



Quarterly Economic Review

September, 2007

Vol. 16, No. 3

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

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

www.centralbankbahamas.com

email address: research@centralbankbahamas.com

QUARTERLY ECONOMIC REVIEW

Volume 16, No. 3
September, 2007

CONTENTS

	PAGE
1. REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS	
DOMESTIC ECONOMIC DEVELOPMENTS	1
FISCAL OPERATIONS	2
REAL SECTOR	5
<i>TOURISM</i>	5
<i>CONSTRUCTION</i>	5
<i>PRICES</i>	6
MONEY, CREDIT & INTEREST RATES	6
CAPITAL MARKETS DEVELOPMENTS	11
INTERNATIONAL TRADE & PAYMENTS	11
INTERNATIONAL ECONOMIC DEVELOPMENTS	12
2. STATISTICAL APPENDIX (TABLES 1-16)	15

REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

Preliminary information suggest some moderation in the rate of expansion in the Bahamian economy during the third quarter of 2007 as construction investments slackened, although the outturn was supported by tempered growth in consumer demand and a more positive tourism performance. Average consumer price inflation, although stabilized, continued to reflect the past through effects of strengthened global fuel prices. In the fiscal sector, the reversal in the overall position to a deficit, was owing to a combination of higher salary and interest payment outlays and lower revenue collections, following the impact of one-time receipts from an extraordinary transaction last year. Seasonal firming in domestic credit, alongside reduced levels of investment inflows, led to declines in both external reserves and liquidity during the quarter; and a consequent narrowing of the average interest rate spread on bank loans and deposits. On the external side, the estimated deficit on the current account improved, aided by growth in tourist expenditure and a reduction in the merchandise trade deficit. However, sharply tapered direct investment inflows resulted in a significantly lower capital account surplus.

Monetary conditions during the third quarter of 2007 featured a 36.1% fall-off in net free cash balances to \$148.9 million, as the rise in total domestic credit surpassed gains in the overall money supply. Consequently, the ratio of net free cash reserves to total Bahamian dollar deposits fell by 0.8 percentage points over the previous year to 2.8%. Similarly, the broader surplus liquid assets receded by 46.2% to \$122.5 million, which exceeded the statutory minimum by a reduced 14.3%. In this environment, the weighted average interest rate spread contracted by 24 basis points to 6.95 percentage points, as the commercial banks' weighted average loan rate softened by 19 basis points to 10.63%, while the weighted average deposit rate firmed by 5 basis points to 3.68%. With respect to the other key rates, the 90-day Treasury bill rate moved marginally lower to 2.63%, but base rates—commercial banks' prime and the Central

Bank's discount rate—were unchanged at 5.50% and 5.25%, respectively.

Reflecting a firming in the foreign currency deposits of residents, the money supply (M3) rebounded by 0.2% to \$5,542.7 million, from a 1.5% contraction a year earlier. In terms of the major components, fixed deposits advanced by 2.4%; however, reductions were noted for saving deposits, demand deposits and currency in circulation of 1.6%, 4.8% and 1.7%, respectively.

Growth in domestic credit eased slightly to 3.0% during the review quarter from 3.6% in the previous year, based primarily on a slower expansion in private sector credit of 3.3%. After falling by 0.9% a year earlier, net claims on the Government expanded by 6.4%, buoyed by the banking system's increased holdings of Government Registered Stocks. In contrast, credit to the public corporations declined by 8.5%.

Fiscal operations resulted in a deficit of \$50.7 million in the first quarter of FY2007/08, in contrast to a \$3.6 million surplus in the corresponding period of FY2006/2007. Total revenue contracted by 10.2% to \$293.6 million in comparison to the previous year, when collections were boosted by extraordinary tax receipts; and total outlays rose by 6.5% to \$344.4 million, primarily on account of higher salaries and interest payments. Capital expenditures, which were largely for infrastructural development projects, rose by 1.0% to \$30.5 million. Financing for the budget deficit consisted of a \$100.0 million Registered Stock issue, \$28.0 million in Treasury bills and external loan drawdowns of \$2.0 million. In terms of the \$21.3 million in debt repayment, \$20.5 million was earmarked for Bahamian dollar obligations, which were predominantly used for the retirement of Registered Stocks. Consequently, over the review quarter, the Direct Charge on Government increased by \$108.7 million (4.5%) to \$2,546.9 million. Taking into account the \$10.4 million decline in Government guaranteed liabilities, National Debt rose by \$98.3 million (3.4%) to \$2,987.3 million, vis-à-vis an \$81.0 million (2.9%) upturn in 2006.

Tourism sector performance improved during the relevant quarter, as evidenced by a 1.7% hike in total visitor arrivals to an estimated 1.05 million, following last year's 2.8% contraction to 1.04 million. The outturn mainly reflected gains in the long-stay air segment, which expanded by 4.8% in comparison to the 6.9% reduction last year. A more modest increase of 0.2% was noted for the sea component, albeit a turnaround from the previous year's 0.7% decline. Port of entry data showed that visitors to the Grand Bahama market rebounded by 15.1%, after a 25.2% downturn in 2006. Similarly, New Providence's 2.6% gain completely reversed last year's contraction of 9.0%; whereas visitors to the Family Islands fell by 5.8%, following a strong upsurge of 34.2% a year earlier.

Partial indicators suggest some slowing in construction activity during the third quarter, amid weakened tourism-related foreign investment flows and residential building expenditures. Data from banks, insurance companies and the Bahamas Mortgage Corporation revealed that the value of mortgage disbursements during the quarter declined by 23.8% to \$136.7 million, with the major residential component falling by 29.4% to \$116.9 million. The more forward looking indicator, commitments for new construction and repairs, fell by 19.2% in value to \$31.8 million, with residential loan approvals, which accounted for 92.0% of the total, contracting by 18.6% to \$29.3 million. The total value of mortgages outstanding at end-September rose by 11.5% to \$2,712.5 million, with the residential component (91.9%) elevated by 12.4% to \$2,492.0 million and commercial claims up by 2.0% to \$220.5 million.

Inflation, as measured by average changes in the Retail Price Index, stabilized at 2.1% in the third quarter, relative to the same period last year. Although notable price increases were observed for furniture & household operation (7.1%), transportation & communication (2.5%) and education (2.3%), significant offsets were provided by other goods and services, food & beverages and housing—the largest component—which rose at a slower pace of 0.8%, 3.4% and 0.4%, respectively.

During the twelve months to September, average consumer prices advanced by 2.4%, exceeding the 1.6% rise of last year. Higher average costs were registered for "other" goods and services (4.6%), furniture & household operations (4.0%), and food & beverages (3.8%).

An analysis of fuel prices for New Providence revealed a modest 1.4% decline in the average cost of gasoline to \$4.44 per gallon, and a less than one percentage point reduction in the price of diesel to \$3.54 per gallon.

External sector developments featured an improvement in the estimated current account deficit by \$34.1 million to \$491.4 million. In particular, the trade deficit contracted by 8.6% to approximately \$543.5 million, occasioned by reductions in both fuel and non-oil imports. The surplus on the services account also firmed by 2.6% to \$91.9 million, reflecting improvements in net tourism receipts and net inflows from the offshore sector, by 10.7% and 18.6%, respectively.

Indications are that the estimated surplus on the capital and financial account contracted by more than six-fold to \$48.2 million vis-à-vis the same period last year. Net foreign direct investment decreased by \$59.4 million to \$80.3 million, as net equity inflows fell by \$34.2 million to \$63.8 million and net real estate sales declined by \$25.2 million to \$16.6 million. Similarly, owing to a significant reduction in private sector inflows by \$115.3 million to \$7.6 million, and a reversal in commercial bank transactions to a net repayment of \$18.3 million from a net borrowing of \$73.2 million a year earlier, "other investments" recorded a net outflow of \$10.6 million, in contrast to a net inflow of \$197.3 million a year earlier.

FISCAL OPERATIONS

OVERVIEW

Preliminary estimates of central government's budgetary operations for the first quarter of FY2007/08 revealed an overall deficit of \$50.7 million, in contrast to a \$3.6 million surplus in the comparative FY2006/07 period. Higher salaries and interest payments elevated total expenditure by 6.5% to \$344.4 million, while total revenue collections contracted by 10.2% to \$293.6 million, partly reflecting the absence of extraordinary realty-related receipts which boosted tax revenues in the previous year. The quarterly expenditure and revenue estimates represented 21.4% and 19.8% of FY2007/08 budget targets, respectively.

REVENUE

Tax receipts, which accounted for approximately 91.3% of total revenue, declined by 12.3% (\$37.7 million) to \$268.2 million, a turnaround from the \$54.1 million (21.5%) increase registered in the same period last year, owing mainly to a 73.7% (\$44.7 million) contraction in other taxes to \$15.9 million. In contrast, taxes on international trade and transactions grew by 2.8% to \$159.7 million. Apart from the 2.3% rise in stamp taxes on imports, those on financial and other transactions decreased by 2.3% to \$49.5 million; and departure taxes were lower by 8.0% at \$13.8 million. Property taxes more than doubled to \$18.1 million from \$7.1 million, benefiting from the introduction of an April to July amnesty period, which boosted commercial receipts. Selective taxes on services increased two-fold to \$10.0 million, based on a timing related rise in hotel occupancy taxes to \$7.5 million from \$0.7 million, which outweighed the \$1.6 million decline in gaming taxes to \$2.4 million. In addition, business and professional licence fees, including those for IBC registrations, grew by 8.4% to \$10.1 million, and motor vehicle taxes firmed by 15.1% to \$3.8 million.

Non-tax revenue, at 8.7% of total collections, rose by 20.4% to \$25.4 million, surpassing the 17.3% growth recorded in the corresponding period of FY2006/07. Receipt of franchise fees from a public entity elevated fines, forfeits and administrative fees by 23.8% to \$23.4 million; and revenues from property sales rose marginally to \$0.2 million. In contrast, income inflows were lower by 13.6% at \$1.8 million.

EXPENDITURE

During the review quarter, recurrent spending expanded by 7.1% to \$303.4 million, vis-à-vis growth of 8.6% in the corresponding period a year earlier. Capital expenditure rose by a modest 1.0% to \$30.5 million, while net lending to public corporations increased by 7.0% to \$10.4 million. On a proportional basis, recurrent expenditure constituted 88.1% of total outlays; capital spending, 8.9% and net lending to public corporations, the remaining 3.0%.

A breakdown of recurrent expenditure by economic classification showed a 3.4% rise in Government consumption to \$186.9 million, led by a 5.2% hike in personal emoluments to \$136.9 million, which outweighed the 1.2% reduction in purchases of goods and services to

\$50.0 million. Transfer payments advanced by 13.6% to \$116.5 million, as higher debt obligations boosted interest payments by 42.0% to \$32.6 million. Moreover, subsidies & other transfer payments increased by 5.4% to \$83.9 million, on account of gains in household-related assistance payments.

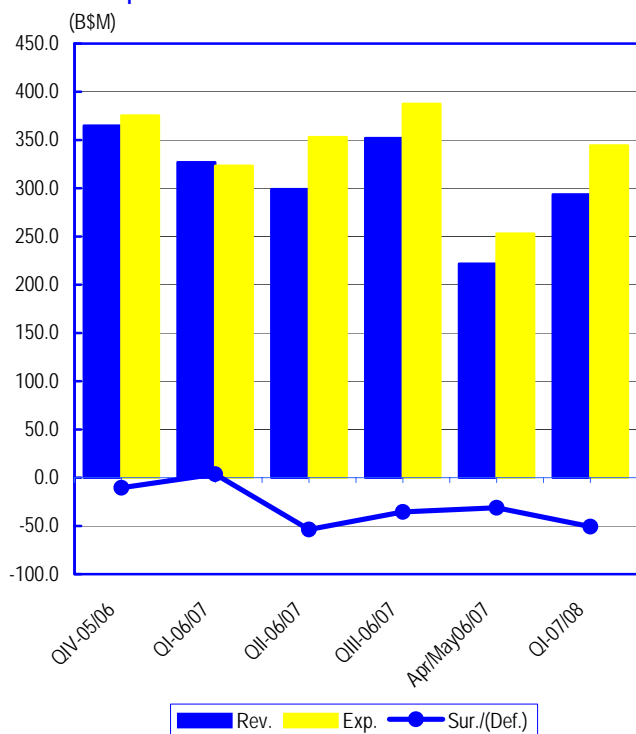
Government Revenue By Source

(Jul - Sep)

	FY06/07		FY07/08	
	B\$M	%	B\$M	%
Property Tax	7.1	2.2	18.1	6.2
Selective Services Tax	4.8	1.5	10.0	3.4
Busines. & Prof Lic. Fees	9.4	2.9	10.1	3.5
Motor Vehicle Tax	3.3	1.0	3.8	1.3
Departure Tax	15.0	4.6	13.8	4.7
Import Duties	118.5	36.2	122.2	41.6
Stamp Tax from Imports	33.3	10.2	34.0	11.6
Export Tax	3.6	1.1	3.5	1.2
Stamp Tax from Exports	0.0	--	0.0	--
Other Stamp Tax	50.6	15.5	49.5	16.9
Other Tax Revenue	60.6	18.5	15.9	5.4
Fines, Forfeits, etc.	18.9	5.8	23.4	8.0
Sales of Govt. Property	0.1	0.0	0.2	0.1
Income	2.1	0.6	1.8	0.6
Other Non-Tax Rev.	0.0	--	0.0	--
Capital Revenue	--	--	0.0	--
Grants	--	--	--	--
Less: Refunds	0.2	0.1	12.7	4.3
Total	326.9	100.0	293.6	100.0

By functional disaggregation, recurrent spending on social benefits & services advanced by 16.3% to \$20.3 million; defense, by 12.7% to \$9.8 million; health, by 11.4% to \$57.9 million and education, by 8.6% to \$61.8 million. Outlays on general public services, which represented the largest share (28.9%) of recurrent expenditure, were lower by 1.0% at \$87.8 million; and spending on economic services declined by 9.3% to \$28.0 million, occasioned mainly by reduced outlays for air transportation and postal services. Spending for community & social services and housing also fell by 11.3% to \$4.4 million and by 12.6% to \$0.7 million, respectively.

Fiscal Operations



Growth in capital expenditure was primarily associated with Government's ongoing computerization project and land purchases for its school building programme. Consequently, outlays for education rose by 23.7% to \$17.6 million and for general public service, by 19.8% to \$3.7 million. Spending was scaled back for several of the other sectors, including economic services, by 9.3% to \$7.4 million and health, by 63.9% to \$1.4 million.

FINANCING AND NATIONAL DEBT

Budgetary financing for the review quarter was sourced mainly from domestic entities, and included the issuance of \$100.0 million in Registered Stocks, \$28.0 million in Treasury bills and \$2.0 million in external loan drawings. Debt repayment totaled \$21.3 million, of which \$20.5 million was for Bahamian dollar obligations.

The Direct Charge on Government rose by \$108.7 million (4.5%) to \$2,546.9 million during the review quarter, exceeding the previous year's increase of \$82.3 million (3.6%) to \$2,398.7 million. Of the total, Bahamian dollar debt constituted the largest share (89.3%) and was held mainly by private and institutional investors (32.2%),

followed by public corporations (31.7%), commercial banks (23.2%), the Central Bank (12.7%) and Other Local Financial Institutions (0.2%). Government securities, bearing an average term to maturity in excess of 15 years, remained the largest component of Bahamian dollar debt (86.4%); next were Treasury bills (10.1%) and loans and advances (3.5%)—mainly from the Central Bank.

Government's contingent liabilities contracted by 2.3% to \$440.4 million at end-September. Consequently, over the three-month period, growth of the National Debt was higher at \$98.3 million (3.4%), for an outstanding stock of \$2,987.3 million—which was up \$81.0 million (2.9%) from last year.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

Public sector foreign currency debt declined by an estimated 1.5% to \$610.0 million during the quarter, as new drawings of \$2.0 million—exclusively that of Government—were offset by amortization payments of \$11.4 million. Public corporations accounted for \$337.5 million (55.3%) of these liabilities and Government, the remaining \$272.5 million (44.7%).

By creditor profile, commercial banks held the largest share of foreign currency debt (47.9%), followed by private capital markets (32.8%), multilateral and bilateral institutions combined (18.4%) and other agencies (0.9%). In terms of currency composition, more than 97% of the foreign currency debt was denominated in United States dollars, with an average maturity of approximately 12 years.

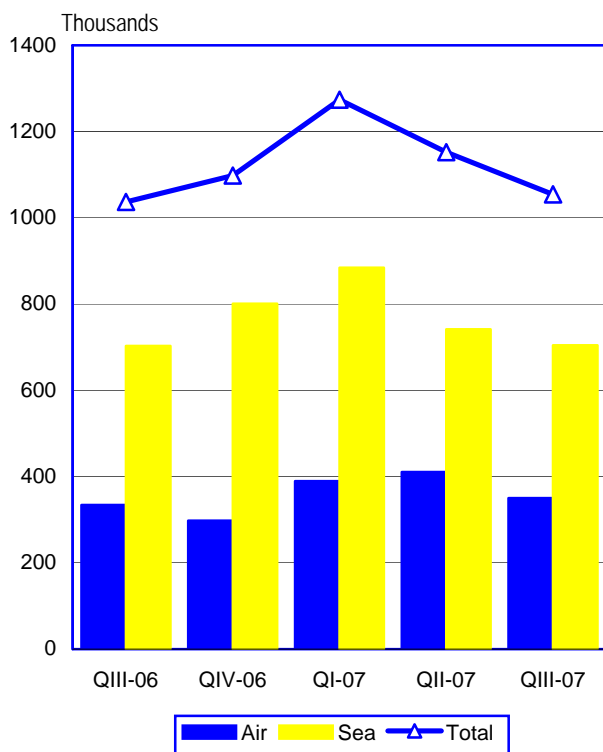
Relative to estimates for the corresponding period of 2006, foreign currency debt servicing contracted by 8.2% (\$1.4 million) to \$15.6 million, as a reduction in the outstanding balance on a public utility's external loan influenced a 4.0% fall in amortization payments to \$11.4 million, while loan refinancing activities resulted in interest payments contracting by 17.8% to \$4.2 million. Despite these developments, indications are that debt service as a proportion of estimated exports of goods and non-factor services increased by 3.6 percentage points over the previous year to 5.9%. The ratio of Government's foreign currency debt service to total revenue also rose marginally by 0.2 percentage points to 0.5%.

REAL SECTOR

TOURISM

Preliminary data suggest a rebound in tourism output during the third quarter in comparison to the same period a year earlier, owing mainly to broad-based improvement in stopover activity, which benefited from the buoyancy in the North American economies and the re-routing of tourist traffic from destinations affected by hurricane Dean. Following a 2.8% contraction to 1.04 million last year, total visitor arrivals recovered by 1.7% to an estimated 1.05 million as gains in the last two months of the quarter more than compensated for the downturn in July. Air arrivals, which accounted for 33.2% of total visitors, expanded by 4.8% to 0.4 million, compared to the previous year's 6.9% contraction. A more modest rise of 0.2% was registered for sea passengers, who constituted the bulk of visitors at 66.8%, a marked improvement from 2006's 0.7% decline.

Visitor Arrivals



By port of entry, total visitor arrivals to New Providence rallied by 2.6% to 0.64 million visitors from last year's 9.0% contraction, amid gains in both air and sea passengers of 4.5% and 1.3%, respectively. Grand Bahama also experienced a strong 15.1% recovery in total arrivals, following a 25.2% contraction a year earlier, supported by a 20.7% turnaround in sea tourists and a 4.4% upswing in air arrivals. In contrast, visitors to the Family Islands fell by 5.8%, to reverse the year-earlier surge of 34.2%, as the 8.2% contraction in sea visitors outstripped the 6.7% increase in air tourists.

CONSTRUCTION

Partial indicators of construction activity suggest some moderation in output during the review period. Quarterly data on mortgage disbursements by banks, insurance companies and the Bahamas Mortgage Corporation registered a decline of 23.8% to \$136.7 million on a year-on-year basis, with the 29.4% contraction in loan disbursements for residential construction to \$116.9 million overshadowing the \$5.9 million (42.4%) gain in the commercial component.

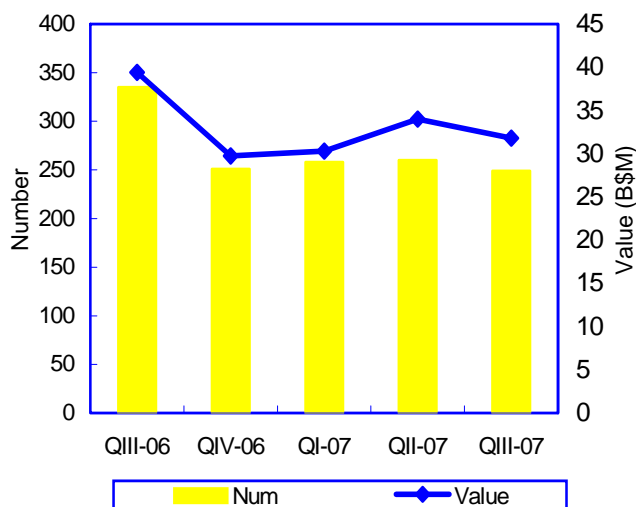
Mortgage commitments—a more forward looking indicator of activity—fell in number by 25.7% to 249 for new construction and repairs, with the associated value contracting by 19.2% to \$31.8 million. In particular, both the number and value of residential loan approvals decreased by 27.6% and 18.6% to 234 and \$29.3 million, respectively. Despite the firming in the number of commercial commitments by 3 to 15, the aggregate value of approvals contracted by 25.6% to \$2.6 million.

On a yearly basis, mortgages outstanding expanded by 11.5% to \$2,712.5 million during the September quarter. Residential mortgages, which comprised the largest component (91.9%), increased by 12.4% to \$2,492.0 million, whereas commercial mortgages moderated by 2.0% to \$220.5 million. Domestic banks provided the bulk of mortgages outstanding (89.0%) compared with substantially smaller shares for the insurance companies (6.7%) and the Bahamas Mortgage Corporation (4.3%).

Financing costs exhibited moderate firming on balance, as the average quarterly rate on residential loans rose by 5 basis points to 8.6%, relative to the same period of 2006. Conversely, the interest charge on commercial loans was stable at 8.8%.

Data on fuel prices in New Providence for the quarter ended September 2007 showed the average cost of gasoline moving lower by 1.4% to \$4.44 per gallon, with a less than one percentage point decline in the per gallon price of diesel to \$3.54 vis-à-vis the corresponding period a year earlier.

Mortgage Commitments: New Construction and Repairs



Average Retail Price Index

(Annual % Changes)

Sept

Items	Weight	2006		2007	
		Index	%	Index	%
Food & Beverages	138.3	126.8	4.9	131.1	3.4
Clothing & Footwear	58.9	106.8	1.0	107.5	0.7
Housing	328.2	108.5	1.5	108.8	0.3
Furn. & Household	88.7	123.6	1.8	132.3	7.1
Med. Care & Health	44.1	139.4	2.6	144.0	3.3
Trans. & Comm.	148.4	110.0	-1.3	112.7	2.5
Rec., Enter. & Svcs.	48.7	123.6	0.6	125.0	1.2
Education	53.1	169.0	-1.0	172.8	2.3
Other Goods & Svcs.	91.6	136.0	8.7	137.1	0.8
ALL ITEMS	1000	120.3	2.1	122.8	2.1

PRICES

Consumer price inflation, as measured by the quarterly change in the Retail Price Index, stabilized at 2.1% in the third quarter of 2007 compared to the same period a year earlier. Significant comparative increases in average costs for furniture & household operation (7.1%), transportation & communication (2.5%) and education (2.3%) were tempered by decelerated price gains in the more heavily weighted housing component (0.3%), alongside the food & beverages (3.4%) and other goods & services (0.8%) indices.

During the twelve months to September, the average inflation rate rose by 0.85 percentage points to 2.43%, with gains broadly based among the various categories. Notably, higher costs were registered for 'other' goods & services (4.6%); furniture & household operations (4.0%); food & beverages (3.8%); recreation & entertainment (3.4%); medical care (2.8%) and transportation & communication (2.7%).

MONEY, CREDIT AND INTEREST RATES

OVERVIEW

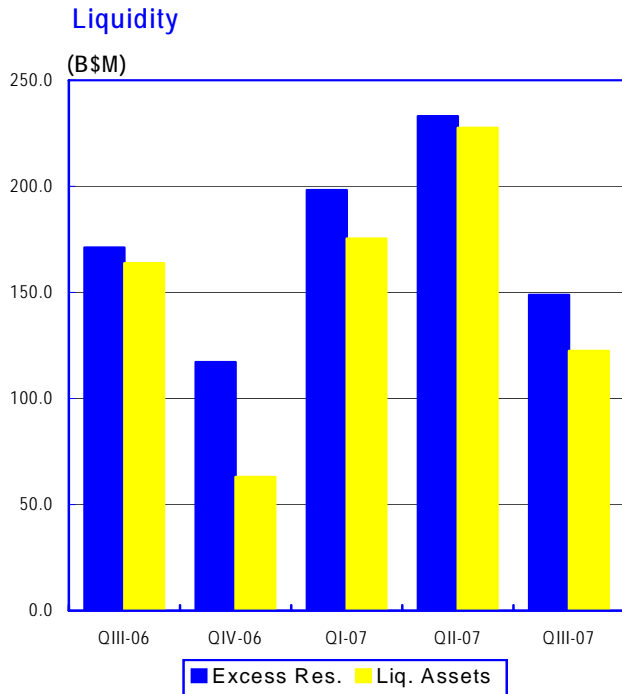
Against the backdrop of moderate economic growth and slackened foreign inflows, money and credit trends featured contractions in both liquidity and external reserves. In this context, the seasonal upturn in Bahamian dollar credit significantly outstripped the modest growth in deposit balances and as a consequence, the average interest rate spread on loans and deposits narrowed.

In terms of the major banking sector indicators, profitability ratios firmed in the three-months to June, buoyed by strengthening in all of the major revenue earning categories, which outpaced increases in expenditure. Short-term credit quality indicators exhibited some deterioration during the third quarter; however, non-

performing loan ratios as well as banks provisioning levels remained relatively unchanged.

LIQUIDITY

Net free cash reserves of the banking system declined more sharply by \$84.3 million (36.1%) to \$148.9



million at end-September, relative to last year's \$13.7 million (7.4%) weakening to \$171.2 million; and the ratio of net free cash reserves to total Bahamian dollar deposits was 0.8 percentage points lower at 2.8%. Likewise, the broader surplus liquid assets fell by \$105.1 million (46.2%) to \$122.5 million, as commercial banks reduced their Treasury bill holdings. Consequently, liquid assets exceeded the statutory minimum by a reduced 14.3% compared to 20.5% in 2006.

DEPOSITS AND MONEY

Following a 1.5% contraction last year, the aggregate money supply (M3) expanded marginally by 0.2% (\$9.7 million) to \$5,542.7 million, due primarily to an increase in foreign currency deposits of residents. The decline in narrow money (M1) moderated to 4.3% from 6.6% a year ago, as a slackened contraction in demand deposits to 4.8% from 7.8% a year earlier, offset the 1.7% reduction in currency in active circulation, reversing last

year's 0.4% expansion. The decline in broad money (M2) was held to less than 0.1% vis-à-vis 0.9% a year ago, as the 2.4% increase in fixed balances countered the 1.6% contraction in savings deposits.

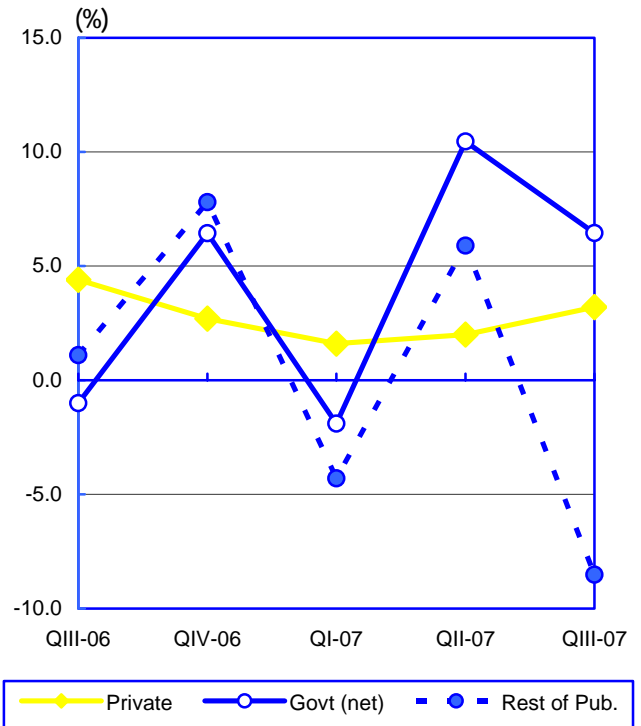
Residents' foreign currency balances firmed by 7.0% to \$182.3 million. This was buoyed by a reversal in declines in both private and public corporations' deposits, to respective gains of 6.7% and 9.3% from the previous year's contractions of 7.7% and 70.1%.

On a proportional basis, Bahamian dollar fixed deposits represented the largest component of the money stock (55.5%), with considerably lower percentages for demand deposits (19.1%), savings deposits (18.3%), currency in active circulation (3.8%) and residents' foreign currency deposits (3.3%).

DOMESTIC CREDIT

Growth in total domestic credit was slightly lower at 3.0% (\$209.7 million) versus 3.6% (\$229.7 million) a year ago. In particular, private sector credit at 83.6% of out

Changes in Credit



standing claims, expanded by 3.3% (\$194.2 million) vis-à-vis growth of 4.4% (\$231.9 million) last year. Buoyed by a \$100 million Registered Stock issue, net claims on the

Government increased by 6.4% (\$49.9 million) vis-à-vis a comparative year earlier 0.9% decline; while public corporations' debt obligations contracted by 8.5% (\$34.3 million) relative to modest growth of 1.1% (\$3.9 million) in the 2006 period.

On a currency basis, the majority (89.6%) of bank credit was denominated in Bahamian dollars, which advanced by 3.1% (\$194.1 million), although below last year's 3.7% (\$205.1 million) expansion. The sectoral breakdown showed private sector credit representing the bulk of total claims at 85.4%, and being concentrated in personal loans (73.9%), which firmed by \$163.7 million (3.8%). Included in the latter were gains in consumer credit (4.3%), residential mortgages (3.6%) and personal overdrafts (2.0%), compared to respective expansions of 3.9%, 4.7% and 6.6% in the previous period.

Distribution of Bank Credit By Sector				
End-September				
	2006		2007	
	B\$M	%	B\$M	%
Agriculture	10.1	0.2	10.2	0.2
Fisheries	21.7	0.4	15.5	0.2
Mining & Quarry	12.3	0.2	8.3	0.1
Manufacturing	47.8	0.8	52.7	0.8
Distribution	223.7	3.8	201.3	3.1
Tourism	241.1	4.1	257.1	4.0
Enter. & Catering	62.8	1.1	49.3	0.8
Transport	23.0	0.4	27.1	0.4
Public Corps.	326.1	5.5	262.3	4.1
Construction	406.9	6.9	456.2	7.1
Government	70.9	1.2	136.1	2.1
Private Financial	26.8	0.5	26.3	0.4
Prof. & Other Ser.	160.3	2.7	150.6	2.3
Personal	3,918.5	66.5	4,462.8	69.3
Miscellaneous	336.0	5.7	325.2	5.0
TOTAL	5,888.1	100.0	6,440.9	100.0

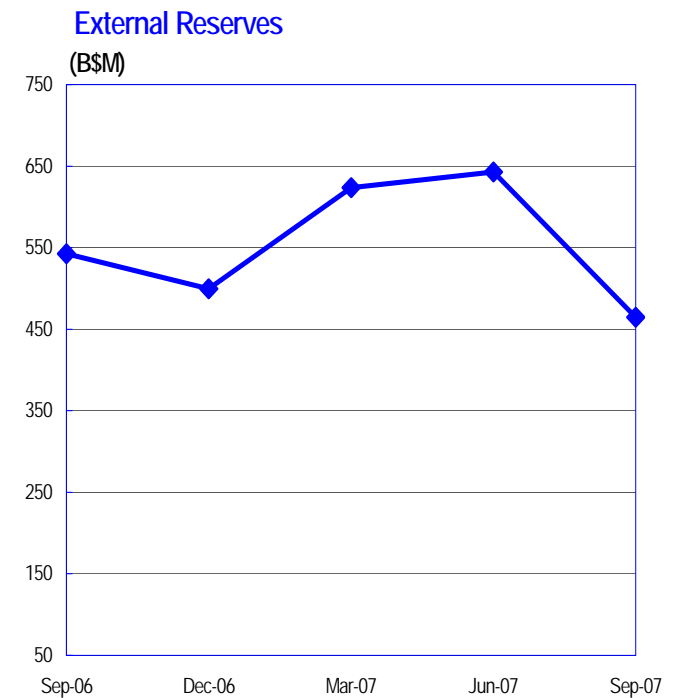
The \$85.4 million hike in consumer credit was occasioned by increased lending for miscellaneous purposes (\$22.7 million), debt consolidation (\$17.1 million) and credit cards (\$14.5 million). Advances were also noted for travel (\$6.8 million), home improvements (\$6.7

million), education (\$6.2 million), private cars (\$4.8 million) and land purchases (\$4.4 million).

With regards to the major economic components, credit increased for construction (10.2%), transport (5.2%), entertainment & catering (4.8%) and fisheries (4.0%). Further, growth was noted in manufacturing (1.7%), tourism (1.6%), professional & other services (1.2%) and private financial institutions (0.8%). In contrast, net claims for the mining & quarrying, miscellaneous, distribution, and agriculture sectors contracted by 11.4%, 4.7%, 3.2% and 0.5%, respectively.

THE CENTRAL BANK

Buttressed by an increase in Treasury bill holdings—as banks opted to reduce their short-term Government debt in order to boost their cash balances—and a moderate fall in deposit liabilities, growth in the Central Bank's net claims on Government broadened to \$115.5 million (70.8%) from \$52.4 million (40.3%) a year ago. Conversely, the Bank's net liabilities to the rest of the public sector contracted by 56.4% (\$12.3 million) as public corporations invested excess balances in Government paper. Banks also reduced their excess balances with the Central Bank, by 27.2% (\$124.0 million).



Occasioned by the seasonal increase in consumer demand combined with payments for fuel shipments, external reserves contracted during the review period by \$178.1 million (27.7%) vis-à-vis a \$101.6 million (15.8%) fall-off last year. At end-September, external reserves stood lower at \$464.7 million, compared to \$542.7 million a year earlier.

An examination of the underlying foreign currency transactions showed the Bank's net sale to public corporations sharply higher by 71.3% (\$31.4 million) to \$75.3 million compared to the previous year, when demand was mitigated by the receipt of proceeds related to a major hotel privatization transaction. Similarly, the net foreign currency sale to commercial banks expanded by 70.9% to \$108.4 million, partly on account of increased profit and dividend repatriations. By contrast, commercial banks' net sales to customers contracted by 7.2% (\$6.5 million), dominated by a \$7.5 million drop in total sales to \$932.2 million.

As a consequence of these developments, the ratio of external reserves to non-oil imports fell to an estimated 11.9 weeks at end-September, compared with 15.2 weeks a year earlier. Similarly, usable reserves declined by \$80.5 million to \$139.0 million.

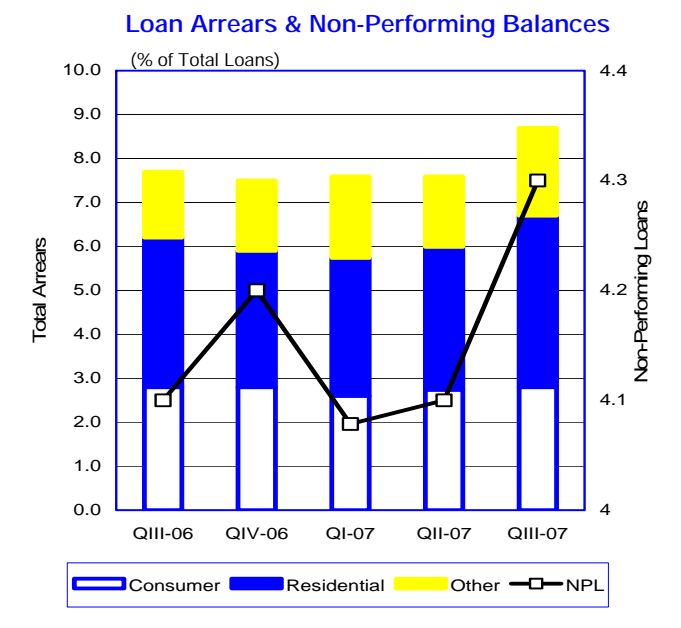
DOMESTIC BANKS

Developments within the domestic banking sector featured some tightening in liquidity, occasioned by a 3.3% expansion in claims on the private sector, which outpaced the marginal 0.3% advance in deposit liabilities. In this context, banks reduced their holdings of short-term Government debt and balances at the Central Bank, resulting in net claims on those two entities falling by 10.8% and 10.4%, respectively. In contrast, net liabilities to the rest of the public sector increased by over seven-fold to \$55.7 million. Banks added approximately \$48.8 million to their capital and surplus resources and reduced their outstanding net foreign liabilities by \$53.5 million.

Banks' total resident deposit liabilities amounted to \$5,427.1 million, with the majority (96.6%) denominated in Bahamian dollars. Of the latter, balances for private individuals accounted for 58.3%; business firms, 24.5% and the public sector, 9.7%; with the remaining 7.5% distributed between private financial institutions and other institutional investors. Fixed deposits, which offered the

highest rates of return, registered a 2.4 percentage point hike in its dominant share of the total to 58.4%, with demand and savings accounts representing 22.9% and 18.7% respectively, of total deposits.

An analysis of Bahamian dollar deposits by range of value and number of accounts revealed that balances of \$10,000 or less accounted for 7.8% of value and 90.1% of total accounts. Balances between \$10,000 and \$50,000 comprised 13.1% of total value and 6.8% of the overall number; and accounts in excess of \$50,000 represented a corresponding 79.1% of the aggregate value but only 3.1% of the total number.



Asset quality indicators at end-September 2007 revealed some deterioration in conditions during the quarter. Specifically, accounts for which payment was past due by 30 days or more rose by 1.1 and 0.9 percentage points on a quarterly and annual basis, to 8.7% of all outstanding balances. This outturn reflected an increase in the arrears rate for mortgages, which advanced to 8.9% of outstanding loans compared to the end-June rate of 7.5% and 7.9% in the previous year. Moreover, the arrears rate for commercial loans deteriorated by 2.2 percentage points on a quarterly basis and by 3.6 percentage points over the previous year to 10.5% of total loans. In contrast, consumer loan arrears stabilized at approximately 7.8%, 0.1 percentage points higher than

the end-June level but unchanged from the previous year. Reflective of the short-term nature of the deterioration in credit quality, non-performing loans, defined as loans with past due dates of at least three months, and on which the banks had stopped accruing interest, increased only marginally over the quarter and the year, by 0.2 percentage points each to 4.3% of total outstanding loans.

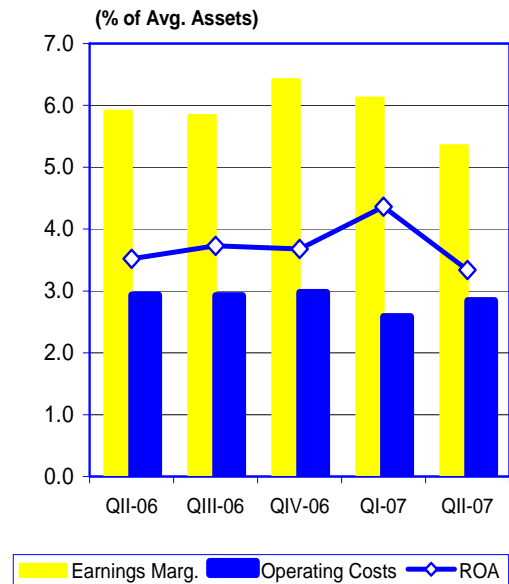
Against this background, banks' level of provisions steadied at 2.1% for the quarter but was 0.2 percentage points below last year. Further, the ratio of provisions to non-performing loans fell by 2.6 percentage points over the quarter and by 7.8 percentage points over the previous year to 48.7%.

BANK PROFITABILITY

Supported by continued loan growth, banks' overall profitability registered further gains over the previous year. During the second quarter of 2007—the latest period for which data is available—net income rose by \$7.9 million to \$73.3 million. Underpinning this development was a 4.0% widening in the net interest margin to \$106.9 million, as the firming in credit activity sustained growth in interest income and offset the deposit led expansion in interest expense. In addition, commission and foreign exchange income advanced by 14.4% to \$8.0 million. Banks' overall costs also moved higher during the period, as operating expenses expanded by 7.9% to \$58.6 million, due to increased outlays for salaries (2.0%), occupancy (1.9%) and other "miscellaneous" expenditures (23.3%). Similarly, depreciation expenses and provisions for bad debts firmed by 5.1% and 16.2%, respectively; however, some offset was provided from "other income", such as fees, which rose strongly by 37.9% to \$32.6 million.

Moderate movements were registered in banks' profitability ratios during the second quarter. The net interest margin declined by 0.37 percentage points to 5.17%, while the commission and forex margin increased slightly to 0.39%. Inclusive of a 0.9 percentage point reduction in the operating cost ratio to 2.84%, the net income ratio increased marginally to 3.55%.

Domestic Banks' Profitability



INTEREST RATES

Domestic banks' average interest rate spread on loans and deposits narrowed by 24 basis points on a quarterly basis to 6.95% during the three months to September. Reflecting the tightening in liquidity conditions, the weighted average deposit rate increased by 5 basis points to 3.68%; however, the average loan rate declined by 19 basis points to 10.63%.

By deposit categories, the average savings rate gained 4 basis points to 2.00%, while the spread between the various maturities of fixed deposits shifted upward and widened to 3.52%-4.48% from 3.50%-4.19% in the previous quarter. In contrast, the average demand deposit rate fell by 10 basis points to 2.35%.

With regards to lending, the average overdraft rate declined by 1.35 percentage points to 11.04%, partially counterbalanced by gains in commercial mortgage rates, by 67 basis points to 8.93%; residential mortgage rates, by 15 basis points to 8.28% and other local loan rates, by 4 basis points to 8.06%. In contrast, the average cost for consumer loans moved lower by 6 basis points to 12.76%.

Holdings Company Ltd. (FOCOL) were split four-to-one, effective August 8, 2007.

INTERNATIONAL TRADE AND PAYMENTS

Provisional estimates for the third quarter of 2007 placed the current account deficit lower by \$34.1 million at \$491.4 million, as a slowdown in private sector demand, alongside reduced levels of fuel imports, supported an improvement in the merchandise trade deficit. The outcome also benefited from a marginal tourism-led increase in the surplus on the services account, which negated the expansion in payments related to foreign investment services. Moreover, a slight rise was noted for net current transfer inflows. In contrast, occasioned by higher income outflows to non-residents and firming in dividend and earnings repatriations, the balance on the income account deteriorated.

The estimated merchandise trade deficit improved by 8.1% (\$53.6 million) to \$604.6 million, consequent on a 4.2% reduction in non-oil imports to \$440.0 million and a 17.3% drop in fuel payments to \$164.6 million. For the latter, disaggregated prices showed the per barrel cost of motor gas down by 12.3% to \$85.53 and bunker 'c' fuel, by 52.5% to \$23.26. However, the price of propane fuel advanced by 5.1% to \$65.55 per barrel; jet fuel, by 2.3% to \$93.23 and gas oil, by 3.0% to \$82.39.

On the services account, the estimated surplus rose by 2.6% (\$2.4 million) to \$91.9 million. Buoyed by gains in visitor arrivals, net travel receipts advanced by 10.7% (\$36.8 million) to \$379.7 million; and increased activity in the non-resident financial sector supported an expansion in offshore companies' local expenses by 18.6% (\$8.5 million) to \$54.1 million. Positive contributions were also provided by a reduction in net construction service payments, by 36.9% (\$21.3 million) to \$36.4 million, and net transportation outflows tapered marginally by 2.2% (\$1.6 million) to \$74.4 million. However, these were strongly mitigated by the 46.3% (\$53.9 million) advance in the net outflow for other 'miscellaneous' services to \$170.3 million, and \$10.5 million for net Government service payments, to \$19.3 million.

Banking Sector Interest Rates

Period Average (%)

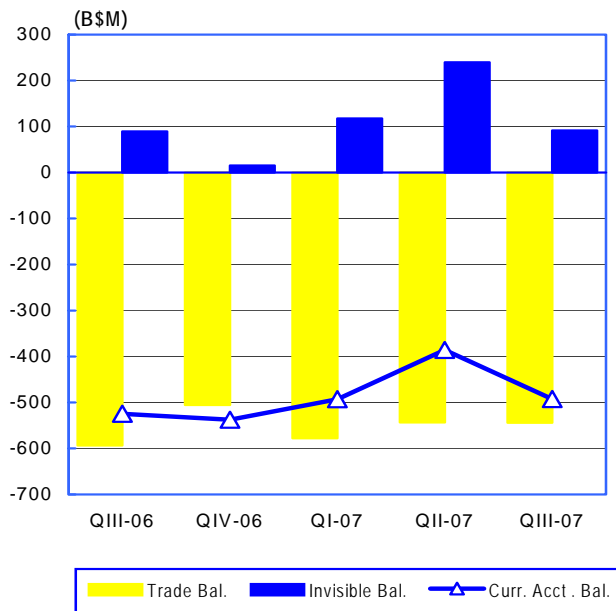
	Qtr. III 2006	Qtr. II 2007	Qtr. III 2007
Deposit rates			
Demand Deposits	2.21	2.45	2.35
Savings Deposits	2.16	1.96	2.00
Fixed Deposits			
Up to 3 months	3.16	3.50	3.52
Up to 6 months	3.63	3.86	3.85
Up to 12 months	3.88	4.19	4.12
Over 12 months	4.15	4.05	4.48
Weighted Avg Deposit Rate	3.31	3.63	3.68
Lending rates			
Residential mortgages	7.84	8.13	8.28
Commercial mortgages	8.30	8.26	8.93
Consumer loans	12.10	12.82	12.76
Other Local Loans	7.41	8.02	8.06
Overdrafts	10.44	12.39	11.04
Weighted Avg Loan Rate	9.93	10.82	10.63

Other key benchmark rates such as commercial banks' Prime and the Central Bank's Discount Rate, remained unchanged at 5.50% and 5.25%, respectively. The Treasury bill rate for 90 day issues was virtually stable at 2.63%.

CAPITAL MARKETS DEVELOPMENTS

The Bahamas International Securities Exchange (BISX) All Share Price Index gained 5.2% to 1,909.6 points during the review quarter, extending last quarter's 1.9% expansion. Although share volumes declined by 52.7% to 1.0 million, the total value of shares traded advanced by 36.3% to \$9.0 million, elevating market capitalization by 15.0% to \$3.9 billion. In addition, the Fidelity Capital Market Limited's Index (FINDEX), which includes over the counter trading, grew by 6.08% to 854.70 points at end-September, which was below the 7.1% gain registered in the comparative 2006 period. In other quarterly developments, shares in Freeport Oil

Balance of Payments



Net income outflows almost doubled to \$49.7 million, as labour remittances increased by \$7.5 million (45.8%) to \$23.8 million, and net interest and dividend payments abroad rose more than two-fold to \$25.9 million. The latter reflected a reversal in commercial banks' transactions, to a net outflow of \$17.3 million from a net receipt of \$9.7 million a year-earlier. The net official outflow declined by \$0.4 million to \$6.0 million.

Net current transfer receipts firmed by \$3.5 million (55.8%) to \$9.8 million, mainly on account of an increase in net inflows to the general government of \$2.6 million (28.8%) to \$11.6 million. Meanwhile, net outflows for 'other' sectors waned by \$0.9 million (33.9%) to \$1.8 million, which was entirely due to a decline in workers' net outward remittances to \$2.1 million.

Preliminary data indicates that the capital and financial account surplus contracted significantly to \$48.2 million from \$309.0 million in 2006, led by a falloff in direct investment inflows and a reversal in other "miscellaneous" flows to a net outflow. Specifically, net foreign direct investments contracted by \$59.4 million to \$80.3 million, as net equity inflows narrowed by \$34.3 million to \$63.7 million and net foreign real estate receipts decreased by \$25.2 million to \$16.6 million. In terms of 'other investments', net private sector inflows receded to

\$7.6 million from \$122.9 million last year, when entities secured significant levels of loan financing to fund tourism related investments. In addition, net short-term transactions through the domestic banking system reversed to an \$18.3 million net repayment from a net borrowing of \$73.2 million a year earlier. For the public sector, net capital inflows tapered to \$0.1 million from \$1.2 million last year.

Inclusive of adjustments for possible net errors and omissions, the overall payments balance, which corresponded mainly to the change in the Central Bank's external reserves, recorded a higher deficit of \$178.1 million, compared to \$101.6 million a year-earlier.

INTERNATIONAL ECONOMIC DEVELOPMENTS

The world economy faced significant headwinds during the third quarter, as the adverse effects of the US housing crisis spilled over into global credit markets, leading to a significant tightening of liquidity in the banking sector and the collapse of a number of mortgage lenders. To stem the credit crisis, several central banks provided liquidity support in excess of \$36 billion to the banking system, and the United States Federal Reserve reduced interest rates for the first time in four years, by 50 basis points. In this uncertain environment, the U.S. dollar continued its downward trend, reaching record lows against some major currencies. Several of the major indices registered declines, reflecting investors' concern over the global credit crisis; however, equity markets in the US improved, supported by the actions of the Federal Reserve and signs of strengthened growth.

Despite continued weakness in the housing sector, real GDP in the United States continued to expand at a brisk pace, rising at an annualized rate of 4.9% in the third quarter, up from 3.8% in the previous period. The acceleration in output primarily reflected a 2.7% increase in personal consumption expenditure and an 18.9% surge in exports, which overshadowed the 19.7% decrease in residential fixed investment. Positive outturns in the German and French economies underpinned an improvement in euro zone real GDP growth to an annualized 2.7% from 2.5% in the second quarter. The United Kingdom's quarterly economic expansion slowed marginally by 0.1 percentage points to 0.7% in the three-months

to September, mainly on account of a downturn in the mining and quarrying sector's output. Strong net exports, domestic demand and business capital investments contributed to a reversal in Japan's economy, from a contraction of 1.2% in the second quarter to a third quarter increase of 2.6%. In contrast, amid continuing monetary tightening by the Bank of China, Chinese real GDP growth moderated slightly on a year-on-year basis to 11.5% in the third quarter from 11.9% in the previous three-month period.

The unemployment rate in the United States rose to 4.7% in the three-months to September, up 0.2 percentage points from the second quarter, as accretions to the labour force outstripped gains in employment. In Europe, the United Kingdom's unemployment rate steadied at 5.4% on a quarterly basis; however, improvements in labor market conditions in Germany and France fostered a slight decline in the average jobless rate in the euro zone, by 0.1 percentage points to 7.3% at end-September. Softened employment trends in the Government and services sectors elevated the average unemployment rate in Japan, by 0.4 percentage points to 4.0%.

Continued firming in oil and food prices over the review period sustained global inflationary trends. In the United States, average consumer price inflation for the twelve-months to September stood slightly higher at 2.8%, whereas the annualized growth in average consumer prices in the United Kingdom slowed by 0.6 percentage points to 1.8% in September, as the gradual phasing in of tariff reductions led to declines in gas and electricity bills. Quarterly inflation in the euro zone firmed to an annual rate of 2.1% in the third quarter, from 1.9% in the earlier period, and was driven mainly by higher costs for education, beverage and hotel & restaurant services. Despite the rebound in economic output, average prices in Japan softened on a year-on-year basis by 0.2% in September. In contrast, fueled by the surge in foreign currency inflows and the rapid rise in credit, average consumer prices in China strengthened by 6.2% over the previous year—1.8 percentage points higher than the end-June rate.

Currency markets were dominated by the weakness of the United States dollar, amid persistent uncertainty in credit and financial markets arising from the sub-prime

lending crisis, and the US Federal Reserve's move to loosen monetary policy. The dollar moved lower by 1.9% against the Pound Sterling and by 5.1% against the Euro to ten-year lows of £0.49 and €0.70, respectively. Similarly, the dollar declined against the Swiss Franc by 4.7% to CHF 1.16, relative to the Japanese Yen, by 6.8% to ¥114.80 and by 1.4% vis-à-vis the Chinese currency to 7.51 Yuan.

During the review quarter, equity investors' confidence in the United States remained strong, reflecting their positive response to signs of robust growth and the actions taken by the Federal Reserve to reduce the spread of the mortgage and liquidity crises to the wider economy. Consequently, most major US equity indices managed to recover from the July slide, ending the quarter in positive territory. The Dow Jones Industrial Average (DJIA) finished the period up 4.2% to close at 13,895.63 points, a record level for the year. Similarly, the Standard and Poor's 500 Index gained 1.6% for a new month-end high of 1,526.75 points. In contrast, domestic fears over the global credit and liquidity crises translated into declines in European equity markets. In the United Kingdom, the FTSE 100 fell by 2.1% to 6,466.80 points; Germany's DAX contracted by 1.8% to 7,861.51 points and France's CAC 40 weakened by 5.6% to 5,715.69 points. In Asia, Japan's NIKKEI 225 tumbled by 7.5% to a low of 16,785.69, whereas China's robust economic growth, combined with the surge in foreign capital inflows, resulted in an almost 50% increase in the Shanghai composite index to a record month-end close of 5,552.30 points.

In commodity markets, volatility in crude oil prices persisted over the review quarter, amid concerns that the global financial crisis would reduce aggregate demand. However, the August contraction in prices was reversed in September, as heightened geopolitical risks, the continued weakness of the US dollar and production disruptions caused crude oil prices to surge by \$2.88 per barrel for a quarterly rise of 10.0% to an average of \$75.63 per barrel. Other major commodities also registered significant price appreciation, as investors sought to diversify their portfolios into safer investments. In particular, the price of gold and silver rose by 14.6% and 10.3%, to \$743.60 per ounce and \$13.77 per ounce, respectively.

During the third quarter, the Federal Reserve increased the level of monetary accommodation in an attempt to prevent the adverse effects of the mortgage and credit crises negatively impacting the wider economy. As credit market conditions deteriorated, authorities reduced the discount rate by 0.5 percentage points to 5.75% in August, and provided liquidity to the financial markets. In September, the discount rate was cut by an additional 0.25 percentage points to 5.25%, and the key policy rate, the federal funds rate, was lowered by 0.5 percentage points to 4.75%. Given the tightening in credit conditions in Europe, the European Central Bank also injected liquidity into the banking system, but kept interest rates unchanged. Similarly, the Bank of England provided funding to a major mortgage lender in September, and raised its key interest rate by 0.25 percentage points to 5.75%, on concerns over inflation. Amid expectations of continued sustainable growth with price stability, the Bank of Japan maintained the overnight call rate at 0.5%, whereas fears over higher inflation rates and the surge in credit led the Chinese Central Bank to hike both its benchmark deposit and lending rates, by 0.27 percentage points, on three separate occasions, to 3.87% and 7.29%, respectively. In September, the Bank also raised the banking system's average reserve requirement ratio by 0.5 percentage points.

In preliminary external account developments, the United States' trade deficit narrowed from \$177.7 billion in the second quarter to \$172.3 billion in the review period, as exports benefited from the weakness in the US dollar. However, the deficit on the trade in goods and services balance in the United Kingdom deteriorated on a quarterly basis, by £2.5 billion to £14.0 billion, while the euro zone's quarterly external trade surplus narrowed by €0.9 billion to €10.7 billion. Buoyed by increased exports, the current account surplus in Japan improved by almost 22% to ¥ 68.2 trillion. Similarly, increased levels of goods sold overseas resulted in China's quarterly trade surplus rising by \$7.1 billion to \$73.2 billion.

STATISTICAL APPENDIX
(Tables 1-16)

STATISTICAL APPENDIX

TABLE 1	FINANCIAL SURVEY
TABLE 2	MONETARY SURVEY
TABLE 3	CENTRAL BANK BALANCE SHEET
TABLE 4	DOMESTIC BANKS BALANCE SHEET
TABLE 5	PROFIT AND LOSS ACCOUNTS OF BANKS IN THE BAHAMAS
TABLE 6	MONEY SUPPLY
TABLE 7	CONSUMER INSTALMENT CREDIT
TABLE 8	SELECTED AVERAGE INTEREST RATES
TABLE 9	SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS
TABLE 10	SUMMARY OF BANK LIQUIDITY
TABLE 11	GOVERNMENT OPERATIONS AND FINANCING
TABLE 12	NATIONAL DEBT
TABLE 13	PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS
TABLE 14	BALANCE OF PAYMENTS SUMMARY
TABLE 15	EXTERNAL TRADE
TABLE 16	SELECTED TOURISM STATISTICS

The following symbols and conventions are used throughout this report:

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

TABLE 1
FINANCIAL SURVEY

End of Period	2002			2003			2004			2005			2006			2007		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Net foreign assets	(357.3)	4,193.5	4,147.1	1,438.8	104.3	71.1	(32.2)	(16.3)	(6.4)	(181.1)	(254.4)	(133.4)	(124.5)	(249.0)				
Central Bank	373.2	484.3	667.8	667.8	667.8	665.2	578.8	637.8	644.2	542.7	499.7	623.5	642.8	464.7				
Domestic Banks	(730.5)	(628.1)	(563.5)	(563.5)	(594.1)	(594.1)	(611.0)	(654.1)	(650.6)	(723.8)	(754.1)	(756.9)	(767.3)	(713.7)				
Net domestic assets	4,193.5	4,147.1	4,317.2	4,317.2	4,601.1	4,601.1	4,862.4	4,950.5	5,161.6	5,259.8	5,399.5	5,455.3	5,657.5	5,791.8				
Domestic credit	4,940.4	4,974.0	5,227.2	5,227.2	5,581.4	5,624.2	5,899.5	6,051.4	6,295.3	6,524.9	6,742.9	6,802.1	7,049.3	7,259.1				
Public sector	870.8	879.4	887.8	887.8	953.8	876.2	945.8	935.7	1,006.8	1,004.5	1,074.2	1,044.3	1,176.2	1,191.8				
Government (net)	651.3	506.5	547.1	547.1	619.7	575.1	642.5	621.2	642.2	636.0	677.0	664.2	773.7	823.6				
Rest of public sector	219.5	372.9	340.7	340.7	334.1	301.1	303.3	314.5	364.6	368.5	397.2	380.1	402.5	368.2				
Private sector	4,069.6	4,094.6	4,339.4	4,339.4	4,378.8	4,627.6	4,953.7	5,115.7	5,288.5	5,520.4	5,668.7	5,757.8	5,873.1	6,067.3				
Other items (net)	(746.9)	(826.9)	(910.0)	(910.0)	(924.4)	(961.3)	(1,037.1)	(1,100.9)	(1,133.7)	(1,265.1)	(1,343.4)	(1,346.8)	(1,391.8)	(1,467.3)				
Monetary liabilities	3,836.2	4,003.3	4,421.5	4,421.5	4,615.8	4,774.5	4,830.2	4,934.2	5,155.2	5,078.7	5,145.1	5,321.9	5,533.0	5,542.7				
Money	817.7	907.4	1,134.4	1,134.4	1,244.3	1,291.0	1,247.6	1,265.5	1,352.7	1,263.6	1,251.1	1,267.9	1,330.7	1,273.2				
Currency	154.8	160.1	176.6	176.6	175.6	169.8	195.3	198.2	198.3	199.0	202.1	216.1	216.9	213.3				
Demand deposits	662.9	747.3	957.8	957.8	1,068.7	1,121.2	1,052.3	1,067.3	1,154.4	1,064.6	1,049.0	1,051.8	1,113.8	1,059.9				
Quasi-money	3,018.5	3,095.9	3,287.1	3,287.1	3,371.5	3,483.5	3,582.6	3,668.7	3,802.5	3,815.1	3,894.0	4,054.0	4,202.3	4,269.5				
Fixed deposits	2,296.2	2,315.9	2,410.3	2,410.3	2,426.4	2,463.3	2,514.2	2,556.6	2,636.2	2,687.9	2,720.8	2,907.3	3,002.0	3,074.3				
Savings deposits	630.7	678.8	779.9	779.9	814.6	852.4	881.8	911.6	931.8	941.1	953.3	986.2	1,029.9	1,012.9				
Foreign currency	91.6	101.2	96.9	96.9	130.5	167.8	144.2	120.9	182.8	153.2	159.2	160.5	170.4	182.3				
Total domestic credit	5.6	0.7	5.1	5.1	2.5	4.1	4.9	2.6	4.0	3.6	3.3	0.9	3.6	3.0				
Public sector	12.3	1.0	1.0	1.0	10.5	(2.8)	7.9	(1.1)	7.6	(0.2)	6.9	(2.8)	12.6	1.3				
Government (net)	4.0	(22.2)	8.0	8.0	16.8	(3.0)	11.7	(3.3)	3.4	(1.0)	6.4	(1.9)	16.5	6.4				
Rest of public sector	47.1	69.9	(8.6)	(8.6)	0.4	(2.3)	0.7	3.7	15.9	1.1	7.8	(4.3)	5.9	(8.5)				
Private sector	4.3	0.6	6.0	6.0	0.9	5.7	4.3	3.3	3.4	4.4	2.7	1.6	2.0	3.3				
Monetary liabilities	3.2	4.4	10.4	10.4	4.4	3.4	3.4	2.2	4.5	(1.5)	1.3	3.4	4.0	0.2				
Money	5.3	11.0	25.0	25.0	9.7	3.8	5.4	1.4	6.9	(6.6)	(1.0)	1.3	5.0	(4.3)				
Currency	0.8	3.4	10.3	10.3	(0.6)	(3.3)	3.4	1.5	0.1	0.4	1.6	6.9	0.4	(1.7)				
Demand deposits	6.4	12.7	28.2	28.2	11.6	4.9	5.7	1.4	8.2	(7.8)	(1.5)	0.3	5.9	(4.8)				
Quasi-money	2.7	2.6	6.2	6.2	2.6	3.3	2.7	2.4	3.6	0.3	2.1	4.1	3.7	1.6				

(percentage changes)

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	2002			2003			2004			2005			2006			2007		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
	(B\$ Millions)																	
Net foreign assets	(349.7)	(130.7)	70.9	4,025.1	4,247.2	4,348.0	4,546.6	4,534.6	4,786.9	(47.7)	(30.2)	(148.5)	(235.0)	(84.1)	(226.7)	(84.1)	(68.6)	(226.7)
Central Bank	373.2	484.3	667.8	4,822.8	5,083.1	5,218.9	5,438.3	5,482.6	5,752.7	637.8	644.2	542.7	499.7	623.5	464.7	623.5	642.8	464.7
Commercial banks	(722.9)	(615.0)	(596.9)	874.9	883.4	976.7	949.0	871.4	945.8	(685.5)	(674.4)	(691.2)	(734.7)	(707.6)	(691.4)	(707.6)	(711.4)	(691.4)
Net domestic assets	4,092.4	4,025.1	4,247.2	4,025.1	4,247.2	4,348.0	4,546.6	4,534.6	4,786.9	4,880.9	5,094.5	5,140.3	5,299.4	5,327.1	5,709.2	5,327.1	5,518.9	5,709.2
Domestic credit	4,793.2	4,822.8	5,083.1	4,822.8	5,083.1	5,218.9	5,438.3	5,482.6	5,752.7	5,900.8	6,142.5	6,372.6	6,588.8	6,650.8	7,120.3	6,650.8	6,899.5	7,120.3
Public sector	867.6	874.9	883.4	874.9	883.4	976.7	949.0	871.4	945.8	930.9	1,001.6	999.0	1,068.9	1,039.0	1,186.5	1,039.0	1,171.0	1,186.5
Government (net)	648.2	502.1	542.7	502.1	542.7	634.8	614.9	570.3	642.5	616.4	637.0	630.5	671.7	658.9	768.5	658.9	768.5	818.3
Rest of public sector	219.4	372.8	340.7	372.8	340.7	341.9	334.1	301.1	303.3	314.5	364.6	368.5	397.2	380.0	368.2	380.0	402.5	368.2
Private sector	3,925.6	3,947.9	4,199.7	3,947.9	4,199.7	4,242.2	4,489.3	4,611.2	4,806.9	4,969.9	5,140.9	5,373.6	5,519.9	5,611.8	5,933.8	5,611.8	5,728.5	5,933.8
Other items (net)	(700.8)	(797.7)	(835.9)	(797.7)	(835.9)	(870.9)	(891.7)	(948.0)	(965.8)	(1,019.9)	(1,048.0)	(1,232.3)	(1,289.4)	(1,323.7)	(1,411.1)	(1,323.7)	(1,380.6)	(1,411.1)
Monetary liabilities	3,742.7	3,894.4	4,318.1	3,894.4	4,318.1	4,509.4	4,668.2	4,570.1	4,716.1	4,833.2	5,064.3	4,991.8	5,064.4	5,243.0	5,482.4	5,243.0	5,450.3	5,482.4
Money	808.5	895.8	1,124.7	895.8	1,124.7	1,231.2	1,275.1	1,169.6	1,223.0	1,245.5	1,338.1	1,246.3	1,238.1	1,254.3	1,256.1	1,254.3	1,313.0	1,256.1
Currency	154.8	160.1	176.6	160.1	176.6	175.6	169.8	188.8	195.3	198.2	198.3	199.0	202.1	216.1	213.3	216.1	217.0	213.3
Demand deposits	653.7	735.7	948.1	735.7	948.1	1,055.6	1,105.3	980.8	1,027.7	1,047.3	1,139.8	1,047.3	1,036.0	1,038.2	1,042.8	1,038.2	1,096.0	1,042.8
Quasi-money	2,934.2	2,998.6	3,193.4	2,998.6	3,193.4	3,278.2	3,393.1	3,400.5	3,493.1	3,587.7	3,726.2	3,745.5	3,826.3	3,988.7	4,226.3	3,988.7	4,137.3	4,226.3
Savings deposits	630.4	678.5	779.7	678.5	779.7	814.3	852.2	852.4	881.6	911.5	931.7	941.1	953.1	986.0	1,012.6	986.0	1,029.6	1,012.6
Fixed deposits	2,212.2	2,218.8	2,316.8	2,218.8	2,316.8	2,333.4	2,373.1	2,426.8	2,467.4	2,555.3	2,611.7	2,651.2	2,714.1	2,842.2	3,031.4	2,842.2	2,937.3	3,031.4
Foreign currency deposits	91.6	101.3	96.9	101.3	96.9	130.5	167.8	121.3	144.1	120.9	182.8	153.2	159.1	160.5	182.3	160.5	170.4	182.3
Total domestic credit	5.3	0.6	5.4	0.6	5.4	2.7	4.2	0.8	4.9	2.6	4.1	3.7	3.4	0.9	3.2	0.9	3.7	3.2
Public sector	12.4	0.8	1.0	0.8	1.0	10.6	(2.8)	(8.2)	8.5	(1.6)	7.6	(0.3)	7.0	(2.8)	1.3	(2.8)	12.7	1.3
Government (net)	4.1	(22.5)	8.1	(22.5)	8.1	17.0	(3.1)	(7.3)	12.7	(4.1)	3.3	(1.0)	6.5	(1.9)	6.5	(1.9)	16.6	6.5
Rest of public sector	47.1	69.9	(8.6)	69.9	(8.6)	0.4	(2.3)	(9.9)	0.7	3.7	15.9	1.1	7.8	(4.3)	(8.5)	(4.3)	5.9	(8.5)
Private sector	3.8	0.6	6.4	0.6	6.4	1.0	5.8	2.7	4.2	3.4	3.4	4.5	2.7	1.7	3.6	1.7	2.1	3.6
Monetary liabilities	2.9	4.1	10.9	4.1	10.9	4.4	3.5	(2.1)	3.2	2.5	4.8	(1.4)	1.5	3.5	4.0	3.5	4.0	0.6
Money	5.1	10.8	25.6	10.8	25.6	9.5	3.6	(8.3)	4.6	1.8	7.4	(6.9)	(0.7)	1.3	4.7	1.3	4.7	(4.3)
Currency	0.8	3.4	10.3	3.4	10.3	(0.6)	(3.3)	11.2	3.4	1.5	0.1	0.4	1.6	6.9	0.4	6.9	0.4	(1.7)
Demand deposits	6.2	12.5	28.9	12.5	28.9	11.3	4.7	(11.3)	4.8	1.9	8.8	(8.1)	(1.1)	0.2	5.6	0.2	5.6	(4.9)
Quasi-money	2.3	2.2	6.5	2.2	6.5	2.7	3.5	0.2	2.7	2.7	3.9	0.5	2.2	4.2	3.7	4.2	3.7	2.2

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

End of Period	(B\$ Millions)																	
	2002			2003			2004			2005			2006			2007		
Net foreign assets	373.2	484.3	667.8	761.1	665.2	578.8	637.8	644.2	542.7	499.7	623.5	642.8	464.7					
Balances with banks abroad	126.3	183.7	311.1	309.3	230.0	145.4	210.4	212.1	116.8	90.5	226.7	246.2	69.7					
Foreign securities	238.3	291.3	347	442.7	426.1	424.4	418.4	422.8	416.47	399.8	387.3	387.0	385.1					
Reserve position in the Fund	8.5	9.3	9.7	9.1	9.1	9.0	9.0	9.3	9.3	9.4	9.5	9.5	9.7					
SDR holdings	0.1	--	--	--	--	--	--	--	0.1	--	--	0.1	0.1					
Net domestic assets	92.0	15.2	(13.1)	(62.4)	27.9	23.1	(21.0)	(25.9)	83.9	85.1	89.9	50.9	175.3					
Net claims on Government	172.9	108.4	141.9	167.5	134.7	122.0	111.3	129.9	182.3	182.5	194.2	163.1	278.7					
Claims	182.4	114.8	149.5	215.9	152.8	149.7	150.7	137.4	198.0	190.6	201.8	176.9	288.1					
Treasury bills	72.0	--	--	--	--	--	--	--	43.4	52.2	49.1	--	116.0					
Bahamas registered stock	38.6	43.8	78.5	138.9	75.8	72.7	73.7	75.4	77.6	76.4	90.6	104.9	100.1					
Loans and advances	71.8	71.0	71.0	77.0	77.0	77.0	77.0	62.0	77.0	62.0	62.0	72.0	72.0					
Deposits	(9.5)	(6.4)	(7.6)	(48.4)	(18.1)	(27.7)	(39.4)	(7.5)	(15.7)	(8.1)	(7.5)	(13.8)	(9.4)					
In local currency	(9.5)	(6.4)	(7.6)	(48.4)	(18.1)	(27.7)	(39.4)	(7.5)	(15.7)	(8.1)	(7.5)	(13.8)	(9.4)					
In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--					
Deposits of rest of public sector	(10.1)	(21.6)	(87.7)	(153.3)	(34.0)	(26.1)	(54.1)	(77.8)	(12.4)	(18.3)	(22.8)	(29.8)	(17.4)					
Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--					
Official capital and surplus	(98.3)	(97.3)	(98.2)	(102.7)	(105.2)	(105.5)	(114.0)	(108.5)	(107.2)	(107.3)	(115.4)	(112.6)	(111.4)					
Net unclassified assets	19.9	18.4	22.3	17.7	24.0	24.4	27.6	22.3	13.1	20.1	25.8	22.3	17.5					
Loans to rest of public sector	6.7	6.4	7.6	7.4	7.4	7.3	7.2	7.2	7.1	7.0	7.0	6.9	6.8					
Public Corp Bonds/Securities	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1					
Liabilities To Domestic Banks	(296.5)	(324.2)	(462.2)	(514.0)	(489.5)	(392.0)	(403.9)	(404.9)	(412.4)	(367.3)	(481.7)	(461.3)	(410.8)					
Notes and coins	(66.3)	(79.6)	(78.5)	(69.5)	(54.9)	(105.8)	(57.0)	(60.4)	(59.1)	(116.2)	(60.3)	(72.0)	(73.5)					
Deposits	(230.2)	(244.6)	(383.7)	(444.5)	(434.6)	(286.2)	(346.9)	(344.5)	(353.3)	(251.1)	(421.4)	(389.2)	(337.2)					
SDR allocation	(13.9)	(15.2)	(15.9)	(14.9)	(14.8)	(14.6)	(14.7)	(15.1)	(15.2)	(15.4)	(15.4)	(15.5)	(15.9)					
Currency held by the private sector	(154.8)	(160.1)	(176.6)	(169.8)	(188.8)	(195.3)	(198.2)	(198.3)	(199.0)	(202.1)	(216.1)	(216.9)	(213.3)					

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(B\$ Millions)

End of Period	2002			2003			2004			2005			2006			2007		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Net foreign assets	(730.5)	(628.1)	(563.5)	(538.2)	(606.7)	(594.1)	(611.0)	(654.1)	(650.6)	(723.8)	(754.1)	(756.9)	(767.3)	(713.7)				
Net claims on Central Bank	295.8	322.4	461.4	435.8	513.2	488.7	389.7	403.2	405.1	418.1	366.5	479.8	460.4	412.3				
Notes and Coins	66.3	79.6	78.5	62.1	69.5	54.9	105.8	57.0	60.4	59.1	116.2	60.3	72.0	73.5				
Balances	230.3	243.6	383.7	374.5	444.5	434.6	284.7	347.0	345.5	359.8	251.1	420.4	389.2	339.6				
Less Central Bank credit	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				
Net domestic assets	3,750.3	3,814.7	4,018.7	4,129.4	4,265.7	4,267.0	4,518.2	4,615.1	4,753.6	4,797.4	4,935.4	5,003.4	5,190.8	5,197.3				
Net claims on Government	478.4	398.1	405.2	497.7	452.2	440.4	528.9	510.0	512.3	453.8	494.5	469.9	610.6	544.9				
Treasury bills	38.8	47.6	26.7	85.4	86.5	48.5	66.1	78.0	125.3	34.6	10.0	18.9	139.6	60.7				
Other securities	341.2	369.6	393.3	398.0	385.6	414.3	400.5	413.9	417.8	447.5	437.1	446.7	437.9	463.1				
Loans and advances	170.0	74.5	78.2	115.5	85.3	77.0	150.7	122.6	75.7	70.9	156.3	107.7	139.7	136.1				
Less: deposits	71.6	93.6	93	101.2	105.2	99.4	88.4	104.5	106.5	99.2	108.9	103.3	106.6	115.1				
Net claims on rest of public sector	(143.8)	53.0	91.5	84.3	46.4	5.0	(25.3)	(11.4)	(14.0)	(15.2)	12.3	15.4	(7.7)	(55.7)				
Securities	9.4	18.6	18.6	21.6	23.6	20.6	20.6	22.6	34.3	34.3	121.1	118.4	115.9	98.0				
Loans and advances	202.5	347.0	313.5	311.8	302.0	272.1	265.8	283.6	322.2	326.1	268.1	253.7	278.6	262.3				
Less: deposits	355.7	312.6	240.6	249.1	279.2	287.7	311.7	317.6	370.5	375.6	376.8	356.6	402.3	416.0				
Other net claims	3.5	3.5	(14.1)	(8.7)	(7.4)	(4.3)	(5.9)	(4.2)	8.2	(42.3)	(17.9)	(31.3)	(37.6)	(5.3)				
Credit to the private sector	4069.6	4094.6	4339.4	4,378.8	4,627.6	4,748.0	4,953.7	5,115.7	5,288.5	5,520.4	5,668.7	5,757.8	5,873.1	6,067.3				
Securities	10.2	20.4	14.7	15.6	28.4	18.1	28.2	27.4	28.2	29.2	21.7	20.3	24.3	24.9				
Mortgages	1309.2	1438.4	1631.1	1,680.5	1,762.2	1,836.3	1,919.1	1,996.8	2,084.2	2,182.3	2,258.1	2,320.7	2,390.4	2,480.1				
Loans and advances	2,750.2	2,635.8	2,693.6	2,682.7	2,837.0	2,893.6	3,006.4	3,091.5	3,176.1	3,308.9	3,388.9	3,416.9	3,458.4	3,562.3				
Private capital and surplus	(722.9)	(1032.5)	(1121.4)	(1,130.8)	(1,141.8)	(1,160.4)	(1,197.5)	(1,278.4)	(1,299.2)	(1,420.7)	(1,477.5)	(1,501.3)	(1,552.1)	(1,600.9)				
Net unclassified assets	69.0	301.5	318.1	299.4	281.3	234.0	264.3	283.4	257.8	301.4	255.3	292.8	304.5	247.0				
Liabilities to private sector	3,315.3	3,508.9	3,916.6	4,026.9	4,172.2	4,161.6	4,297.1	4,364.2	4,508.1	4,491.7	4,547.8	4,726.4	4,883.9	4,896.0				
Demand deposits	690.5	766.2	921	974.8	1,044.6	999.2	1,092.2	1,066.1	1,161.4	1,128.7	1,112.9	1,124.8	1,164.7	1,137.7				
Savings deposits	634.3	682.1	783.7	818.5	856.9	855.1	885.3	915.1	937.6	949.0	956.8	988.3	1,032.7	1,016.2				
Fixed deposits	1990.5	2060.6	2211.9	2,233.6	2,270.7	2,307.3	2,319.6	2,383.0	2,409.1	2,414.0	2,478.1	2,613.3	2,686.5	2,742.0				

Source: The Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B\$ Millions)

End of Period	2002			2003			2004			2005			2006			2007		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Money supply (M1)	817.7	907.4	1,134.4	1,244.3	1,291.0	1,184.0	1,247.6	1,265.5	1,352.7	1,263.6	1,251.1	1,267.9	1,330.7	1,330.7	1,273.3			
1) Currency in active circulation	154.8	160.1	176.6	175.6	169.8	188.8	195.3	198.2	198.3	199.0	202.1	216.1	216.9	213.3				
2) Demand deposits	662.9	747.3	957.8	1,068.7	1,121.2	995.2	1,052.3	1,067.3	1,154.4	1,064.6	1,049.0	1,051.8	1,113.8	1,060.0				
Central Bank	10.1	21.7	87.7	164.1	153.3	34.0	26.1	54.1	78.2	12.4	18.3	22.8	29.8	17.4				
Domestic Banks	652.8	725.6	870.1	904.6	967.9	961.2	1,026.2	1,013.2	1,076.2	1,052.2	1,030.7	1,029.0	1,084.0	1,042.5				
Factors affecting changes in money (M1)																		
1) Net credit to Government	651.3	506.5	547.1	639.1	619.7	575.1	642.5	621.2	642.2	636.0	677.0	664.2	773.7	823.6				
Central Bank	172.9	108.4	141.9	141.4	167.5	134.7	122.0	111.2	129.9	182.3	182.5	194.2	163.1	278.7				
Domestic Banks	478.4	398.1	405.2	497.7	452.2	440.4	520.5	510.0	512.3	453.7	494.5	470.0	610.6	544.9				
2) Other credit	4,289.1	4,467.5	4,680.1	4,720.7	4,961.7	5,049.1	5,257.0	5,430.2	5,653.1	5,888.9	6,065.9	6,137.9	6,275.6	6,435.5				
Rest of public sector	219.5	372.9	340.7	341.9	334.1	301.1	303.3	314.5	364.6	368.5	397.2	380.1	402.5	368.2				
Private sector	4,069.6	4,094.6	4,339.4	4,378.8	4,627.6	4,748.0	4,953.7	5,115.7	5,288.5	5,520.4	5,668.7	5,757.8	5,873.1	6,067.3				
3) External reserves	373.2	484.3	667.8	718.6	761.1	665.2	578.8	637.8	644.2	542.7	499.7	623.5	642.8	464.7				
4) Other external liabilities (net)	(730.5)	(628.1)	(563.5)	(538.2)	(606.7)	(594.1)	(611.0)	(654.1)	(650.6)	(723.8)	(754.1)	(756.9)	(767.3)	(713.7)				
5) Quasi money	3,018.5	3,095.9	3,287.1	3,371.5	3,483.5	3,488.2	3,582.6	3,668.7	3,802.5	3,815.1	3,894.0	4,054.0	4,202.2	4,269.4				
6) Other items (net)	(746.9)	(826.9)	(910.0)	(924.4)	(961.3)	(1,023.1)	(1,037.1)	(1,100.9)	(1,133.7)	(1,265.1)	(1,343.4)	(1,346.8)	(1,391.8)	(1,467.3)				

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

End of Period	2003			2004			2005			2006			2007			
	Sept.	Dec.	Mar.	Sept.	Dec.	Mar.	Sept.	Dec.	Mar.	Sept.	Dec.	Mar.	Sept.	Dec.	Mar.	Sept.
CREDIT OUTSTANDING																
Private cars	221,334	212,679	207,781	209,879	216,465	222,787	226,337	228,421	231,191	237,786	242,558					
Taxis & rented cars	2,054	2,349	2,323	2,317	2,322	2,340	2,502	2,568	2,305	2,004	2,095					
Commercial vehicles	4,254	5,212	6,681	6,038	6,173	6,551	6,588	6,829	7,024	6,985	6,926					
Furnishings & domestic appliances	12,727	13,972	15,673	17,309	17,667	18,277	18,768	19,658	20,018	20,265	21,111					
Travel	40,815	40,814	41,454	41,435	39,489	42,151	46,929	45,944	42,898	43,506	50,326					
Education	49,903	46,926	48,891	47,737	48,393	48,257	53,095	52,858	52,219	52,249	58,487					
Medical	13,662	13,811	14,157	14,446	14,940	16,227	16,691	17,320	18,149	18,846	20,231					
Home Improvements	109,296	114,199	128,838	134,334	137,988	142,222	145,557	152,851	154,103	157,601	164,264					
Land Purchases	120,265	150,096	165,735	174,645	177,630	186,023	190,508	201,318	212,473	217,701	222,108					
Consolidation of debt	343,660	346,795	391,303	413,193	429,545	439,948	447,458	459,791	469,828	482,978	500,050					
Miscellaneous	334,267	374,008	392,602	412,162	425,763	438,374	463,648	489,122	505,010	516,608	539,284					
Credit Cards	148,265	166,073	172,367	188,058	186,643	196,474	210,102	226,401	223,774	228,627	243,125					
TOTAL	1,400,502	1,486,934	1,587,805	1,661,553	1,703,018	1,759,631	1,828,183	1,903,081	1,938,992	1,985,156	2,070,565					
NET CREDIT EXTENDED																
Private cars	(23,844)	(8,655)	(1,311)	2,098	6,586	6,322	3,550	2,084	2,770	6,595	4,772					
Taxis & rented cars	78	295	(108)	(6)	5	18	162	66	(263)	(301)	91					
Commercial vehicles	(259)	958	457	(643)	135	378	37	241	195	(39)	(59)					
Furnishings & domestic appliances	(1,804)	1,245	453	1,636	358	610	491	890	360	247	846					
Travel	(2,320)	(1)	2,853	(19)	(1,946)	2,662	4,778	(985)	(3,046)	608	6,820					
Education	(9,584)	(2,977)	3,143	(1,154)	656	(136)	4,838	(237)	(639)	30	6,238					
Medical	(656)	149	155	289	494	1,287	464	629	829	697	1,385					
Home Improvements	(2,505)	4,903	6,209	5,496	3,654	4,234	3,335	7,294	1,252	3,498	6,663					
Land Purchases	9,790	29,831	4,852	8,910	2,985	8,393	4,485	10,810	11,155	5,228	4,407					
Consolidation of debt	(7,282)	3,135	30,203	21,890	16,352	10,403	7,510	12,333	10,037	13,150	17,072					
Miscellaneous	(8,359)	39,741	16,092	19,560	13,601	12,611	25,274	25,474	15,888	11,598	22,676					
Credit Cards	(10,519)	17,808	11,033	15,691	(1,415)	9,831	13,628	16,299	(2,627)	4,853	14,498					
TOTAL	(57,264)	86,432	74,031	73,748	41,465	56,613	68,552	74,898	35,911	46,164	85,409					

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

(%)

Period	2004		2005		2006		2007			
	2004	2005	2005	2006	2006	2007	2007	2007		
	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
DOMESTIC BANKS										
Deposit rates										
Savings deposits	2.57	2.26	2.16	2.10	2.19	2.13	2.14	2.01	1.96	2.00
Fixed deposits										
Up to 3 months	3.69	3.13	3.17	3.04	3.15	3.13	3.16	3.44	3.50	3.52
Up to 6 months	4.46	3.41	3.63	3.28	3.44	3.60	3.63	3.88	3.86	3.85
Up to 12 months	4.26	3.58	3.93	3.53	3.85	3.88	3.88	4.32	4.19	4.12
Over 12 months	4.30	3.62	4.18	3.53	4.13	4.10	4.15	4.84	4.05	4.48
Weighted average rate	3.83	3.22	3.36	3.11	3.31	3.30	3.31	3.66	3.63	3.68
Lending rates										
Residential mortgages	8.81	8.08	7.85	7.82	7.94	7.82	7.84	7.93	8.13	8.28
Commercial mortgages	9.17	8.10	8.37	8.15	8.12	8.42	8.30	8.56	8.26	8.93
Consumer loans	12.96	12.22	11.96	12.59	12.01	11.97	12.10	12.15	12.82	12.76
Overdrafts	11.67	10.86	10.56	11.14	11.18	10.38	10.44	11.47	12.39	11.04
Weighted average rate	11.27	10.34	9.97	10.69	10.25	9.90	9.93	10.35	10.82	10.63
Other rates										
Prime rate	6.00	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Treasury bill (90 days)	0.55	0.14	0.87	0.06	0.36	0.69	1.74	2.55	2.64	2.63
Treasury bill re-discount rate	1.05	0.64	1.37	0.56	0.86	1.19	2.24	3.05	3.14	3.13
Bank rate (discount rate)	5.75	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	2003				2004				2005				2006				2007					
	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		
Loan Portfolio																						
Current Loans (as a % of loans total)	89.9	90.8	92.0	92.3	92.0	92.0	92.3	92.0	92.3	93.0	92.4	92.5	92.4	92.4	92.5	92.4	92.4	92.4	92.4	91.3	91.3	
Arrears (% by loan type)																						
Consumer	3.5	2.9	2.6	2.4	2.8	2.8	2.7	2.6	2.7	2.6	2.8	2.8	2.8	2.6	2.8	2.6	2.6	2.7	2.7	2.8	2.8	
Mortgage	4.0	3.8	3.6	3.5	3.6	3.6	3.2	3.2	3.2	3.2	3.4	3.1	3.1	3.1	3.1	3.1	3.1	3.3	3.3	3.9	3.9	
Commercial	2.6	2.5	1.8	1.8	1.6	1.6	1.8	1.2	1.8	1.2	1.4	1.6	1.6	1.9	1.6	1.9	1.5	1.5	1.9	1.9	1.9	
Public	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	
Total Arrears	<u>10.1</u>	<u>9.2</u>	<u>8.0</u>	<u>7.7</u>	<u>8.0</u>	<u>8.0</u>	<u>7.7</u>	<u>7.0</u>	<u>7.7</u>	<u>7.0</u>	<u>7.6</u>	<u>7.5</u>	<u>7.6</u>	<u>7.6</u>	<u>7.5</u>	<u>7.6</u>	<u>7.6</u>	<u>7.6</u>	<u>7.6</u>	<u>8.7</u>	<u>8.7</u>	
Total B\$ Loan Portfolio	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Loan Portfolio																						
Current Loans (as a % of loans total)	89.9	90.8	92.0	92.3	92.0	92.0	92.3	92.0	92.3	93.0	92.4	92.5	92.4	92.4	92.5	92.4	92.4	92.4	92.4	91.3	91.3	
Arrears (% by days outstanding)																						
30 - 60 days	3.2	2.9	2.4	2.3	2.7	2.7	2.7	2.3	2.7	2.3	2.4	2.5	2.4	2.7	2.5	2.7	2.6	2.6	2.6	3.1	3.1	
61 - 90 days	1.8	1.5	1.1	0.9	1.0	1.0	0.7	0.7	0.7	0.7	1.2	0.9	1.2	0.8	0.9	0.8	1.0	1.0	1.0	1.3	1.3	
90 - 179 days	1.1	0.8	0.8	0.9	0.9	0.9	0.9	0.7	0.9	0.7	0.8	0.9	0.8	0.8	0.9	0.8	0.7	0.7	0.7	0.9	0.9	
Over 180 days	4.0	4.0	3.7	3.6	3.4	3.4	3.4	3.3	3.4	3.3	3.2	3.2	3.2	3.3	3.2	3.3	3.4	3.4	3.4	3.4	3.4	
Total Arrears	<u>10.1</u>	<u>9.2</u>	<u>8.0</u>	<u>7.7</u>	<u>8.0</u>	<u>8.0</u>	<u>7.7</u>	<u>7.0</u>	<u>7.7</u>	<u>7.0</u>	<u>7.6</u>	<u>7.5</u>	<u>7.6</u>	<u>7.6</u>	<u>7.5</u>	<u>7.6</u>	<u>7.6</u>	<u>7.6</u>	<u>8.7</u>	<u>8.7</u>	<u>8.7</u>	
Total B\$ Loan Portfolio	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Non Accrual Loans (% by loan type)																						
Consumer	39.9	39.7	34.9	32.9	33.9	33.9	35.1	36.5	35.1	36.5	37.0	35.0	37.0	31.9	35.0	31.9	33.1	33.1	30.8	30.8	30.8	
Mortgage	38.4	38.8	44.0	41.8	42.9	42.9	41.6	44.3	41.6	44.3	41.7	40.9	41.7	42.7	40.9	42.7	42.1	42.1	42.7	42.7	42.7	
Other Private	21.7	21.4	21.0	25.2	23.1	23.1	23.2	19.1	23.2	19.1	21.2	24.0	21.2	25.3	24.0	25.3	22.8	22.8	24.6	24.6	24.6	
Public	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	1.9	1.9	1.9	
Total Non Accrual Loans	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Provisions to Loan Portfolio																						
Consumer	3.7	4.0	3.4	3.3	3.0	3.0	3.1	3.3	3.1	3.3	3.5	3.4	3.5	2.8	3.4	2.8	3.0	3.0	2.7	2.7	2.7	
Mortgage	1.2	1.2	1.4	1.4	1.3	1.3	1.5	1.5	1.5	1.5	1.3	1.3	1.3	1.2	1.3	1.2	1.3	1.3	1.2	1.2	1.2	
Other Private	0.9	1.0	1.6	1.7	1.6	1.6	2.3	2.3	2.3	2.3	2.3	2.5	2.3	2.8	2.5	2.8	2.4	2.4	3.2	3.2	3.2	
Public	0.0	0.0	0.4	0.4	0.3	0.3	0.3	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Provisions to Total Loans	2.1	2.2	2.2	2.1	2.0	2.0	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.1	2.3	2.1	2.1	2.1	2.1	2.1	2.1	
Total Provisions to Non-performing Loans	40.2	45.0	47.0	46.0	44.9	44.9	51.8	57.7	51.8	57.7	56.5	54.7	56.5	51.0	54.7	51.0	51.3	51.3	48.7	48.7	48.7	
Total Non-performing Loans to Total Loans	5.1	4.8	4.5	4.6	4.5	4.5	4.3	4.0	4.3	4.0	4.1	4.2	4.1	4.1	4.2	4.1	4.1	4.1	4.1	4.1	4.1	

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)																	
	2002			2003			2004			2005			2006			2007		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
I. Statutory Reserves																		
Required reserves	183.4	187.2	205.3	211.5	217.0	222.4	226.3	228.6	238.0	244.6	244.7	248.5	258.5	263.1				
Average Till Cash	55.3	66.7	70.2	57.8	64.9	60.8	86.5	60.8	67.8	68.2	96.9	67.9	71.4	72.5				
Average balance with central bank	217.8	250.2	407.5	385.9	444.1	446.1	332.2	357.5	355.9	348.5	265.7	379.6	421.0	340.2				
Free cash reserves (period ended)	88.9	128.9	271.6	231.4	291.2	283.7	191.5	189.0	184.9	171.2	117.2	198.3	233.1	148.9				
II. Liquid Assets (period)																		
A. Minimum required Liquid assets	589.9	615.6	677.2	691.9	717.8	731.1	752.2	768.5	797.6	800.4	802.5	813.6	851.8	858.0				
B. Net Eligible Liquid Assets	687.6	772.3	909.7	955.3	1021.5	973.2	895.6	937.8	990.4	964.2	865.6	988.9	1079.5	980.5				
i) Balance with Central Bank	230.3	243.5	383.7	374.5	444.6	434.6	284.7	347.0	345.5	359.8	251.1	420.4	389.2	339.6				
ii) Notes and Coins	66.8	80.1	79.0	62.6	70.0	55.4	106.3	57.5	60.9	59.6	116.7	60.8	72.5	74.0				
iii) Treasury Bills	38.8	47.6	26.7	85.4	86.4	48.5	66.1	78.0	125.3	34.6	10.0	18.9	139.6	60.7				
iv) Government registered stocks	335.3	369.5	393.3	402.3	390.4	419.1	400.4	413.9	417.8	447.5	437.1	446.7	437.9	463.1				
v) Specified assets	17.9	26.8	24.9	27.8	27.5	26.3	26.0	28.0	39.3	39.0	39.9	39.7	39.5	37.3				
vi) Net Inter-bank dem/call deposits	(0.7)	5.6	2.9	3.5	3.4	(9.9)	12.9	14.2	2.4	24.5	11.7	3.3	1.5	6.6				
vii) Less: borrowings from central bank	(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)				
C. Surplus/(Deficit)	97.7	156.7	232.5	263.4	303.7	242.1	143.4	169.3	192.8	163.8	63.1	175.4	227.6	122.5				

Source: The Central Bank of The Bahamas

TABLE II
GOVERNMENT OPERATIONS AND FINANCING

Period	2003/04p		2004/05p		2005/06p		Budget		2005/06p				2006/07p				2007/08p	
							2006/07	2007/08	QTR. I	QTR. II	QTR. III	QTR. IV	QTR. I	QTR. II	QTR. III	QTR. IV*	QTR. I	
Total Revenue & Grants	943.8	1,039.4	1,221.5	1,339.0	1,483.9	311.3	365.0	326.9	299.1	352.0	221.7	293.6	299.1	352.0	221.7	293.6		
Current expenditure	994.0	1,053.1	1,149.6	1,269.6	1,385.1	289.6	312.8	283.4	299.7	334.6	214.1	303.4	299.7	334.6	214.1	303.4		
Capital expenditure	80.9	90.4	123.5	162.4	189.7	31.3	42.2	30.3	35.2	36.1	30.5	30.5	35.2	36.1	30.5	30.5		
Net lending	35.3	71.4	54.5	32.4	34.4	15.1	20.3	9.7	18.0	16.9	8.4	10.4	9.7	16.9	8.4	10.4		
Overall balance	(166.4)	(175.5)	(106.1)	(125.4)	(125.4)	(24.8)	(10.4)	3.6	(53.8)	(35.5)	(38.9)	(40.9)	(53.8)	(35.5)	(38.9)	(40.9)		
FINANCING (I+II-III+IV+V)	166.4	175.4	106.1	125.4	125.7	24.8	10.4	(3.6)	(53.8)	(35.3)	(31.3)	(50.7)	(53.8)	(35.3)	(31.3)	(50.7)		
I. Foreign currency borrowing	206.7	2.9	8.7	32.7	23.0	1.4	3.4	3.0	2.7	5.0	2.7	2.0	2.7	5.0	2.7	2.0		
External	206.7	2.9	5.3	32.7	23.0	1.4	--	3.0	2.7	5.0	2.7	2.0	2.7	5.0	2.7	2.0		
Domestic	--	--	3.4	...	...	--	3.4	--	--	--	--	--	--	--	--	--
II. Bahamian dollar borrowing	132.3	325.1	201.7	195.3	166.6	75.0	51.6	115.0	--	50.0	65.3	128.0	--	50.0	65.3	128.0		
i) Treasury bills	--	13.1	--	...	...	--	--	--	--	--	10.0	28.0	--	--	10.0	28.0
Central Bank	--	13.1	--	...	...	--	--	--	--	--	10.0	28.0	--	--	10.0	28.0
Commercial banks & OLFIs	--	--	--	...	...	--	--	--	--	--	--	--	--	--	--	--
Public corporations	--	--	--	...	...	--	--	--	--	--	--	--	--	--	--	--
Other	--	--	--	...	...	--	--	--	--	--	--	--	--	--	--	--
ii) Long-term securities	98.3	306.3	201.7	...	...	75.0	51.6	100.0	--	50.0	45.3	100.0	--	50.0	45.3	100.0
Central Bank	33.3	55.9	11.5	...	...	4.0	2.5	5.0	--	20.0	45.3	--	--	20.0	45.3	--
Commercial banks & OLFIs	20.1	46.3	35.2	...	...	11.4	12.4	34.9	--	--	--	25.2	--	--	--	25.2
Public corporations	21.7	125.6	25.3	...	...	6.3	3.5	19.1	--	30.0	--	30.8	--	--	--	30.8
Other	23.2	78.5	129.6	...	...	53.3	33.2	41.0	--	--	--	44.0	--	--	--	44.0
iii) Loans and Advances	34.0	5.7	--	...	...	--	--	15.0	--	--	10.0	--	--	--	10.0	--
Central Bank	34.0	5.7	--	...	...	--	--	15.0	--	--	10.0	--	--	--	10.0	--
Commercial banks	--	--	--	...	...	--	--	--	--	--	--	--	--	--	--	--
III Debt repayment	251.4	98.4	62.1	102.6	63.9	21.7	28.6	35.7	17.5	11.3	57.9	21.3	17.5	11.3	57.9	21.3		
Domestic	242.0	92.6	58.1	94.7	56.0	21.0	27.1	35.0	15.9	10.5	31.4	20.5	15.9	10.5	31.4	20.5		
Bahamian dollars	112.0	92.6	57.2	94.7	56.0	21.0	26.2	35.0	15.0	10.5	30.5	20.5	15.0	10.5	30.5	20.5		
Internal foreign currency	130.0	--	0.9	...	...	--	0.9	--	0.9	--	0.9	--	0.9	--	0.9	--
External	9.4	5.8	4.0	7.9	7.9	0.7	1.5	0.7	1.6	0.8	26.5	0.8	1.6	0.8	26.5	0.8		
IV Cash balance change	(33.7)	(45.8)	39.5	...	...	(27.9)	29.9	(0.8)	(2.1)	5.0	3.0	(4.1)	(2.1)	5.0	3.0	(4.1)
V. Other Financing	112.5	(8.3)	(81.6)	...	...	(2.0)	(45.9)	(85.1)	70.7	(13.4)	18.2	(53.9)	70.7	(13.4)	18.2	(53.9)

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

* April & May only

TABLE 12
NATIONAL DEBT

End of Period	(B\$' 000s)											
	2004p			2005p			2006p			2007p		
	2004p	2005p	2006p	2005p	2006p	2007p	2006p	2007p	2007p	2007p	2007p	2007p
TOTAL EXTERNAL DEBT	284,611	286,528	289,185	288,070	289,185	289,185	289,185	289,185	289,185	289,185	289,185	289,185
By Instrument												
Government Securities	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000
Loans	59,611	61,528	64,185	63,070	64,185	64,185	64,185	64,185	64,185	64,185	64,185	64,185
Commercial banks	--	--	--	--	--	--	--	--	--	--	--	--
Offshore financial institutions	--	--	--	--	--	--	--	--	--	--	--	--
Multilateral institutions	59,611	61,528	64,185	63,070	64,185	64,185	64,185	64,185	64,185	64,185	64,185	64,185
Bilateral Institutions	--	--	--	--	--	--	--	--	--	--	--	--
Private Capital Markets	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000
TOTAL INTERNAL DEBT	1,813,297	1,948,696	2,094,191	2,110,593	2,094,191	2,094,191	2,094,191	2,094,191	2,094,191	2,094,191	2,094,191	2,094,191
By Instrument												
Foreign Currency	--	--	1,580	2,482	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580
Government securities	--	--	--	--	--	--	--	--	--	--	--	--
Loans	--	--	1,580	2,482	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580
Bahamian Dollars	1,813,297	1,948,696	2,092,611	2,108,111	2,092,611	2,092,611	2,092,611	2,092,611	2,092,611	2,092,611	2,092,611	2,092,611
Advances	71,019	76,988	61,988	76,988	61,988	61,988	61,988	61,988	61,988	61,988	61,988	61,988
Treasury bills	179,400	192,469	192,469	192,469	192,469	192,469	192,469	192,469	192,469	192,469	192,469	192,469
Government securities	1,552,633	1,668,993	1,829,908	1,829,908	1,829,908	1,829,908	1,829,908	1,829,908	1,829,908	1,829,908	1,829,908	1,829,908
Loans	10,245	10,246	8,246	8,746	8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246
By Holder												
Foreign Currency	--	--	1,580	2,482	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580
Commercial banks	--	--	1,580	2,482	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580
Other local financial institutions	--	--	--	--	--	--	--	--	--	--	--	--
Bahamian Dollars	1,813,297	1,948,696	2,092,611	2,108,111	2,092,611	2,092,611	2,092,611	2,092,611	2,092,611	2,092,611	2,092,611	2,092,611
The Central Bank	149,535	149,682	190,824	198,066	190,824	190,824	190,824	190,824	190,824	190,824	190,824	190,824
Commercial banks	427,858	463,385	450,974	471,108	450,974	450,974	450,974	450,974	450,974	450,974	450,974	450,974
Other local financial institutions	4,321	4,811	5,271	4,860	5,271	5,271	5,271	5,271	5,271	5,271	5,271	5,271
Public corporations	717,098	763,092	764,486	747,576	764,486	764,486	764,486	764,486	764,486	764,486	764,486	764,486
Other	514,485	567,726	681,056	686,501	681,056	681,056	681,056	681,056	681,056	681,056	681,056	681,056
TOTAL FOREIGN CURRENCY DEBT	284,611	286,528	290,765	290,552	290,765	290,765	290,765	290,765	290,765	290,765	290,765	290,765
TOTAL DIRECT CHARGE	2,097,908	2,235,224	2,383,376	2,398,663	2,383,376	2,383,376	2,383,376	2,383,376	2,383,376	2,383,376	2,383,376	2,383,376
TOTAL CONTINGENT LIABILITIES	439,852	497,206	502,885	507,601	502,885	502,885	502,885	502,885	502,885	502,885	502,885	502,885
TOTAL NATIONAL DEBT	2,537,760	2,732,430	2,886,261	2,906,264	2,886,261	2,886,261	2,886,261	2,886,261	2,886,261	2,886,261	2,886,261	2,886,261

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

TABLE 13
PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS

(B\$' 000s)

	2004p	2005p	2006p	2006p		2007p		
				Sept.	Dec.	Mar.	Jun.	
Outstanding debt at beginning of period	616,967	581,709	553,442	594,756	585,898	632,839	627,792	619,415
Government	288,545	284,611	286,528	288,230	290,552	290,765	295,029	271,317
Public Corporations	328,422	297,098	266,914	306,526	295,346	342,074	332,763	348,098
Plus new drawings	30,715	42,862	128,950	3,005	59,692	6,859	68,840	2,005
Government	4,240	4,974	10,485	3,005	2,692	5,018	3,840	2,005
Public corporations	26,475	37,888	118,465	--	57,000	1,841	65,000	--
Less Amortization	65,973	71,129	49,553	11,863	12,751	11,906	77,217	11,390
Government	8,174	3,057	6,248	683	2,479	754	27,552	833
Public corporations	57,799	68,072	43,305	11,180	10,272	11,152	49,665	10,557
Outstanding debt at end of period	581,709	553,442	632,839	585,898	632,839	627,792	619,415	610,030
Government	284,611	286,528	290,765	290,552	290,765	295,029	271,317	272,489
Public corporations	297,098	266,914	342,074	295,346	342,074	332,763	348,098	337,541
Interest Charges	27,340	30,178	35,234	5,152	13,172	5,216	14,450	4,236
Government	18,203	18,141	18,254	427	8,761	484	8,947	586
Public corporations	9,137	12,037	16,980	4,725	4,411	4,732	5,503	3,650
Debt Service	93,313	101,307	84,787	17,015	25,923	17,122	91,667	15,626
Government	26,377	21,198	24,502	1,110	11,240	1,238	36,499	1,419
Public corporations	66,936	80,109	60,285	15,905	14,683	15,884	55,168	14,207
Debt Service ratio (%)	3.4	3.3	2.7	2.3	3.5	2.1	10.8*	5.9
Government debt Service/ Government revenue (%)	2.7	1.9	1.9	0.3	3.8	0.4	n.a	0.5
Commercial banks	236.7	215.9	293.4	251.1	293.4	285.1	301.5	292.0
Offshore Financial Institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral Institutions	115.5	112.0	108.7	109.5	108.7	108.4	108.7	108.8
Bilateral Institutions	0.0	0.0	0.0	0.0	0.0	3.6	3.6	3.6
Other	4.4	0.5	5.7	0.3	5.7	5.7	5.7	5.6
Private Capital Markets	225.0	225.0	225.0	225.0	225.0	225.0	200.0	200.0

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

Note: *Debt servicing during the 2nd quarter of 2007 includes the re-financing of \$40 million in Public Corporations (internal) debt. Net of these payments, the adjusted debt service ratio was 6.2%

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	(B\$ Millions)											
	2004p			2005p			2006p			2007		
	2004p	2005p	2006p	2005p	2006p	2007	2005p	2006p	2007	2005p	2006p	2007
A. Current Account Balance (I+II+III+IV)	(305.2)	(814.5)	(1,844.1)	(250.1)	(275.5)	(401.9)	(380.3)	(524.6)	(537.3)	(493.5)	(385.7)	(491.5)
I. Merchandise (Net)	(1,427.6)	(1,809.6)	(2,174.4)	(433.7)	(470.6)	(516.4)	(559.1)	(593.5)	(505.4)	(578.7)	(543.1)	(543.5)
Exports	477.4	589.6	655.1	170.6	171.6	160.4	159.1	167.2	168.4	174.8	181.1	167.4
Imports	1,905.0	2,399.2	2,829.5	604.3	642.2	676.8	718.2	760.7	673.8	753.5	724.2	710.9
II. Services (Net)	1,012.6	1,113.1	496.0	218.1	221.5	165.2	226.0	89.6	15.2	117.6	239.6	91.9
Transportation	(249.4)	(312.9)	(310.4)	(78.5)	(69.5)	(78.5)	(81.0)	(76.0)	(74.9)	(89.9)	(83.9)	(74.4)
Travel	1,568.9	1,725.4	1,671.2	377.7	343.7	487.6	510.0	342.9	330.7	477.2	488.8	379.7
Insurance Services	(81.6)	(97.1)	(121.8)	(22.5)	(30.8)	(21.9)	(34.0)	(35.5)	(30.4)	(15.0)	(34.7)	(35.9)
Offshore Companies Local Expenses	136.1	148.2	188.1	43.4	57.6	32.5	34.0	45.6	76.0	44.2	46.4	54.1
Other Government	(29.2)	(50.4)	(68.4)	(7.8)	(12.9)	(21.0)	(5.1)	(8.9)	(33.4)	(17.3)	(3.5)	(19.3)
Other Services	(332.2)	(300.1)	(862.7)	(94.2)	(66.6)	(233.5)	(197.9)	(178.5)	(252.8)	(281.6)	(173.5)	(212.3)
III. Income (Net)	(141.0)	(203.3)	(217.8)	(43.6)	(35.1)	(67.0)	(66.2)	(27.0)	(57.6)	(45.6)	(98.1)	(49.7)
1. Compensation of Employees	(63.2)	(73.2)	(92.9)	(15.8)	(18.5)	(41.1)	(19.2)	(16.3)	(16.3)	(16.9)	(19.7)	(23.8)
2. Investment Income	(77.8)	(130.1)	(125.0)	(27.8)	(16.6)	(25.9)	(47.0)	(10.7)	(41.4)	(28.7)	(78.4)	(25.9)
IV. Current Transfers (Net)	250.8	85.3	52.1	9.1	8.7	16.3	19.0	6.3	10.5	13.2	15.9	9.8
1. General Government	59.7	59.1	58.3	12.0	11.2	17.8	20.0	9.0	11.5	15.1	18.5	11.6
2. Private Sector	191.1	26.2	(6.2)	(2.9)	(2.5)	(1.5)	(1.0)	(2.7)	(1.0)	(1.9)	(2.6)	(1.8)
B. Capital and Financial Account (I+II)	479.8	633.0	1,140.5	147.5	134.0	262.1	134.8	309.0	434.6	371.6	65.7	48.2
(excl. Reserves)												
I. Capital Account (Net Transfers)	(47.9)	(60.4)	(63.5)	(22.3)	(13.1)	(13.8)	(14.2)	(21.8)	(13.7)	(21.4)	(16.8)	(21.5)
II. Financial Account (Net)	527.7	693.4	1,204.0	169.8	147.1	275.9	149.0	330.8	448.3	393.0	82.5	69.7
1. Direct Investment	442.9	563.9	705.8	191.4	117.3	178.6	100.5	139.8	286.9	260.1	94.8	80.3
2. Portfolio Investment	--	--	(18.8)	--	--	--	(12.5)	(6.3)	--	--	(3.1)	--
3. Other Investments	84.8	129.5	517.0	(21.6)	29.8	97.3	61.0	197.3	161.4	132.9	(9.2)	(10.6)
Central Gov't Long Term Capital	(4.2)	1.1	2.4	(0.7)	2.0	0.7	(1.5)	2.3	0.9	4.3	(22.8)	1.2
Other Public Sector Capital	(16.5)	(9.8)	(6.1)	(3.2)	(1.7)	(1.2)	(1.9)	(1.1)	(1.9)	(1.1)	1.1	(1.1)
Banks	(64.5)	47.6	143.0	(12.5)	16.9	43.0	(3.5)	73.2	30.3	2.8	(24.9)	(18.3)
Other	170.1	90.6	377.7	(5.2)	12.6	54.8	67.9	122.9	132.1	126.9	37.5	7.6
C. Net Errors and Omissions	9.1	92.6	624.5	6.8	55.1	198.9	251.8	114.0	59.8	245.7	339.2	265.2
D. Overall Balance (A+B+C)	183.7	(88.9)	(79.1)	(95.8)	(86.4)	59.1	6.3	(101.6)	(42.9)	123.8	19.2	(178.1)
E. Financing (Net)	(183.7)	88.9	79.1	95.8	86.4	(59.1)	(6.3)	101.6	42.9	(123.8)	(19.2)	178.1
Change in SDR holdings	--	0.0	0.1	(0.1)	0.1	--	--	--	0.1	--	--	--
Change in Reserve Position with the IMF	(0.4)	0.7	(0.5)	--	0.1	(0.1)	(0.2)	--	(0.2)	--	--	(0.3)
Change in Ext. Foreign Assets () = Increase	(183.3)	88.2	79.6	95.9	86.2	(59.0)	(6.1)	101.6	43.1	(123.8)	(19.2)	178.4

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

	(B\$ '000)															
	2005				2006				2005				2006			
	2005	2006	2005	2006	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV				
I. OIL TRADE																
i) Exports	40,583	92,997	5,685	9,455	14,968	10,475	18,891	22,695	26,416	24,995						
ii) Imports	507,845	605,383	106,214	115,611	139,289	146,731	143,657	161,840	197,023	102,863						
II. OTHER MERCHANDISE																
Domestic Exports																
Crawfish	74,499	89,906	10,712	5,836	27,537	30,414	14,692	7,159	26,136	41,919						
Fish & other Crustacea	3,532	5,188	311	1,179	926	1,116	1,015	1,857	1,434	882						
Fruits & Vegs.	927	1,233	234	216.00	--	477	690	--	--	543						
Aragonite	52	--	52	--	--	--	--	--	--	--						
Rum	16,842	9,218	8,040	4,653	3,010	1,139	381	289	4,928	3,620						
Other Cordials & Liqueurs	24	--	12	--	12	--	--	--	--	--						
Crude Salt	14,807	12,016	4,825	3,075	4,026	2,881	3,490	3,398	3,688	1,440						
Hormones	--	--	--	--	--	--	--	--	--	--						
Chemicals	--	--	--	--	--	--	--	--	--	--						
Other Pharmaceuticals	--	--	--	--	--	--	--	--	--	--						
Fragrances	--	--	--	--	--	--	--	--	--	--						
Other	160,169	187,400	28,730	38,159	46,903	46,377	53,748	45,934	42,925	44,793						
i) Total Domestic Exports	270,852	304,961	52,916	53,118	82,414	82,404	74,016	58,637	79,111	93,197						
ii) Re-Exports	117,233	110,868	26,692	33,602	24,953	31,986	36,578	23,373	23,721	27,196						
iii) Total Exports (i+ii)	388,085	415,829	79,608	86,720	107,367	114,390	110,594	82,010	102,832	120,393						
iv) Imports	2,059,317	2,375,341	480,809	547,027	498,292	533,189	587,270	575,447	618,388	594,236						
v) Retained Imports (iv-ii)	1,942,084	2,264,473	454,117	513,425	473,339	501,203	550,692	552,074	594,667	567,040						
vi) Trade Balance (i-v)	(1,671,232)	(1,959,512)	(401,201)	(460,307)	(390,925)	(418,799)	(476,676)	(493,437)	(515,556)	(473,843)						

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2005p			2006p			2007p					
	2004p	2005p	2006p	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV			
Visitor Arrivals												
Air	5,003,691	4,779,417	4,730,607	1,066,194	1,196,650	1,285,708	1,310,123	1,036,799	1,097,977	1,274,045	1,152,037	1,054,442
Sea	1,450,037	1,514,532	1,491,633	358,664	329,142	410,156	449,996	334,010	297,471	389,597	410,372	350,033
	3,553,654	3,264,885	3,238,974	707,530	867,508	875,552	860,127	702,789	800,506	884,448	741,665	704,409
Visitor Type												
Stopover	1,561,312	1,608,153	1,600,112	383,149	333,214	423,753	495,583	357,726	323,050	397,861	n.a	n.a
Cruise	3,360,012	3,078,709	3,076,397	653,725	846,976	839,777	797,684	662,164	776,772	854,457	696,715	660,787
Day/Transit	86,291	83,619	68,085	20,815	15,743	17,933	19,875	15,165	15,112	n.a	n.a	n.a
Tourist Expenditure(B\$ 000's)												
Stopover	1,884,482	2,068,859	2,056,428	483,043	433,407	566,722	597,559	457,719	434,429	n.a	n.a	n.a
Cruise	1,693,487	1,883,863	1,880,300	443,348	384,093	517,798	550,619	420,766	391,118	n.a	n.a	n.a
Day	185,817	179,979	172,043	38,446	48,369	47,848	45,748	36,043	42,404	n.a	n.a	n.a
	5,177	5,017	4,085	1,249	945	1,076	1,193	910	907	n.a	n.a	n.a
Number of Hotel Nights	3,269,602	3,224,892	3,266,878	811,541	806,068	827,956	831,916	806,698	800,308	789,030	n.a	n.a
Average Length of Stay	6.3	6.4	6.4	6.0	6.7	6.8	6.3	5.9	6.7	n.a	n.a	n.a
Average Hotel Occupancy Rates (%)												
New Providence	70.9	75.4	76.9	74.1	65.8	83.3	83.4	75.4	65.8	79.9	78.5	n.a
Grand Bahama	59.8	63.7	52.0	58.8	59.6	70.0	57.7	43.5	36.8	49.4	54.8	n.a
Other Family Islands	37.1	39.4	36.3	33.4	29.7	34.6	51.1	30.8	28.8	41.8	49.3	n.a
Average Nightly Room Rates (\$)												
New Providence	164.9	164.8	172.0	149.7	144.4	189.2	182.9	159.0	156.7	201.6	213.6	n.a
Grand Bahama	92.3	109.8	122.3	97.9	109.4	143.7	133.7	98.8	113.0	158.2	137.9	n.a
Other Family Islands	169.8	190.1	205.1	201.3	175.7	223.8	213.0	184.0	199.7	243.8	218.7	n.a

Source: The Ministry of Tourism