



# Quarterly Economic Review

---

**September, 2013**

---

*Vol. 22, No. 3*

The Quarterly Economic Review is a publication of The Central Bank of The Bahamas, prepared by The Research Department for issue in March, June, September and December. It replaces the former Quarterly Review which was last published for March 1992. All correspondence pertaining to the Economic Review should be addressed to:

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

[www.centralbankbahamas.com](http://www.centralbankbahamas.com)

**email address: [research@centralbankbahamas.com](mailto:research@centralbankbahamas.com)**

---

# QUARTERLY ECONOMIC REVIEW

Volume 22, No. 3  
September, 2013

## CONTENTS

	PAGE
<b>1. REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS</b>	
DOMESTIC ECONOMIC DEVELOPMENTS	1
FISCAL OPERATIONS	1
REAL SECTOR	3
TOURISM	3
CONSTRUCTION	4
EMPLOYMENT	5
PRICES	5
MONEY, CREDIT & INTEREST RATES	5
CAPITAL MARKETS DEVELOPMENTS	10
INTERNATIONAL TRADE & PAYMENTS	11
INTERNATIONAL ECONOMIC DEVELOPMENTS	12
<b>2. STATISTICAL APPENDIX (TABLES 1-16)</b>	14
<b>3. ARTICLE</b>	
SURVEY OF PRIVATE PENSION PLANS IN THE BAHAMAS (2008 - 2011)	32

# REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

## DOMESTIC ECONOMIC DEVELOPMENTS

Preliminary indications suggest that economic activity was relatively flat during the third quarter, constrained by weakness in the high value-added stopover segment of the tourism market, although benefitting from ongoing foreign investment funded projects which provided stable support to the construction sector. However, as the economic recovery remained narrow, there was some deterioration in employment conditions, and the banking sector's credit quality indicators. Meanwhile, consumer price inflation was relatively benign, due mainly to the pass-through effects of lower energy costs.

The fiscal outturn for the first quarter of FY2013/14 registered a comparatively lower deficit, largely based on a capital-led contraction in aggregate spending, alongside modest gains in non-tax receipts. Budgetary financing for the period was sourced mainly from internal sources, and consisted of a combination of long and short-term debt.

In the monetary sector, both bank liquidity and external reserves contracted over the review period, primarily on account of the seasonal increase in demand for foreign currency, and banks' profit repatriation activity. Credit activity continued to be constrained by the broad-based weakness in private sector demand, and banks' enhanced lending requirements, amid a deterioration in loan arrears.

On the external account, preliminary estimates indicate a widening of the current account deficit, due primarily to a construction-led decline in the services account surplus and higher net income outflows, which negated an improvement in the merchandise trade deficit. The capital and financial account surplus narrowed, owing to a contraction in other "miscellaneous" investment inflows from the prior year, when receipts were boosted by the external funding activities of a public corporation. In addition, direct investment inflows were reduced, mainly on account of a falloff in the equity component.

## FISCAL OPERATIONS

### OVERVIEW

The Government's overall deficit position improved by an estimated 33.9% (\$49.1 million) to \$95.6 million during the first quarter of FY2013/14, benefitting from a 9.2% (\$40.6 million) reduction in total spending to \$400.9 million, alongside a slight 2.9% (\$8.5 million) gain in revenues to \$305.3 million.

### REVENUE

Tax receipts—which comprised the bulk (89.0%) of total collections—declined marginally by 0.4% (\$1.0 million) to \$271.7 million. This outturn reflected a broad-based 9.9% (\$15.2 million) reduction in taxes on international trade and transactions, owing to lower receipts of excise taxes (\$6.8 million), import taxes (\$3.8 million), stamp tax from imports (\$3.5 million) and export taxes (\$1.0 million). In the context of weak tourism performance, departure taxes fell by 16.0% (\$5.2 million); and non-trade related stamp taxes decreased by 8.1% (\$2.7 million), as the timing-related \$4.9 million reduction in property stamp tax receipts surpassed the \$2.3 million rise in revenues from financial transactions. However, other "unallocated" tax receipts grew by over three-quarters (\$12.4 million) and property taxes advanced by 41.5% (\$5.4 million). Similarly, selective taxes on services firmed by 34.5% (\$3.5 million), benefitting from a \$4.0 million gain in hotel occupancy taxes, which compensated for the \$0.6 million decline in gaming tax collections. Smaller increases were registered for business & professional license fees (\$0.6 million) and motor vehicle taxes (\$0.1 million).

Non-tax revenue—at approximately 11% of total collections—expanded by 39.1% (\$9.4 million) to \$33.5 million. Timing-related factors contributed to growth in fines, forfeits & administration fees, of 46.7% (\$9.5 million), and income from other "miscellaneous" sources—inclusive of interest & dividends—rose by 42.8% (\$0.8 million). Conversely, proceeds from the sale of government property fell by \$0.8 million to under \$0.1 million.

<b>Government Revenue By Source</b>				
<b>(Jul. - Sep)</b>				
	<b>FY12/13</b>		<b>FY13/14</b>	
	<b>B\$M</b>	<b>%</b>	<b>B\$M</b>	<b>%</b>
Property Tax	13.0	4.4	18.3	6.0
Selective Services Tax	10.1	3.4	13.5	4.4
Busines. & Prof Lic. Fees	10.6	3.6	11.1	3.6
Motor Vehicle Tax	5.3	1.8	5.4	1.8
Departure Tax	32.2	10.8	27.0	8.9
Import Duties	84.1	28.3	80.3	26.3
Stamp Tax from Imports	3.5	1.2	--	--
Excise Tax	62.2	21.0	55.4	18.2
Export Tax	3.7	1.2	2.6	0.9
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	32.7	11.0	30.1	9.8
Other Tax Revenue	16.0	5.4	28.4	9.3
Fines, Forfeits, etc.	20.4	6.9	29.9	9.8
Sales of Govt. Property	0.9	0.3	0.1	--
Income	2.9	1.0	3.6	1.2
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	--	--
Grants	--	--	--	--
Less: Refunds	0.7	0.2	0.5	0.2
<b>Total</b>	<b>296.8</b>	<b>100.0</b>	<b>305.3</b>	<b>100.0</b>

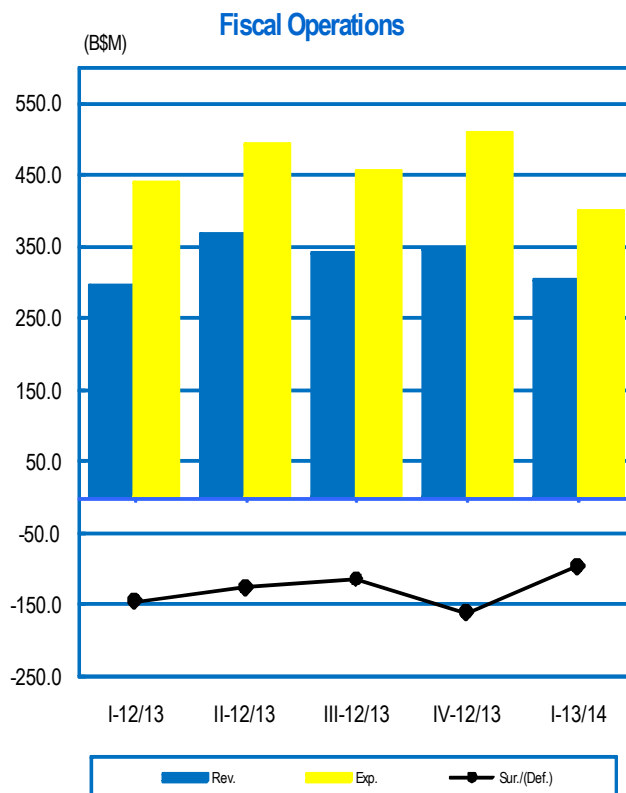
### EXPENDITURE

The contraction in total spending reflected broad-based declines in the major categories, with capital expenditure more than halved to \$30.2 million and current spending lower by 2.8% (\$10.4 million) at \$359.6 million. However, as Government provided increased financial support to the public corporations, net lending balances firmed by 20.2% (\$1.9 million) to \$11.1 million.

By economic classification, the fall-off in current expenditure largely reflected an 11.0% (\$25.6 million) decrease in consumption expenses to \$207.2 million. Specifically, purchases of goods & services fell by 27.9% (\$22.4 million), as certain expenditure categories were reclassified under transfers. As a consequence, transfer payments rose by 11.1% (\$15.2 million) to \$152.4 million, inclusive of increases in subsidies (\$9.3 million), contributions to overseas-based institutions (\$1.1 million), households (\$0.2 million) and public enterprises (\$0.1 million), while the increase in interest payments, by 17.9% (\$7.3 million) to \$48.1 million, correlated with the expanded debt stock. In a slight offset, declines were recorded for

transfers to non-profit institutions (\$2.6 million) and to non-financial public corporations (\$0.2 million).

By functional classification, the decrease in current spending was primarily explained by a reduction in Government's outlays for general public services, by 8.7% (\$10.1 million) to \$105.5 million. Disbursements also fell for economic services, by 17.4% (\$6.5 million) to \$31.1 million, due to broad-based declines in all categories, the most notable being for public works & water supply (\$2.6 million) and tourism (\$2.5 million). Smaller decreases were registered for education, of 5.8% (\$3.8 million) to \$62.1 million, social benefits & services, of 3.6% (\$1.1 million) to \$29.0 million; defence, of 7.2% (\$0.9 million) to \$11.3 million, and other community & social services, of 4.1% (\$0.2 million) to \$4.5 million. In contrast, outlays for health services firmed by 7.8% (\$4.8 million) to \$67.3 million.



Following the completion of several large-scale infrastructural development programmes in the prior period, outlays for capital formation receded by 45.2% (\$21.8 million) to \$26.4 million, and transfers to non-financial enterprises fell to a mere \$0.03 million from a year-earlier

\$8.2 million, which included the acquisition of aviation equipment. Asset acquisitions also declined by 29.6% (\$1.6 million) to \$3.7 million, as lower purchases of equity (\$2.2 million) and other miscellaneous assets (\$1.2 million), offset a \$1.9 million expansion in land acquisitions—primarily for public housing.

### **FINANCING AND THE NATIONAL DEBT**

Budgetary financing for the first quarter of FY2013/14 was sourced from a combination of domestic and external sources. Internal borrowing comprised \$115 million by way of bond issuances, and \$20.0 million each in Treasury bills and loans & advances. External loans amounted to \$102.4 million, the majority of which (US\$100 million equivalent) was obtained from a private financial institution. Of the \$61.2 million in debt repayments, 98% was related to Bahamian Dollar obligations.

As a result of these financing activities, the Direct Charge on the Government grew by 4.2% (\$196.2 million) during the quarter, and by 16.8% (\$703.1 million) year-on-year, to \$4,878.2 million at end-September, 2013. Approximately \$3,726.9 million (76.4%) of the Direct Charge was dominated in local currency, with the largest portion being held by commercial banks (37.3%), followed by private and institutional investors (29.3%), public corporations (18.5%), the Central Bank (14.7%) and other local financial institutions (0.3%). By instrument type, Government bonds comprised the bulk (79.5%) of domestic debt, and carried an average maturity of 11.6 years, while Treasury bills and loans & advances accounted for smaller shares, of 15.8% and 4.7%, respectively.

The Government's contingent liabilities were higher by 0.6% (\$3.5 million) to \$605.0 million over the review period, reflecting an increase in the outstanding obligations of a public utility company. As a result, the National Debt—which includes contingent liabilities—rose by 3.8% (\$199.6 million) since end-June 2013 and by 14.9% (\$711.7 million) on a yearly basis, to \$5,483.2 million at end-September, 2013.

### **PUBLIC SECTOR FOREIGN CURRENCY DEBT**

Public sector foreign currency debt increased by 5.4% (\$102.2 million) over the quarter to \$1,979.4 million by end-September, as new drawings of \$108.9 million outstripped the \$6.7 million in amortization payments. A

disaggregation of the data showed that the Government's portion—at 58.2% of the total—grew by 9.6% (\$101.2 million) to \$1,151.7 million, while the public corporations' debt rose slightly by 0.1% (\$1.0 million) to \$827.6 million.

In comparison to the same period a year earlier, debt service payments rose by 2.2% (\$0.4 million) to \$18.1 million. The Government's segment was higher by \$2.2 million at \$3.8 million, and comprised \$1.2 million in amortization expenses and \$2.6 million in interest charges. In contrast, the public corporations' debt service payments fell by 11.4% (\$1.8 million) to \$14.3 million, of which 56.5% was for interest expenses. At end-September, the Government's debt service-to-revenue ratio firmed by 0.7 of a percentage point to 1.2%, while the ratio of debt service to exports of goods and services moved higher on an annual basis, by 0.3 of a percentage point to 2.3%.

By creditor profile, the majority of the foreign currency debt was held by external private investors (37.6%), private capital markets (30.3%) and commercial banks (16.6%), while multilateral and bilateral institutions accounted for the remaining 12.9% and 2.5%, respectively.

At end-September 2013, the outstanding debt stock carried an average maturity of 14.2 years, down from 15.7 years in the prior period, and was primarily denominated in US dollars (92.3%), followed by euros (5.2%) and Chinese Yuan (2.5%).

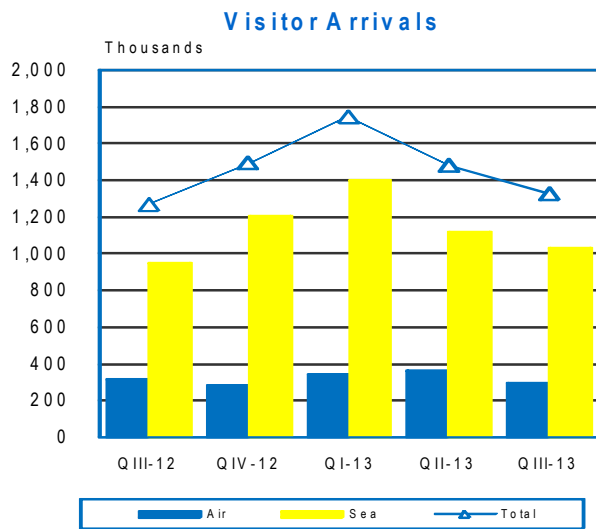
## **REAL SECTOR**

### **TOURISM**

Preliminary data for the third quarter indicated that the recovery in the tourism sector continued to be adversely impacted by factors such as economic weakness in the major source markets and heightened regional competition, alongside a modest reduction in room inventory.

Growth in visitor arrivals was lower at 4.6% over the quarter to number 1.3 million, from 5.6% in the prior year. Led by declines in the group business segment, visitors by air contracted by 7.2%—almost completely reversing the year-earlier 7.5% gain. In contrast, the 8.6% expansion in the dominant sea segment appreciably outpaced the 4.9% advance posted in 2012.

By ports of entry, the quarterly increase in tourists to New Providence steadied at 6.0%, as a 14.5% hike in sea arrivals offset an 8.1% reduction in visitors by air. Tourist gains in the Grand Bahama market tapered to 1.5% from 2.3%, mainly constrained by an 11.0% contraction in air traffic, as sea passengers firmed by 2.9%. Similarly, Family Island arrivals were 3.6% higher, following a 6.6% gain in the preceding year, explained by increases in sea and air visitors, of 4.0% and 0.5%, respectively.



Consistent with the falloff in the high value-added stopover segment, hotel performance indicators registered a deterioration during the review period. Based on data compiled for fourteen (14) major hotel properties within New Providence and Paradise Island, overall room revenues fell by 8.1% over the quarter, to contrast with a 1.6% improvement in the prior period. Reflecting the downturn in air arrivals, the average occupancy rate declined by 4.9 percentage points to 63.1%, despite a modest firming of \$2.05 (1.0%) in the average daily room rate to \$199.27.

**CONSTRUCTION**

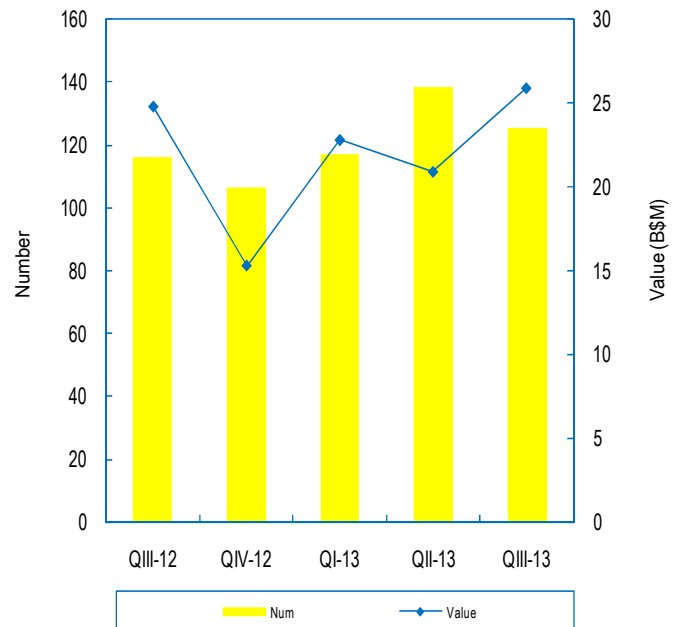
Activity in the construction sector continued to be supported by foreign investment related projects; particularly the major Baha Mar development, which is scheduled for an end-2014 opening, while another smaller Family Island hotel and casino operator completed phase one of its development. However, domestic private sector investment remained lacklustre, amid elevated

levels of indebtedness, loan arrears, and banks' conservative lending posture.

In this context, aggregate mortgage disbursements by banks, insurance companies and the Bahamas Mortgage Corporation, fell by \$3.8 million (14.1%) to \$23.1 million, extending the \$1.9 million (6.6%) reduction in the prior year. This outturn was solely attributed to a \$3.0 million (11.6%) decline in residential mortgages, to \$23.1 million, while the commercial component remained flat, following disbursements of \$0.7 million in 2012.

Indications are that the housing market may improve modestly over the near-term, as mortgage commitments for new construction and repairs—an indicator of future construction activity—strengthened by 7.8% (9) to 125 units, and by 4.2% (\$1.1 million) in value to \$25.9 million. This increase was solely attributed to the residential component, as the commercial segment had no new commitments, after one (1) valued at \$0.7 million a year earlier.

**Mortgage Commitments: New Construction and Repairs**



Interest rate trends showed borrowing costs narrowing over the period, with both the average commercial and residential loan rates falling by 20 and 10 basis points, to 8.2% and 8.1%, respectively.

## EMPLOYMENT

Reflecting the narrowness of the recovery in the domestic economy, the unemployment rate firmed by 2.2 percentage points to 16.2% between November 2012 and May 2013, compared to a 1.2 percentage point decline in the same six-month period of 2012. This outturn was partly due to a one-third reduction in the volatile discouraged workers' component, to an estimated 7,970, resulting in a net increase in the labour force, while the employment count also contracted by 1,260 persons to 163,995. The worsening in the jobless rate was explained by a 2.3 percentage point rise in the female category, to 16.3%, and a 2.0 percentage advance in the male component, to 16.1%.

By major labour markets, the jobless rates in New Providence and Grand Bahama grew to 15.9% and 19.5%, from 13.1% and 18.0%, respectively. The highest combined rates were registered in the 15 to 24 age category, where joblessness rose by 10 basis points to 30.8%.

## PRICES

Domestic consumer price inflation slowed to almost negligible levels (0.02%) during the third quarter, from 1.83% in the comparable period last year. Underlying this development, costs related to housing, water, gas electricity & other fuels—the most heavily weighted component—contracted by 0.95%, a reversal from a 3.37% increase in 2012. Declines in average prices were also recorded for recreation & culture (1.69%), food & non-alcoholic beverages (0.17%), and furnishing, household equipment & routine maintenance (0.08%), compared to gains of 0.34%, 3.41% and 2.73% last year. These were supported by slower average cost accretions for health, of 185 basis points to 0.4%; education, of 37 basis points to 2.12% and miscellaneous goods & services, of 21 basis points to 0.48%. In a modest offset, inflation rates firmed for alcohol, tobacco & narcotics, restaurant & hotels and clothing & footwear, to 4.67%, 3.43% and 0.44%, from a year-earlier 1.29%, 0.30% and 0.31%, respectively. In addition, mean communication costs declined by a tempered 1.96% relative to 2.67% in 2012, while average transport prices grew by 1.17%, having receded by 0.42% in the previous period.

## Retail Price Index

(Annual % Changes)  
September

Items	Weight	2012		2013	
		Index	%	Index	%
Food & Non-Alcoholic Beverages	120.4	105.4	3.0	105.5	0.2
Alcohol, Tobacco & Narcotics	6.4	104.9	1.3	111.3	6.3
Clothing & Footwear	37.76	100.6	0.3	100.8	3.8
Housing, Water, Gas, Electricity	334.83	107.8	3.0	106.6	-1.9
Furn. & Household, Maintenance	64.26	107.0	2.1	106.7	0.0
Health	44.5	105.1	2.3	106.3	1.6
Transportation	119.13	114.3	0.2	115.0	-0.6
Communication	41.19	95.6	-6.0	97.4	1.9
Rec., & Culture	22.73	103.6	0.4	99.8	1.0
Education	30.05	106.1	2.5	109.4	3.0
Restaurant & Hotels	38.24	105.7	0.3	109.2	3.4
Misc. Goods & Svcs.	140.52	102.0	0.8	102.4	0.4
ALL ITEMS	1000	106.2	1.6	106.3	0.0

Despite the modest increase in global oil prices during the review period, the average cost of diesel and gasoline narrowed, by 0.17¢ (3.4%) and 0.06¢ (1.2%), to \$4.97 and \$5.39 per gallon, relative to the prior three-month period. However, on a yearly basis, the prices of both fuels were higher by 0.5% and 0.9%, respectively. In contrast, the Bahamas Electricity Corporation's fuel charge contracted, both on a quarterly and annual basis, by 7.7% (2.18¢) and 4.2% (1.16¢), to 26.16¢ per kilowatt hour (kWh).

## MONEY, CREDIT AND INTEREST RATES

### OVERVIEW

Third quarter monetary developments featured declines in both bank liquidity and external reserves, owing mainly to seasonal increases in foreign currency demand and domestic banks' profit repatriations. In the context of the weak economic momentum, there was sustained softness in private sector demand, although the public sector had increased recourse to the banking sector. With no notable improvement in both employment conditions and borrowers' ability to meet debt obligations, banks' credit quality indicators deteriorated during the third quarter, although levelling off from the steep in-



creases experienced following the recent economic recession. Notwithstanding, banks were able to post an improvement in overall profitability, in the June quarter, given the reduction in bad debt provisions. The interest rate environment showed a widening of the spread between average loan and deposit rates, reflecting a combination of a firming in the average loan rate and a slight reduction in the deposit rate component.

### LIVIDITY

Banks' net free cash reserves declined by \$86.5 million (20.0%) to \$345.3 million, although below last year's \$125.1 million reduction, and represented an increased 5.7% of deposit liabilities compared to 5.3% a year earlier. Similarly, the surplus on the broader liquid assets narrowed by \$41.5 million (3.6%) to \$1,111.8 million, extending the previous year's contraction of \$62.1 million (6.3%). By end-September, liquid assets exceeded the statutory requirement by 113.6%, compared with 94.5% in the same period of 2012.

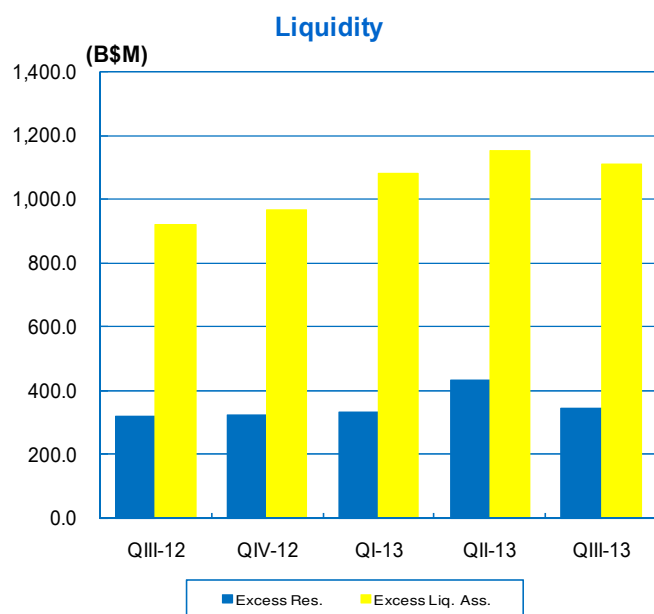
currency in circulation and a private sector-led fall-off in demand deposits of \$7.7 million (0.6%). After posting a sharp \$150.5 million (2.4%) decline last year, the reduction in broad money (M2) was almost halved to \$82.5 million (1.3%) and was broadly-based. Driven by a reduction in private sector firms' deposits, fixed balances were lower by \$49.0 million (1.4%), although markedly below the year-earlier \$92.6 million (2.6%) drop, and the decline in savings balances was held to \$20.2 million (1.8%) from the prior year's \$34.6 million (3.0%) contraction. Robust gains in private placements underpinned a \$71.4 million (27.7%) hike in foreign currency balances, to reverse the \$15.0 million (6.1%) decrease in 2012.

By composition, fixed deposits accounted for the largest portion of the money stock (52.6%), followed by demand (22.2%) and savings (16.9%) balances, while foreign currency deposits and currency in active circulation represented much smaller shares, at 5.1% and 3.2%, respectively.

### DOMESTIC CREDIT

Buoyed by increased lending to the Government, total domestic credit surged by \$131.9 million (1.5%) over the review quarter, outpacing the \$98.4 million (1.1%) gain posted a year earlier. As such, the dominant Bahamian dollar component—at an estimated 91.9% of the total—increased by \$106.2 million (1.3%), almost double the previous year's \$50.8 million (0.6%) expansion, while the \$25.7 million (3.7%) gain in foreign currency credit was below the \$47.6 million (6.7%) advance achieved in 2012.

The expansion in net claims on the Government accelerated to \$117.1 million (6.4%) from \$53.1 million (3.3%) in the prior year, and was mainly in the form of short-term advances and debt securities. In addition, credit to the rest of the public sector grew by \$16.9 million (3.6%), although less than half the year-earlier \$39.6 million expansion. Reflecting the still anaemic level of consumer demand and the conservative lending stance of banks, amid the elevated incidence of loan arrears, claims on the private sector fell by \$2.1 million, a reversal from the prior year's \$5.7 million (0.1%) gain. The Bahamian component was lower by \$18.4 million (0.3%), and outstripped the \$16.3 million (4.6%) expansion in foreign currency claims, which included the funding of several overseas acquisitions by a local utility company.

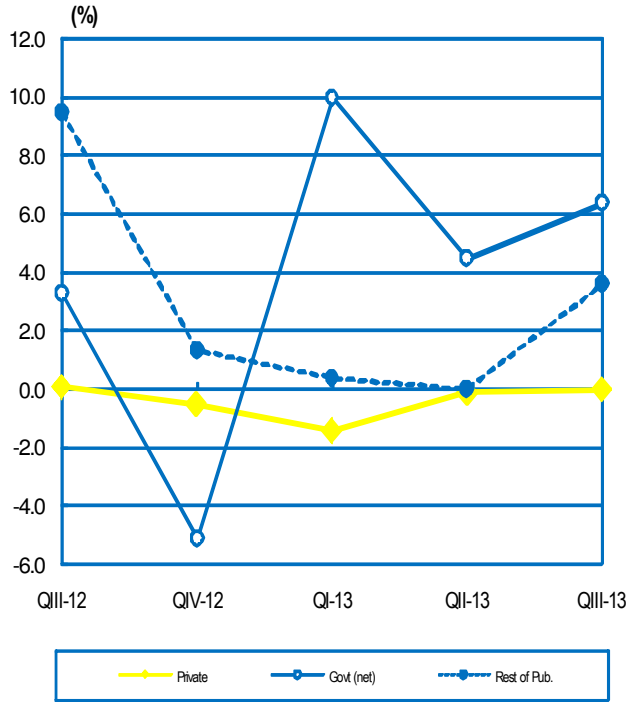


### DEPOSITS AND MONEY

Overall, the monetary aggregates (M3) fell by \$11.1 million (0.2%) to \$6,444.6 million at end-September, relative to a sharp contraction of \$165.2 million (2.5%) in 2012. In terms of the components, the decline in narrow money (M1) receded to \$13.3 million (0.8%) from \$23.0 million (1.5%), based on a \$7.6 million (3.5%) decrease in

Under private sector credit, personal loans—which comprised the majority (73.2%) of outstanding claims—fell marginally by \$0.6 million (0.01%), following last year’s \$11.4 million (0.2%) upturn, as a decline in the dominant residential mortgage segment by 0.2%, overshadowed gains in overdrafts (4.0%) and consumer credit (0.3%).

Changes in Credit



Consumer instalment credit—at 41.3% of personal loans—registered growth in lending for travel (\$6.7 million), education (\$6.3 million), furnishings & domestic appliances, (\$2.6 million), credit cards (\$5.2 million), home improvements (\$4.3 million) and land purchases (\$1.7 million). However, these were significantly muted by decreases in miscellaneous (\$11.0 million), debt consolidation (\$7.3 million) and private car (\$2.1 million) loans. Among the remaining private sector credit categories, the most significant net repayments were for miscellaneous (\$26.0 million), transport (\$4.7 million), tourism (\$4.1 million) and agriculture (\$2.8 million) loans. Conversely, banks’ claims in the entertainment & catering, construction, manufacturing, and fisheries sectors were elevated by \$17.7 million, \$10.9 million, \$3.5 million, and \$2.8 million, respectively.

## MORTGAGES

Data on mortgage activity for the third quarter—as reported by banks, insurance companies and the Bahamas Mortgage Corporation—showed that total mortgages outstanding rose by \$18.3 million (0.6%) to \$3,309.4 million, extending last year’s \$15.5 million (0.5%) expansion. Residential mortgages, at 93.9% of the total, grew by \$14.3 million (0.5%) to \$3,106.2 million, after a similar increase of \$14.0 million (0.5%) in the prior period, and the \$4.0 million (2.0%) gain in the commercial component was more than double the year-earlier \$1.5 million (0.7%) growth. At end-September, the largest portion of outstanding mortgages continued to be held by domestic banks (89.1%), with insurance companies and the Bahamas Mortgage Corporation accounting for significantly smaller proportions, of 5.8% and 5.1%, respectively.

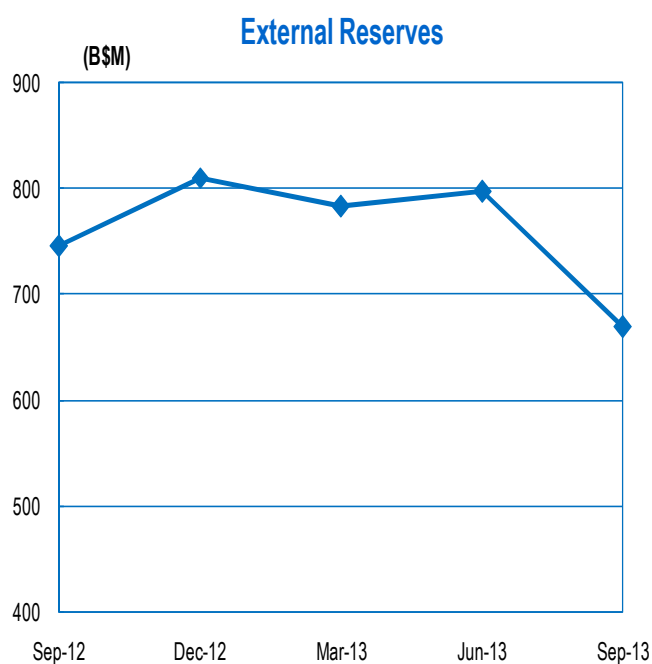
Distribution of Bank Credit By Sector  
End-September

	2012		2013	
	B\$M	%	B\$M	%
Agriculture	14.5	0.2	12.7	0.2
Fisheries	10.8	0.2	10.1	0.1
Mining & Quarry	2.5	0.0	2.2	0.0
Manufacturing	41.6	0.6	52.1	0.7
Distribution	178.0	2.5	219.7	3.1
Tourism	65.5	0.9	51.0	0.7
Enter. & Catering	68.8	1.0	78.0	1.1
Transport	38.3	0.5	37.0	0.5
Construction	433.0	6.0	420.2	5.9
Government	207.3	2.9	201.8	2.9
Public Corps.	332.2	4.6	357.6	5.1
Private Financial	17.0	0.2	21.2	0.3
Prof. & Other Ser.	115.4	1.6	103.7	1.5
Personal	5,218.5	72.6	5,179.5	73.2
Miscellaneous	444.0	6.2	326.9	4.6
<b>TOTAL</b>	<b>7,187.4</b>	<b>100.0</b>	<b>7,073.7</b>	<b>100.0</b>

## THE CENTRAL BANK

Reflecting increased holdings of debt securities, the Bank's net claim on the Government firmed by \$63.7 million (13.8%), relative to last year's \$28.7 million (8.7%) gain. The Bank's net liabilities to the rest of the public sector also expanded, by \$7.2 million, having declined by \$2.2 million in 2012, while amounts due to commercial banks decreased by \$86.0 million (11.5%).

Buoyed by the seasonal firming in foreign currency demand in the second half of the year, combined with commercial banks' profit repatriations, external reserves fell by \$127.9 million (16.1%) over the quarter, although below the \$182.1 million contraction in 2012. Underlying this outturn, the Bank's net sale of foreign currency to banks was lower by \$23.7 million at \$39.9 million, and transactions with the Government were reversed to a net purchase of \$23.6 million from a net sale of \$1.2 million. In transactions with the public corporations, the net sale—mainly for fuel purchases—fell by \$7.4 million to \$116.8 million.



At end-September, the stock of external reserves stood 11.5% lower at \$669.2 million year-on-year; when adjusted for the 50% statutory requirement on the Bank's Bahamian dollar liabilities, the resultant "useable" reserves fell by \$125.2 million to \$207.7 million. The lower

reserve stock equated to a slightly less 14.3 weeks of non-oil merchandise import cover compared with 14.6 weeks in the prior period.

## DOMESTIC BANKS

Credit to the private sector decreased by \$2.1 million (0.03%), a turnaround from a \$5.7 million (0.1%) expansion in the corresponding period of 2012, while increases in both short and long-term debt led a more than doubling in the growth in net claims on the Government, to \$53.4 million (3.9%) from last year's \$24.3 million (1.9%). Lending to the public corporations also rose by \$16.8 million (3.7%), although slowing from the \$39.5 million (9.6%) increase a year earlier. Reflecting profit remittances, commercial banks' net foreign liabilities fell by \$24.3 million (4.6%), following a \$56.4 million (9.9%) build-up in the prior period.

After a sharp decline of \$156.9 million (2.4%) in 2012, banks' total deposit liabilities fell by a more moderate \$8.5 million (0.1%) to \$6,343.2 million. Specifically, the contraction in private sector balances slackened by \$137.2 million to a mere \$8.0 million (0.1%), as an increase in business firms' balances offset declines in personal deposits. In addition, public sector deposits decreased further by \$2.4 million, although below the \$7.9 million (1.9%) reduction in the previous period.

At end-September, Bahamian dollars comprised 94.7% of banks' deposit liabilities, with private individuals accounting for more than half (53.1%). Next, in terms of size were business firms (31.1%), public corporations (5.5%), private financial institutions (4.0%), other entities (3.3%), the Government (2.1%) and public financial institutions (0.9%).

The longer term fixed deposits comprised the bulk of Bahamian dollar deposit liabilities, at 57.2%, followed by demand and savings balances with shares of 24.7% and 18.1%, respectively. A disaggregation by deposit size showed that while balances under \$10,000 held the largest number of accounts (89.0%), these constituted only 5.8% of the total value. Accounts between \$10,000 and \$50,000 represented 7.3% of the total number and 10.8% of the aggregate value, while deposits in excess of \$50,000 claimed only 3.7% of the total number, but dominated in value, at 83.4%.

## CREDIT QUALITY

Banks' credit quality indicators worsened over the third quarter, as the persistence of weak economic momentum and high unemployment levels, limited the improvement in borrowers' ability to service their current debt obligations. Total private sector loan arrears rose, on a quarterly basis, by \$60.0 million (4.7%) to \$1,326.5 million and by \$163.6 million (14.1%) year-on-year. The corresponding ratio of private sector arrears to total loans firmed by 1.0 percentage point over the three-month period, and by 2.9 percentage points on an annual basis, to 21.5%.

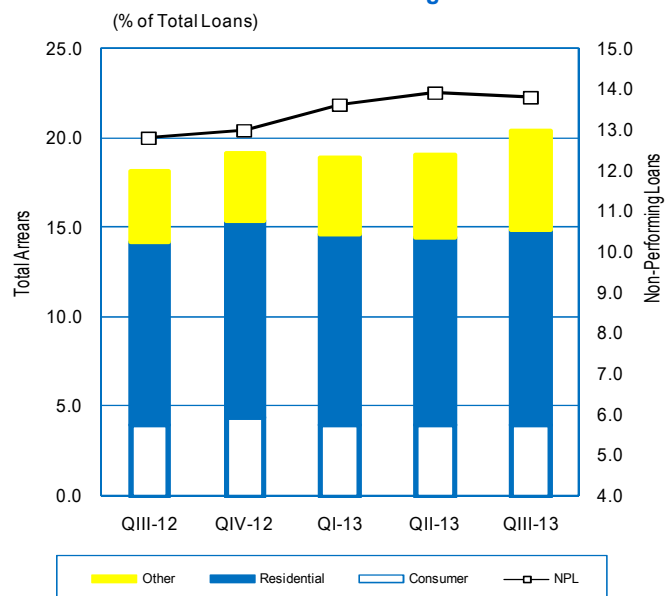
An analysis by the major components revealed that the growth in arrears was broad-based. The dominant mortgage component—at 52.7% of the total—expanded by \$32.4 million (4.9%) to \$698.5 million, and over the quarter and end-September 2012 by 1.0 and 1.2 percentage points, respectively, to 22.5%. Similarly, commercial arrears advanced by \$26.8 million (7.7%) to \$375.1 million, which equated to 37.5% of total loans—for an increase of 3.7 percentage points over the three month period and 14.5 percentage points year-on-year. Consumer loan arrears grew by \$0.8 million (0.3%) to \$253.0 million; however, the relevant ratio softened on a quarterly and yearly basis, by 3 basis points each, to 12.3%.

The deterioration in delinquencies was solely due to non-performing loans—those in excess of 90 days and on which banks stopped accruing interest—which moved higher by \$79.9 million (9.1%) to \$953.4 million over the quarter and, relative to total loans, by 1.3 percentage points and 2.1 percentage points on a quarterly and yearly basis, to 15.5%. In contrast, the short-term (31-90 day) category narrowed by \$19.9 million (5.1%) to \$373.1 million, occasioned by a significant reduction in commercial delinquencies, to secure a quarterly decrease of 31 basis points to 6.1% of total loans—although on a year-on-year basis, the ratio rose by 84 basis points.

As a result of these developments, commercial banks increased their provisions against loan losses, by \$15.1 million (3.7%) to \$423.3 million during the review period, elevating the ratio of provisions to total loans by 18 basis points to 6.6%. However, total provisions as a proportion of arrears and non-performing loans were

down, by 0.3 and 2.3 percentage points, to 31.9% and 44.4%, respectively.

### Loan Arrears & Non-Performing Balances



## BANK PROFITABILITY

Reflecting higher revenues from “non-core” operations and lower provisions for bad debt expenses, bank profitability rebounded during the second quarter of 2013 (the latest available data), by 20.4% (\$7.7 million) to \$45.5 million from a 41.9% (\$27.2 million) contraction in the previous year.

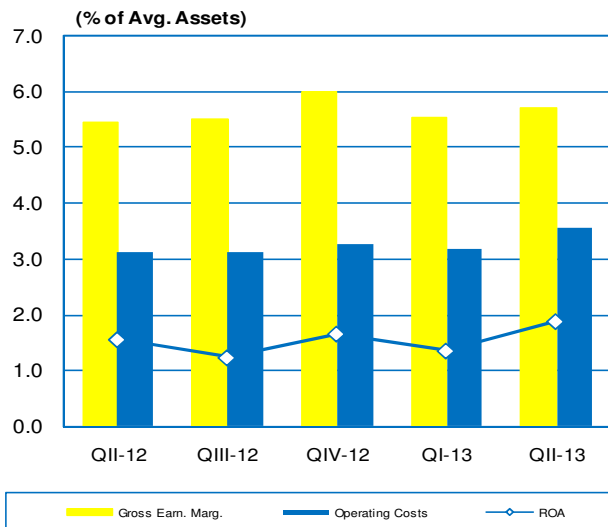
The interest margin rose by 4.5% (\$5.7 million) to \$133.0 million, as a 19.6%, (\$7.4 million), fall in interest expense outpaced a marginal 1.0% (\$1.7 million) decline in interest income. Commission & foreign exchange income grew by 15.0% (\$0.8 million), contributing to an expansion in the gross earnings margin of 4.9% (\$6.5 million) to \$139.0 million.

Operating outlays rose by 14.2% (\$10.7 million) to \$86.9 million, mainly due to broad-based gains in other “miscellaneous” and staff-related costs, of \$5.6 million and \$4.4 million, respectively, and occupancy outlays were up by \$0.8 million. Losses on “non-core” operating activities were more than halved to \$6.6 million from \$18.6 million a year earlier, owing to an \$8.4 million

contraction in bad debt provisions and a \$3.8 million increase in other “miscellaneous” income.

As a result of these developments, the majority of banks’ profitability ratios—which are measured relative to average assets—firmed during the quarter. The interest margin ratio rose by 23 basis points to 5.47%, while the commission & forex income ratio edged up by 3 basis points to 0.24%—contributing to an increase in the gross earnings margin ratio, by 27 basis points to 5.7%. In addition, the operating cost ratio moved higher by 44 basis points to 3.6%, narrowing the net earnings margin ratio by 18 basis points to 2.1%. The net income ratio also firmed, by 32 basis points to 1.87%, owing to the reduction in losses from “non-core” activities.

### Domestic Banks' Profitability



### INTEREST RATES

During the third quarter, the commercial banks’ weighted average interest rate spread widened by 44 basis points to 9.6 percentage points, as the average deposit rate decreased slightly by 1 basis point to 1.7% and the corresponding loan rate advanced by 43 basis points to 11.3%.

In terms of deposits, the average rate on demand and savings balances declined by 1 and 9 basis points to 0.32% and 0.87%, respectively. The average rate range on fixed balances also narrowed to 1.44% - 2.12% from 1.41% - 2.29% in the prior year.

Broad-based increases were recorded for the various lending rates, led by commercial mortgages (83 basis points) and consumer loans (39 basis points), to 8.4% and 13.9%, respectively. More muted rate gains were noted for residential mortgages, of 3 basis points to 7.2%, and for overdrafts, of 23 basis points to 9.7%.

Among other key interest rates, the average Treasury bill rate edged down by 2 basis points to 0.27%, while the Central Bank’s Discount and commercial banks’ Prime Rates were unchanged, at 4.50% and 4.75%, respectively.

### Banking Sector Interest Rates

Period Average (%)

	Qtr. III 2012	Qtr. II 2013	Qtr. III 2013
<b>Deposit Rates</b>			
Demand Deposits	0.33	0.33	0.32
Savings Deposits	1.31	0.96	0.87
Fixed Deposits			
Up to 3 months	1.56	1.41	1.44
Up to 6 months	1.89	1.59	1.21
Up to 12 months	2.49	2.06	2.07
Over 12 months	2.52	2.29	2.12
<b>Weighted Avg Deposit Rate</b>	<b>1.93</b>	<b>1.69</b>	<b>1.68</b>
<b>Lending Rates</b>			
Residential mortgages	7.43	7.13	7.16
Commercial mortgages	8.33	7.57	8.40
Consumer loans	13.84	13.51	13.90
Other Local Loans	7.87	8.29	6.99
Overdrafts	9.91	9.48	9.71
<b>Weighted Avg Loan Rate</b>	<b>11.80</b>	<b>10.85</b>	<b>11.28</b>

### CAPITAL MARKETS DEVELOPMENTS

Reflecting investors’ relatively cautious posture, capital market activity was soft during the quarter. The volume of shares traded declined marginally, by 0.03 million (3.0%) to 0.98 million, for a corresponding drop in value of 12.2% (\$0.5 million) to \$3.7 million. In terms of performance, the Bahamas International Securities Exchange (BISX) All Share Index lost 0.02% to 1,406.4 points, vis-à-vis a 0.3% contraction in the prior year, and market capitalization decreased slightly by 0.04% to \$2,900.1 million, following 2012’s 0.2% contraction. At end-September 2013, the total number of securities listed on the Exchange remained at twenty-six (26).

## INTERNATIONAL TRADE AND PAYMENTS

Initial estimates for the third quarter of 2013 showed an expansion in the estimated current account deficit, by \$15.9 million (3.1%) to \$533.1 million, in comparison to the same quarter a year earlier, as a deterioration in the services account surplus, alongside a widening in the income account deficit, eclipsed the narrowing in the merchandise trade deficit. In addition, the capital and financial account surplus declined sharply, by \$104.3 million (31.6%) to \$226.3 million, following on a year-earlier public sector borrowing-led surge in the other “miscellaneous” investments category.

The estimated merchandise trade deficit improved by \$42.5 million (7.3%) to \$538.4 million, as the \$23.8 million (9.4%) falloff in exports to \$230.4 million, was eclipsed by a \$66.4 million (7.9%) decline in imports to \$768.8 million. In particular, the net non-oil component decreased by \$69.4 million (15.4%) to \$381.8 million, and fuel imports were reduced by \$16.1 million (6.2%) to \$245.0 million, as lower import volumes negated gains in average costs. Higher average import prices were posted for the majority of oil product categories; the cost per barrel of aviation gas more than doubled to \$387.13, while smaller gains were recorded for propane, motor gas and gas oil, of 12.5% to \$66.98, 2.8% to \$128.44 and 1.9% at \$127.16. Conversely, jet fuel prices fell, on average, by 3.3% to \$129.33 per barrel.

The estimated services account surplus narrowed by \$41.7 million (27.8%) to \$108.2 million, owing to a foreign investment related \$54.3 million (61.6%) rise in net construction services outflows to \$142.6 million. The net transportation outflow edged up by \$1.0 million to \$67.0 million, while ongoing softness in tourism sector output led to a contraction in net travel receipts, by \$28.7 million (6.8%) to \$392.1 million. In addition, offshore companies’ local expenses, as well as the net inflow for Government services, weakened by \$6.6 million and \$1.6 million, to \$37.7 million and \$6.2 million, respectively. In a slight offset, remittances for insurance services decreased by \$27.9 million (38.8%) to \$44.0 million, and the net payment for other “miscellaneous” services was lower by \$23.2 million (25.1%) at \$69.4 million.

The deficit on the income account broadened by \$15.6 million (18.3%) to \$101.2 million. Underlying this

outturn, net investment income outflows rose by \$15.7 million (20.9%) to \$90.7 million, as private companies’ interest and dividends firmed by \$13.4 million (17.1%) to \$92.0 million. In particular, non-banks’ profit repatriations expanded by \$25.7 million (51.6%) to \$75.4 million, overshadowing the decline in commercial banks’ remittances by \$12.3 million (42.5%) to \$16.6 million. By contrast, net official inflows were lower by \$2.2 million (63.1%) at \$1.3 million, based on a \$2.1 million increase in Government’s interest payments to \$2.6 million, and a slight \$0.1 million decrease in the Bank’s net investment income receipts to \$3.9 million. Meanwhile, labour income remittances steadied at \$10.5 million.

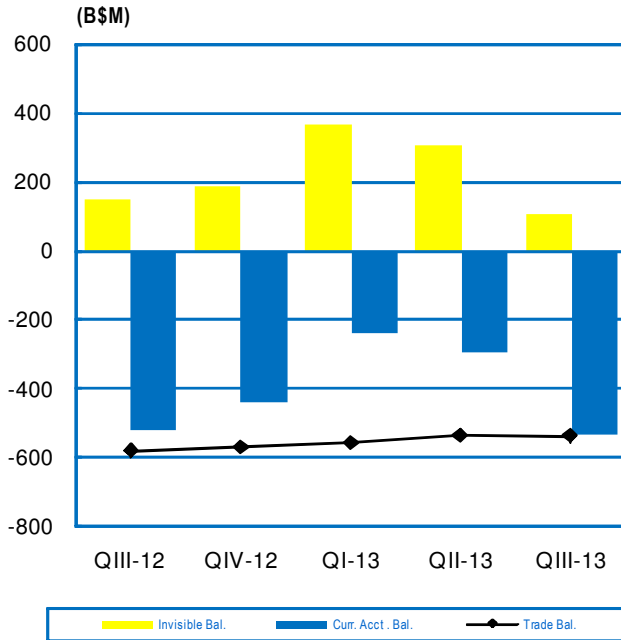
Net current transfer outflows rose by \$1.1 million to \$1.8 million, paced by a \$3.4 million (10.5%) decrease in net Government receipts to \$28.9 million. In a modest offset, net “miscellaneous” outflows fell by \$2.3 million (6.9%) to \$30.6 million, as a \$3.2 million (10.9%) easing in worker remittances negated a \$0.9 million gain in “other” net transfer outflows.

The contraction in the surplus on the capital and financial account was largely attributed to an \$88.8 million reduction in net other “miscellaneous” investment inflows to \$195.7 million, as the public sector’s capital inflows fell to \$6.7 million from a \$89.2 million surge in 2012, when an aviation-related entity obtained external funding for its expansion project. In addition, commercial banks’ short-term transactions were reversed, from a net inflow of \$56.2 million to a net repayment of \$24.3 million. Providing some offset, net private sector borrowings—linked primarily to loan financing for a major foreign investment project—advanced by \$74.3 million to \$213.3 million. This contrasted with reduced direct investment inflows of \$23.8 million to \$34.6 million, as equity investments were nearly halved to \$37.8 million, outpacing the \$4.7 million decline in net real estate payments to \$3.1 million. Net portfolio investment outflows decreased by \$7.8 million to \$2.1 million, inclusive of a \$1.5 million drop in net equity investments to \$2.1 million and the absence of debt securities acquisitions versus \$6.3 million last year. In addition, net capital transfers fell marginally by \$0.5 million to \$2.0 million.

As a result of these developments, and after adjusting for net errors and omissions, the deficit on the overall balance, which corresponds to the change in Central

Bank's external reserves, contracted by \$54.2 million to \$127.9 million.

### Balance of Payments



## INTERNATIONAL ECONOMIC DEVELOPMENTS

Indications are that the global economy continued to expand during the third quarter, although the recovery remained uneven and fragile. Asian economies maintained their upward, but slowed growth trajectory, while gains in consumer spending and inventory investments sustained the United States' economic recovery; although the euro zone still lacked momentum, amid ongoing fiscal and structural reforms. Unemployment rates declined slightly in most of the developed economies, and inflationary pressures were relatively benign. Awaiting more evidence of a sustained economic rebound, all major central banks kept interest rates at historic lows, which supported gains in major stock market indices, as investors increased their holdings of higher-yielding assets. Increased demand for investments in overseas markets contributed to a depreciation in the United States dollar against other major currencies over the review period.

During the third quarter, real GDP growth for the United States advanced at an upwardly revised annual-

ized pace of 3.6%, relative to 2.5% in the previous three-month period, on account of positive contributions from private inventory investment, personal consumption expenditures, exports and government spending. Stronger consumer spending and a pickup in investment sustained the United Kingdom economy's upturn at 0.8% in the third quarter, following on 0.7% growth in the prior three-month period, while output expansion in the euro area slowed to 0.1% from 0.3% in the second quarter, as recessionary conditions continued to plague many of the southern states. In Asia, increased spending and exports powered China's real GDP growth to 7.8% year-on-year, up from the previous quarter's 7.5% gain. However, Japan's output growth was roughly halved to an annualized rate of 1.9% from 3.8% in the second quarter, as weaker consumption and exports offset the appreciable gains in public spending and property investment.

Given the modest improvement in economic conditions, the unemployment rates fell in most major economies over the review period. In the United States, the jobless rate decreased by 40 basis points to 7.2% at end-September, relative to the prior period, as the number of unemployed persons declined by 522,000. Similarly, the addition of 155,000 jobs in the United Kingdom resulted in the quarterly unemployment rate narrowing by 10 basis points to 7.7%. Continued weakness in business conditions in several peripheral countries resulted in the euro zone's jobless rate rising by 10 basis points to 12.2% at end-September. In Asia, the unemployment rate improved for China, by 10 basis points to 4.0% at end-September, but rose marginally for Japan, to 4.0%.

Reflecting sustained softness in consumer demand, alongside lower energy costs, inflation rates eased in most of the major economies. Annualized inflation slowed for the United States, by 60 basis points to 1.2% at end-September, compared to the prior three months; for the United Kingdom, by 20 basis points to 2.7%, and in the euro area, by 0.5 of a percentage point to 1.6% in September. In contrast, higher prices for food, consumer goods and services buoyed China's inflation rate to 3.1% year-on-year, up from 2.7% in the prior quarter, and average annual consumer prices in Japan rose by 1.1%, to reverse last year's 0.3% contraction, as a weaker yen inflated import prices.

Buoyed by investors' increased appetite for riskier overseas assets, the US dollar weakened against all of

---

the major currencies during the three months to September. Specifically, the dollar retreated by 6.0% relative to the British Pound, to £0.62, and by 4.3% against the Swiss Francs to CHF 0.90. Similarly, the dollar declined vis-à-vis the euro and the Canadian dollar, by 3.8% and 2.0% to €0.74 and CAD \$1.03, respectively. In the Asian markets, the dollar recorded declines versus both the Japanese Yen, by 0.9% to ¥98.25 and the Chinese Yuan, by 0.3% to CNY 6.12.

Major equity markets returned broadly positive results in the third quarter, on account of a strengthening in the global economy, the US Federal Reserve's decision to delay tapering of its quantitative easing, and in spite of the volatility sparked by geopolitical tensions. In the United States, the Dow Jones Industrial Average and the S&P 500 indices firmed by 1.5% and 4.7%, respectively, during the quarter, and the European bourses recorded their best quarterly gains since 2010—with France's CAC40 surging by 10.8%, Germany's DAX, by 8.0% and the United Kingdom's FTSE, by 4.0%. In the Asian markets, central banks' stimulus measures prompted gains in Japan's Nikkei 225 of 9.9% and China's SE Composite of 5.7%.

Although global consumer demand remained relatively tame over the review period, concerns over stability in the Middle East, as well as supply disruptions, pushed crude oil prices up by 6.2% to US\$108.96 per barrel during the quarter. The downward trend in precious metal prices also showed some respite over the three months, with the cost of gold rising by 7.6% to US\$1,328.94 per ounce, and the price of silver, by 10.3% to US\$21.70 per ounce.

All major central banks either maintained or enhanced their highly accommodative monetary policy measures during the third quarter. The US Federal Reserve held the federal funds rate between 0.00% - 0.25%, and decided that economic conditions were not yet strong enough to begin the process of winding down its quantitative easing programmes. Similarly, the Bank of England kept its official Bank rate at a historic low of 0.5% and continued to purchase £375 billion in Government debt each month, while the European Central Bank maintained its benchmark interest rates at historic lows. In an attempt to further liberalize its monetary policy framework, the People's Bank of China removed controls on lending rates for financial institutions and announced

plans to ease controls on bank deposit rates. The Bank also injected US\$2.2 billion in liquidity support into the banks. Further, the Bank of Japan sustained its money market operations, so as to contain the expansion in the monetary base.

External trade patterns diverged across the major markets over the review period. The United States trade gap widened by \$2.6 billion (2.2%) to \$120.7 billion in the third quarter vis-à-vis the prior period, as a 0.9% increase in imports overshadowed a 0.7% rise in exports. Similarly, as the 1.5% fall in exports outstripped the marginal 0.2% reduction in imports, the United Kingdom's goods and services deficit deteriorated by 30.7% to £7.2 billion between the June and September quarters. Underpinned by the combination of a 1.7% decrease in exports and a 0.2% gain in imports, the euro zone's trade surplus declined by €9.3 billion (20.6%) to €35.8 billion over the same period. In Asia, China's trade surplus narrowed by 4.9% (US\$3.2 billion) to US\$61.6 billion during the third quarter, as increased domestic demand supported gains in imports, eclipsing the rise in exports. Japan's trade deficit deteriorated by 41.9% to ¥2,931.7 billion over the June quarter, largely reflecting the adverse impact of a weaker yen on external trade and travel services.



---

**STATISTICAL APPENDIX**  
**(Tables 1-16)**

---

## STATISTICAL APPENDIX

Table 1	Financial Survey
Table 2	Monetary Survey
Table 3	Central Bank Balance Sheet
Table 4	Domestic Banks Balance Sheet
Table 5	Profit and Loss Accounts Of Banks In The Bahamas
Table 6	Money Supply
Table 7	Consumer Installment Credit
Table 8	Selected Average Interest Rates
Table 9	Selected Credit Quality Indicators of Domestic Banks
Table 10	Summary of Bank Liquidity
Table 11	Government Operations and Financing
Table 12	National Debt
Table 13	Public Sector Foreign Currency Debt Operations
Table 14	Balance of Payments Summary
Table 15	External Trade
Table 16	Selected Tourism Statistics

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	2008	2009	2010	2011				2012				2013		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
<b>(B\$ Millions)</b>														
<b>Net foreign assets</b>	(140.9)	134.1	152.1	312.0	571.5	382.1	280.8	308.9	356.2	117.6	208.4	266.2	273.0	169.4
Central Bank	562.9	816.0	860.4	975.1	1076.1	955.6	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2
Domestic Banks	(703.8)	(681.9)	(708.3)	(663.1)	(504.6)	(573.5)	(604.0)	(581.1)	(571.8)	(628.2)	(601.8)	(517.0)	(524.1)	(499.8)
<b>Net domestic assets</b>	6,064.9	5,898.2	6,038.9	5,916.0	5,779.9	5,969.9	6,029.6	6,120.9	6,149.1	6,222.5	6,095.3	6,162.5	6,182.7	6,275.2
Domestic credit	7,909.1	8,039.7	8,448.2	8,302.3	8,213.2	8,415.2	8,536.9	8,666.5	8,698.8	8,797.2	8,685.0	8,753.8	8,824.6	8,956.5
Public sector	1,372.3	1,443.8	1,875.5	1,817.0	1,710.3	1,815.7	1,889.4	1,998.8	2,042.7	2,135.4	2,055.7	2,216.8	2,295.2	2,429.2
Government (net)	924.0	1,023.9	1,413.7	1,366.8	1,259.2	1,401.4	1,439.2	1,524.8	1,624.9	1,678.0	1,592.2	1,751.4	1,829.6	1,946.7
Rest of public sector	448.3	419.9	461.8	450.2	451.1	414.3	450.2	474.0	417.8	457.4	463.5	465.4	465.7	482.5
Private sector	6,536.8	6,595.9	6,572.7	6,485.3	6,502.9	6,599.5	6,647.5	6,667.7	6,656.1	6,661.8	6,629.3	6,537.0	6,529.4	6,527.3
Other items (net)	(1,844.2)	(2,141.5)	(2,409.3)	(2,386.3)	(2,433.3)	(2,445.3)	(2,507.3)	(2,545.6)	(2,549.7)	(2,574.7)	(2,589.7)	(2,591.3)	(2,641.9)	(2,681.3)
<b>Monetary liabilities</b>	5,924.0	6,032.3	6,191.1	6,228.0	6,351.4	6,352.0	6,310.4	6,429.8	6,505.3	6,340.1	6,303.7	6,428.7	6,455.7	6,444.7
Money	1,274.5	1,283.6	1,335.2	1,340.0	1,425.7	1,423.9	1,434.8	1,486.7	1,532.8	1,509.8	1,574.9	1,590.9	1,653.5	1,640.3
Currency	205.8	207.8	194.5	194.3	194.1	202.1	196.9	203.5	207.3	208.2	216.5	216.7	215.6	208.0
Demand deposits	1,068.7	1,075.8	1,140.6	1,145.7	1,231.6	1,221.8	1,237.9	1,283.2	1,325.5	1,301.6	1,358.4	1,374.2	1,437.9	1,432.3
Quasi-money	4,649.5	4,748.7	4,855.9	4,888.0	4,925.7	4,928.1	4,875.6	4,943.1	4,972.5	4,830.3	4,728.8	4,837.8	4,802.2	4,804.4
Fixed deposits	3,427.7	3,521.4	3,615.4	3,647.3	3,663.3	3,676.3	3,605.9	3,596.7	3,581.0	3,488.4	3,444.1	3,496.8	3,434.9	3,385.9
Savings deposits	1,020.4	995.4	1,015.8	1,039.9	1,040.0	1,037.5	1,063.7	1,084.8	1,144.8	1,110.2	1,069.0	1,091.7	1,109.7	1,089.5
Foreign currency	201.4	231.9	224.7	200.8	222.4	214.3	206.0	261.6	246.7	231.7	215.7	249.4	257.6	329.0
<b>(percentage changes)</b>														
<b>Total domestic credit</b>	6.4	1.7	5.1	(1.7)	(1.1)	2.5	1.4	1.5	0.4	1.1	(1.3)	0.8	0.8	1.5
Public sector	12.9	5.2	29.9	(3.1)	(5.9)	6.2	4.1	5.8	2.2	4.5	(3.7)	7.8	3.5	5.8
Government (net)	6.6	10.8	38.1	(3.3)	(7.9)	11.3	2.7	5.9	6.6	3.3	(5.1)	10.0	4.5	6.4
Rest of public sector	28.4	(6.3)	10.0	(2.5)	0.2	(8.2)	8.7	5.3	(11.9)	9.5	1.3	0.4	0.0	3.6
Private sector	5.1	0.9	(0.4)	(1.3)	0.3	1.5	0.7	0.3	(0.2)	0.1	(0.5)	(1.4)	(0.1)	(0.0)
<b>Monetary liabilities</b>	5.1	1.8	2.6	0.6	2.0	0.0	(0.7)	1.9	1.2	(2.5)	(0.6)	2.0	0.4	(0.2)
Money	(2.0)	0.7	4.0	0.4	6.4	(0.1)	0.8	3.6	3.1	(1.5)	4.3	1.0	3.9	(0.8)
Currency	(8.0)	1.0	(6.4)	(0.1)	(0.1)	4.1	(2.6)	3.3	1.9	0.4	4.0	0.1	(0.5)	(3.5)
Demand deposits	(0.7)	0.7	6.0	0.4	7.5	(0.8)	1.3	3.7	3.3	(1.8)	4.4	1.2	4.6	(0.4)
Quasi-money	7.2	2.1	2.3	0.7	0.8	0.0	(1.1)	1.4	0.6	(2.9)	(2.1)	2.3	(0.7)	0.0

Source: The Central Bank of The Bahamas

**TABLE 2**  
**MONETARY SURVEY**

End of Period	2008	2009	2010	2011				2012				2013		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
<b>(B\$ Millions)</b>														
<b>Net foreign assets</b>	(123.6)	167.3	113.9	266.4	516.9	385.2	287.5	304.3	362.6	119.4	214.2	272.6	262.9	167.6
Central Bank	562.9	816.0	860.4	975.1	1076.1	955.6	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2
Commercial banks	(686.5)	(648.7)	(746.6)	(708.7)	(559.2)	(570.4)	(597.3)	(585.7)	(565.4)	(626.4)	(596.0)	(510.6)	(534.2)	(501.6)
<b>Net domestic assets</b>	6,018.5	5,832.9	6,040.6	5,919.4	5,793.2	5,924.9	5,978.9	6,054.3	6,086.5	6,168.5	6,034.8	6,105.6	6,107.7	6,204.5
Domestic credit	7,882.7	8,000.0	8,417.1	8,273.2	8,187.4	8,389.4	8,509.0	8,637.2	8,669.0	8,767.5	8,655.5	8,726.4	8,797.1	8,928.7
Public sector	1,369.3	1,428.3	1,861.0	1,802.2	1,702.2	1,806.7	1,879.5	1,986.7	2,030.1	2,122.5	2,042.8	2,203.9	2,282.5	2,416.4
Government (net)	921.0	1,008.4	1,404.6	1,357.4	1,251.2	1,392.9	1,429.8	1,513.2	1,612.7	1,665.7	1,579.9	1,739.0	1,817.3	1,934.4
Rest of public sector	448.3	419.9	456.4	444.8	451.0	413.8	449.7	473.5	417.3	456.8	462.9	464.9	465.2	482.0
Private sector	6,513.4	6,571.7	6,556.1	6,470.9	6,485.2	6,582.6	6,629.5	6,650.4	6,638.9	6,645.0	6,612.7	6,522.5	6,514.6	6,512.3
Other items (net)	(1,864.2)	(2,167.1)	(2,376.5)	(2,353.8)	(2,394.2)	(2,464.5)	(2,530.1)	(2,582.9)	(2,582.5)	(2,599.0)	(2,620.7)	(2,620.8)	(2,689.4)	(2,724.2)
<b>Monetary liabilities</b>	5,894.9	6,000.2	6,154.6	6,185.8	6,310.1	6,308.6	6,266.4	6,358.6	6,449.1	6,287.9	6,249.0	6,378.2	6,370.6	6,372.2
Money	1,257.6	1,261.9	1,314.7	1,316.4	1,401.5	1,398.4	1,408.2	1,448.9	1,496.8	1,485.3	1,541.9	1,562.0	1,598.3	1,601.5
Currency	205.8	207.8	194.5	194.3	194.1	202.1	196.9	203.5	207.3	208.2	216.5	216.7	215.6	208.0
Demand deposits	1,051.8	1,054.1	1,120.2	1,122.1	1,207.4	1,196.3	1,211.3	1,245.5	1,289.5	1,277.1	1,325.4	1,345.3	1,382.7	1,393.5
Quasi-money	4,637.3	4,738.3	4,839.8	4,869.4	4,908.6	4,910.2	4,858.2	4,909.7	4,952.3	4,802.6	4,707.1	4,816.3	4,772.3	4,770.7
Savings deposits	1,020.2	995.3	1,015.8	1,039.9	1,040.0	1,037.5	1,063.7	1,084.8	1,144.7	1,110.1	1,069.0	1,091.6	1,109.7	1,089.5
Fixed deposits	3,415.8	3,511.1	3,601.8	3,632.1	3,649.4	3,660.6	3,592.3	3,580.7	3,567.3	3,476.5	3,428.4	3,481.0	3,418.7	3,365.9
Foreign currency deposits	201.3	231.9	222.2	197.4	219.2	212.1	202.2	244.2	240.3	216.0	209.7	243.7	243.9	315.3
<b>(percentage change)</b>														
<b>Total domestic credit</b>	6.5	1.5	5.2	(1.7)	(1.0)	2.5	1.4	1.5	0.4	1.1	(1.3)	0.8	0.8	1.5
Public sector	12.9	4.3	30.3	(3.2)	(5.6)	6.1	4.0	5.7	2.2	4.6	(3.8)	7.9	3.6	5.9
Government (net)	6.6	9.5	39.3	(3.4)	(7.8)	11.3	2.6	5.8	6.6	3.3	(5.2)	10.1	4.5	6.4
Rest of public sector	28.4	(6.3)	8.7	(2.5)	1.4	(8.2)	8.7	5.3	(11.9)	9.5	1.3	0.4	0.1	3.6
Private sector	5.2	0.9	(0.2)	(1.3)	0.2	1.5	0.7	0.3	(0.2)	0.1	(0.5)	(1.4)	(0.1)	(0.0)
<b>Monetary liabilities</b>	5.2	1.8	2.6	0.5	2.0	(0.0)	(0.7)	1.5	1.4	(2.5)	(0.6)	2.1	(0.1)	0.0
Money	(1.7)	0.3	4.2	0.1	6.5	(0.2)	0.7	2.9	3.3	(0.8)	3.8	1.3	2.3	0.2
Currency	(8.0)	1.0	(6.4)	(0.1)	(0.1)	4.1	(2.6)	3.3	1.9	0.4	4.0	0.1	(0.5)	(3.5)
Demand deposits	(0.3)	0.2	6.3	0.2	7.6	(0.9)	1.3	2.8	3.5	(1.0)	3.8	1.5	2.8	0.8
Quasi-money	7.2	2.2	2.1	0.6	0.8	0.0	(1.1)	1.1	0.9	(3.0)	(2.0)	2.3	(0.9)	(0.0)

Source: The Central Bank of The Bahamas

**TABLE 3**  
**CENTRAL BANK BALANCE SHEET**

(B\$ Millions)

End of Period	2008	2009	2010	2011			2012				2013			
				Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.
<b>Net foreign assets</b>	562.9	816.0	860.4	975.1	1,076.1	955.6	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2
Balances with banks abroad	205.8	270.9	175.2	265.7	298.5	183.2	115.0	124.1	164.9	5.4	216.5	200.7	209.1	80.7
Foreign securities	347.4	356.2	499.7	518.5	584.9	584.4	585.0	579.4	580.4	554.8	555.7	545.4	550.8	550.6
Reserve position in the Fund	9.6	9.8	9.6	9.9	10.0	9.8	9.6	9.7	9.5	9.6	9.6	9.4	9.4	9.6
SDR holdings	0.1	179.1	175.9	181.0	182.7	178.2	175.2	176.8	173.2	176.0	28.4	27.7	27.8	28.3
<b>Net domestic assets</b>	76.9	73.3	156.7	148.4	111.9	179.9	187.4	194.9	218.0	249.4	280.1	323.7	357.4	396.3
Net claims on Government	198.8	182.1	259.8	244.6	213.8	282.7	289.2	304.9	328.3	357.1	394.7	438.6	460.6	524.4
Claims	202.9	202.8	274.3	261.7	222.2	291.3	300.8	315.8	333.5	368.5	404.8	460.7	484.9	548.7
Treasury bills	6.3	--	--	--	--	19.9	26.2	20.0	21.5	63.5	129.6	187.0	209.5	200.0
Bahamas registered stock	124.6	105.8	162.3	149.7	148.2	160.9	164.0	165.2	174.3	169.4	169.5	168.0	169.7	223.0
Loans and advances	72.0	97.0	112.0	112.0	74.0	110.6	110.6	130.6	137.7	135.6	105.7	105.7	105.7	125.7
Deposits	(4.1)	(20.7)	(14.5)	(17.0)	(8.4)	(8.6)	(11.6)	(10.9)	(5.2)	(11.4)	(10.1)	(22.1)	(24.3)	(24.3)
In local currency	(4.1)	(20.7)	(14.5)	(17.0)	(8.4)	(8.6)	(11.6)	(10.9)	(5.2)	(11.4)	(10.1)	(22.1)	(24.3)	(24.3)
In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Deposits of rest of public sector	(10.4)	(15.8)	(15.4)	(7.5)	(9.4)	(10.4)	(7.1)	(14.8)	(12.9)	(10.6)	(14.7)	(10.3)	(16.4)	(23.5)
Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Official capital and surplus	(125.9)	(140.5)	(132.0)	(133.6)	(134.9)	(136.6)	(139.2)	(140.5)	(141.1)	(142.0)	(139.3)	(143.0)	(143.0)	(141.3)
Net unclassified assets	7.1	40.5	38.0	38.5	36.0	37.9	38.4	39.2	37.8	39.0	33.7	32.8	50.7	31.2
Loans to rest of public sector	6.5	6.2	5.6	5.6	5.6	5.4	5.2	5.2	5.0	5.0	4.8	4.8	4.6	4.6
Public Corp Bonds/Securities	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
<b>Liabilities To Domestic Banks</b>	(439.0)	(486.5)	(631.0)	(731.9)	(794.8)	(739.1)	(684.3)	(688.8)	(749.9)	(595.1)	(682.6)	(703.7)	(751.8)	(666.6)
Notes and coins	(117.6)	(111.8)	(113.2)	(84.5)	(85.7)	(79.7)	(126.9)	(80.6)	(83.5)	(86.7)	(127.4)	(95.6)	(93.7)	(91.9)
Deposits	(321.4)	(374.7)	(517.8)	(647.4)	(709.1)	(659.4)	(557.4)	(608.2)	(666.4)	(508.4)	(555.2)	(608.1)	(658.1)	(574.8)
SDR allocation	(15.8)	(195.0)	(191.6)	(197.3)	(199.1)	(194.3)	(191.0)	(192.7)	(188.8)	(191.9)	(191.2)	(186.5)	(187.1)	(190.9)
Currency held by the private sector	(205.8)	(207.8)	(194.5)	(194.3)	(194.1)	(202.1)	(196.9)	(203.5)	(207.3)	(208.2)	(216.5)	(216.7)	(215.6)	(208.0)

Source: The Central Bank of The Bahamas

**TABLE 4**  
**DOMESTIC BANKS BALANCE SHEET**

(B\$ Millions)

End of Period	2008	2009	2010	2011				2012				2013		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
<b>Net foreign assets</b>	(703.8)	(681.9)	(705.8)	(663.1)	(504.6)	(573.5)	(604.0)	(581.1)	(571.8)	(628.2)	(601.8)	(517.0)	(524.1)	(499.8)
<b>Net claims on Central Bank</b>	439.9	487.4	631.9	733.1	795.7	739.9	687.0	689.8	753.8	596.5	690.7	705.3	752.7	667.6
Notes and Coins	117.6	111.8	113.2	84.5	85.7	79.7	126.9	80.6	83.5	86.7	127.4	95.6	93.7	91.9
Balances	322.3	375.6	518.7	648.6	710.0	660.2	560.1	609.2	670.3	509.8	563.3	609.8	659.0	575.7
Less Central Bank credit	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Net domestic assets</b>	5,534.1	5,564.4	5,567.7	5,465.3	5,346.5	5,510.7	5,579.5	5,675.9	5,679.5	5,748.1	5,586.9	5,610.8	5,590.0	5,642.7
Net claims on Government	725.2	843.0	1,152.3	1,122.2	1,045.4	1,118.6	1,150.0	1,219.9	1,296.6	1,320.9	1,197.5	1,312.8	1,368.9	1,422.3
Treasury bills	180.2	214.0	293.7	294.8	253.3	281.6	275.4	301.6	321.6	274.6	219.3	342.1	378.6	388.0
Other securities	533.5	704.6	799.6	799.4	772.9	811.1	847.6	848.7	840.7	965.5	961.1	957.2	954.3	962.6
Loans and advances	145.8	76.5	180.3	148.0	141.0	143.4	145.7	189.3	253.8	207.3	152.4	147.6	164.0	201.8
Less: deposits	134.3	152.1	121.3	120.1	121.8	117.5	118.7	119.7	119.5	126.5	135.3	134.1	128.0	130.1
Net claims on rest of public sector	3.4	(25.7)	(31.9)	(47.2)	(66.2)	(54.4)	0.4	41.2	(11.5)	46.6	61.2	57.1	55.1	74.3
Securities	97.5	107.0	115.6	115.6	114.6	115.1	117.4	119.4	119.4	119.4	119.4	119.4	119.4	119.4
Loans and advances	343.6	305.9	339.8	328.2	330.1	293.0	326.8	348.7	292.6	332.1	338.4	340.4	340.8	357.6
Less: deposits	437.7	438.6	487.3	491.0	510.9	462.5	443.8	426.9	423.5	404.9	396.6	402.7	405.2	402.7
Other net claims	(0.1)	(8.1)	(3.4)	(10.1)	(38.2)	(21.2)	5.5	(19.3)	(14.6)	(4.6)	(15.7)	(13.5)	(6.9)	(18.9)
Credit to the private sector	6,536.8	6,595.9	6,572.7	6,485.3	6,502.9	6,599.5	6,647.6	6,667.6	6,656.1	6,661.9	6,629.3	6,537.0	6,529.4	6,527.3
Securities	28.8	27.2	17.4	16.0	12.8	14.8	16.4	14.4	14.3	14.0	14.1	14.2	12.9	13.0
Mortgages	2,819.7	2,949.6	3,192.4	3,218.6	3,218.9	3,226.1	3,227.6	3,232.9	3,255.1	3,275.8	3,275.4	3,273.7	3,300.1	3,302.6
Loans and advances	3,688.3	3,619.1	3,363.0	3,250.7	3,271.2	3,358.6	3,403.6	3,420.3	3,386.7	3,372.1	3,339.8	3,249.1	3,216.3	3,211.7
Private capital and surplus	(1,864.6)	(2,033.0)	(2,281.9)	(2,254.5)	(2,295.3)	(2,305.7)	(2,357.8)	(2,419.6)	(2,436.1)	(2,473.5)	(2,535.2)	(2,515.7)	(2,577.5)	(2,565.7)
Net unclassified assets	133.4	192.3	159.9	169.7	197.9	173.9	133.8	186.1	189.0	196.8	249.8	233.1	221.0	203.4
<b>Liabilities to private sector</b>	5,270.2	5,370.0	5,493.7	5,535.3	5,637.5	5,677.1	5,662.5	5,784.6	5,861.5	5,716.4	5,675.8	5,799.1	5,818.6	5,810.5
Demand deposits	1,150.2	1,204.2	1,249.6	1,237.1	1,307.2	1,302.4	1,325.6	1,410.6	1,442.3	1,406.7	1,442.7	1,493.9	1,552.3	1,608.3
Savings deposits	1,024.1	1,003.5	1,017.8	1,042.7	1,043.5	1,040.5	1,067.1	1,088.0	1,148.1	1,114.1	1,074.1	1,096.8	1,116.4	1,097.6
Fixed deposits	3,095.9	3,162.3	3,226.3	3,255.5	3,286.8	3,334.2	3,269.8	3,285.9	3,271.1	3,195.6	3,159.0	3,208.4	3,149.9	3,104.5

Source: The Central Bank of The Bahamas

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

(B\$'000s)

Period	2008	2009	2010	2011				2012				2013	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
1. Interest Income	760,159	728,878	742,174	186,517	182,266	164,729	168,979	168,204	165,179	163,140	170,532	158,479	163,483
2. Interest Expense	278,219	244,468	225,990	51,951	49,265	45,075	39,658	39,034	37,892	35,607	32,364	30,765	30,449
<b>3. Interest Margin (1-2)</b>	481,940	484,410	516,184	134,566	133,001	119,654	129,321	129,170	127,287	127,533	138,168	127,714	133,034
4. Commission & Forex Income	32,328	22,005	22,820	5,822	5,685	5,567	6,052	6,224	5,145	5,701	5,935	5,593	5,916
<b>5. Gross Earnings Margin (3+4)</b>	514,268	506,415	539,004	140,388	138,686	125,221	135,373	135,394	132,432	133,234	144,103	133,307	138,950
6. Staff Costs	148,364	149,222	158,233	39,277	42,611	41,395	41,676	39,136	41,456	40,230	41,526	39,139	45,831
7. Occupancy Costs	23,409	23,417	23,964	5,743	6,283	7,048	6,712	7,019	7,036	8,081	7,608	7,175	7,797
8. Other Operating Costs	91,867	87,245	107,051	23,872	26,089	30,424	26,753	28,138	27,582	26,815	29,379	30,695	33,230
<b>9. Operating Costs (6+7+8)</b>	263,640	259,884	289,248	68,892	74,983	78,867	75,141	74,293	76,074	75,126	78,513	77,009	86,858
<b>10. Net Earnings Margin (5-9)</b>	250,628	246,531	249,756	71,496	63,703	46,354	60,232	61,101	56,358	58,108	65,590	56,298	52,092
11. Depreciation Costs	13,412	14,134	15,238	3,587	3,519	3,777	1,810	3,521	3,469	3,041	3,333	3,378	3,659
12. Provisions for Bad Debt	82,204	121,092	124,686	23,937	21,056	31,799	24,711	37,789	36,123	48,570	45,616	42,894	27,716
13. Other Income	120,334	96,990	111,284	22,516	25,854	22,721	26,429	21,124	20,981	23,142	23,037	22,633	24,737
<b>14. Other Income (Net) (13-11-12)</b>	24,718	(38,236)	(28,640)	(5,008)	1,279	(12,855)	(92)	(20,186)	(18,611)	(28,469)	(25,912)	(23,639)	(6,638)
<b>15. Net Income (10+14)</b>	275,346	208,295	221,116	66,488	64,982	33,499	60,140	40,915	37,747	29,639	39,678	32,659	45,454
<b>16. Effective Interest Rate Spread (%)</b>	6.51	6.34	6.17	5.88	6.24	6.16	6.28	6.44	6.40	6.44	6.36	6.64	7.12
<b>(Ratios To Average Assets)</b>													
Interest Margin	5.39	5.31	5.60	5.69	5.64	5.07	5.47	5.39	5.23	5.27	5.74	5.29	5.47
Commission & Forex Income	0.36	0.24	0.25	0.25	0.24	0.24	0.26	0.26	0.21	0.24	0.25	0.23	0.24
Gross Earnings Margin	5.75	5.55	5.84	5.93	5.88	5.30	5.72	5.65	5.45	5.51	5.99	5.52	5.71
Operating Costs	2.95	2.85	3.14	2.91	3.18	3.34	3.18	3.10	3.13	3.11	3.26	3.19	3.57
Net Earnings Margin	2.80	2.70	2.71	3.02	2.70	1.96	2.55	2.55	2.32	2.40	2.72	2.33	2.14
Net Income	3.09	2.28	2.40	2.81	2.75	1.42	2.54	1.71	1.55	1.23	1.65	1.35	1.87

\*Commercial Banks and OLFIs with domestic operations

Source: The Central Bank of The Bahamas

**TABLE 6**  
**MONEY SUPPLY**

(B\$ Millions)

End of Period	2008	2009	2010	2011				2012				2013		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
<b>Money supply (M1)</b>	1,274.5	1,283.6	1,335.2	1,340.0	1,425.7	1,423.9	1,434.8	1,486.7	1,532.8	1,509.8	1,574.9	1,590.9	1,653.5	1,640.3
1) Currency in active circulation	205.8	207.8	194.5	194.3	194.1	202.1	196.9	203.5	207.3	208.2	216.5	216.7	215.6	208.0
2) Demand deposits	1,068.7	1,075.8	1,140.6	1,145.7	1,231.6	1,221.8	1,237.9	1,283.2	1,325.5	1,301.6	1,358.4	1,374.2	1,437.9	1,432.3
Central Bank	10.4	15.9	15.4	7.5	9.4	10.4	7.1	14.8	12.9	10.6	14.8	10.3	16.4	23.5
Domestic Banks	1,058.3	1,059.9	1,125.2	1,138.2	1,222.2	1,211.4	1,230.8	1,268.4	1,312.6	1,291.0	1,343.6	1,363.9	1,421.5	1,408.7
<b>Factors affecting money (M1)</b>														
1) Net credit to Government	924.0	1,023.9	1,413.7	1,366.8	1,259.2	1,401.4	1,439.2	1,524.8	1,624.9	1,678.0	1,592.2	1,751.4	1,829.6	1,946.7
Central Bank	198.8	180.9	261.4	244.6	213.8	282.8	289.2	304.9	328.3	357.1	394.7	438.6	460.7	524.4
Domestic Banks	725.2	843.0	1,152.3	1,122.2	1,045.4	1,118.6	1,150.0	1,219.9	1,296.6	1,320.9	1,197.5	1,312.8	1,368.9	1,422.3
2) Other credit	6,985.1	7,015.8	7,034.5	6,935.5	6,954.0	7,013.8	7,097.7	7,141.7	7,073.9	7,119.2	7,092.8	7,002.4	6,995.0	7,009.8
Rest of public sector	448.3	419.9	461.8	450.2	451.1	414.3	450.2	474.0	417.8	457.4	463.5	465.4	465.6	482.5
Private sector	6,536.8	6,595.9	6,572.7	6,485.3	6,502.9	6,599.5	6,647.5	6,667.7	6,656.1	6,661.8	6,629.3	6,537.0	6,529.4	6,527.3
3) External reserves	562.9	816.0	860.4	975.1	1,076.1	955.6	884.8	890.0	928.0	745.8	810.2	783.2	797.1	669.2
4) Other external liabilities (net)	(703.8)	(681.9)	(708.3)	(663.1)	(504.6)	(573.5)	(604.0)	(581.1)	(571.8)	(628.2)	(601.8)	(517.0)	(524.1)	(499.8)
5) Quasi money	4,649.5	4,748.7	4,855.9	4,888.0	4,925.7	4,928.1	4,875.6	4,943.1	4,972.5	4,830.3	4,728.8	4,837.8	4,802.2	4,804.4
6) Other items (net)	(1,844.2)	(2,141.5)	(2,409.3)	(2,386.3)	(2,433.4)	(2,445.3)	(2,507.3)	(2,545.6)	(2,549.7)	(2,574.7)	(2,589.7)	(2,591.3)	(2,641.9)	(2,681.3)

Source: The Central Bank of The Bahamas



**TABLE 7**  
**CONSUMER INSTALMENT CREDIT\***

(B\$' 000)

End of Period	2009	2010	2011				2012				2013		
			Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
<b>CREDIT OUTSTANDING</b>													
Private cars	206,689	185,044	181,837	182,112	174,192	171,751	169,956	174,077	176,222	177,527	176,465	184,523	182,440
Taxis & rented cars	1,832	985	889	794	1,138	910	987	974	1,055	1,081	970	1,026	1,019
Commercial vehicles	4,955	3,353	3,214	3,274	3,027	2,510	2,368	2,299	2,213	2,241	2,176	1,997	1,942
Furnishings & domestic appliances	19,134	15,126	14,072	13,131	11,610	11,126	10,462	10,297	11,993	12,010	11,621	10,840	13,440
Travel	36,369	26,464	24,291	25,543	26,261	25,221	23,832	24,413	27,239	29,492	27,784	29,616	36,264
Education	55,227	50,875	49,148	47,050	37,647	35,750	34,230	32,733	35,731	34,544	33,448	32,566	38,838
Medical	19,697	16,399	15,773	15,731	15,011	14,409	13,786	13,304	13,247	11,363	11,123	11,274	11,763
Home Improvements	163,991	129,860	125,429	121,350	126,413	126,543	122,885	126,732	124,114	127,537	128,389	124,738	129,073
Land Purchases	243,696	240,391	240,987	239,710	242,256	239,790	234,789	237,847	233,149	232,752	228,644	227,867	229,575
Consolidation of debt	648,024	714,616	734,975	766,315	797,592	820,135	815,617	813,370	804,306	781,518	779,541	772,843	765,465
Miscellaneous	515,002	494,961	479,768	476,373	461,332	464,052	483,468	499,683	508,667	501,225	500,285	501,268	490,275
Credit Cards	278,749	262,871	253,023	250,021	253,505	251,924	242,294	239,549	242,130	243,745	236,066	234,110	239,262
<b>TOTAL</b>	<b>2,193,365</b>	<b>2,140,945</b>	<b>2,123,406</b>	<b>2,141,404</b>	<b>2,149,984</b>	<b>2,164,121</b>	<b>2,154,674</b>	<b>2,175,278</b>	<b>2,180,066</b>	<b>2,155,035</b>	<b>2,136,512</b>	<b>2,132,668</b>	<b>2,139,356</b>
<b>NET CREDIT EXTENDED</b>													
Private cars	(32,086)	(21,645)	(3,207)	275	(7,920)	(2,441)	(1,795)	4,121	2,145	1,305	(1,062)	8,058	(2,083)
Taxis & rented cars	(77)	(847)	(96)	(95)	344	(228)	77	(13)	81	26	(111)	56	(7)
Commercial vehicles	(1,156)	(1,602)	(139)	60	(247)	(517)	(142)	(69)	(86)	28	(65)	(179)	(55)
Furnishings & domestic appliances	(2,039)	(4,008)	(1,054)	(941)	(1,521)	(484)	(664)	(165)	1,696	17	(389)	(781)	2,600
Travel	(13,233)	(9,905)	(2,173)	1,252	718	(1,040)	(1,389)	581	2,826	2,253	(1,708)	1,832	6,648
Education	(2,028)	(4,352)	(1,727)	(2,098)	(9,403)	(1,897)	(1,520)	(1,497)	2,998	(1,187)	(1,096)	(882)	6,272
Medical	(1,738)	(3,298)	(626)	(42)	(720)	(602)	(623)	(482)	(57)	(1,884)	(240)	151	489
Home Improvements	(7,463)	(34,131)	(4,431)	(4,079)	5,063	130	(3,658)	3,847	(2,618)	3,423	852	(3,651)	4,335
Land Purchases	(2,472)	(3,305)	596	(1,277)	2,546	(2,466)	(5,001)	3,058	(4,698)	(397)	(4,108)	(777)	1,708
Consolidation of debt	53,459	66,592	20,359	31,340	31,277	22,543	(4,518)	(2,247)	(9,064)	(22,788)	(1,977)	(6,698)	(7,378)
Miscellaneous	(26,583)	(20,041)	(15,193)	(3,395)	(15,041)	2,720	19,416	16,215	8,984	(7,442)	(940)	983	(10,993)
Credit Cards	(15,628)	(15,878)	(9,848)	(3,002)	3,484	(1,581)	(9,630)	(2,745)	2,581	1,615	(7,679)	(1,956)	5,152
<b>TOTAL</b>	<b>(51,044)</b>	<b>(52,420)</b>	<b>(17,539)</b>	<b>17,998</b>	<b>8,580</b>	<b>14,137</b>	<b>(9,447)</b>	<b>20,604</b>	<b>4,788</b>	<b>(25,031)</b>	<b>(18,523)</b>	<b>(3,844)</b>	<b>6,688</b>

**Source: The Central Bank of The Bahamas**

\* Includes both demand and add-on loans

**TABLE 8**  
SELECTED AVERAGE INTEREST RATES

Period	(%)													
	2010	2011	2012	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
<b>DOMESTIC BANKS</b>														
<b>Deposit rates</b>														
Savings deposits	1.94	1.75	1.53	1.85	1.89	1.63	1.61	1.88	1.67	1.31	1.25	1.11	0.96	0.87
Fixed deposits														
Up to 3 months	3.19	2.33	1.60	2.82	2.64	1.97	1.89	1.71	1.71	1.56	1.43	1.48	1.41	1.44
Up to 6 months	3.56	2.67	1.95	3.31	2.79	2.56	2.01	2.08	2.09	1.89	1.72	1.63	1.59	1.21
Up to 12 months	3.99	3.25	2.54	3.92	3.54	2.77	2.75	2.69	2.68	2.49	2.30	2.59	2.06	2.07
Over 12 months	4.04	3.20	2.65	3.89	3.55	2.75	2.59	2.96	2.53	2.52	2.58	2.49	2.29	2.12
Weighted average rate	3.44	2.64	2.02	3.18	2.90	2.27	2.19	2.23	2.08	1.93	1.83	1.92	1.69	1.68
<b>Lending rates</b>														
Residential mortgages	8.15	7.77	7.51	8.07	7.94	7.57	7.50	7.58	7.61	7.43	7.40	7.51	7.13	7.16
Commercial mortgages	8.79	8.37	8.29	8.75	8.57	8.04	8.12	8.09	8.35	8.33	8.40	8.06	7.57	8.40
Consumer loans	13.21	13.35	13.43	13.51	13.29	13.29	13.32	12.82	13.41	13.84	13.66	13.55	13.51	13.90
Overdrafts	10.87	10.04	9.81	10.21	10.15	9.94	9.84	9.36	10.61	9.91	9.36	9.07	9.48	9.71
Weighted average rate	11.05	10.98	11.04	11.18	11.08	11.01	10.64	10.25	10.99	11.80	11.10	10.91	10.85	11.28
<b>Other rates</b>														
Prime rate	5.50	4.94	4.75	5.50	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Treasury bill (90 days)	2.28	1.25	0.20	1.80	1.52	0.96	0.71	0.10	0.32	0.10	0.28	0.17	0.29	0.27
Treasury bill re-discount rate	2.78	1.75	0.70	2.30	2.02	1.46	1.21	0.60	0.82	0.60	0.78	0.67	0.79	0.77
Bank rate (discount rate)	5.25	4.69	4.50	5.25	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	2008	2009	2010	2011				2012				2013	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
<b>Loan Portfolio</b>													
Current Loans (as a % of total loans)	<b>87.5</b>	<b>82.3</b>	<b>81.8</b>	<b>81.7</b>	<b>82.1</b>	<b>80.8</b>	<b>81.1</b>	<b>81.5</b>	<b>81.7</b>	<b>81.9</b>	<b>80.3</b>	<b>80.7</b>	<b>80.5</b>
Arrears (% by loan type)													
Consumer	3.9	5.2	4.3	4.2	4.1	4.4	4.2	3.9	4.0	4.0	4.4	4.0	4.0
Mortgage	5.9	8.6	9.8	9.8	9.8	10.2	10.1	9.8	10.2	10.2	11.0	10.6	10.5
Commercial	2.6	3.8	4.0	4.2	3.9	4.5	4.5	4.7	4.0	3.8	4.3	4.6	4.9
Public	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Total Arrears	<b><u>12.5</u></b>	<b><u>17.7</u></b>	<b><u>18.2</u></b>	<b><u>18.3</u></b>	<b><u>17.9</u></b>	<b><u>19.2</u></b>	<b><u>18.9</u></b>	<b><u>18.5</u></b>	<b><u>18.3</u></b>	<b><u>18.1</u></b>	<b><u>19.7</u></b>	<b><u>19.3</u></b>	<b><u>19.5</u></b>
<b>Total B\$ Loan Portfolio</b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>
<b>Loan Portfolio</b>													
Current Loans (as a % of total loans)	<b>87.5</b>	<b>82.3</b>	<b>81.8</b>	<b>81.7</b>	<b>82.1</b>	<b>80.8</b>	<b>81.1</b>	<b>81.5</b>	<b>81.7</b>	<b>81.9</b>	<b>80.3</b>	<b>80.7</b>	<b>80.5</b>
Arrears (% by days outstanding)													
30 - 60 days	4.5	5.6	4.0	5.5	3.6	3.9	4.1	3.6	3.3	3.1	3.7	3.7	3.2
61 - 90 days	1.9	2.7	2.3	2.1	2.0	2.2	2.1	2.2	2.1	2.0	2.3	1.7	2.6
90 - 179 days	1.6	3.0	2.6	2.1	2.3	2.7	2.3	2.1	2.3	2.3	2.5	2.2	1.8
over 180 days	4.5	6.3	9.3	8.6	9.9	10.4	10.5	10.7	10.6	10.8	11.3	11.7	11.9
Total Arrears	<b><u>12.5</u></b>	<b><u>17.7</u></b>	<b><u>18.2</u></b>	<b><u>18.3</u></b>	<b><u>17.9</u></b>	<b><u>19.2</u></b>	<b><u>18.9</u></b>	<b><u>18.5</u></b>	<b><u>18.3</u></b>	<b><u>18.1</u></b>	<b><u>19.7</u></b>	<b><u>19.3</u></b>	<b><u>19.5</u></b>
<b>Total B\$ Loan Portfolio</b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>
Non Accrual Loans (% by loan type)													
Consumer	30.2	29.8	21.4	22.9	20.0	20.6	20.3	19.8	20.0	19.6	20.5	19.4	19.7
Mortgage	44.4	41.4	52.1	47.1	53.9	53.0	54.8	55.4	55.0	57.1	57.0	56.8	58.3
Other Private	23.9	27.8	25.7	29.1	25.4	25.7	24.2	24.1	24.3	22.6	21.9	23.2	21.4
Public	<u>1.5</u>	<u>1.0</u>	<u>0.8</u>	<u>0.9</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
Total Non Accrual Loans	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>
<b>Provisions to Loan Portfolio</b>													
Consumer	3.3	4.2	5.1	4.9	4.7	4.9	4.9	5.4	5.5	5.4	5.4	5.5	7.2
Mortgage	1.4	1.8	2.4	2.4	2.5	2.7	2.7	3.2	3.6	3.7	4.3	5.6	4.8
Other Private	5.4	6.9	9.1	9.6	10.2	10.6	10.6	10.6	10.9	11.2	8.7	11.2	11.0
Public	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Provisions to Total Loans	2.7	3.4	4.3	4.4	4.4	4.7	4.7	5.1	5.3	5.3	5.3	6.3	6.5
Total Provisions to Non-performing Loans	46.0	37.1	36.6	41.0	36.5	36.1	36.8	40.0	41.3	41.2	39.1	45.6	47.3
Total Non-performing Loans to Total Loans	6.1	9.3	11.9	10.7	12.2	13.0	12.7	12.7	12.8	13.0	13.6	13.9	13.6

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

**TABLE 10**  
**SUMMARY OF BANK LIQUIDITY**

(B\$ Millions)

End of Period	2008	2009	2010	2011				2012				2013		
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.
<b>I. Statutory Reserves</b>														
Required reserves	283.3	290.3	298.1	298.1	303.3	306.8	305.0	306.0	310.9	307.9	301.9	302.2	305.7	307.4
Average Till Cash	95.4	94.7	98.2	79.0	83.9	86.5	118.3	90.1	87.4	88.0	108.9	93.9	96.5	99.8
Average balance with central bank	352.7	425.1	530.5	663.7	715.6	683.8	557.3	592.6	669.0	540.4	515.8	539.4	640.9	552.8
Free cash reserves (period ended)	164.8	229.5	330.6	444.6	496.2	463.5	370.6	376.7	445.5	320.4	322.8	331.1	431.8	345.3
<b>II. Liquid Assets (period)</b>														
A. Minimum Required Liquid Assets	911.2	929.6	946.7	959.1	969.5	971.1	968.7	977.8	990.9	973.3	971.1	988.1	994.2	978.3
B. Net Eligible Liquid Assets	1,169.3	1,423.7	1,755.1	1,859.0	1,906.7	1,900.7	1,865.1	1,909.1	1,973.2	1,893.5	1,938.2	2,068.3	2,147.5	2,090.0
i) Balance with Central Bank	322.2	375.6	518.7	648.6	709.9	660.2	560.1	609.1	670.3	509.8	563.3	609.8	659.0	575.7
ii) Notes and Coins	118.1	112.3	113.7	85.0	86.2	80.2	127.4	81.1	84.0	87.2	127.9	96.1	94.2	92.4
iii) Treasury Bills	180.2	214.0	293.7	294.8	253.3	281.6	275.4	301.6	321.6	274.6	219.3	342.1	378.6	388.0
iv) Government registered stocks	513.3	671.4	774.8	775.1	767.6	805.7	843.7	843.7	835.1	962.0	957.6	953.7	950.9	959.1
v) Specified assets	36.8	45.7	53.0	52.9	52.8	53.0	55.2	57.1	57.0	57.1	56.9	56.7	56.7	56.6
vi) Net Inter-bank dem/call deposits	(1.3)	4.7	1.2	2.6	36.9	20.0	3.3	16.5	5.2	2.8	13.2	9.9	8.1	18.2
vii) Less: borrowings from central bank	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C. Surplus/(Deficit)	258.1	494.1	808.4	899.9	937.2	929.6	896.4	931.3	982.3	920.2	967.1	1,080.2	1,153.3	1,111.8

Source: The Central Bank of The Bahamas

**TABLE 11**  
**GOVERNMENT OPERATIONS AND FINANCING**

(B\$ Millions)

Period	2010/11p	2011/12p	2012/13p	Budget		2012/13p				2013/14p
				2012/13	2013/14	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I
Total Revenue & Grants	1,433.0	1,446.7	1,354.6	1,535.5	1,493.2	296.8	368.0	342.1	347.7	305.3
Current expenditure	1,524.5	1,549.7	1,545.0	1,679.0	1,635.2	370.0	379.7	384.6	410.8	359.6
Capital expenditure	206.3	245.4	258.3	358.2	235.3	62.3	52.8	59.1	84.1	30.2
Net lending	72.9	102.4	96.4	45.8	57.6	9.2	60.8	12.4	14.0	11.1
<b>Overall balance</b>	<b>(370.7)</b>	<b>(450.6)</b>	<b>(545.2)</b>	<b>(547.5)</b>	<b>(437.2)</b>	<b>(144.7)</b>	<b>(125.3)</b>	<b>(114.0)</b>	<b>(161.2)</b>	<b>(95.6)</b>
<b>FINANCING (I+II-III+IV+V)</b>	<b>370.7</b>	<b>450.6</b>	545.2	<b>547.5</b>	<b>437.2</b>	<b>144.7</b>	<b>125.3</b>	<b>114.0</b>	<b>161.2</b>	<b>95.6</b>
<b>I. Foreign currency borrowing</b>	<b>127.6</b>	<b>80.3</b>	231.8	<b>157.0</b>	<b>55.5</b>	<b>4.6</b>	<b>210.1</b>	<b>12.9</b>	<b>4.1</b>	<b>102.4</b>
External	73.7	80.3	231.8	157.0	55.5	4.6	210.1	12.9	4.1	102.4
Domestic	--	--	--	--	--	--	--	--	--	--
<b>II. Bahamian dollar borrowing</b>	<b>293.6</b>	<b>354.9</b>	<b>792.0</b>	<b>512.2</b>	<b>465.8</b>	<b>327.9</b>	<b>105.0</b>	<b>180.0</b>	<b>179.1</b>	<b>155.0</b>
<b>i) Treasury bills</b>	--	90.6	294.1	--	--	4.9	50.0	180.0	59.1	20.0
Central Bank	--	90.6	294.1	--	--	4.9	50.0	180.0	59.1	20.0
Commercial banks & OLFT's	--	--	--	--	--	--	--	--	--	--
Public corporations	--	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--	--
<b>ii) Long-term securities</b>	<b>235.0</b>	<b>170.6</b>	<b>375.0</b>	--	--	<b>300.0</b>	<b>25.0</b>	--	<b>50.0</b>	<b>115.0</b>
Central Bank	65.0	18.0	31.5	--	--	26.5	--	--	5.0	53.0
Commercial banks & OLFT's	16.8	107.8	14.3	--	--	12.1	--	--	2.2	13.1
Public corporations	26.3	3.3	52.6	--	--	27.6	25.0	--	--	--
Other	126.9	41.5	276.6	--	--	233.8	--	--	42.8	48.9
<b>iii) Loans and Advances</b>	<b>58.6</b>	<b>93.7</b>	<b>123.0</b>	--	--	<b>23.0</b>	<b>30.0</b>	--	<b>70.0</b>	<b>20.0</b>
Central Bank	58.6	93.7	53.0	--	--	23.0	30.0	--	--	20.0
Commercial banks	--	--	--	--	--	--	--	--	70.0	--
<b>III Debt repayment</b>	<b>269.3</b>	<b>84.1</b>	<b>260.6</b>	<b>114.8</b>	<b>85.2</b>	<b>63.1</b>	<b>95.6</b>	<b>62.0</b>	<b>39.8</b>	<b>61.2</b>
<b>Domestic</b>	<b>260.5</b>	<b>75.0</b>	<b>247.0</b>	<b>103.1</b>	<b>66.8</b>	<b>62.0</b>	<b>90.0</b>	<b>60.0</b>	<b>35.0</b>	<b>60.0</b>
Bahamian dollars	189.6	75.0	247.0	103.1	66.8	62.0	90.0	60.0	35.0	60.0
Internal foreign currency	70.9	--	--	--	--	--	--	--	--	--
<b>External</b>	<b>8.8</b>	<b>9.1</b>	<b>13.6</b>	<b>11.7</b>	<b>18.4</b>	<b>1.1</b>	<b>5.6</b>	<b>2.0</b>	<b>4.8</b>	<b>1.2</b>
<b>IV Net Sale of Shares &amp; Other Equity</b>	<b>203.7</b>	--	--	--	--	--	--	--	--	--
<b>V. Cash balance change</b>	<b>26.4</b>	<b>5.5</b>	<b>(27.5)</b>	--	--	<b>(13.2)</b>	<b>(7.4)</b>	<b>(10.8)</b>	<b>3.9</b>	<b>(2.0)</b>
<b>VI Other Financing</b>	<b>192.3</b>	<b>94.0</b>	<b>(190.5)</b>	<b>(6.9)</b>	<b>1.1</b>	<b>(111.6)</b>	<b>(86.7)</b>	<b>(6.1)</b>	<b>13.9</b>	<b>(98.5)</b>

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

\* Qtr IV includes April & May only.

**TABLE 12**  
**NATIONAL DEBT**

(B\$' 000s)

End of Period	2010p	2011p	2012p	2012p		2013p		
				Sept.	Dec.	Mar	Jun.	Sept.
<b>TOTAL EXTERNAL DEBT</b>	727,882	798,540	1,037,264	832,793	1,037,264	1,049,937	1,050,522	1,151,705
By Instrument								
Government Securities	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Loans	127,882	198,540	437,264	232,793	437,264	449,937	450,522	551,705
By Holder								
Commercial Banks	--	--	--	--	--	--	--	--
Offshore Financial Institutions	--	--	--	--	--	--	--	--
Multilateral Institutions	123,698	171,793	216,539	192,677	216,539	222,636	221,523	222,314
Bilateral Institutions	4,184	26,747	40,725	40,116	40,725	47,301	48,999	49,391
Private Capital Markets	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Other Financial Institutions	--	--	180,000	--	180,000	180,000	180,000	280,000
<b>TOTAL INTERNAL DEBT</b>	2,992,479	3,006,080	3,357,317	3,342,318	3,357,317	3,477,317	3,631,458	3,726,457
By Instrument								
Foreign Currency	70,000	--	--	--	--	--	--	--
Government Securities	--	--	--	--	--	--	--	--
Loans	70,000	--	--	--	--	--	--	--
Bahamian Dollars	2,922,479	3,006,080	3,357,317	3,342,318	3,357,317	3,477,317	3,631,458	3,726,457
Advances	111,988	110,588	105,657	135,657	105,657	105,657	105,657	125,657
Treasury Bills	301,609	301,609	349,142	339,142	349,142	529,142	588,282	588,282
Government Securities	2,503,637	2,593,637	2,872,273	2,867,273	2,872,273	2,842,273	2,867,273	2,962,273
Loans	5,246	246	30,246	246	30,246	246	70,246	50,246
By Holder								
Foreign Currency	70,000	--	--	--	--	--	--	--
Commercial Banks	70,000	--	--	--	--	--	--	--
Other Local Financial Institutions	--	--	--	--	--	--	--	--
Bahamian Dollars	2,922,479	3,006,080	3,357,317	3,342,318	3,357,317	3,477,317	3,631,458	3,726,457
The Central Bank	274,275	292,802	404,992	368,584	404,992	460,731	485,076	548,860
Commercial Banks	1,066,784	1,118,286	1,187,797	1,217,529	1,187,797	1,276,391	1,389,354	1,388,344
Other Local Financial Institutions	6,996	9,357	9,357	9,358	9,357	9,357	9,357	9,357
Public Corporations	702,541	684,963	730,169	714,098	730,169	709,637	700,106	687,546
Other	871,883	900,672	1,025,002	1,032,749	1,025,002	1,021,201	1,047,565	1,092,350
<b>TOTAL FOREIGN CURRENCY DEBT</b>	797,882	798,540	1,037,264	832,793	1,037,264	1,049,937	1,050,522	1,151,705
<b>TOTAL DIRECT CHARGE</b>	3,720,361	3,804,620	4,394,581	4,175,111	4,394,581	4,527,254	4,681,980	4,878,162
<b>TOTAL CONTINGENT LIABILITIES</b>	564,629	550,727	596,616	596,392	596,616	595,477	601,564	605,015
<b>TOTAL NATIONAL DEBT</b>	4,284,990	4,355,347	4,991,198	4,771,503	4,991,198	5,122,731	5,283,544	5,483,177

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)

	2010p	2011p	2012p	2012p		2013p		
				Sep.	Dec.	Mar.	Jun.	Sep.
<b>Outstanding Debt at Beginning of Period</b>	<b>1,139,567</b>	<b>1,357,660</b>	<b>1,453,066</b>	<b>1,539,039</b>	<b>1,665,194</b>	<b>1,867,501</b>	<b>1,875,441</b>	<b>1,877,187</b>
Government	704,944	797,882	798,540	829,270	832,793	1,037,264	1,049,937	1,050,522
Public Corporations	434,623	559,778	654,526	709,769	832,401	830,237	825,504	826,665
<b>Plus: New Drawings</b>	<b>388,807</b>	<b>201,456</b>	<b>519,374</b>	<b>133,365</b>	<b>214,637</b>	<b>15,951</b>	<b>11,098</b>	<b>108,878</b>
Government	102,807	79,519	250,076	4,615	210,104	14,651	5,426	102,378
Public Corporations	286,000	121,937	269,298	128,750	4,533	1,300	5,672	6,500
<b>Less: Amortization</b>	<b>170,714</b>	<b>122,237</b>	<b>104,939</b>	<b>7,210</b>	<b>12,330</b>	<b>8,011</b>	<b>9,352</b>	<b>6,715</b>
Government	9,869	78,861	11,352	1,092	5,633	1,978	4,841	1,195
Public Corporations	160,845	43,376	93,587	6,118	6,697	6,033	4,511	5,520
<b>Other Changes in Debt Stock</b>	<b>--</b>	<b>16,187</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Government	--	--	--	--	--	--	--	--
Public Corporations	--	16,187	--	--	--	--	--	--
<b>Outstanding Debt at End of Period</b>	<b>1,357,660</b>	<b>1,453,066</b>	<b>1,867,501</b>	<b>1,665,194</b>	<b>1,867,501</b>	<b>1,875,441</b>	<b>1,877,187</b>	<b>1,979,350</b>
Government	797,882	798,540	1,037,264	832,793	1,037,264	1,049,937	1,050,522	1,151,705
Public Corporations	559,778	654,526	830,237	832,401	830,237	825,504	826,665	827,645
<b>Interest Charges</b>	<b>67,022</b>	<b>63,846</b>	<b>87,203</b>	<b>10,510</b>	<b>37,288</b>	<b>15,618</b>	<b>33,032</b>	<b>11,394</b>
Government	47,055	48,002	51,050	456	26,442	7,086	21,599	2,592
Public Corporations	19,967	15,844	36,153	10,054	10,846	8,532	11,433	8,803
<b>Debt Service</b>	<b>237,736</b>	<b>186,083</b>	<b>192,142</b>	<b>17,720</b>	<b>49,618</b>	<b>23,629</b>	<b>42,384</b>	<b>18,109</b>
Government	56,924	126,863	62,402	1,548	32,075	9,064	26,440	3,787
Public Corporations	180,812	59,220	129,740	16,172	17,543	14,565	15,944	14,323
<b>Debt Service Ratio (%)</b>	<b>7.4</b>	<b>5.4</b>	<b>5.1</b>	<b>2.0</b>	<b>6.0</b>	<b>2.5</b>	<b>4.6</b>	<b>2.3</b>
<b>Government Debt Service/ Government Revenue (%)</b>	<b>4.5</b>	<b>8.1</b>	<b>4.5</b>	<b>0.5</b>	<b>8.7</b>	<b>2.6</b>	<b>7.6</b>	<b>1.2</b>
Commercial Banks	413.2	361.0	342.6	348.2	342.6	337.5	334.0	328.9
Multilateral Institutions	145.1	187.2	239.1	211.8	239.1	245.6	249.2	256.1
Bilateral Institutions	4.2	42.7	40.7	40.1	40.7	47.3	49.0	49.4
Other	195.2	262.2	645.1	465.1	645.1	645.0	645.0	744.9
Private Capital Markets	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0

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

**TABLE 14**  
BALANCE OF PAYMENTS SUMMARY\*

	(B\$ Millions)										
	2010p	2011p	2012p	2011	2012				2013		
				Qtr.IVp	Qtr.Ip	Qtr.IIp	Qtr.IIIp	Qtr.IVp	Qtr.Ip	Qtr.IIp	Qtr.IIIp
<b>A. Current Account Balance (I+II+III+IV)</b>	<b>(796.8)</b>	<b>(1,203.1)</b>	<b>(1,499.7)</b>	<b>(423.1)</b>	<b>(360.2)</b>	<b>(185.6)</b>	<b>(517.2)</b>	<b>(436.7)</b>	<b>(237.0)</b>	<b>(293.8)</b>	<b>(533.1)</b>
<b>I. Merchandise (Net)</b>	<b>(1,888.2)</b>	<b>(2,132.1)</b>	<b>(2,401.4)</b>	<b>(608.2)</b>	<b>(671.4)</b>	<b>(578.7)</b>	<b>(580.9)</b>	<b>(570.4)</b>	<b>(558.0)</b>	<b>(536.0)</b>	<b>(538.4)</b>
Exports	702.4	833.5	984.0	211.3	236.1	230.1	254.2	263.6	233.9	243.2	230.4
Imports	2,590.6	2,965.7	3,385.5	819.5	907.5	808.8	835.1	834.1	791.9	779.2	768.8
<b>II. Services (Net)</b>	<b>1,328.8</b>	<b>1,201.2</b>	<b>1,153.7</b>	<b>260.2</b>	<b>362.8</b>	<b>453.0</b>	<b>149.9</b>	<b>188.0</b>	<b>367.5</b>	<b>307.2</b>	<b>108.2</b>
Transportation	(223.8)	(195.8)	(264.6)	(59.8)	(75.8)	(67.8)	(66.0)	(54.9)	(65.6)	(63.1)	(67.0)
Travel	1,935.6	1,895.3	2,025.7	437.6	606.7	609.1	420.8	389.2	594.2	543.3	392.1
Insurance Services	(165.2)	(185.9)	(193.7)	(32.9)	(44.9)	(31.5)	(71.9)	(45.4)	(33.1)	(34.6)	(44.0)
Offshore Companies Local Expenses	157.8	138.9	176.4	26.8	40.2	47.7	44.4	44.1	35.1	41.4	37.7
Other Government	(43.1)	13.4	27.7	9.1	9.2	5.1	7.8	5.5	6.7	8.7	6.2
Other Services	(332.4)	(464.7)	(617.8)	(120.7)	(172.6)	(109.5)	(185.1)	(150.6)	(169.7)	(188.5)	(216.7)
<b>III. Income (Net)</b>	<b>(234.9)</b>	<b>(236.0)</b>	<b>(262.5)</b>	<b>(74.3)</b>	<b>(56.4)</b>	<b>(65.4)</b>	<b>(85.6)</b>	<b>(55.2)</b>	<b>(51.5)</b>	<b>(77.7)</b>	<b>(101.2)</b>
1. Compensation of Employees	(27.4)	(47.9)	(45.1)	(11.6)	(12.6)	(13.6)	(10.5)	(8.4)	(12.1)	(9.7)	(10.5)
2. Investment Income	(207.5)	(188.1)	(217.4)	(62.7)	(43.8)	(51.8)	(75.0)	(46.8)	(39.4)	(68.0)	(90.7)
<b>IV. Current Transfers (Net)</b>	<b>(2.6)</b>	<b>(36.2)</b>	<b>10.5</b>	<b>(0.8)</b>	<b>4.8</b>	<b>5.4</b>	<b>(0.7)</b>	<b>1.0</b>	<b>5.1</b>	<b>12.7</b>	<b>(1.8)</b>
1. General Government	87.4	113.4	120.7	23.1	32.0	33.1	32.2	23.2	34.8	35.4	28.9
2. Private Sector	(89.9)	(149.6)	(110.2)	(23.9)	(27.2)	(27.7)	(32.9)	(22.3)	(29.7)	(22.7)	(30.6)
<b>B. Capital and Financial Account (I+II)</b> (excl. Reserves)	<b>1,144.4</b>	<b>986.4</b>	<b>1,140.4</b>	<b>122.2</b>	<b>171.0</b>	<b>399.6</b>	<b>330.6</b>	<b>239.2</b>	<b>38.5</b>	<b>226.4</b>	<b>226.3</b>
<b>I. Capital Account (Net Transfers)</b>	<b>(3.6)</b>	<b>(5.5)</b>	<b>(7.3)</b>	<b>(1.4)</b>	<b>(1.6)</b>	<b>(1.3)</b>	<b>(2.5)</b>	<b>(1.8)</b>	<b>(4.2)</b>	<b>(1.3)</b>	<b>(2.0)</b>
<b>II. Financial Account (Net)</b>	<b>1,147.9</b>	<b>992.0</b>	<b>1,147.7</b>	<b>123.6</b>	<b>172.7</b>	<b>400.9</b>	<b>333.1</b>	<b>241.0</b>	<b>42.7</b>	<b>227.7</b>	<b>228.3</b>
1. Direct Investment	872.0	666.6	360.2	53.5	49.3	255.9	58.5	(3.5)	101.6	82.6	34.6
2. Portfolio Investment	(22.4)	(44.2)	(37.0)	(19.2)	(6.3)	(6.3)	(9.9)	(14.6)	(9.2)	(8.3)	(2.1)
3. Other Investments	298.3	369.6	824.4	89.3	129.6	151.2	284.5	259.1	(49.7)	153.4	195.7
Central Gov't Long Term Capital	24.7	70.7	238.7	30.5	9.3	21.4	3.5	204.5	12.7	0.6	0.6
Other Public Sector Capital	123.7	57.7	172.4	9.9	10.2	73.0	85.7	3.5	0.4	4.7	6.1
Banks	23.6	(101.4)	(2.3)	30.5	(23.0)	(9.3)	56.2	(26.2)	(84.8)	7.1	(24.3)
Other	126.4	342.6	415.6	18.4	133.0	66.1	139.1	77.4	22.0	141.1	213.3
<b>C. Net Errors and Omissions</b>	<b>(303.1)</b>	<b>241.1</b>	<b>284.7</b>	<b>230.1</b>	<b>194.4</b>	<b>(176.0)</b>	<b>4.5</b>	<b>261.8</b>	<b>171.5</b>	<b>81.3</b>	<b>179.0</b>
<b>D. Overall Balance (A+B+C)</b>	<b>44.5</b>	<b>24.4</b>	<b>(74.7)</b>	<b>(70.8)</b>	<b>5.2</b>	<b>37.9</b>	<b>(182.1)</b>	<b>64.3</b>	<b>(27.0)</b>	<b>13.9</b>	<b>(127.9)</b>
<b>E. Financing (Net)</b>	<b>(44.5)</b>	<b>(24.4)</b>	<b>74.7</b>	<b>70.8</b>	<b>(5.2)</b>	<b>(37.9)</b>	<b>182.1</b>	<b>(64.3)</b>	<b>27.0</b>	<b>(13.9)</b>	<b>127.9</b>
Change in SDR holdings	3.1	0.7	146.8	3.0	(1.6)	3.6	(2.8)	147.5	0.7	(0.1)	(0.5)
Change in Reserve Position with the IMF	0.2	0.0	(0.0)	0.2	(0.1)	0.2	(0.2)	0.0	0.2	(0.0)	(0.2)
Change in Ext. Foreign Assets ( ) = Increase	(47.8)	(25.1)	(72.1)	67.6	(3.5)	(41.8)	185.1	(211.9)	26.0	(13.8)	128.6

Source: The Central Bank of the Bahamas

\* Figures may not sum to total due to rounding



**TABLE 15**  
**EXTERNAL TRADE**

	(B\$ '000)										
	2010	2011	2012	2011		2012				2013	
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
<b>I. OIL TRADE</b>											
i) Exports	159,706	216,129	319,713	42,222	48,530	59,996	71,162	97,536	91,019	80,629	60,271
ii) Imports	687,073	930,047	874,839	251,101	204,288	233,012	215,571	211,509	214,747	199,474	139,758
<b>II. OTHER MERCHANDISE</b>											
<b>Domestic Exports</b>											
Crawfish	68,371	64,337	70,936	10,387	29,559	19,132	8,633	13,613	29,558	10,943	8,959
Fish Conch & other Crustacea	4,013	4,371	3,141	548	166	633	1,349	636	524	835	2,243
Other cordials & Similar Materials/Sponge	546	842	488	--	152	186	143	159	--	--	157
Fruits & Veggies.	195	24	--	--	--	--	--	--	--	--	--
Aragonite	11,688	11,497	7,298	1,248	2,889	3,604	1,132	2,298	264	188	617
Other Natural Sands	2,931	2,893	3,175	1,232	783	1,352	325	773	726	35	34
Rum/Beverages/Spirits & Vinegar	--	--	--	--	--	--	--	--	--	--	--
Crude Salt	16,429	12,022	11,687	1,577	1,465	1,117	1,658	2,684	6,228	4,212	4,872
Polystyrene Products	104,076	135,846	7,676	35,826	35,519	1,307	1,691	2,727	1,951	41,286	44,002
Other	96,570	94,611	86,633	32,280	18,151	20,726	26,465	20,738	18,704	7,605	25,831
<b>i) Total Domestic Exports</b>	<b>304,819</b>	<b>326,443</b>	<b>336,522</b>	<b>83,098</b>	<b>88,684</b>	<b>84,933</b>	<b>78,371</b>	<b>79,218</b>	<b>94,000</b>	<b>65,088</b>	<b>86,716</b>
<b>ii) Re-Exports</b>	<b>156,969</b>	<b>184,371</b>	<b>171,449</b>	<b>52,302</b>	<b>42,026</b>	<b>58,476</b>	<b>40,841</b>	<b>37,424</b>	<b>34,708</b>	<b>46,555</b>	<b>68,906</b>
<b>iii) Total Exports (i+ii)</b>	<b>461,788</b>	<b>510,814</b>	<b>507,972</b>	<b>135,400</b>	<b>130,710</b>	<b>143,408</b>	<b>119,213</b>	<b>116,643</b>	<b>128,708</b>	<b>111,644</b>	<b>155,622</b>
<b>iv) Imports</b>	<b>2,175,688</b>	<b>2,480,809</b>	<b>2,772,177</b>	<b>645,961</b>	<b>720,180</b>	<b>788,696</b>	<b>652,039</b>	<b>652,799</b>	<b>678,643</b>	<b>621,868</b>	<b>670,844</b>
<b>v) Retained Imports (iv-ii)</b>	<b>2,018,719</b>	<b>2,296,438</b>	<b>2,600,728</b>	<b>593,659</b>	<b>678,154</b>	<b>730,220</b>	<b>611,198</b>	<b>615,375</b>	<b>643,935</b>	<b>575,313</b>	<b>601,938</b>
<b>vi) Trade Balance (i-v)</b>	<b>(1,713,900)</b>	<b>(1,969,995)</b>	<b>(2,264,206)</b>	<b>(510,561)</b>	<b>(589,470)</b>	<b>(645,287)</b>	<b>(532,827)</b>	<b>(536,157)</b>	<b>(549,935)</b>	<b>(510,225)</b>	<b>(515,222)</b>

Source: Department of Statistics Quarterly Statistical Summaries

**TABLE 16**  
SELECTED TOURISM STATISTICS

Period	2010	2011	2012	2011					2012				
				Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III		
<b>Visitor Arrivals</b>	<b>5,254,806</b>	<b>5,587,585</b>	<b>5,942,758</b>	<b>1,482,018</b>	<b>1,692,978</b>	<b>1,490,310</b>	<b>1,266,865</b>	<b>1,492,605</b>	<b>1,745,420</b>	<b>1,479,221</b>	<b>1,325,162</b>		
Air	1,294,804	1,267,540	1,357,213	286,459	356,531	396,901	319,313	284,468	344,494	362,465	296,503		
Sea	3,960,002	4,320,045	4,585,545	1,195,559	1,336,447	1,093,409	947,552	1,208,137	1,400,926	1,116,756	1,028,659		
<b>Visitor Type</b>													
Stopover <sup>R</sup>	1,370,174	1,345,920	1,321,358	280,398	270,298	418,517	347,925	284,618	355,271	374,186	n.a		
Cruise	3,803,122	4,161,556	7,431,533	1,175,305	1,302,956	4,040,254	902,856	1,185,467	1,368,283	1,066,465	980,081		
Day/Transit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>Tourist Expenditure(B\$ 000's)</b>													
Stopover	2,163	2,142	2,311	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Cruise	1,861	1,792	1,897	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Day	299	347	413	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Day	3	3	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>Number of Hotel Nights</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>Average Length of Stay</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>Average Hotel Occupancy Rates (%)</b>													
New Providence	58.0	58.9	66.5	52.6	68.0	68.6	62.9	n.a.	n.a.	n.a.	n.a.		
Grand Bahama	36.2	41.6	48.0	34.4	53.0	51.3	39.7	n.a.	n.a.	n.a.	n.a.		
Other Family Islands	36.4	39.0	45.1	34.7	43.0	48.9	43.5	n.a.	n.a.	n.a.	n.a.		
<b>Average Nightly Room Rates (\$)</b>													
New Providence	219.7	225.0	222.2	207.2	258.1	212.3	196.1	n.a.	n.a.	n.a.	n.a.		
Grand Bahama	86.1	90.5	76.2	91.7	79.1	76.5	73.1	n.a.	n.a.	n.a.	n.a.		
Other Family Islands	156.2	152.2	153.9	140.0	179.0	148.9	133.7	n.a.	n.a.	n.a.	n.a.		

Source: The Ministry of Tourism

## Survey Of Private Pension Plans In The Bahamas (2008 - 2011)

### Introduction

The results of the Central Bank of The Bahamas' most recent survey on private (sponsored) pension plans in The Bahamas are analyzed in this article. The survey encompasses data over the four-year period of 2008-2011, and extends the available database which dates back to 1992. Provisional data indicated that the overall value of sponsored pension assets advanced to an estimated \$1,098.1 million in 2009 and after declining in 2010, firmed to approximately \$1,033.2 million in 2011. However, when compared to the robust 10.9% expansion in 2007, growth in both 2009 and 2011 slowed to 1.2% and 7.0%, respectively—a likely consequence of the impact of the domestic economic decline, following on the global financial crisis. As noted in previous surveys, the largest concentration of participants and pension fund assets continues to be in schemes sponsored by employers in the tourism, financial services and communications & utilities sectors; and the bulk of pension assets

are invested in public sector securities, mutual funds, equities and bank deposits.

An overview of the retirement income landscape in The Bahamas reveals that, for the most part, private pension benefits supplement retirement income provided by the National Insurance Board (NIB) and individual savings from insurance annuity products. In contrast to NIB's coverage, capped at an insurable wage ceiling of \$600 per week, funding and benefits obtained from private retirement schemes vary in proportion to individual earnings. The Government also funds a non-contributory gratuity arrangement for retired civil servants, which supplements their NIB benefits that are 10% less than private sector beneficiaries for an equivalent wage base. For workers falling outside the civil service and private pension plans, the most significant retirement resources are savings deposits, assets of domestic credit unions and insurance annuity products.

**Table 1: Selected Indicators of Domestic Savings**

	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011	Avg. Growth 08-11 (%)
	(B\$ Million)					(% of GDP)					
Private Pension Funds	1,111.5	1,037.3*	1,098.1*	1,024.4	1,033.2	15.4%	12.6%	14.0%	13.0%	13.1%	-1.8%
National Ins. Board (Cash and Investments)	1,451.9	1,509.3	1,515.4	1,521.5	1,528.1	20.1%	18.3%	19.4%	19.3%	19.4%	1.3%
Life & Health Ins. Cos.(Current Assets and Inv)	892.3	906.0	909.1	968.2	1,017.6	12.3%	11.0%	11.6%	12.3%	12.9%	3.3%
Private Individuals (Bank deposits)	3,109.0	3,306.4	3,329.9	3,384.2	3,476.6	43.0%	40.1%	42.6%	42.9%	44.2%	2.8%
Credit Unions (Deposit and Shares)	237.4	244.6	257.5	271.6	300.3	3.3%	3.0%	3.3%	3.4%	3.8%	6.0%

#### Sources:

The National Insurance Board, Annual Statement of Accounts, The Insurance Commission of The Bahamas, The Central Bank of The Bahamas and The Department of Cooperative Development

\* Central Bank estimate

Note: Nominal GDP (B\$ Millions)

---

Private pension funds continued to constitute an important vehicle for domestic savings, despite the 1.8% contraction recorded over the four-year period. Scheme assets averaged \$1,048.2 million (13.2% of GDP) between 2008 and 2011, although down from 2007's 15.4% of GDP (see Table 1). Further, these funds remained below the comparative periods' savings held by NIB over the review period, which averaged 19.1% of GDP, but surpassed the invested assets of credit unions, which accounted for a smaller share of domestic savings at a mean of 3.4% of GDP. The results showed that invested assets of life insurance companies have been steadily increasing in size, by 3.3% over the review period to \$1,017.6 million or 12.9% of GDP at end-2011—to nearly equal private pension fund assets.

Nevertheless, the largest share of private individuals' savings continued to be held in bank deposits, at an estimated average of \$3,374.3 million, growing by 2.8% to 44.2% of GDP by end-2011. However, balances in more than three quarters of these accounts were less than \$10,000, and an almost equal percentage of total savings were concentrated in less than 10% of individual accounts, making bank deposits less of a retirement safeguard for the majority of account holders.

In analyzing the results of the latest pension fund survey, this article highlights the developments in the sector since 2007, emphasizing various sub-groupings according to the type of funds and sectors of sponsors. A brief overview of the survey and estimation methodology is discussed, followed by an outline of the attributes of the various private schemes and examination of investment patterns among pension plans. The article concludes with comments on the outlook for the sector.

### ***Categorization of Sponsored Plans***

Pension fund schemes generally fall into three (3) categories, based on the nature of retirement benefits granted and how they are financed, namely: defined benefit, defined contribution and provident funds. Defined benefit plans guarantee the payment of specified benefits at retirement, depending on the participant's employment tenure and level of earnings. To safeguard the long-term

solvency of such schemes and determine annual funding, actuarial estimates of the present value of future benefits payable are deducted from the present value of assets likely to accumulate over the duration of the plan. The valuation of these schemes is dependent upon workforce demographics—such as the average age of active workers, the ratio of pensioners relative to active employees and the average life expectancy of pensioners, and the present value of assets. Defined benefit plans are characterised as fully funded when the actuarial value of assets and the corresponding liabilities are equivalent to each other, under-funded when the present value of liabilities exceeds that of assets, and over-funded if the opposite occurs.

Both defined contribution and provident schemes minimize funding uncertainty, by establishing savings and contribution rates upfront; therefore, individual retirement benefits are based on these accumulated contributions and the returns on savings over the employee's working years. However, defined contribution plans differ from provident funds because the latter pay out participants' benefits in a lump sum payment upon the date of retirement, while defined contribution plans convert a fraction of the benefit into annuities, which are payable in installments. Since lump sum payments can be converted to annuities, the distinction between the two categories of plans is ignored, and the following analysis combines the results.

### ***Survey and Estimation Methodology***

The 2008-2009 and 2010-2011 pension fund surveys were sent to 142 and 143 existing and potential plan sponsors in The Bahamas, as attempts were made to adequately assess plan sponsors and administrators of individual and multi-employer schemes. The number of respondents for the 2008-2009 survey was lower at 78, when compared to 94 for the 2006-2007 survey, equivalent to a 54.9% response rate. In terms of the 2010-2011 survey, approximately 70 returns were received, for a response rate of approximately 49%. Nonetheless, responses from both surveys were representative of the largest companies and pension funds.

**Table 2**  
**Private Pension Investments By Industry**

	2008P	2009P	2010P	2011P	Average 2008-2011
<b>INDUSTRY</b>	<b>(B\$'000)</b>				
Communications & Utilities	333,156	344,257	358,467	351,961	346,960
Construction Companies	2,933	3,056	2,364	2,415	2,692
Education	9,293	10,031	10,878	11,604	10,452
Financial Sector	284,578	308,954	218,467	230,831	260,708
Health	2,844	2,888	3,302	3,739	3,193
Hotels & Restaurants	264,283	275,139	271,473	264,143	268,759
Manufacturing Companies	-	-	-	-	0
Non-Profit	-	-	11	19	8
Oil Companies	4,629	5,128	4,694	5,334	4,946
Other Services	22,662	21,939	13,970	15,900	18,618
(Private) Distribution	12,803	12,764	20,726	22,405	17,174
Professional Services	5,546	5,515	16,081	16,494	10,909
Real Estate	872	956	746	824	849
Transportation	93,738	107,426	103,248	107,527	102,985
TOTAL	1,037,337	1,098,053	1,024,427	1,033,196	1,048,254
	2008P	2009P	2010P	2011P	Average 2008-2011
<b>INDUSTRY</b>	<b>(% Distribution)</b>				
Communications & Utilities	32.12	31.35	34.99	34.07	33.13
Construction Companies	0.28	0.28	0.23	0.23	0.26
Education	0.90	0.91	1.06	1.12	1.00
Financial Sector	27.43	28.14	21.33	22.34	24.81
Health	0.27	0.26	0.32	0.36	0.31
Hotels & Restaurants	25.48	25.06	26.50	25.57	25.65
Manufacturing Companies	0.00	0.00	0.00	0.00	0.00
Non-Profit	0.00	0.00	0.00	0.00	0.00
Oil Companies	0.45	0.47	0.46	0.52	0.47
Other Services	2.18	2.00	1.36	1.54	1.77
(Private) Distribution	1.23	1.16	2.02	2.17	1.65
Professional Services	0.53	0.50	1.57	1.60	1.05
Real Estate	0.08	0.09	0.07	0.08	0.08
Transportation	9.04	9.78	10.08	10.41	9.83
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: The Central Bank of the Bahamas Survey on Pension Funds & Central Bank estimates

## Characteristics of Local Pension Plans

Based on the results, defined contribution (including provident fund) plans continued to be the most popular and growing pension scheme in The Bahamas, comprising 81.0% of plans surveyed in 2009 and 82.9% in 2011, for an average 82.0% from 2008 to 2011. However, as a few large institutions continued to maintain defined benefit plans, individuals covered by these types of arrangements represented just 13.1% of overall private pension participants and 37.2% of total pension assets. These schemes are most frequently utilized by smaller, more recently established employers, who benefit from lower funding costs of defined contribution plans. Defined benefit schemes, by comparison, have been in existence for a longer period of time and are generally sponsored by larger institutions, including the public corporations. Such plans accounted for 86.8% of participants and 62.8% of estimated total fund assets during the four-year survey period.

Although domestic pension funds are not regulated, the Government is currently seeking to introduce new legislation aimed at, *inter alia*, strengthening the supervisory framework for and increasing the level of portability of individual pension plans, by outlining rules regarding the establishment, administration, and transferability of the same.

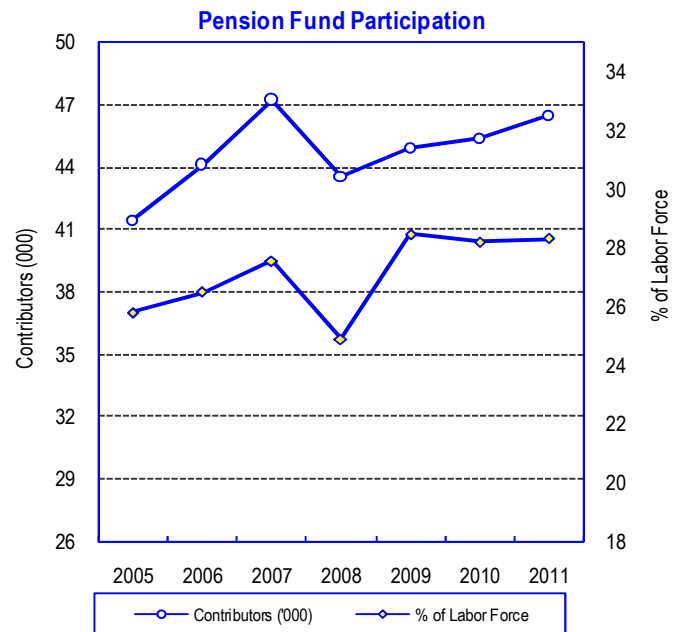
With regard to fund administration, in 2009, the majority (48.7%) of local plans employed professional managers. Approximately 20.5% of the plans had in-house administrative arrangements, the bulk of which comprised funds sponsored by entities in the financial sector that employ staff capable of executing these functions. Smaller shares were managed by insurance companies (16.7%) and banks and trust companies (14.1%). By 2011, professional managers were associated with a higher 57.1% of total plans; with the percentage of in-house administered plans lowered to 17.1%. Gains were also noted in the pension arrangements externally administered by banks and trust companies (15.7%), while the percentage related to insurance companies slipped to 11.4%<sup>1</sup>.

In addition to the type of administrative arrangement, pension plans are also distinguished by how funding is shared between the employer and employees. Contributory schemes—those jointly funded by employers and employees—were the most widely used—averaging 88.4% over the four-year period. In 2009, some 90.9% of defined contribution and 78.6% of defined benefit plans were jointly funded. By 2011, these percentages were slightly lower at 90.2% for defined contribution schemes and more significant at 66.7% for defined benefit plans, likely due in part to some employees electing not to make any additional voluntary contributions, in the context of the more difficult economic environment.

In 2009, more than half of the domestic plans featured mandatory employee participation—some 65.3% of defined benefit schemes (50% in 2011) and 56.4% of defined contribution plans (47.1% in 2011).

## Labour Force Participation

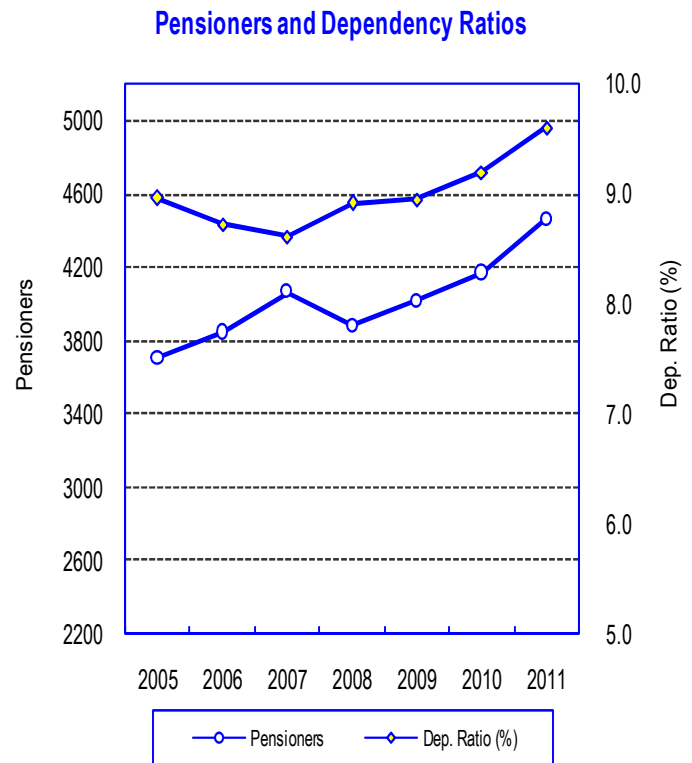
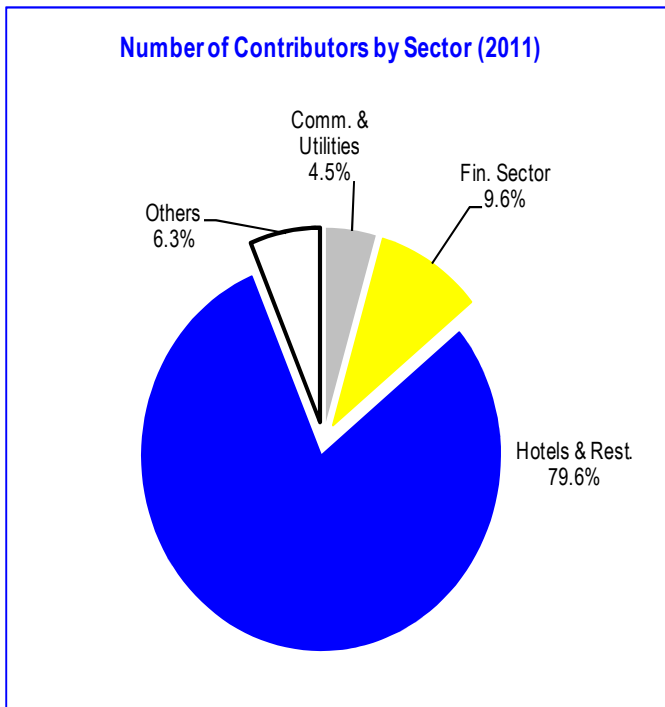
The number of participants in private pension schemes was estimated at 47,879 in 2011, a slight gain from the 46,712 recorded in 2008, and accounted for a relatively stable 29.2% of the labor force in 2011.



<sup>1</sup> Total percentage is greater than 100, as one company's fund is managed by both an insurance company and a bank & trust.

Given the makeup of the domestic economy, the distribution of participants by sector was generally consistent over the past four (4) years. In particular, hotels and restaurants, which represent a substantial portion of the domestic tourism sector, employed the majority (79.6%) of participants at 38,120 in 2011, for a gain of 1,902 relative to 2009. The financial sector followed at 9.6%, with the communications & utilities sector accounting for an estimated 4.5% and the remaining sectors, a combined 6.3%.

stayed within the 8.5% to 10.0% band, averaging 9.3% over the four-year period. With regard to the net financial obligation of supporting pensioners, the estimated dependency rate—pensions paid as a percentage of funding contributions was volatile, falling in 2008 and 2009, to 31.1% and 16.4%, respectively, from 40.0% in 2007. In 2010 and 2011, the dependency rates rebounded to 37.7% and 47.3%, respectively, on account of the previously mentioned retirement payments.



### Pension and Benefits Payout

Compared to a total of 4,065 individuals in 2007, the number of pensioners increased steadily by an average of 2.5% (99 persons) per annum, to 4,454 in 2009, and advanced further to 4,460 by end-2011. The largest number of new retirees was added in the tourism and communications & utilities sectors. Alongside the increase in retirees, yearly pension payments firmed, on average, by 18.8% (\$6.7 million) of assets, from \$32.3 million in 2007 to \$59.3 million, by end-2011. However, it should be noted that the growth in pension payments in 2010 and 2011 partly reflected separation packages granted by a major utility company, in the context of its privatization. Overall, the dependency ratio, the number of pensioners as a percentage of active plan participants,

### Asset Size and Distribution

Amid the onset of the global financial crisis in 2008, the value of assets held in private pensions declined by an estimated 6.7% compared to the previous year, but rebounded in 2009, by 5.9% to \$1,098.1 million. Following a one-time transaction in 2010, aggregate assets fell by an estimated 6.7%, before recovering slightly by 0.9% to \$1,033.2 million in 2011.

Over the survey years, the distribution of asset was generally stable (see Table 2). On average, the bulk of assets was held by schemes in the communication &

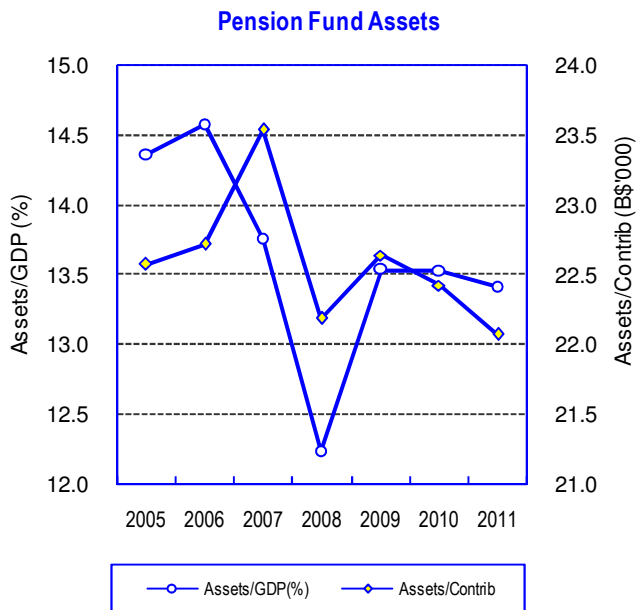
**Table 3**  
**Private Pension Investments**

	2008P	2009P	2010P	2011P	Average 2008-2011
	(B\$'000)				
Total Fund	1,037,337	1,098,053	1,024,427	1,033,196	1,048,254
Of which:					
Government Bonds	338,671	352,089	399,904	400,385	372,762
Bank Deposits	144,993	150,229	136,977	157,621	147,455
Real Estate	12,099	10,673	13,016	13,062	12,213
Employer's Business	54,792	56,144	68,844	71,362	62,785
Mortgages	16,978	15,919	5,308	4,500	10,676
Private Sector Bonds	1,139	1,104	533	200	744
Equities	245,969	261,364	165,989	143,772	204,273
Mutual Funds	154,410	169,716	119,765	123,074	141,741
Loans	29,727	31,358	33,364	34,114	32,141
Contribution Arrears	1,890	163	1,037	7,956	2,762
Dividends	5,532	17,306	14,279	14,023	12,785
Other Investment	31,138	31,987	65,413	63,128	47,916
	(% Distribution )				
Total Fund	100	100	100	100	100
Of which:					
Government Bonds	32.6	32.1	39.0	38.8	35.6
Bank Deposits	14.0	13.7	13.4	15.3	14.1
Real Estate	1.2	1.0	1.3	1.3	1.2
Employer's Business	5.3	5.1	6.7	6.9	6.0
Mortgages	1.6	1.4	0.5	0.4	1.0
Private Sector Bonds	0.1	0.1	0.1	0.0	0.1
Equities	23.7	23.8	16.2	13.9	19.4
Mutual Funds	14.9	15.5	11.7	11.9	13.5
Loans	2.9	2.9	3.3	3.3	3.1
Contribution Arrears	0.2	0.0	0.1	0.8	0.3
Dividends	0.5	1.6	1.4	1.4	1.2
Other Investment	3.0	2.9	6.4	6.1	4.6

Source: The Central Bank of the Bahamas Survey on Pension Funds & Central Bank estimates

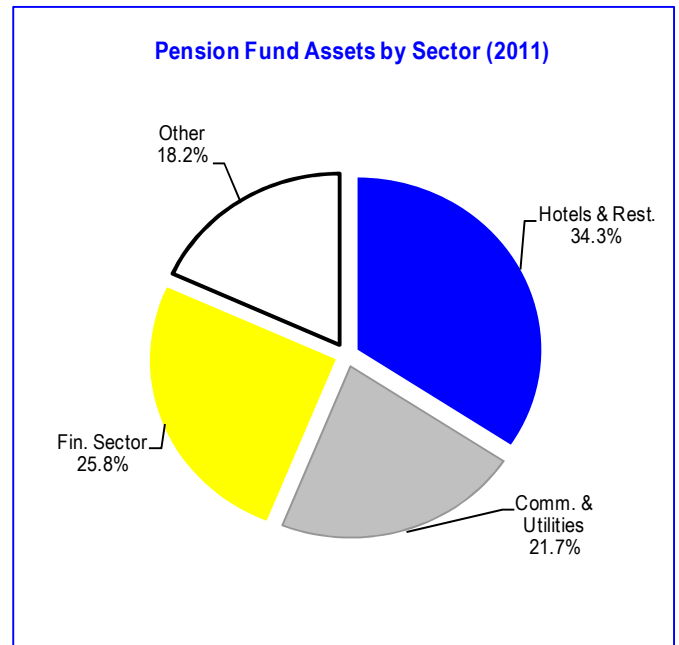


utilities industry (33.1%), followed by hotels & restaurants (25.7%), the financial sector (24.8%), and transportation (9.8%) and the remaining sectors, a combined 6.6%.



An analysis of the distribution of assets by instrument type showed that, as the economic recession intensified, pension fund managers reallocated their portfolios in favor of more conservative investments. As a consequence, holdings of Government bonds increased, from 32.6% of the total portfolio in 2008 to 38.6% by end-2011. Similarly, deposit balances, although dipping in 2009 and 2010, rose from 14.0% in 2008 to 15.2% of total assets by end-2011; while the proportion of mutual funds declined to 12.2% from 14.9% in 2008 (see Table 3). Equity holdings, which comprised the second highest proportion, were slashed, from approximately 23.7% in 2008 to 13.7% in 2011. For the remaining portfolio categories, investments in real estate averaged 1.2% per year; however, “other” miscellaneous investments and loans increased in proportion, from 3.0% and 2.9%, to 6.1% and 3.3%, respectively.

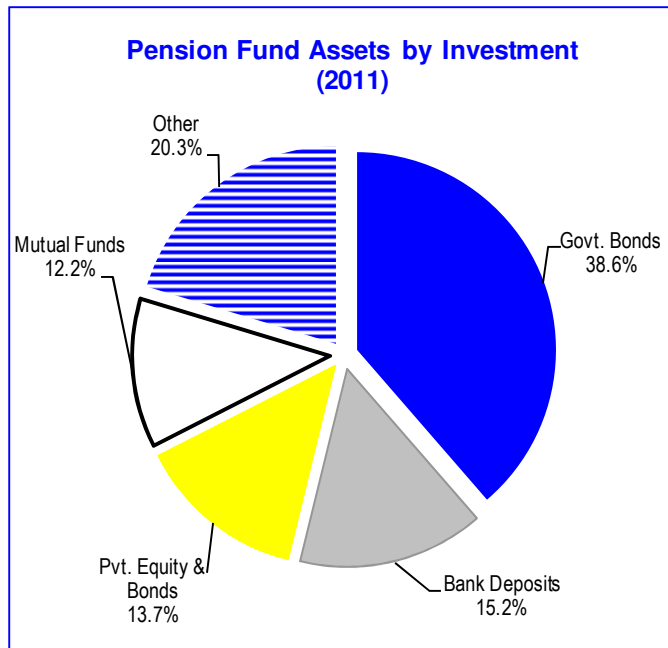
In general, schemes continued to hold the majority of their investments locally, with only the financial and hotel & restaurant sectors having foreign investments as part of their portfolios. However, the proportions were reduced from average highs of 30.4% and 18.5% to 7.4% and 18.3%, respectively; reflecting a flight to safety amid the global financial crisis.



An analysis of investment strategies of the main sectors revealed that Government bonds, mutual funds, deposits and equities make up the bulk of assets; although with variability among industries (see Tables 4A & 4B). By sector, schemes employed by the communications & public utilities sector, predominately utilized Government bonds; however, these holdings as a proportion of the overall portfolio, narrowed to an estimated 47.0% from 51.0% in 2008. Deposits represented a consistent 22.0% of the portfolio, while equities softened from 20.0% in 2008 to 17.0% by 2011. The balance of the assets in 2011 was shared between ‘other’ investments (9.0%) and mutual funds (2.0%), along with mortgages, contributions in arrears and dividends which amounted to 1.0% each.

In contrast, the assets of financial sector plans in 2008 were concentrated in mutual funds (40.0%), followed by Government securities (29.0%); however, the portfolio shifted more in favor of Government bonds by 2011 (42.0%), with mutual funds making up 33.0%. The remaining assets were in the form of equity in the employer’s business (7.0%), ‘other’ equities (6.0%), ‘other’ investments (6.0%), deposits (5.0%) and mortgages (1.0%). For schemes within the tourism sector—predominately the hotels & restaurants—in 2008, the largest share of assets was in the form of equities (50.0%), followed by Government bonds (26.0%) and

deposits (16.0%). However, in 2011, the composition shifted in favor of Government securities (45.0%), while the balance was distributed equally between deposits (23.0%) and equities (23.0%). Similarly, on average, the plans within the remaining sectors mainly utilized mutual funds (34.0%), Government bonds (17.0%), equities (9.0%) and deposits (6.0%).



### Defined Benefits vs. Defined Contributions

In today's environment, more employers are introducing defined contribution schemes, although the majority of domestic pension savings continued to be held by defined benefit schemes, which comprised 53.3% of the total in 2008 and increased to 71.2% by 2011. Specifically, aggregate assets for defined benefit plans rose steadily from \$559.9 million at end-2008 to \$742.8 million at end-2010, before declining to \$735.7 million at end-2011 (see Table 5).

Defined benefit and defined contribution schemes continue to exhibit differences in investment portfolio allocations, with more diversity observed for the latter, in contrast with the proportionally larger investments in public sector securities by defined benefit plans. For defined benefit schemes, the proportion of the portfolios invested in Government securities advanced to 48.3% in 2011 from 43.7% in 2008 and, although the allocation in

capital market instruments<sup>2</sup> firmed to 37.6% in 2009, vis-à-vis 2008's share, it receded to 21.1% at end-2011, amid a greater focus on reducing risk exposure. Defined contribution schemes, where the payout to participants is based mainly on the returns from their investments, had the bulk of their investments in capital market instruments, with the proportion steady at 41.0% between 2008 and 2009, before easing to 37.6% by end-2011. While holdings of Government securities increased to 20.4% in 2009 from 19.7% in 2008, they fell to 14.9% in the following year, before recovering slightly to 15.2% of the overall portfolio in 2011. Deposit holdings narrowed progressively, from 15.2% in 2008 to 13.3% in 2009 and 5.2% in 2011, while the share of "other" investments fell to 5.3% in 2009, although rising to 7.9% in the following two (2) years.

### Conclusions

Over the 2008-2011 period, private pension funds continued to perform relatively well, with aggregate assets consistently exceeding the \$1.0 billion mark. Despite the decline in assets observed during 2008, as a consequence of the global financial crisis and domestic recession, indications are that the extent of the impact of the domestic downturn on plan assets was contained, due to the fact that assets were predominantly invested domestically, and in investments exposed to minimum market risk. Survey responses also revealed that plan performance strengthened in the subsequent review years.

In the near-term, expectations are that the industry's performance should register steady improvement, as economic conditions strengthen, thereby supporting gains in employment and asset growth. Given the traditional conservative investing profile of domestic pension administrators, and the limited local investment opportunities, it is anticipated that Government securities will continue to dominate the investment mix of these schemes. From a governance perspective, the Government's plans to introduce a legislation framework should ensure that these products are operating and being administered in accordance with international norms and best practices.

<sup>2</sup> This includes equities and mutual funds.

**Table 4A**  
**PRIVATE PENSION INVESTMENTS: BY INDUSTRY/ASSET ALLOCATION**

	(B\$'000)												
	Government Bonds	Bank Deposits	Real Estate	Employer's Business	Mortgages	Private Sector Bonds	Equities	Mutual Funds	Loans	Contribution Arrears	Dividends	Other Investment	Total Assets
<b>2008P</b>													
Communications & Utilities	170,660	71,817	630	1,563	5,277	0	67,571	1,991	0	1,793	4,454	7,401	333,156
Construction Companies	0	963	0	0	0	0	0	1,970	0	0	0	0	2,933
Education	628	120	0	0	0	89	685	47	0	0	0	7,724	9,293
Financial Sector	82,512	23,434	409	6,579	11,701	387	30,123	114,643	0	97	962	13,731	284,578
Health	1,354	171	0	0	0	0	735	160	0	0	0	425	2,844
Hotels & Restaurants	69,925	42,826	0	0	0	0	130,836	12,521	8,058	0	117	0	264,283
Manufacturing Companies	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Profit	0	0	0	0	0	0	0	0	0	0	0	0	0
Oil Companies	1,600	460	0	0	0	63	694	0	0	0	0	1,811	4,629
Other Services	1,652	148	875	0	0	0	7,553	12,434	0	0	0	0	22,662
(Private) Distribution	2,139	1,470	0	0	0	200	619	8,365	0	0	0	10	12,803
Professional Services	1,111	855	0	0	0	400	1,632	1,391	121	0	0	36	5,546
Real Estate	262	0	0	0	0	0	0	610	0	0	0	0	872
Transportation	6,828	2,730	10,184	46,651	0	0	5,521	276	21,548	0	0	0	93,738
<b>TOTAL</b>	<b>338,670</b>	<b>144,993</b>	<b>12,099</b>	<b>54,792</b>	<b>16,978</b>	<b>1,139</b>	<b>245,969</b>	<b>154,410</b>	<b>29,727</b>	<b>1,890</b>	<b>5,533</b>	<b>31,138</b>	<b>1,037,337</b>
<b>2009P</b>													
Communications & Utilities	167,777	84,304	0	1,602	4,165	0	72,235	2,058	0	58	4,487	7,571	344,257
Construction Companies	0	1,070	0	0	0	0	0	1,986	0	0	0	0	3,056
Education	828	174	0	0	0	89	692	20	0	0	0	8,229	10,031
Financial Sector	96,016	19,422	323	6,395	11,754	352	30,708	128,827	0	105	1,300	13,752	308,954
Health	1,398	124	0	0	0	0	713	181	0	0	0	473	2,888
Hotels & Restaurants	70,896	41,072	0	0	0	0	141,479	13,578	7,494	0	620	0	275,139
Manufacturing Companies	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Profit	0	0	0	0	0	0	0	0	0	0	0	0	0
Oil Companies	1,893	574	0	0	0	63	692	0	0	0	0	1,907	5,128
Other Services	1,852	70	0	0	0	0	7,161	12,856	0	0	0	0	21,939
(Private) Distribution	2,541	1,637	0	0	0	200	679	7,695	0	0	0	12	12,764
Professional Services	1,113	814	0	0	0	400	1,571	1,574	0	0	0	43	5,515
Real Estate	282	0	0	0	0	0	0	674	0	0	0	0	956
Transportation	7,494	970	10,350	48,148	0	0	5,433	268	23,864	0	10,899	0	107,426
<b>TOTAL</b>	<b>352,089</b>	<b>150,229</b>	<b>10,673</b>	<b>56,144</b>	<b>15,919</b>	<b>1,104</b>	<b>261,364</b>	<b>169,716</b>	<b>31,358</b>	<b>163</b>	<b>17,306</b>	<b>31,987</b>	<b>1,098,053</b>

Source: The Central Bank of the Bahamas Survey on Pension Funds & Central Bank estimates

**Table 4A Cont'd**  
**PRIVATE PENSION INVESTMENTS: BY INDUSTRY/ASSET ALLOCATION**

	(B\$'000)												
	Government Bonds	Bank Deposits	Real Estate	Employer's Business	Mortgages	Private Sector Bonds	Equities	Mutual Funds	Loans	Contribution Arrears	Dividends	Other Investment	Total Assets
<b>2010P</b>													
Communications & Utilities	174,258.0	83,844.0	0.0	1,660.0	3,310.0	0.0	59,072.0	6,003.0	0.0	43.0	4,706.0	25,571.0	358,467.0
Construction Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,364.0	0.0	0.0	0.0	0.0	2,364.0
Education	1,243.0	92.0	0.0	0.0	0.0	0.0	734.0	20.0	0.0	0.0	14.0	8,775.4	10,878.4
Financial Sector	93,321.4	10,383.2	0.0	15,670.0	1,997.9	270.0	12,867.9	69,680.6	0.0	0.0	1,254.0	13,021.6	218,466.6
Health	1,636.1	137.7	0.0	0.0	0.0	0.0	677.5	261.1	0.0	0.0	0.0	589.8	3,302.3
Hotels & Restaurants	115,741.0	36,034.0	0.0	0.0	0.0	0.0	82,996.0	12,138.8	6,385.0	967.0	3,461.0	13,750.0	271,472.8
Manufacturing Companies	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
Non-Profit	5.0	2.0	0.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	11.0
Oil Companies	2,078.0	55.0	0.0	0.0	0.0	63.0	449.0	0.0	0.0	0.0	0.0	2,049.0	4,694.0
Other Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13,970.0	0.0	0.0	0.0	0.0	13,970.0
(Private) Distribution	2,571.0	263.0	0.0	0.0	0.0	200.0	1,190.0	13,587.9	1,309.0	0.0	0.0	1,605.0	20,725.9
Professional Services	2,351.0	4,414.5	0.0	0.0	0.0	0.0	2,161.7	994.0	1,430.0	27.0	4,652.0	51.0	16,081.3
Real Estate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	746.0	0.0	0.0	0.0	0.0	746.0
Transportation	6,699.0	1,751.6	13,015.6	51,513.7	0.0	0.0	5,836.5	0.0	24,239.9	0.0	191.8	0.0	103,248.1
<b>TOTAL</b>	<b>399,903.6</b>	<b>136,977.0</b>	<b>13,015.6</b>	<b>68,843.7</b>	<b>5,307.9</b>	<b>533.0</b>	<b>165,988.7</b>	<b>119,765.5</b>	<b>33,363.9</b>	<b>1,037.0</b>	<b>14,278.8</b>	<b>65,412.8</b>	<b>1,024,427.4</b>
<b>2011P</b>													
Communications & Utilities	166,004.0	77,144.0	0.0	1,660.0	2,605.0	0.0	59,092.0	6,353.0	0.0	5,065.0	3,755.0	30,283.0	351,961.0
Construction Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,415.0	0.0	0.0	0.0	0.0	2,415.0
Education	1,438.0	76.0	0.0	0.0	0.0	0.0	758.0	0.0	0.0	0.0	14.0	9,318.0	11,604.0
Financial Sector	97,990.5	11,205.6	0.0	15,674.0	1,895.3	200.0	12,909.7	76,584.0	0.0	2.0	1,061.0	13,309.3	230,831.5
Health	1,609.8	343.1	0.0	0.0	0.0	0.0	907.1	263.5	0.0	0.0	0.0	615.3	3,738.7
Hotels & Restaurants	118,655.0	60,727.0	0.0	0.0	0.0	0.0	60,429.0	6,204.0	5,842.0	2,864.0	3,924.0	5,498.0	264,143.0
Manufacturing Companies	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
Non-Profit	10.0	3.0	0.0	0.0	0.0	0.0	6.0	0.0	0.0	0.0	0.0	0.0	19.0
Oil Companies	2,500.0	138.0	0.0	0.0	0.0	0.0	467.0	0.0	0.0	0.0	0.0	2,229.0	5,334.0
Other Services	0.0	1,000.0	0.0	0.0	0.0	0.0	0.0	14,900.0	0.0	0.0	0.0	0.0	15,900.0
(Private) Distribution	2,937.0	321.0	0.0	0.0	0.0	0.0	1,268.0	14,623.0	1,440.0	0.0	0.0	1,816.0	22,405.0
Professional Services	2,541.0	4,341.3	0.0	0.0	0.0	0.0	1,941.8	908.0	1,750.7	25.0	4,927.0	59.0	16,493.9
Real Estate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	824.0	0.0	0.0	0.0	0.0	824.0
Transportation	6,699.2	2,321.6	13,062.4	54,027.5	0.0	0.0	5,993.2	0.0	25,081.1	0.0	342.3	0.0	107,527.3
<b>TOTAL</b>	<b>400,384.5</b>	<b>157,620.6</b>	<b>13,062.4</b>	<b>71,361.5</b>	<b>4,500.3</b>	<b>200.0</b>	<b>143,771.8</b>	<b>123,074.4</b>	<b>34,113.8</b>	<b>7,956.0</b>	<b>14,023.3</b>	<b>63,127.6</b>	<b>1,033,196.3</b>

Source: The Central Bank of the Bahamas Survey on Pension Funds & Central Bank estimates

**Table 4B**  
**PRIVATE PENSION INVESTMENTS: BY INDUSTRY/ASSET ALLOCATION**

	Government	Bank	Real Estate	Employer's	Mortgages	Private	Mutual	Contribution	Other	Total			%
	Bonds	Deposits		Business		Sector	Funds	Arrears	Investment	Assets			
						Bonds	Equities	Loans	Dividends				
<b>2008P</b>													
Communications & Utilities	51.2	21.6	0.2	0.5	1.6	0.0	20.3	0.6	0.0	0.5	1.3	2.2	100.0
Construction Companies	0.0	32.8	0.0	0.0	0.0	0.0	0.0	67.2	0.0	0.0	0.0	0.0	100.0
Education	6.8	1.3	0.0	0.0	0.0	1.0	7.4	0.5	0.0	0.0	0.0	83.1	100.0
Financial Sector	29.0	8.2	0.1	2.3	4.1	0.1	10.6	40.3	0.0	0.0	0.3	4.8	100.0
Health	47.6	6.0	0.0	0.0	0.0	0.0	25.8	5.6	0.0	0.0	0.0	14.9	100.0
Hotels & Restaurants	26.5	16.2	0.0	0.0	0.0	0.0	49.5	4.7	3.0	0.0	0.0	0.0	100.0
Manufacturing Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Non-Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Oil Companies	34.6	9.9	0.0	0.0	0.0	1.4	15.0	0.0	0.0	0.0	0.0	39.1	100.0
Other Services	7.3	0.7	3.9	0.0	0.0	0.0	33.3	54.9	0.0	0.0	0.0	0.0	100.0
(Private) Distribution	16.7	11.5	0.0	0.0	0.0	1.6	4.8	65.3	0.0	0.0	0.0	0.1	100.0
Professional Services	20.0	15.4	0.0	0.0	0.0	7.2	29.4	25.1	2.2	0.0	0.0	0.6	100.0
Real Estate	30.1	0.0	0.0	0.0	0.0	0.0	0.0	69.9	0.0	0.0	0.0	0.0	100.0
Transportation	7.3	2.9	10.9	49.8	0.0	0.0	5.9	0.3	23.0	0.0	0.0	0.0	100.0
<b>TOTAL</b>	<b>32.6</b>	<b>14.0</b>	<b>1.2</b>	<b>5.3</b>	<b>1.6</b>	<b>0.1</b>	<b>23.7</b>	<b>14.9</b>	<b>2.9</b>	<b>0.2</b>	<b>0.5</b>	<b>3.0</b>	<b>100.0</b>
<b>2009P</b>													
Communications & Utilities	48.7	24.5	0.0	0.5	1.2	0.0	21.0	0.6	0.0	0.0	1.3	2.2	100.0
Construction Companies	0.0	35.0	0.0	0.0	0.0	0.0	0.0	65.0	0.0	0.0	0.0	0.0	100.0
Education	8.3	1.7	0.0	0.0	0.0	0.9	6.9	0.2	0.0	0.0	0.0	82.0	100.0
Financial Sector	31.1	6.3	0.1	2.1	3.8	0.1	9.9	41.7	0.0	0.0	0.4	4.5	100.0
Health	48.4	4.3	0.0	0.0	0.0	0.0	24.7	6.3	0.0	0.0	0.0	16.4	100.0
Hotels & Restaurants	25.8	14.9	0.0	0.0	0.0	0.0	51.4	4.9	2.7	0.0	0.2	0.0	100.0
Manufacturing Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Non-Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Oil Companies	36.9	11.2	0.0	0.0	0.0	1.2	13.5	0.0	0.0	0.0	0.0	37.2	100.0
Other Services	8.4	0.3	0.0	0.0	0.0	0.0	32.6	58.6	0.0	0.0	0.0	0.0	100.0
(Private) Distribution	19.9	12.8	0.0	0.0	0.0	1.6	5.3	60.3	0.0	0.0	0.0	0.1	100.0
Professional Services	20.2	14.8	0.0	0.0	0.0	7.3	28.5	28.5	0.0	0.0	0.0	0.8	100.0
Real Estate	29.5	0.0	0.0	0.0	0.0	0.0	0.0	70.5	0.0	0.0	0.0	0.0	100.0
Transportation	7.0	0.9	9.6	44.8	0.0	0.0	5.1	0.2	22.2	0.0	10.1	0.0	100.0
<b>Total</b>	<b>32.1</b>	<b>13.7</b>	<b>1.0</b>	<b>5.1</b>	<b>1.4</b>	<b>0.1</b>	<b>23.8</b>	<b>15.5</b>	<b>2.9</b>	<b>0.0</b>	<b>1.6</b>	<b>2.9</b>	<b>100.0</b>

Source: The Central Bank of the Bahamas Survey on Pension Funds & Central Bank estimates

**Table 4B Cont'd**  
**PRIVATE PENSION INVESTMENTS: BY INDUSTRY/ASSET ALLOCATION**

	Government Bonds	Bank Deposits	Real Estate	Employer's Business	Mortgages	Private Sector Bonds	Equities	Mutual Funds	Loans	Contribution Arrears	Dividends	Other Investment	Total Assets	%
<b>2010P</b>														
Communications & Utilities	48.6	23.4	0.0	0.5	0.9	0.0	16.5	1.7	0.0	0.0	1.3	7.1	100.0	
Construction Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	100.0	
Education	11.4	0.8	0.0	0.0	0.0	0.0	6.7	0.2	0.0	0.0	0.1	80.7	100.0	
Financial Sector	42.7	4.8	0.0	7.2	0.9	0.1	5.9	31.9	0.0	0.0	0.6	6.0	100.0	
Health	49.5	4.2	0.0	0.0	0.0	0.0	20.5	7.9	0.0	0.0	0.0	17.9	100.0	
Hotels & Restaurants	42.6	13.3	0.0	0.0	0.0	0.0	30.6	4.5	2.4	0.4	1.3	5.1	100.0	
Manufacturing Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	
Non-Profit	45.5	18.2	0.0	0.0	0.0	0.0	36.4	0.0	0.0	0.0	0.0	0.0	100.0	
Oil Companies	44.3	1.2	0.0	0.0	0.0	1.3	9.6	0.0	0.0	0.0	0.0	43.7	100.0	
Other Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	100.0	
(Private) Distribution	12.4	1.3	0.0	0.0	0.0	1.0	5.7	65.6	6.3	0.0	0.0	7.7	100.0	
Professional Services	14.6	27.5	0.0	0.0	0.0	0.0	13.4	6.2	8.9	0.2	28.9	0.3	100.0	
Real Estate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	100.0	
Transportation	6.5	1.7	12.6	49.9	0.0	0.0	5.7	0.0	23.5	0.0	0.2	0.0	100.0	
<b>Total</b>	<b>39.0</b>	<b>13.4</b>	<b>1.3</b>	<b>6.7</b>	<b>0.5</b>	<b>0.1</b>	<b>16.2</b>	<b>11.7</b>	<b>3.3</b>	<b>0.1</b>	<b>1.4</b>	<b>6.4</b>	<b>100.0</b>	
<b>2011P</b>														
Communications & Utilities	47.2	21.9	0.0	0.5	0.7	0.0	16.8	1.8	0.0	1.4	1.1	8.6	100.0	
Construction Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	100.0	
Education	12.4	0.7	0.0	0.0	0.0	0.0	6.5	0.0	0.0	0.0	0.1	80.3	100.0	
Financial Sector	42.5	4.9	0.0	6.8	0.8	0.1	5.6	33.2	0.0	0.0	0.5	5.8	100.0	
Health	43.1	9.2	0.0	0.0	0.0	0.0	24.3	7.0	0.0	0.0	0.0	16.5	100.0	
Hotels & Restaurants	44.9	23.0	0.0	0.0	0.0	0.0	22.9	2.3	2.2	1.1	1.5	2.1	100.0	
Manufacturing Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	
Non-Profit	52.6	15.8	0.0	0.0	0.0	0.0	31.6	0.0	0.0	0.0	0.0	0.0	100.0	
Oil Companies	46.9	2.6	0.0	0.0	0.0	0.0	8.8	0.0	0.0	0.0	0.0	41.8	100.0	
Other Services	0.0	6.3	0.0	0.0	0.0	0.0	0.0	93.7	0.0	0.0	0.0	0.0	100.0	
(Private) Distribution	13.1	1.4	0.0	0.0	0.0	0.0	5.7	65.3	6.4	0.0	0.0	8.1	100.0	
Professional Services	15.4	26.3	0.0	0.0	0.0	0.0	11.8	5.5	10.6	0.2	29.9	0.4	100.0	
Real Estate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	100.0	
Transportation	6.2	2.2	12.1	50.2	0.0	0.0	5.6	0.0	23.3	0.0	0.3	0.0	100.0	
<b>TOTAL</b>	<b>38.8</b>	<b>15.3</b>	<b>1.3</b>	<b>6.9</b>	<b>0.4</b>	<b>0.0</b>	<b>13.9</b>	<b>11.9</b>	<b>3.3</b>	<b>0.8</b>	<b>1.4</b>	<b>6.1</b>	<b>100.0</b>	

Source: The Central Bank of the Bahamas Survey on Pension Funds & Central Bank estimates

**Table 5**  
**Private Pension Investments By Fund Type**

	Defined Benefit				Defined Contribution			
	2008P	2009P	2010P	2011P	2008P	2009P	2010P	2011P
	(B\$'000)				(B\$'000)			
<b>Total Fund</b>	<b>559,938.4</b>	<b>585,413.7</b>	<b>742,787.8</b>	<b>735,673.5</b>	<b>477,399.0</b>	<b>512,639.7</b>	<b>281,639.6</b>	<b>297,522.9</b>
Of Which:								
Government Bonds	244,629.1	247,529.5	358,077.4	355,157.4	94,042.4	104,559.3	41,826.2	45,227.1
Bank Deposits	72,659.4	81,889.2	123,432.5	142,197.4	72,333.5	68,339.5	13,544.5	15,423.2
Real Estate	630.0	0.0	0.0	0.0	11,468.6	10,673.3	13,015.6	13,062.4
Employer Business	3,581.0	3,767.0	16,947.0	16,947.0	51,211.3	52,377.1	51,896.7	54,414.5
Mortgages	16,197.0	15,084.0	3,310.0	2,605.0	781.0	835.3	1,997.9	1,895.3
Private Sector Bonds	0.0	0.0	0.0	0.0	1,139.1	1,104.4	533.0	200.0
Equities	177,081.5	191,153.1	146,736.3	124,278.7	68,887.1	70,211.0	19,252.4	19,493.1
Mutual Funds	27,435.3	29,156.2	32,931.1	30,941.9	126,974.4	140,559.6	86,834.4	92,132.5
Loans	8,058.0	7,494.0	7,694.0	7,282.0	21,669.2	23,864.0	25,669.9	26,831.8
Contibution Arrears	1,736.0	0.0	1,010.0	7,931.0	153.8	163.3	27.0	25.0
Dividends	3,765.0	4,466.0	9,373.0	8,670.0	1,766.9	12,840.2	4,905.8	5,353.3
Other Investment	4,166.1	4,874.8	43,276.5	39,663.1	26,971.7	27,112.6	22,136.3	23,464.5
	(% Distribution)				(% Distribution)			
<b>Total Fund</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Of Which:								
Government Bonds	43.7	42.3	48.2	48.3	19.7	20.4	14.9	15.2
Bank Deposits	13.0	14.0	16.6	19.3	15.2	13.3	4.8	5.2
Real Estate	0.1	0.0	0.0	0.0	2.4	2.1	4.6	4.4
Employer Business	0.6	0.6	2.3	2.3	10.7	10.2	18.4	18.3
Mortgages	2.9	2.6	0.4	0.4	0.2	0.2	0.7	0.6
Private Sector Bonds	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.1
Equities	31.6	32.7	19.8	16.9	14.4	13.7	6.8	6.6
Mutual Funds	4.9	5.0	4.4	4.2	26.6	27.4	30.8	31.0
Loans	1.4	1.3	1.0	1.0	4.5	4.7	9.1	9.0
Contibution Arrears	0.3	0.0	0.1	1.1	0.0	0.0	0.0	0.0
Dividends	0.7	0.8	1.3	1.2	0.4	2.5	1.7	1.8
Other Investment	0.7	0.8	5.8	5.4	5.6	5.3	7.9	7.9

Source: The Central Bank of the Bahamas Survey on Pension Funds

