



Quarterly Economic Review

September, 2006

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QUARTERLY ECONOMIC REVIEW

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

Indications are that the strengthening in the Bahamian economy observed in the first half of the year was maintained during the third quarter, reinforced by a continuation of strong consumer demand. Construction output also expanded as bank lending supported increased housing investments; however, weakness in both air and sea arrivals suggested a softening in tourism output. In the fiscal sector, extraordinary gains in tax revenues supported a turnaround in the overall balance, to a modest surplus for the first quarter of FY2006/07. Monetary developments featured sustained expansion in credit and a concomitant tightening in bank liquidity and decline in external reserves. On the external side, the estimated current account deficit widened, mainly linked to a decline in tourism inflows; however, the capital and financial account surplus improved, on account of increased funding of tourism related investments by overseas and domestic sources.

Reflecting the strong pace of credit expansion, net free cash balances of the banking system contracted by 7.4% to \$171.2 million during the third quarter, which represented a smaller 3.6% share of Bahamian dollar deposit liabilities compared to 6.4% last year. Broader surplus liquid assets also narrowed by 15.1% to \$163.8 million, for a reduction in the excess over the statutory minimum, to 20.5% from 33.1% a year-earlier. The weighted average interest rates for deposits and loans were only marginally higher at 3.31% and 9.93%, respectively, resulting in a slight up-tick in the average loan-to-deposit rate spread to 6.62%. Meanwhile, the 90-day Treasury bill rate and benchmark rates—Central Bank's Discount rate and commercial banks' Prime—were all unchanged at 0.69%, 5.25% and 5.50%, respectively.

The overall money supply (M3) contracted at a slower pace of 1.5% compared to 2.1% in 2005, placing the overall stock at \$5,078.6 million. Developments included a 16.2% decline in residents' foreign currency deposits, consequent on public sector withdrawals to meet operational expenses, and a 7.8% fall-off in demand

deposits. In contrast, currency in active circulation, fixed and savings deposits rose by 0.4%, 1.2% and 1.0%, respectively.

Buoyed by healthy economic conditions and a relatively low interest rate environment, domestic credit expansion was sustained during the review quarter. Total claims outstanding firmed by 3.6% to \$6,525.0 million, compared to modest growth of 0.8% last year. The uptrend was associated with extended gains in private sector credit of 4.4% relative to 2.6% a year ago. The Bahamian dollar component increased by 4.6%, up from 3.8% in 2005, and private sector foreign currency credit by 1.9%, in contrast to a 7.5% contraction a year-earlier. Residential mortgages, personal overdrafts and consumer credit rose by 4.7%, 6.6% and 3.9%, respectively. Conversely, claims on the public sector were marginally reduced by 0.2%, as the 0.9% decline in net credit to Government offset the 1.1% rebound in claims on the public corporations.

In the fiscal sector, preliminary estimates of Government's budgetary operations for the first quarter of FY2006/07 showed a surplus of \$3.7 million, a turnaround from a deficit of \$20.3 million in the previous year. Total revenue improved by 20.3% to \$326.9 million, as tax receipts gained 21.5% to \$305.8 million, supported by a 38.8% surge in non-financial stamp taxes associated with real estate transactions. Developments were reinforced by a 17.3% advance in non-tax earnings to \$21.1 million. Total expenditure expanded by 10.7% to \$323.3 million, explained by an 8.6% increase in current outlays to \$283.3 million, a 14.6% hike in capital investments to \$30.3 million and a more than doubling in net lending to public corporations to \$9.7 million. Budgetary financing for the first quarter of FY2006/07 included a \$100.0 million Registered Stock issue and short-term advances from the Central Bank of \$15.0 million. Borrowings, alongside total debt amortization of \$36.3 million, which was almost entirely denominated in Bahamian dollars, resulted in a 3.5% quarterly rise in the Direct Charge on Government to \$2,396.7 million. Inclusive of a 2.0% (\$10.2 million) reduction in guaranteed borrowings of the public corporations, the National Debt expanded by an

estimated \$70.1 million (2.5%), placing the outstanding stock at \$2,893.1 million.

Tourism developments during the review quarter were marked by a 8.5% downturn in visitor arrivals to 1.04 million, which reversed last year's growth of 3.5%. In particular, air traffic fell by 7.0% to 333,737 vis-à-vis a 12.8% gain in 2005; and sea arrivals, which accounted for 67.8% of visitors, decreased by 9.2% to 702,789. Port of entry data revealed that New Providence, which received 60.3% of the quarter's arrivals, recorded a fall-off of 9.4%, as air and sea visitors declined by 7.1% and 10.7%, respectively. A similar pattern was observed in Grand Bahama, where traffic was reduced by 24.5%, based on downturns in both air and sea arrivals, of 9.5% and 30.5%, respectively. Benefiting from an upswing in sea traffic, visitors to the Family Islands rebounded by 2.9% from last year's 0.5% downturn.

In the construction sector, output continued to benefit from elevated residential mortgage lending activity. Data collected from banks, insurance companies and The Bahamas Mortgage Corporation revealed that the value of total mortgage disbursements for the third quarter increased by 11.3% to \$179.5 million. The bulk was earmarked for residential projects, which experienced an increase of 15.4% to \$165.6 million, while commercial activities fell by 21.9% to \$13.9 million. The number of mortgage commitments for new construction and repairs, a forward looking indicator, contracted by 36.9% to 335, with a corresponding 35.3% decrease in value to \$39.4 million. Residential loan approvals declined in number by 36.5% to 323, with a similar abatement in value to \$35.9 million, while commercial loan commitments fell in number by 45.5% to 12 and in value by 23.4% to \$3.4 million. Meanwhile, total outstanding mortgages advanced by 18.3% to \$2,432.8 million, with comparable percentage expansions in both the residential and commercial components. In terms of interest rates, average residential and commercial rates declined by 1 and 2 basis points, to 8.1% and 8.8%, respectively.

Fisheries data for the third quarter of the year featured a decline in export volumes of 35.0% to 1.0 million pounds, with a corresponding fall-off in earnings of 41.1% to \$16.8 million, when compared with the same period last year. Crawfish export receipts, which accounted for 97.0% of total sales, slackened by 40.9% to \$16.3 million, with a 33.9% drop in volume. A similar pattern was

observed for the first nine months of 2006, as fisheries export volumes decreased by 28.3% to 2.8 million pounds, while receipts were reduced by 31.7% to \$41.5 million.

During the review quarter, consumer price inflation, measured by changes in the average Retail Price Index, moderated to 2.11% from 2.29% in the comparable 2005 period, primarily influenced by decelerations in average costs of transport & communication and education services. For the twelve-months through September, inflation also narrowed to 1.59% from 2.05%, attributed to declines in average prices for transport & communication and recreation & entertainment services.

In the external sector, the current account deficit widened by \$160.8 million to \$425.2 million in the third quarter of 2006. Weakness in tourism receipts, combined with increased outflows for other services, construction, insurance and government services, led to a contraction in the services account surplus by 59.0% to \$89.7 million. Also, the merchandise trade deficit deteriorated by 8.5% to \$486.6 million alongside the 30.4% decline in inflows from net current transfers to \$6.3 million, which offset the 20.7% reduction in net foreign income remittances to \$34.6 million.

The capital and financial account's estimated surplus expanded to \$244.0 million from \$147.6 million in 2005, mainly reflecting domestic banks' funding of tourism related projects and other net foreign investment inflows. However, net direct investment inflows (net equity and net real estate inflows) were reduced by \$51.7 million to \$139.8 million. Portfolio investment net outflows amounted to \$6.3 million, compared to a negligible balance a year ago.

FISCAL OPERATIONS

OVERVIEW

Preliminary estimates of the fiscal situation for the first quarter of FY2006/07 revealed an improvement in Government's overall position, to a surplus of \$3.7 million from a deficit of \$20.3 million a year-earlier. Growth in imports combined with significant stamp tax receipts, elevated revenues by 20.3% to \$326.9 million, offsetting a 10.7% hike in total expenditure to \$323.3 million.

Compared to budgetary estimates, revenues approximated 24.4% and outlays, 22.1%.

REVENUE

Tax collections, which constitute the bulk of receipts (93.5%), rose by 21.5% to \$305.8 million. Underlying this outcome was a 14.8% hike in taxes on international trade and transactions to \$155.3 million, associated with increases in import duties (13.5%) and related stamp taxes (21.9%). Import duties also accounted for the majority of the 60.0% hike in yet “unclassified” receipts to \$60.6 million, while realty-related transactions boosted other stamp tax receipts by 38.8% to \$50.6 million. Collections of business and professional licence fees advanced by 12.6% to \$9.4 million, and property taxes, by 5.5% to \$7.1 million. However, revenue declines were registered for selective taxes on tourism services (9.5% to \$4.8 million)—inclusive of a timing-related 84.7% reduction in hotel occupancy tax proceeds; departure taxes (10.3% to \$15.0 million) and motor vehicle taxes (3.9% to \$3.3 million).

Non-tax revenues at 6.5% of total receipts were higher by 17.3% at \$21.1 million, mainly due to a 19.8% gain in fines, forfeitures and administration fees to \$18.9 million. Income from public enterprises and other sources was relatively unchanged at \$2.1 million; and no capital revenues were recorded in the review quarter, compared to \$2.1 million in the previous year.

EXPENDITURE

Recurrent outlays, which accounted for 87.6% of total spending, registered growth of 8.6% to \$283.3 million. Similarly, capital expenditure, at 9.4% of the total, rose by 14.6% to \$30.3 million, while net lending to public corporations more than doubled to \$9.7 million for a 3.0% share.

By economic classification, growth in recurrent expenditure was led by an 11.5% rise in Government consumption to \$180.7 million, which included a 12.1% advance in personal emoluments and a 9.9% rise in purchases of goods and services. Transfer payments also grew by 3.8% to \$102.6 million, with the 10.0% falloff in interest expenses on Government debt offset by an 8.6% advance in subsidies and other payments. The higher level of subsidies reflected increased provisions to

The College of The Bahamas (35.3%) and the Public Hospitals Authority (11.4%), which boosted general subsidies by 14.6%. Transfers abroad moved higher by 13.3%; those to households, by 4.4% and to non-profit institutions, by 1.3%.

Government Revenue By Source (Jul - Sep)

	FY05/06		FY06/07	
	B\$M	%	B\$M	%
Property Tax	6.7	2.5	7.1	2.2
Selective Services Tax	5.3	1.9	4.8	1.5
Busines. & Prof Lic. Fees	8.3	3.1	9.4	2.9
Motor Vehicle Tax	3.4	1.3	3.3	1.0
Departure Tax	16.7	6.1	15.0	4.6
Import Duties	104.4	38.4	118.5	36.2
Stamp Tax from Imports	27.3	10.0	33.3	10.2
Export Tax	3.6	1.3	3.6	1.1
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	36.5	13.4	50.6	15.5
Other Tax Revenue	37.9	13.9	60.6	18.5
Fines, Forfeits, etc.	15.8	5.8	18.9	5.8
Sales of Govt. Property	0.2	0.1	0.1	0.0
Income	2.0	0.7	2.1	0.6
Other Non-Tax Rev.	--	--	--	--
Capital Revenue	2.1	0.8	--	--
Grants	--	--	--	--
Less: Refunds	-1.7	-0.6	0.2	0.1
Total	271.8	1000	326.9	100.0

On a functional basis, recurrent spending on general public services advanced by 7.1% to \$89.2 million. Notable hikes were also recorded for education (17.9%), health (15.0%) and defense (6.9%). Spending on social benefits and services was higher by 10.3% at \$17.5 million, while expenditures on economic services, of which 33.7% represented tourism-related outlays, gained 3.1% to \$32.2 million.

The 14.6% expansion in capital spending to \$30.3 million was mainly associated with increased outlays for education (\$7.5 million), health (\$1.8 million) and general public service (\$0.8 million) projects. Expenditure on economic services declined by \$4.8 million to \$8.9 million,

as major public works and water supply outlays neared completion.

dollar debt (86.8%), with an average term to maturity of 12 years; next were Treasury bills (9.1%), advances (3.7%) and loans (0.4%).

During the quarter, Government's contingent liabilities contracted by \$10.3 million (2.0%) to \$496.4 million, while the National Debt advanced by 2.5% to \$2,893.1 million—5.5% above the end-September 2005 level.

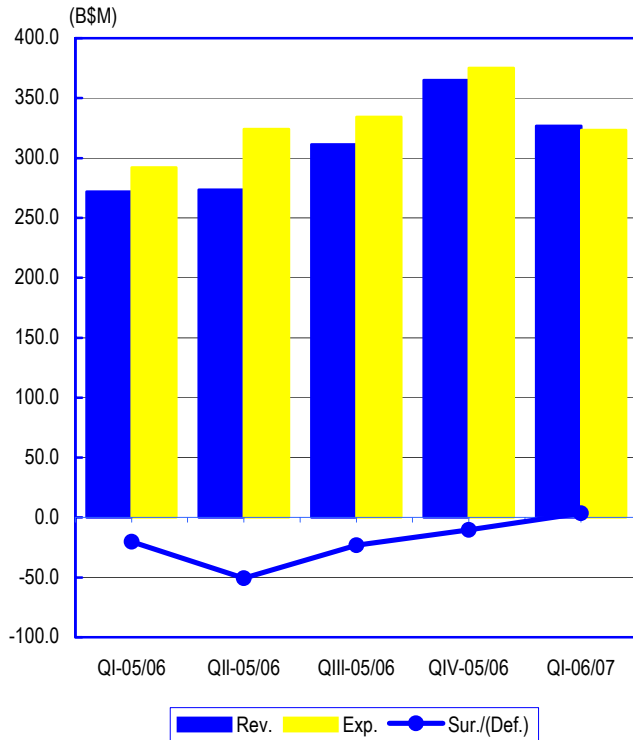
PUBLIC SECTOR FOREIGN CURRENCY DEBT

Public sector foreign currency debt was reduced by 1.3% to \$582.2 million during the third quarter, with new drawings and principal repayments contracting by \$1.0 million and \$8.9 million, respectively. Government borrowed a net of \$0.3 million, while the public corporations repaid a net of \$8.2 million. At end-September, Government's outstanding debt stock stood at \$288.6 million (49.6% of the total), while public corporations accounted for the remaining \$293.6 million (50.4%).

By creditor profile, commercial banks held the largest share of foreign currency debt (43.3%), followed by private capital market investors (38.6%) and multilateral institutions and other entities (18.1%). In terms of currency composition, more than 97% of outstanding obligations were denominated in United States dollars, with an average maturity of approximately 13 years.

Foreign currency debt servicing contracted by \$2.0 million (12.9%) to \$13.4 million compared to the same period of 2005, as the \$1.2 million rise in interest charges was overshadowed by the \$3.2 million decline in amortization payments. Debt service as a proportion of estimated exports of goods and non-factor services decreased to 1.9% from 2.1% last year. Similarly, the ratio of Government's foreign currency debt service to total revenue decreased marginally to 0.3%.

Fiscal Operations



FINANCING AND NATIONAL DEBT

Budgetary financing during the review quarter was obtained mainly from domestic sources and included a \$100 million Registered Stock issue in September, Central Bank advances (\$15.0 million), and external borrowings (\$1.0 million). Debt amortization totaled \$36.3 million, the majority of which (\$35.0 million) went towards retiring Bahamian dollar obligations. As a consequence, the Direct Charge on Government rose by \$80.3 million (3.5%) to \$2,396.7 million, on pace with the \$74.3 million (3.4%) increase to \$2,242.5 million in the corresponding quarter last year. Bahamian dollar denominated debt, which constituted 88.0% of the total, continued to be largely held by public corporations (35.5%), followed by private and institutional investors (32.6%), commercial banks (22.3%), the Central Bank (9.4%) and Other Local Financial Institutions (0.2%). Long-term government securities remained the largest component of Bahamian

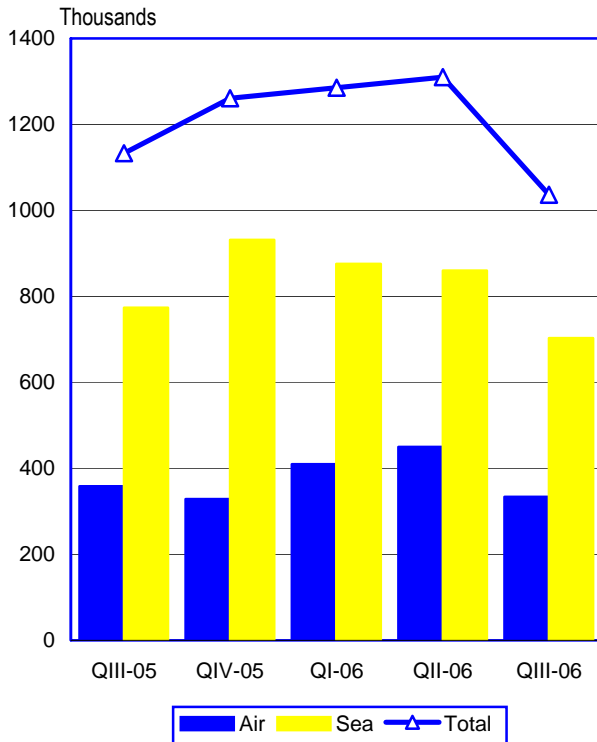
REAL SECTOR

TOURISM

Preliminary data suggests a comparatively weakened tourism performance during the September quarter, occasioned by downturns in both air and sea visitors. Following a 3.5% advance in 2005, total visitor arrivals declined by 8.5% to 1.0 million. Air arrivals, at 32.2% of total visitors, fell by 7.0% in contrast with last year's 12.8% increase; and the extended decline in sea visitors

to 9.2% from 0.3% was primarily explained by a combination of fewer passengers aboard cruise liners and reduced cruise calls.

Visitor Arrivals



Port of entry data revealed that the weakness was concentrated in Grand Bahama, where the decline in arrivals increased more than threefold to 24.5% for 0.12 million visitors and comprised contractions in both the air (9.5%) and sea (30.5%) segments. Similarly, the 9.4% reduction in total arrivals to New Providence, to 0.63 million, was due to a downswing in air (7.1%) and sea (10.7%) traffic. In contrast, visitors to the Family Islands exhibited a modest 2.9% upturn, as the 4.2% improvement in sea tourists offset the 3.4% decrease in air arrivals.

For the first nine months of 2006, total arrivals fell by 3.8%, led by a 5.8% drop in sea arrivals to 2.4 million which eclipsed the 0.7% rise in air arrivals to 1.19 million. This broader pattern was evidenced through the major ports of entry. In particular, in Grand Bahama, the mod-

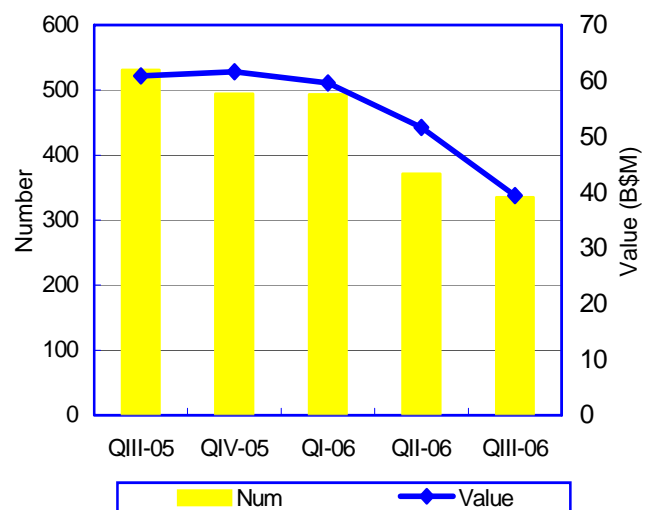
est recovery in sea arrivals was not sufficient to offset the protracted downturn in air visitors, as total arrivals fell by 0.8%. A 0.9% gain in air tourists to New Providence was countered by the 8.7% downturn in sea visitors while the Family Islands contended with a 3.5% decline in sea arrivals which outpaced the 2.8% increase in air visitors.

CONSTRUCTION

Indications are that construction activity continued to expand during the third quarter, buoyed by growth in both tourism-related and residential investments. Mortgage data from banking institutions, insurance companies and the Bahamas Mortgage Corporation, showed an increase in residential and commercial mortgage lending for the period under review.

The total value of mortgages outstanding expanded by 18.3% to \$2,432.8 million during the quarter, with a comparable rise in residential mortgages which accounted for 91.1% of the total. In terms of major lenders, domestic banks comprised the largest portion of the market (87.5%), followed by insurance companies (7.7%) and the Bahamas Mortgage Corporation (4.8%).

Mortgage Commitments: New Construction and Repairs



For the review quarter, the number of mortgage commitments for new construction and repairs declined by 36.9% to 335, vis-à-vis the corresponding period in

2005. Both the residential and commercial components registered reductions in excess of 35%, to 323 at \$35.9 million and 12 at \$3.4 million, respectively. Total loan disbursements were higher by 11.3% at \$179.5 million, as the 15.4% broadening in the residential component offset the 21.9% drop in commercial disbursements.

In interest rate developments, the average rate for commercial loans moderated by 2 basis points to 8.8% compared to a 6 basis point decline to 9.0% in 2005, while average residential loan rates fell by 1 basis point to 8.1%, vis-à-vis a 6 basis point decrease to 8.2% for the third quarter a year earlier.

PRICES

During the third quarter, consumer price inflation, as measured by variations in the average Retail Price Index, slowed to 2.1% from 2.3% in the corresponding period of 2005—notwithstanding price gains for other goods & services (8.7%); food & beverages (4.9%); medical care & health (2.6%); furniture & household operation (1.8%); housing, the most heavily weighted category, (1.5%); clothing & footwear (1.0%) and recreation & entertainment services (0.6%) categories. Some offset was provided by average cost declines for transport & communication (1.3%) and education 1.0%.

Similar trends were noted for the twelve-months to September, as the rate of inflation softened to 1.6% from 2.1% in the comparable period. Price increases were posted for other goods & services (5.4%); food & beverages (4.5%); housing (2.4%); furniture & household operation (2.1%); medical care & health (1.2%); clothing & footwear (0.4%) and education (0.2%). Conversely, average cost decreases were recorded for transport & communication (2.1%) as well as recreation & entertainment services (1.8%).

Developments in the oil market indicated an increase in fuel prices for New Providence. Data available to end-August, showed that over the two-month period, gas and diesel prices at the pump firmed by 5.6% and 5.7% to \$4.49 and \$3.53 per gallon—bringing the annual (point-to-point) gains to 21.8% and 17.8%, respectively. Regarding electricity generation, the fuel surcharge added by The Bahamas Electricity Corporation (BEC)

grew by 4.4%, over the review period, from 10.36¢ in June to 10.82¢ in September.

Average Retail Price Index					
(Annual % Changes)					
September					
Items	Weight	2005		2006	
		Index	%	Index	%
Food & Beverages	138.3	119.4	3.1	124.8	4.5
Clothing & Footwear	58.9	106.0	-1.6	106.5	0.4
Housing	328.2	105.3	1.6	107.8	2.3
Furn. & Household	88.7	120.0	0.8	122.6	2.1
Med. Care & Health	44.1	135.9	4.8	137.5	1.1
Trans. & Comm.	148.4	110.9	3.3	108.6	-2.1
Rec., Enter. & Svcs.	48.7	123.8	1.2	121.6	-1.8
Education	53.1	169.4	2.7	169.7	0.2
Other Goods & Svcs.	91.6	123.8	1.2	130.5	5.4
ALL ITEMS	1000	117.0	2.0	118.9	1.6

FISHERIES

Third quarter data from the Department of Fisheries indicated a reduction in both the volume (35.0%) and value (41.1%) of fisheries exports, to 1.0 million pounds valued at \$16.8 million. Crawfish exports, which comprised over 90% of both volume and value, contracted by 33.9% to \$16.3 million; while conch exports, the second largest category, declined by 60.8% to \$0.2 million. Other “miscellaneous” fisheries exports decreased in value by 22.3% to \$0.28 million.

For the first nine months of the year, total fisheries exports fell by 28.3% to 2.8 million pounds, and earnings deteriorated by 31.7% to \$41.5 million. Underlying this outturn was a 31.7% fall in the volume of crawfish exports (84.6% of total exports) to 2.3 million, and a corresponding 33.1% (\$19.1 million) in value to \$38.6 million. Conch exports (6.4% of total exports) waned by 41.6% to 0.2 million pounds with a 42.6% reduction in revenue to \$1.1 million. In contrast, the volume of other “miscellaneous” fish export categories nearly doubled to 0.3 million, corresponding to a 49.5% (\$0.6 million) rise in earnings to \$1.9 million.

MONEY, CREDIT AND INTEREST RATES

OVERVIEW

During the review quarter, money and credit trends were characterized by tightened liquidity conditions, in the context of strong private sector credit expansion for both mortgages and consumer loans. As a consequence, external reserves declined but the weighted average interest rate spread remained relatively unchanged. Preliminary estimates for the second quarter, the latest period for which data are available, showed strengthening in banks' earnings indicators as the expansion in the net interest margin surpassed growth in operating and bad debt expenses. Asset quality indicators for the third quarter showed marginal increases in bad debt provisions and arrears rates over the previous quarter.

LIQUIDITY

Amid tightened liquidity conditions, net free cash reserves of the banking system contracted by \$13.7 million (7.4%) to \$171.2 million, extending last year's \$7.5 million

in 2005. Similarly, the surplus on the broader liquid assets fell by \$29.1 million (15.1%) to \$163.8 million and exceeded the statutory minimum by a lesser 20.5% compared to the 33.1% in the same month last year.

DEPOSITS AND MONEY

Total money supply (M3) contracted by 1.5%, following a reduction of 2.1% in the previous year, and largely reflected utilization of foreign currency deposits by public corporations. The decline in narrow money (M1) was marginally lower at 6.6% versus 8.3% in the same period last year, and included a substantial slowing in accretions to currency in active circulation to 0.4% from 11.2% in 2005, alongside a public sector led reduction in demand balances of 7.8% vis-à-vis 11.2% in 2005.

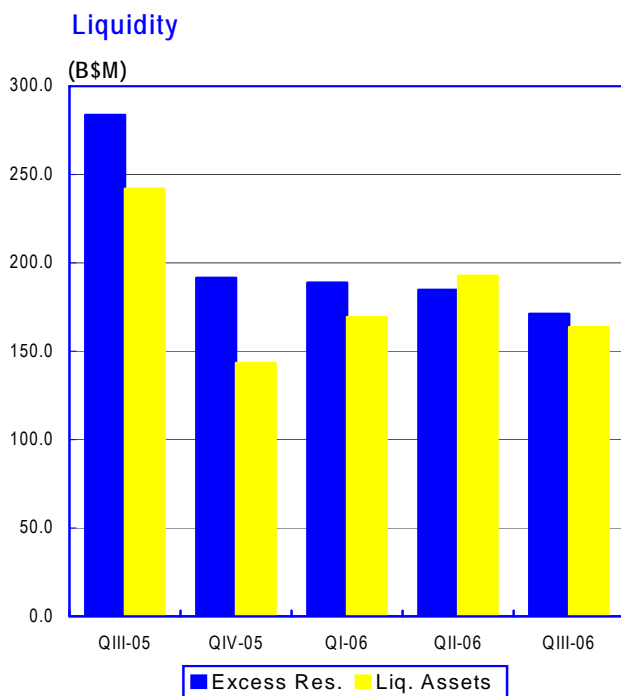
Modest gains in savings (1.0%) and fixed deposits (1.2%) moderated the contraction in broad money (M2) to 0.9% from 1.2% a year ago. Taking into account the 16.2% falloff in residents' foreign currency deposits, overall money (M3) decreased by \$76.6 million (1.5%) to an end-September stock of \$5,078.6 million.

On a proportional basis, Bahamian dollar fixed deposits remained the largest component of money (53.6%), followed by demand deposits (21.0%), savings (18.5%), currency in circulation (3.9%), and foreign currency balances (3.0%).

DOMESTIC CREDIT

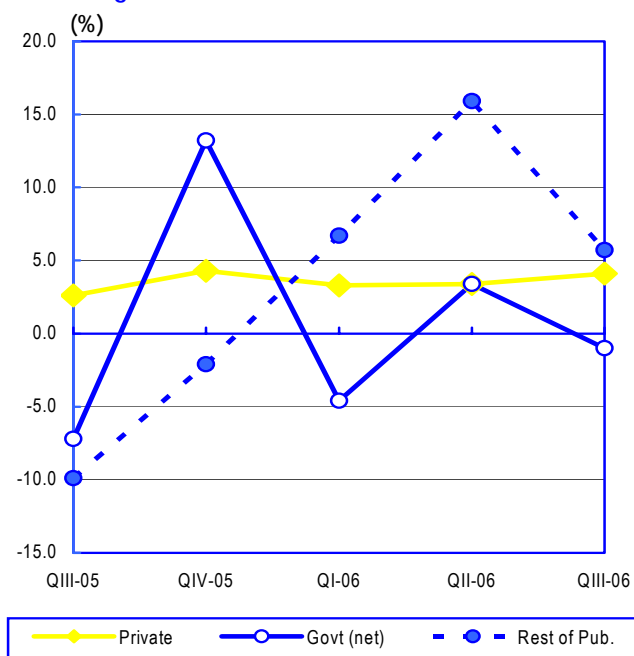
Favorable credit conditions and sustained consumer demand underpinned a strengthening of domestic credit expansion to \$229.7 million (3.6%) during the third quarter, ahead of the \$42.8 million (0.8%) advance in the corresponding 2005 period. By currency, growth in the Bahamian dollar component accelerated to \$205.1 million (3.7%) from \$77.2 million (1.6%), and foreign currency credit rebounded by \$24.6 million (3.3%), from last year's \$34.5 million (4.9%) contraction.

The banking system's net claims on the public sector grew by \$71.1 million (7.6%), reversing 2005's decline of 2.8%. In a turnaround from the previous year's 2.3% reduction, public corporations' liabilities rose by 15.9%. Meanwhile, banks' higher holdings of Government securities elevated net claims on Government by 3.4%, in contrast to 2005's 3.0% contraction.



(2.6%) fall to \$283.7 million, and representing a reduced 3.6% of Bahamian dollar deposit liabilities relative to 6.4%

Changes in Credit



As foreign currency credit levelled off, private sector credit expansion moderated to \$172.8 million (3.4%) from \$248.8 million (5.7%) in 2005. Dominated by Bahamian dollar credit (3.7%), lending was concentrated in personal loans (71.5%), which had moderated growth of \$129.8 million (3.6%). The outturn reflected extended gains in consumer credit of \$55.8 million (3.3%), and residential mortgages of \$70.4 million (3.9%). Personal overdraft balances also recorded a \$7.3 million (12.0%) accretion.

The \$68.4 million rise in consumer credit reflected increased lending for miscellaneous purposes (\$25.3 million), credit cards (\$13.6 million) and to a lesser extent debt consolidation (\$7.5 million). Gains were also recorded for travel (\$4.8 million), education (\$4.7 million), land purchases (\$4.5 million), private cars (\$3.6 million), and home improvements (\$3.3 million).

Across the other categories of private sector credit, net increases in bank lending were evident for distribution (\$38.3 million), construction (\$8.6 million) and agriculture & fisheries (\$6.7 million), miscellaneous (\$6.0 million), tourism (\$5.5 million) and private financial institutions (\$5.2 million). Smaller upturns were registered for professional & other services (\$3.0 million), transport (\$2.0

million), and entertainment & catering (\$1.6 million); while net repayments were recorded for manufacturing and mining & quarrying of \$1.9 million and \$1.8 million, respectively.

Distribution of Bank Credit By Sector

End-September

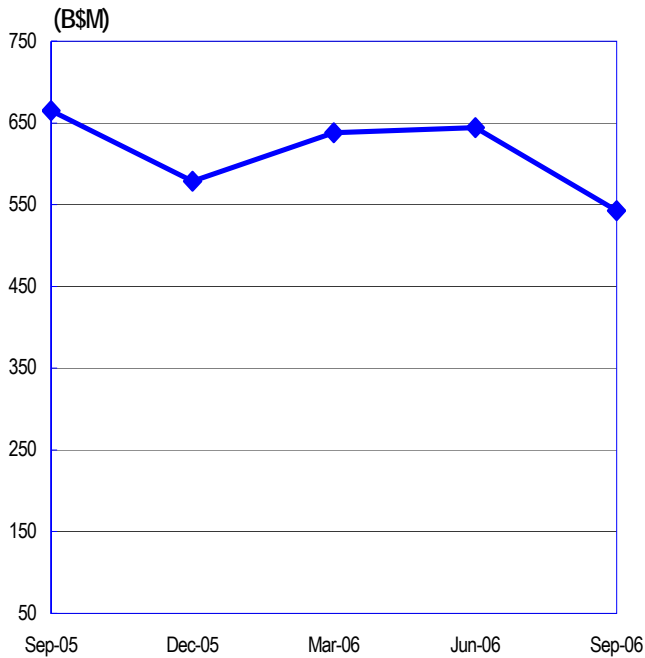
	2005		2006	
	B\$M	%	B\$M	%
Agriculture	10.0	0.2	10.1	0.2
Fisheries	20.2	0.4	21.7	0.4
Mining & Quarry	16.7	0.3	12.3	0.2
Manufacturing	52.1	1.0	47.9	0.8
Distribution	187.7	3.7	223.7	3.8
Tourism	240.4	4.7	241.1	4.1
Enter. & Catering	58.8	1.2	62.8	1.1
Transport	18.6	0.4	23.0	0.4
Public Corps.	272.1	5.4	326.1	5.5
Construction	304.3	6.0	406.9	6.9
Government	72.2	1.4	70.9	1.2
Private Financial	19.5	0.4	26.8	0.5
Prof. & Other Ser.	127.3	2.5	160.3	2.7
Personal	3384.4	66.7	3918.5	66.5
Miscellaneous	290.3	5.7	336.0	5.7
TOTAL	5074.6	100.0	5888.1	100.0

THE CENTRAL BANK

During the review period, the Central Bank's net claims on Government rose by \$52.4 million (40.3%) to \$182.3 million, reflecting a combination of new advances to Government and seasonally higher holdings of government paper, which exceeded the increase in deposits held for the Government. Net liabilities to the rest of the public sector declined by \$65.8 million to \$4.2 million, as deposits were shifted to the banking sector.

As a consequence of heightened imports, weakness in the tourism sector, as well as the funding of extraordinary transactions, external reserves contracted by \$101.5 million (15.8%) to \$542.7 million. At end-September, the stock of reserves was equivalent to an estimated 14.8 weeks of non-oil merchandise imports, compared with 20.8 weeks last year. After adjusting for the statutory required 50% of the Bank's Bahamian dollar demand

External Reserves



liabilities, which have to be supported by the external balances, useable reserves stood at \$219.6 million, relative to \$299.5 million in September 2005.

Foreign exchange transactions underlying the external reserves outcome featured a reduced overall net sale of \$107.4 million relative to \$132.9 million in the corresponding 2005 quarter. The Bank's net sale to the public sector was lower by 39.7% at \$44.0 million but increased for commercial banks, by 5.8% to \$63.4 million. Correspondingly, commercial banks' total sales to their customers rose by 28.8% to \$939.7 million, while total purchases increased by a lesser 26.3% to \$849.4 million.

Domestic Banks

Domestic banks' deposit liabilities to the private sector fell by \$16.5 million (0.4%), and contrasted with the \$231.9 million (4.4%) hike in total credit to the private sector. Net claims on the Government contracted by 11.4%, as banks significantly reduced their Treasury bill holdings and other short-term advances to the Government. With regards to the rest of the public sector, their net liabilities fell as a \$5.2 million (1.4%) firming in deposit liabilities surpassed the \$4.0 million (1.1%) hike in funding. In this context, the net foreign liabilities of banks expanded by \$73.2 million (11.3%) to \$723.8 million,

reflecting funding of various domestic investment projects.

Inclusive of Government's balances, banks' total deposit liabilities amounted to \$4,966.4 million, with the majority (96.9%) denominated in Bahamian dollars, and spread over private individuals (57.2%), business firms (25.7%), the public sector (9.6%), institutional and other depositors (4.3%), and private financial institutions (3.2%). By contractual categories, fixed deposits maintained the largest share (56.0%), followed by demand (24.9%) and savings (19.1%) balances.

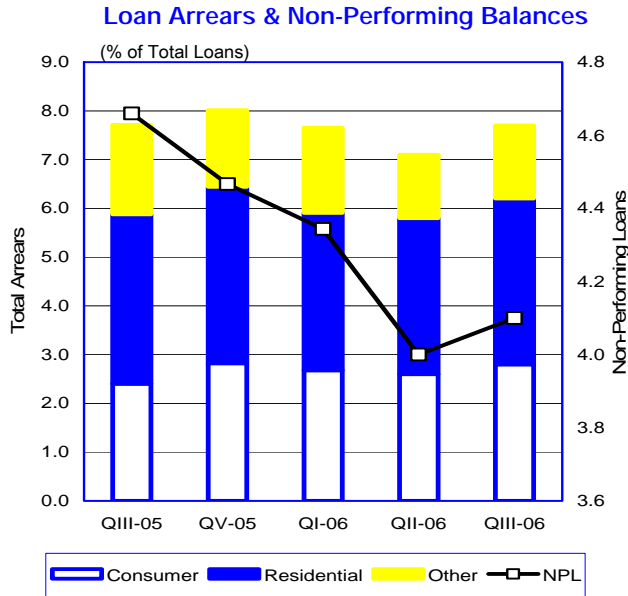
An analysis of Bahamian dollar deposits by range of value and number indicated that accounts with balances of less than \$10,000 comprised 90.2% of the contracts and 8.2% of the total value. Accounts with balances between \$10,000 and \$50,000 represented 13.5% of the total value and 6.7% of the total contracts, while balances exceeding \$50,000 represented 3.1% of accounts and 78.3% of total value.

Adjusted for goodwill, banks' Bahamian dollar capital and surplus position improved further by 10.9% over the quarter, to \$1.26 billion. Profit and retained earnings represented 51.1% of capital and surplus compared to 48.4% in the previous year, as general and specific reserves against loan losses fell to 10.3% from 11.7% of the total. Total reserves and provisions represented a relatively stable 2.6% of private sector loans.

At end-September, the arrears rate for balances with payment past due 30 days or more was higher at 7.6% of all outstanding balances, compared to 7.0% at end-June, although remaining below end-December's level of 8.0%. Total arrears for residential mortgages moved up to 7.9% from 7.5% at end-June 2006, but represented an improvement over the end-2005 level of 8.8%. A similar pattern was evident with consumer and commercial loan arrears, which advanced to 7.8% and 6.9% from 7.4% and 6.1%, respectively. Non-performing loans, defined as loans with past due payments of at least three months, and on which banks had stopped accruing interest, increased by 1 percentage point to 4.1% of outstanding claims.

Banks' average provisioning levels for Bahamian dollar loans rose to 2.3% of the total private sector portfolio from 2.1% at end-September 2005, but were unchanged from the June position. Total provisions repre-

sent a higher 56.5% of non-performing loans relative to 46.0% at end-September 2005, albeit 1.2 percentage points lower than the June 2006 level.

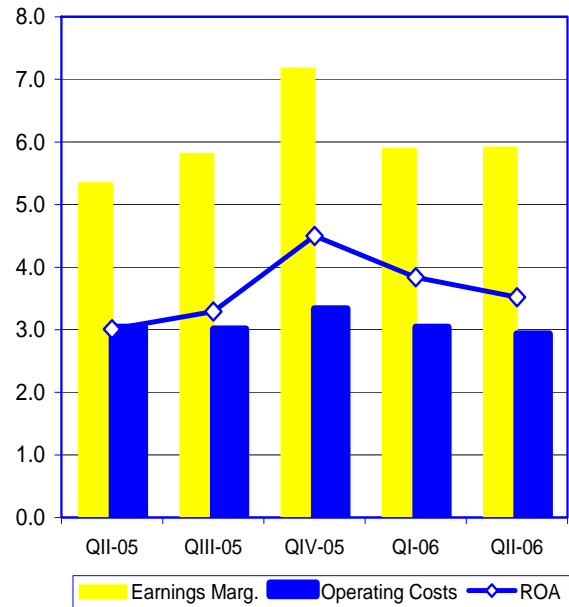


BANK PROFITABILITY

Banks' earnings indicators improved during the second quarter, the latest period for which data were available. Estimated net income grew by 29.8% to \$65.4 million, versus the comparable quarter in 2005. Underlying this development was a 23.7% increase in interest income, which outpaced the 22.9% expansion in interest expense and led to a 24.1% hike in net interest margin to \$102.8 million. In addition, contributions from commission and foreign exchange income advanced by 3.1% to \$7.0 million. Operating costs were comparatively higher by 6.7% at \$54.3 million, while net income from other sources fell by a further 15.3% to \$9.9 million, following higher provisions for bad debt and other income.

Profitability ratios, relative to average domestic assets, also strengthened during the second quarter. The net interest margin ratio widened by 60 basis points to 5.54 percentage points, coupled with a 57 basis point increase in the gross earnings margin to 5.91%. An 11 basis point drop in the operating costs ratio to 2.93% suggests some improvement in banking sector productivity.

Domestic Banks' Profitability



Interest Rates

During the review quarter, domestic banks' average interest rate spread on loans and deposits was slightly higher by 2 basis points at 6.62 percentage points, as the weighted average loan rate firmed by 3 basis points and the deposit rate moved marginally higher by 1 basis point, to 9.93% and 3.31%, respectively.

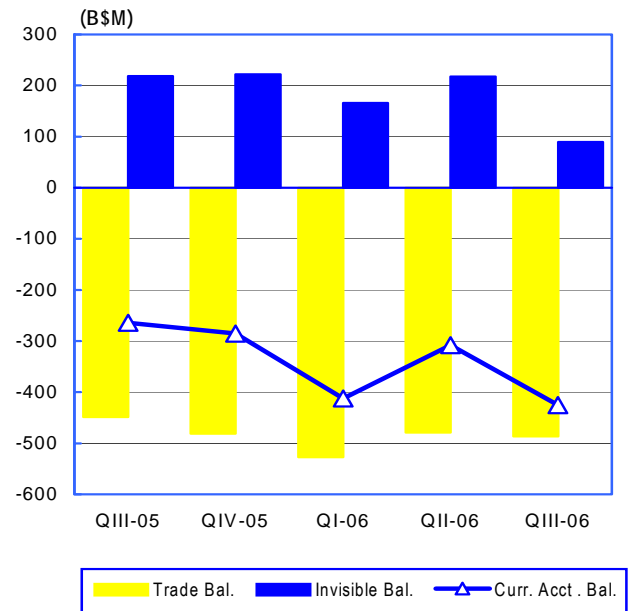
Compared to the preceding quarter, the average rate on fixed deposits fluctuated within a higher range of 3.16% - 4.15% compared to 3.13% - 4.10% in the previous period. The average savings rate rose by 3 basis points to 2.16%, while the demand deposit rate narrowed by 11 basis points to 2.21%. With regards to lending, the average rate on commercial mortgages and other local loans softened by 12 and 23 basis points to 8.30% and 7.41%, respectively. Conversely, the average residential mortgage and overdraft rates firmed by 2 and 6 basis points to 7.84% and 10.44%, respectively, and consumer loans, by 13 basis points to 12.10%.

With regards to benchmark rates, the average 90-day Treasury bill rate, the Central Bank's Discount and the Commercial Banks' Prime, were unchanged at 0.69%, 5.25% and 5.50%, respectively.

INTERNATIONAL TRADE AND PAYMENTS

Provisional data for the third quarter highlighted a deterioration in the current account deficit, by \$160.8 million to \$425.2 million, attributed primarily to a narrowing in the surplus on the services account, as net travel receipts declined and other service outflows expanded. Additionally, net income outflows tapered while current transfers' inflows were reduced and the merchandise trade deficit deteriorated as the firming in imports eclipsed the growth in exports.

Balance of Payments



During the review period, the merchandise trade deficit expanded by \$38.0 million (8.5%) to \$486.6 million. Payments for fuel imports advanced by 39.0% to \$209.3 million; however, non-oil imports fell moderately by 1.5% to \$446.3 million and exports rose by 9.1% to \$169.9 million. Increases in fuel costs were broadly based across the various oil products; the average per barrel cost of gas oil rose by \$10.30 (13.0%) to \$89.51; jet fuel, by \$9.74 (12.0%) to \$91.15; motor gas, by \$9.95 (11.3%) to \$98.35 and propane, by \$10.16 (19.5%) to \$62.40.

Developments on the services account point to an estimated 59.0% contraction in the surplus to \$89.7

Banking Sector Interest Rates

Period Average (%)

	Qtr. III 2005	Qtr. II 2006	Qtr. III 2006
Deposit rates			
Demand Deposits	2.38	2.32	2.21
Savings Deposits	2.10	2.13	2.16
Fixed Deposits			
Up to 3 months	3.04	3.13	3.16
Up to 6 months	3.28	3.60	3.63
Up to 12 months	3.53	3.88	3.88
Over 12 months	3.53	4.10	4.15
Weighted Avg Deposit Rate	3.11	3.30	3.31
Lending rates			
Residential mortgages	7.82	7.82	7.84
Commercial mortgages	8.15	8.42	8.30
Consumer loans	12.59	11.97	12.10
Overdrafts	10.84	10.38	10.44
Weighted Avg Loan Rate	10.69	9.90	9.93

CAPITAL MARKETS DEVELOPMENTS

During the quarter, the fixed income market registered increased activity as the Government raised \$100 million in a registered public bond issue in September. The issue was fully subscribed and was mainly taken up by Bahamian owned private and institutional entities.

On the equity side, there were no new initial public offerings and the number of listed securities fell by one to 19 as one tourism related company's outstanding Bahamian Depository Shares (BDRs) were repurchased at \$8.09 per BDR share, versus an initial listing price of \$5.14 per share. Overall, the BISX All Share Index moved higher to 1,630.05 points from 1,519.11 at end-June, which is a 20.68% appreciation on a year-to-date basis. The biggest gainers were in the banking and industrial sectors, while the wholesale & retail and utilities sectors registered the highest percentage point losses. In addition, the broader Findex Index, which also includes three over-the-counter traded securities, registered a 7.1% gain to close the quarter at 715.99 points.

INTERNATIONAL ECONOMIC DEVELOPMENTS

million, led by a \$59.6 million (15.8%) reduction in net travel receipts to \$318.8 million as tourism activity weakened. Concurrently, net payments for other services and construction services expanded by \$37.7 million and \$32.7 million to \$116.4 million and \$43.0 million, respectively. Higher net payments were also registered for Government (41.6% to \$11.0 million) and insurance (52.3% to \$34.3 million) services and, to a lesser extent, for offshore companies local expenses (5.0% to \$45.6 million). These were partially mitigated by reduced net outflows related to transportation services (16.5%) and royalties and license fees (17.5%).

Data for the income account showed a reduction in the net outflow of \$9.0 million (20.7%) to \$34.6 million, due mainly to a \$9.5 million (34.2%) decline in investment income outflows by banks and other private companies. Net remittance of labour income rose marginally by 2.9% to \$16.3 million. Net current transfer receipts were reduced by \$2.8 million (30.4%) to \$6.3 million, led by a \$3.0 million fall in transfers to the general government to \$9.0 million. Net transfers of workers remittance were marginally lower by \$0.2 million.

The capital and financial account surplus broadened sharply during the quarter, by \$96.5 million to \$244.0 million. On the financial account, the turnaround in other investments, to a net inflow of \$132.3 million from a net outflow of \$21.6 million, reflected a higher level of loan funding for ongoing foreign investment projects by domestic banks and overseas entities. In particular, short-term capital transactions, through the domestic banking system, reversed to a net inflow of \$40.5 million from a net outflow of \$12.5 million a year ago, and the net borrowing from external entities was \$92.5 million vis-à-vis a net repayment of \$5.2 million last year. Under direct investments, net equity inflows fell marginally to \$98.0 million and net real estate purchases declined by 54.2% to \$41.8 million. Further, the public sector's debt repayment was lower by \$3.2 million to \$1.1 million, while net portfolio investment outflows were comparatively higher at \$6.3 million.

As a result of these developments and after adjusting for possible errors and omissions, the deficit on the overall balance expanded to \$101.6 million from \$95.9 million a year ago.

Indications are that global economic growth slowed in the third quarter, as the housing market downturn moderated US GDP expansion and efforts by the Chinese authorities to curb capital investment eased the rapid surge in that country's growth. Unemployment in the major economies remained relatively stable during the quarter and inflationary pressures subsided amid softening oil prices. Improved inflationary fundamentals contributed to the US Federal Reserve's decision to keep interest rates stable; however, several central banks raised short-term interest rates in a bid to contain future price pressures. In response to the positive outlook, the main stock indices posted quarterly gains, while the US dollar appreciated against the major currencies.

Real GDP growth in the United States slowed to an annual rate of 2.0% in the third quarter, from 2.6% in the previous quarter, due largely to the 18.7% retreat in residential investments and weakened net exports. The United Kingdom's economic expansion was maintained at 0.7% in the three months ending September, benefiting from a rise in the services sector and manufacturing output by 0.8% and 0.6%, respectively. Measures aimed at curbing capital investments dampened China's GDP growth to 10.4% on a year-on-year basis from 11.3% in the second quarter. In the Euro area, the economic expansion slowed marginally to 2.6%, when compared to the same period of 2005, and down from 2.7% in the previous quarter. Driven by firming non-residential investments and increased net exports, real GDP in Japan expanded at an annual rate of 2.0% from 1.0% in the June quarter.

The unemployment situation remained relatively unchanged in the major economies during the review period. In the United States, the unemployment rate stabilized at 4.7% in the third quarter, as expansions in service sector jobs counteracted declines in the manufacturing sector. The Euro area's seasonally adjusted unemployment rate steadied at 7.8% in September, with the unemployment rates in France and Germany at 8.9% and 8.7%, respectively. The United Kingdom's jobless rate rose marginally by 0.1 percentage points over the September quarter to 5.6%, whereas rates for Japan and China stabilized at 4.2% each.

Weakened fuel costs contributed to a deceleration in average consumer prices in all of the major economies. Consumer price inflation in the United States moderated slightly to 3.7% from 3.8% in the previous quarter. In the Euro area annual inflation slackened to 1.7% at end-September from 2.5% in June—moving below the authorities' target rate of 2.0% for the first time this year; and core annual inflation in the United Kingdom moderated by 0.1 percentage points to 2.4% in the third quarter.

In currency markets, the performance of the US dollar was mixed during the review period. The dollar gained most against the Yen, rising by 2.2% to ¥118.18 and advanced by 1.7% to CHF1.24 and by 0.9% to €0.78. However, the dollar weakened against the Pound Sterling and Chinese Renminbi, by 3.1% to £0.52 and by 1.1% to 7.90 Yuan, respectively.

Most major stock indices performed well during the third quarter, reflecting investors' improved confidence in the outlook for global economic growth. As inflation concerns diminished and the Federal Reserve paused its tightening cycle, the Dow Jones Industrial Average Index (DJIA) rallied by 5.4% to 11,679 points—the best gain in seven quarters, and the broader Standard and Poor's 500 Index, by 5.7% to 1345.4 points. In Europe, France's CAC 40 advanced by 5.7%, Germany's main index, the DAX, gained 5.7%, while the UK's FTSE 100 index ended higher by 2.2% at 5,961 points. Japan's Nikkei 225 Index also increased by 4.0% to 16,128 points.

In the commodities market, the easing of geopolitical tensions in the Middle East, combined with the build up of oil stockpiles and lower seasonal demand, led to a 13.6% decline in oil prices to \$62.57. OPEC's crude oil production also increased by 0.1 million barrels during the quarter to 29.7 million barrels per day. With regards to precious metals, the price of gold declined by 2.9% to \$598.30 a troy ounce; however, silver prices rose by 3.1% to \$11.44 per troy ounce.

Given the slowdown in the economy and the relatively benign inflation environment, the Federal Reserve kept the Primary Credit and Federal Funds rates at 6.25% and 5.25%, respectively. However, as inflation and money growth still remained above target, the European Central Bank continued to raise its key interest rates, by 25 basis points. Similarly, with inflation above the Bank of England's target, the authorities raised their key rate by 25 basis points to 4.75%, and the Bank of Japan ended its zero interest rate policy in July—raising the overnight call loan rate to 0.25 percent.

In the United States, the current account deficit expanded by \$8.5 billion to \$225.6 billion in the third quarter, reflecting deteriorations in the goods and income deficits, which offset gains in net services inflows. China's trade surplus for the July-September quarter widened to \$48.72 billion from \$37.98 billion in the previous period, while Japan's current account surplus rose on a quarterly basis by a third to ¥5,311.4 billion, due to improvements in the trade and income balances. Reflecting a reduction in net income receipts, the United Kingdom's current account deficit deteriorated by £1.1 billion to £9.4 billion; however, the Euro area's balance of payments deficit was halved to €0.5 billion from the previous three-month period.

STATISTICAL APPENDIX
(Tables 1-16)

STATISTICAL APPENDIX

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The following symbols and conventions are used throughout this report:

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

TABLE 1
FINANCIAL SURVEY

End of Period	2001			2002			2003			2004			2005			2006		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Net foreign assets	(234.5)	4,193.5	4,147.3	4,147.3	4,290.2	4,357.1	4,317.2	4,435.4	4,620.1	4,601.9	4,862.4	4,950.5	5,161.7	5,277.8	(16.3)	(6.5)	(181.1)	
Central Bank	312.4	373.2	484.1	484.1	652.5	609.1	667.8	718.6	761.1	665.2	578.8	637.8	644.1	542.7	637.8	644.1	542.7	
Domestic Banks	(546.9)	(730.5)	(628.1)	(628.1)	(587.1)	(567.9)	(563.5)	(538.2)	(606.7)	(593.1)	(611.0)	(654.1)	(650.6)	(723.8)	(654.1)	(650.6)	(723.8)	
Net domestic assets	3,951.6	4,193.5	4,147.3	4,147.3	4,290.2	4,357.1	4,317.2	4,435.4	4,620.1	4,601.9	4,862.4	4,950.5	5,161.7	5,277.8	4,950.5	5,161.7	5,277.8	
Domestic credit	4,677.3	4,940.4	4,974.0	4,974.0	5,144.6	5,256.9	5,227.2	5,359.8	5,581.4	5,624.0	5,899.5	6,051.4	6,295.3	6,542.9	6,051.4	6,295.3	6,542.9	
Public sector	775.2	870.8	879.4	879.4	924.6	969.7	887.8	981.0	933.8	876.2	945.8	935.7	1,006.8	1,022.5	935.7	1,006.8	1,022.5	
Government (net)	626.0	651.3	506.5	506.5	578.2	626.0	547.1	639.1	619.7	575.1	642.5	621.2	642.2	636.0	621.2	642.2	636.0	
Rest of public sector	149.2	219.5	372.9	372.9	346.4	343.7	340.7	341.9	334.1	301.1	303.3	314.5	364.6	386.5	314.5	364.6	386.5	
Private sector	3,902.1	4,069.6	4,094.6	4,094.6	4,135.9	4,220.0	4,339.4	4,378.8	4,627.6	4,747.8	4,953.7	5,115.7	5,288.5	5,520.4	5,115.7	5,288.5	5,520.4	
Other items (net)	(725.7)	(746.9)	(826.7)	(826.7)	(825.2)	(854.4)	(910.0)	(924.4)	(961.3)	(1022.1)	(1037.1)	(1100.9)	(1133.6)	(1265.1)	(1100.9)	(1133.6)	(1265.1)	
Monetary liabilities	3,717.1	3,836.2	4,003.3	4,003.3	4,185.6	4,355.6	4,421.5	4,615.8	4,774.5	4,672.3	4,830.2	4,934.2	5,155.2	5,078.7	4,934.2	5,155.2	5,078.7	
Money	776.7	817.7	907.4	907.4	1,006.1	1,109.4	1,134.4	1,244.3	1,291.0	1,184.0	1,247.6	1,265.5	1,352.7	1,263.6	1,265.5	1,352.7	1,263.6	
Currency	153.5	154.8	160.1	160.1	153.4	160.8	165.2	176.6	175.6	169.8	195.3	198.2	198.3	199.0	198.2	198.3	199.0	
Demand deposits	623.2	662.9	747.3	747.3	852.7	948.6	957.8	1,068.7	1,121.2	995.2	1,052.3	1,067.3	1,154.4	1,064.6	1,067.3	1,154.4	1,064.6	
Quasi-money	2,940.4	3,018.5	3,095.9	3,095.9	3,179.5	3,246.2	3,272.4	3,287.1	3,371.5	3,483.5	3,582.6	3,668.7	3,802.5	3,815.1	3,668.7	3,802.5	3,815.1	
Fixed deposits	2,244.0	2,296.2	2,315.9	2,315.9	2,366.9	2,397.2	2,381.6	2,410.3	2,426.4	2,463.3	2,514.3	2,636.2	2,687.9	2,720.8	2,636.2	2,687.9	2,720.8	
Savings deposits	604.6	630.7	678.8	678.8	710.6	741.2	754.3	779.9	814.6	852.4	881.8	911.6	931.8	941.1	911.6	931.8	941.1	
Foreign currency	91.8	91.6	101.2	101.2	102.0	107.8	136.5	130.5	167.8	121.4	144.2	120.9	182.8	153.2	120.9	182.8	153.2	
Total domestic credit	9.3	5.6	0.7	0.7	1.4	2.0	2.2	(0.6)	2.5	4.1	0.8	2.6	4.0	3.9	2.6	4.0	3.9	
Public sector	19.3	12.3	1.0	1.0	3.4	1.7	4.9	(8.4)	10.5	(2.8)	(8.1)	(1.1)	7.6	1.6	(1.1)	7.6	1.6	
Government (net)	23.1	4.0	(22.2)	(22.2)	7.4	6.3	8.3	(12.6)	16.8	(3.0)	(7.2)	(3.3)	3.4	(1.0)	(3.3)	3.4	(1.0)	
Rest of public sector	5.6	47.1	69.9	69.9	(2.1)	(5.1)	(0.8)	(0.9)	0.4	(2.3)	(9.9)	3.7	15.9	6.0	3.7	15.9	6.0	
Private sector	7.5	4.3	0.6	0.6	1.0	2.0	1.6	1.2	0.9	5.7	2.6	3.3	3.4	4.4	3.3	3.4	4.4	
Monetary liabilities	4.4	3.2	10.7	10.7	4.6	3.5	5.3	1.1	1.6	4.0	6.3	6.2	3.0	11.6	6.2	3.0	11.6	
Money	(3.8)	5.3	4.4	4.4	10.9	4.1	1.0	0.5	4.4	3.4	(2.1)	2.2	4.5	(1.5)	2.2	4.5	(1.5)	
Currency	1.4	0.8	11.0	11.0	(4.2)	10.3	1.5	0.8	9.7	3.8	(8.3)	1.4	6.9	(6.6)	1.4	6.9	(6.6)	
Demand deposits	(5.1)	6.4	3.4	3.4	14.1	4.8	2.7	6.9	(0.6)	(3.3)	11.2	1.5	0.1	0.4	1.5	0.1	0.4	
Quasi-money	6.9	2.7	12.7	12.7	2.7	11.2	1.3	(0.3)	11.6	4.9	(11.2)	1.4	8.2	(7.8)	1.4	8.2	(7.8)	

(percentage changes)

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	2001			2002			2003			2004			2005			2006		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
	(BS Millions)																	
Net foreign assets	(236.0)	(349.7)	(130.7)	(17.4)	80.5	10.9	70.9	161.4	121.6	35.5	(65.9)	(47.7)	(30.3)	(148.5)				
Central Bank	312.4	373.2	484.3	593.2	652.5	609.1	667.8	718.6	761.1	665.2	578.8	637.8	644.1	542.7				
Commercial banks	(548.4)	(722.9)	(615.0)	(610.6)	(572.0)	(598.2)	(596.9)	(557.2)	(639.5)	(629.7)	(644.7)	(685.5)	(674.4)	(691.2)				
Net domestic assets	3,874.7	4,092.4	4,025.1	4,092.9	4,173.8	4,285.1	4,247.2	4,348.0	4,546.6	4,534.6	4,786.9	4,880.9	5,094.6	5,140.3				
Domestic credit	4,553.8	4,793.2	4,822.8	4,896.8	5,001.6	5,114.5	5,083.1	5,218.9	5,438.3	5,482.6	5,752.7	5,900.8	6,142.5	6,372.6				
Public sector	771.9	867.6	874.9	904.5	920.2	965.4	883.4	976.7	949.0	871.4	945.8	930.9	1,001.6	999.0				
Government (net)	622.8	648.2	502.1	539.5	573.8	621.7	542.7	634.8	614.9	570.3	642.5	616.4	637.0	630.5				
Rest of public sector	149.1	219.4	372.8	365.0	346.4	343.7	340.7	341.9	334.1	301.1	303.3	314.5	364.6	368.5				
Private sector	3,781.9	3,925.6	3,947.9	3,992.3	4,081.4	4,149.1	4,199.7	4,242.2	4,489.3	4,611.2	4,806.9	4,969.9	5,140.9	5,373.6				
Other items (net)	(679.1)	(700.8)	(797.7)	(803.9)	(827.8)	(829.4)	(835.9)	(870.9)	(891.7)	(948.0)	(965.8)	(1,019.9)	(1,047.9)	(1,232.3)				
Monetary liabilities	3,638.7	3,742.7	3,894.4	4,075.5	4,254.3	4,296.0	4,318.1	4,509.4	4,668.2	4,570.1	4,716.1	4,833.2	5,064.3	4,991.8				
Money	769.2	808.5	895.8	994.1	1,096.6	1,114.7	1,124.7	1,231.2	1,275.1	1,169.6	1,223.0	1,245.5	1,338.1	1,246.3				
Currency	153.5	154.8	160.1	153.4	160.8	165.2	176.6	175.6	169.8	188.8	195.3	198.2	198.3	199.0				
Demand deposits	615.7	653.7	735.7	840.7	935.8	949.5	948.1	1,055.6	1,105.3	980.8	1,027.7	1,047.3	1,139.8	1,047.3				
Quasi-money	2,869.5	2,934.2	2,998.6	3,081.4	3,157.7	3,181.3	3,193.4	3,278.2	3,393.1	3,400.5	3,493.1	3,587.7	3,726.2	3,745.5				
Savings deposits	604.3	630.4	678.5	710.3	741.0	754.1	779.7	814.3	852.2	852.4	881.6	911.5	931.7	941.1				
Fixed deposits	2,173.4	2,212.2	2,218.8	2,269.1	2,308.9	2,290.7	2,316.8	2,333.4	2,373.1	2,426.8	2,467.4	2,555.3	2,611.7	2,651.2				
Foreign currency deposits	91.8	91.6	101.3	102.0	107.8	136.5	96.9	130.5	167.8	121.3	144.1	120.9	182.8	153.2				
	(percentage change)																	
Total domestic credit	9.5	5.3	0.6	1.5	2.1	2.3	(0.6)	2.7	4.2	0.8	4.9	2.6	4.1	3.7				
Public sector	19.6	12.4	0.8	3.4	1.7	4.9	(8.5)	10.6	(2.8)	(8.2)	8.5	(1.6)	7.6	(0.3)				
Government (net)	23.5	4.1	(22.5)	7.4	6.4	8.3	(12.7)	17.0	(3.1)	(7.3)	12.7	(4.1)	3.3	(1.0)				
Rest of public sector	5.6	47.1	69.9	(2.1)	(5.1)	(0.8)	(0.9)	0.4	(2.3)	(9.9)	0.7	3.7	15.9	1.1				
Private sector	7.7	3.8	0.6	1.1	2.2	1.7	1.2	1.0	5.8	2.7	4.2	3.4	3.4	4.5				
Monetary liabilities	5.0	2.9	4.1	4.7	3.0	0.2	0.8	4.4	2.4	6.3	1.9	5.6	2.7	17.6				
Money	(3.4)	5.1	10.8	11.0	4.4	1.0	0.5	9.5	3.5	(2.1)	3.2	2.5	4.8	(1.4)				
Currency	1.1	0.8	3.4	(4.2)	10.3	1.6	0.9	(0.6)	3.6	(8.3)	4.6	1.8	7.4	(6.9)				
Demand deposits	(4.5)	6.2	12.5	14.3	4.8	2.7	6.9	11.3	(3.3)	11.2	3.4	1.5	0.1	0.4				
Quasi-money	7.5	2.3	2.2	2.8	11.3	1.5	(0.2)	2.7	4.7	(11.3)	4.8	1.9	8.8	(8.1)				

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

End of Period	(B\$ Millions)																	
	2001			2002			2003			2004			2005			2006		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Net foreign assets	312.4	373.2	484.3	593.2	652.5	609.1	667.8	718.6	761.1	665.2	578.8	637.8	644.1	542.7				
Balances with banks abroad	44.5	126.3	183.7	279.6	318.7	253.3	311.1	344.9	309.3	230.0	145.4	210.4	212.0	116.8				
Foreign securities	260.0	238.3	291.3	304.3	324.6	346.6	347.0	364.2	442.7	426.1	424.4	418.4	422.8	416.47				
Reserve position in the Fund	7.8	8.5	9.3	9.3	9.2	9.2	9.7	9.5	9.1	9.1	9.0	9.0	9.3	9.3				
SDR holdings	0.1	0.1	--	--	--	--	--	--	--	--	--	--	--	0.1				
Net domestic assets	107.5	92.0	15.2	(24.1)	(90.4)	(101.6)	(13.1)	(90.8)	(62.4)	27.9	23.1	(21.0)	(25.8)	83.9				
Net claims on government	187.4	172.9	108.4	118.0	106.0	123.3	141.9	141.4	167.5	134.7	122.0	111.3	129.9	182.3				
Claims	189.7	182.4	114.8	122.1	116.6	131.0	149.5	153.4	215.9	152.8	149.7	150.7	137.4	198.0				
Treasury bills	98.8	72.0	--	--	--	--	--	--	--	--	--	--	--	43.4				
Bahamas registered stock	34.0	38.6	43.8	51.1	45.6	60.0	78.5	76.4	138.9	75.8	72.7	73.7	75.4	77.6				
Loans and advances	56.9	71.8	71.0	71.0	71.0	71.0	71.0	77.0	77.0	77.0	77.0	77.0	62.0	77.0				
Deposits	(2.3)	(9.5)	(6.4)	(4.1)	(10.6)	(7.7)	(7.6)	(12.0)	(48.4)	(18.1)	(27.7)	(39.4)	(7.5)	(15.7)				
In local currency	(2.3)	(9.5)	(6.4)	(4.1)	(10.6)	(7.7)	(7.6)	(12.0)	(48.4)	(18.1)	(27.7)	(39.4)	(7.5)	(15.7)				
In foreign currency	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
Deposits of rest of public sector	(10.3)	(10.1)	(21.6)	(73.9)	(128.9)	(154.4)	(87.7)	(164.1)	(153.3)	(34.0)	(26.1)	(54.1)	(77.8)	(12.4)				
Credit to commercial banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--				
Official capital and surplus	(94.3)	(98.3)	(97.3)	(98.8)	(97.2)	(97.5)	(98.2)	(100.0)	(102.7)	(105.2)	(105.5)	(114.0)	(108.5)	(107.2)				
Net unclassified assets	16.8	19.9	18.4	23.4	22.5	19.8	22.3	23.4	17.7	24.0	24.4	27.6	22.4	13.1				
Loans to rest of public sector	7.1	6.7	6.4	6.3	6.2	6.2	7.6	7.5	7.4	7.4	7.3	7.2	7.2	7.1				
Public Corp Bonds/Securities	0.8	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0				
Liabs. to Commercial Banks & OLFIs	(253.6)	(296.5)	(324.2)	(400.6)	(386.2)	(327.3)	(462.2)	(436.7)	(514.0)	(489.5)	(392.0)	(403.9)	(404.9)	(412.4)				
Notes and coins	(64.9)	(66.3)	(79.6)	(62.5)	(63.2)	(60.3)	(78.5)	(62.1)	(69.5)	(54.9)	(105.8)	(57.0)	(60.4)	(59.1)				
Deposits	(188.7)	(230.2)	(244.6)	(338.1)	(323.0)	(267.0)	(383.7)	(374.6)	(444.5)	(434.6)	(286.2)	(346.9)	(344.5)	(353.3)				
SDR allocation	(12.8)	(13.9)	(15.2)	(15.1)	(15.1)	(15.0)	(15.9)	(15.5)	(14.9)	(14.8)	(14.6)	(14.7)	(15.1)	(15.2)				
Currency held by the private sector	(153.5)	(154.8)	(160.1)	(153.4)	(160.8)	(165.2)	(176.6)	(175.6)	(169.8)	(188.8)	(195.3)	(198.2)	(198.3)	(199.0)				

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(BS Millions)

End of Period	2001			2002			2003			2004			2005			2006		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Net foreign assets	(546.9)	(730.5)	(628.1)	(627.2)	(587.1)	(567.8)	(563.5)	(538.2)	(606.7)	(593.1)	(611.0)	(654.1)	(650.6)	(723.8)				
Net claims on Central Bank	252.7	295.8	322.4	399.7	385.0	326.4	461.4	435.8	513.2	488.7	389.7	403.2	405.1	421.3				
Notes and Coins	64.9	66.3	79.6	62.5	63.2	60.3	78.5	62.1	69.5	54.9	105.8	57.0	60.4	59.1				
Balances	188.6	230.3	243.6	338.0	322.6	266.9	383.7	374.5	444.5	434.6	284.7	347.0	345.5	363.0				
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	3,494.1	3,750.3	3,814.7	3,879.6	3,991.0	4,043.7	4,018.7	4,129.4	4,265.7	4,266.6	4,518.4	4,615.1	4,753.6	4,794.3				
Net claims on government	438.6	478.4	398.1	425.9	472.2	502.8	405.2	497.7	452.2	440.4	528.9	510.0	512.3	453.8				
Treasury bills	63.5	38.8	47.6	73.0	88.8	96.2	26.7	85.4	86.5	48.5	66.1	78.0	125.3	34.6				
Other securities	317.4	341.2	369.6	368.6	369.3	396.7	393.3	398.0	385.6	414.3	400.5	413.9	417.8	447.5				
Loans and advances	115.4	170.0	74.5	81.3	111.2	115.6	78.2	115.5	85.3	77.0	150.7	122.6	75.7	70.9				
Less: deposits	57.7	71.6	93.6	97.0	97.1	105.7	93.0	101.2	105.2	99.4	88.4	104.5	106.5	99.2				
Net claims on rest of public sector	(212.0)	(143.8)	53.0	51.6	62.2	60.0	91.5	84.3	46.4	5.0	(25.3)	(11.4)	(14.0)	(15.2)				
Securities	8.1	9.4	18.6	21.3	21.3	21.3	18.6	21.6	23.6	20.6	20.6	22.6	34.3	34.3				
Loans and advances	133.2	202.5	347.0	336.4	317.9	315.2	313.5	311.8	302.0	272.1	265.8	283.6	322.2	326.1				
Less: deposits	353.3	355.7	312.6	306.1	277.0	276.5	240.6	249.1	279.2	287.7	311.7	317.6	370.5	375.6				
Credit to the private sector	3,902.1	4,069.6	4,094.6	4,135.9	4,220.0	4,287.2	4,339.4	4,378.8	4,627.6	4,747.8	4,953.8	5,115.7	5,288.4	5,520.4				
Securities	9.0	10.2	20.4	17.3	17.1	18.8	14.7	15.6	28.4	18.1	28.2	27.4	28.2	29.2				
Mortgages	1,151.4	1,309.2	1,438.4	1,488.6	1,537.6	1,574.4	1,631.1	1,680.5	1,762.2	1,836.3	1,919.1	1,996.8	2,084.2	2,182.3				
Loans and advances	2,741.7	2,750.2	2,635.8	2,630.0	2,665.3	2,694.0	2,693.6	2,682.7	2,837.0	2,893.4	3,006.5	3,091.5	3,176.0	3,308.9				
Private capital and surplus	(661.2)	(722.9)	(1032.5)	(1,038.4)	(1,070.0)	(1,083.2)	(1,121.4)	(1,130.8)	(1,141.8)	(1,160.4)	(1,197.5)	(1,278.4)	(1,299.2)	(1,420.7)				
Net unclassified assets	26.6	69.0	301.5	304.6	306.6	276.9	304.0	299.4	281.3	233.8	258.5	283.4	257.9	301.4				
Liabilities to private sector	3,199.8	3,315.3	3,508.9	3,652.1	3,788.9	3,802.2	3,916.6	4,026.9	4,172.2	4,162.4	4,297.1	4,364.2	4,508.1	4,491.7				
Demand deposits	669.5	690.5	766.2	821.2	871.7	878.3	921.0	974.8	1,044.6	999.6	1,092.2	1,066.1	1,161.4	1,128.7				
Savings deposits	606.2	634.3	682.1	714.0	745.6	761.7	783.7	818.5	856.9	854.9	885.3	915.1	937.6	949.0				
Fixed deposits	1,924.1	1,990.5	2,060.6	2,116.9	2,171.6	2,162.2	2,211.9	2,233.6	2,270.7	2,307.9	2,319.6	2,383.0	2,409.1	2,414.0				

Source: The Central Bank of The Bahamas

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

Period	(B\$'000s)												
	2003			2004			2005			2006			
	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	
1. Interest Income	435,099	474,049	533,519	112,236	116,611	120,303	124,899	120,307	126,166	134,328	152,718	145,220	156,110
2. Interest Expense	164,071	168,412	178,153	41,140	43,376	41,885	42,011	43,723	43,388	44,443	46,599	47,289	53,343
3. Interest Margin (1-2)	271,028	305,637	355,366	71,096	73,235	78,418	82,888	76,584	82,778	89,885	106,119	97,931	102,767
4. Commission & Forex Income	23,451	26,425	28,665	7,417	6,463	6,151	6,394	5,787	6,766	8,950	7,162	7,134	6,973
5. Gross Earnings Margin (3+4)	294,479	332,062	384,031	78,513	79,698	84,569	89,282	82,371	89,544	98,835	113,281	105,065	109,740
6. Staff Costs	114,818	116,033	125,378	27,251	27,796	30,494	30,492	29,918	30,322	32,286	32,852	33,502	33,914
7. Occupancy Costs	18,585	16,284	18,558	5,025	3,918	3,969	3,372	3,623	5,273	4,082	5,580	4,744	5,292
8. Other Operating Costs	52,182	60,051	54,888	12,888	13,107	16,520	17,536	10,443	15,305	14,915	14,225	16,036	15,093
9. Operating Costs (6+7+8)	185,585	192,368	198,824	45,164	44,821	50,983	51,400	43,984	50,900	51,283	52,657	54,282	54,299
10. Net Earnings Margin (5-9)	108,894	139,694	185,207	33,349	34,877	33,586	37,882	38,387	38,644	47,552	60,624	50,783	55,441
11. Depreciation Costs	22,803	9,739	12,625	5,286	5,180	(3,704)	2,977	3,119	2,843	3,053	3,610	2,818	2,842
12. Provisions for Bad Debt	38,562	35,806	21,897	7,323	10,270	10,740	7,473	5,015	6,866	4,779	5,237	6,181	10,819
13. Other Income	75,669	74,197	76,750	17,960	19,047	17,343	19,847	19,701	21,452	16,272	19,325	26,750	23,607
14. Other Income (Net) (13-11-12)	14,304	28,652	42,228	5,351	3,597	10,307	9,397	11,567	11,743	8,440	10,478	17,751	9,946
15. Net Income (10+14)	123,198	168,346	227,435	38,700	38,474	43,893	47,279	49,954	50,387	55,992	71,102	68,534	65,387
16. Effective Interest Rate Spread (%)	5.99	6.48	6.45	6.20	6.64	6.40	6.68	6.12	6.32	6.60	6.76	6.24	6.28
(Ratios To Average Assets)													
Interest Margin	4.71	4.73	4.99	5.21	4.73	4.99	5.21	4.73	4.94	5.28	6.71	5.49	5.54
Commission & Forex Income	0.41	0.43	0.44	0.49	0.42	0.39	0.40	0.36	0.40	0.53	0.45	0.40	0.38
Gross Earnings Margin	5.11	5.34	5.85	5.20	5.15	5.38	5.61	5.08	5.34	5.81	7.17	5.89	5.91
Operating Costs	3.22	3.09	3.02	2.99	2.90	3.25	3.23	2.71	3.04	3.01	3.33	3.04	2.93
Net Earnings Margin	1.89	2.25	2.83	2.21	2.25	2.14	2.38	2.37	2.30	2.79	3.84	2.85	2.99
Net Income	2.14	2.70	3.47	2.56	2.49	2.79	2.97	3.08	3.01	3.29	4.50	3.84	3.52

*Commercial Banks and OLFIs with domestic operations

Source: The Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B\$ Millions)

End of Period	2001			2002			2003			2004			2005			2006		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
Money supply (M1)	776.7	817.7	907.4	1,006.1	1,109.4	1,125.9	1,134.4	1,244.3	1,291.0	1,184.3	1,247.6	1,265.4	1,352.7	1,263.6				
1) Currency in active circulation	153.5	154.8	160.1	153.4	160.8	165.2	176.6	175.6	169.8	188.8	195.3	198.2	198.3	199.0				
2) Demand deposits	623.2	662.9	747.3	852.7	948.6	960.7	957.8	1,068.7	1,121.2	995.5	1,052.3	1,067.2	1,154.4	1,064.6				
Central Bank	10.3	10.1	21.7	73.9	128.9	154.4	87.7	164.1	153.3	34.0	26.1	54.1	78.2	12.4				
Domestic Banks	612.9	652.8	725.6	778.8	819.7	806.3	870.1	904.6	967.9	961.5	1,026.2	1,013.1	1,076.2	1,052.2				
Factors affecting changes in money (M1)																		
1) Net credit to government	626.0	651.3	506.5	543.9	578.2	626.0	547.1	639.1	619.7	575.1	642.7	621.2	642.2	636.1				
Central Bank	187.4	172.9	108.4	118.0	106.0	123.2	141.9	141.4	167.5	134.7	122.0	111.2	129.9	182.3				
Domestic Banks	438.6	478.4	398.1	425.9	472.2	502.8	405.2	497.7	452.2	440.4	520.7	510.0	512.3	453.8				
2) Other credit	4,051.3	4,289.1	4,467.5	4,500.9	4,566.4	4,630.9	4,680.1	4,720.7	4,961.7	5,049.1	5,256.8	5,430.2	5,653.1	5,888.9				
Rest of public sector	149.2	219.5	372.9	365.0	346.4	343.7	340.7	341.9	334.1	301.1	303.1	314.5	364.6	368.5				
Private sector	3,902.1	4,069.6	4,094.6	4,135.9	4,220.0	4,287.2	4,339.4	4,378.8	4,627.6	4,748.0	4,953.7	5,115.7	5,288.5	5,520.4				
3) External reserves	312.4	373.2	484.3	593.2	652.5	609.1	667.8	718.6	761.1	665.2	578.8	637.8	644.1	542.7				
4) Other external liabilities (net)	(546.9)	(730.5)	(628.1)	(627.2)	(587.1)	(567.8)	(563.5)	(538.2)	(606.7)	(594.2)	(611.0)	(654.1)	(650.6)	(723.8)				
5) Quasi money	2,940.4	3,018.5	3,095.9	3,179.5	3,246.2	3,272.4	3,287.1	3,371.5	3,483.5	3,488.2	3,582.6	3,668.7	3,802.5	3,815.1				
6) Other items (net)	(725.7)	(746.9)	(826.9)	(825.2)	(854.4)	(899.8)	(910.0)	(924.4)	(961.3)	(1,022.1)	(1,037.1)	(1,100.9)	(1,133.6)	(1,265.1)				

Source: The Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT*

End of Period	2002			2003			2004			2005			2006		
	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.	Mar.	Jun.	Sept.
(B\$' 000)															
CREDIT OUTSTANDING															
Private cars	245,178	221,334	212,679	209,547	209,092	207,781	209,879	216,465	222,787	226,337					
Taxis & rented cars	1,976	2,054	2,349	2,325	2,431	2,323	2,317	2,322	2,340	2,502					
Commercial vehicles	4,513	4,254	5,212	5,762	6,224	6,681	6,038	6,173	6,551	6,588					
Furnishings & domestic appliances	14,531	12,727	13,972	14,529	15,220	15,673	17,309	17,667	18,277	18,768					
Travel	43,135	40,815	40,814	38,606	38,601	41,454	41,435	39,489	42,151	46,929					
Education	59,487	49,903	46,926	46,430	45,748	48,891	47,737	48,393	48,257	52,923					
Medical	14,318	13,662	13,811	13,921	14,002	14,157	14,446	14,940	16,227	16,691					
Home Improvements	111,801	109,296	114,199	115,461	122,629	128,838	134,334	137,988	142,222	145,557					
Land Purchases	110,475	120,265	150,096	154,998	160,883	165,735	174,645	177,630	186,023	190,508					
Consolidation of debt	350,942	343,660	346,795	350,391	361,100	391,303	413,193	429,545	439,948	447,458					
Miscellaneous	342,626	334,267	374,008	374,827	376,510	392,602	412,162	425,763	438,374	463,648					
Credit Cards	158,784	148,265	166,073	160,526	161,334	172,367	188,058	186,643	196,474	210,102					
TOTAL	1,457,766	1,400,502	1,486,934	1,487,323	1,513,774	1,587,805	1,661,553	1,703,018	1,759,631	1,828,011					
NET CREDIT EXTENDED															
Private cars	(25,484)	(23,844)	(8,655)	(3,124)	(455)	(1,311)	2,098	6,586	6,322	3,550					
Taxis & rented cars	(275)	78	295	(24)	106	(108)	(6)	5	18	162					
Commercial vehicles	128	(259)	958	550	462	457	(643)	135	378	37					
Furnishings & domestic appliances	(2,983)	(1,804)	1,245	557	691	453	1,636	358	610	491					
Travel	(256)	(2,320)	(1)	(2,208)	(5)	2,853	(19)	(1,946)	2,662	4,778					
Education	9,918	(9,584)	(2,977)	(496)	(682)	3,143	(1,154)	656	(136)	4,666					
Medical	1,014	(656)	149	110	81	155	289	494	1,287	464					
Home Improvements	(14,741)	(2,505)	4,903	1,266	7,168	6,209	5,496	3,654	4,234	3,335					
Land Purchases	15,224	9,790	29,831	4,902	5,885	4,852	8,910	2,985	8,393	4,485					
Consolidation of debt	(5,972)	(7,282)	3,135	3,639	10,709	30,203	21,890	16,352	10,403	7,510					
Miscellaneous	1,887	(8,359)	39,741	827	1,683	16,092	19,560	13,601	12,611	25,274					
Credit Cards	21,016	(10,519)	17,808	(5,547)	808	11,033	15,691	(1,415)	9,831	13,628					
TOTAL	(524)	(57,264)	86,432	452	26,451	74,031	73,748	41,465	56,613	68,380					

Source: The Central Bank of The Bahamas

* Includes both demand and add-on loans

TABLE 8
SELECTED AVERAGE INTEREST RATES

Period	2003			2004			2005			2006		
	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III
DOMESTIC BANKS												
Deposit rates												
Savings deposits	2.65	2.57	2.26	2.77	2.55	2.49	2.46	2.59	2.26	2.10	2.13	2.16
Fixed deposits												
Up to 3 months	3.81	3.69	3.13	3.80	3.73	3.61	3.61	3.39	3.06	3.04	3.13	3.16
Up to 6 months	4.31	4.46	3.41	4.74	4.97	4.12	3.99	3.62	3.19	3.28	3.44	3.63
Up to 12 months	4.44	4.26	3.58	4.44	4.21	4.12	4.25	3.70	3.25	3.53	3.85	3.88
Over 12 months	4.58	4.30	3.62	4.84	4.14	3.87	4.35	3.71	3.47	3.53	4.13	4.15
Weighted average rate	3.95	3.83	3.22	4.02	3.85	3.69	3.75	3.44	3.09	3.11	3.30	3.31
Lending rates												
Residential mortgages	8.97	8.81	8.08	8.91	8.84	8.81	8.69	8.50	8.02	7.82	7.94	7.84
Commercial mortgages	9.61	9.17	8.10	9.23	8.86	9.35	9.22	8.18	8.13	8.15	8.12	8.30
Consumer loans	13.78	12.96	12.22	13.39	13.08	12.95	12.40	12.42	11.81	12.59	12.01	12.10
Overdrafts	11.57	11.67	10.86	11.78	11.40	11.77	11.71	11.00	11.14	10.84	11.18	10.44
Weighted average rate	11.97	11.27	10.34	11.56	11.28	11.40	10.84	10.64	10.03	10.69	10.25	9.93
Other rates												
Prime rate	6.00	6.00	5.50	6.00	6.00	6.00	6.00	5.50	5.50	5.50	5.50	5.50
Treasury bill (90 days)	1.78	0.55	0.14	0.94	0.71	0.29	0.25	0.18	0.15	0.06	0.36	0.69
Treasury bill re-discount rate	2.28	1.05	0.64	1.44	1.21	0.79	0.75	0.68	0.65	0.56	0.86	1.19
Bank rate (discount rate)	5.75	5.75	5.25	5.75	5.75	5.75	5.75	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		
	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III
Loan Portfolio												
Current Loans (as a % of loans total)	89.9	90.8	91.5	92.0	92.3	92.0	92.3	92.0	92.3	93.0	92.4	92.4
Arrears (% by loan type)												
Consumer	3.5	2.9	3.0	2.6	2.4	2.8	2.7	2.8	2.7	2.6	2.8	2.8
Mortgage	4.0	3.8	3.7	3.6	3.5	3.6	3.2	3.6	3.2	3.2	3.4	3.4
Commercial	2.6	2.5	1.8	1.8	1.8	1.6	1.8	1.6	1.8	1.2	1.5	1.5
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
Total Arrears	<u>10.1</u>	<u>9.2</u>	<u>8.5</u>	<u>8.0</u>	<u>7.7</u>	<u>8.0</u>	<u>7.7</u>	<u>8.0</u>	<u>7.7</u>	<u>7.0</u>	<u>7.6</u>	<u>7.6</u>
Total BS 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>
Loan Portfolio												
Current Loans (as a % of loans total)	89.9	90.8	91.5	92.0	92.3	92.0	92.3	92.0	92.3	93.0	92.4	92.4
Arrears (% by days outstanding)												
30 - 60 days	3.2	2.9	2.8	2.4	2.3	2.7	2.7	2.7	2.7	2.3	2.4	2.4
61 - 90 days	1.8	1.5	0.9	1.1	0.9	1.0	0.7	1.0	0.7	0.7	1.2	1.2
90 - 179 days	1.1	0.8	1.0	0.8	0.9	0.9	0.9	0.9	0.9	0.7	0.9	0.9
over 180 days	4.0	4.0	3.8	3.7	3.6	3.4	3.4	3.4	3.4	3.3	3.166	3.166
Total Arrears	<u>10.1</u>	<u>9.2</u>	<u>8.5</u>	<u>8.0</u>	<u>7.7</u>	<u>8.0</u>	<u>7.7</u>	<u>8.0</u>	<u>7.7</u>	<u>7.0</u>	<u>7.6</u>	<u>7.6</u>
Total BS 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>
Non Accrual Loans (% by loan type)												
Consumer	39.9	39.7	37.9	34.9	32.9	33.9	35.1	36.5	35.1	36.5	37.0	37.0
Mortgage	38.4	38.8	41.0	44.0	41.8	42.9	41.6	44.3	41.6	44.3	41.7	41.7
Other Private	21.7	21.4	21.0	21.0	25.2	23.1	23.2	19.1	23.2	19.1	21.2	21.2
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
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>
Provisions to Loan Portfolio												
Consumer	3.7	4.0	3.5	3.4	3.3	3.0	3.1	3.3	3.1	3.3	3.5	3.5
Mortgage	1.2	1.2	1.4	1.4	1.4	1.3	1.5	1.5	1.5	1.5	1.3	1.3
Other Private	0.9	1.0	1.6	1.6	1.7	1.6	2.3	2.3	2.3	2.3	2.3	2.3
Public	0.0	0.0	0.1	0.4	0.4	0.3	0.3	0.0	0.3	0.0	0.0	0.0
Total Provisions to Total Loans	2.1	2.2	2.2	2.2	2.1	2.0	2.3	2.3	2.3	2.3	2.3	2.3
Total Provisions to Non-performing Loans	40.2	45.0	45.1	47.0	46.0	44.9	51.8	57.7	51.8	57.7	56.5	56.5
Total Non-performing Loans to Total Loans	5.1	4.8	4.8	4.5	4.6	4.3	4.3	4.0	4.3	4.0	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)																			
	2001			2002			2003			2004			2005			2006				
	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	
I. Statutory Reserves																				
Required reserves	176.1	183.4	187.2	192.7	200.9	204.8	205.3	211.5	217.0	222.4	226.3	228.6	238.0	244.6						
Average Till Cash	51.2	55.3	66.7	57.1	56.0	57.9	70.2	57.8	64.9	60.8	86.5	60.8	67.8	68.2						
Average balance with central bank	182.2	217.8	250.2	326.9	335.3	304.3	407.5	385.9	444.1	446.1	332.2	357.5	355.9	348.5						
Free cash reserves (period ended)	56.5	88.9	128.9	190.5	189.6	156.6	271.6	231.4	291.2	283.7	191.5	189.0	184.9	171.2						
II. Liquid Assets (period)																				
A. Minimum required Liquid assets	569.3	589.9	615.6	637.1	656.7	660.7	677.2	691.9	717.8	731.1	752.2	768.5	797.6	800.4						
B. Net Eligible Liquid Assets	636.7	687.6	772.3	874.8	883.6	855.2	909.7	955.3	1021.5	973.2	895.6	937.8	990.4	964.2						
i) Balance with Central Bank	188.6	230.3	243.5	338.0	322.6	267.0	383.7	374.5	444.6	434.6	284.7	347.0	345.5	359.8						
ii) Notes and Coins	65.4	66.8	80.1	63.0	63.7	60.8	79.0	62.6	70.0	55.4	106.3	57.5	60.9	59.6						
iii) Treasury Bills	63.5	38.8	47.6	73.0	88.9	96.1	26.7	85.4	86.4	48.5	66.1	78.0	125.3	34.6						
iv) Government registered stocks	306.4	335.3	369.5	368.6	369.3	396.7	393.3	402.3	390.4	419.1	400.4	413.9	417.8	447.5						
v) Specified assets	16.9	17.9	26.8	29.1	28.2	27.9	24.9	27.8	27.5	26.3	26.0	28.0	39.3	39.0						
vi) Net Inter-bank dem/call deposits	(3.3)	(0.7)	5.6	3.9	11.7	7.5	2.9	3.5	3.4	(9.9)	12.9	14.2	2.4	24.5						
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)	67.4	97.7	156.7	237.7	226.9	194.5	232.5	263.4	303.7	242.1	143.4	169.3	192.8	163.8						

Source: The Central Bank of The Bahamas

TABLE II
GOVERNMENT OPERATIONS AND FINANCING
(B\$ Millions)

Period	Budget				2005/06p				2006/07p				
	2003/04p	2004/05p	2005/06p	2006/07	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	271.8	273.4	311.3	365.0	326.9				
Current expenditure	994.0	1,053.1	1,149.6	1,269.6	260.9	286.3	289.6	312.8	283.3				
Capital expenditure	80.9	90.4	123.5	162.4	26.4	23.6	31.3	42.2	30.3				
Net lending	35.3	71.4	54.5	32.4	4.8	14.3	15.1	20.3	9.7				
Overall balance	(166.4)	(175.5)	(106.1)	(125.4)	(20.3)	(50.7)	(24.8)	(10.3)	3.7				
FINANCING (I+II-III+IV+V)	166.4	175.4	106.1	125.4	20.3	50.7	24.8	10.3	(18.7)				
I. Foreign currency borrowing	206.7	2.9	8.7	32.7	--	3.9	1.4	3.4	1.0				
External	206.7	2.9	5.3	32.7	--	3.9	1.4	0.0	1.0				
Domestic	--	--	3.4	...	--	--	--	3.4	--				
II. Bahamian dollar borrowing	132.3	325.1	201.7	195.3	75.0	--	75.0	51.6	100.0				
i) Treasury bills	--	13.1	--	...	--	--	--	--	--				
Central Bank	--	13.1	--	...	--	--	--	--	--				
Commercial banks & OLFIs	--	--	--	...	--	--	--	--	--				
Public corporations	--	--	--	...	--	--	--	--	--				
Other	--	--	--	...	--	--	--	--	--				
ii) Long-term securities	98.3	306.3	201.7	...	75.0	--	75.0	51.6	100.0				
Central Bank	33.3	55.9	11.5	...	5.0	--	4.0	2.5	5.0				
Commercial banks & OLFIs	20.1	46.3	35.2	...	11.4	--	11.4	12.4	34.9				
Public corporations	21.7	125.6	25.3	...	15.5	--	6.3	3.5	19.1				
Other	23.2	78.5	129.6	...	43.1	--	53.3	33.2	41.0				
iii) Loans and Advances	34.0	5.7	--	...	--	--	--	--	--				
Central Bank	34.0	5.7	--	...	--	--	--	--	--				
Commercial banks	--	--	--	...	--	--	--	--	15.0				
III Debt repayment	251.4	98.4	62.1	102.6	0.7	11.1	21.7	28.6	36.3				
Domestic	242.0	92.6	58.1	94.7	--	10.0	21.0	27.1	35.0				
Bahamian dollars	112.0	92.6	57.2	94.7	--	10.0	21.0	26.2	35.0				
Internal foreign currency	130.0	--	0.9	...	--	--	--	0.9	--				
External	9.4	5.8	4.0	7.9	0.7	1.1	0.7	1.5	1.3				
IV. Cash balance change	(33.7)	(45.8)	39.5	...	36.1	1.5	(27.9)	29.9	(0.8)				
V. Other Financing	112.5	(8.3)	(81.6)	...	(90.1)	56.5	(2.0)	(46.0)	(82.5)				

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

TABLE 12
NATIONAL DEBT

(B\$' 000s)

End of Period	2003p			2004p			2005p			2006p		
	2003p	2004p	2005p	2004p	2005p	2006p	2005p	2006p	2006p	2006p	2006p	
							Sept.	Dec.	Mar.	Jun.	Sept.	
TOTAL EXTERNAL DEBT	288,545	284,611	286,528	284,611	286,528	286,528	283,772	286,528	287,247	285,748	286,090	
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	
Loans	63,545	59,611	61,528	59,611	61,528	61,528	58,772	61,528	62,247	60,748	61,090	
By Holder												
Commercial banks	5,153	--	--	--	--	--	--	--	--	--	--	
Offshore financial institutions	--	--	--	--	--	--	--	--	--	--	--	
Multilateral institutions	58,392	59,611	61,528	59,611	61,528	61,528	58,772	61,528	62,247	60,748	61,090	
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	
TOTAL INTERNAL DEBT	1,647,607	1,813,297	1,948,696	1,813,297	1,948,696	1,948,696	1,958,696	1,948,696	2,002,696	2,030,594	2,110,593	
By Instrument												
Foreign Currency	--	--	--	--	--	--	--	--	--	2,483	2,483	
Government securities	--	--	--	--	--	--	--	--	--	--	--	
Loans	--	--	--	--	--	--	--	--	--	2,483	2,483	
Bahamian Dollars	1,647,607	1,813,297	1,948,696	1,813,297	1,948,696	1,948,696	1,958,696	1,948,696	2,002,696	2,028,111	2,108,111	
Advances	71,019	71,019	76,988	71,019	76,988	76,988	76,988	76,988	76,988	61,988	76,988	
Treasury bills	179,400	179,400	192,469	179,400	192,469	192,469	192,469	192,469	192,469	192,469	192,469	
Government securities	1,386,943	1,552,633	1,668,993	1,552,633	1,668,993	1,668,993	1,678,993	1,668,993	1,723,993	1,764,908	1,829,908	
Loans	10,245	10,245	10,246	10,245	10,246	10,246	10,246	10,246	9,246	8,746	8,746	
By Holder												
Foreign Currency	--	--	--	--	--	--	--	--	--	2,483	2,483	
Commercial banks	--	--	--	--	--	--	--	--	--	2,483	2,483	
Other local financial institutions	--	--	--	--	--	--	--	--	--	--	--	
Bahamian Dollars	1,647,607	1,813,297	1,948,696	1,813,297	1,948,696	1,948,696	1,958,696	1,948,696	2,002,696	2,028,111	2,108,111	
The Central Bank	114,800	149,535	149,682	149,535	149,682	149,682	152,817	149,682	150,663	137,376	198,066	
Commercial banks	423,997	427,858	463,385	427,858	463,385	463,385	469,970	463,385	474,637	532,394	471,108	
Other local financial institutions	3,128	4,321	4,811	4,321	4,811	4,811	4,816	4,811	4,811	4,815	4,860	
Public corporations	673,345	717,098	763,092	717,098	763,092	763,092	780,134	763,092	742,862	698,129	747,576	
Other	432,337	514,485	567,726	514,485	567,726	567,726	550,959	567,726	629,722	655,396	686,501	
TOTAL FOREIGN CURRENCY DEBT	288,545	284,611	286,528	284,611	286,528	286,528	283,772	286,528	287,247	288,231	288,573	
TOTAL DIRECT CHARGE	1,936,152	2,097,908	2,235,224	2,097,908	2,235,224	2,235,224	2,242,468	2,235,224	2,289,943	2,316,342	2,396,684	
TOTAL CONTINGENT LIABILITIES	467,522	439,852	497,206	439,852	497,206	497,206	500,102	497,206	499,216	506,680	496,418	
TOTAL NATIONAL DEBT	2,403,674	2,537,760	2,732,430	2,537,760	2,732,430	2,732,430	2,742,570	2,732,430	2,789,159	2,823,021	2,893,102	

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)												
	2003p*	2004p	2005p	2005p			2006p						
				Sept.	Oct.	Nov.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sept.
Outstanding debt at beginning of period													
Government	565,540	616,967	579,270	553,829	549,725	549,725	551,011	570,407	570,407	570,407	590,069	590,069	590,069
Public Corporations	220,988	288,545	284,611	284,454	283,772	283,772	286,528	287,247	287,247	287,247	288,231	288,231	288,231
	344,552	328,422	294,659	269,375	265,953	265,953	264,483	264,483	264,483	264,483	301,838	301,838	301,838
Plus new drawings	362,945	28,304	42,862	7,986	12,810	12,810	31,472	33,487	33,487	33,487	1,025	1,025	1,025
Government	206,000	4,240	4,974	--	3,862	3,862	1,402	3,387	3,387	3,387	1,025	1,025	1,025
Public corporations	156,945	24,064	37,888	7,986	8,948	8,948	30,070	30,100	30,100	30,100	--	--	--
Less Amortization	311,518	66,001	71,121	12,090	11,524	11,524	12,076	13,825	13,825	13,825	8,929	8,929	8,929
Government	138,443	8,174	3,057	682	1,106	1,106	683	2,403	2,403	2,403	683	683	683
Public corporations	173,075	57,827	68,064	11,408	10,418	10,418	11,393	11,422	11,422	11,422	8,246	8,246	8,246
Outstanding debt at end of period													
Government	616,967	579,270	551,011	549,725	551,011	551,011	570,407	590,069	590,069	590,069	582,165	582,165	582,165
Public corporations	288,545	284,611	286,528	283,772	286,528	286,528	287,247	288,231	288,231	288,231	288,573	288,573	288,573
	328,422	294,659	264,483	265,953	264,483	264,483	283,160	301,838	301,838	301,838	293,592	293,592	293,592
Interest Charges													
Government	26,471	27,340	30,178	3,325	12,197	12,197	3,851	12,204	12,204	12,204	4,504	4,504	4,504
Public corporations	12,927	18,203	18,141	497	8,605	8,605	422	8,597	8,597	8,597	430	430	430
	13,544	9,137	12,037	2,828	3,592	3,592	3,429	3,607	3,607	3,607	4,074	4,074	4,074
Debt Service													
Government	337,989	93,341	101,299	15,415	23,721	23,721	15,927	26,029	26,029	26,029	13,433	13,433	13,433
Public corporations	151,370	26,377	21,198	1,179	9,711	9,711	1,105	11,000	11,000	11,000	1,113	1,113	1,113
	186,619	66,964	80,101	14,236	14,010	14,010	14,822	15,029	15,029	15,029	12,320	12,320	12,320
Debt Service ratio	13.6	3.4	3.3	2.1	3.1	3.1	2.0	3.2	3.2	3.2	1.9	1.9	1.9
Government debt Service/ Government revenue (%)	16.8	2.7	1.9	0.4	3.6	3.6	0.4	3.0	3.0	3.0	0.3	0.3	0.3
MEMORANDUM													
Holder distribution (B\$ Mil):													
Commercial banks	261.16	236.74	215.93	215.5	215.9	215.9	235.8	258.9	258.9	258.9	251.8	251.8	251.8
Offshore Financial Institutions	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
Multilateral Institutions	118.5	113.1	109.5	108.7	109.5	109.5	109.2	105.8	105.8	105.8	105.1	105.1	105.1
Bilateral Institutions	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
Other	12.3	4.4	0.5	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3
Private Capital Markets	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0

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

Note: *Debt servicing during 2003 includes the respective re-financing of \$125M and \$123M in Government (internal) and public corporations (external) debt. Net of these payments, the adjusted service/exports ratio was 3.7% and the Government's debt service/revenue ratio was 3.0%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

	(B\$ Millions)											
	2003p			2004			2005			2006		
	2003p	2004p	2005p	Qtr.IIIp	Qtr.IVp	Qtr.Ip	Qtr.IIip	Qtr.IIip	Qtr.IIip	Qtr.IIip	Qtr.IIip	Qtr.IIip
A. Current Account Balance (I+II+III+IV)	(472.4)	(304.7)	(632.2)	(249.9)	(32.1)	(41.3)	(41.2)	(264.3)	(412.2)	(308.2)	(425.2)	
I. Merchandise (Net)	(1,330.7)	(1,427.3)	(1,667.4)	(368.6)	(376.4)	(360.5)	(377.2)	(448.6)	(527.4)	(478.8)	(486.7)	
Exports	426.5	477.4	562.3	98.6	148.2	122.7	122.8	155.7	165.1	161.7	169.9	
Imports	1,757.2	1,904.7	2,229.7	467.2	524.6	483.2	500.0	604.3	692.5	640.5	656.6	
II. Services (Net)	962.1	1,012.8	1,132.0	158.1	173.5	321.8	369.3	218.8	165.9	217.8	89.8	
Transportation	(187.5)	(249.4)	(297.8)	(61.0)	(63.9)	(72.6)	(77.2)	(78.5)	(69.5)	(74.0)	(65.6)	
Travel	1,452.7	1,568.9	1,727.6	300.5	282.3	480.0	524.9	378.4	488.1	495.3	318.8	
Insurance Services	(105.8)	(81.4)	(95.5)	(21.4)	(15.6)	(21.9)	(20.3)	(22.5)	(21.9)	(33.2)	(34.3)	
Offshore Companies Local Expenses	105.9	136.1	148.2	22.0	54.3	23.3	23.9	43.4	32.5	34.0	45.6	
Other Government	(57.3)	(29.2)	(50.4)	(12.7)	(4.0)	(8.5)	(21.2)	(7.8)	(21.0)	(6.7)	(11.0)	
Other Services	(245.9)	(332.2)	(300.1)	(69.3)	(79.6)	(78.5)	(60.8)	(94.2)	(233.3)	(197.6)	(163.7)	
III. Income (Net)	(152.4)	(141.0)	(182.1)	(47.1)	(37.3)	(50.9)	(52.5)	(43.6)	(67.0)	(66.2)	(34.6)	
1. Compensation of Employees	(56.3)	(63.2)	(73.2)	(12.1)	(20.9)	(20.0)	(18.9)	(15.8)	(41.1)	(19.2)	(16.3)	
2. Investment Income	(96.1)	(77.8)	(108.9)	(35.0)	(16.4)	(30.9)	(33.6)	(27.8)	(25.9)	(47.0)	(18.3)	
IV. Current Transfers (Net)	48.6	250.8	85.3	7.7	208.1	48.3	19.2	9.1	16.3	19.0	6.3	
1. General Government	53.9	59.7	59.1	8.7	12.3	14.6	21.3	12.0	17.8	20.0	9.0	
2. Private Sector	(5.3)	191.1	26.2	(1.0)	195.8	33.7	(2.1)	(2.9)	(1.5)	(1.0)	(2.7)	
B. Capital and Financial Account (I+II) (excl. Reserves)	498.0	310.6	262.2	125.4	112.6	127.4	122.0	147.5	262.5	203.5	243.9	
I. Capital Account (Net Transfers)	(37.4)	(47.9)	(39.2)	(10.9)	(18.6)	(11.4)	(13.6)	(22.3)	(13.8)	(14.2)	(21.8)	
II. Financial Account (Net)	535.4	358.5	301.4	136.3	131.2	138.8	135.6	169.8	276.3	217.7	265.7	
1. Direct Investment	190.3	273.7	462.0	105.4	67.1	95.6	57.7	191.4	178.6	93.7	139.8	
2. Portfolio Investment	--	--	--	--	--	--	--	--	--	(12.5)	(6.3)	
3. Other Investments	345.1	84.8	129.3	30.9	64.1	43.2	77.9	(21.6)	97.7	136.5	132.2	
Central Gov't Long Term Capital	196.0	(4.2)	0.9	(3.2)	0.7	(0.4)	--	(0.7)	2.0	1.1	(1.5)	
Other Public Sector Capital	(143.5)	(16.5)	(9.8)	(4.7)	(3.6)	(2.7)	(2.2)	(3.2)	(1.2)	(1.9)	(1.1)	
Banks	(102.4)	(64.5)	47.6	(19.3)	(4.3)	(25.3)	68.5	(12.5)	43.0	(3.5)	40.5	
Other	395.1	170.1	90.6	58.2	71.3	71.6	11.6	(5.2)	54.8	143.4	92.5	
C. Net Errors and Omissions	85.5	177.8	12.4	81.2	(21.8)	(35.4)	(38.2)	21.0	65.0	111.0	79.7	
D. Overall Balance (A+B+C)	111.1	183.7	(357.6)	(43.3)	58.7	50.7	42.6	(95.8)	59.1	6.3	(101.6)	
E. Financing (Net)	(111.1)	(183.7)	88.9	43.3	(58.7)	(50.7)	(42.6)	95.8	(59.1)	(6.3)	101.6	
Change in SDR holdings	--	--	0.0	--	--	--	--	(0.1)	0.1	--	--	
Change in Reserve Position with the IMF	(0.9)	(0.4)	0.7	--	(0.5)	0.3	0.3	--	(0.1)	(0.2)	--	
Change in Ext. Foreign Assets () = Increase	(110.2)	(183.3)	88.2	43.3	(58.2)	(51.0)	(42.9)	95.9	(59.0)	(6.1)	101.6	

Source: The Central Bank of the Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

	(B\$ '000)												
	2001			2002			2003			2004			
	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
I. OIL TRADE													
i) Exports	68,844	90,579	24,477	37,745	10,309	3	14,165	--	7,836	9,375	9,552	10,982	
ii) Imports	292,807	237,630	257,263	286,374	67,329	72,191	55,038	62,705	70,256	75,242	78,175	62,701	
II. OTHER MERCHANDISE													
Domestic Exports													
Crawfish	67,696	89,809	106,381	86,107	36,422	529	19,275	50,155	19,432	3,399	18,409	44,867	
Fish & other Crustacea	4,211	1,712	1,773	1,285	843	--	538	392	426	389	378	92	
Fruits & Veggies.	7,514	2,013	2,000	1,369	542	239	34	1,185	853	--	281	235	
Aragonite	278	291	478	80	--	84	394	--	6	74	--	--	
Rum	38,190	37,760	22,024	31,344	19,094	2,622	93	215	8,632	7,319	8,235	7,158	
Other Cordials & Liqueurs	195	110	48	35	--	23	22	3	3	26	6	--	
Crude Salt	13,507	8,389	13,636	12,457	7,392	--	6,244	--	4,016	3,456	2,156	2,829	
Hormones	573	--	--	--	--	--	--	--	--	--	--	--	
Chemicals	13,124	433	49	--	2	47	--	--	--	--	--	--	
Other Pharmaceuticals	81	2,313	--	--	--	--	--	--	--	--	--	--	
Fragrances	64	423	--	--	--	--	--	--	--	--	--	--	
Other	83,115	85,742	117,726	107,550	27,127	21,017	46,996	22,586	28,408	27,516	21,028	30,598	
i) Total Domestic Exports	228,548	228,995	264,115	240,227	91,422	24,561	73,596	74,536	61,776	42,179	50,493	85,779	
ii) Re-Exports	78,490	69,203	76,235	123,338	16,059	23,246	19,520	17,410	21,426	55,156	17,585	29,171	
iii) Total Exports (i+ii)	307,038	298,198	340,350	363,565	107,481	47,807	93,116	91,946	83,202	97,335	68,078	114,950	
iv) Imports	1,635,942	1,600,835	1,616,895	1,690,140	394,326	378,858	413,980	429,731	425,444	401,637	397,509	465,550	
v) Retained Imports (iv-ii)	1,557,452	1,531,632	1,540,660	1,566,802	378,267	355,612	394,460	412,321	404,018	346,481	379,924	436,379	
vi) Trade Balance (i-v)	-1,328,904	-1,302,637	-1,276,545	-1,326,575	-286,845	-331,051	-320,864	-337,785	-342,242	-304,302	-329,431	-350,600	

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2004p			2005p			2006p			
	2003p	2004p	2005p	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III
Visitor Arrivals										
Air	4,594,042	5,003,691	5,035,818	1,346,782	1,295,825	1,132,651	1,260,560	1,285,708	1,310,123	1,036,526
Sea	1,428,973	1,450,037	1,514,532	394,922	431,804	358,664	329,142	410,156	449,996	333,737
	3,165,069	3,553,654	3,521,286	951,860	864,021	773,987	931,418	875,552	860,127	702,789
Visitor Type										
Stopover	1,510,169	1,561,312	1,608,052	426,435	465,355	383,149	333,113	n.a	n.a	n.a
Cruise	2,970,174	3,360,012	3,335,110	904,016	800,026	720,182	910,886	839,777	797,684	662,164
Day/Transit	113,699	82,367	92,656	16,331	30,444	29,320	16,561	n.a	n.a	n.a
Tourist Expenditure(B\$ 000's)										
Stopover	1,758,911	1,884,482	2,071,815	558,636	595,518	483,688	433,973	567,211	582,840	n.a
Cruise	1,596,870	1,693,487	1,883,863	505,260	551,162	443,348	384,093	518,289	535,962	n.a
Day	157,006	185,818	182,935	52,055	42,855	39,091	48,935	47,848	45,748	n.a
	5,035	5,177	5,017	1,322	1,502	1,249	945	1,074	1,130	n.a
Number of Hotel Nights	3,554,856	3,269,602	3,224,892	798,222	809,061	811,541	806,068	827,956	831,916	806,842
Average Length of Stay	5.9	6.3	6.4	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Average Hotel Occupancy Rates (%)										
New Providence	66.4	70.9	75.4	80.7	81.1	74.1	65.8	83.3	83.4	62.6
Grand Bahama	48.4	59.8	63.7	68.0	68.5	58.7	59.6	70.0	57.7	53.6
Other Family Islands	34.8	37.1	39.4	44.0	50.6	33.4	29.7	34.6	51.1	23.9
Average Nightly Room Rates (\$)										
New Providence	165.8	164.9	164.8	190.1	175.08	149.8	144.4	189.2	182.9	133.5
Grand Bahama	83.5	92.3	109.8	123.3	108.78	97.9	109.4	143.7	133.7	94.2
Other Family Islands	160.5	169.8	190.1	196.0	187.31	201.3	175.7	223.8	213.0	192.4

Source: The Ministry of Tourism