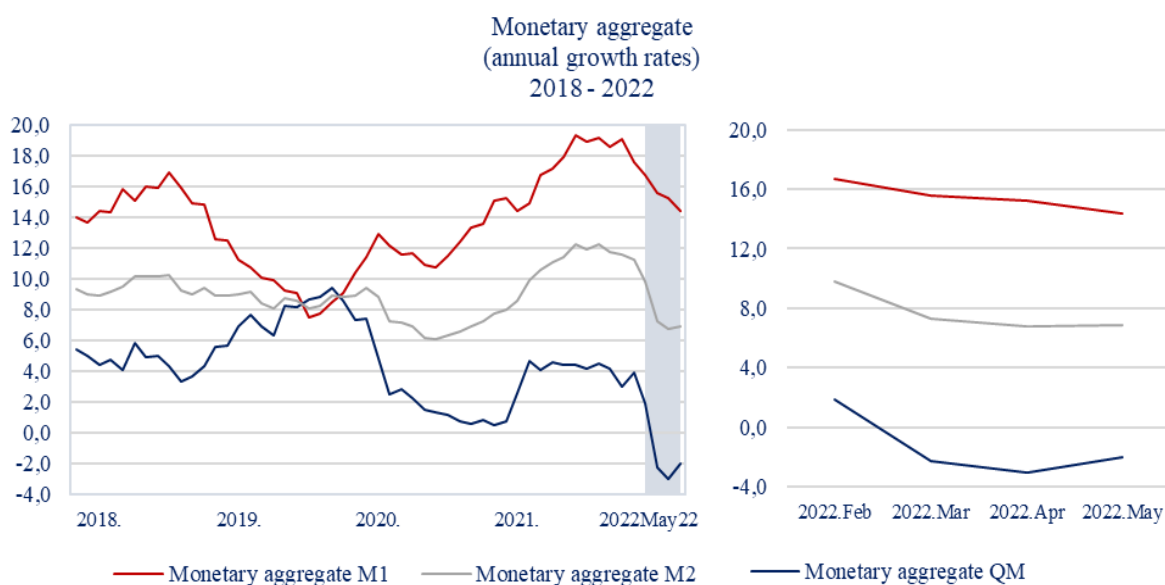


Comment on Monetary Trends in May 2022

The total money supply (M2) at the end of May 2022 amounted to KM 31.36 billion with a monthly slight increase being KM 315.6 million (1.0%). The increase in money supply (M2) in May 2022 is the result of an increase in money (M1) by KM 221.2 million (1.2%) and quasi-money (QM) by KM 94.4 million (0.7%). The increase in money (M1) was caused by the latest increase in transferable deposits in local currency by KM 304.8 (2.5%) and a decrease in cash outside banks by KM 83.6 million (1.4%). The increase in quasi-money (QM) is the result of the growth of transferable deposits in foreign currency by KM 92.9 million (2.9%) and other deposits in foreign currency by KM 80.5 million (1.2%), while in other deposits in local currency, a decrease of KM 78.9 million (2.7%) was recorded.

At the annual level, the increase in money supply (M2) in May 2022 amounted to KM 2.02 billion (6.9%). Growth was achieved in cash outside banks by KM 663 million (12.8%), in transferable deposits in local currency by KM 1.63 billion (15.2%) and transferable deposits in foreign currency by KM 256.1 million (8.4%), with a simultaneous decrease in other deposits in local currency by KM 154.3 million (5.1%), and other deposits in foreign currency by KM 375 million (5.1%).



The counter-item of the monthly increase in the money supply (M2) in May 2022 by KM 315.6 million (1.0%) is the increase in net foreign assets (NSA) by KM 177 million (1.0%) and net domestic assets (NDA) by KM 138.6 million (1.1%). The increase in the money supply (M2) at the annual level by KM 2.02 billion (6.9%), is the result of an increase in net foreign assets (NSA) by KM 1.42 billion (8.4%) and net domestic assets (NDA) by KM 597.2 million (4.9%).

Monetary survey

| | Balance in mil. KM | Monthly changes in mil. KM | | | Annual growth rate in % | | |
|-----------------------------------------------------------------------|-----------------------|----------------------------|--------------|--------------|-------------------------|------------|------------|
| | V 2022 | III 2022 | IV 2022 | V 2022 | III 2022 | IV 2022 | V 2022 |
| Assets | | | | | | | |
| 1. Net foreign assets | 18,458.9 | -678.3 | -24.4 | 177.0 | 12.1 | 8.6 | 8.4 |
| 1.1 Foreign assets | 20,257.9 | -689.3 | -98.8 | 197.0 | 9.4 | 6.1 | 6.1 |
| 1.2 Foreign liabilities | -1,799.0 | 11.0 | 74.4 | -20.0 | -12.2 | -14.3 | -12.9 |
| 2. Net domestic assets | 12,903.4 | 133.5 | 147.3 | 138.6 | 0.9 | 4.3 | 4.9 |
| 2.1. Claims on central government (net) cantons and municipalities | -437.3 | -17.1 | -0.6 | -222.8 | -143.0 | -230.9 | -301.3 |
| 2.2 Claims on local sectors | 20,569.7 | 218.9 | 186.6 | 169.1 | 4.4 | 4.8 | 5.3 |
| 2.3 Other items | -7,229.0 | -68.3 | -38.6 | 192.3 | 0.4 | 0.5 | -3.0 |
| Liabilities | | | | | | | |
| 1 Money supply (M2) | 31,362.3 | -544.8 | 122.9 | 315.6 | 7.3 | 6.8 | 6.9 |
| 1.1 Money (M1) | 18,218.5 | -91.4 | 171.9 | 221.2 | 15.6 | 15.2 | 14.4 |
| 1.2 Quasi money (QM) | 13,143.8 | -453.5 | -48.9 | 94.4 | -2.3 | -3.0 | -2.0 |

Loans

At the end of May 2022, total loans to domestic sectors amounted to KM 21.6 billion, having increased by 157.6 million KM (0.7%) compared to the previous month. The growth of loans was registered in the household sector by KM 89 million (0.8%), private companies by KM 78.1 million (0.9%) and other domestic sectors by KM 2 million (1.2%). A decrease in loan growth on a monthly basis was recorded in government institutions by KM 9.8 million (0.9%) and non-financial public enterprises by KM 1.7 million (0.3%).

The annual growth rate of total loans in May 2022 was (4.5%), nominally KM 927.1 million. Annual growth of loans was registered in the household sector by KM 578.4 million (5.7%), private companies by KM 389.8 million (4.5%) and other domestic sectors by KM 30.4 million (22%). Decrease in annual growth of loans was registered with government institutions by KM 71 million (6.1%) and non-financial public companies by KM 0.5 million (0.1%).

Sectorial structure of loans in BH

| | Balance in mil. KM | Monthly changes in mil. KM | | | Annual growth rate in % | | |
|---------------------------------|--------------------|----------------------------|--------------|--------------|-------------------------|------------|------------|
| | V 2022 | III 2022 | IV 2022 | V 2022 | III 2022 | IV 2022 | V 2022 |
| Total | 21,571.3 | 195.6 | 164.4 | 157.6 | 3.8 | 4.1 | 4.5 |
| Out of it: | | | | | | | |
| Households | 10,684.3 | 85.8 | 68.9 | 89.0 | 5.6 | 5.6 | 5.7 |
| Private companies | 9,113.2 | 144.9 | 108.7 | 78.1 | 3.1 | 3.7 | 4.5 |
| Government institutions | 1,101.0 | -26.2 | -13.8 | -9.8 | -4.5 | -5.6 | -6.1 |
| Public companies | 504.4 | -8.6 | 0.8 | -1.7 | -1.7 | -1.1 | -0.1 |
| Loans to other domestic sectors | 168.3 | -0.3 | -0.1 | 2.0 | 9.2 | 17.4 | 22.0 |

Foreign Exchange Reserves

At the end of May 2022, the foreign exchange reserves of the Central Bank of BiH amounted to KM 15.97 billion. Compared to the previous month, the foreign exchange reserves of the Central Bank of BiH increased slightly by KM 14.8 million (0.1%), while an increase of KM 1.91 billion (13.6%) was registered at the annual level.