamas

TABLE 8
CONSUMER INSTALMENT CREDIT

End of Period	2001		2002		2003		2004				2005							
	Add-on		Add-on		Add-on		Mar.		Jun.		Mar.		Jun.					
	Demand*	Demand*	Demand*	Demand*	Demand*	Demand*	Add-on	Demand*	Add-on	Demand*	Add-on	Demand*	Add-on	Demand*				
CREDIT OUTSTANDING																		
Private cars	405	270,662	201	244,977	19	221,315	8	218,505	8	220,306	8	215,144	8	212,671	4	209,543	4	209,088
Taxis & rented cars	--	2,251	--	1,976	--	2,054	--	1,835	--	1,714	--	2,274	--	2,349	--	2,325	--	2,431
Commercial vehicles	8	4,385	--	4,513	--	4,254	--	4,312	--	4,672	--	4,948	--	5,212	--	5,762	--	6,224
Furnishings & domestic appliances	7	17,514	2	14,529	--	12,727	--	12,472	--	12,886	--	12,693	--	13,972	--	14,529	--	15,220
Travel	25	43,391	13	43,122	--	40,815	--	38,790	--	40,191	--	42,648	--	40,814	--	38,606	--	38,601
Education	16	49,569	8	59,479	--	49,903	--	49,646	--	49,751	--	51,570	--	46,926	--	46,430	--	45,748
Medical	22	13,304	10	14,308	--	13,662	--	13,525	--	13,844	--	13,568	--	13,811	--	13,921	--	14,002
Home Improvements	180	126,542	99	111,702	64	109,232	9	107,272	8	105,688	5	108,050	4	114,195	2	115,459	1	122,628
Land Purchases	61	95,251	34	110,441	3	120,262	2	130,164	1	136,291	--	145,312	--	150,096	--	154,998	--	160,883
Consolidation of debt	501	356,914	256	350,686	113	343,547	83	346,844	48	347,368	45	349,057	43	346,752	38	350,353	28	361,072
Miscellaneous	237	340,739	99	342,527	18	334,249	17	334,922	16	348,062	16	362,163	8	374,000	8	374,819	8	376,502
Credit Cards	--	137,768	--	158,784	--	148,265	--	145,868	--	147,786	--	154,444	--	166,073	--	160,526	--	161,334
TOTAL	1,462	1,458,290	722	1,457,044	217	1,400,285	119	1,404,155	81	1,428,559	74	1,461,871	63	1,486,871	52	1,487,271	41	1,513,733
NET CREDIT EXTENDED																		
Private cars	-198	-13,704	-204	-25,685	-182	-23,662	-11	-2,810	--	1,801	--	-5,162	--	-2,473	-4	-3,128	--	-455
Taxis & rented cars	--	129	--	-275	--	78	--	-219	--	-121	--	560	--	75	--	-24	--	106
Commercial vehicles	-1	-527	-8	128	--	-259	--	58	--	360	--	276	--	264	--	550	--	462
Furnishings & domestic appliances	-33	-40	-5	-2,985	-2	-1,802	--	-255	--	414	--	-193	--	1,279	--	557	--	691
Travel	-27	-1,286	-12	-269	-13	-2,307	--	-2,025	--	1,401	--	2,457	--	-1,834	--	-2,208	--	-5
Education	-14	16,601	-8	9,910	-8	-9,576	--	-257	--	105	--	1,819	--	-4,644	--	-496	--	-682
Medical	-8	529	-12	1,004	-10	-646	--	-137	--	319	--	-276	--	243	--	110	--	81
Home Improvements	-117	4,976	-81	-14,840	-35	-2,470	-55	-1,960	-1	-1,584	-3	2,362	-1	6,145	-2	1,264	-1	7,169
Land Purchases	-46	3,690	-27	15,190	-31	9,821	-1	9,902	-1	6,127	-1	9,021	--	4,784	--	4,902	--	5,885
Consolidation of debt	-212	3,444	-245	-6,228	-143	-7,139	-30	3,297	-35	524	-3	1,689	-2	-2,305	-5	3,601	-10	10,719
Miscellaneous	-183	27,274	-138	1,788	-81	-8,278	-1	673	-1	13,140	--	14,101	--	11,837	--	819	--	1,683
Credit Cards	--	6,467	--	21,016	--	-10,519	--	-2,397	--	1,918	--	6,658	--	11,629	--	-5,547	--	808
TOTAL	-839	47,553	-740	-1,246	-505	-56,759	-98	3,870	-38	24,404	-7	33,312	-11	25,000	-11	400	-11	26,462

Source: The Central Bank of The Bahamas

* Includes Consumer Credit previously reported under Personal Loans

TABLE 9
SELECTED AVERAGE INTEREST RATES

Period	2002				2003				2004				2005	
	2001	2002	2003	2004	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
COMMERCIAL BANKS														
Deposit rates														
Savings deposits	2.69	2.77	2.66	2.57	2.74	2.72	2.56	2.60	2.80	2.55	2.48	2.46	2.59	2.26
Fixed deposits														
Up to 3 months	4.19	4.04	3.81	3.68	3.95	3.76	3.71	3.82	3.79	3.73	3.60	3.61	3.39	3.06
Up to 6 months	4.62	4.32	4.11	3.96	4.42	4.01	3.99	4.01	4.09	3.86	3.89	3.98	3.51	3.17
Up to 12 months	4.72	4.49	4.38	4.18	4.62	4.30	4.14	4.47	4.41	4.12	4.00	4.20	3.70	3.24
Over 12 months	4.99	4.62	4.59	4.32	4.48	4.36	4.66	4.86	4.88	4.16	3.87	4.35	3.71	3.48
Weighted average rate	4.24	4.11	3.93	3.78	4.03	3.86	3.81	4.00	3.96	3.76	3.67	3.74	3.43	3.09
Lending rates														
Residential mortgages	8.95	8.90	8.99	8.83	9.01	9.00	8.91	9.02	8.89	8.85	8.82	8.77	8.55	8.07
Commercial mortgages	8.87	9.04	9.58	9.04	9.24	10.82	9.20	9.04	8.78	8.86	9.27	9.23	8.18	8.12
Consumer loans	13.41	13.07	13.83	12.98	13.94	13.95	13.89	13.53	13.35	13.12	12.95	12.49	12.54	11.90
Overdrafts	10.43	10.63	11.56	11.69	11.04	11.09	11.66	12.45	11.77	11.47	11.77	11.73	11.00	11.17
Weighted average rate	11.47	11.33	12.04	11.25	11.73	12.17	12.15	12.10	11.50	11.29	11.33	10.86	10.63	10.04
OLFIs														
Deposit rates														
Savings deposits	3.55	--	1.75	--	--	--	1.75	--	--	--	--	--	--	--
Fixed deposits														
Up to 3 months	4.13	4.10	4.14	4.20	3.92	4.06	4.32	4.27	4.38	3.66	4.28	4.49	4.18	3.95
Up to 6 months	4.16	3.91	4.07	4.01	3.70	4.35	3.89	4.32	4.03	3.85	3.74	4.41	4.68	3.58
Up to 12 months	4.06	4.22	4.43	4.06	4.18	4.71	4.33	4.50	4.31	3.92	4.05	3.95	3.70	3.49
Over 12 months	4.17	--	--	4.21	--	--	--	--	4.24	4.09	3.75	4.75	4.25	3.75
Weighted average rate	4.25	4.39	4.45	4.20	4.25	4.62	4.37	4.54	4.35	3.98	4.10	4.38	4.12	3.94
Lending rates														
Residential mortgages	8.89	8.64	6.59	8.46	9.07	8.35	8.92	--	8.25	8.67	8.53	8.39	8.37	8.19
Commercial mortgages	--	9.77	--	8.75	--	--	--	--	--	--	--	8.75	--	--
Consumer loans	14.97	--	9.99	7.86	--	--	9.99	--	--	8.34	7.39	--	--	7.25
Other loans	9.36	8.70	8.41	--	8.00	--	9.75	7.48	--	--	--	--	9.86	--
Weighted average rate	11.25	8.64	8.51	8.40	8.98	8.35	9.21	7.48	8.25	8.51	8.41	8.43	8.49	8.04
Other rates														
Prime rate	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.50	5.50
Treasury bill (90 days)	1.94	2.50	1.78	0.55	1.89	2.02	1.74	1.45	0.94	0.71	0.29	0.25	0.18	0.15
Treasury bill re-discount rate	2.45	3.00	2.28	1.05	2.39	2.52	2.24	1.95	1.44	1.21	0.79	0.75	0.68	0.65
Bank rate (discount rate)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.25	5.25

Source: The Central Bank of The Bahamas

TABLE 10
SUMMARY OF BANK LIQUIDITY

End of Period	(B\$ Millions)															
	2000		2001		2002		2003			2004			2005			
							Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
I. Statutory Reserves																
Required reserves	166.6	176.1	183.4	184.3	185.4	185.4	187.2	192.7	200.9	204.8	205.3	211.5	217.0			
Average Till Cash	59.6	51.2	55.3	42.9	42.8	50.7	66.7	57.1	56.0	57.9	70.2	57.8	64.9			
Average balance with central bank	149.4	182.2	217.8	271.2	270.5	274.3	250.2	326.9	335.3	304.3	407.5	385.9	444.1			
Free cash reserves (period ended)	41.6	56.5	88.9	129.0	127.1	138.9	128.9	190.5	189.6	156.6	271.6	231.4	291.2			
II. Liquid Assets (period)																
A. Minimum required Liquid assets	539.1	569.3	589.9	599.2	600.3	598.8	615.6	637.1	656.7	660.7	677.2	691.9	717.8			
B. Net Eligible Liquid Assets	579.2	636.7	687.6	722.6	748.6	776.1	772.3	874.8	883.6	855.2	909.7	955.3	1021.5			
i) Balance with Central Bank	148.2	188.6	230.3	279.7	271.1	255.5	243.5	338.0	322.6	267.0	383.7	374.5	444.6			
ii) Notes and Coins	64.9	65.4	66.8	44.4	43.4	51.5	80.1	63.0	63.7	60.8	79.0	62.6	70.0			
iii) Treasury Bills	49.9	63.5	38.8	45.0	69.5	71.9	47.6	73.0	88.9	96.1	26.7	85.4	86.4			
iv) Government registered stocks	303.7	306.4	335.3	336.9	350.2	370.2	369.5	368.6	369.3	396.7	393.3	402.3	390.4			
v) Specified assets	20.2	16.9	17.9	16.9	15.7	26.7	26.8	29.1	28.2	27.9	24.9	27.8	27.5			
vi) Net Inter-bank dem/call deposits	(6.9)	(3.3)	(0.7)	0.5	(0.5)	1.1	5.6	3.9	11.7	7.5	2.9	3.5	3.4			
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)			
C. Surplus/(Deficit)	40.1	67.4	97.7	123.4	148.3	177.3	156.7	237.7	226.9	194.5	232.5	263.4	303.7			

Source: The Central Bank of The Bahamas

TABLE II
GOVERNMENT OPERATIONS AND FINANCING

Period	2001/02p	2002/03p	2003/04p	Budget		2003/04p			2004/05p			2003/04p	2004/05p
				2004/05	2005/06	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	Ytd-May	Ytd-May	
Total Revenue & Grants	856.8	901.8	943.8	1051.6	1132.8	253.3	241.8	213.0	252.1	254.3	867.6	910.4	
Current expenditure	896.7	962.5	994.0	1067.3	1145.7	249.3	282.1	240.8	244.5	260.7	868.0	927.3	
Capital expenditure	103.5	83.8	80.9	117.3	132.9	19.2	37.7	10.4	35.8	15.3	55.9	77.1	
Net lending	27.5	43.1	35.3	30.4	31.6	9.0	11.0	9.0	8.4	11.5	29.7	43.2	
Overall balance	(170.9)	(187.6)	(166.4)	(163.4)	(177.4)	(24.2)	(89.0)	(47.2)	(36.6)	(33.2)	(86.0)	(137.2)	
FINANCING (I+II+III+IV+V)	170.9	187.6	166.4	163.5	177.4	24.2	89.0	47.2	36.6	33.2	86.0	137.3	
I. Foreign currency borrowing	143.6	34.4	206.7	29.0	30.6	0.1	2.5	--	1.8	--	206.7	2.9	
External	18.6	9.4	206.7	29.0	30.6	0.1	2.5	--	1.8	--	200.0	--	
Domestic	125.0	25.0	--	...	...	--	--	--	--	--	6.7	2.9
II. Bahamian dollar borrowing	157.7	205.9	132.3	231.3	201.6	23.3	--	100.0	100.0	18.8	132.3	218.8	
i) Treasury bills	26.9	--	--	...	...	--	--	--	--	13.1	--	13.1
Central Bank	16.1	--	--	...	...	--	--	--	--	13.1	--	13.1
Commercial banks & OLFIs	10.8	--	--	...	...	--	--	--	--	--	--	--
Public corporations	--	--	--	...	...	--	--	--	--	--	--	--
Other	--	--	--	...	...	--	--	--	--	--	--	--
ii) Long-term securities	95.7	186.1	98.3	...	...	23.3	--	100.0	100.0	--	98.3	200.0
Central Bank	66.4	20.0	33.3	...	...	23.3	--	15.0	15.0	--	33.3	30.0
Commercial banks & OLFIs	10.1	56.4	20.1	...	...	--	--	28.7	3.7	--	20.1	32.4
Public corporations	4.8	33.2	21.7	...	...	--	--	22.5	43.1	--	21.7	65.6
Other	14.4	76.5	23.2	...	...	--	--	33.8	38.2	--	23.2	72.0
iii) Loans and Advances	35.1	19.8	34.0	...	...	--	--	--	--	5.7	34.0	5.7
Central Bank	33.9	4.3	34.0	...	...	--	--	--	--	5.7	34.0	5.7
Commercial banks	1.2	15.5	--	...	...	--	--	--	--	--	--	--
III Debt repayment	144.9	62.4	251.4	94.4	54.9	24.0	0.5	15.8	26.1	20.4	251.3	73.2	
Domestic	111.2	54.4	242.0	84.6	50.8	20.0	--	12.6	25.0	20.0	242.0	67.6	
Bahamian dollars	76.7	49.4	112.0	84.6	50.8	20.0	--	12.6	25.0	20.0	112.0	67.6	
Internal foreign currency	34.5	5.0	130.0	...	...	--	--	--	--	--	130.0	--
External	33.7	8.0	9.4	9.8	4.1	4.0	0.5	3.2	1.1	0.4	9.3	5.6	
IV Cash balance change	(3.3)	15.3	(33.7)	...	...	(1.2)	(6.6)	(5.8)	12.8	(12.6)	(25.3)	6.1
V. Other Financing	17.8	(5.6)	112.5	(2.4)	0.1	26.0	93.6	(31.2)	(51.9)	47.4	23.6	(17.3)	

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

TABLE 12
NATIONAL DEBT

(BS' 000s)

End of Period	2004p			2005p				
	2002p	2003p	2004p	Jun.	Sept.	Dec.	Mar.	Jun.
TOTAL EXTERNAL DEBT	96,070	293,142	289,837	292,329	289,152	289,837	289,391	289,383
By Instrument								
Government Securities	25,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000
Loans	71,070	68,142	64,837	67,329	64,152	64,837	64,391	64,383
By Holder								
Commercial banks	10,305	5,153	--	2,576	--	--	--	--
Offshore financial institutions	--	--	--	--	--	--	--	--
Multilateral institutions	60,765	62,989	64,837	64,753	64,152	64,837	64,391	64,383
Bilateral Institutions	--	--	--	--	--	--	--	--
Private Capital Markets	25,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000
TOTAL INTERNAL DEBT	1,710,531	1,647,607	1,813,297	1,650,897	1,738,297	1,813,297	1,812,335	1,883,697
By Instrument								
Foreign Currency	130,000	--	--	--	--	--	--	--
Government securities	5,000	--	--	--	--	--	--	--
Loans	125,000	--	--	--	--	--	--	--
Bahamian Dollars	1,580,531	1,647,607	1,813,297	1,650,897	1,738,297	1,813,297	1,812,335	1,883,697
Advances	71,787	71,019	71,019	71,019	71,019	71,019	76,988	76,988
Treasury bills	179,400	179,400	179,400	179,400	179,400	179,400	192,469	192,469
Government securities	1,304,098	1,386,943	1,552,633	1,390,233	1,477,633	1,552,633	1,532,633	1,603,994
Loans	25,246	10,245	10,245	10,245	10,245	10,245	10,245	10,246
By Holder								
Foreign Currency	130,000	--	--	--	--	--	--	--
Commercial banks	130,000	--	--	--	--	--	--	--
Other local financial institutions	--	--	--	--	--	--	--	--
Bahamian Dollars	1,580,531	1,647,607	1,813,297	1,650,897	1,738,297	1,813,297	1,812,335	1,883,697
The Central Bank	182,823	114,800	149,535	116,626	131,022	149,535	156,445	215,932
Commercial banks	399,697	423,997	427,858	464,435	500,248	427,858	498,258	482,610
Other local financial institutions	3,128	4,344	4,321	4,695	4,321	4,321	4,321	4,319
Public corporations	619,284	673,345	717,098	621,708	627,253	717,098	655,243	680,808
Other	375,599	431,121	514,485	443,433	475,453	514,485	498,068	500,028
TOTAL FOREIGN CURRENCY DEBT	226,070	293,142	289,837	292,329	289,152	289,837	289,391	289,383
TOTAL DIRECT CHARGE	1,806,601	1,940,749	2,103,134	1,943,226	2,027,449	2,103,134	2,101,726	2,173,080
TOTAL CONTINGENT LIABILITIES	417,662	462,929	435,578	443,519	437,700	435,578	473,504	489,138
TOTAL NATIONAL DEBT	2,224,263	2,403,678	2,538,712	2,386,745	2,465,149	2,538,712	2,575,230	2,662,218

Source: Treasury Accounts & Treasury Statistical Summary Printouts
Public Corporation Reports

Creditor Statements, Central Bank of The Bahamas

TABLE 13
PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS

	(B\$' 000s)					
	2002p	2003p*	2004p			2005p
			Jun.	Sept.	Dec.	
Outstanding debt at beginning of period	412,239	547,538	598,970	577,388	567,827	562,970
Government	154,003	226,070	293,142	292,329	289,152	289,837
Public Corporations	258,236	321,468	305,828	285,059	278,675	273,133
Plus new drawings	248,984	362,945	29,435	8,444	7,242	12,303
Government	136,638	206,000	5,350	--	1,767	--
Public corporations	112,346	156,945	24,085	8,444	5,475	12,303
Less Amortization	113,685	311,513	65,435	18,005	12,099	16,417
Government	64,571	138,928	8,655	3,177	1,082	446
Public corporations	49,114	172,585	56,780	14,828	11,017	15,971
Outstanding debt at end of period	547,538	598,970	562,970	567,827	562,970	558,856
Government	226,070	293,142	289,837	289,837	289,837	289,391
Public corporations	321,468	305,828	273,133	278,675	273,133	269,465
Interest Charges	24,706	26,348	27,280	2,704	10,796	3,098
Government	9,558	13,074	18,416	621	8,632	529
Public corporations	15,148	13,274	8,864	2,083	2,164	2,570
Debt Service	138,391	337,861	92,715	20,709	22,895	19,515
Government	74,129	152,002	27,071	3,798	9,714	974
Public corporations	64,262	185,859	65,644	16,911	13,181	18,541
Debt Service ratio	5.8	14.0	3.6	3.5	3.8	2.7
Government debt Service/ Government revenue (%)	8.3	16.9	2.8	1.8	3.9	0.4
MEMORANDUM						
Holder distribution (B\$ Mii):						
Commercial banks	253.2	243.2	218.8	226.1	218.8	217.4
Offshore Financial Institutions	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral Institutions	253.0	118.5	114.8	117.9	116.5	114.1
Bilateral Institutions	0.0	0.0	0.0	0.0	0.0	0.0
Other	16.3	12.3	4.4	8.4	4.4	2.4
Private Capital Markets	25.0	225.0	225.0	225.0	225.0	225.0

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

Note: *Debt serving during 2003 include the respective re-financing of \$125M and \$123M in Government (internal) and public corporations (external) debt. Net of these payments, the adjusted service/exports ratio was 3.7% and the Government's debt service/revenue ratio was 3.0%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY

	(B\$ Millions)											
	2002p			2003			2004			2005		
	Qtr.II	Qtr.III	Qtr.IV	Qtr.II	Qtr.III	Qtr.IV	Qtr.II	Qtr.III	Qtr.IV	Qtr.II	Qtr.III	Qtr.IV
A. Current Account Balance (I+II+III+IV)	(423.4)	(472.4)	(199.3)	(40.6)	(202.9)	(185.2)	(15.5)	(206.2)	35.4	(80.1)	(124.1)	
I. Merchandise (Net)	(1,326.7)	(1,330.7)	(1,338.5)	(348.2)	(329.0)	(344.8)	(338.7)	(326.8)	(320.9)	(361.9)	(402.7)	
Exports	421.9	426.5	471.2	69.5	111.6	112.6	93.9	123.2	152.8	121.1	108.9	
Imports	1,748.6	1,757.2	1,809.7	417.7	440.6	457.4	432.6	450.0	473.7	483.0	511.6	
II. Services (Net)	1,045.4	962.1	1,022.8	327.2	161.1	192.5	329.2	159.8	179.3	284.4	309.4	
Transportation	(178.8)	(187.5)	(237.8)	(48.0)	(46.0)	(46.4)	(71.8)	(59.4)	(56.4)	(72.6)	(79.3)	
Travel	1,515.8	1,452.7	1,568.9	457.4	298.2	298.3	508.2	300.5	282.3	442.6	457.4	
Insurance Services	(92.8)	(105.8)	(80.8)	(25.2)	(31.1)	(28.7)	(26.1)	(21.3)	(15.1)	(21.9)	(20.5)	
Offshore Companies Local Expenses	126.4	105.9	133.9	20.0	19.2	44.0	23.3	22.0	52.1	23.3	24.8	
Other Government	(60.9)	(57.3)	(29.2)	(17.3)	(4.5)	(13.0)	(7.5)	(12.7)	(4.0)	(8.5)	(23.2)	
Other Services	(264.3)	(245.9)	(332.2)	(59.7)	(74.7)	(61.7)	(96.9)	(69.3)	(79.6)	(78.5)	(49.8)	
III. Income (Net)	(184.4)	(152.4)	(134.4)	(37.8)	(42.4)	(42.9)	(32.1)	(46.9)	(31.1)	(50.9)	(43.6)	
1. Compensation of Employees	(49.9)	(56.3)	(63.2)	(13.1)	(14.3)	(17.5)	(17.0)	(12.1)	(20.9)	(20.0)	(18.9)	
2. Investment Income	(134.5)	(96.1)	(71.2)	(24.7)	(28.1)	(25.4)	(15.1)	(34.8)	(10.2)	(30.9)	(24.7)	
IV. Current Transfers (Net)	42.3	48.6	250.8	18.2	7.4	10.0	26.1	7.7	208.1	48.3	12.8	
1. General Government	49.0	53.9	59.7	19.7	9.4	11.3	27.0	8.7	12.3	14.6	14.9	
2. Private Sector	(6.7)	(5.3)	191.1	(1.5)	(2.0)	(1.3)	(0.9)	(1.0)	195.8	33.7	(2.1)	
B. Capital and Financial Account (I+II)	380.6	498.0	311.6	(36.0)	193.9	158.4	24.2	125.4	112.9	128.5	123.4	
(excl. Reserves)												
I. Capital Account (Net Transfers)	(24.5)	(37.4)	(47.9)	(7.4)	(8.7)	(12.2)	(9.7)	(10.9)	(18.6)	(11.4)	(13.6)	
II. Financial Account (Net)	405.1	535.4	359.5	(28.6)	202.6	170.6	33.9	136.3	131.5	139.9	137.0	
1. Direct Investment	152.8	190.3	273.9	9.4	27.8	63.5	62.4	105.4	67.1	96.3	46.7	
2. Other Investments	252.3	345.1	85.6	(38.0)	174.8	107.1	(28.5)	30.9	64.4	43.6	90.3	
Central Gov't Long Term Capital	(21.4)	196.0	(4.4)	1.2	199.1	(0.9)	1.4	(3.2)	0.7	(0.4)	0.0	
Other Public Sector Capital	(13.5)	(143.5)	(15.4)	(6.2)	(4.4)	(124.5)	(2.9)	(4.7)	(3.3)	(2.3)	(2.2)	
Banks	183.6	(102.4)	(64.5)	(58.8)	(87.1)	119.6	(40.0)	(19.3)	(4.3)	(25.3)	68.5	
Other	103.8	395.1	170.1	25.8	67.2	113.0	13.0	58.2	71.3	71.6	24.0	
C. Net Errors and Omissions	103.5	85.5	71.4	104.7	59.4	(11.9)	50.5	37.5	(89.6)	2.3	43.3	
D. Overall Balance (A+B+C)	60.7	111.1	183.7	28.1	50.4	(38.7)	59.2	(43.3)	58.7	50.7	42.6	
E. Financing (Net)	(60.8)	(111.1)	(183.7)	(28.1)	(50.4)	38.7	(59.2)	43.3	(58.7)	(50.7)	(42.6)	
Change in SDR holdings	--	--	--	(0.1)	--	--	--	--	--	--	--	
Change in Reserve Position with the IMF	(0.6)	(0.9)	(0.4)	(0.2)	(0.2)	(0.4)	0.1	--	(0.5)	0.3	0.3	
Change in Ext. Foreign Assets () = Increase	(60.2)	(110.2)	(183.3)	(27.8)	(50.2)	39.1	(59.3)	43.3	(58.2)	(51.0)	(42.9)	

Source: The Central Bank of the Bahamas

Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

	(B\$ '000)														
	1999			2000			2001			2000			2001		
	1999	2000	2001	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
I. OIL TRADE															
i) Exports	36,941	83,036	68,844	18,124	17,512	23,907	23,493	18,816	19,247	18,676	12,105	18,816	19,247	18,676	12,105
ii) Imports	172,478	207,469	292,807	51,068	36,330	62,351	57,720	52,564	80,517	86,539	73,187	52,564	80,517	86,539	73,187
II. OTHER MERCHANDISE															
Domestic Exports															
Crawfish	71,586	84,847	67,696	20,584	12,299	15,729	36,235	17,042	7,087	16,519	27,048	17,042	7,087	16,519	27,048
Fish & other Crustacea	3,677	3,674	4,211	728	1,152	652	1,142	850	1,627	841	893	850	1,627	841	893
Fruits & Vegs.	10,273	2,230	7,514	274	1,511	61	384	882	5,297	544	791	882	5,297	544	791
Aragonite	389	776	278	235	226	106	209	130	148	--	--	130	148	--	--
Rum	30,957	29,151	38,190	5,400	12,344	2,935	8,472	9,559	8,061	8,968	11,602	9,559	8,061	8,968	11,602
Other Cordials & Liqueurs	70	475	195	3	21	428	23	19	48	52	76	19	48	52	76
Crude Salt	13,579	10,538	13,507	3,581	1,757	2,302	2,898	5,438	1,946	2,835	3,288	5,438	1,946	2,835	3,288
Hormones	1,325	6,919	573	--	3,476	598	2,845	454	24	36	59	454	24	36	59
Chemicals	11,219	38,688	13,124	3,365	11,725	10,642	12,956	9,367	1,197	2,560	--	9,367	1,197	2,560	--
Other Pharmaceuticals	342	--	81	--	--	--	--	19	11	20	31	19	11	20	31
Fragrances	149	26	64	26	--	--	--	3	--	61	--	3	--	61	--
Other	50,594	66,914	83,115	14,544	16,374	18,380	17,616	17,382	21,610	20,756	23,367	17,382	21,610	20,756	23,367
i) Total Domestic Exports	194,160	244,238	228,548	48,740	60,885	51,833	82,780	61,145	47,056	53,192	67,155	61,145	47,056	53,192	67,155
ii) Re-Exports	194,935	227,615	78,490	65,983	32,875	95,142	33,615	18,358	17,626	21,271	21,235	18,358	17,626	21,271	21,235
iii) Total Exports (i+ii)	389,095	471,853	307,038	114,723	93,760	146,975	116,395	79,503	64,682	74,463	88,390	79,503	64,682	74,463	88,390
iv) Imports	1,578,770	1,794,937	1,635,942	444,451	440,356	431,926	478,204	429,229	403,713	405,878	397,122	429,229	403,713	405,878	397,122
v) Retained Imports (iv-ii)	1,383,835	1,567,322	1,557,452	378,468	407,481	336,784	444,589	410,871	386,087	384,607	375,887	410,871	386,087	384,607	375,887
vi) Trade Balance (i-v)	(1,189,675)	(1,323,084)	(1,328,904)	(329,728)	(346,596)	(284,951)	(361,809)	(349,726)	(339,031)	(331,415)	(308,732)	(349,726)	(339,031)	(331,415)	(308,732)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2002p		2003p		2004p		2003p		2004p		2005p	
							Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Visitor Arrivals												
Air	4,405,971	4,594,042	5,003,691	1,126,567	1,392,826	1,406,943	1,094,044	1,109,878	1,351,474	1,290,189	431,578	858,611
Sea	1,402,894	1,428,973	1,450,037	315,196	411,990	435,422	318,012	284,613	394,744	394,744	956,730	n.a
	3,003,077	3,165,069	3,553,654	811,371	980,836	971,521	776,032	825,265	956,730	956,730	n.a	n.a
Visitor Type												
Stopover	1,513,151	1,510,169	1,561,312	319,276	449,911	492,207	336,519	282,675	n.a	n.a	n.a	n.a
Cruise	2,802,112	2,970,174	3,360,012	782,051	931,362	901,573	723,054	804,023	908,976	908,976	795,249	n.a
Day/Transit	90,708	113,699	82,367	25,240	11,553	13,163	34,471	23,180	n.a	n.a	n.a	n.a
Tourist Expenditure(B\$ 000's)												
Stopover	1,762,661	1,758,911	1,884,481	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Cruise	1,605,406	1,596,870	1,693,487	339,732	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Day	151,232	157,006	185,817	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
	6,023	5,035	5,177	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Number of Hotel Nights	3,443,373	3,554,856	3,290,365	900,518	971,229	876,711	770,916	671,509	797,592	797,592	n.a	n.a
Average Length of Stay	5.8	5.9	6.3	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Average Hotel Occupancy Rates (%)												
New Providence	67.9	66.4	68.9	60.1	68.8	76.1	69.1	61.7	80.7	80.7	n.a	n.a
Grand Bahama	55.2	48.4	59.1	42.1	65.8	62.9	57.8	50.0	68.0	68.0	n.a	n.a
Other Family Islands	34.8	34.8	37.1	25.9	38.6	44.5	34.8	30.4	43.7	43.7	n.a	n.a
Average Nightly Room Rates (\$)												
New Providence	177.6	165.8	165.4	153.7	186.7	174.6	148.7	151.4	190.1	190.1	n.a	n.a
Grand Bahama	80.6	83.5	92.8	75.9	95.0	87.3	82.4	106.3	123.2	123.2	n.a	n.a
Other Family Islands	157.9	160.5	169.8	148.9	174.7	177.2	154.6	172.8	197.6	197.6	n.a	n.a

Source: The Ministry of Tourism