



Monthly Economic and Financial Developments February 2015

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:

2015: May 4, June 1, June 29, August 10, August 31, September 28, November 2, November 30, December 21.

Monthly Economic and Financial Developments

February 2015

1. Domestic Economic Developments

Based on preliminary economic indicators, the Bahamian economy maintained a mild growth trajectory during the review month, aided by an improving tourism sector performance and ongoing foreign investment-led construction activity. Price developments featured some firming in average consumer prices in January, following the implementation of the new Value Added Tax (VAT) regime, which also boosted tax revenues. However, the overall fiscal deficit for the seven months, through January, of FY2014/15, widened on account of higher spending. In the monetary sector, receipts from real sector activities supported growth in both external reserves and bank liquidity.

In a continuation of trends observed over 2014, initial reports suggest sustained gains in tourism output during the first two months of 2015. As reported by the Bahamas Hotel and Tourism Association, room revenues improved by 11.0%, inclusive of an 8.2 percentage point hike in the average occupancy rate to 70.5%, reflecting the combination of a higher visitor count and a reduction in inventory, due to the closure of a few mid-sized properties for renovations. Meanwhile, the average daily room rate (ADR) firmed by 8.9% to \$268.11.

The implementation of the new 7.5% VAT regime led to modest board-based increases in average consumer prices, which rose over the twelve month period ending January, by 1.26% from 0.37% a year earlier. Average price gains intensified for recreation and culture, by 3.37 percentage points to 4.01% and for both alcohol beverages, tobacco & narcotics and transport, by 2.17 percentage points each to 6.48% and 2.80%, respectively. More moderate average cost increases, of under 2.0 percentage points, were recorded for most of the other categories, with the exception of communication costs, which rose slightly by 0.13%, to reverse last year's 1.78% contraction. The decline in average prices for housing, water, electricity, gas, and other fuels—the most heavily weighted category—narrowed to 0.05% from 0.67%. In a slight offset, average cost gains moderated for restaurant & hotels, by 1.42 percentage points to 2.21% and miscellaneous goods & services, by 42 basis points to 0.91%.

The overall fiscal deficit deteriorated over the seven months of FY2014/15, by an estimated \$48.6 million (20.1%) to \$290.5 million, as a \$79.5 million (7.6%) expansion in aggregate expenditure to \$1,120.3 million outstripped the \$30.9 million (3.9%) improvement in total receipts to \$829.8 million. In particular, current outlays firmed by \$53.0 million (5.8%) to \$967.9 million, inclusive of broad-based gains in transfer payments, aggregating \$50.3 million (12.9%) following the reclassification of certain goods and services items. Wages and salaries increased by \$26.5 million (7.5%), while payments for goods and services declined by \$23.8 million (13.7%). Capital spending rose by \$19.2 million (22.1%) to \$106.0 million, as the acquisition of new Defence Force ships led to a more than two-fold increase in asset acquisitions to \$25.0 million. Outlays for infrastructure related works were higher by \$6.2 million (8.3%) at \$80.6 million, and net lending to public corporations advanced by \$7.3 million (18.7%) to \$46.4 million. The improvement in revenue performance was solely attributed to a \$41.8 million boost in tax receipts, to \$718.7 million; business & professional fees grew by \$11.8 million, VAT receipts for the first month totalled \$10.0 million and taxes on international trade were up by \$4.4 million (1.3%). In contrast, non-tax collections contracted by \$13.7 million (11.3%) to \$108.1 million, associated with a \$16.1 million (34.2%) falloff in income-related

receipts to \$30.9 million, which eclipsed the marginal \$1.8 million (2.4%) gain in fines, forfeits & administrative fees.

2 International Developments

Global economic developments during the month of February featured ongoing gains in the United States' market, moderate growth in Asia, and a muted recovery in Europe. In this environment, the major central banks continued to pursue their highly accommodative monetary policy stances.

The United States' economy continued on a positive path, as suggested by the Conference Board's Index of Leading Indicators, which firmed by 0.2% during February, in line with the prior period's gain, and a 0.1% uptick in industrial production, from a 0.3% contraction in January. In addition, increased employment in food services, professional & business services and the construction sectors supported a significant 295,000 expansion in non-farm payrolls—bringing the jobless rate lower by 20 basis points to 5.5%. In contrast, conditions in the housing sector remained challenging, as severe winter weather hampered construction activity, and led to declines in both annual housing starts (17.0%) and completions (13.8%) in January, although the number of building permits issued firmed by 3.0%. Additionally, preliminary estimates suggest that retail sales contracted marginally by 0.6%, following the previous month's 0.8% reduction. In this environment, the Federal Reserve held its key policy rates at the historic low of 0.00%-0.25%.

Economic conditions continued to improve in the United Kingdom, as an index of leading economic indicators rose further by 0.2% in January after a 0.1% gain in the prior month. The trade deficit narrowed by £1.5 billion—the largest monthly reduction since March 2014—to £0.6 billion, as declining oil prices reduced net imports. With employers' payrolls higher by 143,000, the unemployment rate fell by 30 basis points to 5.7%. Reflecting lower prices for motor fuels and food, inflation for the month of January slowed by 20 basis points to 0.3%. In the euro zone, the leading economic indicators index firmed for the third consecutive month by 0.3%, as the region continued to benefit from the decline in the euro and lower oil prices. Additionally, the volume of retail trade expanded by 1.1% in January, amid gains in mainly purchases of food & beverages and automotive fuel, while the sharp decline in energy prices occasioned a reduction in annual inflation by 30 basis points to 0.3%. Developments on the external front were less favorable, as the January trade surplus narrowed sharply, by €16.4 billion to €7.9 billion, reflecting a reduction in exports by 8.2% and a 2.3% increase in imports. Based on these respective outcomes, the Bank of England held its Bank Rate at 0.5% and sustained its £375 billion asset purchase programme, while the European Central Bank left its policy rates unchanged, but announced the commencement, in March, of a monthly €60.0 billion asset purchase programme, which is expected to end in September, 2016.

In Asia, China's Purchasing Managers' Index—a measure of private sector business conditions—firmed slightly by 0.4% in February, reflecting growth in new orders and higher staffing levels. Similarly, industrial production advanced by 0.45%, month-on-month, buoyed by broad-based gains in all of the major sectors, and retail sales improved by 0.93%. The trade surplus reached a new monthly record of US\$60.6 billion in February, as a ramp-up in goods production ahead of the Chinese New Year holiday, buoyed exports by 48.3%, year-on-year, while imports fell by 20.5%. In price developments, February's hike in food costs underpinned a 0.9 percentage point increase in the inflation rate to 1.2%. Developments in the Japanese economy remained relatively positive in February, as consumer confidence grew by 1.6 percentage points over January's level, owing to improved sentiments concerning income growth and employment. On the

external front, the monthly trade deficit was more than halved to ¥424.6 billion in February, reflecting a fuel-led 13.1% decline in imports, which overshadowed the 3.3% contraction in exports. In terms of monetary policy, the Bank of Japan kept its ¥80 trillion economic stimulus programme, and the People's Bank of China cut its benchmark interest rate by 25 basis points to 5.35%, to support an improved growth outcome.

Reflecting a slight reduction in OPEC's average oil production by 0.14 million barrels per day (b/d) to 30.02 million b/d, crude oil prices rose by 26.3% to \$61.14 per barrel during February, a reversal from the supply-driven downward slide experienced over the prior eight months. In contrast, both gold and silver prices moved lower, by 5.5% and 3.8%, to \$1,213.22 and \$16.60 per troy ounce, respectively.

Equity markets returned broad-based gains during the review month, amid a rebound in the share prices of energy-based stocks. In the United States, the Dow Jones Industrial Average (DIJA) and the S&P 500 indices firmed by 5.6% and 5.5%, respectively. Reduced concerns over a potential Greece debt default, contributed to gains in France's CAC 40 (7.5%), Germany's DAX (6.6%), and the United Kingdom's FTSE 100 (2.9%). In Asia, Japan's Nikkei 225 moved higher by 6.4% and China's SE Composite rose by 3.1%

Supported by the ongoing strengthening in domestic economic conditions, the United States dollar appreciated relative to most of the other major currencies. The dollar advanced vis-à-vis the Swiss Franc (by 3.6% to CHF0.9542), the Japanese Yen (by 1.8% to ¥119.61), the euro (by 0.8% to €0.8932) and the Chinese Yuan (0.2% to CNY6.2671). However, the dollar depreciated against the British pound (by 2.5% to £0.6478) and the Canadian dollar (by 1.7% to CAD\$1.2516).

3. Domestic Monetary Trends **February 2015 vs. 2014**

Buoyed mainly by the Government's use of proceeds from its domestic bond issue to repay outstanding advances, excess reserves—the narrow measure of bank liquidity—expanded by \$49.8 million to \$555.3 million, compared to a slight \$4.2 million increase a year ago. However, growth in the broader excess liquid assets of \$20.1 million to \$1,192.4 million, was in line with 2014's expansion, and continued to reflect the improvement in the performance of real sector activities.

External reserves grew modestly by \$13.3 million to \$810.0 million, in contrast to a \$9.1 million decrease a year earlier, following on a reversal in the Central Bank's net foreign currency transactions from a \$10.5 million net sale to a \$15.4 million net purchase. In the underlying transactions, the Bank's net receipts from commercial banks improved by \$13.3 million to \$35.6 million, and the net sale to the public sector—mainly for fuel imports and interest payments—narrowed by \$12.6 million to \$20.2 million.

During the review month, the contraction in Bahamian dollar credit broadened to \$58.1 million from \$20.8 million last year. This outcome was mainly due to a \$49.5 million decline in net claims on the Government, as proceeds from a \$75.0 million Bahamas Government Stock (BGS) issue were utilised to repay overdraft facilities. Reflecting mild domestic demand conditions and high unemployment levels, private sector credit contracted further by \$8.5 million, after a \$5.3 million decrease in 2014, with broad-based declines across the major loan categories. The fall-off in commercial loans almost doubled to \$5.1 million; consumer credit contracted by \$2.3 million, after a relatively flat performance a year earlier, while the reduction in mortgages was approximately halved to \$1.1 million. Meanwhile, credit to public corporations was virtually unchanged, compared with a year-earlier \$28.3 million contraction, explained by a shift from bank to bond financing by one entity.

Banks' loan arrears improved in February, by \$60.2 million (4.8%) to \$1,201.5 million, and by a full percentage point to 20.0% of total loans. The short-term (31-90 day) segment was lower by \$52.6 million (17.5%) at \$247.6 million and by 88 basis points to 4.1% of total loans. Similarly, non-performing loans—arrears of more than 90 days and on which banks have stopped accruing interest—narrowed by \$7.5 million (0.8%) to \$953.9 million, for a 15 basis point decrease in the attendant ratio to 15.9%.

A breakdown of delinquencies by loan category situated the most significant decline in mortgage arrears, which contracted by \$39.2 million (5.6%) to \$659.3 million, and was concentrated in the short-term component. Similarly, consumer arrears were lower by \$14.1 million (4.6%) at \$292.6 million, primarily on account of the 31-90 day delinquencies, which fell by \$12.4 million (13.2%). Commercial arrears, which decreased by \$6.9 million (2.7%) to \$249.6 million, included a \$4.7 million (12.6%) reduction in short-term arrears.

Banks increased their total provisions for loan losses, by \$14.0 million (2.8%) to \$507.8 million, which represented a higher 42.3% of total arrears and 53.2% of non-performing loans. During the month, loan write-offs aggregated \$8.0 million and recoveries, \$2.5 million.

Total domestic foreign currency credit rose marginally, by \$0.3 million, in February, behind a \$1.4 million decrease last year. This outcome reflected a slightly higher \$1.3 million gain in net claims on the Government, and private sector credit edged up by \$0.1 million, vis-à-vis 2014's \$0.5 million outcome. In contrast, the decline in claims on the rest of the public sector was virtually halved to \$1.3 million.

Total Bahamian dollar deposits decreased by \$5.2 million, extending the prior year's \$10.9 million drawdown. Reflecting withdrawals associated with investments in Government's BGS issue, fixed deposits contracted by \$39.9 million—a turnaround from 2014's \$1.3 million expansion. In contrast, demand deposits firmed by \$20.7 million, behind a year-earlier \$33.4 million decline, while accretions to savings deposits slowed to \$14.1 million from \$21.2 million last year.

In interest rate developments, the weighted average deposit rate at banks rose by 19 basis points to 1.44%, with the highest rate, of 5.00%, offered on fixed balances of over 6-12 months. By comparison, the weighted average loan rate edged up by 2 basis points to 12.07%.

4. Outlook and Policy Implications

Expectations are the economy's growth pace should continue to strengthen over the next six months, as tourism activity benefit from improvements in several key source markets, the phased launch of the multi-billion dollar Baha Mar resort, and the hosting of a number of sporting and cultural events. In addition, output in the construction sector is poised to receive ongoing, although moderated, stimulus from several varied-scale projects. Against this backdrop, employment conditions should improve at a measured pace, while inflation is likely to stabilise over the near-term, as the initial impact of the VAT diminishes over time and the effects of the recent decline in global oil prices is transmitted through the domestic environment.

In the fiscal sector, the improvement in the Government's revenue performance—due mainly to the implementation of the VAT—along with ongoing efforts to curb expenditure growth, should lead to further reductions in the deficit and corresponding debt indicators, over the near-term.

Monetary sector outcomes are likely to feature a continuation of excess liquidity conditions, amid the relatively mild pace of economic growth which, together with the consumer debt overhang, high

unemployment levels and banks' conservative lending posture, continue to be a drag on the recovery in private sector credit. Nevertheless, the financial sector should remain relatively stable, as banks' overall capital levels are expected to stay well above regulatory requirements. On the external side, the anticipated growth in the foreign exchange earning sectors will enhance opportunities for further gains in external reserves over the six-month period.

Against this backdrop, the Central Bank will maintain its neutral monetary policy stance, while monitoring domestic and international developments, to assess the need for potential changes.

Recent Monetary and Credit Statistics

(B\$ Millions)

| FEBRUARY | | | | | | |
|-----------------|------|--------|------|------------|------|--|
| Value | | Change | | Change YTD | | |
| 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | |

1.0 LIQUIDITY & FOREIGN ASSETS

| | | | | | | |
|-------------------------------|----------|----------|--------|-------|--------|-------|
| 1.1 Excess Reserves | 516.38 | 555.30 | 4.16 | 49.82 | 114.66 | 62.03 |
| 1.2 Excess Liquid Assets | 1,198.36 | 1,192.43 | 21.17 | 20.08 | 113.46 | 50.54 |
| 1.3 External Reserves | 903.00 | 810.04 | -9.11 | 13.31 | 163.23 | 23.27 |
| 1.4 Bank's Net Foreign Assets | -496.25 | -403.42 | 21.15 | 24.86 | 190.76 | 30.56 |
| 1.5 Usable Reserves | 395.42 | 274.55 | -11.45 | 1.25 | 149.06 | 14.43 |

2.0 DOMESTIC CREDIT

| | | | | | | |
|-------------------------------------|-----------------|-----------------|---------------|---------------|----------------|---------------|
| 2.1 Private Sector | 6,498.13 | 6,318.08 | -5.73 | -8.39 | -31.06 | -34.88 |
| a. B\$ Credit | 6,122.84 | 6,004.08 | -5.27 | -8.45 | -21.79 | -25.77 |
| of which: Consumer Credit | 2,105.74 | 2,143.03 | 0.00 | -2.27 | -6.24 | -7.63 |
| Mortgages | 3,101.12 | 3,087.97 | -2.59 | -1.13 | -49.79 | -11.09 |
| Commercial and Other Loans B\$ | 915.97 | 773.08 | -2.69 | -5.06 | 34.24 | -7.05 |
| b. F/C Credit | 375.30 | 314.00 | -0.46 | 0.07 | -9.27 | -9.11 |
| of which: Mortgages | 140.88 | 103.58 | 0.82 | 2.20 | -1.36 | 1.36 |
| Commercial and Other Loans F/C | 234.42 | 210.42 | -1.29 | -2.13 | -7.91 | -10.48 |
| 2.2 Central Government (net) | 1,720.11 | 2,023.48 | 13.67 | -48.20 | -241.34 | -7.79 |
| a. B\$ Loans & Securities | 1,900.20 | 2,263.79 | 40.64 | -48.88 | -123.98 | -9.19 |
| Less Deposits | 178.85 | 238.45 | 27.89 | 0.65 | -7.20 | 3.90 |
| b. F/C Loans & Securities | 0.00 | 0.21 | 0.00 | 0.21 | -125.00 | 0.21 |
| Less Deposits | 1.24 | 2.06 | -0.92 | -1.12 | -0.44 | -5.10 |
| 2.3 Rest of Public Sector | 369.47 | 322.29 | -30.91 | -1.39 | -30.93 | 1.52 |
| a. B\$ Credit | 98.24 | 101.02 | -28.25 | -0.13 | -28.35 | 3.79 |
| b. F/C Credit | 271.24 | 221.27 | -2.66 | -1.26 | -2.58 | -2.28 |
| 2.4 Total Domestic Credit | 8,589.74 | 8,664.06 | -22.15 | -57.78 | -302.50 | -40.98 |
| a. B\$ Domestic Credit | 7,942.42 | 8,130.43 | -20.76 | -58.11 | -166.91 | -35.07 |
| b. F/C Domestic Credit | 647.32 | 533.63 | -1.38 | 0.34 | -135.59 | -5.91 |

3.0 DEPOSIT BASE

| | | | | | | |
|-----------------------------------------------------|-----------------|-----------------|---------------|---------------|--------------|--------------|
| 3.1 Demand Deposits | 1,448.86 | 1,821.51 | -33.41 | 20.69 | 14.15 | 42.64 |
| a. Central Bank | 11.97 | 13.44 | -1.62 | -6.25 | 3.56 | -10.13 |
| b. Banks | 1,436.90 | 1,808.07 | -31.79 | 26.94 | 10.59 | 52.77 |
| 3.2 Savings Deposits | 1,129.07 | 1,101.30 | 21.15 | 14.10 | 17.78 | 33.49 |
| 3.3 Fixed Deposits | 3,314.55 | 3,090.88 | 1.32 | -39.94 | -4.22 | -48.20 |
| 3.4 Total B\$ Deposits | 5,892.49 | 6,013.69 | -10.94 | -5.16 | 27.71 | 27.93 |
| 3.5 F/C Deposits of Residents | 284.66 | 263.61 | 0.16 | 26.50 | 33.67 | 21.56 |
| 3.6 M2 | 6,093.99 | 6,226.05 | -10.97 | -10.40 | 16.32 | 8.87 |
| 3.7 External Reserves/M2 (%) | 14.82 | 13.01 | -0.12 | 0.24 | 2.65 | 0.36 |
| 3.8 Reserves/Base Money (%) | 93.22 | 79.11 | -1.45 | -2.07 | 13.24 | -1.09 |
| 3.9 External Reserves/Demand Liabilities (%) | 88.95 | 75.64 | -1.31 | -0.47 | 13.99 | 0.94 |
| | Value | | Year to Date | | Change | |
| | 2014 | 2015 | 2014 | 2015 | Month | YTD |

4.0 FOREIGN EXCHANGE TRANSACTIONS

| | | | | | | |
|---------------------------------------------|---------------|---------------|---------------|--------------|--------------|----------------|
| 4.1 Central Bank Net Purchase/(Sale) | -10.46 | 15.40 | 162.10 | 26.23 | 25.86 | -135.87 |
| a. Net Purchase/(Sale) from/to Banks | 22.28 | 35.58 | 45.02 | 68.41 | 13.31 | 23.39 |
| i. Sales to Banks | 6.50 | 0.00 | 26.90 | 14.80 | -6.50 | -12.10 |
| ii. Purchases from Banks | 28.78 | 35.58 | 71.92 | 83.21 | 6.81 | 11.29 |
| b. Net Purchase/(Sale) from/to Others | -32.74 | -20.19 | 117.09 | -42.18 | 12.55 | -159.26 |
| i. Sales to Others | 52.99 | 76.04 | 228.44 | 142.14 | 23.05 | -86.30 |
| ii. Purchases from Others | 20.25 | 55.85 | 345.53 | 99.97 | 35.60 | -245.56 |
| 4.2 Banks Net Purchase/(Sale) | 31.81 | 36.60 | 58.59 | 65.82 | 4.79 | 7.22 |
| a. Sales to Customers | 270.23 | 310.43 | 540.25 | 619.79 | 40.20 | 79.54 |
| b. Purchases from Customers | 302.03 | 347.02 | 598.84 | 685.61 | 44.99 | 86.77 |
| 4.3 B\$ Position (change) | -22.38 | -22.63 | | | | |

5.0 EXCHANGE CONTROL SALES

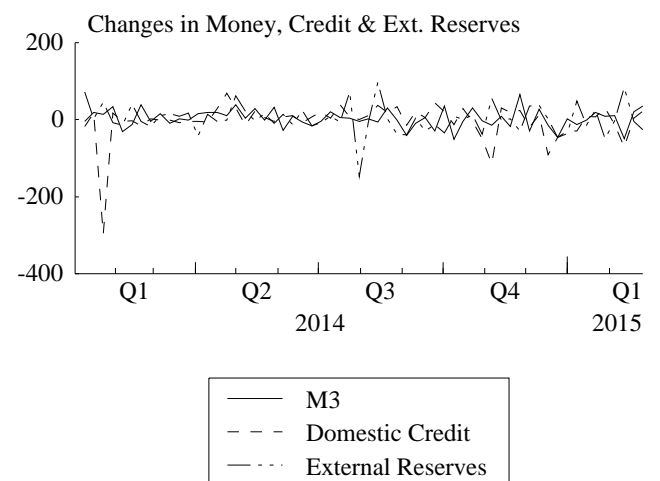
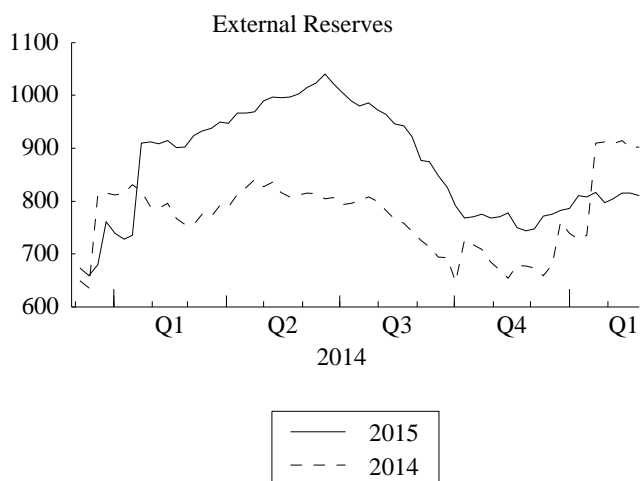
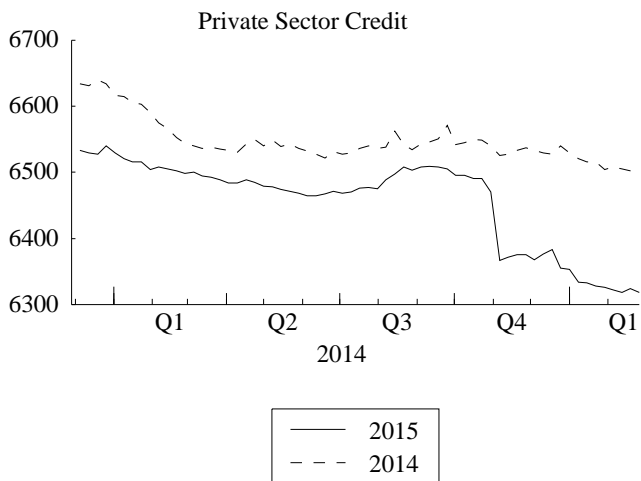
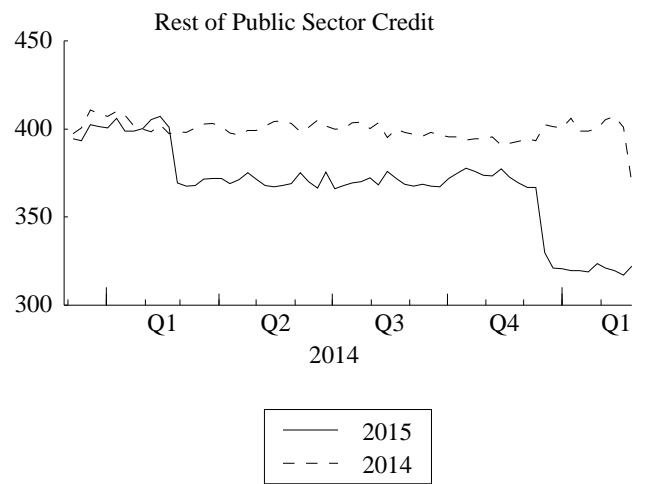
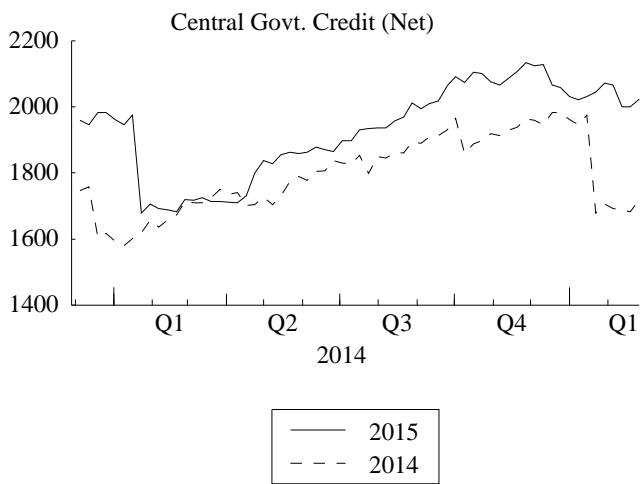
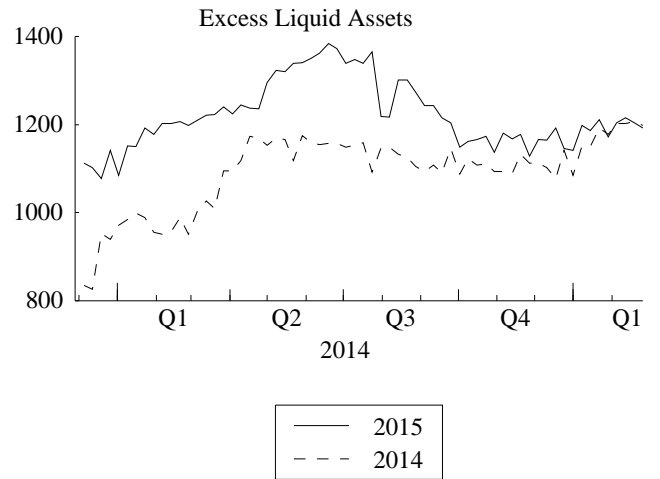
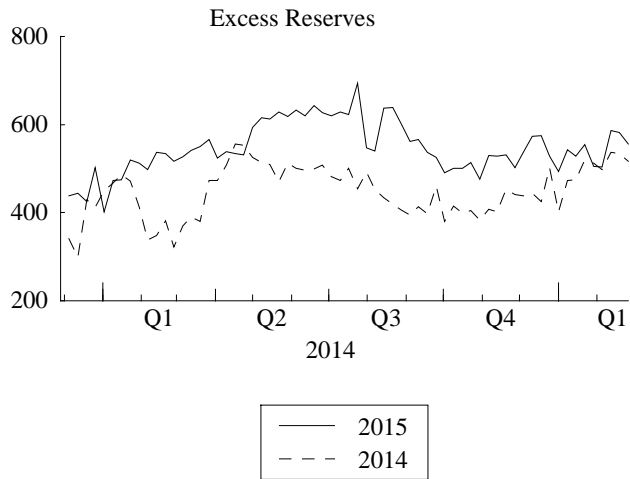
| | | | | | | |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 5.1 Current Items | ND | ND | ND | ND | ND | ND |
| of which Public Sector | ND | ND | ND | ND | ND | ND |
| a. Nonoil Imports | ND | ND | ND | ND | ND | ND |
| b. Oil Imports | ND | ND | ND | ND | ND | ND |
| c. Travel | ND | ND | ND | ND | ND | ND |
| d. Factor Income | ND | ND | ND | ND | ND | ND |
| e. Transfers | ND | ND | ND | ND | ND | ND |
| f. Other Current Items | ND | ND | ND | ND | ND | ND |
| 5.2 Capital Items | ND | ND | ND | ND | ND | ND |
| of which Public Sector | ND | ND | ND | ND | ND | ND |
| 5.3 Bank Remittances | ND | ND | ND | ND | ND | ND |

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: FEBRUARY 26, 2014 and FEBRUARY 25, 2015

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.

SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



Selected International Statistics

| A: Selected Macroeconomic Projections (Annual % Change and % of labor force) | | | | | | |
|----------------------------------------------------------------------------------------|------------|------------|----------------|------------|--------------|------------|
| | Real GDP | | Inflation Rate | | Unemployment | |
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
| Bahamas | 1.2 | 2.1 | 1.4 | 4.4 | 14.3 | N/A |
| United States | 2.2 | 3.1 | 2.0 | 2.1 | 6.3 | 5.9 |
| Euro-Area | 0.8 | 1.3 | 0.5 | 0.9 | 11.6 | 11.2 |
| <i>Germany</i> | <i>1.4</i> | <i>1.5</i> | <i>0.9</i> | <i>1.2</i> | <i>5.3</i> | <i>5.3</i> |
| Japan | 0.9 | 0.8 | 2.7 | 2.0 | 3.7 | 3.8 |
| China | 7.4 | 7.1 | 2.3 | 2.5 | 4.1 | 4.1 |
| United Kingdom | 3.2 | 2.7 | 1.6 | 1.8 | 6.3 | 5.8 |
| Canada | 2.3 | 2.4 | 1.9 | 2.0 | 7.0 | 6.9 |
| <i>Source: IMF World Economic Outlook October 2014, Department of Statistics</i> | | | | | | |

| B: Official Interest Rates – Selected Countries (%) | | | | | |
|------------------------------------------------------------|-------------|-----------|----------------------|---------------------|-------------------|
| <i>With effect</i> | CBOB | ECB (EU) | Federal Reserve (US) | | Bank of England |
| | <i>from</i> | Bank Rate | Refinancing Rate | Primary Credit Rate | Target Funds Rate |
| February 2013 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| March 2013 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| April 2013 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| May 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| June 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| July 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| August 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| September 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| October 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| November 2013 | 4.50 | 0.25 | 0.75 | 0-0.25 | 0.50 |
| December 2013 | 4.50 | 0.25 | 0.75 | 0-0.25 | 0.50 |
| January 2014 | 4.50 | 0.25 | 0.75 | 0-0.25 | 0.50 |
| February 2014 | 4.50 | 0.25 | 0.75 | 0-0.25 | 0.50 |
| March 2014 | 4.50 | 0.25 | 0.75 | 0-0.25 | 0.50 |
| April 2014 | 4.50 | 0.25 | 0.75 | 0-0.25 | 0.50 |
| May 2014 | 4.50 | 0.25 | 0.75 | 0-0.25 | 0.50 |
| June 2014 | 4.50 | 0.15 | 0.75 | 0-0.25 | 0.50 |
| July 2014 | 4.50 | 0.15 | 0.75 | 0-0.25 | 0.50 |
| August 2014 | 4.50 | 0.15 | 0.75 | 0-0.25 | 0.50 |
| September 2014 | 4.50 | 0.05 | 0.75 | 0-0.25 | 0.50 |
| October 2014 | 4.50 | 0.05 | 0.75 | 0-0.25 | 0.50 |
| November 2014 | 4.50 | 0.05 | 0.75 | 0-0.25 | 0.50 |
| December 2014 | 4.50 | 0.05 | 0.75 | 0-0.25 | 0.50 |
| January 2015 | 4.50 | 0.05 | 0.75 | 0-0.25 | 0.50 |
| February 2015 | 4.50 | 0.05 | 0.75 | 0-0.25 | 0.50 |

Selected International Statistics

| C. Selected Currencies (Per United States Dollars) | | | | | | |
|---------------------------------------------------------------|---------|--------|--------|-------------------|-----------------|-------------------|
| Currency | Feb-14 | Jan-15 | Feb-15 | Mthly % Change | YTD % Change | 12-Mth% Change |
| Euro | 0.72453 | 0.8858 | 0.8932 | 0.83 | 8.06 | 23.28 |
| Yen | 101.81 | 117.49 | 119.61 | 1.80 | -0.06 | 17.48 |
| Pound | 0.5973 | 0.6641 | 0.6478 | -2.46 | 0.91 | 8.45 |
| Canadian \$ | 1.1064 | 1.2732 | 1.2516 | -1.70 | 7.72 | 13.12 |
| Swiss Franc | 0.8803 | 0.9207 | 0.9542 | 3.64 | -4.04 | 8.39 |
| Renminbi | 6.1470 | 6.2543 | 6.2671 | 0.20 | 1.00 | 1.95 |

Source: Bloomberg as of February 28, 2015

| D. Selected Commodity Prices (\$) | | | | | |
|------------------------------------------|------------------|-----------------|------------------|-------------------|-----------------|
| Commodity | February 2014 | January 2015 | February 2015 | Mthly % Change | YTD % Change |
| Gold / Ounce | 1326.39 | 1283.77 | 1213.22 | -5.50 | 2.44 |
| Silver / Ounce | 21.23 | 17.26 | 16.60 | -3.80 | 5.66 |
| Oil / Barrel | 108.95 | 48.40 | 61.14 | 26.32 | 6.65 |

Source: Bloomberg as of February 28, 2015

| E. Equity Market Valuations – February 28, 2015 (% chg) | | | | | | | | |
|----------------------------------------------------------------|-------|-------|------------|----------|--------|-------|---------------|-------|
| | BISX | DJIA | S&P 500 | FTSE 100 | CAC 40 | DAX | Nikkei 225 | SE |
| 1 month | 0.15 | 5.64 | 5.49 | 2.92 | 7.54 | 6.61 | 6.36 | 3.11 |
| 3 month | 2.37 | 1.71 | 1.79 | 3.33 | 12.79 | 14.24 | 7.66 | 23.39 |
| YTD | 0.44 | 1.74 | 2.21 | 5.80 | 15.89 | 16.28 | 7.72 | 2.34 |
| 12-month | 10.18 | 11.10 | 14.14 | 2.01 | 12.33 | 17.64 | 26.66 | 60.98 |

Sources: Bloomberg and BISX

| F: Short Term Deposit Rates in Selected Currencies (%) | | | |
|---------------------------------------------------------------|------|------|------|
| | USD | GBP | EUR |
| o/n | 0.19 | 0.48 | 0.05 |
| 1 Month | 0.21 | 0.50 | 0.03 |
| 3 Month | 0.37 | 0.55 | 0.01 |
| 6 Month | 0.59 | 0.70 | 0.07 |
| 9 Month | 0.74 | 0.85 | 0.12 |
| 1 year | 0.77 | 1.00 | 0.18 |

Source: Bloomberg as of February 28, 2015

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 | 786.76 | 810.61 | 808.30 | 817.07 | 796.73 | 804.51 | 816.00 | 815.47 | 811.46 | 4.52 | 23.84 | -2.31 | 8.77 | -20.35 | 7.78 | 11.49 | -0.53 | -4.00 |
| II. Net Domestic Assets (A + B + C + D) | 194.29 | 192.99 | 188.11 | 195.91 | 184.76 | 160.99 | 227.21 | 225.04 | 212.54 | -52.60 | -1.31 | -4.87 | 7.80 | -11.15 | -23.77 | 66.21 | -2.17 | -12.50 |
| A. Net Credit to Gov^h(i + ii + iii - iv) | 520.89 | 531.06 | 511.51 | 512.09 | 506.63 | 482.12 | 548.44 | 541.50 | 527.63 | -44.54 | 10.17 | -19.55 | 0.59 | -5.46 | -24.51 | 66.32 | -6.94 | -13.87 |
| i) Advances | 134.66 | 134.66 | 134.66 | 134.66 | 134.66 | 134.66 | 134.66 | 134.66 | 134.66 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ii) Registered Stock | 312.96 | 312.17 | 297.10 | 296.89 | 296.78 | 296.48 | 296.16 | 271.05 | 270.97 | -0.18 | -0.79 | -15.07 | -0.21 | -0.10 | -0.31 | -0.31 | -25.12 | -0.07 |
| iii) Treasury Bills | 119.54 | 119.54 | 119.54 | 119.54 | 119.54 | 99.58 | 169.48 | 169.48 | 153.48 | -43.95 | 0.00 | 0.00 | 0.00 | 0.00 | -19.97 | 69.90 | 0.00 | -16.00 |
| iv) Deposits | 46.27 | 35.32 | 39.79 | 38.99 | 44.35 | 48.58 | 51.86 | 33.68 | 31.48 | 0.41 | -10.96 | 4.48 | -0.80 | 5.36 | 4.23 | 3.27 | -18.17 | -2.20 |
| B. Rest of Public Sector (Net) (i + ii - iii) | -19.41 | -15.84 | -17.85 | -10.89 | -15.54 | -14.11 | -15.86 | -10.90 | -9.29 | -9.29 | 3.58 | -2.02 | 6.96 | -4.65 | 1.43 | -1.75 | 4.96 | 1.62 |
| i) BDB Loans | 4.15 | 4.15 | 4.15 | 4.15 | 4.15 | 4.15 | 4.15 | 4.15 | 4.15 | 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 | 23.56 | 19.99 | 22.00 | 15.04 | 19.69 | 18.26 | 20.01 | 15.05 | 13.44 | 9.29 | -3.58 | 2.02 | -6.96 | 4.65 | -1.43 | 1.75 | -4.96 | -1.62 |
| 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)* | -307.18 | -322.24 | -305.54 | -305.29 | -306.33 | -307.01 | -305.38 | -305.56 | -305.80 | 1.23 | -15.06 | 16.69 | 0.25 | -1.04 | -0.69 | 1.64 | -0.18 | -0.25 |
| III. Monetary Base | 981.06 | 1,003.59 | 996.41 | 1,012.98 | 981.49 | 965.50 | 1,043.20 | 1,040.50 | 1,024.00 | -48.08 | 22.54 | -7.18 | 16.57 | -31.49 | -15.98 | 77.70 | -2.70 | -16.50 |
| A. Currency in Circulation | 375.45 | 344.67 | 340.42 | 321.71 | 328.72 | 329.27 | 326.98 | 329.09 | 323.47 | 7.84 | -30.78 | -4.25 | -18.71 | 7.01 | 0.55 | -2.29 | 2.11 | -5.62 |
| B. Bank Balances with CBOB | 605.61 | 658.92 | 655.99 | 691.27 | 652.76 | 636.23 | 716.22 | 711.41 | 700.53 | -55.92 | 53.31 | -2.93 | 35.28 | -38.51 | -16.53 | 79.98 | -4.81 | -10.88 |

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

