



Quarterly Economic Review

March, 2010

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QUARTERLY ECONOMIC REVIEW

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

Although economic activity remained significantly below pre-crisis levels, indications are that the domestic economy showed moderate signs of stabilisation during the first quarter of 2010, in comparison to the previous year, amid a global recovery characterised by fragility and unevenness. Tourism activity, which contracted in 2009, improved modestly, as gains in the high value-added stopover segment of the market were supported by incentive programmes. In contrast, construction activity stagnated, reflecting the sustained weakness in foreign investment projects and a sharp reduction in outlays for private sector residential developments, although some support was provided by public sector projects. Price developments were more favourable, despite a modest increase in international oil prices, benefitting from moderating cost trends with our major trading partners.

On the fiscal side, Government's deficit improved during the third quarter of FY2009/10 when compared to the previous fiscal year, buoyed by a timing-related increase in tax revenues and a marginal decline in total expenditure. Financing for the deficit was sourced mainly from short-term commercial bank advances.

Monetary developments featured a marginal expansion in liquidity during the first quarter, in the context of modest net foreign currency inflows—although overall external reserve levels were higher by some 29.0% relative to last year. High consumer indebtedness and debt servicing difficulties moderated private sector credit and led to a further deterioration in credit quality indicators. However, banks' capital ratios remained well in excess of minimum requirements.

In the external sector, the estimated current account deficit widened, owing to an expansion in the merchandise trade deficit and higher labour income remittances, which outpaced an improvement in the services account surplus. Occasioned by lower direct investment inflows and increased outward portfolio investments, the capital and financial account surplus contracted over the review

period. The overall balance, which tracks changes in external reserves, was significantly smaller than the same period a year earlier.

FISCAL OPERATIONS

OVERVIEW

Reflecting mainly timing-related improvements in Government's revenue performance and relatively stabilized outlays, the overall deficit for the third quarter of FY2009/10 narrowed by \$11.4 million (12.9%) to \$76.8 million, compared to a \$78.4 million surge to \$88.2 million in the corresponding period of FY2008/09. Total revenue expanded by 3.6% to \$322.0 million, in contrast to a 17.1% decline a year earlier; while expenditures decreased marginally by 0.1% to \$398.9 million, after a comparative 3.7% expansion.

REVENUE

Tax revenue—which accounted for 89.5% of total receipts—increased by 4.0% to \$288.1 million, vis-à-vis an 18.1% fall-off in the same period a year ago. Growth in tax collections was supported by a timing-related increase in business & professional licence fees, of 44.9% to \$50.8 million. International trade & transactions taxes rose modestly by 2.4% to \$138.2 million, buoyed by the 14.9% hike in excise tax receipts to \$47.3 million, as import taxes were 4.0% lower at \$84.2 million. Gains were also posted for property taxes (14.0% to \$31.0 million) and other "unclassified" tax revenues (66.9% to \$11.8 million). Although the upturn in air arrivals underpinned a marginal \$0.8 million improvement in hotel occupancy tax, to \$7.5 million, this was offset by a \$4.0 million decrease in gaming tax collections to \$1.3 million—resulting in a reduction in selective taxes on services, of 26.4% to \$8.8 million. Departure taxes also fell by 3.5% to \$15.1 million; and non-trade related stamp taxes were lower by 31.6% at \$26.9 million.

Non-tax revenue, at 10.5% of total collections, was relatively flat at \$33.9 million. Growth in income from other sources (mainly dividend and rental income), of 5.6% to \$12.6 million, overshadowed modest declines in

revenues from public enterprises and fines, forfeits and administrative fees, to \$0.2 million and \$21.0 million, respectively.

EXPENDITURE

Current outlays contracted by 2.2% to \$350.8 million, for a reduced 87.9% share of total expenditure. However, Government's infrastructure improvement programme continued to boost capital spending, by 14.8% to \$33.2 million; and the provision of budgetary support to public bodies elevated net lending by 27.6% to \$14.9 million.

By economic classification, the contraction in current spending was primarily associated with a decline in purchases of goods and services, by 25.6% to \$63.3 million, which outpaced the increase in wages and salaries, of 2.1% to \$144.8 million. Buoyed by rising payments on contracted debt obligations, transfer payments expanded by 8.4% to \$142.7 million. Subsidies and other transfers were also higher by 4.0% at \$98.1 million, earmarked mainly for households and overseas entities.

By functional classification, current expenditure on general public services, at a leading 26.9% of the total, was reduced by 3.5% to \$94.3 million, owing to reductions in spending on both general administrative and public order & safety. Outlays for economic services were scaled back by 26.8% to \$33.4 million, primarily explained by lower payments for tourism services and a much smaller decline for transportation. Contracted spending was also recorded for other community & social services (10.5%), housing (7.1%), defence (6.8%) and health care services (0.3%). Further, "non-allocated" expenses, which mainly comprised interest payments, expanded by 19.7% to \$44.6 million. Spending on education services also gained 3.4% to \$64.7 million; while social benefits & service expenditures were relatively flat at \$32.8 million.

Under capital spending, capital formation-related outlays grew by 47.4% to \$30.1 million, underpinned by sustained renovations to public roads, ports and buildings. On a functional basis, these corresponded to gains in public works & water supply and health allocations, of

\$10.5 million and \$1.7 million, to \$22.4 million and \$2.6 million, respectively.

Government Revenue By Source				
(Jan - Mar)				
	FY08/09		FY09/10	
	B\$M	%	B\$M	%
Property Tax	27.2	8.7	31.0	9.6
Selective Services Tax	12.0	3.9	8.8	2.7
Busines. & Prof Lic. Fees	35.0	11.3	50.8	15.8
Motor Vehicle Tax	6.1	2.0	6.1	1.9
Departure Tax	15.7	5.0	15.1	4.7
Import Duties	87.7	28.2	84.2	26.1
Stamp Tax from Imports	3.1	1.0	3.7	1.2
Excise Tax	41.2	13.2	47.3	14.7
Export Tax	2.9	0.9	3.0	0.9
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	39.4	12.7	26.9	8.4
Other Tax Revenue	7.1	2.3	11.8	3.7
Fines, Forfeits, etc.	21.3	6.8	21.0	6.5
Sales of Govt. Property	0.3	0.1	0.1	0.0
Income	12.3	4.0	12.8	4.0
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	--	--	--	--
Grants	--	--	--	--
Less:Refunds	0.4	0.1	0.6	0.2
Total	310.9	100.0	322.0	100.0

FINANCING AND THE NATIONAL DEBT

For the three months ending March 2010, budgetary financing was primarily in the form of short-term advances from commercial banks (\$89.3 million). Debt repayments totalled \$17.0 million, the bulk of which was utilised to retire Bahamian dollar obligations. As a result, the Direct Charge on the Government—exclusive of short-term advances from commercial banks—contracted from the preceding quarter, by 0.5% (\$16.9 million) to \$3,303.4 million. This outcome represented the first quarterly decline in the Direct Charge since the fourth quarter of 2008, although the outstanding level exceeded last year's value by some 12.1%.

Bahamian dollar denominated debt, at \$2,599.5 million, accounted for a reduced 78.7% of the Direct Charge relative to 84.8% a year earlier, as the foreign currency component was boosted by the Government's US\$300 million bond issue in the fourth quarter of 2009. More than 90% of local obligations were held, in the aggregate, by commercial banks (34.3%), private and institutional investors (30.7%), the public corporations (27.4%), and the balance by the Central Bank (7.3%) and other local financial institutions (0.2%). Long-term bonds constituted 86.7% of Bahamian dollar debt, at an average maturity of 12.2 years, with lesser shares represented by Treasury bills (9.4%), Central Bank advances (3.7%) and commercial bank loans (0.2%).

As a result, the National Debt was reduced by \$24.7 million (0.6%) to \$3,876.7 million on a quarterly basis, but exceeded the end-March 2009 level by \$484.7 million (14.3%).

PUBLIC SECTOR FOREIGN CURRENCY DEBT

Public sector foreign currency debt grew, on a quarterly basis, by 1.7% (\$18.8 million) to \$1,158.4 million; albeit, at a slower pace than the preceding period, as new drawings of \$25.6 million outpaced amortization payments of \$6.8 million. The Government's obligations decreased by \$0.9 million to \$704.0 million, to represent 60.8% of the total; while public corporations' liabilities were higher by 4.5% at \$454.4 million.

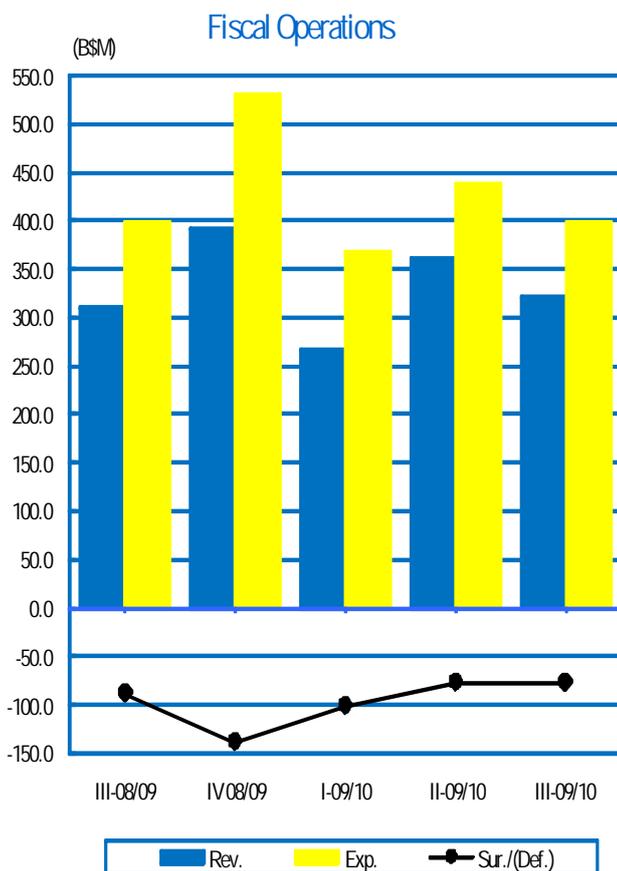
Debt service payments receded to \$10.7 million from an inflated \$102.9 million a year earlier, which were linked to public corporations' refinancing activities. In particular, amortisation payments fell by \$92.1 million to \$6.8 million, and there was a timing-related decline in interest charges of 2.9% to \$4.0 million. At end-March 2010, total debt service (net of refinancing operations) as a percentage of goods and non-factor services narrowed to 1.3% from 2.2% a year ago. As both Government's debt service payments and revenues firmed, the corresponding ratio of debt service to revenue stabilized at 0.5%.

By creditor profile, private capital markets held more than half of the outstanding foreign currency debt (51.8%), followed by commercial banks (32.2%), multilateral institutions (10.7%) and bilateral & other creditors (5.3%). Bearing an average age of maturity of 13.8 years, the debt was denominated almost entirely in US dollars (98.6%).

REAL SECTOR

TOURISM

Preliminary estimates suggest a modest improvement in tourism activity relative to the same period a year earlier. However, output remained significantly below "pre-crisis" levels, as the sluggish pace of the global recovery constrained gains in the higher spending stop-over segment of the market, and hotel rates appeared to

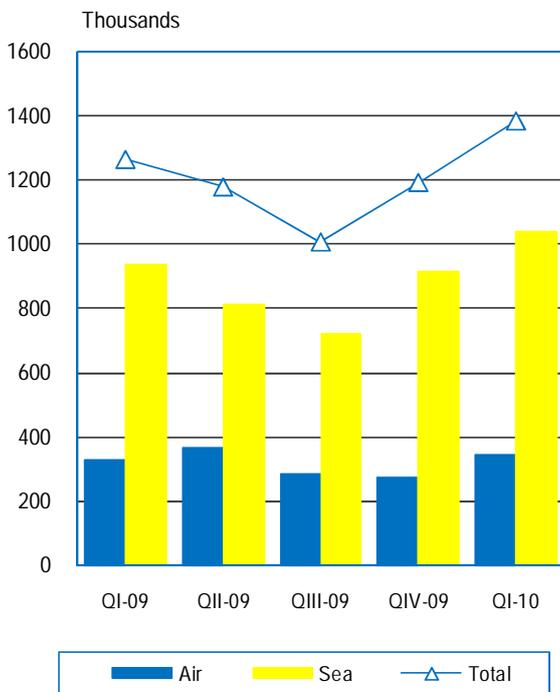


Government's Contingent Liabilities contracted marginally by 1.3% to \$573.2 million, linked to a decline in the outstanding debt of the Bahamas Mortgage Corporation.

have “bottomed out”, after a period of significant discounting and incentive programs.

Total arrivals grew by 9.2% to 1,382,886 during the first quarter, reversing the 2.9% decline posted a year ago. Growth in the dominant sea component—which represented 74.2% of total arrivals—accelerated by 10.5% to 1,038,638, following last year’s increase of 4.3%, and was reinforced by the introduction of new cruise ships and the return of one cruise liner. The high value-added air component rebounded by 5.4% to 344,248, from a year-earlier 19.0% plunge at the height of the recession in the United States market.

Visitor Arrivals



By first port of entry, visitors to New Providence, which comprised approximately 58.7% of total arrivals, strengthened by 16.7% to 812,584, vis-à-vis a decline of 5.0% in 2009. This outturn reflected gains in both sea (23.0%) and air (5.5%) traffic. Grand Bahama’s arrivals expanded by 14.9% to 163,783, compared to a relatively flat performance a year earlier, as the 19.5% firming in

sea visitors eclipsed the marginal 0.2% decline in the air component. By comparison, visitors to the Family Islands fell by 4.8%; the 6.4% reduction in the leading sea segment, due to a shift in the major cruise lines to Nassau and Grand Bahama as their first ports of call, surpassed the 9.3% increase in air visitors.

Hotel sector performance data, drawn from a sample of New Providence/Paradise Island properties, showed an improvement in earnings, with higher average daily room rates and relatively robust occupancy levels in the month of March, driving quarterly developments. Overall, total room revenue firmed by 6.7% to approximately \$109.8 million over the three month period, reflecting estimated gains in average daily room rates, of 2.2% to \$260.60, and in occupancy levels, of 3.2% to 67.2%.

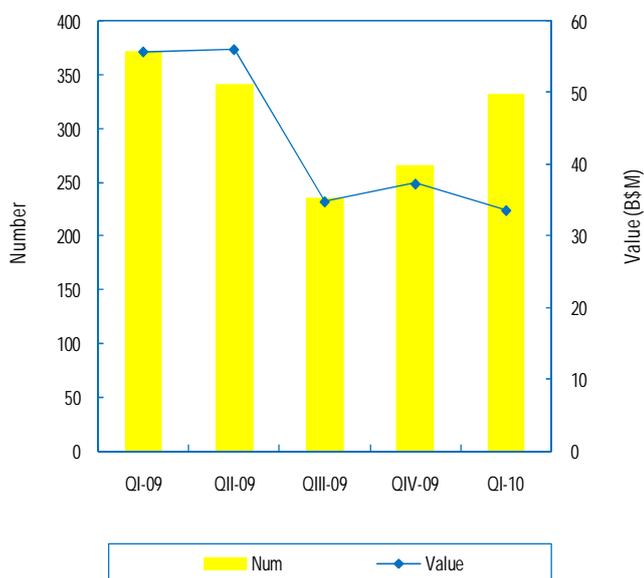
CONSTRUCTION

Construction output continued to be constrained by the combination of weak foreign investment activity, amid the ongoing effects of the financial crisis, and a moderation in domestic building projects. As an indication of domestic expenditures, mortgage disbursements for new construction and building repairs—as reported by banks, insurance companies and The Bahamas Mortgage Corporation—decreased by 41.4% to \$48.0 million, compared to the corresponding period last year. Declines were registered for both residential (43.6%) and commercial (23.8%) disbursements, to \$41.2 million and \$6.8 million, respectively.

Near-term prospects for building activity are likely to remain weak. Total mortgage commitments for new construction and repairs, a forward looking indicator, declined year-on-year by 10.8% to number 331 and by 39.8% in value to \$33.6 million. The number of residential loan commitments fell by 8.3% to 331, with a corresponding loss in value of 37.5% to \$33.6 million; and there were no commercial approvals, compared to 10 valued at \$2.0 million last year.

Interest rate developments were mixed during the quarter, as the average interest rate on residential mortgages fell by 10 basis points to 8.4%; however, the commercial mortgage rate firmed by 10 basis points to 8.9%.

Mortgage Commitments: New Construction and Repairs



PRICES

Despite a modest uptick in international oil costs, consumer prices declined further—in line with a moderation in average prices among The Bahamas' major trading partners—by 19 basis points relative to 4 basis points a year earlier. Major influences were contractions in average costs for recreation & entertainment services (1.58%), food & beverages (0.60%), transport & communication (0.40%) and housing (0.18%). In addition, average price gains softened for clothing & footwear, other goods & services, furniture & household operation and education, by 0.48, 0.33, 0.18 and 0.17 percentage points, to less than 1.0%. Conversely, average inflation for medical care & health advanced to 0.73% from 0.66% in 2009.

On an annual basis, the rate of increase in the average Retail Price Index eased by 3.74 percentage points to 1.22%, and was broadly based across most items—with decelerations ranging from 0.61 to 8.18 percentage points. In addition, average prices fell for housing and recreation, entertainment & services, by 0.47% and 1.21%, in contrast to respective year earlier increases of

3.67% and 4.27%; but advanced moderately for clothing & footwear, to 1.90% from 1.53%.

Average Retail Price Index (Annual % Changes) March

Items	Weight	2009		2010	
		Index	%	Index	%
Food & Beverages	138.3	146.5	8.7	144.5	-1.4
Clothing & Footwear	58.9	111.2	2.2	112.5	1.1
Housing	328.2	111.6	1.5	112.7	1.1
Furn. & Household	88.7	141.0	6.1	143.9	2.0
Med. Care & Health	44.1	152.0	1.5	156.2	2.8
Trans. & Comm.	148.4	117.1	2.1	119.6	2.1
Rec., Enter. & Svcs.	48.7	132.3	4.8	128.1	-3.2
Education	53.1	183.4	3.7	184.8	0.8
Other Goods & Svcs.	91.6	151.9	10.5	154.3	1.6
ALL ITEMS	1000	130.0	4.3	131.2	0.9

Reflective of an uptick in global oil prices, the Department of Statistics' surveys revealed a firming in retail fuel costs during the first quarter. The average price of gasoline and diesel rose by 2.7% and 3.7%, to \$4.26 and \$3.61 per gallon, respectively—bringing the corresponding annual rise through March to 32.4% and 26.4%. In terms of electricity rates, the average fuel surcharge contracted by 6.1% and 0.4% over the quarter and year, respectively, to 10.68¢ per kWh.

MONEY, CREDIT AND INTEREST RATES

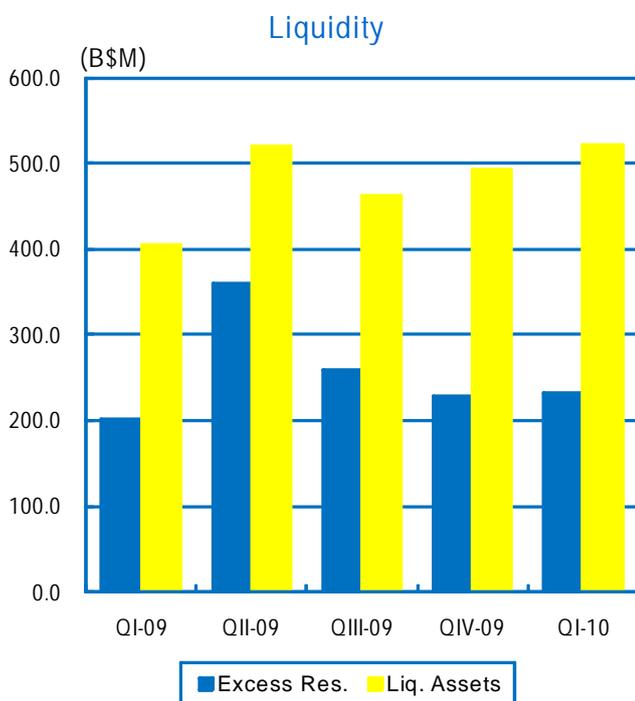
OVERVIEW

Weak domestic demand, compounded by a high level of unemployment and consumer indebtedness, led to a sustained contraction in private sector credit, although increased public sector budgetary requirements supported overall growth in bank credit. Against this backdrop, banks' continued to accumulate excess liquidity and the external reserves position was maintained at a

healthy level. In this environment, consumers continued to experience difficulties in meeting their debt obligations. Consequently, banks' credit quality indicators continued to deteriorate; however, the rate of expansion slowed in comparison to the year-earlier period. As banks continued to increase provisions for bad debts, overall profitability of the sector weakened on a yearly basis, during the fourth quarter of 2009.

LIQUIDITY

Over the review period, net free cash reserves of the banking system rose by \$3.6 million (1.6%) to \$233.1 million, although slowing from the comparative periods' \$37.1 million. The corresponding ratio to deposit liabilities was higher at 4.0% from 3.5% in 2009. Similarly, the broader surplus liquid assets advanced by \$28.3 million (5.7%) to \$522.4 million, but were below last year's \$146.9 million (56.9%) expansion, which was bolstered by increased holdings of Government debt. At end-March, the surplus stood 55.7% above the statutory minimum, compared to 43.5% in the same period of 2009.



DEPOSITS & MONEY

Consistent with the general weakness in the domestic economy, overall money (M3) growth slowed during the review period. The outturn included an \$8.8 million (0.7%) falloff in narrow money (M1), following a year-earlier \$61.9 million (4.9%) expansion, as currency in active circulation contracted by \$20.9 million (10.1%) and accretions to demand deposits slackened by \$58.6 million to \$12.1 million (1.1%).

The expansion in broad money (M2) moderated to \$89.6 million (1.5%) from \$97.0 million (1.7%) a year earlier. Fixed deposits firmed by \$89.3 million (2.5%), for an almost four-fold increase, whereas gains in savings deposits eased to \$9.1 million (0.9%) from \$11.0 million (1.1%) and foreign currency placements, to \$5.6 million (2.4%) from \$7.7 million (3.8%). Consequently, the increase in overall money (M3) slowed to \$95.2 million (1.6%), for an outstanding stock of \$6,127.5 million at end-March.

In terms of the components, fixed deposits comprised the largest portion of the money stock (58.9%), followed by demand balances (17.8%) and savings deposits (16.4%). Residents' foreign currency balances and currency in active circulation accounted for the remaining 3.9% and 3.0%, respectively.

DOMESTIC CREDIT

Growth in total domestic credit accelerated to \$78.7 million (1.0%) from \$24.7 million (0.3%) in 2009, and was due mainly to higher Bahamian dollar claims on the public sector. Specifically, banks' credit to the rest of the public sector rebounded by \$18.5 million (4.4%), after a \$41.2 million (9.2%) net repayment in 2009; and the increase in net claims on the Government at \$107.4 million (10.5%), was slightly below the year-earlier \$118.9 million (12.9%) advance.

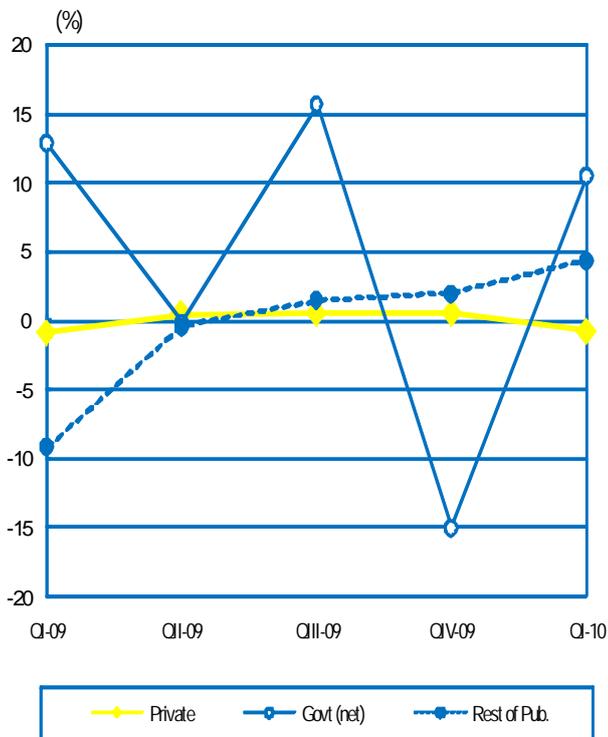
Credit to the private sector receded by a further \$47.2 million (0.7%), although behind the \$53.0 million (0.8%) decrease of last year, associated with a decline in the dominant Bahamian dollar component, by \$53.7 million (0.9%). The corresponding foreign currency claims rose

by \$6.5 million, a turnaround from the previous year's \$5.9 million contraction.

A further analysis of private sector credit showed a falloff in personal loans—which accounted for 76.5% of the total—by \$54.0 million (1.1%), up from last year's \$14.0 million reduction. The decline was broad-based across residential mortgages (\$7.8 million or 0.3%), overdrafts (\$12.9 million or 12.1%), and consumer credit (\$33.4 million or 1.5%).

For the balance of personal loans, contractions were also posted for construction (\$45.4 million), professional & other services (\$37.1 million), private financial institutions (\$7.9 million) and manufacturing (\$6.9 million), with declines of less than \$1 million for fisheries and tourism loans. In contrast, gains were recorded for miscellaneous (\$69.1 million), entertainment and catering (\$18.1 million), distribution (\$14.9 million), transport (\$3.1 million) and agriculture (\$1.7 million) lending.

Changes in Credit



For the consumer credit component, net repayments were registered for miscellaneous (\$16.6 million), credit card (\$13.7 million), private car (\$7.5 million), travel (\$4.0 million), land purchase (\$2.8 million), and education (\$2.2 million) loans. In contrast, debt consolidation and home improvement loans advanced by \$13.4 million and \$2.1 million, respectively.

	Distribution of Bank Credit By Sector			
	End-March			
	2009		2010	
	B\$M	%	B\$M	%
Agriculture	14.5	0.2	17.3	0.2
Fisheries	8.4	0.1	6.9	0.1
Mining & Quarry	1.1	0.0	0.8	0.0
Manufacturing	33.9	0.5	30.3	0.4
Distribution	161.8	2.3	162.8	2.3
Tourism	204.7	3.0	198.2	2.8
Enter. & Catering	35.8	0.5	62.2	0.9
Transport	26.3	0.4	31.2	0.4
Construction	442.2	6.4	405.2	5.8
Government	176.2	2.5	166.3	2.4
Public Corps.	300.4	4.3	324.6	4.6
Private Financial	23.4	0.3	13.6	0.2
Prof. & Other Ser.	140.4	2.0	123.3	1.8
Personal	4975.1	71.8	4,990.7	71.2
Miscellaneous	387.0	5.6	480.3	6.8
TOTAL	6,931.2	100.0	7,013.7	100.0

MORTGAGES

An analysis of mortgage lending, based on information provided by banks, insurance companies and the Bahamas Mortgage Corporation, showed an overall decrease of \$35.2 million (1.1%), following last year's \$33.9 million increase—for an outstanding balance of \$3,149.0 million at end-March 2010. Residential mortgages, at 93.2% of the total, declined by \$32.8 million (1.1%) to \$2,933.9 million, in contrast to 2009's \$34.4 million (1.2%) advance; and weakness in the commercial

component was extended to \$2.4 million (1.1%) from \$0.5 million (0.2%). Domestic banks held the largest share of outstanding mortgages (89.6%), followed by insurance companies (6.2%) and the Bahamas Mortgage Corporation (4.2%).

THE CENTRAL BANK

During the review quarter, the Central Bank's net claim on the Government was marginally lower by \$1.6 million (0.9%) at \$179.3 million, following a \$3.5 million (1.8%) decrease a year earlier.

The Bank's net liabilities to public corporations fell to \$5.8 million from \$8.9 million, due to a reduction in their deposits. A build-up in excess balances at the Central Bank elevated liabilities to the domestic banks by \$33.7 million (6.9%) to \$520.2 million.

Amid nascent signs of improvement in the key foreign exchange earning sectors, external reserves increased slightly by \$3.1 million. However, the general weakness in the overall economy, combined with a one-off foreign currency sale transaction associated with a significant share repurchase by a private entity, moderated the net purchase from commercial banks, by almost 50% to \$49.4 million. The net purchase from the central Government also fell, by \$1.7 million to \$35.5 million, and increased sales to facilitate fuel payments contributed to a 23.5% hike in the net sale to public corporations.

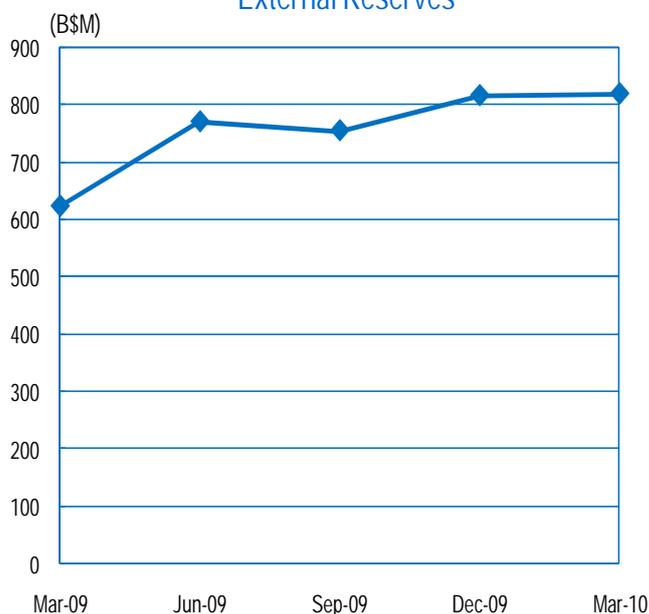
At end-March, external reserves stood significantly higher at \$819.0 million, relative to \$623.8 million in 2009, for an extended 16.6 weeks of non-oil merchandise import cover as against 15.0 weeks a year earlier. Excluding the 50% statutory required adjustment on Bank's demand liabilities—which has to be supported by external balances—"useable" reserves advanced by \$199.8 million, on a yearly basis, to \$453.7 million.

DOMESTIC BANKS

Weak consumer demand conditions and the continuation of conservative lending practices in the context of elevated loan arrears, extended the decline in private sector borrowings, to \$47.2 million (0.7%) from 0.8% last year. In contrast, deposit liabilities rose by \$76.8 million

(1.4%), outpacing the 1.1% gain a year earlier. Banks' claims on the rest of the public sector firmed by \$18.7 million (4.5%), a turnaround from a \$41.1 million (9.3%) contraction in 2009; and increases in short-term advances buoyed the \$109.0 million rise in net credit to Government. Growth in banks' accumulated capital and surplus resources—which are impacted by their profitability and retained earnings levels—was curtailed at \$29.1 million (1.4%) from \$47.0 million (2.5%). The reduction in net foreign liabilities, at \$4.4 million, was considerably below last year's \$38.0 million.

External Reserves



Banks' deposit liabilities at end-March—inclusive of Government balances—rose by 1.8% to \$6,065.9 million, of which 96.0% was represented by Bahamian dollar deposits. Private individuals held the bulk of balances (57.6%), followed by business firms (24.7%), the public sector (10.1%), private financial institutions (4.0%) and other customers (3.6%). By type, more than three-fifths of deposits were held in fixed balances (61.7%), followed by demand (21.3%), and savings (17.0%) deposits.

Disaggregated by range of value and number of accounts, the majority of Bahamian dollar accounts (90.5%)

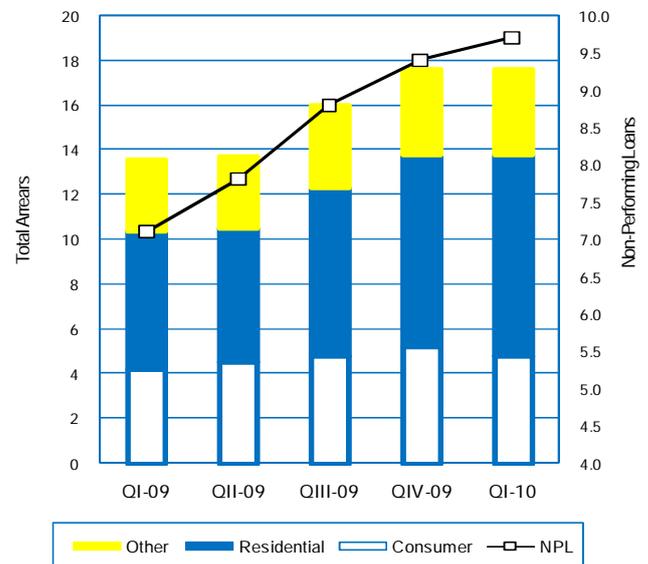
were below \$10,000, although comprising a lesser 6.4% of the total value. Balances ranging between \$10,000 and \$50,000 constituted 6.3% of the number and 11.4% of the aggregate value; while those in excess of \$50,000 accounted for a mere 3.2% of deposits, but a commanding 82.2% of the aggregate value.

CREDIT QUALITY

In the context of continued high levels of unemployment and sluggish real sector activity, banks' credit quality indicators deteriorated further in the review period—although at a more tempered rate in comparison to the comparable period in 2009. In particular, growth in private sector arrears, by \$6.5 million to \$1,096.6 million, was a sharp falloff from last year's \$66.7 million advance—although the corresponding ratio to total loans, which firmed to 18.1%, was above the year-earlier 13.9%. The expansion in arrears was due solely to an increase in the mortgage segment, by \$33.0 million (6.2%) to \$564.5 million, elevating the corresponding loan ratio by 1.2 and 5.9 percentage points over the quarter and year, respectively, to 19.6%. In contrast, consumer delinquencies contracted over the quarter, by \$25.9 million (8.0%) to \$297.2 million, with the attendant loan ratio moderating by 0.9 of a percentage point to 13.8%, but exceeding last year's 11.7%. Commercial loan arrears decreased slightly by \$0.6 million to \$235.0 million, leaving the ratio to total commercial loans unchanged at 22.8%, but firming in comparison to the previous year's 18.9%.

Developments in the non-performing category—those loans with past due payments of more than 90 days and on which interest no longer accrued—mirrored the changes in total arrears. Non-accrual loans firmed by \$8.6 million (1.5%) to \$585.0 million at end-March, corresponding to an increased 9.7% of total loans—up from 9.4% in December 2009 and 7.1% a year earlier. In response to the sustained high level of arrears, banks maintained a conservative posture, boosting bad debt provisions by \$10.3 million (4.8%) to \$223.9 million. As a proportion of total loans, the ratio of provisions rose, by 0.15 and 0.64 percentage points, to 3.59%. Provisions increased to 38.3% of non-performing loans, up from 37.1% at end-December 2009, yet below the 42.3% recorded at end-March 2009.

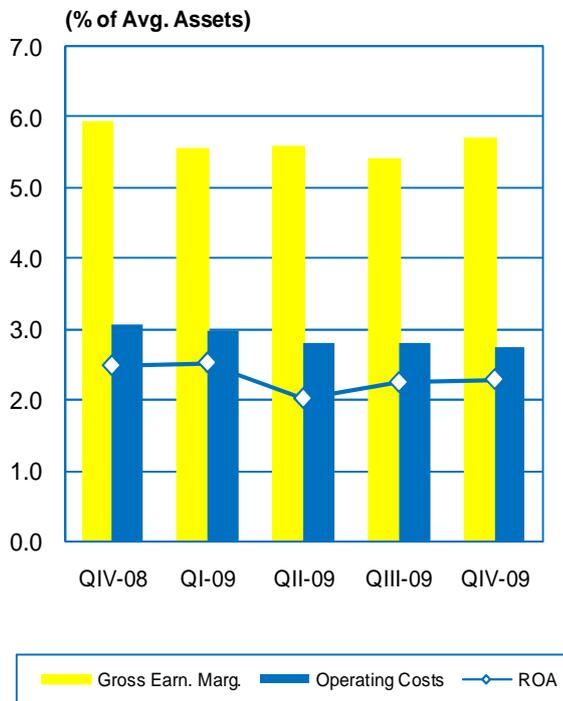
Loan Arrears & Non-Performing Balances
(% of Total Loans)



BANK PROFITABILITY

The less favourable economic environment and credit quality performance continued to negatively impact banks' profitability levels during the fourth quarter of 2009—the latest period for which data is available. Since achieving a level of \$80.0 million in the first three months of 2008, banks' net income fell sharply, by an annualized average of 18.0% (\$14.7 million) during the subsequent quarters to end-2009, and contracted by a further 9.2% (\$5.3 million) to \$51.8 million over the review quarter. The net interest income declined by 4.1% (\$5.2 million) to \$122.9 million, as the fall-off in interest revenue outpaced that for expenses. In line with the reduction in foreign exchange transactions, commission and foreign exchange income were reduced by one third, to \$4.9 million. These developments contributed to a narrowing in the gross earnings margin, by 5.6% to \$127.8 million. In contrast, the net earnings margin increased slightly by 1.0% to \$65.8 million, as banks pared down their operating costs, by 11.8% to \$62.0 million. Respective increases in depreciation and bad debt expenses, by 16.7% and 9.5%, combined with an 8.8% contraction in "miscellaneous" income, accelerated the net loss from non-core activities by nearly 75% to \$14.0 million.

Domestic Banks' Profitability



In light of the deterioration in bank profitability, corresponding measures against average domestic assets also fell during the review period. A decrease of 14 basis points to 5.46% of average assets was registered for the net interest margin, and for the ratio of commission and foreign income, by 10 basis points to 0.22%. As operating expenses contracted, the corresponding ratio weakened by 32 basis points to 2.75%; however, the decline in the overall net earnings margin moved lower by 19 basis points to 2.30%.

INTEREST RATES

Quarterly interest rate trends featured an 18 basis point increase in the weighted average loan rate, which outpaced the 6 basis point gain in the corresponding deposit rate. As a consequence, the weighted average interest rate spread widened by 12 basis points to 6.90%.

Regarding deposits, average rates on demand balances firmed by 35 basis points over the quarter to 1.64%, while the range on fixed maturities broadened to 3.45% - 4.31% from 3.46% - 4.27% in the previous quarter. In contrast, the average savings rate decreased by 13 basis points to 2.06%. On the lending side, the upward movement in average loan costs was attributed to the 1.11 and 0.44 percentage point gains in rates on overdrafts and consumer loans, to 11.91% and 12.90%, respectively. Average residential mortgage rates remained relatively stable at 8.22%, while the commercial component fell slightly by 5 basis points to 8.60%. For other key interest rates, the average 90-day Treasury bill rate decreased by 17 basis points to 2.39%; and the Central Bank's Discount Rate and Commercial Banks' Prime Rate were unchanged at 5.25% and 5.50%, respectively.

Banking Sector Interest Rates			
Period Average (%)			
	Qtr. I 2009	Qtr. IV 2009	Qtr. I 2010
Deposit Rates			
Demand Deposits	1.66	1.29	1.64
Savings Deposits	2.19	2.19	2.06
Fixed Deposits			
Up to 3 months	3.64	3.46	3.45
Up to 6 months	4.23	3.72	3.73
Up to 12 months	4.67	4.02	4.22
Over 12 months	4.66	4.27	4.31
Weighted Avg Deposit Rate	4.00	3.67	3.73
Lending Rates			
Residential mortgages	8.29	8.21	8.22
Commercial mortgages	8.58	8.65	8.60
Consumer loans	12.49	12.46	12.90
Other Local Loans	8.12	8.76	8.91
Overdrafts	12.84	10.80	11.91
Weighted Avg Loan Rate	10.49	10.45	10.63

CAPITAL MARKETS DEVELOPMENTS

During the first quarter of 2010, apart from a major transaction, modest gains were noted in trading and valuation of domestic equities, as investors remained cautious. The Bahamas International Securities Exchange (BISX) Share Price Index firmed by 2.0% to 1,596.62 points, reversing the 4.3% contraction recorded at end-March 2009. The volume of traded shares increased significantly to 6.7 million valued at \$62.4 million—reflecting a local company's repurchase of almost 6.0 million shares from an overseas entity—compared to a volume of 0.6 million traded at \$2.9 million in the corresponding period a year earlier. At end-March, market capitalisation decreased by 3.4% to \$2.5 billion, following a 3.9% falloff a year earlier.

INTERNATIONAL TRADE AND PAYMENTS

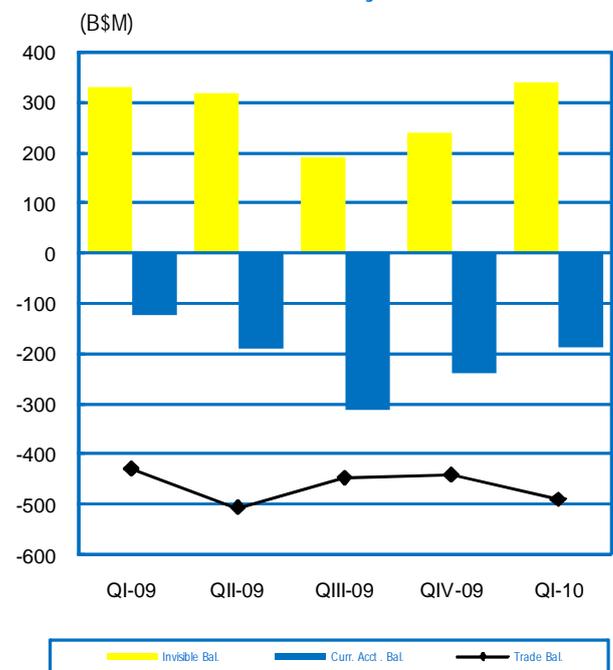
Preliminary estimates showed a deterioration in the current account deficit, by \$64.4 million (52.2%) to \$187.6 million, over the same period last year—largely as a consequence of increased net imports. The estimated surplus on the capital and financial account contracted, in the context of declining foreign investment flows.

The estimated merchandise trade deficit expanded by 10.4% (\$51.2 million) to \$543.7 million, occasioned by a 9.5% rise in imports combined with a 3.4% reduction in export receipts. Non-oil merchandise imports increased by an estimated \$47.3 million (13.6%) to \$396.1 million. Outflows for fuel imports grew by 2.8% to \$147.6 million, buoyed by the upward movement in international crude oil prices and a modest increase in local consumption volumes. Gains were recorded for almost all product categories; the per barrel cost of aviation gas increased by 30.4% to \$150.0; gas oil, by 46.4% to \$83.6; jet fuel, by 22.8% to \$77.8; propane, by 54.1% to \$66.3 and motor gas, by 9.7% to \$58.6.

The services account surplus improved by an estimated 2.7% (\$9.0 million) to \$337.8 million, vis-à-vis a

year earlier. The outturn was partly explained by a 3.5% rise in the net travel receipts to \$502.3 million—reflective of the modest recovery in the tourism sector and benefiting from a decline in transportation outflows, by 32.9% to \$53.0 million, as a 48.2% reduction in payments for passenger services overshadowed improvements in net air and port charges. Further, other 'miscellaneous' services outflows were reduced by 10.1% to \$79.0 million, and the net payment for royalty and license fees receded by 35.1% to \$4.9 million. In contrast, net Government service payments rose by an estimated \$27.3 million to \$33.0 million, and net re-insurance remittances doubled to \$25.8 million. Meanwhile, offshore companies scaled back local expenses, by 32.7% to \$31.3 million.

Balance of Payments



The deficit on the income account expanded by \$8.1 million (18.9%) to \$50.8 million, due primarily to higher net labour income payments of 59.0% to \$22.8 million. Conversely, net investment outflows tapered by 0.4% to \$28.0 million, occasioned by lower private interest and dividend outflows. Net current transfer receipts declined by \$3.4 million to \$16.5 million, as the central Government's net inflow was reduced by 17.7% to \$17.7 million.

In contrast, private sector net outflows receded by \$0.4 million to \$1.2 million, due solely to a fall-off in workers' net outward remittances.

Initial data suggests that the surplus on the capital and financial account receded by \$50.8 million to \$130.8 million, from the corresponding period last year. Developments reflected a contraction in the financial account surplus to \$141.9 million from \$192.0 million. Specifically, net foreign direct investment inflows declined to an estimated \$109.5 million from \$187.5 million, as both net equity inflows decreased by \$48.1 million to \$74.4 million, and net real estate purchases, by \$29.9 million to \$35.1 million. Portfolio investment outflows by public corporations and private entities more than doubled to \$8.4 million from \$3.1 million. In contrast, other "miscellaneous" inflows strengthened by \$33.2 million to \$40.9 million, supported by a \$5.3 million expansion in net private sector borrowings to \$35.4 million and a reduction in domestic banks' net short-term outflows to \$4.4 million from \$38.0 million in the corresponding quarter of 2009. This was augmented by a doubling in the public corporations' net inflow, to \$9.9 million from \$4.8 million a year earlier. The deficit on the capital account rose marginally by \$0.7 million to \$11.1 million, on account of a rise in net outflows for migrant workers.

As a result of these developments, and after adjusting for possible net errors and omissions, the surplus on the overall payments balance, which corresponds to the change in the Central Bank's external reserves, was significantly lower at \$3.0 million from \$60.9 million a year ago.

INTERNATIONAL ECONOMIC DEVELOPMENTS

Despite concerns over the fiscal situations of several countries in the euro zone, indications are that the global economic recovery was relatively sustained in the first quarter of 2010, supported by moderate growth in the United States and Asian economies. However, as governments reduced their fiscal stimulus programmes, and private sector activity remained relatively constrained, global unemployment rates were elevated, although

inflationary pressures were subdued amid moderate consumer demand. Europe's budgetary challenges increased demand for the US dollar as a "safe haven" currency and negatively affected investor confidence, resulting in the major indices either declining or recording only modest gains during the quarter.

Most of the major economies continued along the path of economic recovery during the first quarter, posting positive growth rates, although at tapered levels relative to the previous period. In the United States, real GDP grew at a downward adjusted 2.7%, vis-à-vis a 5.6% advance in the previous three-month period. The increase was attributed to gains in personal consumption expenditures, private inventory investment; exports and non-residential fixed investment. However, Government expenditure fell for the second consecutive quarter, as the effects of the 2009 fiscal stimulus measures dissipated. By comparison, economic conditions in Europe remained relatively anemic. In the United Kingdom, GDP rose by 0.3%, building on a 0.5% increase in the previous quarter, as industrial production grew by an additional 1.2%. The euro zone's real output advanced marginally by 0.2% during the first quarter, compared to a flat outturn in the comparative period. In contrast, Asian economies recorded a robust expansion, with China's real GDP growing at an accelerated 11.9% year-on-year, versus 10.7% in the fourth quarter, propelled by a 25.6% expansion in fixed investments. Following an increase of 4.6% in the preceding three-month period, real GDP in Japan also advanced by 5.0%, benefitting from a strengthening in exports.

Employment conditions remained challenging among the major economies over the quarter, with the jobless rate in the United States falling only slightly by 0.3 percentage points to 9.7%. The unemployment rate in the UK and euro zone advanced, by 0.2 and 0.1 percentage points, to 8.0% and 9.9%, respectively. Modest improvements were noted in Asia, as the addition of an estimated 2.89 million new jobs in urban areas resulted in a 0.1 of a percentage point decline in China's unemployment rate to approximately 4.2%; while Japan's jobless rate fell by 0.2 basis points to 5.0%.

Global inflationary pressures were subdued, with Europe being the only exception. In the United States, the annual inflation rate tapered by 1.6 percentage points to 0.9%, reflecting lower housing and clothing prices, combined with a reduction in the rate of growth of transportation costs. In contrast, annual inflation in the UK accelerated to 3.4% in March, compared to 2.9% a year earlier, supported by higher transportation, education and beverage costs. These same categories drove the 0.5 percentage point acceleration in euro zone inflation to 1.4% at end-March. In China, inflation firmed modestly to 2.0% in March, as the removal of a subsidy led to higher energy prices. In contrast, deflationary pressures were sustained in Japan, with prices falling by 1.1%, due to lower costs for furniture & household utensils as well as fuel, light & water.

Amid concerns over the deepening fiscal crisis in Europe, the US dollar rallied against most major currencies. The Dollar strengthened against the pound sterling by 6.5% to £0.66; and against the euro, by 6.1% to €0.74, but fell by 1.7% versus the Swiss Franc to 0.96 CHF. With regard to Asia, the Dollar appreciated marginally vis-a-vis the Yen, by 0.5% to \$93.46, and was stable relative to the Chinese Renminbi at ¥6.83.

The crisis in Europe also spilled over into global equity markets, reducing investor confidence and resulting in most of the major indices retreating or posting only marginal gains during the quarter. In the US, the Dow Jones Industrial Average (DJIA) fell by 0.3%; while the Standard & Poor's 500 index rose marginally by 0.3%. In Europe, the FTSE 100 index increased by 2.2% to 5,533.2 points; however, both France's CAC 40 and Germany's DAX indices contracted by 2.4% and 2.3%, respectively. Similarly, Asian bourses registered declines, with China's Shanghai SE Composite and Japan's Nikkei 225 falling by 5.5% and 2.8% respectively.

Oil price developments were volatile during the review quarter, with prices falling in January, before rebounding in the remaining months. Consistent with the recovery in the global economy, average crude costs were up 4.4% for the quarter at \$81.26 per barrel at end-March. In addition, gold prices firmed by 1.5% to

\$1,113.25 per ounce; while silver costs advanced by 3.6% to \$17.48 per ounce.

Major central banks maintained their accommodating monetary policy bias, to further support the recovery in their economies. In an environment of constrained credit growth and subdued inflation, the Federal Reserve kept the Federal Funds rate in the range of 0-0.25%. In Europe, the Bank of England left its key Bank Rate unchanged at 0.5% and sustained its £200 billion purchase programme. Similarly, the European Central Bank's Marginal lending and deposit facilities were unchanged at 1.75% and 0.25%, respectively. In Asia, the uncollateralized overnight call rate stayed at 0.1%, over the quarter; however, in an effort to slow the pace of economic growth, the People's Bank of China raised the RMB reserve requirement ratio by a total of 1.0 percentage point.

In line with the global recovery, trade between the major economies rose over the quarter. The United States' trade deficit widened, on a yearly basis, by 26.7% to \$116.8 billion, based on a \$24.6 billion increase in net exports. Similarly, the trade deficit in the UK deteriorated by 16.9% to £9.5 billion, reflecting a widening of the goods deficit to £21.8 million, alongside a reduction in the services surplus to £21.1 billion. In contrast, the trade deficit in the euro zone narrowed by €9.5 billion to €2.0 billion, benefitting from a 12.6% increase in exports to €342.9 billion, which surpassed the 9.2% gain in imports to €344.9 billion. In Asia, Japan's trade balance reversed to a surplus of ¥2.0 trillion from a deficit of ¥0.5 trillion, reflecting a robust 44.8% expansion in exports, which outstripped the 19.1% increase in imports. In contrast, China's trade surplus narrowed by US\$47.9 billion to US\$14.9 billion, year-on-year, as increased domestic demand propelled the 64.6% surge in imports to \$301.7 billion, which surpassed the 28.7% to \$316.2 billion gain in exports.

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 total

TABLE 1
FINANCIAL 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.	Sept.			
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	141.5	578.8	499.7	454.2	454.2	539.6	674.8	650.2	562.9	819.0
Central Bank	(611.0)	(754.1)	(667.6)	(595.0)	(612.9)	(679.6)	(703.8)	(665.8)	(828.5)	(796.8)	(681.9)	(677.5)	4,862.4	5,399.5	5,850.7	5,850.7	5,837.9	5,797.3	5,950.8	6,064.9	5,985.9
Net domestic assets	5,899.5	6,742.9	7434.3	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	945.8	1074.2	1215.9	1215.9	1,180.4	1,166.7	1,230.9	1,372.3	1,443.8
Domestic credit	642.5	677.0	866.8	840.1	763.8	795.0	924.0	1042.9	1041.8	1205.2	1023.9	1131.3	303.3	397.2	349.1	349.1	340.3	402.9	435.9	448.3	438.4
Public sector	4,953.7	5,668.7	6218.4	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	4,830.2	5,145.1	5637.3	5637.3	5,782.5	5,859.2	5,921.4	5,924.0	6,127.4
Private sector	(1,037.1)	(1,343.4)	(1583.6)	(1,595.4)	(1,708.9)	(1,734.7)	(1,844.2)	(1,863.1)	(1,886.2)	(2,096.2)	(2,141.4)	(2,132.5)	1,247.6	1,251.1	1300.3	1300.3	1,308.4	1,305.7	1,320.2	1,274.5	1,274.8
Monetary liabilities	195.3	202.1	223.7	214.2	204.2	199.6	205.8	197.0	194.3	184.2	207.8	186.9	1,052.3	1,049.0	1076.6	1076.6	1,094.2	1,101.5	1,120.6	1,068.7	1,087.9
Money	3,582.6	3,894.0	4337.0	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	2,556.6	2,781.5	3144.8	3144.8	3,245.7	3,320.5	3,381.7	3,427.7	3,610.6
Currency	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	144.2	159.2	200.1	200.1	219.1	214.1	213.2	201.4	237.4
Demand deposits	12.9	14.3	10.3	(0.0)	1.0	2.4	2.9	0.3	0.4	2.6	(1.6)	1.0	6.5	13.6	13.2	13.2	(2.9)	(1.2)	5.5	11.5	8.7
Quasi-money	17.4	5.4	28.0	(3.1)	(9.1)	4.1	16.2	12.9	(0.1)	15.7	(15.0)	10.5	11.0	31.0	(12.1)	(12.1)	(2.5)	18.4	8.2	2.8	4.4
Foreign currency	14.2	14.4	9.7	0.6	1.4	1.8	1.3	(0.8)	0.5	0.6	0.6	(0.7)	9.2	6.5	9.6	9.6	2.6	1.3	1.1	0.0	1.6
Total domestic credit	10.0	0.3	3.9	0.6	(0.2)	1.1	(3.5)	4.9	(3.8)	(0.6)	0.5	(0.7)	10.0	0.3	3.9	3.9	0.6	(0.2)	1.1	(3.5)	1.6
Public sector	10.6	3.5	10.7	(4.2)	(4.7)	(2.3)	3.1	(4.3)	(1.4)	(5.2)	12.8	(10.1)	9.9	(0.3)	2.6	2.6	1.6	0.7	1.7	(4.6)	1.1
Government (net)	9.0	8.7	11.4	3.2	1.8	1.0	1.0	0.9	0.9	0.5	(0.2)	2.2	9.0	8.7	11.4	11.4	9.0	8.7	11.4	11.4	11.1
Rest of public 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)	14.2	14.4	9.7	9.7	14.2	14.4	9.7	9.7	9.7
Private sector	9.2	6.5	9.6	2.6	1.3	1.1	0.0	1.8	(0.1)	0.3	(0.1)	1.6	9.2	6.5	9.6	9.6	2.6	1.3	1.1	0.0	1.6
Monetary liabilities	10.0	0.3	3.9	0.6	(0.2)	1.1	(3.5)	4.9	(3.8)	(0.6)	0.5	(0.7)	10.0	0.3	3.9	3.9	0.6	(0.2)	1.1	(3.5)	1.6
Money	10.6	3.5	10.7	(4.2)	(4.7)	(2.3)	3.1	(4.3)	(1.4)	(5.2)	12.8	(10.1)	9.9	(0.3)	2.6	2.6	1.6	0.7	1.7	(4.6)	1.1
Currency	9.0	8.7	11.4	3.2	1.8	1.0	1.0	0.9	0.9	0.5	(0.2)	2.2	9.0	8.7	11.4	11.4	9.0	8.7	11.4	11.4	11.1
Demand deposits	14.2	14.4	9.7	0.6	1.4	1.8	1.3	(0.8)	0.5	0.6	0.6	(0.7)	14.2	14.4	9.7	9.7	14.2	14.4	9.7	9.7	9.7
Quasi-money	9.2	6.5	9.6	2.6	1.3	1.1	0.0	1.8	(0.1)	0.3	(0.1)	1.6	9.2	6.5	9.6	9.6	2.6	1.3	1.1	0.0	1.6

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.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
	(B\$ Millions)																	
Net foreign assets	(65.9)	(235.0)	(197.2)	(35.5)	82.5	(11.8)	(28.0)	(27.1)	(0.5)	167.2	166.5							
Central Bank	578.8	499.7	454.2	539.6	674.8	650.2	623.8	770.4	754.9	815.9	819.0							
Commercial banks	(644.7)	(734.7)	(651.4)	(575.1)	(592.3)	(662.0)	(651.8)	(797.5)	(755.4)	(648.7)	(652.5)							
Net domestic assets	4,786.9	5,299.4	5,800.3	5,785.8	5,743.2	5,906.0	6,028.5	6,015.5	6,010.2	5,833.0	5,926.9							
Domestic credit	5,752.7	6,588.8	7,401.4	7,413.6	7,480.2	7,659.5	7,908.8	7,918.9	8,126.8	8,000.0	8,080.6							
Public sector	945.8	1,068.9	1,212.8	1,177.3	1,163.7	1,227.9	1,445.8	1,422.7	1,588.6	1,428.3	1,552.5							
Government (net)	642.5	671.7	863.8	837.0	760.9	792.0	1,038.7	1,017.1	1,177.2	1,008.4	1,114.2							
Rest of public sector	303.3	397.2	349.0	340.3	402.8	435.9	407.1	405.6	411.4	419.9	438.3							
Private sector	4,806.9	5,519.9	6,188.6	6,236.3	6,316.5	6,431.6	6,463.0	6,496.2	6,538.2	6,571.7	6,528.1							
Other items (net)	(965.8)	(1,289.4)	(1,601.1)	(1,627.8)	(1,737.0)	(1,753.5)	(1,880.3)	(1,903.4)	(2,116.6)	(2,167.0)	(2,153.7)							
Monetary liabilities	4,716.1	5,064.4	5,603.1	5,750.3	5,825.7	5,894.2	6,000.5	5,988.4	6,009.7	6,000.2	6,093.4							
Money	1,223.0	1,238.1	1,278.9	1,290.7	1,284.8	1,305.0	1,319.7	1,265.0	1,261.1	1,261.9	1,253.2							
Currency	195.3	202.1	223.7	214.2	204.2	199.6	197.0	194.3	184.2	207.8	186.9							
Demand deposits	1,027.7	1,036.0	1,055.2	1,076.5	1,080.6	1,105.4	1,122.7	1,070.7	1,076.9	1,054.1	1,066.3							
Quasi-money	3,493.1	3,826.3	4,324.2	4,459.6	4,540.9	4,589.2	4,680.8	4,723.4	4,748.6	4,738.3	4,840.2							
Savings deposits	881.6	953.1	991.9	1,009.1	1,018.7	1,006.0	1,031.1	1,040.2	1,007.0	995.3	1,004.4							
Fixed deposits	2,467.4	2,714.1	3,132.2	3,231.4	3,308.1	3,370.0	3,440.6	3,469.5	3,497.0	3,511.1	3,598.3							
Foreign currency deposits	144.1	159.1	200.1	219.1	214.1	213.2	209.1	213.7	244.6	231.9	237.4							
	(percentage change)																	
Total domestic credit	13.2	14.5	12.3	0.2	0.9	2.4	0.3	0.1	2.6	(1.6)	1.0							
Public sector	7.1	13.0	13.5	(2.9)	(1.2)	5.5	5.6	(1.6)	11.7	(10.1)	8.7							
Government (net)	18.4	4.5	28.6	(3.1)	(9.1)	4.1	12.8	(2.1)	15.7	(14.3)	10.5							
Rest of public sector	(11.0)	31.0	(12.1)	(2.5)	18.4	8.2	(9.2)	(0.4)	1.4	2.1	4.4							
Private sector	14.5	14.8	12.1	0.8	1.3	1.8	(0.8)	0.5	0.6	0.5	(0.7)							
Monetary liabilities	9.2	7.4	10.6	2.6	1.3	1.2	1.8	(0.2)	0.4	(0.2)	1.6							
Money	8.7	1.2	3.3	0.9	(0.5)	1.6	4.9	(4.1)	(0.3)	0.1	(0.7)							
Currency	10.6	3.5	10.7	(4.2)	(4.7)	(2.3)	(4.3)	(1.4)	(5.2)	12.8	(10.1)							
Demand deposits	8.4	0.8	1.9	2.0	0.4	2.3	6.7	(4.6)	0.6	(2.1)	1.2							
Quasi-money	9.4	9.5	13.0	3.1	1.8	1.1	0.9	0.9	0.5	(0.2)	2.2							

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.	Dec.																
Net foreign assets	578.8	499.7	454.2	539.6	674.8	650.2	562.9	770.4	754.9	815.9	819.0	623.8	770.4	754.9	815.9	819.0	623.8	770.4	754.9
Balances with banks abroad	145.4	90.5	59.5	149.8	285.1	261.7	205.8	354.2	177.5	270.9	270.5	268.5	354.2	177.5	270.9	270.5	268.5	354.2	177.5
Foreign securities	424.4	399.8	384.7	379.4	379.4	378.7	347.4	406.5	386.6	356.2	365.6	345.9	406.5	386.6	356.2	365.6	345.9	406.5	386.6
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	9.5	9.4	9.7	9.9	9.8	9.5	9.4	9.7	9.9
SDR holdings	--	--	0.1	0.1	0.1	0.1	0.1	--	--	180.9	173.4	--	--	180.9	179.0	173.4	--	--	180.9
Net domestic assets	23.1	85.1	235.7	191.9	71.9	64.5	76.9	74.0	141.4	73.4	77.0	55.8	74.0	141.4	73.4	77.0	55.8	74.0	141.4
Net claims on Government	122.0	182.5	332.3	295.0	178.5	185.3	198.8	184.7	245.9	182.1	179.3	195.3	184.7	245.9	182.1	179.3	195.3	184.7	245.9
Claims	149.7	190.6	347.8	320.0	201.5	199.1	202.9	213.6	269.3	202.8	189.7	221.4	213.6	269.3	202.8	189.7	221.4	213.6	269.3
Treasury bills	--	52.2	143.5	117.6	--	--	6.3	--	52.2	--	--	28.7	--	52.2	--	--	28.7	--	52.2
Bahamas registered stock	72.7	76.4	132.4	130.4	129.5	127.1	124.6	116.6	120.1	105.8	92.7	120.7	116.6	120.1	105.8	92.7	120.7	116.6	120.1
Loans and advances	77.0	62.0	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	72.0	97.0	97.0
Deposits	(27.7)	(8.1)	(15.6)	(25.0)	(23.0)	(13.8)	(4.1)	(26.1)	(28.9)	(23.4)	(10.4)	(26.1)	(28.9)	(23.4)	(20.7)	(10.4)	(26.1)	(28.9)	(23.4)
In local currency	(27.7)	(8.1)	(15.6)	(25.0)	(23.0)	(13.8)	(4.1)	(26.1)	(28.9)	(23.4)	(10.4)	(26.1)	(28.9)	(23.4)	(20.7)	(10.4)	(26.1)	(28.9)	(23.4)
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)	(12.6)	(16.3)	(17.2)	(10.2)	(15.8)	(12.6)	(16.3)	(17.2)	(10.2)
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)	(137.4)	(127.6)	(129.2)	(130.7)	(140.5)	(137.4)	(127.6)	(129.2)	(130.7)
Net unclassified assets	24.4	20.1	17.9	28.3	26.4	28.4	7.1	28.7	29.4	40.6	40.9	(2.8)	28.7	29.4	40.6	40.9	(2.8)	28.7	29.4
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	6.0	6.4	6.2	6.2	6.2	6.0	6.4	6.2	6.2
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	0.8	0.8
Liabilities To Domestic Banks	(392.0)	(367.3)	(450.1)	(500.5)	(525.8)	(499.2)	(439.0)	(634.2)	(515.0)	(486.5)	(520.2)	(499.9)	(634.2)	(515.0)	(486.5)	(520.2)	(499.9)	(634.2)	(515.0)
Notes and coins	(105.8)	(116.2)	(110.1)	(79.7)	(81.8)	(79.1)	(117.6)	(85.6)	(87.3)	(111.8)	(86.2)	(78.2)	(85.6)	(87.3)	(111.8)	(86.2)	(78.2)	(85.6)	(87.3)
Deposits	(286.2)	(251.1)	(340.0)	(420.8)	(444.0)	(420.1)	(321.4)	(548.6)	(427.7)	(374.7)	(434.0)	(421.7)	(548.6)	(427.7)	(374.7)	(434.0)	(421.7)	(548.6)	(427.7)
SDR allocation	(14.6)	(15.4)	(16.2)	(16.8)	(16.7)	(15.9)	(15.8)	(15.9)	(15.9)	(15.8)	(188.9)	(15.3)	(15.9)	(15.9)	(15.8)	(188.9)	(15.3)	(15.9)	(15.9)
Currency held by the private sector	(195.3)	(202.1)	(223.7)	(214.2)	(204.2)	(199.6)	(205.8)	(194.3)	(184.2)	(207.8)	(186.9)	(197.0)	(194.3)	(184.2)	(207.8)	(186.9)	(197.0)	(194.3)	(184.2)

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(B\$ Millions)

End of Period	2005			2006			2007			2008			2009			2010		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.
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)	(677.5)						
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						
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						
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						
Less Central Bank credit	0.8	0.8	0.8	0.8	0.8	0.8	--	--	--	--	--	--						
Net domestic assets	4518.2	4,935.4	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	5,603.0						
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						
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						
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						
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						
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						
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)						
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						
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						
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						
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)						
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						
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						
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						
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						
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)						
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	221.1						
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						
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						
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						
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						

Source: The Central Bank of The Bahamas

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

Period	(B\$'000s)											
	2006		2007		2008		2009					
	2006	2007	2008	2008	2008	2009	2009	2009	2009	2009	2009	
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
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	182,805
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	59,943
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	122,862
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	4,903
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	127,765
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	37,312
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	6,120
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	18,555
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	61,987
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	65,778
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	4,204
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	34,223
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	24,455
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)	(13,972)
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	51,806
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	6.40
	(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	5.46
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	0.22
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	5.68
Operating Costs	2.96	2.83	2.95	2.90	2.93	2.89	3.07	2.99	2.82	2.82	2.75	2.75
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	2.92
Net Income	3.69	3.73	3.09	3.74	3.51	2.61	2.49	2.53	2.04	2.26	2.30	2.30

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

TABLE 6
MONEY SUPPLY

(B\$ Millions)

End of Period	2005			2006			2007			2008			2009			2010		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.									
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) 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						
2) 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						
Central Bank	26.1	18.3	10.4	18.2	17.1	28.3	10.4	16.3	17.2	10.2	15.9	12.6						
Domestic Banks	1,026.2	1,030.7	1,066.2	1,076.0	1,084.4	1,092.3	1,058.3	1,123.1	1,073.7	1,083.4	1,059.9	1,075.3						
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						
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						
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						
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						
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						
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						
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	818.9						
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)	(677.5)						
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						
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)	(2,110.4)						

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

(B\$' 000)

End of Period	2006			2007			2008			2009			2010		
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.
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				
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				
Commercial vehicles	6,829	6,956	6,966	6,876	6,350	6,111	5,656	5,305	5,165	4,955	4,761				
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				
Travel	45,944	50,970	48,520	51,036	54,412	49,602	43,966	40,488	39,702	36,369	32,345				
Education	52,858	54,725	53,938	54,012	59,306	57,255	55,199	53,283	57,520	55,227	53,037				
Medical	17,320	20,520	21,014	22,034	22,001	21,435	21,159	20,427	19,894	19,697	19,075				
Home Improvements	152,851	163,070	164,973	167,272	171,886	171,454	170,162	166,364	163,942	163,991	166,094				
Land Purchases	201,318	227,236	232,912	234,282	237,334	246,168	246,754	245,876	245,209	243,696	240,898				
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				
Miscellaneous	489,122	559,119	562,536	556,726	552,197	541,585	529,609	529,975	523,307	515,002	498,410				
Credit Cards	226,401	256,995	258,291	264,375	281,198	294,377	283,615	278,614	277,479	278,749	265,044				
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				
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				
Taxis & rented cars	251	-660	17	108	-13	-111	-92	-37	5	47	-280				
Commercial vehicles	791	127	10	-90	-526	-239	-455	-351	-140	-210	-194				
Furnishings & domestic appliances	2,349	2,736	41	383	-775	-870	-889	-652	127	-625	-970				
Travel	4,509	5,026	-2,450	2,516	3,376	-4,810	-5,636	-3,478	-786	-3,333	-4,024				
Education	5,121	1,867	-787	74	5,294	-2,051	-2,056	-1,916	4,237	-2,293	-2,190				
Medical	2,874	3,200	494	1,020	-33	-566	-276	-732	-533	-197	-622				
Home Improvements	18,517	10,219	1,903	2,299	4,614	-432	-1,292	-3,798	-2,422	49	2,103				
Land Purchases	26,673	25,918	5,676	1,370	3,052	8,834	586	-878	-667	-1,513	-2,798				
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				
Miscellaneous	76,960	69,997	3,417	-5,810	-4,529	-10,612	-11,976	366	-6,668	-8,305	-16,592				
Credit Cards	38,343	30,594	1,296	6,084	16,823	13,179	-10,762	-5,001	-1,135	1,270	-13,705				
TOTAL	241,528	205,260	17,625	37,961	53,581	26,901	-32,647	5,753	-10,345	-13,805	-33,378				

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					
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV		
DOMESTIC BANKS																		
Deposit rates																		
Savings deposits	2.05	2.20	2.15	2.15	2.30	2.25	2.17	2.06	2.19	2.11	2.09	2.19	2.19	2.11	2.09	2.19	2.06	
Fixed deposits																		
Up to 3 months	3.51	3.70	3.55	3.71	3.74	3.71	3.71	3.63	3.64	3.57	3.54	3.46	3.46	3.57	3.54	3.46	3.45	
Up to 6 months	3.89	4.08	3.94	4.00	4.18	4.09	4.00	4.04	4.23	3.88	3.93	3.72	3.72	3.88	3.93	3.72	3.73	
Up to 12 months	4.28	4.56	4.26	4.48	4.83	4.57	4.48	4.35	4.67	4.38	3.96	4.02	4.02	4.38	3.96	4.02	4.22	
Over 12 months	4.52	4.44	4.37	4.31	5.05	4.28	4.31	4.11	4.66	4.33	4.21	4.27	4.27	4.33	4.21	4.27	4.31	
Weighted average rate	3.69	3.92	3.79	3.90	4.02	3.91	3.90	3.86	4.00	3.79	3.70	3.67	3.67	3.79	3.70	3.67	3.73	
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	8.21	8.23	8.26	8.21	8.22	
Commercial mortgages	8.75	8.72	8.60	8.37	8.62	9.24	8.37	8.64	8.58	8.46	8.72	8.65	8.65	8.46	8.72	8.65	8.60	
Consumer loans	12.70	13.03	12.69	13.07	13.00	13.49	13.07	12.55	12.49	12.72	13.09	12.46	12.46	12.72	13.09	12.46	12.90	
Overdrafts	11.44	11.45	11.67	11.57	11.34	11.79	11.57	11.10	12.84	11.60	11.43	10.80	10.80	11.60	11.43	10.80	11.91	
Weighted average rate	10.63	10.95	10.58	11.00	11.00	11.42	11.00	10.39	10.49	10.67	10.69	10.45	10.45	10.67	10.69	10.45	10.63	
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	5.50	5.50	5.50	5.50
Treasury bill (90 days)	2.66	2.73	2.62	2.69	2.69	2.83	2.69	2.73	2.64	2.77	2.49	2.56	2.56	2.77	2.49	2.56	2.39	
Treasury bill re-discount rate	3.16	3.23	3.12	3.19	3.19	3.33	3.19	3.23	3.14	3.27	2.99	3.06	3.06	3.27	2.99	3.06	2.89	
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	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. III	Qtr. IV	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	82.3	82.3	82.3	82.3	82.3	82.3	82.3	82.3	82.3	82.3	82.3
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	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
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	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
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	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
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	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	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7
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	82.3	82.3	82.3	82.3	82.3	82.3	82.3	82.3	82.3	82.3	82.3
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	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
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	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
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	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
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	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
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	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7
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	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8
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	43.7	43.7	43.7	43.7	43.7	43.7	43.7	43.7	43.7	43.7	43.7
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	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4
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	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
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	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	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	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	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	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Provisions to Total Loans	2.0	2.3	2.1	2.3	2.4	2.6	2.7	3.0	3.3	3.4	3.4	3.6											
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											
Total Non-performing Loans to Total Loans	4.5	4.2	4.5	4.7	4.9	5.6	6.1	7.1	7.8	8.8	9.4	9.7											

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.	Dec.
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						
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						
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						
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						
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						
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						
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						
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						
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						
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						
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						
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						
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						

Source: The Central Bank of The Bahamas

TABLE II
GOVERNMENT OPERATIONS AND FINANCING

(B\$ Millions)

Period	2007/08p	2008/09p	Budget		2008/09p				2009/10p			
			2008/09	2009/10	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	QTR. IV
Total Revenue & Grants	1,424.1	1,324.2	1569.3	1400.0	314.3	306.9	310.9	392.1	267.7	361.1	322.0	
Current expenditure	1,344.0	1,422.7	1484.2	1430.5	331.5	334.5	358.5	398.2	319.8	346.1	350.7	
Capital expenditure	176.7	139.8	188.7	208.9	28.5	30.5	28.9	51.9	37.5	42.9	33.2	
Net lending	54.1	123.1	62.2	49.3	14.8	16.7	11.7	79.9	11.3	48.3	14.9	
Overall balance	(150.8)	(361.3)	(165.7)	(288.6)	(60.4)	(74.8)	(88.2)	(137.9)	(100.8)	(76.2)	(76.8)	
FINANCING (I+II-III+IV+V)	150.8	361.3	165.7	288.6	60.4	74.8	88.2	137.9	100.8	76.2	76.8	
I. Foreign currency borrowing	127.8	267.8	27.9	63.8	3.6	12.6	60.7	190.9	5.8	304.4	0.1	
External	106.7	56.7	27.9	63.8	3.6	11.5	10.7	30.9	5.8	304.4	0.1	
Domestic	22.3	211.1	--	--	--	1.1	50.0	160.0	--	--	--	
II. Bahamian dollar borrowing	194.5	246.1	207.2	309.7	100.0	--	121.1	25.0	165.0	--	--	
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	--	--	--	150.0	--	--	
Central Bank	41.5	--	--	--	--	--	--	--	15.1	--	--	
Commercial banks & OLFIs	25.2	114.7	--	--	47.0	--	67.7	--	84.0	--	--	
Public corporations	55.8	21.7	--	--	13.7	--	8.0	--	30.0	--	--	
Other	44.0	70.9	--	--	39.3	--	31.6	--	20.9	--	--	
iii) Loans and Advances	--	25.0	--	--	--	--	--	25.0	15.0	--	--	
Central Bank	--	25.0	--	--	--	--	--	25.0	--	--	--	
Commercial banks	--	--	--	--	--	--	--	--	15.0	--	--	
III Debt repayment	83.7	108.3	60.1	80.8	15.9	12.9	1.0	78.5	16.0	223.6	17.0	
Domestic	78.4	101.8	55.0	75.0	15.0	10.9	0.0	75.9	15.0	195.9	16.0	
Bahamian dollars	56.6	50.0	55.0	75.0	15.0	10.0	--	25.0	15.0	35.0	16.0	
Internal foreign currency	21.8	51.8	--	--	--	0.9	--	50.9	--	160.9	--	
External	5.3	6.5	5.1	5.8	0.9	2.0	1.0	2.6	1.0	27.7	1.0	
IV. Cash balance change	(32.5)	(30.2)	--	--	(26.5)	41.1	(27.7)	(17.0)	11.5	(1.1)	10.4	
V. Other Financing	(55.4)	(14.1)	(9.3)	(4.1)	(0.7)	34.0	(64.9)	17.5	(65.6)	(3.4)	83.3	

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

TABLE 12
NATIONAL DEBT

End of Period	(B\$ '000s)													
	2007p			2008p			2009p			2009p			2010p	
	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.
TOTAL EXTERNAL DEBT	272,973	383,593	703,066	393,334	421,600	426,419	703,066	702,146						
By Instrument														
Government Securities	200,000	300,000	600,000	300,000	300,000	300,000	600,000	600,000						600,000
Loans	72,973	83,593	103,066	93,334	121,600	126,419	103,066	102,146						102,146
By Holder														
Commercial Banks	--	--	--	--	25,000	25,000	--	--						--
Offshore Financial Institutions	--	--	--	--	--	--	--	--						--
Multilateral Institutions	68,789	79,409	98,882	89,150	92,416	97,235	98,882	97,962						97,962
Bilateral Institutions	4,184	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	300,000	600,000	600,000						600,000
TOTAL INTERNAL DEBT	2,363,056	2,383,008	2,617,268	2,554,074	2,663,171	2,813,171	2,617,268	2,601,268						2,601,268
By Instrument														
Foreign Currency	23,160	3,612	1,806	53,612	162,709	162,709	1,806	1,806						1,806
Government Securities	--	--	--	--	--	--	--	--						--
Loans	23,160	3,612	1,806	53,612	162,709	162,709	1,806	1,806						1,806
Bahamian Dollars														
Advances	2,339,896	2,379,396	2,615,462	2,500,462	2,500,462	2,650,462	2,615,462	2,599,462						2,599,462
Treasury Bills	71,988	71,988	96,988	71,988	96,988	96,988	96,988	96,988						96,988
Government Securities	230,469	244,309	244,309	244,309	244,309	244,309	244,309	244,309						244,309
Loans	2,031,693	2,071,693	2,268,919	2,178,919	2,153,919	2,288,919	2,268,919	2,252,919						2,252,919
By Holder														
Foreign Currency	23,160	3,612	1,806	53,612	162,709	162,709	1,806	1,806						1,806
Commercial Banks	23,160	3,612	1,806	53,612	162,709	162,709	1,806	1,806						1,806
Other Local Financial Institutions	--	--	--	--	20,000	20,000	--	--						--
Bahamian Dollars														
The Central Bank	2,339,896	2,379,396	2,615,462	2,500,462	2,500,462	2,650,462	2,615,462	2,599,462						2,599,462
Commercial Banks	348,842	202,993	201,509	221,554	213,541	269,598	201,509	189,706						189,706
Other Local Financial Institutions	520,904	691,739	886,358	782,787	768,723	854,207	886,358	891,843						891,843
Public Corporations	3,032	2,932	4,167	4,133	4,633	4,318	4,167	5,867						5,867
Other	729,259	720,783	722,999	706,320	745,928	733,144	722,999	713,481						713,481
TOTAL FOREIGN CURRENCY DEBT	737,859	760,949	800,429	785,668	767,637	789,195	800,429	798,565						798,565
TOTAL DIRECT CHARGE	296,133	387,205	704,872	446,946	584,309	589,128	704,872	703,952						703,952
TOTAL CONTINGENT LIABILITIES	2,636,029	2,766,601	3,320,334	2,947,408	3,084,771	3,239,590	3,320,334	3,303,414						3,303,414
TOTAL NATIONAL DEBT	434,507	446,492	580,997	444,573	440,013	438,485	580,997	573,245						573,245
	3,070,536	3,213,093	3,901,331	3,391,981	3,524,784	3,678,075	3,901,331	3,876,659						3,876,659

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
			Mar.*	Jun.*	Sep.	Dec.**	Mar.
Outstanding debt at beginning of period	636,225	654,368	859,878	868,179	995,657	999,676	1,139,495
Government	294,152	296,133	387,205	446,946	584,309	589,128	704,872
Public Corporations	342,073	358,235	472,673	421,233	411,348	410,548	434,623
Plus new drawings	194,483	273,746	856,645	190,853	13,481	545,170	25,598
Government	33,731	118,467	561,700	190,853	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	63,375	9,462	405,351	6,755
Government	31,750	27,395	244,033	53,490	975	188,613	1,018
Public corporations	144,590	40,841	332,995	9,885	8,487	216,738	5,737
Outstanding debt at end of period	654,368	859,878	1,139,495	995,657	999,676	1,139,495	1,158,338
Government	296,133	387,205	704,872	584,309	589,128	704,872	703,952
Public corporations	358,235	472,673	434,623	411,348	410,548	434,623	454,386
Interest Charges	40,189	40,767	41,356	4,077	5,562	14,872	3,960
Government	18,000	20,959	27,581	504	1,791	13,218	583
Public corporations	22,189	19,808	13,775	3,573	3,771	1,654	3,377
Debt Service	216,529	109,003	618,384	80,221	15,024	420,223	10,715
Government	49,750	48,354	271,614	65,559	2,766	201,831	1,601
Public corporations	166,779	60,649	346,770	14,662	12,258	218,392	9,114
Debt Service ratio (%)	6.4	3.1	21.1	13.2	9.9	2.1	60.8
Government debt Service/ Government revenue (%)	3.7	3.4	20.4	0.5	16.7	1.0	0.5
MEMORANDUM							
Holder distribution (B\$ Mil):							
Commercial banks	324.2	411.3	358.2	397.9	505.5	502.2	372.6
Offshore Financial Institutions	--	--	--	--	--	--	--
Multilateral Institutions	107.5	112.3	126.3	121.0	122.8	126.8	124.4
Bilateral Institutions	7.2	19.0	21.4	11.0	11.0	15.4	28.6
Other	15.5	17.4	33.6	38.3	56.4	55.3	32.7
Private Capital Markets	200.0	300.0	600.0	300.0	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 1st & 2nd quarters of 2009 includes the refinancing of \$86 million and \$50 million in Public Corporations' and Government's debt. Net of these transactions, the respective adjusted debt service ratios were 2.2% & 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 Government's service/revenue ratio was 4.7% and the debt service ratio was 3.6%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	(B\$. Millions)											
	2007p			2008p			2009p			20092010		
	2007p	2008p	2009p	2008p	2009p	2009p	2008p	2009p	2009p	2008p	2009p	2009p
A. Current Account Balance (I+II+III+IV)	(1,314.2)	(1,164.8)	(862.6)	(265.6)	(236.6)	(419.8)	(242.8)	(123.2)	(191.4)	(309.9)	(238.1)	(187.6)
I. Merchandise (Net)	(2,154.4)	(2,243.2)	(1,826.1)	(589.1)	(559.6)	(596.7)	(497.8)	(429.3)	(508.0)	(447.2)	(441.6)	(491.1)
Exports	801.8	955.8	710.7	238.8	231.6	247.5	238.0	164.7	178.1	169.9	198.0	159.1
Imports	2,956.2	3,199.0	2,536.7	827.9	791.1	844.1	735.8	594.0	686.1	617.1	639.5	650.3
II. Services (Net)	1,019.7	1,140.4	1,078.4	343.9	335.3	187.5	273.7	328.8	318.1	191.5	239.9	337.8
Transportation	(315.7)	(308.0)	(267.6)	(82.3)	(79.6)	(69.6)	(76.4)	(79.0)	(59.8)	(57.5)	(71.3)	(53.0)
Travel	1,809.7	1,848.6	1,697.4	520.2	528.4	394.8	405.3	485.4	482.3	364.2	365.5	502.3
Insurance Services	(107.0)	(106.6)	(92.5)	(28.7)	(26.0)	(33.0)	(18.9)	(11.0)	(34.8)	(29.0)	(17.8)	(25.8)
Offshore Companies	210.2	233.8	182.0	63.5	44.2	54.8	71.2	46.4	46.1	48.0	41.5	31.3
Local Expenses	(44.8)	(56.3)	(87.0)	(6.4)	(18.6)	(18.0)	(13.3)	(5.7)	(27.5)	(38.6)	(15.2)	(33.0)
Other Government	(532.7)	(471.1)	(353.9)	(122.4)	(113.1)	(141.5)	(94.1)	(107.3)	(88.1)	(95.6)	(62.9)	(83.9)
Other Services	(231.4)	(118.0)	(197.2)	(35.1)	(29.8)	(24.0)	(29.2)	(42.6)	(27.9)	(75.9)	(50.7)	(50.8)
III. Income (Net)	(84.7)	(58.7)	(57.4)	(15.4)	(16.9)	(13.6)	(12.7)	(14.3)	(14.0)	(10.6)	(18.4)	(22.8)
1. Compensation of Employees	(146.7)	(59.3)	(139.8)	(19.7)	(12.8)	(10.4)	(16.5)	(28.3)	(13.9)	(65.3)	(32.3)	(28.0)
2. Investment Income	51.8	56.0	82.3	14.7	17.5	13.3	10.6	19.9	26.4	21.7	14.3	16.5
IV. Current Transfers (Net)	60.9	62.9	88.3	17.3	18.0	15.3	12.3	21.5	28.2	23.1	15.5	17.7
1. General Government	(9.1)	(6.9)	(6.0)	(2.6)	(0.5)	(2.1)	(1.7)	(1.6)	(1.7)	(1.4)	(1.2)	(1.2)
2. Private Sector	999.5	1,116.7	1,072.9	229.8	360.9	235.0	306.9	181.3	376.6	293.4	221.5	130.8
B. Capital and Financial Account (I+II) (excl. Reserves)	(75.7)	(76.3)	(31.7)	(11.6)	(10.7)	(18.4)	(35.5)	(10.4)	(7.6)	(8.4)	(5.3)	(11.1)
I. Capital Account (Net Transfers)	1,075.2	1,193.0	1,104.6	241.4	371.6	253.4	342.4	191.8	384.3	301.8	226.8	141.9
II. Financial Account (Net)	746.2	838.9	653.6	159.0	219.4	160.7	299.7	187.3	181.3	212.5	72.6	109.5
1. Direct Investment	(8.4)	(25.0)	(16.8)	(2.0)	(3.6)	(3.6)	--	(3.1)	(3.9)	(3.2)	(6.6)	(8.4)
2. Portfolio Investment	337.4	379.1	467.8	84.4	155.8	96.3	42.7	7.6	206.9	92.5	160.8	40.9
3. Other Investments	(15.4)	110.6	316.6	(0.5)	98.9	2.7	9.5	9.7	28.3	1.9	276.6	(0.9)
Central Gov't Long Term Capital	21.9	(4.3)	184.0	(1.1)	(3.0)	(2.3)	2.1	(4.9)	(3.4)	185.8	6.5	10.8
Other Public Sector Capital	(86.5)	36.2	(21.9)	(72.5)	17.9	66.6	24.2	(38.0)	162.7	(31.7)	(114.9)	(4.4)
Banks	417.4	236.5	(10.9)	158.5	41.9	29.2	6.9	40.8	19.3	(63.5)	(7.5)	35.4
Other	268.9	156.8	42.8	121.4	10.9	160.2	(151.2)	2.7	(38.6)	1.0	77.6	59.9
C. Net Errors and Omissions	(45.9)	108.7	253.1	85.6	135.2	(24.6)	(87.1)	60.9	146.6	(15.5)	61.0	3.0
D. Overall Balance (A+B+C)	45.9	(108.7)	(253.1)	(85.6)	(135.2)	24.6	87.1	(60.9)	(146.6)	15.5	(61.0)	(3.0)
E. Financing (Net)	0.1	--	(179.0)	--	--	--	--	--	--	(180.9)	1.9	5.6
Change in SDR holdings	(0.5)	0.3	(0.2)	(0.4)	0.1	0.5	0.1	0.3	(0.4)	(0.2)	0.1	0.3
Change in Reserve Position with the IMF	46.3	(109.0)	(73.9)	(85.2)	(135.3)	24.1	87.0	(61.2)	(146.3)	196.6	(63.0)	(9.0)
Change in Ext. Foreign Assets () = Increase												

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

	(B\$ '000)											
	2007			2008			2007			2008		
	2007	2008	Qtr. IV	2007	2008	Qtr. I	2007	2008	Qtr. I	2007	2008	Qtr. III
I. OIL TRADE												
i) Exports	167,600	141,524	60,466	51,401	23,465	33,039	33,619	25,729	20,200	33,722		
ii) Imports	615,782	847,041	165,721	211,264	252,625	189,661	193,491	97,501	124,873	169,336		
II. OTHER MERCHANDISE												
Domestic Exports												
Crawfish	81,370	n.a.	35,194	n.a.								
Fish & other Crustacea	1,864	n.a.	237	n.a.								
Fruits & Vegs.	1,198	n.a.	465	n.a.								
Aragonite	35,577	n.a.	8,154	n.a.								
Rum	20,282	n.a.	3,638	n.a.								
Other Cordials & Liqueurs	--	n.a.	--	n.a.								
Crude Salt	6,599	n.a.	1,401	n.a.								
Hormones	--	n.a.	--	n.a.								
Chemicals	84,562	n.a.	19,404	n.a.								
Other Pharmaceuticals	347	n.a.	74	n.a.								
Fragrances	--	n.a.	--	n.a.								
Other	147,290	n.a.	33,569	n.a.								
i) Total Domestic Exports	379,089	409,635	102,136	98,510	95,056	111,713	104,356	72,025	76,962	72,435		
ii) Re-Exports	123,398	150,373	36,323	28,310	55,578	35,608	30,877	59,876	31,534	39,027		
iii) Total Exports (i+ii)	502,487	560,008	138,459	126,820	150,634	147,321	135,233	131,901	108,496	111,462		
iv) Imports	2,488,023	2,354,064	557,690	596,808	570,663	580,752	605,841	613,080	532,342	520,925		
v) Retained Imports (iv-ii)	2,364,625	2,203,691	521,367	568,498	515,085	545,144	574,964	553,204	500,808	481,898		
vi) Trade Balance (i-v)	(1,985,536)	(1,794,056)	(419,231)	(469,988)	(420,029)	(433,431)	(470,608)	(481,179)	(423,845)	(409,463)		

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2006p			2007p			2008p			2009p			2010p					
	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	
Visitor Arrivals	4,730,607	4,600,572	4,390,583	7,220,514	1,069,611	896,057	1,121,314	1,266,110	1,178,396	1,008,081	1,192,528	1,382,871						
Air	1,491,633	1,485,633	1,392,284	1,873,854	405,135	309,873	273,943	326,569	364,613	283,998	277,213	344,248						
Sea	3,238,974	3,114,939	2,998,299	5,346,660	664,476	586,184	847,371	939,541	813,783	724,083	915,315	1,038,623						
Visitor Type																		
Stopover	1,600,112	1,521,691	1,462,403	306,597	440,465	331,269	276,484	74,798	99,879	67,463	64,458	n.a						
Cruise	3,076,397	2,970,659	2,937,854	3,255,780	696,715	549,047	823,347	904,278	773,041	685,430	893,031	n.a						
Day/Transit	68,085	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	2,056,428	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a						
Cruise	1,880,300	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a						
Day	172,043	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a						
Day	4,085	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	3,266,878	3,249,959	4,398,370	n.a	1,118,239	1,104,533	1,050,117	n.a	n.a	n.a	n.a	n.a						
Average Length of Stay	6.4	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	76.9	73.7	60.7	56.3	66.8	58.1	48.3	58.7	61.5	55.6	49.3	n.a						
Grand Bahama	52.0	46.6	41.0	36.9	46.7	37.2	33.4	40.4	40.6	28.7	37.9	n.a						
Other Family Islands	36.3	38.5	35.1	27.0	41.8	32.5	26.4	28.4	30.7	24.6	24.2	n.a						
Average Nightly Room Rates (\$)																		
New Providence	172.0	202.1	230.7	214.4	239.8	206.7	210.1	247.1	220.6	185.2	204.6	n.a						
Grand Bahama	122.3	120.0	103.4	90.6	105.9	84.5	96.0	109.3	92.8	78.2	82.1	n.a						
Other Family Islands	205.1	221.4	245.4	194.1	243.7	199.7	209.1	276.4	201.3	145.7	153.1	n.a						

Source: The Ministry of Tourism

GROSS ECONOMIC CONTRIBUTION OF THE FINANCIAL SECTOR IN THE BAHAMAS (2009)

INTRODUCTION

Data on the gross contribution of the financial sector, which constitutes approximately 15% - 20% of The Bahamas' gross domestic product (GDP), has been compiled by the Central Bank of The Bahamas since 1973. Initially, this exercise focused primarily on the operations of banks and trust companies but in recent years, coverage has been expanded to include other non-bank financial service entities, such as insurance companies, credit unions, mutual fund administrators and financial and corporate service providers.

THE BANKING SECTOR

Banks and trust companies account for the largest share of the financial services industry in terms of employment, total outlays and scale of operations. As the key pillar of financial stability in any economy, the banks facilitate the flow of funds from savings to investments, allocate capital to key projects and act as the major payments provider in the country.

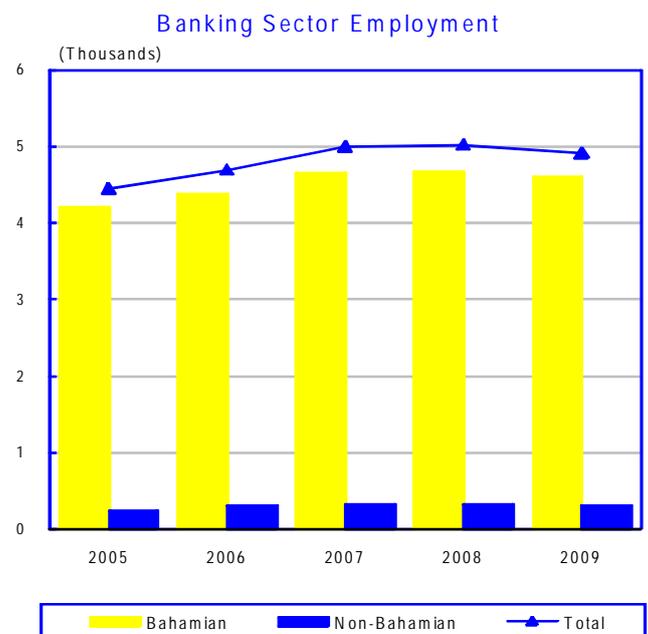
In 2009, the total number of banks and trust companies licensed to operate in The Bahamas rose by 1 to 272, compared to 26 new licenses (in the nominee category) issued a year earlier. The number of restricted licensees grew by 9 to 139, while public and non-active licensees declined by 7 and 1, to 124 and 9, respectively. Public licensees included 78 Bahamian incorporated entities, 26 euro-currency branches of foreign banks and trust companies and 20 domestic banks. Of the domestic banks, 12 were authorised agents (primarily providing trust and wealth management services) and 8 (of which 7 were clearing banks) were Authorised Dealers (commercial banks). For the latter, the number of branches operated declined by 2 to 108.

Trends in the banking sector were relatively subdued in 2009, reflecting the adverse effects of the global economic downturn on both domestic demand and international banks' balance sheets. On the domestic side, the deterioration in credit quality, combined with a slowdown in private sector credit demand, reduced banks' profitability. Further, offshore banks, which operate solely in the international market and provide a variety of financial services to sophisticated clients,

appeared to have been impacted by the global trend of declining asset valuations, de-leveraging by customers and the movement away from high-margin products to more conservative investments and cash. As a consequence, assets under management contracted, contributing to some erosion of average profitability levels.

EMPLOYMENT

The total number of persons employed in the banking sector fell by 106 (2.1%) to 4,905, in contrast to a revised 0.4% rise in 2008—to represent some 2.7% of the overall labour force. Both Bahamian and non-Bahamian employees fell by 75 (1.6%) to 4,602, and by 31 (9.3%) to 303, respectively.



Of the 106 reduction in employed persons, nearly 26% (27) were linked to retrenchment exercises of a single entity, with a domestic Exchange Control designation. Some 45% (48 persons) of the total represented the disengagement of temporary workers, as institutions sought to curtail expenses. The balance featured a combination of redundancies, due to scaled-down operations and normal attrition.

Table A: Government Revenues from Financial Sector Activities (B\$ Million)

Period	2004	2005	2006	2007	2008	2009
A. Stamp Taxes on Transactions	43.8	66.4	78.9	108.3	84.3	66.2
Gross Insurance Premium Tax	7.9	18.1	22.0	18.2	21.3	13.7
Mortgages	6.9	12.2	16.3	42.4	21.3	13.5
Other Banking Transactions	28.9	36.0	40.3	47.5	41.6	38.8
Instruments & Bonds	0.1	0.1	0.1	0.2	0.2	0.2
B. Licence & Registration Fees	25.1	23.8	23.6	28.1	34.8	36.0
International Business Companies (IBCs)	15.7	14.7	13.5	15.2	21.3	20.1
Banks and Trust Companies	7.7	7.2	8.4	11.1	11.6	13.7
Insurance Companies, Brokers & Agents	0.1	0.4	0.3	0.2	0.3	0.7
Financial & Corp. Svcs. Providers <u>1/</u>	0.04	0.05	0.04	0.10	0.10	n/a
Investment Funds <u>2/</u>	1.6	1.4	1.4	1.5	1.5	1.6
C. Total Revenues	68.9	90.2	102.5	136.4	119.1	102.2

Sources: Bahamas Government's Treasury Department, Securities Commission of The Bahamas.

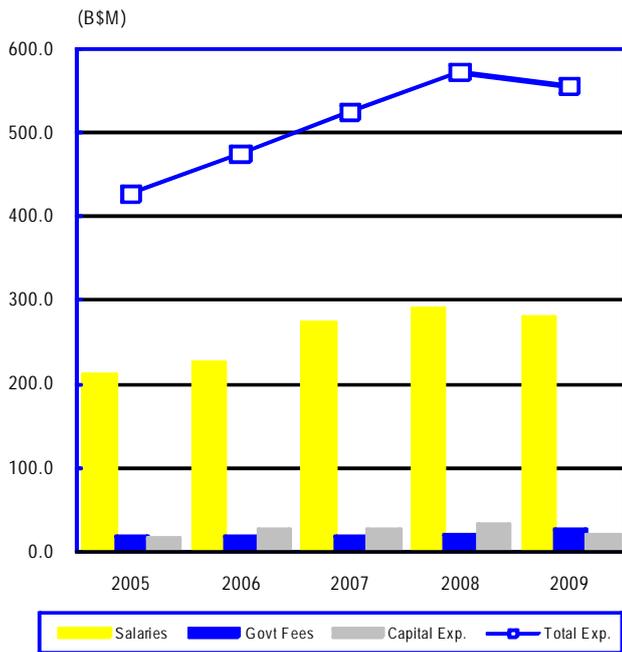
Notes: 1/ Central Bank Estimates for 2008.

2/ Amounts collected by the Securities Commission.

EXPENDITURES

Reflecting a tighter budgetary stance in an adverse operating environment, the banking sector's total gross expenditures fell by an estimated \$16.3 million (2.9%) to \$554.5 million, a turnaround from a 9.0% increase in 2008 and an average 5.9% advance between 2004 and 2008.

Banks' Local Expenditure



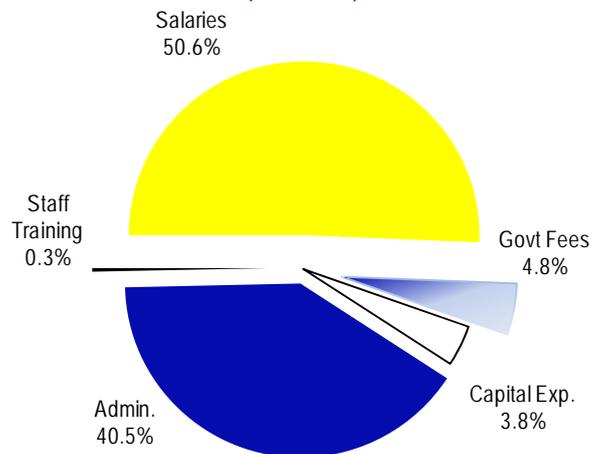
Operational costs—which accounted for 96.2% of total spending—fell marginally by 0.8% to \$533.5 million, in contrast to an 8.4% increase in 2008, and a mean 6.1% advance over the preceding four years. Wages & salaries (inclusive of bonuses), at a leading 52.6% of the total, contracted by 3.3% to \$280.7 million, vis-à-vis a 5.6% increase in 2008, reflecting lower employment levels and a slight decline in average compensation, by 1.0% to \$50,137, in comparison to the year-earlier 5.5% advance. In particular, average base salaries and bonuses retreated by 3.1% and 4.1%, respectively. A further disaggregation showed average compensation for Bahamians declining by 3.7% to \$49,481, whereas bonus payments supported a firming in expatriate workers' remuneration, by 17.3% to \$174,779. Staff training expenses fell by \$1.3 million to \$1.9 million, extending the previous year's \$0.1 million decrease, as banks

lowered the number of persons sent overseas for training by more than a third.

Conversely, non-staff related current expenditures firmed by 2.7% to \$250.9 million, occasioned by a 1.9% increase in other "miscellaneous" administrative costs to \$198.1 million and a hike in Government fees of 32.2% to \$26.4 million. The latter reflected the impact of the implementation of a new license fee regime for domestic banks in 2009. In contrast, expenditures related to utilities and charitable contributions were lower by 5.1% and 52.8%, at \$24.5 million and \$1.9 million, respectively.

Total capital outlays declined by \$12.2 million (36.7%) to \$21.0 million in 2009, compared to a 19.9% gain a year earlier, and an average 1.1% decrease between 2004 and 2008. Spending on renovations to existing properties and for new premises was reduced by \$4.0 million and \$2.5 million, respectively and for the first time in six years, there were no land acquisitions. Similarly, purchases of office equipment & furniture fell by \$5.7 million to \$11.3 million.

Banks' Expenditure Components (% of Total)



ASSETS

According to the latest estimates, assets of international banks and trust companies in The Bahamas decreased by 15.1% (\$76.0 billion) to \$427.0 billion in 2009. Fiduciary assets under management contracted by an estimated 10.0% (\$12.0 billion) to \$107.8 billion,

as high net worth individuals appeared to increase their bias towards more “conservative” and liquid investments. A similar outcome was evidenced for domestic banks, whose total assets fell by \$176.5 million (1.9%) to \$9.0 billion, following a year-earlier expansion of 8.3%, mainly on account of a reduction in private sector loan growth. In addition, declines in market values combined with account closings—particularly for one major custodian—led to a contraction in the value of domestic banks’ fiduciary assets under management by 4.0% (\$3.2 billion) to \$75.7 billion.

DOMESTIC VERSUS INTERNATIONAL BANKING

A disaggregated analysis of domestic and international banking operations is useful to allow for a comparison between the more labour intensive retail banking operations of domestic banks and the skills focussed wealth management and other high value-added services of the international banking sector.

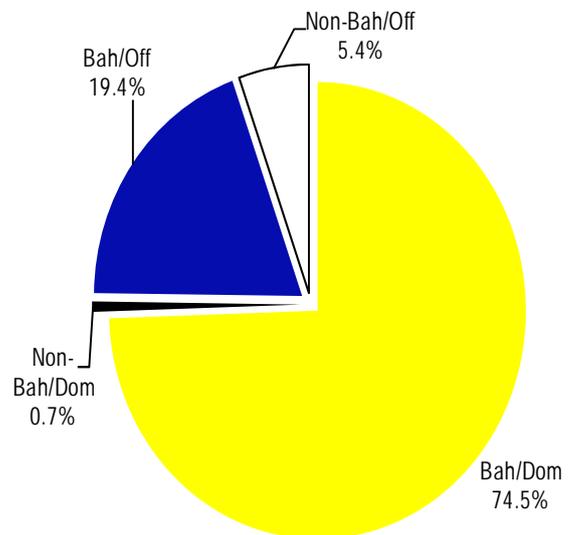
Both domestic and international banking operations reported reduced employment levels in 2009. The number of persons employed in domestic banks fell by 102 (2.7%) to 3,689, in contrast to a marginal 0.7% increase over the preceding year. These developments largely reflected an overall reduction in the number of temporary workers on banks’ payrolls and the attrition factor; although new hires approximated 53 persons. As a result, domestic banks’ share of total sector employment fell marginally to 75.2%. The overall employee headcount of offshore banks was modestly lower by an estimated 4 persons (0.3%) to 1,216, following a similar decline in 2008.

A further disaggregation showed that the number of Bahamians employed by domestic banks, which had grown steadily by an average of 3.7% over the last five years, moved lower by 82 persons (2.2%) at 3,653. However, it should be noted that some 46 persons (56%) were affected by the reclassification of an institution, from domestic to offshore. In addition, the expatriate workforce in these institutions decreased sharply by 20 persons (35.7%) to 36, compared to an average rise of 5.6% between 2004 and 2008. As a result of these developments, the ratio of Bahamians to non-Bahamians employed in the local banking sector fell to 65.8:1 from 71.4:1 in the prior year.

Employment trends in international banks showed a gain of 7 Bahamians (0.7%) to number 949, compared to a 0.6% reduction in 2008. In contrast, expatriate workers declined by 11 (4.0%) to 267, reversing the 1.1% rise in 2008. Overall, the ratio of Bahamian to non-Bahamian workers in international banks steadied at 3.5:1.

Total outlays of domestic banks fell by \$18.7 million (5.4%) to \$329.5 million in 2009, for 59.5% of the aggregate. The dominant salary compensation component was reduced by 10.1% (\$18.5 million) to \$163.8 million, a turnaround from an 8.9% expansion a year earlier. Staff training costs also fell by half to \$1.0 million, extending the year-earlier 11.3% reduction, and capital outlays contracted by 32.1% to \$16.4 million, following 2008’s increase of 31.8%, which included construction and renovation works for several premises. Spending on utilities and contributions to charitable organisations decreased by \$1.5 million and \$0.6 million, to \$16.0 million and \$1.0 million, respectively; whereas outlays for “other” administrative costs and Government fees rose by 4.3% and 64.3%, to \$116.1 million and \$15.2 million, respectively.

Employment: Domestic & Int’l Banks (2009)



In the international banking sector, increased staff-related expenses supported a marginal 1.1% (\$2.4 million) advance in total expenditures to \$225.0 million,

vis-à-vis a 3.2% gain in the previous year. Following 2008's 0.5% expansion, worker compensation outlays firmed by 8.3% to \$116.9 million, buoyed by both higher base salaries and bonus payments. Payments of Government fees and public utilities advanced by \$0.5 million and \$0.2 million, respectively. In contrast, contributions to charitable organisations, "other" administrative expenses and staff training costs were reduced, by \$1.5 million, \$1.0 million and \$0.4 million, respectively.

OTHER FINANCIAL SECTOR ACTIVITIES

INSURANCE SECTOR

Preliminary data from the Insurance Commission of The Bahamas suggests that the overall performance of the sector remained relatively stable, with the number of licensed operations advancing by 3 to 173. Among the key categories, the number of companies operating domestically was steady at 54; local agents and brokers rose by 5 to 88, and the number of external insurers was unchanged at 20.

Provisional data from the Central Bank's survey of the sector showed that the number of staff increased by an estimated 25 persons to 1,540, with Bahamians continuing to constitute the largest share of the sector's employment (98.3%). In particular, Bahamian employees grew by 21 persons to 1,514, while the number of non-Bahamians firmed by 4 to 26. Despite the uptick in employment levels, wages and salaries within the sector—excluding bonuses—held steady at \$55.1 million. However, Government fees weakened by \$2.5 million (15.1%) to \$14.2 million, owing to reductions in gross premium taxes and stamp duties. Buoyed by higher outlays for new premises, which outpaced a falloff in spending for office equipment and furniture, capital expenditure rose by \$1.5 million (20.9%) to \$8.9 million.

CREDIT UNIONS

Trends in credit union activities remained positive over the year, reflecting the growing acceptance by the public of these institutions as direct competitors to other lending and deposit taking entities. During 2009, the total number of registered credit unions declined by 2 to 15, owing to a de-registration and the consolidation of two entities. Total assets advanced by an estimated \$12.9 million (5.3%) to \$257.5 million, following an increase of 3.0% in the prior year. Loans outstanding at

65.2% of total assets—expanded by \$15.0 million (9.8%) to \$168.0 million, and memberships' deposit base grew by an estimated \$24.0 million (12.7%) to \$213.0 million.

Total employment rose marginally by 1 to 109, in comparison to the previous year's contraction; while salary expenses firmed by 1.4% to \$2.8 million. With respect to non-salary related expenses, "other" administrative costs declined by \$0.4 million to \$2.6 million and capital outlays steadied at \$0.3 million.

INVESTMENT FUNDS INDUSTRY

The investment funds industry appeared to be notably impacted in 2009 by the challenging global financial environment. Provisional data compiled by the Securities Commission revealed that the number of active mutual funds under management decreased by 79 (9.1%) to 788, in contrast to a 10.9% advance in 2008. Asset valuations declined by a preliminary US\$80.0 billion (29.7%) to US\$190.0 billion, extending the year-earlier US\$28.0 billion falloff, reflecting in part, a reduction in the number of funds. At year end, the number of investment fund administrators—the principal source of employment in the fund industry—narrowed by 2 to 64, suggesting a modest reduction in total employment levels within the industry. In addition, active funds under management by Administrators fell to 707 from 800, in contrast to a gain of 42 in 2008.

INTERNATIONAL BUSINESS COMPANIES (IBCs)

Activity in the international business sector was comparatively less robust over 2009. An estimated 2,676 new registrations brought the total number of IBCs to approximately 160,383 at end-2009, but was below the year-earlier 4,003 new registrants. Reflecting this outcome, fees paid by the sector to the Government, the majority of which related to annual renewals—was lower by \$1.3 million (6.0%) at \$20.0 million, compared to a 40.1% gain in 2008.

CAPITAL MARKET DEVELOPMENTS

As the economy continued to experience weakness, due to the global downturn, and investor activity remained subdued, declines in both share values and trading volumes were recorded in the local equity market. For 2009, the Bahamas International Securities Exchange's (BISX) All Share Price Index fell by 8.6% to 1,565.4 points, although halving the year-earlier 17.2%

contraction. Similarly, total market capitalization of shares traded on BISX was reduced by 8.5% to \$3.02 billion.

OTHER FINANCIAL SECTOR DEVELOPMENTS

The spill-over effects of the global financial crisis on the international financial sector were far reaching and lasting in 2009, amid the clamour by developed countries to ensure that all offshore jurisdictions implemented measures aimed at increasing transparency and the sharing of information. In this environment, The Bahamas made substantial progress in complying with the OECD's standards for the exchange of information for tax purposes, through the signing of nine (9) Tax Information Exchange Agreements (TIEAs) with a number of mainly European and Asian countries. These agreements, along with the TIEA concluded with the United States in 2002, brought the total to just 2 less than the OECD's 12 requirements¹ for a jurisdiction to be categorised as having "substantially implemented the standards". In order to improve the level of transparency and ensure that all agreements are effectively implemented, The Bahamas, as a member of the Global Forum on Transparency and Exchange of Agreements, is scheduled for peer reviews over the next two years.

CONCLUSION AND OUTLOOK

The analysis of the financial sector's activities confirms the continuing adverse effect of the global economic downturn on the industry. However, The Bahamas' measured development of its international financial sector over the years, through the enactment of comprehensive legislation and regulatory and enforcement regimes, along with its strategic positioning in the global arena, have allowed it to avoid some of the pitfalls which other jurisdictions faced in 2009.

Nevertheless, the financial sector—particularly the international segment—is expected to continue to experience significant headwinds in 2010, in the face of potentially enhanced regulatory initiatives by developed countries, increased demands for greater transparency and accountability by clients, as well as intensified competition from other jurisdictions. In this environment, the Central Bank will continue to work with both domestic and international agencies to maintain the effectiveness of our regulatory mechanisms, and their compliance with international standards, and to ensure the continued stability of the financial sector.

¹ In March 2010, The Bahamas was placed on the OECD's list of countries which had substantially implemented agreed standards for tax information exchange, the so-called "white list".

TABLE C. GROSS ECONOMIC CONTRIBUTION OF BANKS AND TRUST COMPANIES

Period	2004p	2005p	2006r	2007r	2008r	2009p	2004p	2005p	2006r	2007r	2008r	2009p
	DOMESTIC						OFFSHORE					
A. TOTAL EMPLOYMENT	3,275	3,424	3,557	3,766	3,791	3,689	1,068	1,027	1,134	1,223	1,220	1,216
1. Non-Bahamians	45	49	58	60	56	36	206	192	247	275	278	267
2. Bahamians (of which:)	3,230	3,375	3,499	3,706	3,735	3,653	862	835	887	948	942	949
i) Local Banking	2,689	2,824	2,964	3,146	3,157	3,162	2	2	1	0	0	0
ii) Offshore Banking	151	85	79	83	115	17	521	531	566	609	567	652
iii) Trust Administration	243	267	287	293	293	335	150	188	207	210	210	199
iv) Other	147	199	169	184	170	139	189	114	113	129	165	98
	(B\$ Millions)											
B. TOTAL OPERATIONAL COSTS	260.9	253.7	275.9	289.6	324.0	313.1	163.7	154.6	171.2	206.3	213.6	220.4
(1+2+3+4)												
1. Salaries ¹⁾	133.7	142.5	151.3	167.4	182.3	163.8	74.2	68.6	75.7	107.3	107.9	116.9
2. Government Fees	7.6	8.8	8.8	9.1	9.2	15.2	11.3	9.2	9.6	10.4	10.7	11.2
i) Licence	2.9	4.9	4.4	5.1	5.2	11.6	4.0	4.7	4.2	5.0	5.1	5.0
ii) Company Registration	0.7	0.7	0.7	0.7	0.7	0.7	0.7	1.2	1.7	1.5	1.2	1.5
iii) Work Permits	0.6	0.6	0.6	0.6	0.4	0.4	1.8	1.8	2.1	2.3	2.5	2.8
iv) Other Government Fees	3.4	2.6	3.1	2.8	2.9	2.5	4.7	1.5	1.5	1.7	1.9	1.8
3. Staff Training	1.4	1.5	1.5	2.1	1.9	1.0	1.1	1.2	1.4	1.2	1.3	0.9
4. Other Administrative Costs	118.2	100.9	114.3	111.0	130.6	133.2	77.2	75.5	84.6	87.5	93.7	91.4
C. CAPITAL EXPENDITURE²⁾	28.0	12.5	16.3	18.3	24.2	16.4	6.7	5.1	10.7	9.4	9.0	4.6
D. TOTAL EXPENDITURE (B+C)	288.9	266.2	292.1	308.0	348.2	329.5	170.4	159.7	182.0	215.7	222.6	225.0
E. AVERAGE SALARY (B\$'000)³⁾	40,838	41,618	42,172	41,559	43,146	40,525	69,434	66,838	65,709	69,860	73,991	79,297

Source: The Central Bank of The Bahamas

¹⁾ Includes bonuses

²⁾ Includes construction, renovation expenses and other fixed assets

³⁾ Excludes bonuses

Table D: Other Selected Financial Sector Statistics

	Unit	2004	2005r	2006r	2007r	2008r	2009p
Investment Funds Administrations							
Licensed Mutual Funds	Number	838	699	723	782	867	788
Licensed Administrators							
Asset Under Management	Number <i>B\$ Billions</i>	59 163.4	59 175.2	61 204.7	65 297.6	66 269.6	64 189.6
Insurance Companies and Agents							
Domestic Companies and Agents	Number	191	190	205	163	170	173
Total Domestic Assets	Number	152	155	169	144	148	153
Average Annual Salaries	<i>B\$ Millions</i>	986.59	1,234.64	1,374.97	1,227.4	1279.6	n/a
Operating Costs / Total Expenditures	<i>B\$</i>	42,120	44,024	44,425	45,225	45,007	45,084
	%	94.6	91.9	94.8	94.1	94.9	92.8
External Insurers	Number	39	35	36	19	20	20
Credit Unions							
Number of Unions	Number	19	17	17	17	17	15
Total Assets	<i>B\$ Million</i>	170.2	190.4	216.1	237.4	244.6	257.5
Employment	Number	105	105	106	110	108	109
Average Annual Salaries	<i>B\$</i>	27,602	28,293	28,594	26,555	26,880	27,099
Total Expenditures	<i>B\$ Million</i>	7.99	6.87	6.18	6.61	6.93	6.46
Operating Costs / Total Expenditures	%	72.9	81.7	89.5	92.8	95.0	95.5
Bahamas International Securities Exchange (BISX)							
Securities Listed	Number	19	19	19	19	24	24
Shares Traded	<i>Thousands</i>	7,996	6,724	5,251	4,770	4,623	4,917
Market Capitalization	<i>B\$ Billion</i>	1.90	2.60	3.20	3.98	3.30	3.02

Sources:

The Central Bank of The Bahamas, Bahamas International Securities Exchange (BISX),
The Securities Commission of The Bahamas and The Registrar of Insurance Companies.