



Monthly Economic and Financial Developments August 2022

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:

2022: October 31; November 28; December 28



AUGUST 2022 SUMMARY

MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

Indications are that domestic economic activity continued to recover from the effects of the Novel Coronavirus (COVID-19) pandemic. Tourism output further improved, bolstered by notable gains in the high value-added air segment and the rebound in sea traffic, in response to vaccination efforts and the further relaxation of COVID-19 restrictions in some of the major source markets.

Fiscal Developments

Provisional data on the Government's budgetary operations for FY2021/22 revealed a considerable reduction in the deficit to \$689.5 million from \$1,335.7 million in FY2020/21. Underlying this outturn, total revenue rose by \$700.7 million (36.7%) to \$2,608.6 million, outpacing the \$54.5 million (1.7%) rise in aggregate expenditure to \$3,298.1 million.

Monetary Sector

Monetary sector developments were marked by a growth in banking sector liquidity, in spite of the expansion in domestic credit, which outstripped the buildup in the deposit base. However, external reserves correspondingly contracted, largely reflecting net seasonal demand for foreign currency to facilitate public and private sector transactions.

International Economies

Global economic conditions varied during the month of August, as the prolonged effects of the COVID-19 pandemic, combined with the geopolitical tensions in Eastern Europe, continued to influence global economic activities. As a result, some of the major central banks further tightened their monetary policy stances, in an attempt to maintain financial stability and to curb rising inflation.



Monthly Economic and Financial Developments (MEFD) August 2022

1. Domestic Economic Developments

Overview

Indications are that during the month of August, domestic economic activity continued to recover from the effects of the Novel Coronavirus (COVID-19) pandemic. Tourism output further improved, bolstered by notable gains in the high value-added air segment and the rebound in sea traffic, in response to vaccination efforts and the further relaxation of COVID-19 restrictions in some of the major source markets. On the fiscal front, Government’s budgetary operations for FY2021/22 recorded a considerable reduction in the deficit, underpinned by a value added tax-led recovery in revenue collections, which outstripped the rise in aggregate expenditure. Monetary sector developments were marked by moderated growth in banking sector liquidity, albeit the expansion in domestic credit outstripped the buildup in the deposit base. In line with net deposit and credit trends, external reserves contracted, largely reflecting the demand for foreign currency to facilitate public and private sector transactions.

Real Sector

Tourism

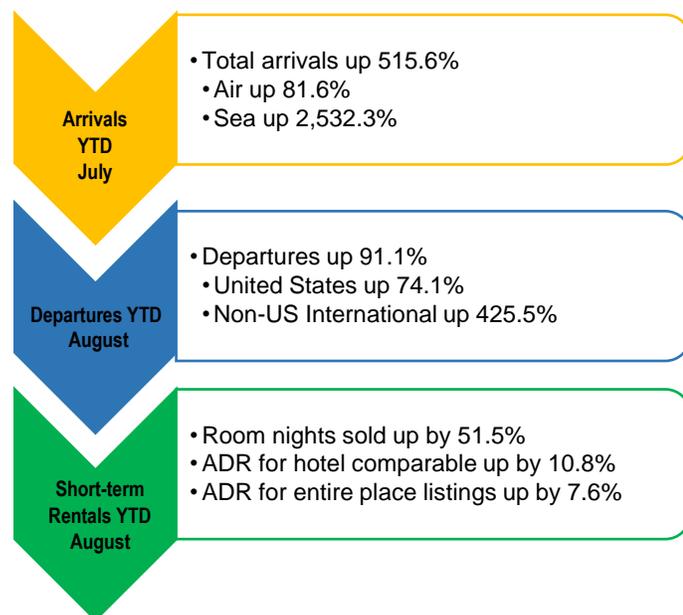
Monthly data revealed that the tourism sector sustained its recovery momentum in August, amid ongoing adjustments to the Novel Coronavirus (COVID-19) pandemic.

Official data provided by the Ministry of Tourism (MOT) showed that total visitor arrivals by first port of entry expanded to 678,273 in July, from 183,580 visitors in the corresponding period of 2021. Leading this outturn, the dominant sea traffic advanced to 520,511, from just 49,651 visitors in the previous year. In addition, air traffic increased to 157,762 from 133,929 in the prior year—representing 89.7% of the volumes registered in 2019.

Disaggregated by major port of entry, total arrivals to New Providence more than doubled to 315,244 visitors in July, from 118,797 in the comparative period of 2021.

Contributing to this development, the air and sea segments both advanced to 121,032 and 194,212 visitors, respectively. Similarly, traffic to the Family Islands rose to 319,703 from 53,145 a year earlier, as respective air and sea passengers measured 32,941 and 286,762. Further,

Chart 1: Tourism Indicators at a Glance



Sources: Ministry of Tourism, Nassau Airport Development Co. & AirDNA

foreign arrivals to Grand Bahama amounted to 43,326, vis-à-vis 11,638 in the prior year, attributed to gains in the air and sea components, of 3,789 and 39,537, respectively.

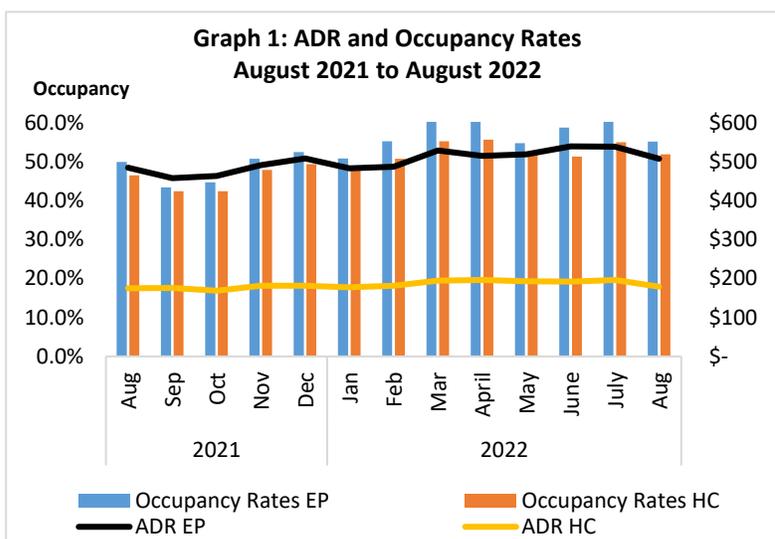
On a year-to-date basis, total arrivals recovered to 3,676,692 compared to just 597,233 in the comparative 2021 period, when a 65.5% contraction was registered. Supporting this outcome, air arrivals rose to 892,738 passengers, relative to the 34.6% expansion in the preceding year, reflecting gains in all major markets. Further, sea arrivals increased to 2,783,954 visitors, a turnaround from a 92.2% decline in 2021 (see Table 1).

Table 1: Total Visitor Arrivals January - July 2022

Arrivals	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2021	2022	2021	2022	2021	2022
Air	15.9	98.5	19.3	89.7	129.9	38.8
Sea	-95.9	4,366.4	-81.0	752.7	-90.8	2,362.3
Total	-58.4	380.9	-72.4	507.3	-72.9	764.7

Source: Ministry of Tourism

More recent data provided by the Nassau Airport Development Company Limited (NAD) indicated that for the month of August, total departures—net of domestic passengers—grew to 132,347 from 101,530 in the corresponding month of 2021. Specifically, U.S. departures rose to 116,335 from 94,166 in the previous year, while non-U.S. departures advanced to 16,012 from 7,364 in the preceding year. On a year-to-date basis, total outbound traffic expanded to 908,199 from 475,317 passengers in the prior year, extending the 24.0% recovery a year earlier. Reflecting this outturn, U.S. departures rose to 787,527 visitors, following a 41.1% increase in the corresponding 2021 period. Similarly, non-U.S. departures rebounded to 120,672, a switch from a 63.4% decline in 2021.



Source: AirDNA

In the short-term vacation rental market, data provided by AirDNA for August revealed positive trends. In particular, total room nights sold advanced to 140,512 from 93,635 in the corresponding 2021 period. Reflective of this outturn, the occupancy rates for both entire place and hotel comparable listings increased to 55.1% and 51.9%, respectively, from 49.9% and 46.5% in the prior year. Further, as depicted in Graph 1, price indicators showed that year-over-year, the average daily room rate (ADR) for entire place listings rose by 4.6% to \$506.85, while hotel comparable listings firmed by 2.4% to \$178.90.

Fiscal

Preliminary data on the Government’s budgetary operations for FY2021/22 revealed that the deficit narrowed significantly to \$689.5 million from \$1,335.7 million in FY2020/21. Underlying this outturn, total revenue rose

by \$700.7 million (36.7%) to \$2,608.6 million, outpacing the \$54.5 million (1.7%) rise in aggregate expenditure to \$3,298.1 million.

The growth in revenue collections was led by a \$551.0 million (34.2%) increase in tax receipts. Specifically, taxes on goods and services grew by \$325.4 million (27.9%) to \$1,492.0 million, as VAT receipts rose by \$395.7 million (53.5%), to \$1,135.8 million, underpinned by the recovery in economic activity. Likewise, proceeds from financial & realty stamp taxes moved higher by \$25.5 million (44.4%), to \$83.0 million. In addition, revenue from gaming taxes advanced to \$51.3 million from \$37.8 million in the prior year. Taxes on the use or supply of goods and services also increased by \$20.5 million to \$175.4 million, largely explained by higher intake from business licenses (\$19.4 million), marine licenses (\$2.0 million) and motor vehicle taxes (\$1.3 million). Further, receipts from international trade and transactions—inclusive of exports, customs & other import duties and departure taxes—expanded to \$511.8 million, from \$299.1 million in the prior fiscal year, undergirded by a rebound in tourism sector activities. In addition, property tax collections rose by \$3.5 million to \$147.0 million, while general stamp taxes increased to \$11.1 million from just \$1.6 million in the preceding year. Non-tax revenue grew by \$149.5 million (50.3%) to \$446.4 million, as proceeds from the sale of goods and services moved higher by \$49.4 million (28.2%), while property income advanced to \$82.8 million, from \$35.3 million in the previous year.

The growth in aggregate expenditure was credited to a \$142.0 million (4.9%) rise in recurrent spending, to \$3,014.5 million. Underlying this outturn, interest payments grew by \$129.3 million (30.6%), to \$551.8 million, compared to FY2020/21, due to increased obligations related to the COVID-19 pandemic. Further, outlays for employee compensation rose by \$24.4 million (3.5%) to \$725.3 million; the use of goods & services, by \$19.8 million (3.2%) to \$633.4 million and subsidies, by \$17.5 million (3.7%) to \$491.6 million. In addition, other “miscellaneous” outlays advanced by \$67.3 million to \$317.2 million, largely attributed to an elevation in insurance premium payments. Providing some offset, outlays for social benefits decreased by \$124.7 million (50.9%) to \$120.4 million. Meanwhile, capital outlays declined by \$87.4 million (23.6%) to \$283.6 million, reflecting a \$37.4 million (38.8%) reduction in capital transfers to \$58.8 million.

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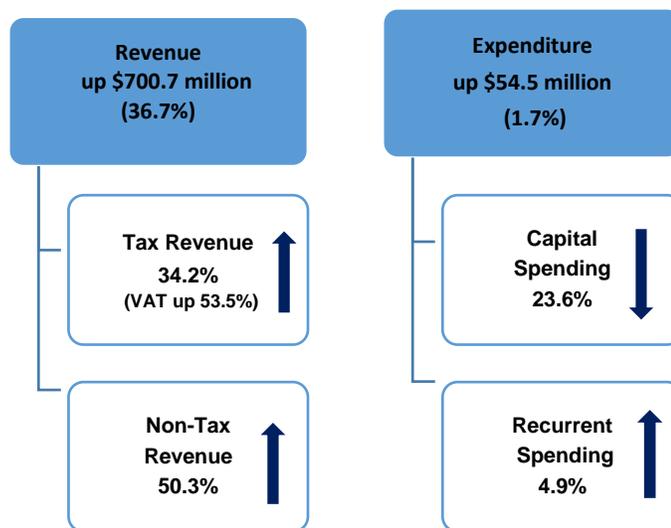
2. Monetary Trends

August 2022 vs. 2021

Liquidity

Monetary trends for the month of August were marked by growth—albeit moderated—in banking sector liquidity, even as the expansion in domestic credit outpaced the buildup in the deposit base. Specifically, excess reserves—a narrow measure of liquidity—grew by \$4.8 million to \$2,306.4 million, a moderation from the \$57.0 million accumulation a year earlier. Likewise, excess liquid assets—a broad measure of liquidity—increased by \$14.4 million to \$3,010.3 million, but was lower than the prior year’s gain of \$93.0 million.

**Chart 2: Budgetary Operations at a Glance
FY2020/2021**



Source: The Ministry of Finance

External Reserves

However, during the review month, external reserves decreased by \$63.3 million to \$3,268.1 million, a reversal from the previous year's accumulation of \$140.3 million, which had included proceeds from the receipt of Special Drawing Rights (SDRs) from the IMF. Underlying this outturn, the Central Bank's net foreign currency sales to the public sector were relatively stable at \$54.1 million, vis-à-vis the prior year. Meanwhile, the Central Bank's net sales to commercial banks moderated to \$13.6 million from \$57.0 million in the preceding year. Further, commercial banks net sales to their customers reduced to \$31.6 million from \$65.7 million a year earlier.

Exchange Control Sales

Provisional data on foreign currency sales for current account transactions for the month of August, revealed that outflows rose by \$82.7 million to \$730.5 million, relative to the comparative period in 2021. The outcome reflected a notable rise in payments for oil imports, by \$69.7 million and "other" current items—primarily credit and debit card transactions—by \$26.9 million. Further, outflows for non-oil imports grew by \$6.6 million and travel related transactions, by \$6.0 million. Providing a modest offset, foreign currency sales for factor income and transfer payments, decreased by \$20.9 million and by \$5.6 million, respectively.

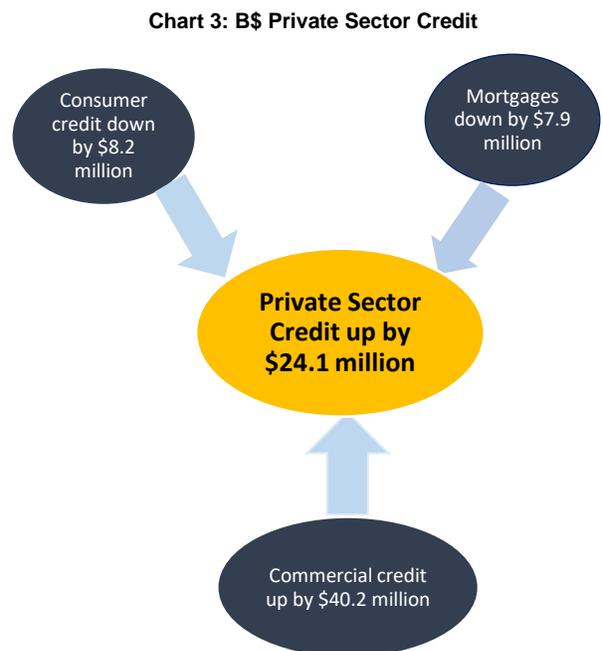
Domestic Credit

Bahamian Dollar Credit

The growth in total Bahamian dollar credit slowed to \$96.6 million in August, from \$129.4 million in 2021. Contributing to this outturn, the increase in net claims on the Government slackened to \$72.4 million, from \$141.7 million a year earlier. In addition, the uptick in credit to public corporations tapered to \$0.1 million from \$3.6 million in the prior year. Meanwhile, private sector credit grew by \$24.1 million, a reversal from a \$15.9 million reduction in the preceding year. Specifically, the expansion in commercial credit firmed to \$40.2 million from \$3.3 million in the previous year, while, the contraction in consumer credit slowed to \$8.2 million from \$16.0 million. Conversely, the reduction in mortgages widened to \$7.9 million from \$3.2 million a year earlier.

Foreign Currency Credit

During the review month, domestic foreign currency credit grew by \$34.1 million, a reversal from the prior year's \$24.0 million contraction. In particular, private sector credit rose by \$31.9 million, a turnaround from a \$10.9 million retrenchment in 2021. Supporting this outturn, mortgages advanced by \$27.5 million and commercial credit by \$4.4 million, following respective declines of \$7.6 million and \$3.3 million in the previous year. Likewise, net claims on the Government firmed by \$2.3 million, following a \$2.4 million gain in 2021.



Source: Central Bank of The Bahamas

Meanwhile, credit to the rest of the public sector registered a flat outturn, following a \$15.5 million reduction in the preceding year.

Credit Quality

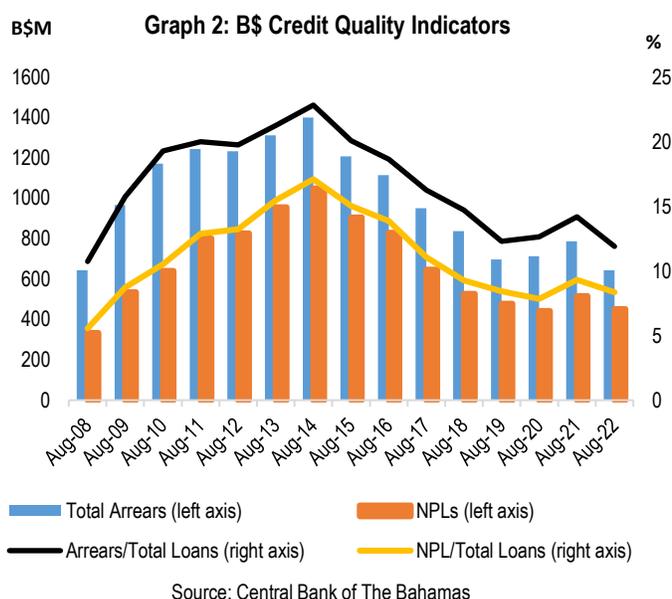
Commercial banks' credit quality indicators improved during the review month, underpinned by reductions in both short and long-term arrears. In particular, total private sector arrears decreased by \$17.8 million (2.7%) to \$644.1 million, with the corresponding ratio narrowing by 32 basis points to 11.9% of outstanding private sector claims.

Disaggregated by average age of delinquency, non-performing loans (NPLs) reduced by \$12.5 million (2.7%) to \$451.4 million, resulting in the accompanying ratio moving lower by 23 basis points to 8.4%—with declines in the NPL rates for consumer loans, by 45 basis points to 7.5%; mortgages, by 10 basis points to 10.2% and commercial loans, by 8 basis points to 5.2%. In addition, short-term arrears (31-90 days) fell by \$5.3 million (2.7%) to \$192.7 million, lowering the attendant ratio by 10 basis points to 3.6% of total private sector loans.

A breakdown by loan type revealed that consumer arrears decreased by \$10.1 million (4.8%) to \$198.4 million, owing to declines in both the non-accruals and short-term components, by \$9.0 million (5.8%) and by \$1.1 million (2.1%), respectively. Similarly, mortgage delinquencies fell by \$8.9 million (2.3%) to \$383.4 million, as the short-term segment decreased by \$6.0 million (4.5%) and the non-performing category by \$2.9 million (1.1%). Conversely, commercial loan arrears increased by \$1.2 million (2.0%) to \$62.3 million, attributed to a \$1.8 million (13.9%) rise in short-term arrears, which outstripped the \$0.6 million (1.2%) falloff in the long-term component.

Meanwhile, banks reduced their total provisions for loan losses by \$4.6 million (1.0%) to \$443.3 million. However, the ratio of total provisions to both NPLs and arrears rose by 1.7 percentage points to 98.2% and by 1.2 percentage points to 68.8%, respectively. Further, the coverage ratio of specific provisions to non-accruals firmed by 1.1 percentage points to 77.6%. During the review month, banks also wrote-off an estimated \$11.5 million in overdue loans and recovered approximately \$4.5 million.

In comparison to August 2021, the total private sector arrears rate declined by 2.3 percentage points. Specifically, the short-term segment decreased by 1.3 percentage points, while the non-accrual component fell by 1.0 percentage point. Further, by loan type, the arrears rate on mortgages moved lower by 2.7 percentage points; consumer loans, by 2.2 percentage points and commercial credit, by 1.2 percentage points.



Deposits

During the review month, total Bahamian dollar deposits expanded by \$11.9 million, a reversal from a \$34.7 million contraction in the comparable period of 2021. In terms of the components, demand deposits grew by \$59.1 million, a turnaround from the \$14.5 million falloff in the previous year. However, the decline in savings balances deepened to \$35.8 million from \$10.3 million and fixed deposits to \$11.5 million from \$9.9 million a year earlier. Meanwhile, residents' foreign currency deposits rose by \$6.5 million, extending the \$1.9 million uptick in the previous year.

Interest Rates

In interest rate developments, the weighted average loan rate firmed by 18 basis points to 11.1%. In contrast, the weighted average deposit rate fell by 14 basis points to 0.37%, with the highest rate of 3.75% offered on fixed balances over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will sustain its growth trajectory throughout the remainder of 2022, undergirded by ongoing improvements in tourism sector output. Nevertheless, downside risks to the industry persist, as emerging strains of the COVID-19 virus could potentially hinder the progress made on the international health front and curtail travel sector activity. In addition, rising fuel prices could constrain the travel industry's competitiveness, while the major central banks' counter-inflation policies could weaken the travel spending capacity of key source market consumers. However, new and ongoing foreign investment-led projects, along with post-hurricane reconstruction works, are anticipated to provide impetus to the construction sector, and by extension economic growth.

In the labor market, the unemployment rate, while declining, is projected to remain above pre-pandemic levels. Job gains are likely to be concentrated in the construction sector and the full rehiring of tourism sector employees. As it relates to prices, inflation is forecasted to stay elevated, underpinned by the rise in international oil prices, higher costs for other imported goods and supply chain shortages, associated with geopolitical tensions in Eastern Europe.

In the fiscal sector, the Government's net financing gap is estimated to remain elevated, though consolidating. Specifically, the Government's fiscal position is expected to remain impacted by ongoing allocations for health and social welfare outlays related to COVID-19, along with costs still associated with the reconstruction of key infrastructure following the major 2019 storm. Further, the recovery in revenue is anticipated to be significantly linked to tourism-led improving trends in taxable economic activity. The estimated budgetary gap is expected to require both domestic and external borrowings, but with an increased proportion of the total funding from domestic sources.

In monetary sector developments, banking sector liquidity is projected to remain elevated, due to commercial banks maintaining their conservative lending posture. Further, notwithstanding some anticipated seasonal drawdowns over the remainder of the 2022, external reserve balances are forecasted to remain robust, supported by expected foreign currency inflows from tourism and other net private sector receipts, thus ending the year above international benchmarks. Consequently, external balances are poised to remain more than adequate to sustain the Bahamian dollar currency peg.

4. Monetary Policy and Financial Stability Implications

In light of the prevailing outlook, the Central Bank will maintain its accommodative policy stance for private sector credit and pursue policies that ensure a favorable outturn for external reserves, and mitigate financial sector disruptions. The Bank will also continue to monitor developments within the foreign exchange market, and if necessary, adopt appropriate measures to support a favourable outcome for the foreign reserves.

APPENDIX

International Developments

Global economic conditions varied during the month of August, as the prolonged effects of the COVID-19 pandemic, combined with the geopolitical tensions in Eastern Europe, continued to influence global economic activities. As a result, some of the major central banks further tightened their monetary policy stances, in an attempt to maintain financial stability and to curb rising inflation.

In the United States, economic conditions remained lackluster. Specifically, retail sales grew by 0.3% in August, vis-à-vis a 0.4% decline a month earlier. Meanwhile, industrial production fell by 0.2%, a turnaround from a 0.5% growth in the previous month. In the labor market, the jobless rate rose by 20 basis points to 3.7% from the month prior; although total non-farm payroll employment increased by 315,000 in August, with notable gains in professional & business services, health care and retail trade. Similarly, the consumer price index edged up by 0.1% in August, from 1.3% a month earlier, attributed to a rise in the food, shelter and medical care indexes. In the external sector, the trade deficit narrowed by 12.6% to \$70.6 billion in July, owing to a combined 2.9% falloff in imports and a 0.2% gain in exports. In this environment, the Federal Reserve retained the target funds rate range at 2.25%-2.50%, although indicating further rate hikes in the near-term, in an effort to curtail inflation.

Economic developments within the European markets varied. In the United Kingdom, real GDP rose by 0.2% in July, contrasting with a 0.6% decline a month earlier, led by gains in the services sector. In the labour market, the jobless rate fell by 20 basis points to 3.6%, as 71,000 workers were added to the labour force. Regarding trade developments, the deficit narrowed by £3.6 billion (31.6%) to £7.8 billion in July, reflecting a 4.2% growth in exports and a 1.6% decline in imports. With regard to prices, the growth in the consumer price index slowed to 0.5% in August, from 0.6% in the preceding month. In the euro area, retail sales volumes increased by 0.3% in July, a reversal from a 1.0% falloff in the previous month, while industrial production fell by 2.3%, a turnaround from the 1.1% gain in June. Further the jobless rate decreased by 10 basis points to 6.6% in July, vis-à-vis a month earlier. In trade developments, the euro area recorded a €34.0 billion trade deficit in July, a switch from a trade surplus of €20.7 billion in the prior year, as the expansion in imports, outstripped growth in exports. Meanwhile in August, annual inflation firmed to 9.1%, from 8.9% a month earlier, owing primarily to a rise in energy costs. In this environment, the European Central Bank maintained its refinancing operations, marginal lending facility and deposit facility rates at 0.50%, 0.75% and 0.00%, respectively.

Within the Asian economies, indicators were mixed over the review month. In China, industrial production grew by 0.3% in August, slightly lower than the 0.4% gain in July. Further, retail sales rose by 5.4% year-on-year in August, higher than the 2.7% increase in the prior month. In terms of labor market conditions, the unemployment rate fell by 10 basis points to 5.3% in August, relative to the previous month. However, the annualized consumer price inflation firmed to 2.5% in August, from 2.7% in the previous month. Meanwhile, China's trade surplus expanded by \$20.3 billion (34.3%) to \$79.4 billion in August, vis-à-vis a year earlier, as the 7.1% expansion in exports overshadowed the 0.3% uptick in imports. In Japan, industrial production rose by 0.8% in July, albeit a moderation from the 9.2% growth a month earlier, owing to increases in motor vehicles, general-purpose & business oriented machinery and production machinery. Likewise, retail sales grew by 0.8% in July, following a 1.3% decline in the previous month. However, for the third consecutive month, the jobless rate was unchanged at 2.6% in July, while average consumer prices firmed by 0.5%, following a flat outturn in the month prior. In trade developments, Japan's trade deficit expanded to ¥2.8 billion in August, from a ¥653.4 million in the same period last year, as the 49.9% growth in imports outpaced the 22.1% rise in exports. In this environment, the Bank of Japan maintained its policy rate at -0.1%. However, the People's Bank of China reduced its reverse repo rate by 10 basis points to 2.00%.

In August, almost all of the major equity markets recorded negative movements. In the United States, the S&P 500 and the Dow Jones Industrial Average (DIJA) declined by 4.2% and by 4.1%, respectively. Similarly, the French CAC 40, the German DAX and the United Kingdom's FTSE 100 fell by 5.0%, by 4.8% and by 1.9%, respectively. In Asia, China's SE Composite decreased by 1.6%; however, Japan's Nikkei 225 moved higher by 1.0%.

In foreign exchange market developments, the US dollar appreciated against all of the major currencies during the month of August. Specifically, the US dollar strengthened relative to the British Pound, by 4.7% to £0.8604; the euro, by 1.7% to €0.9946 and the Swiss Franc, by 2.6% to CHF0.9775. The dollar also rose vis-à-vis the Canadian dollar, by 2.6% to CAD\$1.3130; the Chinese Renminbi, by 2.2% to CNY6.8904 and the Japanese Yen, by 4.3% to ¥138.96.

In the commodity markets, prices trended downward during the month of August. Specifically, the cost of crude oil reduced by 4.3% to \$109.90 per barrel, as OPEC increased its crude oil production by 2.1%. In addition, the prices of silver declined by 11.6% to \$17.99 per troy ounce and gold, by 3.1% to \$1,711.04 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

August					
Value		Change		Change YTD	
2021	2022	2021	2022	2021	2022

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,577.56	2,306.36	57.01	4.83	141.29	766.06
1.2 Excess Liquid Assets	2,443.53	3,010.26	93.03	14.39	213.82	576.51
1.3 External Reserves	2,753.38	3,268.07	140.32	-63.29	372.79	808.91
1.4 Bank's Net Foreign Assets	48.44	340.66	15.46	-44.10	146.35	255.70
1.5 Usable Reserves	1,498.86	1,677.39	192.67	-36.35	243.67	412.04

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,643.27	5,578.43	-26.80	55.93	-90.78	-9.90
a. B\$ Credit	5,511.71	5,356.31	-15.91	24.08	-77.18	-104.60
of which: Consumer Credit	1,967.62	1,828.52	-16.03	-8.17	-69.23	-62.25
Mortgages	2,770.79	2,697.25	-3.19	-7.91	-24.06	-48.86
Commercial and Other Loans B\$	773.30	830.54	3.31	40.16	16.11	6.51
b. F/C Credit	131.56	222.12	-10.89	31.85	-13.60	94.71
of which: Mortgages	69.09	140.17	-7.64	27.48	5.82	71.15
Commercial and Other Loans F/C	62.47	81.94	-3.25	4.38	-19.42	23.56
2.2 Central Government (net)	2,733.34	2,669.25	144.13	74.61	204.70	-276.13
a. B\$ Loans & Securities	2,943.97	2,875.30	1.34	22.15	213.38	-277.02
Less Deposits	382.44	301.84	-140.40	-50.20	10.15	-71.29
b. F/C Loans & Securities	174.13	99.35	0.00	-2.82	0.03	-70.62
Less Deposits	2.31	3.56	-2.39	-5.08	-1.44	-0.22
2.3 Rest of Public Sector	325.67	354.42	-11.85	0.14	2.43	37.81
a. B\$ Credit	295.67	324.42	3.61	0.14	19.51	37.81
b. F/C Credit	30.00	30.00	-15.45	0.00	-17.08	0.00
2.4 Total Domestic Credit	8,702.28	8,602.10	105.49	130.69	116.35	-248.22
a. B\$ Domestic Credit	8,368.90	8,254.20	129.44	96.58	145.56	-272.53
b. F/C Domestic Credit	333.38	347.90	-23.95	34.11	-29.21	24.31

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,397.31	3,975.80	-14.51	59.11	289.06	569.70
a. Central Bank	66.78	42.47	-25.12	-29.17	14.55	-18.89
b. Banks	3,330.52	3,933.33	10.62	88.28	274.51	588.59
3.2 Savings Deposits	1,849.79	2,031.98	-10.34	-35.79	65.18	151.17
3.3 Fixed Deposits	2,230.72	2,118.72	-9.85	-11.46	-19.64	-62.08
3.4 Total B\$ Deposits	7,477.81	8,126.50	-34.70	11.86	334.60	658.78
3.5 F/C Deposits of Residents	508.50	822.38	1.94	6.47	81.16	289.40
3.6 M2	7,852.10	8,532.07	-34.24	24.05	331.72	675.12
3.7 External Reserves/M2 (%)	35.07	38.30	1.93	-0.85	3.41	7.00
3.8 External Reserves/Base Money (%)	121.39	107.00	2.83	-2.99	9.02	-6.94
3.9 External Reserves/Demand Liabilities (%)	109.74	102.73	9.76	-0.25	3.97	-0.27
	Value		Year To Date		Change	
	2021	2022	2021	2022	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-111.57	-67.68	114.70	815.37	43.89	700.67
a. Net Purchase/(Sale) from/to Banks	-56.98	-13.61	-1.20	416.64	43.36	417.83
i. Sales to Banks	87.70	70.68	267.98	359.45	-17.02	91.47
ii. Purchase from Banks	30.72	57.06	266.78	776.09	26.34	509.31
b. Net Purchase/(Sale) from/to Others	-54.60	-54.07	115.90	398.74	0.53	282.84
i. Sales to Others	103.75	114.19	581.18	873.80	10.45	292.62
ii. Purchase from Others	49.15	60.12	697.08	1272.54	10.98	575.46
4.2 Banks Net Purchase/(Sale)	-65.70	-31.56	59.92	430.04	34.13	370.12
a. Sales to Customers	616.78	732.82	3395.09	4488.63	116.04	1093.53
b. Purchase from Customers	551.08	701.26	3455.01	4918.67	150.18	1463.65

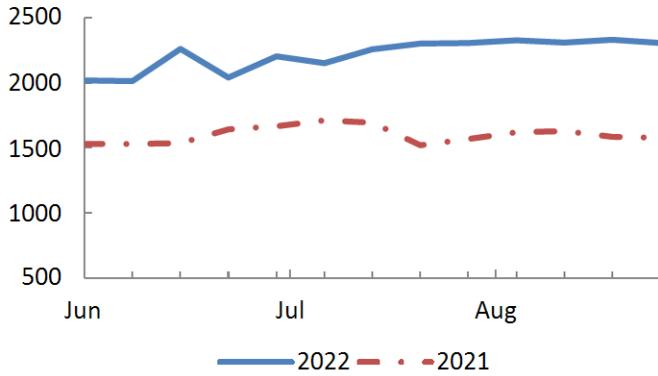
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	647.78	730.45	3,751.16	4,650.23	82.68	899.07
of which Public Sector	80.89	60.38	502.21	584.73	-20.51	82.52
a. Nonoil Imports	174.46	181.02	1,071.86	1,241.26	6.56	169.40
b. Oil Imports	40.24	109.97	255.74	576.54	69.73	320.81
c. Travel	18.73	24.69	93.93	112.78	5.96	18.85
d. Factor Income	67.29	46.40	355.10	381.51	-20.89	26.40
e. Transfers	18.09	12.50	131.63	110.94	-5.59	-20.69
f. Other Current Items	328.97	355.87	1,842.89	2,227.20	26.90	384.31
5.2 Capital Items	60.51	79.72	170.48	529.14	19.21	358.65
of which Public Sector	50.64	49.79	116.29	292.22	-0.85	175.93

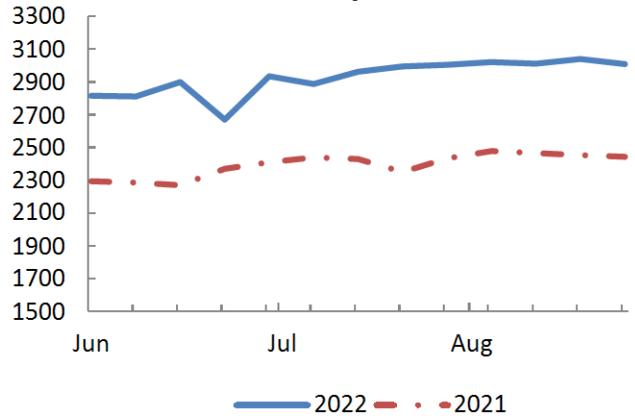
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

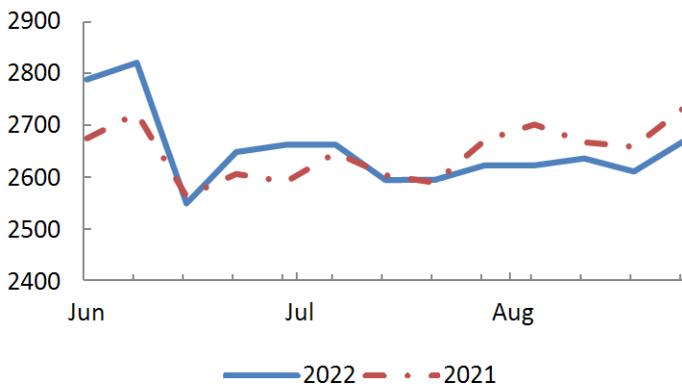
Excess Reserves



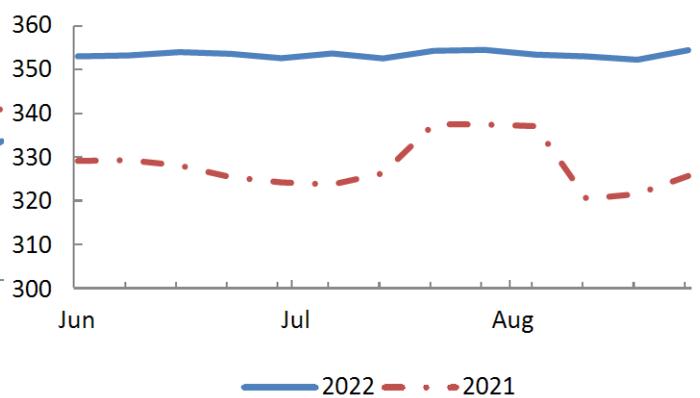
Excess Liquid Assets



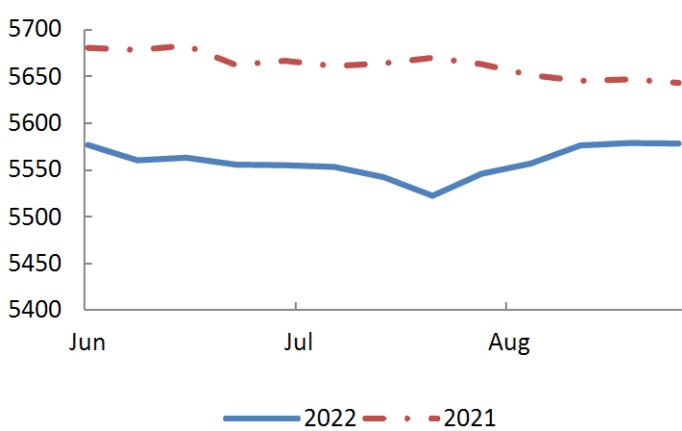
Central Govt. Credit (Net)



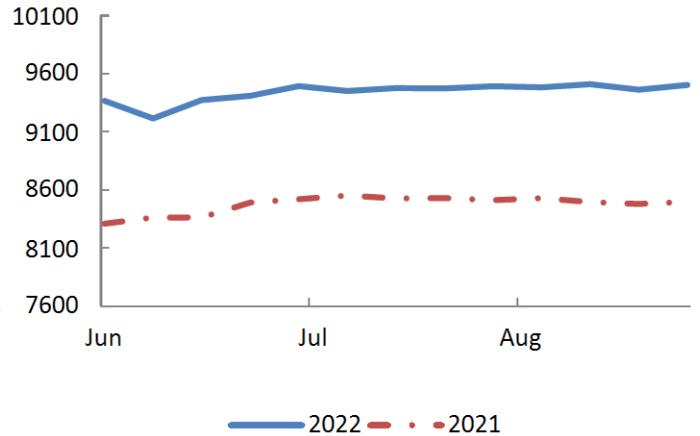
Rest of Public Sector Credit



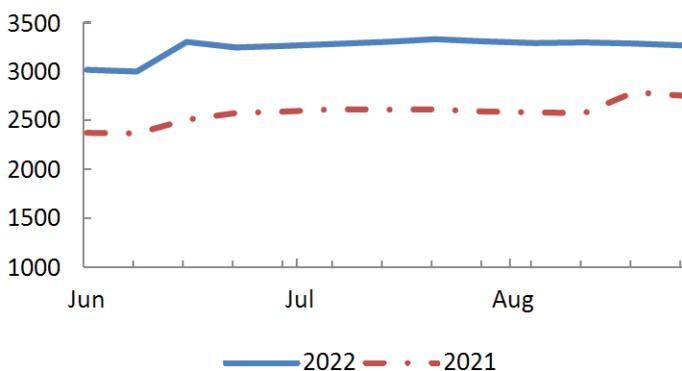
Private Sector Credit



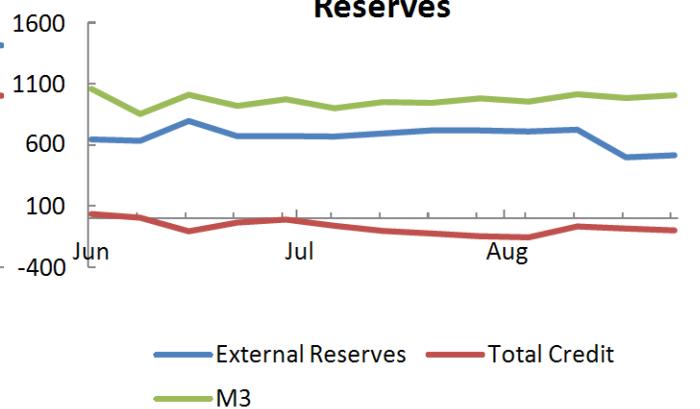
M3



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	
	2021	2022	2021	2022	2021	2022
Bahamas	5.6	6.0	5.5	6.7	n/a	n/a
United States	5.7	3.7	4.7	7.7	5.4	3.5
Euro-Area	5.3	2.8	2.6	5.3	7.7	7.3
Germany	2.8	2.1	3.2	5.5	3.5	3.2
Japan	1.6	2.4	-0.3	1.0	2.8	2.6
China	8.1	4.4	0.9	2.1	4.0	3.7
United Kingdom	7.4	3.7	2.6	7.4	4.5	4.2
Canada	4.6	3.9	3.4	5.6	7.4	5.9

Source: IMF World Economic Outlook April 2022.

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit	Target Funds	Repo Rate
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
June 2021	4.00	0.00	0.25	0.00-0.25	0.10
July 2021	4.00	0.00	0.25	0.00-0.25	0.10
August 2021	4.00	0.00	0.25	0.00-0.25	0.10
September 2021	4.00	0.00	0.25	0.00-0.25	0.10
October 2021	4.00	0.00	0.25	0.00-0.25	0.10
November 2021	4.00	0.00	0.25	0.00-0.25	0.10
December 2021	4.00	0.00	0.25	0.00-0.25	0.25
January 2022	4.00	0.00	0.25	0.00-0.25	0.25
February 2022	4.00	0.00	0.25	0.00-0.25	0.50
March 2022	4.00	0.00	0.50	0.25-0.50	0.75
April 2022	4.00	0.00	1.00	0.75-1.00	1.00
May 2022	4.00	0.00	1.75	1.50-1.75	1.25
June 2022	4.00	0.00	1.75	1.50-1.75	1.25
July 2022	4.00	0.50	2.50	2.25-2.50	1.25
August 2022	4.00	1.25	2.50	2.25-2.50	1.75

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Aug-21	July-22	Aug-22	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8468	0.9785	0.9946	1.65	13.09	17.46
Yen	110.02	133.27	138.96	4.27	20.75	26.30
Pound	0.7270	0.8216	0.8604	4.72	16.43	18.35
Canadian \$	1.2616	1.2795	1.3130	2.62	3.89	4.07
Swiss Franc	0.9151	0.9524	0.9775	2.64	7.08	6.82
Renminbi	6.4607	6.7445	6.8904	2.16	8.41	6.65

Source: Bloomberg as of August 31, 2022

D. Selected Commodity Prices (\$)					
Commodity	Aug-21	July-22	Aug-22	Mthly % Change	YTD % Change
Gold / Ounce	1813.62	1765.94	1711.04	-3.10883	-6.459654
Silver / Ounce	23.8943	20.3584	17.9920	-11.6237	-22.8086
Oil / Barrel	76.29	114.79	109.90	-4.25995	38.76263

Source: Bloomberg as of August 31, 2022

E. Equity Market Valuations – August 31st, 2022 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-1.47	-4.06	-4.24	-1.88	-5.02	-4.81	1.04	-1.57
3 month	5.59	-4.49	-4.29	-4.25	-5.31	-10.80	2.98	0.49
YTD	15.20	-13.29	-17.02	-1.36	-14.37	-19.20	-2.43	-12.02
12-month	24.71	-10.89	-12.55	2.31	-8.31	-18.95	0.01	-9.64

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	2.3750	1.7100	-0.0025
1 Month	2.6000	2.0400	0.3100
3 Month	3.0183	2.3500	0.7900
6 Month	3.8300	3.2000	1.2750
9 Month	4.0250	3.7200	1.6500
1 year	4.1500	3.8350	1.7950

Source: Bloomberg as of August 31, 2022

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

	VALUE									CHANGE								
	Jul. 06	Jul. 13	Jul. 20	Jul. 27	Aug. 03	Aug. 10	Aug. 17	Aug. 24	Aug. 31	Jul. 06	Jul. 13	Jul. 20	Jul. 27	Aug. 03	Aug. 10	Aug. 17	Aug. 24	Aug. 31
I. External Reserves	3,263.84	3,283.12	3,303.68	3,331.36	3,309.22	3,291.98	3,298.81	3,287.01	3,268.07	16.72	19.28	20.56	27.68	(22.13)	(17.24)	6.83	(11.80)	(18.94)
II. Net Domestic Assets (A + B + C + D)	(334.46)	(408.82)	(323.37)	(302.67)	(255.89)	(226.96)	(250.23)	(224.75)	(213.78)	159.84	(74.36)	85.44	20.70	46.78	28.93	(23.27)	25.49	10.97
A. Net Credit to Gov't (I + ii + iii -iv)	353.76	360.19	355.78	362.45	413.75	429.37	407.53	404.58	413.13	(66.76)	6.43	(4.40)	6.67	51.30	15.62	(21.84)	(2.95)	8.56
i) Advances	205.00	205.00	205.00	205.00	205.00	205.00	205.00	205.00	205.00	-	-	-	-	-	-	-	-	-
ii) Registered Stock	302.31	302.25	301.93	292.10	291.73	291.81	293.71	292.05	292.47	0.06	(0.06)	(0.33)	(9.83)	(0.37)	0.08	1.90	(1.66)	0.42
iii) Treasury Bills	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	-	-	-	-	-	-	-	-	-
iv) Deposits	153.55	147.07	151.15	134.64	82.98	67.44	91.18	92.47	84.34	66.82	(6.49)	4.08	(16.50)	(51.67)	(15.53)	23.74	1.29	(8.13)
B. Rest of Public sector (Net) (i+ii-iii)	(81.10)	(94.74)	(79.61)	(64.92)	(67.86)	(37.69)	(37.84)	(26.21)	(35.75)	(4.30)	(13.65)	15.13	14.69	(2.94)	30.17	(0.15)	11.63	(9.53)
i) Loans	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	-	-	-	-	-	-	-	-	-
iii) Deposits	87.83	101.47	86.34	71.65	74.58	44.42	44.57	32.94	42.47	4.30	13.65	(15.13)	(14.69)	2.94	(30.17)	0.15	(11.63)	9.53
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-								
D. Other Items (Net)*	(607.12)	(674.26)	(599.54)	(600.21)	(601.79)	(618.64)	(619.93)	(603.11)	(591.17)	230.89	(67.14)	74.72	(0.67)	(1.58)	(16.85)	(1.29)	16.81	11.94
III. Monetary Base	2,929.38	2,874.30	2,980.31	3,028.69	3,053.33	3,065.02	3,048.57	3,062.26	3,054.29	176.56	(55.08)	106.01	48.38	24.64	11.69	(16.45)	13.69	(7.97)
A. Currency in Circulation	543.15	536.34	532.31	535.26	543.08	544.72	549.93	545.65	551.33	12.15	(6.81)	(4.03)	2.96	7.82	1.64	5.21	(4.28)	5.68
B. Bank Balances with CBOB	2,386.23	2,337.96	2,448.00	2,493.43	2,510.25	2,520.30	2,498.64	2,516.61	2,502.96	164.41	(48.27)	110.04	45.42	16.82	10.05	(21.65)	17.97	(13.65)

