



Quarterly Economic Review

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QUARTERLY ECONOMIC REVIEW

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

Indications are that the modest recovery in the Bahamian economy was sustained during the second quarter, benefiting from steady gains in the tourism sector on account of an improvement in the key group segment of the market, alongside foreign and public sector led construction activity. Price developments were more favourable, as the rate of increase in consumer prices slowed in line with the general decline in crude oil prices over the year—although food costs continued to increase at a relatively faster rate.

On the fiscal side, the Government's overall deficit worsened over the eleven months of FY2011/12, as broad-based increases in spending outpaced modest gains in revenue. The deficit was financed mainly from the domestic sector and comprised a combination of bonds, loans & advances and Treasury bills.

Money and credit developments during the review quarter featured modest gains in both liquidity and external reserves, primarily associated with receipts from one-off public sector foreign currency transactions and real sector activities. However, accretions to external reserves slowed significantly from the prior year's position, which was boosted by privatization proceeds. In line with the subdued domestic demand environment, private sector credit contracted, while bank profitability declined, due to reduced revenues and increased provisions against loan losses.

In the external sector, the current account deficit widened modestly, as the deterioration in the merchandise trade deficit linked primarily to non-oil imports, eclipsed the tourism-led gain in the services account surplus. By contrast, the positive balance on the capital account strengthened, buoyed in part by net public sector inflows related principally to a bond issue, while net foreign investment inflows contracted.

FISCAL OPERATIONS

OVERVIEW

Government's overall deficit deteriorated by \$56.8 million (24.0%) to \$293.8 million during the eleven months of FY2011/12, as expenditures increased by 7.8% (\$117.8 million) to \$1,622.9 million, outpacing the 4.8% (\$61.1 million) gain in revenue to \$1,329.1 million.

REVENUE

Tax revenue—which constituted 89.0% of total receipts—grew by \$24.8 million (2.2%) to \$1,180.7 million. This outturn was due mainly to a surge in taxes on international trade, by \$124.6 million (23.4%) to \$656.4 million, as the repayment of arrears by a public corporation contributed to a \$124.0 million (67.0%) hike in excise tax collections. In addition, export taxes and stamp taxes on imports firmed by \$2.3 million and \$1.3 million, respectively; however, import taxes contracted by \$3.1 million. Business and professional license fees were higher by \$7.4 million (6.9%) at \$114.8 million, buoyed by a \$23.3 million (35.7%) increase in general business fees, which outstripped a timing-related \$15.0 million (72.0%) contraction in banks & trusts companies license fee payments. More muted gains were noted for property, motor vehicle and departure tax receipts, by \$5.4 million (6.3%), \$1.3 million (5.3%) and \$0.8 million (0.9%), respectively. In contrast, collections of "other" stamp taxes contracted by \$74.0 million (32.0%) to \$157.2 million—a reversion to trend levels following last year's surge, linked to the sale of a local oil refinery. Other "non-allocated" tax revenues—mainly trade-related transactions—contracted by \$22.5 million (58.7%) to \$15.8 million. In addition, income from selective taxes on services fell by \$8.7 million (16.0%) to \$45.3 million, as gaming taxes, which benefited from arrears payments in 2011, decreased by \$8.2 million (45.8%), while hotel occupancy taxes softened by \$0.5 million (1.3%).

Non-tax inflows rose by \$18.5 million (16.5%) to \$130.6 million. This was mainly on account of a 69.6% (\$19.7 million) hike in income to \$48.1 million, as the receipt of deferred interest payments and timing-related dividend inflows, supported an 81.8% (\$20.9 million) boost in income from 'other sources' to \$46.4 million. In addition, revenue from the sale of Government property was higher by 70.0% (\$0.5 million) at \$1.3 million, whereas collections from fines, forfeitures and administrative fees decreased by 2.1% (\$1.7 million) to \$81.2 million. Benefitting from the sale of a Government building, capital revenue surged to \$17.7 million from a negligible level a year earlier.

The expansion in current outlays reflected gains in purchases of goods & services of \$46.5 million (18.3%), comprising higher disbursements for other contractual services (by \$27.1 million or 24.3%) and payments for rent and utilities (\$8.4 million or 13.4%). Wages & salaries were also boosted by \$17.3 million (3.4%), whereas transfer payments moved lower by \$35.5 million (6.5%) to \$507.1 million. The latter included a \$14.0 million decline in interest payments, of which \$10.3 million (7.2%) was attributed to Bahamian dollar loans. Of the \$21.6 million (6.1%) drop in subsidies and other transfers, decreases were noted for subsidies (\$13.1 million), transfers to households (\$14.8 million), non-financial enterprises (\$0.9 million) and entities abroad (\$0.6 million). In contrast, transfers to public corporations were up by \$7.1 million.

Government Revenue By Source				
(Apr. - May)				
	FY10/11		FY11/12	
	B\$M	%	B\$M	%
Property Tax	11.8	4.9	8.3	3.4
Selective Services Tax	13.9	5.8	10.6	4.3
Busines. & Prof Lic. Fees	43.0	17.9	39.3	15.8
Motor Vehicle Tax	5.8	2.4	5.7	2.3
Departure Tax	21.9	9.1	22.6	9.1
Import Duties	58.8	24.5	63.9	25.7
Stamp Tax from Imports	3.3	1.4	3.4	1.4
Excise Tax	37.4	15.6	35.4	14.2
Export Tax	2.3	0.9	2.9	1.2
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	28.8	12.0	46.2	18.6
Other Tax Revenue	-7.0	-2.9	-4.8	-1.9
Fines, Forfeits, etc.	16.0	6.7	14.4	5.8
Sales of Govt. Property	0.1	0.1	0.1	0.0
Income	4.3	1.8	2.7	1.1
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	--	--
Grants	--	--	--	--
Less:Refunds	0.3	0.1	2.6	1.0
Total	239.9	100.0	248.2	100.0

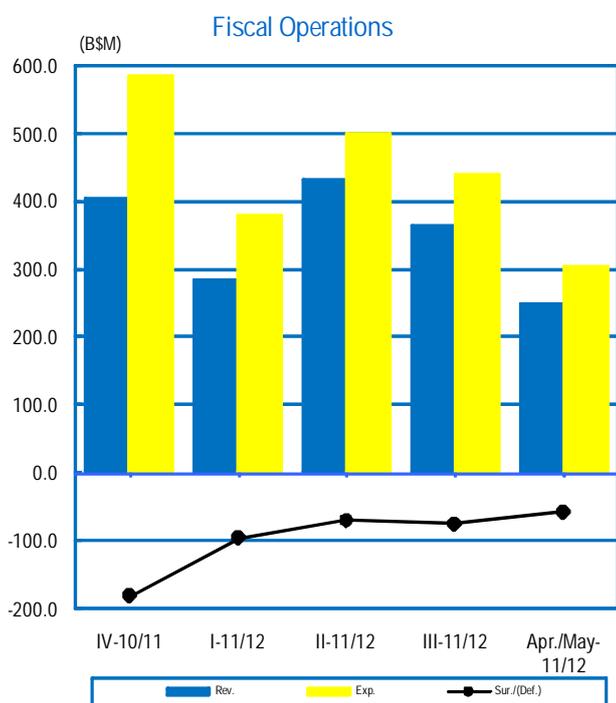
By functional classification, recurrent payments for general public services firmed by 9.6% (\$33.8 million) to \$386.6 million, led by an 11.8% (\$23.7 million) increase in general administrative outlays. In addition, payments for economic services grew by 7.2% (\$9.8 million) to \$145.9 million, due mainly to elevated spending on tourism (\$8.9 million) and public works & water supply services (\$1.5 million). Higher disbursements were also registered for education (\$6.7 million), defense (\$3.4 million), and other community & social services (\$1.4 million); however, health and social benefit payments were reduced by \$12.6 million and \$0.4 million, respectively.

Capital spending firmed over the review period, by 24.3% (\$38.2 million) to \$195.6 million, led by a 23.7% (\$30.6 million) rise in infrastructure expenditures. Outlays for asset acquisitions also strengthened, by 28.5% (\$7.3 million) to \$33.1 million, reflecting mainly increased purchases of land (\$5.9 million) and financial assets (\$2.4 million). Transfers to non-financial public enterprises advanced marginally, by \$0.3 million to \$0.8 million.

On a functional basis, growth in capital spending reflected a 37.0% (\$11.0 million) expansion in general public service outlays, to \$40.6 million, as expenses for general administration firmed by 41.5% (\$11.8 million). Similarly, capital disbursements for economic services grew by 14.5% (\$16.4 million) to \$128.9 million, owing mainly to a 15.2% (\$16.5 million) increase in public works & water supply payments, which negated a \$0.5 million decline in outlays for agriculture & fisheries.

EXPENDITURE

Both current and capital expenditures grew over the eleven-month period, up 2.2% (\$28.2 million) to \$1,330.2 million and by 24.3% (\$38.2 million) to \$195.6 million, respectively. Government provided increased budgetary support to the public corporations, as net lending more than doubled to \$97.1 million.



FINANCING AND THE NATIONAL DEBT

Budgetary financing, at \$334.6 million for the eleven-month period, was secured principally from domestic entities, in the form of Government bonds (\$160.0 million), loans & advances (\$106.6 million) and Treasury bills (\$68.0 million). External financing consisted of \$76.4 million in loan disbursements. Debt repayment totaled \$84.7 million, of which \$75.0 million went towards retiring Bahamian dollar obligations.

The Direct Charge on Government increased by \$39.0 million (1.0%) on a quarterly basis, and by \$347.2 million (9.8%) relative to last year, to \$3,900.2 million at end-June, 2012. By component, Bahamian dollar debt accounted for the majority (78.9%) of the Direct Charge, and foreign currency liabilities, the remaining 21.1%. The most significant portion of the local debt was held by commercial banks (37.3%), followed by "other" private and institutional investors (29.2%), public corporations (22.3%), the Central Bank (10.9%) and other local financial institutions (0.3%). By instrument, Government bonds constituted the majority of debt (84.3%), followed by Treasury bills (11.2%) and loans & advances (4.5%).

Inclusive of a \$4.2 million (0.8%) decline in the contingent liabilities of the public corporations to \$556.0 million, the National Debt firmed marginally by 0.8% (\$34.8 million), relative to the previous quarter to \$4,456.2 million, and increased by 8.3% (\$340.5 million) year-on-year.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

During the second quarter, the public sector's foreign currency debt grew by 3.2% (\$47.0 million) to \$1,509.2 million, and by 18.0% (\$229.7 million) relative to the same period a year earlier. New drawings of \$124.9 million eclipsed amortization payments of \$77.9 million. Government's debt, which accounted for the majority (54.6%) of the total, increased by 1.1% (\$8.7 million) to \$823.8 million, while the public corporations' portion firmed by 5.9% (\$38.3 million) to \$685.4 million, due mainly to one entity's issue of \$113.0 million in US dollar Senior Notes.

Debt service payments decreased by \$3.2 million (3.0%) to \$104.6 million, when compared to the preceding year, reflecting mainly a significant reduction in the Government's component, to \$25.1 million from \$96.2 million in 2011, when proceeds from BTC's divestment were used to repay outstanding debt. Accordingly, Government's amortization and interest charges amounted to \$3.3 million and \$21.9 million, respectively. In contrast, public corporations' debt service payments were higher by \$67.8 million at \$79.4 million, as an entity used part proceeds from its borrowings to refinance debt obligations—hence the sharp rise in amortization expenditures to \$74.7 million. Consequently, the public sector's debt service ratio fell by 0.7 of a percentage point to 11.0% over the prior year.

By creditor profile, the largest holders of foreign currency debt were private capital markets (39.8%), followed by other "miscellaneous" institutions (23.6%), commercial banks (20.6%) and multilateral institutions (13.8%), with the smallest proportion being held by bilateral companies (2.2%). At end-June, the average maturity of the debt stock was 15.6 years and the majority (97.5%) was denominated in US dollars, with Chinese Yuan and other "miscellaneous" currencies accounting for smaller proportions, of 2.2% and 0.3%, respectively.

2012/2013 BUDGET HIGHLIGHTS

In the Government's budget for FY2012/13, which was presented to Parliament on 30th May, 2012 and approved in June, the authorities underscored a commitment to fiscal prudence and enhancements in the revenue administrative regime, while maintaining the flexibility necessary to promote economic growth. The Budget forecasted a widening in the fiscal deficit to GDP ratio, from the 6.3% projected in FY2011/12 to 6.5% in FY2012/13. Correspondingly, the debt-to-GDP ratio is expected to increase to 54.5% at end-FY2012/13, from the 50.6% expected outturn for the comparative period.

In an effort to improve revenue collection and administration, the Government proposed the creation of a new Centralized Tax Administration vehicle, which will include the creation of a Planning and Monitoring Unit responsible for strategic and operational planning, as well as performance appraisal. In addition, the Government highlighted plans to execute a comprehensive, multi-year initiative to reform and modernize the real property tax system and improve the yield from this regime. Plans were also announced to introduce excise stamps on all tobacco products, in a bid to reduce instances of smuggling and other tax avoidance activities, and to engage in discussions with the United States' authorities regarding the proposed imposition of fees for the use of Bahamian airspace. Further rationalization of the existing tariff and excise regime was achieved through a lowering of rates on several items, including solar generators, plastic and steel doors, and air conditioner parts.

Given these initiatives, tax revenue is budgeted to firm marginally in FY2012/13, by 1.9% (\$26.8 million) to \$1,412.6 million, in comparison to the FY2011/12 Budget, and non-tax receipts are expected to expand by 8.8% (\$9.8 million) to \$120.2 million. A disaggregation of projected tax revenue shows an increase in collections from international trade & transactions, by 8.8% (\$63.1 million) to \$781.0 million, occasioned mainly by gains in excise tax receipts (\$148.1 million) and stamp taxes from imports (\$4.9 million), which are anticipated to offset respective reductions in import and export tax collections, of \$84.3 million and \$0.8 million. Revenues from business and professional licenses fees are budgeted higher by \$14.8 million (11.9%) at \$140.1 million, while receipts from departure taxes are poised to edge up by \$3.9

million (3.5%) to \$114.5 million. In contrast, "other" stamp tax income is projected to contract by \$52.9 million (23.1%) to \$176.4 million, while marginal declines are expected for receipts from motor vehicle taxes, property taxes and selected taxes on services, to \$31.2 million, \$117.3 million and \$57.6 million, respectively.

Gains in non-tax revenue are targeted to accrue mainly from growth in income receipts, by \$6.4 million (30.3%) to \$27.7 million. Similarly, budgeted inflows from fines, forfeits & administrative fees are up by \$2.9 million (3.3%) to \$91.3 million, and income from the sale of Government property is marginally higher at \$1.1 million.

Total Government expenditures are budgeted to expand by \$203.4 million (10.8%) to \$2,083.0 million during FY2012/13, reflecting gains in capital spending of \$121.9 million (51.6%) to \$358.2 million and in recurrent outlays, of \$81.0 million (5.1%) to \$1,679.0 million. In addition, net lending is expected to rise marginally by \$0.4 million to \$45.8 million.

By economic classification, current consumption spending is expected to be \$71.9 million (7.4%) higher at \$1,043.5 million, comprising increased outlays for goods & services (\$48.2 million) and personal emoluments (\$23.7 million). Transfer payments are also anticipated to firm by \$9.1 million (1.5%) to \$635.5 million, owing to gains in subsidies and other transfers of \$21.1 million; however, interest payments are expected to contract by \$11.9 million, as the Bahamian dollar component continues to reflect the favourable impact of the decline in interest costs.

By functional classification, higher spending is budgeted across most major categories. Disbursements for general public services, economic services, social benefits and health are anticipated to grow by \$93.0 million, \$79.3 million, \$14.5 million and \$13.0 million, respectively, with less substantial accretions for education (\$9.1 million), defense (\$6.2 million) and housing (\$1.1 million). In contrast, payments for other community & social services are set to decline by \$1.4 million.

Reflecting a \$122.8 million advance in infrastructure spending to \$311.7 million, as a result of ongoing Government infrastructure development works, capital expenditure is budgeted to expand strongly by 51.6% to

\$358.2 million. Growth in transfers to non-financial public enterprises is projected to be minimal at \$0.4 million, while those to public corporations are expected to stabilise at \$2.2 million. In contrast, outlays for the acquisition of assets are programmed to decline by \$1.2 million, as a fall in land purchases (\$15.1 million) will overshadow projected gains in equity investments (\$10.2 million) and other assets (\$3.7 million).

Of the \$546.9 million in required budgetary financing, Bahamian dollar borrowing is estimated to total \$512.2 million, in comparison to \$220.6 million in the previous fiscal year, while external borrowing is projected at \$157.0 million—exclusively loan financing—an increase of \$63.0 million relative to FY2011/12. Projected debt repayments of \$114.8 million are almost double the previous year's \$58.7 million, and will be utilized to reduce Bahamian dollar commitments (\$103.1 million) and external obligations (\$11.7 million).

REAL SECTOR

TOURISM

Initial data suggests steady growth in tourism sector output into the second quarter, underpinned by gains in the key group business segment, improved airlift—which benefitted from ongoing incentive programmes—and an expansion in the cruise segment.

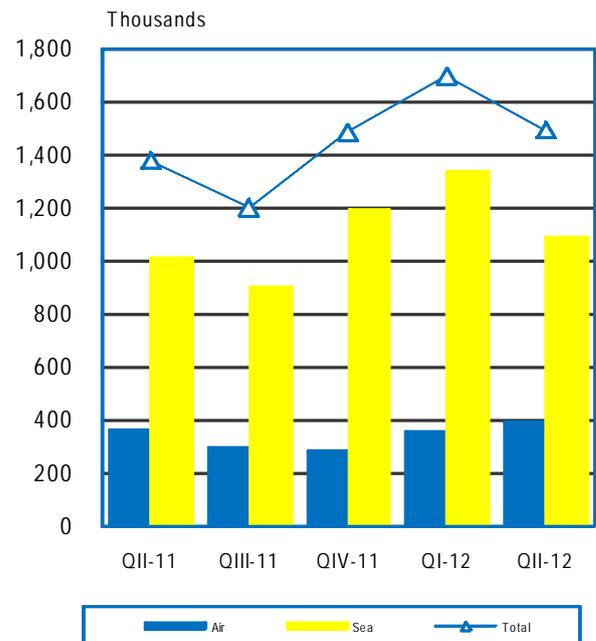
Reflecting these developments, total visitor arrivals for the second quarter grew by 8.2% to approximately 1.5 million, building on the 4.0% advance in the corresponding period of 2011. Buoyed by sustained improvements in key source markets, as well as the success of incentive initiatives such as air fare credits, air arrivals recovered by 9.3% from last year's 1.4% contraction, while the increase in sea passengers was higher at 7.8% from 6.1%.

Disaggregated by first port of entry, visitors to New Providence surged by 17.4%, compared to the unchanged level a year ago, and was buoyed by double digit gains in both air (10.5%) and sea (21.9%) traffic. In contrast, total arrivals to Grand Bahama fell further by 3.5%, following last year's contraction of 0.1% in 2011, as a 16.0% advance in the air segment was overshadowed by a 6.2% reduction in the larger sea component. Simi-

larly, traffic to the Family Islands firmed marginally by 0.2%, following a 13.0% cruise-led gain in 2011, attributed to a 0.1% contraction in sea passengers and a 1.7% improvement in air arrivals.

Provisional hotel sector data for a sample of major properties on New Providence and Paradise Island for the second quarter showed a 4.9% improvement in hotel room revenues relative to the corresponding year earlier period. Hotel occupancy rates rose, on average, by 7.5 percentage points to 75.5%, supported largely by an improvement in the key group segment. This offset the 5.6% drop in the average daily room rate (ADR) to \$235.83, due to increased competition from other destinations.

Visitor Arrivals



CONSTRUCTION

Construction sector developments during the second quarter continued to be dominated by ongoing foreign investment projects in the tourism sector, along with public sector infrastructure works. However, domestic private sector activity remained relatively weak, due to persistently high levels of non-performing mortgages, banks' conservative lending practices, and the moderate growth momentum. Reflecting these conditions, mort-

gage disbursements for construction and repairs—as reported by commercial banks, insurance companies and the Bahamas Mortgage Corporation—contracted by 24.9% to \$28.0 million, relative to a 7.6% improvement in 2011. Specifically, the residential segment fell sharply by 25.2% to \$25.8 million, compared to a year-earlier 9.8% increase, and the commercial component contracted by 21.8% (\$0.6 million) to \$2.2 million, extending 2011’s 14.1% (\$0.5 million) drop.

In a modest offset, mortgage commitments—a forward looking indicator—rose in number by 34 to 160, with a corresponding \$12.4 million rise in value to \$31.5 million. The dominant residential segment improved by 35 in number to 159 and by \$11.8 million in value to \$30.8 million, while commercial loan approvals were halved to 1, but increased in value to \$0.8 million from \$0.2 million.

Lending conditions tightened for commercial mortgages, as the average rate firmed, year-on-year, by 60 basis points to 8.8%. However, the average residential loan rate steadied at 8.2%.

EMPLOYMENT

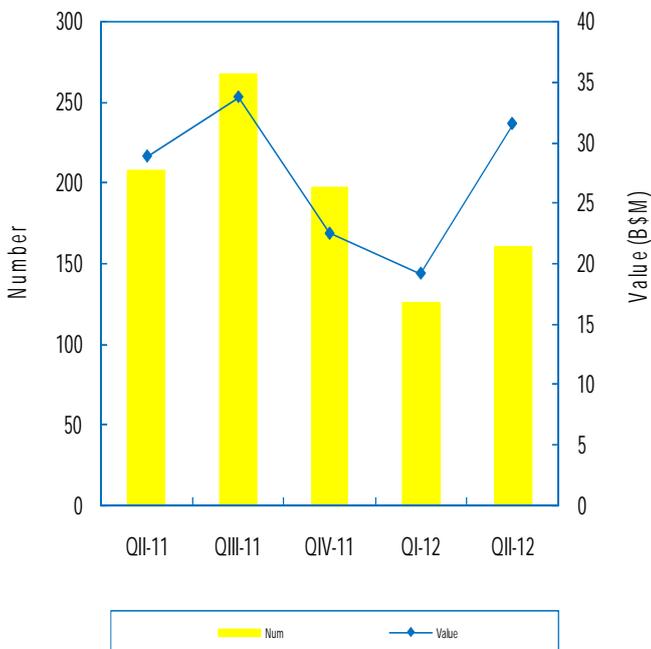
Reflecting the modest recovery in the domestic economy, as well as seasonal employment trends, labour market conditions showed a slight improvement over the six months to May 2012. According to the Department of Statistics’ most recent Labour Force Survey, the jobless rate narrowed to 14.7% from 15.9% in November 2011, as an additional 3,145 persons were classified as employed—although the rate remained above the 13.7% recorded in May 2011. With respect to the main labour markets, the unemployment rates in New Providence and Grand Bahama decreased, from 15.1% and 21.2%, to 14.0% and 17.3%, respectively. Further, the decline in the unemployment rate was led by a 2.3 percentage point reduction in the female category to 13.4%, while the male component fell by a more modest 0.1 of a percentage point to 16.0%.

PRICES

Occasioned by the spill-over effects of the downward trajectory in international crude oil prices, domestic inflation moderated during the review quarter, to 2.32% from 3.42% in the corresponding period of 2011. Notably, the average rate of increase in transportation costs decelerated by 10.54 percentage points to a mere 1.27%. Lower average cost accretions were also recorded for education (to 2.49% from 3.55%), furnishing, household equipment & routine maintenance (to 2.94% from 3.46%), miscellaneous goods & services (to 0.62% from 1.08%) and restaurant & hotels (to 2.16% from 2.34%). The rate of increase in average prices for housing, water, gas, electricity & other fuels—the largest component in the Index—eased slightly by 3 basis points to 3.71%, and medical care & health inflation steadied at 1.73%. After registering increases of 2.69% and 0.99% a year ago, average prices declined for communication, by 1.82%, and for recreation & culture, by 0.03%. In contrast, the rate of inflation accelerated for food & non-alcoholic beverages, as well as alcohol, tobacco & narcotics, by 2.50 and 0.16 percentage points, to 3.41% and 1.91%, respectively. Clothing & footwear costs also rose on average, by 2.09%, a reversal from last year’s 1.66% contraction.

Despite the decline in international crude oil prices during the second quarter, domestic energy prices continued to expand. The average cost of both gasoline and diesel advanced by 6.8% and 2.4%, to \$5.69 and \$5.35

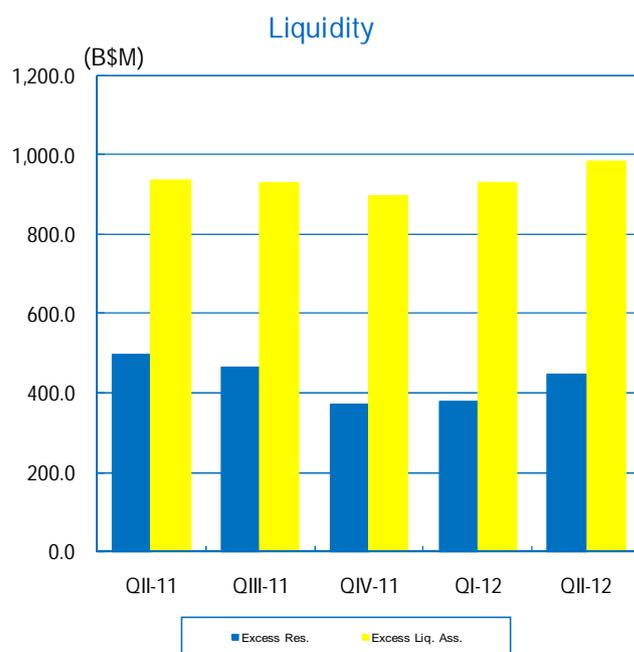
Mortgage Commitments:
New Construction and Repairs



per gallon, over the quarter, and by 4.2% and 4.8%, respectively, on a yearly basis. In addition, the Bahamas Electricity Corporation's fuel charge rose over the quarter, by 4.2%, to 27.08 cents per kilowatt hour (kWh), and was up by 19.9% on an annual basis.

Retail Price Index (Annual % Changes) June					
Items	Weight	2011		2012	
		Index	%	Index	%
Food & Non-Alcoholic Beverages	120.4	101.1	1.1	104.4	3.3
Alcohol, Tobacco & Narcotics	6.4	102.0	1.8	103.7	1.6
Clothing & Footwear	37.76	98.6	-1.7	100.7	2.1
Housing, Water, Gas, Electricity	334.83	104.4	4.0	108.4	3.8
Furn. & Household, Maintenance	64.26	103.3	3.8	107.2	3.8
Health	44.5	102.5	1.6	105.1	2.5
Transportation	119.13	114.2	12.4	114.5	0.2
Communication	41.19	103.4	3.4	100.9	-2.4
Rec., & Culture	22.73	103.0	0.9	103.5	0.4
Education	30.05	103.6	3.5	106.1	2.5
Restaurant & Hotels	38.24	102.3	2.2	104.5	2.2
Misc. Goods & Svcs.	140.52	100.9	1.0	101.2	0.4
ALL ITEMS	1000	104.0	3.6	106.4	2.2

million to \$51.0 million (5.5%), reflecting banks' increased balances with the Central Bank and holdings of Treasury bills. At end-June, the overall surplus liquid assets totaled \$982.3 million, which was 99.1% above the statutory minimum, compared to 96.7% a year ago.



MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Monetary developments during the second quarter featured a modest build-up in liquidity and external reserves, in contrast with the prior year's boost which was linked to the receipt of public sector divestment proceeds. In the context of relatively high unemployment and softness in private sector demand, bank lending activity was subdued, while arrears remained elevated and profitability levels decreased, amid increased provisioning against loan losses.

LIQUIDITY

During the second quarter, net free cash reserves of the banking system rose by \$68.8 million (18.3%) to \$445.5 million, extending the year-earlier gain of \$51.6 million, although the corresponding ratio to deposit liabilities decreased by 1.0 percentage point to 7.2%. Growth in the broader surplus liquid assets firmed by \$13.7

DEPOSITS AND MONEY

The expansion in narrow money (M1) slowed to \$46.1 million (3.0%) during the review quarter from \$85.7 million (6.4%) in the corresponding period of 2011. In particular, the accretion to demand deposits was almost halved to \$42.3 million, caused by a drawdown in public corporations' deposits, whereas currency in active circulation rose by \$3.9 million, vis-à-vis the prior year's \$0.2 million contraction.

Broad money (M2) growth moderated to \$90.5 million (1.4%) from \$101.7 million (1.7%) a year ago, highlighted by variations in private placements. Buoyed by increases in private sector balances, savings deposits—which were relatively flat in 2011—expanded by \$59.9 million over the review period. In contrast, fixed deposits fell by \$15.6 million, in comparison to a \$15.9 million advance in 2011. In addition, foreign currency deposits contracted by \$14.9 million, a turnaround from an expansion of \$21.6 million a year ago. As a consequence,

the change in the overall money supply (M3) was lower at \$75.5 million (1.2%) from \$123.3 million (2.0%) in 2011, for an outstanding stock of \$6,505.3 million by end-June.

Bahamian dollar fixed deposits comprised the largest component of the money stock (55.0%), followed by demand balances (20.4%) and savings deposits (17.6%). Foreign currency deposits and currency in circulation accounted for much smaller shares, of 3.8% and 3.2%, respectively.

DOMESTIC CREDIT

During the review quarter, total domestic credit expanded by \$32.3 million (0.4%), in contrast to a \$47.3 million (0.6%) decline in 2011. Approximately 91.9% of the total was in Bahamian dollars, which grew by \$62.6 million (0.8%), in contrast to the prior year's marginal increase of \$0.6 million. The foreign currency component fell further by \$30.3 million (4.1%), after a \$47.8 million (6.6%) Government-led decline registered a year ago.

Growth in domestic credit was dominated by a surge in banks' net claims on the Government, which rose by \$100.1 million (6.6%), to reverse last year's \$107.6 million net repayment position. Following 2011's marginal \$0.9 million (0.2%) increase, credit to the rest of the public sector fell by \$56.2 million (11.9%), as proceeds from one entity's debt issue were used to repay outstanding debt. Similarly, in line with the anemic consumer demand conditions, private sector borrowings contracted by \$11.6 million (0.2%), a turnaround from the \$59.4 million (0.9%) advance a year earlier. The dominant local currency component fell by \$15.6 million (0.2%), outpacing the \$4.0 million (1.0%) hike in foreign currency credit.

Personal loans, which comprised the largest share (77.9%) of private sector credit, grew at a slightly faster rate of \$38.9 million (0.8%) in 2012, vis-a-vis \$34.9 million (0.7%) a year ago. The expansion in residential mortgages and consumer loans strengthened, to \$12.6 million (0.4%) and \$20.6 million (1.0%), from \$9.0 million (0.3%) and \$18.0 million (0.9%), respectively; however, overdraft facilities grew more moderately, by \$5.8 million (5.9%) compared to 2011's \$7.9 million (8.9%).

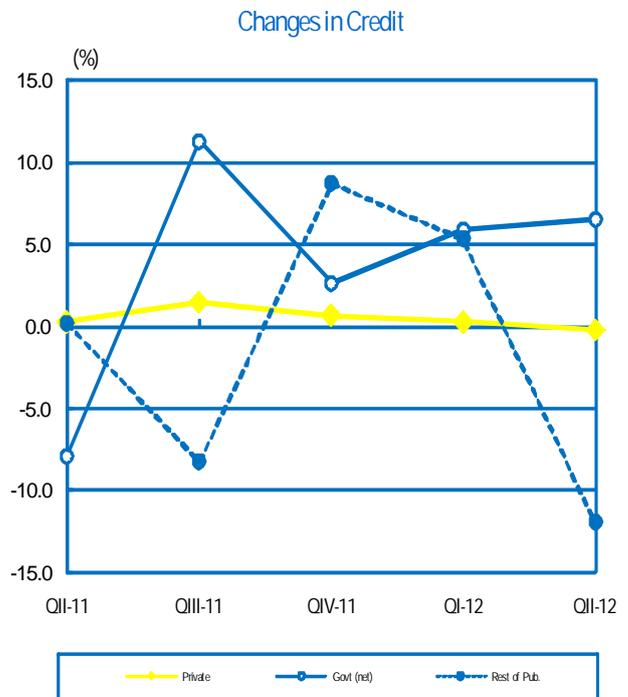
Gains in consumer installment credit—which accounted for 42.0% of total personal loans—were due mainly to growth in the “miscellaneous” component, by

\$16.2 million, while smaller increases were noted for private car (\$4.1 million), home improvement (\$3.8 million), land purchase (\$3.1 million) and travel (\$0.6 million) loans. Conversely, the largest reductions were recorded for credit cards (\$2.7 million), debt consolidation (\$2.2 million) and education (\$1.5 million), with declines of less than \$1.0 million registered for the remaining categories.

A sectoral breakdown of the residual private sector credit categories showed reductions for miscellaneous (\$20.3 million), professional & other services (\$13.1 million) and construction (\$2.7 million) loans. In contrast, increased credit was noted for transportation (\$1.7 million) and private financial institutions (\$1.4 million).

MORTGAGES

Based on information provided by banks, insurance companies and the Bahamas Mortgage Corporation, total mortgages outstanding grew by \$19.6 million (0.6%) to \$3,259.7 million by end-June, a turnaround from a marginal \$2.5 million (0.08%) contraction a year earlier. Residential mortgages—which accounted for 93.7% of the total—rose by \$11.1 million (0.4%) to \$3,053.5 million, extending last year's \$9.5 million gain.



The commercial component also rebounded, by \$8.5 million (4.3%) to \$206.2 million, following last year's decline of \$12.0 million (5.5%). At end-June, domestic banks held the largest share of outstanding mortgages (89.0%), with insurance companies and the Bahamas Mortgage Corporation accounting for much smaller shares of 5.9% and 5.1%, respectively.

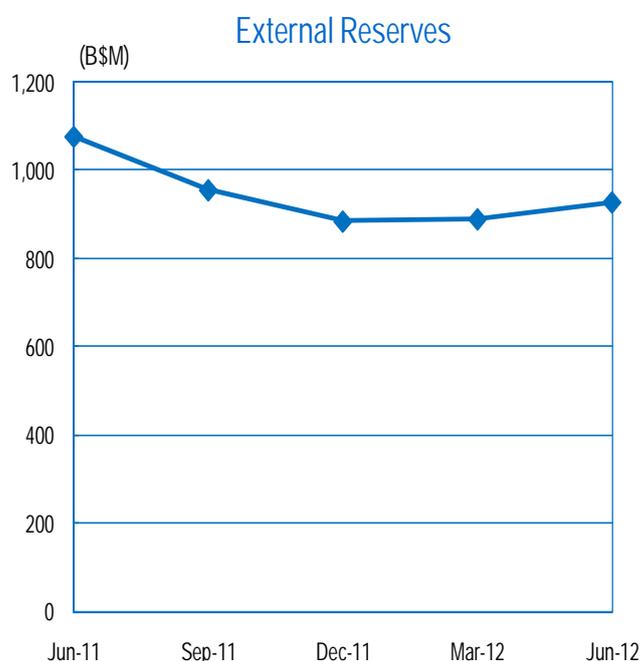
Distribution of Bank Credit By Sector				
End-Jun				
	2011		2012	
	B\$M	%	B\$M	%
Agriculture	12.7	0.2	13.8	0.2
Fisheries	5.3	0.1	6.5	0.1
Mining & Quarry	2.5	0.0	2.6	0.0
Manufacturing	39.2	0.6	41.3	0.6
Distribution	162.6	2.3	173.4	2.4
Tourism	74.9	1.1	66.8	0.9
Enter. & Catering	69.4	1.0	65.8	0.9
Transport	35.4	0.5	36.6	0.5
Construction	434.9	6.2	430.5	6.0
Government	141.0	2.0	253.8	3.5
Public Corps.	330.1	4.7	292.7	4.1
Private Financial	16.9	0.2	16.3	0.2
Prof. & Other Ser.	132.8	1.9	115.5	1.6
Personal	5,158.5	73.7	5,207.1	72.4
Miscellaneous	386.6	5.5	465.5	6.5
TOTAL	7,002.8	100.0	7,188.2	100.0

THE CENTRAL BANK

Buoyed by an increase in holdings of Government securities and a drawdown in deposits, the Central Bank's net claims on the Government expanded by \$23.5 million (7.7%) to \$328.4 million in the second quarter, a turnaround from a \$30.8 million net repayment in the same period a year earlier. In contrast, the Bank's net liabilities to the rest of the public sector decreased by \$1.7 million (19.5%) to \$7.1 million, as the withdrawal of deposits surpassed the decline in outstanding loans. Consistent with the build-up in external reserves, liabilities to the commercial banks firmed by \$60.0 million (8.8%) to \$746.9 million, following the previous year's \$62.9 million (8.6%) advance, reflecting mainly gains in deposit liabilities.

Following 2011's extraordinary foreign direct investment-led \$101.0 million gain, external reserves grew more modestly by \$38.0 million over the review period. In the underlying transactions, there was a contraction in the Bank's total net purchase of foreign currency, of \$61.1 million (64.3%) to \$33.9 million, as the net purchase from the Government fell by almost 90% to \$15.3 million, in comparison to the prior year when receipts were augmented by privatization proceeds. Providing some offset, the net purchase from commercial banks more than doubled to \$110.8 million, supported by inflows related to real sector activities, and the net sale to public corporations—primarily for fuel purchases—was lower by \$7.0 million at \$92.3 million.

External reserves stood at \$928.0 million at end-June 2012, some \$148.1 million below the year-earlier level, and represented a decline in the non-oil merchandise import cover, from 26.6 weeks to 19.7 weeks. Excluding the 50% statutory required adjustment on the Central Bank's demand liabilities—which have to be covered by external balances—"useable" reserves decreased by \$132.5 million to \$440.0 million.



DOMESTIC BANKS

During the second quarter of 2012, credit to the private sector contracted by \$11.6 million (0.2%), a turnaround from a \$17.6 million (0.3%) expansion in the same period of 2011. Similarly, claims on public corporations fell by \$56.0 million (12.0%), compared to the prior year's marginal gain of \$0.9 million (0.2%). In contrast, buoyed by increased short-term borrowings, net credit to the Government grew by \$76.6 million (6.3%), up from a similar decline a year ago. Banks' net foreign liabilities decreased by \$8.9 million (1.6%), a significant slowdown from a \$158.4 million (24.1%) falloff in 2011, occasioned in part by Government's repayment of a short-term foreign currency loan.

Resident deposit liabilities—inclusive of Government's balances—expanded by \$73.6 million (1.2%) to \$6,285.0 million in the current period, after a \$122.1 million (2.0%) build-up in 2011, fuelled by a \$76.9 million (1.3%) increase in private sector deposits. In contrast, balances of the public corporations and the Government fell by \$3.4 million (0.8%) and \$0.2 million (0.1%), following the prior period's increases of \$19.9 million (4.1%) and \$1.8 million (1.5%), respectively.

At end-June, approximately 96.1% of total deposit liabilities were denominated in Bahamian dollars, with US dollars and other currencies accounting for much smaller shares of 3.8% and 0.1%, respectively. By depositor types, private individuals held 57.1% of total local currency deposits in the domestic banking system, followed by business firms (27.0%), public corporations (5.8%), private financial institutions (4.1%), "other" entities (3.3%), Government (1.9%) and public financial institutions (0.8%).

Nearly 60% of banks' deposit liabilities were in the form of fixed deposits, followed by demand (22.4%) and savings (18.6%). Disaggregated by range of value and number of accounts, the majority of Bahamian dollar accounts (89.2%) had balances below \$10,000, yet represented only 6.3% of the total value. Balances between \$10,000 and \$50,000 constituted 7.1% of the total number of accounts and 10.9% of the total value, while those in excess of \$50,000 were only 3.7% of the number, but a dominant 82.8% of the aggregate value.

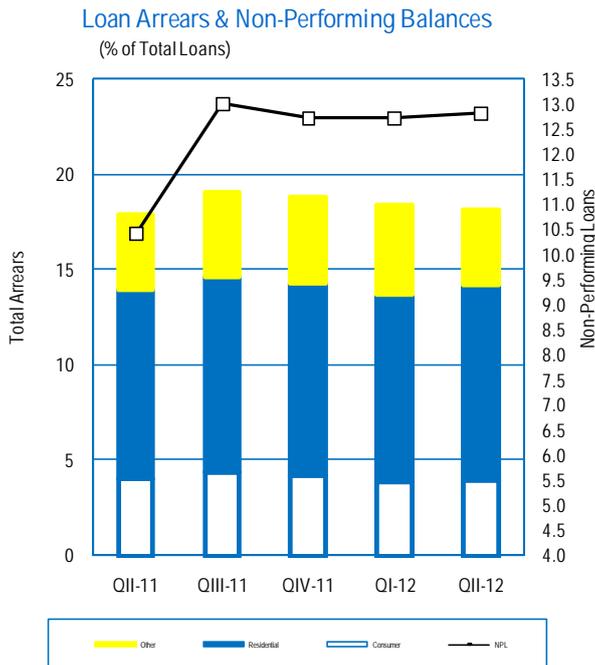
CREDIT QUALITY

Banks' credit quality indicators improved marginally during the review quarter, although not broadly based across the institutions. Total private sector arrears, which rose by \$16.2 million (1.4%) in 2011, declined by \$8.0 million (0.7%) to \$1,184.4 million over the review period, although firming by \$46.7 million (4.1%) on an annual basis. Consequently, the corresponding ratio of private sector arrears to total loans fell by 3 basis points to 19.0% over the quarter, but firmed year-on-year by 52 basis points.

The marginal contraction in total arrears was solely attributed to a \$39.6 million (13.1%) falloff in the commercial component to \$262.6 million, which translated into a marked 3.0 percentage point quarterly decline in the corresponding loan ratio, to 24.4%, albeit 37 basis points above 2011's level. Mortgage arrears—which comprised the largest component (55.8%) of the total—rose by \$24.5 million (3.9%) to \$660.8 million, resulting in an increase in the attendant ratio over the quarter and year, by 74 and 58 basis points, respectively, to 21.4%. Consumer loan delinquencies also moved higher by \$7.1 million (2.8%) to \$261.1 million, with the loan ratio rising by 40 basis points over the three-month period and by 17 basis points annually, to 12.5%.

An analysis of loan arrears showed that although the total has stabilised, the length of time loan obligations remained unpaid has increased. The short-term 31-90 day segment decreased by \$18.6 million (5.0%) to \$352.4 million, lowering the corresponding loan ratio on a three-month and yearly basis, by 0.3 and 2.1 percentage points, respectively, to 5.6%. This outturn was associated with a \$44.4 million (43.0%) contraction in commercial delinquencies, which overshadowed respective increases in the mortgage and consumer components, by \$22.6 million (12.7%) and \$3.2 million (3.6%). By contrast, non-performing loans—arrears exceeding 90 days and on which banks have ceased accruing interest—expanded by \$10.6 million (1.3%) to \$832.1 million and, as a proportion of total loans, grew by 0.2 of a percentage point over the quarter and by 2.6 percentage points annually, to 13.3%. The rise in non-accrual loans was attributed to broad-based deteriorations in all categories, with the commercial, consumer and mortgage segments expanding by \$4.8 million (2.4%), \$3.9 million (2.4%) and \$1.9 million (0.4%), respectively.

In this environment of elevated loan delinquencies, commercial banks continued to augment their total provisions against loan losses, by \$15.5 million (4.7%) to \$343.7 million during the second quarter. As a result, the ratio of provisions to arrears and non-performing loans moved higher by 1.5 and 1.4 percentage points to 29.0% and 41.3%, respectively.



BANK PROFITABILITY

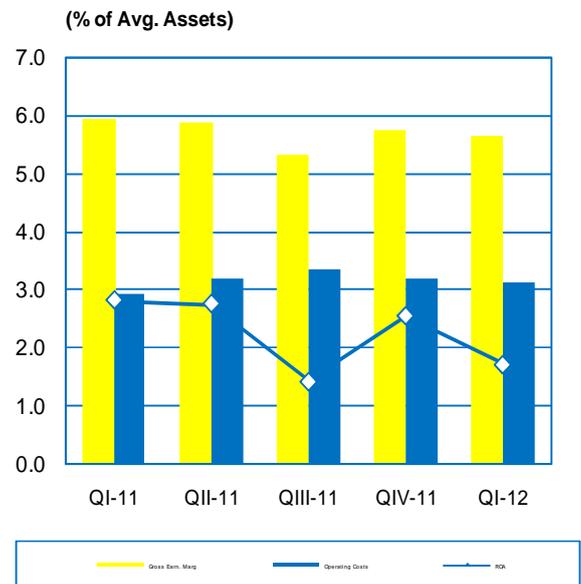
Reflecting increased provisions for bad debts as well as lower revenues, bank profitability deteriorated during the first quarter of 2012—the latest available date—by 38.5% (\$25.6 million) to \$40.9 million over the previous year. This represented a turnaround from the 3.2% (\$2.1 million) gain in the same period of 2011.

Underlying the falloff in profitability, the interest margin contracted by 4.0% (\$5.4 million) to \$129.2 million, as the \$12.9 million decline in interest expense was outpaced by the \$18.3 million decrease in interest income, due to a general reduction in rates. Providing some offset, commission and foreign exchange income expanded by 6.9% (\$0.4 million) to \$6.2 million; however, on a net basis, the gross earnings margin was lower by 3.6% (\$5.0 million) at \$135.4 million. Total operating costs increased by 7.8% (\$5.4 million) to \$74.3 million, owing to growth in occupancy and other “miscellaneous”

operating outlays, while staff related-expenses stabilised. Similarly, the net loss on non-core activities widened more than four-fold, to \$20.2 million, due to a \$13.9 million hike in provisions for bad debts, alongside a \$1.4 million contraction in non-core income.

Commensurate with the decline in earnings, banks’ profitability ratios—as measured against average assets—worsened during the quarter. The interest margin ratio softened by 30 basis points to 5.39%, outweighing the marginal 1.0 basis point increase in the ratio of commission and foreign exchange income to 0.26%. Compounding the reduction in revenues, operating costs as a percentage of average assets rose by 19 basis points to 3.10%, contributing to the 47 basis point reduction in the net earnings margin to 2.55%. When the loss on net non-core activities is included, the net income ratio was sharply lower by 1.1 percentage points from the previous year at 1.71%.

Domestic Banks' Profitability



INTEREST RATES

During the second quarter, commercial banks’ weighted average interest rate spread widened by 86 basis points to 8.88% over the previous three-month period. The average lending rate increased by 74 basis points to 10.99%, while the average deposit rate softened by 12 basis points to 2.11%.

CAPITAL MARKETS DEVELOPMENTS

On the deposit side, average rates on demand and savings balances fell by 23 and 22 basis points to 0.46% and 1.66%, respectively. In contrast, the average range of interest rates on fixed maturities widened, to 1.40% - 2.73% from 1.71% - 2.96%, although rates were generally lower than in the previous three-months.

Broad-based increases in lending rates were noted over the period, with the largest being registered for overdrafts and consumer loans, which advanced by 1.25 and 0.61 percentage points, to 10.61% and 13.43%, respectively. Further, commercial mortgage rates firmed, on average, by 26 basis points to 8.35%, while those on residential mortgages rose slightly by 2 basis points to 7.60%.

With regard to other key rates, the average Treasury bill rate moved up by 23 basis points to 0.32%, while the Central Bank's Discount Rate and the commercial banks' Prime rate were unchanged at 4.50% and 4.75%, respectively.

Reflecting, in part, the listing of two (2) new share issues, equity market activity was relatively brisk over the review quarter, in comparison to 2011—bringing the number of securities listed on Bahamas International Securities Exchange (BISX) to 27 over the second quarter, and market capitalization higher by 2.6% to \$2,795.7 million. The BISX All Share Index rose marginally by 0.2% to 1,311.53 points, a reversal from a contraction of 4.3% in the same quarter of 2011. Despite limited trading activity following the listing of a total of thirty-five million shares in a local shipping company and a financial institution, the volume of shares traded on the exchange firmed by 0.7 million (85.7%) to 1.6 million, and the corresponding value increased by \$1.8 million (47.6%) to \$5.5 million by end-June.

INTERNATIONAL TRADE AND PAYMENTS

Based on provisional estimates of external sector developments for the second quarter of 2012, the current account deficit widened modestly by \$11.1 million (8.8%) to \$137.0 million, relative to the same period a year ago, as the increase in the merchandise trade deficit—related to higher non-oil imports—outstripped tourism-led gains in the services account surplus. On the capital and financial account, the surplus grew by an estimated \$34.6 million (21.4%) to \$196.6 million, owing mainly to net public sector borrowings and a significant falloff in domestic banks' short-term financing, which negated declines in foreign investment.

The merchandise trade deficit deteriorated by an estimated \$25.0 million (5.0%) to \$522.0 million, as a \$34.6 million (4.9%) advance in imports, to \$745.4 million, outpaced a \$9.6 million (4.5%) rise in exports to \$223.4 million. In particular, net non-oil merchandise payments were higher by \$20.9 million (5.6%) at \$392.7 million, in line with the modest increase in consumer demand, while comparatively higher volumes elevated net fuel purchases, by \$5.0 million (2.5%) to \$201.2 million. Average costs for aviation gas and gas oil advanced, by 40.7% and 6.1%, to \$186.29 and \$129.49 per barrel, respectively. However, average price declines were registered for propane (15.9% to \$62.83) and jet fuel (13.4% to \$111.17).

Banking Sector Interest Rates

Period Average (%)

	Qtr. II <u>2011</u>	Qtr. I <u>2012</u>	Qtr. II <u>2012</u>
Deposit Rates			
Demand Deposits	1.43	0.69	0.47
Savings Deposits	1.89	1.88	1.67
Fixed Deposits			
Up to 3 months	2.64	1.71	1.71
Up to 6 months	2.79	2.08	2.09
Up to 12 months	3.54	2.69	2.68
Over 12 months	3.55	2.96	2.53
Weighted Avg Deposit Rate	2.90	2.23	2.08
Lending Rates			
Residential mortgages	7.94	7.58	7.61
Commercial mortgages	8.57	8.09	8.35
Consumer loans	13.29	12.82	13.41
Other Local Loans	8.06	8.04	8.19
Overdrafts	10.15	9.36	10.61
Weighted Avg Loan Rate	11.08	10.25	10.99

The estimated surplus on the services account expanded by \$12.6 million (3.1%) to \$422.2 million, inclusive of a \$23.3 million (4.3%) improvement in net travel receipts to \$565.9 million and a contraction in net outflows for insurance services, by 29.5% (\$13.0 million) to \$31.0 million. Offshore companies' local expenses fell by \$2.6 million (5.7%) to \$43.4 million; however, net payments for transportation services advanced by 18.5% (\$8.6 million) to \$54.8 million and other 'miscellaneous' items, by 9.6% (\$6.6 million) to \$75.5 million. Further, the net inflow for Government services fell by \$4.1 million (47.1%) to \$4.5 million. Reflecting the ongoing foreign investment-led activity over the last twelve months, net payments for construction-related services rose by an additional 3.6% (\$0.9 million) to \$27.7 million, while net royalty and license fees grew by \$0.8 million to \$2.6 million.

The deficit on the income account firmed by 16.8% (\$7.9 million) to \$54.7 million, occasioned by an increase in net investment income outflows, to \$41.6 million from \$33.9 million a year earlier. This outcome reflected an \$8.6 million (55.9%) advance in private companies' net interest and dividend payments, to \$23.9 million, due solely to growth in non-bank entities' net outflows to \$29.6 million, while commercial banks' net remittances steadied at \$5.7 million. Conversely, net income proceeds from official transactions softened by \$0.8 million (4.4%) to \$17.8 million, reflecting a decline in Government's net interest disbursements, by \$1.0 million to \$21.9 million, which outstripped a marginal \$0.2 million contraction in the Central Bank's income to \$4.1 million. Net labour income remittances grew slightly by \$0.1 million to \$13.0 million.

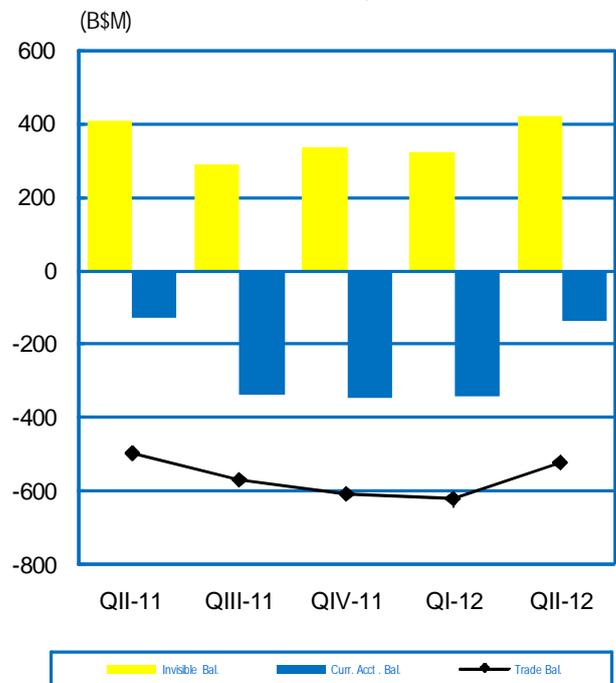
Net current transfer inflows advanced by more than two-fold to \$17.3 million, due largely to a \$7.7 million reduction in private sector net outflows to \$18.5 million, as worker remittances and other 'miscellaneous' transfer payments fell by \$5.3 million and \$2.4 million., respectively. Net inflows to the Government also rose by \$1.4 million to \$35.8 million.

The widening in the surplus on the capital and financial account was attributed mainly to a rebound in other 'miscellaneous' investments, to a net inflow of \$135.9 million from a net outflow of \$57.0 million in 2011. This development was due to a \$71.6 million expansion in net public sector capital inflows to \$83.6 million, as a public

entity issued US\$108 million in Secured Notes to non-resident investors over the review period. In addition, the net short-term financing outflows of the domestic banks was slashed to \$9.3 million from \$158.6 million a year ago, when Government repaid an outstanding short-term loan. Providing some offset, "other" private sector net inflows—related mainly to loan financing—narrowed by almost one-third to \$61.6 million. Net direct investment inflows slackened to \$74.4 million from \$229.7 million a year earlier. In particular, net equity inflows plunged by almost two-thirds to \$73.1 million from \$214.7 million in 2011, when Government sold a majority stake in BTC, and net receipts from real estate purchases fell by \$13.7 million to a mere \$1.3 million. Net portfolio investment outflows rose by one-third to \$12.5 million, as investments in equities doubled to \$6.3 million, while those in debt securities were on par with the prior year. Net capital transfers softened by \$0.2 million to \$1.2 million.

As a result of these developments, and after adjusting for net errors and omissions, the surplus on the overall balance, which corresponds to the change in the Central Bank's external reserves, narrowed by \$62.5 million to \$38.5 million.

Balance of Payments



INTERNATIONAL ECONOMIC DEVELOPMENTS

Global economic conditions remained challenging over the second quarter, due to continuing vulnerabilities in several key economies. Growth in the major economies slowed, weighted down by the ongoing European debt crisis, tight credit conditions and sluggish labour markets. Inflationary pressures softened, while concerns over the possible dismantling of the euro zone contributed to declines in the major equity markets and an appreciation of the US dollar against most major currencies. Faced with anemic economic conditions, central banks in most developed economies either maintained or enhanced their accommodative monetary policy stance.

Real GDP growth in the United States slowed to an annualized 1.5% in the second quarter from 2.0% in the prior period, owing to lower gains in consumer spending, as well as higher imports. The United Kingdom's economy remained in recession, as output fell further by 0.7%, following a decline of 0.3% in the first quarter, reflecting decreases in the construction, production and service industries. Real output in the euro area economies weakened by 0.2% in the second quarter, after a flat performance in the prior three-month period, as domestic demand continued to deteriorate, amid increasing uncertainties surrounding the sovereign debt crisis. This in turn, adversely affected the export-driven economies of Asia, contributing to the slowdown in China's year-on-year real GDP growth, to 7.6% from 8.1% in the March quarter. In addition, lower export growth and softness in domestic demand tapered the expansion in Japan's economy, by 1.0 percentage point to 0.3% in the second quarter.

Amid generally below trend economic growth for most major economies, labour markets remained weak over the review quarter. In the United States, the unemployment rate decreased marginally by 0.1 of a percentage point from the first quarter to 8.2%, as an estimated 200,000 persons were added to non-farm payrolls. Similarly, the jobless rate in the United Kingdom narrowed by 0.2 of a percentage point to 8.0% over the quarter, reflecting a reduction in the number of unemployed persons by 46,000. Conditions continued to deteriorate in the euro zone, particularly in the southern states, where the number of jobless persons rose by 123,000 pushing the unemployment rate higher to 11.2%

from 10.9% in the prior three-month period. In Asia, the jobless rate steadied for China at 4.1%, and fell marginally by 0.1 of a percentage point to 4.4% for Japan.

Weakness in consumer demand, and lower energy prices moderated inflationary pressures during the review quarter. In the United States, annual inflation stood lower at 1.7% at end-June from 2.7% at end-March, as energy costs declined and the rise in food prices slowed—despite the fall in food crop yields resulting from the unfolding drought in the Midwest. Annual inflation in the United Kingdom fell by 0.4 of a percentage point to 2.4% at end-June, due to a decline in prices for clothing, transport and food. The rate of increase in average consumer prices in the euro area moderated by 0.2 of a percentage point in the second quarter to 2.5%, as the costs for transportation and housing were reduced. Similarly in the Asian markets, average consumer prices for Japan fell by 0.2%, partly because of lower food, transportation and communication costs, while China's year-on-year inflation softened by 1.4 of a percentage point to 2.2% in June compared to March's rate, reflecting a significant slowdown in food price gains.

Amid fears over the weakness in the global economic recovery, investors boosted their holdings of relatively "safe" assets, resulting in the US dollar appreciating against most major currencies. In Europe, the dollar gained by 5.4% vis-à-vis the euro to €0.79, and firmed relative to the Swiss Franc and the Pound, by 5.1% to CHF0.95 and by 1.93% to £0.64, respectively. The Canadian dollar also declined against the US dollar, by 1.81% to CAD\$1.02. Asian market developments were mixed, as the Chinese Yuan rose slightly by 0.96% to CNY6.46; however, the Japanese Yen fell by 3.72% vis-à-vis the US dollar, to ¥79.79.

Investors' positive sentiments regarding the performance of the global economy diminished during the second quarter, as evidenced by declines in most of the major stock indices. In the United States, the Dow Jones Industrial Average (DJIA) and S&P 500 lost 2.5% and 3.3%, respectively. Reflecting continued uncertainty in the euro zone, all of the major European indices registered contractions, with Germany's DAX decreasing by 7.6%, France's CAC 40, by 6.6% and the United Kingdom's FTSE 100, by 3.4%. Japan's Nikkei 225 plunged by 10.7%, amid fears over the weakness in the country's key export sector, while China's SE Composite lost 1.7%.

Amid weaker oil demand prospects, associated with the uncertainties on the global growth outlook, and continued high production by OPEC, crude oil prices fell sharply by 25.2% to \$92.53 per barrel during the quarter. In addition, after more than a year of significant gains, the average cost of gold retreated by 4.2% to \$1,597.45 per ounce—its largest decline in nearly four years—while the price of silver decreased by 14.7% to \$27.50 per ounce.

Given the slowdown in the global recovery during the second quarter and signs of further weakness, the major central banks maintained their accommodative monetary policy stance, in an effort to support the tepid recovery. In the United States, the Federal Reserve kept its key rate within the 0.00%-0.25% target range and maintained its “quantitative easing” programme, aimed at reducing long-term interest rates by selling bonds with maturities of under 3 years and utilizing the proceeds to purchase 6-30 year Treasuries. With inflation on a downward trajectory towards its 2.0% target, the Bank of England held its key Bank rate at an historic low of 0.5%, and sustained its £325 billion asset purchase programme. Faced with subdued inflation and sluggish economic growth, the European Central Bank kept its main financing operations and marginal lending facility rates steady at 1.0% and 1.75%, respectively.

As the Japanese economy continued to recover from the devastating effects of the previous year’s natural disasters, the country’s central bank implemented a previously approved U.S. dollar lending arrangement, equivalent to ¥1.0 trillion, which focused on strengthening private financial institutions’ balance sheets. In China, the People’s Bank of China lowered both the official one-year borrowing rate and the one-year deposit rate, by 0.25 percentage points to 6.31% and 3.25%, respectively, in an attempt to spur economic growth.

Despite the sluggish demand conditions, increased exports supported favourable terms of trade outcomes in most major economies over the quarter. The United States’ trade deficit narrowed to \$141.6 billion from \$151.0 billion in the March quarter, although the UK’s position deteriorated quarter-on-quarter by £3.4 billion to £11.2 billion, as net exports contracted. In the euro zone, the surplus on the goods balance surged to €25.9 billion from €0.3 billion, while Japan’s trade deficit narrowed by ¥162.4 million to ¥1.4 billion and, after a sharp contraction in the first three months of the year to US\$1.2 billion, China’s trade surplus firmed by US\$67.4 billion over the second quarter to US\$68.9 billion.

STATISTICAL APPENDIX
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STATISTICAL APPENDIX

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The following symbols and conventions are used throughout this report:

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

TABLE 1
FINANCIAL SURVEY

End of Period	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	
	(B\$ Millions)																	
Net foreign assets	(213.4)	(140.9)	134.1	178.8	250.0	(28.0)	152.1	312.0	571.5	382.1	280.8	308.9	356.2					
Central Bank	454.2	562.9	816.0	819.0	862.1	765.4	860.4	975.1	1076.1	955.6	884.8	890.0	928.0					
Domestic Banks	(667.6)	(703.8)	(681.9)	(640.2)	(612.1)	(793.4)	(708.3)	(663.1)	(504.6)	(573.5)	(604.0)	(581.1)	(571.8)					
Net domestic assets	5,850.7	6,064.9	5,898.2	5,948.6	6,007.3	6,261.9	6,038.9	5,916.0	5,779.9	5,969.9	6,029.6	6,120.9	6,149.1					
Domestic credit	7,434.3	7,909.1	8,039.7	8,118.4	8,223.1	8,444.5	8,448.2	8,302.3	8,213.2	8,415.2	8,536.9	8,666.5	8,698.8					
Public sector	1,215.9	1,372.3	1,443.8	1,569.7	1,696.7	1,869.1	1,875.5	1,817.0	1,710.3	1,815.7	1,889.4	1,998.8	2,042.7					
Government (net)	866.8	924.0	1,023.9	1,131.3	1,257.1	1,346.3	1,413.7	1,366.8	1,259.2	1,401.4	1,439.2	1,524.8	1,624.9					
Rest of public sector	349.1	448.3	419.9	438.4	439.6	522.8	461.8	450.2	451.1	414.3	450.2	474.0	417.8					
Private sector	6,218.4	6,536.8	6,595.9	6,548.7	6,526.4	6,575.4	6,572.7	6,485.3	6,502.9	6,599.5	6,647.5	6,667.7	6,656.1					
Other items (net)	(1,583.6)	(1,844.2)	(2,141.5)	(2,169.8)	(2,215.8)	(2,182.6)	(2,409.3)	(2,386.3)	(2,433.3)	(2,445.3)	(2,507.3)	(2,545.6)	(2,549.7)					
Monetary liabilities	5,637.3	5,924.0	6,032.3	6,127.4	6,257.3	6,233.9	6,191.1	6,228.0	6,351.4	6,352.0	6,310.4	6,429.8	6,505.3					
Money	1,300.3	1,274.5	1,283.6	1,274.8	1,374.7	1,365.8	1,335.2	1,340.0	1,425.7	1,423.9	1,434.8	1,486.7	1,532.8					
Currency	223.7	205.8	207.8	186.9	186.7	188.7	194.5	194.3	194.1	202.1	196.9	203.5	207.3					
Demand deposits	1,076.6	1,068.7	1,075.8	1,087.9	1,188.0	1,177.1	1,140.6	1,145.7	1,231.6	1,221.8	1,237.9	1,283.2	1,325.5					
Quasi-money	4,337.0	4,649.5	4,748.7	4,852.6	4,882.6	4,868.1	4,855.9	4,888.0	4,925.7	4,928.1	4,875.6	4,943.1	4,972.5					
Fixed deposits	3,144.8	3,427.7	3,521.4	3,610.6	3,641.5	3,653.5	3,615.4	3,647.3	3,663.3	3,676.3	3,605.9	3,596.7	3,581.0					
Savings deposits	992.1	1,020.4	995.4	1,004.6	1,012.4	1,006.0	1,015.8	1,039.9	1,040.0	1,037.5	1,063.7	1,084.8	1,144.8					
Foreign currency	200.1	201.4	231.9	237.4	228.7	208.6	224.7	200.8	222.4	214.3	206.0	261.6	246.7					
	(percentage changes)																	
Total domestic credit	10.3	6.4	1.7	1.0	1.3	2.7	0.0	(1.7)	(1.1)	2.5	1.4	1.5	0.4					
Public sector	13.2	12.9	5.2	8.7	8.1	10.2	0.3	(3.1)	(5.9)	6.2	4.1	5.8	2.2					
Government (net)	28.0	6.6	10.8	10.5	11.1	7.1	5.0	(3.3)	(7.9)	11.3	2.7	5.9	6.6					
Rest of public sector	(12.1)	28.4	(6.3)	4.4	0.3	18.9	(11.7)	(2.5)	0.2	(8.2)	8.7	5.3	(11.9)					
Private sector	9.7	5.1	0.9	(0.7)	(0.3)	0.8	(0.0)	(1.3)	0.3	1.5	0.7	0.3	(0.2)					
Monetary liabilities	9.6	5.1	1.8	1.6	2.1	(0.4)	(0.7)	0.6	2.0	0.0	(0.7)	1.9	1.2					
Money	3.9	(2.0)	0.7	(0.7)	7.8	(0.6)	(2.2)	0.4	6.4	(0.1)	0.8	3.6	3.1					
Currency	10.7	(8.0)	1.0	(10.1)	(0.1)	1.1	3.1	(0.1)	(0.1)	4.1	(2.6)	3.3	1.9					
Demand deposits	2.6	(0.7)	0.7	1.1	9.2	(0.9)	(3.1)	0.4	7.5	(0.8)	1.3	3.7	3.3					
Quasi-money	11.4	7.2	2.1	2.2	0.6	(0.3)	(0.3)	0.7	0.8	0.0	(1.1)	1.4	0.6					

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	
	(B\$ Millions)																	
Net foreign assets	(197.2)	(123.6)	167.3	203.8	269.0	(19.2)	113.9	266.4	516.9	385.2	287.5	304.3	362.6					
Central Bank	454.2	562.9	816.0	819.0	862.1	765.4	860.4	975.1	1076.1	955.6	884.8	890.0	928.0					
Commercial banks	(651.4)	(686.5)	(648.7)	(615.2)	(593.1)	(784.6)	(746.6)	(708.7)	(559.2)	(570.4)	(597.3)	(585.7)	(565.4)					
Net domestic assets	5,800.3	6,018.5	5,832.9	5,889.6	5,947.4	6,216.5	6,040.6	5,919.4	5,793.2	5,924.9	5,978.9	6,054.3	6,086.5					
Domestic credit	7,401.4	7,882.7	8,000.0	8,080.6	8,191.8	8,414.9	8,417.1	8,273.2	8,187.4	8,389.4	8,509.0	8,637.2	8,669.0					
Public sector	1,212.8	1,369.3	1,428.3	1,552.5	1,683.0	1,854.9	1,861.0	1,802.2	1,702.2	1,806.7	1,879.5	1,986.7	2,030.1					
Government (net)	863.8	921.0	1,008.4	1,114.2	1,243.3	1,332.2	1,404.6	1,357.4	1,251.2	1,392.9	1,429.8	1,513.2	1,612.7					
Rest of public sector	349.0	448.3	419.9	438.3	439.6	522.7	456.4	444.8	451.0	413.8	449.7	473.5	417.3					
Private sector	6,188.6	6,513.4	6,571.7	6,528.1	6,508.9	6,559.9	6,556.1	6,470.9	6,485.2	6,582.6	6,629.5	6,650.4	6,638.9					
Other items (net)	(1,601.1)	(1,864.2)	(2,167.1)	(2,191.0)	(2,244.4)	(2,198.4)	(2,376.5)	(2,353.8)	(2,394.2)	(2,464.5)	(2,530.1)	(2,582.9)	(2,582.5)					
Monetary liabilities	5,603.1	5,894.9	6,000.2	6,093.3	6,216.4	6,197.3	6,154.6	6,185.8	6,310.1	6,308.6	6,266.4	6,358.6	6,449.1					
Money	1,278.9	1,257.6	1,261.9	1,253.2	1,345.1	1,342.6	1,314.7	1,316.4	1,401.5	1,398.4	1,408.2	1,448.9	1,496.8					
Currency	223.7	205.8	207.8	186.9	186.6	188.7	194.5	194.3	194.1	202.1	196.9	203.5	207.3					
Demand deposits	1,055.2	1,051.8	1,054.1	1,066.3	1,158.4	1,153.9	1,120.2	1,122.1	1,207.4	1,196.3	1,211.3	1,245.5	1,289.5					
Quasi-money	4,324.2	4,637.3	4,738.3	4,840.1	4,871.4	4,854.8	4,839.8	4,869.4	4,908.6	4,910.2	4,858.2	4,909.7	4,952.3					
Savings deposits	991.9	1,020.2	995.3	1,004.4	1,012.4	1,005.9	1,015.8	1,039.9	1,040.0	1,037.5	1,063.7	1,084.8	1,144.7					
Fixed deposits	3,132.2	3,415.8	3,511.1	3,598.3	3,630.4	3,640.2	3,601.8	3,632.1	3,649.4	3,660.6	3,592.3	3,580.7	3,567.3					
Foreign currency deposits	200.1	201.3	231.9	237.4	228.6	208.6	222.2	197.4	219.2	212.1	202.2	244.2	240.3					
	(percentage change)																	
Total domestic credit	12.3	6.5	1.5	1.0	1.4	2.7	0.0	(1.7)	(1.0)	2.5	1.4	1.5	0.4					
Public sector	13.5	12.9	4.3	8.7	8.4	10.2	0.3	(3.2)	(5.6)	6.1	4.0	5.7	2.2					
Government (net)	28.6	6.6	9.5	10.5	11.6	7.1	5.4	(3.4)	(7.8)	11.3	2.6	5.8	6.6					
Rest of public sector	(12.1)	28.4	(6.3)	4.4	0.3	18.9	(12.7)	(2.5)	1.4	(8.2)	8.7	5.3	(11.9)					
Private sector	12.1	5.2	0.9	(0.7)	(0.3)	0.8	(0.1)	(1.3)	0.2	1.5	0.7	0.3	(0.2)					
Monetary liabilities	10.6	5.2	1.8	1.6	2.0	(0.3)	(0.7)	0.5	2.0	(0.0)	(0.7)	1.5	1.4					
Money	3.3	(1.7)	0.3	(0.7)	7.3	(0.2)	(2.1)	0.1	6.5	(0.2)	0.7	2.9	3.3					
Currency	10.7	(8.0)	1.0	(10.1)	(0.1)	1.1	3.1	(0.1)	(0.1)	4.1	(2.6)	3.3	1.9					
Demand deposits	1.9	(0.3)	0.2	1.2	8.6	(0.4)	(2.9)	0.2	7.6	(0.9)	1.3	2.8	3.5					
Quasi-money	13.0	7.2	2.2	2.1	0.6	(0.3)	(0.3)	0.6	0.8	0.0	(1.1)	1.1	0.9					

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B\$ Millions)

End of Period	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.										
Net foreign assets	454.2	562.9	816.0	819.0	862.1	765.4	860.4	975.1	1,076.1	955.6	884.8	890.0	928.0					
Balances with banks abroad	59.5	205.8	270.9	270.5	317.7	157.3	175.2	265.7	298.5	183.2	115.0	124.1	164.9					
Foreign securities	384.7	347.4	356.2	365.6	366.2	420.7	499.7	518.5	584.9	584.4	585.0	579.4	580.4					
Reserve position in the Fund	9.9	9.6	9.8	9.5	9.3	9.7	9.6	9.9	10.0	9.8	9.6	9.7	9.5					
SDR holdings	0.1	0.1	179.1	173.4	168.9	177.7	175.9	181.0	182.7	178.2	175.2	176.8	173.2					
Net domestic assets	235.7	76.9	73.3	77.0	80.6	144.2	156.7	148.4	111.9	179.9	187.4	194.9	218.0					
Net claims on Government	332.3	198.8	182.1	179.3	186.3	244.1	259.8	244.6	213.8	282.7	289.2	304.9	328.3					
Claims	347.8	202.9	202.8	189.7	200.4	259.3	274.3	261.7	222.2	291.3	300.8	315.8	333.5					
Treasury bills	143.5	6.3	--	--	7.2	22.2	--	--	--	19.9	26.2	20.0	21.5					
Bahamas registered stock	132.4	124.6	105.8	92.7	96.2	125.1	162.3	149.7	148.2	160.9	164.0	165.2	174.3					
Loans and advances	72.0	72.0	97.0	97.0	97.0	112.0	112.0	112.0	74.0	110.6	110.6	130.6	137.7					
Deposits	(15.6)	(4.1)	(20.7)	(10.4)	(14.1)	(15.2)	(14.5)	(17.0)	(8.4)	(8.6)	(11.6)	(10.9)	(5.2)					
In local currency	(15.6)	(4.1)	(20.7)	(10.4)	(14.1)	(15.2)	(14.5)	(17.0)	(8.4)	(8.6)	(11.6)	(10.9)	(5.2)					
In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--					
Deposits of rest of public sector	(10.4)	(10.4)	(15.8)	(12.6)	(13.9)	(13.4)	(15.4)	(7.5)	(9.4)	(10.4)	(7.1)	(14.8)	(12.9)					
Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--					
Official capital and surplus	(111.6)	(125.9)	(140.5)	(137.4)	(137.6)	(132.1)	(132.0)	(133.6)	(134.9)	(136.6)	(139.2)	(140.5)	(141.1)					
Net unclassified assets	17.9	7.1	40.5	40.9	39.0	39.0	38.0	38.5	36.0	37.9	38.4	39.2	37.8					
Loans to rest of public sector	6.8	6.5	6.2	6.0	6.0	5.8	5.6	5.6	5.6	5.4	5.2	5.2	5.0					
Public Corp Bonds/Securities	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9					
Liabilities To Domestic Banks	(450.1)	(439.0)	(486.5)	(520.2)	(572.0)	(527.3)	(631.0)	(731.9)	(794.8)	(739.1)	(684.3)	(688.8)	(749.9)					
Notes and coins	(110.1)	(117.6)	(111.8)	(86.2)	(89.1)	(83.8)	(113.2)	(84.5)	(85.7)	(79.7)	(126.9)	(80.6)	(83.5)					
Deposits	(340.0)	(321.4)	(374.7)	(434.0)	(482.9)	(443.5)	(517.8)	(647.4)	(709.1)	(659.4)	(557.4)	(608.2)	(666.4)					
SDR allocation	(16.2)	(15.8)	(195.0)	(188.9)	(184.0)	(193.6)	(191.6)	(197.3)	(199.1)	(194.3)	(191.0)	(192.7)	(188.8)					
Currency held by the private sector	(223.7)	(205.8)	(207.8)	(186.9)	(186.7)	(188.7)	(194.5)	(194.3)	(194.1)	(202.1)	(196.9)	(203.5)	(207.3)					

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

End of Period	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.										
Net foreign assets	(667.6)	(703.8)	(681.9)	(640.2)	(612.1)	(793.4)	(705.8)	(663.1)	(504.6)	(573.5)	(604.0)	(581.1)	(571.8)					
Net claims on Central Bank	448.4	439.9	487.4	521.3	572.5	528.4	631.9	733.1	795.7	739.9	687.0	689.8	753.8					
Notes and Coins	110.1	117.6	111.8	86.2	89.1	83.8	113.2	84.5	85.7	79.7	126.9	80.6	83.5					
Balances	339.1	322.3	375.6	435.1	483.4	444.6	518.7	648.6	710.0	660.2	560.1	609.2	670.3					
Less Central Bank credit	0.8	--	--	--	--	--	--	--	--	--	--	--	--					
Net domestic assets	5,199.7	5,534.1	5,564.4	5,565.7	5,614.4	5,811.9	5,567.7	5,465.3	5,346.5	5,510.7	5,579.5	5,675.9	5,679.5					
Net claims on Government	534.5	725.2	843.0	952.0	1,070.8	1,102.2	1,152.3	1,122.2	1,045.4	1,118.6	1,150.0	1,219.9	1,296.6					
Treasury bills	50.8	180.2	214.0	218.3	267.6	264.1	293.7	294.8	253.3	281.6	275.4	301.6	321.6					
Other securities	468.5	533.5	704.6	705.4	740.4	752.8	799.6	799.4	772.9	811.1	847.6	848.7	840.7					
Loans and advances	120.3	145.8	76.5	166.3	205.3	212.6	180.3	148.0	141.0	143.4	145.7	189.3	253.8					
Less: deposits	105.0	134.3	152.1	138.0	142.5	127.3	121.3	120.1	121.8	117.5	118.7	119.7	119.5					
Net claims on rest of public sector	(78.9)	3.4	(25.7)	(49.5)	(49.0)	31.4	(31.9)	(47.2)	(66.2)	(54.4)	0.4	41.2	(11.5)					
Securities	97.7	97.5	107.0	107.0	107.0	107.0	115.6	115.6	114.6	115.1	117.4	119.4	119.4					
Loans and advances	243.9	343.6	305.9	324.6	325.9	409.1	339.8	328.2	330.1	293.0	326.8	348.7	292.6					
Less: deposits	420.5	437.7	438.6	481.1	481.9	484.7	487.3	491.0	510.9	462.5	443.8	426.9	423.5					
Other net claims	(6.9)	(0.1)	(8.1)	(7.2)	(1.9)	(2.7)	(3.4)	(10.1)	(38.2)	(21.2)	5.5	(19.3)	(14.6)					
Credit to the private sector	6,218.4	6,536.8	6,595.9	6,548.7	6,526.4	6,575.5	6,572.7	6,485.3	6,502.9	6,599.5	6,647.6	6,667.6	6,656.1					
Securities	29.6	28.8	27.2	25.9	22.3	21.4	17.4	16.0	12.8	14.8	16.4	14.4	14.3					
Mortgages	2,580.4	2,819.7	2,949.6	2,950.0	2,968.8	3,078.4	3,192.4	3,218.6	3,218.9	3,226.1	3,227.6	3,232.9	3,255.1					
Loans and advances	3,608.4	3,688.3	3,619.1	3,572.8	3,535.3	3,475.7	3,363.0	3,250.7	3,271.2	3,358.6	3,403.6	3,420.3	3,386.7					
Private capital and surplus	(1,654.1)	(1,864.6)	(2,033.0)	(2,062.1)	(2,061.8)	(2,034.4)	(2,281.9)	(2,254.5)	(2,295.3)	(2,305.7)	(2,357.8)	(2,419.6)	(2,436.1)					
Net unclassified assets	186.7	133.4	192.3	183.8	129.9	139.9	159.9	169.7	197.9	173.9	133.8	186.1	189.0					
Liabilities to private sector	4,982.7	5,270.2	5,370.0	5,446.8	5,574.8	5,547.0	5,493.7	5,535.3	5,637.5	5,677.1	5,662.5	5,784.6	5,861.5					
Demand deposits	1,174.8	1,150.2	1,204.2	1,184.4	1,296.3	1,271.3	1,249.6	1,237.1	1,307.2	1,302.4	1,325.6	1,410.6	1,442.3					
Savings deposits	994.7	1,024.1	1,003.5	1,007.3	1,014.1	1,008.0	1,017.8	1,042.7	1,043.5	1,040.5	1,067.1	1,088.0	1,148.1					
Fixed deposits	2,813.2	3,095.9	3,162.3	3,255.1	3,264.4	3,267.7	3,226.3	3,255.5	3,286.8	3,334.2	3,269.8	3,285.9	3,271.1					

Source: The Central Bank of The Bahamas

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

Period	(B\$'000s)																	
	2007			2008			2009			2010			2011			2012		
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	
1. Interest Income	744,537	760,159	728,878	183,559	183,176	182,764	192,675	186,517	182,266	164,729	168,979	168,204						
2. Interest Expense	291,206	278,219	244,468	57,990	56,879	56,503	54,618	51,951	49,265	45,075	39,658	39,034						
3. Interest Margin (1-2)	453,331	481,940	484,410	125,569	126,297	126,261	138,057	134,566	133,001	119,654	129,321	129,170						
4. Commission & Forex Income	31,714	32,328	22,005	5,495	5,889	5,651	5,785	5,822	5,685	5,567	6,052	6,224						
5. Gross Earnings Margin (3+4)	485,045	514,268	506,415	131,064	132,186	131,912	143,842	140,388	138,686	125,221	135,373	135,394						
6. Staff Costs	133,309	148,364	149,222	38,400	40,032	38,808	40,993	39,277	42,611	41,395	41,676	39,136						
7. Occupancy Costs	20,612	23,409	23,417	5,978	5,621	6,422	5,943	5,743	6,283	7,048	6,712	7,019						
8. Other Operating Costs	79,480	91,867	87,245	25,864	23,609	25,875	31,703	23,872	26,089	30,424	26,753	28,138						
9. Operating Costs (6+7+8)	233,401	263,640	259,884	70,242	69,262	71,105	78,639	68,892	74,983	78,867	75,141	74,293						
10. Net Earnings Margin (5-9)	251,644	250,628	246,531	60,822	62,924	60,807	65,203	71,496	63,703	46,354	60,232	61,101						
11. Depreciation Costs	11,673	13,412	14,134	3,601	4,185	4,080	3,372	3,587	3,519	3,777	1,810	3,521						
12. Provisions for Bad Debt	39,817	82,204	121,092	20,616	26,549	52,123	25,398	23,937	21,056	31,799	24,711	37,789						
13. Other Income	107,271	120,334	96,990	27,806	30,093	25,517	27,868	22,516	25,854	22,721	26,429	21,124						
14. Other Income (Net) (13-11-12)	55,781	24,718	(38,236)	3,589	(641)	(30,686)	(902)	(5,008)	1,279	(12,855)	(92)	(20,186)						
15. Net Income (10+14)	307,425	275,346	208,295	64,411	62,283	30,121	64,301	66,488	64,982	33,499	60,140	40,915						
16. Effective Interest Rate Spread (%)	6.25	6.51	6.34	6.20	6.24	6.04	6.20	5.88	6.24	6.16	6.28	6.44						
	(Ratios To Average Assets)																	
Interest Margin	5.50	5.39	5.31	5.55	5.50	5.47	5.86	5.69	5.64	5.07	5.47	5.39						
Commission & Forex Income	0.38	0.36	0.24	0.24	0.26	0.24	0.25	0.25	0.24	0.24	0.26	0.26						
Gross Earnings Margin	5.89	5.75	5.55	5.80	5.76	5.71	6.11	5.93	5.88	5.30	5.72	5.65						
Operating Costs	2.83	2.95	2.85	3.11	3.02	3.08	3.34	2.91	3.18	3.34	3.18	3.10						
Net Earnings Margin	3.05	2.80	2.70	2.69	2.74	2.63	2.77	3.02	2.70	1.96	2.55	2.55						
Net Income	3.73	3.09	2.28	2.85	2.71	1.30	2.73	2.81	2.75	1.42	2.54	1.71						

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

TABLE 6
MONEY SUPPLY

End of Period	(B\$ Millions)																	
	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	
Money supply (M1)	1,300.3	1,274.5	1,283.6	1,274.8	1,374.7	1,365.8	1,274.8	1,374.7	1,365.8	1,335.2	1,340.0	1,425.7	1,423.9	1,434.8	1,486.7	1,532.8		
1) Currency in active circulation	223.7	205.8	207.8	186.9	186.7	188.7	186.9	186.7	188.7	194.5	194.3	194.1	202.1	196.9	203.5	207.3		
2) Demand deposits	1,076.6	1,068.7	1,075.8	1,087.9	1,188.0	1,177.1	1,087.9	1,188.0	1,177.1	1,140.6	1,145.7	1,231.6	1,221.8	1,237.9	1,283.2	1,325.5		
Central Bank	10.4	10.4	15.9	12.6	13.9	13.4	12.6	13.9	13.4	15.4	7.5	9.4	10.4	7.1	14.8	12.9		
Domestic Banks	1,066.2	1,058.3	1,059.9	1,075.3	1,174.1	1,163.7	1,075.3	1,174.1	1,163.7	1,125.2	1,138.2	1,222.2	1,211.4	1,230.8	1,268.4	1,312.6		
Factors affecting money (M1)																		
1) Net credit to Government	866.8	924.0	1,023.9	1,131.3	1,257.1	1,346.3	1,131.3	1,257.1	1,346.3	1,413.7	1,366.8	1,259.2	1,401.4	1,439.2	1,524.8	1,624.9		
Central Bank	332.3	198.8	180.9	179.3	186.3	244.1	179.3	186.3	244.1	261.4	244.6	213.8	282.8	289.2	304.9	328.3		
Domestic Banks	534.5	725.2	843.0	952.0	1,070.8	1,102.2	952.0	1,070.8	1,102.2	1,152.3	1,122.2	1,045.4	1,118.6	1,150.0	1,219.9	1,296.6		
2) Other credit	6,567.5	6,985.1	7,015.8	6,987.1	6,966.0	7,098.2	6,987.1	6,966.0	7,098.2	7,034.5	6,935.5	6,954.0	7,013.8	7,097.7	7,141.7	7,073.9		
Rest of public sector	349.1	448.3	419.9	438.4	439.6	522.7	438.4	439.6	522.7	461.8	450.2	451.1	414.3	450.2	474.0	417.8		
Private sector	6,218.4	6,536.8	6,595.9	6,548.7	6,526.4	6,575.5	6,548.7	6,526.4	6,575.5	6,572.7	6,485.3	6,502.9	6,599.5	6,647.5	6,667.7	6,656.1		
3) External reserves	454.2	562.9	816.0	819.0	862.1	765.4	819.0	862.1	765.4	860.4	975.1	1,076.1	955.6	884.8	890.0	928.0		
4) Other external liabilities (net)	(667.6)	(703.8)	(681.9)	(640.2)	(612.1)	(793.4)	(640.2)	(612.1)	(793.4)	(708.3)	(663.1)	(504.6)	(573.5)	(604.0)	(581.1)	(571.8)		
5) Quasi money	4,337.0	4,649.5	4,748.7	4,852.6	4,882.6	4,868.1	4,852.6	4,882.6	4,868.1	4,855.9	4,888.0	4,925.7	4,928.1	4,875.6	4,943.1	4,972.5		
6) Other items (net)	(1,583.6)	(1,844.2)	(2,141.5)	(2,169.8)	(2,215.8)	(2,182.6)	(2,169.8)	(2,215.8)	(2,182.6)	(2,409.3)	(2,386.3)	(2,433.4)	(2,445.3)	(2,507.3)	(2,545.6)	(2,549.7)		

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

End of Period	2008			2009			2010			2011			2012		
	Mar.	Jun.	Sept.	Mar.	Jun.										
CREDIT OUTSTANDING															
Private cars	238,775	206,689	199,228	197,138	188,509	185,044	181,837	182,112	174,192	171,751	169,956	174,077			
Taxis & rented cars	1,909	1,832	1,552	1,296	1,046	985	889	794	1,138	910	987	974			
Commercial vehicles	6,111	4,955	4,761	3,966	3,682	3,353	3,214	3,274	3,027	2,510	2,368	2,299			
Furnishings & domestic appliances	21,173	19,134	18,164	17,244	15,257	15,126	14,072	13,131	11,610	11,126	10,462	10,297			
Travel	49,602	36,369	32,345	29,425	28,587	26,464	24,291	25,543	26,261	25,221	23,832	24,413			
Education	57,255	55,227	53,037	50,529	52,604	50,875	49,148	47,050	37,647	35,750	34,230	32,733			
Medical	21,435	19,697	19,075	18,422	17,303	16,399	15,773	15,731	15,011	14,409	13,786	13,304			
Home Improvements	171,454	163,991	166,094	163,512	131,455	129,860	125,429	121,350	126,413	126,543	122,885	126,732			
Land Purchases	246,168	243,696	240,898	244,594	242,369	240,391	240,987	239,710	242,256	239,790	234,789	237,847			
Consolidation of debt	594,565	648,024	661,379	665,886	683,852	714,616	734,975	766,315	797,592	820,135	815,617	813,370			
Miscellaneous	541,585	515,002	498,410	494,605	504,394	494,961	479,768	476,373	461,332	464,052	483,468	499,683			
Credit Cards	294,377	278,749	265,044	261,017	261,531	262,871	253,023	250,021	253,505	251,924	242,294	239,549			
TOTAL	2,244,409	2,193,365	2,159,987	2,147,634	2,130,589	2,140,945	2,123,406	2,141,404	2,149,984	2,164,121	2,154,674	2,175,278			
NET CREDIT EXTENDED															
Private cars	(9,377)	(8,475)	(7,461)	(2,090)	(8,629)	(3,465)	(3,207)	275	(7,920)	(2,441)	(1,795)	4,121			
Taxis & rented cars	1	47	(280)	(256)	(250)	(61)	(96)	(95)	344	(228)	77	(13)			
Commercial vehicles	(845)	(210)	(194)	(795)	(284)	(329)	(139)	60	(247)	(517)	(142)	(69)			
Furnishings & domestic appliances	(1,221)	(625)	(970)	(920)	(1,987)	(131)	(1,054)	(941)	(1,521)	(484)	(664)	(165)			
Travel	(1,368)	(3,333)	(4,024)	(2,920)	(838)	(2,123)	(2,173)	1,252	718	(1,040)	(1,389)	581			
Education	2,530	(2,293)	(2,190)	(2,508)	2,075	(1,729)	(1,727)	(2,098)	(9,403)	(1,897)	(1,520)	(1,497)			
Medical	915	(197)	(622)	(653)	(1,119)	(904)	(626)	(42)	(720)	(602)	(623)	(482)			
Home Improvements	8,384	49	2,103	(2,582)	(32,057)	(1,595)	(4,431)	(4,079)	5,063	130	(3,658)	3,847			
Land Purchases	18,932	(1,513)	(2,798)	3,696	(2,225)	(1,978)	596	(1,277)	2,546	(2,466)	(5,001)	3,058			
Consolidation of debt	98,269	9,780	13,355	4,507	17,966	30,764	20,359	31,340	31,277	22,543	(4,518)	(2,247)			
Miscellaneous	(17,534)	(8,305)	(16,592)	(3,805)	9,789	(9,433)	(15,193)	(3,395)	(15,041)	2,720	19,416	16,215			
Credit Cards	37,382	1,270	(13,705)	(4,027)	514	1,340	(9,848)	(3,002)	3,484	(1,581)	(9,630)	(2,745)			
TOTAL	136,068	(13,805)	(33,378)	(12,353)	(17,045)	10,356	(17,539)	17,998	8,580	14,137	(9,447)	20,604			

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

Period	2009		2010		2011		2012						
	2009	2010	2010	2011	2011	2012	2012	2012					
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV					
DOMESTIC BANKS													
Deposit rates													
Savings deposits	2.15	1.94	1.75	2.06	2.03	1.84	1.83	1.85	1.89	1.63	1.61	1.88	1.67
Fixed deposits													
Up to 3 months	3.55	3.19	2.33	3.45	3.23	3.09	3.01	2.82	2.64	1.97	1.89	1.71	1.71
Up to 6 months	3.94	3.56	2.67	3.73	3.51	3.62	3.38	3.31	2.79	2.56	2.01	2.08	2.09
Up to 12 months	4.26	3.99	3.24	4.22	4.01	3.86	3.88	3.92	3.54	2.77	2.75	2.69	2.68
Over 12 months	4.37	4.04	3.19	4.31	3.83	4.00	4.00	3.89	3.55	2.75	2.59	2.96	2.53
Weighted average rate	3.79	3.44	2.64	3.73	3.46	3.33	3.25	3.18	2.90	2.27	2.19	2.23	2.08
Lending rates													
Residential mortgages	8.25	8.15	7.77	8.22	8.25	8.10	8.01	8.07	7.94	7.57	7.50	7.58	7.61
Commercial mortgages	8.60	8.79	8.37	8.60	8.71	9.20	8.63	8.75	8.57	8.04	8.12	8.09	8.35
Consumer loans	12.69	13.21	13.35	12.90	12.74	13.51	13.69	13.51	13.29	13.29	13.32	12.82	13.41
Overdrafts	11.67	10.87	10.03	11.91	10.79	10.40	10.38	10.21	10.15	9.94	9.84	9.36	10.61
Weighted average rate	10.58	11.05	10.98	10.63	10.73	11.41	11.43	11.18	11.08	11.01	10.64	10.25	10.99
Other rates													
Prime rate	5.50	5.50	4.94	5.50	5.50	5.50	5.50	5.50	4.75	4.75	4.75	4.75	4.75
Treasury bill (90 days)	2.62	2.28	1.25	2.39	2.48	2.14	2.09	1.80	1.52	0.96	0.71	0.10	0.32
Treasury bill re-discount rate	3.12	2.78	1.75	2.89	2.98	2.64	2.59	2.30	2.02	1.46	1.21	0.60	0.82
Bank rate (discount rate)	5.25	5.25	4.69	5.25	5.25	5.25	5.25	5.25	4.50	4.50	4.50	4.50	4.50

Source: The Central Bank of The Bahamas

TABLE 9
SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

Period	2009				2010				2011				2012	
	2007	2008	2009	2010	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Loan Portfolio														
Current Loans (as a % of total loans)	90.6	87.5	82.3	81.8	81.5	81.8	81.8	81.7	81.7	82.1	80.8	81.1	81.5	81.7
Arrears (% by loan type)														
Consumer	3.0	3.9	5.2	4.6	4.4	4.3	4.3	4.2	4.2	4.1	4.4	4.2	3.9	4.0
Mortgage	4.6	5.9	8.6	9.4	9.9	9.8	9.8	9.8	9.8	9.8	10.2	10.1	9.8	10.2
Commercial	1.7	2.6	3.8	4.1	4.1	4.0	4.0	4.2	4.2	3.9	4.5	4.5	4.7	4.0
Public	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Arrears	9.4	12.5	17.7	18.2	18.5	18.2	18.2	18.3	18.3	17.9	19.2	18.9	18.5	18.3
Total B\$ Loan Portfolio	100.0													
Loan Portfolio														
Current Loans (as a % of total loans)	90.6	87.5	82.3	81.8	81.5	81.8	81.8	81.7	81.7	82.1	80.8	81.1	81.5	81.7
Arrears (% by days outstanding)														
30 - 60 days	3.6	4.5	5.6	5.9	6.0	4.0	4.0	5.5	5.5	3.6	3.9	4.1	3.6	3.3
61 - 90 days	1.3	1.9	2.7	2.4	2.3	2.3	2.3	2.1	2.1	2.0	2.2	2.1	2.2	2.1
90 - 179 days	1.2	1.6	3.0	2.4	2.3	2.6	2.6	2.1	2.1	2.3	2.7	2.3	2.1	2.3
over 180 days	3.3	4.5	6.3	7.5	7.9	9.3	9.3	8.6	8.6	9.9	10.4	10.5	10.7	10.6
Total Arrears	9.4	12.5	17.7	18.2	18.5	18.2	18.2	18.3	18.3	17.9	19.2	18.9	18.5	18.3
Total B\$ Loan Portfolio	100.0													
Non Accrual Loans (% by loan type)														
Consumer	29.4	30.2	29.8	26.6	24.3	21.4	21.4	22.9	22.9	20.0	20.7	20.3	19.8	20.0
Mortgage	45.6	44.4	41.4	42.7	45.1	52.1	52.1	47.1	47.1	53.9	53.0	54.8	55.4	55.0
Other Private	23.2	23.9	27.8	29.7	29.6	25.7	25.7	29.1	29.1	25.4	25.7	24.2	24.1	24.3
Public	1.8	1.5	1.0	1.0	1.0	0.8	0.8	0.9	0.9	0.7	0.7	0.7	0.7	0.7
Total Non Accrual Loans	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Provisions to Loan Portfolio														
Consumer	2.8	3.3	4.2	4.4	4.5	5.1	5.1	4.9	4.9	4.7	4.9	4.9	5.4	5.5
Mortgage	1.2	1.4	1.8	1.9	2.1	2.4	2.4	2.4	2.4	2.5	2.7	2.7	3.2	3.6
Other Private	3.2	5.4	6.9	8.2	8.7	9.1	9.1	9.6	9.6	10.2	10.6	10.6	10.6	10.9
Public	0.0	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	2.1	2.7	3.4	3.7	3.9	4.3	4.3	4.4	4.4	4.4	4.7	4.7	5.1	5.3
Total Provisions to Non-performing Loans	47.9	46.0	37.1	38.3	37.5	36.6	36.6	41.0	41.0	36.5	36.1	36.8	40.0	41.3
Total Non-performing Loans to Total Loans	4.5	6.1	9.3	9.4	9.9	11.9	11.9	10.7	10.7	12.2	13.0	12.7	12.7	12.8

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

End of Period	(B\$ Millions)																	
	2007			2008			2009			2010			2011			2012		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	
I. Statutory Reserves																		
Required reserves	265.0	283.3	290.3	285.3	296.6	299.1	298.1	303.3	306.8	305.0	306.0	310.9						
Average Till Cash	92.8	95.4	94.7	79.7	83.7	83.3	98.2	83.9	86.5	118.3	90.1	87.4						
Average balance with central bank	363.1	352.7	425.1	438.7	516.6	464.6	530.5	663.7	715.6	683.8	592.6	669.0						
Free cash reserves (period ended)	190.1	164.8	229.5	233.1	303.7	248.8	330.6	444.6	496.2	463.5	370.6	445.5						
II. Liquid Assets (period)																		
A. Minimum Required Liquid Assets	860.0	911.2	929.6	938.5	958.0	958.1	946.7	959.1	969.5	971.1	968.7	990.9						
B. Net Eligible Liquid Assets	1,011.9	1,169.3	1,423.7	1,460.9	1,601.9	1,567.5	1,755.1	1,859.0	1,906.7	1,900.7	1,865.1	1,973.2						
i) Balance with Central Bank	341.2	322.2	375.6	435.1	483.4	444.6	518.7	648.6	709.9	660.2	560.1	670.3						
ii) Notes and Coins	110.6	118.1	112.3	86.7	89.6	84.3	113.7	85.0	86.2	80.2	127.4	84.0						
iii) Treasury Bills	50.8	180.2	214.0	218.3	267.6	264.1	293.7	294.8	253.3	281.6	275.4	321.6						
iv) Government registered stocks	468.5	513.3	671.4	672.4	711.0	721.8	774.8	775.1	767.6	805.7	843.7	835.1						
v) Specified assets	36.6	36.8	45.7	45.8	45.6	45.6	53.0	52.9	52.8	53.0	55.2	57.0						
vi) Net Inter-bank dem/call deposits	5.0	(1.3)	4.7	2.6	4.7	7.1	1.2	2.6	36.9	20.0	3.3	5.2						
vii) Less: borrowings from central bank	(0.8)	--	--	--	--	--	--	--	--	--	--	--						
C. Surplus/(Deficit)	151.9	258.1	494.1	522.4	643.9	609.4	808.4	899.9	937.2	929.6	896.4	982.3						

Source: The Central Bank of The Bahamas

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

(B\$ Millions)

Period	2009/10p			2010/11p			2010/11p			2011/12p			
	2009/10p	2010/11p	Budget	2010/11	2011/12	2010/11p	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III
Total Revenue & Grants	1,302.5	1,433.0	1,492.2	1,520.2	1,520.2	271.2	307.3	449.6	404.9	284.6	432.1	364.3	248.2
Current expenditure	1,395.9	1,524.5	1,467.2	1,598.0	1,598.0	330.8	356.2	364.3	473.2	345.5	366.4	374.7	243.6
Capital expenditure	156.8	206.3	227.6	237.3	237.3	36.9	46.3	46.7	76.4	25.7	74.2	53.5	42.3
Net lending	89.4	72.9	38.7	44.4	44.4	8.1	14.4	14.7	35.6	8.3	60.0	10.5	18.3
Overall balance	(339.5)	(370.7)	(241.3)	(359.4)	(359.4)	(104.6)	(109.6)	23.9	(180.3)	(94.9)	(68.4)	(74.5)	(56.0)
FINANCING (I+II-III+IV+V)	339.5	370.7	241.3	359.4	359.4	104.6	109.6	(23.9)	180.3	94.9	68.4	74.5	55.9
I. Foreign currency borrowing	318.3	127.6	55.0	94.0	94.0	77.9	16.7	21.6	11.4	11.8	36.3	16.4	11.9
External	318.3	57.6	55.0	94.0	94.0	7.9	16.7	21.6	11.4	11.8	36.3	16.4	11.9
Domestic	--	70.0	--	--	--	70.0	--	--	--	--	--	--	--
II. Bahamian dollar borrowing	282.0	293.6	235.0	220.6	220.6	140.0	143.6	--	10.0	214.6	60.0	40.0	20.0
i) Treasury bills	57.3	--	--	--	--	--	--	--	--	48.0	--	20.0	--
Central Bank	57.3	--	--	--	--	--	--	--	--	48.0	--	20.0	--
Commercial banks & OLF's	--	--	--	--	--	--	--	--	--	--	--	--	--
Public corporations	--	--	--	--	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--	--	--	--	--
ii) Long-term securities	209.7	235.0	--	--	--	100.0	135.0	--	--	100.0	60.0	--	--
Central Bank	15.1	65.0	--	--	--	30.0	35.0	--	--	15.0	3.0	--	--
Commercial banks & OLF's	99.0	16.8	--	--	--	15.0	1.8	--	--	60.3	36.9	--	--
Public corporations	45.7	26.3	--	--	--	15.0	11.3	--	--	2.1	1.2	--	--
Other	49.9	126.9	--	--	--	40.0	86.9	--	--	22.5	18.9	--	--
iii) Loans and Advances	15.0	58.6	--	--	--	40.0	8.6	--	10.0	66.6	--	20.0	20.0
Central Bank	--	58.6	--	--	--	40.0	8.6	--	10.0	66.6	--	20.0	20.0
Commercial banks	15.0	--	--	--	--	--	--	--	--	--	--	--	--
III Debt repayment	284.2	269.3	70.0	58.7	58.7	36.1	22.7	1.2	209.3	66.8	3.3	1.4	13.3
Domestic	251.8	260.5	58.9	48.9	48.9	35.0	19.5	--	206.0	65.0	--	--	10.0
Bahamian dollars	90.0	189.6	58.9	48.9	48.9	35.0	18.6	--	136.0	65.0	--	--	10.0
Internal foreign currency	161.8	70.9	--	--	--	--	0.9	--	70.0	--	--	--	--
External	32.4	8.8	11.0	9.8	9.8	1.1	3.2	1.2	3.3	1.8	3.3	1.4	3.3
IV Net Sale of Shares & Other Equity	--	203.7	--	--	--	--	--	--	203.7	--	--	--	--
V. Cash balance change	26.5	26.4	--	--	--	14.2	8.4	(3.0)	6.9	4.1	(4.2)	(0.3)	1.9
VI Other Financing	(3.0)	192.3	21.3	103.5	103.5	(91.3)	(36.4)	(41.4)	361.3	(68.8)	(20.4)	19.8	35.4

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

End of Period	(B\$' 000s)											
	2009p	2010p	2011p	2011p			2012p					
				Jun.	Sept.	Dec.	Mar.	Jun.				
TOTAL EXTERNAL DEBT			800,091	707,525	714,262	800,091	815,074	823,766				
By Instrument												
Government Securities	703,138	727,882	800,091	600,000	600,000	600,000	600,000	600,000				
Loans	600,000	600,000	600,000	107,525	114,262	200,091	215,074	223,766				
By Holder												
Commercial Banks	103,138	127,882	200,091									
Offshore Financial Institutions	--	--	--	--	--	--	--	--				
Multilateral Institutions	98,954	123,698	171,793	103,341	110,078	171,793	181,219	189,911				
Bilateral Institutions	4,184	4,184	28,298	4,184	4,184	28,298	33,855	33,855				
Private Capital Markets	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000				
TOTAL INTERNAL DEBT	2,617,268	2,992,479	3,006,080	2,693,389	2,868,389	3,006,080	3,046,079	3,076,423				
By Instrument												
Foreign Currency	1,806	70,000	--	903	70,903	--	--	--				
Government Securities	--	--	--	--	--	--	--	--				
Loans	1,806	70,000	--	903	70,903	--	--	--				
Bahamian Dollars	2,615,462	2,922,479	3,006,080	2,692,486	2,797,486	3,006,080	3,046,079	3,076,423				
Advances	96,988	111,988	110,588	96,988	111,988	110,588	130,588	137,687				
Treasury Bills	244,309	301,609	301,609	301,609	301,609	301,609	321,609	344,218				
Government Securities	2,268,919	2,503,637	2,593,637	2,288,644	2,378,644	2,593,637	2,593,637	2,594,273				
Loans	5,246	5,246	246	5,246	5,246	246	246	246				
By Holder												
Foreign Currency	1,806	70,000	--	903	70,903	--	--	--				
Commercial Banks	1,806	70,000	--	903	70,903	--	--	--				
Other Local Financial Institutions	--	--	--	--	--	--	--	--				
Bahamian Dollars	2,615,462	2,922,479	3,006,080	2,692,486	2,797,486	3,006,080	3,046,079	3,076,423				
The Central Bank	201,509	274,275	292,802	200,459	259,442	292,802	315,756	333,626				
Commercial Banks	886,358	1,066,784	1,118,286	978,313	984,931	1,118,286	1,136,470	1,147,842				
Other Local Financial Institutions	4,167	6,996	9,357	5,782	6,096	9,357	9,357	9,357				
Public Corporations	722,999	702,541	684,963	703,968	704,043	684,963	685,007	686,007				
Other	800,429	871,883	900,672	803,964	842,974	900,672	899,489	899,590				
TOTAL FOREIGN CURRENCY DEBT	704,944	797,882	800,091	708,428	785,165	800,091	815,074	823,766				
TOTAL DIRECT CHARGE	3,320,406	3,720,361	3,806,171	3,400,914	3,582,651	3,806,171	3,861,153	3,900,189				
TOTAL CONTINGENT LIABILITIES	588,997	564,629	550,727	572,465	564,394	550,727	560,248	556,036				
TOTAL NATIONAL DEBT	3,909,403	4,284,990	4,356,898	3,973,379	4,147,045	4,356,898	4,421,401	4,456,225				

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

	2009p*	2011p			2012p			(B\$' 000s)
		2010p	2011p	2012p	Jun.**	Sep.	Dec.***	
Outstanding Debt at Beginning of Period	859,878	1,139,567	1,357,660	1,369,917	1,279,476	1,304,490	1,435,748	1,462,112
Government	387,205	704,944	797,882	818,302	756,462	766,400	800,091	815,074
Public Corporations	472,673	434,623	559,778	551,615	523,014	538,090	635,657	647,038
Plus: New Drawings	856,717	388,807	167,070	23,420	31,265	90,803	33,851	124,949
Government	561,772	102,807	81,070	11,420	11,765	36,303	16,351	11,949
Public Corporations	294,945	286,000	86,000	12,000	19,500	54,500	17,500	113,000
Less: Amortization	577,028	170,714	105,169	80,048	6,251	9,545	7,487	77,910
Government	244,033	9,869	78,861	73,260	1,827	2,612	1,368	3,257
Public Corporations	332,995	160,845	26,308	6,788	4,424	6,933	6,119	74,653
Other Changes in Debt Stock	--	--	16,187	(33,813)	--	50,000	--	--
Government	--	--	--	--	--	--	--	--
Public Corporations	--	--	16,187	(33,813)	--	50,000	--	--
Outstanding Debt at End of Period	1,139,567	1,357,660	1,435,748	1,279,476	1,304,490	1,435,748	1,462,112	1,509,151
Government	704,944	797,882	800,091	756,462	766,400	800,091	815,074	823,766
Public Corporations	434,623	559,778	635,657	523,014	538,090	635,657	647,038	685,385
Interest Charges	41,356	67,022	63,846	27,713	3,806	28,022	7,240	26,640
Government	27,581	47,055	48,002	22,937	798	22,991	733	21,891
Public Corporations	13,775	19,967	15,844	4,776	3,008	5,031	6,507	4,749
Debt Service	618,384	237,736	169,015	107,761	10,057	37,567	14,727	104,550
Government	271,614	56,924	126,863	96,197	2,625	25,603	2,101	25,148
Public Corporations	346,770	180,812	42,152	11,564	7,432	11,964	12,626	79,402
Debt Service Ratio (%)	20.2	7.4	4.9	11.7	1.2	4.3	1.6	11.0
Government Debt Service/ Government Revenue (%)	20.4	4.5	8.1	23.8	0.9	5.9	0.6	n.a
MEMORANDUM								
Holder Distribution (B\$ Mil):								
Commercial Banks	358.2	414.1	361.8	308.6	318.9	361.8	365.7	311.6
Multilateral Institutions	126.4	145.1	187.2	155.1	164.2	187.2	200.6	208.3
Bilateral Institutions	21.4	4.2	44.2	23.3	28.8	44.2	53.3	33.9
Other	33.6	194.3	242.5	192.5	192.5	242.5	242.4	355.4
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.

*Debt servicing for 2009 includes the refinancing of \$297 million and \$235 million in Public Corporations' and Government's debt, respectively. Net of these transactions, the Government's debt service/revenue ratio was 2.7%.

** Outstanding debt at end-June 2011 excludes \$32.063 million in outstanding debt of The Bahamas Telecommunications Company, which was privatized in April 2011.

*** Outstanding debt at end-Dec 2011 includes \$50.0 million in outstanding debt of The Nassau Airport Development Company, previously held by the Government.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	(B\$ Millions)								
	2009p	2010			2011			2012	
		2010p	2011p	Qtr.IIIP	Qtr.IVp	Qtr.IIP	Qtr.IVp	Qtr.IIP	Qtr.IVp
A. Current Account Balance (I+II+III+IV)	(808.5)	(813.1)	(1,089.8)	(329.1)	(283.3)	(125.9)	(334.7)	(345.8)	(137.0)
I. Merchandise (Net)	(1,824.7)	(1,888.2)	(2,131.3)	(516.4)	(456.4)	(496.9)	(569.7)	(608.2)	(522.0)
Exports	710.7	702.4	833.5	173.4	192.4	213.8	216.0	211.3	223.4
Imports	2,535.3	2,590.6	2,964.8	689.9	648.9	710.8	785.7	819.5	745.4
II. Services (Net)	1,154.8	1,312.5	1,313.7	259.6	277.1	409.6	289.6	337.5	422.2
Transportation	(267.6)	(223.8)	(195.8)	(61.1)	(33.5)	(46.3)	(56.2)	(59.8)	(54.8)
Travel	1,773.7	1,919.2	2,007.9	416.1	429.2	542.6	449.3	514.9	565.9
Insurance Services	(92.5)	(43.1)	(185.9)	(39.4)	(64.7)	(44.0)	(44.3)	(32.9)	(31.0)
Offshore Companies Local Expenses	182.0	157.8	138.9	38.1	44.4	46.0	28.0	26.8	43.4
Other Government	(87.0)	(43.1)	13.4	(11.8)	(4.7)	8.6	0.3	9.1	4.5
Other Services	(353.8)	(332.4)	(464.7)	(82.2)	(159.0)	(97.4)	(87.7)	(120.7)	(105.7)
III. Income (Net)	(152.2)	(234.9)	(236.0)	(66.1)	(63.0)	(46.8)	(52.0)	(74.3)	(54.7)
1. Compensation of Employees	(11.8)	(27.4)	(47.9)	(7.1)	(9.5)	(12.9)	(13.9)	(11.6)	(13.0)
2. Investment Income	(140.3)	(207.5)	(188.1)	(59.1)	(53.4)	(33.9)	(38.1)	(62.7)	(41.6)
IV. Current Transfers (Net)	13.5	(2.6)	(36.2)	(6.6)	(41.0)	8.2	(2.6)	(0.8)	17.3
1. General Government	86.8	87.4	113.4	22.1	33.3	34.4	22.6	23.1	35.8
2. Private Sector	(73.3)	(89.9)	(149.6)	(28.8)	(74.3)	(26.2)	(25.2)	(23.9)	(18.5)
B. Capital and Financial Account (I+II)	1,114.6	1,141.4	952.2	410.8	352.6	162.0	312.0	125.5	196.6
(excl. Reserves)									
I. Capital Account (Net Transfers)	(7.2)	(3.6)	(5.5)	(0.9)	(0.6)	(1.4)	(2.2)	(1.4)	(1.2)
II. Financial Account (Net)	1,121.8	1,144.9	957.7	411.7	353.2	163.3	314.2	126.9	197.8
1. Direct Investment	664.0	872.0	666.6	161.7	259.8	229.7	123.6	53.5	74.4
2. Portfolio Investment	(16.7)	(25.4)	(44.2)	(4.1)	(5.8)	(9.4)	(9.9)	(19.2)	(12.5)
3. Other Investments	474.5	298.3	335.3	254.1	99.2	(57.0)	200.5	92.5	135.9
Central Gov't Long Term Capital	319.5	24.7	72.2	6.7	13.5	8.2	9.9	33.7	10.6
Other Public Sector Capital	184.0	123.7	21.9	17.1	(0.8)	3.8	8.9	10.0	73.0
Banks	(21.9)	23.6	(101.4)	181.3	(42.4)	(158.6)	69.0	30.5	(9.3)
Other	(7.2)	126.4	342.6	49.0	121.9	89.6	112.7	18.4	61.6
C. Net Errors and Omissions	(53.1)	(283.7)	162.1	(177.9)	45.4	64.9	(97.8)	149.6	(21.0)
D. Overall Balance (A+B+C)	253.0	44.5	24.5	(96.7)	95.0	101.0	(120.5)	(70.7)	38.5
E. Financing (Net)	(253.0)	(44.5)	(24.5)	(95.0)	(114.7)	(101.0)	120.5	70.7	(38.5)
Change in SDR holdings	(178.9)	3.1	0.7	(8.8)	1.8	(1.7)	4.5	3.0	3.0
Change in Reserve Position with the IMF	(0.2)	0.2	0.0	(0.5)	0.1	(0.1)	0.2	0.2	0.2
Change in Ext. Foreign Assets () = Increase	(73.9)	(47.8)	(25.1)	106.0	(109.3)	(99.2)	115.7	67.6	(41.8)

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

	(B\$ '000)												
	2009			2010			2011			2012			
	2009	2010	2011	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	
I. OIL TRADE													
i) Exports	112,077	159,706	216,129	39,746	30,702	43,540	61,039	64,338	42,222	48,530	59,996		
ii) Imports	557,132	687,073	930,047	195,178	191,175	156,377	206,992	267,666	251,101	204,288	221,669		
II. OTHER MERCHANDISE													
Domestic Exports													
Crawfish	57,668	68,371	64,337	6,362	14,818	37,223	16,262	8,129	10,387	29,559	18,812		
Fish Conch & other Crustacea	3,566	4,013	4,371	2,258	1,281	123	772	2,885	548	166	669		
Other cordials & Similar Materials/Sponge	784	546	842	212	68	130	168	522	--	152	186		
Fruits & Veggies.	525	195	24	--	15	45	24	--	--	--	--		
Aragonite	12,973	11,688	11,497	1,797	2,648	4,048	774	6,587	1,248	2,889	3,604		
Other Natural Sands	3,309	2,931	2,893	83	921	545	529	350	1,232	783	1,352		
Rum/Beverages/Spirits & Vinegar	--	--	--	--	--	--	--	--	--	--	--		
Crude Salt	11,154	16,429	12,022	2,437	3,172	3,656	4,846	4,133	1,577	1,465	1,117		
Polystyrene Products	122,429	104,076	135,846	29,401	24,868	29,021	30,431	34,070	35,826	35,519	38,467		
Other	121,300	96,570	94,611	35,914	27,171	22,692	16,642	27,537	32,280	18,151	20,726		
i) Total Domestic Exports	333,707	304,819	326,443	78,464	74,962	97,482	70,448	84,213	83,098	88,684	84,933		
ii) Re-Exports	164,824	156,969	184,371	45,317	30,450	43,783	34,715	55,328	52,302	42,026	58,476		
iii) Total Exports (i+ii)	498,531	461,788	510,814	123,781	105,412	141,265	105,163	139,541	135,400	130,710	143,409		
iv) Imports	2,239,333	2,175,688	2,480,809	517,967	567,005	620,261	519,926	594,742	645,961	720,180	787,352		
v) Retained Imports (iv-ii)	2,074,509	2,018,719	2,296,438	472,650	536,555	576,478	485,211	539,414	593,659	678,154	728,876		
vi) Trade Balance (i-v)	(1,740,802)	(1,713,900)	(1,969,995)	(394,186)	(461,593)	(478,996)	(414,763)	(455,201)	(510,561)	(589,470)	(643,943)		

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2010				2011				2012			
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
Visitor Arrivals	4,645,115	5,248,121	5,585,994	1,196,170	1,343,945	1,527,601	1,376,089	1,200,286	1,482,018	1,692,978	1,490,310	1,490,310
Air	1,252,393	1,294,804	1,267,540	304,067	277,510	320,680	363,202	297,199	286,459	356,531	396,901	396,901
Sea	3,392,722	3,953,317	4,318,454	892,103	1,066,435	1,206,921	1,012,887	903,087	1,195,559	1,336,447	1,093,409	1,093,409
Visitor Type												
Stopover	1,327,006	1,369,399	1,343,293	333,937	278,338	342,597	397,982	323,576	279,138	n.a	n.a	n.a
Cruise	3,255,780	3,803,122	4,161,556	842,128	1,041,920	1,172,006	956,900	857,345	1,175,305	1,302,956	4,040,255	4,040,255
Day/Transit	n.a.											
Tourist Expenditure(B\$ 000's)												
Stopover	2,014	n.a.										
Cruise	1,812	n.a.										
Day	200	n.a.										
	3	n.a.										
Number of Hotel Nights	n.a											
Average Length of Stay	n.a											
Average Hotel Occupancy Rates (%)												
New Providence	56.3	58.0	58.9	57.7	48.9	62.3	62.8	57.9	52.6	n.a	n.a	n.a
Grand Bahama	36.9	36.2	41.6	36.7	35.9	45.3	47.2	39.4	34.4	n.a	n.a	n.a
Other Family Islands	27.0	36.4	39.0	34.7	31.9	37.9	46.9	36.3	34.7	n.a	n.a	n.a
Average Nightly Room Rates (\$)												
New Providence	214.4	219.7	225.0	200.2	200.5	242.2	241.2	209.4	207.2	n.a	n.a	n.a
Grand Bahama	90.6	86.1	90.5	73.8	79.5	91.4	87.9	90.9	91.7	n.a	n.a	n.a
Other Family Islands	194.1	156.2	152.2	153.1	141.2	179.2	161.5	128.2	140.0	n.a	n.a	n.a

Source: The Ministry of Tourism