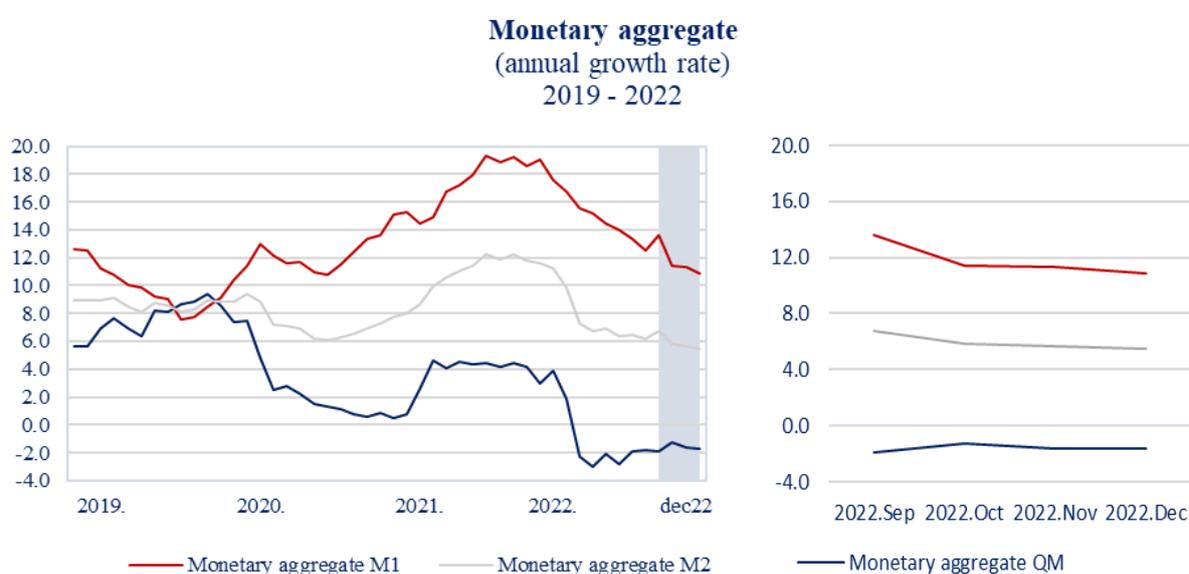


Comment on Monetary Trends in December 2022

The total money supply (M2) at the end of December 2022 amounted to KM 33.24 billion, with a significant increase in money supply being KM 417.7 million (1.3%) compared to the previous month. The increase in money supply (M2) in December 2022 was the result of an increase in money (M1) by KM 484.4 million (2.5%) and a decrease in quasi money (QM) by KM 66.7 million (0.5%). The increase in money (M1) was caused by an increase in transferable deposits in local currency by KM 315.3 million (2.3%) and an increase in cash outside banks by KM 169.1 million (2.8%). The decrease in quasi money (QM) was the result of a decrease in transferable deposits in foreign currency by KM 19.9 million (0.6%), other deposits in local currency by KM 43 million (1.5%) and other deposits in foreign currency by KM 3.8 million (0.1%).

On an annual basis, the increase in money supply (M2) in December 2022 amounted to KM 1.72 billion (5.5%). The growth was recorded in cash outside banks by KM 586.2 million (10.6%), for transferable deposits in local currency by KM 1.36 billion (11.0%) and transferable deposits in foreign currency by KM 283.8 million (8.6%), while other deposits in local currency decreased by KM 163.3 million (5.4%) and other deposits in foreign currency by KM 347.7 million (4.8%).



The counter-item to the monthly increase in money supply (M2) totaling KM 417.7 million (1.3%) in December 2022, is an increase in net foreign assets (NSA) by KM 235.5 million (1.2%) and net domestic assets (NDA) by KM 182.2 million (1.3%). The annual increase in money supply (M2) by KM 1.72 billion (5.5%), was the result of an increase in net foreign assets (NSA) by KM 155.2 million (0.8%) and net domestic assets (NDA) by KM 1.6 billion (12.7%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	XII 2022	X 2022	XI 2022	XII 2022	X 2022	XI 2022	XII 2022
Assets							
1. Net foreign assets	19,271.6	242.0	-477.5	235.5	2.7	-0.7	0.8
1.1 Foreign assets	21,084.4	232.6	-408.8	225.9	1.9	-0.7	0.1
1.2 Foreign liabilities	-1,812.9	9.4	-68.7	9.6	-6.6	0.0	-7.0
2. Net domestic assets	13,967.9	-145.1	486.2	182.2	10.7	16.0	12.7
2.1. Claims on central government (net) cantons and municipalities	84.2	-47.5	460.1	-132.6	-5.1	-171.5	-138.1
2.2 Claims on local sectors	21,059.0	102.1	20.3	119.1	5.1	4.9	5.4
2.3 Other items	-7,175.4	-199.6	5.9	195.7	-3.5	-5.2	-2.6
Liabilities							
1 Money supply (M2)	33,239.5	96.9	8.7	417.7	5.8	5.7	5.5
1.1 Money (M1)	19,878.6	-91.6	62.5	484.4	11.4	11.4	10.9
1.2 Quasi money (QM)	13,360.9	188.5	-53.8	-66.7	-1.2	-1.6	-1.7

Loans

At the end of December 2022, total loans to domestic sectors amounted to KM 22.07 billion, having increased by KM 101.4 million (0.5%) compared to the previous month. The growth of loans was registered in the household sector by KM 23 million (0.2%), non-financial public companies by KM 44.5 million (7.6%), private companies by KM 15.9 million (0.2%) and other domestic sectors by KM 20.3 million (12.3%). A decrease on a monthly basis in loan growth was recorded with government institutions by KM 2.3 million (0.2%).

The annual growth rate of total loans in December 2022 amounted to 4.7%, nominally KM 990.7 million. The annual growth of loans was registered in the household sector by KM 542.9 million (5.2%), private companies by KM 378.7 million (4.3%), non-financial public companies by KM 115.5 million (22.6%) and other domestic sectors by KM 6.3 million (11.0%). The annual decrease in loan growth was registered with government institutions by KM 57.4 million (4.9%).

Sectorial structure of loans

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	XII 2022	X 2022	XI 2022	XII 2022	X 2022	XI 2022	XII 2022
Total	22,068,0	93.1	25.3	101.4	4.5	4.3	4.7
Out of it:							
Households	10,978,4	34.3	17.5	23.0	5.1	4.9	5.2
Private companies	9,155,5	30.5	11.0	15.9	4.2	4.3	4.3
Government institutions	1,122,8	-4.2	-5.6	-2.3	-3.5	-4.3	-4.9
Public companies	626,3	37.3	11.8	44.5	15.5	13.6	22.6
Loans to other domestic sectors	185,1	-4.8	-9.3	20.3	3.3	0.4	6.3

Deposits

At the end of December 2022, total deposits of domestic sectors amounted to KM 29.23 billion, having increased by KM 496.3 million (1.7%) compared to the previous month. The monthly growth of deposits was registered in the household sector by KM 296.6 million (2.1%), non-financial public companies by KM 41.5 million (2.1%), private companies by KM 127.2 million (2.1%) and government institutions by KM 121.6 million (2.7%). Other domestic sectors had a decrease in deposits by KM 90.6 million (4.6%).

The annual growth rate of total deposits in December 2022 amounted to 5.0%, having to be KM 1.4 billion in the absolute amount. The annual growth of deposits was registered with government institutions by KM 589.8 million (14.7%), private companies by KM 609.5 million (11.0%), non-financial public companies by KM 209.9 million (11.6%) and other domestic sectors by KM 107.6 million (6.1%). The annual decrease in the growth rate of deposits was registered in the household sector by 0.8%, i.e. KM 120.6 million.

Sectorial structure of deposits

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	XII 2022	X 2022	XI 2022	XII 2022	X 2022	XI 2022	XII 2022
Total	29,228.7	192.5	-145.6	496.3	6.0	4.2	5.0
Out of it:							
Households	14,574.9	24.0	35.7	296.6	-2.0	-1.8	-0.8
Private companies	6,144.9	145.9	-6.2	127.2	11.8	10.2	11.0
Government institutions	4,609.0	46.7	-281.6	121.6	23.4	9.7	14.7
Public companies	2,014.0	-16.7	7.6	41.5	14.3	11.9	11.6
Deposits of other domestic sectors	1,886.0	-7.4	98.7	-90.6	8.2	15.5	6.1

Foreign Exchange Reserves

At the end of December 2022, the foreign currency reserves of the Central Bank of BiH amounted to KM 16.07 billion. Compared to the previous month, foreign currency reserves have increased by KM 159.1 million (1.0%), while on the annual level foreign exchange reserves of the Central Bank of BiH decreased by KM 282.3 million (1.7%).