



### **Monthly Economic and Financial Developments December 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:**

2022: February 28; April 4; May 2; May 30; July 4; August 1; August 29; October 3; October 31; November 28; December 27



## DECEMBER 2021 SUMMARY

### MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

#### ***Overall Economic Activity***

The gradual pace of recovery in the domestic economy was sustained during the review month, despite new strains of the COVID-19 pandemic. Tourism output further strengthened, undergirded by seasonal gains in the high value-added air segment and the modest uptick in sea traffic. Further, ongoing foreign investment-led projects, combined with post-hurricane reconstruction work, continued to provide stimulus to the construction sector.

#### ***Inflation & Unemployment***

Though remaining somewhat contained, inflationary pressures are anticipated to firm, as a result of the uptick in international oil prices and rising costs in the imported goods from the United States. In terms of the labour market, the unemployment rate is projected to remain elevated over the near-term, with any job gains concentrated largely in the construction sector and the limited re-employment of tourism sector employees.

#### ***Monetary Policy***

In monetary developments, the growth in bank liquidity moderated, still attributed to the expansion in the deposit base that outweighed the increase in domestic credit. Meanwhile, external reserves declined during the review month, reflective of seasonal net foreign currency outflows through the public sector.

#### ***Global Activity***

During the month of December, global economic performance varied, underpinned by the ongoing spread of the COVID-19 pandemic, and the highly infectious omicron variant. Accordingly, the major central banks sustained their highly accommodative monetary policy stances, in an effort to maintain financial stability and encourage economic growth.



# Monthly Economic and Financial Developments (MEFD)

## December 2021

### 1. Domestic Economic Developments

#### Overview

The gradual pace of recovery in the domestic economy was sustained during the review month, despite the growing presence of the highly transmissible omicron strain of COVID-19. Tourism output further strengthened underpinned by seasonal gains in the high value-added air segment and the modest uptick in sea traffic, as vaccination efforts progressed in the major source markets. Monetary developments reflected a moderation in the growth in liquidity, though attributed to an expansion in the deposit base, which outpaced the rise in domestic credit. However, external reserves decreased during the review month, owing primarily to seasonal net foreign currency outflows through the public sector.

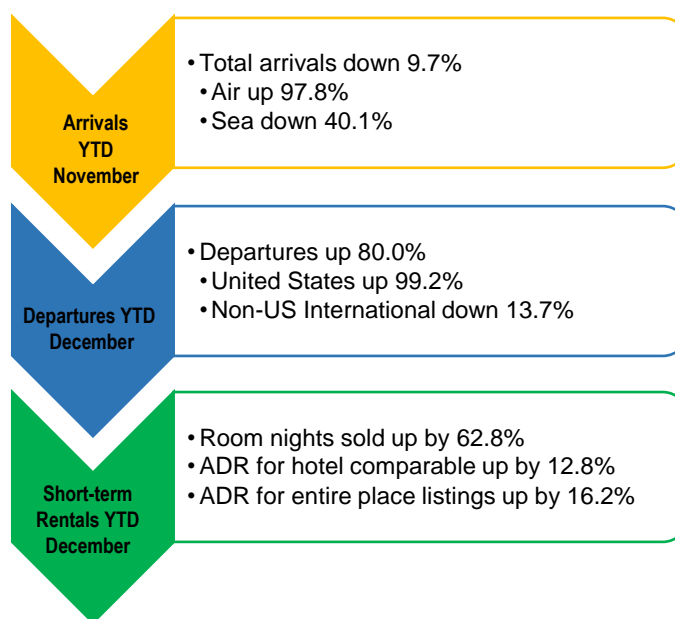
#### Real Sector

##### Tourism

Preliminary evidence suggested that monthly tourism output indicators maintained their positive trajectory, despite ongoing globally imposed travel restrictions, related to the COVID-19 pandemic.

The most recent data provided by the Ministry of Tourism (MOT) showed that total visitor arrivals by first port of entry expanded to 383,706 in November, from 13,381 in the corresponding period of 2020. Leading this development, air arrivals rose to 90,228, from 11,272 in the previous year—constituting 85.8% of the air passengers registered in the comparative 2019 period. Further, as the cruise industry continued to revive, sea traffic recovered to 293,478 passengers, compared to a volume of just 2,109 in the prior year, when voyages were suspended. Disaggregated by major market, total arrivals to New Providence strengthened to 184,204 in November from a mere 5,684 in the corresponding period last year. Contributing to this outturn, the air and sea segments amounted to 68,826 and 115,378 passengers, respectively. Likewise, foreign arrivals to Grand Bahama increased to 11,396, from 900 a year earlier, as air and sea arrivals measured 2,039 and 9,357, respectively. Further, the Family Islands attracted 188,106 visitors in November, vis-à-vis 6,797 in the prior year, owing to improvements in the air and sea segments to 19,363 and 168,743 arrivals, respectively.

Chart 1: Tourism Indicators at a Glance



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

On a year-to-date basis, total arrivals still fell by 9.7%, but was notably lower than the 73.1% decline registered in the same 11 months of 2020. Leading this outturn, air arrivals grew by 97.8%, a reversal from the 74.5% falloff recorded in the previous year, as all major markets registered gains during the review period. However, the cruise segment accumulated a 40.1% decline in sea traffic—due to a later onset of resumed business than for onshore resorts. This was still moderated from the 72.6% contraction in 2020 (see Table 1).

The most recent data provided by the Nassau Airport Development Company Limited (NAD) revealed that total departures—net of domestic passengers—rose to 98,305 in December, from 21,040 in the corresponding month of 2020. In particular, U.S. departures increased to 83,115 from 16,009 in the prior year, while non-U.S. departures advanced to 15,190 from 5,031 a year earlier. On a year-to-date basis, total outward bound traffic moved higher by 80.0%, following a decline of 74.2% in 2020. Underlying this outcome, U.S. departures grew by 99.2%, after a 75.2% falloff in the previous year. Further, the decline in non-U.S. departures slowed to 13.7% from 64.4% in the previous year.

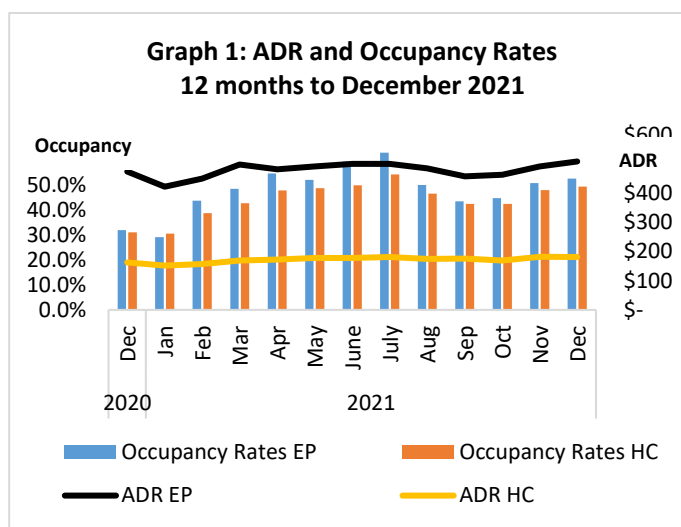
Positive trends were also mirrored in the vacation rental market, as the demand for short-term rentals accelerated. The latest data from AirDNA revealed that, in December total room nights sold rose more than two-fold to 124,096, from 50,692 in the comparative 2020 period. Reflective of this outcome, both entire place and hotel comparable listings increased to 52.4% and 49.3%, respectively, from 31.9% and 31.0% in the corresponding period last year. As depicted in Graph 1, price indicators strengthened year-over-year, as the average daily rate (ADR) for hotel comparable listings firmed by 11.6% to \$181.14 and for entire place listings, by 7.2% to \$508.33.

On a year-to-date basis, vacation rental room nights sold grew by 62.8%, occasioned by respective gains in bookings for entire place and hotel comparable listings, by 64.8% and by 47.4%. Further, ADR for hotel comparable and entire place listings increased by 12.8% and by 16.2%, respectively.

**Table 1: Total Visitor Arrivals January - November 2021**

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2020	2021	2020	2021	2020	2021
<b>Arrivals</b>						
<b>Air</b>	-74.3	83.6	-79.0	67.0	-74.6	162.0
<b>Sea</b>	-77.3	-45.0	-77.2	-45.0	-65.6	-35.1
<b>Total</b>	-76.3	-1.1	-77.4	-34.5	-66.7	-16.1

Source: Ministry of Tourism



Source: AirDNA

## **2. Monetary Trends**

### **December 2021 vs. 2020**

#### **Liquidity**

The growth in bank liquidity moderated sharply during the month of December, but was still due to the expansion in the deposit base outpacing the rise in domestic credit. Stronger gains in 2020 were due to a wider gap between credit contraction relative to deposit base reduction. Notably, in December, excess reserves—a narrow measure of liquidity—increased by \$2.4 million to \$1,437.4 million, albeit a deceleration from last year's \$77.6 million buildup. In contrast, excess liquid assets—the broad measure of liquidity—declined by \$23.0 million to \$2,330.8 million, a reversal from the \$49.1 million gain recorded in 2020.

On a year-to-date basis, the expansion in excess liquid assets tapered to \$101.1 million from \$264.4 million in the previous year. Meanwhile, excess reserves rose by only \$1.1 million, relative to the \$330.0 million accumulation a year earlier.

#### **External Reserves**

During December, external reserves reduced by \$16.2 million to \$2,459.2 million, a turnaround from the \$166.9 million expansion in the comparable period of 2020. In the underlying transactions, the Central Bank recorded net foreign currency sales of \$30.3 million to the public sector, following debt financing related net purchases of \$245.4 million in the previous year. Providing some offset, the Central Bank's transactions with commercial banks shifted to a net purchase of \$13.3 million, from a net sale of \$78.9 million in the preceding year. In addition, commercial banks net outflows to their customers tapered to \$10.0 million from \$68.4 million in the prior year.

On an annual basis, the IMF's allocation of SDRs and reduced net outflow through the private sector outweighed the compressed net proceeds from Government's external borrowing, to sustain growth in external reserves of \$78.6 million. This however was a considerable slowdown from the \$622.4 million growth in the prior year. Contributing to this outturn, the Central Bank's transactions with the public sector reversed to a net sale of \$49.4 million, vis-à-vis a net purchase of \$913.2 million in 2020. Meanwhile, the net sale to commercial banks tapered to \$130.5 million from \$376.6 million in the prior year. In tandem, commercial banks' net sale to their customers, mainly in the private sector, moderated sharply to \$95.0 million from \$459.5 million last year.

#### **Exchange Control Data**

Preliminary data on foreign currency sales for current account transactions showed that monthly outflows increased by \$106.9 million to \$510.2 million in December, relative to the same period last year. Reflective of a rise in payments for services and credit cards, "other" current items grew by \$47.1 million, while factor income remittances and oil imports rose by \$39.5 million and by \$29.1 million, respectively. Further, outflows for travel related transactions increased by \$2.9 million. In contrast, decreases were posted for non-oil imports (\$7.0 million) and transfer payments (\$4.7 million).

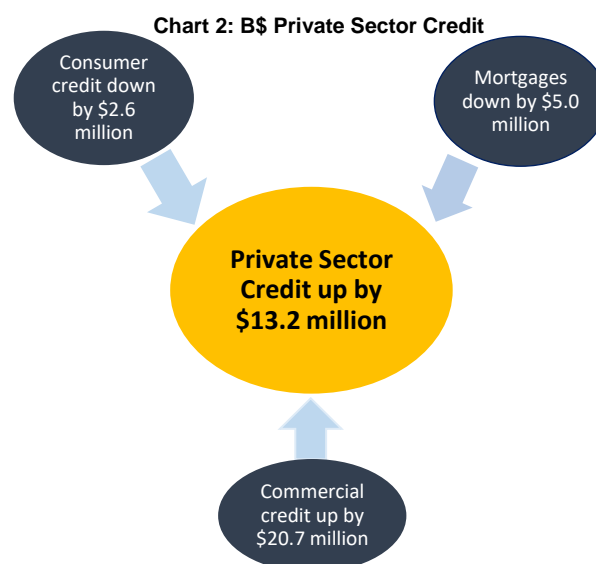
On a year-to-date basis, foreign currency sales for current account transactions expanded by \$677.7 million to \$5,833.1 million, in comparison to 2020. Underpinning this outturn, increases were posted for credit card supported "other" current items (\$239.2 million), non-oil imports (\$170.3 million), factor income payments (\$141.3 million), oil imports (\$86.1 million) and travel related transactions (\$40.8 million).

## Domestic Credit

### Bahamian Dollar Credit

Total Bahamian dollar credit grew by \$97.1 million during the month of December, contrasting with a \$208.2 million reduction in the preceding year. Contributing to this development, net claims on the Government rose by \$88.0 million, a reversal from the \$199.8 million contraction in 2020. In addition, private sector credit strengthened by \$13.2 million, following an \$8.4 million decline a year earlier. In particular, commercial credit expanded by \$20.7 million; however, mortgages and consumer credit reduced, by \$5.0 million and by \$2.6 million, respectively. Conversely, credit to public corporations decreased by \$4.1 million, after registering a flat outturn a year earlier.

For the year-to-date, total Bahamian dollar credit increased by \$303.4 million, a turnaround from the \$275.2 million retrenchment in 2020. In particular, net claims on the Government grew by \$420.9 million, vis-à-vis a \$206.2 million reduction a year earlier. Meanwhile, credit to public corporations advanced by \$10.5 million, a turnaround from a \$2.3 million falloff last year. In contrast, private sector credit contracted by \$128.0 million, extending the \$66.7 million decline in the prior year. Specifically, consumer credit and mortgages fell by \$146.1 million and by \$48.7 million, respectively. However, commercial credit rose by \$66.9 million.



Source: Central Bank of The Bahamas

### Foreign Currency Credit

The falloff in domestic foreign currency credit tapered to \$3.5 million from \$10.8 million a year earlier. Specifically, the decrease in private sector credit slowed to \$1.8 million from \$8.5 million in the preceding year, as the \$0.6 million uptick in mortgages contrasted with the \$2.3 million falloff in commercial credit. In addition, the reduction in net claims on the Government moderated to \$1.8 million, from \$2.3 million in the previous year. Meanwhile, credit to public corporations registered a flat outturn.

On a year-to-date basis, the decline in domestic foreign currency credit narrowed to \$39.0 million from \$59.1 million in 2020. Private sector credit reduced by \$17.8 million, a slowdown from the \$55.7 million downturn in 2020, with the \$5.8 million increase in mortgages contrasting with a \$23.5 million falloff in commercial credit. Similarly, the contraction in credit to the rest of the public sector moderated sharply to \$17.1 million, following a \$118.2 million decrease in the previous year. Meanwhile, net claims on the Government fell by \$4.2 million, vis-à-vis a \$114.9 million growth last year.

### Credit Quality

Commercial bank's credit quality weakened incrementally during the month of December, as total private sector arrears expanded by \$3.5 million (0.5%) to \$779.8 million, with its accompanying ratio higher by 7 basis points at 14.2%. Contributing to this outturn, non-performing loans (NPLs) rose by \$46.3 million (9.6%) to \$527.9 million, corresponding with an 85 basis points rise in the attendant ratio to 9.6%—with a rise in NPL



rates for consumer arrears, by 2.5 percentage points to 9.9%; meanwhile, mortgages and commercial loan rates fell by 13 and 2 basis points, to 11.0% and 5.3%, respectively. In contrast, short-term arrears (31-90 days) reduced by \$42.8 million (14.5%) to \$251.9 million, while the associated ratio declined by 78 basis points to 4.6%.

An analysis by loan category revealed that the growth in arrears was led by an uptick in commercial delinquencies by \$7.3 million (11.5%) to \$71.4 million, as both the short-term and the non-accrual components grew by \$7.1 million (42.4%) and by \$0.3 million (0.5%), respectively. Likewise, mortgage delinquencies increased by \$3.8 million (0.9%) to \$438.4 million, owing to an \$8.0 million (5.3%) rise in the short-term component, which outweighed the \$4.2 million (1.5%) decline in the long-term component. Conversely, consumer arrears reduced by \$7.6 million (2.8%) to \$269.9 million, due to a \$57.9 million (45.7%) falloff in the short-term segment, which surpassed the \$50.3 million (33.3%) growth in NPLs.

Given these developments, banks increased their total provisions for loan losses by \$13.7 million (2.8%) to \$512.6 million in December. As a result, the ratio of total provisions to arrears moved higher by 1.5 percentage points to 65.7%, while, the ratio for total provisions to non-performing loans decreased by 6.5 percentage points to 97.1%. During the review month, banks also wrote-off an estimated \$9.5 million in bad loans, and recovered approximately \$4.2 million.

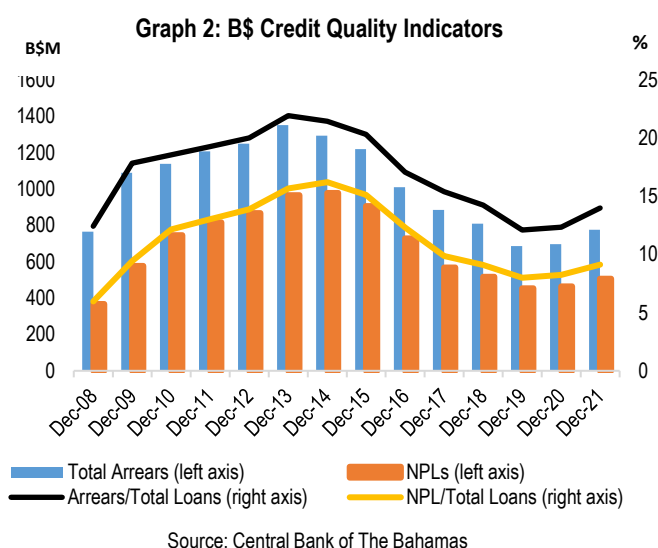
On a year-to-date basis, total private sector arrears expanded by \$6.7 million (0.9%), corresponding to a 42 basis point uptick in the relative ratio. By length of delinquency, the short-term component moved lower by \$46.6 million (15.6%), with the relevant ratio reducing by 74 basis points. Meanwhile, NPLs rose by \$53.4 million (11.2%), resulting in the corresponding ratio firming by 1.2 percentage points.

Disaggregated by loan category, residential mortgage delinquencies reduced by \$47.8 million (9.8%), as the short-term segment declined by \$39.0 million (19.7%) and the non-performing balance by \$8.8 million (3.1%). Conversely, consumer arrears advanced by \$41.3 million (18.1%), reflecting an expansion in long-term delinquencies by \$55.4 million (38.0%), which outweighed the \$14.1 million (17.0%) retrenchment in the short-term balances. Similarly, commercial arrears grew by \$13.2 million (22.7%), corresponding with a \$6.5 million (37.5%) growth in short-term delinquencies, and a \$6.7 million (16.4%) increase in NPLs.

Over the year, commercial banks total provisions for loan losses contracted by \$57.0 million (10.0%). Accordingly, the ratio of total provisions to arrears fell by 8.0 percentage points, while the ratio of total provisions to NPLs decreased by 22.9 percentage points. For the year, banks also wrote-off approximately \$171.4 million in overdue loans and recovered an estimated \$31.0 million.

## Deposits

During the review month, Bahamian dollar deposits grew by \$123.9 million, a reversal from the \$49.5 million reduction in the corresponding period of 2020. In terms of the components, respective demand and savings



balances rose by \$96.3 million and by \$21.2 million, a switch from declines of \$56.2 million and \$0.7 million in the preceding year. However, the growth in fixed deposits slowed to \$6.3 million from \$7.4 million in the prior year. Meanwhile, the retrenchment in foreign currency deposits tapered to \$39.9 million, from \$57.3 million the previous year.

On an annual basis, the growth in total Bahamian dollar deposits broadened to \$324.5 million from \$128.1 million in 2020. Leading this outturn, the rise in demand balances accelerated to \$297.9 million from \$154.5 million in the prior year. Further, savings deposits increased by \$96.2 million, although a moderation from the \$148.2 million buildup in the previous year. In addition, the contraction in fixed deposits tapered to \$69.6 million from \$174.6 million in the preceding year. In addition, foreign currency deposit balances shifted to an increase of \$105.7 million, vis-à-vis a reduction of \$242.7 million in 2020.

## **Interest Rates**

During the month of December, banks' weighted average loan rate firmed by 68 basis points to 10.56%. Meanwhile, the weighted average deposit rate was unchanged, at 0.53%, with the highest rate of 3.00% offered on fixed balances of over 12 months.

## **3. Domestic Outlook**

Expectations are that the domestic economy will maintain a modest growth trajectory in 2022, supported by the ongoing strengthening in the tourism sector. In this regard, full recovery in the tourism sector will remain contingent upon the success of international health initiatives, increased vaccination rates across countries and the removal of all globally imposed travel restrictions. Further, foreign direct investment projects, along with post-hurricane rebuilding works, are anticipated to provide stimulus to the construction sector, which will also contribute to the growth matrix.

With regard to labour market conditions, the unemployment rate is projected to remain high over the near-term, with any job gains concentrated largely in the construction sector and the limited re-employment of tourism sector employees. In price developments, inflationary pressures are anticipated to firm over the near-term, reflecting the pass-through effects of the rise in international oil prices and higher cost on other items.

Although continuing to trend lower, the Government's net financing needs are expected to remain elevated, attributed to constrained revenue collections, along with increased outlays for health and social welfare associated with COVID-19. Elevated expenditure requirements also continue for repairs to damaged infrastructure following the 2019 major hurricane. Projected revenue shortfalls should persist, as taxable economic activity steadily recover to pre-pandemic levels, mostly in line with tourism's rebound. Meanwhile, the need for a blend of domestic and external borrowing remains prudent to finance the projected budgetary gap, but with increased sustainability of domestic sources.

Monetary sector developments will continue to feature elevated levels of banking sector liquidity, due to commercial banks maintaining their conservative lending stance. Further, external reserve balances are anticipated to remain buoyant in 2022, staying above international benchmarks, with anticipated support from the tourism sector and other net private sector inflows. Accordingly, external balances are poised to remain more than adequate to sustain the Bahamian dollar currency peg.



#### ***4. Monetary Policy Implications***

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

## APPENDIX

### *International Developments*

During the month of December, global economic performance was mixed, reflective of the ongoing spread of the COVID-19 pandemic, dominated by the highly infectious omicron variant. Accordingly, major central banks sustained their highly accommodative monetary policy stances, in an effort to maintain financial stability and encourage economic growth.

Economic developments in the United States varied over the review period, underpinned by the rise in COVID-19 cases. Retail sales reduced sharply by 1.9% in December, extending the 0.2% falloff in November, while industrial production rose by 0.5% in November, although a moderation from the 1.7% rise a month earlier, with manufacturing, mining and utility output impacting the overall uptick. Positive gains were noted in the labour market, as total non-farm payroll employment increased by 199,000 in December, with job gains in leisure and hospitality, professional and business services, and in manufacturing. Resultantly, the unemployment rate declined by 30 basis points to 3.9% in December, from the previous month. In terms of prices, the consumer price index (CPI) grew 0.5% in December, but was lower than the 0.8% recorded in November. Meanwhile, the trade balance deficit widened by 19.4% to \$80.2 billion in November, reflective of a 4.6% expansion in imports, which outstripped the 0.2% uptick in exports. In this environment, the Federal Reserve maintained its benchmark interest rate at a range of 0.00%–0.25%.

In Europe, economic indicators revealed mixed performances over the review period. In the United Kingdom, retail sales volume rose by 1.4% in November, higher than the 1.1% gain in October. In addition, monthly industrial production expanded by 1.0% in November, fueled by accelerations in water and sewerage, electricity and gas, and manufacturing sectors. In addition, the consumer price index in the United Kingdom firmed by 20 basis points to an annualized 4.8% in December over the previous month, owing to higher prices for housing, household services and transport. Further, the jobless rate declined by 40 basis points to 4.1% in three months to December, as the number of employed persons advanced by 184,000. In terms of the external sector, the trade balance deficit widened by £2.8 billion to £9.3 billion in the three months to November, due to a 4.9% increase in total imports, combined with a 1.0% decrease in exports. In the euro area, in November, retail sales volume and industrial production rose by 1.0% and by 2.3%, respectively, from a month earlier. Further, the unemployment rate fell by 10 basis points in November to 7.2%, while, annual consumer prices firmed to 5.0% in December from 4.9% in the prior month. Moreover, the euro area recorded a €1.5 billion trade deficit in November, a reversal from a trade surplus of €3.6 billion in October, as the 32.0% rise in imports outstripped the 14.4% expansion in exports. In line with these developments, the Bank of England increased its policy rate to 0.25% from 0.1% in an effort to stabilize the country's rising inflation. Meanwhile, the European Central Bank retained its interest rates on its main refinancing operations, marginal lending facility and deposit facility at 0.00%, 0.25%, and -0.50%, respectively.

Within the Asian economies, economic indicators were subdued over the review period. In China, GDP growth slowed to 4.0% during the final quarter of 2021, from 4.9% in the prior quarter, amidst the resurgence of COVID-19 cases and a real estate downturn. Further, annual inflation declined to 1.5% in December from 2.3% in November, led by a reduction in food prices. However, China's unemployment rate firmed by 10 basis points to 5.1% in December, relative to the prior month. Retail sales volume grew by 3.9% in November, vis-à-vis the previous month, while industrial production advanced by 3.8% year-on-year in November from 3.5% a month earlier. With regard to the external sector, China's trade surplus strengthened to \$94.5 billion in December, from \$75.8 billion in the previous month, as exports rose by 20.9%, overshadowing the 19.5% gain in imports. In Japan, retail sales advanced by 1.9% year-on-year in November, with large contributions from retail sales of consumer goods, other than automobiles. Japan's industrial production also edged up by 0.4% from a month earlier. However, the jobless rate remained unchanged at 2.7% in November, while the consumer price index firmed by 0.3% from the previous month, due to heightened fuel, light and water costs. However, monetary policy remained unchanged, as the Bank of Japan sustained its policy rate at -0.1%, while the People's Bank of China kept its reverse repo rate at 2.20%.

Broad based gains were recorded in the major equity markets during the review month. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 increased by 5.4% and by 4.4%, respectively. Further, in Europe, the French CAC 40, the German DAX, and the United Kingdom's FTSE 100 rose by 6.4%, 5.2%, and 4.6%, respectively. In Asia, Japan's Nikkei 225 grew by 3.5%, while China's SE Composite firmed by 2.1%.

In currency market developments, the US dollar depreciated relative to the major currencies during the month of December. Specifically, the US dollar weakened against the British Pound by 1.7% to £0.7390, and the Canadian dollar, by 1.1% to CAD\$1.2637. In addition, the US dollar declined vis-à-vis the Swiss Franc by 0.7% to CHF0.9129, the euro, by 0.3% to €0.8795, and the Chinese Renminbi by 0.1% to CNY6.3561. However, the US dollar strengthened against the Japanese Yen by 1.7% to ¥115.08.

As it relates to the commodities market, outcomes varied during the review period. In particular, the cost of crude oil contracted by 6.1% to \$79.20 per barrel, even as OPEC crude oil production increased by 0.2 million barrels per day (mb/d) over the prior month, to an average 27.9 mb/d in December. However, the costs of gold and silver both grew by 3.1% and by 2.1%, to \$1,829.20 and \$23.31 per troy ounce, respectively.

# Recent Monetary and Credit Statistics

## (B\$ Millions)

December					
Value		Change		Change YTD	
2020	2021	2020	2021	2020	2021

### 1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,436.26	1,437.39	77.61	2.38	330.04	1.12
1.2 Excess Liquid Assets	2,229.72	2,330.83	49.05	-22.98	264.35	101.11
1.3 External Reserves	2,380.60	2,459.19	166.91	-16.20	622.38	78.59
1.4 Bank's Net Foreign Assets	-97.91	84.94	-34.17	-26.56	-301.41	182.86
1.5 Usable Reserves	1,255.19	1,265.37	100.97	-62.10	419.82	10.18

### 2.0 DOMESTIC CREDIT

2.1 Private Sector	5,734.05	5,588.33	-16.87	11.38	-122.41	-145.72
a. B\$ Credit	5,588.89	5,460.92	-8.39	13.15	-66.68	-127.97
of which: Consumer Credit	2,036.85	1,890.77	-13.50	-2.57	-41.37	-146.08
Mortgages	2,794.84	2,746.11	-3.28	-4.97	-43.74	-48.74
Commercial and Other Loans B\$	757.19	824.04	8.39	20.69	18.43	66.85
b. F/C Credit	145.16	127.41	-8.48	-1.77	-55.72	-17.76
of which: Mortgages	63.27	69.02	-5.73	0.56	5.23	5.75
Commercial and Other Loans F/C	81.89	58.38	-2.75	-2.33	-60.95	-23.51
2.2 Central Government (net)	2,528.64	2,945.38	-202.10	86.26	-91.34	416.75
a. B\$ Loans & Securities	2,730.58	3,152.36	-84.08	89.34	-118.67	421.78
Less Deposits	372.30	373.17	115.67	1.32	87.53	0.87
b. F/C Loans & Securities	174.10	169.97	0.00	0.00	117.10	-4.13
Less Deposits	3.75	3.78	2.34	1.77	2.24	0.03
2.3 Rest of Public Sector	323.24	316.62	-0.01	-4.11	-120.56	-6.63
a. B\$ Credit	276.17	286.62	-0.01	-4.11	-2.33	10.45
b. F/C Credit	47.08	30.00	0.00	0.00	-118.23	-17.08
2.4 Total Domestic Credit	8,585.93	8,850.32	-218.97	93.52	-334.30	264.40
a. B\$ Domestic Credit	8,223.34	8,526.73	-208.15	97.06	-275.21	303.39
b. F/C Domestic Credit	362.59	323.60	-10.82	-3.53	-59.10	-38.99

### 3.0 DEPOSIT BASE

3.1 Demand Deposits	3,108.25	3,406.11	-56.21	96.34	154.54	297.86
a. Central Bank	52.23	61.37	3.21	49.79	2.58	9.13
b. Banks	3,056.01	3,344.74	-59.42	46.55	151.96	288.73
3.2 Savings Deposits	1,784.61	1,880.81	-0.69	21.23	148.16	96.20
3.3 Fixed Deposits	2,250.36	2,180.80	7.43	6.30	-174.58	-69.56
3.4 Total B\$ Deposits	7,143.22	7,467.72	-49.47	123.87	128.12	324.50
3.5 F/C Deposits of Residents	427.34	532.99	-57.27	-39.89	-242.65	105.65
3.6 M2	7,520.39	7,856.95	-45.70	143.77	168.20	336.57
3.7 External Reserves/M2 (%)	31.66	31.30	2.40	-0.79	7.74	-0.36
3.8 External Reserves/Base Money (%)	112.38	113.94	3.70	-2.76	10.83	1.57
3.9 External Reserves/Demand Liabilities (%)	105.77	103.00	1.29	-4.82	10.51	-2.77
	Value		Year To Date		Change	
	2020	2021	2020	2021	Month	YTD

### 4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	166.57	-16.96	536.56	-179.89	-183.52	-716.45
a. Net Purchase/(Sale) from/to Banks	-78.86	13.33	-376.61	-130.46	92.19	246.15
i. Sales to Banks	82.72	52.20	801.18	500.49	-30.52	-300.69
ii. Purchase from Banks	3.86	65.53	424.57	370.02	61.67	-54.54
b. Net Purchase/(Sale) from/to Others	245.42	-30.29	913.17	-49.43	-275.71	-962.60
i. Sales to Others	38.74	61.97	1202.62	898.69	23.23	-303.93
ii. Purchase from Others	284.16	31.68	2115.79	849.26	-252.48	-1266.53
4.2 Banks Net Purchase/(Sale)	-68.43	-9.98	-459.48	-95.02	58.45	364.46
a. Sales to Customers	369.38	538.52	4262.76	5414.54	169.13	1151.78
b. Purchase from Customers	300.96	528.54	3803.28	5319.52	227.59	1516.24

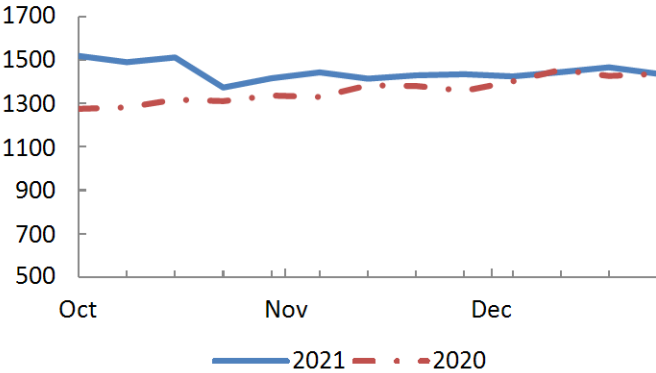
### 5.0 EXCHANGE CONTROL SALES

5.1 Current Items	403.35	510.20	5,155.41	5,833.07	106.85	677.66
of which Public Sector	35.91	30.11	878.81	768.28	-5.80	-110.53
a. Nonoil Imports	106.76	99.73	1,403.05	1,573.37	-7.04	170.33
b. Oil Imports	18.48	47.57	351.99	438.10	29.09	86.11
c. Travel	14.57	17.42	116.76	157.51	2.85	40.75
d. Factor Income	12.32	51.79	446.17	587.43	39.47	141.26
e. Transfers	25.62	20.97	197.58	197.64	-4.65	0.06
f. Other Current Items	225.59	272.73	2,639.87	2,879.02	47.14	239.16
5.2 Capital Items	8.57	16.37	510.61	259.81	7.80	-250.80
of which Public Sector	6.43	6.81	432.10	146.53	0.38	-285.58

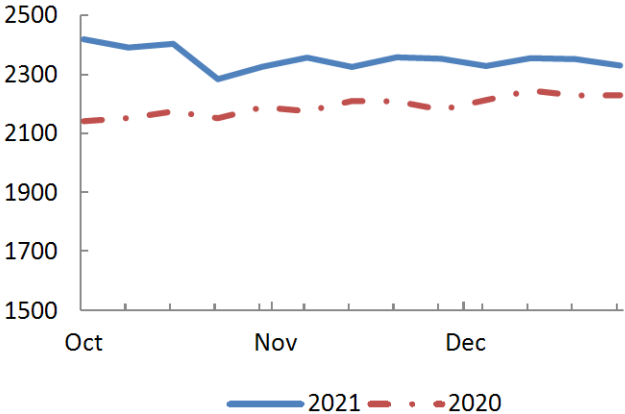
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

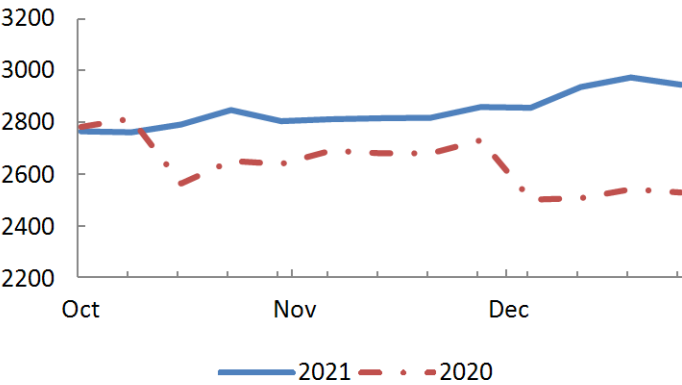
Excess Reserves



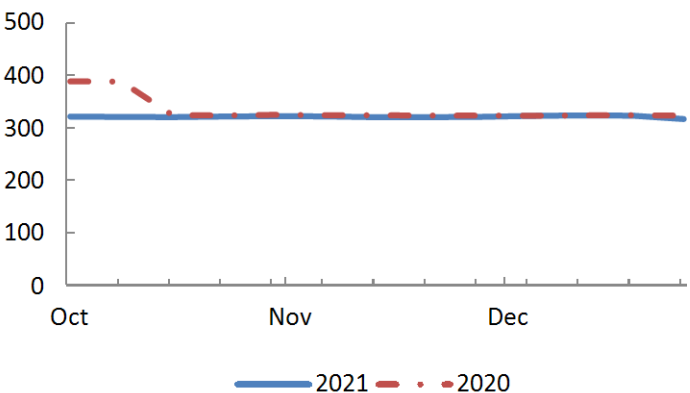
Excess Liquid Assets



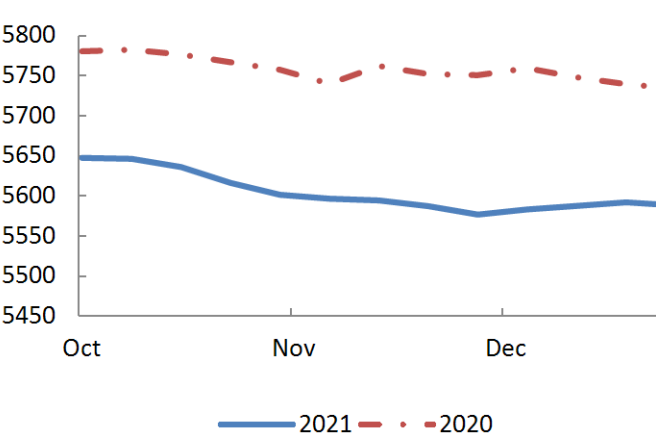
Central Govt. Credit (Net)



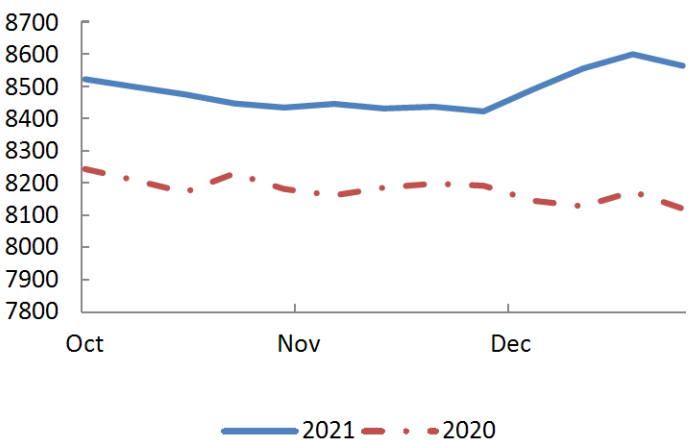
Rest of Public Sector Credit



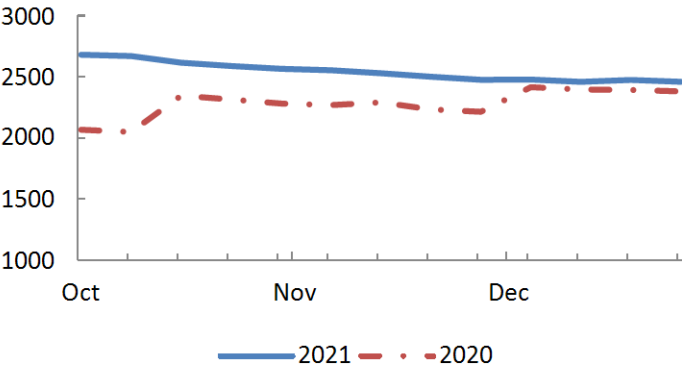
Private Sector Credit



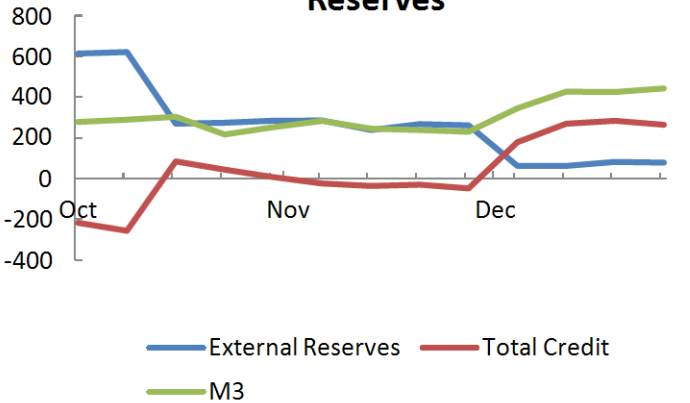
M3



External Reserves



Changes in Money, Credit & Ext. Reserves



## Selected International Statistics

<b>A: Selected Macroeconomic Projections</b> (Annual % Change and % of labor force)						
	<b>Real GDP</b>		<b>Inflation Rate</b>		<b>Unemployment</b>	
	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>
Bahamas	-14.5	2.0	1.2	5.0	25.6	21.5
United States	-3.5	6.4	1.2	4.3	8.1	5.8
Euro-Area	-6.3	5.0	0.3	2.2	7.9	8.0
Germany	-4.6	3.1	0.4	2.9	3.8	3.7
Japan	-4.6	2.4	0.0	-0.2	2.8	2.8
China	2.3	8.0	2.4	1.1	4.2	3.8
United Kingdom	-9.8	6.8	0.9	2.2	4.5	5.0
Canada	-5.3	5.7	0.7	3.2	9.6	7.7
<i>Source: IMF World Economic Outlook October 2021.</i>						

<b>B: Official Interest Rates – Selected Countries (%)</b>					
<i>With effect from</i>	<b>CBOB</b>	<b>ECB (EU)</b>	<b>Federal Reserve (US)</b>		<b>Bank of England</b>
	<b>Bank Rate</b>	<b>Refinancing Rate</b>	<b>Primary Credit Rate</b>	<b>Target Funds Rate</b>	<b>Repo Rate</b>
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
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

### Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Dec-20	Nov-21	Dec-21	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8185	0.88199	0.879507	-0.28	7.45	7.45
Yen	103.25	113.17	115.08	1.69	11.46	11.46
Pound	0.7315	0.751936	0.738989	-1.72	1.02	1.02
Canadian \$	1.2725	1.2779	1.2637	-1.11	-0.69	-0.69
Swiss Franc	0.8852	0.9189	0.9129	-0.65	3.13	3.13
Renminbi	6.5272	6.3644	6.3561	-0.13	-2.62	-2.62
<i>Source: Bloomberg as of December 31<sup>st</sup>, 2021</i>						

D. Selected Commodity Prices (\$)					
Commodity	Dec-2020	Nov-2021	Dec-2021	Mthly % Change	YTD % Change
Gold / Ounce	1898.36	1774.52	1829.20	3.081397	-3.64314
Silver / Ounce	26.40	22.8355	23.3083	2.07046	-11.7187
Oil / Barrel	51.26	84.38	79.20	-6.1389	54.50644
<i>Source: Bloomberg as of December 31<sup>st</sup>, 2021</i>					

E. Equity Market Valuations – December 31 <sup>st</sup> , 2021 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	3.68	5.38	4.36	4.61	6.43	5.20	3.49	2.13
3 month	7.06	7.37	10.65	4.21	9.71	4.09	-2.24	2.01
YTD	6.49	18.73	26.89	14.30	28.85	15.79	4.91	4.80
12-month	6.49	18.73	26.89	14.30	28.85	15.79	4.91	4.80
<i>Sources: Bloomberg and BISX</i>								

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
<b>o/n</b>	0.1350	0.2100	-0.5750
<b>1 Month</b>	0.1950	0.2400	-0.5250
<b>3 Month</b>	0.2200	0.3150	-0.5150
<b>6 Month</b>	0.3550	0.4400	-0.4900
<b>9 Month</b>	0.4100	0.7800	-0.4800
<b>1 year</b>	0.5300	0.6700	-0.4750
<i>Source: Bloomberg as of December 31<sup>st</sup>, 2021</i>			



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	2,565.36	2,553.64	2,529.27	2,500.41	2,475.39	2,477.44	2,458.86	2,474.25	2,459.19	(23.00)	(11.72)	(24.37)	(28.87)	(25.02)	2.05	(18.58)	15.38	(15.06)
II. Net Domestic Assets (A + B + C + D)	(454.14)	(427.30)	(431.52)	(383.10)	(354.40)	(370.73)	(328.30)	(295.47)	(300.96)	62.60	26.84	(4.22)	48.42	28.70	(16.33)	42.43	32.83	(5.48)
A. Net Credit to Gov't (I + ii + iii -iv)	314.28	321.79	312.19	328.08	358.56	359.52	426.69	467.65	455.36	(10.21)	7.51	(9.60)	15.88	30.49	0.95	67.18	40.95	(12.29)
i) Advances	235.00	235.00	235.00	235.00	235.00	235.00	235.00	265.00	265.00	-	-	-	-	-	-	-	30.00	-
ii) Registered Stock	246.20	248.46	249.95	256.31	259.17	263.58	343.93	344.66	344.26	8.03	2.27	1.49	6.36	2.86	4.41	80.35	0.74	(0.40)
iii) Treasury Bills	51.22	51.22	55.58	27.42	27.42	27.42	27.42	27.42	13.88	(0.00)	0.00	4.36	(28.17)	-	(0.00)	0.00	(0.00)	(13.54)
iv) Deposits	218.13	212.89	228.34	190.65	163.03	166.48	179.65	169.43	167.78	18.24	(5.24)	15.45	(37.69)	(27.63)	3.45	13.17	(10.22)	(1.65)
B. Rest of Public sector (Net) (i+ii-iii)	(42.76)	(25.79)	(26.76)	(1.93)	(4.61)	(14.70)	(49.64)	(49.84)	(54.40)	(15.40)	16.97	(0.96)	24.83	(2.68)	(10.09)	(34.93)	(0.20)	(4.56)
i) Loans	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	5.09	5.09	5.09	5.09	5.09	5.09	5.09	5.09	5.09	-	-	-	-	-	-	-	-	-
iii) Deposits	49.73	32.76	33.72	8.90	11.58	21.67	56.60	56.80	61.37	15.40	(16.97)	0.96	(24.83)	2.68	10.09	34.93	0.20	4.56
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	(725.66)	(723.29)	(716.95)	(709.24)	(708.35)	(715.54)	(705.36)	(713.28)	(701.91)	88.21	2.37	6.34	7.71	0.89	(7.19)	10.18	(7.93)	11.37
III. Monetary Base	2,111.22	2,126.34	2,097.75	2,117.31	2,120.99	2,106.72	2,130.57	2,178.77	2,158.24	39.60	15.12	(28.59)	19.56	3.68	(14.27)	23.85	48.21	(20.54)
A. Currency in Circulation	516.63	514.58	509.27	507.22	503.36	507.02	509.56	545.88	559.14	(2.75)	(2.05)	(5.31)	(2.05)	(3.86)	3.66	2.54	36.32	13.26
B. Bank Balances with CBOB	1,594.59	1,611.76	1,588.48	1,610.09	1,617.63	1,599.69	1,621.01	1,632.89	1,599.10	42.36	17.17	(23.27)	21.60	7.54	(17.93)	21.31	11.88	(33.79)

## (B\$ MILLIONS)

(% change represents current period from previous period)

\* Includes Net Lending to Public Corporations  
 \*\* Debt figures include Central Government only, unless otherwise indicated  
 p - provisional