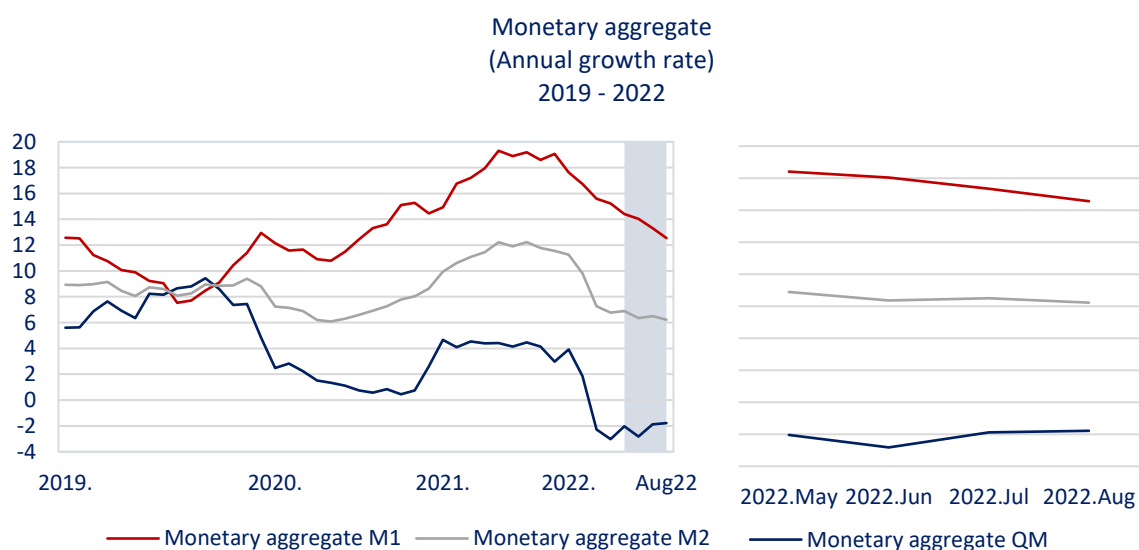


Comment on Monetary Trends in August 2022

The total money supply (M2) at the end of August 2022 was 32.55 billion KM, having increase recorded by 511.5 million KM (1.6%) on a monthly basis. The increase in the money supply (M2) in August 2022 is the result of an increase in money (M1) by 454.3 million KM (2.4%) and quasi-money (QM) by 57.2 million KM (0.4%). The increase in money (M1) was due to an increase in transferable deposits in local currency by 461.6 million KM (3.6%) and a decrease in cash outside banks by only 7.3 million KM (0.1%). The increase in quasi-money (QM) is the result of an increase in transferable deposits in foreign currency by 107.3 million KM (3.3%) and a decrease in other deposits in local currency by 15.8 million KM (0.5%) and other deposits in foreign currency by 34.2 million KM (0.5%).

Annually, the increase in the money supply (M2) in August 2022 amounted to 1.91 billion KM (6.2%). Growth was achieved in cash outside banks by 602.9 million KM (11.0%), in transferable deposits in local currency by 1.55 billion KM (13.3%) and transferable deposits in foreign currency by 215.7 million KM (6.8%), with a simultaneous decrease in other deposits in local currency by 163.4 million KM (5.3%) and other deposits in foreign currency by 293.7 million KM (4.0%).



The counter-item to the increase in money supply (M2) on a monthly level in August 2022 totaling 511.5 million KM (1.6%), is the increase in net foreign assets (NSA) by 391.5 million KM (2.1%) and net domestic assets (NDA) by 120.1 million KM (0.9%). The increase in the money supply (M2) by 1.91 billion KM (6.2%) at the annual level is the result of an increase in net foreign assets (NSA) by 532.9 million KM (2.8%) and net domestic assets (NDA) by 1.37 billion KM (11.5%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	VIII 2022	VI 2022	VII 2022	VIII 2022	VI 2022	VII 2022	VIII 2022
Assets							
1. Net foreign assets	19,246.3	-135.3	531.2	391.5	6.7	6.3	2.8
1.1 Foreign assets	21,047.7	-56.5	480.2	366.0	5.5	5.2	2.2
1.2 Foreign liabilities	-1,801.4	-78.8	51.0	25.4	-5.2	-5.5	-4.7
2. Net domestic assets	13,302.8	282.4	-3.1	120.1	5.9	6.7	11.5
2.1. Claims on central government (net) cantons and municipalities	-284.2	61.1	36.5	55.5	-252.2	-240.1	18.8
2.2 Claims on local sectors	20,779.8	150.5	66.4	-6.8	5.0	5.3	5.0
2.3 Other items	-7,192.8	70.8	-106.1	71.4	-4.8	-4.9	-5.5
Liabilities							
1 Money supply (M2)	32,549.1	147.1	528.1	511.5	6.4	6.5	6.2
1.1 Money (M1)	19,247.3	189.2	385.3	454.3	14.0	13.3	12.6
1.2 Quasi money (QM)	13,301.8	-42.0	142.8	57.2	-2.8	-1.9	-1.8

Loans

At the end of August 2022, total loans to domestic sectors amounted to 21.81 billion KM, with a slight increase of 43.9 million KM (0.2%) compared to the previous month. The growth of loans was registered with the household sector by 28.3 million KM (0.3%), non-financial public companies by 26.4 million KM (5.2%) and government institutions by 43.5 million KM (4.0%). A decrease in loan growth on a monthly basis was recorded in private companies by 54.1 million KM (0.6%) and in other domestic sectors by 0.2 million KM (0.1%).

The annual growth rate of total loans in August 2022 was (4.7%), nominally 973.9 million KM. Annual loan growth was registered in the household sector by 554.3 million KM (5.4%), private companies by 392.1 million KM (4.5%), non-financial public companies by 31.9 million KM (6.4%) and for other domestic sectors by 3.3 million KM (2.0%). The annual reduction in loan growth was registered with government institutions by 7.6 million KM (0.7%)

Sectorial structure of loans in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	VIII 2022	VI 2022	VII 2022	VIII 2022	VI 2022	VII 2022	VIII 2022
Total	21,807.3	144.3	47.8	43.9	4.4	4.5	4.7
Out of it:							
Households	10,857.8	85.3	59.8	28.3	5.6	5.5	5.4
Private companies	9,120.5	75.1	-13.8	-54.1	4.4	4.8	4.5
Government institutions	1,130.6	-8.8	-5.2	43.5	-5.2	-4.7	-0.7
Public companies	530.7	-17.4	17.3	26.4	-3.6	1.9	6.4
Loans to other domestic sectors	167.8	10.0	-10.4	-0.2	24.9	-1.0	2.0

Deposits

At the end of August 2022, total deposits of domestic sectors amounted to 28.58 billion KM, compared to the previous month there was an increase in deposits by 519.8 million KM (1.9%) was recorded. Deposit growth on a monthly level was registered in all sectors: households by 132.2 million KM (0.9%), private companies by 273.4 million KM (4.9%), other domestic sectors by 19.1 million KM (1.0%), government institutions by 83.4 million KM (1.8%) and non-financial public companies by 11.8 million KM (0.6%).

The annual growth rate of total deposits in August 2022 was (5.3%), in absolute terms 1.45 billion KM. The annual growth of deposits was registered with government institutions by KM 1.06 billion (28.7%), private companies by KM 355.2 million (6.5%), non-financial public companies by KM 222.8 million (12.3%) and other domestic sectors by 142.1 million KM (8.3%). A decrease in the growth rate of deposits at the annual level was registered in the household sector by 334 million KM (2.3%).

Sectorial structure of deposits in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	VIII 2022	VI 2022	VII 2022	VIII 2022	VI 2022	VII 2022	VIII 2022
Total	28,578.8	365.0	273.6	519.8	5.2	5.3	5.3
Out of it:							
Households	14,108.7	100.5	105.4	132.2	-3.4	-3.0	-2.3
Private companies	5,832.5	-27.8	158.4	273.4	7.6	7.4	6.5
Government institutions	4,763.4	352.1	0.2	83.4	28.3	27.4	28.7
Public companies	2,027.5	-47.2	-7.2	11.8	16.7	16.6	12.3
Deposits of other domestic sectors	1,846.7	-12.6	16.8	19.1	9.0	10.4	8.3

Foreign Exchange Reserves

At the end of August 2022, foreign exchange reserves of the Central Bank of BiH amounted to 16.5 billion KM. Compared to the previous month, foreign exchange reserves of the Central Bank of BiH have increased by 254.7 million KM (1.6%), while an increase of 1.02 billion KM (6.6%) was registered at the annual level.