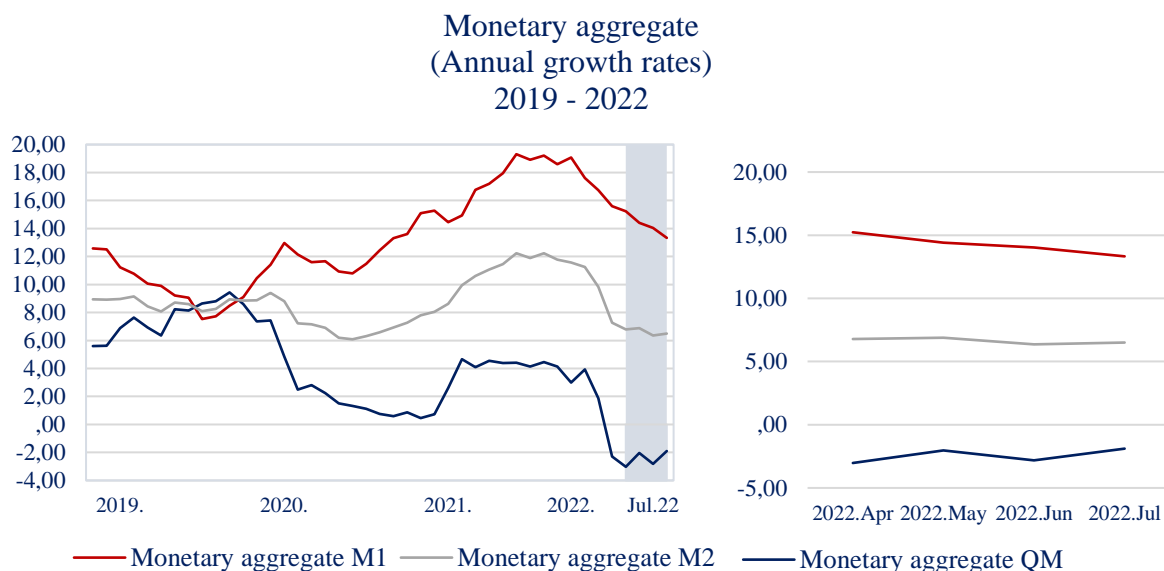


Comment on Monetary Trends in July 2022

The total money supply (M2) at the end of July 2022 was KM 32.04 billion with a monthly increase being by KM 528.1 million (1.7%). The increase in money supply (M2) in July 2022 is the result of an increase in money (M1) by KM 385.3 million (2.1%) and quasi-money (QM) by KM 142.8 million (1.1%). The increase in money (M1) was due to an increase in transferable deposits in domestic currency by KM 169.8 million (1.4%) and cash outside banks by KM 215.5 million (3.7%). The increase in quasi-money (QM) is the result of the growth of transferable foreign currency deposits by KM 74.9 million (2.3%), other local currency deposits by KM 31 million (1.1%) and other foreign currency deposits by KM 36.9 million (0.5%).

Annually, the increase in money supply (M2) in July 2022 amounted to KM 1.96 billion (6.5%). Growth was achieved in cash outside banks by KM 637.9 million (11.7%), for transferable deposits in local currency by KM 1.57 billion (14.1%) and transferable foreign currency deposits by KM 173.2 million (5.6%), with a simultaneous decrease in other local currency deposits by KM 133.9 million (4.4%) and other foreign currency deposits by KM 294.4 million (4.0%).



The counter-item to the increase in money supply (M2) at the monthly level in July 2022 totaling KM 528.1 million (1.7%) was an increase in net foreign assets (NSA) by KM 531.2 million (2.9%), with a slight reduction in net domestic assets (NDAs) by only 3.1 million KM. The increase in money supply (M2) by KM 1.96 billion (6.5%) at the annual level, is the result of an increase in net foreign assets (NSA) by 1.12 billion KM (6.3%) and net domestic assets (NDAs) by KM 832.6 million (6.7%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	VII 2022	V 2022	VI 2022	VII 2022	V 2022	VI 2022	VII 2022
Assets							
1. Net foreign assets	18,854.8	177.0	-135.3	531.2	8.4	6.7	6.3
1.1 Foreign assets	20,681.6	197.0	-56.5	480.2	6.1	5.5	5.2
1.2 Foreign liabilities	-1,826.8	-20.0	-78.8	51.0	-12.9	-5.2	-5.5
2. Net domestic assets	13,182.7	138.6	282.4	-3.1	4.9	5.9	6.7
2.1. Claims on central government (net) cantons and municipalities	-339.7	-222.8	61.1	36.5	-301.3	-252.2	-240.1
2.2 Claims on local sectors	20,786.6	169.1	150.5	66.4	5.3	5.0	5.3
2.3 Other items	-7,264.2	192.3	70.8	-106.1	-3.0	-4.8	-4.9
Liabilities							
1 Money supply (M2)	32,037.5	315.6	147.1	528.1	6.9	6.4	6.5
1.1 Money (M1)	18,793.0	221.2	189.2	385.3	14.4	14.0	13.3
1.2 Quasi money (QM)	13,244.6	94.4	-42.0	142.8	-2.0	-2.8	-1.9

Loans

At the end of July 2022, total loans to domestic sectors amounted to KM 21.8 billion, with a slight increase of KM 47.8 million (0.2%) compared to the previous month. The growth of loans was registered with the population sector by KM 59.8 million (0.6%) and non-financial public companies by KM 17.3 million (3.5%). The decline in loan growth on monthly basis was recorded in government institutions by KM 5.2 million (0.5%), private enterprises by 13.8 million KM (0.1%) and other domestic sectors by KM 10.4 million (5.8%).

The annual growth rate of total loans in July 2022 was (4.5%), nominally 944.2 million KM. Annual loan growth was registered with the population sector by KM 566.5 million (5.5%), private companies by KM 424 million (4.8%), and non-financial public companies by KM 9.4 million (1.9%). The annual reduction in credit growth was registered with government institutions by KM 53.9 million (4.7%) and in other domestic sectors by 1.7 million KM (1.0%).

Sectorial structure of loans in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	VII 2022	V 2022	VI 2022	VII 2022	V 2022	VI 2022	VII 2022
Total	21,763.4	157.6	144.3	47.8	4.5	4.4	4.5
Out of it:							
Households	10,829.4	89.0	85.3	59.8	5.7	5.6	5.5
Private companies	9,174.6	78.1	75.1	-13.8	4.5	4.4	4.8
Government institutions	1,087.1	-9.8	-8.8	-5.2	-6.1	-5.2	-4.7
Public companies	504.3	-1.7	-17.4	17.3	-0.1	-3.6	1.9
Loans to other domestic sectors	168.0	2.0	10.0	-10.4	22.0	24.9	-1.0

Deposits

At the end of July 2022, total deposits of domestic sectors amounted to KM 28.1 billion, compared to the previous month there was an increase in deposits by KM 273.6 million (1.0%). Deposit growth was registered with the population sector by 105.4 million KM (0.8%), private companies by 158.4 million KM (2.9%), other domestic sectors by 16.8 million KM (0.9%), and with government institutions for only 0.2 million KM. The monthly decline was recorded in deposits of non-financial public companies by KM 7.2 million (0.4%).

The annual growth rate of total deposits in July 2022 was (5.3%), at an absolute amount of KM 1.42 billion. Annual deposit growth was registered with government institutions by KM 1 billion (27.4%), private enterprises by KM 383.6 million (7.4%), non-financial public enterprises by KM 287 million (16.6%) and in other domestic sectors by KM 172.4 million (10.4%). The reduction in the annual deposit growth rate was registered at the population sector by KM 433 million (3.0%).

Sectorial structure of deposits in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	VII 2022	V 2022	VI 2022	VII 2022	V 2022	VI 2022	VII 2022
Total	28,059.0	544.0	365.0	273.6	4.9	5.2	5.3
Out of it:							
Households	13,976.5	-18.5	100.5	105.4	-3.6	-3.4	-3.0
Private companies	5,559.1	282.4	-27.8	158.4	11.1	7.6	7.4
Government institutions	4,680.0	247.1	352.1	0.2	21.4	28.3	27.4
Public companies	2,015.7	22.7	-47.2	-7.2	18.2	16.7	16.6
Deposits of other domestic sectors	1,827.7	10.3	-12.6	16.8	10.7	9.0	10.4

Foreign Exchange Reserves

At the end of July 2022 foreign exchange reserve of the Central bank of Bosnia and Herzegovina amounted to KM 16.3 billion. Compared to the previous month, foreign exchange reserves of the Central Bank of Bosnia and Herzegovina have increased by KM 368.4 million (2.3%), while an increase of KM 1.68 billion (11.5%) was registered at the annual level.