



Centralna banka  
BOSNE I HERCEGOVINE  
Централна банка  
БОСНЕ И ХЕРЦЕГОВИНЕ



# Comment on Monetary Trends in March 2023

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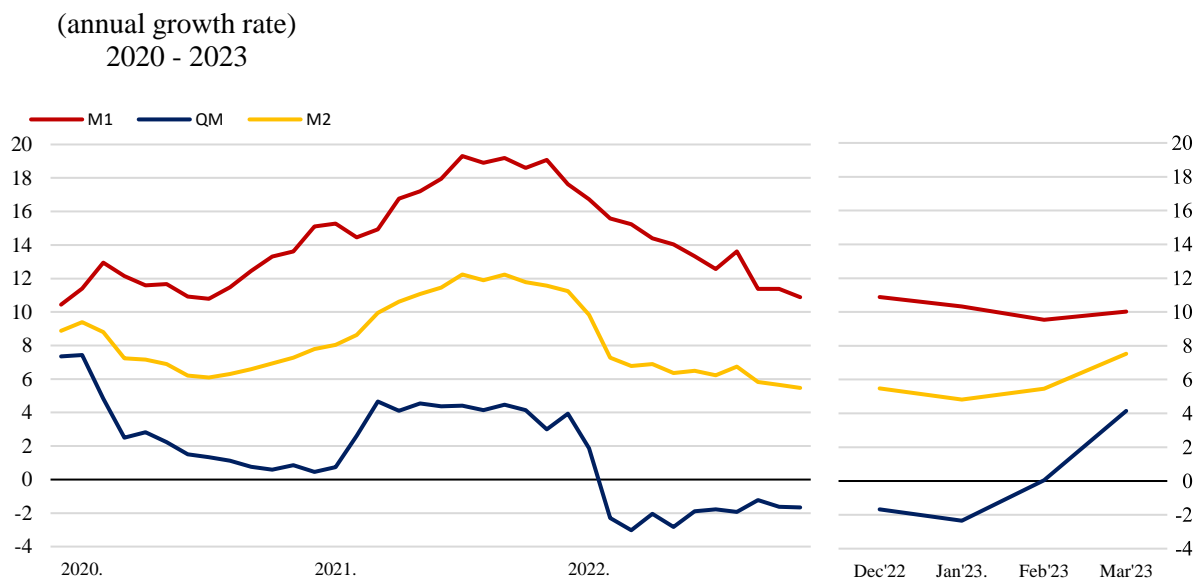


## 1. Monetary Trends – March 2023

The total money supply (M2) amounted to KM 33.25 billion at the end of March 2023, with an increase being KM 66.6 million (0.2%) compared to the previous month. The increase in money supply (M2) in March 2023 was the result of a decrease in money (M1) by KM 15.4 million (0.1%) and an increase in quasi money (QM) by KM 82 million (0.6%). The decrease in money (M1) was caused by an increase in cash outside banks by KM 44.7 million (0.7%), and decrease in transferable deposits in local currency by KM 60.1 million (0.4%). The increase in quasi money (QM) is the result of an increase in transferable deposits in foreign currency by KM 29.2 million (0.8%), other deposits in foreign currency by KM 46.4 million (0.7%) and other deposits in local currency by KM 6.4 million (0.2%).

On an annual level, the increase in money supply (M2) amounted to KM 2.33 billion (7.5%) in March 2023. The growth was recorded in cash outside banks by KM 171.8 million (2.9%), transferable deposits in local currency by KM 1.61 billion (13.5%), transferable deposits in foreign currency by KM 419.3 million (12.5%), other deposits in local currency by KM 1.5 million (0.1%) and other deposits in foreign currency by KM 122.2 million (1.8%).

### 1.1. Monetary aggregates



The counter-item to the monthly increase in money supply (M2) in March totaling KM 66.6 million (0.2%) 2023, is an increase in net foreign assets (NSA) by KM 111.7 million (0.6%) and a decrease in net domestic assets (NDA) by KM 45.1 million (0.3%). The annual increase in money supply (M2) totaling KM 2.33 billion (7.5%), was the result of an increase in net foreign assets (NSA) by KM 892.3 million (4.9%) and net domestic assets (NDA) by KM 1.44 billion (11.4%).

## 1.2. Monetary Survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	III 2023	I 2023	II 2023	III 2023	I 2023	II 2023	III 2023
<b>Assets</b>							
<b>1. Net foreign assets</b>	<b>19,198.5</b>	<b>29.3</b>	<b>-213.5</b>	<b>111.7</b>	<b>0.2</b>	<b>0.5</b>	<b>4.9</b>
1.1 Foreign assets	20,726.1	-90.6	-235.8	-32.0	-0.6	-0.4	2.8
1.2 Foreign liabilities	-1,527.5	119.8	22.3	143.7	-8.9	-9.7	-17.6
<b>2. Net domestic assets</b>	<b>14,053.1</b>	<b>-136.5</b>	<b>265.7</b>	<b>-45.1</b>	<b>12.0</b>	<b>13.0</b>	<b>11.4</b>
2.1. Claims on central government (net) cantons and municipalities	246.5	170.3	150.7	-157.4	-226.8	-305.3	-215.3
2.2 Claims on local sectors	21,241.9	-192.8	143.0	233.5	5.1	5.1	5.1
2.3 Other items	-7,435.3	-114.0	-28.0	-121.2	-0.3	-0.2	0.7
<b>Liabilities</b>							
<b>1 Money supply (M2)</b>	<b>33,251.6</b>	<b>-107.2</b>	<b>52.2</b>	<b>66.6</b>	<b>4.8</b>	<b>5.5</b>	<b>7.5</b>
1.1 Money (M1)	19,610.4	-166.2	-86.6	-15.4	10.3	9.5	10.0
1.2 Quasi money (QM)	13,641.2	59.0	138.8	82.0	-2.3	0.1	4.1

## 2. Loans

Total loans to domestic sectors amounted to KM 22.21 billion at the end of March 2023, having increased by KM 208 million (0.9%) compared to the previous month. The loan growth was registered in the household sector by KM 110.8 million (1.0%), private companies by 128 million KM (1.4%) and other domestic sectors by KM 6 million (3.7%). The decrease in loan growth was registered with non-financial public companies by KM 11.9 million (1.9%) and with government institutions by KM 24.9 million (2.3%).

In March 2023 the annual growth rate of total loans amounted to 4.5%, nominally KM 964.7 million. The annual loan growth was registered in the household sector by KM 587.7 million (5.6%), private companies by KM 326 million (3.7%), non-financial public companies by KM 94.2 million (18.6%) and other domestic sectors by KM 3.2 million (1.9%). The annual decrease in loan growth was registered with government institutions by KM 46.4 million (4.1%).

### 2.1. Sectorial structure of loans

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	III 2023	I 2023	II 2023	III 2023	I 2023	II 2023	III 2023
<b>Total</b>	<b>22,214.0</b>	<b>-198.3</b>	<b>136.2</b>	<b>208.0</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>
Out of it:							
Households	11,114.1	-7.6	32.6	110.8	5.5	5.4	5.6
Private companies	9,252.4	-136.4	105.4	128.0	3.7	3.9	3.7
Government institutions	1,078.2	-9.7	-10.0	-24.9	-4.5	-4.2	-4.1
Public companies	599.5	-29.9	15.0	-11.9	17.7	19.0	18.6
Loans to other domestic sectors	169.7	-14.6	-6.7	6.0	1.2	-1.9	1.9

### 3. Deposits

Total deposits of domestic sectors amounted to KM 29.26 billion at the end of March 2023, having increased by KM 77.5 million (0.3%) compared to the previous month. The growth of deposits on a monthly basis was recorded in the household sector by KM 169.6 million (1.1%), government institutions by KM 152.7 million (3.6%) and other domestic sectors by KM 6.4 million (0.4%). In other sectors, deposits decreased by KM 196.7 million (3.1%) and non-financial public companies by KM 54.5 million (2.7%).

In March 2023 the annual growth rate of total deposits was 9.1%, which is in the absolute amount KM 2.44 billion. The annual growth of deposits was registered with the household sector by KM 1.22 billion (8.8%), government institutions by KM 423.5 million (10.6%), private companies by KM 796.3 million (15.0%) and other domestic sectors by KM 78.3 million (4.5%). Deposits for non-financial public companies have decreased by KM 71.5 million (3.6%) at the annual level.

#### 3.1. Sectorial structure of deposits

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	III 2023	I 2023	II 2023	III 2023	I 2023	II 2023	III 2023
<b>Total</b>	<b>29,262.7</b>	<b>-185.1</b>	<b>141.2</b>	<b>77.5</b>	<b>4.0</b>	<b>5.8</b>	<b>9.1</b>
Out of it:							
Households	15,004.8	75.1	184.6	169.6	-0.7	2.2	8.8
Private companies	6,099.2	175.5	-24.4	-196.7	11.5	15.4	15.0
Government institutions	4,407.2	-346.0	-8.4	152.7	9.5	8.0	10.6
Public companies	1,939.3	-52.0	31.9	-54.5	6.1	5.0	-3.6
Deposits of other domestic sectors	1,812.2	-37.7	-42.5	6.4	4.6	1.6	4.5

### 4. Foreign Exchange Reserves

At the end of March 2023, the foreign exchange reserves of the Central Bank of BiH amounted to KM 15.21 billion having decreased by KM 157.9 million (1.0%), compared to the previous month. Consequently, foreign exchange reserves of the Central Bank of BiH are reduced by KM 748.1 million (4.7%) on an annual level.

In the of scope of the foreign exchange reserve's structure, investments in securities have decreased by KM 189.8 million (2.8%), while deposits with non-resident banks have increased by KM 23.7 million (0.3%), compared to the previous month.