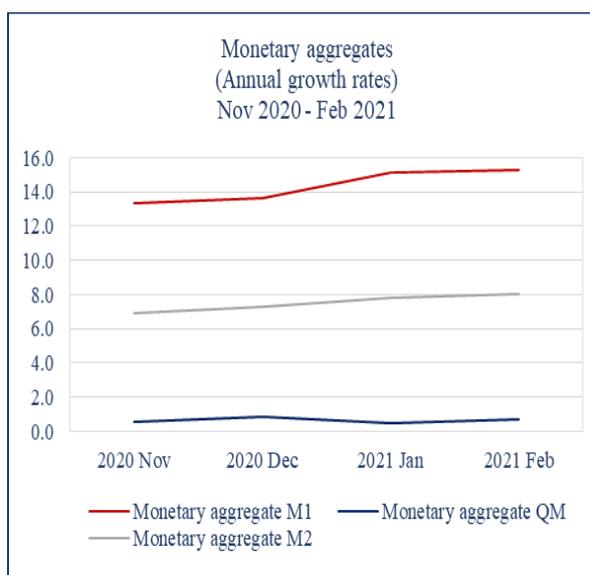
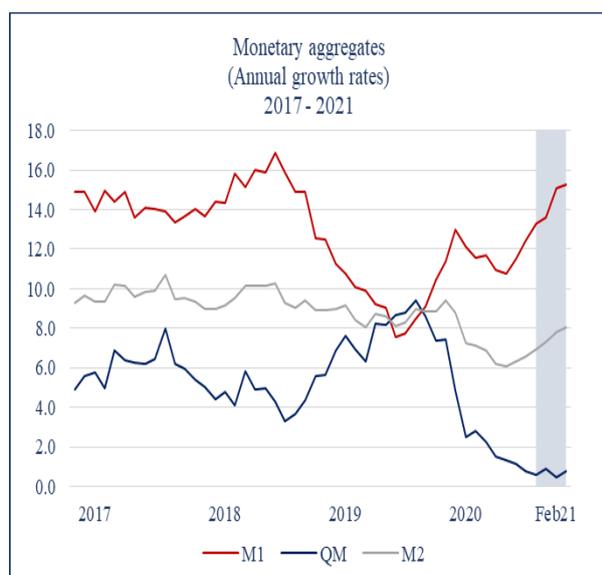


Comment on Monetary Trends in February 2021

The total money supply (M2) at the end of February 2021 amounted to KM 28.65 billion, with a monthly increase of KM 237.6 million (0.8%). The growth of money supply (M2) in February 2021 is the result of growth (M1) by KM 158.5 million (1%) and (QM) by KM 79.1 million (0.6%). Money (M1) increased primarily due to the growth of transferable deposits in local currency by KM 121.3 million (1.2%) and milder growth of cash outside banks by KM 37.3 million (0.7%). Within quasi money (QM), there was an increase in transferable deposits in foreign currency by KM 59.1 million (2%), other deposits in local currency by KM 12.6 million (0.4%) and other deposits in foreign currency by KM 7.3 million (0.1%).

At the annual level, the increase in money supply (M2) amounts to 2.13 billion KM (8%). Growth was realized in cash outside banks by KM 743.7 million (17.2%), transferable deposits in local currency by KM 1.29 billion (14.4%) and transferable deposits in foreign currency by KM 522 million (21.1%). At the same time, other deposits in domestic currency decreased by KM 83.4 million (2.7%) and other deposits in foreign currency by KM 340.9 million (4.5%).



The counter-item of the monthly increase of money supply (M2) in February 2021 in the amount of KM 237.6 million (0.8%) is the growth of net foreign assets (NSA) by KM 91.3 million (0.6%) and net domestic assets (NDA) by KM 146.3 million (1.2%). The increase in money supply (M2) at the annual level of 2.13 billion KM (8%) is the result of the growth of net foreign assets (NSA) by 1.97 billion KM (13.8%) and net domestic assets (NDA) by 166 million KM (1.4%).

Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	II 2021	XII 2020	I 2021	II 2021	XII 2020	I 2021	II 2021
Assets							
1 Net foreign assets	16.195,5	299,5	90,3	91,3	14,8	13,9	13,8
1.1 Foreign assets	18.367,4	374,6	-25,1	52,3	7,4	7,0	7,0
1.2 Foreign liabilities	-2.171,9	-75,1	115,4	39,0	-25,4	-25,8	-26,2
2. Net domestic assets	12.456,1	159,3	74,7	146,3	-1,2	0,7	1,4
2.1. Claims on central government (net) cantons and municipalities	535,6	173,5	241,2	-7,4	-274,9	-905,9	2757,0
2.2 Claims on local sectors	19.228,9	-50,7	-118,1	95,2	-2,6	-0,9	-0,8
2.3 Other items	-7.308,4	36,5	-48,4	58,5	1,6	5,0	2,6
Liabilities							
1 Money supply (M2)	28.651,6	458,9	165,0	237,6	7,3	7,8	8,0
1.1 Money (M1)	15.348,7	372,7	135,0	158,5	13,6	15,1	15,3
1.2 Quasi money (QM)	13.302,8	86,2	30,0	79,1	0,9	0,5	0,7

Total loans

At the end of February 2021, total loans to domestic sectors amounted to KM 20.31 billion. Compared to the previous month, they increased by KM 80.4 million (0.4%). Credit growth was registered in the household sectors by KM 22.3 million (0.2%), private companies by KM 79.7 million (0.9%) and public companies by KM 0.5 million (0.1%). The decrease in credit growth was registered in the government sector by KM 15.2 million (1.3%) and in other domestic sectors by KM 7.0 million (4.5%).

At the annual level, total loans in February 2021 decreased by KM 130.6 million or 0.6%. The growth of loans was registered in the household sector by KM 17.3 million (0.2%), the government sector by KM 27.7 million (2.5%) and the public companies sector by KM 48.1 million (10%). Reduced loans were registered in the sectors of private companies KM 214.1 million (2.4%) and other domestic sectors by KM 9.7 million (6.1%).

Sectoral structure of loans in BH

	Balance in mil. KM II 2021	Monthly changes in mil. KM			Annual change rates in %		
		XII 2020	I 2021	II 2021	XII 2020	I 2021	II 2021
Total	20.307,1	-53,7	-120,7	80,4	-2,0	-0,5	-0,6
Out of it:							
Households	9.898,1	-34,7	-18,9	22,3	-0,8	0,4	0,2
Private companies	8.590,6	-35,1	-77,6	79,7	-4,9	-2,9	-2,4
Government institutions	1.141,6	-8,1	-4,4	-15,2	5,7	6,3	2,5
Public companies	527,7	13,2	-8,6	0,5	7,7	8,7	10,0
Loans to other domestic sectors	149,1	10,9	-11,2	-7,0	-0,1	-0,1	-6,1

Foreign exchange reserves

At the end of February 2021 the foreign exchange reserves of the Central Bank of BiH amounted to KM 13.67 billion, decreased by KM 89.3 million (0.6%) compared to the previous month. At the annual level, the foreign exchange reserves of the Central Bank of BiH increased by KM 1.21 billion (9.7%).