



Monthly Economic and Financial Developments May 2021

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:

2021: July 30; August 30; October 4; November 1; November 29; December 20



Monthly Economic and Financial Developments (MEFD) May 2021

1. Domestic Economic Developments

Overview

Developments in the domestic economy continued to be driven by the Novel Coronavirus (COVID-19) pandemic during the month of May. Globally imposed travel restrictions continued to impede tourism sector activity, although the sector is showing some signs of recovery due to vaccination efforts. Nevertheless, the high value-added air component remained at historic lows and the sea segment largely offline. In contrast, ongoing foreign investment-led projects and post-hurricane rebuilding works supported activity in the construction sector. On the monetary front, bank liquidity expanded, as the growth in the deposit base contrasted with the reduction in domestic credit. Further, external reserves increased, largely attributed to the Government’s external borrowing activities.

Real Sector

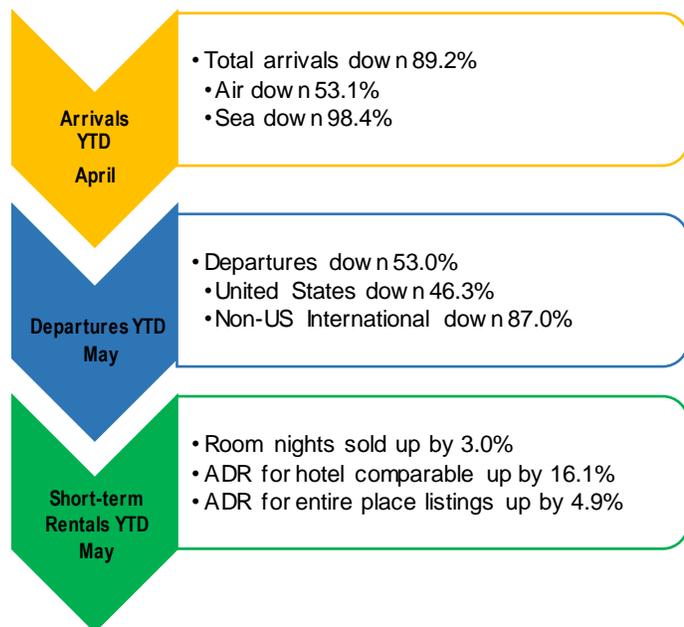
Tourism

Tourism metrics for the month of May indicated that the sector’s output remained depressed, as internationally imposed travel restrictions to curtail the spread of the virus kept arrivals at significantly depressed levels—although with some onset of hotel sector recovery, domestic demand provided some support in the vacation rental market.

Official data provided by the Ministry of Tourism (MOT) revealed that total foreign arrivals by first port of entry recovered to 68,582 during the month of April, from just 43 visitors during the same period last year, when the closure of international borders and lockdowns were initially imposed. In the underlying developments, air traffic totalled 60,305 compared to only 11 visitors in the previous year, albeit representing just 35.2% of the arrivals recorded in 2019, reflective of the reopening—although with restrictions—of international borders to travellers. Meanwhile, sea traffic amounted to 8,277 in comparison to 32 visitors in 2020.

A breakdown by major port of entry showed that arrivals to New Providence recovered to 41,358 from just 43 in the comparative period of the preceding year. Contributing to this outturn, air traffic reached 40,183 from 11 in the previous year, while sea passengers totalled 1,175 versus 32 visitors in 2020. Further, visitors to Grand Bahama amounted to 2,481 following the virtual absence of tourists in the same period last year.

Chart 1: Tourism Indicators at a Glance



Sources: Nassau Airport Development Co. & AirDNA

Underpinning this outcome, both air and sea arrivals totalled 1,390 and 1,091, respectively, relative to no visitors in the prior year. In addition, visitors to the Family Islands recovered to 24,743, from no recorded activity in 2020, as both the air and sea segments posted respective gains of 18,732 and 6,011 vis-à-vis nil tourists last year.

During the four months to April, the reduction in total arrivals extended to 89.2% from 35.9% in the same period in 2020, which had included robust first quarter activity, ahead of the pandemic. Contributing to this development, was a 98.4% contraction in sea passengers, exceeding the 32.3% decline a year earlier. Similarly, air arrivals fell by 53.1%, vis-à-vis a 46.9% decrease in 2020. Table 1 shows a slight improvement in air arrivals to the Family Islands (6.2%), when compared to the same period in the previous year.

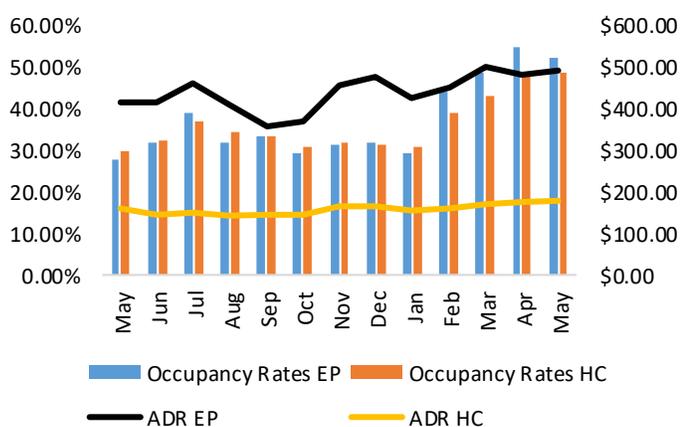
Table 1: Total Visitor Arrivals January-April 2021

Arrivals	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2020	2021	2020	2021	2020	2021
Air	-42.1	-63.5	-68.5	-56.1	-60.6	6.2
Sea	-48.2	-99.3	-46.7	-96.9	-1.9	-97.9
Total	-46.3	-87.5	-49.4	-93.6	-11.3	-90.6

Source: Ministry of Tourism

Data from the Nassau Airport Development Company Limited (NAD) showed that total departures—net of domestic passengers—resumed at 55,662 in May from just 238 in the comparable period of the preceding year, when the country closed its borders to curb the spread of the virus. Specifically, the dominant U.S. component increased to 54,362 from just 205 in the prior year. In addition, non-U.S. departures recovered to 1,300 from a mere 33 passengers in the corresponding period of the previous year. On a year-to-date basis, outward bound traffic declined by 53.0%, surpassing the 49.1% falloff in 2020. Reflecting this outturn, non-U.S. departures reduced by 87.0%, exceeding the 44.8% decrease last year. In contrast, the reduction in U.S. departures slowed to 46.3% from 49.9% a year earlier.

Graph 1: ADR and Occupancy Rates 12 months to May 2021



Source: AirDNA

As it relates to the vacation rental market, data provided by AirDNA revealed some modest improvements during the month of May, largely supported by gains in domestic demand. In particular, the reduction in total room nights sold moderated to 14.2% from 26.0% in the preceding year. Contributing to this outcome, the declines in bookings for entire place listings and hotel comparable listings tapered to 15.1% and 6.3% from 27.7% and 11.0%, respectively. Conversely, the average daily room rate (ADR) for hotel comparable and entire place listings increased by 2.9% and by 2.0%, to \$177.45 and \$491.07, respectively.

On a year-to-date basis, total room nights sold grew by 3.0%, underpinned by a 4.8% rise in bookings for entire place listings, which offset the 10.4% falloff in private room listings. Pricing data revealed that the ADR

for both entire place and hotel comparable listings rose by 16.1% and by 4.9%, to \$468.35 and \$165.70, respectively.

Fiscal

2021/2022 Budget Communications Highlights

The Government’s Budget Communication for FY2021/2022, entitled “The Accelerated Bahamas Recovery Plan”, which was presented in Parliament on May 26, 2021, had the overarching objective of stimulating the domestic economy, in order to advance the country’s recovery, following the adverse impact of the COVID-19 pandemic. The Government’s policies are focused on encouraging economic activity, while expanding support related to COVID-19 and facilitating the digitization of public and private services.

Chart 2: FY2021/2022 Budget Highlights

Revenue Measures	Expenditure Measures
<ul style="list-style-type: none"> • Launch of the Employment Incentive Programme • Duty reduction on building supplies • Duty reduction on Personal Protective Equipment and disinfectants • Elimination of duty on digital transformation hardware, software and services • Extension of Special Economic Zone and expansion to Southern Bahamas • Removal of duty on small business startup and expansion costs • VAT rate raised to 12.0% on realty transactions over \$2.0 million • Implementation of VAT payments on rental and commissions from vacation rental marketplaces 	<ul style="list-style-type: none"> • Increase in public health allocations • Allocation to business support programs. • Allocation to digitization efforts of public and private sector • Allocation to infrastructure upgrades • Allocation to renewable energy projects • Increase in social assistance benefits

Source: Bahamas Government Budget Communication FY2021/2022

In the 2021/22 Budget, the Government plans to provide economic support through new and ongoing tax relief measures, combined with limited new revenue collection measures. In this regard, the Government anticipates a revenue intake of \$2.2 billion in FY2021/22, an increase of \$588.3 million (35.5%) from the projected revenue for FY2020/21.

Tax measures featured in the Budget were largely geared towards small business development. Measures include duty free concessions, by application, on startup and expansion costs. Duty is also set to be reduced by 20.0%-25.0% on building supplies. In addition, the Government announced the launch of the ‘Employment Incentive Program’, which allots \$40.0 million in tax concessions to businesses, allowing them to apply for a VAT tax credit of up to \$400.00 per week per employee, to cover the salaries of up to ten new employees. Specific to the southern Bahamas, the Government announced tax-free special economic zones for eleven Family Islands over the next two years, providing residents, businesses and investors with customs duty and VAT concessions on construction materials and on inputs needed to start or expand businesses. In addition, VAT exemptions proposed on real estate transactions valued under \$500,000. Further, in line with the digitization initiatives in the public and private services, the Government proposed duty elimination on digital transformation hardware, software and services. Meanwhile, tax relief measures related to COVID-19 support, were foreshadowed to include the removal of duty on personal protective equipment and disinfectants.

The Government announced the continuation of the Special Economic Recovery Zone provisions to support the ongoing reconstruction of Abaco and Grand Bahama islands impacted by Hurricane Dorian. These islands will continue to receive VAT and duty exemptions on construction and related supplies and activities, until the end of the year.

To partially offset the tax relief measures, new revenue enhancement methods included planned collection of VAT payments on vacation rental marketplaces on rentals and commissions. The Government also announced its intention to raise the VAT rate to 12.0% on the portion of realty transactions valued over \$2.0 million.

Regarding expenditure, capital spending is expected to amount to \$372.4 million, lower than the \$515.5 million budgeted in FY2020/21, while recurrent outlays are projected at \$2.8 billion, an increase of \$270.1 million (10.6%) over last year's revised budgeted outcome. In terms of major expenditure measures, the Government committed to \$250.0 million in small business support over the next five years, starting with the \$35.0 million allotted in the current budget. In addition, the Government allocated \$100.0 million to improve hospital infrastructure, with additional allocations for infrastructure outlays (\$31.0 million), COVID-19 support (\$17.8 million), social spending and digitization efforts. As it relates to the Government's digitization efforts, allocations were made for the digitization projects of the Ministry of Education (\$7.5 million), upgrades in the healthcare sector's IT infrastructure (\$6.0 million) and to the Department of Transformation and Digitization, to create a telemedicine initiative (\$1.0 million).

Based on the current economic outlook, the Government projects a fiscal deficit of \$951.8 million, or 7.7% of GDP for FY2021/22. However, this is below the projected deficit of \$1.3 billion for FY2020/21.

2. Monetary Trends

May 2021 vs. 2020

Liquidity

During the month of May, monetary developments were marked by a buildup in bank liquidity, as the expansion in the deposit base contrasted with the contraction in domestic credit. Specifically, excess reserves—the narrow measure of liquidity—grew by \$89.5 million to \$1,537.8 million, extending the \$14.8 million increase last year. Similarly, excess liquid assets—a broad measure of liquidity—rose by \$38.1 million to \$2,305.7 million, following a \$34.0 million accumulation a year earlier.

External Reserves

Buoyed by the Government's external borrowings, external reserves expanded by \$126.7 million to \$2,380.4 million in May, a reversal from a \$62.1 million reduction last year. Underpinning this outturn, the Central Bank's transactions with the public sector shifted to a net purchase of \$102.7 million, from a net sale of \$2.0 million in the preceding year. Similarly, the Bank's transactions with commercial banks switched to a net purchase of \$15.3 million, from a net sale of \$63.0 million in 2020. Notably, commercial banks reported a net intake of \$16.2 million from their customers, following a net sale of \$96.9 million a year earlier.

Exchange Control Sales

Provisional data on foreign currency sales for current account transactions revealed a \$168.4 million growth in outflows to \$539.0 million during the month of May, compared with the same period in 2020, amid increases

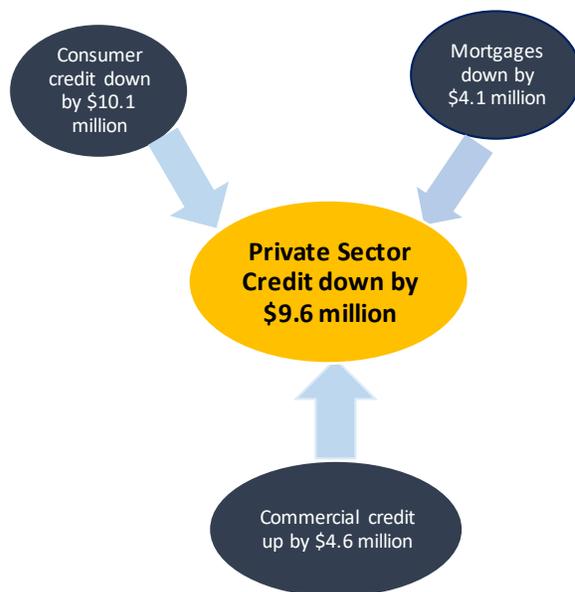
across almost all categories. Specifically, “other” current items—primarily purchases of foreign goods and services via credit and debit card transactions—rose by \$88.7 million, while oil imports and non-oil imports increased by \$30.8 million and by \$31.7 million, respectively. Further, travel related payments were higher by \$8.5 million and transfer payments, by \$21.3 million. In a partial offset, factor income payments decreased by \$12.6 million.

Domestic Credit

Bahamian Dollar Credit

During May, total Bahamian dollar credit contracted by \$45.7 million, contrasting with an \$84.3 million accumulation in the comparable period of the preceding year. Contributing to this development, net claims on the Government reduced by \$36.5 million, reversing the \$107.8 million expansion in 2020. Further, credit to the private sector reduced by \$9.6 million, although lower than the \$25.3 million decline in the preceding year. Specifically, consumer credit decreased by \$10.1 million, vis-à-vis a \$19.2 million falloff a year earlier, while mortgages lessened by \$4.1 million, apace with the \$4.6 million reduction in the prior year. Conversely, commercial credit grew by \$4.6 million, after a \$1.5 million falloff last year. In contrast, credit to the public corporations edged up by \$0.5 million, albeit a moderation from the \$1.8 million uptick last year.

Chart 3: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

Foreign Currency Credit

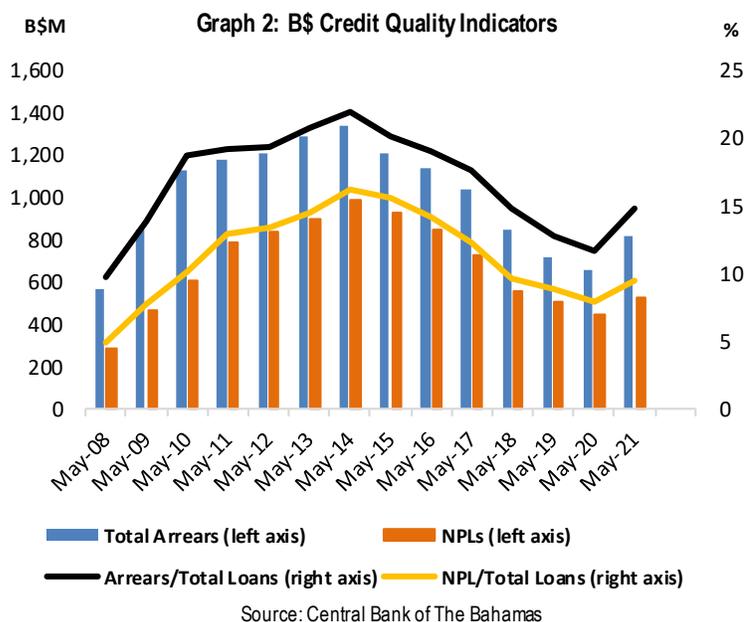
Domestic foreign currency credit decreased during May, by \$5.1 million, contrasting with an \$18.1 million increase in 2020. Specifically, credit to the private sector fell by \$5.2 million, a turnaround from an \$18.2 million buildup in the previous year. In particular, commercial credit declined by \$5.1 million, relative to an \$18.5 million growth in 2020, while mortgages edged down by \$0.1 million. Further, net claims on the Government increased by a muted \$0.1 million, following a \$1.1 million uptick in the prior year. Moreover, credit to public corporations registered a flat outturn, compared to a \$1.3 million reduction in 2020.

Credit Quality

Banks’ credit quality indicators weakened in May, largely attributed to growth in non-performing (NPLs) loans, amid continued unwinding of loan payment deferral schemes that were introduced as a result of the COVID-19 pandemic. Specifically, total private sector arrears rose by \$38.6 million (5.0%) to \$818.6 million, while the accompanying ratio firmed by 72 basis points to 14.72%. Contributing to this outturn, non-performing loans expanded by \$49.8 million (10.5%) to \$526.4 million, corresponding with a 91 basis points rise in the attendant ratio to 9.5%—with increases in the NPL rates for consumer loans, by 1.5 percentage points to 8.3%; commercial loans, by 1.2 percentage points to 5.7%; and for mortgages, by 0.3 percentage points to

11.6%. In contrast, short-term arrears contracted by \$11.2 million (3.7%) to \$292.3 million, while the associated ratio narrowed by 19 basis points to 5.3%.

An analysis by loan category revealed that the growth in arrears was led by commercial loan delinquencies, which expanded by \$19.4 million (32.1%) to \$79.6 million, as both the short and long-term segments rose by \$9.0 million (38.9%) and \$10.4 million (28.0%), respectively. Similarly, mortgage arrears advanced by \$12.6 million (2.7%) to \$477.3 million, owing to an accumulation in non-accrual loans by \$7.3 million (2.5%) and the short-term category, by \$5.3 million (3.1%). Further, consumer credit moved higher by \$6.7 million (2.6%) at \$261.7 million, as the \$32.1 million (22.0%) rise in NPLs, overshadowed the \$25.5 million (23.4%) reduction in the short-term arrears.



Source: Central Bank of The Bahamas

Given these developments, banks increased their loan losses provisions by \$8.6 million (1.5%) to \$581.9 million in May. Nevertheless, the ratio of total provisions for NPLs declined by 9.8 percentage points to 110.6%. Similarly, the ratio of total provisions to arrears fell by 2.4 percentage points to 71.1%. Also, the coverage ratio of specific provisions to NPLs declined by 6.6 percentage points to 80.4%. During the month, banks wrote-off an estimated \$7.0 million in bad loans and recovered approximately \$1.5 million.

In comparison to the corresponding period in May 2020, the total private sector arrears rate rose by 3.1 percentage points, reflecting growth in both the short-term (1.5 percentage points) and non-accrual segments (1.6 percentage points). Increases were registered across all loan segments, consumer, mortgages and commercial loans by 4.0, 2.8 and 1.6 percentage points, respectively.

Deposits

Total Bahamian dollar deposits expanded by \$68.2 million, outpacing the \$31.3 million growth in the preceding year. In particular, demand balances grew by \$79.0 million, surpassing the \$71.8 million buildup a year earlier. In contrast, fixed deposits fell by \$7.0 million, albeit a moderation from the \$45.6 million contraction in 2020, while savings deposits declined by \$3.9 million, a reversal from the \$5.1 million uptick last year. Likewise, foreign currency deposits reduced by \$23.2 million, a slowdown from the \$49.4 million decrease in the prior year.

Interest Rates

In interest rate developments, banks' weighted average loan rate rose by 79 basis points to 9.63%. Similarly, the weighted average deposit rate increased by 9 basis points to 0.52%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will register modest growth in 2021, undergirded by the gradual resumption of tourism sector activity—homeport amenities for cruise lines. In this environment, the recovery of the tourism sector will be dependent on the elimination of all globally imposed travel restrictions, the pace of progress on the international health front, the effectiveness, availability and distribution of vaccines. Meanwhile, new and ongoing foreign investment-led projects, along with post-hurricane rebuilding works are expected to provide impetus to the construction sector.

With regard to the labor market, the unemployment rate is projected to remain elevated over the near term, with any job gains mainly concentrated within the construction sector, and the limited re-employment of tourism sector employees. In terms of prices, domestic inflation is expected to remain subdued, excluding any shocks to international oil prices.

In the fiscal sector, revenue losses, combined with increased spending for health and social welfare, associated with COVID-19, and outlays still for ongoing restoration of key infrastructure following Hurricane Dorian, are projected to weigh heavily on the Government's fiscal position. Projected revenue shortfalls should persist in the near-term, with taxable economic activity expected to continue to remain below capacity, recovering mostly in pace with the rebound in tourism output. The forecasted budgetary gap is expected to be financed with important use of external borrowing, but with a likely increased proportion of the total funding from domestic sources.

Monetary sector developments will continue to include high levels of liquidity in the banking sector, due to commercial banks maintaining their conservative lending posture. However, external reserve balances are forecasted to contract during the year, on account of the reduction in foreign currency receipts related to lackluster tourism sector activity, and ongoing imports to support reconstruction work. Nevertheless, external balances are projected to remain more than adequate to uphold the Bahamian dollar currency peg.

4. Monetary Policy and Financial Stability Implications

Given the current outlook, the Central Bank will sustain its accommodative stance for private sector credit, and continue to pursue policies that foster a positive outturn for external reserves, and lessen financial sector disruptions. Further, the Bank will continue to evaluate developments within the international and domestic environment and, if necessary, adopt the appropriate measures to ensure a favorable outcome for the foreign reserves.

Reflective of the diminishing negative pressures on foreign exchange market activities and the outlook for improving tourism inflows, the Central Bank determined that the relaxed ceiling on the long Bahamian Dollar (B\$) Open Position Limit¹ on foreign exchange transactions for commercial banks, which was implemented in April, 2020, will revert to a maximum of \$5.0 million on both net long and short exposures. Outside of this “maximum”, the limit is fixed at 5.0% of commercial banks' Tier 1 Capital. Since 24th April, 2020, the \$5.0

¹ The B\$ Open Position limit regulates commercial banks' purchases and sales of foreign currency from the public. Transactions (sales to the public) which increase the net of B\$ assets minus B\$ liabilities by more than the Open Limit must be corrected by corresponding purchases of foreign exchange either in the interbank market or from the Central Bank. Conversely, transactions (purchases from the public) which reduce the net of B\$ assets minus B\$ liabilities by more than the Open Limit must be corrected by corresponding sales of foreign exchange either in the interbank market or to the Central Bank.

million ceiling was suspended on long exposures, in order to require banks to supply larger quantities of foreign exchange from their internal resources, before replenishing supplies through the Central Bank. This was a conservation measure, given the reduction in foreign currency inflows from tourism.

As of 1st July 2021, the Central Bank also increased the minimum B\$ Open Position Limit, which would apply to commercial banks with branch operation structures inside The Bahamas, or with Tier 1 Capital of less than \$20.0 million, to \$1.0 million. This will afford such entities some increased flexibility in their foreign exchange trading activities.

APPENDIX

International Developments

Global economic conditions continued to be influenced by the Novel Coronavirus (COVID-19) pandemic, which translated to varied economic performances within the major markets. Against this backdrop, all of the major central banks opted to sustain their highly accommodative monetary policy stance, in an effort to encourage economic growth and financial stability.

Developments within the United States economy were mostly positive over the review period, supported by vaccination efforts and the Government stimulus package. Specifically, in labor market developments, the jobless rate fell by 30 basis points to 5.8% in May from the preceding month, as total non-farm payroll employment grew by 559,000, with notable gains in the leisure and hospitality sector (292,000). Further, the consumer price index edged up by 0.6% in May, albeit lower than the 0.8% rise in April, largely due to higher cost for used cars and trucks. In the external sector, the deficit tapered by \$6.1 billion (8.2%) to \$68.9 billion in April, over the previous month, occasioned by the 1.1% growth in exports, combined with the 1.4% falloff in imports. In this environment, the Federal Reserve maintained its benchmark interest rate to a range of 0.00%–0.25% and the buying of at least \$120.0 million per month in bonds.

Economic indicators in Europe revealed mixed performance over the review period. In the United Kingdom (UK), GDP expanded by an annualized 2.3% in April, surpassing the 2.1% growth in March, owing in part to gains in the service sector. In external developments, the total trade deficit moderated by £4.4 billion to £3.2 billion during the three months to April, owing to a £4.0 billion falloff in imports, and a £0.4 billion uptick in exports. However, industrial production decreased by 1.3% in April from the previous month, mainly attributed to a sharp decline in mining and quarrying. In the euro area, GDP contracted by 0.3% over the first quarter of the year, relative to the preceding quarter. Similarly, the volume of retail trade moved lower by 3.1% during the month of April from the previous month, underpinned by a reduction in the purchase of non-food products. Notwithstanding, in the labor market, the jobless rate fell by 10 basis points to 8.0% in April, from the prior month, as the number of unemployed persons decreased by 134,000. In price developments, the annual inflation rate rose by 40 basis points to 2.0% in May from one month earlier, attributed in part to the increase in the cost of energy. Against this backdrop, the Bank of England kept its interest rate at 0.1%, and the size of its Government bond purchase program at £895.0 billion. Meanwhile, the European Central Bank retained the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50% respectively. In addition, the Bank re-affirmed its previously implemented pandemic emergency purchase program (PEPP), with the goal of purchasing a total of €1,850.0 billion net assets.

Performance indicators for the major Asian economies showed some variations over the review period. In China, the trade surplus widened to US\$45.5 billion in May from US\$42.9 billion in the previous month, as the 28.0% increase in exports offset the 51.1% expansion in imports. Further, retail sales moved higher by 0.3% in April from a month earlier. With regard to the labor market, the unemployment rate decreased by 20 basis points to 5.1% in April, from the prior month. In price developments, consumer prices declined by 0.2% in May from the preceding month, amid a falloff in the costs of foodstuff. In Japan, GDP contracted by an annualized rate of 3.9% during the first quarter of the year, relative to the prior quarter. In terms of spending, retail sales reduced by 4.5% in April compared to the preceding month. However, industrial production grew by 2.5% in April from the prior month, underpinned by gains in the production of general and business oriented machinery. With regard to international trade, Japan's trade surplus narrowed notably to ¥253.0 billion in April from ¥657.8 billion in March, although the 38.0% advancement in exports, eclipsed the 12.8% rise in imports. Further, the jobless rate moved higher by 30 basis points to 3.0% in April. In addition, the inflation rate narrowed by 0.4%, occasioned by the reduction in the costs of transport and communication. In this environment, the Bank of Japan kept its policy rate at -0.1%, while the People's Bank of China sustained its reverse repo rate at 2.20%.

The major stock market indices showed positive movements during the month of May. Specifically, in the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 increased by 1.9% and by 0.6%, respectively. Likewise, in the European markets, France's CAC 40, Germany's DAX, and the United Kingdom's FTSE 100 posted respective gains of 2.8%, 1.9% and 0.8%. In Asian markets, China's SE Composite rose by 4.9%, while Japan's Nikkei edged up by 0.2%.

Developments within the currency markets revealed that the US dollar depreciated against almost all of the major currencies during the review month. In particular, the US dollar weakened relative to the British Pound, by 2.7% to £0.7036, the Canadian dollar, by 1.8% to CAD\$1.2046 and the euro, by 1.7% to €0.8179. Similarly, the dollar decreased vis-à-vis the Chinese Renminbi, by 1.6% to CNY 6.3701 and the Swiss Franc, by 1.6% to CHF 0.8989. In contrast, the US dollar strengthened against the Japanese Yen, by 0.3% to ¥109.58.

Commodity price trends revealed broad-based increases over the month of May. In particular, the cost of crude oil grew by 9.5% to \$69.63, despite OPEC's crude production increasing by 0.39 million barrels per day, month-on-month, to 25.46 million barrels per day. Similarly, the prices of silver and gold moved higher by 8.1% to \$28.03 per troy ounce and by 7.8% to \$1,906.87 per troy ounce, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

May					
Value		Change		Change YTD	
2020	2021	2020	2021	2020	2021

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,245.07	1,537.75	14.76	89.49	138.85	101.49
1.2 Excess Liquid Assets	2,070.11	2,305.66	34.04	38.05	104.74	75.95
1.3 External Reserves	1,972.54	2,380.41	-62.09	126.65	214.33	-0.19
1.4 Bank's Net Foreign Assets	111.77	-8.88	-99.98	-3.65	-91.73	89.03
1.5 Usable Reserves	959.48	1,175.94	-60.98	29.84	124.12	-79.24

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,799.02	5,677.12	-7.04	-14.80	-57.43	-56.93
a. B\$ Credit	5,648.75	5,535.66	-25.26	-9.64	-6.82	-53.23
of which: Consumer Credit	2,094.68	1,990.68	-19.16	-10.12	16.45	-46.17
Mortgages	2,817.07	2,783.41	-4.61	-4.14	-21.51	-11.43
Commercial and Other Loans B\$	737.00	761.57	-1.49	4.62	-1.76	4.38
b. F/C Credit	150.27	141.47	18.21	-5.16	-50.62	-3.70
of which: Mortgages	62.78	67.87	-0.25	-0.09	4.74	4.59
Commercial and Other Loans F/C	87.49	73.60	18.46	-5.07	-55.35	-8.29
2.2 Central Government (net)	2,752.67	2,689.82	108.91	-36.47	132.70	161.19
a. B\$ Loans & Securities	2,959.13	2,860.07	59.64	15.35	109.88	129.49
Less Deposits	259.19	341.03	-48.14	51.89	-25.58	-31.27
b. F/C Loans & Securities	57.00	174.13	0.00	0.00	0.00	0.03
Less Deposits	4.27	3.35	-1.13	-0.07	2.76	-0.40
2.3 Rest of Public Sector	443.93	329.55	0.53	0.52	0.13	6.31
a. B\$ Credit	281.18	284.10	1.80	0.52	2.69	7.93
b. F/C Credit	162.76	45.46	-1.28	0.00	-2.56	-1.62
2.4 Total Domestic Credit	8,995.63	8,696.49	102.39	-50.75	75.39	110.57
a. B\$ Domestic Credit	8,629.87	8,338.79	84.33	-45.66	131.33	115.46
b. F/C Domestic Credit	365.75	357.70	18.07	-5.10	-55.93	-4.89

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,195.17	3,295.94	71.77	79.02	241.47	187.69
a. Central Bank	74.13	78.85	20.98	45.40	24.48	26.62
b. Banks	3,121.05	3,217.09	50.79	33.62	217.00	161.07
3.2 Savings Deposits	1,784.95	1,792.79	5.05	-3.89	148.50	8.19
3.3 Fixed Deposits	2,256.35	2,233.16	-45.57	-6.98	-168.59	-17.21
3.4 Total B\$ Deposits	7,236.47	7,321.89	31.25	68.15	221.38	178.67
3.5 F/C Deposits of Residents	592.76	461.85	-49.41	-23.17	-77.23	34.52
3.6 M2	7,603.15	7,686.53	35.23	59.53	250.97	166.14
3.7 External Reserves/M2 (%)	25.94	30.97	-0.94	1.42	2.03	-0.69
3.8 External Reserves/Base Money (%)	102.95	107.70	-4.20	1.78	1.40	-4.67
3.9 External Reserves/Demand Liabilities (%)	97.36	98.82	-2.95	-2.92	2.10	-6.95
	Value		Year To Date		Change	
	2020	2021	2020	2021	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-64.99	118.01	144.89	-6.45	182.99	-151.34
a. Net Purchase/(Sale) from/to Banks	-63.01	15.32	224.67	7.47	78.32	-217.21
i. Sales to Banks	65.59	43.00	179.12	125.58	-22.59	-53.54
ii. Purchase from Banks	2.58	58.32	403.79	133.05	55.73	-270.75
b. Net Purchase/(Sale) from/to Others	-1.98	102.69	-79.79	-13.92	104.67	65.87
i. Sales to Others	67.13	82.22	398.29	342.66	15.10	-55.64
ii. Purchase from Others	65.15	184.91	318.50	328.74	119.76	10.23
4.2 Banks Net Purchase/(Sale)	-96.89	16.17	160.25	64.43	113.06	-95.82
a. Sales to Customers	307.12	498.43	1818.49	1935.93	191.31	117.44
b. Purchase from Customers	210.23	514.59	1978.75	2000.37	304.37	21.62

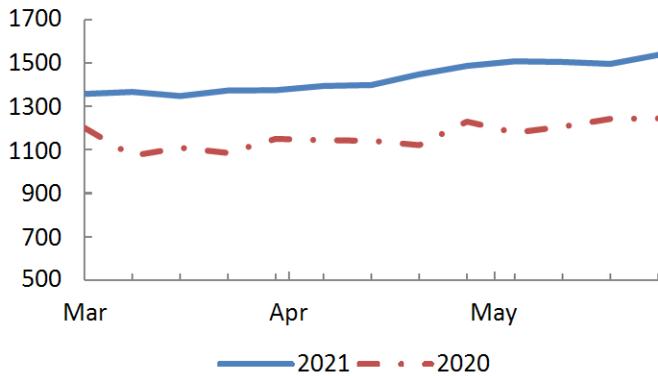
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	370.58	538.95	2,251.92	2,142.47	168.37	-109.45
of which Public Sector	70.34	82.18	362.14	290.35	11.85	-71.79
a. Nonoil Imports	108.59	140.24	582.80	651.38	31.66	68.57
b. Oil Imports	20.19	51.01	194.16	139.41	30.82	-54.75
c. Travel	2.55	11.04	55.54	50.81	8.49	-4.73
d. Factor Income	66.05	53.43	184.17	193.49	-12.62	9.32
e. Transfers	9.74	31.07	59.15	98.60	21.33	39.44
f. Other Current Items	163.45	252.15	1,176.09	1,008.79	88.70	-167.31
5.2 Capital Items	6.12	10.12	120.65	80.02	4.00	-40.64
of which Public Sector	1.28	3.81	78.82	51.58	2.53	-27.24

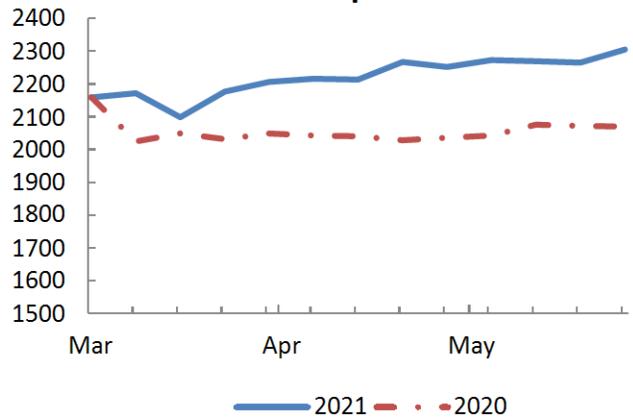
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

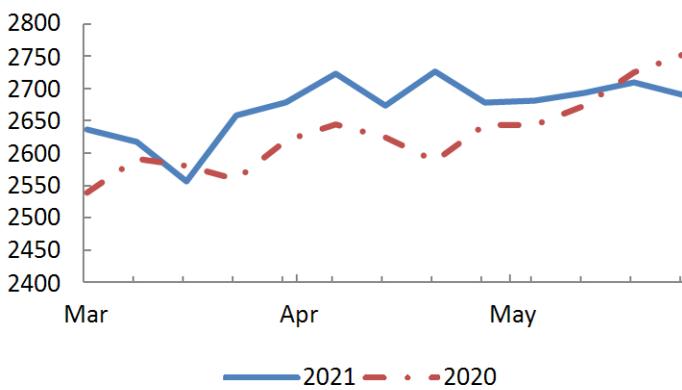
Excess Reserves



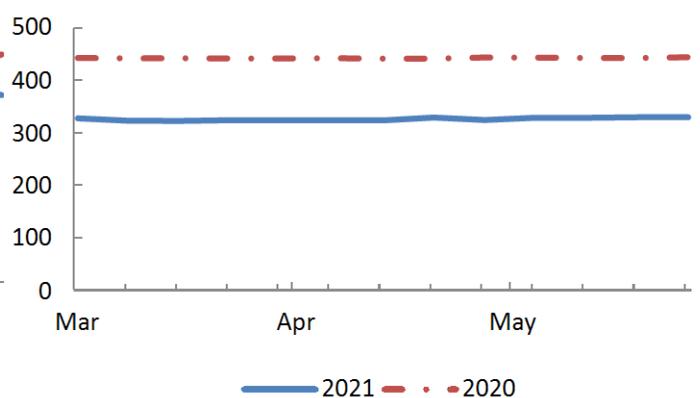
Excess Liquid Assets



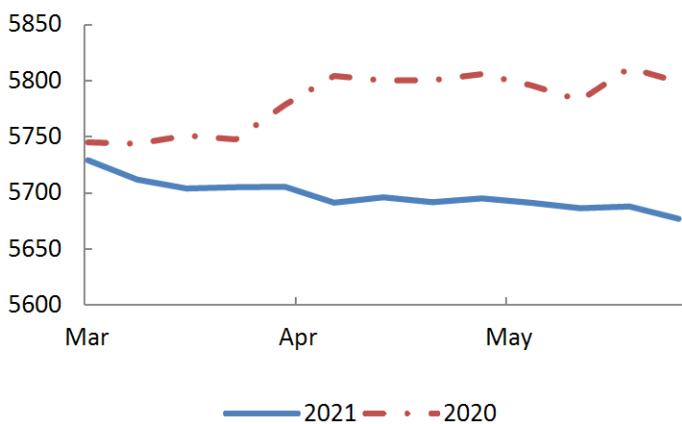
Central Govt. Credit (Net)



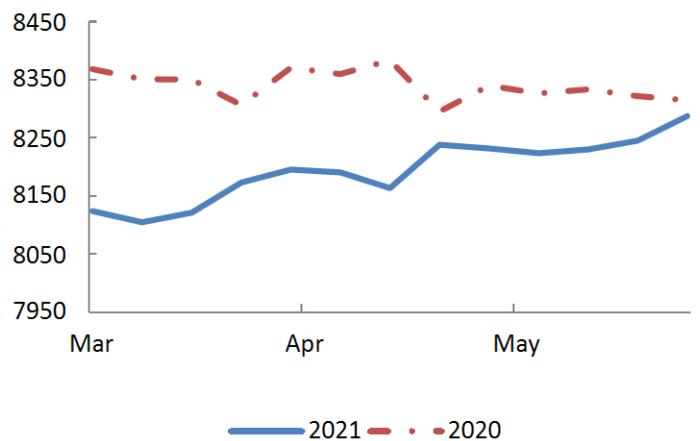
Rest of Public Sector Credit



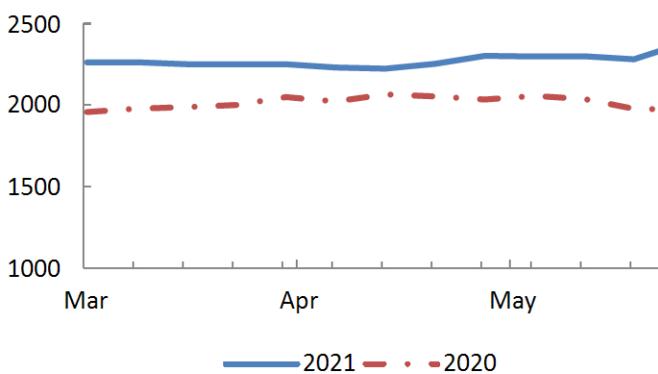
Private Sector Credit



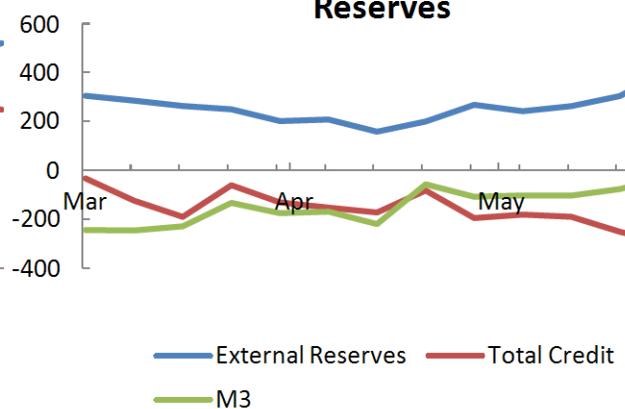
M3



External Reserves



Changes in Money, Credit & Ext. Reserves



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2020	2021	2020	2021	2020	2021
Bahamas	-16.3	2.0	0.0	2.0	25.6	24.0
United States	-3.5	6.4	1.2	2.3	8.1	5.8
Euro-Area	-6.6	4.4	0.3	1.4	7.9	8.7
Germany	-4.6	3.6	0.4	2.2	4.2	4.4
Japan	-4.8	3.3	0.0	0.1	2.8	2.8
China	2.3	8.4	2.4	1.2	3.8	3.6
United Kingdom	-9.9	5.3	0.9	1.5	4.5	6.1
Canada	-5.4	5.0	1.7	2.0	9.6	8.0

Source: IMF World Economic Outlook April 2021.

B: Official Interest Rates – Selected Countries (%)					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
December 2018	4.00	0.00	2.75	2.00-2.25	0.75
January 2019	4.00	0.00	3.00	2.25-2.50	0.75
February 2019	4.00	0.00	3.00	2.25-2.50	0.75
March 2019	4.00	0.00	3.00	2.25-2.50	0.75
April 2019	4.00	0.00	3.00	2.25-2.50	0.75
May 2019	4.00	0.00	3.00	2.25-2.50	0.75
June 2019	4.00	0.00	3.00	2.25-2.50	0.75
July 2019	4.00	0.00	3.00	2.00-2.25	0.75
August 2019	4.00	0.00	2.75	2.00-2.25	0.75
September 2019	4.00	0.00	2.50	1.75-2.00	0.75
October 2019	4.00	0.00	2.25	1.50-1.75	0.75
November 2019	4.00	0.00	2.25	1.50-1.75	0.75
December 2019	4.00	0.00	2.25	1.50-1.75	0.75
January 2020	4.00	0.00	2.25	1.50-1.75	0.75
February 2020	4.00	0.00	2.25	0.00-0.25	0.25
March 2020	4.00	0.00	1.02	0.00-0.25	0.10
April 2020	4.00	0.00	0.25	0.00-0.25	0.10
May 2020	4.00	0.00	0.25	0.00-0.25	0.10
June 2020	4.00	0.00	0.25	0.00-0.25	0.10
July 2020	4.00	0.00	0.25	0.00-0.25	0.10
August 2020	4.00	0.00	0.25	0.00-0.25	0.10
September 2020	4.00	0.00	0.25	0.00-0.25	0.10
October 2020	4.00	0.00	0.25	0.00-0.25	0.10
November 2020	4.00	0.00	0.25	0.00-0.25	0.10
December 2020	4.00	0.00	0.25	0.00-0.25	0.10
January 2021	4.00	0.00	0.25	0.00-0.25	0.10
February 2021	4.00	0.00	0.25	0.00-0.25	0.10
March 2021	4.00	0.00	0.25	0.00-0.25	0.10
April 2021	4.00	0.00	0.25	0.00-0.25	0.10
May 2021	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	May-20	Apr-21	May-21	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9891	0.8319	0.8179	-1.69	-0.08	-17.31
Yen	107.83	109.31	109.58	0.25	6.13	1.62
Pound	0.8102	0.7235	0.7036	-2.74	-3.81	-13.15
Canadian \$	1.3780	1.2288	1.2046	-1.82	-5.19	-12.45
Swiss Franc	0.9616	0.9131	0.8989	-1.56	1.55	-6.52
Renminbi	7.1364	6.4749	6.3701	-1.62	-2.41	-10.74

Source: Bloomberg as of May 31st, 2021

D. Selected Commodity Prices (\$)					
Commodity	May-2020	Apr-2021	May- 2021	Mthly % Change	YTD % Change
Gold / Ounce	1730.27	1769.13	1906.87	7.79	0.45
Silver / Ounce	17.87	25.92	28.03	8.14	6.15
Oil / Barrel	25.29	63.60	69.63	9.48	35.84

Source: Bloomberg as of May 31st, 2021

E. Equity Market Valuations – May 31st, 2021 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.26	1.93	0.55	0.76	2.83	1.88	0.16	4.89
3 month	-0.84	11.63	10.31	8.32	13.04	11.86	-0.37	3.03
YTD	-6.75	12.68	11.93	8.70	16.14	12.41	5.16	4.10
12-month	-8.85	36.03	38.10	15.57	37.31	37.31	31.85	26.75

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.0650	0.1350	-0.5650
1 Month	0.1800	0.1150	-0.5400
3 Month	0.2000	0.1005	-0.5550
6 Month	0.1600	0.1500	-0.5050
9 Month	0.2450	0.1950	-0.4900
1 year	0.2500	0.2200	-0.4750

Source: Bloomberg as of May 31st, 2021

**Summary Accounts of the Central Bank
(B\$ Millions)**

	VALUE								CHANGE							
	Apr. 14	Apr. 21	Apr. 28	May. 05	May. 12	May. 19	May. 26	Jun. 02	Apr. 14	Apr. 21	Apr. 28	May. 05	May. 12	May. 19	May. 26	Jun. 02
I. External Reserves	2,231.16	2,224.23	2,253.75	2,302.70	2,298.75	2,300.41	2,281.78	2,380.41	(19.99)	(6.93)	29.53	48.94	(3.95)	1.67	(18.63)	98.62
II. Net Domestic Assets (A + B + C + D)	(174.52)	(160.98)	(126.13)	(144.40)	(132.98)	(131.13)	(118.30)	(170.28)	25.89	13.54	34.85	(18.28)	11.42	1.85	12.84	(51.99)
A. Net Credit to Gov't (I + ii + iii -iv)	280.67	254.18	300.22	279.78	296.67	294.45	315.17	299.27	33.59	(26.49)	46.04	(20.44)	16.89	(2.22)	20.73	(15.90)
i) Advances	100.00	100.00	120.00	120.00	150.00	160.00	160.00	160.00	-	-	20.00	-	30.00	10.00	-	-
ii) Registered Stock	241.87	243.23	234.24	254.41	254.79	255.02	283.96	259.01	(10.49)	1.37	(9.00)	20.18	0.38	0.23	28.94	(24.95)
iii) Treasury Bills	14.95	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	14.99	(14.99)	0.00	(0.00)	-	0.00	(0.00)	-
iv) Deposits	76.14	89.01	53.98	94.59	108.08	120.54	128.75	119.70	(29.09)	12.87	(35.04)	40.62	13.49	12.45	8.21	(9.05)
B. Rest of Public sector (Net) (i+ii-iii)	(36.53)	(20.39)	(26.37)	(27.51)	(28.46)	(23.76)	(35.58)	(71.90)	(3.48)	16.14	(5.98)	(1.14)	(0.95)	4.70	(11.82)	(36.31)
i) Loans	2.00	2.00	2.00	2.00	2.00	2.00	1.88	1.88	-	-	-	-	-	-	(0.13)	-
ii) Bonds/Securities	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	-	-	-	-	-	-	-	-
iii) Deposits	43.61	27.47	33.45	34.59	35.54	30.84	42.54	78.85	3.48	(16.14)	5.98	1.14	0.95	(4.70)	11.70	36.31
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-							
D. Other Items (Net)*	(418.65)	(394.76)	(399.97)	(396.67)	(401.19)	(401.82)	(397.89)	(397.66)	(4.22)	23.89	(5.21)	3.30	(4.52)	(0.63)	3.93	0.23
III. Monetary Base	2,056.64	2,063.25	2,127.63	2,158.29	2,165.77	2,169.28	2,163.48	2,210.12	5.90	6.61	64.38	30.67	7.47	3.51	(5.80)	46.64
A. Currency in Circulation	495.80	487.05	495.97	498.60	493.53	489.13	490.44	500.40	(9.62)	(8.76)	8.93	2.62	(5.07)	(4.40)	1.30	9.97
B. Bank Balances with CBOB	1,560.83	1,576.20	1,631.65	1,659.70	1,672.24	1,680.15	1,673.05	1,709.72	15.52	15.37	55.45	28.04	12.54	7.91	(7.10)	36.67

