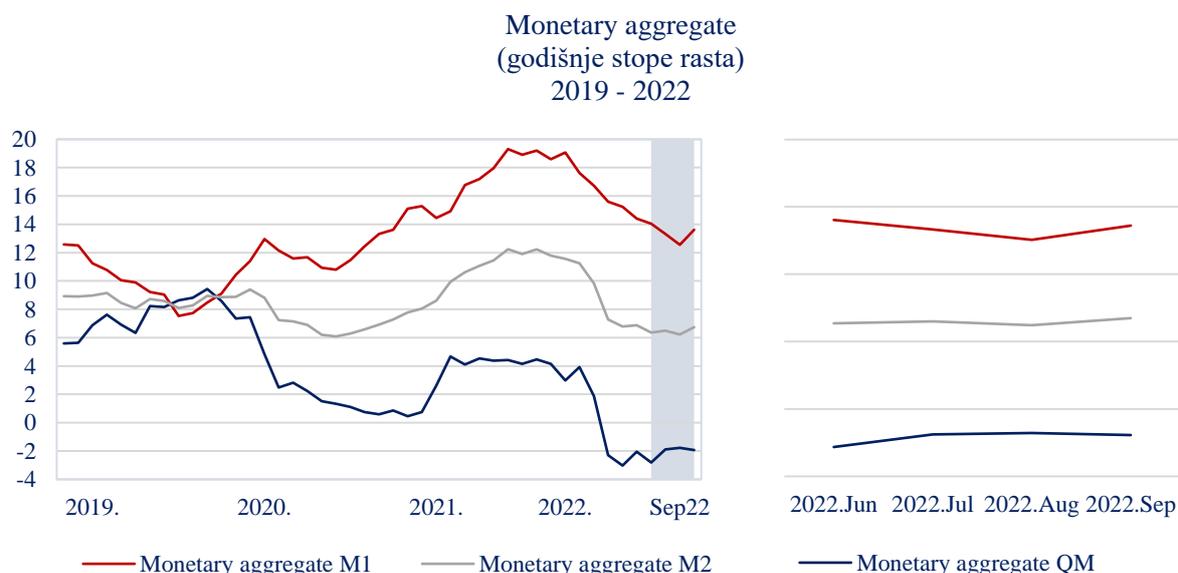


Comment on Monetary Trends in September 2022

The total money supply (M2) at the end of September 2022 amounted to KM 32.72 billion, with a slight increase being KM 167.1 million (0.5%) compared to the previous month. The increase in money supply (M2) in September 2022 is the result of an increase in money (M1) by KM 176.1 million (0.9%) and a decrease in quasi money (QM) by KM 9 million (0.1%). The increase in money (M1) was due to an increase in transferable deposits in local currency by KM 158.6 million (1.2%) and cash outside banks by KM 17.4 million (0.3%). The decrease in quasi money (QM) was the result of an increase in transferable deposits in foreign currency by KM 72.7 million (2.1%) and decrease in other deposits in local currency by KM 24.9 million (0.9%) and other deposits in foreign currency by KM 56.7 million (0.8%).

Annually, the increase in money supply (M2) in September 2022 amounted to KM 2.07 billion (6.7%). The growth was achieved in cash outside banks by KM 644.8 million (11.9%), in transferable deposits in local currency by KM 1.68 billion (14.4%) and transferable deposits in foreign currency by KM 337.1 million (10.8%). At the same time there was decrease in other deposits in local currency by KM 209.8 million (6.8%) and other deposits in foreign currency by KM 388.5 million (5.3%).



The counter-item to the increase in money supply (M2) on a monthly level in September 2022 totaling KM 167.1 million (0.5%) is an increase in net foreign assets (NSA) by only KM 25.3 million (0.1%) and net domestic assets (NDA) by KM 141.8 million (1.1%). The increase in money supply (M2) by KM 2.07 billion (6.7%) at the annual level is the result of an increase in net foreign assets (NSA) by KM 719.2 million (3.9%) and net domestic assets (NDA) by KM 1.35 billion (11.1%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	IX 2022	VII 2022	VIII 2022	IX 2022	VII 2022	VIII 2022	IX 2022
Assets							
1. Net foreign assets	19.271,6	531,2	391,5	25,3	6,3	2,8	3,9
1.1 Foreign assets	21.034,8	480,2	366,0	-12,9	5,2	2,2	2,9
1.2 Foreign liabilities	-1.763,2	51,0	25,4	38,2	-5,5	-4,7	-6,7
2. Net domestic assets	13.444,5	-3,1	120,1	141,8	6,7	11,5	11,1
2.1. Claims on central government (net) cantons and municipalities	-195,7	36,5	55,5	88,6	-240,1	18,8	6,9
2.2 Claims on local sectors	20.817,6	66,4	-6,8	37,8	5,3	5,0	4,8
2.3 Other items	-7.177,3	-106,1	71,4	15,4	-4,9	-5,5	-5,4
Liabilities							
1 Money supply (M2)	32.716,2	528,1	511,5	167,1	6,5	6,2	6,7
1.1 Money (M1)	19.423,3	385,3	454,3	176,1	13,3	12,6	13,6
1.2 Quasi money (QM)	13.292,8	142,8	57,2	-9,0	-1,9	-1,8	-1,9

Loans

At the end of September 2022, total loans to domestic sectors amounted to KM 21.85 billion, with a slight increase of KM 40.8 million (0.2%) compared to the previous month. The growth of loans was registered in the household sector by KM 45.9 million (0.4%), non-financial public companies by KM 2 million (0.4%) and government institutions by KM 4.3 million (0.4%). A decrease in loan growth on a monthly basis was recorded in private companies by KM 22.4 million (0.2%) and other domestic sectors by KM 11.1 million (6.6%).

The annual growth rate of total loans in September 2022 amounted to 4.2%, nominally KM 881 million. The annual growth of loans was registered in the household sector by 552.6 million KM (5.3%), private companies by KM 340.3 million (3.9%), non-financial public companies by KM 26.6 million (5.3%) and other domestic sectors by KM 11.6 million (6.9%). The annual decrease in loan growth was registered with government institutions by KM 50.1 million (4.2%).

Sectorial structure of loans in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	IX 2022	VII 2022	VIII 2022	IX 2022	VII 2022	VIII 2022	IX 2022
Total	21.848,2	47,8	43,9	40,8	4,5	4,7	4,2
Out of it:							
Households	10.903,7	59,8	28,3	45,9	5,5	5,4	5,3
Private companies	9.098,0	-13,8	-54,1	-22,4	4,8	4,5	3,9
Government institutions	1.134,9	-5,2	43,5	4,3	-4,7	-0,7	-4,2
Public companies	532,7	17,3	26,4	2,0	1,9	6,4	5,3
Loans to other domestic sectors	178,9	-10,4	-0,2	11,1	-1,0	2,0	6,9

Deposits

Total deposits of domestic sectors at the end of September 2022 amounted to KM 28.69 billion, having deposits increased by KM 106.8 million (0.4%) compared to the previous month. Deposit growth on a monthly level was registered in the household sector by KM 109.8 million (0.8%), in private companies by KM 45.5 million (0.8%) and other domestic sectors by KM 38.5 million (2.1%). Deposit decrease was recorded in government institutions by KM 41.1 million (0.9%) and non-financial public companies by KM 46 million (2.3%).

The annual growth rate of total deposits in September 2022 amounted to 5.7%, in the absolute amount of KM1.56 billion. The annual growth of deposits was registered in government institutions by KM 883.7 million (23.0%), in private companies by KM 538.8 million (10.1%), in non-financial public companies by KM 255.7 million (14.8%) and in other domestic sectors by KM 152.6 million (8.8%). The decrease in the deposits growth rate on an annual level was registered in the household sector by 1.9%, i.e. KM 271.8 million.

Sectorial structure of deposits in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	IX 2022	VII 2022	VIII 2022	IX 2022	VII 2022	VIII 2022	IX 2022
Total	28.685,6	273,6	519,8	106,8	5,3	5,3	5,7
Out of it:							
Households	14.218,6	105,4	132,2	109,8	-3,0	-2,3	-1,9
Private companies	5.878,0	158,4	273,4	45,5	7,4	6,5	10,1
Government institutions	4.722,3	0,2	83,4	-41,1	27,4	28,7	23,0
Public companies	1.981,6	-7,2	11,8	-46,0	16,6	12,3	14,8
Deposits of other domestic sectors	1.885,3	16,8	19,1	38,5	10,4	8,3	8,8

Foreign Exchange Reserves

At the end of September 2022, foreign exchange reserves of the Central Bank of BiH amounted to KM 16.5 billion and have remained at nearly the same level compared to the previous month, with a slight decrease by only KM 1.5 million. Annually, the foreign exchange reserves of the Central Bank of BiH recorded an increase of KM 1.1 billion (7.2%).