**Comment on Monetary Trends in March 2022. godine**

The total money supply (M2) at the end of March 2022 amounted to KM 30.92 billion, with a monthly decrease being KM 544.8 million (1.73%). The decrease in money supply (M2) in March 2022 is the result of a decrease in quasi money (QM) by KM 453.5 million (3.3%) and money (M1) by KM 91.4 million (0.5%). The decrease in money (M1) was due to a decrease in transferable deposits in local currency by KM 268.6 million (2.2%) and an increase in cash outside banks by KM 177.2 million (3.1%). The decrease in quasi-money (QM) is a result of a decrease in transferable deposits in foreign currency by KM 57.6 million (1.7%), other deposits in local currency by KM 169.9 million (5.6%) and other deposits in foreign currency by KM 225.9 million (3.2%).

At the annual level, the increase in money supply (M2) in March 2022 amounted to 2.1 billion KM (7.3%). Growth was realized in cash outside banks by KM 801.5 million (15.9%), in transferable deposits in local currency by KM 1.6 billion (15.5%) and transferable deposits in foreign currency by KM 311.1 million (10.3%), with a simultaneous decrease in other deposits in local currency by KM 162.7 million (5.4%), and other deposits in foreign currency by KM 454.8 million (6.2%)

  

The counter-item of the monthly decrease in the money supply (M2) in March 2022 by KM 544.8 million (1.73%) is a decrease of net foreign assets (NSA) by KM 678.3 million (3.6%) and growth of net domestic assets (NDA) by KM 133.5 million (1.1%). The increase of 2.1 billion KM (7.3%) in the money supply (M2) at the annual level is the result of the growth of net foreign assets (NSA) by 2.0 billion KM (12.1%) and net domestic assets (NDA) by KM 116.0 million (0.9%).

**Monetary survey**

|  |  |  |  |
| --- | --- | --- | --- |
|   | Balance in mil. KM | Monthly changes in mil. KM | Annual growth rate in % |
|   | III 2022 | I 2022 | II 2022 | III 2022 | I 2022 | II 2022 | III 2022 |
| **Assets** |   |   |   |   |   |   |   |
| **1. Net foreign assets** | **18,319.1** | **143.7** | **-262.7** | **-678.3** | **19.6** | **17.3** | **12.1** |
| 1.1 Foreign assets | 20,159.7 | 54.4 | -270.8 | -689.3 | 15.3 | 13.5 | 9.4 |
| 1.2 Foreign liabilities | -1,840.6 | 89.3 | 8.1 | 11.0 | -15.9 | -14.7 | -12.2 |
| **2. Net domestic assets** | **12,604.6** | **-49.6** | **121.5** | **133.5** | **0.3** | **0.1** | **0.9** |
| 2.1. Claims on central government (net) cantons and municipalities | -213.9 | 21.2 | 3.0 | -17.1 | -136.8 | -136.7 | -143.0 |
| 2.2 Claims on local sectors | 20,214.0 | -127.8 | 135.6 | 218.9 | 3.8 | 4.0 | 4.4 |
| 2.3 Other items | -7,395.5 | 57.0 | -17.0 | -68.3 | -0.8 | 0.3 | 0.4 |
| **Liabilities** |   |   |   |   |   |   |   |
| **1 Money supply (M2)** | **30,923.7** | **94.1** | **-141.2** | **-544.8** | **11.2** | **9.8** | **7.3** |
| 1.1 Money (M1) | 17,825.4 | -61.0 | 50.2 | -91.4 | 17.6 | 16.7 | 15.6 |
| 1.2 Quasi money (QM) | 13,098.3 | 155.1 | -191.4 | -453.5 | 3.9 | 1.9 | -2.3 |

**Loans**

At the end of March 2022, total loans to domestic sectors amounted to KM 21.25 billion having increased by KM 195.6 million (0.9%) compared to the previous month. The growth of loans was registered in the household sector by KM 85.8 million (0.8%) and private companies by KM 144.9 million (1.7%). A decrease in growth of loans on a monthly basis was recorded in government institutions by KM 26.2 million (2.3%), public companies by KM 8.6 million (1.7%), and other domestic sectors by KM 0.3 million 0.2%).

The annual growth rate of total loans in March 2022 amounted to (3.8%), nominally 776.7 million KM. Annual growth of loans was registered in the household sector by KM 555.4 million (5.6%), private companies by KM 269.4 million (3.1%) and other domestic sectors by KM 14.0 million (9.2%) ). Decrease in annual growth of loans was registered with government institutions by KM 53.5 million (4.5%) and non-financial public enterprises by KM 8.6 million (1.7%).

**Sectorial structure of loans in BH**

|  |  |  |  |
| --- | --- | --- | --- |
|   | Balance in mil. KM | Monthly changes in mil. KM | Annual growth rate in % |
| III 2022 | I 2022 | II 2022 | III 2022 | I 2022 | II 2022 | III 2022 |
| **Total** | **21,249.3** | **-142.7** | **119.1** | **195.6** | **3.5** | **3.7** | **3.8** |
| Out of it: |   |   |   |   |   |   |   |
| Households | 10,526.4 | -36.6 | 41.6 | 85.8 | 5.3 | 5.5 | 5.6 |
| Private companies  | 8,926.5 | -81.4 | 86.2 | 144.9 | 2.2 | 2.2 | 3.1 |
| Government institutions  | 1,124.6 | -14.7 | -14.6 | -26.2 | 0.8 | 0.8 | -4.5 |
| Public companies | 505.3 | -4.2 | 7.4 | -8.6 | -3.9 | -2.6 | -1.7 |
| Loans to other domestic sectors | 166.5 | -5.7 | -1.5 | -0.3 | 7.8 | 11.9 | 9.2 |

**Foreign Exchange Reserves**

At the end of March 2022 the CBBH foreign exchange reserves amounted to KM 15.96 billion. Compared to the previous month, CBBH foreign exchange reserves decreased by KM 384.8 million (2.4%), while at the annual level an increase of KM 2.32 billion (17.0%) was registered.