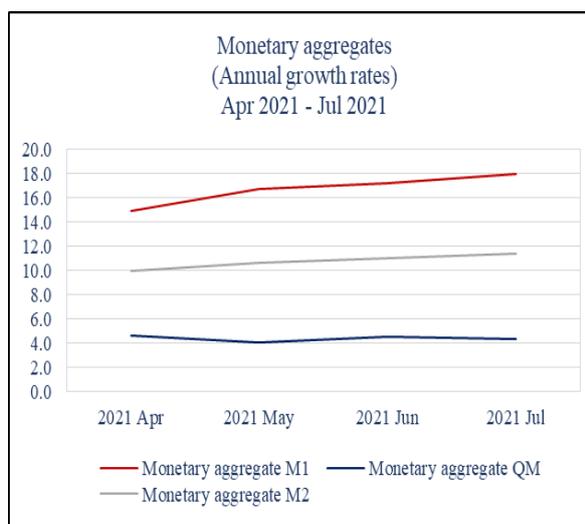
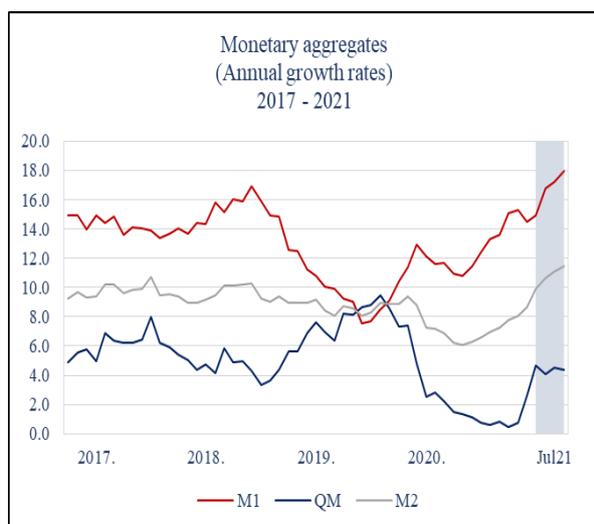


Comment on Monetary Trends in July 2021

The total money supply (M2) at the end of July 2021 amounted to KM 30.08 billion, with a monthly increase of KM 457.8 million (1.5%). The growth of money supply (M2) in July 2021 is the result of the growth of money (M1) by KM 440.2 million (2.7%) and a slight increase of quasi money (QM) by KM 17.6 million (0.1%). Cash (M1) increased due to growth of cash outside banks by KM 221.6 million (4.3%) and transferable deposits in local currency by KM 218.6 million (2%). Quasi money (QM) had an increase in transferable deposits in foreign currency by KM 59.7 million (2%) and a simultaneous decrease in other deposits in local currency by KM 39.6 million (1.3%) and other deposits in foreign currency by 2.5 million KM (0.1%).

At the annual level, the increase in money supply (M2) in July 2021 amounts to 3.09 billion KM (11.5%). Growth was realized in cash outside banks by KM 504.2 million (10.2%), transferable deposits in local currency by KM 2.02 billion (22.1%), transferable deposits in foreign currency by KM 450.9 million (17%), other deposits in local currency by KM 92.9 million (3.1%) and other deposits in foreign currency by KM 22.7 million (0.3%).



The counter-item of money supply (M2) on a monthly basis in July 2021 in the amount of KM 457.8 million (1.5%) was the growth of net foreign assets (NSA) by KM 563.6 million (3.3%) and decrease in net domestic assets (NDA) by KM 105.8 million (0.8%). The increase in money supply (M2) at the annual level of KM 3.09 billion (11.5%) is the result of the growth of net foreign assets (NSA) by KM 2.77 billion (18.5%) and net domestic assets (NDA) by KM 319.7 million (2.7%).

Monetary survey

	Balance in mil. KM VII 2021	Monthly changes in mil. KM			Annual growth rate in %		
		V 2021	VI 2021	VII 2021	V 2021	VI 2021	VII 2021
Assets							
1 Net foreign assets	17.732,2	195,8	133,6	563,6	15,5	17,2	18,5
1.1 Foreign assets	19.665,2	185,6	48,2	515,7	8,4	11,6	13,3
1.2 Foreign liabilities	-1.932,9	10,2	85,4	48,0	-28,1	-21,3	-19,5
2 Net domestic assets	12.350,1	70,9	149,8	-105,8	4,5	3,6	2,7
2.1. Claims on central government (net) cantons and municipalities	242,4	53,4	30,0	-4,8	-159,0	-249,1	-861,5
2.2 Claims on local sectors	19.749,5	78,5	188,6	23,2	1,6	1,6	1,8
2.3 Other items	-7.641,8	-61,0	-68,8	-124,2	5,2	4,1	4,1
Liabilities							
1 Money supply (M2)	30.082,4	266,7	283,4	457,8	10,6	11,1	11,5
1.1 Money (M1)	16.582,8	306,0	218,4	440,2	16,8	17,2	18,0
1.2 Quasi money (QM)	13.499,6	-39,3	65,0	17,6	4,1	4,5	4,4

Loans

Total loans to domestic sectors at the end of July 2021 amounted to KM 20.82 billion. Compared to the previous month, loans increased by KM 10.6 million (0.1%). Credit growth was registered in the household sector by KM 59.8 million (0.6%) and in other domestic sectors by KM 26.8 million (18.9%). A decrease in credit growth was registered in the sectors of private companies by KM 54.5 million (0.6%), government institutions by KM 11.1 million (1%) and public companies by KM 10.4 million (2.1%).

The annual growth rate of total loans in July 2021 was (1.9%), nominally KM 388 million. Annual growth of loans was registered in the sectors of households by KM 377.3 million (3.8%), private companies by KM 22.4 million (0.3%) and government institutions by KM 39.8 million (3.6%). Decreased credit growth was registered in the sectors of public companies by KM 42.2 million (7.9%) and other domestic sectors by KM 9.3 million (5.2%).

Sectoral structure of loans in BH

	Balance in mil. KM VII 2021	Monthly changes in mil. KM			Annual change rates in %		
		V 2021	VI 2021	VII 2021	V 2021	VI 2021	VII 2021
Total	20.819,2	72,8	164,3	10,6	1,9	2,0	1,9
Out of it:							
Households	10.263,0	75,1	97,2	59,8	3,2	3,6	3,8
Private companies	8.750,6	12,5	81,6	-54,4	-0,2	0,7	0,3
Government institutions	1.141,0	-4,2	-19,9	-11,1	6,7	4,6	3,6
Public companies	494,9	-6,9	0,4	-10,4	8,4	-5,7	-7,9
Loans to other domestic sectors	169,7	-3,7	4,9	26,8	-14,6	-17,3	-5,2

The CBBH Foreign exchange reserves

At the end of July 2021, the foreign exchange reserves of the Central Bank of BiH amounted to KM 14.59 billion, increased by KM 407 million (2.9%) compared to the previous month. At the annual level, the foreign exchange reserves of the Central Bank of BiH increased by KM 1.35 billion (10.2%).