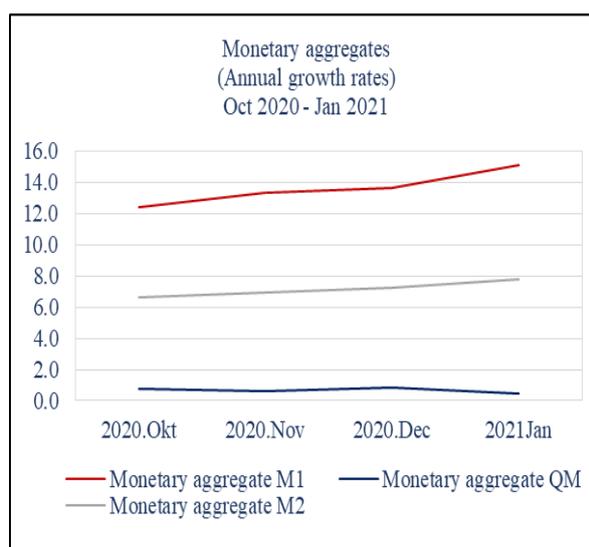
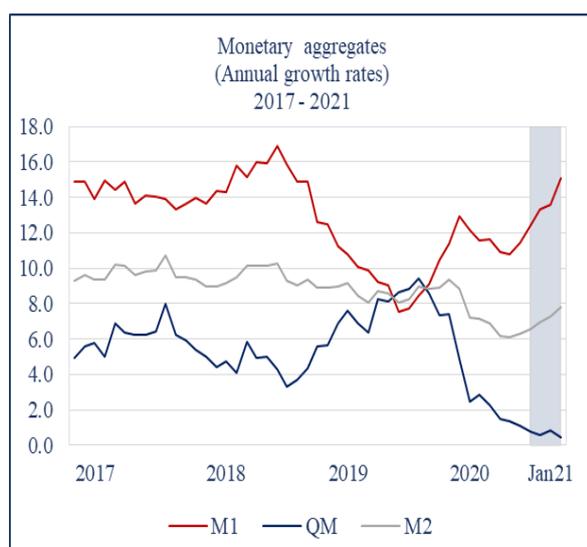


Comment on Monetary Trends in January 2021

At the end of January 2021 the total money supply (M2) amounted to KM 28.42 billion, with a monthly increase of KM 170.1 million (0.6%). In January 2021 the growth of money supply (M2) is the result of growth (M1) by KM 134.8 million (0.9%) and (QM) by KM 35.3 million (0.3%) Money (M1) is increased primarily due to the growth of transferable deposits in local currency by KM 150.5 million (1.5%) and a slighter decline in cash outside banks by KM 15.7 million (0.3%). Quasi money (QM) had an increase in transferable deposits in foreign currency by KM 38 million (1.3%) and other deposits in foreign currency by KM 10 million (0.1%) with a synchronized decline in other deposits in local currency by 12.7 million KM (0.4%).

At the annual level, the increase in money supply (M2) amounts to 2.06 billion KM (7.8%). Growth was realized in: cash outside banks by KM 765.2 million (18%), transferable deposits in local currency by KM 1.23 billion (13.7%), transferable deposits in foreign currency by KM 421.1 million (16, 7%) with a synchronized decrease in other deposits in local currency by KM 27.7 million (0.8%) and other deposits in foreign currency by KM 330.4 million (4.3%).



The counter-item of the monthly increase of money supply (M2) in January 2021 in the amount of KM 170.1 million is the growth of net foreign assets (NSA) by KM 89.8 million (0.6%) and the growth of net domestic assets (NDA) by KM 80.3 million (0.7%). The increase in the money supply (M2) at the annual level of KM 2.06 billion is the result of the growth of net foreign assets (NSA) by KM 1.97 billion (13.9%) and net domestic assets (NDA) by KM 90 million (0,7%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	I 2021	XI 2020	XII 2020	I 2021	XI 2020	XII 2020	I 2021
Assets							
1 Net foreign assets	16.104,2	216,1	299,5	90,3	13,2	14,8	13,9
1.1 Foreign assets	18.315,1	209,1	374,6	-25,1	7,3	7,4	7,0
1.2 Foreign liabilities	-2.210,9	7,0	-75,1	115,4	-21,5	-25,4	-25,8
2. Net domestic assets	12.309,8	-51,9	159,3	74,7	-0,3	-1,2	0,7
2.1. Claims on central government (net) cantons and municipalities	543,0	-36,5	173,5	241,2	-146,2	-274,9	-905,9
2.2 Claims on local sectors	19.133,7	-12,8	-50,7	-118,1	-2,0	-2,6	-0,9
2.3 Other items	-7.366,9	-2,6	36,5	-48,4	0,7	1,6	5,0
Liabilities							
1 Money supply (M2)	28.414,0	164,2	458,9	165,0	6,9	7,3	7,8
1.1 Money (M1)	15.190,2	122,2	372,7	135,0	13,3	13,6	15,1
1.2 Quasi money (QM)	13.223,8	42,0	86,2	30,0	0,6	0,9	0,5

Total loans

In January 2021, total loans to domestic sectors amounted to KM 20.23 billion. Compared to the previous month, they decreased by KM 122 million (0.6%). The decrease in loans was registered in all sectors: households by KM 19.2 million (0.2%), private companies by KM 78.6 million (0.9%), government institutions by KM 3 million (0.3%), public companies by KM 10 million (1.8%) and other domestic sectors by KM 11.2 million (6.7%).

At the annual level, as of January 2021, total loans decreased by KM 101.2 million (0.5%). The decrease in loans was registered with private companies by KM 254.5 million (2.9%) and slightly in other domestic sectors by KM 0.2 million (0.1%). Slight growth of loans was realized in the following sectors: households by KM 42.5 million (0.4%), government institutions by KM 68.8 million (6.3%) and public companies by KM 42.1 million (8.7%).

Sectoral structure of loans in BH

	Balance in mil. KM I 2021	Monthly changes in mil. KM			Annual change rates in %		
		XI 2020	XII 2020	I 2021	XI 2020	XII 2020	I 2021
Total	20.226,7	-6,6	-53,7	-120,7	-1,2	-2,0	-0,5
Out of it:							
Households	9.875,8	-8,6	-34,7	-18,9	-0,1	-0,8	0,4
Private companies	8.510,8	1,0	-35,1	-77,6	-4,2	-4,9	-2,9
Government institutions	1.156,8	8,0	-8,1	-4,4	9,2	5,7	6,3
Public companies	527,1	2,9	13,2	-8,6	7,7	7,7	8,7
Loans to other domestic sectors	156,1	-9,9	10,9	-11,2	1,1	-0,1	-0,1

Foreign exchange reserves

At the end of January 2021, the foreign exchange reserves of the Central Bank of BiH amounted to KM 13.76 billion and compared to the previous month, they decreased by KM 105.7 million (0.8%). At the annual level, the foreign exchange reserves of the Central Bank of BiH increased by KM 1.28 billion (10.3%).