



## **Monthly Economic and Financial Developments March 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: June 1, June 29, August 10, August 31, September 28, November 2, November 30, December 21.

# Monthly Economic and Financial Developments

## March 2015

### 1. Domestic Economic Developments

Indications are that the Bahamian economy's positive, but mild growth momentum was sustained during the review month, amid stable gains in tourism output and foreign investment related construction activity. Some firming in fuel costs was noted, although, on average, energy prices remained below their prior year's levels. On the monetary front, the modest expansion in both bank liquidity and external reserves was associated with net receipts from the real sector.

Based on preliminary data from a sample of large properties in New Providence and Paradise Island, sustained economic growth in several key source markets, combined with a modest reduction in capacity due to hotel renovations and other activities, boosted room revenue by 4.0% in March. Both the average daily room rate (ADR) and the average occupancy rate improved, by 8.2% to \$313.64 and 5.4 percentage points to 85.5%, respectively. The first quarter performance registered an estimated 8.0% gain in total room revenue, as the ADR rose by 8.3% to \$285.79, and the average occupancy rate grew by 7.3 percentage points to 75.7%.

In March, the average prices of both diesel and gasoline increased by 6.1% to \$3.98 and \$4.18 per gallon—a respective 22.5% and 21.2% below the prior year. However, the pass-through effects of lower global oil prices reduced the Bahamas Electricity Corporation's fuel charge, by 8.0% month-on-month and by 14.9% over the prior year, to 20.23 cents per kilowatt hour (kWh).

### 2. International Developments

The International Monetary Fund's (IMF) World Economic Outlook for April 2015, projected global output growth of 3.5% in 2015, in line with 2014's 3.4% expansion. The outturn will be mainly driven by the United States' market, with Asia's performance expected to slow modestly from the rapid rates experienced in previous years and conditions in Europe are expected to remain weak, as the region grapples with fiscal challenges in several southern states.

The United States' economy maintained its positive growth momentum in March. There was a slight 0.2% rise in the Conference Board's Index of Leading Economic Indicators, after the prior month's 0.1% improvement, and retail sales firmed by 0.9%, vis-à-vis a 0.5% contraction in February. In the labour market, approximately 126,000 non-farm payroll jobs were added—mainly in the professional & business services, healthcare and retail trade sectors—while the unemployment rate stabilized at 5.5%. Inflation also remained benign, at 0.2%, in line with the previous month's rate, as lower food prices negated higher energy and shelter costs. Developments in the housing market were mixed, as building starts rose by 2.0% in contrast to declines in the value of completions (3.9%) and permits issued (5.7%). Industrial production decreased by 0.6% in March, following the prior month's slight 0.1% uptick, as lower oil prices and the appreciation in the US dollar adversely impacted mining and utilities output. In this environment, the Federal Reserve kept its benchmark policy rate within the 0.00%-0.25% range.

In the United Kingdom, economic conditions continued to improve, as the Conference Board's Index of Leading Indicators firmed by 0.6% in February, building on the prior month's 0.2% expansion. The strengthening in domestic activity contributed to a 248,000 gain in the number of employed persons, resulting in the jobless rate falling by 10 basis points to 5.6% in the three months ended February. After rising by 0.3% in the January, average consumer prices stabilized in February, attributed, in part, to a decline in costs for food & non-alcoholic beverages. In the external sector, the trade deficit almost doubled, to £2.9 billion from £1.5 billion in January, largely owing to a falloff in manufactured exports combined with a rise in imports—mainly for fuel. For the euro area, the Leading Economic Index advanced by 0.7% in February, following a 0.3% gain a month earlier, as the decline in the euro/dollar exchange rate contributed to an export-led €12.4 billion rise in the trade surplus to €20.3 billion, over the prior period; however, the volume of retail trade fell by 0.2%, in contrast to the preceding month's 0.9% gain. Labour market conditions continued to improve, gradually, as the unemployment rate narrowed by 10 basis points to 11.3% month-on-month. In addition, deflationary conditions persisted, with average consumer prices falling by 0.3% during the month, after a 0.6% decline in the previous period. In terms of monetary policy, both the Bank of England and the European Central Bank left their key bank rates unchanged at historic lows, in an effort to support their economic recoveries.

In Asia, China's Purchasing Manager's Index (PMI) rose by 0.2% in March, reflecting an increase in the number of enterprises in operation and improved business sentiment, following the implementation of new economic stimulus measures. Retail sales and industrial production firmed by 0.7% and 0.3%, respectively, during the month. However, the appreciation of the Yuan, along with an increase in domestic demand, contributed to the sharp reduction in the trade surplus, to a mere US\$3.1 billion from US\$60.8 billion in February, as exports decreased by 14.6% and imports grew by 30.5%. In terms of inflation, average prices fell by 0.5% in March, a reversal from the prior month's 1.2% gain, reflecting broad-based declines in food costs. In February, the Japanese economy continued to exhibit modest signs of growth, as a rise in new orders of machinery and construction equipment underpinned a 0.2% advance in the Index of Leading Economic Indicators. The trade balance reversed to a surplus of ¥44.6 billion in March—its first since 2012—as the depreciation of the Yen boosted exports of mainly cars and electronics, by 8.5%, while the falloff in international oil prices contributed to a 14.5% decrease in imports. In line with these positive developments, the jobless rate narrowed by 10 basis points to 3.5%. Average consumer price inflation softened by 0.2% in March, reflecting lower costs for food, transportation & communication, and fuel, light & water. In a move to encourage economic growth, the Bank of Japan maintained its ¥80 trillion economic stimulus programme, and the People's Bank of China held its main interest rate at 5.35%.

Reflecting the subdued global demand conditions, and the slight increase in OPEC's average oil production by 0.8 million barrels per day (bpd) to 30.8 million bpd, international oil prices declined by 9.1% to \$55.60 per barrel in March. Further, the sustained appreciation of the dollar reduced the demand for gold as a "hedge" against inflation and, as a result, the average price fell by 2.4%. Silver costs rose marginally by 0.4% to \$16.66 per troy ounce.

The major stock indices reported mixed performances during the month of March. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 indices fell by 2.0% and 1.7%, respectively. In Europe, the United Kingdom's FTSE 100 weakened by 2.5%; however, increases were registered for both Germany's DAX and France's CAC 40, by 5.0% and 1.7%, respectively. Asian bourses sustained their upward trajectory, as the announcement of new stimulus measures, combined with increased access for international investors to domestic capital markets, contributed to China's SE Composite rallying by 13.2%, while Japan's Nikkei 225 posted a more muted gain of 2.2%.

Buoyed by improving investor sentiment regarding the outlook for the US economy and the potential for a near-term interest rate rise, the dollar strengthened relative to most of the major currencies in March. The most significant gains were recorded versus the euro and the British Pound, by 4.3% to €0.9319 and by 4.2% to £0.6749, respectively. The dollar also rose vis-à-vis the Swiss Franc, by 1.9% to CHF0.9726, the Canadian dollar, by 1.4% to CAD\$1.2686 and the Japanese Yen, by 0.4% to ¥120.12. In contrast, the dollar weakened versus the Chinese Yuan, by 1.1% to CNY6.1999.

### 3. Domestic Monetary Trends

March 2015 vs. 2014

In monetary developments for the month of March, growth in the broader excess liquid assets slowed by \$7.7 million to \$18.6 million, for an ending balance of \$1,211.0 million. As banks utilised a portion of their cash balances to increase holdings of short-term Government debt, excess reserves—the narrow measure of liquidity—declined by \$66.9 million to \$488.4 million, a reversal from the \$7.0 million gain a year earlier.

Reflecting inflows from tourism and foreign investment activities, external reserves grew by \$27.1 million; although below the year-earlier \$43.7 million rise. In the underlying foreign currency transactions, the Bank's net purchase from commercial banks decreased by \$19.0 million to \$64.6 million, following a corresponding reduction in their net intake from clients, by \$14.5 million to \$66.3 million. In a slight offset, the net sale to the public sector narrowed by \$3.1 million to \$39.6 million, which was absorbed by fuel imports.

The contraction in Bahamian dollar credit broadened to \$24.3 million from \$14.4 million in 2014, as claims on the public corporations were reversed to a net repayment of \$4.1 million from 2014's \$3.2 million growth. Credit to the private sector also declined by \$15.9 million, extending the year-earlier \$11.1 million reduction. In terms of the components, mortgages fell by \$13.1 million, after the previous year's \$0.3 million uptick, while the decrease in consumer credit was extended to \$10.0 million from \$5.7 million. In contrast, commercial and "other" loans recovered by \$7.1 million, from a \$5.7 million decline in 2014, while the reduction in net claims on Government was moderately lower at \$4.3 million.

Banks' credit quality indicators weakened slightly during the review month, as private sector loan arrears increased by \$8.6 million (0.7%) to \$1,216.2 million, and by 19 basis points to 20.3% of total loans. A breakdown of delinquencies by average age showed short-term (31 to 90 day) arrears growing by \$26.2 million (10.6%) to \$273.9 million, for a 45 basis points gain to 4.6% of total loans. In contrast, non-performing loans—arrears in excess of 90 days and on which banks have stopped accruing interest—decreased by \$17.6 million (1.8%) to \$942.4 million, and by 26 basis points to 15.7% of total loans.

In terms of the main components, growth in delinquencies was led by an \$11.0 million (1.7%) rise in the mortgage component, to \$657.7 million, as a \$17.4 million (13.2%) increase in the short-term segment outpaced the \$6.4 million (1.2%) decline in non-accruals loans. Similarly, the commercial component rose by \$9.6 million (3.9%) to \$256.4 million, owing mainly to a \$12.7 million (39.2%) gain in the 31-90 day category, which outweighed the \$3.1 million (1.4%) reduction in delinquencies in excess of 90 days. In contrast, consumer arrears fell by \$11.9 million (3.8%) to \$302.1 million, occasioned by a \$3.8 million (4.6%) falloff in the short-term segment and an \$8.1 million (3.5%) decrease in non-performing loans.

During the month, banks decreased their total loan loss provisions by \$6.9 million (1.4%) to \$500.9 million, resulting in the ratio of provisions to arrears narrowing by 87 basis points to 41.2%; however, the

corresponding non-performing loan loss ratio firmed by 25 basis points to 53.2%. In addition, banks wrote-off \$13.6 million in overdue loans and recovered an estimated \$2.1 million in delinquencies.

Total domestic foreign currency credit grew by \$7.4 million in March, a turnaround from a \$5.8 million contraction a year earlier. The outcome was primarily due to an increase in credit to public corporations, by \$16.8 million, while the falloff in net claims on the Government tapered to \$0.2 million from \$1.0 million last year. In contrast, the private sector component declined by \$9.6 million, outpacing the \$3.1 million reduction registered in 2014, owing mainly to a \$9.3 million decrease in commercial and “other” loans.

Growth in Bahamian dollar deposits slowed sharply to \$1.7 million from \$32.0 million in 2014, as fixed balances contracted by \$24.8 million, a turnaround from 2014’s \$8.5 million expansion. In contrast, demand deposits advanced by \$28.5 million, slightly higher than the \$26.5 million gain in 2014, while the decline in savings deposits slackened to \$1.9 million from \$3.0 million.

In interest rate developments, the weighted average deposit rate firmed by 24 basis points to 1.68%, with the highest rate, of 5.00%, offered on fixed balances of over 12 months. In contrast, the weighted average loan rate narrowed by 36 basis points to 11.71%.

#### January – March 2015 vs. 2014

For the first quarter of 2015, overall bank liquidity expanded at a slower increment of \$69.1 million compared with the \$139.7 million debt-driven build-up in the corresponding period of 2014. As institutions increased their holdings of short-term Government debt, the narrow excess reserves measure, contracted marginally by \$4.8 million, reversing last year’s \$121.7 million surge.

Accretions to external reserves narrowed to \$51.8 million from the previous year’s \$206.9 million expansion, when Government received net proceeds from its US\$300 million external bond issue. Correspondingly, the Bank’s net foreign currency purchase tapered by \$151.8 million to \$51.3 million, as transactions with the public sector were reversed from a net receipt of \$74.4 million to a net sale of \$81.7 million—mainly related to fuel payments. In contrast, the net purchase from commercial banks was only slightly higher by \$4.4 million at \$133.0 million, as their net intake from clients declined by \$7.3 million to \$132.2 million.

The contraction in Bahamian dollar credit slowed sharply to \$59.4 million from \$181.3 million in the comparable 2014 period, as the reduction in net claims on the Government narrowed to \$17.3 million from \$123.3 million a year earlier when net proceeds from its external bond were utilised to repay short-term liabilities. Similarly, the decline in credit to the rest of the public sector tapered to a mere \$0.4 million from \$25.2 million. Private sector credit remained tepid, registering a higher contraction of \$41.7 million relative to \$32.8 million in 2014. The decline in the consumer credit component was extended to \$17.6 million, from \$11.9 million, while commercial loans were relatively flat, following a \$28.6 million expansion a year earlier. In a modest offset, the decrease in mortgages—which comprise 51.3% of the total—moderated to \$24.1 million from \$49.5 million a year ago.

Banks’ credit quality indicators improved over the quarter. Total private sector loan arrears decreased by \$77.2 million (6.0%) to \$1,216.2 million, with the ratio of arrears to total loans moving lower by 1.2 percentage points to 20.3%. The short-term arrears segment narrowed by \$41.4 million (13.1%) to \$273.9 million, and by 66 basis points to 4.6% of total loans. For the non-performing category—arrears in excess

of 90 days and on which banks have stopped accruing interest—the value contracted by \$35.8 million (3.7%) to \$942.4 million, and by 52 basis points to 15.7% of total loans.

A further analysis revealed that the improvement in total arrears was partly owing to a \$40.6 million (5.8%) reduction in the mortgage category, to \$657.7 million, as both the short-term and non-performing segments declined by \$23.0 million (13.3%) and \$17.7 million (3.4%), respectively. In addition, consumer loan delinquencies contracted by \$31.2 million (9.4%), underpinned by decreases of \$20.6 million (20.6%) in the 31-90 day segment and \$10.6 million (4.5%) in non-accrual loans. Meanwhile, the commercial component fell by \$5.4 million (2.1%), reflecting a \$7.6 million (3.5%) falloff in the non-performing category, which negated a \$2.2 million (5.1%) rise in short-term arrears.

Banks reduced their loan loss provisions slightly, by \$0.3 million (0.1%), to \$500.9 million. However, the ratio of total provisions to arrears firmed by 6.3 percentage points to 41.2%, and the corresponding non-performing loan ratio rose by 3.7 percentage points to 53.2%. During the three-month period, banks wrote-off an estimated \$37.6 million in delinquent loans and recovered approximately \$6.2 million.

Over the review period, domestic foreign currency credit edged up by \$1.5 million, vis-à-vis a significant \$141.4 million net repayment in 2014. This was largely explained by a shift in banks' net claims on the Government, to a \$5.1 million increment from a year-earlier decline of \$125.6 million, when bridging financing was repaid. In addition, credit to the rest of the public sector rose by \$14.5 million, vis-à-vis a \$3.2 million reduction in 2014. By contrast, private sector credit receded further by \$18.7 million, extending last year's \$12.3 million falloff, and was attributed to a \$19.8 million decrease in commercial and "other" loans, which outstripped the marginal \$1.0 million gain in mortgages.

Accretions to Bahamian dollar deposits slackened by \$30.1 million to \$29.7 million, as fixed balances contracted by \$73.0 million vis-à-vis a slight gain of \$4.3 million a year earlier. Providing some offset, the build-up in demand and savings deposits accelerated to \$71.1 million and \$31.5 million, from \$40.6 million and \$14.8 million, respectively, last year.

#### **4. Outlook and Policy Implications**

The pace of domestic economic growth is poised to remain steady over the next six months, supported by gains in tourism output and various foreign investment-led construction activity, but will be somewhat below expectations because of the delayed opening of the mega Baha Mar resort development. Generally, the outlook is for gradual improvement in employment conditions, while inflationary pressures should ease, over time, following the initial upward adjustment in prices which accompanied the implementation of the Value Added Tax (VAT) and in the context of softness in global oil prices.

In the fiscal sector, prospects for reducing the deficit and the corresponding debt indicators over the near-term, have improved in the context of the implementation of the new VAT regime, as well as measures geared towards curtailing expenditure growth.

The monetary sector will continue to feature robust levels of liquidity over an extended period, due to the persistent weakness in private sector credit and banks' conservative lending practises in the face of challenging employment conditions and high levels of loan delinquencies. Despite these developments, the banking sector is expected to remain well capitalised, thereby mitigating any financial sector stability concerns. On the external front, continued improvements in real sector activities should provide

opportunities for additional growth in the net international reserves over the near-term to balance the seasonal increase in demand for foreign exchange during the latter half of the year.

Faced with the continuation of the mild economic momentum, the Central Bank will maintain its surveillance of both domestic and international economic conditions to determine whether any change in its neutral monetary policy stance is warranted.

# Recent Monetary and Credit Statistics

(B\$ Millions)

<b>MARCH</b>						
Value		Change		Change YTD		
2014	2015	2014	2015	2014	2015	

## 1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	523.41	488.43	7.03	-66.88	121.69	-4.84
1.2 Excess Liquid Assets	1,224.63	1,210.98	26.26	18.55	139.73	69.09
1.3 External Reserves	946.71	838.55	43.71	27.09	206.94	51.79
1.4 Bank's Net Foreign Assets	-500.69	-398.36	-4.44	5.06	186.32	35.62
1.5 Usable Reserves	436.21	328.14	40.79	52.16	189.85	68.02

## 2.0 DOMESTIC CREDIT

<b>2.1 Private Sector</b>	<b>6,484.02</b>	<b>6,292.57</b>	<b>-14.11</b>	<b>-25.51</b>	<b>-45.17</b>	<b>-60.39</b>
a. B\$ Credit	6,111.79	5,988.18	-11.05	-15.89	-32.84	-41.66
of which: Consumer Credit	2,100.07	2,133.04	-5.66	-9.98	-11.90	-17.62
Mortgages	3,101.41	3,074.93	0.28	-13.05	-49.51	-24.13
Commercial and Other Loans B\$	910.31	780.21	-5.67	7.14	28.58	0.09
b. F/C Credit	372.24	304.39	-3.06	-9.61	-12.33	-18.73
of which: Mortgages	140.05	103.24	-0.83	-0.34	-2.20	1.02
Commercial and Other Loans F/C	232.19	201.15	-2.23	-9.27	-10.14	-19.75
<b>2.2 Central Government (net)</b>	<b>1,712.59</b>	<b>2,019.01</b>	<b>-7.53</b>	<b>-4.47</b>	<b>-248.87</b>	<b>-12.25</b>
a. B\$ Loans & Securities	1,898.23	2,260.75	-1.97	-3.05	-125.94	-12.23
Less Deposits	183.39	239.66	4.54	1.20	-2.65	5.11
b. F/C Loans & Securities	0.00	0.00	0.00	-0.21	-125.00	0.00
Less Deposits	2.26	2.08	1.02	0.01	0.58	-5.09
<b>2.3 Rest of Public Sector</b>	<b>372.05</b>	<b>334.94</b>	<b>2.58</b>	<b>12.66</b>	<b>-28.35</b>	<b>14.17</b>
a. B\$ Credit	101.40	96.88	3.17	-4.14	-25.18	-0.35
b. F/C Credit	270.65	238.07	-0.59	16.79	-3.17	14.52
<b>2.4 Total Domestic Credit</b>	<b>8,569.51</b>	<b>8,647.16</b>	<b>-20.23</b>	<b>-16.89</b>	<b>-322.74</b>	<b>-57.87</b>
a. B\$ Domestic Credit	7,928.03	8,106.15	-14.39	-24.28	-181.31	-59.35
b. F/C Domestic Credit	641.48	541.01	-5.84	7.38	-141.43	1.47

## 3.0 DEPOSIT BASE

3.1 Demand Deposits	1,475.36	1,850.00	26.50	28.49	40.64	71.13
a. Central Bank	13.36	15.22	1.40	1.78	4.95	-8.34
b. Banks	1,462.00	1,834.78	25.10	26.70	35.69	79.47
3.2 Savings Deposits	1,126.07	1,099.36	-3.00	-1.94	14.78	31.54
3.3 Fixed Deposits	3,323.07	3,066.06	8.52	-24.82	4.30	-73.02
3.4 Total B\$ Deposits	5,924.50	6,015.42	32.01	1.73	59.72	29.65
3.5 F/C Deposits of Residents	275.07	273.90	-9.58	10.30	24.09	31.85
<b>3.6 M2</b>	<b>6,125.84</b>	<b>6,244.22</b>	<b>31.85</b>	<b>18.17</b>	<b>48.17</b>	<b>27.03</b>
<b>3.7 External Reserves/M2 (%)</b>	<b>15.45</b>	<b>13.43</b>	<b>0.64</b>	<b>0.40</b>	<b>3.28</b>	<b>0.77</b>
<b>3.8 Reserves/Base Money (%)</b>	<b>96.86</b>	<b>85.97</b>	<b>3.64</b>	<b>6.73</b>	<b>16.88</b>	<b>5.78</b>
<b>3.9 External Reserves/Demand Liabilities (%)</b>	<b>92.72</b>	<b>82.14</b>	<b>3.77</b>	<b>6.38</b>	<b>17.76</b>	<b>7.45</b>
	Value		Year to Date		Change	
	2014	2015	2014	2015	Month	YTD

## 4.0 FOREIGN EXCHANGE TRANSACTIONS

<b>4.1 Central Bank Net Purchase/(Sale)</b>	<b>40.95</b>	<b>25.06</b>	<b>203.06</b>	<b>51.29</b>	<b>-15.89</b>	<b>-151.76</b>
a. Net Purchase/(Sale) from/to Banks	83.63	64.63	128.64	133.03	-19.00	4.39
i. Sales to Banks	0.00	4.30	26.90	19.10	4.30	-7.80
ii. Purchases from Banks	83.63	68.93	155.54	152.13	-14.70	-3.41
b. Net Purchase/(Sale) from/to Others	-42.67	-39.57	74.42	-81.74	3.11	-156.16
i. Sales to Others	76.53	67.49	304.97	209.63	-9.04	-95.35
ii. Purchases from Others	33.86	27.92	379.39	127.89	-5.94	-251.50
<b>4.2 Banks Net Purchase/(Sale)</b>	<b>80.81</b>	<b>66.34</b>	<b>139.41</b>	<b>132.16</b>	<b>-14.47</b>	<b>-7.25</b>
a. Sales to Customers	337.76	420.42	878.01	1,040.21	82.66	162.21
b. Purchases from Customers	418.57	486.76	1,017.41	1,172.37	68.19	154.96
<b>4.3 B\$ Position (change)</b>	<b>-19.59</b>	<b>-24.35</b>				

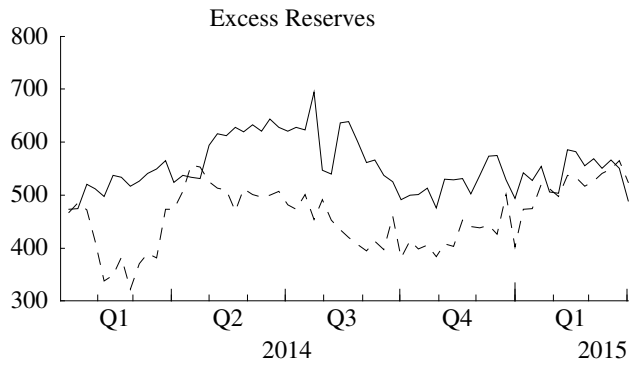
## 5.0 EXCHANGE CONTROL SALES

<b>5.1 Current Items</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
<b>of which Public Sector</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
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
<b>5.2 Capital Items</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
<b>of which Public Sector</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
<b>5.3 Bank Remittances</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>

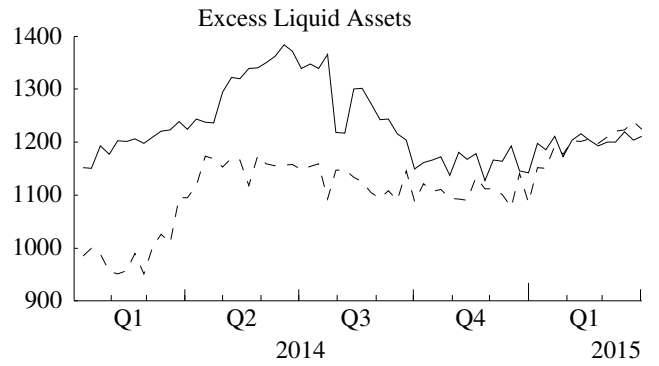


# SELECTED MONEY AND CREDIT INDICATORS

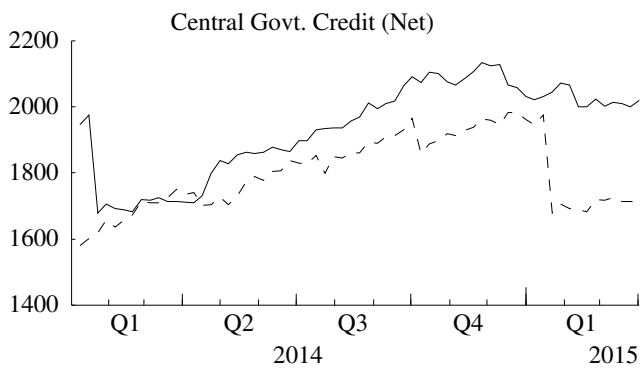
(B\$ Millions)



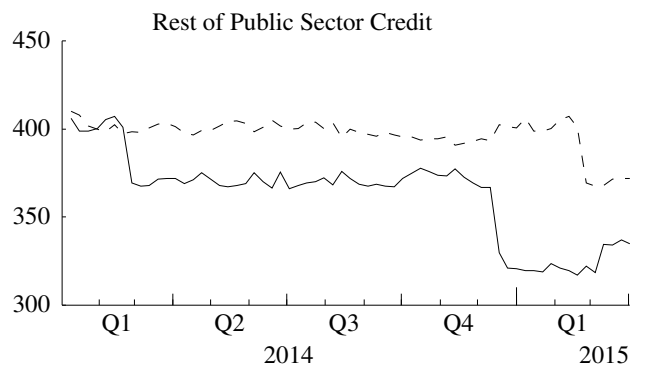
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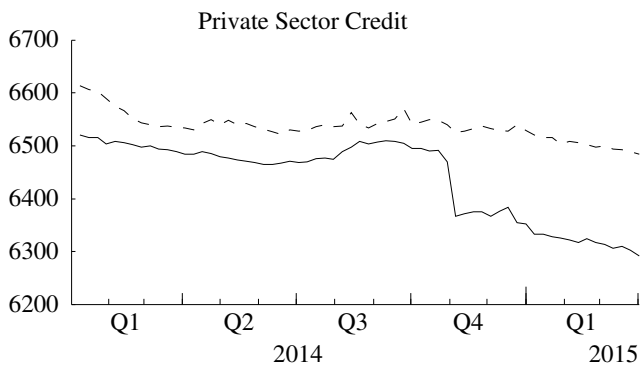
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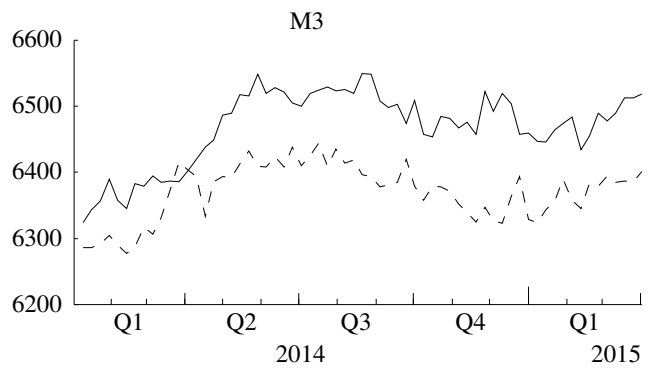
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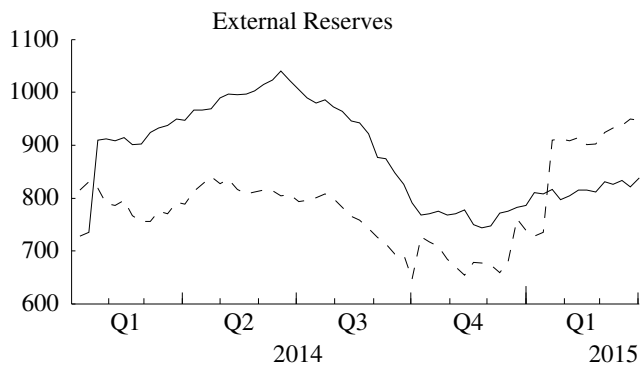
— 2015  
- - - 2014



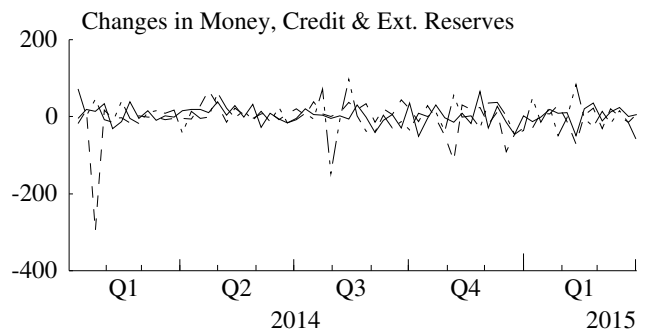
— 2015  
- - - 2014



— 2015  
- - - 2014



— 2015  
- - - 2014



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

## Selected International Statistics

<b>A: Selected Macroeconomic Projections</b> (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2014	2015	2014	2015	2014	2015
Bahamas	1.3	2.3	1.2	2.3	14.3	N/A
United States	2.4	3.1	1.6	0.1	6.2	5.5
Euro-Area	0.9	1.5	0.4	0.1	11.6	11.1
<i>Germany</i>	<i>1.6</i>	<i>1.6</i>	<i>0.8</i>	<i>0.2</i>	<i>5.0</i>	<i>4.9</i>
Japan	-0.1	1.0	2.7	1.0	3.6	3.7
China	7.4	6.8	2.0	1.2	4.1	4.1
United Kingdom	2.6	2.7	1.5	0.1	6.2	5.4
Canada	2.5	2.2	1.9	0.9	6.9	7.0
<i>Source: IMF World Economic Outlook April 2015, Department of Statistics</i>						

<b>B: Official Interest Rates – Selected Countries (%)</b>					
<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
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
March 2015	4.50	0.05	0.75	0-0.25	0.50

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
Currency	Mar-14	Feb-15	Mar-15	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7262	0.8932	0.9319	4.33	12.74	28.32
Yen	103.23	119.61	120.12	0.43	0.37	16.36
Pound	0.6002	0.6478	0.6749	4.18	5.13	12.44
Canadian \$	1.1050	1.2516	1.2686	1.36	9.18	14.81
Swiss Franc	0.8851	0.9542	0.9726	1.93	-2.19	9.89
Renminbi	6.2181	6.2671	6.1999	-1.07	-0.09	-0.29

*Source: Bloomberg as of March 31, 2015*

<b>D. Selected Commodity Prices (\$)</b>					
Commodity	March 2014	February 2015	March 2015	Mthly % Change	YTD % Change
Gold / Ounce	1284.01	1213.22	1183.68	-2.43	-0.06
Silver / Ounce	19.77	16.60	16.66	0.37	6.05
Oil / Barrel	108.02	61.14	55.60	-9.06	-3.02

*Source: Bloomberg as of March 31, 2015*

<b>E. Equity Market Valuations – March 31, 2015 (% chg)</b>								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.44	-1.97	-1.74	-2.50	1.66	4.95	2.18	13.22
3 month	0.88	-0.26	0.44	3.15	17.81	22.03	10.06	15.87
YTD	0.88	-0.26	0.44	3.15	17.81	22.03	10.06	15.87
12-month	10.55	8.01	11.32	2.65	14.62	25.22	29.53	84.33

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	USD	GBP	EUR
<b>o/n</b>	0.19	0.50	-0.08
<b>1 Month</b>	0.21	0.50	-0.01
<b>3 Month</b>	0.39	0.55	-0.02
<b>6 Month</b>	0.59	0.79	0.04
<b>9 Month</b>	0.75	0.86	0.09
<b>1 year</b>	0.72	1.01	0.15

*Source: Bloomberg as of March 31, 2015*

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

	VALUE										CHANGE									
	Feb. 04	Feb. 11	Feb. 18	Feb. 25	Mar. 04	Mar. 11	Mar. 18	Mar. 25	Feb. 04	Feb. 11	Feb. 18	Feb. 25	Mar. 04	Mar. 11	Mar. 18	Mar. 25				
<b>I. External Reserves</b>	804.51	816.00	815.47	811.46	830.57	825.77	833.17	821.95	7.78	11.49	-0.53	-4.00	19.10	-4.80	7.41	-11.22				
<b>II. Net Domestic Assets (A + B + C + D)</b>	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND				
<b>A. Net Credit to Gov't (i + ii + iii - iv)</b>	482.12	548.44	541.50	527.63	526.27	508.12	507.90	508.03	-24.51	66.32	-6.94	-13.87	-1.36	-18.15	-0.22	0.13				
i) Advances	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				
ii) Registered Stock	296.48	296.16	271.05	270.97	270.66	270.52	270.49	270.22	-0.31	-0.31	-25.12	-0.07	-0.31	-0.14	-0.04	-0.27				
iii) Treasury Bills	99.58	169.48	169.48	153.48	153.48	133.51	133.51	133.51	-19.97	69.90	0.00	-16.00	0.00	-19.97	0.00	0.00				
iv) Deposits	48.58	51.86	33.68	31.48	32.52	30.56	30.75	30.35	4.23	3.27	-18.17	-2.20	1.04	-1.96	0.18	-0.40				
<b>B. Rest of Public Sector (Net) (i + ii - iii)</b>	-14.11	-15.86	-10.90	-9.29	-10.68	-14.67	-5.91	-4.75	1.43	-1.75	4.96	1.62	-1.39	-3.99	8.76	1.16				
i) BDB Loans	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				
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				
iii) Deposits	18.26	20.01	15.05	13.44	14.83	18.82	10.06	8.90	-1.43	1.75	-4.96	-1.62	1.39	3.99	-8.76	-1.16				
<b>C. Loans to/Deposits with Banks</b>	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				
<b>D. Other Items (Net)*</b>	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND				
<b>III. Monetary Base</b>	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND				
A. Currency in Circulation	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND				
B. Bank Balances with CBOB	636.23	716.22	711.41	700.53	702.96	678.10	694.59	681.75	-16.53	79.98	-4.81	-10.88	2.43	-24.86	16.50	-12.84				

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

# FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current month from previous month)

	2013/2014		2014/2015		YEAR TO DATE	
	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015
798.9	1.39%	829.8	3.87%			
324.2	-5.49%	330.2	1.85%			
914.9	2.44%	967.9	5.79%			
86.8	-37.48%	106.0	22.15%			
-242.0	-23.69%	-280.5	20.07%			

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		
	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	
112.7	8.1%	117.8	-3.9%	104.1	-7.0%	88.5	-15.08%	104.2	10.21%	105.8	19.64%	120.3	15.44%	103.8	-1.90%	108.5	-25.57%	143.9	143.9	158.7	78.40%	137.4	-6.25%	143.9	-9.02%
44.0	-0.3%	48.4	4.0%	48.7	12.9%	42.0	-15.42%	47.8	1.85%	45.7	8.65%	47.8	0.15%	49.0	7.38%	47.8	-0.11%	32.5	32.5	59.1	23.75%	46.0	-3.59%	32.5	-45.07%
122.9	-1.91%	131.9	7.40%	112.9	-8.2%	128.3	10.71%	126.8	-1.21%	145.3	16.25%	147.7	16.50%	128.8	-11.33%	152.3	3.11%	158.4	158.4	122.5	-19.58%	150.9	16.88%	158.4	29.29%
4.5	-90.6%	9.8	4.0%	16.8	73.5%	21.5	27.8%	29.0	35.01%	17.6	-98.57%	10.0	-65.58%	8.9	-9.1%	9.3	0.4%	12.2	12.2	14.2	55.47%	10.4	-47.05%	12.2	-14.31%
-15.7	-84.5%	-25.1	-61.8%	-28.2	-78.9%	-62.3	-78.9%	-63.6	-78.9%	-62.8	18.73%	-46.0	-27.61%	-42.2	-32.72%	-78.8	-71.28%	-32.8	-32.8	18.1	-122.93%	-32.8	349.47%	-32.8	-281.56%

	2014		2015		
	2014	2015	2014	2015	
5,008.2	0.3%	5,661.9	1.1%	5,023.1	0.0%
1,487.5	23.2%	1,597.3	0.5%	1,492.4	0.1%
0.0	0.0%	0.0	0.0%	0.0	0.0%
3,520.7	-4.1%	4,064.7	1.4%	3,530.7	0.0%
275.4	425.6%	15.4	545.2%	1.1	-89.2%

	2014		2015		
	2014	2015	2014	2015	
5,008.2	0.3%	5,661.9	1.1%	5,023.1	0.0%
1,487.5	23.2%	1,597.3	0.5%	1,492.4	0.1%
0.0	0.0%	0.0	0.0%	0.0	0.0%
3,520.7	-4.1%	4,064.7	1.4%	3,530.7	0.0%
275.4	425.6%	15.4	545.2%	1.1	-89.2%

	2014		2015		
	2014	2015	2014	2015	
2,311.0	8.0%	2,425.6	0.2%	2,319.2	0.0%
107.3	0.75%	109.7	2.74%	107.3	0.0%

	2014		2015		
	2014	2015	2014	2015	
2,311.0	8.0%	2,425.6	0.2%	2,319.2	0.0%
107.3	0.75%	109.7	2.74%	107.3	0.0%

	2014		2015		
	2014	2015	2014	2015	
107.3	0.75%	109.7	2.74%	107.3	0.0%

\* Includes Not Listed to Public Corporations  
 \*\* Data figures pertain to central government only unless otherwise indicated  
 p - provisional