



Quarterly Economic Review

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

www.centralbankbahamas.com

email address: research@centralbankbahamas.com

QUARTERLY ECONOMIC REVIEW

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

Aided by the sustained—although still fragile—recovery in the global economy, domestic economic conditions were broadly stable over the second quarter of 2010, following a contraction in the corresponding period of 2009. Indications are that tourism output improved, as several private/public sector promotional programs reinforced an increase in air arrivals and hotel earnings, and sea visitors maintained a firming trend. Notwithstanding the stimulus from Government's infrastructural projects, construction output continued to be sluggish, amid weakness in private housing and foreign-investment led activity. Inflationary pressures remained subdued over the twelve-months to May, owing mainly to a moderation in global oil prices.

Fiscal sector developments over the eleven months of FY2009/10 revealed a widening in the overall deficit, in comparison to the same period a year earlier, due to a combination of reduced tax receipts and higher aggregate expenditure, earmarked mainly towards capital projects and net lending to public corporations. Budgetary financing was sourced from both domestic borrowing and a US dollar denominated external bond issue.

Monetary conditions featured a continued build-up in banking sector liquidity albeit at a slower pace, fostered by constrained consumer demand and augmented by the receipt of proceeds from the sale of a local business to a foreign entity. This one-off inflow, together with improved tourism receipts, supported gains in external reserves. The modest growth in domestic credit was entirely attributed to the public sector; as lending to the private sector contracted. Elevated unemployment levels combined with the slump in domestic business activity explained a further deterioration in banks' credit quality indicators over the quarter, although a widening in the interest rate spread and a rebound in non-core income secured an improvement in their overall profitability.

In the external sector, the estimated current account deficit narrowed modestly, benefitting from lower imports of goods, an increase in tourism earnings, as well as

reduced net payments for other "miscellaneous" services, which offset higher income outflows related to banks' profit repatriations. Despite improved net foreign direct investment receipts, the surplus on the capital and financial account contracted, owing to a reversal in net "miscellaneous" investment transactions, to a net outflow, as domestic banks reduced their foreign liabilities compared to a year earlier when Government's short-term borrowings buoyed the surge in these liabilities.

FISCAL OPERATIONS

OVERVIEW

Reflecting the anaemic demand conditions, which dampened tax receipts and increased spending requirements, the fiscal deficit widened by 49.1% to \$327.0 million over the eleven months of FY2009/10. Total expenditures increased by 4.3% to \$1,482.0 million, while revenues contracted by 3.9% to \$1,155.0 million.

REVENUE

Tax revenue, which comprised 84.2% of total receipts, fell by 7.1% (\$74.1 million) to \$972.4 million, mainly due to the contraction in non-trade related stamp taxes, by 26.6% (\$46.0 million) to \$127.0 million, occasioned by lower property and financial transaction receipts. Underlying the contraction in imports, taxes on international trade & transactions fell by 6.3% (\$33.7 million) to \$503.5 million, reflecting declines in import taxes by 9.1% (\$31.3 million) and excise taxes by 1.9% (\$3.3 million); while other "non-allocated" tax revenues—which are mainly trade-related transactions—declined by 23.1% (\$14.4 million). Smaller reductions were noted for selective taxes on services (\$3.0 million) and motor vehicle taxes (\$0.1 million). In contrast, collections for business and professional licence fees were higher by 13.2% at \$97.2 million, for property taxes, by 9.0% at \$87.0 million and departure taxes, by 8.7% at \$60.8 million.

Non-tax receipts grew by 17.7% (\$27.4 million) to \$182.5 million, mainly supported by growth in income-

related inflows. Proceeds from a private entity's share repurchase transaction elevated revenues from other "miscellaneous" sources by 51.6% to \$103.1 million, while income from public enterprises almost doubled to \$1.8 million. In contrast, fines, forfeits & administrative fees fell by 9.4% to \$77.2 million, and proceeds from the sale of Government property declined by two-thirds to \$0.3 million.

increase in the wages and salaries bill of 1.1% to \$527.5 million.

On a functional basis, the modest growth in current spending was occasioned by higher outlays for social benefits & services by 9.8% to \$100.5 million; other community & social services, by 48.3% to \$18.0 million; health, by 4.7% to \$238.6 million; and defense, by 12.3% to \$39.6 million. In addition, unallocable outflows advanced by 16.0% to \$171.2 million. Conversely, spending on general public services fell by 7.0% to \$336.1 million and education, by 2.0% to \$234.3 million. Similarly, housing expenditure contracted by \$2.0 million to \$2.3 million and outlays for economic services decreased by 7.2% to \$126.9 million, owing to lower payments for tourism and agriculture & fisheries services.

With regard to capital spending, Government's extensive infrastructure development programme boosted capital formation outlays by 32.9% to \$116.7 million. In contrast, spending on asset acquisitions decreased by 63.6% (\$13.5 million) to \$7.7 million, owing mainly to an \$11.8 million decline in other "miscellaneous" spending—due mainly to a reduction in land purchases—to \$3.5 million. Similarly, transfers to non-financial public enterprises fell by \$1.3 million to \$0.6 million.

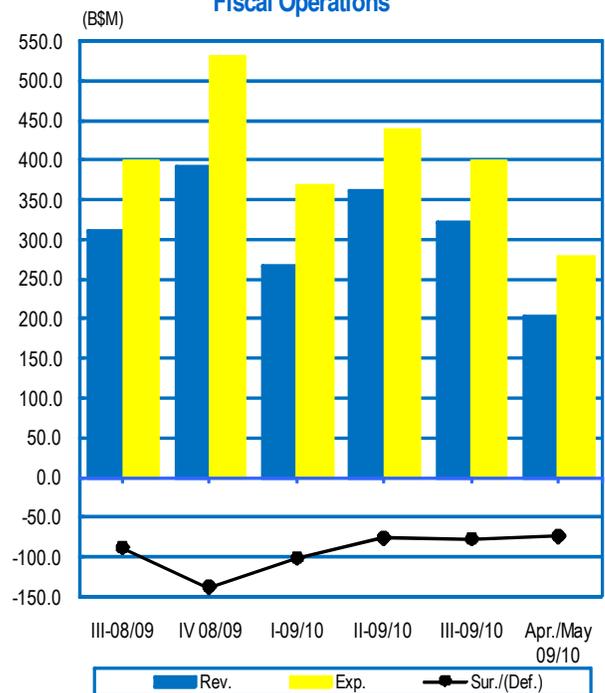
Government Revenue By Source				
(Apr - May)				
	FY08/09		FY09/10	
	B\$M	%	B\$M	%
Property Tax	10.8	4.0	8.0	3.9
Selective Services Tax	6.4	2.4	10.9	5.4
Busines. & Prof Lic. Fees	31.5	11.6	30.9	15.2
Motor Vehicle Tax	3.9	1.5	3.8	1.9
Departure Tax	11.0	4.1	17.2	8.4
Import Duties	59.2	21.9	53.2	26.1
Stamp Tax from Imports	2.7	1.0	2.7	1.3
Excise Tax	27.9	10.3	31.6	15.5
Export Tax	3.0	1.1	1.4	0.7
Stamp Tax from Exports	—	—	—	—
Other Stamp Tax	35.3	13.1	22.7	11.1
Other Tax Revenue	10.6	3.9	2.7	1.3
Fines, Forfeits, etc.	14.7	5.4	14.3	7.0
Sales of Govt. Property	0.1	0.1	0.1	0.0
Income	53.7	19.8	4.7	2.3
Other Non-Tax Rev.	—	—	—	—
Capital Revenue	—	—	—	—
Grants	—	—	—	—
Less: Refunds	0.3	0.1	0.3	0.1
Total	270.6	100.0	204.1	100.0

EXPENDITURE

Total outlays rose by 4.3% (\$61.0 million) to \$1,482.0 million over the review period, led by gains in net lending to public enterprises and capital spending of 60.3% and 15.7% to \$86.1 million and \$128.3 million, respectively. Growth in current spending was more modest at 0.9% to \$1,267.6 million.

By economic classification, the increase in current expenditure reflected higher transfer and subsidy payments, which grew by 5.5% to \$507.0 million, as the rising level of Government debt corresponded to a firming in interest payments by 16.0% to \$171.2 million. Notable gains were also registered for transfer payments to public corporations (23.8%), households (6.3%) and overseas entities (4.6%). In contrast, consumption spending fell by 2.0% to \$760.6 million, as purchases of goods & services moved lower by 8.4% to \$233.1 million, offsetting the

Fiscal Operations



FINANCING AND THE NATIONAL DEBT

Financing activities during the eleven-month period totalled \$536.5 million and comprised \$224.7 million in Bahamian dollar debt, the majority of which related to debt security issues (\$209.7 million), with loans accounting for the remaining \$15.0 million. External borrowings at \$310.2 million comprised a US\$300 million bond issue and loan financing of \$10.2 million. Of the \$269.3 million in debt repayments, \$160.9 million was earmarked towards short-term foreign currency obligations to domestic commercial banks, \$76.0 million for local currency obligations, and \$32.4 million to satisfy external commitments.

At end-June 2010, Bahamian dollar denominated debt, at \$2,692.5 million, accounted for 79.4% of the Direct Charge, vis-a-vis 81.1% in the preceding year. The majority was held by commercial banks (36.6%), followed by non-bank private investors (29.9%), public corporations (26.1%), the Central Bank (7.2%) and Other Local Financial Institutions (0.2%). Long-term securities represented 85.0% of the Bahamian dollar debt, bearing an average term to maturity of 12.5 years. Next were Treasury bills, which accounted for 11.2% of the total, followed by loans and advances with the remaining 3.8%.

Reflecting modest declines in the guaranteed debt of the Bahamas Electricity Corporation and the Bahamas Mortgage Corporation, Government's total contingent liabilities contracted by 1.5% to \$564.5 million, but stood 28.3% higher than the year-earlier level. As a consequence, the National Debt firmed by 2.1% (\$80.6 million) to \$3,957.3 million at end-June 2010, and by 12.3% (\$432.5 million) year-on-year.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

Public sector foreign currency debt contracted by 1.0% (\$11.7 million) to \$1,146.7 million over the three-month period to June, a turnaround from the 14.7% (\$127.5 million) accretion registered a year-earlier, as no drawings were made by either Government or the public corporation. However, amortization payments amounted to \$3.6 million and \$8.1 million, respectively. As a result, the Government's obligations, which represent 61.1% of the total, decreased by \$3.6 million to \$700.4 million, while public corporations' liabilities narrowed by \$8.1 million to \$446.3 million.

Debt service payments contracted by 52.1% (\$41.8 million) to \$38.4 million, on a yearly basis, as Govern-

ment's amortization payments, which were boosted last year by refinancing activities, fell by \$49.9 million to \$3.6 million, to outpace the \$10.5 million increase in interest charges to \$22.6 million. Public corporations' debt service narrowed by 16.6% (\$2.4 million), owing to declines in both principal and interest charges, by \$1.8 million and \$0.6 million, to \$8.1 million and \$4.1 million, respectively. At end-June 2010, total debt service as a percentage of goods and non-factor services was higher at 4.5% from an adjusted 3.2% a year earlier.

By creditor profile, private capital markets held the bulk of the outstanding public sector foreign currency debt (52.3%), followed by commercial banks (32.0%), multilateral institutions (10.5%), and bilateral and other creditors (5.2%). The debt was denominated almost entirely in US dollars (99.1%), with an average age to maturity of 19.2 years.

2010/2011 BUDGET HIGHLIGHTS

The Government's 2010/11 Budget, which was presented in Parliament on 26th May, 2010 and approved in June 2010, emphasized the importance of reducing the fiscal deficit and debt-to-GDP ratios to more prudent levels. The Government expressed its commitment to reducing the debt/GDP ratio to 40.0% over the medium-term, from its projected level of 47.3% at the end of the FY 2009/10. This policy posture followed a significant expansion in the debt-to-GDP ratio, which occurred in the previous fiscal year, when Government sought to utilize countercyclical policies to mitigate the effects of the global recession on the local economy and weak domestic demand reduced tax revenues from international trade. The implementation of these measures is expected to result in a narrowing of the deficit-to-GDP ratio, to 3.0% in comparison to a projected 5.7% in FY2009/10. The rate of growth in the debt-to-GDP ratio for FY2010/11 is forecasted to slow by 1.9 percentage points to 49.2% of GDP, compared to a 5.3 percentage point advance to 47.3% of GDP in the previous fiscal year.

In terms of revenues, the Government plans to increase rates for a number of taxed items, including stamp tax on realty and bank transactions, tourism-related activities, and annual fees provided by banks and International Business Companies (IBCs). The implementation of these initiatives, along with other administrative and tariff rationalization measures, is expected to yield an additional 8.6%, bringing tax revenues to \$1,343.5 mil-

lion. Non-tax receipts are budgeted to fall by 2.9% to \$136.8 million, for an overall gain in revenue of 8.4% to \$1,517.2 million.

Underlying the forecasted growth in tax receipts is a 7.7% (\$50.9 million) hike in taxes on international trade & transactions to \$712.4 million, supported by higher revenues from imports (\$19.0 million), excise taxes (\$18.8 million) and a doubling in export tax receipts to \$24.2 million. Similarly, both departure and hotel occupancy taxes are expected to benefit from higher rates and increases in stopover visitors, securing programmed gains of 32.7% to \$92.3 million and 63.4% to \$45.2 million, respectively. Motor vehicle tax receipts are anticipated to rise by 35.3% to \$32.9 million, due in part to the restructuring of the tax regime for vehicles; and stamp taxes on non-trade transactions are projected higher by 4.7% at \$219.9 million. With the two-year holiday from payment of business licence fees for small businesses, as defined in the Business Act, business and professional license fees are projected to grow marginally by 3.3% to \$103.5 million. In contrast, other “miscellaneous” taxes are expected to fall by a combined 30.5% to \$15.3 million.

The budgeted decline in non-tax revenue is mainly associated with a falloff in income from non-public enterprises of 18.6% to \$36.5 million, as dividend and other transfers from a few entities are expected to return to trend levels after a significant projected increase in the prior fiscal year. Fines, forfeits & administration fees are anticipated to grow by 3.5% to \$98.6 million, and receipts from Government property sales are set to rise by \$0.3 million to \$1.0 million.

Expenditures are expected to increase by 2.7% to \$1,733.5 million, as the reduction in net lending offset gains in both current and capital expenditures. Current spending, at a projected \$1,467.2 million, represent a 2.6% gain over the previous year’s budget, amid planned measures to slow the increase in wages and salaries. By contrast, the capital budget was boosted by 9.0% to \$227.6 million, reflecting Government’s intention to continue the pace of infrastructure developments.

By economic classification, the recurrent portion of Government’s consumption is projected to contract marginally to \$879.8 million, as the 1.0% decrease in the dominant wages and salaries component to \$574.0 million is offset by the increase in goods & services

purchases, by 1.6% to \$305.8 million. Transfer payments are set to advance by 6.9% to \$587.4 million, owing mainly to an 18.0% hike in interest payments to \$208.4 million, and a more modest increase in subsidies by 1.6% to \$379.0 million.

By function, recurrent expenditure provisions for social benefits & services are anticipated to rise by 19.0% to \$125.4 million; economic services, by 12.2% to \$175.8 million, due to increased outlays for transportation and labor employment services; and defence, by 5.8% to \$46.8 million. Conversely, approved spending for general public service is poised to contract by 4.3% to \$374.7 million; for education, by 3.2% to \$256.3 million; health, by 2.8% to \$257.7 million; other community & social services, by 15.5% to \$19.2 million and for housing, by 18.0% to \$2.9 million.

The budgeted capital expenditure is higher by 9.0% at \$227.6 million, buoyed by a 1.7% increase in infrastructure spending to \$184.0 million. Provisions for asset acquisitions are projected to more than double to \$40.7 million, due mainly to higher land purchases. In contrast, transfers to both non-financial public enterprises and public corporations are slated to decline by 61.9% to \$1.8 million and 66.7% to \$1.1 million, respectively.

To cover the financing gap, the Government anticipates Bahamian dollar borrowing of \$235.0 million, down from \$309.7 million in FY2009/10, and external drawings are expected at \$55.0 million, compared to a projected \$63.8 million a year ago. Debt amortization payments are forecasted to absorb a reduced \$70.0 million in FY2010/11, of which the majority (\$58.9 million) is earmarked for local currency obligations.

REAL SECTOR

TOURISM

Preliminary second quarter data for the tourism sector suggests sustained improvement in output benefitting from more favourable conditions in North American markets, combined with demand generating measures of several private and public sector agencies. Nevertheless, the performance of the sector remained below 2008’s levels.

Total visitor arrivals firmed by 12.3% over the comparable period of 2009, as the gains in sea traffic widened to 17.5% from 9.9% a year earlier; while the key value-added air segment firmed marginally by 0.8%. Disaggregated by first port of entry, visitors to New Providence declined by 6.2% to 686,078, following last year's 19.5% surge, as the 10.0% falloff in sea traffic outpaced the 0.4% gain in the air segment. By comparison, the number of tourists to Grand Bahama was boosted by 61.0% to 227,393, benefitting from the repositioning of one cruise line from Nassau, as well as promotional campaigns which linked cruise lines with hotel properties, and translated into a near doubling in sea passengers to 195,410. However, air visitors fell by 13.5%. Strong double digit gains in both air (12.0%) and sea (39.2%) visitors boosted Family Islands' arrivals by 34.1% to 410,242.

Initial data for the hotel sector suggested an improvement in revenues for the quarter, reflecting higher average daily rates and occupancy levels. Information obtained from a sample of New Providence/Paradise Island properties showed total room revenue increasing relative to the previous year by 4.8% to \$162.14 million, as average daily room rates firmed by 2.1% to \$235.43 and occupancy levels by 3.0% to 68.4%.

CONSTRUCTION

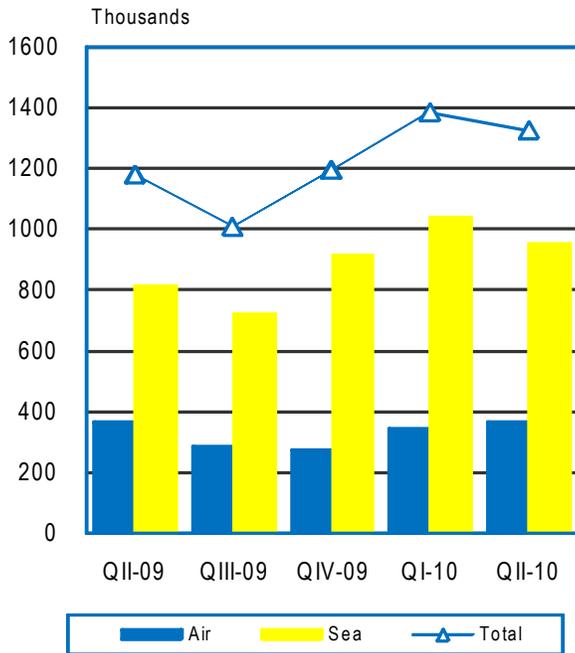
During the second quarter, construction output remained constrained by weakness in both foreign direct investment activity and domestic funded projects. On the domestic side, data from banks, insurance companies, and the Bahamas Mortgage Corporation showed a contraction in mortgage disbursements for new construction and repairs, of 47.8% to \$31.8 million, following a 22.9% falloff recorded a year ago.

Disbursements for commercial developments were slashed by 54.0% to \$3.8 million, exceeding last year's 18.5% decline; and the residential component receded by 47.1% to \$28.0 million, following a 23.4% falloff in 2009.

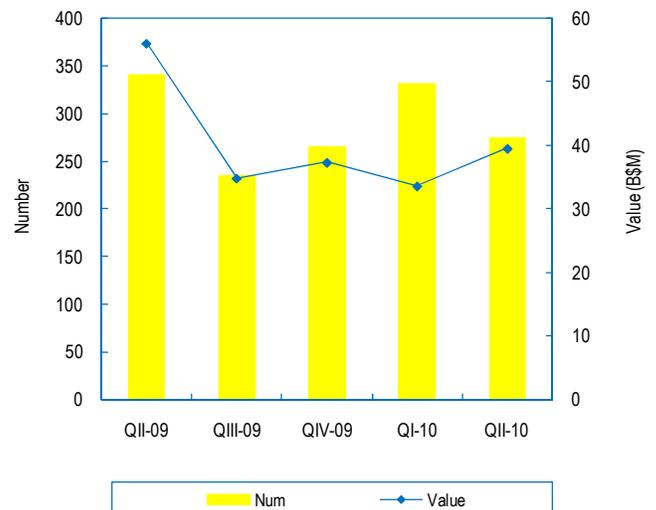
Data for mortgage commitments showed that near-term prospects for building activity remained lackluster, as new construction and repairs contracted by 19.1% to 275, on an annual basis, with a corresponding decline in value of 29.7% to \$39.5 million. In terms of the components, the residential segment declined in number and value, by 17.3% and 27.9% to 273 and \$38.8 million, respectively. Similarly, the number of commercial commitments fell to 2 from 10, with an attendant decline in value, by \$1.6 million to \$0.7 million.

Interest rate developments revealed a year-on-year firming of the average interest rate offered on commercial mortgages by 0.1 of a percentage point to 8.9%; while residential rates steadied at 8.4%.

Visitor Arrivals



Mortgage Commitments: New Construction and Repairs



PRICES

Average consumer price inflation for the twelve-month period to May decelerated to 1.5% from 5.2% over the same period in 2009. This outturn was led by a reduction in average price gains for food & beverages, other goods & services and housing, of 6.8, 6.5 and 4.5 percentage points, to 1.28%, 2.07% and 0.30%, respectively. In addition, inflation for furniture & household operations tapered by 3.73 percentage points to 2.47%, for transport & communications, by 2.72 percentage points to 0.98% and for medical care & health, by 1.62 percentage points to 3.26%. Recreation, entertainment & services costs fell marginally by 0.68% in contrast to a 3.89% advance a year earlier; however, accretions to average clothing & footwear prices firmed by 0.64 percentage points to 1.71%.

Despite the decline in oil prices, fuel and electricity costs rose during the June quarter. Data from the Department of Statistics' survey showed that the prices of both gasoline and diesel firmed, by 5.0% and 4.5% over the three-month period, to \$4.47 and \$3.78 per gallon, respectively and were 20.8% and 42.2% higher than the previous year's levels. The Bahamas Electricity Corporation's fuel surcharge for energy consumption rose, on a quarterly and yearly basis, by 6.9% and 47.7% to 11.42¢ per kilowatt hour.

Average Retail Price Index

(Annual % Changes)
May

Items	Weight	2009		2010	
		Index	%	Index	%
Food & Beverages	138.3	143.9	8.1	145.6	1.2
Clothing & Footwear	58.9	110.1	1.7	112.0	1.7
Housing	328.2	113.1	3.2	112.6	-0.4
Furn. & Household	88.7	141.2	5.9	143.9	1.9
Med. Care & Health	44.1	151.0	3.4	154.8	2.6
Trans. & Comm.	148.4	117.0	2.6	119.3	2.0
Rec., Enter. & Svcs.	48.7	132.4	4.4	129.8	-1.9
Education	53.1	181.0	3.1	184.3	1.8
Other Goods & Svcs.	91.6	150.8	8.2	153.4	1.8
ALL ITEMS	1000	129.9	4.6	131.2	1.0

MONEY, CREDIT AND INTEREST RATES

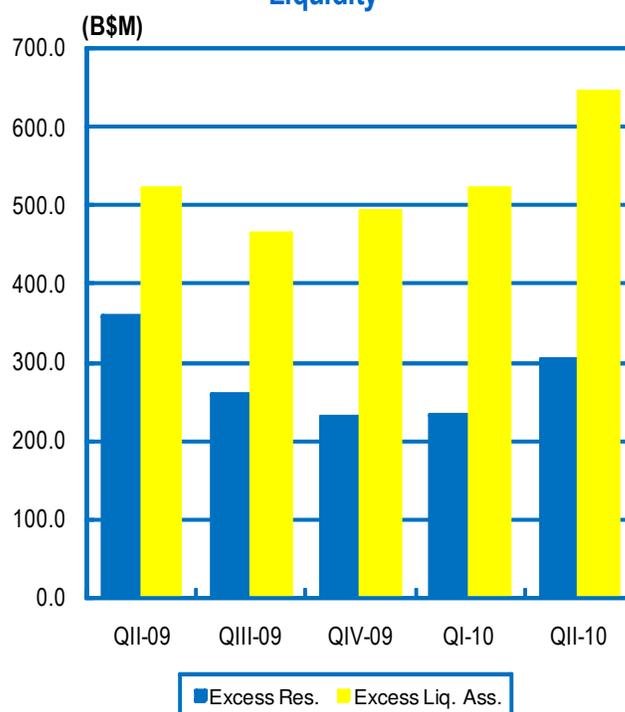
OVERVIEW

During the second quarter, bank liquidity rose robustly, given the persistent weakness in private sector demand and supported by an extraordinary inflow, which contributed to the build-up in external reserves. Despite the sustained deterioration in the quality of banks' loan portfolios, due to subdued employment and business conditions, overall profitability improved, amid a widening in the spread between the weighted average loan and deposit rates.

LIQUIDITY

Net free cash balances of the banking system rose by \$70.6 million (30.3%) to \$303.7 million, although slowing from the public sector borrowing related surge of \$158.4 million a year earlier; while the corresponding ratio to deposit liabilities fell by 1.2 percentage points to 5.1%. In contrast, accretions to the broader surplus liquid assets advanced by \$5.7 million to \$121.5 million, reflecting banks' increased holdings of Government paper. By end-June, the surplus stood 67.2% above the statutory minimum, as compared to 56.2% in 2009.

Liquidity



DEPOSITS AND MONEY

Overall money (M3) firmed by 2.1%, reversing the \$8.8 million (0.1%) contraction in 2009. Likewise, narrow money (M1) grew by \$99.9 million (7.3%), in contrast to a \$51.2 million (3.8%) decline last year, and was supported by a broad-based \$100.2 million (8.4%) increase in demand deposits. However, the fall-off in currency in active circulation was lower at \$0.3 million (0.2%), relative to \$2.7 million (1.4%) a year ago.

Broad money (M2) advanced by \$138.6 million (2.3%), in contrast to a \$13.4 million (0.2%) decline in 2009. The outturn reflected relatively stable private sector led increases in fixed and savings deposits, by \$30.9 million (0.8%) and \$7.8 million (0.8%); whereas, foreign currency deposits tapered by \$8.8 million (3.8%), a reversal from last year's 2.2% gain, which was linked to decreases in both private and public corporations' balances. In the aggregate, these developments led to an advance in overall money (M3), by \$129.8 million (2.1%) to \$6,257.3 million vis-a-vis a 0.1% reduction in 2009.

Bahamian dollar fixed deposits comprised the largest share of the money stock, at 58.2%, followed by demand (19.0%) and savings (16.2%) deposits. The remaining balances were divided between foreign currency deposits (3.6%) and currency in active circulation (3.0%).

DOMESTIC CREDIT

Buoyed by increased lending to Government, accretions to total domestic credit accelerated to \$104.7 million (1.3%) from \$30.4 million (0.4%) in 2009. The Bahamian dollar component firmed by \$126.9 million (1.7%), following an \$84.6 million contraction a year earlier. In contrast, foreign currency claims retreated by \$22.1 million (3.1%), compared to a \$115.0 million expansion in 2009.

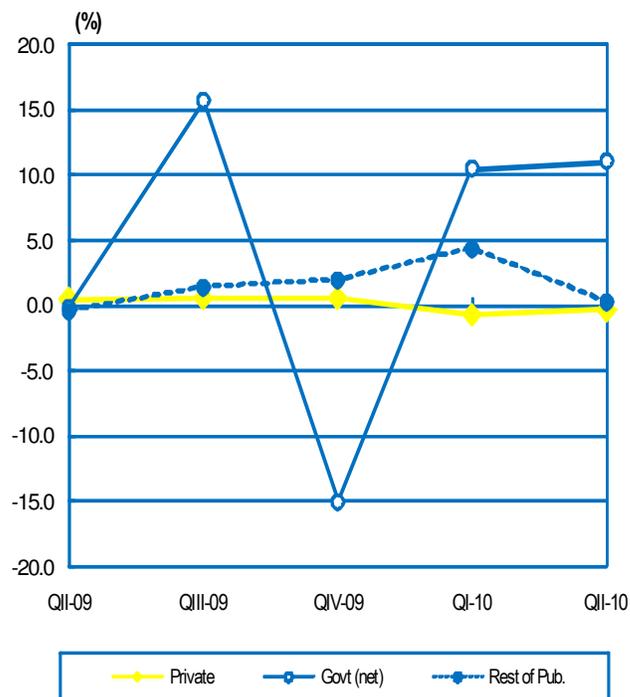
Increased holdings of Treasury bills and bonds elevated net credit to the Government by \$125.8 million (10.0%), vis-a-vis a \$1.1 million net repayment in 2009. Credit extended to public corporations rose marginally by \$1.2 million (0.3%), after declining by \$1.5 million (0.4%) a year ago.

Reflective of the anaemic demand conditions, credit to the private sector contracted by \$22.3 million (0.3%) vis-a-vis a \$33.0 million (0.5%) gain last year. This development encompassed declines in both the local and foreign currency components, by \$8.4 million and \$13.9

million, respectively. Growth in personal loans was relatively stable at \$23.4 million (0.5%), and comprised the bulk (71.3%) of private sector claims. In terms of the components, overdraft facilities and residential mortgages grew by \$21.1 million (17.3%) and \$15.8 million (0.6%), respectively, whereas consumer loans fell by \$12.4 million (0.6%).

A further breakdown of consumer credit showed net repayments on loans for credit cards (\$4.0 million), miscellaneous (\$3.8 million), travel (\$2.9 million), home improvement (\$2.6 million), education (\$2.5 million), private cars (\$2.1 million), furnishings & domestic appliances (\$0.9 million), commercial vehicles (\$0.8 million), medical (\$0.7 million), and taxis & rented cars (\$0.3 million). A modest offset was provided by growth in debt consolidation—consisting of rewritten obligations—by \$4.5 million and for land purchase loans, by \$3.7 million. With regard to the remaining categories of private sector credit, significant decreases were recorded for tourism (\$24.9 million), miscellaneous (\$6.4 million) and distribution (\$5.6 million). In contrast, modest accretions of \$0.5 million or less were noted for mining & quarrying, fisheries and professional and other service loans.

Changes in Credit



MORTGAGES

Based on information provided by banks, insurance companies and the Bahamas Mortgage Corporation, growth in new mortgage loans slowed to \$15.2 million (0.5%) at end-June from \$25.7 million a year earlier—for an outstanding stock of \$3,164.2 million. The residential mortgage component—which comprised 93.5% of the total—grew by \$24.1 million (0.8%) to \$2,958.0 million, vis-a-vis the \$28.5 million (1.0%) advance in 2009. Confirming ongoing weakness in commercial loans, the value of mortgages outstanding in this segment declined by \$8.9 million (4.1%) to \$206.2 million, extending last year's \$2.8 million (1.3%) contraction. At end-June, domestic banks held the largest share of the outstanding mortgage loan portfolio (88.9%), followed by insurance companies (6.2%) and the Bahamas Mortgage Corporation (4.9%).

THE CENTRAL BANK

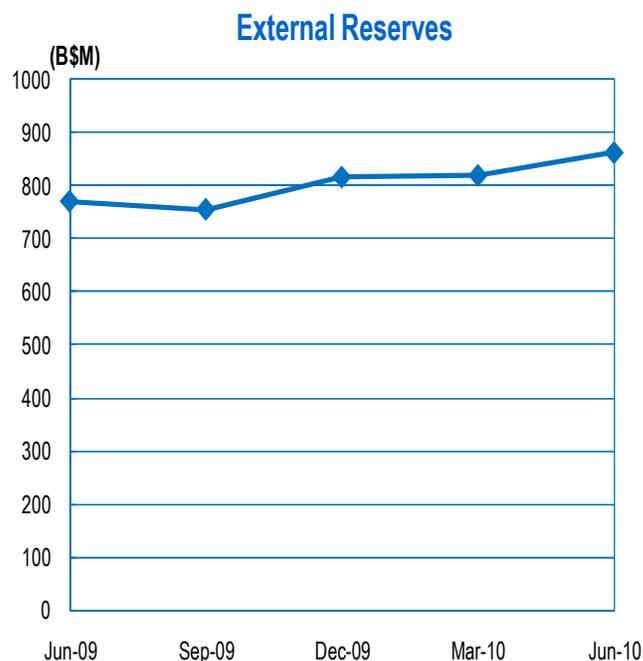
Following a \$10.6 million (5.4%) decline a year earlier, the Central's Bank's net claim on the Government widened by \$7.0 million (3.8%) to \$186.3 million for the quarter—comprising a combination of increased holdings of debt securities and a build-up in deposits.

Distribution of Bank Credit By Sector				
	End-June			
	2009		2010	
	B\$M	%	B\$M	%
Agriculture	14.5	0.2	15.6	0.2
Fisheries	7.6	0.1	7.4	0.1
Mining & Quarry	1.2	0.0	1.3	0.0
Manufacturing	31.7	0.5	28.4	0.4
Distribution	149.0	2.1	157.2	2.2
Tourism	207.6	3.0	173.3	2.5
Enter. & Catering	35.4	0.5	61.5	0.9
Transport	25.8	0.4	29.2	0.4
Construction	442.1	6.3	405.2	5.8
Government	219.0	3.1	205.3	2.9
Public Corps.	299.1	4.3	325.9	4.6
Private Financial	21.8	0.3	13.2	0.2
Prof. & Other Ser.	139.4	2.0	123.7	1.8
Personal	4999.0	71.3	5,014.2	71.3
Miscellaneous	413.5	5.9	473.9	6.7
TOTAL	7,006.7	100.0	7,035.3	100.0

The Bank's net liability to public corporations advanced by \$1.3 million to \$7.1 million, while increased deposit holdings, combined with modest growth in currency, buoyed the Bank's liabilities to the commercial banks, by \$51.4 million to \$569.7 million.

Amid a climate of muted domestic demand, as well as some gains in tourism spending and extraordinary receipts, external reserves grew by \$43.1 million to \$862.1 million, although below the \$146.6 million build-up achieved a year earlier, related to public sector foreign currency borrowings. Despite increased sales in the latter half of the quarter for commercial banks' profit remittances, the net purchase from these entities more than doubled to \$127.7 million. In contrast, the Bank's net transaction with the Government reversed to a net sale of \$14.3 million, from a net purchase of \$137.4 million a year earlier. Similarly, the net sale to public corporations firmed by \$20.8 million to \$75.8 million.

At end-June, external reserves stood higher at \$862.1 million from \$770.4 million in 2009, to represent an improved 18.3 weeks of non-oil merchandise import cover. Excluding the 50% statutory required adjustment on the Bank's demand liabilities—which have to be covered by external balances—"useable" reserves grew by \$135.7 million to \$468.5 million.



DOMESTIC BANKS

Reflecting the weakness in the economy and banks' adoption of more conservative lending practices in the face of heightened arrears, private sector credit fell by \$22.3 million (0.3%), relative to the marginal 0.5% expansion in 2009. Deposit liabilities of the private sector gained by \$128.0 million (2.3%), to outstrip last year's 0.7% expansion. After contracting by 9.0% last year, claims on the rest of the public sector recovered by \$0.8 million (0.2%) and net credit to Government advanced by \$125.8 million (10.0%), held in the form of higher advances and Treasury bill holdings. Similarly, banks' net external liabilities were reduced by \$28.1 million (4.4%) to \$612.1 million.

At end-June, banks' deposit liabilities—inclusive of Government deposits—expanded by 2.2% to \$6,199.3 million, and were mainly comprised of Bahamian dollar deposits (96.2%). The majority of these balances were held by private individuals (57.0%), followed by business firms (25.2%), public corporations (10.1%), others (3.9%) and private financial institutions (3.8%).

Disaggregated by range of value and number of accounts, the bulk (89.8%) of Bahamian dollar accounts held funds of less than \$10,000 and accounted for 6.3% of the total value. Balances ranging between \$10,000 and \$50,000 accounted for 6.2% of the number and 11.1% of the aggregate value; while accounts with balances over \$50,000 represented 82.6% of the overall value, but only 4.0% of deposits.

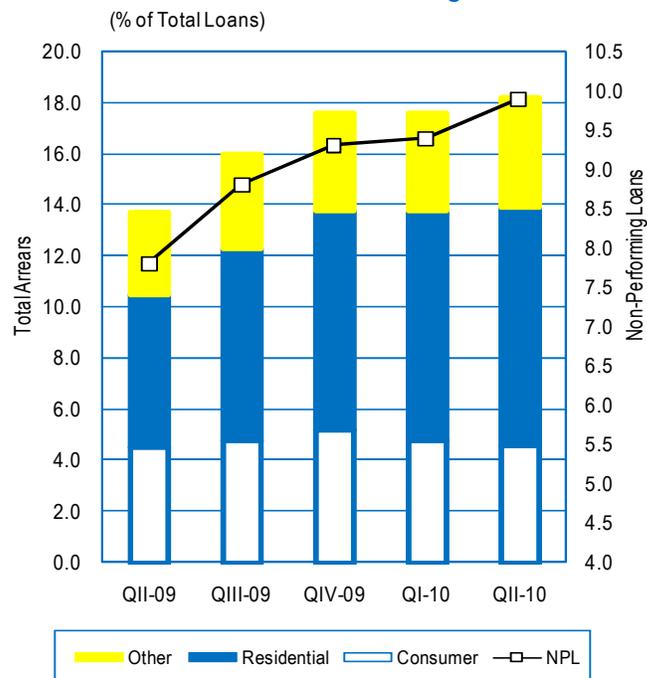
CREDIT QUALITY

Consistent with the overall economic malaise and elevated unemployment levels, banks' credit quality indicators continued to deteriorate, although the rate of increase has been below its two-year trend in recent months. Private sector arrears firmed by \$44.7 million (4.1%) over the quarter, and by \$303.4 million (36.2%) over the corresponding period of 2009—elevating the ratio of arrears to total loans, on a quarterly and annual basis, by 0.6 and 4.4 percentage points to 18.15%. Growth in delinquencies was attributed to increases in both the commercial and mortgage categories. The commercial segment advanced by \$33.5 million (14.3%) to \$268.4 million, resulting in quarterly and annual increases in the ratio to total commercial loans, by 3.3 and 6.9 percentage points respectively, to 26.14%. Mortgage delinquencies moved higher by \$22.4 million to \$586.9

million, with the corresponding ratio up modestly by 0.6 percentage points over the quarter to 20.2%—although 7.2 percentage points higher than end-June 2009. In contrast, consumer arrears declined by \$11.2 million (3.8%) to \$285.9 million, and the loan ratio contracted by 0.4 percentage points over end-March, but increased by 0.9 percentage points year-on-year to 13.5% of loans.

Total non-performing loans—those with past due payments of more than 90 days and on which interest is no longer accrued—firmed by \$35.5 million (6.1%) to \$620.4 million, with a subsequent 50 basis point quarterly increase to 9.87% of total loans, compared to the 2.2 percentage point advance over 2009. In a sustained effort to ensure against potential loan defaults, the banking system increased provisions for bad debts over the quarter, by \$8.5 million (3.8%) to \$232.4 million, resulting in the ratio of provisions to total loans advancing by 0.11 percentage points to 3.70%. However, given the rapid pace of arrears and non-accrual loan growth, their ratios to provisions fell by 5 and 77 basis points, to 20.25% and 37.10%, respectively.

Loan Arrears & Non-Performing Balances



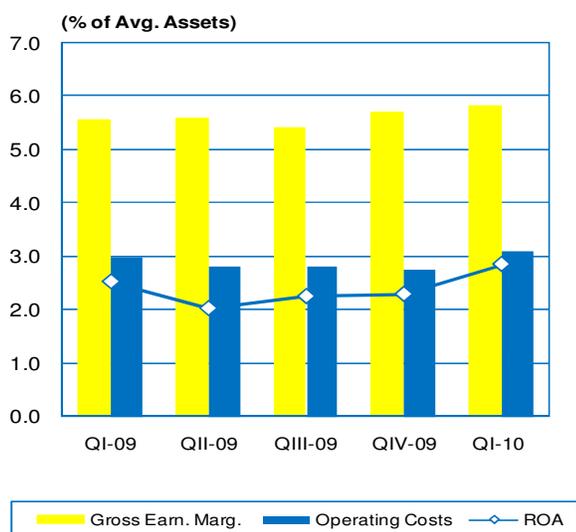
BANK PROFITABILITY

Despite the challenging economic environment, bank profitability rose modestly over the previous year,

due to increased interest income and an improvement in non-core revenues. During the first quarter—the latest period for which data is available—banks’ net income grew by 10.0% (\$64.4 million) over the corresponding period of 2009, although it remained 20.1% below 2008’s levels. As the spread between loan and deposit rates widened, net interest income grew by 4.4% (\$5.3 million) to \$125.6 million. In contrast, commission and foreign exchange income was reduced by 32.9% to \$5.5 million, restricting growth in the gross earnings margin, to 2.0% (\$131.1 million). Banks’ operating costs rose marginally by 1.6% (\$1.1 million) to \$70.2 million, as gains in staff-related expenses and occupancy costs overshadowed a decline in other “miscellaneous” operating expenditure. However, a \$2.3 million decrease in provisions for bad debts, combined with a \$2.2 million advance in other “miscellaneous” income, underpinned a \$3.6 million boost in earnings from non-core activities—the first profit in over a year.

Commensurate with the improvement in earnings, banks’ profitability ratios—as measured against average assets—rose to yearly highs. The interest margin firmed by 35 basis points to 5.55%, outstripping the 11 basis point contraction in the commission and foreign exchange income ratio. In line with the marginal increase in operating costs, the relevant ratio firmed by 12 basis points to 3.11%; whereas, the improvement in non-core income resulted in the net income ratio improving by 32 basis points to 2.85%.

Domestic Banks' Profitability



INTEREST RATES

As banks sustained their conservative lending practices, average interest rates on loans continued to advance over the second quarter, by 10 basis points to 10.73%; while the build-up in liquidity facilitated a steady reduction in deposit rates, by 27 basis points to 3.46%. Consequently, the spread between loan and deposit rates widened by 37 basis points to 7.27 percentage points. For deposits, interest rates on demand balances fell by 31 basis points to 1.33%; and rates on fixed maturities moved lower to between 3.23% - 4.01%, from 3.73% - 4.31% in the March quarter. Likewise, the average savings rate moved lower by 3 basis points to 2.03%.

On the lending side, gains were registered for commercial and residential mortgages, of 11 and 3 basis points, to 8.71% and 8.25%, respectively. In contrast, consumer loan costs fell by 16 basis points to 12.74%, while rates on overdrafts—the smallest category—declined by 1.12 percentage points to 10.79%.

Among other key interest rates, the average 90-day Treasury Bill rate firmed by 9 basis points to 2.48%; while the Central Bank’s Discount Rate and the commercial bank’s Prime Rate were unchanged, at 5.25% and 5.50%, respectively.

Banking Sector Interest Rates

Period Average (%)

	Qtr. II 2009	Qtr. I 2010	Qtr. II 2010
Deposit Rates			
Demand Deposits	1.45	1.64	1.33
Savings Deposits	2.11	2.06	2.03
Fixed Deposits			
Up to 3 months	3.58	3.45	3.23
Up to 6 months	3.89	3.73	3.51
Up to 12 months	4.37	4.22	4.01
Over 12 months	4.35	4.31	3.83
Weighted Avg Deposit Rate	3.79	3.73	3.46
Lending Rates			
Residential mortgages	8.22	8.22	8.25
Commercial mortgages	8.79	8.60	8.71
Consumer loans	12.76	12.90	12.74
Other Local Loans	7.83	8.91	8.07
Overdrafts	11.54	11.91	10.79
Weighted Avg Loan Rate	10.68	10.63	10.73

CAPITAL MARKETS DEVELOPMENTS

Sustained investor uncertainty over the prospects for the economy led to stock market declines during the second quarter. The Bahamas International Securities Exchange (BISX) All Share Index fell by 5.8% to 1,504.81 points, extending last year's 3.6% contraction. However, buoyed by significant market activity during the month of April, the volume and value of shares traded on BISX firmed by 35.6% and 49.4% to 1.4 million and \$8.02 million, respectively. Market capitalization declined by 5.3% to \$2.92 billion compared to a 3.6% contraction to \$3.05 billion last year; while the number of securities listed remained unchanged at 24, and consisted of 19 common share listings, 1 preference share and 4 debt tranches.

INTERNATIONAL TRADE AND PAYMENTS

As challenging domestic economic conditions continued to suppress private sector demand, preliminary data for the second quarter of 2010 showed the current account deficit narrowing by \$16.5 million (8.7%) to \$174.0 million. The surplus on the capital and financial account also contracted, by \$189.4 million (50.3%) to \$187.3 million, adjusting to a significant reduction in Government's foreign currency borrowings.

The estimated goods deficit contracted by \$33.1 million (6.5%) to \$474.9 million, reflecting a \$25.5 million fall-off in the net import, as the continued softness in private sector demand scaled back non-oil merchandise payments by an estimated \$21.2 million (6.0%) to \$331.8 million, and fuel purchases were lower by \$4.3 million (1.9%) at \$217.2 million. The contraction in fuel imports was attributed to a decline in the price of gas oil—which accounts for one-third of fuel purchases—by 18.0% to \$116.5 per barrel. However, the per barrel price increased more than two-fold for aviation gas, to \$153.33, with double digit gains for jet fuel, (by 36.5% to \$96.55), motor gas (by 24.0% to \$95.27) and propane (by 22.9% to \$57.72).

The services account surplus widened by approximately \$30.2 million (9.5%) to \$348.3 million, underpinned by an expansion in travel-related inflows, by \$21.0

million (4.4%) to \$503.2 million, as the tourism sector continued to improve. The net outflow for other "miscellaneous" services declined by \$10.5 million (12.9%) to \$71.5 million, and net payments for insurance and construction services also contracted, by \$6.7 million and \$1.4 million, to \$28.1 million and \$1.2 million, respectively. In some offset, the net inflow from offshore companies for local expenses fell by \$6.9 million (15.1%) to \$39.1 million, and the net payment for Government services expanded by \$1.5 million (5.5%) to \$29.0 million. Net outflows for transportation services and royalty and license fees, also rose by \$0.7 million (1.2%) to \$60.5 million, and \$0.3 million to \$3.7 million, respectively.

The deficit on the income account grew more than two-fold to \$75.4 million. The outturn was largely the result of a \$45.1 million expansion in net investment income outflows to \$58.9 million, bolstered by a bank-led \$39.9 million hike in interest, dividend and profit payments. Factor payments for the non-bank sector grew by \$4.6 million to \$14.3 million; while net interest payments on Government transactions doubled to \$22.3 million, reflecting the higher stock of outstanding debt. Net inflows of current transfers gained by \$0.7 million (2.6%) to \$27.9 million, the bulk of which was on account of the Government; whereas net workers' remittances softened by \$0.4 million (17.5%) to \$1.7 million.

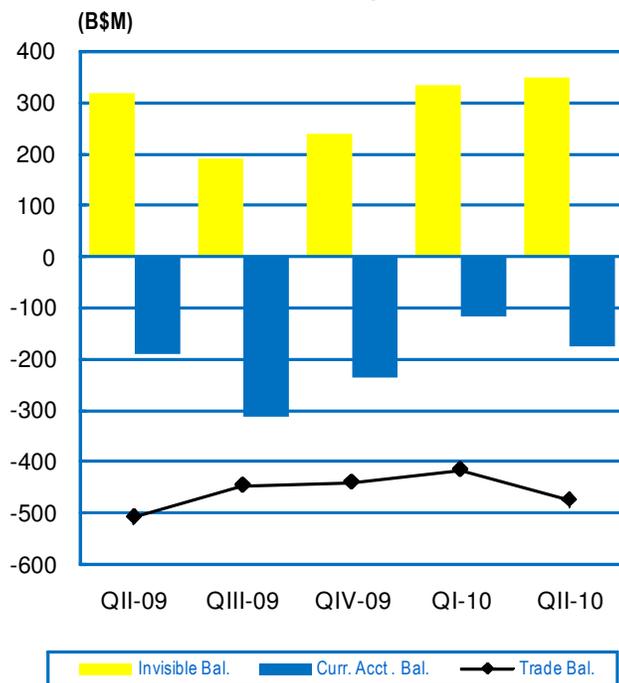
Provisional data attribute the contraction in the capital and financial account surplus to \$189.4 million to a reduction in the financial account surplus by almost 50.0%, as other "miscellaneous" investments reversed to a net outflow of \$69.1 million from a net inflow of \$206.9 million last year. The outcome reflected a \$65.4 million decline in domestic banks' net foreign liabilities vis-à-vis a \$162.7 million increase a year ago, when Government obtained short-term foreign currency loans from commercial banks. Public sector transactions shifted to a net repayment of \$2.7 million, following a net borrowing of \$24.9 million a year earlier.

Conversely, other net private investment inflows grew marginally by \$3.5 million, vis-a-vis \$19.3 million in 2009. Net direct investments increased by \$87.5 million to \$268.9 million, due to a \$91.8 million expansion in equity inflows to \$212.1 million, and reflected the sale of a local company to a foreign conglomerate. However, inflows from land purchases fell by \$4.3 million to \$56.8 million. Net portfolio investment outflows increased by

\$0.5 million to \$4.4 million, as net outflows for the purchase of equity securities expanded from \$0.8 million to \$1.3 million; while the net purchase of debt securities stabilized at \$3.1 million. A marginal \$0.5 million uptick in net migrant outflows resulted in the deficit on the capital account widening by a similar amount to \$8.1 million.

After adjusting for net errors and omissions, the surplus on the overall balance, which mainly reflects the change in the Central Bank’s external reserves, declined by \$103.5 million to \$43.1 million.

Balance of Payments



INTERNATIONAL ECONOMIC DEVELOPMENTS

Indications are that the pace of the global recovery slowed during the second quarter of 2010, amid sustained weakness in the euro zone countries due to the fiscal crisis in several of the southern economies and a slowdown in the United States’ growth rate, which offset robust expansions in Asia. In this environment, unemployment rates remained elevated, and sustained softness in consumer demand resulted in relatively benign inflation. Increased investor uncertainty regarding the outlook for the global economy translated into lower stock

prices and a bias towards holdings of relatively “safe” dollar denominated assets. As a result of these developments, major central banks maintained their accommodative monetary policy stance.

Although gains in US consumer spending—which constitutes over 70% of the economy—remained on par with the previous quarter, an expansion in imports along with a sharp reduction in the build-up of private inventory investment, led to real GDP growth slowing to 1.7% during the second quarter from 3.7% in the prior period. Economic output in the United Kingdom strengthened to 1.1%, following a gain of 0.3% in the first quarter, due to positive contributions from business and finance, government and manufacturing. Buoyed by manufacturing led growth in Germany, output in the euro zone expanded by 1.0% in the second quarter, following an increase of 0.2% in the previous period. In China, Government’s attempts to prevent the economy from “overheating” constrained real GDP growth to 10.3% from 11.9% in the first quarter. Similarly, accretions to Japan’s output moderated by 1.0 percentage points to 0.1% in the second quarter, amid anemic domestic demand conditions.

Despite a slight uptick in global growth, unemployment rates remained at elevated levels during the quarter. In the United States, the jobless rate contracted by 2.0 basis points to 9.7%, relative to the first quarter, as an estimated 524,000, mainly professional services and manufacturing jobs, were created. In addition, the unemployment rate in the United Kingdom waned to 7.8% from 8.0%, reflecting a 49,000 decline in the number of unemployed persons to 2.46 million. Given the weakness in the euro zone economies, the unemployment rate stabilized at 10.0% over the quarter. Asia’s two largest economies continued to benefit from low unemployment rates, as the jobless rate held steady at 4.2% in China, and was lower by 0.1 of a percentage point in Japan to 5.2%.

In line with the general anemic consumer demand conditions, inflation rates continued to moderate globally. In the United States, lower energy costs secured an improvement in annual inflation of 1.2 percentage points to 1.1% over the twelve months to June vis-à-vis the previous quarter. Annual inflation in the United Kingdom slowed by 0.2 of a percentage point to 3.2% in June, while average consumer prices in the euro zone firmed by 1.4% over the 12 months to June, in line with the

previous period's advance. Chinese inflation advanced by 5 basis points to 2.9%, while Japan's deflationary environment persisted, as average prices fell by 0.7% year-on-year in June, following a 1.1% contraction at end-March, owing to reductions in furniture and education related costs.

Buoyed by increased demand for relatively "safe" assets, the US dollar strengthened against most of the major currencies. In particular, concerns over potential contagion of the fiscal crisis in several euro zone economies into other European countries, led to the dollar firming by 10.4% and 1.6% against the euro and British pound, to €0.82 and £0.67, respectively. Similarly, the dollar gained by 2.2% vis-à-vis the Swiss Franc to CHF 1.08. In contrast, positive developments in Asia resulted in the dollar depreciating by 5.4% relative to the Japanese yen to ¥88.44 and by 0.6% against the Chinese Yuan to CNY 6.78, which was unpegged from the dollar in June, following international pressure over its "artificially low" exchange rate.

Reflecting the uncertainty that perpetuated many markets internationally about the pace of the global recovery, all of the major bourses declined over the review quarter. In the United States, the Dow Jones Industrial Average (DJIA) and the Standard and Poor's (S&P) fell by 10.0% and 11.9%, respectively. Similarly in Europe, both the United Kingdom's FTSE and France's CAC 40 weakened by 13.4%, and Germany's DAX declined by 3.1%. The highest contractions were experienced in Asia, as both Japan's Nikkei 225 and China's SE Composite indices narrowed by 15.4% and 22.9%, respectively.

Oil price developments remained mixed over the review quarter; however, by end-June, average prices had weakened by 6.8% to \$75.70 per gallon, relative to March. In contrast, investors increased risk aversion, prompted a hike in the average cost of gold, by 11.6% to \$1,242.20 per ounce, and silver, by 6.5% to \$18.62 per ounce.

Given the relatively mild inflation environment, and the anaemic pace of the global recovery, most central banks maintained interest rates at historic lows. In the United States, the key Federal Funds rate was held at the range of 0.00-0.25%, instituted since December, 2008. The Bank of England left its interest rate unchanged at 0.5% and retained the stock of its asset purchases at

£200 billion, as the main pillar of its Quantitative Easing Programme. Similarly, the European Central Bank kept key interest rates on its Deposit Facility and Marginal Lending Facility at 0.25% and 1.75%, respectively. In Japan, a similar sentiment resonated, as the country's key Bank rate was stable at 0.1%. Conversely, the Chinese authorities' focus on curtailing the rapid growth in the economy, to prevent "overheating", resulted in the People's Bank of China increasing the RMB reserve requirement for depository financial institutions, by 0.5 of a percentage point.

Trade among the major economies expanded moderately over the review period. In the United States, the goods and services deficit widened by approximately \$17.0 billion to \$168.9 billion in the second quarter, underpinned by a 6.2% increase in goods imports, which overshadowed the 3.6% advance in exports. In the United Kingdom, the trade deficit rose by £0.8 billion to £10.5 billion, as a worsening of the goods deficit offset a marginal improvement in the services surplus. In contrast, the trade deficit in the euro area narrowed by €3.5 billion to €0.6 billion, owing to an 11.0% gain in imports, which overshadowed the 9.9% expansion in exports. Bolstered by strong export growth, China's trade surplus grew by \$26.3 billion to \$41.2 billion in the second quarter; while Japan's trade surplus stabilised at ¥2.05 trillion, as export gains were negated by increases in imports.

STATISTICAL APPENDIX
(Tables 1-16)

STATISTICAL APPENDIX

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The following symbols and conventions are used throughout this report:

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

TABLE 1
FINANCIAL SURVEY

End of Period	2005			2006			2007			2008			2009			2010		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.		
Net foreign assets	(32.2)	(254.4)	(213.4)	(55.4)	61.9	(29.4)	(140.9)	(42.0)	(58.1)	(41.9)	134.0	178.8	250.0					
Central Bank	578.8	499.7	454.2	539.6	674.8	650.2	562.9	623.8	770.4	754.9	815.9	819.0	862.1					
Domestic Banks	(611.0)	(754.1)	(667.6)	(595.0)	(612.9)	(679.6)	(703.8)	(665.8)	(828.5)	(796.8)	(681.9)	(640.2)	(612.1)					
Net domestic assets	4,862.4	5,399.5	5,850.7	5,837.9	5,797.3	5,950.8	6,064.9	6,070.7	6,078.0	6,078.2	5,898.3	5,948.6	6,007.3					
Domestic credit	5,899.5	6,742.9	7,434.3	7,433.3	7,506.2	7,685.5	7,909.1	7,933.8	7,964.2	8,174.4	8,039.7	8,118.4	8,223.1					
Public sector	945.8	1,074.2	1,215.9	1,180.4	1,166.7	1,230.9	1,372.3	1,450.0	1,447.4	1,616.7	1,443.8	1,569.7	1,696.7					
Government (net)	642.5	677.0	866.8	840.1	763.8	795.0	924.0	1,042.9	1,041.8	1,205.2	1,023.9	1,131.3	1,257.1					
Rest of public sector	303.3	397.2	349.1	340.3	402.9	435.9	448.3	407.1	405.6	411.5	419.9	438.4	439.6					
Private sector	4,953.7	5,668.7	6,218.4	6,252.9	6,339.5	6,454.6	6,536.8	6,483.8	6,516.8	6,557.7	6,595.9	6,548.7	6,526.4					
Other items (net)	(1,037.1)	(1,343.4)	(1,583.6)	(1,595.4)	(1,708.9)	(1,734.7)	(1,844.2)	(1,863.1)	(1,886.2)	(2,096.2)	(2,141.4)	(2,169.8)	(2,215.8)					
Monetary liabilities	4,830.2	5,145.1	5,637.3	5,782.5	5,859.2	5,921.4	5,924.0	6,028.7	6,019.9	6,036.3	6,032.3	6,127.4	6,257.3					
Money	1,247.6	1,251.1	1,300.3	1,308.4	1,305.7	1,320.2	1,274.5	1,336.4	1,285.2	1,277.8	1,283.6	1,274.8	1,374.7					
Currency	195.3	202.1	223.7	214.2	204.2	199.6	205.8	197.0	194.3	184.2	207.8	186.9	186.7					
Demand deposits	1,052.3	1,049.0	1,076.6	1,094.2	1,101.5	1,120.6	1,068.7	1,139.4	1,090.9	1,093.6	1,075.8	1,087.9	1,188.0					
Quasi-money	3,582.6	3,894.0	4,337.0	4,474.1	4,553.5	4,601.2	4,649.5	4,692.3	4,734.7	4,758.5	4,748.7	4,852.6	4,882.6					
Fixed deposits	2,556.6	2,781.5	3,144.8	3,245.7	3,320.5	3,381.7	3,427.7	3,451.8	3,480.5	3,506.7	3,521.4	3,610.6	3,641.5					
Savings deposits	881.8	953.3	992.1	1,009.3	1,018.9	1,006.3	1,020.4	1,031.4	1,040.5	1,007.1	995.4	1,004.6	1,012.4					
Foreign currency	144.2	159.2	200.1	219.1	214.1	213.2	201.4	209.1	213.7	244.7	231.9	237.4	228.7					
Total domestic credit	12.9	14.3	10.3	(0.0)	1.0	2.4	2.9	0.3	0.4	2.6	(1.6)	1.0	1.3					
Public sector	6.5	13.6	13.2	(2.9)	(1.2)	5.5	11.5	5.7	(0.2)	11.7	(10.7)	8.7	8.1					
Government (net)	17.4	5.4	28.0	(3.1)	(9.1)	4.1	16.2	12.9	(0.1)	15.7	(15.0)	10.5	11.1					
Rest of public sector	(11.0)	31.0	(12.1)	(2.5)	18.4	8.2	2.8	(9.2)	(0.4)	1.5	2.0	4.4	0.3					
Private sector	14.2	14.4	9.7	0.6	1.4	1.8	1.3	(0.8)	0.5	0.6	0.6	(0.7)	(0.3)					
Monetary liabilities	9.2	6.5	9.6	2.6	1.3	1.1	0.0	1.8	(0.1)	0.3	(0.1)	1.6	2.1					
Money	10.0	0.3	3.9	0.6	(0.2)	1.1	(3.5)	4.9	(3.8)	(0.6)	0.5	(0.7)	7.8					
Currency	10.6	3.5	10.7	(4.2)	(4.7)	(2.3)	3.1	(4.3)	(1.4)	(5.2)	12.8	(10.1)	(0.1)					
Demand deposits	9.9	(0.3)	2.6	1.6	0.7	1.7	(4.6)	6.6	(4.3)	0.2	(1.6)	1.1	9.2					
Quasi-money	9.0	8.7	11.4	3.2	1.8	1.0	1.0	0.9	0.9	0.5	(0.2)	2.2	0.6					

(percentage changes)

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	2005			2006			2007			2008			2009			2010		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	
Net foreign assets																		
Central Bank	578.8	499.7	454.2	(65.9)	(235.0)	(197.2)	(35.5)	82.5	(11.8)	(123.6)	(28.0)	(27.1)	167.2	203.8	269.0			
Commercial banks	(644.7)	(734.7)	(651.4)	5,785.8	5,743.2	5,906.0	539.6	674.8	650.2	562.9	623.8	770.4	815.9	819.0	862.1			
Net domestic assets																		
Domestic credit	4,786.9	5,299.4	5,800.3	5,752.7	6,588.8	7,401.4	(575.1)	(592.3)	(662.0)	(686.5)	(651.8)	(797.5)	(648.7)	(615.2)	(593.1)			
Public sector	945.8	1,068.9	1,212.8	4,786.9	5,299.4	5,800.3	5,785.8	5,743.2	5,906.0	6,018.5	6,028.5	6,015.5	5,833.0	5,889.6	5,947.4			
Government (net)	642.5	671.7	863.8	5,752.7	6,588.8	7,401.4	7,413.6	7,480.2	7,659.5	7,882.7	7,908.8	7,918.9	8,000.0	8,080.6	8,191.8			
Rest of public sector	303.3	397.2	349.0	1,177.3	1,163.7	1,227.9	1,177.3	1,163.7	1,227.9	1,369.3	1,445.8	1,422.7	1,428.3	1,552.5	1,683.0			
Private sector	4,806.9	5,519.9	6,188.6	837.0	760.9	792.0	340.3	402.8	435.9	448.3	407.1	405.6	419.9	438.3	439.6			
Other items (net)	(965.8)	(1,289.4)	(1,601.1)	6,236.3	6,316.5	6,431.6	6,236.3	6,316.5	6,431.6	6,513.4	6,463.0	6,496.2	6,571.7	6,528.1	6,508.9			
Monetary liabilities																		
Money	4,716.1	5,064.4	5,603.1	(1,627.8)	(1,737.0)	(1,753.5)	(1,627.8)	(1,737.0)	(1,753.5)	(1,864.2)	(1,880.3)	(1,903.4)	(2,167.0)	(2,191.0)	(2,244.4)			
Currency	1,223.0	1,238.1	1,278.9	5,750.3	5,825.7	5,894.2	5,750.3	5,825.7	5,894.2	5,894.9	6,000.5	5,988.4	6,000.2	6,093.3	6,216.4			
Demand deposits	195.3	202.1	223.7	1,290.7	1,284.8	1,305.0	1,290.7	1,284.8	1,305.0	1,257.6	1,319.7	1,265.0	1,261.9	1,253.2	1,345.1			
Quasi-money	1,027.7	1,036.0	1,055.2	214.2	204.2	199.6	214.2	204.2	199.6	205.8	197.0	194.3	207.8	186.9	186.6			
Savings deposits	3,493.1	3,826.3	4,324.2	1,076.5	1,080.6	1,105.4	1,076.5	1,080.6	1,105.4	1,051.8	1,122.7	1,070.7	1,076.9	1,066.3	1,158.4			
Fixed deposits	881.6	953.1	991.9	4,459.6	4,540.9	4,589.2	4,459.6	4,540.9	4,589.2	4,637.3	4,680.8	4,723.4	4,738.3	4,840.1	4,871.4			
Foreign currency deposits	2,467.4	2,714.1	3,132.2	1,009.1	1,018.7	1,006.0	1,009.1	1,018.7	1,006.0	1,020.2	1,031.1	1,040.2	995.3	1,004.4	1,012.4			
	144.1	159.1	200.1	3,231.4	3,308.1	3,370.0	3,231.4	3,308.1	3,370.0	3,415.8	3,440.6	3,469.5	3,511.1	3,598.3	3,630.4			
				219.1	214.1	213.2	219.1	214.1	213.2	201.3	209.1	213.7	231.9	237.4	228.6			
Total domestic credit																		
Public sector	13.2	14.5	12.3	0.2	0.9	2.4	0.2	0.9	2.4	2.9	0.3	0.1	2.6	1.0	1.4			
Government (net)	7.1	13.0	13.5	(2.9)	(1.2)	5.5	(2.9)	(1.2)	5.5	11.5	5.6	(1.6)	(10.1)	8.7	8.4			
Rest of public sector	18.4	4.5	28.6	(3.1)	(9.1)	4.1	(3.1)	(9.1)	4.1	16.3	12.8	(2.1)	(14.3)	10.5	11.6			
Private sector	(11.0)	31.0	(12.1)	(2.5)	18.4	8.2	(2.5)	18.4	8.2	2.8	(9.2)	(0.4)	2.1	4.4	0.3			
	14.5	14.8	12.1	0.8	1.3	1.8	0.8	1.3	1.8	1.3	(0.8)	0.5	0.6	(0.7)	(0.3)			
Monetary liabilities																		
Money	9.2	7.4	10.6	2.6	1.3	1.2	2.6	1.3	1.2	0.0	1.8	(0.2)	0.4	1.6	2.0			
Currency	8.7	1.2	3.3	0.9	(0.5)	1.6	0.9	(0.5)	1.6	(3.6)	4.9	(4.1)	(0.3)	(0.7)	7.3			
Demand deposits	10.6	3.5	10.7	(4.2)	(4.7)	(2.3)	(4.2)	(4.7)	(2.3)	3.1	(4.3)	(1.4)	(5.2)	(10.1)	(0.1)			
Quasi-money	8.4	0.8	1.9	2.0	0.4	2.3	2.0	0.4	2.3	(4.8)	6.7	(4.6)	0.6	1.2	8.6			
	9.4	9.5	13.0	3.1	1.8	1.1	3.1	1.8	1.1	1.0	0.9	0.9	0.5	2.1	0.6			

(percentage change)

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B\$ Millions)

End of Period	2005			2006			2007			2008			2009			2010		
	Mar.	Jun.	Sept.	Mar.	Jun.													
Net foreign assets	578.8	499.7	454.2	539.6	674.8	650.2	562.9	770.4	754.9	815.9	815.9	754.9	623.8	770.4	754.9	815.9	862.1	
Balances with banks abroad	145.4	90.5	59.5	149.8	285.1	261.7	205.8	354.2	177.5	270.9	270.9	177.5	268.5	354.2	177.5	270.9	317.7	
Foreign securities	424.4	399.8	384.7	379.4	379.4	378.7	347.4	406.5	386.6	356.2	356.2	386.6	345.9	406.5	386.6	356.2	366.2	
Reserve position in the Fund	9.0	9.4	9.9	10.3	10.2	9.7	9.6	9.7	9.9	9.8	9.8	9.9	9.4	9.7	9.9	9.8	9.3	
SDR holdings	--	--	0.1	0.1	0.1	0.1	0.1	--	--	180.9	179.0	180.9	--	--	180.9	179.0	168.9	
Net domestic assets	23.1	85.1	235.7	191.9	71.9	64.5	76.9	74.0	141.4	73.4	73.4	141.4	55.8	74.0	141.4	73.4	80.6	
Net claims on Government	122.0	182.5	332.3	295.0	178.5	185.3	198.8	184.7	245.9	182.1	182.1	245.9	195.3	184.7	245.9	182.1	186.3	
Claims	149.7	190.6	347.8	320.0	201.5	199.1	202.9	213.6	269.3	202.8	202.8	269.3	221.4	213.6	269.3	202.8	200.4	
Treasury bills	--	52.2	143.5	117.6	--	--	6.3	--	52.2	--	--	52.2	28.7	--	--	--	7.2	
Bahamas registered stock	72.7	76.4	132.4	130.4	129.5	127.1	124.6	116.6	120.1	105.8	105.8	120.1	120.7	116.6	120.1	105.8	96.2	
Loans and advances	77.0	62.0	72.0	72.0	72.0	72.0	72.0	72.0	97.0	97.0	97.0	97.0	72.0	97.0	97.0	97.0	97.0	
Deposits	(27.7)	(8.1)	(15.6)	(25.0)	(23.0)	(13.8)	(4.1)	(26.1)	(28.9)	(20.7)	(20.7)	(23.4)	(26.1)	(28.9)	(23.4)	(20.7)	(14.1)	
In local currency	(27.7)	(8.1)	(15.6)	(25.0)	(23.0)	(13.8)	(4.1)	(26.1)	(28.9)	(20.7)	(20.7)	(23.4)	(26.1)	(28.9)	(23.4)	(20.7)	(14.1)	
In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Deposits of rest of public sector	(26.1)	(18.3)	(10.4)	(17.6)	(17.1)	(28.2)	(10.4)	(17.2)	(10.2)	(15.8)	(15.8)	(10.2)	(16.3)	(17.2)	(10.2)	(15.8)	(13.9)	
Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Official capital and surplus	(105.5)	(107.3)	(111.6)	(121.3)	(123.3)	(128.4)	(125.9)	(129.2)	(130.7)	(140.5)	(140.5)	(130.7)	(127.6)	(129.2)	(130.7)	(140.5)	(137.6)	
Net unclassified assets	24.4	20.1	17.9	28.3	26.4	28.4	7.1	28.7	29.4	40.6	40.6	29.4	(2.8)	28.7	29.4	40.6	39.0	
Loans to rest of public sector	7.3	7.0	6.8	6.7	6.6	6.6	6.5	6.4	6.2	6.2	6.2	6.2	6.4	6.2	6.2	6.2	6.0	
Public Corp Bonds/Securities	1.0	1.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
Liabilities To Domestic Banks	(392.0)	(367.3)	(450.1)	(500.5)	(525.8)	(499.2)	(439.0)	(499.9)	(634.2)	(515.0)	(486.5)	(515.0)	(499.9)	(634.2)	(515.0)	(486.5)	(572.0)	
Notes and coins	(105.8)	(116.2)	(110.1)	(79.7)	(81.8)	(79.1)	(117.6)	(85.6)	(87.3)	(111.8)	(111.8)	(87.3)	(78.2)	(85.6)	(87.3)	(111.8)	(89.1)	
Deposits	(286.2)	(251.1)	(340.0)	(420.8)	(444.0)	(420.1)	(321.4)	(421.7)	(548.6)	(427.7)	(374.7)	(427.7)	(421.7)	(548.6)	(427.7)	(374.7)	(482.9)	
SDR allocation	(14.6)	(15.4)	(16.2)	(16.8)	(16.7)	(15.9)	(15.8)	(15.3)	(15.9)	(17.1)	(195.0)	(17.1)	(15.3)	(15.9)	(17.1)	(195.0)	(184.0)	
Currency held by the private sector	(195.3)	(202.1)	(223.7)	(214.2)	(204.2)	(199.6)	(205.8)	(197.0)	(194.3)	(184.2)	(207.8)	(194.3)	(197.0)	(194.3)	(184.2)	(207.8)	(186.7)	

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

End of Period	(B\$ Millions)																	
	2005			2006			2007			2008			2009			2010		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	
Net foreign assets	(611.0)	(754.1)	(667.6)	(595.0)	(612.9)	(679.6)	(703.8)	(665.8)	(828.5)	(796.8)	(681.9)	(640.2)	(612.1)					
Net claims on Central Bank	389.7	366.5	448.4	499.7	525.0	498.4	439.9	500.8	635.2	515.9	487.4	521.3	572.5					
Notes and Coins	105.8	116.2	110.1	79.7	81.8	79.1	117.6	78.2	85.6	87.3	111.8	86.2	89.1					
Balances	284.7	251.1	339.1	420.8	444.0	420.1	322.3	422.6	549.6	428.6	375.6	435.1	483.4					
Less Central Bank credit	0.8	0.8	0.8	0.8	0.8	0.8	--	--	--	--	--	--	--					
Net domestic assets	4518.2	4935.4	5,199.7	5,215.9	5,271.0	5,405.5	5,534.1	5,490.6	5,555.8	5,664.7	5,564.4	5,565.7	5,614.4					
Net claims on Government	528.9	494.5	534.5	545.1	585.3	609.7	725.2	847.6	857.1	959.3	843.0	952.0	1,070.8					
Treasury bills	66.1	10.0	50.8	71.7	197.4	189.8	180.2	208.8	172.6	161.7	214.0	218.3	267.6					
Other securities	400.5	437.1	468.5	466.3	460.7	520.5	533.5	602.6	619.7	707.3	704.6	705.4	740.4					
Loans and advances	150.7	156.3	120.3	133.4	57.2	65.1	145.8	176.2	219.0	238.6	76.5	166.3	205.3					
Less: deposits	88.4	108.9	105.0	126.3	130.0	165.7	134.3	140.0	154.2	148.3	152.1	138.0	142.5					
Net claims on rest of public sector	(25.3)	12.3	(78.9)	(96.6)	(57.4)	(40.7)	3.4	(89.9)	(47.3)	(53.6)	(25.7)	(49.5)	(49.0)					
Securities	20.6	121.1	97.7	97.2	95.2	89.3	97.5	99.5	99.5	99.5	107.0	107.0	107.0					
Loans and advances	265.8	268.1	243.9	235.7	300.3	339.3	343.6	300.4	299.1	305.0	305.9	324.6	325.9					
Less: deposits	311.7	376.8	420.5	429.5	452.9	469.3	437.7	489.8	445.9	458.1	438.6	481.1	481.9					
Other net claims	(5.9)	(17.9)	(6.9)	(1.2)	(3.1)	(1.7)	(0.1)	(5.1)	(11.1)	(18.9)	(8.1)	(7.2)	(1.9)					
Credit to the private sector	4953.7	5,668.7	6,218.4	6,252.9	6,343.1	6,454.6	6,536.8	6,483.8	6,516.8	6,557.7	6,595.9	6,548.7	6,526.4					
Securities	28.2	21.7	29.6	29.6	36.3	35.9	28.8	29.2	28.3	30.2	27.2	25.9	22.3					
Mortgages	1919.1	2,258.1	2,580.4	2,617.4	2,702.6	2,766.3	2,819.7	2,848.4	2,881.4	2,918.3	2,949.6	2,950.0	2,968.8					
Loans and advances	3006.4	3,388.9	3,608.4	3,605.9	3,604.2	3,652.4	3,688.3	3,606.2	3,607.1	3,609.2	3,619.1	3,572.8	3,535.3					
Private capital and surplus	(1197.5)	(1,477.5)	(1,654.1)	(1,706.6)	(1,775.0)	(1,815.7)	(1,864.6)	(1,911.6)	(1,967.2)	(1,978.2)	(2,033.0)	(2,062.1)	(2,061.8)					
Net unclassified assets	264.3	255.3	186.7	222.3	178.1	199.3	133.4	165.8	207.5	198.4	192.3	183.8	129.9					
Liabilities to private sector	4297.1	4,547.8	4,982.7	5,120.6	5,183.1	5,224.2	5,270.2	5,325.6	5,362.5	5,383.8	5,370.0	5,446.8	5,574.8					
Demand deposits	1092.2	1,112.9	1,174.8	1,182.5	1,164.9	1,164.4	1,150.2	1,177.8	1,174.6	1,196.6	1,204.2	1,184.4	1,296.3					
Savings deposits	885.3	956.8	994.7	1,013.8	1,024.2	1,012.1	1,024.1	1,036.5	1,044.6	1,014.2	1,003.5	1,007.3	1,014.1					
Fixed deposits	2319.6	2,478.1	2,813.2	2,924.3	2,994.0	3,047.7	3,095.9	3,111.3	3,143.3	3,173.0	3,162.3	3,255.1	3,264.4					

Source: The Central Bank of The Bahamas

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

Period	2007				2008				2009				2010	
	2006	2007	2008	2008	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. I
1. Interest Income	646,269	744,537	760,159	184,145	189,882	187,818	198,314	182,363	182,990	180,720	182,805	183,559	183,559	
2. Interest Expense	225,205	291,206	278,219	69,067	68,655	70,259	70,238	62,116	59,386	63,023	59,943	57,990	57,990	
3. Interest Margin (1-2)	421,064	453,331	481,940	115,078	121,227	117,559	128,076	120,247	123,604	117,697	122,862	125,569	125,569	
4. Commission & Forex Income	29,543	31,714	32,328	9,544	9,322	6,154	7,308	8,185	3,617	5,300	4,903	5,495	5,495	
5. Gross Earnings Margin (3+4)	450,607	485,045	514,268	124,622	130,549	123,713	135,384	128,432	127,221	122,997	127,765	131,064	131,064	
6. Staff Costs	138,087	133,309	148,364	35,281	36,908	37,410	38,765	36,444	37,450	38,016	37,312	38,400	38,400	
7. Occupancy Costs	20,669	20,612	23,409	5,111	5,971	5,879	6,448	5,251	6,319	5,727	6,120	5,978	5,978	
8. Other Operating Costs	63,002	79,480	91,867	22,073	22,710	22,033	25,051	27,460	20,671	20,559	18,555	25,864	25,864	
9. Operating Costs (6+7+8)	221,758	233,401	263,640	62,465	65,589	65,322	70,264	69,155	64,440	64,302	61,987	70,242	70,242	
10. Net Earnings Margin (5-9)	228,849	251,644	250,628	62,157	64,960	58,391	65,120	59,277	62,781	58,695	65,778	60,822	60,822	
11. Depreciation Costs	11,088	11,673	13,412	3,101	3,347	3,363	3,601	3,377	3,233	3,320	4,204	3,601	3,601	
12. Provisions for Bad Debt	43,129	39,817	82,204	16,227	11,304	23,418	31,255	22,916	36,273	27,680	34,223	20,616	20,616	
13. Other Income	101,633	107,271	120,334	37,831	28,299	27,385	26,819	25,559	23,213	23,763	24,455	27,806	27,806	
14. Other Income (Net) (13-11-12)	47,416	55,781	24,718	18,503	13,648	604	(8,037)	(734)	(16,293)	(7,237)	(13,972)	3,589	3,589	
15. Net Income (10+14)	276,265	307,425	275,346	80,660	78,608	58,995	57,083	58,543	46,488	51,458	51,806	64,411	64,411	
16. Effective Interest Rate Spread (%)	6.15	6.25	6.51	6.36	6.60	6.40	6.68	6.24	6.52	6.20	6.40	6.20	6.20	
(Ratios To Average Assets)														
Interest Margin	5.63	5.50	5.39	5.33	5.41	5.20	5.60	5.20	5.41	5.17	5.46	5.55	5.55	
Commission & Forex Income	0.39	0.38	0.36	0.44	0.42	0.27	0.32	0.35	0.16	0.23	0.22	0.24	0.24	
Gross Earnings Margin	6.02	5.89	5.75	5.78	5.83	5.47	5.92	5.55	5.57	5.40	5.68	5.80	5.80	
Operating Costs	2.96	2.83	2.95	2.90	2.93	2.89	3.07	2.99	2.82	2.82	2.75	3.11	3.11	
Net Earnings Margin	3.06	3.05	2.80	2.88	2.90	2.58	2.85	2.56	2.75	2.58	2.92	2.69	2.69	
Net Income	3.69	3.73	3.09	3.74	3.51	2.61	2.49	2.53	2.04	2.26	2.30	2.85	2.85	

*Commercial Banks and OLFIs with domestic operations

Source: The Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

End of Period	(B\$ Millions)																	
	2005			2006			2007			2008			2009			2010		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	
Money supply (M1)	1,247.6	1,251.1	1,300.3	1,308.4	1,305.7	1,320.2	1,274.5	1,336.4	1,285.2	1,277.8	1,283.6	1,274.8	1,374.7					
1) Currency in active circulation	195.3	202.1	223.7	214.2	204.2	199.6	205.8	197.0	194.3	184.2	207.8	186.9	186.7					
2) Demand deposits	1,052.3	1,049.0	1,076.6	1,094.2	1,101.5	1,120.6	0.0	1,139.4	1,090.9	1,093.6	1,075.8	1,087.9	1,188.0					
Central Bank	26.1	18.3	10.4	18.2	17.1	28.3	0.0	16.3	17.2	10.2	15.9	12.6	13.9					
Domestic Banks	1,026.2	1,030.7	1,066.2	1,076.0	1,084.4	1,092.3	0.0	1,123.1	1,073.7	1,083.4	1,059.9	1,075.3	1,174.1					
Factors affecting money (M1)																		
1) Net credit to Government	642.5	677.0	866.8	840.1	763.8	795.0	924.0	1,042.9	1,041.8	1,205.2	1,023.9	1,131.3	1,257.1					
Central Bank	122.0	182.5	332.3	295.0	178.5	185.3	198.8	195.3	184.7	245.9	180.9	179.3	186.3					
Domestic Banks	520.5	494.5	534.5	545.1	585.3	609.7	725.2	847.6	857.1	959.3	843.0	952.0	1,070.8					
2) Other credit	5,257.0	6,065.9	6,567.5	6,593.2	6,742.4	6,890.5	6,985.1	6,890.9	6,922.4	6,969.2	7,015.8	6,987.1	6,966.0					
Rest of public sector	303.3	397.2	349.1	340.3	402.9	435.9	448.3	407.1	405.6	411.5	419.9	438.4	439.6					
Private sector	4,953.7	5,668.7	6,218.4	6,252.9	6,339.5	6,454.6	6,536.8	6,483.8	6,516.8	6,557.7	6,595.9	6,548.7	6,526.4					
3) External reserves	578.8	499.7	454.2	539.6	674.8	650.2	562.9	623.8	770.4	754.9	815.9	819.0	862.1					
4) Other external liabilities (net)	(611.0)	(754.1)	(667.6)	(595.0)	(612.9)	(679.6)	(703.8)	(665.8)	(828.5)	796.8	(681.9)	(640.2)	(612.1)					
5) Quasi money	3,582.6	3,894.0	4,337.0	4,474.1	4,553.5	4,601.2	4,649.5	4,692.3	4,734.7	4,758.5	4,748.7	4,852.6	4,882.6					
6) Other items (net)	(1,037.1)	(1,343.4)	(1,583.6)	(1,595.4)	(1,708.9)	(1,734.7)	(1,844.2)	(1,863.1)	(1,886.2)	(2,096.2)	(2,141.4)	(2,169.8)	(2,215.8)					

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

End of Period	2006			2007			2008			2009			2010		
	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	
CREDIT OUTSTANDING															
Private cars	228,421	248,152	247,418	251,167	245,023	238,775	227,757	223,349	215,164	206,689	199,228	197,138			
Taxis & rented cars	2,568	1,908	1,925	2,033	2,020	1,909	1,817	1,780	1,785	1,832	1,552	1,296			
Commercial vehicles	6,829	6,956	6,966	6,876	6,350	6,111	5,656	5,305	5,165	4,955	4,761	3,966			
Furnishings & domestic appliances	19,658	22,394	22,435	22,818	22,043	21,173	20,284	19,632	19,759	19,134	18,164	17,244			
Travel	45,944	50,970	48,520	51,036	54,412	49,602	43,966	40,488	39,702	36,369	32,345	29,425			
Education	52,858	54,725	53,938	54,012	59,306	57,255	55,199	53,283	57,520	55,227	53,037	50,529			
Medical	17,320	20,520	21,014	22,034	22,001	21,435	21,159	20,427	19,894	19,697	19,075	18,422			
Home Improvements	152,851	163,070	164,973	167,272	171,886	171,454	170,162	166,364	163,942	163,991	166,094	163,512			
Land Purchases	201,318	227,236	232,912	234,282	237,334	246,168	246,754	245,876	245,209	243,696	240,898	244,594			
Consolidation of debt	459,791	496,296	505,038	531,296	563,738	594,565	605,784	632,422	638,244	648,024	661,379	665,886			
Miscellaneous	489,122	559,119	562,536	556,726	552,197	541,585	529,609	529,975	523,307	515,002	498,410	494,605			
Credit Cards	226,401	256,995	258,291	264,375	281,198	294,377	283,615	278,614	277,479	278,749	265,044	261,017			
TOTAL	1,903,081	2,108,341	2,125,966	2,163,927	2,217,508	2,244,409	2,211,762	2,217,515	2,207,170	2,193,365	2,159,987	2,147,634			
NET CREDIT EXTENDED															
Private cars	18,542	19,731	-734	3,749	-6,144	-6,248	-11,018	-4,408	-8,185	-8,475	-7,461	-2,090			
Taxis & rented cars	251	-660	17	108	-13	-111	-92	-37	5	47	-280	-256			
Commercial vehicles	791	127	10	-90	-526	-239	-455	-351	-140	-210	-194	-795			
Furnishings & domestic appliances	2,349	2,736	41	383	-775	-870	-889	-652	127	-625	-970	-920			
Travel	4,509	5,026	-2,450	2,516	3,376	-4,810	-5,636	-3,478	-786	-3,333	-4,024	-2,920			
Education	5,121	1,867	-787	74	5,294	-2,051	-2,056	-1,916	4,237	-2,293	-2,190	-2,508			
Medical	2,874	3,200	494	1,020	-33	-566	-276	-732	-533	-197	-622	-653			
Home Improvements	18,517	10,219	1,903	2,299	4,614	-432	-1,292	-3,798	-2,422	49	2,103	-2,582			
Land Purchases	26,673	25,918	5,676	1,370	3,052	8,834	586	-878	-667	-1,513	-2,798	3,696			
Consolidation of debt	46,598	36,505	8,742	26,258	32,442	30,827	11,219	26,638	5,822	9,780	13,355	4,507			
Miscellaneous	76,960	69,997	3,417	-5,810	-4,529	-10,612	-11,976	366	-6,668	-8,305	-16,592	-3,805			
Credit Cards	38,343	30,594	1,296	6,084	16,823	13,179	-10,762	-5,001	-1,135	1,270	-13,705	-4,027			
TOTAL	241,528	205,260	17,625	37,961	53,581	26,901	-32,647	5,753	-10,345	-13,805	-33,378	-12,353			

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

Period	2007				2008				2009				2010	
	2007	2008	2009	2010	2008	2009	2010	2011	2009	2010	2011	2012	2010	2011
	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
DOMESTIC BANKS														
Deposit rates														
Savings deposits	2.05	2.20	2.15	2.06	2.30	2.25	2.17	2.06	2.19	2.11	2.09	2.19	2.06	2.03
Fixed deposits														
Up to 3 months	3.51	3.70	3.55	3.63	3.74	3.71	3.71	3.63	3.64	3.57	3.54	3.46	3.45	3.23
Up to 6 months	3.89	4.08	3.94	4.04	4.18	4.09	4.00	4.04	4.23	3.88	3.93	3.72	3.73	3.51
Up to 12 months	4.28	4.56	4.26	4.35	4.83	4.57	4.48	4.35	4.67	4.38	3.96	4.02	4.22	4.01
Over 12 months	4.52	4.44	4.37	4.11	5.05	4.28	4.31	4.11	4.66	4.33	4.21	4.27	4.31	3.83
Weighted average rate	3.69	3.92	3.79	3.86	4.02	3.91	3.90	3.86	4.00	3.79	3.70	3.67	3.73	3.46
Lending rates														
Residential mortgages	8.16	8.36	8.25	8.25	8.36	8.58	8.25	8.25	8.29	8.23	8.26	8.21	8.22	8.25
Commercial mortgages	8.75	8.72	8.60	8.64	8.62	9.24	8.37	8.64	8.58	8.46	8.72	8.65	8.60	8.71
Consumer loans	12.70	13.03	12.69	12.55	13.00	13.49	13.07	12.55	12.49	12.72	13.09	12.46	12.90	12.74
Overdrafts	11.44	11.45	11.67	11.10	11.34	11.79	11.57	11.10	12.84	11.60	11.43	10.80	11.91	10.79
Weighted average rate	10.63	10.95	10.58	10.39	11.00	11.42	11.00	10.39	10.49	10.67	10.69	10.45	10.63	10.73
Other rates														
Prime rate	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Treasury bill (90 days)	2.66	2.73	2.62	2.73	2.69	2.83	2.69	2.73	2.64	2.77	2.49	2.56	2.39	2.48
Treasury bill re-discount rate	3.16	3.23	3.12	3.23	3.19	3.33	3.19	3.23	3.14	3.27	2.99	3.06	2.89	2.98
Bank rate (discount rate)	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25

Source: The Central Bank of The Bahamas

TABLE 9
SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

Period	2005				2006				2007				2008				2009				2010	
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. I	Qtr. II		
Loan Portfolio																						
Current Loans (as a % of total loans)	92.0	92.5	90.6	90.9	89.9	89.5	87.5	86.3	86.2	83.9	82.3	82.3	81.7									
Arrears (% by loan type)																						
Consumer	2.8	2.8	3.0	3.1	3.2	3.3	3.9	4.2	4.5	4.8	5.2	4.8	4.6									
Mortgage	3.6	3.1	4.6	4.4	4.5	4.7	5.9	6.2	6.0	7.5	8.6	9.0	9.3									
Commercial	1.6	1.6	1.7	1.5	2.3	2.4	2.6	3.2	3.2	3.7	3.8	3.8	4.3									
Public	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1									
Total Arrears	8.0	7.5	9.4	9.1	10.1	10.5	12.5	13.7	13.8	16.1	17.7	17.7	18.3									
Total B\$ Loan Portfolio	100.0																					
Loan Portfolio																						
Current Loans (as a % of total loans)	92.0	92.5	90.6	90.9	89.9	89.5	87.5	86.3	86.2	83.9	82.3	82.3	81.7									
Arrears (% by days outstanding)																						
30 - 60 days	2.7	2.5	3.6	3.2	3.4	3.3	4.5	4.3	4.1	4.9	5.6	6.1	5.9									
61 - 90 days	1.0	0.9	1.3	1.2	1.7	1.6	1.9	2.3	1.9	2.5	2.7	2.1	2.4									
90 - 179 days	0.9	0.9	1.2	1.4	1.2	1.5	1.6	2.1	1.9	2.8	3.1	2.4	2.5									
over 180 days	3.4	3.2	3.3	3.3	3.8	4.1	4.5	5.0	5.9	5.9	6.3	7.1	7.5									
Total Arrears	8.0	7.5	9.4	9.1	10.1	10.5	12.5	13.7	13.8	16.1	17.7	17.7	18.3									
Total B\$ Loan Portfolio	100.0																					
Non Accrual Loans (% by loan type)																						
Consumer	33.9	35.0	29.4	32.8	31.4	31.6	30.2	30.0	31.0	27.1	29.8	27.8	26.6									
Mortgage	42.9	40.9	45.6	46.4	45.3	45.2	44.4	43.4	43.0	45.4	41.4	43.7	42.7									
Other Private	23.1	24.0	23.2	19.0	21.5	22.2	23.9	25.2	24.7	26.4	27.8	27.4	29.7									
Public	0.1	0.1	1.8	1.8	1.8	1.0	1.5	1.4	1.3	1.1	1.0	1.1	1.0									
Total Non Accrual Loans	100.0																					
Provisions to Loan Portfolio																						
Consumer	3.0	3.4	2.8	3.0	3.1	2.2	3.3	3.6	3.8	4.2	4.2	4.4	4.4									
Mortgage	1.3	1.3	1.2	1.2	1.3	1.2	1.4	1.6	1.6	1.7	1.8	1.9	1.9									
Other Private	1.6	2.5	3.2	3.3	3.7	4.9	5.4	5.6	7.3	6.7	6.9	7.5	8.2									
Public	0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0									
Total Provisions to Total Loans	2.0	2.3	2.1	2.3	2.4	2.6	2.7	3.0	3.3	3.4	3.4	3.6	3.7									
Total Provisions to Non-performing Loans	44.9	54.7	47.9	47.9	47.9	46.7	46.0	42.4	42.9	39.5	37.1	38.3	37.5									
Total Non-performing Loans to Total Loan	4.5	4.2	4.5	4.7	4.9	5.6	6.1	7.1	7.8	8.8	9.4	9.7	10.3									

Source: The Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

End of Period	(B\$ Millions)																	
	2005			2006			2007			2008			2009			2010		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	
I. Statutory Reserves																		
Required reserves	226.3	244.7	265.0	269.3	277.4	281.9	283.3	285.2	288.1	293.7	290.3	285.4	296.6					
Average Till Cash	86.5	96.9	92.8	74.9	77.2	76.1	95.4	74.0	81.4	83.7	94.8	79.7	83.7					
Average balance with central bank	332.2	265.7	363.1	419.7	453.0	428.7	352.7	413.2	567.1	468.6	425.1	438.7	516.6					
Free cash reserves (period ended)	191.5	117.2	190.1	224.5	252.0	222.1	164.0	201.2	360.4	258.6	229.5	233.1	303.7					
II. Liquid Assets (period)																		
A. Minimum Required Liquid Assets	752.2	802.5	860.0	883.7	894.0	909.3	911.2	930.3	925.9	927.0	929.6	938.5	958.0					
B. Net Eligible Liquid Assets	895.6	865.6	1011.9	1075.3	1213.6	1240.7	1168.5	1334.5	1446.8	1390.6	1423.7	1460.9	1601.9					
i) Balance with Central Bank	284.7	251.1	341.2	420.8	444.0	420.1	322.2	422.6	549.6	428.6	375.6	435.1	483.4					
ii) Notes and Coins	106.3	116.7	110.6	80.2	82.0	79.6	118.1	78.7	86.1	87.8	112.3	86.7	89.6					
iii) Treasury Bills	66.1	10.0	50.8	71.7	197.4	189.8	180.2	208.8	172.7	161.7	214.0	218.3	267.6					
iv) Government registered stocks	400.4	437.1	468.5	466.3	460.7	520.5	513.3	590.6	599.1	680.1	671.4	672.4	711.0					
v) Specified assets	26.0	39.9	36.6	36.5	34.3	26.5	36.8	38.7	38.5	38.3	45.7	45.8	45.6					
vi) Net Inter-bank dem/call deposits	12.9	11.7	5.0	0.6	(4.0)	5.0	(1.3)	(4.1)	0.8	(5.9)	4.7	2.6	4.7					
vii) Less: borrowings from central bank	(0.8)	(0.8)	-0.8	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	--	--	--	--	--					
C. Surplus/(Deficit)	143.4	63.1	151.9	191.6	319.6	331.4	257.3	404.2	520.8	463.6	494.1	522.4	643.9					

Source: The Central Bank of The Bahamas

TABLE II
GOVERNMENT OPERATIONS AND FINANCING

Period	Budget				2008/09p				2009/10p											
	2007/08p		2010/11		QTR. I		QTR. II		QTR. III		QTR. IV		QTR. I		QTR. II		QTR. III		*QTR. IV	
	2007/08p	2008/09p	2009/10	2010/11	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	QTR. III	*QTR. IV			
Total Revenue & Grants	1,424.1	1,324.2	1,400.0	1,517.2	314.3	306.9	310.9	392.1	267.7	361.1	322.0	204.1	267.7	361.1	322.0	204.1				
Current expenditure	1,344.0	1,422.7	1,430.5	1,467.2	331.5	334.5	358.5	398.2	319.8	346.1	350.7	250.9	319.8	346.1	350.7	250.9				
Capital expenditure	176.7	139.8	208.9	227.6	28.5	30.5	28.9	51.9	37.5	42.9	33.2	14.7	37.5	42.9	33.2	14.7				
Net lending	54.1	123.1	49.3	38.7	14.8	16.7	11.7	79.9	11.3	48.3	14.9	11.7	11.3	48.3	14.9	11.7				
Overall balance	(150.8)	(361.3)	(288.6)	(216.3)	(60.4)	(74.8)	(88.2)	(137.9)	(100.8)	(76.2)	(76.8)	(73.1)	(100.8)	(76.2)	(76.8)	(73.1)				
FINANCING (I+II-III+IV+V)	150.8	361.3	288.6	216.3	60.4	74.8	88.2	137.9	100.8	76.2	76.8	73.1	100.8	76.2	76.8	73.1				
I. Foreign currency borrowing	127.8	267.8	63.8	55.0	3.6	12.6	60.7	190.9	5.8	304.4	0.1	0.5	5.8	304.4	0.1	0.5				
External	106.7	56.7	63.8	55.0	3.6	11.5	10.7	30.9	5.8	304.4	0.1	0.5	5.8	304.4	0.1	0.5				
Domestic	22.3	211.1	--	--	--	1.1	50.0	160.0	--	--	--	--	--	--	--	--				
II. Bahamian dollar borrowing	194.5	246.1	309.7	235.0	100.0	--	121.1	25.0	165.0	--	--	59.7	165.0	--	--	59.7				
i) Treasury bills	28.0	13.8	--	--	--	--	13.8	--	--	--	--	--	--	--	--	--				
Central Bank	28.0	13.8	--	--	--	--	13.8	--	--	--	--	--	--	--	--	--				
Commercial banks & OLFIs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
Public corporations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
Other	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
ii) Long-term securities	166.5	207.3	--	--	100.0	--	107.3	--	150.0	--	--	59.7	150.0	--	--	59.7				
Central Bank	41.5	--	--	--	--	--	--	--	15.1	--	--	--	15.1	--	--	--				
Commercial banks & OLFIs	25.2	114.7	--	--	47.0	--	67.7	--	84.0	--	--	15.0	84.0	--	--	15.0				
Public corporations	55.8	21.7	--	--	13.7	--	8.0	--	30.0	--	--	15.7	30.0	--	--	15.7				
Other	44.0	70.9	--	--	39.3	--	31.6	--	20.9	--	--	29.0	20.9	--	--	29.0				
iii) Loans and Advances	--	25.0	--	--	--	--	--	25.0	15.0	--	--	--	25.0	--	--	--				
Central Bank	--	25.0	--	--	--	--	--	25.0	--	--	--	--	25.0	--	--	--				
Commercial banks	--	--	--	--	--	--	--	--	15.0	--	--	--	--	15.0	--	--				
III Debt repayment	83.7	108.3	80.8	70.0	15.9	12.9	1.0	78.5	16.0	223.6	17.0	12.7	16.0	223.6	17.0	12.7				
Domestic	78.4	101.8	75.0	58.9	15.0	10.9	0.0	75.9	15.0	195.9	16.0	10.0	15.0	195.9	16.0	10.0				
Bahamian dollars	56.6	50.0	75.0	58.9	15.0	10.0	--	25.0	15.0	35.0	16.0	10.0	15.0	35.0	16.0	10.0				
Internal foreign currency	21.8	51.8	--	--	--	0.9	--	50.9	--	160.9	--	--	--	160.9	--	--				
External	5.3	6.5	5.8	11.0	0.9	2.0	1.0	2.6	1.0	27.7	1.0	2.7	1.0	27.7	1.0	2.7				
IV. Cash balance change	(32.5)	(30.2)	--	--	(26.5)	41.1	(27.7)	(17.0)	11.5	(1.1)	10.4	24.5	11.5	(1.1)	10.4	24.5				
V. Other Financing	(55.4)	(14.1)	(4.1)	(3.7)	(0.7)	34.0	(64.9)	17.5	(65.6)	(3.4)	83.3	1.1	(65.6)	(3.4)	83.3	1.1				

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

*Qtr IV includes April & May only.

TABLE 12
NATIONAL DEBT

(B\$' 000s)

End of Period	2007p	2008p	2009p	2009p			2010p			
				Jun.	Sept.	Dec.	Mar.	Jun.		
TOTAL EXTERNAL DEBT										
By Instrument										
Government Securities	272,973	383,593	703,066	421,600	426,419	703,066	702,146	699,453		
Loans	200,000	300,000	600,000	300,000	300,000	600,000	600,000	600,000		
By Holder										
Commercial Banks	72,973	83,593	103,066	121,600	126,419	103,066	102,146	99,453		
Offshore Financial Institutions	--	--	--	25,000	25,000	--	--	--		
Multilateral Institutions	68,789	79,409	98,882	92,416	97,235	98,882	97,962	95,269		
Bilateral Institutions	4,184	4,184	4,184	4,184	4,184	4,184	4,184	4,184		
Private Capital Markets	200,000	300,000	600,000	300,000	300,000	600,000	600,000	600,000		
TOTAL INTERNAL DEBT										
By Instrument										
Foreign Currency	2,363,056	2,383,008	2,617,268	2,663,171	2,813,171	2,617,268	2,601,268	2,693,389		
Government Securities	23,160	3,612	1,806	162,709	162,709	1,806	1,806	903		
Loans	23,160	3,612	1,806	162,709	162,709	1,806	1,806	903		
Bahamian Dollars	2,339,896	2,379,396	2,615,462	2,500,462	2,650,462	2,615,462	2,599,462	2,692,486		
Advances	71,988	71,988	96,988	96,988	96,988	96,988	96,988	96,988		
Treasury Bills	230,469	230,469	244,309	244,309	244,309	244,309	244,309	301,609		
Government Securities	2,031,693	2,071,693	2,268,919	2,153,919	2,288,919	2,268,919	2,252,919	2,288,644		
Loans	5,746	5,246	5,246	5,246	20,246	5,246	5,246	5,246		
By Holder										
Foreign Currency	23,160	3,612	1,806	162,709	162,709	1,806	1,806	903		
Commercial Banks	23,160	3,612	1,806	142,709	142,709	1,806	1,806	903		
Other Local Financial Institutions	--	--	--	20,000	20,000	--	--	--		
Bahamian Dollars	2,339,896	2,379,396	2,615,462	2,500,462	2,650,462	2,615,462	2,599,462	2,692,486		
The Central Bank	348,842	202,993	201,509	213,541	269,598	201,509	189,706	193,159		
Commercial Banks	520,904	691,739	886,358	768,723	854,207	886,358	891,843	985,613		
Other Local Financial Institutions	3,032	2,932	4,167	4,633	4,318	4,167	5,867	5,782		
Public Corporations	729,259	720,783	722,999	745,928	733,144	722,999	713,481	703,968		
Other	737,859	760,949	800,429	767,637	789,195	800,429	798,565	803,964		
TOTAL FOREIGN CURRENCY DEBT										
TOTAL DIRECT CHARGE	296,133	387,205	704,872	584,309	589,128	704,872	703,952	700,356		
TOTAL CONTINGENT LIABILITIES	2,636,029	2,766,601	3,320,334	3,084,771	3,239,590	3,320,334	3,303,414	3,392,842		
TOTAL NATIONAL DEBT	434,507	446,492	580,997	440,013	438,485	580,997	573,245	564,465		
	3,070,536	3,213,093	3,901,331	3,524,784	3,678,075	3,901,331	3,876,659	3,957,307		

Source: Treasury Accounts & Treasury Statistical Summary Printouts
Public Corporation Reports
Creditor Statements, Central Bank of The Bahamas

TABLE 13
PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS¹

	(B\$' 000s)					
	2007p	2008p	2009p	2009p	2010p	Jun.
			Jun.*	Dec.**	Mar.	Jun.
Outstanding debt at beginning of period	636,225	654,368	859,878	995,657	999,676	1,139,495
Government	294,152	296,133	387,205	584,309	589,128	704,872
Public Corporations	342,073	358,235	472,673	411,348	410,548	454,386
Plus new drawings	194,483	273,746	856,645	13,481	545,170	25,598
Government	33,731	118,467	561,700	5,794	304,357	98
Public corporations	160,752	155,279	294,945	7,687	240,813	25,500
Less Amortization	176,340	68,236	577,028	9,462	405,351	11,678
Government	31,750	27,395	244,033	975	188,613	3,596
Public corporations	144,590	40,841	332,995	8,487	216,738	8,082
Outstanding debt at end of period	654,368	859,878	1,139,495	999,676	1,139,495	1,146,660
Government	296,133	387,205	704,872	589,128	704,872	700,356
Public corporations	358,235	472,673	434,623	410,548	434,623	446,304
Interest Charges	40,189	40,767	41,356	5,562	14,872	26,750
Government	18,000	20,959	27,581	1,791	13,218	22,602
Public corporations	22,189	19,808	13,775	3,771	1,654	4,148
Debt Service	216,529	109,003	618,384	15,024	420,223	38,428
Government	49,750	48,354	271,614	2,766	201,831	26,198
Public corporations	166,779	60,649	346,770	12,258	218,392	12,230
Debt Service ratio (%)	6.4	3.1	21.1	2.1	60.7	4.5
Government debt Service/	3.7	3.4	20.4	1.0	55.9	n.a.
Government revenue (%)						
MEMORANDUM						
Holder distribution (B\$ Mil):						
Commercial banks	324.2	411.3	358.2	505.5	358.2	367.3
Offshore Financial Institutions	--	--	--	--	--	--
Multilateral Institutions	107.5	112.3	126.3	122.8	126.3	119.7
Bilateral Institutions	7.2	19.0	21.4	11.0	21.4	28.6
Other	15.5	17.4	33.6	56.4	33.6	31.0
Private Capital Markets	200.0	300.0	600.0	300.0	600.0	600.0

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

¹ See notes to table

Note: *Debt servicing during the 2nd quarter of 2009 includes the refinancing of \$50 million Government's debt. Net of this transaction, the adjusted debt service ratio was 3.7% and the Government's 2nd quarter service/revenue ratio was 4.0%.

**Debt servicing during the 4th quarter of 2009 includes the refinancing of \$211 million and \$185 million in Public Corporations' and Government's debt. Net of these transactions, the adjusted debt service ratio was 3.6% and the Government's service/revenue ratio was 4.7%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	(B\$ Millions)											
	2007p		2008p		2009p		2008		2009		2010	
	Qtr.Ip	Qtr.IIip	Qtr.Ip	Qtr.IIip	Qtr.Ip	Qtr.IIip	Qtr.Ip	Qtr.IIip	Qtr.Ip	Qtr.IIip	Qtr.Ip	Qtr.IIip
A. Current Account Balance (I+II+III+IV)	(1,314.2)	(1,164.9)	(860.3)	(419.8)	(242.8)	(123.2)	(190.5)	(309.9)	(236.7)	(116.2)	(174.0)	
I. Merchandise (Net)	(2,154.4)	(2,243.2)	(1,824.7)	(596.7)	(497.8)	(429.3)	(508.0)	(447.2)	(440.2)	(415.3)	(474.9)	
Exports	801.8	955.8	710.7	247.5	238.0	164.7	178.1	169.9	198.0	161.1	191.7	
Imports	2,956.2	3,199.0	2,535.3	844.1	735.8	594.0	686.1	617.1	638.1	576.4	666.6	
II. Services (Net)	1,019.7	1,140.4	1,078.4	335.3	273.7	328.8	318.2	191.5	239.9	332.8	348.3	
Transportation	(315.7)	(308.0)	(267.6)	(79.6)	(76.4)	(79.0)	(59.8)	(57.5)	(71.3)	(42.0)	(60.5)	
Travel	1,809.7	1,848.6	1,697.4	528.4	405.3	485.4	482.3	364.2	365.5	502.3	503.2	
Insurance Services	(107.0)	(106.6)	(92.5)	(26.0)	(18.9)	(11.0)	(34.8)	(29.0)	(17.8)	(25.9)	(28.1)	
Offshore Companies Local Expenses	210.2	233.7	182.0	44.2	71.2	46.4	46.1	48.0	41.5	27.6	39.1	
Other Government	(44.8)	(56.3)	(87.0)	(18.6)	(13.3)	(5.7)	(27.5)	(38.6)	(15.2)	(33.0)	(29.0)	
Other Services	(532.7)	(471.1)	(353.8)	(113.1)	(94.1)	(107.3)	(88.0)	(95.6)	(62.9)	(96.1)	(76.4)	
III. Income (Net)	(231.4)	(118.1)	(197.2)	(29.8)	(29.2)	(42.6)	(27.9)	(75.9)	(50.7)	(50.3)	(75.4)	
1. Compensation of Employees	(84.7)	(58.7)	(57.4)	(16.9)	(12.7)	(14.3)	(14.0)	(10.6)	(18.4)	(22.8)	(16.5)	
2. Investment Income	(146.7)	(59.4)	(139.8)	(12.8)	(16.5)	(28.3)	(13.9)	(65.3)	(32.3)	(27.5)	(58.9)	
IV. Current Transfers (Net)	51.8	56.0	83.1	17.5	10.6	19.9	27.2	21.7	14.3	16.5	27.9	
1. General Government	60.9	62.9	89.1	18.0	12.3	21.5	29.0	23.1	15.5	17.7	29.3	
2. Private Sector	(9.1)	(6.9)	(6.0)	(0.5)	(1.7)	(1.6)	(1.7)	(1.4)	(1.2)	(1.2)	(1.4)	
B. Capital and Financial Account (I+II)	999.5	1,116.7	1,077.1	355.9	300.6	181.6	376.6	296.9	222.0	170.7	187.3	
(excl. Reserves)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
I. Capital Account (Net Transfers)	(75.7)	(76.3)	(31.7)	(10.7)	(35.5)	(10.4)	(7.6)	(8.4)	(5.3)	(11.1)	(8.1)	
II. Financial Account (Net)	1,075.2	1,193.0	1,108.8	366.6	336.1	192.0	384.3	305.2	227.3	181.8	195.4	
1. Direct Investment	746.2	838.9	654.9	219.4	299.7	187.5	181.3	213.0	73.1	149.4	268.9	
2. Portfolio Investment	(8.4)	(25.0)	(16.8)	(8.6)	(6.3)	(3.1)	(3.9)	(3.2)	(6.6)	(8.4)	(4.4)	
3. Other Investments	337.4	379.1	470.7	155.8	42.7	7.6	206.9	95.4	160.8	40.9	(69.1)	
Central Gov't Long Term Capital	(15.4)	110.6	319.5	98.9	9.5	9.7	28.3	4.8	276.6	(0.9)	(2.7)	
Other Public Sector Capital	21.9	(4.3)	184.0	(3.0)	2.1	(4.9)	(3.4)	185.8	6.5	10.8	(4.5)	
Banks	(86.5)	36.2	(21.9)	17.9	24.2	(38.0)	162.7	(31.7)	(114.9)	(4.4)	(65.4)	
Other	417.4	236.5	(10.9)	41.9	6.9	40.8	19.3	(63.5)	(7.5)	35.4	3.5	
C. Net Errors and Omissions	269.1	156.8	36.2	15.9	(145.1)	2.5	(39.5)	(2.5)	75.7	(51.4)	29.9	
D. Overall Balance (A+B+C)	(45.7)	108.6	253.0	135.2	(87.3)	60.9	146.6	(15.5)	61.0	3.0	43.1	
E. Financing (Net)	45.7	(108.6)	(253.0)	(135.2)	87.3	(60.9)	(146.6)	15.5	(61.0)	(3.0)	(43.1)	
Change in SDR holdings	0.1	0.0	(179.0)	--	--	--	--	(180.9)	1.9	5.6	4.5	
Change in Reserve Position with the IMF	(0.5)	0.4	(0.2)	0.1	0.1	0.3	(0.4)	(0.2)	0.1	0.3	0.2	
Change in Ext. Foreign Assets () = Increase	46.1	(109.0)	(73.9)	(135.3)	87.2	(61.2)	(146.3)	196.6	(63.0)	(9.0)	(47.9)	

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

	(B\$ '000)								
	2007		2008		2009		2010		
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	
I. OIL TRADE									
i) Exports	167,600	141,524	33,039	33,619	25,729	20,200	33,722	32,426	45,718
ii) Imports	615,782	847,041	189,661	193,491	97,501	124,873	169,336	165,422	144,343
II. OTHER MERCHANDISE									
Domestic Exports									
Crawfish	81,370	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Fish & other Crustacea	1,864	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Fruits & Vegs.	1,198	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aragonite	35,577	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Rum	20,282	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Cordials & Liqueurs	--	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Crude Salt	6,599	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hormones	--	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Chemicals	84,562	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Pharmaceuticals	347	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Fragrances	--	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other	147,290	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
i) Total Domestic Exports	379,089	409,635	111,713	104,356	72,025	76,962	72,435	112,285	51,616
ii) Re-Exports	123,398	150,373	35,608	30,877	59,876	31,534	39,027	34,387	37,419
iii) Total Exports (i+ii)	502,487	560,008	147,321	135,233	131,901	108,496	111,462	146,672	89,035
iv) Imports	2,488,023	2,354,064	580,752	605,841	613,080	532,342	520,925	572,986	572,986
v) Retained Imports (iv-ii)	2,364,625	2,203,691	545,144	574,964	553,204	500,808	481,898	538,599	535,567
vi) Trade Balance (i-v)	-1,985,536	-1,794,056	(420,029)	(470,608)	(481,179)	(423,845)	(409,463)	(426,314)	(483,951)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2007p			2008p			2009p			2010p		
	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Visitor Arrivals	4,600,572	4,390,583	7,220,514	896,057	1,121,314	1,266,110	1,178,396	1,008,081	1,192,528	1,382,871	1,323,713	
Air	1,485,633	1,392,284	1,873,854	309,873	273,943	326,569	364,613	283,998	277,213	344,248	367,572	
Sea	3,114,939	2,998,299	5,346,660	586,184	847,371	939,541	813,783	724,083	915,315	1,038,623	956,141	
Visitor Type												
Stopover	1,521,691	1,462,403	306,597	331,269	276,484	74,798	99,879	67,463	64,458	n.a	n.a	
Cruise	2,970,659	2,937,854	4,272,074	549,047	823,347	904,278	773,041	685,430	893,031	1,016,294	902,780	
Day/Transit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Tourist Expenditure(B\$ 000's)												
Stopover	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
Cruise	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
Day	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
Number of Hotel Nights	3,249,959	4,398,370	n.a	1,104,533	1,050,117	n.a	n.a	n.a	n.a	n.a	n.a	
Average Length of Stay	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
Average Hotel Occupancy Rates (%)												
New Providence	73.7	60.7	56.3	58.1	48.3	58.7	61.5	55.6	49.3	n.a	n.a	
Grand Bahama	46.6	41.0	36.9	37.2	33.4	40.4	40.6	28.7	37.9	n.a	n.a	
Other Family Islands	38.5	35.1	27.0	32.5	26.4	28.4	30.7	24.6	24.2	n.a	n.a	
Average Nightly Room Rates (\$)												
New Providence	202.1	230.7	214.4	206.7	210.1	247.1	220.6	185.2	204.6	n.a	n.a	
Grand Bahama	120.0	103.4	90.6	84.5	96.0	109.3	92.8	78.2	82.1	n.a	n.a	
Other Family Islands	221.4	245.4	194.1	199.7	209.1	276.4	201.3	145.7	153.1	n.a	n.a	

Source: The Ministry of Tourism