

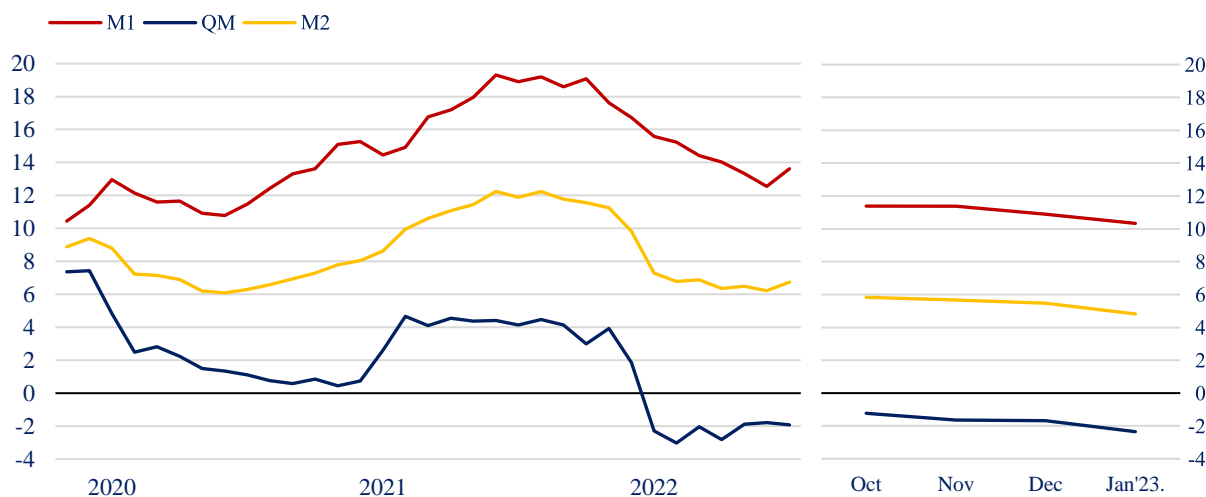
Comment on Monetary Trends in January 2023

The total money supply (M2) at the end of January 2023 amounted to KM 33.13 billion, with a decrease of KM 106.7 million (0.3%) compared to the previous month. The decrease in money supply (M2) in January 2023 was the result of a decrease in money (M1) by KM 166.2 million (0.8%) and an increase in quasi money (QM) by KM 59.5 million (0.4%). The decrease in money (M1) was caused by a decrease in cash outside banks by KM 172.7 million (2.8%) and an increase in transferable deposits in local currency by KM 6.4 million. The increase in quasi money (QM) is the result of an increase in transferable deposits in foreign currency by KM 73.2 million (2.0%) and other deposits in local currency by KM 26 million (0.9%) and a decrease in other deposits in foreign currency by KM 39.7 million (0.6%).

On an annual basis, the increase in money supply (M2) in January 2023 amounted to KM 1.52 billion (4.8%). The growth was recorded in cash outside banks by KM 472 million (8.6%), for transferable deposits in local currency by KM 1.37 billion (11.1%) and transferable deposits in foreign currency by KM 202.9 million (5.9%), while other deposits in local currency decreased by KM 209.5 million (6.7%) and other foreign currency deposits by KM 316.1 million (4.4%).

Monetary aggregates

(annual growth rate 2020-2023)



The counter-item to the monthly decrease in money supply (M2) in January 2023 totaling KM 106.7 million (0.3%) is an increase in net foreign assets (NSA) by KM 20.8 million (0.1%) and a decrease in net domestic assets (NDA) by KM 127.5 million (0.9%). The annual increase in money supply (M2) by KM 1.52 billion (4.8%), was the result of an increase in net foreign assets (NSA) by KM 32.3 million (0.2%) and net domestic assets (NDA) by KM 1.49 billion (12.1%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	I 2023	XI 2022	XII 2022	I 2023	XI 2022	XII 2022	I 2023
Assets							
1. Net foreign assets	19,292.4	-477.5	235.5	20.8	-0.7	0.8	0.2
1.1 Foreign assets	20,985.9	-408.8	225.9	-98.5	-0.7	0.1	-0.6
1.2 Foreign liabilities	-1,693.5	-68.7	9.6	119.3	0.0	-7.0	-8.9
2. Net domestic assets	13,840.4	486.2	182.2	-127.5	16.0	12.7	12.1
2.1. Claims on central government (net) cantons and municipalities	253.3	460.1	-132.6	169.0	-171.5	-138.1	-226.8
2.2 Claims on local sectors	20,865.4	20.3	119.1	-193.7	4.9	5.4	5.1
2.3 Other items	-7,278.2	5.9	195.7	-102.9	-5.2	-2.6	-0.4
Liabilities							
1 Money supply (M2)	33,132.8	8.7	417.7	-106.7	5.7	5.5	4.8
1.1 Money (M1)	19,712.4	62.5	484.4	-166.2	11.4	10.9	10.3
1.2 Quasi money (QM)	13,420.4	-53.8	-66.7	59.5	-1.6	-1.7	-2.3

Loans

Total loans to domestic sectors amounted to KM 21.87 billion at the end of January 2023, having decreased by KM 198.3 million (0.9%) compared to the previous month. The loan growth decrease was registered in all sectors: retail sales by KM 7.6 million (0.1%), non-financial public companies by KM 29.9 million (4.8%), private companies by KM 136.4 million (1.5%), government institutions by KM 9.7 million (0.9%) and other domestic sectors by KM 14.6 million (7.9%).

In January 2023 the annual growth rate of total loans amounted to 4.5%, nominally KM 935.1 million. The annual loan growth was registered in the household sector by KM 571.8 million (5.5%), private companies by KM 323.7 million (3.7%), non-financial public companies by KM 89.9 million (17.7%) and other domestic sectors by KM 2.1 million (1.2%). The annual loan growth decrease was registered with government institutions by KM 52.4 million (4.5%).

Sectorial structure of loans

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	I 2023	XI 2022	XII 2022	I 2023	XI 2022	XII 2022	I 2023
Total	21,869.7	25.3	101.4	-198.3	4.3	4.7	4.5
Out of it:							
Households	10,970.8	17.5	23.0	-7.6	4.9	5.2	5.5
Private companies	9,019.1	11.0	15.9	-136.4	4.3	4.3	3.7
Government institutions	1,113.1	-5.6	-2.3	-9.7	-4.3	-4.9	-4.5
Public companies	596.4	11.8	44.5	-29.9	13.6	22.6	17.7
Loans to other domestic sectors	170.4	-9.3	20.3	-14.6	0.4	6.3	1.2

Deposits

Total deposits of domestic sectors amounted to KM 29.04 billion at the end of January 2023, having decreased by KM 184.6 million (0.6%) compared to the previous month. The monthly growth of deposits was registered in the household sector by KM 75.7 million (0.5%) and with private companies by KM 175.5 million (2.9%). In other sectors deposits decreased, namely non-financial public companies by KM 52 million (2.6%), government institutions by KM 346 million (7.5) and other domestic sectors by KM 37.7 million (2.0%).

In January 2023 the annual growth rate of total deposits amounted to 4.0%, which is in the absolute amount KM 1.11 billion. The annual deposits growth was registered with government institutions by KM 371.5 million (9.5%), private companies by KM 650 million (11.5%), non-financial public companies by KM 112.6 million (6.1%) and other domestic sectors by KM 80.9 million (4.6%). The annual decrease of deposit growth rate was registered in the household sector by 0.7%, i.e. KM 100.6 million.

Sectorial structure of deposits

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	I 2023	XI 2022	XII 2022	I 2023	XI 2022	XII 2022	I 2023
Total	29,044.1	-145.6	496.3	-184.6	4.2	5.0	4.0
Out of it:							
Households	14,650.5	35.7	296.6	75.7	-1.8	-0.8	-0.7
Private companies	6,320.4	-6.2	127.2	175.5	10.2	11.0	11.5
Government institutions	4,262.9	-281.6	121.6	-346.0	9.7	14.7	9.5
Public companies	1,962.0	7.6	41.5	-52.0	11.9	11.6	6.1
Deposits of other domestic sectors	1,848.3	98.7	-90.6	-37.7	15.5	6.1	4.6

Foreign Exchange Reserves

At the end of January 2023, the foreign exchange reserves of the Central Bank of BiH amounted to KM 15.95 billion KM. Compared to the previous month, foreign exchange reserves decreased by KM 118.5 million (0.7%), whereby foreign exchange reserves of the Central Bank of BiH are reduced by KM 495.1 million (3.0%) on an annual level.

In the scope of the foreign exchange reserve's structure, investments have decreased compared to the previous month. Namely, investments in securities have decreased by KM 192.5 million (2.7%) and in foreign currency sited in the CBBH treasury by KM 41.9 million (7.3%), while deposits with non-resident banks have increased by KM 92.1 million (1.1%).