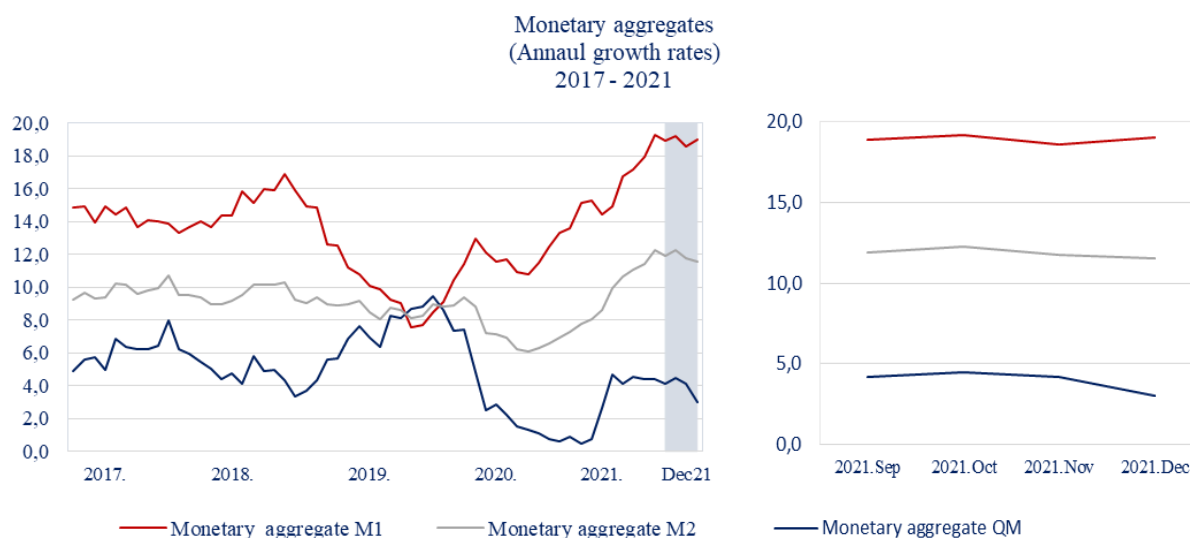


## Comment on Monetary Trends in December 2021

The total money supply (M2) at the end of December 2021 amounted to KM 31.5 billion, with a monthly increase being KM 440.8 million (1.4%). The growth of money supply (M2) in December 2021 was brought about by the growth of money (M1) by KM 503.1 million (2.9%) and the reduction of quasi money (QM) by KM 62.3 million (0.5%). Money (M1) increased due to the growth of cash outside banks by KM 128.8 million (2.4%) and the growth of transferable deposits in local currency by KM 374.3 million (3.1%). The increase in quasi money (QM) is the result of an increase in transferable deposits in foreign currency by KM 0.7 million (0.02%) and other deposits in local currency by KM 11.7 million (0.4%), while other deposits in foreign currency are being reduced by KM 74.7 million (1.0%).

At the annual level, in December 2021, there was an increase in the money supply (M2) by KM 3.26 billion (11.5%) compared to the same month last year. Growth was realized in cash outside banks by KM 489.7 million (9.7%), transferable deposits in local currency by KM 2.37 billion (23.7%), transferable deposits in foreign currency by KM 397.7 million (13.7%) and other deposits in local currency by KM 9.4 million (0.3%), while deposits in foreign currency by KM 12.6 million (0.2%) are being decreased at the same time.



The counter-item of money supply (M2) on a monthly basis in December 2021 totaling KM 440.8 million (1.4%) is a decrease in net foreign assets (NSA) by KM 62.6 million (0.3%) and growth of net domestic assets (NDA) by KM 503.4 million (4.2%). The increase in money supply (M2) at the annual level in the amount of KM 3.26 billion (11.5%) is the result of the growth of net foreign assets (NSA) by KM 3.1 billion (19.4%) and net domestic assets (NDA) by KM 155.1 million (1.3%).

## Monetary survey

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	XII 2021	X 2021	XI 2021	XII 2021	X 2021	XI 2021	XII 2021
<b>Assets</b>							
<b>1 Net foreign assets</b>	<b>19.114,7</b>	<b>439,7</b>	<b>185,2</b>	<b>-62,6</b>	<b>22,5</b>	<b>22,0</b>	<b>19,4</b>
1.1 Foreign assets	21.063,7	428,3	129,2	64,5	17,5	16,9	14,9
1.2 Foreign liabilities	-1.949,0	11,4	56,0	-127,2	-16,8	-19,1	-16,2
<b>2. Net domestic assets</b>	<b>12.390,2</b>	<b>-83,2</b>	<b>-126,3</b>	<b>503,4</b>	<b>-0,9</b>	<b>-1,6</b>	<b>1,3</b>
2.1. Claims on central government (net) cantons and municipalities	-211,2	-73,3	-46,9	92,1	-255,6	-336,4	-170,0
2.2 Claims on local sectors	19.985,3	46,0	52,3	20,6	3,1	3,4	3,8
2.3 Other items	-7.383,9	-55,8	-131,7	390,7	4,0	5,7	0,9
<b>Liabilities</b>							
<b>1 Money supply (M2)</b>	<b>31.505,0</b>	<b>356,5</b>	<b>58,9</b>	<b>440,8</b>	<b>12,2</b>	<b>11,8</b>	<b>11,5</b>
1.1 Money (M1)	17.916,6	261,2	57,6	503,1	19,2	18,6	19,0
1.2 Quasi money (QM)	13.588,3	95,3	1,3	-62,3	4,5	4,1	3,0

## Loans

In December 2021 total loans to domestic sectors amounted to KM 21.08 billion having increased by KM 20.2 million (0.1%) compared to the previous month. The increase of loans was recorded in the sector of private enterprises by KM 12.8 million (0.1%), government institutions by KM 4.3 million (0.4%) and other domestic sectors by KM 9.9 million (6.0%). The decrease in loans was recorded in the household sector by KM 5.4 million (0.1%) and public enterprises by KM 1.4 million (0.3%).

The annual growth rate of total loans in December 2021 amounted to (3.6%), nominally KM 727.9 million. Loans to households increased at the annual level by KM 541 million (5.5%), those to private companies by KM 186.1 million (2.2%), those to government institutions by KM 19 million (1.6%) and those to other domestic sectors by KM 6.8 million (4.0%). The decrease in annual growth of loans was registered with non-financial public enterprises by KM 24.9 million (4.7%).

### Sectorial structure of loans in BH

	Balance in mil. KM	Monthly changes in mil. KM			Annual growth rate in %		
	XII 2021	X 2021	XI 2021	XII 2021	X 2021	XI 2021	XII 2021
<b>Total</b>	<b>21.075,3</b>	<b>34,2</b>	<b>53,7</b>	<b>20,2</b>	<b>2,9</b>	<b>3,2</b>	<b>3,6</b>
Out of it:							
Households	10.435,8	55,0	35,0	-5,4	4,7	5,2	5,5
Private companies	8.774,6	4,1	0,0	12,8	1,6	1,6	2,2
Government institutions	1.180,2	-13,5	4,5	4,3	0,9	0,6	1,6
Public companies	510,8	-12,6	18,7	-1,4	-5,0	-2,0	-4,7
Loans to other domestic sectors	174,1	1,2	-4,4	9,9	1,4	5,0	4,0

### Foreign Exchange Reserves

At the end of December 2021, the foreign exchange reserves of the Central Bank of BiH amounted to KM 16.35 billion. Compared to the previous month, the foreign exchange reserves of the Central Bank of BiH increased by KM 227.2 million (1.4%), while at the annual level an increase of KM 2.48 billion (17.9%) was registered.