



Monthly Economic and Financial Developments March 2012

In an effort to provide the public with more frequent information on its economic surveillance activities, the Central Bank has decided to release monthly reports on economic and financial sector developments in The Bahamas. The Bank monitors these conditions as part of its monetary policy mandate, to assess whether money and credit trends are sustainable relative to levels of external reserves required to protect the value of the Bahamian dollar and, if not, the degree to which credit policies ought to be adjusted. The main data source for this surveillance is financial institutions' daily reports on foreign exchange transactions and weekly balance sheet statements. Therefore, monthly approximations may not coincide with calendar estimates reported in the Central Bank's quarterly reports. The Central Bank will release its "Monthly Economic and Financial Developments" report on the Monday following its monthly Monetary Policy Committee Meeting.

Future Release Dates:

2012: June 4, July 2, July 30, September 3, October 1, October 29, December 3, December 24.

Monthly Economic and Financial Developments

March 2012

1. Domestic Economic Developments

Indications are that the domestic economy continued to exhibit modest growth during March, benefitting from steady gains in tourism output and foreign-investment led construction activity. Inflation sustained its upward trajectory from relatively low year-earlier levels, reflecting the pass-through effects of higher international oil prices. In the fiscal sector, the overall deficit widened for the eight months to February of FY2011/12, as the increase in aggregate expenditure overshadowed the rise in total revenue. Money and credit developments featured a build-up in bank liquidity for March, associated with increased lending to the Government, while payments for goods and services explained the contraction in external reserves.

Preliminary tourism sector data for the first quarter showed total visitors rising by 10.8%, buoyed by gains in both the air and sea components, of 11.2% and 10.7%, respectively. The largest improvement was posted in the Family Island market, where total arrivals firmed by 12.4%, on account of a double digit increase in sea passengers (13.4%), combined with gains in air traffic (3.3%). A more muted rise was noted for the Grand Bahama market of 3.6%, benefitting largely from the 21.9% hike in air arrivals, alongside a marginal 1.0% uptick in the sea segment. The 11.7% expansion in the New Providence market reflected similar gains in both the air and sea components by 11.6% and 11.8%, respectively.

Hotel performance indicators, based on a sample of large hotels in New Providence and Paradise Island, showed an improvement in property earnings in both March and the first quarter, supported by the resumption in service of a major carrier from a key market, the ongoing recovery in group business and the hosting of an international tennis tournament. Reflecting these developments, total room revenue rose by 8.0% in March, owing to a 4.2 percentage point firming in the average occupancy rate to 84.3% and a 3.1% increase in the average daily room rate to \$283.35. Similarly, total receipts were 9.1% higher over the first three months of the year, buoyed by a 0.8% gain in the average daily room rate to \$254.77 and an improvement in the average occupancy rate, to 71.2% from 66.6%.

Domestic price developments generally reflected the firming bias in global crude oil prices. For the month of March, the average cost of gasoline advanced by 5.3% to \$5.33 per gallon and for diesel, by 4.3% to \$5.22 per gallon. However, annual comparisons showed the average cost per gallon of gasoline and diesel sharply higher by 13.2% and 16.5%, respectively. The Bahamas Electricity Corporation's fuel charge also increased, by 15.5% on an annual basis, although unchanged at 26.00 cents per kilowatt hour (kWh) when compared to February's rate.

The fiscal deficit widened by an estimated \$45.2 million (27.6%) to \$209.0 million over the eight months of FY2011/12. Aggregate expenditure grew by \$97.8 million (9.2%) to \$1,164.4 million, outpacing the \$52.5 million (5.8%) advance in total revenue to \$955.4 million.

Based on preliminary fiscal data for the three-months to February, 2012—the latest month available—the overall position reversed to a deficit of \$58.1 million from a surplus of \$29.0 million in the same period of FY2010/11. In particular, spending surged by \$117.5 million (28.8%) to \$524.9 million, to outpace a \$30.4 million (7.0%) increase in revenues to \$436.4 million. The expenditure outturn was primarily explained by an almost eight-fold hike in net lending to public corporations, to \$102.0 million, combined with a \$40.0

million increase in capital expenditure, which was linked to the purchase of a new Government building and higher infrastructure spending. However, current outlays fell marginally by \$3.2 million (0.9%). Revenue gains included a \$12.3 million (52.1%) timing-related increase in non-tax collections, as well as the receipt of \$17.7 million in funds related to the sale of a property, while tax receipts steadied at \$413.3 million. Financing for the deficit over the three-month period consisted of \$12.4 million in foreign currency loans and \$4.5 million in short-term advances. At end-March, the Direct Charge on the Government stood at approximately \$3.86 billion, a gain of 1.3% from end-December 2011.

2. International Developments

The expansion in the global economy continued during the review period, albeit at an uneven pace. The ongoing recovery in the United States and buoyant growth in the Asian economies contrasted with the weaker momentum in Europe, which continued to be weighted down by unfolding fiscal austerity programmes in several member states. Against this background, the International Monetary Fund (IMF), in its latest World Economic Outlook (April 2012), projected that global growth would slow to 3.5% in 2012 from 3.9% in 2011.

Indications are that economic conditions in the United States remained relatively subdued, as real GDP growth slowed by 0.8 of a percentage point to 2.2% during the first quarter, in comparison to the previous three-month period. This development reflected a moderation in the build-up of private inventories and a decline in non-residential fixed investment. Retail sales for March advanced by 0.8%, following a 1.0% uptick in February. Housing sector indicators were mildly positive, as building permits expanded by 4.5% and 30.1%, on a monthly and annual basis, respectively, while housing starts declined by 5.8% from February, but firmed by 10.3% year-on-year. In the external sector, the trade deficit narrowed by \$6.5 billion to \$46.0 billion in February, reflecting a \$0.2 billion rise in exports combined with a \$6.3 billion decline in imports. Employment conditions improved modestly, as the jobless rate fell marginally to 8.2%—its lowest level in more than three years—mainly reflecting gains in the manufacturing and food & beverage sectors. Inflation remained relatively benign, with accretions to consumer prices slowing by 0.1 of a percentage point to 0.3% in March, owing to lower energy price gains. In monetary developments, the Federal Reserve maintained its accommodative policy stance.

European economies continued to face significant headwinds, plagued by the fiscal crisis in key member states, although a modest easing in concerns occurred when Greece's Government secured a debt restructuring agreement with its creditors. The United Kingdom continued to be mired in an environment of weak demand from the euro zone and fiscal austerity, which contributed to the economy slipping back into recession in the first quarter, as output fell by 0.2% following a decline of 0.3% in the previous period. Similarly, the trade deficit widened on a monthly basis, by £0.9 billion to £3.4 billion in February, attributed solely to an expansion in the goods deficit. Despite the weakness in the economy, the unemployment rate edged down by 0.1 of a percentage point to 8.3% in the first quarter, reflecting a 35,000 decrease in the number of unemployed persons. Average consumer price inflation increased slightly to an annualized 3.5% in March, due to higher costs for food, clothing and recreation & culture. Although inflation continued to exceed the Bank of England's 2.0% target, to support growth, the authority left its key bank rate at 0.5%, while maintaining its asset purchase programme at £325 billion.

Despite the agreement between the Greek Government and its creditors to restructure an estimated €200 billion in debts, the euro area's economy remained anaemic. Reflecting these developments, output in the construction sector shrank by 7.1% in February, after a decline of 0.5% a month earlier, while the

unemployment rate firmed by 0.1 of a percentage point to 10.8%. In a slight offset, industrial output advanced by 0.5%, after a flat position in January, owing primarily to heightened energy production. Despite higher average transport, alcohol & tobacco and housing costs, a decline in communication prices led to annual inflation stabilising at 2.7% in March. On the monetary front, the European Central Bank retained its neutral policy stance during the period.

Asian economies remained buoyant over the first quarter, although the pace of growth moderated in comparison to previous years. China's real GDP growth slowed to an annualized rate of 8.1% in the first quarter from 8.9% in the preceding three-month period. Retail sales grew by 1.2% in March, extending the prior month's expansion of 1.3%. The country recorded a US\$5.4 billion trade surplus, reversing a US\$31.5 billion deficit in February, as the expansion in exports outpaced the rise in imports. However, due to broad-based gains in consumer prices, inflation firmed to 3.6% in March from 3.2% in February. Faced with signs of a slowdown in economic growth, the People's Bank of China continued its series of measures aimed at supporting domestic demand, inclusive of a 2.0 percentage point reduction in the reserve requirement ratio for one lender to the Agricultural sector.

The Japanese economy continued to recover slowly from the year-earlier devastating natural disasters. Firming consumer demand led to retail sales advancing by an annualised 3.5%, up from last year's 1.9% improvement; consumption expenditure grew by 2.7% year-on-year in February, and household income rose by an annualized 2.9%. However, industrial production fell by 1.2%, after a 1.9% gain in January. The unemployment rate was virtually unchanged at 1.5%, while consumer prices increased by 0.2%, due to higher food, education and culture & recreation costs. The trade balance reversed to a surplus of ¥29.4 billion, from a deficit of ¥1.5 trillion in January, supported by a combination of a 20.6% surge in exports and a 9.7% falloff in imports. Given the weakness in the economy, the Bank of Japan held its uncollateralised overnight call rate, unchanged at 0.0%-0.1% and increased the amount of loans available through one of its facilities, by ¥2.0 trillion to ¥5.5 trillion.

Despite the increase in OPEC's crude oil production, by 140,000 barrels per day (bpd) to an average of 31.3 million bpd in March, the price of crude oil rose by 0.4% to \$123.67 per barrel, partly reflecting ongoing global uncertainty with regard to developments in the Middle East. In terms of precious metals, the price of gold fell by 1.7% to \$1,668.35 per troy ounce, while silver costs moved lower by 6.9% to \$32.27 per troy ounce.

The major equity markets reported mixed performances during the month of March. As the economic recovery in the United States continued to gain momentum, the Dow Jones Industrial Average (DJIA) and the S&P 500 indices increased by 2.0% and 3.1%, respectively. In Europe, Germany's DAX improved by 1.3%; however, declines were recorded for both the United Kingdom's FTSE 100 index (1.8%) and France's CAC 40 index (0.8%). Asian bourses were mixed, as Japan's Nikkei 225 advanced by 3.7%, in contrast to China's SE Composite's 6.8% contraction.

In foreign currency markets, the US dollar depreciated against most of the major currencies during the review month. Relative to the British pound, the Dollar weakened by 0.6% to £0.6246 and fell against the euro, by 0.1% to £0.7494. Further, the Dollar declined vis-à-vis the Swiss Franc, by 0.2% to CHF0.9024, but strengthened relative to the Canadian dollar, by 0.9% to CAD\$0.9985. In addition, the Dollar stabilized against the Chinese Yuan at CNY6.2945, but moved higher versus the Japanese Yen, by 2.1% to ¥82.87.

3. Domestic Monetary Trends

March 2012 vs. 2011

Money and credit trends for the month of March featured a modest build-up in banking sector liquidity, partly associated with the Government's short-term borrowings from the Central Bank. Both excess reserves and excess liquid assets expanded by \$24.0 million and \$21.6 million, to \$451.4 million and \$933.5 million, respectively, in contrast to the previous year's declines of \$18.4 million and \$21.4 million. External reserves contracted by \$6.8 million to \$896.8 million, in contrast to a \$7.5 million increase in the prior period, amid tempered real sector inflows and payment requirements associated with the import of goods and services. Underlying this outcome, the Bank sold a net of \$12.4 million to customers, in contrast to a net purchase of \$5.3 million in 2011. In particular, the net sale to the public sector increased more than three-fold, to \$47.8 million, to facilitate fuel imports and service payments. Providing some offset, the net intake from commercial banks almost doubled to \$35.4 million, as their net purchase from customers expanded by 38.5% to \$42.7 million.

During the review month, accretions to Bahamian dollar credit were halved to \$15.2 million. The net claim on the Government firmed by \$11.0 million, although below last year's \$45.7 million rise, by way of a \$20.0 million Treasury bill issue and increased advances. Conversely, credit to the rest of the public sector was reversed, to a gain of \$7.4 million from 2011's \$4.4 million net repayment. The contraction in credit to the private sector eased to \$3.2 million from \$10.5 million a year earlier, as the decline in consumer credit slowed by \$12.1 million to a mere \$2.5 million. In contrast, commercial and other loans decreased by \$1.9 million, a turnaround from a marginal \$0.6 million advance in 2011, while mortgage growth slackened to \$1.1 million from \$3.5 million.

A breakdown of consumer lending for the month of February—the latest available data—showed broad-based contractions among the various components. The most significant decrease was noted for credit card debt, which declined by \$4.4 million, followed by debt consolidation loans, by \$2.1 million—the first reduction since May 2010. Lending for both home improvement and land purchases fell by \$1.3 million, while more muted declines were recorded for most of the remaining categories, with the exception of "miscellaneous" and education loans, which firmed by \$4.1 million and \$1.6 million, respectively.

Banks' credit quality indicators deteriorated during March, although the increase in delinquencies was not broadly based among the firms. Total private sector loan arrears rose by \$33.2 million (2.9%) to \$1,192.4 million, with the corresponding ratio to total loans rising by 49 basis points to 19.0%. Regarding the average age of delinquencies, arrears in the 31 to 90 days category rose by \$33.7 million (10.0%) to \$370.9 million, resulting in the attendant loan ratio widening by 52 basis points to 5.90%. In contrast, non-performing loans—arrears over 90 days and on which banks have stopped accruing interest—decreased marginally by \$0.5 million (0.1%) to \$821.5 million, and by 4 basis points to 13.1% of total loans.

In terms of the main components, the growth in arrears was occasioned by a \$24.0 million (8.6%) gain in commercial delinquencies to \$302.2 million, led by a \$24.6 million (31.3%) increase in the 31-90 days category, which outpaced the \$0.6 million (0.3%) decline in non-accrual loans. In addition, mortgage arrears firmed by \$16.7 million (2.7%) to \$636.3 million, owing to a \$13.5 million (8.2%) gain in the short-term segment, alongside a \$3.2 million (0.7%) rise in the non-performing category. By contrast, the consumer segment fell by \$7.5 million to \$254.0 million, due to a \$4.4 million (4.7%) reduction in short-term arrears, combined with a \$3.1 million (1.8%) falloff in the non-performing component.

As banks increased their loan loss provisions modestly by \$2.0 million (0.6%) to \$331.1 million, the ratio of provisions to non-performing loans widened by 26 basis points to 40.3% in March. However, the increase in total arrears led to the corresponding ratio narrowing by 62 basis points to 27.8%. Loan write-offs for the month totalled an estimated \$12.0 million and recoveries amounted to \$3.0 million.

Domestic foreign currency credit contracted by \$2.7 million in March, following a \$5.5 million falloff in the corresponding 2011 period. Both credit to the private sector and public corporations contracted by \$1.5 million and \$0.8 million, behind the year-earlier respective declines of \$5.0 million and \$1.0 million. Further, net credit to the Government fell by \$0.4 million vis-à-vis 2011's \$0.5 million expansion.

Accretions to total Bahamian dollar deposits slackened by \$16.3 million to \$20.8 million; the drawdown in private sector balances led to demand deposits decreasing by \$16.9 million, in contrast to a similar build-up a year-earlier. Conversely, both savings and fixed balances advanced by \$27.2 million and \$10.6 million, outpacing gains of \$15.6 million and \$5.0 million registered in 2011.

In interest rate developments, the weighted average deposit rate firmed by 22 basis points to 2.35%, with the highest rate of 5.25% offered on fixed balances over 12 months. Similarly, the weighted average loan rate expanded by 67 basis points to 10.50%.

First Quarter 2012 vs. 2011

During the first quarter of 2012, accretions to both broad liquidity and external reserves slowed significantly to \$36.4 million and \$4.8 million, respectively, in comparison to the previous year's robust growth of \$94.3 million and \$119.9 million. The latter was associated with a number of significant one-off transactions, led by Government's receipt of stamp tax proceeds from the sale of a refinery company and payments by a foreign investment entity to the public sector.

In transactions underlying developments in external reserves, the Bank recorded a net foreign currency sale of \$4.9 million vis-à-vis a net purchase of \$112.3 million in the prior year. Foreign currency deals with the public sector were reversed to a net sale of \$96.7 million, from a net purchase of \$14.7 million in 2011 and were mainly for fuel payments. Additionally, the net intake from commercial banks fell by \$5.7 million to \$91.9 million, as their corresponding net purchase from customers decreased by \$10.7 million to \$100.7 million.

Bahamian dollar credit expanded by \$65.9 million, reversing the \$59.1 million contraction in 2011, and was primarily led by gains in public sector claims. Reflecting a build-up in Treasury bill holdings and increased advances, net credit to the Government firmed by \$58.4 million, a turnaround from a \$54.9 million contraction in 2011. Credit to the rest of the public sector also rose by \$20.4 million, after 2011's decrease of \$0.3 million. This contrasted with private sector's liabilities, which fell further by \$12.9 million, relative to the prior year's \$3.7 million. Underlying this development, commercial credit decreased by \$3.7 million, a turnaround from a \$15.0 million advance in 2011; and mortgage growth slowed by over 50.0% to \$6.0 million. However, the contraction in consumer credit was more than one-half to \$15.2 million.

Banks' credit quality indicators improved modestly over the quarter, amid sustained loan write-offs and debt restructuring activities. Total private sector loan arrears decreased by \$15.7 million (1.3%) to \$1,192.4 million, and narrowed by 30 basis points to 19.0% of total loans. Based on the average age of loan arrears,

the improvement was concentrated in the short-term, 31-90 days segment, which declined by \$21.1 million (5.4%) to \$370.9 million, for a 35 basis points reduction in the corresponding ratio to 5.9%. In contrast, non-performing loans—arrears over 90 days and on which banks have stopped accruing interest—increased by \$5.4 million (0.7%) to \$821.5 million, equivalent to a slightly higher 13.1% of total loans.

The consumer and mortgage segments accounted for the bulk of the reduction in total arrears during the first quarter. Specifically, consumer loan arrears moved lower by \$17.4 million (6.4%) to \$254.0 million, with decreases being recorded in both the 31-90 days and non-performing categories, of \$14.6 million (13.9%) and \$2.8 million (1.7%), respectively. Similarly, mortgage delinquencies fell by \$13.8 million (2.1%) to \$636.3 million, as the \$22.2 million drop in the short-term segment outweighed the \$8.5 million rise in non-accrual loans. Conversely, commercial loan delinquencies advanced by \$15.5 million (5.4%) to \$302.2 million, owing to the \$15.7 million (17.9%) gain in the short-term category, which outpaced the modest \$0.2 million (0.1%) decrease in the non-performing segment.

Despite the improvement in the credit quality indicators, banks maintained conservative lending practises and increased their loan loss provisions by \$30.6 million to \$331.1 million for the quarter. Consequently, the ratio of provisions to both arrears and non-performing loans firmed by 2.9 and 3.5 percentage points, to 27.8% and 40.3%, respectively.

Over the review period, domestic foreign currency credit advanced by \$23.2 million, a reversal from a \$78.6 million private sector-led reduction in 2011. Buoyed by increased lending to a local utility company, private sector credit firmed by \$28.0 million, in contrast to a significant \$72.1 million contraction in 2011, when a major tourism company reduced its outstanding liabilities. Reflecting these developments, commercial & other loans expanded by \$25.6 million, in contrast to the \$73.7 million net repayment in 2011, while mortgage growth was higher by \$0.7 million at \$2.3 million. In addition, net credit to the Government expanded marginally, by \$0.3 million, after a \$0.8 million uptick a year earlier; while the decline in claims on public corporations was extended by \$5.0 million from \$7.4 million last year.

Growth in Bahamian dollar deposits narrowed by \$17.4 million to \$56.5 million, mainly reflecting a decline in fixed deposits of \$3.6 million, vis-à-vis a build-up of \$30.4 million in 2011. Accretions to savings deposits also slowed by \$1.3 million to \$23.8 million. However, demand balances increased almost two-fold to \$36.2 million.

4. Outlook and Policy Implications

Expectations are that the global economic growth outlook will continue to support the ongoing recovery in domestic economic activity during 2012, including steady upside prospects for tourism performance indicators based on renewed benefits from the high value-added group business segment. Ongoing foreign investment projects, alongside the Government's infrastructural programmes, should sustain growth in construction activity and provide job opportunities, although any substantive change in unemployment is not anticipated until there is a broadening of the recovery impulse. Reflecting the volatility in international fuel prices, inflation is anticipated to continue to increase from a relatively low base.

The fiscal outcome, in particular, improvements in the overall deficit and corresponding debt indicators, remain contingent upon the deepening and sustainability of the domestic recovery, in conjunction with the success of Government's efforts to enhance tax collections and curtail expenditure growth.

In the monetary sector, both liquidity and external reserves' forecasts remain unchanged, as they are expected to stay buoyant over the year, based on the combined effects of inflows from various real sector activities and the relatively mild domestic demand conditions—although some reduction in external reserve levels is anticipated over the latter half of the year. With the continuation of a challenging real sector outcome, banking sector arrears will likely remain elevated in the near-term; however, capital levels are anticipated to stay well above the Bank's requirements.

Recent Monetary and Credit Statistics

(B\$ Millions)

MARCH						
Value		Change		Change YTD		
2011	2012	2011	2012	2011	2012	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	493.38	451.44	-18.37	23.98	103.88	16.58
1.2 Excess Liquid Assets	907.78	933.54	-21.42	21.64	94.26	36.39
1.3 External Reserves	980.92	896.81	7.52	-6.80	119.87	4.82
1.4 Bank's Net Foreign Assets	-650.48	-597.37	4.47	-1.41	39.28	11.68
1.5 Usable Reserves	502.29	438.39	5.60	-23.93	67.89	-1.59

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,464.86	6,629.42	-15.41	-4.65	-75.79	15.05
a. B\$ Credit	6,142.08	6,247.24	-10.46	-3.20	-3.73	-12.91
of which: Consumer Credit	2,104.82	2,131.45	-14.53	-2.48	-32.22	-15.21
Mortgages	3,074.30	3,092.59	3.49	1.12	13.50	5.99
Commercial and Other Loans B\$	962.96	1,023.20	0.58	-1.85	14.99	-3.68
b. F/C Credit	322.78	382.18	-4.95	-1.45	-72.06	27.96
of which: Mortgages	130.23	131.49	1.29	1.65	1.61	2.34
Commercial and Other Loans F/C	192.55	250.69	-6.24	-3.10	-73.67	25.62
2.2 Central Government (net)	1,332.40	1,495.64	46.13	10.53	-54.10	58.65
a. B\$ Loans & Securities	1,409.66	1,635.34	54.38	17.38	-49.65	70.99
Less Deposits	144.68	138.24	8.70	6.41	5.28	12.61
b. F/C Loans & Securities	70.00	0.00	-0.03	0.00	0.00	0.00
Less Deposits	2.58	1.46	-0.48	0.44	-0.83	-0.27
2.3 Rest of Public Sector	393.45	422.96	-5.43	6.55	-7.67	15.40
a. B\$ Credit	113.65	123.82	-4.40	7.35	-0.29	20.39
b. F/C Credit	279.81	299.14	-1.04	-0.80	-7.38	-4.99
2.4 Total Domestic Credit	8,190.74	8,548.10	25.29	12.46	-137.71	89.17
a. B\$ Domestic Credit	7,520.74	7,868.23	30.83	15.15	-59.11	65.94
b. F/C Domestic Credit	670.01	679.86	-5.54	-2.69	-78.61	23.23

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,158.00	1,271.53	16.50	-16.94	18.33	36.21
a. Central Bank	9.98	14.94	4.73	4.70	1.98	6.72
b. Banks	1,148.03	1,256.59	11.78	-21.64	16.35	29.50
3.2 Savings Deposits	1,041.17	1,089.86	15.56	27.15	25.09	23.84
3.3 Fixed Deposits	3,638.48	3,603.19	5.03	10.57	30.39	-3.61
3.4 Total B\$ Deposits	5,837.65	5,964.57	37.09	20.78	73.81	56.45
3.5 F/C Deposits of Residents	202.02	223.95	-26.30	-7.33	-50.64	31.08
3.6 M2	6,025.78	6,152.14	50.97	29.27	67.91	45.72
3.7 External Reserves/M2 (%)	16.28	14.58	-0.01	-0.18	1.83	-0.03
3.8 Reserves/Base Money (%)	105.71	100.69	1.15	-4.69	2.09	-0.20
3.9 External Reserves/Demand Liabilities (%)	102.25	97.20	0.31	-4.05	2.02	-1.19
	Value		Year to Date		Change	
	2011	2012	2011	2012	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

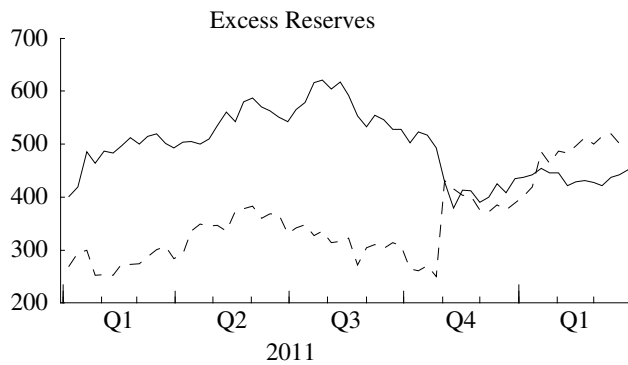
4.1 Central Bank Net Purchase/(Sale)	5.32	-12.35	112.31	-4.86	-17.66	-117.17
a. Net Purchase/(Sale) from/to Banks	18.51	35.42	97.57	91.88	16.92	-5.69
i. Sales to Banks	27.01	4.93	58.31	19.25	-22.08	-39.05
ii. Purchases from Banks	45.51	40.35	155.87	111.13	-5.16	-44.74
b. Net Purchase/(Sale) from/to Others	-13.19	-47.77	14.74	-96.74	-34.58	-111.48
i. Sales to Others	45.31	70.06	138.45	177.19	24.75	38.75
ii. Purchases from Others	32.12	22.29	153.19	80.45	-9.83	-72.73
4.2 Banks Net Purchase/(Sale)	30.84	42.71	111.35	100.65	11.88	-10.70
a. Sales to Customers	348.98	253.96	875.88	856.33	-95.02	-19.55
b. Purchases from Customers	379.82	296.68	987.24	956.98	-83.14	-30.25
4.3 B\$ Position (change)	-22.63	-11.42				

5.0 EXCHANGE CONTROL SALES

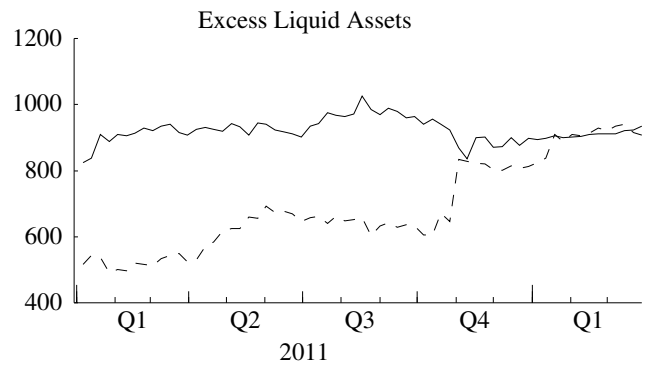
5.1 Current Items	291.23	231.13	767.28	677.98	-60.10	-89.29
of which Public Sector	6.66	1.08	21.39	2.10	-5.59	-19.29
a. Nonoil Imports	121.49	103.51	307.89	312.73	-17.98	4.84
b. Oil Imports	26.27	34.89	87.33	99.34	8.62	12.00
c. Travel	14.49	13.36	43.92	40.25	-1.13	-3.67
d. Factor Income	19.02	15.16	39.65	17.75	-3.85	-21.90
e. Transfers	16.98	4.93	60.11	18.15	-12.05	-41.96
f. Other Current Items	92.98	59.28	228.37	189.76	-33.70	-38.61
5.2 Capital Items	26.28	2.53	41.32	17.69	-23.75	-23.63
of which Public Sector	1.98	1.70	2.08	5.51	-0.28	3.43
5.3 Bank Remittances	0.00	0.00	0.00	0.00	0.00	0.00

SELECTED MONEY AND CREDIT INDICATORS

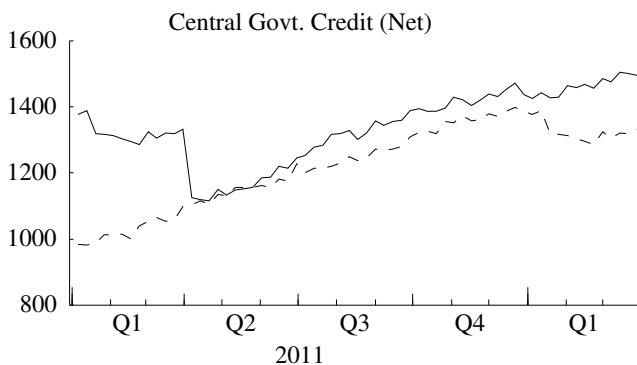
(B\$ Millions)



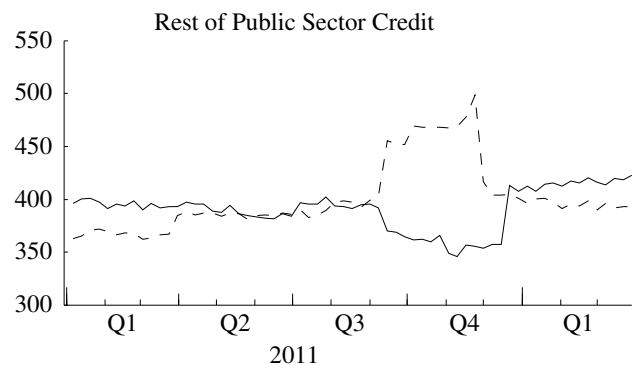
— 2012
- - - 2011



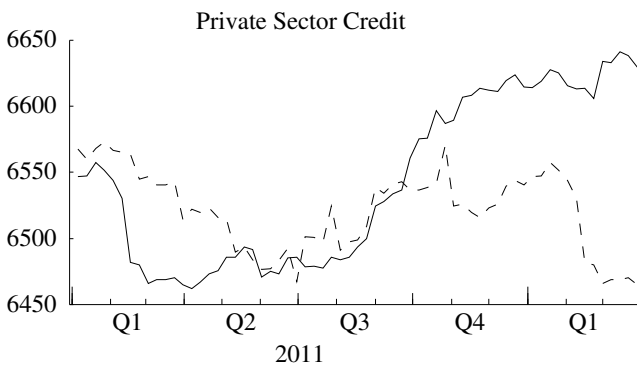
— 2012
- - - 2011



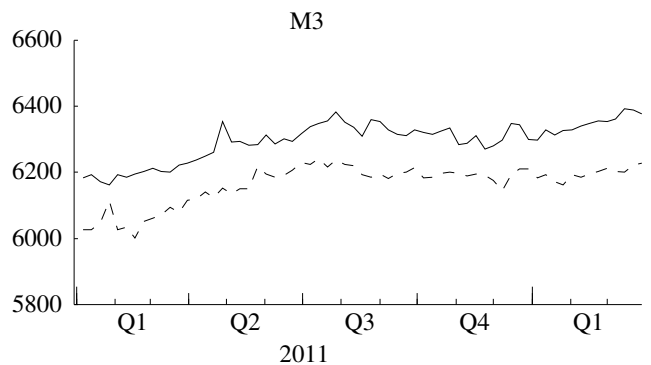
— 2012
- - - 2011



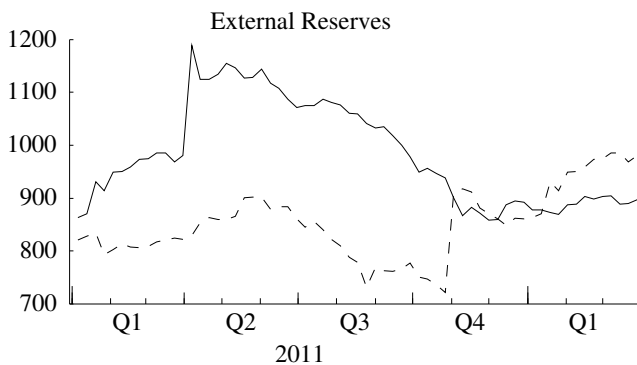
— 2012
- - - 2011



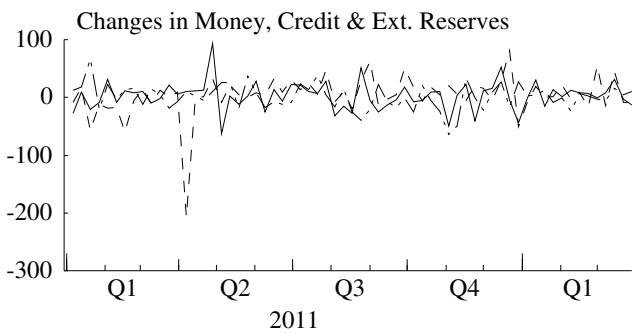
— 2012
- - - 2011



— 2012
- - - 2011



— 2012
- - - 2011



— M3
- - - Domestic Credit
- · - External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2011	2012	2011	2012	2011	2012
Bahamas	2.0	2.5	2.5	2.0	15.9	N/A
United States	1.7	2.1	3.1	2.1	9.0	8.2
Euro-Area	1.4	-0.3	2.7	2.0	10.1	10.9
<i>Germany</i>	<i>3.1</i>	<i>0.6</i>	<i>2.5</i>	<i>1.9</i>	<i>6.0</i>	<i>5.6</i>
Japan	-0.7	2.0	-0.3	0.0	4.5	4.5
China	9.2	8.2	5.4	3.3	4.0	4.0
United Kingdom	0.7	0.8	4.5	2.4	8.0	8.3
Canada	2.5	2.1	2.9	2.2	7.5	7.4
<i>Source: IMF World Economic Outlook, April 2012</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
March 2010	5.25	1.00	0.75	0.00-0.25	0.50
April 2010	5.25	1.00	0.75	0.00-0.25	0.50
May 2010	5.25	1.00	0.75	0.00-0.25	0.50
June 2010	5.25	1.00	0.75	0.00-0.25	0.50
July 2010	5.25	1.00	0.75	0.00-0.25	0.50
August 2010	5.25	1.00	0.75	0.00-0.25	0.50
September 2010	5.25	1.00	0.75	0.00-0.25	0.50
October 2010	5.25	1.00	0.75	0-0.25	0.50
November 2010	5.25	1.00	0.75	0-0.25	0.50
December 2010	5.25	1.00	0.75	0-0.25	0.50
January 2011	5.25	1.00	0.75	0-0.25	0.50
February 2011	5.25	1.00	0.75	0-0.25	0.50
March 2011	5.25	1.00	0.75	0-0.25	0.50
April 2011	5.25	1.25	0.75	0-0.25	0.50
May 2011	5.25	1.25	0.75	0-0.25	0.50
June 2011	4.50	1.25	0.75	0-0.25	0.50
July 2011	4.50	1.50	0.75	0-0.25	0.50
August 2011	4.50	1.50	0.75	0-0.25	0.50
September 2011	4.50	1.50	0.75	0-0.25	0.50
October 2011	4.50	1.50	0.75	0-0.25	0.50
November 2011	4.50	1.25	0.75	0-0.25	0.50
December 2011	4.50	1.00	0.75	0-0.25	0.50
January 2012	4.50	1.00	0.75	0-0.25	0.50
February 2012	4.50	1.00	0.75	0-0.25	0.50
March 2012	4.50	1.00	0.75	0-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Mar-11	Feb-12	Mar-12	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7063	0.7505	0.7494	-0.14	-2.89	6.10
Yen	83.13	81.15	82.87	2.12	7.76	-0.31
Pound	0.6239	0.6284	0.6246	-0.61	-2.88	0.11
Canadian \$	0.9706	0.9900	0.9985	0.86	-2.22	2.87
Swiss Franc	0.9191	0.9044	0.9024	-0.22	-3.75	-1.82
Renminbi	6.5486	6.2959	6.2945	-0.02	-0.13	-3.88

Source: Bloomberg as of March 31, 2012

D. Selected Commodity Prices (\$)					
Commodity	March 2011	February 2012	March 2012	Mthly % Change	YTD % Change
Gold / Ounce	1432.30	1696.76	1668.35	-1.67	6.69
Silver / Ounce	37.67	34.68	32.27	-6.93	15.91
Oil / Barrel	115.16	123.16	123.67	0.41	14.91

Source: Bloomberg as of March 31, 2012

E. Equity Market Valuations – March 31, 2012 (% chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	1.35	2.01	3.13	-1.76	-0.83	1.32	3.71	-6.82
3 month	-4.11	8.14	12.00	3.52	8.35	17.78	19.26	2.88
YTD	-4.11	8.14	12.00	3.52	8.35	17.78	19.26	2.88
12-month	-11.17	7.24	6.23	-2.37	-14.17	-1.34	3.37	-22.72

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.13	0.63	0.20
1 Month	0.21	0.67	0.36
3 Month	0.47	1.03	0.71
6 Month	0.75	1.36	1.03
9 Month	0.90	1.63	1.24
1 year	1.07	1.87	1.41

Source: Bloomberg as of March 31, 2012

SUMMARY ACCOUNTS OF THE CENTRAL BANK
(B\$ Millions)

	VALUE												CHANGE											
	Feb. 01	Feb. 08	Feb. 15	Feb. 22	Feb. 29	Mar. 07	Mar. 14	Mar. 21	Mar. 28	Feb. 01	Feb. 08	Feb. 15	Feb. 22	Feb. 29	Mar. 07	Mar. 14	Mar. 21	Mar. 28						
I. External Reserves	887.55	889.33	903.32	899.03	903.61	904.57	889.00	889.81	896.81	17.68	1.78	13.98	-4.29	4.58	0.96	-15.57	0.81	7.00						
II. Net Domestic Assets (A + B + C + D)	-191.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-17.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
A. Net Credit to Gov¹(i + ii + iii - iv)	294.87	267.60	262.31	261.82	261.67	261.92	289.85	287.29	284.88	-0.81	-27.27	-5.29	-0.49	-0.15	0.25	27.93	-2.56	-2.41						
i) Advances	110.59	110.59	110.59	110.59	110.59	110.59	130.59	130.59	130.59	0.00	0.00	0.00	0.00	0.00	0.00	20.00	0.00	0.00						
ii) Registered Stock	165.84	165.70	165.72	165.65	165.61	165.48	165.30	165.26	165.20	-0.10	-0.14	0.02	-0.06	-0.05	-0.13	-0.18	-0.03	-0.06						
iii) Treasury Bills	26.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-26.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
iv) Deposits	7.74	8.69	14.00	14.42	14.52	14.15	6.03	8.56	10.91	0.71	0.95	5.31	0.42	0.10	-0.37	-8.12	2.53	2.35						
B. Rest of Public Sector (Net) (i + ii - iii)	-0.93	-6.61	-2.43	-0.07	-5.09	-12.08	-7.80	-1.92	-9.79	1.68	-5.68	4.17	2.37	-5.02	-6.99	4.28	5.88	-7.87						
i) BDB Loans	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
iii) Deposits	6.08	11.76	7.58	5.22	10.24	17.23	12.95	7.07	14.94	-1.68	5.68	-4.17	-2.37	5.02	6.99	-4.28	-5.88	7.87						
C. Loans to/Deposits with Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
D. Other Items (Net)*	-485.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-18.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
III. Monetary Base	696.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
A. Currency in Circulation	96.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
B. Bank Balances with CBOB	599.59	571.28	586.01	582.89	577.40	576.21	585.29	596.86	611.44	2.78	-28.31	14.73	-3.12	-5.49	-1.19	9.08	11.57	14.58						

* Includes capital, provisions and surplus account, fixed and other assets, and other demand liabilities of Bank

FISCAL/REAL SECTOR INDICATORS

(\$\$ MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	
Fiscal Operations:																									
1. Government Revenue & Grants	90.2	94.9	93.0	93.4	88.0	96.3	81.9	82.0	113.3	122.1	112.1	228.1	185.6	121.2	138.7	117.5									
% change	-25.46%	3.568%	3.20%	-1.64%	-5.44%	3.12%	-6.86%	-14.87%	38.26%	48.93%	-1.07%	86.87%	65.60%	-46.86%	-25.26%	-3.02%									
2. Import/Excise Duties	41.3	44.0	49.3	44.9	45.7	54.8	45.4	43.3	49.2	53.7	50.5	135.2	37.5	48.2	41.8	54.8									
% change	-22.36%	2.437%	19.37%	2.06%	-7.36%	22.09%	-0.78%	-20.87%	8.48%	23.95%	2.63%	151.64%	-25.72%	64.34%	11.42%	13.72%									
3. Recurrent Expenditure	110.2	111.7	103.1	110.3	117.5	123.8	117.5	124.9	123.4	133.0	115.3	108.5	122.3	128.7	121.7	118.9									
% change	-33.75%	-12.86%	-6.46%	-1.27%	14.01%	12.25%	-0.02%	0.85%	5.00%	6.53%	-6.52%	-18.47%	6.01%	18.63%	-0.49%	-7.67%									
4. Capital Expenditure	9.7	3.7	18.5	12.2	8.6	9.8	18.3	18.3	12.6	16.5	15.5	39.3	11.0	14.9	9.4	12.7									
% change	-66.25%	-86.84%	90.86%	22.455%	-53.68%	-19.60%	112.86%	87.51%	-3.177%	9.83%	23.03%	137.77%	-29.05%	-62.19%	-14.30%	-14.78%									
5. Deficit/Surplus*	-32.2	-21.1	-31.3	-33.8	-41.1	-40.3	-62.6	-68.9	-25.6	13.2	-21.4	-12.7	45.9	-25.0	4.5	-20.4									
% change	-77.61%	70.29%	-2.64%	60.31%	31.43%	19.17%	52.25%	71.00%	-59.20%	-119.19%	-16.28%	-196.37%	-314.69%	96.02%	-90.02%	-18.31%									

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	
Debt:																									
6. Total Debt	3,724.9	3,805.4	3,725.3	3,815.9	3,740.8	3,854.8																			
% change	12.18%	2.70%	0.01%	0.28%	0.42%	1.02%																			
7. External Debt	732.4	799.3	732.8	809.8	748.3	808.7																			
% change	4.17%	12.47%	0.05%	1.31%	2.12%	-0.13%																			
8. Internal F/C Debt	70.0	0.0	70.0	0.0	70.0	0.0																			
% change	3775.97%	-100.00%	0.00%	0.00%	0.00%	0.00%																			
9. Bahamian Dollar Debt	2,922.5	3,006.1	2,922.5	3,006.1	2,922.5	3,046.1																			
% change	11.74%	2.86%	0.00%	0.00%	0.00%	1.33%																			
10. Total Amortization	0.2	0.3	0.0	0.0	0.9	1.1																			
% change	2122.96%	2677.37%	-100.00%	-100.00%	-100.00%	-100.00%																			

1,410.0	1,401.3	1,408.5	1,411.2	1,419.9	1,419.2																			
18.53%	0.37%	0.52%	100.71%	0.62%	-0.05%																			

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	
Real Sector Indicators																									
12. Retail Price Index	100.0	102.1	100.0	102.4	100.5	103.1	100.5	103.6	100.5	104.1	100.4	104.4	100.3	104.2	100.9	104.5	100.9	104.6	101.3	104.5	101.5	104.8	101.6	104.8	
% change: over previous month	-19.47%	2.75%	0.01%	0.31%	0.35%	0.71%	0.46%	0.46%	0.0%	0.4%	-0.1%	0.3%	-0.1%	0.2%	0.6%	0.3%	0.0%	0.1%	0.4%	0.0%	0.2%	0.3%	0.1%	0.0%	
13. Tourist arrivals (000's)	424.0	487.4	419.2	484.8	469.2	555.4	469.2	539.3	425.7	413.5	428.9	421.8	461.4	488.7	430.6	409.6	304.1	321.5	410.5	409.6	466.5	491.4	467.0	581.0	
% change: over previous year	13.76%	14.95%	-13.99%	15.65%	13.14%	2.91%	13.14%	14.94%	-2.11%	-2.9%	3.7%	-1.6%	9.4%	5.9%	-11.9%	-9.4%	-22.0%	5.7%	27.7%	-0.2%	13.9%	5.3%	-5.0%	24.4%	
14. Air arrivals (000's)	91.7	81.3	103.0	99.1	125.0	140.3	125.0	129.1	113.1	108.2	129.5	124.8	139.4	140.3	108.9	76.4	55.7	57.9	76.4	71.0	83.9	100.0	107.2	115.4	
% change: over previous year	-17.21%	-11.30%	26.63%	-3.80%	-4.76%	-6.12%	-4.76%	3.26%	-12.4%	-4.3%	19.7%	-3.7%	11.7%	0.6%	-22.4%	-9.1%	-43.7%	4.0%	31.9%	-7.1%	32.3%	6.5%	7.2%	7.7%	
15. Occupied Room Nights																									
% change: over previous year																									
16. Res. Mortgage Commitments-New Const.																									
% change: over previous qtr.																									