

Monthly Economic and Financial Developments December 2004

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:

2005: February 28th, April 4th, May 2nd, May 30th, July 4th, August 2nd, August 29th, October 3rd, October 31st, November 28th

1. Domestic Developments

Compared to 2003, monthly economic activity firmed modestly during December, with further strengthening in private consumption expenditures supported by a comparative upturn in consumer lending, and robust construction activity upheld by significant reinsurance inflows and firmer growth in residential mortgages. Indications are that monthly tourism inflows were unchanged to marginally lower however, as visitor arrivals declined. Nevertheless, the respective stopover and cruise weakness in Grand Bahama and the Family Islands overstated projected expenditure losses, given the arrivals gains for New Providence where average spending per visitor is higher. In the monetary sector, the public sector's net financing needs contributed to a sizeable decrease in bank liquidity during the month. However, reduced private sector foreign currency demand softened the seasonal decline in external reserves.

For the year 2004, economic growth strengthened in comparison to 2003, led by further expansion in tourism output, accelerated credit support for private sector consumption and housing investments and, accompanied during the last three months of the year by added construction stimulus from re-insurance inflows and the rebuilding efforts following Hurricanes Frances and Jeanne. As regard tourism, official estimates indicate that growth in visitor arrivals firmed to 8.9% during 2004, from 4.3% in 2003, with sea traffic improved by 12.3% compared to 5.4% during the previous year and air arrivals gains almost steadied at 1.5% compared to 1.9% in 2003. Among the major destinations, New Providence experienced improvements in both stopover and cruise business and the Family Islands registered a strong uptrend, concentrated in stopover activity. In Grand Bahama however, despite a robust acceleration in sea arrivals growth (38.5%), the 10.5% reduction in air traffic resulted in a projected decrease in total visitor expenditures on the island.

As to the economic outlook, conditions in the United States and other major economies remain supportive of tourism expenditure growth in 2005; albeit, with Grand Bahama's participation not expected to be at full force before the middle of the year. Expectations are that foreign investment inflows will be significantly elevated in 2005, adding to construction sector stimulus and, alongside tourism, supporting robust growth in banking sector deposits. While the revenue fallout and infrastructure repair needs generated by the hurricanes stalled the consolidating trend in the Government's deficit during the first four months of FY2004/05, the healthy prospects for the economy increase the scope for improvement during 2005.

2. International Developments

Led, by the United States, major industrial countries continued to experience improvements in their economies during the last quarter of 2004, despite persistent inflationary pressures from high energy costs. Preliminary estimates are that the United States' economy experienced broad based, non-inflationary growth of 4.1% in 2004, the best showing in four years, aided by the rebounded momentum during the second half of the year. Upholding this trend, the Federal Reserve's latest Beige Book Report (January 19th) suggested that the economy expanded faster during the late-November 2004 to early-January 2005 period, than during the lead-in October–November period. In addition to gains in household spending, tourism, manufacturing and construction, the Report noted that businesses in most of the 12 Federal Reserve districts planned to increase capital investments during 2005.

With the latest increase occurring in December, the Fed tightened interest rates on five occasions during 2004, by a total of 125 basis points, in an effort to ward off inflation pressures. At year's end the Fed viewed the upside and downside risks to US growth and inflation as being in balance and not warranting an adjustment in the pace of its monetary tightening. At the same time the Fed still considered its overall policy stance to be accommodative, in the view of the cumulative easing which occurred during 2001 to 2003.

Meanwhile, oil prices, which continued to inflate the cost of travel and depress the financial performance of major US airline companies, softened during December. In response, however, OPEC members signalled that surplus daily crude production would be reduced.

In financial market developments, the United States' interest rate tightening did not halt the slide in the value of dollar against other major currencies during 2004, as pressure from the record current account and fiscal deficits persisted. Meanwhile, investor optimism, which underpinned a fourth quarter rally in equity prices, softened the cumulative losses on most major bourses in 2004, and precious metals prices further appreciated during 2004, maintaining significant attractiveness as hedge investments.

3. Recent Monetary and Credit Trends (December 2004)

Money and credit trends during December 2004 featured stronger growth in Bahamian dollar deposits relative to Bahamian dollar credit. Nevertheless, external reserves decreased marginally, and a marked reduction occurred in bank liquidity, associated with commercial bank advances to Government. On a 12-month basis, more robust expansion in the monetary and credit aggregates occurred during 2004, but with a larger increase in Bahamian dollar deposits as compared to Bahamian dollar credit. This contributed to a healthier build-up in external reserves and bank liquidity.

December 2004 vs. 2003

During December, excess reserves of the banking system decreased by \$42.4 million to \$291.4 million, contrasting with marginal growth to \$168.4 million in 2003. Banks' excess liquid assets also weakened by \$46.9 million to \$224.4 million, from a modest advance to \$137.0 million the previous year.

Amid lower private sector foreign currency demand, the December-month reduction in external reserves narrowed to \$2.4 million from \$23.8 million in 2003, as the Central Bank's net foreign currency sales decreased to \$3.5 million from \$25.0 million in 2003. In particular, transactions with commercial banks resulted in a net purchase of \$6.7 million as opposed to net sales of \$22.0 million in 2003, and offset increased net sales to the public sector, of \$10.1 million. Meanwhile, commercial banks reported net foreign currency purchases of \$16.8 million from customers, contrasting with net sales of \$21.1 million in 2003, after total sales decreased by 17.0%, outweighing a 1.7% reduction in purchases. Exchange Control data indicated that lower foreign currency sales during the month, partly corresponded to decreased outflows for oil imports and factor income remittances.

Bahamian dollar credit expansion strengthened to \$89.3 million from \$56.1 million in 2003, led by the accelerated rise in net claims on Government, of \$64.9 million, as compared to \$22.9 million

last year. Private sector credit growth was slightly lower at \$17.0 million, featuring however, a seasonal upturn in consumer credit and accelerated mortgages growth, in contrast to an estimated decrease in claims on business activities. Growth in credit to the rest of the public sector was nearly halved to \$7.4 million.

Domestic foreign currency credit fell by \$11.8 million, contrasting with growth of \$107.0 million last year. Claims on the public corporations contracted by \$0.7 million, after increasing by \$127.5 million in 2003 mainly in response to domestic banks' refinancing of BEC's external loans (\$125 million). Meanwhile, marginal reduction in net credit to Government continued at \$2.4 million, while the decline in claims on the private sector was nearly halved to \$8.7 million.

Bahamian dollar deposit base growth more than doubled to \$98.6 million during the month. Demand and fixed deposits gains strengthened to \$73.8 million and \$19.0 million respectively, from \$42.1 million and \$13.2 million last year. Also savings balances increased by \$5.7 million, partly reversing a reduction of \$6.9 million in 2003.

In interest rate developments, the weighted average deposit rate at banks was approximately stable at 3.75%, with the highest rate offered at 5.75% for fixed maturities of over 6 months. The weighted average loan rate eased by 48 basis points to 10.53%.

January – December 2004

During 2004, the increase in excess reserves of the banking system was nearly six fold greater at \$123.0 million and gains in excess liquid assets more than doubled to \$87.4 million.

Annual growth in external reserves strengthened to \$182.6 million (37.9%) from \$110.0 million (29.6%) in 2003. In support of this, the Central Bank's net foreign currency purchases increased by 68.8% to \$162.3 million, with the net intake from banks more than three-fold higher at \$120.5 million, and offsetting the increased outflows via the public sector of \$54.3 million. Commercial banks net foreign currency purchases from customers rose by 37.5% to \$294.4 million, as the 8.3% rise in sales to \$2.46 billion was outpaced by a 10.8% advance in purchases to \$2.75 billion. According to Exchange Control data, total foreign currency sales to the public and private sectors increased by 4.2% during the year, mainly associated with higher payments for non-oil imports (9.0%), travel (3.3%) and transfers (21.1%). These contrasted with decreased outflows for oil imports (2.7%) and factor income payments (12.5%).

During 2004, Bahamian dollar credit growth accelerated to \$300.8 million from \$116.6 million in 2003. Private sector credit advanced by \$249.3 million, exceeding growth of \$102.4 million in 2003, with expansion in mortgages doubled to \$203.9 million and consumer credit rebounding by \$100.2 million. Net credit to Government rose by \$54.9 million, following 2003's reduction of \$4.3 million, while credit to the rest of the public sector decreased by \$3.4 million, after growth of \$18.5 million the previous year.

Contraction in domestic foreign currency credit moderated to \$28.5 million from \$106.2 million in the 2003. The \$21.9 million net repayment by the public corporations contrasted with an expansion of \$125.1 million last year, mainly attributed to BEC's inward refinancing of external debt. Reduction in net claims on Government narrowed to \$10.8 million from \$135.4 million which, conversely, reflected external refinancing of debt owed to domestic banks. Meanwhile, claims on

the private sector rose by \$4.2 million, following the \$95.8 million net repayment of mainly Grand Bahama industrial sector facilities in 2003.

Bahamian dollar deposit base growth was broadly accelerated to \$426.5 million from \$166.0 million in 2003. In particular, demand deposits growth quickened to \$220.7 million from \$90.1 million; savings, to \$103.0 million from \$47.8 million and fixed balances, to \$102.8 million from \$28.1 million.

4. Outlook

The economy's growth momentum is expected to increase in 2005, with more inflows projected from foreign investments and tourism, and the external sector correspondingly more supportive of expansionary domestic credit conditions. However, despite stimuli from the weak dollar and healthy US outlook, some downside risks remain for tourism, amid lingering geopolitical tensions and high fuel costs which pose some challenges for the US airline industry. Although delayed initiation could dampen the contribution of major foreign investments in 2005, these are still expected to provide significant medium term stimulus, particularly for tourism. The momentum from domestic construction expenditures is expected to increase, as mortgage lending progresses at a robust pace and hurricane rebuilding efforts peak. Conditions should, therefore, remain supportive of an improvement in the public sector's finances.

Recent Monetary and Credit Statistics

(B\$ Millions)

| DECEMBER | | | | | |
|-----------------|-------------|---------------|-------------|-------------------|-------------|
| Value | | Change | | Change YTD | |
| 2003 | 2004 | 2003 | 2004 | 2003 | 2004 |

1.0 LIQUIDITY & FOREIGN ASSETS

| | | | | | | |
|-------------------------------|---------|---------|---------|--------|--------|--------|
| 1.1 Excess Reserves | 168.37 | 291.39 | 6.11 | -42.41 | 21.15 | 123.02 |
| 1.2 Excess Liquid Assets | 137.03 | 226.37 | 9.83 | -44.93 | 40.33 | 89.34 |
| 1.3 External Reserves | 482.10 | 664.65 | -23.80 | -2.36 | 110.04 | 182.55 |
| 1.4 Bank's Net Foreign Assets | -586.46 | -559.75 | -128.22 | 20.01 | 133.73 | 26.71 |
| 1.5 Usable Reserves | 227.12 | 299.54 | -27.53 | 0.23 | 90.25 | 72.42 |

2.0 DOMESTIC CREDIT

| | | | | | | |
|-------------------------------------|-----------------|-----------------|---------------|--------------|----------------|---------------|
| 2.1 Private Sector | 4,071.49 | 4,324.92 | 1.22 | 8.27 | 6.59 | 253.43 |
| a. B\$ Credit | 3,699.89 | 3,949.15 | 19.55 | 16.97 | 102.41 | 249.26 |
| of which: Consumer Credit | 1,380.30 | 1,480.47 | -13.01 | 18.14 | -55.09 | 100.17 |
| Mortgages | 1,432.83 | 1,636.71 | 5.46 | 24.05 | 100.96 | 203.88 |
| b. F/C Credit | 371.60 | 375.77 | -18.33 | -8.70 | -95.82 | 4.17 |
| of which: Mortgages | 10.65 | 11.77 | 0.12 | -1.24 | 1.14 | 1.12 |
| 2.2 Central Government (net) | 508.60 | 552.68 | 20.76 | 62.57 | -139.74 | 44.09 |
| a. B\$ Loans & Securities | 601.01 | 653.11 | 31.54 | 41.93 | 7.35 | 52.09 |
| Less Deposits | 97.23 | 94.43 | 8.63 | -22.99 | 11.67 | -2.80 |
| b. F/C Loans & Securities | 8.01 | 0.00 | 0.00 | 0.00 | -133.07 | -8.01 |
| Less Deposits | 3.20 | 6.00 | 2.14 | 2.35 | 2.35 | 2.80 |
| 2.3 Rest of Public Sector | 368.77 | 343.53 | 141.12 | 6.71 | 143.55 | -25.23 |
| a. B\$ Credit | 118.83 | 115.46 | 13.62 | 7.43 | 18.48 | -3.37 |
| b. F/C Credit | 249.94 | 228.07 | 127.50 | -0.72 | 125.07 | -21.87 |
| 2.4 Total Domestic Credit | 4,948.85 | 5,221.13 | 163.11 | 77.55 | 10.40 | 272.28 |
| a. B\$ Domestic Credit | 4,322.50 | 4,623.29 | 56.08 | 89.32 | 116.57 | 300.79 |
| b. F/C Domestic Credit | 626.35 | 597.85 | 107.03 | -11.77 | -106.17 | -28.51 |

3.0 DEPOSIT BASE

| | | | | | | |
|---------------------------------|-----------------|-----------------|---------------------|---------------|---------------|---------------|
| 3.1 Demand Deposits | 740.02 | 960.75 | 42.12 | 73.80 | 90.14 | 220.73 |
| a. Central Bank | 19.39 | 82.38 | -5.76 | 35.18 | 11.54 | 62.99 |
| b. Banks | 720.63 | 878.36 | 47.88 | 38.62 | 78.61 | 157.73 |
| 3.2 Savings Deposits | 678.43 | 781.38 | -6.92 | 5.74 | 47.78 | 102.95 |
| 3.3 Fixed Deposits | 2,309.64 | 2,412.43 | 13.19 | 19.01 | 28.11 | 102.78 |
| 3.4 Total B\$ Deposits | 3,728.09 | 4,154.55 | 48.38 | 98.55 | 166.03 | 426.46 |
| 3.5 F/C Deposits of Residents | 97.75 | 116.04 | 1.40 | -6.33 | 6.42 | 18.29 |
| 3.6 M2 | 3,888.38 | 4,335.99 | 54.04 | 103.02 | 171.43 | 447.62 |
| 3.7 External Reserves/M2 | 12.40 | 15.33 | -0.80 | -0.43 | 2.39 | 2.93 |
| | Value | | Year to Date | | Change | |
| | 2003 | 2004 | 2003 | 2004 | Month | YTD |

4.0 FOREIGN EXCHANGE TRANSACTIONS

| | | | | | | |
|---|---------------|--------------|---------------|---------------|--------------|--------------|
| 4.1 Central Bank Net Purchase/(Sale) | -24.95 | -3.46 | 96.11 | 162.27 | 21.49 | 66.16 |
| a. Net Purchase/(Sale) from/to Banks | -21.99 | 6.66 | 188.45 | 308.91 | 28.65 | 120.45 |
| i. Sales to Banks | 64.14 | 31.43 | 369.29 | 341.12 | -32.70 | -28.17 |
| ii. Purchases from Banks | 42.15 | 38.09 | 557.74 | 650.02 | -4.06 | 92.28 |
| b. Net Purchase/(Sale) from/to Others | -2.96 | -10.12 | -92.34 | -146.64 | -7.16 | -54.29 |
| i. Sales to Others | 26.60 | 21.06 | 414.58 | 286.28 | -5.54 | -128.30 |
| ii. Purchases from Others | 23.64 | 10.94 | 322.23 | 139.65 | -12.70 | -182.59 |
| 4.2 Banks Net Purchase/(Sale) | -21.14 | 16.76 | 214.18 | 294.42 | 37.90 | 80.24 |
| a. Sales to Customers | 245.71 | 203.92 | 2,266.83 | 2,455.75 | -41.79 | 188.92 |
| b. Purchases from Customers | 224.57 | 220.68 | 2,481.01 | 2,750.18 | -3.89 | 269.16 |
| 4.3 B\$ Position (change) | -8.31 | -4.91 | | | | |

5.0 EXCHANGE CONTROL SALES

| | | | | | | |
|-----------------------------|---------------|---------------|-----------------|-----------------|--------------|----------------|
| 5.1 Current Items | 229.75 | 224.51 | 2,249.66 | 2,345.25 | -5.24 | 95.58 |
| of which Public Sector | 26.67 | 24.65 | 246.00 | 279.78 | -2.01 | 33.77 |
| a. Nonoil Imports | 104.66 | 107.44 | 1,052.14 | 1,147.22 | 2.78 | 95.09 |
| b. Oil Imports | 17.17 | 14.65 | 208.97 | 203.40 | -2.52 | -5.57 |
| c. Travel | 25.48 | 27.10 | 211.74 | 218.78 | 1.62 | 7.05 |
| d. Factor Income | 10.14 | 4.35 | 129.91 | 113.66 | -5.79 | -16.26 |
| e. Transfers | 8.68 | 8.87 | 55.53 | 67.27 | 0.19 | 11.74 |
| f. Other Current Items | 63.63 | 62.11 | 591.37 | 594.91 | -1.52 | 3.54 |
| 5.2 Capital Items | 7.83 | 9.88 | 269.89 | 149.09 | 2.05 | -120.79 |
| of which Public Sector | 5.15 | 2.85 | 186.78 | 43.51 | -2.30 | -143.28 |
| 5.3 Bank Remittances | 0.02 | 0.00 | 43.72 | 73.79 | -0.02 | 30.07 |

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: DECEMBER 31, 2003 and DECEMBER 29, 2004

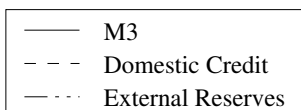
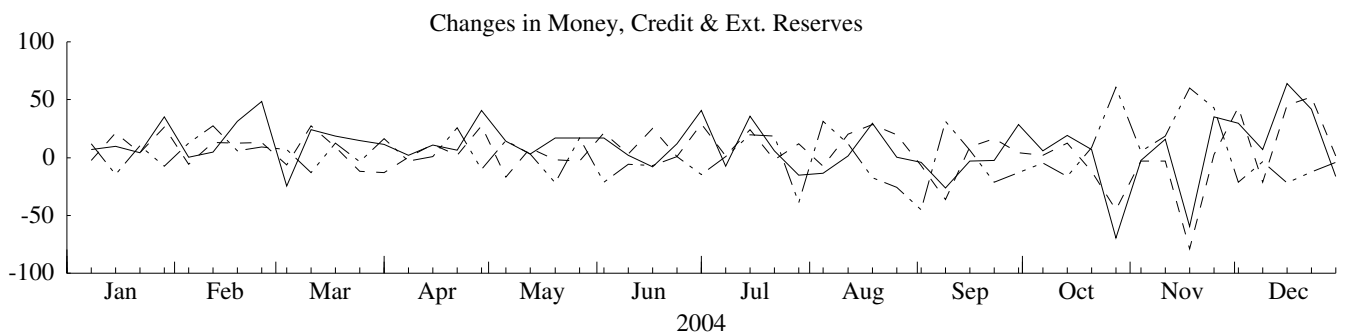
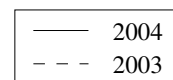
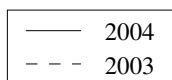
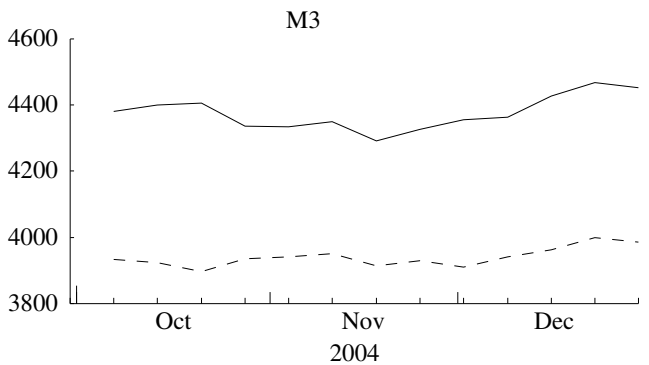
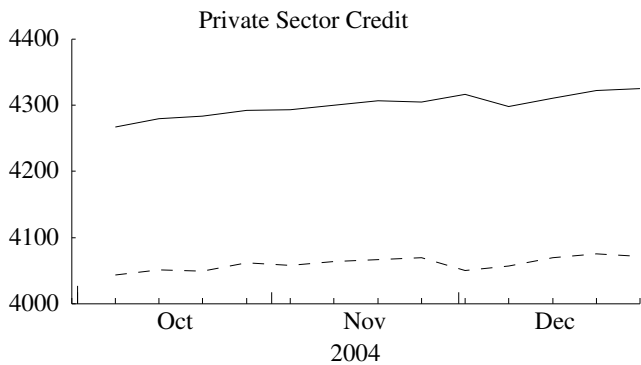
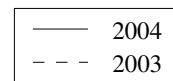
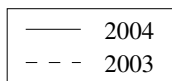
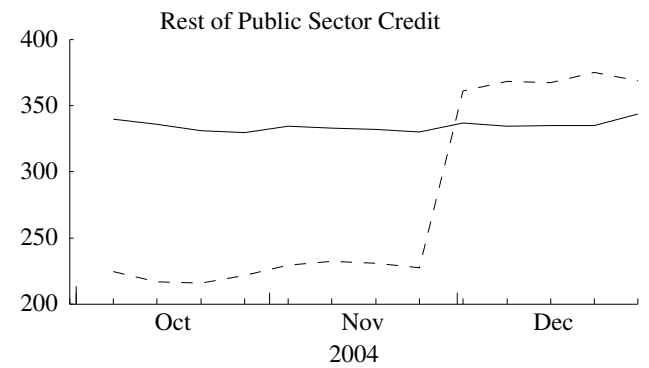
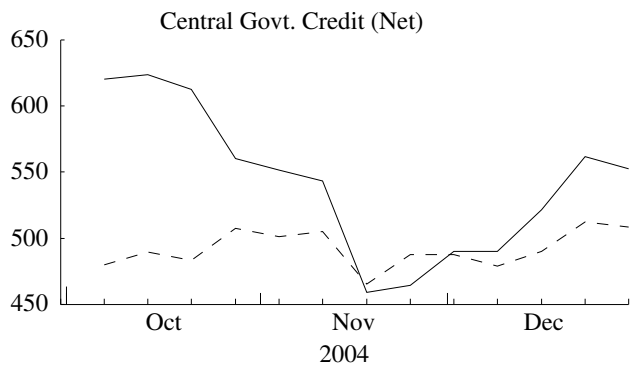
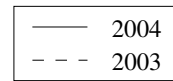
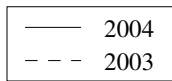
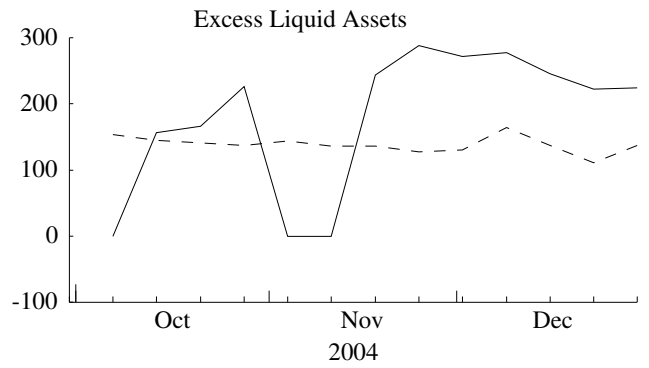
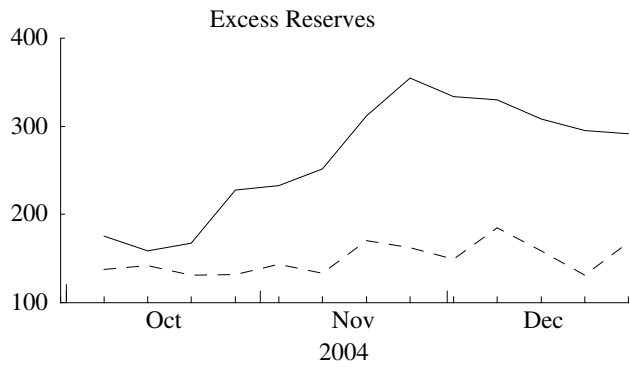
Exchange Control Sales figures are as at month end.

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)



Selected International Statistics

| A: Selected Macroeconomic Projections (Annual % Change and % of Labour force) | | | | | | |
|---|----------|------|-----------------|------|--------------|------|
| | Real GDP | | Inflations Rate | | Unemployment | |
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Bahamas | 3.0 | 3.5 | 2.5 | 2.0 | n/a | n/a |
| United States | 4.3 | 3.5 | 2.4 | 2.6 | 5.5 | 5.4 |
| Euro-Area | 2.2 | 2.2 | 2.0 | 2.0 | 9.0 | 8.7 |
| <i>Germany</i> | 2.0 | 1.8 | 1.1 | 1.2 | 9.7 | 9.5 |
| Japan | 4.4 | 2.3 | -2.5 | -1.3 | 4.7 | 4.5 |
| United Kingdom | 3.4 | 2.5 | 2.7 | 2.9 | 4.8 | 4.8 |
| Canada | 2.9 | 3.1 | 3.0 | 2.2 | 7.2 | 6.8 |

Source: IMF World Economic Outlook, September 2004

| B: Official Interest Rates - Selected Countries (%) | | | | | |
|--|-----------|------------------|----------------------|-------------------|-----------------|
| <i>With effect</i> | CBOB | ECB (EU) | Federal Reserve (US) | | Bank of England |
| | Bank Rate | Refinancing Rate | Primary Credit Rate | Target Funds Rate | Repo Rate |
| <i>from</i> | | | | | |
| <i>December 2002</i> | 5.75 | 2.75 | ** | 1.25 | 4.00 |
| August 2003 | 5.75 | 2.00 | 2.00 | 1.00 | 3.50 |
| September 2003 | 5.75 | 2.00 | 2.00 | 1.00 | 3.50 |
| October 2003 | 5.75 | 2.00 | 2.00 | 1.00 | 3.75 |
| November 2003 | 5.75 | 2.00 | 2.00 | 1.00 | 3.75 |
| <i>December 2003</i> | 5.75 | 2.00 | 2.00 | 1.00 | 3.75 |
| January 2004 | 5.75 | 2.00 | 2.00 | 1.00 | 4.00 |
| February 2004 | 5.75 | 2.00 | 2.00 | 1.00 | 4.00 |
| March 2004 | 5.75 | 2.00 | 2.00 | 1.00 | 4.00 |
| April 2004 | 5.75 | 2.00 | 2.00 | 1.00 | 4.25 |
| May 2004 | 5.75 | 2.00 | 2.00 | 1.00 | 4.50 |
| June 2004 | 5.75 | 2.00 | 2.25 | 1.25 | 4.50 |
| July 2004 | 5.75 | 2.00 | 2.25 | 1.25 | 4.75 |
| August 2004 | 5.75 | 2.00 | 2.50 | 1.50 | 4.75 |
| September 2004 | 5.75 | 2.00 | 2.75 | 1.75 | 4.75 |
| October 2004 | 5.75 | 2.00 | 2.75 | 1.75 | 4.75 |
| November 2004 | 5.75 | 2.00 | 3.00 | 2.00 | 4.75 |
| December 2004 | 5.75 | 2.00 | 3.25 | 2.25 | 4.75 |

Note: ** The Us Federal Reserve established primary and secondary credit rates on January 6 2003, and ceased use of the discount rate.

Selected International Statistics

| C. Selected Currencies (Per United States Dollars) | | | | | |
|---|----------------------|----------------------|----------------------|---------------------------|-------------------------|
| Currency | December 2003 | November 2004 | December 2004 | Mthly % Change | YTD % Change |
| Euro | 0.7940 | 0.7531 | 0.7378 | -2.03 | -7.82 |
| Yen | 107.22 | 103.07 | 102.63 | -0.43 | -2.91 |
| Pound | 0.5600 | 0.5237 | 0.5213 | -0.45 | -4.92 |
| Canadian \$ | 1.297 | 1.1874 | 1.2019 | 1.22 | -9.30 |
| Swiss Franc | 1.2391 | 1.1413 | 1.403 | -0.90 | -9.25 |

Source: Bloomberg

| D. Selected Commodity Prices | | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|-------------------------------|-----------------------------|
| Commodity | December 2003 | November 2004 | December 2004 | Mthly % Change | YTD % Change |
| Gold / Ounce | 415.45 | 450.95 | 438.45 | -2.77 | 8.95 |
| Silver / Ounce | 5.94 | 7.70 | 6.82 | -11.43 | 9.47 |
| Oil / Barrel | 29.78 | 45.43 | 39.90 | -12.17 | 34.84 |

Source: Bloomberg

| E. Equity Market Valuations - December 2004 (%chg) | | | | | | | |
|---|-------------|-------------|--------------------|-----------------|---------------|------------|-------------------|
| | BISX | DJIA | S&P 500 | FTSE 100 | CAC 40 | DAX | Nikkei 225 |
| 1 month | 1.5 | 3.4 | 3.2 | 2.4 | 1.8 | 3.2 | 5.4 |
| 3 month | 2.7 | 7.0 | 8.9 | 5.3 | 5.0 | 9.3 | 6.1 |
| YTD | 14.6 | -4.4 | -0.1 | 5.3 | 1.9 | -2.4 | -0.1 |
| 12 - month | 19.7 | 3.1 | 9.2 | 7.5 | 7.4 | 7.3 | 7.6 |

Sources: Bloomberg and BISX

| F. Short Term Deposit Rates in Selected Currencies (%) | | | |
|---|------------|------------|------------|
| | USD | GBP | EUR |
| o/n | 2.31 | 4.60 | 2.10 |
| 1 mo | 2.45 | 4.78 | 2.07 |
| 3 mos | 2.63 | 4.76 | 2.09 |
| 6 mos | 2.85 | 4.78 | 2.13 |
| 9 mos | 3.03 | 4.78 | 2.19 |
| 1 year | 3.18 | 4.75 | 2.25 |

Source: Bloomberg, as at January 17, 2005

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

| | VALUE | | | | | | | | | | | CHANGE | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Nov. 03 | Nov. 10 | Nov. 17 | Nov. 24 | Dec. 01 | Dec. 08 | Dec. 15 | Dec. 22 | Dec. 29 | Nov. 03 | Nov. 10 | Nov. 17 | Nov. 24 | Dec. 01 | Dec. 08 | Dec. 15 | Dec. 22 | Dec. 29 |
| I. External Reserves | 606.80 | 629.46 | 637.59 | 675.13 | 667.01 | 667.95 | 669.24 | 675.62 | 664.65 | -5.73 | 22.66 | 8.13 | 37.54 | -8.12 | 0.94 | 1.30 | 6.38 | -10.97 |
| II. Net Domestic Assets (A + B + C + D) | -42.52 | -46.34 | 7.23 | 12.53 | 11.42 | 2.04 | -13.48 | -15.48 | -24.06 | 5.49 | -3.81 | 53.56 | 5.30 | -1.11 | -9.38 | -15.53 | -2.00 | -8.58 |
| A. Net Credit to Gov^t(i + ii + iii - iv) | 158.59 | 157.56 | 137.98 | 141.41 | 140.81 | 142.34 | 142.52 | 143.32 | 142.72 | -0.59 | -1.03 | -19.58 | 3.43 | -0.60 | 1.53 | 0.18 | 0.80 | -0.60 |
| i) Advances | 71.02 | 71.02 | 71.02 | 71.02 | 71.02 | 71.02 | 71.02 | 71.02 | 71.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ii) Registered Stock | 74.63 | 74.58 | 74.63 | 79.13 | 79.12 | 79.08 | 78.90 | 78.53 | 78.50 | -0.21 | -0.04 | 0.05 | 4.50 | -0.01 | -0.05 | -0.18 | -0.37 | -0.03 |
| iii) Treasury Bills | 19.98 | 19.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -19.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| iv) Deposits | 7.04 | 8.02 | 7.67 | 8.74 | 9.33 | 7.75 | 7.40 | 6.23 | 6.80 | 0.38 | 0.99 | -0.35 | 1.07 | 0.59 | -1.58 | -0.35 | -1.17 | 0.58 |
| B. Rest of Public Sector (Net) (i + ii - iii) | -105.78 | -113.32 | -39.85 | -38.88 | -39.63 | -50.51 | -63.16 | -66.51 | -74.81 | -0.20 | -7.54 | 73.47 | 0.98 | -0.75 | -10.88 | -12.66 | -3.35 | -8.30 |
| i) BDB Loans | 7.58 | 7.58 | 7.58 | 7.58 | 7.58 | 7.58 | 7.58 | 7.58 | 7.58 | 1.50 | 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 | 113.36 | 120.90 | 47.43 | 46.45 | 47.20 | 58.08 | 70.74 | 74.09 | 82.38 | 1.70 | 7.54 | -73.47 | -0.98 | 0.75 | 10.88 | 12.66 | 3.35 | 8.30 |
| 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)* | -95.33 | -90.57 | -90.91 | -90.01 | -89.76 | -89.80 | -92.84 | -92.29 | -91.97 | 6.28 | 4.76 | -0.33 | 0.90 | 0.24 | -0.03 | -3.05 | 0.55 | 0.32 |
| III. Monetary Base | 564.28 | 583.12 | 644.81 | 687.65 | 678.43 | 669.99 | 655.76 | 660.14 | 640.58 | -0.24 | 18.85 | 61.69 | 42.84 | -9.22 | -8.44 | -14.23 | 4.38 | -19.55 |
| A. Currency in Circulation | 229.16 | 228.70 | 229.90 | 230.34 | 238.26 | 242.81 | 242.16 | 268.35 | 267.06 | 2.35 | -0.46 | 1.20 | 0.44 | 7.92 | 4.56 | -0.65 | 26.19 | -1.29 |
| B. Bank Balances with CBOB | 335.11 | 354.42 | 414.91 | 457.32 | 440.17 | 427.17 | 413.60 | 391.79 | 373.52 | -2.60 | 19.31 | 60.49 | 42.40 | -17.14 | -13.00 | -13.57 | -21.81 | -18.26 |

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

