



Quarterly Economic Review

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The Manager
Research Department
the Central Bank of The Bahamas
P.O. Box N-4868
Nassau, Bahamas

www.centralbankbahams.com
email address: research@centralbankbahamas.com

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

OVERVIEW

The economic performance of the Bahamian economy remained mildly positive during the third quarter of 2014, supported by gains in the high value-added stopover segment of the tourism market combined with on-going foreign investment-related activity. However, in this environment, the scope for improvement in employment was limited. Inflation was relatively subdued, although firming in housing and other related costs contributed to a modest increase in the overall rate.

The Government's overall deficit deteriorated during the first quarter of FY2014/15, as expenditure gains outstripped the tax-led expansion in total revenue. Budgetary financing was primarily obtained from domestic sources—including a \$100 million short-term syndicated loan.

Monetary developments featured seasonal contractions in both bank liquidity and external reserves, as foreign currency conversions were primarily earmarked for imports. Amid the still mild business environment and relatively high unemployment, banks' loan arrears worsened, and profitability levels declined in the three months-ended June, mainly reflecting one entity's significant one-time good-will write-down alongside higher provisions for bad debt.

In the external sector, the estimated current account deficit widened, primarily owing to a deterioration in the merchandise trade deficit, while a reduction in Government's external financing activities curtailed the surplus on the capital and financial account relative to the corresponding period of 2013.

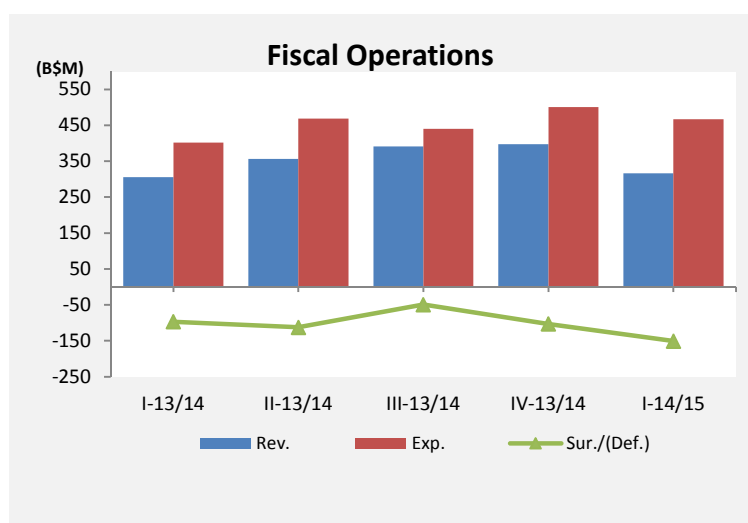
FISCAL OPERATIONS

OVERVIEW

Based on initial estimates for the first quarter of FY2014/15, the overall deficit broadened by approximately 55.9% (\$54.1 million) to \$150.9 million. This outturn was explained by a 16.2% (\$65.3 million) increase in aggregate spending to \$467.4 million, which exceeded the 3.7% (\$11.2 million) gain in total revenue to \$316.5 million.

REVENUE

Growth in overall receipts was mainly associated with a 2.5% (\$6.8 million) rise in tax collections, to \$278.5 million, which comprised the bulk (88.0%) of the total. Business and professional license fees were also higher, by 43.1% (\$4.8 million) to \$15.9 million, and taxes on international trade, by 3.4% (\$4.8 million)



to \$143.1 million—reflecting a 21.3% advance in excise taxes which overshadowed declines in both import and export taxes, of 5.6% (\$4.5 million) and 96.3% (\$2.5 million), respectively. Gains were also posted for non-trade related stamp taxes, of 15.5% (\$4.7 million) to \$34.7 million, linked to property sales; while the ongoing improvement in the tourism sector supported growth in departure taxes, of 7.3% (\$2.0 million) to \$29.0 million. In contrast, contracted yields were posted for property taxes, of 35.8% (\$6.6 million) to \$11.8 million and for other “unallocated” tax receipts, of 4.7% (\$1.3 million) to \$27.0 million. Selective taxes on services were also reduced, by 7.4% (\$1.0 million) to \$12.5 million, owing to an 18.8% (\$2.5 million) drop in hotel occupancy taxes, which eclipsed the \$1.5 million increase in gaming tax collections; and taxes on motor vehicles receded by 4.9% (\$0.3 million) to \$5.2 million.

Government Revenue By Source (Jul. - Sep.)				
	FY13/14		FY14/15	
	B\$M	%	B\$M	%
Property Tax	18.3	6.0	11.8	3.7
Selective Services Tax	13.5	4.4	12.5	4.0
Busines. & Prof Lic. Fees	11.1	3.6	15.9	5.0
Motor Vehicle Tax	5.4	1.8	5.2	1.6
Departure Tax	27.0	8.8	29.0	9.2
Import Duties	80.3	26.3	75.8	24.0
Stamp Tax from Imports	--	--	--	--
Excise Tax	55.5	18.2	67.2	21.2
Export Tax	2.6	0.9	0.1	0.0
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	30.1	9.9	34.7	11.0
Other Tax Revenue	28.4	9.3	27.0	8.5
Fines, Forfeits, etc.	29.9	9.8	31.3	9.9
Sales of Govt. Property	0.1	--	0.3	0.1
Income	3.6	1.2	3.3	1.0
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	3.0	0.9
Grants	--	--	--	--
Less: Refunds	0.5	0.2	0.7	0.2
Total	305.3	100.0	316.4	100.0

Non-tax receipts—at 11.0% of total revenue—improved by 4.1% (\$1.4 million) to \$34.9 million, due in large measure to a 5.0% (\$1.5 million) rise in collections of fines, forfeits & administrative fees. The yield from income related sources, which includes dividends, declined by 9.1% (\$0.3 million), while revenue from the sale of Government property was higher by \$0.2 million at \$0.3 million.

EXPENDITURE

Spending gains were broadly based, inclusive of a near doubling in capital expenditure, to \$60.3 million and a 7.3% (\$26.2 million) hike in current outlays to \$387.0 million. Central Government’s budgetary support to public corporations also grew by 80.7% (\$9.0 million) to \$20.1 million.

Based on economic classification, the expansion in current spending was dominated by an upturn in transfer-related payments, of 15.4% (\$23.4 million) to \$175.8 million. Reflecting the rising debt stock, contractual interest payments were higher by 26.4% (\$12.7 million)—of which \$11.7 million was for external commitments. In addition, subsidies & other transfers rose by 10.3% (\$10.8 million) to \$115.0 million, attributed to increases in subsidies (\$5.6 million) and transfers to households and public corporations (\$3.0 million each). Providing a modest offset, transfers to nonfinancial public enterprises and abroad narrowed, by \$0.6 million and \$0.4 million, respectively. Consumption spending, at a commanding 54.6% of the total, grew marginally, by 1.4% (\$2.8 million) to \$211.2 million, as higher expenditures for personal emoluments (\$11.1 million) were countered by an \$8.3 million contraction in purchases of goods and services.

By functional categorization, the increase in current spending was mainly associated with a hike in payments for economic services, of 34.9% (\$10.8 million) to \$41.9 million, inclusive of higher disbursements for tourism-related services (\$8.8 million) and public works and water supply (\$2.8 million). In addition, outlays for general public services advanced by 7.3% (\$7.8 million) to \$114.5 million, as payments for both general administration and public order & safety firmed by 8.0% (\$5.1 million) and 6.2% (\$2.7 million), respectively. Social benefit payments grew by 7.4% (\$2.2 million) to \$31.1 million, primarily attributed to a 10.1% (\$1.8 million) rise in old age and disability services

expenditure. Spending on defense also rose by 12.7% (\$1.4 million); payments for other community & social services and housing registered increases of under \$1.0 million, whereas health and education expenditures decreased by 8.1% (\$5.5 million) and 5.7% (\$3.5 million), respectively.

Capital spending was led by a \$16.4 million upturn in defense outlays, to \$16.6 million, explained by the purchase of ships for the Defense Force. Similarly, payments for economic services firmed by 56.4% (\$9.3 million) to \$25.7 million, dominated by a 58.9% (\$9.5 million) boost in public and water supply works. In addition, spending on other community and social services increased to \$7.0 million, from a nil position in the previous period, with contrasting declines posted for education (\$1.2 million), general public services (\$0.7 million) and health (\$0.6 million) outlays.

FINANCING AND THE NATIONAL DEBT

Deficit financing for the third quarter of 2014 totaled \$239.4 million, of which internal borrowing comprised short-term local advances (\$209.0 million) and Treasury bills (\$30.0 million). Meanwhile, external loan drawdowns amounted to \$0.4 million. Government's debt repayment amounted to \$51.5 million, the bulk of which (97.0%) was used to retire Bahamian dollar obligations.

As a consequence of these developments, the Direct Charge on the Government was higher by \$187.9 million (3.6%) over the previous quarter and by \$452.8 million (9.3%), year-on-year, at \$5,345.8 million. The dominant share (71.0%) was held in local currency; commercial banks were the largest creditors (39.8%), followed by "other" private and institutional investors (29.3%), public corporations (17.5%), the Central Bank (13.2%) and other local financial institutions (0.2%). By type of instrument, the bulk of domestic debt was held in Government long term bonds (75.8%), having an average maturity of 10.7 years; while Treasury bills and loans & advances accounted for smaller shares, of 15.3% and 8.9% respectively.

Government's contingent liabilities increased by \$12.9 million (2.0%) over the quarter, and by \$44.8 million (7.4%), year-on-year, to \$651.3 million. As a result, the National Debt—which includes contingent liabilities—moved higher, by \$200.8 million (3.5%) over the three-month period and by \$497.6 million (9.0%) relative to the prior year, to \$5,997.1 million.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

Public sector foreign currency debt was up by 0.3% (\$8.2 million) over the previous quarter, to \$2,387.6 million, as \$18.5 million in net drawings exceeded amortization payments of \$10.4 million. Government's portion, at 65.0%, fell marginally, by 0.1% (\$1.1 million) to \$1,552.1 million, while the public corporations' segment grew by 1.1% (\$9.3 million) to \$835.5 million.

Relative to 2013, public sector debt service payments rose by 57.9% (\$12.5 million) to \$34.1 million. The Government's share firmed more than four-fold, to \$16.5 million, with interest payments boosted by \$12.3 million to \$14.9 million and amortizations higher by \$0.3 million at \$1.5 million. Conversely, the public corporations' component was lowered by 0.9% (\$0.2 million) to \$17.7 million, as a \$3.3 million reduction in interest charges to \$8.8 million countered a \$3.1 million rise in amortization payments to \$8.9 million. At end-September, Government's debt service to revenue ratio stood at 5.2%, for a gain of 40 basis points, year-on-year.

By creditor profile, private capital markets accounted for the largest share of foreign currency debt (37.7%), followed by other "miscellaneous" institutions (31.5%), commercial banks (16.3%), multilateral institutions (11.6%), and with bilateral companies holding the smallest share (2.9%). The average age of outstanding debt declined to 12.8 years from 14.2 years in 2013; and the majority (92.7%) of the stock

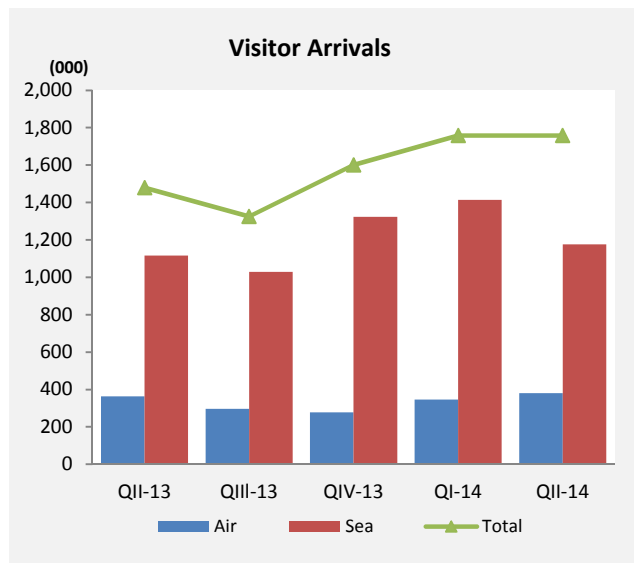
was denominated in US Dollars, with euros and the Chinese Yuan comprising the remaining 4.4% and 2.9%, respectively.

REAL SECTOR

TOURISM

Preliminary indicators suggest that activity in the tourism sector was sustained by improvements in some of the key source markets and increased airline capacity. Visitor arrivals firmed by 3.6% to approximately 1.0 million visitors during the first two months of the third quarter, although below the year-earlier 5.3% expansion. However, this outturn was occasioned by a recovery in the high value added air segment, of 6.6% to 0.3 million, coming behind last year's 6.4% contraction. Meanwhile, growth in the sea component slowed to 2.6% from 9.9% in 2013, for a visitor count of 0.8 million.

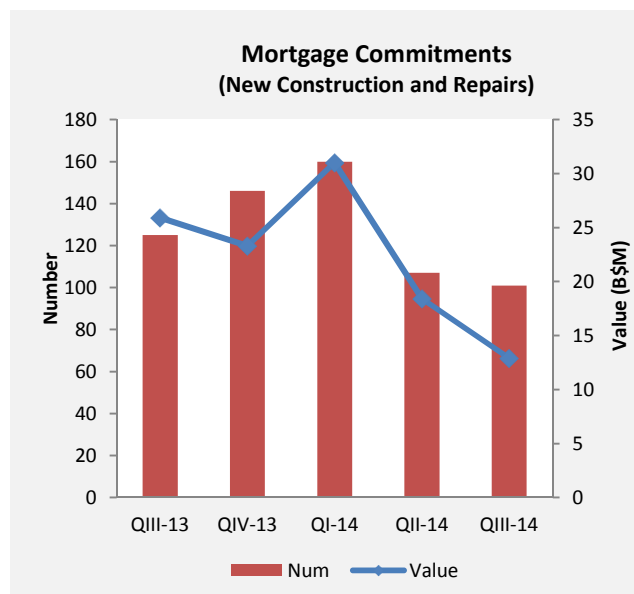
Based on the major ports of entry, visitors to Grand Bahama rebounded by 3.7%, from the prior year's 0.3% decline, as the opening of a mid-scale resort and increased airlift from new markets supported an almost two-thirds expansion in air traffic, to overshadow the 2.8% reduction in the larger sea component. Similarly, Family Island visitors improved by 4.3%, outpacing the 3.1% gain in 2013, and attributed to firming in both sea and air passengers, of 4.3% and 3.7%, respectively. In a modest offset, growth in arrivals to New Providence was lowered to 3.2% from 8.2% in the prior period, as sea arrival gains plummeted to 3.5% from 19.5%, and eclipsed the 2.8% recovery in air arrivals, behind 2013's 7.8% reduction.



CONSTRUCTION

Construction sector activity during the third quarter continued to be supported by ongoing foreign investment projects in the tourism sector—dominated by the multi-billion dollar Baha Mar project and, to a lesser extent, small-scale public sector infrastructure works. Meanwhile, domestic private sector construction remained subdued, amid banks' more conservative lending practices, in the face of high levels of mortgage delinquencies and joblessness.

Reflecting these developments, mortgage disbursement for new construction and repairs, as reported by domestic banks, insurance companies and the Bahamas Mortgage Corporation, was higher by 6.7% to \$24.7 million,



although reversing the 14.1% slump in 2013. In particular, the commercial component firmed to \$6.2 million, compared to a flat performance in the third quarter of 2013; while last year's 11.6% contraction in residential disbursements, was extended by a further 20.1% to \$18.5 million.

Weakness in the domestic sector is likely to persist in the near term. Mortgage commitments for new buildings and repairs—a forward looking indicator—declined by 19.2% to 101, with the associated value falling by 50.1% (\$13.0 million) to \$12.9 million. The outturn was based solely on a decrease in the residential component, in the absence of commercial commitments.

Regarding lending conditions, the average cost for a new commercial mortgage firmed by 60 basis points to 8.8%; however, the corresponding residential rate was 10 basis points lower at 8.0%.

PRICES

During the review quarter, domestic consumer price inflation—as measured by changes in the Retail Price Index—firmed by 1.3 percentage points to 1.37%. Underlying this development, average costs for recreation & culture, furnishing, household equipment & routine household maintenance and housing, water, gas, electricity & other fuels—the most heavily weighted component in the Index—increased to 7.19%, 1.64% and 1.30%, respectively, in contrast to year-earlier declines of 3.62%, 0.35% and 1.14%. In addition, accelerated average price gains were recorded for transportation (by 1.92 percentage points to 2.46%), miscellaneous goods & services (by 78 basis points to 1.15%), food & non-alcoholic beverages (by

Retail Price Index						
(Annual % Changes; September)						
		2013			2014	
<u>Items</u>	<u>Weight</u>	<u>Index</u>	<u>%</u>	<u>Index</u>	<u>%</u>	
Food & Non-Alcoholic Beverages	120.4	105.5	0.1	106.6	1.1	
Alcohol, Tobacco & Narcotics	6.4	111.3	6.1	114.4	2.8	
Clothing & Footwear	37.76	100.8	0.2	100.5	-0.3	
Housing, Water, Gas, Electricity	334.8	106.6	-1.1	107.7	1.1	
Furn. & Household, Maintenance	64.26	106.7	-0.3	109.2	2.3	
Health	44.5	106.3	1.1	106.7	0.4	
Transportation	119.1	115.0	0.5	118.6	3.1	
Communication	41.19	97.4	1.1	97.1	-8.7	
Rec. & Culture	22.73	99.8	0.5	107.6	-6.4	
Education	30.05	109.4	1.9	112.6	15.6	
Restaurant & Hotels	38.24	109.2	-3.6	109.5	9.7	
Misc. Goods & Svcs.	140.5	102.4	3.0	103.4	-5.4	
ALL ITEMS	1000	106.3	3.4	107.8	-1.4	

41 basis points to 0.54%) and health (by 35 basis points to 1.46%). Some offset was provided by a slackening of average cost increases for alcohol beverages, tobacco & narcotics, to 2.66% from 6.10%; restaurant & hotels, to 0.92% from 3.37% and declines in communication costs and clothing & footwear, to 0.35% and 0.30%, compared to respective increases of 1.94% and 0.17% in 2013. Meanwhile, education costs stabilized at 3.01%.

Domestic energy price developments were mixed during the review quarter. The average price of gasoline increased by 0.92% to \$5.47 per gallon, while diesel costs declined by 0.91% to \$5.07 per gallon. However, on a yearly basis, the prices of both fuels were still higher, by 1.42% and 2.01%, respectively. In addition, the Bahamas Electricity Corporation's fuel charge advanced by 8.3% over the three-month period, to 25.56¢ per kilowatt hour (kWh), but decreased by 2.3%, year-on-year.

MONEY, CREDIT AND INTEREST RATES

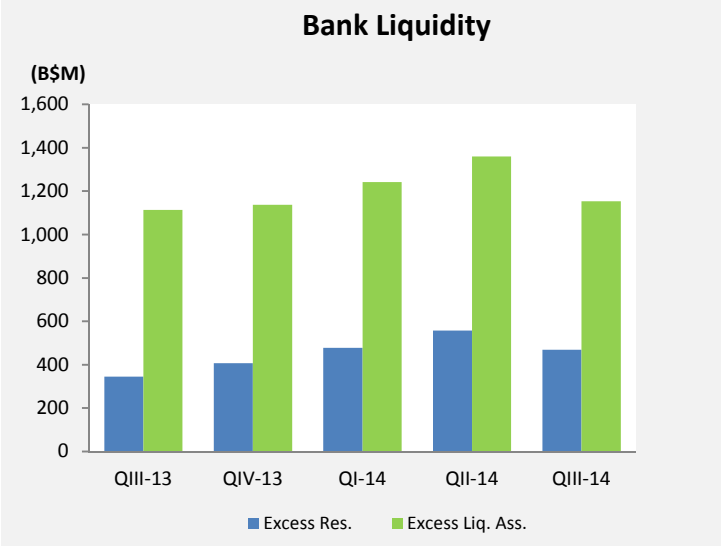
OVERVIEW

Money and credit trends during the September quarter featured a reduction in liquidity and external reserves, amid seasonal increases in foreign currency demand by the public and, to a lesser extent,

banks' profit repatriations. Given the narrowness of the economic recovery, consumers continued to face difficulties in servicing their debt, resulting in further deterioration in banks' credit quality indicators, while the sector recorded a net loss on its operations for the second quarter, as one institution took a significant one-time good will charge and provision levels were increased. Lending conditions featured a broadening of the weighted average interest rate spread, as the persistence of high liquidity levels and mild credit expansion, underpinned a further softening in banks' weighted average deposit rate, with some firming in the corresponding loan rate.

LIVIDITY

Net free cash balances of the banking system declined by \$89.0 million (16.0%) to \$468.6 million at end- September, which was in line with the year-earlier \$86.5 million (20.0%) contraction. The ratio of cash reserves to Bahamian dollar deposit liabilities stood 2.0 percentage points higher at 7.7% at end-September. Rediscounting of Treasury bills by a number of institutions contributed to the broader surplus liquid assets receding sharply, by \$206.3 million (15.2%) to \$1,153.8 million, outpacing the \$40.0 million (3.5%) reduction in 2013. Nevertheless, the surplus liquid assets still exceeded the statutory minimum, at a relatively stable 114.3%.



DEPOSITS AND MONEY

The overall money supply (M3) grew by \$22.2 million (0.3%), in contrast to last year's \$25.8 million (0.4%) decline, for an outstanding stock of \$6,444.0 million at end-September. In terms of the components, narrow money (M1) rebounded by \$62.2 million (3.6%), from the year-earlier \$14.3 million (0.9%) reduction, as both demand deposits and currency in active circulation registered respective gains of \$60.8 million (4.1%) and \$1.4 million (0.6%). Similarly, the \$83.5 million (1.3%) contraction in broad money (M2) for 2013 was reversed to a \$29.2 million (0.5%) gain—benefitting from a 15.6 million (1.4%) recovery in savings deposits which countered the \$48.6 million (1.5%) falloff in fixed deposits. Residents' foreign currency deposits contracted by \$7.0 million (2.6%), following last year's \$57.7 million (22.4%) boost, as the \$19.0 million (7.5%) decline in private savings outstripped the \$12.0 million (70.2%) gain in public sector deposits.

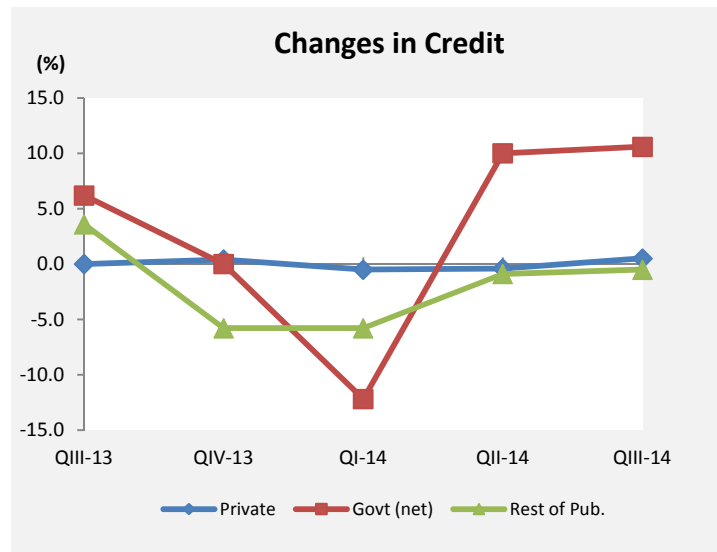
In terms of the components, Bahamian dollar fixed balances accounted for the bulk of the money supply, at 50.4%, followed by demand (24.0%) and savings (18.0%) balances; while foreign currency deposits and currency in active circulation represented significantly smaller percentages, at 4.1% and 3.5%, respectively.

DOMESTIC CREDIT

Buoyed by higher net claims on the Government, accretions to total domestic credit accelerated to \$228.1 million (2.6%) from \$128.5 million (1.5%) in the corresponding period of 2013. Specifically,

growth in net credit to the Government advanced to \$199.5 million (10.6%) from \$113.7 million (6.2%) in 2013, mainly reflecting the issuance of a \$100 million syndicated loan. Claims on the rest of the public sector softened by \$2.3 million (0.5%), to reverse last year's \$16.9 million (3.6%) gain, while credit to the private sector recovered by \$30.9 million (0.5%), from a \$2.1 million (0.03%) decline in 2013.

Personal loans, which constituted the majority (80.9%) of outstanding private sector credit, rebounded



by \$23.9 million (0.5%) from last year's \$0.6 million decrease. Underlying this outturn, both consumer loans and overdrafts moved higher by \$22.0 million (1.0%) and \$4.1 million (7.2%), respectively, outpacing the \$2.4 million (0.1%) reduction in residential mortgages.

A disaggregation of consumer loans revealed growth in lending for miscellaneous (\$29.0 million), education (\$4.2 million), credit cards (\$4.1 million) and travel (\$2.7 million) loans. Gains of less than \$1.0 million were recorded for furnishings & domestic appliances and medical expenses. By contrast, net repayments were posted for debt

consolidation (\$15.2 million), home improvement (\$2.7 million), with more muted declines of under \$1.0 million for the remaining categories.

Distribution of Bank Credit By Sector (End-September)				
	2013		2014	
	B\$M	%	B\$M	%
Agriculture	12.7	0.2	11.2	0.2
Fisheries	10.1	0.1	13.0	0.2
Mining & Quarry	2.2	0.0	2.4	0.0
Manufacturing	52.1	0.7	49.5	0.7
Distribution	219.7	3.1	212.3	2.9
Tourism	51.1	0.7	36.5	0.5
Enter. & Catering	78.0	1.1	78.5	1.1
Transport	37.0	0.5	43.6	0.6
Construction	420.2	5.9	432.9	6.0
Government	201.8	2.9	408.2	5.7
Public Corps.	357.6	5.1	298.4	4.1
Private Financial	21.2	0.3	20.8	0.3
Prof. & Other Ser.	103.7	1.5	80.1	1.1
Personal	5,179.5	73.2	5,261.7	73.0
Miscellaneous	326.9	4.6	258.9	3.6
TOTAL	7,073.7	100.0	7,208.0	100.0

Among the other private sector credit components, the most significant net repayments were for tourism (\$4.8 million) and construction (\$2.4 million). Credit extended for miscellaneous purposes also fell by \$2.2 million, and lending for professional & other services was reduced by \$1.5 million. Areas posting net lending positions were private financial institutions (\$10.3 million, fisheries (\$5.0 million) and transport (\$4.6 million).

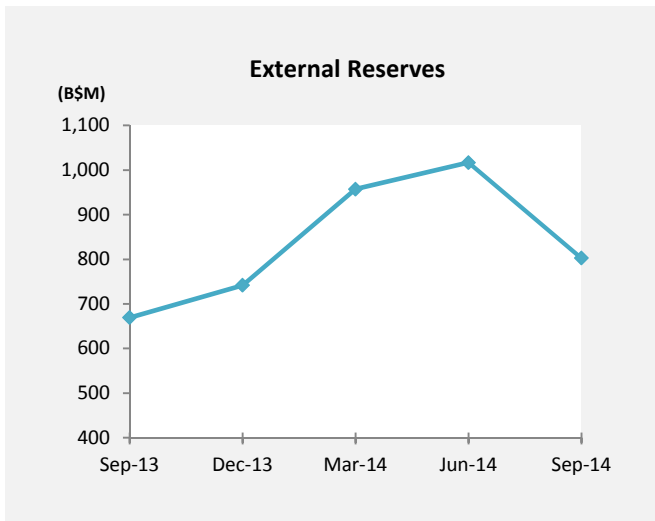
MORTGAGES

Based on mortgage lending activity reported by banks, insurance companies and the Bahamas Mortgage Corporation, growth in total mortgages outstanding slackened to \$7.1 million (0.2%) from \$18.3 million (0.6%) in 2013, for an outstanding stock of \$3,298.0

million. Residential mortgages, at 93.5% of the total, decreased by \$2.6 million (0.1%) to \$3,084.2 million—a turnaround from the last year's \$14.3 million (0.5%) gain. Conversely, commercial mortgages grew by \$9.7 million (4.8%), extending the \$4.0 million (2.0%) improvement for 2013. At end-September, domestic banks accounted for the bulk of mortgages (89.0%), followed by insurance companies (5.9%) and the Bahamas Mortgage Corporation (5.1%).

Buoyed by banks' rediscounts of Treasury bills, Central Bank's net claims on the Government surged by \$112.0 million (30.3%) to \$481.5 million, outpacing the prior year's gain of \$63.7 million (13.8%). Similarly, growth in the Bank's net liabilities to the rest of the public sector rose sharply by \$14.1 million to \$17.5 million, while lower deposit balances further reduced the net liabilities to commercial banks, by \$122.0 million to \$731.4 million.

Reflecting the seasonal increase in foreign currency demand to facilitate current payments, as well as profit remittances, external reserves contracted sharply, by \$214.2 million (21.1%) to \$802.6 million, in the third quarter, to surpass the year-earlier \$127.9 million (16.0%) decline. In the underlying developments, the Bank's net sale to commercial banks expanded by \$46.2 million to \$86.1 million, and transactions with the Government were reversed, to a net sale of \$27.0 million from a net purchase of \$23.6 million last year. In contrast, the net sale to the public corporations—dominated by fuel payments—decreased by \$15.5 million to \$101.3 million.



At end-September 2014, the stock of external reserves was equivalent to an estimated 17.5 weeks of non-oil merchandise imports, compared with 14.5 weeks at end-September 2013. After adjusting for the 50% statutory requirement on the Bank's Bahamian dollar liabilities, "useable" reserves firmed by \$95.3 million (45.9%) to \$303.0 million.

DOMESTIC BANKS

Paced by an increase in net credit to the Government, growth in domestic banks lending advanced to \$116.0 million (1.4%) from the prior year's \$64.7 million (0.8%). However, claims on the public corporations declined by \$2.3 million (0.5%), vis-à-vis last year's gain of \$16.8 million (3.7%). Reflecting various promotional campaigns, private sector credit grew by \$30.9 million (0.5%), a reversal from the year-earlier \$2.1 million contraction. Banks reduced their net foreign liabilities by \$17.2 million (2.7%), outpacing the previous year's \$3.6 million (0.7%) decline.

The banking system's deposit liabilities grew by \$11.6 million (0.2%) to \$6,361.1 million contrasting with a \$23.3 million (0.4%) contraction in 2013, led by a turnaround in public corporations' balances to a \$16.7 million (4.9%) gain from the previous year's \$2.2 million (0.5%) falloff. Additionally, accretions to Government's liabilities moved upwards by \$2.9 million; whereas last year's \$23.1 million (0.4%) decline in the private sector component was extended by a further \$9.9 million (0.2%).

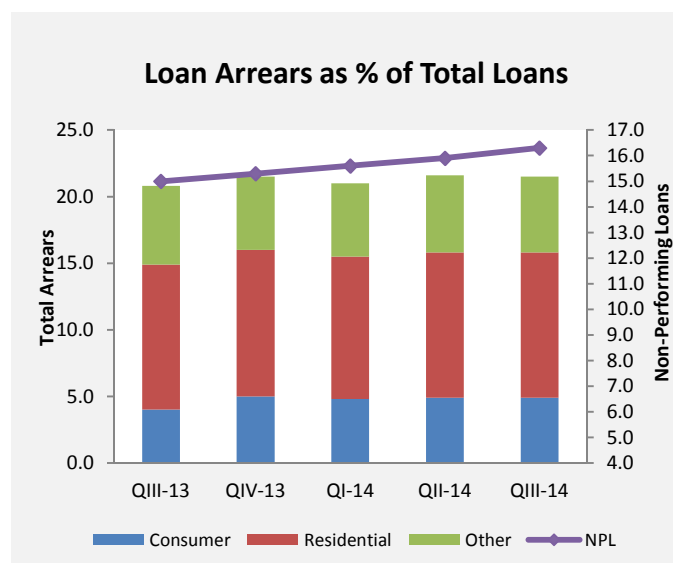
At end-September, the majority (95.8%) of deposit liabilities was denominated in Bahamian currency, being held by private individuals (52.1%), and followed by business firms (30.2%), private financial institutions (5.7%), public corporations (4.4%), "other" entities (4.1%), the government (2.6%) and public financial institutions (0.9%). Of the remaining 4.2%, the US dollar accounted for 4.1%.

An analysis by account type showed that fixed deposits comprised the largest share, at 54.6%, followed by demand and saving balances, at 26.4% and 19.0%, respectively. The bulk of accounts (88.4%) held balances less than \$10,000, and represented only 5.8% of the total value. Accounts with balances

between \$10,000 and \$50,000 constituted 7.7% of the aggregate number and approximately 10.6% of the overall value, while deposits exceeding \$50,000 represented a mere 3.9% of accounts, but a commanding 83.6% of the value.

CREDIT QUALITY

Reflecting subdued domestic economic conditions and the ongoing challenges experienced by households in servicing their outstanding debts, loan arrears of the banking sector deteriorated during the September quarter. Private sector delinquencies expanded by \$20.5 million (1.5%) over the prior quarter to \$1,380.0 million and by \$53.5 million (4.0%) relative to the comparative 2013 period—elevating the ratio of arrears to total loans, on both a quarterly and annual basis, by 0.3 and 1.0 percentage points, respectively, to 22.5% at end-September.



Growth in delinquencies was led by gains in the mortgage component of \$13.7 million (2.0%) to \$700.1 million, for a 46 basis point hike to 24.2% of total loans. The commercial component firmed more modestly, by \$4.8 million (1.3%) to \$367.6 million, and by 52 basis points to 36.8% of total loans. Meanwhile, consumer loan delinquencies were up by \$2.0 million (0.7%) to \$312.4 million, for a stable 14.0% of total loans.

An analysis by average age revealed that the expansion in arrears was isolated to the non-performing category—those in excess of 90 days and on which banks no longer accrue interest—which rose by \$51.2 million (5.1%)

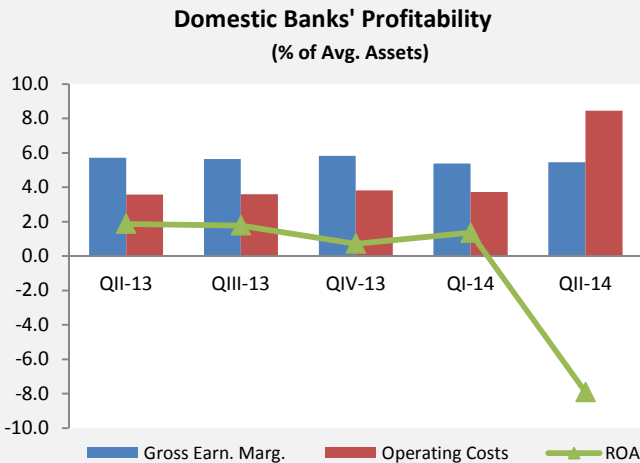
to \$1,051.6 million, and by 80 basis point to 17.2% of total loans. In a partial offset, arrears in the short-term (31-90 day) segment contracted by \$30.7 million (8.6%) to \$328.4 million and, as a proportion to total short-term loans, narrowed by 52 basis points 5.4%.

In this environment, banks raised their provisions for bad debts by \$24.8 million (5.0%) to \$517.1 million, elevating the ratio of provisions to both total loans and arrears, by 0.2 and 1.3 percentage points, to 8.0%, and 37.5%, respectively. However, given the growth in non-performing loans, the associated provisioning ratio was relatively unchanged at 49.2%.

BANK PROFITABILITY

Banks' profitability levels deteriorated significantly during the second quarter of 2014—the latest available data. Reflecting a one-off charge by one institution, along with a sharp rise in bad debt provisioning, banks' experienced a net loss of \$193.5 million, a turnaround from a \$45.5 million net profit in the same period of 2013.

The interest margin contracted by 4.0% (\$5.3 million) to \$127.8 million, as the \$10.8 million (6.6%) decline in interest income overshadowed the \$5.5 million (18.1%) reduction in interest expense. Commission and foreign exchange fees were marginally lower, by 1.5% (\$.09 million) to \$5.8 million, resulting in a decrease in the gross earnings margin, of 3.9% (\$5.4 million) to \$133.6 million.



Total operating outlays rose more than two-fold, to \$206.9 million from \$86.9 million in 2013, reflecting a \$122.7 million hike in “miscellaneous” operating cost, due mainly to one institution’s goodwill impairment charge, which offset a slight decline in staffing and occupancy costs, of \$1.9 million and \$0.8 million, respectively. In addition, bad debt provisioning firmed more than five-fold to \$142.0 million, while depreciation costs declined slightly by 3.0% (\$0.1 million) to \$3.6 million, as other income increased marginally by 2.7% (0.7 million) to \$25.4 million. As a consequence,

domestic banks’ losses on non-core activities accelerated to \$120.2 million from \$6.6 million last year.

As a percentage of average domestic assets, profitability ratios also weakened, year-on-year. Specifically, the gross earnings margin ratio fell by 25 basis points to 5.46%, as the net interest margin ratio narrowed by a similar magnitude, to 5.22%, while the commission & foreign exchange income ratio was unchanged at 0.24%. In contrast, the operating expense ratio strengthened by 4.9 percentage points to 8.45% and contributed to the net earnings margin to assets ratio moving to a negative 2.99% from 2.14% in the prior period. Additionally, the overall net income margin ratio reversed to a negative 7.90% from 1.87% a year earlier.

INTEREST RATES

In quarterly interest rate developments, domestic banks’ weighted average interest rate spread on loans and deposits widened by 30 basis points to 10.7 percentage points. Against the backdrop of persistent above average liquidity levels, mild private sector credit demand and credit quality concerns, the weighted average deposit rate eased by 19 basis points to 1.37%, while the corresponding lending rate tightened by 11 basis points to 12.07%.

On the deposit side, the average range of interest earned on fixed balances narrowed to 1.19% - 1.70% from 1.22% - 2.00% in the preceding quarter. In addition, the average rate on savings and demand deposits fell, by 12 and 1 basis points, to 0.76% and 0.28%, respectively.

Broad based declines were recorded across the loan categories. Average rate reductions were registered for commercial and residential mortgages, of 59 and 31 basis points, to 7.67% and 7.07%, respectively, and for overdrafts, of 7 basis points at 9.86%. In a modest offset, the average consumer loan rate firmed by 62 basis points to 14.22%.

Among the other key interest rates, the average Treasury bill rate softened by 11 basis points to 0.49%, while the Central Bank Discount Rate and commercial banks’ Prime Rate were unchanged, at 4.50% and 4.75%, respectively.

Banking Sector Interest Rates			
Period Average (%)			
	Qtr. III	Qtr. II	Qtr. III
	<u>2013</u>	<u>2014</u>	<u>2014</u>
DEPOSIT RATES			
Demand Deposits	0.32	0.29	0.28
Savings Deposits	0.87	0.88	0.76
Fixed Deposits			
Up to 3 months	1.44	1.27	1.19
Up to 6 months	1.21	1.22	1.26
Up to 12 months	2.07	1.84	1.70
Over 12 months	2.12	2.00	1.44
Weighted Avg Deposit Rate	1.68	1.56	1.37
LENDING RATES			
Residential mortgages	7.16	7.38	7.07
Commercial mortgages	8.40	8.26	7.67
Consumer loans	13.90	13.60	14.22
Other Local Loans	6.99	8.27	6.96
Overdrafts	9.71	9.93	9.86
Weighted Avg Loan Rate	11.28	11.96	12.07

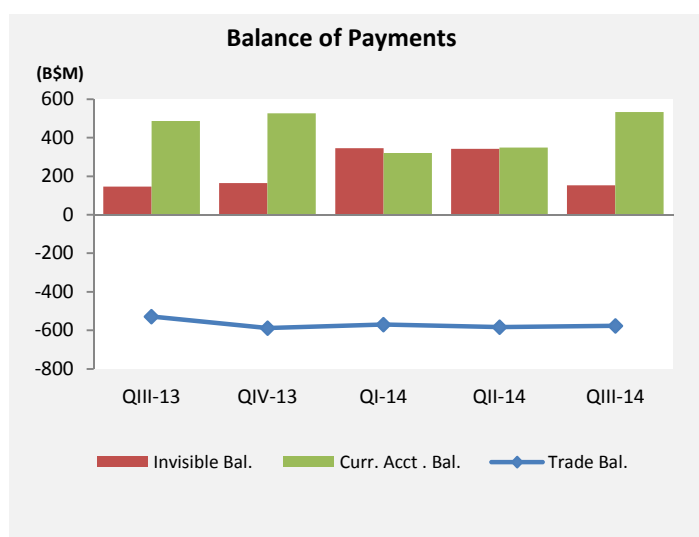
CAPITAL MARKETS DEVELOPMENTS

Capital market activity was subdued over the review period, as both the volume and value of shares traded on the Bahamas International Securities Exchange (BISX) decreased by 9.1% and 14.9%, to 0.7 million and \$3.2 million. Nonetheless, share price appreciation secured a mild gain in the BISX All Share Index, of 1.1% to 1577.5 points at end-September, and in market capitalization, by 1.1% to \$3.4 billion—following stable positions in 2013. The number of securities listed on the Exchange steadied at 27, and comprised common shares (20), debt tranches (4) and preference shares (3).

INTERNATIONAL TRADE AND PAYMENTS

Preliminary estimates for the third quarter of 2014 showed a widening in the current account deficit, by \$46.3 million (9.5%) to \$533.0 million, vis-à-vis the corresponding 2013 period. This outturn reflected a capital-import led deterioration in the merchandise trade deficit, which offset gains in the services account surplus. In addition, the capital and financial account surplus narrowed by \$25.2 million (9.3%) to \$246.5 million, owing to a decline in loan-related investments, which offset the modest growth in foreign investment-related inflows.

The estimated merchandise trade deficit deteriorated by \$48.3 million (9.1%) to \$577.3 million, due to a \$6.7 million (0.8%) rise in imports to \$792.9 million combined with a \$41.7 million (16.2%) contraction in exports to \$215.6 million. In terms of the components, net non-oil merchandise imports—partly related to foreign investment activity—increased by \$82.6 million (22.2%) to \$455.0 million, while the fuel import bill was lowered by \$58.0 million (23.7%) to \$187.0 million, due to declines in both volumes and average prices. Specifically, average prices per barrel fell for motor gas, by 12.36% to \$112.57; for propane, by 11.11% to \$59.54 and for gas oil, by 1.29% to \$125.52. However, average per barrel costs steadied at \$387.13 for aviation gas, but rose by 18.9% to \$153.77 for jet fuel.



The estimated surplus on the services account expanded by \$7.0 million (4.8%) to \$153.4 million—inclusive of gains in offshore companies' local expenses of \$31.3 million (83.7%) to \$68.6 million and in net travel receipts of \$23.3 million (5.4%) to \$452.3 million. Smaller increments to net inflows were noted for Government services, of \$4.8 million (78.0%) to \$11.0 million, while the net outflow for insurance and other "miscellaneous" services declined, by \$2.5 million (3.6%) and \$1.5 million (3.4%), to \$66.9 million and \$42.7 million, respectively. In contrast, net payments for construction and transportation services increased, by \$46.7 million (32.8%) to \$189.3 million and by \$9.7 million (14.9%) to \$75.0 million, respectively.

The deficit on the income account narrowed by \$5.7 million (5.6%) to \$96.6 million, underpinned by a reduction in investment income outflows of \$12.2 million (13.2%) to \$79.6 million. Specifically, private companies' interest and dividends payments fell by \$23.7 million (25.5%) to \$69.4 million, as commercial banks recorded a net receipt of \$1.0 million, following a net outflow of \$16.4 million a year

earlier; while non-bank entities' profit remittances decreased by \$6.3 million (8.2%) to \$70.4 million. In contrast, official transactions were reversed, to a net outflow of \$10.3 million from a net inflow of \$1.3 million, owing mainly to a near six-fold rise in the Government's net interest disbursements to \$14.3 million. In a modest offset, net labour income remittances grew by \$6.4 million (61.1%) to \$16.9 million.

Net current transfer payments moved higher by \$10.7 million to \$12.5 million, associated with a one-third rise in private sector net outflows, by \$10.2 million to \$40.8 million—which mirrored gains in worker remittances and other “miscellaneous” transfers, of \$5.1 million each. Further, the Government's net receipt stabilized at \$28.4 million.

The reduction in the surplus on the capital and financial account primarily reflected a \$19.1 million (8.0%) decrease in other net loan-related investment inflows, to \$219.6 million. In particular, the public sector's net inflow contracted sharply to \$3.8 million from \$106.5 million in the prior year when the Government received proceeds from a US\$100 million equivalent euro-currency loan. In a modest offset, net private sector receipts, mainly associated with loan financing for a major foreign investment project, firmed by \$76.6 million to \$233.2 million and domestic banks net short-term outflows moved lower by \$7.1 million (29.1%) to \$17.2 million. Direct investment inflows grew by \$1.4 million to \$38.4 million, with equity investments up by \$1.9 million to \$40.2 million, to offset the \$0.5 million rise in net real estate outflows to \$1.8 million. Increased investments in equities supported a nearly four-fold boost in net portfolio investment outflows, to \$8.1 million, while migrants' remittances underpinned a hike in net capital transfers by \$1.5 million to \$3.5 million.

As a result of these transactions, and after adjusting for net errors and omissions, the deficit on the overall balance, which corresponds to the change in the official external reserves, increased by \$86.4 million to \$214.2 million.

INTERNATIONAL ECONOMIC DEVELOPMENTS

Preliminary data suggests that the global economy sustained its modest recovery trajectory during the third quarter, supported by positive developments in the United States market and sustained, albeit reduced, momentum in most Asian economies. In contrast, conditions in Europe remained challenging, as the pace of growth moderated in several key regions. Against this backdrop, the unemployment rates in most major economies continued to decline slowly, and inflation remained subdued, as burgeoning fuel supplies led to a sharp decline in crude oil prices. Faced with relatively weak growth trends, most of the major central banks either boosted or retained their highly accommodative monetary policy measures.

Economic activity in the United States rose by an estimated 3.9% in the September quarter, following a 4.6% gain in the previous three-month period, and was attributed to increases in consumer spending, exports and Government expenditures, while imports contracted. Buoyed by gains in the construction and services sectors, real GDP in the United Kingdom firmed modestly, by 0.7%, after growing by 0.9% in the second quarter. The euro area posted a slight firming in output gains to 0.2%, as Germany and France—the region's largest economies—showed signs of a slowdown. In Asia, relatively soft domestic demand and a reduction in real estate activity curtailed China's real GDP growth by 20 basis points to 7.3%, the lowest level in five years. Japan's economy fell into recession, as the hike in the sales tax rate in April led to real GDP contracting by 1.6% for the quarter, although abating from the sharp 7.3% contraction in the prior period.

Indications are that labour market conditions improved, as unemployment rates fell in most major economies over the review period. In the United States, the jobless rate narrowed by 10 basis points to

6.1% at end-September relative to the prior quarter, with a total of 671,000 persons added to employers payrolls over the three-month period—mainly the professional & business services and retail sectors. The unemployment rate in the United Kingdom moved lower by 30 basis points to 6.0%, reflecting the hiring of an additional 112,000 persons, while the euro zone’s jobless rate steadied at an elevated 11.5% quarter-on-quarter, amid the on-going challenges faced by job seekers in finding employment in several countries, where rates remained well above the pre-recession levels of 2008. Despite the fall in Japan’s economic output, the unemployment rate was only marginally lower, by 10 basis points at 3.6%, while China’s jobless rate steadied at 4.1%.

Amid the weakness in global consumer demand and declining energy costs, inflation in most of the major economies remained relatively mild over the review period. In September, average consumer prices in the United States abated by 40 basis points to 1.7%, owing to lower prices for energy. Inflation in the United Kingdom slowed over the quarter, by 70 basis points to an annualised 1.2% in September, benefitting from a contraction in prices for transport and recreational goods. Falling prices for telecommunications and fuel, underpinned an easing in euro area inflation, by 20 basis points to 0.3% in September, while the rate of increase in average consumer prices slowed by 10 basis points to an annualised 3.2% in Japan and by 70 basis points to 1.6% for China.

Reflecting the relatively strong recovery in the United States’ economy and gradual reduction in its highly accommodative monetary policy regime, the US dollar appreciated against most of the major currencies during the three months to September. In Europe, the dollar advanced in relation to the euro, the Swiss Franc and the British Pound, by 8.4% to €0.79, 7.7% to CHF0.96, and 5.5% to £0.62, respectively. In addition, the dollar appreciated vis-à-vis the Canadian dollar, by 4.9% to CAD \$1.12. Developments in Asia were mixed, however, as the dollar strengthened against the Japanese Yen by 8.2% to ¥109.65 but declined in relation to the Chinese Yuan, by 1.1% to CNY6.14.

The performance of the major equity markets reflected domestic demand factors. In Asia, the potential for an interest-rate cut boosted China’s main SE Composite, by 15.4%, while the government’s decision to postpone its second sales tax hike contributed to Japan’s Nikkei 225 strengthening by 6.7%. Conditions in the United States’ markets were more tepid, with marginal firming in both the Dow Jones Industrial Average (DIJA) and the S&P 500 indices, by 1.3% and 0.6%, respectively. In contrast, the weak economic environment contributed to the broad-based declines in European bourses, including German’s DAX (3.7%), the United Kingdom’s FTSE 100 (1.8%) and France’s CAC 40 (0.2%).

Crude oil prices plunged by 15.0% to US\$96.50 per barrel over the third quarter, reflecting excess crude oil supplies caused by increased shale gas production in several North American regions and stable OPEC output, as well as lower demand from Europe and several emerging market economies. Similarly, precious metal prices contracted, as the cost of silver and gold slumped by 19.3% and 9.0%, to \$16.98 and \$1,208.16 per ounce, respectively.

Most of the major economies either maintained or enhanced their accommodative monetary policy regimes over the review period, in a bid to provide further stimulus to their economies. The European Central Bank lowered its major interest rates, by 10 basis points each, and announced that an asset purchase programme would be implemented in the near-term; and the People’s Bank of China injected a US\$81.0 billion “stimulus” package into the banking system. In addition, both the Bank of England and the Bank of Japan kept interest rates at historic lows and sustained their asset purchase programmes. In contrast, the improving economic conditions in the United States market prompted the Federal Reserve to continue the process of ratcheting down its “quantitative easing” programme, with bond purchases reduced by a further \$10 billion per month, while the key interest rate was kept within the 0.00%-0.25% range.

External sector developments in the major markets were mixed for the third quarter, reflecting ongoing divergence in economic performance. The trade deficit in the United States fell by \$7.6 billion to \$122.7 billion, in comparison to the previous three-month period, behind a 1.0% increase in mainly capital and consumer goods exports, and a 0.1% fall in imports. Similarly, the euro area's trade surplus widened, by €1.9 billion (4.1%) to €48.5 billion, amid a 0.6% increase in exports which eclipsed the 0.3% rise in imports. Buoyed by a 0.6% increase in fuel-led imports, coupled with a 0.3% reduction in exports, the United Kingdom's goods and services deficit deteriorated, by 16.8% to £7.6 billion. In Asia, Japan's trade deficit widened by 12.7% (¥324.0 billion) to ¥2,878.2 billion, underpinned by a 4.9% rise in fuel-related imports, which offset the 3.8% advance in exports. China's trade surplus nearly doubled, from US\$86.0 billion to US\$128.1 billion in the third quarter, as an 11.3% increase in exports from the manufacturing sector to mainly developed nations outpaced the 4.6% firming in imports.

STATISTICAL APPENDIX (TABLES I-16)

TABLE 1
FINANCIAL SURVEY

End of Period	2009			2010			2011			2012			2013			2014		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
	(B\$ Millions)																	
Net foreign assets	134.1	152.1	280.8	308.9	356.2	117.6	208.4	266.2	273.0	148.7	46.4	363.9	373.2	176.2				
Central Bank	816.0	860.4	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2	741.6	957.4	1,016.8	802.6				
Domestic Banks	(681.9)	(708.3)	(604.0)	(581.1)	(571.8)	(628.2)	(601.8)	(517.0)	(524.1)	(520.5)	(695.2)	(593.5)	(643.6)	(626.4)				
Net domestic assets	5,898.2	6,038.9	6,029.6	6,120.9	6,149.1	6,222.5	6,095.3	6,162.5	6,182.7	6,281.2	6,270.8	5,972.6	6,044.6	6,263.8				
Domestic credit	8,039.7	8,448.2	8,536.9	8,666.5	8,698.8	8,797.2	8,685.0	8,753.8	8,824.6	8,953.1	8,949.9	8,651.2	8,789.6	9,017.6				
Public sector	1,443.8	1,875.5	1,889.4	1,998.8	2,042.7	2,135.4	2,055.7	2,216.8	2,295.2	2,425.8	2,398.0	2,134.8	2,301.4	2,498.5				
Government (net)	1023.9	1,413.7	1,439.2	1,524.8	1,624.9	1,678.0	1,592.2	1,751.4	1,829.6	1,943.3	1,943.3	1,706.7	1,877.1	2,076.4				
Rest of public sector	419.9	461.8	450.2	474.0	417.8	457.4	463.5	465.4	465.7	482.5	454.7	428.1	424.3	422.1				
Private sector	6,595.9	6,572.7	6,647.5	6,667.7	6,656.1	6,661.8	6,629.3	6,537.0	6,529.4	6,527.3	6,551.9	6,516.4	6,488.2	6,519.1				
Other items (net)	(2,141.5)	(2,409.3)	(2,507.3)	(2,545.6)	(2,549.7)	(2,574.7)	(2,589.7)	(2,591.3)	(2,641.9)	(2,671.9)	(2,679.1)	(2,678.6)	(2,745.0)	(2,753.8)				
Monetary liabilities	6,032.3	6,191.1	6,310.4	6,429.8	6,505.3	6,340.1	6,303.7	6,428.7	6,455.7	6,429.9	6,317.2	6,336.5	6,417.8	6,440.0				
Money	1,283.6	1,335.2	1,434.8	1,486.7	1,532.8	1,509.8	1,574.9	1,590.9	1,653.5	1,639.2	1,641.2	1,654.7	1,706.6	1,768.8				
Currency	207.8	194.5	196.9	203.5	207.3	208.2	216.5	216.7	215.6	208.0	214.4	214.4	220.2	221.6				
Demand deposits	1,075.8	1,140.6	1,237.9	1,283.2	1,325.5	1,301.6	1,358.4	1,374.2	1,437.9	1,431.2	1,426.8	1,440.3	1,486.4	1,547.2				
Quasi-money	4,748.7	4,855.9	4,875.6	4,943.1	4,972.5	4,830.3	4,728.8	4,837.8	4,802.2	4,790.7	4,676.0	4,681.8	4,711.2	4,671.2				
Fixed deposits	3,521.4	3,615.4	3,605.9	3,596.7	3,581.0	3,488.4	3,444.1	3,496.8	3,434.9	3,385.9	3,288.0	3,280.8	3,296.6	3,248.1				
Savings deposits	995.4	1,015.8	1,063.7	1,084.8	1,144.8	1,110.2	1,069.0	1,091.7	1,109.7	1,089.5	1,114.0	1,128.6	1,143.3	1,158.7				
Foreign currency	231.9	224.7	206.0	261.6	246.7	231.7	215.7	249.4	257.6	315.3	274.0	272.3	271.3	264.4				
	(percentage changes)																	
Total domestic credit	1.7	5.1	1.4	1.5	0.4	1.1	(1.3)	0.8	0.8	1.5	(0.0)	(3.3)	1.6	2.6				
Public sector	5.2	29.9	4.1	5.8	2.2	4.5	(3.7)	7.8	3.5	5.7	(1.1)	(11.0)	7.8	8.6				
Government (net)	10.8	38.1	2.7	5.9	6.6	3.3	(5.1)	10.0	4.5	6.2	(0.0)	(12.2)	10.0	10.6				
Rest of public sector	(6.3)	10.0	8.7	5.3	(11.9)	9.5	1.3	0.4	0.0	3.6	(5.8)	(5.9)	(0.9)	(0.5)				
Private sector	0.9	(0.4)	0.7	0.3	(0.2)	0.1	(0.5)	(1.4)	(0.1)	(0.0)	0.4	(0.5)	(0.4)	0.5				
Monetary liabilities	1.8	2.6	(0.7)	1.9	1.2	(2.5)	(0.6)	2.0	0.4	(0.4)	(1.8)	0.3	1.3	0.3				
Money	0.7	4.0	0.8	3.6	3.1	(1.5)	4.3	1.0	3.9	(0.9)	0.1	0.8	3.1	3.6				
Currency	1.0	(6.4)	(2.6)	3.3	1.9	0.4	4.0	0.1	(0.5)	(3.5)	3.1	(0.0)	2.7	0.6				
Demand deposits	0.7	6.0	1.3	3.7	3.3	(1.8)	4.4	1.2	4.6	(0.5)	(0.3)	0.9	3.2	4.1				
Quasi-money	2.1	2.3	(1.1)	1.4	0.6	(2.9)	(2.1)	2.3	(0.7)	(0.2)	(2.4)	0.1	0.6	(0.8)				

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	2009			2010			2011			2012			2013			2014		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Net foreign assets	167.3	113.9	287.5	304.3	362.6	119.4	214.2	272.6	262.9	167.5	75.6	407.7	416.5	223.5				
Central Bank	816.0	860.4	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2	741.6	957.4	1,016.8	802.6				
Commercial banks	(648.7)	(746.6)	(597.3)	(585.7)	(565.4)	(626.4)	(596.0)	(510.6)	(534.2)	(501.7)	(666.0)	(549.7)	(600.3)	(579.1)				
Net domestic assets	5,832.9	6,040.6	5,978.9	6,054.3	6,086.5	6,168.5	6,034.8	6,105.6	6,107.7	6,204.7	6,190.1	5,868.8	5,951.3	6,167.6				
Domestic credit	8,000.0	8,417.1	8,509.0	8,637.2	8,669.0	8,767.5	8,655.5	8,726.4	8,797.1	8,928.7	8,922.7	8,625.6	8,756.9	8,985.0				
Public sector	1,428.3	1,861.0	1,879.5	1,986.7	2,030.1	2,122.5	2,042.8	2,203.9	2,282.5	2,416.4	2,388.6	2,125.6	2,292.1	2,489.3				
Government (net)	1,008.4	1,404.6	1,429.8	1,513.2	1,612.7	1,665.7	1,579.9	1,739.0	1,817.3	1,934.4	1,934.5	1,698.0	1,868.2	2,067.6				
Rest of public sector	419.9	456.4	449.7	473.5	417.3	456.8	462.9	464.9	465.2	482.0	454.1	427.6	423.9	421.7				
Private sector	6,571.7	6,556.1	6,629.5	6,650.4	6,638.9	6,645.0	6,612.7	6,522.5	6,514.6	6,512.3	6,534.1	6,500.0	6,464.8	6,495.7				
Other items (net)	(2,167.1)	(2,376.5)	(2,530.1)	(2,582.9)	(2,582.5)	(2,599.0)	(2,620.7)	(2,620.8)	(2,689.4)	(2,724.0)	(2,732.6)	(2,756.8)	(2,805.6)	(2,817.4)				
Monetary liabilities	6,000.2	6,154.6	6,266.4	6,358.6	6,449.1	6,287.9	6,249.0	6,378.2	6,370.6	6,372.2	6,265.6	6,276.4	6,367.8	6,391.1				
Money	1,261.9	1,314.7	1,408.2	1,448.9	1,496.8	1,485.3	1,541.9	1,562.0	1,598.3	1,601.5	1,610.9	1,616.2	1,677.1	1,736.0				
Currency	207.8	194.5	196.9	203.5	207.3	208.2	216.5	216.7	215.6	208.0	214.4	214.4	220.2	221.6				
Demand deposits	1,054.1	1,120.2	1,211.3	1,245.5	1,289.5	1,277.1	1,325.4	1,345.3	1,382.7	1,393.5	1,396.5	1,401.8	1,456.9	1,514.4				
Quasi-money	4,738.3	4,839.8	4,858.2	4,909.7	4,952.3	4,802.6	4,707.1	4,816.3	4,772.3	4,770.7	4,654.7	4,660.2	4,690.7	4,655.1				
Savings deposits	995.3	1,015.8	1,063.7	1,084.8	1,144.7	1,110.1	1,069.0	1,091.6	1,109.7	1,089.5	1,114.0	1,128.6	1,143.2	1,158.7				
Fixed deposits	3,511.1	3,601.8	3,592.3	3,580.7	3,567.3	3,476.5	3,428.4	3,481.0	3,418.7	3,365.9	3,266.7	3,259.3	3,276.1	3,232.0				
Foreign currency deposits	231.9	222.2	202.2	244.2	240.3	216.0	209.7	243.7	243.9	315.3	274.0	272.3	271.4	264.4				
Total domestic credit	1.5	5.2	1.4	1.5	0.4	1.1	(1.3)	0.8	0.8	1.5	(0.1)	(3.3)	1.5	2.6				
Public sector	4.3	30.3	4.0	5.7	2.2	4.6	(3.8)	7.9	3.6	5.9	(1.2)	(11.0)	7.8	8.6				
Government (net)	9.5	39.3	2.6	5.8	6.6	3.3	(5.2)	10.1	4.5	6.4	0.0	(12.2)	10.0	10.7				
Rest of public sector	(6.3)	8.7	8.7	5.3	(11.9)	9.5	1.3	0.4	0.1	3.6	(5.8)	(5.8)	(0.9)	(0.5)				
Private sector	0.9	(0.2)	0.7	0.3	(0.2)	0.1	(0.5)	(1.4)	(0.1)	(0.0)	0.3	(0.5)	(0.5)	0.5				
Monetary liabilities	1.8	2.6	(0.7)	1.5	1.4	(2.5)	(0.6)	2.1	(0.1)	0.0	(1.7)	0.2	1.5	0.4				
Money	0.3	4.2	0.7	2.9	3.3	(0.8)	3.8	1.3	2.3	0.2	0.6	0.3	3.8	3.5				
Currency	1.0	(6.4)	(2.6)	3.3	1.9	0.4	4.0	0.1	(0.5)	(3.5)	3.1	(0.0)	2.7	0.6				
Demand deposits	0.2	6.3	1.3	2.8	3.5	(1.0)	3.8	1.5	2.8	0.8	0.2	0.4	3.9	3.9				
Quasi-money	2.2	2.1	(1.1)	1.1	0.9	(3.0)	(2.0)	2.3	(0.9)	(0.0)	(2.4)	0.1	0.7	(0.8)				

(Percentage change)

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

End of Period	2009			2010			2011			2012			2013			2014		
	Mar.	Jun.	Sep.	Mar.	Jun.	Sep.	Mar.	Jun.	Sep.	Mar.	Jun.	Sep.	Mar.	Jun. ^R	Sep.			
Net foreign assets	816.0	860.4	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2	741.6	957.4	1,016.8	802.6				
Balances with banks abroad	270.9	175.2	115.0	124.1	164.9	5.4	216.5	200.7	209.1	80.7	122.4	328.1	363.8	153.4				
Foreign securities	356.2	499.7	585.0	579.4	580.4	554.8	555.7	545.4	550.8	550.6	551.0	560.9	559.5	559.5				
Reserve position in the Fund	9.8	9.6	9.6	9.7	9.5	9.6	9.6	9.4	9.4	9.6	9.6	9.7	9.7	9.3				
SDR holdings	179.1	175.9	175.2	176.8	173.2	176.0	28.4	27.7	27.8	28.3	58.6	58.7	83.8	80.3				
Net domestic assets	73.3	156.7	187.4	194.9	218.0	249.4	280.1	323.7	357.4	396.4	314.7	246.4	252.5	338.3				
Net claims on Government	182.1	259.8	289.2	304.9	328.3	357.1	394.7	438.6	460.6	524.4	489.9	370.2	369.5	481.5				
Claims	202.8	274.3	300.8	315.8	333.5	368.5	404.8	460.7	484.9	548.7	542.0	400.3	412.7	501.3				
Treasury bills	--	--	26.2	20.0	21.5	63.5	129.6	187.0	209.5	200.0	186.4	88.1	34.9	126.5				
Bahamas registered stock	105.8	162.3	164.0	165.2	174.3	169.4	169.5	168.0	169.7	223.0	220.9	247.5	248.1	240.1				
Loans and advances	97.0	112.0	110.6	130.6	137.7	135.6	105.7	105.7	105.7	125.7	134.7	64.7	129.7	134.7				
Deposits	(20.7)	(14.5)	(11.6)	(10.9)	(5.2)	(11.4)	(10.1)	(22.1)	(24.3)	(24.3)	(52.1)	(30.1)	(43.2)	(19.8)				
In local currency	(20.7)	(14.5)	(11.6)	(10.9)	(5.2)	(11.4)	(10.1)	(22.1)	(24.3)	(24.3)	(52.1)	(30.1)	(43.2)	(19.8)				
In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
Deposits of rest of public sector	(15.8)	(15.4)	(7.1)	(14.8)	(12.9)	(10.6)	(14.7)	(10.3)	(16.4)	(23.5)	(11.6)	(17.9)	(8.0)	(22.1)				
Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
Official capital and surplus	(140.5)	(132.0)	(139.2)	(140.5)	(141.1)	(142.0)	(139.3)	(143.0)	(143.0)	(141.3)	(140.7)	(146.0)	(147.5)	(153.0)				
Net unclassified assets	40.5	38.0	38.4	39.2	37.8	39.0	33.7	32.8	50.7	31.3	(28.5)	35.2	33.8	27.1				
Loans to rest of public sector	6.2	5.6	5.2	5.2	5.0	5.0	4.8	4.8	4.6	4.6	4.6	4.4	4.2	4.2				
Public Corp Bonds/Securities	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.5	0.5	0.5				
Liabilities To Domestic Banks	(486.5)	(631.0)	(684.3)	(688.8)	(749.9)	(595.1)	(682.6)	(703.7)	(751.8)	(666.7)	(650.3)	(797.0)	(856.8)	(734.7)				
Notes and coins	(111.8)	(113.2)	(126.9)	(80.6)	(83.5)	(86.7)	(127.4)	(95.6)	(93.7)	(91.9)	(138.1)	(101.0)	(100.2)	(105.6)				
Deposits	(374.7)	(517.8)	(557.4)	(608.2)	(666.4)	(508.4)	(555.2)	(608.1)	(658.1)	(574.8)	(512.2)	(696.0)	(756.6)	(629.1)				
SDR allocation	(195.0)	(191.6)	(191.0)	(192.7)	(188.8)	(191.9)	(191.2)	(186.5)	(187.1)	(190.9)	(191.6)	(192.3)	(192.3)	(184.5)				
Currency held by the private sector	(207.8)	(194.5)	(196.9)	(203.5)	(207.3)	(208.2)	(216.5)	(216.7)	(215.6)	(208.0)	(214.4)	(214.4)	(220.2)	(221.6)				

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

End of Period	2009			2010			2011			2012			2013			2014		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Net foreign assets	(681.9)	(705.8)	(604.0)	(581.1)	(571.8)	(628.2)	(601.8)	(517.0)	(524.1)	(520.5)	(695.2)	(593.5)	(643.6)	(626.4)				
Net claims on Central Bank	487.4	631.9	687.0	689.8	753.8	596.5	690.7	705.3	752.7	667.6	651.7	797.9	857.7	735.5				
Notes and Coins	111.8	113.2	126.9	80.6	83.5	86.7	127.4	95.6	93.7	91.9	138.1	101.0	100.2	105.6				
Balances	375.6	518.7	560.1	609.2	670.3	509.8	563.3	609.8	659.0	575.7	513.6	696.9	757.5	629.9				
Less Central Bank credit	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
Net domestic assets	5,564.4	5,567.7	5,579.5	5,675.9	5,679.5	5,748.1	5,586.9	5,610.8	5,590.0	5,648.4	5,804.0	5,569.7	5,636.2	5,730.9				
Net claims on Government	843.0	1,152.3	1,150.0	1,219.9	1,296.6	1,320.9	1,197.5	1,312.8	1,368.9	1,418.9	1,453.5	1,336.5	1,507.6	1,594.9				
Treasury bills	214.0	293.7	275.4	301.6	321.6	274.6	219.3	342.1	378.6	388.1	392.4	430.9	514.3	452.5				
Other securities	704.6	799.6	847.6	848.7	840.7	965.5	961.1	957.2	954.3	959.1	962.2	930.7	922.3	899.0				
Loans and advances	76.5	180.3	145.7	189.3	253.8	207.3	152.4	147.6	164.0	201.8	253.6	153.8	230.9	408.2				
Less: deposits	152.1	121.3	118.7	119.7	119.5	126.5	135.3	134.1	128.0	130.1	154.7	178.9	159.9	164.8				
Net claims on rest of public sector	(25.7)	(31.9)	0.4	41.2	(11.5)	46.6	61.2	57.1	55.1	74.1	118.6	93.3	80.3	61.3				
Securities	107.0	115.6	117.4	119.4	119.4	119.4	119.4	119.4	119.4	119.4	119.4	119.2	119.1	119.0				
Loans and advances	305.9	339.8	326.8	348.7	292.6	332.1	338.4	340.4	340.8	357.6	329.8	304.1	300.6	298.4				
Less: deposits	438.6	487.3	443.8	426.9	423.5	404.9	396.6	402.7	405.2	402.9	330.6	330.0	339.4	356.1				
Other net claims	(8.1)	(3.4)	5.5	(19.3)	(14.6)	(4.6)	(15.7)	(13.5)	(6.9)	(28.8)	(48.8)	(29.7)	(14.8)	(17.3)				
Credit to the private sector	6,595.9	6,572.7	6,647.6	6,667.6	6,656.1	6,661.9	6,629.3	6,537.0	6,529.4	6,527.3	6,551.9	6,516.4	6,488.2	6,519.1				
Securities	27.2	17.4	16.4	14.4	14.3	14.0	14.1	14.2	12.9	13.0	16.5	16.4	16.7	17.7				
Mortgages	2,949.6	3,192.4	3,227.6	3,232.9	3,255.1	3,275.8	3,275.4	3,273.7	3,300.1	3,302.6	3,310.3	3,304.0	3,283.0	3,289.9				
Loans and advances	3,619.1	3,363.0	3,403.6	3,420.3	3,386.7	3,372.1	3,339.8	3,249.1	3,216.3	3,211.7	3,225.1	3,196.0	3,188.5	3,211.5				
Private capital and surplus	(2,033.0)	(2,281.9)	(2,357.8)	(2,419.6)	(2,436.1)	(2,473.5)	(2,535.2)	(2,515.7)	(2,577.5)	(2,566.0)	(2,586.4)	(2,528.5)	(2,442.8)	(2,434.5)				
Net unclassified assets	192.3	159.9	133.8	186.1	189.0	196.8	249.8	233.1	221.0	222.9	315.2	181.7	17.7	7.4				
Liabilities to private sector	5,370.0	5,493.7	5,662.5	5,784.6	5,861.5	5,716.4	5,675.8	5,799.1	5,818.6	5,795.5	5,760.6	5,774.0	5,850.2	5,840.3				
Demand deposits	1,204.2	1,249.6	1,325.6	1,410.6	1,442.3	1,406.7	1,442.7	1,493.9	1,552.3	1,593.4	1,593.5	1,593.0	1,643.2	1,660.2				
Savings deposits	1,003.5	1,017.8	1,067.1	1,088.0	1,148.1	1,114.1	1,074.1	1,096.8	1,116.4	1,097.6	1,119.9	1,135.3	1,150.6	1,164.7				
Fixed deposits	3,162.3	3,226.3	3,269.8	3,285.9	3,271.1	3,195.6	3,159.0	3,208.4	3,149.9	3,104.5	3,047.1	3,045.7	3,056.4	3,015.3				

Source: The Central Bank of The Bahamas

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

Period	(B\$'000s)													
	2010			2011			2012			2013			2014	
	2009	2010	2011	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	
1. Interest Income	728,878	742,174	702,491	168,204	165,179	163,140	170,532	158,479	163,483	160,402	163,719	153,222	152,718	
2. Interest Expense	244,468	225,990	185,949	39,034	37,892	35,607	32,364	30,765	30,449	29,015	27,582	25,101	24,946	
3. Interest Margin (1-2)	484,410	516,184	516,542	129,170	127,287	127,533	138,168	127,714	133,034	131,387	136,137	128,121	127,772	
4. Commission & Forex Income	22,005	22,820	23,126	6,224	5,145	5,701	5,935	5,593	5,916	5,850	5,919	3,445	5,828	
5. Gross Earnings Margin (3+4)	506,415	539,004	539,668	135,394	132,432	133,234	144,103	133,307	138,950	137,237	142,056	131,566	133,600	
6. Staff Costs	149,222	158,233	164,959	39,136	41,456	40,230	41,526	39,139	45,831	44,602	52,338	43,140	43,931	
7. Occupancy Costs	23,417	23,964	25,786	7,019	7,036	8,081	7,608	7,175	7,797	7,157	7,991	6,341	7,020	
8. Other Operating Costs	87,245	107,051	107,138	28,138	27,582	26,815	29,379	30,695	33,230	35,607	32,943	41,325	155,958	
9. Operating Costs (6+7+8)	259,884	289,248	297,883	74,293	76,074	75,126	78,513	77,009	86,858	87,366	93,272	90,806	206,909	
10. Net Earnings Margin (5-9)	246,531	249,756	241,785	61,101	56,358	58,108	65,590	56,298	52,092	49,871	48,784	40,760	(73,309)	
11. Depreciation Costs	14,134	15,238	12,693	3,521	3,469	3,041	3,333	3,378	3,659	4,438	5,494	3,677	3,551	
12. Provisions for Bad Debt	121,092	124,686	101,503	37,789	36,123	48,570	45,616	42,894	27,716	24,998	53,506	27,392	142,048	
13. Other Income	96,990	111,284	97,520	21,124	20,981	23,142	23,037	22,633	24,737	22,878	27,775	23,592	25,414	
14. Other Income (Net) (13-11-12)	(38,236)	(28,640)	(16,676)	(20,186)	(18,611)	(28,469)	(25,912)	(23,639)	(6,638)	(6,558)	(31,225)	(7,477)	(120,185)	
15. Net Income (10+14)	208,295	221,116	225,109	40,915	37,747	29,639	39,678	32,659	45,454	43,313	17,559	33,283	(193,494)	
16. Effective Interest Rate Spread (%)	6.34	6.17	6.14	6.44	6.40	6.44	6.36	6.64	7.12	6.76	6.88	6.80	6.84	
	(Ratios To Average Assets)													
Interest Margin	5.31	5.60	5.46	5.39	5.23	5.27	5.74	5.29	5.47	5.41	5.57	5.24	5.22	
Commission & Forex Income	0.24	0.25	0.24	0.26	0.21	0.24	0.25	0.23	0.24	0.24	0.24	0.14	0.24	
Gross Earnings Margin	5.55	5.84	5.71	5.65	5.45	5.51	5.99	5.52	5.71	5.65	5.82	5.39	5.46	
Operating Costs	2.85	3.14	3.15	3.10	3.13	3.11	3.26	3.19	3.57	3.59	3.82	3.72	8.45	
Net Earnings Margin	2.70	2.71	2.56	2.55	2.32	2.40	2.72	2.33	2.14	2.05	2.00	1.67	(2.99)	
Net Income/Loss	2.28	2.40	2.38	1.71	1.55	1.23	1.65	1.35	1.87	1.78	0.72	1.36	(7.90)	

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

TABLE 6
MONEY SUPPLY

(B\$ Millions)

End of Period	2009			2010			2011			2012			2013			2014			
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	
Money supply (M1)																			
1) Currency in active circulation	1,283.6	1,335.2	1,434.8	1,486.7	1,532.8	1,509.8	1,574.9	1,590.9	1,653.5	1,639.2	1,641.2	1,654.7	1,706.6	1,768.8					
2) Demand deposits	207.8	194.5	196.9	203.5	207.3	208.2	216.5	216.7	215.6	208.0	214.4	214.4	220.2	221.6					
Central Bank	1,075.8	1,140.6	1,237.9	1,283.2	1,325.5	1,301.6	1,358.4	1,374.2	1,437.9	1,431.2	1,426.8	1,440.3	1,486.4	1,547.2					
Domestic Banks	15.9	15.4	7.1	14.8	12.9	10.6	14.8	10.3	16.4	23.5	11.6	18.0	8.0	22.1					
	1,059.9	1,125.2	1,230.8	1,268.4	1,312.6	1,291.0	1,343.6	1,363.9	1,421.5	1,407.7	1,415.2	1,422.3	1,478.4	1,525.1					
Factors affecting money (M1)																			
1) Net credit to Government	1,023.9	1,413.7	1,439.2	1,524.8	1,624.9	1,678.0	1,592.2	1,751.4	1,829.6	1,943.3	1,943.3	1,706.7	1,877.1	2,076.5					
Central Bank	180.9	261.4	289.2	304.9	328.3	357.1	394.7	438.6	460.7	524.4	489.9	370.2	369.5	481.5					
Domestic Banks	843.0	1,152.3	1,150.0	1,219.9	1,296.6	1,320.9	1,197.5	1,312.8	1,368.9	1,418.9	1,453.4	1,336.5	1,507.6	1,595.0					
2) Other credit	7,015.8	7,034.5	7,097.7	7,141.7	7,073.9	7,119.2	7,092.8	7,002.4	6,995.0	7,009.8	7,006.5	6,944.5	6,912.5	6,941.1					
Rest of public sector	419.9	461.8	450.2	474.0	417.8	457.4	463.5	465.4	465.6	482.5	454.6	428.1	424.3	422.0					
Private sector	6,595.9	6,572.7	6,647.5	6,667.7	6,656.1	6,661.8	6,629.3	6,537.0	6,529.4	6,527.3	6,551.9	6,516.4	6,488.2	6,519.1					
3) External reserves	816.0	860.4	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2	741.6	957.4	1,016.8	802.6					
4) Other external liabilities (net)	(681.9)	(708.3)	(604.0)	(581.1)	(571.8)	(628.2)	(601.8)	(517.0)	(524.1)	(520.5)	(695.2)	(593.5)	(643.6)	(626.4)					
5) Quasi money	4,748.7	4,855.9	4,875.6	4,943.1	4,972.5	4,830.3	4,728.8	4,837.8	4,802.2	4,790.7	4,676.0	4,681.8	4,711.2	4,671.2					
6) Other items (net)	(2,141.5)	(2,409.3)	(2,507.3)	(2,545.6)	(2,549.7)	(2,574.7)	(2,589.7)	(2,591.3)	(2,641.9)	(2,671.9)	(2,679.1)	(2,678.6)	(2,745.0)	(2,753.8)					

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

End of Period	2009			2010			2011			2012			2013			2014			(B\$' 000)
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	
CREDIT OUTSTANDING																			
Private cars	206,689	185,044	171,751	169,956	174,077	176,222	177,527	176,465	184,523	182,440	175,407	175,618	184,005	183,693					
Taxis & rented cars	1,832	985	910	987	974	1,055	1,081	970	1,026	1,019	1,077	1,029	948	871					
Commercial vehicles	4,955	3,353	2,510	2,368	2,299	2,213	2,241	2,176	1,997	1,942	2,334	2,263	2,232	2,108					
Furnishings & domestic appliances	19,134	15,126	11,126	10,462	10,297	11,993	12,010	11,621	10,840	13,440	7,919	7,621	7,282	7,585					
Travel	36,369	26,464	25,221	23,832	24,413	27,239	29,492	27,784	29,616	36,264	33,011	30,508	29,495	32,239					
Education	55,227	50,875	35,750	34,230	32,733	35,731	34,544	33,448	32,566	38,838	33,858	34,254	33,559	37,728					
Medical	19,697	16,399	14,409	13,786	13,304	13,247	11,363	11,123	11,274	11,763	12,010	11,762	11,713	11,805					
Home Improvements	163,991	129,860	126,543	122,885	126,732	124,114	127,537	128,389	124,738	129,073	123,943	126,057	133,933	131,254					
Land Purchases	243,696	240,391	239,790	234,789	237,847	233,149	232,752	228,644	227,867	229,575	225,065	225,769	223,398	223,304					
Consolidation of debt	648,024	714,616	820,135	815,617	813,370	804,306	781,518	779,541	772,843	765,465	802,727	802,659	797,630	782,466					
Miscellaneous	515,002	494,961	464,052	483,468	499,683	508,667	501,225	500,285	501,268	490,275	563,322	557,983	573,570	602,618					
Credit Cards	278,749	262,871	251,924	242,294	239,549	242,130	243,745	236,066	234,110	239,262	241,241	235,484	237,222	241,343					
TOTAL	2,193,365	2,140,945	2,164,121	2,154,674	2,175,278	2,180,066	2,155,035	2,136,512	2,132,668	2,139,356	2,221,914	2,211,007	2,234,987	2,257,014					
NET CREDIT EXTENDED																			
Private cars	(32,086)	(21,645)	(13,293)	(1,795)	4,121	2,145	1,305	(1,062)	8,058	(2,083)	(7,033)	211	8,387	(312)					
Taxis & rented cars	(77)	(847)	(75)	77	(13)	81	26	(111)	56	(7)	58	(48)	(81)	(77)					
Commercial vehicles	(1,156)	(1,602)	(843)	(142)	(69)	(86)	28	(65)	(179)	(55)	392	(71)	(31)	(124)					
Furnishings & domestic appliances	(2,039)	(4,008)	(4,000)	(664)	(165)	1,696	17	(389)	(781)	2,600	(5,521)	(298)	(339)	303					
Travel	(13,233)	(9,905)	(1,243)	(1,389)	581	2,826	2,253	(1,708)	1,832	6,648	(3,253)	(2,503)	(1,013)	2,744					
Education	(2,028)	(4,352)	(15,125)	(1,520)	(1,497)	2,998	(1,187)	(1,096)	(882)	6,272	(4,980)	396	(695)	4,169					
Medical	(1,738)	(3,298)	(1,990)	(623)	(482)	(57)	(1,884)	(240)	151	489	247	(248)	(49)	92					
Home Improvements	(7,463)	(34,131)	(3,317)	(3,658)	3,847	(2,618)	3,423	852	(3,651)	4,335	(5,130)	2,114	7,876	(2,679)					
Land Purchases	(2,472)	(3,305)	(601)	(5,001)	3,058	(4,698)	(397)	(4,108)	(777)	1,708	(4,510)	704	(2,371)	(94)					
Consolidation of debt	53,459	66,592	105,519	(4,518)	(2,247)	(9,064)	(22,788)	(1,977)	(6,698)	(7,378)	37,262	(68)	(5,029)	(15,164)					
Miscellaneous	(26,583)	(20,041)	(30,909)	19,416	16,215	8,984	(7,442)	(940)	983	(10,993)	73,047	(5,339)	15,587	29,048					
Credit Cards	(15,628)	(15,878)	(10,947)	(9,630)	(2,745)	2,581	1,615	(7,679)	(1,956)	5,152	1,979	(5,757)	1,738	4,121					
TOTAL	(51,044)	(52,420)	23,176	(9,447)	20,604	4,788	(25,031)	(18,523)	(3,844)	6,688	82,558	(10,907)	23,980	22,027					

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

Period	2011				2012				2013				2014			
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
DOMESTIC BANKS																
Deposit rates																
Savings deposits	1.75	1.53	1.53	0.97	1.88	1.67	1.31	1.25	1.11	0.96	0.87	0.94	1.06	0.88	0.76	0.76
Fixed deposits																
Up to 3 months	2.33	1.60	1.37	1.37	1.71	1.71	1.56	1.43	1.48	1.41	1.44	1.12	1.19	1.27	1.19	1.19
Up to 6 months	2.67	1.95	1.35	1.35	2.08	2.09	1.89	1.72	1.63	1.59	1.21	0.97	1.46	1.22	1.26	1.26
Up to 12 months	3.25	2.54	2.15	2.15	2.69	2.68	2.49	2.30	2.59	2.06	2.07	1.87	1.98	1.84	1.70	1.70
Over 12 months	3.20	2.65	2.20	2.20	2.96	2.53	2.52	2.58	2.49	2.29	2.12	1.92	1.84	2.00	1.44	1.44
Weighted average rate	2.64	2.02	1.68	1.68	2.23	2.08	1.93	1.83	1.92	1.69	1.68	1.43	1.55	1.56	1.37	1.37
Lending rates																
Residential mortgages	7.77	7.51	7.27	7.27	7.58	7.61	7.43	7.40	7.51	7.13	7.16	7.26	7.24	7.38	7.07	7.07
Commercial mortgages	8.37	8.29	8.21	8.21	8.09	8.35	8.33	8.40	8.06	7.57	8.40	8.81	7.93	8.26	7.67	7.67
Consumer loans	13.35	13.43	13.65	13.65	12.82	13.41	13.84	13.66	13.55	13.51	13.90	13.63	13.76	13.60	14.22	14.22
Overdrafts	10.04	9.81	9.32	9.32	9.36	10.61	9.91	9.36	9.07	9.48	9.71	9.02	9.45	9.93	9.86	9.86
Weighted average rate	10.98	10.88	11.10	11.10	10.25	10.99	11.18	11.10	10.91	10.85	11.28	11.36	11.11	11.96	12.07	12.07
Other rates																
Prime rate	4.94	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Treasury bill (90 days)	1.25	0.20	0.30	0.30	0.10	0.32	0.10	0.28	0.17	0.29	0.27	0.46	0.45	0.60	0.49	0.49
Treasury bill re-discount rate	1.75	0.70	0.80	0.80	0.60	0.82	0.60	0.78	0.67	0.79	0.77	0.96	0.95	1.10	0.99	0.99
Bank rate (discount rate)	4.69	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50

Source: The Central Bank of The Bahamas

TABLE 9
SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

Period	2009			2010			2011			2012			2013			2014		
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. I ^R	Qtr. II ^R	Qtr. III ^R
Loan Portfolio																		
Current Loans (as a % of total loans)	82.3	81.8	81.1	81.5	81.7	81.9	80.3	80.7	79.9	79.1	78.4	78.9	78.3	78.5				
Arrears (% by loan type)																		
Consumer	5.2	4.3	4.2	3.9	4.0	4.0	4.4	4.0	4.0	4.0	5.0	4.8	4.9	4.8				
Mortgage	8.6	9.8	10.1	9.8	10.2	10.2	11.0	10.6	10.5	10.9	11.0	10.7	10.9	10.9				
Commercial	3.8	4.0	4.5	4.7	4.0	3.8	4.2	4.6	5.5	5.9	5.5	5.5	5.8	5.7				
Public	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1				
Total Arrears	17.7	18.2	18.9	18.5	18.3	18.1	19.7	19.3	20.1	20.9	21.6	21.1	21.7	21.5				
Total BS Loan Portfolio	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0				
Loan Portfolio																		
Current Loans (as a % of total loans)	82.3	81.8	81.1	81.5	81.7	81.9	80.3	80.7	79.9	79.1	78.4	78.9	78.3	78.5				
Arrears (% by days outstanding)																		
30 - 60 days	5.6	4.0	4.1	3.6	3.3	3.1	3.7	3.7	3.2	3.6	3.7	3.2	3.1	2.7				
61 - 90 days	2.7	2.3	2.05	2.2	2.1	2.0	2.3	1.7	3.0	2.3	2.5	2.2	2.6	2.4				
90 - 179 days	3.0	2.6	2.3	2.1	2.3	2.3	2.5	2.2	2.0	2.7	2.1	2.0	2.3	2.3				
over 180 days	6.3	9.3	10.5	10.7	10.6	10.8	11.3	11.7	11.9	12.3	13.3	13.7	13.7	14.1				
Total Arrears	17.7	18.2	18.9	18.5	18.3	18.1	19.7	19.3	20.1	20.9	21.6	21.1	21.7	21.5				
Total BS Loan Portfolio	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0				
Non-Accrual Loans (% by loan type)																		
Consumer	29.8	21.4	20.3	19.8	20.0	19.6	20.5	19.4	19.5	17.6	21.5	21.4	20.6	21.0				
Mortgage	41.4	52.1	54.8	55.4	55.0	57.1	57.0	56.8	57.7	52.6	50.7	50.0	49.6	48.8				
Other Private	27.8	25.7	24.2	24.1	24.3	22.6	21.9	23.2	22.2	29.2	27.2	28.0	29.2	29.6				
Public	1.0	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6				
Total Non-Accrual Loans	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0				
Provisions to Loan Portfolio																		
Consumer	4.2	5.1	4.9	5.4	5.5	5.4	5.4	5.5	7.2	7.5	6.1	6.6	8.2	7.1				
Mortgage	1.8	2.4	2.7	3.2	3.6	3.7	4.3	5.6	4.8	5.1	5.6	5.4	6.2	7.4				
Other Private	6.9	9.1	10.6	10.6	10.9	11.2	8.7	11.2	11.0	11.1	7.9	8.4	13.1	14.3				
Public	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Total Provisions to Total Loans	3.4	4.3	4.7	5.1	5.3	5.3	5.9	6.3	6.5	6.6	6.0	6.2	7.8	8.0				
Total Provisions to Non-performing Loans	37.1	36.6	36.8	40.0	41.3	41.2	43.0	45.6	46.7	44.4	39.2	39.6	49.2	49.2				
Total Non-performing Loans to Total Loans	9.3	11.9	12.7	12.7	12.8	13.0	13.6	13.9	13.8	15.0	15.3	15.6	15.9	16.3				

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

End of Period	(B\$ Millions)																	
	2009			2010			2011			2012			2013			2014		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
I. Statutory Reserves																		
Required reserves	290.3	298.1	298.1	305.0	306.0	310.9	307.9	301.9	302.2	305.7	307.4	303.3	304.2	309.4	311.4			
Average Till Cash	94.7	98.2	98.2	118.3	90.1	87.4	88.0	108.9	93.9	96.5	99.9	117.4	98.8	99.3	104.2			
Average balance with central bank	425.1	530.5	530.5	557.3	592.6	669.0	540.4	515.8	539.4	640.9	552.8	593.3	683.5	767.7	675.9			
Free cash reserves (period ended)	229.5	330.6	330.6	370.6	376.7	445.5	320.4	322.8	331.1	431.8	345.3	407.4	478.1	557.7	468.6			
II. Liquid Assets (period)																		
A. Minimum Required Liquid Assets	929.6	946.7	946.7	968.7	977.8	990.9	973.3	971.1	988.1	994.2	978.3	988.3	994.8	1,004.9	1009.2			
B. Net Eligible Liquid Assets	1,423.7	1,755.1	1,755.1	1,865.1	1,909.1	1,973.2	1,893.5	1,938.2	2,068.3	2,147.5	2,091.6	2,126.1	2,236.9	2,365.0	2,163.0			
i) Balance with Central Bank	375.6	518.7	518.7	560.1	609.1	670.3	509.8	563.3	609.8	659.0	575.7	513.6	696.9	757.5	629.9			
ii) Notes and Coins	112.3	113.7	113.7	127.4	81.1	84.0	87.2	127.9	96.1	94.2	92.4	138.6	101.5	100.7	106.1			
iii) Treasury Bills	214.0	293.7	293.7	275.4	301.6	321.6	274.6	219.3	342.1	378.6	388.1	392.4	430.9	514.2	452.5			
iv) Government registered stocks	671.4	774.8	774.8	843.7	843.7	835.1	962.0	957.6	953.7	950.9	959.1	962.2	930.7	922.3	899.0			
v) Specified assets	45.7	53.0	53.0	55.2	57.1	57.0	57.1	56.9	56.7	56.7	56.6	56.6	56.3	56.1	56.1			
vi) Net Inter-bank dem/call deposits	4.7	1.2	1.2	3.3	16.5	5.2	2.8	13.2	9.9	8.1	19.7	62.7	20.6	14.2	19.3			
vii) Less: borrowings from central bank	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
C. Surplus/(Deficit)	494.1	808.4	808.4	896.4	931.3	982.3	920.2	967.1	1,080.2	1,153.3	1,113.3	1,137.8	1,242.1	1,360.1	1,153.8			

Source: The Central Bank of The Bahamas

TABLE 11

GOVERNMENT OPERATIONS AND FINANCING

(B\$ Millions)

Period	2012/13p			2013/14p			Budget			2012/13p			2013/14p			2014/15p		
	2012/13p	2013/14p	2014/15	2013/14	2014/15	2015/16	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	QTR. IV
Total Revenue & Grants	1,354.6	1,450.0	1,763.3	1,493.2	1,763.3	2,014.4	296.8	368.0	342.1	347.7	305.3	356.2	391.2	397.3	316.5			
Current expenditure	1,545.0	1,506.3	1,714.4	1,635.2	1,714.4		370.0	379.7	384.6	410.8	360.8	403.2	388.1	354.3	387.0			
Capital expenditure	258.3	226.1	273.3	236.4	273.3		62.3	52.8	59.1	84.1	30.2	46.2	38.7	111.1	60.3			
Net lending	96.4	79.3	59.1	57.6	59.1		9.2	60.8	12.4	14.0	11.1	19.2	13.9	35.2	20.1			
Overall balance	(545.2)	(361.8)	(283.5)	(436.1)	(283.5)		(144.7)	(125.3)	(114.0)	(161.2)	(96.8)	(112.3)	(49.4)	(103.3)	(150.9)			
FINANCING (I+II-III+IV+V)	545.2	361.8	283.5	436.1	283.5		144.7	125.3	114.0	161.2	96.8	112.3	49.4	103.3	150.9			
I. Foreign currency borrowing	231.8	631.2	103.5	55.5	103.5		4.6	210.1	12.9	4.1	108.4	150.4	306.0	66.4	0.4			
External	231.8	440.2	103.5	55.5	103.5		4.6	210.1	12.9	4.1	108.4	25.4	306.0	0.4	0.4			
Domestic	--	191.0	--	--	--		--	--	--	--	--	125.0	--	66.0	--			
II. Bahamian dollar borrowing	792.0	340.0	343.2	465.8	343.2		327.9	105.0	180.0	179.1	155.0	70.0	20.0	95.0	239.0			
i) Treasury bills	294.1	81.0	--	--	--		4.9	50.0	180.0	59.1	20.0	31.0	--	30.0	30.0			
Central Bank	294.1	81.0	--	--	--		4.9	50.0	180.0	59.1	20.0	31.0	--	30.0	30.0			
Commercial banks & OLFIs	--	--	--	--	--		--	--	--	--	--	--	--	--	--			
Public corporations	--	--	--	--	--		--	--	--	--	--	--	--	--	--			
Other	--	--	--	--	--		--	--	--	--	--	--	--	--	--			
ii) Long-term securities	375.0	115.0	--	--	--		300.0	25.0	--	50.0	115.0	--	--	--	--			
Central Bank	31.5	53.0	--	--	--		26.5	--	--	5.0	53.0	--	--	--	--			
Commercial banks & OLFIs	14.3	13.1	--	--	--		12.1	--	--	2.2	13.1	--	--	--	--			
Public corporations	52.6	0.0	--	--	--		27.6	25.0	--	--	--	--	--	--	--			
Other	276.6	48.9	--	--	--		233.8	--	--	42.8	48.9	--	--	--	--			
iii) Loans and Advances	123.0	144.0	--	--	--		23.0	30.0	--	70.0	20.0	39.0	20.0	65.0	209.0			
Central Bank	53.0	144.0	--	--	--		23.0	30.0	--	--	20.0	39.0	20.0	65.0	209.0			
Commercial banks	--	--	--	--	--		--	--	--	70.0	--	--	--	--	--			
III Debt repayment	260.6	505.7	157.8	85.2	157.8		63.1	95.6	62.0	39.8	61.2	131.5	286.5	26.5	51.5			
Domestic	247.0	491.8	141.0	66.8	141.0		62.0	90.0	60.0	35.0	60.0	125.8	285.0	21.0	50.0			
Bahamian dollars	247.0	366.8	75.0	66.8	75.0		62.0	90.0	60.0	35.0	60.0	125.8	160.0	21.0	50.0			
Internal foreign currency	--	125.0	--	--	66.0		--	--	--	--	--	--	125.0	--	--			
External	13.6	13.9	16.8	18.4	16.8		1.1	5.6	2.0	4.8	1.2	5.7	1.5	5.5	1.5			
IV Net Sale of Shares & Other Equity	--	--	--	--	--		--	--	--	--	--	--	--	--	--			
V. Cash balance change	(27.5)	(50.8)	--	--	--		(13.2)	(7.4)	(10.8)	3.9	(2.0)	(52.5)	(2.2)	5.9	18.5			
VI Other Financing	(190.5)	(52.9)	(5.4)	--	(5.4)		(111.6)	(86.7)	(6.1)	13.9	(103.4)	75.9	12.0	(37.5)	(55.4)			

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

TABLE 12
NATIONAL DEBT

End of Period	(B\$' 000s)											
	2011p	2012p	2013p	2013p			2014p			2014p		
				Sept.	Dec.	Mar.	Jun.	Sept.				
TOTAL EXTERNAL DEBT	800,235	1,042,602	1,187,848	1,166,532	1,187,848	1,492,432	1,487,253	1,486,109				
By Instrument												
Government Securities	600,000	600,000	600,000	600,000	600,000	900,000	900,000	900,000				
Loans	200,235	442,602	587,848	566,532	587,848	592,432	587,253	586,109				
By Holder												
Commercial Banks	--	--	--	--	--	--	--	--				
Offshore Financial Institutions	--	--	--	--	--	--	--	--				
Multilateral Institutions	171,794	216,541	239,202	224,696	239,202	240,394	235,215	234,244				
Bilateral Institutions	28,441	46,061	67,103	60,293	67,103	70,495	70,495	70,322				
Private Capital Markets	600,000	600,000	600,000	600,000	600,000	900,000	900,000	900,000				
Other Financial Institutions	--	180,000	281,543	281,543	281,543	281,543	281,543	281,543				
TOTAL INTERNAL DEBT	3,006,080	3,357,317	3,795,658	3,726,457	3,795,658	3,530,658	3,670,658	3,859,658				
By Instrument												
Foreign Currency	--	--	125,000	--	125,000	--	66,000	66,000				
Government Securities	--	--	--	--	--	--	--	--				
Loans	--	--	125,000	--	125,000	--	66,000	66,000				
Bahamian Dollars	3,006,080	3,357,317	3,670,658	3,726,457	3,670,658	3,530,658	3,604,658	3,793,658				
Advances	110,588	105,657	134,657	125,657	134,657	64,657	129,657	134,657				
Treasury Bills	301,609	349,142	579,282	588,282	579,282	519,282	549,282	579,282				
Government Securities	2,593,637	2,872,273	2,956,473	2,962,273	2,956,473	2,946,473	2,925,473	2,875,473				
Loans	246	30,246	246	50,246	246	246	246	204,246				
By Holder												
Foreign Currency	--	--	125,000	--	125,000	--	66,000	66,000				
Commercial Banks	--	--	125,000	--	125,000	--	66,000	66,000				
Other Local Financial Institutions	--	--	--	--	--	--	--	--				
Bahamian Dollars	3,006,080	3,357,317	3,670,658	3,726,457	3,670,658	3,530,658	3,604,658	3,793,658				
The Central Bank	292,802	404,992	542,419	548,860	542,419	400,533	412,729	501,574				
Commercial Banks	1,118,286	1,187,797	1,345,740	1,388,364	1,345,740	1,352,906	1,429,607	1,508,288				
Other Local Financial Institutions	9,357	9,357	9,357	9,357	9,357	9,228	6,824	5,950				
Public Corporations	684,963	730,169	684,911	687,546	684,911	679,317	673,078	665,276				
Other	900,672	1,025,002	1,088,231	1,092,330	1,088,231	1,088,674	1,082,420	1,112,570				
TOTAL FOREIGN CURRENCY DEBT	800,235	1,042,602	1,312,848	1,166,532	1,312,848	1,492,432	1,553,253	1,552,109				
TOTAL DIRECT CHARGE	3,806,315	4,399,919	4,983,506	4,892,989	4,983,506	5,023,090	5,157,911	5,345,767				
TOTAL CONTINGENT LIABILITIES	558,227	603,316	601,183	606,515	601,183	641,634	638,372	651,321				
TOTAL NATIONAL DEBT	4,364,542	5,003,236	5,584,689	5,499,504	5,584,689	5,664,724	5,796,283	5,997,088				

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)											
	2011p	2012p	2013p	2013p			2014p			Sept.		
			Sep.	Dec.	Mar.*	Jun	Sept.					
Outstanding Debt at Beginning of Period	1,374,824	1,461,731	1,893,895	1,911,456	2,024,145	2,319,237	2,379,464					
Government	798,632	800,235	1,042,602	1,057,809	1,166,532	1,492,432	1,553,253					
Public Corporations	576,192	661,496	851,293	853,647	857,613	826,438	826,211					
Plus: New Drawings	244,312	537,014	308,715	119,654	153,887	73,738	18,545					
Government	79,519	253,130	282,359	109,918	150,415	66,358	385					
Public Corporations	164,793	283,884	26,356	9,736	3,472	7,380	18,160					
Less: Amortization	174,537	105,438	64,935	6,965	40,357	132,091	10,392					
Government	78,861	11,351	13,724	1,195	5,710	5,537	1,529					
Public Corporations	95,676	94,087	51,211	5,770	34,647	5,633	8,863					
Other Changes in Debt Stock	17,132	588	1,611	--	1,611	--	--					
Government	945	588	1,611	--	1,611	--	--					
Public Corporations	16,187	--	--	--	--	--	--					
Outstanding Debt at End of Period	1,461,731	1,893,895	2,139,286	2,024,145	2,139,286	2,319,237	2,379,464	2,387,617				
Government	800,235	1,042,602	1,312,848	1,166,532	1,312,848	1,492,432	1,553,253	1,552,109				
Public Corporations	661,496	851,293	826,438	857,613	826,438	826,805	826,211	835,508				
Interest Charges	73,657	98,494	109,932	14,659	40,397	14,287	43,329	23,746				
Government	48,002	51,053	57,759	2,592	26,301	5,263	32,453	14,940				
Public Corporations	25,655	47,441	52,173	12,067	14,096	9,024	10,876	8,806				
Debt Service	248,194	203,932	174,867	21,624	80,754	146,378	56,840	34,138				
Government	126,863	62,404	71,483	3,787	32,011	131,721	37,990	16,469				
Public Corporations	121,331	141,528	103,384	17,837	48,743	14,657	18,850	17,669				
Debt Service Ratio (%)	7.5	5.5	5.0	2.5	9.8	15.9	5.5	3.9				
Government Debt Service/ Government Revenue (%)	8.1	4.5	5.3	1.2	9.0	33.7	9.6	5.2				
Commercial Banks	362.2	346.7	451.9	332.5	451.9	322.2	383.1	378.6				
Multilateral Institutions	187.2	239.1	272.4	258.5	272.4	279.2	273.5	278.2				
Bilateral Institutions	44.4	46.1	67.1	60.3	67.1	70.5	70.5	70.3				
Other	267.9	662.1	747.8	772.8	747.8	747.4	752.4	760.6				
Private Capital Markets	600.0	600.0	600.0	600.0	600.0	900.0	900.0	900.0				

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

* Debt servicing for the 1st quarter of 2014 includes the refinancing of \$125 million in Government debt. Net of this transaction, the Government debt service/revenue ratio was 2.2% and the debt service ratio was 1.7%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	(B\$ Millions)											
	2011p			2012			2013			2014		
	2011p	2012p	2013p	Qtr.IVp	Qtr.IIp	Qtr.IIp	Qtr.IVp	Qtr.IIp	Qtr.IIp	Qtr.IIp	Qtr.IIp	Qtr.IIp
A. Current Account Balance (I+II+III+IV)	(1,192.7)	(1,504.6)	(1,490.1)	(437.8)	(268.8)	(207.6)	(486.7)	(526.9)	(321.4)	(348.3)	(533.0)	
I. Merchandise (Net)	(2,132.1)	(2,401.4)	(2,211.0)	(570.4)	(556.3)	(537.2)	(529.0)	(588.6)	(570.6)	(583.5)	(577.3)	
Exports	833.5	984.0	954.9	263.6	235.6	242.0	257.2	220.1	211.4	240.9	215.6	
Imports	2,965.7	3,385.5	3,165.9	834.1	791.9	779.2	786.2	808.6	782.0	824.4	792.9	
II. Services (Net)	1,201.2	1,153.9	1,043.0	188.2	335.4	396.0	146.3	165.2	345.9	342.4	153.4	
Transportation	(195.8)	(264.6)	(244.8)	(54.9)	(65.6)	(58.6)	(65.2)	(55.3)	(73.7)	(61.3)	(75.0)	
Travel	1,895.3	2,025.9	2,022.2	389.4	562.1	619.6	429.0	411.5	560.7	636.6	452.3	
Insurance Services	(185.9)	(193.7)	(158.0)	(45.4)	(33.1)	(34.6)	(44.2)	(46.1)	(30.0)	(43.6)	(42.7)	
Offshore Companies Local Expenses	138.9	176.4	180.3	44.1	35.1	49.4	37.4	58.4	43.0	43.7	68.6	
Other Government	13.4	27.7	27.6	5.5	6.7	8.7	6.2	6.0	6.8	11.2	11.0	
Other Services	(464.7)	(617.8)	(784.3)	(150.6)	(169.7)	(188.5)	(216.7)	(209.3)	(161.0)	(244.2)	(260.8)	
III. Income (Net)	(225.6)	(267.6)	(329.1)	(56.5)	(53.0)	(79.2)	(102.3)	(94.6)	(81.9)	(126.1)	(96.6)	
1. Compensation of Employees	(47.9)	(45.1)	(35.8)	(8.4)	(12.1)	(9.7)	(10.5)	(3.5)	(14.0)	(18.5)	(16.9)	
2. Investment Income	(177.7)	(222.5)	(293.3)	(48.2)	(40.9)	(69.5)	(91.8)	(91.1)	(67.9)	(107.6)	(79.6)	
IV. Current Transfers (Net)	(36.2)	10.5	7.1	1.0	5.1	12.7	(1.8)	(9.0)	(14.8)	18.9	(12.5)	
1. General Government	113.4	120.7	126.4	23.2	34.8	35.4	28.9	27.3	25.2	39.2	28.4	
2. Private Sector	(149.6)	(110.2)	(119.3)	(22.3)	(29.7)	(22.7)	(30.6)	(36.2)	(40.0)	(20.3)	(40.8)	
B. Capital and Financial Account (I+II) (excl. Reserves)	987.6	1,306.3	990.0	405.1	72.4	241.6	271.7	404.2	390.6	419.6	246.5	
I. Capital Account (Net Transfers)	(5.5)	(7.3)	(9.6)	(1.8)	(4.2)	(1.3)	(2.0)	(2.2)	(1.9)	(2.7)	(3.5)	
II. Financial Account (Net)	993.1	1,313.6	999.6	406.9	76.6	242.9	273.7	406.4	392.5	422.3	249.9	
1. Direct Investment	666.6	526.2	382.3	162.4	108.8	89.1	37.0	147.3	14.4	199.2	38.4	
2. Portfolio Investment	(44.2)	(37.0)	(34.0)	(14.6)	(9.2)	(8.3)	(2.1)	(14.4)	(10.5)	(3.1)	(8.1)	
3. Other Investments	370.7	824.4	651.4	259.1	(23.0)	162.2	238.8	273.5	388.6	226.2	219.6	
Central Gov't Long Term Capital	70.7	238.7	133.8	204.5	15.4	5.2	98.9	14.3	304.6	(5.2)	(1.1)	
Other Public Sector Capital	58.9	172.4	4.0	3.5	1.8	6.1	7.6	(11.5)	5.2	0.6	4.9	
Banks	(101.4)	(2.3)	62.2	(26.2)	(84.8)	7.1	(24.3)	164.2	(54.9)	34.4	(17.2)	
Other	342.6	415.6	451.4	77.4	44.6	143.7	156.6	106.5	133.7	196.3	233.2	
C. Net Errors and Omissions	229.5	123.6	431.5	97.0	169.4	(20.1)	87.2	195.1	146.7	(11.9)	72.3	
D. Overall Balance (A+B+C)	24.4	(74.7)	(68.6)	64.3	(27.0)	13.9	(127.9)	72.4	215.8	59.4	(214.2)	
E. Financing (Net)	(24.4)	74.7	68.6	(64.3)	27.0	(13.9)	127.9	(72.4)	(215.8)	(59.4)	214.2	
Change in SDR holdings	0.7	146.8	(30.1)	147.5	0.7	(0.1)	(0.5)	(30.3)	(0.2)	(25.0)	3.5	
Change in Reserve Position with the IMF	0.0	(0.0)	(0.0)	0.0	0.2	(0.0)	(0.2)	(0.0)	(0.0)	(0.0)	0.4	
Change in Ext. Foreign Assets () = Increase	(25.1)	(72.1)	98.7	(211.9)	26.0	(13.8)	128.6	(42.1)	(215.6)	(34.3)	210.4	

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

	(B\$ '000)												
	2011				2012				2013				
	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	216,129	319,713	237,809	59,996	71,162	97,536	91,019	80,629	60,271	48,176	48,733		
ii) Imports ^R	930,047	874,839	726,902	233,012	215,571	211,509	214,747	211,386	139,758	209,467	166,291		
II. OTHER MERCHANDISE													
Domestic Exports													
Crawfish	64,337	70,936	78,948	19,132	8,633	13,613	29,558	10,943	8,959	13,446	45,600		
Fish Conch & other Crustacea	4,371	3,141	4,385	633	1,349	636	524	835	2,243	392	915		
Other cordials & Similar Materials/Sp	842	488	1,034	186	143	159	--	--	157	435	442		
Fruits & Veggies.	24	--	--	--	--	--	--	--	--	--	--		
Aragonite	11,497	7,298	2,037	3,604	1,132	2,298	264	188	617	984	248		
Other Natural Sands	2,893	3,175	204	1,352	325	773	726	35	34	45	90		
Rum/Beverages/Spirits & Vinegar	--	--	--	--	--	--	--	--	--	--	--		
Crude Salt	12,022	11,687	20,325	1,117	1,658	2,684	6,228	4,212	4,872	7,869	3,372		
Polystrene Products	135,846	7,676	182,339	1,307	1,691	2,727	1,951	41,286	44,002	55,823	41,228		
Other	94,611	86,633	74,615	20,726	26,465	20,738	18,704	7,605	25,831	24,215	16,964		
i) Total Domestic Exports	326,443	336,522	363,872	84,933	78,371	79,218	94,000	65,088	86,716	103,209	108,859		
ii) Re-Exports	184,371	171,449	209,478	58,476	40,841	37,424	34,708	46,555	68,906	59,515	34,502		
iii) Total Exports (i+ii)	510,814	507,972	573,351	143,408	119,213	116,643	128,708	111,644	155,622	162,724	143,361		
iv) Imports	2,480,809	2,772,177	2,639,002	788,696	652,039	652,799	678,643	621,868	670,844	620,024	726,266		
v) Retained Imports (iv-ii)	2,296,438	2,600,728	2,429,524	730,220	611,198	615,375	643,935	575,313	601,938	560,509	691,764		
vi) Trade Balance (i-v)	(1,969,995)	(2,264,206)	(2,065,652)	(645,287)	(532,827)	(536,157)	(549,935)	(510,225)	(515,222)	(457,300)	(582,905)		

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2011			2012			2013			2014	
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	
Visitor Arrivals	5,587,585	4,447,565	4,549,803	1,745,420	1,479,221	1,325,162	1,600,981	1,758,670	1,556,373		
Air	1,267,540	1,072,963	1,003,462	344,494	362,465	296,503	277,274	345,338	379,667		
Sea	4,320,045	3,374,602	3,546,341	1,400,926	1,116,756	1,028,659	1,323,707	1,413,332	1,176,706		
Visitor Type											
Stopover	1,345,920	1,136,787	1,077,379	359,371	388,218	329,790	286,117	359,511	n.a		
Cruise	4,161,556	3,248,694	3,414,829	1,368,283	1,066,465	980,081	1,294,407	1,377,043	1,119,334		
Day/Transit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Tourist Expenditure(BS 000's)											
Stopover	2,142	2,311	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Cruise	1,792	1,897	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Day	347	413	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
	3	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Number of Hotel Nights	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a		
Average Length of Stay	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a		
Average Hotel Occupancy Rates (%)											
New Providence	58.8	66.0	57.8	62.6	61.1	58.3	49.0	63.0	63.0		
Grand Bahama	42.3	47.1	42.7	46.4	45.4	40.9	38.0	56.3	56.3		
Other Family Islands	39.0	38.3	37.0	40.4	42.2	41.4	24.0	43.4	43.4		
Average Nightly Room Rates (\$)											
New Providence	224.8	227.2	225.2	263.6	232.4	200.5	204.4	253.5	253.5		
Grand Bahama	86.8	79.7	83.8	87.3	82.0	83.9	82.1	77.2	77.2		
Other Family Islands	152.2	184.9	167.3	196.4	172.7	147.6	152.4	204.6	204.6		

Source: The Ministry of Tourism