



Monthly Economic and Financial Developments February 2009

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:

2009: May 3, June 1, June 29, August 4, August 31, September 28, November 2, December 29.

Monthly Economic and Financial Developments

February 2009

1. Domestic Economic Developments

The fallout from the global financial crisis continued to impact the Bahamian economy during the review month, contributing to persistent weakness in tourism and foreign investments. Meanwhile, inflation remained at elevated levels during the review period, reflecting mainly higher prices for consumer goods. In the monetary sector, seasonal improvement in liquidity occurred at a slower pace than the previous year, as the steadied build-up in Bahamian dollar deposits still outpaced moderately firmed Bahamian dollar credit growth.

Despite the challenges facing the tourism sector, performance data for the first nine months of 2008 underscored a 5.8% increase in hotel room revenue to \$424.3 million, vis-à-vis the corresponding period a year earlier. Nevertheless, the outturn was based on a 3.3% reduction in hotel room night sales which was more than offset by the 9.4% hike in the average daily room rate to \$220.58 per night. However, activity in the sector is expected to have weakened significantly over the closing months of the year and into early 2009, reflecting downturns in both occupancy levels and average daily room rates.

In the twelve months to February, the domestic inflation rate rose to 4.80%, from to 4.67% in the previous month and 2.41% a year ago. Notable increases were registered for food & beverages (7.43%), furniture & household operations (6.66%) and medical & healthcare (4.54%). More modest costs rises were recorded for housing and recreation & entertainment services of 3.59% and 3.70%, respectively. The remaining groups recorded inflation rates of less than 3.0%. With regards to energy, local fuel prices fell in February compared to the same period a year earlier, reflecting the general downward trajectory in global oil costs noted since the latter half of 2008. Consequently, the average cost of gasoline, as well as diesel, declined by 27.5% and 33.1% to \$3.34 and \$2.83 per gallon, respectively.

2. International Developments

During the month of February, despite efforts by policy makers to implement economic “stimulus” packages and address weaknesses in their financial sectors, economic output remain depressed in the major international economies, reflecting broad-based downturns in industrial production and exports, which resulted in escalating job losses.

In the US, industrial production fell by 1.4% during February, following a 1.9% decline in the previous month. Further, retail sales contracted by 0.1% when compared to the previous month; and decreased by 9.8% over the February 2008 period. Amid a falloff in consumer demand, the trade balance narrowed on a monthly basis, by \$3.9 billion to \$36.0 billion in January. As economic conditions continued to deteriorate, the unemployment rate firmed by an additional 0.5 percentage points to 8.1%, reflecting deteriorations in all major sectors. Faced with heightened uncertainty concerning the outlook for the economy, consumer confidence dipped to a new historic low of 25.0 points, approximately 12.4 points lower than in January. However, on a positive note, the respective housing starts and completions increased by 22.2% and 2.3% on an annualized

seasonally adjusted basis. In terms of monetary policy, the Federal Reserve, in conjunction with other US regulators, announced plans to provide additional support to the banking system and to improve the level of oversight.

As the UK economy slipped further into recession, industrial production fell by 5.6% in the three-months to January, compared to the previous quarter. Moreover, the monthly trade deficit deteriorated by £0.4 billion to £3.6 billion, as a contraction in exports outweighed the improvement in the services account. The inflation rate was marginally reduced to 3.0%, due mainly to a fall in fuel prices. Given the downside risks to the economy, the Bank of England lowered its benchmark rate by 0.5 percentage points to a historic low of 1.0% in February.

In the Euro Area, economic activity fell by 1.0% during the fourth quarter of 2008, and industrial production decreased by an additional 3.5% in January, following the previous month's 2.7% contraction. As the economy deteriorated, the monthly unemployment rate edged higher to 8.2% in January, while the monthly inflation rate tapered to 1.7% in February. Despite the relatively bleak outlook for the economies of the Euro Zone and the expectations that inflation would remain within the European Central Bank's target level of 2.0% in the medium-term, the Bank decided to leave its key policy rate unchanged during the review period.

Reflecting the weakening in global demand, China's industrial output slowed sharply to 3.8% on an annual basis during February, from 11.0% in the previous year. Amid a 25.7% retraction in exports, which outpaced the 24.1% fall in imports, the country's trade surplus plunged to \$4.84 billion in February from \$39.1 billion a month earlier. However, there was some buoyancy in domestic demand, as retail sales rose by 15.2% on a year-on-year basis.

The recession in Japan intensified in the fourth quarter of 2008, as real GDP fell by an annualized rate of 3.8%. Industrial production slumped further by 10.0% in January, while the 46% plunge in the month's exports resulted in the trade deficit widening to a record ¥952.6 billion. As companies continued to retrench workers to remain solvent, the unemployment rate firmed on a monthly basis by 0.2 percentage points to 4.1%, whereas dwindling domestic demand resulted in consumer prices declining by 0.6% in December on a year-on-year basis. Given the moderation in exports and the general downturn in economic activity, the Bank of Japan left its benchmark rate unchanged at 0.1% in February, the lowest among the G-7 group of nations.

The sharp swings in oil prices noted in earlier periods abated in February, due to OPEC's effort to reduce supply, in counterbalance to the erosion in demand. Consequently, average prices rose by 1.7%, but were below the 13.3% advance posted a month earlier. Gold and silver prices increased by 1.6% and 3.6%, to \$942.35 and \$13.12 per ounce, respectively.

During the review month, global stock markets continued to trend sharply downwards, reflecting investors' concerns that the recession would last longer and be deeper than initial estimates. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 fell by 11.7% and 10.7%, respectively. Similarly, stock markets in Europe fell, with the UK's FTSE 100 contracting by 7.7%, France's CAC 40 by 9.1%, and Germany's DAX by 11.4%. In Asia, the Japanese Nikkei 225 waned by 5.3%; however, China's SE composite firmed by 4.6%, buoyed in part by the Government's proposed US\$585 billion economic "stimulus" package.

3. Domestic Monetary and Credit Trends

Domestic monetary and credit trends for the month of February featured a build-up in liquidity and external reserves, as seasonal accretions to Bahamian dollar deposits outstripped the growth in Bahamian dollar credit. Similarly, both liquidity and external reserves rose during the first two months of the year, buoyed by net foreign currency inflows—which supported deposit growth—amid a contraction in Bahamian dollar credit.

February 2009 vs. 2008

During the review period, excess reserves rose by \$14.9 million to \$289.0 million, \$12.4 million less than the \$27.3 million expansion noted a year earlier. Likewise, accretions to excess liquid assets moderated to \$15.3 million from \$16.9 million in 2008.

External reserves rose by \$27.3 million, 20.6% higher than the corresponding 2008 period's growth. This outturn reflected a \$10.6 million expansion in the Central Bank's net foreign currency purchase to \$29.0 million, as the net inflow from commercial banks more than doubled to \$39.4 million. In turn, commercial banks' retained a smaller portion of the net purchase from their customers which was slightly increased to \$31.1 million. These developments, nevertheless belie the weakness in the economy, commercial banks recorded a reduction in both total purchases and sales from the private sector of 10.6% and 11.9%, respectively. Meanwhile, the Central Bank's transactions with the public sector were reversed to a net sale of \$10.4 million from a net purchase of \$4.3 million during 2008, reflecting sales for fuel payments.

Bahamian dollar credit growth tapered by \$4.6 million to \$22.7 million, as a contraction in the private sector component muted the upturn in public sector claims. Credit to the private sector fell for the second consecutive month, by \$9.6 million, occasioned by declines in consumer credit (\$8.9 million) and commercial claims (\$11.6 million), alongside a more than halving in residential mortgages gains (\$10.9 million). In contrast, net credit to Government rebounded by \$25.8 million, and the increase in claims on the public corporations firmed moderately to \$6.4 million.

Foreign currency credit rose incrementally by \$1.0 million, compared to a contraction of \$19.4 million a year earlier, when a tourism sector entity reduced its outstanding liabilities. Reflecting this development, private sector credit recovered by \$6.2 million, from a repayment of \$15.8 million in 2008. In contrast, net claims on the Government declined by \$3.7 million, a reversal from last year's advance of \$0.5 million; and the \$1.5 million contraction in credit to the rest of the public sector extended the previous year's drop of \$4.1 million.

Bahamian dollar deposit growth was relatively stable at \$48.7 million. A further reduction in demand deposits of \$7.3 million and marginally tapered savings deposits growth of \$10.1 million were countered by a moderately firmed fixed deposits advance of \$45.9 million.

In interest rate developments, the commercial banks' average deposit rate rose by 20 basis points to 4.13%, with the maximum rate of 7.00% offered on fixed placements of over 6-12 months. In contrast, the weighted average loan rate declined by 75 basis points to 9.96%.

January – February 2009

During the first two months of the year, liquidity conditions remained buoyant, as excess reserves improved by \$81.7 million, outpacing the \$60.6 million increase noted during in the same period a year ago. The buildup in excess liquid assets more than doubled to \$115.9 million, with banks increasing their holdings of Government securities.

External reserves rose by \$53.6 million to \$616.3 million, exceeding the \$33.0 million advance recorded in the corresponding period of 2008. This reflected a \$24.9 million widening in the Central Bank's net foreign currency purchase to \$54.8 million, as commercial banks' net sales to the Bank firmed by \$33.4 million to \$73.0 million. The latter, in turn, was supported by commercial banks net purchase from customers, which rose by \$24.0 million to \$73.3 million although, on average, transactions were 12.9% lower than in 2008. In a slight offset, the Bank's net sale to the public sector nearly doubled to \$18.1 million, primarily utilized for fuel imports.

Amid the more conservative lending posture of domestic banks, Bahamian dollar credit fell by \$30.2 million, compared to an advance of \$36.5 million in 2008. Claims on the private sector contracted by \$34.7 million, a reversal from a \$41.2 million increase in 2008. This was due to a \$24.7 million downturn in consumer credit, an extended \$32.3 million reduction in commercial claims and a nearly halving in residential mortgages growth to \$22.4 million. In contrast, net claims on the Government reverted to an expansion of \$4.4 million, while credit to public corporations was approximately flat, following a \$3.6 million increase in 2008.

Evidencing the tightening in credit conditions, the majority of the consumer loan categories contracted in January—the latest period for which data is available. The most significant declines were noted for “miscellaneous” (\$4.6 million) and private car (\$3.7 million) loans, with net repayments also recorded for credit cards (\$2.5 million) and travel (\$2.0 million) balances. However, lending for debt consolidation—which mainly comprises restructured loans—rose further by \$0.7 million.

Although asset quality indicators improved slightly during February, the average age of loan payment arrears continued to move higher. The value of private sector loans in payment arrears contracted by 2.0% (\$15.2 million) to \$757.7 million in February, with the corresponding ratio of arrears to total loans retreating by 0.32 percentage points to 12.48%, which was in line with the end-December 2008 level. Reflecting the further migration of arrears into the non-performing category, balances in arrears for over 90 days advanced by 3.7% (\$14.3 million) to \$397.2 million, for a 21 basis points hike to 6.55% of the loan portfolio. Conversely, delinquencies in the 31-90 days past due range fell by \$29.5 million to \$354.5 million, to represent a 0.52 percentage point reduction in the ratio to total loans at 5.84%.

The contraction in arrears was solely attributed to the mortgages component, whose arrears rate decreased to 12.72% from 13.51% in January. In contrast, the consumer and commercial arrears rate firmed to 11.13% and 15.49% from 10.88% and 15.30% respectively, amid growth in the non-performing component. Banks continued to increment their loan loss provisions over the review month, leading to the ratio of provisions to arrears firming by 0.89 percentage points to 23.67%; however the corresponding ratio to non-performing loans declined by 0.83 percentage points to 45.16%.

The expansion in foreign currency credit slackened to \$0.3 million from \$14.9 million in 2008. Following a \$40.6 million increase in 2008, claims on the public corporations fell by \$1.0 million and net credit to Government decreased further by \$4.0 million. However, private sector credit recovered by \$5.3 million from the previous year's contraction of \$20.8 million.

Bahamian dollar deposit growth narrowed by \$9.3 million to \$68.2 million, as accretions to fixed deposits tapered by \$72.8 million to \$40.3 million. However, demand deposits strengthened by \$8.2 million, reversing the \$39.0 million contraction recorded in 2008; and savings deposit growth quickened to \$19.7 million.

4. Outlook

The outlook for the Bahamian economy remains weak throughout 2009, with developments expected to be heavily influenced by the responsiveness of the global economy—particularly the United States—to the stimulus measures implemented by monetary and fiscal authorities. Consequently, tourism and foreign-investment activity are likely to remain subdued in the near-term, with implications for a further elevation in the unemployment rate above the 12.0% estimated at end-2008.

The public sector's accelerated capital expenditure programme should have a positive impact and provide some impetus to output and employment opportunities, particularly in the construction sector. With the expected increase in spending and weakness in revenue collection, expectations are that the fiscal deficit will widen considerably.

On the external side, the deficit on the current account is not likely to encounter significant deterioration, reflecting the tempering in import demand linked to subdued private sector credit growth and scaled-back capital goods imports and service payments for foreign investment projects. Meanwhile, any projected impact on external reserves, should be cushioned significantly by inflows from the public sector's foreign currency borrowing activities.

On the monetary front, private sector credit expansion is expected to be mild in response to banks' more conservative lending practices and lowered demand for credit. In this environment, the Central Bank will continue to monitor developments, and implement prudent measures to maintain the overall stability of the financial sector.

Recent Monetary and Credit Statistics

(B\$ Millions)

FEBRUARY					
Value		Change		Change YTD	
2008	2009	2008	2009	2008	2009

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	272.86	288.96	27.29	14.90	60.58	81.65
1.2 Excess Liquid Assets	178.60	377.85	16.92	15.33	52.89	115.90
1.3 External Reserves	494.11	616.32	22.61	27.26	32.99	53.60
1.4 Bank's Net Foreign Assets	-706.90	-708.85	22.32	-3.14	1.98	12.96
1.5 Usable Reserves	129.46	245.96	15.35	17.15	20.92	12.38

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,239.12	6,473.78	12.45	-3.31	20.46	-29.37
a. B\$ Credit	5,726.47	6,029.11	28.22	-9.55	41.21	-34.68
of which: Consumer Credit	2,112.11	2,190.18	11.55	-8.94	12.95	-24.74
Mortgages	2,577.63	2,773.62	24.38	10.90	39.52	22.37
b. F/C Credit	512.65	444.68	-15.76	6.24	-20.75	5.31
of which: Mortgages	55.83	85.43	1.11	-0.91	1.01	0.09
2.2 Central Government (net)	843.60	899.36	-0.45	22.05	-13.38	0.41
a. B\$ Loans & Securities	967.86	1,060.00	-7.95	36.24	1.76	26.77
Less Deposits	140.33	158.76	-6.96	10.45	10.14	22.34
b. F/C Loans & Securities	23.17	3.61	0.00	0.00	0.01	-0.29
Less Deposits	7.10	5.49	-0.54	3.74	5.02	3.72
2.3 Rest of Public Sector	330.29	400.80	-4.10	4.89	44.27	-1.03
a. B\$ Credit	71.22	84.89	0.03	6.44	3.64	0.01
b. F/C Credit	259.08	315.92	-4.13	-1.54	40.63	-1.05
2.4 Total Domestic Credit	7,413.01	7,773.95	7.90	23.63	51.34	-29.99
a. B\$ Domestic Credit	6,625.22	7,015.23	27.25	22.68	36.47	-30.24
b. F/C Domestic Credit	787.79	758.72	-19.35	0.95	14.87	0.25

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,050.46	1,089.62	-3.85	-7.33	-39.02	8.18
a. Central Bank	21.18	11.63	0.08	-2.70	13.20	2.68
b. Banks	1,029.28	1,077.98	-3.93	-4.63	-52.22	5.49
3.2 Savings Deposits	1,009.57	1,039.70	11.67	10.11	3.41	19.67
3.3 Fixed Deposits	3,241.62	3,472.73	41.70	45.92	113.08	40.33
3.4 Total B\$ Deposits	5,301.65	5,602.04	49.52	48.70	77.46	68.18
3.5 F/C Deposits of Residents	193.49	174.20	-6.82	5.29	14.54	5.22
3.6 M2	5,495.38	5,789.43	44.45	47.81	24.45	49.76
3.7 External Reserves/M2 (%)	8.99	10.65	0.34	0.39	0.56	0.84
3.8 Reserves/Base Money (%)	72.14	87.02	0.99	2.51	3.92	-0.23
3.9 External Reserves/Demand Liabilities (%)	67.71	83.18	1.78	1.62	2.93	-2.11

Value		Year to Date		Change	
2008	2009	2008	2009	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	18.36	28.97	29.95	54.83	10.61	24.87
a. Net Purchase/(Sale) from/to Banks	14.12	39.36	39.60	72.95	25.25	33.35
i. Sales to Banks	11.65	0.00	41.73	4.80	-11.65	-36.93
ii. Purchases from Banks	25.77	39.36	81.33	77.75	13.60	-3.58
b. Net Purchase/(Sale) from/to Others	4.25	-10.39	-9.65	-18.12	-14.64	-8.48
i. Sales to Others	24.70	38.91	135.12	76.91	14.21	-58.21
ii. Purchases from Others	28.94	28.52	125.48	58.79	-0.43	-66.69
4.2 Banks Net Purchase/(Sale)	30.22	31.10	49.31	73.26	0.88	23.95
a. Sales to Customers	312.64	275.30	679.77	577.31	-37.34	-102.47
b. Purchases from Customers	342.85	306.39	729.08	650.57	-36.46	-78.52
4.3 B\$ Position (change)	-13.80	-2.62				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	253.15	ND	586.84	ND	ND	ND
of which Public Sector	27.51	ND	72.40	ND	ND	ND
a. Nonoil Imports	109.72	ND	249.55	ND	ND	ND
b. Oil Imports	45.45	ND	107.48	ND	ND	ND
c. Travel	20.07	ND	43.35	ND	ND	ND
d. Factor Income	3.27	ND	11.92	ND	ND	ND
e. Transfers	4.80	ND	13.52	ND	ND	ND
f. Other Current Items	69.84	ND	161.02	ND	ND	ND
5.2 Capital Items	3.67	ND	10.12	ND	ND	ND
of which Public Sector	0.08	ND	1.24	ND	ND	ND
5.3 Bank Remittances	301.00	ND	370.00	ND	ND	ND

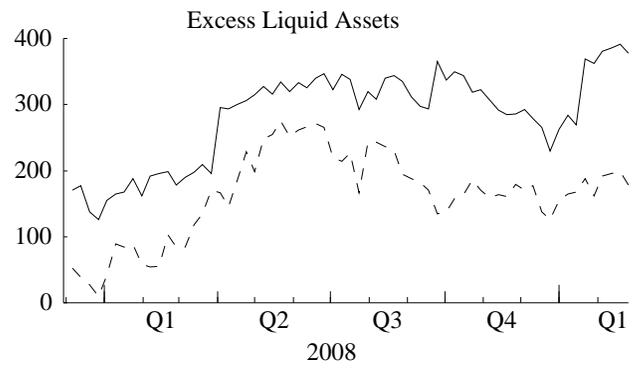
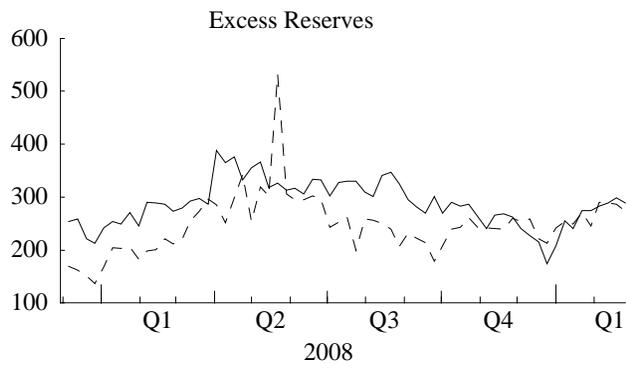
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: FEBRUARY 27, 2008 and FEBRUARY 25, 2009

Exchange Control Sales figures are as at month end.

Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

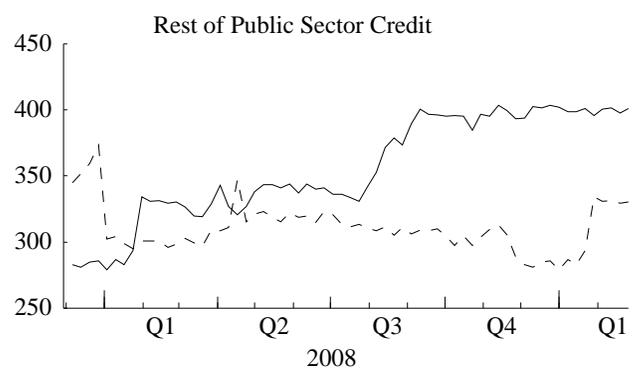
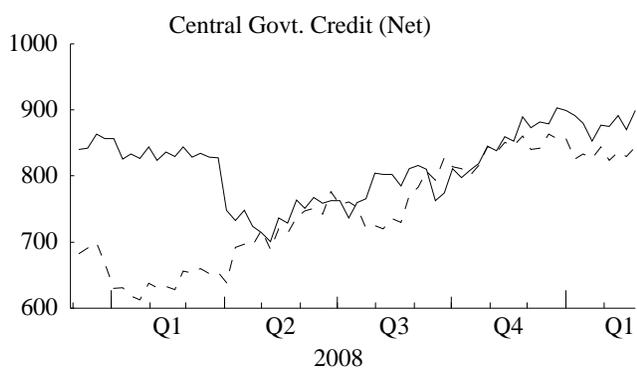
Components may not sum to totals due to round-off error.

SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



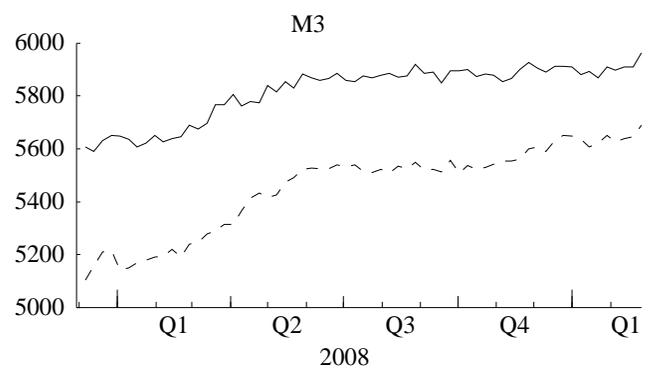
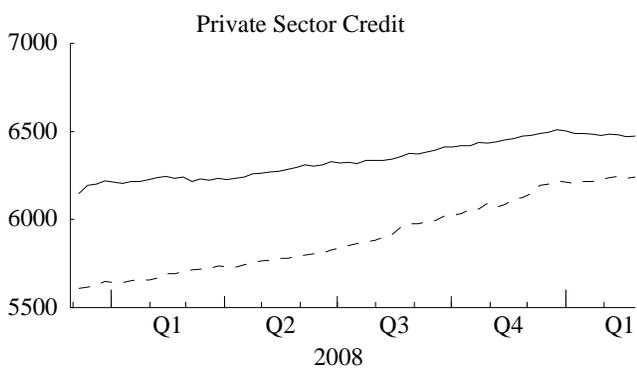
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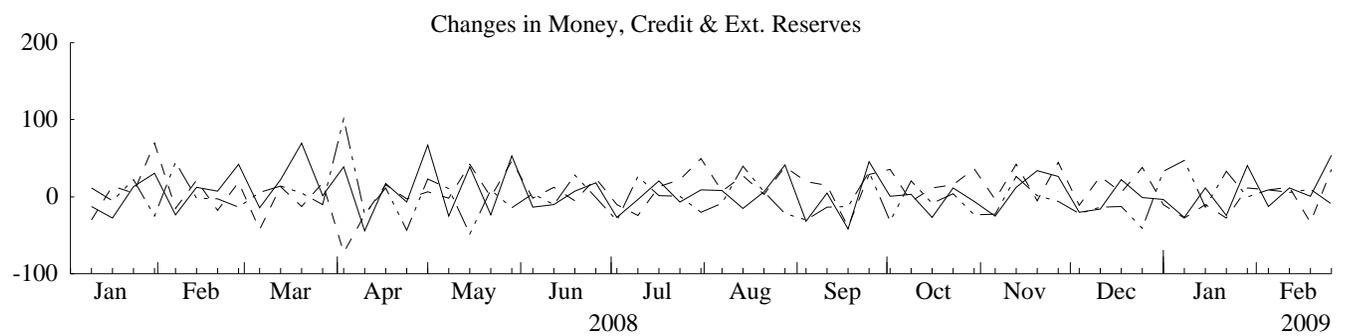
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— M3
- - - Domestic Credit
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Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2008	2009	2008	2009	2008	2009
Bahamas	1.0	n/a	4.5*	3.5	8.7*	n/a
United States	1.1	-1.6	4.2	1.8	5.6	6.9
Euro-Area	1.0	-2.0	3.5	1.9	7.6	8.3
<i>Germany</i>	<i>1.3</i>	<i>-2.5</i>	<i>2.9</i>	<i>1.4</i>	<i>7.4</i>	<i>8.0</i>
Japan	-0.3	-2.6	1.6	0.9	4.1	4.5
United Kingdom	0.7	-2.8	3.8	2.9	5.4	6.0
Canada	0.6	-1.2	2.5	2.1	6.2	6.3

Sources: IMF World Economic Outlook Update, January 2009 & () The Bahamas Department of Statistics. IMF Growth projections for The Bahamas have been revised lower for 2009, but have not been published.*

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
January 2007	5.25	3.50	6.25	5.25	5.25
February 2007	5.25	3.50	6.25	5.25	5.25
March 2007	5.25	3.75	6.25	5.25	5.25
April 2007	5.25	3.75	6.25	5.25	5.25
May 2007	5.25	3.75	6.25	5.25	5.50
June 2007	5.25	4.00	6.25	5.25	5.50
July 2007	5.25	4.00	6.25	5.25	5.75
August 2007	5.25	4.00	5.75	5.25	5.75
September 2007	5.25	4.00	5.25	4.75	5.75
October 2007	5.25	4.00	5.00	4.50	5.75
November 2007	5.25	4.00	5.00	4.50	5.75
December 2007	5.25	4.00	4.75	4.25	5.50
January 2008	5.25	4.00	3.50	3.00	5.50
February 2008	5.25	4.00	3.50	3.00	5.25
March 2008	5.25	4.00	2.50	2.25	5.25
April 2008	5.25	4.00	2.25	2.00	5.00
May 2008	5.25	4.00	2.25	2.00	5.00
June 2008	5.25	4.00	2.25	2.00	5.00
July 2008	5.25	4.25	2.25	2.00	5.00
August 2008	5.25	4.25	2.25	2.00	5.00
September 2008	5.25	4.25	2.25	2.00	5.00
October 2008	5.25	3.75	1.25	1.00	4.50
November 2008	5.25	3.25	1.25	1.00	3.00
December 2008	5.25	2.50	0.50	0.00-0.25	2.00
January 2009	5.25	2.00	0.50	0.00-0.25	1.50
February 2009	5.25	2.00	0.50	0.00-0.25	1.00

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Feb-08	Jan-09	Feb-09	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.6588	0.7805	0.7894	1.1	10.3	19.8
Yen	103.74	89.92	97.62	8.6	7.7	-5.9
Pound	0.5027	0.6878	0.6985	1.6	2.2	38.9
Canadian \$	0.9879	1.2291	1.2759	3.8	4.5	29.2
Swiss Franc	1.0408	1.1606	1.1695	0.8	9.4	12.4

Source: Bloomberg as at February 28, 2009

D. Selected Commodity Prices (\$)					
Commodity	February 2008	January 2009	February 2009	Mthly % Change	YTD % Change
Gold / Ounce	974.17	927.85	942.35	1.6	6.8
Silver / Ounce	19.82	12.67	13.12	3.6	15.2
Oil / Barrel	99.42	44.8	45.57	1.7	15.3

Source: Bloomberg as at February 28, 2009

E. Equity Market Valuations – February 28, 2009 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-1.45	-11.72	-10.74	-7.70	-9.13	-11.40	-5.32	4.63
3 month	-2.50	-19.52	-18.43	-13.62	-16.02	-20.09	-14.57	14.39
YTD	-2.50	-19.52	-18.43	-13.62	-16.02	-20.09	-14.57	14.39
12-month	-15.41	-42.42	-44.85	-34.91	-43.59	-43.04	-44.36	-52.10

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.30	0.70	0.90
1 Month	0.50	1.25	1.20
3 Month	1.30	1.90	1.65
6 Month	1.59	2.05	1.75
9 Month	1.99	2.15	1.90
1 year	2.19	2.20	2.03

Source: Bloomberg, as at February 28, 2009

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE											
	Dec. 31	Jan. 07	Jan. 14	Jan. 21	Jan. 28	Feb. 04	Feb. 11	Feb. 18	Feb. 25	Dec. 31	Jan. 07	Jan. 14	Jan. 21	Jan. 28	Feb. 04	Feb. 11	Feb. 18	Feb. 25						
I. External Reserves	562.73	562.09	569.33	578.90	589.06	596.11	598.44	613.79	619.34	4.56	-0.64	7.24	9.57	10.16	7.05	2.33	15.35	5.55						
II. Net Domestic Assets (A + B + C + D)	82.21	111.35	87.22	110.25	107.95	105.54	101.61	98.07	88.91	6.09	29.14	-24.13	23.03	-2.30	-2.41	-3.93	-3.54	-9.16						
A. Net Credit to Gov^t(i + ii + iii - iv)	198.82	234.77	216.34	226.67	226.69	229.76	219.97	207.64	205.32	1.56	35.95	-18.42	10.33	0.02	3.07	-9.79	-12.33	-2.32						
i) Advances	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	124.64	124.68	124.70	124.71	124.52	124.30	122.60	122.27	121.80	-0.05	0.04	0.03	0.00	-0.19	-0.22	-1.70	-0.33	-0.47						
iii) Treasury Bills	6.33	39.08	39.08	39.08	39.08	39.08	32.11	32.11	32.11	0.00	32.76	0.00	0.00	0.00	0.00	-6.98	0.00	0.00						
iv) Deposits	4.13	0.98	19.43	9.10	8.89	5.61	6.72	18.72	20.57	-1.61	-3.15	18.45	-10.33	-0.21	-3.29	1.12	12.00	1.85						
B. Rest of Public Sector (Net) (i + ii - iii)	-2.48	-9.18	-15.23	-5.38	-7.92	-11.83	-9.24	-0.85	-5.22	3.51	-6.71	-6.05	9.85	-2.53	-3.91	2.59	8.39	-4.37						
i) BDB Loans	6.48	6.48	6.48	6.41	6.41	6.41	6.41	6.41	6.41	0.00	0.00	0.00	-0.06	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	8.95	15.66	21.70	11.80	14.33	18.24	15.65	7.26	11.63	-3.51	6.71	6.05	-9.91	2.53	3.91	-2.59	-8.39	4.37						
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)*	-114.13	-114.23	-113.90	-111.04	-110.83	-112.39	-109.12	-108.72	-111.18	1.02	-0.10	0.34	2.85	0.22	-1.57	3.27	0.40	-2.47						
III. Monetary Base	644.94	673.44	656.55	689.15	697.01	701.65	700.05	711.86	708.25	10.65	28.50	-16.89	32.60	7.86	4.64	-1.60	11.81	-3.61						
A. Currency in Circulation	323.56	293.30	269.38	267.38	266.65	273.32	272.95	268.20	273.36	-0.17	-30.26	-23.92	-2.00	-0.73	6.67	-0.37	-4.75	5.16						
B. Bank Balances with CBOB	321.38	380.14	387.17	421.77	430.36	428.33	427.10	443.66	434.89	10.82	58.76	7.03	34.60	8.59	-2.03	-1.23	16.56	-8.77						

* 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		YEAR TO DATE	
	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009
Fiscal Operations:														
1. Government Revenue & Grants % change	111.5 -19.47%	101.1 -27.00%	94.3 -15.46%	118.5 17.21%	87.9 -6.77%	97.8 -17.50%	107.0 21.70%	108.3 10.81%	112.1 4.80%	87.8 -18.98%	96.9 -13.61%	110.8 26.25%	512.8 -18.09%	513.4 0.13%
2. Import Duties % change	42.9 -28.09%	30.8 -48.41%	40.0 -6.90%	32.1 4.23%	39.3 -1.68%	33.3 3.62%	46.6 18.50%	35.6 6.99%	46.6 -0.04%	30.6 -14.06%	37.6 -19.23%	34.0 11.17%	215.3 -8.90%	162.3 -24.61%
3. Recurrent Expenditure % change	101.6 -34.02%	116.7 -24.22%	99.1 -2.50%	100.0 -14.31%	90.7 -8.47%	114.6 14.60%	107.3 18.36%	114.9 0.23%	106.0 -1.21%	111.2 -3.18%	105.8 -0.22%	108.5 -2.43%	504.6 -13.45%	557.4 10.45%
4. Capital Expenditure % change	7.6 -77.81%	8.2 -75.94%	14.0 85.10%	10.8 31.71%	13.0 -7.15%	9.5 -12.04%	8.4 -35.27%	9.2 -2.75%	14.6 73.11%	10.0 8.58%	10.5 -27.95%	11.2 11.64%	57.5 -12.14%	47.8 -16.99%
5. Deficit/Surplus* % change	0.8 -101.20%	-28.4 -56.81%	-23.9 -3127.59%	3.4 -111.97%	-27.7 15.73%	-32.4 -1051.76%	-12.6 -54.66%	-21.0 -35.11%	-14.0 11.80%	-40.2 91.65%	-22.1 57.35%	-13.6 -66.24%	-77.4 54.20%	-118.6 53.24%

	JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Debt: **														
6. Total Debt % change	2,635.0 -0.02%	2,871.0 4.90%	2,635.2 0.01%	2,881.0 0.35%										
7. External Debt % change	272.4 0.00%	383.0 0.01%	272.6 0.08%	383.0 2.61%										
8. Internal F/C Debt % change	23.2 -0.17%	1.4 -3.27%	23.2 0.00%	1.4 0.00%										
9. Bahamian Dollar Debt % change	2,339.4 -0.02%	2,486.6 4.51%	2,339.4 0.00%	2,486.6 0.00%										
10. Total Amortization % change	0.5 391.80%	0.0 -100.00%	0.1 -80.46%	0.0 0.0%										
11. Total Public Sector F/C Debt	692.0 25.94%	752.6 16.88%	690.5 -8.25%	760.8 10.18%										

	JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Real Sector Indicators														
12. Retail Price Index % change: over previous month	124.2 0.22%	129.8 4.81%	124.6 0.32%	129.8 -0.03%									124.4 2.50%	129.8 4.40%
13. Tourist arrivals (000's) % change: over previous year	372.7 -6.24%	n.a	430.9 n.a	n.a									803.7 3.78%	n.a
14. Air arrivals (000's) % change: over previous year	110.8 7.07%	n.a	125.8 6.48%	n.a									236.6 6.75%	n.a
15. Occupied Room Nights % change: over previous year	211.2 7.28%	n.a	211.5 2.73%	n.a									422.70 4.93%	n.a
16. Res. Mortgage Commitments-New Const. % change: over previous qtr.														

* Includes Net Lending to Public Corporations
 ** Debt figures pertain to central government only unless otherwise indicated
 P - Provisional
 Annual/3-M-D Retail Price data are averages.